UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 90th CONGRESS
SECOND SESSION

VOLUME 114—PART 2

JANUARY 30, 1968, TO FEBRUARY 7, 1968
(PAGES 1343 TO 2602)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1968

United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 90th CONGRESS, SECOND SESSION

SENATE—*Tuesday, January 30, 1968*

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Almighty and ever-living God, as we bow in this quiet moment dedicated to the unseen and the eternal, make vivid our abiding faith, we beseech Thee, in those deep and holy foundations which our fathers laid, lest in foolish futility in this desperate and dangerous day we attempt to build on sand instead of rock.

So teach us to number our days that we may apply our hearts unto wisdom.

O merciful God, whose law is truth and whose statutes stand forever, we beseech Thee to grant unto us, who seek Thy face, the benediction which a sense of Thy presence lends to each new day. Unite our hearts and minds to bear the burdens that are laid upon us.

May we follow the gleam of the highest and best we know, as it leads o'er moor and fen and crag and torrent till the evening comes and the fever of life is over, and our work is done.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, January 29, 1968, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Jones, one of his secretaries, and he announced that on January 27, 1968, the President had approved and signed the act (S. 964) for the relief of Roberto Perdomo.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Subcommittee on Agricultural Production, Marketing, and Stabilization of the Committee on Agriculture and Forestry; the Subcommittee on Antitrust and Monopoly Legislation of the Committee on the Judiciary; and the Subcommittee on Patents, Trademarks, and Copyrights of the same committee be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ATTENDANCE OF SENATORS

The following additional Senators attended the session of the Senate today: Hon. ROBERT F. KENNEDY, and Hon. WALTER F. MONDALE.

AMENDMENT OF THE RAILROAD RETIREMENT ACT AND THE RAILROAD UNEMPLOYMENT INSURANCE ACT

Mr. PELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 936, H.R. 14563.

The PRESIDENT pro tempore. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 14563) to amend the Railroad Retirement Act of 1937 and the Railroad Unemployment Insurance Act to provide for increases in benefits and for other purposes.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. PELL. Mr. President, I move approval of H.R. 14563.

Mr. BYRD of West Virginia. Mr. President, I wish to express my support of this measure, and I join in the request of the distinguished Senator from Rhode Island in moving its approval.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 954), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PRINCIPAL PURPOSE OF THE BILL

Title I of the bill provides an increase in railroad retirement benefits for persons who will not receive an increase in either their railroad retirement or social security benefits as a result of the recent amendments to the Social Security Act. This increase, subject to certain offsets explained hereafter, will equal 110 percent of the increases the affected individuals would have received under the Social Security Act had that act been applicable to the railroad service involved rather than the Railroad Retirement Act. Many persons automatically receive increases in railroad retirement benefits when social security benefits increase, because their benefits are computed under the social security formula, which was increased by last year's amendments. These individuals are not affected by the bill. All other beneficiaries will receive increases of $10 or more, in the case of retired employees, or $5 or more in the case of wives, widows, parents, and children (before any reductions for early payment of benefits).

Title I also makes certain disabled widows and widowers eligible for benefits, makes certain additional family members eligible for benefits, provides an increase in the credit for future military service, and liberalizes the earnings test for persons eligible for disability annuities, under the Railroad Retirement Act. The cost of these benefits will be financed out of increases in the income of the railroad retirement fund arising out of the recent Social Security Act amendments and will not require a further increase in railroad retirement taxes.

Title II of the bill would increase by $2.50 per day benefits for unemployment and sickness, and would provide some restrictions on eligibility for those benefits.

The bill reflects the terms of an agreement entered into by representatives of railway labor and management and is supported by the administration.

BRIEF EXPLANATION OF THE BILL

Title I

There are two formulas for computing annuities under the Railroad Retirement Act, the social security minimum guarantee formula in section 3(e) of the act, and the regular formula. The vast majority of survivor annuities and some retirement and spouses' annuities are computed under the formula in section 3(e) which, in effect, provides for payment of 110 percent of the amount which would be payable under the Social Security Act if the railroad service had been social security employment; and many spouses' annuities would be larger except for a limit to 110 percent of the highest amount that could be paid to anyone as a wife's benefit under the Social Security Act. On the other hand, the vast majority of employee annuities and a significant proportion of aged widows' annuities are computed under the regular railroad retirement formula. The enactment of the 1967 Social Security Amendments will result in increases in the annuities of individuals described in the first sentence above, without the aid of this bill. With respect to the individuals described in the second sentence above, title I of the bill would increase their annuities by an amount approximately equivalent to 110 percent of the dollar amount resulting from the percentage increase in benefits provided by the Social Security Amendments of 1967 under the Social Security Act, subject to certain adjustments which are described below.

The increase in annuity amounts, described in the last sentence above, would relate only to the percentage increase in the amount of social security benefits over the amount payable under the 1965 amendments to the Social Security Act. The reason for this restriction is that higher social security benefits attributable solely to the higher limit on creditable earnings would come about from the increase in the social security earnings base by the Social Security Amendments of 1967 and from the maximum creditable monthly compensation under the Railroad Retirement Act which is automatically increased from $550 to $650 per month by the operation of existing provisions of the Railroad Retirement Act. This increase in the maximum creditable compensation of itself will produce higher annuity amounts for those employees who earn in excess of $550 a month. Further, the 7-percent increase in annuity amounts provided by the 1966 amendments to the Railroad Retirement Act (Public Law 89–699) which do not now apply to monthly compensation over $450 would be made to apply to such monthly compensation.

Where a railroad retirement annuitant is also being paid social security benefits, there would be an offset against the schedule increase in his annuity by the amount of the percentage increase in his social security benefits provided by the Social Security Amendments of 1967; however, before any reduction required for age, there would be an increase of at least $10 a month in employee annuities (and this increase would be in addition to the higher amount payable due to the raise in the compensation limit and to the application of the 7-percent increase in 1966 to compensation above $450), and of at least $5 a month in each spouse and survivor annuity; and these minimum increases would be without regard to the offset for entitlement to social security benefits.

The increases in annuities provided by the bill will be effective beginning with annuities accruing on February 1, 1968.

In the opinion of the Board's Chief Actuary the bulk of the costs of the amendments to the Railroad Retirement Act (75 percent) would be offset by the actuarial gains from the 1967 Social Security Amendments. Therefore, the enactment of this title of the bill would not cause a material change in the actuarial condition of the railroad retirement system; it would be nearly the same as it was before the enactment of the Social Security Amendments of 1967.

Title II

This title of the bill would eliminate maternity benefits, as such, but with respect to a female employee, a day of sickness would include a day on which, because of pregnancy, miscarriage, or the birth of a child (i) she is unable to work or (ii) working would be injurious to her health.

The amount of compensation to be earned in a base year as a basic qualification for benefits would be increased from $750 to $1,000.

The benefit rate schedule would be revised and the maximum daily benefit rate would be increased from $10.20 to $12.70 for days of unemployment and days of sickness.

Provision would be made for extended sickness benefits, similar to the extended unemployment benefits now available, and for accelerated sickness benefits through possible early beginning of a benefit year with a day of sickness, similar to the possible early beginning of an accelerated benefit year with a day of unemployment as now provided for.

Extended and accelerated sickness benefits would not be paid for days after attainment of age 65. In an accelerated benefit year begun by reason of sickness, attainment of age 65 prior to the beginning of the general benefit year which was accelerated would end all rights to further sickness benefits until the beginning of the general benefit year. This limitation would not deprive any employee of rights he now has to sickness benefits under the present law. It would also have no effect upon his rights to normal, extended, or accelerated unemployment benefits after attainment of age 65.

With respect to every employee who, upon application therefor, would have been entitled to a disability annuity under section 2 of the Railroad Retirement Act for a period which includes days for which extended or accelerated sickness benefits had been paid, there would be transferred from the railroad retirement account to the railroad unemployment insurance account at the close of each fiscal year the amount which would have been paid as such annuity if the employee had applied for it, up to that total amount of all sickness benefits paid him during that fiscal year for days for which the disability annuity could have accrued. Provision is made for interest on the amount transferred from the close of the fiscal year to the date of certification on the amount for transfer.

An additional disqualifying condition would be added, with the effect that an employee who has been paid a separation allowance would not receive any unemployment or sickness benefits for a period following his separation from service; the length of the period is determined by a formula taking into account the amount of his separation allowance, his last daily rate of pay, and his normal workweek.

The amendments proposed by this title of the bill to the Railroad Unemployment Insurance Act would not require an increase in the contribution base or the contribution rate.

Mr. JAVITS. Mr. President, the amendments to the Railroad Retirement Act now before the Senate are the product of a combined effort by railroad labor, railway management, and the Railroad Retirement Board, a Federal agency. This measure was approved by the House last Thursday by a record vote of 321 to 0 and was reported favorably in this body unanimously by the Committee on Labor and Public Welfare.

In addition to giving increases to some 653,000 individuals presently receiving railroad retirement benefits, the measure adds an additional 3,000 beneficiaries—disabled widows between the ages 50 and 60 not presently included in the law. This is indeed a constructive improvement in the statute.

The benefits extended by this measure will go into effect on February 1. This legislation rectifies a situation created when Congress recently enacted the amendments to the Social Security Act. While those amendments automatically increase compensation for some railroad retirement beneficiaries, others were not covered. This bill takes care of that situation.

I wish to pay particular tribute to the leaders of railway labor and to the representatives of railroad management as well as the members and staff of the Railroad Retirement Board who, working together, developed this legislation which meets a vital need in providing equitable treatment for retired railroaders and their families and which brings up to date our railroad retirement statutes. I should also like to commend the members of the Railroad Retirement Subcommittee—the Senator from Rhode Island [Mr. PELL], chairman; the Senator from Oregon [Mr. MORSE], and the Senator from Pennsylvania [Mr. CLARK], on the majority side; and the Senator from Colorado [Mr. DOMINICK] and the Senator from Michigan [Mr. GRIFFIN], on the minority side—for their efforts in bringing to the floor of the Senate this highly complex and well-balanced measure. Retired railroaders and the Nation owe these men their gratitude.

The PRESIDENT pro tempore. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, I move that S. 2839, Calendar No. 935, reported by the Committee on Labor and Public Welfare, which is an exact companion of H.R. 14563, be postponed indefinitely.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion was agreed to.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to consider executive business.

There being no objection, the Senate proceeded to the consideration of executive business.

DEPARTMENT OF DEFENSE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the nomination of Clark M. Clifford, of Maryland, to be Secretary of Defense.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The bill clerk read the nomination of Clark M. Clifford, of Maryland, to be Secretary of Defense.

Mr. MANSFIELD. Mr. President, I wish to commend the President for sending the nomination of Clark M. Clifford, of Maryland—formerly of Missouri and Kansas—to the Senate for confirmation and approval.

I am very happy that this man, with his widespread experience in Government, extending back to the days of President Truman, has been selected for this most arduous and difficult position. I would anticipate that this new civilian head of the defense agency will carry out his duties in a manner compatible with his responsibilities and in the best interests of this Nation.

Mr. DIRKSEN. Mr. President, there was a time—and it is well within my memory—when a respectable citizen would not want to be seen walking down

Main Street somewhere with John D. Rockefeller or J. Pierpont Morgan or some other tycoon who was reported to be worth millions of dollars. They had money, and so there had to be something sinister and something wrong with them.

It was about that stage of our history that if you made your mark or achieved status or position, you were owned by somebody. If you were from Texas, you were owned by the oil barons. If you were from New York, you were owned by the bankers. If you were from Pennsylvania, you were owned by steel or by the Pennsylvania Railroad. If you were from Delaware, doubtless you were owned by the Du Ponts.

It was the age when muckraking became a fine art. Sunday supplements and scandal magazines could send a reporter most anywhere and tell him to come back with a chunk of scandal about some prominent citizen. The technique is to give the person in question a generous pat on the back and then sink the knife in his ribs.

In this case, it happens to be Clark Clifford, who has been nominated to be the new Secretary of Defense. A recent column pointed out that he represented or did represent Standard Oil of California and the contracts they enjoyed with the United States. The column also pointed out that the El Paso Natural Gas Corp. and Radio Corp. of America were among his clients, and how many millions in contracts these companies enjoyed.

The same column placed some special emphasis on the fact that Clark Clifford had represented the Du Ponts and got their taxes reduced. What the column actually said was:

> He got the Du Pont family's taxes reduced when they faced the prospect of paying Uncle Sam $470 million in taxes after the court decreed that they had to sell their General Motors stock. This was done by an act of Congress.

Now, Mr. President, that is where my interest really begins in the Clifford case. It is time to keep the history books straight and to keep them free from innuendos that might be implied.

I know something about it, because I recall when District Judge Walter LaBuy tried the Du Pont case, in Chicago, and ordered that corporation to divest itself of its General Motors holdings. It was a highly involved and complicated matter, and it did require legislation by Congress. That legislation was handled by the Senate Finance Committee.

Interestingly enough, both of the distinguished Senators from Delaware—namely, Allan Freer and John Williams—were members of the Committee on Finance. There was a sharp difference of opinion that was not too favorable to the Du Pont Co., even though they were constituents. I know of no man, woman, or child in this country who ever doubted the integrity of Senator Williams, and frequently he has been referred to as "The Conscience of the Senate."

While this matter was pending, Crawford Greenwalt, who was the president of Du Pont, came to see me. Perhaps he saw other members of the committee, also. The thought occurred to me that if the Senate passed this bill, it would go to the President for approval or disapproval.

Frankly, I disliked the idea of the President having to pass on this matter without being fully advised of what was involved.

Accordingly, I arranged a meeting with the President. At that meeting was the President, Mr. Greenwalt, Senator Freer, of Delaware, myself, and Bryce Harlow, deputy assistant to the President for congressional affairs. The meeting lasted for 90 minutes. Afterward Mr. Harlow said to me that it was the first time he ever sat in on a 1½-hour conference and did not quite know what it was all about. It was technical, to say the least, and I could well understand.

But when this whole matter was finally concluded and the legislation enacted which was necessary in order to conclude this divestiture by the court, the position taken by Senator Williams and the chairman of the committee, the late Senator Harry Byrd, prevailed, and what it actually amounted to was that the U.S. Government collected $500 million more than they would otherwise have received in taxes, notwithstanding the fact that Clark Clifford was, according to this column, the attorney in the case. They paid $500 million more in taxes than otherwise would have been the case.

Clark Clifford was a practicing attorney. What would any lawyer do if substantial clients came to retain his services. When they hired him, he owed them his loyalty, his talent, his skill, and his diligence in representing their problems. He would have been stupid to have turned this business away.

Anyone who knows Clark Clifford knows that when he takes the oath as Secretary of Defense he will serve his Government with the same fidelity and integrity as he would a private client. I am certain that he would bend over backward to make certain that none of his earlier connections would in any way influence his judgment or develop a bias in behalf of a former client. Those relationships, if not already severed, certainly will be.

Clark Clifford is a patriot who will place his country first and who merits the trust and confidence of the citizens of this country.

PRESS ACCLAIMS PRESIDENT'S SELECTION OF CLARK CLIFFORD

Mr. STENNIS. Mr. President, President Johnson's nomination of Clark Clifford as Secretary of Defense has been widely acclaimed by our Nation's newspapers, and well it should.

Clark Clifford brings to this demanding position the qualities of greatness needed in these trying times—a keen mind, a cool head, and a wide experience in national and in international affairs.

His record of service to the Nation over the last 20 years is unparalleled. He has served as special counselor to President Truman, a member of the top-level Committee on the Defense Establishment, and Chairman of the President's Foreign Intelligence Advisory Board.

As a personal adviser and trusted emissary for three Democratic Presidents he has distinguished himself as a trusted and brilliant public servant.

The position he will assume is one of the most crucial and demanding in Government, with responsibilities only a strong man can undertake. I have expressed it this way: I think it is the second most demanding and the second most difficult assignment in the world, being second only to the Presidency of the United States.

Mr. President, Clark Clifford is superbly suited for this challenge. I make these remarks as statements of fact and without any obligation or sense of obligation of any kind, present or future, to the nominee.

The hearings held on his nomination by the Committee on Armed Services were revealing and quite rewarding. The vote to recommend the Senate's approval of the nomination was unanimous. I am sure that the Senate will speedily approve his nomination.

Mr. President, I ask unanimous consent to have printed in the Record a sampling of editorial comments on President Johnson's selection of Clark Clifford as Secretary of Defense.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Kansas City Times, Jan. 20, 1968]

Defense Chief Nominee Is Astute

(By John R. Cauley)

Washington.—Clark Clifford, appointed by President Johnson yesterday as the new Secretary of Defense, is a native of Fort Scott, Kans., who began his career in the government as special counsel to President Truman in 1946.

The Clifford family moved to St. Louis when Clark was a boy and there he attended public schools and was graduated from the law school of Washington university in 1928. He practiced law in St. Louis with the firm of J. M. Lashly.

PRESIDENT MOVES SWIFTLY

The appointment of Clifford came with dramatic suddenness yesterday afternoon when President Johnson summoned reporters into his office. Later Clifford met with reporters in the White House.

A tall, handsome, brilliant and articulate lawyer, Clifford has been referred to during the last two administrations as one of the "inside outsiders" because of his closeness to both the late President Kennedy and President Johnson and the wide variety of missions which had been entrusted to him.

Senator Symington (D-Mo.), who is perhaps Clifford's closest friend in Washington, said last night that the appointment is "a top notch and excellent one."

Asked what qualities Clifford would bring to the burdensome job as Secretary of Defense, Symington said, "Clark has character and thoroughness. He is also an extraordinarily good listener, but after he listens he has his own ideas.

"I would say that his outstanding attribute is his sound judgment."

WRY HUMOR IN ANSWERS

Impeccably attired in a light gray double breasted suit, black and white striped tie and a pin-striped tab collar shirt, Clifford answered questions from reporters in a serious vein interspersed with an occasional slant of wry humor.

Clifford said the first time the job was mentioned to him was when he was talking one day to President Johnson shortly after the resignation of Secretary McNamara was announced. He said he assumed the President was making a jocular remark when he told Clifford that he had seen his name in the papers as a possible successor and assumed he was a candidate.

"I told him in all seriousness that I was not a candidate," Clifford said. "And I thought he might be giving me the sly needle. Then I talked with him several times later. I had been an adviser to him for four years and I thought my usefulness would serve him better in that capacity."

In the past, Clifford continued, that argument had been effective when it was suggested in one way or another that he take a cabinet post or some other high job in the government "but this time it was a complete flop."

Clifford said Mr. Johnson called him yesterday morning and explained that he was considering some defense problems and the President told him "it was a matter in which I might be interested."

DECLINES POLICY MATTERS

Clifford declined to answer what he called questions of policy and substance, saying that these would be matters on which he would be questioned at Senate hearings on his confirmation.

He said that he had "no illusions" about the job and that "I know the difficulty and impossibility of trying to satisfy everybody."

Back in World War II, Clifford volunteered for the U.S. Naval Reserve and was commissioned a lieutenant, junior grade. Later, he became naval aide to President Franklin D. Roosevelt. He left the Navy in 1946 as a captain.

Many observers here doubt that Clifford can set the grueling pace of Secretary McNamara with his 18-hour days. This prompted a question from a reporter about his health.

RECOVERS FROM HEPATITIS

Clifford explained that two years ago when he was in Vietnam, "I contacted virulent hepatitis. It is about over now. I do note a slight diminution in my endurance but that is getting better, too."

As one of the leaders in the presidential nomination campaign for Senator Symington in 1960, Clifford was asked about his role as a campaign strategist.

"This is about as nonpolitical appointment as the President could make," he said with a smile.

[From the Boston Herald Traveler, Jan. 22, 1968]

THE APPOINTMENT OF CLIFFORD

Much of the reaction to Clark Clifford's appointment as Secretary of Defense has been politically oriented—will the appointment strengthen President Johnson's relations with Congress and with people in this presidential election year?—and war-oriented, with most people assuming that Clifford agrees fully with Mr. Johnson's policy on Vietnam. It is hardly likely, of course, that the President would name anyone who disagreed markedly with him.

It is interesting to note, however, that Sen. J. W. Fulbright, a stern critic of the administration, has found kind words to say about Clifford, and that Sen. George Aiken of Vermont, another dissenter from Mr. Johnson's war policy, is withholding judgment until he learns more of Clifford's view on Vietnam.

It must not be overlooked that the job of Secretary of Defense involves more than politics and Vietnam, and that Clifford is a man of considerable talent and experience. An able lawyer, he is familiar with the workings of government—he helped draw plans for the unification of the armed forces in 1945—and has been successful in carrying out important assignments for three such diverse personalities as Presidents Truman, Kennedy and Johnson. Clifford clearly is not simply a Johnson man.

Whatever Clifford's own views, it is Mr. Johnson who must answer for our Vietnam policy. As far as politics is concerned, voters will judge the President, not the Secretary of Defense, next fall. Important as Vietnam and 1968 presidential politics are, there is another yardstick by which Clifford will be judged. First, will he be able to control and run efficiently the vast and sprawling U.S. defense establishment? Few have done it as well as his predecessor, Robert S. McNamara. Second, and more important, will he be able to preserve and reaffirm—as McNamara did—the principle of civilian supremacy over the military? Clifford will follow a tough act to equal. And how he will perform cannot be answered by any amount of politically-oriented speculation or examination by the Senate before the confirmation that seems sure to come.

[From the Christian Science Monitor, Jan. 23, 1968]

CLIFFORD FACES BUDGETING TASK

(By George W. Ashworth)

WASHINGTON.—Clark Clifford will have no easy task holding the financial line during his first year as the nation's new Secretary of Defense.

The administration will propose to Congress the highest defense budget since World War II. But it will be a very tight, carefully projected budget. If the performance of the past several years is an indication, the Pentagon will not be able to live within it.

At the crux of the Defense Department's difficulties is the Vietnam war. If, fortuitously, the war should be brought to a conclusion or if there were a prolonged truce for negotiations, costs would decline sufficiently for the Pentagon's money watchers to relax a bit.

If, on the other hand, hopes for negotiations prove illusory, the war can be expected to go on consuming men, materiel, and money at a rapid clip.

Many observers believe the heaviest fighting of the war may be ahead. The administration plans for the American strength in Vietnam to hit a peak of around 525,000 early in the fiscal year beginning July 1. Present strength is still under 490,000, and it is expected to climb only to 517,000 or 518,000 by the end of the fiscal year.

FIGHTING TEMPO INCREASES

Defense officials estimate that the war in Vietnam will cost $25.7 billions in fiscal 1969. Current beliefs are that $24.5 billion will be spent on the war during the current year.

Significantly, that sum is $2.6 billion above the administration's predictions when the current budget was prepared. The error of more than 10 percent has been largely blamed upon increased war tempo and the build-up.

Those items have indeed been expensive. The additional troop strength, granted at Gen. William C. Westmoreland's urgent request, has cost an estimated $1 billion more this year. The increased tempo of ground operations and the air war has added much of the rest. Defense officials point out, for instance, that bombing sorties are very expensive. At a dollar a pound, bombs become a financial problem as well as a political issue.

The current year's experience with the costs of Vietnam, however, demonstrates conclusively that the administration prepared a budget allowing for few contingencies. A top troop strength of 470,000, later fudged to 480,000, was envisioned. The Vietnam budget was, drawn up in such a fashion that it was immediately exceeded once that total was surpassed.

Defense officials say that the over-all defense spending for the current year will be approximately $74.4 billion. This is about one-half billion dollars above the budget.

Next year, defense expenditures are calculated at about $2.9 billions more than for this year. According to defense officials, $1.7 billions of the total increase will be caused by price increases. The war is to add another $725 million to the over-all total.

LEVELING OFF FORECAST

The current expectation is that the troop involvement in Vietnam and the amount of support necessary will level off during fiscal 1969. That, however, also was anticipated earlier for fiscal 1968.

While defense officials are willing to predict a leveling of men and materiel, they are chary of extending that prediction to cover the level of operations.

To make do during the current fiscal year without going to Congress for a budget supplement, the Pentagon has made drastic cuts in hundreds of categories. Unforeseen cost increases this fiscal year are expected to reach $6 billion. Rather than seek a supplemental, the Pentagon has slashed $4.3 billion on its own authority and plans to seek authority from Congress for another $1.7 billion in transfers.

Just what all of this budget paring has meant and will mean will not be known until the hearings before Congress. It is certain that much of the shifting has been from procurement budgets into operation and maintenance.

Defense officials have made known some particulars, such as that the Minuteman III missile program has been delayed 10 to 11 months. Budgeting aside, defense officials say that this will mean the Minuteman III will be more reliable when it joins the nation's strategic arsenal.

Secretary of Defense Robert S. McNamara has stalled Navy plans to build five destroyer escorts in order to save money and to see whether a new type of vessel under development might not be more suitable.

OTHER CUTBACKS NOTED

All of the cuts haven't been major, however. As part of the program, Mr. McNamara directed Pentagon officers to check their newspaper subscription lists to see if they could be pared without loss.

The cost cutting has had some happy results as by-products. Thousands of men in the Navy's Atlantic fleet had more leisurely Christmas holidays when much of the fleet was ordered into port for an extended time to save money.

Defense officials are planning now for a total draft call in calendar 1968 of 302,000 men, up 72,000 over 1967 and down 81,000 from 1966 level. Because the training establishment is expected to shrink slightly, the nation's total military strength is expected to decline slightly by the end of fiscal 1969.

But fiscal 1969 will not be an easy year financially. Chances are that the Vietnam war budget will be difficult to keep down. And current widespread cost cutting could cause problems next year.

[From the Los Angeles Times, Jan. 23, 1968]

A NEW MAN FOR DEFENSE CHIEF

Clark Clifford, designated by President Johnson to succeed Robert McNamara as secretary of defense, is by general agreement in Washington and elsewhere a man of considerable ability, experience and political acumen. His confirmation by the Senate is expected to be rapid and, in view of the praise senators have already given him, probably enthusiastic.

By profession Clifford is a lawyer. His nomination for the defense job is a rare break with practice, extending from James Forrestal in 1947 to Robert McNamara, which has seen defense secretaries drawn from the ranks of business executives, Gen. George C. Marshall, President Truman's defense chief in 1950, and, earlier, Louis Johnson, a corporation lawyer, were the other exceptions since the department was constituted 21 years ago.

Clifford is no stranger to government, though he has served most frequently in little-publicized assignments.

He played a key role, beginning in 1945, in the unification of the armed forces. He has been an adviser to the last three Democratic Presidents, not only on military matters but in the areas of intelligence operations and as a political strategist. He is credited with playing a key role in the political strategy which won Mr. Truman election in 1948.

The most important task facing the secretary-designate, as The Times has noted before, will be continuing the basic and vital reforms instituted by Secretary McNamara.

In his seven years in a most difficult job, McNamara brought order to what had often been a chaotic situation. He presided over the basic shift from a defense posture of "massive retaliation" to one of "flexible response." And he asserted, we hope permanently, real civilian control over the military.

The big question is, of course, whether Clifford's tenure in the Defense Department will bring any major changes in the Vietnam war.

The obvious answer is that it's too early to tell. It would appear, however, that Clifford's views are not far different from those of McNamara, though Clifford is known to have opposed the 37-day bombing pause in 1966, a decision which it now seems clear was correct. The President, in any event, remains the prime decision maker, though the defense secretary can be influential, particularly—as McNamara has shown—in countering the often very hard line of the military.

An immense task faces Clark Clifford now, and the nation should wish him well in his endeavors.

[From the Baltimore News American, Jan. 23, 1968]

McNamara's Successor

It would be difficult to imagine a man more qualified than Clark M. Clifford to succeed Robert S. McNamara as Secretary of Defense. Both President Johnson and the nation are fortunate a man of such calibre and experience has agreed to accept designation for one of the three toughest jobs in Washington.

In a sense, Mr. Clifford is a predecessor of Mr. McNamara as well as his successor. It was he who drafted the act calling for unification of the armed services and establishing the office of Secretary of Defense in 1947 under President Truman. Thus the effective overhaul of the military establishment achieved by Mr. McNamara represents a goal first envisioned by the secretary-designate and his fellow planners a generation ago.

This was typical of the effective visionary astuteness provided by Mr. Clifford for more than 20 years either as an aide or consultant to Democratic presidents—all his close personal friends. In this role of key strategy advisor, the wealthy attorney has become one of the nation's most respected experts not only on military matters but in foreign affairs, economics, intelligence operations and political tactics.

Clark Clifford's unmatched experience, his proven know-how, and above all his exceptional tact in solving delicate problems in the mazes of official Washington meet the tremendous demands of his impending assignment. Yet his chief asset is something else. Unlike his brilliant but sometimes wavering predecessor, he is as firm a supporter of Mr. Johnson's Vietnam policies as is Secretary of State Dean Rusk. Once again the nation's three top leaders will be working in the kind of total cooperation and understanding vital for bringing the war to its earliest possible conclusion.

[From the Evening Star, Jan. 22, 1968]

The Pentagon's New Boss

At first blush, it is a bit startling to have the President select a man with virtually no administrative background to take over what is generally thought of as one of the toughest administrative jobs in the world.

But this will not be such a serious handicap when Clark Clifford settles himself in Robert McNamara's chair at the Pentagon. For McNamara has seen to it that the mechanism to administer the Defense Department is established and in good working order. And the bright young men are there to operate the mechanism. The new secretary will be able to leave the administrative details to them while he is learning the ropes, which will take a bit of doing and a lot of time.

What Clifford will not be able to delegate to his subordinates is the authority, and the toughness, to rebuff the pressures that can be brought to bear by the admirals and the generals. This is the secretary's job, and Clifford will have to take it on. If he doesn't do this, if he is not able to say no when he should say no, and make it stick, then he will soon find himself in deep trouble. He will lose key people and the concept of civilian control, so painstakingly and firmly developed by McNamara, will soon be a thing of the past.

On the plus side is the prospect of a greatly improved relationship with Congress, and especially with the Senate Armed Services Committee. Secretary McNamara had hit rock bottom in this respect. Furthermore, the congressional dislike and distrust of McNamara had rubbed off to some extent on the relationship between some of the senators and the President.

There is every indication that Clifford, at least at the outset, will not suffer from this handicap. Judging from the expressions which have been forthcoming, he is on good terms with everybody on each side of the congressional aisle. If he can keep it this way, and in his private activities he certainly has demonstrated that he knows his way around Washington, he will have a lot going for him in his new post.

One big unknown quantity is whether the choice of Clifford indicates that the pace of the war in Vietnam will be stepped up. This, of course, is something that will be decided by the President. But there is ample reason to think that Clifford would be more sympathetic than McNamara to a harder military approach.

Furthermore, as a newcomer to the Pentagon scene, Clifford could advocate a more aggressive policy with greater freedom than could any of the old hands in the Defense Department who subscribed to the McNamara points of view. They are stuck with their past positions. This, of course, is something that could cut the other way. Clifford, free of any public commitment to old policies, could without embarrassment also advocate restraint if that were his inclination.

However all of this may turn out, we wish the new secretary the best of luck when he takes office. Our hunch is that he will need it before he calls it a day.

[From the St. Petersburg Times, Jan. 20, 1968]

The New Defense Secretary

President Johnson's selection of Clark Clifford to be the new secretary of defense had not been widely forecast; yet it should come as no real surprise.

Clifford not only is one of the President's closest friends, confidants, and advisers, as he was to Presidents Kennedy and Truman, he is also one of the most knowledgeable men in Washington in the inner workings of government at all levels.

His diplomacy, his ability to work with the members of Congress, and an innate toughness that has kept him at or near the top of the political jungle in Washington for two decades make him quite possibly the best choice that could have been made to follow Robert McNamara in the nation's toughest job next to the presidency itself.

Clifford has not held a full-time government job since he served as special counsel to President Truman from 1946 to 1950. But while practicing law in Washington since, he has remained close to the sources of political power—particularly in the Senate during the Eisenhower years, when Lyndon Johnson was majority leader.

President Kennedy, after his election in 1960, called on Clifford to represent him with the Eisenhower Administration in the transfer of power.

He has served President Johnson not only as a personal adviser, but in such public ways as chairman of the President's Foreign Intelligence Advisory Board and emissary, with Gen. Maxwell Taylor, on a visit to our Far East Vietnam allies last year.

Clifford will embark on his new assignment with the full confidence of the President and with many friends and few enemies in Congress.

These are impressive assets, which will serve him well in maintaining the civilian control that McNamara has succeeded in establishing over the vast military establishment in the Pentagon.

The country will wish him well.

[From the Washington (D.C.) Evening Star, Jan. 22, 1968]

Clifford To Give Military Their Day

(By David Lawrence)

President Johnson, in appointing Clark Clifford to be secretary of defense, didn't pick a specialist in military matters but a man with a certain type of mind capable of serving as a top counsellor in the Cabinet—someone he has known a long time, too.

Actually, the termination of Robert McNamara's duty as secretary of defense and the selection of Clifford in his place is far more significant than a mere change in personalities. There was, of course, much said originally in favor of the choice of McNamara as secretary of defense. He had been a top executive in the Ford Motor Co. He was expected to give the huge department of the armed services the benefit of his talent—efficiency in organization. He was accustomed to handling large sums and determining the best way to get the most for the money—on a business basis.

But this is not always feasible in government. For in the Department of Defense, while the handling of large business contracts is an important part of the job, how can a secretary measure efficiency in evaluating the purpose of weapons or strategy when lives are at stake? Many a general or admiral might prefer to spend millions of dollars in preparedness that might seem to others to be wasteful. For if there is a chance to cut down the potential list of casualties in a given operation or piece of strategy, this is considered more important for the future than economizing.

Clifford is a good lawyer. He understands the art of reconciling differences of opinion and making compromises, as happened in out-of-court settlements which are frequently as difficult to handle as cases in court. Clifford is not the sort of official who will regard admirals or generals as mere champions of an unpopular philosophy. He will reflect their viewpoint to the President and express a layman's judgment as to what should be done, but Johnson will have to assess for himself the consequences of his decision.

Where Mr. McNamara made his error was in assuming, as too many people mistakenly do nowadays, that military men are obsessed with certain prejudices in favor of more and more battle and the escalation of a war such as is going on in Vietnam. When given orders to repel aggression or to operate effectively along with an allied force in fighting the enemy, the problem is not one of politics or penny-saving but of effectuating the military strategy most likely to attain the desired objective.

Again and again military men have come up with big budgets deemed necessary for national defense. These have often been regarded as too large. But back of the recommendations has always basically been the military concept of how to protect national security. The biggest cut which a defense budget ever experienced, for example, was one year before the Korean War broke out. It caught the United States unprepared, though the warnings were plain as the Communists had taken over the mainland of China two years earlier.

Civilians, to be sure, make the final decisions, but Johnson now will have at his side a Cabinet secretary who will give the military chiefs every opportunity to present their case. This in turn will be analyzed and put into perspective for the President.

Clifford will be of great help to Johnson in maintaining the proper relationship of the Joint Chiefs to the President of the United States. They have in recent years been brought to the White House only if the President asked to see them or if one of their number ventured to take the initiative in requesting an audience. This is an embarrassing step to take with a strong-minded secretary of defense ready to assume someone is going over his head. During World War II the service chiefs were at the White House nearly every day, and a top military man stayed there all the time as a liaison officer.

For the business of saving human lives is a responsibility which the commander-in-chief himself must recognize as requiring above all else that he keep a first-hand contact with the military chiefs. After all, they have spent a lifetime studying tactics and strategy and the best way to operate in wartime.

Mr. BREWSTER. Mr. President, in nominating Clark Clifford to be the Secretary of Defense, the President has chosen a most distinguished and able man.

It was my honor and pleasure, as a fellow Marylander and on behalf of the Armed Services Committee, to report the committee's approval of his nomination to the Senate.

Mr. Clifford is eminently well qualified for the position of Secretary of Defense.

His service in the U.S. Navy gave him the experience of military life that will be so important in his new position.

In the private practice of law, Mr. Clifford has displayed extraordinary capabilities and intelligence in dealing with the legal problems of Government and private enterprise.

Perhaps most important among Mr. Clifford's qualifications is the trust that has been placed in him for so many years by the leaders of our Government.

Presidents Truman, Kennedy, and Johnson called upon his services in capacities that required a man of wisdom, judgment, and talent such as only he possesses. His assignments have covered a broad range of challenging national and international problems.

Mr. Clifford will be confronted with some of the gravest problems of our times when he takes office. But his credentials are impeccable.

It is my great pleasure to support his nomination.

The PRESIDING OFFICER (Mr. ELLENDER in the chair.) Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified immediately of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER laid before the Senate a message from the President of the United States submitting the nomination of Frederick E. Batrus, of Maryland, to be an Assistant Postmaster General, which was referred to the Committee on Post Office and Civil Service.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

DEATH OF CARL A. LOEFFLER, FORMER SECRETARY OF THE SENATE

Mr. DIRKSEN. Mr. President, Mr. Carl A. Loeffler, who was elected the 16th Secretary of the Senate on January 4, 1947, and served in that capacity during the 80th Congress, died this morning at the age of 95.

Carl Loeffler first began service in the Senate in 1889 as a page boy, at the age of 15, and received his appointment from the late Senator Matthew S. Quay, of Pennsylvania.

Since 1910, Carl Loeffler held various elected positions under the Republicans of the Senate, serving as secretary of the majority or secretary of the minority as the political ratio of the Senate changed.

During his 59 years of service in the Senate, Mr. Loeffler served as secretary to the Republican Conference, the Steering Committee, and the Committee on Committees. He rendered faithful and efficient service to the Senate as well as to the Republican Party.

He was born on January 12, 1873, in Lock Haven, Pa., and always spoke of his native State of Pennsylvania, where as a boy he spent much time at Lock Haven.

When the Republicans lost control of the Senate in 1950, Mr. Loeffler chose retirement, and for the past several years had lived at the Westwood Retirement Home, in nearby Maryland.

In 1901 he married Miss Minnie Schneider, of Washington, and our sympathy is extended to her and to their two daughters who survive him.

I ask unanimous consent that several articles written about Mr. Loeffler be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

GOP AIDE OF SENATE TO QUIT; SERVED UPPER HOUSE 59 YEARS—CARL LOEFFLER'S FATHER HAD WHITE HOUSE JOB

The Democratic victory last Tuesday means the retirement of Carl A. Loeffler as secretary of the Senate, ending a unique continuous family service at the White House and Senate extending over almost a century.

Spry, trim Loeffler, whose appearance belies his 75 years, went to work in the Senate in 1889 as a page boy at the age of 15 and he has served there since. His father, Maj. Charles D. A. Loeffler, an orphan immigrant from Germany, was detailed by the Army as White House doorkeeper to every President from Ulysses S. Grant to Theodore Roosevelt, inclusive. Before that he fought in the Civil and Indian wars.

Carl Loeffler is a Republican and was elected secretary of the Senate when the Republicans took control two years ago. He feels it is time to step out rather than down as he returns the office to Leslie Biffle, the previous Democratic secretary of the Senate who is slated to be elected again to that post.

Loeffler was appointed a page by the late Sen. Quay (R) of Pennsylvania. Since 1910 he has held various elective posts of the Senate Republicans. His 59-year service entitles him to a comfortable pension.

OLD GUARD OF THE OLD GUARD

(By William S. White)

WASHINGTON.—In his neat, gray, affably punctilious person, Carl A. Loeffler illustrates some of the changes that have come over Congress since the "old days"—a year ago—of Democratic control.

Mr. Loeffler is the Secretary of the Senate, a body in which he has played a faithful, though minor, part ever since he came here in old-fashioned black knee breeches fifty-eight years ago to be a page. He is as Republican as the memory of William McKinley, or, put another way, as Republican as the man who sent him here as a page, the celebrated Pennsylvania boss of a generation long gone, Matthew Stanley Quay.

His predecessor as secretary of the Senate, Leslie Biffle, was a "secretary" in only the most technical sense; a secretary who knew in fact as much of Democratic plans and high policy as any man in Washington, not excluding his great friend, President Truman.

Mr. Loeffler's position, on the other hand, is quite definitely that of an employe, albeit a very senior and valued one, who has in his charge some seventy other employes who look after Senate paper work, keep the bills and resolutions upon the proper ancient paths, and the like.

His office has charge of the enrolled bills; delegates messengers to the House to make the usual announcements about Senate work when bills are passing back and forth between the two bodies; helps arrange ceremonial functions involving the Senate; sends completed bills to the President, and acts as a sort of official receptionist to distinguished Senate visitors.

Mr. Loeffler is, in fact, the very picture of the experienced, able, career, Government worker, solemn, conscientious, careful not to go beyond the sphere of his office. Almost certainly, no one alive knows quite so much as he about the operations of the Senate.

Fifty-eight years of Congressional rhetoric have beaten about his unresisting ears and his own speech unconsciously has more than a touch of the Congressional manner of speaking. "Let's project this," he will say, for example, "to see if we can envision the situation." Or, again, he will send a "tactfully admonitory letter, seeking a sane and sound solution," to an employee who has made a mistake.

These employes do not merely like Mr. Loeffler, they have an extraordinary devotion to this unassuming, essentially anonymous man, who can tell some great stories and speaks of Dewey's storming into Manila Bay as though it happened yesterday.

Like many men in or long associated with politics, his sense of history is one of his dominant characteristics. He has one of the world's great collections of autographs, begun by his late father, Major Charles D. A. Loeffler, USA, when the major was head doorkeeper at the White House in the days of President Grant.

These autographs run to names of the great in government and in war—General Grant's is prominent among them—and are from every point of view as remote as possible from the signatures gathered by the young movie fans of the present.

The conventionality, the sound responsibility of Mr. Loeffler's professional career is repeated in his private life. Born on Jan. 12, 1873, in Lock Haven, Pa., he was married in 1901 here to a Washington girl, Miss Minnie Schneider. He himself was graduated from the Spencarian Business College (a name redolent of the Nineties) and from Columbia University.

An official biography indicates his slow rise in the Senate, with the ebbs and flows of Republican power. It reads:

"Acting assistant doorkeeper of the Senate, March 13, 1913; assistant doorkeeper of the Senate, March 7, 1921–Dec. 15, 1927; assistant sergeant-at-arms of the Senate, Dec. 15, 1927; secretary for the majority of the Senate, June 18, 1929; secretary for the minority of the Senate [the transition here was sharp], March 9, 1933; secretary for the minority of the Senate (re-election), Jan. 14, 1943."

"He served as secretary to the Republican Committee on Committees," so the record runs, "and the Republican Steering Committee, and as clerk to the Republican conference. [He also] compiled the Senate documents on yea and nay votes on the Fordney-McCumber Tariff Act and the Smoot-Hawley Tariff Act."

REPORT ON U.S. AERONAUTICS AND SPACE ACTIVITIES—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 246)

The PRESIDING OFFICER (Mr. ELLENDER in the chair) laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Aeronautical and Space Sciences:

To the Congress of the United States:

This report details a year—and climaxes a decade—of American progress in space.

On January 31, 1958, a 31-pound Explorer I was fired from a Jupiter C rocket with 150,000 pounds of thrust. Ten years later, on November 9, 1967, a 280,000-pound Apollo payload was launched into orbit by a Saturn V rocket with 7.5 million pounds of thrust.

In the time spanning those two events, the United States has placed 514 spacecrafts in earth orbit. Twenty-eight others have been sent on flights to the moon or distant planets.

The technology amassed through those expeditions has justified this nation's commitment to conquer the challenge of space. It has encouraged us to lift our eyes beyond our initial goals and plan for the decade ahead.

The fruits of that technology have not been limited to space exploration alone. The knowledge built through our space program has benefited our earthbound lives. It has:

Revolutionized our communications throughout the world;

Given us better weather information and more accurate navigational and geographic data;

Brought improved medical instruments and techniques, advanced education, and added to our store of scientific knowledge;

Spurred the development of more sophisticated aircraft and improved flight safety;

Strengthened both the security of this nation and our leadership in the search for a peaceful and secure world.

We can look with confidence to an expansion of these benefits as our space program moves into its second decade.

Our accomplishments thus far point to the path of progress ahead: fuller observations of the earth, increasingly productive manned flights, and planetary exploration.

The year 1967 itself began with a major tragedy. Three of our gallant astronauts died in a fire while testing the Apollo capsule on the launching pad. Even as we saluted these men for the contributions they had made, we moved to improve the spacecraft as well as the safety procedures surrounding its use.

But though the year was shadowed by that disaster, its accomplishments significantly advanced our progress. The Saturn-Apollo flight in November was the greatest launch triumph to date. As the result of our success in photographing lunar landing sites, we have for the first time a complete mapping of the moon.

It is most heartening to me that our space program moved forward in a spirit of international cooperation, giving new hope that the conquest of space can contribute to the establishment of peace. Eighty-four nations participated in cooperative space activities with us. The Outer Space Treaty went into effect, after Senate approval. The United Nations unanimously recommended a procedure for the emergency rescue and return of astronauts and space equipment. I shall shortly be sending that treaty to the Senate.

It is with pleasure that I transmit this record of achievement to the Members of Congress, whose judgment and support have been essential to our aerospace progress.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 30, 1968.*

VETERANS' BENEFITS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 245)

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

TO CARE FOR HIM

Looking beyond the tragedy of war, Abraham Lincoln saw a nation's obligation "to care for him who shall have borne the battle and for his widow and his orphan."

His words are enshrined in the spirit of this country's concern for its veterans and servicemen.

America holds some of its greatest honors for the men who have stood in its defense, and kept alive its freedoms.

It shows its gratitude not only in memorials which grace city parks and courthouse squares across the land—but more meaningfully in the programs which "care for him and for his widow and his orphan."

OUR ACCOMPLISHMENTS SO FAR

As the result of legislation over the past several years, today's veteran can continue his education through a new GI Bill of Rights, which right now is helping 400,000 men and women.

He can buy a home with a Veterans Administration-insured mortgage. Over 200,000 veterans have purchased houses because of this provision.

If he receives a pension, his increased payments now can afford him a better standard of living.

If he is disabled, or needs special medical care, he is eligible for the same benefits his fellowmen of earlier conflicts received.

FISCAL YEAR 1969 VETERANS BUDGET

In the Fiscal 1969 Budget, we will have budget outlays of $7.3 billion to provide services for America's 26 million veterans and their families, who make up 46 percent of the nation's population.

With these funds, we can continue the programs already in existence, and begin the new ones I will outline in this Message.

BASIC BENEFITS

Two programs to extend the basic benefits to America's veterans and servicemen are left on the unfinished agenda of the 90th Congress.

In my 1967 Message on America's Servicemen and Veterans, I proposed measures to:

Increase Serviceman's Group Life Insurance from a maximum of $10,000 to a minimum of $12,000—with higher amounts scaled to the pay of the serviceman, up to a maximum of $30,000.

Protect the veteran against disproportionate pension losses that could result from increases in other income such as Social Security.

I once again—once more—urge the Congress to enact these proposals.

Now, to continue and bring up-to-date our efforts to help the veteran and his family, I recommend two new legislative proposals.

First, I ask the Congress to increase the maximum guarantee on GI home loans from $7,500 to $10,000.

Home mortgage guarantees under the GI Bill normally cover about 35 percent of the value of a loan.

For eighteen years, that guarantee has remained at $7,500—adequate in

1950, but no longer so in today's housing market.

The increase I am recommending will help the veteran to purchase a decent home and get the financing protection which the law promises him.

Since World War II, with encouragement of the Government and supported by GI Bill guarantees, some $68 billion have been loaned by the private sector to home-buying veterans.

This suggests the beneficial impact the program has had on our economy.

But its meaning reaches deeper into the traditional values of American life. Almost 7 million veterans—many of them of modest means and some without even the money for a down payment—have experienced the satisfaction of home ownership through this program.

Second, I propose that the benefits of Vocational Rehabilitation be extended to service-disabled veterans being trained on a part-time as well as full-time basis.

Presently, a disabled veteran can take Vocational Rehabilitation and receive a training allowance only if he trains full-time. This restriction may present him with a hard choice: either leave his job for training, or forego the training itself.

Clearly, that choice is unfair.

The disabled veteran should be able to keep his job while he prepares for a better one through vocational training, drawing the allowance it provides.

THE QUALITY OF ADMINISTRATION

The purpose of our veterans program is to serve those who have served us.

That purpose can be blunted unless the quality of program administration keeps pace with the growth of our veteran population. Last year, almost three quarters of a million servicemen and women returned to civilian life. This year, that number will increase to over 850,000.

The ultimate effectiveness of our programs turns on these conditions:

The veteran must be aware of them.

He must be able to choose among them.

He must know that the help he needs will be there when he needs it.

We have tried to make certain that men leaving the service become familiar with the benefits that await them as veterans.

Last year, at my direction, the Veterans Administration took its services to the battlefield for the first time. VA teams counseled 220,000 fighting men in Vietnam, before they left their posts to return home.

I have asked the Administrator of Veterans Affairs to step up this program.

Late in 1966, the Veterans Administration began visiting sick and wounded servicemen at their bedsides in our military hospitals.

Since then, over 17,000 applications for special training and disability payments have been processed on the spot.

This program now operates in 110 military hospitals.

I have directed the Administrator of Veterans Affairs immediately to expand the program to the entire system of military hospitals.

Veterans Administration counseling is also now in operation at 150 military separation points.

I have directed the Administrator to extend this program to all 257 such centers.

Through these expanded services in hospitals and separation centers, the Veterans Administration can reach more than 70,000 servicemen each month.

The remaining task is to make certain all veterans are reached once they have returned to their communities.

Consider the man who comes home today. His Government has made a vast array of programs available to him. But what effect are the programs if he cannot find them? And in our major cities, where facilities are often scattered across widely-separated areas, this is a serious problem—particularly for those who need the programs the most.

The answer, I believe, lies in an effort we have never tried before for our veterans—the one-stop center. I believe we should locate in one place the offices where a veteran can receive personal attention and counsel on all the benefits the law provides him—from housing to health, from education to employment.

I have today ordered that U.S. Veterans Assistance Centers be opened in 10 major cities within the coming month. These cities are New York, Chicago, Los Angeles, Philadelphia, Detroit, Cleveland, Washington, D.C., San Francisco, Boston and Atlanta.

I propose to have one-stop centers in 10 other cities as soon as possible—Baltimore, Milwaukee, Houston, St. Louis, Pittsburgh, San Antonio, New Orleans, Indianapolis, Phoenix and Newark.

Based on the experience gained in these 20 pilot locations we look forward to establishing one-stop centers in other cities.

We will seek and welcome participation in these centers by State and local officials, and by community organizations engaged in helping the veteran.

JOBS AND TRAINING

MILITARY PROGRAMS

A man who has fought for his country deserves gratitude. But gratitude can be no substitute for the job he wants—and needs.

Particularly is it necessary to assure job opportunities to the veteran who has received few other advantages from life. It is this man who must be the focus of our concern and our attention.

We are beginning.

We are helping him as he enters the Armed Forces—through Project 100,000—and as he prepares to muster out—in Project Transition.

Project 100,000 extends the responsibilities of citizenship and the benefits of military training to young men who would otherwise be rejected because of educational or physical limitations.

This program was launched at my direction by the Secretary of Defense in late 1966.

In the first year, almost 50,000 disadvantaged young Americans were prepared in Army classrooms and clinics to take their place in basic training.

The results of their special training speak in these statistics:

96 percent graduated from basic training, almost the same rate for all trainees.

Some have gone on to Non-Commissioned Officer schools.

All have gained self-confidence and a sense of achievement which will serve them all the years of their lives.

I have asked the Secretary of Defense to enroll 100,000 men in this vital program during its second year.

Project Transition gives a boost to disadvantaged men in the six months before they return to civilian life.

Men without civilian skills and without education receive a concentrated program of preparation. In classrooms and at work benches, through counseling and job placement services, they are prepared for the road home.

I have asked the Secretary of Defense to extend Project Transition—proven in practice at five bases last year—to all principal troop installations in the United States. Our target is to reach 500,000 servicemen in the year ahead and then follow their progress in civilian life.

FEDERAL-STATE EMPLOYMENT OFFICES

Last year I was disturbed to learn that some veterans returning from service to their country had such difficulty finding jobs they had to rely on unemployment compensation.

This ought to be corrected.

To correct it, in August I directed the Secretary of Labor to give every returning veteran maximum assistance in obtaining useful and rewarding employment. Since that time, a system has been set up which operates in every State, through the network of more than 2,000 Federal-State Employment offices. That system has now made the names and addresses of 230,000 returning veterans available to Employment offices for personal contact.

The Secretary of Labor recently told me that early reports from the men, their parents, and Veterans Organizations show the program is achieving good results.

It is important that those results continue. It is in America's interest that this program succeed.

CIVIL SERVICE

The Federal Government has long set an example for the rest of the nation as a good employer of veterans. Veteran's preference is deeply imbedded in our Civil Service system.

But I am convinced that the Federal Government can be even a better employer.

Last month I asked the Chairman of the Civil Service Commission to develop an action plan to accomplish this purpose.

That plan is now completed.

I will shortly sign an Executive Order putting the plan into effect.

Its major impact will reach the veteran who needs experience, skill and education. He will be hired on a priority basis to fill jobs open in the first five levels of the Civil Service, without having to compete in the regular examination—provided he agrees to pursue a part-time educational program under the GI Bill.

This plan will also help veterans with technical or professional skills who want to work in the middle and upper Civil Service levels. Their applications will be given immediate attention.

VETERANS IN INDUSTRY

Most veterans, of course, will go into private industry—where six out of every seven Americans are employed.

Those returning to old jobs have rights protected under the law.

Those seeking new employment—or their first jobs—sometimes find the road difficult.

These young Americans, who have done so much for their country, merit the special consideration of the private employer.

That consideration cannot be imposed by Government decree—nor should it.

It is appropriate, however—particularly in these times when men are being called from their civilian pursuits to defend their country—for leaders of the Government to express their hope that right will be done to those who serve.

To help enlarge the opportunities for veterans' employment, I urge the enactment of a joint resolution expressing the sense of the Congress that private employers should give job priority to our returning servicemen.

Our objective is to make sure that every serviceman who returns to civilian life today and in the months ahead—no matter where he lives, what background he might have come from, what his hopes and ambitions are—will have the education he wants, the training he needs, and the opportunities for the job he is best suited for.

With the proposals I have outlined in this message, I believe we can advance toward that day.

VETERANS IN PUBLIC SERVICE

If the veteran needs his country's help, the country needs his more.

The veteran of Valley Forge knew better than most the value of the nation he was building.

The veteran of Antietam knew better than most the value of the Union he helped to heal and save.

The veteran of the battles that rage across the mountains and lowlands of Vietnam today knows better than most the value of the freedom he preserves.

That man is an asset beyond measure to his nation.

Wherever we can, we should continue to enlist him—in service to his community, when military duty is over.

To do this, I propose the Veterans In the Public Service Act of 1968.

This measure will provide incentives to channel the talents of the veteran to the most urgent needs of rural and urban America today:

To teach the children of the poor;

To help man understrength police forces and fire departments;

To do meaningful work in local hospitals, where skills are short;

To fill the ranks of VISTA, to work in Youth Opportunity Centers and in the Concentrated Employment Program.

The pattern of benefits will vary, depending on the individual and the occupation pursued.

Here is an example of how the program will work for the veteran who wants to teach in a deprived area:

While he is getting the schooling that will qualify him for teaching, he will draw additional benefits of $50 a month for every month he agrees to teach—up to three years of such extra benefits.

While he is actually on the job teaching, he will draw a special training allowance, in addition to his regular salary—$80 a month for the first school year, $60 a month for the second.

Should he decide to pursue a graduate degree while he is still teaching, he could—by continuing to teach beyond the second year—earn additional GI Bill educational benefits.

To launch this program, I have included $50 million in the Fiscal 1969 budget.

THE HEALING WORK

The Veterans Administration operates the nation's largest medical complex—166 hospitals and their related clinics across the country.

Last year, these hospitals and clinics treated almost 800,000 bed patients. Nearly 7 million veterans received outpatient care.

Their treatment is of the best quality modern medicine can provide—and it is improving with greater advances in pre-hospital and post-hospital care.

But VA medicine not only serves the veteran. Its benefits extend to the entire nation.

In research, VA doctors have pioneered in such vital work as heart disease, cancer, mental illness, and organ transplant.

In 1955, no money was spent for VA medical research. Now that amount exceeds $45 million. Its gains make it one of the nation's best investments.

In medical manpower, the Veterans Administration helps to train nearly half of all the doctors who graduate from medical school today.

The number of all medical specialists trained in VA hospitals each year totals some 40,000—including nurses, dentists, and other disciplines ranging from audiologists to social workers, who take their skills to the communities of this country.

There is room in the VA system to train even more.

And there is a pressing need in the nation for more.

I have directed the Administrator of Veterans' Affairs to step up the training of medical specialists.

To help overcome the medical manpower shortage in America, and at the same time improve care to America's veterans, our goal will be to train as many as 80,000 specialists a year in the VA system.

THE U.S. VETERANS ADVISORY COMMISSION

Last year, I asked the Administrator of Veterans' Affairs—in consultation with veterans' groups—to conduct a comprehensive study of the pension, compensation and benefits system for veterans, their families and their survivors.

I asked him to form an Advisory Commission which would evaluate these programs to assure that our tax dollars are being used most wisely, and that the Government is fully meeting its responsibilities.

That Commission, composed of 11 distinguished Americans, has now held hearings in cities all across the country.

We are looking forward to the recommendations of the Commission.

Every veteran who wants it—those who risked their lives at Belleau Wood, Iwo Jima, and the DMZ—should have the right to burial in a National Cemetery situated reasonably close to his home. I have asked the Administrator of Veterans' Affairs to make certain that the recommendations of the Commission include proposals to assure this right in a meaningful sense.

CONCLUSION

More than 20 years ago on the floor of the House of Representatives, I said that it is this nation's responsibility to see to it that "the veteran may return to his community as a free, upstanding and self-reliant citizen."

The times then, as complex as they seemed, were simple in perspective.

As President, I have seen—and acted on—the responsibilities unique to our own day.

The events of the past week have underscored their gravity.

Today, as in times past, it is on America's fighting men that this nation must depend.

Their service honors us all.

We look to that good day when they will return "as free, upstanding and self-reliant citizens."

It is in this spirit of concern for America's veterans that I submit this message to the Congress today.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 30, 1968.*

Mr. BYRD of West Virginia. Mr. President, with regard to the message from the President in respect of our Nation's veterans, I would like to say that this is the second historic message that the President has made reminding us anew of the debt of gratitude we owe our Nation's veterans.

The American Nation, and its aspirations of freedom and liberty for all mankind have survived because men have been willing to shoulder arms throughout our history in times of national crises.

Today we have in America more than 26,000,000 living veterans, the greatest number in our national history. These veterans, together with their families, compose some 46 percent of our national population.

Veteran affairs are no longer the concern of a few. They are woven inextricably into our national fabric. We have learned that what benefits veterans benefits the Nation. Especially through observing the results of our GI bills have we learned that veteran expenditures can turn into tremendous national investments in the future of our country.

Under the leadership of President Johnson and almost total support of Congress, the Nation in recent years has maintained viable programs for our veterans in keeping with ever-changing present-day needs.

In response to the President's message of 1967, Congress enacted the Veterans Pension and Readjustment Assistance Act of 1967. That far-reaching legislation did the following:

It gave Vietnam era veterans benefit parity with the veterans of our earlier conflict;

It increased GI bill monthly payments up to 30 percent; permitted disadvantaged veterans to finish high school under the GI bill without loss of entitlement to follow-on college training, and authorized on-the-job, farm cooperative, and flight training under the GI bill.

It boosted pension payments for 2,000,000 disabled veterans, widows and children by from 5.4 to 8.5 percent.

It extended the cutoff date for World War II GI loans by 3 years.

This act was but one of many recent enactments on behalf of servicemen and veterans. In recent years Congress has provided:

A new GI bill for post-Korean veterans;

Three military pay raises since August 1965;

A comprehensive military medicare program;

A low-cost form of group insurance now providing $36 billion worth of protection for more than 3,700,000 servicemen;

A 10-percent average increase in disability compensation;

A 1965 cost-of-living pension increase amounting to $96 million annually;

VA appropriation increases of $300 million a year for each of the past 3 years;

Nursing home type care for veterans for the first time;

Increased educational assistance allowances for war orphans, and higher subsistence payments for disabled veterans taking rehabilitation training; and

A reopening of GI insurance, permitting 210,000 disabled veterans to acquire insurance with a face value of $1.5 billion.

This latest Presidential message opens new vistas for further serving our veterans, and at the same time encourages their continued service to our Nation.

The President calls for—and we should surely support—an increase in the amount of insurance protection provided for the men in uniform today, an increase in the portion of GI loans guaranteed by the Government from $7,500 to $10,000, and the authorization of part-time vocational rehabilitation training for service-disabled veterans.

The message also requests—and I feel we will want to enact—a renewed plea to provide safeguards against pension losses that could result from increases in other income such as social security, a congressional resolution to urge private employers to give job preference to returning servicemen, and a most imaginative new program to encourage the participation of veterans in vitally needed public service careers.

Although it calls for no congressional action at the moment, I was glad to note in the President's message firm recognition that action needs to be taken if we are to make the right of a veteran to burial in a national cemetery a meaningful reality.

I am sure that my colleagues share my pride in the congressional response to the first message submitted by the President.

Mr. President, I am hopeful, and I believe I can say I am confident that this new, important message will meet an identical response.

Mr. MANSFIELD. Mr. President, I join the distinguished Senator from West Virginia in what he has just had to say about the message by the President of the United States on veterans' benefits.

The leadership met this morning and we had an opportunity to go over the message, and I agree with everything that the distinguished Senator has said.

I am delighted that we are not forgetting our veterans, as we have all too often in the past. They have invested their lives in the protection and future of our Nation.

In this way, Congress and the President can, in some small manner, repay them for the sacrifices and the losses they have suffered through the years.

Incidentally, let me say that in the State of Montana, with a population of 700,000, there are approximately 100,000 veterans. I think that is a pretty fair ratio for a State of that size.

I am delighted that the President has made the proposals. Like the distinguished Senator from West Virginia, I am confident that Congress will support these requests fully. I anticipate that the appropriate committees will take action at an early date on the suggestions and proposals made by the President.

Mr. BYRD of West Virginia. I thank my majority leader.

Mr. BREWSTER. Mr. President, the President touched on a number of important areas in his message to Congress on veterans affairs. Two parts which caught my special attention were his imaginative plan to bring qualified veterans into the classrooms of depressed areas and his recognition that something must be done to guarantee every veteran who wants it the right to burial in a national cemetery situated reasonably close to his home.

The solution to many of our domestic problems can be enhanced by the plan called veterans in public service.

In his proposal the President, of course, concentrated on the benefits the returning veteran would receive. They include:

An extra $50 a month while the veteran is attending school for every month he agrees to teach in a deprived area. He may have up to 3 years of such extra benefits.

A special training allowance for the vets in public service—VIPS—teacher in addition to his regular salary in the deprived area. This would amount to $80 a month for the first school year he teaches and $60 a month for the second.

These provide obvious, clear benefits—which offer an incentive for the veteran to enter the program.

But look at the benefits to youngsters, and even to the economy.

By participating in VIPS, the veteran will have a goal for himself. He will be trained for something he can be proud of and from which others will benefit. As a teacher he will hold a place of importance in his community and will make a proportionate economic contribution.

Youngsters in deprived areas in overcrowded cities and in forgotten rural areas will also benefit. They are bound to profit by having a veteran—one who has won the uniform of the United States—as their teacher. They will be in contact with someone they can look up to, someone like themselves who has overcome the obstacles, someone who is a living example of what they can accomplish.

Surely, education is the guardian of democracy.

I also applaud the President's recognition of the growing problem of limited space in our national cemeteries. I have given this matter much thought, and it seems to me that a realistic solution can be more rapidly found by consolidating the responsibilities of the national cemetery system within one agency rather than among three, as it is now divided. It appears to me that the Veterans' Administration is the logical place to concentrate this matter. No agency is closer to the serviceman once he becomes a veteran, and no agency has been more involved in the welfare of veterans. Certainly, this welfare should extend to fulfilling a veteran's desire for burial in a national cemetery.

I will make every effort to turn the President's fine idea—the VIPS program into a reality and to quickly find a satisfactory solution to the problem of the national cemetery system. I am proud to support the President's entire program.

Mr. BAYH. Mr. President, in his message to Congress today, President Johnson has once more outlined a program which would do much to help the needs of our servicemen and veterans. It seems to me to be of the utmost importance that Congress should seize this opportunity to show its support for the men who represent us in the Armed Forces of the United States. By responding to the proposals brought to our attention by the President, Congress can demonstrate its gratitude in a tangible way.

One of the major problems brought to our attention by the President is the plight of the older veteran who receives a small pension because of his limited income. In any such pension system some recipients will be so near the income limit that a small increase in their income—such as an increase in their social security benefits—has the effect of reducing or even eliminating their pension.

The President raised this matter in his message to Congress last year, and as a result the House of Representatives passed legislation last year to resolve this problem. Now it is up to the Senate to act by completing this piece of unfinished legislation.

Clearly, the needy veteran should be protected against disproportionate pension losses.

There is a second piece of unfinished business that the President brought to our attention last year—the $10,000 maximum limit in servicemen's group life insurance. This limit was established approximately a half century ago, in a very different economic era, and clearly should be increased.

The President has proposed a measure which would increase SGLI to a minimum of $12,000, with higher amounts scaled up to $30,000 according to the pay the servicemen receives. In view of the increased costs of goods and services and the mounting burdens of modern-day life, these increases seem to be no more than equitable.

The passage of these measures would clearly show that, while we fully support the men who are fighting today in Vietnam, we have not forgotten the veteran who has represented us in fields of battle of the past. It should be understood, of course, that these proposals would also benefit the young veteran as well as his older counterpart.

On the other hand, the expansion in benefits provided by the veterans in public service program would be primarily for the young. Although the President's concern that there should be provided the right to burial in a national cemetery is a matter of most concern to the older veterans, all former servicemen and their families would be affected eventually. As the President stated, this right should be assured in a meaningful sense by having the national cemetery situated reasonably close to where he lives.

The President also called upon Congress to act in other fields, and he reported on what the administration, generally through the Veterans' Administration and the Department of Defense, will do to further enhance the contribution the Nation can make to its veterans.

The President, during his career as a Member of Congress, once said that it was the Nation's responsibility to see to it that "the veteran may return to his community as a free, upstanding and self-reliant citizen." I fully subscribe to that belief, and pledge support of the President's programs in behalf of servicemen and veterans. Congress should take all necessary steps to secure the prompt enactment of these measures.

Mr. McGOVERN. Mr. President, it has been my observation, that the wars in which the United States has participated have not been equally popular. And the American men who have been—and are today—called upon to serve are not equally motivated.

President Johnson certainly has shown himself to be the friend of the men called upon to bear arms. Last year he became the first President in history to bring a special message to Congress on servicemen and veterans.

This message provides for many measures that will prove beneficial not only to the individual veteran but also, indirectly, to the whole Nation.

One fine example is the increasing of educational allowances for college training and the farsighted idea that allows a youngster to finish high school under the GI bill without diminishing his eligibility to get a college education.

The new message on servicemen and veterans affairs presented to us by the President also has many beneficial provisions.

I, for one, fully appreciate the need to give children the sound background upon which they can build their future education. The veterans in public service program recommended by the President is designed to do just that, in addition to the benefits it provides for the veteran teacher.

The President also has correctly concerned himself with the obligations this Nation has undertaken to provide each veteran a final resting place in a national cemetery reasonably close to his home and family. I will await with interest the recommendations to come forth on this subject from the Veterans Advisory Commission.

The President's concern for the men who have served this Nation in time of trial and tribulation is to be commended. I solemnly pledge my support in this effort.

Mr. TALMADGE. Mr. President, President Johnson's message to Congress today on American servicemen and veterans, like his message on the same subject last year, outlines programs that demand our immediate attention.

I, for one, intend to do everything possible to bring about the same expeditious and meaningful action on these proposals that followed the President's earlier proposals in behalf of veterans.

Aside from the President's far-reaching and beneficial program as outlined in his message today, as a Georgian I am exceedingly pleased to say that there are plans for locating one of the 10 new U.S. veterans assistance centers in Atlanta.

Another point in the President's message was of special interest to me. This was his reference to the Veterans' Administration medical program.

I see in the Veterans' Administration medical program a potential for public good that has not been fully tapped. Its past accomplishments are impressive, but they are only a pioneering step, and there is still much to be done.

To be sure, our support for veterans' hospitals, should be based, as it has been in the past, on our obligation to provide the best care for the men who have fought our battles and for freedom throughout the world. But by meeting this obligation fully, we can help all of our people in this and future generations.

Great medical progress can be a byproduct of providing the best medical care for veterans. It is significant that VA hospitals are constantly increasing their capacity to treat more patients without increasing their number of beds. In fact, during this fiscal year, VA hospitals will treat almost 180,000 more veterans than they did in 1958, with the same number of beds.

This means, of course, that more effective treatments have been developed and more efficient use is being made of medical manpower.

I might point out at this time that three of the finest and most efficient VA hospitals in the country are located in Atlanta, Augusta, and Dublin. And we are proud of the good work they are doing in caring for veterans and in medical research.

Without a doubt, medical manpower is one of our most critical national shortages. A Presidential Advisory Board has reported that this shortage will grow ever more critical in future years. Our population and ability to afford medical care are growing at a much faster rate than the training of medical manpower.

If the Veterans' Administration can quadruple its capacity for training doctors, nurses, dentists, and other health specialists in the next 5 years, we will have come a long way toward meeting the future medical problems of our country.

We should keep these things in mind as we consider legislative support of these measures.

Mr. NELSON. Mr. President, the President's message contains several proposals to update the Nation's efforts to help the veteran and his family.

These are planned not only to assist the serviceman and veteran but the entire Nation.

The proposed increased coverage of serviceman's group life insurance from $10,000 to a range from $12,000 to $30,000 is more in keeping with today's economy than the present $10,000 limit set 40 years ago.

The protection of pensions is a necessary step.

The increase of the GI loan guaranty from $7,500 to $10,000 is a reasonable attempt to give stability to legislation which is 20 years out of date.

A proposal to permit part-time vocational rehabilitation will solve in great part a manpower unemployment problem, as does the suggestion that veterans be given priority for jobs in private industry.

The President's proposal to establish veterans in public service is a most imaginative way to direct the abilities and maturity of our veterans to meet the urgent problems in the crowded cities and our less developed rural regions.

By giving them incentive to receive additional training and schooling under the GI bill of rights, and then to work in the deprived areas of our country, we will be taking a bold step forward toward helping to solve two vital problems facing our country today.

These are areas where this Congress can act.

As a member of the Veterans' Subcommittee of the Senate Committee on Labor and Public Welfare, I am hopeful we can give the President's proposals early consideration.

Mr. MONTOYA. Mr. President, the President certainly said the right thing at the right time in his address on servicemen and veterans. With so many young Americans in Vietnam, and now with the possibility of new conflict in Korea, our attention naturally focuses on the men who will fight—are fighting—and have fought in our behalf and in behalf of freedom.

The President obviously has been thinking about these men. It must be a terrible burden for him when he is called upon to make the hard decisions—decisions that will jeopardize lives—including American lives.

As a Member of Congress, I deem it a privilege to support the wide range of proposals he has made to assist our men.

Three proposals, particularly, come to my mind. These three are so obvious that I can only wonder why we have not acted before. Certainly we should enact necessary legislation to bring these matters up to date as soon as possible.

One of the measures I refer to is the $10,000 limitation on servicemen's group life insurance. As the President pointed out, this is the same amount that was available to servicemen in World War I—a half century ago. Compare this with other economic yardsticks—the average wage, the cost of a home, the cost of securing a college education, the cost of food for a week—between, say, 1918 and 1968.

The President's proposal seems modest enough to me. He is asking for a minimum of $12,000 insurance with amounts scaled up to $30,000. Who would say that our servicemen should not be entitled to that amount of coverage?

Another dollar figure woefully out of date is the limitation on the maximum guarantee for a GI home loan of $7,500.

Eighteen years have now passed since there was an increase in the maximum VA is permitted to guarantee in a home loan. Then, in 1950, the average price of a home purchased with a GI loan was $8,720—today it is $17,605.

Again, the President has asked for a modest increase—to $10,000. Again, I ask, Who would raise a voice in opposition to this proposal?

In his message, the President takes note of a third problem that calls for action in the near future. He has asked for a recommendation from the Veterans Advisory Commission that will assure veterans that they will be able to have their final resting home in a national cemetery. This goal is commendable, one that we will all be able to support.

This surely is the right time for the President to submit his servicemen's and veterans' package. I submit that likewise this is the right time for Congress to act on the measures that will come before us. This last session of the 90th Congress is apt to be a comparatively short session. So, before time becomes a factor, I recommend prompt response on the part of my colleagues. I commit myself to doing everything in my power to secure prompt passage of the President's program.

Mr. HOLLINGS. Mr. President, as I see it, the proposals made by President Johnson in his message to Congress on servicemen and veterans is not merely a necessary followthrough to the Veterans Pension and Readjustment Assistance Act of 1967, it is a significant step toward helping America's veterans to help themselves.

Some of the suggestions are so obviously necessary that little discussion will be called for such as equalizing insurance and increasing the GI home loan guarantee from $7,500 to $10,000. Others, show farsightedness and sound planning.

The proposals in the message sent to us last year and the message we have received today go a long way toward solving many problems confronting the veteran and his dependents.

Legislation to protect veterans and dependents of deceased veterans from suffering financial loss because of any increase in social security payments is a must. It is ridiculous to put a dollar into a man's left hand while at the same time taking $2 from his right hand—and in some cases that is exactly what would happen.

Along with the proposed increase in the GI loan ceiling from $7,500 to $10,000 we should increase the GI insurance limit and for the same basic reason—a dollar does not buy as much today as it did once.

The opening of veterans assistance centers in major cities to help veterans is an important step.

I am glad the President is recognizing the national cemetery problem. A rising protest has followed the curtailing of burial space and the allotment of graves by rank. The 6 feet of space occupied by the lowest ranked enlisted man is just as consecrated, just as sacred to his kin as the grave of a commanding officer.

The national cemeteries should be under the jurisdiction of the Veterans' Administration. The VA can administer the burial program with justice and decency. I hope this is the recommendation which will be made by the U.S. Veterans Advisory Commission.

I hope this Congress acts swiftly so that it will be remembered as one that felt deeply the sacrifices of our fighting men.

Mr. ANDERSON. Mr. President, some of the programs for which we appropriate money sometime fail to render the results that we intend. Some of the programs are so long-range in scope that it is many years before we reap the results of our expenditures. But there is one program that we have always been able to see immediate results, and that is the veterans benefit program.

The people of this Nation have always willingly condoned the enactment of legislation which provides benefits for our servicemen. The new legislation being proposed by the President in his message on veterans and servicemen's benefits will meet with this same enthusiastic support I am sure.

One of the reasons we have been so willing to provide benefits to our veterans is that we can see instant results. We see thousands of young men going to college and joining the mainstream of society in providing a better America. We see thousands of young families building new homes with GI loan guarantees, surging on our economy while establishing a firm future for themselves. We see veterans returned to their communities whole and healthy after being treated in Veterans' Administration hospitals.

It was only right that we should have enacted legislation last year to bring Vietnam veterans to a level of all other veterans. The new legislation proposed by the President enlarges the realm of the assistance by realistic programs. I look forward to taking part in the committee's consideration of this legislation.

Mr. BENNETT. Mr. President, I am confident that Congress will give its quick appraisal and consideration of the proposals made by the President in his message on servicemen and veterans' benefits.

The continuing concern of this Nation for those men who have borne arms in its defense is a mark of a great country. These benefits express the will of the people who are desirous of expressing their gratitude for the sacrifices that military service demands.

The message last year encouraging extensive changes in the existing laws to encompass equal benefits for our Vietnam veterans, followed this year by another detailed message, reflects the earnest concern of the President for the welfare of our servicemen and veterans. The message this year goes further because it takes into consideration the great contributions veterans may be able to make in the development of our society.

Opportunity is the key word of this message. Veterans appreciate compensation and pensions, and the right to hospitalization, and all of these programs should be adequate and comprehensive. But more than this, they deserve them, and we should see to it that benefits mean more than just that. The rehabilitation processes in which the VA is involved and the programs of on-the-job training are necessary and should be expanded. But our problem really starts once the veteran is prepared to hold down any job. Then is when we must provide the means to enable him to secure gainful employment.

It is encouraging that the Department of Defense has instituted programs, and the President has ordered they be continued and expanded, that will prepare some of our servicemen for jobs who otherwise would have no vocations.

I welcome this message from the President. I commend him for his thorough and complete analysis of the entire veterans' program.

OUR ACCOMPLISHMENTS ARE COMMENDABLE, BUT DO NOT MEET THE NEEDS OF OUR VETERANS—PASSAGE OF PRESIDENT'S PROPOSALS ON VETERANS' LEGISLATION URGED BY SENATOR RANDOLPH

Mr. RANDOLPH. Mr. President, all of us in the Congress can be proud of the part we have played, individually and as the legislative branch of government, in providing America's veterans and dependents with meaningful programs of benefits and assistance.

However, I agree with the President's statement in his special message that, as generous and forward looking as our legislative accomplishments have been, legislation alone does not meet the just needs of our 26 million veterans who, with their dependents, comprise 46 percent of our national population. There had to be—and there has been, as the President said—a compassionate, vigorous and dedicated administration of the benefit programs.

Many agencies, and more importantly the dedicated officials and employees in these agencies, are to be commended for their cooperation and participation in vital programs designed to aid our service men and women.

The Department of Defense, through its Project Transition, is providing thousands of servicemen with limited skills and needed occupational training before they are discharged so that they will be employable once they return to civilian life.

Federal-State public employment services are helping veterans find jobs and for the first time are actively seeking out the returning veteran and offering him individually tailored job finding assistance and employment counseling.

The Veterans' Administration's representatives have extended counseling service to the battleground in Vietnam, and have given veterans' benefit information and assistance to 220,000 combat servicemen while they were still in Vietnam.

The Veterans' Administration has also brought its services to the bedside of servicemen in our military hospitals. According to the President, since October 1966, VA representatives have conducted more than 37,000 personal, in-depth interviews with seriously disabled veterans, and have processed 17,000 applications for vocational rehabilitation and disability compensation.

So vital and worthwhile has this type of hospital and preseparation counseling and interviewing on veterans' benefits been, that the President has directed the expansion of this service from 110 to 176 military hospitals, and from 150 to 257 service separation points in this country.

I have had the privilege of conferring with Veterans' Affairs Administrator William J. Driver on important legislation on numerous proposals to provide increased opportunities for veterans while at the same time insuring that our Nation utilizes to the maximum extent the capabilities of our veterans.

I strongly endorse the President's Veterans in Public Service Act of 1968. This measure will provide incentives to channel the talents of the veteran to the most urgent needs of rural and urban America today.

While the veteran who wants to teach in a deprived area is receiving the schooling that will qualify him to do the job, he will draw additional benefits of $50 per month for every month he agrees to teach—up to 3 years of such extra benefits.

While he is actually teaching, he will draw a special training allowance, in addition to his regular salary, amounting to $80 a month for the first school year and $60 a month for the second.

I am confident that the Congress will act quickly and favorably to insure that compassion and dedication continue to distinguish this Nation's effort to serve those who served. I trust we will act with dispatch on all phases of the President's proposed programs in behalf of veterans and servicemen.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDING OFFICER laid before the Senate the following letters, which were referred as indicated:

REPORT OF RURAL ELECTRIFICATION ADMINISTRATION

A letter from the Administrator, Rural Electrification Administration, U.S. Department of Commerce, reporting in accordance with the provisions of Senate Report No. 497, Department of Agriculture and related agencies appropriation bill, 1964, on the approval of a loan to the Lower Colorado River Authority of Austin, Tex., in the amount of $25,000,000 to finance certain generation and transmission facilities (with an accompanying paper); to the Committee on Appropriations.

PROPOSED 2-YEAR EXTENSION OF AUTHORITY OF FEDERAL RESERVE BANKS TO PURCHASE U.S. OBLIGATIONS DIRECTLY FROM THE TREASURY

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury (with an accompanying paper); to the Committee on Banking and Currency.

REPORT OF POTOMAC ELECTRIC POWER CO.

A letter from the president, Potomac Electric Power Co., transmitting, pursuant to law, a copy of the balance sheet of the company for the year ended December 31, 1967 (with an accompanying paper and report); to the Committee on the District of Columbia.

PROPOSED APPROPRIATION FOR PEACE CORPS

A letter from the Director, Peace Corps, transmitting a draft of proposed legislation which will enable the Peace Corps to continue its work on behalf of world peace and understanding (with an accompanying paper); to the Committee on Foreign Relations.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an examination of financial statements for the fiscal year 1967 of the Tennessee Valley Authority (with an accompanying report); to the Committee on Government Operations.

PROPOSED APPROPRIATIONS FOR THE SALINE WATER CONVERSION PROGRAM

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize appropriations for the saline water conversion program, to expand the program, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT OF SUPERGRADE POSITIONS IN DEPARTMENT OF JUSTICE

A letter from the Director of Personnel, U.S. Department of Justice, transmitting, pursuant to law, a report on the 19 GS–16 and GS–17 positions authorized for use by the Attorney General, for the year ended December 31, 1967 (with an accompanying report); to the Committee on Post Office and Civil Service.

PROPOSED APPROPRIATIONS FOR ATOMIC ENERGY COMMISSION

A letter from the Chairman, U.S. Atomic Energy Commission, transmitting a draft of proposed legislation to authorize appropriations to the Atomic Energy Commission (with an accompanying paper); to the Joint Committee on Atomic Energy.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. KENNEDY of New York, from the Committee on Labor and Public Welfare, with an amendment:

S. Res. 218. Resolution to authorize funding of the Indian Education Subcommittee of the Labor and Public Welfare Committee; referred to the Committee on Rules and Administration.

REPORT ENTITLED "APOLLO 204 ACCIDENT" (S. REPT. NO. 956)

Mr. ANDERSON. Mr. President, I ask unanimous consent to file before midnight tonight on behalf of the Committee on Aeronautical and Space Sciences a report entitled "Apollo 204 Accident." This report is the result of hearings held by the committee on the Apollo 204 accident.

The report has been approved by a majority of the Senators on the committee; however, Senators MONDALE, BROOKE, and PERCY have expressed their additional views which will be attached thereto. Mr. President, I ask unanimous consent that the report be printed together with the additional views.

The PRESIDING OFFICER. Without objection, the report will be received and printed, as requested by the Senator from New Mexico.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. MONRONEY, from the Joint Committee on the Disposition of Papers in the Executive Department, to which were referred for examination and recommendation a list of records, transmitted to the Senate by the Archivist of the United States, dated December 12, 1967, and January 22, 1968, that appeared to have no permanent value or historical interest, submitted reports thereon, pursuant to law.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CASE:

S. 2885. A bill for the relief of Michelangelo Giannatassio; to the Committee on the Judiciary.

By Mr. McCLELLAN (by request):

S. 2886. A bill to provide for the operation of the William Langer Jewel Bearing Plant at Rolla, N. Dak., and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bill, which appear under a separate heading.)

By Mr. HOLLAND:

S. 2887. A bill to provide for the establishment of the Gulf Islands National Seashore, in the States of Florida, Alabama, Louisiana, and Mississippi, for the recognition of certain historic values at Fort San Carlos de Barrancas in Florida and Fort Massachusetts in Mississippi, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MONRONEY (for himself and Mr. HARRIS):

S. 2888. A bill to authorize reimbursement to the States for certain toll highways, bridges, and tunnels on the Interstate System, and for other purposes; to the Committee on Public Works.

(See the remarks of Mr. MONRONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY of Massachusetts (for himself, Mr. CLARK, and Mr. KENNEDY of New York):

S. 2889. A bill to amend the Federal Power Act to facilitate the provision of reliable, abundant, and economical electric power supply by strengthening existing mechanisms for coordination of electric utility systems and encouraging the installation and use of the products of advancing technology with due regard for the preservation and enhancement of the environment and conservation of scenic, historic, recreational and other natural resources; to the Committee on Commerce.

(See the remarks of Mr. KENNEDY of Massachusetts when he introduced the above bill, which appear under a separate heading.)

By Mr. HOLLINGS:

S. 2890. A bill for the relief of Dennis Yiantos; to the Committee on the Judiciary.

By Mr. LONG of Louisiana:

S.J. Res. 134. Joint resolution to assist Vietnam veterans in obtaining suitable employment; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. LONG of Louisiana when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTIONS

CONTINUATION OF THE SPECIAL COMMITTEE ON THE ORGANIZATION OF THE CONGRESS

Mr. MONRONEY (for himself, Mr. BOGGS, Mr. CASE, Mr. METCALF, Mr. MUNDT, and Mr. SPARKMAN) submitted the following resolution (S. Res. 247); which was referred to the Committee on Rules and Administration:

S. RES. 247

Resolved, That the Special Committee on the Organization of the Congress, established by Senate Resolution 293, Eighty-ninth Congress, agreed to August 26, 1966 (as amended and supplemented), is hereby continued through December 31, 1968.

SEC. 2. The special committee is hereby authorized to exercise the powers conferred upon it by section 2 of Senate Resolution 311, Eighty-ninth Congress, agreed to October 17, 1966, through December 31, 1968. The expenses of the special committee from February 1, 1968, through December 31, 1968, shall not exceed $100,000, and shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the special committee.

INVESTIGATION OF ADMINISTRATION, OPERATION, AND ENFORCEMENT OF THE INTERNAL SECURITY ACT—REPORT OF A COMMITTEE

Mr. EASTLAND, from the Committee on the Judiciary, reported the following original resolution (S. Res. 248); which was referred to the Committee on Rules and Administration:

S. RES. 248

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, insofar as they relate to the authority of the committee, to make a complete and continuing study and investigation of (1) the administration, operation, and enforcement of the Internal Security Act of 1950, as amended; (2) the administration, operation, and enforcement of other laws relating to espionage, sabotage, and the protection of the internal security of the United States; and (3) the extent, nature, and effect of subversive activities in the United States, its territories and possessions, including, but not limited to, espionage, sabotage, and infiltration by persons who are or may be under the domination of the foreign government or organizations controlling the world Communist movement or any other movement seeking to overthrow the Government of the United States by force and violence.

SEC. 2. For the purposes of this resolution, the committee, from February 1, 1968, to January 31, 1969, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $2,300 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. Expenses of the committee, under this resolution, which shall not exceed $426,800, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

WILLIAM LANGER JEWEL BEARING PLANT

Mr. McCLELLAN. Mr. President, I introduce, for appropriate reference, a bill to provide for the operation of the William Langer Jewel Bearing Plant at Rolla, N. Dak., and for other purposes.

This bill is introduced at the request of the Administrator of General Services. The Administrator has indicated in his request to the President of the Senate that the Government-owned jewel bearing plant, located at Rolla, N. Dak., is the only facility in the United States capable of producing jewel bearings in quantity.

The plant was established in 1952, but subsequently placed in the National Industrial Reserve, created by the National Industrial Reserve Act of 1948. At the present time, the plant is leased to the Bulova Watch Co. for the production of jewel bearings and related items which are sold to the national stockpile, Government contractors, subcontractors, and to other industrial consumers.

Funds for operation of the plant are limited to: first, sales by Bulova to Government contractors and industrial users; and, second, sales to the national stockpile under purchase contract between the GSA and Bulova. The sale of bearings to the Government are at cost, while other sales are made at a fixed price which does not permit the accrual of sufficient capital for the acquisition of raw materials, work in process, operating supplies, and other operating expenses in advance. Because of the absence of working capital funds, the plant is unable to maintain adequate inventories of finished bearings, raw materials, and other facilities which are needed to plan and control production schedules.

The Administrator of General Services further reported that continued operation of the plant is essential to the national security, and that the best method of assuring an adequate supply of such bearings would be to operate it on a contractual basis and finance its operations through a revolving fund. This bill would provide the necessary authority to adequately finance the operation of the facility and, at the same time, clarify the basic authority of GSA to make a management-operation contract.

I ask unanimous consent that the letter dated December 1, 1967, to the President of the Senate from the Administrator of General Services be printed in the RECORD at this point, as a part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2886) to provide for the operation of the William Langer Jewel Bearing Plant at Rolla, N. Dak., and for other purposes, introduced by Mr. McCLELLAN (by request) was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., December 1, 1967.

Hon. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of legislation "To provide for the operation of the William Langer Jewel Bearing Plant at Rolla, North Dokata, and for other purposes."

This proposed legislation is part of the legislative program of the General Services Administration for 1967.

The Government-owned jewel bearing plant located at Rolla, North Dakota, is the only facility in the continental United States capable of producing jewel bearings in quantity. It was established in 1952 and subsequently placed in the National Industrial Reserve created by the National Industrial Reserve Act of 1948 (50 U.S.C. 451–462). Formerly known as the Turtle Mountain Plant, it was designated as the William Langer Jewel Bearing Plant by Public Law 89–784, approved November 6, 1966.

The draft bill would provide the necessary authority to adequately finance the operation of the facility and, at the same time, clarify the basic authority of GSA to make a management-operation contract.

The plant is currently leased to the Bulova Watch Company for the production of jewel bearings and related items for sale to the national stockpile, to Government contractors and subcontractors, and to other industrial consumers. The lease will expire June 30, 1968.

Funds for operating the plant are limited to two sources: (1) sales by Bulova to Government contractors and subcontractors and other industrial users, and (2) sales to the national stockpile under a purchase contract between GSA and Bulova. Sales to the stockpile are made at actual cost. Sales to others are made at fixed prices approved by the Government, based on estimated production costs.

Any excess of total sales income over actual costs on nonstockpile sales is required by the terms of the lease to be placed in a direct order rental account. This account may be used only to meet any losses, including uncollectible accounts, resulting from nonstockpiled sales.

As a result, there is no means of financing the costs of raw materials, work in process, operating supplies, and other operating expenses in advance. The facility is therefore operated as a "job shop", and except for bearings required under the stockpile contract, is unable to plan its production schedule on a rational basis.

Because of the absence of working capital funds, the plant is unable to maintain appropriate inventories of finished bearings. This not only limits unduly the ability of the plant to fill orders requiring immediate delivery, but also results in high unit costs due to small production runs.

Under the current lease, to the extent the direct order rental account is not sufficient to meet any losses resulting from nonstockpile sales, the lessee would have to make up the difference from its own funds, since no Government funds are available for this purpose. Although this situation has not arisen, it has been a matter of considerable concern to the lessee.

The continued operation of the plant is considered by the Office of Emergency Planning to be essential to the national security. As indicated, however, the present method is unsatisfactory. We have concluded that the best solution of the problems outlined is to contract for the management and operation of the plant, with operations to be financed through a revolving fund. Under existing law, GSA has no authority to establish such a fund.

Section 1 specifically authorizes the Administrator of General Services to provide for the operation of the plant, by contract or otherwise, to produce jewel bearings and related items for Government use or for sale. Prices would be fixed so as to recover all applicable operating expenses, including depreciation of buildings, machinery, and equipment.

Section 2 authorizes the establishment of a separate fund and makes the fund available for use, without fiscal year limitation, for all necessary operating expenses of the plant.

Section 3 authorizes the transfer of the plant and its assets to the revolving fund upon the termination of the existing lease. The transfer would, of course, include the balance of the direct order rental account established under the present lease, as mentioned above. Although his section authorizes appropriations to the fund, it is not anticipated that any such appropriations will be necessary.

Under section 4 of the bill, all receipts from plant operations would be credited to the fund.

Section 5 provides that any net income of the fund, after provision for prior year losses, if any, shall be transferred to miscellaneous receipts following the close of each fiscal year.

In the Supplemental Appropriation Act, 1963 (Public Law 88-25), funds were provided for the modernization of the plant. This modernization is now virtually completed, and it is our intention to make every effort to reduce the unit cost of jewel bearings as well as to increase, to the greatest extent possible, the sale of jewel bearings to Government contractors and subcontractors and other industrial users for defense related purposes. We consider that the proposed change in method of operation is essential in connection with these efforts.

GSA recommends prompt and favorable consideration of the draft bill.

Enactment of the proposed legislation would not affect the budgetary requirements of GSA.

The Bureau of the Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,
LAWSON B. KNOTT, Jr.,
Administrator.

INTERSTATE FREE HIGHWAY ACT OF 1968

Mr. MONRONEY. Mr. President, I send to the desk, for appropiate reference, the Interstate Free Highway Act of 1968. This legislation would authorize reimbursement to the States for certain toll highways, bridges, and tunnels on the Interstate System of Highways, and would require the approval of the Secretary of Transportation before any future toll facilities could be constructed as a part of the Interstate System.

In the Federal Highway Act of 1956, Congress provided for the construction of the National System of Interstate and Defense Highways—the Interstate System—which was so named because of its paramount importance to the national and civil defense, as well as to commerce among the States.

The Interstate System spans the entire continental United States, linking together the many urban centers of the Nation. It contains a total of 41,000 miles of which over 24,000 miles are already open to traffic and over 6,000 miles are under construction. The entire system was originally programed for completion by 1972, but it now appears that completion will not occur before 1975.

From the beginning, it has been the intent of Congress that the Interstate System be developed as a system of free highways. Congress established a pattern of user taxes to support a trust fund covering costs of the system.

In keeping with that principle, the Federal Highway Act provides that all highways constructed with Federal funds shall be free from tolls of all kinds. Congress took this position because it has always been clear that the national interest is served better by free facilities than by toll facilities.

Since 1940, there have been more than 4,000 miles of toll facilities constructed in 39 States. Of this amount, some 2,359 miles, representing 22 facilities in 18 States, are incorporated into the Interstate System. It was predicted that passage of the Federal Highway Act of 1956 would drastically curtail new toll road construction, and for a few years that was the case. However, in the early 1960's, the trend was reversed.

A resurgence of toll road construction, which has occurred in spite of a multibillion-dollar Federal-aid program, can be attributed to the inadequacy of existing law. As was determined by the Public Works Committee of the U.S. House of Representatives after extensive hearings last year, the proliferation of toll facilities on the Interstate System is very undesirable. The committee declared that what was needed was a movement not in the direction of more, but of fewer and fewer toll facilities.

Particularly with regard to the Interstate System, the desirability of nontoll construction is clear—especially at this advanced stage of the program—there is no justification for constructing so much as another mile of toll road on the Interstate System.

Most toll facilities are financed with revenue bonds and the cost of these is invariably higher than the cost of either general or limited obligation bonds used to construct nontoll facilities. A toll facility has the added cost of toll collection, and in some instances the cost of additional personnel for management, operation, and maintenance. For example, in 1965 alone, the cost of collecting tolls on the major toll roads in the Nation was approximately $30,000,000.

Major "costs" which the motorist may be required to pay for a toll facility are: First, the use of his toll money to support airports, dock terminals, bus terminals, warehouses, railroads, super skyscrapers, cultural centers, the nonhighway needs of local communities and the general revenue fund of a State; second, the sacrifice of many millions of dollars in Federal aid that would have gone to the State for the construction of the facility; third, the subordination of the motorist's interest to that of the authority's bondholders; and, fourth, the severe curtailment of private enterprise development along the corridor of the toll facility.

There are other costs, and some of these compromise the purposes of the Interstate System, for which the U.S. motorists will expend in excess of $50 billion. For instance, Congress specifically provided that the Interstate System was to be an integrated network of highways. It is not, and under the existing law there is no way in which the Federal Government can make it so.

Instead of an integrated system, we have one in which all too often two Interstate Highways intersect without a direct connection between them, simply because one of them is free and the other is toll. This lack of proper connection results in additional travel, confusion, inconvenience, loss of time, and greater traffic hazards.

The Interstate Free Highway Act which I will introduce today will not result in an overnight solution to the problem created by toll facilities on the Interstate System. It will, however, provide incentive for the States to take those steps necessary to free toll facilities on the Interstate System within their boundaries.

The bill would do nothing more than implement the stated purpose of the Federal Highway Act, and it would give equitable reimbursement to those States which had the foresight to accelerate the program by toll construction. The formula for reimbursement which I propose is based on original construction cost, plus improvements, less depreciation.

Excluded from the determination of cost would be the cost of financing and the cost of constructing toll collection facilities and other fixtures not included in the definition of the term "highway" in the Federal Highway Act.

The final formula for reimbursement will, of course, depend on the information brought out at public hearings. I believe, however, that the legislation which I propose will accelerate the completion of the Interstate System as a free system, and will reverse the trend toward future toll construction.

We are rapidly approaching the completion of the Interstate System. The time for legislation such as the Interstate Free Highway Act is now.

Mr. President, when you travel the toll road system and you pay 6 cents a gallon in taxes, a substantial portion of which goes to the Federal Government for its 90 percent of the Interstate System that it pays within the State, and you pay a toll in addition to that, you are paying an exorbitant tax for the use of that road. I figured it out, on a road in Oklahoma—one that would have been free within 4 years, under state ownership—in the presence of a recent Governor, Governor Turner, who sought Federal aid to construct this road, and to bring together the superhighway connection between Tulsa and Oklahoma City.

Today it takes 6 gallons of gasoline to go the 86 miles between Oklahoma City and Tulsa. At 6 cents a gallon, this figures out to 36 cents in taxes. For that trip, you pay $1.40 for the toll; thus your total cost is in the neighborhood of $1.75, for the 6 gallons of gasoline that you use, or a tax in excess, if you figure it for road purposes—and it is designated for road purposes—of 25 cents per gallon of gasoline used.

This is the type of duplicate charges that the people of America, by the million, are paying in order to travel on the so-called toll traps, or roads that preceded the Federal Interstate System. I am advised that for 1960, the latest year for which figures are available, more than $370 million was paid by motorists for travel on toll roads on specifically the Interstate Highway System. The figure on the bridges I do not have for the Interstate System, although this bill would encompass the purchase of those bridges by the Federal Government through use of the highway trust fund, eliminating such toll traps as these bridges or tunnels, which impede and burden interstate traffic to the extent of more than a quarter of a billion dollars—about $250 million, if my memory serves me correctly—per year.

I use these examples, Mr. President, to show that the time is past for us to tolerate toll traps on the main streets of America, because that is what the Interstate Highway System is. We have an interstate highway fund into which all motorists, all truckers, and all users are paying, and I think they are entitled to get the roads they are paying for. They are paying for free interstate highways, and that is the purpose for which I have introduced this bill.

We are rapidly approaching, as I have said, the completion of the Interstate System, and it is high time for legislation now to free this Interstate System from the burden of dual taxation that motorists who use some parts of the system must now endure.

Mr. President, I intend to ask for reprinting of the bill at an early date, when Senators numbered in the dozens, who have expressed an interest in the bill, will have had a chance to cosponsor it; but I should like for them to have an opportunity to study it, not only as it applies to the interstate toll road system, but as it affects some 36 States, as to the linkage of the Interstate System with the traffic over their own State toll road systems.

The **PRESIDING OFFICER.** The bill will be received and appropriately referred.

The bill (S. 2888) to authorize reimbursement to the States for certain toll highways, bridges, and tunnels on the Interstate System, and for other purposes, introduced by Mr. MONRONEY (for himself and Mr. HARRIS), was received, read twice by its title, and referred to the Committee on Public Works.

THE ELECTRIC POWER RELIABILITY ACT OF 1968

Mr. KENNEDY of Massachusetts. Mr. President, it has been more than 2 years since the great blackout of November 1965 left 30 million people in the Northeast United States without power for up to 12 hours. It has been 8 months since the blackout in the Middle Atlantic States, which left 13 million people without power, convinced Americans that blackouts are not freak occurrences.

They are, rather, a common fact of modern day life. And they are common not because they are unavoidable. They are common because the utility industry views itself as a composite of individual, local units, a view contrary to reality and to commonsense.

In fact, experts say that only the cool weather of last summer saved parts of the United States from more severe blackouts and restrictions on power use. This is not the mark of a healthy industry.

BACKGROUND

The administration has proposed legislation designed to remedy this lingering insularity in the utility industry, and thus to improve reliability, lower costs, and better service. The administration bill, S. 1934, would do so through encouraging formation of regional electricity planning councils and better regional interconnections. A number of other bills have been introduced, each dealing with a particular aspect of the problem. The Senate Commerce Committee has had 1 day of hearings on these bills, on August 22, 1964, and plans further hearings this session, both field and Washington hearings.

On the House side, there has also been 1 day of hearings on the administration bill. I was privileged to testify before the House committee, and in so doing I proposed a number of changes in the bill. I viewed the bill as focused almost exclusively on the technical and corporate aspects of the blackout problem, and the changes I proposed dealt with two other aspects: protection of natural resources, and citizen protection.

Congressman JOHN MOSS has introduced a revised version of the administration bill, but it, too, deals primarily with the technical and corporate aspects of blackouts. It is, in many respects, superior to the administration's bill, correcting certain oversights and clarifying a number of obscurities.

But I felt the need to broaden the coverage of the administration bill, and consequently have prepared a revision of it. Congressman OTTINGER and I have collaborated on this revision, and he will be its sponsor in the House.

NATURAL RESOURCES

Electric utilities are a steady polluter of air and water. Transmission lines mar the countryside, from the Pacific to the Atlantic. Utility plants themselves can destroy scenic or historic areas.

Let me cite a few specific examples:

The Storm King controversy, for example, raged for years. Would Con Edison be permitted to build a generating plant at Storm King Mountain, and thus forever destroy its value as an unspoiled recreation area?

A second battle of Antietam raged last summer, over whether the Potomac Edison Co. would be allowed to construct transmission towers 11 stories tall alongside Antietam battlefield, John Brown's farm, and the Chesapeake & Ohio Canal near Sharpsburg.

The Commonwealth of Massachusetts brought suit against a power company seeking to construct a nuclear generating plant on the Connecticut River, to prevent thermal pollution of the river. Nuclear generating plants need vast amounts of water for cooling purposes, and if improperly controlled, the discharge from these plants can kill all the wildlife dependent upon the river. One recent estimate states that by 1980, nuclear generating plants will be using one-fifth of the total fresh-water runoff of the United States for cooling. The discharge is usually 11 to 23 degrees hotter than the intake. The Massachusetts law was dropped after the power company agreed to regulate the temperature of its discharge to limits recommended by fish and game experts.

In Connecticut, the State public utilities commission granted an unrestricted permit for the construction of overhead powerlines and towers at a scenic area of the Connecticut River near Middletown. But the State water resources commission ruled that the lines would have to be buried under the river or moved within 5 years. Not surprisingly, the matter is now in the courts.

A number of small towns outside Boston—Sudbury, Wayland, Concord, Framingham, among others—have been battling the power companies for 7 years over whether transmission lines should be buried as they pass through the Sudbury River Valley, with its homes and buildings dating to the Revolutionary War. The towns insist that the lines be put underground; the utility companies insist on overhead wires. The dispute is still raging.

Studies of air pollution bear out common experience: utility companies pour tons of dirt and noxious and dangerous contaminants into the air we breathe every day. Powerplants are the third largest source of air pollution, accounting for some 20 million tons of airborne pollutants a year. In Boston, in New York City, in Washington, and in hundreds of other cities—the towering chimneys and smokestacks pour out smoke hour after hour, week after week. Public attention and legislation in recent years gives us a ray of hope that this problem will not be so severe sometime in the future as it is today. But much more in research, in pollution control devices and laws, in good faith efforts, remains to be done.

These isolated and unconnected examples are just a few from among thousands. Some measure of the seriousness of just one of these problems—the overhead transmission line situation—is revealed in statistics. Today some 7 million acres of land are devoted to transmission lines. This figure will triple by 1980, to 20 million acres—or twice the acreage of our national park system. There is, consequently, some urgency to our efforts to devise economical and feasible ways to put lines undeground.

The revised bill I introduce today would establish a National Council on the Environment, with three members appointed by the President. This Council would pass on all FPC licensing and other actions, from the point of their impact upon the environment. The Council would not have a veto over FPC actions, but it would report on each license or other action, and the FPC would be required to consider the report in making its final decision.

The three members of the Council would be experts in conservation matters. Thus, their report to the FPC Commissioners would reflect an expertise and concern not otherwise available to it. This procedure would, I think, do much towards giving an evenly balanced perspective to decisions of the FPC in its licensing and other actions.

CITIZEN PROTECTION

Utilities are legal monopolies, and as such have the power of eminent domain. Eminent domain is an extraordinary sovereign power, and when it is exercised by a profitmaking corporation, by legislative grant, then the safeguards should be powerful and certain.

Today, the average citizen is virtually helpless when his property is condemned unless he has adequate finances to retain an attorney. Further, many courts are restricted in the factors they can use in setting condemnation awards.

My revision would put the burden of proof on the utility desiring to condemn the right-of-way. This burden of proof would go not only to establishing that the taking is necessary, but also that no reasonable alternative exists. It also requires courts to consider environmental, conservation, and land-use factors as well as the traditional cost benefit and service improvement factors, in setting condemnation awards.

This provision would restore commonsense to utility land taking procedures. Traditionally, utilities have been given the benefit of the doubt and permitted to proceed in secrecy and unfettered. We should tolerate this no longer.

Another provision of my revised bill deals with reporting of expenses by utilities. All utility expenses are of course passed on to the consumers. Senator Lee Metcalf has argued persuasively in his book "Overcharge" that because utilities are franchised monopolies, their expenditures are, in essence, public expenditures. As such, they should be available for public scrutiny.

My bill would require that utilities with projects pending before the FPC file detailed, semiannual reports of project-related expenditures. These reports would be available for public inspection. The utilities would be required to mail summaries to their customers. Also, utilities would be required to file annual reports of general expenses for promotion, publicity, public relations, advertising, and contributions, which would also be available for inspection.

There were charges made in Congress this year that private power companies in New England financed a campaign against appropriations for the Dickey-Lincoln public power project in Maine. Dickey-Lincoln would be New England's first public power project, and as such it would provide the region with the Nation's highest power costs with a yardstick of lower power costs. Claims were made that the private power companies had a vested interest in preventing the introduction of Dickey-Lincoln's yardstick, and that this was the reason for the campaign against the project.

Any expenses the companies incurred, of course, in lobbying against Dickey-Lincoln, were passed on to the consumers. Thus, the consumers of New England find themselves in the anomalous position of financing a campaign against lowering their own electric rates.

Funds for Dickey-Lincoln are again requested in the administration's budget for fiscal year 1969. If the past is indeed prolog, then once again the consumers in New England will find themselves financing a campaign against lower cost power. My bill would permit them, for the first time, to find out how much they are being charged to perpetuate the higher rates. It would do so by opening up for public inspection all lobbying and public relations expenses.

OTHER PROVISIONS

My revision deals with a number of other problems as well. Those include expanding the capacity of existing transmission line corridors, rather than constructing new ones; a study of the economic impact of overhead transmission lines; inclusion of nuclear and large thermal generating plants within the FPC's jurisdiction; and others. I would expect to explain these in detail when hearings are held on the reliability bills.

CONCLUSION

Americans are using more and more electricity every year. Production in 1967 totaled 1.2 trillion kilowatt-hours, a 6-percent increase over 1966. Average residential use of electric power in 1967 rose to 5,600 kilowatt-hours, an increase of 3,000 kilowatt-hours over 1966.

As we grow more and more dependent upon electricity—for traffic control, for elevators, for hospital equipment, for communications, for laborsaving devices—we must be vigilant to see that the public interest is the interest being served. "Public interest" has a different meaning today than it did 10, 20, or 30 years ago, reflecting the growing maturity of our society. Today, the public interest demands attention to natural resources, protection of the citizen, breaking down the traditional insularity of generating and transmission companies, and determined efforts to prevent blackouts.

My revision of the administration's Electric Power Reliability Act does not alter in any significant way the provisions designed to enhance reliability. What it does do is establish guarantees that other aspects of the public interest will be served better than they have in the past.

Mr. President, I ask unanimous consent that the text of my bill and a comparison of the administration's bill, S. 1934, the Moss bill, H.R. 12322, and my own bill, be printed in the Record.

The PRESIDING OFFICER. The bill will be received and appropriately referred: and, without objection, the bill and comparison will be printed in the Record.

The bill (S. 2889) to amend the Federal Power Act to facilitate the provision of reliable, abundant, and economical electric power supply by strengthening existing mechanisms for coordination of electric utility systems and encouraging the installation and use of the products of advancing technology with due regard for the preservation and enhancement of the environment and conservation of scenic, historic, recreational and other natural resources, introduced by Mr. **Kennedy** of Massachusetts (for himself, Mr. **Clark**, and Mr. **Kennedy** of New York), was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the Record, as follows:

S. 2889

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Electric Power Reliability Act of 1968."

Sec. 2. (a) The Congress finds that increased reliability in the generation and transmission of electrical energy is important to the national defense, the commercial life of the country, and the general welfare of the people of the United States; that the rapidly growing demand for power, the increase in the size and complexity of generating and transmission facilities and the rapidly advancing technology in the generation and transmission of power requires a high level of coordination in the generation and transmission of electric power within and between regions of the country; and that a new part IV of the Federal Power Act, as added by this Act, will serve to provide the means for increasing and improving such coordination and reliability.

(b) Congress finds that the preservation and enhancement of the environment, the conservation of natural resources, including scenic, historic and recreation assets, and the strengthening of long-range land-use planning is vital to the health and welfare of the people of the United States and that actions taken under the authority of this Act should be consistent with these goals.

Sec. 3. A new part IV is added to the Federal Power Act, as amended (16 U.S.C. 791–825r), to read as follows:

"PART IV—REGIONAL COORDINATION

"APPLICATION AND OBJECTIVES OF PART; DEFINITIONS

"Sec. 401. (a) This part shall apply to all bulk power supply systems in the United States.

"(b) This part is intended to further the national policy declared by subsection 202(a) of the Federal Power Act, by assuring an abundant supply of electric energy throughout the United States with the greatest possible economy and consistent with the preservation and enhancement of the environment, the conservation of natural resources, including scenic, historic and recreation assets, and the strengthening of long-range, land-use planning, by enhancing the reliability of bulk power supply; by strengthening existing, and establishing new, mechanisms for coordination in the electric utility industry; by encouraging the comprehensive development of the power resources of each area and region of the United States to take advantage of advancing technology; by providing that all utility systems and their customers shall have access to the benefits of coordination and advancing technology on fair and reasonable terms; by assuring, to the extent feasible, that extra-high-voltage facilities include sufficient capacity to meet area, regional, and inter-regional needs for transmission capacity, including reserve capacity for reliability; by respecting the territorial integrity of utility service to the extent consistent with the public interest, and by drawing upon the cooperation of all segments of the electric utility industry.

"(c) As used in this part, 'person' means a 'person', 'municipality', or 'state', as defined in section 3 of the Federal Power Act, and any department, agency, or instrumentality of the United States. The term includes privately, cooperatively, federally, and other publicly owned persons.

"(d) As used in this part, 'bulk power supply facilities' means facilities for generation or transmission of electric power and energy. In the exercise of its authority under section 414 the Commission may classify or exempt facilities which are not material to the objectives of this part.

"(e) As used in this part, 'extra-high-voltage facilities' means transmission lines and associated facilities designed to be capable of being operated at a nominal voltage higher than one hundred and thirty kilovolts (130KV) between phase conductors for alternating current or between poles for direct current the construction, extension or modification of which is commenced two years or more after the enactment of this part, and thermal including nuclear and fossil fuel generating units or plants and associated facilities designed to be or capable of being operated at a capacity of 200 megawatts, the construction, extension, or modification of which is commenced four years or more after the enactment of this part.

"RELATION TO OTHER PARTS

"SEC. 402 (a) This part supplements parts I, II, and III in order further to promote the reliability, abundance, and efficiency of bulk power supply in the United States and to assure that actions taken pursuant to all parts shall be consistent with the enhancement and preservation of the environment, the conservation of natural resources, including scenic, historic and recreation assets and the strengthening of long-range urban-suburban land-use planning. Nothing herein shall modify or abridge authority granted under part I, II, or III unless specifically so provided.

"(b) All orders of the Commission pursuant to this part shall be subject to all review procedures set forth in section 313 of this Act and the administrative, procedural, and enforcement provisions prescribed by other parts shall also apply to this part.

"COOPERATION OF BULK POWER SUPPLY SYSTEMS

"SEC. 403. The purposes of this part should be achieved as far as possible by cooperation among all persons engaged in bulk power supply, or affected thereby, whatever their nature.

"REGIONAL POWER COORDINATION ORGANIZATIONS; ANTITRUST IMMUNITY

"SEC. 404. (a) After appropriate consultation, held under procedures to be prescribed by the Commission, with persons engaged or interested in bulk power supply, appropriate Federal agencies and state commissions, state and local officials and local, regional and state land-use, planning agencies, if any, the Commission shall secure the establishment of appropriate and effective regional organizations and procedures to carry out regional and interregional coordination. Each regional coordination organization (hereafter 'regional council') shall be open to membership by each electric system in the region, whatever the nature of its ownership or of its facilities. Some electric systems may in appropriate cases be admitted to more than one regional council. The Commission shall, and the State commissions within the region may, designate appropriate staff representatives, who shall participate in the work of the regional councils, except for the ultimate adoption of coordination plans or any other council actions.

"(b) Under such rules as the Commission shall prescribe, each regional council shall file a statement of its organization with the Commission and any amendments thereto. The Commission shall promptly publish notice in the Federal Register of the filing of each such statement and each such amendment. Such statements and amendments shall be available for public inspection. Within thirty days after adoption by the council, any regional or interregional coordination plan or amendment thereto developed by such regional councils shall be submitted to the Commission under such rules as the Commission shall prescribe. The Commission shall promptly publish notice in the Federal Register of the filing of each such coordination plan and amendment. Such coordination plans and amendments shall be available for public inspection. The Commission shall consider such coordination plans and amendments in exercising its responsibilities under this Act, including parts I, II, III and IV: *Provided*, That such coordination plans and amendments shall in no manner be construed or considered as comprehensive plans pursuant to section 10(a) of Part I of this Act (16 U.S.C. 803a).

"(c) After notice and opportunity for hearing, the Commission may by order determine whether any statement filed under this section is consistent with the objectives of this part. If the Commission approves a statement, and finds further that the effect of the statement upon competition will be insubstantial or will be clearly outweighed by other public interest considerations, actions pursuant to such statement shall not be subject to suit under the anti-trust laws while Commission's approval remains in effect. The Department of Justice shall become a party with full rights of participation and appeal, upon filing notice of intervention with Commission. If the Commission determines that the statement is not consistent with the objectives of this part it shall modify it or set it aside.

"(d) After public notice and opportunity for hearing, to be held insofar as practicable in the region affected, the Commission may determine whether any coordination plan submitted under this section is consistent with the objectives of this part. If the Commission so finds, and finds further that the effect of the coordination plan upon competition will be insubstantial or will be clearly outweighed by other public interest considerations, actions pursuant to such coordination plan shall not be subject to suit under the anti-trust laws while the Commission's approval remains in effect. The Department of Justice shall become a party with full rights of participation and appeal upon filing notice of intervention. If the Commission determines that the coordination plan is not consistent with the objectives of this part or not in the public interest it shall modify it or set it aside.

"(e) The Commission shall require annual reports from each regional council and such additional reports as it may deem necessary or appropriate to carry out the objectives of this part. The Commission shall annually report to the Congress on the effectiveness of the regional and interregional coordination efforts.

"(f) If the Commission, after notice and after opportunity for hearings, determines that any person engaged in generation or transmission unreasonably refuses to participate in the creation of a regional council, to contribute toward its expenses, or to participate in effective regional or interregional coordination it may require such person by order to participate in the creation and work of such regional council, and to contribute a reasonable share of the expenses thereof, to the extent the Commission finds necessary to carry out the objectives of this part.

"(g) The regional council, or the Commission upon its own motion or upon complaint and after notice, may from time to time amend any statement or coordination plan; *Provided*, That, if the Commission determines that an amendment by the regional council is not consistent with the objectives of this part, it shall modify or set aside such amendment, and; *Provided further*, That any determinations pursuant to this subsection shall be subject to all the provisions regarding filing, notice and hearings set forth in subsections (b), (c) and (d) of this section and all administrative and procedural provisions which may be prescribed for the consideration of statements and coordination plans pursuant to this section.

"NATIONAL COUNCIL ON THE ENVIRONMENT

"SEC. 405. (a) A National Council on the Environment (hereafter 'National Council') shall be established, to consist of three members to be appointed and serve as provided in subsection (c) of this section. The National Council shall review each coordination plan or amendment to a coordination plan filed by a regional council, each application for a license under Part I of this Act, and each proposal under section 410 of this Act, to determine whether such plans, amendments, applications or proposals are consistent with the preservation and enhancement of the environment, conservation of natural resources, including scenic, historic and recreation assets and the strengthening of long-range, land-use planning. The Commission shall promptly cause each plan, amendments, application or proposal and any modification of any of these to be served upon the National Council. The Commission shall,

"(i) in the case of coordination plans and amendments thereto and applications for licenses under Part I of this Act, defer final decision for ninety days from the date of service of such plan, amendment or application, to permit the National Council to file a report based on information available to the Commission and such other information as it may obtain, as to the extent such coordination plans, amendments or application is consistent with the objectives of this section.

"(ii) in the case of proposals under section 410 of this Act, receive within six months of the publication of notice of the proposal the written comments or objection of the National Council to the proposal. An objection of the National Council may be based on any matter relating to the objectives of this section, and shall have the same effect as a suspense order issued by the Commission under section 410. Where such objection has been filed, acceptance by the proponent of an order containing specific modifications and conditions proposed by the Commission shall not terminate the suspension without the consent of the National Council.

"(b) In all cases where the National Council reports to the Commission on coordination plans, amendments thereto, and applications for licenses under Part I of this Act, the Commission shall consider the report of the National Council in making its decision and such report shall be a part of the record of the proceeding. Any report pursuant to subparagraph (i), or comments or objections pursuant to subparagraph (ii) of this section, shall be promptly served by the National Council on the affected regional council, applicant, or proponent. The National Council may be a full party in interest to any proceeding in which it has filed a report or objections and may seek rehearing and judicial review of the Commission's order in such proceedings in the manner provided in section 313 of this Act.

"(c) The President with the advice and consent of the Senate shall appoint three persons having special expertise in conservation, environmental sciences or land-use planning to the National Council, designating one to act as Chairman. The members of the National Council shall serve for three years and during their incumbency shall not pursue any other business, vocation or employment. At the conclusion of two years' service by the National Council the President shall with the advice and consent of the Senate appoint three members to begin service when the terms of current members have expired. No member of the National Council may serve more than two full or partial terms, and no person shall be eligible who has been employed by the Federal Government within the preceding five years in any capacity except that of temporary consultant, or in any capacity by any person engaged in the generation, transmission or distribution of electric power. In the event of a vacancy the President shall with the advice and consent of the Senate promptly appoint a new member. The appointments of interim members shall expire at the same time as those of other current members of the National Council. The National Council shall adopt such rules and regulations as it deems advisable for the conduct of its business.

"(d) The Chairman of the National Council shall be compensated at the rate provided in Level III of the Federal Executive Salary Schedule (5 U.S.C. 2211(c)) and the other members shall be compensated at the rate provided in Level IV of the Federal Executive Salary Schedule (5 U.S.C. 2211(d)). The Commission shall, to the extent possible without permitting conflicts of interest, make available to the National Council such staff, facilities, expert services and technical assistance as the National Council may require to carry out its responsibilities under this section and, under the authority of section 2 of this Act (16 U.S.C. 793), shall request such additional staff, facilities, expert services and technical assistance as the National Council may require. In addition to staff provided for the National Council by the Commission, the National Council may employ an executive director, a chief counsel, and such other technical, professional and clerical staff as it finds necessary.

"NATIONAL ELECTRIC STUDIES COMMITTEE

"SEC. 406. The Commission, after consultation with regional councils, shall establish a national committee representative of all elements of the electric industry as well as representative of consumer interests, conservation organizations and land-use planning experts to facilitate interregional exchange of views and experience and to consolidate electric industry efforts to investigate major present and future problems in planning and operating of bulk power supply facilities. The Committee shall seek to stimulate vigorous scientific and engineering interest in the challenges to achieving reliable and efficient bulk power supply for the United States and protecting and enhancing the general environment of the United States.

"ADVISORY BOARDS

"SEC. 407. To assist it in considering matters coming before it under this part, the Commission may establish one or more advisory coordination review boards and provide for the appointment thereto of experts drawn from the electric utility industry, equipment manufacturers, the academic and research communities, and other persons, not employed by the Commission, drawn from the general public, including persons interested in conservation, aesthetics and long-range land-use planning.

"COORDINATION AGREEMENTS

"SEC. 408. Subject to such rules and regulations as the Commission may prescribe, a copy of all written agreements and a written statement of all oral agreements for coordinated planning, or operation of bulk power supply facilities (including but not limited to agreements for joint ownership of such facilities) shall be lodged with the Commission by or on behalf of the persons participating in such agreement. Each such statement or copy of agreement shall be readily available for inspection by the public within the region affected and with the Commission.

"RELIABILITY STANDARDS

"SEC. 409. Upon the recommendation of a regional council or upon its own motion, and after consultation with the regional councils and with the National Council, and after public notice and opportunity to comment, the Commission shall promulgate regulations setting forth reasonable criteria of national or regional applicability to govern the reliable planning and operation of bulk power supply facilities in accordance with the objectives of this part, set forth in section 401(b).

"EXTRA-HIGH VOLTAGE FACILITIES; NOTICE OF PROPOSED CONSTRUCTION; SUSPENSIONS; EMINENT DOMAIN; RIGHTS-OF-WAY ON FEDERAL LAND

"SEC. 410. (a) Subject to such rules and regulations as the Commission may prescribe, any person proposing the construction, extension, or modification of extra-high-voltage facilities shall file with the Commission its proposal which shall include a map and specific information as to the routing of the proposed line or location of proposed plant and such other information as the Commission may require to enable it to determine the extent to which the proposed construction, extension, or modification of such facilities and the operation thereof is consistent with plans developed by the affected regional council or regional councils and with the objectives of this part. The filing shall state whether the proponent elects to seek right-of-way pursuant to subsection (e) of this section. The Commission shall cause notice of each application and any material changes thereto filed under this section to be promptly published in the Federal Register and in local newspapers of general circulation in the region affected and to be served upon the National Council; appropriate regional councils; Federal, State, and local agencies; parties whose interests may be affected and such other interested persons as the Commission shall require. The Commission shall afford to any interested person at least ninety days in which to comment upon such filing.

"(b) No person may commence construction, extension, or modification of extra-high-voltage facilities until six months after notice of the proposal has been published in the Federal Register and for such additional period during which a suspense order of the Commission remains in effect. The Commission shall issue a suspense order whenever the proponent elects to seek right-of-way pursuant to subsection (e) or when the Commission concludes, in its discretion, within six months after publication of the notice of the proposal, that the proposed construction, extension, or modification, or the operation of such facilities is inconsistent with a plan approved pursuant to section 404(d) or otherwise appears not to be consistent wtih the objectives of this part, including when the National Council has filed timely notice of objection as provided in section 405. The suspense order shall summarize the Commission's reasons for its actions. Pending final disposition of the matter by the Commission, the suspense order shall be extended indefinitely by any order of the Commission setting forth conditions which would render the project acceptable: *Provided*, That upon a finding that the proposal will be consistent with the objectives of this part the Commission may terminate its suspense order after timely public notice served on all interested parties and consideration of such comments as are received within thirty days of such notice.

"(c) In reviewing extra-high-voltage facilities proposals, the Commission shall use informal procedures, including joint or separate conferences, to the fullest extent feasible. However, the Commission shall not finally disapprove a proposal or confer rights-of-way under this section except after timely notice served upon all interested parties and opportunity for public hearing held in the region affected.

"(d) At or before the end of the period specified by the suspense order, the Commission may issue an order recommending specific modifications in the proposal and setting forth conditions for its approval, which should be served on all interested parties and published in the Federal Register, or setting the matter for hearing. If such modifications and conditions are accepted by the proponent and not objected to by any interested parties within thirty days following service, the Commission shall approve the proposal as modified and terminate the suspense order forthwith. If the modifications and conditions are not accepted by the proponent of if objection is filed by any interested party, or if the Commission schedules a formal hearing, the suspense order shall remain in effect until the Commission formally determines after public hearing in the region affected whether the proposal is consistent with the objectives of this part and issues a final order permitting or prohibiting the construction, extension, or modification of the proposed facilities.

"(e) If the Commission at any time determines by order, after notice served upon all interested parties and opportunity for public hearing in the region affected that the proposed construction, extension, or modification of extra-high-voltage facilities is consistent with the objectives of this part including the protection and enhancement of environment factors, conservation of natural resources, including scenic, historic and recreation assets and strengthening of long-range land-use planning the proponent may secure necessary rights-of-way over Federal or other lands as provided in this subsection.

"(i) If, after the Commission has approved a proposed construction, extension or modification of extra-high-voltage facilities in accordance with this section, the proponent cannot acquire by contract, or is unable to agree with the owner of property as to compensation to be paid for the necessary right-of-way or other property to construct, operate, and maintain such extra-high-voltage facilities, the proponent may acquire the same by the exercise of the right of eminent domain in the district court of the United States for the district in which such property may be located, or in the State courts. In any such proceeding brought in a district court of the United States, the petitioner may file with the petition or at any time before judgment a declaration of taking in the manner and with the consequences provided by sections 258a, 258b, and 258d of title 40, United States Code, and the petitioner shall be subject to all of the provisions of said section which are applicable to the United States when it files a declaration of taking thereunder: *Provided*, That in the event of an objection by any interested parties the burden of proof shall be on the proponent to establish that the exercise of eminent domain or declaration of taking is necessary to protect the public interest and that no reasonable alternatives exist. In determining whether alternatives are reasonable the court shall consider the impact of the proposal upon the environment, conservation of natural resources, including scenic, historic and recreation assets and long-range land-use planning as well as the cost benefits to be derived from the proposal and its effect upon reliability: *Provided further*, That neither the availability of relief under this section, nor any determination pursuant to this section, shall preclude any appropriate court from reviewing all relevant issues regarding any Commission determination pursuant to section 313 of this Act and, without regard to any pending action or prior determination pursuant to section 313 of this Act, any appropriate court shall be free to consider all issues relevant to any action brought pursuant to this section.

"(ii) The Commission may grant rights-of-way over Federal lands as provided in this subparagraph. Such rights-of-way shall be granted either for a limited term not in excess of fifty years, or without limit as to duration. If granted for a limited term, the holder, during the two years prior to the expiration of the term, may apply for a renewal of the right-of-way under the same provisions applicable to the issuance of an initial right-of-way, and may continue use of the right-of-way while the application is pending. If the right-of-way is granted without limit as to duration, the Commission at intervals of not less than ten years, after notice and opportunity for hearing, may modify or add to the terms and conditions of the right-of-way as may reasonably be necessary in the public interest. No right-of-way shall be granted under this subparagraph without notice to the department or agency administering the lands affected, or, in the case of an Indian reservation, without the consent of the tribe having jurisdiction. If the department or agency files a protest against the proposed right-of-way on the ground that the grant would fail to give due regard to the preservation of natural resources, including scenic, historic or recreation assets or identified species of flora or fauna, or, in the case of military reservations, to the safe and efficient conduct of national defense operations, the right-of-way shall not be granted until the protest is withdrawn. Every right-of-way granted under this subparagraph shall be subject to, and the Commission shall include in its order provisions for, the following terms and conditions:

"(A) That the holder of the right-of-way shall pay reasonable annual charges, to be stated in the order; to the department or agency administering the land affected, or in case of an Indian reservation to the tribe having jurisdiction.

"(B) That the holder of the right-of-way shall promptly pay, in a lump sum, for special damages to the land, improvements, timber, and other crops on the lands affected by the right-of-way or by the activities of the holder of the right-of-way in the construction, operation, or maintenance of the facilities thereon whenever the same occur.

"(c) Such reasonable land use conditions relating to nonpower matters as the department or agency administering the lands affected, or, in the case of an Indian reservation, as the tribe having jurisdiction, may require.

"(d) Such other reasonable terms and conditions as the Commission may prescribe.

"Annual charges shall be fixed by negotiation between the right-of-way proponent and the department or agency administering the lands affected, or, in the case of an Indian reservation, the tribe having jurisdiction. In the event of failure to reach agreement within a reasonable time, the Commission shall fix the charges after notice and opportunity for hearing. All such annual charges shall be subject to renegotiation or redetermination in similar manner at ten-year intervals so long as the right-of-way remains in force. Special damages shall be fixed by negotiation between the administering agency or Indian tribe, or individual owner of the improvement, timber, or crop damaged, and the proponent or holder of the right-of-way, or in the event of failure to reach agreement within a reasonable time, by the Commission after notice and opportunity for hearing.

"(iii) As used in this section, the term 'Federal lands' includes public lands and reservations as defined in section 3 of the Federal Power Act, but does not include lands administered by the National Park Service other than national parkways, national recreation areas, and recreation areas administered by the National Park Service pursuant to a cooperative agreement with another Federal agency.

"(iv) If the holder of a right-of-way granted under this section over Federal land, after notice of default in observance of any condition of the grant, fails to correct the same within a reasonable time, the Commission, after notice and opportunity for hearing, shall cancel the right-of-way.

"(v) Nothing herein shall be deemed to repeal or modify any part of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1131–1136) or any statute implementing that Act.

"(g) The Commission shall include in any order issued under this section authorizing the construction, extension, or modification of extra-high-voltage facilities such conditions governing the use of any excess capacity (over and above reasonable reserves) of such facilities and the interconnected facilities of the proponent to transmit electric energy by displacement or otherwise, upon a demonstration of need for such use, as it finds necessary and appropriate to the objectives of this part. The Commission, after notice and opportunity for hearing and consistent with a plan approved pursuant to section 404 (d) of this Act, may authorize any person to enlarge such facilities at its own expense and to utilize the increased capacity for the transmission of electric power and energy upon such terms and conditions as the Commission may deem to be just, including, where appropriate, provisions for payment of additional compensation to the owners of the land underlying the rights-of-way affected. No such order shall issue earlier than ninety days following publication in the Federal Register of notice of filing of the proposal therefor, and notice served upon all interested parties during which time any interested person may comment thereon. In the event of objection the Commission shall make final determination only after a public hearing in the region affected. The Commission shall determine any disputes relating to allocation of transmission capacity, reasonableness of reserves and amount of excess capacity, compensation for the use of the facilities, and all other issues arising under this subsection.

"(h) Nothing contained in this section 410 shall be deemed to repeal any provision of the Atomic Energy Act of 1954, as amended.

"COMPULSORY INTERCONNECTIONS

"SEC. 411. Whenever the Commission, after notice and hearing had, upon its own motion, or upon complaint, finds such action necessary or appropriate to carry out the objectives of this part, it may by order direct any person engaged in the generation or transmission of electric energy (if the Commission finds that no undue burden will be placed upon such person thereby) to establish physical connection of its transmission facilities with the facilities of one or more other persons engaged in the generation, transmission, or sale of electric energy, to sell energy to or wheel for or exchange energy with such persons. The Commission may prescribe the terms and conditions of the arrangement to be made between the persons affected by any such order, including allocation of transmission capacity, reasonableness of reserves, and amount of excess capacity, and compensafor the use thereof, such determination shall be subject to all the procedures and requirements of sections 405 and 410 of this Act. Nothing herein shall be deemed to modify or repeal any provision of any Federal power marketing statute.

"ABANDONMENT

"SEC. 412. No person engaged in the generation or transmission of electric energy shall abandon or curtail any bulk power supply service, or abandon all or any part of its bulk power supply facilities if it would thereby effect the abandonment, curtailment, or impairment of bulk power supply service, without obtaining the advance approval of the Commission after notice and opportunity for hearing, upon a finding by the Commission that such abandonment or curtailment is consistent with the objective of this part.

"REPORTING

"SEC. 413. (a) The Commission shall require each person who is a member of a regional council established pursuant to section 401 of this part and is engaged in the generation, transmission or distribution of electric power to file annual certified reports of all expenditures for promotion, publicity, public relations, advertising and contributions. Such reports shall also list permanent and temporary staff assigned to these functions and the salaries and other expenses paid. In regard to outside services the reports shall give the amount expended for each service, to whom paid, the purpose of the expenditure, the source of revenue (whether charged to ratepayers or operating expenses) and such other information in such manner and detail as the Commission may require. The Commission shall require that each such report be made available to the public upon demand and shall also require that a summary be sent to each of the consumers served by that person in a form specified by the Commission within reasonable time after it has been filed with the Commission and in such manner as the Commission may require.

"(b) In the event that a person who is a member of a regional council and is engaged in generation, transmission or distribution of electric power and shall have a proposed project pending before the Commission under any provision of the Federal Power Act, the Commission shall require that person to file every six months during the period the project is under consideration a certified detailed report of all expenditures related to the project for advertising, promotion, public relations, legal services, contributions, engineering services, expert services and testimony and such other expenditures as the Commission may require. Such report shall also include the number of permanent and temporary employees assigned to the functions listed above and the salaries and other expenses paid in relation to the project. In the event that an employee is assigned to any of the functions less than full time, the report shall list the prorated portion of his salary devoted to the project and all project-related expenses. The report shall specify the amount expended for each service to whom paid, the purpose of the expenditure, the source of revenue (whether charged to ratepayers or operating expenses) and such other information in such detail and such manner as the Commission may require. In the event that fees or lump sum payments are made to individuals or organizations for redisbursement for services, the report shall include a detailed breakdown of these expenditures, as well, in the same manner and detail as required above. The Commission shall require that such report be made available to the public upon demand and shall also require that a summary of such report be sent to each of the consumers served by that person within a reasonable time after it has been filed with the Commission and in such manner as the Commission may require.

"AUTHORITY TO EXEMPT

"SEC. 414. In order to avoid excessive burdens upon persons engaged in bulk power supply, upon regional councils and upon the public, the Commission may by rule exempt from any requirement of this part, except those contained in sections 404, 405, 410, and 413 or any rule or regulation prescribed thereunder, any facilities, activities, or persons, whenever it determines, after public notice and opportunity for hearing, that such exemption is necessary and appropriate to carry out the objectives of this part. The Commission may attach conditions to any exemption and may by order, after public notice and opportunity for hearing, revoke any such exemption."

SURVEYS AND RESEARCH

SEC. 4. (a) The Commission is directed to survey existing and planned facilities in the United States providing sufficient capacity and energy for the testing of extra-high-voltage electric equipment under heavy current flow and for research into problems of high voltage-heavy current electricity, and within one year from the effective date of this Act to report its findings to Congress. The Commission's report shall include information as to the adequacy of existing and planned facilities and their accessibility to persons other than their owners, and if such facilities are inadequate or are not accessible to all elements of the electric industry having need for their use, such recommendations for corrective action as the Commission deems appropriate.

(b) In order to carry out the purposes of this Act as set forth in subsection (b) of section 2 of this Act, the Commission is directed to make a full and impartial study of the social and economic impact of overhead construction of extra-high-voltage lines and towers with particular attention to the extent to which such construction may have adverse effects upon long-range land-use planning and environmental, esthetic, and conservation considerations as well as upon property values and tax revenues, and shall report the results of such a study to Congress within two years of the effective date of this Act. In carrying forward this study, the Commission shall, where appropriate, cooperate with the Departments of Interior, Agriculture, Housing and Urban Development, and Health, Education, and Welfare, especially in developing economic standards for the evaluation of damage to community planning, public health, environmental factors and natural resources, including scenic, historic, and recreation assets.

The comparison, presented by Mr. Kennedy of Massachusetts, is as follows:

Comparison of Proposed Electric Reliability Acts

ADMINISTRATION BILL (S. 1934)	MOSS BILL (H.R. 12322)	KENNEDY-OTTINGER BILL (S. 2889)
Sec. 1. "Electric Reliability Act of 1967".	No change.	No change.
Sec. 2. States the purpose of the Act as to promote the policy expressed in present section 202(a) of the Federal Power Act, of "assuring an abundant supply of electric energy with the greatest possible economy and with regard to the proper utilization and conservation of natural resources"; enacts new Part IV to Federal Power Act.	Revises section by eliminating a redundant reference to section 202 (a) of the Federal Power Act (which is repeated in Sec. 401), by referring to the constitutional authority for the act, and by rephrasing its purpose in general terms; omits phrase adding new Part IV.	Becomes subsection (a); Revises language to clarify purposes; adds new subsection (b).
Sec. 2(b) Not in S. 1934.	Not in H.R. 12322.	Adds new finding of Congress that actions taken under this Act be consistent with enhancement and preservation of environment, conservation of natural resources, including scenic, historic and recreation assets, and strengthening of long-range land-use planning.
Sec. 3. Not in S. 1934.	Adds new Part IV to Federal Power Act.	Same as H.R. 12322.
Title: "Part IV—Regional Coordination 'Application and Objectives of Part'; Definition".	No change.	No change.
401(a) Would make provisions of Part IV applicable to all bulk power systems in the United States.	No change.	No change.
401(b) Spells out the objectives of Part IV: the National Policy expressed by section 202(a) of Federal Power Act: by enhancing the reliability of bulk power supply; by strengthening existing mechanisms for coordination in the electric utility industry and establishing new ones; by encouraging comprehensive development of power resources of each area and region of the United States so as to take advantage of advancing technology with due regard for conservation of land, scenic values, and other limited resources; by providing that all utility systems and their customers have access to the benefits of coordination and advancing technology on fair and reasonable terms; by assuring as far as feasible that extra-high-voltage facilities include sufficient capacity to meet area, regional and interregional needs for transmission capacity, including the reserve capacity needed for reliability; by respecting the territorial integrity of utility service areas to the extent consistent with public interest; and by drawing on the cooperation of all segments (public private and cooperative) of the electric utility industry.	No change.	Adds language requiring due regard for the preservation and enhancement of the environment, conservation of natural resources, including scenic historic and recreation assets, and the strengthening of land-use planning.
401(c) Defines "person" for purposes of Part IV (differing from elsewhere in the Federal Power Act) to include not only a "person", "municipality" or "State", but any department, agency, or instrumentality of the United States and covers all "persons", whether privately, cooperatively, Federally or otherwise publicly owned.	No change.	No change.
401(d) Defines "bulk power supply facilities" as facilities for generation or transmission which furnish power to points of distribution. It further provides that under section 413 the Commission would be empowered to classify or exempt facilities not material to attaining the objectives of Part IV.	Changes phrase "which furnish power to points of distribution." to read "of electric power and energy." to assure that the FPC's jurisdiction over all generation and transmission facilities will not be restricted solely to those that furnish power for distribution, but will also include, for example, auxiliary generating equipment which provide energy for fueling larger generators.	Same as H.R. 12322.
401(e) Defines "extra-high-voltage facilities", as meaning transmission lines and associated facilities designed to be capable of operation at a nominal voltage higher than 200 kilovolts between phase conductors for alternating current, or between poles in the case of direct current, the construction of which is commenced two years or more after enactment of Part IV.	Inserts the "extension, or modification," after "construction" so that the bill will apply to the extensions or modifications of existing transmission lines and associated facilities as well as the construction of such facilities which are wholly new. This will foreclose a possible "grandfather clause" interpretation that could exempt from this bill any changes in existing facilities.	Same as H.R. 12322, except that it lowers voltage to 130 KV; adds "thermal generating units or plants and associated facilities designed to be or capable of being operated at a capacity of 200 megawatts" included within the definition of "extra-high-voltage facilities".

COMPARISON OF PROPOSED ELECTRIC RELIABILITY ACTS—Continued

ADMINISTRATION BILL (S. 1934)	MOSS BILL (H.R. 12322)	KENNEDY-OTTINGER BILL (S. 2889)
Title: "Relation to Other Parts".	No change.	No change.
402(a) States that Part IV supplements Parts I, II and III to promote the reliability, efficiency, and economy of bulk power supply, and provides that nothing in Part IV would modify or abridge authority granted under Parts I, II and III, unless specifically so provided.	No change.	Adds that Part IV supplements other parts to assure that actions taken pursuant to the Federal Power Act shall be consistent with preservation and enhancement of environment. The conservation of natural resources, including scenic, historic and recreation assets and the strengthening of long-range, land-use planning.
402(b) Makes the administrative, procedural and enforcement provisions of other Parts including provisions for filing reports, complaints by State agencies and others, investigations, hearings, rules and regulations, staff appointments, publications, judicial review, enforcement and penalties, applicable to Part IV.	No change.	No change.
Title: "Cooperation of Bulk Power Supply Systems".	No change.	No change.
403 Sets policy that the purposes of Part IV should be attained as far as possible by cooperation among all persons engaged in bulk power supply, regardless of their nature.	No change.	No change.
Title: "Regional Power Coordination Organizations; Anti-Trust Immunity".	Deletes Anti-Trust Immunity.	Same as S. 1934.
404(a) Provides that, after consultation with persons engaged or interested in bulk power supply, appropriate Federal agencies and State commissions, the Commission would set up regional organizations and procedures for regional and interregional coordination. Provides for membership (either direct or indirect) by electric system in the region regardless of ownership. The Commission staff would participate in all aspects of the regional councils' work except the ultimate adoption of plans or any other council actions.	Deletes "direct or indirect" after the word "membership," because it is unclear what is meant by "indirect membership,"; adds "or of its facilities after "ownership," to make it clear that each electric system may be a member of a regional council irrespective of the nature of its ownership or of the type of its facilities; provides that State regulatory commission representatives may participate in the work of the regional councils to permit greater local representation.	Same as H.R. 12322, but adds requirement that State and local officials and local, regional and State land-use planning agencies be consulted regarding the establishment of regional councils.
404(b) Provides that each regional council would file an organizational statement with the Commission, together with any amendments later adopted. These statements would be available for public inspection. Within 30 days after adoption by the council, any plan of coordination, either regional or interregional, developed by the council, would be submitted to the Commission under such rules as the Commission prescribed. The Commission would make these plans available for public inspection, and would consider them in exercising its responsibilities under all Parts.	Adds requirement for prompt publication in the Federal Register of notice that the statements of organization of regional councils, and amendments thereto, and the regional and interregional plans, and amendments thereto, have been filed.	Same as H.R. 12322, but adds language to make it clear that "coordination plans" developed under this section shall not be considered as "comprehensive plans" for the purposes of Section 12a of Title I.
404(c) Allows the Commission, after notice and opportunity for hearing to determine by order whether any statement of organization filed under section 404 is consistent with the objectives of Part IV (as set out in section 401(b)). If a statement were determined to be inconsistent with those objectives, the Commission could modify it or set it aside. Under this section and the next, the bill would give the Commission discretion to initiate review or not. If the Commission, having approved a statement, also found that its effect on competition would be insubstantial or would be clearly outweighed by other public interest considerations, actions pursuant to the statement would be immune from private antitrust suits.	Deletes the provisions which would confer immunity from private anti-trust suits under sec. 4 of the Clayton Act (15 U.S.C. 15) instituted by any person who has been injured in his business or property by any action taken pursuant to a statement or plan approved by the Commission.	Same as H.R. 12322, *but* restores anti-trust immunity and provides that Justice Department shall become a party with full rights of participation and appeal upon filing notice of intervention.
404(d) Allows the Commission, after notice and opportunity for hearing, to determine whether a coordination plan was consistent with the objectives of Part IV. If the Commission found that the plan was not in the public interest it could modify it or set it aside. On a finding by the Commission that a plan it had approved would have an insubstantial effect on competition, or an effect clearly outweighed by other public interest considerations, actions pursuant to the plan would not be subject to private antitrust suits as long as the Commission's approval remained in effect.	Deletes anti-trust immunity; deletes phrase "not in the public interest" and substitutes "not consistent with the objectives of this part."	Same as H.R. 12322 *but,* restores anti-trust immunity and provides that Justice Department shall become a party with full rights of participation and appeal upon filing notice of intervention.

COMPARISON OF PROPOSED ELECTRIC RELIABILITY ACTS—Continued

ADMINISTRATION BILL (S. 1934)	MOSS BILL (H.R. 12322)	KENNEDY-OTTINGER BILL (S. 2889)
404(e) Directs the Commission to require annual reports from each regional council, and such additional reports as it deemed necessary or appropriate to carry out the objectives of Part IV. Requires the Commission to report to Congress annually on the effectiveness of the regional action and interregional coordination.	No change.	No change.
404(f) Provides that, if it found after notice and opportunity for hearing that any person engaged in generation or transmission of electric energy unreasonably refused to participate either in the creation of a regional council or in effective regional or interregional coordination, it could order such participation to the extent it found necessary to carry out the objectives of Part IV.	Adds authority for the FPC to require persons engaged in electric generation or transmission to pay their reasonable shares of the expenses of the regional council as well as to participate in the creation and work of the council.	Same as H.R. 12322.
404(g) Not in S. 1934.	New subsection authorizes the regional council and the Commission to amend statements and plans from time to time subject to the authority of the Commission to modify or set aside any proposed regional amendment if the Commission determines, after notice and opportunity for hearing, that it is not consistent with the objective of Part IV.	Same as H.R. 12322, but specifies that such determinations shall be subjected to all requirements for filing notice and hearings.
Title: New Title, not in S. 1934.	New Title, not in H.R. 12322.	"National Council on the Environment".
405(a) Not in S. 1934.	Not in H.R. 12322.	Establishes a National Council on the Environment consisting of three members to review plans and statements as well as applications for a license under Part I of the Federal Power Act and each proposal under section 410 of this Act, to determine whether they are consistent with the preservation and enhancement of the environment, conservation of natural resources, including scenic, historic and recreation assets, and with the strenthening of long-range land-use planning; requires Council to report and Commission to defer action for ninety days pending report.
405(b) Not in S. 1934.	Not in H.R. 12322.	Provides that an objection by the National Council shall have the same force as a suspense order issued by the Commission under section 410; provides that the National Council may be a full party at interest to any proceeding in which it has filed a report or objections any may seek rehearing or judicial review of any Commission order in such proceedings.
405(c) Not in S. 1934.	Not in H.R. 12322.	Provides that the President shall appoint the National Council members with advice and consent of the Senate, from persons having special expertise in conservation. environmental sciences or land-use planning; provides that members shall serve three-year terms, shall not serve more than two terms, must not have worked for Federal government, except as temporary consultant, within the preceding five years, and must never have worked for person engaged in the generation, transmission or distribution of electric power.
405(d) Not in S. 1934.	Not in H.R. 12322.	Provides for salaries, facilities staffing, etc., for National Council.
Title: "National Electric Studies Committee".	No change.	No change.
406 (405 in S. 1934) Gives the Commission authority, after consulting with the regional councils, to establish a national committee representative of all elements of the electric industry to facilitate interregional exchange of views and experience, consolidate the industry's efforts to investigate major present and future problems in the planning and operation of bulk power supply facilities and would seek to stimulate interest among scientists and engineers in the challenges of achieving reliable and efficient bulk power supply.	(405 in H.R. 12322) Inserts the word "electric" before the first reference to "industry" to avoid misconstruction.	Same as H.R. 12322, *but* requires consultation with "representatives of consumer interests, conservation organizations and land-use planning experts" and adds "and protecting and enhancing the general environment of the United States" at the end of the section to assure that Committee does not concentrate solely on engineering issues, but considers impact on environment as well.
Title: "Advisory Boards".	No change.	No change.
407. (406 in S. 1934) Allows the Commission to establish one or more advisory coordination review boards and to provide for appointment thereto of experts from the electric utility industry, the equipment manufacturers, and the the academic and research communities, and of other persons (not Commission employees) drawn from the general public. These boards would assist the Commission in considering matters coming before it under Part IV.	(406 in H.R. 12322) Adds explicit language at the end of the section to insure that the Commission, in making appointments to its advisory coordination review boards, will also include persons interested in conservation and aesthetics.	Same as H.R. 12322 *but,* adds "long-range land-use planning" to "conservation and aesthetics" as interests to be represented.

COMPARISON OF PROPOSED ELECTRIC RELIABILITY ACTS—Continued

ADMINISTRATION BILL (S. 1934)	MOSS BILL (H.R. 12322)	KENNEDY-OTTINGER BILL (S. 2889)
Title: "Coordination Agreements."	No change.	No change.
408 (407 in S. 1934) Requires, subject to such rules as the Commission might prescribe, that all written agreements, and statements of all oral agreements, for coordinated planning or operation of bulk power supply facilities be lodged with the Commission. This would include, but not be limited to, agreements for joint ownership of such facilities.	(407 in H.R. 12322) Adds a provision to insure that all coordination agreements filed with the Commission shall be available for public inspection.	Same as H.R. 12322, *but* adds requirement that all agreements be available for public inspection within the region as well as with Commission Staff in Washington.
Title: "Reliability Standards."	No change.	No change.
409 (Section 408 in S. 1934) Provides that, on the recommendation of a regional council or on its own motion, and after consultation with the regional councils, and after public notice and opportunity to comment, the Commission could issue rules setting forth reasonable criteria to enhance reliable planning and operation of bulk power supply facilities in accordance with the objectives of Part IV. Such rules might apply to a particular region or regions, or be of nationwide scope. As specified in section 402 (b), the existing provisions of Part III of the Federal Power Act would be available to enforce compliance with such rules.	(408 in H.R. 12322) Changes the word "may" to "shall" and thus makes issuance of regulations reliability criteria mandatory; substitutes the word "govern" for the word "enhance".	Same as H.R. 12322, *but,* adds "National Council" to list of agencies that must be consulted.
(*409(f)*) Permits the Commission, when it determined that emergency conditions so required, to exempt persons from any requirements of section 409; (409 (g) in H.R. 12322) on its own motion or on complaint, with or without notice, hearing or report, and on such conditions as it deemed necessary or appropriate. An emergency, for purposes of this subsection, would exist by reason of a sudden increase in demand for power or energy, a shortage thereof, a shortage of facilities or materials for generation or transmission of power or energy, including a shortage of fuel or water for generation, or other causes.	Same as subsection (f) of S. 1934 except that H.R. 12322 adds a clause precluding the granting of exemptions from the act as to any matter covered under subsection 409 (e) (410 (e) in Kennedy-Ottinger bill).	Deleted in Kennedy-Ottinger bill as unnecessary if Commission and industry fulfill responsibility under this bill.
Title: "Extra-High-Voltage Facilities; Notice of Proposed Construction; Suspension; Eminent Domain; Rights-of-Way on Federal Land". (409(a) in S. 1934)	No change.	No change.
410(a) Requires any person proposing the construction of EHV facilities (see 401(e)) to file with the Commission, two years before it proposed to start construction, or at such other time as the Commission directed. The proposal would include such information, including information as to the routing of the proposed line, as the Commission required to determine whether the construction and operation proposed was consistent with a plan developed by a regional council and with the objectives of Part IV. The filing would also state whether the proponent elected to seek rights-of-way under section 409(e), which provide for Federal eminent domain and for the securing of rights-of-way over Federal lands. Notice of a filing and of subsequent changes would appear in the Federal Register and be served on appropriate regional councils, Federal, State and local agencies, and any other interested persons, as the Commission required. Any interested person would have 60 days in which to comment on the filing.	(409(a) in H.R. 12322) Adds the words "extension, or modification" after "construction" wherever the latter word appears (See comment under section 401(e) above); deletes the requirement for two years advance filing of proposals, since it is inconsistent with subsection (b), which authorizes commencement of construction after six months; specifies that a map should be included with the information accompanying a proposal for an EHV transmission line; rewords the sentence about publication in the Federal Register and service of notice of filing of proposals, to clarify that it is the Commission's responsibility to cause publication and service to be promptly made; allows the public ninety, rather than sixty, days to comment upon proposals to construct, extend, or modify extra-high-voltage facilities.	Same as H.R. 12322 *but* adds "National Council" and "parties whole interests may be affected" to list which Commissions must serve with notice.
410(b) (409(b) in S. 1934) Prohibits the construction of any extra-high-voltage facility within six months after acceptance of a filing under subsection (a), and for such additional period during which a Commission suspense order is in effect. The Commission would issue a suspense order whenever the proponent elected to seek rights-of-way under subsection (e), or when the Commission concluded, in its discretion, within six months after the filing, that the proposal was inconsistent with an approved plan developed by a regional council or appeared otherwise not to be consistent with the objectives of this part. The order would summarize the Commission's reasons for the finding and would be effective for an initial pe-	(409(b) in H.R. 12322) Adds the words "extension or modification" after construction (see 401e above) Provides that the six-month waiting period before commencement of construction, etc., of extra-high-voltage facilities, will begin to run from the date of publication of the notice of filing in the Federal Register rather than from the much less readily ascertainable date of "acceptance of filing." Adds the phrase "a plan approved pursuant to section 404(d)".	Same as H.R. 12322, but requires notice to National Council.

COMPARISON OF PROPOSED ELECTRIC RELIABILITY ACTS—Continued

ADMINISTRATION BILL (S. 1934)	MOSS BILL (H.R. 12322)	KENNEDY-OTTINGER BILL (S. 2889)
riod, fixed in the Commission's discretion but not more than 12 months. The effectiveness of a suspense order that has not yet expired by its own terms could be extended by an order of the Commission recommending specific modifications in the project and setting forth conditions for its approval, or scheduling the matter for formal hearings or both. In such a case, the proposal would remain suspended until ultimate disposition of the matter by the Commission. The Commission could, however, after public notice and consideration of such comments as were received within 30 days, terminate the suspense order on a finding that the proposal would be consistent with the objectives of Part IV.		
410(c) (409(c) in S. 1934) Direct the Commission to use informal procedures, including joint or separate conferences, to the fullest extent feasible in dealing with extra-high-voltage facilities applications under section 409. Notice and opportunity for hearing, however, would be required before the Commission could finally disapprove a proposal or confer rights-of-way.	(409(c) in H.R. 12322) No change.	Rephrased to assure that "timely" notice of hearing will be served on "all interested parties", and that the opportunity for the hearing will be provided in "the region affected".
410(d) (409(d) in S. 1934) Would permit the Commission, at or before the period of suspension designated by the suspense order, to issue an order recommending specific modifications to the proposal and setting forth conditions for its approval, or to issue an order setting the matter for hearing. (Under the terms of section 409(b), this order would extend the effectiveness of the suspension.) If the modifications and conditions were accepted by the proponent, the Commission would be required to approve the proposal as modified and terminate the suspense order forthwith. If the modifications and conditions were not accepted, or if the Commission itself set the matter for hearing, the suspense order would remain effective until the Commission formally determined whether the proposal was consistent with the objectives of Part IV and issued a final order permitting or prohibiting the construction of the proposed facilities.	(409(d) in H.R. 12322) Adds the words "extension and modification" after construction (Sec. 401(e) above).	Same as H.R. 12322, *but* adds provision that Commission may issue final order only after notice published in the Federal Register and opportunity for public hearing, provides that if any interested party objects, suspense order remains in effect until final determination following a hearing in the region affected.
410(e) (409(e) in S. 1934). Provides that, if the Commission at any time determines after notice and opportunity for hearing, that a proposal would be consistent with the objectives of Part IV, the proponent could secure necessary rights-of-way over Federal and other lands as provided in paragraphs (i) and (ii).	(409(e) in H.R. 12322). Adds words "extension or modification" after "construction" wherever it appears.	Same as H.R. 12322, *but* adds language to assure that project will be consistent with "protection and enhancement of environment factors, conservation of resources including enhancement of scenic, historic and recreation assets and strengthening long-range land-use planning.
410(e)(i) (409(e)(i) in S. 1934). Sets forth procedures for obtaining rights-of-way over land except those owned by the United States by an eminent domain proceeding in the Federal district court of the district in which the land was located. The condemnor would be permitted to use the declaration of taking procedure provided by 40 U.S.C. 258a, 258b, and 258d. Alternatively, eminent domain proceedings could be brought in the state courts.	(409(e)(i) in H.R. 12322). No change.	(410(f)(i) in Kennedy-Ottinger bill).
410(e)(ii) Provides that where a right-of-way over Federal lands was required, the finding that the proposal was consistent with the objectives of Part IV would automatically allow the proponent to have such right-of-way, subject to the applicable requirements of Part IV and such reasonable land-use conditions relating to non-power matters as the Federal department or agency responsible for the lands affected prescribed. The Commission would include these conditions in its order. The administering department or agency would also have the right to protest within sixty days, *only* on the grounds that the Commission's order failed adequately to protect identified aesthetic and historic values. A protest would, until withdrawn, stay the Commission's order.	Substitutes new subparagraphs (ii)–(v) for subparagraph (ii) to provide more adequate protection to public and Indian interests.	(410(f)(ii) in Kennedy-Ottinger bill).

COMPARISON OF PROPOSED ELECTRIC RELIABILITY ACTS—Continued

ADMINISTRATION BILL (S. 1934)	MOSS BILL (H.R. 12322)	KENNEDY-OTTINGER BILL (S. 2889)
410(f)(1) (Section 409(e)(i) in S. 1934).	(Section 409(e)(i) H.R. 12322).	Same as 409(e)(i) of H.R. 12322, *but* adds language providing that if there is objection by any interested party to taking of exercise of eminent domain the burden of proof shall be on the proponent to establish that action is necessary to protect public interest and that no reasonable alternatives exist, provides court shall consider impact upon environment conservation of natural resources, including scenic and recreation assets and long-range land-use planning as well as cost benefits and its effect upon reliability.
410(f)(ii) (409(e)(ii) in S. 1934).	(409(e)(ii) in H.R. 12322).	Same as 409(e)(ii) H.R. 12322 *but* adds language to permit Department to protect FPC order on grounds that it fails to give "due regard to preservation of natural resources, including scenic, historic or recreation assets or historic values instead of "identified aesthetic or historic values".
410(g) (Not in S. 1934)	(409(f) in H.R. 12322) Requires all extra-high-voltage facilities constructed, extended, or modified after the effective date of the act, and interconnected facilities, would be available for transmission service, to the extent of any excess capacity, by any person demonstrating a need for such service consistent with the objectives of the new part IV of the Federal Power Act; empowers the FPC, in appropriate cases, to authorize third parties to enlarge existing EHV facilities, at their own expense, to provide additional capacity to transmit their power. The Commission would prescribe the conditions of use, including compensation to the owner of the line, and where appropriate, to the owner of the land underlying the right-of-way.	Same as H.R. 12322, *but* adds provisions requiring notice to be served on all interested parties and specifying that, in the event of objection, final determination shall be made by Commission only after hearings in the region affected.
410(h) (Not in S. 1934)	(Not in H.R. 12322.)	Provides that nothing in this section shall be deemed to repeal any provision of the Atomic Energy Act of 1954, as amended.
(*410 in S. 1934*) Sets up a mechanism for determining questions of land-use arising either in the regional planning process under section 404 or in the review of extra-high-voltage facilities proposals under section 409. Whenever such a question arises, formally or informally, the Commission would entertain written comments by Federal, interstate, state and local agencies responsible for land-use planning in the affected region. The Commission would defer to the views of the responsible agency, if any existed, to resolve local land-use questions unless it determined that a particular solution would be inconsistent with the objectives of this part.	(410 in H.R. 12322.) No change.	Deleted in Kennedy-Ottinger bill as inadequate protection and no longer necessary in view of authority granted to the National Council.
411 Permits the Commission, after notice and opportunity for hearing, to direct any person engaged in generation or transmission of electric energy to establish physical connection of its facilities with those of another person or persons engaged in generation, transmission or sale of electric energy, to sell energy to or exchange energy with such person. The Commission could do so on its own motion or on complaint, but would have to find that "no undue burden would be imposed on the respondent by the interconnection order." It would also have to find that this action was necessary or appropriate to carry out the objectives of Part IV. The Commission could prescribe the terms and conditions of the arrangement to be made between the parties affected by the order.	Adds language to make it clear that the section authorizes the Commission to provide for transmission of energy and specify the terms and conditions, including compensation for such use of the transmission lines, and that the section shall not be deemed to modify or repeal any Federal power marketing statute.	Same as H.R. 12322 adds provision that the exercise of authority under this section is subject to procedures and requirements of Section 410.
412 Prohibits the abandonment of any bulk power supply service, or of any part of a person's bulk power supply facilities, if the effect would be abandonment, curtailment or impairment of bulk power service, without the advance approval of the Commission. Approval could be granted after notice and opportunity for hearing, on a finding that the abandonment or curtailment would be consistent with the objectives of Part IV.	No Change.	No Change.
413(a) Not in S. 1934.	Not in H.R. 12322.	Requires annual reporting of all utility expenditures for advertising promotion, public relations and contributions; specifies detail and manner of reporting and requires utilities to furnish summaries of the reports to their consumers.

COMPARISON OF PROPOSED ELECTRIC RELIABILITY ACTS—Continued

ADMINISTRATION BILL (S. 1934)	MOSS BILL (H.R. 12322)	KENNEDY-OTTINGER BILL (S. 2889)
413(b) Not in S. 1934.	Not in H.R. 12322.	Requires six months reports on expenditures related to any project proposal before the FPC; specifies detail and manner of reporting and requires utility to make reports available to its consumers.
414 (413 in S. 1934) Gives the Commission power to exempt facilities, persons or activities from any requirement of Part IV or from any rule or regulation thereunder, in order to avoid excessive burdens on persons engaged in bulk power supply, regional councils, and the public. It could issue such exemptions, by rule, after notice and opportunity for hearing and on determining that the exemption was necessary and appropriate to carry out the objectives of Part IV. Conditions could be attached to an exemption, and it could, after notice and opportunity for hearing, be revoked.	Adds provision precluding exemption for any action pursuant to 409(e) (410 in Kennedy-Ottinger bill).	Same as H.R. 12322 *but* adds language precluding exemption for any matter pursuant to sections 404, 405, 410 and 413.
Sec. 4 Not in S. 1934.	New section (not an amendment to the Federal Power Act) requiring the Commission to survey existing and planned high voltage-heavy current testing and research facilities in the United States for adequacy and accessibility to all interested persons and to report its findings to Congress within one year, making recommendations for corrective action if necessary.	Same as H.R. 12322 *but* adds new subsection directing FPC to make full study of impact of overhead transmission lines.

ASSISTANCE TO VIETNAM VETERANS IN OBTAINING SUITABLE EMPLOYMENT

Mr. LONG of Louisiana. Mr. President, last year when I was privileged to vote for the Veterans' Pension and Readjustment Assistance Act of 1967, I knew that I was doing far more than merely responding to the President's requests on behalf of America's servicemen and veterans.

I was confident that I was helping to provide assistance for the men who will be the future leaders of this Nation. You can be sure that the men who are serving in uniform today are acquiring leadership traits that will be invaluable in civilian life. We will soon observe their leadership in both private and public life.

Today, in the U.S. Senate, for example, more than two-thirds of the membership served in our Armed Forces. The House of Representatives has a total of 314 Members who are veterans.

Veteran and nonveterans alike, we supported unanimously the Veterans' Pension and Readjustment Assistance Act of 1967 last summer, knowing when we cast our votes that we were providing additional incentives to develop further the leadership qualities displayed by our servicemen.

We can say with particular pride that we helped give Vietnam veterans benefit parity with veterans of earlier conflicts; increase educational allowances under the GI bill for post-Korean and Vietnam era veterans; disadvantaged veterans to finish high school under the GI bill without loss of entitlement to follow-on college training; add on-the-job farm cooperative and flight training to the avenues of opportunity offered by the GI bill.

The legislation that became Public Law 90–77 also increased pension payments for two million disabled veterans, widows and children, and extended the cutoff date for GI loans to certain World War II veterans by 3 years—to July 25, 1970.

I am proud we provided these measures for America's veterans.

But I will be prouder still if I can help to provide our servicemen and veterans with the further assistance and opportunities which President Johnson, in his message on their behalf to this second session of the 90th Congress, so eloquently said they need and deserve.

All of the recommendations and proposals in this latest veteran's message of the President are important. Two of the subjects he mentioned today were in his message of a year ago and remain in the category of unfinished business.

One of these concerns especially Members of the Senate since the House of Representatives passed last December 15 H.R. 12555, which provides safeguards against loss in a veteran's pension as a result of increases in other income such as social security and at the same time gives most pensioners increased payments.

The other deals with the President's request to increase the amount of available servicemen's group life insurance from its present maximum of $10,000 to a minimum of $12,000—with higher amounts scaled to the pay of the serviceman—up to a maximum of $30,000. Other proposals to give greater insurance protection to servicemen are pending before the Committee on Finance. They approach the problem in a different manner. I am confident that the committee will want to get into this area later this year time permitting.

I would like to mention two other points in which I have a special interest.

One is the President's seeking of recommendations to assure a veteran of burial in a national cemetery reasonably close to his home. This is an objective that must be achieved.

Second, I heartily endorse the President's recommendation that Congress should express itself in support of the concept that private employers as well as the Government should give job priorities to our returning servicemen.

While the administration can play an effective role in assisting Vietnam veterans who wish to work for the Government, the vast majority of veterans, like the vast majority of other citizens, will seek employment in the private marketplace.

It is my honor to introduce a joint resolution which will give both Houses of Congress an opportunity to indicate their support for this concept.

Few things are more important to a man returning from the battlefield to civilian life than to be able to find a good job at the time he needs it the most.

I hope that Congress will at the earliest opportunity take up the President's essential programs for our servicemen and veterans as proposed in his second veterans' message.

The **PRESIDING OFFICER**. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 134) to assist Vietnam veterans in obtaining suitable employment, introduced by Mr. LONG of Louisiana, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

ADDITIONAL COSPONSOR OF BILL

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Iowa [Mr. MILLER] be added as a cosponsor of the bill (S. 2846) to amend the Poultry Products Inspection Act so as to provide for the Federal inspection of all poultry and poultry products intended for human consumption.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

NOTICE OF HEARING

Mr. RIBICOFF. Mr. President, the Subcommittee on Executive Reorganization will hold a hearing on S. 2865 on Friday, February 2, 1968, in room 3302, New Senate Office Building at 10 a.m.

The witnesses will be Lowell K. Bridwell, Administrator of the Federal Highway Administration; Dr. William Haddon, Administrator of the Highway Safety Bureau; Heinz A. Abersfeller, Commissioner, Federal Supply Agency, General Services Administration; Peter Henle, Chief Economist, Bureau of Labor Statistics, Department of Labor; and Ralph Nader.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THAT MILITARY-INDUSTRIAL COMPLEX

Mr. YOUNG of Ohio. Mr. President, I take a dim view of generals sounding off on foreign policy, seeking to direct the foreign policy of our Republic. Within the past week Gen. William C. Westmoreland gave out a taped interview from his air-conditioned headquarters in Saigon for the National Broadcasting Co., and this was broadcast in the United States, Canada, and elsewhere. He denounced those in the U.S. Congress who advocate stopping bombing North Vietnam in an attempt to secure a cease-fire. Speaking of the VC, General Westmoreland said:

> If he would succeed in stopping the bombing I think he would win a great political victory which could have quite an impact in north Vietnam.

Mr. President, that is from a general who is using in combat only 65,000 of some 500,000 of our men in South Vietnam today.

Our Marines, the best trained and most intelligent fighting men ever fielded by any country under the heavenly skies of God in the history of the world, are on the defensive south of the demilitarized zone.

Marines are trained for offensive action and amphibious landings. They should be down there fighting in the Mekong Delta, and some of the friendly forces of South Vietnam—which are altogether too friendly—should be up there fighting and dying, trying to hurl back the assailants.

Unfortunately, those who have studied the records of the last 2 months have observed that U.S. forces, in killed and wounded, have suffered about twice the number of casualties than those of the so-called friendly forces—the too friendly forces—of South Vietnam.

Here is the spectacle of a general who is trying to influence and direct the foreign policy of our country. He then echoed with words of approval the lunar new year message of President Nguyen Van Thieu, head of the military regime ruling Saigon. Thieu claimed that Hanoi peace talks were "a political tactic to keep up infiltration and attacks in the south." This is another example of our generals and administration leaders yielding deference to the military Saigon regime of Thieu and Ky which is not a viable government but would fall within a week except for the armed might of the United States. General Westmoreland in voicing his approval of the Thieu-Ky belligerent attitude apparently approves of the tail wagging the dog.

Then Gen. Harold K. Johnson, Chief of Staff U.S. Army, addressed the National Press Club in Washington and also, I believe, some organization in Chicago, sounding off denouncing the Soviet Union and vehemently expressing opposition to stopping bombing of North Vietnam. President Eisenhower, in his farewell statement to the American people, warned against the power of the military-industrial complex. General Johnson on another occasion declaimed that Communist Russia was an enemy that had threatened to bury us. This is the rightwing extremists argument quoting Khrushchev's threat, as if it were the intent of Russian Communist leaders to assail the United States with nuclear weapons burying millions of people. The Soviet Union under Stalin was an aggressor nation and a menace to world peace. During the last 15 years, the Soviet Union, now a have nation and no longer a have-not nation, has been veering toward capitalism. Since the death of Stalin, the Soviet Union really has not threatened any aggression in Eastern Europe. It recently withdrew two divisions, sending them to areas close to the disputed border with Communist China. General Johnson is distorting history, whether because he is a rightwing extremist in the pattern of Gen. Edwin Walker or due to ignorance, I do not know.

Of the many wisecracks and remarks of Nikita Khrushchev, the one most Americans remember is his threat, "We will bury you." Khrushchev made it crystal clear at the time and afterward he did not mean war. He said:

> I don't mean war. I mean competition. You say your system is the best. We say our system is the best. Let's compete and see which is the best.

Yet, John Birchers and extremist rightwing witch hunters who ignore the fact that the two great Communist nations, China and the Soviet Union, are bitterly hostile toward each other still talk about a monolithic Communist menace.

Defense Secretary Clifford would be well advised to tell his generals and admirals to pipe down and give attention to their duties as leaders of our Armed Forces instead of sounding off on political and foreign policy subjects. Theirs is not the duty to direct the foreign policy of our country. Generals Westmoreland and Johnson deviated from their military duties.

The Constitution of our country and the first ten amendments written on the demand of those patriots who won the Revolutionary War provide for civilian supremacy over the military. We should keep it that way.

Prime Minister Gladstone referred to our Constitution as "the most wonderful work ever struck off at a given time by the brain and purpose of man."

Mr. President, according to J. Edgar Hoover, who should know, the Communist Party in the United States has lost 90 percent of its membership since reaching its numerical strength peak more than 20 years ago. The FBI report is that there were 80,000 Communists in the United States in 1944. The Soviet Red army at that time was crushing "Hitler's supermen" in Europe, and in America there was tolerance for homegrown Communists. At present, the FBI Director estimates the numerical strength of the Communist Party has nosedived and is between 8,000 and 10,000. Gus Hall, the secretary of this ragtag leftwing extremist group, alleges there are 12,000 Communists in his so-called party. He surely would overestimate rather than underestimate. At most there is one Communist in the United States for every 20,000 non-Communists. The odds in favor of free institutions appear to be 20,000 to 1 in our United States. Assuming 80,000 people were witnessing a Big Ten football game in Columbus, Ohio, or watching the Cleveland Browns in the Cleveland Municipal Stadium, as is usually the situation every Sunday there is a football game played there, the chances are that three would be Communist and 79,997 would not. What can we do to prevent these three from harming the rest of us?

Furthermore, we have on our side the city and State police, the FBI and the Army, Air Force, and Navy—never forgetting the Marines. Shades of Valley Forge, Guadalcanal, and Iwo Jima. Do we need Robert Welch, Jr., and ex-Major General Walker or General Johnson, Chief of Staff U.S. Army, to gallop to our aid? If they and other rightwing extremists claim that we no longer are the land of the free, let us at least be the home of the brave.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EARTHA KITT, THE INVITED GUEST

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD 12 letters to the editor which were published in the Washington Evening Star on January 25, 1968. The 12 letters all deal with the recent visit of Eartha Kitt to the White House.

There being no objection, the letters to the editor were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, Jan. 25, 1968]

LETTERS TO THE EDITOR

(NOTE.—Published letters are subject to condensation, and those not selected for publication will be returned only when accompanied by stamped, self-addressed envelopes. The use of pen names is limited to correspondents whose identity is known to the Star.)

EARTHA KITT

SIR: As the mother of three sons, two ready for Vietnam, I feel that, although I do not have nationwide television, radio and news exposure, I still would like to be afforded an opportunity to express myself on a subject upon which I feel as intensely as a recent White House guest, Eartha Kitt.

I cannot conceive of how on earth Eartha was invited to a White House luncheon, although I have believed that all people are created equal under God, long before the somewhat enigmatic word "integration" came into current use.

I do not pretend to be superior to this savage singer who speaks of bearing a son too good to fight for his and her country.

I only hope that I am somewhat more civilized, or to be more exact, that I love my three sons enough to respect their willingness and sense of duty to fight and die, if necessary, for their country instead of making a nauseating public display of myself in their defense, which would make them ashamed, disgusted and, I am sure, they would never forgive me.

One can only hope that any son "borne" by this Only Mother of America does not share her savage, crude and intolerable behavior and ideas.

We, as a nation can never hope to overcome the enemy in Vietnam or anywhere else until we ignore and refuse to publicize the behavior of these insidious parasites within our own country who lose no opportunity to take all they can get but in return are willing to give exactly nothing.

Two of my three sons are twins, 23 years old. One was recently married and is due to report for officer training in April.

The other twin can be called at any time.

My youngest, 15, feels as his brothers do, and is "all set for action."

As their mother, you can imagine how I feel about this. But I have to put up or shut up. I know they are right.

MRS. F. D. SIMPSON.

SIR: I salute Eartha Kitt. I disagree with the public sentiment Mrs. Johnson received from this speech. Eartha Kitt brought the crux of the matter to the family that could achieve peace in Vietnam, and peace in this country.

JOHN DOVE.

TAKOMA PARK, MD.

SIR: When Mrs. Hughes defended the American Boy so vigorously after Miss Kitt's outburst at the White House last week I couldn't help hearing this soliloquy taking place in Mrs. Proud American Momma's mind:

"Committing crimes to keep from going to Vietnam! How dreadful. I can't believe it. My son is in college, where he belongs. Naturally, where else? Haven't we all pulled strings, called on that professor we know, to get our sons in college and to keep them there? Through graduate school, of course. None of my friends have sons in Vietnam. Why, I don't believe I can name a representative or a senator whose son is serving there. My heart aches for the poor boys who are there. Thank God Chet is in college. Let us pray that this awful war is over by the time he gets out, in 1973."

In World War II, colleges were bare of red-blooded young men. Most men, wives, and parents were willing or anxious to do their part to save the world.

Where can Miss Kitt's non-college-oriented anti-Vietnam young men hibernate until 1973?

ALICE P. CHAMPLIN.

SOMERSET, MD.

SIR: The conduct of Eartha Kitt while a luncheon guest of Mrs. Johnson in the White House was despicable and unforgiveable. She has always reminded me of a mean, spiteful feline. Never have I heard her utter a friendly or kind word about anyone on any subject.

AMELIA E. MILLER.

SIR: I feel humiliated and disgraced by Miss Kitt. I speak for my dignified colored race of people. The Bible said there will be wars, and rumors of wars.

My husband was in World War I at Brest, France. He laid in water up over his waist for days and days. There was no medicine. There he had double pneumonia. They gave him cognac and rolled him in blankets. When he sweated them wet they took him out and rolled him in dry ones. Thank God he is still living and well and happy.

Also I had a brother in World War I. He died in September, 1950, and he died happy.

Even now, if you want to make my husband angry just say some nasty remark about the United States Army.

I remember what my beloved President John F. Kennedy once said: "There is time for everything."

I hope every movie house, every night club will boycott Miss Kitt; also show business.

We all love you Lyndon B. Johnson. You just wait and see on election day.

M. B. M.

SIR: Eartha Kitt's remarks on the deeper causes of juvenile violence seem to me an eminently reasonable statement on a serious problem, and quite appropriate to the White House gathering in which it was made. But the angry response in many quarters to what she had to say is nothing less than frightening.

Dr. Martin Luther King sums it up best. He believes that there is much less communication than there ought to be between the White House and the nation. There is less communication today between the American nation and the White House than there was between the French nation and the Palace of Versailles in 1788.

AVERY ANDREWS.

SIRS: There was certainly no reason of Eartha Kitt to state the fact she was "raised in the gutter." It spoke for itself!

DOROTHY LONG.

MT. RAINER, MD.

SIRS: I wish I could feel sympathetic toward Mrs. Johnson in her embarrassment but I cannot. No man alive has any more respect for the office of the President of the United States and the associated position of the First Lady than I have. However, if the White House guest list continues as it has in the past few years to include the names of such nonentities as Eartha Kitt, then I am afraid that embarrassing situations will continue to occur.

W. A. POWER JR.

ADELPHI, MD.

SIR: Most right-thinking Americans are sick and tired of the First Family being kicked around by every cheap publicly hunter who hopes to get a line in the press.

MILDRED AKINS.

SIR: Miss Eartha Kitt revealed ignorance on two scores. The first was lack of good manners.

The second was to equate juvenile delinquency and youth rebellion to the war in Vietnam. If she reads the newspapers she would know that countries without war have the same problems of juvenile delinquency and youth rebellion. The problems are worldwide, they have existed in man's civilizations as far back as anyone can trace. Peace or war makes no difference.

NELSE WINTEN.

BETHESDA, MD.

Sir: I for one feel that the Johnsons should learn from Miss Kitt that maybe she represents a fair portion of thought in America today.

ROSEMARY E. REED MILLER.

SIR: I doubt that Miss Eartha Kitt's recent statements to Mrs. Lyndon Johnson were spontaneous. No one could make so many fine points with such economy of words without planning.

I applaud Miss Kitt for her courage and am thankful that the Johnsons have been so forcefully told how I, too, feel about the war.

READER.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MRS. F. D. R.'S LEADERSHIP IN U.N. HUMAN RIGHTS TREATIES

Mr. PROXMIRE. Mr. President, this is the year we will commemorate the 20th anniversary of the Universal Declaration of Human Rights by the United Nations—a historic document of freedom that expresses man's deepest beliefs about the rights that every human being is born with, and that no government is entitled to deny.

Every American should remember that much of the leadership in the drafting and adoption of the declaration came from a fine American, Mrs. Eleanor Roosevelt. She was our first representative on the United Nations Commission on Human Rights.

To Americans, the rights embodied in the declaration are familiar, but to many other people, in other lands, they are rights never enjoyed and only recently even aspired to.

American ratification of these conventions is long, long overdue. The principles they embody are a part of our own national heritage. The rights and freedoms they proclaim are those which America has defended—and fights to defend—all around the world.

It is my continuing hope that the U.S. Senate will ratify these conventions. This would, I am certain, present the world with another testament to our Nation's abiding belief in the inherent dignity and worth of the individual person.

It would speak again of the highest ideals of America.

DIRECT ELECTION OF PRESIDENT AND VICE PRESIDENT

Mr. DIRKSEN. Mr. President, under consideration is legislation of great importance to all who can exercise their franchise. I am referring, of course, to Senate Joint Resolution 2 and amendments thereto, to provide for the direct election of the President and Vice President of the United States. Recently I have read three articles that I believe will be of real interest to Senators.

William T. Gossett, president-elect of the American Bar Association, has written an article entitled "Electing the President: New Hope for an Old Ideal," which was published in the December 1967 issue of the American Bar Association Journal. The Sunday Washington Post of December 31, 1967, contained an editorial entitled "Direct Presidential Election," and the Richmond Times-Dispatch, Richmond, Va., under date of November 22, 1967, printed an article entitled "Popular Vote Favored To Choose President," written by George Gallup. Because of the facts given and the important studies discussed, I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

ELECTING THE PRESIDENT: NEW HOPE FOR AN OLD IDEAL

(NOTE.—The proposal of the American Bar Association for a constitutional amendment providing for the election of the President and Vice President by direct popular vote embodies the ideal of the framers of our Constitution, Mr. Gossett declares. The Constitution-makers were forced to adopt a compromise device—the electoral college. But now, after 180 years, the defects of the compromise are clear, and the time is ripe to return to the old ideal.)

(By William T. Gossett, president-elect of the American Bar Association)

One hundred and eighty years ago fifty-five men—60 per cent of them lawyers—assembled in Philadelphia. Their purpose was to revise the limp Articles of Confederation, under which the colonies, as a loose federation of autonomous states, had tried, and failed, to govern themselves after achieving independence. Wisely abandoning the revisionist task as hopeless, the delegates spent some fifteen weeks in constructing instead a wholly new document, which was to become the most enduring written constitution in history.

After a week's discussion of general propositions, one of the first provisions discussed at what was to become known as the Constitutional Convention of 1787 was the manner of electing the chief executive of the United States. The first proposal was made by James Wilson, one of the great lawyers of his age, a chief architect of the Supreme Court and one of Washington's initial appointments as Associate Justice. Wilson's proposal was that the President be named by direct "election by the people". The proceedings of the convention were secret, but according to Madison's *Journal*, at least six delegates, including Madison himself, "the master-builder of the Constitution", and four other lawyers, endorsed Wilson's suggestion. No less than eight other methods of electing the President—among them the electoral college system—were proposed. Some of them were first adopted and then reconsidered and rejected.

Not until the final weeks of the convention was the electoral college method adopted. It was not an ideal way or even the best way of choosing a President; rather, it was a compromise device that nobody expected to work and that would invariably result in throwing the election of the President and Vice President into the House of Representatives.[1]

The electoral system, therefore, was never intended by the drafters of the Constitution to be primarily a "states' rights" device to give the states rather than the people the power and the responsibility of choosing the President. According to Madison, Wilson "wished to derive not only both branches of the Legislature [i.e., the Congress] from the people without the intervention of the State Legislatures, but the Executive also, in order to make them as independent as possible of each other, as well as of the States".[2] There was, of course, some uneasiness that the large states might dominate the smaller ones, but the electoral college system, which gave the larger states the larger electoral votes, could not and historically did not correct that propensity.

What really moved the delegates to accept the electoral system, with little enthusiasm and no unanimity of conviction, were certain practical considerations, dictated not by political ideals but by the social realities of the time—realities that no longer exist. These were centered largely in the limited communications and relatively low literacy of the period, which made it virtually impossible for the people to know the candidates, rendered them subject to deceptions and would have inclined them to vote only for someone from their own state. This made it likely that the largest state, having the largest vote, usually would elect its candidate. On the other hand, the delegates assumed that the electors, to whom the people would delegate their franchise, would be the wise men of the community, with their disinterested role protected by the requirement that they not be office-holders or candidates.

Historically, the electoral system did not and could not adhere long to such a pure and detached concept. First, political cabals and later political parties appeared; the electors' role became a mechanical one. As they became partisan functionaries, their names and reputations became far less known to the citizens than those of the candidates. I doubt that anyone reading this can name the electors in 1964 from his own state or even those from his own party. I doubt equally that anyone reading this would be less than outraged by the proposition that he was turning over to a handful of people the right, without enforceable limitation, to specify his choice of candidates for President and Vice President—the basic and only valid assumption of the electoral system. It must be remembered that the electoral system was not intended to be a reflection of the popular vote but a delegation of the full power of that vote to electors.

In an age of speedy transportation, instantaneous communication and high literacy, this delegation of a basic civic right and duty from the many to a few is both anachronistic and abhorrent. The report of the Commission on Electoral College Reform of the American Bar Association[3] used strong language when it characterized the method as "archaic, undemocratic, complex, ambiguous, indirect and dangerous"; but the language was not used precipitously. Most of the faults inherent in the electoral college system have been intensified rather than alleviated by the passage of time. Briefly, the major defects are:

1. The popular will of the majority of the people of the nation can be—and has been—defeated by mathematical flukes.
2. The choice can be—and has been—thrown into the House of Representatives, where each state has but a single vote.
3. A vote can be—and has been—cast by an elector for a candidate other than that for whom the voter expected him to vote.
4. Strong partisan cabals can influence—and have influenced—results of elections by influencing the choice of electors and appropriating party labels.
5. The disputed electoral vote of one state can negate—and has negated—the will of the rest of the nation.
6. Candidates with a clear plurality of the votes of the American people can be—and have been—defeated by candidates with a lesser vote.
7. The electoral vote of a state can—and does—nullify ballots of all voters not supporting the winner in that state.
8. The electoral votes of a state with a small percentage of its voters casting their ballots can—and do—have as fixed a numerical strength as a state with a large turnout.
9. The margins of victory and of defeat can be—and are—grossly exaggerated by electoral votes, thus creating dangerous distortions of the real balances in our political system.

ASSOCIATION'S RECOMMENDATIONS

The recommendations of the Commission to convert or eradicate these defects are direct and to the point: that the President and Vice President be elected by a direct, nationwide popular vote; that unless the leading candidate receives at least 40 per cent of the vote, there be a runoff election between the two top candidates; that while the place and manner of holding presidential elections remain the primary responsibility of the states, the Congress have the power to make or alter election regulations, particularly "where the state attempts to exclude the name of a major candidate from the ballot"; and that the qualifications for voting for President be the same as those for voting for members of Congress, but that "Congress be given the reserve power to adopt uniform age and residence requirements". The Commission also urged that Congress hold hearings and take appropriate legislative action on solutions for such contingencies as the death of a candidate either after or shortly before the election.

The directness and justice of these recommendations prompted an exceptionally uniform favorable reaction throughout the press of the nation, as editorialists and columnists for the most part endorsed the Commission's proposals. A Gallup poll revealed that 58 per cent of the people favored direct popular election of the President, with only 22 per cent opposed. Significantly, majority approval of the people, as reflected in this poll, came from every region of the country, ranging from 52 per cent in the South to 66 per cent in the Far West. This parallels closely a poll of state legislators in which more than 59 per cent of 2,200 responding favored direct popular elections. Legislation based on the recommendations was introduced in the Senate and House with leadership support from both parties. Hearings have already been held on behalf of the Senate and are now pending in the House.

Despite the prompt and affirmative response to the American Bar Association's proposals, objections to the proposed reforms in presidential elections have arisen. Any suggestion to change old ways of doing things, of course, always invites vigorous objections—a healthy enough tendency in matters calling for constitutional amendment, which was purposefully made a difficult process by the Constitution-makers, in order to provide time for the airing and answering of objections. In the case of the proposal for direct, nationwide popular vote for the President and Vice President, the objections seem to center in the age-old fear that the influence of the small or sparsely settled states would be diminished somehow, especially in view of the requirement that a candidate receive at least 40 per cent of the vote to achieve election, and in the provision for runoff elections when no candidate receives the required minimal percentage.

---

[1] Apparently the House was chosen instead of the Senate, even though each state was to have but a single vote, to avoid giving the Senate too much leverage and to obviate excessive bargaining between Senators and the leading aspirants to the office of President with regard to appointments after the election. PRITCHETT, THE AMERICAN CONSTITUTION 26 (1959); ROSSITER, THE GRAND CONVENTION 220 (1966).

[2] 1. FARRAND, THE RECORDS OF THE FEDERAL CONVENTION of 1787 (1937 ed.)

[3] *Electing the President,* 53 A.B.A.J. 219 (1967).

Answers to these objections are either explicit or implicit in the report of the Commission, and they are confirmed by any historical analysis of election statistics. It may be useful, however, to review them briefly here, because the proposals unquestionably will be the subject of widespread discussion for some time to come.

With regard to the effect of popular, nationwide elections on the influence of small or sparsely settled states, far from diminishing it, the proposed reforms would in fact considerably strengthen their participation in elections. While there is belief that the electoral system, because the ratio of electors to population favors small states (Alaska has one elector for each 75,380 inhabitants and Nevada one for 95,093, while California and Pennsylvania have one for every 392,930 and 390,323, respectively), the practical operation of the electoral system has led the parties to concentrate disproportionately on their candidate or platform appealing to the majorities in the large industrial states, twelve of which have a clear majority of the total electoral vote. Thus, the candidates can and have tended to ignore the small states. That this strategy has worked to the detriment of the influence of small states is clearly apparent in a review of the states as barometers of election outcomes—that is, the number of times a state has cast its vote for the winner.

Omitting Alaska and Hawaii from consideration (because they have cast votes in only two elections), of the twenty-eight states having less than ten electoral votes each, only four—14 per cent—have been with the winner in as many as four of five elections. But all five of the states heading the list in electoral votes, with more than twenty-five each, have been with the winner in four of five elections. The ten states that have least often helped to elect the winner have an average of 8.7 electoral votes. The ten that most often have helped determine the winner have an average of 19.4 electoral votes. Nor is this a matter only of regionalism. Delaware, with three votes, has been on the losing side more often than Georgia with twelve, and Vermont, also with three, more often than Louisiana with ten.[4]

In view of these and related figures, it is difficult to see what real influence of the small states is being diminished. In a direct election, *all* of the votes within a state would be reflected in the national total. And so if the electoral system were abolished, fundamental inequities would vanish. There is no plausible reason why a resident of Nevada should have four times the voting power, in terms of electoral vote, of a resident of California. Nor can I explain why the 1,200,000 people who voted in Connecticut in 1964 should have their ballots count in electoral vote power for no more than those of the 500,000 who voted in South Carolina.

Each electoral vote for the candidate who won in Connecticut represented the will of some 52,000 Americans who took the trouble to cast their ballots, while each electoral vote of the winner in South Carolina reflected the will of only 11,500 voters. In other words, a South Carolina vote has almost five times the power in electoral votes of a Connecticut vote. Why? In the long run it does not favor even the South Carolinian; he has been with the loser 44 per cent of the time, while Connecticut has been with the loser only 32 per cent of the time. Clearly, any election system that lessens the power of any individual's vote in order to enlarge another's, on whatever grounds, rationale or pretext, is inequitable, unjust and indefensible. Anyway, why should not *all* of the votes cast within a state be reflected in the national total?

The Commission's recommendation that no one receiving less than 40 per cent of the vote be elected has its roots in the simple recognition that anything less would constitute a mandate insufficiently representative of the popular will and that a requirement of anything more would run the risk of frequently causing resort to contingent election procedures that in the past have more often flown in the face of the will of the people than reflected it.

Only twice in our history, as a matter of fact, has a President gone into office with less than 40 per cent of the popular vote: in 1824, in an election epitomizing the inequities of the electoral system, John Quincy Adams, who received 31.89 per cent of the popular vote, as compared to Andrew Jackson's 42.16 per cent, was elected by the House of Representatives, to which under the Constitution the election is delegated in the event that no candidate receives a majority of the electoral vote (Adams got only 32 per cent of the electoral votes); and in 1860, Abraham Lincoln was elected by an electoral majority of 59 per cent, though his plurality in the popular vote was only 39.8 per cent.

Though only in those two instances did a winning candidate receive less than 40 per cent of the popular vote, the desirability of making the plurality necessary to election no higher is emphasized by the fact that no less than twelve Presidents have won by between 40 and 50 per cent of the popular vote—including four in this century. This means that altogether in fourteen of forty-five elections, candidates have been elected on pluralities rather than majorities of the popular vote. Had those elections been forced into the House of Representatives, nearly a third of our elections would have represented not the choice of the people but of one of the two houses of Congress, with resulting compromise to the traditional separation of powers.

Placing the plurality requirement at no less than 40 per cent is justified also as a means of preserving the two-party system—a factor that has given the American democracy a unique stability. A proliferation of splinter parties could bring about the election of Presidents representing only well-organized minorities of less than four out of ten voters. Inevitably, in order to function adequately and to advance a legislative program, coalition administrations would be the probable result; and party accountability, one of the main props of our political structure, would be seriously undermined. At the same time, the 40 per cent requirement is sufficiently realistic, and sufficiently responsive to the continuing need in an open society to accommodate change, to make possible the emergence of new or splinter parties or the growth of established third parties when they seriously respond to new conditions, new aspirations or newly recognized values.

The Commission's proposal for a national runoff election between the two candidates with the largest number of votes, in the event that no one gets 40 percent or more, provides for a contingency which, however remote it may be on the basis of historical evidence, nevertheless conceivably could occur. Actually, only once in our history since popular votes have been cast did no candidate get 40 per cent of the popular vote.

The sole exception was the election of 1860, when Lincoln led in the popular vote, 39.79 per cent—missing the 40 per cent proposed minimum by only slightly over two tenths of 1 per cent. But Lincoln's name did not appear on the ballot in ten states, which could have easily made up the difference. We are, therefore, talking about a contingency so remote that it has happened only once in 178 years—and then by a tiny fraction of 1 per cent.

But the law must deal with the possible as well as the probable. The present unit rule system of throwing unresolved elections into the House of Representatives, with each state having a single vote without regard to its size and with each state's House delegation empowered to ignore the state's vote in the election, is clearly a political monstrosity, fully distorting the most elementary principles of self-government and opening up possibilities of political wheeling and dealing wholly repugnant to a free people. Under it the choice of the people of the twenty-six least populated states, representing 16 per cent of the nation's total population, could prevail over that of the twenty-four most populated states, representing 84 per cent of the people.

As a matter of fact, under the unit vote system by which the House decides disputed elections, in 1824 thirteen states cast their votes for Adams, thus electing him—even though in the popular election Jackson got nine states to Adams' six, and in the electoral balloting eleven states to Adams' nine. It is significant of the kind of wheeling and dealing inevitable in such House procedures that Adams was given the vote of Kentucky, a state in which he had not received a single popular or electoral vote.

The election in 1968 could produce a similar distortion. If former Governor George Wallace of Alabama were to be a candidate, he could conceivably carry enough Southern states to prevent either of the major candidates, with their divided parties, from getting a majority, thus throwing the election into the House of Representatives. In 1948 the States' Righters took thirty-nine electoral votes, and the Henry A. Wallace Progressives cost President Truman the states of New York and Michigan.

A national runoff is not a perfect way of deciding unresolved elections, but it has been demonstrated in other countries and in some of our state primaries to be preferable to any other plan and to be completely workable. Above all, it keeps the election of the only two truly national officials in our government in the hands of the people where it certainly belongs. It also keeps the presidency independent of the Congress, which the Constitution-makers clearly intended it to be. It minimizes the effects of changing state populations, of padded election returns and of cheating on tallying ballots.

It was the Commission's conclusion that the direct national election would effectively meet all the evils of the present system. As Professor James C. Kirby, Jr., a member of the Commission, has pointed out:

> District and proportional plans each fell short in more than one respect, but the following corrections . . . were projected to flow from direct election:
>
> First, all votes cast within a state would be reflected in the national totals.
>
> Secondly, by necessity there would no longer be a possibility of a "minority President," in the sense of one elected with fewer votes than an opponent.
>
> Thirdly, there would cease to be any "pivotal states" as such because no state's votes would be cast in a unit.
>
> Fourthly, the so-called "sure state" would disappear because candidates' efforts would be directed at people, regardless of location, and no Republican or Democratic minority in a state would be ignored because they were outnumbered there.
>
> For similar reasons the fifth evil disappears. The so-called "swing vote" within a state would lose its special attractiveness with its power to tip a state's entire electoral vote one way or the other. The votes of a 200,000 voting bloc in a particular state would be only 200,000 votes toward a necessary national

---

[4] Statistics from PETERSEN, A STATISTICAL HISTORY OF THE AMERICAN PRESIDENTIAL ELECTIONS 168.

total of 30 to 40 million votes. These 200,000 votes would take on the same appearance to a candidate as any other 200,000 in the same state or anywhere else in the nation.

Finally, fraud or accident affecting a particular voting place or locality would affect only the votes involved and could not cause an entire state's vote to be miscalculated.[5]

In supporting the pending proposal to bring about a really significant and lasting electoral reform, the American Bar is helping to bring to fruition an ideal sought by our forebears: it will assign clearly and incontrovertibly the choice of our executive to the people—which a great member of the Philadelphia Bar and a leading proponent of the Constitution, John Dickinson, called "the best and purest source".[6]

[From the Washington (D.C.) Post,
Dec. 31, 1967]

Direct Presidential Election

In this era of growing equality, there seems to be a rising demand for direct popular election of the President and Vice President by a majority of the votes cast in all the states. One major argument has stood against the proposed change. Residents of some small states have feared that they would lose some of the influence they now have in such elections by reason of the fact that the Constitution gives each state an electoral vote for each of its two Senators as well as for each of its Representatives. In a direct popular election there would be no electors, and each individual vote would be counted for precisely what it is. The tendency has been to see in this an elimination of the advantage the Founding Fathers gave the small states to induce them to join the Federal system.

More sophisticated analyses seem to show, however, that the supposed advantage given to the small states actually reduces their influence. John F. Banzhaf III, a New York lawyer with a background in mathematics and computer science, has made a detailed study which shows that a voter in a big state like New York or California has more than two and a half times as much chance to affect the election of the President as a resident of a small state and more than three times as much chance as a resident of the District of Columbia.

The reasoning which leads to this conclusion is complex but interesting. Mr. Banzhaf explains it this way:

First, one examines, with the aid of a computer, all of the different possible arrangements of electoral votes and determines those in which any given state, by a change in its electoral vote, could change the outcome of the election. One then looks to the people of the state and determines in how many of these voting combinations a resident could affect how that state's electoral votes would be cast. Finally, combining those two figures, it is possible to calculate the chance of any voter affecting the election of the President through the medium of his state's electoral votes; in other words, his chance to effectively participate in the presidential election.

Without delving into Mr. Banzhaf's technical explanations, his conclusion may be illustrated by a specific example. New York has 43 electoral votes and Alaska 3. Since New York has approximately 74 times the population of Alaska, it might be supposed that an individual Alaskan's vote carries much more weight than a New Yorker's. But the computers say otherwise. The key to the situation is the fact that the New Yorker may potentially affect 43 electoral votes and the Alaskan only three. This advantage, according to Mr. Banzhaf, far outweighs Alaska's heavily weighted representation in the electoral college.

If this reasoning is correct, the most heavily favored citizens under the present system are those of New York, California, Pennsylvania and Ohio. The most deprived are those in Maine, New Mexico, Nebraska, Utah and the District. With the aid of computers, Mr. Banzhaf has worked out elaborate tables showing the inequities of the present system and of all other proposed methods of counting electoral votes. All the systems which would retain electoral votes in any form, including the Administration's plan for abolition of the electoral college, fall critically short of the ideal of voter equality.

Only direct popular election of the President would put all voters on an equal basis. Votes would then be cast for the presidential candidates as such, and, under the proposed constitutional amendment before Congress, the candidate with the largest number would win if it amounted to 40 per cent or more of the total. If no candidate had more than 40 per cent, a run-off would be necessary. In our view, this is the only method of providing real voter equality in the election of greatest concern to American citizens. Although it is too late to affect the 1968 election, Congress ought to approve this fair and modern constitutional change early next year and send it to the states for ratification.

[From the Richmond (Va.) Times-Dispatch,
Nov. 22, 1967]

Popular Vote Favored To Choose President

(By George Gallup)

Princeton, N.J.—With the distinct possibility that a third party could prevent either major party from getting a majority of the electoral vote in the 1968 presidential election, attention once again is directed to the way U.S. presidents are elected.

A large majority of the American public (65 per cent) favor basing the election of the president on the total popular vote throughout the nation, rather than the present system where a candidate wins the total electoral vote in a state even if he wins just a bare plurality of the popular vote.

Fifteen surveys have been conducted on the subject during the last three decades. Each time a majority of the people in every section of the country has favored changing our presidential election system. In few other instances in polling history has there been such a long time lag between the public's wishes and congressional action.

Most recent presidents, in addition to a majority of the American people, have favored electoral reform. The American Bar Association's nonpartisan Commission on Electoral College Reform reported last January:

"The present method of electing a president of the United States is archaic, undemocratic, complex, ambiguous, indirect and dangerous. It gives too much weight to some voters and too little to others; gives excessive power to organized groups in states where the parties are evenly matched; places an undue premium on the effects of fraud, accident, and other factors, and allows for the possible abuse and frustration of the popular will."

Political analysts have speculated over the possibility of a George Wallace-led third party in 1968 preventing any candidate from winning a majority of the electoral vote, thus turning the decision over to the House of Representatives.

A Senate subcommittee, headed by Sen. Birch Bayh of Indiana, is holding hearings on a proposal to base the election of presidents on the total vote cast.

According to Bayh's office, support for the direct election of presidents is bipartisan; endorsement has come from members of Congress on both sides of the political aisle.

Against this background, Gallup Poll interviewers recently asked the following question of persons in 1,585 households across the nation:

"Would you approve or disapprove of an amendment to the Constitution which would do away with the Electoral College and base the election of a president on the total vote cast throughout the nation?"

The latest results represent a slight increase in the 63 per cent approval vote recorded in a May 1966 survey:

Approve	65
Disapprove	22
No opinion	13

Analysis of the results by key population groups shows that the direct vote plan also has bipartisan support, not only in Congress but at the grass-roots level as well.

College trained persons are more likely to back the proposal than are persons with little or no formal education, but even among grade school people a majority vote in favor as seen in the following table:

[Approved, disapproved, no opinion]

College	70	24	6
High School	67	22	11
Grade School	54	19	27

Contrary to the opinion of many persons, the present "winner-take-all" plan was not written into the Constitution. With the growth of political parties, the plan was introduced to increase the influence an individual state might have in presidential elections.

Largely because of the workings of the present system, political parties in presidential campaigns concentrate their efforts on the large states where the parties are evenly matched, and ignore the "sure" states, or those states where the electoral vote is small.

Under the proposed plan, both parties would find it necessary to make each state a battleground in order to increase that party's total vote throughout the nation.

NEW PATHS IN SOCIAL RESEARCH

Mr. HARRIS. Mr. President, the November 1967, issue of the American Psychologist deserves the most careful reading by all who are troubled by the state of our society. That excellent edition of a widely read and much-respected professional journal was dedicated in its entirety to a consideration of proposals introduced in the 90th Congress which have a direct bearing on the betterment of our social knowledge. One of these proposals is my own legislation establishing a National Foundation for the Social Sciences. The objective served by this proposal is to increase our social research efforts in the hope of improving our social knowledge.

The other proposal considered in the issue is the Full Opportunity and Social Accounting Act, proposed by the Senator from Minnesota [Mr. Mondale]. The bill would provide a public institution, a Council of Social Advisers in the Executive Office of the President, charged with the responsibility of developing sharpened indicators of our social health as well as with presenting those facts to the President, Congress, and the country. Clearly, one proposal complements the other.

Accordingly, I am pleased to have an opportunity to invite the attention of Senators to Senator Mondale's excellent

---

[5] Statement of James C. Kirby, Jr., professor of law at Northwestern University School of Law, before the Subcommittee on Constitutional Amendments of the Senate Judiciary Committee, May 17, 1967.

[6] Padover, To Secure These Blessings, The Great Debate of the Constitutional Convention 359 (1962).

article entitled "Some Thoughts on Stumbling Into the Future." I commend this stimulating discussion of the Full Opportunity and Social Accounting Act to the attention of the Senate and other readers of the Record. I ask unanimous consent that the article be printed in its entirety in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the American Psychologist, November 1967]

Some Thoughts on "Stumbling Into the Future"

(By Hon. Walter F. Mondale, U.S. Senator)

First, change is the order of the day. The question is not whether, but whither.

Seocnd, public men must respond to that change. The critical question is how well informed their responses—and their decisions—can be.

Third, it follows that citizens who understand change have a public responsibility to inform those who make decisions about it. Among others, perhaps more than others, these citizens include social scientists. Thus the Government's interest in their welfare complements their interest in the Government's welfare. And together, Government and social science have a profound interest in the public welfare.

Given this interdependency of interest, the two pieces of legislation which are receiving special attention in this issue of the *American Psychologist* have a special relationship to each other. The "National Foundation for the Social Sciences Act," of which Senator Fred Harris of Oklahoma is the author and I am cosponsor, is intended to provide Government assistance for social science research and scholarship. The "Full Opportunity and Social Accounting Act," of which I am the author and Senator Harris is a cosponsor, is intended to make use of the research scholarship, and individual excellence of social scientists at the highest, most visible levels of the Government. The case is strong for each; the case for both, in my judgment, is overpowering.

ORDER AND CHANGE

Political philosophers since Plato have speculated on the best way to assure order in the conduct of public business. That speculation, far from lessening, has grown more intense and imaginative in our age, as change of every sort from exploding populations to exploding knowledge—even to exploding cities—is our constant companion.

The first half of this century brought transformations in the social landscape unthinkable to our fathers and still incomprehensible to many of us. At the turn of the century, half our people lived on farms and many of the rest in small towns. Today, something like 5% of our population is rural and virtually all population increase is being registered in metropolitan America.

When the Nation's population was widely dispersed in farms and hamlets, the rate of social change was slower, and public social welfare was largely a local concern. In fact, it was often a private rather than a public matter.

But yesterday's stability has given way to tumultuous and apparently irrestible change. Our unhappy record of recognizing and responding as a nation to past and present change worsens when it comes to actually *planning* for tomorrow's results of today's change. We are unable to predict the effects of the responses we now make. We live *alongside* change but we have not learned to live *with* it, to accept its necessity. Most certainly, we have not yet attained the ability to harness the dynamics of change for the achievement of social goals of our own selection.

John W. Gardner, Secretary of Health, Education, and Welfare, has provided this glum but just appraisal of our record in coping with change:

"We have great and honored tradition of stumbling into the future. In management of the present, our nation is—as nations go—fairly rational, systematic, and orderly. But when it comes to movement into the future, we are heedless and impulsive. We leap before we look. We act first and think later. We back into next year's problems studying the solutions to last year's problems. This has been true as long as I can remember."

Yet it is only tomorrow that is sensitive to what we do today. It is impossible for us to affect the past or the present moment which is even now passing away.

Obviously, then, planning for the future is an indispensable preoccupation for public men. This is not an original insight. Scholars identify Thucydides' *The Peloponnesian War*, in the fifth century, B.C., as the first treatise on political decision making produced in our Western culture. The premise that future-planning is both indispensable and legitimate for public men was put into the mouth of Archidamos, addressing the Assembly of Lacaedemonians on the eve of the Peloponnesian War: "For we that must be thought the causers of all events, good or bad, have reason also to take some leisure in part to foresee them." To Thucydides as to us, *tomorrow* was the proper object of *today's* activity. He also suggested that forethought and foresight are the irreplaceable ingredients of future-planning.

Social scientists from such interdependent disciplines as psychology, political science, anthropology, sociology, and economics are analyzers of the public. Observing and explaining certain aspects of human behavior are their domain—but forecasting future behavior on the basis of generalized knowledge is the ultimate test of their sophistication. Putting forecasts to the task of human decision making is the ultimate test of their commitment.

Standing as they do on the accumulated social wisdom of the past and on the measured knowledge of the present, social scientists are uniquely capable of vital contributions to the public effort at every level. In the words of the distinguished French political scientist, Bertrand de Jouvenel, the body politic is "a vast army 'making its way' in a literal sense; this raises a variety of problems to be foreseen by a variety of social scouts." In my judgment, social scientists are particularly well equipped to serve as "social scouts" in our own society, and they have an opportunity to serve.

De Jouvenel, himself a European social scout of some distinction, makes a harder judgment. Failure of a social scientist to scent the social atmosphere, and to advise public men of coming change and of necessary steps to meet and modify it, is, for de Jouvenel, unforgiveable. For he views social scientists as students of behavior and, he writes, "such a study must be called idle or unsuccessful unless it results in an increasing ability to state what is to be expected."

THE MEANS OF PARTICIPATION

The structure proposed in the Full Opportunity and Social Accounting Act can help public officials appreciate, understand and supervise change, and facilitate the application of social information to the pressing problems of our society.

Its Council of Social Advisers, annual Social Report, and joint Congressional Committee are specifically designed to provide a rigorous, reliable and verifiable accounting of progress and possibilities in the social arena. It is modeled on the effective structure created for economic questions by the Full Employment Act of 1946, with its Council of Economic Advisers, annual Economic Report, and joint Congressional Committee.

How badly we are doing at the present time in measuring our failures and documenting our successes in improving the quality of American life is illustrated by two separate and very different incidents.

The first incident concerns the charge levelled early this year by the National Committee Against Discrimination in Housing that, for the past 3 decades, all good intentions notwithstanding, the Federal Government has *fostered* racial segregation and consequently trapped Negroes in slum ghettos.

Their specific criticisms attacked a broad range of programs and policies, among them urban renewal, transportation, and public housing. Some of the programs the Committee cited sought to improve American society generally; others, such as public housing, aimed at specifically improving the condition of the indigent. Of urban renewal, the Committee charged that the programs "have consistently violated the rights of Negro Americans and other minorities by forcing their continuous upheaval and relocation in racially segregated areas to accommodate local community prejudices."

Because the main target of the criticism was the Department of Housing and Urban Development, HUD Secretary Robert C. Weaver prepared an 8-page rejoinder which said, generally, that the Department was doing the best it could under current laws but stronger legislation was needed.

That was the best that could be said, given the state of our sophistication. It is not good enough. As a Senator who has voted for some of these programs, or supported others enacted before I came to the Senate, I am perplexed and troubled.

More recently, the Department of Transportation has taken its first concrete step to tally the total cost of a freeway system to be constructed in Baltimore. Part of that system's cost will consist of large-scale sociological displacement, the disruption of whole neighborhoods and the destruction of worthy old buildings.

It is difficult to measure the social "cost" of a freeway but it is vital that we attempt to do so, and this initial attempt at social accounting on the part of the Department of Transportation is both commendable and encouraging. It is particularly laudable because it is visible—a publicly disclosed effort for Government officials, in cooperation with sociologists, economists, engineers and others, to compute the entire cost, monetary and social, of a proposed roadway system. Visibility is absolutely critical in social auditing efforts, to assure the participation of all concerned parties in evaluating the expenditure of vast sums of public funds on projects with social implications.

Social accounting efforts have been underway on a limited basis in Government agencies and scattered university research centers for the past several years. The facts which indicated violent disorder in Watts and Hough and Newark were plainly present long before riots brought well-intended if short-lived attention to the grinding problems of human beings imprisoned in those ghettos. But there was not, and is not, a highly visible national forum to confront the American conscience with the hard facts of its social problems. And because there is no forum, we can pretend there are no problems.

Certainly there must be more peaceful and precise ways than riot to measure the state of our social health. Quite obviously, we need to develop better indicators of social well-being. And then we need to learn to apply our knowledge to the problems we will face.

One of the social sciences, economics, has demonstrated its ability to head off economic downturns and potential disasters by carefully developing and studiously observing such indicators as retail sales volume, amount of new investment, inventory levels, and levels of gross national product. We now have no comparable system that will alert us to social disaster—a system of social indicators, widely broadcast, by which we could keep watch in a general way on the social processes in our nation and plan for society's orderly development. We need not seek comparable sophistication—we simply need more than we have.

In tragic innocence, we undertake ambitious and laudable programs, frequently on the basis of little more than a hunch or, more politely phrased, an intuitive political judgment. When our hunch has gone askew, we watch with shocked amazement as our well-intended efforts result in unanticipated reactions.

The absence of adequate, *publicly announced* indicators can also veil our successes and encourage mistaken exploitation of surface indications of failure, whether it be the testing of new educational techniques, methods of fighting crime, or the administration of welfare funds.

In short, we know we are destroying old structures and building new ones, *but what are we doing to people?*

INTERACTION AND DEVELOPMENT

As our present programs continue in their sometimes uncertain way, we must undertake to devise better analytical methods—to help us find out what we have really done, what is likely to come, and what we ought to be doing about it. To say that our social programs may be imperfect and sometimes misdirected is not to say, of course, that we should halt all attempts at social betterment. But perhaps we can find ways to do more with less material and social cost and with less wasted motion along the way.

Beyond the establishment of social analysis, there should be persistent and perceptive and continuing high-level consideration of our social processes, their problems and possibilities, such as is provided for the President by the Council of Economic Advisers in the economic field. We need not wait for ultimate sophistication to carry on this discussion; we do not yet use the sophistication available to us now at this level.

It would be wrong, and it is unnecessary, to claim that development and use of social information would magically reveal the truth in every case. It would be equally naive to believe that we could avoid, or even know of, every impending crisis. Yet better analysis, systematically undertaken and watched constantly by the press, the Congress, and the public, could yield invaluable guidance for future action.

The system of social evaluation envisioned in S. 843 would serve five purposes:

It would sharpen our quantitative knowledge of social needs.

It would allow us to measure more precisely our progress toward our social objectives.

It would help us to evaluate efforts at all levels of government.

It would help us determine priorities among competing social programs.

It would encourage the development and assessment of alternative courses without waiting until some one solution had belatedly been proved a failure.

The legislation itself contains four key sections:

1. It establishes full social opportunity for all Americans as a national goal.

2. It establishes a President's Council of Social Advisers and charges them with devising a system of social indicators, and with appraising Governmental programs and advising the President on domestic social policy.

3, It requires the President to submit an annual Social Report, comparable to the Economic Report, disclosing the indicators for public examination and giving them wide exposure.

4. It establishes a Joint Congressional Committee on the Social Report, which could hold hearings and subject the President's Social Report to critical analysis.

The legislation provides a framework for marshalling the knowledge we have and a structure for obtaining the additional facts we need. It also provides an opportunity for social scientists to become social scouts and for public men to make fuller use of the knowledge and technology now present in the social science community.

Both the problems and the possibilities are illustrated in miniature in the article, "Chart Room to Aid Lindsay by Listing Data for Decisions," in the September 23 issue of the *New York Times*. Discussing a plan for "issue maps" which would present information to the mayor, a consultant reported on his study of information flow:

"We found that the sources of this information were sporadic, erratic, subject to error, and certainly, not built to save you time and help you make the kinds of decisions that will be most effective."

The type of "war room" described in the article would almost certainly not present information to the President of the specificity suggested for the mayor of New York City. But the idea of organizing social data and presenting carefully studied alternatives has its parallel in the proposed Council of Social Advisers. Added to it would be the presentation by the President of proposals to be discussed by the public, the academic community, and the Congress, which has, after all, the final power of life and death over social programs and cannot continue to operate in relative ignorance of the nation's social conditions and the ramifications of proposals to improve them.

The case for such a national effort is a strong one, I believe. With Senator Harris' Social Science Foundation to stimulate the development of sophistication in the social sciences themselves as a companion structure to a Council of Social Advisers, we could look forward to some exciting possibilities:

1. Better prediction and earlier, more sophisticated action to deal with the problems of the future.

2. A public social dialogue at the highest levels of our Government.

3. An intensive social effort which stumbles less—and helps more.

4. New communication between social scientists and policy makers, demanding better efforts in both houses.

5. Perhaps most important, the involvement of the best American minds in the most humane American efforts.

IMMIGRATION REFORM SHOULD BE PASSED SOON

Mr. PROXMIRE. Mr. President, today I wish to urge the passage of S. 2524, a measure which I am proud to have cosponsored. I would like to share with Senators one good reason for its passage which has recently come to my attention.

Section 14 of this proposal would permit foreign nationals serving with our boys in Vietnam to become American citizens without the usual delay. Joe Hegarty, who came to this country in 1965, comes from a long line of freedom fighters. His uncle, Jim Hegarty, now one of Milwaukee's outstanding citizens, was a member of the IRA. Joe fought for freedom in Vietnam. He had been in this country for only 7 months before he joined the Army, and just last year he spent 10 months in Vietnam fighting for us. He risked his life for us. I think the least that we can do is recognize the contribution he has already made to this country and is likely to make in the future by hastening his application for citizenship.

There are many Joe Hegartys in this country. S. 2524 will recognize them for what they are—patriots in the true sense of the word—and will show our appreciation for what they have done for us. We often forget what a precious thing American citizenship is. Let us not forget these men; let us grant them citizenship now.

DONALD R. LARRABEE

Mrs. SMITH. Mr. President, at the inaugural of the 1968 president of the National Press Club last Saturday night, a special inaugural edition was published.

One of the interesting pieces in the special edition is entitled "Larrabee Is a Politician, Record Confirms," written by Earl H. Richert. It is a brief but most interesting profile of a very engaging, personable, and capable young man—Donald R. Larrabee.

Don has been a most successful journalist. But his career is really just starting, and I am confident that he will become one of our country's foremost journalists.

It is my pleasure to read into the RECORD this very excellent piece by Earl H. Richert on Don:

LARRABEE IS A POLITICIAN, RECORD CONFIRMS

(By Earl H. Richert)

At 44, Donald R. Larrabee clearly is a successful journalist-entrepreneur. And his Press Club record shows him to be no mean politician.

Chief of the Griffin-Larrabee News Bureau since Bulkley Griffin's death last May, Don has been adding steadily to the long list of newspapers for which his bureau serves up news of Washington goings-on. His latest recruits have been The Trenton Times, biggest newspaper in New Jersey's capital, and the Anchorage Times in Alaska.

These two recent additions bring to 28 the number of newspapers served by the Griffin-Larrabee Bureau. They include most of the major dailies in Massachusetts and Maine and others in Connecticut, Rhode Island, New York, Pennsylvania and Iowa. The bureau continues under the ownership of Bulkley Griffin's widow Isabel.

One would think gathering news (with only three aides) for 28 newspapers, trying to keep the old customers happy and trying to get new ones would be enough to tax the energies of the slender Mr. Larrabee.

But no. He's elbow deep in Press Club affairs, having just led a field of five candidates for a three-year term on The Press Club's Board of Governors. This follows a two-year stretch as Press Club treasurer and a former hitch as club secretary.

In addition Don is exceptionally active in the affairs of the Westmoreland Congregational Church of which he served as moderator in 1960, and in the activities of the Maine Society of Washington, D.C. for which he originated its now-famous lobster dinner.

As is true with most lifelong newspapermen, Don knew he wanted to be a newspaperman from the start—the start for Don being age 11 when he began submitting short stories to the Portland, Me., Evening Express in the city where he was born. His contributions were to a regular column maintained for youngsters and he soon was filling the space every week, with Uncle Wiggly-type stories.

In high school he was paid for supplying news items to the same paper and in addition (showing the same extra-energy now evident) he started the school paper which still is being published.

The school principal opposed the school

paper project but Don collected $12 worth of ads from the corner merchants, talked a printer into doing the first issue at a loss, and delivered the papers still wet with ink at a school concert.

At Syracuse University, he specialized in writing articles on band leaders playing the downtown spots and wrote a record review column for the "Daily Orange," as well as doing a little studying.

Enlisting in the Army Air Corps, he wound up in a crytographers' school at Pawling, N.Y., where he says he learned secret codes in 20 days. Later he was shipped to the Tucson, Ariz., Davis-Monthan Air Base where he quickly learned they had no use for cryptographers but needed people to sweep floors and do "KP". But he located the base newspaper and for the next two years edited that weekly publication, writing three-fourths of the copy and taking regular abuse from the commanding officer for allowing certain personal items to get into print.

He then was sent to the Philippines, Okinawa and finally Japan, after Aug. 30, 1945. Don was waiting at Atsugi Air Base when Gen. MacArthur arrived and he spent the next four months writing stories aimed at proving the Air Force won the war.

Following the war, Don got the "entertainment bug" out of his system by serving a time as manager of Glenn Henry's Orchestra which then was playing the Aragon Ballroom—a project which rapidly used up all his wartime savings, trying to keep the musicians fed.

He was hired sight unseen by Bulkley Griffin but didn't get together with his new boss for several days after arrival in Washington. Don kept waiting for Mr. Griffin at his office in the Press Building but "Buck" was at the Senate Press Gallery.

Don has spent the better part of every working day in the gallery for the last 21 years. And since most of his papers were in New England, this meant from the day of his arrival in the House in 1947 keeping an eye "full time" on John F. Kennedy. No, Don never expected Kennedy to become President.

Don's wife, the former Mary Elizabeth Rolfs, was working as a producer at WMAL-TV, when they met. Their courtship survived the Republican National Convention in Philadelphia in 1948 and they married that fall. The fruits of the marriage are two children, Donna, 16, at Holton Arms, and Bobby, 14, at Landon School, and a comfortable home in Westmoreland Hills where the Larrabees give some of the best parties around.

THE PRESIDENT'S RIOT INSURANCE PANEL SUBMITS EXCELLENT REPORT

Mr. SMATHERS. Mr. President, the report of President Johnson's Advisory Panel on Riot Area Insurance is a call to national action, to assure that businessmen and homeowners in our Nation's cities can secure adequate property insurance.

I have been greatly concerned about this matter ever since I introduced legislation along this line, identified as S. 1484, on April 11, 1967.

It has always been difficult for our urban core residents and workers to purchase adequate insurance protection—regardless of their personal character or business achievements. But since our recent civil disorders, it has become virtually impossible.

However, adequate insurance coverage is a necessity for responsible property owners—particularly in riot-torn areas. The loss of home, business, or personal property, from natural disaster or from human hands, can bend the wealthiest man to his knees, let alone the slum-dweller.

But insurance does not just protect the individual property owner; it also improves the entire community by providing incentives for property rehabilitation.

The President's Panel, composed of distinguished public officials and leading members of the insurance industry, has recommended a program to assure, in President Johnson's words, that "the property of businessmen and homeowners is adequately protected by insurance."

Federal tax measures will increase the capacity of the insurance industry to protect urban core properties. State and Federal insurance pools will supplement private coverage to assure fair access for protection for all. And private companies will be encouraged to hire urban core residents.

We must no longer turn our backs on the decent, law-abiding urban citizen who must face uncompensated property loss because of the misdeeds of a few.

The President's Panel has shown us the way. I anxiously await corrective legislation to follow this excellent report.

FACTS DEMONSTRATE NEED FOR DAIRY IMPORT ACT

Mr. PROXMIRE. Mr. President, once again, I must invite the attention of the Senate to the need to pass S. 612, my dairy import control bill.

The need is evident. Unfortunately, present legislation, section 22 of the Agricultural Adjustment Act of 1933, does not give the Secretary of Agriculture the ability to deal effectively with the ingenuity of foreign dairy importers. No sooner does the Secretary close one loophole than another one is invented.

History repeats itself. First, imports of Exylone—a butterfat-sugar mixture—were shown to injure domestic dairy farmers, and the product was placed under a quota. No sooner was the quota established than imports of Junex—another butterfat-sugar mixture—flooded the country. Again a quota had to be established. Now it is chocolate milk crumb—yet a third butterfat-sugar mixture—which threatens to inundate our dairy producers. In 1960, imports of chocolate crumb were only 54,000 pounds. This increased steadily until 1965, when 2,000,000 pounds were imported. Then, in 1966, we saw a dramatic increase of chocolate milk crumb imports to 6,500,000 pounds. This dramatic increase was again repeated in 1967, when imports zoomed to about 10,400,000 pounds.

Why must our dairy producers have to wait until a crisis already exists and then have to wait until the Secretary of Agriculture unlimbers the cumbersome apparatus of section 22 of the Agricultural Adjustment Act of 1933? Indeed, why should we force the Secretary of Agriculture to match wits with foreign dairy producers seeking to import their products into the United States?

Passage of S. 612 would solve all these problems. It would allow foreign dairy producers to share in our expanding market while permitting our dairy producers and farmers the prosperity they deserve. No longer would the Secretary of Agriculture be forced to resort to lengthy and cumbersome procedures of section 22.

NASA BUDGET REQUEST FOR FISCAL 1968

Mr. SPARKMAN. Mr. President, actions taken on the fiscal year 1968 budget request for NASA required the reduction, deferral, or cancellation of a number of important projects. These included the Voyager program, the NERVA II nuclear rocket, the Saturn V and Saturn IB launch vehicle programs and the Apollo applications program. Reductions in the "Administrative operations" account, which pays the salaries of the scientists and engineers and managers on the civil service payroll amounted to $43 million in fiscal year 1968. At the final appropriation level of $628 million, NASA was forced to reduce travel by 15 percent, to reduce paid overtime by 35 percent, to reduce all other administrative accounts 15 percent and, most seriously, to reduce its personnel complement by over 1,700 people.

These reductions, which came, ironically, at a time when the heavy flight schedule in manned space flight is just approaching, are difficult to make. In fact, NASA has not yet completed all the necessary actions to come down to the appropriated level this year, and has had to reprogram already scarce research and development funds in order to absorb the effects of the pay raise passed last fall.

The "Administrative operations" account for 1969 submitted for NASA this week by the President shows an increase of $20 million over fiscal year 1968. This increase is required almost entirely by the effects of the Federal pay raise and by actions taken to accommodate to issues raised by certain support service contracts administered by NASA.

In other words, the request for fiscal year 1969 will not permit rehiring of the people laid off by NASA as a result of the fiscal year 1968 cuts. Reductions in this account in the fiscal year 1969 budget can only lead to further layoffs—layoffs which would seriously hinder NASA's ability to carry out the Saturn I and Saturn V flights ahead and the manned Apollo missions in 1968 and 1969. I do not believe that this NASA account should be reduced, unless such a reduction can be more fully justified than earlier reductions have been.

PRESIDENT JOHNSON'S MANPOWER MESSAGE OFFERS PRACTICAL SOLUTIONS TO A DIFFICULT PROBLEM

Mr. SMATHERS. Mr. President, the President's message on manpower is a practical and realistic proposal for dealing with the hard-core unemployment problem. Business and government, working together, can rectify the missteps of the past which led to the creation of such a large pool of so-called unemployables.

All across America there is a sense of frustration, of alienation, by many people, particularly among the disadvantaged and the minority groups, who are oppressed by poor housing, low income and a lack of opportunity.

We must give these people a stake in our society, a feeling that they belong and that they and the community need each other. In Tampa last year, we saw how the sense of involvement can convert potential troublemakers into keepers of the peace.

In 24 hours, 136 unarmed Negro youths, called the White Hats, stopped a riot, simply by walking the streets and urging the rioters "to cool it."

As it turned out, many of the White Hats were unemployed and some of them frankly admitted that they had favored the riots at the outset. They decided to help only after the community appealed to them for help. They were given a sense of involvement.

Their first demand, once the riot was over, was for jobs.

Jobs, of course, are not the answer to riots. But I think we all recognize that a man who has steady work is apt to be more satisfied with the world he lives in. He is highly unlikely to be a candidate for the barricades.

I urge imediate favorable action on the President's new manpower proposals, which will help give the disadvantaged the education, training, experience, and skills they so badly need to enable them to achieve full and equal participation in natural prosperity.

THE 100TH ANNIVERSARY OF THE UNION CENTRAL LIFE INSURANCE CO. OF CINCINNATI

Mr. LAUSCHE. Mr. President, 1968 marks the completion of 100 years of effort which the Union Central Life Insurance Co. of Cincinnati has put forth for its policyholders and for the Nation. For a century this company, along with many others, has fulfilled at least two important functions in our society.

Charles W. Eliot, former president of Harvard, in his "The Happy Life," wrote:

> The security of the family is the prime object of civilization and the ultimate end of all industry.

Certainly, life insurance in a very real sense helps us to achieve that end. For through their application of mathematical skills, and their understanding of the financial world and other environmental factors, insurance companies can provide protection to the family by deciding today what will happen to a policyholder tomorrow based upon what happened yesterday to someone else. This is truly an important as well as an awesome feat.

Secondly, with the growth of extremely large insurance companies, a new challenge has presented itself to them as financial institutions. Union Central is the 13th largest life insurance company with assets of over $800,000,000, and with financial power of this size it shares in the responsibility for the fiscal stability of our Nation. Surely, Mr. President, without the large financial institutions helping to balance our economy, we would wander in chaos.

I congratulate Union Central on their fine achievements and wish them great success in their future endeavors in trying to achieve these goals.

DEATH OF RAY ERWIN

Mr. FANNIN. Mr. President, the journalistic profession has been saddened by the death of one of their outstanding colleagues, Mr. Ray Erwin, of New York City. His gems of wit and comments on the world of newsmen provided many with a lighthearted view of a most responsible vocation. In my opinion, he was most valuable in helping to maintain perspective among those who are so often called on to put things in perspective for others. I am sure he will be missed.

Mr. President, I ask unanimous consent that a summary of Mr. Erwin's life, taken from the pages of the New York Times, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAY ERWIN DEAD, EDITOR, COLUMNIST—WRITER AT EDITOR AND PUBLISHER HAD BEEN ON THE SUN

Ray Erwin, an associate editor of Editor & Publisher magazine, was found dead Sunday apparently of natural causes, in his apartment in the Henry Hudson Hotel. He was 62 years old.

For the last 15 years, Mr. Erwin wrote "Ray Erwin's Column" for Editor & Publisher, a weekly magazine of news about newspapers, advertisers and agencies. His column in the Jan. 20 issue contains such items as: "Frank Parry, Scranton Times, calls his column 'A Few Frank PARRYGRAPHS.' . . . The Miami Beach Sun calls its new Sunday magazine 'My Sun, The Magazine.' "

Mr. Erwin was born in North Wilkesboro, N.C., and began working for the weekly Wilkes Record as a printer's devil when 13 years old. He became city editor and then attended Davidson College.

From the late 1920's until 1940, Mr. Erwin was an editorials writer for The Charlotte (N.C.) Observer, worked for The Miami Beach Tropics and was publicity director for the Miami Beach Chamber of Commerce.

He wrote editorials for The Easton (Pa.) Express in 1941 and also started a Wilkesboro paper called Newsworld, which survived for two years.

In 1942 he came to The New York Sun as a rewriteman later becoming ship news reporter. When The Sun was merged with The New York World-Telegram in 1950, Mr. Irwin joined Editor and Publisher as a general assignment reporter. He began his column three years later.

Mr. Erwin's idol as a reporter was O. O. McIntyre, whose column, "New York Day by Day," appeared in 550 newspapers before his death in 1938. When Editor & Publisher occupied offices in the old Times Tower, now the Allied Chemical Tower, Mr. Erwin's desk area was filled with mementos of Mr. McIntyre.

A bachelor, Mr. Erwin was long active as manager for Police Athletic League teams for underprivileged boys. He especially enjoyed encouraging boys to higher education or artistic endeavors.

He was an organizer of the Civil War Round Table, a collection of buffs, and a member of the Deadline Club (the New York chapter of Sigma Delta Chi, the professional journalistic fraternity), the Newspaper Reporters Association of New York City and the Silurians, an organization of veteran newspapermen.

There are no immediate survivors.

Burial will be Thursday in North Wilkesboro, where Mr. Erwin maintained the family home. A memorial service will be held here at a later date.

INSURANCE CRISIS IN THE CITIES

Mr. PERCY. Mr. President, the long awaited report by the President's National Advisory Panel on Insurance in Riot-Affected Areas has just been released. The report entitled "Meeting the Insurance Crisis of Our Cities," has brilliantly outlined the problems faced by homeowners and businesses alike in many urban areas in their attempt to obtain adequate insurance protection. Richard J. Hughes, Chairman of the Panel, and his fellow members deserve our thanks and appreciation for undertaking the study and for their new and fresh approach to the problem. Their recommendations are meaningful, realistic, and fair. I hope the Congress will give the study and its conclusions expeditious consideration.

The Federal Government's recognition of a problem and its coming forward to set up an insurance system to help alleviate the problem is not new in our history. The Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation were established after the bank and saving and loan association failures during the 1930's jarred the confidence of the public and threatened to undermine the entire financial structure of the Nation. The depression years also spawned the Federal Housing Administration which was established to insure creditors against mortgage losses. The Price-Anderson Act of 1957 established a cooperative industry-Government insurance program to insure against nuclear catastrophes. Congress adopted a program of foreign credit insurance to provide insurance against unfavorable political action by a foreign government. All of these programs have been successful and have greatly aided the economy of the country.

Now, however, the Nation faces a new and equally grave problem—the unavailability and high cost of property insurance in the core areas of our Nation's cities. The riots and high crime rates in the cities have aggravated this problem to emergency proportions. We must all work together in finding the solution to this problem.

I have long been concerned about the unavailability of insurance in urban areas. Last year, along with the distinguished senior Senator from New York [Mr. JAVITS], I sponsored legislation to establish a small business crime insurance program by helping the private insurance companies pool their risks. The Small Business Subcommittee of the Senate Banking and Currency Committee on which I am proud to serve as ranking minority member, has held hearings on crime insurance legislation and in October reported out a clean bill enabling the Small Business Administration to set up a crime insurance program. While the subcommittee has given a great deal of thought to the subject and has come up with a good bill, I do think we should reconsider the bill in light of the Panel's recommendations. The Panel makes five major recommendations, two of which will require Federal legislation. The Panel recommends that—

First. The insurance industry establish voluntary plans in all States to assure all property owners fair access to property insurance.

Second. The States cooperate with the insurance industry by organizing insurance pools and taking other steps to facilitate the insuring of urban core properties.

Third. The Federal Government enact legislation creating a National Insurance Development Corporation to assist the insurance industry and the States. Through the NIDC, the State and Federal Governments can provide backup for the remote contingency of very large riot losses.

Fourth. The Federal Government enact tax deferral measures to increase the capacity of the insurance industry to absorb the financial costs of the program.

Fifth. Other steps be taken to meet the special needs of the inner city insurance market.

I am pleased to see the cooperative spirit of this new proposed program. All groups, private and public, must work together to solve the problem; everyone must contribute, no one should escape responsibility. I am also pleased to see that the Panel recognizes the insurance problem is serious for homeowners as well as businesses. For over a year I have worked with the insurance industry to attempt to set up an insurance program for low-income homeowners in urban core areas. I know that the industry is interested in solving this problem and that they have already given much of their thought and energy to seeking new ways to approach the matter. Lastly, I was pleased to note that the Panel's recommendations cover all forms of property insurance, that is, fire and extended coverage as well as vandalism, burglary, and theft. Fire insurance is also a major problem and, to date, has not been given the attention it deserves.

I do have some questions about several of the Panel's recommendations and would want to study in greater detail certain alternatives. For example, the Panel recommends that funds which are put aside for reserve contingencies and are thereby subject to tax deferral, be invested in special interest-free, nontransferable U.S. Treasury securities. I would like to investigate the possibility of investing these reserve funds in the cities. Any interest or profits gained by such investments would simply be added to the reserve fund. Urban problems are the reason for such a program and urban citizens pay for the insurance. Therefore, it might be more equitable that the urban areas benefit from the use of the reserve funds. I believe a system could be worked out which would not present an undue risk to the insurance fund, but would provide great help to the cities in their renewal efforts.

In summary, let me emphasize my general support for the comprehensive program which the Insurance Panel has recommended. I am confident that when we solve this problem we will have taken an important step in the direction of revitalizing our cities. The members of the Panel put the matter in perspective when they said:

> Without insurance, buildings are left to deteriorate, services, goods, and jobs diminish. Efforts to rebuild our nation's inner cities cannot move forward. Communities without insurance are communities without hope.

COMMANDER BUCHER OF THE "PUEBLO"

Mr. BREWSTER. Mr. President, the seizure of the U.S.S. *Pueblo*, its skipper, and its crew is an act of piracy almost without precedent in our history. That we cannot tolerate this action and must secure the return of our ship and our men goes without saying.

The urgency of our situation is underlined by the human anguish it involves.

I read this morning in the New York Times a profile of the *Pueblo's* skipper, Comdr. Lloyd Marvin Bucher. The article, which relates the high quality of Commander Bucher's past service, illustrates the human side of this crisis.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SKIPPER OF THE "PUEBLO": LLOYD MARVIN BUCHER

Soon after the word spread last week that Comdr. Lloyd M. Bucher's ship had been captured by North Korea, the telephone began to ring in the San Diego hotel where his wife is staying.

From all over the country and from overseas, the calls came from former crew members of the Ronquil, the submarine on which Commander Bucher had been executive officer. The calls, expressions of sympathy and moral support, were an indication of the loyalty the men felt for Commander Bucher, according to Lieut. Comdr. Alan Hemphill, who was the third officer of the Ronquil. "Anything he wanted, his men delivered," said Commander Hemphill. "I and all the others in the crew were proud to work with that man."

Enlisted men who served under him would ask for transfers so that they could follow Commander Bucher when he was assigned to a new station, Commander Hemphill said.

Lloyd Marvin Bucher (pronounced BOOker) had wanted to be a Navy officer since anyone could remember. At Boys Town, the Nebraska home for orphaned boys where he was brought up, the director, Msgr. Nicholas H. Wegner, remembered that the youth had been "crazy about the Navy."

ENLISTED IN 1945

He was in Boys Town from 1941 until 1945, when he left to enlist. After two years, during which he became a quartermaster second class, he returned to Boys Town and graduated from its high school.

He played varsity tackle on the Boys Town football team, picking up the nickname Pete after a professional athlete of the mid-forties whose aggressive style he was thought to emulate. No one at Boys Town could recall the identity of the athlete yesterday, but they did recall the dynamic Bucher style.

At the St. Joseph's Children's Home in Culdesac, Idaho, where he spent some of his elementary school years, the nuns recalled that his favorite sport was basketball. They said that he had been an "A to B student, athletically inclined, a hard worker, a very nice lad."

He was born Sept. 1, 1929, in Pocatello, Idaho. School records show that he was adopted by a family named Bucher, then was orphaned while still in elementary school. He was sent from the Boise Children's Home to the St. Joseph's home in 1938, when he was in the sixth grade. The nuns there arranged to have him go to Boys Town for high school three years later.

Commander Bucher often spends his free time camping, hiking in the woods, collecting rocks or in fresh-water fishing. He is a muscular, athletic-looking man, 5 feet 10 inches tall and 195 pounds, with a booming, cheerful voice.

He is described as a voracious reader. He will read, friends say, "anything that's handed to him," from paperback Westerns to Shakespeare. His favorite magazines are The National Geographic and The National Review, the latter because he enjoys the way its editor, William F. Buckley Jr., writes.

MET ON BLIND DATE

After high school, Commander Bucher went on to the University of Nebraska, majoring in geology. He met his future wife, Rose Dolores Rohling, a University of Missouri student, on a blind date during a football weekend. They have two sons, Mark, 15 years old, and Michael, 13.

In June, 1953, he was commissioned in the Navy.

Early in his naval career he attended the Officers' Combat Information Center in Glenview, Ill., but most of his subsequent duty was on submarines.

He was at the Yokosuka, Japan, Naval Station for about two years before he was assigned to command the Pueblo, which was commissioned on May 13, 1967. There was a delegation at the commissioning ceremony from Pueblo, Colo., and Monsignor Wegner was there from Boys Town.

"Pete gave a short speech," the Monsignor said yesterday, "and when he mentioned his own background at our Boys Town, there were tears in his eyes."

Mrs. Bucher and their two sons went to San Diego with him when the ship was taken there last September for a shakedown cruise. The commander was scheduled to leave the ship in the spring for new duty in the United States, so the family stayed in the Mission Bay Hotel in San Diego when the Pueblo left last November for the tour that ended with its capture last week.

The North Korean report that Commander Bucher had confessed to conducting "espionage activities" was difficult for those who know him to believe.

His voice is described as expressive. The broadcast voice reading the so-called confession was flat. And no one who knows him can imagine Lloyd Bucher giving in to anyone.

"Pete Bucher?" said Monsignor Wegner. "There's one trait above all his others. He'll never quit."

PENNSYLVANIA MOVES FORWARD IN VOCATIONAL EDUCATION

Mr. SCOTT. Mr. President, I am pleased to report that Gov. Raymond P. Shafer yesterday signed into law legislation to spur the construction of vocational-technical schools throughout Pennsylvania.

The legislation—H.B. 1904—which was part of the Shafer administration's legislative program—raises the limitation on the State's reimbursement of cost to school districts for vocational-technical school construction from $20 million to $40 million a year. Governor Shafer said:

> Under the $20 million limitation, we faced the possibility that many school districts would delay construction of these badly

> needed schools where our children will learn the skills our modern industries must have to operate.
>
> These schools are an important part of Pennsylvania's future attraction as a good place for industry to locate. Without them, we will have a difficult time attracting new industries and helping our loyal industries expand.
>
> Skilled manpower is one of the largest problems facing our industrial growth in Pennsylvania today. There are thousands of jobs available while thousands of our workers remain unemployed or underemployed.

The Governor further declared:

> With this new law, it is possible that Pennsylvania will have 33 area vocational-technical schools under construction by June of next year. This is in addition to the 28 that are already in operation.
>
> I want to take this occasion to remind all Pennsylvanians who are vitally interested in our manpower development program that six of these schools were constructed during the past year and 18 in the four years of the Scranton Administration.
>
> This legislation was so vital because the $20 million limitation was keeping a lid on these dramatic and absolutely essential expansion, which is hitting its peak in fiscal 1966–67 and 1967–68.
>
> This act puts a new lease on life for vocational education.

Governor Shafer pointed out that under the provisions of present law the State reimburses school districts for approximately 45 percent of the rentals on new buildings constructed by the State public school building authority.

He listed the following area vocational-technical schools as being under construction or in the planning stage:

Schools bid and under construction, 1966–67—average total cost of project, $3.2 million:

Lebanon County, Pittsburgh, Crawford County, Erie County, West Side—Luzerne County—Delaware County No. 1, Delaware County No. 2, Delaware County No. 3, Schuykill County—North—Juniata-Mifflin, Berks County East, Berks County West, Schuylkill County—South—Forbes Trail, Reading-Muhlenberg, and Centre County.

Schools bid and under construction—1967–68—average total cost of project, $4.5 million:

Parkway West—Pittsburgh—Middle Bucks County, Northern Chester, Columbia-Montour, York County, Venango County, and Northern Allegheny—A. W. Beattie.

Schools in advanced planning stages—1967–68—average total cost of project, $4.7 million:

Jefferson County-Du Bois, Clearfield County, Bradford County, Franklin County, Greene County, Indiana County, Eastern Northampton, Dauphin County, Bethlehem area, Hazleton area, Greater Johnstown, Lancaster County—Willow Street, Mount Joy, Brownstown—Lehigh County.

I salute the Shafer administration for its constructive efforts to strengthen the Commonwealth's system of vocational education.

GOOD ASPECTS OF L. B. J. BUDGET

Mr. PROXMIRE. President Johnson is to be commended for many aspects of his budget message. For one thing, the economies that he was able to achieve in this new budget are most welcome. Second, I am delighted to see that he has adopted most of the recommendations of the Kennedy Commission, with the result that the budget is a much more unified and less confusing document than it has been in the past years. Let us hope that the era of the "three budgets" is a thing of the past.

Another recommended change that may receive less attention because it is somewhat technical is the news that the Water Resources Council is working toward the goal of better techniques for discounting public projects. The budget message says:

> The Water Resources Council is developing a more appropriate interest rate to be applied in formulating and evaluating water projects. The revised rate will be related to the average estimated current costs to the Treasury of long-term borrowing. It will be higher than the rate now in use for project evaluation. The new rate will be applied to future projects in order to assure the most effective use of Federal funds in the development of the Nation's water resources.

This move by the administration to change discounting techniques will ultimately save taxpayers billions of dollars. The sooner the discount rate can be altered, the sooner will we begin to achieve true economy in government. I salute the President for this action, and I am sure that with strong administration backing our goals of more rational budgeting procedures will become a reality in the near future.

This reform conforms with the recommendations of the Joint Economic Committee's Subcommittee on Economy in Government, which I have the honor to chair. As I have had occasion to point out to this body before, present policies for evaluating public works need a quick and substantial adjustment. I recommend that both Congress and the executive branch work together to achieve that adjustment. The President's action will certainly help tremendously to that end.

Yesterday the Economy in Government Subcommittee held hearings on this discount rate issue. The subject of this hearing was a study made by the General Accounting Office investigating the extent of type of discounting now carried on within the Government. The subcommittee heard Comptroller General Elmer B. Staats testify that only 10 of 23 agencies queried now employ discounting, but that another eight plan to do so for forthcoming budgets. Mr. Staats also said that interest rates currently used vary from around 3 percent to as much as 12 percent, depending upon the agency and program in question. With such variance in both the utilization of discounting and the rates used in the analysis, Mr. Staats recommended that reform and standardization measures be undertaken as soon as possible. The budget message and the GAO report each represent significant advances in this crucial policy area.

I ask unanimous consent that a statement by the Comptroller General of the United States, Elmer B. Staats, be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Elmer B. Staats, Comptroller General of the United States, Before the Subcommittee on Economy in the Government, Joint Economic Committee, on Economy in Government

Mr. Chairman and Members of the Committee, I am pleased to appear before your Subcommittee to discuss the results of our recent survey of the use by Federal departments and agencies of the discounting technique in making evaluations of future programs. Our report on this survey is being submitted today to your committee in accordance with your request of December 19, 1967.

We have noted with interest the work your committee is doing to establish a more effective basis for evaluation of the economics of Government programs. We welcomed the hearings you conducted in September 1967 on the subject of the Planning-Programming-Budgeting System and we have read with great interest your statement on discounting in the report on those hearings.

The General Accounting Office has also been interested in the subject of PPB, and specifically the discounting technique. We recently conducted a survey of 23 selected Federal agencies to obtain information on the use made of the discounting technique in making evaluations of their future programs. I share your views that discounting is a matter of increasing importance as the use of PPB causes us to look further into the future at alternative programs. This is so because by the technique of discounting the amounts of estimated future costs and benefits are stated in terms that are comparable to present costs and benefits. The discounting technique does this by the application of a compounded rate reflecting the costs of money.

Federal agency programs generally involve a series of annual costs and a flow of benefits over time. Calculation of the present values of costs and benefits through discounting makes possible a comparison of alternative programs in terms of a ratio of benefits to costs, which gives consideration to the time periods in which benefits will be realized and costs incurred and the time value of money.

The discounting technique can be helpful to the decisionmaker even in those cases in which the benefits associated with programs cannot be measured in dollars. Here, the present values of the costs of the programs can be presented to the decisionmaker for his decision as to whether the perhaps dimly perceived benefits are worth their costs.

Before commenting on the specific aspects of our survey, I would like to discuss our conclusions at this time so you may consider them in the light of what our survey has shown. Many Federal agencies have made good use of the discounting technique in evaluating individual projects. By applying the discounting technique to alternatives within a single program, the agencies have been in a better position to select the most economical alternative.

In our opinion, however, there is even a greater need for a consistent discounting policy when decisionmakers must choose from many competing projects, either within an agency or among agencies. This calls for a common standard, with justifications for variations only in special circumstances. Although some agencies indicated that the discount rate is viewed as an aid in choosing between programs within an agency, there appears to be little recognition in practice that this kind of evaluation of Federal programs calls for a common yardstick for use by all agencies.

Our study brings out the significant impact on benefit/cost ratios of discount rate variations. For example, a proposed program showing a benefit/cost ratio of 2.0 without discounting might have a benefit/cost ratio of only 1.1 if costs and benefits were discounted at a 10 percent rate. Our survey has disclosed variation in the discounts ranging from about 3 to 12 percent. This sort of reduction in benefit/cost ratios as a result of discounting would be characteristic of many projects because the high initial investment costs are not reduced and, therefore, become greater in relation to the future annual costs and annual benefits.

In our opinion, the general acceptance of the technique of discounting by Federal agencies should be supplemented with improvements necessary to bring about consistency in and among agencies in the discounting rates used, and in the techniques and underlying concepts employed. We believe such improvements are needed if this aid is to be of most effective use to the agencies, the Bureau of the Budget, and to the Congress in its evaluation of executive agency programs submitted for consideration.

We believe that improvement in the direction suggested will still require a substantial amount of additional study. We have received statements from several Federal agencies in which they express recognition of the need for standardization and offer to work with us on further studies.

With these conclusions in mind, I would now like to describe the highlights of our survey.

Our survey of 23 Federal agencies disclosed that there is a variety of policies and practices for the use of the discounting technique.

Ten of the 23 agencies used the discounting technique in evaluating their fiscal year 1969 programs.

Eight of the 23 agencies did not use the technique for evaluating 1969 programs but plan to do so in the future.

Five of the agencies do not use discounting and did not state that they plan to do so in the future.

The ten agencies that use the discounting technique cite a variety of rationales as support for the discount rates they use, which vary from about 3 to 12 percent. As an example, the Office of Economic Opportunity has used rates of both 3 and 5 percent to evaluate its Job Corps and Upward Bound programs and has used a rate of 5 percent for the Family Planning program. The stated rationale for selecting these rates was that they were safely on the conservative side for estimates of this type and gave consideration to the secular growth in the price of quality-constant labor.

The General Services Administration used a rate of 4.5 percent in its analyses leading to the decision to request funds to buy sites for additional buildings for its fiscal year 1969 Facilities Program. The 4.5 percent was selected as an estimate of the long-term productivity of capital.

We were advised by the Department of Transportation that for fiscal year 1969 programs discounting was used only in the consideration of three investment programs of the Federal Aviation Administration: facilities and basic systems, radar components, and en route automation. A rate of 4.2 percent was chosen because this was approximately the discount rate (4.25 percent) of the Federal Reserve Board at the time the studies were undertaken. The Department acknowledged that some of its other programs may appropriately be suitable for discounting. The Department stated that complete analytical studies are made on a selective basis and discounting was considered relevant only for the investment programs mentioned above.

The Agency for International Development uses discount rates which vary depending on the type of project, the opportunity cost in the particular country, foreign exchange scarcity, and other factors. In a recent evaluation of a power plant project, a discount rate of 8 percent was used as representative of the opportunity cost of money in the country concerned. In evaluating highway projects in other countries, discount rates of 8, 10, and 12 percent were used.

The Department of the Interior uses several different discount rates in its evaluation of programs. The interest rate specified by Senate Document 97, which was 3⅛ percent, was used to evaluate long-term Federal investment programs in water and land resources. In utility-type programs 6 percent was used as representative of such programs where the risk is considered to be relatively low. A 12 percent rate has been used by the Department of the Interior in its evaluation of certain research and development programs, such as energy and mineral resources, where exploitation, production, and processing is considered to be a private rather than a public function.

The Atomic Energy Commission reported that it used several rates. For its analysis of fiscal year 1969 production of special nuclear materials activities, the discount rate used was 5 percent; however, analyses were also made using rates of 7.5 and 10 percent to test the sensitivity of the analyses to the discount rate. The 5 percent rate was selected because it was a conservative estimate of the cost of long-term borrowing by the Department of the Treasury. In the Commission's reactor development studies, discount rates of 5, 7, and 9 percent were used since rates of 6 to 7 percent are typical of those used by investor-owned utilities.

Mr. Chairman, I believe these examples bring out rather clearly the variety of discounting rates and rationales used by individual Federal agencies in evaluating their programs. Our report summarizes more completely the information that we obtained from the 23 departments and agencies.

On the basis of our survey, it is evident that there is little agreement among the agencies as to the rationale that should be used to determine an appropriate discount rate. There has been no central guidance to the agencies on this matter and, except for those programs which concern water and related land resources projects, the agencies have been free to choose whatever discount rate or rationale they considered appropriate. The rationales described to us and the variety of rates used clearly do not evidence a common understanding by Federal agencies of the applicability of the technique to Federal programs.

In those agencies that did not use discounting in their analysis of fiscal year 1969 programs, there is also a lack of agreement. At one extreme is the view taken by the Department of Labor that its Manpower Development Assistance program could be evaluated in terms of a one-year horizon even though program benefits are expected to continue for five to twenty years, depending on occupations for which training is carried on. The implication here is that a very high discount rate is applicable since benefits beyond the first year are ignored.

At the other extreme is the practice of making evaluations on the basis of total undiscounted costs and benefits over the life of a program. This procedure implies a zero discount rate since the dollar costs and benefits estimated for future years are given the same importance as current costs and benefits. The National Aeronautics and Space Administration, the Department of Housing and Urban Development, and the Department of Commerce are among the important agencies that did not use discounting in their evaluations of fiscal year 1969 programs. As noted in our report, 13 of the 23 agencies we surveyed did not use discounting.

The fact that 18 of the agencies included in our survey either use or plan to use discounting is, we believe, an indication that the technique is receiving increasing acceptance in Federal agencies as an important aspect of the decision making process. Several of the agencies advised us that one reason that they have not used discounting in the past was that their analyses were not developed sufficiently to permit discounting. Presumably, they will use discounting in the future.

There are several schools of thought followed by the various agencies in determining their particular discount rate. Two of these schools of thought appear to be predominant although there are various interpretations in actual practice.

One school of thought holds that the rate should be determined by and be equal to the rate paid by the Treasury in borrowing money. A second school of thought holds that the rate should be determined by what is foregone, namely, the return that could have been earned in the private sector of the economy when the decision is made to commit resources to the public sector.

Neither school of thought provides clear guidance on the specific discount rate which should be used. Cost to the Treasury, for example, will vary depending upon the definition applied, from 3 to 8 percent or more. The average rate of return in the private sector also varies depending upon historical periods selected and upon the weighting of the various segments of the private sector which are used in computing an average.

A discount rate of slightly over 3 percent is the cost to the Treasury, if based upon the average rate payable on outstanding United States securities having maturity of 15 years or more, as prescribed by Senate Document 97. The rate determined by the procedure prescribed in Senate Document 97 is at the low end of the range of rates in use by the agencies and therefore may be an overly conservative estimate of interest costs on Government borrowing.

Long-term rates show no sign of returning to the level of 10 or 15 years ago. Furthermore, the legal restriction on long-term interest rates has forced a substantial amount of refinancing of the public debt through the sale of higher yield short-term securities. It, therefore, appears to us that the current average yield rate reported in the Treasury Bulletin is a better basis than Senate Document 97 for determining interest costs. In this connection, we have noted with interest that your committee has requested the views of the Water Resources Council on the propriety of the discount rate determined under Senate Document 97.

A variation, which we believe has considerable merit, on the pure interest school of thought is to include the effect of foregone Federal taxes which would be collected from the private sector if the same funds were invested there.

As brought out in our report, if the full costs of borrowing, including an estimate of foregone taxes from the private sector, are considered, the difference between the various schools of thought is narrowed substantially. If this concept is accepted, it would appear that there is a good possibility of a satisfactory reconciliation of varying points of view regarding the rate to be used.

To conclude, Mr. Chairman, we believe that the results of our survey of Federal agency practices suggest that the case for discounting is being accepted, but that there are significant differences of opinion in the agencies over the appropriate discount rates to be used. Because of the wide variation in discount rates and techniques being used by the executive agencies to evaluate and justify their programs and because there is strong impetus to use of the discounting technique provided by Federal agency adoption of planning-programming-budgeting systems, we believe that centralized guidance is needed. The Congress itself may wish to provide guidance to the executive agencies on this important topic.

This concludes my statement, Mr. Chairman. We will be glad to answer any questions you may have.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

INTERFERENCE WITH CIVIL RIGHTS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 705, H.R. 2516.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, it has been my pleasure and honor to be a Member of this body for more than 31 years as a Senator from the State of Louisiana. I do not recall any session since the 75th Congress wherein some effort was not made to enact a so-called civil rights bill. It was more or less a political football that was used in order to excite the voters, and particularly the colored voters, as to who would do more for them.

In the past 8 or 10 years, the Senate has passed quite a few laws dealing with civil rights. First, voting rights were assured by the passage of an act in 1957, although the Constitution provided that any citizen was entitled to vote if he registered in accordance with the laws of the State wherein he resided.

There is no doubt that some States devised ways and means to try to keep colored people from voting. As time went on, however, all States, with the exception of four, I think, have enacted laws to make it easier and easier for the citizens of all States, irrespective of their color or religion, to vote. Today, there are no States in which Negroes are denied their right to vote. I know that in my State, when I was a member of the Louisiana Legislature, back in 1932, I fostered and voted for a bill to do away with the poll tax as a prerequisite for voting. I do not know of any concerted effort being made to prevent Negroes from exercising their right to vote at the polls.

In addition to the laws being passed to make it easier for Negroes to vote, many other laws were enacted—one in 1960, another in 1964, and another in 1965. All of these laws outlined certain rights which the proponents of the bills asserted should be incorporated in legislation and should be properly enforced. All of those laws contain penalties for anyone violating them, or anyone attempting to infringe on the rights given under those laws. Many of the penalties were severe, entailing from $1,000 up to $10,000 for a violation, with severe jail penalties.

Mr. President, I am not going to take the time of the Senate to enumerate what the penalties are. It seems that some leaders in the field of civil rights are trying to find ways and means to have self-operative laws so that one who is denied or not given his civil rights should not have to go to court in order to assert them, but should have them automatically.

Notwithstanding the fact that Congress has, since 1957, enacted many laws proposed by those who desire to protect the civil rights of Negroes and other minorities, the demand is for still more.

When the first bill was passed, it was alleged that those who were protected did not have the funds to go to court and have their rights protected. So, as time went on, we provided in the acts that the Attorney General of the United States would have the obligation to prosecute in behalf of those who did not receive or were not accorded their civil rights in any State in the Union.

We established a Commission on Civil Rights in order to study many of the cases which were presented to it, in order to take action, if necessary, by the proper prosecuting authorities.

Notwithstanding the fact that the Commission was created, and notwithstanding the fact that many lawyers were hired in order to assist in prosecuting those who refused to accord civil rights under the acts I have just mentioned, all of this was done free of charge for them.

As I recall, the Commission found very few cases to present to the Attorney General of the United States.

The proposed bill, H.R. 2516, seeks to give the Federal courts jurisdiction in cases which should be handled by the local courts.

This bill provides that the Federal Government can interfere whenever any of the rights of a member of a minority race, colored people, and so forth, has been interfered with by means of coercion or any action of that kind. Then the Federal courts can intervene, whether it is a Federal act or an act that should be tried by the State courts.

Mr. President, it is my belief that, even though this bill were enacted, Negroes or members of other minority races would not be able to get better rights than they are now obtaining under the law. I do not believe it can be repeated too often that this act is being directed solely and wholly to the Southern States. I think I may limit that to two Southern States—Alabama and Mississippi.

It is my considered judgment that what gave rise to this proposal were a murder in Mississippi, which remains unsolved, and three in Alabama that remain unsolved. The people who engaged in those atrocities have not been apprehended. Some time ago a charge of conspiracy was lodged against quite a number of citizens of Alabama, and many of them are serving terms in jail.

Mr. President, it may be that, in a few instances, the States did not do justice to those who were aggrieved or to those who suffered, but I do not believe the enactment of this law will correct the situation, so that we will have a more or less self-operating law and one under which the Federal Government will be able to prosecute acts of violence or acts denying civil rights to citizens, which should be tried in the State courts.

The bill goes far in that direction. It is my belief that there is sufficient law now on the statute books to remedy the situations complained of.

Mr. President, a cursory reading of this bill will show that it repeats all of the rights that have been accorded under the 1957, 1960, 1964, and 1965 acts, and also in previous legislation. It is one of those coveralls that would permit the long arm of Uncle Sam to reach into matters that are purely affairs of the States. This proposed act, with many others that have been passed in the last 10 or 15 years, goes far toward establishing a centralized government. I am opposed to that, Mr. President. It is my sincere belief that our country would never have grown to its present heights except for the fact that each State retained the right under the Constitution to pass its own laws governing the people within its respective jurisdiction.

If at the beginning of our Republic we had had a centralized government operating out of Washington, I am sure the progress made by our great country would not have been as pronounced as it is today. It is my belief that the more we sap away from the States their rights to handle their local affairs, the worse our condition will become.

Mr. President, I am sure that my good friend the Senator from North Carolina [Mr. ERVIN] is one of the ablest constitutional lawyers who serves in the Senate. I read with interest his conclusions as to the constitutionality of the pending measure.

This measure was voted out of committee by an 8-to-7 vote. In order to carry the day, it was necessary for one of the members of the committee to fly—I believe at Government expense—from London to Washington in order to cast a vote which made it possible for the Committee on the Judiciary to report this bill for the Senate's consideration.

AN ANALYSIS OF H.R. 2516—AN AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. President, the civil rights bill, if adopted, would amend title 18 of the United States Code, making it a Federal crime for any person to interfere with or injure any other person engaged in civil rights activities, those activities being specifically enumerated.

As I have stated, those activities, those rights, are all enumerated in the many laws that have been enacted by Congress, not only since 1957 but for 80 or 90 years past. Here we are being asked to put a law on the statute books which would bypass the 14th amendment, and give the Federal Government the right to interfere in prosecutions which should be in the hands of the States. This bill would make it a Federal crime, whether or not the guilty party was acting under color of law. A list of proscribed activities are enumerated, including interference with voter registration, which is included in the act of 1957, as I have pointed out; integration of public schools; public accommodations, which is included in the acts of 1960 and 1964; employment; jury service, included in the acts of 1964 and 1965; use of common carriers, which has been on the statute books for quite a long time; and other such activities.

But all of those activities, Mr. President, are described in the many laws to which I shall refer later; and for the violation of those laws, adequate punishment is provided for those who disobey.

The main thrust of this bill is to attempt to circumvent the plain provisions of the 14th amendment to the Constitution which require some form of State action before there can be a violation of the equal protection clause in that amendment. All of the civil rights laws enacted by Congress have had their foundation in the 13th, 14th, and 15th amendments to the Constitution. Although the interstate commerce clause has been used to further civil rights, the primary constitutional bases for all the Civil Rights Acts have been these post-Civil War amendments. It has been well established that the 14th amendment requires State action, and that private acts are not included within the protection granted by the amendment. The Supreme Court has uniformly upheld this requirement.

The Supreme Court, however, has clouded the issue of State action and private action and private conduct in one of its recent decisions. In the case of *United States* v. *Guest*, 383 U.S. 745, it reinstated the indictment and case against Guest and several other defendants. Although there was no showing that Guest or the others were State officials or acting under color of State law, there was an allegation in the indictment that the State was involved in the conspiracy to deny Lt. Col. Lemuel Penn his civil rights. The Court held that since the indictment contained an allegation of State involvement, it was sufficient to deny a motion to dismiss the charges. The Supreme Court reiterated the established rule, however, that the equal protection clause still offered only protection against State acts or those acting under color of State law. The Penn case involved the crime of conspiracy rather than a crime involving an overt act. In other words, the defendants in that case were convicted of conspiracy to deny to the victim the rights guaranteed to him by the laws and Constitution of the United States. It is easier to convict a person of the crime of conspiracy rather than an overt crime. The reason is that there need not be any actual carrying out of criminal conduct to a conclusion, but only proof that the defendants conspired to do so.

The sponsors of this year's civil rights bill attempted to circumvent the provisions of the 14th amendment requiring State action by simply saying that "whoever, whether or not acting under color of law," and so forth, are guilty of this new Federal crime. Some Justices of the Supreme Court indicated in the Guest case, in concurring opinions, that Congress could, under section 5 of the 14th amendment, enact a law which would cover private acts as well as State acts. We, of course, hold that Congress cannot constitutionally legislate against acts of private individuals under the 14th amendment to the Constitution. Section 5 of the 14th amendment merely says that Congress shall have power to enforce by appropriate legislation the provisions of this act or amendment. It seems to me to be perfectly clear that since section 1 of the amendment reads, "no State shall make or enforce any law which shall abridge the privileges and immunities of citizens of the United States, nor shall any State deprive any person of life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the law," that Congress is prohibited from enacting the present bill into law.

I shall now read a few excerpts from a masterly minority view expressed in the report to Congress on this bill presented by the Senator from North Carolina [Mr. ERVIN]. In his minority view, he discusses the 14th amendment, its application, and the many decisions that have been passed upon by the Supreme Court. He cites in detail the so-called United States against Guest proposal, and in that case he points out that some of the citations and quotations used by the proponents of the pending legislation were taken not from the majority decision, but from the dissenting opinions rendered by some of the Justices. I am certain that every lawyer knows and understands that any decisions of the Court must be based upon a majority ruling of the Court in order to be valid.

I now read from the additional views of Mr. ERVIN, on page 22 of the committee report:

> No clearer language could be found to express the idea that the only power of Congress under section 5 is to enforce the prohibitions which the 14th amendment imposes upon State action.
>
> In the case of *United States* v. *Guest, et al.*, 383 U.S. 745, Mr. Justice Stewart cites the *Civil Rights* cases, 109 U.S. 3, in support of the Court's decision. That case stated, starting at page 10:
>
> "The first section of the 14th amendment (which is the one relied on), after declaring who shall be citizens of the United States, and of the several States, is prohibitory in its character, and prohibitory upon the States. It declares that:
>
> " 'No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.'
>
> "It is State action of a particular character that is prohibited. Individual invasion of individual rights is not the subject matter of the amendment. It has a deeper and broader scope. It nullifies and makes void all State legislation, and State action of every kind, which impairs the privileges and immunities of citizens of the United States or which injures them in life, liberty, or property without due process of law, or which denies to any of them the equal protection of the laws.
>
> "It not only does this, but, in order that the national will, thus declared, may not be a mere *brutum fulmem*, the last section of the amendment vests Congress with the power to enforce it by appropriate legislation. To enforce what? To enforce the prohibition, to adopt appropriate legislation for correcting the effects of such prohibited State laws and State acts, and thus to render them effectually null, void, and innocuous.
>
> "This is the legislative power conferred upon Congress, and this is the whole of it. It does not invest the Congress with the power to legislate upon subjects which are within the domain of State legislation, but to provide modes of relief against State legislation or State action of the kind referred to. It does not authorize Congress to create a code of municipal law for the regulation of private rights; but to provide modes of redress against the operation of State laws and the action of State officers, executive or judicial, when these are subversive of the fundamental rights specified in the amendment.
>
> "Positive rights and privileges are undoubtedly secured by the 14th amendment; but they are secured by way of prohibition against State laws and State proceedings affecting those rights and privileges, and by power given to Congress to legislate for the purpose of carrying such prohibition into effect: and such legislation must necessarily be predicated upon such supposed State laws or State proceedings, and be directed to the correction, of their operation and effect."

That is one of the most recent decisions to be handed down by the Supreme Court. I say that the language shows, without a doubt, that it is only State acts that come within the purview of the 14th amendment.

There are quite a few other cases that my good friend from North Carolina [Mr. Ervin] cites in the minority views to uphold his position. I shall not take the time of the Senate now to read all of them. I simply say that the bill now before us is an effort by its proponents to give to the Federal courts jurisdiction of violations that are purely within the purview of State laws. Therefore, I am hopeful that the Senate will not pass the bill.

Mr. President, since coming to the Senate, I have participated in the debates that took place in this Chamber whenever civil rights bills were before the Senate. Every year, over a period of many years, it has been demanded of Congress that more and more civil rights laws be passed, for the avowed purpose of protecting the Negro in our society. It has been said, over and over again, that new laws are necessary, not merely to give the Negro a greater measure of equality, but principally for the purpose of putting a damper on violence within the Negro community. We have been told every year by civil rights leaders and the sponsors of such bills that such laws are absolutely necessary to remove contest and controversy from the streets and to put them in the courts.

The proponents of such acts, particularly the acts of 1960, 1964, and 1965, have said that their enactment was necessary to remove controversies from the streets and let them be tried in the courts. I have said, time and time again, that that is not true at all. The cause of violence is the complete disrespect for law and order, which large segments of the Negro community have adopted. This disrespect for law and order began several years ago, when the Supreme Court and the Department of Justice condoned and encouraged the reckless disobedience of the laws of the Southern States.

Mr. President, as was pointed out yesterday, I understand that Dr. Martin Luther King is going to stage a march on Washington within the next 2 or 3 months. I shall watch this parade and find out whether or not the Attorney General and his hundreds of lawyers will take action to prevent violence in the streets of Washington. Of course, Dr. King has always prefaced his marches by saying, "It is nonviolent." But at all times violence did follow in the wake of the marches that were put on by Dr. King. This march on Washington will give us an opportunity to find out whether or not the Attorney General or the Federal Government will take action—not to prevent the march, but to prevent violence, riots, and what have you.

It was my privilege to visit parts of my State last year, a few months ago, and I found that what bothers the people of my State is not so much the Vietnam war, but civil disobedience and a lack of law enforcement throughout this land. It is my belief that that will be the No. 1 issue during the 1968 presidential campaign.

Unless something is done now to stave off these riots and the civil disobedience, matters can become much worse than they were last year.

Businesses were disrupted by the so-called "ins"—the sit-ins, pray-ins, love-ins, kneel-ins, and all the other "ins." Interstate highways were blocked to traffic in order that marchers and demonstrators could disobey the laws of Alabama, Mississippi, Louisiana, and other States. The FBI, Federal marshals, and Federal troops were used to assist in the lawbreaking.

This was all done under the guise of freedom of assembly and the petition for redress of grievances. State and local laws were trampled underfoot by the rabble-rousers who preferred the short-cut of "civil disobedience" to the orderly processes of the law. If changes were needed, there were methods for orderly and legal change. Civil rights leaders in the Federal Government chose what seemed to be the easy way out. They preferred to assert Federal superiority of force over local law and the sensibilities of local people.

All of this encouragement of lawlessness by the Federal Government and by the civil rights leaders, which began in the South, has now spread from one end of the country to the other.

The Federal Government can no longer control this violence. As a matter of fact, the bureaucrats in the Justice Department are now saying that law and order is a local matter. If they had taken that position 5 or 6 years ago, I doubt we would have the riots that have spread all over the country and which have made a mockery of our laws.

The Negro can no longer understand why he is not being supported by the Federal Government. He had violated the law before with Federal assistance and condonation, but now when he riots in Detroit, Federal troops move against him.

In the past few years, I have said on so many occasions that the enactment of civil rights laws would not take the controversy out of the streets that I have become hoarse from repetition. The insane reasoning of the past is largely responsible for the chaos which exists in our cities today.

If people lived in the slum ghettos in Chicago or Detroit and could not get adequate employment, the answer only a few years ago was to rope off the highway between Selma and Montgomery and stage a ridiculous march. The whole Nation today is reaping the whirlwind of this deception.

Mr. President, I would now like to quote from a few of my previous speeches and statements regarding lawlessness and enactment of civil rights legislation.

On April 13, 1964, I made the following statement, which is printed in the CONGRESSIONAL RECORD, volume 110, part 6, pages 7741–7742:

> . . . Even if this bill which is before us is forced onto the statute books, the Negro leaders will not be content to take their grievances through the courts, which is the normal process even today. Instead, they would prefer to take it into the streets and into individual private businesses, just as is being done where such laws are already in effect. This method gains much more publicity and keeps the coffers full.

Mr. President, my prognostications have come to pass.

On April 29, 1964, I made the following statement, which appears in the CONGRESSIONAL RECORD, volume 110, part 7, page 10540, in the proceedings of that day:

> . . . In my judgment, if it is enacted as written, it will cause more strife, more conflict, more resentment, and do far more harm than it does good.

Mr. President, that is another quotation from a statement I have made. Who is here to deny that statement? If there is anyone I would like to have him bob up and say so.

On April 30, 1964, I made a statement which is reported in the CONGRESSIONAL RECORD, volume 110, part 7, page 10582, follows:

> . . . If they—

And I referred to the proponents of that bill—

> are sincerely concerned with this issue, they should use their influence to bring about a better understanding between the whites and the Negroes.
>
> This cannot be done by the use of the strong arm of the Federal Government. I predict that the passage of the bill will bring on more strife than now prevails in our country. It will widen the gulf of misunderstanding that now exists and further blunt the good relations that have existed in the South between the whites and Negroes over the years.

Mr. President, in the same year, 1964, I stated on June 13 in a radio speech that I prepared for delivery on station WWL, New Orleans:

> I would now like to add that one of the most sorrowful aspects of legislation of this type is that it cannot help but tear down and destroy a great amount of good will between the races that has grown up over the years, particularly in the South. The ones who will be hurt most, in my opinion, will be the very persons that this bill is supposedly seeking to assist.

Mr. President, that statement was made by me 4 years ago and it is happening in just that way.

During the debate on this question, the sponsors of this legislation were fond of rising time and time again to state that it was urgently needed because of the great number of violent demonstrations which were sweeping the country, particularly the Northern cities. I predict that putting this bill on the statute books is going to promote an increase in violence rather than abate it. The agitators are going to discover that very little has been added to the measure that will actually solve their grievances, and they will doubtless continue to seek satisfaction in the streets. They will soon find that this bill is not the solution to their problems.

Mr. President, I would like to quote from a few more of my previous speeches and statements regarding lawlessness and enactment of civil rights legislation.

I stated as follows in a radio address over station WWL, New Orleans, on March 20, 1965:

> I was most disappointed in the President's address to the Congress and nation last Monday night, on the subject of new voting rights legislation. I listened carefully to the President, and although he laid great stress on voting *rights*, I did not hear the word *qualifications* mentioned anywhere in his remarks.
>
> This seemed very strange to me. The President and his advisers well know that the Constitution reserves to the states the right to establish voter qualifications. The Supreme Court has always respected this right of the states, and has required only that those qualifications established by the states be applied and enforced uniformly and without discrimination as to color, creed, and religion.
>
> The Civil Rights Act of 1957 also dealt with voting rights. Its provisions were designed to implement the requirements of the 15th Amendment to the Constitution by giving Federal protection for voting rights, and attempts to abridge them a federal crime. The approach of this statute was to challenge through litigation the discriminatory use of voter qualification tests.
>
> * * * * *
>
> In those cases where the right is denied, the questions involved should be laid before the courts for proper adjudication. Indeed, one of the primary arguments advanced for the passage of the Civil Rights Act of 1964, against which I fought vigorously, was that it would ensure that the so-called "civil rights effort" would be taken out of the streets and placed before the courts of our land. At the time I stated that this would not be the case at all, and that the appetites of the demonstrators and agitators would be whetted by the passage of the Act. Only a few months' time has shown the correctness of this prediction.

CONGRESSIONAL RECORD, MAY 17, 1965

> The bill was not conceived in the streets of Selma, as has been charged. Its effects were conceived in the minds of so-called civil rights leaders who knew that if they were to take charge of the political institutions of the South they would have to do so by overwhelming the duly constituted local governments by registering and voting masses of unqualified and semiliterate citizens. Negro agitators and demagogues herded huge groups of the unfortunate and uninformed through the streets of Selma for the specific purpose of tearing down law and order in that community. Week after week, they stormed the bastions of decency and responsibility, and finally achieved their goal of securing political leverage upon the Federal Government

which is to do the sordid bidding. They will never be satisfied until they have turned a law-abiding community—which no one ever heard of—into a jungle where anarchy becomes the order of the day. To manufacture an artificial crisis in an unsuspecting community, and to that add the unfortunate deaths of some misguided persons, is the stock in trade of these demagogues. What is it all for? The purpose of these demagogues is to appropriate the political processes by mob action. Can anyone witness the chanting demands for "freedom now," and like statements, and not identify them as mere slogans of the demagogues? Is the Senate to respond, as did the Chamber of Deputies, by throwing constitutional government to the howling mob?

The senseless march from Selma to Montgomery accomplished nothing of value. It was begun in violation of a Federal court order. King stated that the order was being violated because "we did not think it was legal." Have we arrived at the point where these new extremists may obey the laws of their choice and flout the rest?

Mr. President, that same Dr. Martin Luther King is supposed to march on Washington 2 or 3 months hence.

I am just wondering, what is going to happen?

A few days ago, I read an article published in the U.S. News & World Report that Dick Gregory, the comedian, is going to defy the delegates to the Democratic National Convention meeting in Chicago this coming summer.

I am just wondering, what is going to happen there, too?

It strikes me that instead of adding fuel to that fire, we should be busying ourselves enacting laws to prevent such action occurring in the streets.

But, no, we do not seem to be able to get a majority of Senators or Representatives to do that. They seemed to be scared to do so.

CONGRESSIONAL RECORD, MAY 26, 1965

Mr. President, as I said before, the passage of laws such as the pending voting rights bill can have no other effect than to further chip away at the respect for law and order, which is already in a bad state in this country. By passing this bill, the U.S. Government will be saying, in effect, that local laws do not have to be respected by anyone desiring to break them.

In this day and age, when the police power of the State is taxed to the utmost, we are doing a great disservice in furthering the principle of civil disobedience. Make no mistake about it—that is exactly what we are encouraging. This bill is a direct result of so-called civil disobedience in Selma, Alabama. The people who are responsible for the situation in Selma, Alabama, conducted their lawlessness week after week in open violation of every concept of public safety and good order. Ultimately they were victorious in getting the U.S. police and military forces into the dispute.

To go back a little, I hope Senators will not forget that this peaceful little community was posing no threat to anyone. The justifiable complaints which were filed in Federal Court were quickly adjudicated on the basis of evidence, and those complainants were duly and properly registered on the voting rolls of Alabama. All of this was settled quietly and peacefully in a duly constituted court of law. The problem arose, however, when the Negro agitators came into the community even after the adjudication of these grievances and conducted their street demonstrations supposedly for the purpose of achieving that which had already been granted. Of course, the real purpose was not to get people registered. It was to bring to bear national public opinion which had been distorted by these demagogues, on the State of Alabama and this local community, in order to displace the laws of that State. Most of their demands had been met, I was informed, but they did not leave; they continued to parade up and down the streets with their senseless chants of "freedom now."

RADIO ADDRESS OVER STATION WWL, NEW ORLEANS, JULY 2, 1966, "PEACE IN MISSISSIPPI"

On another domestic issue, I have received many letters from my constituents deploring the marching episode that has just been brought to a conclusion in Mississippi. I certainly agree that the march was deplorable, and I can only wonder what real good has been accomplished. I doubt very seriously that it can balance out against the strife and suffering that was caused. Hopefully, conditions will be able to settle down once again, and perhaps the worst of the much advertised long, hot summer is over, at least in Mississippi.

In any event, it is likely that the violent season is not over in other sections of the nation, particularly in the great cities of the north. I have often stated the belief that these marchers and agitators have no need to go so far afield to find things to demonstrate against. Most of them would do well to look in their own back yards.

Of course, the fact of the matter is that these marches and demonstrations do very little good, whether they occur in the North or South. Usually the reverse proves to be true, as I feel certain is the case in Mississippi. In any event, I believe that calm and reason should be allowed to prevail, and in no instance should violence be tolerated on either side of this controversy.

RADIO ADDRESS OVER KWKH, SHREVEPORT, OCTOBER 1, 1966

Concerning the first of those I mentioned, namely, the racial unrest in our great cities, I and other Southerners saw this situation coming several years ago. As a matter of fact, in 1964 and 1965, I predicted on the Senate floor that we of the South were likely to meet our problems with much less violence than would other sections of the nation. Of course, to expect violence is not to condone it, and after the vicious and comprehensive civil rights bill of 1964 was forced upon us, I called upon all citizens of the South to abide by the law of the land and forgo any acts of violence which might bring more troubles and even more federal interference down upon our people. With patience and understanding, I was certain that all of our problems could be worked out.

I got the plaudits of many leaders when I made that statement to the people of Louisiana. Even there they were ready and willing to proceed to obey the laws passed. But the demonstrations kept on, and I predict again they will still keep on whether or not the obnoxious bill we are now considering is passed. I think it will just make conditions worse.

You know, Mr. President, down South we have acted openly. We kept the law, until the Supreme Court reversed it in 1954. We had segregated schools—legal ones—but all of our acts were in the open. But up North, in the large cities, they practiced segregation just as much as was done in the South. The only difference was that it was under the table, not open. Of course, they denied they practiced segregation. I said on many occasions that many of the people of the cities of the North are now learning the evils of quick integration.

Continuing from my radio address over KWKH, I said:

I carried much the same message in 1965, when I led the fight against the flagrantly unconstitutional voting rights act, and I continued to speak my beliefs in this regard during my primary election campaign this last summer. I believe that history has proved and is proving the wisdom of this viewpoint, for as we all know, the South has been very quiet this summer, save for one or two isolated incidents such as occurred last month in Atlanta.

We cannot say the same for other sections of the Nation. Even as this address is being prepared, the National Guard has been called out to restore order and patrol the streets of San Francisco, and this is just the latest in a series of incidents which has swept the country from coast to coast. As I recently pointed out on the Senate Floor, when the Senate was considering other civil rights bills, so-called, we were given many assurances that the passage of these bills would have the effect of taking riotous demonstrations "out of the streets and into the courts." It seems, however, that legal processes move too slowly for many of these agitators, and they have remained as active as ever. They have changed their slogans, however, from "equality" and "freedom now," which they used so often against the South, to cries of "police brutality" and demands for "open housing."

CONGRESSIONAL RECORD, SEPTEMBER 16, 1966

. . . the contest will be taken from the streets and resolved in the courts of this land.

Nothing has been further from the truth. Negro demonstrations and acts of violence have increased a hundredfold since 1957. I recall so clearly the claim of the sponsors of the Civil Rights Act of 1964 that if that measure were enacted it would have the same effect upon the Negro as the Wagner and Norris-LaGuardia Acts had on labor; in other words, the comparison was made between civil rights demonstrators and the rights of organized labor to picket. It was claimed that, since the enactment of these labor laws in the 1930's, there has been very little violence in labor relations. The proponents of civil rights laws claim that the same thing would occur in regard to Negro riots.

Mr. President, I could quote many more excerpts from speeches I have made on the floor in opposition to the civil rights bills, but we remember the representatives from the South were more or less ridiculed and told we did not know what we were talking about. Our country is now faced with a situation which is very grave. I am just wondering what is going to happen come next summer. With all of the troubles we are having in the Far East and other parts of the world, it would be cruel for our Nation once again to be confronted with such riots as took place in the North during last summer.

Mr. President, the pending bill is about as seasonable and as timely as 1960 campaign buttons. There is no doubt that the pending bill was conceived in the aftermath of the violence and tragic murders which occurred in one or two Deep South States several years ago.

Of course, that is the purpose of it. Mr. Doar, Assistant Attorney General, was quoted on several occasions. In his testimony he admitted that this bill is aimed solely at the South—class legislation.

As you will recall, in the early 1960's, it was fashionable for civil rights leaders, movie actors, politicians, and ordinary troublemakers to descend upon southern cities and lead mass marches for the alleged purpose of achieving racial integration of certain public facilities. These marches and demonstrations were more often than not directed toward the wrong purposes, the wrong goals, and the wrong people. It was, therefore, no surprise that in the wake of these mass demonstrations and marches that counterresistance and opposition would develop. In a few instances, this did, of course, occur. However, to my knowledge, in more recent years there has been no violence directed toward any civil rights groups or persons acting in registration drives or other related activities.

If there were ever a case to be made for passing the bill under consideration, the time has long since passed. The shoe is now on the other foot. Violence is no longer isolated and directed toward a few civil rights workers. Today, violence is on a massive scale and it is perpetrated by some of the same civil rights leaders who only a short number of years ago were considered national heroes. In addition to this group of so-called moderate troublemakers, there has been added the radical Negro agitators who openly advocate violence.

There is a need for Federal protection in this country today, Mr. President, but it is on the other side. There is a need for protecting the lives and property of all of our citizens, whether white or Negro, from the arsonists, murderers, and insurrectionists who have run rampant within the past several years. Although the riots in recent years were racially conceived and inspired, most of the victims have been the Negroes themselves, all of which I have heretofore pointed out.

As a matter of fact, most of the victims of ordinary crime and violence are Negroes who have been victimized by other Negroes. I cannot understand why there is resistance on the part of the liberal and Negro communities to the enactment of legislation which would make the city streets safe. Although it is true that the overwhelming number of violators are Negro, it is also true that the overwhelming number of victims are also Negro. The need has been clearly demonstrated for passage of necessary legislation to protect the lives and property of all citizens of this country without regard to race. There is as much need, if not more so, to protect a white fireman attempting to put out a ghetto fire, as there is to protect a civil rights worker who has been injured as a result of his lawful activities. Both the fireman and civil rights worker is assaulted because of his race and because he is attempting to accomplish a thing which runs counter to local prejudice.

In 1964, when the first major civil rights bill was enacted, the sponsors claimed that its enactment would take the controversy out of the streets and put it in the courtroom where it belonged. Obviously, this has not happened and, as a matter of fact, violence in the streets has increased several thousandfold since then. The hard fact is that we will never be able to remove the controversy from the streets until the white and Negro races arrive at that point where they can accommodate each other. I have no idea when that might occur, but the central issue which faces this country today is not whether the white and Negro races can get along together, because obviously they are not, but whether or not the streets will be safe for both black and white to travel without fear of robbery, injury or even death.

In 1964, I said, after it became apparent that the Civil Rights Act of that year was going to be passed, that that act was a complete betrayal of the Negro by his so-called liberal friends. All of the objectives which the northern Negro sought under that act were actually circumvented by the act itself. Those objectives were, and still are today, the actual desegregation of the neighborhood school, equal employment opportunities and a reasonable chance to enjoy more of the material goods of this society. In 1964, I said that the Negro's attention is kept from the squalid conditions of northern ghettos and defacto segregation by promises to enact punitive laws against the southern social system. I believe that the recent riots have demonstrated this better than anything that I could say.

In my speech in the Senate on June 18, 1964, I said, and I quote:

> When the Negro leadership wakes up to the facts of this bill, I fear that violence in the Northern States will increase, and the political casualties of our friend in Congress will be heavy.

Martin Luther King showed his gratitude for the passage of the 1964 act by leading mobs through the streets of Chicago and bringing about the defeat of our friend, Senator Paul Douglas. Every year since 1964, the riots have become increasingly worse. The property damage estimated in Detroit was over $1 billion. I have not seen the total figures on property damage since 1964 resulting from the riots, but it must approach many billions of dollars and the death and injury of hundreds of innocent people is not a factor that can be easily overlooked.

This bill, H.R. 2516, is not going to get any Negro a job; it is not going to get any Negro child a better education; it is not going to do anything for the material and spiritual welfare of the Negro. It is only another cheap attempt to divert his attention from the things which he really wants. Between the Negro and the rest of society, there is a serious question of whether or not society can give him what he wants, even if it wants to. Our society could adopt a negative income tax program or any other type of guaranteed annual wage, but the question still remains whether or not this would give the Negro what he wants. I do not think money alone is going to satisfy his wants. It will not educate him because public education is already free. It will not reconstruct the tragic Negro family system. Money alone will not remove disabilities which his white countrymen find objectionable.

Negro leadership today is completely and totally divided on the goals and aspirations of the Negro race. One group, the so-called moderates, claims that their objective is the complete assimilation and integration of the Negro into American society and culture. On the other hand, the black power radicals insist on Negro supremacy, and if not that, complete separation from the white race. It apparently is their view that the Negro will never get a square deal unless he is completely in charge of American society. The latter group, of course, will never prevail and it is questionable whether or not the so-called moderates will in the absence of a government program of Negro resettlement throughout the entire United States, so that their numbers in every community will closely approximate their numerical relationship to the entire population. I venture that this program will not be adopted, at least in the foreseeable future.

It is beginning to appear questionable whether or not there are really any so-called moderates among the civil rights leaders. Only recently here in Washington, a meeting was called by Stokely Carmichael of all the Negro leaders in this community. Many of those in attendance were so-called moderates. How could any citizen of this country retain his respect for any leader who would participate in an organization call by this troublemaker Carmichael? He has only recently returned from a world tour of Communist countries, where he went on television and denounced the United States in every vile term which one could think of. I think that it is necessary to warn the moderate leaders of the Negro community that they had better give serious thought to combining with such a renegade as Carmichael. This kind of radicalism, and the violence which it breeds, will only trigger counter violence on the part of some elements of the white community. There have been, and will probably continue to be for some time, race riots, but it seems to me that Negro leaders should learn by experience that this violence will be put down by armed force. Even their so-called friends cannot afford to have the country destroyed in these nihilistic rampages.

The time has come to stop offering excuses as to why the rioters have burned large sections of our cities, looted the stores, and killed some of their fellow citizens. In almost every instance regarding the looting, it was demonstrated that those doing the stealing were not the impoverished Negroes, but those who had employment and who had sufficient means to enjoy a good life. There is not now, and never will be, any excuse or justification for the senseless destruction of property and indiscriminate sniping.

Recently, the question has been asked frequently and in all quarters of the Government, why is there such "troubled restlessness in the land?" Why are some of our citizens intent on burning down the cities, some intent on becoming drug addicts, some intent on avoiding their responsibility to the State and National Government in terms of service? Why are the mental hospitals filled to capacity and overflowing? In other words, why is there so much uneasiness and dissatisfaction on the part of all sections of our society? Some of these calamities are perhaps more peculiarly American, but most of them are, in reality, international problems. We, as the leading nation of the world, will naturally feel the brunt of change and restlessness sooner than other nations. This is a time of crumbling institutions, of total freedom without restraints. This is a time of smaller responsibilities and greater liberties. This is a time when even our sacred institutions are being shaken to their foundations. Where once church doctrine and law was set on foundations of rock, they are now being discarded and abandoned. Science and the knowledge explosion have attacked so many of our institutions, brutally and frontally. They have destroyed, but not replaced the social organizations which are so necessary for a free and ordered society.

Why should life be considered holy when it can be created in a laboratory? If a sense of reverence must be diminished or eliminated in our society, should it not be replaced by something else? If the family structure is to be disintegrated, or at best be diminished to a tidy little economic unit without lasting moral values, should not something else be offered in replacement by those who attack it? This, in my judgment, is really the heart of the whole problem, and that is the necessity for a strong and healthy family system, where spiritual and moral values are at least equal to the material values to be gained by such an association. This, of course, has always been the weak point in the American Negro society. It is fast becoming the major weakness in the white race. Why should the youth of this country concern themselves with problems of ordinary morality when pills and drugs can replace the consequences of an undisciplined life? For those who really want to improve the quality of American life must look further than the material goods which have only passing values. Our society must stand for more than color television and freeways.

Mr. President, I certainly question the value of many of our social programs today as having any beneficial long-range good. While it is certainly true that we must assist our older citizens who have passed the productive years of their life, is it not a terrible mistake to organize our programs in such a way that we encourage the herding of these old people into nursing homes and old folks homes? Would not it be better to organize a social program which would encourage children to continue to care for their aged parents in their own homes? I believe that the same money can be spent to accomplish this and to produce the added benefit of strengthening the family structure. Not only the grandparents, but the grandchildren would be beneficiaries of such a system. A sense of permanence and continuity would prevail in the family. Personal responsibility and self-discipline are going to have to be encouraged and improved with the coming of new freedoms. If our religion continues to reduce God to a position of social worker, man will transfer his former deity to someone else. I fear to contemplate where that might lead. While man is presently abandoning the holy things of old, his nature is such that he cannot completely eliminate them because of his inner insecurity.

These things I have been discussing are only some of the reasons for this terrible restlessness in the land. I mention them only for the purpose of indicating that I believe we are attacking the problems of our materialistic society with only materialistic weapons.

Mr. President, in returning more specifically to the matter which confronts us today, H.R. 2516, it is my firm belief that the sponsors and advocates of this bill want a self-operating law which requires little or no enforcement machinery. The complaints from the Justice Department, civil rights leaders, and the sponsors of this bill in Congress are that the old laws are too cumbersome and too difficult to administer; that they take too long to reach final judgment, and hence the necessity for new laws. I would submit, Mr. President, that any law which we would adopt in this Congress which would be constitutional would have to have some of our traditional rules of judicial procedure and would not operate automatically.

For every right which we create, we must also create a correlative duty. The enforcement of that duty in our society must be in accordance with constitutional and legal procedure. We see more and more of the Attorney General asking for powers to override not only the State courts, but also the Federal courts in the enforcement of these so-called civil rights laws. More and more, we have given the Attorney General and various commissions and agencies the right to make determinations of fact and assess penalties and judgments. This is an intolerable situation which must come to an end. Justice cannot prevail when one party to a controversy is denied his traditional rights to be confronted and to cross-examine and to question and to produce witnesses in his own defense. In much the same way as a well-known philosopher recently said, political power does not come like cans of beans, neither are criminal statutes self-operating at the push of a button. There are no can-openers or pushbuttons; there are only the legal traditions which our Anglo-American society has provided us.

REGULATION OF SAVINGS AND LOAN HOLDING COMPANIES

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on S. 1542.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1542) to amend section 408 of the National Housing Act, as amended, to provide for the regulation of savings and loan holding companies and subsidiary companies which was, strike out all after the enacting clause and insert:

That this Act may be cited as the "Savings and Loan Holding Company Amendments of 1967".

SEC. 2. Section 408 of the National Housing Act, as amended (12 U.S.C. 1730a), is hereby amended to read as follows:

"REGULATIONS OF HOLDING COMPANIES

"SEC. 408. (a) DEFINITIONS. (1) As used in this section, unless the context otherwise requires—

"(A) 'insured institution' means a Federal savings and loan association, a building and loan, savings and loan, or homestead association or a cooperative bank, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation;

"(B) 'uninsured institution' means any association or bank referred to in subparagraph (A) hereof, the accounts of which are not insured by the Federal Savings and Loan Insurance Corporation;

"(C) 'company' means any corporation, partnership, trust, joint-stock company, or similar organization, but does not include the Federal Savings and Loan Insurance Corporation, any Federal home loan bank, or any company the majority of the shares of which is owned by the United States or any State, or by an officer of the United States or any State in his official capacity, or by an instrumentality of the United States or any State;

"(D) 'savings and loan holding company' means any company which directly or indirectly controls an insured institution or controls any other company which is a savings and loan holding company by virtue of this subsection;

"(E) 'multiple savings and loan holding company' means any savings and loan holding company which directly or indirectly controls two or more insured institutions;

"(F) 'diversified savings and loan holding company' means any savings and loan holding company whose subsidiary insured institution and related activities as permitted under paragraph (2) of subsection (c) of this section represented, on either an actual or a pro forma basis, less than 50 per centum of its consolidated net worth at the close of its preceding fiscal year and of its consolidated net earnings for such fiscal year (or, during the first year's operation of the section, at such time as the holding company so qualifies), as determined in accordance with regulations issued by the Corporation;

"(G) 'person' means an individual or company;

"(H) 'subsidiary' of a person means any company which is controlled by such person, or by a company which is a subsidiary of such person by virtue of this subsection;

"(I) 'affiliate' of a specified insured institution means any person or company which controls, is controlled by, or is under common control with, such insured institution; and

"(J) 'State' includes the District of Columbia and the Commonwealth of Puerto Rico.

"(2) For purposes of this section, a person shall be deemed to have control of—

"(A) an insured institution if the person directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, or holds with power to vote, or holds proxies representing, more than 25 per centum of the voting shares of such insured institution, or controls in any manner the election of a majority of the directors of such institution;

"(B) any other company if the person directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, or holds with power to vote, or hold proxies representing, more than 25 per centum of the voting shares or rights of such other company, or controls in any manner the election or appointment of a majority of the directors or trustees of such other company, or is a general partner in or has contributed more than 25 per centum of the capital of such other company;

"(C) a trust if the person is a trustee thereof; or

"(D) an insured institution or any other company if the Corporation determines, after reasonable notice and opportunity for hearing, that such person directly or indirectly exercises a controlling influence over the management or policies of such institution or other company.

"(3) Notwithstanding any other provision of this subsection, the term 'savings and loan holding company' does not include—

"(A) any company by virtue of its ownership or control of voting shares of an insured institution or a savings and loan holding company acquired in connection with the underwriting of securities if such shares are held only for such period of time (not exceeding one hundred and twenty days unless extended by the Corporation) as will permit the sale thereof on a reasonable basis; and

"(B) any trust (other than a pension, profit-sharing, shareholders' voting, or business trust) which controls an insured institution or a savings and loan holding company if such trust by its terms must terminate within twenty-five years or not later than twenty-one years and ten months after the death of individuals living on the effective date of the trust, and is (i) in existence on June 26, 1967 or (ii) a testamentary trust created on or after June 26, 1967.

"(b) REGISTRATION AND EXAMINATION.—(1) Within one hundred and eighty days after the enactment of the Savings and Loan Holding Company Amendments of 1967, or within ninety days after becoming a savings and loan holding company, whichever is later, each savings and loan holding company shall register with the Corporation on forms prescribed by the Corporation, which shall include such information, under oath or otherwise, with respect to the financial condition, ownership, operations, management, and intercompany relationships of such holding company and its subsidiaries, and related matters, as the Corporation may deem necessary or appropriate to carry out the purposes of this section. Upon application, the Corporation may extend the time within which a savings and loan holding company shall register and file the requisite information.

"(2) Each savings and loan holding company and each subsidiary thereof, other than an insured institution, shall file with the Corporation, and the Federal home loan bank of the district in which its principal office is located, such reports as may be required by the Corporation. Such reports shall be made under oath or otherwise, and shall be in such form and for such periods, as the Corporation may prescribe. Each report shall contain such information concerning the operations of such savings and loan holding company and its subsidiaries as the Corporation may require.

"(3) Each savings and loan holding company shall maintain such books and records as may be prescribed by the Corporation.

"(4) Each savings and loan holding company and each subsidiary thereof shall be subject to such examinations as the Corporation may prescribe. The cost of such examinations shall be assessed against and paid by such holding company. Examination and other reports may be furnished by the Corporation to the appropriate State supervisory authority. The Corporation shall, to the extent deemed feasible, use for the purposes of this subsection reports filed with or examinations made by other Federal agencies or the appropriate State supervisory authority.

"(5) The Corporation shall have power to require any savings and loan holding company, or persons connected therewith if it is not a corporation, to execute and file a prescribed form of irrevocable appointment of agent for service of process.

"(6) The Corporation may at any time, upon its own motion or upon application, release a registered savings and loan holding company from any registration theretofore made by such company, if the Corporation shall determine that such company no longer has control of any insured institution.

"(c) HOLDING COMPANY ACTIVITIES.—Except as otherwise provided in this subsection—

"(1) no savings and loan holding company or subsidiary thereof which is not an insured institution shall, for or on behalf of a subsidiary insured institution, engage in any activity or render any services for the purpose or with the effect of evading law or regulation applicable to such insured institution; and

"(2) no multiple savings and loan holding company or subsidiary thereof which is not an insured institution shall commence, or continue for more than two years after the enactment of this amendment or for more than one hundred and eighty days after becoming a savings and loan holding company or subsidiary thereof (whichever is later), any business activity other than (A) furnishing or performing management services for a subsidiary insured institution, (B) conducting an insurance agency or an escrow business, (C) holding or managing or liquidating assets owned by or acquired from a subsidiary insured institution, (D) holding or managing properties used or occupied by a subsidiary insured institution, (E) acting as trustee under deed of trust, or (F) furnishing or performing such other services or engaging in such other activities as the Corporation may approve or may prescribe by regulation as being a proper incident to the operations of insured institutions and not detrimental to the interests of savings account holders therein. The Corporation may, upon a showing of good cause, extend such time from year to year, for an additional period not exceeding three years, if the Corporation finds such extension would not be detrimental to the public interest.

"(d) PROHIBITED TRANSACTIONS.—No savings and loan holding company's subsidiary insured institution shall—

"(1) invest any of its funds in the stock, bonds, debentures, notes, or other obligations of any affiliate (other than a service corporation as authorized by law);

"(2) accept the stock, bonds, debentures, notes, or other obligations of any affiliate as collateral security for any loan or extension of credit made by such institution;

"(3) purchase securities or other assets or obligations under repurchase agreement from any affiliate;

"(4) make any loan, discount, or extension of credit to (A) any affiliate, except in a transaction authorized by subparagraph (A) of paragraph (6) of this subsection, or (B) any third party on the security of any property acquired from any affiliate, or with knowledge that the proceeds of any such loan, discount, or extension of credit, or any part thereof, are to be paid over to or utilized for the benefit of any affiliate;

"(5) guarantee the repayment of or maintain any compensating balance for any loan or extension of credit granted to any affiliate by any third party;

"(6) except with the prior written approval of the Corporation—

"(A) engage in any transaction with any affiliate involving the purchase, sale, or lease of property or assets (other than participating interests in mortgage loans to the extent authorized by regulations of the Corporation) in any case where the amount of the consideration involved when added to the aggregate amount of the consideration given or received by such institution for all such transactions during the preceding twelve-month period exceeds the lesser of $100,000 or 0.1 per centum of the institution's total assets at the end of the preceding fiscal year; or

"(B) enter into any agreement or understanding, either in writing or orally, with any affiliate under which such affiliate is to (i) render management or advertising services for the institution, (ii) serve as a consultant, adviser, or agent for any phase of the operations of the institution, or (iii) render services of any other nature for the institution, other than those which may be exempted by regulation or order of the Corporation, unless the aggregate amount of the consideration required to be paid by such institution in the future under all such existing agreements or understandings cannot exceed the lesser of $100,000 or 0.1 per centum of the institution's total assets at the end of the preceding fiscal year; or

"(C) make any payment to any affiliate under any agreement or understanding hereinabove referred to in subparagraph (B) where the institution has previously paid to affiliates during the preceding twelve-month period, pursuant to any such agreements or understandings, an amount aggregating in excess of the lesser of $100,000 or 0.1 per centum of the institution's total assets at the end of the preceding fiscal year.

The Corporation shall grant approval under this paragraph (6) if, in the opinion of the Corporation, the terms of any such transaction, agreement, or understanding, or any such payment by such institution, would not be detrimental to the interests of its savings account holders or to the insurance risk of the Corporation with respect to such institution.

"(e) ACQUISITIONS.—(1) It shall be unlawful for—

"(A) any savings and loan holding company directly or indirectly, or through one or more subsidiaries or through one or more transactions—

"(i) to acquire, except with the prior written approval of the Corporation, the control of an insured institution or a savings and loan holding company, or to retain the control of such an institution or holding company acquired or retained in violation of this section as heretofore or hereafter in effect;

"(ii) to acquire, except with the prior written approval of the Corporation, by the process of merger, consolidation, or purchase of assets, another insured or uninsured institution or a savings and loan holding company, or all or substantially all of the assets of any such institution or holding company;

"(iii) to acquire by purchase or otherwise, or to retain for more than one year after the enactment of this amendment, any of the voting shares of an insured institution not a subsidiary, or of a savings and loan holding company not a subsidiary, or, in the case of a multiple savings and loan holding company, to so acquire or retain more than 5 per centum of the voting shares of any company not a subsidiary which is engaged in any business activity other than those specified in paragraph (2) of subsection (c) of this section; or

"(iv) to acquire the control of an uninsured institution, or to retain for more than one year after the effective date of this amendment or from the date on which such control was acquired, whichever is later, the control of any such institution;

"(B) any other company, without the prior written approval of the Corporation, directly or indirectly, or through one or more subsidiaries or through one or more transactions, to acquire the control of one or more insured institutions, except that such approval shall not be required in connection with the control of an insured institution (i) acquired by devise under the terms of a will creating a trust which is excluded from the definition of 'saving and loan holding company' under subsection (a) of this section, or (ii) acquired in connection with a reorganization in which a person or group of persons, having had control of an insured institution for more than three years, vests control of that institution in a newly formed holding company subject to the control of the same person or group of persons. The Corporation shall approve an acquisition of an insured institution under this subparagraph unless it finds the financial and managerial resources and future prospects of the company and institution involved to be such that the acquisition would be detrimental to the institution or the insurance risk of the Corporation, and shall render its decision within ninety days after submission to the Board of the complete record on the application.

"(2) The Corporation shall not approve any acquisition under subparagraphs (A)(i) or (A)(ii), or of more than one insured institution under subparagraph (B), of paragraph (1) of this subsection except in accordance with this paragraph. In every case, the Corporation shall take into consideration the financial and managerial resources and future prospects of the company and institution involved, and the convenience and needs of the community to be served, and shall render its decision within ninety days after submission to the Board of the complete record on the application. Before approving any such acquisition, the Corporation shall request from the Attorney General and consider any report rendered within thirty days on the competitive factors involved. The Corporation shall not approve any proposed acquisition—

"(A) which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the savings and loan business in any part of the United States, or

"(B) the effect of which in any section of the country may be substantially to lessen competition, or tend to create a monopoly, or which in any other manner would be in restraint of trade, unless it finds that the anticompetitive effects of the proposed acquisition are clearly outweighed in the public interest by the probable effect of the acquisition in meeting the convenience and needs of the community to be served.

"(3) No acquisition shall be approved by the Corporation under this subsection which will—

"(A) result in the formation by any company, through one or more subsidiaries or through one or more transactions, of a multiple savings and loan holding company controlling insured institutions in more than one State; or

"(B) enable an existing multiple savings and loan holding company to acquire an insured institution the principal office of which is located in a State other than the State which such savings and loan holding company shall designate, by writing filed with the Corporation within sixty days after its registration hereunder, as the State in which the principal savings and loan business of such holding company is conducted.

"(4) The provisions of this subsection and of subsections (c)(2) and (g) of this section shall not apply to any savings and loan holding company which acquired the control of an insured institution or of a savings and loan holding company pursuant to a pledge or hypothecation to secure a loan, or in connection with the liquidation of a loan, made in the ordinary course of business, but it shall be unlawful for any such company to retain such control for more than one year after the enactment of this amendment or from the date on which such control was acquired, whichever is later, except that the Corporation may upon application by such company extend such one-year period from year to year, for an additional period not exceeding three years, if the Corporation finds such extension is warranted and would not be detrimental to the public interest.

"(f) DECLARATION OF DIVIDEND.—Every subsidiary insured institution of a savings and loan holding company shall give the Corporation not less than thirty days' advance notice of the proposed declaration by its directors of any dividend on its guaranty, permanent, or other nonwithdrawable stock. Such notice period shall commence to run from the date of receipt of such notice by the Corporation. Any such dividend declared within such period, or within the giving of such notice to the Corporation, shall be invalid and shall confer no rights or benefits upon the holder of any such stock.

"(g) HOLDING COMPANY INDEBTEDNESS.—(1) No savings and loan holding company or any subsidiary thereof which is not an insured institution shall issue, sell, renew, or guarantee any debt security of such company or subsidiary, or assume any debt, without the prior written approval of the Corporation.

"(2) The provisions of paragraph (1) of this subsection shall not apply to—

"(A) a diversified savings and loan holding company or any subsidiary thereof; or

"(B) the issuance, sale, renewal, or guaranty of any debt security, or the assumption of any debt, by any other savings and loan holding company or any subsidiary thereof, if such security or debt aggregates, together with all such other securities or debt then outstanding as to which such holding company or subsidiary is primarily or contingently liable, not more than 15 per centum of the consolidate net worth of such holding company or subsidiary at the end of the preceding fiscal year.

"(3) The Corporation shall, upon application, approve any act or transaction not exempted from the application of paragraph (1) of this subsection if the Corporation finds that—

"(A) the proceeds of any such act or transaction will be used for (i) the purchase of permanent, guaranty, or other nonwithdrawable stock to be issued by a subsidiary insured institution, or (ii) the purpose of making a capital contribution to a subsidiary insured institution; or

"(B) such act or transaction is required for the purpose of refunding, extending, exchanging, or discharging an outstanding debt security, or for other necessary or urgent corporate needs, and would not impose an unreasonable or imprudent financial burden on the applicant.

The Corporation may also aprove any application under this paragraph if it finds that the act or transaction would not be injurious to the operation of any subsidiary insured institution in the light of its financial condition and prospects.

"Applications filed with the Corporation pursuant to this subsection shall be in such form and contain such information as the Corporation may prescribe.

"(4) If a State authority or any other agency of the United States, having jurisdiction of any act or transaction within the scope of paragraph (1) of this subsection, shall inform the Corporation, upon request by the Corporation for an opinion or otherwise, that State or Federal laws applicable thereto have not been complied with, the Corporation shall not approve such act or transaction until and unless the Corporation is satisfied that such compliance has been effected.

"(5) As used in this subsection, the term 'debt security' includes any note, draft, bond, debenture, certificate of indebtedness, or any other instrument commonly used as evidence of indebtedness, or any contract or agreement under the terms of which any party becomes, or may become, primarily or contingently liable for the payment of money, either in the present or at a future date.

"(6)(A) If the Corporation finds that a diversified savings and loan holding company does not meet the test prescribed in subparagraph (B) of this paragraph, such holding company or any subsidiary thereof may not accept, use, or receive the benefit of any dividend on stock from a subsidiary insured institution, and such institution may not declare or pay any dividend on its stock to such holding company or subsidiary, unless the Corporation fails to object, within thirty days of receipt of notification under subsection (f) of this section, to such dividend as being injurious to the insured institution in the light of its financial condition and prospects.

"(B) The prohibition of subparagraph (A) of this paragraph shall not apply to a diversified savings and loan holding company or any subsidiary thereof if, excluding its subsidiary insured institution, its consolidated net income available for interest for its preceding fiscal year was twice its consolidated debt service requirements for the twelve-month period next succeeding such fiscal year, as determined in accordance with regulations issued by the Corporation.

"(h) ADMINISTRATION AND ENFORCEMENT.—(1) The Corporation is authorized to issue such rules, regulations, and orders as it deems necessary or appropriate to enable it to administer and carry out the purposes of this section, and to require compliance therewith and prevent evasions thereof.

"(2) The Corporation may make such investigations as it deems necessary or appropriate to determine whether the provisions of this section; and rules, regulations, and orders thereunder, are being and have been complied with by savings and loan holding companies and subsidiaries and affiliates thereof. For the purpose of any investigation under this section, the Corporation or its designated representatives shall have power to administer oaths and affirmations, to issue subpenas and subpenas duces tecum, to take evidence and to require the production of any books, papers, correspondence, memorandums, or other records which may be relevant or material to the inquiry. The attendance of witnesses and the production of any such records may be required from any place in any State or in any territory. The Corporation may apply to the United States district court for the judicial district or the United States court in any territory in which any witness or company subpenaed resides or carries on business, for enforcement of any subpena or subpena duces tecum issued pursuant to this paragraph, and such courts shall have jurisdiction and power to order and require compliance therewith.

"(3)(A) In the course of or in connection with any proceeding under subsection (a)(2)(D) of this section, the Corporation or its designated representatives, including any person designated to conduct any hearing under said subsection, shall have power to administer oaths and affirmations, to take or cause to be taken depositions, and to issue, revoke, quash, or modify subpenas and subpenas duces tecum; and the Corporation is empowered to make rules and regulations with respect to any such proceedings. The attendance of witnesses and the production of documents provided for in this paragraph may be required from any place in any State or in any territory at any designated place where such proceeding is being conducted. Any party to such proceedings may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district or the United States court in any territory in which such proceeding is being conducted, or where the witness resides or carries on business, for enforcement of any subpena or subpena duces tecum issued pursuant to this paragraph, and such courts shall have jurisdiction and power to order and require compliance therewith. Witnesses subpenaed under this section shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States.

"(B) Any hearing provided for in subsection (a)(2)(D) of this section shall be held in the Federal judicial district or in the territory in which the principal office of the institution or other company is located unless the party afforded the hearing consents to another place, and shall be conducted in accordance with the provisions of chapter 5 of title 5 of the United States Code.

"(4) Whenever it shall appear to the Corporation that any person is engaged or has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this section or of any rule, regulation, or order thereunder, the Corporation may in its discretion bring an action in the proper United States district court, or the United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, to enforce compliance with this section or any rule, regulation, or order thereunder, or to require the divestiture of any acquisition in violation of this section, or for any combination of the foregoing, and such courts shall have jurisdiction of such actions, and upon a proper showing an injunction, decree, restraining order, order of divestiture, or other appropriate order shall be granted without bond.

"(5) All expenses of the Federal Home Loan Bank Board or of the Corporation under this section shall be considered as nonadministrative expenses.

"(i) Prohibited Acts.—It shall be unlawful for—

"(1) any savings and loan holding company or subsidiary thereof, or any director, officer, employee, or person owning, controlling, or holding with power to vote, or holding proxies representing, more than 25 per centum of the voting shares, of such holding company or subsidiary, to hold, solicit, or exercise any proxies in respect of any voting rights in an insured institution which is a mutual institution;

"(2) any director or officer of a savings and loan holding company, or any person owning, controlling, or holding with power to vote, or holding proxies representing, more than 25 per centum of the voting shares of such holding company (A), except with the prior approval of the Corporation, to serve at the same time as a director, officer, or employee of an insured institution or another savings and loan holding company, not a subsidiary of such holding company, or (B) to acquire control, or to retain control for more than two years after the enactment of this subsection, of any insured institution not a subsidiary of such holding company; or

"(3) any individual, except with the prior approval of the Corporation, to serve or act as a director, officer, or trustee of, or become a partner in, any savings and loan holding company after having been convicted of any criminal offense involving dishonesty or breach of trust.

"(j) Penalties.—(1) Any company which willfully violates any provision of this section, or any rule, regulation, or order thereunder, shall upon conviction be fined not more than $1,000 for each day during which the violation continues.

"(2) Any individual who willfully violates or participates in a violation of any provision of this section, or any rule, regulation, or order thereunder, shall upon conviction be fined not more than $10,000 or imprisoned not more than one year, or both.

"(3) Every director, officer, partner, trustee, agent, or employee of a savings and loan holding company shall be subject to the same penalties for false entries in any book, report, or statement of such savings and loan holding company as are applicable to officers, agents, and employees of an institution the accounts of which are insured by the Corporation for false entries in any books, reports, or statements of such institution under section 1006 of title 18 of the United States Code.

"(k) Judicial Review.—Any party aggrieved by an order of the Corporation under this section may obtain a review of such order by filing in the court of appeals of the United States for the circuit in which the principal office of such party is located, or in the United States Court of Appeals for the District of Columbia Circuit, within thirty days after the date of service of such order, a written petition praying that the order of the Corporation be modified, terminated, or set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Corporation, and thereupon the Corporation shall file in the court the record in the proceeding, as provided in section 2112 of title 28 of the United States Code. Upon the filing of such petition, such court shall have jurisdiction, which upon the filing of the record shall be exclusive, to affirm, modify, terminate, or set aside, in whole or in part, the order of the Corporation. Review of such proceedings shall be had as provided in chapter 7 of title 5 of the United States Code. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in section 1254 of title 28 of the United States Code.

"(l) Saving Clause.—Nothing contained in this section, other than mergers or acquisitions approved under section 408 (e)(2), shall be interpreted or construed as approving any act, action, or conduct which is or has been or may be in violation of existing law, nor shall anything herein contained constitute a defense to any action, suit or proceeding pending or hereafter instituted on account of any act, action, or conduct in violation of the antitrust laws."

Mr. SPARKMAN. Mr. President, last Tuesday, January 23, the House passed S. 1542, with amendments, to provide for the regulation of savings and loan holding companies and subsidiaries. S. 1452 was passed by the Senate in June of last year. The regulation authorized is reasonable and fair to the industry while giving the Federal Home Loan Bank Board adequate power and authority to protect the public and safeguard the interests of those whose savings the Federal Government insures. After consulting with the Senator from Utah [Mr. Bennett], the ranking minority member of the Banking and Currency Committee, I believe that the Senate ought to concur in the House amendments and agree to the bill as amended.

Before doing so, however, I should like to clear up any question which might arise regarding the language of one subsection; that is, section 408(g)(2). The exchange of correspondence between the House committee chairman, Representative Patman, the Senator from Utah [Mr. Bennett], and me does so. Accordingly, I ask unanimous consent that this exchange be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

January 26, 1968.

Hon. Wright Patman,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D.C.

Dear Mr. Chairman: In connection with the consideration by the House Committee on Banking and Currency of the savings and loan holding company legislation (S. 1542 and H.R. 8696), we note that an amendment to Section 408(g)(2) was adopted, and retained in S. 1542 as passed by the House on January 23, 1968.

This bill is now on the desk of the President of the Senate.

In S. 1542 as now before the Senate, Section 408(g)(2) reads as follows:

"(2) The provisions of paragraph (1) of this subsection shall not apply to—

"(A) a diversified savings and loan holding company or any subsidiary thereof; or

"(B) the issuance, sale, renewal, or guaranty of any debt, by any other savings and loan holding company or any subsidiary thereof, if such security or debt aggregates, together with all such other securities or debt then outstanding as to which such holding company or subsidiary is primarily or contingently liable, not more than 15 per centum of the consolidated net worth of such holding company or subsidiary at the end of the preceding fiscal year."

It is our understanding that the intended operation of this provision would be to exempt from need for Corporation approval debt issued by the holding company or any of its subsidiaries so long as the aggregate of the outstanding debt of the holding company and all its subsidiaries *other than insured savings and loan associations* does not exceed 15 per cent of the consolidated net worth of the holding company. In other words, the 15 per cent exemption is based on the relation of the debt of the holding company system as a whole, but excluding debt of the savings and loan association subsidiary itself, to the consolidated net worth of the parent company.

We note that this interpretation of Section 408(g)(2)(B) is in accord with your statement to the House during its consideration of H.R. 8696 (Congressional Record, January 23, 1968, pages 696–697). We would, however, appreciate confirmation from you, for the benefit of the Members of the Senate, as to the intent of this provision. In the meantime, we shall hold the bill at the Senate desk awaiting word from you.

With kind regards and all good wishes, we are

Sincerely,

John Sparkman,
Wallace F. Bennett.

House of Representatives, Committee on Banking and Currency,
Washington, D.C., January 27, 1968.

Hon. John Sparkman,
U.S. Senate,
Washington, D.C.

Dear Senator Sparkman: I have received your letter of January 26, 1968, with regard to the meaning of Section 408(g)(2)(B) of S. 1542, the savings and loan holding company legislation, as passed by the House on January 23, 1968.

Upon receiving your letter, I have discussed its contents with Congressman Rees, the Member of the House Banking and Currency Committee who introduced the amendment to the section to which you refer, which was adopted both by the Committee and the House.

I can confirm to you that your understanding of the effect of this section is in complete agreement with our own and also with my statement on the floor of the House when the bill was under consideration.

Sincerely,

Wright Patman,
Chairman.

Mr. SPARKMAN. Mr. President, it was the hope of the Senator from Utah [Mr. Bennett] that he could be in the Chamber at the time I called up the amendments. He was prepared to give his suggestions regarding them. I am told that in the event he could not be here it was his wish that I present the statement he would have made, so I ask unanimous consent that I may read it for him.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR BENNETT, READ BY SENATOR SPARKMAN

Mr. BENNETT. Mr. President, I would like to associate myself with the remarks of the chairman of the Banking and Currency Committee in recommending that we accept the House amendments to S. 1542. It is my philosophy that we should regulate or restrict private industry as little as possible while providing sufficient regulatory authority to do away with those problems which occur in the industry and which cannot be overcome through joint industry action. We worked long and hard to draft an acceptable bill when S. 1542 was before our committee. I believe it was a good bill, as did this body. The language approved by the House, and which we are now recommending that the Senate accept, is less restrictive on savings and loan holding companies.

The chairman of the Federal Home Loan Bank Board has indicated to me that he feels the bill as amended by the House is satisfactory for regulatory purposes. The industry to be regulated would also prefer the bill as passed by the House, so I see no reason to do other than accept their amendments.

Mr. SPARKMAN. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

POSTHUMOUS AWARD OF MEDAL OF HONOR TO DAVID G. OUELLET, SEAMAN, U.S. NAVY, FROM MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. President, in the Chamber this afternoon are Mr. and Mrs. Chester Ouellet, of Wellesley, Mass. Today they had the honor and I had the privilege of being at the Department of Defense when Mr. and Mrs. Ouellet received the Medal of Honor posthumously for their son, David George, who died in action in Vietnam in March 1967.

I know that the Senate would like me to read a brief history of this brave young man who died in the service of his country.

David George Ouellet was born in Newton, Mass., on June 13, 1944, son of Chester J. and Elizabeth E. Ouellet. He graduated from Hardy School, Wellesley, Mass., in 1958; attended Wellesley Junior High School; and subsequently was employed by the Alfred Fisher Trucking Co., in Wellesley. On July 28, 1964, he enlisted in the U.S. Navy at Boston, Mass., and had recruit training at the Naval Training Center, Great Lakes, Ill. Completing his training in October 1964, he joined Assault Craft Division 12, and while attached to that division served for 5 months in 1965 in the Vietnam area.

Between June and August 1966, he had river patrol boat training at the Naval Schools Command, Vallejo, Calif., after which he had training at the Naval Amphibious Base, Coronado, Calif. On September 21, 1966, he reported for duty with River Squadron 5 and was attached to My Tho Detachment 532 of that squadron at the time of his death on March 6, 1967. He was posthumously awarded the Medal of Honor and cited as follows:

> For conspicuous gallantry and intrepidity at the risk of his life above and beyond the call of duty while serving with River Section 532, in combat against the enemy in the Republic of Vietnam. As the forward machine gunner on River Patrol Boat (PBR) 124, which was on patrol on the Mekong River during the early evening hours of March 6, 1967, Seaman Ouellet observed suspicious activity near the river bank, alerted his Boat Captain, and recommended movement of the boat to the area to investigate. While the PBR was making a high-speed run along the river bank, Seaman Ouellet spotted an incoming enemy grenade falling toward the boat. He immediately left the protected position of his gun mount and ran aft for the full length of the speeding boat, shouting to his fellow crewmembers to take cover. Observing the Boat Captain standing unprotected on the boat, Seaman Ouellet bounded onto the engine compartment cover, and pushed the Boat Captain down to safety. In the split second that followed the grenade's landing, and in the face of certain death, Seaman Ouellet fearlessly placed himself between the deadly missile and his shipmates, courageously absorbing most of the blast fragments with his own body in order to protect his shipmates from injury and death. His extraordinary heroism and his selfless and courageous actions on behalf of his comrades at the expense of his own life were in the finest traditions of the United States Naval Service.

Mr. President, he was also awarded the Purple Heart Medal for wounds received in enemy action.

INTERFERENCE WITH CIVIL RIGHTS

The Senate resumed the consideration of the bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

Mr. BAYH. Mr. President, I have had the opportunity during the last few days to listen with some interest to both sides of this critical question which is now before the Senate as the pending business. It has been discussed pro and con. At a later time, I may choose to speak in greater detail on this subject.

Mr. President, in recent years—in fact, since the junior Senator from Indiana has had the good fortune to become a Member of the Senate—we have observed what I think we would call a historic drive by Negro Americans to make effective their basic right to equal treatment in our public life.

Actually, it would be more correct to say that we have seen a drive by Americans of all colors, all creeds, and all religions.

We recall well that when the 1964 Civil Rights Act was before this body we had delegations from all across the country. Certainly there was no racial boundary and no limit to the feelings expressed by our citizenry, and it is for that reason that we were successful in passing that significant piece of legislation.

The thing we must recognize now is that this laudable effort has generated in some places a violent reaction. We have witnessed the sad spectacle of both Negroes and whites who have been assaulted and even killed for attempting to exercise their national rights. Sometimes Negroes with no background of participation in civil rights activity have been attacked in order to intimidate others who would choose to exercise those rights, not as Negroes, but as American citizens.

Mr. President, it seems to me, and I hope that Members of this body will give particular attention to the fact, that the basic objective in the measure we are presently discussing is to permit Congress to enact a law prohibiting interference with civil rights which were so hard won. Title V of the 1966 civil rights bill was substantially similar to the bill now under discussion, and was passed by the House almost a year and a half ago. It seems to me that if we were right in our judgment 3 years ago that it was time for the conscience of the country to speak out and go on record that there are certain basic and inalienable rights that had been transgressed upon and which we were going to protect, and which we did protect by the passage of the 1964 Civil Rights Act. It is just as valid today, in 1968. We must continue the job begun with the Civil Rights Act of 1964 and assure that the rights affirmed by existing legislation will no longer be nullified by terrorists.

Mr. President, it is to accomplish this goal that I suggest that the Senate address its attention in subsequent debate.

H.R. 2516 is a practical and comprehensive response to this situation. The new section 245 provides appropriately severe penalties for each of the forms of racially motivated violence which threaten the rights and personal security of those who would seek the benefits of Federal civil rights laws. Although present concern is primarily the intimidation of Negro citizens, this statute will apply equally to invasions of the rights of all persons similarly victimized. Yet Federal jurisdiction is extended only enough to give substance to prior laws of Congress.

Subsection 245(a) applies the bill's sanctions to those racially motivated threats or acts of force which are directed against Negroes who are or have been seeking the enjoyment of Federal rights in certain enumerated areas of activity. These are election activity, public education, public services and facilities, employment, jury service, common carrier facilities, federally funded programs, and public accommodations. Subsection (b)(1) protects these persons from forceful intimidation intended to discourage them or others from seeking such benefits.

These vital provisions would deter terrorism against Negroes, relieve fears which inhibit the exercise of federally guaranteed rights, and help bring to justice the perpetrators of brutal acts. But section 245 is not limited to protecting Negroes or other persons threatened by violence on grounds of race, religion, or national origin and because they seek equal public benefits. Let me draw special attention to the provisions of the committee bill which would extend criminal sanctions to those acts of violence directed against advocates of civil rights and those parties legally bound to extend benefits or services to the public without regard to race, religion, or national origin.

Subsection 245(b)(2) proscribes threats or acts of force against a person because he is or has been urging or aiding others to participate in the activities enumerated in subsection (a), or because he is or has been engaging in speech or peaceful assembly opposing any denial of such equal opportunities. That this provision is needed can hardly be argued against the backdrop of recent violence against both Negro and white civil rights workers.

Most notoriously, there have been the killings of Medgar Evers, Andrew Goodman, James Chaney, Michael Schwerner, Lemuel Penn, James Reeb, Viola Liuzzo, and Jonathan Daniels. Others have been seriously injured; and many more have been intimidated in the exercise of their rights to free speech and assembly in less brutal but equally coercive manners. Some of the perpetrators of these acts have been prosecuted under existing Federal statutes, in spite of their difficulties of proof and inadequate penalty provisions. Others have gone free, due to the inadequacy of present Federal law and the failure of local authorities to prosecute.

The importance of deterring such acts cannot be overstated. The victims are often the very people who give courage to others who seek finally to enjoy long-withheld rights. The intimidation of a Negro leader or a white worker because of his civil rights activity is also intimidation of each Negro citizen seeking equal public opportunities. To let these acts go unpunished can only encourage more such terrorism.

Subsection 245(c) also refers back to the areas of protected activity enumerated in subsection (2). It seeks to protect Government officials and employees in a position to afford equal treatment in any of those areas, owners and employees of common carriers and places of public accommodation, private employers, and their supervisory personnel, and other persons obligated to afford nondiscriminatory services in the enumerated areas.

Certainly the majority of individuals in a position to implement Federal civil rights laws strive conscientiously to fulfill this duty. It is likely, however, that more would do so if relieved of fears of forceful reprisals. Thus, subsection (c) will further effectuate the aims of prior Federal legislation, while at the same time protecting persons, whether or not members of a victimized minority group, in the lawful performance of their jobs.

Except for sections 11 and 12 of the Voting Rights Act of 1965, there are no Federal penal laws affording coverage similar to that of subsection (c). It is possible that section 241 of the criminal code, which provides penalties for conspiring to interfere with the exercise of Federal rights, may someday be construed to protect the right to comply with civil rights legislation. But this statute is phrased too generally to be an adequate deterrent in this context, and prosecution, which thus involves difficult proof of "specific intent," is limited to cases of provable conspiracies.

In recent years there have been incidents of violence directed against employers with nondiscriminatory hiring practices, operators or employees of desegregated public accommodations, and school officials or teachers in newly desegregated schools. Subsection (c) meets a real and pressing problem, to which the committee bill provides a most effective solution.

I emphatically urge the prompt enactment of H.R. 2516 as another step toward a time of full equality and justice for all Americans.

THE 1969 BUDGET

Mr. HOLLAND. Mr. President, it is vitally important to the Nation and to the people of our respective States who have granted us the privilege, by their vote, to be Members of the U.S. Senate that we carry out our responsibilities by legislating and appropriating wisely in this 1968 session.

During the first session of the 90th Congress we appropriated $5.8 billion less than the amount requested by the administration and, by the passage of House Joint Resolution 888, the obligations budget was reduced $9.8 billion and the expenditures budget was reduced by between $4.4 and $4.5 billion. While this action has effectively reduced the deficit for the fiscal year 1968 to an estimated $19.8 billion, it still remains for the Congress more carefully to examine expenditures and requested appropriations, particularly in the light of the fact that the administration budget for fiscal year 1969 shows an anticipated deficit of some $8 billion even if the tax increases proposed by the administration are all approved and of some $20.9 billion if the tax increases are denied by the Congress.

Mr. President, the continued deficit spending and the problems that confront the Nation with respect to our unfavorable balance of payments which last year is estimated at between $7 billion and $9 billion or $3.5 billion to $4 billion more than in 1966, along with the continued threat of inflation, indicated by the increased consumer credit spending which has reached some $76.7 billion, not only suggest but demand that we take a firmly economical position with reference to our fiscal policies.

To be sure, our gross national product has been on the increase. It is now more than $785 billion. But the inevitable judgment day when we must pay the piper is only around the corner unless we put our fiscal house in order. Therefore, I am hopeful that the Congress, during the consideration this year of authorizing legislation and appropriations, will be most conservative in its thinking and actions. It is high time that we strongly support actions which will lead to a balanced budget. And, if after careful and thorough consideration of appropriation requests, we find the continued upswing in deficit spending, together with the continued deficits in our balance of payments and spiraling living costs, which can only lead to greater inflation and possible devaluation of our currency, then no matter how distasteful it may be we shall find that increased taxation is essential.

Mr. President, living the life of Riley is great. Those privileged to live in this great Nation have enjoyed it in the past and present, but, if we are to avoid hurtful inflation and prevent a depression and the devaluation of our currency, it is imperative that we must now, not later, tighten our belts at home and scrutinize ever so carefully expenditures abroad and limit them to those most essential to our national interest.

Mr. President, I do not make these points for the purpose of crying wolf or to indicate that we are a nation fiscally insolvent. They are made for the purpose and with my hope that the people of this Nation will realize the domestic dangers which are with us, for if we longer delay action, our solvency could become questionable and taxation to a heavily burdensome point could become essential.

Mr. President, with these remarks I go on record for a sound fiscal approach to our budgetary problems and to that end I shall support actions necessary to accomplish this objective.

In closing, I wish to commend the President for his decision to submit a unified budget to Congress for fiscal year 1969. This replaces the administrative budget and gives a true picture of spending, including trust funds such as social security and highways.

I have long been an advocate of a unified budget as I feel it reflects the true fiscal picture to the people of the country. For example, the administrative budget submitted a year ago originally was $135 billion. Had a unified budget been submitted under the original budget for fiscal year 1968, it would have been $175.6 billion. For fiscal year 1969, the unified budget calls for $186.1 billion or an increase of $10.5 billion for fiscal year 1969 over fiscal year 1968. Under the administrative budget concept, the fiscal year 1969 budget would be $147.4 or $12.4 billion over the fiscal year 1968 budget.

It may be of interest to concerned Members of the Senate the manner in which the $12.9 billion in taxes is to be raised. First, there is to be proposed a temporary income tax surcharge; second, extension of present excise tax rates and the speeding up of corporation tax payments; third, extending telephone and automobile excise tax rates beyond April 1, 1968; and fourth—and this is a matter that concerns me greatly as it would affect all the waterways of the Nation—the imposition of a waterway user charge, a tax of 2 cents per gallon on fuel used by towboats, tugs and other shallow draft vessels. This is similar to various other proposals that have been submitted since 1961. Congress has, over the years, refused such proposals as it has always been the feeling of the majority of Congress that the maintenance of toll-free waterways enhances the general economy and serves the public interest. While I shall defer my position with regard to the other tax proposals until the appropriate committees make their report, though I am inclined to favor them, I state now my strong opposition to the waterway user tax proposal that is estimated to bring a mere $300 million in revenue.

ORDER FOR RECOGNITION OF SENATOR WILLIAMS OF DELAWARE

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that on tomorrow, at the close of morning business, the distinguished Senator from Delaware [Mr. WILLIAMS] be recognized for 1 hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

FISHING IN TROUBLED WATERS

Mr. BYRD of West Virginia. Mr. President, on January 22, 1968, the senior Senator from Alaska [Mr. BARTLETT] received an award from the National Canners Association's fishery products program. The award read:

> The National Canners Association's Fishery Products Program on behalf of fish and seafood canner members wishes to present to the Honorable E. L. (Bob) Bartlett, United States Senator (Alaska) this Testimonial of Appreciation for his longstanding and devoted service in behalf of the commercial fishing industry; for his inspiring, dedicated, enthusiastic leadership in fisheries conservation; for his effectiveness in promoting and sustaining international cooperation for the rational harvest of the seas; and for his sincere and outstanding efforts in Congress in strengthening American fisheries. The fish and seafood canning industry of the United States is hereby honored to express its gratitude in recognition of his devotion to the American commercial fisheries. Presented at the 61st Annual National Canners Association Convention, on this 22nd day of January, 1968, in Atlantic City, New Jersey.

Because Senator BARTLETT was and is still recuperating from an illness, he was unable to receive the award in person. However, a member of his staff accepted the award and the next morning delivered for him an address entitled "Fishing in Troubled Waters."

I think the speech demonstrates why persons interested in making full use of the untapped resources of the sea consider Senator BARTLETT an articulate and effective leader in the effort to develop a rational oceanographic policy for the Nation.

So that others may have an opportunity to read a most thoughtful address on developing such a national program, I ask unanimous consent that Senator BARTLETT's address to the National Canners Association's fishery products program in Atlantic City, N.J., be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FISHING IN TROUBLED WATERS

There is a certain knack involved in selecting speech titles, particularly when one is forced to come up with a title some weeks before the speech is delivered. The trick is to find a title which imposes as few restrictions as possible on the speech to follow.

One of my most successful efforts in title selection was "What of the Future?" I have filed that one for the future, because it is an apt title for almost any speech a forward-looking politician might want to give.

The title of this morning's talk, "Fishing in Troubled Waters"—selected in December—has some of the same attributes. Considering the audience, the title obviously has something to do with fish, but depending on an individual's current concern, the title could serve to introduce a talk on the perils of tuna fishing off South America, or on problems of competing with foreign fishing fleets, or on the possibilities of securing from Congress added appropriations for fishery programs, or on the prodding of Ralph Nader for fish inspection legislation—a task really quite unnecessary!

Actually, I will touch on all of these topics, but my principal concern this morning is to look to the time when we will leave the troubled waters of the surface of the sea to our foreign competitors while we harvest the riches of the sea from the relative comfort of the Continental Shelf.

Perhaps my vision of the development of technology designed to allow us to take full advantage of our Continental Shelf will remain just that—a vision—but if it does, it will not be because my vision was an impossible dream, but it will be because there was made no national commitment to tap the resources of the sea. We, as a nation, must decide whether to fish or not to fish.

The case for a national commitment to harvest the seas is strong.

The world starves while the protein of the sea lies unused.

Our adverse balance of trade threatens the standing of our dollar and forces upon us uncomfortable restrictions on activities abroad, while this nation, with its great coastal resources mainly untapped, leads the world in importing fish.

Advancing automation and a growing population demand creation of new jobs, while the nation allows a once great industry and a source of meaningful employment to slip into extinction.

Let me document for the record the case for discarding our Hamlet-like indecision in favor of positive action to develop our fishing potential.

The gap between the world demand for food and the world supply of food grows daily. We have a humanitarian interest and a national self-serving interest to do all we can to close that gap.

No man is an island, and the bell tolls for each of us with the death of each child, of each adult from malnutrition. In a world faced with a great and growing food shortage, the time has come—or more correctly—the time is long past when petty jealousies and just plain greed which have divided food-producing elements of this nation should have been forgotten. I recall the fight certain interests made against fish protein concentrate, a fight based more on blind opposition to an imagined economic threat than on an understanding of the product and its potential use.

The nation's self-interest in the war on world hunger should be just as clear. There is no way this nation can retreat into isolationism. We are a world power and as long as we remain one, we will be deeply involved in world affairs. Therefore, it is clearly in our interest that food shortages be eliminated as a source of world tension and world instability. It has become obvious, despite all our skills in technology, the benefits of the industrial age cannot be brought to developing nations until the people of those lands first have enough to eat. Neither we nor the world can afford to waste a food resource as valuable as that of the sea in this most vital of wars.

Turning to figures comparing domestic fish production and foreign imports, we learn that in 1966 the United States imported 65 percent of the fish and shellfish used in the nation that year. Those imports were worth $720 million.

Off our coasts we have ample supplies of ground fish, but instead of harvesting enough of these species to meet our domestic needs, we imported 390 million pounds of these fish, 81 percent of what we needed.

A vast source of shrimp lies off Alaska, for all intents and purposes untouched because of a lack of adequate technology. Instead we imported 343 million pounds of shrimp, 57 percent of our domestic demand.

Only in a few categories did domestic production top imports, but perhaps the most telltale statistic is that we exported only about $69.5 million worth of fishing products in 1966, giving us a balance of trade deficit of more than $600 million in fishery products. The full meaning of that figure can better be understood when it is realized that curbs on foreign travel have been suggested in order to cut our balance of trade deficit by $500 million.

It can better be understood if it is realized that the fishing deficit might be a credit if we could and would harvest the resources of our Continental Shelf.

The case for a growing and stable industry as a resource of jobs and national income was stated most concisely in a recent magazine article.

The author observed:

"Their annual catch is worth $450 million at dockside, but to the processor it is worth $1 billion. They have $500 million tied up in vessels that keep shipyards and gear manufacturers busy. The industry and closely allied shore activities provide half a million jobs. U.S. fishermen, whatever their present woes, would appear to be a national asset."

You and I know this case for a commitment to fish the seas, but there is some doubt whether the case has been made to the nation.

I say that as one who has tried to articulate that case to anyone who would listen, and I say that now because there may be at hand several opportunities to help build support for our case.

Please notice that I spoke of "support for our case" and not of securing new funds and new programs to help build the industry. Anyone who listened to the President's State of the Union message last Wednesday night will appreciate the present budget situation and the difficulties to be faced in securing new appropriations this session. However, the war in Vietnam will end some day, and when it does money will become available for a host of new activities—all legitimate, all important. If the fishing industry is to get a fair share of those funds, and I believe it should and must, then we must start building public support for our case right now, and the President, in his State of the Union message, presented us with two forums to do just that.

He referred to a major effort to be made in oceanographic research and that he would recommend fish inspection legislation.

The oceanographic program in this nation is being coordinated by the National Council on Marine Science and Engineering Development and the Commission on Marine Science, Engineering, and Resources.

The fishing industry should do all it can do to direct part of this research effort into investigating new ways to harvest fish. The fishing industry should do all it can to ensure that the research program remembers that the word "engineering" is included in the name of the council and commission, and the programs are not to be just pure science, as important as basic scientific research is to our cause.

Work with the council and the commission, give them ideas and cooperation, learn from the research they do and use the technology they develop, for out of the work of these two bodies may come proposals which catch the imagination of the public as our space effort has, thereby improving the chances that the needed national commitment to fish will be made.

Out of the work of these bodies may come the technology needed "to fish up" from the Continental Shelf, which we control, rather than down from the troubled waters of the surface which we must share with foreign fleets. Frankly I do not foresee acceptance of a national program to build modern fishing fleets to match the size of our foreign competitors, but even if we did, they would upgrade their fleets to keep pace with ours. In short, on the surface we could do no more than break even, but the Continental Shelf is ours to do with what we want, what we can.

However, we will have no national program of any kind if the American people and the people of other nations do not accept fish as a safe food. In the months ahead the fish industry faces a crucial decision on the question of fish inspection legislation. That question is not whether such legislation will pass. It will pass, for this is the age of the consumer, and I, for one, believe it is an age long overdue.

Rather, the choice facing you is whether you will fight a futile battle and do irreparable damage to the reputation of safe fishery products, or whether you will work for an effective and fair act while at the same time taking advantage of a national forum to sell fish and the fish industry.

It seems to me that if we are to have satisfactory fish inspection legislation, the Congress must have the assistance of the industry, for, to speak the obvious, the problem of fish inspection is a different kettle of fish from the problem of inspecting red-blooded animals.

I do not think I need to pinpoint this difference for this audience, but I do want to go on record as stating that imported fish products must somehow be brought under an inspection system. There would be no sense to inspecting only 35 percent of the fish products used in this nation.

And it might be noted, but not by this party who believes in liberal trade policies, that an effective inspection system might cut down on those fish imports of which so many fishermen complain so bitterly.

The choice is yours, but for those inclined to fight I would recall for them the rather poor public image presented by two groups which, refusing to recognize that nothing is more powerful than an idea whose time has come, made futile attempts to oppose Medicare and auto safety legislation. Weigh that fate against the opportunity to do a bit of selling, looking toward that day when the Vietnam war ends and new national priorities are drawn up.

But I realize also that many of you cannot afford to wait until my vision of fishing up rather than down becomes a reality, nor do I expect you to.

It is important that you continue to fish, not only because of the reasons already cited, but because we must remain an active fishing nation if we are to be effective in bringing about a world fisheries convention. Steps must be taken and taken soon to ensure that ruthless exploitation of the resources of the sea does not send fish to the same fate as the buffalo. Thanks to the efforts of the good senior Senator from Washington, Mr. Magnuson, there is already on the books a Senate resolution calling for just such a convention.

As long as our fishing activity is as limited as it is today, we can exert little pressure to bring about this badly-needed convention. In addition, if we do not actively fish certain areas, our negotiating position will be weakened. I think we can see the truth of that observation today in our bilateral fishing negotiations.

Because we do not have a high seas fishing fleet which can fish off foreign coasts, we must negotiate by granting access to areas close to our shores rather than agreeing not to fish in areas off their coasts.

So it is important that we continue to fish old areas and expand into new ones.

So it is important that we seek to enact legislation to encourage our fishermen to catch tuna within 200 miles of the South American coast. I would be less than candid if I reported other than that the outlook for amending the Fishermen's Protective Act is gloomy. However, I think the try should be made, for I view the protection which would be afforded by the proposed amendment not as a dangerous precedent, but as a valid means of helping to protect our time honored policy of freedom of the seas.

That battle will be waged, but there is still more we can do to aid our fishing industry, even if we are forced to remain within existing programs and current levels of appropriations.

For a starter, we might try to redirect some of the fishery research efforts into more result-oriented programs designed to develop technology we can use today, for it is perhaps only technical problems which are keeping us from harvesting significant quantities of shrimp off Alaska, of anchovies off California and of thread herring in the Gulf of Mexico.

And then, Congress must soon decide whether the proper authority exists to enforce the various bilateral and other agreements the State Department negotiates. If these agreements are to be of full value we must devise some way to ensure that our fishermen live up to them as well as foreign fishermen.

We in Congress might also take another look at the fishing vessel construction program to see what if any changes must be made to encourage boldness of ideas and freedom of opportunity to come up with vessels which can compete with foreign fleets. While it is true that such vessels may take up most of the subsidy funds available in any one year, I think that is the route we must take in the immediate years ahead if we are to keep our fishing industry alive until technology is developed which will enable us to take advantage of the convention covering rights of the Continental Shelf. Some of you may differ with me on just how big an advantage that convention gives us, but I think control of the Continental Shelf gives us a rare opportunity to develop technology which will operate free of foreign interference and at the same time neutralize an advantage our competition now holds.

That is the kind of challenge which American business has met and mastered on the way to building the greatest economy the world has ever known.

That is the challenge for the future that I throw out to you today. If we work together now to build the case for a national commitment to fish tomorrow, it will be time well spent, for I am confident if the nation decides to fish, the nation possesses the ability to devise a method of fishing up from the shelf, rather than down from the crowded, troubled waters of the surface of the sea.

INTERFERENCE WITH CIVIL RIGHTS

The Senate resumed the consideration of the bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

Mr. THURMOND. Mr. President, in my discussion thus far I have primarily discussed the constitutional objections to the bill. I should now like to direct my remarks to another aspect of the proposed legislation. Let us consider what effect the bill would have should it be enacted. I should like to discuss the very serious consequences which could very well flow from our decision in this matter.

We are all familiar with the recent upsurge in civil violence in this Nation. In city after city across this great land our people have had to endure untold hardships at the hands of mobs who kill, burn, and loot. This trend toward violence is the single greatest domestic problem which the United States faces. While the riot control bill languishes in committee, we are asked to pass a bill which could very well hinder the efforts of law-enforcement officers to deal with mass disorder and violence.

One of the provisions proposed by the Senator from North Carolina [Mr. ERVIN] would exempt law-enforcement officers from the provisions of the bill when involved in suppressing a riot. This would correct a very serious flaw in this bill.

In view of the wave of violence sweeping America, both riots and other crimes, I believe it is imperative that Congress give full support to law-enforcement personnel. Certainly we should do nothing which would interfere with law enforcement in these troubled times.

The amendment would protect law-enforcement officers, National Guardsmen, members of organized militias of any State, or members of the Armed Forces of the United States. It would protect any of these people who are engaged in suppressing a riot or civil disturbance, or who are engaged in restoring law and order during a riot or civil disturbance, by exempting them from prosecution under this bill.

The primary purpose of the amendment is to prevent the use of this bill, should it become law, to prosecute law enforcement officers engaged in suppressing a riot. The amendment is the identical language used by the Subcommittee on Constitutional Rights in the version of the bill which is reported to the Judiciary Committee.

Mr. President, I believe there is a real need for this amendment. If the bill should pass in its present form, the Justice Department will be flooded with requests to prosecute individual policemen who were merely doing their duty trying to suppress a riot. To place our law-enforcement personnel under the handicap of facing prosecution in the Federal courts after a riot cannot help but hamper their activities in suppressing this wave of civil violence which has struck our cities. This is not fair to the police, who are charged with enforcing our safety. This is not fair to the American people, who are being brutalized by mob violence and demand an end to it.

Let us examine just how the bill as it now stands will affect law enforcement during riots. We are all familiar with the horrible riot which occurred in Newark, N.J., July 12 through 17, 1967. Twenty-five people were killed. Twelve hundred people were injured. Sixteen hundred people were arrested, although thousands participated. Property damage was $15 million. This was indeed a very serious occurrence. One can imagine the great task the Newark police faced, with such an overwhelming outbreak of violence and destruction.

What was the outcome of that riot? A suit was brought asking that the Newark Police Department be placed in receivership. Five organizations, including the American Civil Liberties Union and the NAACP, cooperated in preparing the suit. One of the organizations which helped to put the suit together was the Newark legal services project, an agency actually funded by the Federal Office of Economic Opportunity. Approximately 200 affidavits from individuals claiming they were mistreated during the riots have been compiled for the suit. The basis of the suit is that the police discriminated against Negroes. It includes the charge of arresting persons for "exercising their rights" under the Constitution. It includes the charge that the police used the "pretext" of putting down the riot to commit acts of "violence, intimidation, and humiliation" against Negroes.

If this bill had been law, I have no doubt that the very same people who instigated the suit would have requested Federal prosecution of individual policemen under the bill. I believe we would have seen the Justice Department flooded with affidavits claiming that policemen had used force to prevent people from exercising their constitutional rights because of their race. Indeed, we would probably have seen the sorry spectacle of an organization supported by Federal poverty funds helping to prepare complaints designed to prosecute police who were suppressing a riot. I am doubtful that the Justice Department would long withstand the pressure of these various civil rights groups. It could well become commonplace that every riot would be followed by a series of Federal prosecutions of policemen. What will this do to law enforcement in our cities? It cannot help but hamper the efforts of those trying to control violence in our cities.

This situation may well exist all over the Nation. According to the Washington Post of August 25, 1967:

> While the suit deals only with Newark, Robert L. Carter, general counsel of the NAACP, told the press conference, "we regard this as a national problem." He said the NAACP is investigating similar action in many other cities across the country. He named Cincinnati, and another source said Cleveland is being considered.

The supporters of the bill have taken the position that no one of any consequence has defended the rioters on the grounds that they were exercising their constitutional rights. They have repeatedly stated their position that the bill would not be used to harass law-enforcement officials. I should like to read an article from the August 25, 1967, edition of the New York Times, which discusses the lawsuit and indicates clearly that should this bill be enacted, we can expect a serious attempt to intimidate policemen following every riot and civil disturbance in this Nation:

Suit Bids United States Run Police in Newark—18 Negroes File Case Under 1871 Civil Rights Laws

(By Thomas A. Johnson)

Eighteen Negroes filed suit yesterday asking that a Federal receiver take over and operate the Newark Police Department on the ground that the police have consistently discriminated against Negroes.

Named as defendants in the suit filed in United States District Court in Newark were three city officials—Mayor Hugh J. Addonizio, Public Safety Director Dominic Spina and Police Chief Oliver Kelly.

Newark's Corporation Counsel, Norman Schiff, who received a copy of the suit, said the city would file a motion on Monday denying the allegations by the 18 Newark Negroes and asking for an immediate dismissal of the case.

The plaintiffs' lawyers said precedent for the suit was based on Federal civil rights laws passed in 1871 to guarantee the individual rights of emancipated Negro slaves during the Reconstruction period and on the Council of Federated Organizations v. Rainey case in Mississippi in 1964.

In the 1964 case, the plaintiffs asked that Federal marshals take over the powers of certain Mississippi sheriffs. A Federal District Court dismissed the case, but the Fifth Circuit Court of Appeals reinstated it and the case is now pending in the lower court.

The court action was announced yesterday during a news conference at the offices here of the American Civil Liberties Union, 156 Fifth Avenue.

A NATIONAL PROBLEM

One lawyer for the plaintiffs, Robert L. Carter, who is the general counsel for the National Association for the Advancement of Colored People, said during the conference that Newark was symbolic of "a national problem and we are investigating the possibility of bringing similar actions in other cities."

Other lawyers for the plaintiffs are associated with the A.C.L.U., the Newark Legal Services Project, the Law Center for Constitutional Rights, which is a private foundation in Newark, and the Scholarship, Education and Defense Fund for Racial Equality. The latter, formerly a part of the Congress of Racial Equality, is a Manhattan-based leadership training organization active in civil rights in several Northern and Southern states.

The suit charged that Newark police have been responsible for a systematic pattern of violence, humiliation and intimidation intended to deny Negro citizens their constitutional rights.

It was also charged that the Newark police, the New Jersey State Police and the National Guard had deliberately destroyed Negro-owned property and used "massive and unlawful deadly force against members of plaintiffs' class when said force was unnecessary" during last month's riots.

In addition to requesting a Federal receiver, the suit called for the court to direct the Newark police to cease from engaging in acts "consisting of violence, intimidation and humiliation"; the use of "obscene racial epithets"; the "compiling [of] dossiers" on civil rights groups and the arresting of persons for "exercising their rights" under the Constitution.

The executive director of the A.C.L.U. in New Jersey, Henry M. di Suvero, in a joint statement with Mr. Carter, said: "This suit represents a major effort to check police lawlessness. In Newark, unlike Detroit, no action has been taken against any police officer, state trooper or national guardsman."

EIGHT ARE CLERGYMEN

Mr. Carter said the suit was as important as the United States Supreme Court decision of 1954 outlawing segregation in public schools because the current racial situation threatens to "split the nation into black and white camps."

He added that the case would seek to clarify the function of the police. He said: "Police too often regard their function as protecting white people from Negroes. Their function has to be to protect all citizens."

The 18 Negro plaintiffs who said they were suing on behalf of Newark's Negro community of more than 200,000, include eight clergymen, two local Congress of Racial Equality leaders, a former Essex County Freeholder and some indigent persons, including the chairman of the Welfare Mothers Commtitee of Newark.

One plaintiff, the Rev. Dennis Westbrook, told newsmen that he had been beaten and kicked by a Newark police sergeant who insisted that the clergyman leave a Newark hospital during the rioting. Mr. Westbrook said he was "on duty" at the hospital in accordance with an agreement worked out between Mayor Addonizio and Negro leaders of Newark.

Mr. Spina, the Public Safety Director, issued a statement in response to the suit that termed the court action "ridiculous."

He said: "I don't believe I have had more than seven or eight complaints of abuse of authority and these are being investigated."

Mr. Spina added, "These are the kind of negative complaints which frustrate law enforcement and make it more and more difficult for a police department to carry on its work."

Mr. di Suvero said his office had more than 200 statements from Negro residents charging police abuses. He said they had not been turned over to the police because Negroes in Newark "have no trust in the police."

The story was also covered by the Washington Post. I read an article entitled "Reform of Newark Police Urged," from the Washington Post of August 25, 1967:

Reform of Newark Police Urged

(By Leroy F. Aarons)

New York, August 24.—Seventeen Negro civic leaders and poor people asked the Federal courts today to take over and reform the Newark Police Department.

Similar action may be taken in other cities.

The unusual move came in the form of a civil lawsuit filed in U.S. District Court in Newark and announced at a press conference in the New York offices of the American Civil Liberties Union.

BRUTALITY CHARGED

The suit charges a long and continuing pattern of police brutality in Newark, which, it says, has either been ratified by city officials or is out of their control. During the five days of violence in July, the suit charges, police used the "pretext" of putting down the riot to intensify the mistreatment and commit acts of "violence, intimidation and humiliation" against Negroes.

The lawsuit asks that the Department be placed in receivership and that a special "master" be appointed with full administrative power over its affairs.

The master would be ordered to hold public hearings leading to a plan for rehabilitation of the police department under court supervision.

The complaint also urges that the Newark officials—specifically Mayor Hugh J. Addonizio, Police Director Dominick A. Spina and Police Chief Oliver Kelly—be enjoined from allowing such alleged acts of brutality as beatings, intimidation, use of racial epithets and derogatory language, compiling dossiers on civil rights leaders, and refusal to arrest policemen who commit crimes against Negroes.

NATIONAL PROBLEM

While the suit deals only with Newark, Robert L. Carter, general counsel of the NAACP, told the press conference, "We regard this as a national problem." He said the NAACP is investigating similar action in many other cities across the country. He named Cincinnati, and another source said Cleveland is being considered.

Carter is one of 22 lawyers who signed the complaint. They represent five cooperating agencies in the case: ACLU, NAACP, the Newark Legal Services Project, the Law Center for Constitutional Rights, and the Scholarship, Education and Defense Fund for Racial Equality.

The suit was actually put together by the New Jersey ACLU, headed by Henry M. di Suvero, in cooperation with the Newark Legal Services Project, an agency funded by the Federal Office of Economic Opportunity and charged with aiding poor people in civil cases. A chief adviser was Arthur A. Kinoy, of the New York firm of Kunstler, Kunstler and Kinoy, one of the country's most prominent civil liberties attorneys.

Approximately 200 affidavits from Negroes claiming various kinds of mistreatment during the riots have been compiled in support of the lawsuit. Di Suvero said the affidavits are being kept secret for fear that the signers will be intimidated.

One of the alleged victims, the Rev. Dennis Westbrook (also one of the 17 listed as plaintiffs) was present at the press conference. He charged that during the riot he was roughed up by police despite the fact that he identified himsef as a minister who had been authorized by the Mayor to be in the trouble area.

It was understood that other signed complaints in the hands of the attorneys allege that:

A Negro professional man, who was taking food to his mother, was arrested by police, beaten and forced to kiss and lick policemen's feet before he was released.

A man walking with two women was stopped by police and forced to strip, then made to run naked down the street.

Police, particularly state troopers and National Guardsmen, fired indiscriminately into Negro homes and deliberately at stores run by Negro merchants.

The attorneys justified their resort to Federal courts by citing several civil liberties amendments to the Constitution and a Federal law dating back to Reconstruction days. That law provides for civil action at the Federal level where local officials violate the civil rights of an individual or class.

That law was tested and upheld in a suit against the Sheriff of Neshoba County, Miss., where three civil rights workers were murdered. That suit, which asked that Federal marshals be appointed to oversee the actions of local sheriffs, is now in District Court in Mississippi.

FEDERAL REMEDY

Di Suvero said that the Federal remedy was sought because there is no legitimate machinery for police brutality complaints in Newark, and state courts have been hostile to actions against policemen.

He also noted that for the duration of the Federal suit, new acts of alleged brutality in Newark can be added to the complaint and depositions taken from policemen and witnesses. Thus, said Di Suvero, the court action will serve as a temporary review board for brutality complaints.

Mr. President, this suit was brought by organizations with national connections and national influence. Should the bill before us become law in its present form. I have no doubt that the same people would use this bill to intimidate law enforcement personnel all over this Nation. Under the law as it now stands, only the suit for receivership was brought. There is now no provision by which individual policemen could have been prosecuted for the alleged offenses in the Federal courts. I am convinced, however, that had this bill been law at the time of the Newark riots, efforts would have been made to persuade the Justice Department to prosecute individual policemen under this law.

I quote from the testimony of Senator Ervin and Mr. Charles Bloch, the distinguished constitutional lawyer from Macon, Ga., concerning this point when it was discussed in the hearings, at pages 252 and 253:

Senator Ervin. While this bill uses the word "intimidation" and condemns the act of intimidating people, is it not true that the passage of this bill would have a tendency to intimidate National Guardsmen, Regular Army men, and law enforcement officers called out to suppress civil disturbances like riots?

Mr. Bloch. Absolutely; whether it is the purpose or not, it would certainly have a tendency to keep the National Guardsmen and the police officer from doing their duty.

Senator Ervin. So, to that extent it serves lawlessness and disorder, rather than law and order?

Further in the testimony, the point is raised again—hearings, pages 269 and 270:

Senator Ervin. Then, in the riots we had this summer, most of the rioters were people of one particular race or color, force was used by National Guardsmen, by Regular Army troops, and by the law enforcement officers against the rioters in an effort to suppress the riots, and the rioters were using the sidewalks and the public streets. Would it not be possible to make a case under this bill against the Regular Army soldiers, the National Guardsmen, or the law enforcement officers who attempted to suppress the rioting because the rioters were using the public streets or the public sidewalks; in other words, public facilities?

Mr. Bloch. It would, because the beginning of that starts off with "Whoever." It makes no exceptions whatsoever. It states "Whoever," whether or not acting under color of law, et cetera.

Senator Ervin. You have the element of force, the element of using public facilities and the element of race.

Mr. Bloch. And what private in the rear ranks who is acting under orders of his commanding officer could plead the direction of his commanding officer, that order, as a defense, because it says, "whether or not acting under color of law." If the poor fellows says "My sergeant told me, my captain told me, my general told me, told me to do thus and so." As I read that, it would not be a defense to it, because he is acting under that, and it does not make any difference or not whether he is acting under color of law or not. It opens the door so wide that it is hard to imagine all of the ramifications of it.

Senator Ervin. And this bill could be used, if enacted into law, to harass law enforcement officers in their attempts to preserve public order.

Mr. Bloch. This is my real, my greatest fear of it. This is a use that can be and may be made of it.

The problem was raised again at the hearings when Attorney General Clark and Assistant Attorney General John Doar were testifying. While these gentlemen claimed that the bill could not be used in such a manner, it is apparent from their testimony that they were unable to substantiate their position. Let me read a portion of it to you—hearings, pages 324 and 325:

Senator Ervin. Didn't these people claim that they were not violating the law but, on the contrary, were just protesting?

Mr. Doar, do you contend that in these riots there was no claim made by those who participated that they were merely protesting, merely using the public facilities, a public street, sidewalk, and that they were unlawfully shot, assaulted, and killed?

Mr. Doar. Senator, I never heard anybody suggest that people that riot are using, exercising their first amendment rights, or protesting or demonstrating. I have never heard that suggested.

Senator Ervin. I urge you to read the evidence taken on the antiriot bill; we had police officers from Newark who stated that rioters were not only demonstrating in some cases, but that they were accompanied by poverty lawyers who were present to see that their constitutional rights to demonstrate were protected.

Mr. Doar. Well, Senator, if anybody says that, I disagree with it 100 percent.

Senator Ervin. The first element of this crime is present violence. The police officers who admitted to the shooting were white men and the victims were Negroes; were they not? So at least one of the elements would apparently be present. And if they were exercising their right to protest, they were certainly exercising a right secured and protected by subsection (b) of this bill; were they not?

Mr. Doar. If that were the fact. But that was not the fact.

Senator Ervin. You know the evidence is not always one way. These people claim they were shot while merely exercising their rights as American citizens to use the sidewalks and streets of Detroit and a motel—a place of public accommodation—which is included in this bill.

Senator Ervin raised the problem again with Attorney General Clark, and I believe the testimony substantiates the point I am making—hearings, page 322:

Senator Ervin. Mr. Attorney General, if the law officer, National Guardsman, or the Regular Army soldier uses force against a person, the first element of this offense is established. Then, if he also seizes this man while he is using the streets or the sidewalks, then the second element of this offense is established. And if he happens to belong to a different race from the officer who uses force, the external appearance of the third element is established. And if it is obvious from the evidence that the law enforcement officer saw the man using the public facility and he saw the race of the man, you have the fourth element.

I don't mean that a jury would so find, but certainly as far as the external evidence is concerned by which the crime would be established, you would have every external evidence of these essential elements.

Attorney General Clark. Well, I don't believe the prosecutor would pay any attention to it, and I don't believe there is a jury or a court that would. And you can make that same observation as to every act of a policeman. If an officer in a police car is pursuing a car at 90 miles an hour, is he guilty of speeding?

Mr. President, I believe it would be a tragedy if this bill were to pass. It has been said that this bill is aimed at the South. Its proponents would just as soon leave that impression. But in its present form, it could provide a weapon to be used against the policemen in cities struck by racial violence all over the United States.

The really serious problem facing the country is the growing breakdown of law and order. The trend is clear: from peaceful protests to "nuisance demonstrations" to riots with sporadic violence to insurrection and guerrilla warfare. This, Mr. President, should be the real concern of Congress. Instead, we are considering a bill which can only interfere with efforts to control this civil violence.

In this violence which has recently shaken the very foundations of our Republic, the theme of the apologists for the rioters has been that this behavior is in the nature of a "protest" against certain alleged social conditions. And a secondary theme, which is constantly repeated, is "police brutality." Some alleged incident—often fabricated—of untoward behavior by a policeman is usually given as the cause for the riot. Throughout the duration of the riot, the policemen, the firemen, and the National Guardsmen are subject to two barrages: one physical; snipers' fire, brickbats and the like; the other psychological, accusations of brutality and constant questioning of the right of the enforcing officers to use various methods to contain the riot. When the riot is finally over, due mainly to the efforts of the police, headlines are devoted to the role of the police. In one case which I have discussed a suit was brought to place the police department in receivership as a result of its conduct during a state of virtual insurrection.

With this state of affairs existing and with the volatile and uncertain political pressures existing in the Nation, I am afraid that should the bill pass we would have the sorry spectacle of law enforcement officers on trial after a riot, while the thousands of lawbreakers who burned down a city are made to appear the victims. This is not an extreme interpretation of what could happen under this bill.

Mr. President, Senator ERVIN discussed this point at length when questioning the Attorney General in hearings before the Subcommittee on Constitutional Rights. I shall read this because it clearly illustrates just the problem I have been talking about.

> Senator ERVIN. It seems to me, also that under this section you have a perfect example of how this act can be used to make charges against Regular Army troops or National Guardsmen, or law enforcement officers who seek to suppress a riot, because if they use force or threaten to use force, you have one element present. If the rioters claimed they were participating in any of these programs, on the street or sidewalk, or that they were aiding others to do so, or that they were merely engaging in a peaceful assembly to protest the denial of the opportunity of participating in these programs, without discrimination on account of race, color, religion, political affiliation, or national origin, you have every necessary fact to make out a case against law enforcement officers, Guardsmen, or Regular Army soldiers.
>
> Attorney General CLARK. Well, for the reasons I stated in the hearing this morning, I think that has no meaning—it just has no meaning. You have to look to the intent of the individual in the crime and to his conduct. And the mere fact that a professional wrestler is using force does not bring him under the act. The mere fact that a policeman who is performing his duty in good faith uses force does not bring him under the act at all. He has to have the intent, and knowingly do these things that have been prohibited. It is really no inhibition on law enforcement. These same inhibitions would apply to law enforcement in relation to existing State statutes as well as in relationship to existing Federal statutes, including 241 and 242. There has been no problem at all at any time.
>
> Senator ERVIN. The problem is that this bill would be an additional law to enforce in the Federal courts instead of the State courts. If the Federal courts believe the evidence of the rioters, they could make a perfect case of a violation by law enforcement officers or National Guardsmen or Regular Army troops, for using force against people because they were, from their standpoint, engaging in peaceful assembly, listening to speeches, making speeches, or protesting the denial of their right to participate in all these programs without discrimination on account of race.
>
> Attorney General CLARK. Well, the risk is nonexistence. The identical risk, such as it may be, exists today as to State law. If your statement is correct, that under most State laws individual citizens can go in and prosecute—and that has not been true generally in my experience, there is a much greater risk of such a controversy under those laws. There is the same existing risk under Federal statutes, and it has proved to be no problem whatsoever. It would certainly not be a problem under this statute.
>
> Senator ERVIN. What would the Department of Justice do if some rioters, or counsel representing the rioters, file with the Department of Justice hundreds of affidavits showing that they were merely engaged in a peaceful assembly, or attending a speech, by people of the Negro race, in which they were protesting their denial of their right to participate in these programs without discrimination as to race. What is the Department of Justice going to do with that?
>
> Attorney General CLARK. Well, if they are rioters as you describe them as being, we would see first whether there is any Federal violation involved. If there was, we would prosecute them. If there was no Federal prosecution, we would just refer the matter to the State, and see what they could do with the violation of State law.
>
> Senator ERVIN. Suppose they make out a case of a violation of this second crime created by subsection (b).
>
> Attorney General CLARK. We would investigate complaints made under this statute, as under any Federal statute.

Mr. President, the colloquy between Senator ERVIN and Attorney General Clark continued as follows:

> Senator ERVIN. Yes. Suppose you have plenty of evidence that tends to sustain their point, and then you have evidence on the other side that tends to negate it. What are you going to do about that?
>
> Attorney General CLARK. You would weigh the evidence, just as in every controversy.
>
> Senator ERVIN. You are going to exercise a judicial function and acquit the officers, National Guardsmen, and the regular Army soldiers involved in every case?
>
> Attorney General CLARK. No. We would leave the judicial function to the courts. We would exercise an executive function, and determine whether or not there was probable cause to believe a crime had been committed.
>
> Senator ERVIN. I believe this proposed law could be used to harrass law enforcement officers in their attempts to suppress riots.
>
> Attorney General CLARK. As a practical lawyer, I know that no such problem would exist under this statute. I know that if there were such a problem under this statute, it would exist today under sections 241 and 242.
>
> Senator ERVIN. Did you ever have occasion to participate in any industrial disputes which gave rise to a charge of inciting to riot, or rioting?
>
> Attorney General CLARK. I do not believe I have.
>
> Senator ERVIN. I have, and I spent several weeks participating in such a trial. There were about 100 witnesses on one side who testified that the facts showed incitement to riot, and rioting, and about 300 witnesses on the other side who testified that the facts showed that there was a peaceful assembly to listen to a speech. Under this act, if you have any riots, you are going to have those kinds of cases. I want to know what the Department of Justice is going to do when a case like that arises. Are they going to determine in advance which side is telling the truth, and which side is not telling the truth?
>
> Attorney General CLARK. Well, of course, you have to make a judgment, Senator. But I do not believe the issue will arise. If the problem exists as you describe it, why haven't there been state prosecutions by individuals who would make these claims and present this sort of evidence, if the courts are available for them, as you indicate, and why haven't we received these complaints under the existing statutes, 241 and 242?
>
> Senator ERVIN. The case I illustrated was a State case.
>
> Attorney General CLARK. Well, we have had a few riots since then, and we have not had any problems.
>
> Senator ERVIN. I know, because you have not had a law like this.
>
> Attorney General CLARK. We have had laws that would lend themselves more readily to it than this by far.
>
> Senator ERVIN. Not a Federal law.
>
> Attorney General CLARK. 241 and 242 would be subject to the same action you are talking about right now.
>
> Senator ERVIN. There were no prosecutions under those sections because you have to show a specific intent to deprive the man of a specific constitutional right.

THE SITUATION IN SOUTHEAST ASIA

Mr. THURMOND. Mr. President, I have just received information that our Embassy in Saigon has been overrun. Our airstrips are under attack. The information, I understand, is coming over the wires at the present time.

I was on a television program this morning and made the statement that, in my judgment, the problem in North Korea is closely related to the South Vietnamese war.

I stated that the aim of the Communists is to dominate the world. There is no question in my mind that the seizing of the *Pueblo* and its crew by the North Koreans was not an isolated incident but was closely tied in with the war in South Vietnam. I believe the attack on our Embassy and airfields substantiates this view. It is my hope that we will take firm action and will not delay in securing the return of that ship and its crew and responding firmly to the recent North Vietnamese attack.

Some people feel that the seizing of the *Pueblo* and its crew was a unilateral action on the part of the North Koreans. Whether it was a unilateral action or not, it was an insult to the U.S. flag. It is an indignity that our Nation cannot and should not accept.

I have long advocated that we win the war in South Vietnam and get through with it. We did not win the war in Korea. We have a stalemate existing there, and that is the reason why we are fighting the war now in South Vietnam. If we do not win the war in South Vietnam, we will have to fight again, and perhaps the next time it will be closer to home and the lives and property of our own people will be jeopardized.

The Communists plan to take over the world if they can. We are the only nation that can stop them. A great responsibility is placed on the United States today to protect our people and the peoples of the free nations of the world.

It seems that up to now we have had a policy of merely reacting and defending. In my judgment, one of these days when a nation attacks us, we must stop merely defending, and we must respond and respond with great force and power. The aggressor will then know that we will not stand for that kind of action. He will know that we will use as much power as necessary to defeat him, and that we will bring all our force and power down upon the one who starts such an attack. This might throw the people of this Nation and of many other nations of the world into war.

The evidence is absolutely clear that the *Pueblo* was 28 miles offshore when it was first attacked. The evidence is clear that it was in international waters.

We consider waters farther than 3 miles from our shores to be international waters. The Communists consider the international waters to start at a distance of 12 miles. However, there was no question in this case. The ship was 28 miles from the coast of North Korea, more than twice the distance that the North Koreans claim.

The *Pueblo* and its crew were captured, without any reason whatever, and taken to Wonsan. Our men were marched out of the ship with their hands over their heads. Pictures were taken for propaganda purposes. Those pictures have been sent all over the world. They purport to show that the great and powerful United States had one of its ships and its crew captured.

I have the feeling that the attack on the *Pueblo* and its crew was made for two reasons.

The first reason was to point out to South Korea the danger of aiding us in South Vietnam. Further, the action suggests that perhaps South Korea should call home the 50,000 men that she has in South Vietnam, and that South Korea might be in danger.

The other reason, in my judgment, is to achieve the propaganda benefits.

The Asian mind respects power. We have got to show that we have the power and that we are willing to use that power.

I do not know how much longer the administration is going to wait before acting. However, if we procrastinate too long, the nations of the world will get the idea that we will not fight. Steps must be taken to have the *Pueblo* and its crew returned, or in the eyes of the world, the United States will appear to be a weakling.

Our country is the most powerful nation in the world. However, even though we are powerful we can be made to appear ridiculous in the eyes of the world, if we are not willing to maintain the honor and the dignity of the United States and its flag.

I hope the executive branch of the Government is preparing plans and will not long delay in taking the necessary action to recapture the *Pueblo* and free its crew and take such other steps as are necessary, whatever they may be. We cannot allow that ship and its crew to remain in the hands of the enemy.

Some people will feel that what I am saying is belligerent and warlike. It may be warlike. The capture of that ship was warlike. The capture of its crew was warlike.

No one wants war. No one who has seen men around him shot, as I have, wants to see our country engaged in war. However, there are times when we have to act. There are times when we have to act decisively. There are times when we have to act without vacillation.

A failure to act can be a sign of weakness that can plunge us into a war.

I am sure that if such incidents are allowed to continue, many countries of the world will feel not only that we will no longer help our free world allies, but also that we will not even protect our own ships, our own people, and our own members of the Armed Forces. When that day comes, we are finished as a great power.

I hope the United States—and I believe the thinking of the people is this way—will take the stand necessary to maintain the honor and the dignity of the Stars and Stripes. I hope we will not permit acts of the kind that occurred off the shores of North Koera to continue and will not allow such an act to go unavenged. We must avenge that act. North Korea should pay indemnity to the man whose leg was shot off, and to the others who were injured. North Korea should pay for the damage to the ship and the equipment.

Again I say that if we are going to remain a great nation, we have to show courage, we have to show that we are willing to act, and we have to show that we are not going to permit the Communists to commit acts of aggression and get away with it.

I hope that this Government will not long delay taking the firm action, the essential action, the necessary action to avenge this act off the shores of North Korea.

I am sure, too, that we must take the necessary firm steps to prosecute the war in Vietnam to the fullest. Some people have advocated cessation of bombing. In my judgment, they do not know what they are talking about. Every time you have a cessation of bombing, American lives are lost. The Secretary of the Army, General Johnson, and other military commanders, said that our bombing operations have tied up from 500,000 to 600,000 men who might otherwise fight in South Vietnam. We cannot afford to discontinue bombing.

Everyone wants to end this war. But you cannot get out and crawl on your belly and beg them to come to the negotiating table. That is no way to get them to come.

Use your power against them, and they will come begging. Use your power to close the port of Haiphong. Use your power to bomb them so that they cannot take it—the kind of bombing we did in World War II, if necessary. Whatever is necessary to bring this war to an end should be done to save American lives.

We hear complaints about North Vietnamese civilians being killed. You do not hear about the thousands of civilians who have been killed in South Vietnam, about the officials who have had their heads cutoff. You do not hear about the brutality, the disemboweling of little children in front of their parents, with the threat to the parents. "If you don't cooperate with the Communists, you'll get the same treatment." You do not hear about much of the brutality that is going on there.

Yes, we have to take a firm stand. We have to be firm. We have to use the power we have to win the war.

Mr. President, I am certain that what I have said will be considered by some as being too belligerent. You cannot be too belligerent when our men are being killed, when the aggressor seems determined to continue the war and to continue killing our men after we have made every plea in the world to try to stop the fighting. Again I say that the United States should use all the force necessary to bring this war to an end.

Some people worry about world opinion. Yes, you may arouse world opinion. It will all be against you when you do not have the courage to stand up for the rights of the citizens of America. But when you have the courage to stand up to the enemy and protect the people of America, other countries will look upon you with admiration.

We have heard a lot of talk by some liberal columnist who has been to North Vietnam and written pitiful tales about what has occurred, trying to arouse the sympathy of the people of America for the enemy. The enemy deserves no sympathy. They started this war; we did not. They seized this ship. They seized our men. They have been the aggressor in every instance since World War II ended. Sometimes I wonder if some of the people in this country, who are continually leaning over backward to accommodate the Communists really know what they are doing.

The Communists will begin a war when they are ready. If they meant for the incident off the shores of North Korea to start a war, the war will begin. If they did not mean it to begin a war, they will return the ship and the men when we show our power. They are not going to engage in a war until they are ready for that war. They have been calling the shots ever since World War II.

We went into World War II to win, and we won. We won overwhelmingly, won without question. But since then, it seems that we have had a policy that has been rather strange. It is a policy that I have called a no-win policy. We do not win; we do not lose; and, as a consequence, we have lost the respect of a large part of the world.

How many nations today will stand by the United States? How many are standing by us in Vietnam? Thank God for Korea and thank God for the handful of other countries who are working there with us. The rest of them have lost respect for the United States, and for one reason or another are not willing to come in and help us.

This war in Vietnam is not a fight of the north against the south. This is not a civil war. This is a war between the Communists on one side and the free world on the other. The quicker our Government realizes this, the quicker the people of the United States realize this, and the quicker the people of the world realize this, the better for the free world. Some people try to contend that this is just a contest between one section of the country and the other. It is no such thing. This is a war between the Communists—I repeat—and the free world; and we, the United States, are bearing the brunt of if for the free world.

Russia can stop the war in Vietnam tomorrow if she wants to do so. Russia could have prevented the seizure of the ship off North Korea if she had wanted to do so. In Vietnam, she is furnishing 85 percent of the equipment. She is furnishing the antiaircraft artillery, the surface-to-air missiles, the Mig planes, the communications equipment, the radar, the helicopters, the trucks, and all equipment of a complex nature. Eighty-five percent of the equipment with which the enemy is fighting the war in Vietnam comes from the Soviet Union. They have been bringing it in through the port of Haiphong, and we have let it come in, although we knew or should have known that that equipment was going to be used against our men, to shoot down our pilots, and to kill American boys fighting there. We have not closed the port of Haiphong.

For a long time the bombing was so restricted that our pilots could not shoot an enemy plane, although they saw it on an airfield, until that plane had left the ground. Then our own aircraft could take after the enemy plane. By then our men were at a disadvantage.

I could go on and cite many restrictions that were told to the Preparedness Subcommittee, and I could cite other restrictions I learned about on my visit to Vietnam.

Mr. President, the manner in which this war has been fought, the conduct of this war, is a shame and a disgrace. It is time that the President of the United States realized that he has a responsibility to the people of the United States to win this war, to quit playing around with it, allowing American lives to be sacrificed.

Yes, that is strong language, and that is exactly what I mean it to be. We could have won that war 3 years ago, 2 years ago, 1 year ago, but we have not done it. It might not suit world opinion. It might not suit the Soviets, who are supporting this war.

The time has come when the American people are going to wake up, are going to demand a change in our foreign policy. They are going to demand that we stop accommodating the enemy, as we have tried to do.

We have been trading with the enemy. We sold wheat to the Soviets, and not only that but we also guaranteed repayment to the bankers who loaned the money to the Soviets in order to buy the wheat. What obligation do we have to support the Soviet Union or to sell them wheat? By selling them wheat we make it possible for them to keep more of their men in their factories and missile plants instead of on the farms.

We are trading today with Communist countries. I remind the Senate that enemy countries have been getting a lot of complex and sensitive equipment, and it is equipment that helps them. They get equipment on the pretense that it is for civilian use, but the equipment they have gotten from us, in many instances, has been valuable equipment to help them in their war efforts.

It is going to be interesting to see what steps are going to be taken in view of the events that are now happening, in view of the incident off of North Korea, and in view of the fact that our embassy in Saigon is being overrun and our airstrips are under attack.

How long are we going to wait? How many more Americans have to be killed before we take that firm, decisive action we should have taken several years ago? I hope the President of the United States will begin to take action and take it promptly, and that it will be the kind of action he should have taken long, long ago.

DEATH OF MRS. HENRIETTA POYNTER, EDITOR OF CONGRESSIONAL QUARTERLY

Mr. MONRONEY. Mr. President, many of us here in the Senate were saddened last week by the death of Mrs. Henrietta Poynter, the distinguished editor of Congressional Quarterly. We lost a valued friend, and the cause of good government lost one of its finest leaders.

With her husband, Nelson Poynter, she was associated with both Congressional Quarterly and the Times Publishing Co. of St. Petersburg, Fla. Working together, they have exemplified the highest standards of journalism and public service.

Before founding Congressional Quarterly in 1945, Mrs. Poynter had already had a distinguished career in journalism, beginning with a newspaper job during summer vacation at the age of 15. Following graduation from Columbia University's Graduate School of Journalism, she wrote music features and criticism in New York and Europe and was feature and dramatic editor of Vanity Fair and Vogue in London, Berlin, and Paris.

During World War II Mrs. Poynter worked with several Government agencies, and it was she who suggested the name, "The Voice of America," for the broadcasts of the U.S. Information Agency.

Her greatest achievement and the one we here know best was Congressional Quarterly, created in 1945 as a factual nonpartisan report of congressional activities. In this work Mrs. Poynter combined her professional skills as a journalist with her practical experience in government to produce a publication which is not only readable and reliable, but also a source of information which I regard as almost indispensable.

CQ serves more than 400 leading newspapers here and abroad, all the leading news magazines, and the radio and television networks. Members of Congress, political organizations, and university and school libraries subscribe to parts of its service.

I was one of the original subscribers, and my staff and I use CQ almost daily. I have watched with admiration over the years, as the quarterly became a weekly with annuals, and in recent years special publications and features have also been provided. Each year coverage has expanded, format has been improved, and analytical features have been refined and made even more useful.

It has won wide recognition among political scientists and journalists alike. As Newsweek this week says, it is an "instant encyclopedia" for reporters and scholars.

In his book, "The Fourth Branch of Government," Douglas Cater wrote, "CQ has dealt a valuable blow to hypocrisy." The New York Times called CQ "a reliable statistical watchdog over Congressional behavior."

Mr. President, I wish to express my deepest sympathy to my good friend Nelson Poynter in his tragic loss.

I ask unanimous consent that there be included in the RECORD at this point the fine tributes to Mrs. Poynter from the New York Times, the Washington Post, and the St. Petersburg Times.

There being no objection, the tributes were ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 26, 1968]

MRS. N. P. POYNTER, EDITOR, 66, DEAD—NEWS OFFICIAL IN FLORIDA LED CONGRESSIONAL QUARTERLY

ST. PETERSBURG, FLA., January 25—Mrs. Henrietta Malkiel Poynter, editor of the Congressional Quarterly and an executive of the Times Publishing Company here, died today at a St. Petersburg hospital.

She was 66 years old, and recently resumed an active role in The St. Petersburg Times and Evening Independent, which her husband, Nelson P. Poynter, heads, after recovering from a cerebral hemorrhage before Christmas.

In addition to her husband, she leaves two stepdaughters, Mrs. John Glass of Weston, Mass., and Mrs. George Feaver of Washington.

The funeral will be private.

LONG NEWS CAREER

Mrs. Poynter's career in journalism spanned more than 45 years, and included work as a Vanity Fair feature editor, a Vogue foreign editor in Europe, a Washington correspondent and a Government administrator, but her major accomplishment was probably the founding in 1945 of the Congressional Quarterly with her husband.

Once described by the Saturday Review as "alone in its field," and a publication that allows argument to "proceed on fact instead of an emotion," the Quarterly summarizes and surveys events on Capitol Hill.

It is a major source of information on the Congressional scene for editors, scholars and politicians here and abroad, presenting in more digestible form material that the Congressional Record offers verbatim.

Mrs. Poynter, who was born in New York, attended Columbia University, and began writing music features and criticism in New York and Europe after graduation. She was a writer and literary agent before World War II, and shuttled between book publishing in New York and motion picture producing in Hollywood.

She was married to Mr. Poynter in 1942, and worked with Government agencies during the war.

She served as deputy program director of the Government's short-wave radio for a time during the war, and was active in founding the Voice of America.

Besides her editorship of the Congressional Quarterly, she was associate editor and vice president of The St. Petersburg Times and Evening Independent.

She was named to an honors list of 50 distinguished alumni of Columbia University's Graduate School of Journalism in 1963, and was a member of the Conference of Editorial Writers, American Society of Newspaper Editors, the International Press Institute and the National Women's Press Club.

[From the Washington Post, Jan. 26, 1968]

HENRIETTA M. POYNTER DIES; RAN CONGRESSIONAL QUARTERLY

Henrietta Malkiel Poynter, a journalist who with her husband, Nelson, established Congressional Quarterly here in 1945, died yesterday at the age of 66 in a St. Petersburg, Fla., hospital after a stroke.

As originator and editor of Congressional Quarterly, Mrs. Poynter devised ways of providing writers and editors with a complete and concise box-score on activities in Congress.

The background and research services of the publication are used today by more than 400 newspapers in this country and abroad, news magazines, radio and television networks, libraries, political organizations and individual politicians.

In addition to editing the publication, Mrs. Poynter was associate editor and vice president of the St. Petersburg Times and the Evening Independent.

She and her husband, president of the St. Petersburg Times Publishing Co., maintained homes in Washington and St. Petersburg.

Born in New York City, Mrs. Poynter attended schools there and graduated from Columbia University. After college, she wrote music features and criticism. Later, she held a series of editorial posts with Vanity Fair and Vogue magazines in London, Paris, and Berlin.

She married Mr. Poyner in August, 1942.

During World War II, she served as coordinator of inter-American affairs for the Office of War Information, and was active in founding the Voice of America.

Mrs. Poynter conducted a seminar on the use of newspapers in the classroom at the International Press Institute in Paris in 1959.

In 1963 she was named to an honors list of 50 distinguished alumni of Columbia University's Graduate School of Journalism.

She was a member of the Conference of Editorial Writers, the American Society of Newspaper Editors, the Women's National Press Club and Theta Sigma Phi, a national honorary sorority for woman journalists.

[From the St. Petersburg (Fla.) Times, Jan. 26, 1968]

WIFE OF TIMES PRESIDENT HENRIETTA M. POYNTER, CONGRESSIONAL QUARTERLY FOUNDER AND EDITOR, DIES

Henrietta Malkiel Poynter, 66, associate editor and vice president of The Times Publishing Co. and editor of Congressional Quarterly in Washington, D.C., died yesterday (Jan. 25, 1968) at a local hospital.

Mrs. Poynter had recovered from a slight cerebral hemorrhage prior to Christmas and returned to her active role in publishing The St. Petersburg Times and Evening Independent.

She was stricken with another attack when leaving her home for the office the morning of Jan. 16.

In her will, Mrs. Poynter requested funeral services be immediate and private and that no memorial service be held. The family requests that flowers please be omitted.

Her distinguished journalistic career spanned more than 45 years, during which time she made notable contributions to the fields of mass communication.

Mrs. Poynter was an avid student of American politics and recognized as one of the nation's leading authorities on the U.S. Congress.

As the architect and editor of Congressional Quarterly (CQ), Mrs. Poynter provided information never before available to the nation's writers and editors.

With her husband, Times Publishing Co. Editor and President Nelson Poynter, she established in 1945 the CQ service, a complete and concise box-score on the happenings in Congress.

Prior to CQ, no editor could recapitulate even the record of his own congressmen fast enough to make it pertinent to the news of the day. Mrs. Poynter devised techniques of organizing the huge mass of material into logical categories and distilling it into factual presentations that would be without partisan or personal bias.

Every vote is recorded in a way that future comparisons are valid when measured against other congressmen, the leadership of both houses of Congress and presidential recommendations.

CQ's diversified background and research services are used by more than 400 leading newspapers here and overseas, all leading news magazines and radio-TV networks. Various books and parts of the services are subscribed to by libraries, schools and organizations, as well as political organizations and individual politicians.

The value and impact of CQ was summed up in a recent book, "The Fourth Branch of Government," by Douglas Cater, which analyzed the influence of the press in Washington. Cater wrote:

"The Congressional Quarterly, to cite a remarkable privately-owned institution, furnishes useful yardsticks to measure the performance of various members of Congress. Before it began publication of its voting charts, the reporter had little opportunity to make a systematic comparison between the words and the deeds of the individual congressman. CQ has dealt a valuable blow to hypocrisy."

The New York Times described Mrs. Poynter's reference service as "a reliable statistical watchdog over Congressional behavior."

An inveterate reader, (she learned speed reading as a child) Mrs. Poynter had a wide range of interests beyond politics and government. Her knowledge of music, drama, art, fashion, food and civic affairs was reflected in The Times and Independent.

Mrs. Poynter was a tough and successful competitor in what was basically a man's world during much of her career. But she never lost the feminine touch or diminished her interest in women's affairs.

She worked closely with editors in creating and producing special women's interest sections, calling on her wide background in women's publications and the arts.

Mrs. Poynter was especially interested in community service performed by Suncoast clubwomen and originated a series of Women's Club Salutes at which area clubs were honored for their civic contributions.

She also devised women's club seminars, at which members of the The Times and Independent women's departments explained how clubs could gain more news coverage through accelerated community projects.

Her background in national and international affairs was reflected in incisive editorials and weekly Sunday Perspective Section articles she co-authored with her husband.

Many of her experiments for new features for CQ were first introduced through The Times.

In 1963, Mrs. Poytner was named to an honors list of 50 distinguished alumni of Columbia University's Graduate School of Journalism. The honors list was made up of names submitted by alumni-at-large and approved by the journalism school's 50th anniversary committee, honoring graduates who made outstanding accomplishments in all media of communications.

She was the first and only woman member of the American Committee of the International Press Institute (IPI). She conducted a seminar on the use of newspapers in the classroom at the IPI in Paris in 1959 and another for political writers at the American Press Institute at Columbia.

Mrs. Poynter was listed in Who's Who of America, Who's Who in the South and Southwest, Who's Who in Commerce and Industry and Who's Who of American Women.

Born in New York City, her first newspaper job came during high school vacation when she was 15. During college she earned a regent's scholarship for her tuition and made pocket money as a reader of possible film material for Paramount Pictures.

After college she wrote music features and criticism in New York and Europe. She was feature and dramatic editor of Vanity Fair and Vogue in London, Paris and Berlin.

It was during these early years that Mrs. Poynter's great interest in the arts matured and that she made many friends among artists and critics. She was a patron of the St. Petersburg Museum of Fine Arts, to which she and her husband donated a room.

Mrs. Poynter also gave generously to her alma mater, Columbia, and to Stetson University, Florida Presbyterian College and the University of South Florida.

Prior to World War II she was a writer and literary agent and shuttled between book publishing in New York and motion picture producing in Hollywood.

During the war she served with government agencies headed by Nelson Rockefeller, Gen. "Wild Bill" Donovan and Robert E. Sherwood. She was deputy program director of the government's short wave radio and was active in founding the Voice of America. When the first program was about to go on the air—still without an official name—it was Mrs. Poynter who suggested calling it "The Voice of America."

She married Nelson Poynter Aug. 8, 1942.

An accredited correspondent to the White House and Congress of the United States, Mrs. Poynter was a member of the Conference of Society of Newspaper Editors, International Press Institute, National Women's Press Club, Florida Women's Press Club and Theta Sigma Phi, national professional journalist's group.

She was a member of the St. Petersburg Yacht Club and Bath Club.

In addition to her husband, she is survived by two stepdaughters, Mrs. John Glass, Weston, Mass., and Mrs. George Feaver, Washington D.C.; her mother-in-law, Mrs. Paul Poynter, St. Petersburg; an aunt, Mrs. Isadore Freid, St. Petersburg Beach; two cousins, Mrs. Marie Rodell and Mrs. Virginia Frankel, New York City.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. BYRD of West Virginia. Mr. President, if there is no further business to come before the Senate, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 26 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, January 31, 1968, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate January 30, 1968:

POST OFFICE DEPARTMENT

Frederick E. Batrus, of Maryland, to be an Assistant Postmaster General.

CONFIRMATION

Executive nomination confirmed by the Senate January 30, 1968:

DEPARTMENT OF DEFENSE

Clark M. Clifford, of Maryland, to be Secretary of Defense.

HOUSE OF REPRESENTATIVES—*Tuesday, January 30, 1968*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Now the God of peace be with you all.—Romans 15: 33.

Most merciful and gracious God, beyond whose love and care we cannot drift, in the glory of a new day we come lifting our hearts to Thee as we prepare ourselves for the tasks before us. We would be still in Thy presence and receive from Thy hand strength for the day, wisdom for these hours, and faith for every moment to carry us through with high honor and creative courage.

Amid the crises of these days may we hear Thy voice calling us to be faithful and true, strong and steady and hearing may we respond with all our hearts.

We pray for our divided world going separate ways to different ends. May we not increase division by our dissension but may we seek to enlarge the circle of intelligent good will whereby the people of our land and the nations of the world can learn the fine art of living together in peace.

Give to us peace in our time, O Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the House by Mr. Geisler, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1788) entitled "An act to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments."

The message also announced that the Presiding Officer of the Senate, pursuant to Public Law 115, 78th Congress, entitled "An act to provide for the disposal of certain records of the U.S. Government," appointed Mr. Monroney and Mr. Carlson members of the Joint Select Committee on the part of the Senate for the Disposition of Executive Papers referred to in the report of the Archivist of the United States numbered 68-8.

THE LATE HONORABLE GEORGE A. DONDERO

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROOMFIELD. Mr. Speaker, I rise with a heavy burden of personal grief to announce to the Members of the House the death of one of its former distinguished Members and my dear friend, George A. Dondero.

Mr. Dondero passed away last night at his home in Royal Oak, Mich. He was 84 years old.

A distinguished American, an able and fearless legislator, and a great friend, Mr. Dondero was my predecessor in the House. He left giant-sized footsteps in which to follow.

Mr. Dondero was elected Representative of the 18th District of Michigan in 1932 and served with distinction in the House for the next 24 years.

It is no accident that one of the great channels on the St. Lawrence Seaway, the Wiley-Dondero ship channel, was named in his honor. Because Mr. Dondero was often called "Mr. Seaway" for his persistent and successful effort to win approval for the St. Lawrence Seaway, making our Great Lakes America's seventh sea.

Those of us in Oakland County, Mich., remember him for other things as well.

Born on December 16, 1883, in Greenfield Township in Wayne County, Mich., Mr. Dondero attended Royal Oak schools and graduated from Royal Oak High School in 1903. Many years later that same high school renamed in honor of Mr. Dondero's outstanding contributions to the community.

He graduated from the Detroit College of Law in 1910 and was admitted to the bar the same year.

In the next few years, he served as Royal Oak Village clerk, village assessor, village attorney, township treasurer, assistant county prosecutor, and finally in 1921 was elected the first mayor of the new city of Royal Oak.

He served as a member of the Royal Oak Board of Education for 18 years.

In many ways, George Dondero was Royal Oak. He had many of the qualities of the tree from which the city took its name.

He exhibited the same strength, the same ability to weather the storms of life, the same strong heart and flawless character which has made this tree the symbol of integrity and principle.

Those same outstanding traits of character were shown in his interest and dedication to the life of another great American statesman, Abraham Lincoln. Mr. Dondero was a nationally recognized authority on President Lincoln and served on several historical commissions.

Mr. Dondero is survived by a son, Robert Lincoln Dondero, of Royal Oak, and a daughter, Mrs. Marion Wilson, of Grand Blanc, Mich.; nine grandchildren; three great-grandchildren. His wife, Adele, died on August 23, 1966. Another son, Stanton G. Dondero, a former Oakland County circuit judge, passed away 2½ years ago.

I know I speak for the entire House in extending deepest sympathy in their time of bereavement to his family. My wife joins me in expressing our personal sense of loss at the passing of this fine American.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I am pleased to yield to our distinguished minority leader.

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GERALD R. FORD. A little over 19 years ago, when I first came to this great body, George Dondero was a distinguished veteran legislator. He had already served a number of years as a member of the Committee on Public Works and just previously served as the chairman of the Committee on Public Works. It was my good fortune to be assigned in my first term to the Committee on Public Works, and I learned greatly from following, as best I could, the examples set by him. George Dondero was a great teacher.

George Dondero epitomized dignity, fairness, and character. As the gentleman from Michigan has said, he was a great Lincoln scholar. It was always interesting to sit and chat with George Dondero because he could tell a most interesting story about the people and places involved in the conflict between the States.

It was a tradition during George Dondero's service as a Member for him to take the time early in each Congress to give his advice and counsel to the newer Members on the protocol of the House and its traditions. All Members who either listened to George Dondero's counsel or read his remarks were the beneficiaries.

I join the gentleman from Michigan in extending to the family of George Dondero our deepest condolence in this time of sorrow. We are all saddened by his passing. America has lost a great citizen.

Mr. Speaker, I would like to include in the Record at this point the address on decorum made by our late colleague, Representative Dondero, to this House of Representatives on January 24, 1955.

I do this as a tribute to a man who not only knew, and understood, and advocated the rules of this House, but who was in his own conduct, an outstanding example of the proper legislator.

But he was not a presumptuous man, and we were given to understand that he offered his kindly counsel to the House only because of the urging of certain Members of the leadership.

Certainly he was shown a most unusual deference when then Speaker Sam Rayburn commended to the attention of the House the remarks Mr. Dondero was about to make.

We may all profit from reading again these excellent observations of the late George Dondero.

The speech is as follows:

Order Is Heaven's First Law

The Speaker. Under previous order of the House, the gentleman from Michigan [Mr. Dondero] is recognized for 20 minutes.

May the Chair say that the gentleman from Michigan has upon occasion made reference to the rules of the House and their application and the Chair thinks he intends to do that again now. The Chair thinks his statement will be interesting and very helpful to the Members if they will heed it.

Mr. Mason. Mr. Speaker, will the gentleman yield?

Mr. Dondero. I yield to the gentleman from Illinois.

Mr. Mason. The gentleman from Michigan has in times past called the attention of the Members of the House to the decorum and the comity that should exist between the Members of this House when on the floor and he has done it in a very effective and delightful way. I do feel that perhaps the Members present would like to listen to what the gentleman from Michigan says. Because of that I ask that particular attention be given to the gentleman from Michigan at the present time.

Mr. Dondero. I thank the gentleman very much.

Mr. Speaker, nearly two centuries ago a noted author declared that order is heaven's first law. The truth of that statement applies to our own day and generation with ever-increasing force and validity.

When your constituents and mine come to Washington, it is almost certain that they will visit this Capitol Building. Their presence may be observed daily when they occupy the galleries of the House and especially when Congress is in session.

Members who have served here any length of time have heard with chagrin and embarrassment the harsh criticism from the visitors directed at, what appears to them, a lack of reverence, dignity, and respect for this historic Chamber.

Information from officials of the House indicates that hardly a week passes without complaints regarding our habits and our conduct on the floor.

Here in the House of Representatives the people speak and here their voice is heard. This is their forum, established by our forefathers. From them come the noble and distinct character of American institutions.

The very walls of this Chamber echo with the voices of our great and our past. It is rich in the traditions of our Nation. Many whose names adorn the pages of history labored in this room to serve the cause of freedom and self-government. They were the torchbearers of humanity's forward march.

May God help us to preserve their influence and labors by reverence for this notable place and forbid that we should ever be irreverent toward it and the memory of those who made our day possible.

Our position as Members of Congress is one of great responsibility. If a proper attitude and proper conduct toward the position to which we have been elevated is wanting, we deface and impoverish our position in the eyes of those who pass this way.

Infraction of the rules in the game of life brings punishment and penalty. The penalty we pay individually and collectively is the loss of respect, the loss of prestige, the loss of faith and confidence, and a gradual breaking down of self-government by a free people.

This House of Representatives is governed by rules, some as old as the Government itself. They were designed to govern the conduct of Members on this floor and the orderly procedure of our legislative work.

Not one of us here is entirely blameless for breaking the rules of the House.In a thoughtless moment, and unconsciously, many of us have broken the written and long-established code of conduct for this floor. Many of the older Members, knowingly, and many of the newer Members, unknowingly, because of unfamiliarity with the rules, have allowed certain habits to violate the proprieties of this body.

For the benefit of new Members and to remind many of the older Members, including myself, the observations I am about to make are confined solely to the rules governing our conduct on this floor. My remarks are not intended as a scolding of any Member individually or of the House collectively.

I now come to the rules violated daily in this forum. How should a Member address our Presiding Officer? At public gatherings throughout the country it is customary and in good taste to say, "Mr. Chairman, distinguished guests, ladies and gentlemen," and so forth. In this Hall such a salutation is improper and a distinct breach of the rule.

In recent years, almost daily, Members, both old and new, have taken their place here in the well of the House and commenced their remarks with "Mr. Speaker, ladies and gentlemen." The rule requires a Member to address himself to "Mr. Speaker" or, if the House is in the Committee of the Whole House on the State of the Union, to "Mr. Chairman." To add more is a slight upon the Speaker, who represents the House in its organization. When we address the Chair, we address the entire membership of the House.

It is a violation of precedent, and bad form, to conclude an address by adding the words, "I thank you." There is no necessity for any Member to thank anyone. We speak as a matter of right.

Express provision is made for the manner in which a Member may address the House. Rule XIV, clause 1, reads:

"When any Member desires to speak or deliver any matter to the House, he shall rise and respectfully address himself to 'Mr. Speaker,' and, on being recognized, may address the House from any place on the floor, or from the Clerk's desk."

Committees of the House should not be designated as "The Rules Committee," "the Appropriations Committee," and so forth. The proper way to designate any committee of the House is to say, "The Committee on Rules," "the Committee on Appropriations," "the Committee on Un-American Activities," and so forth.

Another rule violated daily is rule XIV, clause 7, which provides:

"While the Speaker is putting a question or addressing the House no Member shall walk out of or across the hall, nor, when a Member is speaking, pass between him and the Chair."

It has become a custom for Members to walk in front of a Member while he is addressing the House from the lecterns here in the well of the House. Such practices are a violation of a long-established rule of this body and are a contributing cause to the confusion and distraction evidenced on this floor from day to day. To walk in front of a Member who is speaking is objectionable and discourteous.

Another part of clause 7, rule XIV, grossly violated by many Members, reads as follows:

"During the session of the House no Member * * * shall smoke upon the floor of the House; and the Sergeant at Arms and Doorkeeper are charged with the strict enforcement of this clause. Neither shall any person be allowed to smoke upon the floor of the House at any time."

What constitutes the floor of the House? The space behind the rail is the floor of the House as much as the space in front of the Speaker's rostrum. Smoking behind the rail is smoking on the floor of the House and equally an infraction of the rule; it is most obnoxious to our visitors in the galleries. Walking into the Chamber with a cigar or pipe held in the mouth, whether lighted or not, is an invitation for caustic criticism and disparaging remarks on the part of the public who come to visit our sessions.

A practice as defenseless as it is objectionable is the habit of placing one's feet against or on top of the seat in front of one. This habit, a clear and distinct breach of the rules of decorum of this House, is most noticeable from the galleries and draws the sharpest criticism and adverse comment from those who come to visit this legislative body in action.

Reading newspapers on this floor when the House is in session may not fall within the text of any definite rule, but such a habit conveys to the public, and to the Members of the House, an impression of the want of interest, indifference to legislative duty, and failure of attention to the matter under discussion on the floor.

A practice that has grown to be a habit is that of referring to a Member in the second person as "you" or "your." Some distinguished Members, with long service here, have designated their colleagues by their given names, such as "John" and "Jim." We all know better. These are plain violations of ordinary parliamentary procedure. Each of us can make his contribution in preserving dignity and orderly conduct during our sessions by observing and obeying the rules of the House. The proper way to address a colleague is "the gentleman or gentlewoman from Maine," or whichever State the Member represents.

Dignity and decorum commensurate with the greatness of this body, and the power we possess, should prevail at all times in the discharge of our duty to the Nation. These matters may seem small, unimportant, and of no serious consequence in themselves, but upon the whole they are destructive of the respect and confidence of the people.

The rules of the House provide that the Speaker "shall preserve order and decorum"—rule I, clause 2. Let every Member constitute himself a committee of one to assist the Speaker in the discharge of his duty by seeing to it that the rules are respected and obeyed.

By reason of our membership here, each Member is clothed with tremendous power over the lives and destiny of a mighty people. With that power goes a corresponding responsibility to discharge the trust reposed in us by the people. Every word we speak, every decision we render, is weighted with the position we hold. The confidence and faith of the people in the legislative branch of their Government must be preserved if the Republic of the United States is to survive.

The lamps of freedom have been going out all over this world. Representative government has been and is under attack by a totalitarian philosophy of government. May we be worthy of the high honor conferred upon us as Members of Congress by discharging our responsibility to the Nation with that dignity and decorum which the people have a right to expect from us.

May the visitor to these galleries observe in us a genuine respect for this House of Representatives of the American people, and leave with greater love for our Republic and greater pride in American citizenship.

Let us all remember that "Order is heaven's first law."

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I am delighted to yield to our distinguished Speaker.

Mr. McCORMACK. I am very sorry to learn of the death of my dear friend George Dondero. He was one of the kindest gentlemen that I have ever met. He was a dedicated legislator. I can see him now with that fine, sweet personality of his. As we would meet him in the Chamber or in the corridors we would always have a pleasant chat with him. At all times he was a gentleman.

His intense love of our country was evidenced on many occasions during his years of dedicated service in this body. The lives of all of us who had the honor and pleasure of meeting and knowing George Dondero have been greatly enriched.

I extend to his loved ones my deep sympathy in their great loss and sorrow.

Mr. BROOMFIELD. I thank the Speaker.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the distinguished majority leader.

Mr. ALBERT. Mr. Speaker, I was saddened when I learned just a few minutes ago that George Dondero had passed away last night.

If ever a gentleman served in this House it was George Dondero. When Members spoke of "the gentleman from Michigan, Mr. Dondero," they not only spoke in accordance with the practices of the House; they spoke with accurate description of a man who was every inch a gentleman.

I can see him now, always meticulously dressed, always smiling, always courteous, always willing to lend a helping hand and to give the others the benefit of his advice and counsel.

When I first came to the Congress, Mr. Dondero was chairman of the Committee on Public Works. I remember his coming to me after an executive session of his committee and saying, "We have reported a little project in your district. We thought you ought to know about it." That was the kind of person he was. He was considerate and kind. He was a man of firm convictions, but he was never disagreeable with those with whom he disagreed on legislative matters or on political principles.

I am glad the gentleman has referred to Mr. Dondero's interest in Abraham Lincoln. Congressman Dondero enjoyed talking about Abraham Lincoln. I had the pleasure of once being with him as he delighted in showing me some of his library on the life and character of Abraham Lincoln. He put enthusiasm into his subject which showed that this was almost a vocation as well as an avocation in his life.

He was a great man who lived a long and useful life. I extend to all his loved ones my deepest personal sympathy.

Mr. BROOMFIELD. I thank the distinguished majority leader.

Mrs. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the distinguished gentlewoman from Ohio.

Mrs. BOLTON. Mr. Speaker, I was privileged to find Mr. Dondero here when I came to the Congress. He was so fair in his judgments. If I had a question to ask about a bill or an area, I would go to George and he would tell me honestly and not try to influence me one way or another—but he was always gentle and always fair.

I associate myself with what the gentleman from Michigan has said about him, and with others who have spoken. I knew Mr. Dondero as a younger Member of Congress, and I deeply appreciate his full life here and at home.

I do send my sympathy to his loved ones. Yet, I know that they must rejoice that they, too, have been associated with a man of such vision and such height and such breadth and such depth, that they can hardly mourn his going.

Mr. BROOMFIELD. Mr. Speaker, I thank the gentlewoman from Ohio.

Mr. FLYNT. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Georgia.

Mr. FLYNT. Mr. Speaker, I thank the gentleman for yielding.

I join the gentleman from Michigan and others who have spoken of the great service and the fine life of our late departed former colleague, the Honorable George A. Dondero of the State of Michigan. When I first came to the Congress, George Dondero was chairman of the great Committee on Public Works. In serving in that capacity and in fact throughout his congressional service, George Dondero seemed to follow the admonition of Daniel Webster which is engraved into the wall near the ceiling of this Chamber, which says:

> Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also in our day and generation may not perform something worthy to be remembered.

Congressman Dondero did just exactly that. One of the monuments as well as tributes to his great service to this Nation was the authorization of construction and the placing into operation of the St. Lawrence Seaway.

It is indeed appropriate that one of the ship channels on that seaway bears his name, along with that of the late Senator Wiley, of Wisconsin.

One of the things I remember most pleasantly about Congressman Dondero during my service with him was that every year, or certainly at the beginning of every session, he would take the time to talk with the new Members of this body, to tell them something of the history of the House of Representatives which they might not otherwise have learned, to impress upon them the customs and the protocol of this body and our relationships and associations with one another.

The House of Representatives lost something very fine when it lost the services of George Dondero by his voluntary retirement.

I should like to express the hope that once again someone will take up this practice which was discontinued when he voluntarily left the House of Representatives.

Congressman Dondero was certainly a great scholar. He was a highly motivated and dedicated legislator. He was certainly one of the finest gentlemen with whom I have ever had the privilege of serving anywhere at any time.

Mrs. Flynt joins me in extending to his family our heartfelt smypathy and condolences.

Mr. BROOMFIELD. I thank the gentleman very much.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Illinois.

Mr. ARENDS. Mr. Speaker, I join with others in expressing deep sorrow and regret at the passing of former Congressman George Dondero.

As I have said many times before, one of the privileges and pleasures that comes to an individual serving in this body is the opportunity to meet with, to become acquainted with, and associate with some of the finest people who are privileged to serve in the House of Representatives.

As I think back over the life of George Dondero, whom I was privileged to serve with so many years, I would refer to him as a gentlemen's gentleman.

Often it was a pleasure of mine to sit down with Congressman Dondero and to objectively talk about our service in this body, what we might do to make it a better service, what we might better do for our country and for mankind. He always had suggestions, wholly unselfish but with purpose.

George Dondero, I recall so vividly, almost every year made it his business to speak in the well of this House, to discuss decorum, and practices of the various Members, as to our behavior while on the House floor. He was always so concerned because of what might be the reaction of the people in the galleries, who might not think we were too studious or intent in our listening to what was going on. He always wanted us to conduct ourselves on the floor of the House in certain ways, not only as to mannerisms but also as to how we dressed and how careful we were about the little niceties that could take place on the House floor, in order to at all times be dignified and respectful to one another.

I always admired him for that.

At this time it seems to me it might be well for us to go back and read some of these remarks of George Dondero and to refresh ourselves to the point that we emulate in some way these suggestions he did make time after time.

George Dondero, I repeat, was one of the finest gentlemen I ever knew. He served his district and his country well. I was priviledged to serve with him.

This is a better House because of the service here of individuals like George Dondero.

I extend to his loved ones my deepest sympathy.

Mr. BROOMFIELD. I thank the gentleman.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Texas.

Mr. WRIGHT. I thank the gentleman for yielding.

Mr. Speaker, I should like to have the privilege of joining with the gentlemen at this time in paying our tribute to the memory and the legacy of George Dondero. As one who served with him on the House Committee on Public Works, I received inspiration from George Dondero quite early in my service here.

He was gentle, he was gracious, he was generous, he was kind, and in every sense of the word he was an inspiration to the younger Members.

From George Dondero and from

others, but to a great extent from him, I came to see that regardless of such petty and divisive things as party affiliations the great tradition of this Chamber is that we as Members may respect one another professionally and like one another personally.

George Dondero was, in the truest sense, that much overworked term, "a gentleman and a scholar." Surely it ought to behoove each of us who served here after him to aspire to the legacy of George Dondero; that is, to be a ruler of nothing but self and indeed the servant of our native land and to hope that when our strength is bent and our youth is spent we, like him, may pass among those whom we have represented and have them whisper in voices audible only to themselves, "Well done, thou good and faithful servant."

So I join the gentleman from Michigan [Mr. Broomfield] in expressing to his loved ones our great admiration and our heartfelt regrets.

Mr. BROOMFIELD. I thank the gentleman very much for those kind comments.

Now, Mr. Speaker, I yield to the gentleman from Iowa [Mr. Schwengel].

Mr. SCHWENGEL. Mr. Speaker, I thank the gentleman from Michigan, who is a very worthy successor of George Dondero, for yielding to me.

I want to say that I too am greatly saddened to hear of his passing, his going on. It is fitting and proper to join all of his many friends in this House and everywhere in paying tribute to him, to show respect for what he stood for. I think in a finer and in a larger sense he was as much a gentleman as any man I ever knew. He was generous beyond a fault, courteous and gentlemanly in all his conduct and dealings with his fellow man. He was fair and he set a wonderful example often in this House. He was helpful. I know this to be a fact, because I was a freshman Congressman under him. I benefitted from his generous helpfulness. I had a very special opportunity to observe him because I served with him on the great Committee on Public Works. There is where I realized that this man was a devoted man; he was a man dedicated to the American ideals and he understood them and spoke of them and lived them as his mentor did—and most of you know that I am now speaking of Abraham Lincoln—of whom George Dondero was extremely fond.

If this has not been mentioned, it should be, that he was a great friend of Lincoln's son, Robert Lincoln. He often talked of his conversation with Robert Lincoln and spoke eloquently of him and of how his characteristics fit so well both his mother and his father and because that Robert Lincoln could make the contribution that he could and did make to the economy and character of this Nation.

Mr. Speaker, George Dondero will live in our memories long because he was a great builder. I need mention only two great projects that he was very influential in passing in order to convince everyone of this. The St. Lawrence Seaway and the Interstate Highway System. The St. Lawrence Seaway is pretty largely built today because of George Dondero's dedicated and determined leadership throughout the period that he served in the Congress. The Interstate Highway System, which will prove to be the greatest public works project ever achieved by any nation in the world, is the second. These fine public works projects came about largely as a result of George Dondero's leadership and influence.

George Dondero was a conservationist and most interested in the preservation of the American ideal. This impelled him to speak so often of the importance of Congress and of our conduct and our influence here good and bad. He called on us and challenged us to have that influence be a good one.

Mr. Speaker, I can think of no better words which are more fitting at this time than those that were written by Edwin Markham when he spoke of Lincoln so eloquently upon one occasion when he said, in part, in the poem "Lincoln, the Man":

> Here was a man to hold against the world,
> a man to match the mountains and the sea.

My heart and sympathy are felt and extended to all his family and close friends.

Mr. BROOMFIELD. I thank the distinguished gentleman from Iowa.

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the distinguished majority whip.

Mr. BOGGS. Mr. Speaker, I would like to take this one moment to pay tribute to George Dondero. I was particularly interested in the great contributions which he made to the public works of this country. It is my opinion that no man did more in his time to build America and to solve the problems of transportation, both on the land, in the air, on the sea and on the rivers of this great Nation than did George Dondero.

Mr. Speaker, the late and distinguished George Dondero came to my hometown many times to look at the projects on the Mississippi River—the great flood system and the great inland waterway system—and he was always sympathetic, helpful, and constructive. I am glad that he lived a long and fruitful life and that he enjoyed a fine retirement.

Mr. Speaker, I thank the distinguished gentleman from Michigan [Mr. Broomfield] for yielding to me at this time.

Mr. BROOMFIELD. Mr. Speaker, I thank the gentleman from Louisiana for his remarks.

Mr. FISHER. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the distinguished gentleman from Texas.

Mr. FISHER. Mr. Speaker, I share the sentiments that have been expressed here concerning the late and lamented George Dondero.

When I came to the Congress 25 years ago, I was assigned to a committee of which the late George Dondero was the ranking member. On that committee I had the privilege of knowing him well. Through the years that I have served here I can think of no Member who was so beloved by so many of his fellow colleagues. I cannot think of a single person who was more universally admired, who was more dedicated, who was more scholarly, and who left a more lasting imprint not only on the legislative history of this body in that period of time but who likewise will remain long in the memory of those who had the privilege of knowing him.

Mr. Speaker, I regarded George Dondero as a personal friend. I think that can be said on behalf of every other Member of this body who knew him.

Mr. Speaker, I extend to the family and the survivors of George Dondero my deepest sympathy in their bereavement.

Mr. BROOMFIELD. Mr. Speaker, I thank the gentleman from Texas for his remarks.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I am glad to yield to the distinguished chairman of the Committee on Armed Services.

Mr. RIVERS. Mr. Speaker, I should like to associate myself with the remarks that have been made about the late George Dondero.

If ever a true gentleman served in this body, it was George Dondero. I knew him very well. Each morning we had breakfast together.

He was one of the great authorities on the history of the War Between the States. And, Mr. Speaker, what made me love him so much was the fact that he believed in the side which lost—he believed in the side which lost. He knew every character in the War Between the States. He was one of the great historians of his time. Few people knew this.

His annual lecture to the membership of the House on good manners was something to behold. It was kind, it was fatherly, it was wise, and it was good for the House of Representatives.

Mr. Speaker, his death is not only a loss to the great State of Michigan; it is a loss to all of America and to the world.

Mr. FALLON. Mr. Speaker, I was saddened, indeed, to hear this morning of the death last night in Royal Oak, Mich., of my old friend and colleague, the former distinguished Member from Michigan, George A. Dondero. George Dondero served with distinction as a Member of the U.S. Congress from March 4, 1933, until he retired on January 3, 1957. From my first days in Congress I knew George Dondero and indeed could look upon him as a real friend and associate. Our friendship deepened during our joint service on the House Committee on Public Works, and I know of the outstanding service he performed on that committee for the benefit of his district, his State, and his country.

George Dondero served with distinction as a Member of the House, as a member of the Committee on Public Works, and as its very able chairman in the 83d Congress. On behalf of all the members of the committee with which Mr. Dondero was so long associated, on behalf of Mrs. Fallon and myself, I extend the deepest sympathy to the family of Mr. Dondero on his passing and salute him as a worthy and distinguished member whose presence in this body added honor to it.

Mr. ADAIR. Mr. Speaker, I share the deep sense of loss which has been so eloquently expressed here today by those who have previously spoken of the Honorable George A. Dondero. He was indeed a true gentleman in every sense of the word. His knowledge of history and particularly of the history of Abraham Lincoln and his times was outstanding. Many students of the life of Abraham Lincoln have told me that George Dondero was truly one of the authorities in this field.

Both by word and example, Mr. Speaker, did he contribute to the stature of this great body. Many now here owe him debts of gratitude for the kindnesses and courtesies he has shown them.

Mrs. Adair joins me in mourning the passing of this great American.

Mr. KLUCZYNSKI. Mr. Speaker, from long experience and conversations with my colleagues in the House, I am amply aware that none of us with normal sensibilities have not had periods of soul searching and self-evaluation of what he did, or can accomplish in the public service of our districts, State, and our country.

I know that our late colleague, George A. Dondero, a veteran member of the House Public Works Committee and its chairman, before he retired in 1956, experienced these periods of wonder about how much he could accomplish. I know this because he was a good guide and a wise counselor to me as a member of the same committee.

George Dondero's career can be an inspiration to all of us in our times of doubt and wonder how we can become more effective in our appraisals and approvals of legislation. No Member of the Congress, in its old and splendid history, is a better example of what one man, leading others of like mind, vision, and enterprise, can do to benefit the Nation itself, in battling for benefits for his own district and a region of the country.

His battle to make the St. Lawrence International Seaway a reality began the day he came to this House in 1932. His efforts never faltered despite formidable opposition and never flagged despite monumental efforts to show that he was wrong.

He had the vision to see that completion of the St. Lawrence would open half of the continent to Atlantic outlets and enhance the American economy and stimulate our industry and agriculture for the benefit of millions. Coupled with a vaulting vision was a serene temperament and a judicial reasoning and above all an engaging sense of humor that lightened our many days with him here.

The George A. Dondero Locks are named for him out of a spirit of appreciation and as a memorial to him, but I do not hesitate to say that the St. Lawrence Seaway itself is George Dondero's most enduring monument and will remain so for centuries.

All of us who knew George A. Dondero cherish the man and his admirable qualities and all of us know a loss with his passing. We extend our deep sympathies to his family and hope that their grief will be tempered by the knowledge that he was truly a great and good man, whose efforts made America greater than it was before he came here to this House.

Mr. ROONEY of New York. Mr. Speaker, I was saddened to learn of the passing of our former colleague, the Honorable George A. Dondero of the State of Michigan. He was a dedicated and outstanding legislator who served in this House with distinction and honor for 24 years.

George was a good friend and I shall always remember his quick smile, his friendliness, and his gentle and personable manner. To his son, Robert Lincoln Dondero, and his daughter, Mrs. Marion Wilson, I extend my deepest sympathy in their bereavement.

GENERAL LEAVE TO EXTEND

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and service of our late and distinguished colleague, George Dondero.

The **SPEAKER.** Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO HAVE UNTIL MIDNIGHT TONIGHT TO FILE CERTAIN PRIVILEGED REPORTS

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The **SPEAKER.** Is there objection to the request of the gentleman from Mississippi?

There was no objection.

AUTHORIZING FEASIBILITY INVESTIGATIONS OF CERTAIN WATER RESOURCE DEVELOPMENTS—CONFERENCE REPORT

Mr. ASPINALL (on behalf of Mr. JOHNSON of California) filed a conference report and statement on the bill (S. 1778) to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments.

PERMISSION FOR SUBCOMMITTEE ON IRRIGATION AND RECLAMATION TO SIT DURING GENERAL DEBATE TODAY

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Irrigation and Reclamation may have permission to sit during general debate this afternoon.

The **SPEAKER.** Is there objection to the request of the gentleman from California?

There was no objection.

POSTPONEMENT OF ADDRESS BY AMBASSADOR GOLDBERG

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, the Subcommittee on International Organizations and Movements of the Committee on Foreign Affairs had scheduled Ambassador Goldberg to come down and address the executive session of that subcommittee tomorrow, to which all Members had been invited. I have just been advised by Ambassador Goldberg's office that, due to the press of business, he will be unable to attend the meeting tomorrow. We therefore have canceled the meeting, and have asked that he be rescheduled as promptly as his duties in the United Nations will permit.

SPECIAL TREAT IN HOUSE RESTAURANT TOMORROW

Mr. GIBBONS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GIBBONS. Mr. Speaker, I take this time to call to the attention of all Members, particularly those who will be eating in the House Restaurant tomorrow, that through the courtesy of the Florida Fishermen's Association we will have about 800 pounds of fresh pompano.

So if the fishing was good in Florida last week—and I believe it was—the fish will be flown here by National Airlines and served to us through the courtesy of Super Giant and the Florida Fishermen's Association.

This is a program that has been carried out under the war on poverty, involving rural communities in my area, and those who fish in the Gulf of Mexico and who want to move above the poverty line.

This will be a tasty treat, and it is indeed a treat to eat fresh pompano, but in addition to that it will be a treat to these people who are beginning to become self-sufficient, proud and productive Americans.

TO DETER ILLEGAL SEIZURES OF AMERICAN FISHING BOATS

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, Members of the House will recall that last December the House passed an extension of the Vessel Exchange Act which authorized the loan of various U.S. naval vessels to certain nations in Latin America and elsewhere. This legislation contained a Senate amendment which provided that if any of the nations to whom these vessels were on loan seized any U.S. fishing vessels on account of its fishing activities in international waters, the President should terminate the loan to such nation of our naval vessels.

However, Mr. Speaker, the United States has loaned vessels to other nations not covered by that legislation. Therefore, today I am introducing a bill which provides that in any case where a foreign country illegally seizes a U.S. fishing boat in international waters and imposes a fine on that vessel and then fails to reimburse the United States for the amount of the fine, the President shall immediately terminate the loan of any U.S. vessel on loan to any seizing nation.

Mr. Speaker, my bill does not specify any particular nation, but let me cite examples of the use of American vessels by Ecuador, which is a nation not covered by present law, but would be under my bill.

January 7, 1967, the B.A.E. *Cayambe*, a U.S. tug on loan to Ecuador, was used in the seizure of three U.S. fishing boats between 35 and 51 miles offshore. Also, using the B.A.E. *Esmeraldes*, formerly the U.S.S. *Enice*, Ecuador seized one American boat July 4, 1967, 24 miles offshore, and on August 3, 1967, the same American patrol boat was used by Ecuador to seize two U.S. fishing boats.

Mr. Speaker, these are absolute facts which cannot be ignored. American citizens deserve no less than their full guarantee of free passage on the high seas. Since the North Korean seizure of the U.S.S. *Pueblo*, all Americans are highly concerned about the protection of their rights to safe and free passage in international waters. My bill would give that protection to our fishermen, or the offending nation would find itself without the use of American vessels to seize American fishing boats which are manned by American fishermen.

USING YOUR MONEY TO BUY TICKETS TO BROADWAY SHOWS

Mr. KUYKENDALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. KUYKENDALL. Mr. Speaker, it is no wonder the administration has the American people confused. Yesterday the President submitted what he said was an austere budget with all nonessential spending cut out, but a news report on the same day indicates the same credibility gap here as in most administration statements.

An Associated Press dispatch yesterday reported that $200,000 in Federal funds have been contributed for the purchase of theater tickets to support Broadway shows.

I am sure the people of the Ninth District of Tennessee, as well as those throughout the Nation who are struggling to feed, clothe, house, and provide the necessities for their families, are not going to appreciate paying higher taxes to help pay for tickets to Broadway shows.

Let us get down to cases and cut out all this foolish spending. It is apparent the administration cannot, so Congress must.

The AP article follows:

GRANT TO AID FALTERING NEW YORK SHOWS

NEW YORK, January 28.—A nonprofit organization, the Theater Development Fund, said today it has received a $200,000 Federal grant for its program to help sagging Broadway shows which it feels would succeed if kept open long enough.

Officers of the funds said one method of aid being considered was the purchase by the group of large blocks of tickets, at box-office prices, for shows it considers worthwhile, but in need of time to find an audience.

The tickets then would be resold—some as low as $2—to selected groups, such as students, teachers and professional groups. The fund would buy tickets for up to five weeks.

The $200,000 grant for the first year of a three-year experimental program comes from the National Endowment for the Arts, a Federal agency.

THE LATE PAULA BEN-GURION

Mr. REID of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REID of New York. Mr. Speaker, I am sure that all Members are saddened by the news of the death of Paula Ben-Gurion, the wife of the former Prime Minister of Israel, David Ben-Gurion.

Mr. Speaker, Israel will not be the same without Paula. She will be missed throughout Israel. Her unique personality, directness, absence of pretense, and strong love of B–G and her devoted family was memorable to all who knew her.

She was born as Paula Monbaz in Russia and went from Minsk when she was 13 years old to Brooklyn. She subsequently trained as a nurse at Beth Israel Hospital in Newark.

She met Prime Minister Ben-Gurion in New York, and that is where their historic and wonderful life together started.

She often spoke lovingly of the United States and closely followed everything that happened in this country. She was known for her very keen sense of humor and stories of Paula are legend in Israel, such as the story of when she asked Dag Hammarskjold, "Why isn't a nice young man like you married?" When she first met Nelson Rockefeller, she asked him, "Have you ever been to Israel?" When he said, "No," she replied, "Here is a dime; I hope you can make the trip."

But above all, Mr. Speaker, Paula cared for B–G in all things. She said, "A Prime Minister's wife, that is nothing. Being Ben-Gurion's wife, that is important."

She helped every day of their lives in all manner of ways. She was up a half hour in the morning before Ben-Gurion to cook his breakfast. She stood by him through difficulty, through danger, and through every kind of vicissitude.

Ben-Gurion's family life was always very close, and every Erev Shabat, every Friday evening, all the members of the family in Israel gathered together.

Paula was proudest of her children and her grandchildren.

I would merely add that much of what Prime Minister Ben-Gurion accomplished was due to the support, the affection, and the love of Paula Ben-Gurion. I would only say that I am sure all Members of this House extend very deep sympathy to David Ben-Gurion, to their children, Renana, Geulah, and Amos, and to their grandchildren. In recognition of a wonderful lady who was raised and learned much of what she was able to contribute in the United States, I personally, and on behalf of Mrs. Reid and our family, extend the deepest sympathy of ourselves and all Members to all Israelis.

AMERICA'S SERVICEMEN AND VETERANS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 245)

The **SPEAKER** laid before the House the following Message from the President of the United States, which was read:

To the Congress of the United States:

TO CARE FOR HIM

Looking beyond the tragedy of war, Abraham Lincoln saw a nation's obligation "to care for him who shall have borne the battle and for his widow and his orphan."

His words are enshrined in the spirit of this country's concern for its veterans and servicemen.

America holds some of its greatest honors for the men who have stood in its defense, and kept alive its freedoms.

It shows its gratitude not only in memorials which grace city parks and courthouse squares across the land—but more meaningfully in the programs which "care for him and for his widow and his orphan."

OUR ACCOMPLISHMENTS SO FAR

As the result of legislation over the past several years, today's veteran can continue his education through a new GI Bill of Rights, which right now is helping 400,000 men and women.

He can buy a home with a Veterans Administration-insured mortgage. Over 200,000 veterans have purchased houses because of this provision.

If he receives a pension, his increased payments now can afford him a better standard of living.

If he is disabled, or needs special medical care, he is eligible for the same benefits his fellow men of earlier conflicts received.

FISCAL YEAR 1969 VETERANS BUDGET

In the Fiscal 1969 Budget, we will have budget outlays of $7.3 billion to provide services for America's 26 million veterans and their families, who make up 46 percent of the Nation's population.

With these funds, we can continue the programs already in existence, and begin the new ones I will outline in this Message.

BASIC BENEFITS

Two programs to extend the basic benefits to America's veterans and servicemen are left on the unfinished agenda of the 90th Congress.

In my 1967 Message on America's Servicemen and Veterans, I proposed measures to:

Increase Serviceman's Group Life Insurance from a maximum of $10,000 to a minimum of $12,000—with higher amounts scaled to the pay of the serviceman, up to a maximum of $30,000.

Protect the veteran against disproportionate pension losses that could result from increases in other income such as Social Security.

I once again—once more—urge the Congress to enact these proposals.

Now, to continue and bring up-to-date our efforts to help the veteran and his family, I recommend two new legislative proposals.

First, I ask the Congress to increase the maximum guarantee on GI home loans from $7,500 to $10,000.

Home mortgage guarantees under the GI Bill normally cover about 35 percent of the value of a loan.

CALL OF THE HOUSE

Mr. ASHBROOK (during the reading). Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 7]

Abbitt
Andrews, N. Dak.
Ashley
Bell
Blatnik
Brock
Burton, Utah
Cederberg
Clark
Clausen, Don H.
Cleveland
Conte
Corbett
Corman
Cramer
Daddario
de la Garza
Diggs
Eckhardt
Erlenborn
Foley
Fountain
Gubser
Halleck
Hansen, Wash.
Hathaway
Hawkins
Ichord
Jarman
Kupferman
Long, Md.
Lukens
McFall
Mills
Mink
Monagan
Moorhead
Moss
Passman
Pike
Resnick
Robison
Rosenthal
St. Onge
Shriver
Smith, Iowa
Springer
Taft
Talcott
Tunney
Van Deerlin
Vanik
Whalen

The SPEAKER pro tempore (Mr. ALBERT). On this rollcall, 378 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMERICA'S SERVICEMEN AND VETERANS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 245)

The SPEAKER pro tempore. The Clerk will continue the reading of the message.

The Clerk read as follows:

For eighteen years, that guarantee has remained at $7,500—adequate in 1950, but no longer so in today's housing market.

The increase I am recommending will help the veteran to purchase a decent home and get the financing protection which the law promises him.

Since World War II, with encouragement of the Government and supported by GI Bill guarantees, some $68 billion have been loaned by the private sector to home-buying veterans.

This suggests the beneficial impact the program has had on our economy.

But its meaning reaches deeper into the traditional values of American life. Almost 7 million veterans—many of them of modest means and some without even the money for a down payment—have experienced the satisfaction of home ownership through this program.

Second, I propose that the benefits of Vocational Rehabilitation be extended to service-disabled veterans being trained on a part-time as well as full-time basis.

Presently, a disabled veteran can take Vocational Rehabilitation and receive a training allowance only if he trains full-time. This restriction may present him with a hard choice: either leave his job for training, or forego the training itself.

Clearly, that choice is unfair.

The disabled veteran should be able to keep his job while he prepares for a better one through vocational training, drawing the allowance it provides.

THE QUALITY OF ADMINISTRATION

The purpose of our veterans' program is to serve those who have served us.

That purpose can be blunted unless the quality of program administration keeps pace with the growth of our veteran population. Last year, almost three quarters of a million servicemen and women returned to civilian life. This year, that number will increase to over 850,000.

The ultimate effectiveness of our programs turns on these conditions:

The veteran must be aware of them.

He must be able to choose among them.

He must know that the help he needs will be there when he needs it.

We have tried to make certain that men leaving the service become familiar with the benefits that await them as veterans.

Last year, at my direction, the Veterans Administration took its services to the battlefield for the first time. VA teams counseled 220,000 fighting men in Vietnam, before they left their posts to return home.

I have asked the Administrator of Veterans Affairs to step up this program.

Late in 1966, the Veterans Administration began visiting sick and wounded servicemen at their bedsides in our military hospitals.

Since then, over 17,000 applications for special training and disability payments have been processed on the spot.

This program now operates in 110 military hospitals.

I have directed the Administrator of Veterans Affairs immediately to expand the program to the entire system of military hospitals.

Veterans Administration counseling is also now in operation at 150 military separation points.

I have directed the Administrator to extend this program to all 257 such centers.

Through these expanded services in hospitals and separation centers, the Veterans Administration can reach more than 70,000 servicemen each month.

The remaining task is to make certain all veterans are reached once they have returned to their communities.

Consider the man who comes home today. His Government has made a vast array of programs available to him. But what effect are the programs if he cannot find them? And in our major cities, where facilities are often scattered across widely separated areas, this is a serious problem—particularly for those who need the programs the most.

The answer, I believe, lies in an effort we have never tried before for our veterans—the one-stop center. I believe we should locate in one place the offices where a veteran can receive personal attention and counsel on all the benefits the law provides him—from housing to health, from education to employment.

I have today ordered that U.S. Veterans Assistance Centers be opened in 10 major cities within the coming month. These cities are New York, Chicago, Los Angeles, Philadelphia, Detroit, Cleveland, Washington, D.C., San Francisco, Boston and Atlanta.

I propose to have one-stop centers in 10 other cities as soon as possible—Baltimore, Milwaukee, Houston, St. Louis, Pittsburgh, San Antonio, New Orleans, Indianapolis, Phoenix and Newark.

Based on the experience gained in these 20 pilot locations, we look forward to establishing one-stop centers in other cities.

We will seek and welcome participation in these centers by State and local officials, and by community organizations engaged in helping the veteran.

JOBS AND TRAINING

MILITARY PROGRAMS

A man who has fought for his country deserves gratitude. But gratitude can be no substitute for the job he wants—and needs.

Particularly is it necessary to assure job opportunities to the veteran who has received few other advantages from life. It is this man who must be the focus of our concern and our attention.

We are beginning.

We are helping him as he enters the Armed Forces—through Project 100,000—and as he prepares to muster out—in Project Transition.

Project 100,000 extends the responsibilities of citizenship and the benefits of military training to young men who would otherwise be rejected because of educational or physical limitations.

This program was launched at my direction by the Secretary of Defense in late 1966.

In the first year, almost 50,000 disadvantaged young Americans were prepared in Army classrooms and clinics to take their place in basic training.

The results of their special training speak in these statistics:

96 percent graduated from basic training, almost the same rate for all trainees.

Some have gone on to Non-Commissioned Officer schools.

All have gained self-confidence and a sense of achievement which will serve them all the years of their lives.

I have asked the Secretary of Defense to enroll 100,000 men in this vital program during its second year.

Project Transition gives a boost to disadvantaged men in the six months before they return to civilian life.

Men without civilian skills and without education receive a concentrated program of preparation. In classrooms and at work benches, through counseling and job placement services, they are prepared for the road home.

I have asked the Secretary of Defense to extend Project Transition—proven in practice at five bases last year—to all principal troop installations in the United States. Our target is to reach 500,000 servicemen in the year ahead and then follow their progress in civilian life.

FEDERAL-STATE EMPLOYMENT OFFICES

Last year I was disturbed to learn that some veterans returning from service to their country had such difficulty finding jobs they had to rely on unemployment compensation.

This ought to be corrected.

To correct it, in August I directed the Secretary of Labor to give every returning veteran maximum assistance in obtaining useful and rewarding employment. Since that time, a system has been set up which operates in every State, through the network of more than 2,000 Federal-State Employment offices. That system has now made the names and addresses of 230,000 returning veterans available to Employment offices for personal contact.

The Secretary of Labor recently told me that early reports from the men, their parents, and Veterans Organizations show the program is achieving good results.

It is important that those results continue. It is in America's interest that this program succeed.

CIVIL SERVICE

The Federal Government has long set an example for the rest of the Nation as a good employer of veterans. Veteran's preference is deeply imbedded in our Civil Service system.

But I am convinced that the Federal Government can be even a better employer.

Last month I asked the Chairman of the Civil Service Commission to develop an action plan to accomplish this purpose.

That plan is now completed.

I will shortly sign an Executive Order putting the plan into effect.

Its major impact will reach the veteran who needs experience, skill and education. He will be hired on a priority basis to fill jobs open in the first five levels of the Civil Service, without having to compete in the regular examination—provided he agrees to pursue a part-time educational program under the GI Bill.

This plan will also help veterans with technical or professional skills who want to work in the middle and upper Civil Service levels. Their applications will be given immediate attention.

VETERANS IN INDUSTRY

Most veterans, of course, will go into private industry—where six out of every seven Americans are employed.

Those returning to old jobs have rights protected under the law.

Those seeking new employment—or their first jobs—sometimes find the road difficult.

These young Americans, who have done so much for their country, merit the special consideration of the private employer.

That consideration cannot be imposed by Government decree—nor should it.

It is appropriate, however—particularly in these times when men are being called from their civilian pursuits to defend their country—for leaders of the Government to express their hope that right will be done to those who serve.

To help enlarge the opportunities for veterans' employment, I urge the enactment of a joint resolution expressing the sense of the Congress that private employers should give job priority to our returning servicemen.

Our objective is to make sure that every serviceman who returns to civilian life today and in the months ahead—no matter where he lives, what background he might have come from, what his hopes and ambitions are—will have the education he wants, the training he needs, and the opportunities for the job he is best suited for.

With the proposals I have outlined in this Message, I believe we can advance toward that day.

VETERANS IN PUBLIC SERVICE

If the veteran needs his country's help, the country needs his more.

The veteran of Valley Forge knew better than most the value of the nation he was building.

The veteran of Antietam knew better than most the value of the Union he helped to heal and save.

The veteran of the battles that rage across the mountains and lowlands of Vietnam today knows better than most the value of the freedom he preserves.

That man is an asset beyond measure to his nation.

Wherever we can, we should continue to enlist him—in service to his community, when military duty is over.

To do this, I propose the Veterans In the Public Service Act of 1968.

This measure will provide incentives to channel the talents of the veteran to the most urgent needs of rural and urban America today:

To teach the children of the poor;

To help man understrength police forces and fire departments;

To do meaningful work in local hospitals, where skills are short;

To fill the ranks of VISTA, to work in Youth Opportunity Centers and in the Concentrated Employment Program.

The pattern of benefits will vary, depending on the individual and the occupation pursued.

Here is an example of how the program will work for the veteran who wants to teach in a deprived area:

While he is getting the schooling that will qualify him for teaching, he will draw additional benefits of $50 a month for every month he agrees to teach—up to three years of such extra benefits.

While he is actually on the job teaching, he will draw a special training allowance, in addition to his regular salary—$80 a month for the first school year, $60 a month for the second.

Should he decide to pursue a graduate degree while he is still teaching, he could—by continuing to teach beyond the second year—earn additional GI Bill educational benefits.

To launch this program, I have included $50 million in the Fiscal 1969 budget.

THE HEALING WORK

The Veterans Administration operates the nation's largest medical complex—166 hospitals and their related clinics across the country.

Last year, these hospitals and clinics treated almost 800,000 bed patients. Nearly 7 million veterans received outpatient care.

Their treatment is of the best quality modern medicine can provide—and it is improving with greater advances in pre-hospital and post-hospital care.

But VA medicine not only serves the veteran. Its benefits extend to the entire nation.

In research, VA doctors have pioneered in such vital work as heart disease, cancer, mental illness, and organ transplant.

In 1955, no money was spent for VA medical research. Now that amount exceeds $45 million. Its gains make it one of the Nation's best investments.

In medical manpower, the Veterans Administration helps to train nearly half of all the doctors who graduate from medical school today.

The number of all medical specialists trained in VA hospitals each year totals some 40,000—including nurses, dentists, and other disciplines ranging from audiologists to social workers, who take their skills to the communities of this country.

There is room in the VA system to train even more.

And there is a pressing need in the nation for more.

I have directed the Administrator of Veterans Affairs to step up the training of medical specialists.

To help overcome the medical manpower shortage in America, and at the same time improve care to America's veterans, our goal will be to train as many as 80,000 specialists a year in the VA system.

THE U.S. VETERANS ADVISORY COMMISSION

Last year, I asked the Administrator of Veterans Affairs—in consulation with veterans' groups—to conduct a comprehensive study of the pension, compensation and benefits system for veterans, their families and their survivors.

I asked him to form an Advisory Commission which would evaluate these programs to assure that our tax dollars are being used most wisely, and that the Government is fully meeting its responsibilities.

That Commission, composed of 11 distinguished Americans, has now held hearings in cities all across the country.

We are looking forward to the recommendations of the Commission.

Every veteran who wants it—those who risked their lives at Belleau Wood, Iwo Jima and the DMZ—should have the right to burial in a National Cemetery situated reasonably close to his home. I have asked the Administrator of Veterans Affairs to make certain that the recommendations of the Commission include proposals to assure this right in a meaningful sense.

CONCLUSION

More than 20 years ago on the floor of the House of Representatives, I said that it is this nation's responsibility to see to it that "the veteran may return to his community as a free, upstanding and self-reliant citizen."

The times then, as complex as they seemed, were simple in perspective.

As President, I have seen—and acted on—the responsibilities unique to our own day.

The events of the past week have underscored their gravity.

Today, as in times past, it is on America's fighting men that this nation must depend.

Their service honors us all.

We look to that good day when they will return "as free, upstanding and self-reliant citizens."

It is in this spirit of concern for America's veterans that I submit this message to the Congress today.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 30, 1968*.

The message was, without objection, referred by the Speaker pro tempore (Mr. ALBERT) to the Committee on Veterans' Affairs and ordered to be printed.

THE PRESIDENT'S MESSAGE ON VETERANS' LEGISLATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. McCORMACK] may extend his remarks at this point in the RECORD.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. McCORMACK. Mr. Speaker, impressed and stirred by this second President's message on servicemen and veterans, following closely upon his message last year which led to great improvements in veterans' benefits, I would like to call to the attention of this body our grave responsibility not only to our veterans but to the Nation as a whole.

We stand at a critical stage in the Nation's history.

Like the glorious sun breaking through dark thunder clouds on a stormy day, the President's message lights up a clear and welcome path ahead. It gives us a means not only of rewarding our fighting men, of increasing the educational level and the living standards of our citizenry, but also of fighting the blight that has arisen in some areas of the Nation and removing the cancer of doubt and hopelessness that has been gnawing at the Nation's vitals.

It shows we care.

It is this feature of the President's message that thrilled me so. It demonstrated to all our people, of whatever race or creed or walk in life, that we do care—for the young, for the elderly, for the untrained and uneducated, for the sick and disabled.

In its hope and its promise it symbolized the very spirit of America.

For the elderly, a promise that the older veteran and the widows of veterans will no longer have their pensions threatened by increases in other income such as social security.

For the young, a promise of better educational opportunities brought to them by dedicated young men who have learned the true meaning of liberty and the soul of America through the brutality of war.

For the young also, veterans and nonveterans, a promise of job opportunity, of being part of the great American productive machinery.

Constant improvements and continuing advancement in VA medical care benefit veterans primarily. But VA medicine not only serves the veteran. As the President said in his great message, the benefits of VA medicine extend to the entire Nation.

And they will be extended faster and farther in the future.

The President has directed that the VA's extensive program of training medical specialists in this country—from doctors, dentists, and nurses to audiologists, social workers, and other disciplines—be stepped up.

Thus, we can look to raised sights in VA medical training—to the improvement in the care for America's veterans—to help in the elimination of a medical manpower shortage in America.

For the untrained and uneducated, the President's message opens vistas to new horizons, answering the cries that have come to us from the heart of our great cities. It aids not only the veteran but all America. It looks past the present stormy scenes to the calm and growth of the future. It sets the Nation on the path to continued growth and prosperity with a happier people and a more meaningful purpose.

Let us join in bringing about this great far-reaching program.

We need no further cause to act than the needs defined so well by the President in his message in behalf of America's servicemen and veterans.

But should we flag or falter, let us ask ourselves: What would happen to our beloved America if our brave sons fighting and dying in Vietnam should also flag or falter?

We know the answer.

We dare not, we will not fail.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, the original GI bill, passed by the Congress in 1944, was one of the most farsighted, enlightened, and beneficial laws ever enacted by any legislative body in the history of the world.

It will always have a unique place in the annals of generous benefits provided our Nation's veterans by a grateful people.

But as fine as this early legislation was, I am proud to say that in the past few years there has, in my opinion, been greater progress made in the field of veteran legislation than in any comparable period in the memory of any Member of Congress.

Under the leadership of President Johnson, and guided by such wise Americans dedicated to the welfare of veterans as the distinguished chairman of the Committee on Veterans Affairs, the gentleman from Texas, Representative OLIN E. TEAGUE, the gratitude of our people to this Nation's veterans has found a new depth and a new intensity of expression.

The President in his latest inspiring message in behalf of America's servicemen and veterans barely alludes to recent accomplishments in fulfilling the Nation's obligation—as Abraham Lincoln saw it—"to care for him who shall have borne the battle, and for his widow and his orphan."

I think it is appropriate, however, that in considering what the President says must still be done for those who served, we also review briefly the incomparable record of veteran legislation that has been written these past few years.

In addition to the many-faceted Veterans' Pension and Readjustment Assistance Act of 1967, passed by the first session of the 90th Congress, veteran legislative accomplishments in the past few years alone have included—

A new GI bill under which more than 635,000 veterans and servicemen have entered education and training, and 184,000 home loans with a face value of nearly $3 billion have been made;

Three military pay raises since August 1965;

An increase in hostile fire pay;

A comprehensive "military medicare" program;

The servicemen's group life insurance program, which now provides $36 billion worth of insurance for 3,700,000 servicemen at a maximum cost of only $2 a month for each serviceman;

A 10-percent average increase in disability compensation;

A 1965 cost-of-living increase for veterans and dependents receiving VA pension amounting to $96 million annually;

A $300 million average annual increase in VA appropriations;

First-time nursing home type care for veterans;

Increased educational assistance allowances for 63,000 children of deceased or totally disabled veterans;

Higher subsistence payments to 13,000 disabled veterans taking rehabilitation training; and

A reopening of GI insurance for disabled veterans.

These benefits bespeak eloquently the Nation's deep and continuing gratitude to its servicemen and veterans.

However, because brave Americans are still serving, still fighting, and still dying in defense of freedom—our own as well as that of other people—our thanks can never be finally said.

President Johnson has told us what must still be done to help our servicemen and veterans and to give them the opportunity to continue to help others less gifted.

I know that my distinguished colleagues share my conviction that the Congress should and will give earnest and early consideration to the President's latest requests, and that we will approve them promptly.

Every legislative action the President requests is vitally important in its own right.

There has been no change in the amount of insurance available to our fighting men since World War I. It is high time we increase the amount of insurance available to servicemen from a present maximum of $10,000 to $30,000, as the President has twice asked us to do.

Disabled and needy veterans will suffer if we should fail to provide legislative safeguards against loss of pension owing to increases in other income such as social security.

There has been no increase in 18 years in the maximum portion of a GI loan the Government is permitted to guarantee, and yet the cost of homes has risen steadily. Surely we need to increase the present maximum guarantee from $7,500 to at least $10,000.

To fail to grant part-time vocational rehabilitation training will continue to penalize service-disabled veterans who otherwise could work at a regular job and at the same time train to improve their skills.

I feel Congress will want to speak with a single voice in urging the priority employment of returning veterans in private industry, and in passing the sorely needed veterans in the Public Service Act.

If we in Congress are to match the impressive list of administrative actions on behalf of servicemen and veterans the President intends to take, we must act on these legislative measures at the earliest possible date.

Mr. TEAGUE of Texas. Mr. Speaker, I welcome the outstanding message sent to us by President Johnson dealing with his recommendations for expanded benefits for our veterans and servicemen. With some 26 million Americans now bearing the title of "Veteran," and another 600,000 a year joining these ranks, it is fitting that our Chief Executive should take due note of this segment of our population. His interest in the programs being enacted for our veterans, and especially those programs which will benefit our Vietnam veterans, is a most encouraging sign. I compliment the President for his interest and his excellent recommendations.

I was particularly interested in the President's proposal that the GI loan guaranty program be revamped so that the guaranteed portion would increase from $7,500 to $10,000. The Veterans Affairs Committee has slated this as our number one priority, and as our first order of business on February 7 we will begin hearings on this matter. In addition to the proposal to increase the loan guarantee amount, we also welcome the opportunity to discuss the possibility of an increase in the interest rate for VA loans, as we are most interested in making more homes available to our returning servicemen.

With 5 million men becoming eligible for these home loans through the third generation GI bill, and with more thousands becoming eligible each month, it is imperative that we revitalize the housing policies for our veterans. The loan policies must be in keeping with our present economic situation and the funds available for new housing throughout the country.

I welcomed the President's comments on the national cemetery system. As you know, last year the House of Representatives changed the responsibility for the three different systems to the Veterans Affairs Committee. We have a great interest in this problem, and we are planning extensive hearings on this matter in order to develop a program which will meet our present needs. We hope to have these proposals ready for congressional action early in the year.

I am happy to say that the House unanimously passed last session the legislation which will protect the veteran who is on the pension roles against losses that could result from increases in other income such as social security. I join with the President in hoping that this legislation will meet with expeditious Senate approval. The social security increases are scheduled to begin in April, and our present laws make allowances for any increase within the year in computing the amounts for pension purposes. But I believe that it would be to the benefit of those concerned that the legislation be sent to the President in order that they would not have to worry about eventualities which could leave them without the necessary laws to cover this social security increase.

I was happy to note that the President had directed the Veterans' Administration to intensify their existing program of counseling in Vietnam, at discharge centers and in military hospitals. We face a more difficult problem in this conflict than we have in the past when large numbers of persons were discharged at selected centers. Now, there are some 257 centers located at military bases where servicemen may be discharged. There are no longer the large groups, and it is difficult to inform the veteran of all his benefits which have been enacted by the Congress for him. These new directives will assure that all veterans receive the information which will make his transition from military to civilian life easier.

I was interested in the President's comment on the U.S. Veterans Advisory Commission. I assure you that the Veterans Affairs Committee is most interested in studying the report which they will make. These outstanding veteran leaders traveled throughout the Nation last year, interviewing hundreds of veterans, veterans organization leaders, and other civic leaders on their ideas for the entire veterans benefit program.

This Commission was headed by Mr. Robert M. McCurdy, who resigned as the American Legion's National Rehabilitation Commission Chairman. Others on the Commission were Mr. Andy Borge, former commander in chief of the Veterans of Foreign Wars; Mr. Claude Callegary, former national commander of the Disabled American Veterans; Mr. Melvin T. Dixon, State service officer, Florida Department of Veterans Affairs; Mr. Ralph E. Hall, national executive director of AMVETS; Mr. Herbert M. Houston, past national commander of the Veterans of World War I; Mr. Melvin L. Jacobsen, Nevada commissioner for veterans' affairs since 1953; Mr. L. Eldon James, past national commander of the American Legion; Mr. William N. Rice, director of the Colorado State Department of Veterans' Affairs since 1947; Col. Warren A. Robinson, a retired military career officer; and Mr. Pete Wheeler, presently director of the Georgia Department of Veterans' Service.

Specific legislation is needed to cope with the problems that each group of veterans present. We are pleased that the Congress is able to work in close cooperation with the Executive Department in formulating new programs, as well as the extension or expansion of existing programs, that will provide benefits which are in keeping with the changing times and living standards of this Nation.

The brave men who today are engaged in mortal combat with Communist aggressors in Vietnam deserve the gratitude and thanks of this Nation. But they deserve more than words—they deserve our actions in answering their needs upon their return to civilian life. The Nation and its Congress will respond to these needs by enacting legislation that will show our respect.

Mr. ADAIR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ADAIR. Mr. Speaker, I have read with interest the President's message on veterans and servicemen. I am pleased that he has seen fit to single out this important segment of our population for consideration. This message, Mr. Speaker, represents a manifestation of the increasing desire on the part of the Government and our people to adequately and properly discharge an obligation to the millions of men and women who have answered the call to arms in defense of freedom.

The recommendations of the President with respect to veterans are relatively modest in scope and cost. It is unfortunate that such unusual restraints have not been exercised in many of the administration's other spending programs.

Most of the cost attached to the recommendations of the President are attributable to H.R. 12555, the veterans pension bill which passed the House on December 15 of last year.

The Committee on Veterans' Affairs just recently acquired jurisdiction over legislation relating to national cemeteries. Since that time, the committee and its staff have been accumulating data and studying this problem with a view to formulating a national policy on cemeteries and veterans' burial. I am pleased to see that the President has added his voice to those seeking a solution to this urgent problem.

One program that has been tested and found worthy is the program of counseling on the scene in Vietnam those servicemen who are about to be discharged and are being acquainted before they leave the battle area with the benefits and assistance programs that have been established for them.

The Veterans' Administration, with the cooperation of the Department of Defense, set up more than a year ago its first pilot program in Vietnam to give these servicemen full information about GI education, home loans, employment rights, and all other benefits provided by the Congress.

The program has been a huge success. Thus far more than 220,000 combat troops have learned first hand of their entitlement and been instructed in how to make application for these hard-won privileges.

The President now calls for a step-up in this program. Concurrently with this effort on the far-off field of battle, the Veterans' Administration launched another innovation in counseling. Unwilling to wait until the sick and wounded servicemen were able to leave their hospital beds for a formal return to civilian status, the VA began visiting sick and wounded servicemen at their hospital bedsides. Since that time, applications for special training and disability payments have been processed on the spot for more than 17,000 sick and wounded.

VA has operated its program in 110 military hospitals and 150 separation centers. In his current message, the President has revealed that he has asked the Administrator of Veterans' Affairs to expand this program to 176 military hospitals—practically the entire military hospital system—and all of the 257 military separation centers. In this way, through visits to hospitals and separation centers the VA will be able to reach more than 70,000 servicemen each month.

Some of the President's recommendations will require a closer look and careful study. Let me assure my colleagues, that whether or not the President's proposals are enacted, the Committee on Veterans' Affairs will continue its dedicated efforts to perfect a sound structure of veterans' benefits.

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, improvements in veterans benefits proposed in the President's message deserve our careful consideration. It is no small matter to send a man to war. To do less than we can for him when he returns would be to violate the great traditions of this country.

One important contribution this Nation can make is to assure every veteran, whether he is a frontline hero or whether he has been assigned a support role, the privilege of being buried in a national cemetery. This should be a basic right for any serviceman and veteran, and the burial place should be convenient to his home.

I am delighted with the President's words that every veteran who wants it—those who risked their lives at Belleau Wood, Iwo Jima, and the DMZ—should have the right to burial in a national cemetery. I have advocated this policy since becoming a Member of Congress and at long last it is assuring to have administration support. I also note that recommendations for the prompt solution of this vexing situation undoubtedly will be made in the report to be submitted by the U.S. Advisory Commission.

Today our men are fighting and giving their lives in freedom's defense. It is profoundly necessary that we convey to them—and to Americans everywhere—our full acknowledgement and gratitude for their selfless service in Vietnam and elsewhere in the world threatened by the forces of aggression.

I support the proposals to increase the maximum guarantee on GI home loans from $7,500 to $10,000. For 18 years, that guarantee has remained at $7,500—adequate in 1950, as the President pointed out, but no longer so in today's housing market. Homeownership fosters citizenship—the veteran became a man with roots; a man with stability that homeownership seems to engender. The effect of the GI loan program will last long after it has passed from the American scene, so let us give it every support we can possibly extend to this most beneficial program.

This Congress also should allow service-disabled veterans to take advantage of vocational rehabilitation on a part-time basis, relaxing the present requirement for full-time enrollment. This is in keeping with a trend in America for persons on jobs to take after-work training to enrich their lives. Training and educational programs for veterans have helped to build up America's manpower reservoirs, so urgently needed for our Nation's strength and well-being.

There also is another plan presented by the administration which deserves our careful consideration. It is called veterans in public service—VIPS. This not only is designed to give veterans a new opportunity, but it hopefully would encourage former servicemen to take their skills and education into areas of public service.

This would help erase the shortage of teachers in slum classrooms, beef up forces of police and firemen, supply hospital workers and persons who choose work in economically deprived areas. I can think of no better and more patriotic group of persons to send into these areas of public service than our veterans—the men who know the real value of freedom and democracy.

In the message to Congress, the President quoted Abraham Lincoln in defining this country's historic obligation "to care for him who shall have borne the battle, and for his widow, and his orphan." I endorse this philosophy and ask my colleagues to help make it an essential part of the lives of our veterans and their survivors by acting swiftly on the generous and vitally needed measures recommended in the veterans message.

These proposals, and previous laws passed by the Congress, demonstrate convincingly that America has not forgotten her veterans; that, through training and other benefits, America has given veterans the opportunity to make up for the years lost in service, so that they might achieve their rightful places in our society.

Mr. BYRNE of Pennsylvania. Mr. Speaker, the President's message on veterans affairs demonstrates renewed dedication by the administration to care for our returning servicemen and their families.

I was particularly pleased to learn that Philadelphia will be among the 10 major cities designated for U.S. veterans assistance centers. The idea of having the varied services available to returning servicemen under one roof shows concern for assisting the veteran in readjustment to civilian life.

The President's proposed Veterans in Public Service Act is doubly important to this Nation and deserves careful consideration by my colleagues.

First, it will open doors of opportunity to serve for veterans. It gives fresh incentives to being a policeman or fireman; a schoolteacher in an economically deprived area; or makes VISTA, youth opportunity centers, and the concentrated employment program more attractive.

Second, it will supply these needed fields of endeavor with the finest talent this country has to offer—its veterans.

I was pleased to see renewed support by the President for increased maximums in life insurance for veterans and the House-passed bill which is now pending in the Senate concerning disproportionate veterans pensions losses because of other income—such as social security.

Congress should move swiftly to increase the maximum guarantee on home loans and extend vocational rehabilitation to part-time enrollees who are disabled veterans.

The administration should be commended for executive efforts to expand benefits and services to veterans, such as increased in-hospital counseling, expansion of Project 100,000 and Project Transition. These programs are vital in seeing that veterans are quickly employed. I also endorse new emphasis on veterans hiring by civil service and private industry. These, connected with VIPS and the new assistance centers, should offer new encouragement to our servicemen and veterans. There should be no question but what opportunity and sincere assistance awaits them when they need help.

Mr. TENZER. Mr. Speaker, I think we owe it to our veterans—especially those fighting in Vietnam—to get behind the President's recommendations in his special veterans message to the Congress.

I also think this program should be adopted by both Houses of Congress as soon as it is possible for them to do so.

We recall passage of the Veterans Pension and Readjustment Assistance Act of 1967 by the Congress. This legislation was urgently needed, to provide benefits to men serving in the Vietnam era equivalent to those provided men and women who served during World War II and Korea.

I am especially gratified to see that the President has advocated an increase in the amount of GI insurance to be made available to the men and women in our Armed Forces. Since World War II and Korea, the world has moved along—prices and the cost of living in the United States have gone up.

The amount of Government insurance made available to the GI today is the same as it was way back during World War I. The amount of insurance provided a half-century ago is today clearly inadequate. It must be increased to provide more protection to the families of men who fall in battle, or to the ravages of diseases and illness brought on by their military service.

Of particular interest is the President's proposal for a Veterans in the Public Service Act of 1968—a measure designed to provide incentives to channel the talents of veterans to the fields of teaching the disadvantaged, help strengthen police and fire departments, work in local hospitals in need of skills and add to the ranks of VISTA volunteers by working in youth opportunity centers and in concentrated employment programs.

The proposed investment of $50 million in this public service program is certainly justified and can serve as a pilot project for the service corps concept.

To increase the amount of available servicemen's group life insurance from the current maximum of $10,000 to a minimum of $12,000, with higher amounts scaled to the pay of the servicemen to a maximum of $30,000, is completely justified under our present-day economic standard.

I believe a man can do a better job, whatever that job might be, if he knows his family will be taken care of in case of misfortune. Free from financial worry, the GI can concentrate on his duties, and these duties, we know, demand his complete attention.

Another recommendation of the President, phrased as a request for specific recommendations from the U.S. Veterans Advisory Commission, calls for the burial of veterans in national cemeteries reasonably close to home. Most veterans want this right. We should see that it is granted them.

Mr. VANIK. Mr. Speaker, today the President outlined his blueprint for the homecoming he wants our veterans to receive. It is rightfully the most far-reaching veterans program the Congress has been asked to consider. Its proposals will help returning service men and women to have adequate homes and to qualify for jobs which can develop into the stable life we all desire.

I especially compliment the President for taking positive steps to overcome the communications gap between the servicemen and the benefits the country has provided. All our efforts will be in vain if the veterans for whom they are designed do not know of their existence. I believe the establishment of one-stop centers where a veteran can receive personal attention and advice on all the benefits provided for him will do much to hasten his transition into civilian life. I am happy the city of Cleveland is among one of the 10 major cities named to shortly open a U.S. veterans assistance center.

I strongly support the veterans-in-public-service program. I know that a man or woman who has defended his country against enemy aggression will be mentally, physically, and morally ready to work for a solution to problems on the homefront. It takes a special kind of person to fill the ranks of VISTA, to work in youth opportunity centers, to teach the children of the poor, and these veterans, more than anyone else, can rejuvenate our citizens in the pursuit of the American dream of peace, happiness, health, and prosperity.

I believe the President's proposals encompass the many needs our veterans will face, and I welcome the opportunity to lend my support to assuring them of the homecoming they so richly deserve.

Mr. POAGE. Mr. Speaker, I see in the President's message today concern not only with veterans affairs, but also with one of the most serious manpower shortages in our Nation today—a shortage in trained medical personnel, especially the shortage of doctors and nurses.

We have made great strides in the last decades in making medical care available to the American people—to the elderly, the young, and the needy. The business community has made such care available to millions more through its health insurance programs. But all this is of no use unless the necessary people and facilities are ready to minister to the sick.

America is suffering from a critical shortage of medical personnel. It is extremely important to our citizens' welfare that we recognize this shortage, and take steps to fill the gap.

The training programs the President has asked the Veterans' Administration to develop represents a step toward the goal of a full medical manpower supply. These programs utilize already existing facilities and personnel—a wise approach to the rapid filling of the medical ranks. I commend the President for his action in this situation.

VA medicine not only serves the veteran, but its benefits extend, literally, to all mankind.

VA's research has pioneered many new techniques and approaches in medicine and in such vital areas as heart disease and mental illness.

With its 166 hospitals, the VA has trained thousands of doctors and professional workers. The President says there is room in the VA medical system to train even more and he has asked the VA to do so. I support that and hope that this measure advocated by the President will be favorably acted upon by the Congress.

In my own area there is an especial and outstanding opportunity to rapidly enlarge our medical training facilities. The Veterans' Administration has a splendid hospital at Temple, Tex. The Scott and White Clinic, the Kings Daughters Hospital, and the Santa Fe Hospital, together with the Veterans' Administration facilities provide an outstanding nucleus of medical activity. Improbable as I know it seems, to me Temple, Tex.—a small city of less than 50,000—has more fellows of the American Medical Association than any city in Texas of less than a quarter of a million. Indeed, it seems quite probable that only the three very large cities in Texas have as many well-qualified doctors ready to teach in a medical school. With the type of medical institutions that are found in Temple, there is also probable more clinical material than in any except the three large cities.

The location for a medical school on the new "Hospital Loop" on the South Side of Temple will be provided without cost to the State, and indeed, if such a medical school were authorized at this time the Veterans' Administration has the available space in the old hospital buildings from which patients have been moved into the new structure opened last summer. I have previously had the assurance of the Veterans' Administration that this space could be made available for immediate occupancy. This is, of course, in line with the program today outlined by the President.

Temple already has a nurses training program which can and should be expanded. The State of Texas is faced with the necessity of providing one, and probably several, new medical schools at the earliest possible date. The President's message clearly points the way to the use of the existing facilities in Temple. Apparently all we now need is approval by the State coordinating board and authorization by the State legislature. With that we can respond to the President's appeal almost overnight. Temple is ready to do so. Other agencies of the Federal Government are ready to help construct a permanent home. I believe this offers an opportunity which our State cannot afford to ignore.

Mr. BOLAND. Mr. Speaker, I commend President Johnson for his message on veterans matters transmitted to the House this afternoon.

Described in this message was a variety of aggressive new steps being taken by the Veterans' Administration and by the Department of Defense to bring the maximum good to veterans from benefits already authorized by Congress.

Also listed by the President was a series of legislative steps that are urgently needed to bring veterans benefits up to date—to make them fit the present situation and today's economy.

The President addressed his message to Congress, but it was more than that. It was a message to the men and women now serving in our Armed Forces.

The message will be heard and appreciated by all those now serving—and those about to be called—as an indicator that their Government appreciates what they are being called upon to do. The report of new administrative steps and the proposals for new authority shows an understanding of sacrifices being made by those who are moved by patriotism.

These men and women in uniform will be watching for still another message. This time, the message must come from the Congress of the United States. By our action—or by our inaction—we will be sending answers to these questions:

Do the American people appreciate the sacrifices of fighting men enough to give their survivors adequate life insurance protection?

Will they welcome him back to civilian

life by helping to smooth his transition with adequate training and job assistance?

Do they agree that he deserves the best possible medical care?

How will they use his newly developed talents of leadership, and how will he be encouraged to channel them into civilian pursuits that will benefit both him and the Nation as a whole?

Will we ask him to teach in the ghettos as a gesture of the patriotism he has already demonstrated, or will we also insure that he is justly compensated?

Our response to these questions will be a message from the American people, as well as from Congress. It will show how the people feel about the sacrifices made by their sons and husbands wherever they meet the enemy—in Vietnam, or off the coast of North Korea.

Do we appreciate their sacrifices as they stand ready in aircraft that can turn from a flight position over the Arctic toward an aggressor target on a moment's notice?

Regardless of the action we take, these men, and those who have just been called to active duty, will continue to do their duty as they see it.

But the only way they can be sure their sacrifices are not in vain is to get a message from this Congress in the form of quick action on the President's recommendations.

I urge you to give these proposals the same careful attention and speedy enactment that followed President Johnson's 1967 proposals for veterans.

Mr. LANDRUM. Mr. Speaker, a year ago—on January 31, 1967—President Johnson presented to us a message on America's servicemen and veterans.

This date marked the first time a Chief Executive ever submitted to Congress a special message on this subject.

I am proud to say that we embodied most of what the President requested into a legislative package—passed unanimously—that became Public Law 90-77 when President Johnson signed it into law on August 31, 1967—exactly 7 months after he submitted his message.

Now, the President has come to us again to further update servicemen and veterans legislation and to fill some gaps that were left open.

First, of course, we should consider two matters of unfinished business.

One is to increase the servicemen's group life insurance maximum from $10,000—the limit established in the World War I era—to $30,000.

Second, we must protect the veteran who is on a pension against losses he may suffer from increases in other income, such as social security. The House of Representatives unanimously passed a bill reflecting this principle last year.

As to other matters relating to America's servicemen and veterans that will come before the Congress, the President has asked for:

An increase from $7,500 to $10,000 in the GI loan guaranty;

Permission for veterans to take both part-time and full-time vocational rehabilitation;

A recommendation from the U.S. Veterans' Advisory Commission concerning the national cemetery problem;

Expression of the sense of Congress favoring job priority for returning veterans by both the Government and private industry; and

Enactment of legislation to provide incentives to bring veterans into public service—especially as teachers in classrooms in deprived areas with teacher shortages.

I pledge my support to these programs and urge upon my colleagues that we give early approval to the recommendations made by our President.

It would be improper to let the welfare of our veterans suffer because of dilatory action on our part now.

Mr. WALKER. Mr. Speaker, I wish to add my compliments to the President of the United States for the outstanding message he has sent us today on the benefits for our servicemen and veterans. The program outlined in the President's message are definitely needed to express the full appreciation of this Nation for the sacrifices made by our servicemen.

Last year we passed legislation enlarging on the Third Generation GI bill. This legislation was introduced by my able colleague Senator JOSEPH M. MONTOYA, of my home State, in the Senate and I cosponsored it in the House. I gave this legislation my full support, and I feel that we have made it possible for an easier return to civilian life by those men who were serving our Nation.

Today, some 26 million men and women bear the proud title of veteran. Each month we add some 70,000 more people to these ranks. With their dependents, these men and women make up over 45 percent of our total population. It is fitting and just that legislation should be enacted to see that these men and women who have made such sacrifices have every benefit that will provide opportunity for a stable and secure life.

I was particularly interested in the comments made by the President on the national cemetery system. As you know, I have been most interested in the expansion of our cemetery system. Within my home State there is a definite need for the creation of a new national cemetery. I have suggested, and introduced legislation to the effect, that a Veterans' Administration cemetery located at the site of the former VA hospital in Fort Bayard be designated as a national cemetery. In view of the change in the attitude of the White House over the importance of providing the right to burial in a national cemetery to all veterans, and in a location reasonably close to their homes, today I am hopeful that the Veterans' Affairs Committee will give speedy consideration to my legislation and give their approval for the creation of a national cemetery at the Fort Bayard site.

I was happy to note that the President had ordered an expediting of the services available to our servicemen in the way of counseling and educational opportunities. It is most important that all of our servicemen know of the many benefits that have been provided for them by Congress in order that they may take advantage of them.

Embodied in the new proposals is a recommendation for the creation of a Veterans in Public Service—VIPS Corps. I believe that this suggestion has definite merit and should be given every consideration. Through such programs we could provide opportunities for our veterans to receive educations that would prepare them for future service in this country, aiding in the abolition of unemployment.

I, for one, welcome the suggestions of the President, and assure him that I will give every consideration to his proposals.

Mr. NIX. Mr. Speaker, the President's latest message to the Congress is a profoundly thrilling call to action. Consider the title alone: "America's Servicemen and Veterans: Our Pride and Strength." There, certainly, is a slogan for our day. Never has it been truer.

The message calls for action, yes, but not merely legislative action, important as that is to all of us right now. It is action all across the board that the President is asking of America now. The message calls for constant improvement in the administration of existing programs for servicemen and veterans, and the expansion of several. The message invites the understanding of private industry in assuring job priority for those who are bearing the cost of conflict, on their return.

I find this newest message of the President inspiring and broad-visioned. Since hearing it, and reading and rereading it, I have discussed it with many of my colleagues in the Congress, who feel the same.

Consider for a moment but one of the many stirring proposals in this certain-to-be historic document: the veterans in public service program—VIPS. Happily conceived, happily named, this proposal deserves not only legislative promotion into a program but every support thereafter along the way.

The President says, in his introduction of it.

> If the veteran needs his country's help, the country needs his more.
>
> The veterans of Valley Forge knew better than most the value of the nation he was building.
>
> The veteran of Antietam knew better than most the value of the Union he helped to heal and save.
>
> The veteran of the battles that rage across the mountains and lowlands of Viet-Nam today knows better than most the value of the freedom he preserves.
>
> That man is an asset beyond measure to his nation.
>
> Wherever we can, we should continue to enlist him—in the service to his community, when military duty is over.
>
> To do this, I propose the Veterans in Public Service—VIPS—Act of 1968.

Thus, we have, not only the overall purpose of important new legislation broadly stated for us but the law aptly named, and I would say for all time. I approve both of the idea of the proposed law and its major provisions, as the President has outlined them in his message. These special purposes would be to provide the incentives which will guide the talents, the wisdom, and maturity of the veteran into the most urgent needs of both rural and urban America today:

To teach the child in a slum classroom;

To help man his community's police force and fire department;

To work in the local hospital;

To fill the ranks of VISTA and neighborhood youth centers.

Special incentives of a monetary nature would be offered veterans willing to man the VIPS proposal as a program.

All this will of course require approval of Congress first. I hasten to voice my unreserved approval and to urge my colleagues to get behind it. The imaginative, creative thinking which has inspired this proposal deserves encouragement, and encouragement of the most practical sort.

If I sense the mood of the American people correctly, we have a mandate from them to back the President's program for veterans.

Mr. ROBERTS. Mr. Speaker, the recommendations of President Johnson in his message to us on veterans and servicemen's benefits represent some of the most forward looking proposals ever sent to Congress.

Within this message are the means whereby we can fulfill our obligations to the men who have fought for this country, and at the same time utilize the efforts of these men in the continuing battle to better the American standards of democracy.

It is my firm belief that the veterans returning to us are most deserving of all our efforts in their behalf, but I am also convinced that they want more than just a pension or compensation. They ask for the opportunity to continue to serve the Nation as well as themselves. By the proposals in the President's message we have the way of providing a helping hand but at the same time opening the door for the opportunity to service.

It is most encouraging to witness the changing attitude of the executive branch of our Government toward our veterans. Last year we received the first Presidential message in our history dealing with veterans' benefits. This new message explores a whole new field of opportunity for this Nation, as well as expanding those programs which are already in existence.

The title of "veteran" will take on new impetus when we have acted on these recommendations. I urge that we consider the recommendations in this message as one of our first orders of business, and that we enact this legislation as soon as possible.

Mr. FULTON of Tennessee. Mr. Speaker, I am really enthusiastic about President Johnson's recommendations to aid returning servicemen and women.

For more than a year now counseling services for veterans have been extended to the battlegrounds of Vietnam. And, those who have about completed their tours of service in the battle area, are informed of their benefits before they are separated from the service. This is an unusually fine service and permits the service man or woman to study his own problems and make plans weeks, and perhaps months, before he is in a position to put them into effect.

For the disabled—for those who are recuperating in our military hospitals—an even more comprehensive service has been taken to the veteran's bedside. Since the program first became effective in 1966, almost 50,000 of these men have been interviewed. A complete program of rehabilitation has been worked out for thousands of men.

Such programs have been giving the average serviceman a head start. They have been saving him a lot of time by permitting him to begin his rehabilitation work before he leaves the hospital. All administrative work and much of the counseling are out of the way by the time the service man is ready to leave the hospital.

This program, first tried in a few military hospitals, became so successful that it spread to other hospitals—110 of them—with equal gratifying results. Then it was increased to 150 service separation points.

In his special veterans message to Congress, the President said:

> I have directed the Administrator of Veterans Affairs to expand the program to 176 military hospitals—virtually the entire system.

Regarding the military separation centers, the President said: "I have directed the Administrator to extend this program to all 257 such centers."

Thus, it appears the programs, which have proven so effective, will be increased. They should be pushed along as rapidly as possible.

I am sure all Members of the Congress want to make the return to civilian life as easy as possible for all veterans. Our programs of education and rehabilitation, during World War II and Korea, not nearly so well planned, nor on as large a scale, proved their worth and repaid the Nation manifold in increased salaries, and higher living standards. In fact, the higher income of the veteran, with its corresponding income tax increase, has practically paid for the program over the past two decades.

With this speed-up program, the veteran is able to move right along with his counseling, his education or training, thus, saving him valuable time. And the less time spent in concluding his rehabilitation, the quicker he will be able to return to civilian life.

This is a fine program, worthy of the support of everyone in Congress. Let us give the returning serviceman and woman a break by helping all we can. This goes for everyone—from the President on down.

Mr. YOUNG. Mr. Speaker, I think it can be fairly said that to enact legislation to serve those who have served our Nation in its hour of trial is one of the greatest privileges and most rewarding experiences any of us in the Congress can ever know.

President Johnson's inspiring message to the Congress on America's servicemen and veterans—"our pride and our strength"—truly affords us this privilege and this reward once again.

For myself, I plan to read and re-read this message because even in an initial review it is clearly a carefully constructed, step-by-step blueprint for action in this second session of the 90th Congress.

Its simplicity is obvious and dramatic. Quickly we can see that "to care for him who shall have borne the battle, and for his widow and his orphan" is our paramount obligation. It is the only meaningful way we can honor those who honor us by their service and sacrifice on our behalf.

The work and the accomplishments of past Congresses on behalf of our servicemen and veterans are capsuled in the President's message almost as chapter headings in a history of veterans' legislation.

Then the President defines the task that lies ahead—for the Congress and for the executive branch of Government.

In detailing the actions which the executive branch is now taking and will soon begin, in response to Presidential directives to serve those who served us, the President has once again emphasized the fact that in the field of veterans' legislation, as in all other areas, the Congress and the Executive are and must be partners as well as separate and equal branches of Government.

We can and must act concurrently.

It is significant, I think, that the President, in his message on America's pride and strength—our servicemen and veterans—reminds us, the Members of Congress, of the great role we play, and of the undreamed future we can shape.

I earnestly urge each of my colleagues to study carefully the President's message, and having done so to respond by doing those things he asked of the Congress. In so doing, we will be forging a prouder, stronger America.

Mr. HÉBERT. Mr. Speaker, it is no exaggeration to say, once again, that the eyes of the world will be upon the Congress of the United States to see how we respond—this time to the President's request to improve the lot of our servicemen and veterans.

This is something of a special period. We have servicemen in many corners of the world. They are serving under varied conditions. Probably some man in Vietnam will give his life this day—perhaps at this very hour—because he is supporting the foreign policy of the U.S. Government.

Under the rotating system we have been using, some 70,000 veterans a month are being discharged after serving their period of Vietnam-era service.

At the same time we are thrashing with the problem of armed aggression by the Communists in South Vietnam, we are being harassed by the Communists in North Korea. Recently the President found it necessary to call up elements of our reserve military strength so we can maintain our proper posture on this front without weakening ourselves as we face the challenge of the Vietnam jungles.

Those in the world who wish us well as we seek to thwart armed aggression will note with pleasure that our President, concerned about those Americans who carry such a large share of the burden, seeks to improve their lot.

Those in the world who do not wish us well will also note what the President has asked of us and will gain an impression—good or bad—by how we respond.

Americans, as they always have been,

are free to agree or disagree with the policies established by the Government they elect. But it would be inconceivable to me for any Member of Congress to oppose reasonable proposals to assist the men who willingly—or even reluctantly—have performed the chore we have given them and now seek to find their proper niche in society.

We read that today's veterans, coming back as individuals, rather than in military units, do not often receive a patriotic, flag-waving reception. Today's veteran simply wants to get back into America's society and to make up, as much as possible, for the time he has missed, the opportunities he has lost. And this country has a fine veterans program, ably administered, to help him do this.

Last year, following the President's recommendation, we improved the educational opportunities afforded to those men who will return to school. I am proud to say we even provided for the youngster who foolishly dropped out of high school. He can now return to the classroom he left and get his high school diploma without using up any of his educational benefits for college.

At a time when America faces war and aggression on the outside—and our young men are serving with gallantry—it is important to maintain a good program that will serve veterans after they have performed their duties. I urge my colleagues to support these important needs.

Mr. STEED. Mr. Speaker, I am gratified that the President has brought to our attention certain inequities and other areas in which we can do a better job in our veterans programs.

We in the Congress should certainly do all we reasonably can to provide support for the men who are now fighting in the Far East on behalf of all of us. We should provide not only whatever may be required militarily, but we should provide support for the serviceman when he returns to this country. We want our servicemen to know—we want the world to know—that we are standing behind our men.

Surely our soldiers, sailors, airmen, and marines are making a disproportionately high sacrifice. Fighting in our behalf they literally are giving their lives and limbs while we at home have the luxury of debating how many North Vietnam targets should be on the off-limit list.

As I see it, the most important thing we can do for our servicemen when they return is to help them fit back into our American way of life as promptly and as comfortably as possible.

The President's message provided a number of realistic ways we can help. He presented improvements that can be made to help veterans get rehabilitated, get an education, train for a job, find their way to the highest level they have the ability to reach.

His broad approach is commendable. Coupled with Public Law 90-77, which we passed last year, the President's new proposals call attention to other areas as well.

The high school dropout who went into military service can now go back to school and, like other veterans, can still go on and get the college training to which he is entitled. But the President shows that he is aware that every man will not be going back to school and came up with various ways we can help a veteran get a job. This is most important—nothing is more important.

I intend to do everything in my power to assist the President assist the veteran.

Mr. MATSUNAGA. Mr. Speaker, it has frequently been said that a serviceman is praised and bemedaled during the emergency of a war, but that he is soon forgotten once he is discharged as a veteran. To a degree, history reveals that this is true. President Johnson, therefore, deserves special commendation for the message he delivered to the Congress today.

In his message to Congress, President Johnson calls for legislation to provide benefits for our younger veterans who richly deserve them. He offers his recommendation in the full knowledge that in the long run expenditures for veterans' benefits will become investments in America. The so-called GI bill of rights for World War II veterans, for example, has not only benefited the veterans and their families, but it has also brought into the Federal Treasury five times the total expenditures by way of increased taxes paid by the trained and educated veterans.

There should be no reason for delaying action on the President's request for a program to educate and train our returning veterans from Vietnam for community service as school teachers, policemen, firefighters, and hospital workers.

The President's proposed Veterans In the Public Service Act will permit our finest young men—those now serving in uniform—to continue service to America where it is most needed, in the deprived areas of our teeming cities, and in isolated rural locations. Not only will this program benefit our veterans, but it will also lend a strong, helping hand to millions of youngsters now deprived of full participation in our society.

Our veterans of earlier wars were not overlooked in this latest message from the President. I support wholeheartedly his proposal to protect veteran pensions against loss owing to increases in other incomes such as social security, for I have in fact already introduced just such a bill.

The long overdue action to make more meaningful and realistic the right of burial in a national cemetery will also have my full support.

Congress took prompt action on most of the proposals contained in the President's 1967 message on the veteran to Congress, and I predict that this body will move swiftly and favorably to enact the measures outlined in this latest message.

Mr. DONOHUE. Mr. Speaker, I desire to join with my colleagues here in commending the special message the President has just sent to us urging legislative action to more adequately protect the families of our servicemen and veterans and encourage a higher morale among the servicemen themselves.

It is well to remind ourselves today that America's some 26 million veterans and their families comprise more than 46 percent of this Nation's population.

Perhaps never in our Nation's history have our servicemen, and their families, been required to make more disproportionate sacrifices in their military service and loyalty to this country than they are making in this hour of heightening Communist challenge.

As the Chief Executive has indicated, there are many areas in which we should more realistically respond to the needs of the servicemen and our veterans and their families.

Among them are urgently needed home loan maximum mortgage loan guarantee increases, expanded vocational rehabilitation training, job training and placement assistance, encouragement to enter public service, and many others.

However, a primary need, for the veteran and his family, in my opinion, is approval of the proposed increase in the amount of available servicemen's group life insurance from the present $10,000 maximum to a range of $12,000 minimum to $30,000 maximum.

In the insurance area, there has been no substantial change since the First World War, and certainly what was deemed sufficient nearly a half century ago is clearly inadequate in our modern economic society today.

Insurance is an absolute economical security necessity for any family today, and providing our servicemen and veterans with the opportunity to obtain increased insurance is a high and urgent duty of this Government and Congress.

Once again, therefore, Mr. Speaker, may I express my hope and plea that the Congress will promptly and impartially proceed to consider and act without delay upon all the President's recommendations on behalf of our servicemen, veterans, and their families, both in their and the national interest.

Mr. FASCELL. Mr. Speaker, I am proud to join my colleagues in commending the President on his outstanding message to Congress on behalf of America's servicemen and veterans. It bespeaks compassion and concern. It also reflects realism.

There are numerous requests and proposals in this message which underscore the President's recognition of the immediately attainable as well as the still essential.

Nowhere is this better illustrated than in the President's reminder that we have a continuing obligation to assure ourselves that benefits and privileges are kept up to date, and are not eroded with the passage of time.

One benefit that has been seriously affected, if not eroded, by time is the GI home loan program.

As the President emphasized, experience has shown that America's veterans are excellent credit risks. Since the end of World War II, nearly 7 million veterans have achieved homeownership through the aid of GI bill loans. Some $66 billion have been loaned under this program by the private sector—thus contributing significantly to the growth and strength of our national economy since World War II. Importantly, this program has also advanced the welfare of millions of veterans and their families who know the very real, if hard to define, satisfaction and security of owning their own home.

The fact remains, however, that the average price of homes purchased with the aid of GI loans has increased from $8,720 in 1950 to $17,605 today. Yet, there has been no increase in 18 years in the $7,500 maximum VA is permitted to guarantee.

The President has asked the Congress to increase the maximum VA guarantee on GI home loans from $7,500 to $10,000.

This is a reasonable request. Even more, in light of the outstanding record of veterans in repaying their GI loans, it is a request that will cost little or nothing in the way of additional funds.

Without this essential increase in the maximum amount of a GI loan which the VA can guarantee, this benefit will become meaningless. It will exist in law only—not in reality.

If there were only a single veteran for whom the Congress must enact this higher maximum in order to redeem this Nation's pledge of practical assistance in obtaining a home, such enactment would be justified. The truth is, of course, that this veteran now numbers in the thousands—indeed the tens of thousands—and is growing.

The need is urgent, the time is now to enact this legislation.

Mr. ANNUNZIO. Mr. Speaker, President Johnson has sent us a message on a matter of great concern to all Americans—programs for our veterans. Almost half the people in this Nation are veterans or a member of a veteran's family—they are intimately concerned. The other half of our population are loyal citizens seeking a way to express earnest concern for the welfare of those who protect our Nation and bear the sacrifices of the battle for freedom.

Through his requests and actions, the President has shown us the way to support and express our appreciation to America's loyal veterans. I have gone over his words with some care and it is apparent to me that he is giving the problems facing our Nation's veterans a great deal of thought. I can support with firm conviction each and every proposal.

I want returning veterans to have—

The best and most expedient counseling possible. The U.S. Veterans Assistance Centers will provide it.

Better homes.

Higher servicemen's life insurance.

Opportunity to train for the public service, private industry, or a Government center.

A gravesite in a national cemetery near his home.

These things and more are covered in the message we heard today. Helping these men reenter civilian life is part of our Nation's obligation to repay them for their contributions to America's security.

Let us act quickly and favorably on the President's farsighted, beneficial, and much needed program. Let us speak to our Nation's loyal and dedicated veterans in this constructive manner.

Mr. REUSS. Mr. Speaker, in his message to Congress today, President Johnson rightly called for new action to meet the "just needs" of our servicemen and veterans and their dependents.

One of these needs, which Congress should meet promptly, is for improvement in servicemen's group life insurance. President Johnson renewed his request that the present maximum of $10,000 be raised to a range of $12,000 to $30,000, with the insurance amount scaled according to the pay of the serviceman.

Servicemen's group life insurance provides low-cost protection to our 3.7 million servicemen. But the adequacy of this protection has been diminishing steadily. The amount of Government insurance available today is no greater than it was half a century ago, during World War I.

President Johnson deserves support in his effort to bring this program up to date. He deserves also the appreciation of all Americans for his lively concern for the welfare of our servicemen and veterans, exhibited in his message today.

Mr. SHIPLEY. Mr. Speaker, in his message to the Congress, in behalf of veterans, the President has given us a truly remarkable document.

Reading and rereading it, one is struck with how right all of the President's recommendations are. Many recommendations attack problems we in this country have only begun to face. All seem keyed as much toward a brighter future for America as to the present. This is much more than a message for servicemen and veterans.

Take, for example, the program launched at the President's direction by the Secretary of Defense in late 1966, Project 100,000. In its first year, the program prepared almost 50,000 educationally and otherwise disadvantaged young Americans—in Army classrooms and clinics—to take their place in basic training. The responsibilities of citizenship and the benefits of military training were extended to young men who would otherwise have been rejected. Youth perhaps otherwise lost to our national effort were redeemed.

This indeed goes beyond our military needs—to solution of grave social problems. The President's message now asks that the Secretary of Defense enroll 100,000 men in this vital program in its second year.

In another example involving strengthening an on-going program, the Veterans' Administration's training of medical specialists, the President has asked VA to step up that program and set a goal of training 80,000 medical specialists a year in the VA system.

We should view the President's request against the background of his other recommendations, I feel. The role of those requests gains importance as we see them supplementing and complementing programs already going on, and they are many, to help servicemen and veterans.

Among new legislation, I, as a member of the Appropriations Committee, am especially impressed with the President's proposal to enlist the veteran in service of his community, when military duty is over. The President calls for—and I urge it upon all my colleagues—enactment of the Veterans in the Public Service Act of 1968.

Veterans in this highly desirable corps would teach the children of the poor, help man understrength police forces and fire departments, do meaningful work in local hospitals, fill the ranks of VISTA to work in youth opportunity centers and in the concentrated employment program.

The President's forceful message is eminently practical. It is also compassionate. It states that every veteran who wants it should have the right to burial in a national cemetery situated reasonably close to his home. The President has asked the Administrator of Veterans Affairs to make certain that recommendations of the U.S. Veterans Advisory Commission include proposals to assure this right in a meaningful sense.

Everything the President has asked for makes sense. Let us help him turn all his proposals into dynamic programs.

Mr. BOGGS. Mr. Speaker, last year the total number of living veterans reached a new high of more than 26 million. I find it of interest to note that of the 36 million men who have served in our Armed Forces since the beginning of our American Revolution, more than 70 percent are alive today.

These veterans, together with their families, make up 46 percent of our entire population.

The men who now serve us in Vietnam, and the men who fought our earlier wars have made a special contribution to our freedoms and to our American way of life.

It is only proper that we, as best we can, help them to regain what they have lost while they served in our behalf. They are entitled to special recognition for their service.

This special recognition comes in various ways—educational benefits under the GI bill, home loans, insurance, medical care, compensation, pensions for the needy, and a variety of other benefits.

Quite properly, we are doing more today to help the veteran to help himself than we ever have before. But more is needed to keep pace with the times.

We have made tremendous gains in our veterans programs under the leadership of President Johnson.

Last year we received for the first time in the history of our country a comprehensive message from a President dealing solely with many veterans benefits. The Congress acted in cooperation with the President, realizing the urgency of the situation, by enacting almost all of his recommendations.

Now we have received a second message dealing with veterans and servicemen which I am sure will take its place in history.

I am delighted to see this progressive list of proposals. While pointing out our responsibility to those men now fighting on foreign soil for freedom and liberty, it takes into consideration the men who have paid similar sacrifices in past conflicts. This message goes even further. In providing the benefits which I firmly believe are the just due of those who serve, it likewise looks toward the future of our country and provides a way to alleviate many of the ills that beset our Nation by utilizing and coordinating veterans benefits to serve a dual purpose.

The President voices the earnest desire that those who serve this Nation be proclaimed in a special category deserving our most sincere interest and concern.

The President intends to strengthen our counseling of servicemen on the battlefield in Vietnam, in military hospitals, and at every separation point. The new, one-stop U.S. veterans assistance centers will be a bold, pioneering effort to serve veterans in a manner never known before. It is proposed to intensify the program of personally contacting each returning serviceman to offer him help with a job, and employment opportunities will be made available in the Federal civil service.

I hope that Congress will immediately consider the recommendations contained in this message.

Mr. MILLER of California. Mr. Speaker, I am proud to join with my distinguished colleagues in commending President Johnson for his compassionate and comprehensive message on America's servicemen and veterans.

No group of citizens is more deserving of the concern and support of Congress than those who served and are still serving in the defense of freedom.

I was particularly impressed with the tenor of a significant part of the President's message. I refer specifically to the action which the President says he will take to provide immediate, meaningful additional help to veterans in obtaining the benefits which they need and which the Congress has already provided.

The U.S. veterans assistance centers which will be opened in 10 major cities within the next 30 days, will be invaluable to those veterans who most need help in obtaining employment or receiving training that will qualify them for better jobs and improve their family's security.

This is not to suggest that those who will staff these centers are not already assisting veterans in obtaining benefits under programs they administer. However, I think my colleagues will agree that the one-stop service to be provided by these centers will save a veteran both time and money.

Even more important, these centers can mean the difference between success and failure for the veteran who might not have the patience or the perseverence or the know-how or the means to go from one agency—even from one city to another in pursuit of benefits and assistance he needs and deserves.

These U.S. veterans assistance centers do not require legislation to be opened. But they certainly deserve the warm endorsement and continuing interest of the Congress, particularly of those Members from areas in which these centers will be located.

Much of the President's message concerns programs and proposals that will require legislation. I submit that the same concern and compassion for the particularly disadvantaged veteran which decided the President's directive to open the U.S. veterans assistance centers characterizes each and every additional program and benefit requested by the President on behalf of America's servicemen and veterans.

I earnestly urge that we hear and heed the President's call for consideration and prompt enactment of the legislation outlined in his outstanding message.

Mr. BROWN of California. Mr. Speaker, the challenges that confront this Congress are compounded by the fact that we have more than half a million men fighting in Southeast Asia. However, we have an opportunity to meet our obligation to those men who are engaged in that struggle, and, at the same time, meet some of the other challenges facing this Nation.

Today I am submitting the Veterans in Public Service Act of 1968 for your consideration, which, when enacted, will not only provide benefits to those men who are so deserving, but at the same time will open a way whereby we can combat the plagues of disease, lack of education and poverty here on the homefront. I ask your serious and immediate consideration of this bill.

While viewing the events of the past 2 years, we have become acutely aware of the high caliber of young men who are serving in Vietnam. They have been eulogized by the President as the greatest group of men ever to bear arms for this Nation. We have witnessed their devotion and their willingness to sacrifice for the cause of this country by bearing themselves bravely in the field of battle. There is no question but these young men deserve, and I know will be awarded, the highest commendations of our country for their actions.

However, even more important than commendations and eulogies is the obligation we have of providing opportunity for their advancement. We can, by passing the Veterans in Public Service Act of 1968, afford them unlimited opportunity for personal advancement, but at the same time provide a challenge to them for further service to the Nation.

While we are concerned with the outcome of the Vietnam situation, we are likewise concerned over the grave problems that are facing this Nation because of a lack of opportunity for those young people in the slum areas of our country who are deprived of education, faced with disease because of lack of health facilities and without hope for future employment.

President Johnson in his message to us on veterans and servicemen's benefits has pointed out that such a program would be to the advantage of this Nation. I am in complete agreement with the President on this matter and as a result I have introduced legislation concurring with this recommendation.

It is estimated that the cost to this country for a 1-year program of VIPS would be about $50 million. This is indeed a small amount when weighed against the good that it will accomplish for the veteran and for the Nation.

I am vitally interested in the other proposals made by the President in his message especially concerning the study to be conducted on the national cemetery system. I look forward to the recommendations that will come from the Veterans' Affairs Committee on this subject, and I feel that we should undertake this study at once.

I compliment the President for administratively expediting and enlarging the programs already in existence such as the counseling in Vietnam, the bedside counseling here at home in the military hospitals, as well as the different programs being utilized by the Department of Defense to prepare servicemen for their return to civilian life.

It is indeed encouraging that the President has taken such a great interest in the welfare of our veterans. It has long been the concern of Congress to provide equitable benefits to those men who have served this Nation; but now working with the executive department we are opening a new era of accomplishment for this segment of our population.

Mr. GRAY. Mr. Speaker, in behalf of the million and a half veterans in my home State of Illinois, I listened with great interest to President Johnson's message on veterans benefits.

Like his first message on this subject last year, this report pointed up some needed changes in veterans benefits that are both timely and critical.

At least one of these proposed veterans benefits is more important to the public at large than it is to veterans. I am referring to the veterans in public service—VIPS—program.

There can be no doubt that the challenge of providing help for our disadvantaged is just as pressing as the challenge posed by our foreign enemies. In many cases, both challenges require the same type of people with the same sense of dedication and the same qualities of leadership.

To ask returning servicemen to continue their public service as teachers and social workers in our ghettos is to place too much of our public burden on the same shoulders—unless we provide special incentives and rewards.

The incentives proposed by the President are imaginative, and I believe they will be effective. I will give them my full support.

I will also support—just as enthusiastically—the additional legislative steps proposed in behalf of veterans. This most certainly includes:

An increase in the maximum for servicemen's group life insurance from a maximum of $10,000 to a range from $12,000 to $30,000;

Protection for veterans' pensions against possible losses due to social security increases;

Raising GI loan guaranty from $7,500 to $10,000;

Permitting part-time vocational rehabilitation for injured veterans;

Insuring that each veteran has the opportunity for burial in a national cemetery convenient to his home;

And it most certainly includes support for an expression of the will of Congress with regard to job priority for veterans in the private as well as the public sector of our economy.

Mr. PURCELL. Mr. Speaker, I would be the first to agree that the Congress has before it many, many issues and bills of vital importance to this country, and certainly, even the world will be affected by many actions taken by the Congress.

However, I think none is more equitable than legislation for servicemen, veterans, their widows, and their orphans. President Johnson has outlined ways and approaches in his veterans message to help the Congress shape laws to meet the needs of America's servicemen and veterans.

I think President Johnson has performed a valuable service in pointing up the areas, programs, benefits, and privileges which the Congress should forthwith consider and in its best judgment enact into law.

In the past few years, the Congress has enacted and the President has signed a series of measures to help honor our commitment to Americans now serving or recently separated from the Armed Forces.

It is my firm opinion that we must now take additional steps to fulfill our obligations to our gallant defenders, in and out of uniform. Veterans of the Vietnam era should receive benefits comparable to those granted to their comrades of World Wars I and II, and Korea. President Johnson has proposed many specific ways to remedy this situation and he has also indicated clearly that action is needed in the essential areas of jobs, training, and in medical care, to name a few of the pressing problems confronting our men when they leave service.

I share the President's position that it is this Nation's responsibility to see to it that "the veteran may return to this community as a free, upstanding, and self-reliant citizen."

I am immensely gratified to see that President Johnson has proposed a method to pave the way for a resolution of the national cemetery impasse. Certainly, steps should be taken to assure every veteran who wants it the right to burial in a national cemetery situated reasonably close to his home. There are tough problems involved in this situation, such as limited space and the rising cost of land, but surely the executive branch working with appropriate committees of the Congress should be able to develop a reasonable solution.

I am pleased about the activation of 10 U.S. veterans assistance centers as places where veterans can get quick assistance and complete information. These so-called one-stop centers will give our returning men and women personal attention and counsel on all the benefits the law provides them—from housing to health, from education to employment, as pointed out by the President in his message.

I am excited about the training which servicemen will receive prior to discharge from the Armed Forces. This gives our fighting men more than just gratitude. It provides the essential training he needs to get a job or start a career.

I am also happy to see that the President has ordered the State employment offices around the country to concentrate on helping veterans with their job problems. This is a program that can be beneficial to the veteran and to the Nation.

All in all, the President's recommendations in his inspiring message guarantee good results from Government programs and aid-service facilities. Now, it is up to the Congress to give immediate consideration to the proposals that need our attention. We should pass appropriate legislation now.

Mr. ANDERSON of Tennessee. Mr. Speaker, Members of this body are well aware that the effectiveness of any law depends largely upon how efficiently and compassionately it is administered. And with what dedication.

We have just received a report from President Johnson that proves beyond all doubt that existing veterans legislation has achieved its maximum effectiveness.

Only last year, the Congress provided, in response to President Johnson's request, a new GI bill for Vietnam era veterans. This was intended to be of the earliest maximum help to our fighting men in Vietnam.

President Johnson's report indicates that while they may not be able to take advantage of the veteran benefits provided them until they are discharged from service, they can be made aware of them. This awareness is being fostered in a variety of ingenious ways by the Veterans' Administration.

But VA's customer-oriented attitude goes further than helping servicemen learn about and apply for their benefits.

Are these benefits adequate in number?

Are they available, through one VA program or another, to all who need and are entitled to assistance?

Do they provide the amount of assistance needed—the quality of care or service required?

Are they equitable? Do they recognize the measures of service and sacrifice of our fighting men in Vietnam compared with the Korean conflict, for example?

Are these benefits enlightened in concept, imaginative in purpose, rewarding in result?

These criteria have been applied during the past year and certain additional needs are apparent.

I fully agree that the following proposed improvements in veterans benefits should be supported by legislation as soon as possible:

Increase servicemen's group life insurance maximum from $10,000 to $30,000;

Protect veterans pensions against social security increases;

Increase GI home loan guarantee from $7,500 to $10,000;

Expressing the sense of Congress in support of veterans' job priority in private industry.

Adopt a Veterans in Public Service Act which would encourage the flow of veteran leadership skills into ghetto teaching.

When we consider these proposals, I ask that we remember the GI bill of World War II. By any standards, this must be judged as one of the most visionary, rewarding laws ever enacted by the Congress. It was based on the conviction that the returning veterans wanted help, not a handout; that the best interests of our Nation as well as of these veterans would be served through a program of benefits that raised their educational level, assisted them in obtaining jobs, trained them for their civilian careers, gave them stability and pride and ambition as homeowners, and increased their incomes and earning potential.

The recent proposals in behalf of Vietnam era veterans will insure that these men receive no less than their World War II counterparts.

I urge swift action of the Congress and support our President's recommendations.

Mrs. MINK. Mr. Speaker, last year President Johnson set a precedent when he sent to the Congress a special message on America's servicemen and veterans.

I submit that the President's message on this same subject to the second session of the 90th Congress is also unprecedented. For it contains not only requests for needed and merited new programs of assistance for our servicemen and veterans, but proposed legislation to enable returning veterans to continue to serve their country as leaders of tomorrow.

In light of the compassionate, concerned and visionary character and content of the President's message on behalf of our servicemen and veterans, we must, and I am certain that we will, consider and enact early in this session the specific legislation requested and recommended by the President.

There is much to commend in the President's message. In fact, the entire message merits approval. Nothing, however, deserves greater attention or more complete support than the President's call to returning Vietnam veterans to volunteer their proven leadership, maturity, and dedication in the imperative effort to resolve our most urgent domestic problems.

I unhesitatingly join with the President, as I am sure each of my distinguished colleagues do, in urging these veterans to extend a helping hand to the millions of our youngsters living in deprived areas.

The Veterans in Public Service Act proposed by the President as a means of encouraging veterans to engage in teaching and other public service careers in deprived areas offers the Congress an opportunity to enact legislation that is imaginative and enlightened.

Not only will such an act give veterans added benefits, it will provide them with challenging opportunities. This well thought out, comprehensive program will deal a body blow to the ignorance and sense of frustration that now shackle millions of disadvantaged youths.

To be able to help accomplish this great and good work by voting for the Veterans in Public Service Act is a privilege and a responsibility I welcome.

I would hope that this legislative body can make the President's entire message on America's servicemen and veterans the urgent item of business that it is. Separate and apart, however, I say sincerely that nothing more clearly demands our earliest consideration and unanimous approval than the veterans in public service concept.

Mr. MURPHY of New York. Mr. Speaker, the success of the veterans programs which have been initiated since World War II have provided the basis for a continuation of such programs to our veterans of our other wars and even peacetime service. We have found that programs and benefits afforded to our former servicemen in the final analysis actually brought more money into the coffers of the U.S. Treasury than they had cost.

Once again we have the opportunity to open new vistas of opportunity for our veterans. The stirring message sent to Congress by President Johnson on veterans' and servicemen's benefits points out the way for this Nation to achieve a twofold benefit. While recognizing our responsibilities to these men who have fought for freedom, the President has shown his great determination that all of America can join in the battle against poverty, disease, and ignorance.

The President's concern for our fighting men and for our veterans has set a new high of interest. Thought-provoking recommendations are the keynote of this important message. It looks beyond the immediate necessities that we must afford our veterans to the future of the welfare of all citizens.

Following his historic message of last year, this new set of ground rules that he would like to see enacted provides us with an encompassing and comprehensive method for achieving the goals of the American people in expressing their appreciation to our servicemen.

I am pleased to note that the President is administratively enlarging on the programs that have already been enacted. The veterans of this Nation will find that the American people have responded to their sacrifies with benefits and programs befitting their devotion.

I shall give my wholehearted support to the President's program, and urge speedy enactment of his proposals.

Mr. FUQUA. Mr. Speaker, the President last year sent Congress the most comprehensive message on servicemen and veterans ever submitted by a Chief Executive. I am happy to say that I and all other Members of Congress supported the proposals contained in this message, which became law last August.

Now, President Johnson has sent us another message containing many more proposals for legislative and administrative actions to help our servicemen returning now as well as older veterans. I strongly support each of these proposed actions and especially approve the proposals to protect the pension incomes of our older veterans, and to seek recommendations that would make meaningful the right of burial in our national cemeteries.

Of great importance to younger veterans is the President's proposal to increase the VA's counseling of servicemen in Vietnam regarding their benefits even before they leave for home.

It should be continued and expanded.

This counseling of about-to-be-discharged servicemen in Vietnam has been hailed as a most worthwhile project by the servicemen, and veterans organizations.

It was started when it became evident that modern methods of discharging fighting men back into civilian ranks left inadequate opportunity to inform them of the many benefits made available through Congress by a grateful nation.

In previous conflicts, lengthy stays at separation centers provided time for such indoctrination. Today's air travel places the serviceman back in his hometown within days of his actual combat service.

At the President's instigation, the VA set up its first Vietnam contact and information center near the close of 1966.

The pilot program lasted 3 months and was immediately followed by the establishment of two other such centers.

At the end of the first 5 months the VA had counseled more than 50,000 men with some 10,000 receiving extra in-depth counseling at their own request.

As of the end of 1967, veterans benefits information and assistance has been given 220,000 combat servicemen in Vietnam.

Now we plan to improve on this auspicious beginning.

Mr. DORN. Mr. Speaker, the Congress has just been privileged to receive a message from President Johnson that outlined a series of progressive steps being taken by the executive branch in behalf of returning servicemen.

In the same message, additional legislative steps were outlined which are needed to carry out fully programs that are vital to veterans and to the Nation as a whole.

It seems apparent to me that the Veterans' Administration and the Department of Defense are using their existing prerogatives to the fullest extent in carrying out helpful, constructive programs in behalf of veterans. Ten administrative steps adopted during the past year merit our attention:

Servicemen about to return from Vietnam are counseled while still in the combat zone about the rights and privileges available to them.

Hospitalized veterans are counseled at bedside on vocational considerations and rehabilitation programs awaiting them.

Veterans' Administration counseling is being extended to all military separation points in the United States.

In major U.S. cities, one-stop veterans assistance centers are being opened to give service to veterans in all the many areas in which they may need help during readjustment.

Disadvantaged youths who might otherwise not enjoy the privilege of military service are being accepted into the military and schooled so they may gain the advantages of training and the self-confidence that goes with it. The program is being doubled.

Concentrated preparation for return to civilian life is being given during the last few months of military duty to servicemen who have limited civilian skills and limited education. This program, Project Transition, is to be expanded.

Special help in job finding is being given servicemen by the Department of Labor, and monthly progress reports are required.

For veterans who agree to improve their education with GI assistance, civil service competitive examination is waived for the first five levels.

Medical training in the Veterans' Administration—now producing 26,000 medical specialists per year—will be expanded during the next 5 years to a rate of 100,000 per year.

Recommendations on the needs of veterans are being developed by an Advisory Commission that has interviewed veteran leaders and rank and file veterans throughout the land.

Additional programs requested by the President are:

Increase servicemen's group life insurance maximum from $10,000 to $30,000.

Protect veterans from pension loss due to social security increases.

Up GI loan guaranty from $7,500 to $10,000. Permit part-time vocational rehabilitation for injured veterans.

Place three systems of cemeteries under VA.

Express, in a joint resolution, the sense of Congress with regard to a public-private job assistance program for veterans.

Enact a Veterans in Public Service Act that would stimulate the flow of qualified veterans into teaching disadvantaged youth.

I feel sure the Congress and the Committee on Veterans' Affairs will give these proposals their thoughtful consideration.

Mr. HELSTOSKI. Mr. Speaker, President Johnson has suggested a wide variety of proposals to help the returning Vietnam veteran find his niche.

These he has just set forth in his special veterans message to the Congress.

I am with the President in his plan to bring all Federal departments and agencies together in an attempt to help the veteran become a civilian again.

Benefits, of course, are of no real value to a veteran unless they are known and utilized.

The President's plan to open U.S. veterans assistance centers in 20 major cities is a good one in my estimation.

These centers, as I see it, would serve all veterans, but they would be most helpful to those who need opportunities to obtain employment, to help them qualify for better jobs, and thus improve their family's security.

At the centers, the veteran would be acquainted with a wide array of benefits offered by the Veterans' Administration. They also would be assisted in matters such as job counseling and job placement, they would be acquainted with their reemployment rights, with unemployment compensation, civil service preference, the Federal Housing Administration and Small Business Administration loans, and social security.

I think this is an excellent idea—to give personal attention and counsel on all the benefits the law provides the veteran—from housing to health, from education to employment.

I understand the plan is to set up an additional 10 centers after the first 10 have been placed in operation.

Each veteran is different; he has a different problem which he will have to solve, and there is a great possibility each will need some help and advice in doing this.

More than 600,000 veterans reentered civilian life in 1967, and there will be hundreds of thousands more this year.

I think we had better adopt this plan now and give these veterans all the assistance we can at this time—to get them started on a program of earning their living as quickly as possible.

I am in favor of adopting the entire program and putting it into operation as soon as we can, and bringing in State and local agencies and community organizations engaged in helping the veteran. And I am heartily in favor that Congress immediately give attention to all of the President's proposals so that the most meritorious may become law promptly.

As President Johnson said in concluding his special veterans message to the Congress—

> It is this nation's responsibility to see to it that the veteran may return to his community as a free, upstanding and self-reliant citizen.

The President spoke those words, more than 20 years ago, on the floor of the House of Representatives. The statement is as applicable today as it was when the President spoke then a score of years ago.

And it seems to me our job today is just about the same as it was 20 years ago. All of us are concerned with the problems the returning serviceman and woman face upon their separation from the Armed Forces.

The President said:

> Our objective is to make sure that every serviceman who returns to civilian life today and in the months ahead—no matter where he lives, what background he might have come from, or what his hopes and ambitions are—will have all the education he wants, all the training he needs, and all the opportunities for the job he is best suited for.

We must keep this objective in mind as we make plans and go about the task of making the President's recommendation a reality for the returning veteran.

To aid in bringing this about, I am in agreement with the President that a joint resolution should be enacted expressing the sense of the Congress that private employers should give job priority to our returning servicemen.

Of course, many of our veterans now returning to civilian life have no job experience—they went right into the service upon graduation from high school. For these men education and training will prepare them for reentering society as a civilian, and make it easier for them to obtain employment.

Others who held jobs prior to their military service will return to them without too much difficulty. Their jobs will be waiting for them.

Most veterans, of course, will go into private industry, where six of every seven will find employment.

These young Americans, who have done so much for their country, merit every consideration a private employer can give them.

Particularly now, that men are being called from their civilian pursuits to defend their country—such as the Reserves—we must keep our objective immediately before us, and tell these young men and women exactly what aid and assistance their Government may be expected to provide for them.

So, as President Johnson has said, let us do whatever may be necessary to see that "the veteran may return to his community as a free, upstanding and self-reliant citizen."

The way to start this essential work is for the Congress to give speedy attention and to take prompt action regarding the President's proposals.

Mr. CELLER. Mr. Speaker, America's concern and respect for her servicemen and veterans is demonstrated by the President, who has seen fit to bring a special message about veterans affairs to this Congress for the second time. The message he presented to us this year offers some new proposals which I find exciting.

The veterans in public service program is of particular interest to me. I see help in some problem areas faced by my constituents in New York as well as by citizens throughout the land. Under this program, known as VIPS, an ex-serviceman will be encouraged to develop and to use his talents in meeting the most urgent needs of rural and urban America today:

To join the ranks of VISTA, to work in the concentrated employment program, or in the Youth Opportunity Centers.

To help man police forces and fire departments in his community.

To work in local hospitals where skills are short.

To teach the children of the poor.

Veterans who train for any of these positions will receive special education benefits in addition to the normal GI benefits. The President has included $50 million in the fiscal 1969 budget to launch the program. I am convinced that this is a sound investment in the welfare of our people and our Nation.

I am pleased to point out that a U.S. Veterans' Assistance Center will be opened in New York City within the coming month. This means that veterans can receive personal attention and counseling on all the benefits the law provides at a one-stop center. The President has ordered 10 centers to be opened in major cities in February with 10 more to follow in other cities as soon as possible.

I congratulate the President for presenting these forward-looking proposals. I assure him of my support to make, and improve, opportunities for America's veterans.

Mr. EDMONDSON. Mr. Speaker, in the President's message on veterans benefits, several new programs of help for veterans were described and several new legislative steps were proposed.

I want to comment on one of these proposals, because in my mind it is typical of all the rest. It is typical in that it extends to deserving citizens the means for achieving a valuable goal, yet it costs the taxpayer virtually nothing. I refer to the proposed increase in GI home guarantee loans.

Since World War II, GI bill guarantees have backed $66 billion in loans from the private sector to home-buying veterans.

What this has done for the economy is obvious.

But the real value of the program lies in what it has done for the nearly 7 million veterans who have taken advantage of it. Many of them of modest means and some without the money for a down payment, have experienced the satisfaction of homeownership through this program that they would not have enjoyed otherwise.

The program has cost the American taxpayer nothing because veterans pay their bills. The minimal cost of the small number of defaults has been more than offset by gains in the economy.

Much of the home buying that is being done today in more expensive price brackets has its roots in World War II and Korean GI home loans. Veterans of those eras who bought their first homes with GI loans are now trading up to meet the more expensive requirements of their growing families and improved stations in life.

The Vietnam era veteran deserves no less than an equal chance.

For 18 years, the loan guarantee has remained at $7,500.

This was adequate in 1950, but in today's housing market, it is not at all adequate. To purchase a home and get the financing protection the law promises him in today's market, the Vietnam veteran needs a loan guarantee of $10,000.

The President has recommended such an increase as one of several important points of needed veterans legislation.

I want to go on record here as offering my full support for virtually all of the steps recommended in the President's recent message. I have stressed the matter of an increase in GI home-loan guarantee only because, to my mind, this program furnishes a graphic example of how the whole Nation benefits by carrying out its responsibilities to veterans.

As I reflect on the fact that this Nation has 26 million veterans—who often have large families—I feel quite safe in generalizing that what is good for veterans is good for the country.

GENERAL LEAVE TO EXTEND

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the President's message on veterans legislation.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

AMERICAN PROGRESS IN SPACE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 246)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read:

To the Congress of the United States:

This report details a year—and climaxes a decade—of American progress in space.

On January 31, 1958, a 31-pound Explorer I was fired from a Jupiter C rocket with 150,000 pounds of thrust. Ten years later, on November 9, 1967, a 280,000-pound Apollo payload was launched into orbit by a Saturn V rocket with 7.5 million pounds of thrust.

In the time spanning those two events, the United States has placed 514 spacecrafts in earth orbit. Twenty-eight others have been sent on flights to the moon or distant planets.

The technology amassed through those expeditions has justified this Nation's commitment to conquer the challenge of space. It has encouraged us to lift our eyes beyond our initial goals and plan for the decade ahead.

The fruits of that technology have not been limited to space exploration alone. The knowledge built through our space program has benefited our earthbound lives. It has:

Revolutionized our communications throughout the world;

Given us better weather information and more accurate navigational and geographic data;

Brought improved medical instruments and techniques, advanced education, and added to our store of scientific knowledge;

Spurred the development of more sophisticated aircraft and improved flight safety;

Strengthened both the security of this Nation and our leadership in the search for a peaceful and secure world.

We can look with confidence to an expansion of these benefits as our space program moves into its second decade.

Our accomplishments thus far point to the path of progress ahead: fuller observations of the earth, increasingly productive manned flights, and planetary exploration.

The year 1967 itself began with a major tragedy. Three of our gallant astronauts died in a fire while testing the Apollo capsule on the launching pad. Even as we saluted these men for the contributions they had made, we move to improve the spacecraft as well as the safety procedures surrounding its use.

But though the year was shadowed by that disaster, its accomplishments significantly advanced our progress. The Saturn-Apollo flight in November was the greatest launch triumph to date. As the result of our success in photographing lunar landing sites, we have for the first time a complete mapping of the moon.

It is most heartening to me that our space program moved forward in a spirit of international cooperation, giving new hope that the conquest of space can contribute to the establishment of peace. Eighty-four nations participated in cooperative space activities with us. The Outer Space Treaty went into effect, after Senate approval. The United Nations unanimously recommended a procedure for the emergency rescue and return of astronauts and space equipment. I shall shortly be sending that treaty to the Senate.

It is with pleasure that I transmit this record of achievement to the Members of Congress, whose judgment and support have been essential to our aerospace progress.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 30, 1968.*

The message, together with the accompanying papers, was, without objection, referred by the Speaker pro tempore (Mr. ALBERT) to the Committee on Science and Astronautics and ordered to be printed with illustrations.

CONSUMER CREDIT PROTECTION ACT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1043 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1043

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11601) to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by establishing maximum rates of finance charges in credit transactions; by authorizing the Board of Governors of the Federal Reserve System to issue regulations dealing with the excessive use of credit for the purpose of trading in commodity futures contracts affecting consumer prices; by establishing machinery for the use during periods of national emergency of temporary controls over credit to prevent inflationary spirals; by prohibiting the garnishment of wages; by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry; and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 11601, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 5, and it shall then be in order in the House to move to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the provisions contained in H.R. 11601 as passed by the House.

The **SPEAKER** pro tempore (Mr. ALBERT). The gentleman from Missouri [Mr. BOLLING] is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. LATTA] and, pending that, I yield myself such time as I may consume.

Mr. Speaker, this is an open rule providing for 3 hours of general debate. To the best of my knowledge, there was no opposition to the rule. The bill itself, however, is controversial. There are four supplemental views and at least one minority view. I understand there will be a considerable tussle over one or two amendments, but in the light of the fact that there is no opposition to the rule, I now yield to the gentleman from Colorado [Mr. ROGERS] for a parliamentary inquiry or two.

Mr. ROGERS of Colorado. Mr. Speaker, the rule provides for amendments in the Committee of the Whole. On page 40 of the bill that has been reported, you will note, in section 2 thereof, that it deals with the question of restrictions of garnishment of wages. You will also notice that on lines 13 to 19 the language has been stricken out and beginning at line 20 and the balance of the page and on to page 42, line 17, there is an amendment to be offered by the Committee.

Mr. Speaker, my parliamentary inquiry is this: If the Committee of the Whole House on the State of the Union should adopt the amendment and thereafter when we come back into the House this amendment is rejected by the whole House, does that automatically reinstate lines 13 to 19, page 40, of the bill as reported by the committee?

The **SPEAKER** pro tempore (Mr. ALBERT). The Chair is prepared to respond to the gentleman's parliamentary inquiry. If the House rejects the amendment striking out the language in the bill and inserting substitute language, the effect of the House rejection would mean that the language which the Committee of the Whole had intended to be stricken would remain in the bill.

Mr. ROGERS of Colorado. I thank the Speaker.

Mr. HALL. Mr. Speaker, would the distinguished gentleman from Missouri yield for a further parliamentary inquiry?

Mr. BOLLING. I shall be delighted to yield to the gentleman from Missouri for that purpose.

Mr. HALL. Mr. Speaker, a further parliamentary inquiry.

The **SPEAKER** pro tempore. The gentleman will state his parliamentry inquiry.

Mr. HALL. Mr. Speaker, assuming the same basic assumption as stated by our colleague, the gentleman from Colorado [Mr. ROGERS], would amendments to the committee amendment if accepted in the Committee as a Whole, be subject to a separate vote?

The **SPEAKER** pro tempore. The answer to the parliamentary inquiry as propounded by the gentleman from Missouri is in the negative. The answer is "No."

Mr. HALL. I thank the Speaker pro tempore.

Mr. BOLLING. Mr. Speaker, I yield to the distinguished gentleman from Texas [Mr. PATMAN] for the purpose of propounding a unanimous-consent request.

PERMISSION TO REVISE AND EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members participating in the discussion during general debate and on all amendments that are discussed while the House is in the Committee of the Whole House on the State of the Union be permitted to revise and extend their remarks and to include therein relevant extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the outset may I say that I agree with the statements just made by the gentleman from Missouri [Mr. BOLLING]. There is absolutely no opposition to the granting of this rule. As a matter of fact, the Committee on Rules became real liberal and gave this committee an extra hour of debate time. They asked for 2 hours, we gave them 3.

However, Mr. Speaker, let me say that there is some opposition to this bill, particularly with reference to a couple of amendments that will be offered. During the hearings before the Committee on Rules I raised a question with reference to garnishment. We find on page 40, and the following pages, a title dealing with garnishment of wages. The question is, Does the matter of garnishment belong in an interest bill?

Mr. Speaker, most Members of the House will undertake to provide protection from high interest to the individual who goes out and purchases on credit.

However, I doubt whether Members want the Federal Government to enter the garnishment field.

Mr. Speaker, it seems to me that a garnishment title does not belong in this bill. I say this as most of our States—and it is my recollection that this fact was pointed out before the Committee on Rules—with the exception of two or three, have their own garnishment laws which give protection to wage earners through various exemptions.

Mr. Speaker, it seems that this particular provision is just out of place in this bill, that we should not be setting up a section dealing with the garnishment of wages on the Federal level.

Mr. Speaker, I would hope that when we go into the Committee of the Whole House on the State of the Union that this matter will be discussed more fully.

The only reason, Mr. Speaker, that was given to the Committee on Rules for the insertion of this title in this bill was the fact that the number of personal bankruptcies has gone up in recent years.

This is completely and totally unrelated to the question of whether or not the Federal Government should get into the matter of garnishment of wages.

The purposes of this bill are, first, to provide the American consumer with truth-in-lending and truth-in-credit advertising by providing full disclosure of the terms and conditions of finance charges both in credit transactions and in offers to extend credit; second, restricts the garnishment of wages; third, establishes a National Commission on Consumer Finance to study and make recommendations to the Congress and to the President on the functions and structure of the consumer finance industry, as well as consumer credit transactions generally.

Title I of the bill provides for full disclosure of credit charges, rather than regulation of the terms and conditions under which credit may be extended. The committee believes that such full disclosure would aid the consumer in deciding for himself the reasonableness of the credit charges imposed and further permit the consumer to "comparison shop" for credit.

Two exemptions are provided to this requirement. They are, first, revolving, open-ended accounts; and second, installment contract accounts. To distinguish: a revolving, open-ended account means that more items can be purchased from time to time. At the end of the "free ride period" generally from 30 to 60 days, a service charge is assessed on the account on a monthly basis, usually 1½ percent per month. An installment account is closed-ended, which means that it is for a set length of time, covering a particular purchase, payments generally made monthly in a fixed, certain amount.

The other exemption provision pertains to closed-ended transactions where the finance charges for the year will not exceed $10. As a practical matter, this would exempt from the bill those consumer credit transactions where the normal annual rate was 18 percent—1½ percent per month—and the amount of credit involved was approximately $100 or less. The aim of this exemption from the bill is to relieve small merchants from providing annual rate disclosure on small credit transactions where the apparently high rate might discourage consumers.

The committee believes that full disclosure of the terms and conditions of credit charges will encourage a wiser and more judicious use of consumer credit. The committee also believes that the comparable standards of full disclosure of rates on an annual basis should be applied to the advertisement of credit transaction. For the revolving-type account, the full disclosure provisions will require information about the length of the charge-free period, and other conditions of the credit contract including the method used to determine the balance upon which the monthly finance charge will be levied.

Title I would provide consumers with greater knowledge of the full cost of credit to assist many families in a more satisfactory management of their credit.

Finally, title I provides for the promulgating of regulations covering full disclosures and the administration and enforcement of the program. The Board of Governors of the Federal Reserve System is to be the central single agency for issuing all regulations on credit disclosure or on the advertising of credit to insure a single set of overall standards applicable for all forms of consumer credit, while agencies already having expertise in the affected industries will be responsible for the application of such regulations to each of those industries.

Penalties are provided. Any injured consumer can bring a civil action against his creditor who failed to fully disclose credit terms and recover a judgment equal to twice the finance charges, with a minimum penalty of $100, a maximum of $1,000. The Attorney General may institute criminal action where there is evidence of willful presentation of false information which is required to be disclosed.

Title II, with respect to the garnishment of wages. The first $30 per week of earnings may not be garnished by a creditor. Of the earnings above $30 per week, only 10 percent may be subject to a garnishment. The bill also forbids an employer to fire an employee because of a single garnishment.

Title III provides for the establishment of a bipartisan National Commission on Consumer Finance, and would be composed of nine members: three members from the Senate appointed by the President of the Senate; three members of the House appointed by the Speaker of the House; and three public members to be appointed by the President of the United States. The Commission is called upon to study the structure and functioning of the consumer finance industry, as well as consumer credit transactions generally, and report its findings, recommendations, and conclusions to the Congress and the President by December 31, 1969.

Mr. Speaker, I yield back the remainder of my time.

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the gentlewoman from Missouri [Mrs. SULLIVAN] may extend her remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, I urge approval of the resolution calling for an open rule on H.R. 11601, the Consumer Credit Protection Act. The Committee on Banking and Currency does not ask for closed rules. We believe our bills should be brought before the House in such manner that the House can work its will on them in a free and democratic manner—hopefully, of course, with a Democratic result, too, if it is a party issue.

This, however, is not a party issue—or should not be one. I am proud to say that the Democratic Party platforms have continuously called for enactment of the kind of legislation contained in this bill, and that a great member of the Democratic Party in the other body, former Senator Paul H. Douglas, of Illinois, pioneered this issue and doggedly pushed for its adoption through many long years of seemingly hopeless effort. We are about to vindicate his vision and foresight and pass this monument to a great Senator's record in Congress.

But the 30-to-1 vote by which the bill was reported from the committee plus the solid support I received from the very beginning from a Republican cosponsor of this bill in the subcommittee, the gentleman from New York [Mr. HALPERN], demonstrate that both parties have a great stake in working for the consumer. After all, both parties are composed only of full-time consumers who wear other labels only part of the time.

This is not a consumer versus business issue, either. The support from legitimate business for the major provisions of H.R. 11601 has been most heartening and also very effective. Those firms which are engaged in consumer credit have special interests in, or problems arising out of, individual specific provisions of the legislation, but on the whole—and looking back on a very comprehensive hearing record taking up two full volumes—I do not remember any hostile testimony whatsoever on the objectives of the legislation, and only a few letters or telegrams voicing indignation over the whole idea.

I want to take this time on the rule in order to explain briefly what the parliamentary situation will be when the bill is before us. We will be considering the bill as originally introduced on July 20, along with many committee amendments thereto. Each of those amendments will be brought up separately, although several relate to one specific issue and I hope can be considered en bloc.

During the many months this bill has been of top concern to consumers and businessmen, the Members have received numerous letters and telegrams on some of its controversial aspects. Four provisions of the original bill which instigated a sizable volume of mail were put into the bill primarily for the purposes of raising some neglected but important issues which deserved attention in hearing. We did take testimony on them, as I had intended, and then I, as the principal sponsor of the bill and as the chairman of the subcommittee handling it, moved to delete those four highly controversial sections from the bill.

They were:

First, the proposal for standby credit controls in periods of grave national emergency. Our committee recommended such legislation as an amendment to the Defense Production Act extension bill 2 years ago, and we were chided then for putting it into a bill without holding hearings. Well, this time we did hold hearings. We developed an impressive record, I believe, on the lack of economic preparedness legislation in being and ready for a wartime emergency, but we are not now asking the House to vote for such controls. Instead, one of our committee amendments, which I offered in subcommittee and which was unanimously approved, will delete this section from the bill. It is on pages 28, 29, and 30. It will come out unless the House should suddenly decide it wants to join me in writing these standby powers into law against future contingencies. Up to now, however, I have received no indication of that.

Another highly controversial section in the original bill is also on page 28—giving the Federal Reserve Board the authority to set margins on commodity futures trading as it now does on stock market transactions. That, too, is slated to be deleted through a committee amendment. So do not worry about that one. If I may say so, however, I think our hearings on this subject helped to speed action in another committee of the House on a long-pending measure to strengthen the Commodity Exchange Act. In the previous Congress, I think I was the only Member of Congress to testify for such a bill, which got nowhere. This time it has passed the House and also, on January 23, the Senate. I think that just scheduling some hearings in the Banking Committee on commodity futures margins helped to speed action on the long overdue reforms in the Futures Trading Act, particularly since there is nothing in that bill dealing with margins.

The third highly controversial provision in H.R. 11601 as originally introduced is on page 21 and deals with usury—it would set an 18-percent ceiling on interest or finance charges except in those States which have lower ceilings. That is coming out by committee amendment, too, unless we should see some greater interest in this subject now than we did during the hearings. And fourth is the provision dealing with confession of judgment notes, also on page 21. All four of those items are to come out.

The other committee amendments are divided between minor technical ones and some very, very important substantive ones. The Members will have a chance to vote all of them up or down, or to try to modify them.

Two of them I will strongly oppose, because I consider them completely destructive of the purposes of the bill. They are the revolving credit exemption and the $10 exemption, both of which I will discuss in detail in my remarks in general debate and also under the 5-minute rule. They are extensively discussed in the committee report and in all of the supplemental views.

The parliamentary situation as I understand it will be this: when those sections are reached in the bill, I will not offer any amendments dealing with them; instead, I will rise in opposition to the committee amendments. So those who plan to help and support me should be on notice: it is not an amendment of mine which they should be supporting, but rather a committee amendment on which I hope they will join me in voting "No."

If we lose on the revolving credit fight in the Committee of the Whole House—and I do not see how we can now, with so many business groups objecting to the discriminatory aspect of the revolving credit exemption won by the department stores—but if we lose in Committee of the Whole, this issue will certainly be made subject to a rollcall. Those Members who would rather not have to choose in a rollcall vote between their department stores on the one hand and the banks, finance houses, independent merchants, and all the consumers on the other hand, can solve their problem just by getting in the "No" line in the teller vote and helping to kill this thing in Committee of the Whole.

The same is true on the $10 exemption amendment. I will oppose it and try to defeat it. If we defeat it in Committee of the Whole, that will end it. If we do not, then there will be a rollcall on it in the House. This is the "loan shark" amendment. The minority leader has told us he wants to end loan-sharking by authorizing Federal agents to enforce the State usury laws. Well, how will anyone know whether he has been overcharged and complain about it if he cannot find out the rate he is being charged for a small loan? The "loan shark" committee amendment covers up that information—withholds it from the borrower. Vote it down in Committee of the Whole and strike a blow against loan-sharking. Otherwise, as I said, the roll will be called and we can have the chance to kill it out loud.

Except for those two amendments, the bill is a good bill—a strong bill. Anything in it which is going to create any serious problems for any businessman—and I do not know of any—can be ironed out in conference or handled administratively through the broad powers given to the Federal Reserve Board to issue regulations after full hearings. But these two items would not be negotiable in conference or in hearings before the Federal Reserve Board on the regulations—the two loophole exemptions adopted in committee. That is because they are already in the Senate bill. Therefore, we must defeat the revolving credit exemption and the $10 exemption here in the House or they will go into the final version of the bill without any chance to change them. So that is the parliamentary situation as I understand it.

From the mail I have received and the mail I know many of the other Members are receiving, few votes the Members could cast would please more of their constituents than a vote to end the subterfuges and deceptions in the cost of credit, including those pesky service charges from the department stores which are assessed at a rate of 18 percent a year on the unpaid balances. Nothing makes people madder than to check this out and find out how they have been misled on these rates.

Consumers are tired of being the mouse in a game of cat and mouse on credit charges which they do not understand and which they cannot talk to the computer about. If the Members have any doubts on this, they have time between the adoption of the rule today and the votes we are going to have on this bill on revolving credit to get some expert advice from their very best experts on this subject: that is, from their wives. So I say to the Members: ask your wives how much the credit charge is on the department store bill which was not paid on the due date because you were out of town and did not see it. Ask your wives what the percentage rate was. Was it 1½ percent a month? And is that not 18 percent a year? Ask her.

On second thought, do not ask her unless you really intend to vote against the revolving credit amendment, or she will know you did not really want her informed opinion.

Mr. BOLLING. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11601) to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by establishing maximum rates of finance charges in credit transactions; by authorizing the Board of Governors of the Federal Reserve System to issue regulations dealing with the excessive use of credit for the purpose of trading in commodity futures contracts affecting consumer prices; by establishing machinery for the use during periods of national emergency of temporary controls over credit to prevent inflationary spirals; by prohibiting the garnishment of wages; by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry; and for other purposes.

The SPEAKER pro tempore (Mr. Albert). The question is on the motion offered by the gentleman from Texas [Mr. Patman].

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11601, with Mr. Price of Illinois in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. Patman] will be recognized for 1½ hours, and the gentleman from New Jersey [Mr. Widnall] will be recognized for 1½ hours.

The Chair recognizes the gentleman from Texas [Mr. Patman].

Mr. PATMAN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this is a very important and far-reaching bill, and therefore it naturally is controversial. It concerns itself primarily with disclosure of finance charges including interest. Interest costs, of course, are paid on about $96 billion of consumer credit for example. Interest payments are made on hundreds of billions of dollars in our economy. Interest charges represent one of the largest considerations in our national budget.

You take, for instance, our Federal budget has a No. 1 charge, cost of preparedness, national security, and war costs. The second item in our national budget is interest costs. It is the second largest item, and where it is so important to the remainder of the budget is because whatever is charged in the way of interest is taken off the top. Interest costs comes first. It has to be paid first.

If there is too much interest charged and the average rate paid for interest is too much, other items in the budget will have to be either reduced or omitted entirely.

You take for instance, it is my belief, and I have demonstrated it here on the floor many times, if we were paying a fair rate of interest on the national debt today, as we did for 14 years—if we were paying just the same rates we paid during that time, we would only be paying $7 billion a year interest on the national debt. But instead of that, next year we will be paying $15.2 billion because of the increase in interest rates in recent years.

Something that is more shocking even than that is that when the recent increases are reflected in the national debt by the refunding of bond issues that receive a smaller rate of interest, we will be paying $21 billion a year in interest on the national debt. That will not be long—that is in the forseeable future.

So the question of interest enters into our considerations not only in consumer credit, but most important in our national economy and our various social programs.

There are some people in our country who are against any of these social programs. These people have tried to convince the Congress that we ought to just absolutely eliminate them and not have them at all.

Well, the Congress has not convinced. The Congress went ahead on the social and welfare programs just the same because they are so worthy and deserving and helpful to the economy.

Then some of those people—and not all of them I am sure—took the position that if we could in some way raise interest rates, then the Congress would not have that much money to appropriate for these general welfare and social security bills and legislation for welfare and social purposes. They look with great favor on interest rates going higher because it is taking away money which would have been available for the Congress to use in general welfare and social security programs. They look with great favor on that, doubtless, and particularly in view of the fact that they are the ones who are collecting a large part of this additional money.

Therefore, it was not a difficult matter for them to be for that.

Now when it has reached staggering proportions like that, we must give consideration to it.

Our total public and private debt today—the best estimate that we can get—fortunately does not run into the quadrillions. But it does run into the trillions. The aggregate amounts represent a trillion 500 billion dollars. That means that every time we raise interest rates 1 percent—it means that the American people must pay $15 billion a year, each year, for that increase in interest rates.

That has a tremendous effect upon our economy. A few years ago—or 2 years ago to be exact—there was an increase of 1 percent in FHA rates. Every person who was buying a home at that time—let us say for $25,000 over a 30-year term—it meant that that person who was buying that home with that increase of 1 percent, it would cause him to have to pay $4,600 extra over that period of time in order to take care of just that 1 percent.

Taking into consideration the fact that at that time the median income was $4,600—in other words, the average family received $4,600—it meant that the average wage earner was compelled to work a whole year extra just for nothing, just in order to pay that 1-percent increase.

So it runs into real money over a very short period of time. If we had kept our interest costs on the Federal debt at $7 billion, as we could have—we know we could because we did it before for 14 years—we would have $8 billion more this year, and the same is true practically of last year, to spend for any other purpose. But we do not have it. This amount is unnecessarily going for interest rates and that is stopping other programs.

We heard and read a great deal about the moneychangers in the time of Christ. I am not directing my remarks at any particular financial institution or institutions. But the moneychangers in the time of Christ were amateurs. They did not know anything compared to the different methods that are being used now to charge exorbitant and usurious interest rates of the people. We have more devices and ways of extracting money from the consumers of America than we ever had before. They are all ruinous to the consumer. Every time you take a dollar from a consumer for unnecessarily high interest rates, you deprive the economy of a great benefit.

Let me remind you that in 1964 this House and the other body passed a bill, which became a law when the President signed it, declaring that we would reduce excise taxes on the very poor people, that is, on the items that the very poor people were buying and on which they were paying an excise tax, thereby letting the poor people keep the money themselves and spend it as they desired rather than paying it in taxes.

Many of our critics said that it was going to cause a huge deficit in the Treasury. Instead, the people used that money, which amounted to a few billion dollars. They put it into the channels of trade and distribution immediately because they needed goods and services that they had to buy quickly.

That dollar which was spent locally traveled around that little town, six, eight, or 10 times and then it went to some national concern in Chicago, New York, or some other metropolitan center. It traveled all over the country, and at the end of the year that average dollar traveled through 50 different transactions, and in every transaction there resulted a little income tax. For that reason, at the end of the year, we did not have a deficit of billions of dollars as a result of the excise tax reduction, as was predicted, but we had an increase in taxes. For every $1 billion that we reduced those taxes we collected back $1.5 billion because of the transactions about which I just told you.

Therefore, whenever you let poor people keep money and spend it as they want to, it helps the entire economy. It travels around. It percolates up. Everyone gets the benefit of it, the very rich as well as the very poor. Every person should have a chance to get the benefit of it.

But if you are going to change our economy, so that instead of that money being circulated among the poor and letting everyone get the benefit of it, if you would pour it in at the top with big interest rates, you will find that it will not trickle down. It will go through just a very few transactions a year. Perhaps it will go into the first big bank or big business, be placed on their books, and it would remain there. There would be no percolating up or trickling down. So you would not get as much benefit. The poor people would not get any benefit from it at all; whereas, when the money is permitted to percolate up, the poor people, as well as the rich, get the benefit. That is the difference. So we must watch these exorbitant rates.

They are detrimental to individuals and to the general welfare of the country. One of the worst things we have to deal with in our country is exorbitant charges of interest known as loansharking. The New York Times has had some wonderful articles about loansharking, including one this morning, about the danger of corruption. It is next to gambling in the damage done to our people. It is next to gambling in concentration of large amounts of illegal money that can be used for illegal purposes and for injuring the general welfare in order to enrich a few who have charge of it.

Hoodlums and gambling are siamese twins. They go together. Big interest rates and big gambling are tailormade for the hoodlums. So when we do something to stop this exorbitant usurious interest, we are doing something against hoodlums and in the interest of the general welfare of the people.

Whenever we permit hoodlums to operate this way, we permit them to use large sums of money for the purpose of corruption and for the purpose of dishonest schemes and methods.

They even get into politics with it occasionally. Now and then they have something that is very hurtful to the people, by getting people involved in politics who have the right and the power to make decisions for or against the people. They want decisions against the people and for the hoodlums.

We have a wonderful country. We should not let either gambling or loansharking be a major threat to the safety and security of our country. But they are definitely a major threat now to the security of our Nation. We must stop it.

I cannot conclude without paying tribute to our former colleague, Paul Douglas, who started this fight 8 years ago.

I predict this bill will become law. It is a good bill, and in the end right will prevail. Our system of government is great. If the House passes a bill that is different from the Senate, we select conferees from the House, and the Senate selects conferees from the Senate.

We meet halfway between the two bodies, in a room provided for that purpose. We take up each bill. Where there are differences between the two Houses, we agree on something that will reconcile those differences if we can.

In the end we have a bill that every member of that conference committee approves of. We bring it back to the House and get it adopted. It is sent to the Senate. It is adopted there. It goes straight to the President of the United States. He signs it. It becomes a law.

So any of the bad points in this bill that should be ironed out or reconciled or changed, I feel reasonably certain, under the parliamentary procedures we have, which will be used, will be taken care of, since our procedures are instrumental and helpful in doing that.

I hope that this bill will be enacted into law, and I hope it will be voted by this House in particular by a very strong and substantial majority when it comes before the House for consideration and final vote this week.

Mr. Chairman, I now would like to discuss some of the specific provisions of this milestone legislation.

Mr. Chairman, today, the House of Representatives opens debate on the Consumer Credit Protection Act, a major plank in the 90th Congress' bill of rights for the American consumer.

This legislation—contrary to the smokescreens spread by its opponents—is simple and clear.

Is the American consumer entitled to know exactly—without any ifs, ands, or buts—what he is paying for credit?

Surely this is a question that the 90th Congress can answer in the affirmative.

Mr. Chairman, the Consumer Credit Protection Act is not a piece of legislation which affects only a handful of people or an isolated sector of our population. It provides protection and the truth about credit for virtually every single American family.

Today, consumers in this country are paying more than $13 billion annually in interest on nearly $96 billion worth of consumer debt. Practically every family—except the most wealthy—is paying on a share of that $96 billion.

So, Mr. Chairman, we are talking about protection for the constituents of every single Member of this House of Representatives.

Before going into the substance of this bill, it seems appropriate to add a few words about the great American who originated and fought for adoption of this kind of legislation.

No discussion of this legislation can properly proceed without an acknowledgment of the debt we all owe to former Senator Paul Douglas for his pioneering fight on behalf of truth in lending. While that fight is not yet won, we recognize that, but for his vision, we might not have the opportunity presented to us today in taking action on this vital legislation.

I believe it is further appropriate at this time to commend for your attention the 2 weeks of intensive hearings on this bill conducted by the Consumer Affairs Subcommittee of your House Banking and Currency Committee. The very design of this legislation and the excellent set of subcommittee hearings were carried out under the able and imaginative leadership of the subcommittee chairman, the gentlelady from Missouri, Congresswoman LEONOR K. SULLIVAN.

The bill that was reported out of the Banking and Currency Committee is a much stronger piece of legislation than was passed in the other body by a 92-to-0 vote. It contains some important features, such as a truth-in-advertising section, an administrative enforcement section, a limitation on the garnishment-of-wages section and the inclusion of credit life insurance as part of the finance charges, that S. 5 did not have.

However, Mr. Chairman, if we are to make this a true bill of rights for the American consumer, we must make sure that we are providing for the full truth on all credit transactions. This means, Mr. Chairman, that we must include the credit charges and interest rates involved in what is generally called revolving credit—the big department store credit.

It also means that we must not provide a loan-shark-type exemption for the smaller credit purchases and loans. In short, we must not allow an exemption for credit and interest charges under $10 to slip through in this legislation. Unfortunately, this exemption—or loophole—has been misnamed "The $10 Exemption." In reality, it covers virtually all purchases and loans up to $100. The $10 refers to the credit charges, not the total purchase or loan.

Mr. Chairman, there are still millions of Americans who regard $100 as a lot of money. Quite obviously, this loophole would hit the low-income and the moderate-income family the hardest. In other words, we would be providing disclosure of the annual rate for the rich and depriving the poor of this same protection.

It would be sad, indeed, if the Congress were to pass the rest of this bill and, at the same time, leave a tremendous loophole in this legislation which adversely affects the poor and low-income family more than any other provision in this bill.

Mr. Chairman, I shall discuss, in detail, other sections of this bill. But at this point I want to emphasize my support for the provision of this bill which prohibits abuses in connection with the garnishment of salaries.

In many areas of the country, the garnishment of salaries to collect debts has virtually destroyed the lives of wage earners and their families. It has meant thousands of personal bankruptcies and job dismissals.

The provisions of this legislation would give the poor—the low-income family—badly needed protection against the obvious abuses in the garnishment of salaries. It would prevent the loss of jobs and the welfare costs which invariably follow such dismissals.

Mr. Chairman, the garnishment provisions of this bill are fair to the creditor and the wage earner alike. It is a humane way to treat a desperately human problem. These provisions are virtually identical with those which are now in practice in the New York State law. They are, I repeat, equitable to all concerned.

Mr. Chairman, now I would like to discuss the major points of H.R. 11601:

TITLE I—TRUTH IN LENDING AND CREDIT ADVERTISING

I do not believe that it is necessary for me to spread upon this record further evidence of the need for this legislation than may be found in the 7 years of hearings conducted in the other body, as well as in the two volumes of hearings of the Consumer Affairs Subcommittee. While the growth of consumer credit since 1945 demonstrates both the health and vigor of our economy, consumer credit has grown at a rate 4½ times greater than the growth rate of our economy. As of September 1967, total consumer credit has soared to almost $96 billion. At the present time, American consumers are paying approximately $13 billion a year in interest and service charges for this credit. This is roughly equivalent to the amount of interest paid annually by our National Government as interest on the national debt.

While we all recognize the significance of consumer credit in the growth of our economy, we would all wish to insure the judicious and intelligent use of such credit. Actions to regulate have been taken only in the case of extreme emergency. We have preferred—and history seems to justify the wisdom of that preference—to permit the marketplace to do the regulating for us. However, regulation by market forces assumes the relative equality of the parties in the market and further assumes equal access to pertinent information by such parties.

Title I of your committee's bill is designed to provide the American consumer with the information he needs to make the marketplace an effective regulator in the conduct of consumer credit transactions. What we seek to accomplish under this title is to assist the consumer in comparison shopping for credit. We seek to apply to all merchants the same criteria for disclosure of the terms and conditions under which finance charges will be imposed on consumer credit transactions. Unfortunately, such uniformity does not exist today. State disclosure requirements where they exist are by no means uniform. Lenders and mail-order houses operate across State lines, frequently not subject to any effective disclosure requirements.

With regard to rate disclosure, some creditors employ an add-on rate which is measured on the original balance of the amount of credit extended, rather than on the declining balance. This add-on rate has the effect of understating the effective rate to the consumer by approximately 50 percent.

Some segments of the credit industry quote rates on a monthly basis, while others quote rates on an annual basis. Although it may seem a simple matter to multiply a monthly rate by 12 in order to provide the annual rate, surveys conducted among consumers indicate that many people are not aware of the true cost of credit when it is expressed on a monthly basis.

Some creditors add a number of additional fees or charges to the basic finance charge. Such fees include credit checks, credit life insurance, and various other service charges. This device permits creditors to quote a relatively low rate, while actually collecting a much higher amount through the imposition of these additional fees and charges. In some cases consumers are quoted no rates at all on credit transactions, leaving it to the consumer himself to compute the rate if he desires to comparison shop for credit.

Significant segments of the population are misled by the manner in which the terms and conditions are offered and contracted for, as well as by the manner in which credit is advertised. Misleading practices engaged in by a minority of unscrupulous merchants and lenders fail to adequately disclose the credit terms offered to buyers in making purchases in obtaining loans. This failure of adequate disclosure tends to increase the uninformed and untimely use of credit by the public, adversely affecting economic stabilization, increasing inflationary pressures, and decreasing the stability and the value of our currency.

In your committee's view, the solution to these problems is to require by legislation that all creditors use the same method of computing and quoting finance charges, including a statement of the annual percentage rate. The disclosure requirements contained in your committee's bill, both with regard to credit transactions and credit advertising, will basically provide the American consumer with the information he needs to compare the cost of credit and to make an intelligent decision on the use of credit.

TWO EXEMPTIONS TO FULL DISCLOSURE

The bill as approved by a majority of the committee, contains two exemptions to annual rate disclosure in connection with consumer credit transactions:

REVOLVING CREDIT

The basic disclosure concept contained in the proposed legislation is to require lenders and merchants to provide consumers with a statement of the "finance charge" imposed by the creditor in connection with the particular consumer credit transaction. In addition to the statement of the finance charge in dollars, the creditor is generally required to state the finance charge as an annual percentage rate; however, a majority of your committee believes, with regard to "open-end credit plans" or "revolving charge accounts" as they are more commonly known, that the statement of an annual percentage rate would not accurately reflect the credit charges actually imposed upon such transactions.

The majority of your committee believes that while the monthly rate applied to a revolving charge account may be 1.5 percent a month, the particular schedule of payments and purchases, combined with the so-called free ride, does not justify the expression of that monthly rate as an annual rate of 18 percent per year. Revolving charge accounts most frequently contain a free ride during which no finance charge is imposed. This period may vary from 30 to 60 days.

A substantial minority of the committee believes, however, that the exemption is premised on confusion of the concepts of "yield" as opposed to "rates." In their view, if the nominal monthly rate applied is 1.5 percent, the nominal annual rate applied must be 18 percent, although the yield to the creditor may be more or less than the nominal annual rate. In their view, the disclosure of the nominal annual rate is, nevertheless, necessary to assist the consumer in "comparison shopping" for credit under a revolving charge account, as opposed to other forms of credit transactions.

The amendment adopted by your committee thus exempts revolving credit from true annual rate disclosure. I know that the gentlelady from Missouri, Congresswoman SULLIVAN, intends to argue against this committee amendment. It is my intention to support her in those efforts in order to eliminate from this legislation a provision which, in my view, discriminates against consumers and small, independent businessmen, and in favor of large chain department stores.

TEN-DOLLAR FINANCE CHARGE EXEMPTION

Another, and perhaps more damaging, exemption adopted by your committee provides a further exemption from annual rate disclosure. This exemption applies to credit transactions where the amount of the finance charge does not exceed $10. This amendment would exempt from annual rate disclosure consumer credit transactions where, for example, the nominal annual rate was 18 percent and the amount of the credit involved was approximately $100 or less. The proponents of this amendment argue that the exemption would relieve merchants and lenders from the burden of providing annual rate disclosure in connection with relatively small and insignificant credit transactions.

The difficulty that I have with this argument is that a $100 loan or a $100 credit transaction is neither small nor insignificant for most American consumers. In fact, there are millions of credit transactions a year involving an amount of up to $100. However, the proponents of the exemption further argue that small accommodation loans and credit transactions are frequently made by creditors where the fixed costs of the loan to the creditor would, if he were required to disclose them in the form of an annual percentage rate, reflect a rate so high as to discourage creditors from engaging in such transactions.

The proponents of this amendment further contend that great injury would befall the consumers who depend upon these transactions were they to be discontinued by the creditors involved. However, the major proponents of this amendment have been the representatives of the banks. Dr. Charls E. Walker, of the American Bankers Association, presented the committee with an example of an accommodation loan where the annual percentage charge was 120 percent.

Mr. Stanley Barber, of the Independent Bankers Association, presented the committee with an example of an accommodation loan where the annual percentage rate was 260 percent. I can readily understand why these banks would be embarrassed to tell their customers that they were charging them this amount.

However, is that really an adequate justification for the Congress of the United States to create a special exemption from full disclosure? Why should those unfortunate consumers seeking such accommodation loans not be informed of the incredibly high rates they pay when making such loans?

Here again, it is my understanding that Congresswoman SULLIVAN will offer an amendment striking this exemption, which I intend to support.

TRUTH IN CREDIT ADVERTISING

The bill reported by your committee applies comparable standards of disclosure to credit advertising. Certain perfecting amendments to credit advertising disclosure have been adopted by the committee which basically improve and simplify the application of disclosure to credit advertising. Basically, the advertising provisions of the bill are premised upon the belief that a substantial portion of consumer purchases are induced by advertising and that if full disclosure is not made with regard to representations in credit advertising, the consumer will be deprived of the opportunity to effectively comparison shop for credit.

The responsibility for insuring truth in credit advertising is placed upon the creditor and his agents, and not in the media in which the advertising appears. It is our view that this places the responsibility where it belongs.

REGULATIONS AND ADMINISTRATIVE ENFORCEMENT

An important amendment adopted by your committee deals with the issuance of substantive regulations and administrative enforcement. All substantive regulations dealing with disclosure of the terms and conditions of finance charges in credit transactions or in the advertisement of credit are to be issued by the Board of Governors of the Federal Reserve System. This has been done so that a single set of comprehensive regulations will be issued to facilitate uniformity of application among the industries affected by this legislation.

Before finally promulgating its regulations, the Board, of course, will be required to hold full and open hearings giving all interested parties an opportunity to comment. Since administrative enforcement of the subject regulations will be allocated among various Federal agencies having particular responsibilities in connection with the affected industries, the Board must, of course, provide these agencies with ample opportunity to present their views on proposed substantive regulations.

Administrative enforcement provided in your committee's bill will insure uniform, broad, and effective application of the principle of disclosure. Administrative enforcement will not only afford necessary protection to the consumer, but will further protect the honest businessman from unethical forms of competition engaged in by some unscrupulous creditors who prey upon the poor through deceptive credit practices. Effective administrative enforcement will thus protect the honest merchant and insure that he is not penalized in the marketplace when he states the full cost of his credit in dollars and as a percentage rate.

The agencies having responsibility for administrative enforcement with regard to the industries coming within the scope of their activities are the Federal Home Loan Bank Board, the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Civil Aeronautics Board or the Federal Aviation Administration, the Interstate Commerce Commission, and the Department of Agriculture, with the Federal Trade Commission covering the remainder. In this manner agencies already having expertise in the affected industries will be responsible for the application of the law to each of these industries.

CIVIL AND CRIMINAL PENALTIES

While provision is made in the bill for civil and criminal penalties, it is anticipated that the major enforcement activities will be carried out under the administrative enforcement provisions. It should be noted that while credit advertising is covered under certain of the disclosure provisions of the bill, such advertising cannot provide the basis for a civil suit. This exemption has been written into the bill by your committee to avoid the possibility that anyone seeing an advertisement not complying with disclosure requirements would attempt to seek civil penalties.

EFFECTIVE DATE

In order to insure adequate time for the promulgation of sound regulations, your committee's bill provides that the legislation shall become effective 9 months after enactment.

Since some concern has been expressed with regard to the effect of the legislation on State law, it is perhaps advisable to briefly reiterate what is clearly set forth in the committee's report on this matter.

First, there is no intention to preempt State consumer credit legislation unless the State law is inconsistent with the Federal law, and then only to the extent of such inconsistency. Second—and of equal, if not greater importance—is the fact that the annual percentage rate required to be disclosed under the bill is not an interest rate and is in no way to be construed as interest rate within the meaning of various State usury laws. The definition of the term "finance charge" which provides the basis for the computation of the annual percentage rate clearly evidences this fact. The finance charge is the aggregate of various charges imposed by the creditor and can under no circumstances be deemed comparable to an interest rate under State usury laws.

TITLE II—RESTRICTION OF GARNISHMENT

The basic statement of congressional policy upon which the restriction of the garnishment of wages is based is found in title II, section 201 of the committee's bill. It provides:

> SEC. 201. The Congress finds that garnishment of wages is frequently an essential element in predatory extensions of credit and that the resulting disruption of employment, production, and consumption constitutes a substantial burden upon interstate commerce.

As originally introduced, the bill provided for a complete prohibition against the garnishment of wages. However, your committee had adopted an amendment which merely restricts such garnishment to 10 percent of an employee's earnings above $30 a week, while prohibiting an employer from discharging an employee by virtue of a single garnishment of wages. The committee adopted this amendment because they believe that a total prohibition of garnishment would unduly restrict honest and ethical creditors while permitting those fully capable of paying just debts possibly to escape such responsibilities.

Furthermore, your committee exempts from the restriction on garnishment debts due to a court order arising essentially out of domestic relations cases, that is, for example, child support or alimony, and debts arising out of failure to pay State or Federal taxes.

Evidence received by your committee clearly establishes the connection between the rocketing increases in personal bankruptcies and harsh garnishment laws. Since 1950, personal bankruptcies in this country have risen by over 1,000 percent—from 18,000 in 1950 to 208,000 for the fiscal year ending June 30, 1967. Well over $1 billion in consumer debts were canceled by virtue of these personal bankruptcies in 1967 alone.

There are those who contend that if we restrict the garnishment of wages, there will be a sharp cutback in consumer credit. However, available evidence demonstrates that this argument is false. States—such as my own State of Texas, Pennsylvania, Florida, and New York—have either abolished the use of garnishment or have laws similar to the one proposed here by your committee. The levels of consumer credit in those States are as high, if not higher, than they are in States having the harshest of garnishment laws.

Endorsement of the limitation on the garnishment of wages has been received both from industry and from the trade union movement. Major steel corporations, such as United States Steel, Republic Steel, and Inland Steel, have written to the committee supporting a restriction on the garnishment of wages. Their view was concurred in in testimony received by your committee from I. W. Abel, president of the United Steelworkers of America, and Pat Greathouse, vice president of United Automobile Workers of America, speaking both on behalf of the UAW and the Industrial Union Department of the AFL–CIO.

The limitation on the garnishment of wages recommended by your committee, while permitting the continued orderly payment of consumer debts, will relieve countless honest debtors from going bankrupt in order to preserve their jobs or retain sufficient income to decently support themselves and their families.

TITLE III—COMMISSION ON CONSUMER FINANCE

Finally, your committee's bill calls for the establishment of a bipartisan National Commission on Consumer Finance, which will study the structure and functioning of the consumer finance industry, as well as consumer credit transactions generally, reporting back to the Congress and the President on its findings and recommendations.

As we have previously indicated, consumer credit is a rapidly growing and very vital factor in our domestic economy. We must understand more about it in order to legislate intelligently in this area. The proposed Commission should provide us with much of the basic facts we will need in order to fulfill our responsibilities in the years ahead.

H.R. 11601, the Consumer Credit Protection Act, is a landmark piece of legislation. It is an expression of the concern of Congress for the welfare of the people, for the protection of the poor and unsophisticated. It will protect consumers and insure equality of opportunity in the marketplace for businessmen seeking to meet the credit needs of our people.

While, as I have expressed to the House, I do not believe the bill is perfect in all respects, though I sincerely hope that we will be able to perfect it in the course of this debate, I urge its adoption by the House.

Mr. Chairman, I include several arti-

cles and one editorial which are pertinent to my discussion and this bill:

[From the New York Times Magazine, Jan. 28, 1968]

IF YOU ARE WILLING TO PUT UP YOUR BODY FOR COLLATERAL—JUST CALL "THE DOCTOR" FOR A LOAN

(By Fred J. Cook)

They call him "the Doctor." You will meet him, if such is your misfortune, in the swankiest nightclubs, his curvaceous young bride dangling on his arm. "Meet my friend, the Doctor," the maitre d' will say, performing the introductions. "The Doctor" is always most charming. A man in his fifties, he dresses like the owner of a million-dollar wardrobe. It is hard to imagine that he is in reality a hybrid—a species of spider-vulture who spins a web in which to enmesh his victim so he can pick clean the bones.

Though names cannot be used in this portrait, the Doctor (a nickname for unknown derivation) is no figment of the imagination. He exists. He is, authorities say, one of the largest and most vicious loan sharks operating in New York, just a step down the ladder from Carlo Gambino, probably the most powerful of the reigning chieftains of the city's five Mafia families. Detectives who get up with the Doctor in the morning and follow him through his daily routine until they put him to bed at night know the pattern of his days by heart—and are completely frustrated because he operates the safest and most remunerative racket in the underworld.

He has no visible means of support, but he has put up his new bride in an expensively furnished mansion in one of the finer residential sections of the city. He never "works," as other humans know the term, but when he has been stopped and questioned by police, he has never had less than $7,000 in sweet cash upon his person—and sometimes he has had as much as $15,000. "You can never charge him with vagrancy," one prosecutor says, with a sour smile. Unlike a master bookie, he has no fixed headquarters, no elaborate telephone setup, no army of runners. He simply circulates. And in the best and most expensive places. And among the "best" people.

The far reach of such an operator was brought home to New Yorkers recently when former Water Commissioner James L. Marcus was indicted on charges of participating in a $40,000 kickback scheme on a city contract. According to investigators, Marcus was in deep financial trouble on several fronts, not the least of which was a reported $50,000 loan-shark debt to Mafia mobster Antonio (Tony Ducks) Corallo. Corallo was arrested with Marcus as his alleged partner in the kickback scheme. Later, two men were charged with taking part in a plot to murder a Government witness in the Marcus case. The episode, as reported, is similar to innumerable less publicized events in at least two ways: (1) The shark's victim was an intelligent, experienced person—professional people and substantial businessmen are the loan shark's favorite targets; (2) the victim found that when he was over a barrel with a loan shark, he was over a barrel with the Mafia—and that is being over a nasty barrel indeed.

The popular conception of the loan shark as a two-bit hoodlum lending $5 on Monday and collecting $6 the next—the typical "six for five'" operative—is an anachronism bearing virtually no relation to current reality. As Sgt. Ralph Salerno, the now-retired racket expert of the city's Bureau of Criminal Investigation (B.C.I.), told the New York State Commission of Investigation in its loan shark probe three years ago: "No self-respecting loan shark . . . would ever want to admit even to his best friend, that he has loaned less than $100."

At the same hearings, then Assistant District Attorney Frank Rogers, of New York County, testified: "A loan shark that we know lent a million dollars in the morning and a million dollars in the afternoon." Loan-sharking is so remunerative, he said, that one mob boss had pyramided $500,000 into $7.5-million in about five years—and there were, in New York County alone, "at least 10 men who are comparable to him."

The conclusion of all the expert witnesses was that loan-sharking is, on a national scale, a multi-billion-dollar resource of the underworld and that, while its gross take is less than gambling, it is preferred to gambling because it is so safe it almost defies prosecution.

This safety factor (which breaks down only when the shark is caught using violence to enforce collection or committing some other overt crime, as is charged in the Marcus case) is probably the reason that top mob bosses have been more openly connected with loan-sharking than with more risky enterprises, such as gambling and narcotics. Vito Genovese, the onetime boss of bosses, now in Federal prison, had nakedly obvious ties to loan-sharking, and the same is true of one of his principal deputies, Thomas (Tommy Ryan) Eboli. B.C.I. Deputy Inspector Arthur C. Grubert testified before the Commission of Investigation that his bureau had identified 121 master sharks in the five Mafia families of New York. He broke the figure down this way: 51 in the Genovese family; 37 in the Gambino family; 18 in the Profaci family of Brooklyn, now run by Joseph Colombo; 12 in the Luchese family; three in the family of Joseph (Joe Bananas) Bonanno.

Grubert made it clear that he was talking about only the two top echelons of the loan-sharking pyramid. There are, all investigators agree, four operating levels. On the top level is the family boss. Just under him are his trusted principal lieutenants. The lieutenants have their own subordinates to whom they funnel money for investment, and these third-echelon underlings, besides lending out much of it themselves, split up the rest of the money and pass it down to the fourth and lowest level, the working bookie and street-corner hoodlum. Sergeant Salerno gave a graphic description of the way it all works. He said:

"A big racket boss could have a Christmas party in his home, to which he invites 10 trusted lieutenants. He doesn't have to write their names down. He knows their names. They are friends of his. . . . He can take one million dollars, which is not an inconceivable amount of cash, and distribute that, $100,000 per man to these 10 men. All he has to tell them is, 'I want 1 per cent a week. I don't care what *you* get for it. But I want 1 per cent a week.'

"He does not have to record their names, He does not have to record the amount. They are easy enough to remember. And if you stop to think that, 365 days later, at the next year's Christmas party, the only problem this gang leader has is where he is going to find five more men to hand out half a million dollars that he earned in the last year on the same terms. . . ."

This usurious interest (the gang's chieftain's 1 percent a week becomes 52 per cent a year) is known in the trade as vigorish—or "the vig." (There is a theory that the term derives from the word "vicarage" and refers to the contributions given the vicar by his parishioners.) Naturally, the rate goes up as the money is filtered through the various echelons, and each takes its cut. On the second level, where the principal lieutenants dwell, the vigorish may amount to 1.5 or 2 per cent a week, and on the lowest operating level, where most ordinary loans are made, it will be 5 per cent a week—260 per cent a year. And the underworld, ruthless and insatiable, has a whole arsenal of neat devices by which even this horrendous figure can be hiked.

The Doctor is one of those top-level lieutenants who would be invited to the big chief's Christmas party. Only in his case, he would probably not be given a piddling $100,000 to put to work, but something more like a million. "He is a big, big money mover," says one detective. "They trust him. He has hundreds of thousands of dollars working at any one time."

Rarely, if ever, does the Doctor participate in the direct lending of his hoard of cash. He works through his subalterns, parceling out his share of the underworld treasury among as many as 30 underlings on the third echelon of the pyramid; they make the actual loans and collections and, in turn, put some of the money to work through street-corner bookies and hoods. Under such circumstances, life for the Doctor becomes one unvarying round of seemingly innocent social contacts.

Since he is a late-nite man-about-town, the Doctor hardly ever rises much before noon. He may then have a late brunch with his bride, daughter of a Mafia chieftain, and then he will get into his Cadillac and begin his rounds. His first stop is almost invariably at the home of his former, divorced wife with whom he apparently maintains amicable relations. Detectives theorize that the former wife's home is probably a contact point at which he picks up messages or cash that may have been left for him. After a short stay here, the Doctor drives on to a small business office that he maintains as an ostensibly legitimate front. Detectives have been unable to discern any real business being conducted here, and they deduce that the office serves as another contact point.

After the office stop, the Doctor's routine may vary slightly, depending upon the day of the week. Monday is especially busy in the loan-shark racket. It is the day when new loans are being laid out, when collections are made, when the misdeeds of defaulters must be weighed and penalties assessed. The Doctor regularly visits his favorite Italian social club, where he sits around chatting with old cronies; but it is noticeable that, on this one day of the week, his stay is always more protracted and his talk longer and more earnest.

After the business at the club has been transacted, it's off to the plushier bistros of Manhattan, where the Doctor circulates, much like the lord of the manor, with maitre d's bowing and scraping and bartenders bobbing their heads in welcome and subservience. They all know they had better. Many are so deeply in hock to the Doctor themselves that they will probably never again be able to call themselves free men, and in some instances the pit has been dug so deep that the Doctor is in fact the secret owner of the business. A favorite rendezvous in the past, a plush restaurant just off Park Avenue in the midtown section, was forced to close eventually because his silent partnership became too loud and the State Liquor Authority revoked the liquor license.

"You can watch all this activity, and it's most frustrating," says a detective who has camped on the Doctor's trail. "He goes into a place, has a drink, chats with the bartender who is a 'steerer' of his [sending along loan customers]. Perhaps he picks up a message or some cash that has been left. How can you tell? It's all very casual, very hard to detect. Perhaps he wanders off to the men's room, and, just by chance, one of his lieutenants follows, and a word is dropped or money changes hands. There is little you can do about it."

It all adds up to a pretty gay way of life for the Doctor.

"He's a real swinger," a detective says, "and he's very vain. He goes to a health club regularly for exercise. And he's always been young-chick-crazy. Until he married his young wife, you'd see him almost every night with a different babe, all stacked. Now he makes the rounds with her."

The doctor has one other noticeable trait. He is famous for his nasty temper. "He has a very short fuse," the detective says, "and he'll get into a fight at the drop of a hat. This generates fear, it's failing that is really very valuable to him in his business. All he has to do is to show up at a restaurant where some guy owes him money, and the guy begins to quake."

There is one other angle to the Doctor's business, and this, too, is highly remunerative. Underworld informants picture him as the secret proprietor of floating crap games. A free spender who likes to gamble is put in touch by a steerer; a fancy limousine picks him up at his apartment or hotel and whirls him away to the spot selected for the evening's pleasure. The game, being an underworld enterprise, is apt to be rigged to the eyeteeth; but even if it is not, the law of averages can generally be counted upon to leave the eager roller with a flat wallet. Then comes the pièce de résistance. The fever is still upon the sucker; having lost all, he wants to gamble more "to get even." And would you believe it? There at his elbow, just waiting to be of service, is one of the Doctor's sharks. Need another $500, buddy? Gladly, gladly, says the shark, turning it over.

The shark, of course, knows his customer; he's already checked his credit rating; he knows he can't lose. If the gambler's luck changes, he pays back the shark on the spot—$600 for the $500 he has just borrowed. If, as is more likely, he blows the extra $500, too, he must pay up $600 within 24 hours. "This is one of the neatest rackets going," a detective says, "They aren't interested in the profits of the game so much as they are in the loan-sharking at the game. That's where the real money is. It's easy to run $10,000 into $15,000 in a single night loan-sharking."

Inevitably, with a business as intricate as the Doctor's, it becomes necessary, as it is not in a more streamlined operation, to keep some detailed records. It is fairly simple for the family boss who has parceled out $1-million in chunks of $100,000 to each of 10 principal lieutenants to keep his accounts in his head; but when you split up hundreds of thousands of dollars into hundreds of chunks, the transactions become too complicated. Even an agile brain cannot retain the details without the help of a written record. Authorities have been successful in obtaining one such account sheet of the Doctor's. It contains a long column of figures that look as if they were taken from a bank's daily ledger. Scanning the column at random, one notices amounts ranging from $13,000 to $43,000, each representing a loan. Some of the loans are identified only by nickname or initial; others have names spelled out beside them—including names of subsidiary Mafia figures to whom the Doctor apparently had funneled some of his money.

"We're sure this sheet represents loan-sharking business," the prosecutor who has it says, "but when we questioned the Doctor about it, his alibi was that this was just an ancient record, representing transactions from years and years ago when he was in the bookmaking business."

Even when authorities get an indubitably current record, it is extremely difficult to make much sense, still less a legal case, out of the mysterious chicken scratches. One investigative unit recently came into possession of a red-covered loose-leaf pocket notebook containing the record of transactions of a bookie-shark on the lowest level of the Doctor's ring. The flyleaf carries an unexplained notation: $15,000.

"This apparently was the money entrusted to him to lend out," a detective says.

The $15,000 item is followed by these other unexplained entries: $7,300, $3,900, $700. Out at the side of the page, the last sum is broken down into three other amounts: $250, $350, $100—apparently representing three smaller loans that made up the $700.

Who got the money? There is no way of telling.

"The guy who had this book carried it in his head," the detective says. "He knows who got the $7,300, who got the $3,900; he doesn't have to put down names."

Some of the inside pages of the notebook do contain more information. In transactions involving week-by-week payments over periods of several months, the shark had to keep a careful record. But even here the entries tell little. These are designations like "Brother," "Billy," "Fred." Just who they are is anybody's guess. One of these accountings shows that $500 was lent to be paid back at a rate of $50 a week for 12 weeks—a mere $600 for $500. Regular payments were made, except for one week. However, the borrower paid $100 the next week, was never delinquent again and the account was marked closed at the end of the 12 weeks.

Not all borrowers were so lucky. One account in this book deals with a loan that started out at $11,600. The borrower—whose name appeared beside the figures—made regular payments at the start, but then the burden obviously became too heavy. His payments lapsed for weeks. Penalties were assessed. These and the accumulations of . . . vigorish boosted the indebtedness, despite what had been paid, to $16,898. There the account ends—permanently. The man who borrowed but could not pay was found murdered in a city alleyway, and investigators trying to solve the case are operating on the theory that he paid with his life for having had the bad judgment to cost the syndicate money.

Such gory episodes point up a fact of life: the borrower is always at the mercy of the shark, and the shark, backed by all the awesome, terroristic power of the Mafia, is utterly ruthless. Coupled with his ruthlessness is a devilish cunning that is always devising new ways of getting people in his power—and then driving them right through a wall.

Take the case of the prosperous bar owner who tried to do his daily good deed, found himself caught in the middle and was almost devoured by a shark. The bar owner had a good, free-spending customer whom he had known for quite some time. One day the customer confided that he was in a financial bind and needed to borrow some fancy cash. So the bar owner, trying to do a favor for a patron, passed him on to his favorite loan shark. The customer and the shark made their deal, and for a time everybody was happy. But then the customer, evidently unable to pay, skipped the city—and the sharp ivories of the loan shark closed on the bar owner who was informed he was responsible for and had to make good the loan.

"If you introduce someone to a loan shark," says one investigator, "you make yourself responsible for the payments. If the friend you've recommended takes off for Florida or Samoa, leaving the debt unpaid, they come to you to collect. It is just like co-signing a note in legitimate business. This is one way many bartenders and bar owners find themselves suddenly in deep, deep trouble."

The trouble gets just as deep as the loan shark in his generosity chooses to make it, for the shark makes up the rules of the game as he goes along, and the other player, the borrower, hasn't a thing in the world to say about it. If a borrower defaults for a couple of weeks or a month, the shark can assess any penalty that comes into his usurious mind—and the borrower has to pay or flee the country or risk being dumped in some dank gutter.

Frank Rogers, in his testimony before the Commission of Investigation, cited a case that began with a $6,000 loan to a businessman. The borrower made three payments, then missed two. For this heinous offense, the loan shark decided that the $6,000 would now be converted into $12,000, with the accompanying double vigorish. When the hapless borrower could not begin to pay this suddenly doubled load, the shark upped the principal to $17,000, then $25,000. "Just by simple mandate from the loan shark," Rogers testified, "you are in an irreversible situation. He says, 'This is the loan,' and that is it."

Once a victim has been driven completely through the wall by such devices, the shark sometimes grins his suddenly friendly smile and says, "O.K., I'm now your partner. I own half your business."

This doesn't mean he's really forgiving anything; he's simply stopped piling it on. But he still expects his vigorish on the old loan—and half his new "partner's" profits besides. The situation then rapidly deteriorates to the point of utter hopelessness, which is what the shark wants. Then he may say magnanimously, "Look, we will swap even. We will forget the loan, you forget the business. It is now all mine." The entire process, Rogers said, sometimes takes less than six months.

Such takeovers, Rogers told the investigation commission, run the gamut "from nightclubs to optical stores to brick companies." And, as testimony before the commission showed, to Wall Street brokerage houses and banks.

The loan shark, then, is the indispensable "money-mover" of the underworld. He takes "black" money tainted by its derivation from the gambling or narcotics rackets and turns it "white" by funneling it into channels of legitimate trade. In so doing, he exacts usurious interest that doubles the black-white money in no time; and, by his special decrees, by his imposition of impossible penalties, he greases the way for the underworld takeover of entire businesses. Perhaps the best single illustration of how it all works was put on the record by the Commission of investigation in its probe of the First National Service and Discount Corporation.

This was an underworld loan-sharking operation that was actually incorporated as an ostensibly legitimate business. It had a suit of offices at 475 Fifth Avenue, and its front man was an operator grown as Julio Gazia, alias Julie Peters. He described himself frankly as "a Shylock, a five-percenter." Some of the largest names in the underworld and its affiliated loan-sharking ventures weave in and out of the story of First National.

The original loan of $21,600 was supplied by Thomas (Tommy Ryan) Eboli, strong man of the Vito Genovese syndicate, and by Charles (Ruby) Stein. Stein, with his partner, Nicholas (Jiggs) Forlano, is known as one of the largest loan sharks in the city, with direct ties to the highest echelons of the Mafia. When additional money was needed for loans, it was obtained from Mike Genovese, brother of Vito, and Joseph (Joe Ross) De Nigris, known as a reliable "old soldier" of the Genovese family and a close aide of Eboli. Money from these underworld sources was lent to Julio Gazia and First National at 1.5 and 2 per cent a week—and was put out by Gazia at a minimum of 5 per cent a week. With money turned over and over from paid-up loans, First National lent approximately $400,000 in 25 months and reaped a gross profit of at least $150,000, probably much more.

Borrowers testified before the commission that they lived in abject terror of what would happen to them or their families if they did not pay. The wife of one borrower, subjected to a blitz campaign of threatening and obscene telephone calls, collapsed and had to be hospitalized. The others had good reason for their fear, the commission reported, for Gazia employed two hoodlum-enforcers—Anthony Scala, who liked to be known as "the leg breaker," and Anthony (Junior) De Franco.

An attorney who had become a partner of Gazia in the First National caper gave the commission an inside view of some of the goings-on. On one occasion, Gazia lent $22,000 to the proprietor of an optical company, who agreed to pay $1,100 a week "vig" on the loan. Later another $6,500 was lent. This raised the "vig" to $1,425 a week, and the optical company executive found eventually that he simply couldn't pay it. Though he had paid Gazia and First National $25,000 in interest, he still owed the entire principal of the loans, $28,500—and the $1,425-a-week "vig" went on and on, endlessly. He tried frantically to borrow from friends and failed.

At this point, the underworld called a "sit-down"—a meeting presided over by an underworld baron of acknowledged stature. Presiding as a justice in a kangaroo court, the underworld chieftain hears the evidence and decrees what shall be done—what lump sum the loan and accumulated vigorish can be settled for (this is never less than three or four times the original principal) or, in lieu of that, what retribution shall be exacted from the defaulter. In the case of the optical company owner, Eboli himself presided at the sit-down, held in a Greenwich Village restaurant, and he decreed that an aide, Dominick Ferraro, should take over the optical company and go to West Virginia to operate its plant there. In the course of a few months, the new "management" looted the concern of every dime in the till and drove it into bankruptcy.

Why do supposedly sensible men get themselves into such binds? The optical firm owner who lost all gave the commission a succinct answer: "I needed the money."

It is a refrain that is heard again and again. Certain kinds of businesses are especially vulnerable. In the garment business, an uncertain and cyclical industry, the owner of a dress factory often finds himself caught in a sudden squeeze; either money is tight or he does not have the kind of credit he needs at a bank—so he goes to a loan shark. Many a tavern owner begins business after spending years as a cook or bartender. He does not have much capital. By the time he has rented and furnished his place, he is running short of funds with which to lay in the costly supply of varied liquors that he needs to woo a well-paying clientele—so he goes to the loan shark. In the construction industry, capital can be tied up in long-term projects; when the crush for cash for a new venture becomes acute, a sum like $1-million may be needed the day after tomorrow—and so the construction company executive, too, goes to the loan shark.

There are an infinite number of entrapment techniques. Take a typical case. The steerer at a bar introduced the resident loan shark to the son of a wealthy businessman. The son had junior executive status in his father's business, was a bit of a playboy and was drawn by the shark's sinister character and reputation. It did something for his ego just to be seen in the company of such an eminent Prince of Darkness.

The shark and Junior began to bet together. It started on the $10 level. Then Junior wanted to move up to the $100 class, but he didn't have that kind of money. Kindly Shark, slapping him on the back, reassured him: "O.K., old buddy, don't worry about a thing. I'll back you." The betting grew apace. Soon Junior was gambling $1,000 a clip with the bookie to whom Kindly Shark had introduced him.

Before he met K.S., Junior had been betting $10 a week on Saturday football games. That was his speed. Within 90 days after meeting K.S., Junior was betting $4,000 each Saturday. The inevitable happened quickly. Came a series of disastrous weekends when all Junior's teams could do was lose—and he had, of course, no money with which to pay the thousands he owed. Now Kindly Shark's teeth showed. It was no longer: "Don't worry about a thing, old buddy." It was: "Pay up, old buddy—and damn quick." In desperation, Junior embezzled a large sum of money from his father's firm with which to square himself with the underworld.

Worldly-wise individuals are also caught in this trap and forced into paths of crookedness. Sergeant Salerno told the investigation commission of the case of a "nationally known broadcaster, a sports broadcaster, who became involved with the Shylocks. This man was party to a sit-down, and the conversation that took place at that sit-down—you would think that this man was a chattel, a piece of baggage; they were going to buy or sell him. . . ."

Two loan sharks among his creditors, Sergeant Salerno said, bought up all his indebtedness for "a very low percentage on the dollar." Then they used his services to recoup their investment. "He ended up steering affluent people, who knew his reputation, knew who he was, to a crooked dice game in order to earn a percentage of what they would be fleeced of, to be applied against his indebtedness."

Such is the unsavory picture. What can be done about it?

There must certainly be increased public understanding of the problem. Prosecuting officials have shouted themselves hoarse in the past, but the public still seems to think of the loan shark as an accommodating fellow who is offering a valuable service. The Commission of Investigation was told of one contractor who borrowed $1-million from a second-echelon loan shark for a construction project. The contractor began to list for the loan shark all the collateral he could put up to guarantee the loan.

The shark wasn't interested. "Your body is your collateral," he told the contractor, and with these words, for the first time, the contractor understood the kind of a deal he was entering.

The public must be made to understand, officials say, that when a man borrows from a loan shark, his body is, indeed, his collateral. There is a lien on his life. "Anyone who borrows from a loan shark is leaving himself open to strong-arm methods," one prosecutor said. "People should borrow only from legitimate sources; otherwise, they are borrowing, not just money, but a sackful of trouble."

Public understanding and cooperation—is needed to make the laws work. Before the State Commission of Investigation's probe in 1964–65, there was no legal limit on the amount of interest that might be charged a corporation and no limit on what could be charged an individual on loans over $800. The loan shark was not only safe, he was legal—as long as he did not beat up someone to enforce collection or become directly involved in some form of embezzlement.

As a result of the investigation commission's exposure of the loan-sharking racket, new and more stringent laws were passed. Now it is illegal to charge a corporation an annual interest of more than 25 percent, and it is illegal to charge an individual, no matter what the size of the loan, more than 6 per cent. But prosecution is still difficult: it takes a witness to make a case, and the witness who is willing to testify against a loan shark, with the terrifying shadow of the Mafia looming behind him, is a rare species and exceedingly difficult to find.

It sometimes happens, but all too seldom, that a victim is driven to such a degree of desperation that he flees into the arms of the law. One such rarity occurred in late November, 1967, when Berthold Kahn, of Spring Valley, N.Y., became so hopelessly entangled with loan sharks and their vigorish that he could see no way out. Threatened, in fear of his life, he sought out the Federal Bureau of Investigation in New York.

F.B.I. agents listened to his story, but they had no jurisdiction. Since the loan sharks involved came from Brooklyn, the agents suggested to Kahn that he see District Attorney Aaron E. Koota, of Kings County. Koota and his assistant, Irving P. Seidman, in charge of the Rackets Bureau, have been waging a long and vigorous campaign against loan sharks and the underworld's infiltration into legitimate businesses. But, like other investigative agencies, they have had their problems in getting essential witnesses.

Kahn arrived at Koota's office virtually quaking with fear about 4:30 P.M. on Friday, Nov. 24. He wanted to telephone his wife, he said; and, when he did, what she told him only increased his terror. In his absence, she had received a telephone call from some tough-talking characters. They informed her that her husband had not kept an appointment he had made with them, and they declared they were going to come out to his house that night to teach him a lesson.

This incautious announcement of intent was all the authorities needed. Seidman got in touch with New York State Police, and Brooklyn detectives and State Police staked themselves out in Kahn's home. They waited until 3:30 A.M. when, true to their promise, three hoods came pounding on the door, shouting to Kahn to open up and asking him if he wanted his arms and legs broken. Having heard all they needed, the detectives moved in and arrested the trio on extortion charges.

With the arrest, Kahn and his family breathed a huge sigh of relief. They had cleared at least the first, terrifying hurdle, but it will be many days and weeks before they feel entirely safe. They can never be certain that some of the arrested hoods' friends won't come calling—though actually, authorities say, this rarely happens after an arrest has been made. Once the law has interested itself in a particular case, the loan sharks tend to stay away. After all, why risk bothering with a man on whom the police are probably keeping a protective eye? Why risk the danger of an assault rap or even a murder rap, when you can go out tomorrow and keep turning over 5 per cent a week—260 per cent a year? The loan shark does not readily give up his vigorish, but he is, after all, a businessman, and there are occasions when it is better to take the smaller loss in pursuit of the greater profit. That greater profit will not be threatened unless there are many, many more cases like the one in Spring Valley.

"This case just goes to show what can be done, how law enforcement authorities are prepared to cooperate and act any time we can get the help of the public," District Attorney Koota says. "But we have to have that cooperation. It is the only way we can ever stop this racket. If we had that, we could put these racketeers out of business tomorrow; and if we don't get it, this will continue and get worse."

[From the New York Times, Jan. 29, 1968]

FEW LOAN SHARKS ARE HOOKED BY THE NEW LAWS—PROSECUTORS SAY IT IS HARD TO OBTAIN CONVICTIONS—RACKET REPORTED SPREADING—MAFIA ROLE CHARGED

Law enforcement officials said yesterday that they were virtually helpless to deal with the spreading problem of loan-sharking despite recently enacted stricter laws designed to stamp out the racket.

Alfred J. Scotti, chief assistant district attorney of New York County, said there were fewer than a dozen loan-sharking prosecutions a year in Manhattan, one of the racket's most fruitful feeding grounds.

In Brooklyn, another section of the city where loan sharks operate actively, there are relatively few arrests for the crime, according to Elliott Golden, that borough's chief assistant district attorney.

The two officials, and other law enforcement authorities who supported them, made their observations in interviews after the Joint Legislative Committee on Crime focused new attention on loan-sharking last week at a hearing at which Michael Metzger, a New York County assistant district attorney, called it the "principal vehicle by which the underworld may infiltrate otherwise legitimate areas."

LINKED TO MARCUS CASE

Loan-sharking, authorities have said, is an element in the charges against James L. Marcus, the former city Water Commissioner, who is accused of accepting part of a $40,000 kickback on an $835,000 reservoir cleaning contract. These authorities have said that Mr. Marcus was forced into the kickback scheme after he fell into debt to loan sharks.

The problem faced by law enforcement officials in combating the loan shark racket is not that they do not know who the loan sharks are.

"We are quite familiar with the identities of those involved," Mr. Scotti said with a faint smile.

Nor is the problem the law itself, which investigators and prosecutors agree is now adequate to deal with the challenge of usury, the statutory name for loan-sharking. The law, passed in 1965 after an inquiry into loan-sharking by the State Commission of Investigation, made it illegal to charge more than 25 percent interest a year on loans.

The problem, the law enforcement experts said, is to collect evidence of loan-sharking that will stand up in court and win convictions. At the present time, the officials said, this is virtually impossible.

Loan-sharking seldom comes to the attention of the police, as most other crimes do. This is because loan-sharking involves a transaction in which two adults—the lender and the borrower—participate willingly, unlike a robbery, a rape or an assault in which the victim is an unwilling participant.

In this respect, loan-sharking is somewhat similar to the sale and purchase of narcotics. And like the narcotics trade, neither party to a loan-sharking transaction wants anyone else to know it has taken place.

As a result, Mr. Scotti explained, "people who borrow from loan sharks rarely come forward on their own."

The key to the control of loan-sharking, according to most investigators and prosecutors, is the wide ruse of wiretap and other eavesdropping devices.

"Court-ordered eavesdropping should be made available to law enforcement officials," Mr. Scotti said. "This is indispensable. It is imperative."

"If we had that, we could get them," Mr. Scotti, a small, animated, white-haired man said, snapping his fingers, "like that."

Mr. Scotti ranks loan-sharking second only to gambling as the prime source of underworld revenue, and he said the racket, which exacts interest rates up to 700 per cent and in which the Mafia is estimated to get at least $30,000 a year on every $10,000 it lends is growing.

"It is becoming an increasing outlet for unlawfully acquired money," he said.

Law enforcement authorities have detected not only a growing level of loan-sharking activity but also some significant changes in its character.

Years ago, they noted, loan sharks preyed primarily on poor people unable to borrow from banks or other legitimate lending organizations because of a lack of collateral.

Loan-sharking then, the officials said, was strictly a financial operation backed by terror. Money was loaned, usually at the traditional six-for-five rate (paying back $6 for a $5 loan). If it were not repaid promptly, the delinquent borrower was threatened, beaten or even killed to provide an example to other borrowers.

Such strongarm tactics are still common. In Brooklyn recently, a delinquent borrower was stripped of his clothing, taken out in a boat and threatened with being thrown overboard unless he agreed to pay the money he owed the loan sharks.

But new tactics have been added to the loan shark's repertory of terror, the law enforcement officials said.

ALTERNATIVES TO PAYMENT

Today, one official said, the loan sharks and their Mafia bosses adopt the position that if a man cannot repay his loan promptly, "what use can we get from him?"

Instead of beating the victim or threatening his family, the loan shark's strongarm men persuade him to help them. If the victim is in the meat business, for example, they force him to buy a load of stolen or tainted meat. If he is in the trucking business, they make him agree to point out a shipment of valuable goods for easy hijacking.

"Once he's in that far," said one assistant district attorney, "he's in for good. He does their bidding. It's a kind of financial blackmail that results in a moral slavery."

The result is that a man who had no intention of becoming a criminal when he borrowed a few hundred or a few thousand dollars from a loan shark begins an irreversible plunge into a series of criminal activities dictated by his loan-shark masters, the official said.

"I think," he commented, "this can happen to a public official. It can happen to anyone."

[From the New York Times, Jan. 30, 1968]

TRUTH IN LENDING

As the House of Representatives takes up the long-stalemated truth-in-lending bill, the need for a strong, comprehensive law is heightened by the steady growth in the volume of consumer credit. Buyers and borrowers must have the protection of a law requiring full disclosure of the true cost of obtaining credit. These safeguards are particularly necessary for the least educated and the poorest, who can ill afford mistakes in managing their money.

The bill as it comes to the House floor would be improved if the members strike out two amendments adopted in the Banking Committee. The first would exempt retail stores and mail-order houses from telling their customers the interest rate on an annual basis for so-called revolving charge accounts. An interest charge of 1.5 per cent a month on the unpaid balance sounds rather low. Yet, on an annual basis, this is 18 per cent.

Equally objectionable is an exemption in the bill providing that credit terms do not have to be detailed if the interest charge is less than $10 per transaction. As a practical matter, such a provision would exempt most loans and purchases of less than $100. This is exactly the size of transaction in which persons with the smallest incomes need protection.

On the plus side, an amendment successfully offered in committee by Representative Halpern, Republican of New York, strengthens the bill by restricting the garnishment of wages. The first $30 of a worker's wages would be exempt from attachment by a private creditor, and no attachment could exceed 10 per cent of his remaining wages. No one would be harmed by such a modest restraint except those dubious merchants who prey upon the poor by selling shoddy merchandise on "easy" credit.

The CHAIRMAN. The time yielded by the gentleman from Texas has expired.

Mr. WIDNALL. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I rise in support of H.R. 11601, the Consumer Credit Protection Act of 1968. Without equivocation, I think the Committee on Banking and Currency can be proud of the bill it has reported. The vote in committee to report the bill with committee amendments was 30 to 1, indicating the wide bipartisan support for a measure of this kind.

I think it is also worth noting that this legislation is truly the product of congressional initiative—the kind of initiative that has been sadly lacking for many years here on Capitol Hill. This measure originated here in the Congress many years ago and did not receive what we would call strong executive branch support until fairly recently. This is as it should be because the House of Representatives and the Senate are closest to the people and no major domestic issue is closer to the people than various facets of what is called "consumer protection."

A truth-in-lending bill passed the Senate last year by a 92-to-0 vote, and many observers thought at the time that the House would merely rubberstamp the measure sent to us to enable another dramatic bill-signing ceremony at the White House. This was not the case because the House Committee on Banking and Currency took a fresh look at this area of consumer credit protection and reported a bill infinitely stronger than that which passed the Senate. I think a great deal of credit for this should go to the chairman of the Subcommittee on Consumer Affairs, the gentlewoman from Missouri, Congresswoman SULLIVAN, and the ranking minority member of that subcommittee, the gentlewoman from New Jersey, Congresswoman FLORENCE DWYER. The bill as reported would, to summarize:

First. Safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit;

Second. Restrict the garnishment of wages to prohibit attachment of more than 10 percent of a worker's wages, after exempting $30 a week from his earnings, and forbid an employer from firing a garnished worker for his first garnishment;

Third. Provide for truth-in-credit advertising by requiring rate disclosure, as well as all credit terms whenever a reference is made to any credit requirement in an advertisement;

Fourth. Require sellers and lenders, whenever credit life insurance is mandatory, to disclose the cost of such insurance along with other information regarding total finance charges;

Fifth. Require mortgage lenders to disclose annual rates and total finance charges including closing costs in transactions involving both first and second mortgage credit. S. 5, the Senate bill, exempted first mortgages but included second mortgage credit;

Sixth. Provide that creditors must furnish a written estimate of the approximate annual percentage of the finance charge on open end credit plans whenever a customer requests it orally or in writing, and specifies a repayment schedule and other essential credit terms as may be prescribed by regulations; and

Seventh. Require disclosure of payments and credits not deducted during a billing period before a finance charge is added.

Mr. Chairman, I think it is unfortunate that this bill comes to the floor with certain among us pointing to what they call loopholes in the bill. I am referring to the manner in which the committee decided to treat revolving or open end credit. Let me say this: There are a few features of this bill which I disagree with also such as the creation of a Commission on Consumer Finance, but I certainly have resisted any temptation to smear the entire bill for the fact of exciting interest in those one or two portions of the bill with which I disagree. I think it should be apparent to all that the President of the United States in his state of the Union message is satisfied with the truth-in-lending bill as it passed the Senate when he urged the House to complete action on the truth-in-lending bill which had already passed the Senate. It is fair to conclude that he would undoubtedly be that much more happy with the stronger bill reported from our committee.

I would also like to take this opportunity early in the debate to clear the air of certain misconceptions that special interests have created. Many Members of the House have received mail from small loan companies, furniture dealers, and banks, claiming that they want House passage of a truth-in-lending bill treating everybody alike. I think it is only fair to point out that these three groups have opposed for many years any truth-in-lending legislation whatsoever. At this late date, they have changed their positions and are pleading with us to treat all retail credit alike. On the issue of revolving or open end credit, a majority of the Committee on Banking and Currency saw good reason to make a clear distinction between short-term revolving credit and long-term revolving credit. We made a distinction with regard to disclosure because there is a clear and definite distinction. Ninety-two Members of the Senate and a majority of our committee realized that there was no way accurately to predict or to compute in advance the annual percentage of carrying charges on short-term revolving or open end credit. In her original bill, the gentlewoman from Missouri recognized this when she required disclosure in advance of dollars and cents finance charges on bank loans and installment credit but not on open end credit. If one cannot accurately predict in advance the dollars and cents finance charges on open end credit, how can one predict the annual percentage rate of those same charges? The answer is that you cannot. On the other hand, on those forms of open end credit and installment debt which carry repayment terms exceeding 18 or 19 months, figures prove that one can fairly accurately predict in advance the annual percentage finance charges.

Banks, furniture dealers, and small loan companies ask us to treat all retail credit alike in that if they have to disclose their finance charges on an annual basis they feel that everyone else should be similarly obliged. There is nothing in this bill as reported from the committee which prevents banks, finance companies, small loan companies, or furniture dealers from shortening their terms of repayment and thereby avoiding the need to disclose an annual percentage rate on finance charges. This bill does not attempt to regulate the forms of retail credit available to the American consumer. There is no question in my mind, however, that an indirect result of this legislation will be to encourage shorter term retail credit. Bank credit cards are free to reduce their terms of repayment from 30 months to 19 months, thereby coming in under the definition of open end credit where a periodic or monthly rate can be disclosed. Most, if not all, bank credit cards encourage longer repayment terms because the longer the repayment terms the higher the credit costs to the credit card holders and the higher the return to the banks. Moreover, when the banks say treat us all alike one should remember that there is nothing in the bill as reported or in the original Sullivan bill which would require disclosure of bank discounts to retail establishments which use bank credit cards. If everybody is treated alike, because of the discount mechanism, Congress would be giving a substantial competitive advantage to the rapidly growing bank credit card operations.

With regard to the pleas of furniture dealers to treat us all alike neither the committee bill nor the original Sullivan bill ever treated furniture dealers and open-end credit plans alike. Most retail furniture dealers employ straight installment contract terms for credit in connection with the purchase of furniture. The carrying charges on installment credit can be accurately computed in advance both as to dollars and cents and as to annual percentage rate. There has never been any argument over this either in the Senate or in our committee. Many furniture dealers, however, charge considerably higher annual carrying charge rates than do large department stores. Their terms of repayment quite often are 36 months and as we all know, the longer the period of repayment the higher the total carrying charges are to the customer. Moreover, when the furniture industry asks us to treat all retail credit alike by requiring annual rate disclosure across the board, they are doing so with their tongue in their cheek because they know that for the House to take this action would be to give them a built-in competitive advantage over open end or revolving credit. The reason for this is simple. With regard to installment credit, the only disclosure requirements in this bill would be at the time the customer signs a contract. Thereafter, on his monthly bills there would be absolutely no disclosure whatsoever. On open end credit, on the other hand, not only are there eight separate items of disclosure on the original agreement or contract, but the bill would require substantial and extensive disclosure on each and every monthly bill the customer receives. Now I think most reasonable men would agree that the average shopper purchasing furniture does not bother to read the fine print on a three- or four-page installment contract. Once the signature is on the dotted line, the customer would never again be reminded of the annual carrying charges he is paying. If we treat all retail credit alike, as the furniture dealers ask us to do, I assume the furniture people in this country would be only too glad to have the same disclosure requirements on monthly bills apply to them as will apply to open end credit. I point this out because it is my considered judgment that the bill as reported takes special care and applies special standards to open end credit as opposed to other forms of retail credit such as installment credit.

Furthermore, we should keep in mind that the open end credit that has caused so much debate constitutes approximately 3 percent of the total consumer credit outstanding in the United States today. If the House treats all retail credit alike, it can be safely predicted the following will occur:

First. Most department stores will switch to either long-term revolving credit or straight installment credit with much longer terms of repayment and much higher cost to the American consumer.

Second. Because a requirement to annualize carrying charge rates would exaggerate and overestimate the rates actually being paid, department stores would make certain that their carrying charges equaled the rates Federal law forced them to disclose and this would add tens of millions of dollars to the cost of retail credit.

I want to briefly emphasize the role that the minority played in this legislation. When the Subcommittee on Consumer Affairs was hopelessly deadlocked for many weeks, it was the ranking minority member, Congresswoman DWYER, who suggested a compromise to high officials of the administration in an effort to break the deadlock and get a bill to the floor. This compromise package is essentially what the House is considering today. There can be little question that the two major areas of improvement of this bill over that which passed the Senate last year is the addition of disclosure requirements on credit advertising and the section dealing with administrative enforcement. Recently, the New York Times carried a story referring to the first year's experience under the Massachusetts truth-in-lending bill. That experience indicated that most consumers did not even know there was a truth-in-lending bill on the books and that the legislation had little if any concrete effect on buying habits. There was one major exception. The disclosure requirements in Massachusetts over credit advertising have had a significant effect in rooting out those advertisers who traditionally practice misleading and deceptive credit advertising. I am of the opinion that the bill before us will also have the same result in that the section dealing with credit advertising will eliminate from the scene those merchants who generate sales by misleading and deceptive credit advertising.

Finally, Mr. Chairman, I think the situation confronting the House today is very similar to the situation we faced late last year on the meat inspection bill. The Committee on Agriculture tried to do an honest job in bringing out a measure which was equitable yet sufficiently strong to deal with the subject of meat inspection standards. I want to call to the attention of the Members of the House to a front-page story in this week's National Observer entitled "U.S. Inspectors Fudged Facts To Pass Meat Law." It is a startling and frightening story of what can happen to the deliberative process of the Federal legislature when fraudulent charges are made in an effort to stampede the Congress into quick and shortsighted action. This seems to be a popular pastime these days in connection with consumer protection legislation and to a great extent we are witnessing a repetition of this tactic in connection with the bill before us today. Fortunately, the press and the public itself has seen through these charges in that most fair-minded people have recognized that there are good arguments on both sides of these issues.

While the minority will have certain important amendments to offer at a latter time, I wholeheartedly endorse H.R. 11601 as reported.

I urge the House to overwhelmingly pass this measure.

Mr. PATMAN. Mr. Chairman, I yield 18 minutes to the gentlewoman from Missouri [Mrs. SULLIVAN].

Mrs. SULLIVAN. Mr. Chairman, I want to first say how extremely helpful the chairman of our full committee, the Honorable WRIGHT PATMAN, has been throughout the many months that this bill has been before our committee. He gave me solid support and great encouragement, too. No one could have given better cooperation. He has been fighting for this kind of legislation in Congress for nearly 40 years.

NO LONGER A LOST CAUSE

Mr. Chairman, as the principal sponsor of H.R. 11601 and as chairman of the Subcommittee on Consumer Affairs, which conducted extensive hearings on the legislation, I am proud to have my name associated with the many features of a bill which should give to consumers greater confidence in the honesty and competitiveness of the credit industry, and greater self-assurance in their use of credit. If enacted without crippling amendments, such as the two committee amendments which drive gaping loopholes into the bill's effectiveness, this measure will stand as the most important consumer bill passed by Congress in years.

Yet of all of the lost causes for which Members of Congress have battled and persevered with seemingly no chance of success, this legislation now before the House—H.R. 11601, which contains truth-in-lending provisions as part of its title I—represents what was for most of the past 8 years, one of the most forlorn of hopeless legislative causes. Soon, I trust, this long battle will end in victory for the American consumer—and, I might add, for legitimate American business, too.

It is no longer a question of whether truth in lending will pass Congress and become law. The question instead is: What form will the legislation finally take? Will we give the consumer the whole truth in lending, or just a part of the truth? The decisions made in the House this week will go far toward answering that question, if you give us a good strong bill to take to conference.

The Senate last July 11 passed a truth-in-lending bill, S. 5, by a unanimous rollcall vote of 92 to 0. As the vote itself would indicate, it was not a very strong bill and had only limited application. Its draftsmanship was excellent and the technical work on it outstanding, but the bill itself represented more compromise than content.

OMISSIONS FROM SENATE BILL

For instance—

It did not apply to first mortgages, which represent the largest category of all consumer credit and the largest credit transaction the average family ever makes.

It did not apply to the advertising of credit terms, where the full truth is now seldom found and where half truths and outright lies have abounded.

It provided no administrative machinery for enforcement—any consumer who felt aggrieved would have had to institute his own legal action to obtain redress.

It exempted the extremely fast-growing and highly profitable forced tie-in sale of credit life insurance from inclusion in the finance rate the seller or lender must reveal to the buyer.

It ignored the issue of garnishment, which is the main factor behind the worst types of credit abuses among the poor and uneducated.

And, in those credit transactions in which it did apply, S. 5 contained two extremely serious permanent loopholes dealing with revolving credit and with transactions up to $110, and one very technical temporary provision which, until January 1, 1972, would have compounded the confusion among consumers in trying to learn about the rates of credit charges by using a strange term, "dollars per hundred per year on the average unpaid balance" instead of the percentage rate.

The greatest significance about the passage by the Senate of S. 5 last July was not the content of the bill. Rather, Senate passage of truth-in-landing legislation flashed a signal to Congress and to the country that former Senator Paul H. Douglas' long crusade could now, finally, be achieved; that is, that under the leadership of Committee Chairman JOHN J. SPARKMAN, and Subcommittee Chairman WILLIAM PROXMIRE, the Banking Committee in the other body would no longer veto congressional action on truth in lending, as it had done from 1960 through 1966. This was a signal my subcommittee had awaited ever since the Consumer Affairs Subcommittee was established in 1963, and we immediately got busy on this legislation.

STRONG HOUSE BILL INTRODUCED AND THEN STRENGTHENED FURTHER

Nine days after the Senate passed S. 5, a bipartisan group of five members of my subcommittee joined me in introducing H.R. 11601, which took all of the good features of S. 5 and incorporated them into a much broader, comprehensive bill to provide real protection to the American consumer in his use of credit. It was the strongest consumer credit bill ever introduced in the Congress.

And now, I might add, we are bringing that same bill before the House with most—not all, but most—of its strong consumer protections still in the legislation. Many of those provisions were changed in subcommittee or in the full committee to conform to the information we developed in 2 solid weeks of morning and afternoon hearings, but most of the basic disclosure sections of H.R. 11601, as originally introduced, are still in the bill and, in some instances have even been strengthened.

Thus, we included first mortgages along with other types of consumer credit, because the status of a mortgage as a first mortgage does not necessarily insure that it is a good and fair one. The legitimate mortgage finance industry will have no problems in complying with this provision, but the gyp outfits will suffer long overdue exposure of their unconscionable rates.

We included the advertising of credit—that is, if you purport to give the prospective customer specific provisions of your credit terms in your advertisement, it had better be the full truth.

Unlike S. 5, the truth-in-lending provisions of H.R. 11601 are not "self-enforcing"; instead we provided necessary administrative enforcement by appropriate Government agencies—the same agencies which now have regulatory jurisdiction over the businesses which would be covered by the disclosure requirements of this bill.

We also brought the ever-expanding credit life insurance tie-in sale into the coverage of the rate disclosure requirements of the bill, if a credit firm insists you must take out credit life insurance with them as part of the transaction. If this insurance is optional, however, they merely have to list the cost in dollars and cents.

Instead of prohibiting garnishment, as proposed originally in H.R. 11601, we severely restricted the predatory use of this legal weapon by sellers or lenders whose only investigation into the credit eligibility of a customer is usually to find out whether he is employed and garnishable, without regard to his ability to pay the debt. The testimony we received in our hearings on title II of the bill, relating to garnishment, was overwhelmingly convincing of the need for legislation, particularly the testimony we received from four outstanding U.S. district court bankruptcy referees.

And we proposed the establishment of a National Commission on Consumer Finance, composed of three House Members, three Senators, and three public members, to make a thorough investigation into the entire consumer credit industry to see how well it is functioning in meeting the needs of the American people and what changes and improvements are needed to raise the effectiveness and also the standards of this vital and growing industry. From a long-range standpoint, this may well be one of the most important provisions of the bill.

COMMITTEE AMENDMENTS DRIVE TWO GLARING LOOPHOLES INTO THE BILL

We defeated in committee an attempt to substitute the Senate's euphemism of "dollars per hundred per year on the average unpaid balance" for the required annual percentage rate on credit transactions for the period of the first 3 years or so after the law takes effect. The figures, I am told, would come out exactly alike—that is, 12 percent would be translated into "$12 per hundred per year on the average unpaid balance." The Members have received some inquiries on this technical point from bankers in their districts. I assure them that the language we have in the bill and in the report makes abundantly clear that the annual percentage rate we require under H.R. 11601 is not an "interest" rate as defined in State usury laws. Therefore, I feel that the substitute term of dollars per hundred would only confuse consumers and serve no useful purpose. If there is any valid basis for the concern, however, we can certainly iron it out in conference.

We have thus ended up with a bill which suffers from only two serious deficiencies in protecting the consumer. Those two deficiencies were inserted as House committee amendments. Since they were lifted almost verbatim from the Senate bill, it is urgent, therefore, that we defeat those two committee amendments before passing the bill in the House. Otherwise, we will not be able to take those two issues to conference. The Senate committee may have had good and sufficient reasons to place those two loopholes in the bill, as a way of ending a 7-year stalemate within that committee on any legislation at all. But we have no good reason for including them in the bill we pass—no reason other than to weaken the legislation. If the House will give its conferees an effective bill to take to conference, we will do our best to fight it through.

THE REVOLVING CREDIT EXEMPTION

One of those two loophole amendments is the one on open end or, as it is now popularly known, revolving credit. This is the amendment of the big department stores and catalog houses. The Nation's largest retailers have rapidly been converting their traditional 30-day charge accounts into an important source of further income through service fees customarily set at a rate of 18 percent a year. Few customers know, or stop to figure out, that the modest service charge of 1½ percent a month on their unpaid balance is at a rate of 18 percent a year. And the department stores which run this kind of credit program are determined to keep the customer from finding out. Up until yesterday, there seemed to be a solid front among all of the major retail chains on this issue—those which grant revolving credit—but Montgomery Ward, Spiegel's, and Sears Roebuck have now taken another look. I shall discuss that later.

If this were a battle between business on one hand and the consumer on the other, I might not be nearly as optimistic as I am about our ability to defeat this committee revolving credit amendment on the floor. But a strange and wonderful thing has been happening in support of the consumer's right to know all of the facts about his credit costs.

Most of the banks in this country, and furniture stores, and appliance dealers, and hardware stores, and music stores, and radio-TV dealers, are united behind the sponsors of this bill who opposed this department store amendment. For it would provide the department stores with a tremendous competitive advantage over most other merchants and most of the lending industry. Under the bill as amended in committee, and under the Senate bill, too, the furniture store selling a set of furniture at the same price and on similar credit terms as the department store, but financing it through installment rather than open-end credit, would have to give the annual rate of its credit charge while a department store qualifying for the revolving credit exemption would merely give a monthly rate only. If the two stores charged the same rate, the furniture store would have to say its rate was 18 percent a year while the department credit clerk was pleasantly assuring the customer the rate in that store is only a low 1½ percent a month.

If you do not think this would make a big difference to the average customer, Mr. Chairman, read what the furniture dealers told us in our hearings. They have tested this out among customers at random. To the average customer—to most customers—a rate of 18 percent a year sounds fantastically high while the very same rate expressed as 1½ percent a month sounds low, reasonable, and just dandy.

Is this Committee going to discriminate so flagrantly between different types of stores selling the same merchandise? Are we going to take the side of the biggest retailers against the smaller independents—and against the banks and all consumers, too? I cannot believe that the Committee will vote to do so.

This proposal will come before us as a committee amendment. If defeated in Committee of the Whole House on the State of the Union, as I trust it will be under the 5-minute rule, that will take care of this loophole, and we will be able to fight it out with the Senate conferees. But if the amendment carries in Committee of the Whole, we will then have a rollcall vote on it. The issue in that vote will be as clear cut as any vote can be: the public, the local banks, and most independent business on one hand versus one classification of retailers—the department stores—on the other.

THE LOAN SHARK EXEMPTION

The other loophole amendment also present a sharp and clear-cut issue: it is the loan shark amendment under which anyone extending consumer credit of up to $100 or $110 would be able to hide the rate he is charging for that credit, just so long as the dollar cost of the credit charge is $10 or less.

The minority leader told us last week he is terribly concerned about loan sharking and wants to put an anti-loan-shark amendment into the bill. The place to start in doing that is to take out of the bill the committee loan-shark amendment already in it which keeps the borrower from having any idea what rate he is being charged on a loan of $100 or so, or on a credit purchase of that amount. A $100 loan for one week at $10 interest is 520 percent. The committee amendment exempting such transactions from rate disclosure would defeat the purpose of this bill.

It is not a "small business" amendment, such as the Senate apparently thought it was passing. It is clear that some of the Members of the other body thought it exempted only those credit transactions costing 10 or less—not $10 credit charges on transactions up to $110. By the time we took this up in the House committee, we had no such misunderstanding about it. Its purpose to to hide the comparative cost of credit on the usual small loan. How are people supposed to know they are being overcharged if they do not know the percentage rate?

Mr. Chairman, we must, as I said, remove these two special interest anti-consumer committee amendments from the bill. We will have full opportunity to do so either in Committee of the Whole House or on a rollcall vote.

If we succeed in that objective, as I hope we will, we will take to conference a bill which this House and its conferees can proudly defend as a real truth-in-lending measure. And we will earn the gratitude of every consumer, and of those businessmen—the great majority of businessmen in this country—who believe in the integrity and surging vitality of an economic system in which competition can be based on honest quality, price, and service, rather than on customer uncertainty, confusion, and deception.

The credit industry should be particularly grateful. Out of the operations of this legislation should come needed help to the decent elements in this vital industry in overcoming unfair and dishonest competition from an unscrupulous minority engaging in practices which too often discredit credit and dishonor its ethics.

RESPONSIBLE MAJORITY OF CREDIT INDUSTRY RECOGNIZES NEED FOR LEGISLATION

Despite past misgivings of some leaders of the credit industry over the possible interference of truth-in-lending legislation with customary methods of doing business, that industry, on the whole, has been helpful to my subcommittee and to the full Committee in the development of technical aspects of this legislation. No industry wants regulation for the sake of regulation; but this industry, like all responsible industries beset by fringe operators who give a bad name to an essential service, has demonstrated a willingness to accept a significant number of long overdue reforms which can be accomplished only through legislation.

This bill would strengthen the overwhelming majority of those in the credit industry seeking to improve services to the public, not cheat the consumer.

The legislation should also encourage more consumers to use credit with care and responsibility, as it becomes more generally recognized that the "renting" of money, to use Calvin Coolidge's homespun description, or the deferred payment of purchases, cannot be cheap at a time when interest rates are the highest in generations.

Without the vast resources of the credit industry and the many new techniques it has developed for financing the purchase of goods and services, our recordbreaking gross national product would quickly evaporate into a fraction of its present size. Homebuilding would stagnate, automobile sales plummet, the vast array of appliances and devices for improved living and recreation now within the reach of the average family, would be reserved to the very wealthy.

But too many Americans have found "easy credit" far easier in terms of availability than in their ability to repay. The personal and family tragedies caused by overextension of credit are reflected in the alarming rising flood of personal bankruptcies.

This bill, by itself, will not curb the excessive appetite of credit addicts for luxuries they cannot afford. But, by spotlighting the true costs of various forms of credit, and limiting the ability of predatory credit outfits to use the process of garnishment as a bargain-priced substitute for reasonable investigation of the financial responsibility of potential customers, irresponsible practices in the use of credit can be sharply reduced. Of course, this assumes that the legislation as finally enacted will require full disclosure of consumer credit costs under uniform standards, and will retain restrictions on garnishment.

DELETIONS FROM H.R. 11601

Four controversial provisions of the bill, as originally introduced, were deleted from the measure in subcommittee, on my motion, after hearing demonstrated a lack of adequate support for them from both administration and consumer witnesses, and reflected uniform opposition from business.

These provisions were inserted in the bill originally for the very purposes they did serve; that is, for an airing of issues in the field of credit utilization, which have been neglected, but which nevertheless deserve public attention. I am convinced that these proposals, as included originally in the bill or in some other form, will eventually become law. Our hearings succeeded in stimulating some significant interest in them, even if not enough to achieve passage. But these hearings should speed the day when they will receive greater legislative attention. However, the proposals referred to were not regarded by me, or by any of the cosponsors of H.R. 11601, as attainable in this legislation at this time.

1. A FEDERAL USURY CEILING

One was the proposal for a Federal ceiling on the percentage rate of credit charges. This idea was suggested by Chairman WRIGHT PATMAN, foe of unconscionable interest rates. The arbitrary figure used in H.R. 11601 for discussion purposes was 18 percent. Such a limit would probably close down most of the small loan firms in the country, which charge fees ranging far higher than 18 percent, up to legal ceilings in some States of 42 percent, and even higher rates in States which do not regulate such charges. The purpose of the 18-percent figure was not to close down legitimate businesses, but to educate us all to the realities of credit's high costs, with the hope that a viable and fair ceiling might be devised and eventually enacted. Let us hope that the States can take care of this problem by proceeding to revise and reform their generally outmoded or ineffectual laws on maximum rates.

2. STANDBY CREDIT CONTROLS FOR NATIONAL EMERGENCIES

The second proposal deleted in subcommittee called for the creation of machinery for standby controls over consumer credit, to be used only in periods of grave national emergency. When such a law was recommended to the House in 1966 by our committee, as an amendment to the Defense Production Act—where it belongs—it was defeated on two grounds: first, that we were not in a national emergency; and second, that no hearings had been conducted on the proposal. It is my view that the authority for standby credit controls, which would be needed instantly in a war situation, should be enacted not when we are engaged in a battle for our national survival—when calm appraisal by the Congress of the details of such legislation would be impossible to achieve—but before an emergency requiring them even begins to appear over the distant horizon. Like some of our other defense weapons we hope we never have to use, economic defenses for emergency situations should be enacted and placed on the shelf—ready to use instantly if disaster should strike.

Our hearings developed no great clamor for these standby economic defense powers—quite the contrary. But they also brought out clearly the lack of effective machinery in our existing laws for confronting a possible extreme danger to our economic survival from the sudden inflationary impact of a great national emergency. I felt that the immediate objectives of placing this provision in H.R. 11601 were served in the hearings, and therefore moved to delete this section from the bill.

3. MARGINS ON COMMODITY FUTURES

The third controversial proposal dropped in subcommittee from H.R. 11601 dealt with the regulation of margins on commodity futures trading. This is a vastly neglected issue involving the use of small downpayments, or "earnest money" on futures contracts worth many thousands of dollars, traded in by professionals and numerous amateurs betting on a rise or fall in the prices of dozens of different basic commodities—not just agricultural commodities, but also many essential defense materials. Excessive speculation at very low margins can and does influence the prices of such commodities, causing wide and unstabilizing swings in these prices during any periods of market dislocation, yet no Federal agency has a word to say about the margins which are set by the various privately run exchanges.

The stock market was—disastrously—free of margin regulation prior to the enactment of the Securities and Exchanges Act of 1934, giving margin control powers to the Federal Reserve Board; all of the futures markets, however, are still exempt from any Federal margin regulation. This issue remains to be solved. The hearings on H.R. 11601 contributed to public awareness of the problem, but not enough so to bring about legislation at this time. Thus, I moved to remove this provision also from the bill.

4. "CONFESSION OF JUDGMENT" NOTES

The fourth deletion from H.R. 11601 dealt with a proposed ban on "confession of judgment" notes. These are instruments of financial self-incrimination which are imposed by some segments of the credit industry, usually on trusting but naive consumers who innocently sign away their legal rights as a required, but not understood formality, of a credit transaction. Despite later utter lack of good faith by the seller or lender, or even outright cheating on the quality of the goods purchased on credit, the customer is left with no legal right of self-defense against the alleged debt, and is often gouged to the last penny of the obligation, plus, in many instances, a multitude of added-on charges, fees, and penalties representing outright financial cruelty.

Essentially, this is a problem for State laws to solve. But, like many of the other problems in the consumer credit field, action at the State level has been excruciating slow. I sincerely hope the information brought out in our hearings on the legal trappings of credit entrapment, so widespread in consumer credit transactions involving the poor and uneducated, will help to end such practices as the use of confession of judgment notes.

THE CONSUMER MUST FIGHT FOR HIS RIGHTS

In connection with this legislation, I strongly urge the leaders of our many voluntary nonprofit organizations, public agencies, newspapers and other mass media, and all whose interest in political issues is primarily from the standpoint of the public interest, rather than special economic interest, to alert the consumers of this country to the many protections they already enjoy by law, to encourage them to seek and obtain the help which is available to them and educate them on how to fight for their rights in the credit marketplace. Agencies engaged in aspects of the war on poverty must become particularly alert to their opportunities to help individual families protect themselves from the predatory racketeers which infest the fringe of the credit industry and which zero in on those least able to defend themselves.

H.R. 11601—if enacted by Congress without destructive amendments such as the revolving credit and $10 exemptions recommended as committee additions to this bill—can provide substantial additional help to all consumers, from highest to lowest economic levels, in utilizing credit with greater selectivity and effectiveness. The greatest need for this help, of course, is at the lowest income levels, where the words "credit" and "gouge" are often synonymous to the user-victim. If H.R. 11601 can succeed in this objective, all who participate in its enactment can be proud of having had an opportunity to serve in the cause of economic decency.

Mr. PATMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I am happy to yield to the chairman, the gentleman from Texas.

Mr. PATMAN. The gentlewoman referred to two important amendments which must be defeated. Am I correct in assuming that one of them relates to the language on pages 10 and 12, sections 203(b)(7) and 203(c)(5) about the $10?

Mrs. SULLIVAN. The exemption for transactions in which the credit charge is $10 or less—that is, loans or purchases up to about $110.

Mr. PATMAN. Yes; and the other one relates to the language on page 13, line 12, and on page 14, lines 10 through 13, dealing with the change from an annual percentage rate to a periodic percentage rate for revolving credit.

Mrs. SULLIVAN. Yes.

Mr. PATMAN. So we must restore the word "annual" and strike out the words "per period" on page 13, and restore the original language in lines 10 and 11 of page 14. Is that correct?

Mrs. SULLIVAN. Yes. If I may clarify the point for the Committee of the Whole House, Mr. Chairman, the language of the original bill on annual rate for revolving credit has a line stricken through it now.

The language that is shown in italics on those pages to which the gentleman refers are the amendments that were adopted in committee. These are the amendments I am asking the Committee of the Whole to vote down.

Mr. PATMAN. On pages 13 and 14.

Mrs. SULLIVAN. Yes; that is on the revolving credit exemption, and on pages 10 and 12 are the amendments on the $10 exemption. Probably we will ask that where two or more amendments relate to the same thing, they be considered en bloc when the time comes.

Mr. PATMAN. Mr. Chairman, I thank the gentlewoman.

Mrs. KELLY. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I am happy to yield to the gentlewoman from New York.

Mrs. KELLY. I wish to take this opportunity to compliment the gentlewoman from Missouri for the part she has played in bringing this bill to the floor. Her role was strong and strenuous. She devoted tremendous time and effort to the hearings and was determined that we have a good truth in lending bill.

I realize the gentlewoman would want me to say she alone is not responsible for this bill, but we all know the great work she has performed on this issue, as she has done on all legislation for the consumer.

I really hope the members of the Committee will support her in the arguments she has presented so ably and so well in her excellent speech.

I thank the gentlewoman for yielding.

Mrs. SULLIVAN. I thank the gentlewoman from New York for her kind words. She has been a strong supporter of truth in lending and has introduced her own bill on this subject.

Mr. Chairman, I urge the adoption of this bill and I urge the Committee to vote down the two amendments I described when we reach them in the bill under the 5-minute rule.

Mr. PATMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. Gonzalez].

Mr. GONZALEZ. Mr. Chairman, I am honored to follow the gracious and distinguished Congresswoman from Missouri, Mrs. Leonor Sullivan, and to endorse her position on closing the important loopholes in the Consumer Credit Protection Act. As a member of Chairman Sullivan's Consumer Affairs Subcommittee, I can testify to her zeal and leadership in behalf of the American consumer.

I am a cosponsor of H.R. 11601, and have been privileged to participate in the hearings on this important legislation. I feel distinctly honored to be associated nationally with full and complete disclosure of interest rates both in contracts and advertising, for this caps a fight I have been engaged in since my service in the Texas State Senate.

While I wholeheartedly support the strongest consumer protection provisions, I have a special interest in wage garnishment. My position has been for total and outright banishment of this unnecessary collection process. My native State of Texas has constitutionally prohibited all garnishment since 1876.

Total prohibition works well in Texas. It protects the wage earner; it has not hampered the growth of the consumer credit industry.

Despite my consistent and active support of total garnishment as originally contained in H.R. 11601, the full committee amended the bill to prohibit garnishment of 90 percent of a worker's wage, after exempting the first $30 weekly. However, I accept this compromise as reasonable. H.R. 11601 now restricts commercial garnishment to 10 percent of a worker's wage above $30. This restriction does not effect court support judgments, nor does it effect State or Federal tax assessments.

I will have more to say in support of prohibiting garnishment later in the debate. At this time I just wish to reiterate my enthusiastic support of consumer credit protection.

Mr. FINO. Mr. Chairman, at this time I yield 2 minutes to the gentleman from Pennsylvania [Mr. Williams] for the purpose of asking the gentlewoman from Missouri a question or two.

Mr. WILLIAMS of Pennsylvania. Mr. Chairman, I thank the gentleman from New York for yielding this time to me.

On page 9 of the bill as it was originally presented, section 203, subsection (b) it states:

> This subsection applies to consumer credit sales other than sales under an open end credit plan. For each such sale the creditor shall disclose, to the extent applicable—

And then it goes on to list the things which must be disclosed under the type of credit which we know as installment credit. No. 6 thereof states "the amount of the finance charge," and, of course, this amount would have to be expressed in dollars and cents. Yet when I go over to page 13 where we get the provisions that must be disclosed by the creditor to a revolving charge account customer, which, of course, is an open end credit plan, I fail to find any place in here where the actual disclosure of dollars and cents in finance charges is required. Why is that omitted as far as open-end credit plans are concerned?

Mrs. SULLIVAN. If the gentleman will yield?

Mr. WILLIAMS of Pennsylvania. I yield to the gentlewoman.

Mrs. SULLIVAN. Opening a revolving, or open end credit account, is like opening a line of credit. The definition of an "open end credit plan" is found on page 8 of the bill, section 202(g) which says:

> (g) "open end credit plan" means a plan prescribing the terms of credit transactions which may be made thereunder from time to time and under the terms of which a finance charge may be computed on the outstanding unpaid balance from time to time thereunder.

This, of course, is completely different from an installment type of contract, where you know in advance what the credit charges will be in dollars and cents.

You cannot predict in advance what the dollars and cents credit costs will be on a revolving account, but you can—as we do—require them to tell you each month what the charges were for the previous month. And how those charges were determined.

Mr. WILLIAMS of Pennsylvania. That is the point I am making. Unless you know the dollars and cents that the credit is going to cost you in advance, how will you figure the annual interest rate?

Mrs. SULLIVAN. As I argued with the gentleman during the hearings and also in committee, I think any sixth grade student can tell us how they figure and apply interest rates. We have had this argument time and time again. The claim is made that 1½ percent is not 18 percent per year. The only thing I can tell you is if anyone in this House will put down the figure of $100 as the balance that is due and the department store is going to charge them a 1½-percent service charge on that $100, that equals $1.50 for that payment for that month for a service charge.

Now, we figure the old way that we were taught to figure interest, and multiply 18 percent of $100 and divide that result by 12, because this is a monthly bill, and it comes to the same $1.50. There cannot be any question about 1½ percent a month being 18 percent a year. It is the nominal annual rate. Just as 2 percent a month would be 24 percent a year.

Mr. WILLIAMS of Pennsylvania. Well, permit me to say in answer to the response by the distinguished gentlewoman from Missouri that if it is that simple in the form of dollars and cents, then it should be included in this bill. However, I do not agree it is that simple.

Mr. FINO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 11601 and it is a bill for which we have waited a very long time.

Mr. Chairman, I would like to begin by stating that this legislation in the opinion of the minority is the toughest truth-in-lending bill that has ever been debated by either House of the Congress of the United States.

Now, Mr. Chairman, the distinguished gentlewoman from Missouri [Mrs. Sullivan] made much of the fact that the former Senator from Illinois, a Senator Douglas, who was a pioneer in the advocacy of this type of legislation and who is the past principal advocate in truth in lending has praised the Senate truth-in-lending bill as a milestone.

Mr. Chairman, as I indicated, our bill is even tougher and more comprehensive than the Senate bill.

In my opinion this is a piece of legislation of which we can be proud. It does represent a big forward step toward protecting the American consumer. In a nutshell, the bill which our committee reported out and which is now before us for consideration, does the following:

First. It requires full disclosure of financial charges in both credit transactions and offers-to-extend credit.

Second. It provides for truth-in-credit advertising.

Third. It requires mortgage lenders to disclose annual rates regarding the financial charges on both first and second mortgages.

Fourth. It prohibits the garnishment of a workers' wages in excess of 10 percent and exempt $30 per week of his earnings.

Mr. Chairman, several of these provisions are not contained in the Senate bill; namely, truth-in-credit advertising and disclosure of rates and charges on first and second mortgages.

Mr. Chairman, it is my opinion that our bill is as strict as we can feasibly make it. And, I say to the Members of this House that we should not try to enlarge its scope further until we see how its essential provisions work and not do anything further until we have had an opportunity to see this legislation work. In other words, we can always come back next year and amend and modify and change the legislation in order to meet the changing conditions or the objections that might be found to it.

Mr. Chairman, I would like to elaborate for a minute on this bill and the Senate bill as well, which excludes revolving charge accounts from the requirement of stating interest in annual figures.

Mr. Chairman, our committee decided that annual percentage rate statements would not—and I repeat—would not accurately reflect the credit charges actually imposed upon such transactions. Our decision hinged upon the fact that most revolving credit arrangements give customers a free ride for a month or two so that monthly interest rates actually apply to several months and are thus distorted if put on an annual basis.

Let me say, however, that this exclusion is only to apply to a narrow range of revolving charge accounts. It is not our committee's intention to let most types of credit activities escape from annualizing disclosure under the provisions of this bill.

Our committee has said that only ordinary revolving credit plans are to be exempted from the annual requirement. With this strict interpretation in mind, I believe that the revolving credit provision of the compromise bill now before us is a sound, good bill, and I hope that it will be maintained by this House and supported by this House.

No doubt many people will say that this bill is not perfect, and they are right. No bill is ever perfect. But I believe that this bill represents a good, basic attack on the problems of truth in lending, and I further believe that it is a good beginning solution of a problem which has been debated back and forth for many years.

As the Members of this House well know, this problem has been with us a long time. The Senate took 7 years to bring a bill before that body, and before they passed it.

Not only does it set up reasonable guidelines for representing the features of credit transactions, but it sets up criteria for credit advertising and it includes a workable enforcement section.

This bill is no instant solution for all the turmoil arising from consumer credit problems in this country, but it clearly will be of major importance in assisting the American people, the American consumers, to make better and safer use of consumer credit, and that certainly should be our basic objective.

Certainly after many years of deliberation and debate and hearings—and we had weeks and weeks of hearings before our committee—the time has finally come for action, and I urge the House Members to pass this bill as it was reported by the committee. We went through all of the arguments that the gentlewoman from Missouri [Mrs. SULLIVAN] will present to this House tomorrow. We debated the pros and cons, and after due deliberation a majority of the committee came out and supported this type of legislation now before us.

So let us not try to legislate on the floor of the House tomorrow with amendments that will probably cause great difficulties and turmoil with respect to this legislation. We do not need any additional amendments to this bill. I believe it is a good bill. We might have some difficulty when we get over to the Senate side on a conference, because this is a much stronger bill than was proposed and passed by the Senate, but let us not unnecessarily complicate this legislation with amendments that will be proposed tomorrow.

As I said earlier, and I repeat here now again, this bill, H.R. 11601, is a sound and strong piece of legislation in which we can take pride. This measure represents a big step in the right direction to safeguard the American consumer. I urge the House to accept this legislation when it comes up for a vote tomorrow.

Mr. McCORMACK. Mr. Chairman, would the gentleman yield?

Mr. FINO. Mr. Chairman, I would be very happy to yield to the distinguished Speaker.

Mr. McCORMACK. I thank the gentleman for yielding.

It has been said that the revolving credit provision, as reported out of the committee, creates discrimination in that it benefits or exempts some of the large credit houses, and includes practically all of the business that are competitive.

Would the gentleman explain the operation of this provision in reference to those who are included and those who are excluded and whether or not it makes it competitively more difficult for those who are included over those who are not included?

Mr. FINO. We must first bear in mind the revolving credit provision applies to only 3 percent of all the credit.

Second, our committee in determining that this was the best approach did so on the basis of the testimony before the committee and all of the testimony before our committee with charts. I do not profess to be an accountant or an expert on figures, but all of these charts indicated that if you were to take into account a revolving credit account in no event will it ever reach the figure of 18 percent per annum—never.

What we would be doing if we were to adopt the suggestion of the gentlewoman from Missouri in annualizing this to 18 percent then is that we would be telling all these department stores that you are so concerned about—go ahead, charge 18 percent even though it does not come to 18 percent.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. FINO. I yield to the gentlewoman.

Mrs. SULLIVAN. First of all, some of these revolving credit accounts come out to an effective rate of more than 18 percent, but all we are asking for is the nominal rate of 12 times the monthly rate. It is figured on a monthly balance which may change each month, but the rate is always the same. They do not wait until the end of the year to bill their customers. They bill them monthly. But whether they say they charge 1½ a month or at a rate of 18 percent a year, it would come out to absolutely the same figure.

Most of the department stores in this country and the big catalog houses charge at least 1.5 percent per month, and that is 18 percent a year.

Mr. FINO. The gentlewoman and I are in complete agreement that the charge is 1.5 percent per month. The only time that we part company is on the gentlewoman's contention that 1.5 percent per month times 12 is 18 percent. The testimony, as the gentlewoman knows, in the hearings, and she chaired all the hearings—the testimony before the committee clearly indicated that in no event do the charges on revolving credit accounts come to 18 percent.

Mrs. SULLIVAN. I would not agree to that statement. We have a staff report in the hearings which disputes that statement. In any event, may I just read this telegram. Perhaps you have received this same telegram, which is from Mr. Ashley D. DeShazor, vice president for credit of Montgomery Ward. He testified for all of the catalog houses before our committee and for the retail association.

His telegram says:

> If the requirement to disclose the monthly rate is regarded as inadequate and an annual rate is to be required, then all grantors of revolving charge credit should be required alike to disclose the nominal/as opposed to effective/annual rate which is the periodic rate multiplied by the number of payment periods in a year.

This is all that we have been asking for over the past 7 months. If the gentleman has received the same telegrams from these big catalog houses that I have received, it is clear that the biggest houses have now had a second look at the legislation and they are no longer happy with the amendment that was put in by the committee by a vote of 17 to 14. This is significant, because Mr. DeShazor testified for it.

Mr. WILLIAMS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. FINO. I yield to the gentleman from Pennsylvania.

Mr. WILLIAMS of Pennsylvania. I do not believe that the entire program was read. If you read the early part of that telegram a different position is taken.

Mr. FINO. Will the gentleman from Pennsylvania please, for the benefit of the Members, tell the House who that telegram is from.

Mr. WILLIAMS of Pennsylvania. The telegram is from Ashley D. DeShazor, vice president of credit, Montgomery Ward.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield at this point for just a moment?

Mr. FINO. I yield to the gentlewoman.

Mrs. SULLIVAN. I called Mr. DeShazor last night when I received his telegram because it seemed to me that several of the words in the telegram were garbled or not properly recorded. I said to him, "Before I repeat this telegram, I want to understand what you are saying the last sentence apparently clarifies it." I said "I would like to release this telegram, and reading this last sentence explains what you mean. And I will not do it without your consent." He said, "You have my consent."

You can call Mr. DeShazor and verify that. I am herewith attaching my full statement on this last night and the telegrams I received, as follows:

STATEMENT BY MRS. SULLIVAN

I've just received telegrams this afternoon from two of the big Chicago mail order houses notifying me for the first time that they do not favor the revolving credit exemption in the truth-in-lending title of H.R. 11601. These wires came from Spiegel's and from Montgomery Ward.

Spiegel's believes the amendment is "unfair and discriminatory." This, of course, is exactly what I have been saying. Montgomery Ward sent me a telegram which I found very hard to understand without calling the man who sent it to me, Mr. Ashley D. DeShazor, Vice President for Credit.

What it comes down to is that the revolving credit exemption contains conditions which Mr. DeShazor now says cannot be met by some revolving credit plans. Unless all revolving credit plans without exception can have the benefit of a monthly rate, he told me that his firm now favors an annual rate for all revolving credit based on the "nominal" rate as determined by multiplying the monthly rate times twelve.

This is an extremely significant breakthrough among the large retail chains. Added to all of the protests Members of the House have received from bankers, independent merchants of all kinds, and from consumers, I do not see how more than a handful of Members would now be willing to vote for a special interest exemption in this bill which benefits only some of the department stores and just some of the big chain retailers. I have just called Sears Roebuck and they say they feel now the same way about this as Montgomery Ward.

I am attaching these telegrams and statements.

CHICAGO, *January 29, 1968.*

Representative LEONOR K. SULLIVAN,
House of Representatives,
Banking and Currency Committee,
Washington, D.C.:

Regarding the truth-in-lending legislation pending in the House of Representatives, Montgomery Ward, which has both traditional installment time payment contracts and revolving charge plans, takes the position that it favors disclosure of annual rate on time payment contracts since such disclosure is commercially feasible and can be accurately stated. With respect to revolving charge acounts, Montgomery Ward is opposed to a requirement of simple annual rate disclosure since it is impossible to predetermine an effective annual rate on retail revolving charge accounts. Monthly rate disclosure is full and accurate disclosure. If the requirement to disclose the monthly rate is regarded as inadequate and an annual rate is to be required, then all grantors of revolving charge credit should be required alike to disclose the nominal—as opposed to effective—annual rate which is the periodic rate multiplied by the number of payment periods in a year.

ASHLEY D. DE SHAZOR,
Vice President, Credit, Montgomery Ward.

WASHINGTON, D.C.,
January 29, 1968.

Hon. LEONOR K. SULLIVAN,
Rayburn House Office Building,
Washington, D.C.:

Contrary to the information contained in the news story on page two of today's Washington Post not all mail order houses in Chicago are supporting the Senate definition of revolving credit as contained in the committee adopted bill reported from the House Banking and Currency Committee. Spiegel Incorporated believes that the committee adopted definition of revolving credit is unfair and discriminatory. The committee adopted definition treats one group of retailers in one manner and another group of retailers in yet another manner. Spiegel believes that uniformity is essential to any statute adopted by the Congress involving costs of credit disclosure. We urge that the House delete the Senate definition of revolving credit and adopt procedures which afford all retailers equal treatment.

CYRUS T. ANDERSON.

RELEASE GIVEN TO MRS. LEONOR K. SULLIVAN BY MR. LARRY O'CONNOR, VICE PRESIDENT AND GENERAL COUNSEL, SEARS, ROEBUCK & CO., CHICAGO, ILL., JANUARY 29, 1968

Sears believes that all grantors of open end credit should be afforded equal treatment in credit legislation.

For seven (7) years the retailing industry has maintained that it is impossible to predict the simple annual rate of any open end credit plan. Congressional recognition of this fact appears throughout the hearings and Committee reports of both S-5 and H.R. 11601. It follows that the only possible annual rate for open end credit that is capable of being precalculated is a nominal annual rate using the formula of 12 times the monthly charge. This creates three choices for handling open end credit:

1. Exempt all open end credit from annual rate disclosure; or
2. Require the disclosure of only the monthly charge; or
3. Require the disclosure of both the monthly charge and the nominal annual rate.

Whichever alternative Congress decides to adopt, it is our opinion that it should be applied equally to all grantors of open end credit.

Mr. WILLIAMS of Pennsylvania. Would you care for me to read the telegram in its entirety?

Mr. FINO. Yes, I would like for the gentleman to read the telegram.

Mr. WILLIAMS of Pennsylvania. The telegram reads as follows:

> Regarding the truth-in-lending legislation pending in the House of Representatives, Montgomery Ward, which has both traditional installment time payment contracts and revolving charge plans, takes the position that it favors disclosure of annual rate on time payment contracts since such disclosure is commercially feasible and can be accurately stated. With respect to revolving charge accounts, Montgomery Ward is opposed to a requirement of simple annual rate disclosure since it is impossible to predetermine an effective annual rate on retail revolving charge accounts.

Mr. FINO. I thank the gentleman.

Mr. HANNA. Mr. Chairman, will the gentleman yield?

Mr. FINO. I yield to the gentleman from California.

Mr. HANNA. I want personally to thank the Speaker for bringing to the Committee the question he has asked. I wish to assure the Speaker and this House that I shall clearly disclose to them the reason that Montgomery Ward is now for the annual interest rate disclosure, why Sears, Roebuck is now for it, and why Spiegel has always been for it. They are for it, and I assure you and will prove to you not for what the interest rate discloses, but for what it covers; they are for it not for what it does for the consumer but because of what it does for them. But if there is any specific gain to be had out of this legislation, I assure you I will show you that it is for these specific people if we adopt that specific plan.

Mr. FINO. I thank the gentleman.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. FINO. I am happy to yield to the gentleman from New Jersey.

Mr. MINISH. I thank my good friend from New York.

Did I correctly understand the gentleman to say that Senator Douglas prefers the bill that is now before the House?

Mr. FINO. Senator Douglas came out in strong support of the Senate bill when it came out of the Senate. He thought it was a good, sound bill. And this bill, as I indicated in my opening remarks, is a much better bill than the Senate bill.

Mr. MINISH. Mr. Chairman, will the gentleman yield further?

Mr. FINO. Certainly.

Mr. MINISH. I would like to quote from the hearings:

> Mr. MINISH. Do I understand that to mean that you support the House version of the bill?
>
> Mr. DOUGLAS. Yes; I prefer the House version except I don't think you need to have everything in the House bill.

But on the point specifically dealing with consumer credit—your bill—and I am happy that Congressman Gonzalez and you and Congressman Annunzio, my old friend, are cosponsors of this bill. Your bill is superior to the Senate bill. And I think if you got Senator Proxmire here, he would say so, too. He had his back to the wall. He was fighting for his life against a hostile committee, remember that. It is marvelous that he got it through over the privileged opposition.

Mr. FINO. I thank the gentleman for his contribution.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. FINO. I yield to the gentleman from Missouri.

Mr. HALL. I appreciate the gentleman's yielding. I simply seek information. Many of us have not been privy to all of these hearings, such as the committee has, and I am sure they have done excellent work. But from reading the report, we know there are several methods of computing financing or carrying charges, and it gets a little confusing to see the different types of carrying charges for the so-called disclosure at monthly or even annual rates. Would not different figures occur in using the different computing methods such as the first, the Merchants rule; or, second, the U.S. rule, or, third, the constant-ratio formula?

Mr. FINO. I would assume so.

Mr. HALL. Under that circumstance, and again under the disclosure provisions of this bill, would different figures appear in the applying of different computing methods for finance charges or annual rates? I think this is all we need to know.

Mr. FINO. I think there would be a difference between the monthly rate and the new rate, more particularly when we are dealing with the open-end or the revolving account, where payments are being made during a period of months and purchases are being made during the same period of months. That is why the department stores indicated it would be very difficult to say that the rate would be 18 percent at the end of the year.

Mr. HALL. I understand there would be a variation. It would be hard for one skilled even in integral calculus to determine the result when payments are being made and purchases are being charged to various accounts in varying amounts. Finally, this leads to the question as to what computing method does this legislation call for in calculating finance charges?

Mr. FINO. I am sorry; my attention was distracted for a moment.

Mr. HALL. What computing method does this legislation call for in calculating the annual finance charges? That is the meat of the coconut, as far as a decision about supporting this legislation in title I is concerned.

Mr. WILLIAMS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. FINO. I yield to the gentleman from Pennsylvania.

Mr. WILLIAMS of Pennsylvania. Mr. Chairman, I thank the gentleman for yielding.

I think I can answer that question by referring to page 15, the point the gentleman from New York [Mr. Fino] has been making, that in order to compute the annual interest rate as it applies to a revolving charge account, certain factors must be known in advance, which are not known in advance with this type of charge account.

On page 15, subparagraph (5), it says:

> Any creditor under an open end credit transaction shall furnish any party to the transaction with a written estimate of the approximate annual percentage rate of the finance charge on the transaction determined in accordance with regulations issued by the Board, if the party making the request specifies or identifies the repayments schedule involved and such other essential credit terms as may be prescribed in the regulations issued by the Board.

So all this bill provides is that the purchaser will make available to the merchant in advance the necessary information. Then the merchant shall compute the approximate annual interest rate and furnish that to the customer.

Mr. FINO. Mr. Chairman, at this time I yield 3 minutes to the gentlewoman from Massachusetts.

(On request of Mr. Fino, and by unanimous consent, Mrs. Heckler of Massachusetts was allowed to speak out of order.)

DAVID G. OUELLET, SEAMAN, U.S. NAVY, DECEASED—AWARD OF MEDAL OF HONOR

Mrs. HECKLER of Massachusetts. Mr. Chairman, I rise on this occasion to call to the attention of my colleagues one of the most significant acts of heroism of the Vietnamese war, acknowledged today by the U.S. Government, by the Secretary of the Navy, in the presentation of the Medal of Honor to David George Ouellet, a constituent of mine, who paid the ultimate price for the safety of his comrades in Vietnam. Over 500,000 men have served or are serving in Vietnam; 26 of those brave men have been singled out for this special award.

David Ouellet served in the Navy and was trained in river patrolling. After serving in the training school, he was sent to Vietnam and there he performed one of the most heroic acts of this unfortunate war. The citation accompanying the award, which was awarded today posthumously to his parents, Mr. and Mrs. Chester J. Ouellet, of Wellesley, Mass., states:

> For conspicuous gallantry and intrepidity at the risk of his life above and beyond the call of duty while serving with River Section 532, in combat against the enemy in the Republic of Vietnam. As the forward machine gunner on River Patrol Boat (PBR) 124, which was on patrol on the Mekong River during the early evening hours of March 6, 1967, Seaman Ouellet observed suspicious activity near the river bank, alerted his Boat Captain, and recommended movement of the boat to the area to investigate. While the PBR was making a high-speed run along the river bank, Seaman Ouellet spotted an incoming enemy grenade falling toward the boat. He immediately left the protected position of his gun mount and ran aft for the full length of the speeding boat, shouting to his fellow crewmembers to take cover. Observing the Boat Captain standing unprotected on the boat, Seaman Ouellet bounded onto the engine compartment cover, and pushed the Boat Captain down to safety. In the split second that followed the grenade's landing, and in the face of certain death, Seaman Ouellet fearlessly placed himself between the deadly missile and his shipmates, courageously absorbing most of the blast fragments with his own body in order to protect his shipmates from injury and death. His extraordinary heroism and his selfless and courageous actions on behalf of his comrades at the expense of his own life were in the finest traditions of the United States Naval Service.

Despite our differences in posture on the war in Vietnam—whatever position each of us may hold—we join in respect for and gratitude to the servicemen who represent us and serve us.

We join today in paying honor and respect to the family of this outstanding seaman, who is an inspiration to each and every one of us.

It is with great honor and with personal sadness that, as the Representative from his district, I call this tragic and heroic feat to the attention of the Congress.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mr. PATMAN. Mr. Chairman, I yield 6 minutes to the gentleman from New Jersey [Mr. Minish].

Mr. MINISH. Mr. Chairman, while I view any legislation in the area of consumer credit and education as a step forward, and of course support such legislation, it is unfortunate that the legislation before the House today is not a complete bill, but rather one that deals with only a portion of the problem concerning the American consumer.

I had hoped that H.R. 11601 would not have been saddled with amendments that would strike the very heart from the legislation. But unfortunately two amendments adopted by the Banking and Currency Committee have stripped this bill of much of its total effectiveness.

It should be made clear that there are many sections of this bill that will prove of great benefit to consumers and wage earners, such as title II, which provides for restriction on the garnishment of wages. The measure provides a restriction on garnishments to 10 percent of earnings of an employee above $30 a week, and at the same time, prohibits an employer from discharging an employee by reason of a single garnishment of the employee's wages.

Levels of personal bankruptcy have risen at truly an alarming rate. While such bankruptcies were at a level of 18,000 per year in 1950, for the fiscal year ending June 30, 1967, personal bankruptcies had risen to 208,000. Personal debts canceled by virtue of such consumer bankruptcies reached about $1.5 billion in that year. During hearings on H.R. 11601, the committee heard testimony, accompanied by supporting evidence, that clearly established a cause-and-effect relationship between harsh garnishment laws and high levels of personal bankruptcies. Statistics obtained from the bankruptcy division of the Administrative Office of the U.S. Courts further support this conclusion. In States such as Pennsylvania and Texas, which prohibit the garnishment of wages, the number of nonbusiness bankruptcies per 100,000 population are nine and five, respectively. While in turn, States having relatively harsh garnishment laws, the instance of personal bankruptcies range between 200 to 300 per 100,000 population.

Thus, I think it can quite clearly be seen that the garnishment section of H.R. 11601 is an important section of the bill.

I would be remiss and a victim of a guilty conscience, if I did not express my strong disapproval of two sections of this legislation that were adopted as committee amendments. The first provision would exempt from the annual disclosure requirements most department store revolving credit accounts. The second objectionable provision provides an exemption from any rate disclosure requirements of transactions in which the credit charge is $10 or less.

The question thus arises in connection with this legislation is not who and what is covered by this legislation but rather who and what type of transactions are not covered by the bill but have been blessed with preferential treatment at the expense of the consumer.

Although revolving credit represents only about 5 percent of the outstanding consumer debt, it is one of the fastest growing areas in the total consumer picture and it is estimated that in only a few years it may equal roughly 50 percent of consumer debt. With this in mind, it does not seem equitable either for those businesses covered by the legislation or to the consumer to grant a blanket exemption to all revolving credit, merely because the department store and certain other retailers do not wish to state their interest charges on an annual basis. It seems strange to me that we are dealing with legislation that requires only some credit extenders to tell the truth about their rates on credit transactions, while large sections of our business population receive a total exemption from such rate requirements. In short, these businesses are saying "we do not want to tell the truth."

The same reasoning applies to the exemption for transactions in which the credit charge is $10 or less. This amount of credit charge would, in most cases, represent a credit extension of some $110. By exempting these smaller amounts on the financial scale, we are turning our back on the poor- and moderate-income groups. Since it is those on the lower economic scale who are most victimized by unscrupulous lenders and creditors, it is imperative that the legislation have its greatest thrust in that income area. But as a result of this committee amendment, which I strongly opposed, the legislation does not go to that point nor seek to help those individuals.

It is my hope that the exemptions for revolving credit and for finance charges of less than $10 will be defeated so that we can have a whole truth-in-lending bill.

Mr. WIDNALL. Mr. Chairman, I now yield 10 minutes to the gentlewomen from New Jersey [Mrs. DWYER].

Mrs. DWYER. Mr. Chairman, this is a bill of critical importance in many ways, especially to the 200 million American consumers who deserve protection against deceptive practices and who have a right to make an informed choice when it comes to borrowing money or buying on credit.

It is also a unique bill in one significant respect. It is the only major bill of a highly controversial character—in my memory—in which the controversy is centered on a minuscule 3 percent of the bill. I refer to the short-term type of revolving credit, or open-end credit, which today accounts for about 3 percent of the nearly $96 billion of outstanding consumer credit.

Except for a few relatively minor points, it is this modest corner of the credit world which accounts for most of the dispute. Otherwise, there is virtually universal agreement that the truth-in-lending bill reported by our Banking and Currency Committee should be enacted into law without further delay. After all, the American people have already waited 10 long years for the protection this legislation will provide. Their impatience for action, I suggest, was reflected in the fact that the Senate approved similar legislation by a vote of 90 to 0, and our committee reported the bill favorably with only one dissenting vote.

Since revolving credit is the issue, I suggest we concentrate on resolving the issue and passing the bill. It is an issue that should be readily resolved, for the controversy that has surrounded revolving credit is, in my judgment, largely groundless. It is based on the mistaken assumption that all forms of credit are alike and thus can be subjected to the same simple disclosure formulas. This assumption is inaccurate, and to accept it would be to compare apples and oranges. The result would be unworkable and inequitable.

Contrary to what you will hear in this debate, there is no "loophole" for revolving credit in the committee bill. There is no blanket exemption for revolving credit from the annual rate requirements of the legislation. There are no inequities involved in the revolving credit provisions. Any lack of uniformity in the treatment of various kinds of credit is more apparent than real. Where differences exist, they are required by the very reasons of equity, accuracy, and honesty which this bill is designed to serve.

Revolving credit, Mr. Chairman, comes in two basically different forms: long term and short term. Long-term revolving credit resembles installment credit. It is used in the purchase of more expensive items in department stores. As such, it competes with stores offering installment credit plans and therefore can and should be subject to the same disclosure provisions. The committee bill recognizes these facts and provides for disclosure of such revolving credit costs on precisely the same annual rate basis as other forms of installment credit.

Short-term revolving credit is different. In addition to comprising only a tiny share of total consumer credit, it is substantially limited to lower-cost items. Repayment schedules, so-called free periods, and other credit practices vary widely. Unless this credit information is known in advance, there is no way to determine the actual finance charge either as a dollar figure or as an annual rate.

Therefore, unless the Congress is prepared to force all creditors using this kind of revolving credit to conform to a single system of credit, there is no way of establishing a single annual rate which will cover all the variations.

Here again, however, the committee bill is based on the realities of the situation, not on the superficial appearance of uniformity. Full disclosure of the accurate costs of credit is the goal and the bill provides for just this—no more, no less.

First of all, the committee bill requires creditors offering revolving credit plans to disclose far more detail about their credit plans than other forms of credit. In addition, this information must be regularly disclosed at each billing period, a requirement not imposed on other creditors. Finally, and most important, each customer is guaranteed the right to obtain, in writing, a statement of the effective—by which I mean actual or real—annual rate of his own individual finance charges. All he has to do is ask and provide his creditor with a proposed repayment schedule and related credit information—without which information no accurate determination of the annual rate is possible. The consumer's right to full information about the costs of credit, including the effective annual rate, would, therefore, be more than adequately protected by the committee bill.

The key word, Mr. Chairman, is "effective." In the case of bank loans, installment plans, and similar kinds of credit, the customer repays a stated amount at each period—usually monthly—and so the stated annual rate is the same as the effective annual rate. With short-term revolving credit, there is no such regularity. Customers have wide leeway in deciding how and when and in what amounts to pay their bills, and the pattern of repayment they choose determines both the amount and the effective annual rate of their finance charges. No single arbitrary annual rate, therefore, would cover all revolving credit accounts. It can only be done on an individual basis—and the committee bill so provides.

Our position is very simple, Mr. Chairman. The hearings clearly showed that the effective annual rate of finance charges on short-term revolving credit is often less than 18 percent, even though the applied monthly rate is one and a half percent. The effective rate may be 12, or 14 or 16 percent a year. In any event, where the effective rate is substantially less than the applied 18-percent rate, we believe that accuracy and honesty requires disclosure of the effective rate, the real rate.

The problem becomes clearer—and the committee solution more compelling—Mr. Chairman, when we look at the alternatives.

Under the Senate bill, short-term revolving credit would be exempt from annual rate disclosure. Creditors would be required to reveal only the monthly rate, usually one and a half percent. This would place competitors in the banking and installment fields at a great disadvantage, if only for the reason that one and a half percent a month sounds a great deal less than the annual equivalents of 12 to 18 percent a year. Consequently, it would be unfair to many businesses and it would deny to consumers their right to compare the costs of alternate sources of credit. The committee bill, I repeat, removes this Senate exemption.

The proposal to require disclosure of a single annual rate for all revolving credit accounts—regardless of individual differences—would be similarly misleading. As we have seen, 1½ percent a month does not always yield 18 percent a year. To insist, when the effective rate is substantially less than 18 percent, that creditors disclose the higher and arbitrary figure would be a grave injustice to both creditors and customers. It would defeat the purposes of the bill. The only beneficiaries, obviously, would be those who seek an unfair competitive advantage.

Of potentially greater importance is this fact: If all department stores charging 1½ percent a month on their revolving credit accounts are forced to disclose an annual rate of 18 percent on all their accounts, then I predict it will not be long before such stores actually charge and get the 18 percent. It would be ironic, indeed, if truth in lending should be made the vehicle for raising already high finance charges. The American consumer would not be inclined to be grateful.

The same objections apply to the proposal to require disclosure for all forms of credit on a monthly rate basis. Here, too, the appearances of uniformity would only mask the substantial differences in effective interest rates and thereby deny consumers the availability of full and accurate information. Moreover, Mr. Chairman, I would remind our colleagues that this proposal—despite its honorable auspices—was never considered by our committee, either during hearings or in executive session.

So much for the substance of revolving credit. It would be useful, also, to consider the politics of this issue.

The committee's solution to the revolving credit controversy was the product of careful and constructive compromise and the result of bipartisan cooperation. Of all the alternatives, it is the most widely acceptable to all parties at interest; it offers the greatest protection to consumers; and it is the most potentially effective, the fairest, and the most workable.

As such, it attracted the support of a bipartisan majority of the committee. Administration spokesmen have indicated they find the revolving credit compromise entirely acceptable. And the principal author of the Senate-passed bill has publicly stated his support of the committee bill.

To retreat now and jettison the committee compromise in favor of either of the more extreme and unworkable alternatives would only invite more controversy, create a lengthy impasse with the Senate, provide special advantages to a few, and introduce the danger that the final bill could not do the job which we and those we represent expect of truth-in-lending.

I should like to go on record, Mr. Chairman, on one other aspect of this bill. An amendment is being prepared, and I hope will be offered, to make "loan sharking" a Federal offense. When such operations involve or affect interstate commerce. I shall support such an amendment wholeheartedly. Through no fault of the bill, I believe it is obvious that it could not effectively stop the odious and criminal activity of loan sharking. It is also obvious that loan sharking is big, well organized, and entirely vicious. It can be stopped only by enlisting the authority of Federal law.

In the final analysis, Mr. Chairman, the purpose—the only purpose—of our bill is truth, and the truth will only be served by disclosure of the most accurate possible information about the cost of credit. We are not here to take care of special interests, or make adjustments to suit individual desires. Our only obligation is to the people and to the truth.

Mr. PATMAN. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HANNA].

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. HANNA. I yield to the gentleman from New Jersey.

Mr. JOELSON. Mr. Chairman, I want to express my strong support of the truth-in-lending bill, of which I am a cosponsor.

It is a sad fact of economic life that the poor and uneducated pay more interest on loans and installment buying than the more well to do and educated. It is essential that they be given full and frank information on interest charges.

Testimony before congressional committees has disclosed scandalous patterns of gouging of the unwary by the unscrupulous, and I am encouraged and impressed by the fact that my mail indicates that most financial institutions and retailers favor the truth-in-lending bill which requires the disclosure of specified information about loans or credit.

Not only should we protect consumers against fast talking, doubletalking promoters, but we should also protect ethical businessmen against this type of unfair competition.

Mr. DULSKI. Mr. Chairman, will the gentleman yield?

Mr. HANNA. I yield to the gentleman from New York.

Mr. DULSKI. Mr. Chairman, we have an opportunity here to enact strong and meaningful legislation to provide consumer credit protection.

This legislation is needed, but I disagree with two crippling amendments which have been approved by close votes in the Committee on Banking and Currency. I shall oppose those amendments when they come up for vote.

One amendment would exempt revolving credit from the requirement for disclosure of annual rate. Approval of this amendment would create a damaging loophole in the bill.

Revolving credit, familiar in particular to credit customers of large department stores, is no small item in our economy. It accounts for nearly $6 billion worth of credit sales annually to millions of consumers.

Further, the revolving credit loophole could very well become an escape hatch for other types of lenders who could simply convert from their present systems.

The second committee amendment I oppose would exempt from rate disclosure all credit purchases up to $100. I fear this exemption would hit squarely the people we are most anxious to protect, the low and moderate income families.

As amended, the amendment exempts from rate disclosure any purchase where the interest and credit charges total less than $10. The effect, of course, is to exempt all purchases and loans under $100.

Otherwise, I support H.R. 11601 as it came from committee.

I might observe that the provision which would end abuses in the garnishment of wages to collect debts is patterned after New York State law which has worked out well.

Mr. HANNA. Mr. Chairman, I would first like to acknowledge kudos to the gentlewoman from Missouri [Mrs. SULLIVAN], and the gentlewoman from New Jersey [Mrs. DWYER], for having given the appropriate leadership, as one would expect from the distaff side, on this great consumer problem. I believe that they, more than anyone else, deserve great credit for bringing this measure to the House.

I should also like to acknowledge the debt that is owed to our chairman, the gentleman from Texas [Mr. PATMAN] and the members of the committee who have been of great patience and who have given unstintingly of their time and effort in trying to make a bill that would be acceptable to the people of the United States and to the House of Representatives.

I will take my time here to try to bring a little light to this subject, which is greatly confused, not only by those who are trying to help it in the House, but those who are trying to help it from without the House.

It seems to me that the compromise bill that we have brought before the House represents a strong and affirmative first step in the direction of defining the role of responsibility of the Federal Government in assuring adequate information for use by the American consumers in shopping for credit.

A CONTEXT OF CONFUSION

I am for this bill as amended by the House committee. But let us talk about the confusion which surrounds this issue which is thicker than pea soup and far less palatable. It is, in large measure, a result of impassioned cries which are being sounded from nearly every corner by parties at interest. There is a great misunderstanding concerning the principal issue that will be in contention tomorrow—open-end revolving credit. This confusion is a result of the countless chorus of interest groups, all of whom are singing a different tune.

Consumer groups, big bankers, big retailers, small retailers, big furniture dealers. small furniture dealers, and a polyglot of other interest groups are all registering their position on this issue. Some support the committee, but even their support is suspect and limited. Many oppose the committee's position feeling that the committee bill does not provide as much as is required to satisfy their narrow definition of self-interest.

Mr. DEL CLAWSON. Mr. Chairman, I think the gentleman is making a very fine talk here and discussing something that merits the attention of the House and all the Members of the House.

Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 8]

Abbitt
Andrews, N. Dak.
Ashley
Brademas
Brock
Brown, Mich.
Cederberg
Clark
Clausen, Don H.
Cleveland
Conte
Corbett
Corman
Cramer
de la Garza
Diggs
Eckhardt
Erlenborn
Foley
Fountain
Fraser
Gubser
Halleck
Hansen, Wash.
Hathaway
Hawkins
Kupferman
Leggett
Long, Md.
Lukens
McClory
McCulloch
McFall
Mills
Mink
Monagan
Moss
Passman
Resnick
Rhodes, Ariz.
Robison
Rosenthal
St. Onge
Shriver
Smith, Iowa
Springer
Taft
Talcott
Tunney
Van Deerlin
Whalen

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. Price of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11601, and finding itself without a quorum, he had directed the roll to be called, when 381 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. Hanna].

Mr. HANNA. Mr. Chairman, when the point of no quorum was made, I was trying to clear up some of the confusion on the issue of revolving credit. To do so let us break down this issue. Basically there are three approaches to the question of disclosure of revolving credit:

First. Uniform disclosure of annual rate on all credit transactions.

Second. Uniform disclosure of the monthly rate on all credit transactions.

Third. Some combination of the two adapted to fit the varying characteristics of the credit transaction—the committee position.

Each of these positions has been emphatically argued by groups who believe their self-interest is best served by the given approach. There is nothing wrong with the way these groups have presented their position. Quite the contrary, this is a practice to which we have all grown accustomed. It is customary that interested groups should come forward to register their views. It is appropriate that the committee of the Congress should give each of these groups the full opportunity to register their position. This has been done. But let us not for a moment mistake the pronouncements of any of these groups who purport to espouse the general welfare, as being anything more or less than a position based on narrow self-interest.

Let us stop for a moment and analyze each one of the three approaches that I have enumerated in terms of the support they have. In doing so let us remember two basic facts:

First, that all revolving credit is not exempt from annual disclosure. It has been said that revolving credit encompasses 3 percent of all consumer credit. That is true. However, we are being misled because revolving credit plans under which the debtor pays less than 60 percent of the obligation are, by virtue of the provisions on page 8, lines 14–17 of the bill, required to disclose the annual interest rate. The committee adopted this approach to provide, where practical and meaningful, uniform disclosure.

The second and more important thing is this: that the 1½-percent rate that the gentlewoman from Missouri [Mrs. Sullivan] has been discussing is not an interest rate at all. It is an application of a rate that depending upon when it is applied and to what it is applied can be used to impose an effective annual rate of more or less than 18 percent. I will demonstrate to you that if you take 1½ percent and make it 18 percent, you are not telling the consumer the truth at all.

Who is for this? The leaders of the consumer groups long ago swore a blood oath that they would support an annual disclosure of all credit transactions on an annual interest rate basis. This is the rock on which Senator Douglas broke himself for 7 years. Now they have rallied under this banner, and it has become sacrosanct. You cannot without your own peril take a position opposite to this, as being the right answer in truth in lending. The missionary zeal of these groups is so overwhelming that they have been willing to sacrifice everything—even the passage of a truth-in-lending bill—without which their argument has no context or practical meaning—to secure their objectives.

I respect these groups for their dedication to what they believe is in the national interest. However, I am unwilling to agree that their well-intended position should be embraced by this House. I do not believe that Congress would be discharging its responsibility if it failed to look behind this issue.

The consumer groups, if you look behind them, have suddenly some curious allies. For years they were attacking all the bankers and retailers for their opposition to the uniform annual disclosure. Now, suddenly we are receiving telegrams from Sears, Roebuck and Montgomery Ward and other big catalog houses saying that we ought to go along with Mrs. Sullivan.

I will tell you the reasons these people have changed their position and are for the bill and you can judge for yourself what credence should be given their statements. All you have to do is to find out if their credit yield is higher than the 18-percent disclosure requirement Mrs. Sullivan has called for. If it is, they back Mrs. Sullivan. If they are for the committee bill and against Mrs. Sullivan it is because their yield is lower than the 18-percent-per-annum rate Mrs. Sullivan wishes to legislate.

Because the committee bill creates a division within the revolving credit, the high-cost lenders cannot in most cases, take advantage of the exemption given unpredictable balances. This is because the high cost of their credit makes most of them go beyond the time period of 1 year to pay 60 percent of the bill. Therefore, they are not included under the committee definition of revolving credit. Because of this they are exposed. Hence, their opposition to the committee bill.

Specifically Spiegel's credit plan is notoriously high cost. It is the largest, single house in the United States. Its repayment plan is so stretched out that only 30 percent of outstanding debt gets paid in a year and they cannot be protected by the House bill. They do not even come close to the 60-percent cutoff required. Thus, Spiegel's has, right from the first, urged annual rate across the board so they can hide their high effective charges behind a statement of nominal rate.

This is Spiegel's, and from the very outset they said—

> We are against the committee bill and for Mrs. Sullivan.

Montgomery Ward, like Spiegel, does not fall within the 60-percent figure. Their credit is cheaper than Spiegel's but more expensive than Sears and Penney's. For a time, Ward's flirted with the committee position. They finally had to face the choice—disclose an annual rate or shorten their terms and reduce their revenue. Faced with a declining competitive position and public antipathy for their involuntary insurance scheme, they opted to keep their terms, and therefore go along with the requirement that others disclose the same nominal rate, a ploy to hide Ward's higher costs.

Yesterday Sears announced support for uniform disclosure on a monthly or annual basis. Sears has shown great sensitivity at the State level to the question of different billing systems. It may well be that this sensitivity has led them to conclude that an exposure of their billing practices, though they are not as vulnerable as Ward's and Speigel's, would be more to their disadvantage than a statement of annual rate.

Ward's, Sears, and Speigel's all prefer annual rate disclosure to revealing the true rate of yield generated by their credit plans which charge 1½ percent against the beginning balance. An example will suffice to clarify the rationale of their position. It is taken from Consumer Reports buying guide, "Facts You Need Before You Buy in 1968," page 398.

> If the monthly finance charge is applied to something other than the unpaid balance, (Speigel's, Ward's and Sears all do this), interest rates can run considerably higher. A charge of 1½% per month added to the initial purchase price in a one-year credit deal comes to 33% interest. Some department stores, including Montgomery Ward and Sears, Roebuck & Co., charge a percentage of the opening balance on their monthly bill—the balance before subtracting any payments made or credits for items returned during the previous months. Interest is assessed on the entire balance. Thus, if the bill looks like this. Opening balance, $100; payments, $50; returns, $10; and balance due, $40.

Under the approach followed by Speigel's, Ward's, and Sears the service charge is levied against the opening balance. Hence, if the service charge is 1½ percent times $100, or $1.50, the charge is $1.50. When it is compared with the balance due or $40, it actually comes to $3.75 per $100 per month. The annual interest rate on that month's transactions is 12 times $3.75 or 45 percent.

So I am telling you that you are not getting at the problem if you simply multiply 1.5 percent times 12 percent and conclude the rate is 18 percent. It is not as simple as that. And anyone who thinks it is, is fooling himself and may unwittingly contribute to the deception of the American consumer.

The bank credit card systems are almost all forced to state an annual rate by the committee bill. They have a long-term pay-out period designed to insure a high yield. Since they are in direct competition with retail credit cards, they naturally would benefit if the retailers are required to make the identical disclosure that they already make. So that gives you the bank position. That is one of the most important things to know about why the banks are taking the position they are taking about the committee amendment.

Also the banks would have less flexibility than the retailers should the committee version prevail. Ward's, for example, could forgo some revenue, shorten their terms, and qualify for the exemption that is given under the bill. But the banks could not raise their prices in order to cover the loss in revenue.

The furniture dealers have a different reaction. Most of them sell strictly on installment credit. The same is true of the automobile dealers. They fear competition from those who extend revolving credit, and hence they support the uniform annual rate requirement so that they can discourage those who would use revolving credit, at a lower rate and at the quick turnover, in order to give the consumer a better deal on the interest that he will pay.

There is a further complication in the bank plans. In addition to the revenue, they have two ways that they can get more. If they use the check credit type of revolving plan, they levy a flat charge of 25 cents per check written. This assures them of the basic cost of handling even before the service charge comes up.

In the case of the bank credit card, they discount the retailer accepting the card on a certain transaction. In other words, on a retail sale of $100, the bank will make a discount of about $2.50 to $3. Before the bank begins to levy service charges they already have the $2.50 to $3 on the discount. Because of this high cost to the average bank to handle money, they do not make much profit even with this discount.

I am not saying that they are not justified in trying to get these charges. What I am trying to explain to you is why they have taken the position they have on the legislation. Naturally the banks want the retailers to disclose on an annual basis. Such a requirement to highlight the bargaining advantage the banks gain due to the fact that they have some charges that are not covered under the simple annual interest rate formula proposed by Mrs. SULLIVAN.

We have already seen some of this happening in bank credit check plans, where they add 25 cents per check and then advertise only 1 percent per month—not 1½ percent, as they already have part of their percentage on the discount. They can then lower the rate advertised.

What I am trying to tell you, gentlemen and ladies, is that if you think you are solving the problem of the consumer by going to a simple annual interest rate disclosure, you are simply fooling yourselves. And what is sadder, you are fooling the consumer, too.

MONTHLY RATE ACROSS THE BOARD

This would have the effect of making a 1½ percent charge and a true monthly rate of 1½ percent appear equal. Thus, it would be to the advantage of those applying the charge, in the most expensive way to the consumer.

Even so, it is a better system than annual rate across the board, for the simple reason that any differences in effective rates will be magnified 12 times on the annual basis. For this reason, it is harder to make a case against monthly rate across the board than annual rate across the board.

Monthly disclosure across the board has the support of most high-cost lenders, as well as a number of others who support the committee position, but feel they cannot make a dramatic case against monthly disclosure and do not want to appear obstructive.

The concept of a monthly rate is a reaction to the argument for annual rate comparability. It provides comparability while still avoiding disclosure of high annual figures. This approach was sponsored in a sincere effort to find an equitable solution.

THE COMMITTEE POSITION

The revolving sellers who contend that their practice of billing against the adjusted monthly balance does not produce an annual rate approaching 18 percent per year support the committee bill.

Many others who use a system similar to Sears, who qualify for the exemption granted by the committee and who are willing to defend their rationale for using the beginning balance system, support the committee.

Most small independent retailers with revolving credit support the committee bill because they feel they do not have the advertising resources to explain away the nominal rate should annual disclosure across-the-board pass. They operate in communities where customer goodwill is important to them, and fear that if they start saying 18 percent their customers will become convinced they are actually getting an 18-percent yield.

I offer this detailed and pungent description of the situation to make it abundantly clear that this bill is vital, and I mean that literally, to the parties concerned, and to evidence that no one of these groups is moved by altruism on this gut issue. All are forwarding their own narrow interests. For this reason I propose that we turn our backs on this self-serving chorus in seeking a bill which offers a well founded and balanced approach to the issue.

DECIDING THE ISSUE

Clearly, the Congress will not decide this issue based upon the number of telegrams received from each respective interest group or the poundage of impassioned pleas encompassed in letters proporting to tell the whole truth about truth in lending. The Congress, more specifically, the House, today and tomorrow will decide the fate of the much needed and long-overdue truth-in-lending bill. Let us look back on almost a decade of deliberations to see what lessons can be learned from the past disappointments and failure to secure the much needed truth-in-lending package. It shall be my purpose during this debate to push for an approach, the committee approach, which I believe is basically sound, both from the standpoint of the consumer and the creditor. I will forward this approach knowing that no one, neither debtors nor creditors, will be fully satisfied with the committee version. I think this fact commends the bill to you. We have not as a committee catered slavishly to the interests of any group. We have, instead, sought to fashion a compromise on the fundamental issue of revolving credit which has so long divided this Congress and blocked noble efforts to secure enactment of this legislation.

It is not my contention that we are today writing a bill which can be etched in stone to be preserved for all time; that we are capable of foreseeing at this time any of the problems which are as yet unknown. Consumer credit is a burgeoning field which will require constant attention.

COMMISSION ON CONSUMER FINANCE

Mrs. SULLIVAN made a very important statement when she said that the part of her bill that sets up the Consumer Advisory Council may be, in its far-reaching aspects, the most important part of her bill. I think this commission ought to start its study by investigating the question of revolving credit.

What are the actual experiences of the marketplace? Not the beliefs that are held in the minds of some of our idealistic theorists. It is not what their theory is that is important; it is what is happening that is important.

What I am afraid is that we are going to vote on this simply out of our prejudices, following this banner or that banner, and never having addressed ourselves to the core of the problem that the consumer must face in a very complex marketplace.

Very few people understand this particular problem. I am sure it will take us some time and a lot more study before we understand it sufficiently to warrant putting a statute on the books dealing with it.

It is important that we do not put a legislative gloss over the issue of revolving credit. We must not cover over the issue making it impossible to get at it again for many years to come. Let us face this thing as it has now been faced by the committee, realizing that we do not have perfection. But when did we? We need much more study and much careful deliberation before we decide. It is my firm conviction that we would be serving no good end by rejecting the committee position on revolving credit.

IGNORED: THE BASIC ISSUE

The deplorable result of the almost total preoccupation with this single issue of revolving credit has been the obfuscation of a more basic inquiry into the question of yields and competitive positions of the parties involved. Much of the posturing and sloganeering which has been going on may be attributable to desire to obscure this level of inquiry. We should be seeking to give the consumer information on the quality of the marketplace in which he operates. We should answer the question: Can the cost of credit be justified to the consumer? Instead, we have allowed the debate to take a turn which plays into the hands of those most nefarious groups who have the most to gain from obscuring the issue and who, judging from their performance on the State level, have the most creative ability in finding ways of complying with only the letter and not the intent of the statutes.

I would hope that this more fundamental inquiry would not long be neglected.

Mr. PATMAN. Mr. Chairman, I yield 1 additional minute to the gentleman in order that he may answer a question from the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, is the amendment of the gentleman from California [Mr. HANNA] commonly known in the trade as the Penney amendment because it was offered to the Senate originally by Penney's to tailor this requirement to their own credit system?

Mr. HANNA. Mr. Chairman, the gentlewoman from Missouri [Mrs. SULLIVAN] may be correct. I do not know what my amendment is called in the trade, but I would remind the gentlewoman that when she came to me and asked me to go along with this bill, I told her at that time I did not think I could support her bill, because I did not agree with it. I had not talked to anybody except my own conscience at that time, and that same conscience has been my sole base of reflection since that time.

I do not care what people call it. I am just telling the truth as I see it. If I am wrong and it would not be the first time, I will have only myself to blame. But that I am sincere and honest in my intentions I hope the gentlewoman will believe.

Mrs. SULLIVAN. Mr. Chairman, I am not saying the gentleman got it from Penney's, but it was the Penney amendment to this bill.

Mr. HANNA. Mr. Chairman, I understand Penney's is supporting this bill because the Penney rate falls below 18 percent. I have told the gentlewoman that, and that is the truth as far as Penney's is concerned. But this is no more the Penney amendment, than is her position the Spiegel position.

Mrs. SULLIVAN. Mr. Chairman, is there any reason why Penney's cannot tell their customers the distinct and unique advantages of its credit system?

Mr. HANNA. Mr. Chairman, there is no reason why Penney cannot tell the advantages they are giving their customers, but the danger is that the gentlewoman from Missouri [Mrs. SULLIVAN] will by virtue of her blanket approach on revolving credit be providing a cover for a lot of people who will not have to explain what their situation is.

That is exactly what I am trying to tell the House. That is the issue in this debate. Should those whose effective rate on revolving credit is less than 18 percent be required to say their rate is 18 percent while their competitions also disclosing 18 percent might, in fact, be getting a yield of 45 percent. I hope the gentlewoman can see that.

Mrs. SULLIVAN. Mr. Chairman, if the gentleman will yield, every giver of credit must explain how his credit charges are made, and he has the privilege of saying where they charge, at the beginning of the month or the end of the month, and so forth.

Mr. HANNA. Mr. Chairman, the bill of the gentlewoman [Mrs. SULLIVAN] does not require and, under the information we have now, probably could not require the effective interest rate and what charges really are in dollars. Until we have that, we cannot have truth in lending.

Mr. WIDNALL. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. HALPERN].

Mr. GURNEY. Mr. Chairman, will the gentleman yield?

Mr. HALPERN. I yield to the gentleman from Florida.

Mr. GURNEY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GURNEY. Mr. Chairman, I would like to add my support to a much-needed amendment to the truth-in-lending bill. The Sullivan amendment would remove the exemption of revolving credit facilities from the bill's general requirement of annual disclosure of credit rates. The amendment is needed to remedy the inequality of treatment given to the various institutions providing credit benefits. The consumer deserves nothing short of full disclosure of what he is being charged for credit.

Groups in my own State of Florida have expressed overwhelming support for the amendment. An excellent example of such support comes from the American Association of Retired Persons and the National Retired Teachers Association who have even been concerned about protecting their members in the purchasing power of their retired dollars. They have been in the forefront of the battle for truth-in-lending legislation. I would like to read to you their telegram:

> The Legislative Council of the National Retired Teachers Association and the American Association of Retired Persons, representing over 1¼ million concerned Americans, urges you to support Congresswoman Sullivan's fight to include revolving credit and all transactions, regardless of the amount of the finance charge, in truth-in-lending bill (H.R. 11601) on an annual percentage rate basis.

Also expressing support for that amendment are many, many individual citizens, many consumer groups, and great numbers of Florida banks.

It is vital that the American consumer know in what degree he pays for the credit which he receives. He should be given full opportunity to compare the terms of facilities offering that credit. He is unable to do this if the credit information is not required on the same percentage basis for all institutions.

I request passage of this crucial amendment.

Mr. HALPERN. Mr. Chairman, I rise today with mixed feelings. I am enthusiastically pleased that this issue has finally come before the House. But I sincerely regret that H.R. 11601 is coming before us, with two undesirable weakening amendments which I, and other of our colleagues are discussing during this debate.

We have waited a long time for this legislation and many of us have worked for years to shape an effective bill aimed at the core of credit abuses. I know I for one have been identified with this issue since Senator Douglas' original bill, which I introduced in this House 8 years ago. The distinguished chairwoman, the gentlewoman from Missouri [Mrs. SULLIVAN], and others on the committee, who labored hard and long to develop meaningful consumer legislation deserve the highest praise and I wish to personally extend my heartiest commendation to this able and fine lady for her determined efforts to win the broadest, most effective bill possible.

I am privileged to have been identified as a coauthor of the original draft of H.R. 11601 and to have added an amendment which the committee adopted and which I believe makes an important phase of this legislation more equitable and workable. I will discuss that later. I only regret that certain other amendments did not tend to improve the bill, but rather drastically weakened it. To be specific, I strongly oppose the committee amendments to exempt revolving credit accounts and the so-called small transactions from requirements to disclose credit charges in terms of an annual rate. These two amendments, in my opinion take the guts out of this bill. I fervently hope they will be rejected by the Committee of the Whole.

Mr. Chairman, consumer credit has been increasing rapidly in recent years; consumer credit outstanding rose from $56 billion in 1960 to $95 billion in 1966. Imagine that, Mr. Chairman, $95 billion. This credit is essential to the growth of our modern economy; it finances a large part of consumer purchases of durable items as well as nondurable goods and services.

Yet, although the availability of credit has provided a valuable convenience to the consumer, it has also subjected him to great confusion with respect to the cost of this credit, the relative value of alternative sources of credit, and the comparative benefits of credit relative to cash purchases.

The purpose of this legislation is to require creditors to disclose the entire cost of the credit they offer in terms which are understandable to the average consumer; the original bill put before the committee was designed to require disclosure by all credit sources in a uniform fashion, so that the consumer might easily make comparisons between alternatives, and make his purchases on the basis of rational decisions, not haphazard and confused guesses, as to relative costs.

Yet, the ability of the consumer to make these rational choices will be severely diminished if the exemptions of revolving credit and $10 credit charge transactions from annual rate disclosure are allowed to stand. When faced with a decision on whether to make a purchase on a revolving credit account or to obtain a bank loan and then make a cash purchase, the consumer will be deprived of the one essential piece of information he needs to make a comparison: the percentage rate of his credit cost. With the bank loan charge stated in terms of an annual rate, and the revolving credit charge in monthly terms, how can the consumer choose the best alternative?

Similarly, how can we justify supplying the consumer with the annual rate charged on transactions with credit charges of more than $10, and withholding this information on all transactions with lower credit charges. We must bear in mind, Mr. Chairman, that an item with a credit charge of $10 is one with a total price of around $100. We are thus eliminating all purchases of $100 or less from the requirement to disclose an annual rate of credit cost. Such items comprise the major portion of a low-income consumer's budget. How then are we helping this segment of the buying public make rational choices or comparisons in his purchase plans? These are the people who most need the protection of consumer credit legislation. They are the last ones to be excluded as the amendment would do.

Throughout our hearings, Mr. Chairman, some have maintained the impossibility of presenting an annual rate on revolving credit accounts, and have piled mystery on top of complexity to thoroughly confuse the issue. I maintain, and shall further explain when we discuss these amendments, that a revolving credit charge account is no more complex than a bank savings account, and if an annual rate can be presented for the latter, it can as easily for the former. I similarly submit that the logic behind the so-called small transactions exemption is no more valid, and that, to preserve the integrity of this consumer protection legislation, both of these amendments should be rejected.

H.R. 11601, as originally written also contained a complete prohibition against the use of wage garnishment for debt collection purposes. Various highly reputable witnesses presented testimony during hearings on the bill which dramatically demonstrated the great personal hardship wrought by excessive use of garnishment as a collection instrument. Evidence was also cited which indicated incontestably the causal connection between the employment of wage garnishment and the alarming rise in the level of personal bankruptcies.

Yet a total prohibition of garnishment might justifiably be regarded as a denial to the creditor of his right to collect legitimate claims against a debtor. Thus, I have proposed an amendment which will not prohibit, but will limit the use of garnishment; this amendment should both mitigate the often calamitous effects of garnishment on the debtor and yet not interfere with the legitimate rights of the creditor.

The amendment would restrict garnishment to 10 percent of a debtor's income above $30 per week; exempt from this restriction would be claims for Federal or State taxes, or for family support. The amendment also prohibits an employer from firing an employee on the occasion of one garnishment of his wages; this provision would go far toward relieving one of the greatest burdens of garnishment, the vicious spiral of economic hardship followed by unemployment, crowned by the inability to find other employment due to a poor credit record.

Mr. Chairman, I would like to conclude by reiterating my unwavering support for strong consumer protection legislation. I believe that the disclosure provisions contained in H.R. 11601 would perform a valuable function for the consumer and for the economy as a whole, by enabling the consumer to make rational choices among credit charges presented in a truthful and uniform fashion. I maintain that we will be doing the consumer and the economy a disservice by exempting specific types of credit from these uniform disclosure provisions. And, I submit that the evidence demonstrates that a Federal law regulating the use of wage garnishment is urgently needed, and should be enacted at this time.

Mr. Chairman, I wish to reiterate my strong support of the principle behind this legislation and trust that this committee, in its wisdom, will remedy the weaknesses currently in the bill; namely, the revolving credit and small transactions exemptions. I believe that this must be done in order to protect those most in need of the aid intended by this consumer credit legislation.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. HALPERN. I gladly yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, I just want to take this opportunity to congratulate the gentleman from New York [Mr. HALPERN], for the great work and great help he has given us during this entire time of the consideration of this bill. As I said at the beginning, we hope that this will be a nonpartisan effort, and he has helped to make it nonpartisan. He has done a great deal of good all through this country. I want to thank him for it.

Mr. HALPERN. I thank the gentlewoman for those kind remarks.

Mr. PATMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, we have before us today for consideration one of the most significant legislative proposals of the 90th Congress. Truth in lending will directly affect a large portion of our economy as well as millions of our citizens.

The need for strong Federal consumer credit legislation is crucial, particularly to protect the unsuspecting consumer who does not look behind the price tag and promise of easy credit terms.

H.R. 11601, as reported out of committee, will be a significant first step toward alleviating the credit abuses. It will diminish appreciably the discrepancy in bargaining power between the seller and the buyer.

However, in its present form, the bill contains two undesirable exemptions. The first of these is a "revolving credit" exemption written into the bill in committee. This exemption would allow the large department stores, mail-order houses, and others who use "revolving credit" to express credit charges on a monthly rate rather than the annual rate disclosure required for other mercantile establishments. Such an exemption is unfortunate since the purpose of truth in lending is to require all credit charges to be computed and disclosed using the same system to enable the consumer to compare credit charges of different sellers. With the exemption, the consumer will not be afforded the full protection since "revolving credit" will be computed on a yearly basis.

The second exemption makes it unnecessary to disclose on a percentage rate basis—monthly or annual—any transaction, other than the open-end transaction, in which the credit service charge does not exceed $10. This would enable the neighborhood lending agencies to charge $10 a week or less on a loan by constantly refinancing the obligation.

The yearly interest rate on such a loan could be as great as 520 percent. This exemption will militate against the poor consumer who frequently borrows from the neighborhood lending agency because of his lack of credit standing. If this legislation is designed to protect the consumer from abusive practices of the creditor, the $10 exemption must certainly be eliminated. Small loans with exceedingly high interest rates are one of the more prevalent abuses. This predatory practice must be stopped.

The absolute necessity for strong Federal legislation in the consumer credit area has become increasingly obvious upon a review of the current efforts of the National Conference of Commissioners on Uniform State Laws. They are in the process of drafting a comprehensive uniform consumer credit code that hopefully will be adopted by all 50 States. They anticipate having a finished product before State legislatures by the beginning of the 1969 terms.

I welcome their efforts; however, so far, although quite elaborate, their proposed code lacks the strong remedies necessary to truly benefit the consumer. In fact, only in their last working draft, that is, this sixth draft, has the beginning of an effort to strengthen the code been made. This strengthening obviously resulted solely from a fear, on the part of the drafters, of Federal preemption, since the new sections, for the most part, are merely identical remedies to those contained in pending Federal legislation.

The commissioners have a tremendous opportunity to protect the consumer by providing the basis for uniform State legislation. I certainly hope they will continue their fine work in this area and strengthen their code so that it will not be necessary for the Federal Government to penetrate further into the consumer credit field in its vital role of safeguarding the rights of our citizens.

With the phenomenal growth of the use of credit in our society, it is imperative that the consumer be protected as fully and as soon as possible. Therefore, I strongly urge that the revolving credit and $10 exemption loopholes be closed and favorable action taken on H.R. 11601.

Mr. PATMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. WOLFF].

Mr. WOLFF. Mr. Chairman the consumer credit protection bill, H.R. 11601, is an excellent bill as far as it goes, but it does not go far enough.

As it stands, H.R. 11601 excludes disclosure of annual interest rates under revolving credit and service charges $10 and under.

These omissions make the bill a halfway measure that will be even more meaningless in years to come.

Seven years ago, revolving credit accounted for only 2 percent of all outstanding consumer credit. Today, it accounts for 5 percent of credit sales—about $5 billion. By 1970, it is estimated that revolving credit will account for nearly half of all consumer credit sales, or about $50 billion at today's rates.

I do not think we want to pass a bill that will scarcely be worth the paper it is written on a few years from now.

I also wish to go on record in support of full annual interest disclosure on carrying charges or service charges of $10 or under. Exclusion of this provision is unrealistic as well as impractical. First, it deprives the buyer of his right to know; second, it discriminates against those businesses which provide full disclosure, and third, it hits hardest at those who can least afford it, the poor.

I see no reason why we cannot pass a bill that gives fair and equitable treatment to everyone, and I urge defeat of any amendments that weaken it.

Mr. PATMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. HOWARD].

Mr. HOWARD. Mr. Chairman, I urge that H.R. 11601 be strengthened to include full disclosure of annual interest rates on finance charges of $10 or under and on revolving credit accounts. Without this inclusion we are encouraging discrimination.

We are giving preferential treatment to certain businesses by exempting them from interest disclosure required of their competitors.

We are keeping from the buyer the information he is entitled to when he makes any kind of a purchase, whether it is a $25 tire for his car or a $300 television set.

A man purchasing a $25 tire with a carrying charge of $5 for 60 days actually pays an annual interest rate of 120 percent.

A woman buying a $75 baby carriage with a carrying charge of $10 for 90 days actually pays an annual interest rate of better than 50 percent.

One of the four rights of the consumer is the right to know. He has a right to know how much annual interest he is paying on a purchase, regardless of the kind of transaction involved in that purchase.

Full disclosure of credit charges should mean full disclosure. It should not mean disclosure for one type of credit and veiled interest rates for another.

Mr. PATMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. DANIELS].

Mr. DANIELS. Mr. Chairman, one of the most vital pieces of consumer legislation in recent years—truth-in-lending—is before us today. We must take full advantage of this important opportunity to enact such needed legislation by voting for a strong truth-in-lending bill that leaves no doubt whatsoever to its adequacy of protecting the consumer from deceptive and unscrupulous lenders, or those that deal in duplicity.

Let me say at the outset that the case for truth-in-lending legislation is more compelling today than ever before. Consumer credit has become more and more an integral part of the American way of life. Since 1960 the total of such credit—excluding mortgage credit—has risen some 69 percent to an all-time high of about $95 billion, or almost $500 for every person in the United States.

The benefits of credit in our way of life are clear, for it permits a family to enjoy a standard of life beyond its current savings and income. But its dangers are equally obvious; it can lead to financial ruin and poverty.

To be sure, the American credit-buying consumer knows the goods he is buying and their price. But the trouble is that the consumer is rarely aware of the dollar cost or the annual percentage rate paid for the use of credit. No one disputes that this lack of knowledge is a major contributor to the abuse and misuse of credit.

The reason for the lack of knowledge about the true costs of credit stems largely from the varying and confusing manner in which credit costs are stated. The array of practices defy comprehension of even the most intelligent citizen. For example, one finds such practices as add-ons, sales price versus cash price, discounts, term price differentials and differing service charges. And under these practices, arithmetical spookery abounds.

From all of this, then, there is little wonder why there has been a rising tide of consumer bankruptcies. Bankruptcies, in fact, have risen faster than consumer debt—80 percent since 1960. There were nearly 176,000 consumer bankruptcies in fiscal year 1966, and the estimate for this past fiscal year is 188,000.

In view of the increasingly widespread use and misuse of consumer credit, it has become increasingly clear that consumers must be given basic and comparable information on what credit costs them and in easily understandable terms.

The major question before us is whether we will ensure that the consumer has this basic and comparable information on all types of credit or just some. At the heart of this question, of course, is the controversial issue of whether to require department and retail stores to disclose the annual interest rates on their revolving credit plans, or permit them to state such rates on a monthly basis as is currently the practice.

Mr. Chairman, the resolution of this issue is very simple in my opinion. If we are to meet our rightful commitment to the adequate protection of the American consumer, we must and I repeat must, require all credit costs to be expressed on an annual basis. Anything less would flagrantly compromise the whole purpose of the bill before us, and amount to a sell-out by us of the consumer's interests.

The whole purpose of H.R. 11601 is to assure that the consumer has clearly understandable and readily comparable information on the various types of consumer credit proposals so he can then best decide which offer is the better "buy." Revolving credit is one type of consumer credit and, therefore, should be covered by H.R. 11601.

Let us examine for a minute what is involved in this revolving credit controversy. Exclusion of revolving credit from the Consumer Credit Protection Act would allow department stores and others using such credit to continue to state their credit costs at a monthly rate of some 1½ percent, instead of 18 percent on an annual percentage rate basis that everyone else would have to use. To allow this exception would be, to my way of thinking, nothing short of discriminating against certain kinds of lenders in favor of others.

Furthermore, I repeat that the object of this legislation is to afford an opportunity to the consumer to be able to compare the costs of one credit offer with another, using comparable terminology. To allow some lenders to express their borrowing costs one way, and others another, would be completely unfair and cannot be sanctioned if we want to properly protect the consumer.

As the able chairman of Consumer Affairs Subcommittee, the gentlewoman from Missouri, LEONOR K. SULLIVAN, has said:

> Testimony before our Subcommittee . . . showed that most consumers believe a monthly rate of 1½ percent on credit charges is very low. In shopping for credit, they almost always choose such a rate in preference to one of 18 percent a year. Of course, they are the same rate, but the customer does not realize it.

Mr. Chairman, it is for these reasons that I urge my colleagues to give close and careful consideration to this important piece of consumer legislation, and strongly urge them to cast their vote for an adequate and equitable truth-in-lending bill—one that covers revolving credit.

Mr. PATMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Rhode Island [Mr. TIERNAN].

Mr. TIERNAN. Mr. Chairman, the consumers assembly which met here in Washington last fall has demanded full disclosure on all service charges of $10 or less on any single transaction, and I support this demand.

Exemption of this disclosure from the consumer credit protection bill, H.R. 11601 amounts to exempting the poor from information they should have when buying on time because it is the poor who usually make small purchases on the installment plan. It is the poor who cannot afford to pay cash for a $25 or $50 item. And it is the poor who usually wind up paying more in service charges.

With your permission, I would like to insert into the Record the statement made by the consumers assembly, 1967, which appears in a pamphlet:

POOR PAY MORE

As written, the Consumer Credit Protection Act exempts from annual interest rate disclosure all service charges of $10 or less on any single transaction.

This exemption hits hardest at the poor who purchase $25, $50 or even $100 worth of goods on credit.

The annual interest rate equivalent for a $6 service charge on a $36 purchase repayable over six months is about 55 percent. At the least, the purchaser has a right to know.

The $10 exemption is an open invitation to the unscrupulous seller to break larger purchases into several transactions. It is an invitation to questionable practices.

There is no valid reason an annual rate cannot be disclosed on any consumer credit transaction.

The American consumer deserves an even break through full disclosure. The law should provide no less, and committe amendments which weaken the bill should be defeated.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Moorhead] may extend his remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MOORHEAD. Mr. Chairman, the consumer credit protection bill, H.R. 11601, should mean what it says—not protection here and there, but protection on all forms of credit. Today we have a chance to give the consumer a credit disclosure law without strings and without loopholes. If the consumer is to get the facts, let us see that he gets all the facts—not an annual interest rate from one lender, a monthly rate from another, and no rate for service charges $10 or under.

If the bankers can live with it, if the loan companies can live with it, if the installment stores can live with it the retailers with revolving accounts and others with straight carrying charges will find a way to live with it. Why give one group a competitive advantage over the others by exempting it from the annual percentage rate provisions of the truth-in-lending bill? Let us tell the consumer what it really costs to borrow money or use credit, regardless of where he gets it.

Mr. WIDNALL. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. Hunt].

Mr. HUNT. Mr. Chairman, any old truth-in-lending law is not enough for this country. This Nation has to have a truth-in-lending law that is fully adequate and effective.

And to be fully adequate and effective, truth in lending must cover revolving credit accounts—that type of credit where a customer may keep adding to his purchase while paying off the balance.

It is neither good, fair, nor proper to have truth in lending cover all major credit transactions, but exempt those under revolving credit as the current legislative proposal would have it.

I have several reasons for my view. First, revolving credit, while small in relation to other types of credit is growing rapidly. Second, exempting revolving credit from truth-in-lending coverage would further stimulate its growth for it would be substituted for other types of credit. Lastly, exempting revolving credit would be unfairly discriminatory, favoring revolving credit lenders over nonrevolving credit lenders.

Mr. Chairman, for the life of me I do not understand why there is the belief that revolving credit is so special that it requires exemptive treatment from truth in lending. What is involved, to my way of thinking, seems fairly simple.

Interest charges on revolving credit generally are stated on a monthly basis of about 1½ percent a month. This works out to 18 percent a year. It is no wonder then why anyone selling on revolving credit such as retailers and department stores would be reluctant to have to state their interest rate on an annual term.

Mr. Chairman, the American consumer is entitled to know what his interest charges are on all types of credit transactions according to a simple standard method of stating credit. For this is the only way he can intelligently compare prices on what his money is costing him.

If the consumer is going to pay 18 percent interest a year let him at least have the full opportunity to know it. He may very well make the choice to do so figuring it is worth the shopping convenience.

The point, however, is this: The consumer ought to know approximately what credit is costing him in comparison with what it might cost him from other sources.

The simple truth is that if we are going to make the Consumer Protection Credit Act a fully effective law, we must include revolving credit transactions under its coverage.

I remind my colleagues that our job is to help and protect the American consumer. If we are going to do this job properly we must have strong and effective truth-in-lending legislation. This objective can only be achieved by voting for a bill today that covers revolving credit. I strongly urge you to do so.

Mr. WIDNALL. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. Williams].

Mr. WILLIAMS of Pennsylvania. Mr. Chairman, I regard H.R. 11601 as an excellent truth-in-lending bill and an excellent consumer protection bill.

Mr. Chairman, we must make absolutely certain that anything that is passed in this House of Representatives will provide for truth in lending and provide for the protection of the consumer.

Mr. Chairman, I am in favor of the disclosure, the full disclosure, of annual interest rates any time that an annual interest rate can be computed in advance of the transaction. However, we have to recognize that with reference to some types of credit transactions it is not possible to compute the annual interest rate in advance.

Mr. Chairman, we have heard today that some strange and wonderful things have been happening. In the last few days these strange and wonderful things have indeed been happening. However, I want you to know that the strange and wonderful things that have been happening represent, in my opinion, a concerted effort to get this House of Representatives and to get this Congress to approve an 18-percent annual interest rate for credit. This strange and wonderful thing that has been happening has not been motivated as the result of any concern for the consumer, however, just the opposite is true.

Mr. Chairman, I am very happy that some of these large, some of these gigantic, retailers have come out against the provisions as contained in this bill as they pertain to revolving charge accounts, which are simply open-end credit accounts. I say this because it points up the fact that these people regard this bill as protecting the consumer to too great an extent. This is why these people have come out against the provisions of this bill. This is why they want the Sullivan amendment, and why these people are against the provisions of H.R. 11601.

They are against it because they cannot come under the provisions for open-end credit. They have got to come under the provisions for installment open-end credit.

Under installment open-end credit the merchant is forced to disclose the annual interest rate in advance.

Mr. Chairman, here are the provisions of H.R. 11601 which provides for this installment open-end credit plan, and remember, this is the type of plan under which disclosure of annual interest rates must be made and an installment open-end credit plan is one which has one or more of the following characteristics:

First. Creates a security interest in, or provides for a lien on, or retention of title, to any property—whether real or personal, tangible or intangible.

And, this is important—

Second. Provides for a repayment schedule pursuant to which less than 60 per centum of the unpaid balance at any time outstanding under the plan is required to be paid within 12 months, future payments in the order of their respective due dates.

Mr. Chairman, these people do not want 60 percent of the amount paid within 1 year. They want to stretch it out over a period of 2 or 3 years. This is what they are afraid of as under this provision they will not be able to have plans for periods of 24 months or 36 months so that they could collect additional interest.

Mr. Chairman, we have heard some discussion here today as to why it might be difficult to figure the annual interest rate on a revolving charge account.

I say to you that it is impossible to figure in advance the annual interest rate on such an account.

Mr. Chairman, I want to read to the Members of the Committee two paragraphs from a revolving charge account contract of a moderate-sized department store, not one of the national giants:

First. I may choose to use this account as a 30-day charge account by paying the total indebtedness within 30 days of the receipt of a bill without credit service charge for that month, or I may choose to pay the annual balance of my account monthly upon receipt of a bill according to the terms of this agreement, that is, one-third of my balance but not less than $20 or whichever amount is greater—if the balance appearing on the statement is less than $20, the full amount is due and payable—and to pay a credit service charge at the rate of 1½ percent on monthly balances of $500 or less, and 1 percent of any amount in excess thereof, on scheduled fixed amounts within $5 of the exact balance.

Obviously, Mr. Chairman, that cannot add up to 18 percent a year.

Now, I say this to you. There is no sixth-grade mathematics student in this country who can compute in advance the annual interest rate under those conditions. I want to say to you further that the world's greatest mathematicians could not compute in advance the annual interest rate on this type of transaction.

We have heard a lot about Penney's, and something in the bill was referred to as a Penney amendment. Many stores apply a 1½-percent interest charge on the balance of the previous month if the balance is not paid off in full. So if you have a balance at the beginning of June of $100, and it is not paid off in full, when you get your July bill you have a $1.50 interest rate applied. You are paying $1.50. On the other hand, J. C. Penney applies 1.5 percent interest to the balance at the end of the month, so that if $50 is paid off during the month of June, when you receive from J. C. Penney your invoice at the first of July, you have a 75-cent interest charge.

Now, under this bill, the way it was originally written, Penney's or anybody else that applied a 1.5-percent interest rate to any part of a balance would have been required to say 18-percent annual interest. So that even though Penney's was not getting anything like that, they would have been forced to say 18 percent.

That is one of the points Mr. HANNA was making, that under this bill people who do not give the consumer the benefits that they should be entitled to would be placed under the same umbrella as the stores that charge a higher interest rate.

Now, during the hearings before the Committee on Banking and Currency this morning on another bill I was handed a copy of a telegram from a Cyrus T. Anderson to Congresswoman SULLIVAN. Mr. Anderson is the Washington representative for Spiegel's, Inc., which is a subsidiary of Beneficial Finance Corp., and Spiegel's is one of the largest houses in the country.

In this telegram Mr. Anderson went on record as opposing H.R. 11601 as presently written concerning the definition of open-end credit, and states that it would discriminate against Spiegel's, and he is quite right, and I will cover that point a little while later.

I know many Members of the House are confused about who is on which side. I have received letters and telegrams from small loan companies who have historically opposed any sort of truth-in-lending legislation at all and they oppose H.R. 11601. Many of these small loan companies charge excessively high interest. I have received letters and telegrams from automobile dealers, and they too have historically been in opposition to any type of truth-in-lending legislation.

I have received some communications from banks saying that this legislation is discriminatory, but this legislation does not discriminate against 95 percent of the banks in the country. It discriminates only against those banks that have bank credit cards, and it discriminates against them because their repayment schedule is drawn out over too long a period, and under this bill they would be forced to disclose the actual annual interest rate that they are charging.

And then, of course, I am quite certain that if Senator Douglas was still on the scene he would be absolutely amazed that Spiegel's is now supporting in some way some amendment to this bill because Spiegel's has worked strenuously, ever since truth-in-lending has been proposed before this Congress, against any kind of truth-in-lending legislation.

Now, with final action inevitable, Spiegel is saying "treat us all alike"—"treat us all alike." They want everybody pulled in under the umbrella of their high interest rates.

I hold right here in my hand a direct mailing piece that is sent out to get people to make small loans. This is the opening sentence:

> Please accept this special invitation for a loan from Fairfax Family Fund—

I thought that "Family" was a very good touch.

As I say, it reads:

> Please accept this special invitation for a loan from Fairfax Family Fund Incorporated, a subsidiary of Spiegel, Incorporated.

It goes on to say:

> You can have $600 in a small loan.

It says:

> You can get ready cash by mail when you need it for any purpose. You do not have to go to an office. We will send it to you by mail.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LLOYD. Mr. Chairman, I yield 3 additional minutes to the gentleman.

Mr. WILLIAMS of Pennsylvania. Right here on the repayment schedule for this loan from Fairfax Family Fund, Inc., the repayment schedule shows very clearly a 30 percent annual interest rate.

So it is very little wonder that Spiegel's wants everybody to be treated alike at this time.

Those who support the committee language are primarily people like J. C. Penney who are giving the consumers a break right now plus many very small retailers.

I have explained to you the difference between the adjusted balance system that is used by Penney's in placing interest on the balance at the end of the month and the system used by Spiegel's and many other stores where the 1.5 percent a month interest may indeed add up to 18 percent annual interest and such information would have to be disclosed under section 203(d)(5) in this bill. This is why Spiegel's and others are now opposing the provisions of this bill.

I would like to close with just this statement. Here is the whole story in a nutshell.

The question before us this afternoon and the question that will be before us tomorrow is, Is the House going to respond to the tune that is being played by some huge department stores and to the tune being played by some small lending companies and others who will have their credit operation protected and shielded by a national interest rate of 18 percent annually?

I urge you to support the provisions of the bill, H.R. 11601, which will prevent this.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Pennsylvania. I yield to the gentlewoman.

Mrs. SULLIVAN. I would just like to comment on one thing that the gentleman said. I think you said that 95 percent of the bankers are not affected by revolving credit.

Mr. WILLIAMS of Pennsylvania. I said that the banks that would be discriminated against by this legislation are the 5 percent of the banks in this country that are using bank credit cards.

Mrs. SULLIVAN. I think the gentleman is completely wrong on that, if I may say so in my judgment, because all of the banks that make any loans to anybody are going to be affected by having to show an annual and disclosed rate.

Mr. WILLIAMS of Pennsylvania. That is exactly right. But let me say this to you, that the fact of the matter is that most of the transactions in which the banks engage in this type of credit would come under the installment open-end credit plan and they would be forced to disclose the annual interest rate anyhow.

Mrs. SULLIVAN. May I say, yes, that is true in this type of credit. But what they are talking about, as to discrimination, is all of these other loans that they make to finance cars and to finance mortgages and they would be discriminated against if they had to show an annual rate and the department stores do not.

Mr. WILLIAMS of Pennsylvania. Under this bill, anyone financing automobiles or home mortgages or anything of that nature would be forced to disclose the annual interest rate. That is in the bill as it now stands.

Mr. LLOYD. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Chairman, today you have heard arguments for annual disclosure of interest rates for everyone, and they sounded persuasive. Just now you have heard arguments as to why revolving credit sellers should be exempted from the annual disclosure provisions, and they are most persuasive. I can well understand if the Members are confused about which might or might not be the best method.

I will be frank and tell you that I sat and listened during 2 weeks of hearings on this bill and I was confused.

I felt in the first instance that there should be a uniform disclosure across the board. Then I heard the revolving credit people come in and point out that they cannot in truth disclose on an annual basis across the board, that they have a peculiar system. The thought occurred to me, Why has not someone offered an amendment so that everyone could disclose on a uniform monthly basis?

The revolving credit people say they cannot disclose on an annual basis, and everyone is for uniformity. So why do we not have everyone disclose on a monthly rate basis?

I took this idea back to the people in my district who are concerned with truth in lending. The furniture dealers are in favor of an annual rate disclosure. The banks are in favor of an annual rate disclosure. I would differ with my colleague, the gentleman from Pennsylvania [Mr. WILLIAMS], who just talked about banks. I think they are required to disclose across the board on an annual-rate basis, and it is not just 95 percent. I agree with the gentlewoman from Missouri [Mrs. SULLIVAN] on that question.

I also took it up with the small loan people. I took it up with the retailers. In my district they all agreed that this is a proper approach because it provides for uniformity, and it also would allow the consumers to see what the true credit picture is. So, as far as I am concerned the people who support me in my district are supporting this amendment, and I cannot understand why it has not been offered before as a compromise.

The avowed purpose of this bill is to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of terms and conditions of finance charges in credit transactions or in offers to extend credit. This is a laudable aim and purpose, with which I dare say no one in this House will disagree. Certainly I do not disagree with this purpose, and I feel strongly that the consumer needs protection in the area of credit financing. The rapidly increasing number of personal bankruptcies and unintentional defaults on payments indicate to me that credit consumers are unable to determine precisely how much in debt they really are. We have gone overboard, in my judgment, in making easy credit available and encouraging people to buy when they cannot afford it. And yet consumer credit is essential to the U.S. economy.

Last year consumer credit, according to testimony by the Under Secretary of the Treasury, the Honorable Joseph W. Barr, totaled $95 billion, and this was exclusive of mortgage credit.

The real purpose of this legislation should be to provide some form of credit disclosure for all credit transactions which will be uniform in application with a common denominator so that anyone by a simple statement of credit terms could understand it. The consumer must be informed to the extent that he can make a selection from all credit sources available as to the cheapest or best for his own personal needs.

During the course of the hearings it became evident to me that an array of lending practices, intentionally or unintentionally, are beyond the comprehension of most consumers and only serve to confuse. In testimony relating to credit practices, such terms as "add-ons," "discounts," "precompute," "service charges," "finance charges," "interest," "price differentials," "unpaid balance," "first-in and first-out," and others were used which would confuse even the most sophisticated in finance.

Yet, as I said, consumer credit is essential to our economy and is here to stay. I think the system is weakened by the jumbled mass of words connected with it which become gibberish to the average consumer.

So it is both practical and essential that there be uniformity in credit disclosure. With that I agree. House bill 11601 as originally introduced by the gentlewoman from Missouri [Mrs. SULLIVAN] sought to do this. It is to her credit that it was sought. She has been very able and conscientious and has worked hard on this bill. I commend her.

As originally introduced, H.R. 11601 would require disclosure of all credit costs on an annual-rate basis. This would satisfy for closed-end or contract credit, commonly referred to as installment credit. Closed-end or installment credit may be said to be characterized by a schedule of payments provided for in the contract.

But there has sprung up in our economy the so-called open-end credit. It evolved because it is not practical to "loan money" so to speak, to consumers for a specified period of time so they could purchase soft goods or goods with a so-called short "life expectancy." Mostly it is used by large department stores such as Federated, Sears, Montgomery Ward, Speigel's, and Penny's. Yet each of them may use a different form of revolving credit, as we have been told. However, as the gentleman from California [Mr. HANNA] put it, an exception for revolving credit "takes into account the realities of the marketplace." Revolving credit is here to stay. To require revolving credit sellers to disclose on an annual rate basis would require them to do something they cannot do. They cannot be certain that a customer will or will not pay his bill within a month and their charges are quoted on a monthly basis—always with a free period.

The true annual rate, then, will depend upon the timing of purchases and payments. The only true and meaningful method of disclosing the rate on revolving credit accounts in advance is in terms of a percentage per month. Recognizing this difference in types of credit, the bill reported by the committee adopts a dual form of disclosure which would require the majority of lenders and retail sellers to disclose credit costs in terms of annual percentage rates, whereas other creditors would be permitted to disclose finance charges in terms of what might otherwise appear to be a lower monthly percentage rate.

It is section 202(h) which creates the double standard for rate disclosure. This provision establishes two important standards for exempting creditors from the annual percentage rate requirement in revolving credit transactions. They have been mentioned before. In effect, the bill says that creditors who offer revolving credit plans which, first, do not provide for the creation of a security interest in property; or second, provide for customer repayment schedules in which at least 60 percent of the unpaid balance in the account is required to be paid out within 12 months are exempted from the annual percentage rate requirement and may instead make disclosure on the basis of monthly percentage rates. It has been argued that all extenders of revolving credit could convert to revolving credit today. The small businessman, I submit, cannot convert to revolving credit because the overhead would be too great. I am concerned about the small businessman who does not offer revolving credit to his customers, but who, instead, does business on the basis of traditional equal monthly payment installment credit. Under either one of the proposals here today he is required to make a disclosure on an annual percentage rate basis. It seems clear that he is at a serious competitive disadvantage with the creditor who, because he has a higher volume of business and more sophisticated accounting practices, may offer revolving credit at what appears to be lower monthly percentage rates. There is little doubt that the average consumer will construe a monthly percentage rate of finance charge as being lower and more attractive than an annual percentage rate of finance charge.

It seems abundantly clear to me, then, that the primary thrust of a Federal credit disclosure law should be to establish a uniform standard of credit disclosure which will provide consumers with a single, unvarying test for comparing credit costs which will be uniformly and equitably applied to all creditors and all types of consumer credit. The purpose of this measure is to promote the informed use of consumer credit. How can this be achieved by the enactment of a Federal law which establishes a double standard of disclosure? Clearly, consumers are going to be confused by monthly percentage rate quotations in some cases and annual percentage rate quotations in other cases. The historic thrust of this legislation has been to avoid just exactly this result.

There is logic for recommending the calculation and disclosure of credit charges on a monthly basis, even beyond the discriminatory aspect which I have mentioned. Banks and retail sellers historically have calculated and disclosed revolving credit finance charges on a monthly basis.

Credit unions historically have employed the monthly charge for rate calculation and disclosure. The consumer is billed for and makes payments for purchases and services on a monthly basis. The average American budgets his personal economy on a monthly basis. What is more logical than to require the disclosure of all consumer credit charges in a Federal statute to be on a uniform monthly basis?

It is for these reasons that an amendment to H.R. 11601 should be adopted to delete the double disclosure standard and to substitute in lieu therefor a uniform disclosure requirement which will apply equitably and fairly to all creditors and which will provide consumers with a single unvarying test for measuring and comparing such costs.

I will offer such an amendment at the proper time, and I urge its support.

Mr. BLACKBURN. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Georgia.

Mr. BLACKBURN. I wish to commend the gentleman from Ohio for the fine work he has done in his efforts on behalf of this Nation. I wish to associate myself with his remarks.

Mr. WYLIE. I thank the gentleman.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman from New Jersey [Mr. Helstoski] may extend his remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HELSTOSKI. Mr. Chairman, the moment of truth is at hand.

We are at the point today of deciding whether we will strike a strong or weak blow for the interests of the American consumer. It all depends upon whether we vote for a truth-in-lending bill that either covers revolving credit or does not.

I feel strongly that a strong blow for the interests of the American consumer can only come if we vote to include revolving credit under H.R. 11601, and thus give the consumer the clearest picture and understanding possible of all credit costs.

To my way of thinking it is as simple as that.

How can we justify passage of H.R. 11601—when it does not apply equally and fairly to all credit transactions? It is shocking that H.R. 11601, which is such a practical necessity, creates a double standard by singling out and exempting revolving credit from the disclosure of an annual rate of interest that is required for other credit transactions.

A very large amount of consumer credit purchasing is carried on through the medium of the revolving credit account, and this area is, perhaps, less free from deception in the selling of credit than most other forms of lending.

A majority of revolving accounts carry a true interest rate of about 12 to 18 percent per year. Buyers, however, are led to believe that they pay about 18 percent interest. What buyers do not know and what lenders do not tell them is that the consumers pay 18 times the number of months the credit account is opened.

Merchants contend that it is difficult to compute and state an annual interest rate for revolving credit because of variable balances and time periods. This task may be difficult but it can be done.

We should keep in mind that the very purpose of the revolving credit account method is to keep the consumer's account considerably active—to keep him buying on credit. If merchants find this method of operations so profitable, as it obviously is, they can afford the trouble of disclosing the true interest charges.

Exemption of revolving credit favors the big retailing firm—who does a large amount of business in this way—over the small one. This is unjust and unwarranted. We must rectify the inequitable omission of revolving credit.

The time has come now for us to adequately and completely defend the beleaguered American consumer who buys on credit. For far too long the consumer, in many instances, has been at the mercy of unscrupulous persons who by design have kept hidden the actual cost of items by not fully revealing their true cost when purchased on credit.

The interests of the American consumer can no longer be neglected. His interests need the protection only actual legislation can provide.

Unfortunately consumers are generally unaware of the actual financing charges which they are paying. Financing charges are almost invariably quoted on an add-on basis and are further disguised by additional loan charges, such as investigation fees. Conversion of the information now given to the consumer in a percentage rate is beyond the ability of even the more intelligent consumer.

Although it is true that the great majority of lenders in this country are honest and forthright, we are all aware of abuses, and all of us have received complaints from constituents who have felt cheated and deceived in a credit transaction. It has always been the policy in our great Nation to attempt to protect all people, and so long as deceptive practices are used, although in a small element of the economy, legislation must be enacted to curb the abuses.

Even where deceptive practices are not used, however, it is quite frequent for a lender or seller utilizing the installment sale procedure to eliminate or not use at all any rate of finance charge or interest. This is the easiest way to obscure the cost of credit. Very few individuals can translate the number of payments into an interest rate, and the concept of truth-in-lending will place the burden on the seller or the lender to disclose to the buyer or borrower the approximate rate at the time the transaction is entered into.

The consumer must be made fully aware of the amount of finance charges he is paying, for full information is necessary not only for his protection but for the efficient functioning of any market. Disclosure of financing charges, which truth-in-lending legislation will accomplish, would make the market more competitive with respect to the cost of credit.

The concept of truth-in-lending is a good one. It is not an attempt to regulate rates, but rather an attempt to create truly a free enterprise system by eliminating deceptive and misleading practices, and practices which do not fully advise or inform the consumer. Through competition, as we all well know, our Nation has become great, and the citizens of our Nation have been able to share in its greatness.

Mr. Chairman, I urge all of my colleagues to vote for a strong Consumer Credit Protection Act—one that covers revolving credit.

Mr. PATMAN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. Bingham].

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I am glad to yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. I should like to say at this time, Mr. Chairman, that without the help of the gentleman from New York during the hearings and all through the discussion of this bill we would have had a hard time to get through and to get through with a good bill. He has been most helpful, and I am very happy we had him on our committee during its consideration of truth in lending.

Mr. BINGHAM. I thank the gentlewoman for those remarks. I was about to say it had been a real pleasure and a privilege to work under her leadership on this measure. The consumers of America are fortunate to have such a spokesman as Congresswoman Sullivan. She has fought steadily throughout, from the beginning of consideration of this measure, for the greatest possible protection of the consumer.

I should like to say also it has been a pleasure to work under the guidance of the distinguished chairman of this committee on this measure.

I am pleased to rise in support of H.R. 11601 today and look forward with real anticipation to its passage.

The American consumer is finally finding his political voice and learning to exercise his political muscle effectively. It is a most welcome development, indeed, which is bringing about enactment of measures—such as the truth-in-packaging bill, the National Product Safety Commission, the Meat Inspection Act—which have long been needed to give the consumer both the product safety and the product information to which he is entitled.

It has long been recognized that the average buyer suffers greatly from a lack of information and understanding in the field of consumer credit financing. As our economy prospered, and disposable personal income reached new heights, the use of consumer credit rather than cash for financing the purchase of desired articles became a well-accepted practice for most families. The outstanding total amount of consumer credit soared from $5.6 billion in 1945 to $95.8 billion in 1967. The annual interest and service charges on this debt currently cost American families more than $13 billion a year.

But as rapidly as the amount of consumer credit expanded, so did the opportunities for deception, misleading interest rates, hidden charges, and all manner of gimmicks and come-ons designed to prevent the buyer from figuring out how much he would be paying for the financing of his purchases. Costs were stated in such a confusing manner, and for such disparate items, that it became impossible for even the well-educated consumer to compare credit costs between a discount house and a department store. For the unsophisticated, the timid, the poor who never ventured out of their own neighborhoods, it was a field day for any fast-talking salesman who spoke in terms of only $12 down and $3 a week.

The abuses and calculated confusions of those who extend consumer credit have been well documented ever since Senator Douglas conducted his first eye-opening hearings 7 years ago. The 2 weeks of official Banking and Currency Committee hearings this year, plus the testimony Congressman HALPERN and I heard in New York City, provide even more convincing proof of the need for adequate legislation to protect the many unwary consumers who enter into long-term credit contracts they never really understand. The President tersely summed up the situation in his consumer message to the Congress, when he stated:

> As a matter of fair play to the consumer the cost of credit should be disclosed fully, simply, and clearly.

On July 11, 1967, the Senate, thanks to the vigorous and persevering leadership of Senator PROXMIRE, passed a truth-in-lending bill which is not too dissimilar from that which we are considering today. Before getting into the substance of what is before us today. I would merely like to say that I think that too much hyperbole has been wasted on the Senate bill. I find the cries of "sell-out" and "worse than no bill at all" uttered by some of the critics of S. 5 to be foolish and far wide of the mark. While I think S. 5 needs real strengthening in certain areas, and I will try to get such provisions included in the House bill, it is basically a sound, effective piece of legislation implementing the basic public policy that the consumer has a right to full disclosure of the nature and extent of his credit charges on any purchase.

However, in several respects I think the bill we have reported out of the House Banking and Currency Committee is much stronger and I would like to touch on these before I mention my disagreements with the committee.

One of the most significant differences between S. 5 and H.R. 11601 is the latter's extension of the truth-in-lending principle to credit advertising. The basic requirement is for full disclosure of all essentials of the credit transaction, such as downpayment, finance charge, full cash price, and schedule of repayments. Even the briefest glance at any of our Sunday papers would show the frequency with which credit terms are included in advertisements along with other selling points of particular merchandise. Since so many potential customers are induced to make their purchases by persuasive advertising, it is axiomatic that those ads need to spell out the financing details of the transaction if the consumer is to be fully informed and capable of comparing one item with another. The impact of advertising is so overwhelming on consumer choices in this day and age that it is essential that the same high standards of full disclosure be applied in this area as are applied to the final commercial transaction between buyer and seller.

A second major difference between the committee and Senate bills is in the area of garnishment. The Senate bill was silent on the subject. Our bill restricts garnishment to 10 percent of wage earnings above $30 a week, and prohibits discharge of an employee because of a single garnishment on his wages.

Mr. Chairman, I heard considerable testimony on this point from witnesses here in Washington as well as from witnesses in New York City. I was deeply impressed by the evidence of personal hardship and distress suffered by many low-income wage earners, enticed into buying goods they could not afford by unscrupulous merchants who knew they always had recourse to attaching a man's salary and cared little whether anything remained to support that man's wife and children. Moreover, we heard extremely useful testimony from several referees in bankruptcy which pointed up the correlation between harsh garnishment laws and high levels of personal bankruptcies.

The provision we have included in the House version adopts, I am proud to say, the humane approach taken by New York State to the problem. A man can no longer be fired just because a creditor—often without the knowledge of the employee—has attached his wages. Instead, he can continue working and supporting his family, while paying off his debts in an orderly fashion, rather than being forced into unemployment and bankruptcy. Many representatives of labor, business, and public service organizations have supported restrictions on garnishment, and I cannot urge approval of these provisions too strongly as humane, compassionate, and economically sound.

Despite my overall satisfaction with the bill reported out by the House Banking and Currency Committee, there are two sections to which I must state my strong opposition.

Our guiding principle in fashioning a truth-in-lending bill has been to assure to the consumer sufficient, clearly understandable, information which would enable him to compare different consumer credit proposals with one another in order to make an intelligent judgment on which was most suitable for his economic situation and needs. Yet, H.R. 11601 includes an exemption which, I am convinced, would completely undermine this principle. The "revolving credit" exemption would allow its users—large department stores, mail-order houses, some credit card systems—to disclose their finance charge on a monthly percentage rate basis instead of the yearly percentage rate basis required for all other forms of consumer credit. What we are doing by inclusion of such an exemption is denying the most important credit information which the consumer needs to discriminate in the vast majority of his day-to-day credit transactions.

Furthermore, revolving credit has been growing at an extraordinarily fast rate. With this kind of statutory favoritism, it is clear that the trend toward this type of credit will be even further accelerated.

Moreover, this exemption needlessly discriminates against all other givers of credit who must state their credit rates on an annual percentage basis. Those falling under the general disclosure provisions of the bill would be laboring under a grave competitive disadvantage.

Later on in the debate, I am sure we will enter into a very detailed discussion of this provision but sufficient to say for now that the intricacies of the revolving credit mechanism in no way require such an exemption. What is most important is that the interests of the consumer in obtaining full—not half—truths about the credit he is paying for affirmatively require deletion of this exemption.

I am also strongly opposed to the elimination from the bill of those credit transactions in which the finance charge amounts to less than $10. Many of the credit needs of the very people who most need the protection of this bill will escape from the protection of the bill by this exclusion.

It is in these relatively small transactions that some of the greatest abuses appear in terms of excessively high interest rates; therefore, it is in precisely these areas that purchasers or borrowers should be informed as to the true interest rate that will be paid.

The other day in my home city of New York, I noticed an advertisement in the subway for small loans, in which the monthly payment required was specified but the annual interest rate was not. For example, the advertisement stated that a customer who borrowed $100 for 6 months would only have to pay back $108 in six monthly instalments. This finance charge of $8, which would be excluded from the requirement that an interest rate be disclosed, actually amounts to an annual interest rate of 32 percent.

The possibilities for abuse and evasion of this provision are tremendous. The exclusion makes no sense in either logic or economics and I urge its rejection.

Mr. Chairman, I should like to comment on some of the issues that have been raised and some of the discussion thus far in the debate, which, frankly, has taken a turn which seems a little bit Alice in Wonderland to me. We have seen speakers take the well today, including my good friend from California [Mr. HANNA] to give the impression to the Committee that the proposals submitted by the gentlewoman from Missouri [Mrs. SULLIVAN] for strengthening the committee bill, are a devious plot being proposed by large mail-order houses and department stores.

I would consider it useful at this point to recall that the strong position here—that is, the position of requiring annual interest rates uniformly—is supported first of all by the consumer groups of this country. I do not know whether the gentleman from California [Mr. HANNA] is telling the consumer groups they do not know what they are talking about, but that is the way it sounds.

This position is also vigorously supported by the AFL–CIO and the major unions.

It has been supported for some time now by the furniture dealers and others who would suffer from the discrimination contained in the committee bill, such as the banks. And now, finally, the major department stores are realizing that their interests would not be well served by the kind of discriminatory provisions contained in the committee bill.

Why is that so? There is no sinister secret about that. They would find it difficult in their billing to make different provisions for the types of open end credit plans which would fall within the definition requiring an annual interest rate and those which would not. So it would be complicated and difficult for them to comply with the provisions of the committee bill. They say, "Rather than struggle with that, OK, let us have an annual interest rate for everything."

We have heard a lot said this afternoon about the fact that one cannot figure the interest rate on open-end transactions.

I will admit that you cannot figure just what the earned interest rate is going to be. It has been said here that it never goes above 18 percent and it is always below that. That is not so, ladies and gentlemen of the Committee. As the testimony brought out, sometimes it can go way above 18 percent. In one of the examples pointed out by Mr. HANNA, he said it would run 45 percent on a certain type of transaction. This is where a payment is made on the account during the month and the particular store does not give credit for that payment in figuring the interest rate. So we have to take it for granted that the earned interest rate can be above or below 18 percent a year.

But look. Every single thing that has been said in criticism of the 18 percent a year can be said about 1½ percent a month. Every single statement that has been made here criticizing the 18 percent a year can equally apply to the 1½ percent a month. If you cannot figure the interest rate, then how can you say it is 1½ percent a month? Yet they are willing to say 1½ percent a month, but they do not want to say 18 percent a year. Why not? One reason and one reason only. For the consumer, 1½ percent a month sounds cheap. He thinks he has a bargain creditwise. And 18 percent a year sounds like a lot. That is the only reason why they do not want to say 18 percent a year.

What are we asking them to do in the Sullivan amendment here? We are just asking them to say, when they say that the finance charge is 1½ percent a month, to set it out as 18 percent a year. That is all. It is not asking very much. It does not complicate anything. It merely calls to the attention of the consumer that he will really be paying at the rate of 18 percent a year.

Now, something has been said here about the Penney Co. I am not sure because I have not talked to the Penney Co., but I think they have a system of billing which is different from some of the others. They do give credit for payments made during a month, but they still say 1½ percent a month. Why do they object to saying 18 percent a year?

In any event, the Penney people can explain the nature of the way they handle it. Mr. Chairman, there is an amendment in the committee bill on page 14 which I have had the honor to sponsor which requires those who do not give credit for payments made during the month in figuring the finance charge to say so and to disclose that fact. Penney's is protected by that provision.

We have heard the proposal suggested by the gentleman from Ohio [Mr. WYLIE]. It is logical, all right, and it sounds plausible, but who in the end would be taken care of? The business people would be taken care of. They would be happy with uniformity, putting it on a per-month interest rate basis, but who is going to be hurt? The consumer is going to be hurt, because every witness who testified on this subject said without any difference of opinion that the consumers think 1½ percent a month is cheap and they think 18 percent a year is expensive.

What then is the ultimate proposal that comes forward? "Let us have it uniform on a per-monthly basis." Ladies and gentlemen of the Committee and Mr. Chairman, we cannot at this stage of the game change the whole way in which we refer to these things. We learned in school about interest rates. They are annual interest rates. We have payments given in the figures on an annual, not a monthly basis. We cannot change the whole way of looking at it in this country and try to get everyone to think in terms of a per-month interest rate.

To me it would be worse than having no bill at all, no credit protections, if lenders do not indicate interest rates on an annual basis. This is what the country understands. This is what the consumer understands. This is where he gets the true picture of it. It would be a tragedy if we moved toward uniformity by moving to a monthly interest rate.

The strange thing about it, Mr. Chairman, is that Mr. WYLIE's proposal does not even deal with the difficulties that arise in stating a precise interest rate.

Mr. Chairman, as I said before, if you can say that a rate is 18 percent a year, you can also say that is 1.5 percent a month.

Mr. Chairman, the gentleman from Ohio tries to get over all of the difficulties by saying that by quoting a monthly interest rate no one gets in any difficulty despite the fact that it is not exactly 1.5 percent a month. In other words, it can be more or less, depending upon what payments are made and so forth.

Mr. Chairman, I think this would be a total sham; it would be a reduction of the bill to the point of being truly an absurdity.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from California.

Mr. HOLIFIELD. In the event of a revolving account where the charge is made on the last day of a month, on an amortized balance, and let us assume they are charging 1.5 percent a month, and let us further assume that there is a charge of $90, and there is paid at the end of the first 30 days a $15 payment thereon. That leaves a balance of $75. And, at the end of another 30 days there is a payment of $15. Each time the consumer pays 1.5 percent interest on the remaining balance as of the last day of the month?

Mr. BINGHAM. No; excuse me. That is not so. In most of the plans the balance—the 1.5 percent is charged on the balance at the beginning of the month and does not provide for giving credit for payments made during the month. Penney's does. That is the distinction between Penney's and some of these other companies. But many of them do not give credit for payments made during the month. They charge the 1.5 percent on the balance at the beginning of the month.

Mr. HOLIFIELD. Whether it is the 1st of the month or the 31st of the previous month? In other words, there has to be a time element involved. And the periods of time involved have to be 30 days apart?

Mr. BINGHAM. Yes; 1 month.

Mr. HOLIFIELD. So, you are begging the question when you say it is based upon 31 days or a month.

Mr. BINGHAM. There may be a whole lot of difference.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PATMAN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. HOLIFIELD. Mr. Chairman, I was hopeful that the gentleman from New York would be able to obtain some additional time because I do wish to explore this subject further.

Permit me to give the gentleman an analogy along this line: If you buy a $90 item and if you pay 1.5 percent a month on it, and if every 30 days there is a $15 payment due, and you pay that off at the end of 6 months, that is your revolving credit. Then, say, there are no additions to that account for the purposes of this discussion, how much interest has the man paid at the end of 6 months?

Mr. BINGHAM. He has paid 1.5 percent a month on the outstanding balance each month at the rate of 18 percent a year.

Mr. HOLIFIELD. That is true.

Mr. BINGHAM. But he has not paid 18 percent on $90.

Mr. HOLIFIELD. That is true. But when you advertise the fact that you are charging 18 percent annually and he applies that to the $90, would he pay up to 18 percent on the $90 charge?

Mr. BINGHAM. It seems to me that the gentleman from California is forgetting the fact that a rate is a rate. It is just like arguing that 88 feet per second is not the same as 60 miles an hour. It does not matter whether the rate is 60 miles an hour or whether you are traveling at the rate of 88 feet per second. They are the same.

Mr. HOLIFIELD. Mr. Chairman, if the gentleman will yield further, the yield to the seller at the rate of 1.5 percent is not a yield of 18 percent a year to the seller?

Mr. BINGHAM. That is right.

Mr. HOLIFIELD. It is a yield on a 6-month basis of 7.42 percent, if you double that by 12 months, you have a rate that the receiver gets of 9.45 percent, not 18 percent?

Mr. BINGHAM. Depending upon the way the gentleman has set up his example and question the interest rate would be as the gentleman says. However, you could set up another interest rate, as the gentleman from California [Mr. HANNA] says, of 45 percent.

Mr. HOLIFIELD. Mr. Chairman, if the gentleman will yield further, let us take the example of a small merchant without a computer and say that a man comes in on the 15th of the month and makes a payment of $15 and, say, that he is 15 days ahead of time or, say, he is 15 days late, how in the name of God can the small merchant tell this man or customer in advance the annual rate?

Mr. BINGHAM. All he has to tell him is what the rate per month is, times 12. In other words, he gives him the same answer on an annual basis as he gives him on a monthly basis.

Mr. HOLIFIELD. I am not against full disclosure. But I am trying to figure out how the small merchant can comply to the formula, a small merchant who does not have a lot of bookkeepers and computers.

Mr. BINGHAM. There is no problem involved.

Mr. HOLIFIELD. You are telling me that if he sells that item and he charges 1.5 percent on the unpaid balance, all he has to do is to say "We are charging 1.5 percent a month on the unpaid balance," which when carried out to the end of the year would be 18 percent?

The **CHAIRMAN.** The time of the gentleman has expired.

Mr. BINGHAM. Mr. Chairman, would the gentleman yield me additional time?

Mr. PATMAN. Mr. Chairman, I have an agreement with the other side, but I will yield 1 additional minute to the gentleman.

The **CHAIRMAN.** The gentleman from New York is recognized for 1 additional minute.

Mr. BINGHAM. Mr. Chairman, I have asked for the additional time because it was my time, and I would like to answer the question the gentleman posed.

If the gentleman will look at the language in the middle of page 13 of the bill, he will see that what is being discussed here is the difference between what is called the percentage rate per period, which is what the committee bill says, and what we want to say is the annual percentage rate. And your small retailer who is now in a position to say 1½ percent a month can say 18 percent a year just as easily, and he does not have to make any calculations; all he has to do is add to what he now has, which is the percentage rate per period, or month.

Mr. HOLIFIELD. And he does not have to change it if the payment comes in advance, or if it is overdue?

Mr. BINGHAM. No; he does not.

Mr. HOLIFIELD. I thank the gentleman.

Mr. BINGHAM. Mr. Chairman, passage of the truth-in-lending bill is long overdue. We owe the American consumer enactment of the strongest and most comprehensive bill possible. By closing these two important loopholes, on revolving credit and $10 finance charges, we will be enforcing the American consumer's right to know exactly how much he is paying and thus exercise an informed judgment as to what he can afford to buy and where he can obtain the most favorable credit treatment.

President Johnson cogently stated the case for this bill when he said:

> The Truth-in-Lending Act of 1967 would strengthen the efficiency of our credit markets, without restraining them. It would allow the cost of credit to be freely determined by informed borrowers and responsible leaders. It would permit the volume of consumer credit to be fully responsive to the growing needs, ability to pay, and aspirations of the American consumer.

I heartily concur and urge the House to approve this important piece of legislation.

Today's editorial in the New York Times reads as follows:

[From the New York Times, Jan. 30, 1968]

TRUTH IN LENDING

> As the House of Representatives takes up the long-stalemated truth-in-lending bill, need for a strong, comprehensive law is heightened by the steady growth in the volume of consumer credit. Buyers and borrowers must have the protection of a law requiring full disclosure of the true cost of obtaining credit. These safeguards are particularly necessary for the least educated and the poorest, who can ill afford mistakes in managing their money.
>
> The bill as it comes to the House floor would be improved if the members strike out two amendments adopted in the Banking Committee. The first would exempt retail stores and mail-order houses from telling their customers the interest rate on an annual basis for so-called revolving charge accounts. An interest charge of 1.5 per cent a month on the unpaid balance sounds rather low. Yet, on an annual basis, this is 18 per cent.
>
> Equally objectionable is an exemption in the bill providing that credit terms do not have to be detailed if the interest charge is less than $10 per transaction. As a practical matter, such a provision would exempt most loans and purchases of less than $100. This is exactly the size of transaction in which persons with the smallest incomes need protection.
>
> On the plus side, an amendment successfully offered in committee by Representative Halpern, Republican of New York, strengthens the bill by restricting the garnishment of wages. The first $30 of a worker's wages would be exempt from attachment by a private creditor, and no attachment could exceed 10 per cent of his remaining wages. No one would be harmed by such a modest restraint except those dubious merchants who prey upon the poor by selling shoddy merchandise on "easy" credit.

Mr. LLOYD. Mr. Chairman, I yield myself the remaining time.

The **CHAIRMAN.** The gentleman from Utah is recognized for 4 minutes.

Mr. LLOYD. Mr. Chairman, in the brief time remaining I believe there are a few things about the bill that have not been brought to the attention of the House as yet that I would like to touch on. One is the matter of garnishment.

This bill contains a provision on garnishment that was not in the bill of the other body, and it provides that garnishment is limited to 10 percent of that amount over $30 a week. We are under the apprehension that that is the New York bill. It is not the New York bill. As I am advised, the New York bill provides that there would be garnishment of 10 percent of the entire wages, and not just that over $30. So on $100 a month under the New York bill the garnishment would be on the $100, or $10. Under the bill as it is written here, it would only be on $70 or $7. That is a very important distinction. It is one that I believe should be brought out tomorrow.

Also the discussion this afternoon has pretty well confined itself to the matter of annualizing the rate. I believe we should be reminded in conclusion here today of what has been said previously, that the other body for 7 years has broken their pick upon that issue. I believe it was on a vote of 93 to 0 that they decided that could not be done, after 7 years. They decided, like the framers of our Constitution, that maybe none of the language was exactly what they wanted, but it was the best bill on credit disclosure that could be framed, and passed.

That does not mean that there are some other provisions of the bill that cannot be changed, but it means that upon that one point that the other body has decided that with the exemption in the open-end revolving credit, as defined, that that is the type of legislation which is acceptable to the Congress of the United States.

And I would also like to make this point in support of the proposal advanced by my colleague from Ohio [Mr. WYLIE]. A Member of the other body from Illinois made this statement, when the other body passed this legislation in pointing out the lack of comparability, and the discrimination that might exist. But first of all, in case I do not have time, I would like to say that I do favor the committee bill. I feel that it is possible it could be improved by the Wylie approach. But this matter that I shall quote that was made by a Member of the other body, is as follows:

> Revolving credit, commonly used by department stores; and installment credit, typically used for the so-called "big ticket" purchases. Under the committee bill, sellers who use revolving credit are required to state their finance charge as a monthly percentage rate, while sellers who use installment credit are required to state their finance charge as an annual percentage rate.
>
> The discrimination in the bill that is most apparent, however, is not that between revolving credit and installment credit. The most apparent discrimination is the discrimination within revolving credit.
>
> The seller using a revolving plan without title retention will be permitted to disclose a monthly percentage rate, while in an identical transaction under the same repayment terms, the seller using a revolving plan with title retention will have to disclose an annual percentage rate.

In other words, under the example of the committee bill, a retailer on one side of the street could set his interest on a monthly basis, while across the street the furniture or the specialty store selling the same item would have to annualize it. Continuing to quote:

> I call attention to it here in the hope that some solution will ultimately be worked out, as the bill proceeds through the legislative process.

I submit to the House that the proposal advanced by the gentleman from Ohio [Mr. WYLIE] may be this approach under this bill. It seems to me it recognizes not only the mechanical equities but the equities in principle in approaching this necessary legislation for the benefit of all concerned.

Mr. DONOHUE. Mr. Chairman, the spirit and the language in this Consumer Credit Protection Act now before us, H.R. 11601, represent a real step forward in this urgent legislative area of truth in lending but a great many of us here are seriously concerned that it does not go far enough in providing the fullest, reasonable protection to the American consumer who needs this protection the most.

It is, unfortunately, all too obvious that in today's modern mass consumer markets commercial selling and lending practices and appeals have grown increasingly confounding and financially burdensome to the ordinary customer and consumer.

Particularly in the area of consumer credit it is commonly felt that very few people, outside of the experts, really understand the true interest charges projected.

While the objective of this bill is certainly to extend reasonable consumer protection to every individual and family I consider it to be our very high legislative obligation to insure that this protection is designed to especially include the very low-income persons and families who need it the most and are the least able to avoid the appeals of some very unscrupulous merchants and lenders that tempt them into financial suffocation.

Therefore in order to achieve the full legislative objectives intended, many of us believe that this bill must be strengthened in several provisions but most particularly in two major areas.

It must be strengthened by removing the existing exemption of ordinary revolving credit systems for the disclosure of annual interest rates that would perpetuate the 1½-percent-a-month illusion with no requirement that it be translated into the actual rate of 18 percent a year. There is no real ground of justification for this exemption and it cannot be permitted to stand if the purposes of this bill are to be attained.

It must also be strengthened by removal of the equally objectionable existing exemption from disclosure of all transactions involving finance charges of $10 or less. This provision would exempt practically all credit purchases of $100 or less and, therefore, nearly all the ordinary credit purchases of our lowest-income individuals and families. I submit that there is no equitable justification for this exemption and it cannot be permitted to remain if the purposes of this bill are to be completely realized.

Mr. Chairman, other suggestions and recommendations for the strengthening and improvement of this well-intentioned measure have and will be made, and I hope the House will fully debate and prudently act on each one of them.

Surely the time has come, in our burdened society, to require the revelation of truth, in interest rates and financial charges, and their related activities, so that every American will have the information and advice made available that will enable him to protect himself and his family from unwitting financial imprudence and bankruptcy.

Our legislative challenge is to provide the greatest consumer protection to those who need it the most and to prevent the visitation of any discrimination upon and and all segments of the industries engaged in these commercial fields. It is of paramount importance that our legislative restrictions and requirements be of absolutely equal impact upon every business unit and activity that is involved.

We have the duty to fully protect the consumer without inequitably or unduly harrassing the affected industries.

By adoption of a strengthened consumer credit protection bill, we can meet these two high duties and obligations, and I urge the House to do so without undue delay.

Mr. FASCELL. Mr. Chairman, I rise in support of meaningful consumer credit protection. It is time that uniform regulations for the full disclosure of credit charges be established and the consumer assured of a simple, concise explanation of the actual cost of his numerous credit transactions. The American consumer today is buying more and more on credit, and it is only just that he have the benefit of a clear understanding of just what those transactions mean to the cost of the product he is purchasing.

The sale of credit on incomplete, inaccurate, and receptive terms is of the very greatest importance to the economic system. The noncomparable and misleading terms prevent the consumer from making a rational selection among methods of financing his household. The consumer cannot choose rationally between a merchant's revolving credit plan; a credit union loan; a bank loan; or saving to pay cash, when he has no common denominator of the price of credit. When consumers use a hundred billion dollars or more of credit in a year without selecting the best and the least expensive source of finance, they injure their ability to buy. They provide fat returns for the inefficient and the dishonest, and often discriminate against the more efficient retailers and lenders. In short, money that could have been used for productive purposes is siphoned off.

What we propose to do about this problem in the bill before the House, is essential. We propose to require creditors to use uniform and non-deceptive language in advertising credit terms and in writing up consumer credit contracts. This is as revolutionary as saying that the standard metrical measure of length shall be a meter of 100 centimeters, rather than 50 or 60 or some other number of centimeters according to the practice of the particular trade. It should not be necessary to remind the House that the most common way of quoting consumer credit rates is in terms of dollars or percent on the original balance of a the credit actually available to the debtor rate is little more than half the rate on the credit actually available to the debtor during the period over which he makes his installment payments. Requiring rates on credit to be stated as annual rates on the average unpaid balance, is so fundamental to good commerce that it should never have encountered any opposition.

I ask the House to support the truth-in-lending measure which will enable the households of the Nation to use the Nation's credit resources economically and rationally.

Mr. EILBERG. Mr. Chairman, the Consumer Protection Act which is before us will enable consumers who use credit for their major purchases to protect themselves against needlessly expensive credit. The bill requires that they be informed of the cost of credit, and of the annual rate at which finance charges are computed before they have incurred the debt. It is no cure all. It does not give the consumer all possible information for protecting himself. It does not give protection similar to that of some State laws which protect the consumer by limiting rates charged on consumer credit; nor does it permit the consumer to deduct the entire finance charges on retail credit in computing his income tax as he now can deduct interest on a loan; this bill does not change the tax laws or regulations. These two kinds of protection are not included in this bill, and their merits perhaps ought to be put aside for consideration some other time, but not now.

The bill also fails to require creditors to supply consumers with the information which they need for protection against costly credit for minor purchases: it does not require the finance rate on revolving credit to be stated as an annual rate.

This omission is a victory for retail merchants, including the largest of all the chains, whose opposition has been a principal obstacle to the passage of any truth in credit bill. The retailer who puts his customer's account on revolving credit can say that he charges 1½ percent per month in which the chargeable balance is outstanding. But the bank which finances his car cannot stop at saying its rate is 1 percent per month, or 1½ percent, or 2 percent, but must state the much more arresting figure of 12 percent, 18 percent or 24 percent per year.

The retailers have made elaborate arguments against disclosing the annual rate on revolving credit, and these arguments have been dissected in congressional hearings. The rather amazing sequence of propositions offered by the retailers does not need another exposition and review. The simple facts are that the charge is levied each month and billed to the consumer each month, and that there are 12 months in a year. A monthly rate of 1½ percent is an annual rate of 18 percent—just as a 6-percent annual rate on a mortgage is a monthly rate of one-half of 1 percent.

How many people do not understand what an 18-percent annual rate means. This is the fault of creditors who have talked in their own deceptive language so long that to many consumers an annual rate is a rate on the original balance. It is the very essence of consumer credit that the credit is repaid in installments, so that the original balance is a proper basis for charge only until the first payment has been made. When a credit is repaid over a year at an 18-percent annual rate on the amount of credit actually outstanding, it is a rate of less than 10 percent on the original balance.

The retail creditors' problem is that some of his customers may believe that revolving credit adds 18 percent to the cost of their purchases. The solution to this problem does not lie in letting revolving credit alone be stated in a special way which makes it appear far cheaper than other credits, even when the other credits actually may be the cheaper of the two. The proper solution is to require revolving credit rates to be quoted as annual rates as are other credits, and to permit retailers to offer explanatory information to the effect that charges at that rate when levied on balances which are repaid according to the retailers plan, will add 6, 10, 12 or some other percentage to the cost of the purchases, and the additional cost will depend on the rapidity with which balances are paid off.

The House bill provides the consumer with protection against misleading advertising of credit charges and rates. The misleading nature of credit advertising has been documented throughout the years over which truth in lending has been studied by the Congress. This is a form of protection which obviously is necessary.

The House bill also deals with the problem of unconscionable garnishment by retailers and lenders who sell shoddy merchandise, make exorbitant finance charges, and disregard all evidence of lack of credit worthiness in pushing credit. The bill's restrictions on garnishment used as a collection device by the unethical fringe of operators in consumer credit will save many employees from being lured into excessive debt, from dismissal by their employers because of garnishment of wages, and ultimately from bankruptcy. It will save employers some of the high cost of employee turnover because of personal financial troubles. It will direct credit resources to the ethical creditors when the unethical cannot resort to the courts to collect the exorbitant charges which finance their expansion.

Mr. RODINO. Mr. Chairman, the House has courteously awaited, for 8 long years, an opportunity to approve a truth-in-credit bill. The Senate enacted a bill last summer. Now we can approve the principle of that bill, and make its operation more beneficial to the consumer and to the ethical retailer and lender.

The House bill, of which I am a sponsor, requires the use of standard disclosures of credit terms. If credit terms are advertised, the advertisements must be informative, complete and include the items specified in the House bill. If credit contract is made, it must include disclosure of a standard list of cost items and the price of the credit. Full disclosures must be made, and they must be made in standardized language so that the consumer can engage in comparison shopping—and comparison shopping for credit can become more informed and rational than most comparison shopping for merchandise.

Consumer credit usually adds a minimum of 6 to 10 percent to the cost of goods for the shortest term credit, and in the purchase of automobiles, and for other durable goods and often adds more than 24 percent to the cost. The total of these added costs is about as great as the cost of interest on the national debt, and would buy a year's supply of gasoline and oil, or pay all of the plane, train, bus and taxi fares of a year. The very magnitude of these costs makes it imperative that consumers carefully select their sources of finance, and economize at every opportunity. The information on credit costs and rates which consumers need for using their income will not be available to them unless this bill is enacted.

Some consumers, of course, already have the benefits of truth-in-credit legislation at the State level. But only four States have acted, and the disclosures which State legislation will require may not be up to the standard of our own consumer protection act. A Federal act will establish minimum standards of disclosure for all consumer credit transactions in all States.

The House should make clear in its action on this bill that it intends to give consumers the benefit of full disclosure in standard terms on credit contracts; that it intends to give consumers protection against inadequate disclosures in advertising of credit terms; and that it intends to require creditors to use care in extending credit, to depend on credit worthiness of the consumer rather than garnishment of wages, to insure repayment.

The Senate bill recognized that the inefficient and the unethical lender or retailer can acquire too large a share of the total of credit business if his charges are not disclosed in understandable terms, and consequently the bill gives consumers the information basic to their avoidance of such waste. The House bill goes further and recognizes that some consumers will not act wisely about credit, even when information is available to them. Consequently it tells the creditor that, if he takes advantage of their low resistance to sales pressure, he will not be protected by resort to garnishment of wages. The bill depends on self-interest to correct misuses of credit resources which now are made by unethical creditors and careless debtors.

Mr. Chairman, I strongly urge approval of this most essential and long-delayed measure and the amendments covering revolving credit which will be offered by our distinguished colleague, Mrs. SULLIVAN. With these actions we will have the opportunity to write a fully protective measure for the consumer in this basic area.

Mr. GILBERT. Mr. Chairman, I have long been an enthusiastic supporter of the truth-in-lending principle and I shall be happy to vote in favor of the bill that is currently before us. I have observed the reluctance of many lenders to reveal the price of credit in terms both of rates and money costs. I have also observed how very difficult it is to compute rates of interest, unless one is a trained mathematician. This bill is overdue. It is a necessary and justifiable protection, fundamental to the equitable operation of our free enterprise system. In approving it, Congress will be enacting a basic reform of our economy.

I want also to give notice that I will vote in favor of two amendments to the legislation as it has been reported out by the committee. I oppose the exemption of revolving charge accounts and of interest charges of less than $10. I see no reason for these exemptions. I believe this bill will be seriously flawed if these exemptions are not eliminated.

I note that these exemptions will tend to fall most heavily on the poor, who indeed we are most seeking to protect with this legislation. The rich can go to banks for their credit and usually obtain money without undue difficulty at a reasonable rate of interest. The poor exist from hand to mouth. They put their purchases on a revolving charge, unaware of how much they are paying for this privilege. Surely the large department stores and mail order houses using this system are honest enough to accept the responsibility of fair reporting of annual interest charges. By the same token, the $10 exemption falls most heavily on those who buy in small quantities. Once again I speak of the poor. This provision permits the wost sort of loan-sharking to thrive, the kind of loan-sharking that preys on the poor, nibbling away at their small fortunes dollar by dollar. I will support amendments on the floor to eliminate both these exemptions.

Mr. Chairman, I am hopeful that this law will wipe out that brand of unscrupulous merchant who cajoles the poor into purchases beyond their means, tantalizing them with low monthly payments in which are concealed ruinous interest rates. I think the honest merchant with nothing to hide will gladly embrace this bill, while the user will skulk away. I congratulate the committee on this measure, in which I have great confidence.

Mr. BOLAND. Mr. Chairman, I want to express my support today for H.R. 11601, the truth-in-lending bill Congresswoman LEONOR K. SULLIVAN has championed in an effort to throw light upon the dark and sprawling labyrinth that credit buying has grown into over the past few decades.

This bill, the fruit of 8 years' work by men and women seeking a better break for the consumer, would give people throughout the United States the right to know just how much credit costs both in terms of total cash amount and true annual interest.

The measure would make credit buying simple and straightforward for everyone from the housewife buying clothes for her family, to the businessman shopping for a new car, to the investor seeking a bank with the highest interest yield, to the highschool boy comparing prices on motorbikes.

The bill, even more significantly, would give needed protection to the poor and underprivileged who are all too often bilked into paying unconscionably high interest on the credit plans they accept in an attempt to provide a better life for themselves and their families.

I take pride in the fact that my home State, Massachusetts, has pioneered in the enactment of meaningful and successful truth-in-lending legislation. These laws have proved groundless any fears that consumer protection acts might hamper business or harass businessmen. The Massachusetts laws, in fact, have stimulated credit buying and have led to better understanding between business and consumer, providing ample evidence that such legislation works and works well.

Mr. Chairman, I will ask unanimous consent when the Committee goes back into the House to insert, at this point, a brief analysis of the truth-in-lending impact since its enactment by the Massachusetts Legislature.

FEDERAL RESERVE BANK OF BOSTON,
Boston, Mass., November 15, 1967.

Mr. DERMOT SHEA,
Executive Secretary, Consumers' Council,
State Office Building, Boston, Mass.

DEAR MR. SHEA: Following is a short analysis we made to try to determine whether "Truth in Lending" had had any impact since its inception in Massachusetts.

RETAIL SALES: PERCENT CHANGE, JANUARY-AUGUST 1966 TO JANUARY-AUGUST 1967

	Total	Nondurable
New England	+1.0	+3.0
Massachusetts	+3.0	+4.0
Personal income (same period):		
New England		+7.5
Massachusetts		+7.2

Thus, despite a somewhat smaller rise in personal income, Massachusetts had a better gain in retail sales, thus far in 1967 over 1966 than did New England as a whole.

CONSUMER CREDIT AT FINANCIAL INSTITUTIONS IN NEW ENGLAND

Percentage gains	Commercial banks	Sales finance companies	Consumer loan companies	Savings banks (Massachusetts only)
December 1965 to September 1966	7	2	5	50
December 1966 to September 1967	5	−1	0	43

Consumer credit has grown slower at all financial institutions in 1967 than in 1966. Perhaps consumer loan (small loan) companies have suffered the most, while savings banks have done the best, but this comparative trend seems to have been in existence already in 1966 and earlier. Savings banks have advertised more aggressively and they were bound to get an increasing share of the market in any case. In addition, commercial banks have begun to advertise credit cards and check credit aggressively so that they were probably also due to get a bigger share.

Very truly yours,

PAUL S. ANDERSON.

H.R. 11601 is designed to protect buyer and seller alike. It calls for a standardized language in credit contracts and advertisements—a language that gives consumers a measuring stick by which they can compare credit plans, that gives businesses a forum by which they can compete openly and straightforwardly for the shopper's dollar. This language, clear and explicit, would do away with the muddle of words unscrupulous businessmen use in their contracts to mask charges from the consumer. It would do away with the small print and evasive verbiage some reasonable businessmen feel forced to use in order to compete successfully in the credit marketplace.

The bill would also put restrictions on the garnishment of wages—a provision that places on the creditor the burden of extending credit wisely and responsibly—and would create a national commission to study the burgeoning credit business throughout the Nation.

I would like to commend Mrs. SULLIVAN, the able and distinguished Congresswoman from Missouri, for her long and spirited fight to bring this bill to the floor of the House.

As the bill stands now, however, it leaves open two gaping loopholes that Mrs. SULLIVAN was unable to plug up when H.R. 11601 was before the Banking and Currency Subcommittee on Consumer Affairs. One loophole would exempt stores offering revolving charge accounts from disclosing the true annual rate of interest. The other would exempt from disclosure service charges of $10 or less on any single credit transaction.

I urge my fellow Members of the House not only to pass this bill but to support Mrs. SULLIVAN in her attempt to extend its provisions to close the two loopholes I have just cited.

Mr. ANNUNZIO. Mr. Chairman, on January 10, 1968, Illinois State Senator Cecil Partee, Democrat, spoke before the annual meeting of the American Retail Association Executives at the Waldorf-Astoria Hotel in New York City.

Senator Partee has a distinguished background, having served 8 years as an assistant State's attorney in Cook County, Ill. He earned a B.S. degree—cum laude—in business administration at Tennessee State University in Nashville, Tenn., and then went on to earn a J.D. degree at Northwestern University Law School in Chicago, Ill.

He was first elected as State Representative in 1956, and served in that capacity until 1966, when he was elected as State Senator from the 26th District of Illinois. During his service in both the Illinois House of Representatives and Illinois Senate, Mr. Partee has compiled an outstanding record and has served his constituents ably and with distinction.

Just recently Senator Partee sponsored and had passed in the Illinois State Legislature a bill, S.B. 977, Ill., to require the pupils in grades 8 through 12 to be taught and to be required to study courses in the area of consumer education.

As a member of the House Banking and Currency Committee, I have spent considerable time studying the critical issue of consumer protection, and I do feel that consumer education is of prime importance in reaching an effective solution of the problem we face today.

The House of Representatives today begins consideration of H.R. 11601, the Consumer Credit Protection Act. Because I feel that Senator Partee's timely and original thinking on this issue will be helpful to my colleagues in the House in deliberating on this issue, I am enclosing the complete text of Senator Partee's remarks before the American Retail Association Executives at this point in the CONGRESSIONAL RECORD. His remarks follow:

> Thank you very much for your kind introduction. It is my extreme pleasure to have been invited to talk with such an illustrious group. I am grateful for the opportunity of disseminating whatever little I know about Consumer Education to this group in the hope that we can make a Consumer Education a vital and required course of the curriculum in all of the high schools of the United States, and that adult courses should be an auxiliary must.
>
> As you perhaps know by now, a Consumer Education Bill was passed in the last session of the Illinois State Legislature. I am grateful to all persons who helped and aided in its becoming law, but I am especially grateful, and I pause to say so now, to Mr. Joseph Meek, and the Illinois Retail Merchants Association.
>
> Many people have asked the need and the necessity for the Bill, others have made discreet inquiry as to my personal interest in this subject. I hope you will pardon the personal reference, but I think that my personal background has something to do with my interest in this subject. It happens that I discovered America, and was born in a small town in the State of Arkansas. I have often remarked that the town is so small that they did not have a Howard Johnson and even if they had had one, it perhaps would have had only two flavors instead of the proverbial twenty-eight.
>
> As a boy, I made perhaps my first real stab at Consumer Education when I went in to purchase some shirts from the local J. C. Penny Store. One of the shirts which was described in glowing advertising terms, sold for sixty-nine cents, and the other a rather deluxe model, sold for eighty-nine cents.
>
> Today, the difference seems minuscule and hardly worth mentioning. Then, it was a monumental decision, making a choice of garment as to longevity, wearability and the other factors that entered my reasoning process and that decision was based on what we may now describe as a facet of Consumer Education.
>
> As a child, I remember that my father owned an automobile which had a gasoline tank capacity of ten gallons. We lived six miles from the Missouri State Line, where gas could be purchased for some four or five cents less per gallon than in the State of Arkansas, due, of course, to the difference in State tax (a subject which has engaged the attention of this group on many occasions). The distance from my home town to a gasoline station at the Missouri State Line was six miles each way. The problem then, as presented, was how much do you save by driving to Missouri and filling a ten-gallon tank at a savings of four to five cents per gallon, while using whatever gasoline it took to drive the twelve miles to effect the savings. So, you see, Consumer Education in the broader sense is something in which I have lived since childhood. I have tried since then to translate these experiences and their intrinsic value in terms of money management to my own children. Their more affluent childhood, as compared to my own, makes the lesson a little harder to teach. During another period of my life I served in the State's Attorney's Office of Cook County, and was assigned initially to the Fraud and Complaint Department. Here I heard countless stories of woe from many uninformed citizens, because of their problems without money management. Many of these problems could have been averted, it seemed to me, if someone had bothered to teach them the basics of Consumer Education and Money Management.
>
> At a still later period of my life I was elected to the Illinois State Legislature as a Repesentative in its General Assembly, where it was my frustrating pleasure for many sessions to work toward what has loosely been described as Credit Reform Legislation.
>
> Finally, in the last session of the Legislature, during my Freshman Senate Term, many rather salutary pieces of Credit Reform Legislation were passed and I am personally, though modestly, proud of my own contribution to their passage.
>
> In addition to these experiences as a child and as an Assistant State's Attorney, and finally as a Legislator, I have come to know from experiences with my own children how little they know about money management and how little value is placed on money, if I may compare my own childhood.
>
> One day, one of my daughters bought a bag of rock candy. I did not know that they sold it any more. I was, of course, surprised to see it in my household, and I was thoroughly shocked when I observed a price tag of thirty-nine cents for a small bag.
>
> When I inquired of my daughter how much this was, she said, "only thirty-nine cents". My childhood recollection of rock candy was, as to cost, not more than five cents a ton. We try, however, to teach money management in many ways. At the age of seven, I bought one of my daughters ten shares of stock. I

bought it in a company which has, as its main product, a candy bar called Tootsie Roll. She is now their greatest salesman, paid or unpaid, and cherishes the twenty-four cent dividend checks in an almost unholy sort of way.

It seems to me, however, that she is learning something about the market place, and the younger we start to teach, the better.

I wondered whether the poverty of the Thirties and the affluence of the Sixties, though widely divergent in economic stability, were not nonetheless quite close together and correlated in the context of the need to teach Consumer Education and money management.

I suppose little things happen in every household which are interesting to parents of another generation, but I found it quite interesting when my seventeen year old daughter, upon completion of high school, had her first job in an office where she was paid the sum of $2.35 per hour.

I was astounded at her first experience in the commercial world as I compared it to my own first experiences. It was interesting, though, that her ten year old sister commensed to do little chores for the older one and generally suggested that she, the younger one, should be put on the payroll of the older.

The discussion was interesting. Older girl, "Why are you doing these things for me?" Younger child, "I thought I should help you, because since you are working, I want to be on your payroll." Older girl, "How much per week do you think I should pay you?" Younger child, "$3.00 per week." Older girl, who at this time had worked two days during her entire life, "Why, that is too much. You don't know the value of money. I will pay you $1.50 per week." Younger child, "All right, I think you are cheating me, but I will do it." Older girl exits room and younger child says to me, "You know, I really only thought I could get fifty cents. I drove a pretty good bargain, didn't I?"

All of these experiences, though personal, in a combined fashion clearly showed to me the need for Consumer Education and Money Management.

Personal experiences aside, I took a rather academic approach to the need for this legislation and my curiosity satiated by a report done at my request by the Legislative Council of the State Legislature. Research very clearly showed the need for teaching Consumer Education in a period of affluence as well as in a period of extreme poverty.

There you have a composite of my reasons and my interests in this much needed field of concentrated learning.

Consumer education in the United States had a push forward in the 1930's due to the Great Depression. Many believe we are on the verge of another great movement in Consumer Education, this time caused partly by our affluence rather than our hard times. Some believe that children today are not receiving the training in the homes they should with respect to Consumer Education and that schools should provide it. Others, however, believe that the schools are not the place to teach Consumer Education.

Some believe that a Consumer Education gap has arisen within the last generation and that many children no longer receive adequate consumer training at home. Part of this is due, it is thought, to increasing affluence, and also to the fact that the marketplace has become more complicated.

Spending by teen-agers has risen sharply in recent years, according to sources. Some are concerned that while children are big spenders today, they will be even bigger spenders in the future as adults. The fact that many young marriages are breaking up over financial reasons leads some to believe that the schools should do more in teaching about consumer education.

On the other hand, others believe that consumer education should be taught in the homes and that the public school curriculum is already too full to take on consumer education courses. A college professor is quoted as saying after hearing the supposed virtues of consumer education, "This all sounds very interesting, but don't you think consumer education is much too practical to be academically respectable?"

Consumer education apparently had its beginning in the first home economics courses which started about 1900. A great boost in consumer education courses reportedly came with the Great Depression of the 1930's. By the early 1940's, consumer education "Had a firm grip on some of the rungs of the education ladder". The public was reportedly interested in any source which would show their children how to spend money and time intelligently, how to avoid frauds and schemes, and how to analyze advertising.

In 1944, the National Association of Secondary School Principals stated, "All youth need to understand how to purchase and use goods and services intelligently, understanding both the value received by the consumer and the economic consequenecs of their acts.

By 1955, Consumer Education had jelled and until, approximately, 1960, stayed at its peak. It, then, dropped off due to a number of reported reasons: Courses were being taught by half-interested teachers drafted to fill vacancies. Original teachers of Consumer Education courses had moved on to bigger and better jobs. Colleges preparing teachers had not instituted many courses for Consumer Education. Separate Consumer Education courses folded and their contents became parts of other courses.

The Director of Curriculum Development in the Office of the Superintendent of Public Instruction is of the opinion that most teachers of social studies in Illinois spend considerable effort in teaching about consumer finance and economics. This exposure to some sort of economic education starts reportedly at about the fourth or fifth grade level. A University of Chicago office concerned with economic education reports that Illinois children receive some sort of Consumer Education, but it is mostly economic theory. Reportedly, some amount of consumer education is taught in home economics and vocational education courses in Illinois.

A survey of several textbooks on Consumer Education in the Illinois State Library indicated the following topics are some of those usually covered:

"The Consumer in Today's Business World Managing Money," "Budgeting for the Individual," "Budgeting for the Family," "Savings," "Substitutes for Money."

"Using Credit," "Credit and the Consumer," "Installment Buying," "Borrowing Money."

"Good Buymanship," "Planning Before Shopping," "Using Advertising Intelligently," "Shopping Know-How."

"Buying Insurance," "Social Insurance," "Life Insurance," "Accident and Health Insurance," "Property Insurance."

"The Law and the Consumer," "Making a Contract," "Legal Aspects of Buying," "Using Credit Instruments," "Consumer Protection by Law."

Some believe consumer education is not dead. Economics teachers, for example, report a strong student interest in consumer relationships in their courses. Others, such as science, physics, chemistry and even English teachers, report interest in consumer relationship aspects they inject into their courses.

If you have any desire to get such a Bill passed in your State, I would recommend that there are five principal groups which deserve your attention. They are the educators, the business community, the Legislators, including of course, the Governor, who must sign the Bill, the Communication Media and the Parent-Teachers Associations.

We are pleased to announce that we successfully put these groups together in the context of interest and work and through them got passed into law, the Consumer Education Bill of the State of Illinois.

At the present time, Mr. Ray Page, our State Superintendent of Schools, who under the terms of the Bill is charged with the responsibility of develpoing the course and curriculum for grades ten through twelve, has convened and activated an experienced curriculum commission to establish the required consumer credit education courses and to establish the necessary reference materials for sound instruction use, courses and material approved not alone by credit grantors of the highest reputation, but also of union leaders, consumer agencies and educational authorities to insure courses providing a full balance for the inquiring student. You will be happy to know that, although Fred Goerlitz of our State, though he retired on January 1st, is going to be working with this developmental group. You see, in Illinois, we don't let good brains leave us. We use them.

From years of personal experience, both as an Assistant State's Attorney, assigned to the Fraud and Complaint Division, and also, after years of frustrating efforts as a State Legislator to help pass credit Reform Legislation, I came to know and realize that the basically real though painfully slow method of helping the citizenry was by starting with the young, while still in school, and teaching in an orderly fashion, the proper concept of credit and money management. They must be imparted the knowledge that Consumer Credit is a vital part of their lives—either a great opportunity or a frightful menace to their economic and social lives. They must see consumer credit for what it is—an economic device through which they may acquire what they want and pay for it out of future earnings. They must be impressed with the understanding that consumer credit serves to maintain the important balance between America's production, distribution and consumption. They must be taught that properly regulated and properly used consumer credit is absolutely essential to acquire the sales volume needed to run this economy and adequately finance the enormous demand for more and more jobs, more and more spendable income and more and more taxes to pay for the solvent operation of an enlightened Nation.

"Hence, the idea of adding to our school curriculum, or, rather, of balancing and practicalizing our courses of study; the teaching of consumer education, is but a natural outgrowth of our penetrating desire to obtain financial responsibility, to make the thought of bankruptcy the disgrace which it too often is, and to lessen, through education, the need for laws which can have no meaning, no usefulness unless those who presumably must live under them can understand them and have the full protection which only their understanding can bring about.

Teaching to the consumer the cost of the use of money, money management, what to buy for cash and when to use credit are all parts of the much needed equipment for a well-planned financial life. One solid course in the intelligent use of consumer credit is, in the long run, worth a hundred costly enforced laws directed at the abuses of credit by both buyer and seller.

Reputable sellers need enlightened buyers. Enlightened buyers cherish reputable sellers.

Mr. KARTH. Mr. Chairman, I rise to protest the proposed exemption of revolving credit from the annual rate disclosure requirements of this bill.

There has been an enormous amount of store salesmanship to the Members of this body on the proposition that revolving credit should be exempted because 1½ percent per month is supposedly not really 18 percent per year. It is alleged that the true annual rate is impossible to figure because of, first, the beginning period in which no credit charge is imposed—the so-called free ride, and second, the fact that people purchase and repay at individually different points of time and in different amounts.

Mr. Chairman, this is pure obfuscation. All charge account customers get the free ride whether or not they use the store's plan for extended credit. They may decide on full repayment before the end of the free period, thereby avoiding service charges altogether, or they may decide to finance the purchase by paying installments over a period of months, in which case they pay service charges for the extra time they take. The point at which the service charges begin to run is the relevant starting point for figuring out whether the store's credit is cheaper or that of some other lender. If the customer decides in favor of another source of financing, he pays off his account before the end of the free period and commences repaying the alternative lender who has offered a lower credit cost. It is nonsense to include the free period in the figuring of the annual rate, since the customer is under no obligation to continue to use the store's credit after the free period has expired.

Second, the fact that the customer may make repayments at varying dates within any particular period is irrelevant. What is important is the normal schedule of repayments and the rate of charge assessed for that schedule. It can be mathematically demonstrated that with elimination of the free ride from the computation and the use of the scheduled repayment dates to which the customer is fully entitled, a monthly rate of 1½ percent does in fact work out to 18 percent per year.

Mr. Chairman, the alleged impossibility of converting monthly revolving credit charges to an annual rate basis is simply special interest pleading which should be rejected by this body. I hardly need elaborate the enormity of the loophole the revolving credit exemption would create. It invites every lender who can do so to convert to revolving credit in order to maintain a competitive position by avoiding disclosure of annual rates of charge. Those who cannot convert will simply suffer the consequences. The consumer will continue to be misled, and to believe that a stated annual rate of 14 percent by a furniture store is more expensive than a 1½-percent monthly rate quoted by a department store, although the exact opposite is true.

We are here to pass a bill which will require annual rate statements by all lenders, so that the credit buyer and the loan borrower can know the true cost of his credit, so that one creditor does not have an unfair advantage over another, and so that consumers can compare finance rates not only on consumer loans but also with other interest charges ranging from savings accounts to mortgages to the national debt.

I urge defeat of the revolving credit exemption in favor of the full coverage provisions of H.R. 11601 as originally introduced.

Mr. REUSS. Mr. Chairman, I rise to speak in support of title II of the committee's bill providing for certain restrictions on the garnishment of wages. The committee's hearings fully document justification for these provisions.

The restrictions on the garnishment of wages proposed by the committee received the endorsement of both major trade unions in the country as well as major industrialists. The AFL–CIO, the United Automobile Workers and Steelworkers of America are joined by the United States Steel Corp., Inland Steel Corp., and the Republic Steel Corp. in supporting the limitation on the garnishment of wages.

In addition to these endorsements, the committee's hearings include the testimony of four U.S. referees in bankruptcy. These referees, coming from such diverse areas of the country as Tennessee and Oregon, California and Texas, uniformly supported a ban or restriction on the garnishment of wages. They pointed out from their cumulative experience of more than half a century in bankruptcy courts that garnishment is the single most significant factor driving people into personal bankruptcy. It was their considered judgment that 99 percent of the debtors turning to the bankruptcy courts seeking personal bankruptcy were willing and anxious to pay off their debts but were fearful of the impact of the garnishment of wages on their ability to continue to support their families. These people were left with no alternative but to plunge themselves into personal bankruptcy.

The committee's proposal is modest, indeed. Rejecting an absolute ban on the garnishment of wages, the committee amendment would restrict such garnishment to 10 percent of earnings above $30 a week and would prevent an employer from discharging an employee by virtue of a single garnishment of wages.

The record shows that where garnishment is used, it is used essentially by relatively few merchants or lenders in a community and is most frequently used by unscrupulous merchants or lenders, preying on the poor and unsophisticated.

There is every justification for the committee amendment. It provides a reasonable limitation on the garnishment of wages while still permitting the legitimate use of garnishment by creditors.

I urge the adoption of the committee amendment.

Mrs. KELLY. Mr. Chairman, today I rise in support of H.R. 11601, the Consumer Credit Protection Act legislation which is vitally needed to protect all of our fellow Americans and particularly those of modest or low incomes.

During my years in the Congress, I have continually voted for and supported measures to protect the family and the individual from fraud and deceit in the marketplace and from dangerous products. Only last session the Congress enacted much needed legislation which had my support to protect the consumer such as the Flammable Fabrics Amendments of 1967 which establishes new standards to provide protection against the sale of highly flammable wearing apparel and interior furnishings. Also the Federal Meat Inspection Act of 1967 which provides for Federal-State cooperation for intrastate meat inspection standards and a program to bring State meat inspection systems in line with Federal.

However, the Consumer Credit Protection Act which we are considering today if enacted without restrictive amendments could be the most important consumer legislation passed by the Congress in years.

The lending of money and the extension of credit are now among the largest businesses in the United States. I believe that the very least we in the Federal Government can do for the consumer is to require those who extend credit to give to their customers a clear statement of the costs of that credit.

Therefore, on February 1 of last year, I introduced H.R. 4485, the Truth in Lending Act which would accomplish many of the objectives of title I of H.R. 11601, which we are considering today.

On August 8, 1967, I testified before the Consumer Affairs Subcommittee of the Banking and Currency Committee in support of my bill at which time I also stated my support for a Consumer Credit Protection Act.

A bill with provisions similar to mine, S. 5, but with certain exemptions I do not support passed the Senate. These exemptions to which I am opposed would exempt from the protection of the law revolving credit transactions which are used by large department stores and extensions of consumer credit of up to $100.

In regard to these exemptions I wish to join my able colleague, Mrs. LEONOR K. SULLIVAN, in urging this body to enact a bill which will cover revolving credit transactions and extensions of consumer credit of up to $100.

Mr. RYAN. Mr. Chairman, inasmuch as I have sponsored truth-in-lending legislation in the four Congresses in which I have served, I am glad that this issue has finally reached the floor of the House. Initially, I was pleased to cosponsor the bill first proposed by Senator Paul Douglas, who was the early pioneer in this area and whose determined efforts brought this legislation to the point of enactment. I only regret that, as this proposal is finally realized, he is no longer serving in the other body.

The 90th Congress has made significant progress in the long-neglected field of consumer safeguards. Following the record of the 89th Congress in truth in packaging, cigarette labeling, and auto safety measures, it has passed legislation in the areas of flammable fabrics, clean meat, and clean air. Later this session should deal with bills to require pipeline safety and electric reliability.

At last after years of delay Congress is on the verge of passing a truth-in-lending bill. However, the question still unresolved is whether it will be worthy of that title, or whether it might better be called the "half-truth in lending bill."

The Subcommittee on Consumer Affairs under the chairmanship of the distinguished lady from Missouri [Mrs. SULLIVAN] has reported out a strong consumer credit protection measure. However, H.R. 11601 has been reported with amendments which weaken it. As introduced, H.R. 11601, which I sponsored as H.R. 11806, was substantially stronger than S. 4 which passed the Senate without a dissenting vote.

S. 4 provides for the disclosure of most types of consumer credit. However, it exempts first mortgages and loans where the cost of credit is less than $10. It also exempts open-end or "revolving" credit from the annual-rate disclosure requirement.

As introduced, H.R. 11601 applied to these transactions.

H.R. 11601 includes a restriction on garnishment of wages and a provision that credit charges be disclosed not only at the time of sale, but in advertising as well. It also creates a Consumer Finance Commission to study other aspects of consumer credit, which may require further legislation.

The astonishing rise in personal bankruptcies is due in large part to the overextension of consumer credit, frequently to persons whom the seller well knows cannot afford further indebtedness. Over indebtedness makes a person easy prey for those offering credit at phenomenally high interest rates.

The clear public disclosure of credit charges will serve to protect the consumer.

When Senator Paul Douglas first introduced this controversial idea in the 87th Congress, with 21 cosponsors, he noted three compelling reasons why such a bill should be enacted. First, business ethics: to drive out the unethical lender. Second, economic stabilization: to encourage consumer restraint at times when interest rates were high. Third, invigorated competition: to enable the consumer to comparison shop for the fairest terms of credit.

In the 7 years since Senator Douglas and I first introduced this legislation, outstanding consumer indebtedness has nearly doubled, and interest rates are the highest in decades. Never has the need been clearer for the strongest possible consumer credit legislation.

The recent ghetto disorders give a new urgency to strong consumer legislation. Victimization by unscrupulous merchants and finance companies adds fuel to the fires of ghetto resentment. When riots broke out, looters turned first to those businesses which had been "gouging" them—selling inferior merchandise at inflated prices, frequently through the use of inflated credit.

Sargent Shriver, Director of the Office of Economic Opportunity, called the practice of gouging the poor "a major contributor to the frustration and despair which finally led to the tragic upheavals which have recently rocked Newark, Detroit, and so many other cities."

The provisions of H.R. 11601 were formulated to require clear disclosure of credit costs so that consumers can rationally decide whether to incur further debt. Full and uniform disclosure of credit costs permit the consumer to compare "bargains" and assist him to be a thrifty shopper. Disclosure should be uniform, based on annual rate, so that rational comparison is possible. Requiring disclosure in advertising is part of this concept.

The inclusion of first mortgages is an important element, since mortgage indebtedness is often the largest single component of a consumer's credit debt. The homeowner should know the total cost of his credit, so he can estimate the advantages of paying off the debt on his home as soon as possible as compared to financing other purchases through additional credit.

The restriction of garnishment properly places a part of the burden for the responsible management of credit on those who extend it. If wages can no longer be garnisheed, the merchant and the finance company will be wary of overburdening consumers already heavily in debt.

Mr. Chairman, H.R. 11601, as reported with amendments, is changed in several respects. Certain important provisions, such as the regulation of margins on commodity futures, the ban on confession of judgment notes, and a Federal usury ceiling were not included and deferred for further study or appropriate action. I believe that regulation is needed in these areas.

Amendments have been reported in two areas which can only weaken the intent of the bill. H.R. 11601 has a loophole for loans where the credit charge is under $10 and an exemption from the annual rate disclosure requirement for revolving or open-end credit. I urge that these amendments not be agreed to.

Truth-in-lending legislation should not be watered down. If the bill the House adopts is not strong, the maze of credit confusion will be only partly clarified—to the advantage of the unscrupulous who take advantage of the unprotected. Our responsibility not only to the consumer but also to the ethical businessman is to enact a uniform and comprehensive measure.

GENERAL LEAVE TO EXTEND REMARKS

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD on this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, I rise in support of the truth-in-lending legislation and the efforts which are offered to broaden the scope of this legislation to include department store revolving credit accounts. This Congress must not deceive the American people by permitting them to believe that they are advised on their interest charges when one of the major items of interest, the department store charges, which currently run at 18 percent per year, are not covered by this legislation in its present form. The trouble with revolving credit is that the consumer gets revolved.

Many years ago in the Cleveland community, I was shocked to learn that the 18-percent interest charge assessed by department stores was not a condition of the contract of credit between the department stores and the consumer. When I first inquired into this matter in my community I was told by a department store which assessed the charge that the 18-percent interest charge was made under prevailing department store policies, by custom, rather than by any agreement between the consumer and the department store.

Subsequently, in my own dealings with department stores, I was shocked to discover through my own experience that it was not the policy of certain department stores to advise the consumer of credits to which he may be entitled. In my own situation, I paid a Cleveland department store twice for a suit which I purchased because I was twice billed and I issued two checks for the same purchase. Not until 2 years later when I audited my accounts did I discover that the department store owed me $95 for a period of 2 years, never once advising me of my credit, never once paying me 1 penny of interest on my money which the department store used over this period of time. If it is proper to charge interest on unpaid debts it is equally valid to expect interest on credits.

Although most department stores are accurate and reliable in their accounting methods and very prompt to assess the 18 percent interest charge on the unpaid balance, there is one department store which operates in the Washington area which handles its records out of a New York bookkeeping office. This company has double billed me on several occasions and in checking around with other families in the Washington area, I have found 12 different situations in which this company has double billed accounts for consumer purchases. An operation such as this comes very close to defrauding the public with the use of the mails. It would be difficult to estimate the total amount of annual loss to the American consumer through department store bookkeeping errors which rarely redound to the advantage of the consumer.

Frankly, the best protection to these consumer losses is to reduce the degree of credit purchases and rely more extensively on payment for purchases by personal check.

The unfortunate thing is that department stores are more in the banking business than they are in the selling business. Apparently they make more money on the 18-percent interest charge than they do in the selling of merchandise. While credit accounts are apparently expensive to maintain and an added burden on the consumer by increased consumer prices, the cash purchaser gets practically no incentive for buying providently and paying for his purchase when he makes it. Very often it is more difficult for him to correct a breach of warranty or to return a misrepresented product unless he carefully saves the purchase receipt.

It certainly is not in the public interest that interest charges by department stores on any unpaid balance are not indicated on the bill or identified as such. Even if the annual interest rate is not indicated, the interest charge on the unpaid balance should be identified so that the consumer is not misled in believing that the interest charge is a purchase.

Although I would prefer that interest charges on an unpaid balance be reported on department store accounts stating the interest rate on an annual basis, I would also like to insure that the interest rate on a department store account are clearly marked and identified as "charges for interest on unpaid balance."

This would help the consumer to clearly identify the interest charge even though the annual rate of interest is not printed or published on the account notice.

If the consumer can plainly see on his department store bill a separately, clearly identifiable charge for interest, it will clearly advise him of the total amount he must pay every month for interest on the unpaid balance and for any penalty in failing to pay his account.

If department stores are going to be in the banking business, we should clearly demand that they use banking methods so that no one is deceived and so that every consumer can clearly see what the credit privilege is costing him every month.

Mr. PATMAN. Mr. Chairman, I have no further requests for time. Since the time has expired on both sides, I ask that the Clerk read.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Consumer Credit Protection Act".

Mr. PATMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair (Mr. PRICE of Illinois), Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11601) to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by establishing maximum rates of finance charges in credit transactions; by authorizing the Board of Governors of the Federal Reserve System to issue regulations dealing with the excessive use of credit for the purpose of trading in commodity futures contracts affecting consumer prices; by establishing machinery for the use during periods of national emergency of temporary controls over credit to prevent inflationary spirals; by prohibiting the garnishment of wages; by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry; and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks in the RECORD on the bill H.R. 11601 and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT AS MEMBERS OF THE U.S. DELEGATION OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86-42, the Chair appoints as members of the U.S. delegation of the Canada-United States, Interparliamentary Group the following members on the part the House: Mr. GALLAGHER, of New Jersey, Chairman; Mrs. KELLY, of New York; Mr. MURPHY, of Illinois; Mr. JOHNSON, of California; Mr. ST GERMAIN, of Rhode Island; Mr. PIKE, of New York; Mr. KEE, of West Virginia; Mr. ANDREWS, of North Dakota; Mr. STAFFORD, of Vermont; Mr. THOMSON, of Wisconsin; Mr. DUNCAN, of Tennessee; Mr. BROOMFIELD, of Michigan.

APPOINTMENT AS MEMBERS OF THE U.S. DELEGATION OF THE MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86-420, the Chair appoints as members of the U.S. delegation of the Mexico-United States, Interparliamentary Group the following members on the part the House: Mr. NIX, of Pennsylvania, Chairman; Mr. WRIGHT, of Texas; Mr. JOHNSON, of California; Mr. GONZALEZ, of Texas; Mr. DE LA GARZA, of Texas; Mr. SELDEN, of Alabama; Mr. FRASER, of Minnesota; Mr. SPRINGER, of Illinois; Mr. MORSE, of Massachusetts; Mr. HARVEY, of Michigan; Mr. WHALLEY, of Pennsylvania; Mr. DOLE, of Kansas.

APPOINTMENT AS MEMBERS OF THE U.S. GROUP OF THE NORTH ATLANTIC ASSEMBLY

The SPEAKER. Pursuant to the provisions of section 1, Public Law 689, 84th Congress, as amended, the Chair appoints as members of the U.S. group of the North Atlantic Assembly the following members on the part of the House: Mr. HAYS, of Ohio, Chairman; Mr. RODINO, of New Jersey; Mr. RIVERS, of South Carolina; Mr. CLARK, of Pennsylvania; Mr. BROOKS, of Texas; Mr. ARENDS, of Illinois; Mr. CHAMBERLAIN, of Michigan; Mr. BATES, of Massachusetts; Mr. FINDLEY, of Illinois.

RESIGNATION FROM COMMITTEE ON GOVERNMENT OPERATIONS

The SPEAKER laid before the House the following resignation from a committee:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 30, 1968.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: It has been a privilege and honor to work with the many fine members of the House Committee on Government Operations; however, I am submitting my resignation as a member of this committee effective immediately.

My association with and participation in the deliberations of this group will remain a pleasant and rewarding experience.

Sincerely yours,

BOB DOLE,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION TO COMMITTEE ON GOVERNMENT OPERATIONS

Mr. GERALD R. FORD. Mr. Speaker, I offer a privileged resolution (H. Res. 1051) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1051

Resolved, That Paul N. McCloskey, Jr., of California, be, and he is hereby, elected a member of the standing committee of the House of Representatives on Government Operations.

The resolution was agreed to.

A motion to reconsider was laid on the table.

IGOR SIKORSKY—A GREAT AMERICAN

Mr. PICKLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PICKLE. Mr. Speaker, back in mid-December, I had the honor of attending the annual Wright Day Dinner of the Aero Club of Washington. At that time, all in attendance were delighted by Igor Sikorsky, a mild, solft-spoken man who is renowned as the father of the helicopter.

Sikorsky's work stands alone as a model of dedication and imaginative spirit, and it was for this reason that he was awarded the 1967 Wright Memorial Trophy. At the same time, I believe the comments he made that evening show the true value of a free man working on those projects and goals which most capture his own heart.

It is no surprise that America has fostered men like Igor Sikorsky, and at this point in the RECORD, I include excerpts from Mr. Sikorsky's speech, as they appear in the February 1968, issue of the Air Force magazine:

FREE MEN ARE THE TRUE PIONEERS

(By Igor I. Sikorsky)

(NOTE.—Igor I. Sikorsky, who was born in Russia and built airplanes in that country only a few years after the Wright brothers achieved powered flight in the United States, was recently honored for his achievements with rotary wings. Like the Wrights, he knew failure as well as success. It was in America that his efforts were rewarded.)

(NOTE.—The 1967 winner of the Wright Memorial Trophy was Igor I. Sikorsky, Russian-born inventor of the helicopter and contemporary of the Wright brothers. Mr. Sikorsky, now seventy-eight years of age and still a consultant with United Aircraft Corporation, built and flew historic airplanes in his native country before he became one of America's outstanding aeronautical engineers. During his active career of almost sixty years, he grew to appreciate both the problems faced by aviation pioneers and the opportunity provided for them to do their pioneering in the free world. Acknowledging the award at the annual Wright Day Dinner of the Aero Club of Washington last December 14, Mr. Sikorsky shared his reflections with his friends. Here are some of his observations about the early days of aeronautics.)

The Wright brothers realized the immensity of the problem (facing) them and the definite risk of failure. I have witnessed such failures, and I know . . . the failures are just as much a tragedy as crashes.

Now, why is it that the Wright brothers succeeded when everyone else failed? I would say, strange as this may sound, that their approach was remarkable in their scientific ingenuity, common sense, truthfulness, and real ability. . . . They realized that building a successful flying machine is only part of the thing; learning how to fly it is the other part.

Therefore, the extremely correct approach, by way of gliders. Now, more than that, gliders call for very special conditions of terrain and weather, and so the Wright brothers studied these conditions, got information from proper sources in Washington, contacted the actual people and places, got a very complete . . . friendly letter and a fine letter, explaining the conditions from Captain Tate, who was, I believe, the Postmaster in Kitty Hawk at that time, and also in charge of the lighthouse. . . . To my mind, Kitty Hawk was a part of their success. Maybe they wouldn't have succeeded if they [had not] selected a spot difficult to reach, with its purple, gentle hills, with reasonably strong, uniform winds nearly every day. I have been there a multitude of times, and I observed this, and just as many of us admire the so-called Natural Bridge in Virginia, so I would dare to give the name to Kitty Hawk as the "Natural Wind Tunnel," because that's what it is.

Now, next, when the actual mechanical flight approached, another thing took place. Instead of trying to reach rapidly a success, trying to get some publicity with success, we see them steadily working, perfectly and accurately recognizing the difficulties of the problem and trying to eliminate it, and aiming at one spot, like a good general tries to cross and to smash the enemy just in one spot. . . . So they attacked the enemy of the unknown, trying to build a flying machine which would fly and postponing everything else, . . . even at the cost of compromises. . . . . For instance, they put the pilot in a prone position, lying down; well, obviously impossible—a pilot must sit. But no; they put him lying; less resistance, quicker to success.

Now, other things. Every airplane must have wheels; the Wright brothers left wheels on the ground . . . reducing weight and drag in the new, young machine. Now, another thing: every practical engineer knows that you can cross a belt, but you should not cross a chain. It's wrong to cross a chain, and the bicycle men, brothers Wright, knew it better than anyone else. They crossed the chain, and made a mechanical flight by man, by years earlier than anyone else.

Hence, they started the pioneering period of flying. America can be proud that the pioneering period which they started . . . was completed and closed by another great American, Charles Lindbergh, and his wonderful flight of May 21, 1927, when he took off from New York and landed not merely in Paris, but in a definite spot, Le Bourget Airport. This flight of one man in a relatively inexpensive airplane, all alone, with no preparation whatsoever . . . produced a tremendous impression all over the world, and in America, where the boost and impact on the development of aviation made by this flight was tremendous.

Now, I had a chance to talk with Charles on this subject, and I asked him why, "How would you go all alone?" This was his explanation: he wanted it, wanted to go alone, not with someone. Now, what he explained was this: He said, "When I go alone, I risk my life, not somebody else's, and my life, I am the master of it, I can do anything I want." Furthermore, "on the way, I may find difficulties, may find questions to solve. If I am alone, I am going to solve it. If there is another man, I'll want to consult with him. I don't want to risk his life; I can risk mine. I don't want somebody else. I want to be in total control of the situation."

My discussion with Charles was over a quarter of a century ago, but I remember it very well. Maybe the wording was different, but the meaning is correct. The man wanted complete freedom of decision and action. He took it; he took a risk with his own life, but he won, and he gave a tremendous push to aviation.

In connection with this, I would like to state the following: Here we see two cases where the individual initiative, individual work, and the total freedom to use both worked for the best, resulted in brilliant success and victory. And I believe that this is something which makes America strong, something which I hope we will stick to. Even now I am asked sometimes whether at the present time all this individual work is more or less over and the only way to do is by enormous organized masses of men disciplined and working on some scientific problem or other.

No doubt with such things as space travel or nuclear engines it could not have been otherwise, but outside of that there is still a wide field left for the initiative of an individual man, and therefore it is my firm conviction, approaching the end of my life and having seen something and having worked myself, that still nothing can replace the free work of free men; that's where real progress is . . . started.

Once done, it must be expanded. In the process of expansion, mass production, and so forth, why, obviously, the organization and so forth are entering the picture, but still, for starting, the man is the greatest single element which can do it, and the man, in order to do it and do it right, must have freedom, freedom of initiative, freedom of work, freedom to start something.

NASA AND THE BUDGET MESSAGE

Mr. CABBELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CABELL. Mr. Speaker, I have studied the President's budget request for fiscal year 1969 with care, and, as a member of the House Committee on Science and Astronautics, I have reviewed the request for authorization and appropriation for the National Aeronautics and Space Administration with particular interest. It has been my opinion in the past that there are a number of areas in which Federal spending could and should be cut and I am pleased to see that some of these reductions have been made. However, I do not believe that the budget for NASA should have been reduced as much as it was last year and I would be very concerned about reductions in this year's budget.

A strong and continuing interest in advanced science and technology is a necessity for any country that would be a powerful voice in the affairs of the world today. This is true regardless of stresses that may be placed on a country; indeed it is all the more important when a country is under pressures around the world and when some doubt its will or ability to meet its commitments. Therefore, I intend to review any proposals to further reduce the NASA budget, from which we as a nation gain sc much of the science and technology that is produced in this country today with critical care.

Although the President's budget, which would provide NASA with $4.37 billion of new obligational authority, is an austere one, there are encouraging signs this year for NASA that I would like to call to your attention. A year of what Administrator Webb characterizes as "rolling readjustment" to last January's fire has been capped with the stirring success of the first Saturn V launch last November and the first flight qualification of the Lunar Module or LEM, this month. The LEM is the vehicle in which later in this decade two astronauts will descend to the surface of the Moon and then rejoin the command and service modules and return to Earth. Recent months have also seen the successful completion of two remarkable programs of unmanned lunar exploration—the Lunar Orbiter program and the Surveyor program.

As we turn then toward the end of unmanned exploration of the moon and toward the period of manned exploration, the President's budget does provide the funds to carry on the Apollo program. Apollo, aimed at the development of capabilities enabling us to use man in space out as far as the Moon can proceed under this budget at a pace which retains the possibility of manned lunar landing in 1969. Although combined 1968–1969 funding for the follow-on Apollo applications program is about $1 billion less than had been planned, NASA has been able to retain the flexibility, if the fiscal year 1969 budget is fully supported, to make a limited number of highly significant manned flights after the lunar landing, leading toward a Saturn V workshop in earth orbit in 1972. This Saturn V workshop can serve as the equivalent of an antarctic base to which explorers can go for shelter and around which they can begin to build the rudiments of what will someday be a permanent base in space for scientific and applied work.

Taking the view that we should not abandon the planets to the Russians, the President has recommended in his budget that we provide funds for continued planetary exploration in the early 1970's—with more modest expenditures and therefore more modest goals—but nevertheles with highly significant flights in 1971 and 1973. These flights include a rough surface landing on Mars in 1973 to test the Martian atmosphere and weather conditions on the surface. The budget also would provide for continued augmentation of NASA's aeronautics work, including a doubling of aircraft noise research, and for continued steady expansion of space applications work from which we get communications and weather satellites and the most direct practical benefits from the space program.

Mr. Speaker, I am heartened by these positive signs and I commend to the Members of this body their thoughtful and careful consideration of the budget request for NASA this year.

IN DEFENSE OF THE CORNER DRUGSTORE

Mr. STUBBLEFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. STUBBLEFIELD. Mr. Speaker, I am glad to speak in the interest of the small businessmen of America and in the interest of better medical care for our citizens. On December 30, 1967, in New York City, the Food and Drug Commissioner, Dr. James L. Goddard, made several statements that will cause irreparable public harm for many years to come. By stating that the corner drugstore should be closed down within 20 years and that all prescriptions should be filled in hospitals and physicians' offices, the Commissioner turned the clock back 50 years on progressive and high-quality medical care and demonstrated an unawareness of the health needs of this Nation. His statements show a disregard for the American free enterprise system that has produced the world's best system of drug distribution through the Nation's 50,000 drugstores.

In some States it is said that the entire citizenry goes into a drugstore every 10 days. At least 15,000,000 people trade in a drugstore every day. As one who is familiar with the tremendous community and public health contributions of the Nation's drugstores, I am appalled by Dr. Goddard's remarks. Millions of people daily seek medical and public health advice and counsel in our drugstores. Apart from purchasing prescription products, there is a constellation of other products and services available in these retail pharmacies which are unavailable in other businesses. To demand their closing now, or within 20 years, is unthinkable. In many communities, hospital and clinic facilities are unavailable to provide prescriptions. In many other communities, the existing hospitals and physicians have no desire to engage in prescription dispensing activities that would imperil the retail drugstore's existence. In fact, the hospital and the medical personnel can be utilized for more important functions than for filling prescriptions. This job is for pharmacists in retail drugstores—all 50,000 of them.

The Commissioner is obviously motivated by a desire to remove over 100,000 of America's businessmen pharmacists from a free enterprise environment, and place them in a Government bureaucratic employee status relegated to the role of a technician with no possibility of ever owning a business, or being their own boss.

It is incongruous that an official of the Food and Drug Administration, with few duties and responsibilities in this area, would launch an attack on the business community—especially when his professional life has been devoid of professional experience with the private practice of medicine and pharmacy. If the objective of Dr. Goddard, or any other Public Health Service officer or official of HEW, is to eradicate drugstores within 20 years, or any other members of the private sector such as private physicians, proprietary hospitals and nursing homes, then I feel that an investigation should be initiated immediately. In this instance, Dr. Goddard's intentions within 20 years are imminently clear, and constitute a collision course with certain disaster for America's drugstores unless we intervene.

The Food and Drug Administration deserves high praise for the long and dedicated service of many officials and employees and its image should not be tarnished by implementing the suggestion of the Commissioner as to the demise of the corner drugstore.

America's 50,000 drugstores exist today because their pharmacist owners have earned the respect and confidence of the consuming public. In the highly competitive retail market they deserve encouragement from the FDA and HEW—not harassment and threats of extinction within 20 years.

I continue to be a strong supporter of consumer protection policies but such policies should be developed and enunciated by officials who can make and follow through on value judgments and not by officials embarked on a course calculated to create hysteria and division by use of news conferences.

SOMBER WARNING TO DEMOCRACIES

Mr. HALEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HALEY. Mr. Speaker, Mr. William R. Spear, the distinguished editor of one of Florida's great daily newspapers, the Fort Myers News-Press, has issued a timely warning to the people of the United States in his January 27, 1968, editorial, "Somber Warning to Democracies."

Speaking with a clear voice, Mr. Spear gives us vivid examples of what can befall our Nation if we do not put our fiscal house in order. His words should be heeded by all who want to continue to enjoy the great benefits we have enjoyed under our form of government.

The time has come when we must, as I have told my colleagues and my constituents, decide not what is desirable in the way of Federal programs, but what we can afford in the way of Federal programs. We must all face this problem as realistically as Mr. Spear has done. I commend his words to your attention.

The editorial follows:

SOMBER WARNING TO DEMOCRACIES

"A democracy cannot exist as a permanent form of government. It can only exist until the voters discover that they can vote themselves largess out of the public treasury. From that moment on the majority always votes for the candidate promising the most benefits from that public treasury, with the result that a democracy will always collapse from a loose fiscal policy, always to be followed by a dictatorship."

This ominous statement was penned nearly two centuries ago by the 18th century Scottish historian and judge, Alexander Fraser Tytler. The learned judge had in mind the fate of the Roman Republic. At the time he wrote, the American experiment had barely been launched and even England was far from what we would term a democracy.

But like the warning issued by his contemporary, Thomas Malthus, who claimed that mankind would ultimately outbreed its food supply, Tytler's words seem to have been directed especially at our own time.

Britons are learning that the good life for all is not something that can be decreed by government. Government can only dispense that which it first takes from the people. The harsh realities of economics have forced Prime Minister Wilson to tell his fellow citizens that from now on, less will be given to them and more will be taken from them to put the country's deteriorated financial house back in order.

It was with shock that Britons heard the news that, among other things, medicine would no longer be entirely free but they must now pay a small fee for their prescriptions. But it never was free. It was paid for out of the national wealth created by the productivity of the whole people.

We like to think that both Tytler and Malthus were unduly pessimistic. We like to think that the good life can be provided for those who have been denied it over the centuries, while still preserving initiative and individuality and personal liberty and holding the power of government within reasonable bounds. We like to think that men can use their reason and inventiveness to halt the population explosion before it is too late.

"Indeed, if we did not think these things, if we considered these dire forecasts to be inevitable and ceased our striving, then most certainly the prophesied doom would come to pass. Democracy is still on the ascendant in the world, and mankind has not yet bred itself off the planet.

Yet . . . neither have Tytler or Malthus been proven absolutely wrong.

BANK CRIMES: A CONTINUING PROBLEM

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, since it was established in 1963, the Legal and Monetary Affairs Subcommittee of the House Committee on Government Operations, of which I am chairman, has concerned itself with the problem of increased crimes against banking institutions. As one of its first pieces of business, the subcommittee held extensive public hearings, in which it explored the measures that were available to the Federal bank supervisory agencies to control the spread of bank crimes.

Following those hearings, a committee report was issued entitled "Crimes Against Banking Institutions"—House Report No. 1147, 88th Congress, second session. In the report recommendations were made to the Office of the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board for lessening the bank crime hazard. For example, the recommendation was made that these supervisory agencies establish an interagency committee to make a coordinated effort to lessen such crimes, through the collection and analysis of bank crime statistics and through the study and development of means of combating such crimes. We also sought to have the supervisors assist banks and savings and loan associations achieve greater security against such crimes through research projects, including the planning of the requirements of a model institution from the security standpoint, and the testing and evaluating of security devices and measures.

As was pointed out in the committee report, the Federal Government for many years has conducted educational programs on bank crime prevention, both through publications made available to the banking community and through conferences held throughout the country, in which law enforcement officers and bank executives are invited to participate. Various industry associations representing both banks and savings and loans also have participated actively in this educational process.

Unfortunately, as the increased rate of bank crimes only too vividly demonstrates, some bankers just do not take to heart sufficiently their need to protect their institutions against criminal assault, whether from robbers and burglars from outside, or from embezzlers from within their institutions. It was for that reason that the Legal and Monetary Affairs Subcommittee wanted the Federal bank supervisory agencies to take steps to have the institutions under their supervision maintain at least what might be called the basic requirements of security against crimes. Because the problem of controlling such crimes has not yet been solved, the bank supervisors must give it continuing attention.

I was therefore pleased to have the Honorable K. A. Randall, Chairman of the Federal Deposit Insurance Corporation bring to my attention a booklet which the FDIC is sending to the banks that are under its supervisory jurisdiction. I understand other supervisory agencies are also distributing the booklet, which is called "Criminal Assaults on Banks." In fact, I am so convinced that all banking institutions of whatever kind, Federal or State, should have its contents brought to their attention that I am inserting the pertinent portions of the booklet as a part of my remarks. The distribution of the booklet evidences not only an awareness of the problems that increased bank crimes present, but also the intention of the Federal banking supervisory agencies to coordinate their efforts to deal with the problems.

Chairman Randall's letter to me follows:

FEDERAL DEPOSIT INSURANCE CORPORATION,
Washington, January 26, 1968.

Hon. DANTE B. FASCELL,
Chairman, Legal and Monetary Affairs Subcommittee, Government Operations Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is a copy of a booklet which the Corporation is sending to FDIC-insured banks not members of the Federal Reserve System. The booklet, "Criminal Assaults on Banks," is designed to bring to the attention of banks the problem of bank robberies and lists various types of equipment and techniques available that banks can use to protect against this growing danger. The other banking agencies are distributing the same booklet to the banks under their supervision.

The distribution of the pamphlet is part of the coordinated effort among supervising agencies for lessening bank crimes through assistance to the banks in various forms, including examination and increased information. It also is in line with the recommendations of your Committee.

Sincerely yours,
K. A. RANDALL.
Chairman.

Enclosure.

The letter being sent to banks by the Federal Deposit Insurance Corporation is as follows:

FEDERAL DEPOSIT
INSURANCE CORPORATION,
Washington, January 30, 1968.

To the President of the Bank Addressed:

As a service to our banks, we are enclosing a copy of a pamphlet entitled "Criminal Assaults on Banks," which has been prepared in cooperation with the other Federal banking agencies and the Federal Bureau of Investigation.

The pamphlet describes the growing danger from bank robberies, burglaries and related crimes and stresses the need for adequate programs of bank security and protective measures. It describes several devices and techniques which have proved effective in protecting and safeguarding bank customers, personnel and facilities, and which also have assisted the Federal Bureau of Investigation and other law enforcement agencies in identifying and apprehending offenders in robberies and burglaries.

It is our hope that you will want to use the pamphlet as a basis for reviewing the protection being afforded your own facilities, customers and personnel.

If the Corporation can be of any help, please feel free to contact the Supervising Examiner of your District. Your local FBI Office also stands ready to be of assistance.

K. A. RANDALL,
Chairman.

The booklet "Criminal Assaults on Banks" contains the following information and suggestions:

CRIMINAL ASSAULTS ON BANKS: GROWING DANGER TO YOU

Bank robberies—and the critical danger to life and limb of bank officers, employees and customers—are increasing sharply across the United States. Burglaries of financial institutions are also growing at an alarming rate.

Statistics released by FBI Director J. Edgar Hoover show that an all-time high of 1,871 robberies, burglaries and larcenies of institutions covered by the Federal Bank Robbery and Incidental Crimes Statute were committed in 1966. This is more than four times the number reported a decade earlier. But the new record which was established in 1966 was smashed during the first 10 months alone of 1967.

Furthermore, the dollar losses suffered by victimized institutions have risen tremendously. Data compiled by the American Bankers Association show that losses to Federally insured banks resulting from robberies committed from January through June 1967, totaled $3.3 million—compared with $1.3 million in the same six-month period of 1966. These figures relate only to banks, and they do not include losses due to burglaries or larcenies—nor do they include the enormous cost to taxpayers of investigations by law enforcement agencies of these crimes.

A survey covering robberies of banking-type institutions in the United States during 1966 disclosed that the average amount of loot was $3,986. Other statistics compiled and released by the FBI show a percentage increase for bank robberies far surpassing that for other robbery-type offenses.

RISING FREQUENCY OF SHOOTINGS AND BEATINGS

Accompanying the growth of criminal assaults upon banks and other financial institutions is a vastly expanding threat to the lives of bank customers, officers and employees. The threat of violence and death is inherent in every robbery; and as the number of bank robberies steadily rises, so does the danger to life and limb of bank personnel.

During the robbery of a bank in Virginia by four gunmen, two employees were savagely pistol-whipped, and a state police officer was wounded in the criminals' flight from the scene. In another case, three employees of a bank in the Midwest were shot and killed by a lone bandit—and in still another, two bank employees and a police officer were killed, and a second policeman and an innocent bystander were wounded.

IMPROVED CRIMINAL EQUIPMENT AND TECHNIQUES

The arsenal of weapons available to robbers and others who commit criminal assaults on financial institutions has steadily grown. During 1967, a new burning tool—one commercially available at a cost of less than $10—came into usage in bank burglaries. This tool is capable of burning through a six-inch thickness of tempered steel in approximately 15 seconds. It can cut an opening in a three-foot wall of concrete in a matter of minutes.

SAFEGUARDING AGAINST SUCCESSFUL ASSAULT

Banks are attractive targets for assaults by criminals not only because they are repositories for large sums of money, but also because security and protective measures are grossly inadequate in many banks. Too often in recent years, there has been a tendency to emphasize comfort and convenience—regardless of effect on the security of the bank's operations. As a result, some financial institutions are lagging behind retail stores and other business establishments in the protection they afford against robberies, burglaries and larcenies.

Modern technology has placed increasingly more effective safeguards at the disposal of banks and other financial institutions. By their mere physical presence, many of these tend to deter or discourage crime. Among those available at low to moderate cost are:

At a cost of less than $100, plus a nominal monthly charge, an alarm system can be installed which may have the effect not only of discouraging robbers, but also of immediately alerting the police if a robbery should occur.

Other alarm systems are specifically designed to protect against burglaries.

The value of robbery alarm systems is dramatically illustrated in the experience of an Eastern bank which was robbed by the same bandit on two occasions four years apart. At the time of the first robbery, the bank had no alarm system and the criminal made good his escape with more than $7,500. Before his second assault, however, the bank installed an alarm system. It was used to alert police officers of the robber's return visit to the bank. They arrived in time to arrest the gunman and charge him with both crimes.

At a cost of less than $100, some banks have installed a microphone and connected it to a loudspeaker in the home of a bank officer or at the local police station. One such security device led to the swift detection and apprehension of a gang of burglars who had broken into a bank in the Midwest. Another was directly responsible for the smashing of a gang of bank burglars who had committed a series of well-cased crimes against financial institutions in the South and Southwest.

Special protective cameras—both motion picture and sequence-type—have been purchased by some banks at a cost of approximately $1,000. They are operated easily and inconspicuously by buttons concealed within the reach of bank employees. Furthermore, they can be used in combination with alarm systems so that a warning is sounded and the police are summoned at the same time that pictures of the robbers are being taken within the bank.

Among other protective and security measures in common usage by banks are:

Uniformed guards—trained and qualified in handling firearms.

Steel bars and gratings over windows, skylights, etc.

Bulletproof glass at tellers' windows, as well as two-way mirrors.

Adequate lighting both within and without the bank building.

"Bait" money (with the denomination, serial number and series year recorded), while not a protective device, is a valuable aid in the investigation of crimes against banks and should be used.

NEED TO ASSERT LEADERSHIP

Banks and other financial institutions should set the example for others to follow in the protective and security field. Never has the threat of criminal action been greater to banking institutions and their officers and employees. And never has the need been greater for effective programs and measures to safeguard and protect bank customers, personnel and facilities.

For a banking institution not to make use of protective devices which can be installed at reasonable cost is penny-wise and pound-foolish indeed.

U.S. PROJECTS IN AFRICA INVESTING IN HEALTH AND PROGRESS

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, I have some good news. I am not a Cassandra this morning, I have something pleasant to tell you.

Mr. Speaker, in an era when bad news—the stories of war and destruction which chronicle man's failures—seems to dominate the output of our mass media, it is particularly significant to note that much of the good news—the stories which chronicle man's successes—comes from black Africa.

In his state of the Union message, for instance, President Johnson told us that Vice President HUMPHREY, who recently returned from a trip through Africa, had reported that there was a spirit of regional cooperation that is beginning to take hold in very practical ways.

Within days of this heartening report, two of our important newspapers carried news stories detailing the progress of just one of these practical regional projects—the long-range smallpox and measles eradication project which has already protected the lives and health of millions of people in some 18 African nations. Our distinguished Surgeon General, Dr. William H. Stewart, was recently in Africa to attend a ceremony marking the 25 millionth West African to be vaccinated under this project—truly a remarkable accomplishment in a few short years.

This program, financed by the State Department's Agency for International Development, is under the technical direction of the U.S. Public Health Service. It is carried out in the field in cooperation with the World Health Organization and two African multinational organizations, the Organization for Coordination and Cooperation in the Fight Against the Major Endemic Diseases in West Africa, and its counterpart in Central Africa.

At a relatively small expense the United States is investing in the health and progress of Africa. For the benefit of my colleagues and other readers of the RECORD, I insert the two newspaper articles reporting on this program, as follows:

[From the Washington (D.C.) Post, Jan. 16, 1968]

SURGEON GENERAL HONORS GIRL, 4: 25 MILLIONTH WEST AFRICAN VACCINATED WITH U.S. AID

ACCRA, GHANA, January 15.—U.S. Surgeon General Dr. William H. Stewart today presented four-year-old Rebecca Asamoah-Ampofo with a certificate for being the 25th millionth West African to receive a smallpox vaccination under a U.S. Government program.

Stewart, accompanied by Assistant Surgeon General Dr. David Spencer and Dr. Benjamin Blood of the U.S. Public Health Service, traveled to Mampong-Akeapim, 30 miles northeast of here, to make the presentation.

Anthony Astrachan of The Washington Post cabled this assessment of the vaccination program from Nairobi:

"The program was planned to benefit 19 countries at a cost of $50 million over five years. The intention was to vaccinate every one of the 110 million people in the area against smallpox and all children between the ages of six months and four years against measles.

"The countries are among the 45 in the world that are the principal sources from which smallpox spreads to other nations. About 25 per cent of Africans who get smallpox die of the disease. Measles is much more serious in Africa than in the United States: Death rates of 20 per cent are common and they run as high as 50 per cent.

"The program would not be possible except for the development of a jet gun that sprays the vaccine through the skin at 1300 pounds per square inch. The hydraulic-powered gun, operated by a foot pedal, can do more than 1000 vaccinations an hour. The old scratch method of vaccination could handle only 100 an hour and wasted vaccine.

"The program is one of the few real successes of the regional approach that the United States is now plugging in Africa. The Agency for International Development is working with 18 countries (Mauritana dropped out when it broke relations with Washington over the Arab-Israel war), using personnel of the U.S. Public Health Service. Each country makes some contribution toward local costs and operating personnel. The program fits in with regional and continental programs of the World Health Organization."

[From the New York Times, Jan. 19, 1968]

U.S. PROJECT IN AFRICA MARKS FIRST YEAR AND 25 MILLIONTH SMALLPOX INOCULATION

(By Alfred Friendly, Jr.)

BAMAKO, MALI, January 17.—Thirty-six American doctors and administrators and 1,100 West African doctors, administrators and technicians are laboring on a project to immunize some 110 million people in 19 countries against smallpox and measles by the middle of 1971.

The $50-million program marked its first year, and the 25 millionth smallpox inoculation, this week at a ceremony in Ghana attended by the United States Surgeon General, William H. Stewart. After brief stops in the Ivory Coast, Liberia and Sierra Leone yesterday, Dr. Stewart and his party arrived Wednesday in the capital of Mali for a three-day tour of inspection.

They could scarcely have picked a better setting for observing both the successes and problems of the project. With more than 4.5 million impoverished people, a quarter of whom are nomads spread over 463,000 square miles—almost the size of Alaska—landlocked Mali is an area where measles and smallpox are endemic killers.

POVERTY HAMPERS MALI

Epidemics annually ravage a population that must subsist almost entirely on its own agricultural or pastoral produce. With no significant mineral wealth, Mali is so poor that its health education sound trucks did not have enough gasoline to tour the sprawling riverside capital last November to advertise an intensive measles vaccination drive.

The city government imposed a tax on posters a week before the campaign began, a fiscal measure that limited the display of 400 signs to a few medical facilities, where they were as good as invisible. Accordingly, a three-day drive resulted in the inoculation of 5,600 children from 6 to 36 months—probably a third of the total group in the most susceptible age range.

By contrast, a 10-day campaign last July in Ibadan, Western Nigeria, saw 12 medical teams administer nearly 709,000 smallpox shots and almost 70,000 measles injections. Using intensive publicity by poster, press, radio and television and a hydraulically operated jet injector, the teams calculate that they reached some 90 per cent of the population of Ibadan, West Africa's largest city.

FINANCED BY U.S. AGENCY

The program, financed by the United States Agency for International Development with supplemental funds from the World Health Organization, is administered by the United States Public Health Service. Since last year it has been operational in Cameroon, the Central African Republic, the Congo (Brazzaville), Chad, Dahomey, Gabon, Gambia, Ghana, Ivory Coast, Mali, Niger, Nigeria, Senegal, Togo and Upper Volta. Inoculations begin this month in Guinea, Liberia and Sierra Leone. The program's activities in Mauritania were suspended when that nation cut diplomatic relations with the United States during the Arab-Israeli war last summer.

Ghana, where the program officially began last January as a regional effort, staged a noisy reception Monday to celebrate the 25 millionth smallpox shot.

Gaudily robed chiefs of the Akwapim tribe, surrounded by drummers, interpreters, dancers and litter bearers, watched from one side of a soccer field as 3½-year-old Yaa Ansah Asamoa Ampofo had smallpox vaccine injected into her left arm. Yaa also got a handsome certificate from the Surgeon General, Dr. Stewart, and, a few minutes later, a measles shot.

INJECTIONS AND MUSIC

Meanwhile the playing field of the hill village of Manpong resounded to the strains of a brass band playing syncopated tunes. After receiving their smallpox shot injections, the village leaders went out into the sun for a celebratory dance and banquet.

In western Nigeria, Dahomey and Togo, cultists worship smallpox as the god Sopona, who is believed to have used the disease in battle to become ruler of the world. Devotees are forbidden to be incised by a needle during an epidemic and, since the god occasionally rests in trees, they may not go into the shade when the disease is rampant.

Witch doctors practice crude forms of quarantine and variolation, a method of injecting virus from a sufferer in those who have not yet fallen ill. While the technique is almost as old as the disease—the mummified remains of the Pharoah Rameses V indicate that he died of smallpox about 1100 B.C.—variolation can spread, rather than contain, the disease.

More dangerous to the goals of the immunizations program, remarked Dr. George I. Lythcott, its 49-year-old regional chief, is the failure of the fetishists to report smallpox outbreaks.

Elsewhere, nonreligious obstacles arise. Program officials in Sierra Leone never refer to their work as vaccination, a term with mysteriously frightening overtones. "People will walk miles for an injection," noted the deputy chief medical officer in Sierra Leone, Dr. Evelyn Cummings, "but when you say vaccination they run into the woods."

Among the Fullani Tuaregs and Peuhls, nomadic tribes who drive their cattle along the southern edge of the Sahara through Mali, Niger, Chad and Nigeria, immunization teams have to make sure they are not mistaken for Government tax collectors. Once in northern Nigeria, recalled Dr. Lythcott, a survey group of epidemiologists nearly alienated their would-be patients until the doctors discovered that their local guide doubled as a revenue agent.

PHYSICAL OBSTACLES ABOUND

In many cases, the obstacles are physical. In the Niger River flood plain, from Mopti to Timbuktu, the four-wheel-drive trucks that normally transport the vaccine and teams often have to be abandoned. The jet injector, capable of making 1,000 injections an hour, is often of no value in desert and jungle regions where the settlements of fewer than 100 people are miles apart.

In Mali the program is on schedule. Its director estimates that a million people were inoculated against smallpox last year and expects that another million will be immunized by the middle of this year.

MORTALITY RATES HIGH

Mortality rates from measles run as high as 40 per cent of all cases, and no West African child escapes the disease. The effect of the vast drive against measles and smallpox, Dr. Stewart said, may be to "create temporary imbalances" between the pace of economic development and population growth. Nevertheless, African health officials at every stop on his tour declared themselves in favor.

Malaria remains the biggest killer in Africa, and sleeping sickness. Bilharziasis—a blood disease—leprosy and yellow fever are major problems, but they are also more expensive to combat and far more difficult to eradicate over large land areas. The aid agency spent some $20-million last year on malaria eradication programs in 18 Far Eastern and Latin American countries but cannot even contemplate the cost of such efforts in the vastness of Africa.

A smallpox shot costs a penny, a dose of measles vaccine 42 cents. The latter provides lifetime immunity. The former, with proper attention to the recurrence of the disease in nonimmunized areas, can eliminate smallpox from an entire population.

Among the major benefits of the drive, United States officials hope, will be in laying the groundwork for rural health services and in bringing French-speaking and English-speaking African nations into contact on regional health problems.

"We are extremely proud of this program," the Surgeon General said here Wednesday. "It does not solve all of Africa's serious health problems, but it makes a beginning, and a beginning that is right on target."

THE BRITAIN BACKERS

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, it was encouraging to read in the Chicago Tribune the other day about a "back Britain" movement which indicates a good deal of individual responsibility and collected dedication.

The January 14 Tribune reprinted an editorial, "The Britain Backers," from the Tulsa Tribune, relating how the employees of several small companies in England had gotten together and decided that by working a little extra for no increase in wages they would be helping out the country. They secured the promise from management that the additional efficiency, or production, would be passed along as lower prices.

This responsible assault on the problems of the British economy, not a few of which have been compounded by labor problems typical of the United States, is a tribute to both labor and management involved.

The overriding importance is summed up by this paragraph from the Tribune:

> America had better take a good long look at what happened to Britain. For many of our industries are gradually getting priced out of world trade and we are learning that we can't fight a war, maintain heavy global charity commitments, and enjoy tourism to the far places if we do not remain competitive.

Here is the text of the editorial:

THE BRITAIN-BACKERS

British trade unions are furious about a wildcat movement, not to strike, but to work harder.

A few days ago employes of Colt Heating and Ventilating, Ltd. got together and reasoned thusly:

1. Britain had to devalue the pound because it wasn't producing enough goods cheaply enough to sustain its exports.
2. The devaluation will do no good if costs of production still continue to rise.
3. The obvious cure is to keep production up and prices down.
4. Therefore, the employes would work an additional half an hour a day at no increase in wages if the company promised to pass along the efficiency in lower prices.

A number of small firms have seen their employes join in and management has made the required pledges. The trade union leaders are in agony. For this reverses the traditional aims of unionism—higher pay, shorter hours, easier working conditions.

And, worst of all, Prime Minister Harold Wilson, heading the Labor-dominated government of Britain, has strongly supported the "I'm Backing Britain" movement and wired his congratulations.

The trade union chiefs are probably right in their assertion that the movement can't last. Employes of the really big British firms haven't joined in, and after a while workers in the little factories will grow tired of working harder to save the country while the neighbors take it easy.

But, however impractical the movement, its basic wisdom is hard to question.

Britain, bedeviled by wildcat walkouts, ruinous dock and transport strikes, featherbedding, opposition to automation, etc., simply priced itself out of many of its markets around the world. British management was often equally guilty—complacement with easy old practices and comfortable as long as there was plenty of business at home. In consequence, Britain simply ran out of foreign exchange.

America had better take a good long look at what happened to Britain. For many of our industries are gradually getting priced out of world trade and we are learning that we can't fight a war, maintain heavy global charity commitments, and enjoy tourism to the far places if we do not remain competitive.

The devaluation cure is no real cure. Eventually, it is taken out of the hides of both labor and management in terms of higher prices for everything imported.

In the long run, there's only one cure. The nation just has to get back to work.

STATE DEPARTMENT COVERUP OF POSSIBLE FEDERAL VIOLATIONS

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, on December 7 of last year I inserted in the CONGRESSIONAL RECORD, volume 113, part 26, page 35505, the wording of a letter which I had forwarded to the State Department concerning the mutilation of documents in the Otto Otepka case, a charge which had been brought against Otepka but which was subsequently dropped. I specifically asked who was responsible for the mutilation of the documents and whether the case had been referred to the Justice Department for prosecution under section 2071 of title 18, United States Code, the statute which State accused Otepka of violating. Other questions in the letter, 11 in all, pertained to the taping of Otepka's conversations and the erasing of such tapes.

Here is the answer which I received from the State Department:

DEPARTMENT OF STATE,
Washington, D.C., December 26, 1967.

Hon. JOHN M. ASHBROOK,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ASHBROOK: The Secretary has asked me to reply to your letter of December 7, 1967, raising certain questions concerning the Department's charges against Mr. Otto F. Otepka. I sincerely regret the delay in this reply.

Secretary Rusk has completed his review and rendered his decision in the Otepka case; we have refrained from responding to recent queries concerning this case until its final phases within the Department were completed.

> As you know, Mr. Otepka was charged with having violated a 1948 Presidential Order concerning personnel security matters which provides as follows:
>
> "The efficient and just administration of the Employee Loyalty Program, under Executive Order No. 9835 of March 21, 1947, requires that reports, records, and files relative to the program be preserved in strict confidence. This is necessary in the interest of our national security and welfare, to preserve the confidential character and sources of information furnished, and to protect Government personnel against the dissemination of unfounded or disproved allegations. It is necessary also in order to insure the fair and just disposition of loyalty cases.
>
> "For these reasons, and in accordance with the long-established policy that reports rendered by the Federal Bureau of Investigation and other investigative agencies of the executive branch are to be regarded as confidential, all reports, records, and files relative to the loyalty of employees or prospective employees (including reports of such investigative agencies), shall be maintained in confidence, and shall not be transmitted or disclosed except as required in the efficient conduct of business."
>
> Normally, the Department avoids discussion of adverse action proceedings against its employees in order to protect the employees' interests and to foster sound personnel relations. This practice is in keeping with the exemption provisions of the Freedom of Information Act covering "matters that are . . . related solely to the internal personnel rules and practices of any agency . . . and personnel and medical and similar files the disclosure of which would constitute clearly unwarranted invasion of personal privacy. . . ."
>
> However, in view of the widespread interest that has been shown in this particular case and the fact that much information concerning the Department's decision had already been released from other sources, we have publicly confirmed the following:
>
> Effective December 13, 1967, the Secretary found that Mr. Otepka had violated the above quoted Presidential Order and ordered that he be severely reprimanded, reduced in grade, and transferred to a position for which he is qualified but which does not involve personnel security matters.
>
> The situation now is that Mr. Otepka has appealed the Secretary's decision to the Civil Service Commission, and we are awaiting the outcome of that proceeding.
>
> I regret that we are precluded by the above considerations from discussing the detailed points raised in your letter, but we earnestly believe there is an important question of principle involved.
>
> Sincerely yours,
>
> WILLIAM B. MACOMBER, Jr.,
> *Assistant Secretary for Congressional Relations.*

This is, of course, a typical State Department brushoff. The overriding factor in the case is whether the possible violation of a Federal statute shall go unpunished. Otepka claims that he is not guilty as charged, and he is more than anxious that the real culprits be apprehended. Mr. Otepka does not wish that the mutilation charges be swept under the rug as State apparently is endeavoring to do. In his letter of appeal to the Civil Service Commission, Roger Robb, Otepka's lawyer, states:

> It has been Mr. Otepka's position at every stage of these proceedings that the charges against him were a subterfuge and were not brought in good faith, but were contrived pursuant to a wrongful scheme and design to harass and destroy him.

The letter continues:

> In exploring the issue thus raised it is important to determine the identity of the person or persons who clipped the documents alleged to have been found in Mr. Otepka's burn bag, the identity of the person to whom the recordings of Mr. Otepka's telephone conversations were delivered, and the precise facts surrounding the erasure of these recordings, if they were erased. It is our belief that these undisclosed individuals were agents of those who schemed to destroy Mr. Otepka, and that disclosure of their identities will lead to the identification of their principals, whom the Department of State is attempting to protect.

Unfortunately, the Civil Service Commission has ruled that it will not consider the mutilation charges as part of Otepka's appeal but will only rule on the first three charges as originally entered by the State Department.

The mutilation charges are a very vital part of Otepka's defense. State argued that Otepka should have gone to his superiors before giving the documents to the Senate subcommittee. Otepka counters that there was a conspiracy afoot to get rid of him and that the ordinary channels were not open to him. In the Otepka brief which appears in the CONGRESSIONAL RECORD of December 14, there are detailed the various devices by State Department officials to get rid of Otepka. The mutilation charges are pertinent to the case because they prove further that there was a concerted effort to oust Otepka.

One explanation of why State wants no part of the mutilation charges was offered by the Government Employees Exchange of May 31, 1967. I have cited this claim before, but it bears repeating. The Exchange, which has done an excellent job on the Otepka case, stated that the mutilation charges were dropped by State for fear that Otepka had obtained the identity of the persons actually involved in the mutilations and would expose them at the hearings, thus necessitating action by the Justice Department for violation of a Federal statute. Even more damaging, according to the Exchange, was the fact that those guilty of the mutilations "have already indicated that they will reveal the identities of the 'top persons' in the Department of State who had instructed them to 'mutilate' the documents and to 'plant them' in Mr. Otepka's burn bags in such a way as to make it appear that Mr. Otepka had carried out the mutilations."

The fact of the matter remains that Otto Otepka is the one who is eager to have the mutilation charges brought to public view and let the chips fall where they may. The validity of the Civil Service Commission's decision will be explored further, but for the time being a swift disposition of the Otepka appeal before the Commission is in order so that any necessary court action can be initiated.

Meanwhile back at State, they can expect further inquiries and publicity regarding the possible violation of Federal law in mutilating the documents.

Because of the many aspects of this case which cross the jurisdictional limits of the various House committees, perhaps the only solution is the establishment of a House select committee to get to the bottom of his mess. And perhaps it will take another 4 years before it is over.

But regardless—justice will be done.

IN SUPPORT OF THE POST OFFICE

Mr. OLSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. OLSEN. Mr. Speaker, I have heard so very much criticism about the Post Office Department that I think we should call attention to the fact that there should be some statement about what is right with the Post Office Department. Because of my privilege to be a member of that committee that advises with the Post Office Committee, I thought I could say something about it.

It is easy to criticize a Federal agency and say it is doing a poor job. It is more difficult—but a lot more useful and certainly more in the public interest—to be constructive, to offer feasible alternatives. This is particularly true in the case of criticism that has been leveled at the Post Office Department for not continuing to move the mails on the railroads.

Some postal critics seem to think we can go back to carrying the mail on the railroads. We cannot. Adequate passenger train schedules to carry the mail are not available. They simply do not exist.

In the 1930's there were 10,000 passenger trains available to carry the mail. Today there are less than 800. And about 70 percent of the trains were discontinued because the railroads decided to stop running them. They did not stop because the Post Office took the mail off of them. They were still carrying mail when they were discontinued.

Fast, dependable mail service requires a nationwide, interconnected transportation network. The railroads once constituted such a network. They no longer do. So the Post Office had to find other ways to move the mail.

And in a nation as large and as technologically advanced as ours the most logical way—in fact the best way even if the trains were still running—is by air. That is what the Post Office is doing. It has set up a system designed to make the best possible use of existing air, highway, and rail transportation.

And that system works. It is not perfect; it can and should be improved. But it can not be improved by publicity stunts that only demonstrate the obvious.

If you wait until a small post office has closed and the last dispatch has been made, and then deposit a letter, you know that letter will not be sent out until the following morning. Under those circumstances, if that letter is addressed to a relatively nearby point, you can indeed deliver it yourself by automobile—or maybe even by horse—faster than the Post Office will deliver it.

But this trick only proves that in some areas the post office does not operate all night and a letter deposited after closing time will not be sent out until morning. It does not prove anything about the transportation system. It does prove that in some areas it is uneconomical for the post office to operate around the clock.

And I do not think any citizen would advocate keeping a post office open all night at great public expense just to accommodate a few pieces of mail.

The closing times of post offices are well known and those people really interested in seeing that their mail makes the last dispatch can usually arrange to have it at the post office on time.

In my home State of Montana there was a much publicized pony express run made from Three Forks to Pony to show that the mail could be delivered faster than the postal service is moving it. As I said a moment ago this is not difficult if you wait until the post office has closed to deposit your mail.

I suppose the so-called pony express run between Three Forks and Pony was made to show that the new postal transportation system does not work and the mail should be put back on the trains. But no passenger trains run to Pony or to Harrison, Montana, so the demonstration was meaningless.

There are, in fact, only two passenger trains a day in Montana on the Northern Pacific and two on the Great Northern. There has not been a north-south passenger train in Montana for years. And the railroads, not the Post Office were responsible for pulling off the north-south passenger trains in Montana.

The Northern Pacific, not the Post Office, said it wants to discontinue the Mainstreeter. The Great Northern, not the Post Office, is most interested in discontinuing the Western Star—and the railroad says it wants to stop the passenger service whether or not the mail continues to be carried on the train.

The Great Northern says it is losing $14 million a year on passenger service and the revenue it gets from the Post Office does not begin to make up for a loss like that.

The blunt truth is the railroad service alone in Montana is not adequate to move the mail within the State, it must be supplemented by truck or substituted by air and truck. And rail service to Montana from the major business, professional and governmental centers across the Nation is equally inadequate—there is only the alternative of air supported by truck and bus.

Trains do not run often enough or fast enough to maintain good mail service between Montana and New York, Chicago, Washington, Los Angeles, San Francisco, and the other major points where most mail coming into the State originates.

It does not make sense to keep the mail on a few trains when it suits the purposes of the railroads. We can not operate the postal service for the benefit of the railroads. The railroads want to pick their spots. They want to say keep the mail on that train because they are going to keep running it, but take the mail off 10 or 12 other trains because it no longer suits their purposes to operate those runs.

When the railroads themselves killed more than 5,000 passenger trains over the past 30 years they destroyed the transportation network on which mail delivery was based. Now the railroads are complaining because the postal service has set up a different transportation network to replace the one the railroads themselves decimated.

I salute Postmaster General O'Brien for gearing the movement of mail to the speed of flight. This changeover was desirable as well as inevitable. I also welcome the Postmaster General's announcement that he plans to ask the Congress to abolish air mail as a separate service and merge air mail and first-class mail into a single priority service.

I strongly advise the people of Montana to begin immediately to use first-class mail for all letters within the United States that they used to send air mail. They will save money and in almost every case they will get just as good service by first-class as they will by air mail.

People in Montana and in the other States already are benefiting from the airlift of first-class mail. In Montana the airlift has made it possible to get overnight delivery on virtually all first-class mail staying within the State. Before the airlift it was impossible to get overnight service throughout the State.

Second-day delivery is now the rule rather than the exception on first-class mail coming into Montana from major metropolitan areas anywhere in the country. This service also would be impossible if the mail were still being delivered by train.

As I said before, I am fully aware—and I believe the Postmaster General is also aware—that there is room for improvement in the postal service's new transportation network. Airlines now provide much better schedules for the movement of mail than the railroads are able to offer. But the service provided by scheduled airlines must be augmented by the use of air taxis.

The postal service must not be operated for the benefit of the airlines any more than it should be run to suit the railroads. If the airlines passenger schedules are not adequate to meet the demands of the postal service then air taxis and air cargo planes should be used to move the mail.

The postal service must be responsive to the needs of the public and the business community. However, the postal service can not meet the needs of its customers unless it knows what those needs are.

Any businessman who is having trouble getting the postal service he needs should check with his local postmaster. Where service deficiencies exist they can be solved through cooperation of the postal service, its customers and the Congress.

But nothing will be gained by calling for a return to a transportation system that exists only in history books.

THE PLIGHT OF THE MUSHROOM INDUSTRY

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, I have long advocated the protection of American business and labor from unfair foreign competition, and will continue to work for the passage of legislation to provide a complete and sane adjustment of our foreign trade program.

I wish to include a timely article from the January 27 edition of the Leader Times of Kittanning, Pa. The plight of the mushroom industry, as depicted in this editorial, is one that the present administration must take into consideration before another industry is impaired by excessive cheap imports.

SUCCESSFUL AID CAN BOOMERANG

The problem which presently confronts the domestic mushroom industry in the United States is not one to be passed off lightly. The problem is most acute in Armstrong and Butler counties which boast one of the largest underground mushroom-growing operations in the world.

The Pennsylvania Secretary of Agriculture and other experts last Wednesday called on the federal government to combat an expected sharp increase of processed mushrooms from Taiwan and Korea. Speaking for 1,000 Pennsylvania mushroom growers, they said Taiwan contemplates an increase of 80 per cent in its production, most of which is scheduled for export to American markets. Taiwan could export 29.5 million pounds of mushrooms to the United States in 1968, or about 60 per cent of the market.

And Pennsylvania's $30 million-a-year mushroom industry is conducted in Chester, Berks, Butler and Armstrong counties.

To be perfectly selfish, we are concerned with the production, the jobs and the spin-off benefits from the operations of Butler County Mushroom Farms, Inc., at Buffalo Valley in Armstrong County. Untold hours of effort on the part of public and private groups were expended before that company was able to expand its operations into this county.

There is no question that the influx of foreign-grown mushrooms will affect the area economy. We are told that the price American processors are paid has dropped from 35 cents a pound to 27 to 30 cents a pound.

Spokesmen for Pennsylvania mushroom growers have recommended that the federal Agency for International Development and the State Department divert its efforts from the expansion of the mushroom industry in foreign countries to other economic endeavors. The deputy AID Administrator contends that Taiwan and South Korea have made every effort to become self-supporting without American aid. Part of that self-support effort has been the export of mushrooms which can be harvested and marketed cheaper in Asia than in the United States.

And Sen. Hugh Scott pointed out that the United States went to those countries and showed them how to develop their mushroom industry for bigger and better markets.

And here is the dilemma.

Americans are becoming increasingly critical of foreign aid programs which they regard as "give-aways". Most Americans see great value in helping countries throughout the world to become independent of any foreign aid.

But, the more successful these self-help programs are, the more we provide competition for ourselves.

Our AID program apparently has been successful insofar as Taiwan and South Korea are concerned—so successful that these sources of supply now constitute a threat to our domestic growers. This will almost inevitably be the pattern in economic development overseas no matter the product.

The more those countries become self-dependent, the more they will compete with domestic industry.

It's the old story: You can't have your cake and eat it, too.

Will we continue to support development of industry in underdeveloped countries—and face the competition that will result, or will we undertake public assistance programs that will produce no real hope for those countries and no real progress on the international scene.

We offer no answers. Perhaps someone else can.

I am particularly alarmed at the adamant position of the President. His remarks to the Consumer Assembly on November 2, 1967, give a clear insight into his thinking and uncompromising attitude on this issue. He said in part and I quote:

> Protectionism is rearing its head in the form of certain quota bills now before the Congress trying to take care of each Congressman's district. And when we begin to think more of our district than we think of the country, we are likely to get into trouble.
>
> Those proposed quotas would invite massive retaliation from our trading partners throughout the world. Just the little publicity that has been spread around the globe has them all concerned and up in arms.
>
> Prices would rise. Our world market would shrink. So would the range of goods which American consumers chose when they buy.
>
> I think those protectionists' bills just must not become law. *And they are not going to become law as long as I am President and can help it.*

PLIGHT OF THE DOVES

Mr. WYMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. WYMAN. Mr. Speaker, those who would run out in Vietnam—or apologize for the U.S.S. *Pueblo* being on the high seas—or decline to confront Communist force with force in the conduct of our foreign affairs, contribute to aggression by encouraging the belief that America is indecisive in its will to fight for freedom. When former Secretary of State Acheson indicated we might not fight for Korea—that it was expendable—the stage was set for Communist infiltration which is just what happened. The seeds of that conflict have sprouted into a tree of hostile armed trunks without any real peace in Korea, blossoming into the *Pueblo* incident last week.

An excellent editorial of David Lawrence in the February 5, 1968, issue of U.S. News & World Report points out so well that those who cry appeasement in reality are prolonging the war in Vietnam. I think it is important that the American people should understand this and am including it in the RECORD at this point. What good does it do to stop our bombing if the enemy will not?

To what avail is it to cry negotiate when there is no one in the enemy camp willing to negotiate except at the price of virtual capitulation on our part? How silly can one get? Except of course that it is not silly at all rather it is tragic because we are indeed at war and Americans are dying at this moment in part because of just such misguided talk raising doubts in the enemy's mind whether we are of a mind to do what it takes to win a military victory in Vietnam or retake U.S. naval vessels stolen from us on the high seas.

THE "DOVES" CRY PEACE BUT PROLONG THE WAR

(By David Lawrence)

The United States is passing through one of the strangest periods in its history. It is engaged in a war involving 500,000 of its troops and a substantial part of its Navy and Air Force. Yet the real enemies are not officially identified, and the government of a small country with limited resources manages to inflict upon us tens of thousands of casualties.

At home, moreover, "anti-war" demonstrations are numerous, and the people are being told by some members of Congress that the troops should be withdrawn and the objectives of the war abandoned.

No Senator or Representative who calls for peace at any price will admit, of course, that this could result in a humiliating defeat for the United States.

Demands that the bombing be stopped fill the press and radio and TV. Several members of the Senate and House and of various organizations, including college professors and others who ought to be better informed, are insisting that the tactics of the military men who shape our strategy should be reversed by the President.

Directly and indirectly, Washington has been begging for peace for many months. Through ambassadors and ministers abroad, the United States has asked government after government to "feel out" the other side and arrange a negotiation. The United Nations, which is supposed to be a peacekeeping organization, has also been requested repeatedly to devise a formula for peace. But North Vietnam is unreceptive.

Why does the government in Hanoi continue to refuse to agree to a conference?

The answer is plain. It is because the impression is given by the so-called "doves" in the United States that this country will eventually withdraw its troops without any previous agreements or conditions. Hence the North Vietnamese are convinced that, if they keep the fight going for two or three years, they will win. They can then take over and establish a Communist regime for all of Vietnam, thus benefiting the governments in Peking as well as Moscow.

It is known that the Soviet Union is spending $6 billion a year to assist the North Vietnamese, and Red China is furnishing substantial aid, too. Yet the United States has never revealed the data it has gathered about outside influences and funds behind the Hanoi Government.

The "doves" in this country make speeches day after day intimating that the American people are "tired of the war" and that in the November election the policies of the Johnson Administration will, in effect, be disapproved by the voters.

Lots of Americans, to be sure, who disagree with the Administration's policies on domestic affairs will have a hard time reaching a decision in the coming election. The question will be whether removal of the Johnson Administration from power would strengthen the belief abroad that the United States is ready to pull out of Vietnam.

The President, though confronted with a growing dissent in opposition to the Vietnam war, has not said anything to indicate that he will weaken his course. He has expressed again and again this nation's desire for peace. But he insists that there must be reciprocal action—pledges that, while the talks go on, American forces will not be attacked. This is a reasonable request.

The "doves," however, have not changed their point of view. They feel that the United States should wiggle out by any means, irrespective of considerations of prestige or commitments to our allies.

The amount of encouragement derived by the North Vietnamese from the "doves" in America is considerable. The Vietnam war would not have lasted as long as it has already if it were not for the stimulus given the enemy by the speeches of the "doves."

The need of the hour is unity. Unless the American people unite behind their Government, the Vietnam war may continue for several years.

We have witnessed in the last few days a bold attempt by the Communists to renew the Korean War. They evidently think our military power in Vietnam will be weakened if we have to reinforce the units stationed in South Korea to guard the armistice line there. This confirms the theory that, if South Vietnam comes under Communist domination, other countries in Asia will also be the victims of aggression.

Firmness is, therefore, more than ever necessary.

The American Government has made a pledge to the people of South Vietnam which it cannot forsake. But as long as the "doves" in both parties present an image of a craven America eager to make peace on whatever terms the enemy may dictate, the chances are that the fighting will go on indefinitely.

The responsibility for this will clearly rest on the "doves," who cry out for peace but are actually prolonging the Vietnam war.

CHICKENS TO ROOST

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. ZWACH] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ZWACH. Mr. Speaker, in the Sixth Congressional District of Minnesota, which I have the honor and privilege to represent, there is one predominant theme appearing on the editorial pages of the 87 weekly and six daily newspapers of the area, the economic decline of the family farm.

One of the most knowledgeable and vocal editorial writers on this subject is Mr. O. B. Augustson of the West Central Daily Tribune at Willmar. At this point I would like to insert into the RECORD his most recent editorial on this matter, "Chicken to Roost":

CHICKENS TO ROOST

During the greater part of the past decade one has noticed and been told that millions of small farmers have moved off their acres. Forced to quit operations because of the price-cost squeeze, they simply could not continue operations without an adequate market price. The price not increasing or even being less while everything they buy going up in price.

In Minnesota some 3000 farms a year are going out of business. Some still hanging on by obtaining some part time jobs in a town. Two jobs to keep going.

In the meantime nothing has been done to stop this trend. The small farmer left on his own and the loss of the small farmer has hit every rural community. Our West Central area has had its share of this as a look thru our countryside will easily reveal.

Where have these rural people gone? To

their rural towns? Perhaps some of them but not so many. Most rural towns are not fortunate enough to have a sufficiency of jobs. Unless it be that factories have moved in enough numbers into those rural towns to provide more jobs and more employment.

But this has not happened. Industry is more and more concentrated in the big cities, in the metropolitan area, in their suburbs and in adjacent county areas and within the shadow of the metro area.

So the reports are that folks out of rural areas, not finding jobs in their own towns have hiked for the big cities. They have poured into those big cities by the thousands during recent years.

Were they all absorbed? No, it seems that reports are coming out of those big cities that there is a growing shortage of jobs. There come to our desk such information from many sources, some of them governmental agencies. The federal government is concerned about this new development. Understand that in Washington they are considering some form of public works again like in the old depression years. WPA, PWA?

Meanwhile they also talk about rural poverty. That something must be done with such poverty in the rural areas of the nation. All sorts of remedies are getting attention.

Well—have the chickens come home to roost? Were what is happening above, the kind of conditions in rural America when we had all our family farms intact? Not at all. We had no such poverty. On the contrary when farmers were receiving somewhat full parity there was prosperity on the farm and in the rural town. Remember those days? No farming area or any rural town was rushing to Washington asking to be bailed out. But that is what the big cities are doing just now, crying for relief to the federal government.

What a mess the country has gotten into. Happened because the basic industry of the nation has been both ignored and mishandled. Now the nation is paying the price for this grave mistake and it is going to cost the country plenty, plus all the headaches.

We have said it a long time and we repeat again if this country is building up its interurbias at the expense of rubbing out a wonderful countryside, it is going down the wrong road and one that it will some day severely regret.

A part of that day has arrived.

FARM ANSWER IS IN ORGANIZED STRENGTH

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. Zwach] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ZWACH. Mr. Speaker, in our Minnesota Sixth Congressional District there are four major farmer organizations; the Grange, the Farm Bureau, National Farmers Organization, and the Farmers Union.

Generally, each of these organizations has its own legislative program, its own ideas about what can be done to better the sad economic plight of the family farmer. Many times, because these ideas are somewhat conflicting, favorable results have not been obtained and the farmers see themselves squeezed ever tighter by the cost-price disparity.

But, the farmers are learning. The organizations are beginning to cooperate among themselves to get agreement upon a single program which they will then present to Congress for action.

Mr. Speaker, this movement started in our Sixth Congressional District about a year ago. Growth is slow but it is steady as indicated by the following editorial which appeared in the Appleton Press of January 18 and which I would like to insert into the Record at this time in order to share this thinking with my colleagues:

[From the Appleton Press, Jan. 18, 1968]

FARM ANSWER IS IN ORGANIZED STRENGTH

There's a glimmer of hope appearing, a hope concerning an answer to the low-income farm problem.

Last month in Montevideo, leaders of the three major farm organizations in Chippewa county met with the idea of working together to improve farm income. The outcome of the meeting was the formation of a group called Tri-Organization Council with members of the Farmer's Union, Farm Bureau and the National Farmers Organization making up the membership.

The feeling at the meeting was that the answer to the farm problem lies in collective bargaining. They are off to a good start if they set this up as their major goal.

Last week in Renville county a meeting was called at Bird Island to set up a County Tri-Organization council there. In Swift county two weeks ago County Agent Jim Edman called in leaders of the three county organizations to discuss "the farm situation." Another meeting is planned with the fruition expected to be the forming of a Swift County Farm Council.

As far as numbers are concerned, there really isn't a need for another farm organization. However, there is a crying need for an organization that will bring the leading farm powers together, working under one plan to raise the income of farmers.

One of the beauties of the Tri-Organization plan is that each of the present farm organizations can keep their identity while lending their support and power to help solve the biggest of all farm problems.

Farmers and farm organizations trying to "go it alone" will only be hurting the chance farmers have of getting a fair return for the production. The answer will not come from Washington or South St. Paul or any of the other buying areas, it has to come from the grass roots when farmers are strong enough to tell buyers what price they will sell for, not "what will you give me?"

BALANCE OF PAYMENTS

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. Zwach] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ZWACH. Mr. Speaker, in order to try to correct the balance-of-payments problem that affects our Nation, the President on January 1 asked for curbs on foreign travel and private investments overseas.

Included in the total picture affecting the balance of payments are such things as exports, imports, tariffs, foreign investment, the dollar drain, the gold reserves, and our own unbalanced budget.

A press release submitted by the Trade Relations Council of the United States, this past week carried the findings of a computer which was fed all of the related problems and was then asked to offer a solution.

The computer discovered that 147 manufacturing industries in the United States had an $8.3 billion trade deficit in 1966. This deficit comes about by the entrance of $12.7 billion of imports which compete with the products of these 147 industries. Our 147 industries exported $4.4 billion, thus leaving a deficit of $8.3.

The computer indicated that the balance-of-payments deficit would be reduced by $1.8 billion by simply applying moderate quotas on the competing imports. This could be done by limiting the imports of these products back to their 1965 levels. An automatic annual increase in quotas could be permitted by matching the increase in exports. The trade relations group also stated that this quota plan, unlike travel and investment curbs, would not be subject to retaliation because the General Agreement on Tariffs and Trade specifically permits quotas to be used for balance-of-payments reasons.

It is significant to note that almost all of these 147 industries are directly affected by the 50-percent tariff cut in the Kennedy round. However, it is frustrating to note also that this list of products are the very same ones which came to Congress seeking help to slow down the crushing imports this past year. Enumerated in the list of industries are meat and dairy products, textiles, apparel, wood products, paper, leather products, steel, metal products, motor vehicles, sporting goods, and electrical equipment.

LEGISLATION NEEDED TO ASSURE STATES OF FEDERAL HIGHWAY FUNDS

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. Nelsen] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. NELSEN. Mr. Speaker, last week the President, through his Secretary of Transportation, announced that Federal-aid highway obligation levels during calendar year 1968 will be held approximately 5 percent below 1967 levels. This supposedly is essential to combat general inflationary tendencies in the economy.

The purpose of this move is to give the impression of a $600-million saving in estimated expenditures in the Federal budget for calendar year 1968 and a resulting decrease in the deficit anticipated by the President. In fact, nothing could be farther from the truth. The Federal-aid highway program is financed on a pay-as-you-go basis out of the highway trust fund, not the general fund, and funds not spent on the program cannot be used in other areas to meet demands of the administration's free-spending programs. Both Members of Congress and State officials have expressed concern over this manipulation of our highway program to serve the political needs of the President.

I cannot help but think that there is a relationship between the cuts in this program and the efforts by the administration to force Congress to come around to its way of thinking on means to remedy the plight of our economy, especially its call for a 10-percent tax surcharge.

The liberties the Federal Government has taken with the highway trust fund since 1965 have disrupted highway building in every State of the Union. This includes both arbitrary cutbacks in obligation levels and delays in quarterly payments to the States. No one denies that the current state of our Nation's economy demands restricted spending but these adjustments need not and must not be allowed to affect the flow of this type of self-supporting trust fund. The strain caused by excessive Government spending was not caused by money expended on our highway construction but rather by many new administration programs. This strain can be relieved by cutting back on those same programs.

The Governor of the State of Minnesota has sent me a strong protest against the cutback which the administration has announced. In it, he points out the fallacy that a delay in this program is going to end up in any monetary saving. Costs of highway construction are increasing daily. In many cases, bonding programs are being used to speed up needed highway construction on the premise that the cost of interest is nearly parallel to the rising costs of construction.

The uncertain position into which contractors, laborers, State highway programers, and allied industries are put by this constant stop-start manipulation of the program cannot help but boost the final total cost of the program. In this sense, the freeze of the funds could actually contribute to inflationary trends, rather than lessen them as claimed by the President.

I am introducing a bill which will assure that funds apportioned to the States for construction of Federal-aid highways may not be impounded or withheld by the administration.

Under unanimous consent, I include the letter which I received from the Hon. Harold LeVander, Governor of Minnesota, in which he sets out the situation we face in Minnesota as a result of the freeze that President Johnson has placed on the portion of the highway trust funds, at this point in the RECORD:

STATE OF MINNESOTA,
St. Paul, January 23, 1968.

Hon. ANCHER NELSEN,
Longworth Office Building,
Washington, D.C.

DEAR ANCHER: The time has come when we must take a firm stand on the matter of highway programs in our nation. Since 1965, the Federal government has taken liberties with the Highway Trust Fund that have disrupted highway building in every state. Delays in quarterly payments were enough to upset the balance of our long-range programs, and the further aggravation of the cutback of November 1966 created unnecessary turmoil.

Now we are faced with an even more serious disruption of our plans by the unjustified, menacing cutting away of $600 million from the Highway Trust Fund allotments in 1968. This budget degradation would be bad enough, were it not for the fact that these funds are dedicated and collected only from road users. They should not be susceptible to the whims of the Administration.

The balance of the Highway Trust Fund at the end of fiscal 1967 was $725 million. An expected apportionment for the current fiscal year was reduced from $4.8 billion to $4.4 billion, and allotments are running far behind. As chief executive of a vigorous, progressive state, I must protest this manipulation of dedicated funds.

National economics may dictate tight money controls and restricted spending, but these adjustments must not be allowed to affect the flow of dedicated, self-supporting trust funds. Payments to the states should be based entirely upon the availability of these funds.

In Minnesota, the effects of the Administration's fiscal policies for highway programs has had a telling effect. Not only has the Minnesota Highway Department had its planning crippled by the regressive actions, but the effects have been felt in each of the 87 county highway departments through the funds which are reapportioned for use on Federal aid secondary highways.

On October 1, 1965, the Federal government was a full three months and $24 million behind schedule in releasing our Federal aid funds. As a result of the Administration's cutback of November 1966, the deficit has now reached $43.5 million and we are confronted with another cutback which could swell the deficit to approximately $51.5 million by the end of this fiscal year.

Of the $111 million apportioned to Minnesota at the beginning of fiscal 1968, we have so far received $40 million. We can look forward to just one more allotment before the end of the year, which was expected to amount to approximately $25.5 million. Now, this, too, has been reduced, and we are now faced with the possibility of going into fiscal 1969 a full six months behind our anticipated programs.

As one of Minnesota's representatives in Congress, you are in a position to protect the sanctity of the Highway Trust Fund. It is in the best interests of your state and your nation that the revenues collected from road users be promptly put to their intended purpose. To insure this nation's burgeoning highway system for the safety and continued economic progress that the future requires, we must be confident of a consistent flow of highway funds to the limit of the availability of these funds.

The cost of highway construction is increasing. It is a fallacy to contend that delaying any of these programs will save money. In many cases, bonding programs are being used to speed up needed highway construction on the premise that the cost of interest is nearly parallel to the rising costs of construction. In addition, a much more urgent savings may be measured in terms of deaths, personal injuries and property damage caused by highway accidents.

There can be no doubt that this nation's highway programs are among the most important public programs ever undertaken by this or any other nation. It is more significant, however, that the funds for these programs are collected from those who use the highways, with the pledge that they will be used for that purpose.

For this reason, I am asking you, as a representative of the State of Minnesota, to urge action that will halt the manipulation of the Highway Trust Fund. Work for legislation, if necessary, to prevent further delays and reductions in the allocation of funds for highway programs. Stay the hand of the President and his Administration from diminishing the flow of this dedicated revenue. Keep the Highway Trust Fund inviolate by insuring the disbursement of funds as soon as they are available.

Sincerely,

HAROLD LEVANDER,
Governor.

ELEMENTS FOR A REPUBLICAN VICTORY IN 1968

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, Robert Dahl, a young high school student from Muscatine, Iowa, won the Iowa Council of Republican Women speaking contest last year. His speech was entitled, "Elements for a Republican Victory in 1968."

I have had the pleasure of hearing Bob Dahl give his speech. He is an excellent public speaker and his remarks show a great understanding of the political processes and the issues which confront our Nation today.

ELEMENTS FOR A REPUBLICAN VICTORY IN 1968

(By Robert Dahl, Muscatine, Iowa)

In less than a year, the American people will go to the polls and vote. The outcome of this election will critically affect not only the political parties, but America and the world for years to come. The Grand Old Party stands at the crossroads, and if ever its value and worth will be put on trial and measured—it will be in 1968. The door to leadership of America is standing open, and the people have never been more receptive to a responsible party that can avert the desolate, dismal future that is the acknowledged image of the present administration. Surely, the Republican Party, if it is ever to fulfill its destiny, can recognize this great opportunity, interpret the needs, and present the program and the candidates in this most promising of all political atmospheres.

While the road to victory is never sure, and never without pitfalls, there are certain measures our party can take that will insure our being on a better thoroughfare than the road the Democrats will be traveling.

Their road will lead them through streets covered with the rubble of civil disorder—through neighborhoods where it is not safe to walk after dark—among crowds of angry citizens whose deserving dreams of civil opportunity and equality have been frustrated—over the steep hills of inflation—down into the mire of waste and ineffectual programs—across credibility gaps—past men who shout to their followers to destroy their own country—and on . . . and on—on a road that our foreign friends cannot understand—to the very end where many of our finest young men meet death on the battlefield of a war for which there seems to be no end planned or pursued . . . Across the entire nation, from the White House to the court house, Democrats will find it difficult to defend themselves in the upcoming campaign.

In a political climate so dangerous for the Democratic Party, Republicans can choose and build their road to success in 1968.

* * * * *

We Republicans must chart a clear, unmistakable course. While we cannot accept responsibility for the circumstances in which our country finds itself—we can let the American people know that we accept the responsibility to put America back on the right track.

The elements for a Republican victory in 1968 are easy to define. We must relate our party and its program and its candidates to the real needs of the people of America and the world . . . Our success hinges upon our presenting ourselves as a party of high principles, strong leadership, unshakable unity, and hard work.

* * * * *

It is quite evident that the lack of principles in politics destroys rather than enhances popularity. We have been witnessing an administration which has tried all sorts of programs to appease and influence at any cost—programs which have failed to solve anything—and which have antagonized those who were supposed to have been helped.

We Republicans must recognize that the *American people* have pride in themselves and in their country. They want programs that are in the best interests of everyone, and that are morally right, economically sound, and geared to modern, changing America. Americans want to relate themselves to a practical program that builds on the best that is in them, and not to visionary political schemes which are aimed at their weaknesses. We have to be dedicated to high principles to cope with the numerous unpredictable issues we will be facing between now and election day. Our party has to be so firmly established in the minds of the American People as the party of responsibility and of principles, that no last minute schemes or issues will *break* the tie that binds the voter to a party he respects and trusts.

The Republican Party in 1968 must nominate and present as candidates, their strongest and most respected leaders. We must put forth our best men everywhere, even in those areas where for circumstantial reasons the odds may be against us. If we are to present our party as the party that merits the trust of the American people—Republicans must first make certain our candidates have earned that trust. You, as an individual Republican, must insist that our candidates believe in the principles underlying our program, that they be capable of effective leadership in the office they seek, that they be convincing in their contacts with people, and that they be deserving of this great political opportunity.

Once the Republicans have established their programs and have chosen their candidates, they should not forfeit their advantages by fragmenting themselves and by falling into the hopeless pit of disunity. Even the most amateur of politicians knows that there is no easier way to lose an election than thru confusing the voter by breaking off in all directions. . . . *However, the Republican Party needs to relearn this fact.* Unity must exist not only from the offices of the national chairman all the way down to each precinct worker, but even in the words and actions of every one of us. You and I can practice unity by never wavering in our support of our party, its program and candidates. We can further extend unity within our party by encouraging and demanding it between party members—*especially* our candidates. The very existence of unity within Republican ranks will convince American voters of our integrity as a political party.

However, a party, no matter how unified, is not successful if its individual members do not get out and work. *Hard work is absolutely necessary to win an election.* Unglamorous and non-publicized as some party jobs may be, the Republican party needs the active support of every one of its members. If you are really concerned about your party and your nation, you'll generously give of your time and abilities during the campaign next year. Naturally, organization of these efforts for our party must direct this work toward our unified goal. Your work in cooperation with party officials, will determine the final outcome of the election. The necessity for plain, simple, hard work is an inescapable fact of political life.

Above the stormy clouds that over-shadow today's troubled America, the Republican party could stand for the hope and dream of a better nation. We must recognize this supreme opportunity, and take full advantage of it with a program founded on the unshakable principles of the Republican party, and reflecting the issues and moods of the current United States; with leadership, whose integrity and ability are worth the trust of every American; with unity, whose secure roots extending throughout a determined party will have us win together; and with hard work, performed out of sheer dedication to what the Republican Party stands for.

Americans are demanding a better road on which our nation can travel forward. It is up to Republicans to build that road and, in doing so, build the road on which we can win this coming election.

Program—Leadership—Unity—and Hard Work—These are the elements for a Republican victory in 1968.

NATIONAL JAYCEE WEEK

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. SCHADEBERG] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SCHADEBERG. Mr. Speaker, I would like to take this opportunity to again recall that last week was the "National Jaycee Week" and to pay particular tribute to the chapters throughout the district which I represent.

It is always impressive to meet with the young men who make up the Jaycee memberships in the various counties. While there may be a different emphasis in my hometown of Burlington where the local group has been selected the top chapter in the State of Wisconsin in 1961–62, 1962–63, 1966–67 for the Giessenbier Memorial Sweepstakes Award and the Racine chapter which is already busily planning their 1968 pageant to be titled "Drum Corps City of the World," all Jaycees are dedicated to community service.

I know that a great many of you on this floor today have been members of the Jaycees and that several of you have been privileged to be selected as men of the year in your various States. I feel that you would agree with me that the "Jaycee Creed" goes a long way in explaining the ultimate aims and goals of this remarkable group. If all Americans were to live by a creed such as this, we would be enjoying a greater United States and the world would be a better place in which to live:

THE JAYCEE CREED

We believe:

That faith in God gives meaning and purpose to human life;

That the brotherhood of man transcends the sovereignty of nations;

That economic justice can best be won by free men through free enterprise;

That government should be of laws rather than of men;

That earth's great treasure lies in human personality;

And that service to humanity is the best work of life.

BOB ARTHUR—AN OUTSTANDING AMERICAN

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. McDADE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. McDADE. Mr. Speaker, for 14 years Robert J. Arthur has been the living proof of the ancient adage: If you want something done well, give the task to a busy man.

For 14 years, in spite of the overwhelming responsibilities of editing a metropolitan daily newspaper, the Scranton Tribune, Bob Arthur has found time to serve as a member of the Scranton Redevelopment Authority. For 9 of those years he served as vice chairman. For the past 5 he has served as chairman.

In those 14 years, the face of the city of Scranton has changed greatly. Bit by bit some of the undesirable properties were razed, and now there is a growing acreage of new, attractive structures. New schools have risen, and new buildings as parts of established schools. A major fight against the devastation threatened by mine fires and mine subsidences has been mounted through the Scranton Redevelopment Authority. All these, and a host of other programs have come to pass under the wise counseling of Bob Arthur.

The city of Scranton has turned a significant corner in its development. Urban Development and Industrial Development are both enriching the esthetic and economic life of the community. And for all of us who see this new growth and who are gladdened to watch this hope for the future develop, there will be an eternal debt of gratitude which we will owe Bob Arthur. In a difficult, time consuming, taxing, job which he performed gladly for 14 years, Bob has done well. He has earned the right to withdraw now, when the ground is laid solidly, when others may take up the burdens he puts down.

With permission, Mr. Speaker, I append a news article, from the Scranton Tribune, and two editorials from the Scranton Times and the Scranton Tribune. The editorials certainly speak for all of us in the Scranton community:

ARTHUR LEAVES SRA: CITES OTHER DUTIES FOR RESIGNATION—AGENCY GROWTH NOTED BY EDITOR IN LETTER TO WALSH

Robert J. Arthur, editor of The Tribune and The Scrantonion, resigned Thursday from the Scranton Redevelopment Authority after 14 years service with the agency.

In his letter of resignation to Mayor James J. Walsh, Arthur stated "I have enjoyed and relished the opportunity to serve as a member of this organization in association with splendid citizens. It has been a self-rewarding task. Unfortunately, I find that other duties and obligations are such that I can no longer devote the time which I feel is necessary to the multiple projects under the supervision of this agency. I am asking you, therefore, to kindly accept my resignation as of this date."

The mayor said he would forward a letter to Arthur thanking him for his services.

"Serving on the SRA is a very taxing, time-consuming job," Mayor Walsh stated.

"These men serve without remuneration and the people of the City of Scranton should appreciate the time Mr. Arthur has devoted for the betterment of the city," he added.

Arthur's resignation coupled with the expiration of the term of Bert Price next month will leave two vacancies on the SRA board. Mayor Walsh has not said whom he has in mind to fill the vacancies.

Arthur, a member and original vice chairman of SRA since its inception Feb. 24, 1953, was elected chairman of the renewal agency Feb. 27, 1963, serving as head of the agency for almost five years.

He was serving in his third consecutive five-year term on the redevelopment authority with his term due to expire in February, 1969.

The original SRA board included the late Thomas L. Moran, chairman; Arthur and the late Terrence F. Gallagher, vice chairmen; Thomas J. Walker, secretary, and Robert Long, treasurer.

Arthur was first appointed to the SRA by the late Mayor James T. Hanlon who reappointed the newspaper editor to a second term in 1958. Arthur was appointed to his third term in 1963 by former Mayor William T. Schmidt.

In his letter to the Mayor, Arthur said:

"During the 14 years I have served as a member of the Scranton Redevelopment Authority, I have witnessed its growth from just another committee to a dominant position in Scranton's progress to redevelop, renew and remodel its image.

The redevelopment authority over these years has expanded its activities a hundred fold and is now a stable and permanent function of our economy. Its good work I am sure, will continue for years to come and to the betterment of our city."

After listing the reason for his resignation, Arthur told Mayor Walsh "Please be assured of my continued cooperation in all projects beneficial to the city's welfare and accept my appreciation for your courtesies and understanding."

When the authority was formed, its membership advanced the proposition that no substantial public improvement action could be accomplished without a "master plan."

Upon the advice of the authority, the late Mayor Hanlon, City Council and the City Planning Commission, initiated the first master plan. In 1964, the authority again was able to persuade the city to update the master plan program to assure coordinated public and private improvements if the plan were properly and nonpolitically executed.

Since this major SRA achievement, the renewal agency has undertaken 20 urban renewal programs which have been completed or are in the planning and execution phases.

In simple statistics, the 20 programs represent the development of a $200 million community improvement program with $80 million in public improvements already completed.

Some highlights in the history of the Scranton Redevelopment Authority include a number of firsts.

The agency was the first to use flood control funds as noncash grants-in-aid—$24 million which represented close to $15 million in activity.

It was the first governmental unit ever to compensate a homeowner and commercial establishments for any mine cave damage or to acquire damaged homes at their fair market value prior to caving.

SRA also was first to acquire state mine flushing funds as local non-cash grants-in-aid. Tens of millions in renewal activity have and will flow from SRA's having pioneered in this area.

Through the process of urban renewal, SRA was able to provide surface land in two projects. Eynon and Cedar East, where underground fires were contained. The fires, left to burn, would make large inhabitable areas in the entire West Side and lower South Scranton areas. This action alone was more than worth the SRA program.

The renewal agency also coordinated and provided the right-of-way for the Central City, North Scranton and South Scranton Expressways through the South Side Flats, Diamond and Lackawanna West projects.

Under the Diamond project, the Linden Street bridges and realignment of the street with Pettibone Street are planned.

Substituting its funds for city cash, the SRA has been able to widen S. Washington Avenue and Hickory Street, build the New Hickory-Broadway and S. Washington Avenue Bridges and build many other new streets and sidewalks such as Cherry and River Streets, Remington and Maple Avenues and many courts.

The authority sponsored and arranged for the new state park at the site of the former Lackawanna Iron and Steel furnaces.

In cooperation with the Scranton School District, the authority is providing several sites for new schools, and the school district aided SRA through its donation of the Franklin School in Central City and Horace Mann in the Riverside area.

The authority made a major contribution to higher education through its University project which provided land to the University of Scranton for its significant expansion program. The authority also afforded the area's principal private preparatory school with a new environment by facilitating its relocation from Mulberry Street and Wyoming Avenue to the former Women's Institute Building.

Through the SRA, 400 public housing units were allocated to Scranton. They are now completed in the form of the Adams Avenue Apartments, Bangor project and new housing for the elderly.

A total of 400 new housing units was obtained by SRA for future relocation resources at the Central-Tech, Riverside and Lackawanna West project area.

Through SRA's relocation program, hundreds of families obtained better housing; small businesses new and better location, and commercial firms more desirable facilities.

Two major and ultra-modern wholesale food facilities have been built on SRA land. Modern motel, shopping, warehousing and office buildings resulted from the renewal program.

The tax-free Keyser Valley area is now producing the initial wave of tax ratables.

FINE RECORD OF SERVICE

Robert J. Arthur, our esteemed colleague as editor of The Scrantonian-Tribune, has been a member of the Scranton Redevelopment Authority since it was created early in 1953. As one of the five original appointees of the late Mayor Hanlon, he was immediately elected vice chairman of the board and he moved up to the chairmanship in February, 1963. Thus he played a major part in the initiation and implementation of the SRA's urban renewal program which is changing the physical appearance of our city.

After 14 years of service, Mr. Arthur has resigned, explaining to Mayor Walsh that his other duties and obligations make it impossible for him to give the SRA post the time which he thinks it requires. The people of Scranton are in Mr. Arthur's debt for his unselfish service and his major contributions to the program which is making our city a better one. Like his SRA colleagues, Mr. Arthur has served without compensation, aside from the satisfaction which comes from participation in a worthy effort. We speak for the community in expressing appreciation to Mr. Arthur for his long and valuable service to his fellow citizens.

DISTINGUISHED SERVICE

(By Richard Little and Herman S. Goodman)

Because he is the editor of The Scrantonian and The Scranton Tribune, Robert J. Arthur quite naturally and understandably has not written editorially on the 14 years of service he devoted to the Scranton Redevelopment Authority, a distinguished service that began with the very inception of the SRA and continued until he submitted his resignation as chairman Thursday because of the pressure of other duties.

The modesty and innate sense of propriety prompting Bob Arthur to confine himself to the letter of resignation sent to Mayor Walsh are, of course, commendable.

But, we, as publishers of The Scrantonian and The Tribune, newspapers ever conscious of their responsibilities to the community and its fine people, believe that Bob Arthur, though an editor, deserves in our newspapers the same expressions of gratitude and praise he would so readily extend to any other leader of the community on the occasion of a termination of unique public service.

As publishers, we are most proud that the late Mayor Hanlon, in establishing the redevelopment agency, chose our editor as one of the five original appointees to the agency. We are proud that the original panel immediately elected Bob Arthur as their vice chairman and that his tremendous contributions to the vital task of Scranton's redevelopment were recognized in 1963 by his selection as chairman of the authority.

Bob Arthur truly gave of himself, generously and unsparingly, to help and to lead in the monumental endeavor of starting and guiding to remarkable levels of achievement the redevelopment and revitalizing projects which have done so much to invigorate our community and position it for further progress and prosperity in the future.

Scranton is better, immeasurably better, for Bob Arthur's participation in the pioneer planning and the succeeding 14 years of work of the city's redevelopment. With the community at large, we are appreciative, grateful and full of thanks for what he has done.

MISSOURI RIVER BASIN

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota [Mr. BERRY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BERRY. Mr. Speaker, the engineering report of R. W. Beck, Inc., indicating that it would be feasible to take Missouri River water out of the Missouri River Basin for use through the central plains States has caused quite a stir in the upper Missouri River Basin.

The Four-State Legislative Conference of Montana, North Dakota, South Dakota, and Wyoming has resolved that the four States should have prior claim to their water. This action should be joined by every State in the lower Missouri Basin. This is true because the upper basin States have given many thousands of acres for dam and reservoir purposes to protect the lower basin States from flooding.

Now the time has come for the lower basin States to protect the upper basin States against loss of the water that is justly theirs to compensate them for the many acres sacrificed for flood control.

I have asked unanimous consent to insert a copy of House Concurrent Resolution 2 setting forth South Dakota's opposition to such a program.

PRESIDENT JOHNSON CLIMBS IN THE GALLUP POLL

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, the latest Gallup poll provides good reason for Democratic cheers.

The poll shows Lyndon B. Johnson up 10 points in popularity since October. And it shows, in Mr. Gallup's words, that:

> Democrats are beginning to rally around the President as the leader and probable candidate of their party in the forthcoming election.

The evidence seems persuasive that Republican "victory" pronouncements a few months ago were premature, indeed.

As Gallup notes:

> It was widely believed just three months ago that any of the leading Republican candidates could defeat the President in the coming election. . . . Today, however, the President leads each of these same men.

I think this lead will continue to grow and Lyndon Johnson will continue to gain in strength in the coming months as leaders of our party and our people.

Under unanimous consent I insert in the Record the latest results of the Gallup poll:

The Gallup Poll: Approval of Johnson Mounts to 48 Percent

(By George Gallup)

Princeton, N.J., January 27.—President Johnson's popularity continues to grow. In the latest national test, 48 per cent approve of the way he is handling his job, up a full 10 points from his October low.

Not since the period immediately following the Glassboro conference in June, when 52 per cent voiced approval, has the President's rating been so high as today.

It was widely believed just three months ago that any of the leading Republican candidates could defeat the President in the coming election. National surveys at the time in fact, showed each of the four most popular Republicans running ahead of the President.

One of these possible candidates, Gov. Nelson A. Rockefeller of New York, had as much as a 14-point lead over Mr. Johnson.

Today, however, the President leads each of these same men.

Three factors help explain the President's steady rise in popularity over the last 12 weeks:

1. The President appears to many persons to have a greater command of the situation today than he did previously and to be exhibiting a more aggressive "take-charge" approach to the Nation's problems.

2. A definite note of optimism concerning the Vietnam war was recorded in a survey late last year. Half of all adults interviewed said we were making progress, while 41 per cent thought we were losing ground or standing still. Last July, 34 per cent said we were making progress, while 56 per cent held opposing views.

3. Democrats are beginning to rally around the President as the leader and probable candidate of their Party in the forthcoming election.

This question was asked in the latest survey, as in previous surveys:

"Do you approve or disapprove of the way Johnson is handling his job as President?"

Following are the latest results and trend since October:

[In percent]

	January 1968	December	November	October
Approve	48	46	41	38
Disapprove	39	41	49	50
No opinion	13	13	10	12

The following table compares the latest findings by major population groups with those recorded in the October survey when the President's national rating was 10 points lower than today.

PERCENT APPROVING OF L. B. J. PERFORMANCE

[In percent]

	January	October	Point change
National	48	38	+10
Region:			
East	53	43	+10
Midwest	46	36	+10
South	44	33	+11
West	52	38	+14
Sex:			
Men	49	39	+10
Women	48	37	+11
Politics:			
Republicans	28	22	+ 6
Democrats	65	53	+12
Independents	28	30	+⅜
Education:			
College	44	37	+ 7
High school	49	38	+11
Grade school	51	37	+14
Age:			
21 to 29 years	45	40	+ 5
30 to 49 years	49	39	+10
50 and over	50	34	+16
Religion:			
Protestant	45	34	+11
Catholic	53	48	+ 5

ESTUARY OF THE POTOMAC RIVER AS SOURCE OF WATER

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. Gude] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GUDE. Mr. Speaker, I should like to call to the attention of my colleagues an editorial appearing in the January 28 issue of the Washington Post. The editorial deals with a proposal by Ellery R. Fosdick, consulting engineer for the National Parks Association, to use the estuary of the Potomac River as a source of water to help meet the needs of the Washington area. I feel that Mr. Fosdick's report should receive careful consideration as we study the development of the Potomac River basin and the future water requirements of the growing Washington metropolitan area on either side of the Potomac.

The article follows:

Water From the Estuary

Ellery R. Fosdick, consulting engineer for the National Parks Association, has submitted a report on Washington's future water resources which makes a strong case for relying on the estuary instead of on upstream dams and reservoirs.

He is much more optimistic about recovery of water from the estuary than the Army Engineers who have favored upstream reservoirs. His case has been strengthened by the obvious necessity of diminishing pollution of the estuary whether it is or is not to be a source of water. Many of the costs involved will be incurred, in any case. While the great supply in the estuary can never be made potable without treatment, of course, no other water available can be put into city mains untreated. The estuary is a marvelous fresh water storage resource—24 miles long before it reaches salt water. Here are more than 100 billion gallons of water in natural storage.

Fosdick thinks the discharge of the Potomac which now supplies the city will be adequate for many years to come except for a few summer months, and the deficiency can be made up by pumping from the estuary. The pumping stations required for this would cost far less than the elaborate system of dams and reservoirs proposed by the Army Engineers. Moreover, it would not disturb the ecology of the Potomac Basin as dams would.

The essential difference between the parks expert and the War Department engineers springs from differing views on the feasibility of recovery of potable water from the estuary. Surely this must be an ascertainable matter. The Secretary of the Interior is required by the Clean Water Restoration Act of 1966 to report on the Potomac by November 1, 1969. He has indicated that his study may be available sooner. It should be hurried up if possible for it will have an important bearing on further feasibility studies.

The quality and volume of the Potomac above Little Falls no doubt could be helped by better soil practices in the watershed, by small tributary reservoirs and other conservation methods. But the first thing that we need to establish is the usability of the estuary.

REPUBLICAN APPRAISAL OF THE STATE OF THE UNION MESSAGE

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. Gerald R. Ford] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, on January 23 a representative group of members of my party in the Congress presented our annual Republican appraisal of the state of the Union. At the suggestion of the distinguished minority leader of the Senate, Senator Dirksen, who, unfortunately, was unable to participate because of illness, our presentation of previous years was broadened to include nine members of this and eight members of the other body. Former President Eisenhower sent an inspiring personal message from California for the occasion. The joint Republican leadership of the Congress appointed the distinguished Senator from California, Senator Murphy, and our distinguished colleague from New York [Mr. Goodell] to coor-

dinate the presentation. They labored long and selflessly on behalf of all Republicans in the Congress to better inform the American people of our principles, policies, and programs. Under previous order of the House I am inserting herewith in the Record the full presentation including last-minute changes and portions deleted due to time limitations of television. I am most grateful to everyone who took part and assisted in this presentation and to the Columbia Broadcasting System which carried it to the Nation on an hour of live evening time.

The State of the Union: A Republican Appraisal

(OPENING REMARKS BY GENERAL OF THE ARMY DWIGHT D. EISENHOWER, FORMER PRESIDENT OF THE UNITED STATES)

You and I—all of us—enjoy a precious privilege, that of living under the greatest self-governing society known to history.

To establish and sustain that society which guarantees to every citizen equal rights before the law, our Founding Fathers and intervening generations have fought hard in office. We are the beneficiaries of their work and sacrifices. A solemn obligation rests upon us today to do no less in our time. Not merely for ourselves but for our children and for the cause of human liberty on the earth. Under our two-party method of Government, it is essential that members of the Party not in power become convinced that new measures and directions are required to preserve and strengthen our free system. The reasons for their convictions should be made known to their fellow citizens. Tonight some of your elected Representatives in the Congress are presenting to you their views. We of the Republican Party welcome your thoughtful attention as these views are laid before you. We know that these are critical times for our beloved country—as critical as any I have known in my lifetime. The thought, the hard work, the dedication of every citizen are now required if we are to hold true to the ideals of human dignity and liberty that have meant so much to America and to the world.

INTRODUCTORY REMARKS

(By Senator George Murphy of California)

Six nights ago we listened to a dreary discourse on the Nation's problems—some of which have been with us for the last several years. There were *no new* or *practical solutions* other than—spend money—collect more taxes—and hope for the best.

Tonight my colleagues will present some *Republican* proposals—which we believe will be *positive—progressive*—and *productive*—so that the next time we hear a State of the Union Speech—there will be more to cheer about—less to worry about.

Our speakers tonight are expressing the thoughts of the American people—that was proved in 1966. The year 1966 was a very good year for Republicans. We won 47 more seats in the House, 4 seats in the Senate, 8 more Governors toward today's total of 26. It's a fact. In a majority of the United States we're the Majority party already. Why is this? It's because we are truly the party of the people.

There is no question that comes closer to home than taxes. As a matter of fact, you probably just got your income tax forms last week. In my lifetime, I have watched our federal system of taxation expand from a very gentle beginning, a puny penetration, into an all consuming monster which, if not restrained, may completely destroy the richest, the most productive society in all of history.

Possibly the most important citizen of all, the man who provides our food and fibre, is the American Farmer. He has been restricted, regimented, and regulated, scrutinized, analyzed, and subsidized. No one has been treated more unjustly. The American farmer can out-plant—out harvest—out produce—and out perform any competitor—anywhere in the world—and yet we find him at the very bottom of the economic ladder.

The preservation of our federal system by elected Representatives is of vital importance to us all. This, we Republicans can handle more gracefully than the opposition—because we are trying to preserve what the Founding Fathers gave us.

To gather all the tax money and all the power into Washington—we Republicans feel is neither safe nor prudent.

This transition has already gone too far and must be reversed, before it's too late.

We in Congress are just as determined as our great Governors are to restore the rightful share of revenue and responsibility to all 50 States.

The right of every citizen of our land to equal rights under the law and to equal opportunity has always been a basic principle of the Republican Party—the Party of Abraham Lincoln. We had hoped that another of our new Senators—Ed Brooke of Massachusetts—could be with us to speak from his heart on this subject—but unfortunately he was unable to return from a long-planned tour of Africa to be present tonight.

The most tortured and tormented subject of our time is the question of the war in Vietnam—never have "the irresponsibles" run so rampant—never have so many unfounded distortions been wildly circulated and emotionally recited in order to weaken our national determination. And never has our national policy been so inadequately stated by our leaders.

I believe most Americans also feel that those who travel about the world preaching the violent destruction of America should be prosecuted under existing sedition laws—and if the law is inadequate—let's write some that will fit the conditions.

We hear a lot these days of the Hawks and the Doves—one desiring war—and the other demanding some sort of instant peace. I don't know anyone who desires war or violence—and I am aware of only a small, misguided group—publicized way out of proportion to their size—who wish to relive the mistake of the Munich and the mockery of Panmunjom.

INTEGRITY IN GOVERNMENT

(By Congressman William A. Steiger of Wisconsin)

It is an honor to appear on this program with former President Eisenhower. The return of the integrity he brought to public service and the conduct of national affairs is our goal.

Last week President Johnson tried to tell us we're really troubled because of too rapid progress.

I disagree. The reasons are deeper. There is more than surface unrest. The cause is not progress but years of over-promise and under-performance.

In 1966 I was one of 47 new Republican Congressmen who came here because Americans wanted a change and wanted new ways of solving old problems. While still a minority in Congress, we have tried to carry out *your* mandate for change.

We began by pressing for a permanent ethics committee in the House of Representatives. We were successful and intend to push for the high standards of conduct that you demand.

We came to Congress committed to make our government more responsive and more responsible. We have reinforced our Republican Leadership in fighting to reform the legislative branch of government. Congress must be modernized to serve you better. And that legislation is now awaiting House election.

We need a Clean Elections Law that will guarantee that you'll know what's been going on behind the scenes *before* you vote. And that law must be on the books for the 1968 elections.

These and other measures can help restore the faith of the American people in their government.

Americans are impatient with mediocrity. So am I. Americans are not content to sit back and watch morality become a joke or responsibility become a plaything for politicians. Nor are we willing to watch politicians build a so-called great society of big government and little people. Our purpose is a great people.

We must pioneer in government as we have pioneered in technology. America's creative talent can and must provide a government equal to our challenges and worthy of our dreams.

We must view tomorrow's promises through yesterday's performance. And yesterday's performance is not enough.

LET'S RESTORE AMERICA'S WORLD LEADERSHIP

(By Senator Thomas H. Kuchel, of California, representing the Senate Republican Leader, Senator Everett M. Dirksen, of Illinois)

A new attitude, new vigor, new direction, new confidence, are not required if this nation is to stem its headlong descent from a role of leadership held so long in the world.

In this 20th Century free peoples have looked to America in their struggle for human liberty. Dwight Eisenhower brought like-minded nations together for collective security. It remains the world's best hope for just and enduring peace. But now our government clearly lacks the ability to rally our allies.

In Western Europe, despite a remarkable economic rebirth, there is growing distrust. The British pound shrinks, the shadows of the British Empire fade, and Britain herself is shut out from the Common Market by France, her one-time ally.

The integrity of the American dollar, continues under foreign assault. We must put our house in order. What has happened to the British pound must not happen to the American dollar.

In the Middle East, the Soviet Union has moved into the Mediterranean, and threatens to open a new front in the cold war—playing off America's friendship to Israel against the vengence of Arab extremists.

In Latin America, the high promise of the Alliance For Progress remains unfulfilled. Even the historic concept of freedom of the seas has been allowed to become a mockery off the Pacific Coast of Latin America.

History may yet record the Vietnam conflict as the most tragic and costly within memory. The Administration has failed to make clear our goals to friend and foe alike. It has not been candid with the American people in facing up to the complex and difficult road which lies ahead.

The nation searches for principles to guide us:

We must face the realities and accept them.

We must not be wed to past mistakes.

We must not debase our diplomacy with pledges we cannot keep.

We must never throw away what our men have fought to win.

We must rekindle the spirit of mutual trust among free peoples—mindful that America must not go it alone.

The American people yearn for a change. Our party intends to give it to them.

BETTER WAYS TO A BRIGHTER FUTURE

(By Congressman Gerald R. Ford of Michigan, the House Republican Leader)

1968 is no ordinary year.

The State of the Union is serious business.

President Johnson came before Congress.

The Nation was anxious and waiting for his words.

Never were Americans hoping harder for someone to *call them to action.*

People all across this nation are deeply disturbed, concerned about what's going on, right here at home. I'm moved by the simple eloquence of their letters—their unashamed love for America.

Doesn't the President listen to any of these people?

They've seen raging violence, destruction and death right on their own doorsteps—their homes and stores ablaze and looted—tanks and paratroopers—not on faraway battlefields but rolling through once quiet neighborhoods.

And the President could only tell us he detects "a questioning" and "a certain restlessness" among his countrymen.

We can speak far plainer than *that!*

Riots, murder and robbery—is that just "restlessness?"

Deepening disbelief in our nation's policies, doubts about our most sacred institutions and traditions, concern over the credibility of our of our government's word—the worth of our government's dollar—*do you call that* "questioning?"

The President's only explanation was, "When a great ship cuts through the sea, the waters are *always* stirred and troubled."

Apparently the President has been standing on the stern—looking backward at the wake—wondering which of his officers to dump overboard next!

His ship is wallowing in a storm-tossed sea, drifting toward the rocks of domestic disaster, beaten by the waves of a worldwide fiscal crisis.

The Captain should *return to the bridge.*

We need a Captain who will seize the helm—call up full power—break out new charts—hold our course steadfast and bring us through the storm.

We need a Captain who inspires his crew to heroic endeavor.

We need a Captain with courage to clear the deck—jettison the deadweight—a Captain who learned his seamanship beyond the Potomac and the Pedernales.

It is no time to Abandon Ship.

It's time for all hands to man their action stations.

Let's not give up the ship!

America has weathered many a terrible storm, rescued many a weaker vessel—and we'll do it again. Let's start with the USS Pueblo. We want our Ship of State going full speed ahead.

We offer responsible and responsive leadership that looks to the worth and will of all our people, that turns from the tired theories and proven failures of the past to the realities of the present and presses forward on better ways to a brighter future.

MORE HOMES FOR AMERICANS

(By Senator Charles H. Percy of Illinois)

Tonight most of us will go to bed in a decent home. For some Americans, though, a decent home of their own remains only a dream.

Our cities are beset with harsh living conditions, ranging from traffic congestion to air pollution. But the most critical urban crisis is housing.

The public housing record is not good. Urban renewal has demolished more houses than public housing has constructed. Too often, public housing has only served to crowd thousands of poor families together in high rise ghettos. These have become the vertical slums of our cities.

To help all Americans to own their own home, we support a National Home Ownership Opportunity Act. This Act would allow a new home owner to work on his own house, and have his labor contribute to his down payment.

The Act would combine the resources of government and private industry by drawing upon private expertise to assist low income families in building or rehabilitating homes.

It would also allow the government to financially assist low income families who cannot pay commercial interest rates.

There is a great opportunity here for government and private industry to work together in the good of the country. As the Homestead Act opened the West, this could be the 20th Century Homestead Act, helping to remake the face of our cities.

Low income families deserve our help while striving to own their home. This nation requires a realistic housing program, not more false promises. We must regin to offer to the slum dweller the hope that he as an individual *can* succeed.

MORE JOBS FOR AMERICANS

(By Congressman Albert H. Quie of Minnesota)

The cities are boiling with frustration. Frustration can be a man without a good job. We need an immediate program to provide hundreds of thousands of jobs in private enterprise. That's the only way we can provide jobs fast enough to cool the seething cities.

Yet the Johnson Administration has opposed every Republican effort to involve private enterprise in the poverty program. They've been long on promises—short on performance. Now, at long last, the President is beginning to talk about jobs for the poor in private enterprise. He'll be talking more about private industry doing the job his poverty war just has not done.

To the President who has been opposing our approach for four long years, and now says he will do it our way, we have this challenge.

We challenge you to support our Human Investment Act, that would *encourage* business and industry to train under-employed men and women. We challenge you to support an Industry Youth Corps, not just government youth corps. Support our call for voluntary boards of businessmen in every city across the country to mobilize the community to help the poor get off welfare rolls.

Do *not* pour more money into old programs that don't work. *Do* provide training for jobs that are waiting to be filled. Use poverty dollars wisely to involve the poor in helping themselves, not to feed bureaucracy or city hall patronage.

Many of the prisoners of poverty can learn to earn. These Americans need their hopes fulfilled. This country must launch a new crusade for human renewal.

Words and more words are not enough, Mr. President.

CRIME AND LAW ENFORCEMENT

(By Congressman Richard H. Poff of Virginia)

The first duty of government is to maintain law and order. The peace and tranquility guaranteed by the Constitution must be restored.

No nation in history has been able to survive the collapse of its moral structure and the anarchy and lawlessness that follow.

Look at the situation confronting us today.

Murder is epidemic. Rape is commonplace—Burglary happens so often it is no longer news. Pornography, filth and dope are peddled on nearly every street corner. Crime has grown six times as fast as the population.

Despite the urgent warnings of F.B.I. Director Hoover and law enforcement officers everywhere the Johnson Administration has failed to take effective action. The Attorney General has banned the use of modern investigative techniques. The soaring increase in crime has been called just "a little bit" of an increase.

The recent statements of President Johnson that reflect a new awareness, some hardening of purpose, are welcome.

State and local law enforcement officers must have help, but without Federal domination and control. Our Law Enforcement and Criminal Justice Act that passed the House last year provides such assistance.

We must escalate the War against Crime so that all citizens, regardless of color, will be safe in their home, at their places of business and on the streets.

The American people want the "enforcement" put back into law enforcement.

LABOR-MANAGEMENT RELATIONS

(By Senator Robert P. Griffin of Michigan)

If a single thread runs through Republican thinking, it is an abiding faith in the *individual.*

Over the years, Republicans have stood up—not only for the public interest and for the right of workers to join unions—but also to make sure that the *individual* union member is not relegated to second-class citizenship.

Today, American workers are deeply concerned as they see the collective bargaining process breaking down . . . as they see strike losses increasing by 96% under the Johnson Administration.

They're not satisfied with an NLRB that distorts the law. And they believe their union dues ought to be used strictly for union business—not for politics.

Back in 1966, President Johnson pledged that he would propose and press the Democratic-controlled Congress for certain reforms, pointing particularly to the need for better legal machinery to help in settling strikes.

Needless to say, 1966 has passed. 1967 has come and gone. And America listened carefully to the State of the Union message last week. But, although paralyzing strike after strike has emphasized the problem, President Johnson still has *not* delivered on that 1966 pledge.

In this troubled area, our Nation desperately needs leadership—*new* leadership with vision and courage to stand up for the public interest and the rights of the individual worker.

After winning that Senate race in Michigan not so long ago, I'm more convinced than ever that millions of American workers—who refuse to take political marching-orders from anyone—are eager to support that *new* leadership next November.

THE ECONOMY IN CRISIS

(By Congressman George Bush of Texas)

We hear a great deal today about a tax increase . . . a tax increase to halt inflation, a tax increase to check the outflow of gold, a tax increase to restore confidence in the dollar. Republicans respond that before we consider a tax increase, we must cut spending.

The nation faces this year—as it did last—a tremendous deficit in the federal budget, but in the President's message, there was no sense of sacrifice of the part of the government, no assignment of priorities, no hint of the need to put first things first.

This reckless policy has imposed the cruel tax of rising prices on the people, pushed interest rates to their highest levels in 100 years, sharply reduced the rate of real economic growth and saddled every man and woman and child in this country with the largest tax burden in our history.

And what does the President say? He says we must still pay more taxes and he proposes drastic reductions on the rights of Americans to invest and travel abroad.

If the President wants to control inflation, he's got to cut back on federal spending. The best way to stop the gold drain is to live within our means in this country.

We Republicans pledge ourselves to find solutions to America's most urgent problems in health, housing, education, jobs and security but we shall never sacrifice the American people to a cynical policy of wasteful spending and higher taxes.

THE BIGGEST THREAT TO EVERY FAMILY

(By Congresswoman CATHERINE MAY of the State of Washington)

The President said a lot about protecting the consumer in his State of the Union Message the other night. But he did fail to tell us about the protection we need most of all—effective protection from rising prices.

Now if there is anyone who knows just how fast prices are rising, it is those of us who work in the kitchen and shop in the grocery store, and when the people running our government tell us that a little rise in prices is a good thing, we say: Maybe so, but you're carrying a good thing too far!

With skyrocketing prices and increasing taxes, it is little wonder American workers want more take-home pay to keep pace with their cost-of-living. And now we even see the threat of wage controls.

This must stop. The American family has to balance its budget and the President can do more to get things back in balance in his budget.

You don't have to be an economist or a big government planner to know that rising prices, the biggest threat to every family, stem from unsound government policies.

I think I speak for American women—and men too—when I call upon the President to stop wasting *our* money and make it worth something again.

THE FARMER'S HIGH HURDLES

(By Congressman BOB MATHIAS of California)

I have faced some high hurdles in my time. But, you know, they're nothing compared to the hurdles facing the American farmer today. I know this because I represent a farm area and I hear from them every day. The Johnson Administration, by deliberate policies such as the dumping of grain reserves, has pushed farm income down. This has left the farmer with an ever-declining share of America's food dollar.

Government trade policies have destroyed historic markets and encouraged imports.

In spite of misdirected and self-defeating Federal programs, the energy and ingenuity of the American farmer have outpaced the tremendous growth of our population. They've fed millions of hungry people around the world. Our farmers must have the opportunity to run their own farms with minimum government interference and to join together to negotiate for better farm prices. The most productive people in our economy, the American farmers, took a pay cut of a billion and a half dollars in 1967, and the situation is getting worse. Farm prices stood at 74% of parity last year, the lowest level since 1933.

In the face of these shocking failures, the Administration and the Secretary of Agriculture are determined to make their controls a permanent part of the farm scene. Their programs are geared to the tired theories of the 30's, not to the challenge of the 70's.

Every time the Johnson Administration comes up with a new farm program, the farmers pay more and get less. We think it's time for a change . . . and so does the American farmer.

RESTORING FEDERALISM AND FREEDOM

(By Congressman MELVIN R. LAIRD of Wisconsin)

Republicans believe there are better ways for Americans to do things than the way of the great planned society. President Johnson's solution is to pile program upon program, regulated, administered, and directed from Washington.

Republicans would establish revenue sharing with our states and localities to return a percentage of Federal income taxes with no strings attached. We would consolidate the hundreds of existing programs into block grants that would be both more flexible and more effective in getting the job done. And we would provide tax credits both for state and local taxes paid and for such special purposes as education and job training.

Our problems can only be solved if all levels of our society—governmental and private—pull together in a true partnership. This means that we have to strengthen states and localities, not weaken them. The job is not being done today because local and state officials don't have the money. They have the *ability* . . . and the *knowledge* . . . but they lack the resources because the Federal tax collector has gobbled them up.

Republicans have faith in our Governors and State Legislators. We believe in our Mayors and school board members. We think you can trust them to do what is right for the people and the community they serve. When they don't, we have faith that the people will replace them with office holders who will. That is what our representative government is all about.

Revenue sharing, together with block grants and tax credits, would restore true Federalism in America. It would give control back to the people, provide the tools for programs that work, arrest the drift of power to Washington, and preserve the fundamental freedoms of the American people.

CONFUSION, CHAOS AND CREDIBILITY

(By Senator HOWARD H. BAKER, JR. of Tennessee)

During the past few minutes, we have heard of domestic chaos in America. But you see, in this nuclear age our concern can be no less for the bewildering array of confusion and chaos abroad. Whether we speak of Vietnam or Cuba, West Berlin or Latin America, the Middle East or Africa, there is a common theme: America is forfeiting its leadership. The credibility of our intentions, our will, our economic solvency is being questioned. Not since the Civil War has the United States been so divided. Never has American prestige abroad fallen so low.

We find NATO in shambles and summarily evicted from France. We find the seeds of world war sown in the strife-torn Middle East; a restless giant in Latin America is just beginning to arouse, as are the emerging Nations of Africa. Asia is measuring the will and wisdom of the American posture.

As the free world loses faith in our leadership, it is also losing hope that we have the will to order our own house. Thus, the international and the domestic problems merge, as Nations rush to convert dollars to gold. And what must we do?

We must have bold unifying leadership. We must establish credibility for the humane motives of America and its will to resist aggression. We must restore confidence in the American economy, before it is too late. We must help those who are willing to help themselves, not with just handouts which so often produce bitterness and resentment but with dignity and grace and respect. We must lay aside the tired old techniques of the past and stand ready to innovate, to use our vast nuclear technology to produce fresh water from sea water, to produce abundant food supplies and energy, employed to promote cooperation instead of conflict. We must be as concerned with preventing another Vietnam as we are with bringing this one to an honorable conclusion.

There must be a new direction, new leadership, credible and sound. And to secure these ends we pledge ourselves, singly and in bipartisan effort, now and in the future.

DANGER IN THE MIDDLE EAST

(By Senator HUGH SCOTT of Pennsylvania)

One of the greatest dangers to world peace is ticking away in the Middle East. The President's State of the Union Message was vague about U.S. efforts in that vital area of the world—because the Johnson Administration's policies are vague.

The Soviet Union relishes that kind of situation.

Last year, the Soviets goaded the Arab states into a military showdown with Israel. While the United States stood aloof, the Israelis fought a brilliant war and beat both the Arab armies and their expensive Soviet weapons.

Since last June the Soviet Union has been pouring modern tools of war into the Middle East, and the area is again buzzing with powerful new Soviet jet planes.

As the Soviets rush in to become the major force in the Middle East, with a policy of turbulence, what is United States policy? No one seems to know.

The U.S. is doing nothing to convince the Soviets of the grievous world danger in this arms race. Continuing sales of Soviet arms to Arab countries force Israel to find deterrent weapons.

Where is the initiative of the Johnson Administration to get Arabs and Israelis to the same peace table and preferably through direct talks?

The greatest insurance against Soviet domination of the Middle East is a strong Israel, living at peace with its Arab neighbors.

Peace in the Middle East and survival of gallant Israel depends upon a firm and clear American policy.

A DEFENSE POSTURE SECOND TO NONE

(By Senator PETER H. DOMINICK of Colorado)

The peace of the Free World depends largely on American strength—economic, moral and military strength.

The right to wake up unafraid is every American's heritage, secure in the knowledge that this country is too strong to attack. There can be no partisan politics in our efforts to maintain this goal. It is too important to mankind. But let's look at the record.

We are told of bomb shortages, automatic rifle malfunctions and lack of proper jungle gear. We have no new fighter aircraft and the TFX is still a question mark. 16" naval fire power from battleships have been literally kept in moth balls, and repeated Congressional efforts to obtain an anti-missile system have been summarily thrust aside until this year.

In the meanwhile, the Red Chinese have been steadily expanding their nuclear capability. The Soviets have surpassed us in deliverable nuclear megatonnage and they have developed a fractional orbiting nuclear bomb and six new fighter-bomber aircraft systems. They have the largest submarine fleet in the world and they are well on their way toward completion of an anti-missile system.

We are menaced now—not tomorrow or next year or the next decade, but now. The overwhelming strategic superiority developed under President Eisenhower has rapidly dissipated. This Administration has developed a strange new doctrine—that Soviet strategic equality is better than American supremacy.

That dangerous doctrine must be reversed while there is still time. Peace, with freedom, is inseparable from American strength. Let's keep it.

WHAT PEACE DEMANDS TODAY

(By Senator JOHN G. TOWER of Texas)

I'm here tonight to tell you where we believe the great majority of Americans stand on Vietnam.

First and foremost we stand for the all-out support of our half-million fighting men and women—material support and moral support.

We stand for military success in Vietnam that will enable the Vietnamese to rebuild a free nation.

We stand for an era of peace and stability that will embrace all of Southeast Asia.

We stand for the effective utilization of America's vast air and sea superiority.

We stand for quarantine of the enemy's supply lines so that he can no longer fight.

We stand for firm resistance to naked Communist aggression in Vietnam as we did in Greece, Berlin, Korea and Cuba. We also stand for the complete protection of American ships in international waters.

We note that in the last few months the Johnson Administration has been vigorously prosecuting the war in Vietnam. But, we also note that for far too long it followed a self-defeating policy of "gradualism."

That "gradualism" policy caused us to pull our punches; it prolonged the fighting; it cost American lives unnecessarily. This war could be over today if the Johnson Administration had acted with determination instead of with vacillation.

It is no wonder that the communist enemy is confused about American intentions and doubts American determination. The Administration's ping-pong pronouncements have left even Americans confused.

Throughout this century Republican Administrations have understood how to maintain world peace. Today, we understand what peace demands.

The nation suffers from a "peace gap" which we are determined to close.

OUR SONS IN VIETNAM

(By Congresswoman CHARLOTTE T. REID of Illinois)

Yes, I am a mother. Two of my four children are sons—one of whom served four years in the Marine Corps and the other left for Vietnam just last week. I believe that not only all parents, but all thinking Americans are as deeply distressed as I am by complacency, disunity, and protest here at home.

There are many problems which threaten our American way of life—crime, disrespect for law and order—but particularly the war. Our men in Vietnam are fighting to insure the freedom and happiness of all of us—of our children and, indeed, our grandchildren, too.

So—we must impose on ourselves the kind of discipline we impose on our soldier sons. While we have American troops in Vietnam, we must be certain that they have our wholehearted support. We must be certain that the Johnson Administration knows what it is trying to do in Vietnam and that it knows how to do it. Above all, there must be no false promises.

More than 16,000 families have learned the final, terrible price of freedom. Yet, the casualty lists continue to rise. We must be certain that the lives which have been lost will not have been sacrificed in vain.

WE WILL GO FORWARD

(By Congressman GERALD R. FORD of Michigan, the House Republican Leader)

What you've seen is a picture of our party, how we look, what we think, how we feel and why we believe there must be better ways to run our country.

Only by facing facts can we, as one nation and one people, move forward to forge in our time a more perfect Union.

It seems strange not to have Senator Dirksen by my side. We've missed him tonight and want him back soon.

I speak for all of us, I'm sure, in expressing special thanks to you, Senator Murphy, for the tremendous job you've done in presiding over this hour, and to my friend and colleague from New York, Congressman Goodell, who relinquished a place on the program to make room for others.

We have told the truth as we see it about the State of the Union.

We're proud of our party and its leaders from Abraham Lincoln to General Eisenhower. We're proud of legislators like those you've just seen—of our great governors and the young men and women coming up and taking charge.

Two-party competition made America great and keeps it free. When stakes are high and problems grave, we need more airing of the issues—not less.

Debate must be candid, it must be high-level, and it must be respectful of honest differences.

All Americans should, and we do, respect the high office of the Presidency. We ask this question most seriously and respectfully:

Will the President now agree to meet our nominee in man-to-man debates on the overpowering issues of 1968?

Will he do his part in dramatizing to the whole world, face to face before the American people, that free discussion in troubled times does not divide us but unites us.

Lincoln did.

John F. Kennedy did.

Lyndon Baines Johnson should.

We, the most powerful nation and people in history, toss and turn with the tides of discontent, seethe with the injustices of hope denied, wrestle with the burdens of a war unwon.

And now a startling flame bursts up from a 15-year-old war still smouldering on another Asian peninsula, Korea. Negotiations at Panmunjom have never ended, perhaps are going on this very hour.

All Americans will pray tonight for peace. I know of no loyal American, whether we be Democrats or Republicans or independents, who isn't hoping the Pueblo incident can be resolved peacefully, who doesn't want peace in Korea and peace in Vietnam as quickly as it can be honorably found.

No American worthy of the name is opposed to peace or wants war. We stand tonight behind our President—and we have throughout each enemy testing of our national will—in every earnest effort he makes for enduring peace.

Republicans stand for peace at home and peace in the world.

Peace anywhere and everywhere finally depends on strength, firmness and candor from our leaders, calm courage and confidence from our people.

We defend peace most surely when we demand candor, firmness and strength in facing up to both foreign challenges and domestic difficulties. To be strong abroad we must be strong at home.

In the year just passed we have watched our cities erupt and our savings erode.

But Americans are neither quitters nor losers.

We can take the hard truth, make the hard choices, and put our country's future first.

Physical power and spiritual strength we have. Great leadership we shall find.

And we, each one of us, must look deep into his conscience, searching to establish what is truly American, hoping to find a new America that unites the dreams and serves the needs of all of us.

This generation of Americans, and the next and the next, will once again establish justice, ensure domestic tranquility, provide for the common defense, promote the general welfare and *secure the blessings of liberty*.

We will not be distracted by the shrill discord of the spoilers.

We will not be diverted by the doom's day fantasies of the fearful.

Let us instead hear this: "Be strong and of a good courage, be not afraid, neither be thou dismayed; for the Lord thy God is with thee."

We will go forward with high hearts and ready hands for the hard work ahead.

THE POSITIVE REPUBLICAN PROGRAMS

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. GERALD R. FORD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, the role assigned to the gentleman from New York [Mr. GOODELL] in the preparation of our Republican appraisal of the state of the Union was to summarize the positive Republican programs advanced by the other participants or previously proposed in the 90th Congress. In seeking to comply with the limitations of live television, it became apparent that there were far too many of these proposals—more than 47—even to enumerate briefly without subtracting from the time allotted to others. The gentleman from New York unselfishly ruled himself out of the presentation over the CBS network on January 23 and played an indispensable but invisible role. The joint Republican leadership of the Congress, however, announced on January 22 that additional material would be made available to the public at a later date. I am honored to place in the RECORD at this point the summary prepared by the distinguished chairman of our House Republican Planning and Research Committee [Mr. GOODELL].

CONSTRUCTIVE REPUBLICAN PROGRAMS

(By Congressman CHARLES E. GOODELL of New York)

In this rapidly changing twentieth century, where today's job cannot be done with yesterday's tools, our nation must seek to utilize every human resource to solve our nation's problems. Transformed from an agrarian to an industrial society in less than 100 years, with seven of every ten Americans now living in urban areas, our nation must solve the new and demanding problems of an urban society while still coping with problems remaining from previous generations. To accomplish this task, Republicans in the United States Congress recommend 47 overall proposals, including more than 50 specific, positive programs for a better America:

1. Immediate passage of a Congressional reform bill to improve Congressional legislative machinery.
2. Establishment of a permanent Joint Committee on the Reorganization of Congress.
3. Adoption of a Clean Elections Law to re-establish confidence in the integrity of our election process.
4. Adoption of improvements in our electoral college system.
5. Establishment of a Hoover-style commission to recommend needed reforms in the executive branch of our government.
6. Adoption of an Intergovernmental Cooperation Act to promote more effective relationships between federal, state and local governments.
7. Improved usage of our nation's fiscal resources through a federal revenue sharing program with state and local governments.
8. Bloc grants to state and local governments to make our federal grant-in-aid program more effective.
9. Allowance of tax credits to state and local governments for federal taxes paid that state and local governments might have better revenue sources to solve their own problems.
10. Creation of an independent investigating committee in the United States Congress under the control of members of the opposite party from the party of the President.
11. Strengthening of the power of Congress

to oversee the Executive Branch and guarantee that legislative intent is carried out through such programs as an independent oversight agency of Congress and expanded, re-oriented Committee staffs.

12. Passage of a permanent legislative code of ethics.

13. Enactment of a National Homeownership Opportunity Act to assist low-income families in owning their own homes.

14. A Human Investment Act to encourage business and industry in training unemployed men and women.

15. Creation of an Office of Industry Participation in the executive branch to coordinate private efforts in solving pressing urban problems.

16. An Industry Youth Corps to assist our nation's young people in finding employment in private, productive jobs, not dead-end public jobs.

17. Establishment of voluntary boards of businessmen in cities throughout this nation to mobilize the total resources of communities in helping the poor overcome their special problems in obtaining employment and getting off the welfare rolls.

18. Utilization of the "community action" concept to assure participation of the poor in solving their own problems, while avoiding use of poverty funds for political patronage.

19. Phasing over of the Job Corps into community residential training facilities that are, wherever possible, combined with state vocational education programs to provide efficient and effective help for unskilled young men and women in qualifying for productive, private employment.

20. Establishment of military career centers to assist otherwise unqualified young men in pursuing military careers on a volunteer basis.

21. Providing states with a key in Head Start programs while retaining parental and non-public agency participation and supportive health, nutrition and family services.

22. Establishment of an Early Years program, to include both elementary school children who have participated in Head Start and those who have not, providing needed additional educational, social and nutritional services.

23. Coordination and unified administration of inter-related programs such as Head Start with the Elementary and Secondary Education Act, Job Corps with Vocational Education and Poverty training with the Manpower Training programs, thereby avoiding waste and administrative overlap.

24. A 100% income tax deduction for medical expenses and drug costs incurred by our senior citizens.

25. Appointment of a National Commission on Urban Living to study in-depth the problems of our urban areas.

26. Creation of a blue-ribbon commission to study the long-range needs of our American military posture.

27. Continued development of the Advanced Manned Strategic Bomber, the long-range interceptor aircraft, our anti-submarine warfare capabilities, our anti-missile system, and every feasible use of nuclear power for our Navy.

28. Expansion of veterans' benefits to provide cost-of-living increases for veterans receiving service-connected disability benefits and for widows of veterans receiving death compensation benefits.

29. Expansion of the G.I. benefits program to widows of servicemen who died while serving our country and to wives of servicemen who incurred total disability while serving.

30. An improved earnings exemption for veterans so that their desire to earn additional income will not be hampered by prospects of a harsh reduction in their veterans' benefits.

31. Creation of an Office of Inspector General in the National Aeronautics and Space Administration to insure the safety and efficiency of our space program.

32. Immediate enactment of legislation to protect civil rights workers from violence while traveling interstate and prompt passage of legislation to make illegal the use of interstate communication and transportation facilities to provoke violence.

33. Legislation to take the Post Office out of politics.

34. Increasing flexible usage of Title I funds by the states in the Elementary and Secondary Education Act.

35. Promoting increased efficiency and flexibility in the administration of Title III of the Elementary and Secondary Education Act through involving state participation more effectively.

36. Establishment of fiscal priorities that will enable our nation to fully fund programs to meet urgent national and human needs.

37. Reduction of the fiscal deficit and reversal of inflationary monetary policies to stabilize the cost of living.

38. Full recognition that our balance of payments problem cannot be met with short-run controls, but requires realistic programs to expand controls and curtail unnecessary expenditures.

39. Immediate enactment of legislation to provide proper federal assistance to state and local governments in strengthening their law enforcement capabilities.

40. Pursuit of a firm and realistic course in coping with a serious crime problem, particularly the use, with proper judicial safeguards, of electronic surveillance in combatting organized crime.

41. Establishment of an independent Federal Maritime Administration to plan for redevelopment of our merchant marine.

42. Assignment of a higher priority by this administration to rebuilding the maritime industry.

43. Legislation allowing wheat growers to receive advance crop payments.

44. Changing the present feed grains program to emphasize stronger market prices.

45. Prompt consideration of legislation designed to improve the bargaining position of farmers.

46. Extension of Public Law 480, the Eisenhower Food for Peace program, with an additional emphasis on expanding markets for U.S. farm production.

47. Development of an incentive program to encourage construction of air and water pollution control facilities by private business and industry.

Opportunity and security remain the hallmarks of the American Dream. These 47 recommendations are a part of our Republican program to insure the future of our nation through providing equal opportunity and security for all Americans. Crucial to our nation's progress and vital to the progress of all mankind is the way we as Americans renew our commitment to this goal.

DATA NEEDS FOR REGIONAL AND LOCAL DECISIONMAKING

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CURTIS. Mr. Speaker, in November 1967, the Washington chapters of the American Statistical Association held a conference on data needs for local and regional decisionmaking. The opening address by Mr. Paul I. Ahmed, chairman of the conference, emphasized the need for new and improved statistical data to provide the means to identify and help solve problems of our cities. We need to discover not only whether the goals of our cities conform to the desires of their inhabitants, but also the specific problems that need to be solved to make our cities more enjoyable places in which to live.

Mr. Ahmed pointed up the need for additional data in the areas of mobility patterns, employment and income, institutional demography and the impacts of governmental programs. We cannot work toward solving the problems of our urban areas until we have identified these problems, and it is here the Government and its statisticians can provide most valuable assistance. Because of the urgency of the problems facing our cities and the positive approach Mr. Ahmed takes to solving them, I include his speech in the RECORD at this point:

DATA NEEDS FOR LOCAL AND REGIONAL DECISIONMAKING

(Address by Mr. Paul I. Ahmed, National Center for Health Statistics, as chairman of the conference sponsored by the Washington chapters of the American Statistical Association, and the American Marketing Association, held on November 15, 1967, at the Interdepartmental Auditorium, Washington, D.C.)[1]

Deputy Under Secretary Ross, Commissioner Clague, Ladies and Gentlemen: It is only fitting that I call this conference an important gathering as the topic is timely and it has such a distinguished list of participants. It is my privilege to be its chairman. This conference meets in the midst of short and long term urban crises—riots in the cities, high unemployment rates, substandard housing, antiquated medical facilities, inadequate educational institutions, polluted air and streams, death and injury with more high powered cars on the highways. What are the goals of the urban society? How can the statistician, economist, and sociologist provide the tools to assist the program planner in tackling the urban problems in both the short and long run? What kinds of data are currently available? What are the additional needs to define and measure the goals of urban society?

It is the statistician's task to provide data on which decisions could be based to alleviate some of the problems of our cities; data that could tell us whether an attempt should be made to maintain the decentralization process of our cities or go back to their concentrated core; data which could provide guidelines as to whether new cities should be built, and if so, how far apart such cities should be built; data that could provide the decision to use 10 or 20 billion dollars if such money was available. How can we accomplish this goal? Four dimensions must be examined. First, we should re-examine the framework of data, especially economic data, because of the continuously changing framework of economic theory. Secondly, we may have to collect the same data we now collect in a different way. Thirdly, additional data needs to be collected; and fourth, new ways of treating the data may have to be found. For the purpose of brevity, the latter three are classified into one category of "Need for additional data."

I. GOALS OF URBAN SOCIETY

No test of social success has such nearly unanimous acceptance as the annual increase in Gross National Product. Given the goal it is no wonder that the economic policies of the federal government over the past two generations have been based on continental or aggregative data to the neglect or exclusion of specific circumstances. Thus, the United States has the best unemployment data in the world, but there is no city that knows its unemployment rates by sections. We are the richest nation with some of the worst slums; the most educated with some of the most marginal school children; the most oriented towards "life saving," with the greatest number of deaths on the highways; the most mobile, with some of the most rigid caste confinements. Thus, one needs to examine not only the micro or specific situation, but also whether the goals of the society in terms of increased industrial production is a proper goal for the America of the seventies. Whether the state policies vital to the accomodation of these goals—regulation of aggregate demand, maintenance of the large public and technical sectors on which this regulation depends, underwriting of advanced technology, such as the provision of an increasing volume of trained and educated manpower—should not include policies—such as the care of the ill, aged, provision of parks and recreation, removal of waste, provision of agreeable public structures. Thus, the society has to go beyond the needs of the industrial system, into the social needs of the cities and counties. The national economic solution to "national problems" needs to include economic as well as social solutions both at the national and the local level.

---

[1] The views presented here are those of the author and not of the National Center for Health Statistics.

Other areas we need to measure are intangibles such as discomfort, happiness, social distinction, prestige, satisfaction with life, etc. The society affords a sense of high social urgency to increased output. In order to reach this increased production goal, however, a management of demand takes place. It works not on the body but on the mind. It first wins acquiesce or belief; action is in response to this mental conditioning and thus devoid of any sense of compulsion. Thus it is not that we are required to have a newly configured automobile; it is because we believe that we must have them. If society's goals are to be examined for reallocation of resources, the legitimacy of beliefs and how they are arrived at will have to be examined. For example, we ask people not to smoke, not to eat certain foods, to keep the city clean and to use safety belts, etc. Motivation will most likely be guided by the existing beliefs people have about the severity of a given disease or injury, their own reaction to it, and the benefits they might derive from taking some kind of action. These motivations must be measured in order to have a baseline to know what beliefs we need to change for a particular desired result.

II. NEED FOR ADDITIONAL DATA

Mobility patterns

Many of the city problems are caused by events far from its borders. Technological change, a change in the economic climate and social changes in other parts of the country lead to vast shifts of population posing human problems of poverty, unemployment, etc. Additional facts need to be known about movement from city to city and within metropolitan areas in terms of outflow to the suburbs and the reverse flows. The people who are leaving need to know which area can offer more opportunity. The receiving cities need to know about the composition of the probable shifts of population. A great deal more could be usefully known about the middle age couples whose children have established a household of their own. Certainly knowledge about the increasing number of younger persons who move out is of critical importance to the urban planners. In the public health field, mobility itself is the prime public health variable. We have to know not simply births and deaths within areas but movement within areas.

Employment and income

There is a well-known assumption of current policy that there is a mismatch between the pool of available skills and available jobs in the inner city. It is conceivable, however, that some of the problems of unemployment in a metropolitan area are caused by the combination of physical separation in distance and separation of information channels, concomitant with the distance between the source of employment and the sources of labor. It seems that the location factor as well as the skill factors are involved in chronic structural unemployment. An analysis of a sizable sample from Social Security records by location of employment could shed light on this important problem.

Requirements for disaggregation of employment data beyond the labor market area to the point where something is learned about employment conditions in the ghettos are urgent. Data about the distribution of job openings that will occur through replacement needs is often called for. Longitudinal studies of covered employment by postal zone or by census tracts will provide insights about the changing character of the urban economy.

Institutional demography

Corresponding to the data about individuals and families, there needs to be developed a range of information that may be called "institutional demography." Cities are organized around institutions, some public, some private. The number, variety and vigor of these institutions shape the dynamic quality of the city. Thus we need to know some measure of levels of taxation and public expenditures between the different jurisdictions, over time and within the jurisdiction and of intergovernmental transfer payments. A measure of effectiveness of governments that link or overlap to provide the public service of most metropolitan areas is needed, as it is generally agreed that central cities are supporting a large number of services from a relatively shrinking tax base while they receive less intergovernmental aid than the more wealthy communities in their metropolitan areas. More data is needed on voluntary organizations, such as political organizations, trade unions, fraternal associations. The membership information if classified by various demographic variables could be very useful, as we know power belongs to those who are organized. It could portray the distinct quality of American cities.

Data for number, size, location, growth or decline of businesses classified by type of ownership, i.e., locally owned vs. managed branches, need to be presented on a more comprehensive basis. Also, data needs to be developed for analysing differences in school enrollment and educational institutions between various areas. The organized pattern of behavior of each city needs to be known. Air pollution levels, noise levels, organized crime levels, etc. in each city is different and should be recorded for comparative purposes. Also, more data about urban ecology in terms of density such as automobiles per square mile, streets, housing, parks, industry, race and social class on per square mile could be useful in showing inner city differences.

Finally and most important is the need of area health studies which may show differences that relate to economic and social issues such as air pollution, slum housing, and industrial diseases. One important source of localized information would be the medical rejection rate for selective service examinations which could be charted by census tracts.

Impact of governmental program

A three pronged drive to evaluate present programs is necessary. First the development of the community profile is necessary. Secondly, as a benchmark and for evaluation, the descriptive data on existing programs should be compiled, and thirdly, data on actual program operation is needed to measure progress.

For federal programs affecting the States, such as the Economic Development Act, systematic data or resources of individual counties, labor markets and cities is needed in order to make a decision. Secondly, measurement of the impact of such programs as space and defence on local communities is of major importance for the communities to prepare for adjusting to the impact and is needed. Thirdly, per capita income by individual census tract is needed as the financial ability criterion is built into some legislation such as elementary and secondary education aid. Fourthly, analyses of such data is necessary in order to make useful inferences and beneficial programs.

On a local level program effectiveness studies such as conducted in the Pentagon could be of enormous importance to the city planners. Also many essential governmental programs could be made to yield current data on natural resources and their use; for instance, tax assessor records, building inspections, building permits, health inspections and numerous other ongoing governmental operations could easily be made to yield current data on land use in many cities. Another aspect that needs attention is the evaluation of needs in measurement of effectiveness of various services such as contraceptive services, for family planning now being provided by the cities. For example, we need to know the impact of contraceptive services on birth rates.

Conclusion

Let me end these remarks by pointing out that statisticians hold the main burden of future planning. In order to effectively help plan a 5, 10, and 20 year plan, so common to industry, statisticians will have to be leaders of social thought rather than the followers. They will have to augment a social series in anticipation of the need and will generally have to get involved in motivations and "whys" of a situation. They will have to interpret existing data and identify economic and social problems. This will require that interrelationships and correlation analyses be not left to individual scholars, but be done by those who planned a Survey or study. The future is full of promise for statisticians. They have the opportunity to explode America's myths and build its hopes. I welcome the opportunity of being one among you.

HELLER'S "NEW DIMENSIONS OF POLITICAL ECONOMY"

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CURTIS. Mr. Speaker, Prof. Walter Heller's recent book, "New Dimensions in Political Economy," Cambridge, Harvard University Press, 1966, is the subject of an incisive review by Prof. Arthur Burns in the June 1967 issue of the National Banking Review. Each of these scholars was a former Chairman of the Council of Economic Advisers to the President and has much to offer those interested in the current dialog on governmental economic policy and what is called the "New Economics."

Arthur Burns' review does much to focus perspective on the claims of the "New Economists" advocated by Walter Heller. For interested students of this subject I am placing Professor Burns' article in the Record at this point:

HELLER'S "NEW DIMENSIONS OF POLITICAL ECONOMY"

(By Arthur F. Burns)

(This is a review article of "New Dimensions of Political Economy," by Walter W. Heller, Cambridge: Harvard University Press, 1966. Pp. viii and 203. $3.50.)

The Godkin Lectures that Professor Walter Heller gave at Harvard University in March 1966 are expanded in his lively book on "New Dimensions of Political Economy." Its central theme is the use of economics in the formation of national policies during the 1960's—a period and subject of which Professor Heller has exceptional firsthand knowledge. The first chapter deals with the role of economists, particularly the Council of Economic Advisers, in shaping economic policies and in advancing the President's programs. The second chapter discusses the tools and achievements of the "new economics" since 1961 and "the promise of modern economic policy" for the future. The third and final chapter is devoted to a close examination of the opportunities that growing Federal revenues provide for strengthening the fiscal foundations of hard-pressed state and local governments. Clearly, Professor Heller deals with issues of large significance for the modern world.

His book has other notable qualities. It is humane in spirit and is concerned with the business of life, not merely economic improvement. It presents a lucid and stirring account of the "new economics" in action. It argues eloquently for a strongly activist economic policy, particularly in fiscal matters. It is informed by a thorough understanding of the political process. It seeks to avoid ideological conflict or commitment. And it yields interesting glimpses of the two presidents whom Professor Heller served so ably as Chairman of the Council of Economic Advisers. For all these reasons the book deserves to be read widely.

Not all of the book, however, deserves to be remembered, and the main reason is the author's neglect of history. Governmental concern with economic growth is hardly an offspring of the "new economics." In the nineteenth century, economic growth was a paramount objective of our nation's policy—as the debates and legislation on tariffs, internal improvements, banking and currency, land settlement, conservation, and the state of competition testify. With industrialization and urbanization proceeding rapidly, the business cycle naturally became a subject of large public concern toward the end of the century. Much attention was therefore directed in succeeding decades, first to the prevention of financial crises, later to the moderation of fluctuations in the general price level, still later to the prevention of mass unemployment. After World War II, as the nation's resolve to deal with unemployment became stronger and as evidence that the business cycle was moderating accumulated, interest shifted again to economic growth and economic policy became increasingly focused on the simultaneous achievement, as far as feasible, of full employment, a high rate of growth in productivity, and general price stability. The Economic Report of the President in January 1954 stated the modern view accurately: "The new concept that is emerging in the practical art of government . . . is to subject every act of proposed legislation or administrative decision, as far as that is humanly possible, to review from the standpoint of the contribution it is likely to make, whether in the immediate or a more distant future, to the attainment of an expanding economy with maximum employment and without price inflation" (Ec. Rep., p. 112).

Professor Heller brushes aside what happened before the 1960's. He conveys the impression that, at least during the 1950's, the "old mythology and wrongheaded economics" of the budget dominated economic policy (p. 36). He at no time mentions the huge tax cut, or the provisions for accelerated depreciation, or the highway legislation, or the reform of the social security program, or the concern with education and training programs during the Eisenhower years. He notes, to be sure, the restrictive financial policy of 1958-1960, but does not refer to the urgent circumstances from which it arose. "At the 1966 Symposium on the Employment Act," he tells us, "there was much talk of the gradual evolution of economic policy. . . . But evolution became revolution the moment we had Presidents—and now we have had two—with the Keynesian perception to welcome their responsibilities under the act and to use its mandate and the weapons of political economy to generate . . . prosperity" (p. 12). This vision of a revolution is indeed suggested by the very first sentence of the book: "Economics has come of age in the 1960's." Again, Professor Heller speaks of Presidents Kennedy and Johnson as "the first modern economists in the American Presidency" (p. 36)—a claim that appears to be largely based on their advocacy of a massive tax cut at a time when the economy was advancing and the budget was out of balance. This was undoubtedly a new, significant, and at the time a salutary departure in economic policy. But if the first modern economist in the presidency is to be identified at all, may not this title belong to President Truman who fought so valiantly for the passage of the Employment Act or perhaps to President Hoover who, despite his tragic inadequacy in a time of crisis, was the first incumbent of the White House to deem it essential to use governmental power to moderate the ill winds of the business cycle?

Between 1961 and 1966, production and employment in our country rose substantially, the advance of prosperity became widely diffused, full employment was reestablished and new doors of economic opportunity were opened to underprivileged citizens. Professor Heller stresses these achievements and he is right in claiming that the Federal government played a vital part in bringing about these gains. However, he glosses over the disappointments of the '60's—the fact that extensive unemployment lasted much too long; the fact that disequilibrium in the balance of payments escaped correction; the fact that governmental finances continued to show a deficit even when full employment was re-established; and the fact that governmental policy released forces which eventually resulted in a new round of inflation.

Professor Heller properly assigns a high role to fiscal policy, particularly the tax cut of 1964, in the prosperity of recent years. But his view that the expansion was "fiscally spurred" (p. 68) is an oversimplification which fails, in particular, to recognize the strongly expansionist thrust of monetary policy from 1961 to 1965. He claims that the "chief reliance" (p. 95) of fiscal policy during 1961–1965 was tax reduction, when in fact expenditure increases came to a much larger total than tax reduction. He conveys the impression that President Kennedy's proposal to cut income tax rates worked out precisely as planned, but fails to mention that the tax proposal was accompanied by a plan to raise Federal expenditures by nearly $5 billion and that the Congress accepted the former but rejected the latter. And he is surely mistaken in suggesting that Vietnam is responsible for the recent inflation. Many months before Vietnam was of any financial consequence, evidence of economic strain began to appear—particularly, although by no means exclusively, in the markets for raw materials and skilled labor. Signs of incipient pressure on the nation's available resources, which were already plain during 1964, were ignored or overlooked by the policymakers. In fact, during 1965, with Vietnam beginning to hurt and the economy approaching full employment, the Federal government unleashed practically every weapon of economic stimulation—greater monetary ease, lower income tax rates for individuals, lower income tax rates for corporations, lower excise taxes, and larger spending on programs of the Great Society.

The theory of the "new economics" has a fascination for the modern generation because of its intellectual elegance and scorn of evil—the evil of inflation no less than the evil of unemployment. In Professor Heller's words, the "success of the 'new economics' . . . requires willingness to shift or reverse gears" (p. 99). More precisely, "flexibility of program calls for a readiness to move taxes and interest rates up as inflation pressures mount and down as demand ebbs (p. 100). But this fine rule of symmetry was practiced unevenly by policymakers during the '60's—as it had indeed been before them, thereby strengthening the fears of many that the "new economics" may in practice be just another engine of inflation. Even now, Professor Heller does not stop to ponder or even to note the fact that the wholesale price level rose 4 percent between mid-1964 and the end of 1965. Even now, he believes that economic conditions required "overt fiscal stimulus" (p. 95) during 1965. Even now, while he takes pride in the boldly expansionist policy that was pursued when unemployment was extensive, he explains the hesitations of fiscal policy during 1966 on the simple ground that "the economic calculus was clouded by uncertainty" (p. 88).

Professor Heller professes little interest in the business cycle. "Gone is the countercyclical syndrome of the 1950's," he announces in the Preface. Later, he explains that closing of the gap between actual and potential output "rather than the smoothing of the business cycle became the main preoccupation of policy" (p. 64); and that "the main instrument for dethroning the cyclical model and enthroning the growth model has been the GNP or performance gap" (p. 62). Apart from language, I am unaware of any real difference between "gap-closing" and "smoothing of the business cycle" provided, of course, that the smoothing is substantial and occurs at a high level of the employment rate. There is no real difference here between the objectives of economic policy during the '60's and the objectives during the '50's. However, "enthroning the growth model" cannot of itself rid the economy of the processes stressed by business-cycle theory—for example, the imbalance that normally develops between capital investment and consumption or between costs and prices as the economy moves toward full employment. The "cyclical model" therefore serves a diagnostic purpose and its neglect can prove serious, as it indeed has. Fortunately, "the countercyclical syndrome of the 1950's" is not yet entirely "gone." It has not even been entirely abandoned by Professor Heller, for he too recognizes the need "to avoid the excesses that destroy expansions" (p. 49).

Th unique function of the Council of Economic Advisers, in Professor Heller's well chosen words, is "to put at the President's disposal the best facts, appraisals, and forecasts that economic science, statistics, and surveys can produce" (p. 16). But, as he explains, the activities of the Council extend beyond giving advice to the President himself. Professor Heller discusses perceptively the activities of the Council since 1961, but he again fails to do justice to earlier history. He conveys the impression that prior to 1961 the Council pursued a "detached, Olympian, take-it-or-leave-it approach to Presidential economic advice" (p. 15). This description may fit the brief period when Dr. Nourse was Chairman of the Council. Otherwise, it is simply untrue. During 1953–1956, for example, the Chairman of the Council had weekly scheduled meetings with the President—a privilege that only one other member of the government, the Secretary of Defense, enjoyed. He had full access to the President at other times and he used it when necessary. He represented the Council at weekly Cabinet meetings, made frequent reports on current and emerging policy requirements, and participated actively in Cabinet debates on economic matters. He served as Chairman of various Cabinet committees and used the opportunity to advance the Council's program. He worked closely with the Secretary of the Treasury and the Chairman of the Federal Reserve Board. He and his Council colleagues spent a good part of practically every day striving for a consensus on policy issues with representatives of the various departments and agencies. The Council thus fought tirelessly within the Executive establishment for the policies that it deemed needed and proper. The Council did not, however, take to the stump and fight in the public arena for the President's program. It refrained from this essential political activity because it felt, by and large, that professional economists should stick to their knitting, that economic counseling and political advocacy could get in one another's way, and that economists should not devote their precious time to do what politicians—who at least then were not in short supply—can do better.

In other periods, both before and after President Eisenhower's first administration, the Council did indeed choose to play a large and active public role. Since 1961, as Professor Heller explains in detail, the Council has considered its advisory responsibility to include public advocacy of the President's program and even the occasional release of trial balloons in his behalf. It may not be easy to decide, on the basis of evidence yet available, whether such activities seriously interfere with the objectively and receptiveness to new thought and fresh evidence that the Council needs to have. It is still useful, however, to remember that political activities on the part of the Council nearly led to its destruction not too many years ago.

Whatever view one may take of Professor Heller's treatment of the past, his views concerning the future are always important. His plea for revenue sharing with the states and localities is well reasoned and well documented. It has already aroused wide interest in the Congress and will inevitably become a subject of lively debate once the pressure of Vietnam on the Federal budget eases. Professor Heller also makes an impressive plea for flexibility and speed in fiscal action. Since changes in tax rates affect swiftly the income structure, he feels that "high-speed income tax legislation, quickly translated into changes in withholding and quarterly payment rates, would give the Federal Reserve Board a run for its money in timely stabilization policy" (p. 102). This is difficult to achieve under our form of government, and the subject deserves the most careful thought and study—as Professor Heller urges.

Candor compels me to add that my enthusiasm for high-speed tax legislation, which was once considerable, has waned in recent years. I am not at all confident, by way of example, that fiscal policy in early 1966 would have been less hesitant if "push-button procedures or Presidential authority for temporary tax increases" (p. 98) had been available. With such devices at hand, we might very well have had a "quickie tax cut" in the summer of 1962, such as the Council then recommended (p. 33). But in that event, would we have gotten the judicious and well-balanced Revenue Act of 1964 which became law only after Congress had worked long and conscientiously on the economic, ethical, and administrative issues surrounding the income tax? Besides doubts of this character, I do not think that economic forecasting is as yet sufficiently accurate to justify fine fiscal tuning. I also fear that if it ever becomes governmental policy to move income taxes up or down at brief intervals, this rule of fiscal behavior will become a normal part of expectations and the effectiveness of fiscal policy in inducing needed changes in investment and consumer spending will therefore be drastically reduced. Thus, if a tax reduction is deemed to be temporary, it will affect economic activity only through its effect on current disposable income and the spending response may be quite small. On the other hand, if the tax reduction is expected to be permanent, both individuals and corporations will not only be more willing to commit their larger disposable income, but they are also apt to use their brains, their energy, their liquid resources, and even their credit to take advantage of the new environment in which business is to be done. These considerations argue against frequent changes, but not necessarily against speedy changes, of tax rates. It would be helpful to learn what we can from the experience of Great Britain, Canada, and perhaps other countries where quick tax legislation has been practiced.

Let me say, in closing, that Professor Heller's optimism and his compassionate concern with both the present and future are perhaps the most engaging features of his book. His faith in the power and promise of the "new economics" is strong. The following is a typical utterance: "I count on our growing economic maturity to keep on lowering the political barriers to sound economic decisions" (p. 97). But Professor Heller is realistic enough to recognize that the path of the "new economics" is strewn with rocks in practice. His warning that "if fiscal and monetary policies are consistently less vigorous in checking overexpansion than in combatting underexpansion, the resulting inflationary bias could in part discredit the 'new economics' " (p. 50), is timely and constructive.

A NEW LOOK FOR SOCIAL SECURITY

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CURTIS. Mr. Speaker, I was most pleased to be invited by the editors of the Business and Government Review at the University of Missouri to prepare an article for their publication about the social security system. The Review is published bimonthly by the School of Business and the Public Administration Research Center at the University in Columbia. The article which I submitted, entitled "A New Look for Social Security" appeared in the January–February Review. I should like to draw it to the attention of those of my colleagues who may be interested:

A NEW LOOK FOR SOCIAL SECURITY

(NOTE.—The views expressed herein by Congressman CURTIS are his own, and thus, not necessarily those of the School of Business and Public Administration Research Center or the University.)

(By Hon. THOMAS B. CURTIS)

As first enacted in 1935, the Social Security program provided only retirement benefits, and covered only workers in industry and commerce. Benefits were financed through a flat tax of 2 per cent (half paid by the employer and half by the employee) on the first $3000 of the worker's income. Insurance aspects were as much emphasized as the social aspects. Benefits were primarily related to contributions, and payment of the taxes was necessary to qualify for benefits. Today the insurance aspects of the system have almost whittled away leaving what some fear might become a complete welfare program.[1]

Since this time the Act has been amended at least a dozen times, including 1967. Coverage, benefit eligibility requirements, and financing provisions have all been altered on several occasions. Benefits have been steadily raised. Even those persons who have contributed to the system at maximum rates since its inception are receiving benefits worth several times the value of the payroll taxes they have paid in. Dr. Colin D. Campbell, Professor of Economics at Dartmouth College, has calculated that a married man retiring in 1967, if he lives the 14 years he can expect to live after reaching 65, will receive under the 1965 Act benefits worth five times the payroll taxes he paid in. A married man retiring in 1962 at age 65 will receive eight times the value of his contributions. Even the single person, for whom social security is less of a deal than for nearly all other retirees, will receive benefits worth three times as much as his contributions.[2] Obviously the ratio of benefits to contributions is much higher for the great number of persons to whom coverage has been extended between 1935 and 1967.

The social security program is being paid for, but by today's wage earner and his employer, not by those persons currently receiving benefits. The cost of the program, in contrast to its early days, is no longer moderate.

In constant 1965 dollars the maximum tax has quadrupled since 1935.[3] The current combined employer-employee tax rate is 7.8 per cent on the first $6600 of employee income. Under H.R. 12080, the bill passed by the House of Representatives in August 1967, beginning in January 1968, the income base on which the tax is paid will be $7600. The tax rate in 1969 will be 8.4 per cent increasing to 10 per cent by 1973. If recent trends continue, there will be no leveling off at this rate or this wage base either. H. R. 5710, the bill containing the Administration's 1967 social security proposals would have riased the taxable wage base to $10,800 in three stages by 1974 and the tax rate to 10 per cent in order to provide benefit increases of 15 per cent. United Auto Worker President Walter Reuther in his testimony before the Ways and Means Committee suggested that the Committee and Congress consider raising the wage base to $15,000 and supplementing the social security fund with general revenues in order to provide a 50 per cent increase in benefits.[4] In my judgment, there is grave danger in expanding the social security program to this extent.

---

[1] See, for example, an editorial, "Dangerous Ground for Social Security," Business Week, August 26, 1967, which I placed in the Congressional Record of September 27, 1967, pp. 27002–27004, along with my own introductory remarks.

[2] Collin E. Campbell and Rosemary G. Campbell, "Cost-Benefit Ratios under the Federal Old Age Insurance Program," to be published in Compendium on Old-Age Assurance, Joint Economic Committee, 90th Congress, 1st Session, Table 2 (1967).

[3] Tax Foundation, Inc., "Economic Aspects of the Property Tax" (New York, 1966), p. 15.

[4] Hearings on H.R. 5710 before the House Committee on Ways and Means, 90th Congress, 1st Session, Part 3, at 1430–1431 (1967).

The basic concept of social security—to protect against indigency among the aged when they are no longer employed and to provide a base upon which other retirement programs can be built—is sound. But it has already been expanded to cover large portions of our society where the problems of indigency do not exist. Social security was never proposed as a complete retirement program for all persons in the society. Yet it is rapidly becoming just this for vast numbers of Americans who could provide for themselves if permitted to do so better than the government can provide for them. There is a limit to which the program can be beneficially expanded. I believe we are very near that limit under present law.

CONSTRAINTS ON THE PRESENT PROGRAMS

One of the major constraints on the further expansion of social security is the payroll tax itself which finances unemployment insurance and workmen's compensation as well as social security. This method of financing is basically sound. It is sound public policy to require the worker to help provide for his retirement years and not unreasonable to require an employer's contribution as a cost of doing business. Yet like any tax, the payroll tax has a point of diminishing returns. Many economists have argued that a tax greater than 10 per cent of payroll endangers the basic system.

A high tax of any kind is likely to cause serious economic distortions. This is certainly true of the payroll tax. It is a tax on jobs and therefore an employment disincentive. Depending upon the industry and a wide variety of conditions it may cause an employer to invest in labor saving technology and machinery. The result could be both a decrease in jobs available and a resource misallocation due not to labor's inability to compete, but to the fact that there is no social security tax on a machine.

The fact that social security is financed by the payroll tax ought to cause us to think long and hard before increasing the scope of the program as a means of combating poverty. Payroll taxes are a bad way to finance welfare. They are paid only by a limited segment of the taxpaying public—employers and employees in covered employment. More than this, they are regressive. A person earning only $7,600 per year pays a 3.4 per cent tax on his entire income. A person earning $15,000 pays a 3.4 per cent tax on only half of his income. The tax consumes a much larger proportion of the income of the relatively poor than of the relatively rich.

Cost-benefit ratio

Payroll tax constraints aside, there is a sound policy reason for not expanding social security as a means of combating poverty; we want to avoid overtaxing the worker for his retirement. This is not only desirable, it is necessary. One prerequisite for public support of social security is a belief on the part of today's worker that when it comes time for him to retire he will get his money out of the program. Yet, Professor Campbell points out that the ratio of costs to expected benefits for the worker entering employment at age 22 in 1967 is 166 per cent. In 1937 the cost-benefit ratio for the 22 year old under the program existing at his time of entry was 133 per cent. The cost-benefit ratio at time of entry has been steadily rising over the years. Under the proposed H.R. 5710 the ratio for the person entering the labor force in 1974 at age 22 is 193 per cent.[5]

Admittedly, calculations of this kind are very difficult to make. Results depend considerably on the assumptions. A few conclusions over which there can be little disagreement are possible, however. It is certain that benefits must be increased in the future if the young worker of today is to get his money's worth. How much pressure giving the young worker his money's worth will put on the system is uncertain. Inflation certainly has been a disruptive factor in the past and is likely to continue to be in the future, particularly with the interjection of giving some benefits in kind rather than in cash, e.g., medicare.[6] Furthermore, population growth which has permitted much of the growth of the program during the last 30 years is now leveling off. From 1950 to 1965 the number of retired workers receiving benefits grew more than sixfold, while the number of taxpayers less than doubled. Recent history has shown that labor productivity increases are insufficient without base and tax rate increases to provide benefits for those paying into the program during their working years, let alone finance complete or nearly complete retirement programs for persons paying little or nothing into the program.

These are the factors I see working against the continuation of the present social security program on a greatly expanded basis. A growing recognition of some or all of them has caused some persons to urge that the social security trust fund be supplemented by general revenues. I have two major objections to this approach. First, once this is done on any large scale, we destroy the few remaining insurance aspects of the program. At least at the present time there is a hazy relationship between benefits and earnings. Further, once general revenues are used, there is no longer meaningful discipline upon the program's expansion and its complete socialization.

With all of this said, however, the question of how we are to provide necessary increases in retirement benefits for our people remains. I argue that there are three basic reasons why such increases today should come from further emphasis on funded retirement programs rather than pay-as-you-go retirement programs such as government social security.

One of the reasons I have already discussed is the economic limitations of the payroll tax. The other two are perhaps even more compelling.

FUNDED PROGRAMS

Funded retirement programs can pay larger benefits than a pay-as-you-go system, because over 50 per cent of the benefits paid out to the retiree come from earnings on the investment of the fund. Our private pension plans today have over $90 billion in their funds. The annual earnings run over $4.5 billion. These funded plans are being extended to cover more and more people. About 25 million workers are presently covered in a program which was effectively started almost 10 years after social security. It wasn't until last year that the Congress effectively extended the tax treatment for corporate pension plans to self employed and their employees. In a few years 50 million or 75 per cent of the workers should be covered and the funds should be well over $200 billion.[7]

Example

One brief example will emphasize the point. During the Ways and Means Committee hearings last spring I asked the National Association of Life Underwriters to prepare for the Committee a comparison of the additional cash benefits available at the maximum benefit level for social security beneficiaries under the terms of H.R. 5710, which contained the Administration's 1967 social security proposals, with retirement benefits provided for the equivalent premium by private insurers. The figures are most enlightening.

In 1974 under the provisions of the President's social security proposals, an individual would have been entitled to an increase of $120 per month over the maximum benefit scheduled for 1974 under present law. The increase in the combined employer-employee tax was to have been $439.80. Deducting the amount of the tax which finances disability and survivorship protection prior to age 65 (28.2 per cent[8]), the combined employer-employee tax which was to have financed the proposed $120 per month social security benefit increase was approximately $315. This $315, if invested in a private policy issued at age 21, would finance an increased retirement benefit of $278 per month. The increase in benefits available under a typical private program is more than twice as great as that available through the unfunded payroll tax system.[9]

Third point

This brings me to my third point, and the bonus which accrues to society when we rely upon funded programs to provide necessary increases in the retirement incomes of Americans. Any society has a need for capital to finance its economic growth and increased standard of living.

The Western European countries, particularly the ones that have been acclaimed for paying higher social security benefits than the U.S. social security system, look with envious eyes to the great U.S. capital market. They do not have the capital to finance their growth. Americans through their tripartite retirement systems have much greater retirement benefits per person than these same countries because Americans do rely heavily on funded retirement systems in addition to social security. In the process, Americans have created great savings through the savings and loan institutions ($150 billion), through the pension plans ($90 billion), through the insurance companies ($200 billion) and savings in banks ($100 billion) to finance the expansion of industry and their own living standards. If a society does not finance a large part of the retirement of its people through savings, it creates serious difficulties for itself.

People have only so much money to put aside for retirement. So when we cut in on the funded systems by increasing the pay-as-you-go system, we cut back first on the amount of benefits that otherwise might be paid to our employees and, secondly, on the capital that otherwise would be available to finance the Nation's growth, jobs and increased living standards for our people.

It is important that we understand our great society lest we, in our endeavor to improve and better it, unwittingly damage it.

THE EXECUTIVE CAN DOMINATE THE NEWS

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to

---

[5] Campbell, op. cit., Table 4.

[6] The effects of inflation under such programs as medicare which provide benefits in kind, i.e., pays for medical services, are borne by the government rather than the individual who bears these effects when benefits are paid in cash. Since medicare is also a part of social security, the strains upon the system as a whole will become greater if the tendency to pay in kind rather than cash continues.

[7] My Supplemental Views on H.R. 12080, House Report No. 544, 90th Congress, 1st Session, 200 (1967).

[8] Calculated by Robert J. Meyers, Chief Actuary of the Social Security Administration.

[9] Hearings, op. cit., 1237.

the request of the gentleman from Michigan?

There was no objection.

Mr. CURTIS. Mr. Speaker, Marquis Childs, in a syndicated column appearing in the January 15 Washington Post headlined, "L. B. J.'s Advantages: Dominating News," points up an important facet of the difficulties involved in adequately fulfilling a basic function of representative government; namely, the representatives reporting back to the people the decisions being made on public matters.

In our form of representative government, the President is the Executive to carry out the decisions made by the people's representatives in Congress assembled—although the Office has some legislative responsibilities.

In addition, the President has certain powers derived directly from the Constitution and not from the laws enacted by the Congress. Therefore he has a responsibility to report directly to the people on certain matters.

However, the President has a responsibility to report directly to the Congress on these same matters. The Congress in turn has a responsibility and the authority to require the President to report directly to the Congress upon his administration of the laws enacted by Congress, as well as of his direct constitutional powers.

There is an implied constitutional restriction, however, which forbids the President from reporting directly to the people over the heads, as it were, of the people's duly elected representatives on matters which are essentially legislative. Congress, from time to time, has restricted by law the executive's power to spend money and to use the facilities and the time of executive employees to influence the legislative process. The President and his appointees have the prerogative to present their views in depth to the Congress and congressional committees.

In recent years these restrictive laws have been continuously and openly violated. The greatest lobby in Washington today has become the executive branch of the Federal Government. The techniques employed by it increasingly rely upon misrepresentation rather than appeals to facts and fair arguments. Thinly disguised political blackmail and bribery backstopped by extensive campaigns to propagandize the people have subverted the study and deliberative process of the Congress in all too many instances.

If this process is developed to its ultimate, the Congress will become no more than a sophisticated mechanism to record the effectiveness of the propaganda programs conducted by the executive financed by tax moneys.

How far we have come in losing sight of the political structure embodied in the Constitution is seen in the format of President Johnson's state of the Union messages. These are no longer messages to the Congress. They are messages to the people over the heads of the Congress with the Congressmen relegated to the position of stage props to enhance the effectiveness of the propaganda extravaganza.

I do not fault the President for this as much as I do the weak leadership of the Congress which permits it. And I fault my own party for not forcefully challenging the President and the Democratic leaders of the Congress on this issue.

It is important not to oversimplify the problem. An important function of executive agencies is to give out factual information to the public from time to time. Many laws require executive agencies to do just that. Some agencies are specifically established for that limited purpose. However, if this function of administrative government is used to propagandizing the people, it not only fails to achieve its proper purpose, it strikes at the heart of the reporting-back function of the Congress so essential to the operation of representative government.

Now coming back to Marquis Childs' article. It merely touches one aspect of the President's power to dominate the news.

I have sought to point up many other ways in which the President can and does dominate the news daily and insidiously.

Furthermore, the Executive can dominate the quick news which has become such an important part of our technologically advanced and busy society. Actions rather than deliberations are the grist for the 15-second comment in the daily national TV and radio news broadcasts and the 100-word national wire service items printed word for word in the columns of the daily newspapers throughout the country.

The Executive, by definition, acts and so creates news. But not so the Congress which if fulfilling its proper function essentially studies and deliberates. Its only easily reportable actions are the final votes taken at the end of this long drawn out process.

It is difficult to report the study and deliberative process meaningfully and objectively. Certainly it is difficult to report it as "quick" news without oversimplifications. Creating labels and readily recognizable personalities are the techniques of the art.

To the extent that the Congress performs as a study and deliberative body instead of as a super Univac registering the results of the input of the propaganda campaigns to that extent the ability to "quick" report what Congress is doing is diminished. Conversely, to the extent that the Congress does act as a super Univac, to that extent it lends itself to the "quick" report. The ready quip, the extreme statement, if it can be boiled down to 15 seconds, becomes the basis of the reports of congressional action to the people.

Perhaps if the weekly and the monthly national magazines undertook to report the study and deliberative process in the Congress with more accuracy and less quip and wit, the quick-news media's labels and coined personalities would be less deceiving to the public. Instead of being a guide the weekly and monthly magazines and the documentaries of TV and radio seem to take their guidance from the quickies. Or what is more sinister, they often become the willing accomplices of those, which includes the executive, who seek to propagandize the American people rather than to develop a rational public dialog by reporting the study and deliberative process.

One eminent reporter, the head of the Washington bureau of a prominent daily newspaper when introduced to a Member of Congress said:

> I always enjoy meeting one of my competitors.

This was said partly in jest, but it illustrates an important point. Many reporters seek to make news rather than to report it.

To a reporter seeking to make news, a representative of the people assigned the job of studying and deliberating the social issues to render decisions is indeed a competitor. To such a reporter the manipulation of the news media with its established labels and political dramatis personnae is the name of the game. This, however, is the easy game. Reporting the study and deliberative process is an exceedingly difficult game and requires a master's every effort to turn in a creditable performance.

To the historian seeking to write history to manipulate the course of current events instead of grubbing out the truth of past events, the Congressman is also, if not a competitor, at least someone to be manipulated.

The thrust of these perversions of the search for truth is directed not so much to the executive—who is concerned with action which it is not so easy to misreport as it is to the Congress which is concerned with study and deliberation.

Finally, I would observe that the election process, as well as the legislative process, depends upon accurate reporting to the people. If the issues which face the Nation and the positions of the politicians involved are not presented to the people with reasonable accuracy the process of popular election is undermined.

There are two professions which are basically responsible to the people for accurate reporting. First, and primarily responsible are the political representatives themselves and the party leaders. Second, there are the news reporters and the news media. Indeed, if the first group fails to study and deliberate and to make decisions in respect to the issues, or dissembles their individual views on the issues, how indeed, can the news media be faulted?

However, if study and deliberation has gone on, and decisions have been made upon this basis and the quality and quantity of it has not been reported to the people, then indeed the intermediary between the people and their representatives must bear the blame.

I think there is a little question that the weakest link in representative government today is the reporting back to the people of the study and deliberation which goes on on public issues. This weakness is so pronounced today that the blame for it must be widely shared by both professions, that of the politician and that of the reporter as well as by their academic backstoppers the political scientists and the historians.

Here is the column of Marquis Childs which set off this reminiscing:

L. B. J.'s ADVANTAGE: DOMINATING NEWS

(By Marquis Childs)

As a president in office in an election year, Lyndon Johnson is out to demonstrate how he can dominate the news and keep attention focused on the man doing the job. Such is the enormously expanded power of the presidency that this advantage cannot be exaggerated.

Beginning with the State of the Union message a stream of recommendations, statements and exhortations will pour from the White House. These are not merely the speeches or white papers of a candidacy for office. They are official papers commanding the headlines.

In foreign policy the authority of the Chief Executive carries the same weight. Already preliminary planning is beginning for an Asian summit to be held probably in early April. Annoyed by the belittling of his Christmas round-the-world trip by much of the press, the President is said to gloat over his upward rise in the polls. He attributes this to going where the action is.

Early next spring he will be on the television screens again demonstrating his devotion to the defense of freedom in Asia. And a third visit to the troops in Vietnam will beyond doubt be on the schedule of a jet-propelled President.

The foreign ministers of the Southeast Asian Treaty Organization are to meet in Wellington, New Zealand, on April 2. After they have met for three days, it is now contemplated, heads of government of five or six of the SEATO powers will come for a full-dress summit. Australia, the United States, Thailand and the Philippines will be represented as well as New Zealand and possibly Britain too. It will be an opportune occasion to foresee the successful conclusion of the war in X months and to underscore the promises of the Saigon government for long-neglected reforms.

Both on the domestic and the foreign side 1968 will be for the President the year of the big promise. The promissory notes will not fall due until 1969, since the shadow of a record budgetary deficit and the urgent need to stop the serious outflow of the dollar overshadow the current year.

The President will recommend a large-scale plan for reshaping the cities and breaking the barriers of the ghettos. The plan will lean heavily, according to advance indications, on private enterprise to carry a sizable part of the load with tax incentives as the carrot. He pledged in his television interview in December that if private enterprise failed to absorb the jobless in the slums the government would become the employer of last resort.

This implies very large government expenditures. But a test of the Johnson plan enlisting the corporations in the war on poverty would not be conclusive, if Congress goes along with the proposal until after the election in November. The Commission on Riots headed by Gov. Otto Kerner of Illinois will make a first report after March 1. Presumably the President will anticipate the Commission's grim findings with a wide-ranging program.

While the Chief Executive can create news and often take the play away from his challengers, he cannot forestall bad news. New outbreaks of urban rioting—what dire prophets foresee as a form of guerrilla warfare—would present President Johnson with horrendous choices. He would surely have to call on Federal troops to prevent loss of life and destruction of property. The prospect of an urban ghetto cordoned off for an indefinite period in a kind of apartheid can hardly cheer the Executive, on whose shoulders the heaviest responsibility falls. Dick Gregory, one of the more flamboyant civil rights leaders, said the other day that unless certain demands are met in Chicago he will lead demonstrations making it impossible to hold the Democratic National Convention in that city in August.

Similarly in foreign policy the President can lead but he cannot anticipate reverses. Great pressure is being put on the South Vietnamese government to demonstrate reform and pacification and, above all, to show what the South Vietnamese army can do, American officials are pressured to come up with hopeful reports.

One thing is sure—at home and abroad the President will be both literally and figuratively all over the place. His swinging impact as a newsmaker cannot be discounted.

ADJUDICATE OR ELSE

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FINDLEY. Mr. Speaker, yesterday I sent to the White House the letter setting forth an honorable and promising means of resolving the *Pueblo* dilemma.

Under it, our Government would demand recovery of our crew and the U.S.S. *Pueblo* and would use military force if necessary.

North Korea could avoid military action, however, and at the same time receive every protection and advantage any nation could reasonably expect by releasing the crew and ship and by accepting our proposal that the legal questions and possible claims involved in the recent presence of the *Pueblo* near the Korean coast be adjudicated by the International Court of Justice at The Hague.

Here is my letter to the President:

JANUARY 29, 1968.

Hon. LYNDON B. JOHNSON,
President,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: At this late hour, an honorable and promising course of action still remains for dealing with the Pueblo affair. It is, I believe, an appeal to reason which might well win cooperation from the government of North Korea and thus prevent military conflict.

It would take the form of a simple but clear ultimatum to that government on these terms: adjudicate—or else!

Under it our government would withhold military action and would agree to adjudication of all aspects of the dispute if the government of North Korea within 72 hours releases to United Nations representatives the U.S.S. Pueblo crew and the vessel itself.

Adjudication would suitably occur before the International Court of Justice at The Hague.

In making the proposal, we would warn that if the offer is not accepted, the United States would review its policies of restraint and take appropriate military measures to effect recovery. In such event, our government would ask Mr. U Thant, Secretary-General of the United Nations, to designate citizens from neutral nations to accompany the military expedition in order to observe any and all aspects of the military operations. This would provide useful testimony in the event that North Korea should subsequently agree to adjudication.

This proposal combines effectively both the carrot and the stick.

It assures the government of North Korea every consideration and protection which a nation could reasonably expect. This would be accomplished by the rule of law by due process in the world's highest tribunal.

As such, it gives the North Korean government a face-saving way to release the crew and ship. The government could explain the release by saying, "After all, all we wanted was due process of law."

From the standpoint of the United States government, it provides a way to avoid further embarrassment caused by North Korean custody of our men and vessel, puts us plainly on the side of law—not force—as the means of settling the dispute, and still retains for us the option of military action if the other party does not accept adjudication.

Recognizing the gravity and complexity of the Pueblo episode, I am hopeful that these suggestions may be of some use to you.

Sincerely yours,

PAUL FINDLEY,
Representative in Congress.

WHOLESOME MEAT ACT

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. STEIGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. STEIGER of Wisconsin. Mr. Speaker, many questions have been raised about the recently passed Wholesome Meat Act. I would like to take this opportunity to include as part of my remarks a letter from the deputy administrator of Consumer Protection for the Department of Agriculture which in particular points out the "rule of reason."

I hope this letter indicates the kind of State-Federal cooperation we can expect in the enforcement of this new law:

U.S. DEPARTMENT OF AGRICULTURE,
CONSUMER AND MARKETING SERVICE,
Washington, D.C., January 19, 1968.

Mr. DONALD N. McDOWELL,
Director, Department of Agriculture,
Hill Farms State Office Building,
Madison, Wis.

DEAR DON: This will confirm our discussion on January 18 concerning facilities for meat plants.

Since the enactment of the Wholesome Meat Act (P.L. 90–201), members of the meat industry and State agencies with meat inspection responsibilities have indicated their anxieties over the application of Federal facilities and equipment requirements.

There has been a sizable class of operators that was immediately affected by the passage of this law. The United States Department of Agriculture has developed procedures for approving sanitary facilities, and bringing these plants under Federal inspection without causing "undue hardships," and forcing plants out of business.

This same policy will be applied to those existing plants under State inspection in meeting the new law's requirement of "at least equal" to the Federal standards. The construction requirements are now set forth in general terms in the Federal regulations. These requirements relate directly to maintenance of sanitary conditions to achieve the production of wholesome meat and meat food products.

The decision on acceptability of facilities now in use, has to be left to the appropriate program official who shall use the "Rule of Reason" in deciding whether sanitation production of meat products can take place.

Many questions have been asked about

rail heights, door widths, and similar items in the USDA guides to plant construction. These requirements are only to be applied to existing facilities to the extent that operating procedures cannot be devised to allow sanitary production of wholesome products.

Our interest first and foremost is in seeing that the consumer can be assured that the meat she buys is clean, wholesome and properly labeled.

Sincerely yours,

R. K. SOMERS,
Deputy Administrator,
Consumer Protection.

CUTBACK IN FEDERAL-AID HIGHWAY FUNDS

Mr. VANDER JAGT. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia [Mr. BLACKBURN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BLACKBURN. Mr. Speaker, recently, Secretary of Transportation, Alan S. Boyd, announced that there would be a cutback of $600 million in the Federal-aid highway obligation levels during calendar year 1968. His news release stated this would be approximately 5 percent lower than 1967 levels.

I, and many of my colleagues, feel that these actions are illegal and clearly in violation of the intent of Congress as stated in the Federal Aid to Highway Act of 1956.

This act created the highway trust fund. It provided for the manner by which funds for highway construction would be made available. Expenditures from this fund have nothing to do with "deficit spending under the budget," the principal cause of inflation. The entire program was to be completed in 13 years or by 1969.

This Department head delayed expenditures from the highway trust fund in 1967 as you will remember. Now, he again states he will delay the expenditure of funds from the trust fund because "the administration is deeply concerned by the rising cost of highway construction" and that a "hold-down during this calendar year will be of 'important assistance in reducing this inflationary trend'."

Naturally, gentlemen, there is still no talk about cutting down on the war on poverty and other spendthrift programs which are part of the budget operation and do bear heavily on the extent of deficit spending and inflation.

For the record, the language of the act creating the highway trust fund states, "It is hereby declared to be essential to the national interest to provide for the early completion of interstate highways as authorized and designated in accordance with section 7 of the Federal Aid Highway Act of 1944. It is the intent of Congress that the Interstate System be completed as nearly as practicable over a 13-year period and that the entire system in all States be brought to simultaneous completion."

That was 12 years ago, when Congress stated that we drastically need an Interstate Highway System to save lives and accommodate our exploding population. If these funds are cut back, we do not meet our goal and many lives will be lost on our Nation's highways. Estimates indicate that for every 5 miles of Interstate Highway System constructed, one life is saved.

During the first session of the 90th Congress, I entered a resolution stating that the Congress has the sole prerogative to designate the use of all funds which fall under the highway trust fund. Furthermore, I stated that the appropriation of money and decisions with respect to its use, are responsibilities of Congress. This responsibility cannot be abdicated by Congress, nor should it be usurped by the President.

Therefore, I feel that the Congress should urge the President to cease and desist from any further freezing or delay in allocating the funds received from gasoline taxes to the States for highway construction. Every day the costs rise. I am very pleased that many of my colleagues joined with me in entering this resolution.

Secretary Boyd persists in his actions and now announces a cutback in over $600 million in these funds. Yesterday, I wrote a letter to the Secretary stating my objections. For the information of my colleagues, I insert a copy of that letter to Secretary Boyd in the RECORD:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 25, 1968.

Hon. ALAN S. BOYD,
Secretary of Transportation,
Department of Transportation,
Washington, D.C.

DEAR SECRETARY BOYD: I have just received your news release stating that you plan a reduction of 600 million from the funds available for highway construction. I have several questions which I would like to present to you concerning this matter.

(1) In 1956, when the Congress decided to adopt the Highway Trust Fund, it stated, "It is hereby declared to be essential to the national interest to provide for the early construction of the interstate highways authorized and designated in accordance with section 7 of the Federal Aid-Highway Act of 1944 to the *intent* of Congress that the interstate system be completed as nearly as practicable over a 13 year period, and that the entire system in all states be brought to a simultaneous completion."

(2) Furthermore, the Congress stated through Sec. 108 (b) of the Federal Aid Highway Act of 1956 that "any sums apportioned to any state under the provisions of this section should be available for expenditures in that state for two years after the close of the fiscal year for which such sums are authorized".

(3) I would like to point out that the taxes raised to fund the construction are raised from taxes imposed upon those who use the highways. The Congress intended those funds to be held in "trust" for the benefit of those who pay for the highways. I feel that the trust has been violated by the action of yourself.

(4) My last point is one concerning the practicality of cutting back the funds when we see that the cost of highway construction has been steadily rising for the past 10 years and will probably continue to do so in the future.

I would also like to know what you plan to do with the 600 million dollars in Highway Trust Funds that will not be distributed. Specifically, I want to know if plans exist to purchase Participation Certificates from any other government agency. Has your agency purchased such certificates in the past, and if so, please disclose the extent of your present holdings, the agencies issuing such certificates and the interest rate being received.

Many of my colleagues, and I, are baffled over your actions and feel that any delay of highway construction utilizing funds collected for highway purposes is illegal.

Mr. Secretary, I sincerely hope that you give these questions your most studied attention.

Sincerely,

BEN B. BLACKBURN,
Member of Congress,
Fourth District, Georgia.

THE J. P. STEVENS CO. CASE

The SPEAKER. Under a previous order of the House, the gentleman from South Carolina [Mr. RIVERS] is recognized for 60 minutes.

Mr. RIVERS. Mr. Speaker, we have heard and read all kinds of stories about the J. P. Stevens Co., a company which has existed in this Nation since 1813.

There is no organization, no corporation on earth which has done more for its country, its employees, or for the comfort of every single solitary living American.

The treatment this company has received at the hands of this Government is one of the most disgraceful episodes that history has recorded in any civilization which has ever existed since time began.

I am today going to give the House of Representatives the facts in the J. P. Stevens case which was finally adjudicated by the Supreme Court on December 11, 1967. Impressions and stories are so inaccurate and distorted I feel it my duty to give to the Congress the true story of the Stevens case.

During the early part of 1963, union officials announced with great fanfare that the J. P. Stevens Co. was to be the first target of a new and all-out drive to organize labor in southern industry—particularly the southern textile industry.

Since that time, these labor organizations have used every conceivable device, including millions of dollars, and the prized support of the National Labor Relations Board to attain this objective. However, notwithstanding this all-out effort by the union organizers, aided and abetted by a Federal Government agency, these unionization efforts have to date been a complete and utter failure.

Union elections covering nine plants of the Stevens Co. have been held thus far—eight in 1965 and 1966, and one in 1967. In every one of these elections, including a rerun election, the proposal for unionization has been soundly rejected.

I want to make it abundantly clear, I do not blame the union organizers, they have a job to do and they are doing it. My complaint is that our Government is permitting this NLRB to subjugate a corporation with complete impunity soundly rejected.

One could very well ask, why then must these employees be forced repeatedly to reiterate their continued satisfaction with existing working conditions at the J. P. Stevens Co. and repeat their unequivocal rejection of the opportunity to pay dues to these labor chieftains?

The answer is evident on its face—neither the professional labor organizers or the National Labor Relations Board will accept "no" for an answer.

Since the free elections had rejected the union's efforts, the National Labor Relations Board, in concert with these union organizers, commenced a series of legal attacks on the Stevens Company to literally force them to aid and abet the union's efforts to organize its employees.

Thus, for example, following the elections which soundly rejected union efforts to organize the employees of the Stevens Co., charges of unfair labor practices were instituted by the unions. These charges were then made the subject of protracted hearings by the National Labor Relations Board trial examiners during which time a total of 443 witnesses were heard. Despite the fact that a majority of these witnesses upheld the position of the J. P. Stevens Co., the hearing examiners and the National Labor Relations Board arbitrarily and unilaterally rejected this favorable testimony and accepted the testimony provided by witnesses in support of the union's contentions. The trial examiners found against the company by simply deciding that all the company witnesses were lying and that all the union witnesses were telling the truth.

I agree that this sounds incredible in our society which prides itself on according impartial and objective justice, particularly when it involves the question of "rights" of a minority petitioner.

This circumstance becomes all the more remarkable since much of the testimony that was rejected by the hearing examiners related to material questions of fact. Thus, in apparently every instance in which there was a direct conflict of testimony on a material question of fact, the trial examiner arbitrarily disregarded the testimony of those witnesses favorable to the J. P. Stevens Co.

Now, in any objective and impartial hearing, it is axiomatic that an obvious conflict of testimony on material questions of fact must be resolved—and when the adjudicating authority has found that a witness has perjured himself, appropriate punitive action ought to be instituted.

The National Labor Relations Board does not bother to observe these traditional Anglo-Saxon precepts of elementary justice, but simply reserves the right to accept or reject whatever testimony it desires.

The judicial aspect of this function by the National Labor Relations Board then obviously becomes a mere mockery since the convening authority can conveniently accept such evidence and testimony as will support its preordained conclusions.

One of the trial examiners, Boyd Leedom, tried to explain this extraordinary procedure. He admitted that many of the witnesses supporting the company's position were fine, upstanding citizens, with good reputations in their communities. He pointed out that they had taken an oath to tell the truth. Yet, he decided that they were instructed by the company to give false testimony and that in accepting these orders to prevaricate, they did so somewhat in the spirit of soldiers during a war, who, and I quote, "engage in the common error of fighting real or pretended evil with evil."

This fantastic rationalization by the trial examiner does in truth stagger even the wildest imagination.

Perhaps at this point in the RECORD, it would be pertinent to quote the language of the trial examiner and review the mental gymnastics which resulted in this arbitrary rejection of sworn testimony. I will now quote from Mr. Leedom and let the House judge for itself:

> If I am right in the foregoing conclusion, and of course it is my best judgment that I am right based on all that I have seen and hear in the conduct of the hearing, then the responsibility of each person on the firing line, who was called upon to act as a witness in the unlawful denial of the employees' rights, is freed to a greater or lesser degree of individual guilt feeling, because the policy and the project he serves extends beyond himself, becomes not only plantwide, but companywide, industrywide, and large enough in some instances to encompass whole communities. In the process something in the nature of a crusade seems to develop in which means toward the end, that would be wholly rejected by the individual if the affair were entirely his own, are not only accepted and utilized but assume certain aspects of virtue in that the actors seek to overcome a common enemy, an evil that here takes on the form and name of unionism. And so either believing or rationalizing that their position is just, they engage in the common error of fighting real or pretended "evil" with evil. A dual standard of conduct—that is one standard for the individual, and another for an organized effort—has been recognized and applied throughout the history of mankind. War, out of which national heroes are born and are greatly honored by us all, is the prime example.

Obviously, Mr. Speaker, with the rejection of the majority of the evidence and testimony submitted by witnesses supporting the position of the J. P. Stevens Co., the hearing examiner could then easily find himself against the company. This amazing decision was then accepted by the National Labor Relations Board.

The penalties applied against the company as a result of this decision were so extraordinary that the company was forced to exercise its right of appeal to the courts.

The judicial appeal made by the J. P. Stevens Co. was rejected by the Second U.S. Circuit Court of Appeals and a writ of certiorari was ultimately denied by the U.S. Supreme Court on December 11, 1967.

The refusal of the U.S. Supreme Court to act on this appeal is particularly inexplicable since the Supreme Court itself, in *Universal Camera Corporation* v. *the National Labor Relations Board*, 340 U.S. 474, stated that the "reviewing courts" have a positive "responsibility" to see to it that "the Board keeps within reasonable grounds" in its factfinding and decisionmaking function.

Thus, by virtue of the failure of the J. P. Stevens Co. to obtain a thorough review of this case by the U.S. Supreme Court, the National Labor Relations Board has now largely freed itself from the restraints which Congress carefully sought to place upon it, in the amendments to the National Labor Relations Act 20 years ago.

Stated another way, this decision, in effect, provides that the "factfinding" function of the National Labor Relations Board is virtually conclusive and that the shaping of appropriate "remedies" is essentially within the sole discretion of the National Labor Relations Board.

The Board has now therefore reached a position from which it can view its horizons as almost limitless.

In view of these circumstances, I believe that the National Labor Relations Board and its conspiracy with the chieftains of organized labor, makes it an ominous and dangerous threat to our system of free enterprise and our individual liberties.

I therefore recommend that the responsible committee of the Congress immediately initiate legislative efforts to write legislation which will eliminate the judicial function now performed by the National Labor Relations Board and substitute the establishment of a system of labor courts which will observe established rules of evidence in adjudicating disputes between labor and management.

A legislative change of this type is long overdue and we must bridle the authority of the National Labor Relations Board lest it prove in fact to be the Trojan horse which will destroy our Nation.

If our courts are too lazy or irresponsible to review the findings of a hearing examiner, then the law should be changed to force them to review such findings or special courts should be established. The J. P. Stevens case is a classic example of bigotry on the part of a Government agency, stupidity on the part of a hearing examiner, and outright laziness on the part of judges who do not want to be bothered with the facts.

If America is to be saved from the fate of Great Britain, free men must be allowed to work.

If America is to be saved from total state socialism, free men must be allowed to choose their leaders—in government or in industrial representation.

If America is to preserve the free enterprise system, the mismanaged National Labor Relations Board must be muzzled, modified, mutilated, and muted.

Mr. TUCK. Mr. Speaker, will the distinguished gentleman from South Carolina yield to me at this point?

Mr. RIVERS. Why, of course I yield to the distinguished former Governor of the great State of Virginia.

Mr. TUCK. Mr. Speaker, I would like to commend the distinguished gentleman from South Carolina [Mr. RIVERS] for bringing up the subject of this discussion on the floor of the House of Representatives this evening.

Furthermore, I would like to take this opportunity to associate myself with the general sentiments as he has expressed them in his very excellent statement.

Mr. Speaker, I am familiar with the operations of the J. P. Stevens Co. I am quite familiar with the president of that organization, Mr. Robert Stevens. I have known him for many years. I regard him, and he is generally regarded, as one of the outstanding Americans of this generation. I know of no individual held in higher esteem by those who know him than Mr. Bob Stevens.

Mr. Speaker, I am familiar with the manner in which their plants operate. There is one located in my State, the great State of Virginia, located within a mile of my own home. I know of the excellent labor-management relations which exist in that plant.

I am astonished that the American people would sit idly by and allow such an unworthy arm of the American Government as the National Labor Relations Board to enter such dictatorial orders as they have entered against this great organization which is the greatest of its kind in the United States, and which as the gentleman from South Carolina has pointed out, is the second largest in the world.

Mr. Speaker, this company has done much to enhance the culture, the economic development, and the educational opportunities of the people of this country.

I think it is a pity that such an organization should be harassed by this National Labor Relations Board.

One of the astonishing things to me is that a part of the order which has been entered by that Board requires a representative of that company to appear not only to reinstate these people who are complaining, but to go down there and appear before each and every shift of the plants in which they work and acknowledge the fact that they have violated the law of the land.

Mr. Speaker, I am proud of the fact that I come from a State which is proud of the fact that we sponsored the Virginia Declaration of Rights in that matchless instrumentality of freedom, penned by that great American George Mason of Virginia and under which the people are guaranteed the right to speak and to declare their sentiments upon all subjects and to have a review of that right.

Mr. Speaker, it seems to me that this represents a violation of one of the very fundamental principles of our Government and of our Constitution, to require the officers of this corporation to go and make a statement of any kind and, particularly, a statement to the effect that they have violated some law of this country.

It is my understanding that no one is required to give evidence or to speak unless he wishes to do so. And, never in the history of the jurisprudence of this country do I know of any instance where it has been held that a person would have to go and make a positive statement on any subject, particularly one involving a misdoing or miscarriage of justice.

I am astonished that even the National Labor Relations Board would enter any such order, and I am also shocked and astonished that the Supreme Court of the United States—established by the Founding Fathers for the very purpose of protecting the livelihood and the businesses of the people—would allow such a thing, and I can only account for it by their ineptitude or their instability, or both.

Mr. RIVERS. I can tell the gentleman why the Supreme Court did not review the case. It was because they were too busy following their favorite pastime of looking out for the Communists and protecting their rights. They have first priority, as the gentleman knows.

Now, it is obvious that this bird who conducted the hearings set his own rules of evidence, and naturally made any decision he pleased, and he did. And of course this Board down here in its findings, in substance and in so many words said that the president of the J. P. Stevens Co. must go down here to these plants and say, "I have been a terrible sinner; I have committed all of these things, I admit everything."

What does that mean? Why, that is the way that the Communists do every time they capture one of our people, they conduct a hearing and say that.

To give a board such powers is not American.

Mr. Stevens went to the circuit court of appeals, and they were too lazy to look into the facts, they were too occupied. Then they appealed to the Supreme Court, and of course they were too occupied with protecting these Communists because the dockets were filled up, and they were also too lazy to look into the case to see what this company suffered.

Now, this is one of the most disgraceful things that has ever happened in this country. Neither court took the time to look to see how this board treated this company. That is what I am talking about. I do not mind these people getting their jobs back, and it makes no difference to me, and I do not mind them getting 1 or 2 or 3 years of backpay if they are entitled to it. But I believe it should be based on the common precept of the Anglo-Saxon concept of legal jurisprudence on which our whole legal system is based. That was not observed—that was not observed. And our courts failed—utterly failed to protect the rights of this corporation. This is what I am talking about.

The judicial appeal made by the Stevens Co. was rejected by the Second U.S. Circuit Court of Appeals, and a writ of certiorari naturally was rejected by this bunch, this crowd over here in the Supreme Court, and the refusal of the Supreme Court to act on this appeal is particularly inexplicable in light of the Universal Camera case against the National Labor Relations Board, where the Court held that reviewing courts have a positive responsibility to see to it that the Board keeps within reasonable grounds.

The Court held that. And Stevens went to the Court based on that decision, yet they were too lazy, too lethargic, too indifferent to go into the facts of the case.

Being the good citizen that he is, Stevens carried out the findings of this disgraceful National Labor Relations Board.

Now, I am just going to put the rest of what I have to say in the RECORD, but what it is is this: This Board is a disgraceful outfit. It should be abolished. It should be muted. It should be mutilated. It should be stricken from the face of the Federal quasi-judicial system of our Government. We need something more, Mr. Speaker. We need a labor court to protect both the laborer and the corporation.

But this group should have been abolished—and they should have been abolished on yesterday.

Mr. ASHMORE. Mr. Speaker, will the gentleman yield?

Mr. RIVERS. I certainly am glad to yield to my colleague, the distinguished gentleman from South Carolina, where most of our textile mills are located. Our colleague, in my opinion, is one of the authorities on this subject in the Congress of the United States. There are more textile plants in his area than any place on earth, as I understand.

Mr. ASHMORE. I thank the gentleman. I certainly appreciate the kind remarks of my colleague from Charleston, the great seaport city of South Carolina, and one of the great cities of the Nation.

The gentleman brought up a subject that I did not intend to mention although it is certainly pertinent to the issues here. I certainly do represent, if not the largest textile group of working people in the country, the second largest.

For many years there has been some dispute, or some friendly argument between my friend the gentleman from North Carolina [Mr. WHITENER], from the Gastonia-Charleston area of North Carolina, and myself as to which has the most cotton mills and the most spindles and the most textile workers.

I believe that probably the truth of the matter is that I have the larger number of textile workers in the Fourth District of South Carolina and Mr. WHITENER would probably have the larger number of textile plants. The plants in my area are generally speaking much larger than those in the Gastonia area which my good friend Mr. WHITENER represents.

It so happens that Mr. Stevens, Bob Stevens, the head of this great company known as the J. P. Stevens & Co., at one time worked and in fact he started his actual experience and practical knowledge of the textile industry in the Dunean Mill in Greenville, S.C., many years ago when he was just a young man. He came up the hard way. He knows the textile industry from the bottom up. As I said, he actually worked in a plant there.

It hurts me, and it has hurt me for several years, to read of some of the publicity and some of the things that have been said about the company that Bob Stevens represents, because I know from my own knowledge, having grown up in the same town, that is surrounded by textile plants and the working men in those plants, many of whom I know personally.

Mr. RIVERS. I do not think anybody would object, and I certainly would not object before election. I have a factory in my town of Charleston and they had an election sometime ago to form a union. I do not care whether or not they want to do that. It suits me. All I want is a fair election. I want the company to have as much of a chance as other folks have. We are not complaining about that.

Mr. ASHMORE. None of us are objecting and certainly none of us representing the State of South Carolina in this Congress objects to a union or the workers in textile plants or in a cotton mill or cotton field or anyone in an automobile factory—everybody has the same right to organize and work for his benefit as a group the same as industrialists have to organize.

Mr. RIVERS. But they should not make rules as they go along and decide the case before the case has begun, as they did in this one.

Mr. ASHMORE. That is correct.

I would say further that the J. P. Stevens Co., headed by Bob Stevens, has obtained the age of 155 years approximately because it started in the year 1813 and by progressive performance and not violating the law intentionally, as some of these labor goons and organizers would have you believe and as some of them have been propagandizing the public in this country. It just simply is not true.

As I said, I am proud of the Bob Stevens Co. I am proud of the employees, many of whom I know personally. I know their ability. I know of their loyalty. I know their character. I happen to know personally that in the Dunean Mill which is owned by the J. P. Stevens Co., and in the same building where Bob Stevens first had his practical textile experience, they have had two elections in the Dunean Mills as to whether or not the people wanted to join a union.

Mr. RIVERS. I just want to say, just in case you gentlemen do not know it, that when young Bob Stevens was a boy his father sent him down to work and to live in Greenville. He was sent to live in Greenville, S.C., in the district of the gentleman from South Carolina [Mr. Ashmore]. He was also sent to work in the Dunean Mills and he got to know every single solitary employee.

A lot of them have gotten older since that time. They attemped to unionize this mill and they lost by amazing votes on two occasions. Mr. Ashmore can tell you the very mill where this young man started. Mr. Ashmore tells me that they could have 50 elections and they still would not unionize.

Mr. ASHMORE. That is correct.

Mr. RIVERS. He knows what he is talking about. You can ask him yourself.

Mr. ASHMORE. The National Labor Relations Board reversed the decision of the first election and said that something was wrong. I do not remember the details, but they decided with the organizer and said that J. P. Stevens & Co., the employer, management, did something wrong. They said, "Go back and hold another election. Hold it in a certain place, in a certain area on Dunean Mill property so the workers will not be influenced in any manner whatsoever." God knows how you can be influenced when you are voting by secret ballot. Anyway the NLRB ordered that the election be held at a certain place, at a certain time, and under certain circumstances. It was held. The J. P. Stevens Co. workers voted against the union by a greater majority the second time than they did the first time.

Mr. RIVERS. Can you imagine that, in free elections.

Mr. ASHMORE. These so-called Stevens cases have been in the headlines of the public press of this country for more than 4 years.

To put it simply and plainly, the heart of the matter is, frankly, my friends, that 44,000 employees of the J. P. Stevens Co. are earning their livelihood in that company. They have not indicated they desire to join a union. That is the reason they are working so hard to try and find some legal or illegal means of destroying the great company about which we are talking today, the J. P. Stevens Co.

I have a great deal of information before me. I know it is getting late, and I know other Members wish to speak. But before I sit down, if the gentleman will yield to me for this one point, the trouble in this situation is the National Labor Relations Board. It is a quasi-judicial organization that attempts to make decisions as though it was a court of last resort. The incident that the gentleman from Georgia [Mr. Brinkley] referred to is simply unbelievable and unheard of in the United States of America where the National Labor Relations Board found against the company—and that is their right if they so interpreted the testimony.

Then they ordered Bob Stevens or his personal representative to go into these plants and make a confession of guilt. Why, a man charged with stealing a chicken or committing a murder in this land that we love so much cannot be ordered to confess his guilt if he in his own heart thinks he is not guilty. They have never contended anything but that they were abiding by the law, the Stevens Co., and for a quasi-judicial court, and then a court of appeals, to refuse to reverse a decision like that, and for the Supreme Court of this land to uphold a decision of that kind ordering a citizen of this country to do a thing of that kind is just unbelievable.

I do not believe our courts read the record or they would never have approved any such order. It is un-American, unjust, unfair, and "un-everything" I can think of, if I were to use proper language under the circumstances. It makes me sick.

Mr. RIVERS. It should make you sick. It makes everyone sick.

So it boils down to this: The NLRB becomes the court of last resort because our courts are so lazy, so indifferent, so preoccupied that they will not render justice. We ought to create special courts to adjudicate this type of disagreement.

Mr. Speaker, at this time I yield to the gentleman from Texas [Mr. Fisher].

Mr. FISHER. Mr. Speaker, I also commend the gentleman from South Carolina for taking the time to publicly expose some of the sordid facts that he has very well discussed here today regarding the so-called Stevens case.

I fully share his belief that the National Labor Relations Board should either drastically change its modus operandi, its conduct, its methods of handling these disputes, or it should be abolished and replaced with a labor court of some sort, where the American people would have some assurance of getting fairness and justice accorded to them when they have occasion to make use of a tribunal to resolve labor-management disputes that may arise in our society.

I have had occasion to study some parts of, or most of, the so-called Stevens case. It could be described as a war against Stevens. It has been going on, as stated, for several years. I do not know if the entire number of instances have been cited here today, but I am sure they will be included in the gentleman's remarks. As I recall reading the record, there have been eight different instances where upon free elections under National Labor Relations Board supervision have been held in plants selected by the union, not by Stevens, and in each one of those instances the overwhelming majority of the employees have said, "We do not want to have a union."

Mr. RIVERS. That is correct.

Mr. FISHER. One would think in a free society and free America, with that kind of disposition of an issue, that the matter should be settled and it should be rested. The people have spoken. The methods provided by the Congress for determining the issues and resolving them have been employed in a fair and proper manner. Yet, time after time, despite these elections, we find the union, aided and abetted by the National Labor Relations Board, a Government agency, have joined in a conspiracy.

Mr. RIVERS. Beyond question of a doubt.

Mr. FISHER. They have joined in a conspiracy against the Stevens Co. and have browbeat and intimidated them and made life so miserable that they would yield, contrary to the expressed will of the employees themselves.

Of course, it is very difficult in this busy life to get people to stop and study these things, but I think if the American people fully understood the extent to which this combination, this conspiracy between the National Labor Relations Board on the one hand and the union on the other, the combination of the two, is pitted against this one corporation, if they knew the facts in this, it would curl the hair of every right-thinking American, and they would all rise up and demand that there be a massive fumigation of the National Labor Relations Board, or that it be replaced by a labor relations court. I do not know any other way out, unless there is a drastic change in the operation.

I have introduced a bill, pending now, to create a labor court, where people would have some assurance of fair treatment, rather than by a Government agency which is investigator and prosecutor and judge, in instance after instance.

Mr. RIVERS. And they should practice some elementary form of evidence. They have not practiced any.

Mr. FISHER. The objectivity that we have a right to expect has not been there.

I understand a Senate committee is now undertaking an investigation of the NLRB and other agencies. I am delighted to know that. I am sure that committee will have the cooperation of many people who are aware of some of these excesses and some of these abuses of power, some of these miscarriages of justice of which the NLRB has been a part.

The Stevens Co. should be complimented for their courage and fairness and patience in meeting this tremendous onslaught, because it is a powerful combination when the U.S. Government and the union combine, and not only the union, with the resources of that particular union, but also of the AFL–CIO—these are combined against one company in a militant, determined, year-after-year war to wear the company down and undertake to make the company buckle under. Rule or ruin has been the policy of this combination.

Mr. RIVERS. This is pretty strong, because in addition to the resources the gentleman from Texas has mentioned, they also have the U.S. Treasury behind them.

It is a pretty strong financial organization against the Stevens Co. or anybody else.

Mr. FLYNT. Mr. Speaker, will the gentleman yield?

Mr. RIVERS. I yield to the distinguished gentleman from Georgia.

Mr. FLYNT. Mr. Speaker, the part of the discussion thus far, which has been led by the distinguished gentleman from South Carolina, the chairman of the Committee on Armed Services of the House, shows that the hearing examiner and the National Labor Relations Board failed to follow the established principles of receiving evidence and of evaluating evidence that is received.

Mr. RIVERS. That is correct.

Mr. FLYNT. It becomes increasingly clear, with a study and a restudy of this order, which has, by the failure of the courts to act, in effect been affirmed by the courts, that the effect of this order is to impose upon a company what is probably an unconstitutional, and certainly an unconscionable, type of punishment in this particular case.

In second place, it becomes increasingly clear that the hearing examiner made up his mind what his decision was going to be before he evaluated the evidence and then undertook to downgrade all evidence which was favorable to the company in this case.

Mr. RIVERS. That is correct.

Mr. FLYNT. It is just as bad to tamper with the evidence by a hearing examiner as it is to tamper with a jury by a party to a legal proceeding.

The time has come, Mr. Speaker, when the Congress of the United States must take a new look at the rules of procedure under which the National Labor Relations Board operates. It may be that some good will come out of this iniquitous decision by the hearing examiner and the Board, and that will be that the Congress of the United States may undertake to favorably consider some of the legislation which has heretofore been proposed to abolish the National Labor Relations Board and to create a labor court for all parties. Some day it may be the unions who feel they are being discriminated against, as the company does here.

Mr. RIVERS. That is right.

Mr. FLYNT. Regardless of where discrimination takes place in the hearing of a judicial or quasi-judicial proceeding, no administrative body, no quasi-judicial body, can justify its existence unless it follows the rules of evidence and the established rules of procedure within the United States. To do otherwise is to make a mockery of justice out of any proceeding which comes before them. That is apparently what has taken place in this instance.

Mr. RIVERS. Never ever, ever, has anything like this happened in America before.

Mr. WATSON. Mr. Speaker, will the gentleman yield?

Mr. RIVERS. I yield to the distinguished gentleman from Columbia, S.C.

Mr. WATSON. I thank the gentleman.

Mr. Speaker, and my colleagues of the House, I certainly want to join with the others here in expressing indignation, even wrath, over the recent decisions of the National Labor Relations Board and the subsequent lack of action taken by the courts.

I am sure all who have spoken are more knowledgeable, and certainly know the parties involved much better than I. I am sure they have mills in their districts of greater proportion than I have in my district.

But as a lawyer I am concerned about this decision, because I believe it is one of the most atrocious decisions we have ever seen, or at least I have ever read.

I want to say this: Mr. Bob Stevens certainly could have no more able or no more courageous an advocate in presenting his case to the House of Representatives and also to the American people.

Unfortunately, I fear that our limited efforts here today will never be able to counteract what has been done and what has been carried in the press about this so-called J. P. Stevens case over the years.

I know those who have dealt with this company know they are of the highest order. Those who are familiar with their employees likewise know they are dedicated. Simply because they have decided they do not wish to organize into a union certainly does not detract from their dedication and their ability as employees.

I think, really, although this is a tragedy, as Governor Tuck pointed out a moment ago, when you require a man, as this NLRB required the J. P. Stevens Co., to announce to its employees, "I am guilty and I am in violation of the law," why, that goes against every semblance of basic jurisprudence that we have had in this country. Why, you can be accused of murder and be convicted and then, as you are led to the electric chair, you can still proclaim your innocence and no one can compel you to say that you are guilty except the NLRB in this instance which compelled Stevens to stand up and say he was guilty when he verily believed he was not. The greater weight of the evidence and the overwhelming weight of the evidence established the fact that he was not guilty. Yet the examiner of the NLRB and later the NLRB decided arbitrarily that he was guilty.

May I say this to my dear friend from Charleston and the others who have spoken and the Members of this House, as someone alluded to earlier, perhaps this atrocious decision will result in some good. Perhaps it will awaken us in the House and in the Senate to the absolute necessity to do something about the NLRB.

In May of last year, I believe it was, as a result of this decision and other decisions by this Board, I had concluded that they were unable to do the job that Congress wanted them to do; that they were causing more animosity and bringing about more dissension and disruption of relations between employers and employees than they were settling decisions as they were intended to do when they were established. So back in May of last year I concluded that there was no hope in the NLRB and introduced a bill then to abolish it and substitute in its place a 15-member labor court with men of judicial experience to deal with this in an impartial manner.

Again let me commend my esteemed leader and friend from Charleston for presenting the case for the J. P. Stevens Co. In my judgment I think it is moreover a case for American industry and moreover I think it is a case for the American employee and moreover I think it is a case for the American people, because any man and any lawyer, especially one who would read this case, would certainly be astounded at the decision that was made by the NLRB examiner and by the subsequent action of the Board.

Mr. RIVERS. Mr. Speaker, I thank the gentleman and now yield to the dean of my delegation, the gentleman from South Carolina [Mr. McMillan].

Mr. McMILLAN. Mr. Speaker, I thank the gentleman from South Carolina [Mr. Rivers] for yielding this time to me and for securing this time this afternoon, and especially I wish to commend him on his remarks.

Mr. Speaker, I heartily agree with every word he said and the other Members who have participated in this debate have said this afternoon. I am certainly disturbed over the fact that the Federal Government would compel any person to get on the stand and tell a lie. I just cannot believe that there is any Government agency in this great country of ours that would stoop to compelling a man of Mr. Bob Stevens' character and ability to make a statement which he knows is untrue and which we all know is untrue. All of us have had dealings with Mr. Stevens and his company during the past 30 to 35 years, and if there was ever a company which enjoys a fine reputation, it is the Stevens Co. I know on several occasions when the employees ordered an election and they had been soundly defeated on each occasion, these people who were there staying at large hotels in my hometown and in other towns where J. P. Stevens have plants continued to remain in them to try to conduct this business even though they had been soundly defeated.

Mr. Speaker, I just wonder when we shall be able to convince the labor unions that companies like the J. P. Stevens Co. will not get on their knees and crawl to the union.

Mr. Speaker, I want to join my colleagues here on the floor of the House this afternoon in expressing my appreciation and commendations to the J. P. Stevens Co. for the service they have rendered not only the people of the United States but most especially the Government of the United States during World War II and the Korean war, also during the days of preparation for war and the Vietnam conflict.

The J. P. Stevens Co. devoted special research to developing products that would function properly in various specialities systems. For instance, this company makes 60 separate fabrics for parachute uses alone simply because these parachutes have to perform very differently in the varied functions from bringing fighting men down safely to slowing space capsules. The entire Congress should recognize the fact that of 54 firms that bid to supply worsted serge for uniforms during the Korean war, 39 are not out of the business. The J. P. Stevens Co. is continuing to supply our Government textile materials for uniforms, linens, and every other item used in a war without any delay or squabbling as to prices.

Some union labor representatives have spent hours in an effort to unionize J. P. Stevens Co. without succeeding, since this great company has always paid higher salaries than the unions demand. Only a handful of employees have made an effort to unionize the individual J. P. Stevens plants in my State. Mr. Bob Stevens, president of this company, served with distinction as Secretary of War for a number of years and it seems to me that our Government should thank and heap praises on the shoulders of the officials of the J. P. Stevens Co. for the fine record of performance they have rendered the people of this country during the past 154 years.

In my humble opinion, the National Labor Relations Board with its prolabor staff offices are doing everything possible to destroy the record of this outstanding company and one of our largest taxpayers.

It gives me great pleasure and certainly a privilege to have an opportunity to speak out in behalf of this great company when it does not take a detective or unusual brain to see that certain elements in this country are doing everything possible to destroy the fine record made by the J. P. Stevens Co.

Mr. RIVERS. I thank the distinguished gentleman from South Carolina.

Mr. DORN. Mr. Speaker, will the gentleman yield?

Mr. RIVERS. I yield to the distinguished gentleman from Greenwood, S.C. [Mr. Dorn].

Mr. DORN. Mr. Speaker, I do wish to commend the distinguished chairman of the Committee on Armed Services of the House of Representatives especially for taking this special order today on this subject. I know of no one better able to lead this discussion here in the House of Representatives today. I think it is fitting and proper that the distinguished gentleman from South Carolina [Mr. Rivers] lead us here in this discussion of this tragic state of affairs concerning one of the greatest companies in the history of the United States of America.

Mr. Speaker, I know Mr. Bob Stevens is a great patriot. I know that his company is dedicated to the preservation of American democracy. I know of no man who has spent more of his time dedicated to the GI, dedicated to those men serving at the front, and to those employees who are associated with those men standing guard on the ramparts of freedom all over the world than Mr. Bob Stevens.

Mr. Speaker, this is a war today of industrial potential as well as a war of fighting at the front. And this great country of ours, as the distinguished chairman of the Committee on Armed Services has so ably stated, has since 1813—in fact, since the War of 1812—including the War of 1812—has done as much to preserve freedom as any other company in the history of our great Republic.

Mr. Speaker, in my opinion it is tragic that this company and the men who represent it, men such as Mr. Bob Stevens, who served as Secretary of the Department of the Army under former President General Eisenhower, and who was an associate of the late great General MacArthur, and all of these great men who have helped preserve the freedom of our country, it is ironic and tragic that he has to stand, as does the commander of the *Pueblo* in North Korea and be subjected to the same kind of tactics of getting up and saying, "I am guilty."

And, Mr. Speaker, I would say to my beloved chairman of the Committee on Armed Services of this great body that if the commander of the *Pueblo* did get up today and say, "I am guilty," I believe he would be released. But he is not going to do it, because he was in international waters.

And, Mr. Speaker, it is my opinion that it is just as much a threat to the freedom of this country for people in the United States like the great J. P. Stevens Co. to have to bow down to similar tactics, tactics which are demanded by the Communists in North Korea and who are trying to make the people whom they capture and grab upon the high seas, come to the same situation.

Mr. Speaker, I know the employees of this great company. This company has over 30 plants located in the great State of South Carolina. I know about the schools which they have supported, I know about the philanthropies of this company, and I know about the elections which were held, and in every single instance, the fine American people in those plants chose not to join this union, as an American right.

Mr. Speaker, I wish to commend again my distinguished chairman of the Committee on Armed Services and my colleague, the distinguished gentleman from South Carolina [Mr. Rivers], for bringing this to the attention of the Congress and to the attention of the American people. I feel that we ought to do something about it.

Mr. RIVERS. I thank the distinguished gentleman from Greenwood, S.C., and I want to say this in closing: Other industries had better take note of what has happened to the J. P. Stevens Co., and warn them that a quasi-judicial board which has no rules of procedure can make the rules as it goes along and make the decisions before the case begins and then have the courts to be so lethargic, so lazy, so indifferent, so preoccupied, that they will not even look into the manner in which these people have conducted the so-called trials which in my opinion represents one of the darkest ages in the history of our legal jurisprudence.

And it is notice to them, they may be next, this could be the beginning of the end of our free enterprise system. It could. And we had better do something about it before it is too late, because this is serious—this is serious.

I have a Stevens mill in my district. The people are tickled to death for the opportunity to work for this great company. They love their jobs. They do not want anybody tampering with them. They want the freedom to come and to go and to do what they have a right to do, but they do not want this NLRB to come down there and fool with them. And this is disgraceful—disgraceful—before Almighty God.

Mr. WATSON. Mr. Speaker, will the gentleman yield?

Mr. RIVERS. Certainly I will yield to the gentleman from South Carolina.

Mr. WATSON. Mr. Speaker, I do not know whether the gentleman initially asked for unanimous consent for some of our other colleagues to put some comments in the Record, but I am sure that many of them will want to do so. I know that one of our colleagues from South Carolina, who is now presiding as the Speaker, has a lot of textiles in his area, and I know that he is vitally concerned and interested in them. Therefore I hope that the gentleman will make such a unanimous-consent request so that others might put their remarks in the Record.

Mr. WHITENER. Mr. Speaker, the recent decision of the National Labor Relations Board in the case of the J. P. Stevens Co. should be of concern to all Americans. It is of greater concern that the highest Court in our land did not even bother to review the shocking action of the NLRB.

As a lawyer, it is beyond my comprehension that any quasi-judicial body or any court in America would undertake to require any litigant to publicly admit guilt when that litigant had denied guilt through all of the tribunals available to it. This is what was done in the Stevens case.

As a former prosecutor, I have tried many defendants who professed their innocence, notwithstanding an adverse decision by a jury. I would never have been a party to requiring that defendant to publicly admit guilt when he insisted upon his innocence. It was the function of the court to provide the penalty provided by law and not to bring about a forced confession.

Mr. Speaker, I believe that it is time for Congress to take a new look at the entire operation of the NLRB. If the shocking actions taken in the Stevens case are accepted by the Congress, we will see a new body of law develop in our country which will destroy the rights of every citizen.

This case transcends in importance the rights of the parties involved in this particular incident. It is of importance to every American and we should call it to the attention of the citizens of our country by every possible means.

When the matter was first brought to my attention, I was reluctant to inject myself into what seemed to me to be a private lawsuit. That first impression of mine was abandoned when I found the time to read the NLRB decision, the record, and orders entered by the court. It is only after careful consideration of this information that I arise to decry the procedures and remedies prescribed by the NLRB and sanctioned by the Federal courts.

Mr. RIVERS. Mr. Speaker, in conclusion I wish to thank all of the gentlemen who have participated in this discussion, and to thank them for the great contributions they have made.

GENERAL LEAVE TO EXTEND

Mr. RIVERS. Mr. Speaker, I ask unanimous consent that any Members who are interested in the subject matter of my special order may have 5 legislative days within which to extend their remarks on this subject matter.

The SPEAKER pro tempore (Mr. Gettys). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

THE ELECTRIC POWER RELIABILITY ACT OF 1968

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. Halpern] is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, I am pleased today to join our distinguished colleague from New York [Mr. Ottinger] in introducing legislation entitled "The Electric Power Reliability Act of 1968." Our able colleague deserves hearty commendation for initiating this most desirable bill and it is a privilege for me to be associated with him.

This legislation is designed to prevent the recurrence of the massive power blackouts which have frequently struck various sections of the Nation in recent years. It also adds new consumer protection and conservation provisions to the Federal Power Act. This legislation essentially would do the following:

First, direct the Federal Power Commission to coordinate utility planning on a regional basis, and to pass on the adequacy of all major new transmission lines and generating facilities;

Second, assure that adequate power is available throughout every system in order to prevent such massive failures as the great Northeast blackout of November 1965;

Third, call for a change in the Federal condemnation law, providing for judicial review of a condemnation proceeding to insure that the action is not only in the public interest, but that no better alternative for the utility project is available; and

Fourth, require that utility companies make regular public disclosures of their expenditures for advertising, public relations, promotion, and other activities not directly related to service or to the generation or transmission of power.

Mr. Speaker, the great Northeast blackout of November 1965, and subsequent failures, graphically illustrate the fact that only the type of Federal action called for in this bill can truly protect the public. Recent statements by power experts testify that only the unusually cool summer last year prevented a catastrophic regionwide failure.

These blackouts so obviously jeopardize public health and welfare that it is imperative that we act, and act now, to prevent anything like the great blackout from happening again. Need I point out that in my own city of New York during that incident, major air tragedies were averted only because it was a clear night. Had it been overcast, I hesitate to think of what would have happened. As it was, hundreds of thousands of people were stranded, while business losses totaled hundreds of millions of dollars.

The regular public disclosure provision is designed to insure that rate-payers funds are not misused or allocated for nonpower projects such as was the case, recently in New York. In that instance, a major utility invested millions of dollars in a project which had not yet been approved by the FPC. A good portion of those funds were used for publicity and advertising to promote the project with the FPC and the public. Disclosure of such outlays will, of course, go a long way toward discouraging such abuses and should bring all such transactions before the eyes of the public.

Finally, Mr. Speaker, the conservation measures that will be accomplished by enactment of this legislation must be provided for the unborn generations of Americans yet to inherit this great land of ours.

A PROPOSED INCREASE IN THE BUDGET FOR THE NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Nevada [Mr. Baring] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. BARING. Mr. Speaker, in presenting the 1969 budget, the administration pointed out that, faced with a costly war, it had to choose carefully among competing demands on our resources. Therefore, the administration said it was offering a set of priorities.

Yet a close scrutiny of the budget reveals that the National Foundation on the Arts and Humanities shows an increase of over $10 million compared to 1968 and the number of employees increased from 82 in 1968 to 107 for 1969. The Foundation's budget for 1969 is nearly double that of 1967.

Surely such high priority programs of the Foundation, such as issuing grants to colleges and universities to study the history of the comic strip, to research and edit the unpublished memoirs of the Spaniard Oviedo, for a study on the political thought of William of Ockham, 14th-century theologist and philosopher, and research of sign language of the monkey, the latter being a grant to the University of Nevada, in my State, are hardly worthy of any increase to our staggering national debt.

If the administration deems it must spend this $10 million, then at least put it in a program where it will do the country some good.

A RESPONSIBLE AND RESPONSIVE NATIONAL BUDGET

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Oklahoma [Mr. Albert] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ALBERT. Mr. Speaker, the President has presented the country with a concise, responsible national budget.

It meets high priority national needs, supports the fight for freedom in Vietnam, and strengthens the prosperity Americans have enjoyed for the past 7 years.

The 1969 budget is as tightly controlled as any I have ever seen a President recommend to the Congress. Only the most pressing domestic and national commitments are being honored. The total amount increases only $10.4 billion over last year, and this represents mandatory increases for veterans benefits, social security, and medicare payments, and interest on the national debt.

President Johnson has reset national priorities. Funds have been shifted from older programs to new programs—such as job training for the hard-core unemployed, the fight against crime, health care for children and mothers, housing for middle- and low-income groups.

The President has clearly demonstrated that he intends to keep costs down, reduce expenditures to a minimum, but still get the most social and economic usefulness out of every dollar.

The President's budget cannot do what it must, if the Congress does not contribute to fiscal responsibility. The surtax must be enacted. To do so soon will avoid the serious consequences of inflation and tight money. Not to do so will be a denial of our duty.

We have here a fiscal document which is the foundation for a better and greater America. It is the fuel which fires the great engine of the American state and our society. Let us accept it, study it, and approve those measures which our citizens and our friends overseas expect of a great nation.

Let us say "Yes" to a great President.

ROSENTHAL PROPOSES AID FOR OLDER AMERICANS

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Rosenthal] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, our national preoccupation with youth tends to divert us from effective consideration of the problems of our older citizens. We may deplore this emphasis, but so far we have done little to correct it. Last year, for example, we had the chance to update our cumbersome social security program so that it could truly meet the growing needs of older Americans. We missed that chance because we were willing to compromise with these pressing needs. We passed a compromise revision of the Social Security Act that was lackluster where not actually regressive.

I have introduced a bill which would effect a comprehensive updating of the Social Security Act. Our older citizens, as well as the millions of younger families who, even today support aging parents, deserve a better bill than was given to them last year. My bill would substitute realistic guidelines for all of the obsolete provisions encrusted into the present bill. By raising benefits by an average of 35 percent, my bill would make our social security laws more reflective of senior citizen needs.

Major provisions include—

First. Minimum monthly retirement benefits of $100 per individual and $150 per couple, and average monthly retirement benefit of $133 and $220 respectively.

Second. Automatic cost-of-living adjustments which would relieve Congress of much of the need to adjust the Social Security Act each year through the legislative process.

Third. Prescription drug costs to be added as allowable benefits for recipients willing to pay an optional extra dollar per month on premiums. This would be a major addition to social security benefits, long advocated by students of the program, which would meet the needs imposed by the spiraling costs of modern drugs.

Fourth. Eliminating regressive restrictions imposed on the 1967 amendments on welfare recipients who also receive social security benefits.

Fifth. Eliminating the restrictions placed on Federal support of State insurance programs for the medically indigent by the amendments passed in 1967. This provision would insure the continuation of programs like New York State's medicaid which were endangered by the 1967 restrictions.

Sixth. Increased allowable income ceilings for social security recipients over 65 years of age. The present ceilings are unrealistically low, and provide no incentive for older Americans to continue productive part-time employment.

Seventh. Classifying parents of social security recipients as dependent beneficiaries.

Eighth. Granting eligibility to otherwise eligible widows who remarry. Presently, such widows are denied the benefits otherwise due them.

Mr. Speaker, my bill is an integrated proposal aimed at solving the complex problem of guaranteeing a retired life of dignity, independence, and freedom from care for 20 million Americans today, and for the many millions more who will soon become eligible for social security benefits.

WHAT HAPPENED IN GREECE?

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROSENTHAL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, meaningful assessments of events in Greece are exceedingly hard to come by, and this dearth of responsible information can only intensify the awkwardness of our responses to the April coup. For example, I feel that our recent resumption of diplomatic relations with the junta that presently rules Greece may well have been hasty.

It is clear that we need to know considerably more about the context of the present Greek drama than we now know. The December 1967 issue of Commentary magazine includes a provocative article by Maurice Goldbloom that fills some of our informational needs. Mr. Goldbloom has had a long and continuous association with Greece since 1950–51, when he served as the labor information officer of the U.S. economic mission to Greece. He can claim expert knowledge of recent Greek history, and his article, titled "What Happened in Greece," is a valuable summary of the background to the current upheaval.

The article follows:

WHAT HAPPENED IN GREECE

(By Maurice Goldbloom)

On March 12, 1947, President Harry S. Truman asked Congress to aid Greece to preserve a "way of life . . . based upon the will of the majority and . . . distinguished by free institutions, representative government, free elections, guarantees of individual liberty, freedom of speech and religion, and freedom from political oppression." Twenty years later, on April 21, 1967, a small group of army officers seized power in Greece in order to thwart the will of the majority, destroy free institutions, abolish representative government, and prevent free elections. They put an end to all guarantees of individual liberty, throttled freedom of speech, imposed a handpicked administration on the Greek Orthodox Church, and began a reign of terror against political dissenters. The officers who did this had been trained by American military missions and the weapons they used had been supplied by the United States; indeed, the weapons with which they maintain themselves in power are still being supplied by the United States. Given the fact that, from 1947 to 1967, the influence of the United States on Greek affairs has been at all times paramount, it is scarcely surprising that the overwhelming majority of Greeks should regard the United States as primarily responsible for the coup which has destroyed their country's freedom.

It is an indictment which, though erroneous in detail, contains a large element of truth. For the coup, though not organized with the support or even the knowledge of the United States, was in considerable part made possible by the fact that American policy in Greece had long since lost sight of the goals described by President Truman in 1947. The defense of liberty and democracy had been replaced by "anti-Communism" at a time when Communism had ceased to represent a significant threat to Greek freedom. And to defend the "anti-Communist" cause, the United States had relied on the Greek armed forces, the palace and the political Right.

In its original intervention in Greece, the United States had taken over not merely the role that Britain had hitherto played, but its policy—the policy of the Labour government of Clement Atlee—as well. This consisted of supplying whatever military and economic aid was necessary to prevent a forcible Communist takeover, while at the same time blocking any attempt by the Right to use the civil war as an excuse for establishing its own dictatorship. Neither goal was easy to achieve, but the second was probably the more difficult. For the Left and Center were sharply divided not only between the Communists and their allies on the one side, and the anti-Communists on the other, but also within the latter group. Thus the election of 1946—held under the auspices of a Left-Center Premier, Themistocles Sophoulis—was nevertheless boycotted both by Communists and by important moderate centrists.

The result of this boycott, and of the rightist terror in the countryside to which it was a response, was a parliament in which the Center had little more than token representation and the Left had none at all. Only very strong pressure first from the British, then from the Americans prevented the Right from using its parliamentary majority—and its complete control of the military and security forces—to consolidate its power by establishing a dictatorship. At American insistence, a coalition government was formed with Sophoulis as Premier, it held office until his death in June 1949, when it was followed first by another coalition ministry and then by a non-party government to conduct elections. These elections took place after the final collapse of the Communist guerrilas. They resulted in a sweeping victory for the Center and Left; when the King attempted, even so, to arrange a conservative coalition between the defeated Right and the right wing of the Center, U.S. Ambassador Henry Grady wrote a letter stating in effect that the United States felt that its aid could only be used effectively by a government which reflected the will of the people as shown by the elections. In the face of the "Grady letter" the palace yielded and called on a centrist, General Nicholas Plastiras (who had headed the government which suppressed the Communist revolt of 1944–45) to form a government.

The appointment of Plastiras as Premier in 1950 represented a major triumph for American policy. Greece at last had a government capable of rebuilding the democracy which had been destroyed by General John Metaxas in 1936, and which had remained in abeyance during the civil war. It was not, to be sure, a government with a stable parliamentary majority, and it actually remained in office for only a few months. But it was succeeded by a series of other Center coalitions, some headed by Plastiras and some by Sophocles Venizelos, over the next two years. Despite changes in personnel, these governments preserved a considerable measure of continuity in policy; they began to release the huge number of political prisoners (over fifty thousand at the beginning of 1950) who had been incarcerated in the course of the civil war, and to institute essential economic reforms.

Unfortunately, however, the year 1950 also represented a turning-point in American policy, not in Greece alone but in most parts of the world. For with the Korean War, anti-Communism changed from a policy to an obsession. In the days of the Marshall Plan, the United States had in general sought to build up healthy and progressive economies as a barrier to Communist political penetration; it had regarded political and economic reforms as a necessity, and the democratic Left as their most likely sponsor. But after the beginning of the Korean war, the struggle against Communism was increasingly regarded as a military and police matter, and the Right became its chosen instrument. In Washington, this attitude was exemplified not only by Senator Joseph McCarthy, but by some of his chosen targets. It bore fruit in large-scale material support for the French colonial war in Indochina, and later—though less directly—in Algeria, as well as in American insistence on German rearmament.

Of course, an element of sympathy for the Right as the most reliable bastion against Communism had always been present in American (and British) policy, if only because such attitudes were ingrained in many of the military and even civilian executors of that policy. In Greece, the British military and police missions, and later their American counterparts, had consistently sought to strengthen right-wing control of the army and security forces, even while the respective embassies were trying to hold the Right in check on the political front. And there were also civilian officials who connived with the Right to frustrate Embassy policy.

While Henry Grady was U.S. Ambassador, however, right-wing members of the American military and civilian bureaucracies in Greece only obstructed U.S. policy; they did not make it. The situation altered completely after John Peurifoy succeeded Grady in 1950. Grady's departure does not appear to have been linked with the change in Washington policy that was taking place at that time, but the choice of Peurifoy as a successor may have reflected a Washington decision to give the Greek Right wholehearted American support. In any case, that policy was adopted under Peurifoy, and was maintained for many years by his successors.

Supporting the Right, as it happens, was not an altogether easy thing to do. For, if not quite as fragmented as its opponents, the Greek Right also included a number of feuding factions. In the armed forces, the British and American missions had backed different groups; after American aid became more important than British, the American-backed faction headed by Field Marshal Alexander Papagos became dominant, but its British-supported rivals still held key posts. In the political field, similarly, there was a sharp split between Papagos and the palace, and there were rightist politicians who supported each.

These divisions were crucial in the failure of an attempted rightist military coup in May 1951. At that time IDEA, an organization of army officers which had received the backing of the U.S. military mission, tried to replace the Center government of Sophocles Venizelos with a dictatorship headed by Papagos. It was widely assumed that IDEA had been encouraged in this attempt by the U.S. Embassy. But the coup was not well-planned, and officers opposed to IDEA and loyal to the King were able to frustrate it. (The failure of the coup was also at least partly due to the fact that Papagos, a much better man than some of his friends, had no desire to head a military dictatorship.) Peurifoy then sought to achieve the same general goal by purely political methods.

With the encouragement of the Embassy, a new rightist party called the Greek Rally was formed, under the nominal leadership of Papagos. Overt and covert American influence was brought to bear on politicians of the Right and Center to throw their support to the new organization. But while it polled more votes than any other single party in the election of 1951, the Greek Rally lost out to an alliance of Center groups headed by Plastiras and Venizelos. Despite Embassy pressure for a Papagos government, this alliance held together. A coalition government headed by Plastiras as Premier and Venizelos as Vice-Premier continued the policy of amnesty and economic reform. Its success in the latter respect was used as the excuse for a sharp cut in American economic aid while its amnesty measures were denounced as a threat to Greek security.

The Embassy, under Peurifoy and his Minister-Counselor Charles Yost, also kept stressing that the government was unstable, because it was a coalition of two parties—as if there were less stability in such a coalition than in a single catch-all party. At the same time, it did its best to demonstrate this instability by destroying the Center majority. Publicly, Peurifoy made it clear that he objected to the amnesty measures and called for new elections under the plurality, rather than the proportional, system. (The change was designed to strengthen the Right, united in the Greek Rally, against the divided Center and Left.) Privately, individual members of the Center parties were called to the Embassy and urged to withdraw their support from the government. (Other U.S. agencies reportedly offered more substantial arguments, where these seemed likely to prove effective.) The government majority, originally large enough, was gradually whittled away by these methods. It would have disappeared, except that some of the non-Communist supporters of the Communist-dominated United Democratic Left (EDA)[1] had split with it and gone over to the Center parties. But this was used by Peurifoy as an additional ground for attacking the Plastiras-Venizelos government; it was accused of staying in office by virtue of "Communist" support.

Finally, after a year of such sniping, the government was forced to call new elections under the plurality system. The result was a victory for the Greek Rally (with about 49 per cent of the vote, it won four-fifths of the seats in Parliament) and Papagos became Premier. Perhaps the most important effect of this victory was that it consolidated IDEA's hold on the army. Those officers who had been disciplined for their part in the attempted coup of 1951 now received more important posts than they had previously held, while IDEA's enemies were retired. The way was thus paved for more active military intervention in Greek politics.

After the death of Papagos in 1955, the King—most Greeks believed at the instance of the American Embassy—passed over the Rally leaders generally regarded as having the best claim to succeed him, and instead appointed Constantine Karamanlis as Premier. The Rally dissolved as a result, but Karamanlis was able to reorganize most of its supporters as the National Radical Union (ERE). New elections took place; as usual, they were held under a new electoral law which favored the Right. Fearing a repetition of the 1952 victory of a united Right over a divided Center and Left, most of the Center groups entered into a popular-front electoral coalition with EDA. (A few Center leaders, the most notable being George Papandreou, refused on anti-Communist grounds to join this coalition.)

Thus as a direct result of Peurifoy's intervention in Greek politics, the Communists were able for the first time since the civil war to build an alliance with such ultra-respectable figures as Sophocles Venizelos, leader of the Right-Center. The formation of this popular front should not have come as any surprise to anyone who had observed the mood of the Center after the 1952 elections. It came, however, as very much of a surprise to the Embassy. One key Embassy official told me that Sophocles Venizelos was to blame for rehabilitating the Communists in Greece, and that the Center voters would certainly not follow him into any popular front. In reality, Venizelos was simply going along with what he knew the voters would do with or without him; the politicians whom the diplomat predicted they would follow were for the most part men whose influence did not extend outside their own families—and the Embassy, which they frequented.

What would probably have happened in 1955, had the Center parties refused to enter a popular front, did happen in 1958. In that year, with some important individual exceptions, they did indeed refuse to ally themselves with EDA. But Center voters went over to EDA *en masse* in 1958, and it became the country's second largest party, reaching a new peak of strength with just under a fourth of the vote.

The Embassy's error in 1955 was part of a pattern; at no time in the last fifteen years has it really maintained contact with the Left-of-Center part of the Greek electorate, and most of the time it has not even wanted to. This has always applied to EDA, but the same attitude has extended to even the more conservative members of the Center—particularly when Ellis Briggs was Ambassador in the years after 1959. Briggs broke relations almost completely with all sections of the Center; when centrist leaders like George Papandreou sought to see him, he told them that they would never amount to anything and should abandon their political activities.

The official American attitude in this period—one which is still reflected both in the State Department and in the editorial comments of many newspapers—was that the Karamanlis government was the best that Greece had ever had. According to this view, an economic miracle had occurred in Greece as the result of policies initiated under the Papagos government and further developed under Karamanlis. The investment of foreign capital, and the repatriation of Greek capital held abroad, had been encouraged by beneficent government policies and favorable laws, and the result had been an economic boom and a sharp rise in the standard of living. On the political side, the old chasm between Venizelists and anti-Venizelists had been bridged, as was evidenced by the presence in ERE of a number of politicians formerly associated with the old Venizelist Liberal party, the parent of most of the Center groups. And above all, the regime was a loyal and dependable ally of the United States, and firmly devoted to NATO.

In one respect, this view did coincide with the facts: there was a boom in the Papagos-Karamanlis years, accompanied by some foreign investment and repatriation of Greek capital. But government policies had little to do with the reduction in unemployment and the improvement in the general economic situation which took place. The boom in Northern Europe, especially in Germany, made it possible to export the unemployed; about one-fifth of all Greek workers found jobs abroad. Their remittances, and the great increase in tourism from Northern Europe and America, fueled a boom of which the Karamanlis government was the beneficiary rather than the creator.

Where government policy did play a role, however, was in the distribution of the boom's benefits. And this was such as to increase the sharp disparities which were already one of the salient characteristics of Greek life. The rich got richer—and more numerous—at a much faster rate than the poor became less poor. The gap between city and countryside widened, as did that between Athens and the provinces. And in consequence, the erasure of old political divisions, which the Americans thought they saw happening, remained a mirage. The devotees of the status quo may have attained a somewhat greater degree of political unity than they had previously possessed; but the dispossessed remained unconverted.

The long period of right-wing rule from 1952 to 1963 was partly a consequence of disunity in the Center, and partly of manipulation of the electoral process through juggling of the electoral law and outright fraud and intimidation. The first of these conditions was eliminated before the elections of 1961, when the various Center factions joined to form the Center Union under the leadership of George Papandreou. The second, however, remained; Karamanlis was victorious in a blatantly fraudulent election.

In the following two years Papandreou conducted a national campaign for new elections, and finally he succeeded.[2] In these elections, held in November 1963, Papandreous' Center Union party was victorious, but did not win an absolute majority. Papandreou was named Premier, but he did not wish to remain in office with a majority which depended on the support of EDA's deputies, and new elections were held in February 1964. These gave the Center Union an absolute majority of the popular vote, and 174 of the 300 seats in Parliament.

---

[1] The relation between EDA and the Communists is similar to that which existed between Henry Wallace's Progressive party and the American CP. That is, the Communists play a key role, but a major part of the vote and much of the public leadership are non-Communist.

[2] The Karamanlis government was seriously undermined when an EDA deputy, Gregory Lambrakis, was murdered by thugs who turned out to be members of a secret rightist organization which was subsidized by Greek security agencies. But the incident which actually caused Karamanlis to resign was the insistence of the royal family on disregarding the government's advice against a politically explosive visit to England. The constitutional

From the beginning, the Papandreou government was beset by rivalries among the various factional leaders who had combined to form the Center Union, and who hoped to succeed the seventy-five-year-old Premier in due course. At first, however, they were kept in line by the great popular enthusiasm which the new government evoked, and which was further stimulated by the reforms it introduced. These included an increase in the minimum wage and other measures designed to redistribute income, a whole series of educational reforms, and a removal of curbs on political freedom—although Papandreou did not go so far as to legalize the Communist party itself. One aspect of this liberalization, if a minor one, was the release of those political prisoners still remaining from the period of the civil war. Most had already been amnestied under Papagos and Karamanlis (without any American objections such as had greeted the less sweeping amnesty measures of Plastiras), and there were only a few hundred still in prison when Papandreou took office. More important than the release of prisoners was the fact that the security forces and the military were no longer allowed to curb political activity. Both those who approved and those who did not were in agreement on one point: Greeks were freer under the Papandreous government than they had been at any previous time.

Nevertheless, some of the measures which the Papandreou government undertook ran into powerful opposition. Its reorganization of the Greek central intelligence agency (KYP), designed to bring it under civilian control by turning its operations and finances over to the supervision of the prime minister's office, met strong American resistance. For the CIA had been subsidizing and working with this agency directly, bypassing Greek government channels, and it had no wish to change the arrangement. And when Papandreou initiated an investigation into the army's role in the fraudulent election of 1961, the military leaders involved struck back by charging that a secret group of republican officers called ASPIDA (the word means "shield") had been formed with the aim of overthrowing the monarchy. They also charged that Andreas Papandreou, the son of the prime minister and himself a cabinet member, had been involved in this conspiracy.

A struggle followed in which the Papandreou government, supported by a majority of Parliament, was on one side; the King and IDEA, allied with the parliamentary opposition and with some dissident members of the Center Union, were on the other. (The death of King Paul in March 1964 and the succession of his son Constantine did not end royal interference in government; Queen Frederika continued to dominate the palace.) The struggle came to a head when Defense Minister Garoufalias, a "King's man" as almost all defense ministers since the civil war had been, refused to obey the Prime Minister's orders on matters of army organization. The latter then asked Garoufalias to resign, and when he refused dismissed him and designated himself as Defense Minister.

The King would not agree to the dismissal of Garoufalias as Defense Minister and Papandreou's assumption of that office. When Papandreou threatened to resign and take the issue to the people, the King "accepted the resignation" that had not in fact been offered. He then commenced a systematic effort to create a party of "King's friends" from dissident members of the Center Union, asking first one and then another to head a cabinet composed entirely of Center Union dissidents. While Papandreou demanded new elections, these cabinets went before Parliament and were voted down one after another. But gradually they won new support, as individual members were won over by being made ministers. Finally, after some six weeks of this type of maneuvering, a cabinet headed by Stephanos Stephanopoulos succeeded in getting a bare parliamentary majority. This consisted of the solid vote of the rightwing opposition and a small group of former Center deputies, all of whom were either ministers or had relatives in the cabinet. Throughout this conflict the King was supported by the U.S. Embassy and State Department, not to mention the U.S. military mission in Athens and the CIA.

The motives of the defectors varied, but all of them felt frustrated in their ambition by the appearance of Andreas Papandreou as his father's heir apparent. Andreas (who had been a member of an independent anti-Fascist and anti-Stalinist student group during the pre-war dictatorship of John Metaxas) had emigrated to the United States in 1940 for political reasons. While serving in the navy during the war, he had become an American citizen and had subsequently achieved distinction as an economist, teaching at Harvard, Northwestern, Minnesota, and California. Ultimately he had given up his position as head of the Economics Department at Berkeley to return to Greece and establish an economic research institute at the request of Karamanlis. When his father became Premier he entered the cabinet, and it soon became clear that he was not only abler than any of the factional leaders in the Center Union, but also more popular. He was the first leader of the Center since the death of George Kartalis in 1957 to demonstrate a real comprehension of the country's political and economic requirements, and only his own father could compete with him in stirring the Greek masses.

He also, however, had many enemies—his rivals for the leadership of the Center, the entrenched economic groups whose privileges he assailed, the military politicians whose hold on the armed forces he wanted to break, the palace itself—and their number and bitterness grew along with his popularity. The Americans also regarded him as a threat because he questioned the desirability of Greece's continuing as an outpost of the cold war; the Embassy tended to resent this particularly because of a feeling that, having been an American for so many years, he was morally bound to support the United States government in international political questions. (His Greek critics—both those who hated him and some who were friendly but disagreed on tactical questions—charged him with being "too American" and trying to introduce American methods into a Greece that was not ready for them.)

The relationship between the Papandreous and the Embassy was further embittered by the years in which the latter had not bothered to disguise its distaste for the Center; for some Embassy officials, this had become second nature to such an extent that when the formal policy changed as a result of a belated realization that the Center would return to power, the Embassy's tentative efforts at reconciliation were sometimes made with such apparent reluctance and accompanied by such bad manners that they simply made things worse.

The exact role of the United States in the 1965 crisis is, of course, hard to ascertain. But several things are clear. The United States military mission in Athens was very closely aligned with the right-wing generals, and strongly favored royal control over the army, which it regarded as a guarantee of its reliability; the attempt of the Papandreous to bring the armed forces under civilian control was regarded as "political interference." (In justice to the members of the military mission, it should be pointed out that a large part of the American military establishment takes a similar view of Defense Secretary McNamara's efforts to exercise his constitutional functions here.) Stephanopoulos, a naturally cautious man, had always been very susceptible to American influence and would have been extremely unlikely to undertake the adventure of heading a government without firm parliamentary support if he had not first received assurances that this course would please the Embassy. American diplomats did not bother to disguise their hostility to the Papandreous, and their approval of the King, from journalists and others to whom they spoke. And one of the top officials of the Embassy is very reliably reported to have assured the King that the United States would support him in any steps he might take to undercut the Papandreous short of a military coup.

Throughout 1965 and 1966, popular support for the Papandreous was obviously growing rather than declining. Privately, many of the deserters from the Center conceded that they had little chance of holding their seats in a new election; one of the most prominent feathered his nest with a blatancy which seemed to stem from a realization that his political career was over in any case.

This period also saw a sharp decline in the strength of EDA and presumably in that of the outlawed Communist party which operated through EDA. A decline in the strength of the Left has always taken place in Greece at times when there is a strong Center under vigorous leadership; most of the support of EDA, and even of the Communist party, is the product of simple despair, and therefore disappears whenever there seems to be some hope of progress through democratic channels. Still, the Communists felt it necessary to support the Papandreous against the King, despite Andreas Papandreou's strict instructions to his followers that there were to be no formal united fronts. ("If they want to support us on our program, that's up to them," he said.) For if they had not supported the Papandreous, their losses would have been even greater.

Finally, at the end of 1966, the ERE leadership tired of supplying the bulk of the votes for a government in which it had no share of the spoils, and the Stephanopoulos cabinet fell. This was followed—or perhaps preceded—by an agreement between ERE leader Panayotis Kanellopoulos and George Papandreou for the installation of a "non-political" caretaker cabinet to conduct elections, in accordance with normal Greek practice. That cabinet, headed by a gentleman named Paraskevopoulos, was like most such governments in being heavily weighted with conservatives, many with close ties to the palace. Andreas Papandreou therefore publicly expressed his strong opposition to the agreement, and it appeared for a while as if the Center Union would be split down the middle between father and son.

Some of Andreas's advisers urged him to take the opportunity for a clean break with his father on grounds of principle, and to set up an ideological party which would sacrifice the prospect of immediate office in order to build for the future on a sound intellectual and organizational basis. They held that there were too many essentially conservative elements in the Center Union, as it existed to make it an adequate vehicle for fundamental change, and they believed that a good deal of political education would be necessary to prepare the ground for such change. Meanwhile, they thought, such a split would leave the right wing of the Center Union free to make an accommodation with ERE which

---

issue involved was similar to that which later caused the split between Papandreou and King Constantine—the refusal of the palace to accept the constitutionally binding advice of its ministers.

would defuse the conflict and avert the danger of a military coup. (At the same time, the American Embassy was trying with predictable non-success to persuade Andreas that the proper course for him would be to swing to the Right in order to capture the support of the Right-Center, since he already had the Left in his pocket.) After some hesitation Andreas finally decided to accept party discipline and join with his father in supporting the Paraskevopoulos government, taking the advice of those who held that any other course would have enabled the Right to consolidate its control of the country.

In April, however the Paraskevopoulos government fell as a result of a dispute over whether the electoral law should contain a provision extending the parliamentary immunity of deputies through the election period. The purpose of such a provision would have been to prevent the arrest of Andreas Papandreou in connection with the ASPIDA case, as the army right-wingers and their civilian friends had been demanding. The prospect of an IDEA coup again came to the fore, but the United States appears to have warned the King against such a move, and advised that elections be held. (The Embassy—with its customary overestimation of the Right-Center—expected the elections to result in sufficient gains for ERE to prevent any party from having a majority. This, the Americans thought, would lead to a coalition between ERE and the more conservative and traditionally-oriented elements of the Center, leaving Andreas Papandreou either isolated or contained. Change could then be restricted to an appropriately glacial pace.)

The King, in response to Embassy pressure, called on ERE leader Kanellopoulos to form a cabinet to hold elections. Papandreou and Kanellopoulos were friends of long standing who had been political allies about as often as they had been political opponents in the past. Perhaps pursuant to a private promise from Kanellopoulos to Papandreou, the new cabinet decided not to authorize the prosecution of Andreas Papandreou during the election period.

The decision outraged the right-wing extremists, in the army and out. IDEA, however, was restrained from a coup by the knowledge that the Americans were against it, and that the palace would not act without American support. (The Embassy seems to have reiterated this opposition to the King in mid-April.) Yet IDEA, whose leadership was by now more or less identical with the top echelon of the army, was not the only secret right-wing organization in the armed forces—if one can call a group secret whose activities were so well-known. Another, much smaller organization called EENA had grown up among junior officers who resented IDEA's monopoly of the fleshpots. (On the Left, ASPIDA seems to have been a similar, but very poorly organized, attempt by democratic junior officers to challenge IDEA's political control of the armed forces.) Most of the officers in EENA had originally been supporters of IDEA, and still nominally were. Indeed its chief organizer, Colonel George Papadopoulos, was the man designated by IDEA to pass on the order for the coup from the leadership to its followers in the army. This fact was the key to EENA's smooth seizure of power; most of those who received orders for the coup from Papadopoulos thought they came from IDEA—and, by implication, from the King.

The actual coup certainly did not originate in either the Embassy or the palace, and came as a complete shock not only to both but to the American military mission and the CIA, both of which were completely committed to IDEA (The military mission, however, seems to have adjusted very quickly to the shock, and to have become a strong advocate of full military assistance for the junta. Apparently one right-wing Greek army officer seems to them very like another; they may not be so far wrong about that.) But neither the King nor the Americans cared to appeal to the people, or to the uninvolved part of the armed forces, to resist; they feared that the result might be a civil war with unpredictable results, and preferred to accept the junta. Yet any public resistance by the King, or an announcement by the United States that it would not recognize the new regime and would suspend shipments of arms, would almost certainly have caused the coup's immediate collapse. EENA had only between two and four hundred members, on its own estimate, out of approximately ten thousand officers in the army; in the navy and air force it had no following at all. Although the King and the Embassy do not seem to have realized it, resistance would have made the King a popular hero and strengthened his position immeasurably. By abandoning his constitutional function of protecting the legal order and becoming the accomplice of the junta, as most Greeks regard him today, the King appears to have made it extremely unlikely that the monarchy will long survive the fall of the present regime.

To be sure, that fall does not at the moment seem imminent. Neither the King nor the Americans could any longer bring the junta down overnight, even if they so desired. Within Greece, there is as yet little effective organized resistance.

The Center Union had a mass following, but no real organization; Andreas Papandreou was trying to create one, but had barely made a beginning. Even the Communists were prepared only for legal electoral activity; their underground organization, though it certainly did exist, was weak and demoralized. Because it is the only underground organization which was in being prior to the coup, it has a substantial advantage, and will undoubtedly increase its strength as the present regime's tenure lengthens. (The Metaxas dictatorship and the Nazi occupation created the conditions for the Communist attempt to seize power after the war). But for the present, the Communists are still a negligible force.

In the armed forces and the police, the junta has strengthened itself greatly by mass purges of officers it could not count on, appointments of thousands of new ones loyal to it, and promotions of large numbers both of its stalwarts and of those who became its loyal adherents when they got the promotions. Similar purges have taken place in the civil service, and all civil servants (as well as teachers in private schools and university students) have been compelled to sign an extravagant pledge of loyalty to the regime. The press has been completely gleichgeschaltet; the only exception is that some frankly Fascist and neo-Nazi publications circulate freely, although the regime would not endorse such views, and at least some of its leading figures certainly do not share them. An attempt was initially made to bar foreign publications critical of the regime as well, but this was soon abandoned when it was found that there was a direct relation between the availability of foreign papers and the willingness of tourists to stay.

Mass arrests and continuing court-martials have undoubtedly intimidated a large part of the population, and a network of informers will make the creation of an effective resistance movement a slow matter. Moreover, such a movement would have to face the danger of American intervention in support of the status quo; some warnings have already gone out from Embassy circles that in case of a guerrilla uprising, the U.S. would give military support to the regime. This might not in fact happen, since one may doubt whether President Johnson would really be eager to have a Vietnam in the Mediterranean, but the danger cannot be entirely discounted.

Nevertheless the regime seems likely to face some sort of a crisis this winter, as a result of economic difficulties. The junta has already asked for a resumption of American economic aid, discontinued four years ago, but the present climate for foreign aid in Washington is such that this seems improbable. This is fortunate, because any economic aid from the United States to the regime would destroy whatever shreds of reputation this country still retains there after the deplorable role American diplomacy has played since 1950, and especially in the events of the last two years. The United States did not organize or desire the coup that robbed Greece of its freedom, but it helped to nurture the forces that made the coup possible and to undercut those which sought to move the country in a healthier and more democratic direction.

Nevertheless, most Greeks still look to the United States as their best hope for a return of freedom. If the United States is not to disappoint this hope, it must dissociate itself in every possible way from the present regime. Certainly it should cease its military aid to the present regime; the portion presently suspended has been estimated by the Defense Department at only 10 per cent of the total. And it should be made quite clear that in the event of a revolt—which would unquestionably have the support of most of the democratic members of NATO—the United States has no intention of rescuing either junta or monarchy by direct military intervention.

STUDY PROVES GUN OWNERSHIP A MAJOR DETERRENT TO CRIME

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. CASEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. CASEY. Mr. Speaker, I would like to bring to the attention of my colleagues in the House a recent statistical study which should clear away much of the confusion and contradiction which has been so prevalent in the long debate over firearms legislation.

For some time, I have been trying to convey the idea to this body that the best way to check and turn back the rising tide of crime in our Nation might very well be to crack down on the criminal. I have carried this simple logic a step further in weighing the merits of firearms legislation. I think it makes sense to direct this kind of legislation at the hand that wields the weapons, rather than at the weapon itself.

Still there are those who persist in trying to lay the blame for our national crime problem at the foot of our great American heritage of reasonable ownership of firearms. They do so without any basis in fact.

Now at last, we have a comprehensive statistical study which examines this contention. It tests the hypothesis, "There is a causal relationship between the availability of firearms and crime rates." And it totally rejects the idea.

The study concluded:

> There is no positive correlation between the extent of firearms ownership and crime

> rates. Rather, there is a negative correlation.
>
> In general, as the proportion of the population possessing firearms goes down, crime rates go up—

It stated further:

> Fewer people with guns do not mean less crime.

I believe this study carries an important message which should be carefully considered in weighing future proposals on the regulation of firearms.

The study follows:

THE RELATIONSHIP BETWEEN FIREARMS OWNERSHIP AND CRIME RATES: A STATISTICAL ANALYSIS BY ALAN S. KRUG, JANUARY 29, 1968

INTRODUCTION

It is estimated that there are some 200 million firearms in this nation, owned by 40 or 50 million Americans (8). There is at least one firearm in more than half the homes in the U.S. (5), and last year more than 20 million Americans took part in the various shooting sports (7).

Claims that this widespread availability of firearms is a contributing cause to rapidly-rising crime in the nation have been widely circulated by proponents of "anti-gun" legislation.

Yet there is no reliable evidence to support such a contention. To date, not a single scientific study has shown a causal relationship between firearms and crime.

This alleged relationship has even been written into proposed federal legislation. The current version of the Dodd Bill, Amendment 90, contains the following statements as part of its preamble (3):

> The Congress hereby finds and declares—
>
> That the ease with which any person can acquire firearms . . . is a significant factor in the prevalence of lawlessness and violent crime in the United States;
>
> That there is a causal relationship between the easy availability of firearms and juvenile and youthful criminal behavior, . . .

This study shows that there is no statistical support for these claims. The statistics even demonstrate the opposite—that crime rates tend to be lower where the percentage of gun ownership is higher. These findings confirm other scientific studies which have concluded that firearms are not a cause of crime, but merely one of many incidental factors (9, 13).[1]

FIREARMS OWNERSHIP AND CRIME RATES

If the availability of firearms were indeed a cause of crime, crime rates should rise and fall fairly consistently with rates of firearms ownership. States where a high proportion of the population possesses firearms would be expected to have higher crime rates than states where a lesser proportion of the population owned firearms. This proposition can be examined in the light of basic statistics available to all.

Because the major use of firearms is for hunting, the number of individuals who purchase hunting licenses in each state is a reliable guide to the extent of firearms ownership in those same states. Appendix Table 1 shows the rate of hunting license holders per 100,000 of population and rates of serious crime,[2] murder, aggravated assault, and robbery for each of the fifty states in 1966. The first can be taken as a reasonable index of firearms ownership, and as such can be used in a statistical analysis[3] to determine the correlation, if any, between the extent of firearms ownership and crime rates. It does in fact constitute the best index available at the present time. In this way, it is possible to test the hypothesis "there is a causal relationship between the availability of firearms and crime rates."[4]

Figure 1 is a graph[5] of the index of firearms ownership and serious crime data. The line of the graph represents the overall relationship of the various points on the graph, and was fit by the "method of least squares."[6] This "line of best fit," which slopes downward, shows a negative correlation between the index of firearms ownership and serious crime rate, by state. This means that, in general, states with a high proportion of population possessing firearms have lower serious crime rates than states with a lower proportion of the population possessing firearms.

Figures 2, 3, and 4 are graphs with "lines of best fit" for the index of firearms ownership and murder and non-negligent manslaughter, aggravated assault, and robbery respectively. In all three cases, the line of best fit slopes downward, showing that there is a negative correlation between the index of firearms ownership and the various crime rates.

These findings appear to refute the claim by the supporters of anti-firearms legislation that the availability of firearms is a major contributing factor to a high level of crime rates. Beyond that they lend strength to the argument that widespread ownership of firearms may actually lessen crime. Opponents of unduly restrictive firearms legislation often contend that criminals are reluctant to attempt to attack or rob persons whom they have reasonable cause to believe might be armed with a firearm.[7]

In examining the connection between any two sets of variables, it should be pointed out that the presence of a correlation between the two does not necessarily mean that one causes the other. The relationship may be coincidental; one variable may be a cause, but not the sole cause, of the other; the two variables may be interdependent; or the two variables may be affected by the same cause. Therefore, the negative correlation between firearms ownership and crime rates supports, but does not necessarily prove, the theory that the greater the extent of firearms ownership, the lower the crime rates will be. But it does show that the idea of a causal relationship between the availability of firearms and crime rates is fancy and not fact. The hypothesis must be rejected.

The results of the statistical analysis are explained further in Appendix Table 2.

CONCLUSION

Firearms are readily available in America, with some 200 million guns owned by 40 to 50 million individuals.[8]

This study tested the hypothesis "There is a causal relationship between the avilability of firearms and crime rates." The extent of firearms ownership was compared with rates of serious crime, murder, aggravated assault, and robbery in each of the fifty states. The comparison was made by statistical methods and the results were tested for significance.

It was found that there is no positive cor-

---

[1] See Appendix A.

[2] Serious crime as defined by the FBI in the Uniform Crime Reports is (1) murder and non-negligent manslaughter; (2) forcible rape; (3) robbery; (4) aggravated assault; (5) burglary; (6) larceny ($50 and over); and (7) auto theft (11, page 4). Murder and non-negligent manslaughter, aggravated assault and robbery are the three specific crime categories in which firearms are sometimes misused.

[3] Specifically, a regression analysis, which will (1) show if there is a relationship between the index of firearms ownership and crime rates and (2) enable any existing relationship to be expressed by means of an equation.

[4] Use of the rate of hunting license holders as an index of firearms ownership is consistent with the 1959 Gallup poll (4) and the 1967 Harris poll (5) on firearms, which proposed to measure the extent of firearms ownership on a regional basis. The Gallup and Harris polls cannot be used for the construction of a state firearms ownership index as the polls are unable to supply data on individual states because their samples are not large enough (10).

[5] Statistically, this graph is a scatter diagram, which is a graphical representation of a set of n pairs of values of X and Y in a coordinate system. In this case, the X values are the index of firearms ownership and the Y values are the serious crime rates.

[6] For a simplified explanation of the "method of least squares," used for finding the "line of best fit" to a scatter diagram of n points, see *Introduction to Probability and Statistics* (1) or *Elementary Statistics* (2). The equation of the line takes the form $Y_e = a + bX$, where a is the Y intercept and b is the slope of the line.

[7] According to the New York Times of August 31, 1967, "robbers have had a field day in Belgians' homes" in the Congo since the Belgians' firearms were ordered confiscated by General Mobutu, the Congolese president. On December 28, 1967, the Times reported that the Davidson County grand jury at Nashville, Tennessee had recommended that citizens arm against an outbreak of crime in that area. To protect themselves, the grand jury said, "citizens should have at least one gun in every home." Earlier in the year, the Detroit News reported (July 20, 1967) that Detroit grocery holdups showed "a sharp reduction" since a grocers' organization began conducting gun clinics. The Royal Oak, Michigan, Tribune (July 19, 1967) quoted Highland Park police chief William E. Stephens as crediting "gun-toting merchants" for the fact that no store in that city of 38,000 had been robbed in almost three months. In Orlando, Florida, where police trained more than 2,500 women in the safe handling of firearms in late 1966 after a series of robberies and attacks on women in their own houses, forcible rapes, aggravated assaults and burglaries were reduced in the first nine months of 1967 by 90%, 25%, and 24%, respecitvely, from the first nine months of 1966 (12). The Orlando program is now being copied in cities and towns around the country, with law-enforcement officials providing firearms training courses for civilians in Ocala, Tampa and New Smyrna Beach, Florida, New Orleans, La., Wayne County, N. C., Allentown, Pa., Morristown, N. J., San Diego, Calif., Huntsville, Ala., Shawnee, Kan. Oklahoma City, Okla., Clinton and Bettendorf, Iowa and suburban Seattle, Wash.

[8] The intent of those who say that restrictive firearms legislation should be enacted because of the availability of firearms has been questioned in testimony before congressional committee. The Honorable Thomas L. Kimball, executive director of the National Wildlife Federation, told the Senate Subcommittee to Investigate Juvenile Delinquency that (6):

> This raises the question . . . as to whether or not the solution then is to make firearms not available because as long as we permit individuals in this country . . . to have guns, and to use them for lawful purposes, they are going to be readily available. And the only way that we are going to remove that availability is to take their guns away from them. And it is expressions such as this which give us considerable concern about the intent of S. 1592 (1965 version of the Dodd bill-ed.).
>
> Now, if the concern is about crime and the use of guns in crime, this is one thing. If it is to make guns unavailable to the American public, this is another. And from the statements that have been made before this committee, it leaves some doubt . . . as to just what this objective is.

relation between the extent of firearms ownership and crime rates. Rather, there is a negative correlation. These findings dictate that the hypothesis as stated above be rejected. In general, as the proportion of the population possessing firearms goes down, crime rates go up. Fewer people with guns do not mean less crime.

The negative correlations between the index of firearms ownership and serious crime, aggravated assault and robbery were statistically significant. This means that firearms ownership by the law-abiding public could be a factor in restricting the number of these criminal acts. However, such a cause and effect relationship is not proven by, but is only consistent with, the results of this study.

These facts should be considered by anyone evaluating proposed firearms legislation.

BIBLIOGRAPHY

(1) Alder, H. L., and E. B. Roessler. 1964. Introduction to probability and statistics. Pages 160–167. W. H. Freeman and Company, San Francisco and London. 313 pp.

(2) Croxton, F. E. 1953. Elementary statistics. Pages 114–126. Dover Publications, Inc., New York, N.Y. 376 pp.

(3) Dodd, T. J., J. S. Clark and G. M. Smathers. 1967. Amendment No. 90 to S. 1. Pages 2, 3. United States Senate, Ninetieth Congress, First Session. 28 pp.

(4) Gallup, G. H. 1959. Public opinion poll on firearms. American Institute of Public Opinion, Princeton, New Jersey. August 30 (Part 1); September 2 (Part II); September 4 (Part III).

(5) Harris, L. 1967. Harris survey covers gun ownership and riots. Louis Harris and Associates, Inc., New York, N.Y. September 19.

(6) Kimball, T. L. 1965. Statement on S. 1592. Pages 254–269. In Hearings Before the Subcommittee to Investigate Juvenile Delinquency of the Committee on the Judiciary, United States Senate, Eighty-ninth Congress, First Session, on Proposed Amendments to the Federal Firearms Act. U.S. Government Printing Office, Washington, D.C. 854 pp.

(7) Krug, A. S. 1965. The socio-economic impact of firearms in the field of conservation and natural resources management. Pages 70–78. Proc. 19th Ann. Mtg. of the S. E. Assoc. of Game and Fish Comm., Tulsa, Okla.

(8) Magnuson, W. G. 1964. Personal communication. Chairman, Committee on Commerce, United States Senate, Washington, D.C. December 10.

(9) Narlock, R. P. 1967. Criminal homicide in California. Page 55. California Department of Justice, Bureau of Criminal Statistics, Sacramento. 88 pp.

(10) Shapiro, C. 1967. Personal communication. Associate, Louis Harris and Associates, Inc., New York, N.Y. October 18.

(11) U.S. Department of Justice, Federal Bureau of Investigation. 1967. Uniform crime reports—1966. U.S. Government Printing Office, Washington, D.C. 185 pp.

(12) U.S. Department of Justice, Federal Bureau of Investigation. 1967. Uniform crime reporting (January–September 1967). Page 2. Federal Bureau of Investigation, U.S. Department of Justice, Washington, D.C. 4 pp.

(13) Wolfgang, M. E. 1958. Patterns in criminal homicide. Pages 79–83. Oxford University Press, London, Bombay, and Karachi. 413 pp.

The author: Alan S. Krug has been conducting research on the socio-economics of firearms since 1958. Formerly an economist on the staff of The Pennsylvania State University, he is the author of more than 20 published technical and semi-technical papers in the fields of natural resources management, economics, and firearms legislation. He is presently assistant to the director of the National Shooting Sports Foundation, Inc.

APPENDIX A

Perhaps the most detailed study of homicide accomplished to date is that of Professor Marvin E. Wolfgang, Graduate Chairman of the Department of Sociology at the University of Pennsylvania. Dr. Wolfgang's study dealt with the 588 criminal homicides which occurred in the city of Philadelphia, Pennsylvania, between January 1, 1948, and December 31, 1952.

One segment of the work dealt with the weapons used in criminal homicide. The results of this study led Dr. Wolfgang to conclude (13):

"It is probably safe to contend that many homicides occur only because there is sufficient motivation or provocation, and that the type of method used to kill is merely an accident of availability; that a gun is used because it is in the offender's possession at the time of incitement, but that if it were not present, he would use a knife to stab, or fists to beat his victim to death. . . .

"Several students of homicide have tried to show that the high number of, or easy access to, firearms in this country is causally related to our relatively high homicide rate. Such a conclusion cannot be drawn from the Philadelphia data. Material subsequently reported in the present study regarding the place where homicide occurred, relationship between victim and offender, motives, and other variables, suggest that many situations, events, and personalities that converge in a particular way and that result in homicide do not depend primarily upon the presence or absence of firearms. . . .

"More than the availability of a shooting weapon is involved in homicide. . . . The type of weapon used appears to be, in part, the culmination of assault intentions or events and is only superficially related to causality. . . . It is the contention of this observer that few homicides due to shooting could be avoided merely if a firearm were not immediately present, and that the offender would select some other weapon to achieve the same destructive goal. . . ."

Another very comprehensive study of criminal homicide, which has just been published, deals with the 640 murders which occurred in the State of California in 1960. This study was done in the California Department of Justice, Bureau of Criminal Statistics. The author, Crime Studies Analyst Romey P. Narloch, reached much the same conclusions as did Dr. Wolfgang in regard to the relationship between the availability of firearms and the commission of criminal homicide (9):

"One of the clear conclusions of this research is that the mere availability of weapons lethal enough to produce a human mortality bear no major relationship to the frequency with which this act is completed. In the home, at work, at play, in almost any environmental setting a multitude of objects exist providing means for inflicting illegal death. Though the true number of times criminal homicide was attempted during 1960 cannot be known, and in spite of improved medical services, it is undoubtedly much more reasonable to conclude that the low yearly incidence of unlawful slayings is largely the product of human inhibitions to kill."

APPENDIX TABLE 1.—INDEX OF FIREARMS OWNERSHIP AND CRIME RATES FOR EACH OF THE 50 STATES, 1966

State	Index of firearms ownership—Rate of hunting license holders [1]	Crime rates [2]			
		Serious crime	Murder	Aggravated assault	Robbery
Alabama	9,924	1,208.9	10.9	177.7	32.0
Alaska	15,719	1,866.6	12.9	82.0	36.0
Arizona	8,232	2,215.7	6.1	122.4	55.5
Arkansas	13,224	831.4	7.1	116.6	29.4
California	3,704	2,825.7	4.6	159.1	118.0
Colorado	14,152	1,718.4	4.0	93.8	53.8
Connecticut	2,200	1,306.1	2.0	45.8	20.9
Delaware	5,074	1,485.8	8.2	33.8	56.6
Florida	3,520	2,280.0	10.3	213.0	99.9
Georgia	7,344	1,309.0	11.3	142.6	34.9
Hawaii	961	2,077.1	2.9	53.9	21.6
Idaho	26,408	959.6	3.0	46.1	7.8
Illinois	4,282	1,729.7	6.9	156.4	184.9
Indiana	9,966	1,357.6	4.0	66.0	61.2
Iowa	10,2[illegible]4	814.0	1.6	25.0	12.8
Kansas	8,597	1,062.6	3.5	69.9	29.6
Kentucky	7,831	1,199.5	7.0	73.5	42.8
Louisiana	7,792	1,485.1	9.9	147.9	66.8
Maine	19,161	659.7	2.2	33.0	5.9
Maryland	4,927	2,062.3	7.0	164.9	123.7
Massachusetts	2,509	1,654.2	2.4	60.5	46.0
Michigan	11,070	2,174.0	4.7	136.3	156.0
Minnesota	11,009	1,317.4	2.2	44.4	49.4
Mississippi	12,005	587.1	9.7	119.6	13.3
Missouri	7,899	1,680.2	5.4	118.5	105.8
Montana	22,127	1,194.6	2.8	42.6	17.8
Nebraska	13,680	887.4	1.8	31.3	24.9
Nevada	14,183	2,360.2	10.6	98.5	96.9
New Hampshire	12,974	680.5	1.9	21.4	10.3
New Jersey	2,396	1,599.7	3.5	85.4	63.7
New Mexico	9,388	1,847.6	6.1	145.9	43.8
New York	3,854	2,399.6	4.8	155.2	142.5
North Carolina	8,347	1,086.9	8.7	248.2	22.8
North Dakota	11,774	560.5	1.8	23.2	6.2
Ohio	5,802	1,170.8	4.5	67.8	70.0
Oklahoma	9,591	1,282.9	5.5	81.2	40.6
Oregon	17,461	1,624.2	2.7	65.2	45.8
Pennsylvania	8,248	964.8	3.2	63.3	49.0
Rhode Island	1,576	1,732.3	1.4	62.7	25.4
South Carolina	7,747	1,210.4	11.6	172.0	28.7
South Dakota	20,498	775.6	1.5	62.9	10.0
Tennessee	9,442	1,275.6	7.8	105.2	34.4
Texas	5,587	1,607.3	9.1	149.2	54.7
Utah	19,528	1,652.3	2.0	65.2	36.5
Vermont	33,232	695.6	1.5	7.4	4.0
Virginia	8,100	1,249.2	6.5	132.9	42.9
Washington	10,550	1,579.2	2.5	72.4	36.7
West Virginia	12,969	591.1	4.2	61.5	19.1
Wisconsin	13,841	891.5	1.9	29.2	12.9
Wyoming	36,991	1,080.0	4.9	45.0	21.0

[1] Number of hunting license holders per 100,000 of population.

[2] Number of offenses per 100,000 of population.

Source: Bureau of Sport Fisheries and Wildlife, U.S. Department of the Interior (hunting license data); Federal Bureau of Investigation, U.S. Department of Justice (crime rates) (11, pp. 66–67)

APPENDIX TABLE 2.—SUMMARY OF RESULTS: STATISTICAL ANALYSIS OF THE CORRELATION BETWEEN THE INDEX OF FIREARMS OWNERSHIP AND CRIME RATES, 1966

Correlation of index of firearms ownership with—	Equation of line of best fit [1]	Correlation coefficient [2]	t-value	Is negative correlation significant? [3]	Level of significance (percent)
Total serious crime	$Y_e=1,742.5-0.0315X$	−0.437	3.36	Yes	1
Murder and nonnegligent manslaughter	$Y_e=6.35-0.0001X$	−.117	.76	No	5
Aggravated assault	$Y_e=126.1-0.00311X$	−.424	3.26	Yes	1
Robbery	$Y_e=73.6-0.00229X$	−.418	3.19	Yes	1

[1] The equations of the lines of best fit take the form $Y_e=a+bX$, where X is the index of firearms ownership, Y_e is the estimated value of crime rate obtained from the line of best fit for the corresponding value of X, a is the Y intercept, and b is the slope of the line of best fit.

[2] Correlation coefficients, r, indicate the extent of the linear relationship between each set of variables. Testing of the significance of the correlation coefficients was accomplished by applying a "t-test," where

$$t=\frac{r}{\sqrt{\frac{1-r^2}{n-2}}},$$

n being the size of the sample from which the data were obtained. The term "n−2" constitutes the number of degrees of freedom The number of degrees of freedom is "the maximum number of variates which can freely be assigned (i.e. calculated or assumed) before the rest of the variates are completely determined: that is, it is the total number of variates minus the number of independent relationships existing among them.

For n−2, or 48 degrees of freedom, $t_{.01}=2.686$, any value in excess of this being significant at the 1 percent level. This means that if a t-value in excess of 2.686 is calculated, there is no more than a 1-in-100 chance that the correlation is not significant. In such a case, it is a commonly accepted convention in statistics to consider the result highly significant.

[3] The correlation coefficients showing the extent of the linear relationship between the index of firearms ownership and (1) total serious crime, (2) aggravated assault, and (3) robbery are remarkably close in value. In all 3 cases, the negative correlation is highly significant, being so at the 1 percent level of significance.

Correlation of the index of firearms ownership with murder and nonnegligent manslaughter is not significant at either the 1-percent or the 5-percent level. In the case where a result is significant at the 5-percent level, there is no more than 1 chance in 20 that the result is in error. Results are ordinarily not considered significant when the probability of error is in excess of 5 percent.

CANAL ZONE AFL–CIO UNIONS SUPPORT PENDING PANAMA CANAL MODERNIZATION LEGISLATION

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FLOOD. Mr. Speaker, the interoceanic canal problem has been under periodic consideration by the Congress since the end of World War II. Many improvements in the Panama Canal have been made but they have merely treated operational symptoms. They have not dealt with the causes of problems, which must be faced if our policy is to be realistic.

To meet the resulting situation, in the last session of the Congress, my distinguished colleague from Louisiana [Mr. RARICK] and I introduced companion bills, H.R. 14179 and H.R. 13834, to provide for the increase of capacity and the improvement of operations of the existing Panama Canal.

In January of this year the Subcommittee on the Panama Canal of the Committe on Merchant Marine and Fisheries, of which the distinguished Member from Missouri [Mrs. SULLIVAN] is chairman, visited the Canal Zone and conducted hearings. Among those who testified at Balboa was Louis S. Damiani, president of the Canal Zone Central Labor Union and Metal Trades Council, AFL–CIO.

Those labor unions are composed of persons employed in the maintenance, operation, sanitation, and protection of the Panama Canal. Hence, the views expressed by Mr. Damiani undoubtedly reflect the observations and considered conclusions of responsible and experienced canal employees, who cannot be misled by specious propaganda, however plausible.

Mr. Speaker, I would like to summarize some of the highlights of the indicated AFL–CIO statement.

First. It emphasizes the vital importance of the continued control by the United States of the Panama Canal and the prevention of its exploitation by any nation.

Second. It refutes the fallacious contention of some that the existing canal is obsolete.

Third. It stresses the strategic value of the canal for the security of the United States and the free world.

Fourth. It emphasizes that improvement to the canal must go beyond the treatment of symptoms; such as, "cut widening," "channel deepening," and "improved lighting."

Fifth. It stresses that what is needed is the best possible canal, at least cost, for the longest possible time, that such canal would be provided by the major increase of capacity and existing high level lake-lock canal, and that such modernization would not require the negotiation of a new canal treaty.

Sixth. It supports the canal modernization program contemplated in the proposed legislation previously named.

Seventh. It urges the enactment of the indicated legislation as offering the best solution of the canal problem for the indefinite future; and at least cost and without diplomatic involvement.

In order that the ably expressed views of the AFL–CIO labor unions in the Canal Zone previously cited may be easily available to the Congress and all interests concerned with trans-Isthmian transit. I quote it and the text of the indicated bills as parts of my remarks as follows:

STATEMENT OF THE CANAL ZONE CENTRAL LABOR UNION AND METAL TRADES COUNCIL AFL–CIO, BEFORE THE HOUSE MERCHANT MARINE AND FISHERIES SUBCOMMITTEE ON PANAMA CANAL, HELD AT BALBOA, C.Z., JANUARY 16, 1968

Madam Chairman and members of the committee: my name is Louis S. Damiani, and I am president of the Canal Zone Central Labor Union and Metal Trades Council, and I have worked and lived in the Canal Zone for the past 25 years.

Th organization which I represent is the central body of 30 labor unions, all of which are affiliated with AFL–CIO. The members of these unions are employed by the U.S. Government to operate, maintain and protect the Panama Canal.

On behalf of the U. S. citizen employees and civilian residents of all federal agencies in the canal zone, it is with great pleasure we welcome, once again, to the Canal Zone, the distinguished chairman, the subcommittee chairman and members of the House Merchant Marine & Fisheries Committee.

We appreciate this opportunity of expressing our views on means for developing the maximum capacity of the Panama Canal in terms of both short and long range programs.

We want the record to show it is not our intent or desire to outline foreign policy. The Canal Employee is cognizant that our international objectives fall into two categories; those that affect us in the overall world picture; and those that are regional or inter-American.

Insofar, as the first category is concerned, we as Americans will continue to accept, aid and cooperate, as we have in the past, in formulating and maintaining an international policy of peace, friendship and security for our country.

With respect to our inter-American policy with Panama, we endorse and support wholeheartedly policies extending the fullest measure of justice and generosity to the citizens of Panama, consistent with our national interests.

Knowledgeable observers in our Congress have proclaimed that the United States should continue to operate, maintain, control and protect the Panama Canal, because this enterprise is not, nor should it be, a project for exploitation by any nation. We as Americans concur. Implementation of such proclamation will assure the nations of the world that the United States will continue to extend to all, the economic and efficient services of the Panama Canal.

Madam Chairman, along with the members of your committee, you are perhaps the most informed members of Congress with respect to the Panama Canal.

I, therefore, will not belabor the point that the phenomenal and recordbreaking demand for services of the canal, established during the past few years, significantly points up the economic importance of the Panama Canal. And, despite the nuclear and pushbutton military concept of today, the Panama Canal still has great strategic importance to the security of the United States and to nations of the free world.

We agree with, support, and endorse, along with Members of Congress and Governor Leber, that a program based upon realities for increasing canal capacity, along with operational improvements affording us the best possible operational canal, at the least possible costs, is a vital necessity.

Recently, Governor Leber invited all employee representatives to attend a briefing wherein he outlined the major problems as concerns the capacity and operational functions of the canal today.

While some of the problems outlined were not of recent origin, the presentation by the Governor, which included visual aids, was the most informative and enlightening that I have heard in my 25 years as an employee representative, and my organization so informed the Governor.

Each of us came away from this briefing with a layman's understanding of the administrative and technical problems, and we wholeheartedly endorse the proposed plans of increasing the capacity and operational changes at the least possible cost.

However, unless informed officials anticipate the phasing out of the present canal within the next 15 years, we would urge that improvements go beyond such specific projects as "cut widening", "channel deepening", "improved lighting", and plans for obtaining a greater water supply and storage.

In effect, we are speaking of long range (50 or more years), rather than short range (15 or 20 years). We speak of expenditures not of 15 or 20 millions of dollars, but an expenditure of $850 million.

Currently, canal transits exceed 12,000 annually, and our peak capacity is said to be about 14,000 transits. It is our position, that canal improvements, however extensive or limited, should be so geared as to have a balanced ratio; that is, not a 20,000 transit potential, with supporting equipment capable of handling say 18,000 transits, and a maximum lock output of only 15,000. Each of the factors involved must be coordinated to realize an integrated plan for the realization of the projected future traffic.

We do not hold in high esteem those who unjustifiably advocate the present canal is practically obsolete. Several years ago, while attempting to defend the value of the Panama Canal to a government official, who also claimed the canal would reach obsolesence in 15 years (five of which have since passed) and after quoting transit statistics to this official, he agreed that upon the facts presented, our argument had merit, then added, if the size of vessels did not render the canal obsolete, the water problem for lockages would in itself do so.

Madam Chairman, the canal may possibly become obsolete in our time, but only if we permit it. My colleagues and I are certain that American ingenuity, which has successfully set down payloads on the moon, will not find this water, or other problems, insurmountable. Our engineers are capable of designing and recommending a solution which would be economically feasible and efficient in operation.

We are aware our problems are not menial one, but we keep recalling this is the only canal we have. A canal which has proven its worth as an asset to the United States and to world commerce in times of peace and in times of international crisis.

In partial review:

During World War II more than 5,300 capital ships and 9,000 other craft transporting troops and military cargo transited the Panama Canal, with vast savings in terms of time, lives and money. The canal demonstrated its strategic value during the Korean conflict. In 1953, the last year of the Korean conflict, well over 1,000 vessels utilized the Panama Canal carrying supplies and war materials to the United Nations forces in the Far East. The Cuban missile crisis caused another surge in traffic.

Twice in very recent times, due to the situation involving the Suez Canal, the effective operation of the Panama Canal prevented serious disruption of the economies and defense capabilities of many nations of the free world! And due to the Suez crisis, at least two new ships per day are now transiting the Panama Canal.

I believe the Governor could be prevailed upon to render the committee the statistics concerning shipping to and from Viet Nam.

In addition, in peacetime, the Panama Canal plays a very important role in national welfare and defense. The strength of the United States rests, in a large measure, upon the nation's economic well-being, which depends in turn upon the availability, at low costs, of vital raw materials.

The term obsolescence, without considerable qualification, cannot be defended when applied to the Panama Canal, for in recent months the canal absorbed without undue hardship an increase of six percent in transits over a record breaking preceding year. Governor Leber informed us that 24 percent of the new transits were vessels which measure 80 feet or more in beam!

Madam Chairman, a sound concept which embodies progress and a lasting solution to many canal problems is, in our estimation, incorporated in the bill H.R. 13834, introduced in the House on November 2, 1967.

The bill, to us laymen, appears to be a vehicle which if promulgated would bring about the major modernization of the present waterway, needed to meet requirements for the next 50 or more years. The bill in essence would provide that:

"Under section 2. (a) of H.R. 13834, the Governor of the Canal Zone, under the supervision of the Secretary of the Army, is authorized and directed to prosecute the work necessary to increase the capacity and improve operations of the Panama Canal through the adoption of the third locks project set forth in the report of the Governor of the Canal Zone, dated February 24, 1939 [House document #210, 76th Cong.], and authorized to be undertaken by the act of August 11, 1939 [53 Stat. 1409; Public numbered 391, 76th Cong.] with usable lock dimensions of 140 feet by 1200 feet by 45 feet, and including the following: elimination of the Pedro Miguel Locks, and consolidation of all Pacific locks near Miraflores in new lock structures to correspond with locks arrangements at Gatun, raise the summit water level to approximately 92 feet, and provide a summit-level lake anchorage at the Pacific end of the canal, together with such appurtenant structures, works, and facilities, and enlargements or improvements of existing channels, structures, works, and facilities, as may be deemed necessary, at a total cost not to exceed $850,000,000."

This project, if undertaken, would serve in the best economic interests of the United States, the Republic of Panama, and the world at large, by establishing the best operational canal for the next half-century at the least possible costs. Consideration should be given H.R. 13834 because this project eradicates any complications governed by the test ban treaty, or of any political complications of the host country. These issues can be paramount factors in a new sea level canal nere in Panama or elsewhere.

Favorable also to the project outlined in H.R. 13834, is the fact that the project would completely utilize some $65 million already utilized in recent years, on both the cut widening and third locks projects.

The bill H.R. 13834 carries a price tag of $850 million, which would require a minimum recovery of $17 million annually for the next 50 pears.

The overall cost is not only justifiable, but warrants serious and immediate consideration, as it will serve world commerce and reserve in large part U.S. interests, well into, and possibly beyond, the next century!

In the J. & J. Denham paper, *Shipping in the Next 100 Years*, published in 1937, and made public by your committee, Madam Chairman, we find such expert analysis:

"Although the shape of the world 100 years hence cannot be forecast, the place of shipping in the future is more readily predictable."

"Future shipping trends are toward a declining role for shipping, not an increasing role."

The report predicts also, that passenger ships like the Queen Mary and bulk carriers of 200,000 tons will be things of the past, that the most popular and common will be the 100,000 ton ship.

If shippers accept these forecasts, future ships of the 100,000 ton category will be constructed to adapt to the size of the modified canal, or designed not to use the canal at all.

The sea level versus modified lock type canal is not a controversial issue amongst employees here, nor do we accept the fallacy that a lock type canal is more susceptible to a nuclear attack. Our theory being that this nuclear susceptibility has no bearing on the sound concepts of H.R. 13834.

A belligerent nation, instigating a nuclear attack on the United States and/or the Panama canal, gives us much more to be concerned about than the surviving operational percentage or status of the canal after such an attack, be it a lock type or sea level canal. After considerable thought, we feel our position in support of H.R. 13834 is the most desirable solution of canal problems. We concerned ourselves with the basic thought . . . *The best possible canal, at least cost, for the longest period of time possible.*

If the forecasts of the experts materialize, and based upon the sound and visionary thoughts they expounded, we expect that the forecasts, for the most part, will come to pass. Hence, H.R. 13834, with some possible modifications, could solve current and future canal problems, not for 15, 50 or 100 years, but possibly until the day canals are no longer required.

We urge, therefore, your committee give the bill H.R. 13834 serious and immediate consideration.

Whatever plan is eventually adopted, Madam Chairman, we wish to assure you of our unqualified support toward achieving a solution to this vital problem. We say also, the present canal must, out of necessity, continue to operate economically and efficiently for an interim period. During this period, the canal will be operating near or at capacity, and it will require all of the skill and ingenuity that can be mustered to do the job. This committee in particular, is cognizant that U.S. citizens, skilled in their respective trades and professions, will be needed in many of the technical positions to carry on the job as the Members of Congress expect and desire.

To assure the canal administration continuity of skilled personnel, be they U.S. or non U.S. citizens, our Congress must shoulder an additional obligation, assuring adequate and satisfactory services, such as housing, medical and school facilities to canal employees. The deterioration, erosion, and lessening of such services, all of which are as much an appurtenance of the canal, as are the locks themselves, will, if not adequately available, pose a major retention and recruitment problem for the canal administrators.

H.R. 13834

A bill to provide for the increase of capacity and the improvement of operations of the Panama Canal, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Panama Canal Modernization Act of 1968".

SEC. 2. (a) The Governor of the Canal Zone, under the supervision of the Secretary of the Army, is authorized and directed to prosecute the work necessary to increase the capacity and improve the operations of the Panama Canal through the adaptation of the Third Locks project set forth in the report of the Governor of the Panama Canal, dated February 24, 1939 (House Document Numbered 210, Seventy-sixth Congress), and authorized to be undertaken by the Act of August 11, 1939 (53 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), with usable lock dimensions of one hundred and forty feet by one thousand two hundred feet by forty-five feet, and including the following: elimination of the Pedro Miguel locks, and consolidation of all Pacific locks near Miraflores in new lock structures to correspond with the locks arrangements at Gatun, raise the summit water level to approximately ninety-two feet, and provide a summit-level lake anchorage at the Pacific end of the canal, together with such appurtenant structures, works, and facilities, and enlargements

APPENDIX TABLE 2.—SUMMARY OF RESULTS: STATISTICAL ANALYSIS OF THE CORRELATION BETWEEN THE INDEX OF FIREARMS OWNERSHIP AND CRIME RATES, 1966

Correlation of index of firearms ownership with—	Equation of line of best fit [1]	Correlation coefficient [2]	t-value	Is negative correlation significant? [3]	Level of significance (percent)
Total serious crime	$Y_e=1{,}742.5-0.0315X$	−0.437	3.36	Yes	1
Murder and nonnegligent manslaughter	$Y_e=6.35-0.0001X$	−.117	.76	No	5
Aggravated assault	$Y_e=126.1-0.00311X$	−.424	3.26	Yes	1
Robbery	$Y_e=73.6-0.00229X$	−.418	3.19	Yes	1

[1] The equations of the lines of best fit take the form $Y_e=a+bX$, where X is the index of firearms ownership, Y_e is the estimated value of crime rate obtained from the line of best fit for the corresponding value of X, a is the Y intercept, and b is the slope of the line of best fit.

[2] Correlation coefficients, r, indicate the extent of the linear relationship between each set of variables. Testing of the significance of the correlation coefficients was accomplished by applying a "t-test," where

$$t=\frac{r}{\sqrt{\frac{1-r^2}{n-2}}},$$

n being the size of the sample from which the data were obtained. The term "n−2" constitutes the number of degrees of freedom The number of degrees of freedom is "the maximum number of variates which can freely be assigned (i.e. calculated or assumed) before the rest of the variates are completely determined: that is, it is the total number of variates minus the number of independent relationships existing among them.

For n−2, or 48 degrees of freedom, $t_{.01}=2.686$, any value in excess of this being significant at the 1 percent level. This means that if a t-value in excess of 2.686 is calculated, there is no more than a 1-in-100 chance that the correlation is not significant. In such a case, it is a commonly accepted convention in statistics to consider the result highly significant.

[3] The correlation coefficients showing the extent of the linear relationship between the index of firearms ownership and (1) total serious crime, (2) aggravated assault, and (3) robbery are remarkably close in value. In all 3 cases, the negative correlation is highly significant, being so at the 1 percent level of significance.

Correlation of the index of firearms ownership with murder and nonnegligent manslaughter is not significant at either the 1-percent or the 5-percent level. In the case where a result is significant at the 5-percent level, there is no more than 1 chance in 20 that the result is in error. Results are ordinarily not considered significant when the probability of error is in excess of 5 percent.

CANAL ZONE AFL–CIO UNIONS SUPPORT PENDING PANAMA CANAL MODERNIZATION LEGISLATION

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FLOOD. Mr. Speaker, the interoceanic canal problem has been under periodic consideration by the Congress since the end of World War II. Many improvements in the Panama Canal have been made but they have merely treated operational symptoms. They have not dealt with the causes of problems, which must be faced if our policy is to be realistic.

To meet the resulting situation, in the last session of the Congress, my distinguished colleague from Louisiana [Mr. RARICK] and I introduced companion bills, H.R. 14179 and H.R. 13834, to provide for the increase of capacity and the improvement of operations of the existing Panama Canal.

In January of this year the Subcommittee on the Panama Canal of the Committe on Merchant Marine and Fisheries, of which the distinguished Member from Missouri [Mrs. SULLIVAN] is chairman, visited the Canal Zone and conducted hearings. Among those who testified at Balboa was Louis S. Damiani, president of the Canal Zone Central Labor Union and Metal Trades Council, AFL–CIO.

Those labor unions are composed of persons employed in the maintenance, operation, sanitation, and protection of the Panama Canal. Hence, the views expressed by Mr. Damiani undoubtedly reflect the observations and considered conclusions of responsible and experienced canal employees, who cannot be misled by specious propaganda, however plausible.

Mr. Speaker, I would like to summarize some of the highlights of the indicated AFL–CIO statement.

First. It emphasizes the vital importance of the continued control by the United States of the Panama Canal and the prevention of its exploitation by any nation.

Second. It refutes the fallacious contention of some that the existing canal is obsolete.

Third. It stresses the strategic value of the canal for the security of the United States and the free world.

Fourth. It emphasizes that improvement to the canal must go beyond the treatment of symptoms; such as, "cut widening," "channel deepening," and "improved lighting."

Fifth. It stresses that what is needed is the best possible canal, at least cost, for the longest possible time, that such canal would be provided by the major increase of capacity and existing high level lake-lock canal, and that such modernization would not require the negotiation of a new canal treaty.

Sixth. It supports the canal modernization program contemplated in the proposed legislation previously named.

Seventh. It urges the enactment of the indicated legislation as offering the best solution of the canal problem for the indefinite future; and at least cost and without diplomatic involvement.

In order that the ably expressed views of the AFL–CIO labor unions in the Canal Zone previously cited may be easily available to the Congress and all interests concerned with trans-Isthmian transit, I quote it and the text of the indicated bills as parts of my remarks as follows:

STATEMENT OF THE CANAL ZONE CENTRAL LABOR UNION AND METAL TRADES COUNCIL AFL–CIO, BEFORE THE HOUSE MERCHANT MARINE AND FISHERIES SUBCOMMITTEE ON PANAMA CANAL, HELD AT BALBOA, C.Z., JANUARY 16, 1968

Madam Chairman and members of the committee: my name is Louis S. Damiani, and I am president of the Canal Zone Central Labor Union and Metal Trades Council, and I have worked and lived in the Canal Zone for the past 25 years.

The organization which I represent is the central body of 30 labor unions, all of which are affiliated with AFL–CIO. The members of these unions are employed by the U.S. Government to operate, maintain and protect the Panama Canal.

On behalf of the U. S. citizen employees and civilian residents of all federal agencies in the canal zone, it is with great pleasure we welcome, once again, to the Canal Zone, the distinguished chairman, the subcommittee chairman and members of the House Merchant Marine & Fisheries Committee.

We appreciate this opportunity of expressing our views on means for developing the maximum capacity of the Panama Canal in terms of both short and long range programs.

We want the record to show it is not our intent or desire to outline foreign policy. The Canal Employee is cognizant that our international objectives fall into two categories; those that affect us in the overall world picture; and those that are regional or inter-American.

Insofar, as the first category is concerned, we as Americans will continue to accept, aid and cooperate, as we have in the past, in formulating and maintaining an international policy of peace, friendship and security for our country.

With respect to our inter-American policy with Panama, we endorse and support wholeheartedly policies extending the fullest measure of justice and generosity to the citizens of Panama, consistent with our national interests.

Knowledgeable observers in our Congress have proclaimed that the United States should continue to operate, maintain, control and protect the Panama Canal, because this enterprise is not, nor should it be, a project for exploitation by any nation. We as Americans concur. Implementation of such proclamation will assure the nations of the world that the United States will continue to extend to all, the economic and efficient services of the Panama Canal.

Madam Chairman, along with the members of your committee, you are perhaps the most informed members of Congress with respect to the Panama Canal.

I, therefore, will not belabor the point that the phenomenal and recordbreaking demand for services of the canal, established during the past few years, significantly points up the economic importance of the Panama Canal. And, despite the nuclear and push-button military concept of today, the Panama Canal still has great strategic importance to the security of the United States and to nations of the free world.

We agree with, support, and endorse, along with Members of Congress and Governor Leber, that a program based upon realities for increasing canal capacity, along with operational improvements affording us the best possible operational canal, at the least possible costs, is a vital necessity.

Recently, Governor Leber invited all employee representatives to attend a briefing wherein he outlined the major problems as concerns the capacity and operational functions of the canal today.

While some of the problems outlined were not of recent origin, the presentation by the Governor, which included visual aids, was the most informative and enlightening that I have heard in my 25 years as an employee representative, and my organization so informed the Governor.

Each of us came away from this briefing with a layman's understanding of the administrative and technical problems, and we wholeheartedly endorse the proposed plans of increasing the capacity and operational changes at the least possible cost.

However, unless informed officials anticipate the phasing out of the present canal within the next 15 years, we would urge that improvements go beyond such specific projects as "cut widening", "channel deepening", "improved lighting", and plans for obtaining a greater water supply and storage.

In effect, we are speaking of long range (50 or more years), rather than short range (15 or 20 years). We speak of expenditures not of 15 or 20 millions of dollars, but an expenditure of $850 million.

Currently, canal transits exceed 12,000 annually, and our peak capacity is said to be about 14,000 transits. It is our position, that canal improvements, however extensive or limited, should be so geared as to have a balanced ratio; that is, not a 20,000 transit potential, with supporting equipment capable of handling say 18,000 transits, and a maximum lock output of only 15,000. Each of the factors involved must be coordinated to realize an integrated plan for the realization of the projected future traffic.

We do not hold in high esteem those who unjustifiably advocate the present canal is practically obsolete. Several years ago, while attempting to defend the value of the Panama Canal to a government official, who also claimed the canal would reach obsolesence in 15 years (five of which have since passed) and after quoting transit statistics to this official, he agreed that upon the facts presented, our argument had merit, then added, if the size of vessels did not render the canal obsolete, the water problem for lockages would in itself do so.

Madam Chairman, the canal may possibly become obsolete in our time, but only if we permit it. My colleagues and I are certain that American ingenuity, which has successfully set down payloads on the moon, will not find this water, or other problems, insurmountable. Our engineers are capable of designing and recommending a solution which would be economically feasible and efficient in operation.

We are aware our problems are not menial one, but we keep recalling this is the only canal we have. A canal which has proven its worth as an asset to the United States and to world commerce in times of peace and in times of international crisis.

In partial review:

During World War II more than 5,300 capital ships and 9,000 other craft transporting troops and military cargo transited the Panama Canal, with vast savings in terms of time, lives and money. The canal demonstrated its strategic value during the Korean conflict. In 1953, the last year of the Korean conflict, well over 1,000 vessels utilized the Panama Canal carrying supplies and war materials to the United Nations forces in the Far East. The Cuban missile crisis caused another surge in traffic.

Twice in very recent times, due to the situation involving the Suez Canal, the effective operation of the Panama Canal prevented serious disruption of the economies and defense capabilities of many nations of the free world! And due to the Suez crisis, at least two new ships per day are now transiting the Panama Canal.

I believe the Governor could be prevailed upon to render the committee the statistics concerning shipping to and from Viet Nam.

In addition, in peacetime, the Panama Canal plays a very important role in national welfare and defense. The strength of the United States rests, in a large measure, upon the nation's economic well-being, which depends in turn upon the availability, at low costs, of vital raw materials.

The term obsolescence, without considerable qualification, cannot be defended when applied to the Panama Canal, for in recent months the canal absorbed without undue hardship an increase of six percent in transits over a record breaking preceding year. Governor Leber informed us that 24 percent of the new transits were vessels which measure 80 feet or more in beam!

Madam Chairman, a sound concept which embodies progress and a lasting solution to many canal problems is, in our estimation, incorporated in the bill H.R. 13834, introduced in the House on November 2, 1967.

The bill, to us laymen, appears to be a vehicle which if promulgated would bring about the major modernization of the present waterway, needed to meet requirements for the next 50 or more years. The bill in essence would provide that:

"Under section 2. (a) of H.R. 13834, the Governor of the Canal Zone, under the supervision of the Secretary of the Army, is authorized and directed to prosecute the work necessary to increase the capacity and improve operations of the Panama Canal through the adoption of the third locks project set forth in the report of the Governor of the Canal Zone, dated February 24, 1939 [House document #210, 76th Cong.], and authorized to be undertaken by the act of August 11, 1939 [53 Stat. 1409; Public numbered 391, 76th Cong.] with usable lock dimensions of 140 feet by 1200 feet by 45 feet, and including the following: elimination of the Pedro Miguel Locks, and consolidation of all Pacific locks near Miraflores in new lock structures to correspond with locks arrangements at Gatun, raise the summit water level to approximately 92 feet, and provide a summit-level lake anchorage at the Pacific end of the canal, together with such appurtenant structures, works, and facilities, and enlargements or improvements of existing channels, structures, works, and facilities, as may be deemed necessary, at a total cost not to exceed $850,000,000."

This project, if undertaken, would serve in the best economic interests of the United States, the Republic of Panama, and the world at large, by establishing the best operational canal for the next half-century at the least possible costs. Consideration should be given H.R. 13834 because this project eradicates any complications governed by the test ban treaty, or of any political complications of the host country. These issues can be paramount factors in a new sea level canal here in Panama or elsewhere.

Favorable also to the project outlined in H.R. 13834, is the fact that the project would completely utilize some $65 million already utilized in recent years, on both the cut widening and third locks projects.

The bill H.R. 13834 carries a price tag of $850 million, which would require a minimum recovery of $17 million annually for the next 50 pears.

The overall cost is not only justifiable, but warrants serious and immediate consideration, as it will serve world commerce and reserve in large part U.S. interests, well into, and possibly beyond, the next century!

In the J. & J. Denham paper, *Shipping in the Next 100 Years*, published in 1937, and made public by your committee, Madam Chairman, we find such expert analysis:

"Although the shape of the world 100 years hence cannot be forecast, the place of shipping in the future is more readily predictable."

"Future shipping trends are toward a declining role for shipping, not an increasing role."

The report predicts also, that passenger ships like the Queen Mary and bulk carriers of 200,000 tons will be things of the past, that the most popular and common will be the 100,000 ton ship.

If shippers accept these forecasts, future ships of the 100,000 ton category will be constructed to adapt to the size of the modified canal, or designed not to use the canal at all.

The sea level versus modified lock type canal is not a controversial issue amongst employees here, nor do we accept the fallacy that a lock type canal is more susceptible to a nuclear attack. Our theory being that this nuclear susceptibility has no bearing on the sound concepts of H.R. 13834.

A belligerent nation, instigating a nuclear attack on the United States and/or the Panama canal, gives us much more to be concerned about than the surviving operational percentage or status of the canal after such an attack, be it a lock type or sea level canal. After considerable thought, we feel our position in support of H.R. 13834 is the most desirable solution of canal problems. We concerned ourselves with the basic thought . . . *The best possible canal, at least cost, for the longest period of time possible.*

If the forecasts of the experts materialize, and based upon the sound and visionary thoughts they expounded, we expect that the forecasts, for the most part, will come to pass. Hence, H.R. 13834, with some possible modifications, could solve current and future canal problems, not for 15, 50 or 100 years, but possibly until the day canals are no longer required.

We urge, therefore, your committee give the bill H.R. 13834 serious and immediate consideration.

Whatever plan is eventually adopted, Madam Chairman, we wish to assure you of our unqualified support toward achieving a solution to this vital problem. We say also, the present canal must, out of necessity, continue to operate economically and efficiently for an interim period. During this period, the canal will be operating near or at capacity, and it will require all of the skill and ingenuity that can be mustered to do the job. This committee in particular, is cognizant that U.S. citizens, skilled in their respective trades and professions, will be needed in many of the technical positions to carry on the job as the Members of Congress expect and desire.

To assure the canal administration continuity of skilled personnel, be they U.S. or non U.S. citizens, our Congress must shoulder an additional obligation, assuring adequate and satisfactory services, such as housing, medical and school facilities to canal employees. The deterioration, erosion, and lessening of such services, all of which are as much an appurtenance of the canal, as are the locks themselves, will, if not adequately available, pose a major retention and recruitment problem for the canal administrators.

H.R. 13834

A bill to provide for the increase of capacity and the improvement of operations of the Panama Canal, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Panama Canal Modernization Act of 1968".

SEC. 2. (a) The Governor of the Canal Zone, under the supervision of the Secretary of the Army, is authorized and directed to prosecute the work necessary to increase the capacity and improve the operations of the Panama Canal through the adaptation of the Third Locks project set forth in the report of the Governor of the Panama Canal, dated February 24, 1939 (House Document Numbered 210, Seventy-sixth Congress), and authorized to be undertaken by the Act of August 11, 1939 (53 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), with usable lock dimensions of one hundred and forty feet by one thousand two hundred feet by forty-five feet, and including the following: elimination of the Pedro Miguel locks, and consolidation of all Pacific locks near Miraflores in new lock structures to correspond with the locks arrangements at Gatun, raise the summit water level to approximately ninety-two feet, and provide a summit-level lake anchorage at the Pacific end of the canal, together with such appurtenant structures, works, and facilities, and enlargements or improvements of existing channels, structures, works, and facilities, as may be deemed necessary, at a total cost not to exceed $850,000,000.

(b) The provisions of the second sentence and the second paragraph of the Act of August 11, 1939 (53 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), shall apply with respect to the work authorized by subsection (a) of this section. As used in such Act, the terms "Governor of the Panama Canal", "Secretary of War", and "Panama Railroad Company" shall be held and considered to refer to the "Governor of the Canal Zone", "Secretary of the Army", and "Panama Canal Company", respectively, for the purposes of this Act.

SEC. 3. (a) There is hereby established a board, to be known as the "Panama Canal Advisory and Inspection Board" (hereinafter referred to as the "Board").

(b) The Board shall be composed of five members who are citizens of the United States of America. Members of the Board shall be appointed by the President, by and with the advice and consent of the Senate, as follows:

(1) one member from private life, experienced and skilled in private business (including engineering);

(2) two members from private life, experienced and skilled in the science of engineering;

(3) one member who is a commissioned officer of the Corps of Engineers, United States Army (retired); and

(4) one member who is commissioned officer of the line, United States Navy (retired).

(c) The President shall designate as Chairman of the Board one of the members experienced and skilled in the science of engineering.

(d) The President shall fill each vacancy on the Board the same manner as the original appointment.

(e) The Board shall cease to exist on that date designated by the President as the date on which its work under this Act is completed.

(f) The Chairman of the Board shall be paid basic pay at the rate provided for level II of the Executive Schedule in section 5313 of title 5, United States Code. The other members of the Board appointed from private life shall be paid basic pay at a per annum rate which is $500 less than the rate of basic pay of the Chairman. The members of the Board who are retired officers of the United States Army and the United States Navy each shall be paid at a rate of basic pay which, when added to his pay and allowances as a retired officer, will establish his total rate of pay from the United States at a per annum rate which is $500 less than the rate of basic pay of the Chairman.

(g) The Board shall appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, a Secretary and such other personnel as may be necessary to carry out its functions and activities and shall fix their rates of basic pay in accordance with chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates. The Secretary and other personnel of the Board shall serve at the pleasure of the Board.

SEC. 4. (a) The Board is authorized and directed to study and review all plans and designs for the Third Locks project referred to in section 2(a) of this Act, to make on-the-site studies and inspections of the Third Locks project, and to obtain current information on all phases of planning and construction with respect to such project. The Governor of the Canal Zone shall furnish and make available to the Board at all times current information with respect to such plans, designs, and construction. No construction work shall be commenced at any stage of the Third Locks project unless the plans and designs for such work, and all changes and modifications of such plans and designs, have been submitted by the Governor of the Canal Zone, to and have had the prior approval of, the Board. The Board shall report promptly to the Governor of the Canal Zone the results of its studies and reviews of all plans and designs, including changes and modifications thereof, which have been submitted to the Board by the Governor of the Canal Zone, together with its approval or disapproval thereof, or its recommendations for changes or modifications thereof, and its reasons therefor.

(b) The Board shall submit to the President and to the Congress an annual report covering its activities and functions under this Act and the progress of the work on the Third Locks project and may submit, in its discretion, interim reports to the President and to the Congress with respect to these matters.

SEC. 5. For the purpose of conducting all studies, reviews, inquiries, and investigations deemed necessary by the Board in carrying out its functions and activities under this Act, the Board is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Board is given power to designate and authorize any member, or other personnel, of the Board, to administer oaths and affirmations, subpena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Board may deem relevant or material to the performance of the functions and activities of the Board. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

SEC. 6. In carrying out its functions and activities under this Act, the Board is authorized to obtain the services of experts and consultants or organizations thereof in accordance with section 3109 of title 5, United States Code, at rates not in excess of $200 per diem.

SEC. 7. Upon request of the Board, the head of any department, agency, or establishment in the executive branch of the Federal Government is authorized to detail, on a reimbursable or nonreimbursable basis, for such period or periods as may be agreed upon by the Board and the head of the department, agency, or establishment concerned, any of the personnel of such department, agency, or establishment to assist the Board in carrying out its functions and activities under this Act.

SEC. 8. The Board may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

SEC. 9. The Administrator of General Services shall provide, on a reimbursable basis, such administrative support services for the Board as the Board may request.

SEC. 10. The Board may make expenditures for travel and subsistence expenses of members and personnel of the Board in accordance with chapter 57 of title 5, United States Code, for rent of quarters at the seat of government and in the Canal Zone, and for such printing and binding as the Board deems necessary to carry out effectively its functions and activities under this Act.

SEC. 11. All expenses of the Board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Board or by such other member or employee of the Board as the Chairman may designate.

SEC. 12. Any provision or provisions of the indicated Act of August 11, 1939 (53 Stat. 1409) or of any other Act inconsistent with, or opposed to, any provision or provisions of this Act, are hereby repealed and shall be of no effect.

SEC. 13. There are hereby authorized to be appropriated to the Board each fiscal year such sums as may be necessary to carry out its functions and activities under this Act.

TO MEET THE NATION'S POWER NEED

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. OTTINGER. Mr. Speaker, today I and 20 of my colleagues are introducing legislation (H.R. 14971) to authorize the Federal Power Commission to take the necessary steps to prevent a recurrence of the massive, cascading blackouts that have paralyzed various regions of the Nation over recent years. I am pleased to report that the distinguished senior Senator from Massachusetts, EDWARD M. KENNEDY, is sponsoring an identical measure in the other body.

The measure that we are sponsoring represents a major revision of the proposal advanced by the administration last summer. It incorporates most of the very significant improvements proposed by my distinguished colleague from California [Mr. MOSS], and adds a number of very badly needed new protections for the consumer. It also assures consideration of important environmental factors, such as clean air and water, and the strengthening of long-range land-use planning.

Under H.R. 14971, the Federal Power Commission would be directed to coordinate utility planning on a regional basis to assure that generating and transmission facilities are adequate to meet present and future demand and to guarantee that there is enough capacity available to each region to offset possible catastrophic losses. The FPC authority presently extends only to interstate transmission lines and to hydroelectric facilities built on navigable waterways.

Events of the past few years clearly demonstrate the need to extend that authority as provided in my bill.

BLACKOUTS THREATEN PUBLIC

On November 9, 1965, one little relay in Ontario failed and sent power systems throughout the entire northeastern United States tumbling like a house of cards. This is what utility experts had said was impossible and, in fact, it does seem incredible that a modern system would be so poorly designed that the failure of one unit the size of a toaster could throw 30,000 square miles into darkness and deprive 30 million people of power. The event revealed that the resources and interconnections available in the most highly developed and heavily populated region of the Nation were frighteningly weak and inadequate—the result of poor coordination and bad planning.

Blackouts are more than an inconvenience. They are dangerous and costly. During the 1965 blackout, 600,000 people were stranded in the New York subways alone. Seven hours after the blackout, over 10,000 were still stranded in dark, stalled trains in stifling tunnels. What would have happened in the event of fire or panic? Only chance and the remarkable resilience of the New Yorkers prevented disaster and loss of life.

In the air, confusion reigned. Two hundred and fifty flights had to be diverted from New York City airports and a major tragedy was averted only because the night was unusually clear and the moon full and bright.

On the ground, hospitals were without power. In hundreds of apartment houses and businesses, people were without water or cooking facilities and many waited in darkness in stalled elevators. Traffic systems failed at the rush hour and refrigeration systems and other essential services that depend on power were useless. Some of the parts of the system were so badly designed that it took up to 13 hours to restore service. The cost was incalculable. Business losses alone ran into the hundreds of million.

U.S. POWER SYSTEM WEAK

The Nation suddenly came to realize the extent to which it had come to rely upon its electric power system—and the system had failed.

Once this weakness was revealed, of course, there were protestations and promises, but the sad fact is that in the past 2 years nowhere near enough has been done.

In 1967, well over a year after the massive failure, there were 98 large system failures, nine of which could be categorized as major. One failure in Pennsylvania in June spread throughout 15,000 square miles and paralyzed four Middle Atlantic States right at the height of the evening rush and dinner hour. Over 13 million people were affected.

And what do the experts say? They say that only the fact that last summer was relatively cool prevented a massive catastrophic failure.

This is not a problem peculiar to the Northeast. Almost every region of the Nation was struck during the year and all stand in serious danger next year.

Clearly, only by giving the FPC the kind of coordinating authority that this bill provides can we finally come to grips with the problem.

CONSUMER PROTECTIONS

However, as we act to strengthen the electric power system in this Nation, we must also provide new protections for the public interest. The utility system that we have today is not competitive. Only one system serves each market and the consumer has no alternative but to use it. Senator METCALF in his book "Overcharge" revealed widespread abuses by utilities in contributions, publicity, and advertising expenditures including, of course, overt and veiled political maneuvering. In New York State we have recently had a case of a major utility that has invested nearly $16 million in a project for which it has not received FPC approval. This does not include hundreds of thousands of dollars spent on advertising and public relations to sell the project to the public and to the FPC or thousands spent in payments to local officials and witnesses.

As franchised monopolies, utilities have a special obligation in the expenditure of what are, in essence, public funds.

REPORTING REQUIRED

H.R. 14971 requires utilities to file certified annual reports of such expenditures and mail summaries to the customers. This will entail no significant new expense since utilities already mail numerous stuffers in their bills.

In addition, when a utility has a project pending FPC approval, it must file semiannual reports of project-related expenditures and mail summaries to its customers. This public disclosure will act as a salutary restraint and protection for the public, the utilities and the FPC.

NEW CONDEMNATION PROTECTION

The Federal Power Act gives utilities considerable latitude in exercising the right of eminent domain and the helplessness of the average citizen faced with a taking of his property is already a source of real concern. The expanded authority of the FPC necessarily extends this power so much that new protection are clearly required. My bill provides a needed check by requiring that the burden of proof in such proceedings be on the utility to establish that the taking is necessary to protect the public interest, and that no reasonable alternatives exist. It also introduces a new and, I believe, important concept that the court shall consider environmental, conservation and land-use factors as well as the traditional factors of cost-benefit and service improvements.

ANTITRUST CHECK

Giving the Federal Power Commission such authority to oversee planning and coordination poses a problem. Utilities may find themselves directed by the Commission to do something that the Justice Department may later challenge as a violation of the antitrust laws. The administration has proposed to let the FPC grant utilities immunity from antitrust action when they act upon approved plans.

The FPC is not the proper body to finally resolve the complex antitrust questions, especially since it will be acting on plans proposed by the utilities themselves. My bill proposes to permit granting of immunity, but only with the Justice Department as a full party at interest. This guarantees a full review of the issues.

ENVIRONMENTAL SAFEGUARDS

Utilities have a major impact on our environment. The coal and oil they burn contributes substantially to air pollution. In New York until very recently, 60 percent of the measurable pollution was produced by one utility, Con Edison.

The warm waters that utilities discharge into the Nation's streams have a devastating impact on river ecology often producing extensive fish kills and leading to new forms of pollution.

Generating facilities, power towers and lines, and switching stations have considerable impact upon natural resources, including scenic, historic, and recreation resources.

Under the Federal Power Act the Federal Power Commission has wide authority to make decisions that can have significant impact on our environment. However, it provides practically no direction for arriving at those decisions. The new authority that is needed to prevent blackouts requires substantial expansion of that authority and my bill proposes to set a new standard to guide all FPC deliberations.

This standard would require that decisions be consistent with the protection and enhancement of the environment, sound conservation policy, and long-range land-use planning.

The measure would also establish a National Council on the Environment appointed by the President to pass on all FPC actions. The Council would effectively protect these important interests with a minimum of interference in orderly conduct of FPC business.

NUCLEAR POWER COVERED

It is hard to see how the FPC's efforts to coordinate utility planning and assure enhanced reliability can be successful unless the increasingly important nuclear installations are included in its consideration.

Also, under current law there is no way to control the adverse effects these nuclear plants may have on the environment. AEC approval relates only to the safety of the nuclear components. In the Connecticut River, the Hudson River, and bays in Maryland and California, thermal pollution from nuclear plants has been responsible for massive fishkills and serious damage to marine ecology. This could easily be prevented by the exercise of the sort of conservation responsibility that the FPC exercises in licensing hydroelectric plants—especially with the proposed new environmental protections—but the AEC does not have that power and has plainly stated that it does not want it.

H.R. 14971 will bring nuclear generating facilities—and other large thermal installations—under FPC jurisdiction. The AEC would continue to exercise responsibility for passing on nuclear safety but the FPC would have to pass desirability, economy, and environmental impact.

POWERLINES CONTROLLED

Today, more than 300,000 miles of overhead transmission lines cut across this Nation. The power corridors their lines require eat up an estimated 7 million acres and have a detrimental effect on many millions more.

Expert evaluation has shown that such lines can adversely effect up to 300 acres for each mile of line.

Obviously, strengthening our power system is going to require expansion of transmission facilities. Projections last year indicated that by 1980, powerline corridors will consume over 20 million acres—nearly three times as much land as is presently preserved in our national park system.

A utility expert testified before the Senate Commerce Committee in the 89th Congress that utility studies showed that people actually like to live near high-tension powerlines and towers. In spite of this amazing discovery, most rational people recognize that powerlines and towers do not really improve the scenery or the natural environment. In order to prevent the proliferation of new lines that may duplicate or parallel existing rights-of-way, my bill authorizes the FPC to permit an applicant to use the excess capacity of any transmission facilities, after a demonstration of the need for such use. Further, the FPC would be authorized to grant permission to an applicant to enlarge, at its own expense, existing transmission lines. Public hearings and consistency with approved plans are required as preconditions to granting this authority.

Where a transmission line corridor already exists, its intensive use should be encouraged, consistent with the demands of safety and equitable compensation.

POWERLINE STUDY

The bill would also require the FPC to make a study of the economic impact of overhead high-tension lines and towers. It is very important that we have some objective measurement to evaluate the true cost of these lines to communities and to the Nation so that we can determine realistically when underground alternatives might be more economical. Now when the cost is compared, we only get utility installation costs. Lost tax revenue, devalued real estate, and such public costs are not considered.

Mr. Speaker. We cannot afford a repetition of the massive failure of 1965. We cannot count on cool summers to protect our power supply and we cannot wait any longer to act.

Power failures jeopardize the health and welfare of the American people and affect national security.

I urge that we move now to set up the mechanism that is needed to assure the people of this Nation an abundant and reliable supply of the power upon which they rely so very heavily.

In order to assist my colleagues in evaluating this legislation, I am submitting for the RECORD a comparative analysis of the three main proposals that have been made. H.R. 10727 is the administration proposal. H.R. 12322 is the excellent revision proposed by the gentleman from California [Mr. MOSS], whicn is largely incorporated in my proposal, H.R. 14971.

COMPARISON OF PROPOSED ELECTRIC RELIABILITY ACTS

H.R. 10727	H.R. 12322	H.R. 14971
Sec. 1. Electric Reliability Act of 1967.	No change.	No change.
Sec. 2. States the purpose of the Act as to promote the policy expressed in present section 202(a) of the Federal Power Act of "assuring an abundant supply of electric energy with the greatest possible economy and with regard to the proper utilization and conservation of natural resources"; enacts new Part IV to Federal Power Act.	Revises section by eliminating a redundant reference to section 202(a) of the Federal Power Act (which is repeated in Sec. 401), by referring to the constitutional authority for the act, and by rephrasing its purpose in general terms; omits phrase adding new Part IV.	Becomes subsection (a); Revises language to clarify purposes; adds new subsection (b).
Sec. 2(b) Not in FPC bill.	Not in H.R. 12322.	Adds new finding of Congress that actions taken under this Act be consistent with enhancement and preservation of environment, conservation of natural resources, including scenic, historic and recreation assets, and strengthening of long-range land-use planning.
Sec. 3. Not in FPC bill.	Adds new Part IV to Federal Power Act.	Same as H.R. 12322.
Title: PART IV—REGIONAL COORDINATION, APPLICATION AND OBJECTIVES OF PART; DEFINITION.	No change.	No change.
401(a). Would make provisions of Part IV applicable to all bulk power systems in the United States.	No change.	No change.
401(b). Spells out the objectives of Part IV: the National Policy expressed by section 202(a) of Federal Power Act: by enhancing the reliability of bulk power supply; by strengthening existing mechanisms for coordination in the electric utility industry and establishing new ones; by encouraging comprehensive development of power resources of each area and region of the United States so as to take advantage of advancing technology with due regard for conservation of land, scenic values, and other limited resources; by providing that all utility systems and their customers have access to the benefits of coordination and advancing technology on fair and reasonable terms; by assuring as far as feasible that extra-high-voltage facilities including sufficient capacity to meet area, regional and interregional needs for transmission capacity, including the reserve capacity needed for reliability; by respecting the territorial integrity of utility service areas to the extent consistent with public interest; and by drawing on the cooperation of all segments (public private and cooperative) of the electric utility industry.	No change.	Adds language requiring due regard for the preservation and enhancement of the environment, conservation of natural resources, including scenic historic and recreation assets, and the strengthening of long-range land-use planning.
401(c). Defines "person" for purposes of Part IV (differing from elsewhere in the Federal Power Act) to include not only a "person", "municipality" or "State", but any department, agency, or instrumentality of the United States and covers all "persons", whether privately, cooperatively, Federally or otherwise publicly owned.	No change.	No change.
401(d). Defines "bulk power supply facilities" as facilities for generation or transmission which furnish power to points of distribution. It further provides that under section 413 the Commission would be empowered to classify or exempt facilities not material to attaining the objectives of Part IV.	Changes phrase "which furnish power to points of distribution." to read "of electric power and energy." to assure that the FPC's jurisdiction over all generation and transmission facilities will not be restricted solely to those that furnish power for distribution, but will also include, for example, auxiliary	Same as H.R. 12322.

COMPARISON OF PROPOSED ELECTRIC RELIABILITY ACTS—Continued

H.R. 10727	H.R. 12322	H.R. 14971
	generating equipment which provide energy for fueling larger generators.	
401(e). Defines "extra-high-voltage facilities", as meaning transmission lines and associated facilities designed to be capable of operation at a nominal voltage higher than 200 kilovolts between phase conductors for alternating current, or between poles in the case of direct current, the construction of which is commenced two years or more after enactment of Part IV.	Inserts the "extension, or modification," after "construction" so that the bill will apply to the extensions or modifications of existing transmission lines and associated facilities as well as the construction of such facilities which are wholly new. This will foreclose a possible "grandfather clause" interpretation that could exempt from this bill any changes in existing facilities.	Same as H.R. 12322, *but* lowers voltage to 130 KV adds "thermal generating units or plants and associated facilities designed to be or capable of being operated at a capacity of 200 megawatts" included within the definition of "extra-high-voltage facilities".
Title: RELATION TO OTHER PARTS	No Change.	No Change.
402(a). States that Part IV supplements Parts I, II and III to promote the reliability, efficiency, and economy of bulk power supply, and provides that nothing in Part IV would modify or abridge authority granted under Parts I, II and III, unless specifically so provided.	No Change.	Adds that Part IV supplements other parts to assure that actions taken pursuant to the Federal Power Act shall be consistent with preservation and enhancement of environment. The conservation of natural resources, including scenic, historic and recreation assets and the strengthening of long-range, land-use planning.
402(b). Makes the administrative, procedural and enforcement provisions of other Parts including provisions for filing reports, complaints by State agencies and others, investigations, hearings, rules and regulations, staff appointments, publications, judicial review, enforcement and penalties, applicable to Part IV.	No Change.	No Change.
Title: COOPERATION OF BULK POWER SUPPLY SYSTEMS	No Change.	No Change.
403. Sets policy that the purposes of Part IV should be attained as far as possible by cooperation among all persons engaged in bulk power supply, regardless of their nature.	No Change.	No Change.
Title: REGIONAL POWER COORDINATION ORGANIZATIONS; ANTI-TRUST IMMUNITY	Deletes ANTI-TRUST IMMUNITY	Same as FPC bill.
404(a) Provides that, after consultation with persons engaged or interested in bulk power supply, appropriate Federal agencies and State commissions, the Commission would set up regional organizations and procedures for regional and interregional coordination. Provides for membership (either direct or indirect) by electric system in the region regardless of ownership. The Commission staff would participate in all aspects of the regional councils' work except the ultimate adoption of plans or any other council actions.	Deletes "direct or indirect" after the word "membership," because it is unclear what is meant by "indirect membership,"; adds "or of its facilities" after "ownership," to make it clear that each electric system may be a member of a regional council irrespective of the nature of its ownership or of the type of its facilities; provides that State regulatory commission representatives may participate in the work of the regional councils to permit greater local representation.	Same as H.R. 12322, *but* adds requirement that State and local officials and local, regional and State land-use planning agencies be consulted regarding the establishment of regional councils.
404(b) Provides that each regional council would file an organizational statement with the Commission, together with any amendments later adopted. These statements would be available for public inspection. Within 30 days after adoption by the council, any plan of coordination, either regional or interregional, developed by the council, would be submitted to the Commission under such rules as the Commission prescribed. The Commission would make these plans available for public inspection, and would consider them in exercising its responsibilities under all Parts.	Adds requirement for prompt publication in the Federal Register of notice that the statements of organization of regional councils, and amendments thereto and the regional and interregional plans, and amendments thereto, have been filed.	Same as H.R. 12322, but adds language to make it clear that "coordination plans" developed under this section shall not be considered as "comprehensive plans" for the purposes of Section 12a of Title I.
404(c). Allows the Commission, after notice and opportunity for hearing to determine by order whether any statement of organization filed under section 404 is consistent with the objectives of Part IV (as set out in section 401(b)). If a statement were determined to be inconsistent with those objectives, the Commission could modify it or set it aside. Under this section and the next, the bill would give the Commission discretion to initiate review or not. If the Commission, having approved a statement, also found that its effect on competition would be insubstantial or would be clearly outweighed by other public interest considerations, actions pursuant to the statement would be immune from private antitrust suits.	Deletes the provisions which would confer immunity from private anti-trust suits under sec. 4 of the Clayton Act (15 U.S.C. 15) instituted by any person who has been injured in his business or property by any action taken pursuant to a statement or plan approved by the Commission.	Same as H.R. 12322, *but* restores anti-trust immunity and provides that Justice Department shall become a party with full rights of participation and appeal upon filing notice of intervention.
404(d). Allows the Commission, after notice and opportunity for hearing, to determine whether a coordination plan was consistent with the objectives of Part IV. If the Commission found that the plan was not in the public interest it could modify it or set	Deletes anti-trust immunity; deletes phrase "not in the public interest" and substitutes "not consistent with the objectives of this part."	Same as H.R. 12322 *but*, restores anti-trust immunity and provides that Justice Department shall become a party with full rights of participation and appeal upon filing notice of intervention.

COMPARISON OF PROPOSED ELECTRIC RELIABILITY ACTS—Continued

H.R. 10727	H.R. 12322	H.R. 14971
it aside. On a finding by the Commission that a plan it had approved would have an insubstantial effect on competition, or an effect clearly outweighed by other public interest considerations, actions pursuant to the plan would not be subject to private antitrust suits as long as the Commission's approval remained in effect.		
404(e). Directs the Commission to require annual reports from each regional council, and such additional reports as it deems necessary or appropriate to carry out the objectives of Part IV. Requires the Commission to report to Congress annually on the effectiveness of the regional action and interregional coordination.	No Change.	
404(f). Provides that, if it found after notice and opportunity for hearing that any person engaged in generation or transmission of electric energy unreasonably refused to participate either in the creation of a regional council or in effective regional or interregional coordination, it could order such participation to the extent it found necessary to carry out the objectives of Part IV.	Adds authority for the FPC to require persons engaged in electric generation or transmission to pay their reasonable shares of the expenses of the regional council as well as to participate in the creation and work of the council.	Same as H.R. 12322.
404(g). Not in FPC bill.	New subsection authorizes the regional council and the Commission to amend statements and plans from time to time subject to the authority of the Commission to modify or set aside any proposed regional amendment if the Commission determines, after notice and opportunity for hearing, that it is not consistent with the objective of Part IV.	Same as H.R. 12322, but specifies that such determinations shall be subjected to all requirements for filing notice and hearings.
Title: New Title not in FPC bill.	New Title, not in H.R. 12322.	NATIONAL COUNCIL ON THE ENVIRONMENT
405(a). Not in FPC bill.	Not in H.R. 12322.	Establishes a National Council on the Environment consisting of three members to review plans and statements as well as applications for a license under Part I of the Federal Power Act and each proposal under section 410 of this Act, to determine whether they are consistent with the preservation and enhancement of the environment, conservation of natural resources, including scenic, historic and recreation assets, and with the strengthening of long-range land-use planning; requires Council to report and Commission to defer action for ninety days pending report.
405(b). Not in FPC bill.	Not in H.R. 12322.	Provides that an objection by the National Council shall have the same force as a suspense order issued by the Commission under section 410; provides that the National Council may be a full party at interest to any proceeding in which it has filed a report or objections any may seek rehearing or judicial review of any Commission order in such proceedings.
405(c). Not in FPC bill.	Not in H.R. 12322.	Provides that the President shall appoint the National Council members with advice and consent of the Senate, from persons having special expertise in conservation, environmental sciences or land-use planning; provides that members shall serve three-year terms, shall not serve more than two terms, must not have worked for Federal government, except as temporary consultant, within the preceding five years, and must never have worked for person engaged in the generation, transmission or distribution of electric power.
405(d). Not in FPC bill.	Not in H.R. 12322.	Provides for salaries, facilities staffing, etc., for National Council.
Title: NATIONAL ELECTRIC STUDIES COMMITTEE.	No change.	No change.
406. (405 in FPC bill) Gives the Commission authority, after consulting with the regional councils, to establish a national committee representative of all elements of the electric industry to facilitate interregional exchange of views and experience, consolidate the industry's efforts to investigate major present and future problems in the planning and operation of bulk power supply facilities and would seek to stimulate interest among scientists and engineers in the chal-	(405 in H.R. 12322) Inserts the word "electric" before the first reference to "industry" to avoid misconstruction.	Same as H.R. 12322, *but* requires consultation with "representatives of consumer interests, conservation organizations and land-use planning experts" and adds "and protecting and enhancing the general environment of the United States" at the end of the section to assure that Committee does not concentrate solely on engineering issues, but considers impact on environment as well.

COMPARISON OF PROPOSED ELECTRIC RELIABILITY ACTS—Continued

H.R. 10727	H.R. 12322	H.R. 14971
lenges of achieving reliable and efficient bulk power supply.		
Title: ADVISORY BOARDS.	No change.	No change.
407. (406 in FPC bill) Allows the Commission to establish one or more advisory coordination review boards and to provide for appointment thereto of experts from the electric utility industry, the equipment manufacturers, and the academic and research communities, and of other persons (not Commission employees) drawn from the general public. These boards would assist the Commission in considering matters coming before it under Part IV.	(406 in H.R. 12322) Adds explicit language at the end of the section to insure that the Commission, in making appointments to its advisory coordination review boards, will also include persons interested in conservation and aesthetics.	Same as H.R. 12322 *but*, adds "long-range land-use planning" to "conservation and aesthetics" as interests to be represented.
Title: COORDINATION AGREEMENTS	No Change.	No Change.
408. (407 in FPC bill) Requires, subject to such rules as the Commission might prescribe, that all written agreements, and statements of all oral agreements, for coordinated planning or operation of bulk power supply facilities be lodged with the Commission. This would include, but not be limited to, agreements for joint ownership of such facilities.	(407 in H.R. 12322) Adds a provision to insure that all coordination agreements filed with the Commission shall be available for public inspection.	Same as H.R. 12322, *but* adds requirement that all agreements be available for public inspection within the region as well as with Commission Staff in Washington.
Title: RELIABILITY STANDARDS	No Change.	No Change.
409. (Section 408 in FPC bill) Provides that, on the recommendation of a regional council or on its own motion, and after consultation with the regional councils, and after public notice and opportunity to comment, the Commission could issue rules setting forth reasonable criteria to enhance reliable planning and operation of bulk power supply facilities in accordance with the objectives of Part IV. Such rules might apply to a particular region or regions, or be of nationwide scope. As specified in section 402(b), the existing provisions of Part III of the Federal Power Act would be available to enforce compliance with such rules.	(408 in H.R. 12322) Changes the word "may" to "shall" and thus makes issuance of regulations reliability criteria mandatory; substitutes the word "govern" for the word "enhance".	Same as H.R. 12322, *but*, adds "National Council" to list of agencies that must be consulted.
(*409(f)*) Permits the Commission, when it determined that emergency conditions so required, to exempt persons from any requirements of section 409 (409(g) in H.R. 12322); on its own motion or on complaint, with or without notice, hearing or report, and on such conditions as it deemed necessary or appropriate. An emergency, for purposes of this subsection, would exist by reason of a sudden increase in demand for power or energy, a shortage thereof, a shortage of facilities or materials for generation or transmission of power or energy, including a shortage of fuel or water for generation, or other causes.	Same as subsection (f) of FPC bill except that H.R. 12322 adds a clause precluding the granting of exemptions from the act as to any matter covered under subsection 409(e) (410(e) in Ottinger bill).	Deleted in H.R. 14971 as unnecessary if Commission and industry fulfill responsibility under this bill.
Title: EXTRA-HIGH-VOLTAGE FACILITIES; NOTICE OF PROPOSED CONSTRUCTION; SUSPENSION; EMINENT DOMAIN; RIGHTS-OF-WAY ON FEDERAL LAND.	No Change.	No Change.
410(a). (409(a) in FPC bill) Requires any person proposing the construction of EHV facilities (see 401(e)) to file with the Commission, two years before it proposed to start construction, or at such other time as the Commission directed. The proposal would include such information, including information as to the routing of the proposed line, as the Commission required to determine whether the construction and operation proposed was consistent with a plan developed by a regional council and with the objectives of Part IV. The filing would also state whether the proponent elected to seek rights-of-way under section 409(e), which provide for Federal eminent domain and for the securing of rights-of-way over Federal lands. Notice of a filing and of subsequent changes would appear in the Federal Register and be served on appropriate regional councils, Federal State and local agencies, and any other interested persons, as the Commission required. Any interested person would have 60 days in which to comment on the filing.	(409(a) in H.R. 12322) Adds the words "extension, or modification" after "construction" wherever the latter word appears (See comment under section 401(e) above); deletes the requirement for two years advance filing of proposals, since it is inconsistent with subsection (b), which authorizes commencement of construction after six months; specifies that a map should be included with the information accompanying a proposal for an EHV transmission line; rewords the sentence about publication in the Federal Register and service of notice of filing of proposals, to clarify that it is the Commission's responsibility to cause publication and service to be promptly made; allows the public ninety, rather than sixty, days to comment upon proposals to construct, extend, or modify extra-high-voltage facilities.	Same as H.R. 12322 *but* adds "National Council" and "parties whole interests may be affected" to list which Commissions must serve with notice.
410(b). (409(b) in FPC bill) Prohibits the construction of any extra-high-voltage facility within six months after acceptance of a filing under subsection (a), and for such additional period during which a Commis-	(409(b) in H.R. 12322) Adds the words "extension or modification" after construction (see 401e above). Provides that the six-month waiting period before commencement of construction, etc., of extra-high-voltage	Same as H.R. 12322, but requires notice to National Council.

COMPARISON OF PROPOSED ELECTRIC RELIABILITY ACTS—Continued

H.R. 10727	H.R. 12322	H.R. 14971
sion suspense order is in effect. The Commission would issue a suspense order whenever the proponent elected to seek rights-of-way under subsection (e), or when the Commission concluded, in its discretion, within six months after the filing, that the proposal was inconsistent with an approved plan developed by a regional council or appeared otherwise not to be consistent with the objectives of this part. The order would summarize the Commission's reasons for the finding and would be effective for an initial period, fixed in the Commission's discretion but not more than 12 months. The effectiveness of a suspense order that has not yet expired by its own terms could be extended by an order of the Commission recommending specific modifications in the project and setting forth conditions for its approval, or scheduling the matter for formal hearings, or both. In such a case, the proposal would remain suspended until ultimate disposition of the matter by the Commission. The Commission could, however, after public notice and consideration of such comments as were received within 30 days, terminate the suspense order on a finding that the proposal would be consistent with the objectives of Part IV.	facilities, will begin to run from the date of publication of the notice of filing in the Federal Register rather than from the much less readily ascertainable date of "acceptance of filing." Adds the phrase "a plan approved pursuant to section."	
410(c). (409(c) in FPC bill) Direct the Commission to use informal procedures, including joint or separate conferences, to the fullest extent feasible in dealing with extra-high-voltage facilities applications under section 409. Notice and opportunity for hearing, however, would be required before the Commission could finally disapprove a proposal or confer rights-of-way.	(409(c) in H.R. 12322) No Change.	Rephrased to assure that "timely" notice of hearing will be served on "all interested parties", and that the opportunity for the hearing will be provided in "the region affected".
410(d). (409(d) in FPC bill) Would permit the Commission, at or before the period of suspension designated by the suspense order, to issue an order recommending specific modifications to the proposal and setting forth conditions for its approval, or to issue an order setting the matter for hearing. (Under the terms of section 409(b), this order would extend the effectiveness of the suspension.) If the modifications and conditions were accepted by the proponent, the Commission would be required to approve the proposal as modified and terminate the suspense order forthwith. If the modifications and conditions were not accepted, or if the Commission itself set the matter for hearing, the suspense order would remain effective until the Commission formally determined whether the proposal was consistent with the objectives of Part IV and issued a final order permitting or prohibiting the construction of the proposed facilities.	(409(d) in H.R. 12322) Adds the words "extension and modification" after construction (Sec. 401(e) above).	Same as H.R. 12322, *but* adds provision that Commission may issue final order only after notice published in the Federal Register and opportunity for public hearing, provides that if any interested party objects, suspense order remains in effect until final determination following a hearing in the region affected.
410(e) (409(e) in FPC bill). Provides that, if the Commission at any time determines after notice and opportunity for hearing, that a proposal would be consistent with the objectives of Part IV, the proponent could secure necessary rights-of-way over Federal and other lands as provided in paragraphs (i) and (ii).	409(e) in H.R. 12322. Adds words "extension or modification" after "construction" wherever it appears.	Same as H.R. 12322, *but* adds language to assure that project will be consistent with "protection and enhancement of environment factors, conservation of resources including enhancement of scenic, historic and recreation assets and strengthening long-range land-use planning.
410(e)(i). (409(e)(i) in FPC bill). Sets forth procedures for obtaining rights-of-way over land except those owned by the United States by an eminent domain proceeding in the Federal district court of the district in which the land was located. The condemnor would be permitted to use the declaration of taking procedure provided by 40 U.S.C. 258a, 258b, and 258d. Alternatively, eminent domain proceedings could be brought in the state courts.	(409(e)(i) in H.R. 12322). No change.	(410(f)(i) in H.R. 14971).
410(e)(ii). Provides that where a right-of-way over Federal lands was required, the finding that the proposal was consistent with the objectives of Part IV would automatically allow the proponent to have such right-of-way, subject to the applicable requirements of Part IV and such reasonable land-use conditions relating to non-power matters as the Federal department or agency responsible	Substitutes new subparagraphs (ii)–(v) for subparagraph (ii) to provide more adequate protection to public and Indian interests.	(410(f)(ii) in H.R. 14971).

COMPARISON OF PROPOSED ELECTRIC RELIABILITY ACTS—Continued

H.R. 10727	H.R. 12322	H.R. 14971
for the lands affected prescribed. The Commission would include these conditions in its order. The administering department or agency would also have the right to protest within sixty days, *only* on the grounds that the Commission's order failed adequately to protect identified aesthetic and historic values. A protest would, until withdrawn, stay the Commission's order.		
410(f)(i). (Section 409(e)(i) in FPC bill).	(Section 409(e)(i) H.R. 12322).	Same as 409(e)(i) of H.R. 12322, *but* adds language providing that if there is objection by any interested party to taking or exercise of eminent domain the burden of proof shall be on the proponent to establish that action is necessary to protect public interest and that no reasonable alternatives exist, provides court shall consider impact upon environment conservation of natural resources, including scenic and recreation assets and long-range land-use planning as well as cost benefits and its effect upon reliability.
410(f)(ii). (409(e)(ii) in FPC bill).	(409(e)(ii) in H.R. 12322).	Same as 409(e)(ii) H.R. 12322 *but* adds language to permit Departments to protest FPC order on grounds that it fails to give "due regard to preservation of natural resources, including scenic, historic or recreation assets or historic values instead of "identified aesthetic or historic values".
410(g). Not in FPC bill.	(409(f) in H.R. 12322) Requires all extra-high-voltage facilities constructed, extended, or modified after the effective date of the act, and interconnected facilities, would be available for transmission service, to the extent of any excess capacity, by any person demonstrating a need for such service consistent with the objectives of the new part IV of the Federal Power Act; empowers the FPC, in appropriate cases, to authorize third parties to enlarge existing EHV facilities, at their own expense, to provide additional capacity to transmit their power. The Commission would prescribe the conditions of use, including compensation to the owner of the line, and where appropriate, to the owner of the land underlying the right-of-way.	Same as H.R. 12322, *but* adds provisions requiring notice to be served on all interested parties and specifying that, in the event of objection, final determination shall be made by Commission only after hearings in the region affected.
410(h) (Not in FPC bill).	(Not in H.R. 12322).	Provides that nothing in this section shall be deemed to repeal any provision of the Atomic Energy Act of 1954, as amended.
(*410 in FPC bill*) Sets up a mechanism for determining questions of land-use arising either in the regional planning process under section 404 or in the review of extra-high-voltage facilities proposals under section 409. Whenever such a question arises, formally or informally, the Commission would entertain written comments by Federal, interstate, state and local agencies responsible for land-use planning in the affected region. The Commission would defer to the views of the responsible agency, if any existed, to resolve local land-use questions unless it determined that a particular solution would be inconsistent with the objectives of this part.	(410 in H.R. 12322). No change.	Deleted in Ottinger bill as inadequate protection and no longer necessary in view of authority granted to the National Council.
411. Permits the Commission, after notice and opportunity for hearing, to direct any person engaged in generation or transmission of electric energy to establish physical connection of its facilities with those of another person or persons engaged in generation, transmission or sale of electric energy, to sell energy to or exchange energy with such person. The Commission could do so on its own motion or on complaint, but would have to find that "no undue burden would be imposed on the respondent by the interconnection order." It would also have to find that this action was necessary or appropriate to carry out the objectives of Part IV. The Commission could prescribe the terms and conditions of the arrangement to be made between the parties affected by the order.	Adds language to make it clear that the section authorizes the Commission to provide for transmission of energy and specify the terms and conditions, including compensation for such use of the transmission lines, and that the section shall not be deemed to modify or repeal any Federal power marketing statute.	Same as H.R. 12322 adds provision that the exercise of authority under this section is subject to procedures and requirements of Section 410.
412. Prohibits the abandonment of any bulk power supply service, or of any part	No change.	No change.

Comparison of Proposed Electric Reliability Acts—Continued

H.R. 10727	H.R. 12322	H.R. 14971
of a person's bulk power supply facilities, if the effect would be abandonment, curtailment or impairment of bulk power service, without the advance approval of the Commission. Approval could be granted after notice and opportunity for hearing, on a finding that the abandonment or curtailment would be consistent with the objectives of Part IV.		
413(b). Not in FPC bill.	Not in H.R. 12322.	Requires annual reporting of all utility expenditures for advertising promotion, public relations and contributions; specifies detail and manner of reporting and requires utilities to furnish summaries of the reports to their consumers.
413(m). Not in FPC bill.	Not in H.R. 12322.	Requires six months reports on expenditures related to any project proposal before the FPC; specifies detail and manner of reporting and requires utility to make reports available to its consumers.
414. (413 in FPC bill) Gives the Commission power to exempt facilities, persons or activities from any requirement of Part IV or from any rule or regulation thereunder, in order to avoid excessive burdens on persons engaged in bulk power supply, regional councils, and the public. It could issue such exemptions, by rule, after notice and opportunity for hearing and on determining that the exemption was necessary and appropriate to carry out the objectives of Part IV. Conditions could be attached to an exemption, and it could, after notice and opportunity for hearing, be revoked.	Adds provision precluding exemption for any action pursuant to 409(e) (410 in Ottinger bill).	Same as H.R. 12322 but adds language precluding exemption for any matter pursuant to sections 404, 405, 410 and 413.
Sec. 4. Not in FPC bill.	New section (not an amendment to the Federal Power Act) requiring the Commission to survey existing and planned high voltage-heavy current testing and research facilities in the United States for adequacy and accessibility to all interested persons and to report its findings to Congress within one year, making recommendations for corrective action if necessary.	Same as H.R. 12322 *but* adds new subsection directing FPC to make full study of impact of overhead transmission lines.

LEGISLATION FOR SPECIAL VISAS FOR EARTHQUAKE VICTIMS

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. Giaimo] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. GIAIMO. Mr. Speaker, yesterday I introduced special legislation to authorize the immediate entry into the United States of aliens who have been displaced as a result of the catastrophic earthquakes in Sicily earlier this month.

My legislation would make available special nonquota immigrant visas to those earthquake victims uprooted from their homes and in urgent need of assistance. The wives and children of such aliens would also be issued special visas. Because of the Immigration and Nationality Act's existing provisions which allocate the number of visas to be issued under each category and place a ceiling on the number of immigrants drawn from one country, special legislation is necessary to provide visas to these distressed aliens so that they will not be charged against the Italian quota. Precedent for this type of special legislation was established in 1958 when similar legislation was enacted to help Portuguese victims of volcanic eruptions in the Azores.

The tragic loss of lives and disastrous loss of property as a result of the Sicilian earthquakes have totally disrupted the island. By lending a hand and opening our doors to these destitute persons, we can give them an opportunity to start anew and can instill in them hope for a brighter future. Furthermore, many of these survivors who have lost members of their immediate families have close relatives here in this country. Reunification of these families will help alleviate their distress and suffering.

Mr. Speaker, passage of this measure is in the best tradition of America's humanitarian policy of offering a haven to the distressed and suffering, and to victims or refugees from disaster or tyranny. I urge immediate consideration and action on this proposal.

GAMBLERS' SUPREME COURT VICTORY HAMPERS FIGHT AGAINST ORGANIZED CRIME

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. Fascell] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FASCELL. Mr. Speaker, the Supreme Court threw out, on the basis of constitutional objections, the Federal gambling tax that the Federal Bureau of Investigation and local police have used widely in their drive against organized crime.

Yesterday the Supreme Court reversed the convictions of two persons who had refused to pay the Federal wagering tax on the ground that it deprived them of their constitutional privilege, under the fifth amendment, against self-incrimination.

The law that was voided by the Supreme Court required persons who were engaged in the business of accepting wagers to register with the Internal Revenue Service, to buy a $50 stamp, and to pay an excise tax of 10 percent on the annual gross amount of all wagers accepted. Gamblers were also required to furnish the IRS with their home and business addresses and their employees, and to keep accounts of their wagers. The gamblers who bought the stamps were listed and copies of the lists were available to every law-enforcement agency.

The Internal Revenue Service, over the past 10 years, has collected an average of over $6½ million a year from gamblers under the act. About 10 percent represented the income from the sale of wagering stamps. The voiding of the law will mean not only the loss of this income, but more importantly will deprive law-enforcement officials of one of their principal weapons against organized crime.

In hearings that have been held by the Legal and Monetary Affairs Subcommittee of the House Committee on Government Operations, of which I am chairman, that fact was made very clear. Estimates of the amount of money organized crime makes every year from gambling vary, but all authorities agree that it is extremely high. The President's Crime Commission estimated the gross to be between $7 and $50 billion annually.

The Honorable Fred M. Vinson, Jr., Assistant Attorney General in charge of the Criminal Division testified at the hearings that an estimate of $20 billion gross would be conservative. All experts also agree that gambling profits are the principal financial support of big-time racketeering and gangsterism. Mr. William A. Kolar, Director of the IRS Intelligence Division, testified in that regard as follows:

> These profits provide the financial resources whereby ordinary criminals are converted into big-time racketeers, political bosses, pseudo-businessmen and philanthropists.
>
> It is generally agreed that the flow of money to bookmakers taking bets on horseracing and sporting events and wagers placed in lottery operations totals billions of dollars annually. From its huge gambling profits, organized crime is able to finance other illicit activities. The gambling business in this Nation involves a socioeconomic problem of great magnitude. Gambling, the financial support of organized crime, has the potential to destroy our democratic way of life if we do not control it, and contributes to the poverty which exists in many parts of the country. Certainly we are all conscious that racketeering has often subverted local governments and destroyed their integrity. It is reaching further into legitimate businesses every day, and when it reaches into legitimate business, integrity goes out the window.

The problem of trying to defeat organized crime is a continuing one. The Legal and Monetary Affairs Subcommittee is concerning itself with the Federal effort in that regard. We are studying the capabilities of the departments and agencies to cope with the problem; whether they are doing everything possible within their capabilities, and whether their armaments need be strengthened. The Supreme Court decisions undoubtedly have reduced their strength to deal with the menace. I have today called upon Assistant Attorney General Vinson to advise the subcommittee what effects the decisions are likely to have on law enforcement, whether any adverse effects can be overcome administratively, and if legislation will be required, the nature thereof and when it is likely to reach the Congress.

The war against organized crime must be pursued without surcease. If one weapon fails, another, of equal or greater force, must be substituted, rapidly. I would hope that the Department of Justice stands ready to rush another into the fight.

NATIONAL SCHOOL SAFETY PATROL WEEK

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. Fascell] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FASCELL. Mr. Speaker, today I joined with my good friend and colleague, Congressman Sam Gibbons, in introducing a resolution to establish the second week of each May as National School Safety Patrol Week.

Of all public service, perhaps the least heralded and least appreciated is that performed throughout the country, every day on which our elementary and junior high schools are open, by the boys and girls of the School Safety Patrol. Surely the time has come to recognize the outstanding nature of this service and to honor the persons so involved.

There is nothing trifling about the performance of the School Safety Patrol, by any means. At the present time, 900,000 patrol members are engaged in protecting the physical well-being of some 19 million students attending 40,000 schools throughout the United States, while 156,000 patrol members perform the same service in foreign lands.

The patrol boys and girls whose duty it is to guide and protect their schoolmates at school crossings on the public streets have the backing and support of every authority rightfully concerned in the matter. Their organization is governed by school authorities, with the American Automobile Association, which many years ago initiated the entire school patrol program. The AAA, in addition to coordinating the program at the national level, is also responsible in many communities for furnishing patrol members with belts, badges, and raincoats.

The first large-scale patrol program, carried out under the auspices of the AAA, was inaugurated in the 1920's. The results have been dramatic. Since 1922, the traffic death rate of schoolage children has dropped nearly one-half, while the death rate of all other age groups has doubled. There is only one conclusion to draw from these statistics.

We are constantly advised by the diligent news media that our young people are taking over the country and behaving irresponsibly. It is high time, I think, that we tell something of the other story; that we emphasize the positive behavior of many young Americans. What better way than to single out the public service of this large body of responsible people, and to praise their performance, in an annual demonstration of respect? It is all very well to demand that youth respect their elders, but there also is something to be said for their elders respecting the valuable performances of youth—and doing so in such a way that everybody hears about it.

Each year, the American Automobile Association joins with the schools and the police in sponsoring the National School Safety Patrol parade in Washington, D.C. More than 22,000 boys and girls from 20 or more States annually participate in this colorful event. Every year, in conjunction with the parade, the AAA presents gold lifesaver medals to those young patrol heroes who actually have saved the life of a schoolmate. Leading national officials are generally on hand to present the medals on these occasions.

The Congress cannot afford any longer to ignore the public service of these splendid young Americans, the members of the school safety patrols. It is our responsibility to join in honoring their performances and expressing our sense of true appreciation.

I therefore urge the Congress to designate the second week in May "National School Safety Patrol Week," to be celebrated on an annual basis.

CRISIS IN WORLD STRATEGY: WHAT WOULD MACARTHUR DO?

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. Rarick] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. RARICK. Mr. Speaker, the boarding and seizure by North Korean naval forces of the U.S.S. *Pueblo* in international waters in the Sea of Japan is not any partisan matter but one of transcendant significance that emphasizes the strategic insight and vision of General MacArthur at the time of the Korean war, 1950–51. Prevented from bringing that sanguinary struggle to an end in the normal way with a "just and honorable peace" in the shortest time and with the least loss of American lives and treasure, he foresaw what would be the consequences of our failure and expressed in clear language what should be our policy.

What General MacArthur said during the Korean war in 1951 before a joint meeting of the Congress is even more applicable today. We can ignore it only at our peril. I quote one passage:

> The Communist threat is a global one. Its successful advance in one sector threatens the destruction of every other sector. You can not appease or otherwise surrender to Communism in Asia without simultaneously undermining our efforts to halt its advance in Europe.

Following his immortal address before the Congress, General MacArthur appeared before joint sessions of the Senate Committees on Armed Services and Foreign Relations, May 3–5, 1951, in which he covered every significant policy angle and warned that if the United States did not bring the Korean war to a "decisive and victorious end" it would have to accept "all the consequences of a disastrous defeat." History has more than justified his worst fears as by the great number of casualties suffered by the United States after April 1951 and by the extension of the Korean war to Vietnam.

The testimony of General MacArthur before the Armed Services and Foreign Relations Committees of the Senate, May 3–5, 1951, was recently reprinted by the Hour-Glass Publishers, Post Office Box 443, River Station, Paterson, N.J. 07524. This testimony should be read by all Members of the Congress and officials of the executive branch concerned with the formulation of policy.

In concluding those historic hearings, Chairman RICHARD B. RUSSELL had this to say:

> General MacArthur, I wish to state that the three days that you have been here with us are without parallel in my legislative experience.
>
> I have never seen a man subjected to such a barrage of questions in so many fields and on so many varied subjects.
>
> I marvel at your physical endurance. More than that, I have been profoundly impressed by the vastness of your patience and the thoroughness and frankness with which you have answered all of the questions that have been propounded.
>
> We have certainly drawn freely on your vast reservoir of knowledge and experience, not only as a great military captain, but also as a civilian administrator of 80 million people.

As General MacArthur's 1951 address before the Congress summarizes his views that are now more applicable than ever, I quote its full text as part of my remarks and urge that it not only be studied but also that all persons concerned with the formulation of policy listen to a recording of it.

Mr. Speaker, I ask unanimous consent to follow my remarks with General MacArthur's address before the joint session of Congress.

[From "Reminiscences"]

Mr. President, Mr. Speaker, and distinguished Members of the Congress:

I stand on this rostrum with a sense of deep humility and great pride—humility in the wake of those great American architects of our history who have stood here before me, pride in the reflection that this forum of legislative debate represents human liberty in the purest form yet devised. Here are centered the hopes and aspirations and faith of the entire human race.

I do not stand here as advocate for any partisan cause, for the issues are fundamental and reach quite beyond the realm of partisan consideration. They must be resolved on the highest plane of national interest if our course is to prove sound and our future protected. I trust, therefore, that you will do me the justice of receiving that which I have to say as solely expressing the considered viewpoint of a fellow American. I address you with neither rancor nor bitterness in the fading twilight of life with but one purpose in mind—to serve my country.

The issues are global and so interlocked that to consider the problems of one sector, oblivious to those of another, is but to court disaster for the whole.

While Asia is commonly referred to as the gateway to Europe, it is no less true that Europe is the gateway to Asia, and the broad influence of the one cannot fail to have its impact upon the other.

There are those who claim our strength is inadequate to protect on both fronts—that we cannot divide our efforts. I can think of no greater expression of defeatism. If a potential enemy can divide his strength on two fronts, it is for us to counter his effort.

The Communist threat is a global one. Its successful advance in one sector threatens the destruction of every other sector. You cannot appease or otherwise surrender to Communism in Asia without simultaneously undermining our efforts to halt its advance in Europe.

Beyond pointing out these simple truisms, I shall confine my discussion to the general area of Asia. Before one may objectively assess the situation now existing there, he must comprehend something of Asia's past and the revolutionary changes which have marked her course up to the present. Long exploited by the so-called colonial powers, with little opportunity to achieve any degree of social justice, individual dignity, or a higher standard of life such as guided our own noble administration of the Philippines, the peoples of Asia found their opportunity in the war just past to throw off the shackles of colonialism and now see the dawn of new opportunity, a heretofore unfelt dignity and the self-respect of political freedom.

Mustering half of the earth's population and 60 per cent of its natural resources, these peoples are rapidly consolidating a new force, both moral and material, with which to raise the living standard and erect adaptations of the design of modern progress to their own distinct cultural environments. Whether one adheres to the concept of colonialization or not, this is the direction of Asian progress and it may not be stopped. It is a corollary to the shift of the world economic frontiers, as the whole epicenter of world affairs rotates back toward the area whence it started. In this situation it becomes vital that our country orient its policies in consonance with this basic evolutionary condition rather than pursue a course blind to the reality that the colonial era is now past and the Asian peoples covet the right to shape their own free destiny. What they seek now is friendly guidance, understanding, and support, not imperious direction; the dignity of equality, not the shame of subjugation. Their prewar standard of life, pitifully low, is infinitely lower now in the devastation left in war's wake. World ideologies play little part in Asian thinking and are little understood. What the peoples strive for is the opportunity for a little more food in their stomachs, a little better clothing on their backs, a little firmer roof over their heads, and the realization of the normal nationalist urge for political freedom. These political-social conditions have but an indirect bearing upon our own national security, but form a backdrop to contemporary planning which must be thoughtfully considered if we are to avoid the pitfalls of unrealism.

Of more direct and immediate bearing upon our national security are the changes wrought in the strategic potential of the Pacific Ocean in the course of the past war. Prior thereto, the western strategic frontier of the United States lay on the littoral line of the Americas with an exposed island salient extending out through Hawaii, Midway, and Guam to the Philippines. That salient proved not an outpost of strength but an avenue of weakness along which the enemy could and did attack. The Pacific was a potential area of advance for any predatory force intent upon striking at the bordering land areas.

All this was changed by our Pacific victory. Our strategic frontier then shifted to embrace the entire Pacific Ocean which became a vast moat to protect us as long as we hold it. Indeed, it acts as a protective shield for all of the Americas and all free lands of the Pacific Ocean area. We control it to the shores of Asia by a chain of islands extending in an arc from the Aleutians to the Marianas held by us and our free allies. From this island chain we can dominate with sea and air power every Asiatic port from Vladivostok to Singapore and prevent any hostile movement into the Pacific. Any predatory attack from Asia must be an amphibious effort. No amphibious force can be successful without control of the sea lanes and the air over those lanes in its avenue of advance. With naval and air supremacy and modest ground elements to defend bases, any major attack from continental Asia toward us or our friends of the Pacific would be doomed to failure. Under such conditions the Pacific no longer represents menacing avenues of approach for a prospective invader—it assumes instead the friendly aspect of a peaceful lake. Our line of defense is a natural one and can be maintained with a minimum of military effort and expense. It envisions no attack against anyone nor does it provide the bastions essential for offensive operations, but properly maintained would be an invincible defense against aggression.

The holding of this littoral defense line in the western Pacific is entirely dependent upon holding all segments thereof, for any major breach of that line by an unfriendly power would render vulnerable to determined attack every other major segment. This is a military estimate as to which I have yet to find a military leader who will take exception. For that reason I have strongly recommended in the past as a matter of military urgency that under no circumstances must Formosa fall under Communist control. Such an eventuality would at once threaten the freedom of the Philippines and the loss of Japan, and might well force our western frontier back to the coasts of California, Oregon and Washington.

To understand the changes which now appear upon the Chinese mainland, one must understand the changes in Chinese character and culture over the past fifty years. China up to fifty years ago was completely non-homogeneous, being compartmented into groups divided against each other. The war-making tendency was almost nonexistent, as they still followed the tenets of the Confucian ideal of pacifist culture. At the turn of the century, under the regime of Chan So Lin, efforts toward greater homogeneity produced the start of a nationalist urge. This was further and more successfully developed under the leadership of Chiang Kai-shek, but has been brought to its greatest fruition under the present regime, to the point that it has now taken on the character of a united nationalism of increasingly dominant aggressive tendencies. Through these past fifty years, the Chinese people have thus become militarized in their concepts and in their ideals. They now constitute excellent soldiers with competent staffs and commanders. This has produced a new and dominant power in Asia which for its own purposes is allied with Soviet Russia, but which in its own concepts and methods has become aggressively imperialistic with a lust for expansion and increased power normal to this type of imperialism. There is little of the ideological concept either one way or another in the Chinese makeup. The standard of living is so low and the capital accumulation has been so thoroughly dissipated by war that the masses are desperate and avid to follow any leadership which seems to promise the alleviation of local stringencies. I have from the beginning believed that the Chinese Communist's support of the North Koreans was the dominant one. Their interests are at present parallel to those of the Soviet, but I believe that the aggressiveness recently displayed not only in Korea, but also in Indo-China and Tibet, and pointing potentially toward the south reflects predominantly the same lust for the expansion of power which has animated every would-be conqueror since the beginning of time.

The Japanese people since the war have undergone the greatest reformation recorded in modern history. With a commendable will, eagerness to learn, and marked capacity to understand, they have, from the ashes left in war's wake, erected in Japan an edifice dedicated to the primacy of individual liberty and personal dignity, and in the ensuing process there has been created a truly representative government committed to the advance of political morality, freedom of economic enterprise, and social justice. Politically, economically and socially, Japan is now abreast of many free nations of the earth and will not again fail the universal trust. That it may be counted upon to wield a profoundly beneficial influence over the course of events in Asia is attested by the magnificient manner in which the Japanese people have met the recent challenge of war, unrest and confusion surrounding them from the outside, and checked Communism within their own frontiers without the slightest slackening in their forward progress. I sent all four of our occupation divisions to the Korean battlefront without the slightest qualms as to the effect of the resulting power vacuum upon Japan. The results fully justified my faith. I know of no nation more secure, orderly and industrious—nor in which higher hopes can be entertained for future constructive service in the advance of the human race.

Of our former ward, the Philippines, we can look forward in confidence that the existing unrest will be corrected and a strong and healthy nation will grow in the longer aftermath of war's terrible destructiveness. We must be patient and understanding and never fail them, as in our hour of need they did not fail us. A Christian nation, the Philippines stand as a mighty bulwark of Christianity in the Far East, and its capacity for high moral leadership in Asia is unlimited.

On Formosa, the Government of the Republic of China has had the opportunity to refute by action much of the malicious gossip which so undermined the strength of its leadership on the Chinese mainland. The Formosan people are receiving a just and enlightened administration with majority representation on the organs of government, and politically, economically and socially they appear to be advancing along sound and constructive lines.

With this brief insight into the surrounding areas I now turn to the Korean conflict. While I was not consulted prior to the President's decision to intervene in support of the Republic of Korea, that decision, from a military standpoint proved a sound one, as we hurled back the invader and decimated his forces. Our victory was complete and our objectives within reach when Red China intervened with numerically superior ground forces. This created a new war and an entirely new situation—a situation not contemplated when our forces were committed against the North Korean invaders—a situation which called for new decisions in the diplomatic sphere to permit the realistic adjustment of military strategy. Such decisions have not been forthcoming.

While no man in his right mind would advocate sending our ground forces into continental China and such was never given a thought, the new situation did urgently demand a drastic revision of strategic planning if our political aim was to defeat this new enemy as we had defeated the old.

Apart from the military need as I saw it to neutralize the sanctuary protection given the enemy north of the Yalu, I felt that military necessity in the conduct of the war made mandatory:

1. The intensification of our economic blockade against China;

2. The imposition of a naval blockade against the China coast;

3. Removal of restrictions on air reconnaissance of China's coastal area and of Manchuria;

4. Removal of restrictions on the forces of the Republic of China on Formosa with logistic support to contribute to their effective operations against the common enemy.

For entertaining these views, all professionally designed to support our forces committed to Korea and bring hostilities to an end with the least possible delay and at a saving of countless American and Allied lives, I have been severely criticized in lay circles, principally abroad, despite my understanding that from a military standpoint the above views have been fully shared in the past by practically every military leader concerned with the Korean campaign, including our own Joint Chiefs of Staff.

I called for reinforcements, but was informed that reinforcements were not available. I made clear that if not permitted to destroy the enemy buildup bases north of the Yalu; if not permitted to utilize the friendly Chinese force of some 600,000 men on Formosa; if not permitted to blockade the China coast to prevent the Chinese Reds from getting succor from without; and if there were to be no hope of major reinforcements, the position of the command from the military standpoint forbade victory. We could hold in Korea by constant maneuver and at an approximate area where our supply line advantages were in balance with the supply line disadvantages of the enemy, but we could hope at best for only an indecisive campaign, with its terrible and constant attrition upon our forces if the enemy utilized his full military potential. I have constantly called for the new political decisions essential to a solution. Efforts have been made to distort my position. It has been said that I was in effect a war monger. Nothing could be further from the truth. I know war as few other men now living know it, and nothing to me is more revolting. I have long advocated its complete abolition as its very destructiveness on both friend and foe has rendered it useless as a means of settling international disputes. Indeed, on the 2nd of September 1945, just following the surrender of the Japanese nation on the battleship *Missouri*, I formally cautioned as follows: "Men since the beginning of time have sought peace. Various methods through the ages have been attempted to devise an international process to prevent or settle disputes between nations. From the very start, workable methods were found insofar as individual citizens were concerned; but the mechanics of an instrumentality of larger international scope have never been successful. Military alliances, balances of power, leagues of nations, all in turn failed, leaving the only path to be by way of the crucible of war. The utter destructiveness of war now blots out this alternative. We have had our last chance. If we will not devise some greater and more equitable system, Armageddon will be at the door. The problem basically is theological and involves a spiritual recrudescence and improvement of human character that will synchronize with our almost matchless advances in science, art, literature, and all material and cultural developments of the past 2,000 years. It must be of the spirit if we are to save the flesh."

But once war is forced upon us, there is no other alternative than to apply every available means to bring it to a swift end. War's very object is victory—not prolonged indecision. In war, indeed, there can be no substitute for victory.

There are some who for varying reasons would appease Red China. They are blind to history's clear lesson. For history teaches with unmistakable emphasis that appeasement but begets new and bloodier war. It points to no single instance where the end has justified that means—where appeasement has led to more than a sham peace. Like blackmail, it lays the basis for new and successively greater demands, until, as in blackmail, violence becomes the only alternative. Why, my soldiers asked of me, surrender military advantages to an enemy in the field? I could not answer. Some may say to avoid spread of the conflict into an all-out war with China; others, to avoid Soviet intervention. Neither explanation seems valid. For China is already engaging with the maximum power it can commit and the Soviet will not necessarily mesh its actions with our moves. Like a cobra, any new enemy will more likely strike whenever it feels that the relativity in military or other potential is in its favor on a world-wide basis.

The tragedy of Korea is further heightened by the fact that as military action is confined to its territorial limits, it condemns that nation, which it is our purpose to save, to suffer the devastating impact of full naval and air bombardment, while the enemy's sanctuaries are fully protected from such attack and devastation. Of the nations of the world, Korea alone, up to now, is the sole one which has risked its all against Communism. The magnificence of the courage and fortitude of the Korean people defies description. They have chosen to risk death rather than slavery. Their last words to me were, "Don't scuttle the Pacific."

I have just left your fighting sons in Korea. They have met all tests there and I can report to you without reservation they are splendid in every way. It was my constant effort to preserve them and end this savage conflict honorably and with the least loss of time and a minimum sacrifice of life. Its growing bloodshed has caused me the deepest anguish and anxiety. Those gallant men will remain often in my thoughts and in my prayers always.

I am closing my fifty-two years of military service. When I joined the Army even before the turn of the century, it was the fulfillment of all my boyish hopes and dreams. The world has turned over many times since I took the oath on the Plain at West Point, and the hopes and dreams have long since vanished. But I still remember the refrain of one of the most popular barrack ballads of that day which proclaimed most proudly that—

> "Old soldiers never die, they just fade away."

And like the old soldier of that ballad, I now close my military career and just fade away—an old soldier who tried to do his duty as God gave him the light to see that duty.

Good-by.

FREEDOM DAY RALLY

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. RARICK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. RARICK. Mr. Speaker, annually on January 23 the Free Republic of China at Taiwan holds a national rally in observance of Freedom Day. Freedom Day commemorates the day of decision by some 22,000 captured military prisoners from Communist China and North Korea who, when given the freedom of choice—whether to return home and live under communism or to live under freedom in the Republic of China—voluntarily selected the free world.

Escapees from Communist tyrannny, persecuted and disillusioned, continue to swell the ranks of those who have escaped communism and know firsthand the tortures and ravages of communism. To them anticommunism is a basic sustaining belief and motivating force. They live to voice their experience and sufferings as a witness to the free world to awaken free men to the forces of darkness arrayed against us with one common threat—a world of people reduced to slavery under the minority masters of international communism.

I was honored to have been invited and participate in the Freedom Day Rally as a voice for the anticommunist people of the United States.

The warm friendship of the Free Chinese hosts, friends, and citizens was heartwarming and a genuine tribute to the strong bond of mutual regard between the people of our two countries. The fervent hope of the organizers and participants of the Freedom Day rally was that additional nations and free people take a stand to join in their crusade for the freedom of all mankind from Communist slavery.

Mr. Speaker, I was personally able to meet and confer with President Chiang Kai-shek, one of the best informed and dedicated anti-Communists in the world. Mrs. Rarick and I were also guests of the gracious and lovely Madame Chiang. Wonderful people, one and all.

I returned with an English translation of the Freedom Day program including the message of President Chiang, and speeches of the Vice President C. K. Yen and Chairman Ku Cheng-Kang, all of which I ask by unanimous consent of this House of Representatives be reproduced in the RECORD of this body following my remarks.

PROGRAM FOR THE TAIPEI RALLY COMMEMORATING THE 14TH ANNIVERSARY OF ANTI-COMMUNIST FREEDOM DAY

Opening of the meeting.

Peal of Freedom Bell.

Chairman takes rostrum.

Audience stands up at attention.

National anthem.

Salute to National Flag.

Read messages from H. E. President Chiang and others.

Address by Chairman Ku Cheng-kang.

Speech by H. E. Vice President C. K. Yen.

Speeches by: Hon. John R. Rarick, Member of U.S. Congress; Indonesian anti-Communist fighter Mr. S. H. Noto.

Anti-Communist songs.

Reports by First Lieutenant Phil-un Lee of Korea, a freedom-seeker from North Korea; Mr. Le Xuan Chuyen of Vietnam, a freedom-seeker from North Vietnam.

Introduce newly-arrived freedom-seekers from the China mainland.

Report by freedom-seeker Mr. Niao Tseng Pai.

Read Declaration of the Rally and outgoing messages.

Anti-Communist Freedom Song.

Chant slogans.

Band play.

End of the meeting.

After-meeting entertainment: (a 20-minute film show on the First Conference of the World Anti-Communist League and the 13th Conference of the Asian Peoples' Anti-Communist League).

PRESIDENT CHIANG KAI-SHEK'S MESSAGE TO THE MAO SUPPRESSION AND NATIONAL SALVATION RALLY ON THE 14TH ANNIVERSARY OF FREEDOM DAY, JANUARY 23, 1968

Fourteen thousand Chinese Communist prisoners of war courageously chose freedom in Korea January 23, 1954. Since then the Freedom Day Movement has grown steadily and now has become a united expression of free mankind in the battle of liberty versus tyranny. The Freedom Day Movement is getting the course for the further unfolding of history and eventually will corroborate the axiom that "Slavery will fail and tyranny will collapse".

Mao Tse-tung has become the common enemy of the world and the worst scum of human society. The failure of the fanatical "great cultural revolution", the continuing Red Guard turmoil and the endless killings of the "power-seizure struggle" have brought Mao's regime to the brink of final collapse. Mao's egocentric ambitions long ago engendered sharp antagonisms between the ruling Communist Party and the people of the mainland. The Party itself is torn by mad struggle and internecine warfare. Deep schisms afflict even the relations among the Maoists. Amid all this confusion, the anti-Mao struggle has swiftly become an all-out offensive against Communism. The people of the mainland are striving to save themselves and their country with a rising torrent of revolutionary uprisings.

Responding to the altered balance of strength between the Republic of China and the enemy, our government has established the Mao Suppression and National Salvation United Front and adopted a strategy of action. We are inviting all anti-Mao and anti-Communist forces—at home and abroad, in front of and behind the enemy's lines—to rally under the banner of *San Min Chu I* (Dr. Sun Yatsen's Three Principles of the People) and march forward hand in hand and shoulder to shoulder to our common destination. All of us here in this bastion of national recovery will understand this strategy and join in providing the motive force to make our Movement a success. At this dual-purpose rally we are celebrating the 14th anniversary of Freedom Day and giving impetus to the Mao Suppression and National Salvation Front. All of us join together in urging patriotic and anti-Mao people everywhere to combine forces with us in the common struggle and deal the final and fatal blow to Mao Tse-tung.

The program of action of the Mao Suppression and National Salvation United Front requires simultaneous mobilization and attack on many fronts—political, economic, military, diplomatic and cultural. Special emphasis is to be placed on the progress of both Chinese cultural renaissance and the scientific modernization of national construction. Our glorious victory can be expedited only if we fight on both intellectual and material battlegrounds in this contest between freedom and slavery, between *San Min Chu I* and the Communist hereby, between perfect benevolence and the most evil wickedness. In this way we shall recover and reconstruct our nation in a single victorious battle.

This is the moment to unite all the freedom forces of the world and undertake a universal crusade to deliver those who are enslaved behind the iron curtain. After that we shall enter the new epoch of *San Min Chu I* and go forward toward the ideal of one great commonwealth of freedom and equality.

H. E. President Chiang Kai-shek, Republic of China.

H. E. President Park Chung Hee, Republic of Korea.

H. E. President Nguyen-Van-Thieu, Republic of Vietnam.

H. E. Ambassador Walter P. McConaughy, Embassy of United States of America.

Hon. Nobusuke Kishi, Former Premier of Japan.

Dr. Phan-Huy-Quat, President of WACL & APACL Vietnam Chapter.

Dr. J. Kitaoka, Secretary-General, on behalf of WACL & APACL Japan Chapter.

Hon. Tchere Adoum, Speaker of National Assembly of Chad.

Dr. Apeles E. Marquez, President of PAEDA.

Hon. Joe D. Waggonner, Jr., Member of U.S. Congress.

Hon. Charles Edison, Chairman of the Committee of One Million Against the Admission of Communist China to the U.N.

Hon. Marvin Liebman, Secretary-General, Committee of One Million Against the Admission of Communist China to the U.N.

Mr. Ole Bjorn Kraft, President of the European Freedom Council.

Ven. Meetiyagoda Gunaratne, Maha Na Yark Thero, President of WACL & APACL Ceylon Chapter.

Mr. Jaroslaw Stetsko, President of ABN.

Hon. Ritchie Macdonald, M.P. of New Zealand.

Rear Admiral Pinn Panthawi, President of Free People League of Thailand.

Mr. Carlos Lamar, Centro Nacional De Estudios Sociales, A. C.

Gen. Lee Eung-joon, President of WACL & APACL Korea Chapter.

Dr. Lev E. Dobriansky, Chairman of National Captive Nations Committee.

Mr. Ibrahin S. Afrah, President of Somali African Union.

Mr. Walter Chopiwskyi, President of Arizona Branch of National Captive Nations Committee.

Sir Otto Molden, President of the European Federalist Party of Austria.

Madame Esther de Proenca Lago, Chairman of BW CN.

Mr. Feliks Gadomski, Acting Secretary-General of Assembly of Captive European Nations.

Mr. Valter Loll.

Mr. Jorge Mas, Representacion Cubana Del Exilio.

Mr. Nan D. Landon, Director of Institute of Political Psychology.

Mr. James D. Elkjer, Secretary of World Youth Crusade for Freedom.

Rev. Stephen Dunker, Founder Cardinal Mindszenty Foundation.

Hon. Chao Sopsaisana, Laos Congressman.

Mr. Ramon D. Bagatsing, President of APACL & WACL Philippines Chapter.

Hon. Amos A. Lisimba, Member of Malawi Congress.

Mr. Dahyabhai V. Patel, President of APACL India Chapter.

Mr. Rama Swarup, Secretary-General of APACL India Chapter.

Hon. Robert N. Thompson, Member of Parliament of Canada.

Mr. Mohammad Mochtar Ghazali, President of APACL Indonesia Chapter.

Hon. Fethi Tevetoglu, Senator of Turkey.

Mr. Tsai Chang, Delegate of Ryukyus.

Major Robert W. L. Lindsay.

Dr. Parviz Kazemi.

Dr. Mario A. Lopez, E., Dean of College of Law of Paraguay University.

Miss Amalia Escobar, Delegate of El Salvador Women Anti-Communist Organization.

Dr. Jan Reisser, Chairman of Declaration of the ACEN.

Mr. Alfredo T. Rusins, Vice-Chairman of C.B.E.L.

Mr. Mircea Buesca, the Executive Secretary of A.A.N.C.

Admiral Carlon Pennu Botto, Chairman of Cruza da Brasileria Anti-Communista.

Hon. Chen Tung-hai, Senator of Malaysia.

Mr. Albert Munst.

Mr. Alfred B. Gielen, Delegate General of German-CIAS.

Dr. Francisco Pessotti.

Gen. Suhardiman, Army of Indonesia.

ADDRESS BY CHAIRMAN KU CHENG-KANG

Gathered here to observe the great Freedom Day, we representatives of all walks of life are happy to see that development in the world situation is showing clearly freedom will prevail over tyranny. Such is the direction in which history moves. There is, of course, yet a stretch of difficult journey to traverse before the victory of freedom is reached. But this journey can be shortened and much unnecessary suffering be averted for mankind, if free men fight the battle correctly.

It is public and common knowledge that freedom for Asia is vital to freedom in the rest of the world, as the Chinese Communist regime has been endangering all Asia and rocking the world. Mao Tse-tung's power struggle has created serious internal rift and caused him international isolation, but he is still troubling Asia and even attempting to threaten the world with his nuclear development. To accelerate the advent of freedom's victory, we must first destroy Mao's regime.

The war in Vietnam is both a critical test for the free world and a key factor deciding if freedom's victory can be advanced. The free nations, while showing the determination to roll back Communist aggression and the will to cooperate with each other, have not brought the war to its victorious conclusion, which should be within reach, This delay is caused primarily by not seeking thorough victory over the enemy, and not applying coordinated effort strong enough for the purpose. The peace campaigns manipulated by the Communists, exploiting appeasement sentiments, have further confused the outlook.

Therefore we must support staunchly the firm Vietnam policy of President Lyndon B. Johnson of the United States; we must support the military action given in assistance to Vietnam by Korea, Philippines, Thailand, Australia and New Zealand. We ask that thorough victory be made the objective on the Vietnam battle field. The United States should take more positive action in Vietnam so that the allies would be willing to contribute more effort. We call on the free world to recognize that peace illusions and appeasement statements all demoralizing to the Vietnamese and Asian people's will and courage to fight for freedom. The will and interests of the Vietnamese people must not be overlooked; the independence and freedom of the Republic of Vietnam must not be compromised.

Thailand, Laos and Cambodia have become the target of Communist aggression, but Red power directed by Mao Tse-tung must not be allowed to expand anywhere. Our efforts must be united less we be defeated in detail. In our country we are working for the establishment of a united front against Mao to deliver our country, as directed by our President, but for all Asia a joint effort against Mao is equally urgent and vital. We Asians have come to realize that we must form a system of collective security with our own effort to fight against Communist slavery. We call on our friends in other areas of the free world that effort must be made to understand the needs of Asians, to respect the will of Asians, and to support the Asians on such basis. We also firmly believe that our own effort is the key to the solution of Asia's problems.

Collective security is of primary urgency for the safeguarding of freedom in Asia. The SEATO is practically paralyzed. The announced withdrawal of British forces will weaken Asia's defense. We Asians must, for our own safety and for world security, remove neutralism, appeasement, and obstructions from within and without, join our forces to safeguard Asia by our own strength and effort. The hopes of Asians can be realized only by our own determination.

The ASPAC (Asian and Pacific Council) is the good beginning of an Asian and Pacific organization. We must continuously reinforce and develop it, so that it will grow from economic, cultural cooperation to political cooperation and military alliance. We have been electrified to hear in the recent months, appeals made by the President of Korea, the President of the Philippines and the Prime Minister of Thailand, asking for closer unity among free Asian countries. Eagerly we await the production of concrete action to usher in a new era of peaceful and prosperous Asia.

On behalf of the Rally I want to express my thanks to the Vice President for his coming to address us, and my thanks to participants from afar: the Hon. John R. Rarick, U.S. Congressman, Mr. Pil-un Lee from Korea, Mr. Le Xuan Chuyen from Vietnam, and Mr. S. H. Noto from Indonesia. To Mr. Miao Chen-pai, Mr. Kuo Teh-lu, and Mr. Chang Shanchih who have left the Chinese Communist camp for freedom I give my warmest welcome; their wise choice and courageous action reflect the light of the coming victory of freedom for all mankind.

The victory of freedom is an inescapable fact of history, but let us all work harder to expedite its arrival!

VICE PRESIDENT C. K. YEN'S ADDRESS AT THE MAO SUPPRESSION AND NATIONAL SALVATION RALLY ON THE 14TH ANNIVERSARY OF FREEDOM DAY, JANUARY 23, 1968

Mr. Chairman, honorable guests, freedom fighters, ladies and gentlemen: Today we observe the 14th anniversary of Freedom Day. Fourteen years ago 14,000 Chinese prisoners-of-war in Korea took a remarkable and highly courageous stand that stirred people all over the world. In the years since then Communism has been faced with certain defeat and its dictatorial rule has been doomed to extinction. The auguries for this are to be found in the famine, confusion, struggle and schism that are prevailing on the Chinese mainland after nearly two decades of Mao's evil rule.

Reflected in the daring, exciting triumph of these anti-Communist brave men was the boundless courage of the Chinese people—a courage also expressed in the sentiments of others who seek freedom. Their deeds amplified humankind's cry for justice. Their thrilling, moving story has added an outstanding page to the history of mankind.

Our Freedom Day movement has been extended from the Republic of China and Korea to other parts of the world during the last 14 years. The movement has come to symbolize the global campaign for support of all enslaved people in their struggle for liberty. As a result, those behind the iron curtain have been encouraged to rise up against despotic rule. Their determination to gain freedom has been hardened. Uprisings and defections have become more frequent.

Present here today are freedom fighters from Korea, Vietnam, and the Chinese mainland. Also with us are other freedom fighters from Indonesia and honorable guests from the United States. They are witnesses to the success of our Movement. Additionally, their presence gives this rally deeper meaning and strengthens our determination to carry on the battle for freedom.

There can be no denying that our Movement has tolled the death knell of the Chinese Communists. They have tried to intimidate the world with their overwhelming population and have sought to transform their tactic of human-sea warfare into the means of international aggression. The Freedom Day Movement has exposed their evil trickery from the beginning. The masses of the people are no longer to be considered slaves that the Communists can oppress with their despotism and use as weapons against the forces of freedom. Even the Red armed forces are no longer reliable. The Communist troops have joined civilians of the mainland in their determination to see an opportunity to gain freedom. If they cannot win their liberty, they are determined to revolt.

The mass defection of the 14,000 prisoners 14 years ago lifted up the hearts of the people on the mainland and set a persuasive example for others. The forces of anti-Communism now surging across the mainland have grown from seeds that first were sown on Freedom Day. It was then that the Chinese Communists were dealt the first blow in the attack that would destroy them.

To the democratic countries, this day provides conclusive proof that the Peiping regime is opposed to the free will of the people and that its foundations are constructed of clay. Peiping seeks to cover up internal unrest with external aggression, but the effort is wholly lacking in popular support. In meeting the Communist challenge, democratic countries should keep in mind the Freedom Day finding that if Communist expansion is resisted, its weaknesses will be exposed and its collapse will be assured in the briefest period of time.

This great day has encouraged our fellow countrymen immensely. The Freedom Day epic that these 14,000 freedom seekers have written with their blood and tears provides adequate proof of how deeply our compatriots on the mainland hate Communism, how strongly they yearn for freedom, and how fervently they support an early counteroffensive under the eminent leadership of President Chiang Kai-shek. We need have no doubt that the compatriots of Taiwan and the mainland have developed a common heart, that they have forged a common will, and that they are prepared to reply to each other's summons. They have welded themselves together in a joint effort to destroy the Chinese Communists. This is further assurance that the victory in our holy war and counteroffensive has never been in doubt.

How else can we commemorate this historic day? That question is being answered at this meeting. We shall joint together in suppressing Mao and saving our country. We shall never pause until all of the Mao regime's remnant vices and poisons have been eradicated from the mainland.

President Chiang Kai-shek's Youth Day call for establishment of a Mao Suppression and National Salvation United Front is the perfect revolutionary strategy in this moment of decision. This is the goal toward which all patriotic Chinese at home and abroad are striving. In only a year, the President's pledge of "Those who are not our enemies are our comrades" has brought enthusiastic response from throughout the free world and from every corner of the Chinese mainland. Mao is now beleaguered by forces of freedom that have taken shape both inside and outside the mainland. The chieftain of the Chinese Communists is faced by an attack from the people. His days are numbered.

In this critical moment, we need to strengthen the Mao Suppression and National Salvation United Front and quicken our offensive. We must launch stronger attacks against Mao and his cohorts on all fronts—ideological, political, economic, cultural, civilian and military.

We wish to tell the world of our main objectives in the common effort to suppress Mao. These objectives are the upholding of our great cultural tradition, the protection of human dignity, the restoration of democracy on the Chinese mainland, and the assurance of peace and justice for all the world. We want to remind the free world that there is just one way to eradicate the root of all evils. That is to give us the moral and material support necessary to grasp the first favorable opportunity to destroy the Mao regime. Then we shall establish a new China based on the ideals of *San Min Chu I* (Dr. Sun Yat-sen's Three Principles of the People). In the process, we shall attain the goal of national recovery and pave the way to enduring peace in Asia and the world.

The transition from the Freedom Day Movement to the Mao Suppression and National Salvation Movement represents a decisive step in our great anti-Communist crusade. We have unwavering confidence that in solidifying our movement and continuing the struggle in accordance with this sagacious strategy and under the inspiring leadership of our President, we shall write a brilliant new page in the history of freedom's triumph over slavery.

DECLARATION OF MASS RALLY HELD IN TAIPEI ON FREEDOM DAY, JANUARY 23, 1968

On this 14th anniversary of Freedom Day, which is the symbol of victory for the cause of freedom and justice, we representatives of various walks of life in the Republic of China are assembled here in Taipei to cheer and rejoice on this auspicious occasion and to pledge ourselves to make continued efforts for the realization of the inner meaning and vital significance of Freedom Day.

The current situation has given us a clearer understanding of the truth that freedom is irresistible. The fact is that the wicked forces of International Communism have been showing signs of steady deterioration, degeneration, and disintegration. Certain Communist regimes, such as those in Eastern Europe, have been forced to relax their totalitarian rule by giving some semblance of freedom to the tyranny they have imposed on their peoples, who will, however, not be satisfied with this limited degree of sham freedom and will continue to fight for the genuine article. Other Communist regimes, such as those typified by the wicked ideology and madness of Mao Tse-tung and his gang, have been hoping against hope to resist this irresistible trend of the times by a show of die-hardism. The so-called "cultural revolution" and the Red Guard rampage they have launched and instigated are vain efforts to stem the rising tide of freedom. They have even gone so far as to declare that they are out to destroy the free way of life in its entirety and to threaten the very existence of humanity as a whole. But facts have proved that their hopes are vain and their efforts futile. What they have succeeded in doing is merely to create internal dissension and external isolation for themselves. At the same time Mao Tse-tung has become the No. 1 public enemy not only of the Chinese people but also of the entire free world. Now even those elements in the Peiping regime and those of the cadres and of the Red Army who are less irrational and feel a little bit the prick of conscience have risen to oppose Mao Tse-tung and take part in anti-Mao activities. Recent indications are that members of the pro-Mao gang are also divided among themselves and carrying on an internal life-and-death struggle. All this means that Mao Tse-tung has become an egocentric extremist spurned and rejected by one and all.

In view of this situation, we are firmly convinced that the Anti-Mao National Salvation United Front as advocated by President Chiang Kai-shek is the most effective weapon that we can use to achieve our objective of counterattack and national recovery and to save both ourselves and the world at large, and that it is also the most important task confronting us in the present stage of our fight for freedom. To overthrow the Mao Tse-tung regime and root out all Maoist thoughts and acts of wickedness through united action on the part of all anti-Maoist patriotic forces is the best way to remove the source of all troubles in Asia and free the world of the danger of war. Therefore, we should like to publicly announce our common determination and the course of action we shall follow.

First, we hereby warmly respond to President Chiang Kai-shek's call for an Anti-Mao National Salvation United Front and, as its loyal members, will take an active part in it. Irrespective of racial, regional, party, religious, or occupational differences, we shall join forces and wholeheartedly support every decision and action it may take. We shall, under the enlightened leadership of the President and with the firm conviction that all persons who are not our enemy are our friends and comrades, work hand in had with all anti-Mao patriotic forces both on the mainland and abroad to overthrow the Maoist tyrannical regime and liberate our brethren on the mainland.

Second, we shall broaden the scope of our anti-Mao patriotic efforts and promote the formation of a global alliance of all the forces of freedom. The First Conference of the World Anti-Communist League held at Taipei, Taiwan, last September marked the beginning of an international anti-Mao and anti-Communist grand alliance. That conference was an historic milestone and pointed up a new direction in which our efforts should be exerted. We hereby solemnly declare that we shall take full advantage of this critical moment in history by following President Chiang's injunctions as contained in his address before the First Conference of the World Anti-Communist League, in which he said: "In the past we saw a united Communist bloc attacking a disunited free world. Our task today is to forge a strong chain of the free world nations to rout a divided and self-contradictory Communist bloc." In this way, we shall be marching towards victory in the fight between freedom and slavery. We are firmly convinced that the downfall of the Mao Tse-tung regime will foreshadow the downfall of the Communist bloc as a whole.

Third, on the strength of such a conviction, we shall support all actions favorable to the strengthening of the forces of freedom and oppose all conduct, whether expressed in speech or action, that tends to aid and abet the forces of enslavement. We unreservedly support the firm stand taken by the United States, the Republic of Korea, Thailand, the Philippines, Australia, and New Zealand in defending the freedom of Vietnam and strongly oppose all international intrigues at appeasing and compromising with the aggressor or betraying her independence and freedom. We resolutely support the collective security proposal for the Asian and Pacific region and all concrete anti-Communist concerted actions and strongly oppose fantastic dreams of complacency and isolated security as well as all mistaken notions of each nation fighting on its own. We firmly support the views of all those who think of the Mao Tse-tung regime as essentially weak and fragile and take it as what it is, a paper tiger, and strongly oppose all those who are afflicted with a dreadful fear of the Communist power, or who go out of their way to curry the favor of the Communist bully. We do all this in order not to be cowed by Communist propaganda or to fall victim to the psychological warfare of International Communism. Therefore, we should like to applaud U.S. President Lyndon B. Johnson's repeated declarations of taking a strong stand in Vietnam and Vietnamese President Nguyen Van Thieu's recent demand for continuing to take a firm stand against North Vietnam and the Viet Cong as well as Korean President Park Chung Hee's call for concerted action on the part of the free world, and the Asian nations in particular, to oppose the Communist nuclear threat and expansionism. We are firmly convinced that by following these paths we shall see the victory of freedom and justice.

As President Chiang Kai-shek has pointed out in a passage addressed to the Chinese Communist cadres and soldiers in his New Year message to the nation, "The only way out is for all of you is to rid yourselves of all irresolution, hesitancy, and vain hopes and, with firm determination supported by action, join the Anti-Mao National Salvation United Front. You should concentrate your efforts and form yourselves into organized units. By supporting one another, let us all march hand in hand on the path leading to freedom and light!" We who are assembled at this rally today will not only follow and support the President's instructions, but also urge all our brethen to raise high the flag of the Anti-Mao National Salvation United Front and make concerted efforts for national recovery and reconstruction in order that freedom may emerge triumphant in China, Asia, and the world as a whole.

Draft Message to the United Nations

(By the Conference of the Republic of China's Various Circles in celebration of the 14th anniversary of Freedom Day and concurrently in promotion of the Anti-Mao Movement for National Salvation)

U.N. Secretary-General and all the Delegations to the United Nations:

In 1954 more than 22,000 anti-Communist Chinese and Korean prisoners of war regained freedom because of the United Nation's insistence on the principle of voluntary repatriation, which shows that if the Free World stands firmly by its position and does not make any concession or do any appeasement in the face of Communist challenge, the intrigues of the Communists will certainly not prevail. Today, we, various circles of the Republic of China, are assembled in Taipei, Taiwan, celebrating enthusiastically the 14th anniversary of Freedom Day of January 23rd. On this occasion we want particularly to appeal to all the freedom- and peace-loving people the world over to pay attention to the fact that the aggression the Chinese Communists committed against the Republic of Korea 14 years ago is now exactly repeated in Vietnam and is pursued only more outrageously. Openly in violation of the United Nations Charter, the Chinese Communists have been so lunatic as to be antagonistic against all the peoples of the world, preparing to wage nuclear war and attempting to destroy the free life of mankind. In order to save mankind from destruction and the nightmare of slavery, all the people the world over have now risen to the challenge, organizing the World Anti-Communist League and launching a worldwide Anti-Communist Movement. It is sincerely hoped that the United Nations will in the same spirit of condemning the Chinese Communists as aggressor in the Korean war and take more effective collective measures to support the peoples now suffering from Communist aggression and persecution and help them struggle for freedom and overthrow Communist tyranny. To do so is to uproot the very source of the current disturbances in the world today and will substantially contribute to the realization of the supreme goal of the United Nations, namely the maintaining of world peace. Moreover, the fact that the United Nations has in the past defeated the Chinese Communists' intrigue to get admitted to the United Nations year after year clearly shows that justice still prevails in the United Nations and that the Free World has rejected the evil regime of the Chinese Communists completely. We, various circles of the Republic of China, are sincerely hopeful that Your Excellency will grasp this new trend of the current world situation and make the spirit of the United Nations Charter further developed and glorified.

Draft Message to President Johnson of the United States

(By the mass rally of the Republic of China's Various Circles in celebration of the 14th anniversary of Freedom Day and concurrently in promotion of the Anti-Mao Movement for National Salvation)

To His Excellency President Lyndon B. Johnson of the United States:

Mr. President, to-day, we, representatives of various circles of the Republic of China, are assembled here in Taipei to hold a mass rally in memory of the great Freedom Day which symbolizes the struggle of mankind for freedom, want to express our heart-felt appreciation and respect to Your Excellency and the American people for the great efforts and contribution Your Excellency and your people have made in defence of the independence and freedom of Asian nations and of the world's security and peace. Under the harassment of the counter-current of appeasement, Your Excellency have adopted a dignified, solemn responsible-to-history attitude, insisting on the firm position that all the Communist aggressions in Vietnam and other areas must be checked and repulsed. All this has indeed showed the noblest moral courage and fighting spirit of the United States as the leader of the Free World and has stimulated and encouraged the will and determination of this generation of mankind to struggle for freedom and against enslavement.

We are firmly convinced that the defence of freedom in Asia is the very foundation upon which the defense of the world's freedom is based, that Asian problems can be effectively solved only when Asian nations exert themselves more and depend more upon their own strength, and that free Asian nations have a full understanding of Your Excellency's correct measures and thoroughly support and stand by your firm position. Certainly, the Asian people are all the more willing to unify their own forces and shoulder more responsibilities and play a greater and more positive role in defence of Asia's freedom. We sincerely hope that Your Excellency will appreciate the needs of the current Asian situation and help promote the establishment of a working regional security organization in Asia and the Pacific so that much stronger joint actions will be taken to resist and defeat the enemy. We of the Republic of China will of course, in the light of the current mainland chaos and confusion caused directly by Mao Tse-tung's power-seizure struggle strive to topple the Communist rule and uproot the very source of Asian and world disturbances and troubles so as to contribute to the freedom, peace and prosperity of the world. With great reverence we are sending this message to Your Excellency and please accept our best wishes for your health and victory.

DRAFT MESSAGE TO KOREAN PRESIDENT PARK CHUNG-HEE

(By the Conference of the Republic of China's Various Circles in celebration of the 14th anniversary of Freedom Day and concurrently in promotion of the Anti-Mao Movement for National Salvation)

To His Excellency President of Korea Park Chung-Hee

DEAR MR. PRESIDENT: Freedom Day of January 23rd, which resulted from the regaining of freedom by the Korean and Chinese 22,000-odd anti-Communist prisoners of war in 1954 and has since become a symbol of the glory of human justice and the implementation of the anti-Communist Freedom Day movement, has now lasted 14 years. We, various circles of the Republic of China, have on the occasion of the 14th anniversary of Freedom Day embarked on week's celebrating activities of various sorts enthusiastically, culminating in a great mass rally in celebration of as well as in memory of the great, glorious Freedom Day.

The Republic of Korea under your great capable leadership has not only made remarkable progress at home, resulting in social prosperity, national development and general vigorousness, but also has sent a great army to Vietnam to help Vietnam fight against Communist aggression so as to assure the security of Southeast Asia—an act of great kindness and justice which has won the admiration and appreciation of the people the world over. However, the very sources of evil—the tyrannical, criminal Chinese Communist and Vietnamese Communist regimes—are still there uncrushed and both your country and ours remain divided. Moreover, the Chinese Communists have repeatedly conducted nuclear explosions in an attempt to cover up the Peiping regime's internal split, international isolation and the crisis of its being on the verge of collapse and to pursue its intrigue of nuclear blackmail and intimidation, thus presenting both Asia and the world an unprecedented threat to peace.

Recently, Your Excellency has issued a very great correct and wise call in urging all the nations of the Free World, particularly Asian free nations, to step up their solidarity and cooperation so as to offset the Chinese Communists' nuclear intimidation and cope effectively with their nuclear blackmail by the collective strength of the free nations.

As your country and ours are interdependent like brothers and have helped each other in times of need, we should strive together for the common goal of uprooting the Communist evil once for all. Moreover, the long-time struggle of the Asian People's Anti-Communist League and the organization of the World Anti-Communist League are remarkable achievements which have resulted primarily from the common efforts of your country and ours.

We of the Free China including both the armed forces and the civilians under the leadership of President Chiang Kai-shek have been striving hard and exerting ourselves unremittingly, keeping vigilance and preparing ourselves all the time and have positively completed all the counter-attack preparations and are now engaged in promoting and developing the anti-Mao movement for national salvation. With great sincerity we are hopeful that Your Excellency will step up mutual help and cooperation between our two countries and will positively help us in establishing an international anti-Communist, anti-Mao united front so that we will at a most opportune time join our forces march north hand in hand, deal a fatal blow to the evil Chinese and Korean Communist regimes, and thus struggle shoulder to shoulder for the supreme goal of recovering our lost territory and saving our peoples from Communist tyranny. With great reverence we are hereby sending this special message to Your Excellency to present our admiration and respect in the hope that you will have a sympathetic understanding of our position.

DRAFT MESSAGE TO THE VIETNAMESE GOVERNMENT AND PEOPLE

(By the Conference of the Republic of China's Various Circles in celebration of the 14th anniversary of Freedom Day and concurrently in promotion of the Anti-Mao Movement for National Salvation)

To His Excellency President Nguyen Ven Thieu and His Excellency Vice President Nguyen Cao Ky of the Republic of Vietnam:

Excellencies and all the patriotic anti-Communist Soldiers and People of Vietnam, on the occasion of the various circles of the Republic of China being assembled today Republic of China being assembled today in Taipei, Taiwan to celebrate enthusiastically the 14th anniversary of Freedom Day of January 23rd, we cannot but recall the bloody anti-Communist struggle the Koreans waged 14 years ago and the heroic historical facts of the 20,000-odd Chinese and Korean anti-Communist prisoners of war struggling for freedom; and consequently we cannot but cheer loudly and joyfully for the great victories your people have won under the leadership of Your Excellencies in resolutely crushing Communist aggression, building and developing a democratic government and improving the lives of the people.

The Communists in North Vietnam recently have cried pitifully for peace talks. This strongly proves that the Communist aggression has thoroughly failed in the face of your nation's firm solidarity and insistence on the anti-Communist position and of the cooperative efforts of the United States and other allies. We are convinced that your government and people will definitely not tolerate the Communists' carrying out the intrigue of employing peace talks and war alternately; we are also fully supporting the appeal Your Excellencies have made recently that no nation be allowed to engage in appeasement activities irresponsibly, nor the force of international appeasement be allowed to attempt to appease the Communists. Particularly, we will never tolerate anybody's attempt to sell out the independence of Vietnam and the freedom of the Vietnamese.

In addition to calling upon the Free World not to be fooled by the Communists' intrigue of retreating one step in order to advance two steps and urging it to step up its military efforts so as to assure a total victory, we are hereby expressing to you our determination to stand firmly with all our armed forces and people behind you so as to uproot the Communist evil jointly. Please also accept our best wishes for the early arrival of the final victory of your anti-Communist struggle.

DRAFT CHEERING MESSAGE TO THE UNITED STATES, AUSTRALIAN, NEW ZEALAND, KOREAN, PHILIPPINE, AND THAILAND OFFICERS AND SOLDIERS NOW FIGHTING IN VIETNAM

(By the mass rally in commemoration of the 14th anniversary of Freedom Day, held in Taipei, Taiwan, Republic of China)

General Westmoreland, Commander-in-Chief of US Forces in Vietnam and all the US, Australian, New Zealand, Korean, Philippine, and Thailand Officers and Enlisted Men Fighting in Vietnam: On the Vietnam battlefield, your struggle and heroic deeds have established a glorious example and great model for all the free peoples of fighting shoulder to shoulder against Communist aggression. Recently the Vietnamese Comunists have vaguely hinted at peace talks, indicating that peace talks will begin following the United States' halting its bombing. But the Vietnamese Communists under the control and at the instigation of the Chinese Communists and Russians not only have no sincerity in pursuing peace, but have actually stepped up their subversion and expanded their aggression against Vietnam. Even during the cease-fire periods of Christmas and the New Year, the Vietnamese Communists had mounted attacks repeatedly and violated the cease-fire several hundred times. The anti-Communist struggle in Vietnam will have to continue and escalate with each passing day and will not end until the final victory over the Communists is won. Fortunately, thanks to your nation's armed forces and Australian, New Zealand, Korean, Philippine, and Thailand forces now fighting in Vietnam who have seen through Communist intrigues, fought heroically, decimated the Communists and achieved splendid results repeatedly, not only has the Communist ambition to seize the Vietnamese territory and enslave the Vietnamese people been thoroughly crushed and the security of Southeast Asia been assured, but the morale of the Vietnamese Communists has increasingly deteriorated and withered up due to your nation's stepping up bombing of North Vietnam and thoroughly smashing the Communist industrial facilities and transport systems. Now the Vietnam war as a whole has turned for better with the passing of each day. The great dauntless spirit you have shown in upholding justice and freedom and making sacrifices has not only won the admiration and respect of all our people in the Republic of China and the unanimous applause and appreciation of the freedom-loving people the world over, but will certainly win more and more sympathy and support of the democracies in the Free World, and thus will bring a glorious victory to the Vietnam war in a short time.

Today, we, various circles of the Republic of China, are holding a great mass rally in celebrating enthusiastically the 14th anniversary of Freedom Day of January 23rd and positively promoting the anti-Mao movement for national salvation. In addition to unanimously approving a resolution supporting the United States' sound policy and positive actions in Vietnam and applauding President Johnson's solemn, just statement that the bombing of North Vietnam cannot be halted carelessly and light-mindedly, we are positively working for the establishment of the international anti-Mao, anti-Communist united front in order to stand firmly behind your struggle for the independence and freedom of Vietnam, to wage the struggle jointly to the end, and furthermore, to struggle for the freedom of mankind, thus bringing about a new era of peace and prosperity. Though we are here, far remote from you, we cannot for a single minute forget how heroically and unremittingly you have struggled and fought. It is with the greatest sincerity that we are hereby sending you this message to convey our heart-felt admiration, respect and appreciation to you all.

A GOOD PROGRAM STILL HAS SOME UNHAPPY INEQUITIES

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. FULTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FULTON of Tennessee. Mr. Speaker, the Nashville Tennessean in an editorial published January 2 makes several important points concerning our social security system.

> A point often overlooked in thinking of Social Security—

The Tennessean says—

> is that it is by no means wholly a program for the elderly. Millions of youngsters—survivors of deceased workers—get benefits today and will continue to do so.

In fact, the amendments signed into law by President Johnson earlier this month represent the biggest increase in dollar benefits since the social security program was begun in 1935. The youngsters will share in these benefits.

> This year—

The Tennessean continues—

> Social Security will pay out some $25.2-billion to 24-million Americans. The outlay will rise and include more and more people as time goes by. Estimates of those drawing Social Security benefits of some kind by the year 2000 range from 37 to 42-million.

Mr. Speaker, I insert the Tennessean's editorial in the RECORD at this point:

[From the Nashville Tennessean, Jan. 2, 1968]

A GOOD PROGRAM STILL HAS SOME UNHAPPY INEQUITIES

Late last year, the 90th Congress enacted into law a good many changes in the Social Security program, including various increases. Recipients will be getting fatter checks, but one-fourth of all American workers will feel a heavier tax bite.

The new law raises from $6,600 to $7,800 the level of yearly earnings from which the Social Security tax is taken. Thus those who earn more than $6,600 this year will pay more than they did in 1967, but nobody else will.

The increased bite is not the last. Five times more between 1971 and 1987 the tax rate will increase until it reaches a maximum of 5.9 per cent. That's providing Congress does not revise the figures in the meantime.

This year, Social Security will pay out some $25.2 billion to 24 million Americans. The outlay will rise and include more and more people as time goes by. Estimates of those drawing Social Security benefits of some kind by the year 2,000 range from 37 to 42 million. That may be a low estimate.

The reasons for this steady climb in the future are several: basic population growth, a greater total of aged in the population and increased longevity.

All this has caused a good many critics of Social Security to look on the growth of the program with alarm. Some charge that it is at least $350 to $400 billion in the red and increases are going to leave it worse. Some of the younger people who are now paying into the program wonder what will happen by the time they are eligible for payments.

The $300 or so billion figure represents all of the outstanding obligations of the system. It is not due now and couldn't be without having millions of potential beneficiaries becoming eligible overnight for retirement, survivors and disabled benefits.

Present and future income of the system is guaranteed by law and trust funds of the system are more than adequate to take care of higher benefits and revisions.

A point often overlooked in thinking of Social Security is that it is by no means wholly a program for the elderly. Millions of youngsters—survivors of deceased workers—get benefits today and will continue to do so.

The Social Security program serves a real purpose and a need.

There are, of course, inequities in the program. Working wives, for instance, who may pay into the system for years can find, at retirement, they are eligible for only a little more than a neighbor who has never worked at all but who, as a surviving wife, is entitled to a wife's benefits.

There are a good many aspects of the law where the Congress could at least reduce inequities if not wipe them out. It would be a good move for Congress to begin study of the program in detail and provide correctives.

WORLD WAR I DEBTS LONG OWED BUT UNREPAID

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. FULTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FULTON of Tennessee. Mr. Speaker, pursuant to the hearings by the House Ways and Means Committee during the closing days of the first session of the 90th Congress and to discussions which I had with Treasury Secretary Fowler in early December concerning World War I debts long-owed but unrepaid this Nation. I am introducing today a resolution calling for new initiatives in collecting these debts.

Subsequent to the discussions in committee, my discussion with Secretary Fowler, and research by my staff, the Library of Congress, and the Treasury Department, it is my belief that the administrative branch of our Government should undertake these initiatives at this time in the manner they feel most appropriate.

However, I do believe that the steps should be taken immediately and am offering this "sense of Congress" resolution to demonstrate that such action has the support of the Congress.

Mr. Speaker, our Government is asking for a tax increase which would cost the American taxpayers in the neighborhood of $10 billion. The collection of just half the moneys owed the United States on these old debts would more than equal revenues from the proposed tax surcharge. While the two issues are not entirely related, the effect of collection of the moneys would be the same.

I have had prepared a list of those nations with unpaid obligations and the amounts owed by each country. I ask to include the list in the RECORD at this point:

	Principal, interest due and unpaid as of June 30, 1967	Unmatured principal	Total outstanding
Armenia	$40, 546, 970. 35	No	$40, 546, 970. 35
Austria	25, 141, 913. 28	$882, 626. 31	26, 024, 539. 59
Belgium	488, 951, 077. 60	197, 580, 000. 00	686, 531, 077. 60
Cuba (paid)			
Czechoslovakia	189, 642, 023. 98	86, 355, 000. 00	275, 997, 023. 98
Estonia	28, 080, 360. 81	9, 007, 000. 00	37, 087, 360. 81
Finland	(1)	4, 707, 000. 00	4, 707, 000. 00
France	5, 077, 723, 883. 14	1, 772, 868, 667. 43	6, 850, 592, 550. 57
Britain	7, 324, 459, 301. 93	2, 443, 000, 000. 00	9, 757, 459, 301. 93
Greece	12, 217, 376. 50	21, 205, 921. 00	33, 423, 297. 50
Hungary	3, 105, 536. 50	1, 095, 545. 00	4, 201, 081. 50
Italy	1, 112, 473, 909. 34	1, 168, 900. 00	2, 281, 373, 909. 34
Latvia	11, 575, 976. 04	3, 801, 800. 00	15, 377, 776. 04
Liberia (totally paid)			
Lithuania	10, 319, 255. 58	3, 487, 367. 00	13, 806, 622. 58
Nicaragua (canceled)			
Poland	348, 334, 464. 20	115, 807, 000. 00	464, 141, 464. 20
Rumania	82, 906, 849. 93	31, 923, 000. 00	14, 829, 849. 93
Russia	659, 940, 665. 00	None	659, 940, 665. 00
Yugoslavia	51, 425, 218. 78	35, 389, 000. 00	86, 814, 218. 78
Total	15, 466, 844, 782. 96	5, 886, 009, 926. 74	21, 352, 854, 709. 70
Germany [2]	1, 260, 923, 003. 54	230, 364, 960. 00	1, 491, 287, 963. 54

[1] No; up to date.

[2] Debt was denominated in reichsmarks. The U.S. dollar equivalent at time of German default at 40.33 cents to the reichsmark

In my resolution, I have made particular note of the French Republic and the dangerous economic game President de Gaulle is playing in an effort to weaken the American dollar and our economy. I firmly believe that we should give particular attention to the collection of the $6,850,592,550.57 which France owes this country and hope that my colleagues will join with me in this endeavor, not in a vindictive spirit, but with the feeling that as these loans were made in good faith, then we have every right to expect that they be honored in the same spirit which they were extended and received.

Mr. Speaker, I include the text of the resolution in the RECORD at this point:

CONCURRENT RESOLUTION

Whereas 16 nations have obligations totaling $21,352,854,709.70 which are owed to the United States of America for World War I assistance loans; and

Whereas little if any effort has been made on the part of these nations to repay these obligations since 1930; and

Whereas these loans were extended in good faith by the government of the United States of America from taxes collected from the citizens it represents; and

Whereas, our government and our people had then and have now a right to expect that these obligations be met and these debts honored; and

Whereas, certain of these nations, particularly the Republic of France, have recently been engaged in activities designed to weaken the American dollar and our economy: Now, therefore, be it

1. Resolved by the House of Representatives (the Senate concurring), That

2. it is the sense of the Congress that the President of the United States

3. through the Secretary of the Treasury, the Secretary of State and other

4. appropriate government officials initiate immediate steps to

5. recover these monies through an equitable but prompt program of

6. repayment.

7. Resolved, That in undertaking these actions, the President

8. has the support of the Congress.

JERSEY PRIESTS MOVING TO INNER CITY

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. DANIELS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. DANIELS. Mr. Speaker, in the January 18, 1968, edition of the National Register appears a most interesting story of five dedicated priests from the Newark, N.J., archdiocese who are working among the growing Spanish population in my native Jersey City.

One of these dedicated priests is a very good friend of mine, Father Robert S. Call, of St. Michael's Parish, in Jersey City, and his work among the Spanish-speaking community in Jersey City has been nothing short of inspirational. His good work has not been limited to merely working to make life better for our large Spanish community but he has gone far beyond this and has worked to make the whole community aware of the Hispanic culture and traditions of the Spanish community. As is mentioned in the article in the National Register, the Intercultural Center in Jersey City has conducted Spanish lessons for Jersey City police officers. Surely Father Call's efforts are worthy of emulation throughout the Nation.

Mr. Speaker, I strongly urge all Members of this House to read this interesting article which points out what can be done in our so-called inner cities.

The article follows:

JERSEY PRIESTS MOVING TO INNER CITY

JERSEY CITY, N.J.—Five priests are launching an experimental inner city ministry among Jersey City's Puerto Rican population, trying to identify with residents of a poverty-pocket neighborhood assailed by such problems as dislocation by urban renewal.

Archbishop Thomas A. Boland of Newark released four of the priests from parish assignments for the experiment. The fifth is a Jesuit from St. Peter's parish.

Monsignor Francis J. Houghton, assistant Chancellor, described the immediate objective of the project as "one of Christian presence or witness, rather than a highly structured program."

"They will just feel their way along," he said.

Monsignor Houghton said the experiment is an outgrowth of work the priests already have been doing in their attempts to serve the estimated 15,000 Spanish-speaking residents of the community.

They will move from their rectories into an apartment house Monsignor Houghton described as being "right in the middle of an urban renewal upheaval."

Archdiocesan priests taking part are Fathers John P. Egan, from St. Boniface's parish; Frederick H. Quinn, St. Bridget's; Robert S. Call, St. Michael's; and James S. A. O'Brien, Christ the King. The fifth member of the team is Father Robert McDonald, S.J., of St. Peter's.

All five have backgrounds particularly suited to their new project; four speak Spanish fluently, Father Egan is a veteran of the archdiocese's mission in Honduras and also served in the experimental parish of San Miguelito in Panama.

Father Call established a program at St. Michael's that has grown into the archdiocesan Institute of Intercultural Communications in Newark, a "crash" training course for priests, religious, and laity who need special instruction in language and cultural background to work effectively with Puerto Ricans. Police officers have been among those to take advantage of the program.

Father O'Brien has been engaged in a special social apostolate in the archdiocese's experimental Marion Gardens project, centered in a predominantly Negro neighborhood.

Two of the group are members of Office of Economic Opportunity boards charged with implementing war on poverty programs.

Father McDonald's assignment to the team recalled the recent directive to U.S. Jesuits from Father Pedro Arrupe, S.J., General of the order, calling for an all-out attack on racial discrimination and poverty. Among Father Arrupe's specific recommendations was establishment of inner city missions such as the new project here.

Father McDonald told the Register the Jersey City experiment might indicate a way Jesuits could be even more effective in living up to Father Arrupe's directive—by cooperating with diocesan efforts wherever and whenever possible.

He added that the priests have no specific "works" in mind, and planned to avoid adoption of specific projects until they feel they have achieved their goal of identification. The obvious pressing problem of the neighborhood, he said, is housing—particularly relocation necessitated by urban renewal.

Housing for the poor has been a matter of increasing concern for the archdiocese. Its special service agency, the Mt. Carmel guild, has been gearing for involvement in a large scale effort to help solve the problem.

A spokesman for the guild said plans are under way for a comprehensive program to meet all the problems associated with housing, including actual construction and structural rehabilitation.

The guild will sponsor a seminar here Feb. 4 for all interested agencies and groups to discuss the human needs the guild feels must be considered in any public housing program.

"Housing construction alone doesn't touch all the other problems involved," he said. "A house, after all, is just a house. Frequently people need counseling in hygiene, consumer buying, family living, and other things as well as a solid roof."

The guild's housing efforts will attempt to fill these needs as well as provide good, economical places to live, the spokesman said.

The guild, he added, is preparing to build or buy housing to be made available to low income groups, and will draw on its special service resources—ranging from psychiatric specialists to speech therapists—to provide comprehensive counseling for the residents.

"Cities have developed housing in the past," the spokesman said. "After a few months you see it, and frankly it looks like hell. There are other things involved. We want to do it right."

WHEN JOHNNY COMES MARCHING HOME—HE'LL NEED A JOB

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. HOLLAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. HOLLAND. Mr. Speaker, President Johnson has, once again, called for increased interest by this Nation in the welfare and future of servicemen and veterans. I stand wholeheartedly behind the principles of that message. The President's message emphasized the American people's genuine appreciation for the services being performed by our fighting men.

There have been commendable accomplishments in this area, but the President's message charts new programs for new needs. The strong emphasis, it appeared to me, was seeing that when our fighting men returned to civilian life that they find meaningful employment. The establishment of U.S. Veterans Assistance Centers in 20 cities across this Nation will provide a central clearinghouse for opportunities and programs that benefit veterans. It is one thing to offer a program but just as important to see that the veteran knows about it.

The proposed Veterans in Public Service Act would open new areas where servicemen may serve. Project 100,000 and Project Transition, the message said, will be expanded to directly assist servicemen in finding meaningful employment and improved stations in life.

And I also want to point out the increased emphasis on having VA hospitals to train medical specialists—an area of great skill shortages.

Measures that would assist the disabled sick veterans include increased bedside counseling, extension of vocational rehabilitation benefits to part-time participants and changes in the law to protect against losses in pensions because of other income.

Two other matters vital to the welfare of our veterans are the increase in maximum guarantee on GI home loans and greater life insurance coverage for servicemen and veterans. Economic changes since these programs were first enacted make it important that this Congress increase these amounts.

I urge my colleagues to give careful and sympathetic consideration to these programs President Johnson recommends. It is important that veterans' benefits are kept abreast of the times and that our fighting men know there is not only solid support back home, but that we are willing to put our money where our mouth is.

SICILIAN EARTHQUAKES

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Wolff] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. WOLFF. Mr. Speaker, a natural disaster in the form of a series of violent earthquakes killed hundreds and left thousands more homeless on the island of Sicily earlier this month. All men everywhere extend their sympathy and heartfelt concern to the island of Sicily and the Italian people.

Fortunately we can do more than merely express concern. The United States, in our great tradition of open arms, can help those who lost their homes and livelihoods in the Sicilian earthquakes.

Thus it is that I am today introducing legislation to permit 1,000 victims of the earthquakes and their families to receive special visas to enter the United States. The purpose of this legislation is clear: we can and should extend a helping hand to those uprooted by this natural disaster.

The precedents for such legislation are historical and the need for the United States to act at this time is without question. Thus I urge prompt and favorable consideration of this legislation in recognition of the need for immediate relief for the victims of the Sicilian earthquakes.

CONGRESSMAN GILBERT CONCERNED ABOUT EFFECTS OF ANTIPOVERTY PROGRAM CUTS

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Gilbert] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. GILBERT. Mr. Speaker, I vigorously opposed the cutbacks in antipoverty funds in the last session. Some of the unfortunate results, as I had warned the Congress, are spelled out in the following articles from the New York Times of January 28, 1968, and the Wall Street Journal of January 29, 1968. The war against poverty should be expanded, but, instead, needed Job Corps centers are forced to cut back or close altogether. Our very effective Headstart programs are beginning to feel the pinch of the untimely reduction in Federal funds. I am very concerned that approved community action programs will be discontinued, that plans for additional and urgently needed neighborhood health centers will have to be abandoned, that new programs to benefit the elderly, and other important antipoverty programs will not materialize unless these funds are restored. I call the attention of my colleagues in Congress to the two articles which follow:

[From the New York Times, Jan. 28, 1968]

JOB CORPS TO SHUT 16 YOUTH CENTERS: OTHER POVERTY CUTS PLANNED UNDER BUDGET REDUCTION

(By Joseph A. Loftus)

WASHINGTON, January 27.—Sixteen Job Corps centers will be closed and other elements of the poverty program will be trimmed to accommodate Congressional budget cuts and the Presidential transfer of funds to provide adult employment in the slums.

The retrenchments, worked out by the Office of Economic Opportunity, are subject to White House approval. An announcement is expected by Monday.

The Job Corps operates 124 urban and conservation centers for poor boys and girls, mostly high school dropouts who get basic education and skill training. The corps will be cut at first from 41,000 to 37,000. None of the girls' centers will be closed.

Four thousand youths will be put on administrative leave with the privilege of reentry when space is available. Five thousand will be transferred to other job corps centers.

The plan is eventually to cut the corps to 32,000, through attrition.

OTHER AREAS TO BE CUT

There will be smaller cuts, relatively, in the Neighborhood Youth Corps, which is also operated for poor youths of high school age; in Head Start, which is a pre-school project; and in locally conceived community action programs, legal services and migrant aid.

Some of the money that is saved by these cuts will go to cities that can get under way special summer programs to meet local needs.

Congress appropriated $1.773-billion for the antipoverty program for the current fiscal year instead of the $2.06-billion requested by the President.

The fiscal year, which ends June 30, was nearly half over when the money decision was made. As a result, a year's retrenchments have to be compressed into a half year's operations. In addition, some O.E.O. programs, including the Job Corps, had been built up to full strength with the benefit of funds carried over from the preceding year. There are no more carry-overs to sustain these programs.

Earlier this month, President Johnson reshuffled $134-million in poverty program money. Of that amount, $106-million went to adult employment programs operated by the Labor Department.

DETAILS ON CUTS

The estimated impact of the cuts from the President's budget plans are as follows:

Head Start will accommodate 13,000 fewer children in its year-round programs. The year-round slots total about 200,000. More than twice that number attend summer Head Start programs.

Legal services will be provided in 60,000 fewer cases.

Locally conceived community action projects will be cut $35-million to allow special summer programs to be started, principally in the large cities with riot-prone slums.

Rural community action programs will not be cut, but the rural loan program will give assistance to 3,000 fewer families this fiscal year than originally planned.

The Neighborhood Youth Corps will be operated at a level of 400,000 members, a cut of 170,000.

Forty-one neighborhood health centers will continue to operate at present levels but nine centers scheduled for operation this year will not be opened.

Money to expand programs for the elderly, the rural poor, family planning, and improved housing will not be available.

The reallocation will permit a buildup of Follow Through, operated by the Health, Education and Welfare Department for Head Start "graduates."

An emergency food and medical need survey program will be initiated by the Agriculture Department and Public Health Service with antipoverty funds. The amount will be relatively small, a maximum of $25-million.

VISTA, known as Volunteers in Service to America, or the Domestic Peace Corps, will operate at its present level of 4,250 members and $30-million.

The urban Job Corps centers marked for closing, and the companies operating them under contract with the Government, are as follows: Custer, Battle Creek, Mich., U.S. Industries, Inc.; Lincoln, Lincoln, Neb., Northern Systems, Inc.; McCoy, Sparta, Wis., R.C.A. Service Company; Rodman, New Bedford, Mass., Science Research Associates, a subsidiary of International Business Machines.

Job Corps conservation centers operated by the Agriculture and Interior departments marked for closing are:

Chippewa Ranch, Mahnomen County, Minn.; Isabella, Lake County, Minn.; Ripton, Addison County, Vt.; Fort Vannoy, Josephine County, Ore.; Iroquois, Orleans County, N.Y.; Lewiston, Trinity County, Calif., Liberty Park, Hudson County, N.J.; McCook, Red Willow County, Neb.; Mexican Springs, McKinley County, N.M., and Poston, Yuma County, Ariz.

Lewis and Clark, operated by the North Dakota Park Service, also is scheduled to close. Another on the closing list, Swiftbird, in South Dakota, has never been opened.

[From the Wall Street Journal, Jan. 29, 1968]

ANTIPOVERTY PROGRAM TO BE CUT SUBSTANTIALLY BY OEO IN FISCAL 1968: REDUCTIONS ARE NECESSARY PARTLY BECAUSE CONGRESS DID NOT VOTE FULL FUNDS REQUESTED BY AGENCY

WASHINGTON.—The Office of Economic Opportunity will make substantial cuts in its antipoverty program in the current fiscal year ending June 30.

The reductions are required because Congress didn't appropriate the full funds requested by the OEO and because of the Administration's transfer of $106 million in OEO money to other programs administered by the Labor Department.

As one economy step, the OEO will close 16 Job Corps centers, four of them operated by industrial contractors, which are training 6,000 indigent youths. The camp closings, scheduled by March, would reduce the Job Corps enrollment to 35,000 young men and women aged 16 to 21.

The major camps to be closed are: Custer, Battle Creek, Mich., operated by U.S. Industries Inc.; Rodman, New Bedford, Mass., operated by Science Research Associates, a subsidiary of International Business Machines Corp.; Lincoln, Lincoln, Neb., operated by Northern Systems Inc.; McCoy, Sparta, Wis., operated by RCA Service Co. division of Radio Corp. of America.

Other reductions will curtail enrollment of preschool children in the Head Start program and unemployed youths in the neighborhood Youth Corps, the provision of free legal services for the indigent and the opening of new neighborhood health centers. A variety of other locally conceived programs administered by community action agencies also will be substantially curtailed.

The reductions are required by a complexity of factors. The President's proposed OEO budget of $2,060,000,000 for the fiscal year was cut back by Congress to $1,775,000,000. At that time, OEO director Sargent Shriver said that the sum was only $15,000,000 short of the amount required to continue the antipoverty efforts without serious reductions.

However, subsequent to launching a big new adult training program in cooperation with private industry, the Administration switched $106 million from the OEO to the Labor Department. On top of this, the White House is requiring the OEO to set aside an additional $35 million for special job-training efforts this summer.

The agency's outlook for substantially increased appropriations in the coming fiscal year is probably poor in view of Congress' current economy drive. Some officials are hopeful, however, that protests from cities and other OEO clients would stir Congress to greater generosity, perhaps through a supplemental appropriation this year to reverse some of the announced cutbacks.

But the OEO currently plans to reduce its fiscal 1968 outlays for preschool Head Start programs by $14 million to $327 million. The cut means that 13,000 fewer children will be enrolled in year-long Head Start programs that were to aid 200,000.

Neighborhood Youth Corps outlays will be curtailed $30 million to $321 million, eliminating 170,000 youths from its planned 400,000 total. This program furnishes part-time and full-time work for school dropouts or youths who need extra funds to stay in school.

The OEO's legal services would be cut by $3 million and its neighborhood health program by $3 million to $6 million.

The other cutbacks required in local community action agencies may turn out to provoke the most protest on the local level. These agencies are locally organized and operated groups that conduct a variety of antipoverty programs, some determined by Congress but others initiated on the local level. To live within its budget, the OEO said it would be required to cut the outlays for locally planned community action endeavors by an average of 10% and in some cities as much as 25%.

THE 50TH ANNIVERSARY OF UKRAINIAN PROCLAMATION OF INDEPENDENCE

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MURPHY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. MURPHY of New York. Mr. Speaker, today we celebrate the 50th anniversary of the Ukrainian proclamation of independence. On January 22 in 1918, after two and one-half centuries of foreign oppression and domination, the Ukraine nation became independent.

The Soviet Union recognized the new state, but at the same time made plans to attack it. Shortly thereafter Russia launched a large-scale military assault against the Ukraine which lasted more than 3 years, and the Ukraine has been under Communist domination ever since.

But while Ukrainian independence was but a brief flash of time in three centuries of foreign domination, the spirit of freedom continues to burn in the hearts of the Ukrainian people. Over the years, uprisings and resistance movements such as the underground resistance warfare waged by the Ukrainian insurgent army against both the Nazis and the Bolsheviks gave proof that the desire for freedom remained.

The Russian response to any expression of freedom has been brutal. Every uprising was followed by mass trials of Ukrainian patriots, mass deportation of Ukrainians to Siberia, and systematic genocide of the Ukrainian people. Khrushchev stated at the 20th Congress of the Communist Party in 1950 that Stalin had planned the total annihilation of the Ukrainian people for their resistance to Russia.

It is the policy of this Nation to work for the eventual freedom of the Ukraine and the other captive nations behind the Iron Curtain; we should take this opportunity today to reaffirm our commitment to their freedom. We should also rededicate ourselves to the rights of freedom and self-determination for which we ourselves once fought.

It is a pleasure to join my colleagues today in celebrating the 50th anniversary of Ukrainian independence.

PRESIDENT JOHNSON'S INSURANCE PANEL URGES PROTECTION FOR AMERICAN CITY DWELLERS

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BINGHAM] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. BINGHAM. Mr. Speaker, the riots of last summer underscored the human tragedy of those innocent victims caught in the wake of senseless destruction.

For those whose homes, property and businesses were destroyed, it has been a long, cold winter. Many of those hardest hit were without adequate insurance coverage.

The problem of insuring those who live in our inner cities led President Johnson to summon a special National Advisory Panel on Insurance to study the problem and propose recommendations.

These recommendations have now been announced. And in President Johnson's words:

> The work of this Panel deserves the highest thanks of the nation.

The Panel rightly noted that insurance is a basic necessity for responsible property owners and is vital to the rebuilding of our cities:

> Insurance can provide a powerful incentive for homeowners and businessmen to rehabilitate their own property and, in that way, to improve their community.

One of the Panel's key proposals is that a series of steps "should be undertaken to meet special problems of the urban core insurance market, including programs to recruit and train urban core residents to be insurance agents and to fill personnel needs at all levels of the insurance business."

It also recommends that the Federal Government create a National Insurance Development Corporation to "support the efforts of the insurance industry and the States in achieving the important goal of providing adequate insurance for our cities."

I join with the President in hoping that these recommendations will be swiftly implemented. We must end inadequate insurance coverage conditions in our cities. And the efforts of this administration are focused on accomplishing this important purpose.

Last year I submitted legislation to aid in making property insurance available at reasonable rates to residents and businessmen in inner city areas. I worked with the Honorable Herman Badillo, borough president of the Bronx in this matter. Therefore, I am particularly pleased to see this comprehensive report and recommendations for Federal action in this field.

While I support the type of long-range solutions described in the report, I still believe that a short-range Federal program of federally underwritten reinsurance should be undertaken to meet immediate needs.

HUMAN RIGHTS—EQUAL JUSTICE FOR ALL

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. TENZER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. TENZER. Mr. Speaker, the President in his message to Congress on the state of the Union outlined his recommendations for additional civil rights legislation. These legislative proposals are intended to strengthen the individual rights of every American citizen—the right to a fair trial by jury, the right to equal opportunity in seeking employment, the right to protection against the violent interference with an individual's civil rights, and the right to equal opportunity to find housing accommodations.

But while the President stressed the need for civil rights legislation, no mention was made of the need for human rights legislation. The individual human and civil rights of people throughout the world vary from country to country. But one important factor does not vary—the desire of all people to enjoy the fruits of freedom.

As a member of the House Judiciary Committee, I am firmly committed to the proposition that there is a need for additional legislation to assure equal justice and equal opportunity for every American. But as an American my commitment goes further. I firmly believe there is a need to strengthen the individual rights of all people throughout the world.

On January 15, 1968, I sponsored House Resolution 1020 expressing the sense of the House of Representatives that the United States should ratify four human rights conventions to assure our effective participation in the celebration of International Human Rights Year. The four conventions now pending before the Senate Committee on Foreign Relations are:

First. The Prevention and Punishment of the Crime of Genocide;

Second. The Abolition of Forced Labor;

Third. The Political Rights of Women; and

Fourth. Freedom of Association and Protection of the Right To Organize.

These four conventions all relate to basic human rights. Rights which are fundamental to all people in their search for freedom. Yet these conventions have been pending for as long as 20 years in the Senate Foreign Relations Committee. The conventions have been ratified and approved by between 50 and 80 nations. Of the major nations of the world, the United States remains conspicuously absent.

Deserving of particular mention in this, the year of international human rights, is the Genocide Convention. Ever since former President Truman submitted the Genocide Convention to the Senate for that body's advice and consent, the treaty has been hopelessly bogged down in committee. It is indeed to the discredit of the other body and a source of shame to the people of the United States that this Government has permitted a bill of such major national and international importance to wallow in the mire of political obscurity for 20 years. It is indeed shocking, that the United States has not become a party to such a humanitarian convention.

The right of a people to enjoy the fruits of freedom means more than the right to political freedom. It means the right to spiritual, cultural, physical, and religious freedom. There can be no doubt that any government which pursues a program calculated to destroy the means of spiritual and cultural survival, and to break the will of a people to worship in a manner of their own choosing, not only violates fundamental human rights but is contrary to the guarantees of international and moral law. Such a policy of spiritual and cultural intimidation and suppression must be protested by everyone who values the human rights of all individuals and all groups everywhere.

Mr. Speaker, my resolution, cosponsored by 19 Members of the House of Representatives, recognizes the responsibility of the Senate to take immediate action on these conventions. The United States can no longer remain silent on issues of such major importance. The arbitrary and unreasonable inequities imposed on the Soviet Jews, the Ukrainians, and all other suppressed people throughout the world is a matter of great concern to the people of the United States. Yet we are unable before the United Nations to invoke the terms of the Genocide Convention because we are not a party to it.

In this year of international human rights, I urge my colleagues in both the House and the Senate to recognize the need for increased civil and human rights. I am hopeful that in 1968, the overwhelming majority of the Congress will support the early passage of the President's civil rights legislation. I am also hopeful, that the other body, which has the constitutional responsibility for ratifying treaties, will inhale the spirit of International Human Rights Year, and take favorable action on the aforementioned four human rights treaties.

ADDITIONAL BENEFITS FOR VETERANS

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from Maine [Mr. Kyros] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. KYROS. Mr. Speaker, I was privileged to support legislation enacted only a few months ago which did away with many of the inequities in benefits for servicemen.

In a special message to Congress last January, the President asked that veterans of all wars—including Vietnam, Korea, and the so-called cold war—be given equal benefits.

That legislation was signed by President Johnson on August 31, 1967.

Now the President has asked, in a second special message on veterans affairs, for additional legislation on veterans benefits.

I will support these proposals with equal enthusiasm. I submit that we must act on the President's new proposals or the veterans benefits we have enacted in the past will rapidly fade away.

In a bill passed by the House on December 15, 1967—H.R. 12555—we sought to insure that veterans receiving pensions are protected against loss as a result of increases in other income such as social security. This provision of the bill, plus the increased payments to pensioners it authorizes, recognized that veterans too should share in the rising standard of living in this Nation and that they too are affected by rising costs.

We must recognize also that the same amount of life insurance authorized during World War I is not adequate for today's servicemen.

Unless new legislation is enacted, many of our veterans will meet a growing problem when they try to buy a home under the GI bill. The average price of homes purchased on GI loans has doubled over the past 18 years—from $8,720 in 1950 to $17,605 today—while the maximum amount VA is allowed to guarantee remains at $7,500. This sign of the times must be read—and acted on.

Still another sign of the times is the rapidly vanishing space in which our deceased veterans can be honored in death. I strongly support the President's proposal that responsibility for veterans cemeteries be given to the Administrator of Veterans Affairs.

The President has outlined the needs clearly. Let us be equally clear in demonstrating that benefits for servicemen will be worth as much for Vietnam veterans as they were for veterans of World War II.

BILL TO ADMIT ITALIAN DISASTER VICTIMS

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Farbstein] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FARBSTEIN. Mr. Speaker, today, I am introducing special legislation authorizing the immediate entry into the United States of 5,000 natives of Italy who have lost their homes and livelihood because of the recent, tragic earthquakes in Sicily. Under this legislation, spouses and unmarried children under 21 years of age would be allowed entry, but would not be counted under the 5,000 limitation.

Mr. Speaker, I believe this is the least we can do. The United States has traditionally opened its doors to the distressed victims of disasters. We surely cannot stand by and ignore the calamity that has befallen these people.

Precedent for such legislation was clearly established in 1958 when a similar bill helped Portuguese victims in the Azores. The present situation is equally as tragic and requires prompt action to aid those who have lost their homes and jobs.

Current immigration laws prohibit many of these refugees from entering the United States because of the 20,000-per-year country limitation. This legislation would exempt these refugees from this limitation.

Mr. Speaker, these refugees would not be given carte blanche entry. Prospective immigrants would still have to fulfill the eligibility requirements established under present law. The bill is aimed primarily at exempting the victims of this unfortunate disaster from normal country quota limitation.

Finally, let me simply observe that many of these Sicilians have relatives in the United States. We would then not only be helping victims of this disaster, but would also be reuniting many families. I urge early passage of this legislation.

FEDERAL EMPLOYEE STATUS FOR TECHNICIANS EMPLOYED BY NATIONAL GUARD UNITS

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. TIERNAN. Mr. Speaker, today, I am introducing legislation to provide Federal employee status for technicians employed by the National Guard Units in our 50 States, the District of Columbia, and Puerto Rico.

At the present time, there are approximately 40,000 National Guard technicians but their employee status is neither fish nor fowl. Their salary is paid by the Federal Government yet they are considered employees of the State Guard. The fact is that they have not been adequately provided for by the State or the Federal Government.

My bill enables these National Guard technicians to be eligible for various Federal employee benefits such as coverage under the Federal Civil Service Retirement Act, health benefits insurance and group life insurance.

Another benefit available under this bill is overtime pay rates now in effect for other Federal employees. Presently, these technicians receive only compensatory time off which at best is inadequate and unpredictable.

Mr. Speaker, the House enacted this legislation last year, but unfortunately, the Senate eliminated it when H.R. 2 was considered. I think that we should act on this proposal as soon as possible in order that our colleagues in the other body know of our concern to correct this obviously muddled situation.

HEALTH MANPOWER

Mr. TIERNAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. TIERNAN. Mr. Speaker, the Federal cochairman of the New England Regional Commission, John J. Linnehan, of Haverhill, Mass., recently announced an outstanding demonstration project in the field of health manpower. The project has a twofold purpose: it will attempt to train the hard-core unemployed in the health manpower field, thus, relieving the serious shortage of personnel in this critical field.

I recently had the pleasure to present testimony to the Commission and at that time, I urged them to act in a number of areas. The Commission, under the capable and aggressive leadership of Mr. Linnehan, has now initiated the first of what I hope will be many enlightened programs. It is only by serving as a catalyst for action that the Commission can benefit—not only Rhode Island, but all of New England.

The Providence Evening Bulletin has said that this project "is probably the most urgent that could be found." I am sure that all of us who represent New England will be interested in its outcome. Under unanimous consent I place this editorial of January 16 in the Record at this point:

Fertile Field

The New England Regional Commission, in launching its first demonstration project, has chosen a field that is probably the most urgent it could find. The project will try to train people from the "hardcore unemployed" for sub-professional level jobs in hospitals.

The program will, in a limited way, grapple with the continuing problem of people who are too unskilled or unmotivated to find jobs even in an era of high employment. Presumably, it will dip into the pool of Negro unemployed and thus try to find a way of easing tensions stemming from idleness in the urban ghettos. At the same time, it will be doing something positive about the shortage of personnel that hampers most hospitals today.

The program, as announced by the commission, will take time to produce results. First must come the training of teachers. To do this job, two persons from each of the New England States will be sent to a course of instruction at the Lemuel Shattuck Hospital in Boston. After training, they will return to their respective states to set up and operate actual training courses for the unemployed. Meanwhile, a demonstration course for 100 of the unemployed will be conducted immediately in Boston to prepare trainees for jobs in Boston hospitals and medical centers.

More and more hospitals are trying to turn over routine or sub-professional work to less skilled workers, in order to conserve the energies and services of the registered nurses and even the practical nurses. As medicare and medicaid swell the demands for hospital treatment, the shortage of nurses has been growing more critical. If the training of hardcore unemployed can be fitted to the acknowledged need of hospitals, the commission will have made a valuable contribution. Even if the demonstration program is successful, it will need proliferation in order to make a substantial corps of workers available. But the pattern is promising.

REIMBURSE STATES FOR COST OF FEDERAL-INTERSTATE HIGHWAY SYSTEM AND ELIMINATE TOLLS

The SPEAKER pro tempore (Mr. Gettys). Under previous order of the House, the gentleman from New York [Mr. McCarthy] is recognized for 30 minutes.

Mr. McCARTHY. Mr. Speaker, a drive to free some 2,350 miles of toll roads, bridges and tunnels on the Federal interstate highway network was launched today. Along with 12 other Members of this House, I introduced a bill to reimburse States for the original cost of such facilities. An identical bill is being introduced in the Senate by Senator A. S. Mike Monroney and other Senators.

Introduction of the bill reopens a decade-long controversy over reimbursement for road facilities built before Congress enacted the payment formula of 90-percent Federal funds to 10-percent State funds for construction of interstate highways.

The first crack in the toll dike came last week when the House Public Works Committee approved an $81 million plan to enable West Virginia to condemn and acquire the right-of-way of its two-lane turnpike and thus lift its tolls.

This action opens the way for action to free other toll facilities.

Federal Highway Administrator Lowell Bridwell told our committee the Department of Transportation takes the position that there can be no reimbursement for toll roads until after the Interstate system is completed in the mid-1970's.

I do not quarrel with this approach, but if this is what we are going to do, now is the time to begin.

Most of these toll facilities are financed by revenue bonds of higher cost than either the general or limited obligation bonds used to finance nontoll facilities. The tollpayer in these States faces, in addition to the amortization of road construction and maintenance costs, the following:

First. Cost of toll collection, personnel and machinery, estimated at $30,000,000 in 1965.

Second. Siphoning off of toll funds to airports, dock terminals, bus terminals, warehouses, railroads, skyscrapers, cultural centers, nonhighway needs of local communities and the general revenue fund of a State.

Third. Loss of otherwise-provided Federal aid for nontoll facilities.

Fourth. The curtailment of private enterprise development along the corridor of the toll facilities.

Although it was clearly the sense of Congress in the Federal Highway Act of 1956 that the Interstate System be integrated and toll free, it is not; and under present law the Federal Government cannot make it so.

Instead of an integrated system, we have one in which, all too often, two interstate highways intersect without a direct connection between them, because one is toll, the other toll free.

In 1956, the Congress foresaw a free system based on the premise that the national interest is always best served by free rather than toll facilities. It was to be financed by a trust fund supported by user taxes.

Eighteen States, though, are now forced to pay tolls on interstate highways. What, in effect, they are paying for is the initiative and foresight of those States in building these roads prior to Federal funding.

After Federal funding in 1956, however, the trend did not reverse.

The House Public Works Committee found last year that a resurgence of toll road facilities has occurred since 1960 and that this trend is exceedingly undesirable.

Cosponsors of the Interstate Free Highway Act of 1968 are as follows:

Representative William L. St. Onge, Democrat, of Connecticut.

Representative Jonathan B. Bingham, Democrat, of New York.

Representative Charles A. Vanik, Democrat, of Ohio.

Representative Thaddeus J. Dulski, Democrat, of New York.

Representative Carleton J. King, Republican, of New York.

Representative Herbert Tenzer, Democrat, of New York.

Representative Benjamin S. Rosenthal, Democrat, of New York.

Representative Henry Helstoski, Democrat, of New York.

Representative Robert N. C. Nix, Democrat, of Pennsylvania.

Representative Carl D. Perkins, Democrat, of Kentucky.

Representative Daniel E. Button, Jr., Republican, of New York.

Representative Leonard Farbstein, Democrat, of New York.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Del Clawson (at the request of Mr. Gerald R. Ford), for January 31 and the balance of the week, on account of official business.

Mr. Cleveland (at the request of Mr. Gerald R. Ford), for today through February 10, 1968, on account of official business.

Mr. Fountain (at the request of Mr. Albert) for today, January 30, 1968, on account of illness.

Mr. Broomfield (at the request of Mr. Gerald R. Ford), for tomorrow, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Fisher, for 20 minutes, today, to revise and extend his remarks and include extraneous matter.

Mr. Randall, for 10 minutes, today; to revise and extend his remarks and include extraneous matter.

Mr. Halpern (at the request of Mr. Vander Jagt), for 10 minutes, today; to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. Tiernan) to revise and extend their remarks and include extraneous matter:)

Mr. McCarthy, for 30 minutes, today.

Mr. Randall, for 10 minutes, January 31.

Mr. Wolff, for 60 minutes, on February 1.

EXTENSIONS OF REMARKS

By unanimous consent, permission to extend remarks was granted to:

Mr. Celler in two instances and to include extraneous matter.

Mr. Dorn in two instances and to include extraneous matter.

Mr. McCormack (at the request of Mr. Albert) in two instances.

Mr. McCormack (at the request of Mr. Albert) to extend his remarks following reading of the President's message on veterans' legislation.

Mr. Albert to extend his remarks following the Speaker's remarks on veterans' legislation.

Mr. Edmondson in two instances and to include extraneous material.

Mr. Adair following the remarks of Mr. Teague of Texas upon the reading of the President's message concerning veterans.

Mr. Saylor to extend his remarks following Mr. Adair following the message of the President.

Mr. Saylor in the body of the Record.

Mr. Wyman to extend his remarks immediately following the conclusion of legislative business and to include extraneous matter.

(The following Members (at the request of Mr. Vander Jagt) and to include extraneous matter:)

Mr. Keith.

Mr. Schadeberg.

Mr. Conable.

Mr. Ayres.

Mr. Bray in three instances.

Mr. Conte in four instances.

Mr. Pettis.

Mr. Esch.

Mr. Derwinski.

Mr. Bow in three instances.

Mr. Watson.

Mr. Burke of Florida.

Mr. Blackburn.

Mr. Lipscomb.

(The following Members (at the request of Mr. Tiernan) and to include extraneous matter:)

Mr. Gilbert in two instances.

Mr. Brown of California.

Mr. Monagan.

Mr. Long of Maryland.

Mr. Walker in two instances.

Mr. Celler.

Mr. Moorhead.

Mr. Rarick in three instances.

Mr. Dow.

Mr. Dulski in two instances.

Mr. Slack.

Mr. Nix.

Mr. Burke of Massachusetts.

Mr. Dingell in two instances.

Mr. Boland in two instances.

Mr. Bolling.

Mr. Shipley.

Mr. Gonzalez in three instances.

Mr. Pryor.

Mr. Eilberg.

Mr. Cohelan.

Mr. Daniels.

Mr. Miller of California in six instances.

ADJOURNMENT

Mr. TIERNAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 25 minutes p.m.) the House adjourned until tomorrow, Wednesday, January 31, 1968, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1420. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; to the Committee on Banking and Currency.

1421. A letter from the president, Potomac Electric Power Co., transmitting a copy of a balance sheet of Potomac Electric Power Co., as of December 31, 1967, pursuant to the provisions of 37 Stat. 979; to the Committee on the District of Columbia.

1422. A letter from the Director, Peace Corps, transmitting a draft of proposed legislation to amend further the Peace Corps Act; to the Committee on Foreign Affairs.

1423. A letter from the Comptroller General of the United States, transmitting a report of examination of financial statements fiscal year 1967, Tennessee Valley Authority (H. Doc. No. 209); to the Committee on Government Operations and ordered to be printed.

1424. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize appropriations for the saline water conversion program, to expand the program, and for other purposes; to the Committee on Interior and Insular Affairs.

1425. A letter from the Director of Personnel, U.S. Department of Justice, transmitting a report covering GS–16 and GS–17 positions authorized for use by the Attorney General, pursuant to the provisions of section 5114(a) of title 5, United States Code; to the Committee on Post Office and Civil Service.

1426. A letter from the Chairman, U.S. Atomic Energy Commission, transmitting a draft of proposed legislation to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JOHNSON of California: Committee of conference. S. 1788. An act to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments (Rept. No. 1065). Ordered to be printed.

Mr. PERKINS: Committee on Education and Labor. H.R. 11308. A bill to amend the National Foundation on the Arts and the Humanities Act of 1965; with amendment (Rept. No. 1066). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on Disposition of Executive Papers. House Report No. 1067. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. SISK: Committee on Rules. House Resolution 1048. A resolution providing for the consideration of H.R. 6157. A bill to permit Federal employees to purchase shares of Federal- or State-chartered credit unions through voluntary payroll allotment (Rept. No. 1068). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H.R. 14922. A bill to amend Public Law 90–60 with respect to judgment funds of the Ute Mountain Tribe; to the Committee on Interior and Insular Affairs.

By Mr. BUCHANAN:

H.R. 14923. A bill to provide flexible interest rates for mortgages insured by the Federal Housing Administration; to the Committee on Banking and Currency.

By Mr. BURKE of Massachusetts:

H.R. 14924. A bill to amend the tariff schedules of the United States to provide that the amount of groundfish imported into the United States shall not exceed the average annual amount thereof imported during 1963 and 1964; to the Committee on Ways and Means.

H.R. 14925. A bill to amend title V of the Social Security Act so as to extend and improve the Federal-State program of child-welfare services; to the Committee on Ways and Means.

By Mr. DENNEY:

H.R. 14926. A bill to amend section 127 of title 23 of the United States Code relating to vehicle weight and width limitations on the Interstate System, in order to make certain increases in such limitations; to the Committee on Public Works.

By Mr. DONOHUE:

H.R. 14927. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. EILBERG:

H.R. 14928. A bill to amend title 5, United States Code, to permit the immediate retirement of employees separated from the service after becoming 55 years of age and completing 25 years of service; to the Committee on Post Office and Civil Service.

By Mr. FARBSTEIN:

H.R. 14929. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. FISHER:

H.R. 14930. A bill to amend the Fair Labor Standards Act of 1938 to maintain at $500,000 the annual dollar volume test for coverage by that act of the employees of certain enterprises engaged in commerce; to the Committee on Education and Labor.

By Mr. MIZE:

H.R. 14931. A bill to establish the calendar year as the fiscal year of the U.S. Government; to the Committee on Government Operations.

By Mr. NELSEN:

H.R. 14932. A bill to amend title 23, United States Code, in regard to the obligation of Federal-aid highway funds apportioned to the States; to the Committe on Public Works.

By Mr. NIX:

H.R. 14933. A bill to modify certain provisions of title 39, United States Code, relating to hours of work and overtime for certain employees in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. NIX (for himself and Mr. Olsen):

H.R. 14934. A bill to reduce from five to four the ratio of career substitute employees to regular employees in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. NIX (for himself, Mr. Olsen, Mr. Cunningham, Mr. Gross, Mr. Derwinski, Mr. Daniels, Mr. Brasco, and Mr. Broyhill of North Carolina):

H.R. 14935. A bill to amend title 39, United States Code, to regulate the mailing of master keys for motor vehicle ignition switches, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PELLY:

H.R. 14936. A bill to reimburse owners of vessels of the United States for losses and costs incurred incident to the seizure of such vessels by foreign countries, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ROYBAL:

H.R. 14937. A bill to amend the Public Health Service Act to provide for a comprehensive review of the medical, technical, social, and legal problems and opportunities which the Nation faces as a result of medical progress toward making transplantation of organs and the use of artificial organs a practical alternative in the treatment of disease, and to amend the public Health Service Act to provide assistance to certain non-Federal institutions, agencies, and organizations for the establishment and operation of regional and community programs for patients with kidney disease and for the conduct of training related to such programs; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas:

H.R. 14938. A bill to limit the Administrator's authority to adjust premium rates on insurance issued under section 725(b) of title 38, United States Code, and to authorize the payment of dividends on such insurance after 5 years; to the Committee on Veterans' Affairs.

H.R. 14939. A bill to amend section 411 of title 38, United States Code, to provide additional dependency and indemnity compensation payments to widows with one or more children; to the Committee on Veterans' Affairs.

By Mr. MORGAN:

H.R. 14940. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations; to the Committee on Foreign Affairs.

By Mr. GALLAGHER:

H.R. 14941. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations; to the Committee on Foreign Affairs.

Mr. FRASER:

H.R. 14942. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations; to the Committee on Foreign Affairs.

By Mr. BARRETT:

H.R. 14943. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. BYRNE of Pennsylvania:

H.R. 14944. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. CORMAN:

H.R. 14945. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 14946. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. GALLAGHER:

H.R. 14947. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. HOWARD:

H.R. 14948. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. LEGGETT:

H.R. 14949. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H.R. 14950. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 14951. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. SCHWEIKER:

H.R. 14952. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. BLACKBURN:

H.R. 14953. A bill to amend title 23, United States Code, in regard to the obligation of Federal-aid highway funds apportioned to the States; to the Committee on Public Works.

By Mr. BROWN of California:

H.R. 14954. A bill to amend title 38 of the United States Code to improve vocational rehabilitation training for service-connected veterans by authorizing pursuit of such training on a part-time basis; to the Committee on Veterans' Affairs.

H.R. 14955. A bill to provide special encouragement to veterans to pursue a public service career in deprived areas; to the Committe on Veterans' Affairs.

By Mr. BURTON of California:

H.R. 14956. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. DELANEY:

H.R. 14957. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 14958. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:

H.R. 14959. A bill to amend the Federal Food, Drug, and Cosmetic Act to prescribe penalties for the possession of depressant, stimulant, and hallucinogenic drugs by unauthorized persons, to increase penalties for the unauthorized sale, delivery, or disposition of such drugs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FEIGHAN:

H.R. 14960. A bill to provide for the expeditious naturalization of the surviving spouse of a U.S. citizen who dies while serving in an active duty status in the Armed Forces of the United States; to the Committee on the Judiciary.

By Mr. HALEY:

H.R. 14961. A bill to amend chapter 55 of title 10, United States Code, to provide health benefits for the dependents of war veterans who die of a service-connected disability; to the Committee on Armed Services.

By Mr. McCARTHY (for himself, Mr. St. Onge, Mr. Bingham, Mr. Vanik, Mr. Dulski, Mr. King of New York, Mr. Tenzer, Mr. Rosenthal, Mr. Helstoski, Mr. Nix, Mr. Perkins, Mr. Button, and Mr. Farbstein):

H.R. 14962. A bill to authorize reimbursement to the States for certain toll highways, bridges, and tunnels on the Interstate System, and for other purposes; to the Committee on Public Works.

By Mr. McCLOSKEY:

H.R. 14963. A bill to authorize the Secretary of the Interior to designate the Skyline National Parkway in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 14964. A bill to authorize the establishment of the site of the discovery of San Francisco Bay as a national historic site, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 14965. A bill to provide for the appointment of additional circuit judges; to the Committee on the Judiciary.

By Mr. OTTINGER:

H.R. 14966. A bill to provide for improved employee-management relations in the Federal services, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RONAN:

H.R. 14967. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. WOLFF:

H.R. 14968. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. ZWACH:

H.R. 14969. A bill to direct the Interstate Commerce Commission to make regulations that certain railroad vehicles be equipped with reflectors or luminous material so that they can be readily seen at night; to the Committee on Interstate and Foreign Commerce.

By Mr. HELSTOSKI:

H.R. 14970. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. OTTINGER (for himself, Mr. Rodino, Mr. Conyers, Mr. Corman, Mr. Roybal, Mr. Halpern, Mr. Scheuer, Mr. Button, Mr. Thompson of New Jersey, Mr. Helstoski, Mr. Adams, Mr. Daniels, Mr. Dulski, Mr. Kupferman, Mr. Green of Pennsylvania, Mr. Minish, Mr. Bingham, Mr. Gilbert, Mr. Brasco, Mr. Dingell, and Mr. Farbstein):

H.R. 14971. A bill to amend the Federal Power Act to facilitate the provision of reliable, abundant, and economical electric power supply by strengthening existing mechanisms for coordination of electric utility systems and encouraging the installation and use of the products of advancing technology with due regard for the preservation and enhancement of the environment and conservation of scenic, historic, recreational, and other natural resources; to the Committee on Interstate and Foreign Commerce.

By Mr. RUPPE:

H.R. 14972. A bill to permit Canadian trawlers to harvest alewives in Lake Michigan; to the Committee on Merchant Marine and Fisheries.

By Mr. TIERNAN:

H.R. 14973. A bill to clarify the status of National Guard technicians, and for other purposes; to the Committee on Armed Services.

By Mr. BEVILL:

H.J. Res. 1022. Joint resolution proposing an amendment to the Constitution of the United States relating to employment of subversives in defense facilities; to the Committee on the Judiciary.

By Mr. AYRES:

H.J. Res. 1023. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. BROYHILL of North Carolina:

H.J. Res. 1024. Joint resolution to suspend for the 1968 campaign the equal opportunity requirements of section 315 of the Communications Act of 1934 for nominees for the offices of President and Vice President; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNE of Pennsylvania:

H.J. Res. 1025. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. GIBBONS (for himself, Mr. FASCELL, Mr. FUQUA, Mr. GURNEY, Mr. PEPPER, Mr. ROGERS of Florida, and Mr. SIKES):

H.J. Res. 1026. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. NELSEN (for himself, Mr. QUIE, Mr. LANGEN, and Mr. MACGREGOR):

H.J. Res. 1027. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. SCHNEEBELI:

H.J. Res. 1028. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. TEAGUE of Texas:

H.J. Res. 1029. Joint resolution to assist Vietnam veterans in obtaining suitable employment; to the Committee on Post Office and Civil Service.

By Mr. DOW:

H. Res. 1049. Resolution directing the Committee on the Judiciary to conduct an investigation of organized crime in the United States; to the Committee on Rules.

By Mr. EVINS of Tennessee:

H. Res. 1050. Resolution providing for further expenses of conducting the study and investigation authorized by House Resolution 53; to the Committee on House Administration.

By Mr. MATSUNAGA:

H. Res. 1052. Resolution creating a nonlegislative select committee to conduct an investigation and study with respect to the adoption of an official lapel button for Members of the House of Representatives; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

304. Mr. BERRY presented a concurrent resolution memorializing the Congress of the United States to give prior consideration to the development and use of the waters of the upper Missouri River Basin in the upper Great Plains States including the State of South Dakota before authorizing the funding of the diversion of such waters to other States, which was referred to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 14974. A bill for the relief of Thelma Fuentes; to the Committee on the Judiciary.

By Mr. BURTON of California:

H.R. 14975. A bill for the relief of Ponciano Salvador; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 14976. A bill for the relief of Giuseppe Geraci; to the Committee on the Judiciary.

By Mr. GERALD R. FORD:

H.R. 14977. A bill for the relief of Gene W. Vogel; to the Committee on the Judiciary.

By Mr. FRASER:

H.R. 14978. A bill for the relief of Eric W. Bauer; to the Committee on the Judiciary.

By Mr. HALEY:

H.R. 14979. A bill for the relief of Dr. Delfin Ganzon Limcangco; to the Committee on the Judiciary.

By Mr. MACDONALD of Massachusetts:

H.R. 14980. A bill for the relief of Antonio L. DiFilippo; to the Committee on the Judiciary.

By Mr. MORTON:

H.R. 14981. A bill for the relief of certain employees at the Naval Air Test Center, U.S. Naval Air Station, Patuxent River, Md.; to the Committee on the Judiciary.

H.R. 14982. A bill for the relief of the estate of Donald T. McQuoid; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H.R. 14983. A bill for the relief of Giuseppe Musumeci and Concetta Franca Mellia Musumeci; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 14984. A bill for the relief of Ferminia R. Cabral; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.R. 14985. A bill for the relief of Linda Alimada; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

234. By the SPEAKER: Petition of Mrs. Katherine Ratojski, Brackenridge, Pa., relative to the guarantee of all inalienable rights; to the Committee on the Judiciary.

235. Also, petition of Clarence E. Whaley, San Jose, Calif., relative to the Chief Justice of the U.S. Supreme Court; to the Committee on the Judiciary.

236. Also, petition of Giovanni Buonmattina, Palermo, Italy, relative to an entrance visa to the United States; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Duke Kahanamoku

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. BRAY. Mr. Speaker, the man who more than any other was a symbol of and whose name was synonymous with the Hawaiian Islands is dead.

It was a pleasure and a privilege to have been a personal friend of Duke Kahanamoku, great athlete and public citizen. The following editorials from the Honolulu Star-Bulletin and the Honolulu Advertiser pay eloquent tribute to this man among men.

[From the Honolulu Advertiser, Jan. 23, 1968]

DUKE KAHANAMOKU

Duke Kahanamoku was far more than simply Hawaii's best-known citizen for over half a century.

In a very real way, he was, as he remains, a symbol of the friendly good will and vigorous achievement in sea, surf and on shore that has marked the Hawaiian people for the world.

It has become an image all Hawaii, all races, have come to share—in fact, an obligation we want to maintain.

Some would call it the Aloha Spirit and say the Duke was its best example.

When he turned 75 two years ago, we and others said the only question for history is how big Duke's legend will become.

Some of the things bearing his name include a scholarship foundation, a beach, a swimming pool at the university, an annual regatta, a restaurant and nightspot, a line of sportswear, a music and recording company, ukuleles, surfboards, a surfing club, and an international surfing championship.

All these will help perpetuate Duke's name, as they already have for generations of youngsters who were born after his famous swimming and surfing achievements.

But far more important is perpetuating Duke's spirit—the friendly, modest young Hawaiian boy whose real accomplishments won the respect of the world, the older man who carried his legend with modest dignity. These are goals all might seek.

He was the "Bronze Duke of Waikiki," and his name was as magic as that of Diamond Head in evoking the image of a pleasant Polynesia.

Many things changed at Waikiki over the many years of Duke Kahanamoku's long life from Monarchy to Jet Age. And in his final few years he aged rapidly into a man reflecting his memories.

But if there was a certain sadness in this there were those days when surfers and sailors off Waikiki would see Duke out on his boat, obviously happy in his element, his silver hair shining in the sun, his eyes gazing in across the surf he rode so well.

That Duke Kahanamoku must always be a part of Hawaii. It is a great sadness to lose him in body now. We must never lose him in spirit later.

[From the Honolulu Star-Bulletin, Jan. 23, 1968]

REQUIEM FOR THE DUKE

Death came swiftly yesterday to Duke Paoa Kahanamoku, hard by the sea he loved. After 77 eventful years, the champion's heart stopped and people all over the world mourned.

Honors came early and late to this simple, happy child of the sea. In between were years when he struggled all but forgotten by the Hawaii whose fame he established along with his own.

Duke Kahanamoku electrified the swimming world with a 55.2-second 100 meters in 1911, then went on to the 1912 Olympic Games in Stockholm where he proved he was the fastest swimmer in the world. He reigned for more than a decade, taking part in the 1920 and 1924 Olympics, then made way for a young upstart named Johnny Weissmuller who was later to become the movie Tarzan, and remain Duke's fast friend for life.

An amateur athlete finds gold medals poor sustenance, and in his young adult years, earning a living became a problem. He played occasional movie roles in Hollywood, worked as a beach boy and a service station operator until 1934 when he was elected sheriff of Honolulu, and thereafter never lost an election. When the office was abolished in 1959, he became Hawaii's official greeter for life.

Commercial enterprises using his name brought him financial security. His athletic exploits won recognition in 1965 when he was chosen for the Swimming Hall of Fame, in 1966 when he entered the Surfing Hall of Fame, and last year when, in Los Angeles, he attended a banquet honoring the greatest athletes of this era.

But this recital reveals nothing of the true nature of the man so universally loved and respected. Nor does a recital of traits—kindliness, humility, integrity, sincerity, courage, good cheer, warmth, compassion—encompass the lovable character of this remarkable man. He never spoke unkindly of anyone, and gave no one cause to speak unkindly of him.

No alii of old Hawaii comported himself with greater dignity or nobility of spirit. As an athlete, he was a hero; as a man, he was good and kind in the finest meaning of those words.

Saturday, the child of the sea will return to the sea, leaving memories enshrined in the hearts of all who knew and loved him.

The President's State of the Union Message

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 30, 1968

Mr. THURMOND. Mr. President, President Johnson's state of the Union message has received much analysis in the American press. Many people were disappointed with it—both for what it contained and for what it omitted. Another criticism, and a justifiable one, was the failure of the President to differentiate among the numerous goals which he attempted to set. No priorities were given, no order of importance noted.

As for what it did contain, the state of the Union address should be faulted on at least two counts. First, while the President was applauded for his stand against crime and violence, there was little in his statement which would actually help solve the problem. Second, the President again endorsed civil rights legislation, which in all probability would merely create more dissention and further centralization of power in this Nation.

The greatest omission of the state of the Union message was its failure to economize and to call for a balanced budget without a great increase in taxes. The economic problems besetting this Nation can best be solved by a reduction in Federal spending. This the administration has not done.

The Greenville News published excellent editorials on the President's address in their issues of January 22 and January 26. These penetrating analyses are of more than routine interest.

Mr. President, I ask unanimous consent that these editorials be printed in the Extensions of Remarks of the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

STATE OF UNION: A QUESTIONNAIRE

President Johnson's State of the Union message was both a report to and a questionnaire for the Congress and the people.

The President acknowledged the obvious: Americans are restless and concerned about the Vietnam war, foreign affairs in general and mounting domestic problems, including crime and rioting, hard core unemployment, big city and racial unrest, the soundness of the dollar.

His proposals to cure the nation's uneasy feelings appeared to be more federal spending and control—the root cause of much of today's trouble, fiscally and otherwise. Instead of cutting federal expenditures, he promised more spending in the next fiscal year and again demanded an income tax surcharge (or tax on tax) to minimize another inflationary deficit.

Some of the President's proposals were new in a sense. An attack on hard core unemployment in big cities through government and private industry cooperation probably would be worth the expenditures involved—if the funds could be diverted from less effective and wasteful federal projects.

His health program for the very young could be of benefit, if it can be safeguarded against extension of socialized medicine. The nation must reserve judgment on this until the administration spells out details.

A step-up in new housing for low and middle income groups would be beneficial, in fact it is necessary. If the emphasis is to be upon promoting home ownership and helping private enterprise do the job, this would be a fine program. If it is an extension of federal control, it will cause more harm than good. Here again the people must wait for the details.

Otherwise, there was little new in the message. The President called again for more civil rights legislation, his own version of crime control measures, his model cities program.

Mr. Johnson seemed unsure of himself on domestic affairs as he enumerated the country's problems. He appeared intent upon appraising the "applause meter" as he discussed each point. He was asking for reaction on how people felt about their domestic affairs.

He got some answers. His denunciation of crime and violence received the most enthusiastic response from Congress. His consumer protection, unemployment, housing and big city remarks gained moderate response. Civil rights drew a blank.

Undoubtedly the White House now is studying nationwide reaction, as well as congressional response. In this election year, LBJ's public stance probably will be based largely upon the results of that study.

In other words, Mr. Johnson asked questions about public attitudes and is in the process of getting answers.

The President was uncertain, too, in his approach to the defense of the dollar overseas, despite announced restrictions on travel and business expansion, as well as cutbacks in the number of federal employes overseas.

He failed to recommend the one step which could cure fiscal uncertainty, both at home and abroad—a balnaced federal budget, achieved by abandoning a policy of attempting to buy both guns and butter in a time of major military conflict.

He failed also to drive home the point that unions and management alike must control production (mostly labor) costs in order to keep down prices at home and to meet foreign competition.

It remains to be seen whether the President's expressed firmness on Vietnam will stand the test of a difficult political year. In recent weeks Mr. Johnson has acted well in the situation. He needs support to continue a firm policy in the best interests of this nation and the free world.

The State of the Union message was, therefore, a rather strange report in that it posed more questions than it answered. Perhaps that is an accurate appraisal of the State of the Union in 1968.

TIME FOR APPLAUSE: TIME FOR SILENCE

At least as much as in the President's State of the Union Message, we were interested in the reaction to it expressed by Roy Wilkins, chief executive officer of the National Association for the Advancement of Colored People.

And, considering some other factors and developments in the field of racial activities on the part of organizations other than Mr. Wilkins' NAACP, we were moved to a certain amount of sympathy for him—for reasons quite different from those he expressed.

When asked by the TV boys for his feelings about the speech, Mr. Wilkins expressed concern that members of Congress who formed the "live audience" loudly applauded Mr. Johnson at the end of those passages dealing with law enforcement, the elimination of crime in the streets and making the cities safe for law-abiding citizens.

He was somewhat dismayed when references to the latest proposals for more civil rights law drew no applause at all. This, Mr. Wilkins concluded, indicates that the "national mood" is one to produce suppression and oppression of Negroes.

Mr. Wilkins reads the "national mood" correctly, but only in part. The attitude of Congress towards more civil rights legislation indicates that the members have gotten the message that the public is fed up with relentless agitation and pressure for legislation which erodes the ordinary rights of the majority to bestow special rights on the minority.

The public is fed up with senseless marches and demonstrations which serve no purpose other than to evoke and promote violence. It is fed up with violence stemming from resistance to sworn agents of public protection, with riots which turn into lawless looting, shooting and vandalism sprees.

It is fed up with public officials—and private citizens—actually encouraging the breaking of basic laws designed to preserve simple peace and good order on the streets and highways, knowing full well that ignorant or naturally mean members of the minority will take the law into their own hands when told it is all right to break laws they consider to be unjust.

It is fed up with the endless clamor for privilege without responsibility, for food and beer money without working and for "equal employment" without equal ability.

Most of all, it is fed up with the antics of lawless, self-seeking, self-appointed minority leaders who never let up on the primitive drumbeat of hatred and threats of violence against the majority, against duly constituted government and civil authority and against the very foundations of society.

There have been, are and will be exceptions, of course, exceptions which will affect deprived Whites no less than Negroes. But the national mood, the feelings of the majority, are not in favor of suppression and oppression by law enforcement or anyone else.

We believe the majority is still willing to help those who show a willingness to help themselves and to make good on the many opportunities already open. But their patience with alternate "po' mouth" whining and frenzied threats is wearing thin.

If Mr. Wilkins and others would understand what we mean, let them consider just one example of what is being planned and plotted, with the aid and abetment of liberal financiers and officers and agencies of the federal government.

It is pretty well known that Martin Luther King is planning a "poor peoples march" on the nation's capital this summer, and that he has vowed to disrupt the whole city with a massive "non-violent" demonstration of thousands of Negroes and White malcontents and heaven only knows what else.

A recent definitive UPI interpretive news story told how King's Southern Christian Leadership Conference, one division of which will manage the Washington mess, has been reorganized, refinanced and beefed up with experienced agitators and civil disobedience leaders—with the forthright purpose of becoming more "militant."

King and his henchmen hope to have the support of CORE, SNCC and other groups which have outdone him in militancy in the past. No one is saying so out loud, but SCLC will also have the support of just about every subversive and criminal element in the country and, no doubt, some imported from abroad.

It is also known among some people who hesitate to say it and probably could not prove it that King and others like him have received financial help from mysterious sources. This money clears through secret accounts in Swiss banks and reaches the United States through Canada, and probably Cuba.

To top it off, however, a few days after the story of SCLC's new stance of militancy appeared in print, the Ford Foundation announced a grant of $230,000, obstensibly to finance seminars for Negro ministers in 15 out of 25 cities having Negro populations of more than 100,000.

In making the announcement, McGeorge Bundy, a former Kennedy aide who is now President of the Foundation, said it is earmarked for "educational work among Negro ministers," in recognition of the broader role the Negro clergy must play in the "crisis of the cities" and because King's group is qualified to give "unusual leadership" in such a program.

However, the plan calls for only about 150 ministers to participate, which works out to about $1,500 each. The seminars will cover about 40 topics, all of them outside the realm of religious inspiration and leadership. Most have to do with organizing and running civil rights activities, and those attending are expected to lead other seminars, for which additional financing may be forthcoming.

At the same time, McBundy announced a $552,000 grant to the National Catholic Conference for Interracial Justice to be used to influence "equal employment policies among commercial firms that do business with churches." How this will operate also is pretty clear.

It is obvious that, directly or indirectly, the Ford Foundation, which has a decided preference for far-left causes, is going to be supporting activities which can only cause trouble and produce harm. If it comes off, King's Washington invasion will violate a whole book full of laws intended to protect all persons, regardless of race, color or creed.

If they could but see it, Negroes have more to gain than anyone from evenhanded but firm enforcement of the law, and the most to lose when law and order break down.

Roy Wilkins should have applauded along with members of Congress when Lyndon Johnson at least paid lip service to supporting the war on crime and violence.

Busy Apprenticeship Behind: His Eye to the Future

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. BURKE of Massachusetts. Mr. Speaker, I wish to bring to the attention of the Members an article which appeared in the Providence, R.I., Evening Bulletin of December 21, 1967, in which the achievements of my esteemed colleague, ROBERT TIERNAN, are discussed.

His dedication to serving the people of Rhode Island and his ability in meeting the demands of his office have placed him well ahead in the race for "freshman Congressman of the year."

The article follows:

BUSY APPRENTICESHIP BEHIND: HIS EYE TO THE FUTURE

(By William H. Young)

WASHINGTON.—Rep. Robert O. Tiernan came to Congress in April billed as a man with a tendency to plunge into the water without testing its depth or temperature.

During his first congressional session, Mr. Tiernan has for the most part belied the advance billing of brashness. He has, in fact, devoted much of his energies to a careful charting of the congressional waters, apparently in preparation for a long swim.

There have been a few exceptions—most notably a strident letter to all House members supporting the Dickey-Lincoln school public power project—but overall Representative Tiernan has played the role expected of a freshman member of the House.

—He has supported the Democratic administration's positions both on the war in Vietnam and on domestic programs with almost 100 per cent consistency.

—He has spent considerable time on the floor of the House listening but rarely speaking, has conscientiously tended to his committee assignment, and willingly performed routine legislative chores for the leadership.

—He has courted the friendship of his fellow congressmen and the favor of the Democratic leadership of the House, trying to establish good, and useful, relationships.

—Knowing that good congressional relationships are useless if he is not reelected, he has made frequent trips to his district and given more than usual attention to correspondence with constituents.

Summing up his own appraisal of his first eight months as a member of Congress, Representative Tiernan says, "I worked hard to come here. I've worked hard here, and I think I've done a reasonably good job."

He noted that, taking office three months after Congress had convened, he faced some immediate and pressing problems in establishing a staff, getting oriented, and catching up with the work already under way in the House. Taking these into consideration, he says, "I'm extremely pleased with the progress we've made, I think I've made some impressions here that aren't easy to make as a freshman. I have a real fine staff and I'm very pleased with them."

While Representative Tiernan has accepted the role of a freshman congressman, he has pursued it somewhat more aggressively than others.

An example: New members may be asked to handle the routine "special orders" and adjournment of the House at the end of a legislative day and it would be poor policy to refuse even if inconvenient. Mr. Tiernan accepted when asked and, on occasion, volunteered when not asked.

It is through gestures such as this, rather than brilliant speeches, that freshmen members show the approved attitude of a willing apprentice and gain the notice of senior members.

In return, senior members bestow tokens of recognition to the freshman member, as House Speaker John W. McCormack did by asking Mr. Tiernan to take the chair during a routine quorum call.

More important than the token recognition is the indication that the leadership looks with favor on the new congressman, and the approval of the leadership is all-important when such matters as committee assignments are being decided.

DEFENDS ASSIGNMENT

Assignment to a committee was one of the handicaps that Representative Tiernan carried when he took office in April. The Congress was organized, and the committee assignments had been made.

In these circumstances, Mr. Tiernan says he felt fortunate in being assigned to a seat on the science and astronautics committee. On the other hand most congressmen have a second committee assignment and none was available for Mr. Tiernan.

The congressman loyally defends the importance of his committee assignment. He has done extensive reading on the space program and made efforts to let his committee chairman know he is interested in the work.

Only when pressed on the question will Mr. Tiernan concede that he is not necessarily "married" to the space committee for the rest of his congressional career. He is eligible for assignment to an additional committee when there are openings, and the possibility exists that he would relinquish the space committee seat for another committee if the opportunity arises.

Representative Tiernan's efforts to establish good relationships were directed at the White House as well as fellow members of Congress. One of his first actions after taking office was to write a letter to President Johnson thanking him for his support in the election campaign. (The White House is reported to have arranged a substantial injection of contributions into the Tiernan campaign.) The result was a brief private meeting with the President at the White House. Whether from conviction, party loyalty, or gratitude, Mr. Tiernan through the session has been a firm administration supporter in the House.

ROLE LIMITED

Legislatively, the role of a freshman congressman is limited.

The only original bill sponsored by Mr. Tiernan in the session was a measure to provide for the use of portions of national memorial battlefields as national cemeteries.

Otherwise his legislative record consisted largely of cosponsoring bills introduced by other members. Partly because his predecessor, the late Rep. John E. Fogarty, was a leader in health legislation, Mr. Tiernan co-sponsored several bills that would extend or expand federal health programs.

In addition, he co-sponsored bills aimed at establishing marine sanctuaries, at protecting the textile industry from excessive imports, and a resolution to increase the amount of silver available for Rhode Island industry.

The congressman was especially vigorous in support of measures to create an independent Merchant Marine administration. He co-sponsored a Merchant Marine bill and testified in support of it before a committee—the only time in the first session that he testified before a committee.

In many cases, Mr. Tiernan said, he supported or opposed bills in letters to committee chairman, without making the letters public. In the next session, he said, he expects to testify more frequently before committees. The congressman said he is now considering whether he should try to initiate original legislation on matters outside of his committee assignment, or concentrate on legislation in science and astronautics where his bills would be given greater consideration.

While carefully cultivating congressional relationships, the congressman has also taken care not to neglect his new constituency.

There have been about 30 weekends since Mr. Tiernan became a congressman, and all but three of those he has spent in Rhode Island.

He has emphasized to his staff the need for prompt attention to constituent mail and phone calls. This is an area in which Mr. Tiernan feels his staff has done well, in part because of the experience of several staff members retained from Mr. Fogarty's office.

The congressman himself has given unusual personal attention to some constituent mail, dictating long personal and sometimes argumentative letters in reply to voters who have written criticizing his position on the war in Vietnam or his stand on other issues.

In doing so, he has eschewed the stock noncommittal reply used by many congressmen—"Thank you for your letter and you may be sure I will keep your views in mind." While still avoiding the stock reply, Mr. Tiernan says he has found it necessary recently to reduce the number of personal, discursive replies to voters.

It is in some of his prepared statements, as well as in the letters, that a natural inclination to combat appears.

When the controversial Dickey-Lincoln school public power project was before the House, Mr. Tiernan dropped the garb of apprentice congressman and squared off against Rep. Robert M. Giaimo, D-Conn, a ranking member of the powerful House appropriations committee. Mr. Tiernan's letter on the subject to other House members failed to save the appropriation for the project, but it did raise a few eyebrows.

CRITICIZED CHAFEE

The congressman also has jumped into other controversies in which he could easily have escaped involvement. There was, for example, his criticism of Governor Chafee on plans for bond financing of a parking garage at Hillsgrove Airport. On another occasion he atacked the Republican governor for remarks the governor had made about a college scholarship proposal by Sen. Claiborne Pell.

The congressman describes these forays as a continued interest in subjects he was involved in as a member of the General Assembly.

There is some indication that, having taken his soundings in the House, Representative Tiernan will become more vocal in the second session of the 90th Congress.

He has announced already his intention to offer an amendment in the next session to restore funds for a summer intern program for college students in congressional offices, a program that was killed in the final week of this session.

And after eight months of service, Mr. Tiernan no longer bears the burden of being the lowest-ranking member of the House. Rep. Paul McCloskey, who won a special California district election, took his seat last week to become the most junior member of the House, elevating Representative Tiernan to number 433 in seniority. (There are 435 House seats, but the Harlem seat has been vacant since the House refused to seat Rep. Adam Clayton Powell).

Also, in the final week of the session, Mr. Tiernan was invited to the White House for the signing of the new meat inspection act and collected one of the prestige symbols with which congressmen decorate their office walls—one of the pens used by the President.

Granted no intercession by the voters, the long climb to seniority status and power in the House of Representatives has begun.

Obedience to Law

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 30, 1968

Mr. THURMOND. Mr. President, the English statesman, William Pitt, once remarked:

> Where law ends, tyranny begins.

If there was ever a time when America needed reminding of these words, that time is now. Far too many people of prominence, people who are are in a position to influence our youth, have seriously neglected the implications of their words and their deeds. Liberty is a precious thing—history is littered with the remains of once-free societies that lapsed into dictatorship under the pressure of the lawless mob. Obedience to law is essential if we are going to prevent our Nation from experiencing this same lapse into lawlessness, anarchy and, as a result, dictatorship.

The State newspaper of Columbia, S.C., published an editorial on this subject on January 22, 1968. Entitled "Obedience to Law," the editorial is important both for its excellence and for its timeliness.

Mr. President, I ask unanimous consent that this editorial be printed in the Extensions of Remarks of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OBEDIENCE TO LAW

As a part of any public works program which may be started by the Johnson administration, we suggest that attention be given to the construction of a flock of new jails. They may be needed before the year is out and President Johnson leaves office.

All over America, draft dodgers and their adult counselors, civil rights demonstrators and their agitators, and Communists and the fellow travelers are begging—by deed and often by word—to be put in jail. They should be accommodated.

The United States affords its citizens not only the right of protest but the legal means of making protests effective—provided enough people subscribe to the particular cause. But protests notwithstanding, this still is a government by majority.

The Constitution and the courts of the United States have been more than generous in safeguarding the rights of minorities, both as to free speech and freedom of assembly. But nowhere is there legal or moral justification for allowing the frenzy of the minority to override the considered judgment of the majority.

There always will be differences of opinion on such matters as waging war or preserving the American form of government. The ferment which grows from such disagreement often is beneficial in that it keeps the citizenry as well as officialdom alert to the need for change or adjustment of our pattern of government.

But it is the essence of collective idiocy to allow the stability of a government to be upset, even temporarily, by the intemperate clamor of groups which—by any measurement—represent only a minute proportion of the total population.

The majority of Americans have been patient and overly tolerant in their indulgence of the variegated rabble which finds fault with our government and its policies. If we are any judge of the temper of the general public today, we are convinced that the broad mass of decent Americans—this usually inarticulate majority which in the long run governs America—is fed up with law breaking, whether it be in the guise of civil disobedience, "dissent," or outright criminality.

The people, we also believe, are equally outraged at the continuing reluctance or refusal of civil authorities to insist on the minorities' compliance with the form of government chosen by the majority.

If a minority, by dint of persuasion or the accumulation of political power, can influence the majority, or perhaps even become the majority, well and good. But the procedures and policies which have been set by duly elected representatives of the people must be obeyed, not only by the majority which supports our system of government but by the minority which opposes it.

Any other course is a negation of majority rule and an invitation to anarchy.

Russia Revisited

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. CONABLE. Mr. Speaker, Prof. Arthur J. May, for 30 years a member of the faculty of the University of Rochester and currently university historian, made an extensive trip recently to the Soviet Union and wrote about it in a series of articles in the Rochester Democrat and Chronicle. Professor May brings a broad perspective to his writings because of his years as a scholar of European history and his extensive travel and research abroad. For his book "The Hapsburg Monarchy," he was awarded the Herbert Baxter Adams Prize by the American Historical Association. During 10 trips abroad he has conferred with leaders in most of the countries of Europe and has carried out research on both a Guggenheim fellowship and two Fulbright grants.

This was Professor May's third trip to the Soviet Union. So that my colleagues may share his observations of conditions he found, I include a number of his articles to be printed in the RECORD, as follows:

[From the Rochester (N.Y.) Democrat and Chronicle, Dec. 15, 1967]

RUSSIA REVISITED: IVAN NO LONGER DISDAINS TIPS

Hotels in European Russian cities are generally of very good quality. The food, if somewhat monotonous, is abundant. Tipping, once regarded as a mark of bourgeois decadence, is now widely practiced. Shopping is done at ordinary Soviet stores or in special shops where only hard foreign currency is accepted. Prices are in American dollars.

Photographing military installations or facilities regarded as essential in national defense, such as railways, is forbidden. Taking of pictures of slum areas or of other potentially embarrassing subjects may result in an unpleasant incident.

Yet camera addicts are allowed much more freedom than in 1939 or 1955. My wife, who had charge of the photographic division for us, brought back hundreds of pictures.

Leningrad (originally St. Petersburg and briefly Petrograd) was scrubbed up in anticipation of the 50th anniversary of the Revolution. Poles along the principal streets were festooned with electric lights wrapped in red cloth.

Huge portraits of Vladimir I. Lenin, of Karl Marx and Frederich Engels, founding fathers of the Communist creed, and of the top personalities in the present Soviet hierarchy decorated brilliantly lighted buildings. Interspersing the pictures were large 50s. Red flags and bunting were everywhere. Not once in three weeks in the U.S.S.R. did I see a portrait of Josef Stalin or of Nikita Krushchev—nor even hear their names mentioned.

Moored in the Neva River was the cruiser Aurora from which the shot was fired in November 1917 that gave the signal for the beginning of the upheaval. It, too, was gaily decorated and inspected by a stream of sightseers.

Sidewalks of Leningrad teemed with pedestrians by day and night, for all citizens had at least a four-day holiday during the festivities. Men in military uniforms were abundant. Down Nevsky Prospekt, the broad and straight Fifth Avenue of the city, a contingent of Young Pioneers marched on parade. They wore blue jackets, red scarfs and gray caps, and were accompanied by tanks and other armored vehicles. Traffic was brought to a halt.

Teenagers stepped up and inquired if we were interested in changing money, which is unlawful. Urchins offering Soviet pins of various kinds asked in flawless English for "chewing gum," or even "Chiclets."

Throngs lined Nevsky Prospekt to catch a glimpse of Leonid I. Brezhnev, general secretary of the Communist Party, and of Aleksei N. Kosygin, Soviet prime minister, who paid a state visit. They stood in an open car, preceded by a fleet of motorcycles, driven so fast that there was scarcely time to snap a picture of them. Could it be that they were fearful of an attack? Big black Zim automobiles and smaller cars brought up the rear of the motorcade.

Soviet citizens look upon Leningrad as a sacred place because of the heroic defense and resistance during World War II. Nazi invaders vowed to destroy this most beautiful of Russian cities. A grotesque monument nine miles out marks the high point of German penetration. Two Soviet soldiers, ramrod straight, stand on guard.

For 900 days the defenders of the city displayed legendary courage. Upwards of 600,000 citizens perished and nearly as many more were evacuated. Small wonder that Leningrad was awarded the distinction of "Hero City." The monument raised in Piskarevskaya Center carries the inscription: "Nobody and nothing is forgotten."

Leningraders speak with pride of their comparatively new "Metro" or subway system which links up the city center with the outlying districts. The network is undergoing expansion. One subway escalator that I used required two minutes to move from top to bottom—the longest, I have seen anywhere.

[From the Rochester (N.Y.) Democrat and Chronicle, Dec. 18, 1967]

Russia Revisited: Leningrad Keeps Relics of Czars

In Leningrad, handsome architectural ensembles, ornamental bridges over canals, and monuments from the pre-Communist era have been preserved carefully.

Even equestrian statues of Czar Peter the Great and of the "Iron Czar" Nicholas I, valued for their artistic qualities, still stand as they have for generations.

Toward one end of Nevsky Prospekt is the large, colonnaded Kazan Cathedral, erected to commemorate the victory over Napoleon I. Today it is a Museum of Religion and Atheism.

Walls are loaded with pictures, cartoons, and monographs ridiculing religion and poking fun at churches. The Darwinian theory of the origin of the human species is lavishly illustrated. Priests and bishops, invariably portrayed as big, fat slobs, are shown extracting money or other gifts from credulous men and women.

Letters by churchmen and photographs depict them trafficking with Nazis during the war. Relics, statues, and other religious pieces have been assembled here from abandoned churches all over Russia. Exhibitions of science, such as a Sputnik soaring into the heavens, are plentiful.

A woman guide explains the anti-religious displays to a company of young teenagers, who listen with rapt attention. A basement section that I saw in 1955, describing the horrors and brutalities perpetrated in the name of religion, is now closed to the public.

Just as Paris has its Louvre and Washington its National Gallery, so Leningrad boasts its famous Hermitage Museum. It occupies the vast green Winter Palace, once the residence of the czars. The museum and adjoining structures are said to contain 3 million art objects. Among them are masterpieces by Leonardo da Vinci and Titian, Rubens and Rembrandt.

To see the entire collection requires a walk of 18 miles! Experience has taught me that when visiting an art gallery the wise thing to do is to find out which treasures have been placed on postcards—for they are the best. Pick out five pieces, observe them, and depart. One would need weeks and weeks to do anything approaching justice to the Hermitage resources.

Across the Neva River is the Peter and Paul Fortress originally raised to defend the city against attack and subsequently converted into a prison. Guides dwell at length on the hardships inflicted upon generations of Russian revolutionaries who were incarcerated here in the era of the czars.

No reference is made, of course, to the horrors of the Stalinist labor camps, such as Vorkuta. Inmates were known to indulge in cannibalism and women prisoners begged to be made pregnant so that they could obtain a "motherhood remission" from their sentences. According to one estimate, a million victims perished at Vorkuta, which ranked in barbarity with Auschwitz and other pens of Nazi sadistry.

[From the Rochester (N.Y.) Democrat and Chronicle, Dec. 19, 1967]

Russia Revisited: "Some Dog House" Real Palace

(By Arthur J. May)

The Palace of Young Pioneers I visited has 360 rooms. Decades ago it was the home of the widow of Czar Alexander III and her four dogs. "Some dog house," someone was heard to remark wryly.

Now it is the neighborhood gathering place for youngsters from 6 to 16 years of age. "Are the children from homes with good incomes?" I inquired. And the indignant reply came back: "No, they come alike from families of Academicians (nearly the highest paid element in the land) and from homes of charwomen."

On a stairway are large pictures of Soviet worthies playing games with children. Lenin is portrayed studying a book and writing.

Some 2,000 children come to the Palace daily. A dozen were being taught how to play chess while a picture of Lenin playing chess gazed down. A club of young cosmonauts was being instructed in radio operation and parachute jumping.

Girls from 8 to 13 put on a demonstration of folk dancing with accordion music. On invitation, I joined in but I just could not get in step with the happy, energetic youngsters.

A matron assured me that the Glassboro, N.J., meeting of President Johnson and Premier Koskgin in June was reported in detail in the Soviet press and on TV screens. "We are doing our best for (North) Vietnam," she remarked later. "But there is a limit. We can't sacrifice more. We're doing a good deal, too, for India and the African countries.

"The Chinese? That is a very painful subject for us. The so-called 'cultural revolution' out there shows that the opposition to Mao—a pro-Russian element—is being suppressed. The Peking charge that the Soviet Union has abandoned Marx-Leninism is false. All Chinese students who were in Russia have been called home by their government," she said.

An evening at the ice circus was a memorable Leningrad diversion. The hall seats about 3,000 in 30 sharply rising tiers. An orchestra was in a balcony, high up at the rear. The performance was late in starting and patrons expressed their feelings by clapping in unison.

Trumpeters sounded off. An impassioned young orator declaimed as photographs of the revolutionary events of 1917 flashed on a screen. Men and women skaters presented fancy numbers on the ice rink with comic actors and diverting clowns mixed in.

Three big brown bears and a little cub put on a skating act. One washed clothes in a tub.

Between the acts, patrons wandered about in the foyer and smoked. I noticed that clothing and shoes were better than in 1955. Women do not wear much jewelry, few have necklaces. Wrist watches, however, were quite common. Not one person in 50 had spectacles.

Back at the show, women skaters performed in formal evening dresses, their male partners in white ties and tails. Girl gymnasts showed astonishing prowess on a rope high in the hall. Five brown bears played in a hockey game and the audience roared appreciation when a goal was scored.

"Better than Barnum and Bailey," I heard an American comment.

[From the Rochester (N.Y.) Democrat and Chronicle, Dec. 20, 1967]

Russia Revisited: Soviet Muscle in Red Square

(By Arthur J. May)

Nov. 7 in Moscow began cold and foggy. It was the day of the climax and crown of the 50th anniversary celebration of the Bolshevik Revolution. In the morning a monster parade passed through the vast Red Square before the most prominent Soviet personalities.

The parade was not scheduled to start until 10, but my wife and I at 7:20 took up positions at a street curb a couple hundred yards from Red Square and on a direct line from the Lenin Mausoleum. We brought along a stool on which to stand in order to take pictures. I sat on it while waiting.

Within half an hour a solid mass of humanity extended from the curbing back to the line of buildings. A Czech-speaking counterpart of Fatty Arbuckle pushed insistently against me on one side, while the pink-coated arm of a British woman tried to guillotine me on the other. It seemed as though every time anyone breathed the pressure was intensified.

By clapping my hands and wriggling my toes, I managed to conteract the cold. Luckily, the sun soon started to climb over the Kremlin and kept on climbing, making the day the warmest for that day in 90 years, it was reported.

Buildings all about were decorated with flags, banners, large '50s, and slogans in many languages. "Workers of the World Unite," was one. Portraits of Russian government and party leaders flanked larger pictures of Lenin.

Tanks and jeeps lined up in ordered columns in the Square in front of us. Smartly dressed detachments of soldiers marched in a Soviet version of the old Prussian goosestep.

An American loudly lamented that it was too cold and foggy to get good results with his Polaroid. Nevertheless, the pictures he took evoked murmurs of amazement from the Soviet police standing around.

The foremost leaders of world communism, I later learned, assembled in Red Square. But there were conspicuous absentees—China's Mao Tse-tung, Fidel Castro of Cuba, and President Ho Chi Minh of North Vietnam. Rumor had it that illness prevented the 77-year-old Ho from attending.

China completely boycotted the anniversary celebrations and Castro reportedly was at odds with Russian chiefs over guerilla warfare theories.

Marshal Tito of Yugoslavia appeared, though the Moscow press let it be known that his type of Communism was not as blood-red as it ought to be. The national chairman of the American Communist party, Henry Winston, and Gus Hall, the party secretary, led a delegation from the U.S.

Shortly before 10, figures could be detected moving about on the Lenin Mausoleum. As soon as the great bell on the Kremlin's Spasskaya Tower sounded the hour, the festivities got underway.

Loud speakers carried short talks delivered by men on the mausoleum. Soviet Defense Minister Andrei Grechko declared, "The fiftieth anniversary of the October (old style calendar) Revolution is a festive day for the world's working class . . . Imperialism and its main bulwark—the United States—are striving to check the course of mankind's development."

The colorful pageant ranged all the way from horse-drawn machine gun carts to a colossal missile hauled on an eight-wheeled tractor.

In the vanguard of the parade were men dressed as revolutionary commissars carrying famous banners of the Soviet army and cavalry troops in old Red uniforms. Armored cars bore placards reading "Death to Capital."

Parachutists wearing red berets and marines with blue ones were brigaded with contingents from other branches of the Soviet armed forces. Then came an arresting display of Soviet rocket and artillery weapons. Most of the missiles, it was said, were new or improved in design.

I was cramped by sitting so long on the stool and, in order to resist pressure on me, I stood up. Since I had on a tall Russian cap, I obscured the view of those behind me, and voices in 13 languages shouted what amounted to, "For heaven's sake, sit down."

I obeyed.

[From the Rochester (N.Y.) Democrat and Chronicle, Dec. 21, 1967]

RUSSIA REVISITED: FIREWORKS FINALE TO CELEBRATION

(By Arthur J. May)

Hour after hour, civilians paraded by lugging banners and transparencies recalling the 50-year-old Soviet record in industry, agriculture, living standards, scientific advances and education. Floats somberly recalled Soviet battles in World War II.

Masses of flowers, imitation branches of leaves, streamers, placards, balloons, enhanced the picturesqueness of the whole affair. Some groups sang or yelled as they moved along, but in general marchers and spectators impressed me as careworn—or perhaps solemn would be more accurate.

Police hauled off an inebriated youth, one of three I noticed all morning.

Sidewalk stands selling coffee, hot dogs, and chocolate bars did a brisk business. Portable toilets were provided and from one of them urine coursed down the pavement.

Surprisingly, several men engaged in a violent altercation with policemen, though what the issue was I could not puzzle out.

At nightfall, buildings along Red Square, the Kremlin, and ships anchored in the Moscow River were brilliantly illuminated. As though hanging from the sky itself, a massive representation of Lenin looked down upon the multitudes that gathered in Red Square and adjacent areas. They had their reward in the biggest (that's the way things are done in this big country) and most spectacular display of fireworks I have ever witnessed.

Then Muscovites, young, old, middle-aged trudged to their apartment dwellings.

Nov. 7, 1967, in Moscow was a day never to be forgotten.

What are called skyscrapers in "Stalinist baroque" architecture testify to the fondness of the late marshal for bigness and "grandomania." Seven of these lofty structures—two of them tourist hotels—loom up in any panoramic view of Moscow.

The most glittering Stalinist showpiece is the immense new university, raised on the Lenin (or Sparrow) Hills, above a bend in the Moscow River and well removed from the center of the city.

The university complex is crowned by a central edifice of 32 stories and admirably advertises the Soviet commitment to education. Laboratories, classrooms, and living quarters for faculty and students compare favorably with the best in Europe. The corridors, we were told, if laid end to end would cover 26 miles.

The taste for bigness in construction did not end with the passing of Marshal Stalin. A new Lenin Stadium for sporting events seats 103,000, and the Hotel Rossiya, now being pushed to completion, will accommodate 6,000 guests. Tall structures in which glass is extensively used are going up. An enormous building will house the Council for Mutual Economic Assistance (Comecon), which aims to integrate the economies of the Soviet Union and the other Communist states of Europe.

The huge residential blocks and factories, schools, welfare and recreational structures thrown up quickly after World War II have a bleak, barrack-like appearance. Many look shabby and are poorly maintained.

That is true, too, for the unprepossessing United States Embassy. Soviet soldiers are on duty at the portal. When I tried to close the door on the rickety elevator, pieces of the frame fell into my hand. Offices resemble rabbit warrens. The room holding the telephone exchange is scarcely larger than a hen coop.

The American personnel in this extremely important and highly sensitive diplomatic post are grossly inadequate. Housing is one explanation for the deplorable situation. While a few of the officers live in the Embassy itself, most of them have quarters in apartment houses shared with official representatives from other countries.

Moscow authorities are reluctant to allocate more living space to Americans than to Czechoslovaks, say.

The Soviet diplomatic delegation in Washington equals our corps in Moscow in size, but the Russians also take along cooks and maids which the Americans do not.

Another handicap is the shortage of qualified Americans with first-class facility in the Russian language. The officers with whom I talked impressed me as knowledgeable and thoroughly competent.

It was reassuring to learn that the Embassy feel that American press correspondents stationed in Moscow furnish their readers with balanced and comprehensive information on what is happening inside the Soviet Union.

[From the Rochester(N.Y.) Democrat and Chronicle, Dec. 22, 1967]

RUSSIA REVISITED: SUPPLIES AMPLE, BUT PRICES HIGH

(By Arthur J. May)

Consumer goods supplies in Moscow were substantially increased for the Golden Jubilee celebration. Stores were thronged with eager customers. Some of the prices I noted on Gorky Street, the leading shopping thoroughfare, were: Sausage, $1 a pound; coarse-grained beef, 50 cents a pound; wool socks, $2 to $3.50; opera pumps, $33 to $44; low, felt-lined boots for women, $33 to $70.

Men's suits were priced from $66.65 to $162.80. The wages of a skilled Muscovite artisan range from $100 to $110 a month.

A typical day's menu for the tours read this way:

Breakfast (thankfully not of the meager Continental variety): Yogurt (for those who relish that beverage), wheat cereal, a boiled egg, rolls or excellent bread, a generous serving of butter, and coffee.

At mid-day: Tomato salad, thick borsch, a very large perch, boiled potatoes, bread and butter and an orange.

Evening: A pleasing portion of black caviar, sausage and whipped potatoes, bread and butter, a sweet roll with slices of apple deftly tucked inside and tea.

Two other Americans and I engaged a taxi to take us to an entertainment center. The light over the cab meter was dim, and the charge kept mounting ominously. We checked our resources to see whether we had enough rubles to pay for the trip. When we reached our destination the meter read 10 rubles, 20 kopecks—or about $11.25. We were aghast, though our mood changed radically when the driver let us know that the cost was only one ruble and two kopecks, about $1.20—not bad at all for half an hour's journey.

Tourists, native and foreign, trooped in great numbers to the Moscow Exhibition of Economic Achievement.

On the way, I saw many one or two-story weather-beaten hovels in a Moscow slum district. Yet even here not a scrap of paper littered the sidewalks. Men and women sweepers with long brooms made of brush keep streets and pavements immaculately clean.

Close by the Exhibition Hall is a glistening metal shaft extolling the Soviet achievement in space science.

Inside the park each of the 15 republics in the U.S.S.R. has a pavilion for display of its agricultural and industrial productions.

Spotted about the grounds are motor vehicles, helicopters among them, various types of airplanes, railway rolling stock, and replicas of Sputniks and space rockets which attracted far the largest crowd of onlookers.

An agricultural section contains a carefully tended apple orchard. There is a big statue of an ear of corn. Can this be a silent tribute to that forgotten man, Nikita Khrushchev, the most vocal sponsor of expansion in Soviet corn production?

The charming Intourist guide confessed that as a city girl she knew little about farming, although she was aware that loaves of bread did not grow on trees.

[From the Rochester (N.Y.) Democrat and Chronicle, Dec. 25, 1967]

RUSSIA REVISITED: NIGHT AT BALLET ONE OF PLEASURE

(By Arthur J. May)

My stay in Moscow would not have been complete had I not had an evening at the world famous Bolshoi Theater ballet. The theater itself, though old, has been renovated into a glittering palace suggestive of the great Opera House in Vienna.

The performance attracted a capacity patronage of 2,500. First came an exquisite classical dance in three parts. Uncanny precision of movement matched the radiant emotionalism of the entourage.

The supreme presentation was "Don Quixote," featuring the 25-year-old ballerina, Yekaterina Maximova, a pupil of the immortal Galina Ulanova, and regarded as the finest dancer of her generation. Regal grace complemented her physical beauty.

The story revolves around competition for the affections of the wonderful ballerina with the great Vasiliev winning out. At one point a donkey and a horse appear on the stage. Attractive stage settings and colorful Spanish costumes added to the gayety of the ballet.

Thunderous applause broke loose when the curtain fell. Bunches of flowers were tossed on the stage as the dancers responded to curtain call after curtain call. The final offering was an odd, light-hearted little ballet, titled "Geology," in the avant garde category and danced without particular zest or distinction. Communist dancers, you discover, are no different from capitalist dancers.

On another occasion, I watched the superb Maya Plisetkaya in a shortened version of "Swan Lake." Holder of the Lenin Prize Laureate Badge, the highest Soviet award for artistic eminence, this older ballerina (though you would never guess she is 42), will retire soon and probably devote herself to teaching.

One of the secrets (if indeed it is that) of the global renown of Moscow ballet is the choreographic training commenced at the age of 9 or 10 at the Bolshoi Theater School. Applicants are rigorously screened and, if accepted, taught the fundamentals and the dazzling techniques of the highly cultivated ballet art of former stage celebrities.

In the box with me at the Bolshoi Theater was a young soldier from the provinces spending his first night in Moscow. Before entering military service he was a factory worker. How many youths of other countries with his background, I wondered, would have picked the ballet—even the Bolshoi—for an evening's entertainment. When I offered him a bar of chocolate, he declined at first, placing his right hand over his heart, a characteristic Russian gesture of gratitude. A little later he accepted the candy, withdrew from his seat, and returned with a large bottle of lemonade for me!

Not far from Red Square is the huge (how often that word or a similar one must be written about things Russian) Lenin Museum. It is filled with pictures of Lenin, the civilian and military clothes he wore, a replica of his book-lined study, a Rolls-Royce in which he had ridden, and volumes of his writings translated into 110 languages.

A documentary film recalls major events in Lenin's revolutionary career and reproduces excerpts from his speeches. On the platform, he was extraordinarily dynamic, spoke in sharp staccato sentences, and gestured vigorouly—all calculated to sway masses of men. A complete tour of the Museum would take two hours of steady walking.

"Why is there nothing here about Leon Trotsky?"—second only to Lenin himself in the Bolshevik saga—I asked, all innocence and guile. "I don't know," the guide responded blandly, but after a bit of reflection added, "Trotsky disagreed with many of Lenin's policies. He did not want peace." And that was that.

Dr. Robert R. Spitzer

HON. HENRY C. SCHADEBERG

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. SCHADEBERG. Mr. Speaker, on January 18 Dr. Robert R. Spitzer, of my hometown of Burlington, Wis., was honored as the Milwaukee sales and marketing executive of the year. The sales and marketing executives of Milwaukee bestowed the honor which was well deserved.

It has been my pleasure to be a good friend of Bob Spitzer for many years, and I am gratified that he has been singled out for an award which further points out his outstanding record as the chief executive officer of the Murphy Products Co., of Burlington.

I include the sales and marketing executives' brief writeup of the accomplishments of Bob Spitzer in the RECORD at this point, as follows:

Dr. Spitzer and the Murphy Products Company have had an outstandingly successful year of increased sales and earnings following a series of successful years plus an outstanding personal contribution on the part of Dr. Spitzer to his company, his industry, his university, his community, state and the nation.

Sales of the Murphy Products Company have increased 12.6% in the fiscal year ending 1967 vs. 1966 with a 52.3% increase in income. The average percent increase in income during the last three years was 26.8%.

The Murphy Products Company is a leading manufacturer in animal and poultry feeds.

Dr. Spitzer is a native of Wisconsin, born in Waukesha County. He is a graduate of the University of Wisconsin and received his Master of Science degree and his Phd. award in animal nutrition—all from the University of Wisconsin. He came to the Murphy Products Company as Director of Research but has made his main contribution in developing a sales organization of young men that were born and raised on a farm, who understood the problems and the opportunities in animal agriculture and serving the farmer-businessman of today.

Dr. Spitzer conducts his own sales meetings with his sales force, with dealers and consumer groups. He becomes the salesman for his company handling major new accounts.

He recently developed a special account involving a duck operation feeding in excess of 200,000 ducks for market annually. Murphy Products will furnish the feed for the Sentry Food stores recently announced egg factory which will house 180,000 hens, producing almost 10,000 dozen of eggs daily.

The Sales & Marketing Executives—International are very much interested in developing agri-business and will be very pleased with the accomplishments of Dr. Spitzer and the Murphy Products Company. Agri-business also happens to be the No. 1 contributor to Wisconsin economy.

Bob Spitzer is currently the President of the American Feed Manufacturers Association. He is also a past president of the University of Wisconsin International Alumni Association. He has found time to appear before 600 audiences and 1,000,000 people on Americanism. Following his tour of Russia as a representative of the United States Department of Agriculture, his talks became so popular that he produced a film of his message that was distributed to those organizations at which he was unable to make personal speaking appearances. For this film he received the Freedom Foundation Award. He has appeared before major marketing and university audiences on such topics as "Freedom—Mightier Than Missiles" and "Let's Keep Our Stake in Tomorrow."

Dr. Spitzer has also found time to serve his local community as President of the Rotary; Deacon of his church; President of the local hospital; he is active in fund raising and organization work in the political party of his choice. He is currently serving on the Governor's Economic Development Committee.

The "Pueblo" Incident

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 30, 1968

Mr. THURMOND. Mr. President, the American people have been patiently waiting for an indication of the kind of action that the United States is going to take to avenge the seizure of the U.S.S. *Pueblo* by the North Koreans. As an indication of the reaction from the State of South Carolina, I bring to the attention of Senators three editorials published in newspapers in that State.

The first is from the Columbia Record, Columbia, S.C., which carries in its January 25, 1968, edition a short editorial entitled "Rescue the *Pueblo*." The second editorial appears in the Spartanburg Herald of January 26, and is entitled "The World Knows the United States Must Act on Seizure." The third editorial appears in the State newspaper, Columbia, S.C., of January 25, and is entitled "The Winning of Wars." In all of these editorials it is very evident that the public—at least the South Carolina public—is angry and humiliated and demands prompt, firm action.

I ask unanimous consent that the editorials be printed in the Extensions of Remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Columbia (S.C.) Record, Jan. 25, 1968]

RESCUE THE "PUEBLO"

North Korea appeared to be testing the resolve as well as the patience of the United States when it hijacked the U.S. Navy intelligence ship, the Pueblo, off the Communist country's coast.

If it is definitely confirmed that the ship was in international and not territorial waters when it was attacked and seized, the United States should go as far as invasion if necessary to recapture the vessel and rescue its crew.

Quick negotiations should be attempted, but if the Communists are adamant or defiant, stern action must be taken to avoid a rash of other incidents which challenge American sovereignty and the will to protect our forces on the high seas.

[From the Spartanburg (S.C.) Herald, Jan. 26, 1968]

THE WORLD KNOWS THE UNITED STATES MUST ACT ON SEIZURE

The American people will stand solidly behind firm and prompt action to meet the new crisis in Korea.

Every diplomat and every government leader in the world knows that the United States simply cannot condone the seizure of its ship and men.

Nations are very much like people. They are composed of human beings and their affairs are conducted by human beings.

They react to the same kind of pressures, emotions and stimuli as ordinary people—though on a much more crucial level.

North Korea, in this instance, is acting the part of a little bully trying to intimidate a big guy who would much prefer to avoid conflict. Obviously, the big guy can't let him get away with the bullying, because that would only incur more serious bullying.

Thus, to avoid a major brawl, the big guy must let the bully know, in no uncertain terms, that his intimidation will not be allowed.

This is the attitude the United States must take toward North Korea.

We are obligated, of course, to follow the path that achieves the purpose with the least hazard of military war. But that path must include the determination to use military force if necessary.

President Johnson's call-up of Air Force and Navy reserves is a loud and clear message to that point. Its meaning should be unmistakable in North Korea, the Kremlin, and Peiping.

[From the Columbia (S.C.) State, Jan. 25, 1968]

THE WINNING OF WARS

The caldron that is Korea has come to a boil again, this time to such intensity that it well might rekindle armed action by the United States against the "People's Republic" of North Korea.

With a Communist temerity fostered by United States' and United Nations' timidity, the North Koreans have seized an American naval vessel, taken it into the port of Wonsan, and captured its crew of 83 officers and men, some of whom are reported to have been killed or wounded. All accounts thus far indicate that the USS Pueblo was confronted by armed North Korean patrol boats in international waters of the Sea of Japan.

This latest and gravest incident in the continuing struggle to contain the spread of Communist aggression from North Korea came within hours after a large band of North Korean guerrillas had been thwarted in a determined effort to assassinate President Park of South Korea and disrupt his government at Seoul.

The motives behind these obviously calculated provocations are somewhat obscure at this point. But they make it all the plainer that the armed truce that has prevailed in tenuous fashion since 1953 did not end North Korea's determination to conquer and communize all of Korea.

But if we are puzzled over the Communist motives of the moment, we should be absolutely convinced of the futility of "negotiating" with the Communists on any other basis than that which is accompanied by a show of armed force and strong will.

We showed both force and will during the early 1950's when the United States, in company with a handful of other members of the United Nations, rallied to the defense of South Korea against the naked aggression from the north. But our will played out once the invaders had been driven out of South Korea and we bogged down at Panmunjom in interminable and inconclusive negotiations which now have been going on for almost 15 years.

We never really won the Korean war and we are now paying the price of compromise and appeasement.

We are seeing latter-day vindication of the words imbedded in American military history by that soldier-statesman, the late General of the Army Douglas MacArthur. After being relieved (by President Harry Truman) of command of the United Nations' force in Korea because of his efforts to win the war, MacArthur gave to Congress the essence of his military philosophy in this imperishable declaration:

"I know war as few other men now living know it, and nothing to me is more revolting . . .

"But once war is forced upon us, there is no other alternative than to apply every available means to bring it to a swift end. War's very object is victory, not prolonged indecision.

"In war there is no substitute for victory."

Had we achieved a true victory in Korea in the 1950's, we would not today be teetering on the brink of further conflict in that strife-torn land. Nor, in our judgment, would we be bleeding in manpower and resources in the "prolonged indecision" of Vietnam.

The course of history and the cause of peace hinge—not on war—but on victory.

The Late Dr. Bob Jones, Sr., Founder of Bob Jones University

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 30, 1968

Mr. THURMOND. Mr. President, on Tuesday, January 16, 1968, my State and the Nation lost the services and leadership of a great citizen; Dr. Bob Jones, Sr., passed away in Greenville, S.C., at the age of 84. Dr. Jones, the founder of Bob Jones University, was a renowned educator, author, editor, and friend to thousands.

An internationally known evangelist whose ministry extended over more than 70 years, Dr. Jones began to preach and conduct revival meetings in the country when he was just 13 years of age and was licensed to preach at the age of 15. He held evangelistic meetings in practically every State in the Union and a number of foreign lands and consistently drew some of the largest crowds of any minister of the Gospel in the 20th century.

Dr. Jones was editor and publisher of the Fellowship News, a national religious weekly. He wrote a syndicated column entitled "Comments on Here and Hereafter," published in a large number of American newspapers, and was the author of a number of books.

He founded Bob Jones University because of a need that existed for a truly Christian university, one which not only taught but also exemplified the traditional Christian beliefs. It was during my tenure as Governor of South Carolina that Bob Jones University moved to Greenville. In subsequent years, as a member of the board of trustees, I came to know the genuine nature of Dr. Bob Jones. The university he founded has experienced amazing growth, and today is the largest fundamental Christian school in the world with an annual enrollment of nearly 4,000. Bob Jones University instills in its students high ideals and Christian principles and endeavors to graduate patriotic citizens, who not only "know how to make a living but know how to live." This school stands as a living memorial of Dr. Jones' dedication to the cause of fundamental Christianity and fundamental Americanism.

In an editorial in the Greenville News, January 18, 1968, the editor said of Dr. Jones:

> He didn't stop preaching until a short time ago and as a preacher he was, indeed, a warrior. "Dr. Bob" was a man of unshakable fundamentalist belief, a born conservative, and a fighter by nature. In the defense and extension of his beliefs and in his efforts to achieve his firm purposes he was indomitable and uncompromising.

The Greenville Piedmont editorial of January 19, 1968, said:

> Extensive national reporting of his death indicates a prestige which may not have been fully recognized in Greenville because of close association.
>
> He was, however, a notable personality who drew attention to Bob Jones University and Greenville as he traveled the world to continue preaching to the last his conservative brand of evangelism.

In a tribute to his father, Dr. Bob Jones, Jr., said:

> Some say that it is only human to be inconsistent; but my father, who was of all men most human in his sympathies and understanding of man's weakness, was the most consistent man I ever knew. In private as in public, he never turned for a moment aside from the principles by which his actions were shaped or departed in his own living from the convictions which fired his public statements and molded the lives of other thousands who sat under his ministry.

Mr. President, my association with Dr. Jones and the school he founded has been inspiring and rewarding. I now pay well-deserved tribute to him; he was a man of character and a man of God. I ask unanimous consent that the tribute by Dr. Bob Jones, Jr., and a number of editorials and articles about Dr. Bob Jones, Sr., be printed in the Extensions of Remarks.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

[From the Greenville (S.C.) News, Jan. 17, 1968]

DR. BOB JONES, SR., DEAD AT AGE 84

Dr. Bob Jones Sr., founder of Bob Jones University and internationally known fundamentalist evangelist, died yesterday in the university hospital where the infirmities of old age had held him for the past two years. His condition had worsened two weeks ago.

The 84-year-old patriarch, in his last interview, on his 81st birthday, declared his greatest achievement had been the founding of the school, now in its 41st year, to provide an opportunity for a college education without "shaking the faith of the students."

The school has had an amazing growth and today is the largest fundamental Christian school in the world with an annual enrollment of nearly 4,000. And it is known around the world as a leading center of fundamentalism—remaining true to the founding principles in every respect.

Almost equally famous are his contributions in evangelism. It was said on his 50th anniversary in the ministry that he had preached to more people face to face than any other living person. He finally preached for more than 70 years, having begun to hold revival meetings at the age of 13. He was formally licensed to preach in the Methodist Church before he was 15.

Last rites for the university's founder will be at 3 p.m. today in Rodeheaver Auditorium with burial to be in front of the auditorium.

The body will lie in state from 9 a.m. to noon today in the War Memorial Chapel with university ministerial students to serve as honor guards.

Classes for the university and for Bob Jones Academy will be suspended after 11 a.m. for the remainder of the day.

The services will include an obituary and challenge written by his son, Dr. Bob Jones, Jr., BJU's president, and read by Dr. Edward Panosian, chairman of the division of church history. There will also be an excerpt from a transcribed message by the university's founder.

The services will open with the university choir singing "Jesus, Saviour, Pilot Me," followed by a scriptural reading by Dr. Gilbert Stenholm, director of extension and ministerial training. "Amazing Grace" will be sung by the congregation and Dr. Marvin Lewis, director of religious activities will offer the prayer.

The university choir will be heard in the "Hallelujah Chorus" and also "The Sands of Time." James Ryerson, manager of WMUU and WMUU-FM will sing "Christ Is All." Karl Stahl will be the organist; James Conley, band director; and Dwight Gustafson, the choir director.

The graveside services will open with a medley of hymns by the university band with Dr. Marshall Neal, dean of the school of religion to perform the committal. Jeffrey Darnell, president of the Student Ministerial Association, will give the benediction.

Pallbearers will be members of the executive committee of the university's board of trustees, including Dr. Charles Bishop, Bainbridge, Ga.; Dr. Horace F. Dean, Havertown, Pa.; Dr. Otis Holmes, Portsmouth, Ohio; Dr. Parker, Chattanooga, Tenn.; and Dr. R. K. Johnson, Greenville.

Also serving as pallbearers will be Sen. Strom Thurmond, representing South Carolina; George Grant, former congressman, representing Dr. Jones' home state of Alabama; Dr. James D. Edwards, dean of administration, representing the alumni; and George Thornton, president of the university student body, representing the students.

Honorary pallbearers will include all of the male faculty and staff members who have been employed by the university for 20 years or more: Ralph D. Clough, C. W. Gibson, G. G. Jackson, W. C. Kintigh, John Ludwig, H. E. McQueen, Marshall Neal, Robert Pratt, Harold Root, James Ryerson, Samuel Scroggs and Roy E. Waite.

The Mackey Funeral Home is in charge of arrangements.

Surviving in addition to Dr. Bob Jones Jr., are his wife, Mrs. Mary Gaston Stollenwerck Jones; three grandchildren, Dr. Bob Jones III, BJU vice president, Jon Jones, captain in the U.S. Army stationed at Ft. Benning, Ga., and Mrs. Gerald Jordon (Joy) of Columbus, Ind., and two great-grandchildren, Bob Jones IV and Roxanne.

Born Oct. 30, 1883, in Dale County, Ala., he was christened Robert Reynold Jones, and his boyhood home was a small farm near Dothan in the southeastern corner of the state. A neighbor once recalled that young Bob used to practice his sermons while plowing his father's fields as he began a career that was to carry him around the world in evangelistic campaigns.

After spotty schooling in his early years, he later attended a Christian high school and Southern University in Greensboro, Ala., serving as pastor of several small churches and conducting evangelistic services to pay his way through school.

After campaigning for Christ for many years, he felt the need for a Christian college that held "to old-time religion." Thus, Sept. 12, 1927, the Bob Jones College opened at College Point (now Panama City), Fla., with 135 students.

In the depression era, it moved to Cleveland, Tenn., and when it outgrew its site there moved to Greenville in 1947, where it was dedicated on Thanksgiving Day.

Dr. Bob Jones Sr. resigned as president in 1947 but held the board chairmanship until 1964 when he turned that, too, over to his son, Dr. Bob Jones Jr.

Dr. Jones was the founder of the Gospel Fellowship Association and of the Young People's Fellowship Club movement. He was editor of the weekly devotional paper, "Fellowship News," author of a number of books, a national syndicated newspaper columnist and carried the Gospel message still wider by film and radio.

His death takes the last of the old-time evangelists from the world—he was a contemporary of Billy Sunday. But Dr. Bob Jones' "boys" have gone out from the university to preach in nearly every state and in 90 countries around the world.

[From the Greenville (S.C.) Piedmont, Jan. 16, 1968]

DR. BOB JONES, SR., DIES AT AGE 84

Fundamentally Christianity has lost one of its most militant leaders. Dr. Bob Jones Sr.—internationally known evangelist and founder of Bob Jones University here—died this morning at the University hospital after several years of declining health. The 84-year-old minister was the last of the "old-time"evangelists.

Dr. Jones considered his greatest contribution to the cause of Christianity the founding of the school which bears his name. Now in its 41st year, it is the largest fundamental Christian school in the world, with an annual enrollment of almost 4,000.

He has been vocal in the fundamental-liberal issue in the Christian ranks and opposed what he considered compromise in present-day evangelism, in which evangelists work under the sponsorship of liberal ministers.

Born Oct. 30, 1883, in Dale County, Ala., Dr. Jones' home was a small farm at Brannan Stand, near Dothan. He was the 11th of 12 children born to William Alexander and Georgia Creel Jones.

The educator-evangelist has preached for more than 70 years, having begun to hold revival meetings at the age of 13, preach in the Methodist Church before he was 15.

Dr. Jones' evangelistic crusades drew unusually large crowds, and it was said on his 50th anniversary in the ministry that he had preached to more people face to face than any other living person. In 1957 the Montgomery, Ala., "Advertiser" published its 125th anniversary edition and characterized the Bob Jones campaign in his adopted home town as "the outstanding religious event in 125 years."

Bob Jones University came into being as a direct result of Dr. Jones' experiences as an evangelist. He had met many young people whose faith had been shaken in colleges that claimed to be Christian. He felt that God wanted him to start a Christian college that would adhere to the "old-time religion." The school has had a phenomenal growth and is known around the world as the leading center of fundamentalism.

Dr. Jones served as chairman of the university's Board of Trustees until his retirement in 1964. He was succeeded as chairman by his son, Dr. Bob Jones Jr., the university president.

Many schools have departed from the purposes and positions of their founders; however, according to university officials, the school has remained true to the purposes and intent of its founder. Dr. Jones tried to make every possible preparation in the school's by-laws to keep BJU true to the principles on which it was founded and true to the word of God.

Dr. Jones also was founder of the Gospel Fellowship Association; founder of the Young People's Fellowship Club movement; editor of the weekly devotional paper, "Fellowship News"; author of a number of books; national syndicated newspaper columnist; and preacher of the Gospel through radio and films.

He was the only living person selected for the "Christian Hall of Fame" which opened in Canton, Ohio, in 1966.

Dr. Jones is survived by his wife, Mary Gaston Stollenwerck Jones; a son, Dr. Bob Jones Jr., BJU president; three grandchildren, Dr. Bob Jones III, BJU vice president, Jon Jones, captain in the U.S. Army stationed at Fort Benning, Ga., and Mrs. Gerald Jordan (Joy) of Columbus, Ind.

Funeral services will be held on the university campus Wednesday at 3 p.m. The family has requested that in lieu of flowers contributions be made to the University Hospital Fund.

Pallbearers will be members of the Executive Committee of the Board of Trustees, including Dr. Charles Bishop, Bainbridge, Ga.; Dr. Horace F. Dean, Havertown, Pa.; Dr. Otis Holmes, Portsmouth, Ohio; Dr. Monroe Parker, Chattanooga, Tenn.; and Dr. R. K. Johnson, Greenville.

Also serving as pallbearers will be Sen. Strom Thurmond, representing South Carolina; George Grant, former congressman representing Dr. Jones' home state of Alabama; Dr. James D. Edwards, dean of administration, representing the faculty; Dr. Fred Afman, president of the University Alumni Association, representing the alumni; and George Thornton, president of the university student body, representing the students.

Honorary pallbearers will include all of the men faculty and staff members who have been employed by the university for 20 years or more. These are Ralph D. Clough, C. W. Gibson, G. G. Jackson, W. C. Kintigh, John Ludwig, H. E. McQueen, Marshall Neal, Robert Pratt, Harold Root, James Ryerson, Samuel Scroggs and Roy E. Waite.

The body will lie in state from 2 until 10 p.m. today and from 9 a.m. until noon on Wednesday in the War Memorial Chapel on the campus. University ministerial students will serve as honor guards while the body is in state in the chapel. Interment will be on the campus.

Classes for the university and academy will be held until 11 a.m. on Wednesday. All remaining classes will be suspended for the day.

Mayor David G. Traxler said, "Dr. Bob Jones Sr.'s death was a great loss to the community and to the university which he founded and brought up to its very modern standard."

[From the Columbia (S.C.) State, Jan. 17, 1968]

BOB JONES, SR., EVANGELIST, DEAD AT 84

GREENVILLE.—The founder of the university which bears his name, Dr. Bob Jones Sr., died here Tuesday morning after several years of declining health. He was 84.

Dr. Jones combined his educational leadership with an evangelism which covered the United States and extended into other countries.

He preached fundamentalist Christianity and at times engaged in conflict with evangelists he held to be more liberal in some aspects, including the Rev. Bill Graham.

But Dr. Jones regarded the founding and maintenance of Bob Jones University as his prime contribution to Christianity. He saw it grow to an institution of 4,000 students, to many of whom he referred as "my preacher boys."

Jones served as chairman of the board of the university until his retirement in 1964, when he was succeeded by his son, Dr. Bob Jones Jr., who is also president. The institution is one of the largest of its kind in the world. It was moved to Greenville from Cleveland, Tenn., in 1947. It was established in 1927

Primarily the evangelist, Jones said the idea of his school grew out of his experiences in evangelistic meetings. As his activity ranged over most of the United States and into other lands, he said he found many young people whose faith had been shaken in conventional colleges. He said he felt impelled to establish a college where the emphasis would be on the "old-time" religion.

Jones founded the Gospel Fellowship Assn. and the Young People's Fellowship Club movement. He was the editor of a weekly devotional newspaper, The Fellowship News; author of a number of books; wrote a nationally-syndicated column and preached on the radio and through films.

Jones's preaching extended over 70 years, he having begun to expound the gospel at the age of 13. As a minister, he was formally licensed in the Methodist Church.

Some regarded him as the leading evangelist of the period between the late Billy Sunday and the contemporary Billy Graham. His motivation, he once said, was to "get the Gospel to as many people as possible in the shortest time possible."

Born Oct. 30, 1883, in Dale County, Ala., Jones' home was a small farm at Brannon Stand, near Dothan, Ala. He was the eleventh of 12 children born to William Alexander and Georgia Creel Jones.

Funeral services will be held on the campus of Bob Jones University Wednesday at 3 p.m. The family has requested that any contributions which might be made go to the university hospital fund.

Surviving are his widow, Mrs. Mary Gaston Stollenwerck Jones; his son, three grandchildren and two great grandchildren.

[From the Columbia (S.C.) Record, Jan. 16, 1968]

DR. BOB JONES, SR., DIES IN GREENVILLE

GREENVILLE, S.C.—Dr. Bob Jones Sr., internationally known evangelist and founder of Bob Jones University at Greenville, died this morning after several years of declining health.

The 84-year-old minister was one of the last "old-time" evangelists.

Jones considered his greatest contribution to the cause of Christianity the founding of the school which bears his name.

It is in its 41st year as one of the largest fundamental Christian schools in the world with an enrollment of almost 4,000.

Jones has been vocal in the fundamental-vs.-liberal issue in the Christian ranks, and opposed what he considered compromise in present-day evangelism in which evangelists work under the sponsorship of liberal ministers.

Born Oct. 30, 1883, in Dale County, Ala., Jones' home was a small farm in Brannon Stand, near Dothan, Ala. He was the 11th of 12 children born to William Alexander and Georgia Creel Jones.

The educator-evangelist has preached for more than 70 years, having begun to hold revival meetings at the age of 13. He was formally licensed to preach in the Methodist Church before he was 15.

Dr. Jones' evangelistic crusades drew unusually large crowds and on the occasion of his 50th anniversary in the ministry it was said that he had preached to more people face-to-face than any other living man.

Bob Jones University came into being as a result of Jones' experiences as an evangelist. He said he had met many young people whose faith had been shaken in colleges that claimed to be Christian. He said he felt God wanted him to start a Christian college that would adhere to the "old-time religion."

Jones served as chairman of the university's board of trustees until his retirement in 1964. He was succeeded as chairman by his son, Dr. Bob Jones Jr., the university president.

Dr. Jones Sr. also was founder of the Gospel Fellowship Association; founder of the Young People's Fellowship Club movement; editor of the weekly devotional paper The Fellowship News; author of a number of books; national syndicated newspaper columnist; and preacher of the gospel through radio and films.

He was the only living person selected for "the Christian Hall of Fame," which opened in Canton, Ohio, in 1966.

He is survived by his wife, Mary Gaston Stollenwerck Jones; his son, three grandchildren, Dr. Bob Jones III, BJU vice president; Jon, captain in the U.S. Army stationed at Ft. Benning, Ga., and Mrs. Gerald Jordan (Joy) of Columbus, Ind., and two great grandchildren, Bob Jones IV and Roxanne Jones.

Funeral services will be held on the university campus Wednesday at 3 p.m. The family has requested that any contributions be made to the university hospital fund.

Dr. Jones moved the university from Cleveland, Tenn., to Greenville in 1947.

[From the Times and Democrat, Orangeburg, S.C., Jan. 17, 1968]

BOB JONES DIES, WAS KNOWN OVER WORLD AS EVANGELIST

GREENVILLE, S.C.—The founder of Bob Jones University, Bob Jones Sr., internationally known fundamentalist evangelist, died Tuesday at age 84 after several years of poor health.

Although he began preaching at 13 and was formally licensed to preach by the Methodist Church before he was 15, he considered the university he started his greatest contribution.

The native of Dale County, Ala., started the university that bears his name at Cleveland, Tenn., but moved it to Greenville in 1947. He retired as chairman of its board in 1964 to be succeeded by his son, Dr. Bob Jones Jr., president of the university.

Death came on the campus at the university hospital. Funeral services Wednesday will be on the campus at 3 p.m. The family has asked contributions to the university fund be made in place of sending flowers.

He was the 11th of 12 children born on a small farm at Brannon Stand near Dothan, Ala., Oct. 30, 1883 to William Alexander and Georgia Creel Jones.

His experiences as an evangelist led him to found the university that now is in its 41st year and has 4,000 students. He said many colleges seemed to shake Christian faith and he felt God wanted him to start a Christian college that would adhere to the "old-time religion."

He always stood in the forefront of the battle for fundamentalism against liberalized Christianity and was vocal in his opposition to evangelists who operated under the sponsorship of liberal ministers.

When the "Christian Hall of Fame" was opened in 1966 at Canton, Ohio, he was the only living person selected for inclusion. In addition to the college, he founded the Gospel Fellowship Association; the Young Peoples Fellowship Movement; edited the Fellowship News, weekly devotional paper; authored numerous books; had a nationally syndicated newspaper column; and preached over radio and on films.

Surviving are the widow, Mary Gaston Stollenwerck Jones; his son; three grandchildren, Dr. Bob Jones III, vice president of the university; Jon, a captain in the U.S. Army at Ft. Benning, Ga.; and Mrs. Gerald Jordan Joy of Columbus, Ind.

[From the Greenville (S.C.) News, Jan. 18, 1968]

DR. BOB JONES, SR.

On the day that Dr. Bob Jones, Sr., simply fell asleep after 84 years and a period of declining health, one who had worked with him and loved him most if not all of his adult life summed it up:

"There must have been great rejoicing in Heaven this morning when that old warrior arrived at the gates."

We are sure that sentence, spontaneous and affectionate, aptly sums up the feelings of Dr. Jones' countless friends and admirers, the thousands who had heard him preach and the many more who knew him only by his personal reputation and that of the University he founded and gave his name.

The death of Dr. Jones came as a shock to his family and friends, of course, but it was not unexpected. The atmosphere on the campus is not so much one of mourning as of remembering the extraordinary man as a powerful personality and of tribute to his long and fruitful career.

We were struck by the phrase, "old warrior," used by his longtime associate. In many ways it characterizes Dr. Jones' evangelical ministry which spanned almost exactly the biblically allotted three score years and ten.

So many times have we heard him refer to BJU ministerial students as "our preacher boys" that we suspect, somehow, the phrase stemmed from the fact that he was himself a "boy preacher," speaking from the pulpit at 13 and licensed to preach at 15.

He didn't stop preaching until a short time ago and as a preacher he was, indeed, a warrior. "Dr. Bob" was a man of unshakable fundamentalist beliefs, a born conservative and a fighter by nature. In the defense and extension of his beliefs and in his efforts to achieve his firm purposes he was indomitable and uncompromising.

Those two words applied to his relations with friend and foe alike, and such a man always has his foes. Those characteristics were hallmarks of his evangelistic career.

They were apparent in the founding and building of Bob Jones University. We believe he was the first to call it "the world's most unusual university," which without a doubt it is.

They are reflected, too, in the fact that his son and his grandson are following closely in his footsteps even while possessing, each in his own right, the individuality which is a part of the Bob Jones legacy.

It would be presumptuous for anyone to attempt to evaluate the life and career of this strong man. For, as long as Bob Jones University stands, as long as there is a Jones of his lineage engaged in evangelism, so long will that career extend.

[From the Washington (D.C.) Post, Jan. 17, 1968]

EVANGELIST BOB JONES DIES AT 84

GREENVILLE, S.C., January 16.—Mr. Bob Jones Sr., 84, a hell-fire and brimstone evangelist who preached his way to fame during the Billy Sunday era, died today at his "fortress of faith"—the fundamentalist university he founded to shield young Christians from liberal theology.

The cause of death was not disclosed. A spokesman at Bob Jones University said only that death came "after a long illness."

Dr. Jones, an Alabama farm boy who began denouncing Satan at the age of 7 with his father's mules as the only audience, considered the school as his greatest contribution to Christianity.

Known as "the world's most unusual university," he said it was established to "dispel the idea that is going around that if you have old-time religion, you have to have a greasy nose, dirty fingernails, baggy pants and that you must not shine your shoes."

Dr. Jones, who would make no compromise with "modernists" or watered-down Scripture, ran the school with an iron hand.

Drinking was strictly forbidden; sexually integrated groups were not permitted to use the gymnasium, swimming pool or tennis courts; Hollywood movies were forbidden, and boys and girls going to his school had to keep their bodies at least 6 inches apart.

Famed evangelist Billy Graham attended the school in 1936, but quit after a brief stay.

Dr. Jones officially launched his ministry at the age of 13, and at 40 figured he had preached 12,000 sermons to audiences totaling more than 15 million people.

His religious philosophy was, perhaps, best captured in the creed he wrote for BJU.

"I believe in the inspiration of the Bible, both the Old and New Testaments; the creation of man by the direct act of God; the Incarnation and Virgin Birth of our Lord and Savior, Jesus Christ . . ."

Dr. Jones, one of 12 children of Mr. and Mrs. William A. Jones, was born near Dothan, Ala. Though his parents were Methodists, he severed ties with organized religions in the 1930s in a dispute over "modernism" and from then on claimed ties with no denomination.

He began holding revivals in Alabama at 13, was licensed by the Methodist Church at 15, attended Southern University in Greensboro, Ala., in his early 20s and received an honorary doctorate from Muskingum College, New Concord, Ohio, at the age of 38.

Throughout his years, Dr. Jones was an ardent foe of liberalism in religious thought, both in his ministry and in syndicated newspaper and radio messages.

"I'm tired of leading boys and girls to Jesus Christ and then seeing them attend institutions which shake their faith," he remarked.

His school was first located near Panama City, Fla., later was moved to Cleveland, Tenn., and finally to Greenville in 1947 when it opened as Bob Jones University, "the world's most unusual university."

Today, the college is a mixture of modern architecture and old-time religion, which houses a multi-million dollar religious art collection and is centered, first and foremost, on religion.

A library sign said the University exists "to exalt the Lord Jesus Christ."

Dr. Jones leaves his wife, a son, Dr. Bob Jones Jr., who has succeeded his father as president of the University and three grandchildren.

[From the Augusta (Ga.) Chronicle, Jan. 17, 1968]

Evangelist Bob Jones, Sr., Dies in Greenville at 84

Greenville, S.C.—Bob Jones Sr., a famed Bible-pounding evangelist of the "old-time religion" who toured the nation and world as a contemporary of Billy Sunday during the evangelistic crusades of the 1920s, died here Tuesday. He was 84.

A militant defender of fundamental Christianity, Jones died at Bob Jones University, an institution he founded 40 years ago to shield students from anti-Christian teachings and liberal theology.

Jones launched his ministry in a brush arbor in Alabama at the age of 13 and, at 40, figured he had preached 12,000 sermons to audiences totaling more than 15 million people.

At ceremonies marking the 50th of his 70 years as a minister, it was said Jones had preached "face to face" to more people than any living man.

At the height of his preaching career, the six-foot, one-inch, broad-shouldered evangelist held audiences spellbound with a forceful, dramatic, yet homespun delivery of the old-time gospel.

His religious philosophy was, perhaps, best captured in the creed he wrote for the university he founded:

"I believe in the inspiration of the Bible, both the old and new testaments; and creation of man by the direct act of God; the incarnation and virgin birth of Our Lord and Savior Jesus Christ . . ."

Jones was born a Methodist, one of 12 children of Mr. and Mrs. William A. Jones, near Dothan, Ala., in 1883, but severed ties with organized religions in the 1930s in a dispute over "modernism". From then on he claimed ties with no denomination.

He began holding revivals in Alabama at 13, was licensed by the Methodist Church at 15, attended Southern University in Greensboro, Ala., in his early 20s and received an honorary doctorate from Muskingum College at the age of 38.

Throughout his years, Jones was an ardent foe of liberalism in religious thought, both in his ministry and in syndicated newspaper and radio messages.

It was his devotion to the "old-time" religion that led Jones 40 years ago to set about founding a college that would seek to protect the religious heritage of the students.

"I'm tired of leading boys and girls to Jesus Christ and then seeing them attend institutions which shake their faith," Jones remarked.

He told his wife, "I'm going to build a school that will dispel the idea that is going around that if you have old-time religion, you have to have a greasy nose, dirty fingernails, baggy pants and that you must not shine your shoes."

The college was first located near Panama City, Fla., later was moved to Cleveland, Tenn., and finally to Greenville in 1947 when it opened as Bob Jones University—"The World's Most Unusual University."

Today, the college is a mixture of modern architecture and old-time religion, which houses a multi-million dollar religious art collection and is centered, first and foremost, on religion.

A library sign said the university exists "to exalt the Lord Jesus Christ." The teaching of mathematics, science, literature, music, speech, art and all other subjects are incidental to this.

Jones was never a man to avoid a battle over the gospels and has been a critic of Bob Jones University's most famous student, evangelist Billy Graham, because of Graham's stray from fundamentalism.

A spokesman for Graham said associate evangelist T. W. Wilson will represent the Graham association at Jones' funeral Wednesday at 3 p.m. at the university.

Jones leaves his widow, a son, Dr. Bob Jones Jr., who has succeeded as president of the university, and three grandchildren.

[From the Greenville (S.C.) News, Jan. 18, 1968]

Dr. Bob Jones Buried on University Campus

(By Lucille B. Green)

Dr. Bob Jones Sr., who rose from a humble farm boyhood to international recognition as an evangelist and educator, was laid to rest yesterday on the campus of the great fundamentalist university he founded 41 years ago.

Greenvillians and alumni and friends from across the nation joined faculty and students in paying respect to the last of the oldtime evangelists, who won fame anew when he founded and nurtured the fundamentalist college now known as Bob Jones University.

More than 5,000 were present for the last rites for the fine old Christian patriarch who died Tuesday of the infirmities of age. And they followed the body from Rodeheaver auditorium, where the funeral was held to the area in front of the auditorium where the body was placed in its final resting place on a little island in a fountained pool.

The university band, standing on the Bridge of Nations, with the flags flying from the 25 countries represented by students now enrolled in the student body, played a medley of hymns. Dr. Marshall Neal, dean of the school of religion, gave the brief committal rites and Jeffrey Darnell, president of the Student Ministerial Association, offered the benediction.

EULOGY IS MOVING

The funeral service itself, in the auditorium, was relayed to other student gatherings by closed circuit television, since only 3,000 could be seated in the auditorium, and it captured the spirit of the militant fundamentalist—even carrying an excerpt from one of his transcribed messages, calling for "old-time Christian conviction."

Most memorable, most dramatic and most moving, however, was the eulogy written by his son, Dr. Bob Jones Jr., president of the university.

It began: "This should not be a day for weeping. This should be a time for rejoicing. This should not be moment of sorrow. This is an hour for gladness. A fight has been fought, a race has been won, a crown is laid up."

Drawing from shared moments "in the quiet of the home" as well as "the vigor of his great evangelistic campaigns," the son vividly pictured his father . . . of all men, most human in his sympathies and understanding of man's weakness . . . most consistent . . . in his convictions . . . in his principles.

"Stubborn he was on matters of principle, but never on lesser things like method and means."

Dr. Jones Jr. stressed his father's compassion, his understanding. "He was not a patient man—either with himself or others—but he was a long-suffering man.

. . ."His greatest weakness was his trustfulness of those who sometimes betrayed and failed him . . . At every other point he had amazing gifts of perception."

SON PAYS TRIBUTE

The sorrowing son paid tribute to his father's remarkable talents as an evangelist—his dynamic personality—"he was deeply spiritual . . . but intensely practical . . . a keen businessman. Character and integrity were the qualities he most admired."

And then the eulogy by Dr. Jones Jr. called for rededication to the university and its principles—"to stand unchanged and unchanging"—and asked all who might hear or read his words to so rededicate themselves to Jesus Christ as their saviour.

Typical of the triumphant joy that opened the eulogy, read by Dr. Edward Panosian, chairman of the department of church history, was closing of the formal service with the singing of the great "Hallelujah Chorus" of the university choir.

The venerable evangelist and educator died Tuesday at 84 after two years of failing health which had confined him to the campus hospital. But before that he had preached the Gospel message for 70 years in nearly every state in the union and had traveled from England and Europe to India, the Orient and Africa carrying his message of "the saving grace."

But it was the university and its thousands of graduates—so many of whom have gone forth to spread the message wider and wider—that he regarded as his greatest achievement. And it is in the heart of that campus that his mortal remains have been placed.

In addition to the many who came for the services yesterday, there have been literally hundreds of calls and telegrams from around the world—from alumni, friends, heads of institutions of higher learning and from political figures.

South Carolina's Sen. Strom Thurmond was among the pallbearers and declared, "South Carolina and our nation have lost one of its greatest citizens and educators in the death of your fine father," in a telegram to Dr. Jones Jr.

Other telegrams came from Gov. Robert McNair, former Alabama Gov. George Wallace, Georgia Gov. Lester Maddox, U.S. Sen. Frank Carlson of Kansas, and Representatives William Jennings Bryan Dorn and L. Mendel Rivers, both of South Carolina.

[From The Greenville (S.C.) News, Jan. 18, 1968]

South Carolina Assembly Pays Tribute to Dr. Jones

Columbia.—A resolution of sympathy to the family of Dr. Bob Jones Sr., founder of

Bob Jones University who died Tuesday, was adopted by the General Assembly.

The resolution pays tribute to Dr. Jones who was a world famous evangelist and founded the university now located in Greenville.

The university, the resolution said, "has added immensely to the educational, cultural and religious growth of this state and nation.

"The citizens of the State of South Carolina are deeply indebted to Dr. Jones for his godly example and for many personal contributions to the development and welfare of the state."

The concurrent resolution acted on in both the House and Senate was introduced by Reps. Fred A. Fuller Jr., Rex L. Carter, Charles Garrett and Beattie Huff of the Greenville Legislative Delegation.

[From the Greenville (S.C.) Piedmont, Jan. 19, 1968]

Dr. Jones' Consistency

There was one preeminent attribute of Dr. Bob Jones of the many good ones he had that never failed to impress those who came to know him. He was utterly and completely consistent. He was consistent in his beliefs, his principles, his thoughts, his way of life and his relations with the world.

His consistency was based on the Bible, and whenever he was challenged in any area, he fell back on the Bible to support his convictions.

Extensive national reporting of his death indicates a prestige which may not have been fully recognized in Greenville because of close association.

He was, however, a notable personality who drew attention to Bob Jones University and Greenville as he traveled the world to continue preaching to the last his conservative brand of evangelism.

There is no doubt he was controversial and intended to be. The world's most unusual university would not exist if he had not been so. What to others seemed controversy, though, was a way of life for Doctor Bob. To our knowledge he never retreated from a position and was willing to defend his opinions against all critics.

His adamant outlook on life was anathema to many liberals, particularly those adrift in a rapidly changing world often disillusioned with historical ethics.

What he leaves is a post, pleasing or displeasing, to which a philosophy can be tied firmly. His is a tough philosophy to follow.

[From the State, Columbia, S.C., Jan. 18, 1968]

Rugged Fundamentalist

He was in the tradition of Billy Sunday and other great evangelists who moved the masses with powerful, fervent preaching of "the old-time religion."

He was the peer of them all in his time and it is said that during his 70 years in the pulpit he preached to more people face-to-face than any other man of his day.

But, Dr. Bob Jones Sr. was not content to expound his heart-felt fundamentalist beliefs only from the pulpit. He wrote books and newspaper columns, and, to insure that his doctrine of conservative Christianity would survive in college education, he founded Bob Jones University 41 years ago. Twenty years later he moved his campus from Cleveland, Tennessee, to an attractive site on Greenville's eastern edge.

Today it is the largest private institution of higher learning in the state, with over 4,000 students. Not everyone in Greenville or South Carolina was or is pleased by the presence of the hard-line fundamentalist school, but it cannot be denied that Bob Jones U. has contributed to the cultural as well as the religious assets of the state.

There is much in modern education and modern theology that he refused to accept. He was a battler for his beliefs. His school, now under his son, Dr. Bob Jones Jr., refused to sign compliance forms with the Civil Rights Act but insisted it had a right to keep federal student loan funds under an unexpired 10-year contract. The university won at least a moral victory in its long face-down with the U.S. government over these funds.

Dr. Bob Jones had his foes as well as his friends, his detractors as well as his devotees, but none among them can deny that when, at the age of 84, he met his Maker face-to-face on Tuesday he stood four-square as a man of conviction—not compromise.

African Emerging Nations

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. RARICK. Mr. Speaker, outside influences at work in the several African nations continue to turn the clock back on civilization and humanity.

In the Congo, British, Australian and South African citizens in jail just disappear and are assumed murdered to appease racial firebrands.

In Nigeria, an estimated 50,000 citizens have been killed over the past 6 months leaving some 200,000 homeless refugees—mostly Ibo tribesmen—in a terror flight from the hatred of other tribesmen.

The one-man, one-vote philosophy has certainly not delivered democracy or security of person to these two countries. Should the leaders of our foreign policy in Africa not reconsider our internal commitments—if we are sincerely interested in helping the Africans achieve stable governments.

I include the report from the Evening Star for January 16 and the Star Johannesburg for January 12 to follow my comments, as follows:

[From the Washington (D.C.) Evening Star, Jan. 16, 1968]

Red Cross Foiled in Effort To Aid Nigeria War Victims

(By Andrew Borowiec)

Geneva.—African passions are preventing the International Committee of the Red Cross from helping the victims of the Nigerian civil war.

The Geneva-based organization, which has braved war theaters the world over to bring help, yesterday pathetically admitted its inadequacy in coping with the African mind.

The committee has been forced to cancel the flight of a chartered plane with seven tons of medical supplies and a 10-man team that was to fly to secessionist Biafra via the Spanish island of Fernando Po.

The rebels balked at the demand of the federal Nigerian government to inspect the cargo and subsequently the federal regime withdrew its agreement for the flight.

OTHER AIRLINES CAUTIOUS

The Balair Charter Co. working for the Red Cross is unwilling to defy the federal ban because its major stockholder provides commercial services to Nigeria. Other charter companies are unwilling to risk federal wrath—and possibly pursuit by its air force.

"We can only say that all this is regrettable," a Red Cross spokesman said. "But as long as the federal government objects, there will be no flight."

It was the second time in recent months that the Red Cross failed in its African operations.

Last fall, it was unable to evacuate some 120 white mercenaries who fled their Congolese stronghold of Bukavu to nearby Rwanda. The men are still camping in Rwanda because the neighboring countries refuse to grant permission for a Red Cross evacuation plane to fly over their territory.

"It seems that the Africans are still unaware of the mandate and aims of the Red Cross" an organization official said.

FOUR-MAN TEAM ISOLATED

The ban on the Nigerian flight has isolated a four-man Red Cross medical team at the Achi Hospital southwest of the devastated Biafran capital of Enugu. There is no way to replace the men or send them fresh supplies without federal agreement.

And the supplies are desperately needed in the swampland and jungle battlefield where the number of victims is growing in staggering proportions.

"Jeune Afrique," a French-language weekly for African consumption, estimates that some 50,000 people have died in the Nigerian war in the past six months.

"This is more than in Vietnam," the magazine said. "Rarely in history have men massacred as fiercely as in the conflict splitting Nigeria."

REBELS CONTINUE FIGHT

The seizure of the rebel capital of Enugu by federal forces has not broken the back of rebel resistance. Periodic federal announcements that secession is collapsing have not materialized so far.

Meanwhile, hundreds of thousands of homeless, sick people are wandering through the African bush and tall elephant grass, pursued by bullets and racial hatred.

The Red Cross estimates that at any given time there are some 200,000 refugees in the secessionist area, mostly Ibo tribesmen who fled from the north.

On occasion, the Red Cross says, the number of homeless has reached 2 million as entire towns and villages fled before troops zig-zagging through the area.

[From the Star Johannesburg, Jan. 12, 1968]

Soldier's Death: Congo Blamed

London.—Britain declared last night it held the Congolese Government responsible for the presumed death of a 22-year-old Briton who fought as a mercenary soldier in the Congo.

The man, Ian Graham Pahl, sentenced in Kinshasa 18 months ago to 12 years for armed robbery, was last seen by a British Consul in the middle of last year.

British sources said last night it was assumed he had been murdered, and so had Nicholas van Staden, a South African serving sentences for stealing a Congolese army plane.

The accusation about the death of the Briton was made officially after the Congolese Ambassador in London, Mr. Mario Cardoso, was called to the British Foreign Office.

REFUSED ENTRY

He had a 25-minute meeting with a junior Minister, Mr. William Rogers, Parliamentary Under Secretary for Foreign Affairs, and was told a statement presuming the death would be issued.

Though it was not mentioned in the statement, it is understood there is also concern about the Australian and the South African, for whom Britain had taken consular responsibility.

The Australian was Graham Larkin, 25, and the South African was Nicholas van Staden, 23. They were sentenced in 1965 to four-and-a-half years for stealing an aircraft.

The statement said the British Government had been gravely concerned for some months about Mr. Pahl's fate.

Last July, the British Consul in Kinshasa was refused entry to the prison where Pahl was held. Since then, representations for access had been renewed numerous times without result, it said.

WHAT NEXT?

In addition, Britain had received no satisfactory reply to inquiries about Mr. Pahl made in the Congolese capital, Kinshasa, and in London.

The statement added: "Her Majesty's Government have no alternative but to conclude that Mr. Pahl must be presumed dead. They hold the Congolese Government responsible for the fate of Mr. Pahl, and reserve all their rights in the matter."—Sapa-Reuter.

Seek Peace, but Beware of Traps

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 30, 1968

Mr. THURMOND. Mr. President, peace is the honorable goal of virtually all Americans. Yet if peace is to be of value to a war-weary world, it must consist of more than the mere cessation of armed hostilities. A so-called peace which encourages the aggressive tendencies of the Soviets, the Red Chinese or their revolutionist allies can only bring more war, more misery, and more deaths. Such a peace would simply postpone to another time and place the ravages of military conflict. In all probability, another time and place closer to the United States would be more accurate.

Another consideration in arranging peace must surely be the effect it will have on the people of South Vietnam. If we abandon these allies to the horrors of Ho Chi Minh, we will find in the future that allies to oppose Communist expansionism will be few and far between.

The Greenville News recently published an editorial entitled "Seek Peace, but Beware of Traps." This editorial urges a cautious approach to any negotiations. It urges consideration for the long-range interests of peace, not just immediate goals of little value in the long run.

Mr. President, I ask unanimous consent that this editorial be placed in the Extensions of Remarks of the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Greenville (S.C.) News]

SEEK PEACE, BUT BEWARE OF TRAPS

Peace in Vietnam—a just and secure peace—is, as it has been for many long months, the number one concern of the United States government.

—Only with the ending of war can the United States truly begin to evaluate the possibilities of a reasonably safe settlement of the issues between this country and the Soviet Union; and only then can anything like an approach be made to the more difficult problem of dealing with Red China.

—Only with the ending of war can this country deal effectively with its major domestic problems, which have been discussed many times.

Even beyond these two compelling reasons for arriving at a peace arrangement is one which stems from both—coming to grips with the worldwide problems of underdeveloped nations, exploding populations, racial and regional antagonisms and conflicting ideologies.

All of these are matters which require a peaceful atmosphere—or at least an absence of major warfare—if there is to be any hope for worldwide progress.

There are signs that this nation's major antagonists in the larger worldwide struggle may be blocking a Vietnam settlement in order to weaken this country and destroy its will to persevere. Meanwhile they obviously are extending their own strength elsewhere in the world, as the Soviet Union is doing now in the Mediterranean and Middle East, and Red China with its nuclear program and its threat to all of Asia.

If the latter is true, a Vietnam peace may be impossible.

In fact there is evidence that the Communist nations are escalating the Southeast Asian struggle by intensifying fighting in neighboring states.

Alarming reports of North Vietnamese and Pathet Lao progress against the neutral government in Laos; of stepped up terrorism in Thailand; of increased use of Cambodia as a sanctuary for Red forces fighting in South Vietnam, all of these argue against prospects for any sort of early settlement short of outright surrender or evacuation on the part of the Free World.

Then, too, there is the constant threat of subversion in Latin America, exported from Red Cuba. Recent terrorism in Guatemala is the latest in a long list of examples.

Despite all of these adverse factors, there is every reason for the United States and its allies in South Vietnam to explore cautiously the latest indications that North Vietnam and the Viet Cong may be ready to negotiate, although such hopes are certain to be slim.

The Red side has hinted vaguely and indirectly it will talk—if the United States ceases bombing North Vietnam. This has set off another round of clamor, in this country and abroad, for a bombing halt.

For some reason those shouting for a unilateral de-escalation by this country fail to even mention the possibility that North Vietnam should de-escalate by pulling troops out of action in both Vietnam and Laos and by ceasing to supply terrorist forces throughout Southeast Asia.

It is strange but true that the advocates of American concessions, but none from the other side, also constantly question the word and honor of the United States, as given in the formal statements of government officials. By the same token, they seem to accept at face value everything said—or even hinted at—by the other side, even in the face of "hard" evidence that good faith is lacking.

It is this sort of one-way reasoning, much of it by groups from which President Johnson once drew considerable support, which makes the President's task much more difficult. He literally is caught between the necessity to maintain American security and integrity abroad and increasingly violent and dangerous dissent at home, as well as around the world.

So far President Johnson has handled most admirably the latest tenuous hints of a possible slight bend in the Red position on Vietnam.

He has said, repeatedly, openly, clearly and unequivocally, that the United States will halt the bombardment, both air and naval of North Vietnam if the Reds only will show good faith by some sort of military de-escalation on their part and will participate in productive talks aimed at an early ceasefire throughout Vietnam.

This is a generous response and is the absolute maximum the President can offer without compromising American principles and prestige among nations depending upon this country for their security.

Even this offer disturbs South Vietnamese government officials, as was made clear in recent statements from Saigon. Well it might. A "settlement" in South Vietnam leading to an eventual Communist takeover would result in the exile of all who could flee the land and the torture and death of untold thousands unable to flee.

People in this country have to look no further than 90 miles to see what happened when the Red-controlled Castro took over Cuba. Who can forget the horrible bloodbath, pictured day after day in newspapers and on television immediately after Castro gained control? Who can forget the refugees who fled to this country and still live in exile from their homeland?

Cuba is no exception. The same brutal pattern has been followed in every nation overwhelmed by Red aggression. South Vietnam knows it will happen there, too, if a Communist takeover is permitted.

In the light of all the facts available President Johnson is well advised to proceed slowly and with great care in exploring the latest Red ploy. It may be only a trick designed to further inflame opinion all over the world, or to gain a bombing cessation which will permit another major build up of Red aggressive forces in South Vietnam.

Even if the administration gets some positive response from the Reds, it still must proceed with great caution. There are two great dangers involved in talks with the Communists.

—A repetition of the Korean "peace talk" debacle in which for two years the United States and its allies scaled down military operations while the Communists pressed ahead full steam. Thousands of Americans and others died while the Korean "talks" were under way. And still there is nothing but a ceasefire, often violated by the Reds, in Korea.

—Concessions which will put Communists and their agents in position to take over South Vietnam in a year or so. This country must insist upon absolute guarantees, backed by adequate control measures, to assure the freedom of South Vietnam. A neutral Vietnam would be acceptable, but not one modeled on the Laos "settlement" which has turned that nation into a red slaughterhouse.

At every step America must guard against a repetition of the Cuban mistake. That "settlement" in which the Soviet Union agreed to pull out offensive nuclear weapons at first appeared to be an American "victory" over the Reds. In the long run it turned out to be one of Nikita Khrushchev's proudest accomplishments—a Red Cuba, protected by an American agreement against any invasion and free to export terrorism and subversion to other Latin American countries.

The administration may be sorely tempted to reach a Vietnam settlement which, before the elections next November will look good to Americans, but which almost certainly would turn out to be another Cuba.

At this delicate stage—and for months to come—the President of the United States needs the active support of patriotic Americans in the most difficult task of persevering, with a combination of strength and patience, to guarantee a just and honorable cessation of the Southeast Asian hostilities.

Returning Service Veterans Have Talents We Should Be Using

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. DULSKI. Mr. Speaker, are we missing the boat in failing to make full use of the talents of our returning service veterans?

I believe we are.

Our fighting men and women receive

wonderful training in a variety of skills while they are serving our country. But when they leave the service, do we help them put those skills to good use in civilian life? Unfortunately, we do not.

In his recent state of the Union message, President Johnson said he will propose "legislation to encourage our returning veterans to devote themselves to careers in community service."

I do not know what the President will propose, but I look forward to his recommendations with keen interest.

An editorial on January 22, in the Buffalo, N.Y., Evening News very much expresses my sentiments on this matter of the returning veteran. The editorial follows:

Veterans Can Help

> One of the few fresh insights in President Johnson's State of the Union message was his brief recommendation for a new program "to encourage our returning veterans to devote themselves to careers in community service."
>
> Goodness knows, American communities—very much including Buffalo—require more trained and disciplined men in community service fields. We need more teachers, more policemen, more social workers. Most particularly American cities need Negro male talent and leadership in these fields. The veteran who already has or can get the training should be an ideal candidate to fill that need.
>
> The right kind of program could greatly benefit the veteran himself, too, who may feel upon separation from the military an uncertainty about what he wants or should do with his life. Skilled counseling, backed up with a listing of specific and available job openings in the man's home area or elsewhere, would immediately demonstrate for him both the nation's appreciation and opportunities.
>
> The time to re-orient direction and offer these opportunities couldn't be more appropriate, either, than when these thousands of veterans stream into a few well-structured separation centers from diverse points around the globe, and congregate there for a short period before scattering again into cities and towns across the country.
>
> So let us hope President Johnson will spell out some imaginative details on this promising proposal to Congress very soon. Skillfully implemented, such a program should assist both the communities that need the talented service and the young men who can provide it.

To what the Evening News editorial has said I can but add: "Amen."

In talking to leaders of veterans' organizations at the White House last November 15, President Johnson suggested that every effort be made to use veterans as teachers in our schools, particularly in our grade schools.

The President speaks with feeling on the need for teachers. A former teacher himself, the President told veterans' representatives that "when I leave here, that is directly where I am going—to the classroom."

As for using service veterans to teach in our grade schools, the President said:

> Here is the job that I want you to do for me. Here is the new battle ground where I think our Veterans belong. I want them not only to protect our freedom abroad—I want them to protect our freedom and our liberty right here in our cities.
>
> I want to find Veterans who want to teach. I want to give them the chance to teach these neglected children. They are teaching in Vietnam now.
>
> One of the things that I am most proud of is the compassion that our soldiers, particularly our Marines right up in the DMZ are showing for poor children—their health problems, their education problems. They fight all day and go at night to teach them. That is where I got this idea.
>
> Four and a half million Veterans have been discharged since Korea. In that 4½ million only 100,000 of them are teaching—67,000 Veterans are discharged every month and only 1500 teach. . . .
>
> I want to encourage more Veterans to teach. If they don't know how to teach now, I want to, with some of my Senators' and Congressmen's help, help them be taught how to teach themselves—and we want to teach them how to teach.
>
> These men and women have something rare, something unusual, and I think something wonderful to offer if they have served in our uniform. They can bring to the ghetto classrooms what few others can.
>
> They can bring there whatever children need—example, experience, integrity, honor, courage, faith, hope and love of country demonstrated by being there when they needed you.
>
> There are too many children who do not have a father or mother in the house. The men of Vietnam can show them what a man can be and what a real man is like—and what a man should be.
>
> I don't know anyone in the world who can show it better than the men who have worn the uniform in Vietnam or other places and come out.

South Carolinian of the Year

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 30, 1968

Mr. THURMOND. Mr. President, I would like to call to the attention of my colleagues a recent editorial which appeared in the Columbia Record, Columbia, S.C., January 23, 1968. The article tells about Mr. Ellis C. MacDougall, director of the South Carolina Department of Corrections, who was chosen as the South Carolinian of the Year for 1967 by WIS–TV.

Mr. MacDougall has distinguished himself and his State because of his nationwide recognition as an efficient and progressive director of institutions of correction.

In this editorial the editor said:

> Mr. MacDougall has revolutionized criminology in South Carolina. Among his other recognitions is his election as president designate of the American Correctional Association, the first time that a Southerner has received that honor in 20 years, and the first time in history that it has come to a South Carolinian.

Mr. President, I ask unanimous consent that this editorial appear in the Extensions of Remarks of the Congressional Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

South Carolinian of the Year

> Ellis C. MacDougall, director of the South Carolina Department of Corrections, was honored yesterday as the fifth annual South Carolinian-of-the-Year, for 1967.
>
> Others to receive the award sponsored by WIS television and radio station were Donald S. Russell, then Governor of South Carolina, 1963; the late Charles E. Daniel, building contractor and a principal promoter of the state's industrial boom, 1964; Gen. William C. Westmoreland, United States commander in Vietnam, 1965; and Dr. Thomas F. Jones, president of the University of South Carolina, 1966.
>
> Requirements for the South Carolinian-of-the-Year are that the recipient must distinguish himself in some way, enhance the image of South Carolina and contribute to the welfare of the state, nation or world.
>
> Mr. MacDougall was selected "because of his outstanding accomplishments in the realm of inmate rehabilitation and his progressive insights into the South Carolina Corrections System . . .
>
> "His establishment of 'prerelease' centers throughout the state and his emphasis on recidivism have brought South Carolina's rate of return to the state's correctional institutions to an all-time low of ten percent. This is the lowest in the nation, and well below the national average of 30 per cent."
>
> "In many parts of the world modern surgery through heart transplants is reclaiming human lives," said Carter C. Harwick, WIS general manager. "At Cape Kennedy, man once confined to the earth is claiming outer space for our future generations—and here in South Carolina one organization led and inspired by one man is reclaiming and salvaging men and women who have strayed from the moral and ethical values of society.
>
> "We are not talking about penitentiaries, nor walls nor prisons. We are talking about the correctional institutions, rehabilitation and men made useful with a productive future. Our honored guest has developed such ideas and concepts that have made South Carolina's correctional progress a model for the rest of the nation."
>
> Under the MacDougall system inmates are tested upon admittance to determine the cause of their crimes and how they can be best fitted for society after serving their sentences. When Mr. MacDougall found that 40 per cent of the inmates were illiterate and 94 per cent had no salable skills, he instituted a school program to wipe out functional illiteracy and to provide education and training so that upon release the inmates would be self-sustained assets, not threats to their communities. Plans have been developed to give psychiatric care to the large number of inmates who need it.
>
> One of Mr. MacDougall's aims is to organize a system of helping the families, who often suffer most while their errant kinsmen are being fed, housed, clothed and trained by the state. He believes that one way to prevent repetitive crime and distress is to maintain stable family relationships to which rehabilitated prisoners can return.
>
> Mr. MacDougall has revolutionized criminology in South Carolina. Among his other recognitions is his election as president designate of the American Correctional Association, the first time that a Southerner has received that honor in 20 years, and the first time in history that it has come to a South Carolinian.
>
> South Carolina glows in reflected pride in the accomplishments of the 1967 South Carolinian-of-the-Year.

Lament of a Soldier's Mother

HON. JOHN G. DOW

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. DOW. Mr. Speaker, a notion is widely held that once a family loses a son in Vietnam they are inevitably committed to going on with the conflict. I submit for the Record a very compelling expression by a widow who has lost a son in Vietnam, who yet believes the war in Vietnam is "criminal."

Mrs. Aurora Hodge Ruminski of Highland Mills, N.Y., says:

> I don't believe my son died in Vietnam for any good reason. I would feel differently about his death if this country were being attacked.

I salute Mrs. Ruminski, not altogether because she expresses a mother's deep sorrow at the loss of a son. Mainly I salute her because, for all her human emotion, she has a wiser judgment about the conflict in Vietnam than great statesmen in our land who persist in pursuing a will-o'-the-wisp that is costing us so much in Vietnam.

An article about Mrs. Ruminski and her son, Philip, slain in Vietnam, is taken from the Times Herald Record of Middletown, N.Y., January 15 issue. Philip Ruminski was a descendant of General Thaddeus Kosciusko, Polish patriot who served America in the American Revolution. The newspaper article follows:

HIS PROMISE WILL NEVER BEAR FRUIT

(By Chris Farlekas)

HIGHLAND MILLS.—"I don't believe my son died in Vietnam for any good reason. I would feel differently about his death if this country were being attacked. All I can think of now is that his promise will never bear fruit."

Sometime this week, the body of Philip Ruminski will be brought back to Highland Mills. After a Requiem Mass at St. Patrick's Church, the soldier will be buried in Hastings-On-Hudson.

The 21-year-old son of Mrs. Aurora Hodge Ruminski was in the Army a year before he was killed Jan. 7, as a result of multiple wounds from an exploding booby trap.

Sunday afternoon, surrounded by her son's paintings, Mrs. Ruminski talked of her son, the effect of his death, and the unfulfilled promise.

Several New York City art critics called his paintings "full of promise" and the New York Times critic John Canaday said "he has a major talent," when his works were exhibited on Fifth Avenue two years ago.

Mrs. Ruminski said Philip began painting when he was 10 when the family lived in Brooklyn.

He was hit by a crippling attack of rheumatic fever. "For 18 months he was forced to stay in a hospital bed. Then for six more months he was allowed only limited freedom in a rest home. It was during this time that he began to doodle, then draw, and finally to paint."

Some of these early works are of the park and the bridge near the hospital.

Shortly after Philip came out of the rest home, the family moved to Highland Mills.

Philip's father is a sailor. The family has not heard from him in nearly five years. Memories of his father's profession permeate some of Philip's paintings. There are different kinds of ships, water scenes, and soaring gulls over distant cliffs.

When the father abandoned the family, Mrs. Ruminski was forced to go on welfare to support the five children.

"Philip was always good to us. He worked odd jobs while attending Monroe-Woodbury High School to help the family. I only get $262 a month from the state. The rent is $115 a month. Out of the rest, I have to buy food and clothes and pay for the heat.

"When he was 18 he had to leave school. Relief laws say that a person can't stay in school after they're 18.

"So he worked for an industrial painting company in Suffern every day. Three nights a week he went to Newburgh to get his high school equivalency diploma. And in between, he would go to a room he fixed up in the cellar and paint."

In a Times-Herald-Record interview two years ago, Ruminski said "Painting is sometimes like love. You pour yourself, your hopes, fears, and dreams into the work. Then you have like hell to sell the painting."

Mrs. Ruminski said he "usually just gave his work away to people he liked. Neighbors, friends, and sometimes, people he had just met." She said that she would like to collect some of his works and have a memorial showing in the springtime.

As she looked over a large oil painting of umbrellas, Mrs. Ruminski said "The house is so full of my son. I know I can get through the next few days, but it's the thought of the years to come. I depended on Philip for so many things. He could hammer a nail or take the kids out for ice cream.

"He was always so kind. I don't believe too much in organized religion. I've taught all my children that God is the love in our hearts. Philip understood this from an early age. I remember once his dog, "Adam," hurt his paw, and Philip tried to put a band aid on to help him."

She thinks the Vietnam war is "criminal." She said that she'll never understand why they took her son in the service to begin with, because of his medical history. "But once in, why should they send him to Vietnam? The first time he was scheduled to go, Congressman Dow got it postponed because there was a hardship discharge pending.

"I don't know what happened after that. He was shipped over in August. Sometimes now I become frightened thinking of simple things like how I'll even have milk in the refrigerator."

The blonde-haired woman said she tried to have Philip buried in West Point. She said Ruminski's grandfather and uncle were academy graduates, and that he is a direct descendant of Gen. Fesdor Kosciusko, who helped in West Point's development.

"But West Point said only graduates can be buried there, so Philip will be buried in a family plot in Hastings-On-Hudson. There will be a military funeral."

And for the future, Mrs. Ruminski said she would like to join some peace group in the area. "I don't know what I can do, but I'll do whatever I can to keep another mother from this suffering."

Resolution of Federal Housing Administration Advisory Council of South Carolina

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, January 30, 1968

Mr. THURMOND. Mr. President, the Federal Housing Administration Advisory Council for the State of South Carolina, which consists of a number of outstanding South Carolina citizens in the world of real estate and finance, passed a resolution on January 5 calling for removal of the statutory limitation on interest rates on mortgage loans issued by the Federal Housing Administration and guaranteed by the Veterans' Administration. Because this matter is one which affects the entire Nation, I believe it would be of interest to all Members of Congress.

Mr. President, I ask unanimous consent that this resolution be printed in the Extensions of Remarks of the CONGRESSIONAL RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The following motion was made by Mr. Julian Hennig, Jr., Vice Chairman of the Federal Housing Administration Advisory Council for the State of South Carolina, and carried unanimously by the Council at a meeting on January 5, 1968:

"The housing bill now pending in Congress contains a provision removing the statutory limitation on the interest rates on mortgage loans insured by Federal Housing Administration and guaranteed by the Veterans Administration. It is the sense of the South Carolina Federal Housing Administration Advisory Council that in view of the probable delay in enacting the entire housing bill, that this provision be separately introduced and its approval expedited by Congress. We feel this should be handled as an emergency measure to prevent further serious injury to the housing industry." The following members of Council were present:

Mr. Thomas E. Evans, Builder, Charleston, S.C.

Mr. J. B. Aiken, Jr., President, Aiken Loan & Security Company, Florence, S.C.

Mr. Walter Andrews, Vice President, Stevenson Zimmerman & Company, Charleston, S.C.

Mr. James Lubs, Jr., Vice President, Carolina Natl. Mrtg. Investment Co., Inc., Charleston, S.C.

Mr. Lonnie A. Garvin, Sr., President, Southern Mrtg. Co., Aiken, S.C.

Mr. Julian Hennig, Jr., Vice President, August Kohn & Co., Inc., Cola., S.C.

Mr. Hubert Gunter, Vice President, Cameron-Brown Company, Columbia, S.C.

Mr. Calvin C. Ridgeway, Vice President, C. Douglas Wilson & Co., Greenville, S.C.

Mr. Jim Barber, Asst. Vice President, S.C. National Bank, Columbia, S.C.

Mr. W. E. Sellars, President, C. W. Haynes & Co., Columbia, S.C.

Mr. R. H. Baer, S.C. Real Estate Commissioner, Columbia, S.C.

Mr. Claude McMillan, Engineer, Columbia, S.C.

Mr. George A. Stanley, Credit Bureau of Columbia, Columbia, S.C.

Mr. E. E. Bowen, Executive Vice President, S.C. Assn. of Real Estate Board, Columbia, S.C.

Mr. R. D. Wilson, Chester Concrete Products, Chester, S.C.

Mr. Bernard Jones, S.C. Prestress Corporation, Lake City, S.C.

Mr. Ed Gussio, Planning Director, Sumter, S.C.

The Amazing Anticrime Crusade of Indianapolis Women

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. BRAY. Mr. Speaker, the following article from the February 1968 issue of Good Housekeeping magazine shows what happened in Indianapolis when thousands of public-spirited women, deeply troubled by the dropout dilemma and soaring crime rates, got involved in cleaning up their city.

The above-mentioned article follows:

THE AMAZING ANTICRIME CRUSADE OF INDIANAPOLIS WOMEN

(By Charles and Bonnie Remsberg)

From all appearances the two housewives, dressed in conservative suits and hats, might have been on their way to a PTA meeting or a church supper. Instead they were headed for a dimly lit tangle of back streets on Indianapolis' north side known as "the vice strip." Their escorts for the evening, two plainclothes detectives, were out to show these middle-class women, whose lives revolved around their children and homes, "just what kind of jungle it is out here on the street."

For the next six hours, from the safety of an unmarked prowl car, the women took an eye-opening look at their city. In the shadows of a parking lot they watched prostitutes work on conventioneers. They saw a smooth-talking con man fleece an unsuspecting pedestrian. They stood by while police officers arrested law violators on the strip, broke up savage family fights, mopped up after a gambling raid, helped a bleeding robbery victim to the hospital. They saw skid-row drunks herded into paddy wagons and witnessed a frightened teenage girl, who had been raped by a roving gang, single out her attackers from a police lineup.

By the time they finally called it a night they had become the latest initiates into what has been termed "the most unorthodox campaign since the days of women's suffrage."

The campaign is the Indianapolis Women's Anti-Crime Crusade, a movement without dues, bylaws, budget or constitution—but with an impressive list of achievements. Since its birth less than six years ago, thousands of Indianapolis women, ranging in age from twenty-five to ninety, have, among other things, counseled back to class an astonishing number of high school dropouts, prompted significant improvements in the administration of justice in the city's courts and helped scores of parolees from correctional institutions re-enter their communities.

Already, according to Police Chief Daniel Veza, the women's work is affecting the city's crime toll. When the Crusade began, Indiana's capital city had 300 more crimes per 100,000 of the population than the national FBI average. In 1965, three years after the women launched their attack, the number of reported offenses dropped 2.2 percent below the previous year, the first time crime had waned in Indianapolis in seven years.

Since then the crime rate has crept up again, but much more slowly than in most other major cities. "A lot of the credit goes to these women," says Chief Veza. "They got angry enough to act."

They have acted, without the help of tax money, foundation grants or professional training, as crime-busters or sociologists. "We have just done things," says Mrs. Margaret Moore, a gray-haired grandmother who serves as Crusade coordinator, "that make sense to women."

The Crusade was spawned in an atmosphere of community despair after an elderly retired psychologist, Dr. Margaret Marshall, was fatally beaten by a teenage purse-snatcher on her way home from church one night in October, 1961. In the wake of the attack, police and local newspapers alike were peppered with phone calls and letters from women, demanding that "something be done" to make the streets safe after dark. It occurred to Eugene S. Pulliam, assistant publisher of the Indianapolis *News*, that the women themselves might have some valuable ideas, so he asked Mrs. Moore, of the paper's public-relations department, to look into the matter.

A petite, soft-spoken widow of fifty-six, once Indiana's Mother of the Year, Margaret Moore has spent most of her adult life in journalism. But her closest contact with crime had been nearly thirty years earlier when, as a newly-wed, she chronicled the career of John Dillinger for her husband's weekly newspaper. She was uncertain what she and other "mere women" could do in a field where the "experts" seem so often to have failed, but she called together thirty leaders of Indianapolis women's clubs for a brainstorming luncheon.

One housewife brought along a scrapbook of news clippings about crimes against women. In discussing these incidents and their own experiences, the club leaders isolated a number of common threads linking a wide variety of lawbreaking: School dropouts and persons with previous police records seemed involved in an inordinate proportion of offenses; often attacks, such as the one on Dr. Marshall, occurred on poorly lighted residential streets; local courts seemed to be handling many cases with inexplicable leniency, and so on. "We decided that if we could bring female ingenuity to bear on these and other problems and thereby prevent just one crime, it would be worth the effort," Mrs. Moore recalls.

Counting on their clubs for fund raising and as reservoirs of volunteers (together they represent some 50,000 Indianapolis women), the leaders mapped out several committees, each to tackle a specific factor which the women felt to be contributing to the city's overall crime pattern.

For the first six months, volunteers did little but study the crime problem and the agencies already established to combat it, beginning their now-customary squad-car rides to help bridge the gap between their relatively insulated lives and the realities of the streets. The police initially were skeptical. "We have a natural cynicism about outside 'do-gooders,'" explains Captain Henry Wolff, vice-squad commander. But in appearances at police roll calls, Mrs. Moore assured the officers that there would be no attempt to meddle in police procedures and that the women would seek the department's guidance on ways they could be helpful. Late in March, 1962, they took direct action.

BACK TO SCHOOL INSTEAD OF JAIL

Attention had first been focused on school problems by the fact that Dr. Marshall had been killed by a high school dropout, the son of a murderer. During their study period, the women learned that school dropouts account for nearly ninety percent of juvenile crime, and that as a group they are the most likely candidates for adult criminality. In Indianapolis, with a population of 530,000, youngsters were quitting school at the rate of 1,500 a year.

Several Crusade volunteers, some of them former teachers, suspected that many of these youngsters were giving up on school largely because of a feeling that "nobody cares about me." What would happen, the women wondered, if they approached them as a good mother would, one woman to one child, providing whatever counsel and assistance might be necessary to meet their individual problems? With the names and addresses of twenty-eight recent dropouts provided by school officials, a committee got busy finding out. (Like the police, the schools cooperated reluctantly at first, doubtful about what the women could accomplish.)

Once contact was established, sometimes through "simple, homespun" letters, sometime by tracking leads for days through the city's high-transiency areas, some dropouts seemed surprisingly eager to return to school. The volunteers often discovered that only relatively minor barriers were keeping them from doing so.

Some simply could not afford the bus fare, textbooks or lunches. Others, especially those who had been discipline problems, needed a responsible adult to go with them for moral support when applying for readmission. One sixteen-year-old girl had dropped out because of her weight. She tipped the scales at more than 250 pounds and, since she had no dresses to fit her, wore her brother's army coat, with nothing underneath. Before quitting entirely, she had stayed home from school on days too warm to keep the coat on in class.

The volunteer who drew her name outfitted her at a specialty shop, found a nurse to help her reduce and coaxed her back to class. The girl was eventually graduated and now has a steady job. "If somebody hadn't helped her when she couldn't help herself," says Mrs. Veneta LaDine, the Crusade president, "she would have landed in prison for sure, probably for prostitution. The police had already picked her up for walking the streets."

Predictably, some hard-core dropouts simply could not be reached. Yet through their one-to-one counseling and practical aid, the volunteers persuaded twenty-six of those first twenty-eight to go back to school.

School officials were so impressed that they promptly turned over a card file on nearly 600 more dropouts, and new names are now supplied every semester. Dropouts away from school as long as ten years, some married and with families and others who have been rehabilitated after serious police records, are being brought back. At least one returnee has managed to graduate in the top ten percent of her class.

Encouraged by their successes, Crusaders rallied more volunteers and turned to trying to *prevent* dropouts as well as salvage them. Members set up study rooms in local churches where volunteer tutors, available several nights a week, have kept dozens of floundering students from flunking. Youngsters with reading handicaps now are offered special instruction by a volunteer who operates a free reading school. In 1966, the Crusade introduced volunteer "service committees" at 100 Indianapolis schools to help youngsters with problems spotted by perceptive teachers, school nurses and social workers. These groups have done everything from providing breakfast for grade-school youngsters who fainted in class from hunger to ironing shirts for a motherless, clothes-conscious teenager.

By last fall, according to Mrs. Moore, anti-Crime Crusaders had reached nearly 4,000 potential and actual dropouts and had done whatever was necessary to get more than 2,000 of them to stay in or return to school. Of those who went back, roughly half stayed through graduation, a showing that Robert Doyle, head of guidance services for Indianapolis schools, calls "tremendous." Meanwhile Doyle reports, the dropout rate has plunged to fewer than 800 students a year, a decrease of almost fifty percent!

As volunteers became increasingly attuned to what is happening around them, they quickly discovered that clues to anti-crime ideas abound everywhere.

THE "FIVE-FINGER DISCOUNT"

On a bus one day, a Crusade member overheard one teenage girl ask another, "Did you take your 'five-finger discount' today?" They were talking, the volunteer deduced, about shoplifting. A little spadework subsequently revealed that merchants all over the city were despairing about a steadily rising rate of light-fingered theft, but most were afraid to act against possible "boosters" for fear of being sued.

Crusaders joined the city police department and business organizations in sponsoring seminars for merchants, where experts demonstrated ways to spot and discourage shoplifting. The women then wrote an anti-shoplifting guide which has been distributed to more than 10,000 store owners. They also pressed vigorously for new legislation that would allow store personnel to detain and search suspicious customers with impunity.

The law was passed last year and, together with the women's other efforts, is credited by Chief Veza with increasing shoplifting arrests in Indianapolis more than thirty percent and hiking the conviction rate to an unprecedented eighty-seven percent. The number of reported offenses, meanwhile, is dropping.

Equally remarkable gains have been noted as the women's war has spread to other fronts.

Determined, for example, to "turn the light on crime" by brightening shadowy streets such as the one where Dr. Marshall was attacked, a street-lighting committee has circulated petitions, attended countless official board meetings and city budget hearings, ridden with the police to photograph high crime areas after dark and publicized carefully researched maps showing the relationship between darkness and crime incidence.

In response to this persistent activity, the city so far has installed more than 9,100 new high-powered streetlights in a multimillion-dollar improvement program. Private-property owners also have been persuaded to buy and use nearly 6,000 dusk-to-dawn mercury vapor lamps to illuminate such crime-prone sites as apartment-house areaways and warehouse docks. According to Mrs. Moore, spot surveys show some street crimes dropping by as much as eighty-four percent in areas affected by the lighting campaign.

The women believe that neighborhood cleanliness, too, can take its subtle toll on crime. Volunteers have backed the formation of more than 600 block clubs for neighborhood maintenance, particularly in areas where families have been transplanted to urban living from the rural South, and have sponsored a series of "spruce-up" days in other slum areas. In one neighborhood, youngsters recruited to work for hot dogs and soft drinks collected fifteen truckloads of debris in three hours, some of it from alleys and areaways that had not been thoroughly cleaned for years. "When housewives saw what was happening outside, they started cleaning inside," recalls Mrs. Mattie Coney, Crusade spruce-up chairman.

Because many slum dwellers *want* to clean their homes but lack equipment and know-how, Indianapolis women's clubs now regularly stage "broom-and-mop showers." Volunteers have found that after careful demonstrations of household-cleaning techniques, residents usually are able to keep their homes tidy. "Where there is order and pride," asserts Mrs. Coney, "there is likely to be less crime.'"

Although projects such as clean-up days and the street-lighting campaign mean endless hours of bone-wearying hard work, the women have proved that a lighthearted, creative approach to crime-fighting can pay off, too. When Crusade members noticed that a large downtown park was being overrun by young hoodlums, seedy vagrants and men with suspiciously intense interest in unchaperoned children, they borrowed a tactic that Quaker housewives used in the 1800s to close down troublesome saloons. Volunteers showed up one morning with their yarn baskets, occupied every bench in the park and literally "tended their knitting" until dusk. "Those men were so startled by this unorthodox invasion," says Mrs. Moore, "that they cleared out and haven't been back since. Now daily surveillance of all the parks is a regular part of the police agenda."

THEIR DAY IN COURT

Among the Crusade's most ambitious programs is the court-watching project, which has involved some 6,000 women over the last five years. Of all the institutions of government, courts are probably the most ignored by the average law-abiding citizen. Aware of talk about the need for court reform in other parts of the country, the Indianapolis women became curious about just what was happening in their own courts. So a Crusade committee compiled a glossary of courtroom terms to aid uninitiated volunteers and then began booking the volunteers daily, two by two, into the city's municipal, criminal and juvenile courts as observers.

The women make no attempt to second-guess judicial decisions. They merely record on tally sheets for each case such things as the defendant's age, sex, race and past police record; the disposition of the case; any continuances that are granted; and general observations they feel might be important. Periodically the findings are discussed with the judges.

Some defense attorneys have privately criticized the court-watching project, and one, William Erbecker, demanded publicly that the women be ousted from the courtroom on grounds that their presence prejudices judges and juries, making them *too* diligent. However, the Indiana Supreme Court upheld a lower-court ruling that the women have the same right to witness trials as any other citizens.

"The mere presence of these women in court has been enough to create changes," explains Criminal Court Judge Saul Rabb. "A lot of laxity develops when no one pays any attention to courts. Here we had judges habitually arriving late, prosecutors sloppily preparing their cases, defense attorneys obtaining excessive continuances in hopes of wearing out prosecution witnesses, policemen failing to show up to testify, bail bondsmen illegally soliciting business in the halls. Now things have tightened up significantly all down the line because everyone knows that public watchdogs are in court every day. That can't help but improve the quality of justice we administer."

Occasionally the volunteers spot law violators who can be helped with personal attention. A dramatic instance involved a young prostitute with three children, who told the judge that she wanted to quit the business but feared that her procurer would mutilate or murder her. Overhearing this, the Crusade watchers did some investigating and discovered that the procurer himself was slated for trial that same week. After he was sent to prison, they got in touch with the prostitute, convinced her that now was the time to try to change her life, helped her get a job as a practical nurse and arranged to have her attend a church where no one would know her past but where she could be included in a busy schedule of social events. Nearly two years have passed now, and she has not gone back to the streets.

More than once what observers have heard in court has evolved into broad-scale anti-crime projects. After one young defendant testified in court that hours after he was paroled from a state boys' school he stole a shirt because he didn't have good-enough clothes for a job interview, the Crusade set up a rehabilitation committee to work with persons newly released from correctional institutions. Much of the planning for this project has come from Mrs. O. A. Johnson, a ninety-year-old volunteer who has worked for years with Indianapolis settlement houses. Often establishing contact with prisoners weeks before they hit the streets, volunteers arrange for them to be clothed from a bank of donated apparel, help them locate jobs and sometimes foster homes and give them the same kind of one-to-one personal counseling that is helping reclaim school dropouts.

The committee has made some valuable contributions inside prisons, too. Volunteers have established libraries and sewing classes at the women's prison and have successfully pressed state officials to revamp obsolete work-training programs at the boys' schools. Once, when the suspicions of several women were aroused during a tour of a state correctional school, they managed to expose a "staff psychologist" as a fraud, and to document the fact that he was channeling state funds to other "counselors" who, like himself, did not possess psychological training. In the wake of these disclosures, personnel-screening procedures were tightened throughout the correctional system.

DEPRIVING THE DEVIL OF IDLE HANDS

In Juvenile Court the most familiar litanies from defendants are "I didn't know it was against the law" and "I didn't have anything else to do."

Volunteers have helped rectify the latter complaint for many Indianapolis young people by establishing a clearinghouse through which social-welfare institutions in need of volunteer services can reach teenagers with time on their hands. Some 3,000 youngsters, many of whom previously whiled away hours by joy-riding or hanging around pool halls, now are involved in activities ranging from repairing toys at settlement houses to tending stricken children at a cerebral palsy clinic.

As for familiarizing youngsters with the law, Indianapolis in 1966 began one of the best law-education projects in the nation. Under Crusade auspices, nearly 66,000 children, elementary through high school, are visited annually in their classrooms by policemen who explain the laws that apply to juveniles and answer questions. "We find this as important as traffic-safety programs," says Sergeant Charles Pritchett, one of the officers. "Parents help the police and schools to teach their kids how to cross the street, but parents by and large don't know the laws. No one has been able to tell these kids the legal consequences of being with a friend who shoplifts, going party-crashing, staying out past curfew, buying cigarettes for their dads or playing hooky. Yet doing any of these things can land them in court."

In designing and executing all their projects, the women have allowed themselves only one taboo: They never publicly criticize police department practices or procedures. In part, of course, this approach was necessary to overcome the department's initial skepticism toward a women's anti-crime movement and to obtain police co-operation. But more important, Mrs. Moore explains, "We feel it is far easier to scold the police for failing to catch criminals than to take the responsibility for setting the community's moral climate high enough to discourage criminal activity. We chose the harder way."

Early in their campaign, the women began lobbying for an increase in police salaries, and this year top pay for patrolmen will rise from $6,300 to $7,000 a year. To further help morale, the women have instituted quarterly awards for merit and valor. Now for the first time Indianapolis police officers also earn college credits in their own headquarters building without taking leaves from the force, thanks to special teaching arrangements worked out by Crusade volunteers with Indiana University.

The Crusade has had the support of Indianapolis' mayors from the start, and Crusade volunteers were the first delegation to meet with the then Mayor-Elect Richard Lugar, thirty-five, after his victory last November. He asked them to conduct a national survey to find out how police departments all over the U.S. are recruiting capable policemen. Within three days Crusade volunteers had questionnaires in the mail.

Praise spread by police officials and other observors has sparked coast-to-coast interest in the Crusade. In the last three years, Mrs. Moore estimates that she has spoken to 1,000 adult and teenage groups, and clubwomen in some 400 other communities have copied at least some of the Indianapolis projects.

"Battling crime is women's work," says Mrs. Moore. "We have the time. There are great masses of women in America looking for something worthwhile to do. We can move in with soft voices and a let's-see-if-we-can-help attitude, and we just may help this society overcome the most serious domestic problem it has ever faced."

Respect for Pathologists

HON. E. S. JOHNNY WALKER

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. WALKER. Mr. Speaker, quite often, through overzealousness, and at times through lack of adequate knowledge, or possibly through honest mistake, or misinformation, an improper and unintended impression is created which does an injustice to an entire group. We in Congress are guaranteed not only the freedom of speech allowed under the Constitution to all citizens, but, to protect us from harassment, we may not be called to task for what we say during the course of debate on the House floor. With this extra measure of freedom, we must exercise vigilance to make sure that what we say is responsible and fair.

One of my constituents, Dr. Norman E. Pond, of Albuquerque, has called to my attention an instance in which a fine profession has been treated in a manner which is, in my judgment, less than fair. In order to correct this inequity, I insert his letter as a part of the RECORD, and respectfully urge my colleagues to look it over. The work of our qualified and dedicated pathologists has resulted in the saving of countless lives. The profession is deserving of our respect. I am sure the practitioners of this profession would be among the first to insist that proper procedures and quality control should be used in this work. Without the work performed by pathologists, most doctors would be indulging in guesswork as to type and extent to most diseases. It should be made very clear that Congress never intended to bring disrepute to the profession of pathology.

The letter follows:

NEW MEXICO SOCIETY
OF PATHOLOGISTS,
Albuquerque, N. Mex., January 23, 1968.

Hon. JOHNNY E. S. WALKER,
Longworth Office Building,
Washington, D.C.

DEAR CONGRESSMAN WALKER: It has recently been brought to my attention certain statements made to Congressional Committees during the years 1966 and 1967, and I should like to draw attention to certain corrections that have been made in this regard and printed in the daily Congressional Record—House covering pages H17065, H17066, and H17067. Without going into detail, certain comments might be made including the glaring statistical errors in the number of mismatched blood transfusions which amounted to a 90% mathematical error. The statement in regard to a breast biopsy is important because the normal precedure in establishing the diagnosis of cancer, namely submitting tissue to a qualified pathologist for evaluation and diagnosis, was not carried out. The implication of lack of quality control in laboratory medicine is not justified, at least in regard to most laboratories run by pathologists which is clarified in the statement on page H17067. The so-called dollar volume waste listed as $430 million and the technical error rate of 25% appears to be entirely erroneous, because the laboratories surveyed certainly were not representative. There appears to be insufficient documentation to support either the inaccuracy of tests or the dollar volume loss due to inaccuracy. The dating of these surveys also extends back a number of years in certain instances, and I am sure you realize that, as the scientific aspect of medicine progresses, quality and accuracy increase and any statistics based upon information more than one or two years of age is not applicable.

I do not wish to dwell further on the record but would like to forcefully defend those physicians trained in laboratory medicine who are providing an accurate service at reasonable cost to the population of this country, and single out pathologists as those most qualified and doing the most in this regard.

At the same time I do not wish to criticize other competent individuals who are working in this area as there are others besides pathologists who are striving for the same goals. I do, however, have certain reservations about certain laboratories scattered throughout the country which are considered as "commercial" laboratories and even more reservations about much of the work that is being done in certain private physicians' offices who are apparently not now being suspect. In the latter regard, inadequate training in this area by general physicians themselves as well as their employees, and the lack of inborn volume controls which are so important in maintaining accuracy are important. These are areas that I think are much more subject to questioning than are the large number of hospital and private laboratories which are run by pathologists.

It may be of some interest to you to know that in the state of New Mexico exclusive of the University School of Medicine and the Veterans Administration Hospital, there are twenty private practicing pathologists in the state of New Mexico who in one way or another cover almost all of the hospitals in the state of New Mexico, and 85% of these are subscribing to one form or another of quality control program or survey program as established by the College of American Pathologists. Information has been forwarded to me indicating only three pathologists who are not actively participating in one of the programs established by the College of American Pathologists. This I feel speaks very highly for the coverage of the hospital laboratories and most of the pathology-run private laboratories here in the state of New Mexico.

Hopefully, this information will clarify some of the apprehension that has been publicized throughout the country in regard to laboratory medicine because I personally feel that where laboratory medicine is controlled by people specifically trained in this area, there should be no question as to quality. Of course, there are areas which may not fit into this category, but to question those dedicated people in the area without qualification is unjustified.

Sincerely yours,
NORMAN E. POND, M.D., *President.*

Medical Administration Organization 10th Anniversary of Founding Noted

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. McCORMACK. Mr. Speaker, I include in my remarks information concerning the American Academy of Medical Administrators. This is an organization which has just noted the 10th anniversary of its founding. Its membership includes medical administrators from all types of medical installations, not just hospitals alone, but clinics, nursing homes, extended care facilities, and community medical centers.

This all-embracing membership comprised of administrators in each of the 50 States and foreign countries has done much in the past decade to improve medical service to the public. This important area of our national economy has benefited greatly from the efforts of this fine organization. It gives me great pleasure to note that the organization was founded in Boston and granted its charter by the Commonwealth of Massachusetts 10 years ago. The history of this great organization follows:

THE ACADEMY STORY

AMERICAN ACADEMY OF MEDICAL ADMINISTRATORS, BOSTON, MASS.

Founding.—The American Academy of Medical Administrators was founded in Boston, Massachusetts in October, 1957.

The Charter Signators comprised a group of men practicing administration in various medical activities and these responsible individuals drew the plans for the founding of this non-profit professional society. The seven incorporators alone at that time had a combined medical administrative experience of over one hundred years in the profession.

Name.—The name of the Academy was chosen after great thought and research as to its etymological significance and appropriateness. Because the Academy is to compose members who administer the affairs of various medical activities, the adjective "medical" was chosen as the modifier of the noun "administrators".

Historically, however, the term "medical administration" is not new! For example, during World War II, in the crisis of establishing, staffing and equipping military hospitals to serve and care for the sick and wounded, a Corps of Medical Administration was established within the Medical Department of each of the Armed Services.

Because of the shortage of physicians, some individuals with medical administrative experience were given direct commissions as officers in this Corps; other especially qualified individuals were given intensified training programs in officer candidate schools, upon successful completion, they were also commissioned in the Medical Administration Corps.

Establishment.—The original founders, recognizing the requirements for a thoroughly comprehensive objective, in their foresight assumed the responsibility for drafting the Constitution and Bylaws, elected equally responsible officers and began to develop a program for the Academy. Numerous meetings and contacts with others in the field of administering to the medical setting throughout the United States and Canada were held. It was agreed that there exists a pressing need for the establishment of a professional society such as the Academy's approach would be based on the theory propriate recognition to those dedicated individuals engaged in the many specialties of medical administration. Men and Women who administer the affairs of the hospitals, clinics and other medical activities, caring for the sick in mind and body at the executive, as well as the middle management levels.

It was determined that a part of the Academy's approach would be based on the theory that the scope of knowledge required to understand an organization and to make it function effectively is based on several fields of knowledge and that the approaches to a general theory of medical administration had been slow in emerging from a one-discipline approach to a more penetrating analysis on an inter-disciplinary basis.

Development.—As soon as the program of the academy had been developed, a Charter of the Academy was granted by the Commonwealth of Massachusetts. This Charter recognizes the Academy as a non-profit organization. At the time of the founding of the Academy and today, Boston is considered by many authorities as the medical center of the hemisphere. The appropriateness of the Academy's founding in this same center is apparent.

The next obvious decision on the part of the founders was to place this program into the hands of the future members. This philosophy was in keeping with the firm conviction that the members are not only the sinews, blood and life, of an organization, but are in fact, the organization itself!

Invitations were issued by mail to those potentially eligibile for membership. The faith and belief of the original incorporators that there was a pressing need for a society such as the Academy was clearly demonstrated and justified when in a matter of months hundreds of medical administrators from all parts of the United States, its territories and Canada responded enthusiastically to the initial invitation to Charter Membership. The organization and development of the Academy proceeded rapidly from that point on.

Organization.—In keeping with the precept that the program of the Academy should be carried out by its members, regions were established and Regional Vice Presidents appointed. Six basic councils in areas of vital interest, not only to the membership, but to the profession in general, were also established and staffed. The councils are: Council on Education, Council on Voluntary Hospitals, Proprietary Hospitals and Government Hospitals, Council on Hospital Administrative Practice, and Council on Clinic Administrative Practice.

To determine and evaluate application for admission and advancement, a Credentials Committee was established.

Also organized within the Academy were permanent institutes in the medical administrative specialties. Nominees, Members, Charter Members and Fellows are assigned to the institute appropriate to and in keeping with their particular education and/or experience, as recommended by the Credentials Committee and approved by the Board of Directors.

Institutes are permanent structural departments within the Academy and encompass specialties in: Accounting, General Administration, Clinics, Dietetics, Engineering, Housekeeping, Group Practice, Management, Nursing, Personnel, and Purchasing.

The Academy is, therefore, an inclusive society which brings together in one organization the entire medical administrative family.

Purposes.—

To encourage and foster a scientific approach to the practice of medical administration.

To provide a means of intercommunication between medical administrators.

To promote, conduct, and foster educational courses in the various specialties of medical administration.

To provide for employment opportunity and professional advancement through recruitment, referral, and placement services.

To offer referral and consultant opportunities in the various specialties to members, persons and institutions requiring or requesting such services.

To establish and maintain a criterion of competency for those engaged in the practice of medical administration.

To provide for recognition to those who are making their life's work medical administration by electing those who qualify as Nominees, Members and Fellows of the Academy.

To offer to those who are doing noteworthy service in this field scholarship, and grants in order to further their work.

During the Academy's relatively brief history, many of the ambitious purposes and goals have achieved. Formal courses in the Fundamentals of Hospital Administration have been conducted in Boston University; scholarships and grants have been awarded; independently and in cooperation with other professional groups various institutes and colloquiums have been conducted in various parts of the United States; publication of noteworthy topics have been published in the Academy's publication the AAMA Executive; placement and referral opportunities have been offered to the membership in several of the specialties. And, annually, the Academy has sponsored its Convocation in Boston, Chicago, New York, San Francisco, and Atlantic City.

Business and Professional Women's Club of Jersey City, N.J.

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. DANIELS. Mr. Speaker, under unanimous consent I insert the legislative program of the Business and Professional Women's Club of Jersey City, N.J., as well as the program of the 81st anniversary celebration which was held at Liberty Island, N.Y., on October 28, 1967, in the RECORD following my statement.

The Business and Professional Women's Club is a highly respected voice for women's rights in Jersey City and I would like all Members of this House to know of my high regard for the able women who make up this highly respected club.

The material referred to follows:

1886–67: 81ST ANNIVERSARY, STATUE OF LIBERTY, LIBERTY ISLAND, SATURDAY, OCTOBER 28, 1967

Program of Business and Professional Women's Club of Jersey City, New Jersey, in cooperation with the National Park Service, U.S. Department of Interior, 11:45 a.m., at Grand Promenade, Pedestal of Statue of Liberty.

Presentation of B.P.W. birthday gift to Statue of Liberty, Mary R. York, B.P.W. World Affairs Chairman.

Acceptance, Lester F. McClanahan, Assistant Superintendent, National Park Service.

Symbolic Flower Ceremony, Future Business and Professional Women: Mademoiselles: Susan Bolye, Joyce Diamond, Mary Ann Jordan, Ann Joan Trimble.

Relaxation Period: Another activity on Liberty Island will be an afternoon ceremony by the Ladies Auxiliary to Veterans of Foreign Wars of the United States.

BUSINESS AND PROFESSIONAL WOMEN'S CLUB, JERSEY CITY, LEGISLATION, OCTOBER 1967

An American Flag which has been flown over the Capitol of the United States in the name of the Jersey City Business and Professional Women's Club has been presented to our membership as a gift. The honorable Dominick V. Daniels, United States Congressman, has graciously consented to visit us at our October Meeting and formally present the Flag to the Jersey City Club.

How proud we may be of our Women's Army Corps (WAC); of the 10,409 women, all volunteers who love the military life. They live it, work at it, reap and revel in its rewards. They will tell you that basic training develops a wide range of attitudes, knowledge and skills. It emphasizes team work, discipline and responsibility. How proud we may be, also, of our National Organization which strongly backed legislation in 1941 and 1942 to create the Women's Auxiliary Corps, and in 1963 to make the Corps a part of the Army of the United States. With continued interest, we look for bills to raise the rank of our military women. Regretfully, our women officers will go no higher than Colonel until Congress ratifies a bill allowing women to achieve general and/or admiral rank. The legislative measure which failed to pass in 1966 is expected to come up again this year and of course will be supported as part of the National Business and Professional Women's Legislative Platform.

Sergeant Martha McBroom, Counsellor of the Women's Army Corps stationed at the Recruiting Station in Newark will join our members on Thursday evening, October 26th, at the Jersey City Women's Club, in a program that will both delight and inform us. Come and see for yourself that Legislation need not be dull . . . you will be pleasantly surprised.

Our Legislative Chairman, Julia Frishberg is Chairman of the evening's program and will be assisted by Beulah Silver, Julia Sturm and hostess, Audrey Morris.

Look for a Special Bulletin from our World Affairs Chairman, Mary York concerning a very important event on October 28th.

A Reminder: Our member, Jane Atkinson, just home from the hospital. Speed her recovery with a little message. Let her know we are all thinking of her.

Captive Ukraine: Challenge to the World's Conscience

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. BRAY. Mr. Speaker, January 23, 1968, was the 50th anniversary of Ukrainian independence.

To mark this important date in the history of the largest captive non-Russian nation, the following account of the Ukraine's struggle for freedom and national independence is submitted:

CAPTIVE UKRAINE: CHALLENGE TO THE WORLD'S CONSCIENCE

INTRODUCTION

The year 1967 marks an important date in the modern history of the Ukrainian people; the 50th anniversary of the Ukrainian National Revolution. It was in 1917, half a century ago, that the Ukrainian nation, after 250 years of ruthless Russian domination and oppression, rose to freedom and proclaimed its full and unqualified independence. For almost four years, beginning in March 1917 and ending in the fall of 1920, the Ukrainians waged a gallant struggle in defense of their state, at times struggling against three aggressive neighbors simultaneously.

Today, 50 years since the inception of the Soviet regime, not only the Kremlin but its puppets in Ukraine collectively called the "Ukrainian Soviet Socialist Republic," also are observing the 50th anniversary of the Bolshevik revolution, which they claim brought "freedom and independence" to Ukraine.

History, of course, does not agree. It has fallen upon Ukrainians in the free world to speak up for their enslaved and oppressed brothers and sisters in captive Ukraine, to tell the world the true story of Ukraine—the martyrdom and persecution of the Ukrainian people and their undying desire and determination to regain their national statehood, established fifty years ago.

It is with this in mind that national organizations of free Ukrainians in the diaspora, especially those countries of the free world in which there are substantial numbers of Ukrainians and their descendants, have been planning for some time to call the first World Congress of Free Ukrainians. To be convened in New York City, the seat of the United Nations, the Congress will manifest the free will of the Ukrainian people, now in the political bondage of Communist Russia, as manifest in their incessant struggle for freedom and national independence.

In the past few years extensive preparations and discussions have been conducted by the Preparatory Committee for the first World Congress of Free Ukrainians, which was established by the Pan-American Ukrainian Conference (PAUC), a coordinating body of Ukrainians national and central organizations in the Western Hemisphere. Founded in 1948, the PAUC has been instrumental in bringing together various Ukrainian organizations not only in the Western Hemisphere (those in the United States, Canada and the countries of Latin America), but embracing those in Western Europe and Australia as well.

In its Manifesto, issued on January 22, 1967, anniversary date of Ukraine's independence, the PAUC outlined the overall objectives of the First World Congress of Free Ukrainians.

1. To demonstrate before the world the unbending will of the Ukrainian community in the free world with the struggle of the Ukrainian people and proclaim its readiness to help them by all means at their disposal.

3. To knit all forces of Ukrainians who are citizens or residents of the countries of the free world into a closely collaborating body.

4. To establish goals and means toward a strengthening and all-embracing expansion of all sectors of life of the Ukrainian community in the free world.

The Manifesto states:

"We are aware of the fact that our lot is inseparably tied to the fate of the Ukrainian people; spiritual unity with the homeland is an indispensable source of our spiritual strength. To maintain it is our moral duty.

"We are therefore gravely perturbed by all which takes place in the homeland; Ukraine remains cruelly enslaved by the shackles of Russian Communist imperialism. For almost half a century we have witnessed the relentless political enslavement and economic exploitation of our people by the Red Russian occupier. Now, in addition, the very souls of the Ukrainian people are being subjected to genocide in the form of a consolidated Russification and destructive of the cultural treasures of the Ukrainian nation."

In its conclusion the Manifesto warned the free world "that Russia incessantly and systematically is preparing an aggression against the free world and is shaking the foundations of a lasting peace in the world."

Thus, the first World Congress of Free Ukrainians has a lofty, important and definite purpose. It will seek to mobilize the liberation forces of the Ukrainian people scattered throughout the free world and to channel them into highly organized and effective directions. It also will manifest the will and determination of the Ukrainian people in captive Ukraine towards self-determination and national statehood, national goals of the Ukrainian nation for the realization of which hundreds of thousands of Ukrainian patriots have paid with their lives or with long years of suffering, persecution and torture in Russian Communist jails and concentration camps during the past fifty years.

This brief account of Ukraine's unequal struggle for freedom and national independence is written on the occasion of the first World Congress of Free Ukrainians, which will be held November 16–19, 1967, in the City of New York.

PART 1—20TH CENTURY: ERA OF SELF-DETERMINATION AND DISAPPEARANCE OF COLONIAL EMPIRES

1. World War I and Wilson's 14 Points for "Peace and Democracy"

The twentieth century has initiated a massive process of disintegration of the great colonial empires and brought about a new era of self-determination for and emancipation of formerly subjugated peoples the world over.

The First World War, breaking out in 1914, wrecked the two great empires that had dominated Ukraine: the Czarist Russian and the Austro-Hungarian.

The American principles of freedom and independence, embodied in the Declaration of American Independence, were loftily expounded in President Wilson's 14 Points for "Peace and Democracy." His message advocating national self-determination for all peoples resounded throughout Ukraine, eliciting a fervent response from the people, then engaged in building their own free independent state. But all appeals of the Ukrainians to the Western powers for help against the invading Bolshevik troops remained unanswered. Attempts at the Paris Peace Conference in 1919 to secure consideration of the claims of Ukrainian independence met with no success. Ukrainians were denied the right of self-determination, although at the very same time the victorious allies were busy creating multinational states in Eastern Europe. Ukraine, of distinct origin and with one language, culture and people, was ignored.

France, at the time obsessed by the possible resurgence of German militarism, committed itself to the concept of a "strong Poland." In fact, it went so far as to support the Poles against the Ukrainians and the White Russian generals against the Ukrainian national government in Kiev. Great Britain wavered between the aggressive anti-Bolshevik policies of Winston Churchill, then Secretary of War, who aided White Russian Generals Denikin, Wrangel and Kolchak with arms and ammunition, and the more moderate policies of Lloyd George. But neither of these policies favored the Ukrainian claims and aspirations to independence.

The United States, although not directly involved in European power politics, showed little interest in Eastern Europe. Its official attitude was one of waiting and of doing nothing which would prejudice the eventual rebirth of anti-Communist Russia, or even the emergence of a moderate Soviet regime.

Thus, in varying degrees all three allied powers supported the White Russian reactionary elements and reborn nationalist Poland. For their part, Ukrainians found a century and a half of inimical anti-Ukrainian propaganda, denying the very existence of Ukraine, to great an obstacle to overcome. The restored independent Ukrainian state encountered abroad naught but a biased hearing and a hostile attitude. Ukraine had no influential friends, there was no one to supply it with desperately-needed arms, ammunition and medical supplies and there were few who would extend meaningful diplomatic support. Ukraine found itself unable to survive.

Ironically, the principles of national self-determination and the slogans of peace and democracy under which World War I was ostensibly waged were denied one of the most deserving of peoples.

The League of Nations proved to be too weak: it would not safeguard the rights of those nations which, like Ukraine, had had to endure foreign domination and oppression. Its overall purpose was to maintain the new status quo which emerged in Europe after World War I.

2. World War II: Freedom Versus Totalitarianism

World War II has often been characterized as the war of "freedom against totalitarianism," calling forth the great coalition of the Western democratic states against Nazi Germany. But this characterization is far from accurate, inasmuch as one important member of the Western alliance against Nazi Germany was the Soviet Union, one of the worst totalitarian and dictatorial regimes in mankind's history.

During the German-Soviet war in 1941–1945 Ukraine became a bloody battleground across which the German and Soviet armies swept back and forth. Both regimes, Hitler's and Stalin's, strove to eliminate the Ukrainian people if possible, and at the least to stifle all Ukrainian national life and thought. Despite the inhuman persecution, the Ukrainians succeeded in mustering a powerful and effective underground resistance movement. This popular force resisted both invaders of Ukraine, the Nazis and the Russian Communists, during World War II, and after the war's end, it continued to wage underground warfare against Soviet army and security troops as well as against those of Communist Poland.

In 1945, with the collapse of Hitler's Germany, the United Nations was born in San Francisco. Among the charter members of this world organization was the Ukrainian Soviet Socialist Republic. It was admitted, along with the USSR and the Byelorussian Soviet Socialist Republic, upon the insistence of Stalin. It is one of modern history's ironies that the existence of a Ukrainian state, even if under Communist tutelage, should have been accepted by the Western world upon the recommendation of the Russian Communist dictator rather than on the demand of the Ukrainian people.

With the emergence in 1945 of the United Nations, which has represented a marked improvement over its predecessor, a new political development engulfed the entire world: the process of a slow but steady decolonization of the peoples of Asia and Africa and the appearance of a series of new and independent nations.

It is a historical fact that the Western colonial empires have gradually given way to the new nations and states. Sometimes the process occurred peacefully, sometimes it was accompanied by war and violence. In any event, the Western world relinquished its long-held colonial possessions in Asia and Africa.

Canada's Prime Minister John G. Diefenbaker, addressing the U.N. General Assembly on September 26, 1960, rebutted Nikita S. Khrushchev's attacks on "Western colonialism":

"Mr. Khrushchev in his speech advocated a declaration at this session for the 'complete and final elimination of colonial regimes.'

"He has spoken of colonial bondage, exploitation and foreign yokes. These views, uttered by the master of the major colonial power in the world today, followed the admission of fourteen new member nations to the United Nations . . .

"Since the last war seventeen colonial areas and territories, comprising more than 40,000,000 people, have been brought to complete freedom by France. In the same period some fourteen colonies and territories, comprising 500,000,000 people, have achieved complete freedom within the Commonwealth. Taken together, some 600,000,000 people in more than thirty countries, most of them now represented in this Assembly, have attained their freedom with the approval, encouragement and guidance of the United Kingdom and France alone, and I could go on to name others.

"These facts of history invite comparison with the period of Soviet domination over peoples and territories, sometimes gained in the name of liberation, but always accompanied by the loss of personal and political freedom.

"The General Assembly is still concerned with the aftermath of the Hungarian uprising of 1956. How are we to reconcile that tragedy with Mr. Khrushchev's confident assertion of a few days ago in this Assembly:

" 'It will always be the Soviet stand * * * that countries should establish systems * * * of their own free will and choosing.'

"What of Lithuania, Estonia, Latvia? What of the freedom-loving Ukrainians and other Eastern European peoples?"

Mr. Khrushchev said at the same time:

"The very course of historic development at present poses the question of complete and final elimination of the colonial regime * * * immediately and unconditionally."

There must be no double standards in international affairs. . .

What Mr. Diefenbaker obviously had in mind is Russian Communist colonialism, which has kept under its brutal rule such ancient countries as Ukraine, Georgia, Armenia, Azerbaijan and White Ruthenia (Byelorussia), and the Moslem peoples of Turkestan.

The territorial aggrandizement and colonial expansion of Communist Russia was concisely summed up by Secretary of State Dean Acheson, when he testified on June 21, 1951, before the House Foreign Relations Committee in Washington:

"Historically, the Russian state has three great drives—to the west in Europe, to the south into the Middle East, and to the east in Asia . . . The Politburo has acted in the same way. It carried on and built on the imperialist tradition. What it has added consists mainly of new weapons and new tactics. . . . The ruling power in Moscow has long been the imperial power and it now rules over a greatly extended empire. . . . It is clear that this process of encroachment and consolidation by which Russia has grown in the last 500 years from the Duchy of Muscovy to a vast empire has got to be stopped."

Another great American statesman, the late U.N. Ambassador, Adlai E. Stevenson, in his Memorandum on Soviet Colonialism sent to U.N. members on November 25, 1961, took to task the "Self-Determination in the Soviet Empire":'

"We are told that the peoples of the Soviet Union enjoy the right of self-determination. Indeed, the Soviet regime at its inception issued a 'Declaration of Rights' which proclaimed 'the right of the nations of Russia to free self-determination, including the right to secede and form independent states.'

"How did this 'right' work in practice? An independent Ukrainian Republic was recognized by the Bolsheviks in 1917, but in 1917 they established a rival Republic in Kharhov. In July, 1923, with the help of the Red Army, a Ukrainian Soviet Socialist Republic was established and incorporated into the USSR. In 1920, the independent Republic of Azerbaijan was invaded by the Red Army and a Soviet Socialist Republic was proclaimed. In the same year, the Khanate of Khiva was invaded by the Red Army and a puppet Soviet People's Republic of Khorezm was established. . . . In 1918 Armenia declared its independence from Russia and a mandate offered to the United States Government was refused by President Wilson. In 1920, the Soviet Army invaded, and Armenian independence, so long awaited, was snuffed out. In 1921, the Red Army came to the aid of Communists rebelling against the independent State of Georgia and installed a Soviet regime."

In 1940 the Soviet Union, in defiance of solemn treaties, seized the Baltic states of Estonia, Latvia and Lithuania and installed therein Communist puppet regimes against the will of the peoples.

After World War II the Soviet Union, in violation of treaties and promises, installed Communist regimes in Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, and East Germany. It also extended its colonial power to North Korea and North Vietnam. Recently, it throttled Tibet and helped to establish a puppet Communist regime in Cuba.

Yet the Soviet Union was one of the most vocal advocates in the U.N. General Assembly for the establishment of a Committee to be charged with the supervising and promoting of the de-colonization of the colonial countries of Asia and Africa.

It is clear that the Soviet government is now subverting the process of de-colonization into a formula for establishing pro-Communist regimes, subservient to Moscow. In the same vein it promotes "wars of national liberation," such as that in Vietnam, and subverts the independent nations through military assistance, as evident in its attempt to penetrate into the Middle East and North Africa.

PART 2—50 YEARS OF THE UKRAINIAN NATIONAL REVOLUTION

1. General Data on Ukraine: Land, Resources and People

For a proper understanding and evaluation of the significance of the Ukrainian problem and Ukraine's geopolitical and economic position in the Soviet Union, a brief account of Ukraine and its people follows.

Geographic Location. Ukraine is situated in the southeastern corner of Europe. It possesses common borders with Rumania, Hungary and Slovakia in the southwest, Poland in the west, Byelorussia in the north, and Russia in the north and east. Ukraine also is bounded by Moldavia and the Black Sea in the south.

Ukraine's territory exceeds that of England, Austria, Belgium, Holland, Denmark, Portugal and Switzerland put together.

According to Ukrainian ethnographers (cf. Ukraine: A Concise Encyclopedia), the Ukrainian ethnic territory embraces a total of 289,000 square miles. The Ukrainian Soviet Socialist Republic (Ukrainian SSR)—which does not encompass all the Ukrainian ethnic territory—comprises a total of 232,000 square miles.

Thus, over 57,600 square miles of Ukrainian ethnic territory are outside the political borders of the Ukrainian SSR, specifically: in Russia (the regions and areas of the Belgorod, Kursk, and the Voronezh oblasts), Byelorussia, Poland, Czechoslovakia and Rumania.

National Economy. Ukraine belongs not only to the richest countries of Europe but to those of the world as well. A recent account of Ukraine's industrial capacity was given by Soviet official sources. (Narodnoye Khozyaistvo SSSR v 1965 godu, Moscow, 1966), which expressed the industrial and agricultural output of Ukraine as percentages of the aggregate output of the USSR:

Electrical power production, 18.7; oil production, 3.1; gas production, 30.4; coal, 33.6; pig iron production, 49.2; steel production, 40.6; finished rolled products, 42.2; iron ore production, 54.7; mineral fertilizer, 23.4; sulphuric acid, 22.2; chemical fibres, 10.8; automobile tires, 9.0; metal cutting lathes, 13.4; metallurgical equipment, 48.0; oil-production machinery, 11.6; chemical equipment, 31.9; diesel locomotives, 96.8; electrical locomotives, 28.7 (in 1964); automobiles, 9.5; tractors, 33.4; tractor-drawn plows, 43.4; excavators, 28.9; wood export business, 3.5; paper, 5.1; cement, 17.0; building bricks, 21.9; cotton fabric, 2.6; woolen cloth, 6.5; silk cloth, 5.2; hosiery, 20.0; leather footwear, 19.5; radio receivers and radio transmitters, 10.7; television, 14.2; home refrigerators, 16.8; washing machines, 8.6; motorcycles and scooters, 3.7.

In the food industry: granulated sugar, 60.6; meat (including byproducts), 21.1; fishing industry, 10.2; butter, 26.2; vegetable oil, 31.5; canned goods, 23.5; grape wine, 27.4; grain cultures, 26.1.

In per capita production of pig iron Ukraine surpasses England, France, Italy and West Germany; in steel production it leads France, England and Italy. In mining of iron ore Ukraine is ahead of all major countries, including the United States.

The primary industrial area of Ukraine is the Donets Basin. Ukraine also possesses a large shipbuilding center in Mykolaiv.

The actual industrial potential of Ukraine is much greater than the official Soviet figures indicate, since under the present imperialistic and colonial policy of Moscow the development of Asiatic areas is favored for political and strategic reasons over the industrial development of Ukraine. Ukraine also serves as the "bread-basket" and "sugar-bowl" for the far-flung Russian communist empire.

The Ukrainian People. Historically speaking, Ukrainians constitute a compact national, political and cultural entity. Ukrainians are the largest Slavic people, surpassed numerically only by the Russians.

According to the latest Soviet population census (1959) the population of Ukraine was 41,869,000, of which number Ukrainians constituted 77 percent and Russians 17 percent. with the remaining 6 percent distributed among various national minorities: Jews (1,025,800), Poles, Germans, Greeks Byelorussians, Rumanians and Tartars.

On January 1, 1967, according to Soviet official sources, the population of Ukraine was 45,900,000 and on July 1, 1967, 46,200,000. By 1970 it should attain 47,518,220. In 1980, the projected Ukrainian population is 52,750,000, or approximately a 25.98 percent increase based on the population census taken in 1959.

Not all Ukrainians live in Ukraine. A substantial number are scattered throughout the Soviet Russian empire. According to official U.S. sources (The Soviet Empire: A Study in Discrimination and Abuse of Power, Committee on the Judiciary, U.S. Senate, Washington, D.C., 1965) Ukrainians in the various Soviet Republics numbered as follows:

Russian SFSR: 3,359,000; Byelorussian SSR, 133,000; Uzbek SSR, 88,000; Kazakh SSR, 762,000; Georgian SSR, 52,000; Lithuanian SSR, 18,000; Moldavian SSR, 421,000; Latvian SSR, 29,000; Kirghiz SSR, 137,000; Tadzhik SSR, 27,000; Turkmen SSR, 21,000; and Estonian SSR, 16,000. Over 5,063,000 Ukrainians live outside of what is known as the Ukrainian Soviet Socialist Republic. This is the official Soviet estimate. The number of Ukrainians outside Ukraine actually is much higher; it is conservatively put at 10 million by Ukrainian population specialists.

Satellite Countries: There are about 450,000 Ukrainians in Poland, 118,000 in Czechoslovakia and 119,000 in Rumania. There are over 40,000 Ukrainians in Yugoslavia, especially in the provinces of Bosnia and Herzegovina.

2. Ukraine Before World War I

On the eve of World War I the Ukrainian people lived in two powerful empires: the Russian and the Austro-Hungarian.

In Russia all the Ukrainian political institutions had been wiped out, the Czarist government long having determined to obliterate Ukraine as a distinct ethnic entity. The Ukrainian language was proscribed, and surviving Ukrainian national customs and folklore were derided as backward, while at the same time the official Russian policy propagated the notion that there was no recognizable difference between Ukrainians and Russians. At its worst, the Russian government resorted to such crass propaganda as that the Ukrainian national movement stemmed from "Austrian-German" intrigues, a fiction that was propagated by the Russian intelligentsia, including some of liberal hue. Scorn was heaped upon Taras Shevchenko, Ukraine's national hero and poet laureate, as well as upon many Ukrainian writers and poets who followed the great bard. It was only in 1905 that the Imperial Russian Academy of Sciences in St. Petersburg admitted officially that Russian and Ukrainian were two disparate and independent Slavic languages: Ukrainian was not a mere "dialect" of the Russian.

The plight of the Ukrainians was improved somewhat after the first Russian revolution in 1905. The first Russian Duma (Parliament) included a number of Ukrainian deputies as well as some hailing from the other non-Russian nationalities, who sympathized with the Ukrainian cause. Permission was granted to publish newspapers and books in Ukrainian.

There was a total of 22,300,000 Ukrainians in the nine administrative provinces of Ukraine, according to the 1910 population estimate. Some 7,426,982 Ukrainians lived in the neighboring provinces, central Asia and the Far East. Thus the Ukrainians in Russia totaled 29,726,982 on the eve of World War I.

In the Austro-Hungarian empire the Ukrainians lived in a compact mass in Eastern Galicia, numbering about 3,580,000, numbered 300,000 in Northern Bukovina, and mustered 470,000 in Carpatho-Ukraine, for a grand total of 4,150,000 Ukrainians.

The situation of Ukrainians under Austria-Hungary was a much better one than that of the Ukrainians under Russia. From 1860 on, when Eastern Galicia had been granted autonomy, the Ukrainian national rebirth had continued to flower. The Ukrainian language was officially recognized as one of the languages of the empire. Ukrainians could form political parties, cultural, social and economic organizations; they had representatives in the Galician Diet and in the Central Austrian Parliament in Vienna. Playing an important part in this general Ukrainian national rebirth in Eastern Galicia, Northern Bukovina and Carpatho-Ukraine was the Ukrainian Catholic Church, especially under the able leadership of Metropolitan Andrew Sheptytsky, who headed the church from 1900 until his death in 1944.

So, while the Ukrainians in Russia were suppressed and deprived of their national and political rights, their brothers in Western Ukraine under Austria-Hungary enjoyed considerable freedom in their national and political development.

The outbreak of World War I aroused the hopes of all submerged peoples of Europe, and not least of all the Ukranians.

The Western powers had no objection to a division of the Austro-Hungarian empire, and readily granted that the Czechs and the peoples of the Balkans had their right to independence. The case of the Poles and Ukranians was more complex, however, as there were millions of Poles and Ukrainians on both sides of the front lines. Russia was willing to "liberate" the Poles in Western Galicia under Austria-Hungary, especially if it could annex the Ukrainian ethnic territory of Eastern Galicia. The Central Powers, on the other hand, regarded the independence movement among the Czechs as a Russian intrigue, but were willing to "liberate" the Russian part of Poland. This policy divided the Poles sharply into two camps: one pro-Central Powers and the other pro-Entente.

The Ukrainians immediately found themselves burdened by special political handicaps, compounded by the fact that their cause was little known in the world. The Russians did everything they could to convince the world that the Ukrainian nation was a "fiction" and that the entire Ukrainian movement was an "invention" of the German and Austrian governments. At the same time, the Poles in the German-Austrian camp demanded that a great part of Ukraine be included in a revived "historical" Poland. Moreover, the Central Powers would not commit themselves in any way regarding the future status of the Ukrainians. True, the Austrian government allowed the Ukrainians to organize Ukrainian military formations, on a voluntary basis, which were sent to the Russian front. (Although under overall Austrian command, these Ukrainian military units, known as the Ukrainski Sichovi Striltsi—Ukrainian Sich Riflemen—regarded their struggle against the Russians as one for a free and independent Ukraine. They also furnished the nucleus of the Ukrainian armed forces which subsequently sprang up when Ukraine became free and independent.)

Also, in Vienna and Geneva, Ukrainian political exiles from Ukraine under Russia established a political organization, the "Union for the Liberation of Ukraine," which propagated the cause of Ukrainian liberation not only in the countries of the Central Powers, but among the neutral states as well.

Anti-Russian feelings and attitudes among Ukrainians grew considerably in the first months of World War I, in the course of which the Russian Czarist government embarked upon a policy of total suppression of all Ukrainian institutions and the Ukrainian press, and as a consequence of its ruthless persecution of Ukrainians in Eastern Galicia, when this land was occupied by Russian troops in 1914–1915.

3. Rebirth of the Modern Independent State of Ukraine

The fall of Russian Czardom in March, 1917 evoked great enthusiasm not only among Ukrainians but among all the other non-Russian nations as well.

Ukrainians were nothing if not quick to seize the great opportunity to restore their independent state.

(a) Period of the Ukrainian Central Rada: On March 17, 1917, the Ukrainian Central Rada (Council) was established in Kiev under the presidency of Prof. Michael Hrushevsky, Ukraine's foremost historian. Between March and October of 1917 the Rada dealt with the Russian Provisional Government under Alexander F. Kerensky, who refused to recognize the independence of Ukraine. The Rada issued four Universals (proclamations) which served to mark the stages of the rebirth of Ukrainian statehood:

(1) The First Universal, June 23, 1917, announced the autonomy of Ukraine; 2) the Second Universal, July 16, 1917, proclaimed agreement between the Rada and the Russian Provisional Government; 3) the Third Universal, November 20, 1917, established the Ukrainian National Republic (UNR), and 4) the Fourth Universal, issued on January 22, 1918, proclaimed Ukraine to be an independent and sovereign state. Within a fruitful period of ten months a Ukrainian national army was organized; the Rada opened Ukrainian schools, established Ukrainian administrative and judicial systems, introduced a land reform, prepared for a Ukrainian Constituent Assembly, provided autonomy for the national minorities of Ukraine and gained the recognition of a number of foreign states, including Communist Russia.

On December 17, 1917, the Soviet government (Sovnarkom) sent a note to the Ukrainian Central Rada, which stated:

"The Soviet of People's Commissars of the Russian Republic recognizes, without any limitations or conditions, and in all respects, the national rights and independence of the Ukrainian Republic." (Cf. Organ of the Provisional Government of Workers and Soldiers, No. 26, December 20, 1917, Petrograd).

Although recognizing the independence of Ukraine the Soviet Russian government sent an ultimatum to the Rada demanding that the Rada grant armed Communist bands permission to cross Ukraine to the Don. When their ultimatum was rejected, Lenin and Trotsky launched an armed aggression against Ukraine. It took the Ukrainian and the allied German and Austrian troops, after the Brest Litovsk Treaty, four months to expel the Russian troops from Ukraine—a military success Ukraine was not to duplicate again.

We may note here that France and England recognized Ukraine as an independent state before the Central Powers did. The French government sent General Tabouis and the British government, Picton Bagge, as special envoys to Kiev to extend de facto recognition to the Rada in January, 1918. On February 9, 1918, Ukraine concluded a separate peace treaty with the Central Powers in Brest Litovsk, winning thereby a full de jure recognition from Germany, Austria-Hungary, Turkey and Bulgaria.

Through the provisions of the Brest Litovsk Treaty Ukraine received diplomatic recognition and military help against the Bolsheviks from Germany and Austria-Hungary in exchange for food supplies. It was these troops of the Central Powers that enabled the Ukrainian army to drive the Soviet troops out of Ukraine by the spring of 1918.

(b) Period of the Hetmanite Government: The military aid of Germany and Austria-Hungary also improved the political situation in Ukraine in that the Russia Communists were expelled. But the Ukrainian national cause suffered when the German and Austrian allies abused their privileges, quickly earning the hatred of the Ukrainian population. In addition, the social and economic policies of the Rada, which were largely socialist won no support from the wealthier and conservative classes in Ukraine, which were largely Russian and Polish. Also, many of the Russian aristocracy had fled from Russia to Ukraine. The Germany army and its command, too, was conservative. Lastly, a small group of Ukrainian landowners, proud of their Ukrainian Kozak traditions, organized a conservative Ukrainian party which pressured the Rada with a series of demands, especially one calling for restitution of private property. This party held a congress in April, 1918, at which it elected General Paul Skoropadsky as the new hetman of Ukraine. The German army, displeased with the socialists and radical policies of the Rada, committed an unpardonable act: it forcibly dispersed the Ukrainian Central Rada, despite the protest of Prof. M. Hrushevsky, the Rada's President, and gave its full support to Hetman Skoropadsky.

Paul Skoropadsky was a descendant of the old Ukrainian family of Hetman Ivan Skoropadsky and had been educated in St. Petersburg. He was first to Ukrainize his Russian army corps immediately after the establishment of the Rada.

In contrast to the Rada, the rule of Hetman Skoropadsky admittedly was conservative. For a short time order was established in Ukraine. The new government repealed, however, most of the land reforms of the Rada, re-establishing landowners in their former estates. Strikes were forbidden, and the German troops began wholesale requisitions of foodstuffs throughout Ukraine.

Popular discontent and Bolshevik agitation grew rampant in Ukraine. The defeat of Germany in the west in the fall of 1918 foreshadowed the end of the rule of Skoropadsky.

(c) The Directorate of the Ukrainian National Republic: During the rule of Skoropadsky, the Ukrainian socialist and liberal democratic parties were not idle, marshalling their forces and drawing up their programs. In the fall of 1918 they established a Directorate of five men, headed first by Volodymyr Vynnychenko and then by Simon Petlura. Relying on the Ukrainian corps of the Sichovi Striltsi under the command of Col. Eugene Konovalets the Directorate proceeded to overthrow the government of Hetman Skoropadsky. The now weak German authority in Ukraine quickly collapsed, the German troops retreating hastily from Ukraine.

Nonetheless, the Directorate took over in Ukraine under extremely difficult circumstances. The Bolsheviks had reorganized their forces and had begun a new aggression against Ukraine. At the same time the White Russian forces under the command of General Anton Denikin were fighting not only against the Bolsheviks but against the Ukrainian national armies as well. In addition, with the establishment of the Western Ukrainian National Republic, the government of reborn Poland attacked Ukraine from the west, thus opening a new war front for the hard-pressed Ukrainian people.

(d) Establishment of the Western Ukrainian National Republic: The collapse of the Austro-Hungarian empire spurred the Ukrainians of Eastern Galicia, Northern Bukovina and Carpatho-Ukraine into greater efforts for freedom and self-determination. A Ukranian National Rada was established in Lviv, capital of Western Ukraine. On November 1, 1918, Ukrainian military units of the Austrian armies took over all government buildings in the city, and the National Rada proclaimed the Western Ukrainian National Republic. But the Poles challenged the Ukrainians, opening up a Polish-Ukrainian war, first for the city of Lviv, then for all Eastern Galicia. In Bukovina the Ukrainians established their own National Committee and asked to be integrated into the Ukrainian Republic; the Ukrainians of Carpatho-Ukraine followed suit on January 22, 1919.

In the meantime the Ukrainian government—the Directorate in Kiev—and the government of the Western Ukrainian National Republic headed by Dr. Eugene Petrushevych decided to merge and form one united Ukrainian Republic and government.

All these trends of nationalism culminated with the Act of Union of January 22, 1919, in Kiev, whereby all Ukrainian ethnic lands became part of a united Ukrainian independent state. The Act of Union, among other things, stated:

"From today on there shall be united in one Great Ukraine the centuries-separated parts of Ukraine—Galacia, Bukovina, Hungarian and Dnieper Ukraine. The eternal dreams, for which the finest sons of Ukraine lived and died, have been fulfilled. From today on there shall be only one independent Ukrainian National Republic."

Although the two Ukrainian republics had united and although the army of the Ukrainian National Republic and the Ukrainian Galician Army were placed under one unified Ukrainian command, the rush of events proved to be overwhelming. In May, 1919, for example, the Polish troops fighting against the Ukrainian Galician Army were reinforced with six fresh Polish divisions under the command of General Joseph Haller, organized, trained and equipped by the Allies in France. Ostensibly sent to prevent the advance of the Bolsheviks, in reality they were intended to push the Ukrainian troops from Eastern Galicia into Ukraine proper.

At the Paris Peace Conference two Ukrainian delegations (one from the Directorate of Kiev and the other from the Western Ukrainian National Republic) vainly endeavored to secure support and recognition from the victorious Allies. The "Big Four"—Wilson, Clemenceau, Lloyd George and Orlando—tried to mediate the Polish-Ukrainian war, but failed. With the collapse of Turkey the Dardanelles were opened, and the Western Allies sent supplies to the White Russian Generals Denikin, Wrangel and Kolchak, but none to the hard-pressed Ukrainians, who, astonishingly, were holding two fronts against the Bolsheviks and the White Russians in the east and south, and yet another against the Poles in the west.

Midsummer in 1919 the united Ukrainian armies mounted a last-gasp, all-out offensive against the Bolsheviks, and expelled them from Kiev in a heroic effort. Had the Western Allies given them material support the Ukrainian Republic might well have survived. But the Ukrainian army found itself hemmed in a "rectangle of death," decimated by typhus and other diseases, without adequate medical supplies, without food, without arms. That it had survived so long had been made possible only by the support of the Ukrainians in city and countryside.

In the spring of 1920 the Ukrainian government of Petlura in desperation concluded a military alliance with Pilsudski of Poland, thereby tacitly recognizing the conquest of Western Ukraine by Poland. A joint Polish-Ukrainian offensive in the summer of 1920 managed to push the Red armies beyond Kiev, but a counter-offensive of the Soviet armies threw back the combined Polish-Ukrainian forces. By the summer of 1920 the whole of Ukraine was in the hands of Soviet troops.

On March 21, 1921, a peace treaty was signed between Poland and Communist Russia and the "Ukrainian Soviet Socialist Republic," in Riga-Latvia.

In this treaty no mention was made of the Ukrainian National Republic, nor of the Directorate nor the Ukrainian army. Nor was there any mention of the Soviet Russian recognition of the Ukrainian National Republic, which the Soviet government had granted Ukraine in the note of December 17, 1917, and had confirmed in the peace treaty signed with the Central Powers on March 3, 1918.

For all intents and purposes Ukraine was now again divided between Soviet Russia and Poland. A new factor, however, had been introduced, namely, the "Ukrainian Soviet Socialist Republic," which now allegedly represented the Ukrainian people.

Thus for almost four years, from March 1917 until the fall of 1920, the Ukrainian people fought valiantly to preserve their freedom and national independence under the most adverse and trying conditions. They achieved their freedom and independence after centuries of oppression only to have them wrenched away by more powerful neighbors in a few short years.

We may well wonder what might have happened had Ukraine survived as an independent state, thereby depriving the Soviet regime of its great natural resources, and, too, eliminating that alleged vacuum which Hitler believed Ukraine and other non-Russian countries to be, enticing him into making his fateful drive for "easy" conquest in the east.

The Ukrainians fought ardently for their self-determination while the world looked on with indifference, even hostility. Poland, and to some extent Czechoslovakia and Rumania, cynically saw themselves profiting by Ukraine's demise as an independent state. The same methods used for the subjugation of Ukraine, however, eventually were to be successfully used against them by mankind's enemy—Communist Russia.

1. Ukraine between two World Wars and during World War II

1. Ukraine Under the Rule of Communist Russia (1920–1939)

The Soviet Russian rule over Ukraine was and continues to be a totalitarian and dictatorial rule, although Moscow exploits every imaginative resource it possesses to show that the new Soviet system is a popular government primarily concerned with the economic, social and cultural welfare of its citizens and, above all, that it is a government of "workers and peasants."

Ukraine was crushed and conquered by the superior strength of Soviet Russian arms, but to give the world the illusion that the Ukrainian people craved a Soviet regime, Moscow established the "Ukrainian Soviet Socialist Republic," which it claims is the happy creation of the Ukrainian people. In 1923 the Ukrainian SSR formally became a member of the Soviet Union as a "free and independent member-Republic."

Moscow governed some 30,000,000 Ukrainians with unrelenting severity and harshness. Its rule between World Wars I and II is characterized by these distinguishable stages:

(a) NEP Period: During this period (1921–1924) the Soviet government introduced some alleviations in the economic and cultural spheres in an attempt to win the Ukrainian people over to its side. It allowed a degree of private initiative in the economic field and some latitude in the cultural areas.

(b) Ukrainization: In the middle 1920's the Kremlin was forced to grant some concessions to the Ukrainians and introduced a policy of "Ukrainization," officially favoring the use of the Ukrainian language in Ukraine as the official language of the republic in schools, administration, courts, and government offices. Ukrainian literature so speedily flowered that the Russian Communist leaders became alarmed, suppressing a number of Ukrainian writers and intellectuals under the pretext that they were propagating "Ukrainian bourgeois nationalism."

(c) Collectivization: In 1930–32 Stalin introduced enforced collectivization of agriculture in the USSR, a process during the course of which some 5 million Ukrainians died from mass starvation and man-made famine, the price paid in rejecting the collective farms when the Soviet government coercively withheld grain supplies.

(d) Purges, Arrests: The Soviet rule in Ukraine was characterized by frequent arrests, purges and deportations of Ukrainian intellectuals, writers, poets, and professionals, including Communist writers, male and female; in the 1930's thousands of patriotic Ukrainians were executed by the NKVD and MVD for participating in secret, real, sometimes imaginary, anti-Communist organizations. Actual bodies were the "Union for the Liberation of Ukraine," "Union of Ukrainian Youth," "Ukrainian Military Organization," the "Ukrainian National Center," and the like.

(e) Anti-Religious Policy: From the very inception of its power, the official Communist policy toward religion was directed towards its total negation. Tolerated for some time in Ukraine was the Ukrainian Autocephalic Ukrainian Orthodox Church, but soon Metropolitan Vasyl Lypkivsky and some 32 Ukrainian Orthodox archibishops and bishops were pulled down from their pulpits and incarcerated.

(f) Large-scale Deportations: Deportation of recalcitrant Ukrainians to Siberia, Central Asia and the Far East became a matter of Soviet policy. These deportations entailed large numbers, such as farmers opposing collectivization, former soldiers of the Ukrainian national armies (in the 1920's), cultural leaders who were pursuing "Ukrainization" too zealously and too well, and even members of the Communist Party of Ukraine. In 1937, Nikita S. Khrushchev, as Stalin's emissary in Ukraine, liquidated the entire organization of the Communist Party of Ukraine and 17 members of the so-called Ukrainian Soviet government as "bourgeois nationalists" and "enemies of the people."

In the economic field, Communist Russia systematically exploited the natural riches and industrial capabilities of Ukraine for the benefit of imperialistic and aggressive designs elsewhere.

2. Ukrainians Under Poland

After the collapse of both the Western Ukrainian National Republic and the Ukrainian National Republic in Kiev, the formal division of Ukraine took place according to the Treaty of Riga between Poland and Communist Russia. Some 7,500,000 Ukrainians of Eastern Galicia and of a part of Volhynia and Polisia, found themselves under the rule of extreme, nationalist Polish governments. Originally, the Allied Supreme Council allowed Poland to occupy Eastern Galicia with the proviso that political and religious freedom be guaranteed to the Ukrainians. On March 14, 1923, the Council of Ambassadors assigned this Ukrainian land permanently to Poland, again with the provision that local autonomy be given the Ukrainians.

But the Polish government embarked on a policy of overt persecution of the Ukrainians and the other minorities: Byelorussians, Jews, Germans and Lithuanians. The Ukrainian schools, which flourished during Austrian rule, were suppressed and the Ukrainian language relegated to a secondary place in a country overwhelmingly inhabited by Ukrainians. Although Catholic themselves, the Poles ruthlessly persecuted the Ukrainian Catholic Church as a natural protector of Ukrainian national and cultural life. The Warsaw government set up the infamous concentration camp at Bereza Kartuska, where it incarcerated rebellious Ukrainians, casting in its own Polish opponents as well.

The Ukrainian reaction to this harsh treatment took two forms: overt, legal political parties and economic organizations, especially the well-developed Ukrainian cooperative movement and the credit unions, and covert, illegal and revolutionary Ukrainian organizations, such as the Ukrainian Military Organization (UVO) and the Organization of Ukrainian Nationalists (OUN). Where, the first group, especially the Ukrainian National Democratic Union (UNDO) party, tried to wrest some degree of recognition and tolerance from the Polish government, the second group adopted an intransigent and uncompromising position, advocating a united and independent state of Ukraine. The latter group, bitterly anti-Polish, soon organized a network of clandestine groups which began attacking Polish officials deemed responsible for the oppressive acts of the government. The Warsaw government retaliated harshly, as witness the "pacification" of Ukrainian villages and towns in 1930, which eventually was documented in the League of Nations and other international organizations which sought to protect the rights of national minorities. These oppressive measures cost the Poles abroad much of that wholehearted support accorded them during World War I, when they themselves were striving to achieve their independence.

3. Ukrainians in Czechoslovakia

Initially the government of reborn Czechoslavakia was favorably disposed toward the Ukrainians, whose leaders, subjected to harsh treatment by Poland and the USSR, sought refuge and support in Czechoslovakia. A number of Ukrainian institutions, including a Ukrainian Free University, were established in Czechoslovakia, with the acquiescence and, at times, the material support of the Prague government. But the Prague regime became quite antagonistic to the national aspirations of the 550,000 Ukrainians in Carpatho-Ukraine who had tried to be reunited with Ukraine in 1919 but who, by virtue of the Treaty of St. Germain, had been given to Czechoslovakia, again under the condition that national autonomy be introduced in the region. (It never was.) At best, the Czechoslovak government pursued a policy of playing off Russian against Ukrainian influence among the several hundred thousand Ukrainian mountaineers who preserved patterns of Ukrainian culture and folklore despite domination by the Hungarians for several centuries.

In 1938, with the Nazi government throwing Europe into turmoil, Carpatho-Ukraine acquired sudden political prominence. Subsequent to the Munich pact it received national autonomy within a diminished Czechoslovakia. On November 2, 1938, a substantial part of Carpatho-Ukraine along with the cities of Mukachiv, Berehovo and Uzhorod was handed over to Hungary by Hitler and Mussolini. Finally, when on March 14, 1939, the Hungarian troops were given the "green light" by Hitler to attack Carpatho-Ukraine, its Parliament in Hust proclaimed independence and elected Msgr. Augustine Voloshyn, a Ukrainian Catholic priest, its first President, with Julian Revay as Prime Minister. The Sich sharpshooters, untrained and ill-armed, put up a gallant resistance, but were decimated by the regular Hungarian army, and the country was incorporated into Hungary.

4. Ukrainians Under Rumania

There were about 1,000,000 Ukrainians in Northern Bukovina and Bessarabia, provinces which had been acquired by Rumania from Austria and Russia. The Rumanians, a Latin race, tended to be suspicious of the Eastern Slavs, despite the fact that their predecessors in Moldavia and Wallachia had enjoyed friendly relations with the Zaporozhian Kozaks, ancestors of the Ukrainians. The Rumanian government passed a number of laws prohibiting non-Rumanian organizations and curbing the Ukrainian language, schools and press. But in 1927 the Ukrainians succeeded in electing a few deputies and a senator to the Bucharest Parliament, voices to defend the rights of the Ukrainian people. But in general the Rumanian government saw any and all Ukrainian activity as a possible link with Soviet Ukraine. For their part, Ukrainians, who knew intimately of the plight of their brethren in the USSR, could not possibly muster for Rumania the hostility engendered by the USSR. And, in point of fact, the treatment of Ukrainians in Czechoslovakia and in Rumania was not to be compared with the harsh treatment of Ukrainians meted out by the Polish and Soviet governments.

II. Ukraine during World War II: Struggle against two totalitarianisms

With the signing of the Ribbentrop-Molotov pact on August 23, 1939, the Nazis were ready to launch a lightning aggression against Poland and thus implement their program for a "new order" in Europe.

The Nazi-Soviet pact shocked Ukrainians wherever they lived; they, in common with everyone else in the world, could not see Hitler and Stalin as allies.

With the defeat of Poland, the Soviet Union on September 17, 1939, moved to annex Western Ukraine and Western Byelorussia. Stalin dispatched Soviet troops "to take under their protection the blood-brothers, Ukrainians and Byelorussians." Soon an additional agreement was signed between Moscow and Berlin delineating the new borders: the USSR (which had already begun its expansion in the Baltic States) took possession of all the Ukrainian ethnic territory which was under Poland with the exception of four small districts which remained in German hands: the San and Lemko districts in the Carpathians, and two small areas in the Kholm and Pidlasya regions.

1. Under Nazi Rule

Although there was speculation in the West and undoubtedly some hope among the Ukrainians that Hitler would be moving into Eastern Europe to help the subjugated peoples in their struggle for national independence, such conjectures and sentiments were dashed by the very first action of Hitler.

The Ukrainians were not merely disappointed. They were outraged that Western Ukraine, which had never been part of any Russian state (except during the months of Russian occupation in World War I) should have been handed over to the Soviet Union.

On the other hand, although anti-Hitler feeling rose high, hundreds upon thousands of Ukrainians succeeded in escaping from Soviet-held areas of Western Ukraine to the German side—the ancient enmity for the Russians predominating.

The overall German policy as regards the Ukrainians was apparently intent upon fomenting and increasing hostility between the Ukrainians and the Poles. (Incidentally, despite persecution of Ukrainians by the Polish regime, there were no mass desertions or anti-Polish acts, sabotage, guerrilla warfare or the like on the part of the Ukrainians when the Nazis attacked Poland on September 1, 1939.) The Nazis did allow Ukrainian schools and the publication of Ukrainian books. They also tolerated the restoration of the Ukrainian Autocephalous Orthodox Church in Kholmland and Pidlasya, and permitted the establishment of a Ukrainian Central Committee in Cracow to act as a general contact organ, similar to those allowed the Poles and Jews. In some districts and areas, in fact, Ukrainians were placed in administrative posts, relief organizations and other economic sectors—all of which generated a popular assumption that the Ukrainians were receiving "preferential treatment." But above all, no political activities were permitted, although the Nazis did not fail to play on the anti-Communist and anti-Russian sentiments of the Ukrainians.

2. Under Soviet Rules

When the Soviet troops took over Western Ukraine (Eastern Galicia and Volhynia), the Soviet government lost no time in introducing its own oppressive rule. Mass arrests immediately followed the Ukrainian intellectuals, the wealthier elements of the population, Ukrainian Catholic priests, student leaders and the leaders of various economic and financial institutions—all of whom were deemed dangerous to the Soviet regime. Finally, in October 1939, Soviet-type "elections" were held in Western Ukraine. Unsurprisingly, among the one-slate candidates a number of prominent Ukrainian Communists from Soviet Ukraine were to be found. Soon Western Ukraine was integrated with the Ukrainian SSR through a "unanimous" petition of a phony "People's Assembly" sent not to Kiev, but to Moscow, another example, if needed, to show that the Ukrainian SSR has the reality of a department store window display.

The Communists also installed the Soviet economic system, including the nationalization of private property, factories, plants and banks and other privately owned enterprises. Ukrainian cooperatives, an institution which had managed to thrive under Polish rule, were dissolved or merged into the Soviet-type cooperative, run by the omnipotent state.

The Soviet regime followed its now-established tactic of fabricating an outward Ukrainian appearance. Lviv was declared a Ukrainian city, and the University of Lviv was named after Ivan Franko, the greatest poet of Ukraine after Shevchenko.

With all Ukrainian political parties dissolved, the Organization of Ukrainian Nationalists (OUN), the largest underground Ukrainian nationalist organization, despite sporadic acts of sabotage, tried to marshall its forces and rebuild the underground network, hoping for a rupture in the Nazi-Soviet alliance.

In 1940, the Kremlin, with the support of Hitler, turned toward Rumania, demanding the provinces of Bukovina and Bessarabia. Those parts of the two provinces with predominantly Ukrainian populations were integrated into the Ukrainian SSR, while the remaining areas were grouped together into a Moldavian Autonomous Republic, which subsequently became the Moldavian SSR. The same process of Sovietization and Communization was inflicted upon the newly-acquired Ukrainian provinces.

3. The German-Soviet War

The German attack on the Soviet Union on June 21, 1941, unleashed the great totalitarian forces of Nazism and Communism. It also served to clarify Nazi policy with respect to Ukraine.

The rapid retreat of the Soviet troops precipitated the wholesale massacre of Ukrainian political prisoners by the NKVD in many Western Ukrainian cities—Lviv, Stryi, Drohobych, Ternopil, Dubno and Lutsk. Hundreds of Ukrainian corpses were also found in the prisons of Kiev, Kharkiv, Poltava, Zhytomyr, Odessa and Dniepropetrovsk.

The attitude of the Nazi government toward Ukraine remained basically the same. True, the Wehrmacht staff organized two Ukrainian Legions (the "Nightingale" and the "Rolland"), which many Ukrainians and others mistook for a change in the German policy toward Ukraine. But the crucial test came on June 30, 1941, when the Ukrainian National Assembly gathered in Lviv, proclaimed the restoration of the Ukrainian state, and appointed Yaroslav Stetzko, a leading member of the OUN, prime minister of the Provisional Government. The government was broadened to include representatives of other political groups. A Ukrainian National Rada was formed with Dr. Kost Levytsky, outstanding Ukrainian parliamentarian and statesman, as its head. The German army command initially was neutral, even participating in the ceremonies attendant upon the proclamation of the restoration of Ukraine's independence. But as the German armies moved east the Gestapo took over. It ordered the leaders of the Ukrainian Provisional Government to revoke their act or face arrest and concentration camps. The Ukrainian leaders chose the latter alternative; both Stepan Bandera and Yaroslav Stetzko, as well as many others, were arrested and sent to the Sachsenhausen concentration camp in Germany.

The hopes of the Ukrainians were finally shattered when in August, 1941, the German government included Western Ukraine in the Gouvernement General of Poland, while the rest of Ukraine was organized under the Reichskommissariat Ukraine and placed under the administration of Gauleiter Erich Koch, notorious for his sadism even in Nazi Germany and a former Communist. It was not long before the Nazis commenced large-scale deportations of able-bodied Ukrainian men and women for slave work in Germany. The overall pattern of Nazi policies was to depopulate Ukraine, in effect destroying the Ukrainian people, thereby paving the way for the German colonization schemes as dictated by the Lebensraum concept.

It became obvious to the Ukrainians that resistance to the new enslaver of Ukraine would have to develop rapidly. In the spring of 1942 large segments of the northeastern Ukrainian territories were seething with discontent and unrest. By the fall of 1942 the Ukrainian Insurgent Army (UPA) was established, including a general staff, training schools and other military sub-divisions.

For over two years and a half the UPA under the command of General Taras Chuprynka (Roman Shukhevych) conducted an unrelenting underground guerrilla struggle against the Nazi apparatus of oppression. The UPA gained control over a considerable area of Ukraine, supported solely by the Ukrainian population.

By the middle of 1944 the UPA had become a powerful striking force and numbered well over 100,000 guerrilla fighters. In the fall of that year all the Ukrainian nationalist underground organizations called an assembly and established the Supreme Ukrainian Liberation Council (UHVR), which, by coordinating policies and administration of Ukrainian areas under the control of the UPA, in a real sense became the actual if clandestine government of the Ukrainian people.

Inasmuch as the UPA fighters concentrated their attacks against the Nazi police, Gestapo and Einsatz troops and security units (in 1943 the UPA assassinated SS Nazi General Victor Lutze in an ambush on the Kovel-Brest railroad line) rather than against Wehrmacht troops, the Soviet propaganda trumpeted that the UPA fighters were German "hirelings and collaborators." The Wehrmacht was not a prime target simply because it was not engaged in any punitive actions against the Ukrainian population; the Gestapo and other security troops, on the other hand, systematically were hunting down Ukrainians for deportation to slave labor in Germany.

The anti-Nazi policies of the UPA stood unwavering and unchanged to the last days of the Nazi occupation of Ukraine. It was only a few months before the collapse of Germany that the Nazi government began flirting with the Ukrainians and other non-Russian nationalities in a hopeless attempt to win them over to the German side. The two Ukrainian divisions which the Wehrmacht had organized in 1943 to fight against Soviet troops exclusively were now made a part of a Ukrainian National Army that a newly-organized Ukrainian National Committee tried to establish. But to the overwhelming majority of the Ukrainian people the Germans were beyond the pale. The Ukrainian division suffered heavy casualties in a major engagement against the Soviet troops near the city of Brody in 1944; many of its survivors went over to swell the ranks of the UPA.

Before the general retreat of the German troops from Ukraine the Soviet government undertook a tremendous propaganda campaign to soften the hostility of the Ukrainian people. Simultaneously, thousands of Red partisans were sent behind the German lines, ostensibly to fight against the Germans but in reality to combat the UPA. Led by General Sydir Kovpak, a descendant of the Zaporoshian Kozaks, the Red partisans glibly spoke of a "free and independent Ukraine" and of "friendship with the great Russian people." Also, the Kremlin relaxed repressive measures somewhat; Ukrainian writers and poets were allowed to sing of the glory of Ukraine. Vague promises about forthcoming "national concessions" floated in the air. Stalin ordered the restoration of the Russian Orthodox Church, and in Kiev a new Ukrainian Communist government was organized with Dmytro Z. Manuilsky, a veteran Comintern leader, becoming Foreign Minister of Ukraine! Vast Soviet armies, some of them being renamed as "Ukrainian Armies," were staffed and commanded by such marshals and generals of Ukrainian descent as Malinovsky, Moskalenko, Grechko, Dibrova, Rybalka, Derevyanko, Timoshenko, and others—in a transparent effort to impress the Western world that Ukrainians were on the side of the Soviet Union, that Ukraine was one of the major republics of the USSR, and that it was worthy of membership in the organization of the United Nations, soon to be established.

But the UPA, while still fighting against the Nazi security and police forces in extensive areas of Western Ukraine, the Carpathian Mountains and the Ukrainian territory in Poland, now had to commence operations against the Soviet troops, especially the Red partisans. Among the victims who fell in battle with the UPA was Soviet General Nikolai F. Vatutin, member of the Soviet War Council, who was mortally wounded by a UPA unit, dying subsequently in a Kiev hospital (cf. The Penkovsky Papers; also, The Fatherland's War, Vol. IV, p. 78, Moscow).

At the conference at Yalta in February 1945 both Roosevelt and Churchill accepted the proposal of Stalin that Ukraine and Byelorussia be charter members of the United Nations.

By the end of World War II, peace had seemingly come to the world, but certainly not to Ukraine. The UPA, still a strong and powerful fighting force, backed by the people, was now preparing to engage the old enemy of the Ukrainian people, Communist Russia.

PART 3—POST-WORLD WAR II OPPRESSION OF UKRAINE BY COMMUNIST RUSSIA

1. Stalin's Revenge on Ukraine

As the Soviet Union emerged one of the great victors over Nazi Germany, Stalin took pains to make it clear that the Soviet victory had been achieved by the Great Russians almost exclusively. Consequently, he initiated bloody purges and persecution in the non-Russian republics. The autonomous republics of the Crimean Tartars and the Volga Germans were liquidated as their punishment for collaboration with the Germans, a fate which likewise befell the autonomous oblasts of the Chechens and Ingushes in the Caucasus (cf. Communist Takeover and Occupation of Ukraine, Special Report No. 4, U.S. Government Printing Office, Washington, 1955).

But Stalin's vengeance was wholly psychopathic in Ukraine. His promises of "national concessions" to Ukraine were soon forgotten. The MVD (the new name for the NKVD) hounded all those Ukrainians who were supporting the UPA—a herculean task, indeed. Moscow ordered wholesale requisitions of all foodstuffs in Ukraine and called up a general mobilization of all men from 16 to 60—this was before the final collapse of Germany. Thousands, untrained and ill-armed, were slaughtered under the fire of German tanks and guns.

(a) Fight against the UPA: One of the primary tasks of the Soviet troops was to liquidate the Ukrainian underground resistance. Special detachments, known as istrebitels ("exterminators"), hunted members of the OUN (whom the Reds called "Banderites," after Stepan Bandera, OUN leader) and the UPA.

The underground warfare of the UPA embraced the Western regions of Galicia, the frontier zones of both sides of the Curzon Line and the Carpathian Mountains, including some areas of Carpatho-Ukraine and Slovakia. The fighting raged for several months, despite constant appeals on the part of Khrushchev and Manuilsky to Ukrainian insurgents to lay down their arms, automatic pardon being their reward. Since there were no surrenders, the Soviet command mounted large-scale offensives with as many as 30,000 special troops. Through the spring and summer of 1945 entire Soviet divisions were engaged in combatting the UPA. In 1946 General Vasyl Ryasny, the Minister of Interior of the Ukrainian SSR, threw large contingents of MVD troops into the fray. In 1947 the seemingly unconquerable UPA units ambushed and killed General Karol Swierczewski, Polish Defense Minister ("General Walter" of the Spanish Civil War).

On May 17, 1947, a tripartite agreement was signed between the USSR, Poland and Czechoslovakia, whereby all three Communist governments agreed to join forces in putting down the Ukrainian guerrilla forces. This blow proved too much even for the Ukrainian spirit to sustain. Hundreds of the underground fighters were killed, several hundred others escaped through Czechoslovakia to West Germany or simply faded away throughout the USSR. On March 5, 1950, Soviet security troops ambushed and killed the UPA Supreme Commander, General Taras Chuprynka, in Western Ukraine.

It is estimated by Ukrainian guerrilla warfare specialists that by 1950 some 36,000 Soviet officers and enlisted men of the security forces had fallen at the hands of UPA freedom fighters. Although large-scale operations and raids by the UPA subsided after 1950, underground resistance, under different forms and techniques, exists to this very day.

(b) Destruction of Ukrainian Catholic Church: Another form of Stalin's revenge over the Ukrainian population was his savage destruction of the Ukrainian Catholic Church in Western Ukraine.

After the death of Metropolitan Andrew Sheptytsky on November 1, 1944, his successor Metropolitan Joseph Slipy tried to preserve the church and its 5,000,000 Catholic faithful within the existing Soviet laws and constitution. But in 1945 the MVD arrested all the Ukrainian Catholic Bishops: Metropolitan Joseph Slipy, Bishops Gregory Chomyshyn, Ivan Latyshevsky, Gregory Lakota, Mykola Charnetsky, Mykyta Budka, many other high-ranking prelates, and a number of priests, monks and nuns—all on the spurious charges of "collaboration" with the Nazis or of supporting the UPA. In 1946 a Soviet-approved committee of a few apostate priests and laymen, called a "synod" at which they abolished the Union of Brest (1596), by which the Ukrainian Catholic Church had been reunited with the Roman Catholic Church. They liquidated all church properties and schools, closed monasteries, and imposed the Russian Orthodox Church upon the Catholic population of Western Ukraine. Subsequently, other Ukrainian Catholic bishops were arrested or killed, such as Bishop Josaphat Kotsylovsky, who was arrested by the Polish security police and handed over to the Soviet government, and Bishop Theodore G. Romzha, who was killed in Carpatho-Ukraine.

Of 11 Ukrainian Catholic bishops only Metropolitan Joseph Slipy survived. Released in 1963 upon the direct intervention of Pope John XXIII, he was first made Archbishop Major, then Cardinal; he now resides in Rome.

(c) Cultural Russification: Once the Soviet government had reorganized after the critical war years, it again commenced a shrewd and systematic policy of Russification in Ukraine. The Ukrainian language, although the official language of the Ukrainian SSR, was discriminated against. The so-called "linguistic theory" of Stalin was introduced to justify the Russian language as an "international language"; above all, it was the "language of Lenin" and the "language of Communism." Russian books, art, plays, films flooded Ukraine in unprecedented fashion. Ukrainian history and literature were ordered to be revised in order to demonstrate their dependence in the past, present and future on the "elder Russian brothers."

(d) Economic Exploitation: Although Ukraine had been ravaged by World War II, the Soviet government paid scant attention to the economic needs of the Ukrainian people. It did restore a certain number of factories, mines and hydro-electric plants which had been destroyed by the war. But enormous quantities of machinery which had been moved to the east from Ukraine were never returned to Ukraine. Under the pretext of bringing in sorely-needed specialized personnel and technicians, Stalin inundated Ukraine with Russians, while Ukrainian technicians, specialists and engineers were dispatched to other parts of the USSR.

In its agricultural policy the Kremlin revived and tightened the collective farm regime, making life on them even more unbearable. Western Ukraine and parts of Volhynia and Carpatho-Ukraine were collectivized, and all those Ukrainian farmers who showed the slightest opposition were sent to slave labor camps in Siberia and Kazakhstan.

2. Ukraine Under Khrushchev's Rule

(a) "De-Stalinization," "Thaw" and Ukraine: The death of Joseph Stalin on March 5, 1953, ushered in a new and uneasy period in the history of the USSR and of Ukraine. "Collective leadership" in the Kremlin masked a bitter struggle for supremacy. An early casualty of the intra-party struggle was Leonid Melnikov, abruptly dismissed as secretary general of the Communist Party of Ukraine. He was publicly charged with forcing the Russification of Western Ukraine, a charge brought to the fore for the first time anywhere. He was replaced by Alexander Kirichenko, the first native Ukrainian ever to hold this post. With the execution of Lavrenti Beria and the dumping of Georgi Malenkov, the surviving contestants, Khrushchev and Bulganin, embarked upon a policy of "peaceful coexistence" abroad and "peace" with their own hapless citizenry at home.

In 1954 Khrushchev, Stalin's "iron man" in Ukraine in 1938 and the holder of direct responsibility for many of the crimes committed against the Ukrainian people, began a new policy toward Ukraine. He now sought to woo Ukrainians by granting some nominal concessions and by cautiously following and espousing certain pro-Ukrainian policies, all with the obvious intent of appeasing the ever-recalcitrant Ukrainians.

On the occasion of the 300th anniversary of the Treaty of Pereyaslav (1654), the Communist Party came up with new "theses" on the relations between Russia and Ukraine. Advanced was a "theory" to the effect that Kievan Rus had given rise to three Eastern Slavic peoples: the Russians, Ukrainians, and Byelorussians. Hence the Russians could call Kiev "the oldest Russian city," leaving Lviv as the oldest Ukrainian city, since it was founded by the Ukrainians after "the division of languages."

Furthermore, in the same year of 1954 the Council of Ministers of the USSR made the Crimea a part of Ukraine to demonstrate the affability of Russian "brotherhood." (It is to be recalled that it was from the Crimea that Stalin had ruthlessly deported all Tartars for disloyalty to the Soviet regime and collaboration with the Germans.)

These and other gestures were intended to make the Ukrainians amenable to a new "economic scheme" Khrushchev had concocted: cultivation of the "virgin lands" of Kazakhstan. Some 800,000 young Ukrainian men and women were half-persuaded, half-coerced into leaving Ukraine as "volunteers" for the task.

Moreover, during the Khrushchev rule, large-scale strikes and rebellions erupted in the Soviet slave labor camps, most of them organized by Ukrainian political prisoners, notably by former members of the OUN and UPA. The first such insurrection flared up in Karaganda, the movement quickly spreading to slave camps in Vorkuta, Kingir, Tayshet, and elsewhere. Moscow reacted with its customary measures: mass executions and indiscriminate killing, as for instance the brutal slaying of 500 Ukrainian women prisoners in Kingir under the treads of Russian tanks. However, the revolts brought some relaxation of terror in Soviet prison camps (cf. Encounter, April 1956, London).

It was at the XXth Congress of the Communist Party of the Soviet Union in February, 1956, that a now righteous Khrushchev assailed Stalin's crimes against the people and his unbridled terror, especially in Ukraine. Khrushchev stated:

"Stalin had wanted to deport all Ukrainians, but there were too many of them and there was no place to which they could be deported."

In fact, it was impossible to effect these deportations because of the activities of the UPA.

This "de-Stalinization" policy of Khrushchev blew up in his face. It resulted in anti-communist and anti-Russian upheavals throughout the Soviet Russian empire, the rebellion in Poland and the world-rousing insurrection in Hungary in 1956.

By 1957 the Kremlin was confronted with a dilemma: whether to revert to the old Stalinist policy, thereby risking even further insurrections, or to initiate a truly liberal policy, which would favorably impress the emerging Afro-Asian nations which the Kremlin had begun to woo, posing as their great "protector and emancipator."

Khrushchev compromised by devising a series of measures which gave the appearance of "liberalization" but which in reality tended to enchain the Soviet Russian empire more tightly. These measures included decentralization of planning and management of agriculture, spiced with a few concessions to farmers; some decentralization of management of industry and some extension of local authority for the non-Russian republics. Much was made of an amnesty granted political prisoners, especially, as it entailed liquidation of a number of the troublesome slave labor camps; "liberalization" of literature, whereby limited criticism was permitted party writers; "liberalization" of travel abroad by a limited number of citizens, and admission of foreign tourists. A number of Ukrainians and other non-Russian Communist leaders were elevated to the highest echelons of the party leadership and the administrative apparatus.

But parallel with this relaxation of terror, Moscow rigorously pursued a systematic Russification course in Ukraine.

(b) Khrushchev's Crimes against the Ukrainian People: In 1959 the ebullient Khrushchev traipsed across the ocean to the United Nations in New York, provoking vast resentment and opposition on the part of U.S. ethnic groups and labor and veteran organizations.

Extensive hearings on the rule and policies of Khrushchev were held by the House Committee on Un-American Activities in the House of Representatives in Washington. In its final report, The Crimes of Khrushchev, Part II, his brutal treatment of the Ukrainian people were summarized as follows:

1. As a Communist official he played a leading role in the Moscow-made famine in Ukraine in the early 1930's in the course of which over 5 million Ukrainian peasants died from hunger and starvation;
2. As Stalin's emissary in Ukraine in 1937–38, Khrushchev liquidated the entire organization of the Communist Party and the puppet Ukrainian Communist government; his hand was clearly visible in the genocidal murder of 10,000 Ukrainian men and women in the city of Vynnytsia in 1937–38;
3. He played a vital part part in the destruction of the Ukrainian Orthodox Autocephalous Church and the liquidation of the Ukrainian intellectual elite (for instance, he ordered the arrest of Metropolitan V. Lypkivsky in January, 1938);
4. During World War II, as a General in the NKVD forces Khrushchev was responsible for the wholesale liquidation of the Ukrainian Insurgent Army (UPA), including eradication of its members' families;
5. In 1945–46, teaming with Molotov, Khrushchev ordered the liquidation of the Ukrainian Catholic Church in Western Ukraine. Before it had run its course, over 2,000 Ukrainian Catholic priests were deported, executed or forced to accept Russian Orthodoxy, dominated by the Kremlin;
6. Khrushchev was responsible for the "voluntary resettlement" of hundreds of thousands of Ukrainians and other non-Russian peoples in the "Virgin lands" in Kazakhstan, thereby contributing again to the genocide of the Ukrainians as a nation.
7. Finally, he was guilty, as a member of the "collective leadership," of the mass murder of Ukrainian political prisoners in 1954–55 in Karaganda, Vorkuta, Norilsk and Tayshet.

Irresponsible and amoral Khrushchev brought the world to the brink of atomic war when he placed Soviet missiles in Cuba in 1962. Alarmed by excesses unusual even in Communist Russia, his cohorts banded together and deposed him.

3. Under the Brezhnev-Kosygin Rule

No improvement or change in the position of the Ukrainian people has been noticeable since the removal of Khrushchev in the fall of 1964 and the assumption of power by a new "collective leadership," composed of Leonid Brezhnev, secretary general of the Communist Party of the Soviet Union, and Alexei Kosygin, Premier of the Soviet Union.

The widening rift ideologically and politically between the Soviet Union and Red China began to preoccupy the Kremlin leaders. In addition, the constant unrest and opposition in the satellite countries, notably in Rumania, the perennial crises in agriculture, the rebellious Soviet intellectuals—all added to the trials of the new Kremlin chieftains.

Against this backdrop, the following developments are easily distinguishable during these past few years of the Brezhnev-Kosygin "collective leadership":

(a) Policy of Wooing Ukrainians Continues: The policy of making Ukrainians feel as if they were "junior partners," begun under Khrushchev, has continued under the present regime.

Of the 12 members of the new Politbureau of the Communist Party's Central Committee, three are Ukrainians: Nikolai V. Podgorny (Pidhorny in Ukrainian), Alexander P. Kirichenko and Peter Y. Shelest, the latter succeeding Podgorny as secretary general of the Communist Party of Ukraine when the former was elected Chairman of the Supreme Soviet of the USSR in 1965.

Podgorny, accompanying Nikita S. Khrushchev to the United Nations General Assembly meeting in 1960, delivered a scathing address in Ukrainian assailing the United States, Prime Minister John G. Diefenbaker of Canada and those Ukrainian American leaders and organizations who sponsored "Captive Nations Week" and Ukrainian Independence observances in the United States Congress. (In January, 1967, Podgorny also visited Pope Paul VI in Rome, apparently to discuss the "religious situation" in the Soviet Union. There was no public announcement to indicate whether the religious plight of the Ukrainian people had been discussed at all.)

Another prominent Ukrainian in the top echelon of the Soviet political hierarchy is Marshal Andrei A. Grechko, who succeeded Marshal Rodion Malinovsky, also a Ukrainian, as Soviet Defense Minister. Ukrainian generals and admirals are to be found in the Soviet army, air force, navy and other branches of the armed forces, and a number of Ukrainians serve in the diplomatic service, including the ambassadorial level.

(b) Religious Persecution: The Soviet press in Ukraine periodically reports arrests, trials and deportations of "religious fanatics" and "superstitious people." Such trials were held in 1965 in Lviv, Western Ukraine, at which some 20 persons were charged with practicing underground Catholic religion." Among those arrested were Ukrainian Catholic priests, nuns and several lay persons. In March 1966 the Soviet government sponsored widespread celebrations commemorating the 20th anniversary of the "liquidation" of the Ukrainian Catholic Church in Western Ukraine. These jubilees evoked a strong protest on the part of the Ukrainian Catholic hierarchy in the free world. A special pastoral Letter denouncing the destruction of Catholicism was signed by 18 Ukrainian Catholic bishops, headed by His Eminence Joseph Cardinal Slipy. The Soviet presses continue to spew forth books and pamphlets denouncing the Ukrainian Catholic Church as "always in the service of counterrevolutionary imperialists, including the American imperialists."

Religious persecution is not limited only to the Catholic Church in Ukraine. The number of Orthodox Churches has shrunken to a skeleton network. In October, 1966, in the city of Zhytomyr several persons were tried for giving religious instruction to children; all were either of the Orthodox faith or belonged to the Ukrainian Baptists' organization. A vicious attack on the Baptists in Ukraine appeared in the November 1966 issue of Ludyna i Svit (Man and the World), published in Kiev.

Anti-religious tactics of the Communists include propagandistic undermining of the people's faith in baptism and matrimony and the discrediting of Christian burial by priests or ministers.

The present Kremlin leadership is thus not unique in betraying its fear of religion as a powerful force against the Communist ideology.

(c) Cultural and Linguistic Genocide in Ukraine: But what is perhaps the most insidious and telling damage the Russian imperialists inflict upon Ukraine is that wreaked by the policy of cultural and linguistic genocide.

In 1966 the world was outraged by the trial and condemnation of two Russian writers, Daniel and Sinyavsky, for their nonconformist literary activities. Regrettably, little attention has been paid to what takes place in the cultural and literary sphere in Ukraine.

In 1965 and 1966 a number of Ukrainian writers, poets, researchers, journalists, literary critics and professors were arrested, tried and sentenced in Ukraine. At least 30 of these Ukrainian intellectuals were meted out this treatment in such Ukrainian cities as Kiev, Lviv, Odessa, Lutsk, Ternopil and Ivano-Frankivsk. Most prominent among them are Ivan Dzyuba and Ivan Svitlychny, who were accused of writing anti-Soviet works and of smuggling to the West anti-Soviet works of another Ukrainian poet, Vasyl Symonenko, who died in 1963 at the age of 29. Detailed reports on the arrests of the Ukrainian intellectuals appeared in the Neue Zuricher Zeitung (April 1, 1966) and The New York Times (April 7, 1966). Protests by the Ukrainian Writers' Association in Exile were addressed to the International PEN, the European Community of Writers, and UNESCO. Protests to the State Department in Washington were sent by the Ukrainian Congress Committee of America and the Shevchenko Scientific Society.

The anti-Soviet and anti-Russian opposition in Ukraine was officially if unwittingly acknowledged recently (1966) by Peter Shelest, secretary general of the Communist Party of Ukraine, and Alexander Korneichuk, top-ranking Communist playwright and ideologist. Among other things, they felt impelled to warn Ukrainian youth against listening to Western radio broadcasts, ending by assailing the United States for alleged support of Ukrainian "subversive nationalist elements" which, they claimed, were systematically infiltrating into Ukraine.

4. Moscow-Directed Assassination of Ukrainian Political Leaders Abroad

Moscow's dread of the Ukrainian liberation movement is best exemplified by the methods it chooses in disposing of Ukrainian political leaders deemed dangerous to the Russian Communist domination in Ukraine. Over the decades the NKVD, MVD, and KGB has picked off, among others, these victims:

(a) Simon Petlura, head of the Directorate of the Ukrainian National Republic in 1919 and subsequently leader of the Ukrainian government in exile, assassinated on May 25, 1926, on a Paris street by Solomon Schwartzbart, a Soviet agent (cf. Allen Dulles, Craft of Intelligence);

(b) Col. Eugene Konovalets, former commander of the Ukrainian Army Corps of Sichovi Striltsi and head of the Ukrainian Military Organization (UVO) and the Organization of Ukrainian Nationalists (OUN), killed on May 23, 1938 in Rotterdam, Holland, by a time bomb slipped in his trench coat by a Soviet agent, Valukh (later identified as a top-ranking officer in the Soviet security police);

(c) Dr. Lev R. Rebet, a Ukrainian nationalist writer and theoretician, killed on October 12, 1957 in Munich, Germany (his death was initially attributed to heart failure);

(d) Stepan Bandera, outstanding Ukrainian revolutionary leader and head of the Organization of Ukrainian Nationalists (OUN), killed on October 15, 1959 in Munich, Germany (his death, too, was at first described as caused by a heart attack). Bandera was incarcerated by the Nazis in the concentration camp of Sachsenhausen from 1941–1944.

The Rebet and Bandera murders were committed by Bogdan N. Stashynsky, a trained agent of the KGB who subsequently was awarded the "Order of the Red Banner" by the Soviet government (the certificate was signed by Marshal Klimenty Voroshilov) and was personally praised by Alexander Shelepin, then head of the KGB (Soviet State Security).

In August, 1961, a remorseful Stashynsky defected with his German-born wife to West Berlin and confessed to the slayings of Bandera and Rebet. Tried dispassionately by the German Supreme Court in Karlsruhe, he was condemned to 8 years at hard labor. The leniency of the court was attributed to Stashynsky's recanting of his crimes, his rejection of Communism and, not least, his revelation of a vast Soviet espionage network operating in Western Europe.

CONCLUSION

The history of the Ukrainian people for the past 50 years has demonstrated the undying desire of Ukraine to attain its national freedom and independence. Untold sacrifices in human and economic resources have been paid by the Ukrainian nation in quest of that objective. The severe and harsh persecution of the Ukrainian nation by Communist Russia, Nazi Germany and other oppressors and aggressors, past and present, have not been able to deflect the will of the Ukrainian people or to kill what might well be man's deepest instinct—that of being free.

In its search for freedom and national independence Ukraine is by no means alone.

Recognition of its plight, and that of other hapless nations, was formally extended by the United States in its famous "Captive Nations Week Resolution" of July 17, 1959:

"The imperialistic policies of Communist Russia have led through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others."

In giving a haven to Ukrainians fleeing from oppression and outright genocide in their native land, the United States and other hospitable countries of the free world have, in the last analysis, acted in their own best interest.

Where conditions have at all permitted, the Ukrainian infusion has invariably enriched both soul and body of the host country. Law-abiding, industrious, naturally independent of spirit and deeply aware of God and His grace, Ukrainians have often proved to be an invaluable catalyst on every continent they have reached, anywhere where man seeks to build a viable society, everywhere where Nature's forces have had to be channeled into constructive directions.

But it is in coping with destructive forces within man himself that Ukrainians in the Diaspora have contributed most. Everywhere they have gone they have inevitably awakened man's conscience. They have served—and continue to serve—as the Free World's surrogates in an experience whose very existence too many men refuse to acknowledge: the extinction of freedom for individual and for nation.

It is in this wise that Ukrainians abroad have repaid many times over the many helping hands. The fate of Ukraine, they have demonstrated, is the fate of man and nation everywhere unless man continues to prize and to fight for freedom, not only in his own country, but over a globe that modern technology has miniaturized.

The United Citizens Band Radio Association Distributes Food, Clothing, and Gifts to the Needy

HON. FRANK T. BOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. BOW. Mr. Speaker, the United Citizens Band Radio Association made its annual Christmas pilgrimage into West Virginia and Tennessee a few weeks ago, distributing several truckloads of food, clothing, and gifts to needy families in communities recommended by the public welfare departments of the States concerned.

I am a member of this fine organization, and I share the pride of other members in the commendations received for this charitable program, typical of which is the following letter from the gentleman from West Virginia [Mr. KEE]:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C.

Hon. FRANK T. BOW,
House of Representatives
Washington, D.C.

DEAR CONGRESSMAN: Please permit me this opportunity to express to you my gratitude for your thoughtfulness in writing to me concerning the United Citizens Band Radio Association and the wonderful work they do in providing food, clothing and toys to the needy. I was indeed grateful to this Association for selecting Mingo County, West Virginia as one of the localities to receive benefits from their endeavors.

At the very last moment when Congress adjourned and I was assured that my daughter's operation was successful I left Washington to go to Williamson in order to be present and attempt in my humble way to assist the United Citizens Band Radio Association, under the extremely able leadership of Mr. Robert Thompson, in this worthwhile project. You may interested to know that those members of the CBRA took their time at their own expense to arrange for this demonstration and they spoke highly of you and several of them expressed to me their admiration and respect for you. Naturally, I agreed with them that you were truly a distinguished member of the House of Representatives who enjoyed the admiration and affection of all of our colleagues in the House.

Mr. Thompson and his very charming wife are unusually able leaders and it was obvious to me that the members of the caravan are dedicated American citizens who have a real and deep feeling for people. The Members of this group enjoyed doing something that will help others and I learned during this trip to admire and respect this dedicated group of American citizens, and it can be truly said that these Members reflect the true spirit of Christmas and because they gave so generously of their time and effort and their own personal financial contribution many deprived children will not only have a finer Christmas than otherwise possible but the recipients will also enjoy a clearer understanding of the spirit of Christmas and the spirit of America.

To you I am personally grateful for advising me that Mingo County had been selected, as well as forwarding a most informative letter from Mr. Thompson.

Be assured that you would have found this event in Mingo County heartwarming and I only wish that it would have been possible for you to be present. Such interest which was so clearly demonstrated by this organization serves to give one a greater confidence in the future of the country we hold so close to our hearts.

With my very best personal wishes, I am
Sincerely yours,
JAMES KEE,
Member of Congress.

Our Secretary of Defense-Designate

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. DORN. Mr. Speaker, the President could have made no wiser choice for Secretary of Defense during these critical times than Clark M. Clifford.

Mr. Clifford has been associated with some of the great decisions of the Presidency and the Congress for almost a quarter of a century. He is a man of the highest integrity, outstanding ability, intense patriotism, and is devoted to those principles and ideals that made America great.

Mr. Speaker, I commend to the attention of my colleagues in the Congress the following editorial which appeared in the Greenville News, Greenville, S.C., one of the great dailies of the South, on January 23:

A GOOD CHOICE FOR DEFENSE POST

President Johnson's choice of Clark M. Clifford as Secretary of Defense comes as a great relief to many Americans who wondered what would happen after it became known that Robert S. McNamara was leaving the job to head the World Bank.

Mr. Clifford quite probably will turn out to be an improvement over the brilliant but arbitrary Mr. McNamara. In addition, his appointment gives no comfort to this country's enemies, both at home and abroad.

He has an excellent knowledge of the federal government in general through many years as an adviser to Presidents. He enjoys much influence and respect among members of Congress. He knows how the Defense Department should operate, since he was one of the architects of the combined military establishment.

It is to be noted Mr. Clifford will concentrate his efforts on administering the vast and almost unmanageable military complex, leaving to military commanders the decisions which should be their's on the conduct of operations in the field. He should encourage the Joint Chiefs of Staff to exercise their lawful function as the President's direct military advisers, something Secretary McNamara hampered and even frustrated.

Chances are Mr. Clifford, who is widely respected as a reasonable man, will act as a Secretary of Defense should in these matters of vital importance.

Most probably he will have better relations with Congress than did Mr. McNamara who long refused to implement the expressed will of the people's elected representatives on such important matters as a missile defense system for this country. Mr. Clifford knows how Congress operates and respects its constitutional authority in matters pertaining to the nation's defense.

He will be far less inclined than his predecessor to substitute a computer-oriented judgment for the will of Congress. By the same token congressional leaders probably will tend to rely more upon Mr. Clifford for advice than they did upon the stubborn Secretary McNamara.

Finally, Clifford at 61 has no political ambitions, such as were suspected of Mr. McNamara.

The truth is that he is risking a well-earned reputation in taking on the difficult Defense Department assignment.

He could have refused, secure in the knowledge that he already had accomplished much and had received much recognition. Instead he accepted the President's call to "front line" duty, with full knowledge that failure on his part would tarnish his reputation.

Mr. Clifford personally has everything to lose and little to gain as Secretary of Defense.

This is fine for the nation. The new Secretary will try to do a good job for the President, for Congress and for the people of the United States by maintaining a strong defense, capable of meeting any eventuality.

Mr. Clifford's appointment could turn out to be the best made or yet to be made by Mr. Johnson as President.

A Modern Greek God

HON. GEORGE E. SHIPLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. SHIPLEY. Mr. Speaker, America has entered 1968 with new hope and determination. The events of the past few months have caused many people throughout the world to wonder if democracy can continue at home and abroad. Dr. and Mrs. George S. Reuter, Jr. are positive thinkers and they are enthusiastic concerning the prospects of tomorrow. They believe in praising the great and supporting programs that will nurture democracy. Under leave to extend my remarks in the RECORD, I include the paper by Dr. and Mrs. Reuter entitled "A Modern Greek God."

A MODERN GREEK GOD

(By Dr. and Mrs. George S. Reuter, Jr.)

INTRODUCTION

The Greeks, who had a word for everything, called it arete; the Romans, not to be outdone, called it virtus. The word we would use is our equivalent, excellence. Excellence, of course, may manifest itself in many ways. Like the mythological Zeus, it appears often where it is not expected, in guises wholly incongruous with its popular image. Excellence is visitor in the abodes of all, including the towers of scholars and the cloisters of godly men. Excellence makes only one demand; the total surrender of self to the end of accomplishing the highest attainment of which a man is capable. It is this type of excellence, as representing King Constantine, that is being described.

Attention is called to one of the most outstanding ladies of all times. She is the mother of King Constantine, and the description follows:[1]

"Finally, let's view as the principle the finished product of education. These products describe two ladies and the reader must take a choice. The first is represented by the words of William Faulkner: 'A woman needs to know how to ride a horse, how to tell the truth, and how to make out a check.' The second description comes from the printed words on the citation of the honorary doctorate awarded by Barnard College, Columbia University in January, 1964, when that great lady, Queen Mother Frederika of Greece, was honored. 'Her achievements are not ascribable merely to the accident of birth, but to qualities whch many women must cultivate today: perseverance, courage, intellectual concern.' Which finished product do you desire for education?"

The question is easy to answer. Queen Mother Frederika and the Greek Royal Family are in the news these days in very dynamic ways. King Constantine, who like his family, is one of the greatest exponents of democracy in the world today. He recently said: "I tried to fight, and I lost. I fought because I believed that by doing so I could more quickly and effectively bring the return of democratic life to my country. Although militarily my effort was a failure, in deeper ways, I am convinced it was not."

THE ATTRIBUTES OF A GREEK GOD

The Greeks and the Romans had many gods. We are in another age, but there are many great statesmen. While we recognize the one true God, it is fitting we pay tribute to great leaders in our day who are as great as, if not greater than, Greek and Roman gods of history. We nominate King Constantine for this honor for the following reasons:

---

[1] George S. Reuter, Jr., and Helen H. Reuter, *Democracy and Quality Education* (Educational Research Association of the U.S.A.: Cambridge, Mass., 1965), p. 33.

1. He is filled with wisdom and understanding. Wisdom doesn't guarantee earthly success at all times and it may cause doubts in the minds of some. For example, as one reads the *Apology* and the dialogues dealing with the trial and execution of Socrates, the question inevitably presents itself as to whether Socrates made the right choice in going to his death rather than abandoning his mission of being the witness of the truth. Father Constantine Hallick of Milwaukee, in the same vein, has questioned the timing King Constantine used.

Educators were right thirty years ago when they accepted the forward thrust of educational leadership under John Dewey, William H. Kilpatrick, George S. Counts, and Harold Rugg. Later, we were right again in the late Fifties when we failed to panic, as some groups did, when the Sputnik supporters wanted to remake education overnight. The Greek King will probably be right when historians describe the events.

2. He is a fundamental believer in democracy. Greece is where democracy began, and King Constantine and the Royal Family insist that democracy is essential if Greece is to remain free. U.S. Senator Joseph S. Clark of Pennsylvania expressed the feelings of all lovers of freedom when he said on the Senate floor: "Mr. President, the wires carry the heartening news from Greece that King Constantine has left Athens and has called upon the Greek Army and the Greek people to overthrow the fascist junta which has been governing Greece for the past many months. I have the most enormous admiration for the bravery of the King in taking this step. Senators will recall, only recently that he had coffee with members of the Committee on Foreign Relations, that he told us, off the record, something about his plans, and indicated he had never supported the junta despite false stories to the contrary which had been spread during the early days of the coup. King Constantine indicated his strong desire to see constitutional government return to Greece at the earliest possible moment."

Some have criticized the King for being slow in acting. In other words, they ask why he didn't act in April rather than in December. The answer is simple. He attempted to make the change back to democracy via evolution rather than revolution, but he had to resort to the latter when the former failed.

This same approach may be viewed in another setting. Schubert Ogden has reminded us in another area that we should begin to understand God where we are in the present moment. We should begin with our present circumstances. We should begin with the understanding that God relates to us as persons in the circumstances of the moment. He relates to us in our contacts with others, in our sufferings, our frustrations, our anxieties, our joys, our fears, our loves. He relates to us where we are. If we understand this, then from that understanding we may contemplate his absoluteness.

3. He is a believer in peace, but he recognizes war is sometimes necessary. Just as any thinking American must admit, our actions in Vietnam are necessary. Currently a positive approach to world issues is possible. The Bible recognizes that war may be the only really viable solution to some problems in the kind of world mankind has built for himself. The second issue is facing aggressive Communism and defeating it. The third issue involves man's right to be free. Finally, we must lend the weight of our influence to the principle of government by law under duly elected persons.

There are 247 times in the Bible when the word "war" is used—most of these times in reference to armed conflict between tribes or nations. Most of these are in the Old Testament, some in the New. Two things stand out in bold relief in a study of these passages. First, God often commanded His people to engage in war. Second, the Old Testament in particular, but the New Testament to some degree, looks toward a time in history when peace shall reign and war shall be no more.

King Constantine has been willing to fight—and die if necessary—for the return of democracy to Greece. If he returns to Athens, he is demanding the following:

1. Publication of the new constitution.
2. Announcement of the date for a plebiscite on it.
3. Free parliamentary elections.
4. Appointment of a committee, including judges, to investigate political prisoners in jails and those confined to certain islands.
5. Retirement from the armed forces of all Government ministers who were officers.
6. Complete freedom of the press so there can be full and open discussion of the new constitution.

4. He is a true Greek in every way—a man of great ability, an ideal family man, and a great patriot. His family has ruled Greece for over 100 years. By using American standards, this makes him an ideal Greek. He thus is a blend of many cultures and civilizations. His blood is as Greek as John F. Kennedy's was American, and this type of "blood" is very desirable for any nation.

Greece under King Constantine is stable. One must remember when patriotism dies the country is not far from collapse. Arnold Toynbee, the historian, says that of twenty-one notable civilizations, nineteen perished not from external conquest but from evaporation of belief within. The British statesman Edmund Burke said, "For evil to succeed it is only necessary that good men do nothing." Greece under King Constantine will never falter at the helm.

Some royal families and businesses have failed because of the lack of leadership. The Greek King hasn't. The recent misfortune of the Douglas aircraft enterprise, which forced it to merge with McDonnell, did not arise from lack of customers or orders—perhaps from the opposite, from a volume of business beyond the capacity of its working capital. The Krupp interests of Germany have recently experienced the same pinch of an insufficiency of cash to support the business being done, compelling a financial reorganization.

5. He is dedicated to the principle of improving the life of all Greeks. A Greek of the 6th Century B.C., Alcaeus, said of Athens: "Not houses finely roofed or the stones of walls well-built, nay nor canals and dockyards, make the city, but men able to use their opportunity." Then there is the vision of a Pax Atomica, of a world in which tensions have relaxed because scarcities of raw materials are no longer rational bases for conflict. It is a golden vision, one to which all of us in the nuclear business are dedicated.

Of course, there are difficulties in promoting progress in any nation. Some difficulties may result in progress, however. Ours is the first age in which mankind everywhere can see one another and hear one another. The faces and voices of Africa, Asia, Europe, and America are known now. Mankind can learn together, grow together—or die together.

Greece's problems are more acute than our own. Minorities have been helped in America in many ways in the past few years, but the road ahead is still long and the problems grave. The Christian approach to the race problem is via evolution,[2] and it would seem all true Americans would accept this, but when well-known and highly-respected citizens, like Eartha Kitt, attempt to relate Vietnam to civil rights, mankind dies a little. President Johnson's program is providing both "guns and butter," and if Miss Kitt would join hands with all the other dissenters of the war and support the President, the war would soon end and then all the money could be used for "butter." It is as simple as that.

The situation of the Negro masses today is startlingly like that of Yank, the quintessential, apolitical proletarian stoker in one of Eugene O'Neill's plays. Determined to make the world of the first-class passengers recognize his existence, he makes his way to Fifth Avenue and the 50s and begins jostling top-hatted gentlemen and insulting bejeweled, befurred ladies. He elicits only politeness, which, actually is a refusal to acknowledge that he is as he knows himself to be. He is driven mad by "I beg your pardons," finally turns violent, and in the end is destroyed. Miss Kitt's actions at the White House was in the same vein and injured the status of the Negro everywhere. Even the young people of America were slandered by her remarks, but Mrs. Richard J. Hughes saved the day by pointing out that most American youth are willing to serve our nation and refuse to use "pot."

The distinguished English economist, Barbara Ward, in her book, *Spaceship Earth*, suggests that the material abundance made possible by the new technologies will change qualitatively the relations between nations. One is reminded here of Ralph Waldo Emerson, poet-essayist of the century past, who on one occasion observed: "It needs a whole society to give the symmetry we seek." In facing the sprawling, spreading, urgent plight of mankind, we do indeed need a whole society, if our unique form of society is to survive and flourish, and fulfill the symmetrical American dream. With the problems of Greece more acute, one can appreciate the efforts of King Constantine.

CONCLUSIONS

As all great statesmen, King Constantine is extremely humble, and he continues to think only in terms of the welfare of his people. It is thus easy to recognize the greatness of the King. Here are a few citations from a long list to justify our confidence:

1. "Today I blame no one for the way things turned out. That I did not succeed is well-known, but now more than ever I know for sure that I have won the approval and love of every single one of my people."

2. "My influence might be limited, but I could frustrate any movements in the wrong direction. By going back, if nothing else, I would be an obstacle to any attempt to create an authoritarian state. I could serve as a guarantee of the right thing by my presence. And if there were any trend in the wrong direction, I would oppose it."

Yes, King Constantine is a mighty Greek god in the modern world in the best possible way!

Ray Bliss

HON. WILLIAM H. AYRES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. AYRES. Mr. Speaker, we who have known Ray Bliss over a 20-year period are not surprised at the great strides that the Republican National Committee has made since he has assumed the chairmanship of that body.

Mr. Bliss began his political efforts while still a college student. Fortunately for us in the Akron area, he confined his early activities to the Summit County Republican Organization. His success in what was normally a Democratic district received statewide attention and he was soon elected to the chairmanship of the Ohio State Republican Organization.

---

[2] George S. Reuter, Jr., August M. Hintz, and Helen H. Reuter, *One Blood* (Exposition Press: New York 1964).

Our Republican National Committee recognized his great talents and elevated him to the position of chairman of the National Republican Committee. Ray Bliss has always subordinated any political ambitions of his own and has constantly devoted all of his energies toward the election of more Republicans to office.

I could write chapter after chapter about the successes that Ray Charles Bliss has achieved.

One of the most intelligent and knowledgeable writers in America, Walter Trohan has recently written a story about Ray Bliss that I believe should be of interest to my colleagues.

Mr. Trohan, chief of the Chicago Tribune Washington Bureau, one of the largest and finest newspaper bureaus in Washington, is now in his 35th year of service and is considered one of the most astute judges of political ability in our Capital. Coming from such a great evaluator, the tribute that he pays to Ray Bliss must indeed be well deserved.

We who are longstanding friends of Chairman Bliss are indeed gratified that such a great newspaper as the Chicago Tribune has given voice to these fine words of commendation.

Mr. Trohan's column follows:

RAY BLISS SEEN AS MAINSPRING IN NEW, VITAL GOP

(By Walter Trohan)

WASHINGTON, January 9.—With quiet determination and extraordinary organizing ability, Ray Charles Bliss, chairman of the Republican national committee, has transformed an ailing G. O. P. into a fighting bull elephant.

In less than three years the former Ohio G. O. P. state chairman has shifted the losing image to one of a winner. The Republicans have pulled up to the Democratic opposition in capturing state executive mansions and increased strength in Congress.

It is possible that the G. O. P. may capture the House in 1968. It is also possible that it may pick up seven to eight governors and possibly as many as six senators. Some of the more optimistic Republicans talk of capturing the Senate as easily as the House. However, chances of winning the Senate are lower than those of picking up enough seats to win the House—and they are tough enough.

On the White House, itself, Bliss is cautious. The most he will say is that his party has an opportunity to win. He urges that that opportunity be exploited to the full by the development of unity. He is providing an example to all Republicans by maintaining a strict neutrality on the pre-convention struggle for the party's Presidential nomination, so that he can work for whomever the convention selects.

COMMITTEE IS FREE OF FETTERS

The National Committee is without special devotion to any one candidate for the first time in years. Bliss wants to present the candidate with an effective and able party organization for the campaign.

Bliss has gone about rebuilding the party from the ground up without any fanfare or tub thumping. His secret is a rather simple one—hard work. He is a professional, a politician's politician. The pros understand him because he talks their language.

Before his time, organization was pretty well limited to regional meetings of the national committee and sessions in Washington. Bliss switched that to workshops around the country. A map in the G.O.P. headquarters here demonstrates that workshops have been held in almost every sizeable area and that they paid off.

Bliss knows how to work with his tools. He has worked well with Rep. Bob Wilson (R., Cal.), head of the G.O.P. congressional campaign committee; Rep. Gerald Ford (R., Mich.) Republican House leader; and Rep. Melvin Laird (R., Wis.), head of the House Republican conference, who beat the bushes to encourage young and good men to run.

WORKS WELL WITH SENATOR MURPHY

He has also worked well with Sen. George Murphy (R., Cal.), head of the Senate Republican campaign committee, who is convinced the party can capture the Senate. The former actor works at a pace that matches his enthusiasm.

Bliss has picked able subordinates, such as Mary Thomas Brooks, the daughter of one senator and widow of another, who has aroused enthusiasm among Republican women. Under Mrs. Brooks the old pattern of one women's gathering a year in the capital has been shifted to the far more effective pattern of regional workshops. Four have been held up to now and more are to come this year.

The Republican leader is not a magnetic personality nor a spellbinder. He is a steady and sincere man of about average height and weight, who hates losing more than he hates anything else. He drives himself at an exhausting pace and expects others to match his dedication and purpose.

Garment Workers' Union Backs President's Civil Rights Proposals

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. CELLER. Mr. Speaker, the International Ladies' Garment Workers' Union has provided strong support for President Johnson's civil rights message to Congress—describing it as "an act of outstanding wisdom and courage."

We have passed two historic civil rights bills in 4 years but we must not retreat from this commitment. The Nation's welfare will not permit any turning back on the struggle for equal rights for all.

We must strike the remaining vestiges of discrimination from our midst by assuring every American of equal access to housing, fair representation on juries, security against violent interference with their civil rights, and greater opportunity for equality in hiring.

Negroes can see a better and brighter road ahead—and they mean to follow that road unimpeded by prejudicial roadblocks. Enlightened Americans must help them speed down that road to the self-respect and dignity other Americans already enjoy.

We cannot turn our backs on 20 million people or we will be turning our backs to centuries of deprivation and generations of discrimination. To be true to our Constitution and our heritage we must be faithful to the minorities among us.

I know of no organization which has done more to help all Americans share in the fruits of our prosperity than the International Ladies' Garment Workers' Union. The ILGWU, headed by Louis Stulberg, has for decades been in the forefront of American social progress—as it is today in supporting President Johnson's civil rights proposals.

I ask unanimous consent to insert into the CONGRESSIONAL RECORD their statement of support.

The statement follows:

Louis Stulberg, president of the International Ladies' Garment Workers' Union, today called President Johnson's civil rights message to Congress "an act of outstanding wisdom and courage." He did so in a message, pledging support of the union's 435,000 U.S. members, in which he told President Johnson:

"On behalf of our members I express, our gratification with your moving message to Congress in the matter of civil rights legislation for the coming year.

"Your proposals for equal access to housing, for fair representation on juries, for security against bigoted violence, and for equal opportunity in hiring represent major measures in the long, difficult struggle to create an America where no one shall suffer because of race, creed, color or national origin.

"We convey to you the support of a membership that is as varied as the nation itself. We know from our experience the added strength that comes with peaceful cooperation of varied elements. We know that our great nation can move to greater strength as we learn to create a place for every American commensurate with his or her talents.

"In these troubled days, your message is not only an act of wisdom but of outstanding courage. We are proud to have been among those who gave you the opportunity to provide this inspiring leadership to the Congress and people of America. We are pleased to join you in the fight to realize this measure. We look forward to many years of leadership from you in the great challenges ahead."

Recognition of the Centennial of the Seventh-day Adventist Church in the West

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. PETTIS. Mr. Speaker, this year the Pacific Union Conference of Seventh-day Adventists—the organization of the denomination in California, Arizona, Nevada, and Hawaii—will be celebrating the 100th anniversary of their faith in the West. Their history is part of Americana. In 1868 two Adventist ministers came to California and began evangelistic meetings. Soon several groups of Seventh-day Adventists were meeting, and the organization of their church in the West had begun. Previous to 1868 there were no Adventist churches west of the Mississippi River.

This year there are 432 Seventh-day Adventist churches in the Pacific Union Conference with a total membership of nearly 100,000 members. The 100,000 mark is confidently expected to be crossed in mid-1968, the centennial year of the beginning of the Seventh-day Adventist faith in the West.

Also located in the Pacific Union Conference are 14 hospitals with a total bed capacity of 1,820; and 175 schools ranging from elementary through university level, with 23,537 students enrolled for the 1967–68 school year. Seventh-day Adventists operate the third largest parochial school system in America—after the Roman Catholics and Lutherans—and the second largest—after the Roman Catholics in the world.

It is fitting that we commend the Pacific Union Conference of Seventh-day Adventists on the 100th anniversary of their faith in the West, and recognize the spirit of their good works and accomplishments not only in the Western United States but in foreign missions as well. In foreign missions the five-State Pacific Union Conference has since 1920 contributed more than $64 million to operate the largest foreign missionary force in Protestantism. Since 1950 volunteer health and welfare service personnel of the church in the five-State western area have given aid to 5,068,356 persons, including in the aid more than 16 million articles of clothing and almost $10 million in cash and value of food given.

Truly, this spirit of Christian concern and desire to help merits the recognition and continued good wishes of all Americans.

Dr. Stewart H. Smith: A Most Remarkable Man

HON. JOHN M. SLACK, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. SLACK. Mr. Speaker, it is my pleasure to pay public tribute to the career of a most remarkable man. We who serve in the Congress are conditioned to controversy. Our daily affairs are conducted in a welter of differences, expressed or implied, and our final agreements on major issues are most often the products of compromise.

Perhaps this is as it should be in a functioning democracy whose laws rigidly protect freedom of expression. But equally it is true that our concentration on daily events—on problem and answer, emergency and counteraction, crisis and response—causes us to overlook the calm, unruffled yet forceful progress of those who work and plan because achievement is their watchword.

With little fanfare and no demand for public plaudits these men and women march down through the years practicing their specialties with single-minded determination to improve in some respect a portion of the human condition. Always our country is the better for their presence. Always they leave behind a stone or two on which to build further or a morsel of shining new knowledge to light the darkness. They are the remarkable Americans.

One of these is Dr. Stewart H. Smith, who will retire before long from his position as president of Marshall University. After more than 40 years of activity in the field of education, including 22 years at Marshall, Dr. Smith will close out a career which has been pursued with ordered purpose and astonishing success.

He will leave behind a university whose student body has grown from 3,300 to 8,500 students during his tenure. He will have seen an increase of over 300 percent in the number of full-time faculty members, and over 1,000 percent in the annual budget. His leadership will have brought over $21 million in capital improvements, with another $7 million worth of construction under way, and over $8 million in funds available for projects in the planning stage.

All of this was done while riding out the peaks of pressure exerted by postwar demand for higher education, by mounting costs, by the complications introduced by desegregation rulings, by the need to speak convincingly each year to a State legislature and obtain public revenue support.

Now there are those who teach, and those who compile the textbooks in which knowledge is preserved and passed from one generation to the next. But there must also be those rare individuals who dedicate themselves to the improvement of conditions in which the teaching shall be done and the knowledge shall be transmitted.

This is the task to which Dr. Smith addressed himself in 1946, with results comparing favorably in growth ratio to those achieved by any university in the country. It would appear that he was determined to put the weight of his personal effort behind attainment of that major requirement for American progress expressed by Thomas Jefferson over 150 years ago:

> It is highly interesting to our country, and it is the duty of its functionaries, to provide that every citizen in it should receive an education proportioned to the condition and pursuits of his life.

America is a land of success stories, but the years during which Dr. Smith has served as president of Marshall University are remarkable for more than the record of material success. The manner of achievement bespeaks the quality of the man. Always the modest, unassuming, but relentless pursuit of a goal. Always the unfailing courtesy, the calm exercise of sound judgment. Always the patient determination in the face of disappointment, secure in the knowledge that the goal justifies any amount of effort.

The achievements have been recorded, and the career nears its conclusion, and I have yet to hear a West Virginian speak badly of Dr. Smith. He is a man without an enemy, and this must be the finest accolade of all.

Mr. Speaker, thousands of my constituents have studied and prepared themselves at Marshall University, and hundreds of their sons and daughters do so today. In their behalf I take this opportunity to wish him bon voyage wherever he may go in his well earned travels.

Bon voyage but I hope not final goodby to a most remarkable American.

Michigan Bell Sets Outstanding Student Job Training Example

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. ESCH. Mr. Speaker, the need for involvement of private industry in solving the problems of unemployability cannot be overemphasized. For some time now, the Republican Party has been stressing this need and pointing the way for Federal programs of manpower training and development to utilize effectively the boundless resources in the private sector and to enable rapid and extensive improvement in the training gap that exists among the economically disadvantaged citizens of the Nation. It was encouraging to note in the state of the Union message some indication that the administration may soon begin to move toward endorsing this long-established Republican goal.

Many industries throughout the Nation have taken the initiative in job-training programs, recognizing the benefits to be derived from offering vocational aid to members of their communities. Recently, the Michigan Bell Telephone Co. began a landmark program of "employment readiness," making available its manpower resources, skills, and training facilities to Northern High School students and teachers in Detroit. This constructive effort, undertaken in a cooperative effort with the New Detroit Committee, will provide a meaningful alternative to conditions which promoted the unrest and violence of last year.

In announcing the new program, W. M. Day, president of Michigan Bell, made the following statement:

> We believe we can make a significant contribution with the knowledge and skills of Michigan Bell employees. By concentrating our efforts on one particular school, I think we can achieve the kind of results that will encourage other businesses to follow suit. We see ourselves first as bridge builders helping the students to pass with confidence between the classroom and the world of business.

In praise of the initiative and involvement of Michigan Bell, and with the hope that other industries will follow this lead, I am inserting excerpts from an article by President Day which appeared recently in a Michigan Bell "Management Letter":

> WE MUST BRING THEM OUT OF THE SHADOWS
>
> (By W. M. Day, president)
>
> In recent weeks Michigan Bell has put into effect some rather far-reaching changes in its employment practices and education requirements for new job applicants . . .
>
> COMMUNITY WORK A TRADITION
>
> For as many years as I can remember, the telephone company has been recognized as a major contributor to the well-being of the communities it serves. We earned this reputation partly because telephone service plays such an important role in community life, and partly because, being helpful by nature, telephone employees themselves took a willing hand in home-town affairs. They have helped with business and professional organizations, scouting, Junior Achievement,

church work, PTA, school boards and other local and state government units. They have helped to raise funds for worthy causes and they have worked diligently for the political parties of their choice. We encourage this, and the good work should continue.

The Company itself, as a supporter of the community, has also sought to do the right thing. Michigan Bell was a forerunner in its employment of minority-group members, and this goes back some 30 years. We furnished telephone service to all segments of the community, and from all segments we sought job applicants, regardless of which side of the tracks they came from. We thought we were doing all right—until this past summer.

AFTER ALL THE EFFORT

No one was more disheartened than I at the outbreaks of civil revolt that erupted in our cities this summer. I found it hard to believe that, after all the community effort—including the emphasis on Plans for Progress—this sort of thing could happen.

But happen it did, and suddenly we recognized clearly something only barely visible before: the existence of a forlorn segment of humanity at the very bottom of the social scale. These were uneducated, unskilled, unemployable human beings who felt they had never been given a chance, who had given up all hope of reaching a better life and who had become lost in the shadows of the inner city. Most of these people lived in silent isolation; others, convinced they had nothing more to lose, took the riot road as a last desperate effort.

These victims of injustice are still with us. They have no place to go—unless all of us in the community do everything we can to help them help themselves.

GOVERNMENT CAN'T DO IT ALL

People ask: Since the Federal Government seems to be running our lives more and more anyway, why not let Uncle Sam do the job? To them I say: Government *can* help some, but it can't do it all. Rebuilding a city and its people is a local undertaking requiring local citizens working together. Private business is in a prime position to help; it has organizational experience, manpower and special employee skills that can be extremely valuable if used in the right way.

Out of the July rioting was born the New Detroit Committee, composed of people representing all parts of the city and dedicated to the rebirth of Detroit—socially as well as physically. I am proud to serve on this Committee, as chairman of the Education and Employment subcommittee, and I know that telephone people in other Michigan cities are also proud to serve on similar committees. We who are close to this thing have learned that the complaints of the inner-city people are very real, and we are convinced that, if this "underclass" is not lifted from its plight—through special training and special job opportunities—to become first-class citizens, then the problem will worsen and the summer of 1967 will return.

A VERY REAL STAKE

Aside from the purely humanitarian aspects, we have a very real stake in helping to make Michigan's cities better, more pleasant places to live and work. Michigan Bell is a major employer and furnishes an essential communications service. Our cities are an important source of new employees needed to operate the business, and their citizens are also our customers.

This then is the background for our recent moves. They are simply further steps in our efforts to help the disadvantaged—Negroes and whites alike—to find their place as useful members of society.

On the matter of high school diplomas, there is no question we will continue to encourage young people to stay in school and get all the education they can. And certainly we will continue to prefer high school graduates as applicants for telephone jobs. But if an applicant meets all other qualifications for employment, we will not *automatically* reject him because he doesn't have a diploma. We want to offer an opportunity to those who, for one reason or another, cannot graduate, but who have the motivation and talent that can be applied to a given job. . . .

OTHER PROCEDURES

We've looked into some of our other procedures as well. The job application form itself is sometimes a real tough obstacle. Some applicants may never have been confronted with an application blank before; others are not sure precisely what information is asked for; still others actually don't know the basic information about themselves they should know.

So, for those who find application blanks a formidable ordeal, we've tried to simplify things. This consists mainly of going over the questions with the applicant and helping him to complete the answers. We see no good reason to make the process any more painful than necessary.

We've also realized it's not necessary to check prior work references in every instance, but only in the doubtful cases. This saves unnecessary paperwork and time and expedites the processing. We've lost some promising people while waiting for reference replies.

We are always interested in the overall picture of an individual applicant. In using tests, to identify special strengths and weaknesses, we formerly expected the applicant to pass each single test. Today we are using the same tests but are looking now at the composite score. In other words, we are using the same group of tests but recognizing that a person might do very well on one and very poorly on another—yet in total be quite capable of doing a good job. . . .

In education and training, we "adopted" Northern High School because students in schools like Northern need to get better acquainted with business if they expect to move into the working world after graduation. These young people are not the ones who come to our employment offices; we've never seen them. They can't relate themselves to either the business or social world, and what contacts they've had have been poor and unsatisfactory. They think they don't have a chance and they've just about given up.

We hope to establish with these boys and girls at Northern a continuing relationship so they will understand and believe that business really cares what happens to them. If they can be sure that a better education means better jobs, they can get somewhere. All they need is a new set of values, new hope and a renewed confidence in themselves. We want to help them get these things.

Many of these young people, both Negro and white, feel they are inferior. This must be changed. We need to help them develop confidence in themselves. Given the proper training, they can do a good job for someone; there's no reason they can't be even superior. The community must do everything it can to bring them out of the shadows of desolation.

Michigan Polar-Equator Club Expresses Concern Over the Status of Gun Legislation

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. DINGELL. Mr. Speaker, pursuant to permission granted, I insert in the CONGRESSIONAL RECORD a letter just received by me from one of the outstanding sportsmen's and conservation groups in the State of Michigan in opposition to the Dodd-Celler bills:

MICHIGAN POLAR–EQUATOR CLUB,
East Lansing, Mich., January 22, 1968.

Hon. JOHN D. DINGELL,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DINGELL: Our Club (68 Michigan big game hunters, world travelers, photographers and students of nature) at the Annual Meeting on January 12, 1968, expressed deep concern over the status of gun legislation in Congress. As a result, we voted unanimously to go on record as being opposed to the passage of the Dodd-Celler bills which would seriously curtail activities of legitimate sportsmen and marksmen. Our Club further urges the passage of the Hruska-King bills which provide some of the good points of the Dodd-Celler bills but do not restrict the noble hobbies of outdoorsmen and outdoorswomen.

As Secretary, I have been asked to send you the above communication.

Sincerely,

ROLLIN H. BAKER,
Secretary-Treasurer.

Congressional Travel

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. DERWINSKI. Mr. Speaker, there has been a great deal of discussion over travel by Members of Congress. Too often the communications media uses this subject to make a blanket indictment of all travel by any member of the legislative branch. One of the most objective editorial commentaries on congressional travel appeared in the January 13 edition of the Christian Science Monitor. I feel it merits widespread public review and, therefore, insert it in the RECORD:

CONGRESS: HAS FUNDS, WILL TRAVEL

Members of the United States Congress are still taking plenty of trips abroad at government expense. And the conclusion must be relatively unchanged: That some trips are highly worthwhile in terms of individual enlightenment or committee information. That some trips are moderately useful, say, in reducing a congressman's parochial outlook. And that some trips are downright junkets—free-loading tourism that is wasteful of time and money.

Nearly half the Congress—59 percent of the Senate, 42.5 percent of the House, made trips abroad at government expense in 1966, according to a Congressional Quarterly survey. This January, some 44 senators and congressmen planned to visit Vietnam, the country foremost in public thought. (A legislator who has "been there" has a one-upmanship advantage over a candidate who has not.)

One estimate is that members spend over a million dollars a year on foreign travel. Let it be said that a portion of this is excellent investment. In Vietnam, for instance, many members have earnestly sought to "see for themselves." Sen. Edward Kennedy has probed the refugee problem in 12 days of visits to camps and hospitals. Sen. Charles Percy avoided official briefings and escorts and chartered his own helicopter.

Members of Congress have usefully attended the NATO Parliamentary Congress in Paris, Ditchley Park seminars, Inter-Parliamentary Union sessions in Australia and

Teheran. They have studied development aid, GATT, manpower training, public works, disarmament. They have undertaken missions at presidential request.

Some few members behave like loudmouth "ugly Americans." Some absurdly assert expertise after a "one country per day" tour of some continent. By and large, however, Congress is a more world-minded legislature because of its members' foreign travelships.

"Washington Report"

HON. HASTINGS KEITH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. KEITH. Mr. Speaker, my first "Washington Report" of the session is about to be mailed out to many of my 12th District constituents. During my years in Congress, I have found my newsletter to be one of the most effective means of communication with my district. Not only do the readers have a chance to find out what I have been doing, but also they often write to give me their thoughts on issues mentioned in the "Report."

Because the town of Weymouth has just been added to the 12th District, I am sending a welcoming letter along with the "Washington Report" to my newest constituents.

Mr. Speaker, I place the text of my newsletter, along with explanatory statements, as well as my letter to Weymouth residents, in the CONGRESSIONAL RECORD at this point:

WASHINGTON REPORT—JANUARY 1968

DEAR FRIENDS: The 1st session of the 90th Congress adjourned on the 15th of December. Now, after a thirty day recess, I am back in Washington starting my 10th year as your Representative.

During the adjournment recess I held office hours in New Bedford and visited most all of the 53 towns of my District. Back at my desk, I am reporting on some of the Congressional activities of last year and looking ahead to the Second Session.

WOODEN SOLDIERS ON THE MARCH—1967

Miffed by our refusal to rubberstamp his every proposal, LBJ dubbed Republicans "Wooden Soldiers." The truth is, however, that we fought hard for constructive solutions to the nation's problems at home and abroad.

Both in Committee and on the floor, Republican efforts developed or substantially improved most of the legislation to which the President has been pointing with pride.

WHITE HOUSE BILL SIGNING CEREMONY

This Congress, the President has said on repeated occasions, is consumer oriented. In the closing days of the First Session I was invited on 5 different occasions to participate in bill signing ceremonies.

This photo was taken at the signing of the Flammable Fabrics Act. (Incidentally, the handsome gentleman looking on from the right is Alexander Trowbridge, the new Secretary of Commerce who summers at Harwichport.)

SOCIAL SECURITY

One of the first bills that I filed last year provided increased Social Security benefits for millions of senior citizens.

Office Hours at Bourne—Leroy Crabe of Buzzards Bay came to the Town Hall to ask me if he is eligible for the new Social Security benefits. Legislative Aide Jane Grefe (who summers on the Vineyard) was back with the answer before I'd even finished talking with Selectmen Sanford and Forni.

EXPLOSION

My trip through the District took me to Hanover's Atlantic Research Defense products plant—where a tragic explosion just after Christmas took one life and injured several persons.

I have urged Secretary of Defense McNamara to assign, in all contracts where a real hazard exists and where large numbers of people are employed, safety personnel *responsible to the federal government* in addition to any employed by the defense contractor.

ELECTRIC POWER RELIABILITY

A consumer bill that has special significance for my District is the *Electric Power Reliability Act* which will shortly be considered by the Commerce Committee. Due to the recent power failures on Cape Cod, power reliability has become a very popular subject for discussion.

Now that all the studies are in, we should have the necessary facts to choose the proper course. Since my District is deeply concerned about this matter, your comments on power reliability will be helpful and appreciated.

HIT-AND-RUN POLLUTION

(Here there is a photo taken on the beach just after oil had washed up.) I examined oil damage with local officials Ryder, McNeece, and Norgeot.

Coast Guard officials say we will never know who dumped the sticky black oil which recently washed up on Cape Cod beaches. The mysterious ship violated Federal law by flushing its oil wastes into the water, threatening shellfish beds, wildlife, and resort beaches.

This week I asked 3 of the President's Cabinet officers to look into the situation. No less than 3 agencies under 3 different Departments are involved in handling oil spills—an example of Big Government at its most Confusing! This leaves a dangerous "authority gap" in enforcing the law.

We must have improvements in reporting pollution incidents, investigating the damage, prosecuting the guilty party, and in cleaning up the mess.

ON A RELATED SUBJECT

Several big oil companies think they have struck "black gold" in our Cape Cod waters. They have been looking for oil and gas beneath the fishing grounds for a year, and now it is rumored they may have found it.

An oil company geologist said in a recent news story, "the stuff is out there. We'd be there tomorrow," he added, "if we could establish ownership." Fishermen fear that a headlong rush by the oil companies to our fishing grounds will endanger millions of dollars' worth of fish stocks.

Pointing out that a well off Alaska's coast discharged an uncontrollable flood of oil into the waters for over a year, the fishermen wired the New England governors to ask support for my Marine Sanctuaries Study Act. The bill sets up a system of "ocean zoning" and would keep oil drilling from interfering with fishing operations. Oil mining may have a place in Cape Cod waters, but it should not destroy the other values of this rich environment.

ACADEMY APPOINTEES

Peter Hastay, Falmouth; Dwight Crowther and Kevin Beggs, Weymouth; Steven Kramer, Middleboro; Joseph Glass, Hingham—The parents of each of these young men, their communities, our State and Nation, can be proud of these outstanding young Americans.

I owe a special thanks to Cdr. Harkins and the Selection Committee for the fine job they did.

OUR MAN ON THE CAPE

With an eye toward bridging the gap between Weymouth and Provincetown, I have appointed Arthur C. Goode of Hyannis as my link to Cape Cod.

Arthur, a former Coast Guardsman, runs his own printing shop, but finds time to take an active part in community and civic affairs—United Fund, Board of Trade, and Heart Fund have all benefitted from the talents of the Mid-Cape Jaycees' founder and president.

Arthur will be keeping me in touch with the problems and plans of Cape Cod—and will represent me when Washington business keeps me away.

NEW ADMINISTRATIVE ASSISTANT

After six years with the Peace Corps in both a volunteer and staff capacity, William S. Donovan of Weymouth has joined our staff as Administrative Assistant.

A graduate of Stockbridge, Bill was one of the first Corps Volunteers in India—later he was appointed to direct the Calcutta Regional Office.

Prior to joining us Bill served in Washington where he coordinated India's 1,000 Peace Corps Volunteers. His administrative experience and broad public service background will be great assets to my efforts to represent the 12th District.

As we went to press, Louise and I attended the President's State of the Union address—and we're looking forward to a hectic but exciting 2nd session of Congress.

Sincerely,

HASTINGS KEITH.

JANUARY 30, 1968.

DEAR FRIEND: Now that my colleague and friend, Congressman Jimmy Burke, has said "goodbye" to his former Weymouth constituents, I'd like to take this opportunity to welcome you to the 12th Congressional District.

To give you an idea of some of my activities and interests, I'm enclosing a copy of my latest newsletter. As your Representative in Congress. I need and welcome your thoughts on the major issues facing the nation.

At times, the Federal bureaucracy becomes entangled in a mass of red tape. If you'll let me know whenever you encounter difficulties with any federal agency, I'll be happy to try to straighten out the problem at its source.

If you're ever in Washington, make sure you come to 106 Cannon House Office Building to pick up passes to the House gallery and visit over a glass of cranberry juice!

Welcome, again, to the 12th District. I'm looking forward to a close relationship with my newest constituents and a mutually rewarding effort to insure that the ideas and the problems of my District are brought to the attention of Congress.

Sincerely,

HASTINGS KEITH,
Member of Congress.

Senator McCarthy's Challenge

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. UDALL. Mr. Speaker, a certain line of thought has been heard of late in our land, and it disturbs me. It goes like this: "If you aren't sure you'll win, don't try." The majority is everything, and the minority is nothing. A dissenting vote is a wasted vote.

This is nonsense, of course, but I'm surprised how many people subscribe to such thinking. Apparently they have forgotten the contributions made to the history of our country by dissenting votes in the Supreme Court, determined minorities in the Congress and articulate minor parties on the national scene. Surely no one would argue, for example, that Norman Thomas was a failure, or his cause a disaster, simply because he was not elected President. Few of the men elevated to that high office have had a greater impact on our Government and society.

I am pleased that a newspaper in my district has attacked this pernicious idea. The newspaper is the Apache Sentinel of Apache Junction, Ariz. Its theme is that the presidential candidacy of Senator EUGENE MCCARTHY is providing an opportunity for frank and open debate on issues disturbing a great many Americans—issues that, without his candidacy, might not be debated at all.

The Sentinel editorial was published on January 25. I shall insert it at this point in the RECORD:

SENATOR MCCARTHY'S CHALLENGE

Sen. Eugene J. McCarthy is doing a great deal more than challenging President Johnson. He is attacking a pernicious idea. The idea is that a political fight is not worth making unless there is good reason to believe that it can be won. It is the idea that principles are secondary to success. That political effort must be judged only by the results. That nothing is worth doing unless it produces tangible rewards.

Sen. McCarthy does not know whether President Johnson can be beaten in the four primaries he now intends entering. He does not know whether the President can be denied renomination, or induced to alter his Vietnam policy. The odds are against achieving any of these ends. Yet the fight to which he commits himself is supremely worth making, whatever the outcome, simply because it offers to millions of troubled Americans a vehicle of political expression.

It is not necessary that these millions should prevail to justify the participation in the political process which Sen. McCarthy offers them. It is to be hoped they will prevail. But in any case the political expression of their convictions on the Vietnam war is valuable in itself. The opportunity for frank and open debate, not only of the war but of the broader issues of foreign policy which the war poses in acute form, will help to make the nation psychologically healthier, no matter what the outcome.

Sen. McCarthy has noted a "growing sense of alienation from politics," especially among young people—a feeling of political helplessness and cynicism which tends to divert energies into a kind of nihilistic assault upon "the system" or withdrawal from it. Why don't some of the anti-war demonstrators find it worth a try to express their convictions through the political process? Should he restore to young people some confidence in orderly political expression he will perform a great public service.

Of course, he will be subjected to slurs on his character, his motives and his patriotism. He may have the fortitude to stand up to them. The official effort to suppress dissent in the name of national unity must be resisted. The idea that by debating the war Americans will only encourage the enemy to resist conceals the assumptions that military victory is attainable, and that no other objective is conceivable.

These assumptions are precisely what a growing number of Americans deny and they are definitely what needs to be debated. Whatever the outcome of his candidacy, Sen. McCarthy deserves gratitude and support for insisting that the debate take place.

Campaign Warmup—Part 11

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. BOLLING. Mr. Speaker, last December the Kansas City, Mo., Star-Times published an article about President Johnson that was written by Joseph A. Lastelic, one of its Washington correspondents. It is a well-written article that captures the many facets of the President and the complex burdens of the Presidency.

The article follows:

CAMPAIGN WARMUP—PART 11

(By Joe Lastelic)

WASHINGTON.—At the age of 59, after four years in the White House, his hair grayer, the lines deeper in his face, the problems weighing heavier on his shoulders, Lyndon Baines Johnson still loves his job.

And he aims to keep it.

In the last four years he has seen the public approval of the way he is doing his job dip from a splendid 80 to a sorry 41 per cent.

Like any man in the public eye, in political office, the President is concerned about his popularity—but he is hardly ready to vacate the White House without a real Texas-style showdown with the Republicans next year.

"I'm not trying to be popular," the President says. "I'm trying to be a good President."

But he knows the realities. As so often he has observed:

"You can't be a statesman sitting on the front porch in Johnson City, Tex.; you have to be elected first."

Four years in the White House, four years of dealing with monumental problems, of realizing that so much that he does or fails to do affects not only his own political fortunes, but the country and the entire world, has taught the President some lessons about life. Each decision means praise or scorn, or both. He is being tested in this period of unpopularity.

While some of his friends agonize and wring their hands and pray that he will change his mind about the things that add up to unpopularity, the President outwardly remains unperturbed. Things are not so bleak as outsiders might suppose in the oval room that is his office at 1600 Pennsylvania Avenue.

The Vietnam war overshadows all that the President does, but he believes that the enemy has been denied a victory and the tide has been turned, although he honestly forecasts more agony, more bloodshed.

On the home front much has been accomplished with passage of a bundle of social legislation unequaled. More people are at work; there is prosperity.

President Johnson has learned to live without the love and support that followed those worrisome days after the assassination of President Kennedy, and without the widespread approval that was his after the 1964 landslide victory over Sen. Barry Goldwater.

In the last four years there have been occasional rises in the popularity polls—at the time of his handling of the 1965 crisis in the Dominican Republic; the start of bombing of North Vietnam in 1965, and the Glassboro summit conference last summer. He seems to be enjoying another surge at the moment.

The President's best performance in years on television took place last month at a news conference when he put on a necklace microphone, stepped from behind the podium, and told just exactly what the troubles of the country are, the reasons for them, what he proposes to do.

His intimates say it was the true Johnson style—a preview of the 1968 campaign. It was the kind of performance that friends, newsmen, politicians, his own family have seen for years, but he never before got across to the public.

Still, there is a credibility gap that cannot be explained away and Lyndon Baines Johnson is not the least of the reasons for it.

Privately, Mr. Johnson concedes the greatest weakness of his administration is that it does not know how to communicate. The people do not listen, he says. He blames some of it on his personality, his inexperience in the use of television, his being from the South, perhaps. The press he gives a share of the blame for not, in his view, portraying what the government is doing.

Friends remind him that President Truman had his troubles, too. The polls were down on him. His speech delivery with a flat Mid-Western voice was a liability. Yet Mr. Truman got his message across. He did it by being himself, by his "Give 'em hell" speeches. Mr. Johnson is beginning to realize that Harry knew best.

His television performance was in that vein. He has begun to laugh at himself, too, throwing in a few bits of humor at his own expense to add some balm to political wounds.

The President confided, for example, that he had his daughter's wedding at the White House because of a recent bad experience in church. It was the only reaction that Mr. Johnson showed publicly to the Episcopal priest who criticized him from the pulpit about the war in Vietnam.

He has let go with some fiery oratory against the "nay sayers," as he terms them.

"We can take the easy road now," he points out, "denying our responsibilities, hoping that a rise in our polls will compensate for what we ought to have done for our country. Or we can take the harder road of responsibility. We can do what we believe is right for our children's future, though it may mean present pain. In the crises of this hour there are plenty of recommendations on how to get out of trouble cheaply and fast. Most of them come down to this: "Deny your responsibility." Mr. Johnson emphasized he would not choose that road.

The President says that all the palaver from pious politicians does not mean much to him. He corralled members of Congress for a series of stag meetings at the White House. He went down the list of their complaints, told them what perhaps they already knew, but preferred to ignore.

For instance this Johnson view:

They want him to cut spending, but he cannot spend a dime unless they give it to him. Besides, they have exceeded his budget.

On Vietnam he asks what the alternatives are. The answers are that he should work for a negotiated settlement, that he should stop the bombing and see if that will bring peace. He has stopped the bombing, seven times, he answers, with only adverse results for the troops. Ho Chi Minh insists that the U.S. troops get out before he will talk. What is their answer now? Try harder, they say.

His Democratic colleagues tell him that if he does not improve his standing with the voters he will be a liability to the entire ticket—courthouse to White House. Mr. Johnson looks over his audience—spotting among them conservatives, radicals, hawks, liberals, me-tooers, hacks, doves—each with his own set of enemies, and reminds them of another possible liability: "You know, I have to run with all of you."

Unless his health fails, Mr. Johnson will be running next year. He sees no easy victory for himself, or his opponent. Who does he think it will be? How does he view the Republican field of contenders?

Only a few words give this appraisal.

Gov. George Romney of Michigan—a flop.

Gov. Ronald Reagan of California—a little bit of (Joseph) McCarthyism in him.

Gov. Nelson Rockefeller of New York—does not want to have his family endure the messy comment that would result.

Sen. Charles Percy of Illinois—an Ivory soap salesman.

Former Vice-President Richard M. Nixon—able, tough, experienced, party people support him.

Mr. Johnson now sees Mr. Nixon as his opponent.

The polls that show him being defeated aggravate the President because he feels they are not an accurate reflection of the voters' views. He concedes they have an adverse psychological impact on his administration.

"Study the questions, see how they ask them," he notes. "They don't put Wallace in, and he's running." Perhaps the pollsters were listening because, for the first time, the latest Gallup poll questioned voters on Johnson, Nixon and Wallace. The President not only won in the nationwide sampling, but in three of the four regions—the East, South and West. The President still ran second to Richard Nixon in the Mid-West.

It was the first good news from the hustings in months.

One reason for the changed voter sentiment was Gen. William Westmoreland's rather rosy recent statements on the progress in the war. The unruly antiwar demonstrators have crystallized more opinion favoring the President's stand. Labor is busy pointing up Mr. Johnson's good deeds. So are administration folk. His own fighting stance on television and at a political rally in New York and at another White House press conference, plus the battling for important bills in Congress have brought supporters rallying around.

Mr. Johnson faces the problems of the presidency—the big ones, the small ones—those that persist in spite of every effort to turn them aside. And sometimes, as he walks the rooms of the White House and thinks of his predecessors, it must occur to Lyndon Johnson to measure their burdens against his and wonder if, in the age of the atom and the urban crisis, he might not carry the heaviest weight of all.

Whether this is true, historians will have to decide. There are, however, those who have noted that until recently, one of Lyndon Johnson's less admirable traits in office was what seemed to be the tendency to feel sorry for himself, to bow his head in mute and abused silence before the critics.

There is the impression that this is changing and that the President, less than a year away from the voters' approval or disapproval of his administration, is standing taller beneath the burden. Burden it is, unquestionably, for this is a time in our history of many frustrations, and if the war in Vietnam is the most dramatic source it is not the only source.

The cost of the military effort there, piled on top the cost of cold-war security, has brought a staggering budget deficit, estimated now at 23 billion dollars even with the proposed spending slash. Inflation pursues its course in a war-time economy yet, technically, there is no declared war. There are problems of aid and trade, of the gold outflow, of interest rates that are the highest in 40 years. Farm prices are down. Other prices are up.

Unhappiness grows among taxpayers because of increasing state and federal taxes and prospects for more boosts. Others complain about the war costing 2½ billion dollars a month while pressing domestic needs get second shrift. The cost of living spirals upward—almost 10 per cent in three years.

Racial unrest is without parallel in this country's history. Crime has increased 88 per cent since 1960. Protesters are everywhere—angry about the draft, the war, open housing, school bussing, dirty air, crowded cities, slum housing, welfare. Dissent is popular—in the pulpit or in the park.

Much of the rest of the world is in turmoil. In Africa revolutions occur with alarming regularity; Communist subversion feeds on poverty in Latin America; millions hunger in Asia; a new war threatens in the Middle East; Red China sports a nuclear capability; the Russians build an orbital bomb and install an antiballistic missile system. Destruction of mankind is 15 minutes away.

Every day President Johnson wakes up to these problems and others. He is never away from them, even on a rare weekend at the ranch. They don't belong to someone else, they belong to him. When his day is over, they still are there. There are good days, sometimes, when solutions are found. Yet night after night as the President goes to bed he regards himself a failure because he has not found a way to end the war. There is, understandably, an element of obsession in this, the greatest challenge confronting Mr. Johnson.

In 1965, he notes, Gen. William Westmoreland told him the United States would have to get in or get out. The President chose, in his words, not to walk away.

So much has been heard about Mr. Johnson's great drive to find the formula of consensus government. In many ways, over these last four years, he has found the formula and has had his way.

He was persuading others to go along with him—left and right, Senate and House, business and labor—bringing them around to his way of thinking.

Lyndon Johnson has wanted to be a strong President. He has tried to be a strong President. His achievement will be judged eventually in the perspective of history, but his desire has changed the approach of the man to the vehicle of government.

It has transposed him from the posture he had as a strong legislative leader (majority leader of the Senate) to a President being thwarted by other legislative leaders, some of them equally strong of will.

Striving to be a strong President, to make his place in history, the President often finds himself boxed in by a Congress that, at this particular time in history, is fiercely asserting itself.

In fact the three keystones of government on Capitol Hill—legislative, judicial and administrative—are in the Johnson era at an unusually high level of potency. There is an extremely stubborn Congress, a creative and assertive Supreme Court and a hard-nosed President all spinning, as in a maelstrom, about the vortex of power.

The mark of L. B. J. is already on the nation and on the world.

Chinese children throw darts at his likeness. North Vietnamese children are taught to hiss his name—*Gion Xon*. He leads the most powerful nation the world has ever, known. Yet sometimes he pauses for smaller problems.

Poor children in the District of Columbia would have no street sprinklers for relief from the heat until late in the summer, the President read in the morning paper. Before the day was over the sprinklers were on their way from the factory.

There are most important matters. He decided America must know that the elections in Vietnam were conducted as honestly as possible and represented the voter's wishes. He would send a team of observers. He telephoned a publisher.

"Why do you want me to go?" the publisher asked. "I'm against everything you are doing out there."

Indeed, that was the reason why he wanted him to go, the President insisted, to see for himself and let his readers know.

There is an old canard that President Johnson does not like to hear bad news, will not put up with those who disagree with him, refuses to hear both sides of an issue.

"If everybody is in agreement," he says in answer to that criticism, "I adjourn the meeting."

Sometimes it takes him so long to make a decision that he is charged with indecision, with a lack of leadership. The explanation of those who work closely with him is that he must have time to study the options, that he cannot act impulsively.

He says himself that if he had allowed a good deal of the advice given him by some he would not be "as comfortable" today as he looks back on what has occurred, from the war to the riots, from legislation to politicking.

He looks to the old hands for advice, the young ones to carry out the work. Vice-President Hubert H. Humphrey is his trouble shooter and his cheerleader. But he is not an assistant President.

The advisers might be a banker in New York, a farmer in Texas, a businessman in Baltimore, a lawyer in San Francisco or a professor at Princeton, depending on the problem. Perhaps more than anyone else, Clark Clifford onetime counsel for President Truman and Justice Abe Fortas have the President's ear. Other old reliables are Dean Acheson, Truman's secretary of state; Robert Anderson, Texan and Eisenhower's secretary of the Treasury; Eugene Black, former head of the world bank; John McCloy, veteran diplomatic trouble shooter and Gen. Maxwell Taylor. The President loves Sen. Richard Russell (D-Ga.), a hard-liner who seems to be consistently correct about Communist machinations.

George Ball, former undersecretary of State and now a New York lawyer possesses a skill for dissecting a problem and then arguing both the pro and con of it so that there is a complete exposition.

"He can teach it either way," Mr. Johnson says with admiration.

The President relies on his cabinet to carry out policies after he sets them. He makes the decisions. Bureaucrats note his talent for administration and his knowledge of how the government functions—the result of his long senatorial experience. The telephone is his instrument for staying in touch.

Just about every Tuesday the war is the topic at a special luncheon at the White House. The President, the secretary of State, Dean Rusk, and the secretary of Defense, Robert McNamara, (who will step down sometime next year) are the regulars. They usually are joined by Walt Rostow, special White House assistant for foreign affairs, and by George Christian, presidential press secretary. Sometimes the chairman of the joint chiefs, Gen. Earle Wheeler, or Richard Helms, director of the Central Intelligence Agency, or Vice-President Humphrey are called in. From these meetings evolve the war policies.

Then there are the weekly breakfast meetings with the House and Senate Democratic leaders to go over legislative matters. The realities of what can and cannot be accepted by the lawmakers are weighed, the decisions made where to push, when to do it, how to do it.

This 90th Congress has been a stubborn one, refusing to do the President's bidding, working on bills at the slowest pace. He had predicted in January that a partisan attitude would pervade Capitol hill. He was right. Mr. Johnson has had to deal with the lawmakers much more differently than he did with the 89th Congress, when the freshman liberals who came in on his coattails rubber-stamped his bills. He has had to deal also with the political and legislative reality that a year ago, in the congressional elections, he and his party suffered a setback that created a new mold for the 90th Congress and made it less responsive to presidential whim and will.

The President used to go to the hill for lunches, to see his old friends. He really missed the place. Now he has grown comfortable in the White House. His view from the other end of Pennsylvania avenue both toward the hill and toward the country has changed.

To those who point out his past conservative votes that favored Texas and the South, his statements as a senator ridiculing the very things he sponsors now, the President has an answer. He says he "feels" the problems so much more now than he once did, that he will continue working to solve them no matter how many times his detractors point out, as he views them now, "past mistakes."

Unexpected support comes from time to time from General Eisenhower, whom the President keeps informed of foreign matters, particularly the war, and from Sen. Everett Dirksen, the Republican leader, whose endorsement can mean victory or defeat for a bill. The rent supplements bill opposed by almost every Republican in the House is an example. Dirksen found it the best solution to public housing, said so, and it went sailing through.

Dirksen also is a stalwart L. B. J. supporter on the war. By contrast, Sen. Mike Mansfield, the Democratic leader, voices concern, tends toward being dovish. "Mike suffers from that Montana isolationist complex," the President complained once in disgust. It is that sort of aside that keeps getting Mr. Johnson into trouble. In this political town that remark came back to Mansfield while his ears were still burning. Mr. Johnson should know better. He gets the same kind of voluntary telegraphic reports about what is being said about him at cocktail parties around town.

As for the congressional elections next year, Mr. Johnson feels it is too early to predict what will happen. Those who talk politics with him say two main issues will determine the fortunes of Democrats: The war and the riots.

Unless there is some obvious success in Vietnam, and the cities are quiescent next summer and fall, Mr. Johnson is in deep trouble. The beginning of negotiations, or a hint from Hanoi that negotiations are in the wind, could save the day, on Vietnam. And somewhere there must be the impression that the government is both thinking and doing on the problems of America's cities.

More war and more riots could upend Mr. Johnson and his party.

Mr. Johnson is working to prevent just that. He works drivingly and expects his staff to do likewise. Even Barry Goldwater compliments him as the hardest working President he has known.

Despite this image of hard workers, experienced captain of government, able legislator, commander in name and fact, Mr. Johnson sometimes is his own worst enemy. The McNamara resignation was mishandled and there was no reason for it to be. The political jabs at Governor Romney over whose fault it was that order was not restored sooner in Detroit hurt both men.

Tales of how and why the President lost his temper, of egotistical and sometimes crude remarks, get belly laughs around Washington but in cold print they are deadly. When he says, "my Congress," all 535 members bristle.

When he demands perfection, calls attention to error, snipes at the opposition, he becomes fair game. He tries to avoid fights over petty matters, over smart alec remarks, but every so often the human frailty of petty reaction shows up.

The same reporters who tried to outwrite each other in praise of the Kennedys, now try to outdo each other in deriding any personal eccentricity or quirk of the Johnsons. A national magazine prints a long article on "The Dark Side of L. B. J." The peaceniks call him a "murderer," accuse him of wanting to prolong the war so that he can napalm children to death.

Signs carried in demonstrations are so vulgar, that newsmen cannot print what they say. The vilification, the defamation, the attacks on the Johnsons are the worst in his 25 years of covering Washington, says the dean of the White House press corps. The Johnsons suffer in silence. Calls for respect for the presidency, are met with a new tirade of personal insults for the President.

All that is reflected in the polls.

"I'm the whipping boy now," the President says. "I'm taking the criticism. It snowballs, it goes 40 different ways."

He takes a look at the polls that reflects that criticism and instead of getting angry tries that new humorous attack: "Maybe I peaked too soon."

The Johnson administration has been a costly one, using red ink by the barrel. It has added 60 billion dollars to the national debt and at the current forecast it will be 80 billion by election time next year.

The war and the many new social programs are responsible. A tax increase, proposed by the joint economic committee in Congress in 1966, would have cut that deficit and helped slowdown inflationary pressures, but Mr. Johnson and his advisers did not try for it. Now they desperately try to get approval of the 10 per cent surtax.

Mr. Johnson's economy maneuvers are billed "the Texas shell game," by an arch critic, Sen. John Williams (R-Del.) "Never before in history," the senator says, "has any man in the White House said so much about economy and done so little about it."

The tax question is an example of Mr. Johnson trying to stay in the middle of the political road he likes so well. Sometimes there are ruts in it.

On the war the President asserts what he is doing is to fight at a rate and in a manner that will not trigger World War III.

He assures Hanoi, the Soviet Union and Red China that we seek no wider war, we want no territory. His critics insist this caution, this slow escalation of tit for tat, the hesitation in starting the bombing has prolonged the war and cost lives.

The President remains very hopeful the Soviets, who supply 80 per cent of the war material to Hanoi, will use their influence to get Ho Chi Minh to negotiate. Still there is the realization that Red China could take over that supply function. It was the Russian diplomats who assured Hanoi Mr. Johnson would be repudiated in the 1966 congressional elections. It did not happen.

The intelligence reports and the bold statements from the Communists are that Hanoi is holding out until the 1968 election is determined. Nomination of hard-liners like Nixon or Reagan at the Republican convention could have an effect on that thinking.

The riots are a constant worry. Yet Mr. Johnson notes "I do not have a local police force to send out every time somebody throws a rock through a window." It is an answer to local governments who blame him for the riots.

He has counseled restraint to business and labor over wages and prices, hinting only a few days ago about controls. He ordered a freeze on government spending and called for a stretchout of highway construction funds. Interestingly, there is no great protest from the taxpayer. The only letters come from special interest groups.

Mr. Johnson will get into a scrap if he sees that is the only way to resolve a problem, but he prefers to talk about it, to "reason together" as he understands the Biblical quotation. So he still gets along with Sen. Robert F. Kennedy (D-N.Y.) and Sen. J. William Fulbright (D-Ark.) and Sen. Eugene McCarthy (D-Minn.)—a triumvirate of caustic commentators.

McCarthy's candidacy will be another problem, but if he falls flat with the voters in the primaries, it will be a blessing for the President. Mr. Johnson has learned through the years to be patient, to keep an eye on history, not to worry too much about what is being said today, to rely on friends in a pinch. He comes from a part of the country where, as he remembers, "They know when you are sick, and they care when you die."

There is a story from the Truman era—prior to the 1948 election campaign—which seems to fit now in the life and times of Lyndon Johnson.

As it is told there was a fellow who was celebrating his 50th birthday anniversary by going to the race track and betting $50 to win on his favorite horse. The animal broke in front, ran ahead until the stretch, then stumbled and fell.

"Damn Harry Truman," the loser exclaimed.

And in like manner, it is postulated, do others blame L. B. J. today.

If the President feels despair—if he feels that the whole country is populated with people with the attitude of the unlucky horseplayer of the Truman era—he doesn't show it.

Indeed, he goes about his business with an outward air of nonchalance that puzzles those who think they can read the political tea leaves.

One thing about polls, the President points out, is that they can go up as well as down.

If by this time the Republicans haven't got the message that L. B. J. will be no pushover, they will before the year of the showdown—1968—is well advanced. And besieged, embattled, and occasionally embittered, the tall, tough Texan is a man who can hold his own when the game is politics and the deed to the ranch is on the table.

The 14th Anniversary of Asian Peoples' Freedom Day

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. WOLFF. Mr. Speaker, last week I had the privilege of speaking on the 14th anniversary of Asian Peoples' Freedom Day. The resolution passed by the Assembly of Captive European Nations in support of the oppressed people of Asia well deserves the Members' attention. Thus, under leave to extend my remarks, I wish to include that statement in the Record at this point:

The 14th Anniversary of the Asian Peoples' Freedom Day Declaration, Adopted in the 129th (Extraordinary) Meeting of the Plenary Assembly in New York City, January 23, 1968

On the Fourteenth Anniversary of the Asian Peoples' Freedom Day, the Assembly of Captive European Nations gathered once again in a plenary meeting to declare its solidarity with the Asian peoples in their struggle against Communist aggression. A common aspiration for personal freedom and national self-determination unites the captive peoples of Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania with the oppressed peoples of China, North Korea, and North Vietnam.

January 23, 1954 is a momentous day in the global struggle against totalitarianism. On that date 22,000 Chinese and North Korean prisoners of war in the custody of the United Nations Forces chose to remain in the free world instead of returning to their Communist-dominated countries. January 23 has since been observed as the Asian Peoples' Freedom Day.

The Anniversary of the historic march to freedom of the Chinese and Korean soldiers is of great significance for today's political situation when we are again confronted with Communist aggression against another free country in Asia—the Republic of Vietnam.

The peoples of East-Central Europe well understand and appreciate the determination of the Chinese, Korean and Vietnamese peoples. Dedicated to the principle that peoples everywhere have the right to freely determine through democratic processes the political, social, and economic system under which they wish to live, the Assembly of Captive European Nations firmly supports the struggle of free men in Vietnam against the encroachments of Communism. As in Europe, communism in Asia maintains itself by minority rule, denial of basic human rights, exploitation and the threat of brutal force. The struggle against communism in Vietnam serves a common cause, for a surrender to Communist domination in Southeast Asia would not only jeopardize the security of Free Asia, but would also prolong the colonial domination of East-Central Europe by Communist regimes.

On this Fourteenth Anniversary of Asian Peoples' Freedom Day, we re-dedicate ourselves to the cause of self-determination and national independence for all nations and manifest the unity of the peoples of East-Central Europe and Asia in the struggle for the establishment of a world community of free nations based on the rule of justice and freedom.

Dulles Policy Worked

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. MICHEL. Mr. Speaker, for the third time in the last 7 years our country finds itself in a position where it is necessary to call up our Reserve military forces in order to cope with still another crisis situation evolving from the continuing cold war between the Communist countries and the so-called free world.

While there can be no question about supplying unlimited support for our courageous fighting men, I think it is in order to question the conduct of our foreign policy since 1961—a period of almost uninterrupted tension and crisis in all parts of the world.

It becomes even more significant when a comparison is made with the 8-year history of foreign policy under the direction of the Honorable John Foster Dulles. As I am sure you are all aware, it has become almost a national sport for liberal columnists, professors, and other "foreign policy experts" to speak of the Dulles-Eisenhower foreign policy in highly critical—often derisive—tones, but I submit that a close examination of the record will reveal that the Dulles policy worked whereas the policy we have had since 1961 has not worked and there are no indications that things will get any better.

This whole question was outlined rather succinctly in an editorial appearing in the Peoria Journal Star, Friday, January 26, 1968, and I include the editorial at this point in my remarks:

DULLES POLICY WORKED

With every passing year written into the history books, the highly challenged and questioned and even derided skills of one John Foster Dulles look better and better.

Indeed, at this rate, Dulles is going to look like a genius before long.

Books have been written and speeches made, and it has been very popular for all the cunning folks for years to make deprecatory remarks about Dulles' crude, unsophisticated and "over-simplified" approach to foreign policy.

We are told by all manner of interpretations and theoretical arguments how often this bumbling secretary flirted with disaster by his lack of intellectual approach.

But the record stands before us, clearly, that the eight years of the Eisenhower administration somehow is the only oasis in the entire post-war history of the world.

For eight years, during most of which time Mr. Dulles was secretary of state, and the rest still pursued a holdover of his policies, no Americans were being shot at anywhere.

The spectacular crises, the series of challenges, attempts and expansions of communism took place in endless series in all the years prior to Dulles' tenure, and all the years since his tenure—and yet the cold fact is that except for Khrushchev's big mouth we had little crisis atmosphere, no really major crises of the type that had been and have again become so commonplace, no national emergencies, call up of soldiers, vast increases in draft calls, attacks on U.S. military installations, or wars.

Isn't it about time we quit pursuing all the attractive theoretical notions, and looked at the record to see what we did right on the basis of results, and what we have done wrong?

The initial major attack on Dulles' policies came during the 1960 campaign (Dulles himself was dead by then, and the only major failure of his "brinkmanship" policies was in Cuba after Dulles was "out of it" and "brinkmanship" was not practiced.)

It was made by John F. Kennedy, and resumed even more strongly after his election.

Kennedy condemned "brinkmanship," the Dulles policy of holding Russia directly responsible for overt activities by Communist powers against the U.S., and of "going directly to the source" in flat-out challenge, eyeball to eyeball, when they or one of their "proxies" attempted some sort of coup:

Kennedy espoused the thesis that problems must be kept small, dealt with as specific local problems, and that the thing to be avoided at all costs was just such "massive confrontation" with the Soviet Union.

The doctrine has haunted—and guided—us ever since.

It is a questionable doctrine on the basis of results, but it was a particularly self-defeating doctrine to be publicly announced and explained in lurid detail, for it announced to the Communists that here was a touchy spot that they could exploit.

They have been exploiting it ever since.

As soon as they discovered we were so sensitive to avoid direct problems with them, they plunged us into a "Berlin crisis" which brought a National Emergency and call-up of reserves, etc.; while China massed men and sent warplanes over Formosa. In rapid succession during Kennedy's brief three years, came the Laos attacks and "neutralization"; vast escalation of the Communist attack in South Vietnam; China's direct attack on India; the attempt to seize the Congo; Indonesia declaring war on Malaysia; and Russia's shockingly bold attempt to arm Cuba with 2,000-mile nuclear missiles.

The Cuban attempt brought us, in spite of policy, to our one major "massive confrontation"—and our only major success. It cooled things briefly . . . but not for long.

After Kennedy's death came direct attacks against U.S. non-combatants in Vietnam and against U.S. ships in the Gulf of Tonkin, and the challenges, harrassment, and escalating war in Vietnam that have been with us ever since.

All of these things have been treated as "local problems"—and they just kept growing.

This conduct of affairs has been so successful for those nations openly hostile to us that they are getting bolder and more aggressive every day.

The mere fact that the tougher they get, the louder are the cries among U.S. "dissenters" for "peace," probably inspired the Pueblo attack—on the thesis that another good scare, or two or three, might destroy what the Communists call "stability of the capitalist system."

So, they are encouraged to adventurism.

And we pay the price.

Dulles' policy had been to discourage bold adventurisum by the reds—and the record shows that it worked.

Half way measures don't seem to.

Communist Aggression Relived

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. RARICK. Mr. Speaker, the account of Communist brutality, murder and sadism by Alan L. Davidson, a former sergeant of the Green Beret, must reach the American people to make them understand the moral degeneracy of the people seeking to bury us.

I include Sergeant Davidson's report from the February 1968 issue of American Opinion to follow my comments, as follows:

VIETNAM: WHEN TERROR IS NOT STATISTICS

(Alan L. Davidson, a former Sergeant of the Green Beret, extended his tour to volunteer for service in Vietnam and left there when, as senior medical advisor in War Zone D, he was felled by a dozen diseases. Davidson, still an honorary member of the Vietnamese Special Forces, may be booked for lectures through the American Opinion Speakers Bureau—a course we recommend.)

Recently in Vietnam a brave and capable native Chief, trying to wrest his province from Communist hands, left his village to lead the three Vietnamese Ranger units under his command in an attack against the Vietcong. Though his forces were small, this commander meant to carry the war to the enemy. In his absence a Vietcong force overran his village. They butchered his wife and scores of other villagers, and then kidnapped his eight-year-old son.

That Chief, a friend of mine, returned like any other husband and father to find his wife dead, his only son gone, and his village bloody and burned to the ground. Holding his grief inside himself lest he lose all control and endanger his people, he re-established order and began to rebuild and refortify. His duty came first; for him there wasn't even time to mourn.

Less than a week had passed when very early one morning, it was about two o'clock, the Vietcong again attacked the camp. They ran between the huts and down the main road firing their weapons as they came. The V.C. rushed by the Chief's house; bullets slapped into the wall. My friend tumbled from his bed in his bare feet and ran toward the door, grabbing his weapon and moving to rally his men to a defense. As he bolted from the doorway of his home he stumbled and fell across a burlap sack. He jumped to his feet but the Vietcong had gone as quickly as they had come.

The Chief reached down and picked up

the burlap bag. He opened it, and emptied its contents on the ground. There on the dirt road, in the flickering light of a burning hut, he looked down upon the dozen or so pieces of what had been his eight-year-old son.

The incident was typical of the planned terror employed wherever the Communists have engaged in what they call a War of National Liberation. Such atrocities, and even worse, have been repeated by Communists literally tens of thousands of times from Angola and Algeria, Malaya and Mozambique, to Zambia and Zanzibar. We saw them in Korea where our boys were butchered with their hands wired behind their backs, and now we are facing them again in Vietnam. Often after my lectures across the country on the War in Vietnam I am asked what the Communists are really like. I'd like to answer that question now. Wherever we meet them—in Moscow, Panmunjom, Peking, or Hanoi—they are the kind of degenerate animals who would make it a part of their political strategy to deliver the dismembered body of an eight-year-old child to his father in a burlap sack.

And, the Communist terror is growing.

On December 6, 1967, at ten minutes after midnight, the Vietcong attacked a refugee settlement at Dak Son, in Phuoclong Province. Sixty homes were put to the torch. And then the Vietcong, with whom the President would have us negotiate, turned flamethrowers on more than 250 helpless women and children in an intentional, premeditated act of terrorism and bestial retribution: Their husbands and fathers had refused to join the Vietcong. The next day, human ashes blew through the streets like a macabre mist as the charred remains of mothers and their children were laid out in rows at the base of the one shady tree on the hill at Dak Son. On the lid of a basket were the bodies of a tiny brother and sister still clinging to each other even in death.

Vice President Hubert Humphrey, in a question-and-answer session at the University of Pittsburgh, was recently moved to declare that "The Vietcong has committed the most unbelievable acts of terrorism the world has ever known." The Vice President comes close to the truth. What he does not say is that the Vietcong's National Liberation Front is merely obeying orders in extension of a standard Communist strategy emanating from the Hanoi-Peking-Moscow Axis. The Communists have made a veritable science out of what the Nineteenth Century anarchists called "The Propaganda of the Deed"—they have developed terrorism to its zenith as a *political* tactic.

22 October 1967. At 2200 hours, two V.C. platoons entered Co Tao Village, Pleiku Province, and drove about two hundred people out of their homes and then burned five houses.

It cannot be stressed too strongly that the acts of bestiality committed by the Vietcong against civilians in South Vietnam are not mere happenstance. The sniper's bullet, the rattle of small-arms fire through a village in the dead of night, the beheading of a hamlet Chief, the explosion of a plastique bomb in a crowded market place, these are acts methodically planned and carried out by the Communists according to the standard plan for all such Wars of National Liberation.

24 October 1967. At 2345 hours, eight civilians were killed and twenty-seven others wounded in a V.C. recoilless-rifle and rocket attack on civilians at Nha Bang Village, Chau Doc Province.

It is an axiom of guerrilla warfare that no guerrilla movement can succeed without the acquiescence of the people or support from an outside source. Yet, contrary to all warnings from the Joint Chiefs of Staff, the Johnson Administration is now permitting the Communist forces in Vietnam to receive vast support from outside sources. It is by now a thoroughly documented fact that a full eighty percent of the war materiel directed to the Vietcong is supplied via North Vietnam by Communist nations with which the President insists America must continue to trade. Based on my experience in Vietnam, I can assure you without reservation that any success of the Vietcong in South Vietnam is directly proportionate to the logistical support and increased manpower that is brought to it from North Vietnam.

Even so, while the Communist insurrectionists depend almost completely upon the international community for military aid and diplomatic support, they have found that they must rely upon the local populace for many of the immediate necessities of war—food, clothing, shelter, funds, cover, and intelligence. To ensure these increments the Vietcong has proven most effective in the techniques of gaining control of the civil population by employing the "positive pressures" of a political indoctrination applied with care from the grass roots up, and the "negative pressures" of a terrorism applied against those who refuse to accept their domination. Witnessing repeated acts of monstrous brutality performed with impunity very often has the effect of "converting" survivors into "workers in the struggle for liberation."

2 November 1967. At 2330 hours, two platoons of Vietcong penetrated the Hiep Thanh Hamlet, Khanh Hoa Province, for the purpose of assassinating a village official. They were successful in their mission.

30 October 1967. At 1100 hours, a V.C. unit of unknown strength entered Pleidur, Kontum Province, and killed one civilian in a ritual terror murder.

4 November 1967. At 2240 hours, the Vietcong repeated their performance of October thirtieth at Pleidur.

31 October 1967. At 2000 hours, a V.C. unit penetrated Phu Can District, Binh Dinh Province, fired weapons and threw a grenade into the home of the My Hoa Hamlet Chief. The Chief was killed and three other civilians were wounded.

The techniques utilized in implementing the terror propaganda are many and varied. Threats, intimidation, coercion, mental and emotional stress and threatened destruction of whole families, reprisals, and assassination are all a part of the Vietcong's modus operandi.

8 November 1967. Between midnight and 0105 hours, the V.C. attacked six refugee camps in Dai Loc, Hien Duc, and Dien Ban Districts, Quang Nam Province. In these six incidents, twenty-two refugees were killed, forty-two wounded, and fifty-seven abducted. Some 583 homes were destroyed and 67 damaged; 625 families are homeless.

In 1963, along with the eleven other members of the Green Beret who made up my Army Special Forces Team, I was sent into the now famous War Zone D. Except for a few French-owned rubber and cashew plantations, and villages too small to appear on most maps, Zone D is virtually all jungle. Rough terrain and thick vegetation make the area almost impossible for the Government to patrol on any regular basis.

For over two decades this island of inaccessibility has been a Communist stronghold. Under the canopy of its rain forest, towering in some places as high as 200 feet to form an umbrella over the jungle floor, the Reds have burrowed a honeycomb of underground tunnels and fortifications from which they mount major assaults into the surrounding countryside. The mission of my Team was to help secure a defense around one of the small villages there and to build what was called a *strategic hamlet*. We were to organize the natives of that hamlet into a self-defense corps that would permit them to act as a militia for the defense of their own town. Our orders were to then train these men in those acts of war which would enable them to take a more effective and aggressive role in defeating the Vietcong terrorists.

The hamlet was Nuoc Vang: ninety-eight families; nearly five hundred people. A year before we arrived the entire town had been located farther up in what was now the very heart and center of War Zone D. For many years the natives of Nuoc Vang had by Vietnamese standards made a fairly good living for themselves, going out into the jungle to cut and collect certain roots, herbs, and barks which they marketed to the French for the making of medicines. There was an abundance of wild game for meat, the crops were good, and life was wholesome and pleasant. I remember asking myself: What manner of Hell would it take to cause a happy and prosperous people like this to move from what was their ancestral home?

The answer, I learned, dates back more than a decade:

After 1954, when the French nation was betrayed by its Far Left and withdrew from Indo-China under the Geneva Accord, Vietnam had been divided into the Communist North and the free South. The Communist Vietminh, now known as the Vietcong, intensified their efforts toward expansion and domination. The Communist strength in the South was made up of Southerners indoctrinated and trained by Ho chi Minh, Northerners who in the course of fighting the French had moved southward, and those loyal to the Conspiracy who had come to the South posing as innocent refugees. They formed the hardcore of terrorist units which began to strike viciously against every authority or semblance of government that was not under Communist control. This included Nuoc Vang.

Down from North Vietnam came highly trained Communist cadres carrying with them enough arms, ammunition, and money to last about six months. They linked up with local units strategically positioned in the South to form ever more highly organized guerrilla bands. At the end of six months, each cadre became completely self-supporting on the basis of what they procured from raids, "taxation," and ambushes.

24 October 1967. At 211 hours, a V.C. platoon entered Buon Tong Tu, Darlac Province, and collected "taxation" of forty-five kilos of rice from the villagers.

25 October 1967. At 2000 hours, a V.C. platoon entered Hiep Nhon Hamlet, Binh Tuy Province, and took food, oil, and gasoline from the people as "taxation."

Because of its inaccessibility, the Vietcong were able to establish a total domination over the area where the people of Nuoc Vang had lived. Day after day the V.C. would round up the groups of workers from the village, as they pursued their jobs in the jungle, and sit them down for propaganda lectures often lasting throughout the day until sunset.

5 November 1967. At 1600 hours, a V.C. company assembled the people in Buon Ko Edung, Darlac Province, for speeches praising "recent V.C. victories."

6 November 1967. At 1900 hours, in Plei Tram, Kontum Province, approximately one hundred armed V.C. gathered the villagers for propaganda lectures.

In order to obtain effective control, the Vietcong soon went far beyond political indoctrination. Once they had developed a tiny but fanatically dedicated following they began the application of systematic terror to bring the entire village under complete Communist control.

22 October 1967. At 2100 hours, a V.C. platoon murdered a Montagnard in Buon Jat, Darlac Province, after assembling the villagers for a propaganda lecture.

In order to support their oppression the Vietcong soon began to "tax" the village. That taxation often ran as high as ninety percent. The V.C. now told the people of Nuoc Vang what crops to plant, how much they should plant, and how much of their produce they were expected to give to their "liberators."

28 October 1967. A V.C. platoon entered Plei Or Village, Kontum Province and confiscated three hundred kilos of rice.

7 November 1967. At 1700 hours, approximately one hundred armed V.C. entered Plei Tram, Kontum Province, and ordered the villagers to contribute one thousand baskets of paddy within thirteen days, and threatened reprisals if the quotas were not met.

Though the Vietcong would rail against the Government draft laws which conscript men in their late teens for a specified length of service, the Communists take boys as young as fourteen and fifteen for the duration. The Vietcong method of procuring manpower to swell its ranks is fairly simple. Those who do not accept service with the Vietcong suffer the consequences. From interrogation of Vietcong prisoners and documentation captured in Zone D, we were able to determine that the majority of Vietcong "recruits" were coming from the category of "teenage orphans."

7 November 1967. At 1600 hours, a V.C. force infiltrated Vi Le New Life Hamlet, Chuong Thiem Province, and abducted thirteen youths.

5 November 1967. At 1600 hours, V.C. kidnaped six youths from Tho Bon Hamlet, Quang Nam Province.

Whenever their demand exceeded the supply, the Vietcong simply created those circumstances which provided a broader base of orphaned teenage boys. In 1962 Hanoi sent down orders to "set up specialized units and clandestine forces to take over terror operations." Since that time the level of violent acts against civilians has risen sharply from five thousand a year to now well in excess of 25,000, many the work of elite three-man "cells" that travel from job to job. They did their work well in Nuoc Vang.

In the practice of armed propaganda the Vietcong use every measure at their disposal to disrupt the economic mean, over-all morale, and will of the South Vietnamese people to resist. Their efforts against Nuoc Vang were nearly successful. The village Chief had some seventeen adopted children, all under the age of twelve. These were children of the village adopted by him because they had been orphaned. They were orphaned because their parents had resisted the Communists and been eliminated as "reactionary elements"—examples to others.

7 November 1967. At 2300 hours, a V.C. unit entered Bac Chan No. 2, New Life Hamlet, Kien Tuong Province, and seized Family Registration booklets, I.D. cards, and ballots; then ordered villagers not to pursue their normal commerce and activities upon penalty of mass slaughter.

24 October 1967. At 1200 hours, a truck driver was stopped by three V.C. tax collectors for payment of tax. When the driver said he was unable to pay the tax, the V.C. confiscated his truck. The incident occurred in Tan Ly Village, Binh Tuy Province.

Finally the villagers of Nuoc Vang realized their predicament under the Vietcong. These fiercely independent people, still fired with the will to resist, decided in the secrecy of their village council that they must make a move. The only avenue of resistance open to them was to flee. During the space of a single day the entire village, led by its Chief moved the scores of miles to their present site. They did not move completely out of the War Zone as they owned land there; their crops and livelihood were there; their ancestors were buried there. At least in the new location friendly forces could get to them and, if they could establish a defense for themselves, the villagers of Nuoc Vang could wait in what fragile security they could muster for that day of peace they hoped would come soon.

Immediately upon our arrival at Nuoc Vang, the rest of our Teams set quickly to work building up defenses and fortifications. As a medic, my duties were of a different nature. Not only was I to provide medical aid to my Team, but I had the additional task of bringing medical assistance to the villagers of the region as a positive step in winning their continued goodwill.

On our second day in Nuoc Vang I slung my medical kit over my shoulder and, with the son of the village Chief as a medical aid—and an interpreter who had come in with us—I proceeded from hut to hut on sick call. After having visited about six of these crude dwellings I began to wonder about the fact that in the center of each home was a pit about six-feet square and six-feet deep. There was no garbage in the pits and the outhouses were in the back. I asked for an explanation. The Chief's son took me outside and pointed to bullet holes in the walls. He explained that since the village had rejected Communist domination, and the Vietcong was not of sufficient strength to maintain troops at the current village location, the V.C. used terrorism to destroy the natives' sense of security. Every ten days or so the Vietcong would come to Nuoc Vang and fire their weapons indiscriminately in all directions. The bullets would spray the mud walls of the huts, or rip through roofs, or ricochet across the floor. When under attack the villagers jumped into their pits to get below the level of small-arms fire.

I wondered what it was like for families to try to lead a life where every moment they stood the chance of being torn apart by gunfire or mortar or grenade; as I lived with these valiant people, I was to come to understand precisely what it was like.

29 October 1967. At 2110 hours, the V.C. mined and destroyed a school and harassed villagers with small-arms fire at Tan Hanh Village, Vinh Long Province.

8 November 1967. At 0130 hours, V.C. forces launched a coordinated mortar, recoilless rifle, and small-arms attack on Nghia Duc Hamlet, Quang Duc Province. Three civilians were killed and twenty-two wounded.

2 November 1967. During the early morning hours, nine civilians were injured and 330 civilian homes were destroyed in a V.C. mortar, small-arms, and automatic weapons attack at Dai Loc, twenty-three kilometers west of Hoi An, Quang Nam Province.

I built a dispensary for Nuoc Vang and, as the word of medical aid spread, natives straggled in for treatment from as far away as thirty-five and forty kilometers. They came by foot, by bicycle, carrying their children slung on their hip or on their back. They came by three-wheeled Lambretta motor scooters, now a favorite native conveyance, or in small buses that serviced the countryside. I soon discovered for myself just how often the Vietcong used their knives, rifles, and bombs on civilians in calculated acts of intimidation.[1]

With disturbing regularity the Vietcong were stopping the village buses and Lambrettas on jungle roads. They would force the passengers to debark and sit them down by the side of the road for a propaganda session. Always they would demand that the natives hold out their valuables and food. The V.C. would then move down the line and take eighty or ninety percent of everything. They did not take it all because so long as they left something, however small, their propagandists could argue that they were "tax collectors" and not thieves.

29 October 1967. At 1500 hours, a group of V.C. stopped a bus between Tra Tan I and Tra Tan II Hamlets, Binh Tuy Province, and confiscated food supplies from the passengers. The V.C. also demanded payment of VN$5,000 "tax."

19 October 1967. At 1600 hours, a V.C. squad stopped a bus on Interprovince Road No. 3 between Vo Dat and Long Khanh, Binh Tuy Province, and confiscated clothing, food supplies, and other commodities from the passengers.

If in a particular village complex the people had been resisting the Vietcong then the bus might be blown up or its passengers captured and killed or mutilated.

31 October 1967. At 1100 hours, one civilian was killed and seven others injured when the bus in which they were traveling was wrecked by a V.C. mine on Highway One, near Phuong Tay Lai Hamlet, five kilometers northeast of Phuong Bien, Quang Tri Province.

31 October 1967. At 1500 hours, eight civilians were killed and one civilian was wounded when the Lambretta in which they were passengers was blown up by a V.C. mine on Highway Nineteen, eighteen kilometers southeast of Pleiku City, Pleiku Province.

I well remember a little twelve-year-old girl the Communists had dragged off one of those buses. They had pulled her around to the side where all the passengers could look on in horror as one V.C. held her arm and another chopped it off with a machete. When I first met Ba Hai her mother had brought her to my dispensary to look at the thin little stump of her arm. Ba Hai never betrayed the pain she felt, but as I looked into her face I saw cheeks stained with a terror and sadness that millenniums could never wash away. I remember thinking: What sort of medicine, what pill could I prescribe to ease the kind of horror the Communists had visited on this little girl of twelve? I was a soldier, and I had seen things that must pale Hell itself—but never anything like that. Later, I was to see many such intentionally mutilated children. The distinct memory of each will haunt my sleep if I live to be a thousand.

Our Team was now training its first group of villagers for the self-defense corps. The fortifications around Nuoc Vang were daily being improved, and the villagers were proving to be good soldiers. But, until those defenses were complete enough to offer constant protection, the Chief slept every night in a different part of the village, or out in the jungle, or in a rice paddy. If the Vietcong could catch him, they would kill him just as they have killed thousands of local leaders all across Vietnam.

31 October 1967. At 1800 hours, the V.C. shot and killed the hamlet Chief at Luy Dong Hamlet, Quang Nam Province.

2 November 1967. At an unreported hour, a V.C. terrorist shot the hamlet Chief at Tan Hung Hamlet, Bien Hoa Province.

The primary targets of the Vietcong are the village Chiefs and Elders, the school teachers, the village medic, and anyone else who might have something constructive to offer the community; anyone who might act as a cohesive and stabilizing influence upon those in every village prepared to offer fierce resistance to Communism. The idea is that, leaderless and terrorized, the people will be more apt to follow the Vietcong.

I remember wondering what the will to resist would be like in (say) California if, in but one year, more than two thousand Mayors and City Councilmen were shot, beheaded, or eviscerated in the main street of their communities and left with their blood to pool in the gutter. Precisely that happened in Vietnam last year. Over the past decade the Vietcong has systematically butchered some fifteen thousand local officials.

30 October 1967. At 1200 hours, V.C. terrorists murdered the Van Phonh Hamlet Chief, a student, and a farmer in Van Phong Hamlet, Quang Tri District.

30 October 1967. At 2300 hours, the V.C. abducted a hamlet teacher from his home in Ky Chang Village, Quang Tin Province, and shot him to death a short distance away.

When we had finished the initial defenses at Nuoc Vang, securing them against a Communist enemy who had murdered and butchered members or friends of every family in the village, it was like Christmas and the Fourth of July rolled into one. The grateful citizens of Nuoc Vang announced a feast in honor of their American friends, and it was as if we had brought manna to a starving people. Though we were embarrassed, we were pleased—these were allies of which to be proud. They had become our friends; what they did, what happened to them, was a matter of vital personal concern to each of us.

---

[1] Soon we were treating 250 Vietnamese a day at the Nuoc Vang dispensary.

The Team attended in shifts of three, always leaving nine men behind to guard the camp. My turn came late in the afternoon. It was Sunday, and I said a long if silent prayer as I sat down at the head table and surveyed the buffalo steaks, fruits, vegetables, and even soda and beer brought up the long road from the provincial capital at Phuoc Vinh. It was the best of everything they had, and the mood was one of thanksgiving.

Then, just as I was about to bite into my first piece of steak, a fierce explosion shook the building. I sat frozen with the fifty or so villagers, chilled in silence, expecting that the Vietcong were walking mortar rounds in on us and waiting to hear how close the next one would land. I hoped to *hear* it, but expected the worst.

Then, from outside came screaming and loud wailing; the unmistakable agony of a woman's grief. I jumped back off the bench and ran out toward the screams. In a hut on the far side of the village I found them. For the villagers' defiance of the Vietcong, a reprisal had been made. The V.C. had taken its pound of flesh.

Earlier in the day, perhaps as the people of Nuoc Vang had joyously begun their feast, the Vietcong had crept into the hamlet and planted a booby-trap. The explosion had torn apart a four-year-old boy and his seventeen-year-old brother. I knelt first beside the older of the two, futilely trying to find a sign of life. The bomb had blown off his left hand just above the wrist and the hand lay nearby on the floor of the hut. I snatched it up and stuffed it into my pocket to get it out of sight of the mothers and children who followed.

The young man's face was mangled beyond recognition, his chest, stomach, legs, and arms were a horrible pulp of confused flesh shredded by shrapnel from one of the Communist countries to which the Johnson Administration continues to send aid and trade. The clamminess and pallor of death were already there. As well as I knew him, I couldn't even recognize Quang until his wife, a bride of three months, broke through the crowd and knelt beside me to cradle against herself the shattered lifeless form which only minutes before had been her whole life. The girl moaned a low, anguished cry as she rocked to and fro. Le van uang would grow cold in her arms before she would finally place him to rest.

I turned to the little boy, his mother holding him up to me—a desperate plea in her eyes. He was alive, could I save him? The child's face and chest were burned almost black from the exploding powder, the smell of burned flesh and hair was sickening. His legs and arms were torn with ugly holes seared at the edges where hunks of fiery metal had pierced and come to rest. The child's chest and abdomen bore no major wounds, but the burns were monstrous and the flesh peppered with the remains of half-burnt wadding. I took the little boy in my arms and, half running to get there, half walking so as not to jar that whisper of life from this tiny body, carried him to our camp. There on a make-shift table in our small dirt-floored cooking area, with only a Coleman lantern for light, I set to work trying to draw together those weak strands of life. His pulse was so light, so weak I had to cut into his arm to find a vein for the transfusion.

The light went out. Reaching into my pocket for a match, I grabbed the severed hand and threw it aside like it had been a hot coal, horrified at forgetting it was there. The light was back on now. I worked as rapidly as I could, cleaning, wrapping, bandaging—moving across the broken body until I came to the face and opened the eyelids. I knew immediately that this little four-year-old would never see again.

26 October 1967. At 1530 hours, a young boy was injured by a V.C. grenade booby-trap at Tan Hiep Hale Hamlet, An Giang Province.

28 October 1967. At 1800 hours, one child was killed and another injured by a V.C. booby-trap in Long Binh Hamlet, Dinh Tuong Province.

After seeing acts of barbarism like this, day after day, hour after hour, I began to realize something I had read about but never really understood before. I began to understand how the Communists succeed; how a criminally depraved but highly organized one-to-two percent of a population can extend a reign of tyranny over an innocent ninety-eight percent of the people. We Americans place a high regard on human life. The Communists have no regard for that life if its elimination will further the aims of the International Conspiracy in the slightest way. I had read of the Communists intentionally starving to death 10 million Ukrainians, of their butchering 25 million Chinese—I am ashamed to say that those were just statistics to me until I got to Vietnam and saw for myself.

And let me tell you, there are no "moderates," no anti-anti-Communists, no Arthur Larsons or Dr. Spocks or Bobby Kennedys or Franklin Littells out there. If there are, they are fighting for the Vietcong.

When the Communists were unopposed in their initial application of force against the civilian population in Vietnam, they gained control of the situation; the counterforce which must be finally applied to break that control will now be far greater, and the populace has suffered far more, than if action had been taken resolutely at the outset. Instead of permitting our military to go in and win this war, even now, the Communist enemy is given sanctuaries, his major supply base at Haiphong is protected by Washington, his vast stores and troop depots in Cambodia and Laos are placed off-limits, he is given every conceivable advantage. And so, it continues—the Communist terror, butchery, holocaust, assassination, and mutilation . . . all aimed at the people of Vietnam by their would-be masters in the planning rooms of Moscow, Peking, and Hanoi.

The shame, the awful shame of war, is that it is the innocents who suffer. War without human suffering is an impossibility. But for the Communists to exact human misery as a tactic is unspeakable. For the United States, in the face of this, to perpetuate that misery by following a no-win policy is a sin against every fibre of decency. We must have a decided victory in Vietnam—and soon. A victory in which no Vietcong will dare pick up another weapon to use against his fellowman. If we allow the Communists to win by defeating us, by our withdrawal, or by negotiated surrender—and they then achieve domination over the people of that benighted country, which without our clear-cut victory they will achieve—the incredible suffering which the patriots of South Vietnam have already endured will in no way match the Hell that will follow. If we capitulate, by whatever means, we will have broken faith with all those around the world still daring to fight the tyranny of Communism, and we will have broken all faith with everything that has made America great and good.

In 170 reported Vietcong incidents of terrorism, the following were confirmed civilian casualties during this week ending 11 November 1967: Killed, 134; Mutilated 515; Abducted, 165. The terror is increasing. Confirmed civilian casualties resulting from acts of Vietcong terrorism for the period 1 January 1967 through the week ending 11 November 1967 read like this: Killed 3,031; Mutilated, 6,361; Abducted, 4,114.

Just ordinary civilians, these victims of the Vietcong; just ordinary people like you and your family. That blinded four-year-old boy mangled on a table in a cooking hut at Nuoc Vang looked very much like a four-year-old you may know. Oh, his eyes slanted and his skin was a yellow-tan; but he was a climber of trees and chaser of cats, and his grin could light up a room, and he played at soldier and stuck out his chest with pride at praise from his dad or mom. Just a little boy, really. Not much different from the little boys you know. As twelve-year-old Ba Hai, with her pitiful stump and terrible memories was just a little girl, or the dismembered eight-year-old son of my Chief friend was just another child. Or the 250 refugees turned into human torches at Dak Son in early December were *just* women and children, mothers and their babies.

And Vietnam's a long way away, isn't it? And the Communists have mellowed, haven't they? And the 115,000 American casualties who have bled or died there trying to stop the Communists as our leaders send aid to the arsenal of the Vietcong were expendable, weren't they?

Ask Dr. Spock about it. Or Bobby Kennedy. Or, better yet, ask the President why he won't let our military win this war and put a stop to the Hell that is going on over there.

In the name of God, people, it's time to stop the Communists before those children in the burlap bags are *our* children.

City Marine Killed in Action

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. LONG of Maryland. Mr. Speaker, L. Cpl. John A. Briscoe, a marine from Baltimore, was recently killed in Vietnam. I wish to commend the courage of this young man, and to honor his memory, by including the following article in the RECORD:

CITY MARINE, 19, KILLED IN ACTION—CORPORAL BRISCOE HAD BEEN IN VIETNAM 4 MONTHS

Lance Cpl. John A. Briscoe, a 19-year-old marine who was graduated from Douglass High School in 1966, was killed by hostile rifle fire January 26 at Quang Tri, South Vietnam, the Department of Defense announced yesterday.

Corporal Briscoe, who hoped to make the Marine Corps his career, enlisted after his high school graduation and had volunteered for duty in Vietnam, his mother, Mrs. Della P. Briscoe, said yesterday.

She said her son had been in Vietnam since October and was scheduled to return to the United States next November.

TENNIS TEAM MEMBER

While at Douglass, Corporal Briscoe was a member of the school's tennis team and earned three varsity letters, she said.

Mrs. Briscoe described her son as "military-minded" and explained, "In the Marines, you earn what you get as far as rank is concerned, and this is what he wanted."

A native of Baltimore, Corporal Briscoe lived with his family in the 2500 block Oswego avenue.

Besides his mother, he is survived by his father, Jerome Briscoe, and a brother, Anthon I. Fernandes, also of Baltimore.

Red Flag on the High Seas

HON. ALBERT W. WATSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. WATSON. Mr. Speaker, Dr. James D. Atkinson, a distinguished professor of government at Georgetown University, is the author of a very informative article in a recent issue of the American Security Council's Washington Report concerning the growing menace of the Russian merchant fleet.

While the Soviet Union continues its spectacular rise as a powerful maritime power, the United States merchant marine fleet is faced with mediocrity as a result of shortsighted planning by the administration. A necessary part of our national security is a strong commercial fleet, and in a perceptive manner Dr. Atkinson demonstrates that we are failing to attain this goal. I urge my colleagues to read carefully his timely article which is as follows:

RED FLAG ON THE HIGH SEAS

THE GEO-POLITICAL CONFLICT

Within the memory of living men, Russia's merchant fleet was so insignificant a factor in world politics that it was scarcely worthy of comment. Thus the great authority on sea power, Admiral Alfred Thayer Mahan, dismissed Russia's merchant navy with the observation that "Russia has little maritime commerce . . . her merchant flag is rarely seen."

Today the world scene is strikingly different. The hammer and sickle flag of the Soviet Union is seen on all the seas of the world and Soviet plans for the future are so ambitious that they have over 200,000 people enrolled in the Leningrad Institute of Transportation, the Odessa Maritime Academy, and other maritime institutes.

From an almost negligible figure of 1.6 million deadweight tons in 1939, Soviet merchant shipping expanded to 3.6 million deadweight tons in 1958. The really spectacular gains, however, have come in this decade of the 1960's. Thus from a figure of 4½ million deadweight tons in 1963, Soviet merchant shipping jumped to 8.9 million deadweight tons as of January 1, 1965. The latest figure, released by Lloyd's Register on October 10, 1967, indicates that the U.S.S.R. added 1,125,000 tons in the last year alone and the Soviet merchant marine now stands at 10,617,000 deadweight tons which places it in *sixth rank* in the world. What is significant about all this is the rate of growth, for *only five years ago*, the Soviet merchant fleet ranked *number twelve* in the world!

While important, the statistical data alone are insufficient as a guide to the future thrust of Soviet maritime programs. Some indication of burgeoning Soviet operations at sea is given by programs during 1966 and 1967 which are directed at our own Western Hemisphere. When the 19,860 ton Alexander Pushkin dropped anchor off Quebec City on April 27, 1966, it was an historic first. This was the first time in the history of maritime affairs that the Russians had entered the ocean liner traffic of the Western Hemisphere. In view of some of the optimistic predictions in some quarters in the West about future Soviet maritime plans, it is also worth noting that the Pushkin's maiden voyage came only eight months after Soviet Minister of Merchant Marine, Victor G. Bakayev, had said that the U.S.S.R. had no intention of establishing passenger lines across the oceans. As the British merchant marine continued to decline in 1967 and as the Cunard Line decided to give up the British-Canadian passenger traffic, the Soviets and their Polish partners prepared to take over the British passenger presence. The authoritative London *Daily Telegraph* stated November 11, 1967, that the U.S.S.R. might place "a second new ship on the London-Montreal run and the Poles plan extra sailings from Southampton to Canada next year."

Even the St. Lawrence Seaway, the entrance to the great agricultural-industrial heart of America, the Mid-West, was not immune to Soviet politico-economic penetration. The New York *Times* (November 12, 1967) reported that Peter M. McGavin, executive secretary-treasurer of the Maritime Trades Department, AFL–CIO, stated that the Soviet Union made 19 voyages through the St. Lawrence Seaway this year and thus equaled the number of U.S. voyages made on that key waterway.

U.S. SHIPPING: DECLINING ASSETS OF NATIONAL SECURITY

Mr. McGavin's comment that "the Russians have caught up with us in our own back yard," that is, in the Great Lakes area, graphically illustrates the steady attrition of U.S. shipping since the end of World War II. Thus in 1947, the U.S. merchant marine carried 70% of our foreign trade while by 1960 it had dropped to 11.1%. Figures released in October, 1967 by the Foreign Trade Division of the Census Bureau are even more alarming. They indicate that for 1966, U.S. flag merchant ships carried only 7.3% of the nation's waterborne foreign trade. This is the lowest figure since 1921! The U.S. stake in the waterborne carriage of capability goes down. In 1965 our aggregate goods continues, however, to go up as our total of exports and imports to waterborne commerce was 427 million tons valued at $32.7 billion as compared to 1966 when it rose to 452 million tons valued at $36.9 billion. If present trends continue, by 1970 U.S. flag merchant ships may be carrying less than 5% of our exports and imports.

The American shipping decline is going on at the same time that Soviet shipping is forging ahead. Thus, as of May, 1967, the Soviet Union had building or on order a total of 4.3 million tons of merchant shipping (526 ships) while the United States had only 600,000 tons (45 ships) building or on order. Over the past several years, delivery of merchant ships flying the U.S. flag has been, on the average, only 15 per year while the Soviet Union has averaged over 100 per year. The U.S.-Soviet comparative situation is basically this: We have not embarked on a major effort to build merchant ships since the Second World War; they began a major effort almost ten years ago *and* are continuing to pursue it with undiminished vigor.

COLD WAR ESCALATION AT SEA

On November 16, 1967, the U.S. Maritime Administration released a strangely ambivalent pamphlet on the Soviet Merchant Marine. Taking cognizance of the nature of the Soviet state, the short study points out that the Soviet merchant fleet could be used "as a political instrument for economic purposes and an economic instrument for political purposes." But it then goes on (based on a January, 1967, statement of Soviet Minister of Merchant Marine, Victor G. Bakayev) to indicate that the U.S.S.R. will not upset the international maritime balance. One might agree that this may be true of 1967 or even of 1968. But what of the future? The U.S. merchant marine has been steadily deteriorating. And the British merchant marine—upon which many of our exporters and importers have placed reliance—now appears to be headed towards a sharp decline. Can we believe that the Soviet Union will be so conscientious that, in the future, it will refrain from taking advantage of what will be a geopolitical fact of life? A recent pronouncement of Merchant Marine Minister Bakayev suggests that reliance on future Soviet good will on the high seas may be as futile as our past hopes that the U.S.S.R. would refrain from developing an orbital bombardment system. Minister Bakayev pointed out that (August 4, 1967): "You can see Soviet ships on all the waterways of the world. They visit more than 800 ports in 90 foreign countries, and the number of them on world sea routes increases year after year." And then he went on to say something that is cold comfort for those who would rely on Soviet promises instead of a strong, modern American merchant fleet. Said he: "Already today it (Soviet Merchant Marine) stands on a par with the fleets of traditional sea countries in all its indexes, and *in the near future it will have no equal competitors.*" [Emphasis supplied.]

Some indication of the future thrust of Soviet maritime power is given by the escalating Soviet effort at sea to build up the North Vietnamese. American Security Council's Washington Report for August 21, 1967, pointed out that Soviet shipping going into North Vietnamese ports showed a marked increase this year over 1966. As of June 1967 the rate was eighteen ships per month with an additional 2 to 5 Soviet satellite ships per month and that a Moscow Radio broadcast of July 28 had boasted that Soviet ships left Odessa "practically every day with cargoes for Vietnam."

Equally instructive as to the possibilities inherent in employing a merchant marine presence as a psycho-political and subversive warfare weapon is a statement made by the Cuban Communists. In discussing the policy of "maximum expansion of our merchant fleet," Havana Radio on November 1, 1967, stated that young Cubans in maritime training schools would be "taught the language, geography, and history of the countries they will visit." When this is viewed in the context of Soviet directed and assisted training for unconventional warfare in Cuba, it would appear that, far from declining, the Cold War will be intensified at sea during the coming decade.

Strengthening Crime Prevention

HON. GLENARD P. LIPSCOMB

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. LIPSCOMB. Mr. Speaker, in view of the seriousness of the crime problem, I believe that the Congress will be interested in a step taken by the city of Monrovia, Calif., for the purposes of strengthening its crime prevention effort.

The city of Monrovia, under an ordinance adopted December 5, 1967, created a crime prevention commission as part of the city government.

As established by the city council, the commission is to consist of not less than 11 members appointed by the mayor, subject to approval by the city council. Included on the commission are the chief of police, the juvenile officer, a member of the city council and at least eight other members.

The commission is not intended to

take over city governing duties or responsibilities. Instead its purpose is to study, to advise, and to make recommendations.

The ordinance provides that in its advisory capacity the crime commission shall:

> Gather and analyze statistics about crime; cost and caseloads of the criminal justice system; acquire knowledge about the program and procedures to fight crime; and about those that have proved successful elsewhere; gather data about the soci .l conditions that appear to be linked with crime; and information about potentially helpful individuals and organizations in the community, and communicate their recommendations on such matters to the City Council.

It is stipulated that the commission shall appraise the needs of the city to reduce crime and analyze the resources available to meet those needs and also that the commission shall make recommendations on any other matters which in its opinion will assist in preventing crime, improve the social environment, and make for better utilization of human resources of the community.

The ordinance specifically provides that the commission is not created to act as a police review board. It is not set up to review, discipline, or regulate the actions of the police.

Reflecting their deep concern over the crime problem, discussions which led to the creation of a crime prevention commission had been underway for a number of months by the city council, the city manager, the chief of police, and others prior to adoption of the ordinance. They were determined that more had to be done in an effort to alleviate the crime problem.

Their goal was to come up with a means to assist those who have been chosen to govern the city, to provide them with information, with ideas and recommendations. I believe their approach is the right one. The city of Monrovia, which is located in the congressional district I am privileged to represent, is to be highly commended for the lead it has taken toward solving the crime problem.

Cities far and wide, I am sure, will be watching with interest the results of Monrovia's crime commission to see how effective their approach will be.

A Citizen Speaks on Recent Supreme Court Decision

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. QUILLEN. Mr. Speaker, last Thursday a letter from one of my constituents appeared in the Johnson City, Tenn., Press-Chronicle.

Mr. Dewey Woods has expressed many of the thoughts which I have had since the deplorable decision of the Supreme Court last month, and the support of leaders from both sides of the aisle for legislation to counteract this decision is indeed encouraging.

The letter follows:

THOSE COURT RULINGS

The EDITOR: I am indeed proud to say I have read and re-read an article in which two great Americans, Senator Dirksen, Republican, and House Speaker McCormack, Democrat, are going to fight the ruling of the Supreme Court permitting communists to work in our defense plants.

Both are not only going to fight this decision but they are also going to attempt to curb several more moves not in the best interests of the country—moves likely to be made by the court.

Naturally, I won't attempt to specify everything these two great leaders have mentioned. I am grateful to know that there is a great Democrat and there is a great Republican interested in undoing this last un-American ruling.

It is ridiculous to let the Supreme Court get out of hand. I admit the court has been right in some instances, but I also insist it has been dead wrong in quite a few.

Primarily, I am a liberal. I favor advancement of Americanism, a victory for dignity and progress in general, but in no way will I knowingly favor anything not in the best interests of the country. Nor will I favor anything not in our framework of government.

As I said, the Supreme Court has gotten out of hand. When the states and the U.S. Congress can't make laws without the court nullifying them, then it is ridiculous to have elections.

Yes, I am proud of Senator Dirksen and Speaker McCormack. I am proud that a bipartisan stand is being made. I will not make a personal decision on 1968 until I see what is done toward overturning the defense-plant ruling and others.

I hope that someone will, through Jimmy Quillen perhaps, pass along my sentiments to Senator Dirksen and Speaker McCormack.

DEWEY WOODS.

ELIZABETHTON.

Hearst Junior Diplomat Project

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. McCORMACK. Mr. Speaker, the Hearst junior diplomat project is a public service youth incentive program initiated by the Hearst newspapers across the Nation in 1954. It is an outgrowth of an idea of the late William Randolph Hearst, Sr., in the late 1930's, that young American students should be given the opportunity to visit countries abroad to learn how the other half of the world lives. Unfortunately, the outbreak of hostilities after turmoil in various European countries prevented the implementation of this program until after the World War II and the resumption of peaceful economic ties among all nations.

The junior diplomats are selected from the rolls of the newspaper carrier boys who use their newspaper routes as a means of support in some cases, but in most cases use their income from distributing papers to save for college or to purchase items such as clothes, sports equipment, and recreational articles. To select the boys, the Hearst newspapers conduct contests each year and the winners are determined on the basis of courtesy, enterprise, route service, self-sufficiency, and scholarship.

The Hearst newspapers junior diplomat program, which frequently has had the participation of non-Hearst newspapers as well, has since 1954 had close to a million boys competing for the grand prize each year—this prize being an all-expense paid trip to friendly nations abroad. From this million boys 700 have been given the glorious experience to see firsthand the places they have read and learned about. Cooperating with the Hearst newspapers in initiating the program was a U.S. airline—Trans World Airlines with whom Hearst has continued to plan overseas trips excepting to areas in which TWA has no landing rights. Since 1954, these lucky junior diplomats have visited every continent on the globe—groups have visited Great Britain three times, Italy three times, Spain, Switzerland, Holland, Sweden, France, Australia two times, Tunisia, Argentina, Brazil, the Philippines, Fiji, Pearl Harbor, and this year Israel and all the Holy Land, for the second time.

This year's trip was all the more memorable for the Hearst junior diplomats, with the cooperation of the Israeli Minister of Tourism and Development, the boys spent Christmas Eve in Bethlehem at the very spot of Jesus' birth. They also attended solemn high Mass together with other VIP's in the St. Catherine's Church in Nativity Square. The Israel Ministry also arranged for the junior diplomats to be guided throughout the Holy Land by Johnny Bauer, considered the country's most erudite guide, and he took the group through the very paths followed by His Holiness Pope Paul VI when he himself visited the Holy Land 3 years ago. This is something any boy, whether Catholic, Protestant, or Jew, only dreams about but very rarely has the opportunity to see for himself. But the Hearst newspapers, together with TWA and the Israel Government made it possible for them to see.

In the concept of the late William Randolph Hearst, Sr., the junior diplomats have also had the opportunity to see how the other half lives—the heads of state and their constituents. Boys remember well their meetings with youths their own age in frank discussions on world affairs, in learning native folklore and participating with host country families and Government officials in receptions and private parties.

That is not all. The junior diplomats act as junior diplomats as they carry messages of goodwill to hosts abroad—these include presidents and mayors, congressional leaders, and regional chiefs. This year in particular, the junior diplomats carried with them and presented personally letters from President Lyndon B. Johnson and from former President Harry S. Truman to President Zalman Shazar of Israel who received the boys and their escorts in the official presidential residence. Young Michael McMillion, of the San Antonio Light, read President's Johnson's letter while little Wally Papciak, of Chicago's American, read the Truman message to President Shazar. The Speaker of the U.S. House of Representatives had the junior diplomat personally deliver and read a message of greetings to the Speaker of the Israel Knesset, the Honorable Kadish Luz, while he received the junior diplomats in his Knesset chambers. We are happy to say that Speaker McCormack's letter was received with great enthusiasm as it was read by my own Boston constituent, 14-year-old Michael S. Foster, of the Boston Record American-Sunday Advertiser newspaperboy organization. I was very proud of this boy and his Boston confrere, Jimmy O'Brien, as they deported themselves in the Holy Land, attending church services with fervor and the impressions they made abroad as they reflected the best of American boyhood and opportunity. Michael Foster truly made a fine representative.

Living up to the traditional role of American junior diplomat, young Foster served on a youth panel discussion which was being broadcast over Israel's radio network and under the sponsorship of the Jerusalem Post. The discussion followed a special reception at the International Cultural Center for Youth in Jerusalem. This remarkable center attracts the country's youth representing every religious or political belief, and one of the featured entertainment for the evening was a dance group made up of youthful Armenians and Arabs from the Old Jerusalem area who as young boys and girls want to participate in all cultural pursuits as Israeli citizens in the belief preached by the International Cultural Center for Youth that is the best way for understanding.

When a question period followed, the inevitable subject of Vietnam, our peaceniks and integration in the United States was brought up, and as to whether the world's youth can best accomplish peace, my young constituent Mike Foster quickly rose to defend U.S. policy. Michael told the assembled guests and audience on the radio, that America's peaceniks are not really sincere in their desire for peace. He said most of them are just trying to get out of fighting just to save their own skins and that's all. He brought down the house when he said that Negro boys and girls get along well with their white neighbors—it is just that the parents don't follow the same habits.

The Hearst newspapers, comprised of the Albany Times Union, Albany Knickerbocker News, my own constituent newspapers Boston's Record American and Sunday Advertiser, Baltimore News American, Los Angeles Herald Examiner, San Antonio Light, San Francisco Examiner, and Seattle Post-Intelligencer, together with Chicago's American and the Washington Evening and Sunday Star, are to be congratulated for their public service youth incentive program this year. Similar congratulations should go to the Israel Government Ministry of Tourism and Trans World Airlines who this year made this worthwhile project possible.

I am personally proud of this project for it is in the good old American tradition here that enables youngsters to use newspaper routes to develop personal incentive. I am proud to say that I, too, once sold newspapers. So did many other Members of Congress and other Americans who have reached the heights in government and the professions. Our good friend, the Vice President of the United States, Hubert H. Humphrey, as can be seen in the attached letter to the junior diplomats, was a newspaperboy. So was Harry S. Truman, former President Eisenhower, Supreme Court Chief Justice Warren, my own Cardinal Cushing and others in industry, the arts, and sciences—all of whom started their lives as newspaperboys. This is recognized by our men in the executive branch, legislative branch, who annually hail the Hearst junior diplomats as they depart and then return from their youthful missions as junior diplomats in the service of America's senior diplomats.

This year's junior diplomat trip has just ended and already the Hearst newspapers are planning other trips. Where to next, now that junior diplomats have visited every continent? With our sights now set for the moon, perhaps that is next—but that would depend on whether TWA can get landing rights there—nevertheless, it will be something to consider in the Hearst newspaper youth incentive programs of the future—incentives to win college scholarships, go into professions and being inspired to follow a path of public service.

In my remarks, I include:

First. Letter sent by the President of the United States to the President of Israel.

Second. Letter sent by the President of the United States to the American newspaperboys and junior diplomats who took the recent trip.

Third. Letter sent by former President Harry S. Truman to the President of Israel.

Fourth. Letter from the Vice President of the United States to the junior diplomats.

Fifth. Letter from Nicholas deB. Katzenbach, Under Secretary of State, to the junior diplomats.

Sixth. Letter from myself to the Speaker of the Knesset of Israel.

Seventh. Letter from the Honorable Zalman Shazar, President of Israel, to William Randolph Hearst, Jr.

Eighth. Copy of a letter from Hon. Moshe Kol, Minister of Development and Tourism of Israel to William Randolph Hearst, Jr.

Ninth. Copy of letter from William Randolph Hearst, Jr., to the junior diplomats.

The above-mentioned material follows:

The White House,
Washington, November 16, 1967.

His Excellency Zalman Shazar,
President of Israel.

Dear Mr. President: Once more I take this opportunity to greet you through our American Junior Diplomats who are again guests of your country in a manifestation of our nation's mutual respect and goodwill.

In this period of prayer, commemoration, and festivity during the momentous 20th Anniversary Year of the re-establishment of Israel as a modern state, the youngsters' hearts and minds, as well as our own, will hark back to the thousands of years since the establishment of the Holy Land as the fountainhead of great religions.

Now, as the Holy Land holiday lights go on to signal the start of the world's religious and historic celebrations, it is our fervent hope that this year will indeed prove of even greater significance. May it bring the realization of the ancient dream of mankind for genuine peace on earth.

With all my good wishes and best regards,

Sincerely,

Lyndon B. Johnson.

The White House,
Washington, November 16, 1967.

I am delighted to convey my warmest greetings to the American newspaper boys and "Junior Diplomats" who have been chosen to visit Rome and Israel this Christmastime.

Our complex society calls upon mature and responsible young adults to prepare themselves well for the challenging years that lie ahead. The leaders of the free world—and civic spirited men and women everywhere—are working to leave you a better world. But our task would be in vain if it lacked your support.

You who have been selected for this goodwill mission have proved yourselves ready to approach the problems of this trying time. You have given us all reason to be proud and to be reassured by the qualities that you will bring to your duties as citizens and as leaders.

Your trip is another steppingstone in your education for the future. It is another opportunity to broaden the horizons of your own lives and of the life of your nation. I know that you will use it well, and that America will benefit by your success.

Lyndon B. Johnson.

Independence, Mo.,
November 14, 1967.

His Excellency, Zalman Shazar,
President of Israel,
Embassy of Israel, Washington, D.C.

Dear Mr. President: I am pleased most highly to transmit through the visiting Junior Diplomats to your Country, my warm greetings to you, Mr. President, and to the courageous and industrious people of the State of Israel.

I express hope that an enduring peace with dignity and justice will soon come to this and other parts of a troubled world, so that the people can get on with the task of making a better and happier life for themselves.

Sincerely yours,

Harry Truman.

The Vice President,
Washington.

Dear Junior Diplomats: I am delighted to greet you newspaperboys as you depart for one of the finest experiences of your lives—an educational and inspiring visit to the Holy Land during the holy season.

When I delivered newspapers back in Doland, South Dakota, we did it to earn money for school, for our personal needs and as a public service to our community. We didn't dream of high rewards. But by distinguishing yourselves on your daily routes, your newspapers are giving you this magnificent opportunity to see the hallowed Biblical and historic sites sacred to three of mankind's greatest religions. You will see, too, the leaders of Israel and the people who have brought life into barren soil and have demonstrated democratic spirit and courage which have won the admiration of the free world.

As you mingle with the youth of Israel in play, cultural activities and prayer during the Chanukah season, you will, I am sure, further absorb some of the qualities traditional to those who love their country and are willing to sacrifice in its behalf.

As Israel celebrates the 20th Anniversary Year of its re-establishment as an independent state, please extend to your hosts my renewed best wishes and high regard. Congratulations to you, to the Hearst Newspapers and to all those participating with them in this fine project.

From this adventure, may you proceed to build careers which will, I am confident, bring pride to your parents, your teachers, your community and your nation.

Sincerely,

Hubert H. Humphrey.

Department of State,
Washington, December 14, 1967.

Dear Junior Diplomats: Please accept my best wishes for an enjoyable holiday visit to Rome and Israel.

The trip will be a memorable experience since you will be visiting two areas whose ancient civilizations contributed so much to history.

I am confident that you will serve as excellent ambassadors of goodwill for the United States and for international understanding.

Sincerely yours,

Nicholas deB Katzenbach,
Acting Secretary.

U.S. House of Representatives.

Hon. Kadish Luz,
Speaker of the Knesset,
Hakirya, Jerusalem.

Dear Friend Luz: It is again my pleasure to greet you, my counterpart in Israel, through the good offices of my two young Boston constituents, Michael Foster and James O'Brien of the Boston Record American and Sunday Advertiser.

The boys are visiting your country as members of the Hearst Newspapers Junior Diplomats as guests of the Israel Government Ministry of Tourism and with the cooperation of Trans World Airlines on a goodwill trip. This, as you know, is the second such group and it has come to my attention that this is the first time that a repeat trip to one country has been made within a period of two years. I am told that the reason for this is the wonderful reaction the boys had during the 1965 visit.

I can well understand such a reaction. All of us in the United States have known about the holy shrines and sites of interest to people of all faiths. Some of us more fortunate have seen these places with our own eyes and have marvelled at the wonders of modern Israel—that strong little bastion across the ocean which shares with my own country the love for freedom and democratic ideals. But recently, every one of us has read and heard about the valor of your people and their determination to stay free. It made us all proud of being your friends.

During this 20th Anniversary year of your re-establishment as an independent state, we have even another reason to salute you and extend to you all our best wishes and our highest regards. As a token of this and as a symbol of our mutual respect and admiration I take this opportunity and pleasure to present to you through Michael Foster and James O'Brien a gavel that I used during the proceedings of the House of Representatives. May it serve as a constant reminder of our friendship and admiration. May it soon sound the coming of peace to your shores and all the world.

Sincerely yours,

John W. McCormack.

Jerusalem, *November 24, 1967.*

Mr. William Randolph Hearst, Jr.
Hearst Newspapers,
New York City

Dear Mr. Hearst: I must admit to having been specially pleased when I learned that the Junior Diplomats are once more to come to Israel. We still remember their tour two years ago and are tempted to think that had that not been worth while, you would not have decided to choose Israel as the host country just two years later. Certainly all of us who are to be involved with the boys, will do our best to make this second tour pleasant and memorable for them.

We are happy indeed that the Israel they will visit has so safely weathered what might have been a tragically destructive storm. Six months after the Six Day War the boys will be able to see all of this historic Land of Israel and at the same time to witness the intensity of our country's struggle for enduring peace in our region of the world.

With all my best wishes to you.

Sincerely,

Zalman Shazar,
President of Israel.

Jerusalem, *November 15, 1967.*

Dear Mr. Hearst: We are extremely pleased that Israel has again been selected to host the Hearst Newspapers Junior Diplomats programme.

We look forward to the forthcoming visit of the Junior Diplomats and assure you of our cooperation in order to make their trip a memorable one.

We recall with great pleasure their first visit to Israel and the excellent impression they made on us as outstanding representatives of American youth. Their demeanour and spirit endeared them to all who met with them during their stay, and we are sure that the Junior Diplomats of 1967 will have just as successful tour as the first Group who visited us in 1965.

It is our sincere hope that their tour of Israel will give the bright and energetic boys selected this year, a sense of the strong ties between the old-new Commonwealth of Israel and their own American fatherland whose culture is rooted in the ideals of prophets preached in this very Land of Israel among our ancestors so many centuries ago.

Plans are already well under to ensure the Junior Diplomats complete success for their stay in the Land of the Bible. They will visit the Holy Shrines, Jerusalem, Bethlehem, Nazareth, the Sea of Galilee, the Negev, the Red Sea and the rest of the land long associated with the Bible as well as modern Israel.

We trust that your young Democrats will find their stay here interesting, pleasant and most meaningful.

May I again express to you the sincere appreciation of the Ministry of Tourism for selecting Israel as venue for the Junior Diplomats' programme, and assure you of our utmost attention and fullest cooperation at all times.

Sincerely yours,

Moshe Kol,
Minister of Development and Tourism.

Hearst Newspapers,
New York, N.Y.

Dear Junior Diplomats: Congratulations on your appointments to represent your community and our nation in a goodwill Christmas Holiday in the Holy Land and Rome.

A few weeks ago I, too, visited Israel while on a Hearst Task Force fact-finding trip around the world. I find it difficult to name any other country as inspiring as little Israel. Not only for the hallowed shrines of the Holy Land and the sites of ancient miracles—but also for the modern miracle performed so recently by its people overcoming of greatest odds in their struggle to survive.

As our prize-winning newspaperboys you are now privileged to visit the Holy Land for an experience men of all religions have dreamed of for ages. I know that you will keep your eyes, ears and hearts open and return home richer in knowledge, faith and understanding—particularly for the meaning of devotion to one's country and democratic ideals.

This is the year Israel celebrates its 20th Anniversary of its re-establishment as an independent state, and the program laid out for you by the Israel Government and TWA assures us that you will come back with pleasant memories that will last a lifetime. I hope that in your participation and mingling with the wonderful people of Israel and Rome you will be leaving with them a similar fine impression of American youth. Extend to all my best holiday greetings.

Shalom and good wishes.

Sincerely,

W. R. Hearst, Jr.

Students, Teachers Would Be Hard Hit by Travel Restrictions—Experiment in International Living Backs Reuss Plan To Attract More Europeans to the United States

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. REUSS. Mr. Speaker, most of the possible forms of restriction on American travel overseas would bear particularly on students and teachers, whose low-budget visits to Europe represent an important part of their education and of the development of intercultural contacts.

One of the outstanding organizations concerned with educational travel is the Experiment in International Living. The group's president, Gordon Boyce, points out:

> Restrictive legislation threatens the existence of established institutions like the Experiment, whose constituency comprises students and teachers, a large proportion of whom receive financial assistance. They go abroad, not as tourists, but to live and to learn. Moreover, for years it has been our policy to insist that Experimenters limit their overseas spending to a very modest scale.

Accordingly, the Experiment supports my alternative to restrictionism. This proposal which would achieve an improvement in the American tourist deficit by creating incentives to bring an additional 500,000 European visitors to the United States this year. Details of the plan are found on pages 35 through 37 of the Record of January 15, 1968.

I include hereafter the text of Mr. Boyce's letter:

The Experiment in International Living,
Putney, Vt., January 25, 1968.

Hon. Henry S. Reuss,
House of Representatives,
Washington, D.C.

Dear Mr. Reuss: I have noted with considerable interest and enthusiasm your current efforts to attract more dollars to the United States through the medium of free travel-stamp booklets to first-time visitors to this country. As an institution which for many years has been deeply involved in programming for foreign students, teachers and professional coming to the United States, and which is committed to the maintenance of a sound dollar, The Experiment in International Living strongly supports your thinking along these lines.

The Experiment is perhaps unique among U.S. educational exchange organizations because its operations involve bringing more people to this country (2,800 in 1967) than it sends overseas. We estimate that in 1967 these Incoming programs generated some $1,200,000. It is our considered judgment that a proposal such as yours could, for instance, enable this single institution to increase the flow of people to this country under its aegis by a third in the ensuing year.

Your approach to the problem of eliminating the imbalance in our international trade pattern seems to me to be sound, constructive and feasible. As you know, The Experiment in International Living was founded in 1932 and in subsequent years has developed into a major institution carrying on educational exchange programs on six continents, including sizable operations in the Western Hemisphere. As a volunteer, nonprofit instrument of higher education, we have long worked closely and harmoniously with agencies of the United States Government, including the State Department, the Peace Corps, Volunteers to America, AID and the Fulbright and Smith-Mundt programs. As such, we feel that we have contributed effectively to strengthening our Nation's position in the world. Indeed, this may be the reason why, in 1965, President Johnson himself said, "The imaginative development of new approaches to world understanding is the hallmark of the successful Experiment in International Living."

Consequently, we view with no small concern any legislation which might be aimed indiscriminately at overseas travel as another method of solving the problem with which you are grappling. Such legislation threatens the existence of established institutions like The Experiment, whose constituency comprises students and teachers, a large proportion of whom receive financial assistance. They go abroad, not as tourists, but to live and to learn. Moreover, for years it has been our policy to insist that Experimenters limit their overseas spending to a very modest scale. At the same time, their presence abroad annually makes it possible for us to generate an increasing flow of dollars to the United States on the part of their foreign counterparts.

Committed as we are to supporting our national interests, we look upon your proposed plan with confidence and enthusiasm. We are eager to give our full backing to this or to any similar proposal which will at the same time help meet the problem of the dollar drain and protect the existence of long-established, nonprofit institutions engaged in low-cost international exchanges for students and teachers. I hope you will let me know how we can help.

Faithfully yours,

GORDON BOYCE,
President.

Salute to the Honorable Clyde Ellis

HON. DAVID PRYOR

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. PRYOR. Mr. Speaker, a gentleman from Arkansas who is extremely well known on the congressional scene retired last week after 25 years as general manager of the National Rural Electric Cooperative Association. I refer, of course, to the Honorable Clyde Ellis, a former Member of this body who represented the old Third Congressional District of Arkansas.

On January 15 at the "Salute to Clyde Ellis Dinner," Secretary of Agriculture Orville L. Freeman outlined the outstanding record of the NRECA since Clyde Ellis took over its leadership in 1943. Not only did the Secretary recount the achievements of NRECA under Mr. Ellis, he also discussed the importance of direct loans and the important role which they have played in building rural America.

I would like to take this occasion to wish Clyde Ellis well in his future endeavors. I also include Secretary Freeman's speech at this point in the RECORD:

"SALUTE TO CLYDE ELLIS" DINNER ADDRESSED BY SECRETARY OF AGRICULTURE ORVILLE L. FREEMAN

When I received the invitation to address this "Salute to Clyde Ellis" dinner, it occurred to me that the term "salute" was especially appropriate to the man we honor here tonight.

Let me tell you why from deep personal experience I have crouched in many a duck blind with Clyde and never have I seen a man salute more ducks, with more salvos, at longer range and with less effect than he.

Clyde may have been the model for that story of the grizzled, dead-eye hunter who took his grandson hunting with him for the first time. When the first duck came over the old-timer blasted once, twice, three times. As the duck flew into the distance the man watched. Then he turned to the boy and said, "Son, you're witnessing a miracle—Yonder flies a dead duck."

But that is not being fair. Clyde is a good hunting and fishing companion, and one, incidentally, who can eat more buckwheat cakes than any man alive.

It is just that the old Ellis optimism on occasion leads him to believe that his gun will reach farther and hit harder than any one else's, and then that typical Ellis aggressiveness takes over and he lets go at that far-out duck or goose. So don't go with him if you want to stay hidden in that blind waiting for the sure shot.

But Clyde never insisted on sure shots, and that, I think, is a principal reason for the magnificent record of the National Rural Electric Cooperative Association since he took over the helm in 1943, just 25 years ago this month.

He would be the last to agree, but the hand of Clyde Ellis is in the lights that blaze over rural yards that once were dark from dusk to dawn—five million of them across the land.

The hand of Clyde Ellis is in the steel plant in rural Congaree, South Carolina, and in hundreds of other plants that offer new hope, and new directions to millions of Americans in Town and Country, U.S.A.

His hand is in history's greatest production achievement, that of the American farmers.

His hand is in electric cooperatives formed or being formed in 25 countries throughout the world.

I personally felt his hand this summer when I visited the rural water system at Six-Mile, South Carolina, when I visited manmade Saddle Lake in Indiana, the farmer-owned welding shop in southern Iowa, and the small farmer machinery co-op in Mississippi.

Clyde's hand today is almost everywhere that rural Americans are using their government to help them to help themselves.

That hand is there not only because of the electrical energy it helped to supply, but also—and I think this is even more important—it is there because Clyde Ellis and NRECA have made *credit* a respectable word in government circles.

In a few moments I want to emphasize how powerful an element credit has been and can still be in building America, provided we don't handcuff ourselves.

But first let's take a look at some of the things that NRECA and Clyde Ellis have done since he assumed the leadership in that wartime January 25 years ago.

Some of you may recall that shoes were rationed to three pairs per year, and rationing began on canned goods, meat, fat, and cheese.

The year loomed darkly for rural electric cooperatives.

Sixty percent of rural Americans were still struggling with kerosene lamps and Delco energizers, and materials for line construction were frozen.

Insurance companies were extremely reluctant to write accident and casualty policies covering co-op systems employees.

This was the picture facing Clyde Ellis as the new General Manager of the NRECA. Typically, he charged right into the problems. The first annual meeting of the NRECA membership was called just two weeks after he took over his new job.

By that time 393 of the co-ops and power districts were members and the meeting was a demonstration of strength.

In their official action, the delegates urged that they be permitted to help in the nation's war effort by making more rural electric service available to increase food and fiber production with less manpower.

They needed power for pumping, for lights, for milking, for refrigeration, for irrigation, for welders. They argued that without widespread electrification the farms of America could not possibly produce the sharply increased volume of food and fiber needed at home and abroad to win the war.

Clyde and members of the association pressed this case with Congress, the White House, the administrative agencies and, as Clyde recalls it, with anyone else in Washington they thought might help. Help came. OPM amended the construction freeze order that same month, and insurance, after a bitter struggle, came to the co-ops.

Not every problem dealing with getting rural America electrified in the succeeding years was brought to a successful conclusion by Clyde and NRECA, but it wasn't due to any lack of will or dedication on the part of either.

Marquis Childs, in his book, *The Farmer Takes a Hand*, put it this way: "Ellis, his staff and the farm leaders behind them bring to rural electrification a devotion so intense it is almost religious in nature. Ellis' drive, coming from many sources in his own background, in the mainspring in NRECA's struggle in behalf of its members."

The cheaper rates (2-cent power in 1968 compared to 4½-cent power in 1943), the farm lights, the milking machines, rural telephones, the billion-dollar-a-year appliance market, the thousands of productive jobs created are great acomplishments—magnificent accomplishments.

But there is a spin-off here that stands on its own as a magnificent accomplishment, one that is not measured in miles of lines or numbers of farms. It is the demonstration that the proper use of credit can unleash dynamic forces of development in Town and Country, U.S.A.

The use of government credit was applied to the monumental task of energizing a blacked-out town and countryside, and in one generation it has revolutionized rural life. Today, 98.4 percent of our farms are served by central station electric service.

It resulted in the formation of dynamic rural corporate organizations that have chalked up the finest loan repayment record in the history of banking.

And everyone has profited: country America, small town America and city America, which reaps the benefits of rural production—and, contrary to the gloomy predictions of those who tried to block REA 35 years ago, the government is getting its money back—with interest.

Since 1935, $5.3 billion have been advanced in REA loans; $1.8 billion have been paid back, plus interest, and—listen to this—$306 million of this has been paid back *in advance of the due date*.

Total *losses* on this $5.3 billion investment in rural America since the program began have been 44—not million—but 44 *thousand* dollars, involving two co-ops. And one of these was a small co-op off the coast of North

Carolina that was wiped out by a hurricane in the '40s.

Now with this dramatic accomplishment before us, I would like to ask you a big question, a question I hope you will think about when you leave here tonight:

Are we applying this blueprint for progress, this primer on credit to the unmet challenges of Town and Country America?

Have we applied it to the 3.9 million substandard homes of rural America?

Have we applied it to the gullied, eroded land?

Have we applied it to the 43,000 small towns that lack a sewer system?

Have we applied it to the 33,000 rural communities that lack a central water system?—to the farm house—a house that I have seen—were water is hauled a mile and stored in a barrel?

I regret to say: We have not. But why?

In large part we have *not* made optimum use of this important key to improving the quality of American life because of a Federal system that insists on recording loans made directly from a Federal agency to individuals, associations or groups on its books as if they were expenditures from the treasury—*when they are not.*

This, to me, is one of the most frustrating paradoxes of our time.

I know of no bank, no business that treats a disbursement of funds for investment, a loan to a creditable borrower, as an operating expense—but the Federal Government does.

On the other hand, by Federal rules, a loan *insured* by a Federal agency—a loan which the Federal Government guarantees will be paid—is *not* an expenditure.

But insured loans fall short of Town and Country needs. They usually are subject to the vagaries of the local credit market, to the supply of money at the local bank—a bank which perhaps has no funds to tie up in long-term investment.

Town and Country community development leaders, with bankable plans for sound projects for solid community growth, need somewhere to turn for funds they can't borrow at home.

Unfortunately, far too few today can turn to the direct Federal loan. They are shut out, their projects cut down by a Janus-like procedure that looks at loans two ways.

This simply doesn't make sense. As any businessman or banker knows—as all REA borrowers know—a loan from anyone to anybody for any purpose is merely the temporary exchange of one asset (money) for another asset (notes, mortgages, collateral, and so forth.)

If it is a sound loan, and the borrower conducts a sound operation, the loan will be repaid—with interest—and the lender will be restored to his original fiscal position.

In many States and cities of the United States—and even in some of the so-called "less developed" countries—the government bookkeepers treat government loans for what they are: capital investments that are self-liquidating, or repayable.

But in the Federal Government we continue to insist—contrary to common sense at best, and with an almost lunatic fanaticism at worst—that loans be treated as budget expenditures and loan repayments as receipts, with the net difference charged or credited to the public debt.

In a growing economy, with a growing need for and use of credit, this means that in any given fiscal year loan outlays will exceed repayments of previous loans. This in turn means—under present practices—a net charge to the public debt, which it should not be. The end result is an artificial constraint on the total availability of government credit in any given fiscal year.

I had hoped that the Commission on Budget Concepts appointed by President Johnson last year would resolve this problem for us once and for all. Their recent report did address itself to Federal lending at some length—but their recommendations stopped short of advocating a basic change in the bookkeeping.

They recommended that the Federal budget at least separate loans from other expenditures—so that the public can see the subtotals. And they would show the net difference between loans made and loans repaid. But they would still add that "net" difference to the grand totals for the budget and charge (or credit) the difference to the public debt.

Losses on loans, interest differentials, would be carried in the operating expense part of the budget, not the lending part.

So the fundamental problem remains—though recommendations of the Commission will help improve the debate somewhat by highlighting the numbers a little more clearly.

But I propose that we stop debating. I propose, and I urge every one of you here tonight to propose, that we eliminate this handicap to development now, that we change this archaic bookkeeping system so that our national growth will be helped, not hindered.

If you have any doubts about what can be done with the direct loan, I call your attention once more to the repayment record under REA, and to the gains of Clyde Ellis and NRECA under this program and for this Nation.

Please don't misunderstand me—I am not pessimistic. There is exciting progress in Town and Country U.S.A., but it is progress in halting steps when measured against the task—progress that should come in giant strides, and that *could* come in giant strides if we took out of our boots some of the lead weights that we ourselves have put there, and started realizing the great potential of government credit.

Everyone here is aware that one of the greatest problems this Nation faces is rural-urban *imbalance*. We have permitted people to be literally driven by economic necessity to the big city, all too often into the ghettos. This very night the people-space equation cries for attention as we search for a national policy for rural-urban balance rather than continuing to squeeze more and more people onto less and less space.

But as I said, all is not bleak. There is reason for cautious optimism that an important change is beginning.

Efforts by Clyde Ellis and NRECA, the USDA and millions of people all over this land to build up Town and Country U.S.A. appear to be getting some results.

A recently-released Census study shows that on a percentage basis, the growth of metropolitan areas—that is cities of more than 50,000 and their surrounding territories—is slowing, while the percentage growth of non-metropolitan areas—Town and Country—is increasing.

Metropolitan areas are still growing faster than non-metro areas, but the gap is narrowing.

It is also significant that new jobs in cities of under 25,000 have been increasing at a faster rate than in large metropolitan areas over the past few years. In the decade of the 50's, new jobs in these small cities and rural areas, grew at about 2 percent a year—about the national average. But from 1962 to '66 employment grew at about 4 percent a year, higher than the national average and that of metropolitan areas.

In the 1950's, Town and Country had about 17 percent of the Nation's job growth. In 1962 to '64 this grew to about 25 percent—up about half.

Increasing activity by local leaders in self-help programs shows up dramatically in the expansion of USDA Town and Country programs.

Funds to build the basic water and sewer facilities a community needs to attract industry have gone from less than $1 million in 1960 to $22 million this year. The number of people helped each year has grown from 20,000 to more than a million.

Loans for private homes, migrant labor housing and Senior Citizen housing have increased 13-fold since 1960, from about $40 million to more than half a billion dollars a year.

Since the passage of the Economic Opportunity Act in 1965, some 45,000 individual and group loans, totaling $96 million, have gone directly to the poor, giving these families a means to raise their incomes.

In the Department, we're integrating conservation with economic development through Resource Conservation and Development projects. Seven years ago we did not have one such project in the United States. Now, 41 have been approved for planning and operations embracing 100 million acres—an area almost the size of Iowa, Illinois and Wisconsin combined.

Each of these projects conserves natural resources in an integrated, well-planned manner; each brings jobs to local communities, conserving the human and economic base of rural America.

Seven years ago there were 312 Watershed projects approved for operations; now we have 827. Multi-purpose projects have increased from 95 to 439.

Since the advent of Greenspan in 1963, the Agriculture Department has been able to make 139 grants in 27 States to set up parks, wildlife sanctuaries, hunting areas and water-based recreation. We have loaned $61 million to rural communities to develop outdoor recreation areas that add to the attractiveness of the community and encourage the location of new business and industry.

This then is the vision of Clyde Ellis now proving itself.

Clyde's perspective of the future and his forceful leadership is helping to make his visions realities brings to mind this quotation:

> "A vision without a task
> Is a dream.
> A task without a vision
> Is drudgery.
> But a vision and a task
> Are the hope of the world."

Fortunately for America—rural and urban—today is for Clyde Ellis commencement day, not graduation day. Fortunately, for all of us, he will continue to be Mr. Rural Electrification, still taking those optimistic, aggressive long shots: I close my part of this testimonial program tonight by announcing that Clyde Ellis has accepted an appointment to my staff. He will serve as a special consultant to the Secretary of Agriculture with special emphasis on building Town and Country U.S.A. so rural-urban balance can become, like rural electrification, not a dream, but a reality.

Clyde, welcome aboard.

Highway Safety on Secondary Roads

HON. FRANK T. BOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. BOW. Mr. Speaker, Joseph A. Sturrett, county engineer of Stark County, Ohio, spoke about highway safety on secondary roads at the recent convention of the American Road Builders Association, and in the course of his address offered some original thinking on the subject of Federal aid that deserves the attention of legislators and public officials everywhere. Mr. Sturrett points out how Federal aid may distort the balance that should be maintained in local projects, erode local responsibility, and create new problems that localities cannot afford to correct. I commend these remarks to you as follows:

HIGHWAY SAFETY ON SECONDARY ROADS

(Address to American Road Builders Convention, by Joseph A. Sturrett, Stark County Engineer, Canton, Ohio)

My topic of discussion today deals with highway safety on the secondary roads and its relationship with political policy.

Although we all strongly favor the building of better highways, I feel just as strongly against the policy of granting a decade of first priority to a single federal highway system; mostly on new location; and when completed will serve only 20% of the highway users.

The great consumption of time and money needed for the interstate system has led to a dangerous neglect of the existing routes and a tremendous loss of life and property. A correlation can be drawn with this policy and the man who came home to find his house on fire with his family still within it; and he proceeded to build a new house on new location without putting out the fire or saving his family.

I don't think the Congress intended to promote negligence by enactment of the Highway Act of 1956. I do not think the Congress intended to relieve the states of their basic responsibilities to the existing system, but this is exactly what is happening in Ohio. With every mile of new state highway construction, the old state routes are "journalized" over to local governments without any compensation to them. It is no wonder that Ohio, which leads in highway construction, is also among the leaders in highway tragedies. The old "killer" roads which have been all but forgotten in the light of our four lane super highways are still with us. They have not been plowed under and they still have the narrow bridges, the blind hills, the dangerous curves, and impossible sight distances. Lacking in both legislation and funds, county government can only resort to long range programs, during which time valuable funds are wasted on repetitive maintenance.

In view of all the growth factors affecting our local communities it would be suicidal to neglect these secondary roads until the completion of the interstate system in 1972 or the freeways in 1980 or after. The inefficiencies and losses from the disorder and congestion of traffic in many of our urban areas far outweighs the advantages of the few miles of interstate highways which pass through them.

To promote highway safety most county engineers without capital improvements funds must use a legally approved system of signing. Signs are no match to the elements of fog and darkness, rain and snow and sleet. These signs which warn of danger are a product of law to save harmless those in government but no guarantee to do the same for a driver in a snow storm.

Although engineers in secondary highway administration have been critical of the distribution of highway revenues, their criticism has never been lacking for recommendations. At our 1964 annual convention in Tucson, Arizona, it was pleaded that we seek a better balance to the construction of the interstate system with the secondary routes. It was pointed out that failure to do so would result in the paradox of building the world's greatest highway system without solution to highway safety.

TRAFFIC DEATHS INCREASE

Since that convention, our traffic records have borne out this truth and dictates that something is not right. Since then our annual rate of traffic deaths have increased by 10,000 and now totals more than 53,000, and it's going to get worse. If we project this selfish and inconsiderate policy into the next decade, more than half a million people will perish on our highway systems and 15 million more will suffer disabling injuries; and the property damage will exceed twice the cost of building the interstate system. I believe that a proper balance to all highway construction could reduce these figures by 25 percent.

I have heard it said at interstate dedication ceremonies that this system has already saved 3,000 lives during the past year. You may hear it repeated at this convention. The question now arises as to who shall be accredited for the increase of 4,000 fatalities during the same year. We have two groups of thought on this question both of which contradict one another. One group is naive and the other is rationalizing. The first group are those who apply statistics to prove that only 2 lives are lost for each 100 million miles of travel on interstate; while 10.4 lives are lost on off routes for the same travel. From these figures I would think that here is definite proof of deficiency alone taking an extra 8 lives on the off routes. But the second group doesn't think so. During the past year their efforts have focused upon many varying aspects, such as safety belts, driver inspection, law enforcement, drivers license, vehicle inspection, alcohol tests, and even automobile manufacture. If we are going to use statistics, then we must place all our drivers and automobiles into one common denominator and look for truth. The fact will then remain that this is the same driver and the same vehicle which travels so safely on interstate but finds himself in danger on the off routes, mostly because of highway deficiency.

COUNTY ROADS NEGLECTED

You have often heard the term of "feeder route" as applied to the function of certain roads as feeders to super highways. In my experience this is a mis-nomer. The interstate super highway is really the feeder inasmuch that it gushes its great volumes of traffic into the deficient areas at certain points. This is where the trouble begins and the exposure to highway danger is 10 times greater. This is where a driver leaves a high speed facility and suddenly finds himself mixed with slow moving local traffic on narrow and congested roads. Eventually this congestion causes a complete disruption of the normal traffic patterns over a wide area; this in turn leads to the destruction of the esthetic values of many residential and school areas. Many of these local roads, never built for the heavy loads of interstate, are being severely damaged by this movement.

We in the engineering field often use the so-called benefit-cost analysis in order to justify certain projects or to establish priorities; and which dictates that the first warrant for highway construction is based on traffic use. But counties do not have the financing nor the political influence to apply this formula even though a county road carries more and heavier traffic. The same data which justifies interstate highways is meaningless for county systems because highway problems have fallen into separate and distinct domains of interest. The Federal Bureau of Roads is intensely interested in completion of the interstate system, while the states in addition to interstate are interested in building their own freeways. In Ohio all of this is being done with callous disregard for the county systems; not only by transferring defective state mileage to them but by neglecting to provide increased revenue needed to solve the original impossible highway problem.

Most county engineers have known the key for highway safety for many years. Our message has simply not gotten through to the right people; and if it ever does what plan of action shall we recommend to them? We could ask for a larger share of the current highway revenues, or we could request an increase of fuel taxes specially earmarked to county roads; but all this would only lead to endless debate and controversy. Inasmuch that I have made some strong allegations it is only fair that I propose a better way. First, in spite of this paper, I recognize that state and federal highway administrators are only doing their jobs; and doing it very well in the national interest. Our only gripe is that they make no allowance for our position. Secondly, I am very much annoyed at criticism leveled at the President for all the things that go wrong at the local level. I would propose that we take an objective and comprehensive look at our local problems, not just highways, but the whole picture.

LOCAL RESPONSIBILITY

Take a good look at our slums, our air and water pollution and all the rest, and try to understand how it all came about. You will see that we are slowly and surely becoming a nation of beggars; and depending upon someone else to do our job. For too many years local government has been asleep. The evils of impassive public acceptance of events during the past 30 years are now resting on the doorsteps of every American. The failure of local governments to provide for their own needs over the years has led to an ever increasing participation of federal government into local affairs. We are now in crisis in almost every facet of government. We refused to tax ourselves so Uncle Sam did it for us; and this has been going on for a long time. The one hitch to this is that he doesn't give our taxes back to us unless we qualify, and fill out papers, and match what they give, and follow their rules. Even then we can never get it all back because Uncle Sam spreads it around; even into areas where it was not collected.

Another hitch is that a big chunk of these taxes are used for administration and planning. We are now pushing pencils instead of shovels and depending on government to do our thinking. The rank and file of our communities have been lulled, by promises, with a secure concept that somebody is doing the job. They have heard the dreamers and planners talking of the shocking pink roofs and town houses and the wonderful world of tomororw; but they pay no attention to the basic needs for our kind of civilization. While they are dreaming we are concerned with raw sewage that pollutes our streams; garbage that litters our countryside roads; and an impossible roadway system. As crisis develop, these people are slowly learning that nobody is doing the job. They will soon realize the utter impossibility for it to be done by federal or state government. Slums and urban blight are developing more rapidly today after many years of federal assistance; the ultimate conclusion will be that it can and must be done by the local community.

Being fully aware of the sincere interest of the President in highway safety and the uncertainties developing in local communities, I believe he would be more fully advised by these aspects to the problem. I believe it is time to give the country back to the people. Let them become part of the team of government by giving them back the life blood of their taxes. Let them face up to the challenges of increasing crime, welfare, unemployment, traffic congestion, and all the other problems. I believe they can do it faster, better, and cheaper. These are dangerous years only because we are faced with unsurmountable problems which have accumulated over the passing years.

SIMPLIFY FEDERAL ROLE

I would suggest that the multi-billion dollar federal programs for aid to local communities be replaced by a simple letter each year to each county budget commission. This letter would contain an appropriate share of their tax funds to be used without restriction as they see fit. The role of the federal government should be in guidance and technical assistance. I believe we must make our people responsible for their own welfare. I feel confident that only then shall we dispel the great dangers which threaten the security and well-being of our citizens.

In times of distress and disorder human nature inevitably goes to the extremes and believes in what it wishes to believe, and casts aside calm, logical reasoning. Hence we have mob rule as well as strikes fostered by a surprising minority who ring the note of discord and allow human nature do the rest of the job; while they pull away from the clash.

Only the intelligent and calm thinking citizen who understands and accepts responsibility can improve our local communities.

Retired Maj. Gen. Edward H. White Writes His Grandson, Edward H. White II

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. TEAGUE of Texas. Mr. Speaker, recently a number of papers in Texas carried a copy of a letter written by the father of one of our deceased astronauts, Lt. Col. Edward H. White, Jr., to his grandson, Edward H. White II, which I believe to be a masterpiece and an inspiration to anyone who reads it. Under leave to extend my remarks in the RECORD, I wish to include this article:

Dear Eddie: A Good Man's Life Is Never Quite Ended

(EDITOR'S NOTE.—When the Apollo spacecraft caught fire at Cape Kennedy on Jan. 27, 1967, Maj. Gen. Edward H. White lost a son and Edward H. White II lost his father. Astronaut Ed White died in the blaze along with Col. Virgil I. Grissom and Lt. Cmdr. Roger Chaffee. Later, the elder White, a retired Air Force general living in St. Petersburg, Fla., gathered his memories of Ed White and sent them along to young Eddie, now 14 years old, in the form of a letter. Following is that letter, adapted by permission from Guideposts Magazine on the occasion of the anniversary of the spacecraft disaster.)

DEAR EDDIE: This is one of those evenings when I've been thinking a lot about you. These past weeks have been hard for all of us; it takes a lot of love and courage to get through a time like this. I know you and your mother and your sister have plenty of both. But I think it helps if all of us keep in close touch, exchanging thoughts and feelings and memories. I know it helps me.

Earlier, your grandmother and I were looking at a scrapbook of clippings about your father's career. Some of them dealt with incidents long before his famous spacewalk in June, 1965, long before the accident at Cape Kennedy took him from us.

You know Eddie, as I leafed through that scrapbook your father's characteristics seemed to jump at me from every page. Confidence, for example: I never knew anyone who had more of it. Once when he was 12 or 13, just about your age, I took him up in an old T-6, an Air Force trainer, and let him take over the controls for a few minutes. I was amazed. No nervousness. No tension. He seemed to know, instinctively, that a good pilot doesn't strap himself into a plane; he straps the plane onto himself. He really flew it.

I heard someone ask him once if he hadn't been surprised when he was chosen out of so many applicants for our space program. He smiled, shook his head, said he had worked so hard and prepared so carefully that he didn't see how he could not be chosen!

I think that calm self-assurance was based on several key things, Eddie. One was determination. When your father was a youngster we always told him, if he wanted something, go after it. We'd back him up, but he'd have to provide the drive and the energy. And he always did.

I remember once when he was on the track team at West Point he told me that he expected Army to win the mile relay unless one of the other runners—slower, with little chance to win—tried the tactic of cutting in front and slowing down Army.

"What'll you do if that happens to you?" I asked him.

"I'll run right up his back!" your father said. And that's exactly what did happen. Both runners went sprawling, but your father was on his feet first and Army won the race.

Another thing he mastered was discipline. They'll teach you some day at West Point, Eddie, that nothing worthwhile is ever achieved without it—and they're right. Part of it is self-discipline—doing the things that nobody else can make you do. But part of it is also acceptance of the fact that orders must be obeyed as well as given.

When your father made his walk in space, some reports made it sound as if he was having such a good time outside the capsule that he refused at first to come back in. That was not so. He was having a marvelous time, but he came in as soon as the command reached him.

I heard your grandmother telling a very high-ranking general in the Air Force that this was the case. "I already know that," the general said. "But how do you know?" she asked, astonished. "Because I know Ed," the general said quietly.

Integrity . . . Perhaps that was the main source of your father's self-confidence. A man who has it has no reason to distrust himself.

Duty, Honor, Country . . . that's the West Point code that he lived by. Someone asked him once what he was risking his life for. Was it the Air Force? Was it NASA? He shook his head. "For my country," he said.

Another characteristic that your father had was optimism. He believed that ultimately the exploration of space would become a moral substitute for war, a contest in which nations would compete without bloodshed, for knowledge and honor. He believed that in most men the good far outweighs the bad.

He believed that if a man succeeds in doing what he wants with his life, and does it well, then that life—be it long or short—is fulfilled.

I know I don't have to remind you, Eddie, of the depth of your father's faith. No one knows better than an astronaut just how important faith is. When you step out of the hatch of a spacecraft in space, you're stepping out on faith . . . faith in your equipment, faith in the knowledge and skill of hundreds of other men, faith in your own endurance and training and, above all, faith in God into whose hands you commit yourself, whether things go well or badly.

The world was surprised to learn, after the Gemini IV flight, that your father had taken into space with him three small medals representing the Catholic, Protestant and Jewish faiths. But we who knew him weren't surprised. If the Apollo launch had been carried out as ordered, he had planned to carry with him some mustard seed, each tiny grain representing the power of faith to move mountains. But in the end those orders were changed by a higher command.

I think the main thing to remember about all this, Eddie, is that a good man's life is never quite ended; something of it always remains to touch and illuminate other lives.

On weekdays at West Point, for instance, there is an informal devotional service early in the morning. Cadets are not required to attend, but your father used to find time to go. Someone told me that before the accident at Cape Kennedy the average attendance was four or five cadets. After the accident it was 175. The track team came in a body, every single man. Your father would have liked that.

On the day of the funeral at West Point, when the people were asked to join in the Lord's Prayer, do you remember that response? Not a murmur or a scattered whisper. No, the sound of a thousand voices, resonant and strong, went rolling out across that noble river and those lordly hills.

The scrapbook also contained a clipping from 1952 when your father tried out for the Olympic track team. He didn't make it, but he was in the finals at Los Angeles. Sports columnist Bill Corum introduced some of the athletes on a television program, including your father. Afterward, Corum couldn't remember his name, but something about your father impressed him so that he wrote about him anyway, not knowing who he was.

This, in part, is what Bill Corum wrote:

"He was the last boy that I introduced. He was from West Point and he stood that way and talked that way. Standing there before the microphone, he looked so clean and fine; so good and sound. Suddenly, there was the hot feeling of tears in my eyes, and I was thinking of all the others who had walked the hills around West Point before this shavetail lieutenant—Eisenhower and MacArthur, U. S. Grant and Robert E. Lee, down the long, long roll-call of heroes to the last of our soldiers or sailors to die . . ."

And then, Eddie, Bill Corum added something that was quite extraordinary when you think of the years that had to pass before your father would soar in space over the oceans and continents. He wrote that when he said his nightly prayer he added this:

"Young soldier, may your children and those after them look out as you did last night, unafraid—across the Sierra Madre, the Rockies, on to the Hudson, North and South and across the oceans—as free men in this land of glory . . ."

All this is part of your heritage, Eddie; it's a great one. Live it and pass it on.

Love to all three of you.

GRANDDAD.

How Long—Oh, How Long?

HON. JOHN S. MONAGAN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. MONAGAN. Mr. Speaker, the quadrennial marathon of presidential election is with us again. The hullabaloo of the national conventions this summer will be followed by the final ordeal of the presidential campaign itself this fall.

Since coming to Congress in 1959 I have continually urged that presidential campaigns be shortened. Modern jet travel and the increased coverage of politics by the mass media have made the present pattern of campaigning obsolete. Campaigns today are unnecessarily long, physically taxing on the candidates, unduly boring for the electorate, and extraordinarily wasteful in terms of the money spent and the physical and intellectual efforts expended.

In an article on political fundraising in this month's issue of the Reader's Digest, former President Dwight D. Eisenhower suggests that the presidential election campaign be shortened—to cut costs and concentrate voter attention. General Eisenhower writes:

> The most important and obvious step (to cut costs) would be to shorten the campaigns themselves. Our endless political contests are a relic of the horse-and-buggy era, when a candidate needed a lot of time to get around and to get his views before the voters. Today, with fast and universal communications, such campaigns are no longer needed. Indeed, their tiresome reiterations often actually damage the cause of a candidate; people simply get bored.

I wholeheartedly support this suggestion, and encourage my colleagues to consider its relevance to the marathon which lies ahead.

Great Tradition of Democracy

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. WOLFF. Mr. Speaker, in the great and treasured tradition of our democratic society, individual political clubs have an opportunity to voice their opinions on matters of great concern and the selection of candidates.

Under leave to extend my remarks, I wish to include in the RECORD two such resolutions from organizations in my district:

RESOLUTION OF THE DEMOCRATIC ORGANIZATION OF THE WILLISTONS & ALBERTSON, INC., JANUARY 16, 1968

At a meeting of the Democratic Organization of the Willistons & Albertson, Inc. held on January 15, 1968 at the VFW Hall in Albertson, L.I., New York, the following resolution was introduced by Committeeman Martin Schwartz:

Resolved: That the Democratic Organization of the Willistons & Albertson, Inc. supports the Administration's policies in Vietnam as the best possible means for securing a just and honorable peace. It is felt that the presence of American troops in South Vietnam is necessary to help stop Communist aggression.

Furthermore, the Democratic Organization of the Willistons & Albertson, Inc. supports President Johnson in the nomination for the President of the United States.

The resolution was passed almost unanimously by the members present. Presiding over the meeting was John Sinon, the new Club President who was installed at the same meeting by Judge Gibbons. Also present at the meeting was Emil Pomerantz, the outgoing Club President and Arnold Barnett, the Democratic Zone Leader.

The resolution was also passed almost unanimously at a meeting of the area's committeemen held prior to the club meeting.

RESOLUTION OF THE SYOSSET-JERICHO-WOODBURY DEMOCRATIC CLUB, JANUARY 3, 1968

Whereas, Senator Eugene J. McCarthy has decided to challenge President Johnson for the Democratic nomination for the Presidency in 1968; and

Whereas, this opposition is based in large measure upon:

(1) The administration's plans for continued escalation and intensification of the war in Vietnam; and

(2) The administration's lack of a positive approach for a compromise or negotiated political settlement in Vietnam; and

Whereas, Senator McCarthy is cognizant of and concerned over the bearing the Vietnam War has on other areas of United States responsibility, to wit, failure to appropriate adequate funds for the poverty program, for housing, for education, for foreign aid programs and for other national needs;

Whereas, there is growing evidence of a deepening moral crises in America, frustration and discontent;

Now, be it resolved, that the Syosset-Jericho-Woodbury Democratic Club firmly convinced that the nomination for the Presidency of the United States of Senator Eugene J. McCarthy would be in the best interests of America and in the best interests of the Democratic Party, hereby supports the nomination of Senator McCarthy and pledges to give to Senator McCarthy all possible aid and assistance.

Federal Jury Says Gun Selling by Mail Broke Permit Laws

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. DINGELL. Mr. Speaker, pursuant to permission granted, I am pleased to insert in the CONGRESSIONAL RECORD an article appearing in the New York Times of Saturday, January 20, 1968.

While no one should prejudge the instant case, the fact that the Department of Justice has finally begun to enforce provisions of the Federal Firearms Act against improper and unlawful mail order sales should afford everyone some peace of mind.

For too long a time, the Department of Justice and its sister agency, the Department of the Treasury, have been trying to push through unwise legislation, which would essentially strip the law-abiding citizen of the right to purchase firearms, instead of exercising the powers and prerogatives of those agencies under existing law to control shipment of firearms in interstate commerce in violation of State law.

Perhaps this highly desirable change on the part of the Departments of Justice and Treasury will lead to a reappraisal of the unwise position of those Departments with regard to firearms control laws. Perhaps these agencies will commence using the tools available to them without spending so much time seeking authority to harass law-abiding citizens by pushing for unworkable legislation.

The article follows:

GUN SELLING BY MAIL BROKE PERMIT LAWS, FEDERAL JURY SAYS

(By Edward Ranzal)

A Federal grand jury here indicted a Rockland County concern yesterday on charges of unlawfully shipping pistols and revolvers to customers in four states. The indictment was described as the first of its kind in the country against a mail-order company dealing in firearms.

The indictment named a Nanuet, N.Y., sporting goods store, one of the store's owners and a mail order company with the same address as the store.

United States Attorney Robert M. Morgenthau said that the store, called Lombard's, had sold weapons at the store and by mail to customers in states where persons may not buy guns locally without permits or licenses.

Mr. Morgenthau explained that the Federal Firearms Act, enacted in 1938, prohibited Federally licensed firearms dealers from shipping weapons to persons in other states that have laws requiring the purchaser to present a purchase permit from his state.

The Federal law, Mr. Morgenthau said, is intended to prevent gun dealers from defeating state firearms legislation by shipping guns in response to mail orders or visits from customers.

In addition to the sporting goods store, which was described as the largest dealer in hand guns in the state, the indictment named one of the store's owners Bernard Lombard, 40 years old, of Monsey, N.Y., and the related mail order company, King for Price, Inc.

The indictment charged that the defendants had filled orders for 44 customers in New Jersey, North Carolina, Michigan and Missouri. These states have local laws requiring permits or licenses to purchase pistols or revolvers.

Mr. Morgenthau said that 33 shipments were made to buyers in New Jersey, many of whom had visited Lombard's in Nanuet to place their orders.

Subsidizing of Foreign Companies

HON. BENJAMIN B. BLACKBURN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. BLACKBURN. Mr. Speaker, on January 23, I inserted a letter into the CONGRESSIONAL RECORD from Charles B. West. In this letter Mr. West explained why we should encourage the subsidizing of foreign companies through our foreign aid programs.

Recently, I received a letter from Mr. Herbert Salzman, Assistant Administrator for Private Resources in the Agency for International Development. Mr. Salzman made mention of Mr. West's letter and stated that AID agrees with Mr. West's suggestion and gave instances in which his ideas were being carried out. For the interest of my colleagues I respectfully submit Mr. Salzman's letter to be printed in the RECORD:

DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT,
Washington, D.C., January 26, 1968.

Hon. BEN BLACKBURN,
House of Representatives,
Washington, D.C.

DEAR MR. BLACKBURN: I noted with interest your comments and Mr. Charles B. West's letter on Private Enterprise and Foreign Aid which appeared in the Congressional Record of January 23 on page 787.

We in A.I.D. agree wholeheartedly with the need to increase the role of private enterprise in our foreign assistance efforts. We recognize that our public resources are limited and, alone, cannot possibly do the job that needs to be done to help improve the lot of the underdeveloped world.

That is why we are doing more than ever before to—

Encourage U.S. investment in the developing countries through A.I.D.'s Investment

Guaranty Programs and new forms of pre-investment assistance.

Use A.I.D. loans and technical assistance activities to support policies and create conditions that make it possible for private enterprise to grow and prosper.

Rely on private U.S. resources to carry out A.I.D. programs overseas, using public resources only as a last resort (Last year, for example, 96% of A.I.D.-financed commodities were purchased in the U.S.).

That is why, also, A.I.D. set up last year an Office of Private Resources and, within that Office, a Private Investment Center. These new organizations provide a focal point for the Agency's contact with the U.S. business community and for our efforts to involve American private enterprise in overseas development.

As an ex-businessman myself, I like to think of our objective in these terms: as much private assistance as possible, as much public assistance as necessary.

We are grateful for your and Mr. West's interest in this subject. If you, or any member of your staff, would like to talk about it further, please let me know.

Sincerely yours,

HERBERT SALZMAN.

David Rockefeller: Speaking Freely

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. MOORHEAD. Mr. Speaker, one of the Nation's most articulate, knowledgeable, and responsible citizens is David Rockefeller, president of Chase Manhattan Bank. In November he spoke with Edwin Newman, of NBC News, on a variety of matters ranging from his private art collection, to our overseas investments and the balance of payments; to his bank's involvement in ghetto problems.

Of particular note are his comments that the investment Chase Manhattan is making in training, counseling, and employment programs for people in ghetto areas is a good investment for the bank.

For those who may have missed this fine program—and who still have doubts that such efforts are risky business for the private sector, I include the transcript of this program at this point in the RECORD:

SPEAKING FREELY

Guest: David Rockefeller, President of Chase Manhattan Bank.

Host: Edwin Newman, NBC News.

Mr. NEWMAN. At the lower end of Manhattan Island stands the shiny and spectacular home of one of the world's great banks, the Chase Manhattan. It's an unusual bank, not only because it's so big and powerful and rich, but because a lot of its money hangs on the wall, in the form of paintings by contemporary artists. Hello, I'm Edwin Newman. Speaking Freely today is David Rockefeller, President of the Chase Manhattan Bank. The paintings that hang on the walls of the Chase Manhattan offices reflect his influence. And he uses his influence in many other ways as well. I'll be asking you about some of those ways later on, Mr. Rockefeller, but tell me first what is the connection, if any, between banking and contemporary art.

Mr. ROCKEFELLER. I suppose we got involved in it, as far as the bank is concerned, primarily as a practical question. We decided that to create the kind of image that we would like to have of ourselves, namely a forward-looking, progressive bank, we wanted to have the best contemporary architecture. And in our judgment, the best contemporary architecture requires art as a supplement. In the old days, you used to have friezes and cornices and all kinds of sculpture that was built into the architecture. But today it's mostly very simple, and it needs color and design in the form of pictures and sculpture that can be added to the walls. And so we had a relatively modest program for painting and sculpture that could be added to the building. In addition to this, though, we felt that it was a useful thing in the sense of giving education and hopefully pleasure to both our employees and the people who come to see the building. And also in giving support to contemporary painters and sculptors.

Mr. NEWMAN. You were mentioning, Mr. Rockefeller, the image of the bank, and you wanted to give the image of a forward-looking bank. Banks didn't always have that image, did they? They didn't impress people in that way. When did this change in the thinking of bankers come about?

Mr. ROCKEFELLER. I would guess that a good deal of the change came in the post World War II period, when banking became a good deal more competitive, the world was changing in many ways, people were coming back from the wars, a lot of new and younger people coming into the banks. And I think this was the period when the biggest change was probably taking place.

Mr. NEWMAN. How much competition is healthy among banks? I have the impression at times that the bank managers are on the verge of going out into the streets and grabbing people and forcing loans on them. How far should this go? I mean, we're all being urged to borrow money and spend it. Is there not some kind of limit that's imposed by prudence?

Mr. ROCKEFELLER. Competition is a basic element in the free enterprise system, and the type of society that we have, and I think it's as necessary in banking as it is in any other form of business. Whether there can be too much of it, perhaps so. Certainly it would be bad if bankers were forced to make loans which were unsound loans. I don't believe that that danger exists today. I believe that competition in banking, though it's very keen indeed, is probably healthy and good for the customer.

Mr. NEWMAN. You don't think it's leading to too large a consumer debt?

Mr. ROCKEFELLER. I really doubt whether it is. Actually that isn't the area where banks compete most actively, really, in the consumer loan area. We do a lot of advertising in that area but we're also quite careful in our advertising not to encourage people to borrow unless it's in their best interest to borrow.

Mr. NEWMAN. Where does most competition come between banks, or among banks?

Mr. ROCKEFELLER. Probably in seeking business deposits and loans, more than individuals; although certainly we're very anxious to get the business of individuals. But I think it's probably keener in the business area.

Mr. NEWMAN. Of course banks make their money in a great many ways, don't they? I mean trusteeship, technical advice, business advice, arbitrage.

Mr. ROCKEFELLER. That's true. The trust departments of banks are very important.

Mr. NEWMAN. How big should any bank be allowed to be, do you think? The Chase has assets, I believe of sixteen billion. At least that was the last figure I saw. Is there a point beyond which it is not safe to go? Is there a point at which a single economic institution—a financial institution—in the United States could be too big?

Mr. ROCKEFELLER. I've always felt that bigness should be measured in relationship to the market, that it could be dangerous if it grew out of proportion with the market and with competition. But I am not concerned as long as it is not excessive in that regard. For example, there are six major banks in New York City, and a lot of smaller ones, but six very large ones. I don't feel, myself, that this constitutes a threat.

Mr. NEWMAN. Since we are talking about the ways in which banks have changed and the way that banks have developed and expanded, banks do a great many things now that they didn't used to, don't they? They're much more active in community affairs, and that's been a particular interest of yours. What do you think is the obligation of a bank to the community in which it exists, from which it draws its profits?

Mr. ROCKEFELLER. I think we have many obligations. In the first place, the bank cannot grow and prosper unless the community in which it operates is healthy and prosperous. Therefore, anything that we can do to make in our case New York City and the neighboring counties healthy is to our own interest.

Mr. NEWMAN. What about all the urban problems? Your bank opened a branch in Harlem in 1962. It had been, I believe, twenty-five years since, twenty-five years earlier, that you had opened a branch in Harlem. Why was there that gap? Why had nothing happened in those intervening twenty-five years?

Mr. ROCKEFELLER. I think the figure you're thinking of is the twenty-five years since any commercial bank had opened a branch in Harlem. Why that is true I don't entirely know. Of course, in the intervening period we'd had the great depression and the war. And no banks were being very expansion-minded in that period, so I think that's probably the principal explanation. But we deliberately thought out a location in Harlem, because we were convinced that the Negro community in our city is a very important one, it's a growing one, and we felt that it was important for our bank to be identified with it and to help it in any way that we could in improving their economic position in the city.

Mr. NEWMAN. Now you had a deliberate program, I think, of recruiting Negro employees, did you not?

Mr. ROCKEFELLER. We did, and do. We are—in the first place, we need any good employees that we can find. Our problem is to find qualified employees, these days. And this is not easy. But we did deliberately feel that with the growing Negro population of the city it was important that Negro employees should be thoroughly represented at all levels in our bank. And in point of fact we have a very large number.

Mr. NEWMAN. A claim was recently made that in fact they find advancement rather more difficult than being hired in the first place.

Mr. ROCKEFELLER. Yes, I think that claim was not fairly made, and not founded in fact. As a matter of fact we are doing everything in our power to not only hire Negro employees but to give them in-bank training, to give them opportunities, as other employees also have, to study at night and take school or college or even graduate courses at the bank's expense. And they are encouraged to move ahead just as rapidly as their talents permit.

Mr. NEWMAN. You mentioned the difficulty of getting qualified employees, Mr. Rockefeller. The fact is that in the circumstances that exist in this country, it's necessary to hire people who are not qualified, and train them, is it not?

Mr. ROCKEFELLER. This is the drama of the recent period, that there exists, particularly in the central cores of our urban areas, a large number of disadvantaged people who, though they may go to school, don't apply themselves for whatever reason, whether it's family background or whatever, and consequently even though they may have a school certificate, they are unable to read or write to a degree that would be necessary even for the simplest jobs. Furthermore, their motivation is not good. And I fully agree with you that we've got to do more in business as well as in government to find ways of motivating and training these people so that they become employable. We have had an interesting program here in the banks that we've been undertaking for the past four or five years in relation with the New York City Board of Education. They have brought to us boys and girls, many of them Negroes, not all, who appeared to be potential drop-outs from high school but who, in their opinion, had promise and ability. And we have employed them during their junior and senior years at high school in the afternoons or early evening, have paid them, and have kept them on as long as they stayed in high school, didn't actually leave school. And then we've guaranteed that if they completed their high school course with a C average or better that we would employ them and give them a permanent job in the bank.

Mr. Newman. How has it worked out?

Mr. Rockefeller. We've been very pleased with the results. I think something like eighty percent of those that we have hired in this way have stayed with us, and we're not—I guess we're in our third or fourth year—and we're now getting the benefits of many of them as very good permanent employees.

Mr. Newman. Has this spread to any other companies that you know of?

Mr. Rockefeller. Yes, it has. And in point of fact, because we were so pleased with it as a program, we have had a couple of seminars with personnel officers of other companies telling them what we have done. Although I don't have the exact facts at my fingertips as to how many others have done the same thing, I understand that quite a number have.

Mr. Newman. Well, if you take that principle involved there, which is that you're hiring people who are not qualified but whom you hope to make qualified, and you apply the parallel on a larger scale, you go into a ghetto—it's a risky place to be for business, for many reasons—what risks should a bank take in encouraging business in the ghetto and investing in the ghetto area where riots are possible or upsets of one kind or another, pilferage may be greater, or whatever the risks may be—they're well known. How do you balance the profit-making motive of a bank against its community responsibility?

Mr. Rockefeller. Well, after all, the bank is lending its depositors' and its shareholders' money, so that it has to give first consideration to doing it on a basis where it feels it has a reasonable chance of getting back the money it lends, with an appropriate amount of interest. So that we do not feel that it would be right or appropriate to make loans that we knew were not going to be repaid. On the other hand, frequently a loan appears not to be a good one largely because the man who's seeking to borrow has little managerial experience or little experience in finance, and what we are trying to do is to give financial counseling through our lending offices to people that we feel are people of integrity but who perhaps may lack a little experience, and help them be able to borrow and repay the loan. And we think this can be quite constructive.

Mr. Newman. Mr. Rockefeller, you've had a good deal of experience now dealing with urban problems, as a banker and also as a citizen. You're well known to be extremely interested in the problem, and you're a member of a variety of organizations trying to do something about it. Do you think we're getting anywhere?

Mr. Rockefeller. I'm sure we're not getting there as fast as we would like. I'm sure there's a lot more that we can and should do. Perhaps the one good aspect that one might cite from the tragic riots of last summer and the previous summer is the fact that perhaps a larger number of people in the business community but also in labor and religious organizations have recognized that is a problem which is the problem of everyone, not just of government, that the private sector has got to take a much more active personal interest in seeing that these very serious social urban problems are dealt with. And I hope very much that, for example, the National Urban Coalition which was stimulated by a group of mayors including our own Mayor Lindsay, and an organization called Urban America, in the middle of last summer—I hope that it will be helpful in stimulating well-directed, effective, citizen participation to deal with these problems.

Mr. Newman. What do you think private business ought to be doing in dealing with the urban problem?

Mr. Rockefeller. I think there are a number of ways in which they can become involved. Certainly one is the area of job opportunity, job training, and employment we've already discussed. And I believe that the type of program that I mentioned that we're undertaking, if it were generalized, it couldn't be adapted exactly for each business and industry but the same sort of thing could be very helpful. I believe that if private citizens became more involved in matters of urban planning and participation in local citizens' groups, to stimulate intelligent planning and construction, urban renewal projects, that this would be helpful. As one looks around the country and sees the cities in which there have been successful attacks on urban blight, almost without exception—in fact I don't know of an exception—the successes have been where municipal governments have been well led and worked with well led business and civic organizations in dealing with the problem.

Mr. Newman. There are some people, are there not, who think that private enterprise really will not do anything substantial or anything very constructive in the city, Professor Galbraith being perhaps the best known exponent of that idea. And there's a feeling that private enterprise will go into these things only where it is guaranteed against risk, by the government, and that therefore there's really no reason to have private enterprise in it.

Mr. Rockefeller. Well, Professor Galbraith is an old friend of mine. We were at Harvard together and I have great respect and admiration for him. I don't agree with him on this particular subject. I think he's too pessimistic about what business can and will do. I'm convinced that business is increasingly aroused and aware, and willing to take an active part. And I think that if sound techniques are devised which will give a reasonable degree of protection and incentive, that there are lots of ways in which they not only can participate individually and personally but also financially. I have in mind specifically a proposal that my brother, Governor Nelson Rockefeller, has proposed for New York State. It's to organize a corporation which would be quasi-public, to be called the New York State Urban Development Corporation. The idea would be that a group of citizens, primarily from the private sector but perhaps having some from government as well, would be the trustees of this corporation, that the state would provide a kind of revolving fund which would enable these citizens to go to deteriorating areas in our cities anywhere in the state, acquire sizeable pieces of property big enough so that a broad type of development could be undertaken, through the process of condemnation acquire the land, plan its development, get the project underway, so far largely with state funds. But then as the process had achieved a degree of maturity, sell off the projects to private developers who by that time would be in a position to see that the risks were manageable and that the opportunities were considerable. And then, once the whole piece has been sold off, move on to another. This to me is the type of proposal where government and business can work together, each providing the element that it can best provide. And under those circumstances, I believe that business can and will do a lot.

Mr. Newman. Mr. Rockefeller, how dangerous do you think the situation in our cities is?

Mr. Rockefeller. I think it's very dangerous.

Mr. Newman. I was much struck the other day by something I read that Carl Sandburg said in 1919, when he was a newspaper reporter. He said most—he was covering a riot, a city riot—and he said no slum is separate from the community. It gets its revenge. That's what's happening in our cities, isn't it? The slums are taking their revenge.

Mr. Rockefeller. I'm sure that's true. The sad, perhaps tragic, aspect is that in many respects our country has made enormous progress in eliminating poverty. Certainly the percentage of people in our country who could be classed as poor is much lower today than it has ever been in this country or I believe in any country in the world. And I think that the minority groups by and large are better treated today, with less discrimination, than has been true before. But I suppose it's understandable that those who remain in the poverty category, or those who are still being discriminated against, see a hope that they didn't see at all before, and therefore are perhaps less willing to sit back and take the treatment that once was accepted as inevitable. I think this is perhaps one of the key reasons why there's more trouble, even though basically less of a problem in many respects.

Mr. Newman. Well, you yourself testified about a year ago before a Congressional committee, to which you said that unless we deal with our urban problems we may well end up—this is a quote, I think—we may well end up with a series of spectacular superhighways connecting hundreds of squalid cities. You accept attribution on that?

Mr. Rockefeller. I do.

Mr. Newman. Isn't that what we have already? Isn't it one of our difficulties that we recognize these things when they've already happened to us? Don't we already have these squalid cities?

Mr. Rockefeller. We certainly have squalor in the cities. I think it's fair to say that a lot of the cities are not squalid. But certainly there is much too much squalor, and this is what we've all got to deal with promptly and effectively.

Mr. Newman. It's always seemed to me—this is a personal observation—that there really is not a very widespread realization of how bad the situation is, and how awful some parts of our cities are. Or in fact even the degree to which the automobile dominates the cities. And that it would take rather more drastic measures than any that have been adopted so far to deal with this. But, I don't know whether you agree with that.

Mr. Rockefeller. I'm sure that many of us have not been exposed as much as it would be good for us to all the depth of poverty that exists in our cities. And I'm sure that we need to do much more than we have. And I'm also a little bit concerned that, in our spirit of enthusiasm and our earnest and honest desire to do something about it, that we rush to spend money for the sake of spending money.

I don't think this is necessarily wise, and I sometimes am concerned that some of the programs which have the best motivation are perhaps not as well thought through as they should be.

Mr. Newman. One of our problems and one of the complications, Mr. Rockefeller, is surely the fact that a great deal of our attention necessarily goes overseas. A great deal of our money is spent overseas, in Vietnam for example. But we are involved in the international financial picture. Is the American dollar in any danger?

Mr. ROCKEFELLER. The American dollar certainly, as a result of the devalution of sterling, of the pound, has been subject to question and pressure. And I'd like to come back to that. If you'll permit me I'd like to say just a word or two on the first question that you raised, which by implication could infer that perhaps we shouldn't be spending money overseas when we have so many problems at home. I personally feel that we should be spending a lot of money overseas, and that this is very much in the interest of our country as a whole. I don't believe that we can live in an isolated, insulated package in this country. The day is long since past when that was possible. And without debating the question of Vietnam, which is a totally separate problem, I myself feel that this country has an obligation in its own interest and as well as for humanitarian reasons to help the struggling people of the developing nations of the world at the same time that we're helping people in our own slum areas. I think if we don't do this that we will have far more serious problems in the future. And personally I am distressed that we have cut the foreign aid program back as far as we have. Even though I'm very much in favor of reducing expenditures. And this comes to the other question that you raised, the soundness of the dollar. I still feel that we must help other countries help themselves.

Mr. NEWMAN. Mr. Rockefeller, you were saying that we should be prepared to spend money abroad. Of course we have spent a good deal of money abroad for many years now but how do you square that with all the insistence we hear now on lower government expenditures, and with necessity for a tax increase, and the concern about descending the dollar and the necessity to do away with the deficit we have, year after year?

Mr. ROCKEFELLER. Well this is a serious problem, and the answer is not an easy one, obviously. I'm simply saying that I think such dollars as we can spend must not be directed in one area alone, that it must be spread over a range of areas, including the international. But you raised the question earlier about the strength of the dollar, and I would like to say just a word about that.

The dollar is strong basically because of the strength of the U.S. economy, which is back of it. But it's also strong based on the confidence that people have in it. So far as our economy is concerned, it's very strong, it's certainly much the strongest economy in the world. And by and large people have enormous confidence in it and in the dollar. However, over the period of the last fourteen or fifteen years, we have been spending, because of direct investment by businesses all around the world, because of military expenditures, not only in Vietnam but in helping our allies around the world, and because of the foreign aid program that I spoke of before, we have been spending more than we've been receiving. We've had a deficit in our balance of payments. Now this is different from many deficits. It's different from the deficit of Britain, for example, which had a deficit in her balance of payments, but this is because she is importing more goods than she's exporting. In our case, we are actually exporting more than we're importing, and these other expenditures for capital and military expenditures and aid which close the deficit. Over a long period of time, foreign governments were perfectly willing to accept that deficit, which meant that they were willing to hold dollars as reserves rather than exchange those dollars for gold, which they would be entitled to do. And in the process, and in the course of the last twelve or fifteen years, foreign governments have accumulated some seventeen or eighteen billion dollars of reserves. More recently, though, as this deficit has persisted, foreign governments have become concerned; they felt that it was unwise and they didn't want to go on indefinitely holding more and more dollars. So there has been a tendency to demand more—a higher percentage of gold. And this has caused our gold supply, which was very big and still is big, to be reduced from twenty-three billion dollars some ten years ago to about thirteen billion dollars today. Obviously that can't go on at the same pace. We've got to find a means of stopping the outflow of gold and also stopping our balance of payments deficit. And herein is the problem so far as uncertainty about the dollar.

Mr. NEWMAN. Surely, Mr. Rockefeller, that emphasizes the amount of money that we are spending in Vietnam.

Mr. ROCKEFELLER. Well it does, although Vietnam by no means is the principal source of our balance of payments deficit. It's the most recent cause, but the balance of payments deficit existed for many years before we started in Vietnam.

Mr. NEWMAN. Yes, but if I may say so, as I understand it people want gold more than they used to, and want gold more than they want dollars, because there's perhaps less confidence in the American dollar than there used to be. People would rather have gold. And one reason they would rather have gold is that they think the American economy rests too heavily on war expenditure and military expenditure generally. Is that not true?

Mr. ROCKEFELLER. Perhaps. I would have thought that the uncertainty about the economy was based more on a question as to whether we were going to take steps internally to stop inflation. For a period of four or five years, from 1960, '61, through 1965 or '66, we had been able to grow at a rapid rate with almost complete price stability. And this was a wonderful thing for us and certainly helped to create confidence in the dollar. In the last year or two, our government deficit has been growing, and we've been pumping more money into the system, and the price level has been rising. And this is causing great concern among the business and financial circles who hold the dollars overseas, because they're afraid that it will have a further adverse effect on our balance of payments deficit. In other words, if our price level is rising faster than the level in other countries, this then means that our exports become more expensive and are cut down, imports from other countries are relatively cheaper and are more attractive, and consequently our deficit goes up. Therefore, in my judgment, the thing that most of all would restore confidence in the dollar on the part of financial and business groups abroad is a serious effort on the part of our government to raise taxes and reduce expenditures, which of course is precisely what President Johnson and Secretary Fowler have been advocating. And I'm very hopeful that their sincerity in wanting to do this will be acknowledged by Congress and that Congress will enact the proposed bill.

Mr. NEWMAN. How, Mr. Rockefeller, do we do all the things in our cities that you agree are so urgent, if the government is to spend less money, and if, as we know, the reductions—if indeed they come—are bound to come in civilian spending, in particular in the so-called War on Poverty?

Mr. ROCKEFELLER. I suppose there are two answers to that. One, we probably cannot move at as rapid a pace in terms of expenditure on any fund as might be desirable, but secondly, I don't really think the answer to the urban problem is so much expenditure of funds as how they are spent and the actions that go along with them. I'd rather see us put more emphasis on the effective use of those funds that we can spend.

Mr. NEWMAN. You were talking a while ago about foreign aid. And you, I know, are particularly interested in Latin America. Is there not a certain degree of disillusionment in this country, tends to express itself this way, Why should we put our money into Latin America, the Latin Americans don't do very much to help themselves, and surely the rich Latin Americans do very little—don't pay their taxes, hide their money in Switzerland or wherever. And it's said not only about Latin America but about many other countries—Greece for example. Is that not a fact?

Mr. ROCKEFELLER. I think there probably is some disillusionment. Whether it's justified or not, I think it's fair to say that a lot of people have become discouraged with the effectiveness of our foreign aid. Sometimes perhaps this is justified. I personally believe that the Alliance for Progress which was started by President Kennedy several years ago, in 1962, although it has not achieved all that we could have hoped, has been successful to a considerable extent. The rate of economic growth in Latin America has increased, particularly in the last two or three years. But on the whole there is greater stability, there is a greater desire for the Latin American countries to work together, and more interest in the LAFTA concept—Latin America Free Trade Area concept. I think that the business communities in Latin America, with whom I've worked a good deal, although surely there is much still to be desired, are also becoming more responsible. There are many more Latin American businessmen today who are involving themselves in problems of their slums and of their governments, which they didn't do nearly so much in the past. So that I'm not as pessimistic as many people are.

Mr. NEWMAN. Well perhaps I'm one of the pessimists, but is the rate of economic growth keeping up with the rate of population growth?

Mr. ROCKEFELLER. Yes. In fact, it's exceeding it, not by as much as one would like but, as I recall it overall, the rate of economic growth per capita as opposed to just the aggregate has been around two to three percent in Latin America in the last two or three years.

Mr. NEWMAN. You said once, not very long ago—I'm speaking about the part that American private enterprise can play in these areas like Latin America, or I think it's fair to say American private enterprise tends to be rather suspect among certain political groups, I think that's even an understatement, a gross understatement—you said that the United States must beware of excessive zeal when it operates overseas, especially in those areas where it has technological superiority, Latin America of course being a particular example of that. What did you mean by that "excessive zeal"?

Mr. ROCKEFELLER. What I meant was that, because we have the degree of economic power and strength that we have, I think that we have to be all the more careful when we invest or go overseas to handle ourselves as individuals and as corporations in a manner that is not offensive to the people who are our hosts. And I think there have been times in the past where the epithet "the ugly American" was justified, that our businessmen went in, in certain cases, and disregarded the national interests and customs, and stayed in little close-knit communities by themselves, paid only attention to making money and taking it out and getting out. I think that's changing; and it must change even more. I think we have to, when we go to countries, recognize that we are their guests, that we have to conform not only to their laws but to their customs, and behave accordingly, become acquainted with the people, learn the language, and deal in a way that will make people who are fair-minded see that we are there as friends, not to exploit them.

Mr. NEWMAN. Well, take another way in

which this expresses itself—the brain drain, the technology gap. Is the United States right to recruit, to import trained men and women from poorer countries that have paid to train those people and really cannot spare them?

Mr. ROCKEFELLER. This is not always our initiative. Quite frequently, people who have been trained in this country or in other industrialized countries see great opportunities here and seek employment here.

Mr. NEWMAN. Suppose we leave them aside and say only those who are actively sought by American corporations, which recruit in Europe for example, or even in India.

Mr. ROCKEFELLER. Yes. I think it's quite important that we not impose artificial restrictions and barriers. I do recognize that the point you raise is an important and real one. I do feel that it's desirable for American companies as much as possible to do basic research and product development research in the countries where we have investments, using the nationals, as you suggest, of the country, in their own countries. And I think more of this is being done. This certainly seems to me to be desirable.

Mr. NEWMAN. But there is, for example, a tremendous amount of resentment in England against American companies—it's been expressed by the British government against a particular American corporation recently which was accused of trying to recruit atomic scientists, nuclear physicists and so on. Is it possible to avoid that when you have the imbalance that exists between a country like the United States—companies like American companies which have so much money and so much to offer?

Mr. ROCKEFELLER. I think one of the ways to avoid it is more U.S. investment rather than less. Because, especially where that investment goes in on a partnership basis with local investors, it's a way in which our technology is brought to those countries. And this, I think, is very important. Another thing that I think they can do more than they have in the past is to review their own educational systems.

I think too often the European educational system has been based on classical studies and humanities, which are certainly important, but they stress this at the expense of training in business and management. And one reason I believe that there is a technological gap between the United States and other countries in the world is because we have on the whole better management techniques. I'm not sure that this isn't more important than our technological superiority. And I believe they could do more in that area than they have.

Mr. NEWMAN. What is your view of President DeGaulle's objections to conduct of American industry in Western Europe, his resistance to what he feels is an American economic domination of Western Europe?

Mr. ROCKEFELLER. Well he probably expresses a view that is not uniquely his. I'm sure there are a lot of other people . . .

Mr. NEWMAN. Perhaps uniquely expressed by him.

Mr. ROCKEFELLER. I think that there are many in Europe who are increasingly concerned. Just very recently a book that appeared in France called "The American Challenge", which has been read a great deal, on this very subject, and very much discussed these days. So that there is certainly a great deal of concern. On the other hand, as that particular book points out, the fault if there is one is hardly that of Americans going in so much as it is that of the Europeans not stirring themselves more to be more effectively competitive.

Mr. NEWMAN. Stefan Schweibel, who wrote that, was arguing that it was the superior organization of talent that accounted for American supremacy—economic supremacy—and President DeGaulle was at some pains to say that it wasn't that the United States was doing this by being able to export inflative dollars with which to take over European industry.

Mr. ROCKEFELLER. Well with all due respect to President DeGaulle, I think I agree more with Mr. Schweibel.

Mr. NEWMAN. Mr. Rockefeller, a relatively personal question. Are there ever any times when it is a disadvantage to be named Rockefeller?

Mr. ROCKEFELLER. Oh I suppose so. Can't say that it worried me very much.

Mr. NEWMAN (laughing). There are none that come to mind? I mean, you don't feel yourself marked out, and that as soon as people know who you are, all eyes are on you?

Mr. ROCKEFELLER. Well I suppose to the extent that anyone has a name that is prominent, and they are treated differently from other people, one isn't happy about that. But I don't feel that it's all that disturbing.

Mr. NEWMAN. You referred, earlier in this conversation, to your brother, Governor Nelson Rockefeller.

Of course you have another brother, Governor Winthrop Rockefeller, and you have other people in your family who have embarked on political careers. Do you have any political ambition?

Mr. ROCKEFELLER. No. I have been interested in public service all my life. Matter of fact, my first job was as secretary to Mayor LaGuardia here in New York. Found that a very interesting experience. I've greatly enjoyed the opportunities that my relationship with the Chase Manhattan Bank has given me to serve in various capacities. I am fortunate to have been asked to serve on various Presidential and other committees, and participate in a number of ways such as the Urban Coalition, in public affairs. But I have no ambition to emulate my two distinguished brothers.

Mr. NEWMAN. In fact, the line between what is called private enterprise but which really isn't so private, and public life, is not so clear-cut, is it? I mean, a man in your position does a tremendous amount of public work.

Mr. ROCKEFELLER. It really is true. I suppose I spend somewhere between twenty-five and thirty percent of my time in things that might be described "public" in one way or another, either in direct participation with government as in some of these committees, or on quasi-public, civic type of activities.

Mr. NEWMAN. It is also true that it's impossible for business to function without coming into politics, isn't it? It's even impossible now to deal with economic matters, the Alliance for Progress for example, without coming into it as an intensely difficult political issue, the issue of birth control.

Mr. ROCKEFELLER. That certainly is true.

Mr. NEWMAN. Which leads me back, I think, to Latin America, where the population problem is a staggering one. There have been estimates that the population of Latin America is going to double in twenty-five years. Now do people who offer assistance to Latin American countries, Latin American governments, industry, whatever, have the right, do you think, to impose conditions or attempt to impose conditions, including birth control programs, on them?

Mr. ROCKEFELLER. I would question whether they would be wise in trying to impose conditions respecting birth control. On the other hand, I see no reason why we shouldn't explain very clearly what the advantages and needs are to control population, and work with governments who are willing to have us work with them in determining methods that could reduce the rate of population growth. I would very much favor that.

Mr. NEWMAN. There is more to it than that, of course. I mean, these countries I suppose have to be advised to do some other things as well, such as not seek to industrialize quite so fast as they all tend to, to try to build up their agricultural production more.

Mr. ROCKEFELLER. Yes, I think economic growth must be a balanced one, and I fully agree with you that perhaps too little emphasis has been placed on agricultural development relative to large-scale industrial development. Having a steel mill has become some kind of prestige item in the minds of many countries, and this may or may not be the thing that they need the most. I certainly feel it's important for us to use our influence and give our assistance in trying to help these countries direct their economies in the way that will be most to their advantage.

Mr. NEWMAN. I've seen estimates—speaking of population explosions—that the population of this country is going to be something like three hundred million or perhaps even three hundred forty million by the end of this century, by which time it will surely be an academic problem to me. But anyway, is it possible to say that's too many? Is it ever possible to figure out what an optimum population would be—the ideal population? I realize it's a matter of density and distribution as well. But are we losing something in the United States by having so many people?

Mr. ROCKEFELLER. That's a pretty difficult question to answer. I certainly am inclined to feel that there must be some limit beyond which it would not be to our country's advantage to go. On the other hand, I can't imagine that we would want to take steps to put an absolute ceiling on it. It seems to me that we would be better advised merely to take steps to discourage the rate of growth. And perhaps to make the best use of our resources for the benefit of that population which we do have.

Mr. NEWMAN. Well, if we look forward a bit, given the population growth, can we figure that we're going to have a shorter working week, for example?

Mr. ROCKEFELLER. Possibly. I think, myself, that the wants of man are almost unlimitedly expansible, and therefore I'm not concerned about overproduction in the sense that we can produce more goods and services than people can consume. We might of any given product, but not overall. And I imagine there probably will be a gradual trend to somewhat shorter hours and more leisure. But I don't believe that this will be forced in a rapid way, because of technological advance, as some people have suggested.

Mr. NEWMAN. Let me ask you one other question, a very brief question. Is the check going to disappear and be replaced by the credit card? Should have asked about it at the beginning.

Mr. ROCKEFELLER. The credit card has become an important factor in our economy today, and I imagine it will continue to grow. I doubt, myself, whether we will ever have a completely check-less society. I think there are too many conveniences for the check.

Mr. NEWMAN. The future is not check-less then?

Mr. ROCKEFELLER. I don't believe so, altogether.

Mr. NEWMAN. Thank you very much, Sir. David Rockefeller has been speaking freely. This is Edwin Newman, NBC News.

Saigon Government Rewards Corruption

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. UDALL. Mr. Speaker, today's news again reveals the abysmal gulf between the official fiction and the harsh reality of our "other war" in South Vietnam.

My colleagues will recall the great fanfare some months ago when two high officials in the South Vietnamese Army were dismissed for corruption. We were told this was significant. It was the start of the big cleanup. At last, we were told, we could expect our ally in Saigon to crack down on those people in high places who were robbing us blind.

So what has happened? Those two high officials have been promoted to even higher places. Their "punishment" turns out to be a reward. All of this is set forth in an article appearing in today's New York Times, which, without objection, I shall insert in the RECORD following my remarks.

I should like to call my colleagues' attention to another item appearing in the same newspaper. This is an editorial concerning the sad fate of the one South Vietnamese official known to oppose corruption. I am speaking of Maj. Gen. Nguyen Duc Thang, the officer entrusted with directing both the pacification program and efforts to eliminate corruption in the South Vietnamese Army.

What has happened to General Thang? He has become so embittered by the noncooperation of his fellow officers in that august army that he has resigned.

Mr. Speaker, I think it is time the American people stopped kidding themselves about the progress we are making in this "other war." Our ally, the Government of South Vietnam, is quite evidently unwilling to clean out the corruption of which today's press again reminds us. And until this is done there is virtually no chance that anything like a majority of the people of South Vietnam—let alone Vietnam as a whole—will ever give that government their support. And, without their support, all our efforts will be in vain.

What a strange kind of commitment we are honoring in Vietnam. Here at home we are told Americans are in this war to help the Vietnamese resist aggression. But is this the way the Vietnamese see it?

Just a few weeks ago a member of the Vietnamese National Assembly argued against lowering their draft age to 18, contending that Vietnamese should not be called upon to die for Americans in an American war. On hearing this convincing argument his fellow assemblymen voted 46 to 1 against lowering the draft age. Of course, they expressed no objection to continuation of the 18-year-old draft for American boys.

As long as this is an "American war" which they are merely tolerating, they apparently feel it is only natural that we should carry the greater burden. Apparently we face an uphill struggle to capture the hearts and minds of the South Vietnamese Government, to say nothing of its people.

Mr. Speaker, the other morning I heard Robert Komer, the head of our country's pacification effort, describe in glowing and effusive terms the great and substantial progress being made in this "other war." I would like to know how these bleak facts fit into that rosy picture.

Without objection I also insert the New York Times editorial at this point in the RECORD:

SAIGON REWARDS TWO DISMISSED AIDES—MEN ACCUSED OF CORRUPTION GET HIGH POSTS IN ARMY

(By Charles Mohr)

SAIGON, SOUTH VIETNAM, January 29.—Two South Vietnamese Army officers dismissed from Government positions last fall on corruption charges have been placed in desirable army job, it was disclosed today.

The official announcement of their dismissal last fall said that they would be severely punished.

The officers, both lieutenant colonels are Le Duc Dat, the former chief of Phuoctuy Province, and Ho Nhat Quan, the former appointed Mayor of Vungtau, a seaside resort town just east of Saigon, Phuoctuy Province is just to the north of Vungtau.

The dismissal announcement had said that Colonel Dat would be "severely punished" for "having committed mistakes while discharging his duties having indulged in illegal activities."

NAMED A COMMANDER

The announcement added that Colonel Quan had been ordered to report to the Defense Ministry for strong disciplinary measures

Informed sources have disclosed, however, that Colonel Quan has been made commander of artillery forces in the III Corps area, which includes a dozen provinces around Saigon. Colonel Dat, the sources said, has been made assistant commander of the 18th South Vietnamese Army Division.

The case is not without precedent here.

Americal advisory officials in another province recently made a determined and prolonged attempt to document the corruption and inefficiency of a military officer holding a provincial job. He was promoted one grade in rank and given a better job.

An American working in the field remarked: "The promotion policies of the South Vietnamese Army can be summed up in five words, 'foul up and go up.' "

For several days, Vietnamese military spokesmen avoided answering questions about the present assignments of Colonels Dat and Quan. Finally, they flatly refused to answer. Inquiries to a Vietnamese civilian information official also failed to elicit answers. However, informed sources in the military region where the two officials are working disclosed their asssignments.

Colonel Dat enjoyed a good reputation for ability and drive with his American colleagues. His dismissal did not especially cheer some Americans.

THE HONEST VIETNAMESE

Old Vietnam hands in the American mission have called him "the most effective administrator, innovator and inspirational leader South Vietnam has produced in seven years."

Vice President Nguyen Cao Ky has said he is "the most valuable, most trusted, general in the Vietnamese Army."

The Vietcong grudgingly concede in a captured document that he is "very determined to succeed."

Everyone acknowledges that he is "incorruptible," a rare quality in Saigon these days.

He is Maj. Gen. Nguyen Duc Thang, Number Two man in the Vietnamese Army and the man entrusted with the two most vital programs in Vietnam's crucial "other war"—pacification and the elimination of corruption.

General Thang resigned last week, embittered by the failure of the Thieu regime and his fellow officers to support his anticorruption drive and frustrated by the continuing ineffectiveness of pacification programs to which he has devoted himself tirelessly for more than two years.

The departure of this honest and able Vietnamese from the military regime casts a shadow over persisting official American hopes for reform in Saigon. It calls into question the unwavering public optimism of Robert E. Komer, who directs American support of the pacification program. And it reinforces the grave doubts about the regime and the "other war" voiced by Senator Edward M. Kennedy of Massachusetts following his recent visit to Vietnam.

General Thang's resignation adds urgency to Senator Kennedy's demand for "a confrontation between our Government and the Government of South Vietnam on the entire question of corruption, inefficiency, waste of American resources and the future of 'the other war.' "

Dr. Bob Jones, Sr.

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. DORN. Mr. Speaker, Dr. Bob Jones, Sr., one of the world's greatest evangelists, an educator, a dedicated and devoted American, recently passed on to his eternal reward.

Among the many eulogies and editorial tributes to this great Christian American in the news media of the Nation was the following editorial in his hometown paper, the Greenville News, Greenville, S.C., on January 18, 1968:

DR. BOB JONES, SR.

On the day that Dr. Bob Jones, Sr., simply fell asleep after 84 years and a period of declining health, one who had worked with him and loved him most if not all of his adult life summed it up:

"There must have been great rejoicing in Heaven this morning when that old warrior arrived at the gates."

We are sure that sentence, spontaneous and affectionate, aptly sums up the feelings of Dr. Jones' countless friends and admirers, the thousands who had heard him preach and the many more who knew him only by his personal reputation and that of the University he founded and gave his name.

The death of Dr. Jones came as a shock to his family and friends, of course, but it was not unexpected. The atmosphere on the campus is not so much one of mourning as of remembering the extraordinary man as a powerful personality and of tribute to his long and fruitful career.

We were struck by the phrase, "old warrior," used by his longtime associate. In many ways it characterizes Dr. Jones' evangelical ministry which spanned almost exactly the biblically allotted three score years and ten.

So many times have we heard him refer to BJU ministerial students as "our preacher boys" that we suspect, somehow, the phrase stemmed from the fact that he was himself a "boy preacher," speaking from the pulpit at 13 and licensed to preach at 15.

He didn't stop preaching until a short time ago and as a preacher he was, indeed, a warrior. "Dr. Bob" was a man of unshakable fundamentalist beliefs, a born conservative and a fighter by nature. In the defense and extension of his beliefs and in his efforts to achieve his firm purposes he was indomitable and uncompromising.

Those two words applied to his relations with friend and foe alike, and such a man always has his foes. Those characteristics were hallmarks of his evangelistic career.

They were apparent in the founding and building of Bob Jones University. We believe he was the first to call it "the world's most unusual university," which without a doubt it is.

They are reflected, too, in the fact that his son and his grandson are following closely in his footsteps even while possessing, each in his own right, the individuality which is a part of the Bob Jones legacy.

It would be presumptuous for anyone to attempt to evaluate the life and career of this strong man. For, as long as Bob Jones University stands, as long as there is a Jones of his lineage engaged in evangelism, so long will that career extend.

Understanding Eartha Kitt

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. MICHEL. Mr. Speaker, in all of the comment regarding the recent unfortunate incident at the White House involving Mrs. Johnson and Miss Eartha Kitt it appears that there is no "middle-ground" opinion. One view has it that Miss Kitt was justified in her actions and should not be criticized and the other extreme has it that Miss Kitt was guilty of violating all of the elementary rules of good grace and manners in her confrontation with the President and Mrs. Johnson.

I was interested, therefore, in reading an editorial appearing in the Peoria Journal Star, January 23, 1968, which, while not excusing Miss Kitt, does give some rather perceptive reasons as to why she behaved in such an atrocious manner. The editorial goes on to discuss the quality and style of dissent in general as it has been expressed all over the country in recent months by various individuals and groups in our society who are dissatisfied with this or that aspect of life in this great country of ours.

I include the editorial at this point in my remarks:

UNDERSTANDING EARTHA KITT

If Eartha Kitt's taking unfair advantage of her guest status at the White House upset you, consider for a moment that this is a lot better than the times when Miss Kitt wouldn't have been there, and Negroes generally operated under the rule of staying out of sight and sound as much as possible.

"Keep quiet" and "don't bother anybody" was a way of life, and not a good one.

Upon discovery that they can speak up, that they can be heard, that they can complain, and that they can get cheers and sometimes agreement from their complaints, it is certainly true that many Negroes have not only thrown that old rule overboard, but in the freedom of it have gone much farther and thrown away a lot of other rules.

So what have long been regarded as legitimate and "responsible" methods of complaint, and self-imposed social rules as to time and place which have long been followed by the average person in America have also been thrown overboard and violated from time to time.

Each time it sends out a shock wave among all who have always accepted, as a matter of common decency, standards for complaint.

We seem beset these days by young people, ignorant of the long self-imposed standards of fair play in our free society, who throw all rules to the wind when they want to raise cain about something . . . and show business people, who never understood much about matters of taste, anyway, have been doing likewise, when they have a kick to make.

Miss Kitt is show business, and it isn't surprising that she doesn't realize there is something cheap in using Mrs. Johnson's prominence and newsworthiness to get attention that she couldn't get on her own.

So, Negroes are not alone in this, but they, alone, have a reason for it.

It must be remembered that Negroes were largely prevented from taking part for a long, long time. They had no practice at complaining, even though they had much to complain about.

It's a new experience and a new freedom.

If by the standards of most of us, who have had our own occasions to complain, and have worked out over the generations acceptable ways to go about it, they seem to get "carried away" at times, or to throw in everything they can dream up when "reaching" for a complaint, or to choose a platform or method of complaint that is offensive, and even unfair, we must remember that we came by these standards through practice, and through learning that some ways are more effective, and others just more offensive.

We must remember that they were denied that practice and experience.

They're just getting it now.

It is much better than the old silence.

It will be better still, of course, when it becomes less strident and more specific and constructive . . . when we get working and workable complaints put where they'll do the most good in the manner that can get the fastest action.

That will come as it is finally discovered that there are a great many people willing to work on the nuts and bolts of problems, wherein the real progress comes—and it is more urgent to get down to nuts and bolts than to run in circles enjoying to the fullest the right to complain.

For the mere right to complain is empty if just exercised for its own sake, without skill, judgment and a sense of specific purpose.

Negroes will discover this, just as most of us have.

Youth may not, if pampered as they have been.

And show business apparently never will, because the show business involvement in policy and politics has combined a hopeless and irresponsible mixture of monumental ego and rampant emotions ever since John Wilkes Booth threw aside all sense of reason at Ford Theater in making his political point.

The World We Want

HON. JACOB H. GILBERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 1968

Mr. GILBERT. Mr. Speaker, I would like to call to the attention of my fellow Members an article by AFL–CIO President George Meany in the inaugural issue of International, the new monthly publication of the Seafarers International Union of North America. Mr. Meany calls upon union members to make the great dreams of the American labor movement come true by step-by-step progress "by men willing to work, to sacrifice, to struggle." Mr. Meany's premise is that eloquence is no substitute for action—a principle that has guided the labor movement throughout its history. That principle has also been the watchword of those who have worked most effectively to win better, fuller lives for all Americans. With permission, I now offer Mr. Meany's article, "The World We Want," for inclusion in the CONGRESSIONAL RECORD, as follows:

THE WORLD WE WANT

(By George Meany, President, AFL–CIO)

It is not at all surprising that the Seafarers International Union of North America is discussing "The World We Want."

Every generation of American trade unionists, starting with the Philadelphia cordwainers who united in a brotherhood of workers when the Republic was barely a decade old, has discussed this subject.

They discussed, they decided, they planned and they acted. And in great part each generation has benefited—for trade unionists have never been satisfied with just bettering themselves or their fellow Americans. Their eyes have always been on the future—on the kind of world they would build for their children and their children's children.

So it is today. The SIU and all the unions of the AFL–CIO are dedicated to building a better today. But they also dream of a far, far better tomorrow. And they dare to so dream because they are confident of achievement through a very practical mechanism—the trade union movement itself.

Dreamers, yes. But first of all they are practical men who know dreams can be achieved a step at a time by men willing to work, to sacrifice, to struggle. That is the way to achieve the kind of world I think America wants.

But first, before we can plan for tomorrow, we have to consider where we are today.

Today the rights of labor—the right to organize, to bargain collectively and to strike—are firmly established by law. Although the law is sometimes violated, the violations are subject to legal remedy, imperfect though it may be.

The labor movement itself has grown from a beleaguered handful into an accepted and influential force in American life. Moreover, though our critics are many and noisy, the AFL–CIO is widely recognized as a force for good.

And what a tremendous impact this has had upon American life as a whole!

Especially in the last quarter century, the conditions won by unions at the bargaining-table have spread to many other workers all over the nation. Wages have risen and work weeks have shrunk. Paid vacations and holidays, pensions, health insurance have become standard.

But vastly more important, the basic nature of American society has changed for the better. There is almost universal acceptance of the trade union principle that it is the obligation of the people as a whole, acting through their government, to insure the economic and social well-being of all, to eliminate injustice, to widen opportunities and to sustain a continuing campaign against all barriers to human progress.

To be sure, reactionaries are still among us. But except for a fanatical fringe, even today's reactionaries have come to recognize that it is indeed a duty of government, as the Constitution puts it, "to promote the general welfare."

So we approach the future having achieved many of the goals of the founders of organized labor. And the victories of the past suggest that as we look to the future, we must count no goal too high nor any dream impossible of fulfillment.

Let me list a few of them:

We want a society in which poverty and near-poverty are unknown, remembered only by historians; a society whose every member has a comfortable home, an ample table and full access to the good things of life.

As an essential prerequisite, we want a society in which every person able and willing to work has absolute assurance of a job at decent wages.

Equally essential, we want a society in which there is limitless opportunity for all—

and education, employment and every other avenue.

We want a society in which there is far more leisure time, with far more rewarding ways to fill it—more music and drama, more parks and woodlands, more time to fish and clean streams and rivers to fish in.

Inherent in such a society are many other specifics—retirement early enough to enjoy leisure and with an adequate income to insure that leisure, the best of medical services without financial penalty, the finest schools and colleges with room enough for all and available to all—for without these, the other wants cannot be met.

But the world we want involves more than the perfection of society in the United States. The world we live in is today a small one. There is no spot on earth too remote to be hit by an atomic missile launched anywhere else. So the world we want must also be one in which a free society can be secure. Here, too, there must be no limit to our dreams.

We want a world in which all men, in all nations, will be free—free from tyranny, free from fear, free from poverty and ignorance; free to pursue their own destiny in their own way, free to choose their government and, above all, free to change their minds and change that government.

We want a world of peace—peace based upon freedom, security and progress, upon the abundant well-being of all mankind.

Does all this sound visionary? I hope not. For in the light of where we are and where we have come from, it is less visionary today than the goal of the early trade unionists who sought free public schools a century and a half ago.

Every objective I have cited goes only a little beyond those that are already in sight, if not within reach. Now let us talk about reaching them.

The first step is a hard-headed recognition that the tallest buildings go up one floor at a time. I do not know of any form of human endeavor, individual or collective, in which it is possible to leap from a dream to its realization without a great deal of hard work in between.

Every calling has its quota of individuals who can't or won't accept this disagreeable fact. I am sure you have your share of youngsters who want to steer the ship without the preliminary toil of learning how to coil a line. There are countless others who see themselves as editors or columnists, but scorn such mundane skills as spelling and grammar. Still others demand immediate acceptance as artisans—electricians, carpenters, plumbers and the like—without ever having learned the trade.

So it is with the world we want. To cite only one example, poverty cannot be abolished by a Congressional declaration of good intentions. Poverty will be abolished only by the combined effect of a vast number of undertakings, involving public works, tax policies, housing, education, social security, public assistance, medical care, unemployment compensation, wage-hour statutes and many more. To those who only dream of the ultimate, who yearn for an instant millennium, many of these undertakings appear to have distressingly limited objectives. But these are the bricks with which the world we want must be built, brick after brick after brick.

These bricks will not be laid in their courses without still another kind of practical, day by day effort—political effort. Keeping precinct card-files, ringing doorbells, baby-sitting for voting mothers on Election Day may be uninspiring drudgery to some who believe that a proper platform for their own eloquence would be more than enough. It would be easier, but it wouldn't win elections.

Although the relationship may appear to be more remote, the same principle applies to world affairs. Human freedom will not be extended to new areas, nor protected where it now prevails, by dramatic gestures or moving appeals. Freedom must be protected the hard way, as young Americans are protecting it now in South Viet Nam. Freedom will be extended only as other peoples, one by one, are inspired by the example of those who enjoy it, and escape from the chains of tyranny. To an even greater degree than in domestic matters, this can come about only step by patient step.

There may be some readers who think I have contradicted myself by urging—as some might put it—big ideas and small actions in pursuing "The World We Want." I disagree.

In summary, my message is this:

Let us never forget that tomorrow is shaped by today. Long ago the AFL–CIO put it this way:

"What we, the citizens of today, do will shape the world our children will inherit tomorrow. If they are to be free and secure and enjoy happiness, we must lay the groundwork. It is to building this better world that the AFL–CIO is dedicated—to the ultimate good of all mankind."

In setting our sights on that world, let none of our dreams be small ones. Let our ultimate goal be the ultimate itself, undefiled by doubts or fears or what, in 1967, might seem to be realities.

But as we continue on this quest, as old as the history of man, let us ever be aware that great gains are an accumulation of smaller ones, just as an army's triumph is won by its platoons, it companies and its battalions.

No dream can be too great; no need can be too small. This, I submit, is the road to "The World We Want."

HOUSE OF REPRESENTATIVES—*Wednesday, January 31, 1968*

The House met at 12 o'clock noon.

The Very Reverend Joseph A. Grifferty, O.S.A., pastor of St. Nicholas of Tolentine Church, Bronx, N.Y., offered the following prayer:

Almighty and eternal God, You have created man to Your own image and likeness, that he might know You, love You, and serve You. Heavenly Father, You have planted in every human heart love of home and country. Grant that these legislators, through their knowledge and love of You, may serve You and their country to the full extent of their God-given abilities. Enlighten their minds and move their wills so that every decision of theirs may redound to the benefit of our beloved country and bring credit to their solemn deliberations. Left to their own devices, their best efforts for the common good might fall short of their goals, but assisted by Your guidance and help, we are assured of the success of their bipartisan endeavors and this aid we humbly ask through Your benevolent interest in the work of Your dedicated servants. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 14563. An act to amend the Railroad Retirement Act of 1937 and the Railroad Unemployment Insurance Act to provide for increases in benefits, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1542. An act to amend section 408 of the National Housing Act, as amended, to provide for the regulation of savings and loan holding companies and subsidiary companies.

DON'T MAKE A MOCKERY OF AMERICAN SACRIFICES

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, I sincerely hope published reports indicating a willingness by the administration to compromise with the Communists to get to the conference table are incorrect. Cessation of bombing without matching concessions by the Communists is too high a price to pay for negotiations.

There should not be a cessation of bombing until the fighting in the south by the North Vietnamese and the Vietcong forces is stopped. Realistic action by both sides to bring about negotiations would provide reason to anticipate a measure of success at the conference table. Surely those who are eager for negotiations at any price realize that the failure of the Communists to provide a quid pro quo means the fighting would go on indefinitely while endless negotiations take place. This would result in killing more Americans and in raising the eventual price for peace.

THE BEST WAY TO LOSE A FRIEND IS TO LEND HIM MONEY

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LONG of Louisiana. Mr. Speaker, it was indeed shocking to all Americans, although it came as no great surprise after our earlier experiences, that the North Korean Communists would commit one of the most drastic acts of piracy by seizing a ship and crew of the U.S. Navy in international waters. But the American people are dismayed by this grave insult and by the virtual silence of our erstwhile allies.

It is certain that if we allow North

Korea to keep the *Pueblo* and to punish the 83 American servicemen aboard her, then no American vessel on any ocean or sea will be safe from seizure by any two-bit nation who wishes to make political profit at our expense.

It is a sad commentary on the honor of the Western nations and the gullibility of the U.S. Government to further observe that of the more than 100 countries America has helped economically and/or militarily over the past two decades, none have shown any strong evidence that they are clamoring to come to our assistance in this incident.

To our considerable discomfort we have failed to heed the age-old advice that the best way to lose a friend is to lend him money. Viewed in the aftermath of the *Pueblo* incident, this is a graphic if tragic lesson.

It should be forever implanted in the minds of all Americans that we cannot buy friends, for at the expense of billions of dollars in foreign aid since the end of World War II, we have pressed our paternalism upon both friend and foe and lost the respect of the world.

TWENTY-FIVE MEMBERS URGE COLLECTION OF FRANCE'S WORLD WAR I DEBT

Mr. WOLFF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Speaker, it has been said that an effort to secure payment of France's World War I debt, now totaling $7 billion, is a futile gesture.

The fact that this effort is not a mere exercise is evidenced by the resolution I am introducing today with 24 cosponsors from both sides of the aisle. In addition several other distinguished Members have supported this position with their own legislation.

The point is clear: 30 Members believe France should be made to pay its World War I debt. They have already indicated their position. I ask the rest of the House: Do you not believe that we should call in France's war debt? Do you believe we should continue to accept De Gaulle's challenge while this debt is outstanding?

We now have 30 Members. Now I am looking for 30 more. And 30 after that. I believe a majority of the Members support the effort to collect this just and due debt. Would not you indicate your support? Tomorrow I have obtained a special order. Will you not join in this effort to get De Gaulle to pay what he owes us?

VETERANS' BENEFITS AND CITIZENSHIP FOR GI ALIENS

Mr. RYAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN. Mr. Speaker, yesterday, in his message on America's servicemen and veterans, the President very wisely recommended increased efforts to assist the Nation's veterans.

Justice compels us to give the maximum benefits to veterans who have risked life and limb for their country. Yet there is one category of veteran who will remain excluded from many of the new benefits, and the injustice will grow as benefits increase. I am referring to the several thousand aliens on active duty who are still not eligible for early citizenship, despite the grave risks they take for the United States in Vietnam and elsewhere.

On the first day of the 90th Congress I reintroduced legislation—H.R. 40—which provides that lawfully admitted aliens serving honorably on active duty will be eligible to apply for U.S. citizenship immediately. I regret that the Congress did not act on this bill before adjournment.

In his message yesterday, the President proposed the Veterans in Public Service Act. But because of the longstanding general prohibition against using Federal appropriations to pay the compensation of any employee of the U.S. Government, unless such employee is a U.S. citizen—Public Law 90-147—many veterans, including hundreds of combat veterans, may not be able to participate in the veterans in public service program and the various training programs. In addition, aliens are not eligible to take civil service examinations. This makes the adoption of H.R. 40 all the more essential.

President Johnson yesterday repeated a call that he first made as a Member of this body some 20 years ago, on the floor of this House, when he said that it is this Nation's responsibility to see to it that "the veteran may return to his community as a free, upstanding, and self-reliant citizen." I stress the word "citizen," and I urge immediate action so that all veterans will be eligible for citizenship.

BUCKPASSING IN THE DEPARTMENT OF JUSTICE?

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, the deal whereby Napco Industries, of Minneapolis, Minn., was allowed to unload in India nearly $4 million worth of gearmaking machinery, much of it junk, reeks of incompetence or fraud or both and no one in the executive branch of Government seems to want to do anything about it.

The Agency for International Development, which financed this deal, was warned in 1962 that it was bad. Yet it did nothing. Later, the details were again spelled out to AID officials—this time by one of their own employees. Again almost nothing was done.

Last year, the General Accounting Office severely criticized this flagrant misuse of the taxpayers' money and, after the sordid story was unfolded before the House of Representatives, it was finally announced the Department of Justice would investigate.

That was 2 months ago, and what has happened? Why is the Justice Department reluctant to act? Can it be that the powerful political connections enjoyed by Napco Industries have come into play?

Incidentally, why has the usually loquacious Vice President HUBERT HUMPHREY, of Minnesota, declined comment on either the Minneapolis Napco deal or the defunct Universal Fiberglass deal at Two Harbors, Minn.? Has he suddenly become "HUBERT the Silent?"

Mr. Speaker, I am informed that there are further transactions of Napco under investigation by private interests—dealings, I am told that bear a striking similarity to the junk machinery deal in India. I am aware of at least one of these transactions and I hope to have the complete story in connection with it in the near future.

Meanwhile, is there buckpassing in the Justice Department? If not, why has the Department not acted?

CALL OF THE HOUSE

Mr. ICHORD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 9]

Andrews, N. Dak.
Cederberg
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Conte
Corbett
Corman
Cramer
Daddario
Dingell
Erlenborn
Evins, Tenn.
Fountain
Giaimo
Green, Pa.
Halleck
Hansen, Idaho
Hansen, Wash.
Karsten
Kupferman
Long, Md.
McClory
McFall
Mills
Mink
Monagan
Moore
Moss
O'Hara, Mich.
Passman
Robison
Rosenthal
St. Onge
Shriver
Smith, Iowa
Stuckey
Taft
Talcott
Thompson, Ga.
Tunney
Whalen
Whitten

The SPEAKER. On this rollcall 387 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONSTITUENTS WHO WILL NOT RECEIVE SOCIAL SECURITY INCREASES

Mr. BURTON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BURTON of California. Mr. Speaker, I believe a number of my colleagues are in for a surprise when the social security checks are delivered as a result of the social security legislation we enacted late last year. When these checks arrive in the first week of March there will be a number of your constituents who are not going to receive any net increase in their monthly income.

I should like, for example, to cite the State of Georgia, which has some 127,400 persons receiving aged, blind or disabled public assistance aid. There are some 10 congressional districts in Georgia, and that will be an average of 12,740 constituents of each of our colleagues from Georgia who, when they receive their checks in March, will receive no net income increase at all, because they are either concurrent recipients of social security and aged, blind or disabled welfare aid—or they have no other outside income and are solely reliant on public assistance.

But if one happens to be a Congressman from Arkansas, there will be an average of some 20,000 of his constituents who are aged, blind or disabled who, when they receive their checks in March, will find they do not receive one penny—I repeat, will not receive one penny of net income increase as a result of the social security legislation enacted by this Congress.

If one happens to be fortunate enough to represent the State of Florida, where there are some 100,600 persons affected, an average of 8,500 constituents in each Florida congressional district will not receive one penny net increase in their income as a result of the social security legislation enacted by this Congress late last year.

I have only a few seconds remaining, so I cannot mention any other States today, but I am going to spend my time from day to day informing the membership from other States just what unjustified disparity and inequity will result in our social security bill of late last year. I am sure many Members are aware, but a few may not be, that the legislation we enacted—as I predicted during the course of the debate on the social security bill last year—left out a great number of each of your respective aged, blind, and disabled constituents.

THE PRESIDENT'S MESSAGE ON VETERANS AFFAIRS

Mr. NEDZI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. NEDZI. Mr. Speaker, I want to emphasize a point made by the President in his special message to the Congress on veterans affairs.

President Johnson observed that his call for new veterans legislation was more than a message to Congress. He called it a message to the men and women of the Armed Forces.

Indeed it was.

The proposals made in behalf of veterans demonstrate an awareness of what is being asked of these men. They show an understanding of sacrifices by men who are moved by patriotism, and they show a realization of the obligations owed them by the Nation as a whole.

The message will be heard and appreciated by all those men and women now serving and by those recently called to active duty.

These same people will be watching for still another message, and we are the ones who will send it. By our action or inaction on the President's proposals, we will be sending answers to these questions:

Are we concerned enough about the ones they leave behind to give them adequate life insurance?

How will we help the serviceman in his transition back to civilian life?

Will we take the necessary steps to insure that he gets the best medical care?

How will we use his newly developed talents and how will we help him channel them into civilian pursuits that will benefit him and the nation as a whole?

When we ask him to teach in the ghettos where his leadership is so sorely needed, will we ask him again to serve out of patriotism alone or will we see that he is justly compensated?

Our response to these questions will be a message from the American people. I am sure they want it to be a message of encouragement.

It will show how the people feel about the sacrifices made by their sons and husbands as they meet the enemy in Vietnam; as they leave their homes and jobs for a sudden call to active duty; stand ready in aircraft that can turn toward an aggressor on a moment's notice; or as they gather vital intelligence off an enemy coast.

Regardless of the action we take, these men will continue to do their duty as they see it. But the only way they can be sure their sacrifices are understood and appreciated is to receive a message from this Congress in the form of quick action on the President's recommendations.

I urge you to give these proposals the same careful attention and speedy enactment that followed the President's 1967 proposals on this subject.

COMPENSATION FOR VOLUNTEER FIREMEN

Mr. GUDE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GUDE. Mr. Speaker, today I have introduced a bill to provide compensation for totally disabled local firemen—volunteer as well as paid—and survivors of volunteer and paid firemen disabled or killed while serving in the line of duty in an area of civil disorder.

We all know the hazards encountered by these valuable men of our communities under normal firefighting circumstances. But if they must be called upon to serve in an area of civil disorder, they risk the additional perils of hurled rocks, slashed hoses, and even gunfire. In such instances, the volunteer fireman is just as vulnerable to injury and death as the paid fireman—perhaps even more so because he usually has had less training and experience.

In the United States, it is estimated that there are over 900,000 volunteer firemen and 172,000 paid firemen. In my own congressional district, which includes Montgomery, and parts of Howard and Anne Arundel Counties, there are more than 1,500 volunteer firemen and more than 300 paid firemen. I believe these figures clearly indicate the need for legislation which covers both the volunteer and paid firemen who may have to serve under more difficult circumstances in civil disorders—men who are dedicated to protecting the lives and property of our Nation's citizens.

Mr. Speaker, I join my colleague from the State of Maryland [Mr. Long], who has also introduced this legislation, in urging prompt hearings on the measure.

LEGISLATIVE PROGRAM DURING THE LINCOLN BIRTHDAY OBSERVANCE

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, I have asked for this time for the purpose of asking the distinguished majority leader, the gentleman from Oklahoma [Mr. Albert], a question.

As the distinguished majority leader knows, by tradition and practice, we have had over the Lincoln Birthday period a recess. Many Members on my side of the aisle have made inquiry of me with reference to such possible recess in 1968.

I would like to know, if the gentleman from Oklahoma can tell us, what the plans are for that period of the Lincoln Birthday observance. Our Members are anxious to know the plans and, therefore, I shall appreciate any information which the distinguished majority leader can give us at this time with reference to this question.

Mr. ALBERT. Mr. Speaker, will the distinguished minority leader yield to me at this point?

Mr. GERALD R. FORD. Of course I am glad to yield to the distinguished gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, the distinguished minority leader has discussed this matter with me and we are undertaking to do what we always do and that is to recognize this period as one in which many Members, especially Republican Members, have a lot of home engagements.

Mr. Speaker, we do not plan to have a formal recess. However, it will be our plan to adjourn over from the close of business on Thursday before Lincoln's Birthday which I think is on Monday, until Monday, and have no legislative business on Monday.

It is also our plan, barring some unexpected contingency, to adjourn over from Monday until Thursday, without legislative business, and then to adjourn from Thursday until the following Monday on which day, of course, we will have legislative business.

Mr. GERALD R. FORD. I thank the distinguished majority leader for that information.

Mr. McCORMACK. Mr. Speaker, will the distinguished minority leader yield to me?

Mr. GERALD R. FORD. Of course I am always delighted to yield to the distinguished Speaker of the House of Representatives.

Mr. McCORMACK. Mr. Speaker, I just wanted to make the observation that I hope my Republican friends during this period will try and undertake to show the people of the country, as well as convince the people of the country, that if Lincoln were alive today he would be a Republican.

Of course, all of us know that Lincoln was elected to the second term on the Union ticket. The "radical Republicans" as we know did not renominate him for reelection. The convention was held in Baltimore by the Union Party, a party to preserve the Union. As a result of that convention, Lincoln was nominated, and Johnson, a Democrat, was nominated for Vice President.

So the little, pleasant observation, I think, is very pertinent.

It is my further opinion, Mr. Speaker, that our Republican friends need a lot of time during which to try to convince the people of this country that if Lincoln were alive today he would still be a Republican, when as a matter of fact he would probably be a Democrat.

Mr. GERALD R. FORD. Mr. Speaker, I am always interested, and sometimes amused by the observations of our distinguished Speaker at this time of the year when many of our Democratic friends are trying to embrace Abraham Lincoln. However, they never seem to get the Lincoln philosophy incorporated into their actions and into their speeches. They like the name of Lincoln, but apparently they do not like his philosophy, while we on this side of the aisle from the very beginning have embraced both the philosophy and the spirit of Abraham Lincoln.

Mr. McCORMACK. Mr. Speaker, if the gentleman will yield further, that is a very curious statement since the record over the last 30-odd years on the part of the Republicans shows that the gentleman's statement is inconsistent with the various elections which have been held over that period of time.

CONSUMER CREDIT PROTECTION ACT

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11601) to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by establishing maximum rates of finance charges in credit transactions; by authorizing the Board of Governors of the Federal Reserve System to issue regulations dealing with the excessive use of credit for the purpose of trading in commodity futures contracts affecting consumer prices; by establishing machinery for the use during periods of national emergency of temporary controls over credit to prevent inflationary spirals; by prohibiting the garnishment of wages; by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry; and for other purposes.

The **SPEAKER.** The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11601, with Mr. PRICE of Illinois in the chair.

The Clerk read the title of the bill.

The **CHAIRMAN.** When the Committee rose on yesterday, the Clerk had read through section 1, ending on page 2, line 4, of the bill. If there are no amendments to be offered to this section, the Clerk will read.

The Clerk read as follows:

TITLE I—CREDIT TRANSACTIONS

SEC. 101. (a) The Federal Reserve Act is amended by striking the first section and inserting:

"TITLE I—THE FEDERAL RESERVE SYSTEM

"SECTION 1. This title may be cited as the Federal Reserve Act."

(b) Title I of the Federal Reserve Act is amended by changing "Act", wherever that word is used with reference to title I of the Federal Reserve Act (as so designated by subsection (a) of this section) to read "title".

(c) The Federal Reserve Act is amended by adding at the end:

"TITLE II—CREDIT TRANSACTIONS

"DECLARATION OF PURPOSE

SEC. 201. (a) The Congress finds that economic stabilization would be enhanced and that competition among the various financial institutions and other firms engaged in the extension of consumer credit would be strengthened by the informed use of credit. Significant segments of the population are misled by the manner in which the terms and conditions of credit are offered and contracted for, as well as by advertising in or affecting commerce, which fail adequately to disclose the credit terms offered to buyers in making purchases, or obtaining loans, payable in installments or offered under open end credit plans. Such failure of adequate disclosure tends to increase the uninformed and untimely use of credit by the public, thereby adversely affecting economic stabilization, increasing inflationary pressures, and decreasing the stability of the value of our currency. The informed use of credit results from an awareness of the cost thereof by consumers. It is the purpose of this title to assure a meaningful disclosure of credit terms so that the consumer will be able to compare more readily the various credit terms available to him and avoid the uninformed use of credit.

"(b) Congress further finds that the stabilization of consumer prices would be enhanced by the regulation of speculation in, and the excessive use of credit for, the creation, carrying or trading in commodity futures contracts, as well as the establishment of standby authority for the emergency control of consumer credit.

"DEFINITIONS

"SEC. 202. For the purposes of this title

"(a) 'Board' means the Board of Governors of the Federal Reserve System.

"(b) 'credit' means the right granted by a creditor to a person other than an organization to defer payment of debt or to incur debt and defer its payment, where the debt is contracted by the obligor primarily for personal, family, household, or agricultural purposes. The term does not include any contract in the form of a bailment or lease except to the extent specifically included within the term 'consumer credit sale'.

"(c) 'consumer credit sale' means a transaction in which credit is granted by a seller in connection with the sale of goods or services, if such seller regularly engages in credit transactions as a seller, and such goods or services are purchased primarily for a personal, family, household, or agricultural purpose. The term does not include any contract in the form of a bailment or lease unless the obligor contracts to pay as compensation for use a sum substantially equivalent to or in excess of the value of the goods or services involved, and unless it is agreed that the obligor is bound to become, or for no other or a merely nominal consideration has the option of becoming, the owner of the goods upon full compliance with the provisions of the contract.

"(d) 'finance charge' means the sum of all the charges imposed directly or indirectly by a creditor, and payable directly or indirectly by an obligor, as an incident to the extension of credit, including loan fees, service and carrying charges, discounts, interest, time price differentials, investigators' fees, costs of any guarantee or insurance protecting the creditor against the obligor's default or other credit loss, and any amount payable under a point, discount, or other system of additional charges, except that

"(1) if itemized and disclosed under section 203, the term 'finance charge' does not include amounts collected by a creditor, or included in the credit, for

"(A) fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of or for perfecting or releasing or satisfying any security related to a credit transaction; or

"(B) taxes; and

"(2) where credit is secured in whole or in part by an interest in real property, the term does not include, in addition to the duly itemized and disclosed costs referred to in clauses (A) and (B) of paragraph (1), the costs of

"(A) title examination, title insurance, or corresponding procedures;

"(B) preparation of the deed, settlement statement, or other documents;

"(C) escrows for future payments of taxes and insurance;

"(D) notarizing the deed and other documents;

"(E) appraisal fees; or

"(F) credit reports.

"(e) 'creditor' means any individual, or any partnership, corporation, association, cooperative, or other entity, including the United States or any agency or instrumentality thereof, or any other government or political subdivision or agency or instrumentality thereof, if such individual or entity regularly engages in credit transactions, whether in connection with the sale of goods and services or otherwise, and extends credit for which the payment of a finance charge is required.

"(f)(1) 'annual percentage rate' means, for the purposes of sections 203(b) and 203(c), the nominal annual rate determined by the actuarial method (United States rule). For purposes of this calculation it may be assumed that:

"(A) The total time for repayment of the total amount to be financed is the time from the date of the transaction to the date of the final scheduled payment.

"(B) All payments are equal if every scheduled payment in the series of payments is equal except one which may not be more than double any other scheduled payment in the series.

"(C) All payments are scheduled at equal intervals, if all payments are so scheduled except the first payment which may be scheduled to be paid before, on, or after one period from the date of the transaction. A period of time equal to one-half or more of a payment period may be considered one full period.

"(2) The Board may prescribe methods other than the actuarial method, if the Board determines that the use of such other methods will materially simplify computation while retaining reasonable accuracy as compared with the rate determined under the actuarial method.

"(3) For the purposes of section 203(d), the term 'equivalent annual percentage rate' means the rate or rates computed by multiplying the rate or rates used to compute the finance charge for any period by the number of periods in a year.

"(4) Where a creditor imposes the same finance charge for all balances, within a specified range, the annual percentage rate or equivalent annual percentage rate shall be computed on the median balance within the range for the purposes of sections 203(b), 203(c), and 203(d).

"(g) 'open end credit plan' means a plan prescribing the terms of credit transactions which may be made thereunder from time to time and under the terms of which a finance charge may be computed on the outstanding unpaid balance from time to time thereunder.

"(h) 'organization' means a corporation, government or governmental subdivision or agency, business or other trust, estate, partnership, or association.

"(i) 'advertisement in interstate commerce or affecting interstate commerce' includes, but is not limited to,

"(1) the advertising of goods, services, loans, or open end credit plans through any means or instrumentality of interstate commerce; and

"(2) the advertising

"(A) of any goods which are made in whole or in part of any item which has been shipped and received in interstate commerce,

"(B) of any service which is to be performed using any item which was shipped and received in interstate commerce, or

"(C) of any loan or of any extension of credit under an open end credit plan which is to be made in whole or in part in interstate commerce.

"(j) 'State' means any State, the Commonwealth of Puerto Rico, or the District of Columbia.

"DISCLOSURE OF FINANCE CHARGES; ADVERTISING

"SEC. 203. (a) Each creditor shall furnish to each person to whom credit is extended and upon whom a finance charge is or may be imposed the information required by this section, in accordance with regulations prescribed by the Board.

"(b) This subsection applies to consumer credit sales other than sales under an open end credit plan. For each such sale the creditor shall disclose, to the extent applicable,

"(1) the cash price of the property or service purchased;

"(2) the sum of any amounts credited as downpayment (including any trade-in);

"(3) the difference between the amounts set forth in paragraphs (1) and (2);

"(4) all other charges, individually itemized, which are included in the amount of the credit extended but which are not part of the finance charge;

"(5) the total amount to be financed (the sum of the amounts disclosed under (3) and (4) above);

"(6) the amount of the finance charge (such charge, or a portion of such charge, may be designated as a time-price differential or as a similar term to the extent applicable);

"(7) the finance charge expressed as an annual percentage rate;

"(8) the number, amount, and due dates or periods of payments scheduled to repay the indebtedness; and

"(9) the default, delinquency, or similar charges payable in the event of late payments.

Except as otherwise hereinafter provided, the disclosure required by this subsection shall be made before the credit is extended. Compliance may be attained by disclosing such information in the contract or other evidence of indebtedness to be signed by the obligor. Where a seller receives a purchase order by mail or telephone without personal solicitation by a representative of the seller and the cash price and deferred payment price and the terms of financing, including the annual percentage rate, are set forth in the seller's catalog or other printed material distributed to the public, the disclosure shall be made on or before the date the first payment is due.

"(c) This subsection applies to extensions of credit other than consumer credit sales or transactions under an open end credit plan. Any creditor making a loan or otherwise extending credit under this subsection shall disclose, to the extent applicable,

"(1) the amount of credit of which the obligor will have the actual use, or which is or will be paid to him or for his account or to another person on his behalf;

"(2) all charges, individually itemized, which are included in the amount of the credit extended but which are not part of the finance charge;

"(3) the total amount to be financed (the sum of items (1) and (2) above);

"(4) the amount of the finance charge;

"(5) the finance charge expressed as an annual percentage rate;

"(6) the number, amount, and due dates or periods of payments scheduled to repay the indebtedness; and

"(7) the default, delinquency, or similar charges payable in the event of late payments.

Except as otherwise hereinafter provided, the disclosure required by this subsection shall be made before the credit is extended. Compliance may be attained by disclosing such information in the note or other evidence of indebtedness to be signed by the obligor. Where a creditor receives a request for an extension of credit by mail or telephone without personal solicitation by a representative of the creditor and the terms of financing, including the annual percentage rate for representative amounts of credit, are set forth in the creditor's printed material distributed to the public, or in the contract of loan or other printed material delivered to the obligor, the disclosure shall be made on or before the date the first payment is due.

"(d)(1) This subsection applies to open end credit plans.

"(2) Before opening any account under an open end credit plan, the creditor shall, to the extent applicable, disclose to the person to whom credit is to be extended—

"(A) the conditions under which a finance charge may be imposed, including the time period, if any, within which any credit extended may be repaid without incurring a finance charge;

"(B) the method of determining the balance upon which a finance charge will be imposed;

"(C) the method of determining the amount of the finance charge (including any minimum or fixed amount imposed as a finance charge), the annual percentage rate of the finance charge to be imposed, if any, and, in the case of an installment open end credit plan, the equivalent annual percentage rate; and

"(D) the conditions under which any other charges may be imposed, and the method by which they will be determined.

"(3) For each billing cycle at the end of which there is an outstanding balance under any such account, the creditor shall disclose, to the extent applicable,

"(A) the outstanding balance in the account at the beginning of the billing period;

"(B) the amount and date of each extension of credit during the period and, if a purchase was involved, a brief identification (unless previously furnished) of the goods or services purchased;

"(C) the total amount credited to the account during the period;

"(D) the amount of any finance charge added to the account during the period, itemized to show the amount, if any, due to the application of a percentage rate and the amount, if any, imposed as a minimum or fixed charge;

"(E) the finance charge expressed as an annual percentage rate;

"(F) the balance on which the finance charge was computed and a statement of how the balance was determined;

"(G) the outstanding balance in the account at the end of the period; and

"(H) the date by which, or the period (if any) within which, payment must be made to avoid additional finance charges.

"(4) If a creditor adds to this billing under an open end credit plan one or more installments of other indebtedness from the same obligor, the creditor is not required to disclose under this subsection any information which has been disclosed previously in compliance with subsection (b) or (c).

"(e) Written acknowledgment of receipt by a person to whom a statement is required to be given pursuant to this section shall be conclusive proof of the delivery thereof and, unless the violation is apparent on the face of the statement, of compliance with this section in any action or proceeding by or against an assignee of the original creditor without knowledge to the contrary by such assignee when he acquires the obligation. Such acknowledgment shall not affect the rights of the obligor in any action against the original creditor.

"(f) If there is more than one obligor, a creditor may furnish a statement of required information to only one of them. Required information need not be given in the sequence or order set forth in this section. Additional information or explanations may be included. So long as it conveys substantially the same meaning, a creditor may use language or terminology in any required statement different from that prescribed by this title.

"(g) If applicable State law requires disclosure of items of information substantially similar to those required by this title, then a creditor who complies with such State law may comply with this title by disclosing only the additional items of information required by this title.

"(h) If information disclosed in accordance with this section and any regulations prescribed by the Board is subsequently rendered inaccurate as the result of a prepayment, late payment, adjustment, or amendment of the credit agreement through mutual consent of the parties or as permitted by law, or as the result of any act or occurrence subsequent to the delivery of the required disclosures, the inaccuracy resulting therefrom shall not constitute a violation of this section.

"(i)(1) Prior to July 1, 1968, whenever an annual percentage rate is required to be disclosed by this section, the rate may be expressed either as a percentage rate per year, or as a dollars per hundred per year rate of the average unpaid balance.

"(2) After June 30, 1968, all rates required to be disclosed by this section shall be expressed as percentage rates.

"(j) No creditor, in order to aid, promote, or assist, directly or indirectly, any consumer credit sale, extension of credit, or open end credit plan, may state or otherwise represent in any advertisement in interstate commerce or affecting interstate commerce

"(1) that specific credit terms are available with the purchase of goods or services or the obtaining of a loan, unless the advertisement clearly and conspicuously sets forth

"(A) the cash sale price,

"(B) the number, amount, and period of each installment payment,

"(C) the downpayment, if any,

"(D) the time sale price, and

"(E) the finance charge, expressed as an annual percentage rate;

"(2) that a specified periodic credit amount or installment amount can be arranged, unless the creditor usually and customarily arranges credit payments or installments for that period and in that amount; or

"(3) that a specified downpayment is required, unless the creditor usually and customarily arranges downpayments in that amount.

"(k) No creditor, in order to aid, promote, or assist, directly or indirectly, the extension of credit under an open end credit plan, may state or otherwise represent in any advertisement in interstate commerce or affecting interstate commerce any of the specific terms of such plan unless the advertisement clearly and conspicuously sets forth

"(1) the conditions under which a finance charge may be imposed, including the time period, if any, within which any credit extended may be repaid without incurring a finance charge;

"(2) the method of determining the balance upon which a finance charge will be imposed;

"(3) the method of determining the amount of the finance charge (including any minimum or fixed amount imposed as a finance charge), and the percentage rate per period and the annual percentage rate of the finance charge to be imposed; and

"(4) the conditions under which any other charges may be imposed, and the method by which they will be determined.

"(l) No creditor may demand or accept any finance charge in connection with any extension of credit to a natural person which exceeds

"(1) the maximum rate or amount permitted under the applicable State law, or

"(2) 18 per centum per annum,

whichever is less.

"(m) No creditor may demand or accept in connection with any extension of credit any note or other document authorizing the confession of judgment against the debtor.

"(n) The provisions of this section shall not apply to

"(1) credit transactions involving extensions of credit for business or commercial purposes, or to governments or governmental agencies or instrumentalities, or to organizations;

"(2) transactions in securities or commodities in accounts by a broker-dealer registered with the Securities and Exchange Commission; or

"(3) credit transactions, other than real property transactions, in which the total amount to be financed exceeds $25,000.

"REGULATIONS

"SEC. 204. (a) The Board shall prescribe regulations to carry out section 203, including provisions

"(1) describing the methods which may be used in determining annual percentage rates under section 203, including, but not limited to, the use of any rules, charts, tables, or devices by creditors to convert to an annual percentage rate any add-on, discount, or other method of computing a finance charge;

"(2) prescribing procedures to insure that the information required to be disclosed under section 203 is set forth clearly and conspicuously; and

"(3) prescribing reasonable tolerances of accuracy with respect to disclosing information under section 203.

"(b) In prescribing regulations with respect to reasonable tolerances of accuracy as required by subsection (a)(3), the Board shall observe the following limitations:

"(1) The annual percentage rate may be rounded to the nearest quarter of 1 per centum for credit transactions payable in substantially equal installments when a creditor determines the total finance charge on the basis of a single add-on, discount, periodic, or other rate, and such rates are converted into an annual percentage rate under procedures prescribed by the Board.

"(2) The use of rate tables or charts may be authorized in cases where the total finance charge is determined in a manner other than that specified in paragraph (1). Such tables or charts may provide for the disclosure of annual percentage rates which vary up to 8 per centum of the rate as defined by section 202(f). However, any creditor who willfully and knowingly uses such tables or charts in such a manner so as to consistently understate the annual percentage rate, as defined by section 202(f), shall be liable for criminal penalties under section 206(b) of this title.

"(3) In the case of creditors determining the annual percentage rate in a manner other than as described in paragraph (1) or (2), the Board may authorize other reasonable tolerances.

"(4) In order to simplify compliance where irregular payments are involved, the Board may authorize tolerances greater than those specified in paragraph (2).

"(c) Any regulation prescribed under this section may contain such classifications and differentiations and may provide for such adjustments and exceptions for any class of transactions as in the judgment of the Board are necessary or proper to effectuate the purpose of section 203 or to prevent circumvention or evasion of, or to facilitate compliance by creditors with, section 203 or any regulation issued under this section. In prescribing exceptions, the Board may consider, among other things, whether any class of transactions is subject to any State law or regulation which requires disclosures substantially similar to those required by section 203.

"(d) In the exercise of its powers under this title, the Board may request the views of other Federal agencies which in its judgment exercise regulatory functions with respect to any class of creditors, and such agencies shall furnish such views upon request of the Board.

"(e) The Board shall establish an advisory committee, to advise and conduct with it in the exercise of its functions with respect to section 203 and this section. In appointing the members of the committee, the Board shall seek to achieve a fair representation of the interests of sellers of merchandise on credit, lenders, and the public. The committee shall meet from time to time at the call of the Board, and members thereof shall be paid transportation expenses and not to exceed $100 per diem.

"EFFECT ON STATE LAWS

"SEC. 205. (a) This title shall not be construed to annul, alter or affect, or to exempt any creditor from complying with, the laws of any State relating to the disclosure of information in connection with credit transactions, except to the extent that such laws are inconsistent with the provisions of this title, or regulations issued thereunder, and then only to the extent of the inconsistency. This title shall not otherwise be construed to annul, alter or affect in any manner the meaning, scope or applicability of the laws of any State, including, but not limited to, laws relating to the types, amounts or rates of charges, or any element or elements of charges, permissible under such laws in connection with the extension or use of credit, nor to extend the applicability of such laws to any class of persons or transactions to which such laws would not otherwise apply, nor shall the disclosure of the annual percentage rate in connection with any consumer credit sale as required by this title be evidence in any action or proceeding that such sale was a loan or any transaction other than a credit sale.

"(b) The Board shall by regulation exempt from the requirements of section 203 any class of credit transactions which it determines are subject to State law or regulation substantially similar to the requirements under that section, with adequate provision for enforcement.

"(c) Except as specified in section 206, section 203 and the regulations issued thereunder do not affect the validity or enforcibility of any contract or obligation under State or Federal law.

"CIVIL AND CRIMINAL PENALTIES

"SEC. 206. (a) (1) Any creditor who, in connection with any credit transaction, knowingly fails in violation of section 203, or any regulation issued thereunder, to disclose any information to any person to whom such information is required to be given shall be liable to such person in the amount of $100, or in any amount equal to twice the finance charge required by such creditor in connection with such transaction, whichever is the greater, except that such liability shall not exceed $1,000 on any credit transaction.

"(2) In any action brought under this subsection in which it is shown that the creditor disclosed a percentage rate or amount less than that required to be disclosed by section 203 or regulations prescribed by the Board (after taking into account permissible tolerances), or failed to disclose information so required, there shall be a rebuttable presumption that such violation was made knowingly. The presumption is rebutted if the creditor shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. A creditor has no liability under this subsection if within fifteen days after discovering the error, and prior to the institution of an action hereunder or the receipt of written notice of the error, the creditor notifies the person concerned of the error and makes whatever adjustments in the appropriate account as are necessary to insure that the person will not be required to pay a finance charge in excess of the amount or percentage rate so disclosed.

"(3) Any action under this subsection may be brought in any United States district court, or in any other court of competent jurisdiction, within one year from the date of the occurrence of the violation. In any such action in which a person is entitled to recover a penalty as prescribed in paragraph (1), the defendant is also liable for reasonable attorney's fees and court costs as determined by the court.

"(b) Any person who knowingly and willfully gives false or inaccurate information or fails to provide information required to be disclosed under the provisions of this title or any regulation issued thereunder, or who otherwise knowingly and willfully violates any provision of this title or any regulation issued thereunder, shall be fined not more than $5,000 or imprisoned not more than one year, or both. The Attorney General shall enforce this subsection.

"(c) No punishment or penalty provided for a violation of section 203 or any regulation issued under section 204 applies to the United States, or any agency thereof, or to any State, any political subdivision thereof, or any agency of any State or political subdivision.

"(d) No person is subject to punishment or penalty under this section solely as the result of the disclosure of a finance charge or percentage which is greater than the amount of such charge or percentage required to be disclosed by such person under section 203, or regulations prescribed by the Board.

"REGULATION OF CREDIT FOR COMMODITY FUTURES TRADING

"Sec. 207. For the purpose of preventing the excessive speculation in and the excessive use of credit for the creation, carrying, or trading in commodity futures contracts having the effect of inflating consumer prices, the Board of Governors of the Federal Reserve System shall prescribe regulations governing the amount of credit that may be extended or maintained on any such contract. The regulations may define the terms used in this section, may exempt such transactions as the Board may deem unnecessary to regulate in order to carry out the purpose of this section, and may make such differentiations among commodities, transactions, borrowers, lenders, as the Board may deem appropriate.

"EMERGENCY CONTROL OF CONSUMER CREDIT

"Sec. 208. (a) Whenever the President determines that a national emergency exists which necessitates such action, the Board shall issue regulations, which may include definitions of terms used in this section, to control, to such extent as the Board determines appropriate,

"(1) the extension of consumer credit, by means of any prohibitions, restrictions, or requirements relating to

"(A) the amounts in which and the purposes for which credit may be extended to any person,

"(B) the maximum maturity or other requirements as to the repayment or liquidation of any extension of consumer credit,

"(C) where consumer credit is used for the purchase of identifiable property, maximum loan-to-value ratios.

"(D) the terms of any arrangement for the lease or rental of personal property, and

"(E) such other elements in any extension of credit as may, in his judgment, require regulation in order to carry out the purposes of this title.

"(2) the extension of credit to finance directly or indirectly the extension of consumer credit. Controls imposed pursuant to this paragraph may be related to the borrower's financial history, or to the lender's other loans and investments, or to such other factors as the Board may deem appropriate.

"(3) in the case of any lender engaged both in the extension of consumer credit and in other types of financing, the proportion of such lender's assets which may be devoted to the extension of any type of consumer credit.

This section does not apply to extensions of credit to finance the acquisition of real property.

"ADMINISTRATIVE ENFORCEMENT

"Sec. 209. (a) Whenever the Board has reason to believe that any person has engaged, is engaged, or is about to engage in a violation of this title, and it appears to the Board that a proceeding by it in respect thereof would be in the public interest, it shall serve upon that person a complaint stating its charges and containing a notice of a hearing upon a day and at a place therein fixed at least thirty days after the service of the complaint. The person so complained of shall have the right to appear in opposition to the charges set forth in the complaint. The Board may upon good cause shown allow any person to intervene by counsel or in person in such a proceeding. The testimony in any such proceeding shall be reduced to writing and filed in the office of the Board. If upon the hearing the Board is of the opinion that the person charged in the complaint has violated, is violating, or is about to violate this title, the Board shall state its findings of fact in writing and shall issue and serve an order requiring the person not to engage in the violation. Until the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time, or, if a petition for review has been filed within such time then until the record in the proceeding has been filed in a court of appeals of the United States, as hereinafter provided, the Board may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section. After the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time, the Board may at any time, after notice and opportunity for hearing, reopen and alter, modify, or set aside, in whole or in part, any report or order made or issued by it under this section, whenever in the opinion of the Board conditions of fact or of law have so changed as to require such action or if the public interest shall so require. The person subject to the order may, within sixty days after service of the report or order entered after such a reopening, obtain a review thereof in the appropriate court of appeals of the United States, in the manner provided in subsection (b) of this section.

"(b) Review of Order; Rehearing. Any person required by an order of the Board not to engage in a violation of this title may obtain a review of such order in the court of appeals of the United States, within any circuit where the act or practice in question was used or where such person resides or carries on business, by filing in the court, within sixty days from the date of the service of such order, a written petition praying that the order of the Board be set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Board, and thereupon the Board shall file in the court the record in the proceeding, as provided in section 2112 of title 28. Upon such filing of the petition the court shall have jurisdiction of the proceeding and of the question determined therein concurrently with the Board until the filing of the record and shall have power to make and enter a decree affirming, modifying, or setting aside the order of the Board, and enforcing the same to the extent that such order is affirmed and to issue such writs as are ancillary to its jurisdiction or are necessary in its judgment to prevent injury to the public or to competitors pendente lite. The findings of the Board as to the facts, if supported by evidence, shall be conclusive. To the extent that the order of the Board is affirmed, the court shall thereupon issue its own order commanding obedience to the terms of such order of the Board. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Board, the court may order such additional evidence to be taken before the Board and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Board may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by evidence, shall be conclusive, and its recommendations, if any, for the modification or setting aside of its original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 347 of title 28 of the United States Code.

"(c) Jurisdiction of Court. Upon the filing of the record with it the jurisdiction of the court of appeals of the United States to affirm, enforce, modify, or set aside orders of the Board shall be exclusive.

"(d) Service of Complaints, Orders, and Other Processes; Return. Complaints, orders, and other processes of the Board under this section may be served by anyone duly authorized by the Board, either (1) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or the president, secretary, or other executive officer or a director of the corporation to be served; or (2) by leaving a copy thereof at the residence or the principal office or place of business of such person; or (3) by mailing a copy thereof by registered mail or by certified mail addressed to such person at his or its residence or principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting forth the manner of said service shall be proof of the same, and the return post office receipt for said complaint, order, or other process mailed by registered mail or by certified mail as aforesaid shall be proof of the service of the same.

"(c) Finality of Order. An order of the Board to cease and desist shall become final

"(1) upon the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time; but the Board may thereafter modify or set aside its order to the extent provided in the last sentence of subsection (a); or

"(2) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Board has been affirmed, or the petition for review dismissed by the court of appeals, and no petition for certiorari has been duly filed; or

"(3) upon the denial of a petition for certiorari, if the order of the Board has been affirmed or the petition for review dismissed by the court of appeals; or

"(4) upon the expiration of thirty days from the date of issuance of the mandate of the Supreme Court, if such Court directs that the order of the Board be affirmed or the petition for review dismissed.

"(f) Same; Order Modified or Set Aside by Supreme Court. If the Supreme Court directs that the order of the Board be modified or set aside, the order of the Board rendered in accordance with the mandate of the Supreme Court shall become final upon the expiration of thirty days from time it was rendered, unless within such thirty days either party has instituted proceedings to have such order corrected to accord with the mandate, in which event the order of the Board shall become final when so corrected.

"(g) Same; Order Modified or Set Aside by Court of Appeals. If the order of the Board is modified or set aside by the court of appeals, and if (1) the time allowed for filing a petition for certiorari has expired and no such petition has been duly filed, or (2) the petition for certiorari has been denied, or (3) the decision of the court has been affirmed by the Supreme Court, then the order of the Board rendered in accordance with the mandate of the court of appeals shall become final on the expiration of thirty days from the time such order of the Board was rendered, unless within such thirty days either party has instituted proceedings to have such order corrected so that it will accord with the mandate, in which event the order of the Board shall become final when so corrected.

"(h) Same; Rehearing Upon Order or Remand.—If the Supreme Court orders a rehearing; or if the case is remanded by the court of appeals to the Board for a rehearing, and if (1) the time allowed for filing a petition for certiorari has expired, and no such petition has been duly filed, or (2) the petition for certiorari has been denied, or

(3) the decision of the court has been affirmed by the Supreme Court, then the order of the Board rendered upon such rehearing shall become final in the same manner as though no prior order of the Board had been rendered.

"(j) DEFINITION OF MANDATE.—As used in this section the term 'mandate', in case a mandate has been recalled prior to the expiration of thirty days from the date of issuance thereof; means the final mandate.

"(k) PENALTY FOR VIOLATION OF ORDER.—Any person who violates an order of the Board to cease and desist after it has become final, and while such order is in effect, shall forfeit and pay to the United States a civil penalty of not more than $5,000 for each violation, which shall accrue to the United States and may be recovered in a civil action brought by the United States. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the Board each day of continuance of such failure or neglect shall be deemed a separate offense.

"REPORTS

"SEC. 210. Not later than January 3 of each year commencing after the effective date of this title, the Board of Governors of the Federal Reserve System and the Attorney General shall, respectively, make reports to the Congress concerning the administration of their functions under this title, including such recommendations as the Board and the Attorney General, respectively, deem necessary or appropriate. In addition, reports of the Board of Governors of the Federal Reserve System shall include the Board's assessment of the extent to which compliance with the provisions of this title, and regulations prescribed thereunder, is being achieved.

"EFFECTIVE DATE

"SEC. 211. The provisions of this title shall take effect July 1, 1968."

Mr. PATMAN (during the reading). Mr. Chairman, I would like to make a unanimous-consent request. After conferring with the minority side, and the gentleman from New Jersey [Mr. WIDNALL], in particular, I ask unanimous consent that section 101 be considered as read and printed in the RECORD at this point, and that the committee amendments first be considered and then any amendments to any part of that section may be considered.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

On page 2, line 7, strike "section" and insert "sentence".

Mrs. SULLIVAN. Mr. Chairman, I rise in support of the first committee amendment.

Mr. Chairman, it is, of course, merely a minor typographical correction, but while the Members are here on the floor I wanted to take this time to explain the sequence of issues on which there will be votes this afternoon.

There is no way any one of us managing this bill can assure a Member when any particular vote will occur. There are 35 committee amendments, and at least 20 of them are important. Then there will undoubtedly be additional amendments offered from the floor after the committee amendments are all disposed of. So we have a long afternoon ahead of us, and it should be a lively one, and well worth the Members' time on the floor.

There is nothing they could do in their offices this afternoon which would be nearly as important to as many of the constituents and businessmen in their districts as this first major bill to come before the House this session, one which will directly affect every citizen in many ways for years to come.

I hope we will not have to beat the bushes and the corridors, or ring the bells to get the Members here.

There is a lot to understand about the bread-and-butter, meat-and-potatoes, and keep-your-head-above-water family financial problems involved in this legislation. We will undoubtedly have rollcall votes later on some of these issues, and it would be worth while, I am sure, for the Members to know the extent of the impact of these votes on their consumers.

Consumer issues are funny in the sense that people will often get more excited over a 79-cent department store service charge, or the "points" on a mortgage, than over the most serious problems of health and safety. So nothing about this bill is really unimportant so far as the voters are going to be concerned, and some of the issues involved in it are as politically explosive as you can hope to find, so it is good to know what you are voting on.

I want to say there are no traps in this bill, no hidden gimmicks, no parliamentary sleight of hand, but some of the things are a little technical. From the dozens and scores of telephone calls the staff has been receiving from Members' offices about even minor details of the bill, it is obvious that we have a hot subject here, and one which has attracted the attention of the public and the attention of all the businessmen who grant credit to consumers.

I beg the Members to stay on the floor this afternoon and work with us.

Mr. LENNON. Mr. Chairman, will the gentlewoman yield for a question.

Mrs. SULLIVAN. I am happy to yield to the gentleman.

Mr. LENNON. Do I understand that the effective date of the Senate bill is July 1, 1969? I refer to the bill passed by the other body by a vote of 90 to 2.

Mrs. SULLIVAN. That is right; the effective date there is July 1, 1969. We have made our bill's truth-in-lending section effective as of 9 months from the date of enactment.

Mr. LENNON. But is it the intention of the floor managers of this legislation to amend the House bill so that it will coincide with the effective date of the Senate bill? I ask the gentlewoman this question because so many of the State legislatures will not be in session this year, and their laws would have to be amended accordingly to meet the criteria and the rules provided for in this Federal act.

What does the gentlewoman consider to be the likelihood of that action on the part of the House?

Mrs. SULLIVAN. We did consider that very carefully in committee while the bill was in committee. We have a committee amendment that will give 9 months from the date of enactment.

The committee amendment that we have adopted will provide 9 months after the final enactment of this bill for the regulations to be issued and the requirements set.

Mr. LENNON. Some of us interested in this bill would like to see the effective date July 1, 1969, in order to meet the situation I have described.

Mrs. SULLIVAN. We will have the 9 months provision.

As we get on a little further in the consideration of the bill when the matter of this effective date comes up, it will be thoroughly explained.

Mr. LENNON. I thank the gentlewoman.

Mr. PATMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I am happy to yield to my colleague.

Mr. PATMAN. The question about the legislatures meeting is not involved, and that will not be necessary because this bill does not deal with usury, it deals with finance charges.

Therefore, I think the point that the legislatures will not be meeting is not particularly important at this point.

Mrs. SULLIVAN. I thank the distinguished chairman, the gentleman from Texas for his explanation. There is nothing in this bill to require the States to take any action. I think what the gentleman from North Carolina refers to is an opportunity provided to the States to take advantage of a provision of the bill which permits the States to take jurisdiction over credit disclosure if their State laws are at least as effective as the Federal law.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the committee amendments, beginning on page 2, after line 8, through page 9, line 13, be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Page 2, after line 8, insert the following:

"SECTION 1. SHORT TITLE AND DEFINITIONS"

Page 2, line 10, strike "SECTION 1.".

Page 2, line 20, strike "(a)".

Page 3, line 2, strike "Significant" and all that follows down through "currency." in line 12.

Page 3, strikes lines 18 through 23.

Page 5, line 1, after "all the", insert mandatory".

Page 5, line 17, after "transaction" insert ", or the premium, not in excess of those fees and charges, payable for any insurance in lieu of perfecting the security."

Page 6, line 20, strike "203(b) and 203(c)," and insert "203(b), 203(c), and 203(d),".

Page 6, line 22, strike "For purposes" and all that follows down through line 12 on page 7.

Page 8, after line 10, insert the following:

"(h) 'installment open end credit plan' means an open end credit plan which has one or more of the following characteristics: (1) creates a security interest in, or provides for a lien on, or retention of title to, any property (whether real or personal, tangible or intangible), (2) provides for a repayment schedule pursuant to which less than 60 per centum of the unpaid balance at any time outstanding under the plan is required to be paid within twelve months, or (3) provides that amounts in excess of required payments under the repayment schedule are applied to future payments in the order of their respective due dates."

Page 8, line 21, strike "h" and insert "i".

Page 8, strike line 24 and all that follows down through line 13 on page 9.

The committee amendments were agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

Mr. PATMAN. Mr. Chairman, since this amendment on page 10 is directly related to the amendment on page 12, line 2, I ask unanimous consent that those two amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 10, line 17, after "percentage rate", insert the following ", unless the finance charge does not exceed $10, and in ascertaining the applicability of this paragraph, a creditor may not divide a consumer credit sale into two or more sales to avoid the disclosure of an annual percentage rate pursuant to this paragraph."

Page 12, line 2, after "rate", insert the following: ", unless the finance charge does not exceed $10, and in ascertaining the applicability of this paragraph, a creditor may not divide an extension of credit into two or more transactions to avoid the disclosure of an annual percentage rate pursuant to this paragraph."

Mrs. SULLIVAN. Mr. Chairman, I rise in opposition to the amendments.

The CHAIRMAN. The gentlewoman from Missouri is recognized for 5 minutes.

Mr. PATMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I am happy to yield to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, I make the point of order that a quorum is not present, since the vote on the amendments will be one of the most important votes we will have.

The CHAIRMAN. The Chair will count. [After counting.] Fifty-five Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 10]

Andrews, N. Dak.
Cederberg
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Corbett
Corman
Cramer
Davis, Wis.
Diggs
Dingell
Erlenborn
Evins, Tenn.
Fountain
Giaimo
Green, Pa.
Halleck
Hansen, Wash.
Ichord
Kupferman
Long, Md.
McClory
McCloskey
McFall
Mailliard
Miller, Calif.
Mills
Mink
Monagan
Moore
Moss
Passman
Pelly
Resnick
Rivers
Robison
Rosenthal
St. Onge
Shriver
Smith, Iowa
Springer
Stafford
Stuckey
Taft
Talcott
Teague, Calif.
Thompson, Ga.
Tunney
Whalen
Whitten

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE *of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11601, and finding itself without a quorum, he had directed the roll to be called, when 379 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.*

The Committee resumed its sitting.

The CHAIRMAN. The gentlewoman from Missouri [Mrs. SULLIVAN] is recognized for 5 minutes.

Mrs. SULLIVAN. Mr. Chairman, I ask unanimous consent to proceed for an extra 5 minutes so that I can explain the amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Chairman, this amendment, which was adopted in committee, seems to confuse many of the Members.

The $10 exemption does not apply merely to a $10 purchase or a $10 loan. It means exempting from rate disclosure any credit transaction of whatever size or amount if the service charge involved is $10 or less. So this would cover most credit transactions up to about $110.

Mr. Chairman, this is one of the big ones—it is one of the two most important committee loophole amendments in the bill. The other big controversy, of course, has to do with the committee amendment extending exemption from annual rate disclosure for revolving credit.

In many ways this amendment now before us is far more important to the low-income consumer than anything else contained in this bill.

It hits him where he lives—in most of his credit transactions.

It hits him when he buys a toaster, or a washing machine, or dryer, or a radio, or a small television set, or a kitchenette set, or some chairs or a sofa—items costing up to $110. It hits him when he borrows up to $110. It hits him when he charges, let us say, $100 worth of work done on his car, or buys a set of tires on credit, or for any other item up to about $110 which he buys on credit.

Under the truth-in-lending title of H.R. 11601, we require the seller or the lender in all consumer credit transactions to tell the customer how much the credit charge will be, including the various fees incident to the credit. But on these $100 items, this amendment says you do not have to disclose the rate at which the charge is assessed. That raises the question: How does this conform to the statement of purpose of the truth-in-lending title of the bill, which is as follows:

> It is the purpose of this title to assure a meaningful disclosure of credit terms so that the consumer will be able to compare more readily the various credit terms available to him and avoid the uninformed use of credit.

That is almost the same as the declaration of purpose in the Senate bill, also.

Now, how does a person compare credit terms in an "informed manner" without knowing the percentage rate that he is being charged? Suppose he knows that he can borrow at his credit union for 12 percent simple annual interest, with no fees and no side payments.

But suppose he goes to a loan company instead to ask about a $100 loan and is told it is $10 for the credit for 3 months? That is only 10 percent—compared to 12 percent at the credit union—or is it?

Remember that 3 months is one-quarter of a year—so the annual rate is 4 times 10 percent, and amounts to 40 percent, compared to 12 percent at the credit union.

But would a poorly educated person know that?

This amendment, which was adopted in the committee by a narrow margin seeks to make sure that the borrower does not find out what rate he is actually paying for credit.

A 40-percent rate or charge is low compared to many of the percentage rates which are often charged on transactions of this kind; that is, on loans up to $110, or credit sales for that amount.

These rates run into percentages in the hundreds, but they sound low and inviting to the poor fellow who thinks that $10 for a short-term loan of $100 amounts to only 10 percent.

We have got to help people to learn how to compare credit rates and percentages to get them out of the clutches of the loan sharks and into the legitimate business channels where they can borrow or buy on much, much better terms if they only know how to shop for credit and compare the rates. We call this the loan-shark amendment—we who are fighting it. It is a bitterly destructive wedge driven into this legislation. This is not a small business amendment as claimed; legitimate small business does not charge 500 percent on credit transactions. It is the fringe credit gyp and the slum district loan shark and the racketeering elements in the extortion rackets that charge astronomical rates to their victims. And yet the dollar charge may be only $5 or $10 for a $10 loan until pay day, or for a $25 loan until next week. The loan sharks turn these loans over week after week, month after month, always at a dollar charge of $5 or $10, but at cumulative interest charges which reach for the moon.

The minority leader and some of our colleagues on the other side talk about outlawing loan sharking. Then, let us not hand the loan shark the privileged sanctuary that this amendment adopted in the committee would give him.

I do not mind admitting that the banks and merchants which have joined me in opposing the revolving credit exemption would just love to see this $10 exemption kept in the bill. They would be able to hide the rate of credit charge on the transactions in which they charge their highest rates of all. The 36-percent annual interest rate on a small loan of up to $100 for 3 months would not have to be revealed, not even the monthly rate of 3 percent. How can we talk about fighting loan sharking while at the same time encouraging and promoting it, as this committee amendment would do?

This is the real chance of the minority to strike a blow against crime, and against loan sharking in particular.

Mr. PATMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I am happy to yield to the Chairman, the gentleman from Texas.

Mr. PATMAN. I assume from what the gentlewoman from Missouri [Mrs. Sullivan] is saying, that you want us as Members to vote against this proposal. The proposal consists of 2 amendments in the bill appearing on page 10 from line 17 to line 21, and on page 12, from line 2 to line 6, which are being considered at the one time under the unanimous-consent agreement. You want a "no" vote on that?

Mrs. SULLIVAN. That is correct, Mr. Chairman. I want the Members to join us in going down the line to kill this amendment. Help us to kill it right here in the Committee of the Whole House, and there will be no rollcall on it. We would be serving no business special interest, or no hoodlum criminal loan shark, by such a vote. But we would be serving our low-income constituents, and our consciences as well. There is no interest lined up against this amendment except the public interest—and human decency. A "no" vote on this amendment should assure the Members a good night's untroubled sleep. Please, I implore the Members, please vote your heart on this one, and vote "no."

Mr. WIDNALL. Mr. Chairman, I have no objection to what has been proposed by the gentlewoman from Missouri [Mrs. Sullivan]. I have no intention to fight what she has stated in that connection. I personally am going to vote "no."

Mr. HALPERN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HALPERN. Mr. Chairman, I rise to express my opposition to the amendment to exempt transactions with a credit charge of $10 or less from required disclosure of the credit cost as an annual rate. Although there may appear to be valid reasons for adopting this exemption, I believe that it would do the greatest harm to those consumers who are most in need of the aid that this legislation was designed to provide.

First, it should be made clear that the "$10" figure refers not to the cost of the item purchased, but to the cost of the credit involved in the purchase. Thus, exempting transactions with finance charges not exceeding $10 means exempting purchases which might cost $100 or more. We are considering, therefore, purchases or loans of major importance to a low-income family.

It is argued that these $10 credit-charge transactions should be exempted from annual rate disclosure because of the difficulties which might arise for small merchants in calculating an annual rate. The logic of this argument seems somewhat less then forceful, however; the exemption was not based on the size of the business, but on that of the transaction. The small furniture or jewelry merchant would have to make this annual rate calculation whereas the owner of a small clothing store would not.

Furthermore, various witnesses submitted exhibits to demonstrate that the difficulty of this calculation has been overestimated. The small store is unlikely to offer a series of highly complicated credit arrangements. Computation of an annual rate for a straightforward credit transaction can easily be accomplished with the aid of various tables or charts available from Government agencies or banks.

Whereas the merchant would not be greatly inconvenienced by having to provide this annual rate, the consumer might suffer a significant loss by virtue of the lack of this information. A $10 credit charge results from a purchase of a much higher value. Exempting these transactions would mean that the low-income consumer would be deprived of the knowledge of the annual rate he is paying for credit on the majority of his purchases.

It has also been suggested that requirement of annual rate disclosure on so-called small transactions might deprive the consumer of certain types of short-term, small-loan bank credit. A bank which offers a $100 loan for 1 week with a credit charge of $5 might be reluctant to disclose that the credit cost on an annual basis is 260 percent; the bank might prefer not to offer these loans.

However, if such charges are indeed justified on the basis of bookkeeping costs, then all banks and finance companies will be forced to charge similar rates in order to cover their operating costs. Thus, no one credit source will suffer a competitive disadvantage from this disclosure. If, on the other hand, these high charges are not justified, and if these small, short-term loans are available more cheaply at some other source, does the consumer not have a right to know? Furthermore, should consumers not become educated about the cost of these short-term emergency loans and the benefits of better financial management?

Mr. Chairman, I believe that adoption of this amendment would withhold some of the most essential information from that group of consumers most in need of the clearest possible picture of the cost of its credit transactions. I strongly urge an overwhelming "no" vote on this amendment.

Mr. HANNA. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. HANNA. Mr. Chairman, I believe, inasmuch as I am in the same position as the gentleman from New Jersey [Mr. Widnall], I am not going to oppose the motion of the gentlewoman from Missouri on this particular issue. But I think it would be unfair to the Members not to explain how this provision got into the measure reported from the committee.

The language about which we are speaking is precisely the language inserted in the bill by the Senate. The argument in the Senate indicates that the provision was placed in on the presentation that without what they called the small businessman's exemption, there would be a material diminution in the offering of credit to people in low-income brackets who really need the credit, and if you put these merchants under the requirement of making all the reports as set forth in this bill and encompassing small transactions, the cost of doing so would probably place them in a position of not even being able to offer merchandise in the credit field to the people who might be seeking it.

That is the background in the Senate, which put this into the bill. As I say, I am not going to object to its being taken out, because it is up to the Senate to defend that position. No one presented a strong case for this in the committee.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. HANNA. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, is the gentleman saying that there will be fewer poor people that will be able to pay these high rates of interest if this amendment is deleted?

Mr. HANNA. No. I am just giving the Senate position, as I understand it. I am explaining how this was put in the bill in the first instance. I am not defending it. I am merely explaining it. The Senators on the floor stated in their argument that they felt there would be less merchandise offered to poor people—not less poor people to buy, but less merchandise offered.

Mr. CONYERS. What about the interest rates?

Mr. HANNA. Mr. Chairman, I am not arguing the point. I am merely setting forth what the amendment was, and I am setting it forth so the House understands why it is here. I am not defending it.

If the gentleman wishes to attack it, he may do so by asking for time.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HANNA. Yes; I yield to my chairman.

Mr. PATMAN. Is it not a fact that, although we strike it, this is the Senate language, and it will be in the conference anyway?

Mr. HANNA. Yes.

Mr. MOORHEAD. Mr. Chairman, will the gentleman yield?

Mr. HANNA. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MOORHEAD. Mr. Chairman, I oppose the committee amendment exempting finance charges of $10 or less from the annual rate disclosure provisions of the bill before us.

This "loan shark" loophole lays a blanket of concealment over the percentage costs of a huge number of consumer credit transactions, including deferred payment sales and loans up to about $110.

This amendment permits the suppression, rather than forces the disclosure, of the most important information a consumer requires in order to use credit intelligently in most of his day-to-day transactions.

The annual rate disclosure provisions, as the bill is now written, apply only to the largest credit transactions the average family may make—the purchase of a home, or an automobile, or a costly appliance on which the payoff period runs beyond 19 months, or a substantial loan.

The committee amendment exempts a vast proportion of smaller consumer credit transactions, leaving out of the bill the majority of instances in which most consumers use credit.

Advocates of this amendment argue that it is intended to preserve the availability of small short-term credit for consumers who find themselves in need of such "accommodation" loans, and to relieve small merchants of calculating the annual interest rate on relatively small credit transactions.

Mr. Chairman, I submit that the committee amendment conceals the truth about the cost of "accommodation" loans and small credit transactions from the consumers who most need to know the truth.

If this amendment is allowed to stand, lower income families will continue to spend most of their credit dollars without having an opportunity to learn how to use those dollars wisely.

Advocates of the amendment argue that requiring legitimate lenders to state the $10 cost of a $100 1-month "accommodation" loan at an annual rate of 120 percent will cause reputable lenders to stop offering this kind of credit and drive borrowers to loan sharks.

But, Mr. Chairman, I submit that the amendment will throw the protective arm of the law around the very loan sharks its backers claim it will keep the consumer away from.

People who are desperately in need of loans will pay at whatever rate they are asked to pay. The committee amendment will shield from annual disclosure not only banks and other reputable lenders, but predatory loan sharks who might charge $10 for a 1-week loan of $100 and constantly refinance it to avoid telling the borrower about anything but its weekly cost.

Far from drying up legitimate sources of "accommodation" loans, across-the-board annual rate disclosure will enhance the short-term credit competitiveness of banks and other legal lenders and put the loan sharks out of business.

For no matter how desperate a borrower is, he will find his bank's rate of 120 percent a year on the $10 charge for a 1-month loan of $100 dirt cheap if the local loan shark is required to state that his $10 weekly charge for the same loan amounts to 520 percent a year.

As for the argument that the amendment will relieve small merchants of the burden of calculating the annual interest rate on their occasional small credit sales, I submit that without this amendment, the Federal Reserve Board, through its regulations, can exempt very small businesses from the annual rate disclosure requirements while safeguarding the consumer from the abuses this amendment invites on the part of larger businesses.

I urge my colleagues to vote against the committee amendment. A vote against the $10 loophole is a vote against the loan sharks and credit gyps who now prosper handsomely by exploiting and gouging the ignorant and the very poor. A vote against this amendment will bring truth in lending to those who need it most.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. HANNA. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I rise in favor of Mrs. SULLIVAN's position in opposition to the $10 financing charge exemption from the truth-in-lending bill. Throughout long subcommittee and committee debates, I shared the views of those who not only argued that there was no need for the exemption but that it was subject to serious abuse. I felt strongly that the exemption would have hurt those most seriously in need of the protection of this bill. By excluding relatively small purchases of up to $100 or $110—such as clothing, appliances, and jewelry—we leave open the door to deception and concealment for the commonplace day-to-day purchases made by the average family.

In addition to being difficult to police, the exemption would be relatively simple to manipulate. By selling components of one item separately, by use of "split-ticketing" the requirement of annual percentage rate disclosure could easily be avoided in spite of the bill's attempt to prevent this. Most distressing of all, the exemption would cover all types of small loans—those made by "loan sharks" who prey on the poor and the ignorant as well as loans made by legitimate banks and finance companies. Why should they receive a license to mislead and dupe just because they are dealing with smaller amounts of money?

By refusing to make this unwise exemption, the House can assure that all consumers will receive the full protection of its broad disclosure requirements so that they can make intelligent choices based on the most accurate and complete information available.

Mr. MATSUNAGA. Mr. Chairman, I move to strike the requisite number of words.

(By unanimous consent, Mr. MATSUNAGA was allowed to proceed for 3 additional minutes.)

Mr. MATSUNAGA. Mr. Chairman, as a cosponsor of an identical bill, H.R. 11806, I rise in support of H.R. 11601, the Consumer Credit Protection Act, better known as the truth-in-lending bill.

The key to this landmark legislation is found in its declaration of purpose; the informed use of credit.

It is a matter of common knowledge that billions of dollars of credit is extended to consumers every year. Some of this credit takes the form of contracts which run from payday to payday, and some of it extends over several decades of repayment with interest. Credit, however, has come to mean something more than a mere means for retailers to sell their merchandise. For thousands of financial institutions, as well as retailers, credit itself has become a commodity to be sold at a profit, which too frequently exceeds the profit realized from the sale of the merchandise involved.

Present practices which are followed in the extension of consumer credit are designed to emphasize such features of the credit contract which will make the contract appear inexpensive and easy to pay off. It is true that some States by statute regulate credit contracts with respect to the information which must be disclosed, and with respect to the maximum rates which may be charged, but, shocking as it may seem, most of the States neither require the creditor to inform the prospective credit purchaser what the total amount of his debt is going to be nor the number of payments he must make, nor the rate of interest he is being charged. And only in exceptional instances do the States which have disclosure statutes require disclosure of all the information which is necessary to a rational use of credit by the customer. With the tremendous increase in retail sales on credit, the need for Federal legislation has become abundantly clear in the last few years.

It has become equally evident that a truly effective legislation in this field must include the requirement that full disclosures be made on all consumer credit transactions.

Mr. Chairman, for this reason I strongly urge opposition to the proposed amendments which would provide exemptions for the so-called revolving credit, and finance charges of $10 or less. There is indeed no sound basis for the granting of preferential treatment to retailers with this type of credit practice, and at the same time demanding full disclosure of annual interest rates on all other credit charges.

As distasteful as the word may be to many Americans, lawmakers, and consumers alike, the amendments would definitely provide a "loophole" which would constitute an open invitation to turn every imaginable type of credit transaction into a revolving credit or to assess a straight carrying charge of $10 or less for every sale, to avoid disclosure.

In the final analysis, we would be penalizing the poor, for they will be paying the high cost of credit financing without even being cognizant of it. For example, a housewife purchasing a $50 electrical appliance would pay an $8 carrying charge for a 90-day credit without knowing that she is in fact paying an equivalent of an annual interest rate of more than 60 percent. And a man buying a power saw for $29.95 with a carrying charge of $6 for a 90-day term would in effect be paying an annual interest rate of 80 percent, without even knowing it.

To safeguard those consumers who need protection most, therefore, we must insist on full disclosure in all credit transactions. Consumers buying anything with finance charges of $10 or less must not be kept in the dark as to the interest rate they are actually paying.

With reference to another provision in the bill, Mr. Chairman, I am told that an effort will be made to remove the garnishment provisions of this bill. If such a move succeeds we would be helping to perpetuate the cruelest device ever used against the innocent user of credit—the garnishment of the poor man's wages. If approved, the garnishment provisions of this bill would force the creditor, who now pushes credit sales of shoddy furniture, frozen foods, and other goods with complete disregard of the carrying capacity of the debtor, to exercise restraint in order not to oversell credit to his customers. The committee-supported provision which would restrict garnishment to 10 percent of earnings above $30 per week, appears to be fair and equitable, both to the wage earner and to honest and ethical creditors. It should be adopted.

Mr. Chairman, the decision is ours to make as to whether or not H.R. 11601 will offer consumers a substantial range of protection against misuse of their money and of the Nation's credit and related economic resources. Ours must be a decision to provide a comprehensive consumer protection act for all of our Nation's consumers. The declared purpose of this legislation cannot be fulfilled if we are to accept amendments which would leave that segment of our consuming public which needs the greatest protection, unprotected. Let us on this day write a truly great chapter in American legislative history. Let us legislate for the truth, the whole truth, and nothing but the truth in lending.

The CHAIRMAN. The question is on the committee amendments on page 10, line 17, and page 12, line 2.

The amendments were rejected.

Mr. PATMAN. Mr. Chairman, we have three other committee amendments on pages 13 and 14 which really should be considered together because they are related. The first one, on page 13, line 12, strikes the word "annual." We oppose that. The second one, on page 13, line 13, after the word "rate," inserts the words "per period." We want to oppose that amendment, also. And on page 14, lines 10 and 11, it strikes "the finance charge expressed as an annual percentage rate" and inserts some other language. We want to oppose that amendment, also.

Mr. Chairman, I ask unanimous consent that these amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 13, line 12, strike "annual".

Page 13, line 13, after "rate" insert "per period".

Page 14, lines 10 and 11, strike "the finance charge expressed as an annual percentage rate" and insert the following: "the rate, if any, used in computing the finance charge and, in the case of an installment open-end credit plan, the equivalent annual percentage rate."

Mrs. SULLIVAN. Mr. Chairman, I rise in opposition to the committee amendments.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Chairman, this is the most controversial thing in the bill. We have talked about it for 8 years, and now we come to the moment of truth in truth in lending. Are the department stores in the merchandising business, or in the money business? This committee amendment seeks to let them have it both ways. The American Retail Federation has had 7 straight years of victory on this issue, which is a very good batting average, but enough is enough. The wheel has revolved another turn and now it is time to get off. Literally, that is what has happened in the past 2 days. On Monday, three of the biggest mail-order houses notified me for the first time—the first time since I have been involved in this issue, and that is since I introduced truth in lending back in 1963—that they can live with an annual rate requirement on their revolving credit. That does not make this automatically a bad amendment, any more than their support for it would have convinced me it is a good amendment. But it is very significant that Sears, Spiegel's, and Montgomery Ward oppose this amendment now while only J. C. Penney, among the largest chains, holds out for it. As I pointed out yesterday, Penney's originated this amendment. It is tailor made for Penney's own revolving credit plan.

This is not said as an accusation. I think that yesterday the gentleman from California [Mr. HANNA], who sponsored the amendment in the House bill, felt that my reference to Penney's role in originating the language was a reflection on him or on Penney's. I certainly had no such intention. Penney's has every right to be proud of its credit plan. But I do not think it has a right to saddle the consumer with a law which prevents the public from knowing the comparative cost of credit at Penney's, or other department stores, in relation to other forms of credit, or in relation to the rate of return on savings.

Throughout our hearings and committee deliberations and in the debate yesterday, the two different concepts of interest rate and yield were constantly used interchangeably, as if they meant the same thing. The department stores generally achieve a yield of much less than 18 percent on their revolving charge accounts, but the rate, in most instances, is 18 percent—the nominal annual rate—if the monthly rate is 1½ percent.

But let us not stumble about in semantics. We are voting on this committee amendment at a time when there has been an almost complete collapse of business support for it. As I said, only one segment of the credit industry would benefit from it, but the whole concept of truth in lending would suffer from it, and the declaration of purpose in this title of the bill would be defeated insofar as the fastest growing type of credit is concerned.

Yes, only about 5 percent of all consumer credit is in revolving credit accounts. Possibly only 3 percent would come under this amendment. But the amendment would generate universal adoption of this type of credit. The gentleman from New Jersey [Mr. WIDNALL] indicated yesterday that this would be a very good thing; it would, he said, stimulate the credit industry to cut back sharply the time period it allows for repayment in order to take advantage of the special nondisclosure privileges of this amendment. This would be a novel way to achieve credit controls.

Instead of passing a law saying all consumer credit should be limited to 18 or 19 months—which the House, I am sure, would shout down in derision—we are being asked to achieve the same result by exempting from the requirement of revealing their annual interest rate on their credit all firms which set up their repayment schedule in that fashion.

The sudden reversal of position of Montgomery Ward on this issue—joining the furniture dealers, the banks, the automobile dealers, the radio-TV stores, the hardware stores, the music stores and all of the other merchants who have opposed this department store special exemption right along, is particularly significant to me, because the man who two days ago announced that decision for Montgomery Ward, the vice president for credit, Mr. Ashley D. De Shazor, was the person who represented the American Retail Federation before our subcommittee, and who testified for this amendment in behalf of all of the major retailers at our hearing 5 months ago.

I was flabbergasted when I talked to him Monday after receiving his wire, and more so after talking to Sears' vice president and general counsel a few minutes later. Both firms prefer the revolving credit formula in my bill—which would be deleted by the committee amendment—to the revolving credit formula in the Hanna amendment. They would, of course, prefer a straight monthly rate on all revolving credit, with an annual rate only for installment credit. The gentleman from Ohio [Mr. WYLIE] wants to go them one better, and give every form of consumer credit a monthly rate. But, as we say in the supplemental views in our committee report, this would make some sense in achieving truth in lending only if we also, at the same time, required the banks and the bond houses and the Treasury and the savings and loans and the credit unions and all financial institutions which now cite their interest or dividends on the basis of so much percent per annum—to give only the monthly rate instead. In that case—and just think of this for a moment—a bank now paying 4 percent interest, and bragging about it, would be required to say instead, that it would pay you the magnificent return of one-third of 1 percent a month on your savings account.

Mr. Chairman, if we defeat this amendment, as I hope and trust we will, revolving credit will neither die, nor suffer, from revealing that the credit rate of 1½ percent a month—or whatever the monthly rate is—figures out to an annual rate of 12 times as much. In addition to quoting the annual rate, the department stores can give the monthly rate also, if they wished. They have this privilege of showing the monthly rate as well as the annual rate. Penney's can tell its customers how its system differs from Sears' or Ward's or Spiegel's; the furniture stores can compete on even terms with the department stores, and so can the tire dealers and the other independent merchants. And the Members of this House can look their consumer-constituents right in the eye. So let us do it, by voting "no" on this committee amendment.

Mr. ASHLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I will be happy to yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I want to express my deep respect for the gentlewoman from Missouri, who has worked many, many months in this most important area. I want to congratulate the gentlewoman for the bill we are considering today.

When it first came to the committee, there were many areas with which I did not agree. The results of our legislative process in committee have produced the bill that we are considering today, and I believe that I speak for a number of the members of the committee—all of the members of the committee, I might say—in expressing congratulations, and I join with my colleagues of the committee who have come to understand what the gentlewoman from Missouri has been saying for many months and, indeed, many years.

I agree with the gentlewoman on the amendment that is before us at this time, and I shall take pleasure in following her leadership.

Mr. Chairman, I rise to speak in opposition to the committee amendment exempting revolving credit transactions from the requirements of disclosure of the annual percentage rate.

We can all readily understand the argument that this exemption prohibits the consumer from effective comparison shopping in connection with his credit transactions. After all, what we seek under this legislation is to provide for disclosure in connection with credit transactions so that the consumer can comparison shop. In other words, if a family decides it is going to purchase an armchair for the living room and does not want to or cannot afford to pay cash for the armchair, the fact that they purchase the armchair from the Hecht Co. on a revolving credit account as opposed to buying it from their local independent furniture dealer should not determine whether or not they obtain annual rate of disclosure.

However, the fact of the matter is that under the bill as reported by the committee, in their purchase from the department store they will be told that the finance charges are at a rate of 1½ per month while the furniture dealer will have to disclose an annual rate of 18 percent. This is confusing and unwarranted and obviously runs contrary to the basic purpose of the legislation.

However, the major argument put forward by the proponents of the committee amendment is based upon confusion between the concepts of rate disclosure and yield disclosure. The proponents of the big chain store say that while the monthly rate applied to a charge account may be 1½ percent a month, and while 12 times 1½ percent per month is 18 percent, the particular schedule of payments and purchases when combined with the so-called free-ride period does not justify expressing the 1½-percent-per-month rate as 18 percent per year.

Now let us be clear about the concepts of rate and yield. There is a simple example of the difference between yield and rate which we are all familiar with. We all know that 4¾ percent is the rate the savings and loan associations of the District of Columbia offer on savings. However, we similarly recognize that the yield we will receive on our savings accounts depends upon what time of the month we deposit money and what time of the month we withdraw funds.

If one savings and loan association only credits an account when funds are deposited on the first of the month, while another savings and loan credits an account with funds that are deposited by the 20th of the month, the rate of 4¾ percent will be the same for both but the yield on the account where funds are deposited on the 20th will be considerably higher. Both savings and loan associations in this example advertise a 4¾ percent rate. One, however, can and will advertise the yield advantage to the depositor permitting his deposits to be received and credited when such deposits are made by the 20th.

Similarly, the committee bill as originally introduced would have required all revolving charge account creditors to uniformly disclose the annual rate while permitting them in their advertising to describe the particular advantage to the consumer of the specific system they use.

Let us remember that the very purpose of this legislation is to provide disclosure, not to regulate. If we do not provide uniformity of disclosure so that the consumer can comparison shop, we are defeating the very purpose of the legislation. For this reason I support rejection of the committee exemption on revolving credit.

Mrs. SULLIVAN. Mr. Chairman, I thank the gentleman from Ohio for his remarks, and I yield back the balance of my time.

Mr. WIDNALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the committee amendment. I think yesterday's debate was extremely enlightening to the House. I was interested to hear the gentlewoman from Missouri [Mrs. SULLIVAN] continue to refer to the committee amendment as the big retailer amendment. In her statement the gentlewoman from Missouri [Mrs. SULLIVAN] then went on to tell the House that Sears, Roebuck—a billion-dollar-a-month retailer—Montgomery Ward—the store which recently tried to require their customers to purchase credit life insurance whether they liked it or not—Spiegels—a catalog house which is a subsidiary of a huge finance corporation and which has a Kentucky subsidiary charging 30 percent annual interest rate on small loans—and many other large retailers are supporting the Sullivan approach. In short, the biggest retailers in the Nation are supporting the gentlewoman from Missouri [Mrs. SULLIVAN].

The biggest banks in the Nation employing bank credit cards are also supporting the gentlewoman from Missouri [Mrs. SULLIVAN].

The auto companies are supporting the gentlewoman from Missouri [Mrs. SULLIVAN].

Who, then, is supporting the committee amendment?

The gentlewoman from Missouri [Mrs. SULLIVAN] seems to take great pleasure in reminding the House that the committee amendment is sometimes referred to as the "Penney" amendment. I think that is a good name to call it, because the J. C. Penney Co. happens to be the one large department store which charges its customers the least amount on revolving charge of any retailer in the country.

It seems clear to me that the biggest retailers who have never supported the Senate bill or the House committee amendment are seeking to have everybody treated alike so that the entire Nation will be covered with an 18-percent annual interest rate floor on retail credit.

The purpose of the committee amendment has been and always was aimed at encouraging shorter term, less expensive carrying charges on revolving charge accounts.

If the House rejects the committee amendment, there is absolutely no question that the low-cost department stores, many of them small department stores, will be penalized for employing the lowest cost type of revolving charge systems. If they are faced with the requirement to place on their bills a statement that they are charging 18-percent annual rate of interest, there is no question but that they will be forced to abandon their present systems and make certain they actually do charge 18 percent. The net result will be to add tens of millions of dollars to the cost of consumer debt to the American public each and every year.

I urge the House to support the committee amendment.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I would ask the gentleman if it is not true that all of the consumer groups, and the AFL–CIO are supporting the gentlewoman from Missouri's [Mrs. SULLIVAN] position in this regard?

Mr. WIDNALL. That is true.

Mr. BINGHAM. Thank you.

Mr. WIDNALL. We have received messages to that effect. But, also, I believe my colleague the gentleman from New York [Mr. FINO] should read the telegram from the American Retail Federation representing the small business group.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentlelady.

Mrs. SULLIVAN. The gentleman says that if this committee amendment is defeated, then all the department stores and the catalog houses are going to have to charge 18 percent. Is that true? Is that what you said?

Mr. WIDNALL. I do not say that they have to, but they will.

Mrs. SULLIVAN. Has competition disappeared? I think they will compete for credit customers by charging the lowest rate possible, if others are also competing. But will you tell me whether or not you come out to any different annual figure than 18 percent as long as they charge 1½ percent monthly? If you figure the monthly balance due, and multiply it by 18 percent, and divide that by the 12 months in a year—or multiply the monthly balance due by 1.5 percent—you come out to exactly the same figure. The annual rate cannot be any different than 12 times the monthly rate. The service charge would come exactly the same by either method of computation.

So it is not how much they are going to charge annually. If they apply that 1.5 percent a month, it cannot come out any different than at a rate of 18 percent a year.

Mr. WIDNALL. You are talking about the rate and not about the actual charge.

Mrs. SULLIVAN. We are talking about the annual percentage rate.

Mr. WIDNALL. But you are not talking about the charge.

Mrs. SULLIVAN. I do not understand the gentleman. What do you mean, the annual charge?

Mr. WIDNALL. I am talking about dollars and cents.

Mrs. SULLIVAN. We are talking about how they apply the 1.5 percent a month to the unpaid balance; are we not?

Mr. WIDNALL. All I can say is that we are trying to reduce the cost to the consumer and I think that this will up the charge in the average instance to the consumer by naming the 18-percent rate.

Mrs. SULLIVAN. I am sorry but I cannot agree with the gentleman on that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HANNA. Mr. Chairman, I rise in support of the committee amendment.

Mr. Chairman, I oppose the position taken by the gentlewoman from Missouri and I do so with great regret. She has my deep respect, as she has earned the respect of the most knowledgeable consumer groups for her dedicated work in this field.

She has, I want to assure her, my continuing affection as a friend and colleague.

However, Mr. Chairman, we part company on this issue, on a very fundamental distinction. The gentlewoman from Missouri [Mrs. SULLIVAN] and those who have followed her—and I want to emphasize to you that I do not stand here in the role of being with the angels today. All the wings were issued out long before I arrived on the scene. There is a commitment that goes way back by the consumer groups and labor groups, to the idea that truth in lending is tied to disclosure of a simple annual interest rate.

There are a lot of people who have their prestige, their reputation and their position tied up now on this proposition—with 8 years of dedication to it.

So all I can do is appeal to you on the basis of honesty and with humility. I do not agree that their position is correct.

I want to tell you, I think it is more important to the consumer to know how a rate is applied to get the yield he must pay. The amount that the offerer of credit gets, the consumer pays.

Unless you provide some way of bringing some intelligence to him of what the lender is going to get and he is to pay, you are not helping him.

I suggest to you, if you analyze this proposal correctly, you are going to have under the Sullivan version a law that is weak. A very gratuitous act telling the public that 1.5 percent interest times 12 is 18 percent.

That may make you look good in lots of places, especially if it is festooned with the grandiose statements that attach to that original idea that truth in lending is the annual interest rate.

But I humbly believe that you are going to be misleading yourself and misleading the public.

If you look at the bill—and that is very rarely done—I want to tell you that we make this distinction in two ways.

First, the committee carefully distinguished the short-term from the long-term revolving credit.

In the definitions that are found on page 8, starting on line 14, you will find that installment open-end credit plans, which means installments and not short term includes any revolving credit in which there is less than 60 percent total amount paid off in a year. In other words revolving credit which approaches in time and terms the pattern of installment credit is treated exactly like installment credit.

Let me tell you that is exactly why the large catalog houses are with the gentlewoman from Missouri [Mrs. SULLIVAN] because in the application of their revolving credit, they nearly all fall under installment credit. So why should they not go along with the gentlewoman?

When you look at the other distinction, you will find in the bill starting on page 12, line 24, and proceeding through that section, you will find things that have to be disclosed in short-term revolving credit, to tell the creditor something about how the monthly rate is applied.

In section f it states that if you are really talking about short-term revolving credit, you must state not only the balance but how the balance was determined against which you are going to apply the rate. If such balance is determined without first deducting the payments made that month, you have to tell that.

So this gives the buyer some idea of what 1½ percent is applied to.

Let me explain this: 1½ percent each month is something different than just one-twelfth of 18; 1½ percent each month is different from 1½ percent per month, if you understand the application of interest rates, because it is going to be applied for a particular period and at a particular point, and then the principal will change in the next month. So that the application is against a changing situation; whereas in an installment plan the whole pattern is already set out. You know how long it is going to run and what the principal is.

(By unanimous consent, Mr. HANNA was allowed to proceed for 3 additional minutes.)

Mr. HANNA. So I should like to explain to the House that when you tell the consumer that 1½ percent applied to a period of time, 1 month, relates to an 18-percent annual interest rate, you are not helping him at all in trying to solve his problem as to how much the credit is costing him, because he can only find that out by knowing three things: First, what is the rate that is being applied at a given time; second, against what balance; and, third, how the balance was arrived at? When he gets that information and multiplies it up, he can find what his interest rate would project, assuming that he went on with the same kind of payment balance and exactly the same amount owing.

If you think that you can oversimplify this matter for the American public, and if you think that we should engage in the gratuitous act of telling the American public that 1½ times 12 is 18, then you will, of course, not see the wisdom in what we are trying, under difficult circumstances, to explain. The people we are trying to help are the new people in the competition for credit. The old established houses—Sears, Roebuck, Montgomery Ward and Spiegel—and all the time-payment plans that have been with us for 50 years are for the gentlewoman from Missouri [Mrs. SULLIVAN], because her proposal would protect the status quo. The new competition for credit that the little merchandiser is trying to get into and be a part of will be cut off on a competition wave if you go along with the Sullivan amendment. Please believe that. I very sincerely believe that you would be making a mistake in the competitive position of credit in the marketplace for the consumer if you take the easy way out.

I am not unmindful of the preponderance of sentiment and the weight of persuasion that attaches when forces like the AFL–CIO and consumer groups have for 8 years committed their prestige and reputation to a cause. When that cause oversimplifies in a slogan like "Truth in Lending" and such a slogan is made synonymous with "annual interest rate disclosure," it is difficult to come to the floor and face this great weight with a reasoned explanation of a complex set of facts and figures.

It is questionable that my poor rhetoric could prevail in such an environment. I can only sincerely confirm that my conviction remains that as matters now stand in the marketplace, the experience in actual life there is completely at odds with the popular belief perpetuated by the well-meaning forces behind this legislation. That being so, if we pass the Sullivan version, I hope the House will be willing to correct their error when the light of experience finally dawns.

Mr. FINO. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

(By unanimous consent, Mr. FINO was allowed to proceed for 5 additional minutes.)

Mr. FINO. Mr. Chairman, I would like the Members of this House to know that all of us are concerned with this legislation, both the minority and the majority, and we are here to try to support the position of the committee.

One of the publications that has very strongly supported the gentlewoman from Missouri [Mrs. SULLIVAN] in her efforts to make revolving credit sellers and lenders use an annual-rate figure has been Consumer Reports, a magazine with which most of us are or should be familiar. I have a copy of that magazine which discusses this very issue and which contains some very, very revealing information.

With all due respect to my fine colleague, Mrs. Sullivan, and the editors of this magazine, I think they have inadvertently made a very strong case for not—and I repeat "for not"—requiring a statement of annual rate in revolving credit, by making certain facts regarding revolving credit accounts public.

In this issue, which is the September 1967 issue of the Consumer Reports, this magazine points out that even though the rate applied to different accounts may be the same, the results in terms of dollar costs are often very different. This magazine illustrates six different and separate methods of applying the one-and-a-half-percent charge to an identical set of purchase and payment circumstances.

Under the cheapest method discussed, the customer would pay $2.28 in service charge. Under the most expensive—and this applies to identical purchase and payment circumstances—under the most expensive, the same customer, without doing anything different on his own part, would end up being charged $5.44, or more than twice as much.

As the magazine points out in introducing these examples, and this is a quote from the magazine:

> Service charges on revolving accounts vary widely from store to store and from bank to bank even though the stated interest rate is usually the same.

I ask the Members of this House, what protection is the stated annual rate? Obviously if the actual dollar charges can vary over 100 percent while the stated annual rate remains the same, the stated annual rate is worse than worthless. I say to the Members of this House, it is misleading and deceptive to the consumers—the very people we are trying to protect with this legislation.

Congress has been bombarded, and I know many Members of this House have received a great deal of mail from the lenders who, for many years, opposed any kind of truth-in-lending bill, who are now saying, "We are for the bill if everybody can be treated alike, if the annual rate will be stated on all revolving credit accounts."

This sudden reversal of position has surprised many people. But the figures given by Consumer Reports now make it clear why they are switching—and we are not talking about cigarettes, we are talking about the pocketbooks of our customers.

If you are charging $5.44 and your competition is charging $2.28 for the same service, would you not favor a law which would lead the customer to believe that both firms were actually charging the same rate? It is instructive to note that those most vocal in demanding equal treatment are almost invariably those whose credit plans are the most expensive to the consumer.

Consumer Reports—referring to the same publication—reluctantly admitting some difficulty in this area, says:

> The drafters of the Senate Truth-in-Lending Bill recognize this obstacle to credit price comparisons. Their solution is to require each revolving credit contract and monthly statement to explain its billing system. The Federal Reserve Board, which will have to write the necessary regulations, has its work cut out.

The magazine then goes on to demonstrate how difficult such an explanation is. They then weaken their own argument for annual rate as the panacea to this problem, in my opinion, when they say:

> With slight amending, it (Mrs. Sullivan's original bill) could assign the Federal Reserve Board to tackle the billing problem.

If in the one instance—implementation of the Senate bill, which is quite straightforward—the Federal Reserve Board "has its work cut out," how can we expect that with "slight amending" the whole problem will go away and disappear when the added complication of admittedly misleading annual rate is added?

I have not used any sources of information in this discussion which are unfriendly to the distinguished chairman of the Subcommittee on Consumer Affairs, the gentlewoman from Missouri [Mrs. Sullivan]. I have quoted entirely from a publication which passionately defends her point of view. But I submit to the Members of the House that this annualization of revolving credit charges is fraught with so many problems and so ignores the obvious variables involved that the wisest course of action we can take here on this floor today would be to endorse the position of the majority of the members of the committee and support the committee amendments.

We know that the members of the Senate committee wrestled with this very problem for more than 6 years. They finally came to the same conclusion as the House committee did. The Senate itself endorsed that position with an unanimous vote, 92 to nothing.

I do not want to try to upset 7 years of careful study on the basis of a single afternoon's debate on the floor of this House, particularly when the case offered us is as shaky as I have shown it to be.

Now, the gentlewoman from Missouri [Mrs. Sullivan] showed great concern today for the big corporations that we are trying to defend. I believe the gentleman from California pointed out very correctly that the big "fat cat" corporations, the big wholesale houses—Sears, Montgomery Ward, Spiegels, et cetera—are with the gentlewoman from Missouri [Mrs. Sullivan]. We are interested in the little fellow. All of the Members of this House who are so concerned about the small businessman, the little fellow who is being driven out by these big "fat cat" corporations and business houses, should know that they have a position which they have taken, and it is our position as well.

I should like to read for the benefit of the Members a telegram I received from the American Retail Federation, which represents not the "fat cat" corporations but the small businessman in your own communities.

This is the telegram I received today from the American Retail Federation which, as I indicated, is representative of small business people:

> The American Retail Federation continues its support of truth-in-lending and requests your support of the bill as reported thirty to one by the House Banking Committee. We urge you to oppose those members seeking to defeat a workable realistic compromise which has taken seven long years to achieve. That compromise was designed to protect and inform consumers on the true cost of revolving credit charges. To require revolving credit grantors to state that they are charging eighteen per cent per year will tend to encourage them to collect that amount as a yield. Revolving credit grantors average yield rate is substantially below eighteen per cent per year on periodic charges of one and one-half per cent.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. Fino was allowed to proceed for 1 additional minute.)

Mr. FINO. Mr. Chairman, the telegram continues:

> Mr. Patman and Mrs. Sullivan would require retailers to disclose eighteen per cent per year on revolving credit. If their proposals carry retailers may be tempted to increase their yields to the applied annual rate required to be disclosed. Increased credit costs cannot benefit or protect consumers.
>
> Eugene A. Keeney,
> *Executive Vice President.*

So I say, Mr. Chairman, that I intend to support the committee amendment on revolving credit charges and urge the other Members of this House to do likewise.

Mr. PATMAN. Mr. Chairman, I would like to know if we might agree on a time limitation? I wonder how many would like to speak? I count at least seven.

I think I will abandon that at this time, Mr. Chairman. Mr. Chairman, I rise in opposition to the amendments.

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. FARBSTEIN. Mr. Chairman, I thank the gentleman for yielding.

I might suggest that I, too, have been bombarded with telegrams, but my bombardment has been from civic organizations and from people who are directly affected with this bill. In this connection, let me say that they favor the Sullivan amendment.

Mr. Chairman, last summer I cosponsored a comprehensive consumer credit bill designed to assure the American consumer full disclosure of credit terms. I am happy to see that the bill, under consideration today, contains several of the provisions I then proposed. Beside the truth-in-lending provision, these include a provision restricting garnishment of wages and one establishing a National Commission on Consumer Finance.

Mr. Chairman, credit is an integral part of our economic way of life. It has been estimated that consumer credit today totals approximately $96 billion. I believe that the Congress has a direct responsibility to the American taxpayer to see to it that he receives accurate credit information in terms he can understand and can use for comparative shopping.

One of the most controversial parts of this 7-year debate over consumer legislation has been that concerning disclosure of financial terms on revolving credit plans. The bill as reported out by the Committee on Banking and Currency distinguishes between installment and the short-term revolving credit. This bill does not require short-term revolving plans to disclose interest rates in annual terms. I had hoped that the committee would move to require all credit plans to fully disclose interest rates. I support the amendment to require the disclosure of annual interest rates on revolving credit.

I believe this is particularly inconsistent when one notes that the truth-in-lending advertising provision requires that all revolving credit plans, including the short term, set out annual percentage rates. The committee bill under consideration does require all creditors to furnish an estimate of the approximate annual percentage rate for a transaction where the customer requests it. I support this measure. However, I had hoped that they would require disclosure of an annual rate for all transactions, negating the need for this amendment.

The committee also adopted an amendment exempting from annual rate disclosure consumer credit transactions where the finance charge does not exceed $10, usually involving credit of approximately $100 or less. As I observed in my statement before the Subcommittee on Consumer Affairs, I believe there should not be a minimum limit on the dollar size of a credit transaction because low income citizens would be the ones most injured by abuse of credit practices on small dollar purchases and there should be a disclosure of all consumer credit transactions irrespective of the amount.

Along with the rise in credit usage has come an alarming increase in the levels of personal bankruptcies. As the committee commented, in its report, evidence clearly established the causal connection between high levels of personal bankruptcies and harsh garnishment laws. In States where entire wages can be garnished, the records show that personal bankruptcy is extremely high. My own State of New York has adopted a much sounder approach to this problem by substantially limiting garnishment practices. The result is a low rate of personal bankruptcy. I have advocated a complete restriction on garnishment of wages in the past and will continue to do so. However, I believe the committee's 10-percent limit on garnishment of weekly wages above $30 is a just measure for both debts and creditors alike and represents a move in the right direction.

Finally, let me simply say that I believe all of us owe a great measure of gratitude to the individual members of the Committee on Banking and Currency. They have worked long and hard to reach agreement on this controversial bill. Although I disagree with certain provisions adopted by the committee, I believe they have reported out an effective bill—one which all of us will, after floor debate, be able to support in final passage.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Chairman, this has been a very interesting debate, but it resolves itself down to one question, which is whether or not we will have revolving credit fully covered in this bill. These three amendments that the gentlewoman from Missouri [Mrs. SULLIVAN] is opposing involve revolving credit. I believe all Members of the House—and I know I have—have received telegrams. Practically every one of them said, "We do not object if you will make it include revolving credit and include everybody alike. We just do not want to be singled out." That is what practically every telegram says. The proposal of the gentlewoman from Missouri [Mrs. SULLIVAN] carries out the will and the wishes of those sending those telegrams. May I invite your attention to the fact that if this bill stays as it is and we are unsuccessful in striking out these three amendments, then your vote will be, if you vote for this bill in that form, to discriminate against small business, consumers, and workers.

Mr. Chairman, I know the Members of the House pretty well, and they are generally friends of small business. Oftentimes we have questions before us that are so confused that sometimes we vote opposite to the way we really expect to vote, but this time we know that if you vote for this bill as it is and do not defeat the three amendments the gentlewoman from Missouri [Mrs. SULLIVAN] is opposing, you will be casting a definite and positive vote in favor of the big man and against the little man, discriminating against small business. I do not think that Members generally would want to do that, but that is exactly what would happen.

There is only one organization that has not come over to the viewpoint that is expressed here by the gentlewoman from Missouri [Mrs. SULLIVAN]. This is a big national concern, but it is small in comparison to the aggregate of all other concerns. There is only one. All of them now have come over to support a vote to make this requirement just exactly alike for all businesses, with equality for all concerned. That is what we would like you to do: vote "No" on these three amendments. They are devastating; they are destructive; and they put you in a position of voting against small business.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I cannot yield right now before I finish my general statement. After I complete my general statement I shall be delighted to yield to the gentleman from Missouri.

Mr. Chairman, the organizations that have endorsed the position on this of the distinguished gentlewoman from Missouri [Mrs. SULLIVAN], represent all small business organizations, labor, and consumers. It has been endorsed by the Independent Bankers Association, the American Bankers Association, the savings and loan associations, the National Automobile Dealers Association, the National Furniture Dealers Association, the National Association of Mutual Savings Banks, the AFL–CIO, and the National Consumers Conference. May I say, Mr. Chairman, that I happen to know something about the American Retail Federation that perhaps some members of the Committee of the Whole House on the State of the Union do not know. They were not organized to represent little men. They were organized to represent big business. There was such a scandalous proposal that came out when they made the announcement that there was a resolution introduced by a former Member of this House from Missouri to investigate the American Retail Federation, that before the bill was adopted Speaker Byrnes stated that the former gentleman from Missouri could not be the chairman of that special committee and then asked me to be chairman of that special committee.

Mr. Chairman, we investigated and made reports as to what this organization was organized to do, and I can assure the members of the Committee that it was organized for big business and against little business. And, Mr. Chairman, by reason of that investigation, there was a law passed. It resulted in a law to protect little business, a law known as the Robinson-Patman law.

So, Mr. Chairman, the American Retail Federation is more responsible for that law than any other group, because it was decided by the Congress of the United States that they were organized to represent big business concerns, to help big business, and to harm small business.

So, Mr. Chairman, when they cite the American Retail Federation as an example of the little fellows that are for the bill as written and against the Sullivan amendments, they are not citing a good example.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Of course, I now yield to the distinguished gentleman from Missouri.

Mr. JONES of Missouri. The question that arises in my mind—and I cannot get anyone to explain it to me—is this: The committee which is headed by the gentleman from Texas [Mr. PATMAN] had this bill under consideration for a long period of time. And, I take it that these amendments which were adopted by the committee were the result of considerable consideration.

Mr. PATMAN. By a very close vote.

Mr. JONES of Missouri. And, Mr. Chairman, if the gentleman from Texas will yield further, after the bill comes out, and with a report thereon by the committee, or the majority of the committee, and then the main sponsors of the bill say that these committee amendments that you voted for——

Mr. PATMAN. No; I voted against them. Most everyone here today voted against them. It just happens that our committee division is very close. The division between the Democrats and the Republicans is very close. It does not take very many votes to change the result. This was a very close vote, and I can assure the gentleman from Missouri that everyone who voted, who wants to vote for the little man, should vote against these amendments.

Mr. JONES of Missouri. Mr. Chairman, I have usually tried to follow the practice in voting upon legislation of following the cardinal rule of endorsing or undertaking to understand, the committee action thereon. I say this, because I feel that the committee under whose jurisdiction the particular question falls has given great attention and study to the bill. However, when such committee comes out and brings a bill onto the floor of the House and asks the Members of the House to rescind its action, this is not very convincing.

Mr. PATMAN. The majority of the members of the Committee on Banking and Currency are for these amendments.

Mr. JONES of Missouri. Mr. Chairman, if the gentleman will yield further, how did these amendments get in the bill if a majority of the members of the committee were not for them?

Mr. PATMAN. I have explained to the distinguished gentleman from Missouri that this action was taken upon a very close vote. We have two vacancies on the majority side of our committee.

Mr. JONES of Missouri. Well, you ought to fill them.

Mr. PATMAN. We had a disadvantage, but at the same time it was a very close vote. I am confident that the gentleman from Missouri always votes in the interests of the American public and, therefore, I would counsel the gentleman that his vote is "No" on these amendments and, therefore, the gentleman will be voting right.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Of course, I yield to the distinguished gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, in order to answer the interrogation propounded by the distinguished gentleman from Missouri, I want him and I want the members of the Committee of the Whole House on the State of the Union to know that the position that I am fighting for today, and that Chairman Patman is fighting for, is the position of the majority party in the committee. If the gentleman will look at the committee report, at page 106, the gentleman will see that most of the Democrats on the committee voted against a revolving credit exemption—and against the $10 exemption.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mrs. SULLIVAN. I might say that on the revolving credit amendment we lost on a 17-to-14 vote. Of the 14 who voted no, we had one Republican vote. Of the 17 who voted yes, I believe, four or five Democrats voted with the Republicans. And that is how the two bad committee amendments were adopted. When the subcommittee was considering the bill, the subcommittee was locked in a tie vote; we could not get it out of the subcommittee because we were divided six to six, and that was because we lost several Democratic votes in that subcommittee.

So I brought it to the full committee, to have this bill advanced, and we got a very good bill through except for these two amendments supported largely by the other party.

The gentleman from Texas [Mr. PATMAN] and I are arguing for the Democratic point of view on this issue, and we appreciate the support of the few Republicans who helped us.

Mr. PATMAN. In this connection, we, of course, would have to have a record vote on this issue if we were to be unsuccessful in Committee of the Whole House on the State of the Union, because this is too important not to give the greatest attention to it. We do not want to be recorded as discriminating against small business, so vote "no" on the committee amendments.

Mr. HALPERN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the committee amendments.

Mr. Chairman, I would like to express my strong opposition to the amendment which would exempt revolving credit accounts from the requirement to disclose their credit charges in terms of an annual rate, and substituting instead, a monthly rate. This issue has been argued and debated as long as credit disclosure legislation has been under consideration in Congress, and I feel that the complexity of the problem has been highly exaggerated by those who favor this exemption. I believe that one example can be presented to reveal the spurious nature of this whole issue.

Let us remember, first, the basic purpose of our "truth in lending" legislation. We are seeking to enable the consumer to make informed and rational choices in his purchases and credit arrangements. And, the basic conclusion which motivates this bill is that the consumer cannot make intelligent choices unless alternatives are presented to him in a uniform, and thus easily comparable fashion.

We do not need this legislation merely to insure that consumers are told the "truth"; there are already laws which protect individuals from deliberate fraud. What the consumer does need is to be told the truth in a form which is meaningful to him. Significant truth in the area of credit means credit terms for all transactions presented in a uniform fashion, so that the consumer can compare credit terms with the same ease that he is able to compare initial prices. The exemption of revolving credit accounts from required disclosure of rates on an annual basis, the basis on which other rates must be disclosed, would defeat this primary function of our legislation.

Mr. Chairman, I do not intend, at this time, to foist upon this body the entire Pandora's box of mysteries and complexities which supposedly surround the issue of revolving credit accounts. I firmly insist, in fact, that these difficulties are completely spurious and that this particular box is filled with nothing but cobwebs and shadows.

I submit, Mr. Chairman, that if a savings bank can provide an annual rate to its depositors, then a revolving credit dealer can do the same for its customers. And, if variations remain in the type of savings accounts offered to depositors, then there is no danger of complete standardization in the terms of revolving credit accounts.

It has been demonstrated, in the lengthy hearings held on this bill, that savings accounts operate on a principle very similar to that of revolving credit accounts. In revolving credit accounts, customers continually make purchases and pay off their debts, with these operations often overlapping. In savings accounts, customers make deposits and withdrawals, at irregular and overlapping intervals. Both types of accounts offer grace periods, different methods and intervals of calculating balances or compounding interest, as well as diverse other inducements or charges.

Does the disclosure of an identical annual rate by different savings banks result in inaccurate information for the depositor, given that banks offer different grace periods, different compounding intervals, and so on? Not at all. The annual rate on which interest is calculated is, in fact, 4 percent, or 4½ or 5. The depositor would have no more accurate information if he were told that the monthly rate is one-third of 1 percent.

Does the fact that all the banks in one district are compelled to reveal an identical rate seem to have diminished or destroyed competition on other terms for savings accounts? Hardly. In the same advertisement, or on the same application, on which the interest terms are revealed, the bank also discloses its longer grace period, more frequent discounting intervals, initial bonus gift, and so on.

Mr. Chairman, the two main arguments offered by those favoring the exemption of revolving credit accounts from disclosure of an annual rate are that an annual rate would be less accurate than a monthly rate and that it would lead to the disappearance of all variation among different revolving accounts. I submit that neither of these points is valid, as revealed in the aforementioned example, and that preservation of the meaning and purposes of this legislation requires that this amendment be defeated.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that all debate on the pending three amendments, and all amendments thereto, close at 3 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman?

Mr. WILLIAMS of Pennsylvania. I object.

Mr. PATMAN. Mr. Chairman, I move that all debate on the pending three amendments, and all amendments thereto, close at 3 o'clock.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BINGHAM].

Mr. BINGHAM. Mr. Chairman, much has been made of the claim that the 18-

percent annual rate is somehow misleading and that the matter of how much interest is actually earned on a revolving credit account is so complicated and so difficult to figure that the 18-percent figure is not accurate.

Mr. Chairman, the committee amendment calls for 1.5 percent per month interest.

If 18 percent per year is inaccurate and misleading, then 1.5 percent per month is inaccurate and misleading.

Why is it that some of the retailers want so much to avoid putting down 18 percent a year? It is for one reason and one reason only: 1.5 percent a month sounds cheaper to the consumer. It sounds like a credit bargain; 18 percent a year sounds expensive. That is the simple reason why they do not want to make the change.

Much has been said about the fact that some of the larger retailers have come in recently and accepted the proposition as represented by the gentlewoman from Missouri [Mrs. SULLIVAN]. The reason for that is not sinister. The reason is that they do not want to try to make a distinction between the two types of installment credit that the committee amendment provides.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. WILLIAMS].

Mr. WILLIAMS of Pennsylvania. Mr. Chairman, I wish to correct any impression that may have been left here to the effect that the committee amendment to which we are referring does not protect the consumer. It very definitely does protect the consumer. The very reason the Spiegel's, Sears, Montgomery Ward and others do not want the committee amendment is that many other stores throughout the country are applying their interest rates in such a way as to get a yield of from 9 to 12 percent from their interest charge instead of the 18 percent that some of the big giants are charging and the large stores want to avoid disclosing this fact.

I also want to clear up another point. Many of these consumer groups are against the committee amendment because they think the committee amendment would not control revolving charge accounts. It definitely would. Starting on page 13 there are eight provisions which must be disclosed to any customer using a revolving charge account.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Chairman, I oppose the committee amendment exempting open-end credit plans from the annual rate disclosure provisions of the bill.

Mr. Chairman, the principal purpose of the bill before us is to assure the American consumer of accurate, understandable, and, most important, readily comparable information about the cost of credit—not of some credit, but of all credit.

The committee amendment subverts this purpose by freezing into law the very differences in the expression of credit costs that now cause so much confusion and misunderstanding among credit users.

Undisputed testimony before this committee's Consumer Affairs Subcommittee showed that mathematically identical credit offers can be stated in terms that make them appear to be dramatically different. Mathematically, 1½ percent a month translates easily into 18 percent a year; psychologically, the monthly rate seems much lower.

Mr. Chairman, in the courts of law, we require all witnesses, not some witnesses, to "tell the truth, the whole truth and nothing but the truth." If we are going to have a truth-in-lending bill, we should require not just some creditors, but all creditors to "tell the truth, the whole truth and nothing but the truth."

The committee amendment gives a tremendous competitive advantage to the large, computerized retailers, allowing them to tell only one-twelfth of the truth, while requiring small retailers, banks, finance companies, mortgage lenders and most other creditors to tell the whole truth.

Mr. Chairman, if we are to faithfully serve the interests of the American consumer, we must put all consumer credit transactions on an equal footing. The common denominator of the annual rate is the only standard by which consumers can meaningfully compare credit offers and determine which is cheapest.

This amendment was adopted in committee by a margin of only three votes of the 31 cast. The majority accepted at face value the large retailers' assertion that the 1½ percent most of them charge on unpaid revolving account balances cannot be expressed as an annual rate of 18 percent because of the "free ride" period they offer.

This argument has two terrible flaws. First, it ignores the fact that in the revolving credit system, a transaction is, for a specified period, a cash deal, with no service charge whatsoever. Only when the grace period expires does the deal become a credit transaction. When the 1½-percent charge is then applied, the rate will always be 18 percent a year.

Second, the retailers' argument deliberately confuses yield on accounts receivable with the rate at which charges are assessed. When a retailer's monthly charge begins to run at 1½ percent, the annual rate cannot be other than 18 percent, even though the yield on that account over a year's time may be far less than 18 percent, depending on how often during the year the account is paid up within the specified "free ride" period in which no charge is made.

The defeat of the committee amendment and the application of the annual rate disclosure requirements to the large, computerized retailers will do nothing to reduce competition among them or between them and other lenders. It will merely require them to disclose their credit charges the way other creditors do—on an equitable, annual rate basis.

Nothing in this bill prohibits a retailer from emphasizing to its customers the length of its "free ride" or the low average yield on its accounts.

Indeed, as far as advertising is concerned, the bill encourages revolving credit lenders to compete. I quote from page 17 of the committee report:

> The advertising standards provided for in the Committee bill are intended to be minimal. Sellers and lenders who wish to go beyond what is called for in the bill and explain their terms in more detail are encouraged to do so, provided that the details they supply are accurate and in no way misleading. Detailed explanation is particularly to be desired in the case of revolving credit plans, where differing billing methods have as much impact on consumer charges as differing rates.
>
> Once every lender and seller is required to make the basic facts available in his advertising, those who wish to go into such additional details as average yields for all accounts will be able to do so in an atmosphere of greater consumer understanding.

I urge my colleagues to keep faith with the American consumer and the competitive free enterprise system by voting down this discriminatory committee amendment and requiring not some, but all creditors to "tell the truth, the whole truth, and nothing but the truth."

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. RYAN].

Mr. RYAN. Mr. Chairman, I rise in opposition to the committee amendments and in support of the position taken by the distinguished chairman of the committee [Mr. PATMAN] and the distinguished chairman of the subcommittee [Mrs. SULLIVAN]. The loophole which exempts revolving credit should be closed. For the benefit of the members of the committee, I should like to read a statement issued January 27, 1968, by the Chairman of the President's Consumer Advisory Council on this very point. He said:

> To be effective, full disclosure of credit charges must embrace all forms and amounts of credit . . . Permitting no disclosure of credit costs for revolving credit by the annual percentage rate method will invite more firms to use this type of credit to avoid disclosure and comparison with the charges of other credit vendors. It is unfair to give preferential treatment to any one business group by exempting it from the disclosure required of competitors.

That statement by Bronson C. LaFollette, attorney general of Wisconsin, and Chairman of the President's Consumer Advisory Council, sums up the issue.

There has been much discussion of whether it is fair to require disclosure of an annual rate of interest when payment is usually made over a shorter period of time. The speedometer analogy in the supplemental views is very apt. Just as miles per hour is the standard for measuring speed, annual rate is the standard for measuring interest rates, regardless of whether the car traveled a full hour or the loan was outstanding for a full year.

Revolving credit is the most rapidly expanding form of credit. It would be encouraged to expand even more rapidly by the shelter contained in the committee bill. To permit one category of credit to disclose rates on a monthly basis, while requiring the rest to state a uniform yearly rate is to confer an unfair psychological competitive advantage. The rate of 1½ percent a month simply sounds preferable to 18 percent per year. This loophole gives one of the more costly forms of credit a favored position compared to lower cost conventional loans.

The key to an effective truth-in-lending statute is consistency and uniformity. If certain categories are exempted or permitted to calculate credit charges on a distinct basis consumer credit will remain in a morass of confusion.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. BLACKBURN].

Mr. BLACKBURN. Mr. Chairman, I wish to call the attention of the House to a situation which has not been fully dealt with, and which has bearing on the subject under discussion. Although the bill makes no attempt to regulate profits from credit charges, the underlying hope is that by exposing those charges, the Congress will help the competitive process bring them down. We have heard a number of statements over the past few weeks about how high these charges really are, particularly in the case of revolving credit, where merchants are said to be getting up to 18-percent return on their outstanding receivables.

Every study that has been made of the issue makes it clear that these high yields are a myth—that very few if any retailers are making money on their credit operations. Rather, they use credit as a loss leader of sorts to aid in the sale of merchandise. The cost of credit programs which is not covered by the service charge revenue is made up in the cost of the merchandise itself. The question which then arises is, "If this is true, how can the banks survive competitively? They have no merchandise sales in which to hide any of their costs."

The fact is that the banks and other financial institutions which have credit card plans and check credit plans operating on a revolving charge basis do have a merchandise sale against which a cost of credit is levied. It is called the "bank discount," and this bill does not deal with it in any way whatsoever. It is ironic that the banks are among the leaders in urging Congress to "treat everyone alike—make everyone disclose on the same basis" because this integral part of the banks' system is not required to be disclosed to the public by Mrs. SULLIVAN's bill or by her amendment to the committee bill.

The discount system to which I refer works this way. When a merchant honors a bank credit card, he pays the bank a "discount" on the sale which is made on the card. Usually, it ranges from 2½ to 3 percent. That means that if you buy a $100 suit and pay for it by offering a bank credit card, the retailer selling that suit pays the bank $2.50 to $3 on that sale. The bank then sends you a bill for $100, and they add a service charge of $1.50 to it if you do not make a payment by the billing date.

The net result is that the bank has its money from the retailer right from the beginning. Anything you pay it is extra, and the net yield to the bank on the money outstanding is always higher than the published rate. Under Mrs. SULLIVAN's amendment, the bank would disclose to you that you were being charged 18 percent a year, whether that is how it worked out or not. But you would not be told about the discount provision at all. There is no requirement that the retailer or the bank tell you that at some point you are paying not only the service charge but also the bank "discount" charge.

Understandably, retailers with their own credit plans are upset about this kind of "equal treatment." Since it has been demonstrated that the yield they receive from their revolving credit plans is almost always less than the 18 percent figure which Mrs. SULLIVAN would require to be stated, they will be put in the position of always overstating their charges while their competition has a source of credit revenue about which the consumer is never told.

The wisest course to follow is that outlined by the majority of the committee. The committee does not call for any theoretical annual rate, but for a straightforward statement of the actual terms of each and every account. True, the bank discount is not required to be disclosed, but if the retailers are not trying to explain away annual rate, such disclosure is not needed. Under the committee bill, the consumer will be told everything she needs to know to make a meaningful dollar comparison of charges to her, and there will be no competitive pressure on the lenders and sellers to hide charges in discounts or higher prices in order to advertise an attractive "lower" rate.

What all this means is that we should frankly and openly face the fact that revolving charges are different than traditional installment contracts, and therefore treat them differently. That is the only intelligent way to approach the problem. An attempt to force every type of credit into the same mold of identical disclosure can only do violence to the nature of some types of credit, and we all know that under those circumstances it is the consumer who will eventually be made to pay. Far better to let the market set the conditions of the accounts, and the Congress merely to require that all of those conditions be set forth in clear and honest fashion. For that reason, I support the committee amendment on revolving credit.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. MACHEN].

Mr. MACHEN. Mr. Chairman, I rise in support of the position taken by the chairman of the committee and the chairman of the subcommittee and in opposition to the committee amendment. I was also very happy when this so-called loan shark provision recommended by the committee was rejected.

Mr. Chairman, the field of consumer credit has become an impenetrable jungle of confusing terms and incomprehensible concepts. If consumers were already thoroughly knowledgeable about credit terminology and interest rate percentages, there would be no real need for truth-in-lending legislation.

Consumer credit in the United States has been growing at a rate equal to four times that of the national economy. At the end of 1945, consumer credit was at a level of about $5.6 billion. As of March 1967, the total amount of consumer credit was estimated to have jumped to $92.8 billion and in September to $98.8 billion. The size of consumer credit in this country has increased by 17 times over that for 1945.

American families are now paying about $13 billion a year in interest and service charge payments for consumer credit. This is just a little less than the yearly interest which the Federal Government pays on the national debt.

There are many extraordinary and much-needed provisions in the bill we are considering today. The Consumer Credit Protection Act would, first, safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions and in offers to extend credit; second, restrict the garnishment of wages to prohibit the attachment of more than 10 percent of a worker's wages, after exempting $30 of his earnings, and forbid an employer from firing a garnished worker for his first garnishment; third, provide for "truth in advertising" by requiring rate disclosure, as well as all credit terms whenever any mention is made of any credit requirement in an advertisement; fourth, requires sellers and lenders, whenever credit life insurance is mandatory, to disclose the cost of such insurance along with other information regarding the total finance charges; fifth, require mortgage lenders to disclose annual rates and total finance charges including "closing costs" in transactions involving first and second mortgages; sixth, provide that creditors must furnish a written estimate of the approximate annual percentage of finance charges on open-end credit plans whenever a customer requests it either orally or in writing, and specify a repayment schedule and other essential credit terms as may be prescribed by regulation; seventh, require disclosure of payments and credits not deducted during a billing period before a finance charge is added; eighth, create a National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry, as well as consumer credit transactions generally.

I fully support all these provisions of the bill. However, I feel compelled to agree with several members of the committee concerning two particular committee amendments to the bill. I believe that if these amendments are allowed to remain in the bill—rather than having real truth in lending—we would be, in essence, freezing into law many of the very differences in the expression of credit costs which caused so much trouble to begin with.

In title I of this bill, there are two loopholes which I believe should be deleted to insure the effectiveness of this legislation in really achieving truth in lending.

The first of these loopholes is the "open-end" exemption which would permit very large department stores and chains, mail order houses, and other sellers using computerized "revolving credit," and some credit card systems, to express their credit charges to their customers on a periodic basis—customarily a monthly rate—rather than the annual rate method which is prescribed in the bill for other forms of consumer credit.

The second of these loopholes is the $10 "loan shark" provision. This loophole would throw a blanket of concealment over the costs, on a percentage basis, of a vast number of additional consumer credit transactions where the credit charge does not exceed $10.

Under the first loophole, annual rate disclosure would be required for the largest and perhaps the most important credit transactions that the average family would make—such as the purchase of a home or automobile, furniture, or a large ticket appliance on which the payoff period extends beyond 19 months, or substantial loans, and so forth.

While these circumstances may represent the bulk dollarwise of consumer credit transactions, they do not cover the majority of instances in which most families use credit. It is true that revolving credit now represents only about 5 percent of consumer credit outstanding other than real estate credit. However, it has been growing at a tremendous rate; and according to some experts, it will capture about 50 percent of the consumer credit market in the next 5 years. If this form of credit is favored by this special exemption in truth-in-lending legislation, the already strong trend toward open-end credit plans will be greatly accelerated.

If these committee amendments are allowed to remain in the bill, lower income families would still spend most of their credit dollars without having an opportunity to learn how to use these dollars wisely. Without knowing it, they could be paying at rates of 18 to 24 percent or more for what they are told are "easy terms" of 1½ or 2 percent a month on revolving credit. And they would be paying at rates of 120 to 240 percent, or even more, on other transactions on which credit charges are given as only $10.

The purpose of truth in lending is to have credit charges stated in a way so that the consumer can make an informed judgment on the cost of alternative credit sources. It seems to me that a single standard for stating these charges is essential to achieving this purpose. A variation would constitute a built-in distortion of the truth.

Mr. Chairman, I support uniform annual disclosure of rates for all categories of lenders covered under this bill. I urge my colleagues to pass the strongest truth-in-lending bill possible.

The CHAIRMAN. The Chair recognizes the gentlewoman from Massachusetts [Mrs. Heckler].

Mrs. HECKLER of Massachusetts. Mr. Chairman, I am disappointed that partisanship has been introduced into the debate, because certainly the concept of truth in lending, I feel, is too important for partisan considerations.

I should like to bring to the attention of my colleagues the experience in Massachusetts with a State law which is similar to the proposals made by Mrs. Sullivan.

The Massachusetts truth-in-lending law, which has been in effect for the past 1 year, has contributed to the following results:

Massachusetts recorded a 3-percent increase in retail sales, a large portion of which involved credit, whereas retail sales in all of New England have risen by merely 1 percent. This fact is especially significant since personal income in Massachusetts grew at a slower rate than in other New England States.

The CHAIRMAN. The time of the gentlewoman has expired.

(By unanimous consent, Mr. Patman yielded his time to Mrs. Heckler of Massachusetts.)

Mrs. HECKLER of Massachusetts. Mr. Chairman, during the same period after enactment of the Massachusetts law, consumer credit rose 5 percent at commercial banks and 43 percent at savings banks.

Full disclosure of credit terms including revolving credit provides the Massachusetts purchaser with a far greater ability to truly shop for a bargain. Bargain hunting is a tradition among American women, and, as a matter of fact, the Massachusetts truth-in-lending law was substantially assisted by the strong support of the Massachusetts Federation of Women's Clubs.

As an American woman in this Congress, I feel that we should come to the aid of every American consumer who shops in the marketplace by enacting a fair and workable disclosure law.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. Wylie].

Mr. WYLIE. Mr. Chairman, I voted "no" on this bill in committee. As a matter of fact, I cast the lone dissenting vote. This does not mean that I am against truth in lending. I am for truth in lending, but I am not for either position which has been stated here and which are now being debated.

Members can understand my confusion when I had to listen to this argument for 2 weeks. After the 2 weeks I decided that we want uniformity, of course, so the American consumer can compare. But on the other hand, I think the revolving credit people do have a point in that they cannot comply with an annual rate disclosure provision.

So, at the end of the reading of this section, I will offer an amendment which will require everyone to disclose on a uniform monthly rate basis, and if Members are confused and want another place to go, and want uniformity in disclosure, and want to provide for the revolving credit people, who do have a legitimate argument, they can support my amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. Fino].

Mr. FINO. Mr. Chairman, the gentleman from Missouri [Mr. Jones] earlier today expressed confusion regarding the committee amendment. He was at a loss to understand why a majority of Democrats had voted for this committee amendment. I just want the Members of this House to know that this bill was reported out of committee by a vote of 30 to 1, and the only objector was the gentleman from Ohio [Mr. Wylie], a Republican.

Also, I want to bring to the attention of Members of this House that on a record vote in the Senate, the exact provisions of this bill were adopted by a vote of 92 to 0.

All of the Democrats in the Senate voted in favor of this legislation.

I also want to bring to the attention of the House the fact that the President of the United States, in his state of the Union message here in this Chamber, praised the Senate-passed truth-in-lending bill.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from Wisconsin [Mr. Reuss].

Mr. REUSS. Mr. Chairman, I rise in opposition to the committee amendments, and in support of the Sullivan-Patman position that revolving credit should be included under the bill we have before us.

There are two good reasons why it should be included.

In the first place, if we are to write a meaningful bill, we must make it apply to revolving credit as well as to other forms of credit.

In the second place, in the interest of equity, we would be dealing unfairly with the great majority of the lending community if we allowed the exception for revolving credit to remain in the bill.

Mr. Chairman, the moment of truth in lending approaches. I hope the committee amendments will not be agreed to.

The CHAIRMAN. All time has expired.

The question is on the committee amendments on page 13, line 12; page 13, line 13; and page 14, lines 10 and 11.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HANNA. Mr. Chairman, I demand tellers.

Tellers were refused.

Mr. FINO. Mr. Chairman, I demand a division.

The question was taken; and on a division (demanded by Mr. Fino) there were—ayes 19, noes 131.

So the committee amendments were rejected.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 14, line 16, after "determined", insert a period and the following: "If such a balance is determined without first deducting all payments during the period, that fact and the amount of such payments shall also be disclosed."

Mr. BINGHAM. Mr. Chairman, I rise in support of the amendment.

This is a very simple amendment, which I had the honor to present in the committee and which is intended to bring out additional disclosure. There are, as Members have heard, different ways of calculating the revolving credit accounts. Some firms do not give credit for payments made during the month in calculating the monthly interest charge.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I will be glad to yield.

Mr. PATMAN. The majority members favor the gentleman's amendment.

Mr. BINGHAM. Mr. Chairman, I do not think there is much controversy about this amendment, which was approved overwhelmingly by the committee. It is for the purpose of protecting those firms such as Penney's—and we have heard about them here today and yesterday—who do give credit for payments made during the month in calculating the monthly interest charge. Certain other firms calculate the monthly interest charge at the end of the month on the balance as it existed at the opening of the month. In other words, they do not give credit for payments made on the account during the month. All this amendment does is this: it says that if it is their practice that they do not give credit for payments made during the month, in calculating the monthly interest charge, they should disclose that fact to the consumer.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 15, after line 4, insert the following:

"(5) Any creditor under an open end credit transaction shall furnish any party to the transaction with a written estimate of the approximate annual percentage rate of the finance charge on the transaction determined in accordance with regulations issued by the Board, if the party making the request specifies or identifies the repayments schedule involved and such other essential credit terms as may be prescribed in the regulations issued by the Board."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 16, strike line 19 and all that follows down through line 19 on page 18, and insert the following:

"(i) If a creditor, in order to aid, promote, or assist directly or indirectly, any consumer credit sale, loan, or other extension of credit subject to the provisions of this section, other than an open end credit plan, states or otherwise represents in any advertisement—

"(1) the rate of the finance charge, the advertisement shall state the rate of the finance charge expressed as an annual percentage rate; or

"(2) the amount of an installment payment or the dollar amount of finance charge, the advertisement shall state:

"(A) the cash price or the amount of the loan, as applicable;

"(B) the downpayment, if any;

"(C) the number, amount, and due dates or period of payments scheduled to repay the indebtedness if such credit were extended; and

"(D) the rate of the finance charge expressed as an annual percentage rate.

The provisions of this subsection shall not apply to advertisements of residential real estate except to the extent that the Board may by regulation require.

"(j) No creditor, in order to aid, promote, or assist, directly or indirectly, the extension of credit under and open end credit plan may state or otherwise represent in any advertisement any of the specific terms of that plan unless the advertisement clearly and conspicuously sets forth—

"(1) the conditions under which a finance charge may be imposed, including the time period, if any, within which any credit extended may be repaid without incurring a finance charge;

"(2) the method of determining the balance upon which a finance charge will be imposed;

"(3) the method of determining the amount of the finance charge (including any minimum or fixed amount imposed as a finance charge), and the annual percentage rate; and

"(4) the conditions under which any other charges may be imposed, and the method by which they will be determined.

"(k) No creditor may state or otherwise represent in any advertisement—

"(1) that a specified periodic credit amount or installment amount can be arranged, unless the creditor usually and customarily arranges credit payments or installments for that period and in that amount; or

"(2) that a specified downpayment is required, unless the creditor usually and customarily arrange downpayments in that amount.

"(l) For the purposes of subsections (i), (j), and (k), a catalog or other multiple-page advertisement shall be considered a single advertisement if the catalog or other multiple-page advertisement clearly and conspicuously displays a credit terms table on which the information required to be stated by subsections (i), (j), and (k) is clearly set forth.

"(m) The prohibitions and requirements of subsections (i), (j), (k), and (l) of this section shall apply only to a creditor or his agent directly or indirectly causing the publication or dissemination of an advertisement and not to the owner, employees, or distributors of the medium in which the advertisement appears or through which it is disseminated."

SUBSTITUTE AMENDMENT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Chairman, I offer a substitute amendment for the committee amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. WYLIE for the committee amendment: On page 16, strike lines 19 through 25, and insert:

"(i)(1) Subject to paragraph (2)—

"(A) whenever an annual percentage rate is required to be disclosed by this section, such rate may be expressed either as a percentage rate per year, or as a dollars per hundred per year rate of the average unpaid balance; and

"(B) whenever a rate other than an annual rate is used to compute a finance charge and is required to be disclosed under subsection (d), such rate may be expressed either as a percentage rate per period of the balance upon which the finance charge is computed, or as a dollars per hundred per period rate of such balance.

"(2) On and after January 1, 1970, all rates required to be disclosed by this section shall be expressed as percentage rates."

Mr. WYLIE. Mr. Chairman, there are some people who feel that, perhaps, the Federal Government should not be envolved in this business of truth in lending and, perhaps, that the matter should be left to the individual States. However, in my opinion, it is proper Federal legislation. Yet we have just adopted an amendment here which in effect deletes the committee provision which would have provided an exception for revolving credit as rates could be disclosed on a monthly rate basis. We have now provided that everyone must disclose this information upon an annual rate basis.

Mr. Chairman, the purpose of this amendment—and this amendment was contained in the original bill which was introduced by the distinguished gentlewoman from Missouri [Mrs. SULLIVAN] when it was originally introduced and was adopted by the other body—the purpose of this amendment is to avoid conflicts with State usury laws. In some States—and the State of Ohio is one—small loan legislation has been passed which will allow rates to be disclosed upon a dollars-per-hundred rate basis. This type of credit disclosure sprung up when it was revealed that disclosure of the interest rate was limited by usury statutes to an unrealistic extent. Under the provisions of this substitute amendment an interest rate may be expressed either as a percentage or as a dollars-per-hundred rate upon the average of the unpaid balance.

This amendment was adopted in the Senate bill. It allows creditors time within which to comply with the law which we expect to pass here today. However, in some of the States there is a constitutional provision wherein immediately compliance with the provisions of an annual rate disclosure bill will cause a hardship.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the chairman of the committee.

Mr. PATMAN. I believe the gentleman is mistaken about this. This bill only involves the rate of credit charges, not interest. It does not involve usury laws.

The gentleman from Ohio stated that the legislation would of necessity cause the respective legislatures to conform with this law. In my opinion the gentleman is mistaken, and I wish he would reevaluate his position. It is my opinion that the gentleman's reasoning with respect to that question does not apply to usury laws, but just to credit charges.

Mr. WYLIE. Mr. Chairman, I think it could, with all due respect to the statement which has just been made by the gentleman from Texas [Mr. PATMAN]. In the State of Ohio we have a usury law. However, we know that some companies charge on a dollars-per-hundred basis as exception to the usury statute to meet a need in the small loan field. The manner in which they avoid the provision of the law is to provide for disclosure upon a dollars-per-hundred rate. That is the point I am making. In other words, if they have to convert from a dollars-per-hundred rate to a percentage rate, many companies may be violating certain State usury laws and even constitutional requirements in other States.

As I say, this was in the original bill which was introduced by the gentleman from Texas [Mr. PATMAN] and the distinguished gentlewoman from Missouri [Mrs. SULLIVAN]. The reason it was taken out in committee—and it was done by a voice vote—was because it had to be put into effect prior to July 1, 1968, which might be before the effective date of this law, and it could not be complied with.

I am suggesting this change so that States and financial institutions have until January 1, 1970, to comply with it. It is a very simple amendment. I believe it is a wise amendment. I believe it is a prudent amendment. I believe that the chairman of the committee, as well as the chairman of the subcommittee should agree with it and accept it.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I would state to the gentleman that I believe his view has been anticipated on page 25 of the bill. Would not that section be applicable? Would not that section render the amendment offered by the gentleman moot?

On page 25 it says:

> This title shall not otherwise be construed to annul, alter or affect in any manner the meaning, scope or applicability of the laws of any State. . . . .

And so forth.

Mr. WYLIE. Mr. Chairman, in response to the gentleman I would say that I do not believe that is specific enough. I want it to apply specifically to rates per $100. I would say to the gentleman from Texas [Mr. GONZALEZ] that that goes part of the way, but this goes all of the way.

Mr. GONZALEZ. Mr. Chairman, I would state to the gentleman that it says:

> . . . types, amounts or rates of charges, or any element or elements of charges, ...

Mr. WYLIE. I understand that, but if the gentleman will recall, in committee the only reason this was turned down was that the effective date was to be before the enactment of this law, and I am saying that we should give the States a little further time to comply with the provision requiring conversion to a percentage on an annual basis.

I urge support of the substitute amendment.

Mrs. SULLIVAN. Mr. Chairman, I rise in opposition to the substitute amendment.

I would like to say first that the language in the original bill containing the date of July 1, 1968, was only put in to conform with the language of the Senate bill without having the substantive effect of the Senate provision. We did not want to authorize dollars per hundred per year beyond the date when my bill was to become effective, so that it would have no meaning after July 1, 1968. It was a technical drafting matter only.

But, Mr. Chairman, I am afraid of the language in the Senate provision, which permits sellers or lenders until January 1, 1972, to avoid using an annual percentage rate, and instead use a figure representing dollars per hundred per year. That is why we took it out entirely in my bill as amended.

The lawyers say this term of dollars per hundred, and so forth, is supposed to mean the same thing as a percentage rate, and is a subterfuge intended to avoid any conflict with State usury laws. But it is unnecessary.

Our bill and the committee report both make it abundantly clear that the finance charge percentage rate required by the bill is not an "interest rate" under State usury laws. But we are told that perhaps—maybe—some State court, somewhere, some day, might rule otherwise.

Therefore this amendment—which I oppose—would postpone until January 1, 1970—nearly 2 years from now—the effectiveness of the requirement that creditors reveal to the borrower, or buyer, the percentage rate of the finance charge. The purpose would be to give all the State legislatures time within which to amend their State usury laws to make it clear—absolutely and completely clear—that the disclosure required under the Federal law does not place a creditor in the position of being guilty of violating a State law.

I do not know what we can say that we have not already said to assure those who worry about this point that they have nothing to fear. If they did, the Supreme Court undoubtedly would knock out this provision of the Federal statute.

On the other hand, just think what this amendment would do to the consumer's attempt to try to understand interest rates and credit charges. They are so confused now by such terms as "add-on," "discount," "dollars per hundred on the original amount," "dollars per hundred on the unpaid balance," "dollar add-on per contract," "dollar add-on per year," "dollars per hundred per year on the average unpaid balance," "interest rate," "merchandise add-on," "points," "precomputation," "graduated rates," "step rates," "time-price differential," "yield," and all the rest of these methods of expressing rates that, until 1970, we would not be able under this language to help them learn what the actual percentage rate is or means.

If "dollars per hundred per year on the average unpaid balance" means exactly the same as the percentage rate, and comes out always to exactly the same figure, how could one be considered interest, and the other not, as long as they refer to exactly the same transaction?

Mr. Chairman, I urge defeat of this amendment.

Mr. WYLIE. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I yield to the gentleman from Ohio.

Mr. WYLIE. It sounded as if the gentlewoman were making a statement in favor of my amendment. I understood the gentlewoman to say she opposed it.

Would this not serve to clear up some of the confusion and give the people who have this form of credit disclosure on the dollar-per-hundred-rate basis, would it not give them a chance to educate their customers, customers who have been dealing with them over these many years?

There are some 20 States that have this type of credit financing.

Mrs. SULLIVAN. They can just go ahead and use this term as long as they also give the annual percentage rate—but not instead of the percentage rate. They can use it exclusively only until this law becomes effective, which is 9 months from enactment. Why require everyone else to learn what this strange term means, if it is not going to be continued after a few years? Everybody knows what the annual percentage rate means compared to this strange term of "dollars per hundred per year on the average unpaid balance." You are making them learn a brandnew term.

Mr. WYLIE. All right. That is all that I am saying. That is the same thing I am suggesting.

Mrs. SULLIVAN. They can use that if they want to, but do not make the others use it if they do not use it now.

Mr. BROCK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was somewhat confused by the response made by the gentlewoman from Missouri. I wonder if she would answer a question for me.

When does the law, as it has now been amended and as it is now written, take effect?

Mrs. SULLIVAN. It runs from the period when it becomes the law—9 months from the date of enactment.

Mr. BROCK. Then that would be November perhaps?

Mrs. SULLIVAN. If it is signed in time.

Mr. BROCK. That would only be an estimate perhaps.

At that time there is no option available to a State which has different laws, is there, for this dollars-per-hundred provision?

Mrs. SULLIVAN. It does not affect any State law at all in this amendment. They can go ahead and use it.

Mr. BROCK. It does not affect the State law but it does affect the State situation where you have a direct conflict between the State and the Federal law.

Mrs. SULLIVAN. If there is any serious problem that would arise between the State law and the Federal law, I think that is the kind of thing we can iron out in conference.

Mr. BROCK. The thing that bothers me is that we always want to iron something out later on and we do not want to address ourselves to the problem when we have it before us. It seems to me if we have this basic conflict between the State law and the Federal law, that we ought to take cognizance of it in our actions here. There are some States that are not going to have the legislature meeting for maybe 12 or 15 or 18 months and they cannot respond. I cannot see what is wrong with this amendment. It simply gives them time to change their laws and make them conform and give the people in the States the time and give the business people in the States the time to change their credit structure. It seems to me this is a perfectly responsible amendment.

Mrs. SULLIVAN. As I said, if you make all these other States conform to those few States there would be more confusion.

No one testified before the House committee on this kind of thing.

Mr. BROCK. May I ask the author of the amendment a question on this. I do not understand and you may be correct.

Do you not simply offer the State some option, if they have an existing law—or are you requiring all of them to go this way?

Mr. WYLIE. There are 20 States that have laws which would conflict with this Federal statute in its application at the present time.

Representatives of the American Bankers Association suggested that they would like to have this language retained in the bill.

The language was in the bill originally and it was taken out by a voice vote, if you recall, because it said "July 1, 1968."

It was obvious that this bill was not going to be enacted into law by that time and that is the only reason it was taken out.

Mrs. SULLIVAN. And the fact is that none of the States came forward to object to it.

Mr. WYLIE. They had no opportunity. It was passed out in executive session by a voice vote.

They have come to me now and have suggested that many of the States—and I know that the State of Ohio is one—have a conflict. Their Ohio legislature is in session. I do not know how long it will be—and in a special session—but we want to give the opportunity it seems to me to comply with the general law and conform to it. That is what the Senate bill did and that is what the debate in the Senate suggested.

I was going along with the gentlewoman from Missouri on the original provision and I thought that was what I was doing when I put it in actually. I think it was a good provision when you had it in originally.

Mr. BROCK. If I understand the gentleman correctly, all we are doing is simply allowing an option in order to allow those States that have their own laws to come in and conform with the Federal act. With this understanding, I support him fully.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment. My reasons are as follows: First, the language of the amendment is the same language that is in the Senate bill. If we adopt the amendment and we see that we have made a mistake, we shall have tied our hands and we would have no way of changing it. But if we leave the language as it is, since the provision is in the Senate bill anyway, the subject will be considered in conference.

Mr. Chairman, this is a very involved question. I doubt that we can intelligently pass upon a question of this kind after consideration of the matter during 5-minute debate. I do not think we can do it. Therefore, I urge the gentleman not to insist upon his amendment now. It will be considered in conference. If it is put into the bill, the hands of the conferees would be tied.

And remember this: It is well known in the other body—it is traditional—that they put provisions into bills merely for the purpose of controversy and to get something out of the other body, something that they can trade on. That has been done ever since we have had conferences. If we adopt such provisions of the Senate bill, the subject cannot be in conference and our hands would be tied by the action on something that we do not know too much about.

Why should we be fixing a date in advance, 2 years from now, or after the enactment of the bill? That does not look right. Leave the date as it is. The date in the bill is July 1, 1968, or 9 months after the enactment of the bill—9 months after the enactment of the bill. That sounds pretty reasonable. But if we are delayed in the enactment of the bill and wish to change that provision, we will be at liberty to do so. We will have some flexibility. But when we adopt the same language adopted by the Senate, we have no flexibility and the hands of the conferees are tied. So I respectfully submit and urge the House to vote down this particular amendment.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. WYLIE. You have suggested that this is the same language. I submit, Mr. Chairman, it is not identical language. I would agree that the substance is the same.

Mr. PATMAN. That is the main idea. If the substance is the same, your hands are tied.

Mr. WYLIE. I believe our language is an improvement over the Senate language, even though it does the same thing. The big difference is that in the Senate amendment the date is July 1, 1972. I think that is a little bit too long. I think we ought to have an area of negotiation and maybe make it July 1 of 1970. But I do think they have a point. If we do not adopt my amendment, I am afraid it will all be knocked out in conference, because the conflict then would be on the date, January 1, 1972, or nothing.

Mr. PATMAN. I am afraid the proposal of the gentleman would tie the conferees' hands and do a great disservice to this legislation. I hope the amendment will be defeated.

The CHAIRMAN. The question is on the substitute amendment for the committee amendment offered by the gentleman from Ohio [Mr. WYLIE].

The question was taken; and on a division (demanded by Mr. WYLIE) there were—ayes 38, noes 78.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the committee amendment, on page 16, line 19.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 21, strike lines 7 through 16.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 24, line 15, strike "conduct" and insert "consult".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 26, line 6, after "section 203", insert "(except sections 203(i), 203(j), and 203(k))".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 28, strike line 9 and all that follows down through line 6 on page 37 and insert the following:

"ADMINISTRATIVE ENFORCEMENT

"SEC. 207. All of the functions and powers of the Federal Trade Commission are applicable to the administration and enforcement of this title to the same extent as if this title were a part of the Federal Trade Commission Act, and any person violating or threatening to violate any provision of this title or any regulation in implementation of this title is subject to the penalties and entitled to the provisions and immunities provided in the Federal Trade Commission Act, except as follows:

"(1) The exceptions stated in section 5(a)(6) of the Federal Trade Commission Act (15 U.S.C. 45(a)(6)) are not, as such, applicable to this title.

"(2) No bank or thrift institution is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act with respect to this title if the bank or institution is subject to section 5(d) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)), section 407 of the National Housing Act (12 U.S.C. 1730), or section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818). The Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation) shall enforce this title and regulations in implementation thereof with respect to banks and other institutions under their respective jurisdictions.

"(3) No common carrier subject to the acts to regulate commerce is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act with respect to this title. The Interstate Commerce Commission shall enforce this title and regulations in implementation thereof with respect to such carriers.

"(4) No air carrier or foreign air carrier subject to the Federal Aviation Act of 1958 is subject to the Federal Trade Commission or to the provisions of the Federal Trade Commission Act with respect to this title. The Civil Aeronautics Board or the Federal Aviation Administration, as may be appropriate, shall enforce this title and regulations in implementation thereof with respect to any such carrier.

"(5) Except as provided in section 406 of the Act of August 15, 1921 (7 U.S.C. 227)—

"(A) no person, partnership, or corporation subject to the Packers and Stockyards Act, 1921 is subject to the jurisdiction of the Federal Trade Commission or to the provisions of that Act with respect to this title, and

"(B) the Secretary of Agriculture shall enforce this title and regulations in implementation thereof with respect to persons, partnership, and corporations subject to the Packers and Stockyards Act, 1921."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 39, line 14, strike "210" and insert "208".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 40, line 2, strike "211" and insert "209".

SUBSTITUTE AMENDMENT OFFERED BY MR. STEPHENS

Mr. STEPHENS. Mr. Chairman, I offer a substitute amendment for the committee amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. STEPHENS for the committee amendment:

On page 40, line 2, strike all of the committee amendment from line 2 through line 5, and insert in lieu thereof the following: "SEC. 209. The provisions of this title shall take effect July 1, 1969, except that section 204 shall take effect immediately."

Mr. STEPHENS. Mr. Chairman, my amendment says that the effective date of any act passed will be July 1, 1969, instead of the present proposal by the committee, which says it will be 9 months after the effective date of the act.

The purpose, of course, is the anticipation that if this act is passed this year, more time will be needed for the regulations to be promulgated by the Federal Reserve Board. At the time when this matter was brought up in the Senate hearings, Governor Robertson of the Federal Reserve said, in his written statement, that not later than 1 year after the enactment of the act would give them sufficient time.

On inquiry, he said that really they ought to have perhaps 2 years' time. He specified the fact that it would take at least 3 months to write the regulations, and 9 months thereafter to inform the agencies of the proposals and educate the public on the regulations.

I ask that this be put in. When the Senate bill was passed that provision—to put it a year off for the regulations—was among the Senate provisions. This would do the same as the Senate proposed, and it would conform to the request of the people who will have to write the regulations.

I believe the Members have seen it is going to take a good length of time to write these regulations, because we have before us a very complicated set of facts.

Let me point out now that we do not have a compromise bill. I have heard it said several times that we have a compromise bill. We do not have a compromise bill, because when we passed the bill out of the committee the banks, the institutions that use installment credit such as the furniture stores that use installment credit, all said that what we voted out was relatively unfair to them because they were put at a disadvantage in that they could not put their rates on a monthly basis.

On the other hand, when we changed that just a little while ago by rejecting the committee amendment, we are in the position of requiring those who are using revolving credit to tell a lie.

We have not compromised those two divergent ideas in any proposals that have been made. As a result, I have not been convinced by anyone that I should vote for either side of the matter, since we have failed actually to compromise this and to bring forth a bill that will not require someone to tell a lie or will not put someone on the other side at an unfair disadvantage.

If we could get those two together, then we could have a truth-in-lending bill.

How can I go home to brag about passing any kind of truth-in-lending bill if it requires people to tell something that is not true? How can I support legislation that gives a competitive disadvantage in the field of credit or in lending money, on the other side of the picture?

I cannot brag about either one.

However, to get back to my amendment, if we are going to have a bill, then let us give the people who are going to draft the rules and regulations enough time to do so. Let us do that ourselves, since this is a very complicated matter.

If there is the purpose in this legislation of educating the public, I am not so sure that we have educated the public by it. From the debate we have had, we have not even educated each other here yet.

If we are going to educate the public, we can educate the public by having a bill that is not as controversial as this bill has been.

I repeat, I cannot support a bill that, considering both sides, is one which does not require truth in lending or requires disclosures that are an unfair competitive disadvantage on the other side.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I am glad to yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. I wish to say to the gentleman that I should be glad to agree in conference—not here, but in conference—to the Senate date, if we could at the same time get the Senate to go along with us on the two very important amendments that we were able to delete today from the bill; that is, the revolving credit and the $10 exemption.

Mr. STEPHENS. I appreciate that.

Mrs. SULLIVAN. It would give us something to trade with.

Mr. STEPHENS. I appreciate that position. My position is I believe we have enough to trade with as it is. In fact, we have more than we need to trade with.

I will conclude by saying that I want to thank the gentlewoman from Missouri [Mrs. SULLIVAN] for her handling of this matter. She and I have not agreed on many points, but nevertheless she has done a great job of bringing this legislation before the committee. At least we have discussed it and even, as my chairman and she cited, I have voted with the Republicans on most points in this legislation. I have done so because I thought my vote was right, not because it was a party matter.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Georgia [Mr. STEPHENS]. His amendment would make this bill effective 17 months from now. We do not know whether it will become law in February, in July, in August, or in September. We just do not know. So I think the sensible approach to this is to leave the date in here just as we have it. Then, if this bill is passed on by the conferees and it is ready for enactment, we can agree on the date with the knowledge and the intelligence that I think we can use then, because we just cannot foresee what the situation will be then. Therefore, I think we should defeat this amendment and keep in mind what the amendment is. It is possible it should be enacted if the bill is delayed so long, but if it is passed real soon, it would be a very unreasonable amendment.

Mr. Chairman, may I also say that the State of Massachusetts has a good disclosure-of-credit or truth-in-lending law. They provided 90 days as the period in which it would become effective, and they had no problem of any kind whatsoever. With the servicemen of this country running into the millions, the Department of Defense felt it was obligated to and it was obligated to make rules and regulations about the granting of credit from different concerns to servicemen. This was another truth-in-lending bill. It provided for 90 days in which to become effective. Nobody complained about that. It was found to be entirely satisfactory.

Now, Mr. Chairman, here we have two outstanding examples. One is in a State which has the only successful truth-in-lending legislation on its books. This went into effect in 90 days. Here we have another piece of legislation involving all of the servicemen all over the world which went into effect in 90 days also. Nobody complained about that. Since we have these two outstanding examples, let us have an opportunity to take this to conference. You know we will do what we believe it is right to do under the circumstances. I hope under the circumstances that the amendment is defeated.

I have a high regard for the gentleman from Georgia [Mr. STEPHENS]. I dislike to oppose anything he proposes in opposition to this, but I feel that it is in the public interest to do so and that we would be acting hastily and without full knowledge and information if we were to do otherwise.

Mr. STEPHENS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes. I yield to the gentleman from Georgia.

Mr. STEPHENS. I realize the recitation that the gentleman made about the other legislation that had been enacted, but they drew no opposition, while what we are proposing here does have the opposition of the people from the Federal Reserve, who will have to write the rules and regulations.

The CHAIRMAN. The question is on the substitute amendment for the committee amendment offered by the gentleman from Georgia [Mr. STEPHENS].

The substitute amendment was rejected.

The CHAIRMAN. The question is on the committee amendment on page 40, line 2.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 40, line 3, strike "July 1, 1968" and insert the following: "on the first day of the ninth calendar month which begins after the date of enactment of this title, except that section 204 shall take effect immediately."

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYLIE: On page 6, line 19, strike "annual" and insert "monthly".

On page 6, line 21, strike "annual" and insert "monthly".

On page 7, line 19, strike "annual" and insert "monthly".

On page 7, line 22, strike "year" and insert "month".

On page 8, line 1, strike "annual" and insert "monthly".

On page 8, line 2, strike "annual" and insert "monthly".

On page 10, line 16, strike "an annual" and insert "a monthly".

On page 11, lines 8 and 9, strike "annual" and insert "monthly".

On page 12, line 1, strike "an annual" and insert "a monthly".

On page 12, line 18, strike "annual" and insert "monthly".

On page 13, line 15, strike "annual" and insert "monthly".

On page 22, line 7, strike "annual" and insert "monthly".

On page 22, line 9, strike "an annual" and insert "a monthly".

On page 22, line 20, strike "annual" and insert "monthly".

On page 22, strike line 20 and all that follows through page 23, line 2, and redesignate the succeeding paragraphs (2), (3), and (4) as (1), (2), and (3).

On page 22, line 25, strike "an annual" and insert "a monthly".

On page 23, line 7, strike "annual" and insert "monthly".

On page 23, line 11, strike "annual" and insert "monthly".

On page 23, line 14, strike "annual" and insert "monthly".

On page 25, line 14, strike "annual" and insert "monthly".

Mr. PATMAN (during the reading). Mr. Chairman, in view of the fact that this proposed amendment goes throughout the various sections of the bill and proposes to change "annual" to "monthly," and since I have discussed this matter with the minority leadership just a few moments ago, and since that is their understanding, therefore, that being correct, I ask unanimous consent that further reading of the amendment be dispensed with, and that it be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WYLIE. Mr. Chairman, this is the amendment which I have suggested I would introduce all along and which would provide for uniform disclosure on a monthly rate basis.

Mr. Chairman, we have heard arguments presented here on the floor of the House by the distinguished gentleman from California [Mr. HANNA], the distinguished gentleman from New Jersey [Mr. WIDNALL], the distinguished gentleman from Pennsylvania [Mr. WILLIAMS], the distinguished gentleman from Georgia [Mr. STEPHENS], and others on revolving credit. I only wish that the two sides in this argument could have gotten together.

Mr. Chairman, this amendment will afford an opportunity for the two sides to get together. The other body during its consideration of this legislation recognized the fact that there is a difference in the types of credit which are extended to the public. There is a difference in installment credit or closed-end credit, which is done on a contractual basis and the revolving credit procedure which is performed upon a noncontractual basis or upon an open-end-type basis.

Mr. Chairman, revolving credit is the type one uses when one goes into a department store or into a retail store, and says, "Charge it to my account." If one pays this account within the month, in most cases, there is no charge for interest.

To say that the revolving credit people must disclose upon an annual rate basis is not in my judgment truth in lending. If we say that they must disclose by saying that "we charge 1.5 percent per month and you multiply that by 12, which gives you 18 percent," that is not truth in lending.

I say this because we find that with reference to most of these stores they do not charge an interest rate of 18 percent. As a matter of fact, testimony was received before our committee that none of them charge as much as 18 percent. In one instance, Penney's over a period of years has averaged an interest charge of 6 percent to 7 percent. This is because they have a more sophisticated operation called the "first-in, first-out" system of credit.

In other words, if you go into a store and you charge something to your account at the beginning of the month, say, $100, and in the middle of the month you pay off $50, and near the end of the month you go back in and charge another $50, you are only charged for the $50. It does not go back to the beginning of the month; it does not go back to the unpaid balance, but you get 30 days on all credit extended.

So you can see it would be impossible to figure up on that basis what the true annual rate would be in advance.

Now, we want consumers to know what the rate would be in advance. We want consumers to have a chance to compare, we want consumers to have a chance to compare between one seller and another seller. We want them to be able to compare between one lender and another lender.

I believe after hearing the testimony in committee for 2 weeks that this is a compromise that many of you have been searching for.

Now, the only argument that I have heard against my amendment is the fact that the people in the United States have been educated to an annual interest rate. Well, that is on borrowing, and this is not a truth-in-borrowing piece of legislation that we are talking about today; this is truth in lending. People get paid on a monthly basis. The family budget is made on a monthly basis. People pay their bills on a monthly basis. Revolving credit people charge on a monthly basis. I believe it is time that if the people of this country are not educated to the fact that they are paying interest on a monthly rate basis, that they now be educated. And if they are still thinking in terms of an annual rate, I believe it is long since past the time when we should let them know that they are paying interest usually on a monthly rate basis.

Now, as I said before, I believe there is something to be said for uniformity. At the same time, I note this exception which the Senate noted, and which passed in the Senate by a vote of 92 to nothing. Many people have suggested that we are attempting by this process, if we can, to protect the small people, to protect the small businessmen. Now, the small businessmen cannot put together a sophisticated system of revolving credit used now by many retailers, and they cannot buy a set of computing machines and figure up their rate of interest in advance.

So, Mr. Chairman, I suggest that my amendment would comply with the needs of everyone, and would protect the small businessmen, and would be uniform, and everybody—and especially the consumer—would know what they are getting in advance.

Mrs. SULLIVAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would say that this is the revolving credit exemption which was defeated earlier, but now it is multiplied by 20. Instead of applying to 5 percent of outstanding credit, as the revolving credit exemption would have done, this applies to 100 percent of all consumer credit.

I call the attention of the Members to the supplemental views beginning on page 106, and ask them to look at page 109 where we talk about this particular issue of a monthly rate across the board. We say:

> However, while this might seem to solve the problem of competition among sellers and lenders, it would certainly solve nothing for the consumer, unless we were at the same time to revolutionize the entire system of finance in the United States to require also that bank deposit interest be stated as one-third of 1 percent a month rather than 4 percent a year, and mortgages, stock dividends, savings and loan shares, Treasury and private bonds, and all other money rates customarily stated on an annual rate basis be required to be stated on a monthly basis.

The only thing I can use as an example, Mr. Chairman, is that, when we invest money, or put money in a savings account, we know we are going to get a return on an annual basis of 4 percent or 5 percent or 6 percent, or whatever the rate might be. When you put the money in, this is what they tell you. But when you get money from them—when you borrow—the consumer has to know on that same basis of an annual rate in order to know intelligently what the credit is costing him. You have to express it to him in the same rate concept as the annual percentage, rather than the monthly rate. What goes in is expressed annually. But what you take out when you borrow, to use someone else's money for the things you want to buy, the rate should be expressed in the same manner, and that is on an annual percentage rate.

Mr. Chairman, I oppose this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. WYLIE].

The amendment was rejected.

Mr. WILLIAMS of Pennsylvania. Mr. Chairman, I ask unanimous consent to offer an amendment to the committee amendment at page 18, line 20.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. PATMAN. Mr. Chairman, reserving the right to object, would the gentleman explain his request?

Mr. WILLIAMS of Pennsylvania. I have asked for unanimous consent to return to the committee amendment on page 18, line 20, and offer an amendment to the committee amendment.

Mr. PATMAN. We have no objection. I think we will favor the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENT TO THE COMMITTEE AMENDMENT ON PAGE 18, LINE 20, OFFERED BY MR. WILLIAMS OF PENNSYLVANIA

The CHAIRMAN. The Clerk will report the amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of Pennsylvania, to the committee amendment: On page 18, strike line 20 and all that follows through page 20, line 9, and insert:

"(i) (1) This subsection applies to any advertisement to aid, promote, or assist directly or indirectly any consumer credit sale, loan, or other extension of credit subject to the provisions of this section, other than an open end credit plan.

"(2) If any advertisement to which this subsection applies states the rate of a finance charge, the advertisement shall state the rate of that charge expressed as an annual percentage rate.

"(3) If any advertisement to which this section applies states the amount of an installment payment or the dollar amount of a finance charge, the advertisement shall state:

"(A) The cash price or the amount of the loan as applicable.

"(B) The downpayment if any.

"C) The number, amount, and due dates or period of payments scheduled to repay the indebtedness if the credit is extended.

"(D) The rate of the finance charge expressed as an annual percentage rate.

"(4) The provisions of this subsection do not apply to advertisements of residential real estate except to the extent that the Board may by regulation require.

"(j) (1) This subsection applies to any advertisement to aid, promote, or assist directly or indirectly the extension of credit under an open end credit plan.

"(2) No advertisement to which this subsection applies may set forth any of the specific terms of that plan unless it also clearly and conspicuously sets forth:

"(A) the conditions under which a finance charge may be imposed, including the time period, if any, within which any credit extended may be repaid without incurring a finance charge.

"(B) the method of determining the balance upon which a finance charge will be imposed.

"(C) the method of determining the amount of the finance charge, including any minimum or fixed amount imposed as a finance charge.

"(D) the finance charge expressed as an annual percentage rate.

"(E) the conditions under which any other charges may be imposed, and the method by which they will be determined."

On page 20, strike line 25 and all that follows through page 21, line 6.

Mr. WILLIAMS of Pennsylvania. Mr. Chairman, section 203(m) of H.R. 11601 would grant to direct mailers—newspapers, radio and TV, and other distributors of advertisements a complete exemption from the provisions of the credit advertising section of this bill.

In my opinion, the most far-reaching aspect of this legislation and the most effective are those regarding advertising. The experience in several States that have passed truth-in-lending bills indicates that, while the consumer was not aware of any great change nor to any significant extent changed his buying habits, advertising controls over credit did have substantial effect. In my opinion the credit advertising provisions of H.R. 11601 will fall most heavily on the most disreputable elements of our business communities and at the same time will reward those with additional business who sell goods at the lowest price for the less expensive credit terms. Nevertheless, section 203(m) would grant a total exemption and exclusion from any responsibility to newspapers, TV and radio.

The theory behind this exemption was that Congress should not place the burden of responsibility for maintaining strict controls over credit advertising with those who merely print or disseminate credit advertisements developed elsewhere. On the other hand by granting this blanket exemption from any responsibility whatsoever the committee has created a possible serious loophole if misleading, deceptive or false credit advertising is disseminated to the public an unscrupulous merchant could claim that the format or copy for his advertisement originated with the newspaper, magazine, or TV copywriters. In my opinion those who disseminate advertising to the public should bear at least some responsibility for self-policing these new credit advertising provisions of law. I think we can depend upon newspapers and the broadcasting medium to take seriously any new responsibilities the truth-in-lending legislation would give to them.

Moreover, I see no reason why some of our largest newspapers should, on their front pages, perform a public service by exposing credit gyp artists and at the same time willingly carry full page advertisements for merchants who deal in little more than credit at exhorbitant rates of interest.

Mr. Chairman, I hope the House will adopt this amendment.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield for a question?

Mr. WILLIAMS of Pennsylvania. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. I have had great difficulty hearing the gentleman's description of his amendment because of the noise and all of these conferences going on here. And I am having some problem in finding out just what it does. But it appears to be a case of making the newspaper owner—whether he be the owner of a big newspaper or a little country newspaper—on the spot to examine every credit advertisement to see if the newspaper can be held criminally liable for some deficiency in the advertisement under this bill. Has the gentleman discussed this question with the newspaper publishers, the owners of radio and TV stations, and other media in his district, or nationally? Does he know whether they could undertake this legal responsibility for requiring compliance by his advertisers of the technical provisions of this law?

Mr. WILLIAMS of Pennsylvania. The only thing we are doing here is removing the blanket exemption that the newspapers, radio, TV, and direct-mail advertisers have at the present time, a blanket exemption from any responsibility whatsoever, so that if on the face of an advertisement it was apparent that the provisions of H.R. 11601 were being violated, the newspaper would have some responsibility rather than merely accepting anything that was given to them.

Mrs. SULLIVAN. Would the advertising space salesman for the small newspaper have to, in effect, administer this law if he goes out and sells an ad to a loan company or a department store or a furniture store offering credit in its ad?

Mr. WILLIAMS of Pennsylvania. I would say that just as the space salesman has the responsibility for selling space, there is someone in the newspaper office also who has the responsibility to see that what is carried there conforms to the paper's policy. The fact is that every large newspaper, I believe, does have certain advertising policies that are administered by someone who is entirely separate from the space salesman.

Mrs. SULLIVAN. I am told that this proposal has been discussed with the committee, but it is brand new to me. This is the first time I have heard of it. We have in our committee report in at least two places a flat statement of committee intent that the media are not to be held liable for advertisers complying with this law. We put that in the bill deliberately, and explained why I have told the radio-TV and newspaper people that we were exempting them from this responsibility, which carries criminal penalties. The advertising agency which prepares the ad is not exempt—just the media which prints it. I cannot accept this amendment. Just imagine what would happen in the small newspaper if they had to have their lawyers go over every ad offering anything on credit to see if it violated this technical provision of the law. It is the advertiser who should be held responsible. The implications of this amendment are fantastic and could cause great harm.

Mr. WILLIAMS of Pennsylvania. I was not aware of your private commitments to the news media. All I am saying is that as far as newspapers, radio, and TV are concerned, we ought to remove the specific blanket exemption that this bill would give to them, and we are asking them to accept a little responsibility.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Pennsylvania [Mr. WILLIAMS].

The question was taken; and on a division (demanded by Mr. BROCK) there were—ayes 42, noes 51.

So the amendment to the committee amendment was rejected.

AMENDMENT OFFERED BY MR. WIDNALL

Mr. WIDNALL. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. WIDNALL: On page 11, after line 11, insert:

"Where a creditor mails or otherwise transmits monthly or other periodic bills or statements in connection with any sale to which this subsection is applicable, each such bill or statement shall set forth, to the extent applicable, the items described in subsection (d) (3) of this section, except that if the credit is extended for a period of five years or more, the items described in subsection (d) (3) need not be set forth more than once in each calendar year."

On page 12, immediately after the period in line 23, insert:

"Where a creditor mails or otherwise transmits monthly or other periodic bills or statements in connection with any extension of credit to which this subsection is applicable, each such bill or statement shall set forth, to the extent applicable, the items described in subsection (d) (3) of this section, except that if such credit is extended for a period of five years or more, the items described in subsection (d) (3) need not be set forth more than once in each calendar year."

Mr. WIDNALL. Mr. Chairman, my amendment is simple and straightforward. It would require essentially the same disclosure of the same information on the monthly statements or bills sent to people who have made purchases under a straight installment plan.

In the bill as reported from committee, there were eight separate items of disclosure required for each billing cycle for open-end credit. In other words, a customer opening a revolving charge account would have to be told in advance certain matters of interest to him describing his debt obligation and then he would be retold and reminded of these matters on each and every monthly billing. With regard to installment debt, however, the bill as reported would only require disclosure of annual interest rate and dollar costs of finance charges prior to a customer making a purchase on installment. Thereafter, on any monthly bills, the store would be required to disclose absolutely nothing. I think we all recognize that most people do not pay attention to the fine print on an installment contract when they are in the process of making a purchase.

If this legislation will have any meaning whatsoever in terms of educating the public, it will occur either with regard to advertising or with regard to disclosure on a continuous and monthly basis.

During the debate we have heard much talk about "treat us all alike". We have heard much debate about so-called loopholes. Installment credit represents close to $80 billion of the total $100 billion in consumer debt outstanding, whereas open-end credit represents some $3 billion. Yet, the disclosure requirements applying to open-end credit are far more comprehensive than those applying to installment credit. My amendment seeks to rectify this omission. Since the furniture dealers and others have pleaded with Congress to "treat us all alike" I think it is only fair that we heed their request. I do want to mention one additional matter. My amendment recognizes that in some cases, retailers who use installment credit do not send monthly bills to their customers but rather employ coupons which are torn off by the customer and sent into the store each month along with a check. My amendment would not disturb this nor would my amendment require a store to employ monthly bills on installment credit where none is presently used. Increasingly, however, retailers are treating their installment credit accounts similar to those under open end whereby both use a regular monthly bill to remind the customer of his obligations. Where monthly bills are sent, essentially the same disclosure of credit terms will have to be placed on the monthly installment bill. Without this amendment, it is safe to predict that more and more retailers will abandon the open-end credit and move to a computerized system of straight installment accounts employing computerized monthly bills. We should all remember that straight installment contracts usually run for longer terms than open-end credit and are therefore much more expensive in dollar costs to the customer. If we want to treat all retail credit alike, the House will want to vote for my amendment.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, I have discussed this with the majority members of the committee, and we are willing to accept the amendment offered by the gentleman from New Jersey.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SMITH OF CALIFORNIA

Mr. SMITH of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of California: On page 11, immediately after line 11, insert:

"If a credit sale is one of a series of credit sale transactions made pursuant to an agreement providing for the addition of the deferred payment price of that sale to an existing outstanding balance, and the person to whom the credit is extended has approved in writing both the annual percentage rate or rates and the method of computing the finance charge or charges, and the creditor retains no security interest in any goods sold as to which he has received payments aggregating the amount of the sales price including any finance charges attributable thereto, then the disclosure required by this subsection for the particular sale shall be made on or before the date of the first payment for that sale is due."

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. SMITH].

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of California. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, I want to tell the membership we have discussed this amendment very thoroughly for the last several days with the gentleman from California [Mr. SMITH] and counsel on the committee. As long as it has provisions that will protect the consumer—this is quite detailed and Mr. SMITH will want to explain it—I think it is a good amendment and members of the committee are happy to accept it. However, I think the gentleman should explain just briefly what this will do.

Mr. SMITH of California. Mr. Chairman, I thank the gentlewoman.

Mr. Chairman, the purpose of the amendment is to make it a little easier for the seller and the buyer to comply with disclosure provisions of this bill, or possibly I should say to make it a little less difficult. If we have a large store—take Sears as an example—and around Christmas time a person wants to buy a set of furniture for the daughter, maybe a television set for the other child, and possibly a set of tires, and if he goes to three different departments, then he has to get the elevator and go to the credit department and stand in line and wait for the computer, it could be very time consuming and annoying. The minimum time is 5 minutes for the computer to work after the customer gets to the credit window and the employee gets all of the facts. The customer might spend all day and never get the tires.

The stores want to comply and to provide the information they will have to provide. They will have to comply where the sale is made, in writing, where it says specifically the person to whom credit is extended has approved in writing both the annual percentage rate or rates and method of computing the charge or charges. I put in "rate or rates" and "charge or charges" because many States have good laws—California has a very fine law on disclosure—and the rates vary. If it is under $100, or over $500, up to $1,000, rates vary, and I believe the maximum is 18 percent. So it might be a different rate on a different installment, depending on the balance due. That is why it is in there.

It will protect against the few unscrupulous stores that takes a lien on everything over a period of time. As I understand it, some store did locally do that, and the consumer pays and pays and pays, and if one payment is missed, the store takes all the installment materials back. This has language in it so that when the payments are made to take care of this contract for the furniture, and this on the television, and this on the tires, no lien applies in the future toward that particular item.

Subsequently all the details will be provided to the purchaser in writing, on or before the date of the first payment for the sale is due.

I believe this will help both the stores and the buyers, by making it a little more convenient for them to comply with the provisions of the statute.

I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. SMITH].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. POFF

Mr. POFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POFF: On page 40, insert after line 5 the following new section:

"SEC. 102(a). The Congress makes the following findings:

"(1) Organized crime is interstate and international in character.

"(2) Organized crime is engaged directly in interstate and foreign commerce, as well as intrastate commerce, in loaning money and other valuable things at excessive rates of interest, often in conjunction with the use of force, violence, and fear. This so-called loan sharking business of organized criminals and other criminals involves billions of dollars each year.

"(3) The stability of the Nation's economy is affected by loan sharking activities.

"(4) The use of legitimate credit channels would be enhanced by the prevention of loan sharking activities.

"(5) The production and flow of goods in the Nation's economy is hindered by the diversion of money into excessive and confiscatory credit payments.

"(6) Federal programs designed to aid the poor in the United States are rendered less effective by loan sharking activities.

"(7) The diversion of money and assets into organized crime nullifies the purposes and benefits of a free enterprise economy and hinders the operations of Federal statutes and regulations designed to preserve that economy.

"(8) In order to protect commerce, benefit the national economy and assure the full effects of Federal programs designed to aid the poor and maintain a free enterprise system, it is the purpose of this Act to prohibit loans at excessive and prohibitive rates of interest.

"(9) Loan sharking activities directly impair the effectiveness and frustrate the purposes of the laws enacted by the Congress on the subject of bankruptcies.

"(10) Loan sharking activities impair the stability of the national economy and thereby interfere with the regulation of the value of money.

"b (1) Whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce by loan sharking or attempts so to do shall be fined not more than $10,000 or imprisoned not more than five years, or both.

"(2) (A) Whoever travels in interstate or foreign commerce or uses any facility in interstate or foreign commerce, including the mail, with the intent to promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of loan sharking, and (B) thereafter performs or attempts to perform any act described in the preceding clause, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

"(3) As used in this section—

"(A) The term 'loan sharking' means the lending of money at a rate of interest prohibited by the statutes of the State where the loan transaction takes place.

"(B) The term 'commerce' means commerce within the District of Columbia, or any Territory or possession of the United States; all commerce between any point in a State, Territory, possession, or the District of Columbia and any point outside thereof; all commerce between points within the same State through any place outside such State; and all other commerce over which the United States has jurisdiction.

"(4) Whoever knowingly participates in any way in a wrongful use of actual or threatened force, violence, or fear in connection with a loan or forbearance in violation of subsections (1) and (2) of this section, or attempted violation thereof, shall be fined not more than $10,000 or imprisoned not more than twenty-five years, or both.

"(5) Whoever knowingly possesses, maintains, or exercises control over any paper, writing, instrument, or other thing used to record any loan or forbearance or any part of such transaction in violation of subsections (1) and (2) of this section shall be fined not more than $5,000 or imprisoned not more than five years, or both.

"(c) The provisions of subsection (b) of this section do not apply to any extension of credit by a creditor which is both—

"(1) licensed or chartered as a banking or lending institution by the United States or any State, and

"(2) regulated and supervised as a banking or lending institution by the United States or any State.

"(d) Whenever in the judgment of a United States attorney the testimony of any witness, or the production of books, papers, or other evidence by any witness, in any case or proceeding before any grand jury or court of the United States involving any violation of this section, or any conspiracy to violate such section, is necessary to the public interest, such United States attorney, upon the approval of the Attorney General, or his designated representative, shall make application to the court that the witness shall be instructed to testify or produce evidence subject to the provisions of this section, and upon order of the court such witness shall not be excused from testifying or from producing books, papers, or other evidence on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. But no such witness shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, nor shall testimony so compelled be used as evidence in any criminal proceeding (except prosecution described in the next sentence) against him in any court. No witness shall be exempt under this section from prosecution for perjury or contempt committed while giving testimony or producing evidence under compulsion as provided in this section.

"(e) This Act shall not be construed as indicating an intent on the part of Congress to occupy the field in which this Act operates to the exclusion of a law of any State, territory, Commonwealth, or possession of the United States, and no law of any State, territory, Commonwealth, or possession of the United States, which would be valid in the absence of the Act shall be declared invalid, and no local authorities shall be deprived of any jurisdiction over any offense over which they would have jurisdiction in the absence of this Act."

Mr. PATMAN. Mr. Chairman, I make a point of order against this amendment.

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. It is not germane to this bill. This bill has provisions in it which would dovetail into some parts of our bill some commendable things on truth in lending and also some things that I would approve of. This bill, however, is six or seven pages long and this is the first time we have seen it in the last few minutes. You know, you cannot discuss a bill like this in 5 minutes. You cannot do it under the 5-minute rule.

This goes to the constitutional question of State law. It involves the Federal enforcement of State usury statutes and involves a lot of things like that which Members of this House are entitled to know something about. There really should be committee consideration of it. I hope that the gentleman will not insist upon this as an amendment, because it would certainly delay this bill and I do not believe the gentleman wants to use it just for the purpose of delay. I hope he will offer it as an amendment which will get consideration of the committee which it is referred to, and then we can intelligently approach the matter and evaluate it and determine whether or not we should pass legislation of this kind. Obviously it is not specifically germane to the bill we have before us today, and certainly it is not fair, although I do not like to use the word "fair" in a way which will reflect on the gentleman who offered it.

Mr. Chairman, I have no intention to say anything against the gentleman personally. However, we have heard about this amendment for a long period of time. Last December there was such an amendment introduced by the gentleman who has offered this one and by the distinguished gentleman from New Jersey [Mr. WIDNALL], both of which were referred to the Committee on the Judiciary. I was told by the Committee on the Judiciary that no application has been made for a hearing upon these bills, no application has been made by the chairman to refer them to the different agencies in order to get their comments thereon, and absolutely nothing has been done upon them insofar as hearings are concerned.

And, Mr. Chairman, to bring this matter up here at this late hour as amendment to this bill, the consideration of which we have practically completed, I just do not think it should be done. There is the further fact that in my opinion it is not germane to the present bill and, therefore, Mr. Chairman, I insist upon my point of order.

The CHAIRMAN. Does the gentleman from Virginia [Mr. POFF] desire to be heard on the point of order which has been raised by the gentleman from Texas?

Mr. POFF. Only briefly, Mr. Chairman. The gentleman's point of order, I believe, is that the amendment is not germane to the bill now under debate.

Mr. PATMAN. That is right.

Mr. POFF. I wish to call to the attention of the Chair reference to the title of the bill, and particularly to the first two clauses thereof which read as follows:

> To safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by establishing maximum rates of finance charges in credit transactions, * * *

Mr. Chairman, the thrust of this amendment is to fix a Federal definition of the crime of usury as it is related to the State statutes which deal with the subject of usury.

Mr. Chairman, it is my feeling that the amendment is altogether addressed to the subject matter of the bill and is properly identified with its provisions.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield to the gentleman from Texas.

Mr. PATMAN. I would like the Chairman to hear this: Is it not a fact that some States do not have usury laws?

Mr. POFF. It is a fact that some seven or eight States do not have any usury laws.

Mr. PATMAN. And, Mr. Chairman, if the gentleman will yield further, is it not a fact that some of the States which have usury laws have very weak usury laws?

Mr. POFF. Some of the States have very weak usury laws. Hopefully, however, it is the opinion of the author of this amendment that those States might be encouraged to enact adequate usury laws, as a result of Federal interest in this field.

The CHAIRMAN (Mr. PRICE of Illinois). The Chair is prepared to rule.

The bill under consideration deals with credit, interest and garnishment, and several other classifications of these fields.

The Chair, in perusing the amendment offered by the gentleman from Virginia, finds that it deals with interest, interest rates, and refers to the matter of "loan sharks"; this has to do with the matter of interest—the excessive charge of interest. And, it appears to the Chair that this is another classification to add to those under consideration in the original bill.

The Chair, therefore, holds that the amendment is germane and overrules the point of order.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment conclude in 10 minutes, 5 minutes to be allotted to the affirmative and 5 minutes to be allotted to the negative.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. ASHBROOK. Mr. Chairman, I object.

Mr. McDADE. Mr. Chairman, will the gentleman from Virginia yield for the purpose of my propounding a parliamentary inquiry?

Mr. POFF. I yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Chairman, when is it in order to offer a substitute amendment to the amendment which has been offered by the gentleman from Virginia?

The CHAIRMAN. The Chair will state to the gentleman from Pennsylvania that that may be in order as soon as the gentleman is recognized after the gentleman from Virginia has completed his time under the rule.

Mr. McDADE. I thank the Chairman.

Mr. POFF. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. The gentleman from Virginia is recognized for 7 minutes.

Mr. POFF. Mr. Chairman, the purpose of this legislation is to protect the consumer in general.

The purpose of this amendment is to protect the poor consumer in particular. Its thrust against the machinations of the Cosa Nostra acknowledges that the typical victim of the loan shark is not the average consumer, but the poor consumer—the consumer who has fallen upon financial distress; the consumer who perhaps has indulged in gambling; the consumer perhaps who has become addicted to the use of narcotics to relieve the mental torture into which his poverty has projected him.

So, I suggest, Mr. Chairman, that those who truly want to protect the real victim of excessive interest charges will be sympathetic with the amendment I have offered.

Let me explain briefly its content and effect: We have patterned the amendment after two statutes, already on the books; namely, sections 1951 and 1952 of title 18. Known jointly as the antiracketeering statutes, the first lays the constitutional predicate of an impact upon interstate commerce. Any person who interferes with or obstructs interstate or foreign commerce, and in the course thereof participates in an act of robbery, extortion, or violence to person or property runs afoul of the Federal law as well as State law.

Under the first portion of our amendment, if the transaction described as "loan sharking" has an impact upon or obstructs or interferes with interstate commerce in any particular, then the Federal law comes into action. And this—and I suggest that this is significant—this activates the investigating arm of the Federal Government, and makes it possible for the local governments in the proper fulfillment of their responsibilities and in the execution of their laws to deal with those who flaunt those laws, and who abuse and misuse the people who must come to the loan shark for credit he cannot find elsewhere.

The second part of our amendment is patterned after section 1952 of title 18, which concerns the use of any facility of interstate commerce or travel in interstate commerce for the purpose of any unlawful activity. Unlawful activity is further defined to include a business enterprise involving gambling, untaxed liquor, narcotics, prostitution, all in violation of the State laws or the Federal law. I emphasize the latter because that is the key to our bill.

Under the definitions stated in this amendment, whenever the loan transaction is in violation of the laws of the State with respect to interest rates, and whenever interstate commerce is obstructed, or a facility of interstate commerce is used, or there has been traveling in interstate commerce, then the Federal crime has matured.

We are careful, however, to recognize that in certain areas of the usury laws of the States there is some imprecision, some uncertainty; it is possible to interpret the laws of some of the States in a variety of ways. Accordingly, we have been careful to include an exemption which excludes from the effect of this amendment those lending institutions which are subject to the regulation and control of either State law or Federal law.

Therefore we suggest that there is no possibility that the law, once enacted, might be subject to abuse.

Also a part of the amendment is something that all law enforcement officials agree is extremely important. We have drafted an immunity clause so that witnesses who have knowledge of loan sharking operations may be offered appropriate immunity if they agree to testify in support of the prosecution of those who have been brought to justice under this amendment.

We make a separate crime, too, for the malefactors who, in addition to the customary loan shark transactions, resort to violence or threats of violence.

This is a customary practice of the Cosa Nostra as has been recently dramatized in an article which appeared in the New York Times, an article which I might say brought into focus and suggested the introduction of this amendment to this bill.

Mr. Chairman, we believe the Federal Government should not, in proceeding into this new jurisdictional field, improperly invade the jurisdiction of the individual States. For this reason we have inserted another clause which guarantees that the language of the amendment will not preempt the statutes of the several States.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. POFF. I am happy to yield to the gentleman.

Mr. PATMAN. Under the provisions of this amendment, and I hurriedly read it, due to the pressure of time, you are trying to enforce the State laws on usury or interest charges? In other words, you are not insisting on anything else except just the State statutes; am I correct?

Mr. POFF. In specific response to the gentleman's question, the term "loan shark" is defined to mean lending of money at a rate of interest prohibited by the statute of a State where the loan transaction occurred.

Mr. PATMAN. That is it—by statute of the State. I always thought the members of the minority wanted to stay out of the enforcing of State laws.

The CHAIRMAN. The time of the gentleman has expired.

Mr. POFF. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. POFF. Mr. Chairman, I want to respond further to the gentleman's remarks.

The fact of the matter is that section 1952 of title 18 already defines a Federal criminal offense by reference to violation of State law, and here we are simply tracking that definition.

Mr. PATMAN. You are not trying to amend that section?

Mr. POFF. We are using it as a guide.

Mr. PATMAN. Then your amendment ought to go to the Committee on the Judiciary.

Mr. POFF. But the Chairman has already ruled that the amendment is germane.

Mr. PATMAN. That is right.

But you know you now have a bill which is in the Committee on the Judiciary right now.

Mr. POFF. We do and that bill is addressed to title 18.

Mr. PATMAN. And section 1952 which you just read.

Mr. POFF. I did not address the amendment to section 1952. We used the language of sections 1951 and 1952 in the amendment.

Mr. PATMAN. You are trying to enforce the State law on usury and excessive interest.

Mr. POFF. The gentleman is mistaken. He is completely mistaken. I am trying to create a new Federal law which preserves the dignity and the force and effect of State laws.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WIDNALL. Mr. Chairman, the amendment offered by the gentleman from Virginia [Mr. POFF] is aimed at the urgent problem confronting our Nation caused by the tremendous growth in loan-sharking activities by organized crime.

The bill before us this afternoon would have little, if any, real effect on loan shark operations. Keep in mind that loan sharks do not depend upon written contracts and do not send statements or bills such as we have in normal credit activities. Therefore, disclosure depends upon advertising, contracts or monthly bills for its ultimate effect. Loan sharking, on the other hand, depends upon the unwritten word, the silent threat, extortion and finally, bodily injury or murder if repayment is not made. Furthermore, loan sharks seldom are concerned with the normal transaction of business such as retail sales to justify their activities. They deal in cash and large sums of cash. Their annual interest charges reach into the hundreds of a percent.

It has been estimated by the New York Times, in an article appearing the day before yesterday, that loan sharking is a multibillion-dollar-a-year underworld activity. Even more frightening is evidence pointing to the fact that loan sharks have invaded Wall Street and city governments such as the New York City government and has been cited as the cause for civic corruption of the highest magnitude.

Unfortunately, loan sharking is not a Federal offense. The purpose of the amendment would be to make it a Federal offense and thereby bring in the full force of the Department of Justice and other Federal investigatory agencies against this insidious activity. The amendment defines a loan shark as one who knowingly extends credit for a consideration which exceeds the amount permitted under the laws of the State in which the transaction takes place, except that this would not apply to any extension of credit by a creditor which is first, licensed or chartered as a banking or lending institution by the United States or any State; and, second, regulated and supervised as a banking or lending institution by the United States or any State. The maximum penalties for conviction of loansharking would be a fine or not more than $10,000 or imprisonment of not more than 5 years, or both.

Mr. Chairman, again I want to emphasize that disclosure would not affect loansharking operations. Credit disclosure as contained in title II of this bill is aimed at those credit activities seldom affected by loansharking.

I think the Committee has an opportunity this afternoon to take the first step in dealing with one of the most serious problems facing our country today. Organized crime today is far different than it was 30 years ago when it depended upon the proceeds of criminal activities for its sustenance. Today, organized crime is much more adroitly organized through legitimate business front activities, and these activities, largely beyond the control of State, local, or Federal law, increasingly depend upon unbelievably high proceeds of loansharking for their capital funds.

Mr. Chairman, I urge the House to overwhelmingly adopt this amendment.

Mr. CURTIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have taken the floor to commend the gentleman from Virginia for offering this amendment and to point out to the House the care with which the gentleman from Virginia [Mr. POFF] has developed this amendment and the work that he has been doing as chairman of the special task force on our side of the aisle in the matter of national crime and to point up something further for the consideration of the House.

Congress does, I think, a very excellent job in breaking up matters for studying into the jurisdictions of 20 standing committees. But in doing that we also lose sight on occasion of the whole picture.

Here we have a relatively simple matter that comes out of the Committee on Banking and Currency, and very properly so, that has to do with consumer credit, particularly small loans. It gets into the field of loan-shark lending. This is an area that organized national crime has moved into for some of its basic financing.

Why am I here as a member of the Committee on Ways and Means pointing this out? Because my committee happens to have jurisdiction over three other matters, which organized national crime utilizes for basic financing; namely, alcohol—bootlegging, that is—because through the Internal Revenue Code, the alcohol excise taxes, we seek to control bootlegging.

So we have jurisdiction over traffic in narcotics because this, too, relies on our tax and custom laws for enforcing. The third area organized national crime utilizes for revenue is gambling and here, too, we have imposed a tax on certain gambling equipment. Somehow we have to bring about a synthesis of matters which relate to organized national crime by having our committees that have complementary jurisdictions brought into focus. So here very properly, and done with a great deal of depth of background study, the gentleman from Virginia has brought his amendment to bear upon this important subject of consumer financing, and how it is involved in this problem of organized national crime. When we consider consumer financing, this is the appropriate place to proceed, just as I hope, as we further develop in the field of regulating narcotics, bootlegging, and gambling we will proceed to get at this common enemy that we are all anxious to move in on organized national crime.

Finally, I would observe that with the knowledge that the gentleman from Virginia [Mr. POFF] as a member of the Committee on the Judiciary and as the chairman of the Republican task force on organized national crime has in this area, he is fully capable of developing a well drafted and thought-out amendment to meet this problem. In other words, I think the House can rest assured that the homework has been done in this area, and that this would be a very desirable and appropriate amendment to put on the bill.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment. It will be satisfactory, I believe, to our side if we can get the minority to agree on which bill they want, to accept it for conference purposes, and let it go to conference. Of course, we realize that the language in the bill is very loose. Obviously it has been designed and written to try to evade jurisdictional questions and also to make it germane to this bill when normally it would not come to our committee at all.

This same proposal was introduced on December 11, 1967, involving section 1952, which was mentioned by the gentleman on the floor a few minutes ago, of title 18, United States Code. It was promptly referred to the Judiciary Committee, where it belongs. I inquired of the staff of the Judiciary Committee if any effort had been made by the sponsors to get consideration of the bill before the committee. No effort at all has been made, not even a letter written. No suggestion has been made that they should get comments from the different departments involved. No hearing has been asked for. No effort has been made to get consideration of any kind.

To bring the same bill in here just dressed up in different clothes, different paragraphs, different phrases, and words, is an effort that is made too late for consideration without unduly delaying and possibly destroying the good truth-in-lending bill. I do not charge that that is the object of it at all. But I believe that if you gentleman on the minority side will agree which bill you want, I think we would accept it for conference purposes. We would let it go to the Senate, let it go to conference, and then we could tighten up the loose language. There are a lot of good provisions in this amendment. It sounds like a Democratic platform. If we had suggested this language, I think the other side would have unanimously not only voiced concern but opposed it. But since you have gotten into this situation where you have to come up with something, you have come up with almost Democratic suggestions, but couched in language so loose as to be ineffective.

So if you will agree on the type of amendment that you desire, we will at least be inclined to consider it and see if we cannot get it sent to conference and let it be considered in conference, for I believe it is worthy of great consideration.

May I suggest that when it is stated here this is just to enforce the State usury laws, some States do not have usury laws. Some States, in addition to those who do not have usury laws, have broken down their interest rate laws to the extent that they are practically valueless.

Our committee was concerned about this and we had an investigation of different loansharking concerns, headed by ex-generals and ex-admirals. Some of the greatest men in our Nation were heading those different organizations. They were, of course, kind of grandfathers to the servicemen. They felt an obligation and they charged 100 percent interest. They robbed them of insurance the men never did get. They did everything. We appointed a usury subcommittee and went into it thoroughly. Mr. Weltner was chairman of it. We discovered in many States they could charge 240 percent interest. In those States all that is promised is not to let them charge more than 240 percent interest. I think in the majority of States they charge 36 and 42 percent. All that is promised is if they charge more than that, they will get excited about it and send Federal agents in there to enforce State laws, keeping them from violating the particular State laws.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will in a moment yield to the distinguished chairman, because I wanted him to yield to me. I simply desire to make two points. One, the gentleman from Virginia has offered this amendment, which takes one course of action in the definition of the crime. There are some honest differences, not significant. The gentleman from Pennsylvania [Mr. McDade] was going to offer a substitute, but we have analyzed the differences, and we do believe that when the gentleman from Pennsylvania [Mr. McDade] explains the difference he has, that the gentleman from Texas would then agree that he could take the Poff amendment, with the recognition there may be an alternative, and in conference he might use one or the other approach, the conferees have flexibility in the conference with the other body, the Senate not having any provision in this regard. So the gentleman has broad powers and general flexibility in order to make some decisions, to change language if the conferees so decide. I trust the gentleman will accept the Poff amendment and will go to conference with the aim and objective of having flexibility.

One other comment, and then I will yield to the gentleman from Texas.

The gentleman makes a point that maybe this is the wrong approach because seven States do not have usury statutes, and he alleges that, in those States there could be an interest charge of more than 200 percent. Maybe this proposal by the gentleman from Virginia will be an incentive to those States to take action, first, and, second, if by this amendment we help to put some loan sharking criminals behind the bars in 43 States, is that not better than nothing?

Mr. Chairman, I yield now to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, suppose as the gentleman recommended, we take the Poff amendment, and put the other amendment by the gentleman from Pennsylvania [Mr. McDade] in the Record at this point, and consider them in conference. But we do not want to adopt two amendments along the same line. I do not think the gentleman would insist on this.

Mr. GERALD R. FORD. No. As a matter of fact, I think the procedure outlined by the gentleman from Texas is reasonable.

Mr. PATMAN. Mr. Chairman, in order to shorten the procedure and get on with this, without taking too much time, we will be willing to accept the Poff amendment for conference purposes. As I say, we can go back and read the Democratic platforms, and it sounds as if a lot of this has been taken from it.

Mr. McDADE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the amendment offered by the gentleman from Virginia [Mr. Poff] does in one or two essentials differ from an amendment which I intended to offer myself. His amendment closely parallels a bill I introduced in January to deal with this problem.

I believe the agreement reached between the chairman of the Committee on Banking and Currency and the minority leader, to take the Poff amendment and my amendment to conference and to decide there which approach is better, is a salutary proposal, and I support it.

It is important that we in the Congress recognize the issue we face when we try today to do something effective about the problem of loan sharking in the United States of America.

We ought to recognize first of all that this is one of the principal sources of income of organized crime in the United States of America. We ought to recognize it pervades every single section of our society, from the man on the corner who borrows $5 and pays back $6 the following week, right up to the highest levels of the brokerage houses of New York City, where we find organized crime infiltrating and using its muscle not just to get involved in business but, indeed, to terrorize American citizens.

All of us can recognize this is something we have tolerated too long.

I believe that today is a momentous day in the Congress of the United States, because for the first time we are making a decision which recognizes the difference between organized crime and other types of crime. We are saying today, "organized crime is indeed a Federal responsibility, and a field in which we should be taking action."

By doing this today we will benefit our economy. This will benefit the country. It will make, for example, our bankruptcy laws more important. There is no way to go into bankruptcy when one has to deal with a loan shark, because the bankruptcy laws mean nothing to them. There is no way to have sound money so long as the loan sharks are permitted to engage in confiscatory practices through every segment of our economy without regulation and without penalty.

So I am delighted to see that today we will take what I hope is the first step legislatively in the Congress to begin the fight against organized crime. When we do this we shall be making what I believe is a contribution to the American public.

I hope, also, that the future will show an increased awareness in Congress of our role in dealing with this problem. For we must become aware of the gravity of the problem, and aware that organized crime turns over billions, yes billions, of dollars each year. The experts tell us that the sources of that immense sum are gambling, loan sharking, and the sale of narcotics. And the substantial part of this money is wrenched out of the urban poor. Today we are taking the first steps to remedy this situation, to give Federal recognition to its importance and to bring the authority of the Federal Government squarely down on organized crime.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Virginia.

Mr. POFF. May I pay tribute to the gentleman in the well, who has spent many long hours and applied most formidable talents possessed in this field to the solution of this vexing problem.

The amendment which I offered in large part bears the imprint of the gentleman's work. I congratulate him and I commend him.

I wish to say also that I am grateful for the statement made by the gentleman from Texas, and for the generosity which prompted him to take this wise outlook.

Mr. McDADE. I thank the gentleman from Virginia for his assistance in this area.

Mr. PATMAN. Mr. Chairman, if the gentleman will yield, we are ready for a vote. If there are several amendments, we can agree to them, as submitted by members of the minority.

Mr. McDADE. I submit herein my proposed amendment which is as follows:

On page 40, insert after line 5 the following new title:

"TITLE II—LOAN SHARKING

"Sec. 102. (a) The Congress makes the following findings of fact:

"(1) Organized crime is interstate and international in character.

"(2) Organized crime is directly engaged in interstate and foreign commerce, as well as intrastate commerce, in extending credit in so-called loan sharking activities. These activities of organized criminals and other criminals involve billions of dollars each year.

"(3) Loan sharking activities are characterized (A) by excessive finance charges or rates of interest, or (B) by the use, or the express or impicit threat, of violence or other harm to person, reputation, or property as a means of enforcing payment, or (C) by both of the foregoing characteristics.

"(4) Loan sharking activities directly impair the effectiveness and frustrate the purposes of the laws enacted by the Congress on the subject of bankruptcies.

"(5) Loan sharking activities impair the stability of the national economy and thereby interfere with the regulation of the value of money.

"(6) Loan sharking activities diminish the use and impair the effectiveness of legitimate channels of credit in interstate commerce.

"(7) The production and flow of goods in the Nation's economy is hindered by the diversion of money into excessive and confiscatory credit payments.

"(8) Federal programs designed to aid the poor in the United States are rendered less effective by loan sharking activities.

"(9) The diversion of money and assets into organized crime tends to stultify the purposes and benefits of a free enterprise economy and hinders the operations of Federal statutes and regulations designed to preserve that economy.

"(b) On the basis of the facts stated in subsection (a) of this section, the Congress determines that the provisions of this title are necessary and proper for carrying into execution each of the following powers of Congress:

"(1) to regulate commerce;

"(2) to establish uniform laws on the subject of bankruptcies; and

"(3) to regulate the value of money.

"Sec. 103. For the purposes of this title—

"(1) To extend credit means to make or renew any loan, or to enter into any agreement, tacit or express, to allow or require the payment of any debt, obligation, or claim, whether acknowledged or disputed, valid or invalid, and however arising, to be deferred or postponed.

"(2) Whenever any means or instrumentality of interstate or foreign commerce is used in connection with any extension of credit, the State within which the transaction takes place shall be deemed to be the State within which the person to whom the credit is extended resides or is incorporated, unless the maximum rate of interest or finance charges permitted with respect to the transaction is lower in the State in which the transaction actually takes place than in the State in which the person to whom the credit is extended resides or is incorporated.

"(3) Any person who guarantees the repayment of any extension of credit, or in any manner undertakes to indemnify against loss any person who extends credit, shall be deemed to be a person to whom credit is extended.

"(4) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

"Sec. 104. (a) Except as provided in subsection (b) of this section, whoever knowingly extends credit for a consideration which exceeds the amount permitted under the laws of the State in which the transaction takes place shall be fined not more than $5,000 or imprisoned not more than 5 years, or both.

"(2) The provisions of subsection (a) of this section do not apply to any extension of credit by a creditor which is both—

"(1) licensed or chartered as a banking or lending institution by the United States or any State, and

"(2) regulated and supervised as a banking or lending institution by the United States or any State.

"(c) Whoever engages in the business of making extensions of credit involving any violation of this section, or conspires to do so, shall be fined not more than $10,000 or imprisoned not more than 20 years, or both, in addition to any punishment imposed under subsection (a) of this section.

"Sec. 105. (a) Whoever knowingly participates in any way in a wrongful use, or the express or implicit threat, of violence or other harm to person, reputation, or property directly or indirectly to bring about the satisfaction or discharge in whole or in part of any obligation or claim, acknowledged or disputed, valid or invalid, resulting from or in connection with any extension of credit shall be fined not more than $10,000 or imprisoned not more than 25 years, or both.

"(b) If two or more persons conspire to violate subsection (a) of this section, each shall be fined not more than $10,000 or imprisoned not more than 25 years, or both.

"Sec. 106. (a) Except as provided in subsection (b) of this section, whoever knowingly possesses, maintains, or exercises control over any paper, writing, instrument, or other thing used to record any obligation or information in connection with any extension of credit in violation of section 102 of this title shall be fined not more than $5,000 or imprisoned not more than 5 years, or both.

"(b) The provisions of this section do not apply to any officer, employee, or agent of the United States or any State acting within the scope of his authority as such, or to any person who promptly delivers to an officer or agent of the Department of Justice any paper, writing, instrument, or other thing described in subsection (a) which may come into his possession.

"Sec. 107. Whenever in the judgment of a United States attorney the testimony of any witness, or the production of books, papers, or other evidence by any witness, in any case or proceeding before any grand jury or court of the United States involving any violation of this Act, or any conspiracy to violate such Act, is necessary to the public interest, he, upon the approval of the Attorney General, or his designated representative, may make application to the court that the witness shall be instructed to testify or produce evidence subject to the provisions of this section. Upon order of the court the witness shall not be excused from testifying or from producing books, papers, or other evidence on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. But no such witness shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, nor shall testimony so compelled be used as evidence in any criminal proceeding (except prosecution described in the next sentence) against him in any court. No witness shall be exempt under this section from prosecution for perjury or contempt committed while giving testimony or producing evidence under compulsion as provided in this section.

"Sec. 108. This title shall not be construed as indicating an intent on the part of Congress to occupy the field in which this title operates to the exclusion of a law of any State, and no law of any State which would be valid in the absence of this title shall be declared invalid, and no local authorities shall be deprived of any jurisdiction over any offense over which they would have jurisdiction in the absence of this title."

Mr. ECKHARDT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ECKHARDT. Mr. Chairman, I *cannot permit the amendment by the* distinguished gentleman from Virginia to go entirely unopposed. Should it become law, the amendment would take a long stride by the Federal Government toward occupying the field of general criminal law and toward exercising a general Federal police power; and it would permit prosecution in Federal as well as State courts of a typically State offense.

This amendment would permit Federal courts and Federal policemen to enforce strict criminal usury statutes in some States—imposing harsh sanctions against those citizens—and, in other States, to enforce no sanctions on usury, or mild ones. I do not think such disparity can be justified as promoting the general welfare, because the amendment establishes no general Federal policy.

The Federal involvement cannot be defended on the basis of interstate commerce, because the amendment has no clear delineation of how commerce must be affected in order for its provisions to apply. I believe it would be dangerously oppressive to liberty for Congress to bend to every wind of passion to enact Federal, general, criminal law, justifying it under some hazy and tenuous connection with interstate commerce.

The most distinguished Virginian framed the Bill of Rights largely against such improper entrenchment of the Federal Government against the States. And I believe that Alexander Hamilton, though a federalist, would be astonished that such a deep entrenchment on the rights of the States in performing their most fundamental function should come from the more conservative quarter of the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. Poff].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CAHILL

Mr. CAHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Cahill: On page 6, line 17, immediately after "extends" insert: ", or arranges for the extension of,".

Mr. PATMAN. Mr. Chairman, the gentleman, I believe, has three more amendments to offer. He was nice enough to furnish us copies of them. We have gone over them with the staff and with the majority members. We will accept them, if the gentleman will put them in the Record.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. Cahill].

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. CAHILL

Mr. CAHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Cahill: On page 10, line 23, strike "and".

On page 10, line 25, strike the period and insert "; and".

On page 10, immediately after line 25 insert:

"(10) a description of any security interest held or to be retained or acquired by the creditor in connection with the extension of credit, and a clear identification of the property to which the security interest relates."

On page 12, line 8, strike "and".

On page 12, line 10, strike the period and insert "; and".

On page 12, immediately after line 10, insert "; and".

"(8) a description of any security interest held or to be retained or acquired by the creditor in connection with the extension of credit, and a clear identification of the property to which the security interest relates."

On page 13, line 15, strike "and".

On page 13, line 18, strike the period and insert "; and".

On page 13, immediately after line 18, insert:

"(E) the conditions under which the creditor may retain or acquire any security interest in any property to secure the payment of any credit extended under the plan, and a description of the interest or interests which may be so retained or acquired."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. Cahill: On page 15, immediately after line 13, insert:

"(e) In the case of any extension of credit in connection with which a security interest is to be retained or acquired in any property which is used or is expected to be used as a residence by the person to whom credit is extended, the disclosures required under this title shall be made at least three days before the transaction is consummated or before any agreement to consummate the transaction is entered into by the party to whom the credit is extended, whichever is earlier. The Board may, if it finds that such action is necessary in order to permit homeowners to meet bona fide personal financial emergencies, prescribe regulations authorizing the modification or waiver of this requirement to the extent and under the circumstances set forth in such regulations.

"Notwithstanding any other provision of this Act, written acknowledgment of receipt by a person to whom a statement is required to be given pursuant to this paragraph shall provide only a rebuttable presumption of proof of delivery thereof."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The amendment was greed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. CAHILL: On page 15, line 21, immediately after "the obligation" insert ", unless the assignee, its subsidiaries, or affiliates, are in a continuing business relationship with the original creditor".

On page 26, line 13, immediately after the period insert: "Any action which may be brought under this subsection against the original creditor in any credit transaction involving a security interest in real property may be maintained against any assignee of the original creditor where such assignee, its subsidiaries, or affiliates were in a continuing business relationship with the original creditor either at the time the credit was extended or at the time of the assignment, unless the assignment was involuntary, or the assignee shows by a preponderance of evidence that it had no knowledge of any reasonable likelihood of violation by the original creditor and that it maintained procedures reasonable adapted to apprise it of the existence of any such violations."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The amendment was agreed to.

Mr. CAHILL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CAHILL. Mr. Chairman, there can be small doubt but that the truth-in-lending bill presently before the House represents a monumental advance for our Nation's consumers. As dependence on consumer credit has increased, it has become evident that the doctrine of caveat emptor is completely inadequate to protect the public from the confusing wielder of credit gimmicks, such as "add-ons," "discounts," and "service" and "finance" charges. These practices, however legitimate, have made it impossible for today's consumer to compare the costs of available credit and, with tragic frequency, they permit the practice of fraud and deception.

In the absence of plain, clear, and truthful information with respect to credit costs, the consumer has been forced to rely on advertising representations, and, as a general rule, such advertising has been inadequate to present a complete idea of credit costs. I would thus urge immediate enactment of the present bill, which requires clear disclosure of credit costs and imposes a requirement that credit advertising be truthful.

However, despite the general comprehensiveness of this legislation, in my judgment there are serious and important omissions which should be corrected. These omissions relate primarily to consumer credit extended on the security of mortgages and liens on homes and residences. I am sure that most of the Members are aware of the extent to which vicious secondary mortgage schemes have victimized homeowners in the District of Columbia.

On numerous previous occasions I have pointed out to the Members that New Jersey and Pennsylvania homeowners have similarly been defrauded. The pattern of this unscrupulous fraud is generally not too complex, but finds its success primarily in the anxiety and financial need of homeowners who are ill-prepared to glean the truth from the many representations made to them by mortgage lenders. Generally, the homeowner desiring to borrow money is confronted by deceptive contracts hidden finance charges, and misrepresentations of the considerations he is to receive and the financial obligations he is to assume.

Frequently, the misrepresentations are made by newspaper advertisements. In other instances, the misrepresentations are made directly to the borrower by the mortgage discount lender or a broker who offers to arrange home improvement repairs or consolidation of all the homeowner's debts into "one easy monthly payment."

In all cases, the homeowner is hurried and rushed through the transaction by glib and reassuring talk and in many cases he is never informed nor aware that his home is being made subject to a mortgage. A central feature of these schemes is the assignment of the note and mortgage by the fraudulent mortgage lender to the finance companies which, by callous disregard of the fraudulent underlying transactions, can claim the privileged status of holder in due course under State law. During the past several months, I have requested the Federal Trade Commission and the Post Office Department to undertake investigations of these practices in the Camden-Philadelphia area to determine possible violations of existing Federal legislation. Despite the prompt and cooperative efforts of these authorities, such unscrupulous schemes continue.

I have therefore offered these four amendments designed to improve the truth-in-lending provisions with respect to mortgage transactions.

One amendment would require that there be disclosure that a mortgage is being placed on the borrower's home and that the consequences of such a mortgage can be explained.

Another amendment would perfect section 202. Under this section only those who actually extend credit are required to disclose credit costs. However, in terms of commercial reality, credit arrangements in mortgage transactions are generally arranged through brokers. These brokers usually extend no credit themselves, but rather pass upon the credit acceptability of applicants and place the application with lending institutions. Further, fraudulent second mortgage schemes frequently involve mortgage brokers who offer to consolidate all the homeowner's debts. Another amendment will make clear that brokers and others who arrange credit transactions between borrowers and creditors are included in the disclosure requirements of the bill.

Third, as previously mentioned, most fraudulent mortgage schemes are consummated in an atmosphere of hurry, rush, and fast talking. Under the bill, the disclosures required need only be made "before the credit is extended." This obviously is not sufficient to protect the anxious and debt-ridden homeowner. Thus another amendment would require that disclosure of credit terms be made 3 days prior to the consummation of the mortgage transaction. Thus, homeowners will be able to study and investigate the contemplated seriousness of the obligations which they are able to undertake in the privacy and unhurried atmosphere of their own home. An immediate objection which may be raised is that homeowners often need emergency funds and that such a provision would place a burden on such transactions.

However, this objection would not seem to accord with practical realities. Generally, prior to any money being advanced in a mortgage transaction, a title search is made and mortgage deeds prepared. Usually, this takes from 4 to 5 days. Moreover, the amendment proposal would include a provision which would allow the Board of Governors of the Federal Reserve to establish regulations waiving the 3-day notice requirement in bona fide emergency situations if such waiver were determined to be necessary.

Under State holder-in-due-course legislation, lending institutions are free to close their eyes to fraudulent underlying transactions and thus the homeowner has little practical recourse if he has been defrauded. The last amendment provides that assignees of mortgages, and notes given in connection with mortgages be held responsible for the knowledge that disclosure had been made by the original lending institutions, where they maintain a continuing course of business with the original lending institution.

These are amendments which will improve the bill and I thank the Chairman for accepting all four amendments.

The CHAIRMAN. Are there any further amendments to be offered to this section?

Mr. HALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my first personal experience away from home was in working for an attorney, who later became a Member of this House, in the pursuit and the collection of judgments.

Mr. Chairman, there are a few States

that do not employ the creditor's remedy and the garnishment of wages, including my own State of Missouri itself.

Generally, no more than 10 percent of the wages owing to the resident head of a family for work performed—that is the wage earner—within 30 days preceding service on the garnishee, the employer, may be reached by garnishment.

I wonder if this provision which we are going to consider preempts the traditional role of the State courts to operate in this field?

Furthermore, Mr. Chairman, I wonder what is, in fact, the basis for Federal jurisdiction.

Now, Mr. Chairman, assuming that the answer to my second question is the well-worn commerce clause, is this an extension only which would have been foreseen by those who wrote our Constitution and the basic laws of our Founding Fathers?

Mr. Chairman, since this title is to be enforced by the Wage and Hour Division of the Department of Labor, as now written, one must presume that it would not apply to the garnishment of employers that do not fall within this Department's jurisdiction.

Therefore, I rise before the Committee to ask questions seeking general information as, indeed, I did after our general debate prior to amendments under title I and inquire, does this title apply to garnishments that do not arise from consumer credit transactions; that is, judgments for child support, rent, taxes, and tortious acts?

And, finally, Mr. Chairman, will not illegal or Mafia-type collection methods arise due to the enactment of this title?

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. HALL. I shall be delighted to yield to the gentleman from Wisconsin.

Mr. REUSS. Mr. Chairman, I would like to address myself to the questions which have been raised by the distinguished gentleman from Missouri [Mr. HALL].

Question No. 1, which as I understood, was whether to prohibit the garnishment procedure as it is applied to, for instance, child support and similar matters?

Mr. Chairman, the section which we shall come to in a moment, and which is very clear as it appears on page 41 of the bill, the prohibition does not apply under the order of any court for the support of any person.

Mr. HALL. Mr. Chairman, that was, actually, the fourth question that I raised.

Mr. REUSS. Well, now, working my way backward, I would like to try to answer all of the questions which have been propounded by the gentleman from Missouri.

Mr. HALL. I shall be glad to hear the answers of the gentleman from Wisconsin.

Mr. REUSS. The constitutional jurisdiction is not only that under the interstate commerce clause which the gentleman has mentioned, but is positively under another separate and distinct clause providing for the carrying out of the fiscal and monetary authority of the United States Code as provided in article 1, section 8, clauses 1, 2, 5, *Veazi Bank v. Fenoo* (8 Wall. 533, 549 (1869)); *Head Money* cases (112 U.S. 580, 595, 596 (1884)); *United States* v. *Butler* (297 U.S. 1, 60, 61, 69 (1936)).

The jurisdiction of the Congress under the fiscal and money power clauses clearly extends to interest in credit transactions of the nature which is now pending before us.

Mr. HALL. I appreciate the gentleman's response. And, I presume the gentleman means criminal findings under the Criminal Code?

My questions are based upon principle as, indeed, are questions involving other titles which will come under debate in the future, and in my opinion these questions which I have propounded, coming from a nonlegal mind, have raised the same question in the minds of those individuals who have read the bill, questions which in my opinion are paramount.

Mr. Chirman, I include herein a letter which I have received from a constituent and upon which I based my inquiries of yesterday:

TURNERS, INC.,
Springfield, Mo., January 26, 1968.

DURWARD G. HALL,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN HALL: I hate to bother and particularly with long letters, which this may be, and I will endeavor to keep it as short as possible.

You may recall that a year or so ago I wrote you in regard to "Truth in Lending" bill, and your answer was that you would stay in touch with it but it was hard for you to see why an interest could not be stated as a simple annual rate.

I was then and am now inclined to agree with you but at the same time I cannot answer that question for you or for myself. Uncle Luther always used to say that "Liars can figure but figures don't lie," but I am beginning to question even this.

It is my understanding you have heard from Bill McClerkin and our feeling is pretty much as his—that the Senate bill is one we could live with but the proposed changes in the House bill would make it unworkable. We are advised by Sears that it would put them out of the revolving or budget credit business. Revolving credit was established as a convenience for the customer and as an easier method of handling charge accounts where there should be a carrying charge and the customer is advised that there is a charge of 1½% per month on the unpaid balance. But it seems impossible to convert this to an annual rate.

At first glance it would appear to be 18% but it doesn't work out that way, partially because the payments may vary and partially because of additional purchases. To try to re-figure the interest with each new purchase on a revolving credit account would probably be more than a computer could do.

To find answers to your questions, I talked to Dr. Jerry Poe of the Breech School of Business at Drury, with whom I am sure you are familiar. He in turn talked with Willard Graves. I also talked to some of the bankers and I still can't come up with an answer other than it cannot be done.

I have before me a book entitled "How to Avoid Financial Tangles," published by the American Institute for Economic Research, wherein they refer to the interest charge on insurance premiums and to keep this brief, one sentence reads: "If three per cent is added to the premium, the interest rate is twelve and one-half per cent annually. If two per cent is added, the interest rate is eight and one-third per cent per annum. . . . If six per cent is added to an annual premium of one hundred dollars. . . . this gives an annual interest rate of approximately sixteen per cent for the actual accommodation."

Jerry Poe brought me a book entitled, "Theory and Problems of Mathematics and Finance." This refers to different rules of arriving at the percentage of carrying charge. One is called the Merchant's Rule and the other, the United States Rule, and the third is the Constant Ratio Formula—all of which gives us different answers to the same problem. For example: A shop offers an electric motor for thirty-four dollars cash or five dollars down and three dollars per week for ten weeks. Find the interest rate charge, using the direct ratio formula, and the answer is that the interest rate is 32.3%. Another example in this book, depending on which method is used to determine the rate of interest, varies from 18.8% to 20.5%. Still another example refers to a Loan Company that charged two per cent per month on loans of $500.00 or less, and this figures out to a rate of 40.2%.

I still haven't figured out the "why's" and "wherefore's" of this. I do know that Canada tried a similar program and abandoned it as unworkable. I, therefore, would encourage you that, if we must have such a bill, we have one that is workable and it would appear that the Senate bill is workable. But from the information that we have on the proposed House bill, it is not workable.

Again thanking you for your careful consideration of this problem, I remain

As ever,

BUD
H. M. TURNER, *President.*

Mr. WYMAN. Mr. Chairman, will the gentleman yield?

Mr. HALL. I yield to the gentleman from New Hampshire.

Mr. WYMAN. Mr. Chairman, I would like to observe, in view of the gentleman's remarks, that the proposal to deny State courts power to enforce State garnishment law is beyond the proper province of Congress. It is bad policy as well as of doubtful constitutionality.

Forty or more States have State laws on this subject. Are we to say that these laws are impotent by congressional fiat? If so, on what authority? This is not for Congress to do. This is not interstate commerce. Surely it cannot be said to be authorized under the welfare clause.

Mr. Chairman, I move to strike the requisite number of words.

Continuing, if I might, in response to the gentleman from Missouri [Mr. HALL], it seems to me that to say that the State courts may not use their processes to enforce such remedies of garnishment as State law may provide within the several States, is unwise, and I believe unconstitutional as well.

I do not know what memorandum the gentleman from Wisconsin just referred to in support of the constitutionality of this proposal I heard something about monetary powers I think. This is stretching it pretty far unless a transaction for which garnishment aid was sought arose in or out of interstate commerce, and is required to have so arisen in the language of this bill which is not the case.

I do not believe that we have any business to say that no State court may execute or enforce orders in violation of this act, or for that matter to go on, as the bill does, and give the Secretary of

Labor authorization to make regulations to supplant the laws of the several States in this field.

At an appropriate time I intend to offer an amendment to strike the words "or of any State" in line 2 on page 41 so as to make it clear that only Federal courts are involved in this section 202, not the State courts.

I believe the gentleman should be commended for bringing this to the attention of the Committee. It would be a great mistake for this body to pass this legislation in the form in which it is presently written, at least in this respect.

Mr. WIGGINS. Mr. Chairman, will the gentleman yield?

Mr. WYMAN. I yield to the gentleman from California.

Mr. WIGGINS. Mr. Chairman, I thank the gentleman for yielding so that I may express my views on title II of this bill in greater detail. As the Committee knows, title II prohibits the garnishment of wages under certain circumstances.

The hearings before the Banking and Currency Committee have demonstrated clearly that some creditors abuse the right created by State law to garnish the wages of debtors. It is doubtless true that these abuses have contributed to the alarming increase in personal bankruptcies throughout the United States. There is abundant evidence that some regulation of the garnishment procedure is necessary.

The proposal set forth in title II of the bill follows the procedure practiced in New York State. I have no objection to that procedure, and indeed believe that similar legislation would be salutary in each State. I do question, however, whether the Congress of the United States has the power under our Constitution to prescribe a uniform garnishment procedure for each of our States.

Section 201 of the title in question anticipates this constitutional question and declares that the garnishment of wages has resulted in a substantial burden upon interstate commerce. In my view, Mr. Chairman, the Committee is merely grasping at straws to justify this questionable extension of the Federal power.

All of us must constantly remember that many things which need to be done are beyond the power of Congress to accomplish. These needs must be met, if at all, by the individual or by State government. In the long run, the people of America will be served better if this separation between the power of the National Government and that of the States is maintained.

It is my view that Congress has no power to enact provisions modifying the rights of creditors as determined by State law, except as a part of its comprehensive legislation dealing with bankruptcy, or to establish uniform rules of civil procedure for State courts.

Title II of this bill is clearly severable from the other titles, however, and for that reason it is my intention to support this legislation notwithstanding the provisions of title II thereof.

Mr. WYMAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—PROHIBITION RESTRICTION OF GARNISHMENT OF WAGES

SEC. 201. The Congress finds that garnishment of wages is frequently an essential element in predatory extensions of credit and that the resulting disruption of employment, production, and consumption constitutes a substantial burden upon interstate commerce.

AMENDMENT OFFERED BY MR. MONTGOMERY

Mr. MONTGOMERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONTGOMERY: On page 40, beginning at line 6, strike out all of section 201.

Mr. MONTGOMERY. Mr. Chairman, I have a straightforward, simple amendment here, that I would like to explain to you.

Actually, my amendment strikes out section 201. If my amendment is adopted I have subsequent amendments which will also take out sections 202, 203, and 204 of title II, which is the garnishment section.

In other words, what I am trying to do is eliminate the garnishment section from this bill to make it a better bill. So I certainly hope the Members will support my amendment.

May I say this, Mr. Chairman: If this section is not taken out of the bill, and it becomes the law, then the Federal laws that have been set on this floor on garnishment will supersede most of the State laws that we have today.

I am proud of the good laws that we have in our State pertaining to garnishment, and, as I say, this will affect most of the States.

Mr. Chairman, I would like to say that it is just as simple as this: If you want the States to regulate their own garnishment laws, then you vote for my amendment. If you want the Federal Government to regulate and move in on the State authority, then you vote against my amendment. It is just as simple as that.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the distinguished chairman.

Mr. PATMAN. I thank the gentleman for yielding.

What I have to say refers to our strategy here, and this is what I am getting to: It is my understanding that both sides have finished their amendments, and we are almost up to a vote. If we vote on this, this is really the issue that is causing so much controversy. I know that, and I believe the Members understand the merits and have made up their minds pretty well. So if we can agree on a time to vote on this, we would be willing to do it. And then if the gentleman succeeds in his amendment, if we strike out this section, we would entertain the other amendments, but if the gentleman does not succeed, then there would be no need to entertain the other amendments.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

The CHAIRMAN. Will the gentleman yield for a parliamentary inquiry?

Mr. MONTGOMERY. I yield to the gentleman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ROGERS of Colorado. Mr. Chairman, the amendment offered by the gentleman from Mississippi strikes only section 201. The recommendations under the rule were to take up the committee amendments. Now, the committee amendment as it appears on page 40 at line 20 would indicate that it would strike section 202, 202 (a) and (b). The parliamentary inquiry is this: In the event the amendment offered by the gentleman from Mississippi is adopted, then what happens to section 202 and the recommended committee amendment?

The CHAIRMAN. Then the Committee would consider section 202 when it is read.

Mr. MONTGOMERY. I have an amendment to sections 202, 203, and 204 prepared, Mr. Chairman.

Mr. PATMAN. Would the gentleman be willing to test his case on that one and then if he wins on that we can take up the others? If you do not, then, of course, it would be unnecessary and we could get through here in perhaps the next 30 minutes.

Would the gentleman agree on 10 minutes of discussion on your amendment and you have 5 more minutes and the opposition have 5 minutes to oppose it?

Mr. MONTGOMERY. Mr. Chairman, I am about through. I have said what I wanted to say. I certainly hope this Committee will support my amendment. I have a good amendment and it will make the bill a much better bill if the garnishment section is taken out of the bill.

Mr. RESNICK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the Montgomery amendment.

I support the Halpern amendment although with a great deal of reluctance and with reservations.

I had hoped that the distinguished Committee on Banking and Currency in its deliberations would have seen fit to completely eliminate the garnishment racket. For a racket it has become—one that each day victimizes the Nation's workers through shakedowns, lost jobs, personal anguish, and humiliation. Indeed, I have evidence that proves the very fear of garnishment is one of the major causes of voluntary bankruptcy.

I am certain that my good friend and esteemed colleague from New York offered his amendment in good faith with the hope that it would rectify some of the gross inequities that now exist in many of our States.

The Halpern amendment is patterned after the New York State law. In theory, this law is just and equitable for the creditor and the debtor. Thus, I support the amendment.

But I must warn my distinguished colleagues that when not properly enforced, New York's statute in practice can be as harsh, unjust, and unyielding as laws which even in theory give only minimum protection to the debtor.

This problem has always concerned me. I believe that garnishments most hurt those persons least prepared to defend themselves from unscrupulous merchants, finance companies, professional collection agents, city marshals, process servers, and other parasites who feed off the lifeblood of our workers.

These are the very people who are burdened with low incomes, who know nothing of legal processes, and who, in most instances, have no one to turn to for help.

I became directly involved with this problem when one of my constituents in Ulster County, N.Y., quite innocently and through no fault of his own was caught in the squeeze rollers of New York's garnishment mill.

Within 10 short weeks this hardworking, respectable citizen and homeowner lost his spotless credit rating. The mere fact that an income execution was filed against him was enough to make him feel that even after 7 years of loyal and faultless service, he would never again be promoted.

Imagine how he felt as a law-abiding American, brought up to respect the law and its officials, to find that officials were using the law to persecute him instead of to protect him.

In October 1964, he purchased a food freezer and food plan from Natpac, Inc., of Poughkeepsie and Ozone Park, N.Y., for $1,600.

He regularly met his obligations. In July 1967 Food Financiers—a collection agency owned by the very same men as Natpac—claimed that he owed it $90 and immediately threatened garnishment.

In fact, he owed only $20 which he promptly mailed to settle the debt. But instead of receiving an invoice marked paid in full, Food Financiers informed him he still owed $90, and before he knew what happened, it billed him for an additional $60 in court costs.

Even though this man had complete proof that he had paid in full, this callous outfit immediately invoked New York State's garnishment law to collect its nonexistent debt.

From beginning to end the actions taken by Natpac, Food Financiers, its attorney Milton Kostroff, City Marshal Max Grabel, and Process Server William F. Niles show clearly that these people were not interested in collecting a just debt, but in victimizing their customer—whose only crime was to be foolish enough to deal with this group of human vultures in the first place.

Using the Brooklyn civil court as their unwitting accomplice, Food Financiers and Mr. Kostroff conjured up this fictitious debt; employed a process server and a city marshal who were perfectly willing to perjure themselves and violate the clear, basic requirements of the State law; obtained a default judgment from a court that had no jurisdiction over their customer—but because of improper papers was led to believe that it had jurisdiction; and improperly garnished his wages.

A quick catalog of the crimes they committed include perjury, fraud, and conspiracy—all indictable under the New York State Penal Code. It appears they even used the U.S. mails illegally to get their pound of flesh from a helpless victim.

One reason that these vultures were able to operate with such horrifying precision and speed is that the very court officials charged with seeing that the laws are justly and equitably administered, closed their eyes and overlooked the plan provisions of the law. From beginning to end no judge ever questioned any aspect of this obvious flouting of the law.

Time does not permit me to disclose all the complex and startling machinations of this case. Under unanimous consent I shall shortly include in the RECORD the full facts of this case. They will be turned over to the proper authorities in New York State, where hopefully steps will be taken to enforce the law as it was written.

The parties in this case are so conscious of their guilt that as soon as my office called for an explanation, Attorney Kostroff vacated the judgment, claiming all was a terrible mistake.

After learning the depths and dimensions of their operation I doubted that such a slick machine could be established to garnish the wages of just one man.

My doubts were well founded. Further investigation shows that Mr. Kostroff is an expert par excellence at his racket of bleeding the innocent. Twenty-five percent of all garnishments handled by the Brooklyn civil court come under his name. Of 100 collection cases handled by this sworn officer of the court last year, every last one of them started with a default judgment—no defendant showed up. The logic of the situation leads but to one conclusion: This could not be pure coincidence, the law is being flouted.

Again, time does not permit full disclosure of the many criminal deeds committed in the name of New York's garnishment law. These, too, will shortly be entered into the RECORD.

Bear in mind that the abuses I have described here occurred in my State of New York which now enjoys the protection of a reasonably strong law. We can only speculate about conditions in other States in which the unsuspecting consumer does not enjoy even this much protection.

Therefore, I urge this body to first pass the Halpern amendment and second to insist upon stern and rigid enforcement of it within each respective State.

I recognize that this is not the perfect law. I visualize ultimately the passage of a law which will prohibit all garnishment. However, this is a decisive and important first step, which deserves our support.

Mrs. **MINK**. Mr. Chairman, I wish to state my support for this legislation which I believe will better advise American buyers and consumers of their financial obligations as they participate in the healthy growth of merchandising in our country.

Certainly, all of us as consumers have contributed greatly to the record 8 past years of prosperity in America. Needless to say, we have also shared in this growth of our economy and our goal should be continued progress with increasing benefits for all persons. Unfortunately, as improvements in our way of life continue each day, the complexities of an urban society have reached a degree where the long-observed principle of let the buyer beware is no longer a realistic statement.

I believe, as many others have previously stated, that the road to a still higher standard of living must include some methods of advising buyers and consumers of the various aspects of their actions. They must receive some protection for the purchase they make and they must be informed completely of the financial obligation they are accepting in requesting credit. I believe that H.R. 11601 contains many features which will accomplish these goals.

In brief, this legislation will offer this protection by—requiring merchants and lenders to state clearly and fully the finance charge to be imposed; requiring a clear statement on the cash price of purchases, less the down payments and trade-in. It must also disclose the finance charge; and requiring all time payment plans to be explained in open-end credit accounts.

President Johnson recognized the need to assist buyers when he told this Congress in his state of the Union message a few weeks ago that—

> When we act to advance the consumers' cause, I think we help every American.

The President then reminded us that—

> The Senate has already passed the truth-in-lending bill.

We can recall that he pleaded with the House to "immediately act" on the same measure.

Mr. Chairman, legislation of this type has been introduced in each Congress since 1958 but without final action. The hesitancy to act, I believe, is due to a misconception of its purpose which is simply to equip buyers and consumers with better information to use in making purchases. It will make it easier for the purchaser to make comparisons—thereby, I believe, increasing his interest in merchandising. It should not place a damper on his enthusiasm for the new products of the home and business.

Moreover, this measure should not be interpreted as another Federal control to harness individual initiative. It is not an effort to impose conformity in merchandising.

I must repeat what I said in 1966 in support of this legislation. It was:

> Basic issues of honesty are involved, as well as an affirmation of the principle of business competition through a fair disclosure of what the consumer is getting for his money. This legislation is promulgated on very basic American principles: the right of the consumer to know what he is buying and the obligation of the businessman to disclose what he is selling. I believe that these measures deserve the support of all fair-thinking Americans.

President Johnson's message of February 5, 1964, on the appointment of a Consumer Committee contains some statements which are still timely. He said then:

> America's economy centers on the consumer. The consumer buys in the marketplace nearly two-thirds of our gross national product—$380 billion out of an output of $600 billion. . . . My special assistant and the new Consumer Committee will lead an intensified campaign . . . to fight side by side with enlightened business leadership and

> consumer organizations, against the selfish minority who defraud and deceive consumers, charge unfair prices, or engage in other sharp practices.
>
> The consumer credit system has helped the American economy to grow and prosper . . . The antiquated legal doctrine "Let the buyer beware" should be superseded by the doctrine "Let the seller make full disclosure." I recommend enactment of legislation requiring lenders and extenders of credit to disclose to borrowers in advance the actual amount of their commitment and the annual rate of interest they will be required to pay.

Finally, I am advised that witnesses who appeared at public hearings to support this legislation unfolded shocking tales of how consumers have paid as much as 100 percent, and in some cases 200 percent, rates of interest for appliances and automobiles.

Most often, the witnesses told of interest rates which averaged 60 to 70 percent. Often, these rates included padding and fictitious fees.

There was also some evidence of a link between the underworld and the growing loan-shark racket, intimating that the present system coddles the unethical who would be driven out of business by more honest dealers if disclosure legislation is adopted.

I join President Johnson in pleading with my colleagues to support this legislation.

Mr. JOELSON. Mr. Chairman, the increase in consumer credit in the United States is one of the phenomena of our economy.

In 1939, there was only slightly more than $7 billion outstanding in consumer credit, while at the end of September 1967 that figure had risen to more than $95 billion. Thus, it can be clearly seen that consumer credit is growing at a rate far in excess of the growth rate of our total economy.

Unfortunately, laws regulating consumer credit and safeguarding those who use credit have lagged behind the phenomenal growth of consumer credit. It is, therefore, indeed gratifying that the House is now presented with an opportunity to pass legislation that will have the overall effect of assisting everyone who must use consumer credit. For this reason and many more, I strongly support H.R. 11601, including the provisions removing the $10 credit charge and the revolving credit charge exemptions from the bill. Since the use of consumer credit is so widespread, we would be remiss if we did not pass legislation that deals fully and equitably with the problems surrounding the use of consumer credit. In too many cases, legislation has been passed granting exemptions, only to find out at a later time that the exemptions virtually nullify the total effect of the legislation. No discussion of this legislation would be complete without pointing out the outstanding work that my colleague, the gentleman from New Jersey [Mr. MINISH] has performed, not only in this bill but in the whole area of credit extension.

As a member of the Consumer Affairs Subcommittee of the Committee on Banking and Currency, which held extensive hearings on this bill, the gentleman from New Jersey [Mr. MINISH] was a vigorous and strong campaigner for meaningful legislation. He voted against every attempt to weaken the bill and fought equally hard for amendments to strengthen the legislation.

It should also be pointed out that during the 89th Congress the gentleman from New Jersey [Mr. MINISH] headed a special subcommittee to investigate the problems of servicemen when they attempted to obtain credit or to borrow money. It was due, in a great part, to the efforts of the gentleman from New Jersey that the Department of Defense subsequently issued its own truth-in-lending directive designed to protect servicemen from sharp practice credit extenders. I personally feel that the gentleman from New Jersey's work as chairman of that special subcommittee was one of the outstanding achievements made by a Member during the 89th Congress. It would have been easy for the gentleman from New Jersey to have rested on the laurels achieved during the 89th Congress, but instead, he has thrown his full weight and talents into the fight for a strong truth-in-lending bill.

The people of his district, the State of New Jersey, and the country can be thankful that Congressman MINISH is in their corner.

Mr. HELSTOSKI. Mr. Chairman, because industry and business will not police themselves for the protection of the public, it becomes necessary that Congress undertake to furnish the protection of public interest in several fields.

Recent actions of the Congress included the truth in packaging legislation and the Highway Safety Act. Under these two pieces of legislation we have accomplished what industry neglected to do for many years. We have provided for uniform packaging and labeling of goods sold in interstate commerce. We have provided for additional safety features in our motor vehicles. Now, because business would not take action to provide for uniform disclosure of credit costs, Congress has today undertaken the task of legislating into law a bill which would require the truthful disclosure of interest rates and credit costs to the general public on their credit buying.

The objective of this truth-in-lending legislation is to provide consumers of products, bought under time payments, some relevant information as to the cost of these purchases. There is much misleading advertising in the interest rates being levied on loans or purchases. An advertised rate of 4 percent does not truly reflect the actual rate of interest charged on a loan, for example a loan in the amount of $550, repayable in $50 installments over a period of 1 year will add up to 17 percent as the true interest rate. However, that information is not communicated to the borrower by the lender. And it should be so communicated.

Mr. Chairman, this is a far-reaching bill, it could rightfully be called a bill of rights for the American consumer. It is a culmination of 7 years of hard work of Congress to enact such legislation, and we should acknowledge the efforts of former Senator Paul Douglas in pioneering this fight to adopt an effective truth-in-lending bill. But the fight is not yet over, as there are several obvious and glaring loopholes in this legislation. I hope that these will be closed and shall support any amendment which will close these loopholes.

I support H.R. 11601 and am a cosponsor of this legislation through my own bill, H.R. 12063, which strives to attain the same objective as that embodied in the legislation under debate at present.

We have waited a long time for this legislation and I wish to commend the distinguished chairwoman, the gentlewoman from Missouri [Mrs. SULLIVAN] and other members of the committee, for their hard labors and the long hours that they spent to develop this meaningful legislation. They deserve the highest praise and my heartiest commendation in bringing out the most effective bill possible.

Mr. Chairman, the whole purpose behind this legislation is to assure the buying public of clearly understandable and readily comparable information on the various types of consumer credit proposals so that the consumer can best decide which offer is best in the terms of dollars and cents and his ability to obtain a better "buy" through some other means.

Buyers and borrowers must have the fullest knowledge of what they are paying in terms of interest on their outstanding indebtedness and if it is necessary that we protect their rights by legislation, we have the vehicle to do so in the present bill.

The legislation provides the consumer with protection against misleading advertising of credit charges and rates. This is the form of protection which is obviously needed and this day is our opportunity to serve our American consumer to our fullest capacity.

There can be no doubt in my mind that the votes that are cast on this measure will be carefully scrutinized by our constituents as to whether they are cast in favor of the consumer or the moneylender.

Mr. Chairman, I urge the adoption of strengthening amendments and eventual passage of the Consumer Credit Protection Act.

Mr. O'NEILL of Massachusetts. Mr. Chairman, I rise in support of this bill, H.R. 11601, the Consumer Credit Protection Act. This is a fine bill—necessary to protect the consumer by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit by establishing maximum rates of finance charges in credit transactions; by authorizing the Board of Governors of the Federal Reserve System to issue regulations dealing with the excessive use of credit for the purpose of trading in commodity futures contracts affecting consumer prices; by establishing machinery for the use during national emergency of temporary controls over credit to prevent inflationary spirals; by prohibiting the garnishment of wages; by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry; and for other purposes.

I think this bill is a tribute to the

fine work of the distinguished chairman of the Banking and Currency Committee and of the distinguished chairman of the Subcommittee on Consumer Affairs, the gentlewoman from Missouri. It reflects the concern of the members of the committee who worked diligently to produce this bill. I believe it also reflects the foresight and dedication of our former colleague, Paul Douglas, who 8 years ago began the fight for truth in lending.

The popular name for this legislation, "Truth in Lending" is, I believe, appropriate. The bill calls for disclosure, for truth, in credit transactions, and sets maximum rates for finance charges.

It is hard to imagine any good reason for opposition to this bill. We merely want the truth and the prevention of usury. We have all seen the paper today. The Honorable Paul Rand Dixon, Chairman of the Federal Trade Commission, reaffirmed what we have known and what we are trying to end. The poor pay more. Those people who cannot afford to pay cash and must turn to credit, end up paying more for their goods, much more.

An excellent article in this past Sunday's New York Times magazine section pointed out that those people who need cash in a hurry end up paying unbelievably high interest—or are forced to repay their debts with dishonor, crime, or their lives.

Mr. Chairman, this is intolerable. We seek today, with this bill, to begin to put an end to exorbitant and usurious rates of interest. And we must remember that it is not only the criminal loan sharks who charge these rates, but also some legal businesses that hide their high interest rates under "terms per month" or "pennies per day." We are only asking that the consumer, the citizen, be allowed to know what he must pay for credit financing; that he be able to compare financing plans and choose what is best for him.

In this regard I fully support Congresswoman SULLIVAN's amendments to the bill, to eliminate the exemptions to annual rate disclosures. The gentlewoman and the honorable chairman of the full committee have explained why and how these exemptions can lead to abuses and circumventions of the law.

We do not want to pass legislation that includes exemptions which enable unscrupulous businessmen to avoid and ignore the effects of this legislation.

And we are talking about unscrupulous businessmen. The support for this legislation from the business community shows that honest businessmen have no qualms about the enactment of this legislation. We are asking for truth, for fairness, and this does the honest man no harm.

Mr. Chairman, I urge my colleagues to support this legislation and to exclude the exemptions in the committee bill.

We mean to protect the consumer. Let us do that fully.

Mr. FRASER. Mr. Chairman, I plan to vote for this bill, and I am sure that most Members will do the same. The bill has been accurately described by its principal author, the lady from Missouri [Mrs. SULLIVAN] as the most important piece of consumer legislation in years. Every citizen of this Nation owes a debt of gratitude to Mrs. SULLIVAN for her patience and hard work in moving this vital legislation through her subcommittee, through the House Committee on Banking and Currency and, I hope before the afternoon is over, through the House.

It is no exaggeration to state that every American will, directly or indirectly, be affected by passage of this bill. Credit, whether for individuals, corporations, or governmental units, is an integral and expanding part of the U.S. economy. Interest payments are made, as the distinguished chairman of the Banking and Currency Committee pointed out Tuesday, on hundreds of billions of dollars. Of this total, he said, interest is being paid on some $96 billion in consumer credit alone. And, since the end of World War II, consumer credit has grown at a rate 4½ times greater than the growth rate of the American economy.

In view of these staggering figures, congressional passage of a measure to protect the consumer by telling him exactly what interest he is paying is many years overdue. This afternoon we have the opportunity to make up for those lost years. An accolade also is deserved by former Senator Paul Douglas of Illinois, who first introduced a truth-in-lending bill.

However, the bill passed by the Senate last year was a pale echo of the strong legislation that is urgently needed. The House Banking and Currency Committee and Mrs. SULLIVAN's Subcommittee on Consumer Affairs are to be commended for putting teeth into the relatively toothless bill approved by the Senate.

The growth of credit in the United States has been accompanied, as many a bankrupt American can testify, by the tragic corollary growth of dishonest, unscrupulous, and immoral practices by a small minority of lenders. Usurious interest rates prey on unsuspecting and uninformed citizens whose lives often are ruined by the overwhelming burden of unnecessary debts. This bill would be a major deterrent to loan abuses because it would remove the shield of secrecy and misinformation behind which they now occur. At the same time, the bill would create no problems for the majority of legitimate lenders who have nothing to hide.

As other speakers have urged, I feel strongly that the two proposed amendments should be opposed: one to exempt revolving credit in the measure and the other to exempt credit charges of $10 or less. Defeat of the first would protect the consumer from being misled by the high interest rates charged on revolving charge accounts by department stores and would eliminate the discrimination in the present bill against merchants and businessmen who do not offer revolving credit. Defeat of the second would protect the small borrowers, many of them poor people, who make loans under $100.

It is noteworthy that the bill before us has the widespread support of the business community, and very little opposition. This was not the case a few years ago. Every Member has, I am sure, received considerable mail on this bill. One appliance dealer from my district of Minneapolis had this to say about revolving credit:

> This revolving credit monthly rate feature definitely favors the large chains and department stores—and weighs unfairly on the small retailer. If the giant retailers who use "revolving" can quote monthly rates—then any retailer should be allowed to do the same, regardless of the contract form.

The bill, Mr. Chairman, has the overwhelming support of the people. In a questionnaire to my district last fall, by far the highest approval—more than 90 percent—was for truth in lending. There is no good reason why the bill should not be passed. There is every reason why it should.

Mr. MORRIS of New Mexico. Mr. Chairman, we have heard a lot of debate on this issue, not only here this afternoon but on the floor of the House on previous occasions and in the press. All of us have been subjected to letters, telegrams, memos, and so forth, from a number of sources urging action this way and that. I have chosen to concentrate on one point which to me is a crucial one, and which brings the whole revolving credit question into focus. This is the mathematical question which has been spoken of so frequently—is the charge of 1½ percent which is made each month by the department stores really an annual rate of 18 percent? If it is, then the gentlewoman from Missouri [Mrs. SULLIVAN] is correct and these charges should be reported on an annual basis. If it is not, then the stores are correct in complaining that Congress would force them to lie in the name of "truth in lending," adopted by Mrs. SULLIVAN's amendment.

It would seem to be an easy point to resolve, mathematics being about as exact a science as we have available to us. But the old cliche that "figures don't lie, but sometimes liars figure," seems to enter the picture here, because both sides present us with carefully worked out mathematical charts to prove either that the charge is 18 percent or that it is not.

Under Secretary of the Treasury Joseph Barr put his finger on the trouble when he testified at the hearings before the subcommittee. Both sides, he indicated, were right in their arithmetic. The difference is that the retailers assume that the credit is extended at the time of the sale, while Mrs. SULLIVAN and Mr. Barr assume that the credit is not extended until the first billing date.

This, then is the crux of the problem. When is the credit extended? If we decide that it is at the time of the purchase, we must agree with the majority of our committee and adopt the amendment they recommended. If it begins at some other time, we should go along with Mrs. SULLIVAN.

Retailers insist that the credit is extended at the time of the sale because when a customer walks from the store with goods for which she has not paid, they have no option but to call that transaction a credit sale in their bookkeeping. Certainly it is not a cash sale, since they have given up the goods but received no payment. If we agree with Mrs. SULLIVAN that it is not a credit sale until a charge for the credit has been levied, we are faced with the question, "what kind of sale is it? It is not cash, it is not credit—can we create some new category of transaction unknown before now?

There is another way we can approach this question, based on the considerations urged upon us here in this debate. We have heard a lot about "equal treatment," and "everyone must have the same set of rules, without special exemptions." I would like to apply that general principle to the specific point I have raised. When is credit considered to have been extended in other types of credit programs? At the time of sale, or some other time?

All of us familiar with savings accounts know that, while we may not get any interest unless we leave the money in the bank for the entire specified time, when the interest is added it is figured from the time of deposit. On Government bonds, the interest is computed from the date of purchase. On installment loans, the interest charges are figured from the date the loan is made. And so on. In short, if we are to give the retailers the "equal treatment" that Mrs. SULLIVAN and others insist is so important, we must concede them their most telling point, which is that the credit is considered to have been extended on the date the credit sale is made. And once we concede that point, which I feel we must, then we must accept their arithmetic which tells us unassailably that the 1½-percent charge made on a revolving credit monthly statement does not produce an effective rate of 18 percent. That being the case, what good are we doing for the consumer—the source of our ultimate concern—if we require the department stores to tell her something which simply is not true?

I think we should remember that the consumer is the one we are most concerned about. We want to treat all sellers and lenders alike, but it is the consumer we want to take care of. And if in our eagerness to get every part of the business community into some sort of theoretical equal pattern we end up telling the consumer something which is not true, we have missed the point. I fear that that is what we would be doing if we upset the committee amendments on the subject of revolving credit. I think it is instructive to note that although Mrs. SULLIVAN is the chairman of her subcommittee, with all the power and influence that position commands, she was unable to convince a majority of her subcommittee of the soundness of her position. The gentleman from Texas [Mr. PATMAN], the respected chairman of the full committee, agreed with her and threw his considerable prestige and influence on her side of the controversy, but again could not convince a majority of the members of the full committee of the soundness of that position. We all know what the Senate did. I suggest that we here in the whole House have had less of an opportunity to examine this question than the committee did. We should, in this instance, respect the expert opinion of the majority of our committee. I plan to support the committee amendments and urge all other Members of the House to do the same. I assure Mrs. SULLIVAN and Mr. PATMAN that this does not indicate any lessening of my personal respect for them and their abilities, but that I feel that in this situation they have not successfully made their case, either in committee or here on the floor. However, I do congratulate them both on their efforts to produce a meaningful bill, which I plan to support on final passage. In spite of my disagreement with them on this point, I continue to hold them both in high regard, as I am sure they both understand.

Mr. BROYHILL of Virginia. Mr. Chairman, I strongly support the legislation before us concerning consumer credit.

In recent years I have viewed with alarm the increasing number of personal bankruptcies and the tragically frequent occurrence of family financial disaster. For the most part, both have resulted from the unwise use of credit.

I am quite aware that the proposed legislation we are now considering will not prevent such events from occurring, and I am also well aware of the importance of credit to our economy. I do not ask the tightened regulation of credit, but I do think that the general public needs to protect itself against the pitfalls of overborrowing and overextension.

Overindebtedness is a cruel and frightening thing that compounds itself with such ease that a victim so ensnared often "sinks" before he is aware of the crucial need to "swim."

It is to this "awareness" or this need for awareness that this legislation addresses itself. If a prospective creditor is made clearly aware of the cost of the debt he is about to undertake, he is better able to judge whether or not he can afford such an undertaking.

The language of credit in some fields has become so vague and at the same time so reassuring that it is no small wonder that debt is at an alltime high, coincident to the fact that rates of interest are approaching an alltime high.

It is time that the alarm be sounded. It is time that businesses alert their customers to credit costs. It is time for the consumer to become aware of these costs. At the same time, legitimate business interests should not fear or lament the loss of revenues resulting from full and honest disclosure.

Mr. RHODES of Arizona. Mr. Chairman, the House Republican Policy Committee supports consumer credit protection legislation.

Today, consumer credit totals more than $95 billion. Of this amount, $76 billion is represented by installment credit. Over $31 billion is in automobile paper. The Federal Reserve Board has estimated that as of September 1967, revolving credit reached $5.3 billion. The American consumer is paying approximately $13 billion a year in interest and service charges.

The American consumer must have the information that is required to understand and compare the vast number of credit plans that are now available. Full disclosure of credit charges, add-ons, fees and service charges would permit the consumer to compare and decide for himself the reasonableness of the overall charge and to determine the payment method best suited to his particular financial situation.

As reported from committee, H.R. 11601 does not meet the problem of loan sharking which preys so heavily upon the poor. A Republican amendment will be offered that will make it a violation of Federal law for anyone engaged in interstate commerce to lend money at rates of interest held to be illegal under the statute of the State in which the transaction takes place. This will permit Federal law enforcement to assist the States in ridding our country of loan sharking and in denying to organized crime one of its principal sources of revenue.

This amendment and the consumer credit protection legislation merits the broadest possible support. We urge its adoption.

Mr. GALLAGHER. Mr. Chairman, I rise today to support H.R. 11601 in its expanded form. The spirit of the bill requires that we pass the amendments on revolving credit and do not allow annual interest charges under $10 to escape full disclosure.

At the beginning of my remarks I wish to pay tribute to the Honorable Paul Douglas, the former Senator from Illinois. Consumer protection was a consuming interest with Senator Douglas and we have an opportunity today to erect a living monument to his courageous flight. When Senator Douglas first introduced a truth in lending bill in 1959, it may very well have been that he was before his time. But the American process of political education through lively debate centered around proposed legislation has made the time for Senator Douglas' foresight come to fruition. For years he and a few others waged a lonely fight; we can now all share with him his victory.

H.R. 11601 as reported from committee is a good bill, a necessary bill, a bill which responds positively to a problem which has grown to overwhelming proportions in our credit oriented society.

Of particular interest to me in the committee measure is the provision which restricts the garnishment of wages for failure to meet the terms of a credit transaction. This limitation of the amount of a man's salary which can be garnished is an important step in establishing and continuing a sense of stability in the marketplace and will relieve an oppressive burden from a man who is in financial difficulty. I strongly suspect that this provision will prove beneficial for merchants also, for they will have a better opportunity to receive the full sum owed to them while not totally alienating someone who will undoubtedly return to the marketplace. This humanitarian provision recognizes that men who get into financial difficulty are very seldom irresponsible, but are men who merely wish to enjoy the fruits of our unprecedented prosperity before they can fully shoulder the obligations. This provision will give a man a chance to solidify his fiscal position in an orderly and dignified manner, without submitting to the degrading process of bankruptcy.

Mr. Chairman, the other provisions of

the committee bill are, by and large, forthright and intelligent measures. I am proud to associate myself with those who have found the patience and wisdom to bring truth in lending into such a cohesive and comprehensive legislative package.

But, as good as this bill is, as useful and valuable as the committee bill is, there is more that must be done. The distinguished gentlewoman from Missouri [Mrs. SULLIVAN] has clearly called upon us to extend in a most logical manner the provisions of the committee bill. I am pleased to recommend the same course.

The first of these amendments will require that interest charges of under $10 a year must be specified as to the rate of interest. The second will require that all retail credit plans, regardless of their type or form, must disclose the yearly rate of interest.

I think it is self-evident that those who charge a small purchase on a short contract are just as entitled to full disclosure of their yearly interest as are those who borrow a large amount over a longer period of time. The overwhelming truth in our society that everyone must receive equal protection under law demands that the right of knowing interest rates will be extended to everyone who buys on credit. I regard the passage of this amendment as crucial to the success of the bill.

Mr. Chairman, the growth of revolving credit plans presents a powerful argument for the passage of the second of these amendments. In 1960, 2 percent of all consumer credit was of this kind; in 1967, 5 percent; and it has been estimated that by 1970, fully half of all credit sales will be made under this system. It is difficult to predict how much further this type of credit sale will rise if the Congress refuses to require full disclosure of yearly interest rates.

It has been said, with some point, that this type of credit should be excluded because of the grace period before credit charges begins and because it is possible to pay off the full outstanding amount in a very short time, thus eliminating a full year's interest. However, I do not think these arguments, as persuasive as they may appear, are sufficient reasons to exempt revolving charge accounts from full disclosure.

One and one-half percent per month sounds a lot more attractive than 18 percent a year. In order for the consumer to be able to evaluate different credit proposals by competing stores, he must be able to know the rate of interest he is expected to pay on a yearly basis. If this provision is not added to the bill, we will create a privileged class of lender, penalize smaller merchants, and prevent a borrower from realistically comparing one credit plan with another.

Mr. Chairman, I think that H.R. 11601 represents a significant breakthrough in consumer protection. Its provisions will be strengthened by the additions being proposed by the very able Congresswoman, Mrs. SULLIVAN. I strongly urge my colleagues to defeat the unjust exemptions provided in the committee bill and to back her amendments.

Mr. PATMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union reported that that Committee, having had under consideration the bill (H.R. 11601) to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by establishing maximum rates of finance charges in credit transactions; by authorizing the Board of Governors of the Federal Reserve System to issue regulations dealing with the excessive use of credit for the purpose of trading in commodity futures contracts affecting consumer prices; by establishing machinery for the use during periods of national emergency of temporary controls over credit to prevent inflationary spirals; by prohibiting the garnishment of wages; by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry; and for other purposes, had come to no resolution thereon.

MAJOR STEPS ARE NEEDED NOW TO CURB CRIME NEXT SUMMER

Mr. SIKES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, many times during the past year I have spoken out on the essentiality of curbing crime and putting an end to violence in the streets in the United States. I am convinced from my own contacts with the people of my district that no issue is of greater importance to them. The spontaneous and prolonged applause from Congress which greeted the President's comment on this subject in his state of the Union message adds credence to my belief that crime and violence in the streets will be a top issue in this year's election. Certainly the need for dealing now with this problem is high in the thoughts of the people.

The President said:

> We at every level of government in this nation know that the American people have had enough of rising crime and lawlessness.

I am concerned—quite concerned—that the President has not made it clear that he is prepared to go all the way in his war on crime. The specific measures which he requested for dealing with this problem are an increase from fifty to a hundred million dollars in his "safe streets" bill to assist the States and localities in improving their police work, and the addition of 100 FBI agents to help strike at organized crime. This is a small start for such a big problem. It bypasses the immediate need to take broad steps to control crime and to eliminate violence in the streets. The situation requires a realistic and thoroughgoing approach which faces up to the entire problem now.

There are measures before Congress which are needed in this fight. One, to deal with agitators who cross State lines, has passed the House but not the Senate. Others are bogged down in committee. Administration support could pry them loose. Nevertheless, the fact must not be overlooked that there are laws—Federal or State—on the statute books now to deal with nearly every law-enforcement problem which confronts us. The real difficulty is in securing adequate law enforcement and obtaining punishment for the criminals. In this, example is the best precept. We cannot disregard the fact that the Federal Government, through its Department of Justice, has failed to prosecute a single one of the conspirators who were responsible for last summer's violence and there is little to indicate a change in attitude in this Department.

Avoiding a repetition of last summer's rioting and the accompanying rise in crime is a matter of greatest importance. A second failure to face up to insurrection can mean America is looking death in the face. It should be made very clear now that this situation will not be tolerated again. To insure this, strong and immediate preparation is essential. In this, the Federal Government must provide an example for the rest of the Nation. Major steps are needed now to curb crime next summer.

THE CALLUP OF AIR RESERVES

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker, while the pirating of the ship *Pueblo* is indeed a most humiliating matter for our Nation, the President's callup of Air Reserves in response to it should be put in its proper perspective.

This callup really has very little to do with the *Pueblo* incident, except for the fact we had nothing to come to the aid of the *Pueblo* in time in the area when she was in distress. The real reason behind the callup is our tremendous loss of planes and pilots in the war in Vietnam. The President has now used the *Pueblo* incident as a convenient distraction to mask the fact that the limited bombing policy, and the selectivity of targets has depleted our forces without appreciably obstructing the enemy's ability to wage war. In fact, the well-coordinated attacks of yesterday tell us more clearly than all the "reassuring statements" of the administration that there are more Vietcong coming down the Ho Chi Minh trail—supposedly bombed out of usefulness—than ever before.

Before adding all the losses sustained in yesterday's attack on the ground and in the air, we have lost well over 3,200 aircraft in Vietnam. As of the 23d of January the breakdown shows 792 planes lost in combat over North Vietnam, 226 over South Vietnam. We have lost nine helicopters by hostile action in the North Vietnam, 498 in South Vietnam, and in addition 805 helicopters and support aircraft, and 889 fixed wing on the ground. Most of these losses can be attributed to Soviet rockets, planes, and guns.

It surely must have given the leaders in the Kremlin a sense of smug satisfaction for these great United States to appeal to the Soviet Union, of all nations, to help us recover the U.S.S. *Pueblo* and her crew from the North Koreans. While the State Department now tells us that better than 80 nations have been asked to help recover our ship and her crew, I do not expect any early results and the episode will go down as one of our sorriest and most tragic, having done irreparable and everlasting damage to the prestige and honor of our country.

ENFORCEMENT OF THE LAW MEANS ALL LAWS

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, I have had the opportunity to read a speech, given by our colleague, chairman of the Agriculture Committee, the Honorable W. R. (BOB) POAGE, before a meeting of the National Wool Growers at Dallas, Tex., on January 29.

I want to commend the reading of this speech to all members of this body, because in my opinion it expresses the down-to-earth commonsense philosophy of what I consider to be one of the great Americans of our era, who has pulled no punches in setting forth some of the things that need correcting before we can return to the basic principles upon which this Nation was founded, and which made it great.

You may not be interested in wool growers or many of the problems of those who raise sheep, but I will guarantee that your time will not be wasted in reading the speech Chairman POAGE made at Dallas last Monday, when he summed up his remarks by stating:

> No one ever makes his rights secure by ignoring the rights of his neighbor, and no one ever increases his own wealth by destroying the property of his neighbor or his community, and finally, no group can merely by calling it a "peaceful demonstration" change a riot into a picnic party. Nor can one, even the Supreme Court of the United States, justify looting and shooting by calling it an "expression of free speech". If you and I are to be free and secure in our freedom, we must be able to know the law, to read it in plain language and we must obey it as written—all of the laws, whether we like them or not, and we must require all others to obey.

Following is the complete text of Chairman POAGE's speech:

ENFORCEMENT OF THE LAW

(Speech of Congressman W. R. POAGE before National Wool Growers, Dallas, Tex., January 29, 1968)

Twelve years ago, it was my privilege to speak to your annual convention over in Fort Worth. At that time I explained that I was rather poorly qualified to discuss the problem of the sheepman because although my maternal grandfather was a sheepman, my father was an old time cowman who never did appreciate the characteristics of the lamb or its mammy—in spite of the recognition granted it in poetry, art, and even the Good Book. He just wouldn't have a sheep on his ranch—not even the pet which I so much wanted.

In spite of all this background, I grew up to know that there are not and never have been any finer people than those who grow the sheep, the goats, and the cattle—in short, the ranchmen of America. Among this group I am happy to number many of the finest friends I have anywhere, and among them America can count many of her very best citizens.

On one thing at least all these ranch people agree, whether they raise cattle or whether they raise sheep. They all agree, as do the overwhelming majority of Americans, that if our country is to remain free and great we must enforce the law—all the law. There are some groups in our country who seem committed to breaking down the law or in distorting all reason in the enforcement of the law so as to make a mockery of all efforts to punish the guilty.

Mob law is no substitute for justice, as many an early sheepman could testify, but justice denied or long delayed under the guise of paying tribute to some new found principle of "freedom of expression" may well invite a return of mob law and all its attendant injustice. I would hate very much to see us return to the "Lynch law" of either the Western frontier or of the River Bottom society of the Old South. Nor is there any need for any such backward movement if our Courts will but help rather than obstruct the administration of justice.

That there has, indeed, been a serious breakdown in law enforcement needs no argument or statistics, although it may not be as apparent to those of you who actually come from the range country as it is to those of us who spend most of our time in big cities where it is often unsafe for grown men to be on the streets at night and where women are stabbed at noon while praying in a church, or where visitors are attacked and robbed in broad daylight on the very steps of the Nation's Capitol. Certainly, the situation is not yet so bad in Dallas or in Salt Lake City, but there is too much—far too much—disregard for law in every section of the country, and most of it lacks even the economic justification which the old time thief always offered. The horse thief or the cattle rustler of the frontier days could at least plead that he needed transportation or that he was trying to "get a start" in the cow business. The modern "thrill killer" or purse snatcher can generally offer no better excuse than that he wanted a "kick" either direct or through the purchase of "pot" or other drugs.

This breakdown of law and order is not a phenomenon confined to any one segment of our country. It is not confined to Detroit or to Mississippi. It is not confined to our colored or to our white citizens. It is not, as so many like to suggest, a problem just of the ignorant or of the slum dweller.

Nor is it only a problem of the "hippies" or the intellectuals or of the college graduates—although there is clearly too large a percentage of college educated people who participate in these violations of the law and, for one, I think there is far less excuse for what has been happening on the campuses of the University of California than there is for the senseless and totally inexcusable violations which have erupted in the slums of Los Angeles. Surely the University student, who is enjoying both a good education and in most cases all of the physical comforts of life, has a greater obligation to set a good example than has the uneducated occupant of some disease infested slum area.

But, whenever we find citizens assuming for themselves the right to decide what laws they will obey and violating those which they decide are "bad," we have anarchy, and anarchy is always—"always" I said—followed by dictatorship. Anarchy can only exist long enough for the strong to assume control. It will always happen—the weak—the needy—the oppressed—will quickly lose all influence and all hope. The irony of this thing is that those who have the most to lose—those who most need the protection of the law—are in the forefront of the destruction of all law—for let it be very clear that there is no such thing as law enforcement where only those laws which the individuals look upon as "good" are obeyed. Law enforcement is indivisible—you either enforce all laws or soon you will be enforcing no laws.

Everyone, except the uneducated and the overeducated—and apparently the Supreme Court of the United States—knows these fundamentals of human behavior. All ordinary people who think in terms of human experience and of human limitations recognize that in any inhabited part of the world, where people come in contact with many other people each day, that it is possible to obtain freedom only "under law"—and through the impartial enforcement of all law. I am happy to pay public tribute to the great group of peace officers over our country. The great mass of them are doing a fine and conscientious job made unduly difficult by some of those who should be most helpful to them. I, therefore, want to give deserved recognition to our peace officers.

The American founding fathers knew quite well that even a government selected by a majority of the people could destroy the rights of the individual just as truly as the government of King George III. They, therefore, sought to limit the fields of governmental activity, but surely they intended to offer no comfort to those who took the law in their own hands—and that, my friends, is the burden of my indictment of our modern scofflaws. No man has the right to ignore even what he considers to be a wicked or unjust law. His recourse is to seek to change the law in the regular or Constitutional manner, and this seems to me to be one of the glaring weaknesses of the present Supreme Court's insistence that that body has the right to promulgate rules of behavior which its members consider to be in keeping with the conditions and the needs of the times. In effect, the Court has claimed for itself the right to decide what laws are "good", and what changes should be made from time to time.

As I understand our form of government, neither the Supreme Court nor the Executive has any such right. Only the Legislative Branch has the right to determine what rules will be given the force of law. The Constitution has not been changed. If a procedure was Constitutional 75 years ago, it is still Constitutional. Of course, there will be individual cases where the Court may properly find that its members erred in years past, but it cannot be that the members of the Court could have been correct in the past and that a different interpretation is now justified.

Certainly our Constitution needs change from time to time, but as the founding fathers suggested, those changes should be made in the manner agreed upon at the time of the adoption. On the other hand, strongly as I believe that the Court has been usurping legislative powers, I do not feel that the remedy lies in asking the Legislative Branch to usurp Judicial powers. Too often we hear the cry "Impeach Earl Warren". I think those who advocate this course do not realize that the power of impeachment was intended to correct moral wrong rather than to punish political philosophies with which the Legislative Branch does not agree. I would not, therefore, be a party to impeaching even Mr. Warren or anyone else without evidence of moral turpitude, and I certainly bring no such charge against any member of our Judiciary.

I do, however, think it is unfortunately true that a great many people are deterred from crime only by the certainty, and possibly to some degree by the severity, of prompt punishment. I would not strike down any of the devices of the law which have been built up over the years to make sure no innocent man may be punished, but I do object to those decisions and requirements of our present Supreme Court which add nothing to the protection of the innocent but simply make it difficult or impossible to arrest and to convict the guilty. I submit that until all our efforts are directed at a determination of the facts that we can have neither justice for the accused nor security for the masses of our people. I am afraid that in our proper zeal to protect the rights of the accused, we may have overlooked the basis and the purpose of all criminal law—and that is to protect the public and society from lawless acts. In other words, the State does not seek vengeance (vengeance is mine saith the Lord) but rather it seeks to make it clear that crime does not pay—and thus prevent further crime, either at the hands of the accused or of some other person.

May I, at this point, digress just long enough to mention three specific aspects of the present crime wave.

The first peculiar aspect is the reluctance and even refusal of so many of our citizenship to help cooperate with law enforcement officials. Of course, in our early days most of our law enforcement was dependent on citizen cooperation, and I suspect that in most of the range country that is still true. We still rely on the sheriff's posse. Certainly, if an officer on the streets of Sonora, Texas or of Moab, Utah were to call for help, I am confident that he would get it from at least most of those within sound of his voice, but if an officer were to call for help in Washington, D.C., or Cleveland, Ohio, he better hope that some fellow officer is within hearing distance.

There are too many instances of crowds of *cowardly* civilians allowing crimes to be committed in their presence without any effort whatever to stop the criminals. In many instances the onlookers would not even call the police. I am happy that this is not yet the attitude of everyone. Just last month a young Mexican boy in Kansas City—Primativio Garcia—saw a bunch of thugs attack his teacher. He went to her rescue. The thugs killed him. I want to bow my head in admiration for that Mexican boy. He was a real hero. I wish we had more of his kind. I hope no court excuses his murderers on the grounds that they were six foot, 20-year-old, "juvenile", guerrillas.

The second aspect of the present wave of lawlessness possibly grows out of the attitude I have just mentioned. It is the prominence of violence—so-called "crime on our streets"—the unlawful use of force. Bands of human jackals are running loose in most of our large cities. They are generally the type who can only understand the use of force—the certainty of harsh punishment. I think that our easy parole practices have given them much encouragement, and certainly they have been greatly encouraged by the constantly increasing limitations our courts are imposing on the peace officers who would arrest and punish them.

The third group which lends color, although not respectability, to our present era is composed of the so-called "Peaceniks." I have a feeling that most of these are just cowards who are still afraid to join in the wolf gangs who attack old ladies on the streets. They are the group who are more likely to get their excitement by the use of dope—they are the type who like to cover their lack of patriotism with some kind of cloak or organizational respectability. They delight in describing their disobedience of the law as "non-violent." They are the maggots who make their home with, and get their living from, the dregs of society, and yet all too many of our educational institutions and of our self-professed educators give a degree of sympathy and a reflection of the respectability to these unshaven vermin.

And now I want to mention an aspect of modern lawlessness which is possibly even more fundamental and even more disturbing. Most lawlessness develops from childhood disobedience. The obedient child is very likely to make a good and successful citizen. The disobedient child is a mighty good candidate for the penitentiary. As one who has no child I am not going to tell you parents how you should properly train your children. I will simply observe that it seems to an outsider that in all too many American homes there is little or no effort to teach the child that he must accept authority as long as he is a member of human society.

And this in turn leads me to the one aspect of lawlessness which, as I see it, is the most inexcusable of all criminal practices—and yet, it is unfortunately of widespread occurence. I think that the crime of vandalism—that is, the useless and purposeless destruction of property, public or private—probably leads to more serious crimes than any other single practice. There is simply no need, use or justification for the breaking of street lights, windows in a school building, the scattering of bottles on the highway, the cutting of trees or flowers on other people's property, the slashing of auto tires, or the desecration of a cemetery. There is no act which does the actor so little good and which makes the world so much poorer than a purposeless act of wanton destruction.

If a boy or girl gets the idea that it is all right to *destroy* or mutilate someone else's property, a little later that boy or girl is mighty likely to get the idea that it is all right to *take* another's property for his own use—and, as I said before, I wonder if there is not really more excuse for the thief (who always convinces himself that he *needs* what he takes) than there is for the vandal who just subtracts from the sum total of the world's goods.

Most of our so-called protests, marches and demonstrations partake rather heavily of the aspects of vandalism in spite of their widely advertised claims that they are peaceful, they are non-violent, etc. The participants are ordinarily violating the local, if not State or Federal, laws and again, our old friend, the Supreme Court, comes to their assistance with a whole book full of decisions to the effect that all of these local laws should be set aside in order that the protestants may enjoy the new found protection of the first amendment to the Constitution of the United States—the so-called "Right of Free Speech." Incidentally that amendment simply says that "Congress shall make no law—abridging the freedom of speech or of the press—" and for 150 years it was interpreted just as it was written—as a limitation on the power of Congress. But now our courts have discovered "new truth" and they say that this simple language means that anyone who wants to present a viewpoint will be immune to the laws of trespass, exempt from the laws of disorderly behavior, and in most instances will be given complete license to attack anybody who expresses disagreement. That my friends is not free speech. It is a license and an invitation to crime.

One of the most fundamental attributes of any government is the right and power of government to protect itself from those who would destroy it either from within or from without. As a Member of Congress I have repeatedly taken the oath to defend the United States from "all enemies, foreign or domestic," and yet our high court strikes down the Acts of Congress and of our States which require certain government employees to swear that they are not members of the party committed to destruction of our form of government. Why should any citizen, particularly any teacher of our youth object to affirming his support for our country by his open repudiation of the Communist philosophy.

The President has asked that we appropriate $100,000,000 of Federal money to "train" local law enforcement officials. I commend the President's interest. I shall support his request for any amount he feels will be helpful, but in all frankness I think it is clear that it will not be possible to restore respect for law and order solely by expenditures of funds—no matter how generous—I am for the training but I think it is clear that what most local officials need is some encouragement in using ingenuity in detecting and punishing crime. They need the support of the courts and of our Department of Justice. Given this support, I believe that we can enjoy an era in which all our citizens will live under the full and equal protection of our laws. Without it no amount of money will buy this "domestic tranquillity".

Could you believe that just last month a Federal District Judge—acting I am sure in line with the decision of our Supreme Court—twice restrained the officials of this State from proceeding with the prosecution of a group of "Doves" who tried unsuccessfully to break up the President's speech in Killeen, Texas on December 11, 1967. These kinds of road blocks must be removed.

But above and beyond the courts, the basic responsibility for law enforcement still rests with the homes of America. It cannot be shifted to the schools, the church, or the government. But certainly these instruments of society play a large part in the attitude of each generation and certainly if our government makes it its basic purpose to protect the criminal rather than the law abiding element, then it is going to be extremely hard for our parents to impress upon their children the vital necessity of obeying all laws as the prerequisite of their own protection. Again, let me repeat, it is not the strong who need the law, it is the weak. And very few of those who are today challenging enforcement of laws they dislike could in the absence of law enjoy anything like the degree of freedom which is theirs today.

Let me, therefore, leave you with this thought. No one ever makes his rights secure by ignoring the rights of his neighbor, and no one ever increases his own wealth by destroying the property of his neighbor or his community, and finally, no group can merely by calling it a "peaceful demonstration" change a riot into a picnic party. Nor can one, even the Supreme Court of the United States, justify looting and shooting by calling it an "expression of free speech." If you and I are to be free and secure in our freedom, we must be able to know the law, to read it in plain language and we must obey it as written—all of the laws, whether we like them or not, and we must require all others to obey.

GUARANTEED SAFETY FOR HIGHWAY BRIDGES

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, last December 19—4 days after the collapse of the bridge at Point Pleasant, W. Va.—I wrote to the Honorable Lowell K. Bridwell, Federal Highway Administrator, recommending that he cooperate with State and local authorities in erecting signs urging motorists to allow one car-length or more on every bridge.

Copies of my letter and Mr. Bridwell's reply will appear at the conclusion of my remarks, along with a letter from the Honorable Robert G. Bartlett, secretary of Pennsylvania's Department of Highways. Mr. Bartlett's department is in process of reexamining the Commonwealth's larger structures. The placing of signs appealing for voluntary vehicle spacing will be considered, if any of the structures are found to be marginal.

The Federal investigation will determine whether overloading was the contributing cause of the failure at Point Pleasant, but meanwhile, it would seem reasonable to assume that this factor was the cause, if only to attempt to discourage overloading while the safety of all the Nation's bridges is being established. The consulting engineering firm which designed the Point Pleasant structure has admitted that original specifications called for use by two-axle trucks weighing 15 tons, while modern bridge specifications provide for three-axle truck-trailers that weigh as much as 36 tons.

I also call attention to a statement attributed to Dr. Thomas Stelson, head of the department of civil engineering at Carnegie-Mellon University:

> In general, it was overloading—unless somebody was up there hacking away with a hacksaw.

Mr. Speaker, if Pennsylvania concludes that voluntary vehicle spacing should be adopted on any "questionable" structure, the program should be followed in all States, regardless of the outcome of the Federal report.

For the information of my colleagues, I include two editorials pertinent to this subject in the Record, along with the Bridwell and Bartlett correspondence. One, "Bridge Rules Contain Merit," is from the December 27 issue of the Kittanning, Pa., Leader-Times, and the other, "Tragedy Spurs Reevaluation," appeared in a recent issue of the New Bethlehem, Pa., Leader-Vindicator. The material referred to follows:

[From the Kittanning (Pa.) Leader-Times, Dec. 27, 1967]

Bridge Rules Contain Merit

Kittanning Borough has joined the growing list of communities in Pennsylvania and elsewhere who are asking assurance that their bridge is not falling down.

The concern is not unexpected because of the recent disaster when an Ohio River bridge collapsed under heavy traffic at Point Pleasant, W. Va.

Some of this concern possibly is exaggerated, in light of current inspection data on the 37-year-old Allegheny River Bridge here. But, it is not exaggeration to say that the span is carrying much more of a load than designers had in mind when it was built.

Borough officials, however, are not being alarmist in their recommendations and area residents who use the bridge should not take those recommendations as meaning that the bridge is unsafe. Town officials have some sensible ideas for handling bridge traffic until such time as the long-promised high-level bridge takes the through-traffic load from the present span.

Those recommendations include a per-truck load limit or a limit on the number of trucks crossing at any one time, a reduced speed limit which is enforced, quarterly inspections of the bridge, and up-to-date information on the progress being made in providing a new bridge.

Most of these recommendations appear to have merit and at least deserve serious study of Highways Department officials. However, there is little reason to believe the department does not think its present inspection schedule adequate.

And state officials may well object to the additional manpower which would be needed to provide adequate enforcement of load or speed restrictions.

At any rate, it will be interesting to read the state's reply.

[From the New Bethlehem (Pa.) Leader-Vindicator]

Tragedy Spurs Reevaluation

The collapse of a bridge on the West Virginia-Ohio border two weeks ago has tragically illustrated a condition which may well exist in thousands of such spans in the nation, including several in this general vicinity.

Numerous such structures were erected decades ago, and while they receive periodic maintenance and inspection, they may not be sufficient to meet the volume and type of traffic they carry today.

One bridge span in Clarion County that has caused wide protests for several years, and has been the scene of innumerable accidents, is the one which carries a heavy volume of Routes 322-66 traffic over the Clarion River just west of the county seat. Numerous attempts have been made through legislative channels to have that engineering monstrosity replaced with a new span fit to meet the present needs of the 20th Century, but the cries for help have gone unheeded for years in Harrisburg.

It is a tragic fact of life that disasters seemingly must occur to awaken the public to the needs for reform in certain instances, and the bridge collapse on the West Virginia-Ohio border appears to have jarred various state governments into a thorough re-evaluation of existing bridges, their conditions and weight capabilities.

Congress of the United States,
House of Representatives,
Washington, D.C., December 19, 1967.
Hon. Lowell K. Bridwell,
Federal Highway Administrator,
Washington, D.C.

Dear Mr. Bridwell: In view of your active interest in attempting to determine the cause of the collapse of the bridge at Point Pleasant, I wonder whether you might consider undertaking to persuade motorists to cooperate in reducing weight loads on all highway spans through a voluntary vehicle spacing program.

Bumper-to-bumper traffic was crossing at Point Pleasant when the structure gave way. If the Federal Highway Administration were to work with state and local authorities in erecting signs appealing to motorists to allow one car length or more on every bridge, other catastrophies of this nature might be averted.

The program should be invoked at least until engineering studies are able to establish, beyond question, the maximum capacity of each span. In any event, of course, states should be encouraged to rigidly enforce those laws requiring spacing of truck traffic on highway bridges.

Sincerely,
John P. Saylor.

U.S. Department of Transportation, Federal Highway Administration,
Washington, D.C., January 4, 1968.
Hon. John P. Saylor,
House of Representatives,
Washington, D.C.

Dear Mr. Saylor: The suggestions presented in your December 19 letter are appreciated and will receive full consideration as the several task forces of the State of West Virginia and of the Federal Government advance their cooperative studies that are directed toward establishing the cause or causes for the collapse of the suspension bridge across the Ohio River at Point Pleasant on December 15.

It has been reported that the vehicles in the lane for travel to Ohio were closely spaced on the portion of the bridge near the Ohio shore and were stopped while awaiting for a change in lights of a traffic signal on a crossroad near the end of the Ohio approaches to the bridge. It has also been reported that there were only a few vehicles in the lane for travel to West Virginia and that these vehicles were moving and not closely spaced. While the loads of vehicles on the bridge will be one of the factors that will be fully evaluated, there is no basis for conclusion at this time that the magnitude of the loads as they were reportedly in existence and spaced, either standing or moving, was the contributing factor to the failure.

It would be a very large task, and quite costly, to erect signs on every bridge. Also, it is known that such warning signs would not be necessary on a very large percentage of the bridges now in service. Bridges which have a limited capacity as to accommodation of legal loads of highway vehicles are posted as to their rated capacity.

In addition to the study to be made of the Point Pleasant Bridge, an evaluation is to be made of the capacity of other highway bridges throughout the United States. This will include particularly those bridges that have been in service for many years and possibly have been and are being subjected to greater traffic and other loads than were used as a basis for their design. It is current thinking that these particular bridges will require individual case study to establish the necessity, if any, to call for any greater restriction in use than is already in effect. Enforcement of loading and of spacing of vehicles, either when moving or when stopped, is a difficult operation, but is carried out to the extent that manpower of State or local governmental enforcement agencies will permit. The report of the studies on capacities of other bridges in service will contain recommendations on this matter, at least for deficient individual bridges, and possibly for groups or classes of bridges where the spacings of heavy vehicles is found to be critical insofar as hazard to motorists is involved.

Sincerely,
Lowell K. Bridwell,
Federal Highway Administrator.

Commonwealth of Pennsylvania,
Department of Highways,
Harrisburg, Pa., January 4, 1968.
Hon. John P. Saylor,
House of Representatives,
Washington, D.C.

Dear Congressman Saylor: Thank you for your letter of December 22, 1967, which forwarded to me a letter which you wrote to The Honorable Lowell K. Bridwell, Federal Highway Administrator, which suggested to him that it might be proper to erect signs at bridges appealing to motorists to allow one car length or more between vehicles while crossing the bridge. You asked for my consideration of this idea in our State.

We have had for years in this State a continuing program of examination of our bridges to determine their adequacy. However, in view of the disaster at Point Pleasant, we are now embarking on a program of reexamining in detail our larger structures. I point this out in that I feel your suggestion, definitely a good one, would not necessarily apply to every bridge in that it would have a certain deterrent on the expeditious flow of traffic across a bridge and where it was definitely not needed I would feel that it should not be used. Accordingly, when we have completed our reexamination of the major structures, and have determined which, if any of the structures can be considered to be marginal, I will be very glad to consider the placing of a sign such as you suggested at the entrances to such structures.

Your interest in this matter is certainly appreciated. Please rest assured that we are seriously considering your suggestion and taking whatever steps are possible to avert a repetition of the tragedy in West Virginia.

Very truly yours,

ROBERT G. BARTLETT,
Secretary of Highways.

TRUTH-IN-PACKAGING BILL

Mr. OLSEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. OLSEN. Mr. Speaker, in 1966 I introduced H.R. 15617 in support of H.R. 15440, the truth-in-packaging bill. Members will recall that H.R. 15440 was introduced by our distinguished colleague, the gentleman from West Virginia [Mr. STAGGERS], and it became Public Law 89–755 without serious modification.

I appeared before the House Committee on Interstate and Foreign Commerce on July 28 of that year, and testified in support of the need for such legislation. As I recall, it was my conviction and testimony that this bill would not unduly burden the retail merchant or stifle free enterprise.

There seems to be at present some question whether industry can fully comply with the provisions of the Fair Packaging and Labeling Act, Public Law 89–755, by July 1 of this year. Practically every label in the country must be changed and as we approach the final date there will undoubtedly exist industrial bottlenecks which will prevent full compliance on this date.

However, as a tribute to the wisdom of the Congress, I wish to point out that authority was vested under the law for extensions beyond July 1, 1968. As evidence of the need and justification for such extensions, I wish to include in the RECORD at this point an article which appeared in the January issue of Printing Magazine National Lithographer under the caption "New Package and Label Rules: Too Much, Too Soon?" by Carl B. Littauer, associate editor:

NEW PACKAGE AND LABEL RULES: TOO MUCH, TOO SOON?

(By Carl B. Littauer)

Whatever the merits of the Food & Drug Administration's Fair Packaging and Labeling Act in terms of consumer protection, the problems posed for the printing and packaging industries by the timetable for compliance are enormous.

The Act's first stage went into effect on Dec. 31, 1967, ordering that all new packages and labels—including those re-ordered because of depleted inventories—comply with new specifications for design, typography, and copy. Packagers with sizable current inventories have until July 1, 1968 to comply. Additional extensions will be granted when, among other things, it can be shown that "due diligence was expended in devising and obtaining labels and packages in compliance with the new regulations insofar as the facilities of the label and package manufacturers permit. . ."

Estimates based on surveys conducted by the printing and packaging industries are that with the total number of qualified strippers available to package and label printers working full time at near maximum output, it will take from two to three years to remake the plates and cylinders which must be modified.

AN ENORMOUS LOGJAM

The problem is one of simple mathematics. An Ernst & Ernst study commissioned by the Label Mfrs. National Assn. surveyed 19 firms representing 50% of the industry's total volume. Some 167,499 plates must be modified. There are 100 strippers currently available to remake these plates with an average output of 4,800 per month. Further, 36,000 of the approximately 60,000 gravure packaging cylinders now in use must be remade. Average capacity is only 2,700 per month.

What's involved, then, is a time-consuming, costly process for packager and headaches for the printer. It has, at times, taken a printer six months to a year to accomplish major revisions on a single package. And many of the revisions required by the new regulations are major.

Of prime concern are the provisions specifying that weight declarations must be placed on the lower 30% of the principal display panel of the package or label. Allowable type sizes range from not less than $\frac{1}{16}$'' to not less than $\frac{1}{4}$'', depending on the size of the package or container. Areas above and below the weight declaration must be left blank for a distance at least comparable to the type size.

AVERAGE COSTS OF MINOR OFFSET PLATE CHANGES

Number of colors	1	2	3	4
Net weight, address, etc.	$17.19	$29.80	$42.67	$58.87
Typesetting	10.30	13.67	17.17	20.42
Moving brand name	24.44	35.47	50.36	60.20

AVERAGE COSTS OF MAJOR CHANGES—FOUR-COLOR ONLY

	Offset	Gravure
Vignette shift	$150.06	$1,212.50
Vignette size change	195.67	1,212.50
New Vignette	363.88	1,287.50
New frame	167.85	----------
Additional items per frame	138.53	----------

Source of statistics: Ernst & Ernst Co.

Bringing, say, a four-color offset label into compliance is not easy. Assume that the existing label has a blue background with the weight in red. It's not just a matter of taking the red film and pulling the weight down to the bottom 30% of the label. There may be other material intervening. Moreover, if, for example, the type size is $\frac{3}{16}$'' and there must be corresponding blank space above and below the copy, the weight declaration would take up more than $\frac{1}{2}$'' of space. Any other elements which had been in the bottom 30% would have to be moved requiring the remaking of the entire set of films.

While one might normally expect copy changes required by the Act to be the problem of the packager, they pose design problems for the printer as well. A standard can of vegetables is roughly one pound, bearing a designation such as "3–4 servings." Under the new regulations, the designation must be changed to, for example, "3–5 oz. servings." Extensive remaking of the films would again be required if the denoted area on the existing label contained too many other elements to accommodate it.

CHANGES ARE EXPENSIVE

Costs for making label changes are enormous. The average sketch costs $55.91, paste-ups $37.22. Minor changes in plates run as low as a $17.19 average for net weight or address, single color, to approximately $60.20 for moving the brand name on a four-color job. Major changes, such as a new vignette, would cost an average of $363.88 in four-color offset and $1,287.50 in gravure (see accompanying charts for detailed breakdown).

Procter & Gamble estimated that it must revise more than 4,000 mechanicals, with 12,000 plates becoming obsolete. Webb & Co., a Richmond, Va., advertising agency, observed that one client alone requires 907 minor changes and 326 major ones. The Cork Institute of America noted that its members had an inventory of 75,000 plates for soft drink products alone. Each design change costs between $50 and $100. It estimated an over-all cost of approximately $5 million under the new regulations. Crown Cork & Seal estimated that its entire stock of more than 30,000 plates would have to be discarded at an average cost of $100 per plate.

AREAS OF AMBIGUITY

In addition to the production problems thus far noted, others arise. The section of the Act dealing with weight specifications states that "the declaration shall appear in conspicuous and easily legible boldface print or type. . . ." Even with conformity to requirements for space, type size, and copy, it is still a matter of interpretation as to whether, for example, gold type on a red background is sufficiently "conspicuous." A ruling could take a long time.

Moreover, cans containing meat products are subject to the approval of the government's meat and poultry inspection divisions as well as FDA. Again, final approval could take a considerable amount of time. Especially if, as FDA now asks, state agencies assist in the policing. Differences of opinion between state and federal agencies are not rarities. The process of securing approval would be lengthened with the possibility always present of additional changes being made.

The situation ultimately boils down to these inescapable conclusions:

Many plate changes can be almost as costly as making new plates; package and label printers, many of whom have extensive volumes coming from commercial printing as well, have been hard put to find sufficient, skilled production people to keep up with increased volumes stemming from a booming economy. Even by ignoring all other types of work, and putting their production people on heavy overtime, the printers state that it will be virtually impossible to meet the Act's July 1, 1968, deadline.

The only hope stems from the "extension" clause quoted at the beginning of this article. Many packagers have already made representatives for extensions. If the timetable is set back, a severe production bottleneck can be avoided.

DON'T WE EVER LEARN?

Mr. WYMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. WYMAN. Mr. Speaker, Americans well remember the bitter lesson of the Yalu River sanctuary—or do they? Pilots, some of whom were killed, watched with helpless frustration as Communist planes landed and took off with complete immunity on the other side of the Yalu. Some of those Communist planes killed Americans. Others helped to do so. And Americans, fighting a war in which once again they were right, were forbidden to do what they could and should have done, knock out the enemy airfields.

I wonder how many Americans realize that at this very moment in Vietnam, our military forces are being required by the present administration to fight under virtually the same restrictions. Reliable information coming to me indicates that

B–52 pilots overflying Hanoi, have watched helplessly as Mig's take off from Hanoi's airport to attack them. Hanoi's airport is off limits to American bombers.

Mr. Speaker, what kind of a game is this? Who is being deceived, if it is not the American people? How can we send men over there to die if we are not doing all we can to defend and protect them, and help them to win?

American fighting men seeing these things are bitter. They are resentful of such orders. They are trained, and disciplined, and of good morale, but they simply cannot understand the restrictions and neither can I. Either we ought to allow our military men to win this military war in Vietnam or we ought not to require them to go there and risk death.

Do we think for a moment that if the shoe was on the other foot there would be any such self-imposition of Marquis of Queensbury rules by the Communist enemy? There would not.

In this tragic situation the time is coming when we will have to put up or shut up. The enemy will make sure of this. After all the engagement is close to him and many thousands of miles away for us.

Is our determination and resolution and decision to do what it takes to win this supposedly local war, to wait another 17,000 American dead? Is it to wait until it is later than we think, perhaps too late? And all for political reasons because there is an election coming up?

Mr. Speaker, on such issues there should be no Republicans and no Democrats—just Americans, who are determined that their Nation and their way of life shall survive in this world. This is what is at stake in Vietnam, and we should make no mistake about it.

Let us at the very least permit our military to do what needs to be done to gain a military victory there. Or, put another way, in the name of the Good Lord, let us stop denying them the right to fight to win.

NATURALIZATION PRIVILEGES FOR ALIEN SPOUSE OF DECEASED SERVICEMEN

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, I am pleased to advise the House that my bill, H.R. 10135, to protect the naturalization benefits of an alien widowed by the death of the U.S. citizen spouse on active duty in the U.S. Armed Forces, has been ordered favorably reported, by my Subcommittee on Immigration and Nationality.

On two occasions in recent months an alien widow of one of our heroic servicemen killed in Vietnam was unable to become a citizen immediately because she had not lived in this country for a sufficient period of time as required by our naturalization laws. Such a situation is intolerable. A widow who has made such a great sacrifice does not honor us by seeking citizenship. Rather, a grateful country is honored that she should seek the citizenship of her hero husband. In these cases, the wife of a serviceman had petitioned for naturalization, had complied with all of the requirements except the final hearing in naturalization court, but was unable to become naturalized, for shortly before the final hearing, her eligibility failed because her U.S. citizen husband was killed on the battlefields of Vietnam.

This unfortunate denial of the naturalization petition must follow, for under the present law, the alien spouse of a U.S. citizen applying for naturalization on the basis of resulting exemptions from the usual residence requirements in the law, must be a "spouse" right up to the final hearing on the petition when citizenship is conferred by the courts.

This bill specifically provides that no specified period of physical presence or residence within the United States, or residence within the State in which the petition is filed, or specified period during which the citizen spouse was a citizen, or specified period of marital union with such citizen spouse, shall be required in respect to a petition for naturalization under the amendment provided by my bill.

To have the heartbreak caused by the death of a husband killed in the service of our country compounded by the denial to his wife of the very same citizenship he was fighting for, is most unfortunate, and should be corrected without further delay. The bill I introduced last session, H.R. 10135, and which was ordered reported today, will eliminate this unnecessary hardship.

We, as a nation, have long sought ways to recognize, and to reward those who serve in our country's Armed Forces, and who are willing to pay the supreme sacrifice if necessary in the defense of our Nation. Although we cannot bring back those who die in the service, we can strive to minimize as much as possible the hardships which can result. The provisions of this bill provide just this kind of opportunity to show our gratitude to the alien surviving spouse by enabling expeditious naturalization.

Under existing provisions of law, an alien who is the spouse of a U.S. citizen must show that during the 3 years immediately preceding the date of filing her petition, she has resided continuously within the United States after being lawfully admitted for permanent residence, she has been physically present in the United States for periods totaling at least one-half of this 3-year period, she has resided within the State in which the petition is filed for at least 6 months, and has continuously lived in marital union with the citizen spouse during these 3 years. An alien who is not married to a U.S. citizen, or one who is widowed before the final hearing, must fulfill the above requirements for 5 instead of 3 years.

NUCLEAR WARSHIP BUILDING PLANS

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I have looked into the provisions in the proposed fiscal year 1969 Department of Defense budget request to determine what plans have been laid out for building nuclear warships. I have prepared the comparison which follows which compares the fiscal year 1969 DOD budget request for nuclear warships with fiscal year 1968 plans for fiscal year 1969. I am placing this summary in the RECORD for ready reference of the Members, since it is not easy to dig this information out of the budget:

COMPARISON OF FISCAL YEAR 1969 DOD BUDGET REQUEST FOR NUCLEAR WARSHIPS WITH FISCAL YEAR 1968 PLANS FOR FISCAL YEAR 1969

SSN'S—NUCLEAR ATTACK SUBMARINES

Fiscal year 1968	*Fiscal year 1969*
The Secretary of Defense stated that he planned to build a total of 68 nuclear attack submarines and that 62 were already authorized. Therefore, he included 3 in the FY '68 program, and said he would include the remaining 3 in the FY '69 program. He also said he would continue to evaluate the required submarine force level to determine how many more should be added to the 3 to be included in the FY '69 program.	The DOD request includes only 2 *SSNs* (rather than the 3 promised), and also requests long lead procurement funds for two more to be included in the FY '70 program.

CVAN—NUCLEAR AIRCRAFT CARRIER

Fiscal year 1968	*Fiscal year 1969*
The FY '68 DOD request approved by Congress included $50.5 million for long lead time procurement for the CVAN 69, our third nuclear carrier and the second of the NIMITZ class of two-reactor carriers. The Secretary of Defense stated he would include the remainder of the ship in the FY '69 budget.	The DOD request does *not* include the remainder of the funds needed for the CVAN 69. However, it does include $82 million for additional long lead time material. (As long as the DOD includes in FY '70 the remainder of the funds, about $400 million more, needed for the CVAN 69, this will probably not delay delivery of the ship to the Fleet.)

COMPARISON OF FISCAL YEAR 1969 DOD BUDGET REQUEST FOR NUCLEAR WARSHIPS WITH FISCAL YEAR 1968 PLANS FOR FISCAL YEAR 1969—Continued

DX/DXG—NEW DESIGN MAJOR FLEET ESCORTS

Fiscal year 1968	*Fiscal year 1969*
DOD requested $30 million for contract definition of new classes of escort ships called DX for ASW ships and DXG for ASW/AAW ships. The Senate-House Armed Services Committees Conference "agreed that the $30 million could be used to study both nuclear and conventional power for the DX class of ships but that this authorization may be used only to study nuclear power for the DXG class of ships."	DOD decided to use the $30 million in FY '68 solely for the conventional DX. DOD is requesting in FY '69 $17.4 million for contract definition of the *nuclear* DXGN. *The DOD is also requesting $20 million for contract definition of a conventional DXG*, despite last year's statement by the Armed Services Committees that all ships of the DXG class should be nuclear powered. Last year's JCAE authorization report stated: "The Committee also wishes to commend the conference committee which considered this legislation for expressly providing in their conference report that the funds authorized for the contract definition phase of the DX/DXG study are to be limited, insofar as the DXG class of ship is concerned, to nuclear propulsion only."

DLGN'S—NUCLEAR FRIGATES

Fiscal year 1968	*Fiscal year 1969*
DOD requested two conventional destroyers, DDGs. Congress *substituted* authorization of two nuclear frigates (DLGNs) like the one (DLGN 36) added by Congress to the FY '67 program. The FY '68 authorization act required that the "contracts for the construction of the two nuclear powered guided-missile frigates shall be entered into as soon as practicable unless the President fully advises the Congress that their construction is not in the national interest." Congress fully funded one of the DLGNs. Congress appropriated $20 million for long lead procurement for the other with the expressed expectation that the DOD would include the remainder of the funds for the second FY '68 DLGN in the FY '69 budget.	DOD *has not* released to the Navy any of the funds for either of the two FY '68 DLGNs and *has not* included any funds to complete the second FY '68 DLGN in the FY '69 DOD budget request. It is anticipated that the DOD will try to reprogram the $155 million thus far appropriated for the two FY '68 DLGNs to use these funds for a DXGN, which is not yet designed. The DOD has already held up release of long lead procurement items for the first FY '68 DLGN by 18 months. The anticipated action by DOD to reprogram these funds to a new design DXGN would further delay delivery of the next nuclear escort an indefinite number of years. The FY '69 DOD budget request does include $52 million for the procurement of long lead items for the nuclear propulsion plants of two DXGNs DOD expects to include in the FY '70 program.

Since some of the questions I had concerning nuclear ship plans are not answered in the budget as presented on Monday, I asked the Joint Committee staff to obtain the answers from the Navy. The questions and the answers we obtained from the Navy follow:

JANUARY 29, 1968.

ENCLOSURE TO OLA LETTER LA–41:NJP OF 30 JAN 1968 TO STAFF DIRECTOR JOINT COMMITTEE ON ATOMIC ENERGY

Answers to Questions submitted by the Staff, Joint Committee on Atomic Energy concerning FY '69 Nuclear Ships Budget

1. Page 308, paragraph 5, on Navy RDT&E of the Budget says that funds are included for contract definition of several types of escort ships. Does this include funds for contract definition of DX or DXG or DXGN? If so, how much is included in the FY '69 budget for each type?

Answer: DX, no; DXG, yes, $20 million; DXGN, yes, $17.4 million.

2. The Navy SCN budget section refers to several items of interest to JCAE.

a. The FY '69 budget includes funds for long lead procurement for two new design nuclear powered guided missile ships. Are these to be DXGNs?

Answer: Yes.

How much is included for them in FY '69?

Answer: $52M advance procurement.

b. No mention is made in the budget of the two DLGN 36 class frigates authorized by Congress for FY '68. Does this mean that the DOD does not plan to build either or both of them? Have any funds for these ships been released by DOD to the Navy?

Answer: The FY '69 budget contains funds for DXGNs. Congress authorized and appropriated funds for DLGNs. These funds have not been released to the Navy.

c. Additional long lead funds are included in the budget for FY '69 for CVAN 69. How much is included?

Answer: $82.4M.

Will delivery of the ship to the Fleet be delayed by not including full funding for this ship in FY '69?

Answer: No.

Approximately how much more will be needed in later years to complete the funding of this ship?

Answer: $402M.

d. The FY '69 budget includes funds for 2 SSNs and funds for long lead procurement for two more SSNs to be included in FY '70. Are any of these four SSNs expected to be of a different design than those we have been building? If so, how many and in what way is the design different?

Answer: At least three of these ships will be of an existing design (Sturgeon class). The possibility exists that one of them may be of a different design.

These answers indicate some areas where the Congress, I am sure, through the Armed Services Committee, the Appropriations Committees, and the Joint Committee on Atomic Energy, will want to look into. For example, as indicated in the above data, although the Senate and House Armed Services Committee stated that study money was to be restricted to nuclear propelled ships of the DXG class, the Navy apparently is planning to spend $20 million on the study of conventional DXG's.

In addition it will be noted that the fiscal year 1968 authorization act required that the two nuclear powered frigates which were authorized be contracted for as soon as practicable.

I am disturbed that we are not making faster progress in building nuclear ships. The record is replete with Congress determination that nuclear warships should be built for the defense of our Nation.

NASA AND THE DISASTROUS APOLLO FIRE

Mr. RYAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN. Mr. Speaker, today the Senate Committee on Aeronautical and Space Science issued Senate Report No. 956, a review of the Senate's hearings concerning the Apollo disaster of January 27, 1967. It is regrettable that the Senate committee continues to be a handmaiden of NASA by dealing very gently with an agency which deliberately misled Members of Congress under oath during hearings into the Nation's most costly and ambitious technical program. Although the Senate committee does charge NASA with such misdemeanors as overconfidence and complacency, the report remains a whitewash and an evasion of the real issues involved.

Fortunately, there are appended to the report some additional views which help a great deal in clarifying for the public at least one aspect of NASA's serious deficiencies—this is the area of NASA's candor and the inadequacy of the information it presents to the Congress. One of the dissenters goes so far as to say, and in this I wholeheartedly concur:

> Deliberate efforts to mislead Committee Members and evade legitimate Congressional inquiries during an investigation of this Nation's worst space tragedy, raises basic issues regarding the role of the Committee vis-a-vis NASA and the ability of the Committee and Congress to fulfill their responsibilities to the Nation.

I have been trying to explain this for the last 10 months. It was primarily for this reason that I made public the Phillips report on April 29, 1967, in order to make clear that the committees of Congress were misled and uninformed, and thus unequipped to carry out any meaningful investigation.

In my own report on the Apollo accident—CONGRESSIONAL RECORD, December 18, 1967, at page 31205—I tried to point out in depth not only the problems connected with NASA's lack of candor about serious program difficulties, previous fires about which the public was not informed, and so forth, but also the severe management difficulties from which the space program suffers and the excessive overcost to the American public for a program that, properly handled, might achieve more for far less cost.

I still hold out hope that the House committee will reopen its hearings and issue an objective report.

The Senate report makes all the more necessary my proposal that the President appoint a high-level commission of independent experts to review the administration of the space program and that the Congress have access to independent expert appraisals of NASA's technical and administrative competence.

A NEW POLICY TOWARD EASTERN EUROPE

Mr. SMITH of Oklahoma. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FINDLEY. Mr. Speaker, the current review of 50 years of Soviet rule in the U.S.S.R. and of two decades of Communist rule in Eastern Europe might be well served by a reevaluation of the fragmented policies which the free world nations have been pursuing toward Eastern Europe. Such an analysis will reveal an urgent need for a new aproach to supplant the defensive military concept of the NATO Alliance with a more progressive economic concept of an Alliance for Peace.

As such a review is made it will be noted that prior to the Communist coups, most of the Eastern European states had very strong Western orientations and that sentiment for Western ways—though repressed—is still considerable in that area.

For most of the past thousand years Eastern Europe has looked West—not East. This orientation—so deeply felt—continued until the fateful years following World War II. At that time another alien invader—the Soviet Communist—separated the historic nations of Eastern Europe from the rest of the continent and compelled them to become an integral part of the great Asiatic plain.

The late Sir Winston Churchill aptly described this scene when he said:

> From Stettin in the Baltic to Trieste in the Adriatic, an Iron Curtain descended across Europe. Behind it lies all the ancient capitals of Eastern Europe.

Today, 20 years later, Marx-Leninism, the not so "inevitable wave of the future" is slowly being repudiated. The Iron Curtain shows signs of rusting away. Nationalism, self-determination, and freedom were too precious to be discarded permanently and completely for the "dictatorship of the proletariat."

Now, traditional communism in Eastern Europe is being challenged. Yugoslavia has become heretical—disavowing many of the basic precepts of the orthodox Communist doctrine. Rumania is increasingly showing independence. In Poland, although reneging on some concessions extended to the people after the October 1956 upheaval, the regime has been compelled to grant freedom of worship, semiprivate ownership of agriculture, and some relaxation of thought control. Czechoslovakia and Hungary are restive and unable to cope with growing demands for economic and political reforms. Albania has become a thorn in Moscow's side by declaring its allegiance to the cause of Mao Tse-tung. Even East Germany's once rigid pro-Moscow line is beginning to waver as its people seek greater contact with the West and still long for union with the Federal Republic.

The question begging an answer is: What can the free nations do to help promote an even more rapid disintegration of the Iron Curtain, which still quarantines—although no longer isolates—over 100 million people? What will we do to help the nations controlled by Communist parties achieve greater freedom and thus enhance world peace?

The answer lies not in a fragmented, isolated approach, but in a practical and concerted effort that would promote those ideals which insure the stability of all free nations. After all, it is the West that has found the formula for genuine economic, political, and social betterment of mankind.

The Communist East has led their peoples down only blind alleys from which they can find no escape except through promoting "wars of national liberation." Consequently, it is the West which must offer leadership in the quest for mankind's true progress and enduring peace.

The impending threat of Red Chinese nuclear potential, the continued Soviet Communist interest in world domination, the disarray in the once potent Western Alliance and possible breakup of NATO in 1969 compel us to undertake this task. The United States cannot continue its isolation from the rest of the Western Allies in dealing with the Communist states. This independent approach, accentuated since 1961, has shown the weakness which any would-be aggressor can exploit by the well-known scheme of "divide and conquer." Obviously it is the free nations of the world who have the most important stake in their own futures.

In my judgment, the safest and most effective way to promote the disintegration of the Soviet-imposed satellite system in Eastern Europe is to develop a coherent unified policy approach in the political, economic and military fields within the Atlantic community. The cohesion and strength this would yield in each of these areas will inevitably attract Eastern European nations, and cause them to seek a profitable arrangement with the Atlantic community. The Common Market is obviously having that sort of effect on Yugoslavia and Rumania, and in time will develop tremendous centrifugal pulls on Poland, Bulgaria, Hungary, Czechoslovakia and Albania. The pull would be even greater if the Common Market were to be enlarged into an Atlantic Common Market or Atlantic Free Trade Area.

A unified Atlantic political policy will make the Eastern European nations realize that destiny is directed by the West—not Moscow—and induce them as a matter of cold practicality to adjust to that fact of life. Unified military policy mixed with political firmness on such matters as allied access to Berlin will continue to contain and hinder any plans of Moscow to extend its hegemony to any other European nation. It will serve to exacerbate the internal stresses and strains and, thereby, reinforce Moscow's only other alternative—once her aggressive ambitions are checked—that is, peaceful engagement and cooperation with the West and a gradual lessening of its revolutionary zeal and internal totalitarianism. To expect these developments in the absence of military superiority, political firmness and allied unity is to invite disaster.

Therefore, I propose that efforts to promote a detente with the Soviet Union and to achieve a rapproachement with Eastern Europe be undertaken only through Atlantic community institutions. The West should strive for a common policy on such matters as East-West trade, German reunification, the Oder-Neisse line, and the granting of economic credits to Eastern Europe. The more West Europe is united, the greater will be the tendency toward fragmentation of the Communist bloc.

A common allied policy may well mean that we will have to modify, perhaps even liberalize some of our present policies regarding strategic trade and long-term credits. The Cocom—Coordinating Committee on Export Control—list of strategic materials is only one-third of our own more restrictive list. West European nations have demonstrated a greater willingness than the U.S. to extend long-term credits. However, a common unified policy has advantages which offset what may be a short-term Communist credit advantage as a result of any liberalization.

First, it will successfully avert credit wars between the members of the Atlantic community. Therefore, we will not be in the position of undercutting each other for access to Communist markets. Secondly, agreement on these matters will serve to convince the Communist leaders of the unity of the Atlantic community on political, military, and economic policies. The unified policy that will result will not mean that the lowest common denominator becomes the policy. The give and take and exchange of ideas and intelligence among the members of the NATO Council may, and hopefully will, serve to produce a policy of firmness, the impact of which will be all the greater because it will be the unified policy of the West, not the unilateral policy of the United States. If the Atlantic nations can find a way to "hang" together, to achieve a common policy, then no possible combination directed against them will be able to cause serious trouble. As I stated earlier, the centrifugal pulls on Eastern Europe and eventually even the Soviet Union will be irresistible.

A third consideration that should govern our attempts to dismantle the Iron Curtain is to resist any move to recognize the legitimacy of Soviet domination in the area east of the Elbe. Reality dictates that we recognize Soviet influence in the area, but we must prevent giving the vital approval of legitimization which the Soviets desperately desire.

Therefore, we should not engage in any policy that strengthens the international standing or prestige of the Soviet zone of Germany. Nor should we recognize the illegal annexation of the Baltic States by the Soviet Union.

We should use every resource at our command to spread the ideas and ideals of freedom in Eastern Europe. The Iron Curtain is not soundproof. It cannot keep out ideas and knowledge of what life in the West is really like. Voice of America and Radio Free Europe broadcasts must be adequately funded and should accurately report and contrast life in the West with that under communism. Lies, distortions, and propaganda by the Communists regarding the West should be rebutted forcefully, lest silence be taken as acquiescence. Cultural, scientific, and educational exchanges can do much to convince the young adults—the isolated generation of Eastern Europe—that the Western way of life is more satisfying spiritually as well as materially. The use of local language publications such as Ameryka in Poland should be sought in Rumania and in other countries.

A fourth consideration should be to realize our limitations in promoting external autonomy and internal freedoms in these countries. The United States has natural political limitations on its effectiveness because it is the preeminent leader of the Western World and therefore Eastern European leaders are naturally suspicious and on their guard in their dealing with us. In every possible way the West should speak and act as one. Where this is not possible, national initiatives should be encouraged. The efforts of France and Germany, for example, to achieve a broader understanding in Europe should be applauded. These initiatives by our allies in NATO can do much to disassociate the East Europeans from Soviet domination. The initiatives of Germany are especially commendable and do much to undercut the propaganda directed against Bonn by Pankow and, to a lesser extent, by Warsaw. In this respect, the willingness of the Federal Republic to establish diplomatic relations with the Eastern European countries, representing a modification of the Hallstein Doctrine, has had the effect of further isolating the Soviet Zone of Germany. Similiarly, the suggestions of Willy Brandt, Foreign Minister of the Federal Republic, the German Evangelical Church, Christian Democrat leader Erik Blumenfeld, and Count Marion Doenhoff, political editor of the prominent German magazine, Die Zeit, that Germany renounce any claim to the Oder-Neisse lands has seriously weakened the effect of propaganda directed against Bonn by the Polish government. These imaginative efforts by the German leaders have done much to undermine Gomulka's insistence that Poland must remain close to the Soviet Union in order to protect its Western Frontier. Thus, the first step towards a Polish-German reconciliation has been taken. How much greater, however, would be the impact of these developments if the entire Atlantic community stood behind them.

A fifth policy consideration involves the use of the "carrot and the stick." The Atlantic community should use its vast economic and political influence to reward those Eastern European nations which show progress toward independence and internal liberalization, and at the same time use such tools to punish any retrogressive steps. John Foster Dulles first proposed this policy in 1952 and I believe it represents one of our strongest bargaining techniques.

External automony and internal liberalization can be recognized and rewarded in a number of ways. Public approval by our government of these measures is one way. The extension of economic credits, block licenses, associated membership in the EFTA, Common Market, and GATT can all be used as instruments to promote our policy in this respect. But the success of the "carrot and stick" technique will be directly related to the cohesion of the Atlantic community.

An overriding objective of our policy should be the gradual erosion of the objectionable tenets of Marxism-Leninism. Communist philosophy, either as a guide to economic and social development or as a system of thought, is clearly on the defensive and undergoing a steady erosion.

The continued erosion of the most revolutionary features of party doctrine may well undermine the revolutionary zeal of the party hierarchy.

One way in which this can be done is through East-West trade. It is my contention that before we extend most-favored-nation treatment to any Communist government of East Europe or the Soviet Union we must insist upon three things:

First. The Communist government must agree to settle commercial disputes, in the absence of mutual agreement between the parties to the contract, by the use of impartial third party adjudication. Presently these countries will agree to arbitration only if held in their respective countries through the facilities of their bureaucracy. I propose instead that the panels now in existence at Paris, Stockholm, and Zurich, among others, be used to bring the Communists into the arena of international law. If the experience is a satisfactory one for them, these procedures of the Western marketplace may eventually lead to a significant modification of Communist state trading.

Second. The Communist governments must agree to abide by the conventions on protection of patents and industrial processes.

Third. The Communist governments must sign and abide by the International Convention on Copyrights.

These last two conventions are designed to protect private property. The Communists refuse to recognize the role of private property in socioeconomic development except in the most negative manner. Since international commercial intercourse is not possible until one recognizes the legitimacy of private property, and the rule of law to settle disputes, then the Communist would be induced to accept these concepts and adjust to them accordingly.

It should be stipulated that failure on the part of the state-run trading corporations to conform completely to these particulars would cause the automatic suspension of the most-favored-nation status and suspension would continue until the state organization revised its policies.

Although these are worthwhile steps, we should not expect too much in the way of corollary political moderation.

How can we measure our progress in dismantling the Iron Curtain? I would expect the gradual evolutionary liberation of Eastern Europe to follow, more or less, the following progression: First, Soviet satellite; second, national communism within the bloc; third, national communism outside the bloc; fourth, nonalinement or neutralism.

With the exception of the withdrawal from the Warsaw Pact and the announcement of neutrality by the Nagy government of Hungary on November 1, 1956, no Warsaw Pact member has reached stage three or four. However, Yugoslavia has had a remarkable record of independence on many foreign policy matters and probably is moving toward neutralism after professing nonalinement for over 10 years.

Poland and Rumania can probably be placed in category two, although developments are presently more promising in Rumania than in Poland. The only genuine Soviet satellite, insofar as complete obedience to Moscow is concerned, seems now to be the Soviet Zone of Germany.

The criteria to determine how far along the scale toward neutralism an east European country moves should include the following: foreign policy initiatives independent of the Soviet Union, degree of religious freedom, relative freedom of the press, pragmatic economic policies, and genuine freedom of choice in elections.

We should also watch to see whether the governments permit a growth in the absolute number of individuals and social groups who are able to voice demand and effectively articulate them and who feel that they can increasingly identify and satisfy their needs, values, and interests within the political community. At the same time we should encourage the governments to accept and tolerate criticism or diversity of opinion. We have seen a tendency of this sort in Poland where the government resisted Soviet pressure to collectivize agriculture.

Regretfully our present policies toward Eastern Europe are not based upon achieving a common allied policy or an adroit use of the "carrot and stick" approach. The United States appears determined to build its own bridges to the Eastern European countries and the Soviet Union without consulting, informing, or working in harmony with our allies.

Increasingly West Europeans feel that their legitimate national interests are going to be sacrificed or given secondary attention as the result of some Soviet-American "understanding" or modus vivendi pending a final European settlement. Indeed the possibility of the Soviet Union and the United States reaching a settlement of outstanding European problems behind the back of our NATO allies is perceived by our allies as a real one. The most recent indication that we prefer the bilateral as opposed to a unified allied policy came in the negotiations over the draft treaty on the nonproliferation of nuclear weapons.

Our relations with Eastern Europe are based more on achieving some type of satisfactory and pleasant relationship with the ruling Communist parties and the isolated generation of postwar emerging leaders. We have been willing to reward these countries with economic concessions when the occasion was appropriate, but to date we have not used the "stick" to punish or deter unsatisfactory developments such as have occurred most recently in Poland. Indeed, in some cases we have extended economic concessions when the circumstances clearly did not justify it. To illustrate, a year ago the President announced credit guarantees through the Export-Import Bank for several East European countries, two of which, Czechoslovakia and Poland, are sending arms to our enemy in North Vietnam.

Eastern Europe holds a special place in the American conscience. Our own independence was won with the assistance of such men as Thaddeus Kosciuszko and Casimir Pulaski. Western civilization has been enriched by Eastern European contributions to art, science, literature, and music. The names of Sienkiewicz and Norwid in poetry, Chopin and Paderewski in music, Kant in philosophy and Curie and Copernicus in science remain with us today because of their unusual gifts which subsequent generations have enjoyed.

It is one of the tragedies of geography that Eastern Europe's yearnings for independence and freedom have been so frustrated. But the dreams of genuine independence have not been forgotten in the seemingly endless nightmare of totalitarianism.

Remembering the tragedy of Eastern Europe, 4 years ago at a special Slavic rite communion, Pope Paul VI spoke for all of us when he said we wait "in silence and in tears for the dawn of a better day."

PROPOSED REMOVAL OF 25-PERCENT GOLD COVER FOR FEDERAL RESERVE NOTES

Mr. SMITH of Oklahoma. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. ARENDS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ARENDS. Mr. Speaker, there is considerable lack of public understanding of exactly what is involved in the President's proposal for the removal of the 25-percent gold cover for Federal Reserve notes. A memorandum prepared by Mr. C. Austin Barker, a partner-economist of Hornblower & Weeks, seems to me to help clarify the issues and give one a better insight into this whole matter. Under leave to extend my remarks I am inserting it in the RECORD. It follows:

PROPOSED REMOVAL OF 25-PERCENT GOLD COVER FOR FEDERAL RESERVE NOTES

In the President's State of the Union message on January 17th, one of his key recommendations was that having assured the world that America's full gold stock stood behind its commitment to maintain the price of gold at $35 an ounce, it must back up this commitment "by legislating now to free our gold reserves". The president undoubtedly is referring to the fact that U. S. Treasury gold stock declined in recent months to $11.984 billion, the lowest level in 30 years. Current estimates are that we lost about $1 billion for the entire year. Of this total gold stock, about $10.2 billion was to be held as backing for the Federal Reserve notes. Thus there is now less than $2 billion of so-called "free gold", not counting a gold obligation of $1 billion to the IMF.

Last year, there were bills prepared in the Senate and House to remove the gold cover but they were not pushed. In the new Congress bills already have been introduced in the House and Senate to remove the gold backing requirement for Federal Reserve notes. The announcement of one bill called it "a necessary first step to ease the balance-of-payments problems" and further, that its removal would give the U. S. an additional $10 billion to meet foreign demand for gold.

There is much misunderstanding of and misinformation on what the "gold cover" law really means. There have been numerous statements by government officials, Congressmen and others that we must repeal the gold cover law to free up our gold reserves so the entire gold stock stands behind the effort to hold down the price of gold to $35 an ounce. For example, at various times when there has been a loss of confidence in the dollar or the pound, there arises a strong demand for gold in lieu of currencies and the U. S. is forced to dump its Treasury gold on the open market like a surplus commodity to prevent the price of gold from rising above $35 an ounce. In the Bretton Woods agreement, the U. S. agreed to maintain the price of gold either by buying it at $35 an ounce on the open market or by selling it at the same price. However, in view of our 17 years of balance-of-payments deficits since 1949 we have been forced to sell over $12 billion of our Treasury gold to hold the price down and have been able to do very little buying. Such gold as we did buy was usually supplied by friendly nations as a good neighbor gesture.

Our gold cover law does *not* prevent the sale of gold by the U.S. but if such sale violates the 25% statutory reserve requirement, there are disciplinary measures which become mandatory and in themselves could correct the payments deficits by penalty taxes and penalty interest rate increases. These decisions must be followed by the U.S. Treasury and Federal Reserve. What the gold cover removal advocates are saying by implication is that they do not wish to accept the disciplinary measures that are mandatory for balancing. This is the real policy issue that should be brought before the public so let us examine it.

The entire $11.984 billion of U.S. monetary gold is already available for sale because the present gold cover law permits temporary and repeated suspensions of its application by the Fed in case the gold drops below the 25% limit. A previous Congress provided penalties in the gold cover requirement law if gold dropped below 25%. These penalties could be painful but were provided as a discipline to force future Administrations and Congress to actually eliminate the payments deficit. If the deficits become so serious that they would cause a drain on U.S. gold to a level below the statutory reserve requirement of 25% of outstanding Federal Reserve notes (our national paper currency), the penalties would become mandatory.

For example, if the gold drops below 25% to 20%, there is a mandatory requirement that the Fed charge a tax of not more than 1% against the Federal Reserve system and the Fed must add that percentage to its rediscount rate. Another stiffer tax and interest penalty follows if it drops below 20% to 17½%. In the latter case, there is a tax of 1½% and it is mandatory that a like percentage be added to the rediscount rate also. If the gold reserve drops from 17½% to 15%, another 1½% tax must be followed by another 1½% increase in the rediscount rate.

There is about $41 billion of Federal Reserve notes outstanding. If the gold stock drained away to 20%, or $8.2 billion, the first penalties operate. If it drains down to about $7.2 billion (17½%), the second penalty steps operate and if it drains down to $6.1 billion (15%), the third step of penalties operates. For example, if the Treasury taxes the Fed, say ⅛%, in this first step, this percentage would also be added to the rediscount rate of the Fed which is now 4½%. Thus the first change in rediscount rate would be to 4⅝%. The second percentage rate added to the rediscount rate would bring it to 6⅛% and the third 1½ percentage points added to the rediscount rate would bring it to 7⅝%. This would indeed induce monetary discipline on the entire economy and the high interest rates could either force Congress to cut back enough foreign aid and non-Vietnam military expenditures abroad to eliminate the payments deficit or, in themselves, bring a flow of capital in from abroad which would get our payments into balance (with some pain to foreign countries and a possible downturn in the U.S. economy if money rates alone had to do the job).

However, the imbedded discipline power in the present cover law is obviously not wanted by the Administration. A removal of the gold cover is not a necessary first step to ease the balance-of-payments problems. In itself, it will do nothing to help the payments deficit and may even cause harm through a further loss in confidence because its removal is considered a sign of weakness. Nor is its removal needed to assure the world that we will maintain the price of gold at $35 an ounce because we can do that under the present gold cover system. The government is still spending enormous sums on foreign aid and military commitments abroad and is proposing further penalties on U.S. corporations' foreign subsidiaries, on bankers who lend abroad (trade credits) and on American travelers abroad in hopes of offsetting this military and foreign aid spending.

Our 1967 balance-of-payments deficit is not official yet but is hinted to be around $4 billion. It would be more except for official arrangements whereby foreign official short-term assets in the U.S. were converted into "long-term" investments (investments of more than one year are statistically treated as capital inflow). Moreover, I suspect that some of the year-end rush of outflow may fall into calendar year 1968 so that the payments deficit probably is greater than has been reported to date and its economic effect is based on actualities, not statistics.

According to the latest official estimate available, a few months ago, the U.S. short-term liabilities to foreigners totaled $35 billion (including the $4.8 billion U.S. dollar holdings of the IMF). Moreover, the Fed had $5 billion of currency "swap" credit last summer of which only $800 million was used to stabilize gold and the dollar because of the Arab-Israeli War. By November 30, 1967, it had to apply for another $1.75 billion of swap credit, following Britain's devaluation. A large proportion must have been used up in the British devaluation crisis and such U.S. swaps become due in six months.

We live in a world of exchange controls, IET, "voluntary programs" etc., and now may expect further controls which are not a remedy and only weaken confidence in the dollar and pit protectionism against free world trade. Thus, some who request the repeal of the gold cover law, by implication do not want this discipline of balancing to become mandatory. Some others who ask for its repeal simply do not like gold or our gold-exchange standard. Yet the latter have not devised a non-gold international (fiat) money that will be acceptable in world trade or avoid worldwide inflation without excessive controls over people and money.

These are the real issues behind the gold cover drama.

EMPLOYMENT INCENTIVE ACT OF 1968

Mr. SMITH of Oklahoma. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. GURNEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. GURNEY. Mr. Speaker, the bill that I am introducing today is one to aid the disadvantaged worker, private industry, and urban poverty. It is also one that will ease the burden of our Treasury.

The bill would return a portion of the minimum wage paid by qualified employers to eligible employees. The employer must offer on-the-job training and offer opportunities for continued employment to participating workers at the expiration of the program. The employer must have been unable to recruit needed employees, and he must not have raised hiring requirements following or in expectation of the enactment of the bill.

The eligible employee is the one most in need. He must have been unable to receive work at the minimum wage after a period of unemployment. His skill, training, education, or job experience is required to be below that normally required for steady employment at or above the minimum wage, as determined by his local U.S. Employment Service office. The employees would be eligible for participation in the program for a period of not more than a year.

The return paid to the qualified employer would be 40 percent of minimum wage during the first half of the eligible worker's employment, and 20 percent during the second half.

If in full operation, the program would aid 100,000 workers during its first year of operation and 200,000 during its second year; $72 million would be available for refunds during the first year, and $144,000 during the second year.

However, the cost of this program would be even less than indicated by authorized appropriations. Unemployment compensation and welfare payments would show reduction. Further, a portion of the refunds would be returned to the Government in the form of income taxes.

This bill is not the entire answer to full employment of those persons who could achieve the qualifications for meaningful employment. It is, however, a substantial and meaningful solution. The program which I suggest would succeed in areas where present programs now are failing. It would seem that the only aim of programs to reduce unemployment should be that of training the unemployed to come within the qualifications of an economic system which employs 96 percent of those Americans who wish to work. Yet, it is in this primary regard that many of the current programs are falling short. Training programs are failing to equip workers for the kinds of jobs that are available and for which workers are needed.

Government programs frequently cannot match the benefits of private training for a specific job. Yet, private enterprise cannot afford to train when employees contribute little to employment. The problem is rendered more intense when employers must meet minimum wage standards.

Marshall Coleberg, of Florida State University, has studied the effects of minimum wage legislation among low- and high-wage counties in my own State of Florida. His findings were published in the Journal of Law and Economics: "Minimum Wage Effects on Florida's Economic Development," October 1960. He found a one-to-one relationship between the relative size of the wage-rate increase, due to minimum wage increase, and the decline in employment. The counties in which the wage rate was raised by the largest percentage encountered the largest decline in manufacturing employment. A 1-percent greater increase in the average wage was associated with nearly a 1-percent greater loss in man-hours of employment.

One recent study by the National Federation of Independent Businesses concluded that—

> The increase in the ranks of the Nation's hard-core unemployable due to the imposition of the new wage-hour law has apparently already reached 400,000 with the end not yet in sight.

The Employment Incentive Act of 1968 offers an effective but inexpensive way to enhance employment opportunities for workers of low skills and education. It requires a net Government investment of only about $500 for each worker employed and trained. This amount should be compared with the $6,900 average expenditure for each enrollee in the Job Corps program.

Most important, this legislation would mean that private industry resources would become involved in the critical problem of providing employment opportunities for persons of lower skills and education. The time has far passed for utilizing the special qualifications of the private sector of society in an area in which the Government is becoming increasingly, and ever more expensively, involved.

Enactment of the bill can do nothing but stem the incredible rise in criminal activity and the increasing occurrence of riots in the cities of our Nation.

Each year the problems of these cities become more critical and more complex. We cannot continue the expansion of Government activity without the meaningful involvement of private industry, whose business it is to know the techniques, efficiency, and advances of its success.

The grasp and solution of city problems is vital to each of us. We cannot afford to delay in this endeavor. The Employment Incentive Act provides a new approach which must be tested.

HARASSING PHONE CALLS

Mr. SMITH of Oklahoma. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHBROOK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, a telephone company official recently demonstrated to a House committee a gadget which can help trace obscene or harassing phone calls. According to an article in the Chicago Tribune of January 31, there are about 58,000 complaints per month reported to American Telephone & Telegraph Co. offices.

While I hope that this device will help eliminate the obscene and harassing calls, either through arrest or threat of being caught, I would suggest that initial application of the tracing equipment be applied to the wives, mothers, fathers and other relatives of our servicemen who receive calls demeaning their service to our Nation and threatening their safety.

I also add my full endorsement to legislation designed to provide stiff penalties for the commission of these calls in interstate commerce.

I include the article, explaining the new device at this point in the RECORD:

PHONE FIRM'S DEVICE TRACES ABUSIVE CALLS

WASHINGTON, January 30.—The telephone company demonstrated to a House committee today an electronic device for identifying and catching makers of obscene or harassing telephone calls.

Rosel H. Hyde, chairman of the Federal Communications commission, told a House interstate commerce subcommittee that the telephone company received 58,000 complaints a month in 1967 about such calls.

The subcommittee is considering legislation to make such an interstate call a federal offense.

GADGET IS SHOWN

Hubert Kertz, vice president of the American Telephone and Telegraph company, showed the committee a small electronic gadget it uses to trace the maker of the obscene or harassing calls, and then to catch him in the act so that he can be prosecuted.

With the aid of an assistant, some telephone instruments, and the electronic device, Kertz demonstrated how the caller could be run down and delivered to law enforcement officials.

The device is about the size of a reflex camera. It first is taken to the residence of the annoyed party and connected to his telephone line. When he receives a crank call, he presses a key which alerts telephone company security officers. They can trace the origin of the call even tho the maker of the call hangs up his telephone, Kertz said.

"IT'S NOT MONITOR"

"I would like to emphasize at this point there is nothing about these devices or methods that involve any monitoring of conversations of either the calling or the called person's telephone line," Kertz said. "There is no attempt whatsoever to listen to conversations. It is simply a matter of identifying the calling line."

THE ABM MISSION

Mr. SMITH of Oklahoma. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHBROOK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, those who are conversant with missile defense system know that since the early 1960's a controversy has been raging as to whether we should build an antiballistic missile system capable of defending this Nation against nuclear attack. After years of ignoring the advice of congressional committees and the Joint Chiefs of Staff, the Defense Department recently announced that it would proceed with a thin-line ABM system which would provide protection against a very light attack. It will be remembered that our policy at one point was to depend on talks with the Soviets to reach a mutual understanding against the proliferation of sophisticated ABM systems in both countries. We are still waiting for the Soviets to review the subject, while they continue to build their ABM capabilities.

The very able military strategist, Dr. Stefan T. Possony, the strategy and military affairs editor for the American Security Council's Washington Report recently provided much food for thought concerning the importance of this area of military strategy. I include the report of December 4, 1967, entitled "The ABM Mission," by Dr. Possony, in the RECORD at this point:

THE ABM MISSION

(By Dr. Stefan T. Possony)

Soviet strategic nuclear power has been growing rapidly during recent years. By contrast, the U.S. strategic forces have remained at approximately constant strength. Hence the balance of power has been moving against us and our ability to deter aggression has weakened.

This growth of Soviet missile strength has been accompanied by the initiation of a fast-moving Chinese nuclear program. Chinese medium range nuclear missiles could be operational by 1968 and could be used in Vietnam. Red China is expected to have an ICBM system "ready for deployment in the early 1970's", according to the Joint Atomic Energy Committee of Congress.

The Chinese may have short-range ship-based missiles to threaten the United States directly at an even earlier date.

There is agreement among the Pentagon, the Administration, and Congress that the unexpected growth of communist offensive power and the concurrent development of two anti-ballistic defense systems in the U.S.S.R. call for early adjustments of U.S. capabilities. Accordingly, the decision has been made to introduce the Minuteman III missile, and to equip our Polaris submarines with the far improved Poseidon missile. These new missiles will each carry several warheads. The number of "boosters' will remain constant, but our warhead strength will increase from about 1,700 to almost 8,000. However, this change will involve some further reductions of our deliverable megatonnage.

The question is whether we can deploy the multiple warhead missiles in time before Soviet missile strength will increase by another quantum jump either through the development of their own multiple warheads or in some other way. Further unresolved problems are whether we should increase the number of our boosters; accelerate the development of the urgently needed Improved Capability Missile (ICM); and procure new types of strategic bombers.

We also need defensive weapons. In 1961, Mr. McNamara overruled the Joint Chiefs of Staff who had recommended deployment of the first American anti-ballistic missile system (ABM). This decision was correct, in the sense that in 1961–62 the Soviets did not yet pose a threat to the U.S. which required immediate action; and also because the weapon needed more work. Yet an early ABM deployment might have demonstrated to the Soviets that it made no sense to start an arms race which they could not have won because the U.S. was resolved to stay ahead.

By 1966, the Soviet threat was increasing dramatically. We were ready to deploy a technologically superior Nike–X. The JCS argued that we would need an ABM to balance Soviet offensive strength of the late 60's. Early in 1967, the Joint Chiefs of Staff made a still stronger recommendation. The Soviets were deploying substantial ABM defenses and were unwilling to halt this effort. Hence, if the U.S. failed to take counter-action, the U.S.S.R. would acquire strategic superiority. The Joint Chiefs were overruled by Mr. McNamara again.

But on September 18, 1967, it was announced that Nike–X would be deployed.

It is important to understand the precise nature of this decision.

On March 2, 1967, Mr. McNamara presented to Congress two types of ABM deployments designed to reduce the threat of Soviet ICBM's. *Posture A* is "an area defense of the entire continental United States, providing redundant (over-lapping) coverage of key target areas; and, in addition, a relatively low density . . defense of a number of the largest cities to provide some protection against those warheads which get through the area defense. This deployment costs about 10 billion dollars and has an annual operating cost of about 400 million dollars. *Posture B* provides the same area of coverage but protects twice the number of cities. It costs about 19 billion dollars and about 700 million yearly. A "high density defense" would cost about 40 billion dollars.

Assuming the American ABM deployment is not followed by a compensatory Soviet offensive build-up, *Posture A* would reduce U.S. fatalities caused by a Soviet surprise attack from 120 million to 40 million. *Posture B* would reduce these fatalities to 30 million.

Neither Posture A nor Posture B is being built. We are deploying a so-called "thin defense", which costs about 4 billion dollars. This program is expected to protect the entire U.S. mainland "against a very light attack, such as the Chinese might be capable of in the mid-1970's. In addition, it would have a capability for defending our offensive systems. It would have only a very small capability . . . against a Soviet population attack."

Mr. McNamara held fast to his line that against heavy Soviet ABM systems "we must further expand our sophisticated offensive forces." Nevertheless, the thin-line ABM system is not just designed to handle the Chinese nuclear capability. It also will provide "greater effectiveness of our offensive missile force."

It will take three years before the first ABM installation is operational. By January 1973 or so, the entire force is planned to be ready. Thus, Nike-X probably will be on time to neutralize the Chinese ICBM.

But the Soviet missile threat is significant today and will become increasingly dangerous long before 1973. Consequently, we need now, possibly on a crash basis, an ABM system to protect our strategic weapons. The protection of missile sites should not merely be a "concurrent benefit" to the protection against Chinese attack, as Mr. McNamara suggested. Nike-X must be assigned the protection of our missile sites and air bases as its primary and initial task.

Mr. McNamara has suggested that the thin-line ABM might avoid "a much more costly expansion" of the U.S. offensive missile force. It cannot possibly do anything of the kind at a time when (a) the Soviets are constructing two ABM systems, (b) may be accomplishing a quantum jump in numbers of missile launchers, (c) are developing missiles with multiple warheads, and (d) may have 100–200 launchers with a double or triple refire capability. Actually, the enlargement of our Minuteman force (not merely multiple warheads but hundreds of launchers) is necessary and urgent. It takes at least two years to procure and deploy these additional missiles.

There is no point arguing today about the merits of Mr. McNamara's paradox that an ABM designed to protect the U.S. population would result in *increasing* our losses. There is a point, however, in stating that Mr. McNamara simply elected an assumption on the basis of which he thought he could prove his startling contention. If he had chosen different assumptions, he would have arrived at quite different conclusions. He made up his mind beforehand, and then tried to prove his pre-judgments by tailored arguments.

Our urgent task is to get the ABM system underway, and protect our strategic bases, some of which, incidentally are overseas. (This problem is still being ignored in public.) The highest priority defense job is to strengthen deterrence by precluding an effective first strike against our strategic forces. Once this task has been accomplished, we must turn to the second priority defense task, which is to protect America in case of a war that could not be deterred. These will be the first major challenges facing the new Defense Secretary.

HOUSE REPUBLICAN POLICY COMMITTEE URGES TV DEBATES BETWEEN PRESIDENTIAL CANDIDATES AND ENACTMENT OF CLEAN ELECTIONS LEGISLATION

Mr. SMITH of Oklahoma. Mr. Speaker, I ask unanimous consent that the gentleman from Arizona [Mr. RHODES] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, the 1968 election is of critical importance. Errors in judgment, problems evaded, hard decisions too long postponed demand attention. Administration policies relating to the war, to the deterioration of the dollar, crime, riots, spending, taxes, and inflation have proven inadequate and in some cases seriously in error. The Great Society's slickly packaged programs and widely heralded theories have not proven out in practice.

This country is adrift on a sea of unkept promises. As John W. Gardner observed before he resigned as Secretary of Health, Education, and Welfare, there is bitterness and anger toward our institutions that wells up when high hopes turn sour. No observer of the modern scene has failed to note the prevalent cynicism concerning all leaders, all officials, all social institutions. That cynicism is continually fed and renewed by the rage of people who expected too much and got too little.

This country cannot afford the luxury of a presidential campaign that is marked by broad campaign oratory and a paucity of meaningful debate. In order that there may be an in-depth discussion and a penetrating examination of the major issues, Congress must enact legislation that will suspend section 315 of the Communications Act of 1934 as it applies to presidential and vice presidential candidates. This legislation would permit the TV networks to present to the American people in 1968, as they did in 1960, a debate between the leading candidates.

Also, without further delay, clean elections legislation must be enacted into law. On June 27, 1967, a bipartisan election reform bill, H.R. 11233, was reported by a subcommittee of the House Administration Committee. It was similar in content to the legislation that died in committee after it was favorably reported by the subcommittee in the closing weeks of the 89th Congress. It contains the basic reforms advocated and supported by the Republican congressional leadership.

H.R. 11233 is sound legislation. Through the incorporation of the following major Republican provisions, honest reporting of campaign contributions and expenditures and streamlined enforcement procedures would be insured.

First. A five-member bipartisan Federal Elections Commission is established to receive reports and statements regarding campaign contributions and expenditures.

Second. The Commission is given full and complete authority to enforce the provisions of the act. It is authorized to make reports and statements available for public inspection and to prepare and publish summaries and reports.

Third. Candidates for Federal office and political committees supporting such candidates that accept contributions or make expenditures exceeding $1,000 in any calendar year, are required to report contributions and expenditures.

Fourth. Donations by an individual of more than $5,000 to any candidate or any committee supporting such candidate in any calendar year are prohibited.

Fifth. Campaign contributions by political action committees financially supported by a corporation, trade association or labor organization are regulated.

Sixth. Conventions, primaries and party caucuses are placed under the reporting and disclosure provisions of the bill.

Seventh. The disclosure of gifts or honorariums of more than $100 is required of candidates for the House and Senate as well as incumbents.

The American people must be provided with an election process that commands respect and confidence. Promises, details of past performance, hopes for the future that are hammered out on the anvil of debate will provide the American people with a meaningful record upon which an enlightened choice can be made. Thereafter, this choice must be registered accurately in an election process that is above reproach.

For 2 years, the Republican members of the House Administration Committee have done everything that they can to get the clean elections legislation reported from committee. There is no more time to be lost. This absolutely essential legislation, together with legislation that suspends section 315 of the Communications Act, must be scheduled for immediate floor consideration if it is to be in effect and operative during the 1968 campaign.

PRELIMINARY COMMENTS ON THE PRESIDENT'S 1969 BUDGET

Mr. SMITH of Oklahoma. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. CURTIS. Mr. Speaker, the President's budget message reveals a distressing obstinacy on his part to persist in following the principles enunciated by those who call themselves the school of new economics.

This economic school sees increased annual economic activity as a solution for unemployment, poverty, and continuing economic growth with a disregard for whether that increased economic activity is creating more wealth or eating into the wealth we already have. It is quite clear that war will increase economic activity, but it should be equally clear that this increased economic activity is largely eating up wealth rather than creating it.

Likewise, welfare expenditures, important as they are on social and humane grounds, economically eat up wealth rather than create it, if divorced from getting people on their economic feet. Breaking down the relationship of income to work strikes at the heart of the wealth creation activities within a society and ultimately ends up with an incapability of providing any welfare.

So it is important to direct attention to whether the expenditures which lie at the base of the increased economic activity are creating new wealth or eating into wealth.

The new economists, in their simplistic and erroneous substitution of economic activity for true economic growth, are willing to obtain increased economic activity by any means, with special emphasis on the utilization of Federal Government spending to make up for any lag they see in the expenditures of State and local governments and of the private sector. It is not that the new economists want Federal deficits—spending more than the income—but that they feel these deficits are worth the price of the economic activity that results from the increased level of Government spending.

Furthermore, the new economists are not for the Federal Government spending money hastily and unwisely, but that spending money, even hastily, is worth the price of the economic activity that results from the spending. It is necessary, they argue, in order to get money spent, sometimes to spend money hastily in an unplanned manner.

The new economists are reluctant to relate the inflation and high interest rates we are experiencing to the deficits that must be added to the already existing Federal debt. They are reluctant to relate the flow of gold out of our country and the threat to the integrity of the U.S. dollar to the cumulative deficits in our international payments and to our accumulated domestic Federal deficits. In international economics apparently they also feel that increased international economic activity is tantamount to increased economic growth, and it matters not how money is spent, whether to increase the wealth of nations or to eat it up.

The result of the policies of the new economists is that whatever expenditure discipline existed in Federal Government spending has been badly eroded. The negative results we have been experiencing from our foreign aid and domestic poverty programs all point to poorly planned and administered programs.

There is one bright spot in this picture. By putting expenditure discipline back into the picture we can both balance the Federal budget and start making our Federal programs more productive.

The President's budget goes the opposite way. It is not a tight budget by any stretch of the imagination—any more than was his budget for fiscal 1968 a tight budget. It is a loose, extravagant budget on both the counts that are important: First, level of expenditures in respect to revenues; and second, requests for new obligation authority to spend and carry over balances of unused powers to spend. Adopting a new budgetary format may help the administration in confusing the Congress and the people with semantics, but if we stick to the arithmetic the deception will fall away.

In last January's budget message the President said he was going to spend $135 billion in fiscal 1968. The 20 members of the JEC said that was $5 billion too much, that the level of expenditures should be $130 billion, in light of our anticipated $117 billion tax revenues. I personally thought the expenditure level should be kept to what it was the previous fiscal year; namely, $125.7 billion.

What did the Johnson administration do? It said it cut expenditures by $4 billion. If this were so the expenditure level would be $131 billion. However, the expenditure level for fiscal 1968 is $144 billion on the basis of the first 5 months actual expenditures. The Director of the Budget, Mr. Schultze, states the figure will be $142.5 billion even though he agreed that the last 6 months of a fiscal year usually has a $1 billion higher level of spending than the first 6 months. But how does this jibe with the $138.5 billion expenditure figure the administration is citing? The difference lies in the plans of the administration to sell participation certificates. But under the concept of the new budget for fiscal year 1969, PC's are listed as a method of financing expenditures—as they should be—not as a reduction in expenditures. Regrettably $144 billion is the expenditure level for this current fiscal year 1968.

The expenditure level projected for fiscal year 1969 in the new budget, adjusted to administrative budget figures is $10.1 billion more or $155 billion. The deficit for fiscal year 1969 is supposed to be $8 billion, but this is on the assumption of selling more PC's and increasing tax revenues by around $15 billion through raising tax rates which is highly speculative. The true deficit is over $20 billion, again, and the question before the Congress—granted these spending levels—is how to finance this deficit, by selling off Government assets, by issuing and marketing new Government bonds, by increasing tax rates with what mix.

The other budget, the NOA budget, is equally expansionary—not tight by any manner of means. Just as was the NOA budget before the last session of Congress. The last session of Congress granted to the President $157 billion new obligational authority to be added to the $125 billion carryover balances of unutilized power to spend. Of the $157 billion NOA $142,677,247,000 was for fiscal 1968 and beyond, and $14,394,520,000 was supplementary for fiscal 1967. For context, this figure, $157 billion NOA, must be related to the NOA granted by the last session of the 89th Congress, the 3-to-1 Democratic Congress which so well did the bidding of President Johnson, namely $139 billion; $125 billion for fiscal 1967 and beyond and $14 billion supplemental for fiscal 1966.

What are the carryover balances for the coming fiscal year after spending $144 billion? About $135 billion—$10 billion more than the $125 billion carryover balances for fiscal 1968 beginning last July 1.

The President in his budget message now is asking for about $155 billion of new power to spend out of general revenues to be added to this $135 billion carryover unutilized power to spend.

In essence the President, in the arithmetic, not the rhetoric in his budget message, has thumbed his nose at the congressional requests, and I would say the requests from the people, to cut back on Federal spending. His figures say loudly and clearly I shall not cut either Federal spending or Federal deficits. The way our society keeps moving is keeping its economic activity up at higher and higher levels. Forget what the money is spent for, just as long as it is spent. Federal deficits have no relation to inflation, high interest rates and increased imports over exports. If remedies are needed let the private sector cut back on its spending by paying more money in taxes to the Government. The Government will spend the money, not save it as the private sector might do.

This course of fiscal action can only end in serious national and international tragedy. Is it possible that a Congress controlled by Democrats with the help of Republicans will challenge this course of action and establish a budget more nearly in balance with expenditure discipline restored and a process of establishing expenditure priorities reinstituted? Judged by the last session of the Congress, this is unlikely.

CONGRESSIONAL CENTER FOR THE STUDY OF DOMESTIC AND INTERNATIONAL POLICY

Mr. SMITH of Oklahoma. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MORSE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MORSE of Massachusetts. Mr. Speaker, I am happy to join my distinguished colleague from New York [Mr. REID] in cosponsoring his bill to establish a research center that would bring together distinguished scholars to help the Congress meet the challenges of the coming decades. It has been said by observers of American Government that "the Executive proposes and the Congress disposes." But it is not enough, in a system such as ours, for the legislative branch simply to stamp its approval on the initiatives of the President. There is an urgent need in the Congress for well informed judgment on the issues that come before us—judgment that can only be as good as the information and analysis on which it is founded.

This bill would go at least part of the way in meeting the increasingly heavy burdens on Members of Congress for creative research and analysis of policy alternatives so that we may be able, first to make informed judgments on policies proposed by the President, and secondly that we may be able to exercise our own capacity to initiate policies designed to meet the problems of the future.

Text of the bill follows:

H.R. ——

A bill to establish the Congressional Center for the Study of Domestic and International Policy

Whereas, the Congress, in the exercise of its responsibilities under the Constitution and laws of the United States, must make long-range decisions vitally affecting the future of this Nation with full understanding of the implications of its actions; and

Whereas, in evaluating and formulating programs to meet problems of significance affecting both domestic and international policy the Congress must call upon the wisdom and vision of its citizens and the accumulated bodies of thought and knowledge which this Nation has acquired; and

Whereas, in understanding the social, philosophical, and moral implications which flow from scientific and technological developments the Congress must call upon the talents not only of scholars in the natural sciences, both pure and applied, and the social sciences but of scholars in the humanities as well; and

Whereas, the Congress at present lacks a facility to bring together scholars-in-residence, visiting scholars, and other experts who can contribute to the formulation of policy by providing the Congress independent and creative research of quality coupled with long-range sophisticated policy formulation;

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) There is established a Congressional Center for the Study of Domestic and International Policy (hereinafter referred to as the "Center").

(b) The Center shall be devoted to independent and creative research of quality on behalf of the Congress on problems of significance affecting both domestic and international policy and reflective of the role of the Congress and its responsibilities under the Constitution and laws of the United States.

SEC. 2. (a) The business of the Center shall be conducted by a Board of Trustees of 19 members, to include six ex-officio members, four congressional members, and nine independent members.

(b) The ex-officio members shall be the Vice President of the United States, the Speaker of the House of Representatives, and the majority and minority leaders of the Senate and the House of Representatives.

(c) The congressional members shall be two Members of the Senate, designated by the Vice President of the United States and the minority leader of the Senate, and two Members of the House of Representatives, designated by the Speaker and minority leader of the House of Representatives.

(d) The independent members shall be designated by the ex-officio and congressional members and shall be broadly representative of private industry, the academic and scientific communities, and the field of public affairs.

(e) The congressional members shall serve for a term of two years, and the independent members shall serve for a term of three years, except that (1) the independent members first taking office shall serve, as designated by the ex-officio and congressional members, three for a term of one year, three for terms of two years, and three for terms of three years, and (2) any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed.

(f) The Board of Trustees shall select a Chairman from among its Members.

(g) The Board of Trustees shall meet at the call of the Chairman but not less often than twice during each calendar year. Ten Members of the Board shall constitute a quorum.

SEC. 3. The Board of Trustees shall select a Director of the Center (hereinafter referred to as the "Director") who shall direct and supervise the affairs, activities, and operations of the Center and its academic and administrative staffs and shall be solely responsible for his actions to the Board of Trustees. The Director shall be compensated at the rate provided by law for level II of the Federal Executive Salary Schedule.

SEC. 4. The Director, by and with the advice and consent of the Board of Trustees, shall select an academic and research staff for the Center to be composed of both scholars-in-residence and visiting scholars broadly representative of expertise in the pure and applied sciences, social sciences, and humanities.

SEC. 5. (a) The number of scholars-in-residence attached to the Center at any one time shall not exceed 25.

(b) Scholars-in-residence shall serve the Center in a continuing capacity and shall be compensated at a rate not in excess of the rate provided by law for grade 17 in the General Schedule of the Classification Act of 1949, as amended.

SEC. 6. (a) The number of visiting scholars attached to the Center at any one time shall not exceed 15.

(b) Visiting scholars shall serve the Center pursuant to one-year renewable appointments and shall be compensated at the rate provided by law for grade 17 in the General Schedule of the Classification Act of 1949, as amended. Visiting scholars shall further receive a transfer allowance of $1500 and an additional sum equal to the cost of round-trip transportation to and from Washington, District of Columbia, for the scholar and such members of his immediate family as reside with him.

Sec. 7. (a) By and with the advice and consent of the Board of Trustees, and after consultation with such scholars-in-residence and visiting scholars as he may deem necessary and appropriate, the Director shall select the nature and scope of the subject matter of the research to be undertaken by the Center and shall assign such research to scholars of the Center on an individual or team basis. In the discretion of the Director, one or more scholars may be permitted to pursue independent research without specific assignment.

(b) Any Member of Congress, including the Resident Commissioner from Puerto Rico, and any committee thereof, may consult with the Director and make recommendations concerning the subject matter of research to be undertaken by the Center.

Sec. 8. The final product of any research conducted at the Center may be published and made available to the general public, at the cost of printing or reproduction.

Sec. 9. In addition to any authorities vested in him by other provisions of this Act, the Director, in carrying out his functions, shall have authority—

(a) to prescribe such regulations as he deems necessary governing the manner in which his functions shall be carried out;

(b) to appoint administrative staff employees, subject to the civil service laws, as necessary to carry out the purposes of this Act, define their duties, and supervise and direct their activities;

(c) to accept and utilize the services of voluntary and uncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by law for persons in the Government service employed without compensation;

(d) to utilize from time to time, as appropriate, experts and consultants, including panels of experts, who may be employed as authorized by section 15 of the Administrative Expenses Act of 1946, as amended; and

(e) to make other necessary expenditures.

Sec. 10. (a) There is hereby authorized to be appropriated to the Center the sum of $15,000,000 for the fiscal year ending June 30, 1969, for site acquisition, planning, and construction of a building and facilities to house the Center.

(b) There is hereby authorized to be appropriated to the Center the sum of $100,000,000 for the fiscal year ending June 30, 1969, the income from which shall be used for the maintenance and operation of the Center.

EXPLANATION REQUESTED

Mr. SMITH of Oklahoma. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Goodling] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. GOODLING. Mr. Speaker, some unusual events sometimes occur in the dignified atmosphere of the House of Representatives, and perhaps the most recent of such out-of-the-ordinary happenings was the staged applause by White House aides on the occasion of the President's state of the Union message, as reported in a recent Evans-Novak news article.

I have today written to Mr. Marvin Watson, Jr., appointments secretary to the President, asking for an explanation of this event, and because I know this has the intense interest of my colleagues, I am inserting a copy of my letter to Mr. Watson into the Congressional Record. The letter follows:

January 31, 1968.

Mr. Marvin Watson, Jr.,
Appointment Secretary to the President, at the White House, Washington, D.C.

Dear Mr. Watson: It would appear an explanation is in order regarding a column written by Evans and Novak following the President's State of the Union address.

In that column you are pictured as having temporarily resigned your role of appointment secretary and assumed a new position of cheer leader.

Now cheer leading is an accepted practice at all collegiate and other athletic events, and it is as much a part of the American athletic scene as hot dogs, peanuts, and pop corn. Grave doubts arise, however, in the minds of many individuals when the cheer leading device is carried to the hallowed chamber of the House of Representatives during a joint session of Congress.

Several questions arise in my mind, which I trust you will clarify. I quote from the Evans-Novak article: "Middle and low level White House aides were on the House floor in great number."

By whose authority were these White House employees there? Is it ethical to have synthetic cheers to disillusion a national television audience for the purpose of glorifying an image? I would appreciate answers to these questions!

Personally, I was the victim of some of your handiwork, if the article is factual. I was seated in the last row of the chamber. From personal observation, I am thoroughly convinced the cheers and applause generated in back of me were not spontaneous—you will recall the only legitimate and spontaneous demonstration came following the President's reference to rising crime and lawlessness.

It would appear that your efforts—emanating from within the walls of the White House—were in a rather low key, hardly in keeping with the dignity of your surroundings. May I expect an explanation or a denial of the charge implied in the aforementioned Evans-Novak column?

Sincerely yours,

George A. Goodling,
Member of Congress.

INTERGOVERNMENTAL COOPERATION, KEYNOTE OF THE NEXT DECADE

The SPEAKER. Under previous order of the House, the gentleman from Missouri [Mr. Randall], is recognized for 10 minutes.

Mr. RANDALL. Mr. Speaker, the National Association of Counties is an organization dedicated to upgrading the skills, efficiency, and effectiveness of one of America's most important political subdivisions, the county government.

As a part of its program of service to its membership, the association held its midwinter National Legislative Conference here in Washington last week. The keynote address was delivered by an old friend, Judge Charles E. Curry, presiding judge of the Jackson County court, Kansas City, Mo.

In his address, Judge Curry strongly recommended better utilization of county government units for implementing Federal plans and programs, and urged reciprocal action by the counties in the form of mobilization for massive assault on urban problems.

Many of us will be in abundant agreement with what the judge said to the National Association of Counties. It is because his remarks on some of the matters covered are of such concern to me that I present these comments in approval and presume to add some thoughts on the relation of the Federal Government to local government.

Without reference to the individual merits, respecting the myriad of Federal programs through which financial, technical, and other forms of aid may be available to local governments, most of these programs have one common weakness: they fail to fully utilize the talents and homegrown know-how that would enable local government units to get the maximum amount of benefits from any program of Federal assistance. And even when authority is delegated to local officials, these officials are then too often mired in a swamp of paperwork and reports to Washington, requiring such a volume of information—often useless—as to inhibit that local official's best performance on behalf of his constituents.

I take this time today to speak in praise of Judge Curry for his admonition that county government be mobilized for a truly massive assault on our present day urban problems. One of the principal points of his address, emphasizes that an effective way to cope with urban problems is to seek a better balance between rural and urban living by making life more attractive in our rural areas and thus prevent more of our Americans from being forced out of rural areas into the core cities.

It is my considered opinion that if we can find the solution to the so-called rural problem we have gone a long way toward solving many urban problems. There must be some incentive provided for our rural residents to remain in the rural areas. They must in some way be induced to tap the industrial and commercial production of the rural areas rather than emigrate to the big cities. Today 70 percent of our people live on about 1 percent of our land.

Our big cities, even with Federal aid programs to combat poverty and hard-core unemployment, cannot continue to accommodate larger and larger numbers of people who think the grass will be greener there. Most unfortunately those rural residents who thought their lots would be improved in the big cities have been unable to cope with urban problems and yet cannot find the money or the means to return to their former homes. In far too many instances unemployment or underemployment has transferred their poverty from a economic ill to a condition that is almost a social evil.

Many of us in the Congress, particularly from the Midwest, fully agree with Judge Curry when he points out it will cost the taxpayer far less money to revitalize our rural communities than to rebuild urban slums.

The distinguished county official from Jackson County, Mo., along with his fellow county officials from all over

America, know better than anybody anywhere else those possible projects in their own communities that promise the most in profits per dollars spent for the various Federal programs of renewal and revitalization. And they know best how to develop these possibilities.

The keynote address of the Mid-Winter Legislative Conference is brimful with thoughts that deserve the focus of our attention. Included is the suggestion that the old traditional unit, the county, has until very recently been a "sleeping giant," although it remains a fact that virtually every American is governed by county government. The judge emphasized, that county officials cannot retreat from the area of responsibility in community problems and went on to say county government must first understand and then translate the understanding of its problems into resolution and action. Judge Curry has stressed teamwork and mutual cooperation between the several levels of government. Perhaps the strongest point of his address is that intergovernmental cooperation must be the keynote of the next decade. I recommend your review of that address which reads as follows:

Judge Charles E. Curry, Jackson County, Mo., Keynote Address of National Legislative Conference, National Association of Counties, January 22, 1968, Washington, D.C.

The world of government today has acquired a new vocabulary. Nobody *talks* any more. Instead, they verbalize. A bright, young executive tells us glumly he's afraid he's moving only *unilaterally*. And the rest of us hasten to tell him how the problems are *reacting* at their interfaces and how challenging all these problems really are.

(Our father's generation would be puzzled by the idiom of today. And the old pols of other generations would probably head straight for McSorley's bar at the first sound of it!)

Whether or not we are moving unilaterally most of us won't know until the next election * * * when all doubt is likely to be removed. None of us, however, could deny that the problems facing local governments and communities today are most complex. But any tendency to call these problems challenging would be understating the matter. They have ceased to be challenging. Events of the last two years call for a much stronger and more realistic evaluation of the situation. My own conclusion is that we have almost run out of time. We can no longer afford the luxury of unhurried study and analysis, and then take several months or a year or two to "mull things over."

Yesterday's challenge has become today's demand. There is no mistaking the message. Government has never been under greater pressure to discharge its responsibilities; and they must be discharged in an intelligent, knowledgeable and practical way.

With the sustained growth of urban and suburban communities a new dimension has been added to the problems of local government. The public facilities required, the services to be supplied the responsibilities of public units to meet these demands that have been growing, not gradually, or in mathematical progression, but in a geometrical progression—have all produced a situation that is shaking to the foundation our old ideas on how to cope with these problems.

It is under these conditions that a new trend and a new phenomenon has been arriving in the field of government in America. It is to recognize that counties are becoming the most important unit of local government for attacking our pressing demands for action in solving community and urban problems of the 1960's and 1970's. But if counties are to fulfill their mission they must have a united approach and effective way of influencing events at the national level and in the state capitols. We need a strong national association of counties and perhaps even more important, we need strong state association of counties with vigorous support of the individual county official.

As we look at the needs of our communities across the length and breadth of our land and as we weigh proposals for action by the Federal Government to assist us in meeting these responsibilities, I believe we should keep certain key principles before us.

First, we should stress that the most effective Federal programs to help procure a better life are those which work through local channels. The problems of our communities should be worked on as close to the grass roots as possible, and it will be wise Federal policy to make the administration of these Federal actions work through existing local administrative agencies.

The "general purpose" local governments that are closest to the people actually are the units that can best administer efforts to improve the quality of life for all Americans everywhere.

Second, we must urge and impress on our national legislative and executive officials the importance of utilizing the county unit of government in Federal plans and programs. The fact is, that with the recent rapid growth of the importance, effectiveness and wide responsibilities of counties, many people, including some in official position in Washington, have not yet realized the new role and status in modern-day America of that old traditional unit, the county.

So part of our task today is to reacquaint such officials with both the existing and the potential effectiveness of county government.

Third, we have a job that is squarely before us now as county officials (and as leaders in the most rapidly growing field of public responsibility at this point in history) to see that county support is mobilized for a truly massive assault on our urban problems.

Public leadership that is unaccompanied by a strong sense of human values could easily turn government into a world more sterile than the one Aldous Huxley envisioned. Local government is not without its involvement in personal crisis and tragedy. People are more than votes or statistics. We are currently experiencing a kind of sociological revolution. The weak and disadvantaged in our communities already know that the answer to the vice of poverty is not charity.

It is demanded of those of us who have been voted into positions of leadership, that we translate understanding and empathy into resolution and action. It is evident that the needs of the impoverished and the minority groups (too often they are the same people) will not be served by only pious statements or resolutions. We *must* move to help eradicate the conditions which contribute to human suffering and to social disorder. As county officials, we cannot afford to retreat from the areas of responsibilities in this total community problem.

One of the most effective ways to cope with urban problems would be to have a better balance between rural and urban living. In other words, if we could make the economic opportunities, educational opportunities and the amenities of life more attractive in rural areas. We could prevent many of our Americans from being forced out of rural areas into the core cities.

Fourth, is a point that must be obvious to anyone who really tries to look at the *whole picture* of our responsibilities as county officials today. It does no good to have a vigorous program of supporting Federal and State programs that provide us administrative tools and financial aid to get on top of some of our problems if on the other hand, our counties do not take advantage of these programs. There is some evidence that for a host of reasons, many of our counties particularly those that are in greatest need of these programs, do not participate as fully as they might. N.A.C.O. has urged that each county have a county development coordinator to serve as a liaison between the various agencies in the county and the State governments, the Federal District Office, Federal Government and Associations such as N.A.C.O., to be sure they are making the best use of the resources made available from the national and/or the State government.

Fifth, county government has until very recently been a sleeping giant. Our county officials represent every single aspect of American life and virtually every American is governed by county government. It is important that county officials take their place in the sun and exert the kinds of national leadership that will lead to the strengthening of State and local government.

To recapitulate, we must return to some of the fundamental concepts that helped build the nation. The idea of unity. The idea of reducing friction. The idea of teamwork and mutual cooperation between the levels of government. Intergovernmental cooperation may indeed be one of the great keynotes of the next decade. The need to be fair and helpful to those who are weak or disadvantaged. The need for basic universal services such as education and public health to be distributed equally to all of our citizens regardless of their means. These are the concepts we must move from the realm of abstract notions to the world of concrete reality.

Someone has said that we are living in the most troubled times our Nation has faced since the civil war. Perhaps that is true. It is undeniable that each of these community-governmental problems grows more urgent almost by the day. I believe our period of grace ran out some time ago. Whatever age we live in—crisis or revolution—it is not an age where time is elastic and most things are postponable. We in county government must accept these grave responsibilities of leadership. The burden was never heavier. We *cannot* carry it alone. We must involve ourselves, our fellow citizens and all levels of government.

And we must do it now.

Mr. Speaker, also during the midwinter legislative conference of the National Association of Counties, this organization gave its consideration to a list of legislative goals which should require priority attention. These goals were selected from what they call the American county platform. It is regarded as the official policy statement of the National Association of Counties.

After our study of these proposals we were impressed particularly by the proposal that the proper instrument to carry out Federal grants-in-aid programs at the local level should be our counties and cities. We also agree most completely with the goal to provide supplemental financial assistance to multicounty programs in less populated areas and countywide programs in the metropolitan areas for crime prevention and control.

All of these goals are certainly worth while and we think this program of action assigns some very proper priorities. It rates the attention of the Members of Congress and for this reason should be entered in the Congressional Record for future reference, as follows:

Legislative Goals of the National Association of Counties, January 1968

I. Structuring of the Federal grants-in-aid system to provide State and local governments with increased flexibility and discretion.—This should be accomplished by providing for and emphasizing the general purpose units of government (cities and counties) as the proper instrument to carry out federal programs at the local level; consolidation and improved coordination of related programs and elimination of programs and policies which result in duplication and create overlapping and competing forces.

II. Corrective action against the increasing abuses of industrial revenue bonds.—Preferably, the initiative in this area should be taken by the state governments, but federal government action is urged if the states fail to act by July 1, 1969. Such action should clearly establish that state and local governments' constitutional right to issue securities for valid governmental purposes is in no way challenged or affected.

III. Increased efforts towards the establishment of an intergovernmental comprehensive manpower training and employment program including job development and creation.—Vital to such a program would be a significant expansion of our efforts to encourage and train persons for employment in the public sector.

IV. Federal assistance to State and local government for crime prevention and control.—This program should include supplemental financial incentives for multi-county programs in rural and less populated areas and for countrywide programs in metropolitan areas. It should also direct appropriate attention to juvenile delinquency, parole, probation, and court activities.

V. A safe and healthy environment for every American by 1975.—Crucial to such a policy is the immediate enactment of a federal grant-in-aid program to assist in the establishment, improvement, or expansion of local solid waste disposal programs eventually to be part of a comprehensive environmental health grant-in-aid program.

VI. A Federal welfare program oriented towards rehabilitation and training.—A standard of performance should replace excessive rules and regulations as the criterion required for federal participation in state and local welfare programs. There should be an immediate repeal of the current freeze on federal government participation in Aid to Families with Dependent Children programs.

VIII. A Federal program of assistance to needy children in foster homes.—Such a program would correct the federal government's discriminatory policy of designating foster children as the only group not eligible for meaningful federal welfare assistance.

VIII. The establishment of a program for evolving a national balanced urbanization policy.[1]—Such a policy must continue to devote major attention and effort to the revitalization and strengthening of our urban areas. This necessarily involves relieving the pressure of increasing natural growth and migration on urban areas by providing the organizational and financial framework to assist in the development of our rural and less populated areas.

IX. The establishment of a Federal program designed to stimulate and assist areawide cooperation among rural and urban local governments.[1]

X. The immediate implementation of a comprehensive block-grant program as the initial step in a shared-revenue program.[1]

XI. The full funding of the Federal highway safety program.

XII. A balanced national transportation policy.—Such a policy must (a) provide new and guaranteed revenue sources to assure the continuity and magnitude of federal assistance necessary for aviation and mass transit needs and (b) establish a "post 1972" highway program with an emphasis on a coordinated and comprehensive transportation program.

THE UNITED STATES CAN AFFORD TRUE FREEDOM OF THE PRESS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. OTTINGER. Mr. Speaker, some controversy has been generated in this body over the National Educational Television's presentation of Felix Greene's film on North Vietnam. Thirty-three of our colleagues sought to block the presentation on the grounds that the film was merely Communist propaganda and did not represent an objective view of the war in Vietnam.

NET took great care to publicize the film as not being an objective account of events inside North Vietnam and to accurately portray its producer as being hostile to the American position on Vietnam and a North Vietnamese sympathizer.

Furthermore, the NET program did not consist of a mere showing of the Felix Greene film. The film was simply used as the point of departure for an articulate and illuminating discussion of Vietnam issues by Dr. Robert A. Scalapino, professor of political science at the University of California at Berkeley, and David Schoenbrun, a noted correspondent and Columbia University lecturer. Greene's film and U.S. policy received a thorough, balanced and informative airing, in a fair manner designed to raise the pertinent issues presented by the war. It was an excellent discussion that did great credit to NET and was a credit to its educational mission.

The administration has gone to great pains to convince the American people that one of the reasons we are fighting in Vietnam is to permit the people of that land to enjoy the same freedom enjoyed by citizens of the United States. Among these freedoms are freedom of the press and freedom of speech, both of which were rightfully exercised in the NET broadcast.

It is vital that neither the Congress nor any other governmental body stifle free and open discussion of issues such as Vietnam. If our policies are correct, they can certainly stand up to careful scrutiny. If they are not correct, public examination and discussion can serve only to right our course.

Columnist Jack Gould, writing in the New York Times recently, presented a cogent analysis of NET's program and the issues it involved. I present it herewith for inclusion in the RECORD:

The United States Can Afford True Freedom of the Press

(By Jack Gould)

Notwithstanding the protests of 33 members of the House of Representatives, the National Educational Television's presentation of the film on North Vietnam and an accompanying discussion was a useful and thoroughly defensible exercise in television journalism.

"The N.E.T. Journal," seen locally over Channel 13, offered first an abridged version of "North Vietnam—A Personal Report," a film made a year ago by Felix Greene, a British subject, and then a dialogue between Dr. Robert A. Scalapino, professor of political science at the University of California at Berkeley, and David Schoenbrun, correspondent and lecturer at Columbia University who has visited North Vietnam.

Mr. Greene's film, already seen in motion-picture theaters, is a photographically superior work in depicting how the North Vietnamese have rallied against United States air attacks. The use of manual labor to meet the destructive technical power of the United States was well worth the watching, even if Mr. Greene's sympathies for the North Vietnamese could hardly be questioned. The footage showing land laid waste was too extensive and sometimes too moving for one to doubt that the devastation has been substantial.

The apprehensions of the Congressman that N.E.T. was peddling enemy propaganda fail to take into account the balanced perspective that immediately followed from the lips of Dr. Scalapino. The professor quickly enumerated crucial points that the film did not cover and argued frankly that the Minister of Information in Hanoi could not have asked for a more pleasing document. But the value of the program, which after all was not the first to offer enemy films on TV from North Vietnam sources, came in the subsequent discussion. Mr. Schoenbrun was an able and provocative catalyst for the stimulating considerations of the issues that so severely divide the nation and Dr. Scalapino was brilliantly articulate in the detailed analysis of his viewpoint of the war.

For the viewer the advantage was that, using the film as a news peg, "N.E.T. Journal" presented one of the better and more lucid discussions of both Mr. Schoenbrun's doubts over the wisdom of American policy in southeast Asia and Dr. Scalapino's specific answers. The division of viewpoint constituted an intellectually provocative and educational dialogue that contained opinions of value to the set owner regardless of his personal feelings.

In this respect the program convincingly showed that the freedom of TV is essential to the formation of constructive public opinion, something that protesting Congressmen dishearteningly failed to comprehend. N.E.T. was right and the members of the House wrong. Free discussion is infinitely preferable to the specter of censorship by self-appointed guardians of the public minds.

Dick McCutcheon of "N.E.T. Journal" was the unobtrusive moderator.

TEN YEARS IN SPACE—AMERICA'S BEST INVESTMENT

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. JONES] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. JONES of Alabama. Mr. Speaker, today marks the 10th anniversary of Explorer I, first artificial earth satellite launched by this Nation.

That feat, accomplished by the rocket team of Dr. Wernher von Braun 84 days after the official go-ahead, bears witness to the break-throughs which are possible by the United States when the genius of our scientists is unshackled. During these last 10 years, this Nation's technology has reached undreamed of heights through the space program.

---

[1] Senate Bill S1589 (90th Congress)—a bill to encourage local governments to develop voluntary cooperative areawide planning programs—would be one vital step in implementation of Goals VIII, IX and X.

A major contribution to that effort has been made by the dedicated people at the Marshall Space Flight Center in Huntsville, Ala., in the district I represent.

Through these last 10 years, Dr. von Braun and his fellow workers at Marshall have accomplished one triumph after another in the distant realm of space and in the advancement of technology in this country.

I salute their efforts today and remind my colleagues that the great achievements of the space program are only a sample of the potential that this Nation can realize in the future.

That first Explorer I put in orbit a projectile weighing 30.8 pounds. The most recent achievement by the Von Braun team, the Saturn V launch vehicle for the Apollo Spacecraft, placed in earth orbit a payload of 250,000 pounds.

The contrast staggers the imagination. The achievements excite the most casual observer.

But man's conquest of space, the public image of the space program, like the tip of an iceberg, is only a small part of the immense and immediate value of our Nation's investment in space.

The every-day down-to-earth benefits of the space program are far greater and have a potential for returns which dwarf any actual or proposed investment.

Because of their diversity, these down-to-earth benefits have been largely unheralded.

We are only 10 years into this program and I am firmly convinced that America has never made a better investment than the space program.

The direct on-earth benefits of our space activities include navigation improvement, communications improvement, and weather control improvement—all at far less cost than possible by previously existing technology.

In one area—weather forecasting—we have been able to receive advance warning on storms which permitted evacuation and saving of lives. Continued improvement in techniques of interpretation of data from weather satellites offers the possibility of accurate forecasting of weather over vast regions.

In the United States alone, an accurate 5-day forecast of weather conditions would provide an estimated annual savings of $6.75 billion in agriculture, lumbering, surface transportation, retail marketing, and water resources management. This is more than any single year investment in the total national space program. And the effects of such weather forecasting on fishing and marine shipping have yet to be evaluated.

The direct benefits of our space program investment are only a start of the real value of the program. Other immediate benefits have already been realized by transfer of space technology into diverse areas of private and public endeavors.

A recent appraisal of United States and Russian space programs by European space companies concluded that the techniques developed were of greatest significance and had profoundly affected the whole engineering industries. To substantiate their conclusion they listed significant developments in biology and medicine, electrical engineering, electronic components, instrumentation and controls, communications, power sources, structural and mechanical engineering, bearings, servo-mechanisms, metallic and nonmetallic materials, finishes, matching techniques, vacuum engineering, and chemical and electronic propellants.

These technical achievements translate into everyday meaning for—

A sportsman who can unfold a 2- by 4-inch packet into a full-sized blanket of lightweight aluminized material to protect himself from the cold night.

A cardiac patient who can have his heart beats monitored while remaining ambulatory.

A housewife who can have her dark walls painted with a washable light-colored paint in a single coat.

A paralyzed person who can steer a wheelchair easily by working motor and directional controls with a sight switch triggered by movements of his eyeball.

A helicopter pilot who rides his craft more securely, knowing that hair-thin strands of boron imbedded in the rotorblade will help prevent dangerous metal fatigue.

The list, of course, could go on and on. And the space program is a mere 10 years old.

The potentials of proper exploitation of the space technology are infinite. It is essential that we continue this vital work which is of such great and immediate benefit to all the people of this Nation.

A retreat from an adequate investment in space programs would be an unnecessary handicap of our own futures.

THE BOY SCOUTS OF AMERICA—TRUE REPRESENTATIVES OF AMERICA'S YOUNG MEN

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky [Mr. Natcher] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. NATCHER. Mr. Speaker, so many times during the past year or so I have been asked—"what about the young people of today?" With truth and conviction I have always replied that I know of nothing so fine as an American boy or an American girl. There is no one as promising—no one with as much to offer. Truly representative of the very best in American youth are the Boy Scouts of America.

The Boy Scouts of America play such a vital role and have become so much a part of our society that it is difficult to realize that a scant 58 years have passed since they were first incorporated in the United States. This was on February 8, 1910. This year, between February 7 and February 13, our Scouts will celebrate their national week, marking the end of another year of achievement and the beginning of a new one.

What can I say to you about the Boy Scouts? Scouting is, as they say, the story of one boy and of 10,000 boys. Scouting is, for many of us, the story of a son or a favorite nephew; for others, it is the story of those boys in the next block; and it is for some of us, as it is for me, the story of our own youth. To millions of boys throughout our country the Scouting program is a source of strength. To countless parents and relatives it is a source of comfort. To its leaders it is a source of deep, personal satisfaction. To its nation it is a reservoir of able, talented, and sound young citizens, for the principles of Scouting are in a large sense the very principles upon which our Nation was founded. Though a few fall short, the qualities of independence, self-reliance coupled with the ability and desire to do for others, courage and patriotism are, I believe, inherent in most Americans. The purpose of the Boy Scouts of America is to guide and train Scouts—to deeper instill in them these qualities.

America needs courageous men. We have had them in the past. We will have them in the future. During a heated debate some years ago, a former Speaker cautioned the Members of the House to remember that our Government could not be run by ugly men. Nor can it be destroyed. Men of courage will not permit this to happen.

Our problems in this country are many. Our Nation today is crying out for a return to our basic principles, but we are a nation of progress, of change, and of movement. We must have a strong force to keep us on course. We will need strong men at the helm and Scouting produces such men.

Some 4 million Boy Scouts of America are readying themselves for the job ahead. Their pledge is to do their best for God and their country. This they have done for 58 years. This they will continue to do.

I salute these young Americans and offer them my support and good wishes.

EDUCATION AND THE 90TH CONGRESS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. Hamilton] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. HAMILTON. Mr. Speaker, the 90th Congress has demonstrated its concern for quality education in America and for the Nation's 2.6 million teachers. For we in Congress realize that the most important factor in quality education is quality teachers. The Coleman report, one of the most thorough surveys ever made of American elementary and secondary education, concludes that it is not so much the facilities that schools have but the quality of teaching they have in the classroom that makes the big difference in the achievement levels of the Nation's students. There would be no dissent that American education is the biggest and best in the world. And there would also be no dissent that this is in large part true because our teachers are the most dedicated, the most capable, and the most inventive in the world.

I recognize that the Congress does not have the primary responsibility in the field of education. In our federal system, education is first of all the job of local communities and the States. But Congress is charged with a real secondary responsibility to aid and supplement State and local education programs to insure the complete fulfillment of one of the Nation's most cherished and permanent commitments—its determination to educate all those who want to learn.

I believe the 90th Congress substantially advanced that commitment. We advanced that commitment, in large part, by continuing to support and expand existing programs which provide our Nation's teachers with the additional money and machinery to better do their jobs. In 1964, we were spending on the Nation's school systems, through the Office of Education, $701 million. In fiscal 1968, we will spend approximately $3.9 billion. This is clear testimony of the Congress' interest in education.

In comparison to the 89th Congress, the achievements of the first session of the 90th Congress may not be so dramatic. The 89th Congress has been rightfully labeled the "Education Congress" because it enacted more education measures—more than two dozen separate pieces of legislation—than any other Congress in the Nation's history. This was the Congress that initiated the Elementary and Secondary Education Act, first passed the cold war GI bill, passed the Higher Education Act, extended the Higher Education Facilities Act, passed legislation to aid in teaching the deaf and mentally retarded, earmarked funds to aid education in the health professions, and acted to further vocational training. One of the high privileges of my brief career in the Congress was to work for and support this legislation.

The 90th Congress has not produced such landmark legislation. But it has followed the precedent set by the 89th Congress. Progressive legislation, incorporated in numerous bills, sought to insure a higher level of learning in all the Nation's classrooms. Mindful of the Nation's unflinching faith in education and believing that the direction education charts today will determine the destination of the Nation tomorrow, the Congress acted in 1967 to discharge its responsibility to protect this national interest. And the welfare of our Nation's teachers, school officials, and students is better off because of the actions the Congress took. But to simply renew a longstanding pledge, to quietly demonstrate steady progress, to just fulfill an expected obligation seldom merits the amount of attention which is commensurate to the importance of the deed. So, today, I want to call full attention to the education legislation enacted by the first session of the 90th Congress, a level of achievement perhaps not equal to the achievements of the 89th Congress, but, nonetheless, substantial and solid progress.

The most important action of the 90th Congress was to extend the landmark Elementary and Secondary Education Act of 1965. The 1967 amendments to this act authorize more than $9 billion in Federal funds during the fiscal years 1969 and 1970. The new legislation insures that disadvantaged children in both public and private schools will continue to receive funds to enhance the quality of their education.

In response to the prudent suggestions and the experienced advice of many of the Nation's local educators, several changes in the mechanics of the administration of the Education Act were enacted to aid local school officials and to strengthen State planning. Many of these changes were recommended by educators in the Ninth District of Indiana. I am proud to have had a part in seeing them become law. The amendments provided:

First. That no State shall receive less money in 1969–70 than it received in fiscal 1967.

Second. That in fiscal 1969, 75 percent of title III money, designated for innovative learning programs, will be administered and controlled directly by State education departments. In fiscal 1970, the States will control all of the funds directed for this purpose.

Third. That beginning in fiscal 1969, 95 percent of title V money, designated for strengthening State education departments, will go directly to the States and 10 percent of that allotment will go to local school boards.

Fourth. That 15 percent of the title III funds must go to aid handicapped children.

Fifth. That technical help will be provided to aid rural school areas in preparing complicated applications for Federal assistance.

But by far the most important change, and the change local educators are most happy to see, is the congressional authorization of advance funding. The 1967 amendments now permit title I funds to be appropriated 1 year in advance of the year in which they will be obligated. If the Appropriations Committee confirms the advance funding authorization and acts quickly to appropriate school funds this year, local school administrators will be able to plan for more effective use of Federal money.

The Congress is well aware that the best assurance of a good education is a good teacher. Therefore, the Congress authorized a 3-year $135-million extension of the Teacher Corps to provide more teachers for hard-core poverty areas. The Education Professions Development Act, of which the Teacher Corps was only a part, brought together programs with potential importance in the fields of teacher training. This act adds new programs for the training of educational personnel at all levels. It provides a new program of grants to States to enable them to support local efforts to attract qualified teachers in areas where trained personnel are scarce.

In addition to these actions, the Congress authorized the continuation of adult education programs, the expansion of the GI bill for peacetime and Vietnam veterans, a small pilot program, as part of the Economic Opportunity Act, to provide clerical help and general assistance to aid classroom teachers, and a comprehensive program to study the uses of electronic media in the Nation's classrooms.

Mr. Speaker, I believe this record of progressive legislation is a notable accomplishment. I am proud to have supported these programs. And I am confident that the Congress will continue to meet the needs of the Nation's educators and students as we take up for consideration this year the student aid provisions of both the National Defense Education Act and the Higher Education Act of 1965, and the President's Educational Opportunity Act to aid young people who seek a college education.

CONGRESSMAN MILLS TALKS TO HOOSIERS ABOUT FISCAL MATTERS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. HAMILTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. HAMILTON. Mr. Speaker, the distinguished chairman of the House Ways and Means Committee, Congressman WILBUR D. MILLS, recently visited the Fifth and Ninth Congressional Districts of Indiana to discuss the fiscal issues facing this Nation.

Both Congressman J. EDWARD ROUSH and I were pleased and honored that Congressman MILLS could accept the invitation to talk to concerned Hoosiers. We were also delighted that Mrs. Mills could join us for the 1-day visit in Indiana.

I know I speak for those members of the business and academic communities and for the interested citizens who were present for Congressman MILLS' talks when I say that we now have a more clear and concise view of the perplexing fiscal problems facing us. More than 250 persons heard Congressman MILLS talk at Columbus in the Ninth District, and another 300-plus heard his report at Anderson in the Fifth District.

Mr. Speaker, I insert Congressman MILLS' excellent talk in the RECORD at this point:

REMARKS OF CHAIRMAN WILBUR D. MILLS, COMMITTEE ON WAYS AND MEANS, AT THE MEETING IN COLUMBUS, IND., NINTH CONGRESSIONAL DISTRICT OF INDIANA, JANUARY 26, 1968

I am exceedingly gratified to have the opportunity to be with you here today.

The Congress is currently challenged with exceedingly complex and frustrating problems, both at home and abroad. They are so well-publicized that I need not list or catalog them for you. Out of this plethora of important issues, national and international, let us limit ourselves this morning to matters of current interest that fall within the jurisdiction of the House Committee on Ways and Means.

As you know, this Committee, which I have had the honor of chairing for the past 10 years, has the sometimes enviable, sometimes unenviable, but always very serious responsibility of initiating Federal revenue laws. It is indeed an enviable and pleasant responsibility when, as in 1964, we are called upon to implement our long-range policy of tax reduction as the surest means to stable growth in our national economy. It is a considerably less desirable situation—but nevertheless our recognized responsibility—to make a decision one way or the other when the question is whether or not the economy, our citizens and the farming, business and industrial communities of this country would best be served by a tax rate increase.

This, of course, is the question that was presented to us in the last Session of Congress. It is the question with which the Committee initiated the new session by holding additional public hearings on Monday and Tuesday of this week.

THE PRESIDENT'S TAX SURCHARGE PROPOSAL

By way of legislative history you will recall that it was at this time last year, in January 1967, that the President in his annual State of the Union Message to the Congress initially recommended enactment of a 6 percent surcharge (later to be raised to 10 percent) on corporate and individual income taxes. This surcharge was proposed as a prospective tax at that time, to become effective at midyear, 1967, and to extend for two years or for so long as Vietnam should last. It was thus proposed as a temporary tax—if there be such a phenomenon, and let me just say that our past experience would raise grave doubt—despite the sincerest of intentions—about the temporary nature of any tax. I need only mention in this regard the Korean excises which we finally succeeded in repealing three years ago.

The President's surtax was based on economic forecasts of what was supposed to develop in the second half of 1967—an anticipated demand-pull inflationary situation that would, if these forecasts were correct, require action in the form of a tax increase at midyear.

Well, as you know, everyone waited with great expectancy for rumblings of the anticipated boom. Midyear came and went, and still there was a notable absence, in my judgment, of overall excessively serious demand in the economy. Illustrative of this is the fact that at the end of 1966 the consumer price index showed a rise of 3.3 percent during that year. On yesterday, the Bureau of Labor Statistics released its figures for December, which showed a rise since December of last year of 3.1 percent. Thus, we had a lesser rise in the index during 1967 than we had in 1966. I am aware of the fact that the increase in the later months of 1967 was somewhat greater than in the earlier months, and this is something we are still examining and considering along with the other indicators pertinent to recent economic developments. But I think everyone agrees that there was not the kind of boom in the economy that the Administration had anticipated for 1967.

The Administration's case for the tax increase, during the August and September hearings, was not substantiated by clear evidence of excessive demand existing at that time. Indeed, the later summer weather in Washington appeared to many to be much hotter than the economy in view of the posture of some of the more important of the economic indicators. The major reason advanced for the tax increase, according to the President's tax message, was—quote—"to reduce the deficit to manageable proportions"—end of quote—and—quote—"to avoid an unsafe and unmanageable deficit in the fiscal year ahead."—end of quote—The President stated in his message that the deficit for the current fiscal year, that is fiscal 1968, could go as high as in the neighborhood of $29 billion, a possibility that I had called attention to back in May, when I made a speech in Rochester, New York, calling for Federal spending cuts and effective long-term expenditure controls.

Every student of basic economics, and this includes members of the Committee on Ways and Means and of the Congress at large, knows that there are two ways to reduce a deficit, if that is the immediate problem. You can raise taxes and/or you can cut expenditures.

The Committee, therefore—and I can assure you that this reflected the prevailing view in the House as a whole—concluded on October 3, last, that there could not be a tax increase unless there was an accompanying specific commitment for a significant and meaningful expenditure reduction. As you all know, during the First Session of this Congress we did not get the expenditure reduction commitment we were looking for, even after the additional hearings on November 29 and 30. At the conclusion of the November hearings, I made a statement, which again, I am convinced, reflected the views of the majority of the Committee and of the House. My statement, in pertinent part, was as follows:

"I think the exploration of expenditure limitations we have engaged in yesterday and today have been useful.

"It seems to me that the position we are in shows an increasing awareness on the part of the Administration of the need for expenditure cuts. I think we are making progress, but I feel that we still have some distance to go. I would hope we could have a larger reduction in the fiscal year 1968 than has been outlined here but I am just as concerned about expenditure levels in the fiscal year 1969."

And let me add to my statement right here that I am equally or even more concerned about spending levels in 1970 and 1971 and 1975 and on down the line. The increasing rate of Federal expenditures, if it continues to eat up our annual increments in revenues, will assuredly impose a straitjacket on us and preclude the implementation of our long-range policy of tax reduction as the surest means of attaining stable economic growth in this country.

Because of my profound concern in this regard, I introduced in the first session of this Congress a bill to establish a Government Program Evaluation Commission to make an intensive study of all existing Federal programs. The bill would call for a re-evaluation of present expenditure programs in the light of an objective measurement of the benefits which they provide and the costs which they impose.

I am gratified that Congressman Hamilton has joined me in the introduction of this bill. Congressman Hamilton's bill is H.R. 14207 and both his bill and my bill are now pending in the Committee on Government Operations, which is the jurisdictional Committee for such proposed legislation in the House.

Now let me make it clear that I would not be discussing with you this problem of controlling Federal expenditures if I did not have confidence that the present Administration can perform the task in this area. I know President Johnson is eminently capable of doing an excellent job of holding the spending line. He proved this dramatically in the initial years of his Administration.

You will recall that fiscal year 1965 was the first full year the Revenue Act of 1964 was in effect and the first full fiscal year of President Johnson's Administration. In the administrative budget for fiscal 1965 revenues were up $3.6 billion over the previous year as a result of the stimulus to the economy of the tax reduction provided in the Revenue Act of 1964. Spending, thanks to the President's diligent frugality and resourcefulness, actually declined by $1.2 billion. This dropped the deficit down to $3.4 billion, an impressive $4.8 billion below the previous year.

In fiscal year 1966, because of the additional response of the economy to the 1964 tax reduction legislation, revenues went up by over $11 billion and even though spending also significantly increased in that fiscal year, the deficit was reduced even further—down to $2.3 billion. In the national income accounts budget, which is the budget that economists believe most nearly reflects the economic impact of government, there was actually a surplus in fiscal years 1965 and 1966.

What I am saying is that productive expenditure control is not a practice entirely unknown or untried by the present Administration. It has utilized expenditure control with great effect in past years, and that, in essence, is really all we are asking today.

Now let us turn briefly to the hearings held earlier this week, and it will necessarily be a brief reference, because we do not yet have available the detailed budget for fiscal year 1969. Such figures will not be available until next week when the budget is printed.

Let me also say that this is the first year that the new unified budget will be used, and it will take the Committee some additional time to acquaint itself fully with the concepts and form of the new budget. As you know, the unified budget will replace the three budgets formerly presented, which were the administrative budget, the consolidated cash budget and the national income accounts budget.

We were given, however, a view on Monday and Tuesday of this week of the overall dimensions of the anticipated Federal receipts and expenditures for fiscal 1969.

In terms of the familiar Administrative Budget, it appears that Federal revenues, without the surcharge but with the excise continuation and corporate speedup, would amount to $125.7 billion. Federal expenditures, not counting participation certificates, will be $147.4 billion, so we have another possible deficit in the neighborhood of $21 billion plus in prospect in the absence of further expenditure reductions and/or a tax increase.

Now let me just say that, according to these figures, it appears that the increment of revenues in fiscal 1969 over the current fiscal year—that is the increment of tax receipts or the dividend that results from a growing economy—will be about 9½ billion. In other words, even without enactment of the President's tax surcharge, our tax receipts are estimated to increase some 9½ billion in fiscal 1969 over the current fiscal year. But unfortunately—and I had hoped this would not be the case—the expenditure increase from the current to the next fiscal year appears to be an even greater amount, some $10.2 billion in terms of the Administrative Budget.

So here again, we have the situation about which I have been speaking and which concerns me greatly. Why is it that this year to year increment in revenues has to be obliterated by additional and increased costs of Government?

Now I fully realize that some of the increased costs are connected with our military operations in Vietnam, and I am certainly not talking about expenditures in that category. I have made this very clear. We simply have to do what is necessary there, whatever the cost, as far as spending is concerned.

What I do want to explore very thoroughly and assiduously, however, when the details of the new budget are printed and when we resume consideration of the surcharge is whether or not it is possible to use some appropriate part of this increment in revenues to help reduce the projected Federal deficit for fiscal 1969. I am convinced we must do this before we can go to the American taxpayer in good faith and ask him to pay additional taxes to further reduce the projected deficit.

BALANCE OF PAYMENTS

Now there is a second deficit that I wish to say something about, and that is the deficit in our balance of payments. This is certainly one of the most important matters facing the Congress in this Session of Congress.

The President is very much concerned about this problem, and on January 1 he issued a statement to the American people setting out in a very forthright manner our present unhappy situation and providing his recommendation as to what should be done about it.

I am persuaded that something has to be done about this problem. In 17 of the last 18 years we have run deficits in our balance of payments. While there was a time shortly after World War II when this outflow of dollars was necessary to help the world recover and to distribute more equitably international monetary reserves, that period has long since passed.

Several well-known factors have recently aggravated our chronic balance of payments problem: Vietnam; the increased rate of private loans and investment abroad; the diminution of our trade surplus which has traditionally been our most favorable item in an otherwise dismal balance of payments picture; the increased travel and tourist expenditures of Americans abroad. And last but not least, the devaluation of the British pound triggered very serious increases in our payments deficit, in the drain of our gold reserves and added significantly to the already existing strains on the international monetary system.

The result is that our balance of payments deficit in 1967 is about \$3½ to \$4 billion, the largest since 1960, and something just has to be done if we are to maintain the strength of the dollar and the stability of the world's monetary system.

The President, in areas where he presently has authority, has put in effect a number of temporary measures to deal with this problem. He has recommended that legislative action be taken with respect to those parts of the program where such is required. His overall program includes action on a number of fronts:

1. A mandatory program to restrain direct investment abroad;
2. Tightening of the Federal Reserve Board's program that restrains foreign lending by banks and other financial institutions;
3. Some form of restriction on travel abroad;
4. Reduction of Government expenditures abroad;
5. Intensified promotion of sales of American goods abroad;
6. Measures to reduce non-tariff barriers that threaten the competitive position of our goods in the world markets;
7. Encouragement of foreign investment and travel in the United States.

The Committee on Ways and Means will commence public hearings on February 5 on those parts of the President's program that fall within our jurisdiction. At that time we will receive more complete information and the specifications of the President's program. While it is impossible at this time to indicate the precise action that the Committee will take, I can assure you that the President's recommendations will receive very prompt and sympathetic consideration, and I don't think there is any question but that some action will be taken in this area by the Committee.

THE LATE ROBERT WOOD JOHNSON

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. PATTEN] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. PATTEN. Mr. Speaker, Robert Wood Johnson of the famous firm Johnson & Johnson, probably the largest manufacturer of surgical dressings in the world, died Tuesday in my district. I had the pleasure of working with this outstanding American as far back as the 1930's when he had the vision to keep the Raritan River clean. He worked and contributed generously to this effort. He foresaw what would happen throughout our entire country with the water we would need.

I remember hearing him talk at a county planning meeting about 1935, and he predicted the plight that the urban areas of America would suffer and all that he said has come to pass to haunt us today. He was pointing out how difficult it was for him to keep his industry in his hometown of New Brunswick, which he loved so much. He said it took one of his employees longer to get to work through the city of New Brunswick than it would to travel many, many more miles past the city line from his home. He forecast the increase in the number of automobiles and stated that urban transportation would be one of our most serious problems. At that time he also predicted the need for the problems that we now can name, but at that time there was no Federal Housing Administration, no Urban Renewal, and none of many programs that we now have on the books or even a matter of law.

He was a great benefactor and not all of our citizens know how often he kept worthwhile civic organizations alive by his financial support.

I always admired him because he never forgot his neighbors and the young men that he grew up with. Many are the names that he made great, men like Frank Cosgrove and Richard Mulligan.

Greatest of all was under his leadership we saw Johnson & Johnson grow to the enormous corporation that it is today, giving employment to many of those in our county. Even this past year he wrote me from time to time expressing his great interest in the problems of this Nation and offering his valuable advice. Bob Johnson was a great American and a great citizen of our district who was always available for advice.

THE ROLE OF THE OSTEOPATHIC PROFESSION IN MEETING THE CHALLENGES OF IMPROVING HEALTH AND WIPING OUT DISEASES

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. PEPPER] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. PEPPER. Mr. Speaker, it was my privilege at the signing ceremony of the Partnership for Health Amendments of 1967, last December, to meet the distinguished president of the American Osteopathic Association, Dr. Earl K. Lyons. I was very impressed by his concern for health care and health care legislation, and I have obtained a copy of his inaugural address delivered in Chicago on July 18, 1967. I believe my colleagues will be interested in the vision and inspiring forward sweep of Dr. Lyons' remarks, and I insert them in the Record at this point:

Presidential Acceptance Address

(By Earl K. Lyons, D.O.)

There is an ongoing struggle in the world today to improve health not only by wiping out disease but by ridding the world of conditions that allow disease to proliferate. Central to this struggle is the view that every man has an inalienable right to health. In this address President Lyons points out the role of the osteopathic profession in meeting these challenges.

This moment is filled with significant tradition. It is a moment of personal dedication and thanks—a moment when a man stands humbly in the shadow of all those who have stood here before him—a moment when time stands still and we examine the past and contemplate the future. From the past we seek guidance. For the future we cherish hope. At this moment we recognize our own mortality and the brotherhood of all men.

We observe today not a change of organizational leadership but a celebration of professional dedication—symbolizing not a beginning nor an end but the continuation of the great unfinished business of our profession, and of all mankind.

We, as osteopathic physicians, have special reasons for celebration and thanks today. During the past year the Administration and the Congress have made us full partners in the greatest social movement in the history of the world. They have recognized that osteopathic medicine, a science framed by its art and propelled by its philosophy, is making a major contribution to the health and welfare of the American people. They have recognized that the osteopathic profession is willing to accept its share of the challenge and the responsibility in working toward the goal of improved health care. And they have recognized that the quality of osteopathic education, the quality of osteopathic hospitals, and the quality of health care rendered by osteopathic physicians everywhere meet the very highest standards.

They have admired, if only privately, the osteopathic profession's determination to remain politically separate and distinct and to refuse the so-called olive branch extended to us by organized medicine. We have seen that olive branch before and we know that it is poison ivy. We have seen what happens when organized medicine offers to improve us. We have seen the arrogance of power. We know what can result from the misguided belief that one group of physicians somehow has a monopoly on truth and excellence. The history of our profession has taught us these lessons again and again.

But I will not dwell today on our profession's past, nor will I attempt to propel you into the future. Rather, I wish to speak about the present and about an obligation each of us has to the present—an obligation that too many of us, unfortunately, too often forget. This is the obligation to recognize change and adapt to it, and to strive always for excellence. Robert Browning said, "Ah, but a man's reach should exceed his grasp, or what's a heaven for?"

Today in America physicians, and all other members of the health professions, are being asked to heed Browning's plea. They are being asked to change their traditional ways of thinking and accept the challenge of a new goal—a new idea in health care. This is the idea that all Americans, everywhere, have the inalienable *right* to health.

According to this idea, health is the right of every man. It is not a privilege that he somehow earns, or that he can buy, or that is doled out to him by benevolent physicians. Every man has the right to receive the best health care that our advanced medical culture can provide. Every man has the right to have his pain alleviated and his illness treated.

This idea is so basic, so fundamental, that it is difficult to understand why some men object to it. How can we as physicians think otherwise? How can we say that this man, who can afford to pay us, may have the privilege of good health while that man, who cannot, must suffer?

There is little doubt today that many people are dissatisfied with our present system of health care. What are these critics unhappy about? They are unhappy about many things, especially the high and rising cost of medical care and the shortage of doctors, nurses, and hospitals—a shortage, incidentally, that leaders of our profession have been warning about for many years.

These critics are also unhappy about the unequal distribution of health care between the rich and the poor and between those who live in the city and those who live in rural areas. And they are unhappy about the lag that exists between medical knowledge and medical practice—and the growing trend in which medicine, through technology, knows more and more about less and less while seeming to ignore fundamental problems of illness and disease.

They are concerned about many specific problems as well. They are concerned about America's shameful rate of infant mortality, about inefficiency and misuse of hospital facilities, about air and water pollution, about deaths due to preventable diseases, and about the uncontrolled epidemics of our time—illegitimacy, child abuse, automobile accidents, alcoholism, adult crime and juvenile delinquency, and the moral and psychologic disintegration of individuals and families.

How serious are these epidemics? Let me cite just one example. The Children's Bureau of the U.S. Department of Health, Education, and Welfare estimates that there will be at least 10,000 cases of child abuse reported this year. (Such reporting is now required by state law.) Many more cases of parents' beating and maiming their children will go unreported. In fact, Dr. David Gil of Brandeis University has estimated that there are between 3 and 4 *million* incidents of child abuse in America each year. Not all of these incidents result in death or serious injury but these estimates do indicate that child abuse is a much larger and a much more serious problem than any of us has imagined.

In essence, these critics are saying that our present system of health care is obsolete. They are saying that our present system cannot provide high level health care for all who need it. They are saying that the time has come to question some of the basic assumptions on which American health care has been traditionally based.

What are some of these assumptions? Let me cite just a few: first, that all health care must be initiated and directed by physicians; second, that the hospital is the best place to receive comprehensive health care; third, that the solo practice of medicine is best for physician and patient alike; fourth, that fees are a private matter between physician and patient; fifth, that each physician and each hospital can decide for themselves just what, and how much, service they will provide; and, finally, that Americans, after all, are still the healthiest people on earth.

The mere fact that these assumptions are being challenged should make all of us a little uncomfortable. But why shouldn't they be challenged? How long has it been since you or I have even thought about these things?

The solutions which have been proposed to deal with our present dilemma in health care run the gamut from the immediately practical to the wildly idealistic.

Many individuals and groups are simply asking for more and more federal intervention. For example, the special commission headed by Dr. DeBakey asked the government to declare war on cancer, heart disease, and stroke—and it has. Other wars have been declared against air pollution, automobile accidents, measles, and venereal disease, to name just a few.

Each of these wars involves huge outlays of federal funds and more than a little direction and control from Washington. And we may wonder if a little bit of control isn't like a little bit of pregnancy.

At the other end of the spectrum is the approach advocated by the National Health Council. Instead of federal control this influential group speaks of "communities of solution." Instead of socialized medicine it proposes a plan of *social* medicine with the focus of action, and power, held within the individual community. It speaks of a comprehensive health planning, a systems approach to health care, and the establishment of social goals that go far beyond mere physical health.

The federal government, despite the cries of alarm that have been raised, is taking a position squarely in the middle. The most recent example of this is the report on medical care costs prepared by HEW Secretary Gardner and submitted to the President March 1, 1967. The report contains one message that is reiterated again and again. It is that while the federal government can offer incentives, it cannot make a major impact on the deliverance of high-level health care—without the leadership and full cooperation of the health professions.

What the report is saying, in essence, is that the government can initiate but it cannot dictate. The government can serve as a catalyst, but it is always the servant of the people, not the master. I believe that each of us must keep this point clearly in mind. It will clarify our thinking. It will also prevent us from simplifying complex issues through the use of emotional slogans.

What we are seeing in America today, therefore, is nothing less than a revolution—a medical revolution that will tear at and eventually replace our present system of delivering health care.

What can, and should, we as osteopathic physicians do about it? First of all, I believe that we must honestly recognize that changes are taking place. That may seem simple enough, but in practice it almost goes against human nature. None of us really want our traditional ways of thought and action to be challenged. None of us want to feel insecure. And yet we must feel somewhat insecure when we admit that times *have* changed and that what we believed in the past may not apply today.

Our choice is simple. Either we can cling to the past, or we can recognize the present and thereby be instrumental in shaping the future. Either we can remain complacent in tradition, or we can join that restless throng that is saying things are not as they should be. Perhaps most important, we can recognize that adaptation is not compromise, and that adaptation does not replace the continuing struggle toward excellence.

Our second task is to become fully informed about the changes that are taking place. Each of us should know about, and objectively evaluate, the many proposals being made to change our present system of health care. Certainly we are not economic experts, nor sociologists, nor politicians, nor should we be. But we must broaden our outlook. We must take the knowledge that we have about human beings and the human condition and apply it outside the strictly medical sphere. We must give up our narrow and sectarian concepts of health and recognize that the world about us is engaged in a vast struggle to improve health—not just by wiping out this or that disease, but by ridding the world of those conditions that permit disease and ill health to proliferate.

Specifically, this means that each of us must be concerned about rats, and air pollution, and syphilis—not just in the neighborhood where we live and work but across the tracks where those *other* people live and work. Each of us must be concerned about the mother who does not receive adequate prenatal care, about the children who struggle through school with hearing and sight problems, and about the literally millions of young teeth that are rotting away because parents cannot afford dental care—or are not educated enough to seek it. We must begin to wonder about the level of noise in our cities and even the mad rush for more and more affluence, and the physical and psychic toll it takes.

We must, in other words, deeply ponder the definition of health adopted by the World Health Organization: "Health is a state of complete physical, mental, and social well-being, and not simply the absence of illness and disease."

Third, we as physicians, individually and through our professional organizations, must provide advice and leadership. We must insure that any new system of health care, no matter how it is financed, offers only the highest level of service to every man. We must insist on the highest quality, for we know that any compromise will affect our patients—and our patients, after all, give us the highest recognition we can receive.

Many persons, even within the health professions, have scoffed at the idealistic goal of health set forth by the World Health Organization. They sneer that it is unrealistic, if not impossible. They hide behind pragmatism and proudly declare that they will attempt to solve only those problems that can be solved, and leave the rest to poets and preachers. They seek to avoid failure, and thus prevent growth. Simply, they remain unchallenged, uncommitted, and unconvinced. They would leave all things as they are.

We, as osteopathic physicians, cannot remain unchallenged, for we know, all too well, the physical and psychic powers of hope. We cannot remain uncommitted, for to do so would be to renounce our heritage of service. We cannot remain unconvinced, for we know that only by reaching for the stars can we rise above the common muck.

In closing, I would like to quote from Thomas Carlyle and from the Holy Scriptures. It was Carlyle who said, "Our grand business is not to see what lies dimly in the distance, but to do what lies clearly at hand." In St. Luke 9:62 we read, ". . . no man, having put his hand to the plow, and looking back, is fit for the kingdom of God."

Today, the American Osteopathic Association and its President place their hands to the plow—and we shall not look back.

ANOTHER CASTRO ATTACK ON OAS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. PEPPER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. PEPPER. Mr. Speaker, the Communist cancer which Fidel Castro has fastened upon the beautiful island of

Cuba discharges its poison not only in our own hemisphere but throughout the world. An example was brought to my attention recently through an article in Diario Las Americas, the distinguished Spanish language newspaper published in my congressional district. In this article Mr. Bonilla-Atiles nailed an extravagantly false propaganda charge against the Organization of American States which appeared in the Parisian newspaper Le Monde but arose from Castro's recent "Congress of World Culture" in Havana. I would like to call to the attention of my colleagues this clear refutation of the charges against the OAS both for the facts it presents about the true role of the OAS and for the example it offers of the damage the Castro regime can do to the United States and the cause of hemispheric unity far beyond this hemisphere. This article which appeared in Diario Las Americas on January 24, 1968, is as follows:

THE CULTURAL CONGRESS OF HAVANA

(By Bonilla-Atiles)

A Congress of World Culture has taken place in Havana. We do not know exactly what its results may have been, but we have learned of the aims of the meeting through an article published the third of this month in the Parisian newspaper *Le Monde* and bearing the signature of Marcel Niedergang.

The author writes: ". . . the Cubans know full well that the United States has set in action a vast plan to win minds" and that "the enemy is within the walls, since the Trojan horse of technological progress and United States culture . . . is a crime, perhaps even more reprehensible than those that have been used to bring about economic conquest and strategic control."

He cites as grave crimes of American imperialism international meetings of the intellectuals of the Hemisphere, admission into the United States during the past year of more than 20,000 young Ibero-American technicians coming to take courses in that country's universities, and the Fellowship Program of the OAS.

Obviously, in accordance with the Havana viewpoint which the article exhibits, the OAS forms part of the imperialistic mechanism, and its fellowship program is a means of indoctrinating Latin American youth in preparation for imperialistic penetration.

Since he who keeps silence gives consent, it is to our interest to speak up, proclaiming the falsehood of these venomous declarations. Through its Department of Technical Cooperation, the Organization of American States maintains a series of scholarship programs, paid for by the member states in proportion to their quotas. There are four types of programs: (1) The general Fellowship Program, under which a university graduate may engage in specialization at an institution of higher education, freely chosen by him, in any member state possessing institutions of the type in question; (2) the Technical Cooperation Program, for specialized training of personnel in certain areas of knowledge required for the development of the member states. Permanent centers have been established for this purpose in Venezuela, Brazil, Argentina, Peru, Colombia, and Uruguay (none in the United States). They are served by 80 instructors, only 6 of which are United States citizens. Other centers are set up in other countries from time to time; (3) the Special Training Program, the aim of which is similar to the program just mentioned, but which covers different areas and takes advantage of aid generously offered by non-member countries, such as Australia, Canada, Spain, France, Italy, England, Israel, Japan, New Zealand, and Sweden; (4) the program of Special Fellowships, which covers study at a number of special centers, such as CINVA (housing, Colombia), CIENES (statistics, Chile), CREFAL (community development, Mexico), CIESPAL (journalism, Ecuador), and musical studies in Chile and historical studies in Spain.

As can be seen, of the four programs the last three have no connection with the United States, only the first, making use of its university centers. Last year about 500 fellows availed themselves of this program. Fifty percent of them studied in the United States and fifty percent in Latin American universities. Of the latter group, half were United States students at Latin American universities. Consequently it must be agreed that we too are penetrating the United States and that so-called imperialistic penetration is nothing of the kind but, rather, inter-American cultural exchange.

Last year, about 2,300 fellowship grants were made all told: general Fellowship Program, 500; Technical Cooperation Program, 1,400; Special Training Program, 338; Special Fellowships, 80. (The numbers are approximate.) Of this total, about 10 percent studied in the United States. One must admit that this is a very limited degree of imperialistic penetration in comparison with a major degree of inter-Latin-American cultural interpenetration.

All of the fellowships granted have been for studies of a technical, scientific, or cultural nature, never for purposes of indoctrination. In contrast, what has been the activity on the other side? Scholarships for communist political and insurrectionary indoctrination are numbered by the thousands in Russia, Czechoslovakia, China, and Cuba, and machine-gun scholars are only too well known in Bolivia, Venezuela, Colombia, Guatemala, and Santo Domingo, not to cite other places.

As OAS fellowships are contributing to the technical training required for the development of our countries, and since only through development are we to achieve the political and economic liberties to which we aspire, it is natural and most reasonable that the Havana conference and its prejudiced propagandists should express opposition to them and find in them a cause of great alarm. For if tares can be sown, good seed likewise can take abundant root. It is therefore quite logical that, for the benefit of the foolish, the unwary, or the desperate, they should apply to OAS fellowships the threadbare epithet of Yankee imperialism.

INTERSTATE TAXATION ACT

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. SISK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. SISK. Mr. Speaker, recently an address of the executive vice president of the National Association of Wholesalers, Mr. Paul L. Courtney, in support of the Interstate Taxation Act was printed in the CONGRESSIONAL RECORD. Mr. John W. Lynch, vice chairman of the California State Board of Equalization has called to my attention what he considers "several glaring inaccuracies" in Mr. Courtney's argument. In order to correct any misstatements in Mr. Courtney's address, I urge my colleagues' careful consideration of Mr. Lynch's letter to me, which is herewith presented in its entirety:

STATE BOARD OF EQUALIZATION,
Fresno, Calif., January 10, 1968.

Hon. B. F. SISK,
Fresno, Calif.

DEAR CONGRESSMAN SISK: My attention has been called to an address by Mr. Paul L. Courtney, executive vice president of National Association of Wholesalers, which was printed in the Congressional Record for December 14, 1967, beginning at page 36545. This address, in support of H.R. 2158, the proposed "Interstate Taxation Act," contains several glaring inaccuracies which should not go unchallenged.

One of the statements made by Mr. Courtney was to the effect that the House Judiciary Subcommittee on Interstate Taxation found that the states could not enforce, and were not enforcing, present jurisdictional standards or the requirements of reporting and paying sales and use taxes when the vendor had a place of business in the state or had salesmen soliciting orders in the state. Mr. Courtney then went on to state that not one single state representative had ". . . challenged [sic] the noncompliance facts discovered by the subcommittee staff in its study. Not one single one of them offered a single argument in refutation of the noncompliance facts revealed by the two tables [sic] I have passed out as exhibits. To me, this is proof positive that the conclusions of the study are factual."

On January 27, 1966, as president of the National Association of Tax Administrators, I testified before the Special Subcommittee on State Taxation of Interstate Commerce of the Committee on the Judiciary of the House of Representatives. The testimony appears in volume 1 of the hearings of that subcommittee beginning at page 76 and immediately follows the testimony of Mr. Courtney which begins at page 70. My comments, beginning on page 79, effectively challenged the findings of the subcommittee and which Mr. Courtney states were unchallenged. My testimony is as follows:

"My second comment is concerned with the ability of the State tax departments to enforce their sales and use tax registration requirements against vendors who, while present in the State through their salesmen and other representatives, nevertheless, do not maintain a fixed place of business within the State. The general finding in the report is that the States do not and cannot enforce their registration and filing requirements against these nonresident vendors.

"It is my conviction that for many States, just the opposite is true. In support of my view let me say very briefly that if a vendor sells exclusively for resale, or sells only exempt tangible personal property or makes sales only to exempt buyers, he is not, generally speaking, subject to register and make tax reports. As far as I have been able to determine there is nothing in the subcommittee's business questionnaires which relates a specific respondent to taxable sales of tangible personal property in a particular jurisdiction in which his representatives are present. The finding on this point, therefore, is based on assumptions, not facts.

"On the other hand, a survey of the States made several years ago shows that in a large sample of States, a substantial number of vendors identified as nonresident vendors have been registered. The number of these nonresident registrations ranges up to 7,000 in the State of Michigan. I have appended to this statement a tabulation of the nonresident registrations in the States which participated in the survey, plus one State for which figures have recently been furnished. I regard this as more persuasive on the point about the effectiveness of State registration procedures than anything else which has come to my attention."

Indeed, the Report of the Special Subcommittee, Volume 1, 1964, gives a basis for questioning the quality of the sample results and the findings. For example, the report states (Vol. 1, p. 44):

"However, the list of corporate names from which the first sample was drawn did not include all manufacturing and mercantile corporations in existence at the time. Moreover, as is commonly the case in surveys which rely on voluntary participation, responses were not received from all companies to which the questionnaires were sent.

"Thus the companies responding to the questionnaires are not representative of the population of manufacturing and mercantile companies in a statistical sense . . ."

Again in referring to table 3–1 (the industrial distribution of the sample), the report states (*Ibid.* p. 45):

"This table indicates that retail corporations were sharply underrepresented on the mailing list. Manufacturers and wholesalers were correspondingly overrepresented, but relative to one another representation of these two groups was quite good."

The usable responses to Questionnaire I was 62.9 percent (Ibid. p. 47). Business Questionnaire II was sent to a selection of those responding to Questionnaire I. Usable responses to Questionnaire II were 34.2 percent and "was lowest among the retailers" (Ibid. p. 49). Again one of the conclusions drawn was that "retail corporations are underrepresented in the studied group." (Ibid. p. 52)

I would like to reiterate that since registration and collection of use tax is, in most states, dependent upon the solicitation and making of retail sales, the underrepresentation of retailers in the samples distorts and renders questionable any findings on the rate of compliance by out of state sellers with state sales and use tax levies.

Mr. Courtney complains of the "bureaucracy" created by certain states, including California, that maintain tax auditing offices and "huge" staffs in other states. California maintains offices in New York City and Chicago for the purpose of having an audit staff near the places where the large corporations maintain their records. By having these offices, California minimizes audit expenses, provides better service to out of state taxpayers and ensures greater compliance with its tax laws.

Mr. Courtney goes on to some length in describing what he calls the Florida Tax Commission's approach to try to increase compliance by making charges for audits conducted outside of Florida. I am advised that the Florida Sales and Use Tax Law was amended effective July 1, 1967 (some five months prior to Mr. Courtney's address), to eliminate the authorization of such charges.

I have written to you in order that some of the misstatements in Mr. Courtney's address will be corrected and brought to the attention of the various Congressmen. For this reason, I request, that if you see fit to do so, please have this letter published in the Congressional Record so that we may be on record as challenging these inaccuracies.

Very truly yours,

John W. Lynch,
Vice Chairman.

ORANGE CROP IN SAN JOAQUIN VALLEY SUFFERS FREEZE DAMAGE

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. Sisk] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. SISK. Mr. Speaker, I regret to report that in California's San Joaquin Valley the orange crop is suffering what may be one of its greatest losses. The experts say that in some areas of the State freeze damage may run from 90 percent to a total loss.

Because the valencia oranges have not developed to maturity, it is impossible to make estimates today which are certain to stand up a month from now. Yet, on the basis of past experience, current estimates should hold up reasonably well. Today the best authorities are saying much of the crop, for all practical purposes, must be considered probably lost.

The freeze occurred in the central valley on the evening of December 14, 1967, with temperatures in the low 20's for 6 or more hours—a situation normally fatal to oranges. Three other very cold nights came within the next 3 weeks.

As a Representative from California, I deeply regret this apparent disaster to one of our State's principal crops and I sympathize deeply with the growers and their affected communities. My attention has been called, however, to one ray of light in the gloomy picture—an agency of the U.S. Department of Agriculture, the Federal Crop Insurance Corporation, is preparing to pay as much as \$3½ million in loss claims to nearly 700 orangegrowers in the three counties where insurance on oranges was available in 1967—Fresno, Kern, and Tulare counties.

To the insured growers and their families, these payments probably will result in recovery of the approximate amount of their crop investment. They would not profit, but neither will they suffer losses of enough magnitude to force them out of business—as sometimes happens when a farmer, who may have borrowed operating capital, immediately suffers a total crop failure. For these hundreds of insured growers, the payments they will be receiving are certain to cushion the blow greatly.

Federal crop insurance, launched in 1938 by the Congress, today operates in 39 States where a third of a million farmers carry over \$750 million in total protection. In California, Federal crop insurance is offered in 11 counties where some 3,000 farmers carry about \$30 million in protection on oranges, wheat, cotton, oats, raisins, potatoes, barley, and sugarbeets. The number of crops eligible for insurance in a single county ranges from one to five.

Because most of the crops which are insured are in the San Joaquin Valley, the State FCIC office is located in Fresno, in my congressional district.

Nearly 2,000 California farmers carry FCIC's raisin insurance in seven counties, including Fresno, Madera, and Merced.

The second largest program in the State in number of participating farmers is the orange insurance program in three counties, which this year appears to be suffering such a great loss.

Nationally, FCIC has more than doubled its operation in the last 6 years. This speaks well for the wisdom of Congress in establishing such a valuable self-help program, and for the management of the corporation—which for the last 20 years has managed to cover all of its losses out of premium income with a small margin to spare. The real value of the program comes particularly to one's attention, however, when it hits home—as in this case, acting as a lifesaving financial cushion to hundreds of my fellow Californians who have had the foresight to carry FCIC protection on their orange crops. I am saddened that my State is having freeze-damage to its oranges, but it is encouraging to know that many will suffer less because of this helpful USDA program.

TEANECK'S SUCCESSFUL INTEGRATION

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. Helstoski] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. HELSTOSKI. Mr. Speaker, much has been said and written on the subject of integration and the problems encountered with such an endeavor.

Some areas of this great Nation of ours have had no difficulty in integration of their populace, while others made headlines in the newspapers for weeks at a time. It appears to me that the areas in which violence and civil disorders prevailed should have been given less public exposure, and those cities and towns where integration was accomplished through careful planning and civic understanding should have been given more credit for their efforts.

It seems to me that demonstrations and violence have not had the desired response to solve this particular crisis. These demonstrations indicate how poorly prepared this Nation has been to cope with such situations. How we resolve this problem of integration will determine the future of America.

This problem once faced the township of Teaneck, located in my congressional district, and was successfully faced without fanfare and disorder. I wish to commend to my colleagues the book written by Reginald G. Damerell, which presents the story of years of an inner battle in Teaneck over racial and religious tolerance and balance. This battle was not spread in the headlines, nor were there any civil disorders, which is to the credit of Teaneck. Tolerance and understanding took the place of violence and mistrust.

Mr. Speaker, as part of my remarks, I would like to include an article which appeared in the Evening Star of January 29, 1968, reviewing Mr. Damerell's book, "Triumph in a White Suburb."

The township of Teaneck can be proud of its accomplishment and to have been the subject of this excellent book on a problem which is very much in the forefront of present-day racial strife.

As Carter Brooke Jones, the author of this book review states:

> This book deserves to be read wherever there is a similar problem—and that includes almost every American town.

I am, Mr. Speaker, proud to represent a community which has done so much through the application of human justice and understanding to achieve a purpose which other communities are trying to attain through force and coercion.

Coexistence under peaceful action has a far more lasting effect than one that has been achieved through violence and which can sow the seed of prejudice and mistrust.

Mr. Speaker, I salute the people of Teaneck for accomplishing something that other American cities are still hopeful for.

The article referred to follows:

TEANECK'S SUCCESSFUL INTEGRATION

(By Carter Brooke Jones)

(NOTE.—Review of "Triumph in a White Suburb," by Reginald G. Damerell. William Morrow & Co. 351 pages, $5.)

Teaneck, across the Hudson from New York City, is a New Jersey township of some 50,000, without a slum or an industry, populated by persons of moderate-to-considerable prosperity.

It is a white collar suburb—for men who still cling to white collars. A large proportion of its people are business executives or belong to the professions.

In 1949 the civil affairs division of the Army selected Teaneck to represent this country to the people of occupied Germany and Japan as the Model American Town, because of its "fine municipal spirit and the high quality of its governmental services."

In 1954 the first Negroes began moving into Teaneck, but only in an area adjacent to Englewood, whose Fourth Ward had housed servants of some of the mightier families of Teaneck since the turn of the century. The fact that citizens of color had penetrated the township, always considered a refuge of white home owners of certain ethnic and religious origins, alarmed some officials.

"Members of the Town Council and the Planning Board," the author tells us, "discussed various ways to keep Negroes out. They talked of interesting the state in building a trunk road as a barrier along the border. One Planning Board member proposed a high fence."

Nothing actually was done. Surely, it was felt, those who didn't belong in an upper crust community would keep out. Besides, available houses were priced beyond their means. Strangely enough, though, a few Negro families did buy substantial homes on the northeastern edge of Teaneck. Their children went to a white school, but there were so few and these were so well-groomed that they didn't seem to pose a problem.

BLOCKBUSTERS

The Supreme Court decision of 1954 desegregating the public schools had little impact in Teaneck at the time—so few Negroes were involved. No effort was made to exclude them. But as time went on more Negroes, most of them well-educated, some doctors, lawyers or educators, moved into Teaneck—or tried to. It became increasingly difficult for them to find real estate agents willing to sell them listed houses. Some agents attempted "block busting," a plan resorted to in many cities.

But Teaneck was not like certain sections of Brooklyn and other cities. It had a substantial number of citizens who had no objection to living next to responsible families of any race, color or creed. Others disagreed vehemently with this philosophy.

Mr. Damerell has written the story of years of battle within Teaneck over racial and religious tolerance and balance. Along with anti-Negro sentiment there was an amount of anti-semitism, which began to crumble when Teaneck finally elected a Jewish mayor.

It was a bitter fight and yet it was fought within the town's boards and commissions and at its ballot boxes, without demonstrations or rioting, and this is greatly to Teaneck's credit.

Housing was only one phase of the racial upheaval. The controversy was centered in the schools. Not that even the most ardent white supremacist expected to keep Negro children out of public schools, but, as more Negro families moved into Teaneck, one elementary school was rapidly becoming confined to this race. Some outstanding white citizens felt that wasn't real integration, any more than confining the houses which Negroes could own to one section made them equal civic partners. There was wide opposition to "busing" children all over town to integrate schools, but the new superintendent of schools, Dr. Harvey B. Scribner, lured away from a similar post in a suburb of Boston, worked out a plan for a single sixth-grade school which all pupils, white and colored, would have to attend. After a prolonged campaign, during which he and Mayor Matthew Feldman often were threatened with violence, the plan won. It was a start toward real integration.

NEVER A GHETTO

There was never a question of a ghetto. Teaneck continued to be a plush residential town, with not a run-down street. It was simply a matter of communication and understanding.

"By the beginning of 1967," the author relates, "there were 30 to 40 middle-class Negro families living outside of the northeast (the old Negro section) and not one instance of panic-selling had occurred. Most encouraging, in the half dozen instances where a next door white neighbor had to move, whites purchased the home, willing to accept Negroes for neighbors."

Mr. Damerell adds that a strong tolerant leadership prevailed over the prejudice which still exists. This book deserves to be read wherever there is a similar problem—and that includes almost every American town.

MONEY WITHOUT GOLD COVER

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. RARICK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. RARICK. Mr. Speaker, it is one thing to talk of money without gold backing but the facts of past history show conclusively the failure of every such experiment no matter how nobly initiated or ballyhooed. And the loser—always the people.

Every thinking man knows that gold and gold alone is the ultimate value—the worth of money, be it in the United States or international exchange.

Irresponsible intermeddling in foreign governments with our taxpayers' money and credit must receive the frontal blame for the so-called lack of balance of payments, that is foreign demands for the gold backing our dollars exceeding our gold on reserve.

Why not place an embargo against withdrawal of any U.S. gold to foreign claims for an interim period? Would the temporary crisis be any different in removing all gold backing except that under the embargo? The gold would stay in the United States and the creditors could redeem their U.S. currency with American products and material.

Since we U.S. citizens are forbidden to own or possess gold, the question arises—why should our leadership persist in a self-defeating policy of permitting foreign citizens to take our gold on a first-come, first-served basis? Assuming our international unliquidated debt is twice our present gold reserve—this would deliver to one-third of our foreign creditors 100-percent payment, but to the other two-thirds and all U.S. citizens, nothing except paper and hot air. Would not the honest policy be simply to raise the selling price of gold to three times the present price or $105, thus revaluating our gold reserve so that we could at least satisfy all claimants and immediately enjoy relief from the panicky market.

In addition to gold as the stability and backing of our U.S. paper money, gold is a strategic wartime commodity. What nation in wartime would sell us needed ore material and minerals for paper money not exchangeable for gold? We would, therefore, be without means of trading with foreign nations on the gold standard.

If the recommended policy becomes law—and the gold cover is lifted—how many of our paper dollars will it ultimately take on the world market to purchase 1 ounce of gold? $100 million? $200 million? $500 million? What foreigner would sell his gold for any amount of paper U.S. money with no backing or exchange?

Deviations from the constitutional government of our fathers can but bring destruction and hardship. The establishment of the Federal Reserve System was such a deviation; likewise, any movement to devalue the dollar by emotional stampede such as removal of the gold backing can but result in chaos—unless you own diamonds, real estate, or a stable means of exchange that will rise in value with the new paper inflation.

We in Congress must look beyond emotional appeal and fright politics to history and the truth. To remove the gold cover will result in the greatest betrayal of one of the American people's birthrights—stability of our currency, our medium of exchange. Paper pictures of great American leaders make picturesque wallpaper—but is short on intrinsic value unless it has gold reserves shoring up its worth.

Mr. Speaker, a speech delivered June 27, 1961, by Maj. George Racey Jordan, U.S. Air Force, retired, is both interesting and pertinent to our situation now. I include the text of Major Jordan's speech following my remarks:

GOLD SWINDLE: THE STORY OF OUR DWINDLING GOLD

(Speech delivered by George Racey Jordan, major, USAF, retired)

In 1942 the Russians put through an order L–208, through their agent, Harry Dexter White, Assistant Secretary of the Treasury, to close all the American gold mines by law, imposing a fine and a jail sentence if the mine was not closed right away. Now, you gentlemen here, all know that you can board up a factory and return a few weeks later and remove the boards and commence manufacturing. But, close a gold mine and within a few hours it starts to fill with water, and in a few days you have a flooded mine which costs a great deal of money to unwater.

Commencing in 1934, we had a situation in the United States under which the price of gold, pegged at $20.67 was raised to $35. This 40% raise in price made it possible for people abroad to buy our manufactured goods 40% cheaper. It helped our gold producers with a higher price to expand and reach out for new machinery. But, before this machinery could be installed, along came the legal order, in 1942, to close all gold mines.

The machinery, the producers were told by their Government, was necessary for the copper-producing part of the war effort. So, the producers patriotically gave up all this special equipment. I inform you now that under the Lend-Lease Program, all this gold mining machinery was assembled in Seattle for shipment when we had the cargo space to Vladivostok, enabling Russians, with slave labor and this free Lend-Lease machinery, to start a huge gold-mining industry.

All of these things are part of a long-range, over-all plan. Unless you understood the master plan, all you ever could see would be an individual piece of a picture puzzle. With a single piece you could not decipher the whole picture. But, in the years that I have been associated with this situation I have been putting these pieces together one by one. Now I have a picture that I can describe and share with you so you will know what's going on in this conspiracy.

It's not a very good picture. When Harry Dexter White, the Assistant Secretary of the U.S. Treasury, was labelled by Congress as an agent for Russia, he was only one. There were others who helped them create the Bretton Woods Conference; others such as Alger Hiss, who later went to jail for perjury. And, the Secretary of both the Bretton Woods meetings and the International Monetary Fund, Frank Coe, was also fired by the U.S. Congress. All of these people were accused of being subversive Russian agents.

They schemed to close the gold mines by law while they were also working us into an international financial situation through the U.N. International Monetary Fund whereby we would gradually give up our economic freedom. The propaganda was that under a new one-world situation good for everyone, we'd all be co-existing and enjoying new freedoms.

Actually, what happened was that the Russians were tying us up tighter and tighter so that our gold mines would be closed and we couldn't raise the price of gold without the acquiesence of the other members of the International Monetary Fund. They got us so involved in this situation that it was like trying to run in ten inches of molasses. We couldn't make any progress in any direction, as it was planned.

Through other subversives in the government they promoted vast new programs like the United Nations Relief and Rehabilitation Administration, the Marshall Plan and other "economic" plans.

Thousands of tractors were sent to Europe but, later in an investigation, we were never able to locate these tractors because they had all disappeared behind the Iron Curtain.

A man asked me: "Under the Lend-Lease Program you sent over 600 ships to the Russians. When are they going to return our boats?"

I answered, "You don't understand. Those boats went out thoroughly equipped with linen and Monel metal kitchens, furnishings and carpeting, with everything complete. When they arrived in Basra, they were "cannibalized," as the boats were cut up into scrap and put into blast furnaces to be made into iron. So, even the boats disappeared into the steel mills—that's why we'll never get them back."

The Russians knew that thousands of planes were going through to Fairbanks, Alaska, on what was known as the pipeline run to Moscow, which followed your Alcan Highway. Seven hundred Russian pilots, speaking over 150 different languages, were waiting at Fairbanks to fly those planes over Siberia. Girl interpreters followed us around like a flock of chickens. When anyone would start to speak to a Russian, first a girl would have to get in between and swivel her head back and forth to interpret the conversation.

They all spoke different languages. Some of the pilots couldn't even speak to each other or couldn't be understood through any of the interpreters. We then had to cut a hole in the floor of one of the fighter planes so the pilot could crawl underneath and stick his head through the floor to examine the instruments. "Da, da," the pilot would exclaim, get into a similar plane and fly it away.

These pilots soon discovered little spaces they wanted to fill with small packages. Upon my request to examine these packages, they refused but proposed a Russian compromise, *offering* to tell me what was in the packages. I had to see what they were transporting—so I opened and inspected a few sample packages.

I found they were sending thousands of copies of patents; simple patents, like the Norden bombsight and undercarriage invention for fighter planes! There was a question of policy involved as I discovered they were going down the hall into the Patent Office, pushing into restricted rooms and browsing through the classified drawers to select patents by number—a special privilege that you and I as ordinary citizens would never have been allowed.

The public can review a catalog but government development patents are never disclosed in the catalog. The Russians were allowed to go into secret patent files and then for 20 cents could buy a copy. By going to the front widow and putting down a check for $5,000 every day, they purchased a lot of patents at 20 cents each. It took many airplanes to carry these packages of patents to Moscow. These 50-pound bundles became so numerous that after a while the Russians started to use transport planes—2,000 pounds of patent copies at a time, with a backlog of over 100,000 pounds awaiting space.

In 1942, 1943 and 1944 we were flying a plane to Russia every 20 minutes, 8 hours a day, 3 planes to the hour. Sixteen thousand airplanes went to Moscow, all different models of planes which I officially signed over to them.

In 1949 at the Army and Navy Club, when the War was over and I was on retired status, I saw, posted on the bulletin board, big newspaper headlines announcing that a 3-ounce bottle of uranium was missing from the Argonne Laboratories in Chicago.

The public must be calm, the notice warned, because if the Russians ever got that 3-ounce bottle of uranium, our entire military program—which was predicted on the premise that the Russians would be 20 years getting the atom bomb—would be obsolete.

They didn't even want the Russians to know what it was all about; so, this 3-ounce bottle was of such importance that they had 600 FBI agents and police roaming the ash dumps with Geiger counters, looking for the little bottle.

I remarked to two officers who were in the club: "*That's* a stunt to fool the public. It's going to be brought out gradually now that the Russians have already got the atom bomb."

"Oh," one replied, "that couldn't be. What makes you think so?"

"Because," I answered, "I shipped the Russians uranium in 100-pound boxes during the war, with official sanction."

The two officers became interested they invited me into the bar and urged, "Tell us about this."

So, I talked to them, and then one said: "Now, Major, uranium doesn't come in boxes, and, furthermore, it's the size of your little fingernail and it wouldn't have been shipped to Russia. You mustn't say things like that, you'll scare the public."

"Well," I replied, "I don't know what the size of it is but I remember the Airway Manifest that I had to sign was for uranium and all these other things, like heavy water."

So, they looked at each other, and when I started to leave them I could see in the mirror over the bar that one of them was making circles with one finger pointed close to his head. You know—implying that, "Well, he was a nice fellow when we knew him in the First World War, but now it's evident he's a little dippy."

However, a few days later, President Truman announced, "Russia has had an atomic explosion," and then those same officers came to me and I was escorted immediately before a member of the Armed Services Committee of the U.S. Senate.

The Senator said to me, "You made a remark publicly that you shipped uranium to the Russians."

I replied, "Yes, Sir," and he remarked, "Well, we are very interested in your statement."

I asked, "You want to know some of the other things I shipped, too?"

"Oh," he said, "did you ship something else?"

I said, "Oh yes," and told him some of the other things that had been shipped, and he was stunned.

He then asked, "You mean all these things were officially shipped to Russia?"

And I replied, "Yes, Sir, we gave the atom bomb and all the information on how to make them, and the plans with the drawings plus heavy water 'n'everything." He then arranged to have me guarded until I could testify.

Later, when I was interviewed, a radio commentator said to me, "Now, Major, you've been before the House UN-American Activities Committee, the Government Operations Committee, the Atomic Energy Committee, and other committees. Was there anything they didn't ask you that you think perhaps they should have asked you?"

"Well," I said, "none of those Senators asked me about the master plates of the Treasury that were sent to Russia so they could print our occupation currency."

Then I was subpoenaed by the staff of the Senate Banking Currency Committee for examination. I was asked, "Major Jordan, is this hearsay or do you know specifically about this matter?

"Well," I said, "there were 23 plates positive and 23 negative, accompanying the necessary paper and ink and paraphernalia necessary to print all denominations of the Army Occupation money in Germany."

"Why," he said, "This is terrible. You mean we gave away all our techniques of printing money?"

"I don't know about that. I was simply ordered to do this."

The committee soon learned we had shipped plates and paper and all things on to Leipzig where the Russians printed the same money that we were using as we occupied Germany. The M-Mark replaced the Hitler Mark and was created by the new civil occupation authorities.

General Clay, in command in Berlin, made a discovery. He had redeemed $354,000,000 more in these new marks than he had issued. It was obvious then that something was wrong. So, he started an investigation and soon found that the GIs could buy at the Post Exchanges, nylon stockings for 89 cents and sell them to the Russians for $50. The GIs could buy a watch for $17.50 and sell it to the Russians for abnormal sums like $2,500 and $3,000!

They called in one GI and said to him: "We paid you $100 and some-odd dollars last month and you have sent $65,000 home to your Mother in Indiana. How did you do it?"

He said, "General, it was all legal." He was told, "Never mind that. How did you do it?"

"Well," he said, "I can buy anything in the Post Exchange and sell it to the Russians. You got to be very careful because some of the Russians have a pocketful of half-mark notes while others have a pocketful of 500-mark notes. You see, General, the muzhiks can't read so they just peel off the money as they don't know how much it's worth. I was the biggest War Bond buyer in my regiment. I buy money orders and I buy stamps, sending them home in tubes. My mother sells them to a local manufacturer for 70 cents on the dollar. I did so well last month that I now have six guys working for me, and we use jeeps."

General Clay called a meeting of the Occupying Powers and asked the Russian Marshall if he was using the same kind of money.

"Da," he said, "we use same money."

"Well," General Clay observed, "we ought to get together and keep track of the accountability. How much do you give your Russian soldiers?"

The Marshall said, "Well, you see, the Muzhiks are very simple minded fellows. You can't give them much money at once so I give them each a 2-inch pile of money every day."

General Clay said, "A 2-inch pile of our money you give each Russian soldier?"

And the Marshall replied, "Da, you see, I give the whole Russian Army a two-year bonus."

General Clay exploded: "A two-year bonus with our money. How much did each soldier get?"

And the Russian Marshall said, "Well, when they go in for borscht soup, you know, there's a tray and they each take a 2-inch pile of money. They can't read so some lucky muzhiks get 500-mark notes and some unlucky muzhiks they only get ½-mark notes but they are all very happy because they go downtown to spend it and buy things to send home. We are all friends you know; we all work together."

General Clay observed, "Yes, but our taxpayers have to make that money good. Can you tell me roughly how much you are printing?"

And the Marshall said, "No, we don't keep books. We push switch and money comes out press."

General Clay asked, "You mean you're printing it? We pay our soldiers once a month and you pay your soldiers every day by printing our occupation money?"

So, of course, the U.S. War Department was very embarrassed because it had to change the money. The people in Germany had to have a period of time in which to get used to a completely new kind of money so they were given a few weeks for the changeover. The Russians, in the meantime, even played the slot machines in our Officers' Clubs to get hard money, and then they disappeared.

Now, this Senate investigation showed that allowing this pipeline into our Treasury through this mistake, cost the taxpayers over 2 billion dollars.

All of this leads up to the fact that a great deal of this money was used in buying the furnishings in people's homes, which was then put on trucks and sent back to Russia. Paying out 25 thousand, 30 thousand, 40 thousand—it didn't make any difference, because they had muzhiks waiting with pillow cases on both shoulders, and in the pillow cases they had all this printed money to buy up everything they could to send back home.

A great deal of that money has shown up in the last few years along with our Foreign Aid Programs, as a demand for the gold we have in Fort Knox. In our generosity to help after the War, we have a give-away program in which we borrow money, pay interest on the money, and then give it away.

The other day we gave $300 million to Norway which was surprised and asked, "What's this for?" We answered, "Don't you know? You're a North American Treaty Organization country and because you're a NATO country you qualify for a grant-in-aid program, so you get $300 million." The canny Norwegians promptly reduced their national debt. The taxpayers of the United States are thus paying off the national debt of Norway!

This United Nations setup: Who wrote the charter for the United Nations? Mr. Alger Hiss, Mr. Pasvolsky and Harry Dexter White. There wasn't one qualified American citizen in there to help write that charter.

They took the constitution of Russia and changed a few paragraphs—you can match it up word for word—that's the charter of the United Nations where it was arranged that the United States should pay 45% of the annual budget and have one vote, Russia was to pay 5% and have nine votes. They have a Political Action Committee (the second Committee down) to be in charge of any "police actions" for the United Nations.

When we had the Korean War, General Bradley, in the Pentagon, sent his orders to General MacArthur by way of the United Nations because it was a "police action". Imagine how it feels to be in the front line and to know that the orders to Field Commanders must be relayed by way of the enemy!

The enemy got the orders first because Mr. Arkady Sobolev, the Chairman of this Committee, was Assistant Secretary of War in Russia. Mr. Trigve Lie, who was the Secretariat General, wrote in his book that he didn't know why the Chairman of this Committee was always Russian, but that it was arranged during the secret pact of the Yalta Conference. . . .

All this is tied in with my testifying before the different U.S. Congressional Committees, which caused me to be in demand as a speaker for the various American patriotic groups such as the Daughters of the American Revolution and other civic groups.

When I reached California. I told a large group of businessmen about the $66 million dollars worth of gold mining machinery that had been assembled in Seattle and shipped to Vladivostok. The gold mine owners and their attorneys were so shocked at my disclosure they asked me to take out an affidavit covering these shipments to the Russians.

I made out the affidavit, and 252 gold mines sued Uncle Sam for the taking of their gold-mining machinery without a hearing and without proper compensation. Later, the Western Governors' Minerals Policy Conference discussed this matter. Through this conference it was decided to create a Committee For a Free Gold Market to spearhead the efforts of the 9,000 closed gold mines, to bring their plight before the public, accelerating their demand for a rise in the price of gold so they could reopen and operate their gold mines.

In the many months I spent with the Russians I learned enough about their techniques to know that they plan . . . things far ahead—and they seem to come through right on schedule.

We are all suffering from a gigantic conspiracy through Russian subversive activities in which they are trying to break the capitalistic system. It is tied in with fantastic expenditures for the so-called foreign aid programs which run $4 to $6 billion per year on the surface, and another $3 to $4 billion in other programs you cannot detect—submerged like an iceberg.

This is all part of the plan to financially break the United States . . .

Thirteen new nations made up out of African jungle are now members of the United Nations where they can outvote the West. By the way, one of the new delegates to the United Nations was unable to take his seat recently because he was in jail for eating his mother-in-law.

In another one of these new countries a delegate, a graduate of law school in England, was so admired for helping to get membership in the United Nations that they called him home for a conference, invited all the chiefs down from the mountains, and put him in a stew pot so they could all partake of his wisdom and thereby become as wise!

The United Nations is very embarrassed about this cannibalism because the U.N. doesn't want the public to realize that these individuals now have an equal vote with us in Assembly matters.

But each new country does have an equal vote with us and each desires to create a monetary system based upon gold, and they are all attempting to blackball South Africa; not only to ease them out of the British Commonwealth of Nations, but also to isolate them as a nation for later erosion.

The Russians, through the cultural exchange and our own stupidity—are able to impress the world with our lack of knowledge and our lack of scientific development.

And one of the things in which they have been most successful has been in increasing our spending programs.

There are hard-thinking bankers in foreign countries—cold blooded financial men who think in terms of how many U.S. dollars they own and how healthy is the financial structure behind that dollar. How much will the dollar buy? The only test for the value of any money is how much goods it will buy in the market place.

A banker in Holland, for instance, has dollar obligations. He is allowed by law to exchange his dollars for gold in Fort Knox. The American citizens are not allowed to own gold but any non-American can demand gold for his dollars.

The banker in Holland who is about to demand gold is asked if he does not need new dykes to hold out the North Sea or any economic aid—a new tunnel, bridge or something? Would he not like to have a harbor dredged because, if he will not demand his gold, we will give him some kind of economic aid to keep him from repossessing the gold that really belongs to him.

We are in a position where all the branches of the government are offering give-away programs to other countries with the understanding that they will not demand delivery of their gold.

On January 14, 1961 the President of the United States issued an edict that no American citizen could own gold outside the United States. No President of the United States can make a law by himself. Only Congress can make laws, but the President reached back to use emergency powers of 1917 granted by Congress, powers which former President Hoover once tried to use when he was in the White House but was told had expired. When President Roosevelt took office he wanted to take away the gold from American citizens, and he too tried to use these powers, but was informed that they had expired.

So, the Roosevelt Gold Clause Act had to be an amendment to the Agricultural Adjustment Act.

This whole situation is a conspiracy, an absolute conspiracy to subordinate gold; a conspiracy which was created originally by subversives in the Government, many of whom have been hailed before Congressional Committees to be thrown out of Government—but their policies linger on.

I claim in my recent book, "Gold Swindle," that raw gold in the ground is not monetary gold. Gold in the ground is a commodity, like tin and lead and zinc are commodities. Gold does not become money until the Treasury of the United States puts its coinage stamp on it as it is minted. Up to that time, gold is properly under the Fifth Amendment of our Constitution. There is no valid law compelling an owner of a gold mine to sell his gold in any manner or at any price that does not conform to accepted property laws of private ownership.

The U.S. Government cannot require a gold-mine owner to have form of a license in order to melt or change the form of gold when it is mingled with other metals to prepare it for sale. The Government cannot legally confiscate this property which is owned by the owner or assess a penalty or threat of a penalty, or appropriate or take possession of private-owned property in any manner which violates property rights under the Fifth Amendment, without a hearing and proper compensation under due process of law.

The U.S. Government should not misrepresent that the gold in Fort Knox is in any way connected with the money we carry as paper tokens in our pockets. We have no gold redemption in any form in the United States.

If you cannot take your dollars into the bank and exchange them for a gold piece, you are not on a gold standard. You cannot have a gold standard in foreign countries and no gold standard within the United States, because there is no such thing as a two-faced dollar:—half of it redeemable, or redeemable in one place and not in another.

Now when a foreigner sends 35–42 cent dollars to Fort Knox and demands an ounce of gold, he gets it at a bargain-basement price, because he can then transport that ounce of gold to other countries where it is worth a great deal more in the market place than what he paid for it at Fort Knox.

This is why we have a gold hemorrhage in the United States that must be corrected. . . .

We sell $100 million worth of gold out of Fort Knox every year to dentists and other gold users. That is replaced by $40 million worth of gold produced as a byproduct of copper and silver. Therefore, we have a $60 million deficit in Fort Knox every year.

These users of gold should be forced to go into the open market and buy gold according to the economic laws of supply and demand. They should be forced to buy their gold from gold-producers.

The gold in Fort Knox should be used for underpinning—our anchor pile—to protect the fiscal integrity of the dollar. If we do not reduce our national debt in times of peace and if we continue this deficit spending, the purchasing power of the dollar will further dwindle. The price of gold must be revalued.

UNTOUCHABLES TO THE RIGHT AND TO THE LEFT

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. RARICK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. RARICK. Mr. Speaker, more and more as one reviews the annotated revelations of the un-American hordes that are being exposed by Frank Capell in his Herald of Freedom, one can understand why and what is going on in our Government. Further the need for remedial action becomes a necessity.

Needed are more and more congressional hearings to make available to the American people the moves and roles ployed by the untouchables.

Throw a little light on the untouchables and they run for cover of darkness like so many termites.

I include part V of the "Untouchables," from the Herald of Freedom following my comments:

THE UNTOUCHABLES—PART V

It has been said that people fall into three categories: those who make things happen, those who watch things happen and those who don't know anything is happening. Those in the last category are not necessarily there because they are stupid but because the truth is deliberately kept from them. One very enlightening bit of truth has reached the people recently, however, in the form of the "Otepka brief" which was placed into the Congressional Record by Congressman John Ashbrook.

Otepka would fall into the category of someone who watched things happen and tried to stop them much to the discomfort of those attempting to make things happen whom we have called The Untouchables. Having Otepka in charge of State Department Security can be compared to having a representative of the Tsar in charge of security for Lenin. The only difference would be that the Russian people knew their government had fallen, the American people do not. What President Johnson himself has called "a profound but peaceful revolution" took place during the Roosevelt "New Deal" and has just about been consolidated during the "New Frontier" and the "Great Society" regimes.

It is almost inconceivable to the average American that important personages in Government are actually subversives plotting the downfall of our country but Stalin and Khrushchev were accepted as important personages in spite of the known fact that they had murdered thousands of people. The public image of a person reflects not what he really is but what the controlled press and other forms of public communication fool the people into believing he is.

One public image which remains untarnished in spite of his subversive background is that of James Harlan Cleveland. Harlan Cleveland is now U.S. Ambassador to NATO, having first entered government service during the New Deal and returned during the New Frontier after a period during the Eisenhower years when he worked elsewhere.

James Harlan Cleveland was born in New York City, January 19, 1918, the son of Stanley Matthews Cleveland and Marian Phelps (Van Buren). His father was the Episcopal chaplain to students at Princeton University and the University of Wisconsin. Cleveland graduated from Princeton in 1938, winning a Phi Beta Kappa key and honors in political studies. His left-wing orientation manifested during his student days. The Princeton Calendar of May 9–16, 1937 listed Harlan Cleveland as the Man of the Week and said he was the campus leader of the leftward. Champion of Youth magazine of January 1937, page 7, reported favorably on Cleveland as head of the Anti-War Society of Princeton. This publication, incidentally, was the official organ of the Young Communist League. Cleveland strongly opposed the ROTC program at Princeton.

At Princeton Cleveland was on the Executive Committee of the National Student Federation, which organization sent representatives to the Communist-controlled World Youth Congress, along with the Young Communist League, the National Negro Congress and other Communist-operated groups. Among his fellow students he was known as a Socialist and a radical. His yearbook states: "He is an Episcopalian and a Socialist."

During Cleveland's prep school and college years he had a very close personal friend with whom he constantly roomed. This friend was David L. Gordon, Jr. They lived for one year at 15 University Place and for three years at 4 South Reunion Avenue in Princeton. In later years this friend applied for a government job with the Board of Economic Warfare where Cleveland had been working. He gave as references in his application for a position in this sensitive spot Harlan Cleveland and Frank Coe (later identified as a Communist) who also worked there.

Having been awarded a Rhodes Scholarship, Cleveland attended Oxford University (1938–9) where a "Britain Should Rule the World" philosophy was being promoted and where the Fabian Socialists had infiltrated. A N.Y. Times biography of Cleveland explains that he never received his degree—"He was in the middle of doctoral studies when 'the war came along and they told us all to go home.' He never received his degree, but he has acquired five honorary doctorates." The colleges which awarded Cleveland these degrees were Alfred University, 1958; Rollins College, 1956; Franklin and Marshall College, 1960; Middlebury College and Kent State University, 1962.

Cleveland married Lois W. Burton on July 12, 1941 and they have three children: Carol Zoe, Anne Moore and Alan Thorburn, the last two being twins. Carol Zoe graduated from Rollins College where Cleveland's mother was once dean of women.

The N.Y. Times states that Cleveland has had three careers—in Federal service, magazine editing and higher education. His first career was in Federal service and began the same day as that of many other left-wingers, with Franklin D. Roosevelt. From October 1939 to June 1940 Cleveland worked with the LaFollette Civil Liberties Committee, a position arranged for by the National Institute of Public Affairs. Among those working on this Committee were John Abt, Bertram Edress, Robert Erlich, Charles Kramer, David Lloyd, Ben Allen, Sol Rabkin, Henry Fowler, Allen Rosenberg, Margaret Porter, Allen W. Snyder, Robert E. Shea and Luke Wilson. All of these individuals have varying degrees of association with communism, communist-fronts or individuals so involved.

Continuing his first career, Cleveland was a writer for the Information Division, Farm Security Administration, 1940–2; an official of the Board of Economic Warfare (later called the Foreign Economic Administration) 1942–4; executive director of the Economic Section, Allied Control Commission, Rome, Italy, 1944–5; member of the U.S. Delegation, 3rd Session of UNRRA, London, 1945; acting vice president in charge of Economic Section, Allied Commission, Rome, 1945–6; director, UNRRA China Office, Shanghai, 1947–8; director, Economic Cooperation Administration, Washington, D.C., 1948–9 and assistant deputy administrator of the same agency, 1949–51; assistant director for Europe, Mutual Security Agency, 1952–3. Here the first part of his career in Federal Government ended and he began his second career as Executive Editor of Reporter magazine from 1953 to 1955.

The N.Y. Times commented concerning one portion of his early career in Federal service: "At 29, Mr. Cleveland was in Shanghai directing a $650 million relief program for the United Nations Relief and Rehabilitation Agency. Later still in China, he joined the United States Economic Cooperation Administration." In his book, "Lyndon's Legacy," Frank L. Kluckholn, a newspaperman with long experience as a foreign and Washington correspondent, states: ". . . in 1946 and 1947 he (Cleveland) served as deputy chief of the UNRRA mission in Italy.

"Operating UNRRA in Italy during this period was Harold Glasser.

"Glasser was a Soviet espionage agent, a Harvard graduate, who entered the government through the Perlo Soviet espionage Cell . . .

"UNRRA (United Nations Relief and Rehabilitation Administration) deserves special mention among American-financed organizations which helped to put the Soviet and Red Chinese economies on their feet after World War II, by helping to finance the establishment of Communist regimes throughout Eastern Europe and in China . . .

"From its very inception, 'UNRRA was widely infiltrated by Communists and fellow travelers,' to quote just one competent source, ex-Communist Eugene Lyons . . .

"One good example of how UNRRA worked was seen on May 14, 1953, in testimony before the House Committee on Un-American Activities by Colonel Jan Bukar, a Czechoslovakian officer who escaped to the United States. Colonel Bukar testified: 'In the distribution of goods through UNRRA, the people who got any portion of the goods had to be enrolled as members of the Communist Party' . . .

"UNRRA money was shoveled out unreservedly to Communists in the now-Iron Curtain countries: UNRRA food fed the discontented masses of Eastern Europe, quelling rebellion against their new Red regimes, finally locking the grip of the Communists upon them . . .

"While Harlan Cleveland was a high official in the European operations of UNRRA, that organization took part in the merciless cruelties of 'Cperation Keelhaul' . . .

"The horrors of Operation Keelhaul cannot be recounted on these pages. Over their terror, their tears, their pleadings and their total desperation, between two million and five million human beings were shipped back into Soviet bondage. The number of mass suicides . . . has never been counted."

When Harlan Cleveland was transferred from UNRRA's European operations to its China operations he was personnally recommended for the post by Paul G. Hoffman. Paul Hoffman instigated the formation of World Brotherhood by the National Conference of Christians and Jews at UNESCO House in Paris in 1950. This outfit later became the Council on World Tensions, Inc. which distributed a book by Cleveland entitled, "The Promise of World Tensions." Also associated with the Council on World Tensions have been Ernest A. Gross, Charles H. Percy and George W. Romney.

During his "second career" of magazine editing Cleveland made no secret of his left-wing views, defending big government and attacking anti-Communists. The ultra-liberal magazine, The Reporter, for which he was executive editor was owned by Max Ascoli. From here Cleveland progressed to his "third career," becoming dean of the Maxwell Graduate School of Citizenship and Public Affairs at Syracuse University in 1956, where he remained until he returned to government service, resuming his "first career." He had never really left, however, as he is listed as a consultant for the Mutual Security Agency from Feb. 14, 1953 to Feb. 28, 1958. He was politically active outside government in an outfit called The National Issues Committee of which he was listed as a Board Member under the Chairman, Mrs. Franklin D. Roosevelt.

On the board of N.I.C. with Cleveland were Alan Barth, Mrs. Mary McLeod Bethune, Dr. Rufus E. Clement, Clark M. Clifford, Dr. Frank P. Graham, Leon H. Keyserling, Walter P. Reuther and Telford Taylor, among others. Executive Director was Don Pryor and Editorial Director was Sidney Sulkin whose names appeared on their publication, "The Issue." In a letter soliciting funds, this organization stated:

"You know as well as we do what's been happening in America. You've probably seen it happening in your own town, among your own friends and neighbors.

"More and more, people are afraid to act like Americans—to read, think, discuss, speak as they please.

"Under the banner of 500% Americanism, superpatriots supercharged with bigotry have corroded the very heart of Americanism—the essential liberties that are America.

"In the name of anti-communism, self-appointed vigilantes have served the cause of communism better than the communists themselves.

"It's long past time to do something about it!"

Cleveland was also a member of the Board of Directors of the International Development Service Inc. of Washington, D.C. This firm was retained at an annual cost of $120,000.00 for services supposedly rendered to the Intergovernmental Committee for European Migration which has been considered a questionable expenditure. Cleveland was also active in the Rockefeller-financed Institute for International Education and a trustee of the Carnegie Foundation's Experiment in International Living. He has been a trustee of the New School for Social Research in New York City which is Marxist-oriented and recently used the services of Alger Hiss as a teacher.

Harlan Cleveland has been associated with the American Civil Liberties Union, having done a research project for them while working in the office of Sen. LaFollette. He has also written articles for "Far Eastern Survey" and "Pacific Affairs," both of which magazines were organs for the Institute of Pacific Relations, cited as "a vehicle used by the Communists to orientate American Far Eastern Policy toward Communist objectives."

In "Lyndon's Legacy," Frank Kluckhohn states: "It is important to remember that when Kennedy chose Harlan Cleveland as one of his Assistant Secretaries of State, the State Department security office investigated Cleveland's background and activities—and ruled that Cleveland should not be granted even a temporary security clearance. However, Secretary of State Dean Rusk overrode the security office's findings; personally waived the security clearance for Cleveland, and Harlan Cleveland was installed February 23, 1961." The position into which Cleveland slithered was Assistant Secretary of State for International Organization Affairs, including UN affairs.

Cleveland's name appears prominently in the "Otepka brief" placed in the Congressional Record on December 14, 1967.

"In July 1962, at the request of Mr. Harlan Cleveland, Assistant Secretary of State for International Organization Affairs, Otepka talked with him about the case of Irving Swerdlow. Swerdlow had been recommended by Cleveland for a position in the Department of State. Mr. Cleveland and Mr. Swerdlow had served together in the Economic Cooperation Administration (later known as the Mutual Security Agency) and had also been associated at the University of Syracuse. Mr. Cleveland asked Otepka about the delay in the security processing of Swerdlow's appointment. Otepka answered that he foresaw no early completion of the Swerdlow investigation and evaluation. He expressed doubt that clearance could be issued until a number of matters appearing in the records and files could be considered and resolved by the Office of Security, which would take a long time. Otepka noted that Swerdlow had been dismissed as a security risk by the Mutual Security Agency, and that the top security officer in the agency had commented 'that Swerdlow's security file was one of the rottenest he had ever seen.' Cleveland responded with critical remarks about the Administrator of the Mutual Security Agency, Harold Stassen. He said that Stassen, had extreme views with respect to security. Cleveland then asked 'if there were any prospects for the reemployment of Alger Hiss in the United States Government.' Otepka said there was no 'chance for Alger Hiss to be reemployed in any government agency because by operation of law, a person convicted of a felony, is barred from a Federal job . . .'

"Swerdlow was subsequently appointed to a position in the State Department . . .

"As a result of his conversation with Cleveland and particularly because of Cleveland's interest in Swerdlow and Alger Hiss, Otepka reviewed Cleveland's security file. This review was also prompted by the fact that Emery Adams, then Chief of the Division of Evaluations, who had handled the security clearance of Cleveland, had told Otepka that pressure was exerted on him to grant Cleveland a waiver without the completion of a background investigation. Adams had protested, pointing to the file showing that Cleveland had interceded for eleven employees of the Economic Cooperation Administration and its successor agencies, whose removal as security risks had been sought by the Security Office. Adams recommended that Cleveland be denied a security clearance, but he was instructed to issue a clearance and did so; however, at that time he alerted Otepka to the need for maintaining the proper continuing security surveillance over the activity of Mr. Cleveland in the State Department. Otepka's review of the file also disclosed that in his senior class year book at Princeton Cleveland had recorded his political affiliation as 'socialist.' Further, the file revealed that Cleveland had been highly critical of security procedures and security officers and had been active in recommending reforms in government security programs which 'would have made it a lot easier for persons like Mr. Swerdlow to get into the government without adequate background investigation.'

"Pursuant to his duty to maintain a continuing security surveillance over Mr. Cleveland's activities in the State Department Otepka established a special file in his office in which he recorded his observation as to the persons Mr. Cleveland was bringing into the Department . . . .

"On July 30, 1962, the New York Times published a letter signed by one Leonard Boudin. . . In his letter Boudin complained about the security screening of UN employees . . .

"Otepka knew that Leonard Boudin had for many years been intimately involved with the Communist party and Communist affairs. . .

"In August 1962 Otepka was officially informed by memoranda to the Office of Security that Harlan Cleveland wished to set up an Advisory Committee on International Organizations. Mr. Cleveland had personally selected the eight members of the Committee. He wished them to be appointed immediately without preappointment investigation—in other words he wished to invoke the waiver procedures. Otepka objected. . .

"Otepka was especially concerned about three of the men selected by Mr. Cleveland for membership of his Committee. These three men were Harding Bancroft, Ernest Gross and Andrew Cordier . . . The record revealed that one or more of these men had served on the personal staff of Alger Hiss in the State Department, that all three had close and sympathetic associations with him, that they had stated they did not believe in his guilt, and that in their opinion he was not a security risk. . . . The objections of Otepka were met or circumvented by Cleveland and Reilly, who decided that the members of the Committee 'would be entered on the rolls of the State Department as consultants, and that they would serve on an ad hoc basis, that the positions to which they would be appointed would be designated as nonsensitive rather than sensitive as initially proposed . . .

"On February 19, 1963, the Advisory Committee submitted a draft report to the Department of State and . . . Otepka . . . discovered that recommendations in the draft report coincided with the position taken by Boudin in his letter to the New York Times. . . . Otepka observed further that in general the draft report recommended a reversion to the program and procedures advocated and administered by Alger Hiss for the screening of American personnel in the United Nations. In this connection Otepka recalled that in 1946 Hiss had prepared a list of 200 people whose names were submitted by the State Department to the UN as possible appointees to UN jobs. It turned out that 40 of these persons who had subversive connections were later dismissed from the United Nations, and 26 of the 40 invoked the plea of incrimination while testifying before the Senate Internal Security Subcommittee . . .

"On or about March 13, 1963, on orders from (John F.) Reilly, Otepka's safe was surreptitiously drilled, opened, and searched. . . .

"Otepka had the Cleveland and Janow files in his safe so that he might maintain a record of their activities, as his duty required him to do. With respect to Cleveland, he 'was interested in seeing who he was recommending for positions in the Department.' . . .

"Another case involved a prospective appointee to the staff of the United States Ambassador to the United Nations. The appointment was pushed by an assistant to Harlan Cleveland. Otepka insisted on full investigation of the individual's past activities . . . and in particular, Otepka urged a full investigation of an allegation that this man was involved in running arms and ammunition through the Congo to Angola in support of rebels who were seeking to drive the Portuguese from Angola. Otepka was overruled and the man was cleared and appointed. In the third case, although the applicant was unsuitable, Traband argued that Otepka 'should yield to reality because the applicant had strong political backing,' that it was Otepka's 'duty to accommodate the top.' . . .

"The cases that have been described establish a pattern of deliberate attempts on the part of Otepka's superiors to disregard or violate the security regulations and sound and proper security practices. The evidence demonstrates that Otepka resolutely and consistently opposed these attempts and that his opposition earned him the animosity of his superiors . . . It is plain that Otepka was an impediment to those in the Department of State who were not in sympathy with the security system and who were determined to disregard or circumvent the security regulations. In furtherance of this purpose they resolved to purge Otepka by fair means or foul. They finally resorted to the tactics of the secret police and the device of synthetic charges."

Harlan Cleveland is now U.S. Ambassador to NATO, having assumed that position Sept. 9, 1965. And what has been going on in NATO? The Newark Star-Ledger of March 23, 1967 states: "A free-spending Italian arrested on charges of spying for the Russians yesterday gave investigators names of 300 U.S. and other NATO officers allegedly involved in the biggest Soviet espionage network ever uncovered in the West, counterintelligence sources reported . . . They said 'some were identified as Americans.' "

A PROMISING REPORT BY PRESIDENT JOHNSON'S INSURANCE PANEL ON RIOT-TORN AREAS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Moorhead] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. MOORHEAD. Mr. Speaker, President Johnson's special Advisory Panel on Insurance in Riot-Affected Areas has now reported its recommendations to him. The President has asked Secretary Weaver and other key officials of his administration to begin preparing legislative proposals based on these promising recommendations.

I strongly commend the President for the actions he has taken through this Panel to protect business and private property in our cities.

As the Panel noted:

> Insurance is a basic necessity for responsible property owners and is vital to the rebuilding of our cities. Insurance can provide a powerful incentive for homeowners and businessmen to rehabilitate their own property and, in that way, improve their community.

The truth of these words is well known in scores of communities where many are struggling to overcome the terrible hardships caused by last summer's destructive riots.

I believe the Nation's insurance companies will be willing to cooperate closely with Federal, State, and local officials in providing new protection to the residents of our inner city areas.

I eagerly anticipate the administration's proposals on this urgent matter. And I am pleased to note that several of the Panel's recommendations for legislation incorporate features of my own bill on the urban insurance problem, H.R. 14263, the Urban Property Protection, Rehabilitation, and Reinsurance Act of 1968.

I insert in the Record at this point the text of the President's remarks on the report of the National Advisory Panel on Insurance in Riot-Affected Areas and a summary of the report:

Statement by the President and Summary of the Report by the National Advisory Panel on Insurance in Riot-Affected Area

The Presidents National Advisory Panel on Insurance in Riot-Affected Areas made public today its recommended program for meeting the critical insurance problems of our cities.

Upon releasing the report, President Johnson said:

"One of the most urgent needs in Americas cities today is to assure that the property of businessmen and homeowners is adeqately protected by insurance.

"The events of last summer spotlighted this need. The rebuilding of our cities turns on its being met.

"Last August, I appointed a Panel, chaired by Governor Richard Hughes of New Jersey, to study the problem and recommend ways to answer it.

"The Panel has just submitted a comprehensive report which recommends the course of action it believes will solve this problem. It calls upon the property insurance industry and state, local and Federal governments to contribute to a solution.

"This Panels work shows once again how the public interest can be served when the Federal Government, business, and state and local officials come together responsibly to meet the pressing problems of our cities.

"I have asked the Secretary of Housing and Urban Development to review the Panels report and, working with the Secretaries of Commerce and the Treasury, the Attorney General, the Director of the Budget, and the Administrator of the Small Business Administration, to prepare whatever legislation is appropriate to carry out the Federal responsibilities.

"The work of this Panel deserves the highest thanks of the nation."

The Panel was established by the President on August 10, 1967. Its members include former Governor William W. Scranton, as Vice Chairman; Frank L. Farwell, President, Liberty Mutual Insurance Company; George S. Harris, President, Chicago Metropolitan Mutual Assurance Company; A. Addison Roberts, President, Reliance Insurance Company; Mayor Walter E. Washington of the District of Columbia; and Assistant Attorney General Frank M. Wozencraft of the Department of Justice.

The Panel's report finds that many homeowners and businessmen in core areas of our nation's cities are unable to secure the property insurance protection they need. Their life savings are thereby exposed to loss from fire, windstorm, vandalism, or civil disorder.

Insurance is a basic necessity for responsible property owners and is vital to the rebuilding of our cities. Insurance can provide a powerful incentive for homeowners and businessmen to rehabilitate their own property and, in that way, to improve their community.

The report points out the national scope and critical nature of this problem. It finds that although the problem of inadequate insurance for inner city property has long been a corollary of urban blight, the civil disorders of the past year have seriously aggravated the problem.

To meet this problem, the Panel recommends a comprehensive program of five mutually supporting actions:

The insurance industry should take the lead in adopting in every state plans assuring every property owner fair access to insurance.

The states, in cooperation with the insurance industry, should adopt to the extent necessary, pools or similar facilities to insure properties which individual companies are reluctant to accept.

The federal government should create a National Insurance Development Corporation (NIDC) to support the efforts of the insurance industry and the states in achieving the important goal of providing adequate insurance for our cities.

The federal government should adopt tax measures to increase the capacity of the insurance industry to insure more urban core properties. The benefits of the NIDC and tax measures would be available only to companies participating fully in plans and pools at the local level.

A series of steps should be undertaken to meet special problems of the urban core insurance market, including programs to recruit and train urban core residents to be insurance agents and to fill personnel needs at all levels of the insurance business.

PRESIDENT'S MESSAGE ON VETERANS AND SERVICEMEN

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. Olsen] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. OLSEN. Mr. Speaker, I believe that in the message on veterans and servicemen sent us by President Johnson, we can also hear the voice of the people.

With their innate addiction to fairplay and the long history of the honor and respect they have paid those who fight the Nation's wars, the American public will stand solidly behind this effort to wipe out existing inequities in the present veterans' program and to lessen the impediments in the difficult return to civilian life.

Each of the proposals bears directly upon problems that affect not only serviceman and veteran but the intricate problems of our economic life. Surely the opportunity for employment, the chance to be rehabilitated to assume a productive status in their home communities, and the protection of their financial situation are in no way unusual or especially favored advantages.

Moreover, a lasting greater benefit to the Nation as a whole is proposed by the creation of Veterans in Public Service, as the outstanding attempt to end the situation in crowded urban centers that has led to despair, misery, and—as we know too well—to violence.

I not only urge my fellow Congressmen to support this legislation; in all honesty I cannot see that we have the choice to take any other course.

NUCLEAR PROGRAM

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. OLSEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. OLSEN. Mr. Speaker, on November 16, 1967, I introduced a joint resolution—House Joint Resolution 929—requesting the creation of a Federal Committee on Nuclear Development to review and reevaluate the existing civilian nuclear program to the United States.

In this connection, the proposed duties of the committee have been outlined to include the consideration and assessment of: First, the impact of the subsidized atomic energy industry upon competitive industries not subsidized; second, the cost of the nuclear program not only in expended human and material resources but also in lost opportunities in nonnuclear fields; third, methods for effectively integrating atomic energy into the general energy complex of the United States so that reasonable priorities may be determined; and fourth, the potential impact of rapid atomic development upon the health and safety of the American public—including the effects of waste, disposal, radioactive air and water pollution, the location of plants in urban areas, and possible losses caused by malfunction of nuclear plants.

The resolution has been referred to the Joint Committee on Atomic Energy. I request my colleagues to urge that this resolution be brought before the Joint Committee as soon as possible.

The present and potential expenses for nuclear powerplants compared to conventional power facilities—coal and hydroelectric plants—must be weighed and prudently studied. The sooner this proposed committee starts functioning, the sooner the solution and the greater the benefits that will accrue for the entire Nation.

PRESIDENT JOHNSON'S CRITICS AND PEACE IN VIETNAM

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. OLSEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. OLSEN. Mr. Speaker, President Johnson has often said that he has more volunteer Secretaries of State and Secretaries of Defense than any President in our history.

And he is right.

There is always room in our society for constructive criticism of Presidents, Congressmen, or anyone else in public life.

But who can doubt that much of the criticism of Lyndon Johnson has passed the bounds of decency or of usefulness?

And who can doubt that others among the President's critics have inadvertently provided aid and comfort to the enemy?

Imagine what Ho Chi Minh must think when he hears American politicians pleading for an end to the bombing, calling for negotiations now, or demanding that we bring the boys home.

If I were Ho, I would think that the United States was buckling seriously in its determination to see Vietnam through to a peaceful and honorable conclusion. Under the circumstances, Ho Chi Minh would do everything possible to prolong the war, thinking the Americans will soon be begging for a cease-fire.

I think all responsible and fairminded Americans know that President Johnson is second to none in wanting peace in Vietnam.

And, there is no question about the administration's willingness to hold peace talks with the Communists.

But these talks must contain the potential for being productive before they are held. We all remember Korea, when most American casualties occurred during an endless series of peace talks.

And we must insure that the Communists do not use this negotiating period to take advantage of our side militarily.

We can rest assured that when Hanoi sincerely wants to discuss peace, the United States will be ready and willing.

Until then, the most valuable service many of the President's critics can provide is to keep quiet. By so doing, they can truly serve the cause they profess to champion—the cause of a peaceful solution to Vietnam.

THE PRESIDENT'S MESSAGE ON SERVICEMEN AND VETERANS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. RESNICK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. RESNICK. Mr. Speaker, yesterday, American servicemen fought on the other side of the world in the battle for freedom. Yesterday, the President of the United States discussed with the Congress in Washington new programs to extend benefits to our servicemen and veterans. I believe these events reflect our country's strength and compassion.

The President's proposals and actions indicate his knowledge that the needs of returning servicemen and veterans are many and varied. Among existing benefits are help in securing an education, a home, a job, the best of medical care in Veterans' Administration hospitals, and concern for a veteran's widow or orphan. The new program extends basic benefits, corrects certain inadequacies, and adds a new dimension to the transition from serviceman to civilian.

New solutions are offered for old problems. Every day we hear of veterans who simply are not aware of the GI bill. Getting information to these people is a Herculean task, especially when we consider that over 850,000 service people will return to civilian life this year. But the President has taken measures to correct this. He has directed the Administrator of Veterans' Affairs to step up three existing VA programs which bring information to GI's before discharge. These programs are conducted in Vietnam before the soldiers return home, in our military hospitals, and at military separation points.

To reach veterans once they have returned to their communities, the President has ordered one-stop centers to be opened in 10 major cities within the coming month. These will be known as U.S. Veterans' assistance centers and I am happy to note that one will be located in New York City. Ten other centers will be opened as soon as possible.

This is but one example of the President's efforts on behalf of our servicemen and veterans. Many of his proposals will require legislation and I will be proud to respond to President Johnson's request for I see great merit in his ideas for facilitating veterans' readjustment to civilian life. It is part of our Nation's obligation to repay them for their contributions to America's security.

BOB CONSIDINE REANALYZES THE TFX

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. LEGGETT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. LEGGETT. Mr. Speaker, much has been said of late respecting claimed defects in the Navy version of the TFX aircraft. Appropriately Bob Considine, long a skeptic of the program, recently reanalyzed TFX. If the Navy now determines that they want to scrap what the Air Force says is the Nation's best, the burden will be on the Navy to prove that the best is too good for that branch of service. The Considine editorial follows:

NEW YORK, January 21.—Robert McNamara once the most conspicuous man in the Johnson cabinet but now less visible than Robert Weaver, Secretary of Housing and Urban Development, can take some comfort as he packs and heads for the bank.

The Air Force has learned to love his TFX.

The swing-wing twin-engined fighter-bomber he literally forced upon the Air Force and Navy (the latter's misgivings are still unresolved) will be just beginning to serve the country about the time McNamara takes his leave.

The F–111A, as the Air Force's version of the hotly controversial aircraft is named, has been refined by General Dynamics and Pratt & Whitney into the most remarkable war plane ever flown.

Air Force combat veterans now being checked out in the F–111A at Eglin AFB, Fla., and Nellis AFB, Nev., have forgotten their infatuations with all their birds dating back to the P–47 and up through the F–4. The F111A does everything better. Test pilots recently assured Claude Witze, senior editor of Air Force Space/Space Digest, that the new plane is so good that the weaponry it was designed to carry—bombs, guns, rockets, etc.—must be improved to bring them to a par with their carrier.

The F–111A's myriad "Black Boxes" make it such a steady and unerring weapons "platform" that it can drop conventional bombs with twice the accuracy of any other fighter in the field—but, still, the bombs must be improved to keep technological pace.

The big TF30 engines—two to a plane—have proved so reliable that the first batch of test planes were able to fly nearly twice as many hours per month as is required of far less complex planes. The engines, a combination of turbofan and afterburner arrangement, can lift a loaded F–111A off the strip in about 3,500 feet, thanks to the capability of the aircraft to spread its wings like a glider. The engines have what amounts to five different forward speeds so far as the fuel-consuming afterburner is concerned, thus giving the pilot who is low on juice and needs a little extra kick-in-the-pants a selection of kicks, depending on the emergency. Saves fuel, and could save the lives of pilots and planes, the former worth angels and the latter each more costly than the original purchase price of Alaska. With its wings folded back into a dart configuration, the plane can fly at about 1,600 m.p.h.

The F–111A can approach an enemy position so low above the ground that it cannot be picked up by radar, and so fast (supersonic) that there will be no audible hint of its approach. Incredibly, this can be done in pitch darkness by this plane whose conception rained down bitter abuse on the neatly-parted head of Robert Strange McNamara. (I called it the swing-wing Edsel, like a boob.) So fantastic are its electronic instincts that if the slightest thing went wrong, as it raced at nearly treetop level at supersonic speed and zero-zero weather, or if any invisible barrier lay just ahead, it would automatically climb to safety. It can land safely on less than 2,000 feet of strip or other hard surface without need of popping out a braking chute.

It is not only better than its bombs. It is smarter than its pilots.

It can take off carrying 48 conventional bombs under its wing and weighing, with everything considered, 98,000 pounds. (By contrast, Jimmy Doolittle's B–25 twin-engined bombers that bombed Japan from the deck of the carrier *Hornet* to help turn the tide of World War II, weighed 30,000 pounds, carried a crew of five and a ton of bombs.) The F–111A could easily carry the nuclear equivalent of several million tons of bombs. Thus has the state of the art improved, or gone berserk, depending on your point of view.

An F–111A is refuelable in the air, of course. But by spreading out its wings it can decelerate to the point where it can milk a lumbering KC–97, the oldest and slowest tanker in the inventory. But its range without refueling is something unheard-of in fighter-bomber history. One of them flew from the U.S. to Paris nonstop in a few hours and had two and a half hours' fuel left when it landed. The Strategic Air Force's proposed version of the hen-pecked TFX will fly 5,000 miles nonstop, and carry more destructive force than all the bombs dropped by all the adversaries in World War II.

Sorry about that "swing-wing Edsel," Mac. And happy World Bank.

INVESTIGATION OF CRIME SYNDICATES

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Dow] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. DOW. Mr. Speaker, yesterday I introduced House Resolution 1049, a resolution directing the Committee on the Judiciary to conduct an investigation of organized crime in the United States.

I have recently come to the conclusion that the approach taken by Congress toward organized crime in the past is too narrow. I have arrived at this result after reading many recent magazine articles, following the Marcus case in New York City, and looking over the Task Force Report on Organized Crime prepared by the President's Commission on Law Enforcement and Administration of Justice.

The task force report states that one of the greatest frustrations in dealing with organized crime is the fact that in itself it is not against the law. What I feel is needed is a detailed and thorough investigation by Members of Congress into the formal and informal structures used by illicit business or criminal syndicates. Such a study is very necessary in order to make the differentiation between an individual participant in a criminal act and the operation of a syndicate or group of men whose business it is to deal in crime as a collective enterprise.

It is no longer shocking to relate that organized crime has penetrated legitimate business and even government. The question is not unique, it only serves to remind us that the once rough, hard-bitten men who toyed with human lives have now put on button-down shirts and wear conservatively styled suits. The organization is composed of an entrenched and arrogant criminal elite. Around New York City alone the number of men allegedly operating is estimated at 5,000.

I submit that our fight against organized crime to date has been sporadic and weak. This is not to say that the Justice Department and other law enforcement agencies are not doing all that they can with the laws Congress has given them. But, it is a real commentary on the effectiveness of our legislation when most citizens know that tax evasion is the normal but inadequate way of indicting a member of the syndicate.

In my resolution, I have included nine specific areas that the Committee on the Judiciary should investigate:

First, the use by criminal organizations and syndicates of interstate commerce in the commission of acts which are in violation of U.S. or State criminal laws;

Second, the activities such as gambling, extortion, blackmail, narcotics, prostitution, or labor racketeering, to the extent they are controlled by criminal organizations and syndicates, or parts thereof;

Third, the receipt and sources of income by such criminal organizations and syndicates in the form of dues, assessments, loans, extortions, or otherwise;

Fourth, the assistance in the form of gifts, bail bonds, or monetary remuneration provided to members of such criminal organizations and syndicates, or to aides or employees thereof;

Fifth, the recruitment by such criminal organizations or syndicates of persons for the purpose of promoting or engaging in activities such as gambling, extortion, traffic in narcotics, labor racketeering, and commercial crimes in violation of U.S. or State criminal laws;

Sixth, the use of corporate devices or other legal means to further the illicit and criminal purposes of such criminal organizations or syndicates;

Seventh, the penetration and acquisition of legitimate businesses by criminal organizations and syndicates;

Eighth, the channels and methods employed by criminal organizations and syndicates of drawing income from activities listed in paragraphs second and fifth, as well as from legitimate business, in order that such income not be reported as income for tax purposes, and in order to sequester it in other countries; and

Ninth, the structuring of criminal organizations and syndicates as well as their interrelations with one another and with legitimate business.

I have emphasized the necessity for study of the structuring of criminal organizations—paragraph 9—and the use of organized crime of corporate devices or other legal means—paragraph 6. Congress can only legislate effectively to put the organization out of operation through better laws after it assumes the difficult task of understanding the organization.

The law-enforcement agencies are more concerned with the incarceration of individuals and collect their evidence toward that end. They are most interested in imprisoning criminals whether or not they are members of a syndicate or organization. This is their responsibility.

Congress must better inform itself of the nature of the problem of organized crime. I believe that my resolution could be the beginning of this process. As Dr. Donald R. Cressey concluded in the Task Force Report on Organized Crime—

> The American confederation of criminals will not be controlled until it is understood, and it will not be understood until its division of labor has been specified in detail so that it can be attacked as an organization.

There is another aspect to recognize in regard to crime. I refer to the rising demand for control of crime in the streets. This goes not only to the increased numbers of violent crimes, but also to the civil disturbances in our cities.

The same justice that we mete out to individuals and to civil rioters must be employed against the even more powerful and better organized crime syndicates. These are cancers in the truest sense that support and extend the prevalence of all other crimes. They must be torn out, root and branch.

AIR SAFETY

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, I wish to commend to the attention of my colleagues a comprehensive and well-balanced article on the role of the Federal Aviation Administration in air safety, entitled "Enviable Record or National Disgrace?" It was written by Bill Gale, who has a total of 6 years experience as an air traffic controller. It appeared in the Sunday magazine of the Providence Journal on November 26, 1967.

My dealings with the FAA in the past have lead to a deep concern over air safety. I am fearful that the close-eyed attitude toward midair near-collisions fostered by FAA will, soon or late, be proven to be bureaucratic self-complacency by a series of air tragedies. Therefore, I particularly call attention to the supplemental article in the Providence Sunday Journal entitled "Many Midair 'Incidents' Go Unreported."

The articles follow:

In a Year 226 Airline Passengers Dead: Enviable Record or National Disgrace?

(By Bill Gale)

A gate at Washington's National Airport greets you with a sign the size of a dinner table showing a control tower staffed with busy men.

Instrument lights are beacons of brightness in the crowded, darkened tower. The men hold their microphones poised. The sun has set and twilight is in command. Seen through the windows, a blue and white jet hovers over the runway searching for the earth, its trails of condensation leaving pencil-thin chalk marks on the pastel sky.

The legend at the top of a poster says: "Safety in the air is the primary mission of the Federal Aviation Administration."

Those words are at the crux of a debate now boiling around the FAA. There is some question, in these days of terrifying air crashes, whether the FAA is providing the air traveler with a sufficiently safe air traffic control system.

The controversy has only general interest for many, but what it boils down to is that those of us who are passengers may not be getting as much safety as we should from the nation's air traffic control system.

The detractors of the FAA say we definitely are not. Their criticisms range from an accusation that the United States' air traffic control system runs on "pure luck" and that "a point of public peril" has been reached, to milder declarations that the FAA has not kept up with America's rapidly advancing aviation world.

A Trans World Airlines pilot, V. A. Lowell, in his book *Airline Safety Is a Myth*, advocate that the FAA's function be given over to private industry.

The FAA of course, defends its record. It proudly points to the small number of midair collisions of aircraft under its control and says the system works fine.

But the agency's critics are many and the number is growing. They range from a government employes' union to members of Congress.

Basically their contentions take three interconnected themes:

1. The FAA has not kept pace with the growth of the aviation industry and has become an over-controlled bureaucracy, a "management monstrosity" in the words of one critic.

2. The agency in the '60s has become too concerned with cost versus benefit ratios without a concomitant concern for air safety.

3. The FAA has allowed the air traffic control system to become undermanned, underequipped and undermaintained. It has allowed "controller expertise" to make up deficiencies.

FAA figures seem to show that the agency is behind the aviation industry. In 1960 there were 5,446 control tower operators; in 1967 there are 6,331—an increase of 16 per cent. Aircraft handled by towers since 1960 has increased 72 per cent.

Air traffic control centers, which control enroute flights, had 7,238 controllers in 1960; they now have 6,884—a decrease of four per cent. Since 1960 traffic handled by centers increased 49 percent.

The FAA claims it is unable to say how many new controllers it has hired since 1960. To find out would require asking each air traffic control facility across the nation how many new men they had received, an agency spokesman maintained.

However, Clifford P. Burton, now Executive Director of the Air Traffic Control Association and formerly an FAA controller and executive for 20 years, says the agency has created fewer than 700 new controller positions since 1960, but during the same period has opened 94 new air traffic control facilities.

Mr. Burton, former deputy director of air traffic service for the FAA, says that the agency has always underestimated air traffic increase and then, naturally enough, underestimated the number of men and volume of equipment needed to meet the increase.

Other critics point to the FAA's original request for 682 new controller positions in fiscal year 1968 as evidence that the agency is woefully behind.

Further evidence which seem to support the contention is that the agency got a 7-million-dollar addition to its budget request for fiscal year 1968. The money will be used "specifically," officials say, to hire about 120 more controllers than the original 682 for a total of over 800.

Another ex-FAA official, Frank McDermott, who was a controller and supervisor for eight years, feels that the FAA has become top-heavy with management. "It's a fat, unwieldy, bureaucratic agency that detracts from the original purpose of the FAA," he says.

Mr. McDermott says that the agency has created 20 additional field offices staffed with unneeded personnel. Many controllers, rather than being interested in their original job, are now aiming for "mahogany row,"—the 9 to 5 desk jobs in the agency's regional and area offices, he says.

As evidence that the agency has not kept pace, Mr. McDermott points out that one comparatively inexpensive advance would be to build short, light runways near the bigger runways at major fields. This would separate light, civilian aircraft from the jetliners. It has been done at Kennedy Airport, but at few other fields.

Another critic is Representative Henry C. Gonzalez, a Texas Democrat who puts part of the blame on the United States Congress.

The FAA is a "runaway agency" which was created or rather "gerry-built" out of an air traffic control crisis in 1958, Mr Gonzalez says. He adds that Congress has little control over the agency. Congressmen feel they have no expertise in air traffic control so they must grant the FAA's budget and leave the agency alone, Mr. Gonzalez says.

Congressman Gonzalez, who is a longtime air safety critic (he was once hung in effigy in Seattle for criticizing aircraft made by the Boeing Corporation) says the FAA must simply admit its mistakes and get going, and that Congress must gain a "more acute awareness of the problems of air traffic control."

"The FAA was set up in a crisis situation," Congressman Gonzalez says, and adds that it is accountable to no one but itself. Those two situations at any time will bring trouble, he says.

"What will it take before something is done—Air Force One (the President's airplane) to hit a small craft?" he asks.

The agency's reply to such criticism is that it has not lagged behind the aviation industry. It points proudly to what it feels is an enviable safety record; officials are quick to point out that only two midair collisions between airliners have taken place since 1960.

In 1965, the last year figures are available, more than 92 million passengers flew almost 72 billion miles with just 226 deaths—a rate of 31 per 10 billion passenger miles. This is an unduplicated record of air safety, officials say.

The agency admits that the current level of traffic is "somewhat" higher than the planners expected. But it says that the air traffic control system is flexible enough to handle it.

"We're just using up a little of our buffer," says Charles W. Carmody, chief of the FAA's program management staff.

FAA officials say their request for more than 800 new positions in fiscal 1968 merely shows that they are looking ahead. They point out that although controllers in enroute centers are down slightly since 1960, there are now fewer such centers. FAA officials also paid out that they are working on an automatic air traffic control system, hopefully ready by 1977.

When asked if the FAA was behind the aviation industry, Mr. Carmody, who has been a controller since 1937, said, "There are occasions when we are accused of being too aggressive. You've got to balance this sort of thing." He added that, "developing an air traffic control system has got to be an orderly process."

The second criticism, that the FAA places too much emphasis on cost versus benefit ratios, is the hardest to pin down. Critics say the agency has gone too far—the agency says it is just trying to save the taxpayers' dollars.

The basis of the critics' complaint is that if a particular safety device or controller position does not return a certain benefit a certain percentage of the time, it is eliminated without enough thought given to those few periods when the device or the controller may be vitally needed for air safety.

"Where safety is concerned you just need some fat," as one of them put it.

Mr. Burton of the Air Traffic Control Association says that in the early 1960's he watched with dismay from inside the FAA as the "cost-benefit boys" were brought in and "the operations people squeezed out."

One example of a collision of belief in this area is over the implementation of a dual radar system in air traffic control centers. The National Association of Government Employes (NAGE) which claims to represent more than 8,000 controllers (this figure is hotly disputed; more like 1,000 some people say) says that a dual radar system is needed now. It could provide instantaneous changeover to a second system if the primary radar failed.

Stanley Lyman, a NAGE vice president and a controller in the Boston center for 14 years, says that a controller may have 10 aircraft, all separated from each other with the use of radar. "If that antenna goes out, you've got chaos," Mr. Lyman says.

The controller must then try to establish separation according to non-radar rules which require that aircraft be much further apart because they are not being "eyeballed" —watched on radar. The changeover is "nothing but luck," Mr. Lyman says.

Many radar failures happen in the receiver that the controller is using. Currently it is a matter of pulling out the failed radar receiver and plugging in a new one.

It is as if you had two TV sets at home. When one failed in the middle of a ball game you'd go and get the second. But while you are getting the other, plugging it in, and warming it up, it is possible for you to be disappointed by missing the big play. For an air traffic controller to miss the big play while he waits for his new set can be disastrous, not disappointing. There is no instant replay in air traffic control.

Mr. Lyman also claimed that a reduced maintenance program does not give FAA radar and radio systems the check-ups they must have to keep them reliable.

But the FAA says that to put in two complete radar systems at each facility would simply be too expensive. "Our costs would start at about 98 million dollars and go up from there," program management chief Carmody said. "There's just so much money available."

He points out that many radar scopes have overlapping coverage wherein a second scope covers much of the area of another. By switching over to the second scope, the controller may be able to continue the radar separation of many of his aircraft, he says.

The FAA admits it has reduced its preventive maintenance program over the last eight years, but says it has held the same level of safety because of better equipment.

Maintenance is now based on a piece of equipment's "failure-rate." If the equipment rarely fails, it gets fewer check-ups.

There may have been some elimination of preventive maintenance, but reliability has remained as high or has grown, Mr. Carmody says.

The FAA is proud of its cost versus benefits program. Its officials point out that the individual controller now does less work per aircraft handled. They say that just such practices as combining centers (therefore presumably needing fewer controllers) brings better control, cheaper.

FAA officials are proud that in the last three fiscal years they have returned a part of their budget to the U.S. Treasury. They saved 57 million dollars in fiscal year 1966, they say with pride.

The critics say that in doing this they may have thrown out the baby with the bathwater. Air traffic control may be less expensive, but it's less safe too.

Intertwined with the cost-versus-benefit arguments are the charges that the FAA's control facilities are undermanned, underequipped, and undermaintained. NAGE says FAA centers are staffed at between 70 and 80 per cent of the complement needed for periods of peak traffic. This is entirely inadequate, the union says.

"Do you want to gamble that 20 or 30 per cent of the time?" says NAGE Vice President Lyman. "I sure don't," he adds.

These charges focus on the absence of a second radar controller at many positions. This man coordinates with other ground facilities, in addition to monitoring aircraft. When he is not there in busy periods, the primary controller, who must control aircraft and coordinate with other ground stations, is swamped to the point of danger, NAGE says.

Mr. Burton of the Air Traffic Control Association agrees the FAA has "squeezed the controller dry."

He does not believe that staffing is as low as 70 or 80 per cent, but he does feel it is below the minimum needed for peak traffic periods during bad weather.

The controllers' position can be compared to the position of firemen: They may play dominoes all month, but on the 31st day—when the bell rings and the smoke rises—they are indispensable.

The problem of staffing is difficult. It is not unusual for controllers to spend segments of their working period chatting, with few duties to perform. It is also not too unusual to find them going well past mealtime without a break because the weather is bad, the traffic heavy and replacements unavailable.

One critic says that the FAA's reply to charges of controller shortages is, in effect, "Take it easy, fellas, we haven't killed anybody yet."

An active controller from the Boston center who, for obvious reasons, wished to remain anonymous, says that controllers are "unable to do the job the way it should be done."

"People get tired, people get fatigued," he says. Many other controllers feel the way he does, this young man says.

Most of the criticism of equipment shortages centers on the lack of radar. Many of the critics say that the FAA has not developed the new radars needed to handle present traffic, much less the "jumbo jets" and supersonic aircraft of the near future.

Presently, when a controller looks at his radar, he cannot tell the aircraft's altitude—only its location and direction of flight. For altitude information he must depend on pilots' reports and by glancing at paper strips near his scope with information about flights under his jurisdiction.

There is a system being developed by the FAA called alpha-numerics which emblazons an aircraft's altitude on the scope next to the target. The indication changes automatically as the plane changes altitude.

Some critics say that alpha-numerics is too little and definitely too late. The system works well when there are only a few aircraft on the scope. But when traffic is heavy the many targets and their accompanying altitude indicators clutter the scope and make it unusable, they say.

The anonymous controller in the Boston center, when asked if alpha-numerics is needed, replied, "Of course we need it—now."

NAGE, the most militant of the agency's critics, points out that in May the FAA made a number of changes that had been demanded by the union earlier in the year, including overtime pay for extra work and fewer administrative duties for the controller. The new regulations call for a system to "match people to traffic," and state that schedules "shall not be artificially adjusted to reduce cost. . . ."

NAGE has even called for the resignation of the FAA's top administrators.

The FAA denies the changes made in May were in response to NAGE charges. They had been in the works for some time, the FAA says.

Officials also deny staffing at 70 to 80 per cent of peak needs. The agency staffs at 90 per cent and supervisors are allowed to hold controllers on overtime or even to bring in men from home if the traffic situation warrants it, they say.

To staff at 100 per cent would be entirely too wasteful, the FAA says.

The FAA says that it is convinced that a radar handoff man—the second controller—is not always necessary. But officials admit that occasionally they are caught short.

"No doubt there are cases when two controllers are not on duty and they should be," Mr. Carmody says. "Our problem is to keep this at a minimum."

Agency officials contend that the present FAA radar system (in which all aircraft, at least on major routes, under the agency's control are continuously radar monitored) is easily capable of handling present traffic.

They say alpha-numerics, rather than being an example of the agency's tardiness, actually shows that it is looking to the future needs of the air traffic control system.

The charges laid against the agency are obviously serious and they reflect complex and quite technical problems.

Undoubtedly, they are to some extent true. The prime difficulty lies in assessing the degree of truth and, as in any other intertwined and complex problem, there are no black and white answers.

It seems clear, however, that neither extreme is true. The American passenger flying public is *not* in great danger as it boards an airliner. A "point of public peril" has not been reached.

But, conversely, all is not well, as the FAA officially claims, with America's air traffic control system. The morale of many controllers is low. Their equipment, particularly at terminal areas around airports, could be improved. They could use better radar, better radios, and at peak traffic periods, more men.

The FAA is not making a product for which a strict cost versus benefits scale can be used It is purveying safety, and cost-cutting for a better productivity ratio is not the best way to insure safety. Some fat is needed.

It seems clear (although it cannot be pinpointed exactly) that the FAA has lagged behind America's tremendous aviation growth. To be behind and fighting to catch up is one thing; to be behind and to feel everything is just fine, is another.

Perhaps the FAA's call for more than 800 new controllers is indicative of the former position. Hopefully, that is true. If it is not, it is time for a hard look at the service responsible for safety in the skies.

Many Midair "Incidents" Go Unreported

Probably the most feared term in the air traffic controller's lexicon is "mid-air collision."

Last year there were 25 "mid-airs." Estimates of near misses vary widely, but the FAA says more than 500 a year are reported.

As far as air traffic control is concerned, there are three categories of mid-air collisions. First are those in which both aircraft are under FAA control; second are ones where both aircraft are flying visually without radar; and third are those where one aircraft is under FAA control and the other is not, or where an aircraft does not follow FAA instructions.

In categories one and two there is no question of where responsibility lies. The FAA is responsible for a collision where both aircraft were under their control. If the pilots are flying visually, it is up to them not to hit each other.

But in the third area the issue becomes cloudy.

Of the 25 mid-airs last year, the FAA maintains it is unable to tell in how many of them both aircraft were under the agency's control. This, despite the fact that there would be numerous records, including tape recordings of any aircraft flying under FAA jurisdiction.

It seems safe to say, however, that most mid-air collisions happen where both aircraft were flying without FAA control. Since 1960 just two airliners have collided in midair.

The agency points out in this regard that it is responsible only for keeping apart instrument flight rule (IFR) aircraft—those under its control, such as airliners. There is no responsibility to planes flying under visual flight rules (VFR)—those who have no reference to the FAA.

The agency, however, acknowledges at least a moral responsibility in this gray area because its rules call for a radar controller to warn an IFR aircraft when it is being approached by an unknown plane, presumably a VFR.

Controllers routinely make the warnings. They do not shirk responsibility in this area. But, the fact remains that when an aircraft flying VFR on its own hits an IFR under FAA jurisdiction, the agency's control responsibility is only to the IFR aircraft.

Two cases highlight the cloudiness in category three.

In 1960 a jet and a propeller plane collided over Brooklyn and 134 persons died. The jet had been cleared to a radio fix over Preston, New Jersey, with FAA orders to fly a rectangular holding pattern there.

The FAA held itself not responsible because the pilot had not followed orders and had flown beyond Preston.

In another instance, the FAA was found liable in federal court earlier this year for a collision of an Air National Guard jet training plane and a prop-jet airliner over Brunswick, Maryland. The weather was good and the jet was flying VFR.

The court held that the radar would have shown the two aircraft converging. The FAA maintained the jet did not show on the scope and said even if it had, it was a VFR flight, uncontrolled by the FAA.

The development of collision avoidance equipment, where a cockpit alarm would warn the pilot of another aircraft's approach, obviously enters into the debate over collisions in the third category. Some FAA critics say the agency should have had the device developed and ordered airlines to use it before this.

A somewhat surprising fact about mid-air "incidents" is that many are never reported at all.

The estimates of unreported "incidents" in the New York to Washington air corridor run as high as 20 to 25 a week. Reported incidents range from 5 to 9 a week.

Some are unreported because neither controllers nor pilots wish to chance the disciplinary measures that can come their way if they are at fault. No one really knows how many violations take place.

Another factor involved in the mid-air collision debate is the lack of radar at many airports, including some used by airlines. Of the nation's 547 commercial airports, only 113 have radar. Many of these, however, have very light or no airline traffic.

The FAA budget for fiscal year 1968 asks no funds for additional radar. FAA administrator McKee has said that to put radar in all airports would cost between 800 and 900 million dollars.

Although mid-air collisions involving an aircraft controlled by the FAA are infrequent and collisions where both planes are under FAA aegis are extremely rare, there is little doubt that even the widely separated disasters warrant a closer look, particularly with reference to IFR-VFR collisions.

CLEVELAND PLAIN-DEALER URGES HEARINGS ON GONZALEZ RENEGOTIATION BILL

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, I wish to commend to my colleagues the following letter by the publisher and editor of the Cleveland Plain-Dealer to Chairman WILBUR D. MILLS, urging favorable consideration of the legislation I have authored to strengthen the Renegotiation Board.

There can be no more important work before us than this proposed legislation.

The Congress has an inescapable responsibility in this matter. Our country does not even have the minimal controls it had during the Korean war. Yet, procurement for Vietnam has outpeaked Korea.

The letter follows:

THE PLAIN DEALER,
Cleveland, Ohio, January 19, 1968.

Hon. WILBUR D. MILLS,
Chairman, Ways and Means Committee,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN MILLS: You may be aware that The Plain Dealer has become very interested in the subject of war profiteering. We regard it as a major public issue.

In a year-long campaign in 1967, The Plain Dealer Washington bureau filed a large number of stories about the Defense Department's failure to implement the Truth in Negotiating Act.

These articles were reprinted in the Congressional Record and widely commented on. As a result, hearings were held by several Committees of Congress, which induced the Pentagon to issue a number of regulations strengthening the law.

On January 7, 1968, The Plain Dealer began running a series of stories about the Renegotiation Board. On January 10th, our lead editorial took up the cause. The editorial and Page One news stories were also reprinted in the Congressional Record of January 16, page 102.

As you know, legislation affecting the Renegotiation Board is pending before your Committee (H.R. 6792, Mr. Gonzalez, H.R. 14678, Mr. Vanik, and H.R. 14697, Mr. Feighan.)

It is our hope that in the interest of the taxpayers and our troops in Vietnam, and in line with your own well known record of serving the public welfare through economy in government, that favorable consideration of the legislation will be possible at an early date.

Kindest personal regards,

THOMAS VAIL.

PRESIDENT'S MESSAGE ON SERVICEMEN AND VETERANS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. RONAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. RONAN. Mr. Speaker, there is no division in our country about the magnificent job our troops are doing in combat in Vietnam. There is unity in our desire to meet the ever changing needs of our servicemen and veterans. Now the President has come to ask our consideration in renewing our obligations to those who have borne the cost of conflict in the cause of liberty.

The President is right in his assertion that there are many ways in which we can further improve our services to veterans, and in so doing, better utilize their talents for leadership, and the exercise of responsibility to strengthen this great country of ours. He has diagramed the manner in which this can be done. He has already taken action to implement certain segments of his program—the rest is up to us.

Many of the President's proposals for veterans will require legislation. We are told these bills will be along within a matter of days. I am sure the Congress will give these matters favorable consideration at the earliest possible moment.

I, for one, await the proposed legislation with interest. I can assure the President of my unqualified support because I feel every part of his program is needed.

We as Members of Congress, and as American citizens, must prepare for our veterans as they leave the service to enter more peaceful pursuits here at home. This is our obligation. This is our privilege.

A NEW HOUSING PROGRAM

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. THOMPSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, those who have followed the antipoverty program from its inception are aware that one of its principal aims was to stimulate effort at the local level to grapple with the problems of the poor. It gives me great pleasure to inform the House of an imaginative program to be carried out in my home city of Trenton.

Monday, the Catholic Diocese of Trenton revealed its intention to underwrite construction of housing for low income families, many of whom live within the boundaries of Trenton's "model cities" project area. The plan envisions demolition of 250 substandard dwellings and their replacement with new homes to be sold to residents of the area on a nonprofit basis. Significantly, the labor force for the home construction will be supplied by residents of the area who are to be trained in building trade skills at a neighborhood center operated by the diocese.

This neighborhood cultural center is a story in itself. Not long ago, this splendid facility was a delapidated department store long since vacant. Thanks in large measure to the tireless efforts of the Reverend Richard E. Thibeau, assistant pastor of Our Lady of Divine Shepherd Church and the enlightened encouragement of the pastor, Rev. Bernard Kowalski, this structure was completely renovated by volunteer labor using donated materials.

Today, the center houses a day-care program for 260 children and classes in art and music for 80 older children. With the cooperation of the city health department, plans are being made for the establishment there of a communicable disease control center. Mr. Speaker, space does not permit me to cite all of those whose efforts helped to translate Father Thibeau's dream into reality. Suffice it to say that the list includes city and county officials, many private businessmen, and average citizens of all faiths and callings.

Mr. Speaker, Father Thibeau's center was dedicated this past Sunday by the

Very Reverend George W. Ahr, bishop of Trenton. At the ceremony Mayor Carmen Armenti said the center stands as a model of what private initiative can achieve. To that I say "Amen." I know that you and every Member of the House join me in expressing very good wish to the Trenton diocese, Father Thibeau, and all those whose efforts helped create the center and the heartfelt hope that the new housing program will be an enormous success.

PRESIDENT'S MESSAGE ON SERVICEMEN AND VETERANS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. THOMPSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, President Johnson's message to the Congress on servicemen and veterans is a logical and necessary follow-through to the GI bill enacted into law last year.

There is no question that we should do all we can to assist the fighting men returning from Vietnam. The educational and job-finding plans are sound and should result in a better opportunity for these veterans to become better citizens. The bringing up to date of the ceilings on GI home loans and insurance, upping the limit of home loans guarantees from $7,500 to $10,000 and insurance from $10,000 to $30,000, were overdue.

Job-finding centers in major cities and expansion of centers where the veterans can be told of their benefits are most helpful; for what good are benefits we make available for these veterans, if the veterans do not know about them?

The provision to widen the use of VA hospitals to train doctors is also a most worthwhile program. One-half of the doctors in the United States receive some part of their training each year in VA hospitals. The President would step this up so that twice that number will be trained in part by VA.

Lest some of us panic at these proposals as being too expensive. They are not, in fact, the cost of the whole package would be compensated for by the $106 million in proposed reductions in other VA activities. Surely there is no reason for anything but prompt and favorable action on these carefully devised programs.

PERSONAL EXPLANATION

Mr. GIBBONS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GIBBONS. Mr. Speaker, I regret that we were unable to complete debate and vote on the final bill on truth in lending today.

I want to make my position perfectly clear. I support the committee bill as it has now been modified and I support the position of the chairman, the gentleman from Texas [Mr. PATMAN], and the position of the gentlewoman from Missouri. I regret that I will not be present to cast my vote that way tomorrow.

FISH OR CUT BAIT

The SPEAKER. Under a previous order of the House, the gentleman from Louisiana [Mr. WAGGONNER], is recognized for 30 minutes.

Mr. WAGGONNER. Mr. Speaker, as I am sure millions of other Americans have done in recent days, I have agonized over the events which continue to pile up one after the other, each a humiliation to our country, each of which, if they are met at all, are met with indecision, vacillation, retreat, or defensive action. As each event crosses the headlines, it becomes harder and harder to defend the floundering, the confusion, and what can only be interpreted at home and abroad as the supine weakness of this administration.

No man in this or the other body has been more steadfast in his support of our position in Vietnam than I because I am convinced that our economic and military survival depends on our stopping the floodtide of communism before it engulfs all of Asia and continues over Africa and South America, to wash up on the shores of the United States.

Years ago, in a newsletter to my constituents, I made this unqualified statement about our fight against communism in Vietnam:

> Our stern and unswerving defense of the helpless Vietnamese, without seeking for ourselves either power, territory or treasure, is in the highest tradition of all that can be good in humanity. The question has come now to this: either we serve our country and fight Communism to preserve our freedom or there will be no freedom to fight for nor any country to serve.

My view has not changed in the intervening months. I remain convinced that an isolationist United States cannot survive. But, the attitude of this administration has apparently changed, and I cannot go along with it. The new Secretary of Defense now says that the so-called San Antonio position taken by the President means something it clearly did not mean at the time it was enunciated. Whereas the President said then and has said over and over that the United States would halt the bombing of North Vietnam and begin truce talks provided there was reciprocal action on the part of the Vietcong, Secretary of Defense Clifford says—and the White House has not denied it or clarified it—that our policy now is that we will stop bombing the enemy supply lines without demanding that infiltration, supply, transport, and harassment by the Vietcong stop at the same time.

In other words, the North Vietnamese do not have to stop doing anything they are doing now in order to have us stop the bombing.

I will not weary this body by recounting the statistics of how many American lives have been lost, how many billions of dollars we have spent and continue to spend, or estimate how many billions of tons of materiel we have poured into South Vietnam. It is enough to say that the United States made a commitment before the world to stop Communist aggression in Vietnam. President Johnson has never mustered the courage to spell out what that commitment means; never set a goal for our forces to meet; and given them the necessary orders to carry it out. Neither did President Kennedy. But, certainly, no one ever conceived that either President meant that this war should continue into infinity as a stalemate, at best, or be resolved by a phony negotiated retreat, at worst. But the indecision and floundering of recent weeks, climaxed by the Communist seizure of the *Pueblo*, point unremittingly in that direction.

If that is, indeed, the course this administration has adopted, it is a shameful deceit and will fulfill Premier Kosygin's prediction that history will condemn us for our part in the Vietnamese war.

The Washington Post, in a moment of rare patriotism and to their everlasting credit, had this to say last Friday in one of its editorials:

> We have been comforting ourselves for many months with the thought that we can have it all—the war in Vietnam, the war against poverty, the butter and the guns. It is time, if not well past time, for the Nation to be told that just possibly we cannot have it all, that we may have to review and reorder our priorities, that the capacity of our enemies to expand our Asian involvement, at marginal risk to themselves, is very large.
>
> All eyes are on the Pueblo and its 83-man crew, as Congress rings with cries for retribution by whatever means. But the Vietnam war's largest single buildup of enemy combat forces in one concentrated battle area now encircles some 5000 Marines in the remote base at Khesanh in the northwest corner of the South. A resulting Marine buildup has drawn large numbers of troops away from pacification work against Vietcong guerrillas in other parts of the country.
>
> Meanwhile, Hanoi is feinting towards Thailand and threatening to upset the shaky stand-off in Laos. These last moves may be feints, and nothing more. The capture of the Pueblo may be sheer coincidence—or the result of some informal working arrangement between North Korea and North Vietnam with coaching from Moscow, or Peking. Whatever the case, the pressure from the enemy seems to be getting more intense. Our best hope of countering this pressure while avoiding a wider war almost certainly lies in a demonstration of our willingness to wage a wider war if we must. This calls, in turn, for striking a delicate balance and the President has wisely kept his counsel while he decides on countermoves. But he cannot count on the show of public willingness he will ultimately need unless he is willing himself to confront the public in more forthright fashion with the stark realities.

I agree and I am firmly of the belief that most Americans agree; certainly this is borne out by all the generally accepted polls. However, public willingness to follow this administration's tortured policy of apologia is drifting dangerously low. In fact, it may already be too late to reverse the trend of opinion now flowing so strongly against the administration's handling of the war. The people, having heard flowery promises and purple rhetoric for so long, may not now believe the administration no matter what it promises to do to bring the war to a decisive end and to do so quickly.

The American people are solidified in one position: fish or cut bait. Win the war or get out. The administration is now doing neither. It does not understand that you cannot fight a war and be a good guy at the same time. The people have had enough of the White Hat, Goody Twoshoes posture of this administration.

Americans, back when backbones were straighter than they are today, marched under a flag which showed a coiled rattlesnake and the legend, "Don't Tread on Me."

Today, our ensign might just as well depict a worm and the plea, "Excuse me, please."

At the end of World War II, the United States was victorious in every corner of this globe. We were invincible, on land, on the seas, and in the air. We commanded the largest armada man had ever put together. We had defeated Hitler, Mussolini, and Tojo, and we had done it after starting from scratch and long after their war machines were perfected and rolling. From that vantage point, we have plummeted, even crawled, ever downward until now, a flyspeck of a Communist nation in Asia can seize one of our ships and 83 of our men and we are petrified in indecision as to what to do about it.

Contrast our reaction to the seizure of the *Pueblo* to that of Israel when one of its ships was sunk. Israel, without an hour's hesitation, promptly destroyed the enemy's oil supply in a devastating raid.

The only thing the administration can think to do about the act of war committed by North Korea is to turn our national honor over to the tender mercies of the United Nations, a body that has consistently refused to help settle the war in Vietnam. We go, hat in hand, to U Thant, Secretary General of that impotent gathering of crows and, himself, as dedicated an anti-American as can be found in this hemisphere. We have asked him to beg our Communist enemy in Moscow to please take us off the hook or tell us what to do so we will not risk offending anyone.

The administration takes no cognizance of the fact that, though there are differences occasionally among the Communist nations, they are unified in their determination to harass and humiliate the United States in every way they can and at every point. The administration is so naive as to believe that the seizure of the *Pueblo* was an isolated incident having no connection with the current buildup in Vietnam. This is an incredibly simplistic understanding of Communist practices.

We have warned the Communists over and over again not to underestimate our intentions nor our will to persevere. I have warned that we should not underestimate the determination of the Communists. The events of recent weeks indicate that the administration has seriously erred in that regard; it continues to underestimate the Communist enemy.

As if all these pressures and incidents were not enough, consider the aspects of the majority leader of the other body who quails in his stockings and cries out that we should admit to anything, truth or lie, sacrifice any portion of our national honor, in order to appease the enemy. This is a shameful willingness to ignore principles when the administration's leader in the other body proclaims that the end justifies the means. It reflects no honor upon him or the administration and he should retract his statement.

Is it any wonder that the people have lost confidence in a leadership with so little conviction, with, to use a vulgar description, with so little guts.

There is no place for us to hide any longer, Mr. Speaker. It may be that, having waited this long to strike back and retake the *Pueblo* there is now no way we can do so without further humiliating ourselves before the world. But regardless, the time has come to fish or cut bait. If the administration does not intend to win the war in Vietnam, if it believes that we can suffer these humiliations and pull back to Okinawa, Australia, Hawaii, or San Francisco and let the tide of communism roll on, then, I say bring our men home. They may as well come home and enjoy themselves for the few years that will remain for us all.

But, if that is the plan, count me out. I want no part of it.

LLOYD S. SCHWENGER HEADS JEWISH COMMUNITY FEDERATION

The SPEAKER. Under a previous order of the House, the gentleman from Ohio [Mr. Feighan] is recognized for 15 minutes.

Mr. FEIGHAN. Mr. Speaker, I should like to share with the Members of the House my gratification at the election of a former classmate of mine, Lloyd S. Schwenger, to one of the most important communal responsibilities in Cleveland, the presidency of the Jewish Community Federation.

The Jewish Community Federation was founded in 1903 to coordinate the fundraising, budgeting, and planning for the various health and welfare agencies in Cleveland under Jewish auspices, and has fulfilled its mandate in that regard with high honor ever since. Perhaps of even greater interest is the fact that the example set by the Jewish community of Cleveland in so coordinating their philanthropic undertakings provided the model and example for the creation a bit more than a decade later of both the Community Fund and the Welfare Federation of Cleveland. I believe this is a typical American story, for one of our subgroups in this democracy to experiment with challenging new procedures in our civic life and thereby enrich all of us by their experience. I can testify to the continuing vigorous role that federation has played in many aspects of Cleveland's general communal life, since it has served as an effective and highly cooperative partner with the Catholic Diocese, Protestant Council of Churches, many ethnic, racial, and religious organizations, as well as with the Welfare Federation of Cleveland and the Community Fund.

It therefore was a particular joy for me that Mr. Schwenger was chosen to lead this fine organization. He has been well trained for the assignment, having served in a wide variety of posts of responsibility both nationally and locally, and within both the Jewish community and in the general community. He is a former vice chairman of the B'nai B'rith National Youth Commission, secretary of the Board of Mount Sinai Hospital, and has served with distinction in dozens of other posts both in Cleveland and on the national scene. His reputation within the legal profession is of the highest order, and I am confident that I speak for all Clevelanders in this salute to his new post of prominence.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Rosenthal, for January 31 through February 14, on account of official business of Government Operations Committee requiring travel to Latin America.

Mr. Fountain (at the request of Mr. Albert), for an indefinite period, effective January 29, on account of recuperation required as a result of a traffic accident.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Matsunaga) to revise and extend their remarks and to include extraneous matter:)

Mr. Waggonner, for 30 minutes, today.

Mr. Feighan, for 15 minutes, today.

EXTENSIONS OF REMARKS

By unanimous consent, permission to extend remarks was granted to:

Mr. Fisher.

Mr. Saylor.

Mr. McMillan and to include a statement.

Mr. Eckhardt to revise and extend his remarks immediately before the vote on the Poff amendment.

Mr. Widnall immediately following the remarks of Mr. Poff on the bill H.R. 11601.

Mr. Cahill immediately following the reading of his amendments.

Mr. McDade a copy of his amendment when he secured time on H.R. 11601.

(The following Members (at the request of Mr. Smith of Oklahoma) and to include extraneous matter:)

Mr. Wyatt.

Mr. Fino.

Mr. Morse of Massachusetts in four instances.

Mr. McDade.

Mr. Brock in two instances.

Mr. Hosmer in two instances.

Mr. Derwinski.

Mr. Pettis.

Mr. Wyman in three instances.

(The following Members (at the request of Mr. Matsunaga) and to include extraneous matter:)

Mr. Machen in six instances.

Mr. Long of Maryland.

Mr. Minish.

Mr. Rivers.

Mr. Fisher in two instances.

Mr. Patten.
Mr. Kee.
Mr. Rarick in two instances.
Mr. Murphy of New York.
Mr. Brademas in eight instances.
Mr. Teague of Texas in two instances.
Mr. Gonzalez in three instances.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 14563. An act to amend the Railroad Retirement Act of 1937 and the Railroad Unemployment Insurance Act to provide for increase in benefits, and for other purposes.

ADJOURNMENT

Mr. MATSUNAGA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 14 minutes p.m.) the House adjourned until tomorrow, Thursday, February 1, 1968, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1427. A letter from the Chairman, Advisory Committee on Fine Arts, transmitting the report on the cultural presentations program for fiscal year 1967, pursuant to the provisions of Public Law 87–256; to the Committee on Foreign Affairs.

1428. A letter from the Comptroller General of the United States, transmitting a report of savings available to the Army by tightening controls over its tractor-trailer fleet in Europe, Department of the Army; to the Committee on Government Operations.

1429. A letter from the Chairman, Advisory Committee on Intergovernmental Relations transmitting the ninth annual report of the Commission, pursuant to the provisions of Public Law 86–380; to the Committee on Government Operations.

1430. A letter from the Chairman, Federal Power Commission, transmitting copies of the following recently issued publications and maps: "Sales by Producers of Natural Gas to Interstate Pipeline Companies, 1966," "Steam-Electric Plant Construction Cost and Annual Production Expenses, 1966," principal electric facilities, 1966 (regional maps), and major natural gas pipelines, June 30, 1967 (map); to the Committee on Interstate and Foreign Commerce.

1431. A letter from the Acting Secretary of Commerce, transmitting the annual report of the activities of the Office of State Technical Services for fiscal year 1967, pursuant to the provisions of Public Law 89–182; to the Committee on Interstate and Foreign Commerce.

1432. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a report on the number of applications for conditional entry into the United States during the 6-month period ending December 31, 1967, and the action taken thereon, pursuant to the provisions of section 203(a)(7) of the Immigration and Nationality Act; to the Committee on Judiciary.

1433. A letter from the Adjutant General, Military Order of the Purple Heart of the U.S.A., transmitting the audit of the Military Order of the Purple Heart of the U.S.A., Inc., for the fiscal year ending July 31, 1967; to the Committee on the Judiciary.

1434. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for certain maritime programs of the Department of Commerce; to the Committee on Merchant Marine and Fisheries.

1435. A letter from the Comptroller General of the United States, transmitting a report of positions in the General Accounting Office in grades GS–16, 17, and 18, pursuant to the provisions of Public Law 89–632; to the Committee on Post Office and Civil Service.

1436. A letter from the Chairman, Railroad Retirement Board, transmitting a report on positions in grades GS–16, 17, and 18 for the calendar year 1967, pursuant to the provisions of 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

1437. A letter from the Federal and State Cochairman, the Ozarks Regional Commission, the initial report on the activities of the Commission from September 7, 1966, to December 31, 1967, pursuant to the provisions of section 510 of the Public Works and Economic Development Act of 1965, as amended; to the Committee on Public Works.

1438. A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to provide special encouragement to veterans to pursue a public service career in deprived areas; to the Committee on Veterans' Affairs.

1439. A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38 of the United States Code to improve rehabilitation training for service-connected veterans by authorizing pursuit of such training on a part-time basis; to the Committee on Veterans' Affairs.

1440. A letter from the Chairman, U.S. Atomic Energy Commission, transmitting the annual report of the Commission for 1967, pursuant to the provisions of the Atomic Energy Act of 1954; to the Joint Committee on Atomic Energy.

1441. A letter from the Secretary of Labor, transmitting the January 1968 report pertaining to fair labor standards in employments in and affecting interstate commerce, pursuant to the provisions of section 4(d) of the Fair Labor Standards Act of 1938, as amended; to the Committee on Education and Labor.

1442. A letter from the Secretary of Transportation, transmitting the "1968 National Highway Needs Report," pursuant to the provisions of Public Law 89–139; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TAYLOR: Committee on Interior and Insular Affairs. H.R. 5558. A bill to authorize an exchange of lands at Acadia National Park, Maine (Rept. No. 1069). Referred to the Committee of the Whole House.

Mr. TAYLOR: Committee on Interior and Insular Affairs. H.R. 14463. A bill to authorize the Secretary of the Interior to exchange certain property at Acadia National Park in Maine with the owner of certain property adjacent to the park; with amendment (Rept. No. 1070). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H.R. 14986. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. CELLER:

H.R. 14987. A bill to authorize the Comptroller General of the United States to administratively settle tort claims arising in foreign countries; to the Committee on the Judiciary.

By Mr. DIGGS:

H.R. 14988. A bill to amend the act entitled "An act to provide for the establishment of the Frederick Douglass home as a part of the park system in the National Capital, and for other purposes," approved September 5, 1962; to the Committee on Interior and Insular Affairs.

By Mr. FINO:

H.R. 14989. A bill to amend title II of the Social Security Act to provide monthly insurance benefits in certain cases for brothers, sisters, and other relatives of individuals who die fully insured under such title; to the Committee on Ways and Means.

By Mr. FLOOD:

H.R. 14990. A bill to authorize reimbursement to the States for certain toll highways, bridges, and tunnels on the Interstate System, and for other purposes; to the Committee on Public Works.

By Mr. GUDE:

H.R. 14991. A bill to provide compensation for totally disabled local firemen or survivors of local firemen killed or disabled while performing their duties in an area of civil disorder; to the Committee on the Judiciary.

By Mr. HELSTOSKI:

H.R. 14992. A bill to amend title 38 of the United States Code to provide a pension for veterans of World War I and their widows; to the Committee on Veterans' Affairs.

By Mr. HOWARD:

H.R. 14993. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SISK (for himself, Mr. Hawkins, and Mr. Charles H. Wilson):

H.R. 14994. A bill to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE of Texas (by request):

H.R. 14995. A bill to amend title 38 of the United States Code to provide increased rates of disability compensation, improve service-connected benefits and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BYRNE of Pennsylvania:

H.R. 14996. A bill to authorize reimbursement to the States for certain toll highways, bridges, and tunnels on the Interstate System, and for other purposes; to the Committee on Public Works.

By Mr. DINGELL:

H.R. 14997. A bill to establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GURNEY:

H.R. 14998. A bill to increase employment opportunities for individuals whose lack of skills and education acts as a barrier to their employment at or above the Federal minimum wage, and for other purposes; to the Committee on Education and Labor.

By Mr. MINSHALL:

H.R. 14999. A bill to amend the Renegotiation Act of 1951, and for other purposes; to the Committee on Ways and Means.

By Mr. MORRIS (for himself, Mr. Walker, and Mr. White):

H.R. 15000. A bill to amend the Agricultural Adjustment Act of 1938 with respect to extra long staple cotton, and for other purposes; to the Committee on Agriculture.

By Mr. SELDEN:

H.R. 15001. A bill to provide for the orderly trade in textile articles; to the Committee on Ways and Means.

By Mr. ASPINALL (by request):

H.R. 15002. A bill to authorize appropriations for the saline water conversion program, to expand the program, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BURKE of Massachusetts:

H.R. 15003. A bill to amend item 802.30, Tariff Schedules of the United States, so as to prevent payment of multiple customs duties by U.S. owners of race horses purchased outside of the United States; to the Committee on Ways and Means.

By Mr. HÉBERT:

H.R. 15004. A bill to further amend the Federal Civil Defense Act of 1950, as amended, to extend the expiration date of certain authorities thereunder, and for other purposes; to the Committee on Armed Services.

By Mr. O'NEAL of Georgia:

H.R. 15005. A bill to include fresh, chilled, or frozen meat of lambs and swine, sausages, prepared or preserved pork, and prepared or preserved beef and veal within the quotas imposed on the importation of certain other meat and meat products, to reduce the percentage applied to certain aggregate quantity estimations used, in part, to determine such quotas from 110 to 100 percent, and for other purposes; to the Committee on Ways and Means.

By Mr. BOW:

H.J. Res. 1030. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. BYRNE of Pennsylvania:

H.J. Res. 1031. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. HAMILTON:

H.J. Res. 1032. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. WATKINS:

H.J. Res. 1033. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on Judiciary.

By Mr. WOLFF (for himself, Mr. Anderson of Tennessee, Mr. Bevill, Mr. Bingham, Mr. Delaney, Mr. Dingell, Mr. Gibbons, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Horton, Mr. Hungate, Mr. Montgomery, Mr. Morton, Mr. Olsen, Mr. Ottinger, Mr. Pucinski, Mr. Randall, Mr. Resnick, Mr. Sisk, Mr. Snyder, Mr. Steiger of Arizona, Mr. Teague of California, Mr. Waldie, Mr. Willis, and Mr. Charles H. Wilson):

H. Con. Res. 622. Concurrent resolution to require France to pay its World War I debt; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 or rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 15006. A bill for the relief of Pietra LoDico Calabrese; to the Committee on the Judiciary.

H.R. 15007. A bill for the relief of Giuseppe Ventura; to the Committee on the Judiciary.

By Mr. BELL:

H.R. 15008. A bill for the relief of Sang In Lee; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 15009. A bill for the relief of Salvatore Di Marco and wife Maria Di Marco; to the Committee on the Judiciary.

H.R. 15010. A bill for the relief of Sabato Longobardi; to the Committee on the Judiciary.

H.R. 15011. A bill for the relief of Tommaso Romanini; to the Committee on the Judiciary.

By Mr. HANNA:

H.R. 15012. A bill for the relief of Vincent Rohaly; to the Committee on the Judiciary.

By Mr. MESKILL:

H.R. 15013. A bill for the relief of Robert and Alice Martin; to the Committee on the Judiciary.

By Mr. O'NEILL of Massachusetts:

H.R. 15014. A bill for the relief of Goon Mee Heung; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 15015. A bill for the relief of Marie Claudy; to the Committee on the Judiciary.

By Mr. SCHEUER:

H.R. 15016. A bill for the relief of Freddy Albertus Zwaagstra; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H.R. 15017. A bill for the relief of William N. Hilton; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H.J. Res. 1034. Joint resolution granting the status of permanent residence to certain aliens; to the Committee on the Judiciary.

SENATE—*Wednesday, January 31, 1968*

The Senate met at 12 o'clock meridian, and was called to order by Hon. Thomas J. McIntyre, a Senator from the State of New Hampshire.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of grace and God of glory, trusting only in Thy mercy would we seek Thy face. Grant us the grace to keep our hearts with diligence, knowing that out of them are the issues of life.

May we know that the wisdom of the ages is in the Book that reveals Thy heart:

He that ruleth his spirit is better than he that taketh a city.

In these days of tension and crisis, as we gird the might of the Nation, and that of our allies, to defend threatened liberties, may we take care to strengthen the spiritual foundations of our democracy, knowing that without these verities we but build on sinking sand.

In a clamorous day, filled with accents of hatred, give us ears to hear the voices that speak of justice and world understanding, with a buoyant hope that sends a shining ray far down the future's broadening way.

We ask it in the dear Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., January 31, 1968.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. Thomas J. McIntyre, a Senator from the State of New Hampshire, to perform the duties of the Chair during my absence.

Carl Hayden,
President pro tempore.

Mr. McINTYRE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, January 30, 1968, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Jones, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ATTENDANCE OF A SENATOR

Hon. WARREN G. MAGNUSON, a Senator from the State of Washington, attended the session of the Senate today.

ORDER FOR RECOGNITION OF SENATOR JAVITS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the distinguished Senator from Delaware [Mr. Williams] completes his speech, under the time allotted to him by the order of yesterday, the distinguished Senator from New York [Mr. Javits] be recognized for 20 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

VETERANS BENEFITS

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a number of telegrams I have received from the chiefs of various veterans organizations, in full support of the proposals made by the President on yesterday in his message to Congress.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
January 30, 1968.

Senator MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.:

We have sent the following telegram to President Lyndon B. Johnson: "The disabled American Veterans express their deepest gratitude for the proposals that you have made in your recent message to Congress on veterans' benefits. Together with the proposals you made last year and most of which are now law, these new proposals will help fulfill the desires of our membership fought for over many years; the recommendations benefiting disabled veterans have our complete support and we shall urge the Congress to enact them immediately. Please accept the thanks of the Disabled American Veterans."

FRANCIS J. BEATON,
National Commander, Disabled American Veterans.

WASHINGTON, D.C.,
January 30, 1968.

Senator MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.:

Today I have sent the following telegram to the President:

"The members of the Paralyzed Veterans of America and countless other veterans and servicemen graciously thank you for your splendid veterans message to Congress. You indeed cogently and persuasively set forth the needs of this vitally important segment of our population. We are urging the Congress to supply the servicemen and veterans what you ask for and pledge the full support of our organization to help your enlightened programs become a reality. We especially commend the opening of ten U.S. veterans assistance centers. Your interest in our servicemen and veterans and their problems is indeed reassuring. Our organization sincerely requests your assistance in helping the programs outlined in this message to become a vital part of our veterans legislation."

LESLIE P. BURGHOFF, Jr.,
President, Paralyzed Veterans of America.

WASHINGTON, D.C.,
January 31, 1968.

Senator MIKE MANSFIELD,
Senate Office Building,
Washington, D.C.:

Following message sent to the President of the United States:

"Your message to the Congress today reemphasized your deep concern for and championship of the returning veterans in the difficult situation and individual problems each faces in making a transition from military service to the equally important status of productive private citizen contribute equally to the Nation's economy, productivity, and social strength. You may be assured that I shall urge Congress to support the necessary legislation to effectuate your outstanding program for our veterans."

A. LEO ANDERSON,
Director, Department of Veterans' Affairs, District of Columbia.

BALTIMORE, MD.,
January 31, 1968.

Senator MIKE MANSFIELD,
Senate Office Building,
Washington, D.C.:

For your information the following wire was sent to the President today endorsing his message on veterans benefits:

"I urge the prompt support of the Congress on these recommendations. It was my honor to hear your message to Congress today outlining your proposals designed to insure the secure future of our returning veterans. The deep insight and incisive understanding of the problems facing these veterans is a concrete example of your profound humanitarian spirit. Veterans and their families throughout this land applaud your courage, your wisdom, and your heart. As National Commander of the Jewish War Veterans of the U.S.A., I salute you in humble gratitude."

SAMUEL SAMUELS,
National Commander, Jewish War Veterans of U.S.A.

WASHINGTON, D.C.,
January 30, 1968.

Hon. MIKE MANSFIELD,
Minority Leader, U.S. Senate,
Washington, D.C.:

I have sent the following telegram to the President of the United States:

"No one concerned for veterans and their families and dependents can read your latest message on veterans to the Congress without feelings of deepest pride and satisfaction. This is truly the era of the veteran and the package of benefits which the gratitude of the Nation provides cannot and must not ever be inadequate. It is clear that if your recommendations become reality it will not be. We want you to know we shall work for the fullest development of the potential you have so eloquently and convincingly placed before the Congress. Congratulations."

It is urged that you lend your support to the early passage of this much needed legislation. Thank you.

LUTHER SKAAGS, Jr.,
National Commander, Military Order of the Purple Heart of the United States of America Inc.

WASHINGTON, D.C.,
January 30, 1968.

Hon. MICHAEL MANSFIELD,
Majority Leader, U.S. Senate,
Washington, D.C.:

As the national commander of the veterans of World War I representing 250,000 members plus 100,000 in our auxiliary, we urgently ask you to support the President in his advocating the continuance of the expanded program for the younger veterans that will be coming out of the service as reported in his message to Congress today. As World War I veterans we did not have these opportunities but we are certainly happy that the veterans coming out of the service will at least have an equal opportunity with men who have not been called into service.

PHILIP F. O'BRIEN,
National Commander, Veterans of World War I of the U.S.A.

WASHINGTON, D.C.,
January 30, 1968.

Senator MIKE MANSFIELD,
Senate Majority Leader, U.S. Senate,
Washington, D.C.:

I have this date sent the following telegram to President Johnson: "The members of our national executive offices staff have just been briefed on your message to the U.S. Congress dealing with veterans' affairs by Mr. Driver. As the spokesman for more than 67,000 career sailors and marines I wish to express their wholehearted approval of your proposals to not only aid the veteran but to encourage him to continue to serve his Nation in his civilian pursuit and assure all Americans of a brighter and more prosperous future."

On behalf of the veterans and citizens of America I urge prompt and favorable action on the proposals of his veterans message of January 30, 1968.

BERNARD P. O'HARE,
National President, Fleet Reserve Association.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the following committee and subcommittees be authorized to meet during the session of the Senate today:

The Subcommittee on Agricultural Production, Marketing, and Stabilization of the Committee on Agriculture and Forestry; the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary; the Committee on Rules and Administration; the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary; and the Permanent Subcommittee on Investigations of the Committee on Government Operations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President. I ask unanimous consent that the Subcommittee on Foreign Aid Expenditures of the Committee on Government Operations and the Subcommittee on Business and Commerce of the Committee on the District of Columbia be permitted to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PROTOCOL WITH THE UNITED MEXICAN STATES, RELATING TO RADIO BROADCASTING—REMOVAL OF INJUNCTION OF SECRECY

Mr. BYRD of West Virginia. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from Executive B, 90th Congress, second session, the protocol signed at Mexico City December 21, 1967, further modifying the 1957 radio broadcasting agreement with Mexico, transmitted to the Senate today by the President of the United States, and that the protocol, together with the President's message, be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the Record.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the protocol between the United States of America and the United Mexican States, signed at Mexico City on December 21, 1967, further modifying the agreement concerning radio broadcasting in the standard broadcast band signed at Mexico City on January 29, 1957, as amended.

I transmit also, for the information of the Senate, the report of the Secretary of State with respect to the protocol.

The 1957 agreement with Mexico expired in 1966, but was revived and prolonged in effect until December 31, 1967, by a protocol of April 13, 1966. Discussions between United States and Mexican officials with a view to concluding a new agreement on this subject are continuing. It is hoped that it will be possible to conclude such a new agreement during 1968. Meanwhile, it is important that the 1957 agreement continue in effect pending the negotiation of a new agreement. This is particularly important because Mexico is not a party to the North American Regional Broadcasting Agreement (NARBA) of November 15, 1950. The earlier NARBA of 1937, to which Mexico was a party, expired in 1949.

The protocol transmitted herewith contains a single substantive article whereby the duration provision of the 1957 agreement would be further modified so that the agreement will remain effective until December 31, 1968, unless, before that date, it is terminated by a notice of denunciation by either party pursuant to the terms of the agreement or is replaced by a new agreement.

I recommend that the Senate give early and favorable consideration to the protocol further modifying the 1957 agreement with Mexico.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 31, 1968.*

Enclosures:

1. Report of the Secretary of State.
2. Protocol signed at Mexico City December 21, 1967, further modifying the 1957 radio broadcasting agreement with Mexico.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, informed the Senate that, pursuant to the provisions of section 1, Public Law 86–42, the Speaker had appointed Mr. Gallagher, Chairman, Mrs. Kelly, Mr. Murphy of Illinois, Mr. Johnson of California, Mr. St Germain, Mr. Pike, Mr. Kee, Mr. Andrews of North Dakota, Mr. Stafford, Mr. Thomson of Wisconsin, Mr. Duncan, and Mr. Broomfield as members of the U.S. delegation of the Canada-United States Interparliamentary Group, on the part of the House.

The message also informed the Senate that, pursuant to the provisions of section 1, Public Law 86–420, the Speaker had appointed Mr. Nix, Chairman, Mr. Wright, Mr. Johnson of California, Mr. Gonzalez, Mr. de la Garza, Mr. Selden, Mr. Fraser, Mr. Springer, Mr. Morse of Massachusetts, Mr. Harvey, Mr. Whalley, and Mr. Dole as members of the U.S. delegation of the Mexico-United States Interparliamentary Group, on the part of the House.

The message further informed the Senate that, pursuant to the provisions of section 1, Public Law 689, 84th Congress, as amended, the Speaker had appointed Mr. Hays, Chairman, Mr. Rodino, Mr. Rivers, Mr. Clark, Mr. Brooks, Mr. Arends, Mr. Chamberlain, Mr. Bates, and Mr. Findley as members of the U.S. group of the North Atlantic Assembly, on the part of the House.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Report on Advisory Commission on Intergovernmental Relations

A letter from the Chairman, Advisory Commission on Intergovernmental Relations, Washington, D.C., transmitting, pursuant to law, a report of that Commission, dated January 31, 1968 (with an accompanying report); to the Committee on Government Operations.

Report of Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on savings available to the Army by tightening controls over its tractor-trailer fleet in Europe, Department of the Army, dated January 30, 1968 (with an accompanying report); to the Committee on Government Operations.

Report on Positions in Grades GS–16, GS–17, and GS–18

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on positions in grades GS–16, GS–17, and GS–18 (with an accompanying report); to the Committee on Government Operations.

Report of Military Order of the Purple Heart of the U.S.A., Inc.

A letter from the Adjutant General, Military Order of the Purple Heart of the U.S.A., Inc., Daytona Beach, Fla., transmitting, pursuant to law, a report of that Order, for the fiscal year ended July 31, 1967 (with an accompanying report); to the Committee on the Judiciary.

Veterans in Public Service Act of 1968

A letter from the Administrator of Veterans Affairs, Veterans' Administration, Washington, D.C., transmitting a draft of proposed legislation to provide special encouragement to veterans to pursue a public service career in deprived areas (with accompanying papers); to the Committee on Labor and Public Welfare.

Vocational Rehabilitation Training for Certain Veterans

A letter from the Administrator of Veterans Affairs, Veterans' Administration, Washington, D.C., transmitting a draft of proposed legislation to amend title 38 of the United States Code to improve vocational rehabilitation training for service-connected veterans by authorizing pursuit of such training on a part-time basis (with accompanying papers); to the Committee on Labor and Public Welfare.

Report of Ozarks Regional Commission

A letter from the Federal Cochairman and State Cochairman, The Ozarks Regional Commission, Washington, D.C., transmitting, pursuant to law, a report of that Commission, from September 7, 1966, to December 31, 1967 (with an accompanying report); to the Committee on Public Works.

Report of Atomic Energy Commission

A letter from the Chairman and members, U.S. Atomic Energy Commission, Washington, D.C., transmitting, pursuant to law, a report of that Commission, for the year 1967 (with an accompanying report); to the Joint Committee on Atomic Energy.

PETITION

The ACTING PRESIDENT pro tempore laid before the Senate a resolution adopted by the Demosthenian Literary Society, University of Georgia, Athens, Ga., condemning the seizure of the U.S.S. *Pueblo* by the Government of North Korea, which was referred to the Committee on Foreign Relations.

REPORT ENTITLED "AERONAUTICAL RESEARCH AND DEVELOPMENT POLICY" (S. REPT. NO. 957)

Mr. ANDERSON. Mr. President, on behalf of the Committee on Aeronautical and Space Sciences, I submit a report entitled "Aeronautical Research and Development Policy," and ask unanimous consent that the report be printed, together with an illustration.

The ACTING PRESIDENT pro tempore. Without objection, the report will be received and printed, as requested by the Senator from New Mexico.

REPORT ENTITLED "INVESTIGATION INTO SMALL BUSINESS INVESTMENT COMPANIES"—REPORT OF A COMMITTEE (S. REPT. NO. 958)

Mr. McCLELLAN, from the Committee on Government Operations, submitted a report entitled "Investigation Into Small Business Investment Companies," which was ordered to be printed.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. MAGNUSON, from the Committee on Commerce:

William H. Chartener, of New York, to be an Assistant Secretary of Commerce.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MUNDT:

S. 2891. A bill to extend for a period of 3 years the authority of the President to enter into agreements to finance sales under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and to carry out programs of assistance under title II of such act; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. Mundt when he introduced the above bill, which appear under a separate heading.)

By Mr. HARRIS (for himself, Mr. Kennedy of New York, Mr. Brooke, Mr. Case, Mr. Clark, Mr. Gruening, Mr. Hart, Mr. Inouye, Mr. Javits, Mr. Kennedy of Massachusetts, Mr. Long of Missouri, Mr. McCarthy, Mr. McGee, Mr. McIntyre, Mr. Mondale, Mr. Morse, Mr. Muskie, Mr. Nelson, Mr. Pell, Mr. Prouty, Mr. Proxmire, Mr. Ribicoff, Mr. Tydings, Mr. Williams of New Jersey, Mr. Yarborough, and Mr. Young of Ohio):

S. 2892. A bill to amend the Social Security Act so as to revise certain provisions thereof relating to public assistance which were enacted or amended by the Social Security Amendments of 1967; to the Committee on Finance.

(See the remarks of Mr. Harris when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY of New York (for himself, Mr. Harris, Mr. Brooke, Mr. Case, Mr. Clark, Mr. Gruening, Mr. Hart, Mr. Inouye, Mr. Javits, Mr. Kennedy of Massachusetts, Mr. McCarthy, Mr. McGee, Mr. McIntyre, Mr. Mondale, Mr. Morse, Mr. Muskie, Mr. Nelson, Mr. Pell, Mr. Prouty, Mr. Proxmire, Mr. Ribicoff, Mr. Tydings, Mr. Williams of New Jersey, Mr. Yarborough, and Mr. Young of Ohio):

S. 2893. A bill to amend title IV of the Social Security Act to improve the program of aid to families with dependent children, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. Kennedy of New York when he introduced the above bill, which appear under a separate heading.)

By Mr. HATFIELD:

S. 2894. A bill to amend title 10, United States Code, in order to provide that time on active duty in a temporary grade may be counted in determining time-in-grade requirements necessary for promotion to the next higher permanent grade; to the Committee on Armed Services.

By Mr. SMATHERS:

S. 2895. A bill for the relief of Dr. Orestes Fernandez; to the Committee on the Judiciary.

By Mr. COTTON:

S. 2896. A bill for the relief of the estate of Capt. John N. Laycock, U.S. Navy (retired); to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 2897. A bill for the relief of James T. O'Brien; to the Committee on the Judiciary.

By Mr. MONDALE:

S. 2898. A bill for the relief of Deborah Anne Taylor; to the Committee on the Judiciary.

By Mr. DOMINICK:

S. 2899. A bill for the relief of Edson K. Hartzell; to the Committee on Finance.

By Mr. BIBLE (by request):

S. 2900. A bill to amend section 13 of the District of Columbia Redevelopment Act of 1945, as amended; and

S. 2901. A bill to amend the act for the retirement of public school teachers in the District of Columbia to change the method of calculating each year's appropriation for the Teachers' Retirement Fund; to the Committee on the District of Columbia.

By Mr. WILLIAMS of Delaware:

S. 2902. A bill to improve the balance of payments and protect the domestic economy of the United States; and

S. 2903. A bill to amend the Internal Revenue Code of 1954 to limit the maximum rate of percentage depletion to a rate of 20 percent; to the Committee on Finance.

(See the remarks of Mr. Williams of Delaware when he introduced the above bills, which appear under a separate heading.)

By Mr. SMATHERS:

S. 2904. A bill for the relief of Wook Hea Lee (Joseph Lee); to the Committee on the Judiciary.

By Mr. YARBOROUGH:

S.J. Res. 135. A joint resolution designating the Federal building at HemisFair 1968 as the "Morris Sheppard Pavilion"; to the Committee on Foreign Relations.

(See the remarks of Mr. Yarborough when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTIONS

TO PRINT AS A SENATE DOCUMENT A REPORT ENTITLED "THE COST OF CLEAN WATER"

Mr. RANDOLPH submitted the following resolution (S. Res. 249); which was referred to the Committee on Rules and Administration:

S. Res. 249

Resolved, That there be printed as a Senate document the report of the Secretary of the Interior, entitled "The Cost of Clean Water", in compliance with the provisions of Section 16(a), of the Federal Water Pollution Control Act, as amended (Public Law 89–234); and that there be printed two thousand five hundred additional copies of such document for the use of the Committee on Public Works.

AUTHORIZATION OF CERTAIN ADDITIONAL STUDIES BY THE COMMITTEE ON PUBLIC WORKS

Mr. RANDOLPH submitted the following resolution (S. Res. 250); which was referred to the Committee on Public Works:

S. Res. 250

Resolved, That in furtherance of the understanding of matters coming within its jurisdiction, the Committee on Public Works is authorized to contract with public and private agencies, institutions, and organizations and with individuals for the purpose of conducting a study or studies relating to the movement of commuter traffic into and out of the Washington, District of Columbia, metropolitan area, to study the relationship between highway facilities and other modes of commuter services in the movement of people from those areas beyond the proposed range of projected mass transit and urban freeway facilities, to the disposal of solid waste originating in the Washington, District of Columbia, metropolitan area by such manner and means as will obviate air and water pollution in the Washington, District of Columbia, metropolitan area, all designed to measure the impact of proposals which will affect various programs authorized by the Committee on Public Works pertaining to flood control, navigation, rivers and harbors, roads and highways, water pollution, air pollution, solid waste disposal, public buildings, and all features of water resource development and economic growth: *Provided, however,* That neither the conduct of this study nor any of its observations, conclusions, findings or recommendations shall in any way reexamine, delay, compete, or interfere with the rapid transit system planned by the Washington Metropolitan Area Transit Authority. The Committee on Public works will coordinate its activities with the activities of other committees of the Senate having legislative jurisdiction related to the general subject matter of the study or studies to be undertaken.

Sec. 2. Expenses of the committee, under this resolution, which shall not exceed $135,000, shall be paid from the contingent fund of the Senate, upon vouchers approved by the chairman of the committee.

REFERENCE OF SENATE BILL 2896 TO THE COURT OF CLAIMS

Mr. COTTON submitted the following resolution (S. Res. 251); which was referred to the Committee on the Judiciary:

S. Res. 251

Resolved, That the bill (S. 2896) entitled "A Bill for the relief of the estate of Captain John N. Laycock, United States Navy (retired)" now pending in the Senate, together with all the accompanying papers, is hereby referred to the chief commissioner of the Court of Claims; and the chief commissioner shall proceed with the same in accordance with the provisions of section 1492 and 2509 of title 28 of the United States Code, as amended by the Act of October 15, 1966 (80 Stat. 958), and report thereon to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States or a gratuity and the amount, if any, legally or equitably due from the United States to the claimant.

AUTHORIZATION FROM THE COMMITTEE ON COMMERCE TO MAKE CERTAIN STUDIES—REPORT OF A COMMITTEE

Mr. MAGNUSON, from the Committee on Commerce, reported the following original resolution (S. Res. 252); which was referred to the Committee on Rules and Administration:

S. Res. 252

Resolved, That the Committee on Commerce, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) interstate commerce generally, including consumer protection;

(2) foreign commerce generally;

(3) transportation generally;

(4) maritime matters;

(5) interoceanic canals;

(6) domestic surface transportation, including pipelines and highway safety;

(7) communications, including a complete review of national and international telecommunications and the use of communications satellites;

(8) Federal power matters;

(9) civil aeronautics;

(10) fisheries and wildlife;

(11) marine sciences; and

(12) weather services and modification, including the use of weather satellites.

Sec. 2. For the purpose of this resolution the committee, from February 1, 1968, to January 31, 1969, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $2,300 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1969.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $550,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954 (PUBLIC LAW 480)

Mr. MUNDT. Mr. President, I introduce, for appropriate reference, a bill which I hope will have the prompt attention of the Senate, the House of Representatives, and the President of the United States.

My bill would continue for another year the Agricultural Trade Development and Assistance Act of 1954, popularly known as Public Law 480, of which I was an original cosponsor when that legislation was first enacted.

I should also like to pay tribute at this point to the Senator from New Mexico [Mr. ANDERSON] who joined with Senator Case, my then colleague from South Dakota, and me in introducing the forerunner to this legislation. I point out that the bill has served our country well and has been of inestimable value in bolstering the agricultural economy of the United States while at the same time assisting developing countries throughout the world to stay or get back on their feet. Consider the fact that between 1954 and 1966 almost $15 billion worth of U.S. agricultural products were shipped to peoples of food deficient nations under provisions of the act.

Under the provisions of the act, we can realize its significance, not alone to the farm belt but also to the world as a whole.

Consider the fact that in each of the last 5 years, $1.5 billion worth of agricultural goods moved abroad under the act's provisions each year. That is truly a gigantic boost to the economy of the agricultural areas of our country and to the welfare of deprived peoples in nations around the world.

Extension of this act is highly important, and I think it is vital and urgent. Congress must extend Public Law 480 which expires on December 31, 1968. I hope that we move expeditiously in that direction.

Mr. President, Members of the Senate will recall that on January 25 I commented on a Wall Street Journal article written by Mr. Al A. Shock, one of South Dakota's most successful businessmen, a keen and knowledgeable student of the agriculture situation in general, who went into the matter in considerable detail.

Mr. Shock's article quotes a national farm leader who recently said 1967 was not a pleasant year for farmers and ranchers:

> We are completing the harvest of the largest crop in history, produced at the highest cost on record and sold at the lowest price in a decade. Parity has dropped to 73%, compared with 71% in 1934 in the depths of the depression. The purchasing power of farm products, when adjusted to today's values, is only 40 cents on the dollar, very little more than in the thirties.

Attacking the problem head on, Mr Shock says that the farmer must obtain a stronger and more direct voice in the operation of the Department of Agriculture:

> High positions in the Department should go to men with broad farm experience. Reorganization of the Department seems absolutely necessary.

Mr. President, I am in complete agreement with these sentiments. The officials at the Department of Agriculture seem to have forgotten that their responsibility is to help the farmer. While prices have been plunging, suggestions for alleviating the problem have been few. They apparently have also fallen down on their duty to keep the President informed as to the agricultural situation for, as Members will recall, the American farmer and his problems received short shrift in the President's state of the Union message.

I am sure that they are working feverishly at the Department on all types of special Agriculture messages and recommendations. I am at the same time fearful that once again the farmers of this country will get words without action.

Congress, I hope, will provide the action. One concrete action it can take immediately is to pass legislation to extend Public Law 480.

The original goals of the legislation, provision for additional outlets for U.S. agricultural surpluses, and making the products available to the developing nations on terms they can afford, are still valid.

Some of the major benefits of the legislation have been:

First. Bolstering of prices received by our farmers.

Unhappily, under the present farm policy of the administration, farm parity has fallen to 73 percent. One shudders to think where parity would be today had we not had this disposal program available under Public Law 480.

Originally, the bill was considered as food-for-peace legislation. The administration now prefers to call it the food-for-freedom program. I do not care what it is called, particularly, but I am interested in seeing that the functions of the legislation continue.

Second. Accelerated economic development in various countries has led to increased commercial exports of agricultural and industrial products.

Some countries got their first real sample of American food products and the bounty of the agriculture developed in this country from the Public Law 480 supplies which were made available to them under the act.

Third. Market development activities carried on in connection with Public Law 480 shipments have expanded the demand for commercial agricultural exports.

Fourth. Government costs for storage and handling of surplus stocks during the years have been lower than they would have been in the absence of the program.

Fifth. Friendly relations with more than 100 countries have been strengthened.

Mr. President, somebody, somewhere in this United States should keep faith with the farmer. I say, enact this legislation as one of the sacred pillars required to build a solid foundation of farm legislation needed to provide the farmer with an opportunity to achieve the parity of income to which he is entitled. This act alone will not do the job but, at least, it will provide one step in the right direction.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2891) to extend for a period of 3 years the authority of the President to enter into agreements to finance sales under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and to carry out programs of assistance under title II of such act, introduced by Mr. MUNDT, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

REVISION OF CERTAIN PROVISIONS OF SOCIAL SECURITY ACT RELATING TO PUBLIC ASSISTANCE

Mr. HARRIS. Mr. President, I introduce, for myself, Mr. KENNEDY of New York, and 24 other cosponsors, making 26 sponsors in all, a bill which would repeal part of the regressive and punitive measures written into the Social Security Act last year. I ask unanimous consent that the bill be printed in the RECORD and appropriately referred.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2892) to amend the Social Security Act so as to revise certain provisions thereof relating to public assistance which were enacted or amended by the Social Security Amendments of 1967, introduced by Mr. HARRIS (for himself and other Senators), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 2892

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Security Amendments of 1968."

SEC. 101. Section 402(a)(8), (A)(ii) of the Social Security Act is amended by (a) striking out "$30" and inserting in lieu thereof "$50" and (b) striking out "one-third" and inserting in lieu thereof "one-half".

SEC. 102. (a)(1) Effective July 1, 1969, clauses (i) and (ii) of section 2(a)(10)(A) of the Social Security Act are amended to read as follows: "(i) the State agency shall with respect to any month disregard the first $50 of the total of the earned income of such individual for such month plus one-half of the remainder of such income for such month and (ii) the State agency may, before disregarding the amount referred to in clause (i), disregard not more than $7.50 per month of any income;".

(2) A State whose plan under section 2 of the Social Security Act has been approved by the Secretary shall not be deemed to have failed to comply substantially with the requirements of section 2(a) (10) (A) of such Act (as in effect prior to July 1, 1969) for any period beginning after December 31, 1967, and ending prior to July 1, 1969, if for such period the State agency disregards earned income of the individuals involved in accordance with the requirements specified in clause (i) of section 2(a) (10) (A) of such Act as amended by this section.

(b) (1) Effective July 1, 1969, clauses (A) and (B) of section 1402(a) (8) of such Act are amended to read as follows: "(A) the State agency shall with respect to any month disregard the first $50 of the total of the earned income of such individual for such month plus one-half of the remainder of such income for such month, (B) the State agency may, before disregarding the amount referred to in clause (A), disregard not more than $7.50 per month of any income, and".

(2) A State whose plan under section 1402 of the Social Security Act has been approved by the Secretary shall not be deemed to have failed to comply substantially with the requirements of section 1402(a) (8) of such Act (as in effect prior to July 1, 1969) for any period beginning after December 31, 1967, and ending prior to July 1, 1969, if for such period the State agency disregards earned income of the individual involved in accordance with the requirements specified in clause (A) of section 1402(a) (8) of such Act as amended by this section.

(c) (1) Effective July 1, 1969, clause (i) of section 1602(a) (14) (B) of such Act is amended to read as follows: "(i) the State agency shall with respect to any month disregard the first $50 of the total of the earned income of such individual for such month plus one-half of the remainder of such income for such month, and".

(2) Effective July 1, 1969, subparagraph (C) of section 1602(a) (14) of such Act is amended to read as follows: "if such individual has attained age 65 and is neither blind nor permanently and totally disabled, the State agency shall with respect to any month disregard the first $50 of the total of the earned income of such individual for such month plus one-half of the remainder of such income for such month, and".

(3) A State whose plan under section 1602 of the Social Security Act has been approved by the Secretary shall not be deemed to have failed to comply substantially with the requirements of section 1602(a) (14) of such Act (as in effect prior to July 1, 1969) for any period beginning after December 31, 1967, and ending prior to July 1, 1969, if for such period the State agency disregards earned income of the individual involved in accordance with the requirements specified in clause (i) of section 1602(a) (14) (B) or subparagraph (C) of section 1602(a) (14) as amended by this section.

(d) Section 202(d) of the Social Security Amendments of 1967 is amended by striking out "part A of Title IV" and inserting in lieu thereof "Title I, X, XIV, XVI, or XIX, or part A of Title IV".

Sec. 103. (a) Section 407(b) (1) (A) of the Social Security Act is amended by adding "and" at the end thereof.

(b) Section 407(b) (1) (B) of such Act is amended by striking out ", and" at the end and inserting in lieu thereof "; and".

(c) Section 407(b) (1) (C) of such Act is repealed.

Sec. 104. Section 407(a) (2) (C) of the Social Security Act is amended by striking out "such child's father" and all that follows and inserting in lieu thereof "such child's father is not currently registered with the public employment office in the State."

Sec. 105. (a) Subsection (c) of section 407 of the Social Security Act is amended to read as follows:

"(c) Notwithstanding any other provisions of this section—

"(1) a State plan may, at the option of the State, provide for denial of all (or any part) of the aid under the plan with respect to a dependent child as defined in subsection (a) to which any child or relative might otherwise be entitled for any month if the father of such child received unemployment compensation under an unemployment compensation law of a State or of the United States for any week any part of which is included in such month, and

"(2) expenditures pursuant to this section shall be excluded from aid to families with dependent children (A) where such expenditures are made under the plan with respect to any dependent child as defined in subsection (a), (i) for any part of the 30-day period referred to in subparagraph (A) of subsection (b) (1), or (ii) for any period prior to the time when the father satisfies subparagraph (B of such subsection, and (B) if, and for as long as, no action is taken (after the 30-day period referred to in subparagraph (A) of subsection (b) (2)), under the program therein specified, to refer such father to the Secretary of Labor pursuant to section 402(a) (19)".

(b) Subsection (d) of section 407 of such Act is repealed.

(c) Section 203(b) of the Social Security Amendments of 1967 is repealed.

Sec. 106. Section 402(a) of the Social Security Act is amended by adding at the end before the period the following: "; and (24) effective July 1, 1969, provide for assistance to children in need because of the unemployment of their father as provided in section 407".

Sec. 107. (a) Section 434 of the Social Security Act is amended by striking out "$30 per month payable in such amounts and at such times as the Secretary prescribes" and inserting in lieu thereof "$20 per week".

(b) Section 435 of such Act is amended by striking out "80" and inserting in lieu thereof "90".

(c) Section 443 of such Act is amended by striking out "20" each time it appears therein and inserting in lieu thereof "10".

(d) Section 402(a) (19) (C) of such Act is amended by striking out "20" and inserting in lieu thereof "10".

(e) Section 402(a) (19) (A) of such Act is amended by inserting "or" before the semicolon at the end thereof.

Sec. 108. Section 406(e) (1) of the Social Security Act is amended by striking out "30" and inserting in lieu thereof "60".

Sec. 109. (a) Section 403(a) of the Social Security Act is amended by striking out "(subject to subsection (d))" in the matter preceding paragraph (1) thereof.

(b) Section 403(d) of such Act is repealed.

Sec. 110. Effective July 1, 1969—

(a) Section 2(a) (5) of the Social Security Act is amended by—

(1) striking out "necessary" and inserting in lieu thereof "necessary (i)"; and

(2) adding at the end before the comma the following: "and (ii) to assure that eligibility for and the extent of assistance under the plan will be determined in a manner consistent with simplicity of administration and the best interests of the recipients";

(b) Section 402(a) (5) of such Act is amended by—

(1) striking out "necessary" and inserting in lieu thereof "necessary (i)"; and

(2) adding at the end before the comma the following: "and (ii) to assure that eligibility for and the extent of aid under the plan will be determined in a manner consistent with simplicity of administration and the best interests of the recipients";

(c) Section 1002(a) (5) of such Act is amended by—

(1) striking out "necessary" and inserting in lieu thereof "necessary (i)"; and

(2) adding at the end before the comma the following: "and (ii) to assure that eligibility for and the extent of aid under the plan will be determined in a manner consistent with simplicity of administration and the best interests of the recipients";

(d) Section 1402(a) (5) of such Act is amended by—

(1) striking out "necessary" and inserting in lieu thereof "necessary (i)"; and

(2) adding at the end before the comma the following: "and (ii) to assure that eligibility for and the extent of aid under the plan will be determined in a manner consistent with simplicity of administration and the best interests of the recipients"; and

(e) Section 1602(a) (5) of such Act is amended by—

(1) striking out "necessary" and inserting in lieu thereof "necessary (i)"; and

(2) adding at the end before the comma the following: "and (ii) to assure that eligibility for and the extent of aid or assistance under the plan will be determined in a manner consistent with simplicity of administration and the best interests of the recipients".

Sec. 111. Title VII of the Social Security Act is hereby amended by adding a new section 708 at the end thereof, such new section to read as follows:

"Sec. 708. The Secretary of Health, Education, and Welfare shall make a study of and recommendations concerning the means by which and the extent to which the staff of State public welfare agencies may better serve, advise, and assist applicants for or recipients of assistance in securing the full protection of local, State, and Federal health, housing, and related laws and in helping them make most effective use of public assistance and other programs in the community and the extent to which the State public assistance program may be used as a means of enforcing local, State, and Federal health, housing, and related laws. The Secretary shall report the results of such study and make recommendations, including the necessary changes in this Act, to the Congress no later than July 1, 1969."

Mr. HARRIS. Mr. President, the bill contains those progressive provisions which were reported out by the Senate Finance Committee, and which were passed by the Senate itself last November 22, but which failed to survive the conference. The distinguished junior Senator from New York will shortly be offering today a bill which is complementary to this bill and which incorporates certain floor amendments adopted last year which do not appear in my bill. My colleague, the junior Senator from New York, is the principal cosponsor of this bill, as I am of his bill. I want to emphasize again that every provision I offer today, and all but three provisions of my colleague's bill, have already been approved by the Senate.

I am pleased that I am joined in introducing this bill by—in addition to Mr. **Kennedy** of New York—Mr. **Brooke**, Mr. **Case**, Mr. **Clark**, Mr. **Gruening**, Mr. **Hart**, Mr. **Inouye**, Mr. **Javits**, Mr. **Kennedy** of Massachusetts, Mr. **Long** of Missouri, Mr. **McCarthy**, Mr. **McGee**, Mr. **McIntyre**, Mr. **Mondale**, Mr. **Morse**, Mr. **Muskie**, Mr. **Nelson**, Mr. **Pell**, Mr. **Prouty**, Mr. **Proxmire**, Mr. **Ribicoff**, Mr. **Tydings**, Mr. **Williams** of New Jersey, Mr. **Yarborough**, and Mr. **Young** of Ohio.

I believe most Members of the Senate

were made aware of how seriously a number of us who opposed the conference report regarded the regressive welfare measures which were written into the law last session. Those of us who were concerned about these provisions last year continue to be very gravely concerned about them today. We intend, beginning today, to renew our fight to repeal the freeze on the level of Federal contributions to State AFDC programs, and to revise and rescind the other harsh measures which were written into the conference report and ultimately signed into law.

Our problem last session was that, on the final rollcall vote, the Congress would have had to vote against increased social security benefits in order to reject the welfare restrictions. With that obstacle removed and with time to reconsider its action this session, I believe the chances are much improved that the Congress will realize how harmful the new amendments are and repeal them. Both taxpayers and welfare recipients felt our welfare system was a failure even before the new restrictions were enacted. But with passage of these amendments, it was in many ways made worse.

Mr. President, I commend President Johnson for his statement on this subject at the time of the signing of the social security bill, and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXCERPT FROM SOCIAL SECURITY SIGNING STATEMENT BY THE PRESIDENT, JANUARY 2, 1968

Franklin Roosevelt's vision of social insurance has stood the test of the changing times. I wish I could say the same for our nation's welfare system.

The welfare system today pleases no one. It is criticized by liberals and conservatives, by the poor and the wealthy, by social workers and politicians, by whites and by Negroes in every area of the nation.

My recommendations to the Congress this year sought to make basic changes in the system.

Some of these recommendations were adopted. They include a work incentive program, incentives for earning, day care for children, child and maternal health services and family planning services. I believe these changes will have a good effect.

Other of my recommendations were not adopted by the Congress. In their place, the Congress substituted certain severe restrictions.

I am directing Secretary Gardner to work with state governments so that compassionate safeguards are established to protect deserving mothers and needy children.

Mr. HARRIS. I also commend the President for his establishment of the Commission on Income Maintenance Programs, chaired by Ben W. Heineman, chairman of the board, Chicago & North Western Railroad. Senators will recall that I strongly urged just such a study in my statement on welfare just before the vote on the social security bill last session. We need a fundamental overhaul of our entire welfare program in this country. As one knowledgeable person has said, it is a system which aims more toward saving money than saving people, and, tragically, winds up saving neither.

Let me reiterate that nothing I say today is intended as a criticism of my chairman on the Senate Finance Committee or of my distinguished colleagues on that committee who served as members of the conference. As I made clear during debate last session, we had their assurances that they did the best they could in a very tough situation in the conference, and I, of course, accept that.

Welfare programs reach around 7.3 million persons.

Some 2.8 million are over 65, blind or otherwise so severely handicapped that their work potential, if any, is severely limited.

About 3.5 million are children in the aid for dependent children program—AFDC—whose parents do not or cannot provide financial support.

Of the remaining recipients, 900,000 are mothers of children receiving welfare and 150,000 are fathers; two-thirds of these fathers are incapacitated. Only 50,000 are in the special program called aid to families with dependent children—unemployed parents—operating now in 22 States.

The most important and critical provision of the bill I offer today is its repeal of the intolerable freeze on the level of the Federal contribution to State AFDC programs. This limitation, which goes into effect on July 1 of this year, will either place an excessive financial burden on the States to make up for lost Federal matching revenues, or bar tens of thousands of families otherwise eligible for AFDC from the program if the States cannot or refuse to make up the lost Federal funds or spread even more thinly the already meager benefits paid under AFDC. All three of these results will occur simultaneously, to some extent, depending on the reaction of each individual State to the terms of the freeze. At worst, as I emphasized in debate last session, as many as 300,000 children—according to administration estimates—could be cut off the AFDC rolls on July 1 of this year.

Mr. President, I have received an excellent description of the impact this freeze will have on the States which also contains a technical explanation of how the freeze will work. It was written by Mrs. Elizabeth Wickenden, a well-known consultant on welfare policy. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EFFECT OF THE "FREEZE" PROVISIONS OF PUBLIC LAW 90–248

(Prepared by Elizabeth Wickenden technical consultant on public social policy to the National Assembly for Social Policy and Development, Inc.)

Provision. Section 208 of PL 90–248 amends section 403 of the Social Security Act to limit federal reimbursement to the states for assistance payments for children in need because of a parent's absence from the home (by reason of desertion, illegitimacy, separation, or divorce) for any quarter after June 30, 1968 to the same proportion of the total child population as existed in the quarter beginning on January 1, 1968.

Explanation. This is a *financial* limitation not a case load or intake limitation. In fact, it is a condition of federal participation in a state AFDC program that (1) the state *must* accept and act promptly on all applications (2) must treat all eligible children throughout the state according to the same standards, (3) may not consider illegitimacy as a reason for excluding an otherwise eligible child and (4) must extend the right of appeal to individuals dissatisfied with decisions on any of these points.

The frequent statement made during debate on H.R. 12080 that this provision would automatically cut off such children or limit new cases is based on a lack of understanding of the above provisions of the basic act. Its purpose is, in fact, to force states to reduce or limit their caseloads—with respect to this group of children—in other ways. This was clearly stated by Ways and Means Committee Chairman in House debate on December 13, (p. 36368 of the CONGRESSIONAL RECORD) when he said, "It is there to get the States to act on the other provisions of the the bill requiring them to do something to reduce dependency and to take people off welfare who should not be there. It is as simple as that . . . we are furnishing a prod to obtain some results from the State welfare agencies."

Effect on the states. It is important to understand the method of federal reimbursement to the states. This reimbursement takes place *after* the fact and is based on actual expenditures made by the state on an average per capita basis in behalf of all eligible children during the prior quarter. There is a limit on the per capita reimbursement but, prior to this enactment, *not* on the number of such children. This so-called "open ended authorization" is directly related to the plan requirements described above and the assumption that the factors which cause need for assistance within a state are neither related to its fiscal capacity nor subject to its control.

Under this provision when a state submits its expenditures for the prior three months on October 1, 1968 its Federal reimbursement will be based on (1) average expenditures for *all* children in need because of the death, disability, or unemployment of a parent but (2) for those with an absent parent *only* up to the number determined by the 1st quarter ratio. Thus in meeting federal plan requirements for equal treatment of both groups many states will have overspent.

The state faced with a deficit in its reimbursement will still be required to give future assistance on an equitable basis to children in both categories and to accept all new eligible children. Thus at the end of the next quarter its reimbursement will again be curtailed.

Faced with this progressive reduction in its Federal reimbursement a state has the following options: (1) find more state money, (2) reduce assistance payments for all children or (3) eliminate some cases by tighter eligibility requirements.

Most states operate on an annual budget and most state legislatures meet biennially. The chances of finding additional state and local money, especially by October 1, 1968 are extremely poor. They will, therefore, have to absorb any third quarter reduction in their fourth quarter expenditures and, so on, in a geometric progression of reduction. This is further complicated by the many requirements for additional financing imposed on the states by PL 248 (matching for day care, work project costs, income exemptions, etc.) and by the fact that any beneficial effects from these programs will be slow in developing.

If grants are reduced to absorb the deficit they must, under existing federal law, be reduced equally across the whole caseload. Thus the same or greater deficit in federal matching can again be anticipated at the end of each quarter.

With respect to the third option, since the financial limitation applies only to children with an absent parent, there is a clear advantage to the state in trying to reduce the number of *such* children on the rolls or accepted for assistance. The new law offers a variety of ways to do this but increasingly they are being challenged in the courts as unconstitutionally discriminatory. In fact, the whole trend of recent court decisions (for example on resident requirements and man-in-the-house prohibitions) is to *widen* the requirements for eligibility. Thus the states are caught in a squeeze which leaves them little choice but to cut the level of assistance payments for all children.

Mr. HARRIS. Mr. President, another important feature of the bill just introduced is that it would require each State to participate in the AFDC–UP program by July 1, 1969. This is the one provision of the present bill which was not reported out by the Senate Finance Committee. I offered it as a floor amendment last session and it was approved by the Senate on a rollcall vote. The effect of this measure would be to correct a most serious deficiency in the present law which has existed for a number of years. In many States the AFDC regulations encourage, and, in fact, make inevitable, the disintegration of families because they require that a father whose family is otherwise entitled to aid to families with dependent children, but who is unemployed, leave his children and his home so that they may be able to receive assistance. This is not merely a minor or obscure defect of public assistance under the present law; it is one of the major causes of despair and breakdown among poor families. We affluent Americans cannot have it both ways. We cannot say that people are to be condemned for the breakdown of their families on the one hand, and then continue a program in most of the States which encourages the breakdown of families.

I want to make clear that this provision would permit families with unemployed fathers to receive AFDC assistance only if the unemployed father both registers for work with his State's employment service office and participates in the work-training programs provided for elsewhere in the Social Security Act. The Department of Health, Education, and Welfare has estimated that the Federal cost of this program would be $60 million and the cost to the States, between $30 and $35 million. This may very well overestimate the costs of the program, for if enough unemployed fathers participate in the work-training programs as a condition of receiving AFDC assistance, a great many of these men can be expected to secure regular, full-time employment which pays them enough to make public assistance for their families unnecessary.

The bill I have just introduced would also humanize public assistance in several other ways. It would restore a more realistic training-incentive payment of $20 per week for participants in the new work-training program provided in last year's legislation, instead of the $30 per month incentive adopted, and it would enhance the new work-incentive provisions passed last year by permitting welfare recipients to keep the first $50 and half the remainder of earned income. It will be recalled that the House and conference version of this particular measure—now the present law—would provide an exemption of only $30 and one-third of the remainder of earned income. Liberalizing this measure as I propose to do would significantly increase the incentive of AFDC recipients to seek and to retain employment.

Several other provisions of the bill just introduced would dissociate the employment record of a father from his family's need for assistance under AFDC. One would repeal the requirement that a father have 6 calendar quarters of work or have been entitled to unemployment compensation as a condition for eligibility to assistance under the special AFDC-unemployed parents program. As the law now stands, those families most in need of assistance—young families with small children in which the wage earner may have a disqualifying record of broken employment—are most heavily penalized. This is true, because it is the young family head who is most likely not to have been previously employed, or not to have had sufficient employment experience to qualify for unemployment compensation, and, therefore, for AFDC–UP.

Another provision of this bill would repeal an onerous form of discrimination in the law against persons who receive unemployment compensation. The way the law now reads, AFDC aid in any amount is denied to an unemployed worker's family if he is receiving unemployment compensation in any amount. All we are asking is that the previous law be restored under which States could, at their option, deny all or any part of AFDC payments to a worker's family during any month in which he received unemployment compensation. Although this amendment is not consistent with the principle that earned income should be prorated when a State welfare agency is determining how much AFDC assistance a family can get, it would restore the Senate position, and the previous law, on this matter. After further consideration, it might be found advisable to liberalize this provision even further at some time in the future.

Finally, the bill I propose today would authorize a study of ways to make the welfare system more responsive to the needs of welfare recipients and more activist in their behalf. What we intend here is for the Secretary of Health, Education, and Welfare to conduct a broad review of the ways in which welfare recipients are treated by welfare agencies, and to discover and recommend methods and means by which the system can both be made more humane and more efficient. We are also interested in recommendations about how the system could serve more effectively as a channel into the mainstream of our society and economy, rather than constitute, as it now does, a separate, impoverished, and demeaning way of life to which the poor are consigned from one generation to the next.

This provision was offered by me and adopted by the Senate last session as a companion amendment to another amendment, now law, which I offered and which established the requirement for the recruitment, training, and use of the poor as subprofessional "community service aides," and also for the use of volunteers in each State's welfare program. The study provided for in this bill will propose ways of reducing the feeling of being adversaries which many recipients and caseworkers have toward each other.

I yield now to my principal cosponsor, the distinguished junior Senator from New York, who, I believe, plans to introduce his bill at the present time.

SOCIAL SECURITY AMENDMENTS

Mr. KENNEDY of New York. Mr. President, I introduce, for appropriate reference, for myself, the Senator from Oklahoma [Mr. Harris], and 23 additional cosponsors, a bill to amend the public welfare and medicaid provisions of the Social Security Act, which Congress enacted last year. This bill complements the one which Senator Harris has just introduced, and I am glad to be associated with him in this renewed effort to rid the law of the restrictive and punitive provisions added last year. The bipartisan group of Senators cosponsoring my bill includes Senators Brooke, Case, Clark, Gruening, Hart, Inouye, Javits, Kennedy of Massachusetts, McCarthy, McGee, McIntyre, Mondale, Morse, Muskie, Nelson, Pell, Prouty, Proxmire, Ribicoff, Tydings, Williams of New Jersey, Yarborough, and Young of Ohio.

Mr. President, the legislative effort which we launch today is of critical importance. At a time when there is an increasing polarization of points of view in our Nation, when there is an increasing alienation of one group from another within our Nation, the welfare restrictions enacted last year only serve to make matters worse. By enacting these restrictions, Congress has decided to punish the children of the poor without making any fundamental change in the present unsatisfactory status of the welfare system. It has said to the mothers of poor children that we judge whether they should be home to take care of their children by a far different standard than that which we apply in our own homes. It has said to the mothers of poor children that a Government official will decide whether they can take care of their children or whether they must go to work. It has said to States and localities already hard pressed to raise tax revenues that the Federal Government is no longer going to meet a responsibility which it undertook to meet 30 years ago, and yet the States must continue to meet it in the same way. The result of what we did last year will be, first, to punish the children of the poor, and, second, to force an increase in State and local taxes at a time when taxpayers are already overburdened. At the same time, we did not bring about the changes which are so desperately needed if we are to substitute employment for welfare dependency and make tax producers out of tax consumers.

And the new law is almost unadministerable in a number of respects. The freeze, for example, will be a monstrosity—and the Governors of 22 States have already indicated their opposition to it. Consider what will happen in a State which is unable to come up with funds of its own to pay for new welfare children—a likely possibility in most States. The law requires the State to accept everyone who is eligible. Assiduous application of the new restrictions in the law may trim the rolls somewhat, but there will undoubtedly be some children frozen out of Federal aid by the new limitation. Suppose the State was previously spending $50 per child per month. Unable to come up with locally generated funds, it will have to spread the Federal money among more children. So it may, perhaps, give each child $45 a month in order to take care of all. Now, however, when it goes back to the Federal Government during the next fiscal quarter for reimbursement, it has spent only $45 per child, and will get Federal reimbursement at that rate, and then only for those children within the freeze. It will therefore have less money for the next fiscal quarter and be forced to lower its standards again in order to accommodate all. As far as anyone can tell, the process will go on ad infinitum. The freeze will be a fiscal and administrative nightmare.

Nor is HEW acting with any noteworthy firmness so far in seeing that the new law will be properly carried out. Consider what has happened with reference to the question of coercion of mothers to work. Even though the law contains no specific exemption for mothers, it does say that only "appropriate" individuals are to be referred for work training, and this language clearly gives HEW the authority to define the word "appropriate" so as to protect mothers who ought to be taking care of their children rather than working. Yet, what has happened? Instead of proposing to issue regulations which would have to be published in the Federal Register and would have the force of law, HEW is evidently proposing merely to handle the matter by a "State letter," by in effect issuing guidelines instead of regulation. This, while less desirable than regulations, might not be wholly unsatisfactory if the guidelines were firm and clear. Instead, however, the draft guidelines which HEW has sent out to the States regarding who is appropriate for work training contain no firm definitions at all. In fact, they tell the States that Congress wanted the question of whether mothers should be required to work to be handled with "particular flexibility." And the question of whether particular categories of mothers should be exempted is dealt with by the use of words like "desirable" and "perhaps." Clearly, this approach is apt to create problems for families and mothers that could be avoided.

In short, the public welfare provisions of Public Law 90–248 are a stimulant to chaos, both human and fiscal. That is why the legislation we introduce today is so desperately needed.

Mr. President, the two bills we introduce today would essentially restore the law to what it would have been had the Senate-passed version of H.R. 12080 prevailed in conference. Senator HARRIS' bill, as he has explained, would repeal the freeze on Federal participation in AFDC and the limitations enacted on the AFDC–UP program. My bill would insure that mothers cannot be forced to work when they should be taking care of their children, as well as accomplish certain other objectives which I shall explain in a moment.

This legislation will be introduced in the other body as well, and we hope that it will be considered in the appropriate committees in the two houses. Later in the year I plan as well to introduce broader legislation dealing with needed long-range changes in our welfare policy. The proposals we introduce today are the bare minimum needed to move us back toward a progressive welfare policy. We hope they can be enacted without delay.

Let me explain this bill in somewhat more detail.

Section 1(a) would reinsert into the work incentive program enacted last year the exemptions from coercion to work for mothers which were added by the Senate and dropped in conference. Under this section a mother who is actually caring for one or more children of preschool age could not be forced to work against her will, and a mother who is actually caring for one or more children under the age of 16 who are attending school could not be forced to work except during school hours. This section would also give the State welfare agency the power, to be exercised in accordance with criteria established by the Secretary of Health, Education, and Welfare, to exempt other persons whose participation in the work incentive program would not serve their own best interests and the objectives of the program. Every feature of this section was included in my amendment No. 465 which the Senate adopted by a vote of 41 to 38 during its consideration of H.R. 12080.

I cannot emphasize too strongly the importance of this proposal. I believe we must ask ourselves what kind of a country we are when we enact legislation in the last third of the 20th century which would force mothers of children who need parental care to go to work. The Congress of the United States—we who sit in this body—have not only acted contrary to fundamental humanitarian, and, I might add, constitutional principles, but we have ignored all of the learning and knowledge which has been brought to us by the discipline of child psychology. We have said to the poor that a Government bureaucrat can tell them whether their children will be brought up with parental care and supervision. I think that was a tragic decision on our part. We must reverse it.

Section 1(b) of the bill would reinsert into the work incentive program a protection, which the Senate adopted but the conference dropped, for children whose parent or parents refuse to participate in the program. The law as enacted requires that welfare payments to such children be made through a third party, thus reflecting an automatic judgment that a parent who refuses to work is incapable of handling money. This inflexible provision, by undermining respect between child and parent regardless of the circumstances involved in the refusal to work, will damage family life even further. Section 1(b) leaves up to the local welfare authorities the question of whether the welfare assistance to the child should be paid through a third party once one of his parents refuses to work. Thus the matter will be left more flexible and can be determined on a case-by-case basis as appropriate. This section was also adopted by the Senate as part of my amendment No. 465 last fall, as part of the same 41 to 38 record vote which I mentioned a moment ago.

Section 1(c) would require that any work to which people are assigned under the work incentive program which is not covered by the Federal minimum wage would be compensated at the Federal minimum wage applicable to newly covered workers. This would prevent people from being forced to work at substandard wages. This amendment was narrowly defeated in the Senate but the debate did not make clear that this provision entails no cost—the welfare recipient would simply work fewer hours to "work off" his welfare and be compensated more adequately, therefore, for his work.

Examination of the Federal minimum wage law reveals that much of the employment to which people are likely to be assigned under the work incentive program is not covered by the minimum wage. Such categories as day care, public maintenance and construction, sanitation departments, landscape and grounds departments, reclamation and irrigation, and, indeed, all other State and local governmental employment except for employment in hospitals, schools, and transit, are not covered by the Federal minimum wage. It is easy to imagine, therefore, that in some parts of our country people will be put to work on tasks that local government wants done at wages of 35 or 50 cents an hour. One can imagine ditch-digging projects and lavatory-cleaning projects at 35 cents or 50 cents an hour. The law as enacted permits this. The amendment contained in section 1(c) of the bill would change this. The minimum wage applicable for the current calendar year to newly covered workers is $1.15 an hour, the return from which, even for a full-time worker, is not sufficient to allow him to support a family above the poverty level. So this amendment does not ask for much. It is the least we can do.

Section 2 would amend the program of aid to dependent children of unemployed fathers by making Federal aid available to supplement the earnings of working fathers whose income is below the State AFDC standard. This provision is complementary to the earnings exemption for welfare recipients which was created in the 1967 law, and would be liberalized by the Harris bill. That exemption will allow people to go to work to supplement their welfare assistance, ending the previous situation where the welfare recipient lost a dollar of welfare for every dollar he earned. Section 2 is the other side of the coin—it would supplement the income of working fathers where their earnings are so low that they do not even equal the State's welfare definition of minimum family need. Thus section 2 would be an equitable and constructive addition to the welfare law.

To some extent, of course, the manner in which HEW defines the term "unemployment" in the rewritten section 407 of the law will determine the scope of the "underemployment" proposal I made today. If—as past history would suggest—"unemployment" is defined to include part-time and seasonal workers, section 2 of my bill will cover correspondingly fewer workers.

In any event, the proposal in section 2 is really motivated by considerations of simple justice. Under the earnings exemption enacted last year, a person on welfare might go to work, and, as a result of the operation of the law, have a combined income from work and welfare which exceeds that of a person working right alongside who was never on welfare. This is, in simple terms, unjust. Section 2 would insure that the person working alongside, who was working all along and never asked for welfare, could also receive aid to help him support his family if his earnings are below the State welfare standard. He would receive aid according to the same formula as the AFDC recipient who goes to work and receives welfare and earned income in accordance with the earnings exemption added last year as sections 402(a)(7) and (8) of the Social Security Act. Since the amendment would help fathers who are living with their families and working and trying to support them, it is a valid means of discouraging desertion and encouraging stable, healthy family life. As such, it would be a most important addition to the public welfare provisions of the Social Security Act.

Section 3 of the bill would alleviate a serious discrimination that is involved in the ceiling on Federal reimbursement for medicaid adopted last year. The law as enacted says that the Federal Government will not reimburse the State for medical assistance to families with income exceeding 133⅓ percent of the actual level of AFDC payments in the State to a family of that size.

This provision will be a disaster in many States. Title XIX contemplated that medical indigency would be defined at a level substantially in excess of a State's public assistance definition of minimum family need. But instead of looking to a State's definition of minimum need, the new law looks to the amount which the State actually pays its public assistance recipients.

Because the actual level of AFDC payments in many States is far less than the State's definition of minimum family need, the new law will force many States to have medical assistance eligibility levels which are actually lower than their welfare standards. For example, Mississippi, according to HEW figures, was paying 22.8 percent of its own minimum need definition to its ADC children in January of last year. It defined the minimum need of a family of four at about $2,340 a year, but paid about $600 a year to such a family. When the 133⅓-percent limitation in the new law goes into effect, the ceiling for medical assistance in Mississippi will thus be about $800 for a family of four, or about 30 percent of its own definition of minimum need. The State of Ohio is another good example. In January 1966 its definition of minimum need was $224 a month for a family of four. However, its ADC payments were actually $170 a month for a family of that size. When the 133⅓-percent limitation goes into effect, the ceiling on medical assistance for a family of four in Ohio will, therefore, be approximately $227 a month—an unacceptably low figure.

I might add two other examples to show how widespread the inequity worked by the new law will be. In Indiana, for example, a family of four is eligible for welfare if their income is less than $271.40 a month. But such a family in actuality receives only $103 a month. Under the new law, therefore, a family will be able to receive medical assistance only if their income is below $137 a month. In Texas a family of four qualifies for public assistance if their income is less than $163.95 a month, but the actual level of welfare payments is such that they will qualify for medicaid only if their income is less than $124 a month.

Thus the new law will cause the ceiling on income eligibility for medical assistance in many States to be less than the income level which the State says is the minimum needed to sustain existence. This will not be the case in New York where the State's actual welfare payments are the same as its definition of minimum family need, but it will be true in dozens of other States. Section 3 would correct this serious situation by relating the 133⅓ percent ceiling to the State's welfare standard instead of to its actual level of payments.

In conclusion, Mr. President, let me reiterate that the proposals which Senator Harris and I introduce today are the bare minimum, in our judgment, for action by the Congress in 1968. We should be profoundly ashamed if we do anything less.

I ask unanimous consent that my bill be printed in the Record at the close of my remarks.

The **ACTING PRESIDENT** pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the Record.

The bill (S. 2893) to amend title IV of the Social Security Act to improve the program of aid to families with dependent children, and for other purposes, introduced by Mr. Kennedy of New York (for himself and other Senators), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the Record, as follows:

S. 2893

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 402(a)(19)(A) of the Social Security Act is amended (A) by inserting "or" at the end of clause (vii) thereof, and (B) by adding at the end thereof the following new clauses:

"(viii) a mother or other person who is actually caring for one or more children of pre-school age, or a mother or other relative who is actually caring for one or more children under the age of 16 who are attending school, except where participation in such work program does not necessitate the absence of such mother or relative from the home during hours when the child or children are not attending school, or

"(ix) a person with respect to whom the State agency finds, in accordance with criteria established by the Secretary, that participation under the work incentive programs established by part C would be not in the best interests of such child, relative, or individual and inconsistent with the objectives of such programs;".

(b)(1) Section 402(a)(19)(F)(i) of the Social Security Act is amended to read as follows:

"(i) if the relative makes such refusal, such relative's needs shall not be taken into account in making the determination under clause (7), and aid for any dependent child in the family shall be continued;".

(2) Section 403(a) of the Social Security Act is amended by striking out in the last sentence thereof "with section 402(a)(19)(F)" and inserting in lieu thereof "the last clause of section 402(a)(19)(F)".

(c) Section 433(e)(4) of the Social Security Act is amended by inserting immediately before the period at the end thereof the following: "; except that, in any case in which the particular work concerned is not covered by the Fair Labor Standards Act of 1938, the wage rates provided under any such agreement shall not be lower than the rate provided under section 6(b) of such Act".

Sec. 2. (a) The heading to section 407 of the Social Security Act is amended by inserting "or Underemployed" after "Unemployed".

(b) Section 407(a) of the Social Security Act is amended by inserting "or underemployment" after "unemployment".

(c) Section 407(b)(1)(A) of such Act is amended by inserting "or has been underemployed" after "employed".

(d) Section 407(d) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) an individual shall be deemed to be underemployed so long as his earned income and the earned income of the persons specified in clause (7) of section 402(a) were not in excess of their need as determined by the State agency pursuant to such clause (7) (without regard to clause (8))."

(c)(1) Except as hereinafter provided, the amendment made by this section shall be effective July 1, 1968.

(2) No State which had in operation a program of aid with respect to children of unemployed parents under section 407 of the Social Security Act (as in effect prior to the Social Security Amendments of 1967) in the calendar quarter commencing October 1, 1967, shall be required to include any additional child or family under its State plan approved under section 402 of such Act by reason of the enactment of this section, prior to July 1, 1969.

(3) The provisions of paragraph (2) shall not apply to any State which prior to July 1, 1968, has included additional children or families under its State plan approved under section 402 of the Social Security Act in accordance with the provisions of section 203 (a) of the Social Security Amendments of 1967.

Sec. 3. (a) Section 1903(f)(1)(B)(i) of the Social Security Act is amended by striking out "133⅓ percent of the highest amount which would ordinarily be paid to" and inserting in lieu thereof "133⅓ percent of the highest amount, applicable in the State for determining need, of".

(b) Section 1903(f)(3) of such Act is amended to read as follows:

"(3) For purposes of paragraph (1)(B), in the case of a family consisting of only one individual, the 'amount, applicable in the State for determining need' of such family under the State's plan approved under part A of title IV of this Act shall be the amount determined by the State agency (on the basis of reasonable relationship to the amounts applicable under such plan to families consisting of two or more persons) to be the amount which would be applicable in the State for determining need under the State plan of a family (without income or resources) consisting of one person if such

plan (without regard to section 408) provided for aid to such a family."

Mr. JAVITS. Mr. President, I am very pleased to note this move, and to be associated with it. I believe that the Senate had acted very wisely in respect to the measure it passed, and the result of the conference was a devastating blow to the fairness, justice, and even the wisdom and intelligence which went into the welfare plan as it passed the Senate last year. I hope very much that that injustice will be corrected. The fact that we were compelled to swallow the whole report because it was a unit, and many felt that parts of it were more desirable than the whole—though I did not, and I think the junior Senator from New York felt as I did—does not justify it, and I think the majority really ought to have this on their consciences and that we, in this session, should seek to see undone these injustices of which Senator KENNEDY and Senator HARRIS have spoken, and which are dealt with in these proposals.

Mr. KENNEDY of New York. I thank my senior colleague, and also commend him for the leadership he provided in this area for such a long time, and for the great interest he has taken in this legislation.

Mr. PROUTY. Mr. President, I am happy to be a cosponsor of the bills which have just been introduced by the distinguished junior Senator from Oklahoma [Mr. HARRIS] and the distinguished junior Senator from New York [Mr. KENNEDY]. I believe these bills represent an objective and a humanitarian approach to some of the problems of our underprivileged citizens.

I must say at this point, however, that I do have one or two reservations with respect to provisions in the bill. One involves payment of minimum wages to those who are engaged in so-called make-work programs.

But I believe this is something that can be resolved and worked out to the satisfaction of everyone, and I am indeed happy to associate myself with the distinguished Senators who have introduced these bills.

Mr. KENNEDY of New York. I appreciate the comment of the Senator from Vermont, and his efforts as well.

I understand the problem with respect to the minimum wage. However, I believe it would be most unfortunate to take mothers out of their homes and force them to go to work at 20 or 30 cents an hour, to clean out latrines or whatever it might be. This is an effort to escape from that. I agree with the Senator from Vermont that I am sure some compromise can be worked out.

Mr. MUSKIE. Mr. President, I am pleased to cosponsor the Social Security Act amendments of Senator HARRIS and Senator ROBERT KENNEDY.

On December 15, 1967, prior to the vote on the conference committee report on the Social Security Act Amendments of 1967, I stated my reservations on the bill. I predicted that several provisions of the bill would "injure hundreds of thousands of poor men, women, and children, and hinder our search for a better answer to the vicious cycle of poverty which afflicts too many families in all areas of our country."

Senator HARRIS' proposed amendments will remove the restrictions placed on the number of AFDC children who can be aided with Federal funds. If these restrictions are not removed, malnutrition and disease will affect destitute families who are denied even a minimal subsistence. If local communities are forced to assume the care of these children, the financial burden will be overwhelming in many of our Nation's municipalities. We in the Congress extended and enlarged the Child Health Act included in the 1967 Social Security Act Amendments. This far-reaching provision will aid in reducing the Nation's infant mortality rate and it will provide for family planning services. Ironically, within the same bill are contained retrogressive provisions which would have the effect of destroying family life rather than strengthening it.

An important feature of Senator HARRIS' amendments would require each State to institute an AFDC-unemployed fathers program. This would mean that an unemployed father, head of an impoverished household, would not be forced to abandon his family in order for his children to become eligible for financial assistance.

I endorse Senator HARRIS' proposal that a study be made by the Secretary of Health, Education, and Welfare to determine the extent to which welfare agencies and their programs are serving welfare recipients. I believe a study of this kind is long overdue and would provide the Congress, the States, and the executive branch with data needed to make improvements in these programs.

Equally essential to our welfare programs are Senator KENNEDY's amendments. I wholly support his proposal to eliminate the coercive and discriminatory measures forcing mothers of small children to work. These children all too often grow up in a home without a father. Now, under the legislation as passed last December, conceivably these children could be raised without the benefit of either father or mother.

I believe that these amendments are sound and that they will improve our welfare system by making it a more effective tool for meeting the needs of those who are impoverished and disadvantaged.

LATE SENATOR MORRIS SHEPPARD, OF TEXAS, FATHER OF HEMISFAIR IDEA, SHOULD BE HONORED IN BUILDING NAMING

Mr. YARBOROUGH. Mr. President, I introduce for appropriate reference a joint resolution designating the Federal building at HemisFair the "Morris Sheppard Pavilion."

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 135) designating the Federal building at HemisFair 1968 as the "Morris Sheppard Pavilion," introduced by Mr. YARBOROUGH, was received, read twice by its title, and referred to the Committee on Foreign Relations.

Mr. YARBOROUGH. Mr. President, on Tuesday, January 24, 1968, the official countdown for the opening of HemisFair began with a ceremony at the White House. The original idea for such an exposition was conceived more than 50 years ago by U.S. Senator Morris Sheppard, of Texas, who might properly be called the father of HemisFair.

Morris Sheppard served in the House of Representatives from November 15, 1902, to February 3, 1913. He was elected to the Senate for the terms from March 3, 1913, and served until April 9, 1941, when he died in office. He served in this body longer than anyone from my State. During his tenure of almost 40 years representing Texas in Congress, he was often a man with ideas ahead of his time.

Senator Sheppard introduced a joint resolution in the Senate of the United States on January 10, 1916, which provided for an international exposition to be held in San Antonio in 1918, with all the nations of Latin America invited to participate in the celebration.

While Senator Sheppard was not successful in his effort to celebrate the 200th anniversary of the settlement of San Antonio, due to the intervention of World War I, which forced postponement he deserves due credit for his idea—now reflected in our plans to celebrate the 250th anniversary of San Antonio with HemisFair, 1968. To illustrate the forethought of Senator Morris Sheppard, I ask unanimous consent that his Joint Resolution 72 of the first session of the 64th Congress be printed at this point in my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 72

Joint resolution to provide for holding the San Antonio Bicentennial Exposition in nineteen hundred and eighteen

Whereas it is proposed to celebrate the two hundredth anniversary of the settlement of San Antonio; and

Whereas it is peculiarly appropriate that the Latin-American Republics be invited to participate in said celebration; and

Whereas the exposition should therefore have the sanction of Congress: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That whenever it shall be shown to the satisfaction of the President of the United States that a suitable site has been selected and that adequate provision has been made for buildings and grounds that will enable the San Antonio Bicentennial Exposition to inaugurate, carry forward, and hold an exposition at the city of San Antonio, Texas, on or about the first day of January, nineteen hundred and eighteen, to celebrate the two hundredth anniversary of the settlement of San Antonio, the President of the United States be, and he hereby is, authorized and respectfully requested, by proclamation, or in such manner as he may deem proper, to invite all the Pan American countries and nations to such proposed exposition, with a request that they participate therein.

Mr. YARBOROUGH. Mr. President, the Federal Government will participate in HemisFair with a building for which $6,750,000 has been appropriated. I can think of no tribute more fitting to the late Senator Morris Sheppard and his original idea of such an exposition than to have that building bear his name.

PENALTIES FOR CERTAIN ACTS OF VIOLENCE OR INTIMIDATION—AMENDMENTS

AMENDMENTS NOS. 518, 519, AND 520

Mr. THURMOND submitted three amendments, intended to be proposed by him, to the bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other persons, which were ordered to lie on the table and to be printed.

ADDITIONAL COSPONSOR OF BILL

Mr. HRUSKA. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Pennsylvania [Mr. SCOTT] be added as a cosponsor of the bill (S. 2051) to amend title 18, United States Code, to provide for improved criminal procedure, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICE OF HEARING ON NOMINATION OF MERTON J. PECK, OF CONNECTICUT, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS

Mr. SPARKMAN. Mr. President, I wish to announce that the Committee on Banking and Currency will hold a hearing on Monday, February 5, 1968, on the nomination of Merton J. Peck, of Connecticut, to be a member of the Council of Economic Advisers.

The hearing will commence at 10 a.m. in room 5302, New Senate Office Building.

Persons desiring to testify or to submit statements in connection with this nomination should notify Mr. Lewis G. Odom, Jr., staff director and general counsel, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, Washington, D.C. 20510, telephone 225-3921.

THE F-111 AIRCRAFT PROGRAM

Mr. McCLELLAN. Mr. President, on January 22, 1968, I said in my remarks in the Senate that the Congress faces a crucial decision on whether to continue the appropriation of funds for the procurement of the F-111B aircraft, the Navy's version of the Defense Department's TFX airplane program.

Recent news stories, which I believe to be substantially accurate, state that the top-ranking officers of the Navy have judged the F-111B incapable of performing the combat missions for which it was originally designed.

Articles in the Nation's press have declared that the Navy will attempt to substitute for the F-111B a new and lighter aircraft designed to give our fleet high altitude superiority in the air. Any hope of obtaining that kind of mission performance in the TFX was long ago sacrificed to the imposed demands for "commonality" in the production of one aircraft to carry out the widely divergent combat missions of the Air Force and the Navy.

Mr. President, I call attention to another article in the January 29, 1968, issue of Aviation Week & Space Technology which gives further information on the Navy's strong desire to obtain a new and better aircraft in place of the F-111B. I ask unanimous consent that this article be included in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McCLELLAN. Mr. President, the article to which I refer discusses extensively the Navy's evaluation of several designs submitted by the aviation industry as substitutes for the Navy TFX, and states further that the Navy is virtually assured of success in its proposal to abandon the F-111B because of the aerodynamic limitations of the plane and the prospects that the Congress will deny any further Defense Department requests for production funding.

Mr. President, I reiterate today my conviction that the Congress must prohibit further waste of the taxpayers' money on this airplane which the Navy reportedly intends to discard as soon as possible. It may be well for the Congress to direct that research and development proceed without further delay on a new Navy aircraft designed to give the superior performance which recent world events have demonstrated is vital to our national defense and security. The multibillion-dollar waste associated with this project, serious as it is, is possibly much less tragic than is the weaponry gap that is resulting from the performance deficiencies and the inability of this plane to meet our defense requirements.

Mr. President, my attention has been called to a brief article which appeared in the Periscope of Newsweek magazine of February 5, 1968, which states in part:

> The "revolt of the admirals" against the F-111B supersonic fighter has backfired. * * * some executives within the prime contractor company (Grumman) itself were also urging a separate Navy plane * * *. But the F-111B will undergo major tests next month, and Robert McNamara has passed the word to the Navy: either take the F-111B or nothing. * * * Clark Clifford goes along with McNamara, and now it seems the admirals have created so many doubts about the plane on the Hill that the Navy may find itself without any swing-wing plane at all.

Mr. President, I ask unanimous consent that this entire article be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

Mr. McCLELLAN. Mr. President, there is no reason for the Navy to be without a swing-wing plane. That is not the issue. It is not a question of whether the Navy is to have a swing-wing plane or a plane with wings that do not swing. The issue is, Are we getting a weapon? For the Defense Secretary to say that the Navy must take this airplane, or get nothing is typical of the arbitrariness and is symbolic of the situation that has prevailed from the very concept of this project. The attitude of the Secretary has been that: You must take what I say you shall have, irrespective of how good it will be or how poor it will be; you get it or nothing. That is an arrogant attitude that should no longer be tolerated.

Mr. President, the country cannot afford to have nothing. We need a weapon—the best our technology can produce. If this weapon, the F-111B, can do the job, well and good. Let us buy it and put it in our arsenal. However, if it is an inferior weapon that cannot perform the Navy's missions—if it cannot do the job, then let us waste no more money on it, but, instead, start now developing and procuring a plane that can do it.

EXHIBIT 1

NAVY EVALUATES F-111B SUBSTITUTES—GRUMMAN, MCDONNELL DESIGNS ARE CURRENTLY LEADING CANDIDATES—EFFORTS TO DROP F-111B PRODUCTION PLANS EXPECTED TO SUCCEED

WASHINGTON.—Grumman-designed 303 and the McDonnell 225 design studies are current leading candidates for a high-altitude air-superiority fighter that would supplant the General Dynamics/Grumman F-111B in the Navy inventory of the future.

The Navy is virtually assured of success in its lengthy battle with the Defense Dept. to abandon production plans for the F-111B because of the aircraft's acceleration and drag limitations in the air-superiority mode (AW&ST Jan. 22, p. 20). The Navy desire to discontinue the F-111B in favor of a lighter aircraft also is spurred by the fear that a critical Congress will block any requests for additional production funding for that service's version of the fighter.

This fear was enhanced further last week by a stinging floor speech in the Senate denouncing the aircraft's potential and outgoing Defense Secretary Robert S. McNamara's previous insistence that the Navy had to purchase it despite its reservations. The speech was made by Sen. John L. McClellan (D.-Ark.), chairman of the Senate Permanent Subcommittee on Investigations and a longtime critic of the F-111 program as a whole.

Industry proposals for a substitute design were sparked by a Grumman study submitted in October. In the study, the company reiterated its position that the F-111 as designed could not meet the Navy's needs for an air-superiority fighter capable of mixing in dogfights with some of the advanced Soviet military aircraft displayed for the first time at last summer's Moscow air show, during which 12 new models were exhibited (AW&ST July 17, 1967, p. 26). The study had been initiated by Grumman at the Navy's request following the Moscow display of Russia's advanced aircraft strength.

At the same time, Grumman submitted another variant of its proposed design for an advanced VFAX fighter, all of which bear the company designation of 303, as a substitute for the F-111B. This was followed by submissions from McDonnell, with two designs—the 225A and the 225D—North American Rockwell Corp. and Ling-Temco-Vought.

Additional proposals from other firms may be submitted within the near future. The Navy, however, is working on a tight schedule and hopes to settle on a final design choice within the next two months.

Weight savings in the new aircraft will be accomplished primarily by the elimination of any requirement for a low-altitude penetration capability. This was a must design feature for the F-111 to meet the needs of the Air Force, which plans to use its F-111A version of the fighter as a long-range strike aircraft. The new Navy aircraft also probably will be designed to carry only four

Hughes Phoenix air-to-air missiles as compared with the six programed for the F–111B. A Phoenix was fired from an F–111A flying supersonically for the first time on Jan. 18.

POWERPLANT RETAINED

Whatever proposal is chosen, it will be built around the F–111B's Pratt & Whitney TF30–P–12 powerplant and make use of that aircraft's missile fire-control system and other advanced avionic components in order to hold the required development times to a minimum. It also will retain the basic variable-geometry configuration developed for the F–111. Industry sources estimate that it could be made available to the fleet by 1972 if approval is received within the near future.

While bearing the VFAX designation, the aircraft will not have all the performance characteristics originally planned by the Navy for this program. Pratt & Whitney and other engine manufacturers, as an example, had been working on studies for an advanced-technology powerplant for incorporation into the VFAX as originally conceived.

ORDER TRIMMED

The Navy, a reluctant participant in the F–111 program from its inception, had planned a total production order for 267 of the aircraft. In Fiscal 1968, it requested funds for the procurement of 20 F–111Bs. The Congress, however, trimmed the total to 12 in the wake of the continuing controversy over the aircraft's high weight and its performance capabilities as a high-altitude air-superiority fighter. Grumman, while producing the aircraft under subcontract from General Dynamics, also has been less than enthusiastic over the program. It first notified the Navy in 1964 that the design could not meet the Navy's needs.

Five prototypes of the aircraft have been delivered to the Navy thus far. The sixth is scheduled for delivery in June, the seventh in August and the eighth towards the end of the year. Present planning calls for carrier-suitability trials to begin sometime this spring.

Grumman already has made a number of modifications designed to enhance the F–111B's performance capability when operating from a carrier. These include a canted windshield and raising of the crew seats by 3 in. to improve visibility. In addition, the main landing gear has been "bent back" by 8 in. to cure a potential tip-back problem in operations from carriers.

The nose has been lengthened by 2 ft., and the nose avionics compartment has been moved into the fuselage section behind the cockpit, permitting this area to be used for fuel. All of the modifications except the windshield fix will be installed on the No. 6 prototype.

The improved prospects of Navy success in gaining Defense Dept. approval to abandon the F–111B in favor of another aircraft stem primarily from the pending departure from the Pentagon of Defense Secretary McNamara. It was McNamara who decided that the Air Force and Navy should buy a "common" aircraft as a cost-savings measure that has more than backfired. And, until recently, he has continued to insist that the Navy procure the aircraft despite its evident shortcomings.

The Navy's Fiscal 1969 budget, as submitted to Congress this week, includes a production request for the F–111B. If incoming Defense Secretary Clark Clifford concurs with the Navy plan, however, it probably will be substituted by a request for development funding of a successor aircraft. Future of the F–111B was a subject of discussion last week between President Johnson and Clifford.

Following published reports of the renewed Navy hopes for a shift and indications that it would be approved, a joint statement was issued by Navy Secretary Paul Ignatius and Chief of Naval Operations Adm. Thomas Moorer. Referring to the proposals by the four firms, it said:

"As is customary, the Navy is studying the proposals and evaluating their potential for future Navy needs."

It also added, however, that the "Navy continues to support the on-going aircraft programs and the funds in the Fiscal 1969 budget request for production of both [McDonnell] F–4 and F–111B aircraft as well as the VFAX concept."

In his Senate speech, Sen. McClellan charged:

"For more than five years, notwithstanding the known difficulties associated with this 'commonality concept' and the major inadequacies in the performance of the aircraft, the Defense Dept., year after year, gave [Congress] reassurances about the future successful development of the Navy plane. It contended that the aircraft's admitted deficiencies had either been or were in the process of being corrected. Those reassurances have not materialized; those prophecies have not been fulfilled. It is now conclusive that all of the tinkering, fixing, engineering patching and the exorbitant spending of funds for research and development have not produced a Navy plane that is capable of performing the combat missions required by the Navy.

"In fact, the plane so far produced is not even 'carrier suitable.'" In his conclusion, Sen. McClellan said:

"Mr. President, I believe that we are going to have a new day in the Defense Dept. I am persuaded that in the future critical problems will be resolved with less arbitrariness and that the judgment of experts in the military and in the field of aviation will be given proper consideration and greater weight in the making of judgments involving national defense and security."

Exhibit 2

F–111B: Another Admiral's Revolt

The "revolt of the admirals" against the F–111B supersonic fighter has backfired. The gold braid had lined up Senators Stennis and McClellan against the Navy version of the Air Force's swing-wing plane; some executives within the prime contractor company (Grumman) itself were also urging a separate Navy plane (THE PERISCOPE, Nov. 27, 1967). But the F–111B will undergo major tests next month, and Robert McNamara has passed the word to the Navy: either take the F–111B or nothing (carriers already are being phased out of the Vietnam fighting in favor of the Air Force). Clark Clifford goes along with McNamara, and now it seems the admirals have created so many doubts about the plane on the Hill that the Navy may find itself without any swing-wing plane at all.

THE "PUEBLO" AND THE 3-MILE LIMIT

Mr. GRIFFIN. Mr. President, I ask unanimous consent to proceed for 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, in the wake of the *Pueblo* incident, a serious question arises as to the wisdom of maintaining only a 3-mile jurisdictional limit off our shores—while most Communist nations insist upon 12 miles.

It is about time we changed our policy and insisted upon reciprocity. It makes no sense to allow Communist ships within 3 miles of our shores while we carefully observe the 12-mile limit claimed by Communist-bloc countries.

The *Pueblo* affair only underscores the fact that for a long time we have been handing the Communists a significant espionage advantage.

Mr. President, I propose that the United States lay down a new policy with respect to our territorial waters, based on the principle of mutuality. We should notify nations such as Russia and North Korea that, so long as they claim a 12-mile limit, we shall insist that their ships stay at least 12 miles from our shoreline.

At the same time, our traditional 3-mile limit should continue to apply to those countries which reciprocate by recognizing a 3-mile limit as to their own territorial waters.

Mr. President, I am currently preparing legislation which would give effect to such a change in U.S. policy.

It is true, Mr. President, that our Nation has observed the 3-mile limit since the days of President Jefferson. The United States has long stood in the forefront of those promoting the ideal of freedom of navigation and freedom of the seas. Throughout history, the 3-mile limit has been the most generous accommodation to the interests of other maritime powers.

But there is no justification for blind adherence on our part to a rigid policy which no longer serves our national interests.

The fact is that our 3-mile limit has become an open invitation to espionage—a giveaway intelligence advantage for our adversaries.

There are those who will argue that the 3-mile limit is sacrosanct. But in fact, this policy is not a declared or customary rule of international law.

In his text, "International Law," Prof. D. P. O'Connell writes, as follows:

> The most that can be said is that the three-mile limit is not a rule of customary international law at the present time for the adequate reason that not sufficient maritime states adhere to it. Indeed, it is doubtful if it ever was one.

In 1958 and 1960, international conventions at Geneva were unable to agree on a uniform, universal norm as to the extent of the territorial sea. They did succeed, however, in establishing that a country's exclusive jurisdiction should not extend beyond 12 miles.

In surveying a compilation of practice throughout the world, it becomes quite clear why the 3-mile limit lacks the character of law. Only 29 out of 98 nations with a coastline are now observing the 3-mile territorial limit. The rest all insist upon wider territorial waters, with the largest number of countries claiming 12 miles.

Mr. President, I have in hand a country-by-country survey on this question, and I ask unanimous consent that it be included in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRIFFIN. Mr. President, the intelligence advantage enjoyed by the Russians becomes evident when we examine the nature and activities of the Soviet spy fleet, which is composed of more than 30 trawler-type vessels.

Russian ships now work so close to our shoreline that they nearly scrape bottom.

Their crews can augment intelligence data gathered electronically with visual and photographic evidence.

Mr. President, I am talking about Soviet AGI activity. Translated, AGI means "naval auxiliary, intelligence collector."

The Soviet AGI is a trawler-type ship especially configured for intelligence collection—primarily electronic intelligence. This is not a fishing vessel or an oceanographic survey ship, although fishing sometimes is used as a convenient cover.

The collection of intelligence is the sole mission of these ships. They have sophisticated, extensive electronic equipment—and they are readily recognizable.

At least since August 1956, the Soviets have utilized AGI's in intelligence collection operations against U.S. naval bases, individual ships, and carrier task groups. They have continually expanded these operations to include any area of U.S. naval activity as well as both the east and west coasts of the United States plus world trouble spots.

AGI's are attached to each of the four Soviet fleets—North, Baltic, Black Sea, and Pacific.

Mr. President, I think it is of interest to note the characteristics of the AGI.

Their size and capabilities vary according to class. The size in gross registered tons is between 265 and 700 tons. The speed varies between 8 and 16 knots. The average length of the ships is 165 feet.

The AGI's have distinctive identification features. They are bristling with antenna installations, electronic intercept antennas, radomes, direction-finding antennas, often more than one radar, and numerous communication whip and dipole antennas.

They have the capability to remain on station 30 to 60 days without replenishing. Deployments often last as long as 3 to 4 months.

Their mission is to collect intelligence on U.S. naval units and tactics, communications and radar frequencies, shore-based signals and missile launching sites, and flight patterns of early warning aircraft.

And, Mr. President, permit me to stress a point about the personnel of the AGI. Unlike our men on the *Pueblo* who wore Navy uniforms, the Soviet AGI personnel normally wear civilian clothing.

Mr. President, permit me to turn now to the specific locations of the operations of Soviet AGI trawlers. They have certain continuously manned stations and provide continuous intelligence collection operations offshore from a number of U.S. naval submarine installations throughout the world. These installations include the east coast of the United States, particularly Charleston, S.C.; Rota, Spain; the British Isles vicinity of Holy Loch, Scotland, and Guam.

The AGI manned stations also provide continuous intelligence collection operations in the South China Sea where the United States conducts carrier operations off Vietnam, and the Mediterranean Sea where the U.S. 6th Fleet is in operation.

Additionally, the AGI provides periodic coverage of the U.S. west coast and Hawaii.

Needless to say, Mr. President, these AGI trawlers report to the Union of the Soviet Socialist Republics all the information they can obtain, particularly on the movements of aircraft carriers and Polaris submarines.

There also is another important aspect of AGI operations.

Soviet naval ships, and AGI's in particular, have been guilty of numerous incidents of harassment of U.S. Navy units in the open sea.

In 1 year alone, 1965, AGI's were involved in 16 harassing episodes.

Mr. President, I have the details of nine specific harassment incidents which have occurred since 1961, and I request that this material be placed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

Mr. GRIFFIN. Mr. President, what I have related here should leave no doubt as to the advantage which our 3-mile limit hands to Soviet intelligence efforts. I believe our commitment to the 3-mile limit is outmoded in an age of electronic wizardry—especially when the nations which penetrate our shores for undercover work apply different ground rules to our vessels.

It is high time to recognize, Mr. President, that we need a new policy—one which is based upon mutuality—one which is realistic and serves our national interest.

EXHIBIT 1

BREADTH OF TERRITORIAL SEA AND FISHING JURISDICTION CLAIMED BY MEMBERS OF THE UNITED NATIONS SYSTEM

The following information is based on the synoptical tables concerning the breadth and juridical status of the territorial sea and adjacent zones prepared for the 1958 and 1960 Geneva Law of the Sea Conferences, and additional information available to the Department of State (April 1, 1967):

Country	Territorial sea	Fishing limits	Other
AFRICA			
Algeria	12 miles	12 miles	
Biafra (Eastern Nigeria) (June 8, 1967).	12 miles, all purposes.		
Botswana	No coast		
Burundi	do		
Cameroon	18 miles	18 miles	
Central African Republic	No coast		
Chad	do		
Congo (Brazzaville)	Not available		
Congo (Kinshasa)	do		
Dahomey	3 miles	12 miles	May also apply to territorial sea.
Ethiopia	12 miles	do	
Gabon	do	do	
Ghana	do	do	Undefined protective areas may be proclaimed seaward of territorial sea, and up to 100 miles seaward of territorial sea may be proclaimed fishing conservation zone.
Guinea	130 miles	130 miles	
Ivory Coast	6 miles	12 miles	
Kenya	3 miles	3 miles	
Lesotho	No coast		
Liberia	12 miles	12 miles	
Libya	do	do	
Malagasy Republic	do	do	
Malawi	No coast		
Mali	do		
Mauritania	12 miles	12 miles	
Morocco	3 miles	do	Exception 6 miles for Strait of Gibraltar.
Niger	No coast		
Nigeria	12 miles	12 miles	
Rwanda	No coast		
Senegal	6 miles	6 miles	Plus 6 miles contiguous zone.
Sierre Leone	12 miles	12 miles	
Somali Republic	do	do	
South Africa	6 miles	do	
Sudan	12 miles	do	
Tanzania	do	do	
The Gambia	3 miles	3 miles	
Togo	12 miles	12 miles	
Tunisia	6 miles	do	Territorial sea follows the 50-meter isobath for part of the coast (maximum 65 miles).
AFRICA—Continued			
Uganda	No coast		
United Arab Republic	12 miles	12 miles	
Upper Volta	No coast		
Zambia	do		
EAST ASIA AND PACIFIC			
Australia	3 miles	Decision announced for 12 miles fishery limits.	
Burma	12 miles	12 miles	
Cambodia	5 miles	do	Continental Shelf to 50 meters, including sovereignty over superjacent waters.
China	3 miles	3 miles	
Indonesia	12 miles	12 miles	Archipelago concept baselines.
Japan	3 miles	3 miles	
Korea	Not available	20 to 200 miles	Continental Shelf, including sovereignty over superjacent waters.
North Korea	12 miles		
Laos	No coast		
Malaysia	3 miles	3 miles	
Mongolia	No coast		
New Zealand	3 miles	12 miles	
Philippines			Waters within straight lines joining appropriate points of outermost islands of the archipelago are considered internal waters; waters between these baselines and the limits described in the Treaty of Paris, Dec. 10, 1898, the United States-Spain Treaty of Nov. 7, 1900, and United States-United Kingdom Treaty of Jan. 2, 1930, are considered to be the territorial sea.
Singapore	Not available		
Thailand	12 miles	12 miles	
Vietnam	Not available	20 kilometers (10.8 miles).	

Country	Territorial sea	Fishing limits	Other
EUROPE			
Albania	10 miles	12 miles	
Austria	No coast		
Belgium	3 miles	12 miles [1]	
Bulgaria	12 miles	do	
Byelorussian S.S.R.	No coast		
Czechoslovakia	do		
Denmark	3 miles	12 miles [1]	
Greenland		do	
Faroe Islands		do	
Federal Republic of Germany.	3 miles	(2)	
Finland	4 miles	4 miles	
France	3 miles	12 miles [1]	
Greece	6 miles	6 miles	
Holy See	No coast		
Hungary	do		
Iceland	Not available	12 miles	
Ireland	3 miles	do.[1]	
Italy	6 miles	do.[1]	
Luxembourg	No coast	(2)	
Malta	3 miles	3 miles	
Monaco	Not available		
Netherlands	3 miles	(2)	
Norway	4 miles	12 miles	
Poland	3 miles	3 miles	
Portugal	No claims	12 miles [1]	
Romania	12 miles	do	
Spain	6 miles	do.[1]	
Sweden	4 miles	do.[1]	
Switzerland	No coast		
Ukrainian S.S.R.	12 miles	12 miles	
U.S.S.R.	do	do	
United Kingdom	3 miles	do.[1]	
Oversea areas	do	3 miles	
Yugoslavia	10 miles	10 miles	
NORTH AMERICA			
Canada	3 miles	12 miles	
United States	do	do	
SOUTH AND CENTRAL AMERICA AND CARIBBEAN			
Argentina (Dec. 29, 1966)	200 miles	200 miles	Continental Shelf, including sovereignty over superjacent waters.
Barbados	Not available		
Bolivia	No coast		
Brazil	6 miles	12 miles	
Chile	50 kilometers	200 miles	
Colombia	6 miles	12 miles	
Costa Rica	3 miles		"Specialized competence" over living resources to 200 miles.
SOUTH AND CENTRAL AMERICA AND CARIBBEAN—Continued			
Cuba	do	3 miles	
Dominican Republic	do	15 miles	
Ecuador	200 miles	200 miles	
El Salvador	do	do	
Guatemala	12 miles	12 miles	
Guyana	Not available		
Haiti	6 miles	6 miles	
Honduras	12 miles	12 miles	
Jamaica	3 miles. Decision announced for 12 miles territorial sea.		
Mexico	9 miles	12 miles	
Nicaragua	3 miles	200 miles	Continental Shelf, including sovereignty over superjacent waters.
Panama	200 miles	do	Do.
Paraguay	No coast		
Peru	200 miles	200 miles	
Trinidad and Tobago	3 miles	3 miles	
Uruguay	6 miles	12 miles	
Venezuela	12 miles	do	
SOUTH ASIA AND NEAR EAST			
Afghanistan	No coast		
Ceylon	6 miles	6 miles	Claims right to establish conservation zones within 100 nautical miles of the territorial sea.
Cyprus	12 miles	12 miles	
India	6 miles	100 miles	
Iran	12 miles	12 miles	
Iraq	do	do	
Israel	6 miles	6 miles	
Jordan	3 miles	3 miles	
Kuwait	12 miles	12 miles	
Lebanon	Not available	6 miles	
Maldive Islands	do	do	
Nepal	No coast		
Pakistan	12 miles	12 miles	Plus right to establish 100-mile conservation zones.
Saudi Arabia	do	do	
Syria	do	do	Plus 6 miles "necessary supervision zone."
Turkey	6 miles	do	
Yemen	12 miles	do	

---

[1] Parties to the European Fisheries Convention which provides for the right to establish 3 miles exclusive fishing zone seaward of 3-mile territorial sea plus additional 6-mile fishing zone restricted to the convention nations.

[2] Signatories of the European Fisheries Convention.

EXHIBIT 2

SOVIET AGI HARASSMENTS

1. Vega incident—AGI *Vega* nearly collided with a U.S. destroyer off of Long Island when the Soviet vessel attempted to recover a Polaris exercise missile which had been fired by the FBM submarine *George Washington*.

2. Fall of 1961, AGI's monitored the North American Air Defense Command's Skyshield II exercises.

3. 7 February 1965—AGI *Vertikal* approached the USNS survey ship *Dutton* from astern while the *Dutton* was engaged in oceanographic survey. *Vertikal* came within 75 feet and purposely severed *Dutton's* magnetometer cable.

4. 20 May 1965—AGI *Reduktor* turned toward and closed the FBM submarine USS *Andrew Jackson* when she was returning to port. *Reduktor* passed down *Jackson's* starboard side at 150 yards then fell in astern and followed at 500 yards for 5 minutes. She then increased speed and passed up *Jackson's* port side.

5. December 1965—AGI *Gidrofon* was involved in six separate harassing incidents against U.S. naval units operating off Vietnam in the South China Sea. Harassing tactics were employed against carriers involved in flight operations, units alongside and replenishing underway, and ships involved in submarine exercises. These gross actions resulted in a stiff note of protest to the Soviet Government from the U.S. Government.

6. In February 1966 the AGI *Repiter* monitored the U.S. amphibious exercise held at Vieques Island.

7. In April 1966 the AGI *Ekholot* took station on the carrier *Independence* while it was conducting flight operations and was able to observe and monitor a complete aircraft launch and recovery sequence. Two months later, in June, the *Ekholot* trailed and monitored the amphibious task group participating in Exercise Beach Time while enroute to the Vieques exercise area. The *Ekholot* even managed to pass through the entire formation.

8. 24 June 1966—Soviet AGI *Anemometr* forced a collision with USS *Banner* (AGER) while harassing *Banner* in the Sea of Japan.

9. 18 December 1967—Soviet AGI *Gidrofon* caused a collision with USS *Abnaki* which was shielding a US aircraft carrier from *Gidrofon's* attempts to cut across the carrier's bow. This took place in the Gulf of Tonkin.

Such activities are highly dangerous to both ships and personnel; they evidence poor seamanship and a flagrant disregard for the International Provisions for Prevention of Collision at Sea (Rules of the Road). United States naval ships have been directed to adhere to these rules and strictly comply with them in any encounter with Soviet AGIs. The rights and privileges of the AGIs have been scrupulously observed.

THE U.S. COMMITMENT TO NATO

Mr. MANSFIELD. Mr. President, two well-known New York Times columnists have recently written perceptive articles on some effects Britain's decision to withdraw from east of Suez may have on the NATO alliance in general and on the commitment of six U.S. divisions to NATO in particular. I ask unanimous consent that the article entitled "Washington: The Trend of Power in the Pacific," written by James Reston, and published in the New York Times of January 17, and the article entitled "Foreign Affairs: A New Look at NATO," written by C. L. Sulzberger, and published in the New York Times of January 24, be printed in the RECORD at the conclusion of my remarks.

Both writers assume that the United States will play a major part in filling a gap that will be created by the British withdrawal east of Suez. While I question whether this alleged gap may not be more illusory than real, and while I hope that the United States will proceed most cautiously before assuming any new commitments, nevertheless it is undoubtedly true that the British withdrawal will mean additional pressure on our military resources in terms of both men and money.

I invite attention to several paragraphs Mr. Reston has written:

> The United States now has five divisions plus two brigades in Western Europe, or about 235,000 men plus their families which add considerably to Washington's balance-of-payments problem. There is not likely to be any sudden withdrawal of any large

> part of the American forces from Germany, but as the big C–5A transport aircraft come into production in the next few years the capacity of the U.S. to move power quickly to any part of the world from a central reserve will increase substantially. Then, if not before, it may be practical to talk of redeploying at least two U.S. divisions now in Europe.

Mr. Sulzberger has commented:

> It was inevitable that the U.S. garrison in Germany should shrink, but the process will now presumably move at a faster pace. And since General Lemnitzer's forces are already 25 per cent smaller than what had originally been considered a healthy minimum, the ultimate effect on the alliance can be imagined. By going Europe first in policy emphasis, Britain has pushed the U.S.A. into going Asia first.

Mr. Sulzberger also urges that when General Lemnitzer retires, a European commander in chief be appointed to command NATO's forces because since our presence inside NATO is going to be diluted—and I would add to Mr. Sulzberger's comment my own view that it should be diluted. He concluded:

> We should be the first to propose that Europe's importance in the alliance hierarchy must now be increased.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 17, 1968]

WASHINGTON: THE TREND OF POWER IN THE PACIFIC

(By James Reston)

WASHINGTON, January 16.—Britain's decision to cut its defense budget and speed up its withdrawal from Asia is almost certain to reduce America's forces in Europe and increase Washington's responsibilities in the Indian Ocean and the Pacific.

President Johnson and Secretary of Defense McNamara have been trying to avoid this prospect for years. In fact they have been urging Britain to pursue a policy east of Suez it could not afford, and the latest British financial crisis has merely hurried along what was probably an inevitable process of retrenchment.

MONEY AND POWER

Historically and psychologically, it is a sad moment, but economically it may be a good thing. As long as Britain remained at Singapore, the United States didn't feel quite so lonesome, but the British forces there were more important as a symbol than as a military reality, and in the end it will probably be better to have Britain strong economically at home than pretending to be a world power in Asia.

Of course, officials here are saying, as they usually do when the British retreat from old imperial responsibilities, that the United States is not going to fill the vacuum, and in the present mood of retrenchment in Washington, this is good politics. But it is probably bad strategy, and regardless of what is being said publicly here for the moment, privately officials are already talking about a redeployment of American forces from Europe to Asia.

AMERICA IN EUROPE

The United States now has five divisions plus two brigades in Western Europe, or about 235,000 men plus their families, which add considerably to Washington's balance of payments problem. There is not likely to be any sudden withdrawal of any large part of the American forces from Germany, but as the big C–5A transport aircraft come into production in the next few years the capacity of the U.S. to move power quickly to any part of the world from a central reserve will increase substantially. Then, if not before, it may be practical to talk of redeploying at least two U.S. divisions now in Europe.

Meanwhile, Washington is now having more trouble than is generally realized in coming to a satisfactory arrangement with Spain over the future of U.S. bases in that country. Generalissimo Franco is unhappy over Washington's failure to back him in his dispute with the British over the future of Gibraltar, and the Treasury here is unhappy with the effect of those bases on its balance of payments. So there may be another adjustment of forces and finances there.

This does not mean that the United States is likely to take over from the British in Singapore and Malaysia. The rising political cry here is that the U.S. is already overextended and overcommitted, but Washington will now be hearing more from Mr. Lee Kuan Yew, the Prime Minister of Singapore, about a "NATO-type arrangement" for the defense of Southeast Asia. And more attention is now likely to be paid to the development of stronger collective security arrangements among the United States, Australia, New Zealand, the Philippines and, hopefully, Japan.

IN THE INDIAN OCEAN

For some time, anticipating the ultimate withdrawal of the British from that part of the world, officials here have been talking about establishing a naval squadron from the Seventh Fleet in the Indian Ocean, and again, as longer-range aircraft become available, new strategic concepts for the defense of this vast area from the Indian subcontinent to Japan are likely to involve the United States more and more as a Pacific power.

For the time being, however, Washington is more concerned about the immediate trends toward restrictionism than it is in the longer-range trends toward the redeployment of U.S. power toward the Pacific.

Great efforts were made here to persuade the British Foreign Minister, George Brown, that Britain could, with our help, deal with her financial crisis and still not cancel the F–111 aircraft contract or pull out of Singapore and Malaysia. The efforts failed on political and psychological as well as financial grounds, for it seemed hard to impose austerity on the British people at home while keeping up the pretense of military strength east of Suez.

The state of the alliance, in short, is not good and is getting worse. Collective security gives way to financial security in the crisis, and the result, as usual, is that more and more of the burden falls on the United States precisely at the moment when that burden is becoming a political issue with the American people.

[From the New York Times, Jan. 24, 1968]

FOREIGN AFFAIRS: A NEW LOOK AT NATO

(By C. L. Sulzberger)

PARIS.—When Britain decided to tailor defenses to its purse, Asian commitments were sacrificed to European commitments. On the surface this would seem a favorable development for NATO, which has been in the market for favorable developments ever since De Gaulle withdrew France from the alliance organization and kicked its headquarters out.

Nevertheless, NATO is going to suffer in the long run. To fill the eastern gap (between Arabia and Singapore) opened by British departure, the U.S.A. is obviously going to have to step in.

PLUS AND MINUS

Furthermore, it is plain that to finance such a move we will end up by accelerating withdrawals of men and material from NATO, withdrawals that have already begun. The ultimate reduction in American forces almost certainly will be more important, negatively, than Britain's positive decision to keep troops in Germany.

It was inevitable that the U.S. garrison in Germany should shrink, but the process will now presumably move at a faster pace. And since General Lemnitzer's forces are already 25 per cent smaller than what had originally been considered a healthy minimum, the ultimate effect on the alliance can be imagined. By going Europe first in policy emphasis, Britain has pushed the U.S.A. into going Asia first.

The ultimate implications are not difficult to perceive. Militarily NATO is in the paradoxical position of just having changed its official strategy from "massive retaliation" to "flexible response." Theoretically this means a Soviet thrust westward would initially be met by conventional forces. However, since there aren't enough conventional forces now and soon there will be less, the generals are forced to plan in terms of massive retaliation, whatever allied statesmen think.

Politically, the implications are more complicated. NATO in reality is an alliance against Russia, the greatest potential enemy, and also against West Germany, the most powerful European member. This is an inherent paradox and weakness. It will be underscored in the inescapable crisis that must eventually be caused by shrinkage of U.S. contributions.

The relative power of Germany within the alliance must increase as the American presence diminishes. Neither France, which has a small nuclear force but only two divisions half-heartedly assigned to NATO, nor Britain can offset Bonn's twelve divisions. Thus the German role and inevitably the German voice inside NATO are bound to rise, and this will excite Soviet suspicions because, of all the allies, Moscow suspects Germany most.

Thus two contradictions, neither of them helpful, arise. By going Europe first and theoretically bolstering NATO, Britain incites us to go Asia first, factually weakening NATO. At the same time, as the alliance gets weaker it will incur greater hostility from its principal opponent, Russia. For the restraining influences woven around Germany since it began to rearm are less effective—as the Russians know.

DENUCLEARIZATION

Another trend is the alliance's gradual denuclearization. Although France continues to develop its small atomic force it has not committed this to NATO, while Britain is on the way out as a nuclear power. The U.S.A. has removed the nuclear capacity from several West German aircraft and is likely to refuse it to their replacements.

The alliance is changing so much—as has the world for which it was conceived—that it is time to acknowledge this by formal alterations. The first should be the appointment, when Lemnitzer retires, of a European commander in chief. Since France is only a kind of associate member and Germany is number one on Moscow's hate list, this new commander should be British.

Every NATO commander has been American so far, but as long ago as 1952, when Eisenhower retired, the idea of a European successor was contemplated. Even then Eisenhower's chief of staff and ultimate successor, General Gruenther, thought a European could handle the job effectively provided an American deputy supervised secret nuclear problems in accordance with U.S. Congressional restrictions. If Gruenther thought this possible then, it is clearly even more possible now.

The revolution inside NATO begun by De Gaulle has been stepped up because of Britain's policy shift and its evident repercussions. Our presence inside NATO is going to be diluted; therefore we should be the first to propose that Europe's importance in the alliance hierarchy must now be increased.

THE ANTI-ANTI-WAR DEMONSTRATOR RETURNS HOME

Mr. HOLLINGS. Mr. President, on Sunday, January 28, the Orangeburg, S.C., Times and Democrat, one of my State's finest newspapers, published an article entitled "That Anti-Anti-War Demonstrator Is Home," written by Mr. John Faust.

The subject of the article is Sp5c. Henry Harmon, of Orangeburg, who has recently returned from Vietnam. Last December, Specialist 5 Harmon sent a letter to the Times and Democrat, requesting that Santa Claus send him an anti-Vietnam demonstrator for Christmas.

When queried as to his reason, he replied:

> We, the men in my outfit, Headquarters Battery, 5th Artillery, 1st Infantry Division, figured the people back home just didn't realize what was being fought in Vietnam. So, I sat down and wrote the letter.

Subsequently, Harmon's commanding officer called a formation and read the letter to all the troops as a morale talk for Christmas. But according to Specialist 5 Harmon:

> We really didn't need it because everybody's morale was always high over there.

Harmon was a student at South Carolina State College, majoring in architecture when he volunteered for the Army. He did it because he "thought it was the right thing to do for my folks and country."

Specialist 5 Harmon is typical of South Carolina's young men and I join the people of my State in thanking him for a job well done. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ANTI-ANTI-WAR DEMONSTRATOR IS HOME

(By John Faust)

Specialist Fifth Class Henry Harmon is home from Vietnam. He didn't get the Christmas present he asked for but he got home safe and sound.

SP5 Harmon sent a letter to The Times and Democrat last December requesting Santa Claus send him an anti-Vietnam war demonstrator for his very own. The son of Mr. and Mrs. Henry Harmon Sr. of Route 5, Orangeburg, has returned from Vietnam January 23.

Asked why he had written the letter he sent home, Harmon replied, "Well, we'd been reading all the newspaper stories about demonstrators back home and we were pretty mad.

"We the men in my outfit, Headquarters Battery, 5th Artillery, 1st Infantry Division, figured the people back home just didn't realize what was being fought in Vietnam. So, I sat down and wrote the letter.

"The guys liked it so much that we ran off copies on a stencil and passed them around," he went on to say. "Everybody got quite a kick out of it, including my commanding officer."

Harmon's commander called a formation and read the letter to the company. "It was a morale talk for Christmas," said Harmon, "but we really didn't need it because everybody's morale was always high over there."

Harmon joined the U.S. Army a year and six months-ago. He was a student at S.C. State College in Orangeburg at the time, majorng in architecture and minoring in math. "I just thought it was the right thing to do for my folks and country," he said when queried about his reasons.

Harmon does not talk much about his tour of duty in Vietnam. But his 201 file tells a lot. He was awarded the Bronze Star for service with the Bronze Star Cluster for the Vietnam campaign metal for operation Counter Mortar, Phase II; the Army Commendation Medal for achievement and the Air Medal for combat assault support.

"I went to Vietnam in 1967 as a private," he said, "was made PFC after a week, promoted to Specialist Fourth Class four months later and then five months later was made Specialist Fifth Class."

At present Harmon is home on 45 days leave. The first thing he did when he arrived home was to take his mother shopping in Orangeburg and let her buy anything her heart desired. He also did the same for the rest of the family.

"It was," he said smiling, "my late Christmas present to them." Harmon's mother just said that she "thanked God for letting him come home without being injured."

He expects to be posted to Fort Jackson as an instructor in personnel specialist training and serve out his time there. After separation, Harmon says he will possibly take one of two courses: achieve a civil service status and remain at Fort Jackson teaching personnel specialist groups or return to S.C. State College and finish his education under the G.I. Bill.

Would he go back to Vietnam? "If I had to make the tour again," said Harmon slowly after a moment's consideration, "I would do it again with no hesitation. I realize that the American fighting man is fighting for God and country and a way of life. I'm willing to give my life for my God and country."

It's just too bad Henry Harmon didn't get his Christmas present while he was in Vietnam. He'd have had such fun showing one of the "flower children" how a real American puts his money where his mouth is.

At any rate, welcome home, Henry Harmon. Orangeburg is proud to call you "friend and neighbor."

ASIAN PROPOSAL TO END WAR IN VIETNAM

Mr. HATFIELD. Mr. President, I have often stated that an Asian solution to the Asian problem of Vietnam should be earnestly sought. Therefore, I was pleased to read an article entitled "Saigon Group Proposes Vote With Liberation Front Taking Part," written by Charles Mohr, and published in the New York Times of January 15, 1968. The article referred to a new proposal for a negotiated end to the war in Vietnam which had been put forth anonymously by a group of South Vietnamese professors, lawyers, and other intellectuals.

The group's paper states that "negotiation to find a political solution" is the only path that seems feasible to end the war. The proposal calls for the South Vietnamese Government to recognize the Liberation Front and allow the front to govern part of the country in the period of time between a cease-fire and a general election.

I do not necessarily agree with all the elements of this group's proposal, but it seems important to me that the proposal be made available for public scrutiny and consideration.

The proposal was sent to me by a distinguished and concerned individual with the request that it be published in the RECORD.

I ask unanimous consent to have printed in the RECORD both the New York Times article and the Asian proposal for a solution to the Vietnam conflict.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 15, 1968]

SAIGON GROUP PROPOSES VOTE WITH LIBERATION FRONT TAKING PART

(By Charles Mohr)

SAIGON, SOUTH VIETNAM, January 14.—A new proposal to end the war in Vietnam through negotiations has been put forth anonymously by a group of South Vietnamese professors, lawyers and other intellectuals.

In a manifesto entitled "How to End the War in Vietnam," the group suggests that the eventual solution to the problem of South Vietnam be decided by an election in which the National Liberation Front would be free to compete.

Although some of the authors are prominent figures in Saigon, they did not sign the paper because they said that they feared that the South Vietnamese Government would take action against them.

One of the group said today that within a few weeks they hoped to be able to put their ideas before Pope Paul VI, the United States Administration and officials of the National Liberation Front in Paris.

NEGOTIATION ONLY PATH

The group's paper said that "negotiation to find a political solution" was the only path that seemed feasible to end the war. They argued that the allies' side did "not have the capability" to destroy the Liberation Front and its guerrilla military forces, the Vietcong, and that the Vietcong "do not possess enough power" to win militarily either.

The most controversial part of their proposal calls for the South Vietnamese Government to recognize the Liberation Front and allow the front to govern part of the country in the period of time between a cease-fire and a general election.

The paper said that other proposals for negotiations could not succeed because they showed a "lack of realism" about the real situation in Vietnam.

"It is an undeniable fact that the N.L.F. is being controlled by Hanoi through the Communist party," the proposal said.

However, it added: "It is also obvious that the composition of the N.L.F. is quite complex; a great number of the followers are not Communist. It is hopeful that these elements can be separated from the Communist ranks if they would see a righteous and decent administration."

N.L.F. A REAL ENTITY

"In practice the N.L.F. is a real entity," the paper said. "The front controls some areas, some peoples, possesses an effective administrative and military organization."

The authors of the statement represent one body of left-of-center opinion in Saigon's educated elite. A sizable body of their fellow citizens are much more hawkish and are opposed to any accommodation with the front, if only on the ground that the present social, economic and political system in South Vietnam works to their interest.

The peace proposal has not appeared in the local press.

It is likely to get a cool or hostile reception from the South Vietnamese Government. Although President Nguyen Van Thieu has promised to propose negotiations with Hanoi, he and other officials have refused to recognize the liberation front or to deal with it as a party or quasi government.

Earlier this week the South Vietnamese Council of Roman Catholic Bishops issued a statement calling on North and South Vietnam to negotiate an end to the war.

"Most people are afraid to express their true feelings openly," said one Vietnamese intellectual today, "but you can be sure that everyone is thinking about negotiations."

MOST ARE SILENT

The vast body of less educated, less articulate South Vietnamese have been essentially mute. When peasants stage anti-war protests, as they do occasionally, they are always accused of being manpulated by Vietcong agents, which is often the case.

Informed observers of Vietnam, however, believe that war-weariness is increasing.

The group's manifesto calls for a complex series of steps to end the war and reach an eventual solution to the Vietnam problem.

As a first stage, they said, the United States should stop the bombing of North Vietnam and Hanoi should stop sending "troops and arms to South Vietnam."

A cease-fire should be negotiated in the South, the paper said, adding that areas under the control of each side should be designated. "Contested" areas should be put under "joint surveillance," it added.

The group proposed that an international conference of interested powers then set a date for an election in South Vietnam and arrange to supervise it.

Until the election "the area controlled by each side will live in its own peaceful and separate way of life," and the Government and the liberation front would form a "joint political committee" to conduct the election.

One of the members said in an interview that "there has been much talk of a coalition government but a coalition violates the principles of democracy because the membership of the Government is reached by negotiation, not by popular will."

How To End the War in Vietnam

In a democracy, every citizen has the right and the duty to advance constructive ideas on all important matters concerning the future of the nation.

With the new Mau-Than spring round the corner, and facing the present situation, we are proposing—with all good intent and good will—a vietnamese solution to resolve a vietnamese problem. This solution aims at safeguarding the long-term interest of the people and nation of Viet Nam. For this very reason, it is based on two fundamental elements: the respect for national sovereignty and the exercise of the right of self-determination.

I. THE SOLUTIONS TO END THE WAR

There are five solutions:

1. The communists pull their troops back to North Viet-Nam.

2. The Americans pull their troops out from South Viet-Nam.

3. The communists kick the Americans out of Viet-Nam.

4. The United States and the Republic of Viet Nam wipe out the National Liberation Front (NLF).

5. Negotiation to find a political solution.

The first solution seems too naive because the majority of the followers in the NLF are Southerners; they cannot go back to North Viet Nam.

The second solution lacks realism because the Americans cannot surrender.

The third solution lacks realism because the communists do not possess enough power.

The fourth solution is far from being realistic because the United States and the Republic of Viet Nam do not have the capability to do so, in a limited war.

The fifth solution remains the only one which seems most feasible.

An early negotiation will help to cut down destruction on both sides and avoid further bloodshed and killing.

II. PREVIOUS FAILURES OF NEGOTIATION PROPOSALS

Proposals for negotiation have been made by the United States, United Kingdom, France, Canada, India, the Secretary General of the United Nations U Thant, and the communists, etc . . .

The reasons leading to failure are:

Some maintain that North Viet Nam does not wish to negotiate (belief in sure victory, Communist China influence etc.).

Others believe that the United States does not want a negotiation because of political (to challenge Red China) economic (trade and economy in war-time) and military motives (trying out new tactics, new weapons).

The main reasons were the lack of realism in the proposals, the vagueness of the principles put forth which are not soundly based on the practical aspects of the Vietnamese dilemma (the nature of the NLF, the role of Hanoi, Peking and Russia; the position of the Republic of Viet Nam etc. . . .).

To make things worse, both sides suspect each others' sincerity:

a) The communists have learned by experience the agreement with the West (Agreement of March 6, 1946; modus vivendi of September 14 with France; Geneva agreement in 1954). They have seen the antagonism between what has been said and what has been done (the landing in Tonkin, the application of the Geneva Agreement)

b) The Republic of Viet Nam and the Allies still remember the experience with the communists in Czechoslovakia, Rumania, Viet Nam (1946) Geneva conferences (1954, 1962)

Therefore, the road to negotiation must be:

—paved with realistic proposals on the basic issues: the role of the NLF, the value of the Geneva Agreement, the future status of South Viet Nam, the cease-fire, the pull-out of foreign troops, the guarantee of the agreements etc. . . .

—built in a peaceful atmosphere and a minimum of trust (the United States stops the bombing, both sides stop bringing in more troops and arms, both sides stop the propaganda war to blame each other over the radio, exchange of POW's . . .)

III. THE PRINCIPLES SERVING AS BASES FOR A NEGOTIATION

To be successful, any agreement must include three considerations involving:

1. The Republic of Viet Nam and the NLF

2. The Republic of Viet Nam and the Democratic Republic of Viet Nam

3. The big powers (the United States, Russia, Communist China, etc. . . .)

1. *Negotiation between the Republic of Viet Nam and the NLF.*

It is an undeniable fact that the NLF is being controlled by Hanoi through the Communist Party (the Labor party of North Viet Nam—the People's Revolution Party) and its policy.

It is also obvious that:

a) the composition of the NLF is quite complex; a great number of the followers are not communist: non-communist resistance fighters, Caodaists, Hoa-Hao members and those who were dissatisfied with the Ngo Dinh Diem regime and subsequent administrations. It is hopeful that these elements can be separated from the communist ranks if they would see a righteous and decent administration.

b) the NLF is not entirely dependent on North Viet Nam because Southerners still remember the North Viet Nam's policy toward the Resistance Movement when the March 6, 1946 agreement was signed; certain returnees from North Viet Nam were disillusioned with the regime there.

The policy of the NLF with regards to the unification with North Viet Nam and the socialist regime there—granted that it is being dressed up as a camouflage—does reflect to some extent their genuine policy.

c) In practice, the NLF is a real entity. The Front controls some areas, some peoples, possesses an effective administrative and military organization.

The problem to resolve is how to unify the statuses, administrative and military organizations of both areas. This integration must be broad, deep and sound, unlike that in Laos in 1962 where it was only an appearance without real substance and therefore ineffective. This integration must be so conceived and implemented as not to bring wolves into the chicken pen, to contaminate the sick body of the South with communist viruses.

To avoid those consequences, the Republic of Viet Nam must reorganize its ranks, rebuild the solid foundations (administration, armed forces, major parties) to enable conservative as well as progressive and revolutionary elements to fight the political war effectively and to ensure a genuine democracy.

2. *Negotiation between Saigon and Hanoi.*

Some portions in the text of the Geneva Agreements (1954) can be used.

Whatever is said, those texts still can provide certain elements for a peace solution, especially for a cease-fire, a control of cease-fire, and the unification of both sides.

The basis for a peace talk between the two sides is to reestablish the normal relations between the two: postal exchange, visit, economic and cultural exchange to create a peaceful coexistence pending the unification of the nation and people.

The unification can be reached through several stages with meetings between the two administrations which can go on for years.

3. *Negotiation between the big powers.*

The big powers particularly the United States, Russia, Communist China, United Kingdom and France will ensure the implementation of all signed agreements.

Both sides will pledge to stand outside any military alliance and to forbid permanent foreign military bases on its soil.

The big powers will agree themselves on the procedures to safeguard the independence of both countries.

The case of the status of Cambodia as stipulated by the Geneva Agreement can be reapplied (Cambodia can call upon any friendly country for help in case of menace). In his April 7, 1965 declaration President Johnson has mentioned this subject.

An economic aid program can be established (to include North Viet Nam) to help both sides (or even the whole Indochina) rebuild their countries.

IV. THE STAGES LEADING TO PEACE

Stage 1. Preparation.

Sounding out and exchanging ideas with Hanoi, Russia, China, NLF then proposing secretly:

a) the United States and the Republic of Vietnam stop the bombing, cease the inflow of troops and arms into South Viet Nam.

b) Hanoi stops sending troops and arms to South Viet Nam.

Friendly countries will act as intermediary to guarantee the promise from both sides and transmit proposals for peace solution from both sides.

Each country shall appoint its own guarantors. Afro-Asian countries should be selected for the purpose. For instance, South Viet Nam and the United States can choose Japan, India, Canada, Tunisia, Ethiopia and Indonesia; the NLF and North Viet Nam can choose Poland, Algeria, Cuba, Czechoslovakia, Rumania etc. . . .

Formal proposals for negotiation can only be advanced once the basis for negotiations are accepted by both sides.

Stage 2. Cease-fire.

When both sides refrain from bombing and sending troops and arms to South Viet Nam, the International Control Commission (enhanced by representatives from guaranteeing nations, by representatives from Hanoi, Saigon, the NLF, the Allies) will control the suspension of the bombing and infiltration of men and arms to South Viet-Nam.

Simultaneously, negotiations on the cease-fire in South Viet Nam must be opened. This meeting should include the General Staff of the Allied Forces, of the ARVN, the NLF and of the Democratic Republic of Viet Nam. Areas under the control of each side should be marked out on the map. Contested areas must be disarmed and put under a joint surveillance.

Once the cease-fire agreement is signed, mobile units will be created to patrol the cease-fire and settle on the spot all disputes. These mobile units will operate under the enlarged ICC.

Stage 3. Peace Conference.

This conference will be general in nature to include the nations involved in the Viet Nam war (North Viet Nam NLF, South Viet Nam, United States and those countries which guarantee the cease-fire).

This conference will study the political and military situation.

a) Unification of the administrative and military organizations of the Republic of Viet Nam and the NLF.

b) Relations between North and South Viet Nam; the normalization of the relations between the two; principle on a unification plan.

c) Pull out of foreign troops from South Viet Nam and reduction of men under arm in both sides.

d) International guarantee of all agreements.

e) Aid to both sides.

V. A CONCRETE POSITION

a) *The unification of the NLF and the Republic of Viet Nam*

As a matter of self-determination principle, this will be worked out by a Government elected by the people of South Viet Nam by a general election at a time decided by the Conference.

Within this time:

The area controlled by each side will live in its own peaceful and separate way of life.

The Government of the Republic of Viet Nam and the NLF will appoint a Joint Political Committee to study the improvement of the relations between two areas and to settle all dispues, if any, particularly:

1) to prepare the unification of administrative, economic and social organizations of South Viet Nam.

2) to prepare a general election leading to a Government elected by the people of South Viet Nam.

The election will be placed under the control of the Political Committee with observers from nations participating in the Peace Conference and the United Nations. All parties (including NLF) will be free to act in all areas (areas controlled by both sides as well as the contested areas).

b) *Unification of North and South Viet Nam*

This matter can take 10, 15 or 20 years to be resolved.

Generally speaking, the timetable will be something like this:

Stage 1: Normalization of the relations between the two sides as regards to visits, postal, cultural and economic exchanges.

Stage 2: Establishment of a common economic program for both sides, each to implement its own.

Stage 3: Establishment of economic, monetary and customs alliances.

The duration of each stage will depend on the good will of each side. The political unification will be decided in the final stage by a referendum separate for each side. Right at the outset, each side should be considered as an independent nation with representatives in the United Nations.

c) *The pullout of foreign troops and the reduction of arms on both sides*

The pullout of Allied troops and North Vietnamese troops will be realized gradually, within the period fixed by the Peace Conference, under the control of the ICC.

Armed Forces on both sides will be reduced in number of men as well as in quantity of arms. Both sides pledge not to participate in any military bloc and reserve the right to call on other nations (guarantors) to intervene in case of flagrant violations of the agreement.

d) *The guarantee of the agreements*

Either by: the United Nations Organization or by: the nations participating in the Peace Conference (the whole Conference or individual member nation).

The guarantee can be implemented according to the procedures of Locarno treaty which provided that any participating and signatory power can intervene in case of violations of the agreement and upon the request of any side.

e) Powers regardless of adherence to any bloc can provide aid to both Viet Nams (or the Indochina regime) *for economic development*.

Saigon the 10th of January, 1968.

REGULATION OF SURFACE MINING OPERATIONS

Mr. LAUSCHE. Mr. President, I am gratified to read in the President's budget message, delivered on Monday, that he specifically recommends that the Congress enact legislation to establish a Federal-State system for the regulation of surface mining operations.

I have had a bill—S. 217—pending before the Committee on Interior and Insular Affairs on this subject since January 12, 1967. I am indeed hopeful that this signal by the President will be a green light and that the committee will begin hearings on my bill immediately.

The seriousness of uncontrolled and unregulated strip mining to our Nation's economy and the welfare of the citizenry of many affected areas is well publicized in an article in the January 12, 1968, edition of Life magazine and in a series of articles appearing recently in Outdoor Life, a leading conservation magazine.

I am certainly glad that the President recognizes the seriousness of these conditions.

Mr. President, you will recall that last July 3, the President in a message transmitted to Congress the report of the Secretary of Interior resulting from the national study of strip and surface mining. In his message of transmittal, the President said, in part:

> The report contains constructive suggestions as to what better practices might be implemented with current surface mining. It points out that such preventive measures are usually only a fraction as costly as subsequent land treatment.
>
> The Federal Government must put its own house in order—so that its land stewardship will be an example to others.
>
> This report is a major step forward in our understanding of the problems caused by surface mining. It outlines many constructive actions that can be taken by mining operators, by the States, and by the Federal Government. I believe it warrants careful study and consideration by all of these parties in order to minimize any future damage to our environment.

I point out that my bill—S. 217—embodies practically all of the important recommendations contained in the report.

I see no need for further delay. Congress should address itself immediately to this most important domestic problem. Even with immediate action by Congress, many more thousands of acres of land will have been laid in waste before a law can be implemented.

DEFENSE SPENDING CONTINUES TO DECLINE—NO ECONOMIC STIMULATION HERE

Mr. PROXMIRE. Mr. President, based on the January selected economic indicators, there continues to be no evidence of any major increase in military demand for goods and services. Indeed, data for the fourth quarter of 1967 indicate lower military prime contract awards and lower net expenditures than in the third quarter.

Military prime contract awards for the fourth quarter were 4.6 percent below the third quarter level and only 3.1 percent above the level in the fourth quarter of 1966.

Net expenditures for the fourth quarter were 3.4 percent below the third-quarter level and about 12.2 percent above the level in the fourth quarter of 1966.

Military manpower strength has been approximately constant during the last few months for which data are available. The number in the military was 3.4 million in November, and 1.3 million civilians were employed by the Department of Defense.

I ask unanimous consent that the January report of the Department of Defense on selected economic indicators be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

Selected Economic Indicators

(Note.—The attached table and chart [chart not printed in Record] show selected financial and employment data related to the impact of Defense programs on the economy. The data reflected in the table cover seven major subject areas, beginning with the first quarter of calendar year 1966 and continuing through the latest month for which information is available. The chart covers three areas—obligations, expenditures and contracts—by quarter year. Explanations of the terms used are also attached.)

EXPLANATIONS OF THE TERMS USED

I. *Military Prime Contract Award:* A legally binding instrument executed by a military department or Department of Defense Agency (DOD component) to obtain equipment, supplies, research and development, services or construction. Both new instruments and modifications or cancellations of instruments are included; however, modifications of less than $10,000 each are not included.

The series includes awards made by DOD components on behalf of other Federal agencies (e.g., National Aeronautics and Space Administration), and on behalf of foreign governments under both military assistance grant aid and sales arrangements. It also includes orders written by DOD components requesting a non-Defense Federal agency to furnish supplies or services from its stocks (e.g., General Services Administration stores depots), from in-house manufacturing facilities (e.g., Atomic Energy Commission), or from contracts executed by that federal agency.

The series does not include awards paid from post exchange or similar non-appropriated funds, nor does it include contracts for civil functions, such as flood control or river and harbors work performed by the Army Corps of Engineers. Project orders issued to Defense owned-and-operated establishments, such as shipyards and arsenals, are not included, but contracts executed by such establishments are.

The distribution by broad commodity group includes only contracts which are to be performed within the United States or its possessions. Each commodity group includes not only the indicated end item, but also associated components and spare parts, research and development, and maintenance or rebuild work. Electronics and Communications includes only such equipment and supplies as are separately procured by DOD components. Electronics procured by an aircraft prime contractor is reported as Aircraft. Other Hard Goods contains tank-automotive, transportation, production, medical and dental, photographic, materials handling, and miscellaneous equipment and supplies. Soft Goods includes fuels, subsistence, textiles and clothing. All other contains services (e.g., transportation) and all new contracts or purchase orders of less than $10,000 each. Commodity identification is not available for these small purchases.

Work done outside the United States refers to the location where the work will be physically performed. About 55–60% of this work is awarded to U.S. business firms, but a lesser percentage of the contract dollars in this category directly impacts on the U.S. economy.

II. *Gross Obligations Incurred:* Total amounts recorded in official accounting records of the military departments and Defense Agencies from source documents such as signed contracts or any instrument which legally binds the government to payment of funds. Present coverage extends only to general fund accounts; obligations incurred in revolving funds are excluded. Included, and double-counted, are obligations which are recorded first when an order is placed by one appropriation upon another appropriation, and second when the latter appropriation executes an obligation for material or services with a private supplier. This duplication averages about 8% of gross obligations.

a. *Operations:* The Military Personnel appropriation and Operation and Maintenance appropriation of the Department of Defense.

b. *Procurement:* The Procurement appropriation.

c. *Other:* The RDT&E, Military Construction, Family Housing, Civil Defense, and Military Assistance appropriations.

III. *Gross Unpaid Obligations Outstanding:* Obligations incurred by the Department of Defense for which it has not yet expended funds. Present coverage extends only to general fund accounts; obligations in revolving funds are excluded.

IV. *Net Expenditures:* Gross payments less collections by the military departments and Defense Agencies, including revolving funds and Military Assistance. Payments represent checks issued.

V. *DOD Personal Compensation:* Wages and salaries earned by personnel employed by the Department of Defense. Military compensation represents pay and allowances to active duty personnel; reserve pay and retired pay are excluded. Civilian compensation represents gross pay and includes lump sum payments for final annual leave. Both figures are inclusive of individual contributions to retirement and social insurance funds, but are exclusive of any employer contributions to these funds.

VI. *Outstanding Payments:* Payments to contractors by the military departments and Defense Agencies made before the goods or services contracted for are completed and delivered.

a. *Advance Payments:* Payments to contractors in advance of performance of a contract.

b. *Progress Payments:* Payments to contractors as work progresses on a contract. These payments serve to reimburse the contractor for a major portion of the costs incurred to date.

VII. *Strength:* The number of persons on active duty with the Department of Defense at the end of the period.

a. *Military:* Men and women on continuous or extended active duty. Excludes reserves on temporary active duty for reserve training.

b. *Civilian:* Direct hire personnel.

SELECTED DEFENSE DEPARTMENT ECONOMIC INDICATORS

[Dollars in millions; manpower in thousands; quarters by calendar year]

	1966				1967									
	I	II	III	IV	I	II	July	August	September	III	October	November	December	IV
I. Military prime contract awards:														
Aircraft	$1,945	$2,989	$2,696	$2,262	$2,102	$3,049	$394	$636	$1,483	$2,513	$1,249	$578	$805	$2,632
Missile and space systems	1,040	987	1,314	861	1,230	1,166	535	521	524	1,580	323	429	316	1,068
Ships	355	491	976	239	679	407	178	104	135	417	153	147	110	410
Weapons and ammunition	555	1,486	692	940	818	1,769	92	415	597	1,104	454	451	439	1,344
Electronics and communications equipment	918	1,574	666	915	971	1,848	169	364	283	816	272	247	305	824
Other hard goods	843	1,842	660	1,029	915	1,564	202	355	228	785	252	153	248	653
Soft goods	709	922	1,078	989	638	652	588	280	188	1,056	175	118	198	491
Construction	207	392	198	150	232	626	56	100	76	232	56	44	113	213
All other	1,406	1,963	2,356	1,639	1,605	1,987	1,194	568	573	2,335	522	486	649	1,657
Total (excluding work outside United States)	7,978	12,646	10,536	9,024	9,190	13,068	3,408	3,343	4,087	10,838	3,456	2,653	3,183	9,292
Total, seasonally adjusted	8,703	10,144	10,716	10,149	10,171	10,667	3,610	3,686	3,665	10,961	3,665	3,329	3,467	10,461
Work outside United States	521	1,195	856	672	453	834	314	382	195	891	193	117	145	455
II. Gross obligations incurred:														
Operations	8,326	9,604	10,426	9,702	10,299	11,435	3,700	3,825	3,689	11,224	3,776	3,374	....	....
Procurement	4,374	8,539	5,368	5,276	5,113	8,948	1,045	1,894	3,215	6,145	2,699	1,717	....	....
Other	2,429	3,470	3,453	2,230	2,519	3,510	1,246	1,062	1,112	3,420	860	665	....	....
Total	15,129	21,613	19,247	17,208	17,861	23,893	5,991	6,791	8,016	20,793	7,335	5,755	....	....
III. Gross unpaid obligations outstanding:														
Operations	3,828	3,777	4,792	5,024	4,644	4,513	(1)	5,115	5,267	5,267	5,270	5,050	....	....
Procurement	18,023	22,119	22,736	23,173	22,780	25,248	(1)	23,874	24,925	24,925	25,423	24,982	....	....
Other	5,747	7,392	8,179	7,888	7,626	8,270	(1)	8,559	8,722	8,722	[2] 8,598	8,340	....	....
Total	27,598	33,288	35,707	36,085	35,050	38,031	(1)	37,548	38,914	38,914	[2] 39,291	38,372	....	....
IV. Net expenditures:														
Operations	7,689	9,076	8,968	9,087	10,002	10,731	2,898	3,722	3,382	10,001	3,641	3,456	3,397	10,494
Procurement	3,651	3,886	4,392	4,264	5,074	5,282	2,037	1,982	2,041	6,060	2,005	1,890	1,704	5,599
Other	2,757	2,647	2,484	3,092	3,179	2,001	1,231	883	933	3,047	[2] 790	847	723	2,360
Total	14,097	15,609	15,844	16,443	18,255	18,014	6,166	6,587	6,356	19,108	[2] 6,436	6,194	5,824	18,453
V. DOD personal compensation:														
Military	3,181	3,249	3,551	3,606	3,624	3,646	1,310	1,260	1,272	3,842	1,264	1,297	....	....
Civilian	1,937	2,015	2,105	2,135	2,170	2,248	736	793	742	2,271	773	772	[3] 776	[3] 2,321
Total	5,118	5,264	5,656	5,741	5,794	5,894	2,046	2,053	2,014	6,113	2,037	2,069	....	....
VI. Outstanding payments:														
Advance payments	66	79	90	83	92	80	....	....	....	110	....	....	....	....
Progress payments	4,402	4,346	4,750	5,461	5,981	6,765	....	....	....	7,179	....	....	....	....
Total	4,468	4,425	4,840	5,544	6,073	6,845	....	....	....	7,289	....	....	....	....
VII. Strength (manpower):														
Military	2,969	3,094	3,229	3,334	3,371	3,377	3,382	3,393	3,412	3,412	3,416	3,412	....	....
Civilian	1,088	1,138	1,184	1,230	1,268	1,303	1,311	1,306	1,274	1,274	1,277	1,277	[3] 1,271	[3] 1,271

[1] Not available.
[2] Revised.
[3] Preliminary.

Note: Open spaces for indicators other than No. VI indicate information not available at time of publication. Indicator No. VI information available only on a quarterly basis. Totals may not add due to rounding.

THE SMALL BUSINESS ADMINISTRATION IN NEW HAMPSHIRE

Mr. McINTYRE. Mr. President, the Small Business Administration is making a notable impact in New Hampshire. Through its long-term loan programs and its concept of management assistance including SCORE—Service Corps of Retired Executives—SBA establishes an affinity between government and private enterprise which has intensified the initiative, the zeal, and the productivity not only of existing firms but new firms as well. These small businesses, 4.8 million of them comprising 95 percent of all American businesses, have a strong ally in the Administration and the Federal Government.

In his proclamation of Small Business Week last May, President Johnson said:

> Small businesses perform a service to the Nation beyond the supplying of goods. Operating in an open, competitive market, they stimulate new ideas that create progress. They provide community leadership to aid economic development. They offer a wide and challenging variety of job opportunities to our people. We must insure that they will continue to hold a vital place in our society.

New Hampshire's economic diversification is stimulated by SBA's assistance to many of our struggling small businessmen. SBA's long-term lending programs aided 106 New Hampshire firms during fiscal year 1967 with loans totaling $5,205,000. Seventy-eight of these loans, totaling $4,653,000 are helping small businessmen in my home State through the agency's regular business loan program. Nine disadvantaged persons were provided a total of $74,000 under the agency's economic opportunity loan program to aid in the establishment of a business or to improve businesses already in existence. Nineteen New Hampshire firms received $478,000 from SBA when they were forced to relocate because of a federally financed highway program or an urban renewal project.

The case history of Gates, Inc., a West Peterborough woodcraft industry, is a perfect example of how business ingenuity and courageous imagination effectively joined hands with the long-term lending program of SBA.

Gates, Inc., located in an active New England area, has been a leader for over 30 years in a highly specialized business geared to individual production without line operations. The skill, inventiveness and craftsmanship of management and specialists are worthy of the highest commendation.

The business was started in 1934 by Charles T. Gates, a journeyman cabinetmaker. The founder was active in the management of the Charles T. Gates Co. until 1940. The small shop first operated in Worcester, Mass., from 1934 to 1955, then in Antrim, N.H., from 1956 to September 1960. Mark K. Forman, Sr., a native of Indiana, was associated with Charles T. Gates from the time the firm was established. Today, he and his wife own 99.9 percent of the Gates, Inc., stock.

The original partnership of Gates and Forman was incorporated in 1944, and the Charles T. Gates Co. then became Gates, Inc. On September 30, 1960, fire completely destroyed the first Gates frame building, machinery, fixtures, inventory, and most of the office records at Antrim, N.H. Although Mr. Forman was offered the use of a small brick building in Antrim to resume production, the building proved too small for efficient and profitable operations.

The corporation was then moved to Peterborough to a four-story brick warehouse which the partners bought for $26,500 with a first mortgage of $18,000 from the Peterborough Savings Bank and a second mortgage of $7,000 from the New Hampshire Business Development Corp.

Gates, Inc., converted and improved the old warehouse, then resumed production in January 1961, using most of the firm's operating capital to purchase machinery and stock. In the Antrim fire, Mr. Forman lost thousands of dollars in machinery and equipment, inventory, unfilled orders and destroyed records. He applied for a $35,000 10-year SBA loan with 20-percent participation by the Concord National Bank. The loan was approved on September 20, 1961, and is being repaid as agreed. Since the SBA loan, Mr. Forman has maintained a profitable woodworking business through very difficult times of change, competition, and fluctuating economic conditions.

Mr. Forman, although he has reached the retirement age, wants to provide modern facilities for the firm before his retirement. The present building was erected in 1824. Mr. Forman has an option on land near the present site of the firm, and plans have been prepared for a new, modern Gates plant on these premises. Banks and the SBA no doubt will be contacted for additional financial assistance. The 1961 SBA loan to Gates, Inc., is now reduced to $19,027 from its original $35,000. The firm has indeed proved its reliability in meeting all financial obligations while growing systematically through all these fruitful years.

Mr. President, today, under the capable efforts of SBA's Administrator, Robert C. Moot, we can look with pride to this first-class example of a cooperative relationship between Government and business. A favorable business climate, tight-fisted but flexible management, constantly improved plant layout and manufacturing facilities, excellent personnel relations with management, capable and well-trained executive and supervisory specialists and the long-term lending program of SBA have once again joined hands in a harmonious and productive preservation of the American free enterprise system.

FIGHT FOR HUMAN RIGHTS TO BE INTENSIFIED

Mr. PROXMIRE. Mr. President, the commemoration of the 20th anniversary of the adoption of the Universal Declaration of Human Rights will be highlighted in many ways during the 1968 International Year for Human Rights.

A unique series of ceremonies and observances has been planned by the United Nations, by regional organizations, by national governments and by private organizations.

The U.N. General Assembly, I am informed, wants the occasion to be much more than a celebration of past events. When it proclaimed Human Rights Year, it said that an appropriate way of celebrating would be to devote 1968 to intensified national and international efforts in the field of human rights and also to an international review of achievements in this field.

Specifically, it asked that States become parties to the existing human rights conventions and it decided to hasten the conclusion of other such instruments.

This international review of achievements is to be projected through the U.N. International Conference on Human Rights, to be held in Teheran, Iran, beginning April 22, 1968, and continuing for 3 weeks. The purpose of the Conference is to review progress since the Universal Declaration of Human Rights was adopted in 1948, evaluate the effectiveness of the methods used by the United Nations in the field of human rights and prepare a program of further measures to be taken after 1968.

I heartily concur in these planned programs. To add further weight to the International Year for Human Rights, the U.N. plans to award prizes for outstanding contributions to human rights. The General Assembly is to hold a special meeting on December 10, 1968—a date which is celebrated each year as Human Rights Day. Special United Nations postage stamps and other material will be issued.

The various governments, agencies and others are preparing special programs for the year.

We all recognize the inherent dignity and the equal and inalienable rights of all members of the human family is the foundation not only of freedom and justice but also of peace.

Therefore, I again urge the Senate to voice its approval of the human rights conventions on genocide, political rights of women, forced labor, and freedom of association. Affirming these treaties would advance the cause of humanity throughout the world.

DEATH OF SELMA M. BORCHARDT

Mr. MUNDT. Mr. President, it was with a sad heart that I read in this morning's paper of the passing of a great American woman, Miss Selma Borchardt.

Selma Borchardt is well known to many in this body because of her intense interest in problems of education, international relations, and juvenile delinquency. She was often seen in the halls of the Capitol, discussing these problems with Senators and Representatives.

All of us who knew her profited from her wise observations and careful counsel. She was a woman who was constantly thinking up new ideas—ideas which worked to the improvement of the welfare of fellow humans both here and abroad.

She firmly believed in the idea of exchanging information, skills, and knowledge in the hope of furthering world peace. South Dakota has reason to appreciate the work which she has done because two of the most effective international agricultural seminars which were held at South Dakota State University were the outgrowth of plans which Selma Borchardt contrived.

Mr. President, I ask unanimous consent that her obituary, published in the Washington Post, be printed in the Record.

There being no objection, the obituary was ordered to be printed in the Record, as follows:

Selma M. Borchardt, Lawyer, Educator

Selma Munter Borchardt, 72, lawyer, nationally known educator and a three-time president of the American Federation of Teachers, died yesterday at Mar-Salle Convalescent Home here after a short illness.

A native of Washington, Miss Borchardt was a graduate of Eastern High School. She received a bachelor's degree from Syracuse University in 1919, a law degree from Washington College of Law in 1933 and a master of arts degree from Catholic University in 1937.

An English teacher in District schools for more than 35 years, Miss Borchardt was a delegate to four White House conferences on children and to the 1955 White House Conference on Education.

She was a onetime member of the Commissioner's Youth Council, was director, from 1935 to 1942, of the Washington Self-Help Exchange and served from 1945 to 1951 as a member of the U.S. National Commission on UNESCO.

Miss Borchardt joined the American Federation of Teachers in its earliest years and saw it grow from a small independent group, with headquarters in Chicago, to an arm of the AFL–CIO and one of the country's two national teacher bargaining agencies. She served as vice president from 1924 to 1932, from 1942 to 1954 and again from 1958 to 1962.

She was also active in the Federation's local branch, the Washington Teachers' Union, serving as legislative representative for many years. At the time of her death, Miss Borchardt was executive secretary of the Washington organization.

A member of the AFL–CIO's standing committee on education for more than three decades, Miss Borchardt wrote a number of studies for the union. She was particularly interested in the problems of juvenile delinquency and in teachers' organization.

Miss Borchardt received several local and national awards for her efforts on behalf of education and organized labor.

THE PRESIDENT'S INTERNATIONAL GRAINS ARRANGEMENT GOOD FOR THE AMERICAN FARMER AND THE ECONOMY

Mr. MAGNUSON. Mr. President, the International Grains Arrangement is before the Senate for consideration at a time when the administration is making a determined effort to keep our Nation's currency strong and our financial position solid and to raise the income of the American farmer.

In endorsing this proposed arrangement, I would like to point out that it will directly contribute to the international monetary objectives which this country is seeking.

A basic element of the International Grains Arrangement is its new and higher range of prices, as compared to the previous International Wheat Arrangement, under which member countries will buy and sell their wheat in commercial markets. This higher range will bring the American farmer as much as 20 cents a bushel more for the wheat he sells in the world market. When we consider that this year the United States expects to export 750 million bushels of wheat, nearly half of which is sold commercially, we readily see that the higher range of prices resulting from the Johnson arrangement, will be a potent factor in bringing back more dollars to be applied to the plus side of our Nation's balance of payments.

I should like to point out the little-known fact that exports of American farm products today greatly exceed imports of farm products, and account for over 50 percent of our country's favorable merchandise trade balance—which is even more impressive in view of the fact that they make up only 22 percent of total exports.

In this and many other ways, American farmers are performing a signal service in supplying world markets. Through such efforts as the International Grains Arrangement, the administration joins the Congress in giving support to those American farmers whose food and fiber sustain not only this Nation, but free nations around the world.

NEW YORK TIMES ASKS STRONG TRUTH-IN-LENDING BILL

Mr. PROXMIRE. Mr. President, today and tomorrow the House of Representatives will consider the truth-in-lending bill. After 7 long years of struggle and delay, it appears that victory for the American consumer is at hand. I was delighted to see the New York Times, in its editorial today, support two important amendments to strengthen the bill. These amendments will be offered by Representative Leonor K. Sullivan, of Missouri, who has so ably championed the bill in the House.

The first amendment would require all forms of revolving credit to disclose the annual percentage rate. The second amendment would eliminate a provision which exempts creditors from disclosing the annual percentage rate if the finance charge is less than $10.

Mr. President, I believe it is quite important to treat all segments of the credit industry in a fair and equitable manner. Although most creditors would be required to disclose the annual percentage rate, under the terms of the Senate bill and the present House bill, some creditors would be required to disclose only the monthly rate. Since the time of the Senate hearings, we have heard from a number of leaders in the credit industry who feel that this provision is discriminatory. If some stores are required to disclose an annual rate, then all stores should be required to do the same.

Thus the amendment to be offered by Representative Sullivan has the support not only of consumer groups and labor unions, but of a vast majority of the credit industry as well. I am hopeful that the House will be able to correct this inequity.

I ask unanimous consent that the New York Times editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Truth in Lending

As the House of Representatives takes up the long-stalemated truth-in-lending bill, the need for a strong, comprehensive law is heightened by the steady growth in the volume of consumer credit. Buyers and borrowers must have the protection of a law requiring full disclosure of the true cost of obtaining credit. These safeguards are partially necessary for the least educated and the poorest, who can ill afford mistakes in managing their money.

The bill as it comes to the House floor would be improved if the members strike out two amendments adopted in the Banking Committee. The first would exempt retail stores and mail-order houses from telling their customers the interest rate on an annual basis for so-called revolving charge accounts. An interest charge of 1.5 per cent a month on the unpaid balance sounds rather low. Yet, on an annual basis, this is 18 per cent.

Equally objectionable is an exemption in the bill providing that credit terms do not have to be detailed if the interest charge is less than $10 per transaction. As a practical matter, such a provision would exempt most loans and purchases of less than $100. This is exactly the size of transaction in which persons with the smallest incomes need protection.

On the plus side, an amendment successfully offered in committee by Representative Halpern, Republican of New York, strengthens the bill by restricting the garnishment of wages. The first $30 of a worker's wages would be exempt from attachment by a private creditor, and no attachment could exceed 10 per cent of his remaining wages. No one would be harmed by such a modest restraint except those dubious merchants who prey upon the poor by selling shoddy merchandise on "easy" credit.

FIFTH ANNIVERSARY OF COMMUNICATIONS SATELLITE CORP.—COMSAT

Mr. MAGNUSON. Mr. President, by the Communications Satellite Act of 1962, the Congress initiated a unique and bold venture in the utilization of space technology to "establish, in conjunction and in cooperation with other countries, as expeditiously as practicable" a commercial, global satellite communications system. Signed into law by President Kennedy, this act expressed the willingness and desire of the United States to share with other nations its developments in this new technology. Explicitly stated are the objectives that the new system should "serve the communications needs of the United States and other countries" and that it should "contribute to world peace and understanding."

Among other things, the act specified that U.S. participation in the system should be in the form of a new private corporation. Included in the charges to this company was that it should direct care and attention to the needs of "economically less developed countries and areas" for the services of the system.

This month marks the fifth anniversary of the Communications Satellite Corp.—Comsat—an appropriate juncture at which to assess its progress in fulfilling its mandate.

The first milestone came in August of 1964 when representatives of the U.S. State Department and Comsat signed agreements with government and telecommunications officials of 10 other nations, covering the formation of a joint international venture, the nature of its interim organization, and operating procedures for the group to follow.

The resulting organization is called the International Telecommunications Satellite Consortium—Intelsat for short. Comsat serves as its manager. The interim arrangements were given 5 years to run, after which they are to be superseded by definitive arrangements which are today in preliminary negotiation.

Meanwhile, Intelsat has grown from its original membership of 11 nations to a total of 61, including more than 40 which qualify as among the less developed countries mentioned in our act.

This is remarkable growth. It represents primarily of course a recognition of the potential of satellite communications. The diligence of Comsat also deserves credit.

From the outset, Comsat officials have traveled throughout the world, explaining to the officials of other countries the purposes of Intelsat and the advantages to each of Intelsat membership. Where needed and desired, advice and consultation have been supplied in the planning, design, and construction of satellite earth stations, to enable use of the satellites.

Great impetus was given to this phase of Comsat's campaign in April of 1965 with the success of Early Bird, placed in synchronous orbit over the Atlantic Ocean. The success of this pioneering satellite gave timely proof to the world that the hopes for high quality space communications were well founded.

Those countries with insufficient volume of international communications traffic to justify an earth station of their own have been encouraged to join Intelsat nonetheless, and to share in the use of an earth station in a neighbor country where that is appropriate.

Another phase of the campaign to build the global system has involved financing through international lending agencies for earth station construction in the lesser developed countries. Many feasibility studies have been made to determine the cases where proposed earth stations were likely to show a profit in reasonable time, giving account to capital and operating costs and to expected traffic and tariffs.

At present, 16 earth stations are in operation in 11 countries. England, France, Italy, West Germany, and Spain are linked to the United States and Canada by two satellites over the Atlantic. Australia, Thailand, the Philippines, and Japan are linked to Hawaii and the U.S. west coast by two Pacific satellites.

New satellites having four times the capacity of present models are scheduled to be placed in orbit later this year. Additional earth stations under construction or in final design are expected to bring the number to 40 by the end of next year, when Intelsat's agreed-upon interim phase will be completed.

The commercial utilization of space for communications purposes—a dream for the future when the Congress passed the Satellite Act—is today a reality. In this sixth year of the act there can be no question as to the bright hopes for the future of global satellite communications. To the extent that this new ability to communicate can indeed help to bring peace and understanding to this troubled world, we shall all have reason for gratification.

THE "LASSIE" PROGRAM

Mr. MURPHY. Mr. President, among the multitude of challenges facing Americans today few are equally in gravity to the problems of air and water pollution. It is imperative that we devote close and continued attention to the job of purifying the water we drink and the air we breathe. Magnifying the importance of the challenge is the ever-increasing urbanization of the United States. Dr. John Gardner, the Secretary of Health, Education, and Welfare, has pointed out that more than one-half of the Nation's population now lives on about one-tenth of the land area and, by 1975, we can expect that three-fourths of our citizens will be living on the same amount of land. The prospect of 185 million Americans crowded together in our cities within the next decade is a foreboding one. The pollution motor vehicles alone spew into the air is staggering to contemplate. The effort to prevent environmental contamination from getting completely out of hand will test our technological abilities to the fullest.

Congress last year enacted the Air Quality Act of 1967, a measure of which all of us can be proud. This legislation, in my opinion, is an example of a proper response by Government to a problem meriting Federal attention due to its size and scope. For the Air Quality Act of 1967 was written to take into account the views of State and other local governments as well as industries affected. Senator EDMUND MUSKIE, of Maine, sponsored this legislation and I was proud to have been a cosponsor.

Not the least of the tasks confronting us in reversing the rising curve of air and water pollutants is one of educating Americans to the dangers they face. In this, governmental agencies at every level are being supported by forward-looking industries, organizations, and individuals. I would like to mention today one source which, over a period of many years, has assisted in the educational drive to impress upon Americans the importance of antipollution work.

Every Sunday night on a national television network for the past 14 years, millions and millions of youngsters and adults have tuned in on the "Lassie" program. Woven into this program, along with the entertainment values responsible for its longevity and appeal, are messages of antipollution, conservation, and beautification of our natural resources. The method of presentation gives these messages an appeal that makes them readily understandable to the old and young alike.

I commend the "Lassie" program and its owners and producers for the continuing service they carry on in this field. It makes me proud that a product of the State of California is proving an influence in helping keep our natural resources intact. The participation of the "Lassie" program in this field has brought the problems of air and water pollution to the entire Nation's attention since the program is seen in more than 200 communities and has a viewing audience of approximately 50 million persons.

The owners and producers of the "Lassie" program, the Wrather Corp., headed by California industrialist Jack Wrather, believe in working closely with the U.S. Forest Service and the Department of the Interior. Mr. Robert Bray, the actor who portrays the role of U.S. Forest Ranger Corey Stuart in the "Lassie" series, goes beyond his role to give talks before civic and industrial groups throughout the Nation on the subject of antipollution and conservation. Lassie's trainer, Mr. Rudd Weatherwax, has continually made her available without recompense to community gatherings where the cause of antipollution and conservation can be promoted and enhanced. Others associated with the program, including associate producers William Beaudine, Jr., and Bonita Granville Wrather—who is remembered by millions as an attractive and charming young actress—writers Robert Schaefer and Eric Friewald, directors William Moder, William Beaudine, Sr., and Jack Hively, have assisted in this educational endeavor. Their efforts and dedication should not go unnoticed by those of us who take pride in the beauty of our States, cities and neighborhoods and in the cleanliness of our air and water. I commend, therefore, the "Lassie" program and all those involved in its production for their efforts in this field.

GROWING SUPPORT FOR TRUTH IN LENDING

Mr. PROXMIRE. Mr. President, the verdict is rapidly becoming unanimous that all creditors should be required to tell their customers the true annual rate they are charging for credit. Under the terms of the Senate bill passed last July, about 97 percent of the credit industry would be required to tell the full truth. However, 3 percent of the industry was permitted to disclose only a monthly rate. This exemption applied to short-term revolving credit plans customarily established by department stores.

Following the Senate action, the 97 percent of the credit industry required to disclose the annual rate has mobilized a massive campaign to plug the loophole afforded revolving credit. Now that the credit industry realizes a truth-in-lending bill is a certainty, it has exerted substantial pressure on the House to apply the principles of annual rate disclosure fairly and uniformly to all segments of the industry.

Responsible editorial opinion also supports this elementary concept of fair play. Yesterday the New York Times published an editorial supporting Mrs. SULLIVAN's attempts to amend the House bill to require that the annual rate be disclosed on revolving credit plans. This morning the Washington Post entered the battle with an editorial advocating that the annual rate disclosure requirements be applied to revolving credit.

There being no objection, the editorial was ordered to be inserted in the RECORD, as follows:

Mr. President, I ask unanimous consent to include in the RECORD the editorial from the Washington Post.

More Truth in Lending

The object of the truth-in-lending legislation that should come to a vote in the House today is to provide consumers with relevant information. When a man borrows $550 from a credit company and contracts to repay $50 a month for twelve months, the true interest rate is 17 per cent. That information ought to be communicated by lenders so that borrowers know how much they are asked to pay for credit and have an opportunity to compare the terms offered by competing lenders. The principle is the same with respect to installment credit extended by stores.

Opponents of truth-in-lending legislation aver that providing such information would compel retailers to make onerous numerical calculations. But in this computer-oriented age, it should be possible to turn out interest tables at low cost that cover virtually every set of credit arrangements. Therefore, we urge that the House reject the amendment that would exempt the revolving, retail store charge accounts and another that exempts transactions for which the interest charge is less than $10.

Nothing in this legislation should be construed as imposing a limit on the true rate of interest that may be charged. Attempts to prohibit "usury" almost invariably fail, and Congress should not repeat its mistakes in attempting to enforce interest ceilings on Treasury bonds and insured mortgages. Merely requiring that borrowers be given information about the true interest charges is quite another matter. And it is to be hoped that Congress passes the stronger version of the truth-in-lending bill now urged by the Administration leadership in the House.

RAILROAD RETIREMENT ACT EXTENSION BENEFITS TEXAS

Mr. YARBOROUGH. Mr. President, I regret that I was absent on official Senate business yesterday, holding a Labor Subcommittee hearing in Portland, Oreg., when the Senate unanimously passed the extension of the Railroad Retirement Act of 1937 and the Railroad Unemployment Insurance Act.

This action is of tremendous importance to my home State, since we have about 30,600 Texans on railroad retirement annuities, 13,700 receiving railroad survivor annuities, 4,400 receiving sickness benefits and 2,900 receiving unemployment insurance. This means that about 51,600 Texans are directly affected by this action.

The railroad retirement system was the first industrywide retirement system between employees and employers instituted in the Nation. It is administered by the Railroad Retirement Board which is an independent agency of the U.S. Government.

This system has been a model retirement system for the Nation and around the world. No other industry has a system like it and no other group of employees has over the years enjoyed such extensive benefits under any other retirement system as have the railroad employees.

S. 2839, introduced by my distinguished colleagues, the Senator from Rhode Island [Mr. Pell], and the Senator from Oregon [Mr. Morse], increases the benefits in both the retirement system and the unemployment system of the Railroad Retirement Act.

Last year, we passed some amendments to the Social Security Act. These amendments have had several effects upon the railroad retirement system. First, the monthly limit on creditable and taxable railroad earnings was raised and this raise took effect on January 1 of this year. Second, a new schedule of railroad retirement taxes is established.

Along with these increases in the contributions to be made to the system, the persons being paid under a special guaranty and most wives will receive increases in their railroad retirement benefits. More specifically, families being paid under the special guaranty are guaranteed that their benefits under the railroad retirement system will be 10 percent larger than their benefits would have been if they had been paid benefits under the social security system. Second, wives can receive higher benefits because the social security amendments had the effect of raising the maximum annuity that can be paid to a wife under the railroad retirement law.

The amendments passed yesterday to the present Railroad Retirement Act accomplish two basic purposes. First, they fill the gaps in the system of benefits that were not accomplished by the social security amendments. Second, they make some changes in the railroad unemployment insurance program. Let me first consider the effects this bill would have upon the annuity benefits.

The monthly increases will, as a rule, range from $10 to $21 for retired employees and from $5 to $17 for wives and survivors. The amount of a beneficiary's increase will generally be a bit smaller if he is also receiving a social security benefit. But the minimum increase will be $10 for most retired employees and $5 for most wives and survivors. The amount of the increase in an annuity will be related to the average monthly earnings on which it was based.

There are two other sources of benefits under the proposed amendments. One concerns the earnings limitation for disability annuitants. These will be substantially liberalized. Presently only $1,250 per year can be earned and the benefits can only be paid in those months when the annuitant earns less than $100. S. 2839 changes the annual limitation to $2,500 and allows benefits to be paid in any month where the annuitant earns less than $200. The second area of increased benefits is for totally disabled widows who are aged 50 or older.

The bill acted on yesterday also covers the railroad unemployment insurance program and provides for a higher benefit rate schedule, with a maximum daily benefit of $12.70 compared with $10.20 under present law. Sickness benefits will be payable for longer periods to employees with 10 or more years of railroad service who are under the age of 65. The earnings needed in a calendar year to qaulify for the next benefit year would be raised from $750 to $1,000. Also maternity benefits, as such, will no longer be payable, but illness related to a pregnancy will be covered on the same basis, as other sickness.

Let me reiterate that the major effect of this bill is to adjust the railroad retirement system so as to reflect the changes made in the social security system by the bill last year. There are other changes which are of a housekeeping nature based upon the experience of those who have been working with the system over the many years of its existence.

Lastly, this is an agreed-upon bill. It is the result of negotiations between the rail brotherhoods and rail management, and it has the full support of the Railroad Retirement Board.

I support the Senate's action yesterday.

ADDRESS BY LEONARD H. MARKS BEFORE NATIONAL ASSOCIATION OF BROADCASTERS

Mr. MAGNUSON. Mr. President, recently Mr. Leonard H. Marks, Director of the U.S. Information Agency, delivered a speech before the National Association of Educational Broadcasters' 43d convention which was held in Denver, Colo.

Prior to becoming Director of USIA, Mr. Marks, a noted authority in the field of communications, had served as general counsel for the NAEB. His remarks, entitled "A Blueprint for a New Schoolhouse" issued a challenge that calls for action.

As Leonard Marks eloquently states, the technological means for the creation of a worldwide information system is imminent. This Nation has an obligation to be prepared to utilize our technological gains in a manner which will guarantee the fullest humanitarian results.

Mr. President, I commend the thoughts of this man who, in his position as Director of USIA, directs one of the world's largest communication operations, and ask unanimous consent that his address be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

A Blueprint for a New Schoolhouse

(An address by Leonard H. Marks, Director, U.S. Information Agency, before the National Association of Educational Broadcasters 43d Convention, Denver, Colo., Nov. 8, 1967)

I would rather dream of the future than reminisce about the past; but tonight after seeing friends with whom I have spent nearly 25 years in the educational broadcasting field, I am going to yield to nostalgia and reminisce first and dream later.

In 1946 I attended my first NAEB Convention. The setting was a bit different than it is tonight—there were no great exhibit spaces, nor formal dinners or hundreds of delegates. There were about 30 of us in a small meeting room. We had a vision of great opportunity for educational television for which spectrum space had recently been reserved under the FCC allocation plan.

I had recently resigned as Counsel for the FCC and been appointed as NAEB's General Counsel—a position which I held for many years thereafter. My last assignment at the Commission was with the Task Force assigning new channels for television and reserving a portion of the spectrum for education. We had fought long and hard within the Commission to establish such a reserve for education and to hold these channels until educators were financially able to use them. The NAEB meeting in 1946 discussed this subject with great care.

Those of us who attended that convention in 1946 talked glibly about attracting millions of dollars from school systems, state legislatures, and from the public to build these new television school houses. And, after tossing around these large amounts of money, at the conclusion of the meeting we refused to increase the dues of NAEB members by $10 since we didn't believe they could afford it.

In those days, our primary concern was with educational radio. There were in 1946 relatively few stations operating non-commercial facilities. Their budgets were small and they had a difficult time getting money to expand. These school administrators and the businessmen who sat on the boards were suspicious of the medium and frankly doubted that you could educate through radio. They reminded me of Titus Moody, Fred Allen's famous New England philosopher, who said he wouldn't listen to the radio because he mistrusted any furniture that talked.

There are some in this room who may remember the first broadcast stations created in the early 1920s. Few had the vision of an industry that would expand as rapidly or as dramatically. But at least one distinguished American had this to say:

"It is inconceivable that we should allow so great a possibility for service and for news, for entertainment and *education* and for vital commercial purposes to be drowned in advertising chatter."

The author of these words was no wild-eyed radical, no enemy of private enterprise and commercial broadcasting, but he recognized the great potential that this new engineering device might have for education. At one time he went on to urge that portions of each broadcast schedule be specifically reserved by law for education and that only a few minutes of each hour be used for "advertising chatter." The author of that quotation was none other than Herbert Hoover, then Secretary of Commerce charged with the responsibility of issuing licenses to the handful of pioneers that created the broadcast industry. Hoover had a vision of radio as it could have been but which it never fully became.

Before the war, a serious effort was made to encourage educational uses of radio. The Federal Government allocated some of the best frequencies on the spectrum for universities and school radio systems. In many cases these frequencies were never used for educational purposes. Some schools used them for a little while and then sold the equipment to commercial broadcasters, frequently for less than the money invested in the transmitter and studio. Some licenses were surrendered and very valuable frequencies were snapped up by commercial stations.

Radio, of course, did expand—from 960 stations in 1943 to more than 5550 today. But it expanded without that strong commitment to higher purposes that Herbert Hoover had envisioned. Quantity we achieved. Quality, I fear, was another matter.

Next came television; and here, I think, we can be prouder of the results.

No one needs to tell you what a struggle it was to acquire the channel allocations—and then to find the funds to get the stations actually built and on the air.

No one needs to tell *you* what a struggle it was—for you were the very people who were doing the struggling! Senator Magnuson, the state legislatures, the Ford Foundation: all these lent a badly needed hand. But in the end, it was a dedicated group of educators and broadcasters—you people sitting in this room—who saw the struggle through.

The nation is in your debt for that struggle. It succeeded. And considering the roadblocks, it succeeded brilliantly. You won the channel allocations. You won the ETV construction facilities legislation. You won the decision to require UHF capabilities in all TV sets. And now, you have capped it all with your support for the Congressional action to set up a Public Television Corporation.

With the passage of the PTV act, Hoover's original vision—a broadcasting system serving the educational needs of the nation at large—will at last turn from fancy to fact. For the first time in forty years, we will finally have a firm national commitment to utilize the electronic media for the whole sweeping spectrum of cultural and educational enrichment. And we will have the financial infrastructure to sustain the commitment.

Some observers have noted the PTV is to our century what the land-grant act was to the last century. They are right. It is a huge, horizonless resource with vast riches waiting to be mined.

But like the land-grant act, it will take talented and tireless people to mine that resource, and turn the rocky ore of opportunity into the refined gold of results.

You—sitting in this room—are both talented and tireless.

I know you are going to succeed. Success against odds has long been your stock in trade.

Now at last—with PTV—the odds are on your side.

Not only are the odds on your side—the future is as well.

Let us take a look at that future for a moment. It is a heady one in its prospects, but it may simultaneously turn out to be a headachy one in its problems.

But, then, no one knows more about headaches—and how to handle them—than educational broadcasters.

On the heady side, consider EVR: electronic video recording.

Here is a black box with a very bright promise. It will allow us to play back videotaped material through a TV set in a home or a classroom. Consider the potential. It immediately resolves the rigidity of single-channel ETV scheduling, and permits the teacher—or for that matter, the parent—to use videotapes at will.

In May of next year, several hundred EVR units are going into British, Italian, and German schools for experimentation. They will be in our own classrooms soon enough—and my guess is, the black boxes will be ready for us sooner than we will be ready for them!

Black boxes in the classroom—like breadboxes in the kitchen—are full of potential nourishment. It is going to be a question, I think, of getting the right balance into the educational meal. We don't want to end up with too much bread, and too little meat.

Not only that, the bread of EVR—if we don't get the educational recipe right—could turn into cake . . . and worse still, maybe even into mere frosting.

The electronic educational revolution is no time for anyone to look over the hungry minds of this sophisticated generation of children, and end up by saying: let them eat cake.

Black boxes—especially those with the potential of EVR—can be a blessing. But blessings have been known to turn into curses. It is clearly not so much the black box that matters—but what we put in it.

If there is any single truth that the advance in communication technology has taught us, it is this: the machine originally was an extension of man's muscle. Now it is increasingly an extension of man's mind.

Human muscles, on the whole, do not make mistakes.

Human minds, unhappily, make many.

Black boxes can amplify men's minds. They can also amplify the mistakes of men's minds.

You, the educational broadcasters, will have the challenge to help develop human minds that can harness the black box as a new tool to make our world a better place in which to live. Black boxes can help us to a richer, fuller life not in the remote future but *now* and *soon*. Not only black boxes in the classroom, but classrooms in the sky. Let's talk about these classrooms in outer space—they are, of course, the communication satellites.

The first fact about them is simply that they have out-astounded even the most optimistic visionaries who put them together in the first place.

Telstar went into orbit five years ago.

The designers have been in a kind of psychedelic orbit ever since over the growth potential of the whole satellite concept.

Telstar with its 200 circuits—doubled the existing number of circuits across the North Atlantic. But Telstar is a kind of primitive tom-tom compared to what will be coming soon.

Not only is the number of circuits going to multiply, but we will soon have direct microwave connections between the United States and Africa, Latin America, and South Asia.

Now, the satellite—like every other advance in communication technology—not only does old tasks faster and more effectively—but it expands the notion of tasks-to-be-done into an altogether new order of magnitude.

The telegraph and the telephone—to say nothing of the radio and the television set—did not merely make it possible for society to communicate more effectively. Each one of these inventions, in their way, massively *changed* society. Yes, these media were the messages, each in its way adding a new dimension to society.

That is clearly what the communication satellites are eventually going to do.

Congress had that in mind when it wrote into the preamble of the Communications Satellite Act of 1962 that these new instruments should be used in ways that "contribute to world peace and understanding."

Now that is a big order. But it is also a realistic one.

What it really means is that world peace and understanding are direct functions of communication.

War itself is communication. But it is communication of a very inefficient sort. The aggressor can communicate his will on other people by force. If people are going to remain free, they sometimes have to oppose that imposition of the aggressor's will by a countervailing force.

What all of us would like is a world in which there could be less painful means of communication than war.

Now, no black box in the sky—or anywhere else—is, in itself, going to make that happen.

What is going to make that happen—if it is going to happen at all—is going to be a change in human beings.

Such a change is not out of the question—no matter what the pessimists say. War is a man-made problem. Peace is a man-made solution.

And despite what communists say, man is a *free* being; he *can* do what he makes up his mind to do; and he isn't a *victim* of history—he is history's maker.

That doesn't mean, of course, that to lessen war, and enlarge peace, all we have to do is sit around and piously wish for it to happen.

We have to *make* it happen.

And making it happen is difficult. The record suggests that for the million or so years that man has been on earth, he has found it very difficult to make it happen. But man today has a big advantage over his ancestor of a million years ago.

And that advantage is that he can plug his mind into the minds of billions of other men—he can connect up his central cortex with the central cortex of billions of other men—he can, as it were, pick up the phone and tap in on a kind of global party line in which everyone can pretty well talk to everyone else.

Granted, we are not technologically quite at that point yet. But we are getting there faster than any of us probably suspect. And the satellite network is going to help make it happen.

What we are really talking about here is the creation of a *world information grid*.

Such a grid would eventually make possible the ready retrieval and transfer—to any point on earth—of any single item of the total sum of man's million-year accumulation of knowledge.

As educators we know that knowledge is exploding with a magnitude much greater than ever thermonuclear force.

Pretty soon we are going to have to start measuring the sheer accumulation of knowledge in megatonnage.

Six hundred new book titles are published every day.

A hundred thousand journals and magazines are printed regularly.

By 1980—a mere baker's dozen years away—the amount of additional information we will collect will equal in volume all the data produced in the previous two thousand years!

What all of this is going to do to the knowledge industry is difficult to predict. One thing is certain: unless we do something creative about the problem pretty soon, we are going to end up with an information overload that will rival the morning-after headache . . .

Information overload could turn out to be a cancerous disease. Too *much* might move—and everything could conceivably end in a tangle of facts that would become simply indigestible to the minds that needed them.

What we manifestly need to do is to miniaturize, and automate, and harness the computer to this information overload before it devours us.

What I am saying is that we have to do more than merely collect knowledge electronically. We have to learn how to route it sensibly.

There is just going to be so much information that we will either learn to route it, or it will surely rout us.

And, we must learn to share our knowledge with our neighbors so that all may benefit. Until we do, there will be little progress towards peace, good will and understanding to which all honorable men aspire.

And now, here is my plan for action:

1. You, the educators and educational broadcasters, should initiate a plan for the worldwide information grid. Your partners should be all who desire to share man's knowledge for the betterment of mankind.

2. The grid should link centers of learning in all parts of the world—Cambridge, Massachusetts and Cambridge, England, Moscow, Idaho and Moscow, USSR, as well as Accra, Kabul, La Paz and the many other locations in developed and developing areas where institutions of learning have been created.

3. Each participant should be prepared to become a depositor of the World Bank of Information and to draw on it as needed, consistent with a charter of knowledge to which they will subscribe.

4. The grid will supply the know-how for those who seek to know and the information about other people by those who desire to live in harmony with fellowmen.

5. Radio and television programs should become an important ingredient of this new reservoir of knowledge and there should be a regular exchange of programming. Worldwide audiences should be offered the best in literature and dramatic presentations and front row seats at history-making events. Leaders of nations should state their positions to the home viewers as they today explain their attitudes to United Nations delegates.

Now, that is the dream—it will not be easy to fulfill. Cynics will point out the problems of different languages and varying time zones and suspicions between countries. They will argue that there will be a one-way street, we will give and they will take. But, this is no time for cynicism. All nations have something to contribute. And those who seem poor in worldly goods are frequently well-endowed with the richest culture.

This is a time for sharing to make us all wiser and happier, for statesmen have long recognized that Chinese walls shall not be erected to keep out new ideas. The cultures of all lands must be circulated through the houses of nations as freely as our technology permits. Wise leaders know that mankind will not long endure in peace with a world that is half rich and half poor, half ignorant and half learned. Illness of mind, like disease, infects the healthy and soon epidemics become the scourge of humanity.

And, then skeptics will also say, who will pay for this wild-eyed dream. My answer—each according to his means will participate in the overall costs and as we progress, many who are wealthy may find a satisfaction in assisting the least fortunate.

But, to start, I suggest that you look at the satellite system now in place—two satellites in the Atlantic and two over the Pacific. Here is the nucleus of the worldwide hookup. Europe and North America and parts of Asia can now be connected with each other.

A consortium of 59 nations owns these satellites and the associated earth stations. They are the beneficiaries of a technology developed by the U.S. Government and donated to the world without cost.

It's time for a global "people's dividend"—and I suggest that the Intelsat consortium set aside an experimental period during which the educators of the world can use the satellite system free of charge for the exchange of information between nations.

The United States should take the lead in this whole matter. And I am hopeful that the Communications Satellite Corporation can make a definite proposal to the other members of the consortium in the near future.

What we require here is no mere wishful declaration of the cultural and educational benefits, but a practical and pragmatic proposition—outlining in specific detail the special concessions which the consortium can make to encourage the active use of the satellite network for these purposes.

Certainly we here in the United States should have no qualms about proposing this small sacrifice of profits. The American taxpayer has underwritten the cost of the development of the satellites in hundreds of millions of dollars. All of this development was made available to the comsat consortium without the payment, in return, of a single dollar, peso, or franc from anyone but the American taxpayer.

But a national U.S. commitment—and a commitment from the comsat consortium—are still not enough.

We need you to make this idea go: you, the educators and broadcasters of America; and your counterparts abroad.

We need you to come up with the hard-headed, carefully thought-out projects: projects that will make use of communications satellites to do, at a reasonable cost, what other educational media cannot do.

We are not proposing to replace the book, or the filmstrip, or the on-the-ground ETV program.

We are interested in doing things the other media cannot do—or at least cannot do as effectively.

The key to coming up with the right projects, I believe, is to take the broadest possible view of the satellites' capabilities. This means, as I noted earlier, viewing them primarily in terms of a worldwide information grid: a unique method of plugging together human minds between any points on earth.

Remember that the grid will be able to handle any medium that can be reduced to electronic signals. This means radio, television, telex, telephone, facsimile, and high-speed data transmission.

The medium that has received the most attention, of course, is television. The various experiments to date in long-distance educational and cultural exchanges have underscored—and dramatically so—the potential of satellite ETV.

Now, satellite ETV's day is definitely going to come—and come big. But in the case of most of the world, we are only at the dawn of that particular day. Satellite ETV requires elaborate on-the-ground facilities that are simply not yet in place in most underdeveloped countries of Asia, Africa and Latin America.

There are many other prospects closer at hand—and it is these, I think, we ought to get to work on first.

I have in mind, particularly, the exploding field of electronic data exchange—either by print or by visual means.

Schools both in this country and abroad can move forward today toward a system of worldwide information exchange to meet their need for mounting knowledge explosion.

A system of electronic interchange of information could readily be set up within the next five years—provided we make imaginative use of the satellites, and link them to information storage and retrieval systems already in existence.

The fact is, something like it is already happening.

In Latin America today, bridges and dams are going up—built on the basis of information supplied by computers in Massachusetts. MIT has information-exchange programs with more than a dozen universities in Latin America.

There have been successful experiments with computers at the University of Buenos Aires "conversing" with computers at MIT, via shortwave radio. Computers can clearly be linked eventually by satellites.

In Great Britain, doctors have dramatically expanded the range of their medical-information resources through a similar scheme. The British Medical Association can draw on the computers and other automated facilities of our own National Library of Medicine, located at the National Institutes of Health in Washington, which abstracts nearly a quarter of a million medical articles a year.

At the moment this is being done by air-mailing computer tapes to Britain. Eventually, the service can be operated by satellite so that doctors abroad can have instant access to current research.

Just the other day a similar demonstration took place in Washington for members of the U.S. Senate who learned of plans for transmitting electrocardiograms from home or hospital to cardiology centers centrally located. At these locations doctors are ready to diagnose the case and furnish immediate information for treatment.

In my own profession of law there are tremendous potentials of this sort. As you know, a lawyer loves relevant precedents—provided, of course, they support his case.

Support it or not, the precedents are becoming so widespread that we have had to computerize such information here in the United States; and a worldwide system was proposed two months ago at the World Conference on Law in Geneva.

Ladies and Gentlemen, we have traveled quite a road since the first NAEB meeting I attended 21 years ago.

We are 21 years older. But your profession as educational broadcasters seems now nearly 21 decades older.

Nothing in this era is moving faster than communications. It is literally—and figuratively—moving at the speed of light.

Our problem is whether we are going to move fast enough to keep up with its promise.

I promise you one thing.

I fully intend to attend the NAEB meeting 21 years from now.

I'm not sure it will be held in mile-high Denver.

It just might be held in a thousand-mile high orbiting auditorium.

But one thing I am sure of.

Wherever it's held, the dreams we are dreaming today about what is going to happen in the next 21 years are going to turn out—I guarantee you—to be very old hat indeed.

Mark my words, our dreams today—21 years from now—will turn out to have had one gigantic defect.

They simply will not have been dreamy enough!

Thank you . . . and pleasant dreams.

OUR ELECTRONIC WARFARE PEOPLE ARE NOT ASLEEP

Mr. MONTOYA. Mr. President, little is publicly known and less is publicly said about the realm of electronic warfare. Yet on this sophisticated branch of science may rest the ultimate fate of our country and future of the world.

Men who work in this field on behalf of America are quietly and heroically keeping our defensive and offensive guard up against any potential foes. We know, too, that those potential foes are alert and hard at work on systems aimed at nullifying our main offensive weapons systems.

The more I discover about this field, its men and their work, the more amazed I become and the more respect I have for what is being done. No realm of science fiction contains more imagination-staggering situations than electronic warfare. It behooves us not only to be aware of what is transpiring, but to recognize contributions being made almost daily by these researchers.

Mr. Jack Robertson of this city happens to be unusually well qualified to discuss numerous aspects of this field of work. He has done full justice and more to counter countermeasures developments in electronic warfare. His recent article in the January 22, 1968, issue of Electronic News dealing with this subject is eminently worthy of notice by those who wish to be informed on this field. I commend it to my colleagues, and ask that it be inserted in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Electronic News, Jan. 22, 1968]

WHAT'S HAPPENING IN COUNTER-COUNTERMEASURES?

The "hidden war"—involving the use of sophisticated electronic equipment to get through enemy jamming and radar deception—continues to involve a lot of work behind the scenes.

As better offensive electronic countermeasures come into play, an equal push is mounted to counter their effectiveness.

A private market survey taken for a major electronics firm forecasts $800 million in military spending to upgrade radars within the next 4–5 years. Most of this would go for improving radar countermeasures against enemy jamming and deception.

Frequency hopping, spread spectrum and pulse coding are now going into operating radars and communications sets to get through more powerful enemy jamming.

As new ECM techniques are developed, new counter-countermeasures (ECCM) schemes must be devised to meet these threats.

Frequency varying radars are coming into play as a method to minimize conventional jamming. With them the enemy cannot concentrate all his jamming energy on one frequency since the radar may hop to three or more frequencies randomly within the band.

Hopping Frequencies: The easiest frequency hopping is between several fixed frequencies within a band—a technique used by the Soviet SA-2 anti-aircraft missile radars. However, this technique can be defeated by using multiple jammers tuned to each of the frequencies simultaneously—thus no matter which frequency the enemy jumps to, he faces jamming.

Designers claim a jammer has good chances for taking out any signal that "covers only a 20 megahertz bandwidth.

ECCM gains an edge again by using wide dynamic frequency hopping over an entire band. This is becoming possible with new, rapidly sweeping magnetron tubes, which can generate an almost infinite number of frequencies within the band.

Several methods of frequency hopping exist. Litton Industries and Varian Associates use diaphragms to achieve rapid tuning for switching frequencies. Raytheon has developed a master oscillator pulsed amplifier (MOPA) chain to get frequency hopping with a traveling wave tube concept.

Amperex Electronic Corp. has developed a magnetron using a spin rotor inside a vacuum cavity to shift to any frequency over a 500 megahertz bandwidth. Since the rotor spins at 4000 rpm, a rapid switching of frequencies can be achieved. As the rotor spins, the magnetron is fired when the rotor finger and corresponding cavity groove match for the desired frequency.

Pseudo-Random Sequences: The magnetron is fired by computer command. And a pseudo-random sequence of frequencies can be transmitted which the enemy cannot track, said P. F. La Forte, Amperex product manager. The spin magnetron is now being used in six classified prototype military airborne, ship, and ASW radars.

Some ECM tactics to take out such wide-hopping radars use narrow-band jumpers, sweeping them rapidly over the band. Several such sweeping jammers—each sweeping differently—might knock out enough signal return to degrade or confuse the radar.

The ECCM field grows in complexity. For example, Airborne Instruments Laboratory (division of Cutler-Hammer) is building a deception repeater that will accept the enemy's frequency-hopping radar and retransmit it in decoyed manner.

Frequency hopping—even with the widest sweeps—is not the ultimate ECCM system, however. Broadband power tubes are being developed that may jam out an entire band effectively.

Pulse compression and "burn-through" techniques may then prove more effective ECCM tactics, industry sources said. Pulse compression, or chirping, takes a regular radar signal and compresses it to a great spike height. Thus the jammer may be able to blot out a portion of the signal, but not all of it.

Pulse compression, essentially a signal processing technique, can be used with frequency-hopping radars to burn through broad-band jamming.

Pulse compression codes each radar pulse transmitted—with the received pulses then stored in delay lines. This compresses the returned signal so that a target can be easily picked out of a jamming or noise background.

Microwave limiters and various filtering techniques are also used in ECM to pick a signal out of the high noise jamming.

The Role of Integrated Circuits: Up till now, complex, ECCM electronic signal processing has been done in separate subsystems. But the growth of integrated circuits now makes possible signal conditioning at the radar receiver.

A new technique to defeat jammers is polarization agility. Even if the enemy has enough power to knock out the best ECM signal, the radar changes polarization.

A companion ECCM technique to pulse compression is spread spectrum—now gaining wide favor especially in communications systems. As its name implies, spread spectrum takes a narrow-band signal and spreads it over a broad band. Thus an enemy jammer at one frequency can only take out a fraction of the signal.

Details of spread spectrum are tightly guarded. However, it was learned that a kilohertz channel can be modulated to space out the signal over a megahertz band.

A variation is to spread the signal over part of the band to get higher average power—and then hop this modified spread spectrum within the band.

Other ECM tactics that must be met include various radar deception schemes. Already in operational use, radar deceivers attempt to receive and alter the radar pulse to create a false target—or to impose a brighter false target overtop the real radar return.

Defense Against Deception: The ECCM defense against deception is coded pulse or matched filter technique. The enemy radar deceiver cannot easily duplicate the complex pulse—thus revealing itself to be false. ECM deceivers, however, are now going broadband to pass the received radar pulse with all its modulation, with ECCM now going to broadband coding as a defense.

Angle tracking antennas can also be used with search radars to find the direction of all returned pulses—thus picking out the false radar repeater.

Varying the pulse rate can also throw off radar deceivers, it is said.

The battle between jammer and attacker continues, with electronics being piled on top of electronics. When large-scale integration arrays come into full play, developers expect another ECM explosion—since electronics will then be able to provide even greater air and missile trickery.

JACK ROBERTSON.

WASHINGTON.

GAS PIPELINE SAFETY

Mr. HARTKE. Mr. President, yesterday afternoon in the small suburb of Ingram, located just outside of Pittsburgh, Pa., a gas explosion cost the lives of six persons. Three other persons are missing and are presumed dead, and at least 20 persons were seriously injured in the explosion.

During the last session of Congress, I chaired hearings on S. 1166, the gas pipeline safety bill, and affixed my name as a cosponsor, along with Senator WARREN MAGNUSON, chairman of the Committee on Commerce, when the measure was brought before the Senate for final passage.

The bill is now before the House Interstate and Foreign Commerce Committee. It is my hope that the House committee will act with great dispatch in this vital area of consumer legislation so that an explosion such as the one that cost the lives of six persons in Ingram may well be averted in the future.

I ask unanimous consent that an article which appeared in today's Washington Post may appear in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SIX DIE, THREE MISSING IN EXPLOSION—20 HURT

PITTSBURGH, January 30.—Six persons were killed and three others were missing and presumed dead today in a spectacular explosion that leveled two buildings where utility workers were searching for a gas leak.

At least 20 persons were injured.

Five of the dead were members of a 14-man Equitable Gas Co. crew that was boring test holes in suburban Ingram to determine the source of the leak. The other victim and those missing have not been identified.

Herbert Wolstoncroft, who operated an insurance building at 2 Ingram st., said the walls and ceiling of his office collapsed.

"I ran up the street to a drugstore. When I got to the street, a crew of workers from the gas company was there. Their faces and hands were covered with blood," Wolstoncroft said. "A woman was being dragged from one of the buildings. All of the glass in the store fronts on both sides of the street was smashed."

Frank Sulzer, 23, of McKees Rocks, was waiting in his car for a red light to change when the explosion shattered the neighborhood.

"It moved my car four or five feet sideways, then the building came down on my car," Sulzer said. "I ducked down in the seat and said a prayer. I figured that more would be coming down, and I just stayed there."

The row of two-story buildings housed an assortment of small businesses—a beauty shop, a tailor shop, two real estate offices, a laundromat, a cleaning shop, a radio shop. Apartments were on the upper floors.

The neighborhood looked like a battle-scarred town. Splintered lumber and pulverized bricks lay in piles, and a stubborn fire sent a pall of smoke through the area. Bits of clothing, blown out of buildings by the explosion hung limply from power lines.

A gas company spokesman said the men were working on a 4-inch low-pressure main and that the gas had been turned off at the curb bordering the buildings.

"At this time, we have no idea what caused the explosion," the spokesman said. "The investigation is continuing."

Five of the dead workers were identified. They were Andrew T. Hanna, 39; Edward Boyce, 52; Robert J. Kuzemko, 33; William J. Mullooly, 37; and Herbert Snyder, 52.

Rescuers at one point heard what they thought were moans coming from the debris. They dug frantically for an hour and uncovered a small, terrified dog.

RAINFALL INCREASED OVER NONMOUNTAINOUS AREAS BY SOUTH DAKOTA SCIENTISTS

Mr. McGOVERN. I am very proud, Mr. President, to call attention to a revelation made Monday of this week at the annual meeting of the American Meteorological Society by South Dakota scientists—scientifically documented evidence that rainfall has been increased by seeding cumulus clouds over a nonmountainous area. The increase was in a 5- to 15-percent range.

The results of tests conducted by the South Dakota School of Mines Institute of Atmospheric Science were made public in a scientific paper read at the meeting by Dr. Arnett Dennis. It was prepared by Dr. Dennis and Alexander Koscielski, another meteorologist on the institute's staff, who have been working under the direction of Dr. Richard Schleusener, director of the institute.

The work has been supported by the school, the National Science Foundation, and the Bureau of Reclamation.

The paper presents positive evidence for the first time of increased precipitation over a nonmountainous area. A year ago, Bureau of Reclamation scientists advised the Interior and Insular Affairs Committee that they have developed techniques which can increase runoff in the Colorado River by about 2 million acre-feet annually through seeding mountaintop country, above settled areas, in that basin.

I ask unanimous consent, Mr. President, to place in the RECORD a United Press story on the announcement which appeared in the Huron Daily Plainsman on Monday, January 29.

I am tremendously pleased, and I know that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Washington [Mr. JACKSON], chairman of the Committee on Interior and Insular Affairs, and others who have done all they can to get support for an accelerated research program on inducing precipitation, will be equally pleased with this announcement.

I am equally sure, that they will join in another effort this year to give an accelerated weather modification research and development effort the sort of Federal financial support that is required.

For a good many years, work on increasing rainfall, and on suppressing lightning and hail, has been conducted by a few determined pioneers with a comparative pittance of financial support, and for a good many years with the covert opposition of some segments of the scientific community.

Three years ago reports of the President's scientific advisers and the National Science Foundation confirmed evidence of man's ability to modify weather. Since that time, Senator ANDERSON and some others of us have attempted to get $5 million appropriated to launch an adequate program of research, development, and testing of techniques for increasing precipitation.

Congress has increased the funds of the small Bureau of Reclamation program in the field in a few Western areas. But, in face of war costs and the budget situation, we have not yet finally approved funds to launch an adequate national program. The Senate approved $5 million for the purpose last year, but it was deleted from the appropriations bill in conference because of the necessity of saving funds.

Funds that are going into this work—plus all the funds that are asked for it, Mr. President—are really a pittance compared to the billions we are pouring into space exploration and, more recently, the development of a supersonic transport plane of questionable utility.

It is my own opinion that, although it is not in the budget for 1968, Congress ought to order work started on the plan for development of techniques to increase rainfall in the various atmospheric environments which exist in the United States; we need to get started at it now and not wait for another drought to hit New York and the Eastern States.

The potentialities for future benefits from "milking the clouds" are so large, yet so far away in time because of the research which must be done, that we should not waste another year, or 2 or 3 years, getting started.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CLOUD SEEDING WORKS IN SOUTH DAKOTA, PAPER REVEALS

RAPID CITY.—Cloud seeding does work in South Dakota. That is the gist of a paper delivered Monday at the 48th annual meeting of the American Meteorological Society in San Francisco by Dr. Arnett Dennis, associate director of the Institute of Atmospheric Sciences at South Dakota School of Mines and Technology.

The paper was prepared jointly by Dr. Dennis and Alexander Koscielski, a meteorologist of the institute's staff. Their conclusion is that seeding cumulus clouds can stimulate them to produce additional rainfall.

In commenting upon the results, Dr. Richard Schleusener, director of the institute, said, "Our results are the first from a randomized experiment in the United States indicating rainfall increases in nonmountainous areas by seeding summertime cumulus clouds. As these clouds are the principal source of rainfall over the Northern Great Plains, the results are of great importance to this region."

The research was conducted as part of Project Skywater, a large-scale effort by the U. S. Bureau of Reclamation to develop water resources through weather modification.

Dr. A. M. Kahan, chief of the bureau's office of atmospheric water resource in Denver, commented "demonstrating that rainfall from convective clouds can be increased over substantial areas is an important contribution to the Bureau of Reclamation program, and can have significant impact on future water resource planning."

The conclusions presented in San Francisco are based upon two years of intensive research in the Rapid City area. Target areas extended from the Black Hills onto the plains were laid out north and south of Rapid City. On a given day one or the other area was selected at random to be seeded, and the other area was left unseeded as a control.

Rainfall in both areas was measured twice daily by a force of nearly 100 volunteer observers.

The seeding experiments run from May 15 to Aug. 15 each year, and involve a large amount of equipment, including radar, aircraft and silver iodide generators. Instructions to the seeding aircraft are radioed from the institute's radar facility east of Rapid City.

The rainfall data from the experiment were placed on punch cards and analyzed on Tech's computer.

As Dr. Dennis notes, "without the computer the analyses completed to date would have taken much longer, perhaps two or three years.

The statistical tests used show that rainfall in the north target areas tended to be heavier on days with seeding north of Rapid City while rainfall in the south target areas tended to be heavier on days with seeding south of Rapid City.

The rainfall increases are estimated at 5 to 15 per cent of the summer rainfall. Research is continuing to refine the estimate of the rainfall increases and to determine whether or not better seeding methods can be developed.

KING'S PLANS AND DEMANDS

Mr. BYRD of West Virginia. Mr. President, the disruptive demonstration that the Reverend Martin Luther King is planning for the Nation's Capital in the spring has been the subject for comment by other Senators several times since the plans were announced last fall.

Some detail about what King and his followers propose to do is contained in a rather comprehensive article that appeared in the Washington Post Sunday, January 28. I believe it is of interest to the Members of the Senate and the House to be aware of some of King's reported plans, his words and actions.

In this article, it is indicated that this man may be "going for broke" in the demands he says he will make upon the Congress and in the way that he proposes to enforce his demands. The Nation's Capital and other cities must be ready for any eventuality.

I ask unanimous consent that the Post's article be inserted in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

King "Going for Broke" on April Drive for Poor

(By Jean M. White)

Atlanta, January 27.—The Rev. Dr. Martin Luther King Jr. has said he is "going for broke" with his poor people's campaign in Washington in early April.

This could very well mean both philosophically and personally—both as an apostle of nonviolence and as a moderate leader of the Negro revolution.

For the poor people's campaign will be a turn in the road and a severe testing of both the philosophy of nonviolence and King's standing as a Negro leader.

Dr. King, the preacher, could speak eloquently of his dreams of an integrated America to the buoyantly hopeful middle-class crowds of the 1963 March on Washington. But this spring he will be leading troops of embittered, hopeless, frustrated poor. Some will come from big-city ghettos that went up in flames last summer.

And the moderate leader plans to "escalate nonviolence to the level of civil disobedience." This could mean a tent-in across from the White House, sit-ins in hospitals and Government buildings, disruption of city functions—acts that may well try white patience as well as the white conscience.

Top aides at the Southern Christian Leadership Council headquarters here say King carefully weighed the risks of such action and agonized deeply over them.

It came down to a belief that there may be just one last chance for nonviolence to force social change before more riots scar the Nation's cities. If it was dangerous to act, Dr. King concluded, it was a greater risk not to act.

The answer is a 1968-style "militant" nonviolence as an alternative to militant violence.

"We've been hesitant about this kind of action because we felt Congress and the country might be so sick that they might not respond," the Rev. Andrew J. Young, Dr. King's trusted lieutenant and policy adviser, explained.

"Then we decided we had to go ahead. Things just weren't getting any better. Something had to be done about the poor people before summer."

SAME DESPERATE DESPAIR

The idea of the "poor people's campaign" began to jell last fall. King and his aides talked with white editors and black nationalists and found they shared the same desperate despair over what another summer of riots might do to the Nation.

"Then a group of poor people from Mississippi came here and asked us to lead them on a wait-in in Washington," Young recalls. "Things were bad for them and were not getting better. So the only thing they could think of was to go to Washington and just stay there until something happened."

As King sees it, a new kind of Selma or Birmingham is needed to dramatize the economic plight of the Negro and compel the Government to act. He also personally needs something dramatic to shore up his leadership among the Negroes if he is to be heard above shouts of black power.

Since the Montgomery bus boycott of 1955, nonviolence and King have won significant victories for the Negro. But some Negroes are asking: "What have you done for me recently?" The last victory was the Voting Rights Act of 1965.

So King is "going for broke" with his poor people's campaign in Washington, a call for a new-style massive and militant nonviolence.

To head up the Washington camp-in, King has enlisted the Rev. Bernard Lafayette, Jr., a former field secretary of the Student Nonviolent Coordinating Committee, as SCLC program administrator.

Lafayette, the tactician, is playing it close with specifics on his strategy. He says he wants to keep the options open.

HIS BATTLE PLAN

But the battle plan of King's poor army shapes up like this:

About 3000 poor persons, recruited in ten cities and five rural areas and trained in the discipline of nonviolence, will come to Washington, probably the first week of April—Cherry Blossom time and the height of the tourist season.

They aren't coming for a one-day stand. It won't be for the old-style marching in the streets in the South. King has called it a "camp-in" and likened it to the bonus army of the 1930s.

"They might as well create a shanty town in Washington since they live in shanties," says Young. "Spring in jail in Washington won't be too bad. It will mean three hots and a cot, which they don't have now."

In an interview in the current issue of "Christianity and Crisis," Young talks of "types of protests that could dramatize the problems" of the poor and mentions these:

"A thousand people in need of health and medical care sitting in around Bethesda Naval Hospital so that nobody could get in or out until they get treated."

"Thousands of students going down to Health, Education, and Welfare, saying we know we got out of the twelfth grade reading at a sixth grade level and will always be that way until the right kind of money and resources are put in education.

"The way Washington is, a few hundred people on each of those bridges would make it impossible to get in or get out—at least extremely difficult. . . . I would tend against that, except as a last resort, because it's not directly pointed to the problem."

Young said this was "more preaching than policy." But these are obviously tactics King's strategists have thought about.

TO DEMAND CHANGES

"If bridges are tied up, babies are also dying of hunger in Mississippi," Lafayette argues. ". . . We are not coming to Washington with the aim of disrupting Government or the city. We are coming there to demand changes in unjust conditions. Congress will decide on what happens."

After the first week or so, Young says the vanguard of poor may be augmented with college students, housewives, and other middle-class supporters of liberal causes.

"Anything in America has got to end up middle-class," he observed with a smile. ". . . But we are not counting on anyone but the poor people now."

Young said King's poor people's army will include some whites from Appalachia, Mexican-Americans, Puerto Ricans and Indians. But it will be predominantly Negro with tokenism for the other groups.

There have been reports that King has been under pressure to turn the Washington camp-in into a black people's campaign. Also, there have been fears of a takeover by extremists. One unknown factor is Black Power militant Stokley Carmichael, now in Washington.

King's aides insist the two Negro leaders haven't talked directly yet but may when the SCLC board meets in Washington Feb. 6 and 7.

Young minimizes the danger of an extremist coup. The 3000 vanguard, he emphasizes, would be a group disciplined in the philosophy of nonviolence. And King has said publicly that he will abandon any protest that is taken over by violence.

There are also other risks for King's new-style militant nonviolence. In an election year, will he play into the hands of the white backlashers and prejudice his own case? Isn't white America likely to resent particularly civil disobedience in the Nation's Capital?

King also faces the danger that the campaign may fall flat on its face. It took villains like Bull Connor and the murderers of the Rev. James Reeb to win the victories of Birmingham and Selma.

This time Congress is cast in the role of a villain. Privately, King's aides hold little hope for quick Congressional action on the list of demands that King is expected to present. It probably will include such King proposals as a guaranteed income, a $20-billion-a-year program to help the poor, a $1000-per-pupil expenditure in ghetto schools.

But King's appeal will be over the heads of Congress to the conscience of the Nation.

DISAPPEARING FARMS

Mr. McGOVERN. Mr. President, an old friend of agriculture and a member of the National Advisory Commission on Rural Development of the Department of Agriculture, has raised a question in a letter to Farmland, published by Farmland Industries, a cooperative at Kansas City, which I think this Congress is going to have to answer in the very near future.

The author is Stanley Andrews, now at Alamo, Tex. The question he raises is whether or not we are foolishly letting technology destroy a great many social values, and economic values, in our American agricultural system.

I think it is time for cooperatives, farm organizations, and everybody else—agricultural colleges, too—to begin thinking about what the expansion of corporate agriculture based on technology is doing to people, aside from the economic factors involved.

Mr. Andrews challenges some current planners' concept that most of our small towns have to be wiped out along with family-type farms with centers of government concentrated in a few cities in each State.

Mr. President, I ask unanimous consent that Mr. Andrews splendid article be printed in the Record, and I urge Senators to read it. We are going to be asked in this session of Congress to approve or disapprove one or more proposals for making a really basic study of the effect of technology on the social structure, in and out of agriculture. I expect to have more to say on this subject soon. It is a subject I hope we will give some careful attention in preparation for decisions we must soon face.

There being no objection, the article was ordered to be printed in the Record, as follows:

Does Farmer Dump Social Problem on City in Wake of Getting Bigger?

I was struck by the article on the front page of the Nov. 30 issue of Farmland headed: "Wanted 550,000 New Non-Farm Rural Jobs Yearly." It seems to me this is very significant and a very pertinent observation not only for agriculture, but for everybody in the nation. It relates quite generally, as I see it, to the overall problem of the lower 20% to 25% of our rural population which is well below the poverty line, and is one of the real problems in this country.

It also relates to the drying up and the decay of rural communities, admittedly some of which probably should dry up and die away; but I have serious doubts whether it will be best for the nation to carry this to the extent that some of the planners and some of the economists are advocating.

I happen to be on the National Advisory Committee on Rural Development, which is a rather large—28-member—advisory group which meets periodically with the Department of Agriculture and tries to stir up ideas and give some added thrust to the efforts to rebuild and find jobs in the rural countryside.

This has never been accomplished largely because the economists in the Department somehow always refused to recognize the problem. Even the renowned Food and Fiber Commission skirted the issue completely in its report. What are we going to do, if we do anything, about the continued consolidations of family-size farms into larger units?

They talk about creating jobs, but in the 100,000 family-size farms which went out of existence in the United States last year, there were lost 100,000 jobs, 100,000 family homes, and a great deal of part-time and individual work for people.

At the same time in those very communities, there were young men and women capable, willing and anxious to have this land and to start on the way toward farm ownership. Yet the very economics, or economic power that is being more and more concentrated in the hands of a few big operators simply wipes out these efficient—and they are efficient—medium-size family farms. I am not talking about the subsistence farms. I am talking about the farm from 160 to 340 acres that in most of the midwestern section, with the exception of wheat country, are family units and are capable of supplying a young couple with a relatively high level of income and a decent livelihood.

In the studies I made on this subject in preparation for the book I wrote some years ago, the most efficient farm in this country—from the standpoint of using the labor, the capital, and the whole bunch of resources that go into farm production—was very evident. This farm ranged from 200 to 350 acres and was operated by a family with 95% of the work done by the individual farmer. The farm produced at least three crops, two of which were field crops and at least one was livestock of some kind.

The combination could be soybeans and corn plus hogs; corn and grass plus cattle; corn, soybeans and oats, plus chickens; and so on.

The big farms in terms of unit production possibly have the edge in efficiency. But when you figure 5% on money, 5% on the tremendous investment in machinery, and then assume actually 80 days on the farm, you get an entirely different picture of so-called efficiency.

On the family-size farm, the average number of days of productive labor ranges from about 220 to well above that when you have three crops plus livestock. When you are on a wheat farm, you have about 90 days of actual productive labor for your people and an equal amount of non-production labor for your machinery.

It seems to me that cooperatives as well as farm organizations and economists in the Department of Agriculture feel it is inevitable that all farms will get bigger and that family farms will grower fewer. This will be true if nobody does anything about it. But the point I am making is that with the $7 or $8 billion that we are pouring out in the name of agriculture in this country each year, we can do most anything we want to with rural America in terms of an ownership or operating pattern.

I think it is time for cooperatives, farm organizations and everybody else (agricultural colleges, too) to begin thinking about what this expansionism and rapid technological advance is doing to *people,* aside from the economic factors involved.

As I see it, we have had no farm policy in the last 35 years except to dump our social problem on the cities and our surplus problem on the world.

I feel that agriculture per se is less socially conscious of the consequence of its apparent development than are some of the big businesses which we usually hail as being menaces to people.

I think it is time for us who are interested in rural America to begin thinking more about *people* along with the economics of selling the next bag of fertilizer, producing the last bushel of wheat, or the last pound of pork.

STANLEY ANDREWS.

ALAMO, TEX.

DETROIT NEWSPAPER STRIKE

Mr. GRIFFIN. Mr. President, on Monday, January 22, I called the Senate's attention to certain allegations which have been made in connection with the Detroit newspaper strike.

I noted that if the allegations are accurate, certain elements in the local teamsters union have had a proprietary interest in prolonging the current strike, rather than settling it.

I said then that, if reports are true, the situation amounts to "labor racketeering in a new guise."

An Associated Press story published in the January 28 edition of the State Journal, of Lansing, Mich., sheds further light on the Detroit newspaper situation.

In addition, a United Press International dispatch from Detroit today reports on an investigation by a special State senate committee into alleged profiteering during the strike.

Mr. President, I ask unanimous consent that the two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Lansing (Mich.) State Journal, Jan. 28, 1968]

PROBE COULD HASTEN NEWSPAPER STRIKE SETTLEMENT

(By Hugh Morgan and H. L. Schwartz III)

DETROIT.—The chance for fast money. Young men battling for power. Teamsters striking Teamsters. The spectre of a Congressional probe.

These are the ingredients as one of the most tangled newspaper strikes in history builds toward a climax in the nation's fifth largest city.

Pressed by their own international officers and smarting from a charge of "possible labor racketeering," Teamster Local 372 has moved to resume negotiations with the Detroit News which it struck Nov. 16 in a contract dispute.

There have been no talks since Dec. 28 although both the afternoon News and morning Free Press have bargained on nonmoney issues with some of the 13 other unions expected to follow the pattern of a Teamster contract—when and if it comes.

The Free Press closed its doors two days after the News was struck in keeping with a publishers agreement. Neither has put out a paper since.

Willingness by the Teamsters to talk again was the first major break in a strike that many believed—and some still do—could drag well into the spring.

It followed a power play by the union's International Executive Board which backed sending pickets to close the last of three interim newspapers.

The papers, and a fourth that never got the presses rolling, sprung up within hours of the Free Press shutdown and stand as one of the unusual aspects of the strike, 13th to idle Detroit papers since 1955.

One was published by a Teamster and all were in the union's grip because it handled distribution.

"Some Teamsters working on them were making as high as $800 and $1,000 a week," says the local's portly, dignified president, Clare O'Connor. However, O'Connor, 59, who is locked in a power struggle with the local's Young Turks, is quick to add that the riches were going to those who were lucky, not dishonest.

There was little doubt that the papers—perhaps unwittingly—were prolonging the strike by filling a news void and keeping strikers' pockets full.

But International Vice President Robert Holmes told the Associated Press he felt "individual selfishness" among local members contributed to the strike.

By crushing the papers, with wage demands they couldn't possibly meet, the union leadership may have added to an unfavorable glare that could doom the burgeoning strike-paper industry.

Although not new, it was beginning to feed more frequently on the labor ill of established newspapers in other big cities.

"It'll never be done again—at least by us," said a Teamster source. He wouldn't say how much if any money had been lost by the papers here. But the indication was somebody took a licking.

Labeled a "Vulture Press" in a national magazine article written by two of their own staffers, the 1967 papers hoped to duplicate fantastic profits made by one paper in 1964 during a 134-day strike.

That was one of the longest strikes in newspaper history and reaped for its adventurous, college-student publishers half a million dollars in profit with whopping bonuses to all staffers.

Encouraged, the group moved into Baltimore and considered other cities like New York.

None of the ventures was a success. But none failed so badly there wasn't money left over for the same group to plunge again when the current Detroit strike started.

Besides dealing a possible death blow to future strike papers, the Detroit stoppage holds other portents, raises other questions.

One of the most pressing is: could the News have avoided a strike at all, even if it had met immediately Teamsters demands for $35 per week hike over three years in the average weekly wage of $150.

The News offered $27 a week. There were other demands and offers in the fringe benefit area, but money was the central issue.

O'Connor, early in the evening of Nov. 15, felt the local membership would not strike.

Although there have been 13 stoppages against Detroit papers in 12 years, the Teamsters had never started a major strike and in the past a contract extension had led to settlement.

Hours after O'Connor felt there would be no strike the local voted 361-50 to reject the News' offer and at midnight hit the streets.

Prime mover in the rejection was Elton Schade, 26-year-old secretary treasurer of the local who had been quoted as saying "I want James Hoffa's job without Hoffa's stupid mistakes."

Schade hasn't said he wants O'Connor's job. But he will probably have to get it to vault into the presidency of the 1.8-million Teamsters union which Hoffa ruled with an iron hand until his jailing last year for jury tampering.

Once the strike started, O'Connor faded into the background temporarily and it was

Schade who held the floor at numerous televised news conferences.

Stocky and jut-jawed with close-cropped black hair and an eye that droops from a childhood injury, Schade seemed firmly in command. Then two newsmen who worked for the interim Daily Press wrote an article for the Reporter Magazine that put the spotlight on his ambitions.

"No Comment. No comment," has been his only response to newsmen's queries since, although he added once that he would sue the two writers and the magazine. No suit has been filed yet.

Even while bargainers hopelessly raced the midnight deadline, at least one strike paper was gearing to fill the void should the News be struck and the Free Press close its doors.

The News has filed a suit seeking $175,000 and $7,000 a day in damages against nine Teamsters who organized a distributing company for the interim Daily Express.

It also named the paper's publisher, Frank Beaumont, 36, and accused all of them of plotting months before the strike to take over the News' circulation lists and use other secrets.

None of the Teamsters has replied to the suit and newsmen have been unable to find any of them.

Beaumont, who also publishes a suburban weekly, denies the charges.

He says plans—that included incorporation Sept. 26 and efforts to buy comics for mid-November were part of an effort to publish more weeklies and possibly a Michigan-wide Sunday-only paper.

The other two papers—The Dispatch, published by a Teamster, and the Daily Press, published by the same young men who made a financial killing in 1964—apparently had made no plans before the strike, as far as can be learned.

In a speech on the U.S. Senate floor, Michigan Republican Robert Griffin said last week that Teamster involvement in the strike papers "is nothing less than shameful, selfish" interference with what he called the "basic freedom" of Detroiters to have their regular papers.

"The matter deserves prompt and close attention by the appropriate committees of Congress," he said. "If new legislation is needed I will certainly recommend it."

The following day Griffin made a direct request for the Senate Rackets Committee to undertake such a probe. Simultaneously three state senators called for an independent investigation by Michigan lawmakers.

Griffin, in his speech, also said there was a possibility of "Labor racketeering" in the Detroit newspaper shutdown.

"There are no racketeers, no thieves, no goons. There are honest, hard working people here who go to church on Sunday," replied Schade at a local meeting at which it was decided overwhelmingly to seek a quick end to the strike.

Despite the apparent reversal of the tide against Schade, his remarks were greeted with cheers.

"We know he cares. We know he's straight," said one Teamster about the leader of the Young Turks.

"I've known Schade since we were both jumpers (beginners) and I tell you he's straight," said another. "Everything he ever promised to do, he did."

Other Teamsters who walk the icy pavement before the News in temperatures hovering around zero, and who have drawn nothing but meager strike benefits, say they struck for higher benefits and improved wages—and for no other reason.

"If we'd waited past the expiration of our contract and continued bargaining it would have been just a matter of weeks before some other union would have struck and we'd have been that far behind," said one.

Rank and filers also say that one of the factors that sparked the strike was the murder Nov. 4 of a News district circulation manager.

Gerald V. McCullough, 38 and a Teamster, was shot and killed during an armed robbery in a News substation.

Rank and filers say a News official was reluctant to go to the McCullough home to inform the widow and five children and that Schade had to drive another News official to the house. Mrs. McCullough, the rank and filers say, didn't discover she no longer had health insurance until a child fell ill weeks later.

News executives reject the killing as significant in the strike and add that the paper's assistant circulation manager went immediately to the McCullough home. They said that Schade asked to go along and that they went in Schade's car.

The News also said that the insurance policy was a Teamster policy, not one McCullough got through the News, that the paper's personnel department notified Mrs. McCullough that it would expire in 30 days and that the News said a conversion form would be sent.

The incident also sparked a demand for more protection in substations. The News offered a large reward for the killers but declined to pay for armed guards as the union asked.

Ironically, one of three men charged in the slaying is a Teamster.

Despite the growing hue and cry, some voices have yet to be raised about the strike.

There has been no public pressure from any of the other 13 unions and their leaders decline to comment.

A spot survey also shows the public seems apathetic as it continues to watch partially beefed-up television newscasts and apparently reads with satisfaction newspapers that come into the city from the suburbs and from New York and Chicago.

DETROIT.—Some key members of the Teamsters Union allegedly earned up to $1,000 a week working for interim newspapers during Detroit's newspaper strike, a legislative committee was told today.

Gene Goltz, a reporter for the Detroit Free Press, testified that certain "key Teamsters" who distributed and sold the interim newspapers made huge profits during the current strike by the Teamsters Union.

Goltz testified before a special State Senate committee investigation alleged profiteering during the 77-day-old strike, which has shut down Detroit's two regular newspapers.

Goltz and William Serrin were the authors of an article about the allegations that appeared in a national magazine. Goltz said he wrote the article because of "the possibility that people might have planned the strike to make money."

SOCIAL SECURITY REVISIONS NEEDED

Mr. YARBOROUGH. Mr. President, last December, when we voted the largest social security bill in history, many of us had mixed feelings. The increased benefits were vitally needed by our elderly people, and more than 1 million Texans would have been affected by a delay in the bill, so I voted for it.

But securing that needed increase in benefits was a high price to pay for some of the other features of the bill. The Senate had wisely amended the House version to add several progressive welfare measures which removed restrictive and punitive provisions in the bill. But the conference committee struck these additions out.

Today the distinguished Senators from New York and Oklahoma have introduced proposed legislation, which I am cosponsoring with them, to restore to social security what a majority of the Senate voted to include last month. It would remove punitive provisions that fall on children and mothers and rupture family relationships. It would remove the "freeze" on the level of the Federal contribution to State AFDC programs. It would remove the compulsion on mothers to work without regard to the need to stay with their children at home. And it would remove those features of the act which make it more profitable for a father to leave his family rather than to stay with them.

Most of the provisions in this legislation were passed by the Senate last year. I supported them at that time, and I wholeheartedly urge their early adoption.

U.S. VIETNAM SOLDIERS DESERVE AMERICAN CITIZENSHIP

Mr. BENNETT. Mr. President, it would seem to be axiomatic that a man who fought in the Armed Forces of the United States in Vietnam and has been honorably discharged should return to share the blessings of this Nation, including the greatest one of all—American citizenship.

However, while this is true for the great majority of American fighting men, it is not true for those who struggle shoulder-to-shoulder with native citizens but who themselves are U.S. aliens and noncitizen nationals.

A poignant case in point has just been brought forcibly to light in my home State of Utah where a young Marine Corps Vietnam veteran—a Purple Heart winner—faces possible deportation to his native Tonga Islands.

The story of Ramon C. Sanft, a 22-year-old Salt Lake City veteran who has already risked more for this country than most native-born Americans do in a lifetime, is one of courage and of sheer determination to become a citizen.

Mr. Sanft came to the United States at the age of 13 to live with relatives while attending American schools.

After attending schools in Provo and Salt Lake City, Utah, he was inducted into the Marine Corps. It was while walking guard duty near the Cambodian border in April 1967 that he first received notice of a pending deportation hearing.

In his own words, Mr. Sanft relates:

> People told me I was crazy to get shot at and then come back to a country that might deport me. I could have gone back to Tonga then, but I wanted to serve my time in the Marines.

The young man, who said he thought his service would help him get his citizenship, added:

> While I was over there, some Americans were over here burning their draft cards.

Mr. Sanft, who received an honorable discharge as a corporal in November, was awarded the Purple Heart after being seriously wounded when an enemy mine explosion sprayed shrapnel into his body, hospitalizing him for 6 weeks.

The story of Ramon Sanft will, in all likelihood, have a happy ending, as I have been informed that he has just been granted a suspension of the deportation order. However, the danger that he will later be deported to Tonga will continue to exist until Mr. Sanft is actually granted citizenship. If this possibility becomes reality, I will introduce a private bill to head off his deportation.

But what about the other Ramon Sanfts who are currently fighting in the U.S. Armed Forces in Vietnam and who will return to America to face the same plight?

During World War II a provision was enacted to provide swift naturalization to any alien or noncitizen national who served honorably in the U.S. Armed Forces. Now that we are engaged in another major foreign war, justice demands that this provision be enacted again.

The distinguished Senator from Hawaii [Mr. FONG] introduced during the first session of the 90th Congress a bill, S. 1284, which would provide for the granting of citizenship in these cases. The bill is still pending in the Subcommittee on Immigration and Naturalization.

Because of the urgency of this matter to our noncitizen soldiers who have returned or will be returning from duty in Vietnam, it is my fervent hope that action will be taken on this vital legislation at the earliest possible time.

VETERANS' MESSAGE

Mr. RIBICOFF. Mr. President, President Johnson's message to us relating to veterans' and servicemen's benefits is an encouraging one. It is more than words and phrases—it signals a new emphasis in the benefit program on service.

Veterans legislation has always been based on the fact that benefits were an expression of gratitude: that the veteran had earned far more than we can ever repay. This new legislation being proposed by the President continues this outstanding concept.

With the administrative directives being issued by the President, the service to our returning young veterans will be expanded and expedited. Much more will be done to alert these men and women of their benefits and provide the means whereby they may take advantage of the provisions.

There are new legislative recommendations, too—proposals that are more significant in terms of their value to veterans and to the country than they are in terms of cost.

This is especially true of such measures as increasing the maximum on servicemen's group life insurance from the $10,000 level set in World War I and raising GI loan guaranty from $7,500 to $10,000. Both these steps are necessary if GI benefits are to be as valuable to today's veterans as they were to their fathers. Neither will be costly in terms of the need they will fulfill.

The Veterans in Public Service—VIPS—Act will provide incentives to channel the talents of the veteran to the most urgent needs of rural and urban America today: To teach the children of the poor; to help man understrength police forces and fire departments; to do meaningful work in local hospitals, where skills are short; to fill the ranks of VISTA, to work in youth opportunity centers and in the concentrated employment program.

The past performance of ex-servicemen has shown that they can and will do all these things. We are asked to provide incentives that will cause even more of them to go into these services.

We can do no less.

PRESIDENT JOHNSON REACTS WISELY TO "PUEBLO" INCIDENT

Mr. YARBOROUGH. Mr. President, our Nation is engaged at this moment in an evolving international drama of incalculable consequences. The recent seizure of our ship *Pueblo* is a reckless act of piracy that has frayed the patience of the U.S. public and threatened an already uneasy peace.

In these hours of crisis, I am most thankful for the statesmanlike restraint that has characterized this administration's reaction to North Korea's arrogant provocation.

This is an incident involving subtle complexities that do not respond to either quick or simple answers, and I stand now to pay tribute to President Johnson for seeking a "bloodless settlement." He has shown great responsibility and great leadership in his handling of this senseless, but extremely volatile, challenge hurled at us by North Korea. It is my hope that his mood of calmness and deliberate reaction prevails as the crisis continues to unfold.

There appeared in the January 29, 1968, edition of the Dallas Times Herald an editorial entitled "A Time for Calmness" that strongly supports the President's intention calmly to pursue a course of firm resolve, tempered with caution. I commend that editorial and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A TIME FOR CALMNESS

In the sudden explosion of feeling set off in this country by the North Koreans' hijacking of the Pueblo, we must take care that the heated atmosphere here does not become overheated.

As in all times of crises, this is a time for calmness, a time for hardheaded, realistic appraisals by the citizenry of this nation. Secretary of State Dean Rusk Wednesday advised the North Korean people to "cool it." The same admonition for coolness could well be directed at our own people also.

Certainly, as Dean Rusk also declared, the seizure of the Pueblo and its crew is intolerable, and "there can be no satisfactory result short of prompt, immediate release of the ship." The ship and its crew must be returned. The Communists' arrogant challenge to our pride and our prestige precludes any other result. Just as compelling is the fact that if the Communists succeed in defeating us on this issue, they will be encouraged to go on to further acts of provocation, less deterred by fear and consideration of the consequences.

Nevertheless, hotheaded demands for immediate military retaliation, whether by congressmen or an excited public, are at this point premature.

The President is acting wisely in his cautious, carefully calculated, though determined, moves through diplomatic channels to secure a "bloodless settlement of the Pueblo crisis." A number of diplomatic paths are still open to this end, not the least of which is persuading the Russians to use their influence to convince the North Koreans that the ship and crew must be released.

Continued pressure must be, and undoubtedly will be, kept on Moscow to intercede with the North Koreans, even though initial efforts in that direction have failed. The Russians undoubtedly have their apprehensions about the possibilities of a war which could push the North Koreans into the embrace of their mortal enemy, Red China.

The gravest danger of precipitate military action now appears to be the implied threat by the North Koreans that they might try the captured Americans, the threat that the crewmen "must be punished by law."

The North Koreans must be solemnly warned that any such action would inflame the anger of the American people to the point where military reprisal would be almost inevitable. Surely the Communist government of North Korea will not choose to visit such a catastrophe on their people, and surely a "bloodless" settlement can be achieved.

TRIBUTE TO THE FOUNDER OF BOB JONES UNIVERSITY

Mr. THURMOND. Mr. President, of the numerous articles and editorials written to praise Dr. Bob Jones, Sr., the most heartstirring is the one entitled "A Tribute and a Pledge," written by his son, Dr. Bob Jones, Jr. I ask unanimous consent that this eulogy to the founder of Bob Jones University by the president of this Christian university appear in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the eulogy was ordered to be printed in the RECORD, as follows:

A TRIBUTE AND A PLEDGE

(By Dr. Bob Jones, Jr., for the funeral of his father, Dr. Bob Jones, read by Dr. Edward Panosian)

This should not be a day for weeping. This is a time for rejoicing. This should not be a moment of sorrow. This is an hour for gladness. A fight has been fought, a race has been won, a crown is laid up. Nevertheless, such is our human weakness that a son cannot today trust himself to speak and must therefore ask another to read the words which come from his heart.

It should not be thought strange that a son has written a father's eulogy. Aside from my mother, I am sure I knew my father better than anyone else. Others have seen him in the vigor of his great evangelistic campaigns; but I have known him in the quiet of the home as well. Others have listened to the sound advice of his chapel talks; but I have known, too, his chastening love and fatherly counsel in the private and quiet hours of my youth.

Faithful associates have borne with him the burden of the ministry of Bob Jones University and shared with him the fulfillment of his vision; but I saw the birth of the vision and knew not only the reality of his achievement, but also the burden upon my father's heart to which the University owes its existence.

Yet the language shall be limping, the picture unfinished, the story badly outlined. Only the pages of God's heaven can reveal the measure of his life; only a recording angel report it fully.

Some say that it is only human to be inconsistent; but my father, who was of all men most human in his sympathies and understanding of man's weakness, was the most consistent man I ever knew. In private as in public he never turned for a moment aside from the principles by which his actions were shaped or departed in his own living from the convictions which fired his public statements and molded the lives of other thousands who sat under his ministry.

He was sure that he was right because he drew his convictions from the well of God's Word and rested his principles upon the sure foundation of the Infallible Truth that is forever settled in Heaven. Because he would not sacrifice what he knew to be Truth for the pleasing of men, because he would not yield to the pressures of changing opinions or soften to accommodate to the softness of compromise with apostasy and sin, his enemies—and he had many, as all God's true servants have since the days of the Old Testament prophets—called him "bitter" and "unloving" and "stubborn."

Stubborn he was on matters of principle—thank God—but never on lesser things like method and means. Bitter and unloving he never was; and such was his nature that he could not be.

"Disloyalty," he often said, was "an unpardonable sin" where he was concerned. Loyalty to the cause he demanded in those who associated themselves with Bob Jones University; but I have seen my father when betrayed by one he trusted—one who in fact owed him more than could ever be repaid—moved not by bitterness but deep grief, try to understand a heart which many men would despise; and try to account for the actions which deserved to be condemned. I have seen him, exhausted by lack of sleep and racked with physical pain, spend hours in loving effort to help a man whom he knew was no friend.

He was not a patient man—either with himself or others—but he was a long-suffering man. How often have I heard him say, in deliberate disregard for grammar, "You can't do nothing for a fool"; and yet how often have I seen him try. His greatest weakness was his trustfulness. My mother and I have often said to him, "You take people at their face value too readily." Because he was so open and honest in his own heart and his own actions, he could not bring himself to believe—until he was faced with the proof—that others might not be all they pretended to be. He preferred to believe the good rather than the bad. He preferred to suffer the disappointment of being betrayed by one unworthy of his trust rather than to risk thinking a good man bad.

At every other point Bob Jones had amazing gifts of perception. From the pulpit and in private conversations he might irritate his hearers with the truth about themselves: but so keen was his mind and so dynamic his personality he could never bore them. How often have I heard a student say, "I'd rather hear Dr. Bob preach the same sermon half a dozen times than listen to most men preach a new one." And no man who sat for a while under his ministry was ever able to escape completely thereafter from the impact of his words and the impression of his personality. Even those former students who have, for denominational approval or selfish gain or for lack of character, "sold God out" and betrayed the Lord that bought them—even they are still, years after, quoting his sayings (without acknowledging their source, of course) and preaching his sermons (mangled and emasculated and without the force of their author's conviction and that anointing of God which rested upon the man from whom they took them).

He had a way with words. He could paint pictures with language which were more moving than those a fine artist brought to canvas with his brush—yet never did his language soar higher than the thought. He delighted the ear to touch the heart. His homely philosophy is preserved bit by bit—like flies in amber—in the hearts of his "boys and girls" in the pithy sayings that have given direction to many a life.

"Good men are always reasonable men," he was wont to say; and I have found that he was right in that as in so many other things. And my father was himself the finest proof of it. He never expected perfection of others, but sought it in his own undertakings and was always himself most conscious of his own shortcomings. He had a gift for recognizing hidden talents and unrealized possibilities in the lives of young people; and many of you present today are spending yourselves in the Lord's service because of that sure sense of my father's that saw and awakened in you gifts you never dreamed you had.

What an unusual combination he was: at once deeply spiritual and intensely practical. Possessed of the gift of "the discerning of spirits," he could also discern a good business deal; and the financial stability of Bob Jones University gives the lie to the old adage that "good preachers are always poor businessmen."

Character and integrity were the qualities he most admired. "You can borrow brain," he used to tell us, "but you cannot borrow character." He said to me, "A man of bad character is better than a man with no character at all. Get him converted and he'll be a strong Christian; but a spineless man is no good to God or the devil."

Quick to recognize greatness in others, he never, I am sure, recognized the greatness in himself. As deep as was his faith, he used to rebuke himself for lack of it and declare, "I have never had the measure of faith God gives to some men." Then he would add, "But I have found if you act as if you had faith you'll find things come out as well as if you had it; and that develops faith." He worked as if everything depended upon him and trusted as if all depended upon God. His faith was like a child's; his efforts those of any army.

He understood weakness and could sympathize with it; but he never could be for very long patient with it—especially in a Christian. And yet he found it difficult to be stern with a penitent student who had repented the same failure a dozen times before. Looking back, I can see now what an effort it cost him to punish me when I was a child; but his strong character demanded the effort, and he made himself make it.

How he loved children! How, indeed, he loved people! So great was his interest in them that he took on their burdens and shared the secrets his sympathetic understanding led them to pour out to him when they would not open their hearts to anyone else.

My father responded intensely to beauty; but he preferred the colors of God's sunsets to the colors in a painting of a sunset. He loved the old hymns. It was, I am sure however, the words to which his heart answered and not the notes, for he could never carry a tune; but "When the Lord comes," he would tell us, "I'll dip my tongue in the melody of the sky."

A man of deep sentiment, he loved to dwell on the memories of his boyhood and of his godly parents; and no man ever had deeper affection for his family than he had for us.

He loved the souls of men and spent his life striving to bring the lost to Christ. Even in these last months, old and forgetful in other things he never forgot to inquire about the salvation of a visitor he did not remember or recognize. Nor did the ravages of time touch or mar his power in prayer.

But above all, he loved Jesus! "If there were one drop of blood in my veins that did not flow in love for Christ, I'd ask a surgeon to open that vein and let it out." This was the testimony of the evangelist who had met his Saviour at the age of eleven under the dim lamps of a country church in southeast Alabama and who grew up to take the light of the Gospel around the globe and to build the world's largest Christian educational institution.

Almost every boy looks at his father and sees in him a great man. How few men at fifty-six can look upon the venerable face of a dead parent and realize their boyhood opinion confirmed a hundredfold. What a heritage he has left his son! His was a life of many talents, well invested, yielding for his Lord a return abundant. I would I might stand before God with his record or receive the reward for his faithfulness.

His is a fight well fought, a course well run, a faith well kept, a crown well won!

Having spoken as my father's son, it is time now for me to speak as his successor. The tired warrior rests, but the battle rages. The strife-scarred hero takes his repose, but the war continues. The great man is gone, but the work remains. The founder is departed, but the institution stands.

We will not betray the dead. We cannot avoid the challenge. We shall not flee the task. We would not escape the opportunity he has bequeathed to us. Here in the sight of his God and ours—standing beside this casket—we dedicate ourselves, our lives and talents afresh to the continuation of the ministry of the Gospel and the purpose for which he founded the institution which is at once his greatest achievement and his finest monument.

If it is the Lord's will, Bob Jones University shall continue to grow in its physical equipment and its scope, its outreach and its influence. But it shall stand unchanged and unchanging in its purpose and its philosophy. As long as it please God and the Board of Trustees that we shall be entrusted with the administrative responsibility of this university, Bob, III, and I shall continue unyielding in our warfare against Anti-Christ and shall undertake to assure that Bob Jones University shall remain a lighthouse of God's Truth amid the lengthening shadows of a great apostasy. We shall, in the words of our charter: "conduct an institution of learning for the general education of youth in the essentials of culture and in the arts and sciences, giving special emphasis to the Christian religion and the ethics revealed in the Holy Scriptures, combating all atheistic, agnostic, pagan and so-called scientific adulterations of the Gospel, unqualifiedly affirming and teaching the inspiration of the Bible (both Old and New Testaments); the creation of man by the direct act of God; the incarnation and virgin birth of our Lord and Saviour, Jesus Christ; His identification as the Son of God; His vicarious atonement for the sins of mankind by the shedding of His blood on the Cross; the resurrection of His body from the tomb; His power to save men from sin; the new birth through the regeneration by the Holy Spirit; and the gift of eternal life by the grace of God."

Our students shall be continually reminded of their obligation to reach all men with the Gospel and of their privilege of being soul-winners. The banner our founder raised here for the Lord Jesus Christ shall never be lowered. These colors we will never dip. The trumpet shall not cease to sound from these battlements nor shall that trumpet sound be muted or uncertain. God's Holy, Infallible, and Living Word shall continue to be the Sword of our warfare and the Light of our path. We shall not depart from Its precepts, cease from Its proclamation, or grow weary in Its defence.

This is, I say, not a moment for weeping. This is a day of challenge. This is not a time for sorrow. This is an hour of dedication! I call upon all the members of the University family—Trustees, faculty, students—young and old—upon the far-scattered alumni, upon the former students who are faithful to the institution that gave them their training and touched their eyes to see the vision of a needy world—upon you all I call—surrender your hearts afresh to the Christ Whom our founder loved and served for more than seventy years.

Nothing is worthwhile that is not done for eternity. The brick of these buildings may go back to clay; but the living stones laid in the Temple of God through the founder's preaching are there forever. Let us build upon the foundation of God that standeth sure. Our founder was surely sent of God to meet a great need in his day. But the God of Elijah is the God of Elisha as well. The mantle has been dropped. We take it up in humility of heart and with reverent hands.

We thank God for the faithful friends who support this institution and who pray for this ministry. To them I say we need now, more than ever, the weight of your intercession behind us, the upholding hands of your petitions before the Throne of God. Cease not day and night to pray for us. The weapons of our warfare are not carnal but spiritual.

To any present on this occasion or who hear this service broadcast or read these words in print and who have never put their trust in Christ, I say this: the same One Who could take over the heart of a little country boy and make his life one of blessing to untold thousands can save you and bring you from death to life eternal. Nothing ever rejoiced my father's heart so much as seeing a man or woman come into the saving knowledge of Jesus Christ. May this be the moment when you shall receive Him as your Saviour.

To those of you saved under my father's preaching or living in the service of Jesus Christ because of his influence, and to all of you who rejoice with them in the Blessed Hope of Christ's glorious appearing, I would leave this final reminder and this assurance: God knows the future. Our times are in His hands and we are His. To Christ be the glory! His Kingdom is forever.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INTERFERENCE WITH CIVIL RIGHTS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 705, H.R. 2516.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The BILL CLERK. A bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will resume the consideration of the bill.

Under the previous order, the Chair recognizes the Senator from Delaware [Mr. WILLIAMS] for a period of 1 hour.

CALL OF THE ROLL

Mr. BYRD of West Virginia. Mr. President, if the Senator will yield briefly, I should like to suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Does the Senator yield for that purpose?

Mr. WILLIAMS of Delaware. Yes; I yield.

Mr. BYRD of West Virginia. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk called the roll, and the following Senators answered to their names:

[No. 4 Leg.]

Anderson
Bayh
Bennett
Bible
Boggs
Byrd, W. Va.
Clark
Dirksen
Ellender
Fannin
Fulbright
Hansen
Hayden
Hill
Hollings
Jackson
Javits
Jordan, N.C.
Kennedy, N.Y.
Lausche
Long, La.
Mansfield
McClellan
McGee
McIntyre
Morton
Murphy
Muskie
Pell
Prouty
Proxmire
Randolph
Ribicoff
Scott
Smathers
Smith
Talmadge
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

Mr. BYRD of West Virginia. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Montana [Mr. METCALF], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. MOSS], and the Senator from Virginia [Mr. SPONG] are absent on official business.

I also announce that the Senator from Alaska [Mr. BARTLETT] and the Senator from Hawaii [Mr. INOUYE] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Wisconsin [Mr. NELSON], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Georgia [Mr. RUSSELL] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Tennessee [Mr. BAKER] is necessarily absent.

The Senator from Massachusetts [Mr. BROOKE] is absent on official business.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). A quorum is not present.

Mr. MUSKIE. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Maine.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, the following Senators entered the Chamber and answered to their names:

Aiken
Allott
Brewster
Byrd, Va.
Cannon
Carlson
Case
Cooper
Cotton
Curtis
Dodd
Dominick
Eastland
Ervin
Fong
Gore
Griffin
Gruening
Harris
Hart
Hartke
Hatfield
Hickenlooper
Holland
Hruska
Jordan, Idaho
Kennedy, Mass.
Kuchel
Long, Mo.
Magnuson
McCarthy
McGovern
Miller
Mondale
Montoya
Mundt
Pearson
Percy
Sparkman
Stennis
Symington
Thurmond
Tower
Tydings

The PRESIDING OFFICER (Mr. MCINTYRE in the chair). A quorum is present.

PRESIDENT JOHNSON'S 1969 BUDGET

Mr. WILLIAMS of Delaware. Mr. President, earlier this week the President sent his budget message to the Congress. The administration's appropriation requests for fiscal 1969 represent an alltime high for estimated Government expenditures.

Under the new accounting procedures of the so-called unified budget the deficit for fiscal 1969 is estimated at $8 billion after allowing for the estimated revenue to be derived as from the enactment of the President's recommendations for a 10-percent tax increase. This $8 billion claimed deficit, however, does not represent the true picture.

Based upon a careful analysis of the recommended budget expenditures and estimated revenues, the actual deficit for fiscal 1969 will be $28.3 billion, minus whatever revenue may be derived as a result of a tax increase, or future expenditure reductions.

President Johnson, in his state of the Union message, tried to minimize the true size of our potential 1969 deficit by using a new type of accounting, which, for the first time, includes trust fund receipts as though they were normal income.

These trust funds do not represent money belonging to the Government, and under no circumstances should they be so included.

Social security taxes are paid by employees and employers. The unemployment tax is paid by the employer only. The railroad retirement tax is paid by the employer and the employee. In each instance, the Federal Government acts only as the trustee, and under no line of reasoning can these funds for accounting purposes be credited toward the reduction of the deficit of the U.S. Government in its spending for Great Society programs. The money in these trust funds does not belong to the U.S. Government. Nor, under the law can the Federal Government divert these funds to general revenue without congressional action.

If any privately operated bank issued such a report to its stockholders, the officials of that bank would be in the penitentiary. It is equally misleading for the Federal Government to resort to such backhanded accounting methods, which can have but one purpose and that is to deceive the American people as to the serious state of our financial situation.

The difference between the $28.3 billion estimated deficit for fiscal 1969 and the $8 billion figure used in the President's state of the Union message is explained as follows:

The President estimated that the additional revenue to be derived from the enactment of his recommended tax proposals would be $12.9 billion for fiscal 1969. This $12.9 billion—if enacted—would reduce the $28 billion expenditure deficit to $15.4 billion. This leaves $15.4 billion as the deficit for fiscal 1969 even after counting the full effect of the requested tax increase.

The difference between the $15.4 billion after-tax deficit and the President's $8 billion figure is accounted for by the fact that the President has counted the $7.4 billion accumulation in the various trust funds as though it were normal Government revenue and thereby available for routine expenditure purposes. Such is not the case, and their inclusion serves no purpose other than to mislead the American people as to the true cost of operating the Great Society.

Mr. LAUSCHE. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. The Senator makes the statement that "the $7.4 billion accumulation in the various trust funds" are to be used "as though it were normal governmental revenue." What is the accumulation? What is the meaning of that statement as the Senator has used it?

Mr. WILLIAMS of Delaware. For example, take the old-age survivors insurance trust fund, which is social security. The expenditures under that trust fund for 1969 are estimated to be $24.567 million, whereas receipts under the tax on employees and employers would be $27.188 million. The extra revenue, around $2½ billion is the accumulation in the trust fund. For bookkeeping purposes under the new procedure they will use that to reduce the deficit.

To point out the fallacy of their argument I raised this question with officials: Suppose we enacted the 10-percent tax increase and raised $12 billion. If that is the proper method of bookkeeping why not allocate that $12 billion to one of the trust funds which is deficient? We would come back with exactly the same answer.

To carry it one step further, say we collect $80 billion in individual income taxes and $35 billion in corporate income taxes, but suppose we allocate the entire $100 billion of tax revenue next year to the trust funds; we could put $50 billion of it in civil service retirement, which everyone recognizes has a deficiency of about $45 billion to $50 billion, and that would put that fund in good order. By putting the other $50 billion in the social security trust fund, under the new system, it would boost that in good order.

Yet the President, under his new accounting system, would come back and say, "We still have a balanced budget with only an $8 billion deficit."

This example points out the complete absurdity of the proposal. The officials admitted when we pushed it to that point, "Perhaps we did go in for some farfetched accounting." I think that is generally recognized. Certainly we cannot include the trust funds as though they were normal revenue to defray the costs of the Great Society programs or for the operating the cost of Government itself. They do not dispute the fact that next year we shall be spending $28.3 billion more than we shall take in, subject only to whatever reductions Congress will enact over the objections of the President, and subject only to whatever revenue-producing measures we may enact from this time on.

Mr. LAUSCHE. The $7.4 billion is supposed to be excess collection in the trust funds over the moneys immediately needed to pay the obligations under the trust funds.

Mr. WILLIAMS of Delaware. That is correct.

Mr. LAUSCHE. Is it not a fact that we are now living in a period of abundance in which payments out of the trust funds are not so great as they may be in the event we run into economic trouble and that, therefore, it is not sound to proceed with a fiscal policy concluding that we will have an excess of money when that excess of money may be vitally needed in a period of economic trouble.

Mr. WILLIAMS of Delaware. That is correct. For example, in the unemployment trust fund the outlays are estimated to be $3 billion for 1969 against estimated income of $4 billion. With a period of full employment the unemployment trust fund is built up. When we run into a recession we are going to get a minus. But that $1 billion being built up during the period of full employment today is a reserve. That money is placed in that fund for future emergencies. Under no circumstances could it be carried over and counted as a reduction for the Great Society programs. This is employers' money alone, and not a dime of Government money is in it.

Mr. LAUSCHE. Let me say to the Senator that while I was occupying the position of Governor of Ohio, there was $650 million in the unemployment compensation fund. Labor leaders and businessmen got together and said that there was too much money in the fund, that a rebate to employers and a reduction in premium charges to employees could be effected. Five years later, the fund was down to the point that it was in practical distress.

Mr. BENNETT. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. BENNETT. Referring specifically to social security funds, is it not true that the financing of social security is not intended to match or keep pace with changes in the benefits? Is it not also true that the funds now accumulating in social security have already been committed in terms of increased benefits which will come along a year or 2 years later?

Mr. WILLIAMS of Delaware. That is correct. To a large extent the accumulation of current funds represents money being paid into the social security fund; it represents contributions by young workers, 20, 30, or 40 years of age, which they are building up, supposedly, for their retirement. That money is supposed to be laid aside until they reach the age of 65 for their retirement benefits.

Mr. LAUSCHE. Mr. President, will the Senator from Delaware yield further?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. Last week I made a talk in Columbus, Ohio, in which I declared that I would, under no circumstances, allow funds earmarked for specific trust fund purposes to be diverted for the use of the general Government or otherwise. I stand by that.

Mr. WILLIAMS of Delaware. I would agree. It would take congressional action. There is a serious question whether or not taxes which have been levied and collected for a specific purpose could be diverted by the Congress.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MURPHY. Do I understand that there is included in this figure the highway tax fund from my State of California, for instance—the gasoline tax which is held as a fund for roadbuilding purposes? I know last year there was an attempt on the part of the administration to move those funds into the general funds. Is this part of the same picture?

Mr. WILLIAMS of Delaware. It is part of the same picture. There will be a $600 million accumulation in the highway trust fund. This, too, is counted to reduce the purported deficit. The highway trust fund represents taxes levied and collected by the Government. Congress earmarked those funds for the trust fund. Conceivably, in this particular case Congress could stop earmarking those funds and put them into the general funds.

The unemployment tax was being paid by the employer for a specific purpose. I would question the wisdom of changing the highway trust fund although it falls into a little different category. But the Senator is correct.

Mr. MURPHY. Last year, when objection was made to the use of the highway trust fund in that way, immediately there was an announcement that those funds were to be released.

Mr. WILLIAMS of Delaware. That is correct.

Mr. MURPHY. Apparently at that time someone in the administration felt our position was properly taken and that those funds were taxes designated for a particular purpose and were not the property of the Federal Government. Actually, they were to be used for road construction in a particular State.

Mr. WILLIAMS of Delaware. And without congressional action they cannot be used for other purposes.

Mr. MURPHY. I thank the Senator.

Mr. WILLIAMS of Delaware. Mr. President, it should be noted that all of these estimates are based on the assumption that Congress will approve the spending recommendations exactly as requested in the President's budget. All projected estimates will vary depending upon the amount of reduced expenditures or increased taxes approved by Congress as well as on variations in our economy.

At this point I ask unanimous consent to have printed in the RECORD a breakdown of the various trust fund accounts showing the amount of their accumulated receipts which were included in the "unified" budget.

There being no objection, the breakdown was ordered to be printed in the RECORD, as follows:

TABLE C-4.—OUTLAYS AND RECEIPTS OF TRUST FUNDS

[In millions of dollars]

Description	Outlays—1969 estimate	Receipts—1969 estimate
Funds to which receipts are appropriated:		
Federal old-age and survivors insurance trust fund	24, 567	27, 188
Federal disability insurance trust fund	2, 617	3, 655
Health insurance trust funds	5, 770	6, 827
Unemployment trust fund	3, 088	4, 095
Railroad retirement accounts	1, 376	1, 791
Federal employees retirement funds	2, 262	3, 638
Highway trust fund	4, 203	4, 805
Advances, foreign military sales	1, 330	1, 400
Veterans life insurance funds	559	744
Other trust funds (nonrevolving)	426	416
Trust revolving funds (table C-5)	900	
Subtotal	47, 189	54, 559
Interfund transactions	—720	—720
Total	46, 469	53, 839

Mr. THURMOND. Mr. President, will the Senator yield at that point?

Mr. WILLIAMS of Delaware. I yield.

Mr. THURMOND. As I understand the Senator to say, the debt is $28.3 billion less whatever amount comes from increased taxes, if taxes are increased?

Mr. WILLIAMS of Delaware. That is correct.

Mr. THURMOND. Then the Senator used the figure of $15.4 billion, which the debt will be if taxes are increased.

Mr. WILLIAMS of Delaware. If taxes are increased in exactly the same manner as recommended by the administration it is estimated his tax program will raise $12.9 billion. That would leave $15.4 billion as the deficit for fiscal 1969—that is, the true, actual deficit. They get the $8 billion figure by counting reserves in the trust funds, which is definitely misleading.

Mr. THURMOND. The difference between the $8 billion and $15.4 billion is $7.4 billion, all of which is from trust funds?

Mr. WILLIAMS of Delaware. That is correct. That is all shown in the chart which I have just put in the RECORD.

Mr. THURMOND. I thank the Senator.

Mr. WILLIAMS of Delaware. Mr. President, this projected $28 billion deficit for fiscal 1969 takes on even more serious proportions when we consider that it is piled on top of a long series of deficit spending.

In 32 of the past 38 years our Government has lived beyond its income. I repeat, on but six occasions has it balanced the budget during the past 38 years, and in those years in which the budget was balanced the surplus was relatively small.

In the past 6 years this administration has spent over $60 billion more than its revenue. This represents an average deficit of $12 billion per year. The deficit for the current fiscal year—1968—is now estimated at around $20 billion.

For the next fiscal year 1969 the President is asking Congress to appropriate $16 million more than the amount which was appropriated the first session of the 90th Congress.

For fiscal 1968 Congress has appropriated $125 billion, and the President is planning to ask for an additional $3.3 billion in supplemental appropriations, bringing the 1968 fiscal year total—if approved—to $128.4 billion.

In fiscal year 1969 he is asking for total budget authority, or appropriations, of $141.4 billion. This is $16 billion more than the amount already appropriated for fiscal 1968, or $13 billion more than the 1968 appropriations if we include the supplemental requests to be submitted later at this session.

It is this $16 billion extra spending authority which the President is requesting for fiscal 1969 that Congress must deal with at the time we consider the appropriations for the various departments later this year.

It should be noted that over $10 billion of this $16 billion increase represents planned expenditures in civilian agencies, or the expansion of the Great Society programs. Only $6 billion is represented by increased military costs.

At this point I ask unanimous consent to have printed in the RECORD a chart giving an itemized breakdown of the new budget authority requested for fiscal 1969 as well as the amount approved for fiscal 1968. This report gives a breakdown of the proposed increases by agencies.

There being no objection, the breakdown was ordered to be printed in the RECORD, as follows:

TABLE 5.—BUDGET AUTHORITY REQUIRING CURRENT ACTION BY CONGRESS

[In millions of dollars]

Description	1967 enacted	1968 estimate			1969 estimate		
		Enacted	Supplemental needed	Total	Transmitted herein	Later transmittal	Total
Legislative branch	271	277	4	282	306	------	306
The Judiciary	90	94	1	95	101	1	102
Executive Office of the President	29	31	(1)	31	33	------	33
Funds appropriated to the President	5,112	4,718	10	4,728	5,763	566	6,329
Department of Agriculture	7,734	6,411	52	6,463	7,300	7	7,307
Department of Commerce	873	763	8	771	825	------	825
Department of Defense—Military	71,943	72,112	800	72,912	79,182	75	79,257
Department of Defense—Civil	1,391	1,383	11	1,394	1,345	------	1,345
Department of Health, Education, and Welfare	12,617	12,858	1,604	14,463	15,305	83	15,388
Department of Housing and Urban Development	6,402	3,330	25	3,356	3,387	40	3,427
Department of the Interior	1,586	1,592	29	1,621	1,724	------	1,724
Department of Justice	408	417	47	465	465	80	545
Department of Labor	638	625	29	654	730	11	742
Post Office Department	1,215	962	212	1,174	920	------	920
Department of State	395	389	1	390	418	------	418
Department of Transportation	6,204	1,511	221	1,732	2,736	85	2,821
Treasury Department	931	921	13	934	1,016	------	1,016
Atomic Energy Commission	2,199	2,509	------	2,509	2,755	------	2,755
General Services Administration	656	570	4	574	509	------	509
National Aeronautics and Space Administration	4,968	4,589	------	4,589	4,370	------	4,370
Veterans' Administration	6,598	7,499	76	7,575	7,528	9	7,537
Other independent agencies	3,174	1,510	28	1,538	1,642	30	1,672
Allowances for—							
Civilian and military pay increase	------	------	------	------	------	1,600	1,600
Contingencies	------	------	150	150	------	550	550
Total, budget authority requiring current action by Congress	135,432	125,073	3,327	128,400	138,359	3,136	141,496

[1] Less than $500,000.

Mr. WILLIAMS of Delaware. Mr. President, this trend of ever-expanding expenditures just cannot be condoned.

Inflation is no longer a threat in America—it is a reality, and unless both the Congress and the administration recognize it as such we shall continue down the road to financial chaos.

One major factor which thus far the administration has not faced up to is the fact that we have a full-scale war on our hands in Vietnam, a war which is costing and which for the foreseeable future will continue to cost billions. The *Pueblo* incident of the past few days only further emphasizes the seriousness of this international situation.

With a half-million men fighting in the jungles of Vietnam, neither Congress nor the American people have any choice other than to throw the full resources of our country behind those men and their objectives.

If that means some sacrifices at home, then let us tighten our belts and show the world that we are determined not only to win that struggle but at the same time to preserve and protect the financial integrity of our dollar.

During the past few years our adverse balance of payments has been growing steadily worse, with the result that our gold supply has been vanishing.

In January 1960 our gold reserve stood at $19.4 billion; by January 1964 these reserves had dwindled to $15.5 billion. Today they stand at less than $12 billion.

As our free reserves of gold diminished, Congress in March 1965 was asked to reduce the requirement for the gold cover. This resulted in freeing several billions of our gold reserves to meet the then developing challenge to the American dollar.

Action was considered necessary at that time in order to give the Congress and the administration additional time to deal with the basic causes for the lack of confidence in our dollar by taking the necessary action to bring our expanding Federal deficits under control.

Instead of taking advantage of this time bought by lowering the gold reserve requirements on the dollar, however, both Congress and the administration relaxed and continued expanding the spending programs and failed to enact the necessary revenue-producing measures whereby the programs could be currently financed.

The result was that our national deficits continued their upward spiral and our gold reserves continued to diminish.

This strain on our gold reserves reached a dramatic climax a few months ago when the British devalued the pound. During the succeeding weeks, our gold vanished at an alarming rate, with the result that our Treasury's gold reserve today is down to less than $12 billion.

Under the law, gold coverage is required for 25 percent of the Federal reserve notes in circulation. This requirement alone will take $10,520,000,000 of our gold reserve. Thus, our "free gold" as of January 10 was down to $1,308,000,000.

Federal reserve notes in circulation increase each year with the growth in the economy. The increase in 1967 was more than $2.1 billion. This factor will further reduce "free gold" by more than $500 million in 1968.

Domestic industrial use of gold over and above domestic production amounted to $160 million in 1967, and will probably be at least as large in 1968, reducing "free gold" by approximately $175 million in 1968.

This would leave a margin of "free gold" of about $600 million to meet potential foreign demands this coming year.

I cite these statistics on our gold reserve to emphasize the fact that neither the President nor the Congress can delay action any longer. To cope with the situation the President has recommended the elimination of all the gold cover on reserve notes, thereby freeing all our gold reserves to meet the challenge to the dollar. Such a drastic step may be necessary, but it will not serve the purpose any more than did the previous action by Congress unless at the same time the administration takes strong and affirmative action in dealing with the causes; namely, reduces Government spending and initiates its tax program. In my opinion we cannot overemphasize the absolute necessity for dealing with this emergency.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. Will the Senator state his view of why Congress passed the law requiring that for every dollar of Federal Reserve currency issued, there be a 25-percent gold support?

Mr. WILLIAMS of Delaware. The purpose of such a restriction was to give Congress a means by which it could prevent the printing presses being operated at the discretion of the executive branch. In other words, that is the limitation beyond which it cannot go in printing money. It has served a useful purpose over the years.

Mr. LAUSCHE. In other words, Congress said, "For every dollar which you print, you must have 25 cents in gold"?

Mr. WILLIAMS of Delaware. That is correct.

Mr. LAUSCHE. That meant that there was an anchor attached to the printing of the dollar and the circulation of money?

Mr. WILLIAMS of Delaware. That is correct.

Mr. LAUSCHE. It is now proposed that we remove the 25-percent gold support of every dollar printed, and have dollars in the future be printed at the whim of those in office, without any anchor attached to what they may do?

Mr. WILLIAMS of Delaware. That is the point I shall discuss next.

Mr. President, never in the history of our country has the threat of inflation been more imminent or has the value of the American dollar been in greater jeopardy.

During the coming months the Congress, the President, and the American people are going to be confronted with some hard and unpopular decisions, and the extent to which we meet that challenge may well determine the course of history. There can be no room for politically expedient decisions or "buckpassing."

It is not enough for Congress to point the finger at the President and charge him with the responsibility for the deficit spending. President Johnson cannot spend one dime which has not first been approved by Congress. Congress therefore does have a responsibility.

Likewise, it is not enough for the President to point the finger of responsibility at the Congress. President Johnson can either sign or veto these various spending bills, and thus far not only has he signed these bills but his sole criticism has been that they do not provide enough spending money.

Also, even after signing the bills he can under Presidential authority impound the funds and withhold the expenditures if he so desires.

Nor can the individual American citizen dodge his responsibility by pointing the finger at official Washington. Far too often it is the pressure of the citizens back home, demanding these ever-expanding appropriations, which makes it hard to reduce expenditures.

President Johnson in his January 1, 1968, press conference recognized the seriousness of the financial situation and called for certain steps, some administrative and some requiring legislation. Many of those steps recommended deserve careful consideration before being brushed aside by the Congress; however, while certain of those steps are in the right direction they do not go far enough. Thus far the President has not faced up to the hard political decision of providing a solution to the basic cause of our present financial plight; that is, to deal with the continued and ever-expanding Government deficits.

Quite the contrary, in his state of the Union message, while giving lip service to economy and a tax increase, he called even louder for an expansion of all Great Society spending programs to be financed with larger deficits.

Our Government today is following the same path toward national insolvency that over the past years was followed by Great Britain, a policy which last year resulted in the devaluation of the pound.

President Franklin D. Roosevelt once made this wise observation:

> Any government, like any family, can for a year spend a little more than it earns. But you and I know that a continuance of that habit means the poorhouse.

That statement is still true today.

This is a brief review of the deficit spending policies which have led to the loss of confidence in the American dollar and to circumstances which in my opinion make it imperative for Congress to take prompt action.

I emphasize the word "confidence" because the mere removal of the gold cover, while it would cope with the immediate threat to the dollar, would not solve the problem. Confidence is something which cannot be purchased with idle promises—it must be earned.

The basic cause of the undermining of confidence in the American dollar is not the shortage of gold but concern over the fiscally irresponsible policies of living beyond our income without at the same time demonstrating that we have the courage either to reduce expenditures or to raise taxes.

I am of the firm opinion that Congress must attack the basic causes of inflation and the threat to the American dollar, and that can only be done by a realistic reduction in expenditures and a sound tax policy.

Expenditures must—and I emphasize the word "must"—be curtailed. Let us face it, however—expenditure reduction alone at this late stage cannot solve our financial difficulty. Confronted with a $20 billion deficit for fiscal 1968 and a $28 billion deficit for fiscal 1969, it will require a tax increase as well.

On the other hand, to enact a tax increase without first having written into law a mandatory requirement for a realistic expenditure reduction would in my opinion be worse than no action, since it would only further fan the fires of inflation.

I agree completely with the position Congressman MILLS has taken on this point.

If inflation or the threat to the American dollar is to be controlled, Congress must take the first step, which is expenditure reductions. Then and then only can we intelligently consider the question as to how much increased taxes may be necessary.

On the other hand, neither the Congress nor the administration can afford to dillydally any longer to see what action will be taken on the appropriation bills for fiscal 1969.

President Johnson in his budget message for fiscal 1969 recommended several reductions in expenditures of certain existing programs which, if accepted by Congress, will save around $2 billion. Some of these reductions will require further legislative action, others represent reductions in authorized appropriations for the particular programs.

This represents a constructive step in the right direction, but it still leaves the 1969 budget requests $15 billion above the 1968 level with most of this increase in domestic programs.

Congress therefore should make a determined effort to hold appropriations to not exceeding last year's level; but these appropriations will not be acted upon until later this year, and expenditure reductions and the question of increased taxes should be acted upon now. I am therefore suggesting that the Congress enact a package bill, one embracing mandatory expenditure cuts as well as dealing with the question of increased revenue.

To achieve this objective I am today introducing a bill dealing with both these points as well as taking certain other steps to help our balance of payments.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. The Senator has

pointed out that we have about $12 billion in gold, of which about $10.5 billion is earmarked to support the paper Federal Reserve dollars which we have. Is that correct?

Mr. WILLIAMS of Delaware. That is correct.

Mr. LAUSCHE. Is the Senator able to state what the total amount of potential demandable claims by foreign governments is, for the payment of the credits which they hold against our Government? I understand it is $30 billion.

Mr. WILLIAMS of Delaware. I do not have the exact figure before me, but it is far more than the amount of gold that we have.

Conceivably, we could remove the cover of gold and take no further action, and if there were a demand for conversion we would not have enough gold to carry it out.

Mr. LAUSCHE. Let us assume that I am correct in my recollection, which is that there are $30 billion in demandable foreign credits for immediate payment. If those foreign creditors say to the United States, "We do not want your paper dollar, because in the last year it has fallen 3 percent in buying power, and in the last 26 years 48 percent, but we want your gold." According to what the Senator has said, we have about $1.5 billion to meet $30 billion of demandable claims.

Mr. WILLIAMS of Delaware. We have less than that when one figures the amount that will be needed to take care of our normal increase in currency in the next year. There will be approximately $600 million left as free reserves. If we remove the cover we shall be releasing the total of approximately $10.5 billion.

That is the reason that I am placing emphasis upon the fact that it is not the gold itself that is backing the American dollar. It is confidence in the stability of the American Government. And confidence can only be established in the minds of international governments and in the minds of the American people by demonstrating to the world that we are bringing our budget under control and that we are determined to put our house in order here at home.

The mistake that Britain made was in not putting her financial house in order. It lived for a period of time beyond its income, and we see what happened.

We too are living beyond our income. I do not think it is too late. I think that we have ample time to check this drift. We have a great country here, and we have a tremendous productive capacity in back of our country.

I am not an alarmist, but the time has come when we must recognize the existing facts and bring our financial house in order and restore confidence in the American dollar both in our own country and throughout the world.

That is the reason that I am introducing the bill which I describe.

Mr. LAUSCHE. Mr. President, I contemplate voting for the President's recommendation that we remove the gold support in back of the American dollar. I think it is inescapable that we must do so.

May I ask for the view of the Senator from Delaware on that point?

Mr. WILLIAMS of Delaware. Mr. President, as I pointed out before, the removal of the gold cover is contained in the last section of the bill that I introduce today. I placed that provision in the last section to emphasize that I think the other steps should be taken first. They are equally as important as the removal of the gold cover. I think that if we were to remove the gold cover alone and continue spending and expanding various domestic programs without taking action to reduce expenditures or increase taxes to pay for the programs it would only buy a little time. We would then have to face the real catastrophe at a later date.

As far as I am concerned, I think we ought to face up now to the issue of whether we will reduce expenditures and stop the expansion of various programs. We should take action to let the world know that we are not only throwing our gold but also the resources of the Government back of the American dollar and that we are going to put our financial house in order at the same time.

All of these steps have to be considered and taken together. I do not think that the mere removal of the gold cover will do it. We took similar action here a few years ago, and we merely postponed the day of a crisis.

Mr. LAUSCHE. Mr. President, am I correct in my statement that we have taken the silver out of our coins?

Mr. WILLIAMS of Delaware. The Senator is correct; we have reduced the silver content.

Mr. LAUSCHE. The 25 percent gold support has been removed from the Federal Reserve Bank deposits, and now it is proposed that we remove the 25 percent gold support from our currency.

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. How much money was involved in removing the silver from our coins?

Mr. WILLIAMS of Delaware. By reducing the silver content in our coins the Government picked up approximately $2.5 billion.

Mr. LAUSCHE. How has that money been used?

Mr. WILLIAMS of Delaware. That money has been put in the general revenue and spent. It will not be recurring income. That money has been spent in the prior years and is a part of the $60-billion deficit of the past 5 years, to which I referred earlier.

Mr. LAUSCHE. Mr. President, was the 25 percent gold support for the deposits made by banks of the Federal Reserve System not repealed because of our serious imbalance with foreign countries?

Mr. WILLIAMS of Delaware. It was changed at the time in order to make more gold available in the event that we were called on by some of the international governments for conversion of the American dollar.

Mr. LAUSCHE. Do I correctly understand that it is the position of the Senator that we have taken step after step and are now going to remove the gold support from our American dollars, but that that will not achieve what should be done unless we begin to exert efforts to balance the budget?

Mr. WILLIAMS of Delaware. The Senator is correct. I think that it may be necessary to remove the gold cover, as I said before, but by itself we would be dealing only with a problem that is confronting us today and solving the problem only for today. We would not be attacking the basic causes which have created the problem, nor would we be considering the causes which will create the same problem again a few years from now.

My point is that we should face up to the problem today and attack the basic causes, and the basic causes are that over too long a period of time our Government has been living beyond our income. I think we have to recognize that fact.

We must reduce spending, and personally, I think we shall have to raise taxes. I think that we will have to do both. I think that it will take a combination of both actions. It will be hard. Nobody likes to pay taxes or to reduce spending. However, I think we will have to face up to the facts.

That is the reason that I am suggesting this procedure.

Section 1 designates the title of the bill as the "Balance of Payments and Domestic Economy Act of 1968."

Section 2 provides for 1 year extension of those excise taxes on automobiles, telephones, and so forth, which otherwise would expire on April 1, 1968. It is estimated that the extension of these excise taxes for 1 year will provide additional revenue of $2.7 billion.

I do not think there is any controversy or question about the need for extending those excise taxes.

Mr. LAUSCHE. Mr. President, I recognize that we cannot balance the budget. We are in a war and undoubtedly that war, by itself, makes it necessary for our Government to operate at a deficit. However, I understand the position of the Senator from Delaware to be that there are other areas in which we can reduce spending and thus reduce the forces which are driving the buying power of our dollar downward and increasing the demand of foreign creditors for our credit.

Mr. WILLIAMS of Delaware. The Senator is correct. We have been trying to operate on the basis of business as usual—guns and butter both, and we are doing that on borrowed money and at a time when we have half a million boys fighting in Vietnam. They are the ones who are really making sacrifices. Should we charge those boys when they come back for the luxuries which we are enjoying today?

My position is that we on the homefront can tighten our belts and make some sacrifices in order to pay for some of those programs that were enacted. I do not think that we should pass all of this load, in the form of taxes in later years, on to our grandchildren and on to these veterans.

Certainly we should recognize our own responsibility here. That is the reason that I am introducing a package bill. As I stated before, the second section would merely extend for another year the excise taxes, which otherwise would expire on April 1.

Section 3 writes into law the provisions of the President's Executive order of September 20, 1966, wherein President Johnson proposed to freeze Federal civilian employment at the July 1, 1966, level.

On July 1, 1966, the total civilian personnel was 2,738,047. The most recent figure as published by the Joint Committee on Reduction of Nonessential Federal Expenditures shows that at the end of November 1967 this number had been increased to 2,929,508. This represents an increase of 191,461 civilian employees, all of whom had been added to the Federal payroll in contradiction to the President's own Executive order.

Under this section no employee would be discharged, but a reduction would be achieved through attrition. As employees resigned or retired the Government would be permitted to replace but one in each four separations, and this restricted hiring policy would continue until the July 1, 1966, level of Federal employment had been reached.

It is estimated that on an average each employee, including office space, equipment, and so forth, costs the Government $8,000, and on that basis the reduction of the Federal payroll by these 191,000 employees would represent a reduction in annual expenditures of over $1.5 billion.

Certainly the administration could support this suggestion since it merely makes mandatory the provisions of President Johnson's own Executive order of September 20, 1966, along with a formula under which the necessary reduction can be made to achieve that objective.

At this point I ask unanimous consent to have printed in the RECORD first a copy of President Johnson's Executive order of September 20, 1966, freezing Federal civilian employment at the July 1, 1966, level followed by a chart showing the manner in which 190,000 employees have been added in the following months.

There being no objection, the material was ordered to be printed in the RECORD as follows:

EXECUTIVE OFFICE OF THE PRESIDENT, BUREAU OF THE BUDGET,
Washington, D.C., September 20, 1966.

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

Subject: Fiscal year 1967 employment ceilings.

1. The President has directed that the head of each agency take necessary steps to:

a. Hold employment in *full-time permanent positions* for the remainder of fiscal 1967 to a level at or below that prevailing as of July 31, 1966. (Those agencies whose employment is already above the July 31, 1966, figure should reduce their employment to the July 31 level as expeditiously as possible by not filling vacancies.)

b. Hold employment in *temporary, part-time, or intermittent positions* for the remainder of fiscal 1967 to a level at or below that prevailing as of June 30, 1966, except for meeting normal seasonal changes in agency workloads. In no event should such employment on June 30, 1967, exceed that on June 30, 1966.

2. These actions are in an essential part of President Johnson's efforts to reduce Federal expenditures.

3. Each agency head should make every effort to achieve the lowest possible level of employment. We must increase our productivity, redeploy our personnel, simplify our procedures and strip work to essentials in order to meet the employment ceilings established by this memorandum.

4. In view of the personnel requirements involved in the Viet Nam conflict, the Department of Defense and the Selective Service System are specifically exempt from paragraph 1 of this memorandum. For these two agencies, employment ceilings heretofore in effect will remain in effect subject to adjustment during review of the 1968 budget.

5. In the case of the Post Office, the June 30, 1967, employment ceiling established in the January budget review will remain in effect.

6. Requests for exception to the levels established by this memorandum will be presented to the Director of the Bureau of the Budget by the agency head under the following circumstances *only*:

a. When the need for employment increases can be related directly to requirements for Southeast Asia, or

b. When employment increases are needed for new programs which were not in existence on July 31, 1966, and for which appropriations or other funds have been provided and have been apportioned by the Bureau of the Budget, or

c. When employment increases are needed for emergency situations involving the protection of life, property, or the national security, or

d. When transfers of functions from one agency to another or from headquarters to the field result in a need to adjust employment levels.

In any of the above cases, *exceptions will not be requested* until the *agency head* has determined that it is clearly not possible to meet the required employment needs by redeploying personnel from other areas so as to remain under the employment level established by this memorandum. *Exceptions will not be granted* unless agencies clearly demonstrate that such shifts have been evaluated and that they are not feasible.

CHARLES L. SCHULTZE,
Director.

CIVILIAN EMPLOYEES ADDED TO THE FEDERAL PAYROLL IN CONTRADICTION OF EXECUTIVE ORDER ISSUED SEPT. 20, 1966

Month	Employment	Increase	Decrease
July 1, 1966	2,738,047	----------	----------
July	2,788,097	50,050	----------
August	2,805,519	17,422	----------
September	2,733,724	----------	31,795
October	2,798,212	24,488	----------
November	2,834,940	36,728	----------
December	2,842,528	7,588	----------
January 1967	2,848,249	5,721	----------
February	2,864,626	16,377	----------
March	2,882,639	18,013	----------
April	2,899,673	17,034	----------
May	2,905,595	5,922	----------
June	2,980,159	74,564	----------
July	3,012,374	32,215	----------
August	3,001,829	----------	10,545
September	2,923,641	----------	78,188
October	2,927,657	4,016	----------
November	2,929,508	1,851	----------
Total	----------	311,989	120,528
Total increase	----------	191,461	----------

Note: Above figures on Federal civilian employment furnished by the Joint Committee on Reduction of Nonessential Federal Expenditures.

Mr. WILLIAMS of Delaware. Mr. President, as evidence that such legislative action is necessary, I call attention to the fact that in the closing days of the last session Congress adopted a resolution requiring a 2-percent reduction in the number of civilian employees on the Federal payroll. The President signed this resolution and thereby accepted the recommendation of Congress that there be a reduction in the payroll. Yet what has happened?

Instead of reducing Federal employment, the President in his 1969 budget message, as sent to Congress earlier this week, asked for authority to add 45,600 full-time employees to the public payroll.

Lest there be any misunderstanding that this increase results from expanded military efforts, I point out that only 3,000 of these extra 45,600 employees are scheduled for the Defense Department. The other 42,600 employees are divided among the various other agencies of the Great Society.

With but one exception, every agency of the Government is asking for an increase in personnel for fiscal 1969, and that single exception is the Selective Service System, which is scheduled for a reduction of 300 employees. The enactment of this bill would cancel this proposed increase.

At this point I ask unanimous consent to have printed in the RECORD a breakdown of these additional employees as requested on page 530 of the 1969 budget.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

TABLE F-1.—SUMMARY OF FULL-TIME PERMANENT EMPLOYMENT IN THE EXECUTIVE BRANCH

Agency	As of June		Increase, 1969 over 1968
	1968 estimate	1969 estimate	
Department of Defense, military and military assistance	1,220,500	1,223,500	3,000
Post Office Department	550,600	568,400	17,800
Department of Agriculture	85,800	86,300	500
Department of Commerce	26,200	27,000	800
Department of Defense, civil	32,020	32,600	400
Department of Health, Education, and Welfare	105,400	108,800	3,400
Department of Housing and Urban Development	14,800	16,200	1,400
Department of the Interior	61,100	63,500	2,400
Department of Justice	33,650	34,200	550
Department of Labor	9,700	10,700	1,000
Department of State	26,900	27,000	100
Agency for International Development	17,600	18,100	500
Peace Corps	4,400	1,600	200
Department of Transportation	57,700	59,600	1,900
Treasury Department	82,000	82,500	3,500
Atomic Energy Commission	7,150	7,300	150
General Services Administration	38,300	39,700	1,400
National Aeronautics and Space Administration	32,400	32,600	200
Veterans' Administration	152,100	154,000	1,900

TABLE F-1.—SUMMARY OF FULL-TIME PERMANENT EMPLOYMENT IN THE EXECUTIVE BRANCH—Continued

Agency	As of June		Increase, 1969 over 1968
	1968 Estimate	1969 Estimate	
Other agencies:			
Selective Service System	7,200	6,900	—300
Small Business Administration	4,300	4,700	400
Tennessee Valley Authority	12,350	12,700	350
The Panama Canal	14,950	15,000	50
U.S. Information Agency	11,650	11,700	50
Miscellaneous agencies [1]	33,550	35,100	1,550
Allowance for contingencies	2,400	4,800	2,400
Total	2,641,900	2,687,500	45,600

[1] Excludes member-employees of the Soldiers' Home.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KUCHEL. This is an outstanding charge. The resolution of Congress requiring a 2-percent reduction in the Federal payroll was adopted in the closing week of the session. Is there any indication during the ensuing weeks since then that any action was taken under that resolution?

Mr. WILLIAMS of Delaware. If there has been, I have failed to find it.

I was told by officials of the budget department that the manner in which they are interpreting that resolution was that the 2-percent reduction meant that a department had only to achieve a reduction comparable to a 2-percent reduction in personnel. They cited one specific case in which one department was planning to buy a certain computer. If they bought the computer they would have to reduce the personnel by 2 percent. In order to retain their 2-percent personnel and even expand it a little they postponed the computer purchase to 1969 and put it in the 1969 budget.

I asked:

> How can you reconcile telling the American people that you're cutting the payroll 2 per cent and at the same time, and in the same message, asking for an increase of 45,600?

They said:

> It's very easy. We reduce 2 per cent below what we would have asked for it if you had not passed the resolution.

They claim the 45,600 takes into consideration the 2-percent reduction, and, apparently, on that basis they were going to ask for 100,000 or more.

That is ridiculous.

Mr. KUCHEL. So that the record may be crystal clear, when the Senator says that in the budget for the 1969 fiscal year the President asks for authority to add 45,600 full-time employees to the public payroll, what level is referred to?

Mr. WILLIAMS of Delaware. Above the 1968 level. They estimate that at the end of 1968 they will have 2,641,900 employees; in 1969 they want 2,687,500. And these additions are distributed down the line among domestic agencies.

For example, the Department of Agriculture wants 500 more men; the Department of Commerce wants 800; Civil Defense wants 400; HEW wants 3,400; Housing and Urban Development wants 1,400; the Department of the Interior wants 2,400; the Department of Justice wants 550; the Department of Labor wants 1,000, and so forth.

The President said something in his state of the Union message to Congress about 100 extra employees for the Department of Justice, but he did not talk about the 550 to be added, nor did he talk about the 45,600 being added to the overall Government payroll.

Mr. KUCHEL. He talked about the 100 for the FBI.

Mr. WILLIAMS of Delaware. In the FBI, yes.

Mr. KUCHEL. So that there may be no misunderstanding, it is clear then that the President's request is for 45,600 full-time employees above those on the public payroll at the end of the 1968 fiscal year?

Mr. WILLIAMS of Delaware. That is correct.

Mr. KUCHEL. I thank the Senator.

Mr. WILLIAMS of Delaware. Mr. President, I continue.

Section 4: This section would write into law a provision similar to the Executive order issued by President Truman at the outset of the Korean war and comparable to the action taken by Presidential and congressional action in World War II; namely, it provides that a moratorium be declared on all new public works and construction projects. Under this provision, all such projects would be held in abeyance until the Vietnam war is over or our budget is balanced, unless in the meantime it was certified by the Office of Emergency Planning that prompt work on such project was essential either to the national security or to our domestic economy.

Paragraph (B) in the same section would require a reexamination of all existing construction and public works projects to determine whether or not further work could be held in abeyance without unnecessary economic loss until such time as the Vietnam war is over or until our budgetary conditions are under control. Again, the Office of Emergency Planning is given the authority to certify as to the necessity for the continuation of these latter-mentioned projects.

This same section further places a moratorium on all Federal grants to recreational facilities, such as golf courses, swimming pools, hunting lodges, and so forth. This provision would likewise remain effective until such time as the Vietnam war is over or until the budget has been brought under control.

Surely, these provisions in section 4 cannot be considered unreasonable. There is a precedent for such expenditure controls. In our two previous wars—World War II and the Korean war—both President Roosevelt and President Truman took similar action. This is a step which the Johnson administration should have taken immediately at the outbreak of the Vietnam war. Such action has not been taken. Now we have no choice except to write it into law.

Certainly, the construction of new post offices and other public buildings as well as many public works projects under the Corps of Engineers can be held in abeyance until we have the money with which to pay for them. That does not mean that these projects do not have merit but merely that their construction can be delayed.

Likewise, Federal grants for recreational facilities, such as golf courses, swimming pools, and hunting lodges, are not essential to our national defense. As an example of the latter type of an unnecessary grant during wartime, I refer to a $200,000 Federal grant approved within the last 2 weeks to assist in the construction of a public golf course in my own State. As meritorious as a public golf course may be, we certainly cannot afford it in the face of a $28 billion deficit, plus a costly war to finance.

Savings under this section alone are estimated to be at least $2½ billion annually.

Section 5 of this bill would place a ceiling on expenditures for fiscal 1969. In the President's state of the Union message the President's projected spending for fiscal year 1969—under the "unified" budget accounting formula—is $186 billion.

This section would make mandatory a reduction in spending for fiscal 1969 from $186 billion to $178 billion. This would represent an expenditure reduction of $8 billion for fiscal 1969.

Prompt implementation of sections 3 and 4 of this bill would account for nearly one-half of this proposed $8 billion reduction in expenditures, and the balance of the reductions can be spread across other programs at the President's—or congressional—discretion.

It should be pointed out, however, that the savings in sections 3 and 4 would be a part of and not in addition to the spending reduction in section 3.

The enactment of these three sections will achieve over one-half of the results which the President sought with his proposed 10-percent tax increase. This is a step in the right direction, but under present circumstances it is not enough.

Our financial situation is in such a state that these expenditure reductions alone cannot meet the problem of inflation.

In my opinion, it is still going to be necessary to increase taxes; however, by making the aforementioned mandatory reductions a part of the same bill it will eliminate the necessity for the full 10-percent surtax as requested by the President.

Section 6: Recognizing that expenditure reductions alone are not sufficient, section 6 of this bill provides for a tax increase as follows:

Effective January 1, 1968, it provides an 8-percent surtax on corporations, and effective April 1, 1968, a 6-percent surtax on individuals. The mathematical result of a 6-percent surtax for individuals effective for 9 months in 1968 is the equivalent of a 4½-percent surtax on an annual basis.

The justification for this 2-percent differential in the corporate and individual rate is that in February of last year American business received a $2 billion tax reduction through the form of restoring the 7-percent investment credit. At that time I opposed this step on the basis that instead of reducing taxes $2 billion in the face of a $20 billion deficit the administration should be making the necessary expenditure reductions and pushing its tax increase proposals, I was overruled; however, now that the investment credit has been reinstated I think it would be a mistake to again repeal it, but to equalize this situation I am recommending a 2-percent differential between the corporate and individual surtax rate increases.

It is estimated that a $6.5 billion increase in revenues in fiscal 1969 will be derived as the result of these tax increases.

Taken together this represents an $8 billion reduction in expenditures and $9.2 billion increased revenue, or a total of $17.2 billion toward reducing the deficit.

Section 7 would repeal the fictitious 4¼-percent interest ceiling on the sale of long-term Government bonds. This ceiling is a farce.

The failure of the Congress to have taken this action many years ago has resulted in forced financing of the Federal debt on a short-term basis. The result is that as the short-term securities mature today they are being refinanced when interest rates are at a record 100-year high.

It has been conservatively estimated that the failure of Congress to have taken this responsible step to repeal this farcical ceiling 10 years ago is today costing the American taxpayers annually a minimum of $2 billion in unnecessary interest charges.

The following four sections deal with our adverse balance of payments.

Section 8 would reduce from $100 to $25 the amount of duty-free goods which tourists can bring into this country. This would reduce the gold outflow without restricting travel.

(At this point, Mr. HOLLINGS assumed the chair.)

Mr. KUCHEL. Mr. President, will the Senator yield for a clarification?

Mr. WILLIAMS of Delaware. I yield.

Mr. KUCHEL. Mr. President, does the Senator have in mind utilizing any different treatment for our immediate neighbors, Canada or Mexico?

Mr. WILLIAMS of Delaware. There would be a proportionate reduction, as well as in the other instances.

Mr. KUCHEL. I thank my friend.

Mr. WILLIAMS of Delaware. Mr. President, section 9 would establish a new procedure in the Treasury Department whereby Americans would be encouraged to change their travel plans to the Western Hemisphere, or to those countries in which we have an excess of foreign currency.

Mr. LAUSCHE. Mr. President, will the Senator yield at that point?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. Mr. President, is the Senator able to state which practice has contributed to the largest deficiency in our imbalance in the dollars spent by foreign countries in the United States and the dollars spent by American nationals in foreign countries? Is it the tourist imbalance?

Mr. WILLIAMS of Delaware. There is an imbalance in tourist traffic. I do not know how much of the reported $2 billion can be attributed to it.

Mr. LAUSCHE. It is $2 billion a year.

Mr. WILLIAMS of Delaware. Yes, but there is a feedback on that amount as these dollars are left abroad. If we stopped them in their entirety, or 100 percent, we would not pick up $2 billion automatically to correct that balance of payments because, as I have said, there is a feedback in that there would be a loss in sales from reduced purchases in this country. I do not have the net figure. I believe this $2 billion is an overall figure.

Mr. LAUSCHE. There is some feedback in the planes we sell to foreign countries.

Mr. WILLIAMS of Delaware. But there would be a loss. There is no question about that.

Mr. LAUSCHE. The heavy losses in our imbalance in imports and exports has, in my judgment, come about through the tourists who visit foreign countries rather than visiting their historic and domestic shrines in the United States.

I understand that the Senator proposes that there be given an inducement to visit the United States and to visit those countries which are in distress, rather than visiting those nations which have huge claims upon our gold. In substance, is that the Senator's position?

Mr. WILLIAMS of Delaware. The Senator is correct. We have in the Treasury Department about $1.4 billion in foreign currencies from various countries, for example, from Burma, Ceylon, the Congo, India, Pakistan, Israel, Poland, the Arab Republic, Yugoslavia, and other countries in which we have excess currencies.

These currencies are in the Treasury, and they cannot be used for any expenditure in this country. We cannot buy anything to import from those countries. These are nonrestricted funds to the extent that we can spend them within their country.

My suggestion is to direct the Treasury Department to sell these excess foreign currencies to American tourists at a 10-percent discount, and upon the traveler's return any portion of the unexpended foreign currencies could be redeemed at the same price for which they were purchased. Thus, rather than restricting foreign travel, this would be an encouragement to American tourists to direct their travel toward these less-developed countries. At the same time it would give the Treasury Department dollars instead of foreign currencies which now have no material spending value in this country.

As of June 30, 1967, we had over $1½ billion of such currencies which could be used under this proposal. To implement this program further, on all future sales under Public Law 480, or other types of AID programs, the Secretary would be instructed to include as a part of the sales contract a provision that we be permitted to use any of these currencies—accepted as payment for American goods—for tourist travel in their countries.

This action would expand the list of countries wherein tourist travel could be encouraged at an actual savings in American dollars.

At this point I ask unanimous consent that a list of the foreign currency holdings of the U.S. Government be printed.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

TABLE 15.—SELECTED FOREIGN CURRENCY DATA AND ANALYSIS OF FOREIGN CURRENCIES ACQUIRED WITHOUT PAYMENT OF DOLLARS, JUNE 30, 1967

[In U.S. dollar equivalents, cents omitted]

Country	Unit of currency	Analysis of foreign currencies						Selected foreign currency data		
		Available for U.S. use			Available for country use [3]	Advances of unfunded foreign currencies [4]	Balance on hand	Undisbursed reservations (committed) [5]	Purchased during fiscal year 1967 with dollars from—	
		Nonrestricted [1]	Restricted [2]	Total					Commercial sources [6]	Treasury holdings [7]
Excess-currency countries: [8]										
Burma	Kyat	$11,255,258	$1,574	$11,256,832	$9,179,071		$20,435,703	$4,179,953		$1,500,000
Ceylon	Rupee	7,630,242	4,834	7,635,076	3,860,113		11,495,189	5,215,599	[9] $100,000	1,200,000
Congo	Franc	858,991	750	859,741	1,562,833		2,422,574	1,053,677	[9] 100,000	900,000
Guinea	do	7,004,532	1,462	7,005,994	22,328,946		29,334,940	3,246,686	[9] 100,000	400,000
India	Rupee	569,792,562	[10] 5,026,072	574,818,634	346,709,565		921,528,199	63,872,281	[9] 500,000	28,600,000
Israel	Pound	20,473,293	[11] 1,004,600	21,477,893	14,795,549		36,273,442	23,971,311	[9] 200,000	19,400,000
Pakistan	Rupee	[12] 100,366,233	4,240,916	104,607,149	77,300,367		181,907,516	30,949,503	[9] 600,000	14,100,000
Poland	Zloty	473,654,864	3,869	473,658,733			473,658,733	19,671,139		14,700,000
Tunisia	Dinar	8,676,687	1,194	8,677,881	10,319,941		18,997,822	6,421,500	[9] 100,000	2,300,000
United Arab Republic	Pound	124,367,733	5,817	124,373,550	112,626,100		236,999,650	23,187,086	[9] 500,000	10,300,000
Yugoslavia	Dinar	52,771,304	5,000	52,776,304	31,468,521		84,244,825	17,548,376	[9] 200,000	8,800,000
Total, excess currency countries		1,376,851,699	10,296,088	1,387,147,787	630,151,006		2,017,298,793	199,317,114	2,400,000	102,200,000

See footnotes at end of table.

TABLE 15.—SELECTED FOREIGN CURRENCY DATA AND ANALYSIS OF FOREIGN CURRENCIES ACQUIRED WITHOUT PAYMENT OF DOLLARS, JUNE 30, 1967—Continued

[In U.S. dollar equivalents, cents omitted]

Country	Unit of currency	Analysis of foreign currencies						Selected foreign currency data		
		Available for U.S. use			Available for country use [3]	Advances of unfunded foreign currencies [4]	Balance on hand	Undisbursed reservations (committed) [5]	Purchased during fiscal year 1967 with dollars from—	
		Nonrestricted [1]	Restricted [2]	Total					Commercial sources [6]	Treasury holdings [7]
Near-excess-currency countries: [13]										
Bolivia	Peso	$484,751	$4,326	$489,077	$16,392,912	−$248,962	$16,633,027	$1,794,981		$3,400,000
Indonesia	Rupiah	272,146	[14] 3,402	275,548	122,286	−101,104	296,730	217,370	[9] $100,000	600,000
Morocco	Dirham	5,682,203	4,679	5,686,882	15,641,018		21,327,900	1,835,571	200,000	10,900,000
Paraguay [15]	Guarani	267,674	2,500	270,174	5,119,806	−933,318	4,456,662	932,480	[9] 200,000	1,600,000
Sudan	Pound	89,247	1,631	90,878	8,820,920	−432,900	8,478,898	1,422,777	[9] 200,000	1,900,000
Total, near-excess-currency countries		6,796,021	16,538	6,812,559	46,096,942	−1,716,284	51,193,217	6,203,180	700,000	18,400,000
Nonexcess-currency countries: [16]										
Afghanistan	Afghani	180	351	531	1,323,920	−246,478	1,077,973	369,138	800,000	600,000
Algeria	Franc								200,000	
Angola	Escudo							25,026	100,000	
Argentina	Peso		4,587	4,587		−4,587		943,316	2,600,000	5,300,000
Australia	Dollar		14,168	14,168		−14,168		1,239,789	8,100,000	100,000
Austria	Schilling		4,160	4,160		−4,160		900,046	3,200,000	300,000
Bahamas	Dollar		416	416		−416			100,000	
Barbados	do		386	386	274	−660				
Belgium	Franc	1,579	15,036	16,615		−15,036	1,579	6,249,316	6,200,000	1,700,000
Bermuda	Pound		66	66		−66			2,100,000	
Brazil [17]	Cruzeiro		11,356	11,356	10,350,929	−9,295,907	1,066,378	4,536,527	2,700,000	34,700,000
British Honduras	Dollar		150	150		−150			100,000	
British West Indies	do								300,000	
Bulgaria	Leva								200,000	
Cambodia	Riel		8,400	8,400	341,027	−8,400	341,027	80,076		
Cameroon	CFA Franc [22]				70,273		70,273			
Canada	Dollar							409,596	80,400,000	100,000
Chile	Escudo	81,700	10,165	91,865	7,869,067	−1,133,228	6,827,704	3,300,443	1,100,000	14,100,000
China (Taiwan)	Dollar	396,776	[18] 12,944	409,720	5,131,024	−2,430,585	3,110,159	7,820,563	6,100,000	23,500,000
Colombia	Peso		8,988	8,988	306,545	−315,019	514	5,245,457	4,100,000	14,700,000
Costa Rica	Colón		2,331	2,331	72,083	−74,228	186	530,873	2,100,000	1,400,000
Cyprus	Pound		918	918	419,593	−142,369	278,142	677,544	2,100,000	300,000
Czechoslovakia	Koruna		[19] 995,223	995,233		−572	994,661		200,000	
Burundi	Franc							27,876		
Denmark	Krone		5,003	5,003		−5,003		1,470,880	4,500,000	400,000
Dominican Republic	Peso		4,243	4,243	470,675	−400,342	74,576	236,681	4,000,000	5,900,000
Ecuador	Sucre		4,261	4,261	35,847	−26,181	13,927	2,501,614	1,600,000	3,800,000
El Salvador	Colon		3,772	3,772		−3,772		233,061	2,200,000	2,100,000
Ethiopia	Dollar	664,873	4,998	669,871	748,518	−403,063	1,015,326	1,268,769	3,600,000	4,100,000
Finland [20]	Markka	85,496	4,312	89,808		−4,312	85,496	4,302,319	1,200,000	700,000
France	Franc		32,766	32,776		−32,766		8,828,081	128,700,000	3,600,000
Germany	West deutsche mark.	27	83,433	83,460	1,377,699	−1,455,648	5,511	18,956,771	874,600,000	9,200,000
Do	East deutsche mark.		2,584	2,584			2,584			
Ghana [21]	Cedi	505,185	1,480	506,665	4,003,729	−1,480	4,508,914	361,692	200,000	1,400,000
Greece	Drachma	93,144	15,002	108,146	2,516,667	−680,669	1,944,144	9,409,422	13,000,000	4,300,000
Guatemala	Quetzal		1,393	1,393		1,393	2,786	708,504	2,900,000	900,000
Guyana	Dollar		811	811		−811			400,000	200,000
Haiti	Gourde							116,759		600,000
Honduras	Lempira		813	813		−813		828,014	[9] 100,000	3,000,000
Hong Kong	Dollar		3,202	3,202		−3,202		3,893,648	5,000,000	100,000
Hungary	Forint	9,593	2,209	11,802			11,802	472,496		300,000
Iceland	Krona	61,283	2,500	63,783	11,641	−14,141	61,283	1,189,708	3,800,000	700,000
Iran	Rial		5,000	5,000	5,812,788	−3,349,429	2,468,359	4,821,504	8,100,000	1,200,000
Iraq	Dinar							711,228	1,200,000	
Ireland	Pound		1,706	1,706		−357	1,349	56,659	1,000,000	100,000
Italy	Lira	2	27,716	27,718	12,027,785	−423,773	11,631,730	19,362,381	57,500,000	6,900,000
Ivory Coast	CFA franc [22]	2,698	4,980	7,678	929,008	−933,988	2,698	715,548	9,300,000	−800,000
Jamaica	Pound	16,146	962	17,018	526	−1,488	16,146	96,679	300,000	400,000
Japan	Yen	1,016,870	[23] 24,418,750	25,435,620		−18,750	25,416,870	5,491,685	249,100,000	18,000,000
Jordan	Dinar	798,843	6,223	805,066	2,867,023	−363,993	3,308,096	1,126,560	1,100,000	2,500,000
Kenya	Shilling		716	716	43,008	−43,724		80,990	4,600,000	400,000
Korea	Won	340,087	2,708	342,795	5,871,831	−4,705,698	1,508,928	5,755,961	50,400,000	13,000,000
Kuwait	Dinar								400,000	
Laos	Kip		2,133	2,133	5,964,045	−2,133	5,964,045	79,260	300,000	
Lebanon	Pound		1,276	1,276		−1,276		3,471,024	5,200,000	
Liberia	Dollar									
Libya	Pound	4,207,997	643	4,208,640	42,560	−54,987	4,196,213	518,527	3,500,000	400,000
Luxembourg	Franc							18,037	100,000	
Malagasy	do							25,102	1,000,000	
Malawi	Pound				26,205	−26,205			1,000,000	
Malaysia	Dollar		4,252	4,252		−4,252		1,117,973	3,600,000	100,000
Mali	Franc	28,690		28,690	759,300	−109,777	678,213	150,827	200,000	200,000
Malta	Pound								400,000	
Martinique	Franc									
Mexico	Peso		2,582	2,582		−2,582		6,167,165	7,800,000	18,400,000
Mozambique	Escudo								100,000	
Nepal	Rupee		913	913			913	240,541		100,000
Netherlands	Guilder		45,089	45,089	602,701	−647,686	104	5,612,795	10,100,000	100,000
Netherlands Antilles	Florin								200,000	
New Zealand	Pound		4,131	4,131		−4,131		506,799	1,400,000	100,000
Nicaragua	Cordoba		1,044	1,044		−1,044		444,576	1,000,000	2,600,000
Nigeria	Pound		275	275	32,358	−275	32,358	670,840	3,800,000	5,000,000
Norway	Krone		8,587	8,587		−8,587		1,119,408	5,100,000	
Panama	Balboa							143,352		
Peru	Sol	10,982	9,004	19,986	4,032,902	−3,710,964	341,924	7,256,549	500,000	10,000,000
Philippines	Peso	111,731	11,613	123,344	3,363,533	−609,721	2,877,156	7,495,586	96,300,000	1,000,000
Portugal	Escudo	24	10,007	10,031		−10,007	24	1,013,080	2,800,000	200,000
Ruandi-Burundi	Franc							25,000	400,000	
Rumania	Lei		309	309			309		400,000	
Saudi Arabia	Riyal								1,000,000	
Senegal	CFA Franc [22]		2,713	2,713	1,426,204	−1,428,917		803,242	([24])	900,000
Sierra Leone	Leone							58,729	1,400,000	
Somali	Shilling	55		55	70,843		70,898	275,167	1,400,000	500,000
South Africa	Rand		1,592	1,592		−1,592		277,804	3,800,000	100,000
South Arabia	Dinar								300,000	

See footnotes at end of table.

TABLE 15.—SELECTED FOREIGN CURRENCY DATA AND ANALYSIS OF FOREIGN CURRENCIES ACQUIRED WITHOUT PAYMENT OF DOLLARS, JUNE 30, 1967—Continued

[In U.S. dollar equivalents, cents omitted]

Country	Unit of currency	Analysis of foreign currencies: Available for U.S. use: Nonrestricted[1]	Restricted[2]	Total	Available for country use[3]	Advances of unfunded foreign currencies[4]	Balance on hand	Selected foreign currency data: Undisbursed reservations (committed)[5]	Purchased during fiscal year 1967 with dollars from—: Commercial sources[6]	Treasury holdings[7]
Nonexcess-currency countries:[16]—Con.										
Southern Rhodesia	Pound								$300,000	
Spain	Peseta	$787,356	$4,586	$791,942	$1,822,451	−$1,742,565	$871,828	$9,320,367	37,300,000	$3,700,000
Surinam	Florin		453	453		−453				
Swden	Krona		11,039	11,039		−1,631	9,408	1,141,632	2,200,000	100,000
Switzerland	Franc		14,010	14,010		−14,010		12,386,873	3,500,000	900,000
Syrian Arab Republic.[17]	Pound		3,209	3,209	6,557,692	−1,517,632	5,043,269	2,121,114		2,200,000
Tanzania	Shilling							75,052	600,000	100,000
Thailand	Baht	249,207	26,507	275,714	875,436	−79,714	1,071,436	3,012,067	132,400,000	6,500,000
Togo	CFA Franc[22]								([24])	
Trinidad	Dollar		606	606		−606		58,443	1,300,000	
Turkey[17]	Lira	336,429	5,465	341,894	23,300,804	−17,136,798	6,505,900	5,406,200	10,200,000	33,900,000
Uganda	Shilling		153	153	38,522	−38,675			500,000	300,000
Union of Soviet Social-	Ruble								1,100,000	
ist Republics.	Pound	968,781	[25] 1,514,920	2,483,701	1,105,373	−2,620,293	968,781	7,504,034	77,300,000	2,500,000
United Kingdom	Peso	13,130	2,019	15,149	2,562	15	17,726	901,245	1,600,000	800,000
Uruguay	Bolivar		2,297	2,297	7,561	−9,858		1,197,616	4,300,000	5,800,000
Venezuela	Piastre	627,939	23,941	651,880	37,389,924	−22,581,113	15,460,691	10,623,438	393,700,000	58,300,000
Vietnam	Rial							38,031	600,000	
Yemen	Pound				3,770	−3,770			200,000	
Zambia										
Various[26]										[26] 21,400,000
Total, non-excess-currency countries.		11,416,803	27,446,566	38,863,369	150,026,226	−78,929,278	109,960,317	216,635,527	2,371,800,000	174,800,000
Total, all countries		1,395,064,525	37,759,193	1,432,833,718	826,274,180	−80,645,567	2,178,452,331	422,155,822	[27] 2,374,900,000	[28] 476,600,000

---

[1] Nonrestricted currencies may be used for payment of official obligations in the countries concerned, for accommodation exchange for U.S. personnel and for sale to U.S. citizens and nonprofit organizations for travel and other purposes.

[2] Restricted by the terms of international agreements or by administrative determination to specific programs.

[3] Country-use currencies are U.S.-owned foreign currencies which are restricted to expenditure for loans or grants within the respective countries.

[4] Unfunding of foreign currencies pursuant to Public Laws 88–257, approved Dec. 31, 1963 (fiscal year 1964), 88–511, approved Aug. 30, 1964 (fiscal year 1965), 89–299, approved Oct. 28, 1965 (fiscal year 1966), and 89–677, approved Oct. 15, 1966 (permanent legislation).

[5] Represents the undisbursed reservation account which is still available for expenditure by various departments and agencies on an unfunded basis pursuant to the public laws enumerated in footnote 4.

[6] Includes accommodation exchanges.

[7] Represents the purchase of foreign currencies by departments and agencies with appropriated dollars from available Treasury "FT" holdings and special letters of credit generations.

[8] Excess currencies are the currencies of countries for which it has been determined that the supply is great enough to more than meet U.S. requirements for the next 2 years.

[9] Represents accommodation exchange.

[10] India: Includes $4,353,346 which is available for sec. 104(g) purposes (formerly 104(d)) and $657,894 which is available for sec. 104(d) purposes (formerly 104(g)).

[11] Israel: Includes $1,000,000 which is available for American schools and hospitals abroad (special foreign currency program) pursuant to Public Law 89–691, approved Oct. 19, 1966.

[12] Pakistan: Includes $2,125,863 which is available for administrative expenditures and such other purposes as may hereafter be agreed upon between the United States Government and the Government of Pakistan, $1,480,749 which is available for 104(d) purposes (formerly 104(q)), and $624,349 which is available for sec. 104(g) purposes (formerly 104(d)).

[13] Near-excess currencies are those where the supply of currencies available is above the inmediate needs of the United States but not by a great enough amount for the country to be declared an excess-currency country.

[14] Indonesia: Includes $905 which is available for educational, scientific, and cultural activities for the mutual benefit of the U. S. Government and the Government of Indonesia.

[15] Paraguay: Deleted from the "near-excess-currency" category for fiscal year 1968 pursuant to Bureau of the Budget Bulletin No. 67–12, dated June 29, 1967.

[16] Nonexcess currencies are of all countries not designated as "excess" or "near-excess."

[17] Deleted from the "near-excess-currency" category as of Dec. 31, 1966, pursuant to Bureau of the Budget Bulletin No. 67–9, dated Apr. 29, 1967.

[18] China: Includes $8,017 which represents the U.S. portion of counterpart funds deposited by the Taiwan Government.

[19] Czechoslovakia: Includes the koruna equivalent of $994,660 transferred from the Department of the Army to the Treasury Department.

[20] Finland: Declared near-excess currency for fiscal year 1967 pursuant to the Bureau of the Budget Bulletin No. 66–7, dated June 13, 1966, and deleted from this category as of July 1, 1967, pursuant to the Bureau of the Budget Bulletin No. 67–7, dated Dec. 1, 1966.

[21] Ghana: Has been declared a near-excess-currency country for fiscal year 1968 pursuant to the Bureau of the Budget Bulletin No. 67–12, dated June 29, 1967.

[22] The CFA franc is the official currency unit for Ivory Coast, Senegal, and Togo, as well as certain other countries, and is freely exchangeable for any other currency in the French franc area. Public Law 480 sales agreements include U.S. use provisions regarding interchangeability.

[23] Japan: Included $24,400,000 which is available for educational, scientific, and cultural activities pursuant to an agreement with the Government of Japan, dated January 9, 1962.

[24] Senegal and Togo: Included in Ivory Coast.

[25] United Kingdom: Includes $1,504,774 which is available for family housing programs.

[26] Consists of currencies of various countries received in payment of fees, services, etc., which were immediately purchased with appropriated funds for operating needs of collecting agencies with the proceeds being credited to miscellaneous receipts of the Treasury.

[27] Includes $2,003,000,000 purchased by the Department of Defense.

[28] Includes $201,900,000 purchased by the Department of Defense.

Mr. LAUSCHE. Do I correctly understand that we have $1.5 billion worth of these nonnegotiable-over-the-world currencies in those countries where we have accepted their weak currencies instead of dollars?

Mr. WILLIAMS of Delaware. We have. To be exact, the figure is $2.5 billion, but some of them are restricted as to use. We have $1.376 billion nonrestricted. We have some currencies that are partially restricted, and we could negotiate with countries for their use in tourist travel. Why not use these soft currencies? Let them serve a useful purpose. If American tourists went to these countries we would get the dollars back into the Treasury and there would be no corresponding loss in gold as a result of their travel.

Mr. LAUSCHE. I understand this procedure, but I am asking these questions for the purpose of making the record clear about what the practice is.

Is it not a fact that we sell food to foreign nations and accept in payment for that food what we call soft currency that we cannot use anywhere in the world except in those foreign nations?

Mr. WILLIAMS of Delaware. The Senator is correct. Nor can we buy hard commodities in those countries for shipment to our country and use these currencies in payment. In other words, these currencies can be used only for services rendered or products purchased in those countries. Let us use these to encourage more tourist travel in those areas. That is why I include this as a part of the plan during this period when we are short of gold.

Mr. LAUSCHE. I thank the Senator.

Mr. JAVITS. Mr. President, before the Senator continues to the next section, will the Senator yield to me for a moment?

Mr. WILLIAMS of Delaware. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, the plan to which the Senator is referring is a matter under consideration by the task force on travel which is headed by the Vice President of the United States, and it is under consideration by one of the subcommittees of the task force on travel.

Could not the Senator conceive of the fact that through the action of the banks of the United States, working in cooperation with banks in tourist-objective countries, it might be possible to take this very plan, which is based only on excess currency, and extend it, perhaps, to other currencies which are not excess? Thereby, foreign nations could encourage tourism from the United States; and under our balance-of-payments problems, they would be willing to lend us their money for a long time, such as 20 or 30 years—we are perfectly good for the money—and thereby continue tourist interchange—and this may be very much to the interest and the enjoyment of our people—without embarrassing the American balance of payments. So the plan would not necessarily be confined to those countries alone.

It would restrict tourist opportunities to imaginative use, rather than to use the discriminatory hand of a consumer tax, which is what the administration is talking about. It would use a little imagination in terms of world finance and world business. It would produce a plan by which both would be served; that is, the economy and the problems of our balance of payments, and the opportunities it would afford Americans to travel.

I might point out, too, that it could be a cooperative arrangement, in which dollars would be made available. That is the big factor—the fact that not enough foreigners are being induced on a concessionary basis to travel in the United States.

Mr. WILLIAMS of Delaware. I agree with the Senator's suggestion. I am familiar with the proposal and with the work being done by the task force. There is a broad field in which a plan can be worked out to encourage travel by foreigners to the United States. Also, it is important that Americans be encouraged to visit abroad so as to get a better understanding of world conditions.

I dislike to see a restriction of travel by Americans abroad or American citizens placed in the position of being considered unpatriotic because they are now ready to take vacations they have been planning for many years. Perhaps some steps are necessary to reduce this drain on our gold, but I think a solution can be found without imposing drastic restrictions on travel by Americans abroad. The soft currencies which are in the Treasury doing nothing and which cannot be used for other purposes, could well be diverted in that direction.

Mr. JAVITS. The Senator from Ohio [Mr. LAUSCHE] is a member of the Committee on Foreign Relations. I feel certain that he will agree with us that in areas where it is necessary to come to agreements with indigenous countries in order to use their currencies, many countries are just as desirous as we are that their currencies be used for constructive purposes, including the encouragement of travel in those countries.

Mr. LAUSCHE. I agree.

Mr. WILLIAMS of Delaware. I think it can be done without disrupting our foreign relations; in fact, I think it would improve them.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that I may proceed for whatever additional time is necessary for me to complete my remarks.

Mr. BYRD of West Virginia. Mr. President, reserving the right to object—and I shall not object—I wonder whether the distinguished Senator from Delaware would place a limit on the time he requires.

Mr. WILLIAMS of Delaware. Thirty minutes; I may not need to take that much time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Delaware is recognized for an additional 30 minutes.

Mr. JAVITS. Mr. President, will the Senator yield, to permit me to complete the observation?

Mr. WILLIAMS of Delaware. I yield.

Mr. JAVITS. So the Senator believes, as I do, that with the use of a little ingenuity, and considering the amount of credit and resources which we have available, a great deal can be done to overcome the travel gap. After all, the administration's objective is only $1.250 billion, and the travel gap is about $2 billion. The objective is to cut it down to $1.5 billion or a little less.

According to the Senator's ideas and those I have suggested, a great deal more than that could be done, yet there would be no interference with the freedom to travel, which is so dearly held by the American people.

Mr. WILLIAMS of Delaware. That is correct.

Mr. JAVITS. I thank the Senator.

Mr. WILLIAMS of Delaware. Mr. President, section 10 provides a moratorium on all nonessential travel by Government officials in the legislative, executive, and judiciary branches of the Government until such time as our budgetary conditions have been brought under control.

To achieve this objective all travel to foreign countries by any Government official must first be certified as essential to the national interests by the heads of the respective Departments.

For example, the President pro tempore of the Senate must certify as essential all foreign travel at Government expense by any Senator or Senate employee. Representatives would require a certificate from the Speaker of the House, while travel at Government expense by members of the judiciary or any division of the executive branch would require certification by the head of the agency who in turn would get the approval of the President.

Certainly before Congress considers restricting travel by private citizens who are paying their own expenses Government officials could do no less than to set the proper example.

In recent months we have read press accounts where members of the judiciary and their wives, and members of the legislative and executive branches and their wives were traveling all over the world at taxpayers' expense. Many Federal, State, and local officials, Governors, mayors, and even members of toll bridge authorities are junketing to the far corners of the world to attend conferences under the guise of seeking information which they could get just as well here in the United States.

Most certainly before any tax or restriction on travel by private citizens is considered all Government officials should begin by setting the example. There can be no justification for the establishment of a privileged class of globetrotters here in America. Let us never forget that these private citizens who are planning trips abroad are paying their own expenses.

I have had many cases called to my attention wherein retired citizens who have been saving all their lives for a trip abroad are now embarrassed by the inference that their one vacation may be considered unpatriotic. Certainly this is not the type of travel which is responsible for our unfavorable trade balance.

A per diem tax would be a severe penalty to these people operating on a limited budget whereas the tax would be no deterrent to the wealthy or to those traveling at taxpayers' expense.

Section 11 provides for the removal of the present gold cover, thereby releasing all of our gold in support of the American dollar.

These are the necessary steps which I think must be taken if we are to check this inflationary spiral and protect the American dollar.

Under this legislative program which I have outlined, expenditure reductions would be written into law and also taxes would be increased. By taking this action we would be serving notice to the world that we are willing to tighten our belts and that we are determined to put our financial house in order. Such conservative action would go far toward repudiating any thought as to the stability of the American dollar.

Had such action been taken a few years ago to control our deficits, it would not now be necessary even to consider the elimination of the gold cover; however, action was not taken. Therefore, in addition to curtailing expenditures and raising taxes we have no choice except to follow through and remove the gold cover, thereby serving notice to the world that the American dollar is sound and that the full resources of our country are behind its protection. But I place emphasis upon the point that the section removing the gold cover is the last section of this bill.

I am introducing this bill as a package, and at the same time filing a request with the chairman of the Senate Finance Committee that prompt hearings be held on these various proposals.

I realize that certain sections of this bill could very appropriately come under the jurisdiction of other committees, and I would have no objection to other committees considering those sections of the bill which come under their jurisdiction and making their recommendations. But what is important is that all of these proposals be considered as one package.

In my opinion this is necessary because to approve the tax increase alone without first having written into law a mandatory reduction in expenditures would only further fan the fires of inflation. Such a step would only be providing additional revenue whereby the administration could expand its spending on the many Great Society programs, and I want to make clear that as one Member of the Senate I will oppose any tax increase prior to real expenditure reductions.

Likewise, while I feel that it will be necessary at the present stage to remove the cover on gold I will support such action again only with the understanding that the removal of the gold cover has either been preceded or at least accompanied by other equally essential steps; namely, a bona fide expenditure reduction and a tax increase.

To remove the gold cover in the face of a $20 billion deficit for fiscal 1968 and a potential $28 billion deficit for fiscal 1969 without first having taken the hard and necessary steps of reducing expenditures and increasing taxes would serve no purpose except to borrow a few months time before the day of reckoning. This is not the time for either the Congress or the administration to procrastinate.

Therefore I make it clear that I shall oppose any effort to remove the gold cover unless action has been taken on expenditure reductions and tax increases or unless it is made clear that favorable action is to be taken. There is no reason why a vote on all of these proposals cannot be taken by the Senate prior to April 1, 1968.

A bill to extend the excise taxes—which otherwise would expire April 1, 1968—will be before us for consideration prior to that date. This bill which I am introducing here today will be germane as an amendment to that bill, and the provisions of this bill will be offered at that time.

I am thoroughly convinced that if this Congress and the administration will work together we can take affirmative steps to provide for a bona fide reduction in expenditures as well as a tax increase and thereby prevent disastrous inflation and ultimate devaluation of our dollar.

Let us never forget that uncontrolled inflation is invariably followed by a recession.

Questions may be asked by some citizens as to why such a comprehensive legislative package has not been introduced or pushed in the House of Representatives since House Members have likewise insisted upon expenditure reductions either preceding or accompanying any tax increase.

The explanation is very simple. The House of Representatives operates under different rules of germaneness. The Ways and Means Committee would not have jurisdiction to act upon a package bill containing these various legislative proposals which I have outlined as being essential. The Ways and Means Committee has jurisdiction over revenue measures. The Post Office and Civil Service Committee would have jurisdiction over sections which deal with reductions in Federal employees while the Appropriations Committee would act on that section proposing overall limitation of expenditures. The Banking and Currency Committee would claim jurisdiction over the question of removing the gold cover.

In the Senate, without a rule of germaneness, the bill can be introduced as a package; the various committees if interested can hold hearings on their respective proposals, and working together we can report out a single package bill.

On the other hand, assuming no action is taken by the Senate committees in unison on this bill, any of its sections would be germane as amendments to a previously enacted revenue-producing bill sent over from the House.

Therefore, I am asking the chairman of the Senate Finance Committee for prompt hearings and am expressing the hope that action can be taken by the Senate during the early weeks of this session, along with other revenue measures which expire April 1.

American business and individual taxpayers are all entitled to know the rate of taxation that will prevail in order that they may more properly make their plans.

Our economy is suffering today as the result of the uncertainty as to what Congress will or will not do on the question of cutting expenditures and raising taxes.

This uncertainty can only be eliminated by a prompt vote on these various proposals.

At the same time, as we consider expenditure reductions and tax increases we must also close some of the existing loopholes in our present tax laws. I am therefore introducing as a separate bill a proposal to reduce the present depletion rates on oil and all other commodities down to a rate not exceeding 20 percent.

This reduction will be achieved in three steps. The first year's reduction will be from 27½ to 25 percent; the second year, from 25 to 22½ percent; and the third year, from 22½ to 20 percent.

The reason I am introducing this reduction in depletion allowance as a separate bill and not as a part of the above-described package does not mean that I am not equally interested in its enactment; however, being realistic, I recognize that here we are dealing with a controversial point, and rather than hamper the discussion and consideration of what I believe to be a mandatory package bill, this latter proposal is being introduced as a separate measure along with a definite commitment that it likewise will be offered in the committee and pushed for consideration by the Senate. Simultaneous hearings can be held on both bills.

I am not a pessimist; nor do I wish to be an alarmist. The United States of America is a great country, and I most respectfully suggest that our international friends will be making a mistake if they underestimate either our capacity or our determination to remain solvent.

I am a realist, however, and in my opinion it would be a catastrophe for our Government—Congress and the President—to sit idly by and allow our country to drift toward the financial crisis which we can all see and which, acting together, we can avoid.

Again I repeat—it is not enough for either the Congress or the President to pass the buck as to the responsibility. We are all equally responsible.

In the January 29, 1968, issue of the U.S. News & World Report, David Lawrence expressed a very timely warning on the subject, as follows:

> The Administration can still correct its errors and use its authority to stop wasteful spending as well as the expenditure of huge sums for programs which, even though meritorious, should wait for fulfillment until the nation can really afford them.
>
> When Treasury deficits keep piling up year after year, eventually confidence—not only in the monetary unit but in the economic condition of the country itself—begins to waver, and business is finally confronted with a depression as unemployment ensues.
>
> There is time yet to avoid such contingencies. They will not be avoided, however, unless the Administration puts the welfare of the country ahead of partisan politics and seeks courageously to cure the "state of disunion" by giving us a healthy "state of the Union" based on fiscal soundness and domestic security.

Congressional approval of this bill as a package would provide for a mandatory reduction in expenditures of at least $8 billion. The tax increase proposals plus the extension of the excise taxes would increase revenue by $9.2 billion, and together they would reduce by well over one-half the fiscal 1969 projected $28 billion deficit.

Later in this session, as Congress acts on the various appropriation bills for fiscal 1969, each appropriation should and must be carefully scrutinized. Further reductions can be achieved; however, it should be noted that while they would further reduce cash expenditures in fiscal 1969, the major impact of reductions in appropriation bills for fiscal 1969 develops in succeeding years. This is equally as important because it is the long-range trend of bringing our future budgetary deficits under control that must be dealt with as well as the current situation.

The alternative to Congress taking these hard but necessary steps in my opinion, will be even worse.

No action to control these expanding deficits—whether or not camouflaged by new accounting methods—will only further feed the fires of inflation, accelerate our loss of gold, and lead to the ultimate devaluation of our currency.

That must not happen here in America, and it is my responsibility and your responsibility to see that it does not.

Mr. President, I send to the desk the two bills to carry out the program as outlined, and at the same time I ask unanimous consent that both bills be printed in the RECORD along with a section by section analysis of each as prepared by the committee staff.

The PRESIDING OFFICER. Without objection, the bills will be received and appropriately referred; and, in accordance with the request of the Senator from Delaware, the bills will be printed in the RECORD.

The bill, introduced by Mr. WILLIAMS of Delaware, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 2902. A bill to improve the balance of payments and protect the domestic economy of the United States:

S. 2902

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Balance of Payments and Domestic Economy Act of 1968".

SEC. 2. ONE-YEAR POSTPONEMENT OF CERTAIN EXCISE TAX RATE REDUCTIONS.

(a)(1) Section 4061(a)(2)(A) of the Internal Revenue Code of 1954 (relating to tax on passenger automobiles) is amended to read as follows:

"(A) Articles enumerated in subparagraph (B) are taxable at whichever of the following rates is applicable:

"7 per centum for the period beginning

with the day after the date of the enactment of the Tax Adjustment Act of 1966 through March 31, 1969.

"1 per centum for the period after March 31, 1969."

(2) Section 6412(a)(1) of such Code (relating to floor stocks refunds on passenger automobiles, etc.) is amended by striking out "April 1, 1968, or January 1, 1969" and inserting in lieu thereof "or April 1, 1969".

(b) Section 4251 of the Internal Revenue Code of 1954 (relating to tax on communications) is amended—

(1) by striking out subsection (a)(2) and inserting in lieu thereof the following:

"(2) The rate of tax referred to in paragraph (1) is 10 per centum of amounts paid pursuant to bills first rendered before April 1, 1969.";

(2) by striking out "January 1, 1969" in subsection (b) and inserting in lieu thereof "April 1, 1969"; and

(3) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) Special Rule.—For purposes of subsections (a) and (b), in the case of communications services rendered after April 30, 1968, and before February 1, 1969, for which a bill has not been rendered before April 1, 1969, a bill shall be treated as having been first rendered on March 31, 1969."

(c) The amendments made by subsection (a) shall apply with respect to articles sold on or after April 1, 1968. The amendments made by subsection (b) shall apply to amounts paid pursuant to bills first rendered on or after April 1, 1968.

SEC. 3. REDUCTION IN NUMBER OF CIVILIAN OFFICERS AND EMPLOYEES IN THE EXECUTIVE BRANCH

(a) During any period in which the aggregate number of full-time civilian officers and employees (including the full-time equivalent of part-time employment) in the executive branch of the Government exceeds the aggregate number employed on September 20, 1966, no vacancy in any office or position in any department or agency in the executive branch of the Government resulting from the resignation, retirement, transfer, removal, or death of the incumbent of such office or position shall be filled, except pursuant to a determination of the Director of the Bureau of the Budget (hereinafter referred to as the 'Director') under subsection (b).

(b) The Director shall make continuing studies of the personnel needs of the various departments and agencies of the Government during any period referred to in subsection (a), and shall determine which of the vacancies occurring in such departments and agencies may be filled. Such determinations shall be so made that the aggregate number of vacancies filled during any calendar quarter, beginning with the quarter ending June 30, 1968, in the executive branch of the Government, shall not exceed 25 per centum of the aggregate number of vacancies occurring during such quarter. The determinations of the Director under this subsection shall be made on the basis of the relative needs of the various departments and agencies for personnel, having in mind the importance to the national health, security, and welfare of their respective functions and activities. Such determinations may be made by such appropriation units or organization units as the Director may deem appropriate.

(c) The Director shall maintain a continuous study of all appropriations and contract authorizations in relation to personnel employed and shall reserve from expenditure the savings in salaries and wages resulting from the operation of this section, and any savings in other categories of expense which he determines will result from such operation.

(d) The departments and agencies in the executive branch shall submit to the Director such information as may be necessary to enable him to carry out his functions under this section.

(e) The Director shall submit to the Senate and the House of Representatives at the end of each calendar quarter, beginning with the quarter ending June 30, 1968, a report of his activities under this section.

(f) This section shall not apply to officers and employees in the Department of Defense, the postal field service, and the Federal Bureau of Investigation, to casual employees, as defined by the Director, to employees employed without compensation, to offices filled by appointment by the President by and with the advice and consent of the Senate, or to offices or positions filled by transfer from another position within the same or another department or agency, except that such employees, offices, and positions shall be taken into consideration in determining the aggregate number of officers and employees for the purposes of subsection (a).

(g) Nothing in this section shall supersede or modify the reemployment rights of any person under section 9 of the Military Selective Service Act of 1967 or any other provision of law conferring reemployment rights upon persons who have performed active duty in the Armed Forces.

(h) This section shall take effect on April 1, 1968.

SEC. 4. MORATORIUM ON PUBLIC WORKS PROJECTS.

(a)(1) Notwithstanding any other provision of law, no Federal department or agency shall, during the period in which this section is in effect—

(A) initiate the planning or construction of any public works project (including projects for recreational facilities but excluding projects for highways), or

(B) make any grant to any State or local government agency for initiating the planning or construction of any such public works project.

(2) Upon request of the head of the Federal department or agency concerned, the Director of the Office of Emergency Planning shall investigate a public works project with respect to which paragraph (1) applies for the purpose of determining whether the delay in planning or construction of such public works project required by paragraph (1) will cause irreparable damage to the public health or welfare. If with respect to any planning or construction of any such public works project, the Director determines that such delay will cause such irreparable damage, paragraph (1) shall cease to apply with respect to such planning or construction effective on the date on which the Director publishes such determination.

(3) The Director shall report, from time to time, the results of his investigations and determinations under paragraph (2) to the President and the Congress.

(b)(1) The Director of the Office of Emergency Planning shall make an investigation of all public works projects (including projects for recreational facilities but excluding highway projects), the planning or construction of which has been initiated on or before the date of the enactment of this Act and is being carried out by a Federal department or agency or by a State or local government agency with Federal assistance, for the purpose of determining what planning and construction on such public works projects can be temporarily halted without causing irreparable damage to the public health or welfare.

(2) Notwithstanding any other provision of law, no Federal department or agency shall—

(A) continue any planning or construction, or

(B) make any grant (or payment of a grant previously made) to any State or local government agency for continuing any planning or construction,

which the Director determines under paragraph (1) can be so temporarily halted, during the remainder of the period in which this section is in effect beginning with the day after the date on which the Director publishes such determination.

(3) The Director shall, as soon as practicable, report the results of his investigation and determinations under paragraph (2) to the President and the Congress.

(c) This section shall apply during the period beginning on the day after the date of the enactment of this Act and ending on the last day on which the tax required to be deducted and withheld on wages under section 3402 of the Internal Revenue Code of 1954 includes any amount attributable to the tax surcharge imposed by section 51 of such Code.

SEC. 5. LIMITATION ON EXPENDITURES DURING FISCAL YEAR 1969.

(a) Expenditures under the Budget of the United States (referred to in the 1968 State of the Union Address of the President as totaling $186.0 billion) during the fiscal year ending June 30, 1969, shall not exceed $178.0 billion, except by those expenditures in excess of $25.0 billion that the President may determine are necessary in behalf of our military effort in Southeast Asia.

(b) To effectuate the provisions of subsection (a), the President shall reserve from expenditure such amounts from such appropriations or other obligational authority, heretofore or hereafter made available, as he may prescribe.

SEC. 6. IMPOSITION OF TAX SURCHARGE.

(a) Subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to determination of tax liability) is amended by adding at the end thereof the following new part:

"PART V—TAX SURCHARGE

"Sec. 51. Tax Surcharge

"SEC. 51. TAX SURCHARGE.

"(a) Imposition of Tax.—

"(1) Calendar year taxpayers.—In addition to the other taxes imposed by this chapter, there is hereby imposed on the income of every person whose taxable year is the calendar year, a tax equal to the percent of the adjusted tax (as defined in subsection (b)) for the taxable year specified in the following table:

"Calendar year	Percent	
	Individuals	Corporations
1968	4.5	8
1969	3.0	4

"(2) Fiscal year taxpayers.—In addition to the other taxes imposed by this chapter, in the case of taxable years ending on or after the effective date of the surcharge and beginning before July 1, 1969, there is hereby imposed on the income of every person whose taxable year is other than the calendar year, a tax equal to—

"(A) 6 percent of the adjusted tax for the taxable year, in the case of an individual, and 8 percent of the adjusted tax for the taxable year, in the case of a corporation, multiplied by

"(B) a fraction, the numerator of which is the number of days in the taxable year occurring on and after the effective date of the surcharge and before July 1, 1969, and the denominator of which is the number of days in the entire taxable year.

"(3) Effective date defined.—For purposes of paragraph (2), the 'effective date of the surcharge' means—

"(A) January 1, 1968, in the case of a corporation, and

"(B) April 1, 1968, in the case of an individual.

"(b) Adjusted Tax Defined.—For purposes of this section, the adjusted tax for a taxable year means the tax imposed by this chapter (other than by this section, section 871(a) or section 881) for such taxable year, reduced by any credit allowable for such year under section 37 (relating to retirement income) computed without regard to this section.

"(c) Authority To Prescribe Composite Tax Rates and Tables.—The Secretary or his delegate may determine, and require the use of, composite tax rates incorporating the tax imposed by this section and prescribe regulations setting forth modified optional tax tables computed upon the basis of such composite rates. The composite rates so determined may be rounded to the nearest whole percentage point as determined under regulations prescribd by the Secretary or his delegate. If, pursuant to this subsection, the Secretary or his delegate prescribes regulations setting forth modified optional tax tables for a taxable year, then, notwithstanding section 144(a), in the case of a taxpayer to whom a credit is allowable for such taxable year under section 37, the standard deduction may be elected regardless of whether the taxpayer elects to pay the tax imposed by section 3.

"(d) Estimated Tax.—For purposes of applying the provisions of this title with respect to declarations and payments of estimated income tax due more than 45 days (15 days in the case of a corporation) after the date of the enactment of this section—

"(1) in the case of a corporation, so much of any tax imposed by this section as is attributable to the tax imposed by section 11 or 1201(a) or subchapter L shall be treated as a tax imposed by such section 11 or 1201(a) or subchapter L;

"(2) the term 'tax shown on the return of the individual for the preceding taxable year', as used in section 6654(d)(1), shall mean the tax which would have been shown on such return if the tax imposed by this section were applicable to taxable years ending after March 31, 1967, and beginning before April 1, 1968; and

"(3) the term 'tax shown on the return of the corporation for the preceding taxable year', as used in section 6655(d)(1), shall mean the tax which would have been shown on such return if the tax imposed by this section were applicable to taxable years ending after December 31, 1966, and beginning before January 1, 1968.

"(e) Western Hemisphere Trade Corporations and Dividends on Certain Preferred Stock.—In computing, for a taxable year of a corporation, the fraction described in—

"(1) section 244(a)(2) (relating to deduction with respect to dividends received on the preferred stock of a public utility),

"(2) section 247(a)(2) (relating to deduction with respect to certain dividends paid by a public utility), or

"(3) section 922(2) (relating to special deduction for Western Hemisphere trade corporations),

the denominator shall, under regulations prescribed by the Secretary or his delegate, be increased to reflect the rate at which tax is imposed under subsection (a) for such taxable year.

"(f) Withholding on Wages.—In the case of wages paid after March 31, 1968, and before July 1, 1969, the amount required to be deducted and withheld under section 3402 shall be determined in accordance with the tables prescribed by the Secretary or his delegate in lieu of the tables set forth in section 3402 (a) or (c)(1)."

(b) Section 963(b) of the Internal Revenue Code of 1954 (relating to receipt of minimum distributions by domestic corporations) is amended—

(1) by striking out the heading of paragraph (1) and inserting in lieu thereof the following:

"(2) TAXABLE YEARS BEGINNING IN 1963 AND 1968.—", and

(2) by striking out the heading of paragraph (3) and inserting in lieu thereof the following:

"(3) TAXABLE YEARS BEGINNING IN 1965, 1966, 1967, AND AFTER DECEMBER 31, 1968.—".

(c) The table of parts of subchapter A of chapter 1 of such Code is amended by adding at the end thereof the following:

"Part V. Tax surcharge."

(d) The amendments made by this section shall apply—

(1) insofar as they relate to individuals, with respect to taxable years ending after March 31, 1968, and beginning before July 1, 1969, and

(2) insofar as they relate to corporations, with respect to taxable years ending after December 31, 1967, and beginning before July 1, 1969.

SEC. 7. REMOVAL OF INTEREST LIMITATIONS ON GOVERNMENT BONDS.

(a) The first sentence of the second paragraph of the first section of the Second Liberty Bond Act (31 U.S.C. 752) is amended by striking out "not exceeding four and one-quarter per centum per annum,".

(b) The second sentence of section 22(b)(1) of such Act (31 U.S.C. 757c) is amended to read as follows: "Such bonds and certificates may be sold at such price or prices, bear such interest rate or afford such investment yield or both, and be redeemed before maturity upon such terms and conditions as the Secretary of the Treasury may prescribe."

(c) The second sentence of section 22A (b)(1) of such Act (31 U.S.C. 757c–2) is amended to read as follows: "Such bonds shall be sold at such price or prices, afford such investment yield, and be redeemable before maturity upon such terms and conditions as the Secretary of the Treasury may prescribe."

(d) Section 25 of such Act (31 U.S.C. 757c–1) is repealed.

SEC. 8. TEMPORARY REDUCTION IN EXEMPTION FROM DUTY FOR RETURNING RESIDENTS.

(a) Subpart B of part 1 of the appendix to the Tariff Schedules of the United States is amended by inserting after item 915.25 the following new item:

" 915.30	In lieu of the $100 and $200 exemptions provided in item 813.31 for articles imported by or for the account of a person arriving in the United States who is a returning resident thereof, articles to which such item otherwise applies not over $25 in aggregate fair retail value in the country of acquisition..........	Free	Free	For returning residents arriving on or before the date prescribed by section 4911(d) of the Internal Revenue Code of 1954 for termination of the Interest Equalization Tax imposed by section 4911(a) of such Code. "

(b) The headnotes for subpart B of part 1 of the appendix to the Tariff Schedules of the United States is amended by inserting "or item 915.30" after "item 915.25".

(c) The amendments made by subsections (a) and (b) shall apply with respect to persons arriving in the United States on or after April 1, 1968.

SEC. 9. USE OF SURPLUS FOREIGN CURRENCIES.

(a) In order to encourage the use of surplus foreign currencies by United States residents engaging in foreign travel, the Secretary of the Treasury shall, during the period in which this section is in effect, make such currencies available to qualified individuals in exchange for dollars at rates under which the amount of any such currency received by an individual will be equal to 110 percent of the amount, as determined by the Secretary, which the individual would receive under rates of exchange otherwise applicable.

(b) For the purpose of this section—

(1) The term "surplus foreign currency" means foreign currency owned by the United States which is available, under applicable agreements with the foreign country concerned, for the use of the United States Government and which is determined by the Secretary of the Treasury to be in excess of the normal requirements of departments and agencies of the United States for such currency.

(2) The term "qualified individual" means a resident of the United States who furnishes the Secretary of the Treasury with satisfactory assurances that foreign currency of any country obtained under this section will be used to pay the ordinary costs incurred by such individual, or by a member of his family who is a resident of the United States, in connection with foreign travel no part of the itinerary of which includes travel in a country the currency of which is not available under this section (except for travel determined by the Secretary to be reasonably necessary to reach and return from the country the currency of which is obtained).

(c) Each agreement hereafter entered into, or hereafter amended or extended, between the United States and any foreign country under which currency of such country accrues or will accrue for the use of the United States shall include provisions permitting the use of such currency for the purposes of this section.

(d) This section shall apply during the period beginning on the day after the date of the enactment of this Act and ending on the date prescribed by section 4911(d) of the Internal Revenue Code of 1954 for termination of the Interest Equalization Tax imposed by section 4911(a) of such Code.

SEC. 10. LIMITATION ON FOREIGN TRAVEL BY GOVERNMENT OFFICERS AND EMPLOYEES.

(a) No money appropirated or otherwise made available by Act of Congress shall be used to pay any costs of or incident to travel in any foreign country during the period in which this section is in effect by any civilian officer or employee in the Executive, Legislative, or Judicial branch of the Government, unless the authorization for such travel contains or is accompanied by a certification by the proper certifying officer that the travel in such foreign country is essential.

(b) Subsection (a) shall not apply to—

(1) travel in a foreign country by an officer or employee whose principal place of duty is in such foreign country, or

(2) travel which is begun on or before the date of the enactment of this Act.

(c) For the purposes of this section, the term "proper certifying officer" means—

(1) the President of the United States, with respect to the heads of the departments and agencies in the Executive branch, the President pro tempore of the Senate, the Speaker of the House of Representatives, the Chief Justice of the United States, the justices and judges of the courts of the United States, and officers and employees in the Judicial branch;

(2) the head of a department or agency in the Executive branch, with respect to officers and employees of such department or agency;

(3) the President pro tempore of the Senate, with respect to Members, officers, and employees of the Senate; and

(4) the Speaker of the House of Representatives, with respect to Members, officers, and employees of the House of Representatives, and other officers and employees in the Legislative branch (other officers and employees of the Senate).

(d) This section shall apply during the period beginning on the day after the date of the enactment of this Act and ending on the date prescribed by section 4911(d) of the Internal Revenue Code of 1954 for termination of the Interest Equalization Tax imposed by section 4911(a) of such Code.

SEC. 11. REMOVAL OF GOLD RESERVE REQUIREMENTS FOR FEDERAL RESERVE NOTES, UNITED STATES NOTES, AND TREASURY NOTES OF 1890.

(a) Subsection (c) of section 11 of the Federal Reserve Act (12 U.S.C. 248(c)) is amended by striking both provisos, and by striking the last sentence, in such subsection.

(b) The first sentence of section 15 of the Federal Reserve Act (12 U.S.C. 391) is amended by striking "and the funds provided in this Act for the redemption of Federal Reserve notes".

(c) That part of the third paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 413) which precedes the last two sentences of such paragraph is amended to read: "Federal Reserve notes shall bear upon their faces a distinctive letter and serial number which shall be assigned by the Board of Governors of the Federal Reserve System to each Federal Reserve bank."

(d)(1) The first sentence of the fourth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 414) is repealed.

(2) The sentence which, prior to the repeal made by this section, was the second sentence of such paragraph is amended by inserting immediately after "The Board" the following: "of Governors of the Federal Reserve System".

(e) The sixth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 415) is repealed.

(f) The fourth sentence of the paragraph which, prior to the amendments made by this Act, was the seventh paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 416) is repealed.

(g) The paragraph which, prior to the amendments made by this Act, was the eighteenth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 467) is repealed.

(h) Section 6 of the Gold Reserve Act of 1934 (31 U.S.C. 408a) is amended by striking in the second proviso the phrases "the reserve for United States notes and for Treasury notes of 1890, and" and ", and the reserve for Federal Reserve notes shall be maintained in gold certificates, or in credits payable in gold certificates maintained with the Treasurer of the United States under section 16 of the Federal Reserve Act, as heretofore and by this Act amended".

(i) There are hereby repealed the sentences of subsection (a) of section 43 of the Act of May 12, 1933 (48 Stat. 31, 52; 31 U.S.C. 821(a)), which read: "No suspension of reserve requirements of the Federal Reserve banks, under the terms of section 11(c) of the Federal Reserve Act necessitated by reason of operations under this section, shall require the imposition of the graduated tax upon any deficiency in reserves as provided in said section 11(c). Nor shall it require any automatic increase in the rates of interest or discount charged by any Federal Reserve bank, as otherwise specified in that section."

(j) Section 2 of the Act of July 14, 1890 (26 Stat. 289) as amended (31 U.S.C. 408), is hereby repealed.

(k) Section 7 of the Act of January 30, 1934 (48 Stat. 341, 31 U.S.C. 408b), is amended by striking the phrase "and as a reserve for any United States notes and for Treasury notes of 1890" and also by striking the phrase "as a reserve for any United States notes and for Treasury notes of 1890, and".

The analysis of the bill (S. 2902), presented by Mr. WILLIAMS of Delaware, is as follows:

EXPLANATION OF THE BALANCE OF PAYMENTS AND DOMESTIC ECONOMY ACT OF 1968

Short title.—Section 1 of the bill recites that this act may be cited as "The Balance of Payments and Domestic Economy Act of 1968."

Telephone and auto excise taxes.—Section 2 continues for an additional year—until April 1, 1969—the existing 7 per cent excise tax on automobiles and the 10 per cent tax on telephone service. This section follows the pattern of existing law which provides a rate of tax at the termination of this extension equal to the tax which would have been applicable under the reductions scheduled by the Excise Tax Reduction Act of 1965. Specifically, the auto tax will drop from 7 per cent to 1 per cent, and the 1 per cent rate will apply on into the future. The telephone tax will drop from 10 per cent to zero. (The Administration proposal to extend these taxes for another year was presented to the Committee on Ways and Means, Monday, January 22. It adopts a slightly different approach by moving the pattern of scheduled reductions forward one year. Thus, the auto tax will drop from 7 per cent to 5 per cent in 1969 and to 1 per cent in 1970. The telephone tax will drop from 10 per cent to 1 per cent in 1969 and to zero in 1970.)

Freeze on Federal employees.—Section 3 imposes a ceiling on the number of Federal employees in the Executive Branch of the Government. Under this Section, the number of such employees may not exceed the aggregate number employed on September 20, 1966. The limitation would apply beginning April 1, 1968. If the number of employees in the Executive Branch exceeds the September 20, 1966 total, no vacancy in any office or position in any department or agency in the Executive Branch shall be filled, except that if the Director of the Bureau of the Budget determines that a personnel need exists in a department or agency one vacancy in four may be filled. The ceiling is not to apply, however, with respect to the Department of Defense, the Postal Services, and the Federal Bureau of Investigation. Nor is it to apply with respect to offices filled by and with the advice and consent of the Senate.

Moratorium on public works.—Section 4 imposes a moratorium on all public works projects which have been authorized but not yet begun. This moratorium would apply to recreational facilities as well as public buildings but it would not apply to the Federal highway construction program. The amendment also prohibits the Federal government from making grants to State or local governments for new public works projects. However, the head of the Federal department or agency involved may request the Director of the Office of Emergency Planning to investigate whether a proposed public works project may be undertaken. If the Director determines that delay in such project would cause irreparable damage to the public health or welfare, the project may be commenced. With respect to projects in progress, Section 4 requires the Director of the Office of Emergency Planning to investigate and determine whether the construction can be postponed during the moratorium without "irreparable damage to the public health or welfare." Such projects as he finds may be postponed, will be postponed. The moratorium would begin the day after the enactment of this act and would end on July 31, 1969. (The effective date of this moratorium is tied to the period for withholding tax on wages under the tax surcharge amendment described in Section 6.)

Limitation on budget expenditures.—Section 5 imposes a ceiling on the aggregate amount of Federal expenditures during the fiscal year ending June 30, 1969. Under this section Federal expenditures shall not exceed $178 billion. However, the ceiling is not to apply to expenditures the President determines are necessary because of our military efforts in Southeast Asia.

This section is similar in form to the Bow amendment limiting 1968 budget expenditures.

It differs from the Bow amendment in one respect. This bill refers to expenditures under the Budget of the United States, and not to administrative budget expenditures. The reason for this difference is that the President indicated the 1969 budget is to be restated in terms of the new unified concept recommended by his Commission on Budget Expenditures. The Commission named the new budget the "Budget of the United States" at page 12 of its October 1967 report. In order to overcome any ambiguity which might arise if the 1969 budget presented to Congress is not referred to as the Budget of the United States, however, the amendment further identifies the expenditures which it proposes to limit by referring to the expenditures as those which the President referred to in his State of the Union Address as totaling $186.0 billion.

Like the Bow amendment it contains an exception to the expenditure limitation (which it provides) for increases in expenditures in behalf of our military effort in Southeast Asia. In the State of the Union Address, the President referred to these expenditures as totaling $25.0 billion for fiscal 1969. The amendment uses this amount in providing that the expenditure limitation is not to apply to the extent expenditures in behalf of our military effort exceed this budgeted amount ($25.0 billion).

Tax surcharge.—Section 6 would impose a 6 per cent surtax on individuals and an 8 per cent surtax on corporations. As under the Administration bill, the surtax on individuals would become effective April 1, 1968, and would apply until July 1, 1969. The surtax on corporations would apply as of January 1, 1968, and would continue until July 1, 1969.

Federal bond interest.—Section 7 repeals the 4¼ per cent ceiling on interest paid on government bonds including savings bonds.

Returning tourist exemption.—Section 8 reduces the duty-free allowances available to returning residents from $100 ($200 in the case of travel to the Virgin Islands) down to $25 with respect to persons arriving in the United States on or after April 1, 1968, and before the final termination of the interest equalization tax. Presently, this tax is scheduled to expire July 31, 1969.

Foreign travel.—Section 9 prohibits foreign travel by government officers and employees whether employed in the Legislative, Executive, or Judicial branch unless the authorization for their travel is certified by an appropriate person that the travel is essential. This provision applies to Members of Congress and to Justices of the Supreme Court as well as to regular employees. The certification required by this section is to be made by the President of the United States in the case of travel by heads of departments and agencies in the Executive Branch, President pro tempore of the Senate, the Speaker of the House, and the Justices and employees of the Judicial Branch. Certification with respect to Members and employees of the House is to be made by the Speaker of the House and certification with respect to Senators and employees of the Senate is to be made by the President pro tempore of the Senate. In the case of employees of departments or agencies in the Executive Branch the certification is to be made by the head of the department or agency involved. This prohibition on nonessential travel will become effective on the date of enactment and continue in effect until the final termination of the interest equalization tax.

Surplus foreign currencies.—Section 10 is designed to encourage the use of surplus foreign currencies by authorizing United States tourists to purchase such currencies at a 10 percent discount for use during foreign travel to countries where the United States owns surplus foreign currencies. The "bonus" foreign currency would not be available if the tourist travels to foreign countries where the United States does not have surplus currencies unless the travel is reasonably necessary for him to reach the country with respect to which he received the bonus currency. For instance, if he were to propose a trip to India where we have substantial excess currency, the 10 per cent bonus of Indian rupees would be provided for him if he took a reasonably direct route to India but not if he proposed to make special side trips to the developed countries of Europe. The amendment also requires future contracts and future revisions of existing contracts under which foreign currency becomes available to the United States to include provisions permitting the use of the surplus currency for the travel described in this section. The bonus currency would be available from the date of enactment of this act to the final termination of the interest equalization tax.

Gold cover.—Section 11 removes the provision requiring the United States to maintain a 25% gold reserve to support its currency. Specifically, this section removes the gold cover from the date of enactment with respect to Federal Reserve Notes, United States Notes, and Treasury Notes of 1890. This section incorporates the text of S. 2857 introduced January 22, 1968, by the Honorable John Sparkman, Chairman, Committee on Banking and Currency.

The bill, introduced by Mr. Williams of Delaware, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the Record, as follows:

S. 2903. A bill to amend the Internal Revenue Code of 1954 to limit the maximum rate of percentage depletion to a rate of 20 percent:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 613(b)(1) of the Internal Revenue Code of 1954 (relating to percentage depletion rate for oil and gas wells) is amended—

(1) with respect to taxable years beginning in 1968, by striking out "27½ percent" and inserting in lieu thereof "25 percent";

(2) with respect to taxable years beginning in 1969, by striking out "25 percent" and inserting in lieu thereof "22½ percent"; and

(3) with respect to taxable years beginning in 1970 and subsequent years, by striking out "22½ percent" and inserting in lieu thereof "20 percent".

(b) Section 613(b)(2) of the Internal Revenue Code of 1954 (relating to percentage depletion rate for sulfur, uranium, and certain other deposits) is amended—

(1) with respect to taxable years beginning in 1969, by striking out "23 percent" and inserting in lieu thereof "22½ percent"; and

(2) with respect to taxable years beginning in 1970 and subsequent years, by striking out "22½ percent" and inserting in lieu thereof "20 percent".

The analysis of the bill (S. 2903), presented by Mr. Williams of Delaware, is as follows:

Explanation of Depletion Bill

Percentage depletion.—This bill reduces all percentage depletion allowances which are currently above 20 per cent down to 20 per cent over a three-year period. In 1968, only the oil depletion allowance would be affected. It would be reduced from 27½ per cent to 25 per cent. In 1969 it would be further reduced to 22.5 per cent and in addition the present allowance of 23 per cent applicable to uranium and sulfur and to a host of "strategic" minerals mined in the United States would also be reduced to 22.5 per cent. In 1970 and thereafter, these rates would be further reduced to a permanent level of 20 per cent.

Mr. WILLIAMS of Delaware. Mr. President, I also ask unanimous consent, since the one bill would ordinarily automatically be referred to the Committee on Finance, that our committee be given jurisdiction over the various proposals in both bills.

The PRESIDING OFFICER. Will the Senator clarify his request, as to which committee should have it?

Mr. WILLIAMS of Delaware. The Finance Committee. The bills deal with proposed increased taxes but also propose certain expenditures reductions, and I am introducing them as a package bill for reference to that committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS obtained the floor.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VISIT TO THE SENATE BY A DELEGATION FROM THE PARLIAMENT OF BRAZIL

Mr. BYRD of West Virginia. Mr. President, it gives me great pleasure, indeed, to invite the attention of the Senate to a visiting delegation to the the United States of Members of the Brazilian Parliament.

There are 12 Members present, whose names are as follows:

Hon. Guido Mondin, Senator.
Hon. Jose Mandelli Filho, Deputy.
Hon. Teofilo Pires, Deputy.
Hon. Geraldino Dos Santos, Deputy.
Hon. Lauro Monteiro Da Cruz, Deputy.
Hon. Raymundo Brito, Deputy.
Hon. Padre Sousa Nobre, Deputy.
Hon. Raymundo Padilha, Deputy.
Hon. Levy Tavares, Deputy.
Hon. Yukishigue Tamura, Deputy.
Hon. Ezequias Costa, Deputy.
Hon. Jose Carlos Maya, Deputy.

Mr. President, these distinguished friends of ours are here with Mr. David Wayne Smith, a former citizen of West Virginia, who is the coordinator of congressional luncheons, and he is returning from Brazil.

I should like now to present the delegation to the Members of the Senate present in the Chamber; and, following that, will ask for a 5-minute recess so that Senators may meet this distinguished delegation from Brazil.

Mr. YARBOROUGH. Mr. President, will the Senator from West Virginia yield so that I may make a short comment about the visiting delegation?

Mr. BYRD of West Virginia. I am very happy to yield to the Senator from Texas for that purpose.

Mr. YARBOROUGH. Mr. President, it was my privilege to be a member of the Interparliamentary Union delegation of the United States, when it went to Brasilia, the capital of Brazil, in 1962 to attend the Parliamentary Union conference of that year. They made available to us the facilities of their beautiful Parliament building. During the sessions—and I have attended similar sessions in other nations on other continents—we have never been treated more hospitably than we were treated in Brazilia while the conference was in progress. There were at least six Members of the U.S. Senate there, and six Members from the U.S. House of Representatives, as well as other staff officers. For about 2 weeks we toured Brazil, attending many meetings.

On behalf of those of us who attended—I do not see others who attended on the floor—and on behalf of the entire Congress, I want to thank our visitors from Brazil for the great hospitality they extended to the U.S. delegation at that meeting in Brasilia, at which meeting, incidentally, a Brazilian head of the International Parliamentary Union was elected.

With this introduction, I wish to express our openhearted and warm thanks for the way you treated the Members of Congress in the U.S. delegation in Brazil.

Mr. BYRD of West Virginia. I thank the Senator for his remarks.

Mr. President, I now present to the Senate the visiting members of the delegation from the Brazilian Parliament. [Applause, Senators rising.]

RECESS

Mr. BYRD of West Virginia. Mr. President, I now move that the Senate stand in recess for 5 minutes.

The motion was agreed to; and (at 2 o'clock and 30 minutes p.m.) the Senate took a recess.

At 2 o'clock and 35 minutes p.m., the Senate reassembled, when called to order by the Presiding Officer (Mr. Hollings in the chair.)

ECONOMIC SACRIFICES NEEDED IN ADDITION TO WAR "TAX"

Mr. JAVITS. Mr. President, perhaps the most extraordinary aspect of today's speeches by the Senator from Delaware and myself is in their contiguity, considering the fact, which I now represent as such to the Senate, that their preparation was not concerted in any way; and yet, in essence, they arrive at the same conclusion, notwithstanding the fact that the Senator from Delaware is considered to be quite a conservative Senator, and I am considered to be liberal.

That indicates to me, Mr. President, that we do understand what needs to be done about the situation of our country.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BYRD of West Virginia. Would the Senator kindly distinguish between the two, for the record?

Mr. JAVITS. If the Senator will permit me, I will say that to make that distinction would take me longer than to make the speech. But without being facetious about it, I think that, by and large, the difference lies in how one votes on social welfare and international programs. I believe that this broad description is a fairly accurate standard.

But, Mr. President, it does indicate that we do know that there is an extraordinary confluence of opinion on what to do about our country's situation. The question is whether we will do it, and it is this question to which I wish to address my remarks.

The administration has declared that the Nation is in an emergency situation at home and abroad—an emergency that requires an increase in already high taxes. And yet the administration has failed to set the priorities for military over civilian spending that is always required in such emergencies. It has also failed to set priorities among the civilian expenditures themselves.

This is the real reason for the fuzzy thinking that dominates so much of the discussion concerning the economy. The plain fact is that the domestic emergency in the slums and ghettos demands a priority for solving the ills of the cities; and that the war in Vietnam—whether we like it or not—demands that adequate resources be made available for our military effort there. The plain fact is that the tax requested by the administration is in reality a "war tax" for Vietnam.

The gravity of the situation can hardly be overstated. The prestigious Presidential Advisory Commission on Intergovernmental Relations reported today that the federal system—the foundation of the American governmental system—was facing a threat exceeded in our Nation's history only by the Civil War. The Commission found that "when measured against present and prospective needs and expectations, progress seems discouragingly slow."

In my judgment, the only way to clear up the confusion concerning our economy is to make it clear that the war and the crisis of the cities have caused an emergency dangerous enough not only to require a tax increase but also to require other financial sacrifices and the establishment of real priorities.

To this end, I would recommend:

First. A tougher set of budgetary priorities. This, in many ways, is parallel to the conclusions of the Senator from Delaware [Mr. Williams], arrived at quite independently. Space, agriculture, public works, non-Vietnam defense, highway construction, and natural resources development programs should be cut further or be postponed to save about $4 billion. At the same time spending for job training, education, health, housing, and poverty should be raised by about the same amount. This would not require exceeding projected spending levels for fiscal year 1969.

Second. Monetary restraints in effect since last November should be continued. The Federal Reserve Board's expansionary policy during 1967—when the money supply was expanding at the rate of 7 percent per year—has been an important contribution to inflationary pressures last year. Since last November the money supply was permitted to grow only at a 1-percent annual rate and this restraint should be continued.

Third. Enactment of the 10-percent tax surcharge, as absolutely necessary to help meet the costs of Vietnam. While the President's proposal would put most of the burden of the tax surcharge on individual taxpayers, I believe the bulk of the new surcharge should be placed on corporations. I notice that the Senator from Delaware [Mr. Williams] has attached some weight in favor of individuals as against corporations. This tax increase, however, must be accompanied by the submission to the Congress in 1968 by the administration of a tax-reform package to spread the tax burden more equitably. This tax-reform package should include, for example, the reduction of the oil depletion allowance from 27 to 20 percent, which would bring at least $350 million into the Treasury. It is extraordinary that both the Senator from Delaware [Mr. Williams] and I came to exactly the same figure. In addition, taxing profits from the sale of inherited property could bring an additional $130 to $150 million into the Treasury. That is $500 million in new money, and there are other loopholes that can be closed also.

Fourth. The establishment of a Presidential Commission to review the operations and to recommend streamlining of the Government, modeled after the Hoover Commission. Such a commission could be headed by President Eisenhower as suggested by a bill introduced last week by Senator Smathers and myself.

The Subcommittee on Government Operations is holding hearings on that question now, and there is formidable testimony demonstrating that is required and is the way in which to get Government economy and achieve the number of employees in Government that the Senator from Delaware [Mr. Williams] seeks.

I am sure that we have not established the proper priorities and that we have failed to recognize that the war in Vietnam is at the root of our troubles. That does not mean that the war in Vietnam should dictate our policy. However, it means that we must make a sacrifice in the form of a tax increase and that other restraints and sacrifices have to be undertaken.

It will be noted that I have not and will not in this particular speech, deal with the question of our international balance of payments, the gold situation, or the international financial situation. I hope to deal with that in a speech next week.

The President is telling the American people that while we are fighting a war in Vietnam, we can and are at the same time meeting our critical domestic problems. I believe we can, Mr. President, but are we? In my judgment, we are not, and the administration knows it.

In addition to the visible costs of the war, there are vast hidden costs—the failure to meet critical domestic problems—which are leading to growing social and political discontent, inflation, and economic dislocation. The sooner the administration admits this, the sooner will the Nation be ready to face its domestic problems realistically. It is no use to meet these hard and intractable problems with half measures to create the impression that half measures will do.

The President's message on the state of the Union and on the budget give little encouragement that his administration fully comprehends the causes of our domestic social crisis. This is indicated by the President's own question in his state of the Union message. He said—

> Why, why then this restlessness (among the American people)?

It is evident that the President cannot or will not face the harsh realities—that this restlessness is caused by the slowness with which urban problems are being recognized, by the half measures used to meet them, and by our inability to harness the vast resources of the Nation to the solution of our problems.

But the new budget shows that this administration is more concerned with the politics of the Nation's problems than with the problems themselves. There is no sign that tough decisions on priorities have been or will be made—although there is much talk about priorities—to make room within the proposed budget for problems that need to be funded now to deal with our urban crises before they pass out of control. Instead, the budget eliminates no programs. Most existing programs are left with some funds, but no program is left with enough money to make a decisive impact. This may be good consensus politics, but it can only worsen our domestic situation.

Certainly, the American people are carrying a heavy tax load today. Many blame the rising cost of government on rising welfare costs or waste, but the President himself admits that it is due to the heavy cost of Vietnam.

> It is not the rise in regular budget outlays which requires a tax increase, but the cost of Vietnam—

Says the President in his budget message.

Unless the President makes this more clear to the American people than he has, by setting firm priorities for Federal spending, he will find more congressional opposition to his domestic programs than he already has had. Instead of Congress coming to grips with our domestic crisis by effective measures designed to attack the root causes of our problems, it will continue to head in the opposite direction—indiscriminate cuts in domestic programs—inclined to repress discontent rather than deal with its causes.

Mr. President, it is not insignificant that when the President spoke of civil rights so quickly that you could hardly applaud, there was not a ripple in the

Chamber, and when he spoke of law enforcement there was enormous applause. I yield to no one in my zeal for law enforcement, but a lot less of it would be necessary if you had racial justice and true racial equality in terms of opportunity in this country.

The President's state of the Union message and the budget message will inspire few of our people. Nor does the President ask for meaningful sacrifices. Yet, no war or cause can be fought without sacrifices—neither the war in Vietnam nor the fight to solve our urban problems.

The American people, in my judgment, are ready, as in the past, to meet the challenge, but they must be properly informed, and they must be led with courage. And this the administration has so far failed to do.

I would now like to state in more detail what I meant when I said previously that the war in Vietnam has resulted in first, cutbacks or postponements of essential domestic programs; second, inflation; and third, economic disruption.

First. One of the Nation's major problems is the deterioration of our hospitals, increased hospital costs, and the shortage of modern hospital facilities. Early in 1966 the President told the Congress that there is an urgent need for a 10-year, $10 billion program for hospital modernization. There was no action on this proposal by Congress that year. In 1967 the President—despite any change in the situation—failed to follow up on his proposal by requesting funds for this purpose. This year, in his fiscal year 1969 budget there appears to be a proposal for only $215 million for assistance in the construction and modernization of general hospital and diagnostic facilities.

The slashes made in the Federal program for construction of 4-year colleges is another excellent example of this budgetary situation. The Congress appropriated $300 million for the current fiscal year for this Higher Education Facilities Act program; the administration cut this back one-third from the appropriated amount to $200 million. Keeping in mind that the Federal matching contribution is one-third, a cut of $100 million can result in trimming college construction throughout the Nation by as much as $300 million. And for the next fiscal year, the Presidential budget just submitted allows only $33 million—a cutback of almost nine-tenths from the amount Congress appropriated the previous year. Taking into consideration the Federal one-third matching factor, this could result in trimming new college construction for fiscal year 1969 by $801 million—$267 million times 3. It would be a fair question to ask whether the young people of our Nation can afford a diminution of as much as more than a billion dollars for these 2 years. Do we really mean what we say when we mourn the shortage of modern higher education facilities for those who could attend college and stress the importance of this training in our complex society? The administration must match its eloquence with its programs.

Under internal planning documents the Office of Economic Opportunity called for a $4 billion poverty program for fiscal year 1968, yet the President cut this back to $2 billion in his budget request last year. Sargent Shriver himself testified last year that the war on poverty cannot be won at present expenditure levels.

As a result of the White House effort to build up manpower training programs, many crucial poverty efforts are presently being cut back; Headstart is being cut back by $14 million below the figure needed to refund existing programs, legal services by $6 million below that figure, and neighborhood health services by $9 million. This is clearly robbing Peter to pay Paul. Federal expenditures on special summer programs will, it is claimed, be smaller this year than last; but who knows what problems in the cities this summer will bring?

Similar to his ambitious hospital modernization proposals of 1966, the President now calls for a 10-year program to provide 6 million housing units for low- and moderate-income families; 300,000 units in fiscal year 1969.

The President is holding out another promise which is unlikely to be fulfilled with this proposal. Since 1937 the Federal Government has built only 700,000 public housing units and FHA in its recent multifamily efforts has housed only 235,000 lower- and middle-income families. Yet a recent HUD study forecast the need for 22.5 million units of new housing and 3.5 million units of rehabilitation housing needed in the next decade.

Whether it has been the President's inability to persuade the Congress to follow his lead on these programs or the Congress own shortsightedness, the fact remains that last year he received only half of the $662 million he sought for the model cities program for the current fiscal year and only one-fourth of the $40 million he asked for rent supplements.

The actual determination of the President to carry out his announced plans for the cities is also cast in doubt by a statement attributed to Secretary Weaver, the day after the President's state of the Union message, that no new programs to reach this goal are being planned.

I also question whether you can call $1.4 billion for housing and community development and $4.6 billion for space research and technology an appropriate set of priorities for the next fiscal year in view of the grave shortage of decent housing for millions of Americans.

Second. Inflation is another side effect of high levels of spending connected with the war in Vietnam. Consumer prices have risen close to 3 percent in 1966, 3 percent in 1967—2 percent at an annual rate in the first half and 4 percent in the second half—and are again expected to exceed 3 percent this year. The danger is that should our prices rise faster than those of other industrialized countries, this would inevitably hurt our exports. Tight credit and high interest rates are expected to continue with much of this due to heavy Treasury borrowing to finance the deficit—in the absence of the requested tax surcharge—in excess of the $20 billion in the fiscal 1968 and 1969 budgets. If the tax surcharge fails to pass, the rise in interest rates would further increase the cost of living. Some economists estimate that at least half of the estimated 7-percent increase in the GNP this year will be due to higher prices and not to increased real production; and a 3½-percent real growth rate annually is inadequate for this country.

Third. In his new budget message, the President continues to minimize the relative cost of the war in Vietnam by stressing the fact that expenditures for the war amount to only 3 percent of our GNP in the current and the next fiscal years. A more objective anlaysis of the record shows a quite different picture and this was borne out clearly by the Joint Economic Committee's hearings in April 1967.

The record of the hearings shows:

The rapid rise in spending for Vietnam—$0.1 billion in the fiscal year 1965; $5.8 billion in fiscal year 1966; $20.1 billion in fiscal year 1967; an estimated $24.5 billion in fiscal year 1968; and a projected $25.8 in fiscal year 1969—greatly increased the Government's demand for a whole range of items that are normally required for a civilian economy—such as vehicles, food, textiles and clothing. This caused temporary shortages in the civilian economy and shifting of employment and resources away from civilian production.

One witness estimated that the $17.3 billion increase in defense spending between the first quarter of 1965 to the last quarter of 1966 accounted for a $32 billion increase in the annual GNP and for roughly 3.2 million jobs in this additional period. At the same time, unemployment declined from 4.8 percent to less than 3.7 percent of the civilian labor force. The same witness calculated that if spending for Vietnam and the induced consumption that accompanied it were removed from the growth of GNP in this period, output of the last quarter would have been almost 4 percent below that actually recorded. Instead of a decline in unemployment, a fairly steady rise in unemployment would have occurred reaching recessionlike proportions of 7.7 percent of the labor force.

Another witness estimated the impact of a $4 to $6 billion increase in spending for Vietnam on the economy as follows:

> This buildup would create structural problems and maybe "structural inflation" because it would increase demand in the Middle West, our industrial heartland, the more sophisticated manufacturing centers in New Jersey, New York, and New England and probably the Far West. These are the areas that are already growing very rapidly and that have relatively high wage rates in order to pull in people from other areas.

I am confident that a more detailed examination of the budget in the coming months will only underscore the evidence I have presented here.

Now, Mr. President, I sum up as follows:

There are very hard decisions to be taken: First, on what is to be done; and, second, on the priorities which are then to prevail. The President has failed to face the issue of the priority which is required for the cities domestically and the priority which is required for the prosecution of the war; nor have the people been advised that a tax increase is essential to the carrying on of the war—for some fear, perhaps, that that would detract from support for the war.

The American people know how to face reality, and unless they do in this situation, the sacrifices and the unpleasant measures which face us will not be taken. I may not go along with Senator WILLIAMS in every item he has included in his bill; but I close, as I began, with the statement that it is very extraordinary and very indicative of the state of the country that two men like ourselves, of very great experience in this field but perhaps with differences in philosophy, should have come to substantially the same conclusions without any consultation with each other.

If one really is going to do what needs to be done for our country, sacrifices are required; and sacrifices exist in budget cutting, in priorities, in closing tax loopholes, and in a tax increase. The degree to which our figures are in accord is also quite remarkable.

I note the presence of the minority leader in the Chamber, and I wish to say something about my own party. I believe that my party, as the minority party, has an enormous contribution to make to the country at this time. What is the use of a minority party if it does not rise to the occasion when the occasion cries out for action, as this occasion does? That is what the party is there for. It is not supposed to follow the easiest and most pleasant line, but it must assume that the people have character, maturity, and understanding.

As we, of very different shades of ideology in our party—Senator WILLIAMS and I—have expressed ourselves so frankly today in these terms, whatever be the political attractiveness or unattractiveness of doing it, I hope that this may represent a base for real forcefulness on the part of my party in the Senate and in the House. I say to my leader and to Senator WILLIAMS that I would like to see our party take heart, and, taking text from what has been said in the Senate today, mature its own thinking, so that it can approach the American people with a program that is not safe, but that is right, and I believe the American people are waiting for that. This is a great service we can do for them; I believe that if we can benefit the country now, it is far superior to any superficial political advantage which might be gained from the administration falling on its face, as it is very likely to do in many fields, due to the existing situation both at home and abroad.

I express that hope to my leader. I do not look for answers this afternoon, because it is too important a question and too deep. However, from presentations such as we have made today, from such divergent points within our party, there should be a proper incentive within our party itself to mold a body of opinion and perhaps even a party position which is essential to the interests of our Nation at this particular time, in these very difficult waters in which we are sailing and with the very grave dangers which surround our country.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JAVITS. I am happy to yield to the distinguished minority leader.

Mr. DIRKSEN. Mr. President, I had an opportunity to read the statement of the distinguished Senator from New York this morning, because he gave me a copy. It was my privilege also to follow very closely most of the statement made by the distinguished Senator from Delaware [Mr. WILLIAMS]. I was called away from the Chamber because of a number of engineers who were here. However, what struck me so forcefully was the identity of the approach of both the Senator from New York and the Senator from Delaware. That approach, I think, comes first from the recognition that the country is in a crisis state in many respects, and also that there is going to have to be some sacrifice. There can be no sacrifice without paying for it.

It is rather interesting that the letter "i" appears twice in the word "crisis" and that the letter "i" appears twice in the word "sacrifice." It begins with "I." That is where we are going to have to start.

We cannot expect these youngsters out in Vietnam to carry the ball for the country and not respond with a sense of restraint and sacrifice back home. That is what I like about both of these statements. I think there is enough in both of them to provide something on which we can stand and which we can refashion into a foundation for the party and also for the country. Perhaps I should reverse that order and place the country first and the party second.

I am delighted that the distinguished Senator from New York has alluded to me in this matter. I propose now to let this percolate in my mind, and I trust that others will do likewise.

I had made an entreaty at our party policy meeting yesterday in the hope that we would have had a larger attendance, but I recognize, when I listen to the number of permissions we have given to committees and subcommittees to meet during the session of the Senate today, that Senators cannot be in the committee room and here at one and the same time. They will have the advantage of being able to read both of these statements, and I trust that at a very early date we can take some action so as to establish a fundamental position.

Once more I salute a tremendously liberal Senator from New York, and one whom I could properly recognize as a very conservative, the Senator from Delaware, and how closely they see this problem and how close they come in their recognition of what the remedy must ultimately be.

I salute both of them.

Mr. JAVITS. I thank my colleague very much. I am not miffed or put out by the fact that we do not have a full Chamber.

Mr. President, ideas like this have to catch on here and they have to catch on throughout the country. Whatever other distractions there may be, should this become a serious matter of consideration for us, the minority leader knows that we will be dealing with a packed Chamber very soon. The question will then be taken and digested and an effort may be made to make it the basis for an approach worthy of the tremendous crisis in which we find ourselves.

Mr. DIRKSEN. I would add only one thought. It is not a matter of whether it may be; it must be.

Mr. WILLIAMS of Delaware. Mr. President, I, too, have been favorably impressed with the statement by the Senator from New York. We both recognize that this is somewhat of a financial crisis and one that we must deal with, even if it means some sacrifice.

The Senator commented on the fact that he as a recognized liberal and I as a conservative, can agree that prompt steps must be taken. I think that can be accounted for by the fact that this is not a conservative problem which is confronting America, nor is it a liberal problem. Likewise, it is not a problem confronting the Republican Party or the Democratic Party. This is a problem confronting all of us as American citizens, and all of us are going to have to get together, whether we be liberal or conservative, Republican or Democrat, and reach a solution.

We are all going to have to join together in Congress as Americans to solve this crisis which confronts our country. I am confident that we can get such cooperation on both sides of the aisle in initiating hearings on this proposal which will be before the Committee on Finance.

As I stated earlier, we all recognize that introducing a bill in the Senate is merely a gesture to a certain extent. However, prior to April 1, 1968, we will have a bill before the Committee on Finance dealing with the proposed extension of the excise tax. That excise tax extension proposed will be forthcoming. The proposals I make today will be germane as amendments to that bill. As I stated earlier, they will be offered for consideration by the Finance Committee, and they will be offered for the consideration of the Senate at that time.

Both Congress and the administration have a responsibility to face up to this financial crisis.

Let the American people and the world at large know what steps we are going to take. We are in a position where we can face that responsibility in the Senate during the next 8 weeks. I hope that that responsibility will be accepted by Congress not as members of either party, not as liberals or conservatives, but as Americans, because it is a problem that concerns all of America.

Mr. JAVITS. Mr. President, I am grateful to the Senator and I adopt every word that he said. I hope this discussion will elevate this entire debate—which has sounded at times quite puerile—to the level at which it should be for it concerns grave issues and the lives of not only Americans in this country but the flower of American youth who are directly involved in combat at this minute.

Mr. WILLIAMS of Delaware. Mr. President, the Senator is correct. Those men who are in Vietnam are not drafted as liberals or conservatives, or as Republicans or Democrats. They are serving there as Americans. If we can display some of the same courage in the Congress as they are displaying every day on the battlefield I have confidence that we can solve the problem. We would be negligent if we did not face up to our responsibility.

Mr. JAVITS. I thank the Senator for his helpful comments.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. THURMOND. Mr. President, I congratulate the distinguished Senator from Delaware for one of the finest addresses I have ever heard on the fiscal policies of the Federal Government.

For 31 years out of 36 years we have spent more than we have taken in at the national level.

As a Democrat who sat on the other side of the aisle, I opposed big spending and deficit financing. I have opposed spending more than we have taken in since I have been a Member of the Senate. Since I crossed to this side of the aisle, I have tried to follow the same course.

It is action that will count. It is my hope that both parties, the Democratic Party and the Republican Party, will take a sound position on fiscal policy this year.

The figures brought out by the distinguished Senator from Delaware are important. There will be a $28.3 billion deficit without the tax increase; if the tax increase of $12.9 billion goes through there will still be a deficit of $15.4 billion. That in itself will be enough for the American people to demand that even though we get a tax increase, spending must be cut.

No government can continue to survive which spends more than it takes in year after year after year. As I said, that has been the case for 31 out of the past 36 years.

The Senator from Delaware is one of the best informed men in the Senate and in the Nation on fiscal questions. He is a man of unquestioned integrity and high principle. His words, I am sure, will carry great weight with the Members of this body and with the American public. It is my hope that this year some action will be taken to reduce Government spending.

I am not only concerned about big spending, which is dangerous in itself to the safety of our country, but I am also concerned about it because big spending has brought greater Federal control to States and greater regimentation of the lives of our people. Every time we enter a new program it gives the Government more power over the lives of the people and shifts power from the State level to the national level. We can accomplish a double purpose here this year if we can reduce spending.

No time is better to cut spending than this year, with the war in Vietnam going on at this moment, and with the free world being threatened by Communist aggression. We need to conserve our resources if we are to remain strong militarily. That takes billions of dollars. We must remain strong economically, as well as spiritually, if we are going to remain a free nation in the world today.

Again, I congratulate the able Senator from Delaware for his magnificent speech and wish to tell him that I think he has rendered a great service to the American people.

I also want to commend the distinguished and able Senator from New York [Mr. JAVITS] for concurring with the Senator from Delaware that we must cut spending. I did not get to hear all of his remarks, but it pleases me to hear a Senator who is considered by many to be liberal in his views take the position that we must cut spending. It is a very important step that the Senator has taken. His remarks are most important. I am sure that what he has said will bear great weight and have tremendous influence with a large segment of the American public.

It is a pleasure for me to commend both the Senator from Delaware and the Senator from New York on the positions they have taken on this fiscal question.

Mr. JAVITS. I thank my colleague from South Carolina.

Mr. WILLIAMS of Delaware. I thank the Senator from South Carolina.

Mr. JAVITS. Mr. President, to conclude debate, let me say that no one knows better than I—and we have some indication of it already—that on the problems which we will face, and the various differences as to who shall bear the burden of increased taxation, and by how much, or what the priorities should be, or what should be cut or what should be increased, we will find a common ground somewhere, or we will disagree and vote it out—whichever way it comes; but the fundamental principles are deeply established. The Senator from Delaware [Mr. WILLIAMS] and I thoroughly agree on that. We have to face the realism of the war in Vietnam because that is what is causing our problems. It is a war. Therefore, it calls for sacrifices, for financial and fiscal monetary restraints dealing in a way which otherwise would not ordinarily be dealt with in international financial problems, increasing the tax burden, risking our priorities to meet our prime emergencies, or deferring what can be deferred more readily.

I have made some suggestions as to that, as has the able Senator from Delaware, dealing with some of the longstanding needs for tax reforms at a time when they can do us the most good. That is the way to keep the ship of state in the condition in which it must be kept.

For myself, this has been a most significant afternoon. I think it will have an important influence upon events and will begin to give a feeling to and an understanding by the American people that we know what to do, that we have made a beginning, that it will be built up, and that there is real purpose to do it here in the Senate.

Mr. President, I yield the floor.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERFERENCE WITH CIVIL RIGHTS

The Senate resumed the consideration of the bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

Mr. HILL. Mr. President, I wish to address myself to the pending bill, H.R. 2516.

Mr. President, some 70 years before the birth of Christ, a young and unheralded lawyer rose in the Roman Forum to warn:

> Though liberty is established by law, we must be vigilant, for liberty to enslave us is always present under that very liberty.

These were the words of Marcus Tullius Cicero in his second oration before the Roman Senate. They were then the words of a young, inexperienced lawyer, but they were to one day become coveted in history as the wise and learned sayings of a distinguished philosopher and jurist.

Cicero was concerned that the people of Rome, along with their ambitious political leaders, had grown contemptuous of the established Constitution. He feared that too much authority was centralized in the government and especially in the hands of the ambitious politicians of the day. He worried about the growing disrespect for Roman law and ordinances, and at another point in his second oration before the Roman Senate, charged:

> He who is not for Rome and Roman law is against Rome.

Cicero was concerned and worried because he thought he saw in the complacency of the Roman people, in the disrespect for the law and ordinances, in the disregard by the Roman leaders for the established constitution, in the growing centralization of power in the government and authority in the hands of the politicians of the day, the gradual disintegration of the wealthiest and most powerful empire in the world.

Cicero dared speak out. The people would not listen. The politicians tired of his voice and warnings, which they feared could become a threat to their persuasion over the people. Proceedings were brought in the senate to banish Cicero from Rome, and the last time he appeared before that august body was in his own behalf. On that occasion Caesar, Pompey, and Brutus were there, and with others turned a deaf ear to Cicero's pleas on his own behalf and to his further pleas and warnings on behalf of the Roman Empire.

Later, as Rome continued to decay from within, Brutus called upon Cicero in exile in search of his advice and help. Brutus said that the Roman Republic was deteriorating and that Caesar was worried about collapse from within or conquest from without. Cicero replied that decadence had set in too far and too deep, that the very foundations of the Republic had been so weakened that they could no longer support the Empire, and that it was too late to save once mighty Rome. As we know, the Roman Empire eventually fell.

Yes, it fell, not to enemies from without, not to any attacks by any vandals from without; it fell from degeneration and deterioration within.

Mr. President, some 18 centuries after Cicero's orations before the Roman Senate, a small group of colonists whose forebears—and some of them for that matter—had fled the tyranny of their motherland, gathered together to hammer out a blueprint for bringing a new nation into being. This blueprint was to become a written constitution, an established constitution as Cicero referred to it in his day.

Those who gathered to write this constitution knew that history had a way of repeating itself. As such, they were ever mindful of Cicero's warning:

> Though liberty is established by law, we must be vigilant, for liberty to enslave us is always present under that very liberty.

They knew the dangers of centralized authority in the hands of a few.

Is it any wonder, then, that when this constitution was being considered for adoption, Patrick Henry told the people:

> Be extremely cautious, watchful, jealous of your liberty. Instead of securing your rights, you may lose them forever.

Distrusting a central government, he said:

> There will be no checks, no real balances in this government. . . . This government will destroy the state government and swallow the liberties of the people.

Is it any wonder, then, that George Mason, author of the Virginia Bill of Rights, who refused to sign the Constitution, warned that a centralized, consolidated government "is totally subversive of every principle which has hitherto governed us."

Is it any wonder then, that the wise old Ben Franklin, anticipating a people negligent in preserving their rights, was prompted to predict that our new government would be well administered for a few years, but that it "can only end in despotism."

Is it any wonder that some years later Lord Macaulay, the English historian, after a careful study of our Government in general and our Constitution in particular, warned the American people:

> Your Constitution is all sail and no anchor. Either Caesar or Napoleon will seize the reins of government with a strong hand, or your Republic will be as fearfully plundered and laid waste by the barbarians in the twentieth century as the Roman Empire was in the fifth—with this difference, that the Huns and Vandals who ravaged the Roman Empire came from without, and your Huns and Vandals will have been engendered within your own country by your own institutions.

Cicero warned that too much government authority was being centralized in the hands of a few, and those who knew their history warned of the consequences. And yet, Mr. President, we are being asked, in the name of preventing an interference with one's so-called civil rights, to place additional unwarranted, unnecessary and unconstitutional authority in the hands of the Attorney General and the Justice Department of the Federal Government by taking away from the individual States police powers reserved to them by the established Constitution. The bill before us is predicated on the theory that State officials do not have the character or the intelligence to enforce the laws as they now exist. Because of this distrust of State officials and the individual State's ability, the proponents of the bill before us suggest a new law which centralizes the authority in the Federal Government and further subjugates the role of the individual State in the field of law enforcement.

Cicero warned that the people of Rome and their political leaders had grown contemptuous of the established Constitution. The bill before us bears out the apprehensions of Patrick Henry, George Mason, and Ben Franklin. It violates the established Constitution by going far beyond the 14th amendment and, at the same time, limiting itself to a certain class of persons. H.R. 2516 would make it a crime for any person "whether or not acting under color of law, by force or threat of force—knowingly injures, intimidates, or interferes with, or attempts to injure, intimidate, or interfere with any person because of his race, color, religion, or national origin and because he is or has been engaging or seeking to engage, lawfully, in—"certain activities as enumerated in the bill. The proponents of the bill claim that Congress has the power to protect these activities from interference, private or public, under section 5 of the 14th amendment, the so-called equal protection clause. That section, in part, reads that "no State shall deny to any person within its jurisdiction the equal protection of the laws." The section further grants power to Congress to enforce "by appropriate legislation the provisions of this article." The only right which is guaranteed by the language and interpretation of the section and of the amendment is the right to be protected against State denial of equal protection of the laws. The section has nothing whatever to do with any private acts of activities and cannot apply to any activity conditioned by the language "whether or not acting under color of law" as contained in H.R. 2516. This has been the interpretation from the very beginning and remains so today.

In the first court case defining the powers of Congress and its powers to legislate under section 5, the case of *United States* v. *Cruikshank*, 92 U.S. 542, an 1875 case, the Supreme Court said this:

> The 14th Amendment prohibits a state from denying to any person within its jurisdiction the equal protection of the laws; but this provision *does not,* any more than the one which precedes it, and which we have just considered, *add anything to the rights which one citizen has under the Constitution against another.* (italics added) The equality of the rights of citizens is a principle of republicanism. Every republican government is in duty bound to protect all its citizens in the enjoyment of this principle, if within its power. That duty was originally assumed by the states; and it still remains there. The only obligation resting upon the United States is to see that the states do not deny the right. This, the amendment guarantees, but no more. The power of the national government is limited to the enforcement of this guaranty.

In the case of *United States* v. *Guest,* 383 U.S. 745, Mr. Justice Stewart, in support of the Court's decision, had this to say on the subject:

> The first section of the Fourteenth Amendment (which is the one relied on), after declaring who shall be citizens of the United States, and of the several States, is prohibitory in its character, and prohibitory upon the States. It declares that:
>
> "No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."
>
> It is State action of a particular character that is prohibited. Individual invasion of individual rights is not the subject matter of the amendment. It has a deeper and broader scope. It nullifies and makes void all State legislation, and State action of every kind, which impairs the privileges and immunities of citizens of the United States, or which injures them in life, liberty, or property without due process of law, or which denies to any of them the equal protection of the laws.
>
> It not only does this, but, in order that the national will, thus declared, may not be a mere brutum fulmem, the last section of the amendment vests Congress with the power to enforce it by appropriate legislation. To enforce what? To enforce the prohibition, to adopt appropriate legislation for correcting the effects of such prohibited State laws and State acts, and thus to render them effectually null, void and innocuous.
>
> This is the legislative power conferred upon Congress, and this is the whole of it. It does not invest the Congress with the power to legislation upon subjects which are within the domain of State legislation, but to provide modes of relief against State legislation or State action of the kind referred to. It does not authorize Congress to create a code of municipal law for the regulation of private rights; but to provide modes of redress against the operation of State laws and the action of State officers, executive or judicial, when these are subversive of the fundamental rights specified in the amendment.
>
> Positive rights and privileges are undoubtedly secured by the Fourteenth Amendment, but they are secured by way of prohibition against State laws and State proceedings affecting those rights and privileges, and by power given to Congress to legislate for the purpose of carrying such prohibition into effect; and such legislation must necessarily be predicated upon such supposed State laws or State proceedings, and be directed to the correction, of their operation and effect.
>
> It is commonplace that rights under the Equal Protection Clause itself arise only where there has been an involvement of the State or of one acting under the color of its authority. The Equal Protection Clause "does not . . . add anything to the rights which one citizen has under the Constitution against another." As Mr. Justice Douglas more recently put it. "The Fourteenth Amendment protects the individual against State action, not against wrongs done by individuals." This has been the view of the Court from the beginning. It remains the Court's view today.

Mr. President, note that Mr. Justice Stewart makes it clear that the individual invasion of individual rights is not the subject of the amendment and that the legislative power conferred upon Congress under the amendment is "to enforce the prohibition, to adopt appropriate legislation for correcting the effects of such prohibited State laws and State acts, and thus to render them effectually null, void, and innocuous." Mr. Justice Stewart makes it clear that the amendment "does not authorize Congress to create a code of municipal law for the regulation of private rights."

And, if any doubt remained, the Supreme Court said in *Corrigan* v. *Buckley*, 271 U.S. 323, a 1926 case, that:

> The prohibitions of the Fourteenth Amendment "have reference to State action exclusively, and not to any action of private individuals." *Virginia v. Rives*, 100 U.S. 313, 318; *United States v. Harris*, 106 U.S. 629, 639. "It is State action of a particular character that is prohibited. Individual invasion of individual rights is not the subject matter of the amendment." *Civil Rights Cases*, 109 U.S. 3, 11.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. ERVIN. Mr. President, in the recent case of *Cooper* v. *Aaron*, 358 U.S., the Court held:

> The command of the Fourteenth Amendment that no "State" shall deny to any person within its jurisdiction the equal protection of the laws means that no agency of the state, or of the officers or agents by whom its powers are exerted, shall deny to any person within its jurisdiction the equal protection of the laws; a state acts by its legislative, its executive, or its judicial authorities and is unable to act in any other way.

Does not the Senator from Alabama agree with the Senator from North Carolina that that is a correct statement of the only method by which a State can take action under the 14th amendment?

Mr. HILL. I agree wholeheartedly with the Senator. All court decisions confirm exactly what the Senator has read here. And that is the correct position. The Senator is absolutely correct.

Mr. ERVIN. Does not the administration bill proceed on the theory that when individuals violate State laws, they are acting as agents of the State?

Mr. HILL. The bill proceeds on that theory, but there is no justification for that theory.

Mr. ERVIN. Is that theory not absolutely inconsistent with the language contained in the 14th amendment?

Mr. HILL. It is indeed.

Mr. ERVIN. And is it not also inconsistent with every decision on the subject so far as the Senator from Alabama knows or has read?

Mr. HILL. It is indeed.

Mr. ERVIN. I will ask the Senator from Alabama if he knows of any words in any opinion which undertook to say that one could reach the action of individuals prior to the so-called concurring opinion in the Guest case.

Mr. HILL. I know of none.

Mr. ERVIN. The majority opinion in the Guest case, as noted by the Senator from Alabama, makes it clear that the 14th amendment is addressed only to action by States of free jurisdiction, action such as denial of the due process of law or denial of the equal protection of the laws or the denial of citizenship. However, the pending bill attempts for the first time in the history of this Nation to apply the 14th amendment to the action of individuals despite the fact that it is absolutely inconsistent with the words of the 14th amendment and inconsistent with every judicial decision construing those words.

Mr. HILL. The Senator is exactly correct.

In the case of *Corrigan* v. *Buckley* (271 U.S. 323), a 1926 case, the Court said:

> The prohibitions of the Fourteenth Amendment have reference to State action exclusively, and not to any action of private individuals.

The Court cited the case of *Virginia* v. *Rives* (100 U.S. 313, 318), and *United States* v. *Harris* (106 U.S. 629, 639), and said further:

> It is State action of a particular character that is prohibited. Individual invasion of individual rights is not the subject matter of the amendment.

Mr. ERVIN. I ask the Senator from Alabama if this is not a correct interpretation of the uniform holding of the courts since the 14th amendment allegedly became a part of the Constitution:

> Until some state law has been passed or some state action through its officers or agents has been taken, adverse to the rights of citizens sought to be protected by the 14th Amendment, no legislation of the United States under said Amendment, nor any proceeding under such legislation, can be called into activity: for the prohibitions of the Amendment are against state laws and acts done under state authority.

Mr. HILL. The Senator is correct.

Mr. ERVIN. Yet, the pending bill undertakes to take these crimes of violence and make them Federal offenses, even though they are committed by individuals and no State action whatever is involved.

Mr. HILL. The Senator is correct.

Mr. ERVIN. Mr. President, may I ask the Senator from Alabama if the due-process clause of the 14th amendment does not have a possible or alleged application every time a State law or any State action applies to or affects any individual citizen of a State or a person within the jurisdiction of that State.

Mr. HILL. The Senator is correct.

Mr. ERVIN. I say that preliminary to this question: If the theory on which the pending bill rests, that Congress can adopt affirmative legislation in matters affected by the equal protection of the laws clause, does that not mean the destruction of the Federal system which the Constitution establishes?

Mr. HILL. It does indeed. Then the Federal Government would take over all law—State, municipal, and all laws.

Mr. ERVIN. The Federal Government would have authority to ask Congress to destroy absolutely all local government in this Nation and substitute for it a centralized government in Washington.

Mr. HILL. The Senator is correct. We would do away with all of the State legislatures, municipal governments, and other governments, and centralize all governments here in Washington, as the Senator stated.

Mr. ERVIN. Was not the equal protection of the laws clause placed in the 14th amendment to prohibit the States, among other things, from adopting legislation which would apply to some citizens and not apply to other citizens in like circumstances?

Mr. HILL. The Senator is correct. And yet the pending measure would apply only to certain citizens and not to all citizens.

Mr. ERVIN. The Senator is correct. The equal protection of the laws clause prohibits a State from adopting any legislation or taking any action which is not applied or taken in like manner to any and all citizens.

Mr. HILL. The Senator is correct.

Mr. ERVIN. Under this bill, if a Presbyterian murdered a Mohammedan on account of the Mohammedan's religion, he would be committing a Federal crime, would he not?

Mr. HILL. The Senator is correct.

Mr. ERVIN. But if a Presbyterian killed 100,000 Mohammedans on account of something other than their religion or their race or their national origin, he would not come under this bill at all?

Mr. HILL. No; he would not come under the provisions of the pending bill.

Mr. ERVIN. In short, this bill makes criminality depend not upon the nature or quality of the act committed but upon the race or the national origin or the religion of either the victim of the alleged violence or the person perpetrating the violence.

Mr. HILL. The Senator is correct. It would be special legislation.

Mr. ERVIN. And it is based upon the theory—to be frank about it—that the Federal Government should offer protection to people of one race which it is unwilling to grant to people of all races.

Mr. HILL. The Senator is correct. That is a concept absolutely contrary to the fundamentals of the Constitution of the United States, as James Madison and the Founding Fathers wrote the Constitution. It is entirely contrary to the concept of our Constitution.

Mr. ERVIN. I should like to ask the Senator from Alabama if he agrees with me in the conviction that any just law is a law which applies in equal manner to all people in like circumstances, regardless of their race, regardless of their creed, regardless of their national origin?

Mr. HILL. The Senator is correct.

Mr. ERVIN. And this bill is totally inconsistent with that fundamental principle on which all just laws rest.

Mr. HILL. And on which our Constitution was written, on which our Government has rested. This bill is entirely contrary to and inconsistent with that principle.

I should like to quote from Chief Justice Vinson in another case. I had the honor, the pleasure, and the privilege of serving on the House Committee on Military Affairs with the late Chief Justice Fred M. Vinson, when he was a Member of the House. I know how able and devoted he was, what a dedicated public servant he was. I am privileged to be able to quote from his decision in the case of *Shelley* v. *Kramer* (334 U.S. 1). In that case, the Supreme Court held that State courts could not enforce racially restrictive covenants because to do so would be State action forbidden by the 14th amendment. Chief Justice Vinson wrote the decision for the Court, and I quote from it:

> Since the decision of this Court in the *Civil Rights Cases* 109 U.S. 3 (1883), the principle has become firmly embedded in our constitutional law that the action inhibited by the first section of the Fourteenth

> Amendment is only such action as may fairly be said to be that of the States. That Amendment erects no shield against merely private conduct, however discriminatory or wrongful.
>
> We conclude, therefore, that the restrictive agreements standing alone cannot be regarded as violative of any rights guaranteed to petitioners by the Fourteenth Amendment. So long as the purposes of these agreements are effectuated by voluntary adherence to their terms, it would appear clear that there has been no action by the State and the provisions of the Amendment have not been violated.

Chief Justice Vinson consistently upheld the previous interpretations of the amendment when he very emphatically stated:

> That amendment erects no shield against merely private conduct, however discriminatory or wrongful.

In Garner against Louisiana, a 1961 case, Mr. Justice Douglas, in commenting on State action under the 14th amendment, had this to say:

> It is, of course, State action that is prohibited by the Fourteenth Amendment, not the actions of individuals. So far as the Fourteenth Amendment is concerned, individuals can be as prejudiced and intolerant as they like. They may as a consequence subject themselves to suit for assault, battery, or trespass, but those actions have no footing in the Federal Constitution. The line of forbidden conduct marked by the Equal Protection Clause of the Fourteenth Amendment is crossed only when a State makes prejudice or intolerance its policy and enforces it, as held in the *Civil Rights Cases*, 109 U.S. 3.
>
> Mr. Justice Bradley, speaking for the Court, said: ". . . civil rights, such as are guaranteed by the Constitution against State aggression cannot be impaired by the wrongful act of individuals, unsupported by State authority in the shape of laws, customs, or judicial or executive proceedings."

Mr. ERVIN. I ask the Senator from Alabama if it is not a legal as well as a linguistic impossibility for a private individual to deny any person due process of law.

Mr. HILL. The Senator is correct.

Mr. ERVIN. The only way in which due process of law can be denied is by a legislative act.

Mr. HILL. That is correct.

Mr. ERVIN. Or by a judicial proceeding.

Mr. HILL. The Senator is correct. And the legislative act would be State action. It would not be individual action. The judicial proceeding would be under the power granted to a judge by the State. Am I correct?

Mr. ERVIN. The Senator is correct.

I ask the Senator if it is not his interpretation that this bill offers protection to members of certain races, colors, religions, or national origins.

Mr. HILL. It does.

Mr. ERVIN. And does he not agree with the Senator from North Carolina in this part of the minority views:

> The proponents candidly state that they do not propose to guarantee to all Americans protection from violent interference with their right to vote, to pursue their employment, or to travel. Indeed, this was one of the reasons they rejected the subcommittee's alternative.

Mr. HILL. The Senator is correct. What is said there applies exactly to this bill, as it is proposed and presented, in its language, and explained by its proponents.

Mr. ERVIN. Does not the Senator from Alabama agree with the Senator from North Carolina that it is very unwise to depart from the long established practice, which has prevailed in this country since its foundation, that the prosecution and punishment of crimes of violence should be left to the States?

Mr. HILL. I agree completely that that should be done by the States.

Mr. ERVIN. I ask the Senator from Alabama if he does not agree with the Senator from North Carolina that if Congress is to depart from that long established and wise principle, we should depart from it by a law which recognizes that the Government owes equal protection to all its citizens and not specially selected classes.

Mr. HILL. All people, not certain individuals.

Mr. ERVIN. As a matter of fact, this bill would promote inequality rather than equality before the law, does it not?

Mr. HILL. It would, indeed.

Mr. ERVIN. It would afford protection to some people and deny it to others.

Mr. HILL. It would grant special privilege to some and would deny the same rights to others.

Mr. ERVIN. And it would do that in an effort to promote equality.

Mr. HILL. The Senator is correct.

Mr. ERVIN. So it would promote equality by the strange method of giving special protection to some people and denying the same protection to all other citizens.

Mr. HILL. The Senator is correct.

Mr. ERVIN. So it is a bill which practices a gross discrimination in the name of an effort to abolish discrimination.

Mr. HILL. The Senator is correct. As the Senator says, it practices discrimination under the claim of abolishing discrimination.

Mr. ERVIN. Is the Senator from Alabama familiar with the terms of the amendment I have offered, which is now pending before the Senate?

Mr. HILL. I am familiar with the amendment.

Mr. ERVIN. Mr. President, I would like to ask the Senator from Alabama if he does not agree with the minority of the Committee on the Judiciary who would dispense with this outrageous and self-defeating limitation in the administration bill?

Mr. HILL. I thoroughly agree. As the Senator from North Carolina, the Senator from Florida [Mr. SMATHERS], the distinguished minority leader [Mr. DIRKSEN], and the Senator from Georgia [Mr. RUSSELL] declared:

> The substitute treats all citizens equally before the law.

That is what the Senator proposes. The Senator proposes that all citizens be treated equally. If there is anything that is fundamental to our American system of government, and fundamental in the thoughts and minds of the writers of the Constitution, and those who through the years have defended that Constitution, it has been that proposition that there should be equal protection for all citizens and not just special privileges for some and denial to others. Is that correct?

Mr. ERVIN. The Senator from Alabama is correct, and that is the thing which condemns the administration bill.

The administration evidently wants to convince certain groups of our citizens that it is willing to give them protection by Federal criminal statutes which it is not willing to give the great majority of our citizens.

Mr. HILL. The Senator is correct. That is clear from a reading of the bill. The bill speaks for itself. The situation is as the Senator has declared it to be.

Mr. President, as we have seen for nearly 100 years, the interpretation of the meaning of the 14th amendment has been consistent that a State action must be involved rather than a private action in connection with any denial of equal protection.

There is no doubt that the words of the 14th amendment and the uniform interpretation of it by the courts from the very beginning make it clear that only State action denying equal protection of the laws is prohibited by the 14th amendment.

Mr. President, in recent years, we have witnessed the clamor for more and more so-called civil rights legislation. The emotion of the day has carried this demand and its results far beyond the letter of the law. It has not only violated the spirit of the Constitution, but, in part, has defeated the established law itself. Cicero warned that—

> Though liberty is established by law, we must be vigilant, for liberty to enslave us is always present under that very liberty.

We are now asked to enact additional so-called civil rights legislation under the guise of "interference with civil rights." This is merely another mechanism to further infringe on the rights of the people and prerogatives of the individual States.

As the distinguished Senator from North Carolina brought out, to those who would propose further legislation in the form of the bill before us for political expediency or whatever reasons they may have, let me say that if they are sincere in enforcing the civil rights of any or all groups in America, adequate laws are on the statute books and have been for some 100 years.

(At this point, Mr. KENNEDY of Massachusetts assumed the chair.)

Mr. ERVIN. Mr. President, will the Senator yield at that point?

Mr. HILL. I yield.

Mr. ERVIN. Mr. President, I agree with the Senator with the exception of one group of citizens, the oldest Americans found upon our continent, the reservation Indians. It has been held by courts that the reservation Indians have no constitutional rights.

When the Senator from North Carolina offered an amendment before the Committee on the Judiciary to give constitutional rights to the American Indians, the proponents of this bill unanimously voted against giving constitutional and civil rights to reservation Indians.

Is that not a paradox?

Mr. HILL. It is, indeed. It surely is.

Mr. ERVIN. It provoked me to exclaim

that the proponents of this bill evidently favor civil rights for black people but they oppose them for red people.

Mr. HILL. And the red people were here before the white people or the black people arrived here. In order to be fair, I think one would have to say that the white folks took the land away from the red people.

Mr. ERVIN. And without due process of law.

Mr. HILL. Without due process of law.

Mr. ERVIN. And they did not give them equal protection laws.

Mr. HILL. The Senator is correct.

Mr. ERVIN. And they are still denying them equal protection laws and they are still denying them due process laws.

Mr. HILL. The Senator is correct.

Mr. ERVIN. And they were denied in the committee by the votes of those who profess to believe in constitutional rights for all people except red men.

Mr. HILL. The Senator from North Carolina was seeking to protect the rights of all men, whether they be red, black, white, yellow, or whatever they may be. Is that correct?

Mr. ERVIN. The Senator is correct, and to give constitutional rights to the only group of Americans who do not have them; namely, reservation Indians.

Mr. HILL. They were the folks who really owned most of the land before the rest of us got here. Is that correct?

Mr. ERVIN. The Senator is correct.

Mr. HILL. Mr. President, to illustrate what we have been talking about, section 1971 of title 42, which is derived from the act of May 31, 1870, provides that all persons otherwise qualified by law must be allowed to vote, without distinction as to race or color, in all elections whether State or Federal. That is in subsection (a).

In 1957, subsection (b) was added. That section makes it unlawful to attempt to or to intimidate, threaten, or coerce any other person for the purpose of interfering with his right to vote for Federal candidates in all elections.

Also in 1957, subsections (c), (d), (e), and (f) were added. Subsection (c) provides that when any person has engaged or there are reasonable grounds to believe that he is about to engage in any practice which would deprive any other person of any privilege accorded to him by subsections (a) and (b), the Attorney General of the United States is authorized to institute action for preventive relief in the name of the United States. The State involved may be joined as a defendant. Subsection (d) provides that it is not necessary for the party aggrieved to exhaust any administrative remedy provided by law. Subsection (e) says that in any such action the court has the right to declare that the complaining party is entitled to vote. Any election official refusing to obey such an order is declared in contempt, thereby losing, as I have demonstrated, his right to jury trial if the United States is a party and his right to the limitation of punishment otherwise provided by statute. Under this subsection, the court many appoint voting referees to determine ex parte, the qualifications of would-be voters and report to the court. Subsection (f) contains provisions governing contempt proceedings.

As a further encroachment on the rights of the States, the Congress in 1960 added section 1974 of title 42 of the code. That section requires all election officials to keep records on Federal elections regarding applications, registrations, payment of poll taxes, or other acts requisite to voting for a period of 22 months. Any official who destroys such records is subject to a fine of $1,000 and imprisonment for a period of 1 year, or both. All the records so kept are subject to inspection on demand of the Attorney General. The district courts of the United States are given authority to compel the production of such papers.

Section 1975 of title 42, sections (a) through (e) provides for the creation and duties of a Civil Rights Commission at Government expense.

Section 1981 of title 42, United States Code, which is derived from the act of May 31, 1870, reads as follows:

> All persons within the jurisdiction of the United States shall have the same right in every State and Territory to make and enforce contracts, to sue, be parties, give evidence, and to the full and equal benefit of all laws and proceedings for the security of persons and property as is enjoyed by white citizens, and shall be subject to like punishment, pains, penalties, taxes, licenses, and exactions of every kind, and to no other.

The Senator will notice here that Indians were supposed to be included, and yet they refused to include Indians. Is that correct, sir?

Mr. ERVIN. Refused by a vote of 8 to 7. The Senator from Alabama just read a part of the original so-called Civil Rights Act, did he not?

Mr. HILL. That is correct.

Mr. ERVIN. That provides for equality of all men, regardless of race, does it not?

Mr. HILL. That is right. That was the original act of May 31, 1870.

Mr. ERVIN. That is about the only law we need on the subject, is it not?

Mr. HILL. It would seem to cover everything.

Mr. ERVIN. I invite the attention of the Senator from Alabama to the words of Mr. Justice Bradley in the civil rights cases, 109 U.S. 3, page 25, October 25, 1883, which states:

> When a man has emerged from slavery, and by the aid of beneficent legislation has shaken off the inseparable concomitants of that state, there must be some stage in the progress of his elevation when he takes the rank of a mere citizen, and ceases to be the special favorite of the laws, and when his rights as a citizen, or a man, are to be protected in the ordinary modes by which other men's rights are protected.

In effect, that is a statement that all men are equal before the law, that no group of men, no race of men, should demand special laws for their exclusive benefit; is that not correct?

Mr. HILL. That is right.

Mr. ERVIN. Is not the pending bill absolutely inconsistent with that statement of Mr. Justice Bradley?

Mr. HILL. It flies in the teeth of that declaration.

Mr. ERVIN. The pending bill would undertake to make special laws for special groups of citizens and to provide that, instead of having their rights protected by certain modes by which other men's rights are protected, they will have special and extraordinary laws for their benefit which other citizens will be denied having the same benefits; is that not correct?

Mr. HILL. The Senator is correct.

Mr. President, section 1982 of title 42, which is derived from the act of April 9, 1866, reads as follows:

> All citizens of the United States shall have the same right, in every State and Territory, as is enjoyed by white citizens thereof to inherit, purchase, lease, sell, hold, and convey real and personal property.

All citizens—no matter whether white, black, red, or yellow, or what their color might be.

Section 1983 of title 42, which is derived from the act of April 20, 1871, reads as follows:

> Every person who, under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceedings for redress.

It is not like the pending bill. It covers everyone no matter what their color or who they might be. Is that not correct, I ask the Senator from North Carolina?

Mr. ERVIN. It is.

Mr. HILL. Mr. President, subsections (2) and (3) of section 1985 of title 42, which are derived from the acts of July 13, 1861, and April 20, 1871, provide for damage suits against two or more persons who conspire to deprive any person of a long list of constitutional rights. The action may be brought against any one or more of the conspirators.

Section 1986 of title 42, which is derived from the act of April 20, 1871, subjects any person having knowledge of such a conspiracy to the same liability as the conspirators if he has power to prevent or aid in the preventing of the carrying out of the object of the conspiracy and neglects or refuses to do so.

Section 241 of title 18, which is derived from the act of May 31, 1870, provides for a fine of $5,000 or imprisonment for 10 years, or both, if two or more persons conspire to injure, oppress, threaten, or intimidate any citizen in the free exercise and enjoyment of any right or privilege secured to him by the Constitution and laws of the United States, or if two or more persons go in disguise on the highway, or on the premises of another, with the intent to prevent or hinder his free exercise or enjoyment of any right or privilege so secured.

Section 242 of title 18 provides that whoever, under color of any law, statute, ordinance, regulation, or custom, willfully subjects any inhabitant of any State, territory, or district to the deprivation of any rights, privileges, or immunities secured or protected by the Constitution or laws of the United States by reason of his color or race, shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.

Section 1987 of title 42, which is derived from the acts of April 9, 1866, and May 31, 1870, provides that the U.S. attorneys, marshals, and deputy marshals, the commissioners appointed by the district and territorial courts, with power to arrest, imprison, or bail offenders, and every other officer who is especially empowered by the President, are authorized and required, at the expense of the United States, to institute prosecutions against all persons violating any of the provisions of sections 241 and 242 of title 18 and to cause such persons to be arrested, and imprisoned or bailed, for trial before the court of the United States having cognizance of the offense.

Section 1992 of title 42, which is derived from the acts of April 9, 1866, and May 31, 1870, provides that whenever the President has reason to believe that offenses have been or are likely to be committed against the provisions of sections 241 and 242 of title 18, within any judicial district, it shall be lawful for him, in his discretion, to direct the judge, marshal, and U.S. attorney of such district to attend at any place within the district, and for such time as he may designate, for the purpose of the more speedy arrest and trial of persons so charged, and it shall be the duty of every judge or other officer, when any such requisition is received by him, to attend at the place and for the time designated.

Now, except for the statutes I have indicated which were passed for the special benefit of the Negro citizen in 1957 and 1960, all of these laws were on the books during the days of so-called reconstruction in the South. No laws for the special benefit of one class of citizen, such as these, can be found in the historical jurisprudence of any nation on the face of the earth.

On April 17, 1879, Senator Daniel W. Voorhees, of Indiana, delivered a denunciation of these laws on the floor of this Senate. He did so out of his deep concern for the established Constitution and for the survival of this Nation. He, too, warned of the dangers of concentrating too much power in the Federal Government. In fact, he went so far as to say that "the complete withdrawal of all powers from the people and the States and their centralization in the executive department" which is his way of thinking was resulting from the Reconstruction Acts recently passed, was "the logical conclusion of a well-wrought plan, perfect in all its details, for a revolution and ultimate monarchy." I cannot improve upon Senator Voorhees' imperishable words and I quote them in part:

> A centralization of power in the hands of the federal government over the local rights of the people and the states has been consummated which would have startled Alexander Hamilton in his day, although he believed in a monarchy.

That is what Senator Voorhees thought of these acts—and he was from Indiana, north of the Mason and Dixon line.

Mr. ERVIN. I would like to ask the Senator from Alabama if these so-called civil rights bills and acts that have been before the Senate in recent years have not done one or the other of these things: They have centralized here in the Federal Government powers which can only be wisely exercised at the local level; have they not?

Mr. HILL. That is certainly correct. That is exactly what they have done.

Mr. ERVIN. In many cases, have they not taken away from all American citizens rights far more precious than those which they have attempted to confer upon one segment of our society?

Mr. HILL. That is correct. That has been the exact result of these acts.

Mr. ERVIN. I will ask the Senator if many of them have not taken away from individuals rights which have always belonged to individuals, and which individuals ought to be permitted to exercise if freedom is to be preserved, and placed the supervision of those rights in the hands of bureaucrats here in the city of Washington?

Mr. HILL. That is correct; building up more and more power in the hands of bureaucrats in Washington.

Mr. ERVIN. I ask the Senator from Alabama if in many cases, instead of giving rights to people for whom these bills allegedly were passed, they merely augmented the power of officials in the government who are not elected by the people and who are not responsible to the people.

Mr. HILL. That is correct. These bureaucrats are not elected by the people or responsible to the people. Yet these acts just build up more and more power in the hands of the bureaucrats.

Mr. ERVIN. Does not the Senator from North Carolina recall that the very wise English philosopher, Hobbes, declared that freedom is government divided into small fragments?

Mr. HILL. He did, indeed; and nothing more nearly conveyed the thinking of Thomas Jefferson than the thought just expressed by the distinguished Senator from North Carolina.

Mr. ERVIN. I would like to ask the Senator from Alabama if those who drafted our Constitution did not have Thomas Hobbes' aphorism in mind when they gave certain powers to the Federal Government and reserved all other governmental powers to the States.

Mr. HILL. That is correct. That is certainly right. They were very careful to give only certain powers to the Federal Government and reserve all other powers to the States.

Mr. ERVIN. Does not the Senator from Alabama recall that a great Democratic President, Woodrow Wilson, who perhaps understood more about government than any man who ever lived in the White House, stated that the centralization of governmental powers has always preceded the destruction of human liberties?

Mr. HILL. That is right. He made that very declaration.

Mr. ERVIN. I will ask the Senator from Alabama if he has not observed that as a result of the passage of these laws to make certain segments of our society special favorites of the law, or attempt to do so, they have resulted in the centralization of governmental power and the destruction of liberties of all Americans.

Mr. HILL. That is correct.

Mr. ERVIN. I should like to direct the attention of the Senator to the Civil Rights Act of 1964, and especially to title 6, which authorizes the executive branch of the Federal Government to use billions of dollars of tax moneys to either bribe or browbeat certain local officials into accepting the views of Federal bureaucrats.

Mr. HILL. Yes.

Mr. ERVIN. Did not that title of the Civil Rights Act in effect make each agency of the Federal Government administering a Federal program a lawmaker?

Mr. HILL. It did.

Mr. ERVIN. In the sense that they had the right to write regulations?

Mr. HILL. It gave them that power.

Mr. ERVIN. In addition to making them lawmakers, the act gave them investigatory power to investigate violations of the regulations they made?

Mr. HILL. That is correct.

Mr. ERVIN. It also gave them power to prosecute in the sense that they could prefer charges for violations of their regulations and also act as judge, jury, and executioner?

Mr. HILL. That is correct.

Mr. ERVIN. Does not the Senator from Alabama recall that James Madison stated, in substance, on one occasion that the concentration of all power of government, legislative, executive, and judicial, in the same hands constituted the essence of tyranny?

Mr. HILL. That is right; and when he wrote the Constitution, above everything else he was seeking to avoid that very thing.

Mr. ERVIN. Does not the Senator from Alabama agree with the Senator from North Carolina that the right of trial by jury is one of the great beneficiaries not only of justice but also of liberty?

Mr. HILL. That is correct. I have often read the speech made in the case of Ex parte Milligan, with which the Senator is familiar, I am sure, on the right of trial by jury. One cannot read that speech without realizing what that right means and knowing what a tremendously precious right it is under a democratic system of free government.

Mr. ERVIN. I ask the distinguished Senator from Alabama if the recent acts which have been passed in recent years——

Mr. HILL. Let me add to my previous statement that that speech was made by Jeremiah Black in Ex parte Milligan.

Mr. ERVIN. Who was one of the greatest American lawyers.

Mr. HILL. That is right. That speech proclaimed so magnificently and wonderfully what the Senator has been saying. He described in that great speech how the Constitution became a written document. He said the men drew on all the great documents of English law, such as Magna Carta, the Bill of Rights, the Petition of Rights, and the principles of common law, and whatever they found there, to secure liberty and give the people of the nation security against governmental tyranny they incorporated in our Constitution.

Mr. ERVIN. I would like to ask the

Senator from Alabama whether in America anyone, whether he wears black judicial robes or occupies any other official position, who prostitutes the words of the Constitution, including the words of the 14th amendment, is not paving the way for tyranny in this land of ours.

Mr. HILL. That is exactly correct. That is exactly what Patrick Henry George Mason, and Benjamin Franklin, from whom I quoted earlier, were seeking to warn us against—the concentration of power in the hands of the Federal Government.

Mr. ERVIN. And was not one of the prime purposes of the Constitution to see that we have a government of laws rather than a government of men?

Mr. HILL. That is right.

Mr. ERVIN. When the power to write regulations and the power to exercise, according to their own discretion, investigatory power, prosecution power, and judicial power, is given to Federal agencies, are we not destroying the very purpose of the Constitution?

Mr. HILL. We are, indeed. We are going directly contrary to the intent and purport of the Constitution.

Mr. President, may I remind you that Patrick Henry, George Mason, and Benjamin Franklin warned us of this "centralization of power in the hands of the Federal Government." George Mason said that a centralized, consolidated government "is totally subversive of every principle which has hitherto governed us."

To continue with Senator Voorhees' words:

> Sir, these laws are not the offspring of that great instrument which has descended to us with ever-increasing strength and glory from the days of our Revolutionary ancestors. They emanate rather from that malignant spirit of political oppression and tyranny which preceded the French Revolution, and caused its fires at last to break forth, which filled the prisons of France with victims arrested on secret orders, and made every citizen tremble as one who fears a blow in the dark. They emanate from that spirit which ruled over Venice, when a whisper or a look of suspicion was more to be dreaded than the blow of a dagger, and when the silent and voiceless accusation doomed its object to walk the Bridge of Sighs into the caverns of a ruthless and lingering death. In English history there never was a period in which they could have been executed. Charles I lost his head. James II his throne. and George III his American colonies in attempting far less encroachments on the liberties of Englishmen than these laws perpetrate on the liberties of Americans. Dionysius, the tyrant of Syracuse, suspended a sword by a single hair over the heads of his guests at a banquet, and enjoyed their terror. The party but yesterday in power in this chamber has suspended over the heads of the American people and put into operation in their midst enactments far deadlier than the sword; for, without the unassailable safeguards of personal liberty, life itself is of no value.

Then he declared:

> We are in the very vortex of the whirlpool wherein every local privilege, every right of citizenship, all the sanctuaries of home, and of the ship of state itself are being drawn down and dashed to pieces, and yet the cry that all is well, uttered by false pilots, lulls us into a sense of security and repose. I call upon my countrymen to awaken, for the hour of mortal peril to their institutions is here. * * * I invoke against them (these laws) the memories of the mighty dead who fell for independence; who enriched the soil of Massachusetts with their blood at Lexington, Concord, and Bunker Hill; who struggled with Washington at Brandywine, and charged under his eye at Princeton, Trenton, and Monmouth; who tasted death at Camden, the Cowpens, and Eutaw Springs, in order that we might be free; who yielded up their brave spirits on the plains of Yorktown in the precious hour of final victory. By these great souls, by their privations, sorrows, anguish, and pain, I implore the American people not to forget the value of those liberties which are now trampled under foot with every circumstance of scorn and contempt.

He added:

> There are fifteen sections in this title, and they embrace the assertion and enforcement of every right and privilege known to American citizenship. They were prepared and enacted for the purpose of placing the negro on an exact equality in every particular with the white man before the law, and they consequently cover as much ground as the constitution itself.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. ERVIN. I ask the Senator from Alabama, On what theory is it worse to use violence to deny a Negro his constitutional rights than it is to use violence to deny a white man his constitutional rights? The bill is based on that theory, is it not?

Mr. HILL. On that theory.

Mr. ERVIN. Why is not a constitutional right of any man just as precious as a constitutional right of every other man?

Mr. HILL. Our Government is founded on that very principle.

Mr. ERVIN. If the constitutional rights of one man of one race are to be protected, then are not the constitutional rights of all other men. of every race, to be protected?

Mr. HILL. Of all other men.

Mr. ERVIN. I invite the Senator's attention to the following statement in the minority views on that point:

> If it is to work for any, the machinery of Federal justice should work for all. The premise of our Constitution is equal justice under law. Just as it is unconstitutional to legislate against particular individuals or groups, so the mantle of Federal protection should not be spread over one group of citizens who are injured or threatened in the exercise of their Federal rights, and not over all others. Our forefathers fled the tyrannies of governments based on special rights for special citizens. They knew the dangers of legislation which serves only the few, and it was for this reason they determined that in America all men should stand equal before the law. They meant that this principle should be respected by all three branches—by Congress as well as by the executive and the judicial branches of government.

Mr. HILL. That is certainly true.

Mr. ERVIN. And is not this administration bill totally repugnant to that principle?

Mr. HILL. To this principle.

Mr. ERVIN. Yes.

Mr. HILL. I continue to quote from the statement of Senator Voorhees of Indiana:

> For instance, the first section of this title provides for the right to make and enforce contracts, to sue, be parties, and give evidence; and the second section provides for the right to inherit, purchase, lease, sell, hold, and convey real and personal property. * * * The third section of this title relates to actions at law and suits in equity for damages by such as deem themselves deprived of any rights, privileges, or immunities secured by the constitution and laws. The fourth section treats of conspiracies—first, to intimidate persons from accepting and holding office; second, to deter witnesses from testifying in any United States court to influence grand or petit jurors, or in any manner to impede or defeat the due course of justice; and third, to deprive any class of persons of the equal protection of the laws, or to prevent any one from voting for the candidate of his choice. The section concludes by giving a right of civil suit for damages to any one conceiving himself aggrieved under its provisions.

Senator Voorhees continued:

> I will not stop to say this is monstrous. That will be the universal verdict. I will not pause to denounce such laws as wholly infamous, for that will be the judgment not only of the American people but of all the civilized nations of the world. Simply to call up and exhibit such a horrible death's head as this in the laws of a commonwealth pretending to be free is enough to excite the jeers, the hisses, and the execrations of every lover of liberty on the habitable globe. * * *

Senator Voohees then turned his attention to what is now section 1992 of title 42 of the Code which allows the President to order the judge and other officials of any district court to a particular place and for a particular time for the purpose of the more speedy trial of persons charged with civil rights offenses. He said:

> In the old and darker days of English jurisprudence we read of juries in a state of disagreement being carted through the circuit from one point to another until coerced into finding a verdict, but I think this is the first instance in civilized history where the court itself, with all its officers, was compelled to travel, to stop and to open for business at the discretion and the command of executive authority. The President perhaps a candidate for re-election.

That has a somewhat familiar sound today, does not the Senator from North Carolina agree?

Mr. ERVIN. Well, at this hour, when the world is almost on fire, when the deficit in our balance of international payments is so threatening, and when our national financial house is in such disarray and disorder, it does seem to me some things ought to have priority over what the Senate is doing now.

I cannot understand why the administration would advocate a bill which can only give the impression to one segment of our citizens that it is willing to make them the special favorites of the laws and give them protection in the Federal criminal courts which it is unwilling to give to all other citizens. I do not know what prompts the administration to take such a course of action as that. While the bill is obviously racially motivated, I think perhaps in its origin it may have some political motivation as well.

Mr. HILL. Senator Voorhees went on to say:

> The President, perhaps a candidate for reelection, has only to pretend to believe that offenses are likely to be committed and he can at once send the courts where he pleases, to remain as long as he orders, intimidating and overawing the inhabitants of any

> county, parish, or town that is politically opposed to him. The judges of the circuit and district courts of the United States are reduced to a state of itinerancy for political purposes whenever any administration from motives of party success shall order them to move on. * * * This conjunction of all the great powers of this government in the hands of the executive is not accidental nor the result of thoughtless action. It is the climax of a premeditated system for the complete withdrawal of all powers from the people and the states and for their centralization in the executive department. It is the logical conclusion of a well-wrought plan, perfect in all its details, for a revolution and ultimate monarchy. There was a party, when our constitution was formed, in favor of what they styled a higher-toned government; that is to say, a government further removed from the sovereign will of the common people. The idea of such a government was embraced in the draught of a constitution to the convention of 1787 by the great leader of the federalists providing for a hereditary monarchy and corresponding departments of government. There is a far larger party today in this country in favor of the principles then enunciated than there was at that time, and the laws are now in force to put them at once into active operation.

Earlier in the debate there had been some argument that these laws were not to be dreaded because they had not been enforced except against the South. Senator Voorhees disposed of that in this prophecy:

> Notwithstanding the derision of the Senator from Maine, all history attests the danger of leaving instruments of usurpation and oppression ready for the use of those entrusted with executive authority. The usurper will come at last. The hour of his advent is inevitable. The temptations of supreme and arbitrary power have never yet failed to develop a Caesar, a Cromwell, or a Napoleon, whenever the people have relaxed their vigilance and suffered their laws to pave the way toward despotism.

Later he went on:

> And what cause is to be assigned for all these violent departures from the original principles and purposes of this government? Who will stand forth and justify them, and say why the very elements of civil liberty must now be destroyed in our midst? Is this massive structure of despotism, created by the laws I have pointed out, made necessary by the results of the war which ended fourteen years ago; and must it be upheld for the government of the southern states? If so, then indeed has the North paid a dearer price than has ever yet been estimated for the preservation of the Union. Time repairs the loss of treasure and assuages a nation's grief for her gallant dead, but for the loss of liberty there is no compensation, and after it there comes no resurrection. The conquest of the South at the expense of free elections and upright courts would be a most dismal and barren victory, recoiling with curses on this and all succeeding generations. What shall it profit the American people if they gain the whole earth and lose their own liberties?

Senator Voorhees spoke these words nearly 90 years ago. They sum up the case, not for the people of the South, but for the people of the Nation. And, remember these are not the words and remarks of a southerner, but the words of a Member of the Senate from the Hoosier State of Indiana.

Mr. President, the very essence of H.R. 2516 is a threat to any form of democracy. In the name of preventing interference with civil rights, it would subvert the written Constitution and take from the American people and the individual States rights and powers reserved to them by the Constitution, to centralize in the hands of a Federal Government. Thomas Jefferson, whose mind and wisdom contributed so mightily to the course and destiny of this Nation a century and a half ago, declared:

> The way to have good and safe government is not to trust it all to one, but to divide it among the many, distributing to every one exactly the functions he is competent to. Let the national government be entrusted with the defense of the nation, and its foreign and federal relations; the state governments with the civil rights, laws, police, and administration of what concerns the state generally . . . What has destroyed liberty and the rights of man in every government which has ever existed under the sun? The generalizing and concentrating all cares and powers into one body . . .

The generalizing and concentrating all cares and powers into one body, Mr. President—the sum and total of H.R. 2615.

Let us take note and lesson. Let us not, in this year of our Lord, 1968, knowingly make prophetic the fears expressed by the wise old Benjamin Franklin nearly 180 years ago when he told the people of this young Nation, after it adopted its Constitution, that they had gained a free and independent nation, but he doubted if they had the wisdom and ability to keep it.

Mr. President, I am glad to have present in the Chamber the distinguished Senator from Nebraska [Mr. HRUSKA] who joined with the distinguished Senator from North Carolina [Mr. ERVIN], the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], and the distinguished Senator from Florida [Mr. SMATHERS] in the minority views on the pending legislation.

AN AMERICAN GENERAL ANALYZES THE VIETNAM WAR

Mr. BYRD of West Virginia. Mr. President, despite the massive coverage of Vietnam by the American news media, there exists in the minds of many people a great deal of confusion about the progress we are making toward our objectives there. This is perhaps a natural consequence of the unique character of that conflict.

Despite the use of naval and air power and large Army units, Vietnam remains basically a guerrilla war. There is no front in the classic sense where victories and defeats are easily measured. Despite this fact, however, in the past 2 years there has been increasing demonstrable evidence that we are defeating the Communists militarily. And, while the war goes on, we are engaged at the same time in helping South Vietnam to build itself politically, economically, and socially—a complex and painstaking process which rarely commands headlines. In this we have also seen some notable advances including the development of a constitutional, elected government in Saigon.

An excellent analysis of this progress appears in the February issue of Air Force magazine under the byline of Brig. Gen. Robert N. Ginsburgh, of the U.S. Air Force, a member of the Office of the Chairman of the Joint Chiefs of Staff.

In his article, General Ginsburgh measures the trend of our progress against five key factors: military effectiveness, population alinement, political viability, the impact of bombing North Vietnam, and Hanoi's view of the United States' will to persist.

In the first four of these factors, the author finds the trends to be in our favor. But he finds that Hanoi continues to believe that we will not persevere in Vietnam.

General Ginsburgh suggests that greater public understanding of our steady progress would lead to greater public support—and thus help shorten the war by ridding Hanoi of the mistaken belief that we will eventually tire of the war and abandon our objectives.

Mr. President, I ask unanimous consent that General Ginsburgh's article be inserted in the Congressional Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Tides of War

(By Brig. Gen. Robert N. Ginsburgh, USAF)

The war in Vietnam is undoubtedly the most fully reported and probably the least understood war in American history.

The main obstacle to understanding is the lack of a front line. Not since the days of the Philippine insurrection in the early 1900s has the US public been faced with such an obstacle to understanding. The Philippine insurrection was probably the second most unpopular war in our history.

At the very beginning of this war in Vietnam, the lack of a front line obscured the fact that this was a case of aggression by the North Vietnamese against their neighbors to the South. From the Communist point of view, a major advantage of a war of national liberation is that it clothes aggression with a cloak of ambiguity. There are still many people today who refuse to accept this fact—who persist in describing the war in Vietnam as a civil war or an internal revolution. This is not to say that there are not significant numbers of native-born South Vietnamese who have taken up arms against the Government of South Vietnam. This particular technique of aggression from within could not have begun had there not been disaffected elements within South Vietnam. It has long been clear, however, that these elements within the South have been organized, directed, supplied, and reinforced by men from the North. As the war has proceeded, North Vietnamese involvement has become greater and more obvious. Today, more than half of the Communist main and local forces are manned by North Vietnamese.

The lack of a front line is, of course, not the only obstacle to understanding. The most vocal critics of US policy in Vietnam have been those who have felt that the United States has no vital interest at stake in Vietnam, that we should never have committed the US to Vietnam's defense in the first place and that the sooner we get out the better. At least some of these critics recognize this war for what it is, but they feel it is not in the US interest to combat Communist aggression—especially in Asia. To them the lack of a front line makes no difference.

Yet there is a large segment of the American public for which a front line—or an understandable substitute—does make a difference. There are many Americans who don't believe we should have become involved (or were unsure about it), but since we are involved, think that we should carry through with our commitment—if it is feasible and if it can be accomplished without excessive cost. There are many others who originally supported or acquiesced in US intervention but who are becoming frustrated by lack of visible progress, despite great US commitments of men, materiel, and money.

It is not an easy job to construct a substitute for a front line. There is no one simple indicator. We have to resort to statistical indicators. At best, statistics are difficult to understand. They are subject to abuse and misuse. They are subject to many different interpretations. Because of their magnitude, they are not easily amenable to the responsible, independent checks that we expect from the American press. Some statistics must remain classified because their publication would give aid to the enemy—and by the enemy I do not mean critics of Administration policy. Finally, any set of statistics about Vietnam must be looked at with some suspicion because of the inadequacy and inaccuracies of the basic data.

Nonetheless, the task must be undertaken. With all their shortcomings, statistical indicators—if viewed in perspective—are better than nothing.

There is an infinite variety to the indicators which could be used to shed light on the war.

As a point of departure, I suggest five key variables as an index of the trend of the war. There are many other variables which may be significant, but any listing of the key factors ought, at a minimum, to include these factors: military effectiveness, population alignment in South Vietnam, political viability of the Government of South Vietnam, the impact of bombing North Vietnam, and Hanoi's view of the US will to persist.

COMPARATIVE MILITARY EFFECTIVENESS

In evaluating comparative military effectiveness—lacking a front line—indicators such as the following are relevant: enemy strengths, loss ratios, enemy desertions, friendly desertions, and enemy initiative. What do these indicators show?

Combat strength of the North Vietnamese and Viet Cong main and local forces increased in a straight line projection to about 126,000 in the summer of 1966. In late summer, this strength peaked, decreased, and is now about 118,000. The strength of Viet Cong units appears to have peaked perhaps six months earlier, but up until the late summer of 1966 North Vietnam infiltration more than made up for declines in Viet Cong strength.

Force levels are, of course, heavily influenced by losses. We find that the enemy losses are considerably greater than those of friendly forces. While this may seem a grisly indicator, nonetheless the ratio of enemy killed in action to friendly killed in action is relevant. This ratio hit a low point in the summer of 1964. At the time of the Tonkin Gulf incident, the South Vietnamese were losing one man for each 1.7 of the enemy. The ratio was almost as low (2 to 1) in February of 1965 when the United States began bombing the North and again in the early summer of 1965 when US ground units began to arrive in force. Other than these two periods, the ratio has trended generally upward until the present, when we are killing between four and five times as many enemy troops as they are killing of our forces.

Another indicator is desertions. On the basis of US experience, desertions from the South Vietnamese forces seem inordinately high. This is true even if we accept the estimate that twenty percent of these deserters eventually return to their units. Nevertheless, there is a bright spot. The trend, at least, is in a favorable direction. In 1965, the South Vietnamese were losing each month between fifteen and twenty out of every thousand troops (or 180 to 240 per year). In early 1966, it was about twenty-three per thousand. Since that time, it has gone generally downward until it is now below ten per month. This is still extremely high, but it represents a better than sixty percent improvement in eighteen months.

Meanwhile, enemy defection rates have increased by about 170 percent. From a low of less than two per thousand per month at the beginning of 1965, they increased to almost five in the summer of 1967. It should be noted that enemy defection rates cannot be directly compared with South Vietnamese desertion rates. First of all, the South Vietnamese rates include "temporary deserters" who eventually return to their units. Secondly, the enemy defectors are permanently lost to the enemy. Thirdly, the defectors do not include those who desert without turning themselves in to the Government of Vietnam.

It has been variously estimated that total enemy desertions might be from two to four times enemy defections. Thus, it seems likely—but by no means certain—that the enemy desertion rate is at least as high as the South Vietnamese rate and perhaps more than twice as high. In any event, the trend is clear: The South Vietnamese desertion rate has been going down, and the enemy rate has been going up faster.

Weapons losses provide another indicator. From early 1963 until the summer of 1966, the army of South Vietnam consistently lost more weapons to the Communists than it captured from them. In February 1965, the South Vietnamese were losing three times as many weapons as they were capturing. Thus, there was a large measure of truth in the quip that the U.S. was supplying both sides with weapons. Despite setbacks from time to time, the general trend has been upward since February 1965. Since the summer of 1966, the South Vietnamese have never lost more weapons in a month than they have captured. At present, they are capturing 4.6 weapons for each one they lose.

All of these indicators suggest that the military trends are running against the Communist forces. Yet, it is obvious that they are far from defeat. They still retain an effective military capability. In fact, in some respects they still have the initiative. For example, since the late summer of 1965, there has been a generally upward trend in the number of attacks that the North Vietnamese and Viet Cong have initiated. This indicator reached its highest point last summer, when the Communists were averaging more than five times as many attacks as they were in mid-1965.

The nature of these attacks has changed, however. Although the total is up, the number of large-scale attacks is down considerably. Attacks of battalion size or larger reached a peak in the fall of 1965. After the Communists were severely beaten in the Plei Me-Ia Drang battle, there was a sharp drop in their large-scale initiatives. Late in 1966, the Communists began a new round, and the number of large-scale attacks sharply increased through the spring of 1967. The number never reached its previous peak, however, and since then there has been a slackening in their initiative. This trend, of course, does not tell the whole story because recent months have seen some of the bitterest fighting of the war in the border areas of the Demilitarized Zone, Laos, and Cambodia.

It can reasonably be argued that all of these indicators have serious weaknesses. There is no question that much of the basic data is very shaky. The significant point, however, is that they show a direction of movement. Even if they ought to be much higher or lower, they do show a valid trend. And that trend is in a generally favorable direction.

POPULATION ALIGNMENT

More important than any indices of comparative military effectiveness is the result. To get an idea of the result of our operations, changes in the alignment of the population of South Vietnam are relevant.

The alignment of the population is what the war is all about. Yet, this is an especially difficult variable to measure because of the inaccuracy of the basic population data and the difficulty of defining and measuring alignment. Despite the basic shortcomings of the data, certain broad trends are clearly discernible.

In mid-1965, there were at most some 7.7 million people—no more than forty-seven percent of the population—living in areas under the government's protection. Some 3.7 million—about twenty-two percent—were living in Viet Cong-dominated areas. By the end of September 1967, about sixty-seven percent of the population was under the protection of the Government of Vietnam, and about seventeen percent under the Viet Cong. Thus, the percentage of people afforded protection from Viet Cong terrorism has risen by almost one-half, and the percentage under Communist domination was reduced by more than one-fourth.

During this period, the contested (or in terms of a Gallup poll "undecided") changed from thirty-one percent to sixteen percent. The contested percentage is sufficiently high to be a significant factor. In mid-1965, if the "contesteds" had swung to the VC, they would have held a majority of fifty-three versus forty-seven. Today, however, the contested population is not sufficiently great to provide a "swing vote" to the Viet Cong, even if they were really 100 percent aligned with the Communists.

It must be remembered, of course, that protection and control are relative terms. Government protection has not been able to prevent major acts of terrorism in the hearts of the cities. Neither have we in the U.S. been able to eliminate lawlessness in our cities or prevent major riots.

From captured documents we get independent, though scattered, data which confirm both the trend and general order of magnitude. One Viet Cong document, dated in early 1966, complained about the loss of one million people from the rural areas of government controlled urban areas. Another document, dated in late 1966, noted that 400,000 people had been added to government control in one area. A third document acknowledged the loss of 180,000 people in one province alone.

In addition, we have the results of three elections in Vietnam in the past two years—a fantastic wartime feat in itself. In May 1965, out of 4.2 million registered voters, 3.8 million voted in the municipal and provincial elections. In September 1966, out of 5.2 million registered, 4.3 million voted in the Constituent Assembly elections. In September 1967, of 5.8 million registered, 4.8 voted in the presidential and upper house elections.

If these statistics are compared with the total adult population of South Vietnam, the results are strikingly similar to the population control results. In each election, the registrants were slightly above the population control percentages while the actual voters were slightly below.

What do all these figures mean?

First, even if the beginning and ending percentages are considerably in error, the favorable trend is clearly evident.

Secondly, the reasons for this trend are important. The figures do not mean that four million people have switched their allegiance from the Viet Cong to the government. Some have, because VC control has decreased. Many more people have simply left their villages in contested areas in order to move to government-protected areas where they could be safe. Many others have left contested areas or poverty pockets. to move to the cities and larger towns where they could find jobs.

Thirdly, whatever the motivation, the numbers are meaningful—especially to the Viet Cong. They mean fewer people to pay VC taxes, raise food for them, and man their army. We have convincing, confirming data from the Viet Cong themselves—via captured soldiers and documents—that they are feeling the pinch. Every month from province after province we hear that their major problems are manpower, money, food, and morale.

POLITICAL VIABILITY OF THE GOVERNMENT

Over the long haul, it is not population control per se that is the crucial factor but the political viability of the government itself and its ability to satisfy the aspirations of the people.

Because of the crucial importance of this factor, it is rightfully the one which should give us the greatest concern. Vietnam's recent history of coups, countercoups, and short-lived governments demonstrate that there is ample cause for concern. On the other hand, the Vietnamese political achievements in the last two years have been considerable. They have held provincial and municipal elections. They have elected a Constituent Assembly which, in turn, created a Constitution. And they have freely elected a President and national legislature in accordance with that Constitution.

This is a considerable achievement in less than two years. It is even more remarkable that it was achieved while there was a major war in progress threatening the very survival of the nation. It is a feat that many politically more sophisticated countries with less history of political instability can envy.

The final returns, of course, are not in. The most difficult tests are probably still ahead of the new government.

One of the major tests is the Revolutionary Development (RD) program. Progress in this program has been considerably less than we and the Vietnamese might have desired.

Far more resources are now being devoted to this program. A growing proportion of the Vietnamese armed forces is being redirected to provide the security which is indispensable to the program's success. The number of RD teams is increasing dramatically. The RD budget has been substantially increased. A variety of new techniques are being explored to speed progress.

In sum, for all its imperfections, the Revolutionary Development program is better than anything we have had in the past, and some progress is evident.

THE BOMBING OF NORTH VIETNAM

Probably the most controversial indicator is the impact of the bombing of North Vietnam.

The primary basis for this controversy stems from the use of two separate arguments which are rarely coherently related to each other.

On the one hand, it is obvious that we have not and probably cannot reduce North Vietnam's capacity so they can't move men and supplies into the South. On the other hand, it is obvious that North Vietnam has suffered severely under the impact of the bombing.

To relate these two points of view, it is essential to realize that it was never anticipated that the bombing would be able to halt the flow of men and supplies to the South.

As President Johnson pointed out in his speech to the Tennessee Legislature on March 15, 1967, there are:

Three purposes in selective bombing of military targets in North Vietnam:

(1) To back our fighting men by denying the enemy a sanctuary.

(2) To exact a penalty against North Vietnam for her flagrant violations of the Geneva accords of 1954 and 1962.

(3) To limit the flow or to substantially increase the cost of infiltration of men and materiel from North Vietnam.

The air campaign was only one of the interrelated elements of the over-all allied strategy designed to achieve US national objectives in Vietnam. Other elements are actions against the enemy's main force units in the South, pacification, security, revolutionary development, and political and economic development.

All of these interrelated elements were designed to achieve one simple goal. As President Johnson stated in April 1966: "Our objective is the independence of South Vietnam and its freedom from attack. . . . We will do everything necessary to reach that objective, and we will do only what is necessary."

We have not yet achieved that over-all objective, but the air campaign is achieving its limited purposes in contributing to the overall goal.

The bombing has denied North Vietnam a sanctuary.

The bombing is exacting a heavy penalty against North Vietnam for continuing the war. Currently out of operation are eighty percent of its central electric power-generating capacity, the only modern cement plant, the only metallurgical plant, and the only explosives plant. Production of coal and apatite (previously exported in quantity), fertilizer, chemicals, and paper have been drastically reduced.

As a consequence, there has been a radical increase in North Vietnam's requirements for foreign aid in order to sustain her war effort and her economy at minimum levels. Imports are up from 2,100 metric tons a day in 1965 to 4,300 in 1967.

Bombing has also required a diversion of up to 600,000 workers to defend against and counter the effects of bombing. It has caused the damage or destruction of about 5,000 freight cars, 8,000 trucks, and 19,000 watercraft.

Bombing has substantially increased Hanoi's direct cost of supporting the war in the South. To get one man or one ton into South Vietnam, they must now put many more into their end of the pipeline.

We cannot really measure how successful we have been in squeezing their infiltration pipeline. We simply don't know what they would have done if we had not bombed North Vietnam. We can reasonably argue that General Giap ought to be trying desperately to send more men and supplies to the South in order to achieve Hanoi's stated objectives. But we do not know this for a fact. We do not really know whether Hanoi considers their present level of effort in the South the optimum or whether it is the best that they are able—or willing—to mount in the face of the bombing.

This much we do know.

The Communists have successively reduced their military objectives.

In the summer offensive of 1965, they hoped to cut South Vietnam in two. By the summer of 1966, they lowered their sights to merely try to seize the northernmost province of South Vietnam. They sought to take full advantage of the shorter supply routes directly across the Demilitarized Zone. In 1967, they have sought no major victories—simply war prolongation by virtue of a peripheral strategy.

Major-scale operations within South Vietnam have been reduced while the Communists have sought to engage our forces on the borders where theoretically they ought to gain full advantage of shorter supply lines and sanctuaries. This explains the heavy fighting near the DMZ in the summer of 1967 and more recently at Loc Ninh and Dak To along the Cambodian and Laotian borders.

The heavy fighting, however, ought not to obscure the facts that they have not achieved their sought-for miniature Dien Bien Phu; although they have slowed, they have not stopped progress in revolutionary development; and it has been very costly for them.

We simply cannot predict what more the North Vietnamese would do if we stopped the bombing. Nevertheless, we can say that if we stop the bombing:

Their costs of infiltration would go down and our casualties would go up.

They would have more resources available to increase their support in the South or to make life easier in the North, or both.

It would be a lot easier for them to "sweat out the war."

THE UNITED STATES WILL TO RESIST

"Sweating out the war" depends, of course, on factors other than the bombing of North Vietnam. It is related to the tide of battle in the South and to the allied will to persist—especially Hanoi's view of the will to persist.

Hanoi has adopted the Napoleonic maxim that the morale factor is to the materiel as two to one. In the Indochinese War they turned this maxim against the descendants of Napoleon to bring about their independence from the French. No one recognizes more clearly than the North Vietnamese that they did not defeat the French militarily. The battle of Dien Bien Phu was not a disastrous military reverse for the French, but it was the trigger for a basic change in French policy.

It is clear that Hanoi expects history to repeat itself.

They have adopted our cliché that this is a war for men's hearts and minds. They have put great effort into diplomatic and propaganda campaigns not only to win hearts and minds of South Vietnam but also the American public.

They constantly argue that Americans, like the French, do not have the necessary staying power.

They constantly probe for a Dien Bien Phu engagement which would trigger a change in U.S. policy.

Undoubtedly, they find it difficult to measure the progress of their war on our home front. They must see as favorable indicators increased American frustration, scattered immolations, draft-card burning, violent and nonviolent protests, the siege of the Pentagon, and decreased public support for the war and for the Administration's conduct of the war.

In the fall of 1967, they could not help but gain comfort from Gallup polls which indicated that forty-six percent of Americans felt that the war was a mistake or Harris polls noting that sixty-nine percent were opposed to the way the war was being handled.

On the other hand, they would do well to note from these polls that only thirty-seven percent wanted to get out of Vietnam as fast as possible. During the Korean War, the figure was as high as sixty-six percent—yet the U.S. persisted and eventually achieved its stated objectives.

More recently, however, the Communists undoubtedly noted that the citizens of San Francisco supported the war by the vote of two to one, while voters in Cambridge expressed their support of the war by three to two.

Nevertheless, on balance, Hanoi must have concluded that although they have not yet won they have a reasonable prospect of winning the battle for American public opinion.

Thus, Gen. Earle G. Wheeler, Chairman of the Joint Chiefs of Staff, has stated: "The single most important factor in prolonging the war is Hanoi's calculation that there is a reasonable possibility of a change in U.S. policy before the ultimate collapse of the Viet Cong manpower base and infrastructure. In a very real sense, the major campaign of the war has been and is being fought here in the United States."

With all of the other indicators going against them, the Communists are trying to buy time to see what U.S. politics might yield.

This year, the purchase price has been extremely costly for them, but all the indicators continue inexorably to move against them—except U.S. public opinion. (Ironically, American protestors are prolonging what they claim to be trying to end.)

If more Americans were, in fact, aware of the steady but slow progress of the war fronts in Vietnam, many of them would be less frustrated. Less frustration hopefully might lead to greater public support and, in turn, the shortening of the war.—END

DREW PEARSON SPEAKS TO BECKLEY CHAMBER OF COMMERCE

Mr. **BYRD** of West Virginia. Mr. President, an interesting and revealing word picture of one of Washington's best-known columnists, Drew Pearson, appeared in the Beckley, W. Va., Post-Herald on January 25.

The article was written by Emile J. Hodel, editor of the paper, who served as host for Mr. Pearson when he went to Beckley, the county seat of my home county, last week to speak at the annual banquet of the chamber of commerce.

As Mr. Hodel points out, Mr. Pearson has indeed had considerable influence on our Government. He is a highly controversial writer, and few of us would agree with him all of the time. But I think it should be said that in many instances his column has had a salutary effect on the Congress and the Federal establishment in general.

I ask unanimous consent that the column from the Beckley Post-Herald be included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DREW PEARSON HAS CHARM, GENTILITY

(By Emile J. Hodel)

Tuesday was something of a hectic day for us. It was quite enjoyable to say the least, but rather hectic, nevertheless.

We spent most of our day in the company of an exceedingly interested, well-educated, and knowledgeable man who can handle himself as well as anyone we know. We are speaking of Drew Pearson, of course.

Our involvement began some time ago when Blaine Wright and Bob Hamilton asked us if we might help them get a really good speaker for the annual chamber banquet. We went to work on it and got a couple of people lined up as potential speakers. The chamber board members decided to take up Pearson on his kind offer.

Then, we were named to host the famous columnist.

Among other things we learned that he normally prefers milk for drinking. One of his assistants told us, "When pressed, he will occasionally have one martini. But he really prefers milk." And milk was what he was offered—and had—at our house.

He does not smoke and his language is never vulgar nor lacking in gentlemanly respectability. He has a beautiful vocabulary and uses it well. He may even lead you up to a vulgarity or a curse word in quoting a president or senator, but he lets you know what it was without repeating someone else's bad language.

This undoubtedly comes from both his good education and his Quaker religious background.

When he learned that the writer was a Unitarian and that we have a small fellowship here in Beckley, he expressed pleasure and indicated that we were pretty closely related in religion—cousins or brothers, or something.

The part that made the day hectic for us was that the famous columnist's plane was 50 minutes late in arriving from Washington at Kanawha Airport. We had begun to worry that something might have happened to the plane.

Then it took Kanawha Airport 20 minutes to get his one light bag off the flight and to the baggage counter.

The light snowfall did not bother us at all until we were within a few miles of the Beckley exit, but we had to creep along the city's streets considerably.

Both Pearson and the writer had to change clothes before heading for the fieldhouse. But the delay at Charleston made us a few minutes late in reaching the banquet and, regrettably, we both missed the C. & O. Railway's reception before the banquet completely.

However, he did avail himself of the railway's facilities by returning to Washington on the train, catching a sleeper at Prince at 12:27 a.m. yesterday morning. The train was only 15 minutes late.

After the banquet and a brief press conference at the Armory, adjacent to the fieldhouse, when we started back to Maxwell Hill Road, he asked if, since there were nearly two and a half hours before his train's time, he might catch a brief nap. He had been up and about his affairs since 6 a.m. Tuesday, we learned.

He had his nap on our younger son Alan's bed. And now Alan claims it will cost his friends to lie upon it. This would seem to be a junior version of "George Washington slept here."

Though we do not always agree with Pearson, we have great respect for his abilities and his great courage and fortitude. He is a most charming man and has, basically, had a great and mostly good influence on our government.

He told us that he didn't expect anyone to agree with him all the time, adding that he was too controversial for that.

He still operates two farms, one wholly for beef cattle and the other mostly dairy farming. When we first called his office, probably in November, he had just left to get ready for a party honoring his 70th birthday anniversary.

We surely hope we will be as straight and active and able when we reach that age in a few years. From that standpoint, he's just amazing. And, for our money, his speech was one of the best and most interesting we've heard—more so than the first of his we heard at Morgantown back in 1942 or 1943!

Top of the morning!

Mr. **BYRD** of West Virginia. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **BYRD** of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ADJOURNMENT

Mr. **BYRD** of West Virginia. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in adjournment until 12 o'clock meridian, tomorrow.

The motion was agreed to; and (at 5 o'clock and 5 minutes p.m.) the Senate adjourned until tomorrow, Thursday, February 1, 1968, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 31, 1968:

IN THE ARMY

Brig. Gen. C. Craig Cannon, U.S. Army, to be a member of the Mississippi River Commission, under the provisions of section 2 of an act of Congress approved 28 June 1879 (21 Stat. 37) (33 U.S.C. 642), vice Brig. Gen. Willard Roper, reassigned.

IN THE AIR FORCE

The following officers for appointment in the Air Force Reserve to the grade indicated, under the provisions of chapter 35 and sections 8373 and 8376 title 10 of the United States Code:

To be major general

Brig. Gen. Frank J. Puerta, FV401051, Air Force Reserve.

To be brigadier generals

Col. John W. Bitner, FV361602, Air Force Reserve.

Col. Charles D. Briggs, Jr., FV797454, Air Force Reserve.

Col. John O. Gray, FV410193, Air Force Reserve.

Col. Campbell Y. Jackson, FV431357, Air Force Reserve.

Col. Justin G. Knowlton, FV664321, Air Force Reserve.

Col. Homer I. Lewis, FV400799, Air Force Reserve.

Col. Theodore C. Marrs, FV2261128, Air Force Reserve.

Col. Henry J. McAnulty, FV549989, Air Force Reserve.

Col. Wendell B. Sell, FV4067313, Air Force Reserve.

Col. Farmer S. Smith, FV863256, Air Force Reserve.

The following officers for appointment as Reserve commissioned officers in the U.S. Air Force to the grade indicated, under the provisions of sections 8218, 8351, 8363, and 8392, title 10 of the United States Code:

To be major general

Brig. Gen. John P. Gifford, FG949201, Tennessee Air National Guard.

To be brigadier generals

Col. Nevin W. Dodd, FG3041219, Oklahoma Air National Guard.

Col. William R. McCall, Jr., FG756295, District of Columbia Air National Guard.

Col. Robert McMath, FG825933, Michigan Air National Guard.

Col. George M. McWilliams, FG2067864, Mississippi Air National Guard.

Col. Leon A. Moore, Jr., FG823665, Florida Air National Guard.

Col. Richard B. Posey, FG430845, Pennsylvania Air National Guard.

Col. John J. Stefanik, FG430864, Massachusetts Air National Guard.

Col. Kenneth M. Taylor, FG409061, Alaska Air National Guard.

Col. Charles S. Thompson, Jr., FG429541, Georgia Air National Guard.

IN THE NAVY

The following-named naval reserve officers for temporary promotion to the grade of rear admiral in the line and staff corps as indicated, subject to qualification therefor as provided by law:

LINE

Lee E. Bains
Gayle T. Martin

MEDICAL CORPS

Allan D. Callow

SUPPLY CORPS

Frank E. Raab, Jr.

CIVIL ENGINEER CORPS

George Reider

IN THE MARINE CORPS

The following-named officer of the Marine Corps Reserve for temporary appointment to the grade of brigadier general:

Harold L. Oppenheimer

EXTENSIONS OF REMARKS

Successful Community Action in Minnesota

HON. WALTER F. MONDALE

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, January 31, 1968

Mr. MONDALE. Mr. President, one of our great hopes for the poverty program is that it will stimulate successful citizen action to meet the needs of the poor. In my home State of Minnesota we have dramatic evidence of the way in which poor people can cooperate to make use of the services of several Government agencies in this effort.

A series of articles in the Rochester, Minn., Post-Bulletin recently described the successful housing and education efforts of the Tri-County Goodhue-Rice-Wabasha Citizen's Action Council.

Mr. President, residents of the Prairie Island Sioux Indian settlement faced the coming of winter with children literally sleeping on the bare ground. The action council mounted its effort to use the services of the Bureau of Indian Affairs, the Public Health Service, and the Office of Economic Opportunity, initially, and later the Department of Labor. This effort included rehabilitation of a dozen homes last winter and the construction of 10 new and modern houses which have now been completed.

Again, using the principle of community involvement, the educational needs of 380 children were met in the same tri-county area. Under an Office of Economic Opportunity grant, 11 Headstart child development centers were established. Competent professional teachers, aided by community residents serving as professional assistants, worked with children who never before had had the opportunity for intellectual growth and physical development offered by the summer programs.

Mr. President, this fine effort deserves the attention of the Members of this body. I ask unanimous consent to include in the Record this series of articles by Harold Severson, town and country editor of the Rochester Post-Bulletin.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Post-Bulletin, Rochester, Minn., Aug. 23, 1967]

Repair Prairie Island Homes—Citizens Action Unit Helps Indians

(By Harold Severson)

Red Wing.—Let it blow this winter. Let the temperatures plummet far below the zero mark. What matters it should bitter cold freeze the ground to a depth of several feet and howling blizzards pile the snow into drifts to a height of five feet or more?

Certainly not to 10 Indian families on the Prairie Island Sioux settlement about 13 miles northeast of here.

This will be the winter when these 10 families will be living in the kind of homes most of us take for granted.

Nearing completion are 10 houses about as far different from some of the Indian homes now occupied by these families as a travois is from an automobile. Government officials describe these houses as "substandard housing." In at least one house the children were sleeping on the bare ground last year at this time. The wind whistled through cracks in the walls and the roof leaked.

Conditions were so bad and the future so bleak for these Indian families that an emergency program was started last fall after the Goodhue-Rice-Wabasha Citizens Action Council had made a survey. Spearheaded by Howard Bailey, manager of the Zumbrota office of the Northern States Power Co., a fund-raising drive was started. Money and building materials were solicited.

On December 10, Bailey and about 60 volunteers, including high school and college students, descended on Prairie Island to rehabilitate the homes. It was a bitterly cold day with a sharp wind making it difficult to work. Nevertheless, 12 homes were put in livable condition by the end of the day.

"This didn't solve the problem," Bailey admitted, "but it was a stop-gap effort that relieved the situation at least temporarily. At least, those kids no longer were sleeping on the bare ground."

This experience emphasized the need for a housing project. Spurred by the citizens group people, a unified effort was brought to bear on the problem. The Bureau of Indian Affairs said it would supply materials needed for the homes. The Public Health Service agreed to handle the water supplies and sanitation needs. The Office of Economic Opportunity (OEO) was to furnish funds for labor costs.

After a number of meetings the project was taken over by the U.S. Department of Labor, Bureau of Work Programs, as an "Operation Mainstream" project.

Actual construction started July 1.

Wallace G. Christensen of Zumbrota, citizens action unit director, points out several Indians living on Prairie Island are employed on the project. In addition, a Neighborhood Youth Corps program employs several Indian youngsters. These youth corps enrollees were put to work clearing brush and repairing and painting the Community Building.

Paul Hummell, a Bureau of Indian Affairs employe who is in charge of the building program, admits some of the Indians are not entirely sold on the housing project.

"They are a proud and independent people," he says. "They bitterly resent some of the newspaper publicity in recent weeks which have emphasized their poverty. They dislike being portrayed as shiftless and indolent and some are afraid that moving into these homes will be a form of regimentation."

Christensen blames the Indians' predicament on lack of education and job training.

"These Indians lack food and other necessities simply because they are so very poor," he declares. "The majority never get further than the eighth grade. Some find jobs in Red Wing and Hastings. A few are employed in the Twin Cities, returning week-ends to their homes on Prairie Island. The remainder find jobs now and then."

The Citizens Action Council is attempting to find a project which will furnish work for many of the Indians. One proposal calls for making drums on a large scale. Another is making beadwork.

About 85 Indians and migrants make their home on Prairie Island, which is about two miles square. There are only a few trees and homes on the island, connected to the mainland by a gravel road. In the spring of 1965, the Mississippi River went over its banks and flooded the island, causing heavy damage.

The 10 new homes are being built on the highest part of the island and engineers have assured the Citizens Action Council and Bureau of Indian Affairs there is no danger of these being flooded.

When the Indians take possession of their new homes this fall, they have lifetime occupancy.

Head Start Program in Area Shows in Children's Attitude

(By Harold Severson)

Zumbrota.—Mary was a shy little 4-year-old girl this spring.

That was before summer 1967 Head Start Program started here June 12 under the auspices of the Goodhue-Rice-Wabasha Citizens Action Council.

Today, 10 weeks later, Mary still is shy—but there has been a noticeable improvement in the way she meets strangers and mingles with children her own age.

Mark, another pupil enrolled in a Head Start class in Wabasha County, was rejected by boys in his neighborhood. His family was one of those near the bottom in social and economic standings. Today he has several playmates.

Billy was an indolent boy who sat by himself when the first Head Start class opened. His mother scolded him for being "lazy and dumb." A medical examination by a local doctor revealed the reason for Billy's apparent stupidity and indolence—he needed eyeglasses and his hearing was so poor he had difficulty hearing others.

These were only three of the 380 children enrolled in Head Start programs in Goodhue, Wabasha and Rice counties this summer. Not all were as handicapped as Mary, Billy and Mark, but, as one mother put it, "They all benefited from the Head Start program."

Summer 1967 Head Start opened June 12 with funds furnished by the Office of Economic Opportunity. A competent teacher was selected and placed in charge of each group of 15 to 20 children.

Head Start centers were established in Zumbrota in Goodhue County, and Conception, Hammond, Mazeppa, Millville and Wabasha in Wabasha County. In addition, centers were started in Faribault, Lonsdale, Morristown, Northfield and Warsaw in Rice County. Plans had been made to include Kenyon as one of the Head Start centers but plans were not completed in time for the 1967 program.

"These child development centers are set up as a community facility," explains Wallace G. Christensen of Zumbrota, Citizens Action Council director with offices in the basement of the Carnegie Library here.

The major emphasis is placed on pre-kindergarten children, although the age group is from 3 to 6 years. A large percentage of the pupils are from families in the low income bracket.

The Head Start centers are organized around the classrooms and outdoor play area. They provide health services, parent interviews and counseling, feeding of children and other services important to the educational and social development of children.

Christensen stresses that the eight-week Head Start program is designed to improve and expand the children's mental processes.

"We want to expand the ability to think, reason and speak clearly," he explains. "We assist children to get wider and more varied experiences which will broaden their horizons, increase their ease of conversation and improve their understanding of the world in which they live."

In Zumbrota, 20 children attended Head Start classes. Conception had 30 children enrolled, Hammond 20, Mazeppa 16, Millville 25 and Wabasha 30.

John Quist of Red Wing was codirector for the center while Milton Hosking, also of Red Wing, was social director. The nurses were Mrs. Lucille Hoffman of Red Wing and Miss Bernice Weigel of Plainview.

What did the Head Start pupils do during the three- to four-hour periods each day? Mrs. Janice Sprenger of Zumbro Falls, a Zumbrota first grade teacher who had charge of the Zumbrota Head Start center, explains the programs varied from one center to another.

"Story reading was one part of our program here," she says. "There were periods of independent play, periods for music and for physical education. Field trips were set up, too."

Christensen admits the challenge to Head Start personnel is enormous.

"It seems to be working, though," he says. "We've had reports that bear this out. That's the important thing."

Operation Head Start was made possible by a government grant of $71,822.

Creed of the East Tennessean

HON. W. E. (BILL) BROCK

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. BROCK. Mr. Speaker, the December 6 issue of the Monroe County Citizen-Democrat contained two very meaningful passages in a column by Dan Hicks, Jr. Because of their merit and interest, I include them in the Extensions of Remarks:

Creed of the East Tennessean

I do not choose to be a common man. It is my right to be uncommon . . . if I can. I seek opportunity—not security. I do not wish to be a kept citizen, humbled and dulled by having the State look after me.

I want to take the calculated risk; to dream and to build, to fail and to succeed. I refuse to barter incentive for a dole.

I prefer the challenges of life to the guaranteed existence; the thrill of fulfillment to the stale calm of Utopia.

I will not trade freedom for beneficence, nor my dignity for a handout. I will never cower before any master nor bend to any threat.

It is my heritage to stand erect, proud and unafraid; to think and act for myself, enjoy the benefit of my creations, to face the world boldly and say; "This I have done."

All this is what it means to be an American.

Ode to the East Tennessean

In characteristics, individuality, habits, customs and general demeanor the East Tennessean is as unique and distinctive as the Great Smoky Mountains that tower heavenward and adorn his famed province.

Whencesoever he came none is quite sure. That his antecedents sojourned in Virginia or the lineage of another generation or so before leaps across the Atlantic to the emerald shores of Ireland and up the Highlands to Scotland, but to place your finger on the exact spot of his origin would be as difficult as explaining why an old hen crosses the road.

Anyhow when he got to East Tennessee he took full and complete charge—and thus it will ever be.

He made the red man bite the gravels; he made the British climb tall trees at Kings Mountain; he volunteered above quota for the war with Mexico; he made General Pakenham's men apologize at New Orleans; he held Old Glory for the Union and he was headed straight for Berlin when Kaiser Bill beat it for the bushes in Holland.

He wouldn't take a million dollars for what religion he has and wouldn't give a damn for any more.

An East Tennessean is akin to an ant, a doodle bug, a tumble bug, a squirrel, a goat and a jackass. Like an ant he is industrious; like a doodle bug he is alert; like a tumble bug he is resourceful; like a squirrel he stores away for a rainy day; like a goat he is frugal and like a jackass he is imbued with sagacity and internal stamina.

An East Tennessean never dies; he merely changes form as does the June Bug, the butterfly and the lightning bug.

He believes in luck, fate, the stork, Santa Claus and the Constitution.

When his neighbor is in need he is as charitable as a pigeon to her young.

He is the only person in the world who can consistently outsmart a Jew.

He is Scotch-Irish or Irish-Scotch, depending on the signs of the Zodiac in which he was born. If his birth falls in the light of the moon he is Scotch-Irish and will skin a flea for its hide and tallow. But if he is born in the dark of the moon he is Irish-Scotch and will call a Royal Flush with three Jacks or give his last dollar to get a friend out of jail.

His heart is usually as big as a pumpkin; likewise all his external features are enormous—feet, ears, nose, etc.

He likes his religion and his likker straight and expects his politics to be crooked.

He will sit all night and listen while his neighbor squeezes the juice from corn, and when the "revenuers" prowl around he will advise that a very large hornets nest is in the offing—nothing disturbs his equilibrium or his philosophy.

As a trader he is a monstrosity. On county court day he starts out with one old puny mule and a barlow knife. That evening he returns with two spans of four-year olds, a 23 jewel watch, a silk dress and what is left of a quart.

He can cure hams that will make your mouth water and raise bigger potatoes than Maine or Idaho.

He is a stickler for his lodge and forever remains a loyal member.

Reformers with hifalutin' ideas, whether local or national in design, usually find deaf ears and their machinations pass over the East Tennessean like water off a duck's back.

He has his choice of coal, back logs and kilowatts, but love of heritage finds him happiest around the old open fire place.

He knows his tobacco. He is an expert in growing the leaf and using it. He can spit through a knot-hole ten yards away and is willing to let the rest of the world smoke cigarettes of his own growing.

His women folks have eyes that are like the violets drenched with honey dew.

He does not aspire to fame or glory, but every East Tennessean feels that he possesses the makings of an Andrew Jackson, a John Sevier, a William Blount, a General White, an Andrew Johnson, an Admiral Farragut, a David Crockett or a Sam Houston.

The East Tennessean is contented with his habitat—he knows there is no greener pasture over yonder.

Sixth Annual Senate Youth Program

HON. GALE W. McGEE

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Wednesday, January 31, 1968

Mr. McGEE. Mr. President, Senators who addressed 102 young students last week, participants in the sixth annual Senate youth program, probably share with my cochairman, the distinguished Senator from Oregon [Mr. HATFIELD], and me a most welcome feeling of refreshment and renewal of faith in American youth.

I do not mean to imply that our faith had completely evaporated but of late publicity has not presented an altogether flattering image of the Nation's young men and women. Only hippies, protestors, draft evaders, card burners, and the like, seem to merit coverage. It gives me great pleasure to assure those who have been concerned that, happily, there are many, many more students who are not only not covered by those categories, but are, at this early age, outstanding citizens contributing to the growth of their communities and country. It would seem, rather, that the high school leaders who visited Washington and the Senate last week, under the combined auspices of the William Randolph Hearst Foundation and the U.S. Senate, are highly representative of young America everywhere. I, for one, am proud to represent them here and anticipate the time when such young people begin to take their places in the governing bodies of this country along with us.

While in the city as our guests, the students were privileged to have an interview with the President of the United States and, on an only slightly lesser plane, met with dignitaries of all facets of Government including Vice President HUBERT HUMPHREY, Secretary of State Dean Rusk, Speaker of the House JOHN McCORMACK, Attorney General Ramsey Clark, Supreme Court Justice Byron White, Army Chief of Staff Gen. Harold Johnson, State Department Chief of Protocol James Symington, and FBI Director J. Edgar Hoover.

As a direct result of the success of programs of preceding years, the Hearst Foundation this year decided to award to each participating student a scholarship to the college of his choice in the sum of $1,000. The surprise announcement was made by Vice President HUMPHREY at the annual luncheon hosted by the students for Members of the Senate.

Special thanks must go to members of the Hearst family, who take time from busy lives to travel to Washington during the annual student visit to fill the roles of chaperon, friend, confidant, office aide, or in whatever other role they are needed. Present this year were Mr. and Mrs. George R. Hearst, who have never missed a program since its inception; Mr. and Mrs. Randolph A. Hearst, and their daughters, Catherine and Virginia.

Mr. Ira P. Walsh, of the Hearst Foundation, director of the program which was entirely his idea, occupies a unique slot in the framework of this combined effort too, slaving tirelessly in his aim to guide America's young people to her ultimate benefit. Others contributing of time and energies include Lt. Col. Robert E. Keener, of the OSD–PA, who supervised the assignment and functions of the escort officers of the various services, planned the briefing at the Department of Defense, and arranged for participation of the musical groups of the military services; Mr. Stephen King, briefings officer of the State Department, who scheduled the program at the Department of State; representatives of other agencies and branches of Government who kindly aided us with the agenda, and the junior officers of the armed services, male and female, assigned by the Department of Defense to oversee the welfare of the visitors.

As cochairmen for 1968, Senator HATFIELD and I found it to be a most rewarding experience. We look forward with anticipation to subsequent programs and commend the William Randolph Hearst Foundation for its generosity in making such an experience possible for deserving students from all portions of this sprawling country.

I ask unanimous consent that the lists of students who participated, and their escort officers, be printed in the Extensions of Remarks.

There being no objection, the lists were ordered to be printed in the RECORD, as follows:

WILLIAM RANDOLPH HEARST FOUNDATION—U.S. SENATE YOUTH PROGRAM, 1968

(NOTE.—List is composed of student's name and address, city, and school and principal.)

ALABAMA

Bruce Whitaker Brown, 710 Evergreen Dr., Jacksonville; Jacksonville High School, Ralph Parnell.

Thomas Neil McMeans, P.O. Box 84, Lexington; Lexington High School, O. W. White.

ALASKA

Loren Leman, Ninilchik; Ninilchik High School, Thomas E. Chapman.

Thomas Anderson, 1436 16th St., Anchorage; West High School, Stowell Johnstone.

ARIZONA

Jim Spurlock, 1046 East Highland, Phoenix; Central High School, Frank Anderson.

Don Shirley, 1110 West 7th St., Mesa; Westwood High School, Elias Brimhall.

ARKANSAS

Brian Douglas Fry, 1508 Wedington Dr., Fayetteville; Fayetteville High School, William Duncan.

Jackie Harris, 725 Kimball, Little Rock; Horace Mann High School, E. L. Hawkins.

CALIFORNIA

Robert E. De Groff, 403 Ashdale, West Covina; West Covina High School, Maurice Wooden.

Lorna R. Kohler, 18730 Highway 128, Calistoga; Calistoga Union High School, William Jameson.

COLORADO

Barbara Rothgeb, 4601 W. 30th Ave., Denver; North High School, Ted R. Long.

Dennis M. Rencher, 900 Harrison Ave., Canon City; Canon City High School, John W. Griffin.

CONNECTICUT

Reginald F. Pierce, 101 Maher Ave., Greenwich; Brunswick School, Alfred E. Everett.

Wendy Ector, 218 Rockwell Ave., Bloomfield; Bloomfield High School, Wayne S. Porter.

DELAWARE

Bonnie Halliday, 6 Rigdon Rd., Wilmington; Corpus Christi High School, Rev. Edward Storck.

Gerald Lee Bunting, Laurel Highway, Millsboro; Millsboro Central, Greg Baraghimian.

DISTRICT OF COLUMBIA

Frederick A. Lucas, 1345 Talbert Terr., S.E., Washington; Ballau Senior High, Joseph P. Carlo.

Jacqueline Worthy, 171 S St., N.W., Washington; Dunbar Senior High, Dr. Howard Bolden.

FLORIDA

Evette Alfred Raines, Route 1, Box 226, Madison; Suwannee River High, S. J. Cooper.

Bruce Murray, 5210 S.W. 88th Court, Miami; Southwest High School, E. Hugh Allsworth.

GEORGIA

James Dabney Miller, 2307 West Lyle Rd., College Park; College Park High School, William L. Lundy.

Stephen Wise Goodman, Box 5097, Columbus; Columbus High School, Cyrus L. Gibbs.

HAWAII

Lora Gay Ching, P.O. Box 895, Lihue; Kauai High, Isamu Miyoshi.

Jon T. Kodama, 1635 Alewa Drive, Honolulu; Farrington High School, Thomas Takamune.

IDAHO

Nick Miller, 2201 Washington Ave., Caldwell; Caldwell Senior High School, Cless Olney.

Craig W. Hulvey, 4944 Mohawk, Pocatello; Pocatello High School, Dale Hammond.

ILLINOIS

James H. Longley, 535 Thatcher, River Forest; Oak Park and River Forest, Dr. J. Floyd Hall.

Chino DeSherlia, 301 Baxter Ave., Jerseyville; Jersey Community, Paul Carey.

INDIANA

Melvin Tracht, Box 813, Ogdendunes; Portage High School, Bryan Shaddick.

John Hammond, Milltown; Marengo High School, Ralph Hanger.

IOWA

James Anthony Whitson, 1695 McGowan Blvd., Marion; Regis High School, Rev. Ernest Engler.

Larry D. Hunter, Mount Ayr; Mount Ayr Community, Vance Geiger.

KANSAS

Jan Garton, 603 W. 6th St., Chapman; Chapman High School, Dale Relihan.

Joe Lee Gould, Box 729, Syracuse; Syracuse High School, Paul Temaat.

KENTUCKY

Philip Kim Smith, 1506 Henry St., Murray; Murray University School, Vernon E. Shown.

Nancy Judith Wilson, Annville; Jackson County High School, David B. Gover.

LOUISIANA

Susan Marilyn Miller, 553 Gelpi Ave., New Orleans; Academy of Holy Angels, Sister M. Monica.

Carla Sue Boudreaux, 803–7th St., Rayne; Rayne High School, Vincent Chappuix.

MAINE

Nicki R. Hunting, 49–15th Ave., Madawaska; Madawaska, Bro. L. Dumontier.

Charles E. Hayward, Highland Rd., Bridgton; Bridgton High School, Fred M. Crouse.

MARYLAND

Stephen E. Leach, 12312 Bluhill Rd., Wheaton; Wheaton High School, Charles McCormick.

Richard E. Kravitz, 5604 Greenspring Ave., Baltimore; The Park School, Charles Callanan.

MASSACHUSETTS

Paul B. Howes, Main St., Goshen; Williamsburg High School, Paul R. Knight.

Walter J. Kelly, 115 Church St., W. Roxbury; Catholic Memorial, Bro. D. McIlmurray.

MICHIGAN

Jeffrey R. Jones, 1313 Chestnut, Port Huron; Port Huron High School, Gaylord Feick.

Craig Black, 1814 Gerda St., S.E., Grand Rapids; Kentwood High School, Jack DeWaard.

MINNESOTA

Douglas George Larsen, 109 Parkland Ave., Duluth; Central High School, E. J. Duffy.

Mari Kristine Haddox, 6637 Xerxes South, Minneapolis; Academy of Holy Angels, Sister Ada Marie.

MISSISSIPPI

Steve Leech, 2010 Wisteria Dr., Jackson; Wingfield High School, D. T. Measells.

Kris McCormack, 639 Kirkley Dr., Jackson; St. Joseph's High School, Rev. Edward Tarsi.

MISSOURI

Michael Kerry Lazaroff, 17 Vouga Lane, St. Louis; Horton-Watkins, Richard Stauffer.

Margo Kathleen Rogers, 11110 Herrick Ave., Kansas City; Ruskin High School, Blaine Steck.

MONTANA

Susan Milesnick, Route One, Belgrade; Belgrade High School, Vernon Richardson.

Dennis DeLoss Curran, Box 1064, Missoula; Sentinel High School, Joe Roberts.

NEBRASKA

Georgia Entrekin, 1410 Ave. "J", Scottsbluff; Scottsbluff High School, R. Mihane.

Gary Chesnin, 2645 C Street, Lincoln; Lincoln High School, William Bogar.

NEVADA

Francis Kelly Cawley, 3100 E. St. Louis Ave., Las Vegas; Valley High School, D. L. Bundren.

Vicki Hafen, P. O. Box 236, Pahrump; Death Valley, Claude Ellison.

NEW HAMPSHIRE

Barbara Grant, Main Street, Norwich; Hanover Jr.-Sr. High School, Elson S. Herrick.

John Paul McGee, Jr., 1113 Maplewood Ave., Portsmouth; St. Thomas Aquinas, Sister Dosithea.

NEW JERSEY

Richard Harris, 204 Seymour Ave., Pt. Pleasant Beach; Pt. Pleasant Beach High School, George Thawley.

Loretta Pesciotta, 323 Adam St., Hoboken; Academy of Sacred Heart, Sister M. Richard.

NEW MEXICO

David W. Melton, 1738 Van Ct., Alamogordo; Alamogordo High, Marion Hughes.

Janet C. Klecan, 4421 Avenida Manana, Albuquerque; St. Vincent Academy, Sister Mary Jane.

NEW YORK

Dale Denno, Helena Road, Bombay; Salmon River Central, Jesse Sherwood.

Ellen Marie Lazarus, 135 Yoakum Ave., Farmingdale; Farmingdale Senior, John McLennan.

NORTH CAROLINA

Wally Kernodle, 518 Perkview Dr., Burlington; Walter Williams High, J. W. Harrington.

Scottie Wilson, 4700 N. Sharon Amity Rd., Charlotte; Independence High, Sam Haywood.

NORTH DAKOTA

Richard F. Paris, 200–2nd St., N.W., Mandan; Mandan High School, A. R. Shaw.

Allan Reese Hawkins, 940-2nd Ave., N.W., Jamestown; Jamestown High School, V. F. Buchholtz.

OHIO

Mike Morris, 2855 S. Burnette Rd., Springfield; Shawnee High School, E. Ruine.

Robert O. Mathews, 3969 Grossie Lane, Columbus; Columbus Academy, W. S. Putnam.

OKLAHOMA

Gary Ford, 317 North 35th, Lawton; Eisenhower High School, Glenn Dosser.

Pam Stone, 819 W. Adams, Purcell; Purcell High School, J. W. Duncan.

OREGON

Maija Annala, Route 3, Box 685, Hood River; Wy East High School, Charles Bowe.

Douglas Vaugh Bristow, 6031 N. E. Davis St., Portland; Washington High School, William Gray.

PENNSYLVANIA

Ernest Charles Downs, 1 Woodcrest Lane, Malvern; Great Valley, Charles H. Hable.

Michael J. Stewart, Box 348, Manor; Hampfield Area High School, Paul R. Bingaman.

RHODE ISLAND

Linda Serabin, 10 Jackson St., No. Providence; No. Prov. High School, Thomas F. McGovern.

Barry Mills, 130 Algonquin Dr., Warwick; Pilgrim High School, Michael Morry.

SOUTH CAROLINA

Tommy Taylor, 103 Court Ave., Florence; McClenaghan High School, J. Carlisle Lever.

Rick Van De Water, 1346 Idalia Rd., Columbia; A. C. Flora High School, C. B. Harvey.

SOUTH DAKOTA

Candace Stenberg, Rural Route, Dell Rapids; Dell Rapids High School, Ronald Coats.

Vance Robert Goldammer, 620 N. Edmunds St., Mitchell; Mitchell Senior High School, Bruce E. Crockett.

TENNESSEE

John C. Dotson, 914 W. Sullivan St., Kingsport; Dobyns-Bennett High School, William L. Neal.

Barry White, 434 Avon Rd., Memphis; White Station High School, Rush W. Siler.

TEXAS

Bridget O'Brien, Route 2, Beeville; A. C. Jones High School, Lester W. McCoy.

Charles Taylor, 1511 North 5th St., Waco; Moore High School, J. J. Wilson.

UTAH

James Robert Howard, 318 E. Gregson Ave., Salt Lake City; Granite High School, Leland R. Bird.

David Magleby, 1218 South 5th East, Salt Lake City; South High School, Ralph V. Backman.

VERMONT

Mark Heim, 220 Loomis St., Burlington; Burlington High School, Glenn Fay.

Jeanne Christensen, 25 Orange St., Barre; Spaulding High School, Anatole G. Pendo.

VIRGINIA

Randolph M. Crowther, Kilmarnock; Lancaster High School, E. E. Trent.

Charles Clark Cooper, 6219 Dustin Dr., Richmond; Douglas Freeman, W. Howard Mears.

WASHINGTON

Karen Mayberry, 16740 Meridian Ave., N., Seattle; Shoreline High School, George Saltman.

David Lee Scarup, Route 1, Box 67, Othello; Othello High School, Harley Hanan.

WEST VIRGINIA

Joseph M. Sands, Lost Creek; South Harrison High School, James W. Jay.

Charles Michael Skeens, 1617 Maple St., Kenova; Ceredo-Kenova High School, Edward L. Farley.

WISCONSIN

Terry Johnson, 3700 3rd Ave., South Milwaukee; South Milwaukee High School, Paul W. Bauhs.

Harvey Kurtz, 222 Radtke St., Schofield; D. C. Everest High School, Donald Shebuski.

WYOMING

David Freudenthal, Owl Creek Route, Thermopolis; Hot Springs High School, John Magnetti.

Carol Ryff, 1105 10th St., Wheatland; Wheatland High School, Marvin L. Dunham.

ESCORT OFFICERS

OFFICERS IN CHARGE

Captain Bernadette M. Jablunovsky, USAF; home address: 8351 Donnell Place, Apt. D8, Forestville, Maryland 20028; phone 736-9201; office address: Malcolm Grow USAF Hospital (MSHN), Andrews Air Force Base, Maryland 20331; phone, 981-9111, ext. 8216 (Code 185, ext. 8216).

Captain Stephen Rosenzweig, USAF; home address: 5937 Fisher Road, Apt. 202, Oxon Hill, Maryland 20031; phone, 894-1453; office address: 1001st Air Base Wing (DMMRM), Andrews Air Force Base, Maryland 20331; phone: 981-9111, ext. 2122/6349 (Code 185, ext. 2122/6349).

ESCORT OFFICERS

U.S. Army

Second Lieutenant David Bliss Allen, USA; home address: Apartment 47, Skyline Towers, 2730 Wisconsin Avenue, NW., Washington, D.C. 20007; phone, 338-2265; office address: Information Office, Headquarters, Military District of Washington, Room 2906, Tempo "B", 2d and R Street, SW., Washington, D.C. 20315; phone, OX 7-9514.

First Lieutenant Gerard A. Miller, USA; home address: 2922 28th Street, N.W., Washington, D.C. 20008; phone, 332-7287; office address: Company D, 1st Battalion (Reinf), 3d Infantry (The Old Guard), Ft. Myer, Virginia 22211; phone, 525-2700, extension 64263.

Second Lieutenant John R. Lundquist, Jr., USA; home address: 2922 28th Street, N.W., Washington, D.C. 20008; phone, 332-7287; office address: Company E, 1st Battalion (Reinf), 3d Infantry (The Old Guard), Fort Myer, Virginia 22211; phone, 525-2700, extension 67193.

First Lieutenant James P. McCoy, USA; home address: 2922 28th Street, N.W., Washington, D.C. 20008; phone, 332-7287; office address: Company C, 1st Battalion (Reinf), 3d Infantry (The Old Guard), Fort Myer, Virginia 22211; phone, 525-2700, extension 63185.

Lieutenant Edith H. Baldwin, USA; home address: VOQ 8133, Apt. 9, Fort Lee, Virginia 23801; phone, 734-4767; office address: AG Test Control Office, Headquarters, U.S. Army Quartermaster Center, Fort Lee, Virginia 23801; phone: (Autovon) 555-1850, extension 2393.

Lieutenant Florance K. Telfair, USA; home address: VOQ 4721, Fort George G. Meade, Maryland 20755; phone: 577-6688; office address: Executive Office, USWAC Detachment, Fort George G. Meade, Maryland 20755; phone, 150-6688 (Autovon 231-1470, extension 3254).

U.S. Air Force

First Lieutenant Audrey J. Eccles, USAF; home address: 1208 Palmer Road, Oxon Hill, Maryland 20031; phone, 248-3443; office address: Commander, WAF Squadron, Bolling Air Force Base, D.C. 20332; phone: 562-9000, extension 4207 (Code 141, extension 4207).

First Lieutenant William T. Wiant, USAF; home address: 5521 Oxon Hill Road, Apt. 303, Oxon Hill, Maryland 20031; phone, 248-6545; office address: Malcolm Grow USAF Hospital (MSB), Andrews Air Force Base, Maryland 20331; phone, 981-9111, ext. 8201 (Code 185, extension 8201).

Second Lieutenant Robert L. Blackwood, USAF; home address: 3970 Pennsylvania Avenue, S.E., Apt. 210, Washington, D.C. 20020; phone, 583-0959; office address: 1001st Air Base Wing (DMP), Andrews Air Force Base, Maryland 20331; phone, 981-9111, ext. 4429 (Code 185, extension 4429).

Second Lieutenant Malkon C. Baboyian, USAF; home address: 4542 Linnean Avenue, N.W., Washington, D.C. 20008; phone, WO 6-8942; office address: 100 1st Air Base Wing (BMMJM), Andrews Air Force Base, Maryland 20331); phone, 981-9111, ext. 6440/5649 (Code 185, ext. 6440/5649).

Second Lieutenant Robert J. Hertler, USAF; home address: 3001 Branch Avenue, S.E., Washington, D.C. 20031; phone, 568-5117; office address: 100 1st Air Base Wing (DMMFM), Andrews Air Force Base, Maryland 20331; phone, 981-9111, ext. 6508/4497 (Code 185, ext. 6508/4497).

Second Lieutenant Karen L. Miller, USAF; home address: 1433 Southern Avenue, Oxon Hill, Maryland 20031; office address: 1100 Air Base Wing (WIO), Bolling Air Force Base, D.C. 20332; phone, 562-9000, ext. 500/4403 (Code 141, ext. 500/4403).

U.S. Marine Corps

First Lieutenant Jeanne L. Harfin, USMC; home address: 827 Grayson Road, Woodbridge, Virginia 22191; phone, 494-6054; office address: TAL, MCS Quantico, Virginia 22134; phone, 2-0198.

First Lieutenant Ruth D. Walsh, USMC; home address: Liversedge Hall BOQ, Room 207B, MCS Quantico, Virginia 22134; phone, 2-4102; office address: Headquarters Company, WOS, MCS Quantico, Virginia 22134; phone, 2-9152.

Second Lieutenant William L. Culver, USMC; home address: O'Bannon Hall BOQ, F-117, MCS Quantico, Virginia 22134; phone, 64216; office address: B Company, Basic Class 2-68, TBS, MCS Quantico, Virginia 22134; phone, 64710.

Second Lieutenant Don G. Gamble, USMC; home address: O'Bannon Hall BOQ, Room F-124, MCS Quantico, Virginia 22134; phone, 64216; office address: B Company, Basic Class 2-68, TBS, MCS Quantico, Virginia 22134; phone, 64710.

Second Lieutenant John W. Haynes, USMC; home address: O'Bannon Hall BOQ, Room F-116, MCS Quantico, Virginia 22134; phone, 64216; office address: B Company, Basic Class 2-68, TBS, MCS Quantico, Virginia 22134; phone, 64710.

Second Lieutenant Michael B. Maguire, USMC; home address: O'Bannon Hall BOQ, Room F-114, MCS Quantico, Virginia 22134; phone, 64216; office address: B Company, Basic Class 2-68, TBS, MCS Quantico, Virginia 22134; phone, 64710.

U.S. Navy

Lieutenant (jg) Edward J. Bride, USN; home address: 700 7th Street, S.W., Apt. 224, Washington, D.C. 20024; phone, 554-4518; office address: Public Affairs Officer, U.S. Naval Station, Washington, D.C. 20390; phone, OX 3-2064 or OX 3-2011.

Lieutenant (jg) Lou Garcia, USN; home address: 3322 Curtis Drive, Apt. 201, Hillcrest Heights, Maryland 20020; phone, 423-3127; office address: Public Affairs Officer, Naval District Washington, Washington, D.C. 20390; phone, OX 3-2678 or OX 3-2354.

Lieutenant (jg) Ray N. Mahan, USN; home address: 4600 South Four Mile Run, Apt. 104, Arlington, Virginia 22204; phone, 671-0108; office address: Assistant Supply Officer, Naval District Washington, Washington, D.C. 20390; phone, OX 3-2435.

Lieutenant (jg) Walter S. Page, USN; home address: 1421 South 28th Street, Arlington, Virginia 22206; phone, 684-4669; office address: NAVCOSSACT, Bldg 196, Washington Navy Yard, Washington, D.C. 20390; phone, OX 3-4336 or OX 3-4368.

Ensign Barbara Grimaldi, USN; home address: 153 Westway Road, Apt. 201, Greenbelt, Maryland 20770; phone, 474-7026; office address: Office of Information, Navy Department, Washington, D.C. 20350; phone, OX 7-0953.

Ensign Joanne Jensen, USN; home address: 1850 Columbia Pike, Executive Apt. 712, Arlington, Virginia 22204; phone, 527-0252; office address: Office of CNO (Op-90), Navy Department, Washington, D.C. 20350; phone, OX 5-7433.

Ensign Mary Ellen Powers, USN; home address: 1850 Columbia Pike, Executive Apt. 712, Arlington, Virginia 22204; phone 527-0252; office address: Management Information Division, Naval Air Systems Command, Washington, D.C. 20390; phone, OX 6-2022.

Red Flag on the High Seas

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. HOSMER. Mr. Speaker, a timely discussion of the ever-burgeoning amount of Soviet shipping on the high seas was continued in the American Security

Council's Washington Report for December 18, last. It is authored by the respected authority, Dr. James D. Atkinson, professor of government at Georgetown University. Importantly, the discussion includes reference to the major role Red flagships play in supplying materials for North Vietnam to utilize in its aggressions. Also important for all Americans is the discussion relating to the dangerously declining asset of U.S. shipping. The report follows:

RED FLAG ON THE HIGH SEAS

(By Dr. James D. Atkinson)

THE GEO-POLITICAL CONFLICT

Within the memory of living men, Russia's merchant fleet was so insignificant a factor in world politics that it was scarcely worthy of comment. Thus the great authority on sea power, Admiral Alfred Thayer Mahan, dismissed Russia's merchant navy with the observation that "Russia has little maritime commerce . . . her merchant flag is rarely seen."

Today the world scene is strikingly different. The hammer and sickle flag of the Soviet Union is seen on all the seas of the world and Soviet plans for the future are so ambitions that they have over 200,000 people enrolled in the Leningrad Institute of Transportation, the Odessa Maritime Academy, and other maritime institutes.

From an almost negligible figure of 1.6 million deadweight tons in 1939, Soviet merchant shipping expanded to 3.6 million deadweight tons in 1958. The really spectacular gains, however, have come in this decade of the 1960's. Thus from a figure of 4½ million deadweight tons in 1963, Soviet merchant shipping jumped to 8.9 million deadweight tons as of January 1, 1965. The latest figure, released by Lloyd's Register on October 10, 1967, indicates that the U.S.S.R. added 1,125,000 tons in the last year alone and the Soviet merchant marine now stands at 10,617,000 deadweight tons which places it in *sixth rank* in the world. What is significant about all this is the rate of growth, for *only five years ago,* the Soviet merchant fleet ranked *number twelve* in the world!

While important, the statistical data alone are insufficient as a guide to the future thrust of Soviet maritime programs. Some indication of burgeoning Soviet operations at sea is given by programs during 1966 and 1967 which are directed at our own Western Hemisphere. When the 19,860 ton Alexander Pushkin dropped anchor off Quebec City on April 27, 1966, it was an historic first. This was the first time in the history of maritime affairs that the Russians had entered the ocean liner traffic of the Western Hemisphere. In view of some of the optimistic predictions in some quarters in the West about future Soviet maritime plans, it is also worth noting that the Pushkin's maiden voyage came only eight months after Soviet Minister of Merchant Marine, Victor G. Bakayev, had said that the U.S.S.R. had no intention of establishing passenger lines across the oceans. As the British merchant marine continued to decline in 1967 and as the Cunard Line decided to give up the British-Canadian passenger traffic, the Soviets and their Polish partners prepared to take over the British passenger presence. The authoritative London *Daily Telegraph* stated November 11, 1967, that the U.S.S.R. might place "a second new ship on the London-Montreal run and the Poles plan extra sailings from Southampton to Canada next year."

Even the St. Lawrence Seaway, the entrance to the great agricultural-industrial heart of America, the Mid-West, was not immune to Soviet politico-economic penetration. The New York *Times* (November 12, 1967) reported that Peter M. McGavin, executive secretary-treasurer of the Maritime Trades Department, AFL–CIO, stated that the Soviet Union made 19 voyages through the St. Lawrence Seaway this year and thus equalled the number of U.S. voyages made on that key waterway.

U.S. SHIPPING: DECLINING ASSET OF NATIONAL SECURITY

Mr. McGavin's comment that "the Russians have caught up with us in our own back yard," that is, in the Great Lakes area, graphically illustrates the steady attrition of U.S. shipping since the end of World War II. Thus in 1947, the U.S. merchant marine carried 70% of our foreign trade while by 1960 it had dropped to 11.1%. Figures released in October, 1967, by the Foreign Trade Division of the Census Bureau are even more alarming. They indicate that for 1966, U.S. flag merchant ships carried only 7.3% of the nation's waterborne foreign trade. This is the lowest figure since 1921! The U.S. stake in the waterborne carriage of goods continues, however, to go up as our capability goes down. In 1965 our aggregate total of exports and imports in waterborne commerce was 427 million tons valued at $32.7 billion as compared to 1966 when it rose to 452 million tons valued at $36.9 billion. If present trends continue, by 1970 U.S. flag merchant ships may be carry less than 5% of our exports and imports.

The American shipping decline is going on at the same time that Soviet shipping is forging ahead. Thus, as of May, 1967, the Soviet Union had building or on order a total of 4.3 million tons of merchant shipping (526 ships) while the United States had only 600,000 tons (45 ships) building or on order. Over the past several years, delivery of merchant ships flying the U.S. flag has been, on the average, only 15 per year while the Soviet Union has averaged over 100 per year. The U.S.-Soviet comparative situation is basically this: We have not embarked on a major effort to build merchant ships since the Second World War; they began a major effort almost ten years ago *and* are continuing to pursue it with undiminished vigor.

COLD WAR ESCALATION AT SEA

On November 16, 1967, the U.S. Maritime Administration released a strangely ambivalent pamphlet on the Soviet Merchant Marine. Taking cognizance of the nature of the Soviet state, the short study points out that the Soviet merchant fleet could be used "as a political instrument for economic purposes and an economic instrument for political purposes." But it then goes on (based on a January, 1967, statement of Soviet Minister of Merchant Marine, Victor G. Bakayev) to indicate that the U.S.S.R. will not upset the international maritime balance. One might agree that this may be true of 1967 or even of 1968. But what of the future? The U.S. merchant marine has been steadily deteriorating. And the British merchant marine—upon which many of our exporters and importers have placed reliance—now appears to be headed towards a sharp decline. Can we believe that the Soviet Union will be so conscientious that, in the future, it will refrain from taking advantage of what will be a geo-political fact of life? A recent pronouncement of Merchant Marine Minister Bakayev suggests that reliance on future Soviet good will on the high seas may be as futile as our past hopes that the U.S.S.R. would refrain from developing an orbital bombardment system. Minister Bakayev pointed out that (August 4, 1967): "You can see Soviet ships on all the waterways of the world. They visit more than 800 ports in 90 foreign countries, and the number of them on world sea routes increases year after year." And then he went on to say something that is cold comfort for those who would rely on Soviet promises instead of a strong, modern American merchant fleet. Said he: "Already today it (Soviet Merchant Marines) stands on a par with the fleets of traditional sea countries in all its indexes, and in the near future it will have no equal competitors."

Some indication of the future thrust of Soviet maritime power is given by the escalating Soviet effort at sea to build up the North Vietnamese. American Security Council's Washington Report for August 21, 1967, pointed out that Soviet shipping going into North Vietnamese ports showed a marked increase this year over 1966. As of June 1967 the rate was eighteen ships per month with an additional 2 to 5 Soviet satellite ships per month and that a Moscow Radio broadcast of July 28 had boasted that Soviet ships left Odessa "practically every day with cargoes for Vietnam."

Equally instructive as to the possibilities inherent in employing a merchant marine presence as a psycho-political and subversive warfare weapon is a statement made by the Cuban Communists. In discussing the policy of "maximum expansion of our merchant fleet," Havana Radio on November 1, 1967, stated that young Cubans in maritime training schools would be "taught the language, geography, and history of the countries they will visit." When this is viewed in the context of Soviet directed and assisted training for unconventional warfare in Cuba, it would appear that, far from declining, the Cold War will be intensified at sea during the coming decade.

The Merit of Foreign Aid Money

HON. WARREN G. MAGNUSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Wednesday, January 31, 1968

Mr. MAGNUSON. Mr. President, much has been said about the merit of our foreign aid money and the U.S. policy in Southeastern Asia.

I ask unanimous consent to have printed in the Extensions of Remarks an unsolicited letter from a constituent of mine, Dr. Ausey H. Robnett of Spokane, Wash., in which he gives his impression of the good of our aid program, as witnessed by him on his recent trip abroad.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DRS. DURHAM, HARPER, ROBNETT & AHLQUIST.
Spokane, Wash., December 22, 1967.

Senator WARREN J. MAGNUSON,
Olympia, Wash.

Hon. SENATOR MAGNUSON: My wife and I have just returned from a trip to the Southeastern Asian countries of the Philippines, Singapore, Indonesia, Thailand, Hong Kong and Japan. This trip was made entirely upon our own and was prompted by the confusion which existed in our minds regarding the United States' policy in Southeastern Asia.

The trip was somewhat unique in that we had established contact with citizens of Singapore, lived in an Indonesian home for almost a week in Djakarta, and stayed with medical friends in Thailand.

The sole purpose of this letter is to express to you the fact that although we went to the Orient completely undecided and somewhat hostile towards the activities of the United States in Viet Nam, we have returned convinced by the unanimous opinion of everyone in the Southeastern Asian countries to whom we talked that although they wish to determine their own political futures, their only opportunity to do so will be by the continued presence and activity of the United States in Viet Nam.

We also were immensely impressed by the unanimous opinion of several people whom we interviewed regarding the various aid programs of which by all odds the people of Indonesia and of Thailand feel that building of roads is the most important. Second to the road building in importance was education and medical aid in the form of preventive medicine and therapy.

We were particularly impressed with the representatives of the United States' government whom we met there such as William J. Dunn, Jr., of the USOM activity in Bangkok, and Mr. John Robb of the U.S. agency for International Development station in Tokyo.

Although I have not been enthusiastic about our Foreign Aid program in the past, after traveling through this area with the population of well over 200 million people, I feel very strongly that we must continue our aid program, particularly the road building and educational programs in an effort to sustain these people until they can go on their own which they are more than anxious to do.

I am sending this letter also to Senator Jackson and to Representative Foley in the hopes that it will express our complete support of the programs of the United States and belief that even more must be done by way of road building, education in the agricultural and medical fields in these countries even though it may mean an increase in our own tax rate.

Respectfully yours,

AUSEY H. ROBNETT, M.D.

Justice for Private Education Denied

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. RARICK. Mr. Speaker, the U.S. Supreme Court trampled the dignity of private schools underfoot without granting the courtesy of one word of argument in defense of our State's law.

What happened to all the emotional legal phrases such as "justice based on the case," "fair hearings," and "a fair and impartial trial." All trampled underfoot by a controlled bunch of quasi-jurists who must have entered into the case with prejudiced personal opinions to have prejudged the case without giving the defendant a chance to state his case.

What can be more bigoted close-minded, or hate filled than justice denied.

Somehow the Supreme Court Justices have decided mothers and dads and taxpayers no longer have an interest in their children or education—perhaps the parents cannot be trusted to take care of their child's needs and future.

For, by their decision the Court evidences total disregard of education—their interest is solely in social revolution, forced controls, and destruction of the greatest school system the world has ever know. Is "in the public interest" to be now construed to vest ownership of the minds and bodies of our children in the Federal Government under the dictates of the Federal judiciary.

An unheard of power precedent exceeding even the dictates of Nazi judges in Hitler's Germany in their self-granted power to do whatever they felt was in the best interests of the Socialist state.

How long does the Federal bench think it can escape the wrath of the American people in its stepped up program of miscarriage of justice?

All points to the power of the people at the voting booth. What is politically inspired can now only be corrected by political action. The election of a few more constitutional representatives this fall may well result in public clamor for action by removal proceedings. Justices can read the Constitution—their jobs are during good behavior—not for life.

I wonder how many judges need be removed by impeachment before they start holding court and reading law again?

Mr. Speaker, I include Mr. James Kilpatrick's column of January 30 following my remarks:

LOUISIANA'S TUITION GRANT LAW GETS BRUSHOFF

It probably will accomplish nothing for a Southern boy to comment on a fight that touches "segregation," but this ought to be said: The Supreme Court acted wrongly a couple of weeks ago, when it summarily tromped upon Louisiana's tuition grant law without hearing one word of argument in the law's defense.

Like many other things, the tuition grant concept is subject to abuse and to unconstitutional administration. This does not mean that the concept itself is unlawful. It is not. But the high court would not pause to hear the point debated. In its zeal to toss out the South's old bath water, washing its sins away, the court may have tossed out a promising baby too.

Admittedly, the tuition grant plan first devised in Virginia ten years ago was an instrument of the State's "massive resistance" to court-ordered integration of the public schools. The idea was to make it possible for white children to trot off to all-white "private" schools, while colored children remained in public schools. The idea was to maintain segregated education and whether the plan was "ingenious or ingenuous," as the high court once remarked in another context, it was state action in violation of the Fourteenth Amendment.

All right. The overlooked point is that the Virginia law was completely rewritten in 1960. Like the blind sow stumbling upon the acorn, Virginia discovered that she had hit upon an educational concept of great utility, novelty and promise. Every vestige of racial motivation was rooted from the law. Louisiana subsequently followed Virginia's lead with a generally similar program of her own; it is this Louisiana statute that a three-judge Federal court held void in August. And now the Supreme Court, per curiam, has affirmed that decree.

This is a pity; for properly administered, without discrimination of any sort, a plan of State scholarships, or State tuition grants, has much to comend it. Such a program rests upon this salutary premise, that a State's valid interest in a child lies in the child's education—not necessarily in his "public education," but simply in his education, period. So long as certain minimum standards are met, dealing with basic curriculum, days of schooling and the like, the State stands indifferent. The object is to educate the child, and toward that end the State is prepared to expend public funds; but within limits, the how and the where of that education are not the State's concern.

Thus Virginia says to each parent, in effect: You have a right to have your child enrolled in a public elementary or secondary school in your county or city. But if you should elect, for reasons of your own, to eduate your child in some other approved non-secretarian institution, you are free to take your share of the educational appropriation in the form of a tuition grant.

The program has not been a big thing in Virginia, in terms of grants approved or money spent. Last year only 12,800 children (out of more than a million of school age) elected to take the grants. Records are not kept racially, but the figure is known to include hundreds of Negro pupils. The program represented an outlay of $2,908,000, against $550 million for public education generally.

Some of the pupils who obtained grants were retarded children, who used the grants to go to special schools. Some grants went to families who wished to send their children to private schools outside the State. Many of the grants went to families, living close to a county line, who wanted the convenience of sending their children to a nearer school in the adjoining jurisdiction. And yes, the bulk of the grants went to white children whose parents desired, not necessarily for racial reasons, to send them to a school other than the local public school.

The tuition grant program has provoked great hostility in Virginia among public school people. They see it as a threat, however minute at the moment, to their public school monopoly. Yet this aspect of the plan—this competitive spur—is a useful incentive toward keeping public schools on their toes. All these elements figure in the picture, but the court would not look. Where's the case from? Louisiana? Out with it. It's a poor way to preserve the federal system.

New Yorker President of Million-Dollar Round Table

HON. JACOB K. JAVITS

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, January 31, 1968

Mr. JAVITS. Mr. President, it is a great honor for any insurance man to be admitted to the Million-Dollar Round Table, and so to be elected president of that organization is a singular achievement.

Last November, Sadler Hayes, of New York, was elected to that office. Mr. Hayes is an outstanding member of the insurance industry, and his biography indicates that he is also active in civic affairs and the arts. Like so many successful New York businessmen, he is not a native of our State, but we are proud of his achievements and his leadership of this prestigious organization.

I ask unanimous consent that an article about Mr. Hayes, which appeared in the newsletter of the Million-Dollar Round Table, be printed in the Extensions of Remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEET SADLER HAYES, 1968 PRESIDENT

Sadler Hayes, the transplanted "tarheel" who combines southern charm and graciousness with the easy-going urbanity of a long-time New Yorker, took the reins of the Round Table on November 1.

The 1968 MDRT President arrived at the top of the Table via an unusual route—he began his working career by selling shoes in 1929 in North Carolina as a college freshman. His commission was one dollar for a $6.00 pair of shoes. Shortly after he made $50 in commissions in one day's sales, he decided there was a quicker way to financial success than the four-year route through college.

He entered life insurance with the Travelers Agency in Charlotte, and after two months was sent to Hartford, Conn., for more home office training.

"I intended to return to North Carolina after the training period," Hayes reflected. "Instead, I was sent to New York first."

It was 1932. Apple peddlers were the most conspicuous salesmen in Manhattan. People not only were not buying insurance, they were cashing in existing policies for food and rent money.

"My first assignment was in life insurance conservation," Hayes said. "That was the practice of helping policy holders to hold on to their insurance during the days of financial difficulty. I stayed with it until early 1934, then joined Connecticut General as a salesman."

Then, as now, one way to reach the top in selling life insurance was to make clients out of successful men. Where did one find these men in 1934?

"I didn't know any rich men," Hayes said. "I had no influential friends or family to introduce me to the wealthy."

What Hayes had was an idea. He discovered that the Wall Street law firms were hiring only top-honors graduates from Harvard, Yale, Penn and Virginia.

"I figured most of these youngsters—men my own age, and many of whom were Phi Beta Kappa and Rhodes Scholars—were going places, and I'd go right along with them."

How right he was. The Wall Street law clerks of the 1930's became the corporation presidents of the '40's, '50's and '60's. Their modest term insurance policies blossomed into big trust funds—and Hayes, their financial counselor from the beginning, was there to help them protect and secure their growing estates.

By the age of 31, when he went into military service for World War II, he had become a member of the Million Dollar Round Table. He has now qualified for Round Table membership for the past 23 consecutive years.

As a recognized comer in the life insurance business, he was one of 20 Round Table members featured by Fortune magazine in a 1949 article on million-dollar-a-year salesmen. He made "Who's Who in America" before he was 35, and has held his listing to this day.

Associated with the Carl R. Purser Agency of Penn Mutual at 355 Lexington Ave., Hayes has compiled an enviable record of life insurance salesmanship. Four times, he has outsold all other agents in the nationwide Penn Mutual system. Ten times, has sold two million dollars or more per year in new policies.

He was the first charter member of Penn Mutual Royal Blue, a company honor for agents whose personal annual production is two million dollars or more; he is on the Penn Mutual Agents Advisory Committee and has earned the industry's National Quality Award every year since joining Penn Mutual.

Hayes is a quietly intense man, interested in people and interesting to people. He has the ability of so many master salesmen to come in on the same wave length as the person he is with—to interact, share interests, find mutually productive points of view.

Like many members of the Round Table, Hayes believes strongly in continuing personal development, not only in advanced education in life insurance which may be of help to his clients, but also in the growth of "the whole man."

He has appeared twice on the program of the Round Table's Annual Meetings—in 1948 and 1953, and was Program Chairman for the 40th Anniversary Annual Meeting held last June in Lucerne, Switzerland.

Hayes' non-professional interests center mainly around his family—his wife, the former Agnes MacArthur, and their two children, John Sadler, 16, a junior at Woodberry Forest School, Orange, Va., and Alice, a sophomore at Rosemary Hall, in Greenwich, Conn. However, his accomplishments extend into many diverse fields.

An accomplished guitarist, he delights in donning a red bolero and entertaining—an interest he shares with his son. He belongs to the Society of the Classic Guitar of New York which meets monthly in the Warren Austin Auditorium at the United Nations.

"The finest guitarists from all over the world, including Andres Segovia and Carlos Montoya, perform for us in advance of their concerts at Lincoln Center and Carnegie Hall," he said proudly.

"I was privileged to sing and play last year at the annual meeting of the Ice Skating Club of New York and this past spring at a formal dinner at Christ Methodist Church. A few years ago, I appeared with ex-Governor Averell Harriman as a singing guitarist before the 50th Anniversary Boy Scout Jamboree in Orange County, N.Y."

Hayes' interest in music dates back to his short college career, when he led a 10-piece dance band called, "The Spanish Troubadors."

"We did very well, too," Hayes recalled. "We even got a solid booking for the summer of 1930. But my mother moved in and made me give it up—I've been a frustrated virtuoso ever since."

Hayes also is a member of the Blue Hill Troupe, a group of amateur performers which puts on a Gilbert & Sullivan operetta each year for one of New York's charities. From the days of his military service, he has remained in the Squadron A Association, a cavalry organization which is an honorary rank to the bygone days of mounted warfare.

Active also in religious work, Hayes is a Ruling Elder in the Brick Presbyterian Church, one of the city's oldest and best-known Protestant churches.

Current highlights of his civic activities in New York City include participation in the "Family of Man Dinner" this February honoring Monsieur Jean Monet. Also, Hayes is a member of the newly formed Deferred Giving Committee of the Greater Council of the Boy Scouts of America. This Committee is exploring the whole new approach to the raising of funds through the charitable sale of life insurance.

Like many MDRT members, Hayes has developed a strong interest in physical fitness. It's no easy trick to build oneself up to a mile-a-day run when one lives in an 18th floor Manhattan apartment. But Hayes has mastered the problem. "I measured the circumference of my upper terrace and found that 25.2 laps around it equals one mile. The only drawback is some sulphur dioxide, more politely known as smog, from time to time. However, I keep hoping enough oxygen remains to sustain breathing on my highrise jogs."

Hayes' year as President of the Round Table will be the fourth that he has served on the organization's governing Executive Committee. After his term ends, he will serve an additional year as Immediate Past President.

"For me, these years of added responsibility are the most meaningful of my life," he summed up.

Veterans Organizations Applaud President's Message on Veterans and Servicemen

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. TEAGUE of Texas. Mr. Speaker, the Nation's veterans groups have reacted enthusiastically to President Johnson's message on veterans and servicemen delivered to the Congress yesterday. I am including for the RECORD telegrams which I have received from the national leaders of our veterans' organizations expressing support for the President's program:

WASHINGTON, D.C.

Representative OLIN TEAGUE,
Chairman of Veterans Affairs Committee,
House of Representatives,
Washington, D.C.:

I have this date sent the following telegram to President Johnson: "The members of our national executive offices staff have just been briefed on your message to the United States Congress dealing with Veterans Affairs by Mr. Driver, as the spokesman for more than 67,000 career sailors and marines. I wish to express their wholehearted approval of your proposals to not only aid the veteran but to encourage him to continue to serve his Nation in his civilian pursuit and assure all Americans of a brighter and more prosperous future." On behalf of the veterans and citizens of America I urge prompt and favorable action on the proposals of his veterans message of January 30, 1968.

BERNARD P. O'HARE,
National President, Fleet Reserve Association.

WASHINGTON, D.C., *January 30, 1968.*

Hon. OLIN E. TEAGUE,
U.S. House of Representatives,
Rayburn House Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: I have just sent the President the following message:

"All members of my organization and I believe it is of the utmost importance that legislation required to accomplish proposals contained in your veterans message to Congress be enacted with all possible dispatch. These are far-seeing recommendations and they must be potentiated, not only for the strengthening of our veterans' programs but for the bolstering of our national unity and security. We will urge that Congress promptly convert your recommendations into appropriate legislation."

We urge Congress do everything possible to implement the requirements of this presidential message.

SIDNEY HANTMAN,
DSC Senior Vice Commander, Legion of Valor.

WASHINGTON, D.C.,
January 30, 1968.

Congressman OLIN E. TEAGUE,
House of Representatives,
Washington, D.C.:

Today I have sent the following telegram to the President: The members of the Paralyzed Veterans of America and countless other veterans and servicemen graciously thank you for your splendid veterans message to Congress. You indeed cogently and persuasively set forth the needs of this vitally important segment of our population. We are urging the Congress to supply the servicemen and veterans what you ask for and pledge the full support of our organization to help your enlightened programs become a reality. We especially commend the opening of ten U.S. veterans assistance centers. Your interest in our servicemen and veterans and their problems is indeed reassuring. Our organization sincerely requests your assistance in helping the programs outlined in this message to become a vital part of our veterans legislation.

LESLIE P. BURGHOFF, Jr.,
President,
Paralyzed Veterans of America.

WASHINGTON, D.C.,
January 30, 1968.
Congressman OLIN E. TEAGUE,
Rayburn House Office Building,
Washington, D.C.:

The following message sent this date to President Johnson: Your historic message to Congress of Jan. 31, 1967 concerning veterans legislation resulted in far-reaching action by the members, resulting in immeasurable aid to the veterans of the Nation.

Your message to the 90th Congress for this second session will prove to be another milestone in the annuals of veteran achievements. The veterans of the Nation are indebted to you for your cooperation, and we of AMVETS pledge our continued support for the enactment of your entire program.

ANTHONY J. CASERTA,
National Commander, AMVETS.

BALTIMORE, MD.,
January 30, 1968.
OLIN TEAGUE,
House of Representatives,
Washington, D.C.:

For your information the following wire was sent to the President today endorsing his message on veterans benefits. I urge the prompt support of the Congress on these recommendations.

"It was my honor to hear your message to Congress today outlining your proposals designed to insure the secure future of our returning veterans. The deep insight and incisive understanding of the problems facing these veterans is a concrete example of your profound humanitarian spirit. Veterans and their families throughout this land applaud your courage, your wisdom, and your heart. As national commander of the Jewish War Veterans of the U.S.A. I salute you in humble gratitude."

SAMUEL SAMUELS,
National Commander, Jewish War Veterans of U.S.A.

WASHINGTON, D.C., *January 30, 1968.*
Representative OLIN TEAGUE,
House of Representatives,
Washington, D.C.:

We have sent the following telegram to President Lyndon B. Johnson: "The disabled American veterans express their deepest gratitude for the proposals that you have made in your recent message to Congress on veterans benefits. Together with the proposals you made last year and most of which are now law, these new proposals will help fulfill the desires of our membership fought for over many years. The recommendations benefitting disabled veterans have our complete support and we shall urge the Congress to enact them immediately. Please accept the thanks of the disabled American veterans."

FRANCIS J. BEATON,
National Commander, Disabled American Veterans.

WASHINGTON, D.C., *January 31, 1968.*
Congressman OLIN TEAGUE,
Washington, D.C.:

Following message sent to the President of the United States: Your message to the Congress today reemphasize your deep concern of and championship of the returning veterans in the difficult situation and individual problems each faces in making a transition from military service to the equally important status of productive private citizen contribute equally to the nation's economy productivity and social strength. You may be assured that I shall urge Congress to support the necessary legislation to effectuate your outstanding program for our veterans.

A. LEO ANDERSON,
Director, Department of Veterans Affairs, District of Columbia.

WASHINGTON, D.C., *January 30, 1968.*
Hon. OLIN E. TEAGUE,
Chairman, House Committee on Veterans' Affairs, Washington, D.C.:

In a telegram to the President the veterans of World War One have pledged their support to the veterans programs that our President has presented to Congress. No doubt you will have a big hand in pushing this program through Congress and we know that you will be successful in your efforts.

PHILIP F. O'BRIEN,
National Commander, Veterans of World War One of the USA.

The PRESIDENT,
The White House,
Washington, D.C.:

On behalf of The American Legion, may I express our gratitude for requesting Congress to enact legislation to expand certain veterans benefits programs and to support improvement of the quality of certain services provided veterans.

Your fine veterans program reflects that as a veteran yourself, you have taken cognizance of the economic problems facing veterans who have devoted a segment of their lives in the time spent defending our nation's freedoms.

I assure you that The American Legion will indicate to the Congress that our 2,600,000 war veteran membership is in hearty accord with your dedicated effort to give veterans the opportunities they have so justly earned.

WILLIAM E. GALBRAITH,
National Commander, The American Legion.

WASHINGTON, D.C., *January 30, 1968.*
Hon. OLIN E. TEAGUE,
Chairman, House Veterans' Affairs Committee, Washington, D.C.

DEAR MR. CHAIRMAN: I have sent the following telegram to the President of the United States: "No one concerned for veterans and their families and dependents can read your latest message on veterans to the Congress without feeling of deepest pride and satisfaction. This is truly the era of the veteran and the package of benefits which the gratitude of the Nation provides cannot and must not ever be inadequate. It is clear that if your recommendations become reality it will not be. We want you to know we shall work for the fullest development of the potential you have so eloquently and convincingly placed before the Congress. Congratulations."

It is urged that you lend your support to the early passage of this much needed legislation.

Thank you.

LUTHER SKAGGS, Jr.,
National Commander, Military Order of the Purple Heart of the United States of America, Inc.

JANUARY 30, 1968.
The PRESIDENT,
The White House,
Washington, D.C.:

The 1,400,000 members of the Veterans of Foreign Wars of the United States enthusiastically welcome your second message on Veterans to the Congress within the past year, in which you recommended further assistance to Americans who have borne and today are bearing arms in defense of our liberty and the cause of peace.

The Veterans of Foreign Wars shares your sentiments that America's servicemen and veterans are our Nation's pride and our strength.

Your recommendations to help find jobs for veterans, both in Government and industry, are most timely. Your reaffirmation of veterans preference in Federal Government, coupled with the non-competitive hiring of veterans going to school in the first five levels of Civil Service, will be of tremendous importance to veterans in their return to civil life. The further utilization of the Veterans Administration hospital system, which is truly one of our greatest national assets, to step up the training of medical specialists will not only help veterans but all Americans. Your recommendation for establishment of a new program for veterans in public service will provide a continuing opportunity for veterans to serve in the public interest and help solve some of the great domestic problems facing this Nation today.

Last, but perhaps most important to the Veterans of Foreign Wars membership, is your recognition of the acute national cemetery problem and your request that the Veterans Administrator have proposals made to assure every veteran the right to a burial in a national cemetery reasonably close to his home.

With the exception of your proposal of veterans in public service, the Veterans of Foreign Wars has long been on record through mandates adopted at our national conventions in favor of every proposal in this second and historic message on veterans. You may be reassured of the full support of the Veterans of Foreign Wars of the United States in your efforts to have the recommendations of your message fulfilled.

I know I speak for the 1,400,000 members of the Veterans of Foreign Wars when I express the deepest appreciation for this most important and historic message to the Congress in recognition of the extra sacrifice being made by our servicemen who are fighting today's war and for our veterans who have fought past wars.

JOSEPH A. SCERRA,
Commander in Chief, Veterans of Foreign Wars of the U.S.

Death of Arnold Rose

HON. WALTER F. MONDALE

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, January 31, 1968

Mr. MONDALE. Mr. President, Minnesota and America lost a great scholar, lawmaker, and citizen with the death of Arnold Rose. We remember Arnold Rose as one of the Nation's leading sociologists, publicly involved in the struggle against racial discrimination since 1941 when he joined Gunnar Myrdal in the writing of "An American Dilemma," as a sociology professor at the University of Minnesota who was instrumental in relating sociology to the study of law; as an active Minnesota legislator with a special interest in education; and for his courtroom defense of academic freedom in the libel suit against rightwinger Gerda Koch.

I would like to add to the RECORD the tributes of Minnesotans to Arnold Rose. I ask unanimous consent that tributes by Arthur Naftalin, the mayor of Minneapolis, Carl A. Auerbach, professor of law, University of Minnesota, and Harold C. Deutsch, professor of history, University of Minnesota, on January 6, 1968, and an editorial from the Minneapolis Tribune be printed in the Extensions of Remarks.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

A TRIBUTE TO ARNOLD M. ROSE

(By Arthur Naftalin, mayor of Minneapolis)

Arnold Rose was a man of unusual quality and exceptional talent. He was a brilliant scholar, a gifted writer, a courageous champion of human dignity and a determined and effective political leader. He devoted himself, in all facets of his career, to the greater understanding of society and to the betterment of community life.

He gave his creative attention to many areas of social thought and political action, emerging as a national authority in such diverse fields as civil rights, mental health, aging, community organization and the social and political process.

His contributions were so numerous and their constructive effect so substantial it is difficult to describe how great is the loss we have sustained in his death.

Arnold's lifespan was tragically brief, the more so because in his final years, he walked with the shattering knowledge that his time was limited by irreversible illness.

Yet the manner in which he chose to live out his days was characteristic of his special quality. He was able to summon tremendous inner discipline and a creative vitality that illness could not daunt. He used his final years calmly, deliberately, and more fruitfully than many men use their entire lifetime. One can only surmise with what effort he continued to work until the very evening of his death. Did he perhaps recall Robert Frost's deceptively simple words: "the woods are lovely, dark and deep but I have promises to keep and miles to go before I sleep."

Arnold and Caroline Rose came to Minneapolis in September, 1949, and over the intervening years we have—so many of us gathered here today—enjoyed a close friendship, as neighbors, as academic colleagues, as political comrades, and as fellow-workers in programs of civic betterment.

We met on the first day of their arrival, fittingly at a political meeting in our home. It was a moment of special interest for me, because I was then using the *American Dilemma* as the text of a course I was teaching at the University and to meet the Roses, who had collaborated with Gunnar Myrdal in producing the monumental work, was an unusually gratifying experience.

It was clear from the start that Arnold was no ordinary addition to the community. It was clear that here was a person of compassion and courage, of concern and quiet charm, one who was prepared to meet the forces of his time, intellectually and personally, in thought and in action.

Arnold Rose exemplified in his life the maxim of Goethe: "It is not enough to know, we must also apply; it is not enough to will, we must also do."

It was the activist in Arnold that led him from the academy to the legislature; with graceful ease, he moved from classroom to caucus; from pedagogy to precinct. The knowledge he gained in one arena he used to enrich his activity in the other.

It is heartening to imagine the satisfaction that he must have derived as a legislator in helping to shape our state's social institutions to accord with his deepest scholarly reflections.

The record he established in his single term in the Legislative Session of 1963 attests to the passion with which he approached this task. He was in the minority party and only a freshman house member, yet he was an author of 68 separate bills, the range of which reflected the breadth of his intellectual interests. He introduced measures to benefit the young, the aging and the very old; the mentally ill and the retarded; the disabled and the handicapped. He sought legislation to help labor, to improve the legislative process with party designation and to bring tax relief to the elderly. He was especially active in education. As a member of the House Education Committee he sponsored bills aimed at strengthening all levels of instruction, from elementary through graduate school.

Men on both sides of the aisle accorded him the highest respect; they came to draw upon his great store of organized knowledge that he brought to the arena of action from his wide reading and extensive research.

Perhaps one of his most significant contributions of that period is the additional dimension of appreciation for the University that he left with his legislative colleagues. The present era of amicable University-legislative relations can be attributed in some measure to Arnold's patient attention to this basic concern.

Arnold saw clearly, too, the great need for the state to pay attention to the problems of the city, that to arrest urban decay would require firm leadership and meaningful legislation. Patiently and persuasively he brought many of his colleagues to an awareness that city and suburb must stand together to meet the problems of the aging, the poor, and the ill. The progress we are making towards a larger state and metropolitan understanding is another evidence of Arnold's legacy to us.

The activity that perhaps is most revealing of Arnold's determination to know and apply, to will and to do, was his involvement in the Democratic-Farmer-Labor Party. He served the party in the literal and most exemplary sense of the word. He was a prodigious worker; no task was too menial; no detail too small. He was Indian or Chief as the situation required. I know first-hand because we were members of the same Ward Club, each in our turn serving as ward chairman and as delegates to county, state and national conventions.

Always Caroline and Arnold were prepared, at great personal sacrifice, to sustain the group effort because of their commitment to orderly and intelligent social process.

Here, too, Arnold filled the role as educator. He provided many young people with their first contact in politics and purposefully encouraged them to seek office and to participate actively in the party structure and in civic organizations. Many people today are constructively serving our community because Arnold Rose aroused their concern and moved them to involvement—a legacy difficult to measure but of immeasurable value.

Arnold's own campaign for office fitted his personality. So long as there were people present and an issue to be discussed, no meeting was too small for him to attend. He rallied to his support men and women of every ethnic group and minority and over them he raised a giant umbrella of concern—concern for their problems as human beings.

Before his last campaign was finished, he personally visited every home in every block in his district. It may be hard to imagine this slight, serious man one of the most distinguished scholars in our nation, doggedly ringing doorbell after doorbell humbly asking strangers for their support.

Yet it was the kind of experience his activist nature sought; he felt the need for it; he revelled in it. As it was said of him the other evening in tribute he believed that if men never touch each other, they will hate each other one day.

Many of us in this room have had their lives touched very personally by Arnold Rose. We are all stronger and richer for knowing him, and we pay tribute to his memory by expressing our gratitude that he has left us so rich a legacy.

I cannot conclude without saying a word of appreciation to Caroline Rose for all of what she meant in Arnold's life. The legacy we honor is, in good measure, the product of the lives they shared. To Arnold's great qualities Caroline added her own intellectual force and personal zest, always ready to participate in their joint endeavors to the fullest. We salute her for her role in their magnificent partnership.

Now the keen intellectual adventure that came to such high fruition is ended; the probing, reasoned mind is stilled; he who would ever do battle in defense of civil and academic freedom has slipped from our midst.

As we pay this tribute we add a new name to the roster of Minnesota's Giants in the Earth—Arnold M. Rose.

IN MEMORY OF ARNOLD M. ROSE

(By Carl A. Auerbach, professor of law, University of Minnesota)

No one can read the writings of Arnold Rose without being impressed by his optimism about the human condition; his fierce love of the liberal values of freedom and equality; his sense of sober responsibility as a social scientist and his tolerance for all who labor in the intellectual vineyards.

Those who had the privilege to be his colleagues or to work with him in any of his manifold endeavors or to know him as a friend had no doubt that these characteristics marked the inner man. We grieve for his loss and pay tribute to his memory.

Arnold Rose was imbued with the conviction that society had a right to expect social scientists to assist in combatting the evils afflicting it. So many of these evils, he saw, could be alleviated by legal ordering. He did not look upon law merely as the product of the social and psychological factors that mold human behavior. He insisted that law could affect man's environment, his behavior and even his attitudes—and so could be used as an effective instrument of peaceful social change in a democracy.

This possibility attracted him to the study of the legal order. Appreciating that judges, legislators, administrators, lawyers and citizens had to deal with society's problems here and now, he worked to assure that their efforts would be as informed about the nature of man and society as his generation's state of knowledge could make them.

In addressing himself to our problems and entering the political arena to cope with them even more directly, he was not swayed by the criticism he heard from time to time that he was wandering from the main paths of scholarship and should better spend his time constructing theoretical systems.

The fact of the matter is that Arnold Rose was a theorist and methodologist of power. He was troubled because so much social theory was inadequate precisely because it failed to consider law as a factor making for social change. And he undertook to remove this "blind spot," as he called it, of so many contemporary American sociologists.

He also never thought it necessary to keep his theory pure and unpolitical by avoiding intimate contact with the realities of social disorder and conflict. His academic life guided and enriched his role as legislator. And his political involvement and experience deepened his insight as a sociologist.

Even more important, his reflection on social responsibility of the social scientists led him to activity which made him a leader of our generation in the struggle against the greatest brutality of our time—race bigotry and race discrimination. To this struggle he committed his mind and his heart.

This commitment began at least as early as September 1941 when, only 23 years old, he joined Gunnar Myrdal in the research and writing of *An American Dilemma*. Even then, Myrdal Arnold's "wide knowledge of the social science literature and his sound judgment on methodological problems." After the book was published, Myrdal acknowledged Arnold's deep and intimate identification with it. Arnold Rose's commitment to work for fundamental changes in American race relations continued until the day he died.

The very last article he published—in November of the past year—dealt with school desegregation and hammered at his favorite themes. "If there ever had been a doubt," he wrote, "that a United States Supreme Court decision can change social behavior and social institutions, the implementation undertaken by the federal court of the Brown v. Board of Education decision of 1954 should

WASHINGTON, D.C.,
January 30, 1968.

Congressman OLIN E. TEAGUE,
Rayburn House Office Building,
Washington, D.C.:

The following message sent this date to President Johnson: Your historic message to Congress of Jan. 31, 1967 concerning veterans legislation resulted in far-reaching action by the members, resulting in immeasurable aid to the veterans of the Nation.

Your message to the 90th Congress for this second session will prove to be another milestone in the annuals of veteran achievements. The veterans of the Nation are indebted to you for your cooperation, and we of AMVETS pledge our continued support for the enactment of your entire program.

ANTHONY J. CASERTA,
National Commander, AMVETS.

BALTIMORE, MD.,
January 30, 1968.

OLIN TEAGUE,
House of Representatives,
Washington, D.C.:

For your information the following wire was sent to the President today endorsing his message on veterans benefits. I urge the prompt support of the Congress on these recommendations.

"It was my honor to hear your message to Congress today outlining your proposals designed to insure the secure future of our returning veterans. The deep insight and incisive understanding of the problems facing these veterans is a concrete example of your profound humanitarian spirit. Veterans and their families throughout this land applaud your courage, your wisdom, and your heart. As national commander of the Jewish War Veterans of the U.S.A. I salute you in humble gratitude."

SAMUEL SAMUELS,
National Commander, Jewish War Veterans of U.S.A.

WASHINGTON, D.C., *January 30, 1968.*

Representative OLIN TEAGUE,
House of Representatives,
Washington, D.C.:

We have sent the following telegram to President Lyndon B. Johnson: "The disabled American veterans express their deepest gratitude for the proposals that you have made in your recent message to Congress on veterans benefits. Together with the proposals you made last year and most of which are now law, these new proposals will help fulfill the desires of our membership fought for over many years. The recommendations benefitting disabled veterans have our complete support and we shall urge the Congress to enact them immediately. Please accept the thanks of the disabled American veterans."

FRANCIS J. BEATON,
National Commander, Disabled American Veterans.

WASHINGTON, D.C., *January 31, 1968.*

Congressman OLIN TEAGUE,
Washington, D.C.:

Following message sent to the President of the United States: Your message to the Congress today reemphasize your deep concern of and championship of the returning veterans in the difficult situation and individual problems each faces in making a transition from military service to the equally important status of productive private citizen contribute equally to the nation's economy productivity and social strength. You may be assured that I shall urge Congress to support the necessary legislation to effectuate your outstanding program for our veterans.

A. LEO ANDERSON,
Director, Department of Veterans Affairs, District of Columbia.

WASHINGTON, D.C., *January 30, 1968.*

Hon. OLIN E. TEAGUE,
Chairman, House Committee on Veterans' Affairs, Washington, D.C.:

In a telegram to the President the veterans of World War One have pledged their support to the veterans programs that our President has presented to Congress. No doubt you will have a big hand in pushing this program through Congress and we know that you will be successful in your efforts.

PHILIP F. O'BRIEN,
National Commander, Veterans of World War One of the USA.

The PRESIDENT,
The White House,
Washington, D.C.:

On behalf of The American Legion, may I express our gratitude for requesting Congress to enact legislation to expand certain veterans benefits programs and to support improvement of the quality of certain services provided veterans.

Your fine veterans program reflects that as a veteran yourself, you have taken cognizance of the economic problems facing veterans who have devoted a segment of their lives in the time spent defending our nation's freedoms.

I assure you that The American Legion will indicate to the Congress that our 2,600,000 war veteran membership is in hearty accord with your dedicated effort to give veterans the opportunities they have so justly earned.

WILLIAM E. GALBRAITH,
National Commander, The American Legion.

WASHINGTON, D.C., *January 30, 1968.*

Hon. OLIN E. TEAGUE,
Chairman, House Veterans' Affairs Committee, Washington, D.C.

DEAR MR. CHAIRMAN: I have sent the following telegram to the President of the United States: "No one concerned for veterans and their families and dependents can read your latest message on veterans to the Congress without feeling of deepest pride and satisfaction. This is truly the era of the veteran and the package of benefits which the gratitude of the Nation provides cannot and must not ever be inadequate. It is clear that if your recommendations become reality it will not be. We want you to know we shall work for the fullest development of the potential you have so eloquently and convincingly placed before the Congress. Congratulations."

It is urged that you lend your support to the early passage of this much needed legislation.

Thank you.

LUTHER SKAGGS, Jr.,
National Commander, Military Order of the Purple Heart of the United States of America, Inc.

JANUARY 30, 1968.

The PRESIDENT,
The White House,
Washington, D.C.:

The 1,400,000 members of the Veterans of Foreign Wars of the United States enthusiastically welcome your second message on Veterans to the Congress within the past year, in which you recommended further assistance to Americans who have borne and today are bearing arms in defense of our liberty and the cause of peace.

The Veterans of Foreign Wars shares your sentiments that America's servicemen and veterans are our Nation's pride and our strength.

Your recommendations to help find jobs for veterans, both in Government and industry, are most timely. Your reaffirmation of veterans preference in Federal Government, coupled with the non-competitive hiring of veterans going to school in the first five levels of Civil Service, will be of tremendous importance to veterans in their return to civil life. The further utilization of the Veterans Administration hospital system, which is truly one of our greatest national assets, to step up the training of medical specialists will not only help veterans but all Americans. Your recommendation for establishment of a new program for veterans in public service will provide a continuing opportunity for veterans to serve in the public interest and help solve some of the great domestic problems facing this Nation today.

Last, but perhaps most important to the Veterans of Foreign Wars membership, is your recognition of the acute national cemetery problem and your request that the Veterans Administrator have proposals made to assure every veteran the right to a burial in a national cemetery reasonably close to his home.

With the exception of your proposal of veterans in public service, the Veterans of Foreign Wars has long been on record through mandates adopted at our national conventions in favor of every proposal in this second historic message on veterans. You may be reassured of the full support of the Veterans of Foreign Wars of the United States in your efforts to have the recommendations of your message fulfilled.

I know I speak for the 1,400,000 members of the Veterans of Foreign Wars when I express the deepest appreciation for this most important and historic message to the Congress in recognition of the extra sacrifice being made by our servicemen who are fighting today's war and for our veterans who have fought past wars.

JOSEPH A. SCERRA,
Commander in Chief, Veterans of Foreign Wars of the U.S.

Death of Arnold Rose

HON. WALTER F. MONDALE

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, January 31, 1968

Mr. MONDALE. Mr. President, Minnesota and America lost a great scholar, lawmaker, and citizen with the death of Arnold Rose. We remember Arnold Rose as one of the Nation's leading sociologists, publicly involved in the struggle against racial discrimination since 1941 when he joined Gunnar Myrdal in the writing of "An American Dilemma," as a sociology professor at the University of Minnesota who was instrumental in relating sociology to the study of law; as an active Minnesota legislator with a special interest in education; and for his courtroom defense of academic freedom in the libel suit against rightwinger Gerda Koch.

I would like to add to the RECORD the tributes of Minnesotans to Arnold Rose. I ask unanimous consent that tributes by Arthur Naftalin, the mayor of Minneapolis, Carl A. Auerbach, professor of law, University of Minnesota, and Harold C. Deutsch, professor of history, University of Minnesota, on January 6, 1968, and an editorial from the Minneapolis Tribune be printed in the Extensions of Remarks.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

A TRIBUTE TO ARNOLD M. ROSE

(By Arthur Naftalin, mayor of Minneapolis)

Arnold Rose was a man of unusual quality and exceptional talent. He was a brilliant scholar, a gifted writer, a courageous champion of human dignity and a determined and effective political leader. He devoted himself, in all facets of his career, to the greater understanding of society and to the betterment of community life.

He gave his creative attention to many areas of social thought and political action, emerging as a national authority in such diverse fields as civil rights, mental health, aging, community organization and the social and political process.

His contributions were so numerous and their constructive effect so substantial it is difficult to describe how great is the loss we have sustained in his death.

Arnold's lifespan was tragically brief, the more so because in his final years, he walked with the shattering knowledge that his time was limited by irreversible illness.

Yet the manner in which he chose to live out his days was characteristic of his special quality. He was able to summon tremendous inner discipline and a creative vitality that illness could not daunt. He used his final years calmly, deliberately, and more fruitfully than many men use their entire lifetime. One can only surmise with what effort he continued to work until the very evening of his death. Did he perhaps recall Robert Frost's deceptively simple words: "the woods are lovely, dark and deep but I have promises to keep and miles to go before I sleep."

Arnold and Caroline Rose came to Minneapolis in September, 1949, and over the intervening years we have—so many of us gathered here today—enjoyed a close friendship, as neighbors, as academic colleagues, as political comrades, and as fellow-workers in programs of civic betterment.

We met on the first day of their arrival, fittingly at a political meeting in our home. It was a moment of special interest for me, because I was then using the *American Dilemma* as the text of a course I was teaching at the University and to meet the Roses, who had collaborated with Gunnar Myrdal in producing the monumental work, was an unusually gratifying experience.

It was clear from the start that Arnold was no ordinary addition to the community. It was clear that here was a person of compassion and courage, of concern and quiet charm, one who was prepared to meet the forces of his time, intellectually and personally, in thought and in action.

Arnold Rose exemplified in his life the maxim of Goethe: "It is not enough to know, we must also apply; it is not enough to will, we must also do."

It was the activist in Arnold that led him from the academy to the legislature; with graceful ease, he moved from classroom to caucus; from pedagogy to precinct. The knowledge he gained in one arena he used to enrich his activity in the other.

It is heartening to imagine the satisfaction that he must have derived as a legislator in helping to shape our state's social institutions to accord with his deepest scholarly reflections.

The record he established in his single term in the Legislative Session of 1963 attests to the passion with which he approached this task. He was in the minority party and only a freshman house member, yet he was an author of 68 separate bills, the range of which reflected the breadth of his intellectual interests. He introduced measures to benefit the young, the aging and the very old; the mentally ill and the retarded; the disabled and the handicapped. He sought legislation to help labor, to improve the legislative process with party designation and to bring tax relief to the elderly. He was especially active in education. As a member of the House Education Committee he sponsored bills aimed at strengthening all levels of instruction, from elementary through graduate school.

Men on both sides of the aisle accorded him the highest respect; they came to draw upon his great store of organized knowledge that he brought to the arena of action from his wide reading and extensive research.

Perhaps one of his most significant contributions of that period is the additional dimension of appreciation for the University that he left with his legislative colleagues. The present era of amicable University-legislative relations can be attributed in some measure to Arnold's patient attention to this basic concern.

Arnold saw clearly, too, the great need for the state to pay attention to the problems of the city, that to arrest urban decay would require firm leadership and meaningful legislation. Patiently and persuasively he brought many of his colleagues to an awareness that city and suburb must stand together to meet the problems of the aging, the poor, and the ill. The progress we are making towards a larger state and metropolitan understanding is another evidence of Arnold's legacy to us.

The activity that perhaps is most revealing of Arnold's determination to know and apply, to will and to do, was his involvement in the Democratic-Farmer-Labor Party. He served the party in the literal and most exemplary sense of the word. He was a prodigious worker; no task was too menial; no detail too small. He was Indian or Chief as the situation required. I know first-hand because we were members of the same Ward Club, each in our turn serving as ward chairman and as delegates to county, state and national conventions.

Always Caroline and Arnold were prepared, at great personal sacrifice, to sustain the group effort because of their commitment to orderly and intelligent social process.

Here, too, Arnold filled the role as educator. He provided many young people with their first contact in politics and purposefully encouraged them to seek office and to participate actively in the party structure and in civic organizations. Many people today are constructively serving our community because Arnold Rose aroused their concern and moved them to involvement—a legacy difficult to measure but of immeasurable value.

Arnold's own campaign for office fitted his personality. So long as there were people present and an issue to be discussed, no meeting was too small for him to attend. He rallied to his support men and women of every ethnic group and minority and over them he raised a giant umbrella of concern—concern for their problems as human beings.

Before his last campaign was finished, he personally visited every home in every block in his district. It may be hard to imagine this slight, serious man one of the most distinguished scholars in our nation, doggedly ringing doorbell after doorbell humbly asking strangers for their support.

Yet it was the kind of experience his activist nature sought; he felt the need for it; he revelled in it. As it was said of him the other evening in tribute he believed that if men never touch each other, they will hate each other one day.

Many of us in this room have had their lives touched very personally by Arnold Rose. We are all stronger and richer for knowing him, and we pay tribute to his memory by expressing our gratitude that he has left us so rich a legacy.

I cannot conclude without saying a word of appreciation to Caroline Rose for all of what she meant in Arnold's life. The legacy we honor is, in good measure, the product of the lives they shared. To Arnold's great qualities Caroline added her own intellectual force and personal zest, always ready to participate in their joint endeavors to the fullest. We salute her for her role in their magnificent partnership.

Now the keen intellectual adventure that came to such high fruition is ended; the probing, reasoned mind is stilled; he who would ever do battle in defense of civil and academic freedom has slipped from our midst.

As we pay this tribute we add a new name to the roster of Minnesota's Giants in the Earth—Arnold M. Rose.

IN MEMORY OF ARNOLD M. ROSE

(By Carl A. Auerbach, professor of law, University of Minnesota)

No one can read the writings of Arnold Rose without being impressed by his optimism about the human condition; his fierce love of the liberal values of freedom and equality; his sense of sober responsibility as a social scientist and his tolerance for all who labor in the intellectual vineyards.

Those who had the privilege to be his colleagues or to work with him in any of his manifold endeavors or to know him as a friend had no doubt that these characteristics marked the inner man. We grieve for his loss and pay tribute to his memory.

Arnold Rose was imbued with the conviction that society had a right to expect social scientists to assist in combatting the evils afflicting it. So many of these evils, he saw, could be alleviated by legal ordering. He did not look upon law merely as the product of the social and psychological factors that mold human behavior. He insisted that law could affect man's environment, his behavior and even his attitudes—and so could be used as an effective instrument of peaceful social change in a democracy.

This possibility attracted him to the study of the legal order. Appreciating that judges, legislators, administrators, lawyers and citizens had to deal with society's problems here and now, he worked to assure that their efforts would be as informed about the nature of man and society as his generation's state of knowledge could make them.

In addressing himself to our problems and entering the political arena to cope with them even more directly, he was not swayed by the criticism he heard from time to time that he was wandering from the main paths of scholarship and should better spend his time constructing theoretical systems.

The fact of the matter is that Arnold Rose was a theorist and methodologist of power. He was troubled because so much social theory was inadequate precisely because it failed to consider law as a factor making for social change. And he undertook to remove this "blind spot," as he called it, of so many contemporary American sociologists.

He also never thought it necessary to keep his theory pure and unpolitical by avoiding intimate contact with the realities of social disorder and conflict. His academic life guided and enriched his role as legislator. And his political involvement and experience deepened his insight as a sociologist.

Even more important, his reflection on social responsibility of the social scientists led him to activity which made him a leader of our generation in the struggle against the greatest brutality of our time—race bigotry and race discrimination. To this struggle he committed his mind and his heart.

This commitment began at least as early as September 1941 when, only 23 years old, he joined Gunnar Myrdal in the research and writing of *An American Dilemma*. Even then, Myrdal Arnold's "wide knowledge of the social science literature and his sound judgment on methodological problems." After the book was published, Myrdal acknowledged Arnold's deep and intimate identification with it. Arnold Rose's commitment to work for fundamental changes in American race relations continued until the day he died.

The very last article he published—in November of the past year—dealt with school desegregation and hammered at his favorite themes. "If there ever had been a doubt," he wrote, "that a United States Supreme Court decision can change social behavior and social institutions, the implementation undertaken by the federal court of the Brown v. Board of Education decision of 1954 should have dispelled it quickly." And then he proceeded, as he did so many times before, to present a legal theory and supporting sociological data—this time to persuade the courts to outlaw de facto public school segregation and thereby convert "equal justice under the law" from a shibboleth to a reality.

Arnold sought not only to eradicate discriminatory behavior but also to strike at the roots of prejudice. He believed that legislation against discrimination was an important means of breaking tradition of prejudice but not sufficient by itself, to do the whole job. In 1963 he was honored by being named cochairman with John Hope Franklin of Wayne State University's celebration of the 100th Anniversary of the Emancipation Proclamation. He took this occasion to call upon the historians to put into practice "their claimed ideals of good scholarship and science" by eliminating the falsehoods and half-truths in the written history of race relations in this country. In this way, he hoped, we would be helped to "purge race hatred from our minds."

On occasion, during the last months of his life, Arnold expressed the fear that the fiery and bloody race riots of last summer indicated that many Negroes had weighed the law in the balance and found it wanting. But I do not think he altered the basic views he expressed at the Emancipation Centennial:

"The changes may seem slow to those who labor under discrimination . . . but the changes are coming.

"Discrimination is being wiped out slowly but certainly, from the laws of our country and from the practices of our industrialists, public servants, civil leaders and even the people in general. As Americans we can continue to be proud of the strength of our national ideals. They help us to be ashamed of our malpractices and to make earnest and effective efforts to change them. Our own consciences and our desire to appear decent and strong before the world decree that the battles for 'civil rights' are almost consistently being won."

For Arnold Rose, the ideals of the American Creed, which he equated with the liberal values he cherished, were not utopian or other-worldly. They were here to shape American reality. He always stressed "the dominant role of ideals in the social dynamics of America" and personally acted upon the precepts of that great teacher who, in his final lecture, said:

"It is not in heaven, that thou shouldest say, Who shall go up for us to heaven, and bring it unto us, and make us to hear it, that we may do it? Neither is it beyond the sea, that thou shouldest say, Who shall go over the sea for us, and bring it unto us, and make us to hear it, that we may do it? But the word is very nigh unto thee, in thy mouth, and in thy heart, that thou mayest do it."

Arnold Rose's involvement in the battle for civil rights was the most significant, but not the only one he waged for the realization of the ideals of the American Creed. He was also a champion of the trade unions—not only because they forced American industry to share the fruits of its productivity with its workers, but because he felt that trade unions were responsible for the evolution of a rule of law in industry which secured the individual worker's claim to his job and thereby gave him a sense of status and community and independence which made him an American citizen in the fullest sense.

It is fitting, too, that the last book Arnold Rose published should be devoted to a refutation of the notion that a small, power elite controls American public life and obstructs the realization of American ideals. He wrote with the younger generation of "new leftists" particularly in mind, because he felt that they failed to understand the society they were rejecting.

Arnold Rose also fought for American ideals in the halls of the Legislature and the courtroom. When he was libeled by a right-wing group, he insisted upon bringing suit, though many of his lawyer-friends advised him that it was risky to place his reputation in the hands of a jury of 12 ordinary people after a trial which was certain to be accompanied by a renewed attack upon him and to be enveloped in a highly emotional atmosphere.

But Arnold feared that his failure to bring suit would encourage attacks upon members of the faculty and endanger academic freedom at the University. He also despised extremist groups, whether of the right or of the left. So he acted, without any assurance at the time that he would be assisted by friends and without any thought of collecting damages.

And of course he was vindicated. This grueling trial—which I attended for many days waiting to be called as a character witness—attests to Arnold Rose's courage and unselfishness. For in retrospect, it is clear that it was also a trial of strength that he could ill afford in vitality.

We on the Law Faculty will especially miss Arnold Rose. But we prefer to speak of our gain from having him in our midst. He was one of the ornaments of the University but a vital source of inspiration to the Law School in its efforts to build ties with other parts of the University. In 1958, he formed a University Committee to facilitate communication and cooperation in research and teaching in law and the social sciences. He became its first Executive Secretary.

Although the Committee no longer exists, Arnold constantly reminded us that it should be reconstituted. Always quiet and gentle in manner, he could be insistent. The essence of his idea has been elaborated and incorporated in a report on the future of the Law School which has been submitted to President Moos. Only a few weeks ago, we met with colleagues from other departments of the University to discuss this report. Arnold had just been released from the Hospital. Yet he read the long report, attended the meeting and participated in the discussion. That was the last time I saw him.

Arnold was equally active in building bridges between law and social sciences on the national level. He helped to found the Law and Society Association and served on the Editorial Advisory Board of the Law and Society Review published by the Association. His last article—on school desegregation—was published in this Review.

Arnold Rose saw sociology as a great cooperative adventure, pursued across many centuries by men of many races, many faiths and many disciplines. He was intensely interested in the comparative study of the institutions of different societies and at the time of his death, he was engaged in comparative cross-national studies in the sociology of law.

Because of his efforts and his influence, a great deal of our most seminal sociological thought now revolves about legal problems. It is no longer possible to describe American sociology without referring to the sociology of law. I like to think this was one of the reasons the nation's sociologists honored him by electing him President of the American Sociological Association.

Arnold Rose lived a full and productive life. His university and his country are the better for it. He took to heart the words of the ancient seer:

The day is short and the task is great. It is not incumbent upon thee to complete the whole work, but neither art thou free to neglect it.

The tasks that Arnold Rose laid down will always command the dedication of successors. And his friends know that the most dedicated of these is his remarkable wife, Caroline Baer Rose, who joined him in working with Myrdal in 1942 and remained his closest intellectual companion and staunchest supporter until the end.

Arnold Rose is no more. This will long seem to us to be improbable because his work and his example live in a new generation of sociologists and legal scholars.

JANUARY 6, 1968.

Family and Friends of Arnold M. Rose:

It is my high privilege to speak here for two groups with which Arnold Rose has shared many vital things in the last years of his life. One of these is composed of the members of a University of Minnesota research team which has worked together for two years to prepare, carry out, and best utilize the results of the project which took us for twelve months to Europe. The other consists of those members of the Minnesota faculty who formed the committee which helped him to defend some of the most basic interests of our profession.

Most of us in these two groups had known Arnold for many years before we were brought more closely together. Some of us had already been good friends, others only acquaintances of his. I am sure that each of us will always cherish the fact that we were able to have with him this last period of a more intense and intimate relationship. It gave us so many opportunities to get to know Arnold at his best—a best that was very good indeed. How much we would have lost if these last two years had not been granted to him and thus to us! The fact that he and his wife, Carolyn, lived much of the time in a room across from the research team's Paris office gave us many occasions to know him better *en pantoufles* (in house slippers). One of our great professional and personal disappointments of the year was that his health in the end did not permit him to be with us when we made our first attempt at a collective presentation of our findings at a conference in Brussels last June.

Only now is it possible for us to realize fully how much Arnold has done in the last months to help us toward moving our project forward in its culminating phase. In the collective seminar we have been conducting he has been present at every meeting and has taken the most active part of any of us in the discussions. None of us then realized what such extra efforts must at times have cost him. His contribution toward our collective volume was done weeks ago and he has finished a larger monograph on his more particular studies during the year.

Just as characteristic of Arnold has been his role in all that involved the trial for libel with which he became associated two years ago. Nothing could have been further from him than a desire to harass anyone. Nor was he the least concerned about the recovery of damages. I recall the token figure—a small fraction of the eventual judgment—which he proposed when first deciding to file suit. I also am sure that he was little moved by the idea of a personal vindication—such as has been so richly afforded him both in the verdict of the jury and in the heavy stress on this angle in the findings of the Minnesota Supreme Court. He must have been as aware as we were of the puny impact both on the academic and the wider community of the charges against him. What aroused him to act—what I am certain was wholly decisive—was the conviction that his own situation had become representative of that of colleagues and of many non-academic persons throughout the land who had become victims of such slanders. He fought this battle for us all, and all of us who in some way stood with him saw his fight in that light.

Arnold Rose was one who met every challenge to the end. In the final months of his life he did all that was humanly possible—more than now seems to have been humanly possible—to leave all he had ever begun complete. Wherever he stood in the ranks of his fellowmen he leaves gaps of which we long will be aware. We will not be able to forget him because we will miss him so greatly.

Harold C. Deutsch,
Professor of History,
University of Minnesota.

Arnold Rose: Interpreter of His Times

Arnold M. Rose, University of Minnesota sociologist, was known best recently, perhaps, because of his celebrated libel suit against right-winger Gerda Koch. But as is often the case with outstanding men, Dr. Rose may have received less recognition here than he did elsewhere for his real contributions. Arnold Rose was a nationally prominent sociologist, especially in the field of race relations.

Dr. Rose got off to a fast start in his career in 1944 by helping Swedish sociologist Gunnar Myrdal produce "An American Dilemma," which to this day remains as the classic work on Negro-white relationships. He followed with many books of his own, continued in a teaching career, served in the legislature and never shied from controversy. His death Tuesday means a loss for the community, the university and the nation—the loss of one of the country's best interpreters of these difficult times in which we live.

A Pearl Harbor—In Space?

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. PETTIS. Mr. Speaker, even if we were to authorize the full amount requested in the President's budget for the National Aeronautics and Space Administration this year—$4.37 billion—we would be marking the fifth straight year of declining authorization for NASA. In fact, the President's budget request for fiscal year 1969 is about $1 billion less than the authorization granted for fiscal year 1964.

Even will full authorization, NASA would phase out this year flight testing of the B–70 and the X–15. It would further decrease the rate of production of Saturn I and Saturn V boosters to two of each per year. It would terminate the Voyager and a number of other projects earlier than had originally been planned and would reduce or stretch out still others, at an unavoidable increase in overall costs.

All this at a time when the activity of the U.S.S.R. shows continued increases in aeronautics and space. In fact, the Russian launch rate increased by 50 percent in 1967.

It is clear that others view the mastery of space and confirmed progress in aeronautics as important capabilities to build and maintain. I think that we should do no less and I am troubled by these continuing reductions in our space effort.

I am fully aware of the heavy pressures on Federal spending necessitated by the national fiscal situation and the expense of continuing our efforts in Vietnam. Therefore, I can realize the need for holding down expenditures in the NASA program. But I hope that the low level of the President's budget request this year will not be taken as a signal by others, and particularly the U.S.S.R., that we intend to abandon our efforts in aeronautics and space. I urge that our actions here in the Congress this year will not worsen an already dangerous situation by causing further cutbacks and delays and continued or accelerated disbanding of teams and mothballing of facilities built up to give us the power we need in this important arena.

I find it strange that the President is silent on the extremely serious need for this program.

I personally do not want to see this Congress create a situation where the United States could have another Pearl Harbor—in space.

Travel in Wyoming

HON. GALE W. McGEE

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Wednesday, January 31, 1968

Mr. McGEE. Mr. President, this is a time for Congress to move to support and foster travel within the United States, both by foreign visitors and by Americans taking advantage of the vast array of scenic and recreational offerings our Nation has.

Travel is, of course, a big business in America. It is a big business in Wyoming, where new stress is underway on winter activities—not just sports, but sightseeing as well. New developments have opened up our tourist areas to more visitors year round. Before long, we in Wyoming are hopeful of seeing roads through Yellowstone National Park opened to wintertime travel.

The winter is changing. As Jack Goodman wrote in the Sunday New York Times of January 7, the town of Jackson, in the mountain-rimmed northwest sector of Wyoming, once drowsed through what was often called a November-to-April cocktail party. No longer. Mr. Goodman tells why in well-chosen words. I ask unanimous consent that they be printed in the Extensions of Remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

Winter Siesta Is a Thing of the Past in the Busy Tetons

(By Jack Goodman)

Jackson, Wyo.—During past winters, this mountain-rimmed gateway to the Teton country has shifted into low gear to drowse through what one resident has termed "a November-to-April cocktail hour." When the surrounding peaks are frosted with snow, the town's visitor total drops from its summertime high of 2,000,000 to fewer than 100,000 hardy souls.

But the picture is beginning to change, and Jackson may have dozed through its last winter.

Until two years ago, Jackson's lone ski lift was a small-town conveyance attracting mostly local skiers. Another inhibiting factor was that the roads leading into nearby Grand Teton National Park, and to Jenny and Jackson Lakes, went unplowed during the winter months.

BETTER CONDITIONS

This winter, visitors who make the lengthy journey to Jackson will find both conditions altered for the better. A major change, of course, is the presence of the $5-million Jackson Hole ski area, which was opened two seasons ago. This extensive complex, situated 14 miles northwest of Jackson, now has five lodges.

Even for the nonskier, an eight-minute ride up Mount Rendezvous aboard one of the area's twin, 63-passenger tram cars can provide a considerable thrill. The runs on the upper slopes of the 10,400-foot-high peak are best left to expert skiers strong enough to cope with the powder-filled basins on the mountain's flanks. However, three double chairlifts at lower elevation lead to good runs for intermediates and beginners.

OPENING THE PARKS

In addition, the new Federal policy of opening ever larger portions of the national parks to winter visitors is proving as much of a snow-season lure in Jackson as the big new ski area.

Even after the customary 100-inch snow depths are reached, highway crews will keep U.S. 26–89–187 open. This multinumbered road skirts the eastern boundary of Grand Teton National Park, providing spectacular views of the snow-mantled range.

Roads also will be plowed for two miles beyond park headquarters at Moose, toward Jenny Lake, and for nine miles between Moran Junction and Colter Bay, on Jackson Lake. The Park Service Visitor Center is being kept open, along with the service station and grocery store at Moose.

As a result, winter visitors to Jackson can do considerable sightseeing on the fringes of Grand Teton National Park from their own automobiles or from rental cars available in Jackson.

TOURING BY SNOWCAT

The south end of the park can be toured in 12-passenger Snowcats, which are tank-like vehicles with special treads. Visitors also can rent motorized sleds, called snowmobiles, for "convoyed cruises" into the Teton high country.

A typical full-day's trip costs $25 a person. Tour members leave Jackson by car at 9:30 A.M. for Shadow Mountain, a sizable dimple within Teton National Forest.

After a lesson in snowmobile operation, members of the snow safari board their individual vehicles and follow a pine-guarded trail to open country atop a series of ridges. Among the many views are widespread ones of the Tetons. Then, after stopping for a hot lunch and coffee in a combination leanto and tepee, the sledders complete the 25-mile round trip.

Properly equipped snowmobile travelers who wish to take off on their own can do so—if they carry snowshoes or skis, food, a rope, first-aid supplies, a map and a flashlight. A permit (free) from Park Service headquarters is required, and the rangers will want to know the itinerary. This is not good country to be lost in during winter, when nighttime temperatures commonly hover near zero.

Lake-fishing through the ice is permitted within the park boundaries all season long, but snowmobiles are not allowed in wildlife sanctuaries, such as the bison range near Moran.

ELK REFUGE

A close-up view of area wildlife, in the form of American elk, or wapiti, is being provided by members of the Jackson Junior Chamber of Commerce. For $1, visitors can take a sleigh tour of a 23,500-acre elk refuge supervised by the United States Fish and Wildlife Service.

Employes at the refuge expect to be feeding a herd of 7,000 elk before the winter ends, with three crews hauling some 30 tons of hay daily to the three major herds. The sleigh tours of the refuge begin around the middle of this month and continue operating until April.

TWO-HORSE SLEIGHS

The over-the-meadows ride aboard old-fashioned two-horse sleighs takes a half-hour or so, with a stopover for picture-taking. The only warmth aboard the sleighs is provided by hay and a blanket or two, and so visitors should dress warmly.

Winter access to Jackson Hole and the Tetons has improved, thanks to work completed on the Hoback Canyon and Snake River Canyon roads. State and county snow-clearing equipment has been augmented.

Jackson is 270 miles from Salt Lake City via U.S. 89. Frontier Airlines provides daily jet-prop service from Salt Lake City for $50.40 (round trip). The flight leaves Utah's capital at 10:35 A.M., arriving in Jackson at 11:25.

Accommodations at Teton Village, at the base of Rendezvous Peak, range from $5 at the low-cost hostel to $20 and up for a room at the de luxe Seven Levels Lodge.

Tickets for the chairlift and the tram are priced at $7.50 a day and $4 a half-day. Ski-week packages are priced from $78.50 to $107, and include lodging, lift passes and two daily ski-school lessons.

Hotel and motel rooms in Jackson range from $5 to $12 a night, or considerably less if rented for a week or more.

Montevideo, Minn.

HON. WALTER F. MONDALE

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, January 31, 1968

Mr. MONDALE. Mr. President, too often we in Congress think of urban renewal and our other housing and urban legislation as benefiting only the large center city. In fact, we have geared many of our programs toward the needs of the center city and ignored the problems that exist in the smaller, rural community and in the suburbs.

However, many smaller communities face blight and economic depression that equal in impact the problems of the center city. One of these cities, Montevideo, Minn., has used the urban renewal program as a tool to revitalize the community. Montevideo was faced with the problems of economic decline and outmigration. To combat these the city decided to embark on an urban renewal project that would emphasize bringing new industry into the community and revitalizing the commercial downtown area which could serve as a business district for the surrounding rural area.

Through the leadership of the mayor, the city council, the housing authority, and the community leaders, the city developed an urban renewal plan that was approved by Washington. The executive director of the housing and redevelopment authority, Roland Aaker, guided the program to the point where it is now accepted by the community as the catalytic force in the revitalization of Montevideo. The city has turned its business district into a plaza, installed moving sidewalks, provided additional parking spaces, planted trees and shrubs, and installed new mercury vapor lights to give the business district character and to provide it with new spirit.

Mr. President, Mr. Aaker wrote an article for Commercial West magazine last year in which he discussed the problems of the smaller city and outlined the program that Montevideo has implemented to combat its problems. I ask unanimous consent that the article be printed in the Extensions of Remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MONTEVIDEO'S ANSWER TO ONE SMALLER CITY PROBLEM

(By Roland H. Aaker, executive director, the housing and redevelopment authority in and for the city of Montevideo, Minn.)

(EDITOR'S NOTE.—Urban renewal is a subject of vital importance to farsighted community leaders and the municipal financing industry. In the accompanying article prepared for Commercial West, an outstandingly attractive and promising renewal program is interestingly described by one of the key men in its planning and implementation.

(Author Aaker is chairman of the board of the Northwestern State Bank of Montevideo, which he has served as a director more than 25 years.)

Early in 1961 Montevideo's Industrial Development Committee started to take action on some of the problems confronting the smaller city. It was generally agreed that the answers to the problems in Montevideo were twofold:

1. Encourage new industry which would provide new growth, both population and dollar-wise.

2. Revitalize the central business district shopping area, recognizing that Montevideo's major function was as a sales and service community for those people living around Montevideo. These local improvements would make the city easier for shoppers to get to, easier to park in, and more pleasant to shop in.

There were several major factors that were indicated by a thorough analysis which were working against the growth of most smaller cities and farming communities in Minnesota. The first of these was the depletion process taking place on the smaller farms; 15-20 percent of the small farms had been annexed by larger farmers. This brought into the area the same amount of income, but lost to the area a vitally important item—people. These people, related to the retail economy, used food, clothing, cars, appliances, etc., in order to maintain homes. When these people were lost it meant a definite loss of sales of various necessary living items for Montevideo.

Forecasters indicate that this loss of people was to continue at the rate of approximately 2 percent a year until by 1975 one-half of the present farm population would be gone. Too often the half that left the farm did not move into the smaller communities because of a lack of jobs or a lack of industry. They moved into the largest communities such as St. Paul and Minneapolis, where jobs were more plentiful for good-quality workers.

Other factors were encouraging the eventual blight of the smaller community:

1. New fast cars, new improved highways, made it possible for shoppers to more easily reach and shop in the Twin Cities.

2. Stores in "center" cities were able to stock a greater variety of merchandise in more size variety, and therefore encourage farmers and small-city shoppers to purchase particularly items that are not as easy to buy in the smaller city. A liberal charge account policy plus purchasing "on time" encouraged large-city shopping.

3. The local demand of people for the most in size and variety encouraged the placement of catalogue stores by the big mail order firms. These firms overcame a previous negative aspect that was detrimental to their growth by offering 24-hour service, bulk postage, purchasing on time.

4. Besides this, there was the natural attraction toward the big city because of such things as family at the University or other colleges, big-league baseball and football, basketball tournaments, large conventions such as Minnesota Education Association, etc.

What, then, is the answer for the smaller city in order to reverse this natural trend?

A study of the Upper Midwest Economic Study by the Research & Development Council and the Twin Cities Metropolitan Planning Commission, completed in 1963, indicated that in general the geographic position of Montevideo in its trade area indicates a tremendous potential for new customers. A further study by a real estate research corporation team concurred in this finding. What would bring in these new customers?

Certain it is that the shopping area of the central business district must be easier for customers to get to, with a generous amount of free parking; with streets and thoroughfares in the CBD allowing less complicated movement of auto travel and less conflict with pedestrian travel.

Couple this with a more attractive, more pleasant area, convenient shoppers' lounges and restrooms, and, in general, you have the formula of what the city can do to take care of its present customers and attract new ones.

Private enterprise, the retail store, has its responsibility along with the city. Remodeling both inside and outside will make that particular store, and the stores in the whole area, inviting. Improved merchandise stocking will encourage customers to know that they will be able to rely on them to get the variety and type of merchandise they want.

Industrial Development Corp. of Montevideo, in order to achieve this improved, revitalized central business district, investigated, in 1961, urban renewal. Most of the large centers such as Minneapolis, St. Paul, and Duluth had had programs for a number of years.

Montevideo soon discovered that in the state of Minnesota they were the only ones that would be making an application of a fair-sized urban renewal program outside of these major cities. Thus, in August 1961, the mayor appointed five members of the Local Public Authority and the council passed the necessary resolutions to get the people started on an urban renewal program.

The writer contacted 10 planning firms, seeking one that would have had urban renewal experience and could handle it in a smaller community. An Evanston, Ill., firm was chosen by the Montevideo Local Public Authority. Their studies indicated a need for something less than a $2-million program in the whole of the central business district.

The federal government would pay ¾ of the cost of this program and the city would finance ¼ of the cost. However, Montevideo was particularly fortunate in that they had just completed an enormous amount of river filling in order to establish larger parking areas in the CBD. The city also had plans for the establishment of a new street, the building of a new Plaza lounge-restroom area, and some extensive storm sewer work. These plans, coupled with what they had already accomplished, comprised enough non-cash credits to furnish the city's ¼ share.

Up through 1966 around 30 blighted, mostly frame, older buildings have been acquired and demolished. Approximately 50 percent of the land thus acquired has been re-sold.

The city has now constructed a new W. Second St., which allows easier access from the north and the south into the CBD and to the free parking areas. The Artigas Plaza customer lounge and restrooms have been constructed by the city. A considerable amount of storm sewer and ponding area work has been completed, again by the city.

Now, during 1967, the major improvements to be taken under the urban renewal program are to be completed:

1. A new modified street-plaza area in the core two blocks of First St. (Main St.). Included will be new patio-type sidewalks; plastic hexagon shelters in bright, attractive colors, with plastic and brick seating arrangements underneath; Artigas Plaza restrooms and lounge area; planters with trees and bushes; midblock pedestrian crosswalk for ease in pedestrians' crossing streets. These two blocks will be designated as pedestrian right-of-ways and cars will travel slowly in a one-way traffic pattern.

2. Two moving sidewalks (like escalators) attractively covered with white and green acrylic plastic, fluorescent-lighted, to convey people from the lower parking area to the First St. shopping area, a rise of about 18 feet. This lower parking area will comprise about 180,000 square feet.

3. 101 new mercury vapor lights throughout the entire central business district that will provide five-foot candles on First St. and over 1½-foot candles on all other streets, avenues, and parking areas, with attractive new light fixtures on First St.

4. Over 300 trees and bushes on First St. and along all other major streets in the central business district.

5. A completely new street, replacing the present alleyway, to facilitate easy traffic movement through the entire area. These streets will be complete with new curb, gutter, boulevards, sidewalk, and lighting fixtures.

6. New, modern, enlarged, well-lighted parking areas in close proximity to the shopping area (by the city).

Several surveys taken throughout the potential trade area of Montevideo have indicated that when this urban renewal program is completed, the retail business in Montevideo will be increased by a minimum of 15 percent and a maximum of 30–40 percent. This will mean new life and vitality for this thriving western Minnesota city.

It could very well act as a pattern for other smaller Midwest cities that realize they must move forward.

The Kee Report: Voice of America—Special Guest, John C. Daly, Director

HON. JAMES KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. KEE. Mr. Speaker, under leave to extend my remarks in the Record, I include a recent public service television and radio newscast, "The Kee Report." John Charles Daly, Director of Voice of America, is my special guest and will discuss activities of the Voice of America. The report follows:

The Kee Report

This is Jim Kee—bringing you the Kee Report.

This week, we are delighted to have as our guest, a truly distinguished public servant, who is both nationally and internationally respected for his achievements in many fields of news, editing and reporting.

During these times of international unrest, we are extremely fortunate to have the dedicated leadership of John Charles Daly, Director, Voice of America, to direct our vital effort to combat the propaganda of those in foreign lands who are out to destroy the very life of our Nation.

Now, Mr. Daly, our audience would be interested to hear from you personally your views of the absolute necessity for reporting factual news—the truth of America—to residents of foreign lands.

Mr. Daly. Thanks very much, Jim. I would like, if its agreeable with you, to talk about the nuts and bolts first, because I think that is the the critical part about it.

The Voice is a much bigger and much more complex operation than I realized when I came into the Director some three or four months ago. We have 92 transmitters, 35 in the United States and 52 overseas, 57 overseas rather and I didn't know, for instance, that we have tremendous transmitting setups in Greenville, North Carolina; in Bethany, Ohio; in Delano and Dixon in California; in Marathon in Florida, and big installations overseas in Woverhampton, England; in Monrovia in Liberia; in the Island of Rhodes and Thessaloniki in Greece and Kavala in Greece; in the Philippines in two locations, in Okinawa and in Ceylon. This is just to give you an idea of how widespread the Voice's activities are in a physical sense.

Now, we do tell on the basis which I think is very readily understandable to Americans at home the story of America full and true. Our purpose is really to do as good a programming job as we can, generally the way the networks operate at home. We have an editorial page, our analyses and our commentaries and, in this case, the employer, the owner of the newspaper or the network is the United States Government and, through our commentaries and news analyses, we explain, interpret and as persuasively as we can, present the policies of the Government of the United States. We also have an entertainment pattern of programming, which has as its principal function, as it is true with the networks here at home, it has, as its function, really to get its audience to listen to our news and to our commentaries and our analyses.

We have a program, for instance, called "Music, U.S.A.," which is done by Willis Conover, who is a master of the jazz medium, and this is indigenous American art. Really, we originated it, and there are something like 1550 music USA clubs around the world. This kind of programming, as I say, is meant to draw to us audience.

Now, I think probably one thing that your people would be particularly interested in is that we have this tremendous physical plant. We broadcast 810 hours every week, but against that, you must recognize that the Soviet Union broadcasts more than 1600 hours a week; Red China more than 1400 hours a week; United Arab Republic in Egypt more than 900 hours a week, and even little Albania does nearly 400 hours a week. So, we are in a very competitive field and we have to do the job very well if we are going to be able to compete against this vast array of others who are propagandizing in the main. Ourselves, you see, we inform. I like to think of our operation as the United States Information Agency, which it is, not a propaganda agency.

Now, how well do we do? It's very hard to measure the audiences. We have to depend on mail, we have contests for transistor radios and we ask for selections to be played on our music programs. We get about 200,000 pieces of mail. We do some studies in international affairs and we feel we have, in an average week, an audience of roughly 40–45 millions of people and, in crisis, perhaps 80 millions of people.

At the root of it is we tell the truth and we let the truth make us free and we hope free the rest of the world.

Mr. Kee. John, your presentation has certainly been most interesting and informative. In the Kee household, you are considered to be the most articulate man in the United States, and I have to agree with my family.

Mr. Daly. Thank you, Jim.

Mr. Kee. John, in conclusion, I would like to say this—that I sleep better at night when I place my head on my pillow, because you have given up so much to assume this vital—this essential—responsibility that you have. My congratulations, and because of your service, America will be a better Nation than it has been in the past.

Mr. Daly. Thanks very much.

Mr. Kee. Thank you for listening.

The U.S. Presence in the Pacific

HON. GALE W. McGEE

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Wednesday, January 31, 1968

Mr. McGEE. Mr. President, events have turned the eyes of America to the Pacific, that area of the world in which we are fighting a war for the third time in a generation. This is highly significant, for, as Roscoe Drummond points out in his column published in the Washington Post today, this is the Pacific era—the era in which the three most economically powerful nations are Pacific nations. Those nations include, of course, the United States and the Soviet Union. The list also includes Japan, whose recovery from defeat has been remarkable.

U.S. presence in the Pacific, in Asia, will undoubtedly be necessary for some time to come. Certainly, this is true in Southeast Asia, that corner of the globe so torn apart by war today. Writing in the Evening Star for Tuesday, January 30, Crosby S. Noyes observed that it seems obvious that a continuing American military force will be needed in Southeast Asia, even if a truce in Vietnam is reached, to provide a deterrent to a renewal of the war in Vietnam, or the outbreak of war in other vulnerable nations of that area, such as Laos, Thailand, or Burma. Indeed, what stability there is in these nations today is largely attributable to our presence.

I ask unanimous consent that the articles by Mr. Drummond and Mr. Noyes be printed in the Extensions of Remarks.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington (D.C.) Post, Jan. 31, 1968]

United States Turns Attention, Energy to the Pacific

(By Roscoe Drummond)

Tokyo.—The United States is entering the Pacific Era. The full meaning is yet to emerge, but we are turning our vision and our energies and much of our resources to the Pacific.

It is evident that, while Europe will continue to occupy a large part of our national concern, we are embracing a substantially Pacific-oriented interest and policy.

We are well embarked on it.

Despite the pain and uncertainties of Vietnam, the outlook is more promising than most people realize and I am convinced that to be significantly involved in the Pacific is going to be beneficial to the United States.

Why are we, as a people and as a Nation, becoming deeply concerned and widely involved in the Pacific? Vietnam is only part of it. The larger factors and forces which draw the United States into the Pacific era are these:

1—The three most economically powerful nations in the world look out on the Pacific and much of their vital national interest centers there. They are the United States, the Soviet Union and that dynamic newcomer to the front rank of industrial nations, Japan.

2—Two of these three super-powers—the

United States and Japan—are close, trusted, and interlocked allies. Each is the other's crucially valuable Asian partner. Our largest national interests are parallel and mutually sustaining at every major point. And the time may come when the Soviet Union will find that it has a common stake with the United States and Japan in keeping the peace in Asia.

3—America's two newest states, Alaska and Hawaii, are thrust deeply into the Pacific and symoblize the stake which the United States has for the stability of the Pacific area.

4—A fourth potential super-power—Red China—already possessing nuclear arms, also borders the Pacific. Its conduct, good or bad, provocative or peaceful, profoundly concerns the other three.

5—In one generation the United States has fought three wars in the Pacific and must prevent further war.

I have suggested that the outlook for the new Pacific era, which is now just opening up and soon will be in full tide, is promising. There is much evidence that it is. Its centerpiece is Japan.

Here is a nation which has massively modernized itself in a little more than a decade. It has achieved a sustained rate of economic growth higher than any other country in the world and a gross national product exceeded only by the United States and the U.S.S.R. Its government rests upon strong and stable democratic institutions and its unmatched industrial achievement, including the highest standard of living in Asia, is a radiant example of what a free enterprise economy can do for a people given the opportunity.

But Japan is not the only success story of the Pacific. There are others and they are beginning to show that the momentum and the wave of the future are on the side of the non-Communist Pacific nations. South Korea is another economic success—and so is Taiwan. Many thought that neither could survive. They are not only surviving; they are thriving both economically and politically.

The headlines are presently focused on the unfinished struggle for security and nationhood in Vietnam. They should be, but much that is extraordinarily promising is in progress, elsewhere in the Pacific. Thailand, Malaysia, Burma, the non-Communist part of Laos, and preeminently Indonesia are proving the domino theory in reverse; they are beginning to stand up on their own feet. Each is showing a new confidence, a new sense of security born, in part, by America's stand in Vietnam.

I am reporting that the Pacific era is with us, the United States is a part of it, and in its own best interests could not refrain from being a part of it.

[From the Washington (D.C.) Star, Jan. 30, 1968]

U.S. Presence Key to Future Stability of Asia

(By Crosby S. Noyes)

Although the forces of isolationism, playing on the frustrations of the war in Vietnam and our own urgent domestic problems, are stronger in the United States today than at any time since the 1930s, it is unlikely that they will shape American policy in Asia in the postwar period.

Whatever form a settlement in Vietnam may take, a complete American pullout from Asia is almost unthinkable. If the war simply "withers away" as a good many experts believe, a sizable American force could remain in Vietnam for a long time to come, as it has in Korea.

If a more formal settlement is reached, involving the withdrawal of North Vietnamese forces from the South, the United States is committed to dismantling its military establishment in Vietnam and pulling its troops out of the country within six months. But if this happens, it is quite certain that some other form of military presence—perhaps a United Nations peace-keeping force—will be needed to supervise the truce.

Yet the need for continuing American military force in Southeast Asia seems obvious. If a truce in Vietnam were once again violated, it is highly doubtful that any international brigade could cope with it. A respectable American presence would provide the best deterrent to a renewal of the war at Hanoi's convenience.

But beyond this, the stability of all of Southeast Asia in the postwar period could well depend on the availability of American power. As we have seen, the reaction of China—and of North Vietnam itself—to the frustration of their ambitions in South Vietnam might well result in redoubled efforts to promote the spread of Communist subversion into other areas.

The countries most immediately threatened are likely to be Laos, Thailand and Burma, which are already under pressure from "indigenous rebellions" fomented and supported by Hanoi and Peking. And the outlook, regardless of what happens in Vietnam, is for more of the same.

Of all these countries, the prospects for Laos are most uncertain. Logically, Laos is simply a factor of the Vietnam struggle. The fervent hope of all Laos is that once there is no longer a need for a protected line of communications from North Vietnam to the South, the Communists will have no more interest in this unhappy little country and will be content to leave it alone under a neutral government.

This assumption could be too optimistic. If the windup of the war in Vietnam should open a new chapter of aggression against Thailand, Laos would keep its unenviable status as an essential line of communications and a battlefield. Thailand could hardly permit all of Laos to fall to Communist control. And the United States would almost inevitably become involved in a military effort to prevent this.

Yet the effort should be made on a small scale compared to the experience in Vietnam. Thailand and Burma are in a much better position to see to their own defenses, with a minimum of active participation by American troops. Both these countries, in fact, seem determined to avoid the kind of American military effort that has been necessary in Vietnam and with any luck they should be able to contain the Communist threat with minimum support.

The role that Russia is likely to play in the post-Vietnam period should also lower the risk of another large-scale war.

In Vietnam, Russia, with no great enthusiasm, has been forced to compete with China as Hanoi's patron, protector and primary source of supply. Once this affair is resolved, many Far Eastern experts predict a final and violent break between the Communist giants, leaving the Russians with a much freer hand in their Asian policy.

The first objective of this new Russian policy would certainly be to prevent any important new extension of Chinese influence in Southeast Asia. In military terms, the Soviet leaders would be anxious to avoid a direct confrontation with China—unless, of course, the direction of Chinese expansion was northward into Russian Siberia. So far as Southeast Asia is concerned, the job of military containment of China would probably be left to the United States, with the Russians concentrating on economics to extend and strengthen their influence.

In fact, this process is already under way. The Russians are making serious efforts to rebuild their fences in Indonesia and the Philippines, despite the strongly anti-Communist character of the regimes there. It is already solidly entrenched in India and can be expected to extend aid and trade to other countries when the fighting in Vietnam stops.

This is not necessarily bad for the United States' long-range interests. For although a certain military effort will probably be necessary for a time, the ultimate objective is the development of regional cooperation among the countries of Southeast Asia, in which both the United States and the Soviet Union can play a useful role.

Both countries, after all, have an interest in promoting strength and stability in a part of the world whose chronic instability has brought them perilously close to a full-scale showdown. Both have an interest in curbing the ambitions of an emerging great power which will be aimed at Southeast Asia and which could result in a third world war.

For those who look on war as an ultimate solution of all problems, this brief survey of the post-Vietnam prospect may be discouraging. For those who look on this war as an exercise in pure futility, it may have elements of hope. The war, even when it is won, will not bring an end to our involvement in Southeast Asia. And it is time to fix our sights on the postwar patterns likely to emerge.

Two Great Health Leaders

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. PATTEN. Mr. Speaker, Izaak Walton wrote that good health is "a blessing that money cannot buy."

With their support, many Members of the 90th Congress—and previous ones—helped to develop this blessing, which is often taken for granted and abused. But the legislative record of two Members in the health field—one recently deceased and one to retire this year—was a distinguished one. Their strong and dynamic leadership helped improve the health of our Nation.

These unforgettable men, the late U.S. Representative John E. Fogarty, Democrat of Rhode Island, whose sudden death on January 10, 1967, shocked and saddened not only the Congress, but America, and U.S. Senator Lister Hill, Democrat of Alabama, scheduled to retire this year, worked sedulously to improve the health of our people. Because of their departure, the health field will have lost two zealous, dedicated, and compassionate friends almost impossible to replace.

Senator Hill and Representative Fogarty helped sponsor such far-reaching measures as an expanded program against those three ruthless killers, heart disease, cancer, and stroke; the Health Professions Educational Assistance Act improvements, which helped build teaching facilities for training of physicians, public health personnel, and others; the Medical Library Assistance Act; the Mental Retardation Facilities and Community Mental Health Centers Construction Act; and several other programs that helped ameliorate the health of the American people.

As a coauthor of the famous and popular Hill-Burton Act, which provided Federal funds for construction of hospitals and clinics—including a grant of $500,000 for the Roosevelt Hospital Annex in Edison, N.J., and funds for several area hospitals and units throughout the country—Senator Hill helped improve the health and prolong the lives of many thousands of persons.

In 1965, I was one of several House sponsors of legislation that intensified the attack against heart disease, cancer, and stroke, and although it is too soon to enjoy all of the gains of this promising program, I know it will help save the lives and better the health of millions of Americans. These three diseases cost the Nation over $31.5 billion a year and the physical and mental tolls are incalculable.

What motivated these two great health leaders to their memorable achievements? Representative Fogarty's philosophy was simple, but beautiful:

> It's just that I feel that as long as people are sick, something has to be done to make them better.

Senator HILL predicts that in the near future, "the world will see a tremendous breakthrough in medical knowledge that will enable us to conquer many of the dread diseases." Can there be a greater vision or hope than this, Mr. Speaker?

In lamenting his coming retirement, the Washington Daily News editorial called Senator HILL ". . . a good Senator." But he has been much more than that—a truly great leader in the field that Disraeli called "the foundation" of happiness: good health.

Bill Gold on Cigars

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. McDADE. Mr. Speaker, I suspect that the most relaxed columnist in America must be Washington's own Bill Gold. I have never met Bill, but he must be one of the really delightful men in America, and he certainly has the most fantastic store of interesting information to amuse all of us.

This morning Bill lit up his favorite cigar and gave us the benefit of his thinking and research about that very subject—cigars. For the benefit of my colleagues who may not have read Bill in the Washington Post, I will insert his column, with your permission:

"LEGEND" ON CIGAR BOXES IS VOLUNTARY—SORT OF

Several months ago, 13 new words began appearing on the boxes in which many brands of cigars are sold.

The new words quickly became known in the trade as "the legend." The legend says: "These cigars are predominantly natural tobacco with a substantial amount of non-tobacco ingredients."

The type size is quite small, and although I smoke cigars regularly I did not notice the legend until Frank H. Sickler of 1401 S. Barton st., Arlington, called it to my attention.

Frank wondered how much is "substantial," why had non-tobacco ingredients been introduced, and who had ordered the legend to be printed on the packages.

I knew the answers to the first two questions. Several years ago, manufacturers began switching to "homogenized" tobacco, and it is now used in more than 80 per cent of our cigars. When tobacco is homogenized, it is ground up and mixed into a paste; the paste is then "reconstituted" into a continuous band or ribbon, and to accomplish this a few non-tobacco ingredients are added.

Homogenized tobacco produces a uniformity of texture that does not occur in nature, but this was not the compelling reason for the switch. It came about because automatic machines can handle a continuous ribbon better than they can handle individual leaves, and because less of the tobacco plant is wasted. Both factors helped to keep costs down at a time when prices might otherwise have gone right through the roof.

To find out why cigar boxes are now carrying a curiously worded reference to homogenization, I called the Federal Trade Commission.

A spokesman there said: "I'm sure you're familiar with the recent trend toward better labels and fuller disclosure. We've been working with the cigar industry on this, and they began putting the legend on their boxes voluntarily. The FTC has not issued an official order on this yet."

Next I called New York to talk to an industry spokesman, but he wasn't very talkative. He claimed no credit for "voluntarily" giving the consumer more information, and said he'd mail me a printed statement of the industry's position.

What arrived the next day was a reprint from the United States Tobacco Journal. It said that the FTC had "asked" the industry to include the legend on its packages.

It added: "Although cigar manufacturers felt that the phrasing of the legend is inadequate—and perhaps even misleading, in that it does not point out definitively that the use of non-tobacco agents is only for the purpose of reconstituting natural tobacco—major producers agreed to use the legend to acquaint consumers with the use of such tobacco in modern cigar manufacture."

So the legend was added "voluntarily" in the sense that the industry chose its course without waiting for a Government order. But cigar manufacturers have little enthusiasm for the legend because they're afraid it will be misunderstood.

I suspect that they are unnecessarily afraid of both their Government and their customers.

By the time a man is mature enough to enjoy a good cigar, he has usually learned to wait for facts and avoid half-baked judgments.

Whose Status Quo?

HON. W. E. (BILL) BROCK

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. BROCK. Mr. Speaker, I would like to offer for my colleagues' consideration an editorial which appeared in the Knoxville News-Sentinel of December 14, 1967.

Although I cannot agree with the characterization of myself and my fellow Republicans as a "slow-witted lot," it does seem as if we were a mite lax in pointing out that we are anything but defenders of an administration manufactured "status quo."

Those of us who are likely to find ourselves the targets of further verbal abuse—frantic efforts to cover and shift the blame for the critical nature of the Great Society's "status quo," might do both ourselves and our country a great service by assuming the offensive pose which the News-Sentinel urges.

I include these remarks and the News-Sentinel editorial in the Extensions of Remarks:

WHOSE STATUS QUO?

At the AFL–CIO convention Tuesday night, the President came out swinging hard.

It was a campaign speech in the old Johnsonian style.

If anyone was wondering whether LBJ would run again, that was the answer. He already was.

In character, he came out not defensively but on the attack.

With Great Society Texan scorn he labeled Republicans in Congress as "wooden soldiers of the status quo."

Republicans are a slow-witted lot, and so far they have reacted defensively. Which was what LBJ expected of them.

They have a chance to take the initiative, for a change.

They could start by looking up the meaning of "status quo," something LBJ apparently neglected to do. It is not an obscure, but a well-worn, oft-used, Latin phrase meaning: The existing state of affairs.

Are the Republicans in Congress the wooden soldiers of the existing state of affairs? On the record, even as recited by LBJ, they ought to be able to plead not guilty and point an accusing finger at LBJ and his minions.

The existing state of affairs is one in which the purchasing power of the people's earnings and savings has declined to a point where a dollar can buy only 85 cents worth of goods, compared to when the Democrats took over the White House in 1961. In that same span of years, our balance of payments in respect to the rest of the world has shown a deficit each year, to a total of around $18 billion, and the Government's gold reserves have shrunk from around $17 billion to $12.5 billion.

The status quo is a state of affairs in which the crime rate is increasing rapidly: According to FBI figures, 16 per cent more crimes than last year, and 88 per cent more crimes than in 1960, the last year "wooden soldier" Republican Dwight Eisenhower lived in the White House.

The status quo is a public debt of $345 billion, $55 billion more than when the Democrats resumed power, and deficits are annually rising.

The status quo is a condition where rioting in the streets and rumpuses on the campuses have become commonplace.

We'll not suggest here that a war unresolved is also part of the status quo, for that part of LBJ's speech was nonpartisan and he did not put all blame on the Republicans.

We mention those other unappetizing aspects of the existing state of affairs, alias status quo, only because someone now and then should make a point in loyal opposition.

Soviet Submarine Menace Increases

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. HOSMER. Mr. Speaker, the following address was delivered by myself on January 25 on the occasion of the commission of U.S.S. *Gato*—SSN 615:

REMARKS OF CONGRESSMAN CRAIG HOSMER, OF THE JOINT COMMITTEE ON ATOMIC ENERGY, AT THE COMMISSIONING CEREMONIES OF THE U.S.S. "GATO," SSN 615, GROTON, CONN., JANUARY 25, 1968

This ship bears a name made proud during World War II by her predecessor which earned the Presidential Unit Citation for destroying over 26,000 tons of Japanese shipping.

Like her predecessor, the United States Ship *Gato* commences her commissioned service at a time of national peril. As in December, 1941, when the first *Gato* was commissioned, we face clear and present danger.

But it is a vastly different kind of threat today. And our course of action is nowhere near as clear as it was then.

Each of us shares the hope that this *Gato* always will sail in smooth waters and will never be called upon to fight fire with fire. But if she is, we also share an absolute confidence that the *Gato* will ferret out the enemy and her weapons will find their marks with devastating accuracy.

For the *Gato* is the thirteenth and finest in her class of submarines designed to fight submarines. Her nuclear propulsion system gives her virtually unlimited endurance and independence. She will run fast, silent and deep. Her detection capabilities and armaments represent the latest in submarine weapons systems.

This ship and her sisters are the finest products of the naval shipbuilding art ever fabricated. The officers and men who man her are the most carefully selected, the best trained and educated, and the most highly motivated naval seamen the world has ever known. Crew and ship together represent the furtherest advance of naval power in all history. Each is a fitting match for the other.

But in matching them we must understand and appreciate that for all the brilliant design and engineering, and painstaking labor which went into this ship, the *Gato* is—after all—an inanimate weapon. She lacks what these men have—courage, resourcefulness, pride, faith and patriotism. And it is these ingredients which are the power and heart of the Navy, indeed, even of our country.

These men make this ship effective as one of the basic components of United States national power. And that power, to my way of thinking, is one of the few guarantees of peace and freedom left for mankind anywhere on this small planet.

For so long as the attack submarine *Gato* and her nuclear powered sisters can exhibit a credible ready posture for the immediate and total destruction of any potential enemy's submarine force—for that length of time the aggressor must pause in the course of his aggressions. The Soviet Union sees this truth only too clearly. It is engaged in a massive effort to rapidly expand its nuclear submarine fleet, attempting to overcome the deadly sting of ours.

Within the recent past the Soviet Union has made it clear she intends to establish a more dominant role throughout the world for her Navy. The increased presence of her fleets in the Mediterranean and South Atlantic are clear manifestations of this change in policy. High Soviet officials boast openly of the capabilities of their nuclear submarines and their naval experts talk repeatedly of having 80 to 100 nuclear submarines in service by 1975.

There is no question that they have made their nuclear submarines a major national effort—not only in quantity but in quality.

To my mind our lack of response to this burgeoning threat is foreboding. The size of our Polaris fleet, 41 ships, and the projected size of our nuclear powered attack submarine fleet, about 68 ships, was in the making as long as a decade ago. The numbers were picked to meet the threat of those years. They were fixed long before the Soviet Union expanded its naval operations around the world and before it accelerated its nuclear submarine construction program. They were fixed before the Chinese posed a nuclear threat, before France undermined NATO and before Great Britain abdicated as a world power.

Many in Congress share my concern that these numbers have not been re-evaluated in terms of the changing threat. It is absolutely incredible to me that our nuclear submarine building program should be grinding to a halt at the very moment the dangers around us so obviously multiply. It must be comforting to the Russians—though somewhat puzzling to them as it is to me—that we should stop competing just as they start to compete.

True, we still have a numerical advantage over them. But they know it. They know what they must do about it. And, obviously they are doing it.

I am certain that very soon, as the Congress again reviews the Nation's defense posture, there will be many pointed questions asked on this issue. The now static numbers 41 and 68 may be considerably enlarged.

For nuclear powered ships like the *Gato* can keep the peace and protect our freedom only when numbered in rational relation to the threat. In those sufficient numbers they can accomplish this mission with far greater assurance than all the treaties and diplomatic maneuvering ever known.

The American people believe this. That is why they willingly pay the billions of dollars these fleets cost. They know that cost—if paid in freedom—would be far larger than if paid in dollars.

In closing let me pay tribute to a great American patriot who is more responsible than any other for the excellence of both the ships and the men of our Nuclear Navy. He is the man whose "close but benevolent supervision" for many years has made it possible for these strong ships to sail swiftly and for their magnificent crews to sail safely on their missions. This nation owes deep gratitude to Vice-Admiral H. G. Rickover.

It has been an honor to participate with you in commissioning this proud ship. Smooth Sailing. Godspeed.

Nauru and Ukraine

HON. HAROLD R. COLLIER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. COLLIER. Mr. Speaker, next week the island of Nauru will join the family of independent nations. This will cause great rejoicing among the 6,048 people who occupy the coral atoll's 8½ square miles. While I wish the people of Nauru well as they assume their place among the 60 some countries that have secured their freedom during the last two decades, I cannot help but think of the double standard that prevails.

When World War II ended, there were loud calls for the end of colonialism and incessant demands for the breaking up of the British, French, Dutch, and Belgian Empires. The map of the Old World underwent a metamorphosis as scores of new nations emerged in Asia, Africa, and the islands of the seas.

While I have joined in the welcome that has been extended to these new countries, my joy has been tempered somewhat when I note the absence of similar demands for a restoration of the freedom that was briefly enjoyed by the people of Ukraine. It was 50 years ago this week that the Ukrainians established their own nation. Unfortunately, their freedom proved to be ephemeral when the land was divided among the Soviet Union, Poland, Rumania, and Czechoslovakia as a result of the settlements that followed World War I.

It has been rumored that Nauru will not apply for membership in the United Nations organization when it receives its independence. I do not know whether to be disappointed or pleased. It is a fascinating speculation: If they join the organization, would the 6,048 inhabitants of Nauru nullify the vote of the 200,000,000 people of the United States, or would they void the vote of the 232,000,000 subjects of the Soviet empire?

A most hearfelt welcome to the new nation of Nauru and an equally heartfelt prayer that the 42,000,000 people of Ukraine will someday have equal cause for rejoicing with the Nauruans.

George Low—Houston

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. TEAGUE of Texas. Mr. Speaker, the January 14 edition of the Cleveland Plain Dealer carried an article by William Barry Furlong on Mr. George Low, Deputy Director of the Manned Spacecraft Center in Houston. Under leave to extend my remarks in the Record, I wish to include this article about a man who has virtually grown with our space agency and whose assignment with our Apollo program is one of the most important, if not the most important task within NASA today.

The article follows:

His Assignment: Fix the Apollo

(By William Barry Furlong)

It was 6:31:03 p.m. at Cape Kennedy when the test turned into disaster.

Seconds later George M. Low got the message by phone: "There's a fire in the spacecraft." Low was working late at his desk in the NASA Manned Spacecraft Center at Houston. He rushed to mission control center and took up the melancholy vigil. The date was Jan. 27, 1967—when the American space program, and the lives of thousands of persons connected with it, were transformed.

Three astronauts lost their lives, a decade of steady progress seemed jeopardized, and the three-man Apollo spacecraft on which the nation's lunar exploration depended had flunked a vital test without once leaving Earth. George Low drew the toughest assignment in the space program: Fix the Apollo, and try to salvage America's commitment for a manned landing on the moon by 1970.

Today he's well on his way. Successful launching of the Saturn 5, the world's largest rocket, put the bounce back into NASA's step. North American, the builder of the Apollo spacecraft, is moving toward delivering the first model for a manned flight in mid-1968. President Kennedy's mandate to land on the moon by 1970 is far from sure of accomplishment, but the job is not impossible.

Low is a veteran of the space program. He was there the day the civilian space agency was created. In the nine years before the spacecraft fire he had been one of the key administrative men in NASA and rose to the job of deputy director of the Manned Spacecraft Center, the Houston complex where the astronauts train and their missions are planned.

In a sense, the Apollo disaster brought him a step down the ladder; Low moved out of the ninth floor executive suite atop the

MSC command building into the suitcase-and-airliner life of a troubleshooter. But few men in America carried the responsibility or wielded the resources of Low in his new job as manager of the Apollo Spacecraft Project.

He had a massive budget—at least $1 billion the first year. He had a massive work force—400 on his personal staff, 3,500 NASA men and women working on the spacecraft project in Houston, at least 100,000 more persons employed by the contractors building the Apollo spacecraft and its components. Yet the challenge and change was in getting his hands dirty once again as a do-it-yourself engineer.

"I'm a dirty-hands engineer," said Low. He is a low-keyed man who speaks with only the faintest hint of his native Vienna.

Low's task of rebuilding the Apollo has turned out to be as complex as a knitted shoelace, as arcane as space itself. For weeks and months after the fire experts sifted through the charred remains of the spacecraft.

Among their many disturbing discoveries: A head for a ratchet wrench lying next to burnt-out wiring; it might have contributed to a short-circuit. (An Apollo contractor was warned to clean up the sloppy workmanship of its employes.)

They studied the character and quality of the tens of thousands of devices, made of 2500 different materials, in the spacecraft. Each of the materials was tested to see if it was combustible, not only in the normal atmosphere but in the vastly different 100% oxygen atmosphere of the spacecraft-in-operation. Anything flammable in that special atmosphere that might be carried on board by the astronauts—i.e., plastic food containers, spare material for on-board calculations—is now stored in fireproof containers. The aluminum plumbing that carried pure oxygen through the cabin was replaced with stainless steel tubing. Eventually, to test all these changes, an unmanned spacecraft would be deliberately set afire and painstakingly analyzed before the first launching of a manned Apollo-Saturn 5 rocket.

To Low, the significant changes were not simply in the spacecraft, but also in his own career.

"I went from 'general' management to 'project' management, which is the opposite way people usually go," he says. As deputy director of the Manned Spacecraft Center, he was responsible for "looking at a large number of things—the various programs, their budgets and the emphasis those budgets reflected, the manpower, the future, the total resources available for the various projects." But when he became manager of the Apollo Spacecraft Project—as the man specifically delegated to rescue a bad situation—he became responsible "for bringing a single, specific job to completion." To be sure, the scope of the program demanded a massive administrative talent, but "it had the effect of bringing up more in the way of engineering."

The change had no apparent physical or mental effect on George Low. Now 41, he is still slim and straight. For lunch, he has only Sego at his desk. He matches the basic specifications of a top-line space executive and communicates a feeling of being solid, dependable, not yet eroded by memories of other days. He has an unexcelled theoretical competence in supersonic flight. He has unrivaled experience in the bureaucracy of space.

In the weeks and months after he took over the Apollo spacecraft program, Low devoted 12 to 16 hours a day, six days a week, to his job. "I try to make it a rule not to work on Sundays," he says. "I keep Sunday for going to church and playing with the kids." He has five children, ranging in age from 4 years old to 15 and they adore the elaborate manner he does everything for them on Sunday, from water skiing to serving up pancakes for breakfast. "He makes spectacular pancakes," says his wife, Mary-R. (a long-standing contraction for Mary-Ruth).

On weekdays, Low rises very early and cooks his own breakfast. "He's ready to go at 5 or 5:30 in the morning," says Mary-R, with awe if not admiration, "while I need two cups of coffee just to get going."

"I think that's when he decided he could do as well making his own breakfast in the morning," says Mary-R.

Before George goes to the office he runs at least a mile every morning.

His involvement with the Apollo spacecraft and its details is only one more step in a lifetime that has been played out in the long shadow of history. George Low was not quite in his teens when Adolf Hitler and the Nazis took over his homeland, Austria. Shortly thereafter, he and his family came to the United States. They settled in upper New York State; his mother still has a farm there. But he knew his hope and his destiny was not on the farm. "It never occurred to me that I wanted to be anything but an engineer," he says.

He went to Rensselaer Polytechnic Institute in Troy, N.Y.—though his schooling was interrupted by a hitch in the Army—and ultimately got his master's degree in aeronautical engineering there. He went to work for NACA—the precursor of NASA—in Cleveland. The research projects he embarked on there ultimately were to carry him to the top levels of manned space fight.

He can remember the night the Russians had launched their first Sputnik on Oct. 4, 1957: he was on his way to the family's summer cottage at Attwood Lake, O., and was passing through a small town when he heard the news on the radio. "It seemed obvious to me that we were beginning a new era," he says. Within weeks, he was asked to go to Washington—temporarily—to help set up the first manned spacefight program, Project Mercury. He never returned to Cleveland.

Somewhere in the pursuit of knowledge, Low thinks and hopes the young men of the future will remember to supplement their theoretical knowledge with a practical do-it-yourself dirty-hands involvement with details. For George Low stands witness to the fact: A man can rise as high in the U.S. space program as his mind—and his hands—can lift him.

Budgeting Our National Funds

HON. WENDELL WYATT

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. WYATT. Mr. Speaker, the manner in which the Federal funds of this Nation are budgeted and spent is a matter of concern to every taxpayer in the United States. The administrative budget for fiscal year 1969 is now a matter of record. The way in which we in the Congress deal with this budget is still to be determined.

I have devoted the bulk of my January newsletter to the problems involved in congressional handling of this budget. I present it here for the inspection of my colleagues:

First Session, 90th Congress, Starts Economy Drive

With the First Session of the 90th Congress behind us and with the Second Session just underway, it seems an appropriate time to take a look at what was accomplished in the last session and what can be expected for the coming year.

The primary achievement of the First Session was the beginning of an economy drive to cut the extravagant Federal spending which has forced our national economy into an ever-upward inflationary spiral.

BUDGET REQUESTS SLASHED

In its budget message a year ago, the Administration requested appropriations from the Congress totalling over $133 billion for fiscal year 1968. Actual appropriations by the 90th Congress for 1968 came to just $127.5 billion. Total appropriations for fiscal year 1968 were well over one billion dollars less than for fiscal 1967.

In addition to the cuts, the Congress called for further economies by passing a resolution forcing the President to cut expenditures by over $4 billion. The economy drive extended to all areas of Federal spending, with most drastic cuts coming in the area of non-essential domestic spending. Although these cuts were a step in the right direction, the budget must be cut even further for fiscal 1969.

TAX SURCHARGE PROPOSAL DELAYED

The bi-partisan effort to cut back on inflationary Federal spending was boosted by delay of the proposed 10 percent surcharge income tax. Members of the House Ways and Means Committee wanted solid proof that the Administration would cut back spending in all areas to guarantee that the tax increase would not go to finance new, inflationary programs.

In his State of the Union message for 1968, the President once again made a desperate plea for an income tax surcharge. But he increased his spending program by exactly the amount that it is estimated the tax increase would net the treasury. Such false economy would indicate further delays in passing any tax surcharge in the Second Session of the 90th Congress.

FISCAL CRISIS LOOMS LARGE IN COMING LEGISLATIVE SESSION

Once again the status and amount of Federal spending and protection of the dollar's strength appear to be the main issues facing the Congress.

In the photo to the right [not printed in Record] I am discussing our national monetary situation with William McChesney Martin, Jr., the Chairman of the Federal Reserve Board.

Devaluation of the pound has put serious strains on the dollar. It is up to this Congress to protect the savings and wages of all Americans from a similar reduction in spending power which might be caused by international and domestic pressures.

ISSUES FACING CONGRESS IN 1968

Many issues of great importance will come before the Congress for action this year. Of utmost importance will be the tax surcharge proposal and its relation to overall government spending. Once again I, along with many of my colleagues in the House of Representatives, will have to see tangible evidence of an effort by this Administration to honestly reduce non-essential spending before I will consider any tax increase program.

The Vietnam War is certain to be before us as an ugly spectre through supplemental appropriations, defense spending bills and in a thousand other ways.

Legislation to help local police deal with the growing menace of crime in the streets is another important matter on which the Congress must legislate this coming year. An Administration request for a "Safe Streets" Act which would have, in effect, created a Federal police force under the Attorney General was scrapped by the House last session in favor of a bill to aid local police through block grants to states.

This legislation remains to be passed by the Senate and then a compromise between the two versions worked out. Oregonians will be directly affected by such a law, since the crime rate for the State of Oregon is one of the ten highest in the nation.

CODE OF ETHICS FOR HOUSE URGED

Each body of the Congress is, under the Constitution, the judge of the conduct of its Members. For too long now the conduct of Members of the House of Representatives has been subject to open debate, with no rules for guidance. In the last session I introduced the strongest House ethics bill ever. It would establish a rigid, exemplary code of ethics for Representatives. Once again this session I will work for its early enactment.

RIVER DIVERSION STILL HAUNTS NORTHWEST

Very early in this session the House Interior Committee will hold hearings on the Colorado River Basin Project. This expansive proposed project holds the menace of diversion of Northwest water to arid Southwest areas.

As a member of the Interior Committee it will be part of my job to see that no studies of water diversion limited to the Northwest are passed as part of this legislation. A bill to establish a National Water Commission was passed by the House last session, but a compromise with the Senate has not yet been reached.

The National Water Commission bill provides for study of the water needs of all areas of the United States for economic development and growth. Such a study could very conceivably show that Oregon and the Northwest will need every ounce of water they have in the not too distant future.

DMSO, NEW DRUG LEGISLATION DRAFTED

The U.S. Food and Drug Administration has been arbitrarily holding up testing of the drug dimethyl sulfoxide (DMSO) for over two years now. The drug, whose medical properties were discovered by two doctors at the University of Oregon Medical School in Portland, is a by-product of the pulp and paper industry, and has been found effective in treating arthritis and many other skin and joint diseases.

I have time and time again sought fair evaluation and treatment of DMSO from Dr. James Goddard, Commissioner of the Food and Drug Administration, to no avail. Evidence shows that the F.D.A. has persecuted this and other new drugs. I am presently in the process of preparing legislation which would entirely remove the F.D.A. from jurisdiction over new drug applications, and place them with the National Academy of Sciences for evaluation and decision.

Closing a Loophole

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. MINISH. Mr. Speaker, I am pleased to call to the attention of our colleagues an excellent editorial in support of legislation sponsored by me to end the tax-exemption privilege for bonds issued by State and local governments to finance private industrial facilities. The editorial "Closing a Loophole," which appeared in the Newark Sunday News of January 28, 1968, cogently cites the case for correcting this serious abuse of the tax exemption granted to State and municipal governments:

CLOSING A LOOPHOLE

Congressional efforts to close one of the most conspicuous loopholes in the tax structure have finally received the U.S. Treasury's "strong support." Legislation, which has long awaited the green light, is designed to end the tax exemption privilege for bonds issued by state and local governments to finance private industrial facilities.

The interest on so-called "municipal" bonds is exempt from federal income taxes. This concession permits state and local governments to borrow funds at lower interest rates than apply to other bonds, including securities of the federal government.

The tax-exempt privilege, however, has been abused by states and local governing units which seek to lure industry from other sections of the country. They do this by building plants with the public's money, then leasing the facilities to private companies. In effect, this is private borrowing without interest charges.

Still another abuse which the legislation would eliminate are "arbitrage" transactions by which local governments sell tax-exempt bonds and reinvest the proceeds in higher-yielding securities. Arbitrage deals are, as the Treasury describes them, "a clear distortion" of tax immunity.

Anti-arbitrage legislation is likely to have an easier road through Congress than measures against the industrial facility bonds which have enjoyed a rapid growth in recent years in more than half the states. For example, the bill faces opposition in the House Ways and Means Committee whose chairman, Wilbur Mills, comes from Arkansas. This state has been a leading seller of industrial bonds.

While there's some question about the legislation's reception by the tax-writing committees of both houses, there's no doubt about the need of its enactment. The tax-exempt system was devised to help state and local governments to borrow money for legitimate needs at the lowest possible cost.

With prevailing tight money and high interest rates, borrowers are having a difficult time as it is without unfair competition from local governments financing industrial sites.

Raytheon Co. To Locate New Plant in Hudson, Mass.

HON. F. BRADFORD MORSE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. MORSE of Massachusetts. Mr. Speaker, the extent of the recovery of the Greater Lowell, Mass., area from the economic difficulties of the 1950's was symbolized last week by the decision of the Raytheon Co., to locate a new plant along Route 495 in Hudson, Mass. To a large extent this kind of growth has been made possible by the development of the Interstate Highway System, and by the determination of the Greater Lowell area to get back on its economic feet. The Lowell Sun discussed the significance of the Raytheon decision in an editorial which appeared on January 2[illegible]. I include the editorial in the RECORD, as follows:

GOOD NEWS

Announcement by Raytheon Co. of its plans to erect a multi-million dollar manufacturing facility on Route 495 in Hudson is good news for Lowell and the other communities in this area.

It is good news for two reasons: One is that many of the 5000 eventual employees will come from this section, which is only a relatively few minutes away via the superhighway; and second, because any new plants which are established here attract more and more. That was the story on Route 128, and it will be the story on 495. It will not come overnight, but it will come and faster than many may be expecting.

For the benefit of all concerned in the development of Route 495 as an industrial factor, special attention should be given to the comment made along with the announcement of the Raytheon facility, to the effect that the key factor in the decision to locate in Hudson was "the extremely co-operative attitude" of the people of that town.

With 85 miles of Route 495 on which to locate, industrialists are not going to plan for establishing plants in areas where there is any organized opposition.

As we have stated many times, if the population growth in this area comes up to the expectations of experts, we are going to need many new industries, businesses etc. to provide work for the people who will be living right in the Greater-Lowell area.

Mrs. Flossie J. Chestnut, South Carolina Career Woman of the Year

HON. JOHN L. McMILLAN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. McMILLAN. Mr. Speaker, we people in South Carolina and especially in my congressional district are highly pleased to learn of the great honor recently bestowed upon Mrs. Flossie J. Chestnut of Cherry Grove Beach.

Mrs. Chestnut has been selected as woman of the year by the South Carolina Federation of Business and Professional Women's Clubs. We all know this is a great honor and I, personally, want to join Mrs. Chestnut's host of friends on congratulating her for the fine service she has been rendering the citizens of our State as a member of the Business and Professional Women's Club.

I do not know of any person in my congressional district that deserves this honor more than Mrs. Chestnut and I am certain all her friends are extremely proud to learn that she has been selected woman of the year for our State.

A summary of Mrs. Chestnut's accomplishments follow:

MRS. FLOSSIE J. CHESTNUT, SOUTH CAROLINA CAREER WOMAN OF THE YEAR

Mrs. Flossie J. Chestnut has been named State Career Woman of the Year by the South Carolina Federation of Business and Professional Women's Clubs. Announcement of her selection from a field of 26 entries was made at the Eighth Annual Educational Conference of the Federation which was held at the University of South Carolina at Columbia on January 27 and 28.

Flossie Johnson Chestnut is a native and lifelong resident of Horry County and presently makes her home at Cherry Grove Beach.

She began her business career in 1948, when she became secretary for the Cherry Grove Realty Company, where she continues to be employed as saleswoman and office manager. She qualified for her license as an insurance broker in 1950 and as a real estate broker in 1962. In applying for the latter license, her extensive and diversified experience in the real estate field enabled her to pass the two South Carolina Real Estate Board examinations in one stage rather than in the customary two stages normally required of applicants for such licenses. This same experience made it unnecessary for her to serve the usual year's apprenticeship required of applicants before the issuance of their final license.

Her professional stature has been enhanced by her service as president of the Grand Strand Board of Realtors, of which she is now a director, as well as membership on the South Carolina Board of Realtors.

Mrs. Chestnut is now serving her second term as an elected member of the City Council of Cherry Grove Beach. She has been a director of the Greater Myrtle Beach Chamber of Commerce and a past president of the Wampee-Little River Parent-Teacher Association.

In addition, she is a charter member of the Grand Strand Business and Professional Women's Club and since its founding in 1954 has held the offices of corresponding secretary, first and second vice president and president. She now occupies an office at the state level of the Federation of Business and Professional Women's Clubs as State Personal Development Chairman.

Mrs. Chestnut has become closely identified in the minds of the residents of her community with the campaigns to raise funds for the use of various organizations in combating disease at the local and national level. She has served for a number of years as chairman of the Cherry Grove Beach Heart Fund, for which she recently received a citation, as well as chairman of Cancer and March of Dimes drives, and actively participated in other similar fund-raising activities.

In recognition of her numerous and varied activities, Mrs. Chestnut was recently selected for inclusion in the publication, "Outstanding Civil Leaders of America."

Mrs. Chestnut is the wife of Charles E. Chestnut and the mother of three children. She is an active member of the congregation of the Chapel by the Sea, an interdenominational church for which she acts as treasurer. Prior to her affiliation with the Chapel, she served for eleven years as volunteer secretary for the First Baptist Church at Ocean Drive Beach.

Mrs. Chestnut is an outstanding example of the tenets of the Federation of Business and Professional Women's Clubs in that she is ever mindful of her "responsibility to the business world, the opportunity to uplift, and the everlasting need to be kind."

"Worldwide Brains"—The Troy, N.Y., Times-Record Comments on a Prediction of Leonard H. Marks, Director, U.S. Information Agency

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. BRADEMAS. Mr. Speaker, I insert in the RECORD a most interesting editorial published in the November 29, 1967, issue of the Troy, N.Y., Times-Record and entitled "Worldwide Brains."

The editorial comments on a recent statement by the distinguished director of the U.S. Information Agency, Leonard H. Marks, concerning the possible development of a worldwide computer network which would make far easier the sharing of knowledge.

The editorial follows:

WORLDWIDE BRAINS

The day of the computer predicts the time all knowledge will be shared, at the touch of a dial.

The thought of a "worldwide brain" electronically devised, of course, is near the realm of possibility. It needs, most of all, agreement of governments to participate. When the nations of the world learn to get along with each other, the time for sharing of knowledge will be at hand.

Leonard H. Marks, director of the U.S. Information Agency, believes the day is not far off when man, because of this tremendous growth of electronic communications, can plug his mind into the minds of millions of others.

Two communications satellites over the Atlantic and two over the Pacific, he says, could provide the nucleus of a world information grid through which the knowledge and culture of one people could be shared with others throughout the world. Already through shortwave radio, computers of Argentine engineers "converse" with computers at the Massachusetts Institute of Technology.

The British Medical Association gets computer tapes by mail which pluck from the National Library of Medicine in Washington the medical information it gleans from abstracts of thousands of medical articles.

Satellites, extended microwave relay networks and other electronic marvels will vastly extend the range of this information exchange. But there are some hitches.

For one thing, without the cooperation of the world's governments, information sent whizzing around the earth would go untapped. Governments would have to agree to receive it, and many do not want outside knowledge to reach their people. For another, so much information is being accumulated today that its undirected dissemination could boggle man's mind with the sheer weight of a million facts.

There are potential solutions, but none readily available for uncooperative governments. There is only the hope that each exchange of knowledge that slips past the gate will open it a little wider until the day arrives when a flood of information will break down the barriers.

Agrarian Reform in Republic of Vietnam

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. WOLFF. Mr. Speaker, I have on several occasions taken the floor of the House to call attention to a serious lack of effort on the part of the Government of South Vietnam to enact much needed reforms in that war-embattled nation. In my several visits to that country during the past 4 years I have found that in spite of our massive military and civilian aid programs we were not effectively providing the people of South Vietnam with sufficiently meaningful goals to encourage them to stop providing a sanctuary for the Vietcong. One reform that was lacking had been real land reform. I wish to call to the attention of my colleagues a statement I received from the Embassy of Vietnam, which carries an excerpt of a most important statement by President Thieu regarding the new steps he has urged his government to take regarding this vital matter. I hope that it is pursued with vigor and determination. It is positive action such as this that I feel will bring our hopes and aspirations for an honorable and just peace closer to fruition.

The statement follows:

AGRARIAN REFORM IN THE REPUBLIC OF VIETNAM

A nationwide campaign was launched in the Republic of Vietnam recently in order to push forward the implementation of a vast land reform program. A National Congress on Agrarian Reform was opened in Saigon on January 18, 1968 by President Nguyen Van Thieu. Besides pointing out the false promises of the communists on land reform and the difference between the communist approach of forced expropriation and collectivization, and our approach respecting the basic rights of people, the President put particular emphasis upon the necessity of pervasive social reforms. Said he:

"We know that the communists can only take root wherever there are injustice and destitution. We also know that economic injustice is always followed by political injustice. If we are successful in building an equitable economic system, then political democracy would by itself emerge and develop."

President Thieu also emphasized that the program of land reform is an important and key element in national policy, aiming at revolutionizing society and fostering democracy, justice and humanitarianism, and that it should be an integral part of rural reconstruction. Stressing on the importance of the program he declared:

"We must clearly recognize that the task of land reform is a critical necessity created by our special situation, a key task which could not be neglected . . . . Even if we are now able to defeat the communists and restore peace, but are not able to erase conditions of injustice and destitution suffered by the majority of our countrymen, I am certain that such a peace will neither endure nor prosper."

Commenting on the agrarian reform program of the government, Mr. Ton That Trinh, Minister of Agriculture and Land Reform, stressed that its primary aim is to help land tillers become land owners. For this purpose, a Land Bank is being established to provide low-interest loans to needy farmers who wish to acquire land. Mr. Trinh also declared that the government will expedite the redistribution of government and expropriated surplus lands to the landless, a task which so far has been lagging due to the shortage of cadres and the unstable political situation until recently.

Finally, the Minister appealed to friendly countries for assistance in this land reform program which aims at making Vietnam self-sufficient in its food requirements in the near future.

Practical measures are now being worked out for an early and vigorous implementation of the agrarian reform program.

Remarks of Robert Moses at a Memorial Dinner in Honor of Charles A. Buckley, Imperial Ballroom, Hotel Americana, January 18, 1968

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. MURPHY of New York. Mr. Speaker, Robert Moses, chairman of the Triborough Bridge and Tunnel Authority of New York, addressed a memorial dinner in honor of our former colleague Charles A. Buckley on January 18 in New York.

Charlie Buckley's memory will long live in the annals of the history of the State of New York. His accomplishments since he first was elected to the Board of Aldermen of New York City in 1918, through his term as State tax appraiser for the State of New York, and during the period he served as city chamberlain, prefixed his most memorable service of 30 years in the House of Representatives which spanned 15 Congresses. As chairman of the House Committee on Public Works he was responsible for more public works authorizations and construction than any other American. The monuments of roads, bridges, public buildings, reservoirs, dams, and waterways throughout our land will long be a living testimony to the concrete accomplishments of a man who always shunned the limelight. Charlie Buckley knew true humility and I feel that the words of Chairman Moses express the feelings of those who knew him best. I am privileged to include his speech:

Friends of Charlie Buckley, who would believe it, a ballroom full of neighbors and nice people not on the make, not jumping on passing bandwagons, not riding the waves of the future, people who are not ashamed to show sentiment and not afraid to acknowledge obligation, met here to honor a man who hated flattery and had no appetite for shoe polish?

Charlie Buckley was a man who in the march of world events and nationwide developments never lost sight, sound and touch of his borough and people. It renews my faith in representative democracy.

They say memories are short. The next generation know a hero very slightly and grandchildren will recall his name only if it is attached, as you propose it shall be in this case, to some enduring monument, memorial or benefaction.

It is the fashion with brash newcomers in politics and disdainful, fastidious editors to picture Charlie Buckley as a stereotyped, dated product of district club and cloakroom politics, entertaining election captains and minor officeholders in the Bronx and occasionally answering roll calls in Washington when not following the ponies at the tracks. It reminds me of Lincoln's reply to Grant's critics. "Show me," he said, "where he gets his stogies and the hair of the dog." Show us where the ponies are running, and we may find a few more Buckleys.

Charlie Buckley in my own knowledge as a political maverick and uncommitted observer was, on the contrary, a very able local leader in a borough not without previous leaders of distinction, and an exceptionally knowledgeable, shrewd, competent and effective Chairman of the Public Works Committee of the House of Representatives. I can testify, and under no compulsion, that in these parts he was enormously helpful in bringing about agreements on major enterprises such as the St. Lawrence and Niagara power developments and the continental and regional highway and expressway system which is now taken for granted by smart alecks who think it was a cinch to accomplish.

A large factor in Charlie Buckley's success in Congress was due to the friendship and respect of members from all over the country who trusted as well as liked him, and often went along simply because Charlie pledged his honor that it was the right thing to do.

Years ago the Sainted Fiorello La Guardia, in spite or maybe because of his lovable and unpredictable eccentricities and shenanigans, nevertheless one of our great mayors, said to me in the course of one of our not infrequent arguments, "I believe in principles, not in men." I still think that one of the most horrible statements I ever heard, because loyalties must run to people, and because without personal loyalties there is neither principle nor progress. Charlie Buckley was above all a loyal man. I leave that as a final tribute with you and honor you for keeping his memory green.

Wright Morrow Cites Supreme Court Decisions Which Violate Precedent, Invade Legislative Field, and Contribute to Breakdown of Law and Order

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. FISHER. Mr. Speaker, not long ago the Honorable Wright Morrow of Houston, a distinguished member of the Texas bar and a great patriot, made a speech to the University of Texas council. The occasion was the pursuance of the continuing memorial to the late Judge Wright C. Morrow, father of the speaker, in the form of funds for teaching of criminal law and procedure.

In his memorable address Mr. Morrow sounds an alarm which should be heeded by all Americans. Every student of government and every believer in the integrity of the Constitution should read this documented statement concerning one of the most dangerous trends in modern American history.

Mr. Morrow's address follows:

The continuing and rising wave of crime in our country is alarming to all and the appointment of commissions to study the causes of this rise in criminal activities will not and does not suffice. The truth is that the basic cause of this crime wave is known but those in charge of the government refuse to face the true situation.

The trend of the decisions of the Supreme Court of the United States has astonished and caused consternation among a great part of our population, particularly the lawyers of the United States.

The Court appears to have taken a position which gives police little or no opportunity to protect the public from the brutality of the criminal; at the same time, throwing such a web of protection around the criminal, or suspected criminal, as to make it virtually impossible in many instances to convict those who are really guilty or to determine whether or not they should be convicted.

Back in 1958, the Chief Justices of the States were alarmed at the legislative invasion by the Supreme Court under the guise of the interpretation of the Fourteenth Amendment. These Justices in their consideration of this situation said in part:

"We are not alone in our view that the Supreme Court in many cases arising under the 14th Amendment, has assumed what seems to us primarily legislative (lawmaking) powers. * * * We do *not believe* that either the *framers* of the *original Constitution* or the possibly somewhat *less gifted draftsmen* of the *Fourteenth Amendment ever* contemplated that the *Supreme Court would* or *should*, have the almost *unlimited policy-making powers* which it *now exercises*. It is *strange, indeed, to reflect* that under a Constitution which provides for a *system* of *checks* and *balances* and of *distribution* of *power* between *national* and *State* government, *one* branch of *one* government—the *Supreme Court*—should *attain* the *immense*, and in many *respects, dominant power which* it now *wields*." (Emphasis mine)

Early in its history, Chief Justice John Marshall, who occupied that position for 35 years in the formative period of the new nation, said this:

"Courts are the mere *instruments* of the law and can will *nothing*. * * * Judicial power is *never exercised* for the purpose of *giving* effect to the *will* of the *judge; always* for the purpose of *giving effect* to the will of the *law*." (Emphasis mine)

James Madison, one of the authors of the Constitution, made this significant statement:

"The good of society *requires* that the rules of conduct of its members should be *certain* and *known*, which would *not* be the *case* if any judge *disregarding* the decisions of his predecessor should vary the rule of the law according to his *individual interpretation* of it." (Emphasis mine.)

The situation since 1958, so far as the interpretation of the due process clause of the Constitution, has not improved the attitude of the Chief Justices of the States or of people generally concerned with the protection of the public in their civil rights as American citizens but has worsened by reason of the more recent decisions by the Supreme Court. And, now as demonstrated in the very recent riots and insurrections, disrespect of the law has become rampant and people undisciplined with looting, and burning, and murdering. This situation has resulted in a state of near anarchy in our country; people have now become afraid in their own homes, or to walk on the streets of their cities and towns, especially in our nation's capital. Robberies, and thefts, and murders, and rape and all characters of crime have continued to increase throughout our country.

Disrespect for law has become rampant. It has been encouraged, condoned and excused by prominent office holders. This has been shown not only in the streets by riots but by demonstrations and other similar methods of disrespect of the rights of other people; in the galleries of Congress; in the public places like theatres, city halls and in churches; parading and picketing in and around the White House, rushing into the offices of mayors of cities, destroying the furniture and raising complete pandemonium; refusal of students to attend classes, demanding control of administration of schools and colleges. All of this has become un-American and intolerable. Courts have become legislators; the Supreme Court has amended the Constitution in violation of its specific provisions, disregarding the rights of the people and the States. All of this is entirely foreign to the fundamentals of our American system. Petitions for redress of grievances and peaceable assemblies are provided for in our fundamental law but the courts have stretched these provisions to the point of absurdity in their misinterpretations and their personal expressions based on the whims and philosophy of the judges.

Until approximately 1961, it had been the rule applied by the Supreme Court that the Fourteenth Amendment did not empower that Court to apply Federal rules of procedure to State courts. In *Mapp* v. *State of Ohio*, however, the rule was changed. In that case the State Supreme Court had held that certain evidence based on a search warrant was admissible and the woman was convicted. On appeal, however, the United States Supreme Court reversed the case applying Federal rules and interpretation.

Justice Jackson in dissenting commented, that the Court could increase respect for the Constitution only if it rigidly respected the limitations placed upon it by the Constitution.

In *Ashcraft* v. *Tennessee*, the Supreme Court then threw out a confession because they held that it was obtained by coercive interrogation. Justice Jackson dissented, writing an exhaustive opinion, and held that the majority of the Court had gone entirely beyond the Bill of Rights in applying the Federal Courts supervisory powers over State Courts. He held that all appeals from State Courts in the past had been limited to determining whether a confession was voluntary and whether it could be admitted as trustworthy evidence.

Justice Jackson said further:

"We must bear in mind that this case does not come here from a lower Federal Court over whose conduct we may assert a general supervisory power."

"We have no such supervisory power over States' courts. We may not lay down rules of evidence for them nor reverse their decisions because we feel more confidence in our own wisdom and rectitude."

Justice Jackson again pointed out that the interrogation of suspects was an absolute necessity. Jackson said there were only two alternatives—"to close the books on crime" or "to take the suspects into custody for questioning".

Justice Jackson said further that if the Court persisted in this 'view', "the people of this country must discipline themselves to seeing their police stand by helplessly while those suspected of murder prowl about unmolested". This is just about the present situation.

In 1961 in the Rogers case they ruled that regardless if a suspect's confession was true, it should be thrown out as untrustworthy if the police had broken down the *will to lie*. Under these interpretations the majority of the court outlawed police *procedure* of *confronting* the suspect with *facts* of the crime that *contradicted* his alibi, such as *re-visiting* the *scene* of the crime which they said *overbore* his *capacity* for *self-determination*.

Then came the Escobedo case in 1965 where the majority of the court held that when process of investigation becomes accusatory and the focus is on the accused and its purpose is to elicit a confession, the accused must be permitted to consult his lawyer.

In this case, Justice White, who was appointed by President Kennedy, dissented and used this language:

"The right to counsel not only entitles the accused to counsel's advice and aid in preparing for trial but stands as an *impenetrable barrier* to any interrogation once the accused has become a *suspect*." (Emphasis mine)

And he said further, "that the *majority of the court* apparently intended to bar *all admissions* obtained from a suspect whether *voluntarily made* or *not*." (Emphasis mine)

Under these decisions as they have advanced over the last few years, it is manifest that the criminal, or the would be criminal, has learned and his associates and lawyers have learned that he is in no danger of being convicted if he can make any kind of case that he was interrogated about the facts of the alleged crime even if he voluntarily makes the statement unless he has seen a lawyer and has been taken before a magistrate immediately. For if he can claim any police brutality, he is almost assured of the refusal of the Court to admit his confession.

These decisions furnish example to those who violate the penal laws and robbery especially of public places like banks, grocery stores and liquor stores. These are so prevalent and so often end in murder and there is a constant increase in sex crimes such as rape which also often ends in murder and such people depend on these decisions to prevent their conviction.

The extension by the Supreme Court into a legislative body is essentially wrong whether done under the guise of modern sociology or the usurpation of the amendatory provisions of the Constitution. The whim or caprice of those individual judges, who temporarily occupy the court should not control the decision. The law is the embodiment of usage based on the activities of men evolved from the tradition, habits and customs and rules of conduct of people and the stability of the government depends on fixed law upon which people can rely and which people must respect.

The primary responsibility of maintaining law and order under our system should be and is upon the local constabulary in State and Cities and only when it is made evident that this can not be done by the local government and there exists a danger of or actual insurrection and complete disregard and disrespect for the law should there be any intervention by Federal authority. But there must be recognition by those having criminal intentions or commiting crimes of the certainty and severity of punishment when found guilty. Civil rights do not belong only to one group of citizens but all citizens and it must be recognized that the protection of the civil rights of any citizen or group shall not be used to trample on the civil rights of another citizen or group. Our government is intended to protect the freedom of all citizens having the same right to life, liberty and the pursuit of happiness. The courts of our country have the duty to follow precedent. They are not constituted to become legislative bodies. Congress and the legislature of the several states have this function and the courts have no right to intervene or usurp the functions of either the legislative or the executive branches.

Judge Learned Hand, who never became a member of the Supreme Court but regarded as one of the finest jurists of his time, probably did not have the political influence but in lecturing at Harvard after his retirement he had this to say about the Supreme Court of the United States:

"I cannot frame any definition that will explain when the court will assume the role of a third legislative chamber and when it will limit its authority to keep Congress and the States within their authority."

"If we do need a *third legislative* chamber, it should *appear* for *what it is* and *not* as the *interpreter of inscrutable principles*." (Emphasis mine)

It is no wonder, therefore, that at the most recent meetings of the American Bar Association in Honolulu, the conference of Chief Justices of forty-five States made and adopted without a dissenting vote resolutions from which I will quote.

First, however, these Chief Justices recited that during recent years there has occurred in our nation a malignant growth of disrespect for and disobedience of law which in this year has culminated in unprecedented lawlessness and mob violence. Further, they recognized that the causes of the civil disobedience "*which is shaking the very bedrock of our political and social structures are manifold, yet it is our studied view that the foremost cause is lack of respect of law and an utter disregard for its proper enforcement in the minds of a growing number of our citizens.*" (Emphasis mine)

These justices then resolved that it was equally essential that the law abiding citizens should receive protection of the law from the lawless as it is that its guarantees will be afforded those accused of its breach.

These justices further resolved that those persons and groups "who ignore these orderly processes but instead seek redress of grievances—no matter how deserving, through force, mob violence and riot accompanied by looting, arson and murder commit criminal acts of the gravest order and must be swiftly, fairly, and surely procecuted according to the law which they have violated."

They then referred to the causes of disrespect for law and found that the public held views that it is extremely difficult and many times impossible to convict those guilty of the gravest crimes and there are unreasonable and unnecessary delays in the administration of justice. Then they said and I quote, "that to the extent this view is supported in logic, it requires that we and all our judicial, executive and legislative bodies reappraise the laws and procedures which affect the task of the policeman, the prosecutor and the courts in their efforts to protect society to the end that we will successfully meet the challenge of lawlessness.

These quotations and references strikingly demonstrate how far afield have gone the decisions of the Federal courts and especially the Supreme Court and it is imperative that there be paramount in the minds of those who instruct in the law that the strength and progress of our nation and the enjoyment of rights and liberties by all our citizens must be manifested by their belief and respect for and adherence to the rule of law.

It is, therefore, my sincere and earnest hope that these principles necessary to the continued existence of our constitutional framework shall be given full respect and integrity in carrying on the professorship created hereby.

My father, Judge W. C. Morrow, sat as a judge on the Court of Criminal Appeals of Texas for nearly a quarter of a century, for the last twenty years as Presiding Judge of that Court. He believed, and in his opinions exemplified his belief, that it is the duty of a judge "to cleave to the integrity of the law and to that alone". He realized that the greatest hazard of a judge in passing on the rights and liberties of citizens is not from without but the most constant and appalling danger lurks within the judge himself and it is the demanding duty of a judge not to substitute his individual sense of justice for rules of law because as Justice Cardoza said in his book, "The Nature of the Judicial Process":

"This might result in a benevolent despotism if the judges were benevolent men. It would put an end to the rule of law." (Emphasis mine)

Because of my pride in my father's record and because of his teachings, both personal and in his opinions, I have always held to the strong belief in these principles which should govern men who as judges pass upon the rights of life, liberty and property of their fellow citizens.

Cut War Expenses and Save Money

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. DERWINSKI. Mr. Speaker, the President's budget is obviously dominated by the cost of the war in Vietnam and other expenditures in the defense budget. The Worth-Palos Reporter, an independent community-minded newspaper serving the southwest suburban Cook County, Ill., area often comments on national issues. Their January 25 editorial on the budget is a very interesting analysis with an obviously logical basis.

The editorial follows:

CUT WAR EXPENSES AND SAVE MONEY

Great Britain is withdrawing all its military forces from east of the Suez Canal (except Hong Kong and a few outposts) and the U.S. has already moved in to cover the retreat. The British did it as a necessary economic move, and apparently the affluent U.S. can afford to patrol all of Asia.

There are balance of power reasons for the west to maintain a strong position in Asia, but there are some real differences between our present position and the old colonial position of England. The British Empire was built on the exploitation of its vassal colonies, but the U.S. is there on an all out-going expense of maintaining military control—all expense and no income.

The President is now making a big point of the balance in World economic affairs—we are sending out too much more than is coming in. We suggest as a simple solution that we cut our European army by at least 75 percent, and our war expense in Asia by half. The present plans of saving a few billions is small when compared to the billions we are now spending on foreign military commitments.

The President said in his state of the Union message that we are spending $25 billion per year in Vietnam. This can hardly come under the issue of foreign aide as I understand our original motives under the Marshall plan, and there are so many places, both at home and abroad, where we could spend this money for better and more humane purposes and effectiveness.

A Salute to Firemen

HON. JOHN P. SAYLOR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. SAYLOR. Mr. Speaker, tragic fires have taken a heavy toll of lives in Pennsylvania and other States exposed to prolonged periods of frigid weather during this winter season. An appalling number of lives have been lost in infernos destroying family residences, and many fatalities are also recorded in blazes that strike at apartment and commercial buildings.

The disasters should alert every father and mother, every building owner and custodian of the need for special precautions during periods of severe cold when heating equipment is taxed to and beyond capacity. They should at the same time stimulate a new appreciation for those members of the community who stand ready to man firefighting equipment and risk their own lives that others may be saved.

Without our career and volunteer fire departments, deaths due to fire would, of course, be considerably higher, with accompanying property loss of inestimable proportions. There is no measuring the contributions of the brave and daring men who move to combat the horrors of fire in our cities and towns, nor can townspeople ever give adequate thanks for this vital service.

An editorial in the Nanty Glo Journal of January 17 paying honor to volunteer firemen is a tribute that needs frequent repeating. The faithful performance of all firemen should be recognized the year around, for theirs is a constant vigil and heroic effort for which there is no season of relaxation.

The editorial follows:

THE VOLUNTEER FIREMEN

The sustained cold spell being experienced in Cambria County has been blamed for the many fires which have struck various communities.

Through it all volunteer firemen have met the task of battling the blazes in near zero temperatures with courage and efficiency.

The pride a community has for these fearless, unselfish and earnest men of mercy is not ordinary pride. The pride is amplified by a deep feeling of gratitude and respect for those who stand ready at any hour to protect lives and properties.

At the sound of their fire sirens, they leave the warmth of their homes and often the comforts of sleep or a meal to help in an emergency. They do this, not for monetary gain, nor glory but to help neighbors in distress.

These men are ready not only to help in their own community but stand ready to travel to another town where a company might need assistance.

They are willing men—men ready to work unceasingly for hours to insure a job well done.

Residents of county communities should stand ready at any time to give their utmost cooperation to their fire company—a truly needed and deserving group.

The "Pueblo" Warnings

HON. F. BRADFORD MORSE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. MORSE of Massachusetts. Mr. Speaker, one of the many unanswered questions of the *Pueblo* incident is the failure of U.S. intelligence to take seriously indications sounded by North Korea earlier this month with respect to possible retaliation against U.S. intelligence vessels such as the *Pueblo*.

In a January 27 editorial the New York Times describes the alleged North Korean warnings and asserts that the United States was aware of them. It asked "Whether or not the accusations were true, why were not the warnings taken more seriously?" An answer to this question might shed light on the circumstances that permitted the *Pueblo* to be hijacked on the high seas, and it should be forthcoming from the administration at once.

I include the text of the editorial in the RECORD:

THE "PUEBLO" WARNINGS

The evidence that at least twice this month, after seizing South Korean vessels, North Korea had warned that it might also take countermeasures against nearby American "spy boats," raised serious questions about the American command and control system that permitted the Pueblo to be captured.

Secretary of Defense-designate Clark Clifford has promised the Senate Armed Services Committee that after taking office he would review "the decision-making process and the authorities granted that would permit a lightly armed U.S. ship, without protection, to sail close to hostile shores even though in international waters." That is all to the good. But the Congress and the country also have a right to know who was responsible for this humiliating misadventure, and how it could have happened.

The Asia analysts in Washington knew of the North Korean warnings from the U.S. Government's Foreign Broadcast Information Service. Were their superiors in the Pentagon and State Department informed? Did anyone alert the Pacific Command and the captain of the Pueblo? If they were alerted, why were precautions not taken to provide the Pueblo with surface or air protection or, at least, with a more effective contingency plan for action if threatened with capture? The affair is reminiscent of the manner in which American officials disregarded warnings of an imminent Chinese invasion of Korea in 1950 and the failure adequately to alert Pearl Harbor in 1941.

The North Korean warnings were unmistakable. On Jan. 6, according to South Korean sources, seventy South Korean fishing craft were attacked and five captured by three North Korean ships. On Jan. 11 the South Korean radio announced an incursion by two fast North Korean ships into a group of 200 South Korean fishing boats, one of which was sunk by collision and three forced to go north.

The North Korean communiqués, carried on the English language service of the (North) Korean Central News Agency, were almost identical on both occasions. That of Jan. 11 stated: "The United States imperialist aggressor troops again dispatched from early this morning hundreds of fishing boats and spy boats into the coastal waters of our side off the Eastern coast to perpetrate hostile acts. This noon our naval ships on patrol duty on the spot detained the vessels involved in the hostile acts. As long as the U.S. imperialist aggressor conduct reconnaissance by sending spy boats, our naval ships will continue to take determined countermeasures."

On Jan. 21, North Korea's delegate at Panmunjom, Gen. Pak Chung Kook, protested formally against the United States "having infiltrated into our coastal waters a number of armed spy boats, espionage bandits together with a group of South Korean fishing boats." According to his account on Jan. 25, he "repeatedly demanded that you immediately stop such criminal acts."

Whether or not the accusations were true, why were not the warnings taken more seriously?

Defense Department Disgraced

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. RARICK. Mr. Speaker, in the present conflict of our country with the armed aggression of Bolsheviki, it is a travesty of justice for any official of our people to show disloyalty or weakness in support of our fighting men.

But when the daughter of the Assistant U.S. Secretary of Defense is arrested like an ordinary disloyal hoodlum in a mob trying to shut down a U.S. Army induction center, the reflection on our morale and national unity is disgraced to the extent of being nauseating.

Our brave fighting men and our country are entitled to mutual devotion to duty and respect from the top leadership of the Defense Department.

Mr. Speaker, I include the Associated Press account of January 26, following my remarks:

HIGH OFFICIAL'S DAUGHTER FACES COURT HEARING

NEW YORK.—Cathleen Fitt, pony-tailed and miniskirted daughter of Assistant Secretary of Defense Alfred B. Fitt, pleaded innocent Wednesday to charges of parading without a license during an antidraft demonstration.

Miss Fitt, 22, was continued on parole by Criminal Court Judge Mitchell J. Sherwin until a hearing Feb. 26.

Miss Fitt, a student at Sarah Lawrence College in Bronxville, N.Y., was arrested last month along with some 350 others. They had attempted to shut down a U.S. Army induction center in lower Manhattan.

Travel Editor Eugene Fodor Urges Positive Steps To Attract European Visitors to the United States

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. REUSS. Mr. Speaker, Eugene Fodor, the editor of the well-known travel guides and a member of the Freedom To Travel Committee of the Society of American Travel Writers, urges positive action to increase tourists to the United States.

Among the steps he recommends in a thoughtful memo to Ambassador Robert M. McKinney, chairman of the Special Industry-Government Travel Task Force, is "a stamp or bonus system for foreign visitors, perhaps along the lines of the Reuss proposition."

Mr. Fodor also points out that:

> It should be recalled that similar systems were operated very successfully in a number of countries during the postwar years. Among others, France granted 15 to 20 percent discount on payments made by foreign visitors in hard currency, personal and traveler's checks, thus reducing the high cost of travel in France.

As many knowledgeable observers have noted, well-promoted cost reductions for European visitors are crucial because the idea that travel in the United States is very expensive is often the largest single factor deterring middle-class Europeans from visiting this country.

I include the text of Mr. Fodor's memo:

JANUARY 25, 1968.

To: Ambassador Robert M. McKinney, Special Travel Task Force chairman.

From: Eugene Fodor, travel editor, member, Freedom to Travel Committee, Society of American Travel Writers.

Subject: A plan to win public acceptance of travel restrictions proposed by the administration.

1. Adverse political and psychological effects on the American public are certain to result from any Administration measure appearing to infringe on the freedom to travel. In addition to a natural reluctance to pay special taxes, there is an additional danger that appeals to patriotism will backfire since any citizen will resent the implication that by planning to go abroad, he is less of a good American.

2. This adverse public reaction can be prevented. All the Government need do, is to pledge to use all travel tax revenues for the positive program of promoting more travel to the USA. The Government can do this by telling the public it plans to use the monies for such projects as follows:

(a) A substantially increased budget for the United States Travel Service.

(b) A stamp or bonus system for foreign visitors, perhaps along the lines of the Reuss proposition. (It should be recalled that similar systems were operated very successfully in a number of countries during the postwar years. Among others, France granted 15 to 20% discount on payments made by foreign visitors in hard currency, personal and traveler's checks, thus reducing the high cost of travel in France.)

(c) Financially assisting domestic hospitality programs operated throughout the country by civic organizations.

(d) The creation of Guide and Translator Corps.

These sample suggestions are only made to illustrate some of the possible uses for the travel tax revenues.

3. Thus, the Government can obtain easier acceptance of its travel tax plans if it does the following:

(a) Refrains from pointing an accusing finger at the individual traveler who intends to go abroad.

(b) Spells out its commitment to use the travel tax money for constructive promotional objectives.

(c) Holds out the promise that the tax will be temporary until an increase in travel to the United States permits its elimination.

4. A short message spelling out the Government's pledge, and reassuring the traveler that he is not unpatriotic, possibly could accompany the tax receipt given to the traveler. The message, for best results, probably should go over the signature of the President.

5. While the affluent American traveler will not be greatly affected by a measured travel tax, the following important categories ought to be exempted from any taxation at all:

(a) Anyone under, say 22 to 23 years of age. Obviously the overwhelming majority of this category is traveling on a low budget and mainly for educational reasons.

(b) Teachers. Same reason as above.

(c) Family and/or compassionate visits to the Iron Curtain countries. This type of travel is a most important outside influence in creating good will toward the United States. The political value of his visits is inestimable.

(d) Religious pilgrims. Again most of these travelers are on low budget package tours.

"L. B. J.'s War on Redtape"—An Article in Nation's Cities, January 1968

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. BRADEMAS. Mr. Speaker, I insert in the RECORD an article in the January 1968 issue of the magazine of the National League of Cities, Nation's Cities, entitled "L. B. J.'s War on Redtape."

The article, which is subtitled "President's Special Task Force Shows Federal Application Processing Time Can Be Halved," will be, I am certain, of interest to everyone who is interested to help State and local officials who are making applications for various Federal assistance programs run into a few complications in terms of time and processing as possible. The article follows:

L. B. J.'S WAR ON REDTAPE—PRESIDENT'S SPECIAL TASK FORCE SHOWS FEDERAL APPLICATION PROCESSING TIME CAN BE HALVED

If President Johnson has his way, 1968 should be the year that excess red tape begins falling away from many of the now-entangled federal urban grant-in-aid programs which involve state and local governments.

As the new year started there was ample evidence that the President's initial prodding last May of four federal agencies to slice by 50 per cent the processing time required to act on local government applications for federal assistance was paying off. In some areas, such as the water and sewer program, considerable streamlining already has been achieved.

That federal red tape can be cut sharply was spelled out clearly in a report to the President from the Joint Administrative Task Force last fall. The Task Force is made up of representatives from the Departments of Housing and Urban Development; Health, Education, and Welfare; Labor; and the Office of Economic Opportunity. Dwight A. Ink, HUD assistant secretary for administration, is Task Force chairman. At the President's direction, the Task Force's first efforts focused on 42 federal programs in these four multi-purpose areas: Model Cities, Neighborhood Centers, Manpower, and Water and Sewer.

The Task Force, working with program officials in the field, suggested various ways to cut processing time in component programs in all these fields and predicted that once these methods are adopted by the agencies involved, local governments could expect the following reductions in federal handling: 50 per cent in Model Cities, 50 per cent in Neighborhood Centers, 47 per cent in Manpower, and 57 per cent in Water and Sewer.

President Johnson was pleased with the first Task Force report.

"I commend the work of the Task Force in identifying ways and means to streamline procedures," he said. "It shows what can be accomplished when agencies work together toward a common goal. I truly believe this effort is an important step forward in interagency cooperation."

"But," the President added, "this is only a start. All federal agencies must wage a relentless and continuing war against red tape. First, each of you should institute steps now at all levels to carry through the processing improvements that you have approved. . . . Second, the Joint Administrative Task Force . . . will continue [to effect] comparable administrative improvements in all critical remaining programs assigned to your departments. A report on this work should be made to me on or before March 31, 1968. Third, I am directing all departments and agencies with grant-in-aid programs involving state and local governments to undertake a comparable effort, applying the analytic techniques developed by the HUD-Labor-HEW-OEO group, and report back to me through the Director of the Bureau of the Budget not later than March 31, 1968.

"I urge our state and local partners to join with us by simplifying their own laws, rules, and procedures so as to cut processing time at all levels of government to an absolute minimum."

Most of the time-saving steps the Task Force outlined to the federal agencies fell under these general directives to:

Delegate additional decision-making authority to the field.

Eliminate redundant data requirements. (The Task Force recommended that a special study be conducted to consider a "one-shot" city eligibility profile or consolidated data book. Under present systems, applicants are required to submit over and over again information which is not likely to change for years.)

Review the several parts of applications concurrently rather than in sequence.

Eliminate or reduce technical reviews at the national level.

Increase pre-application consultation among local, state, and federal officials.

Improve methods of scheduling and controlling application processing.

One of the most dramatic projections of application processing time saving reported by the Task Force came in HUD's sewer and water program for communities in urban or urbanizing areas. The original processing time for applications was 232 work days. But improved techniques should reduce processing time to 66 work days, or a 72 per cent reduction.

Other projected HUD program time saving figures reported by the Task Force include a 40 per cent cut in urban renewal applications (from 495 to 295 work days); a 67 per cent reduction in urban parks and urban beautification form processing (from 196 to 126 work days); and a 56 per cent time saving in the neighborhood facilities program (from 212 to 93 days).

Local government officials this year are likely to be watching with President Johnson the follow through on these agency projections to see if they are actually carried out. (Availability of funds certainly is a prime condition for any proposals to reduce the time needed for federal agencies to approve particular projects.) These officials would no doubt agree with these recent remarks by the President:

"Red tape means higher costs, wasted motion, and frustration for our states and cities. More important, delay can dash the hopes of many of our citizens in blighted ghettos and slums who need help—and need it now. . . .

"The needs of our people are urgent. I do not want a single unnecessary day of delay in delivering vital services under programs authorized and directed by the Congress."

Why the Alliance Falters

HON. F. BRADFORD MORSE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. MORSE of Massachusetts. Mr. Speaker, the recent tragic shooting of American officials in Guatemala points up the failure of the Alliance for Progress to stimulate political progress along with economic development. It seems clear that the terrorism in that country is due in part to the failure of the wealth-holding groups in the society to permit sufficient taxation to generate the funds needed for genuine social and economic development. Until we give greater attention to these political problems, as contemplated by title IX of the Foreign Assistance Act, we cannot hope for balanced development.

The New York Times commented on the Guatemalan situation in these terms in an editorial which appeared on January 27. I ask to include the editorial in the RECORD, as follows:

WHY THE ALLIANCE FALTERS

An event a few days after the murder of two American officers in Guatemala points up one of the underlying causes of the violence in that country and one of the formidable obstacles in the path of the Alliance for Progress.

The Government of President Mendez Montenegro was forced to rescind a modest tax it had put into effect at the start of the year over bitter opposition of business and landowning interests. It was a 5 per cent general sales tax with levies up to 20 per cent on some luxury goods and it was counted on to raise about $15 million for badly needed economic development. Tax collection machinery was inadequate, but some officials believe businessmen deliberately sabotaged the new measure by exploiting the initial confusion and by price gouging.

Here again is the problem of the Latin-American oligarchies in microcosm. Guatemalan "haves" apparently will not accept even a modest tax burden to finance the moderate social and economic reforms of President Mendez. Many of them equate Alliance for Progress goals with Communism. This leaves an enormous potential for Communist and Castroite agitation in a country where three-fourths of the people live in terrible poverty. It eventually helps breed the terrorism that brought on the despicable killing of the American officers.

It may help explain why three other Americans—two priests and a nun from the Maryknoll Order—who went to Guatemala for educational missionary work finally joined left-wing guerrillas, despairing of accomplishing anything within Guatemala's existing social and political structure.

These episodes also help explain why the Alliance for Progress has just reported failing by a substantial margin to meet its growth targets for Latin America for the second year in a row.

The Threat of Russia's Rising Strategic Power

HON. L. MENDEL RIVERS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. RIVERS. Mr. Speaker, I extend my remarks concerning a timely and vital message contained in an article entitled "The Threat of Russia's Rising Strategic Power," which appeared in the February issue of Reader's Digest.

The article is based on a study entitled "The Changing Strategic Military Balance U.S.A. Versus U.S.S.R.," prepared for the House Armed Services Committee by the American Security Council, and based entirely on unclassified sources.

The members of the panel, who are members of the American Security Council, are outstanding military and weapons experts and their warnings should not be treated lightly.

I urge every Member to read the article, as well as the report prepared by the American Security Council. The article follows:

THE THREAT OF RUSSIA'S RISING STRATEGIC POWER

(NOTE.—According to highly informed sources, the cold war has taken a chilling new turn: as a result of miscalculations and misconceptions, our shield of nuclear supremacy is slipping from us—and military ascendancy may soon pass to the Soviet Union. Because the hour is late, an informed citizenry must act—*now*.)

(By John G. Hubbell)

In 1962 the United States had the capability of delivering two and a half to ten times as much nuclear firepower as the Soviet Union. By 1967, the estimate is that the Soviets had drawn roughly equal to us, possibly even ahead in terms of deliverable *megatonnage*, that is, the explosive power of the warheads. (One megaton equals one million tons of TNT.) Present indications are that the Soviets, with their larger rockets and more powerful warheads, will have a clear lead by 1969, and will open a massive gap by 1971—with the capability to deliver from twice as much to perhaps ten times as much nuclear megatonnage. In other words, the situation by 1971 will be almost exactly the reverse of what it was in 1962, when our strategic supremacy was such that the Soviets had no choice but to accede to our demands during the Cuban missile crisis.

Such was the startling picture presented last summer to Rep. L. Mendel Rivers (D., S.C.), chairman of the House Armed Services Committee, by a distinguished panel of 17 military and weapons experts of the American Security Council. Chaired by Gen. Bernard A. Schriever, USAF (Ret.), the officer most responsible for development of our intercontinental-ballistic-missile (ICBM) force, the panel, at Rivers' request, confined itself to a study of unclassified sources, obviously drawing on those it knew to be sound. In 94 grim pages, the panel detailed the decline of American strategic power as against the Soviet Union's visible, across-the-board drive for overwhelming strategic supremacy. They advised that we virtually had forfeited the initiative to the U.S.S.R. in the rapidly accelerating field of military technology.

The experts concluded that there still is time—short, to be sure—to reestablish an American strategic posture that can provide us with freedom to take appropriate action during crises and ensure that this country will prevail should a nuclear attack ever occur. But the panel, noting the long lead times needed for new weapons development and production, warned, "Time is on the side of those who use it."

Last fall, two more authoritative studies appeared. One was *The Soviet Military Technological Challenge*, by an equally distinguished panel at the highly respected Center for Strategic Studies of Georgetown University. The other was *Peace and the Strategy Conflict*, an impressive book by William R. Kintner, a former member of the Planning Staff of the National Security Council, now deputy director of the University of Pennsylvania's Foreign Policy Research Institute. These two new studies confirmed that unless present trends are quickly reversed the United States seems certain in the 1970's to find itself in a markedly inferior strategic position to the Soviet Union, with possibly disastrous military-political results.

Calculated Risk. What comes through in these studies and from many additional interviews is that early in this decade the idea took root at high levels of our government that the Soviet Union had abandoned its goal of world domination, that continued American military supremacy could only provoke the Soviets and block the building of "bridges of understanding." Since the Soviets had "mellowed," the United States had a chance to seize the initiative in "stabilizing" the international political climate. The best way to do this would be to exchange U.S. military superiority for U.S.-Soviet military equality. When the Soviets were shown in so dramatic a way that we are not bent on war and conquest, they would halt their side of the arms race.

This idea was supported strongly by members of the academic community and a few scientists influential at powerful positions in the Defense Department and in the White House. They argued that military technology had reached a "plateau," with no new technological mountains to climb and an inevitable nuclear stalemate.

Against this position was ranged the argument that, however much the United States had hoped that the Soviets had "mellowed," they had not done so in fact. Until concrete evidence was forthcoming that they had abandoned their goal of world dominion—until, for example, they stopped fomenting "wars of national liberation," permitted free elections in captive states and agreed to on-site inspections of their nuclear and space activities—the United States had no choice but to guard jealously its military supremacy. Because no technological "plateau" was in sight, that continued supremacy depended on maintaining a technological lead over the Soviet Union.

In any case, Congress and the public were given no real chance to debate the issue. Says a recently retired senior officer, "For seven years the Defense Department has been deliberately implementing policies whose aim appears to be to achieve only strategic *equality* with the Soviet Union. The rationale is that this would help bring about a political détente with the Soviets and deescalate the arms race. This policy has not been carried out in the open, but under the guise of a superefficient cost-effectiveness. The result is that the American people have been cost-analyzed into a dangerous strategic position."

In entering into the 1963 Nuclear Test Ban Treaty barring all above-ground nuclear testing, still hailed by Administration officials as the greatest step yet toward ending the cold war, the United States took what many knowledgeable men regard as a dangerous calculated risk. The Soviets decided to sign the treaty, which permits no on-site inspection, only after completing their 1961–1962 test series, the most extensive and sophisticated ever. In this series they surged far ahead of us in very-high-yield nuclear weapons technology [1]; thus the treaty served to safeguard their lead.

The Senate Armed Services Committee's Preparedness Investigating Subcommittee held 29 closed hearings on this treaty, taking exhaustive testimony from 19 key witnesses. Significantly, four of the seven members of the subcommittee voted against ratification. Senior officers and nuclear scientists involved believe that had they and the dissenters been able to say publicly what they knew—they could not and still cannot because their information is secret—the Senate might not have ratified the treaty. Moreover, some now insist that, because certain safeguards proposed by the Joint Chiefs of Staff have not been fully kept, it would take a long time—perhaps too long—for the United States to resume a comprehensive atmospheric nuclear-testing-and-development program, if necessary.

TECHNOLOGY WON'T STAND STILL

The Defense Department's cost-conscious civilian managers long ago decreed that no new weapons-development project may proceed unless a clear-cut military need for it can be demonstrated—*i.e.*, any new American strategic-weapons-development program must be reactions to innovations by potential enemies. Many promising new projects have been canceled or cut back, and our high-risk, high-payoff military research and development has been stifled. Our major operational strategic weapons systems were already on the drawing boards before this decade began.

"One of the greatest faults of U.S. policymakers," says Dr. Harold Agnew, "is that they seem not to understand that technology never will be stagnant. It will not stand still." Citing a Soviet Defense Ministry Document explaining that the U.S.S.R. "is not limiting itself to those military means which the adversary already has," Dr. Agnew says, "We are completely vulnerable to new systems which we have not heard about, but which all of a sudden appear." According to the Georgetown Center study, our gravest danger is that we will be taken by technological surprise. Military technology has reached a point where strategic-weapons breakthroughs which could nullify the strongest existing defense posture are possible. Many authorities argue that our intelligence on the Soviet Union is not good enough, and that we simply do not know enough of Soviet intentions and future technological efforts.

The Soviets are striving to surpass us in these ways:

By establishing the beginning of a space-weapons arsenal. While we have engaged in predominantly nonmilitary space programs, the Soviet effort has been militarily oriented. We have invested some $30 billion in our national space programs, but, according to the American Security Council panel, less than one third of it in military programs.

The Defense Department last November had to report that the Soviets, who have violated treaties and agreements whenever it has suited their purposes, could this year put into operation orbital nuclear weapons that could hit us with only three minutes' notice. The Defense Department was "not concerned."

The background to this situation is incredible: In October 1963, a United Nations resolution banned weapons of mass destruction from space. Both the United States and the Soviet Union agreed to comply with this resolution, but subsequently the Soviets noted that the agreement did not ban the development or manufacture of such weapons.

On July 4, 1965, Communist Party boss Leonid Brezhnev said that the Soviets possess orbital rockets. Since September 1966 the Soviets have been carrying out a series of spaceflight tests, and U.S. officials soon deduced that the Soviets were working out techniques for the re-entry of warheads from space vehicles. Inexplicably, we then entered into a formal treaty with the Soviet Union and more than 100 other nations (most of whom would not be competent to do so) not to orbit weapons of mass destruction. The space treaty, like the 1963 test-ban treaty, contains no provision for inspection.

By recently undertaking a rapid expansion of their intercontinental-ballistic-missile force. At the end of 1966 the Soviets had an estimated 340 ICBMs—and, since they have been rapidly expanding this force and have the capability of adding 200 to 400 per year, they may surpass us by late 1969.

The United States in 1971 will continue to have the 1000 land-based ICBMs we have now—Minuteman missiles. The new Minuteman III missiles are to carry several warheads each, which can be guided after launch to separate targets. In addition, they will be stuffed with decoys and other devices to ensure penetration of Soviet defenses. Called MIRV (Multiple Independent Re-entry Vehicles), this concept also is being applied in our undersea ballistic-missile-firing fleet, where Polaris missiles are to be supplemented with a MIRV missile called Poseidon, which may carry up to ten warheads. It all sounds like a lot of retaliatory striking power. The trouble is that it may not all be there if we ever are forced to retaliate.

According to a British Defense Ministry source, it is widely believed that the Soviets have developed their own MIRV missiles, each of which could release a "shower of H-bombs" (perhaps up to ten). Further, Soviet missiles have the size and their boosters the thrust to carry warheads containing far more nuclear firepower than ours—warheads so powerful that they might be effective against our underground ICBMs. As Kintner points out, missile accuracies constantly are improving, for the Soviets as well as for us, and it is likely that by 1970 the Soviets will be able to drop ICBM warheads within 1500 feet of bull's-eye.

By maintaining and modernizing what is today the world's largest strategic bombardment force. The Soviets have ostensibly agreed with all who insist that the manned bomber is obsolete. Yet, they have a force of 1100 bombers—the largest in the world—which they have been modernizing. Soviet strategists say their bomber force is meant to attack in mop-up fashion, behind an ICBM strike, and they would first launch nuclear missiles from beyond the range of our anti-aircraft defenses.

By last August our nuclear-bomber fleet had shrunk to 635 aircraft (from upwards of 1600 in 1962): 80 supersonic B–58s and 555 aging B–52s. The Joint Chiefs of Staff have been advising the Defense Department and Congress of an increasingly urgent need for an advanced aircraft which would carry at least as heavy a bombload as the B–52, but which would be much superior to it in performance and filled with devices to enable it to thwart present enemy air defenses.

Engineering development for such an advanced bomber has long been ready. Congress has appropriated the funds and urged the Department of Defense (DOD) to proceed. But DOD has persistently refused to act; it sees no need for a new manned bomber. At the same time, it has spent huge sums beefing up later-model B–52s so that they can perform against Soviet air defenses through the mid-1970's. By 1975, General Schriever explains, "The B–52 will represent a nearly 30-year-old technology, and it is difficult to understand how it could by that time be considered an effective strategic weapons system."

Also baffling is the Pentagon order for 210 FB–111As for the strategic bombardment force. The FB–111A (a modified version of the TFX, a fighter bomber) will be small, able to carry only a light bombload and an inadequate number of sensing devices and penetration aids, and will require midair refueling for intercontinental range.

Hence, despite its protestations, DOD seems to agree that we *will* need a manned bomber force. If so, we ought to be building a modern bomber force designed specifically for the strategic mission.

According to the American Security Council Panel, one of the main reasons the Pentagon has refused to order a new manned bomber is that the whole idea of a manned bomber force is considered "provocative"—to keep such a force from being wiped out by an enemy missile strike, it would have to be launched before enemy missiles arrived in the United States. The Pentagon worries that this smacks of a first-strike strategy, and we must do all we can to convince the Soviets that we never would strike first.

By developing an anti-ballistic-missile (ABM) system. In late 1966, the Administration revealed that the Soviets have been widely deploying ABM defenses. Many strategists find it difficult to believe the Soviets would be investing in so hugely expensive an undertaking without high confidence that their system is effective or can be made effective by an aggressively advancing Soviet ABM technology. Indeed, the Georgetown Center suggests that it could be well within Soviet technological capabilities to produce a system whereby a network of artificial space satellites could track our ICBMs during their boost phase, so that ABM missiles could be launched to kill our missiles before the decoys and warheads got a chance to separate from the boosters.

Moreover, the Soviets' *offensive* force—their first-strike ICBMs and orbital bombs—could be part and parcel of their ABM capability. The electromagnetic radiations from their very-high-yield blasts might disrupt our command-control communications by burning out circuits and fusing wires together, thus immobilizing our strike-back missiles.

For nearly a year, the U.S. response to the Soviet ABM deployment was to try to talk them out of it, an effort which is continuing but which thus far has proved unsuccessful. Last September, it was announced that we will build a limited ABM defense. Its primary purpose, we are told, will be to defend against the kind of modest ICBM attack Red China will be able to launch by 1972 or 1973.

The Administration emphasized that it has no intention of building a full-scale ABM defense, the explanation being that this would only force the Soviets to devise new ways to penetrate with their offensive forces.

---

[1] For instance, the Soviets must know—and we, since we have not tested in the very-high-yield field, can only guess—what effect tremendous bursts of hot X rays from super-megaton shots in space would have on incoming ICBMs.

At the same time, the Secretary of Defense said, "They have been building up their strategic missile forces. We had no choice but to take some additional steps to maintain the adequacy of our own deterrent."

Thus, since we have been unable to argue the Soviets out of deploying an ABM defense, we are to deploy one designed to blunt an attack from Red China, one reason being that the Soviets are expanding their strategic missile force. Such woolly rationalizing is difficult to follow. The fact that the ABM field is one wherein major breakthroughs are possible and where we, with our still substantial leads on the Soviets in advanced electronics and computer technologies, still could achieve superiority. Since the evidence warrants our entry into this field, we would be well advised to work as rapidly as possible toward breakthroughs which will give us the best possible ballistic-missile defense against *all* potential enemies.

Apart from provoking the Soviets, reluctance to proceed with a full-scale ABM system was based on the military axiom that the best defense is a good offense. Our military leaders agree—provided the United States plans a good offense for the future. "But we haven't done this for the past six or seven years," says Schriever. "The Defense Department has refused to give the nation the best offensive deterrent to Soviet aggression. We are placing ourselves in a position where the Soviets might be able to make cold, hard calculations about the possibility of knocking out our offensive capability with a surprise attack. This position should be unacceptable to all of us."

THE DECISION IS OURS

The American Security Council and Georgetown Center studies and the Kintner book, and indeed, the Soviets themselves make it clear that the U.S.S.R. has no intention of settling for "mutual deterrence," but is aiming instead for military supremacy; in fact, the evidence has become so ominously convincing that we must worry about the years just ahead.

Leading Soviet strategists time and again publicly have insisted that victory in nuclear war will go to the side that is best prepared to wage nuclear war, and that the Soviet Union is so preparing itself; and Kintner finds that the Soviets lay great stress on the value of a preemptive surprise attack—with no formal declaration of war. Moreover, says Kintner, America will be their main adversary.

It was inevitable that the Soviets, having mastered their own nuclear and missile technologies, would gain on us. It is not inevitable that they achieve supremacy. But, should they score breakthroughs in the offensive technologies we know that they are developing, or come up with highly reliable new strategic systems we have not yet heard of, it could overnight shift the balance of strategic power to the Soviet Union. Even if this did not mean that the Soviets would launch a nuclear war against us—a possibility that no longer should be considered remote—the Georgetown Center spells out what we surely could expect: a far more aggressive Soviet foreign policy; U.S. concessions on many issues long in contention; a greatly inhibited U.S. response to communist-inspired wars of liberation; greater support for the Soviet Union from nonaligned nations. In short, it would mean an end to the cold war, with victory to the Soviet Union.

Congress is charged by the Constitution with the maintenance of the armed forces, and for years the armed-services committees of Congress have been pleading with the Defense Department to proceed with the development of the strategic-weapons technologies that our military professionals and all logic insist must be developed. But the Defense Department has consistently refused to act. Congress' armed-services committees need the support of an informed American public. The decision to retain military supremacy still rests with the people—but the hour is very late.

Double Challenge

HON. F. BRADFORD MORSE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. MORSE of Massachusetts. Mr. Speaker, the recent allegations of mishandling of funds on the part of officials of the Organization of American States points up the need to reexamine the role and the structure of the Inter-American group. Established in part as a response to the wishes of the hemisphere to retain an identity independent of the United Nations in the early postwar period, the OAS has performed mighty services to the American Republics. But the recent charges require us to take a hard look at its responsibilities in the 1960's and the 1970's. All of these elements are tied up in the question of succession to the office of Secretary General of the OAS.

In a recent editorial the Washington Post discussed the issues at stake and I include the editorial in the Record for the benefit of my colleagues:

DOUBLE CHALLENGE

Coincidentally, a whiff of scandal has arisen from the Organization of American States just at the moment when it is mightily preoccupied by the quest for a new Secretary General. The upshot is that the hemisphere's only collective political instrument faces a double challenge—to its institutional integrity and to its international role.

The scandal, which concerns certain field office funds not checked by annual headquarters audits, is perhaps best to be understood in terms of the traditional bureaucratic style of the OAS. Administrative reform has occasionally reared its head but in the main it has been blunted by Secretariat back-scratchers. This pattern might have continued indefinitely, had not one of its leading practitioners, the Secretariat's administrative director, roamed out of his own preserve and begun to campaign for his favorite candidate for the Secretary Generalship. For this, the incumbent, Dr. Jose Mora, was forced to fire him.

The administrative ineptness was not thereby swept aside. But, in a telling and overdue gesture, Dr. Mora restored to Secretariat power the financial expert whose earlier downgrading had signified the ascendancy of bureaucratic inadequacy. Dr. Mora, and his successor, must continue to press hard for Secretariat reform if the OAS is to gain the respect it needs to be more than an elegant diplomatic watering hole.

The question of the succession is unresolved despite four ballots and a burst of politicking that has surprised all those who thought or feared that the OAS was a mere extension of the State Department. The election campaign has brought out some salient hemispheric traits: regional pettiness, national and personal jealousy, an excess of Latin pride and heavy-handedness on the part of Washington. But the campaign has also given the OAS the unexpected chance to decide just what kind of organization it wants to be: a hobble on national initiatives, particularly United States initiatives, or an activist agency for hemispheric cooperation.

In our view, the OAS should strike for the larger role; this means it should have a strong leader. Just as the time is past for the United States to impress its will, benevolently or otherwise, on Latin America, so the time is past for Latin America to hang back from common action with the United States. Election of a narrowly regional figure as Secretary General would cost the OAS the opportunity to fulfill its potential. A compromise candidate would not be much better.

Almost a month has passed since the last ballot and more than a month remains until the next, although the matter will surely come up at today's OAC Council meeting. That interval makes possible a general simmering down; indeed, there are encouraging signs that the simmering has already begun. It means that the OAS in February will be able to choose a Secretary General on the basis of his qualifications; secondary political factors would not have to be decisive. The chief beneficiary doubtless will be Galo Plaza Lasso of Ecuador, who is widely considered the best-qualified candidate. In the first, footless round of politicking, his candidacy appeared to be hopelessly stalled. With the opportunity now open for a fresh start, there is reason to hope that his candidacy can be revived and much to be said for giving it another try.

The Selective Migration Program of the Intergovernmental Committee for European Migration

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. CELLER. Mr. Speaker, it was my pleasure to preside on January 24, 1968, over a meeting of my colleagues from the Committee on the Judiciary, Messrs. Feighan, Rodino, Rogers of Colorado, Dowdy, McCulloch, Moore, MacGregor, and McClory, with a special delegation of the Intergovernmental Committee for European Migration—ICEM—composed of Ambassador Jose Ricardo Martinez Cobo, Ecuadorian Ambassador and present Chairman of ICEM's Council; Ambassador Antonio Garcia Lahiguera, Director-General of Consular Affairs of the Spanish Foreign Office, and Spanish delegate to ICEM; Her Excellency Senora Dona Ana Marie Zaefferer de Goyeneche, Ambassador of Argentina, permanent representative in Geneva; Mr. Jose Nogueira-Filho, secretary of the permanent delegation of Brazil in Geneva; Mr. Bastian W. Haveman, Director of ICEM; Mr. Walter M. Besterman, Deputy Director of ICEM; Mr. Giacinto Maselli, Assistant Director for Operations; and Mr. Eduardo Becerra, Executive Assistant to the Director.

As my colleagues in the House well know, the members of our committee have attended every Council session of ICEM since the inception of the organization in 1951 and have exercised a continuous watchfulness over ICEM activities, pursuant to section 136 of Public Law 601, 79th Congress.

The specific purpose of the visit in Washington of the highest ranking dignitaries of ICEM was to establish closer cooperation of that organization with the various regional international organizations operating in the Western Hemisphere; namely, the Inter-American Development Bank, the Organization of American States, the Alliance for Progress, and others, for the prime purpose of entering into a partnership with these organizations so as to develop more rapidly ICEM's program of selective migration to Latin America. That program has been of particular interest to the U.S. Government and has received full support of the Congress.

In order to acquaint the House of this important activity of ICEM, which has developed parallel to other activities of ICEM, namely, the resettlement of refugees and national migrants, I wish to include the full text of the special report prepared by ICEM for their visit in Washington.

The report is as follows:

The Selective Migration Program of ICEM

I. INTRODUCTION

Latin America is short of human capital for its economic development. Domestic manpower is being trained and educated in large numbers to meet the shortage, but the pace of development is such, and the time required for training and education so long, that the existing immediate gap can only be filled from sources outside Latin America.

The need of human capital from outside sources can be met in part by planned immigration of human capital from Western Europe, where there is a reservoir of skills and experience. The European immigrant comes with the intention of learning the language, putting his children in the local schools and working hard to make a success of his new life. The total cost of his migration through the services of the ICEM Selective Migration Program is a little over $1,000.

The Latin American countries recognize the crucial importance of immigration for their development and have turned to ICEM for help. In response, ICEM has refined selection methods, opened up new channels to the manpower markets of Europe and developed means of ascertaining with precision the critical manpower needs of Latin America which it attempts to satisfy.

The Selective Migration Program is beginning to produce results and to receive considerable attention as a tool to assist Latin America. But can ICEM's machinery create a current of human capital to Latin America? Are the skilled migrants it proposes to move available in Europe? Are they capable of making an impact on Latin America? There appears to be sufficient evidence to give affirmative answers to these questions.

II. EVOLUTION OF SELECTIVE MIGRATION

ICEM has been concerned with the transfer of human resources between continents since its founding in 1951. It organized overseas movement of large numbers of refugees and unemployed persons in Europe in the early years, setting up complete machinery which by the end of 1967 had resettled 1,525,000 people. This machinery continues to function today. ICEM now has a unique body of experience and a comprehensive system of political and operational contacts for migration purposes.

The machinery of ICEM has evolved to meet the changing demand for services in Latin America. In the early period, movements to Latin America came mainly from the re-uniting of wives and children with heads of family. Many persons with skills or professional qualifications were included in this flow, but programs designed specifically to encourage them to migrate did not exist. Starting in 1956 ICEM operated some relatively low level training programs for young single migrants. These continued until recently, when sufficient domestic output in this category was achieved in Latin America. For several years after 1960, extensive efforts were made to organize land settlement, though without much success because of the difficulty of securing investment capital. Aside from these limted efforts at qualitative migration, no specific high-level migration scheme was attempted by ICEM until after 1962.

The Selective Migration Program itself came of age at the end of 1965, when the ICEM Council of Member Governments adopted a resolution endorsing the Program and recognizing that it is a useful complement to existing bilateral and multilateral programs of co-operation. Other agencies send temporary experts to Latin America, but ICEM sends skilled workers, technicians, engineers, teachers and specialists who become integrated into the economic and social fabric of their new countries. A recent communication from the ILO in connection with the Ottawa Plan of Human Resources Development in Latin America illustrates the acceptance of the complementary role of ICEM. The ILO welcomes ICEM co-operation in the development of a common approach to employment and manpower planning in Latin America and in the immigration aspects of the establishment and implementation of manpower programs.

Statistics for the period from 1957 to 1967 mirror the evolution of qualitative migration under ICEM. Non-qualitative movements decreased from over 40,000 in 1957 to some 1,500 in 1967 (owing largely to the application of increasingly selective family reunion criteria by Latin American governments), roughly one-third of these movements, nevertheless, having been formed of active working elements. On the other hand, movements under qualitative programs first fell from 1,562 in 1957 to 404 in 1963 and then rose, reaching 701 in 1966 and over 1,000 in 1967. ICEM thus moved a good number of skilled workers to Latin America in the first part of its existence, though to a large extent these were attracted without resort to concerted multilateral efforts. By contrast, in later years movement has taken place within the framework of a multilaterally financed program designed specifically to attract this class of manpower to Latin America. The consequence has been not only to reverse the downward trend of the flow, but also to upgrade the quality of the persons being moved and to place them more precisely than before in the sectors where shortages are acute.

III. THE MACHINERY

The selective migration machinery of ICEM is, in simple terms, a high-level international manpower exchange with sophisticated technical ability, intimate contact with labor markets and close ties with national development plans. It is an outgrowth of the population transfer machinery of the early days of ICEM, modified to handle persons in high levels of occupation.

ICEM carries out selective migration through a network of missions in Latin America and Europe. Experienced officials in Latin America maintain contact with all sectors and with government agencies in order to gather information about needs of qualified manpower which cannot be satisfied locally. (This direct contact with the manpower markets of the Latin American countries constitutes the only assessment being made at present of the immediate high-level manpower gap in Latin America: government authorities are usually not equipped to estimate it.) They select the job offers they know by experience are capable of attracting Europeans, make full technical descriptions and dispatch them to the European missions for recruitment through the channels that have been established to the middle- and high-level manpower markets. Applicants are chosen on the basis of thorough technical interviews. They are given detailed information about living and working conditions in Latin America, assisted in their negotiations with employers and guided through all phases of documentation. Finally, they are transported to their destinations at very low cost. In specially deserving cases, salaries are supplemented during the initial period if they are too low compared to what is offered in Europe. Funds are also available to care for dependents remaining temporarily in Europe or to compensate for re-installation expenses.

The immigrants are received by ICEM missions in Latin America and introduced to employers. They are given free medical and accident insurance during the first year after arrival and board and lodging until gainful employment begins. In case of emergency they can be given material help.

IV. SELECTION IN EUROPE

The principal missions or offices of ICEM for selective migration are located in Spain, Italy, Germany and Belgium. At present these countries are the main sources of middle- and high-level skilled migrants for Latin America. The ICEM missions in Austria and Greece have begun recently to set up selective migration facilities as well, and a special office at the Geneva Headquarters of ICEM processes the growing number of applications from countries such as Switzerland, France and the United Kingdom, in which there are no ICEM offices.

The field staff in Europe devoted to selective migration is composed of 33 officials and employees, including 9 technical selectors, obviously a small number for a large area and exacting and time-consuming work. Nevertheless, as all of the ICEM missions in Europe base their activities on co-operation with the government agencies dealing with manpower, emigration or development aid matters, substantial results have been achieved. ICEM has the confidence of European governments as to the care it exercises in securing satisfactory conditions in Latin America for their nationals and to the realism of its approach regarding the numbers of middle- and high-level personnel which it can channel out of Europe for the benefit of Latin America. The European governments guard their human capital, of course, particularly in a period of economic prosperity, when there are shortages in many categories. Yet they are aware that emigration of even modest numbers of middle- and high-level personnel represent noteworthy contributions to Latin America and can be allowed to emigrate without damage to their own manpower markets. They trust ICEM to gauge the numerical level at which selective migration should operate and then to carry out all the practical work connected with this new form of development aid.

The fact that the recruitment activity is conducted by an international agency rather than by an interested foreign government or by commercial/industrial interests situates the co-operation of the European governments in the sector of multilateral efforts to enhance the economic development of Latin America, in itself an attractive political feature.

In Spain, ICEM works closely with the Spanish Institute for Emigration, which is the agency for expression of the Spanish Government policy in the field of emigration. The Deputy Chief of the ICEM Mission in Madrid is also the head of the office within the Institute which is responsible for high-level emigration from Spain. The Institute has many practical facilities for reaching into the labor market of Spain, classifying and processing applicants and carrying out liaison with other government agencies. These facilities have been put at the disposal of ICEM and are proving invaluable for its work. The Institute also has made available to ICEM its well equipped "House of America" in Vigo for the purpose of giving specialized training to certain categories of highly skilled Spanish workers going to Latin America. In creating this special relationship between the Institute and ICEM, the Spanish Government has made plain its confidence in ICEM to handle selective emigration from Spain to Latin America and, in particular, to be responsible for all operations at the Latin American end. This is significant in view of the strong political interest of the Government to try to maintain a predominant Spanish element in the flow of high-level manpower from Europe to Latin America.

The ICEM office in Italy works in close co-operation with the Emigration Bureau of the Foreign Ministry and also with the Italian Ministry of Labor. Through its relations with the latter it is able to use Labor Office premises in various parts of Italy for interviews and selection of applicants. Recently the Italian Government has given ICEM permission to increase advertising of vacancies in Latin America and has permitted it for the first time to initiate an "open placement" scheme to Brazil, under which skilled workers and technicians in categories known to be generally in strong demand are selected in Italy and moved to Brazil, with placement occurring after their arrival.

In Germany, ICEM works in close co-operation with the Federal Bureau of Employment, the Foreign Section of which has designated staff exclusively for work on selective migration. The Bureau has extensive services in all parts of Western Germany which are of great use to ICEM in publicizing offers and pre-selecting applicants. The ICEM Mission in Bonn has a technical selector who works full-time in co-operation with the Bureau to circulate job offers and screen applicants. ICEM's contacts with the Federal Government have been broadened in the last year to include the Ministry for Economic Co-operation. This indicates the awareness of the Government of the development aid aspects of selective migration. The Ministry is interested to enter into co-operation with ICEM in regard to securing high-level manpower for specific development projects in which the Government participates financially.

The basis for co-operation in Belgium is a close working contact with the Bureau for Development Co-operation of the Belgian Foreign Ministry. In the past the Bureau was oriented toward the former Belgian Congo. It has now shifted attention to Latin America and views ICEM as an important operational partner in this connection. ICEM operations in Belgium are carried out through an office which is administered jointly, by ICEM and the Bureau. This gives ICEM access to the manpower market in Belgium, which is well supplied with experienced persons in many trades and professions returning from the Congo. It also means that ICEM will be asked to participate increasingly in the staffing of development projects, since the Bureau is a major vehicle for implementation of Belgian development aid policy in Latin America. ICEM will be mentioned specifically as a co-operating agency in a technical assistance agreement presently being negotiated between Belgium and Ecuador. The same is expected to occur in an agreement between Belgium and Colombia.

ICEM has no office in the Netherlands, but works closely with the Netherlands Emigration Service, which has assigned two staff members to work on selective migration. The Netherlands Government has a very active emigration policy and views ICEM as a useful agency for implementing its movements to Latin America.

The work of the Geneva Selective Migration Office is based on understandings with the Governments of France, Switzerland and the United Kingdom in accordance with which ICEM can receive and process applications. The Geneva Office has established channels to Latin American Consulates in these countries and to various non-governmental agencies in them which have information about persons who might be interested to migrate to Latin America. Interest in selective migration has grown fast as information is spread from one applicant to another of the success of the ICEM program.

V. AVAILABILITY OF SKILLED MIGRANTS

An appreciable number of qualified persons in Europe would like to emigrate to Latin America if they could find out more about it and be assisted to get positions and integrate into the new surroundings. They believe there is better opportunity for advancement there than in Europe.

This potential has not been tapped fully yet by ICEM because of the thinness of its selective migration staff and the lack of means to carry out publicity on a sufficiently large scale. However, reaction to the limited advertising carried out so far demonstrates clearly its existence. It is not uncommon to have several hundred replies to an advertisement. Such a volume of applications taxes the selection structure: it is likely that an increase of selective migration movements will require not only more funds for advertising but also a moderate expansion of the facilities for processing applicants.

The work of the field staff in Europe should not be judged merely on the numbers moved. The complexity of manpower transfer programs increases geometrically as the level of occupations goes up. For every person who embarks under the Selective Migration Program, two or three will have withdrawn at the last moment before leaving. Ten or fifteen will have withdrawn their applications midway in processing, been rejected by potential employers or been interviewed and found lacking in qualifications. Beyond these are many persons who never reach the stage of technical interview, but who must be given attention and dealt with courteously before a decision can be made. As a consequence, for every person moved and placed there can be twenty to twenty-five persons with whom ICEM must deal in some or all of the lengthy stages of correspondence, technical selection, orientation, visa processing and negotiations with employers, whether or not movement finally takes place.

There were 2,100 applications in processing at the end of October 1967, corresponding to 1,800 openings in Latin America. The total number of applications processed from the beginning of the year up to that time, including persons who had departed or withdrawn during the period, was about 5,000, comprising 1,300 and 1,800 persons in the professional and sub-professional categories, respectively, and 1,900 persons with highly skilled or skilled trades. The division among the countries in Europe was as follows:

Belgium	1,000
Germany	450
Italy	950
Spain	1,850
Others	750

These were the result of some 20,000 to 25,000 inquiries and contacts.

Over 1,000 persons were moved under the Selective Migration Program in 1967. It is planned to move 1,500 persons in 1968. The target for the Program is 3,000 persons annually, which is the number ICEM considers to be an optimum balance between what can be obtained in Europe without affecting the manpower markets and what will make an impact on Latin America. It is expected to reach this target in 1970 or shortly thereafter.

VI. DEVELOPMENT OF THE PROGRAM

ICEM hopes to embrace more of the various ways in which human resources can be transferred as it increases selective migration movements. At present it concentrates on placement of fully qualified Europeans. It plans, in addition to this, to expand training programs, since these are capable of specific orientation to the needs of Latin America, and to include training of Latin Americans in Europe. Steps have already been taken in this direction in Spain, where there is a possibility of using the House of America, and in Belgium and Germany, the Governments of which are considering schemes for training Latin American workers and placing them in industry for periods up to two years. ICEM also envisages increased participation in programs of other agencies for moving volunteer workers to Latin America. In particular, reduced transport costs could allow these agencies to increase the numbers of volunteers they send.

Looking to the future, ICEM would like to build up its technical capacity in Europe by expanding the selection staff and streamlining procedures. It would like as well to increase the means of advertising vacancies in Latin America and to improve information material. It believes that the move to a new country should be made easier for high-level migrants by putting langauge training on a systematic basis and increasing the provisions for temporary assistance to compensate for salary differences and lessen the cost of installation.

There are several ways in which ICEM would like to step up recruitment. Visits to Europe of Latin American placement officers in order to carry out interviews directly should be more frequent. "Open placement", by means of which qualified Europeans are sent to Latin America without delay and placed after arrival, should be expanded. New sources should be explored, such as graduates of high-level technical schools and assistant university professors. Both categories of person find it difficult sometimes to obtain satisfactory economic advancement in Europe. The possibility of going to Latin America, where initiative and hard work are often rewarded quicker, is attractive to them. There are also good opportunities to increase recruitment by examining in depth the occupations on which there is redundancy in Europe. Lastly, ICEM intends to continue to expand selection in countries where selective migration is a relatively new activity, like Switzerland, Austria, Greece, the United Kingdom and, perhaps, Scandinavia.

On a more general level, ICEM hopes that agencies engaged in development aid work in Latin America will become interested in making use of its operational link to Europe. ICEM utilized its contacts in Europe on a good offices basis to set up a successful co-operatives training program in the Netherlands and Spain for USAID employees from Ecuador. It is hoped that this will lead to movement of experienced rice farmers and co-operative managers from Spain to Ecuador.

VII. THE SIGNIFICANCE OF SELECTIVE MIGRATION FOR LATIN AMERICA

The Latin American Member Governments of ICEM attach great importance to selective migration. They see it as the only activity of ICEM which is of real interest to them.

Although they are pleased with the expert assistance they get, they know it does not solve the problem of the middle- and high-level manpower that is needed for direct work in industry and agriculture. They look to ICEM for this manpower in the confidence that through selective migration it can be obtained and placed where most needed without competing with domestic manpower. They are aware that only those skills are sought which are not available locally, and that the numbers arriving are not so large as to depress salaries. They realize also that selective migration is complementary to domestic technical education programs. Technical education no matter how much is invested in it, will take a number of years to bear fruit and even then probably not provide all of the skills needed.

Governments of Latin America are impressed by the low per capita cost of selective migration. They consider that this should make the Program appealing to countries who are looking for ways to help Latin America. Hence the drive of the Latin American countries to secure support for it from the other Member Governments of ICEM.

ICEM missions in Latin America work closely with planning and manpower authorities. However, the governments generally lack the means to identify specific manpower shortages, and ICEM therefore has an important role to play in its co-operation with the authorities. It determines immediate manpower needs by its own means from direct contact with the industrial and agricultural economies of the countries. In several of the larger countries it has stimulated the drawing up of lists of industrial trades which are in permanent demand and in which qualified immigrants can be placed without waiting. On the basis of these lists it has begun open placement, which permits interview between applicants and employers in the country of immigration and eliminates many of the costly drop-outs that occur during pre-placement negotiations.

The presence of ICEM in Latin America in fact makes up to a large extent for the lack of national structures to handle immigration. In most instances the countries are not equipped to receive and care for high-level immigrants. They are even less equipped to undertake recruitment and selection operations in Europe. Only one of the Latin American countries (Brazil) carries out selection operations in Europe, yet the Government of Brazil supports the Selective Migration Program as an essential complement to its own work. Argentina had a selection service for relatively low-level trades in the past which no longer exists. Furthermore, the countries of Latin America are not geared in the main to offer the full range of incentives necessary to attract qualified immigrants from Europe. ICEM can supply some of the incentives through its Adjustment Fund and Integration Assistance facilities, by means of which it is possible to compensate initial salary differences, give material help when re-installation becomes burdensome, and provide social welfare assistance in the form of insurance, replacement in alternative employment, if necessary, and financial aid in case of emergency. The low-cost processing and transport services of ICEM also constitute incentives. They reduce the cost of emigration considerably and provide a welcome guide through the maze of emigration procedures.

Selective migration is a multilateral operation at the service of the countries of Latin America. It has been created on a multilateral basis because bilateral arrangements between Latin American and European countries would not be practical unless backed up by large-scale emigration and immigration structures such as those of Australia, Canada and the Netherlands. Huge structures like these would be out of the question in the majority of the countries of Latin America in present circumstances, not to mention the fact that even they are oriented to mass migration without special regard for trade and professional qualifications.

ICEM also complements national structures in Latin America by participating in training operations to the extent that this is of help to adapt skilled immigrants for work within the context of the technical and social requirements of Latin American industry. The function of the training programs of ICEM is seen clearly in Brazil, where joint ICEM-Government training centers of long standing are being modified progressively to accommodate a higher level of trades. Training in Brazil is often carried out in conjunction with special courses given before departure from Europe, for example in collaboration with the Spanish Government at its House of America in Vigo or in collaboration with the ILO at its International Centre for Advanced Technical and Vocational Training at Turin, in Italy. The facilities of existing reception centres operated by ICEM, particularly in São Paulo, are being re-adapted in order to provide reception, integration and outplacement services for high-level technical and professional personnel who will be arriving from Europe under ICEM auspices for interview and placement in Brazilian industry. It is planned also to create a language training and orientation center in Brazil for groups of young graduates from high-level technical schools in Europe, particularly in Belgium, Germany and the Netherlands, who do not yet have experience in industry. Further examples of ICEM participation in training are the vocational training program operated in conjunction with the Colombian National Vocational Training Agency in Cali and the projected Bahia Blanca center for reception and adaptation of migrants in Argentina. ICEM also organizes courses for national immigration officials in which placement officers of ICEM sometimes participate. These courses have been useful to acquaint immigration officials in Latin America with the requirements of selective migration and to create effective working relations between them and the ICEM missions.

Other instances of ICEM co-operation with national authorities are: the high-level placement bureau operated jointly with the Chilean Ministry of Labor; the close relation with the Chilean National Development Agency to promote establishment of selected immigrants in small enterprises; the selective migration office operated jointly in Ecuador by ICEM and CENDES, the national agency for promotion of small business; and the arrangement whereby ICEM handles all reception and onforwarding of immigrants in Colombia against reimbursement by the Government.

VIII. NUMBERS AND THEIR IMPACT

ICEM moved 1,010 persons to Latin America under the Selective Migration Program in the period from 1 January to end of December 1967. These included 377 persons in professional occupations, 345 in sub-professional occupations and 288 with medium- or high-level skills. Of these, 378 persons went to Brazil, the major receiving country. Other important receiving countries were Chile (130) and Colombia (157). Argentina, with only 53 selected immigrants, is a country with much potential where there has not yet been time to build up numbers, since activation of immigration policy occurred there only recently.

It remains to give a few examples of the impact of selected migration on Latin America. The contribution to industry is exemplified by the more than 100 highly trained Belgian, Italian and Spanish industrial technicians placed in Brazil in 1967. 67 were placed with electric power companies expanding their facilities with the help of development loans. The São Paulo Light Company alone received 26 such specialists and has asked for more. These have made a notable contribution to the development of electric power facilities in the country. In Chile, the textile industry, which is undergoing concentration and technical change, benefited significantly from the highly skilled technicians it received through ICEM. These technicians introduced new methods, particularly in the fields of artificial fiber and industrial design. The molders, die makers and draughtsmen brought by ICEM to the metal and plastics industries in the same country have also been highly appreciated. In Colombia, as an example, an Italian technician moved by ICEM to a food processing firm in Barranquilla greatly improved the quality and output of the preserves made by it and soon became chief of production. Other food processing firms in Colombia are seeking now the assistance of ICEM.

Education and training are other important fields of activity for selective migration. Nearly 100 European university graduates have been settled in Latin America under ICEM auspices, mainly in Brazil and Colombia, and are now teaching or carrying out research activities in universities. Surveys are in preparation in these countries to estimate future needs of university professors which cannot be satisfied locally. These surveys will be carried out jointly by ICEM and national authorities. The Ministry of Education in Brazil is prepared to make funds available to supplement salaries which may be too low, initially, compared with European standards. ICEM has recruited and moved vocational training instructors to Colombia and Peru. It is participating actively in bringing qualified European instructors for a new network of handicraft schools in Colombia, and in view of growing interest in expanding the tourist trade, in Ecuador it is collaborating in the establishment of a Pan-American hotel school in which immigrant experience will have an important role.

The Latin American countries have a special interest in the development of agriculture. ICEM directs selective migration to that sector, too. It is assisting a number of Swiss farm families to re-establish themselves in Paraguay, which has a keen desire to use immigrant experience to bring large, unexploited areas of the country into cultivation. In the same country ICEM is studying plans of the Government to set up a dairy center and wheat farms to be operated by European families. In Argentina, ICEM has placed a substantial number of European farm families—mainly Spanish—on the big farms of the interior to work as managers, tenant-farmers or share-croppers. This influx has been highly appreciated by Argentina, where a steady movement away from the land has contributed to the decline of the agriculture economy. ICEM has also assisted the country to re-build its cattle herds by bringing in veterinarians from Europe, and is maintaining contact with the authorities in regard to the good possibilities in many parts of the country, such as Comahue region, to carry out land settlement.

ICEM believes that the introduction of small nuclei of experienced European farm families can be a positive factor for the success of land settlement schemes. In Brazil, ICEM has been connected with the development of several European farm colonies. It operates centers in two Dutch colonies for the training of young men from Brazil and other countries of Latin America in modern methods of dairy farming and rural co-operative management. This is a good demonstration of the way in which European skills and experience can be disseminated in Latin America by immigrants.

ICEM also helps the small enterprise sector. The immigrant frequently has initiative and a desire to make an independent living which are valuable to his new country. The most active program in this connection is the one in Chile, where ICEM work with the National Development Agency to promote the establishment of small enterprises operated by selected European immigrants. It has already set up a number of independent repairshops in key service trades, particularly farm machinery repair. These are a good contribution to agriculture in the country, the rapid mechanization of which had outstripped the development of repair and maintenance facilities. The shops have been successful. ICEM has many qualified applicants in

Europe ready to man whatever future repairshops the Chilean National Development Agency will finance.

IX. CONCLUSIONS

1. In Latin America the impact of ICEM's Selective Migration Program has been sufficient to generate strong interest of the Governments and of the private sector. Similar recognition is gradually becoming more evident in countries outside Latin America which have instituted foreign technical assistance programs.

2. ICEM is performing a uniquely valuable function in the international effort to capitalize the development of Latin America and assist it to arrive at a stage where it can provide for its own basic needs and maintain a healthy trading economy with the rest of the world. The lag in the supply of human capital to complement the considerable financial capital made available is so serious that the basic common goal of the international effort is in danger of not being reached.

3. Only planned, selected migration aimed at satisfying directly and immediately the most critical shortages of high level manpower in Latin America can bring relief in time. The Selective Migration Program presents an excellent opportunity to obtain, for a very small investment, a high yield of appreciation from Latin America and of practical results in the form of improved living standards and the increased political stability that ensues.

Fino Reintroduces Legislation To Broaden Social Security Benefits

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. FINO. Mr. Speaker, today I am reintroducing my bill to broaden coverage of social security benefits to include brothers, sisters, and other dependent relatives of a deceased individual fully insured under the act.

At present, a dependent brother, sister, or other relative of a deceased wage earner is left in the cold as far as social security payments when that wage earner dies. Except for funeral expenses paid, all of the deceased's social security contributions are lost unless there is a surviving spouse.

My proposed legislation would remedy this great injustice. Under this legislation, if a dependent brother, sister, or relative of an unmarried wage earner can show that he or she was receiving at least half support from the wage earner, that dependent would be entitled to monthly insurance benefits. To my mind, this sort of humanization of our existing social security law is a necessity.

God Help the United States

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. QUILLEN. Mr. Speaker, the following editorial, which appeared in the Knoxville, Tenn., Journal, presents a sad commentary on another of the deplorable decisions recently handed down by the U.S. Supreme Court.

I call this editorial to the thoughtful consideration of my colleagues and the readers of the RECORD:

GOD HELP THE UNITED STATES

"We thank you for the flowers so sweet:
"We thank you for the food we eat:
"We thank you for the birds that sing:
"We thank you for everything."

This short verse is familiar to most of us who attend Sunday School or kindergarten. But, now a federal court has held that it violates our constitutional rights if children are required to say it in kindergarten.

The US Supreme Court recently refused to review a ruling handed down by the Court of Appeals in Chicago, thus upholding the lower court's decision that the verse violates the First Amendment to the US Constitution.

Although the force of the decision will affect only the section of the country where this particular court has jurisdiction, the ruling perhaps is an indication of things to come. By refusing to review the decision, the Supreme Court said in effect that it agreed.

We feel it is safe to predict that it won't be long before the high court orders the removal of the word God from our coins, from public buildings and perhaps even the Declaration of Independence which refers to "God" and "Creator." No doubt some halfwit will bring suit to accomplish this.

Howard County GI Dies in War

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. LONG of Maryland. Mr. Speaker, Pfc. Harry S. Fitez, Jr., a soldier from Howard County, Md., was recently killed in Vietnam. I wish to commend the courage of this young man and to honor his memory by including the following article in the RECORD:

HOWARD COUNTY GI DIES IN WAR—HARRY S. FITEZ, JR., KILLED ON A COMBAT MISSION

Pfc. Harry S. Fitez, Jr., a 1965 graduate of Glenelg High School in Howard County, was killed January 6 in South Vietnam, the Defense Department announced yesterday.

Private Fitez, 20, died from wounds received from metal fragments while on a combat mission, his family was notified.

The soldier's mother, Mrs. Harry S. Fitez, Sr., said yesterday her son was drafted into the Army last April and had been in Vietnam for the last four months.

Private Fitez had worked at Liskey Aluminum, Inc., for almost two years before he was drafted. His interests included "working on cars," Mrs. Fitez said.

Besides his parents, Mr. and Mrs. Harry S. Fitez, Sr., of Manor lane, Ellicott City, he is survived by two sisters, Mrs. Nancy Fochs, of Baltimore, and Mrs. Loretta Nay, of Pennsboro, W. Va.

SENATE—*Thursday, February 1, 1968*

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

Rev. James P. Wesberry, D.D., pastor, Morningside Baptist Church, Atlanta, Ga., offered the following prayer:

O God, our Father, whose love is greater than our needs, since Cain slew Abel, earth has been soaked with the blood of man shed by his brother's hand. Man's inhumanity to man has caused the centuries to sob with ceaseless warfare. The covetousness of the wicked has driven nations to slaughter.

Our spirit cries out in revolt against bloodshed and we humbly beseech Thee to break the spell of the enchantments that make nations drunk with the lust of battle.

Bless, we pray Thee, all who with true devotion answer their country's call to duty and go forth willingly to do, to dare and if needs be, to die; but speed the time, great God, when men have an even nobler and more effective way of giving themselves to our flag of red, white, and blue.

Give confidence and courage to all who bear the responsibility of government and so rule and govern the waywardness and wickedness of man that doors we thought forever closed may be opened and peace may come at last with the promise of brotherhood, equality, and justice for all.

Through Jesus Christ, our Lord. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, January 31, 1968, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Jones, one of his secretaries.

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 238)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Joint Economic Committee:

To the Congress of the United States:

Most Americans see the economy in terms of a particular job or farm or business. Yet the welfare of each of us depends significantly on the state of the economy as a whole.

It was never more necessary for all Americans to try to see the whole economy in perspective—to realize its achievements, to recognize its problems, to understand what must be done to develop its full potential for good. For, as a people, we face some important choices.

A TIME FOR DECISIONS

Seldom can any single choice make or break an economy as strong and healthy as ours. But the series of interrelated decisions we face will affect our economy and that of the whole free world for years to come.

We face these hard decisions with a confidence born of success. Our economy has never been stronger and more vigorous than during the 1960's.

Our achievements demonstrate that we can manage our economic affairs wisely—that we can make sound choices.

If we now choose responsibly, we can look forward—at home—to more years of healthy prosperity, and of social and economic progress.

If we choose responsibly, and our friends abroad cooperate responsibly, we and they can look forward in confidence to the continuing smooth and rapid expansion of the mutually rewarding international exchange of goods and services.

But if we temporize—try to avoid the hard choices before us—we will soon discover that we have even more difficult choices to make. In six months or a year, we could find our prices and interest rates rising far too fast. In a few months we and our friends abroad could face new uncertainty and turbulence in international financial affairs.

If we wait for the problems to become acute and obvious, then everyone will be ready to act. By then, the tasks could well be much harder. In the coming weeks and months we must choose:

Whether we will conduct our fiscal affairs sensibly; or whether we will allow a clearly excessive budgetary deficit to go uncorrected by failing to raise taxes, and thereby risk a feverish boom that could generate an unacceptable acceleration of price increases, a possible financial crisis, and perhaps ultimately a recession;

Whether as businessmen and workers we will behave prudently in setting prices and wages; or whether we will risk an intensified wage-price spiral that would threaten our trade surplus and the stability of our economy for years to come;

Whether we will act firmly and wisely to control our balance-of-payments deficit; or whether we will risk a breakdown in the financial system that has underpinned world prosperity, a possible reversion toward economic isolationism, and a spiraling slowdown in world economic expansion;

Whether we will move constructively to deal with the urgent problems of our cities and compassionately to bring hope to our disadvantaged; or whether we are willing to risk irreversible urban deterioration and social explosion.

I know that Americans can face up to the tasks before us—that we *can* run our economic affairs responsibly. I am confident that we *will* take timely action to maintain the health and strength of our economy and our society in the months and years ahead.

THE RECORD AND PROBLEMS OF PROSPERITY

The year 1967 was one of uncertainties and difficulties both in our external and our internal economic affairs. Yet there were reasons for confidence as well as concern, both internationally and domestically.

1967—A YEAR OF READJUSTMENT AT HOME

For the domestic economy, 1967 was a year of readjustment—after the strains of 1966.

Growth in the first half was at an annual rate of only a little over 1 percent, after correction for price increases. But vigorous growth resumed in the second half—at a yearly rate of around 4½ percent.

Last year had to be a year of readjustment because our economy began the year out of balance. Inventories were excessive, housing was in a slump, and business spending on new plant and equipment threatened to drop away from a level that seemed too high to be sustained.

Those imbalances no longer exist. That is why our economy is again advancing so strongly.

Because readjustments were necessary, the gains of 1967 were not as great as were those of 1966, nor as those anticipated for 1968. Yet it was a year of important economic progress on most fronts.

During 1967:

An additional 1¾ million persons found jobs;

Our unemployment rate, at 3.8 percent, matched that of 1966 and was lower than in any previous year since 1953;

Average earnings of factory workers rose by $4.80 a week;

Total employee compensation rose $33 billion;

Farm proprietors' net income dipped, but by yearend had returned to the level of a year earlier;

Total consumer income after taxes climbed $35½ billion;

Industrial production, after dropping almost 2½ percent, recovered by December to a new all-time peak; and

The annual rate of housing starts rose a half million.

During 1967, prices also advanced—more than we would have wished. Even so, real purchasing power per capita available to consumers after taxes rose 3 percent.

1967—A YEAR OF EXTERNAL PROBLEMS AND PROMISE

The U.S. balance-of-payments deficit—a chronic problem since 1957—worsened in 1967 after several years of substantial improvement. In important measure this deterioration reflected the fears and uncertainties surrounding the devaluation of the British pound in November.

The same uncertainties also fed a massive wave of private speculation against gold late in the year. This subsided only after the United States and other countries in the "gold pool" demonstrated their determination—backed by the use of their monetary reserves—not to allow a change in the price of gold.

In the absence of strong new action by the United States—and by the surplus countries of Western Europe—there was danger that the deterioration of the U.S. payments balance and speculation against gold and currencies might feed upon and reinforce one another in a way that could touch off an international financial crisis in 1968.

Even if the dangers were remote, the grave consequences of such a crisis for the world economy demanded bold and immediate preventive action. It was taken on January 1. The substance of our measures, plans, and priorities is discussed later in this Report.

But 1967 saw progress as well as problems on the international front. For it also brought the culmination of two giant forward steps in world international economic affairs, both long in gestation:

In June, the Kennedy Round of negotiations produced agreement on the single most significant multilateral reduction in world trade barriers in history. It promises further to stimulate the expansion of international trade, already a major source of postwar economic growth throughout the world.

In September, the member nations of the IMF reached agreement on plans to create by deliberate cooperative action a new form of world reserves, supplementing gold and the dollar. Once this plan comes into full operation, the vulnerability of the present system to speculation should gradually fade away, and so should any threat of a possible future strangulation of the growth of world trade and production.

SEVEN YEARS OF EXPANSION

If 1967 stood alone, it would have to be judged a satisfactory year, despite its problems.

But 1967 must not be seen in isolation—rather as the seventh year of the longest and strongest economic expansion in our history. The opening months of 1967 were merely a brief pause in the broad sweep of economic advance.

Over these seven years

Our total real output of goods and services has increased more than 40 percent;

Per capita income after taxes and valued in dollars of constant purchasing power has risen 29 percent;

10 million more people are at work;

More than 12 million Americans have moved above the poverty line.

Over just the past four years

2¼ million more students are in college;

5½ million new homes have been built;

35 million new cars have been sold;

Use of electricity has risen one-third;

5 million more families own stock, 23 million more have savings accounts, and the assets of private pension funds have grown by $40 billion; and

35 percent more Negroes have found professional, technical, and managerial jobs.

Had the path of real output in 1961–67 followed the bumpy path of 1954–60

The Nation's total real output over the past seven years would have been $340 billion lower (valued in today's prices) than it actually was—this cumulative difference is about equal, in real terms, to the Nation's total output in 1942.

The annual rate of output today (valued in today's prices) would be $120 billion lower than in fact it is—this difference is equivalent to about $1,600 a year per person now employed.

Truly, the American people have enjoyed exceptional economic benefits over these seven years. But these striking benefits confer obligations.

Over this period 8 million more families have achieved yearly incomes above $10,000. They—and the 6½ million who already enjoyed such incomes in 1960—have a special obligation to the more than 10 million households still in poverty.

The seven-year *increase* of $820 in real per capita income (valued in today's prices) exceeds the current *total* average per capita income in nations with 70 percent of the world's population. This fact makes inescapable the obligation of the American people for helping to maintain security and for providing economic assistance to the developing world.

I believe that the American people—whose present affluence would have been beyond the belief of most of us only 20 years ago—accept these obligations. My policies, at home and abroad, continue to be founded on a vision of the opportunities and obligations for the wealthy to help the poor to help themselves.

THE ROLE OF POLICY

It is far more than coincidence that, during these seven years of achievement, fiscal and monetary policy have been actively and consciously employed to promote prosperity.

No longer does Federal economic policy rely primarily on the "automatic stabilizers" built into our system, or wait for a recession or serious inflation to occur before measures are taken.

Fiscal and monetary policies have not been perfectly executed nor perfectly coordinated in the past few years. But our policies have remained under continuous and coordinated review. And our actions have been consistently in the right direction, if not always perfectly timed nor in precisely the right degree.

THE PROBLEMS OF PROSPERITY

Healthy prosperity has brought exceptional gains in production, incomes, and jobs.

But prosperity has not solved all of our economic problems, and it has created some of its own. These are the priority problems facing us in 1968.

1. First and foremost, we must take the necessary steps to put our fiscal affairs in order. Unless we do we shall be unable to deal effectively with the other problems that confront us.

2. We must slow down the wage-price spiral. Although we cannot achieve stability all at once, we must make progress in 1968 toward our goal of reasonable price stability in a steadily growing, high-employment economy.

3. We must push forward vigorously to restore equilibrium in our international accounts. We shall do so in full awareness of our responsibilities to promote and sustain a strong and expanding world economy. And we will enlist the cooperation of all other nations who share those responsibilities.

4. We must deal more effectively with our urban problems. More and more of our people live in cities. Yet cities threaten to become less and less livable—unless we take decisive steps to correct: slum housing; inadequate public services, congestion, noise, and pollution; inadequate transportation; unplanned sprawl; segregation, discrimination, and deficient job opportunities; crime, delinquency, and alienation.

5. We must continue the struggle to expand the opportunities available to every citizen—especially our disadvantaged. They require education, training, and adequate health care to prepare them for useful careers, and freedom from discrimination in finding jobs and housing. Those unable to work need adequate income protection. The war on poverty must go forward.

FISCAL POLICY AND THE OUTLOOK FOR 1968

THE CURRENT ECONOMIC SITUATION

The month-to-month changes of our economic indicators were often puzzling in 1967. But, when seen in perspective, economic developments reveal

A slowdown—though not a decline—in the first half, as we predicted a year ago; and

A strong and sustained recovery in the second half, as we predicted last January and again in August when I renewed my request for a tax increase.

In the second half of last year, the annual rate of our gross national product advanced by $32½ billion. In only one earlier half-year—the second half of 1965—has it advanced by more.

The unemployment rate in December was 3.7 percent. In only 2 months of the last 169 has it been lower.

Factory orders and shipments of durable goods were at an all-time high.

Personal income rose more than $12 billion in November and December.

And, disturbingly, the rate of increase in industrial wholesale prices in the second half of 1967 has been exceeded in only 4 other half-year periods in the past 16 years.

Every prospect is for continued rapid increase of output in the months ahead. Most experienced observers agree that the pace now is—and in the months ahead will be—too fast for safety. The gain in gross national product in the current quarter is generally expected to be one of the largest in our history—a record we could gladly do without at this time.

THE CURRENT FISCAL SITUATION

Following the major tax cuts of 1964 and 1965—equivalent to about $23 billion in today's economy—the booming economy of 1965 and 1966 brought Federal revenues into balance with Federal spending. In both years there was a small Federal surplus on the comprehensive national income accounts basis.

The slowdown in economic growth that began in late 1966 dampened the growth of revenues. At the same time, the cost of our commitment to freedom in Southeast Asia was steadily rising.

As a result, the Federal sector account plunged into deficit—$12½ billion in calendar year 1967.

Sharply rising Federal spending was a strong expansionary force in the economy between mid-1965 and mid-1967. While housing was still recovering from the after-effects of tight money, and private demand was sluggish—during the first half of last year—the stimulus from Federal spending was welcome.

Federal spending has not been growing rapidly since mid-1967, nor will it increase rapidly in the next year and a half. But because of the already high level of defense outlays, total Federal expenditures are too large to be piled on top of *normal* private demand without overheating our economy. It is because private demand has now returned to normal after its temporary weakness that we now need new measures of fiscal restraint.

Without the proposed income tax surcharge and the maintenance of current excise tax rates, the Federal sector deficit on national income account would remain close to the level of 1967.

Unless action is quickly taken to expand Federal revenues, a deficit that large—in combination with a resurgent private economy—would have these consequences:

It would speed up a wage-price spiral already turning far too rapidly.

It would seriously impair our already difficult international economic position—by damaging confidence in the dollar, and by stimulating imports and putting exports at a competitive disadvantage.

Financing such a deficit would increasingly strain financial markets, pushing interest rates further above present record highs, and threatening another financial squeeze and another slump in homebuilding.

THE ROLE OF FISCAL RESTRAINT

The extraordinary achievements of our economy during the past 7 years were made possible by our willingness to use fiscal and monetary policies to stimulate adequate expansion of total demand.

Now, however, restraint is essential to our economic health. High interest rates and tight money can restrain the economy—and will do so if fiscal policy fails to do it. But the cost of monetary restraint is high and unfair, imposed primarily on a single industry—homebuilding.

We must demonstrate that we can use fiscal policies flexibly—that we can raise as well as lower taxes.

I therefore urgently renew my request that the Congress enact a temporary 10-percent surcharge on corporate and individual income taxes.

For corporations, the surcharge would become effective January 1, 1968, and continue through June 30, 1969.

For individuals the surcharge would become effective on April 1. The 10-percent increase in withholding tax would continue through June 30, 1969. Taxpayers in the lower income brackets would be exempted from any surcharge.

The legislation should, as I recommended last year, put all corporations on a fully current payments basis, and extend temporarily the telephone and automobile excise taxes otherwise scheduled to drop on April 1, 1968.

These measures would increase tax revenues in fiscal year 1968 by $3 billion, and in fiscal year 1969 by $13 billion.

If future circumstances should permit

ending the surcharge before June 30, 1969, it can be promptly repealed.

The surcharge of 10 percent on individual income taxes would reduce individual incomes by about 1 percent on the average. With the low-income exemption, the surcharge would add nothing to the taxes of a family of four with an income of $5,000. It would increase the tax bill for a family of four making $25,000 by about 2 percent of income.

Effective Federal tax rates on individual income would still remain, on the average, about 10 percent lower than in 1963.

A tax increase in the form of a surcharge on present taxes has many advantages:

It is simple, requiring no additional administrative expense or inconvenience to the taxpayer;

It preserves the present progressiveness of the system as it applies to middle and upper incomes, and the present division between corporate and personal taxes;

It is easy to identify and repeal when no longer needed.

THE ECONOMIC OUTLOOK WITH THE TAX INCREASE

The fiscal policies I am now proposing will

Accomplish a sharp reduction in the Federal deficit on national income account, and erase it early in 1969;

Encourage balanced economic expansion to continue at a rate appropriate to our rising productive potential;

Permit the unemployment rate to remain below 4 percent for the third straight year;

Allow credit to remain available, without soaring interest rates, to meet the needs of housing and other key areas;

Promote a gradual slowing down of price increases;

In combination with the other measures we are taking, encourage an expansion of our foreign trade surplus.

Even with the surcharge, GNP should increase by some $60 billion, about 7¾ percent. With prices rising more than 3 percent, real output of goods and services in 1968 will be more than 4 percent above 1967.

Consumer purchases and homebuilding activity will rise strongly.

Expenditures to expand and modernize productive capacity will grow at the moderate pace consistent with business needs.

While State and local governments will continue to increase spending at a fairly rapid rate, Federal purchases will grow by less than half as much as in 1967.

There will be further large gains in private incomes, even after higher taxes and prices.

The economic outlook is thus favorable—assuming fiscal restraint is forthcoming. Damage has already been done to interest rates, to our trade surplus, and to the level of prices by the failure of Congress to act last fall. But it is still not too late to avoid far more serious problems if action is taken in the next few weeks.

I again urge the Congress to act promptly on my tax proposals.

PROBLEMS AND PROGRAMS IN OUR INTERNATIONAL ECONOMIC AFFAIRS

THE U.S. BALANCE-OF-PAYMENTS DEFICIT

On January 1, I announced the main elements of our new balance-of-payments program for 1968. That program deals decisively with the threat to the dollar that developed in 1967.

NATURE OF THE PROBLEM

It is important to be clear about the nature of our balance-of-payments problem. The United States has a sizable surplus of exports of goods and services over imports. Our past overseas investments bring in excellent and growing earnings, and our new overseas investments are running at a very high level. There is a small but growing reverse flow of foreign investment here.

We have heavy military expenditures overseas, which are not fully offset by our allies; and our aid program still accounts for a small outflow of dollars.

Our export sales, our investment return, and the inflow of investment from abroad are not large enough to finance our imports, our new investments abroad, and our net Government overseas expenditures.

The difference—the deficit—is financed partly by sales of gold and partly by increased foreign holdings of short-term dollar investments by foreign businesses, banks, individuals, and governments.

The position of the United States in its international economic affairs is thus much like that of a wealthy and prosperous businessman whose liquidity has come under strain.

His commercial operations remain highly successful, with the value of his sales well in excess of his costs.

His large long-term investments in other enterprises are yielding an excellent return, and he sees an abundance of further opportunities for profitable investments that will bring large future returns.

Both his income and his net worth are growing strongly every year. And he does not hesitate to spend freely on the good things of life, while also making large gifts to worthy causes.

But he has been borrowing extensively at short term to help finance his long-term investments. Each year, he adds more to his short-term debts than to his liquid assets. It is in this sense—but only this—that he has an annual deficit. It is a liquidity deficit. It is not a deficit in his profit and loss account, nor an overspending of his income.

Some of his short-term creditors—although not really doubting the strong excess of his assets over his liabilities—are nevertheless getting a bit concerned about continuing to expand—or even to renew—their short-term credits.

Should some of them refuse to renew their loans, his situation could become awkward. Other creditors might become nervous and would rush to present their claims. Financial pressures would extend to other, smaller businessmen with whom he had strong commercial ties, and whose basic positions were less sound.

That man—like the United States—needs to pull back for a while to strengthen his liquidity.

He will want to cut costs and increase sales in his commercial operations.

He will have to pass up for a while many of his attractive opportunities for profitable long-term investments.

He will need to review the terms of his spending and gifts—to ease their impact on his cash position.

Most of all, he wants no doubt to arise about his ability to meet his debts as they come due. He would easily survive a financial crisis with no major impairment of his income or net worth. But some other businessmen who bought from or sold to him could easily be dragged into bankruptcy.

REDUCING THE DEFICIT

Since 1961, the United States has been making a determined effort to reduce its liquidity deficit. Through 1965, steady progress had been made.

In 1966 the deficit held even, in spite of the rising overseas costs of Vietnam. But the deficit increased in 1967—particularly sharply in the fourth quarter—reversing that progress. The instability generated by devaluation of the British pound was responsible for a significant part of the deterioration, but not for all of it.

Overseas defense costs rose despite tight controls on spending.

The net balance of tourist expenditures shifted further against the United States.

Private U.S. capital outflows rose, even though direct investment was held in check by the voluntary program; and foreign capital inflows decreased.

Our trade balance failed to improve as much as we expected, mainly because of the economic slowdown in Europe.

Some of the steps we might consider to reduce our payments abroad—such as reverting to high tariffs or quotas—would reverse long-term policies and, by provoking retaliation, reduce our receipts by as much as or more than our payments. And many of the other things we could do would seriously and irresponsibly harm our domestic economy, friendly countries overseas, or the flow of world trade.

PROGRAM FOR 1968

We have a clear duty to act. And we are taking action—as constructively and responsibly as we can.

DOMESTIC ECONOMIC POLICIES

The avoidance of excessive demand in our economy is crucial to the strength of the dollar as well as to our domestic prosperity.

If we place too much pressure on our resources, U.S. buyers will turn abroad for supplies and our imports will soar. And if our prices rise, we will weaken our export competitiveness and attract even more imports—not just immediately, but for years to come.

That is why the first order of business in defense of the dollar is to pass the tax bill.

We must also exert every effort to avoid the possible destructive effects on our trade surplus of strikes or the threat of strikes in key industries. I urge business and labor to cooperate with the Secretaries of Labor and Commerce in dealing with this danger to our export surplus.

DIRECT BALANCE-OF-PAYMENTS MEASURES

In addition to assuring the health of our economy at home, we must act directly on the key international flows that contribute to our deficit. Our direct balance-of-payments measures are designed to move us strongly toward equilibrium—this year. Some measures are temporary and will be removed as soon as conditions permit. Others are designed for longer range needs. Several will require congressional action.

We have already put into effect

A new mandatory program to restrain direct investment abroad, which will reduce outflows by at least $1 billion from 1967.

A tighter Federal Reserve program to restrain foreign lending by U.S. banks and other financial institutions, to achieve an inflow of at least $500 million.

We have begun action to save $500 million on Government expenditures overseas. Negotiations are already underway to minimize the foreign exchange costs of our essential security commitments abroad. Orders have already been issued to cut the number of civilian personnel abroad.

We are organizing major efforts to encourage foreign investment and travel in the United States.

I announced on January 1 that the Secretary of the Treasury would explore with the Congress legislative measures to help us achieve our objective of reducing our travel deficit abroad by $500 million this year. Those explorations are proceeding.

In the meantime, I again ask the American people to defer for the next two years all nonessential travel outside the Western Hemisphere.

I also announced on January 1

That we were initiating discussions with our friends abroad on ways to minimize the disadvantages to our trade from various nontariff barriers and national tax systems abroad; and

That we were preparing legislation in this area whose scope and nature would depend on the outcome of these consultations.

The consultations have been in progress since January 1. When they are completed, I will announce their outcome, and indicate what if any legislation we shall seek.

I am asking the Congress for the funds necessary to support long-term measures to stimulate exports, by

Intensifying promotion of American goods overseas; and

Expanding and strengthening the role of the Export-Import Bank.

RESPONSIBILITIES OF SURPLUS COUNTRIES

As we fulfill our responsibilities, other nations have an equal obligation to act. The balance-of-payments surpluses of our trading partners in continental Europe are essentially the mirror image of our deficit. Their constructive adjustments, as well as our own, can contribute to remedying our mutual imbalance.

For them, as for us, action at home heads the list. The nations of continental Europe should use their fiscal and monetary policies to pursue steady expansion of their domestic economies. Indeed, if they were to tighten credit and budgets in order to protect their surpluses, then we could not succeed in our efforts to come into equilibrium in a healthy world economy. Even worse, a competitive slowdown in world economic expansion could ensue, to the detriment of all peoples everywhere.

Surplus countries can also contribute to a smooth process of adjustment by reducing their barriers to trade, by increasing their economic assistance to developing countries, by expanding their capital markets to finance their own investment, by permitting wider access to these capital markets by other nations, and by meeting their full share of the foreign-exchange costs of our collective defense effort.

The world tried competitive beggar-my-neighbor policies in the 1930's and they ended in chaos. The surplus countries have the obligation to assure that this does not happen again.

THE DOLLAR AND THE INTERNATIONAL MONETARY SYSTEM

The interests of major nations are also linked together in the international monetary system. For us, there is a special responsibility, since the dollar is a world currency

Widely used by businesses abroad,

Held along with gold as a reserve asset by foreign central banks.

Our deficits in the past decade have sent more dollars abroad than businesses there needed to acquire, or than governments have wanted to hold as reserves. Many of these dollars were used to purchase gold from the United States.

Speculation generated by the strains on the international monetary system has caused further drains of gold from international reserves—much of it from our own.

As a result, U.S. gold reserves have declined to about $12 billion. This is still ample to cope with foreseeable demands on our gold stock. But persistent large U.S. deficits would threaten the entire international monetary system.

Our commitment to maintain dollar convertibility into gold at $35 an ounce is firm and clear. We will not be a party to raising its price. The dollar will continue to be kept as good as or better than gold.

FREEING OUR GOLD RESERVES

I am therefore asking the Congress to take prompt action to free our gold reserves so that they can unequivocally fulfill their true purpose: to insure the international convertibility of the dollar into gold at $35 per ounce.

The gold reserve requirement against Federal Reserve notes is not needed to tell us what prudent monetary policy should be—that myth was destroyed long ago.

It is not needed to give value to the dollar—that value derives from our productive economy.

The reserve requirement does make some foreigners question whether all of our gold is really available to guarantee our commitment to sell gold at the $35 price. Removing the requirement will prove to them that we mean what we say.

I ask speedy action from the Congress—because it will demonstrate to the world the determination of America to meet its international economic obligations.

SPECIAL DRAWING RIGHTS

Through U.S. deficits the dollar has been the major element of the recent growth of international reserves.

As we move into balance, the world can no longer look to the dollar for major future additions to reserves.

Neither can it depend on gold. Gold production has been leveling off in the face of rising industrial use and a steady drain into private hoards. What is needed is a reserve asset universally acceptable as a supplement to gold and dollars, that can be created in the amount needed to meet the desired expansion of world reserves.

The Special Drawing Rights plan agreed on in Rio de Janeiro last September provides such an asset. This plan will fundamentally strengthen—and ultimately transform—the international monetary system in the years ahead.

The agreement should be promptly ratified and swiftly activated on an adequate scale. I will call upon the Congress to approve U.S. participation.

TRADE

The Kennedy Round was completed on June 30, the most successful multilateral agreement on tariff reduction ever negotiated. Four years of hard negotiating were required—but the ultimate success was worth it. A fair bargain was struck. Our farmers and businessmen will get major benefits as new markets are opened to them.

We will continue to work with our trading partners—in the GATT and in other bodies—to find new approaches to the liberalization of world trade, with urgent consideration given to nontariff barriers.

Some would throw away the gains from three decades of liberal trade policy, retreating into shortsighted protectionism. Mandatory quotas on American imports would meet prompt retaliation abroad. All Americans would pay a high price for the benefit of a few.

Protectionism is no answer to our balance-of-payments problem. Its solution depends on expanding world trade.

The Government stands ready to help the few that may be hurt by rising imports—but in ways that expand trade, strengthen our economy, and improve our international relations.

Accordingly, I will shortly send to the Congress legislation which will

Provide an extension of unused tariff-reducing authority;

Liberalize the criteria for adjustment assistance to firms and workers; and

Eliminate the American selling price system of customs valuation.

During the year ahead, opportunities may develop to expand peaceful trade with the countries of Eastern Europe and the Soviet Union. I again urge the Congress to provide the necessary authority for us to pursue such opportunities should they develop.

The United States has been discussing with other industrial countries a system of temporary generalized tariff preferences by all developed countries for all developing countries. Agreement was reached in the OECD on the general principles of such a system. It will be presented to the developing countries at the UNCTAD meeting in New Delhi.

We shall continue to consult with Members of Congress and representatives of American industry, agriculture, and labor as these discussions proceed.

AID TO DEVELOPING COUNTRIES

If economic progress were now to slow down in the developing countries that make up two-thirds of the free world—in the arc of Asia from Turkey to Korea, in Latin America, and in Africa—our hopes for a peaceful world would be menaced. In 1968 this means that we should

Approve a prudent AID program;

Quickly agree with other donor countries on a substantially increased replenishment of funds for the International Development Association;

Extend the Food for Freedom Act:

Authorize the United States to share with other donors in establishing the Special Funds of the Asian Development Bank.

Several less-developed countries have made great strides in the promotion of family planning. We must be prepared to assist their efforts if the grim race between food supplies and population is to be won decisively.

We can do these things—as in conscience we must—without detriment to our international payments. AID has already made great progress in reducing the impact of its program on the U.S. balance of payments. In 1968 that impact would be reduced by another $100 million, so that less than 8 percent of AID's dollar expenditures will be for non-U.S. goods and services.

THE RETURN TO PRICE STABILITY

Neither the United States nor any other free industrial nation has yet learned how to couple steady growth at high employment with reasonable stability of prices.

Our price record since 1960 has been superior to that of any other major industrial country. Even since mid-1965, we have done better than in past periods of hostilities—when direct controls were used.

But our recent record has clearly not been good enough. For one reason, firm discipline with respect to U.S. costs and prices is essential to a strong balance-of-payments position.

Rising prices are not just a last-year problem or a this- and next-year problem. They are a persistent, long-term problem for a high-employment economy—one that will not fade away by itself.

We must do what we can to minimize price increases in 1968. But we must also settle in for a long hard fight aimed toward 1969, 1970—and 1980.

One source of inflationary pressure is a rate of economic expansion that strains available productive resources. Too much demand will lift prices and wages all across the line.

Thus the readiness to apply fiscal and monetary restraint when demand threatens to become too strong must be the fundamental reliance in our battle to restore and then maintain stable prices.

RESPONSIBLE WAGE AND PRICE BEHAVIOR

But inflationary pressures also arise when labor and business each seek to expand their claims against the national product—through excessive wage settlements or unnecessary price hikes—at a faster rate than real national product is growing.

If labor seeks 80 percent of the total national pie and business 25 percent, the only result can be rising prices. This inflates the pie—but does not increase its substance.

Whatever the initial source which starts prices rising, the rise tends to perpetuate itself. Higher prices enlarge labor's wage demands. Faster wage increases raise costs, which makes prices rise some more. Once a wage-price spiral has begun, it is exceedingly difficult to slow it down.

In each of the last two years, our price level has risen by about 3 percent, and in the last six months by about 4 percent. With a somewhat stronger economy in 1968, and with labor unions building the expectation of further price rises into their wage demands, there is danger the spiral will accelerate. If it does, we face the prospect that the spiral will still be turning steadily in 1969 and into 1970. The longer it turns the harder it is to stop.

A highly restrictive fiscal and monetary policy could throttle the economy and create widespread unemployment and idle capacity in order to dampen upward pressures on wages and prices. But it would serve the objective of price stability only by sacrificing most of our other key economic objectives.

Dealing with inflation by creating a recession or persistent slack is succumbing to the disease—not curing it. The experience of 1957 and 1958—when the unemployment rate reached 7½ percent and consumer prices still rose 5 percent—is a clear reminder of the large costs of such a policy and of its limited effectiveness in halting a spiral in motion. This is a course which I reject—and which I am confident that the American people reject.

Therefore, in addition to urging prompt action by the Congress on my tax proposals, I must again urge—in the strongest terms I know—that unions and business firms exercise the most rigorous restraint in their wage and price determinations in 1968.

We must make a *decisive* turn back toward price stability this year. This will only be possible

If the average gain in wages and fringe benefits incorporated in new labor agreements this year begins to move back toward parity with our gains in productivity; and

If businesses absorb cost increases wherever possible, and avoid any price decision which would, on the average, increase their margins over labor and materials cost.

STRUCTURAL PRICE PROBLEMS

There are other sources of price increase we can begin to attack in 1968. We should not expect quick results. But over the longer pull, an important contribution can be made.

There are a number of industries in which prices have climbed persistently because of supply bottlenecks in labor, materials, or capacity; because of backward technology; because of inefficient distribution systems or trade practices; or for other so-called "structural" reasons.

If we regard the battle against rising prices as a long-term task, it is time to begin to fight on every front where long-term results can be achieved.

Existing Government organization is not effectively suited to dealing with the full range and dimensions of the problem of prices.

CABINET COMMITTEE ON PRICE STABILITY

I am, therefore, establishing a Cabinet Committee on Price Stability, including the heads of the major relevant departments and offices of Government, coordinated by the Chairman of the Council of Economic Advisers and served by a small professional staff.

The Committee will focus the attention both of the private economy and of the Federal Government on the objective of price stability.

It will study and recommend—both for private and for public action—measures which can improve efficiency, remove bottlenecks, and improve technology in industries which are the source of persistent inflation. And it will give price stability a high priority in the formulation and administration of all Government programs.

The Committee will work closely with representatives of business, labor, and the public to seek ideas and initiatives to correct persistent structural problems that cause prices to rise and to inform them of the consequences of irresponsible wage and price behavior. It will not, however, become involved in specific current wage or price matters.

Through this new machinery, we seek to achieve a new and more effective cooperation among business, labor, and government in the pursuit of price stability in a free market economy.

CITIES AND HOUSING

The American city is in distress, plagued by poverty, unemployment, and slums; hobbled by inadequate public services, inefficient transportation, pollution, and congestion.

The city is also the source of an unprecedented affluence. Bitter poverty amidst spreading affluence spotlights the problems of the disadvantaged.

Yet that very affluence should be the source of great hope. For general affluence makes it possible to erase pockets of deprivation. We now have the means for a massive reconstruction of urban America.

The first step in an effective attack on urban problems came last year when 63 cities received the first round of Model Cities planning grants. By the end of this year, many of these cities will be ready to begin work. This first round will ultimately permit the transformation of 65 blighted areas, housing 3.7 million people, into decent places to live and work.

I will ask the Congress to fund fully

the $1 billion authorization for the Model Cities program in fiscal year 1969.

Our next step will be to fulfill the commitment of the Housing Act of 1949—to provide every American family with decent housing. Our goal is to eliminate substandard housing in ten years. This task will require the full cooperation of labor, business, local government—and the residents of blighted areas.

Too long we have regarded the unemployed slum dweller as a national burden. The time has come to recognize him as a national resource, and to offer him a job rebuilding the slums in which he lives.

Our target for fiscal year 1969 is to begin 300,000 new and rehabilitated units—several times the current rate. Rent supplement and "turnkey" public housing programs will be modified and enlarged to engage private enterprise on a massive scale.

The expansion of federally assisted housing must not shrink the private housing market. During the next ten years we will need 20 million housing units in addition to those receiving Federal assistance.

Their production will balloon the need for mortgage money. I will therefore propose legislation to strengthen the mortgage market and the financial institutions that supply mortgage credit. I also propose that current interest rate ceilings on FHA and VA mortgages be lifted to allow them to compete on equal terms with other assets.

I also urge the Congress to complete action on legislation

To strengthen regulation of savings and loan holding companies,

To provide Federal charters for mutual savings institutions.

If we are to reconstruct the American city, we need knowledge and innovation as much as men and money. We lead the world in technology. Yet little of its power is directed to the problems of cities.

As a first step, I have named a panel to establish an Institute for Urban Development. This Institute will undertake the systematic analysis of fundamental urban problems for Government agencies.

The agonies of our cities will not yield easily or quickly—nor to simple solutions. Yet the breadth of our vision must be scaled to the magnitude of our problem—and our opportunity.

In the coming weeks, I shall send the Congress a message containing my detailed recommendations.

EXPANDING INDIVIDUAL OPPORTUNITY

America has historically taken pride in being the "land of opportunity." To a far greater extent than any earlier civilization, American society has provided opportunities for the majority of its citizens to achieve whatever their ambitions and abilities might permit.

Yet for a minority—steadily diminishing in every generaton—opportunity has remained a myth.

The recent experience of prolonged prosperity and high employment has pried open the doors of opportunity for many who formerly were shut off from the main circle of abundance. Indeed, sustained prosperity is the single most important source of expanding opportunity.

But even prolonged and general prosperity leaves too many Americans untouched, unable to share in its rewards.

Despite our prosperity, there are still more than 10 million families whom we classify as poor. They include about one-seventh of our people. Many are Negro. But two-thirds are white. Many are old. But nearly half are children. Many live in urban areas. But about half live in small towns or in rural areas. Most were born poor.

Regardless of race, age, or where they live, they are not statistics, they are people. We cannot turn our backs on our fellow Americans who need help.

I regard it as a primary purpose of government to expand the opportunities for all citizens to share in our economic and social progress. For most, this means the opportunity for rewarding employment. For millions who are retired, disabled, or otherwise unable to seek active work, a share in prosperity requires wise and humane programs of income maintenance and social insurance. For all, it means full access to education and to health care.

America has made great progress in recent years—in the creation of jobs, the provision of adequate incomes, and the improvement of health and education. The future holds promise of further advance.

EMPLOYMENT AND TRAINING

More Americans entered the labor force last year than in any year since World War II. And these job seekers were accommodated to a remarkable degree.

The over-all unemployment rate averaged 3.8 percent, as it did in 1966. Except for the years of World War II and the Korean war, this two-year average was the best in four decades.

The unemployment rate for adult men—both white and Negro—was the lowest since World War II.

Yet there is no room for complacency in these achievements. The unemployment rate for Negroes, Mexican-Americans, and other minorities remains distressingly high, and far too many of our teenagers look for work and fail to find it.

We have already made impressive progress in improving job opportunities—through the Neighborhood Youth Corps, the Job Corps, our other manpower training and retraining programs, provision of day-care facilities for working mothers, and in many other ways.

Increasingly our efforts are concentrated on the disadvantaged who have been unable to share in our prosperity. In continuing partnership with State and local governments, we will expand our training and related manpower activities, with special emphasis on an enlarged Concentrated Employment program.

But this year the Federal Government is also seeking a new partnership with private industry to train and hire the disadvantaged. I believe this partnership can succeed—and must—in providing work opportunities for every American who wants a job and who will make reasonable efforts to prepare himself to hold it.

UNEMPLOYMENT INSURANCE

Even when there are enough jobs to go around and manpower is better matched to jobs, some will inevitably experience unemployment in our dynamic economy.

Our present unemployment compensation system was designed in the 1930's. The economy has greatly changed since then, but the unemployment compensation system has not.

In many cases, the man or woman unemployed today lost his job because his skills have become obsolete, not because his employer lost his market. That worker needs long-term benefits which can support him through a substantial period of retraining, guidance, and similar services—not merely cash benefits which run out at a critical moment. Further, the benefits provided under many State systems have proved inadequate to current needs.

I am therefore asking the Congress for new legislation to strengthen the Federal-State unemployment insurance system by increasing coverage, raising benefits, modifying eligibility conditions, increasing the Federal unemployment tax base and rate, providing federally financed extended benefits to be triggered by high unemployment; and to link extended benefits to the training and employment rehabilitation of the recipients.

EDUCATION

The Federal Government has done more to improve educational opportunities in the past three years than in all its previous history. In particular, attention has been focused on providing opportunities for children to throw off their legacy of poverty. Head Start, the Elementary and Secondary Education Act, and higher education legislation stand as landmarks of our progress.

One key program for 1968—based on the Education Profession Development Act of last year—gives special emphasis to the single most important element in the educational process—our teachers. We must attract more teachers to work with disadvantaged youth, and help such teachers develop the new skills and new sensitivities needed to teach the children from poor families.

I shall propose an Educational Opportunity Act—continuing our efforts to break down the financial barriers which keep young people from poor families from entering or remaining in college.

HEALTH

Victories in the progress of health care have recently been written in headlines. Soon a failing heart may no longer be an inevitable prelude to death. Less dramatic but equally important is that Medicare and Medicaid have brought the gains of medical research within the reach of millions.

But this is no time to pause. Our rising standards and our expanding powers to cure press against present limitations on our ability to supply medical care.

Much recent effort has centered on the health needs of our older citizens. This was right, for the elderly often combine high medical need with limited financial resources.

Now we must turn attention to our children. Millions of young Americans today receive inadequate medical attention—both a result and a cause of poverty. I therefore propose a five-year plan to bring complete health services to children of low-income families, beginning with prenatal care for mothers, and continuing through the first year of infancy.

The supply of qualified health personnel has lagged behind the expanding demand. I will shortly propose new measures to increase this supply.

Last year, medical care prices rose 7 percent, more than twice as fast as other prices. I shall propose new measures to slow down the spiraling cost of health care.

INCOME MAINTENANCE

I have recently appointed a Presidential Commission on Income Maintenance. This distinguished group of citizens, under the chairmanship of Mr. Ben Heineman, has a broad charter to examine every aspect of our present public welfare and income maintenance programs and to propose necessary reforms. The Commission will examine a number of major reforms proposed in recent years—including several varieties of minimum income guarantees. It will evaluate the costs and benefits of these proposals in terms of their effects both on the recipients and on the economy.

CONSUMER PROTECTION

The true test of the efficiency of any economic system is its ability to meet the needs of consumers. The American economy—with its free markets—has far surpassed all others in meeting this test.

But the market does not always give the consumer the protection he needs. There is a role, too, for Government action, especially as our wants and our products become more complex.

Last year the Congress enacted, and I approved, important new legislation to protect our consumers.

Important new measures are being proposed to the Congress for the protection of consumers. I hope that this Congress will go down in history as the consumer-conscious Congress.

OTHER ECONOMIC POLICIES

1. The Department of Transportation, now one year old, is moving vigorously toward rationalization and coordination of our transportation policies. I have asked its Secretary to develop new proposals to improve air safety and air service.

The number of air passengers has doubled in the past five years and will more than double again in the next ten. Airway and airport facilities must keep up with this growth. These facilities are costly and benefit primarily their users—who should pay the necessary costs.

2. Total holdings of our stockpile of strategic and critical materials now stand at $6.4 billion, of which $3.3 billion exceeds our stockpile requirements as presently determined. Continuing to carry these excess materials in the stockpile both imposes an unnecessary burden on our taxpayers and restricts their availability to our industries.

I renew my recommendation that I be given authority to dispose of many of these excesses, especially of nickel, platinum, beryl ore, magnesium, and castor oil, all currently in short supply in the commercial market.

3. Accurate, comprehensive, and timely statistics are essential to the development of sound economic policies by government, business, and labor.

Our economic statistics are the best and most comprehensive in the world. But they can be and need to be further improved. The costs will be exceedingly small relative to the benefits.

To this end, my 1969 budget provides for several new statistical efforts which can be rapidly and inexpensively translated into improved guides for public and private decisions.

CONCLUSION

A strong and sustained advance of production surely does not mean we have solved all economic problems—much less that the Nation is making satisfactory progress toward its broader and more fundamental goals.

Americans know how to create an expanding abundance. But we are still learning how to use it wisely and compassionately to further the self-development and happiness of men, women, and children.

Similarly, merely to achieve a balance in our international payments would not assure that our international economic relations amply serve the interests of this Nation and of world progress. We could bring our balance of payments into equilibrium by means which would weaken our domestic economy, forfeit our foreign policy objectives, or impair the vitality of world economic development.

This Administration will never forget that the purpose of our economy and of our economic policies is to serve the American people—not the reverse.

Yet this recognition would not justify policies which ignore the dangers of inflation, economic distortions, and ultimately recession. For these are equally enemies of our public purposes.

Nor will we forget that balance-of-payments policies should serve the Nation's basic goals abroad and at home—not the reverse.

Yet this recognition makes it no less necessary to deal firmly and decisively with our balance-of-payments problem. For a breakdown of the international financial system would bring incalculable harm not only to ourselves and free peoples around the world, but even to world peace and progress.

I am determined that our economic policies in 1968 will be prudent as well as creative; safe as well as ambitious; responsible as well as compassionate.

The American people are giving their sons and brothers to fight for freedom abroad. At home we must support their sacrifice by preserving a sound economy. I believe that the American people will accept the cost of doing that

By paying an extra cent of each dollar of income in taxes,

By accepting the cutback of lower-priority Federal programs, and

By limiting the expansion of Federal spending to a few areas of the most vital priority.

Today the war in Vietnam is costing us 3 percent of our total production. That is a burden a wealthy people can bear. It represents less than one year's growth in our total output.

But one day peace will return. If we plan wisely—as the committee on post-Vietnam adjustment I announced in my Economic Report last year has been doing—and act boldly, we will have that 3 percent of output to add—over a year or two—to our normal 4 percent a year of economic growth.

If we preserve a healthy economy in the meantime, we will be prepared when our sons and brothers return to take full advantage of that bonus.

Our obligation to them demands that we do no less.

LYNDON B. JOHNSON.

FEBRUARY 1, 1968.

REPORT OF NATIONAL ENDOWMENT FOR THE HUMANITIES—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

I am pleased to transmit to the Congress this second annual report of the National Endowment for the Humanities.

The Endowment and its advisory group, the National Council of the Humanities, represent the first major step ever taken by the Government to support this broad and significant range of human knowledge and achievement. Their creation by the National Foundation on the Arts and the Humanities Act of 1965 brought national concern and support to a field where such encouragement was long overdue.

This Report describes the Endowment's initial year of full activity. It shows that during fiscal year 1966, the Endowment developed programs seeking the broadest possible use of the funds available. In fiscal year 1967, it awarded approximately $4.5 million to a total of 412 institutions and individuals in 44 states and the District of Columbia.

The awards included:

Eighteen grants designed to stimulate public understanding and use of the humanities. These grants promoted innovations in the field of instructional television, and encouraged historical societies and museums to make their resources more broadly available.

Twenty-eight awards to revitalize the teaching of the humanities at all levels.

Eighty-one grants in support of research and publication designed to expand the development of scholarly resources in all fields of the humanities. These funds now support the first sustained effort to produce definitive editions of the works of great nineteenth-century American authors, from Emerson to Whitman, and contribute to such diverse and important projects as the publication of the letters of Supreme Court Justice Louis Brandeis, the training of young American archeologists, and the first publication of the complete works of John Dewey, one of America's greatest philosophers.

Two hundred and eighty-five fellowship awards, providing funds for a year of independent research for established scholars, six to eight months of uninterrupted study for the scholar-teacher, and summer stipends for younger scholars.

Such projects and fellowships—representing only a small proportion of the many meritorious applications submitted—are proof that the Endowment has met enthusiastic acceptance by the scholarly community.

I commend this Report to the Congress, and urge early action to give the Endowment the resources we have requested to carry forward and expand its valuable work.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 1, 1968.*

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills:

S. 1542. An act to amend section 408 of the National Housing Act, as amended, to provide for the regulation of savings and loan holding companies and subsidiary companies; and

H.R. 14563. An act to amend the Railroad Retirement Act of 1937 and the Railroad Unemployment Insurance Act to provide for increase in benefits, and for other purposes.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATOR YOUNG OF OHIO

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished senior Senator from Ohio [Mr. YOUNG] may be allowed to proceed for 45 minutes at the conclusion of the transaction of morning business.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SUBCOMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Subcommittee on Foreign Aid Expenditures of the Committee on Government Operations and the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PRESIDENT'S PROPOSALS ON VETERANS BENEFITS

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter from the commander in chief of the Veterans of Foreign Wars, as well as a telegram from the commander to the President of the United States, endorsing the suggestions, requests, and proposals made by the President in his veterans message earlier this week; also, a telegram from Mr. William E. Galbraith, national commander of the American Legion, expressing the same degree of support.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D.C., January 31, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The Veterans of Foreign Wars of the United States is extremely pleased with the second message on veterans which was sent to the Congress yesterday, January 30, 1968.

Two historic veterans' messages within a year dramatically exemplify the President's continuing concern for those who are making the extra sacrifice by serving in the Armed Forces today and who have borne arms in defense of our liberty in past years.

The President has been advised of our enthusiastic welcome with respect to his second message, a copy of which is enclosed.

With kind personal regards, I am

Sincerely,

JOSEPH A. SCERRA,
Commander in Chief.

JANUARY 30, 1968.

The PRESIDENT,
The White House,
Washington, D.C.:

The 1,400,000 members of the Veterans of Foreign Wars of the United States enthusiastically welcome your second message on veterans to the Congress within the past year, in which you recommend further assistance to Americans who have borne and today are bearing arms in defense of our liberty and the cause of peace.

The Veterans of Foreign Wars shares your sentiments that America's servicemen and veterans are our Nation's pride and our strength.

Your recommendations to help find jobs for veterans, both in Government and industry, are most timely. Your reaffirmation of veterans preference in Federal Government, coupled with the non-competitive hiring of veterans going to school in the first five levels of Civil Service, will be of tremendous importance to veterans in their return to civil life. The further utilization of the Veterans Administration hospital system, which is truly one of our greatest national assets, to step up the training of medical specialists will not only help veterans but all Americans.

Your recommendation for establishment of a new program for veterans in public service will provide a continuing opportunity for veterans to serve in the public interest and help solve some the great domestic problems facing this Nation today.

Last, but perhaps most important to the Veterans of Foreign Wars membership, is your recognition of the acute national cemetery problem and your request that the Veterans Administrator have proposals made to assure every veteran the right to a burial in a national cemetery reasonably close to his home.

With the exception of your proposal of veterans in public service, the Veterans of Foreign Wars has long been on record through mandates adopted at our national conventions in favor of every proposal in this second historic message on veterans. You may be reassured of the full support of the Veterans of Foreign Wars of the United States in your efforts to have the recommendations of your message fulfilled.

I know I speak for the 1,400,000 members of the Veterans of Foreign Wars when I express the deepest appreciation for this most important and historic message to the Congress in recognition of the extra sacrifice being made by our servicemen who are fighting today's war and for our veterans who have fought past wars.

JOSEPH A. SCERRA,
Commander in Chief, Veterans of Foreign Wars of the United States.

JANUARY 30, 1968.

The PRESIDENT,
The White House,
Washington, D.C.:

On behalf of The American Legion, may I express our gratitude for requesting Congress to enact legislation to expand certain veterans benefits programs and to support improvement of the quality of certain services provided veterans.

Your fine veteran program reflects that as a veteran yourself, you have taken cognizance of the economic problems facing veterans who have devoted a segment of their lives in the time spent defending our nation's freedoms.

I assure you that The American Legion will indicate to the Congress that our 2,600,000 war veteran membership is in hearty accord with your dedicated effort to give veterans the opportunities they have so justly earned.

WILLIAM E. GALBRAITH,
National Commander, the American Legion.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination on the Executive Calendar.

The PRESIDENT pro tempore. Without objection, it is so ordered.

DEPARTMENT OF COMMERCE

The bill clerk read the nomination of William H. Chartener, of New York, to be an Assistant Secretary of Commerce.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Thomas O. Paine, of Santa Barbara, Calif., to be Deputy Administrator of the National Aeronautics and Space Administration, which was referred to the Committee on Aeronautical and Space Sciences.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Edward D. Re, of New York, to be an Assistant Secretary of State; and

Palmer Hoyt, of Colorado, and Morris S.

Novik, of New York, to be members of the U.S. Advisory Commission on Information.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PROPOSED AUTHORIZATION OF APPROPRIATIONS TO THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Administrator, National Aeronautics and Space Administation, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes (with an accompanying paper); to the Committee on Aeronautical and Space Sciences.

REPORT OF RURAL ELECTRIFICATION ADMINISTRATION

A letter from the Secretary, Department of Agriculture, transmitting, pursuant to law, a report of the Rural Electrification Administration for the fiscal year 1967 (with an accompanying report); to the Committee on Agriculture and Forestry.

ATLANTIC-PACIFIC INTEROCEAN CANAL

A letter from the Chairman, Atlantic-Pacific Interoceanic Canal Study Commission, transmitting a draft of proposed legislation to amend sections 3 and 4 of the act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans (with an accompanying paper); to the Committee on Commerce.

PROPOSED AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN MARITIME PROGRAMS

A letter from the Acting Secretary, Department of Commerce, transmitting a draft of proposed legislation to authorize appropriations for certain maritime programs of the Department of Commerce (with accompanying papers); to the Committee on Commerce.

REPORT OF OFFICE OF STATE TECHNICAL SERVICES

A letter from the Acting Secretary of Commerce, transmitting, pursuant to law, the annual report of the activities of the Office of State Technical Services for the fiscal year 1967 (with an accompanying report); to the Committee on Commerce.

REPORT OF U.S. TARIFF COMMISSION

A letter from the Chairman, U.S. Tariff Commission, transmitting, pursuant to law, the 51st Annual Report of the U.S. Tariff Commission, for the fiscal year ended June 30, 1967 (with an accompanying report); to the Committee on Finance.

REPORT OF THE ADVISORY COMMITTEE ON THE ARTS

A letter from the Chairman, The Advisory Committee on the Arts, Department of State, transmitting, pursuant to law, a report of the Advisory Committee on the Arts for the fiscal year ended June 30, 1967 (wih an accompanying report); to the Committee on Foreign Relations.

REPORT OF COMMUNITY RELATIONS SERVICE

A letter from the Attorney General of the United States, transmitting, pursuant to law, a report on the activities of the Communiy Relations Service for the fiscal year 1967 (with an accompanying report); to the Committee on the Judiciary.

REPORT UNDER THE EDUCATIONAL RESEARCH TRAINING PROGRAM

A letter from the U.S. Commissioner of Education, Office of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law a special report on arrangements with private organizations under the educational research training program, for the year ended December 31, 1967 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT OF NATIONAL ADVISORY COUNCIL ON THE EDUCATION OF DISADVANTAGED CHILDREN

A letter from the Chairman, National Advisory Council on the Education of Disadvantaged Children, transmitting, pursuant to law, the annual report of the Council, dated January 31, 1958 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT PERTAINING TO FAIR LABOR STANDARDS IN EMPLOYMENTS IN AND AFFECTING INTERSTATE COMMERCE

A letter from the Secretary, U.S. Department of Labor, transmitting, pursuant to law, a report pertaining to fair labor standards in employments in and affecting interstate commerce, dated January 1968 (with an accompanying report and documents); to the Committee on Labor and Public Welfare.

REPORT ON POSITIONS IN GRADES GS-16, GS-17, AND GS-18, RAILROAD RETIREMENT BOARD

A letter from the Chairman, Railroad Retirement Board, transmitting, pursuant to law, a report of the Board on positions in grades GS-16, GS-17, and GS-18, for the calendar year 1967 (with an accompanying report); to the Committee on Post Office and Civil Service.

THE 1968 NATIONAL HIGHWAY NEEDS REPORT

A letter from the Secretary of Transportation, transmitting, pursuant to law, a report on the 1968 national highway needs, dated January 1968 (with an accompanying report); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the Common Council of the City of Buffalo, N.Y., praying for the enactment of legislation to allocate funds for street improvements in areas outside the model cities program; to the Committee on Appropriations.

A resolution adopted by the Board of Supervisors of the County of Inyo, Calif., praying for the enactment of legislation to clarify the intent of section 3 of the act of July 23, 1955, known as the Common Varieties Act; to the Committee on Interior and Insular Affairs.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GORE (for himself, Mr. BAKER, Mr. COOPER, Mr. GRIFFIN, Mr. HART, Mr. LAUSCHE, Mr. MORTON, and Mr. YOUNG of Ohio):

S. 2905. A bill to provide for the appointment of two additional, permanent, circuit judgeships for the U.S. Court of Appeals for the Sixth Circuit; to the Committee on the Judiciary.

By Mr. GRUENING (by request):

S. 2906. A bill to authorize the Secretary of the Interior to grant certain lands to Alaska natives, settle Alaska native land claims, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. GRUENING when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS (for himself, Mr. BIBLE, Mr. BROOKE, Mr. CANNON, Mr. CLARK, Mr. HANSEN, Mr. HARTKE, Mr. LONG of Missouri, Mr. MCGEE, Mr. PERCY, Mr. SCOTT, and Mr. WILLIAMS of New Jersey):

S. 2907. A bill to amend the International Travel Act of 1961 in order to promote travel in the United States; to the Committee on Commerce.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. TALMADGE:

S. 2908. A bill to authorize the Secretary of the Army to quitclaim certain real property in Muscogee County, Ga.; to the Committee on Armed Services.

By Mr. RANDOLPH:

S. 2909. A bill for the relief of Charles Richard Scott; to the Committee on the Judiciary.

By Mr. YARBOROUGH (for himself and Mr. KENNEDY of Massachusetts):

S. 2910. A bill to provide special encouragement to veterans to pursue a public service career in deprived areas; and

S. 2911. A bill to amend title 38 of the United States Code to improve vocational rehabilitation training for service-connected veterans by authorizing pursuit of such training on a part-time basis; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. YARBOROUGH when he introduced the above bills, which appear under a separate heading.)

By Mr. JACKSON (for himself and Mr. KUCHEL) (by request):

S. 2912. A bill to authorize appropriations for the saline water conversion program, to expand the program, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BIBLE (for himself and Mr. CANNON):

S. 2913. A bill to amend the act directing the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada in order to extend for 5 years the time for selecting such lands; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BIBLE when he introduced the above bill, which appear under a separate heading.)

By Mr. FULBRIGHT (by request):

S. 2914. A bill to authorize the further amendment of the Peace Corps Act; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. FONG:

S. 2915. A bill for the relief of Cheungwa Li; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

AN ALL-AMERICAN AMATEUR BASEBALL ASSOCIATION WEEK

Mr. CLARK. Mr. President, in a world in which television sports spectators multiply week by week while the relative number of players diminish, I wish to submit a concurrent resolution which may help to slow the present drift to passive entertainment.

For the last 23 years amateur baseball players from the east coast, the Midwest, and the South have converged on Johnstown in the Commonwealth of Pennsylvania for a weeklong all-American amateur tournament. Last year 16 teams took part.

This year the tournament will be held from August 21 to August 27. To commemorate this event I send to the desk a concurrent resolution requesting the President to declare the week an "All-American Amateur Baseball Association Week" in recognition of the Johnstown tournament and in the hope that other communities in our country will follow the example of Johnstown, Pa., and encourage the amateur player, and I ask that this resolution be appropriately referred.

More years than I like to remember have gone by since I earned my varsity "H" in the Harvard outfield, but my love of the sport of baseball is as great as it ever was, even if the strength and accuracy of my peg to home plate is not. Coming as I do from a great baseball State, with the Pirates in the west and the Phillies in the east, I feel that our young people should receive all the encouragement we can give them to take an active part in the playing of what will always be the national sport.

We have not yet come to the point where pennants are awarded for relaxing in front of the television set with peanuts and beer. If we are to remain an energetic and vigorous nation we must pay attention to the playing as well as the watching. That is what the All-American Amateur Baseball Tournament in Johnstown is all about. I hope the Congress will give the tournament its full support by adopting this concurrent resolution.

The **PRESIDENT** pro tempore. The concurrent resolution will be received and appropriately referred; and, under the rule, the concurrent resolution will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 55) was referred to the Committee on the Judiciary, as follows:

S. CON. RES. 55

Resolved by the Senate (the House of Representatives concurring), That the President is hereby authorized and requested to issue a proclamation designating the five-day period beginning August 12, 1968, as "All-American Amateur Baseball Association Week", and calling upon the people of the United States to observe such period with appropriate ceremonies and activities.

LEGISLATION IN BEHALF OF ALASKA NATIVE LAND CLAIMS

Mr. GRUENING. Mr. President, today, I introduce, by request of a task force on Alaska native land claims, established by Gov. Walter J. Hickel, of Alaska, a new bill proposed as a solution to the problems which have arisen with respect to claims by native citizens of Alaska to large areas of land in the State of Alaska.

This is the third bill I have introduced, each by request, for the purpose of finding some means of satisfactory settlement of claims of Alaska natives to land.

The first bill I introduced, S. 1964, on June 16, 1967, was at the request of the Department of the Interior which has devoted much time and effort to developing a system for settlement of these claims. That proposal would combine a system of land grants to native villages with compensation for claims not satisfied by land grants by means of suit in the U.S. Court of Claims.

The second bill I introduced, S. 2020, on June 26, 1967, was introduced at the request of the Alaska Federation of Natives. This bill would confer broad jurisdiction on the U.S. Court of Claims for general settlement of the Alaska native claims.

Subsequent to my introduction of these bills—the second of which, being an act conferring jurisdiction on the judiciary branch of the Government, was referred to the Senate Committee on the Judiciary—my colleague, Senator BARTLETT introduced the bill, S. 2690 on November 22, 1967, which substantially embodies provisions of S. 2020 with language of reference to the Organic Act of May 17, 1884, causing the proposal to be referred to the Senate Committee on Interior and Insular Affairs.

Now the latest proposal for settlement of Alaska native claims has reached me with a request that it be introduced. This measure has been drawn up by a group of individuals representing the State of Alaska, the native groups of Alaska and, I understand, with advice of the Department of the Interior. Therefore, I am introducing it.

As I noted on the floor of the Senate on Thursday, January 25, 1968, hearings on pending legislation to settle Alaska native claims will be held at Anchorage, Alaska, on February 8, 9, and 10. The bill I introduce today will be among those on which testimony will be heard.

I ask unanimous consent that at the conclusion of my remarks the RECORD include the text of the bill, a commentary on its provisions prepared by the group which drafted the bill, and a report of the Governor's task force entitled "Proposal for Settlement of the Alaska Native Land Claims."

The **PRESIDENT** pro tempore. The bill will be received and appropriately referred; and without objection, the bill, commentary, and report will be printed in the RECORD.

The bill (S. 2906) to authorize the Secretary of the Interior to grant certain lands to Alaska natives, settle Alaska native land claims, and for other purposes, introduced by Mr. GRUENING, by request, was received, read twice by its title, refered to the Committee on Interior and Insular Affairs and ordered to be printed in the RECORD, as follows:

S. 2906

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Federal Alaska Native Claims Act of 1968."

TABLE OF CONTENTS

Sec. 100. Purposes.

TITLE I.—ALASKA NATIVE COMMISSION

Sec. 101. Creation of Commission.
Sec. 102. Terms of office.
Sec. 103. Compensation.
Sec. 104. Nominations.
Sec. 105. Location.
Sec. 106. Employees and expenses.
Sec. 107. Procedure.
Sec. 108. Jurisdiction and powers.
Sec. 109. Testimony of witnesses.
Sec. 110. Final determinations of the Commission.
Sec. 111. Judicial review.
Sec. 112. Attorneys for native groups.
Sec. 113. Official documents.

TITLE II.—NATIVE TOWNSHIP GRANTS

Sec. 201. Grant.
Sec. 202. Preferred right of selection.
Sec. 203. Temporary withdrawal to protect preference rights.
Sec. 204. Withdrawn lands.
Sec. 205. General provisions as to selections.
Sec. 206. Temporary roll.
Sec. 207. Final roll.
Sec. 208. Preferred right of selection as to withdrawn lands.
Sec. 209. Surveys and patents.
Sec. 210. Tentative approval.
Sec. 211. Trust.
Sec. 212. In lieu selections.
Sec. 213. Interim administration under public land laws.
Sec. 214 Reservations and reserves.
Sec. 215 Native allotment act.
Sec. 216 Taxation and local laws.
Sec. 217 Federal highway allocations and fire protection.
Sec. 218 Rights of certain occupants.
Sec. 219 Additional township grants.
Sec. 220 Priority between State and native selections absent preference rights.
Sec. 221 Contracts with the Alaska Division of Lands
Sec. 222 Conveyance, release, and redistribution of land selection rights.
Sec. 223 State not to lose entitlement.

TITLE III.—OUTER CONTINENTAL SHELF ROYALTY

Sec. 301 Grant of royalty.
Sec. 302 Advance on royalty.
Sec. 303 Computation of term.
Sec. 304 Modification and termination.
Sec. 305 Distribution to native groups.
Sec. 306 Distribution to native regional corporations.
Sec. 307 Distribution to native statewide corporation.
Sec. 308 Temporary advancements.
Sec. 309 Development of revenues.

TITLE IV.—ABORIGINAL OCCUPANCY

Sec. 401 Aboriginal use and occupancy right.
Sec. 402 Termination and compensation.

TITLE V.—GENERAL PROVISIONS

Sec. 501 Final settlement of native claims.
Sec. 502 Time for filing claims.
Sec. 503 Conflicting claims.
Sec. 504 Claims of new villages.
Sec. 505 Claims of abandoned villages.
Sec. 506 Merger of claims and groups.
Sec. 507 Enrollment.
Sec. 508 Enrollment of regional native corporations and the statewide native corporation.
Sec. 509 Exclusion of Metlakahtla Indians.
Sec. 510 Alaska Federation of Natives and Regional Associations.
Sec. 511 Continuation of programs.
Sec. 512 Incorporation.
Sec. 513 Alternative incorporation under the Indian Reorganization Act.
Sec. 514 Taxation.

Sec. 515 Authorization for appropriation.
Sec. 516 Definitions.
Sec. 517 Short title.

§ 100. Purposes

It is hereby declared to be the policy of the United States to recognize, validate and confirm the claims of Alaska natives based upon aboriginal occupancy and use of lands within the State of Alaska and to provide fair, speedy and equitable methods for their determination, settlement, and satisfaction. To accomplish this objective it is desirable to minimize procedural delays and to remove technical obstacles; to create a public body composed of residents of Alaska with the power to process, manage and expedite the determination of such claims and to perform other functions to carry out provisions of this Act; to provide for the grant and selection of lands to and by native Alaskan communities for their development and support; to make available to all Alaska natives a share in the revenues derived from the outer continental shelf adjacent to Alaska as compensation for the claims of Alaska natives based on aboriginal use and occupancy of the lands of Alaska; to grant protection to certain existing surface uses of land by Alaska natives; and to settle with finality all such land claims of Alaska natives.

TITLE I.—ALASKA NATIVE COMMISSION

§ 101. Creation of Commission

There is created and established an Alaska Native Commission (hereinafter called "the commission") to exercise the duties and powers hereby conferred upon it. The commission is an independent agency of the United States, but it may also exercise all powers conferred upon it by the State of Alaska which are consistent with this Act, and with the appropriations made for the functioning of the commission. The commission shall consist of seven members. The members shall be appointed by the President of the United States with the advice and consent of the Senate. At least four of the members shall be Alaska natives, as hereafter defined. Not more than five members shall be members of the same political party. Each member of the commission shall have been a resident of Alaska continuously for at least five years before his appointment, and must remain such a resident during his term of office. In appointing members of the commission due regard shall be given to obtaining fair geographic and ethnic representation.

§ 102. Terms of office

The members initially appointed by the President shall be given individual terms of office, of one, two, three, four, five, six and seven years, respectively, from the date of this Act. Their successors shall be appointed for terms of seven years, in the same manner and subject to the same qualifications as the initial appointments, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he succeeds. Upon the expiration of his term of office a member shall continue to serve until his successor has been appointed and has qualified to take office. The President shall choose a chairman from the commission's membership. The commission may elect by a majority vote of its membership its other officers, such as a vice chairman, as it may find necessary to perform functions. Any commissioner may be removed by the President for inefficiency, neglect of duty, malfeasance in office, or engaging in conduct contrary to the conflict of interest laws of the United States.

§ 103. Compensation

Initially the commissioners shall be paid an annual salary of $25,000 per annum. Thereafter, whenever the President determines that the service of commissioners will no longer be required on a full-time basis, he may reduce their compensation to a daily or hourly amount not less than $75.00 per day, or $10.00 per hour. The commissioners shall be reimbursed for such expenses as have been duly authorized by the commission to be incurred in the performance of their duties.

§ 104. Nominations

The Governor of Alaska, any organization recognized by the Secretary of the Interior to speak for the Alaska natives on a statewide basis, and the statewide native corporation shall each be given the opportunity to recommend prospective appointees to the commission, and the President shall give careful consideration to such recommendations, but he is not limited thereby in the exercise of appointive power.

§ 105. Location

The commission shall have its offices and hold its meetings within the State of Alaska.

§ 106. Employees and expenses

The commission may employ and fix the compensation of an executive director and of such attorneys, special experts, examiners, clerks, and other employees, and may incur such expenses and disburse such funds as it may find necessary for the proper performance of its duties and as may be appropriated from time to time by Congress. The General Accounting Office shall receive and examine all accounts of expenditures by the commission.

§ 107. Procedure

The commission shall have power to establish its own rules of procedure, and the time and place of its meetings. A quorum shall consist of four members.

§ 108. Jurisdiction and powers

The commission shall have jurisdiction to determine and settle Alaska native land claims in conformity with this Act, and shall exercise the functions and powers set forth in this Act.

When necessary for the administration of this Act, the commission shall determine the aboriginal use and occupancy of Alaska lands by native groups, the geographical extent thereof, the boundaries of occupancy attaching to villages and regions, and make such other determinations in respect to Alaska native land claims as is fair and equitable in carrying out the purposes of this Act. It may determine the number and location of the groups to be recognized officially by the commission, and it may prepare an official roster of the groups of natives eligible to receive the benefits granted by this Act and by the laws of Alaska. The Secretary of the Interior (hereinafter called the "Secretary") may delegate to the commission any powers and duties entrusted to him under this Act, including preparation of the official rolls and the determination of what persons are entitled to be enrolled.

The commission may investigate all matters which are the proper subject of its action. It shall have the power to call upon any of the departments of the Federal Government for any information it deems necessary to perform its duties and functions.

The commission shall give reasonable notice to the interested parties before it and an opportunity to be heard before making a final determination on any disputed matter.

§ 109. Testimony of witnesses

Any member of the commission or employee of the commission, designated in writing by the chairman for such purpose, may administer oaths and examine witnesses. The chairman of the commission, or in his absence, the vice chairman, may issue subpenas requiring (1) the attendance and testimony of witnesses, and the production of all necessary books, papers, documents, correspondence, and any other evidence, from any place in the United States or Alaska at any designated place of hearing; or (2) the taking of depositions before any designated individual competent to administer oaths under the laws of the United States or of any state. In the case of a deposition the testimony shall be reduced to writing by the individual taking the deposition or under his direction and shall be subscribed to by the deponent. In taking testimony, reasonable opportunity shall be given for attendance and examination of the witness by any party who might be adversely affected by the commission's action to which the testimony of the witness pertains. Witnesses subpenaed to testify or whose depositions are taken pursuant to this Act, and the officers or persons taking the same, shall severally be entitled to the same fees and mileage as are paid for like services in courts of the United States.

§ 110. Final determinations of the commission

The final determinations of the commission in any matter which is disputed before it, and in any matter which will be irrevocably binding upon the persons affected thereby, shall be in writing, filed with the Commission, and shall set forth the operative facts upon which its determination is based, the reasons in support of its determination, and a definite statement of the determination that is made by the commission.

§ 111. Judicial review

Parties to proceedings before the commission may obtain review of actions and final determinations of the commission by filing an appeal, within thirty days from receiving notice of such action or determination, in the United States District Court for the District of Alaska. In considering any such appeal the court shall be limited to considering and deciding only the following questions:

(a) Whether any specific provisions of this Act, of the Constitution of the United States, or of the constitution of Alaska has been violated.

(b) Whether the commission acted capriciously or arbitrarily.

(c) Whether there is information, published or written material, evidence, or other data within the record to sustain the actions or determinations of the commission as being reasonable.

The court may remand the matter reviewed for such further proceedings as it may direct, consistent with the provisions of this Act, and may grant other appropriate judicial relief.

§ 112. Attorneys for native groups

Attorneys retained by native groups, regional corporations, and the statewide corporation, requiring legal representation before the commission or other legal services shall comply with the requirements of 25 United States Code, Sections 81, 82, 84 and 476, concerning their contracts of employment before being permitted to appear for any group. Admission to the bar of the United States District Court for the District of Alaska shall be required for practice before the commission.

§ 113. Official documents

In any proceeding before the commission and in any suit arising out of or under this Act, any letter, paper, document, map, or record in the possession of any officer or department or agency of the United States (or certified copies thereof) may be used in evidence and any department or agency of the United States shall give full and free access to the attorney or attorneys for the native groups, regional corporations and the statewide corporation to such letters, papers, documents, maps, or records as may be useful to said attorney or attorneys in preparation of such proceeding or suit.

TITLE II.—NATIVE TOWNSHIP GRANTS

§ 201. Grant

Each group of natives in Alaska is hereby granted and shall be entitled to select, after the effective date of this act, within twenty-five years after the completion and certification of the final roll of such native group, lands in total acres not exceeding the product of the number persons on the final roll of the native group multiplied by the land selection factor from the public lands of the United States which are vacant, unappropriated, and unreserved at the time of their selection: *Provided*, That nothing herein contained shall prevent the selection of lands occupied by or claimed by or owned by such group or by the United States in trust for such group: *And provided further*, That nothing herein contained shall affect any valid existing claim, location, or entry under the laws of the United States, whether for homestead, mineral, right of way, or other purpose whatsoever, or shall affect the rights of any such owner, claimant, locator, or entryman to the full use and enjoyment of the lands so occupied: *And provided further*, That the total acreage granted to all native groups shall not exceed forty million acres.

The land selection factor shall be determined by dividing forty million by the number of persons on the final rolls of all native groups entitled to grants of land under this section.

§ 202. Preferred right of selection

Upon completion and certification of a temporary roll of such native group, the native group shall have a preferred right of selection for a period of six months to lands open to selection within the area claimed by such native group by Indian title and withdrawn under section 203, subject to the requirements of this Act, except as against prior existing valid rights or as against equitable claims subject to allowance and confirmation by the Commission. Such preferred right of selection shall have precedence over the selections heretofore or hereafter made by the State of Alaska under section 6 of the Act of July 7, 1958 (72 Stat. 339) as amended to which patent has not been issued to the State of Alaska upon the date of this Act and such preferred right of application created by section 4 of the Act of September 27, 1944 (58 Stat. 748, 43 U.S.C. 282), as now or hereafter amended, but not over other preference rights now conferred by law.

The lands which each group of natives may select under this section shall not exceed in total acreage the product of the number of persons on the temporary roll of the native group multiplied by the estimated land selection factor determined by the Secretary under section 203.

§ 203. Temporary withdrawal to protect preference right

Each native group shall, within one hundred twenty days of the date of this Act, file with the Secretary a nomination of lands it desires to be withdrawn temporarily from State selection or selection by others pending selection of lands by it under section 202 in order to reserve such nominated lands for selection under the preference provisions of section 202. If a native group fails to make such nomination the Secretary shall forthwith nominate an area on its behalf, which he deems suitable for selection under section 202.

The Secretary shall forthwith, and not later than six months after the date of this Act, withdraw temporarily from State selection or selection by other lands generally in consonance with the nominations but not exceeding in total area the product of the number of persons the Secretary estimates will be on the final roll of the native group multiplied by his estimate of the land selection factor but not more than five hundred. The total acreage so withdrawn for all native groups shall not exceed 40,000,000 acres, including lands otherwise withdrawn or reserved.

Lands not so nominated for withdrawal five months after the date of this Act shall thereafter be open to State selection notwithstanding the provisions of section 202, and lands not so withdrawn six months after the date of this Act shall similarly thereafter be open to State selection.

The temporary withdrawal of each group shall terminate upon the end of the six-month preference period provided by section 202.

The nomination of lands under this section may be made prior to incorporation of the native group or prior to the date of this Act by the village council or other existing governing body of the native group and the nomination may be made, if appropriate, by the regional association or regional corporation.

§ 204. Withdrawn lands

(a) Where any lands desired by such native group have been withdrawn title shall nevertheless be granted if the withdrawal is for purposes related to native use or the administration of native affairs, or if the Secretary finds that such lands would contribute significantly to the livelihood of the group, and that in his judgment the grant should be made and he is otherwise empowered to revoke the withdrawal.

(b) Where any lands desired by such native group have been withdrawn or reserved title also may be granted in the following manner: The native group shall forward the nomination of such lands for selection to the Alaska Native Commission, which shall require the agency having primary jurisdiction over such withdrawn or reserved land to establish to the satisfaction of the Alaska Native Commission by adequate proof of existing public purpose and necessity, that it would be against the public interest to release the nominated lands. If the commission is not so satisfied it shall make a report in the matter to the Congress and the Congress may, by simple resolution concurred in by a majority of the members present and voting in each House of the Congress, at its concurrent or next succeeding session, approve all or any portion of the selection, which shall thereupon become a final selection, entitling the native group to title under the provisions of this Act.

(c) Where any lands desired by such native group for preference selection of lands under section 202 have been withdrawn for wildlife reservation, reindeer reservation, bird refuge, recreational reserves, or wildlife withdrawal, the title shall nevertheless be granted to such native group with the approval of the Secretary.

(d) Where any lands desired by such native group for preference selection of lands under section 202 have been withdrawn as National Forests in Alaska, title shall nevertheless be granted to such native group with the approval of the Secretary of Agriculture: *Provided*, That not more than one hundred thousand acres shall be granted from the National Forests.

§ 205. General provisions as to selections

All lands granted in quantity to and authorized to be selected by native groups by this Act shall be selected in such manner as and in conformity with such regulations as the Secretary may prescribe. All selections shall be made in reasonably compact tracts, taking into account the situation and potential uses of the lands involved and each tract selected shall contain at least five thousand seven hundred and sixty acres unless isolated from other tracts open to selection.

The authority to make selections shall never be alienated or bargained away, in whole or in part, by a native group except, under the procedures in this Act provided, to other native groups, to regional native corporations, or to the State of Alaska.

§ 206. Temporary roll

The Secretary shall proceed forthwith upon the effective date of this Act, to conduct a temporary enrollment of each such native group. The period of temporary enrollment shall be six months at the close of which period the temporary roll shall be closed.

§ 207. Final roll

Upon the completion and certification of the final roll of a native group the Secretary shall advise the native group of the total acreage of lands which it may select under this title, the total which it has theretofore selected (based upon the temporary roll) and the time remaining to complete its selection. If such native group has selected more land under the temporary roll than it is entitled to select under the final roll it shall determine within six months which lands to reconvey (or selections to release if patent has not been granted) to reduce the amount of lands selected to that allowable under the final roll.

§ 208. Preferred right of selection as to withdrawn lands

Upon the revocation of any order of withdrawal in Alaska within the area claimed by such native group by Indian title, the order or revocation shall provide for a period of not less than ninety days before the date on which it otherwise becomes effective during which period the native group shall have a preferred right of selection, subject to the requirements of this Act, except as against prior existing valid rights or as against equitable claims subject to allowance and confirmation by the Commission. Such preferred right of selection shall have preference over the preferred right of selection created by section 6(g) of the Act of July 7, 1958 (72 Stat. 339) and over the preferred right of application created by section 4 of the Act of September 27, 1955 (58 Stat. 748; 43 U.S.C., sec. 282) as now or hereafter amended, but not over other preference rights now conferred by law. The native group shall be forthwith served with a copy of the order and the Secretary of the Interior shall forthwith advise the native group of its right of selection and the method of exercising that right. If the native group is not so served and advised the effective date of the order is thereby suspended until sixty days after service is effected and the advice given.

§ 209. Surveys and patents

Where any lands desired by a native group are unsurveyed at the time of their selection the Secretary shall nevertheless grant patent but shall subsequently survey the exterior boundaries of the area requested without any interior subdivision thereof and shall issue an amended patent for such selected area in terms of the exterior boundary survey; where any lands desired by a native group are surveyed at the time of their selection, the boundaries of the area requested shall conform to the public land subdivision established by the approval of the survey.

The requirements for exterior boundary survey shall be satisfied without continuous marking of the line, but by establishment of monuments along all the boundaries, except meander courses, by electronic measurement or other means, at intervals of not more than six thousand feet, or by extension of the rectangular system of surveys over the areas selected.

All lands duly selected by a native group pursuant to this Act shall be patented, at the option of the native group, to the native group in fee or in fee to a trustee for the native group.

§ 210. Tentative approval

Following the selection of land by a native group and the tentative approval of such selection by the Secretary of the Interior or his designee, but prior to the issuance of patent, such native group is hereby authorized to execute conditional leases and to make conditional sales of such selected lands.

§ 211. Trust

Title to lands selected by a native group which chooses to have title held by a trustee shall be held by a trustee or board of trustees selected by the native group, which may be the statewide native corporation, the appropriate regional corporation, the Secretary of the Interior, or a board composed of individual trustees approved by him.

The term of a trust established pursuant to this section shall not exceed twenty-five years, and when the trust expires title to the corpus of the trust shall vest in the native group.

The native group may choose to have all moneys received by such group held by the trustee. A trustee who receives a conveyance or moneys under this section shall be subject to the laws of Alaska governing the execution of trusts, and shall have the powers and duties set forth set forth in the deed of trust, including without limitation subdivision, management, and disposal of the lands or moneys, investment and reinvestment of the proceeds, and distribution of income or capital of the trust to the members of the beneficiary.

So long as the lands or moneys are held by the Secretary of the Interior in trust, he shall have all the power to administer the trust which he could confer upon another trustee, but he shall not be subject to the law of Alaska governing the execution of trusts.

§ 212. In lieu selections

In the case of native groups within whose are claimed by Indian Title there are not sufficient lands in Federal ownership to allow selection by a group of all of the lands granted to it under this title, the native group may select lands elsewhere in Alaska in addition to all available lands within its area, but such selection shall be subject to the prior preference right of selection of other native groups under section 202 and section 208. Such "in lieu" selections shall not be deemed to be within the area claimed by Indian title for the purposes of section 202 and section 208.

Lands which the commission determines to be of little or no value, such as ice caps, glaciers, and mountaintops, and other barren lands, need not be selected by the native group before selecting lands elsewhere in Alaska under this section.

Lands granted under this section shall be subject to a one-sixth royalty upon all proceeds therefrom which is hereby granted to the native group within whose area of occupancy the in lieu lands are situated, and to a one-sixth royalty upon all proceeds therefrom which is hereby granted to the statewide native corporation.

§ 213. Interim administration under public land laws

There is hereby temporarily withdrawn, subject to valid existing rights, from all forms of appropriation under any of the public land laws, including without limitation selection by the State of Alaska under the Statehood Act of July 7, 1958 (72 Stat. 339), all lands that are subject to selection by any group of natives in Alaska within an area claimed by them under Indian title under section 202: *Provided*, That upon the expiration of the preference period set forth in section 202, the interim withdrawal of lands pursuant to this section 213 shall be deemed to be terminated as to all lands expressly affected thereby except those theretofore nominated or withdrawn under section 203, and such lands shall be deemed restored by operation of law and without the necessity of any order of restoration or other affirmative act. In no event shall any interim withdrawal pursuant to this section 213 continue in force and effect beyond the first anniversary date of the approval of this Act.

§ 214. Reservations and reserves

(a) The areas of land and waters heretofore reserved and set aside for the use of the native inhabitants of Akutan, Diomede, Karluk, Unalakleet, Venetie, and Wales are hereby granted to the respective native groups which include such inhabitants. Such grant is not deemed to be under section 201 and such native groups shall not be included under this title except that to the extent such areas are smaller than the area to which a group consisting solely of such inhabitants would be entitled the group shall be entitled to select additional lands under regulations of the commission.

(b) The various reserves set aside by Executive order or secretarial order for native use or for administration of native affairs, including those created under authority of the Act of May 31, 1938 (52 Stat. 593) shall be revoked by the grant of patent pursuant to this Act.

§ Section 215. Native Allotment Act

Natives as citizens may acquire public lands of the United States under the Native Allotment Act of May 17, 1906 (34 Stat. 197), as amended (48 U.S.C. 357), or the provisions of other applicable statutes, notwithstanding the passage of this Act.

§ 216. Taxation and local laws

So long as the lands granted to a native group by this title are held by such groups or in trust for such groups, and so long as no interests of native members of a group are alienable to persons not descended from an Alaskan native the interest of such native group in such lands shall not be taxed or assessed. Rents, issues, and profits and other revenue or proceeds derived from such lands shall be taxable to the same extent as such revenues or proceeds are taxable when received by private persons and corporations.

Private leaseholds, contracts, or interests in land or property owned or held by such native groups shall be taxable to the extent of the interests.

A native group may make payments to a municipal corporation of the State of Alaska in lieu of taxation or assessment but the amount shall not exceed the amount that would be due if the lands were subject to taxation and assessment for local public improvements.

The lands granted by this title shall be subject in all other respects to all of the applicable laws, ordinances and regulations of the State of Alaska and its municipal corporations or subdivisions.

§ 217. Federal highway allocations and fire protection

Lands granted by this title shall, so long as the fee therein remains not subject to State or local taxes, continue to be regarded as public lands for the purpose of computing the federal share of any highway project pursuant to title 23 of the United States Code, as amended and supplemented.

Lands granted by this title shall, so long as the fee therein remains not subject to State or local taxes and so long as there are no revenues from the lands, continue to receive forest fire protection services from the United States at no cost to the owner, provided that when there are revenues the owner may contract for forest fire protection services with the United States so long as the fee remains exempt from such taxes.

§ 218. Rights for certain occupants

(a) In the disposal of any land by a native group the group (or trustee therefor) shall give a preference right to the occupant thereof. The commission shall prepare a roll of persons eligible to be granted lots in a village under this section.

(b) The title to land conveyed to a native under this section shall, at his election, be subject to the provisions of section 1 of the Act of May 25, 1926 (44 Stat. 629; 48 U.S.C. 355a) for a period of not to exceed 25 years with respect to lands conveyed to Indians, Aleuts, or Eskimos in townsites established under section 11 of the Act of March 3, 1891 (26 Stat. 1099; 48 U.S.C. 355) as supplemented by the Act of February 26, 1948 (62 Stat. 35; 48 U.S.C. 355(e)).

(c) A village group (or trustee therefor) may convey land granted under this Act, after receiving a patent, without compensation to a private religious, charitable, or educational institution occupying such land with buildings or facilities owned by it on the date of the patent.

§ 219. Additional township grants

The Secretary of the Interior may grant to a native group lands in addition to those granted by this Act if he finds that such additional grant is warranted by the economic needs of the native group or his determination that the native group has not received a reasonably fair and equitable portion of the lands settled upon all native groups and granted by this Act.

Criteria applicable to these situations shall be developed by the Alaska Native Commission and shall be made available to the Secretary as advisory recommendations.

§ 220. Priority between State and native selections absent preference rights

In the event of conflicting selections by any native groups and the State of Alaska, in the absence of preferences given by this Act, first in time is first in right as to the lands selected by both. Any dispute arising under this setcion shall be adjudicated by the Commission, subject to the provisions of this Act.

§ 221. Contracts with the Alaska Division of Lands

A native group (or trustee therefor) may contract with the State of Alaska or any of its agencies, such as the Alaska State Division of Lands for the management of lands granted to it under this Act, provided that no sale, lease, exchange or other disposal of such lands may be made without the approval of the governing body of the native group (or the trustee). The contract may cover all or a portion of the lands of the native group, shall be terminable upon reasonable notice by either party, and shall provide for the terms of management by reference to law or regulation or otherwise.

§ 222. Conveyance, release, and redistribution of land selection rights

Any native group may release all or any part of its authority to make selections to the commission, which shall redistribute such authority under the standards set forth in section 219, and authority so released shall not be deemed to have been received by such native group or to have been of value to it.

Any native group may convey all or any part of the authority to make selections to the State of Alaska in consideration of land conveyed by the state to such native group or, with the approval of the commission, for other consideration.

Any native group may convey all or any part of its authority to make selections to any other native group, native regional corporation, and statewide native corporation under such rules and regulations as the commission may prescribe.

Any selections unused by any native group twenty-five years after the certification of the final roll shall be subject to redistribution by the commission under the standards prepared under section 219, and any such selections must be exercised within five (5) years after being subject to redistribution.

§ 223. State not to lose entitlement

Selections of Federal lands by the State of Alaska under the Alaska Statehood Act which are voided by reason of preference rights granted to and exercised by the natives of Alaska under this Act shall not be deemed to reduce the amount of land granted by the Statehood Act and for such purpose shall be regarded as an ineffective exercise of the power of selection of lands determined not available for selection.

TITLE III.—OUTER CONTINENTAL SHELF ROYALTY

§ 301. Grant of royalty

The natives of Alaska are hereby granted and shall be entitled to 10 per centum of all revenues hereafter received by the United States from the Outer Continental Shelf bordering the State of Alaska, to be distributed as herein provided, for a term of not less than twenty-five years. Such revenues when received by the United States shall be deposited in a special account in the United States Treasury.

§ 302. Advance on royalty

There are authorized to be appropriated and deposited in the special account $20,000,000, which shall be considered an advance against future Outer Continental Shelf revenues to be deposited in the special account pursuant to section 301 of this Act. The advance shall be repaid by deducting each year one-half of the revenues that would otherwise be deposited in the special account that year, and depositing them in miscellaneous receipts of the Treasury until the full amount of the advance is repaid.

§ 303. Computation of term

In computing the minimum term of the royalty granted by section 301 of this Act there shall be excluded from the period any year in which the revenues received by the United States and deposited in the special account are less than $1,000,000, any year in which the full ten per centum of revenues, pursuant to section 302, are not deposited in the special account, and any year in which no revenues are deposited in the special account.

§ 304. Modification and termination

After the end of the minimum term of the royalty and at ten year intervals thereafter, the Secretary of the Interior shall submit to Congress a report and recommendations with respect to the royalty granted by this title, and Congress thereafter may increase, reduce, modify, or terminate the royalty, but not as to revenues theretofore received by the United States.

§ 305. Distribution to native groups

(a) Each year, on a date selected by the Secretary of the Interior, the Secretary shall apportion seventy-five per centum of the unallocated revenues then in the special account among the native groups in Alaska. The apportionment shall be on the basis of the number of natives in each native group whose names are on the rolls prepared pursuant to sections 206 and 207 of this Act. The money apportioned shall be paid to each incorporated native group approved by the commission, and shall be available for use in accordance with the annual budgets prepared by the native group, submitted to and not disapproved by the commission. The right to disapprove such budgets shall expire when the corporation terminates benefits and limits distributions to dividends from earned surplus.

(b) Until such time as the money apportioned to native groups of Tlingit and Haida Indians in Court of Claims docket number 47,9000, exceeds the money apportioned under this section to such native groups, such portion shall be withheld and reapportioned to the oher native groups. However, moneys apportioned to such Tlingit and Haida groups before actual receipt of moneys from such judgment shall not be withheld, but shall be regarded as a loan bearing five per centum interest which shall be repaid to the special account from the judgment moneys when received.

(c) Until such time as the money apportioned to any native group which obtains a final money award from the Indian Claims Commission exceeds any money so awarded to such native group, the money apportioned under this section to such a native group shall be withheld and reapportioned to the other native groups. However, moneys apportioned to such native groups before actual receipt of moneys from which such judgment shall not be withheld, but shall be regarded as a loan bearing five per centum interest which shall be repaid to the special account from the awarded moneys when received.

§ 306. Distribution to native regional corporations

Twenty per centum of the unallocated revenues in the special account each year shall be apportioned by the Secretary of the Interior among corporations to be organized under the laws of Alaska for the purpose of promoting the welfare of natives enrolled in the native groups of the geographic region represented by each corporation. The articles of incorporation must be approved by the commission. Such corporations shall be organized to represent all regions in Alaska in which enrolled natives reside. The money apportioned to each corporation shall be paid to the corporation for use in accordance with the annual budgets prepared by the corporation, submitted to and not disapproved by the commission. The right to disapprove such budgets shall expire twenty-five years after the date of this Act.

§ 307. Distribution to native statewide corporation

Five per centum of the unallocated revenues in the special account each year shall be apportioned by the Secretary of the Interior to the corporation to be organized under the laws of Alaska and which initially enrolls all natives enrolled in native groups under this Act. The articles of incorporation must be approved by the commission. The money apportioned to this corporation shall be paid to it for use in accordance with the annual budgets prepared by the corporation, submitted to and not disapproved by the commission. The right to disapprove such budgets shall expire fifteen years after the date of this Act.

§ 308. Temporary advancements

Not to exceed seventy-five per centum of the funds subject to apportionment under sections 305, 306, and 307 of this Act shall be apportioned by the Secretary on the basis of estimates of native population prior to the completion of the final rolls prepared pursuant to section 207 of this Act, and such apportionments shall be adjusted when the final rolls are available.

§ 309. Development of revenues

The Secretary of the Interior shall proceed with the economic development of the outer continental shelf bordering the State of Alaska expeditiously and without delay. The Secretary shall annually advise the commission on the status of and plans for such development, and the commission shall thereafter make its recommendations thereon to the Secretary.

TITLE IV.—ABORIGINAL OCCUPANCY

§ 401. Aboriginal use and occupancy right

The natives of Alaska may continue to use or occupy, for hunting, fishing, and trapping purposes, and for any other aboriginal land use any lands in Alaska that are owned by the United States.

Such use or occupation may be made subject to reasonable conditions by regulations adopted by the Secretary of the Interior.

Such use or occupancy may be reserved in any patents or leases hereafter issued on public lands in Alaska pursuant to the Alaska Statehood Act, or the public land, mining and mineral leasing laws if the Secretary thereafter grants a permit or permits to continue such use of the land, but the right to grant such permits shall not extend beyond one hundred years after the date of this Act.

§ 402. Termination and compensation

Termination of aboriginal use and occupancy, whether by termination of the permit herein provided for, the patent or lease of public lands without reservation, land withdrawal or reservation, or otherwise, shall not be compensable.

TITLE V.—GENERAL PROVISIONS

§ 501. Final settlement of native claims

The provisions of this Act shall be regarded as full settlement of all claims against the United States based upon aboriginal right, title, use, or occupancy of lands in Alaska by natives of Alaska, except claims now pending before the Indian Claims Commission or the Court of Claims by previous authorization of Congress. The provisions of the Act of May 17, 1884 (23 Stat. 24), and the Act of June 6, 1900 (31 Stat. 321), declaring that the natives shall not be disturbed in the possession of any lands used, occupied, or claimed by them, but reserving for future legislation the terms and conditions which the natives may acquire title, are repealed.

§ 502. Time for filing claims

Each group of natives in Alaska may file a claim grounded upon aboriginal use and occupancy from time immemorial, or file an amendment to such a claim heretofore filed with the United States, within six (6) months of the date of this Act. Such claims or amendments thereto may be filed with the Bureau of Land Management until the Alaska Native Commission has been appointed, and thereafter with the commission. The Bureau of Land Management shall transmit promptly to the commission all claims that have been filed with it previous to the appointment of the commission or the date of this Act, as well as those received thereafter.

§ 503. Conflicting claims

The Alaska Native Commission is vested with jurisdiction to hear and equitably determine conflicting claims between native groups or to reduce a claim area upon petition of the State of Alaska, the Secretary of the Interior, or any aggrieved person. Resolution of a conflicting claim may include granting each group an interest in the area in conflict.

§ 504. Claims of new villages

Native groups related to native villages which have been established or which have moved during recorded history, such as the village of Beaver, shall be permitted to file a claim based upon aboriginal use and occupancy during such period.

§ 505. Claims of abandoned villages

A native group related to a native village which has been abandoned involuntarily during recorded history, or which has been absorbed by a nonnative community, may file a claim based upon aboriginal use and occupancy before such involuntary abandonment or absorption.

§ 506. Merger of claims and groups

Native groups and native group corporations may merge or may merge their claims. Regional associations and regional corporations may constitute the successor to such merged groups and corporations and may file a claim on behalf of all, and the regional native association or corporation shall, in such event, also be deemed to mean native group or incorporated native group provided for herein. The Alaska Native Commission may regulate such mergers, including those occurring before the date of this Act.

§ 507. Enrollment

The Secretary of the Interior shall conduct a temporary and a final enrollment for every native group in Alaska, as provided in sections 206 and 207 of this Act.

Each native group may determine its terms of membership and, thereby, of enrollment, provided that each native of Alaska, regardless of present residence, shall be afforded an opportunity to be enrolled in a native group. In the event a native is denied enrollment by any or all appropriate native groups, he may apply for enrollment to the commission, which, if it finds him otherwise entitled to enrollment, shall order him enrolled by the native group it deems most appropriate, such as the native group related to the village in which or nearest which he resides, or from which he or an ancestor came.

A native of Alaska is entitled to enrollment upon the rolls of only one native group. If the temporary or final roll of a native group contains less than twenty-five natives, those enrolled thereon shall be placed on the rolls of other native groups, the claim area distributed to other native groups, all as the commission finds appropriate, and the first enrollment cancelled.

§ 508. Enrollment of regional native corporations and the statewide native corporation

The enrollment of a regional native corporation shall consist of the several rolls of the native groups of the region. Every native group shall be entitled to have its roll included as a part of the roll of only one regional corporation and, if denied, may apply to the commission for an order placing it on the roll of the regional corporation found appropriate by the commission. There shall be no more than twenty regional native corporations.

The rolls of all native groups shall constitute the rolls of the statewide native corporation.

§ 509. Exclusion of Metlakahtla Indians

Metlakahtla Indians are excluded from the benefits of this Act. The blood quantum derived by an Alaska native from a Metlakahtla Indian shall be excluded in determining minimum blood quanta under this Act. The Annette Islands Reservation and the communities within it shall not constitute a native group hereunder. However, nothing in this Act shall be construed to impair the benefits granted to Metlakahtla Indians by section 15 of the Act of May 17, 1884 (23 Stat. 26), and other benefits to which they may be entitled under other laws.

§ 510. Alaska Federation of Natives and Regional Associations

The Alaska Federation of Natives may become the statewide native corporation and existing regional native associations may become regional native corporations as provided in this Act, and in the State Native Claims Act of 1968, by filing appropriate articles of incorporation or amended articles of incorporation under that Act, duly approved by the commission as provided herein.

If all of the native groups of an existing regional association which has filed a blanket claim on behalf of all natives of that region do not seek incorporation as native groups and do not request separate enrollment, the interest of such native groups shall be deemed to have merged in the regional native association or corporation, which corporation shall be deemed an incorporated native group when appropriate.

§ 511. Continuation of programs

Special services performed by the United States for Indians, Aleuts and Eskimos because of their status as Indians, Aleuts, or Eskimos shall continue to be performed and the passage of this Act shall not be cause for the reduction or elimination of such services, except and to the extent that the need for such services in the course of time may be reduced by reason of the benefits provided by this Act.

§ 512. Incorporation

All native groups and regional native corporations and the statewide native corporation shall be incorporated under the Alaska Business Corporation Act, as the same may be supplemented by the proposed State Native Claims Act of 1968, or similar legislation.

So long as the shares in such a corporation may not be held by a person not enrolled under this Act or descended from a person enrolled under this Act the corporation shall be deemed an incorporated tribal group and subject to appropriate restrictions imposed by this Act and the State Native Claims Act of 1968.

A corporation organized as provided herein shall not be an agency or instrumentality of the United States for any purpose, and the United States shall not be responsible for the corporation's actions or debts unless specifically guaranteed or insured by the United States.

A corporation organized as provided herein may be sued in the same manner as any private business corporation.

§ 513. Alternative incorporation under the Indian Reorganization Act

Native groups required to incorporate shall have the option to incorporate under the Indian Reorganization Act as an alternative to incorporation under Alaska law; provided that—

(a) residence shall not be restricted and residence or proposed residence shall not be made a restriction on membership or shareholding, voting of shares, or receipt of benefits from the corporation, except that distribution of land in kind for townsite lots, fish campsites, or other aboriginal use may be limited to residents, but continued residence shall not be made a condition of any such distribution of land in kind; and

(b) the corporation shall not make any per capita distribution.

An existing corporation chartered under the Indian Reorganization Act may be recognized as the incorporated native group by the commission. A corporation organized under this section may be sued in the same manner as any private business corporation. The commission may make such rules and regulations as it deems necessary or proper to give effect to this section, including conversion to a corporation under Alaska law.

§ 514. Taxation.

(a) Lands held by a corporation and revenues therefrom shall be taxable to the extent provided in section 216.

(b) Royalties received by a corporation from grants made by this Act or the State Native Claims Act of 1968 shall not be taxed to the corporation.

(c) Dividends paid to shareholders shall be taxable to the shareholder.

(d) Distributions during the period distributions are allowed under the State Native Claims Act of 1968 shall not be taxable to the shareholders or other recipients.

(e) Liquidation payments shall be taxable, but only to the extent of gain during the period the property was received and held by the corporation.

§ 515. Authorization for appropriation

There are authorized to be appropriated not more than $5,000,000, to be available until expended, to defray the expenses of taking the temporary and permanent rolls hereunder, of the Alaska Native Commission, and of otherwise carrying out this Act.

§ 516. Definitions

As used in this Act, the following definitions apply:

(a) A "native group" means any tribe, band, village, community, association, or other identifiable group of Indians, Aleuts or Eskimos of Alaska, resident in Alaska, including identifiable groups of residents of a locality which, as such a group, claims Indian title to land in Alaska by virtue of aboriginal use and occupancy at any time.

(b) The terms "native" and "Alaska native" mean any Alaskan Indian, Eskimo or Aleut of at least one-fourth degree Indian, Eskimo or Aleut blood or, in the absence of proof of a minimum blood quantum, who is regarded as native by the native group in which he claims enrollment, and whose father or mother was regarded as native by that or any other native group.

(c) A "regional native association" means an association of natives or native groups organized to represent the interests of the natives of a region of Alaska which is greater than the area occupied or formerly occupied by a historic native group. The interests of native groups within the region may be merged in the regional association.

(d) A "regional native corporation" means a corporation organized under the laws of Alaska and this Act, representing the interests of the natives of a particular region of Alaska. The interests of native groups within the region may be merged in the regional native corporation.

(e) The term "group" or "native group" may, when appropriate, include not only "native group" but also "regional native association", "regional native corporation" and the statewide native corporation.

(f) The "outer continental shelf" means the submerged lands subject to the jurisdiction and control of the United States under the Outer Continental Shelf Lands Act of 1953 (67 Stat. 462).

§ 517. Short title

This Act shall be known and cited as the "Federal Alaska Native Claims Act of 1968."

The commentary and report, presented by Mr. GRUENING, are as follows:

COMMENTARY TO FEDERAL ALASKA NATIVE CLAIMS ACT OF 1968—DRAFT OF JANUARY 24, 1968

GENERAL

This commentary to the January 24, 1968 draft of the proposed Federal Alaska Native Claims Act of 1968, proposed by the Governor's Task Force on Native Land Claims should be read in conjunction with the report of the Task Force to Governor Hickel from its meeting of January 12–18, 1968.

The draft is still subject to revision, but the draft incorporates the policy decisions of the Task Force and can at least be furnished "as is" to the Senate Committee on Interior and Insular Affairs at its hearing in Anchorage on February 8–10, 1968.

The draft should also be read in conjunction with the proposed state act and commentary thereto.

SECTION 100. PURPOSE

This is the preamble or purpose clause. It is based upon the preamble to the draft federal bill prepared by Attorney General Boyko of Alaska (hereafter the "Boyko Federal Draft". The term "needed by" should be replaced by "to and by".

SECTION 101. CREATION OF COMMISSION

The commission has administrative and limited adjudicatory functions. Hopefully, it will function fairly but informally. Its primary function is to administer, over a long term, the legislative settlement of the land claims.

The requirement that members be Alaska residents for five (5) years is very important to the Task Force, as is the requirement that Alaska natives be well represented on the commission. The Task Force would otherwise be opposed to granting the commission the powers vested in it by this Act.

The Task Force would have preferred a commission with at least a portion of the members elected by and from all Alaska natives, but this was omitted in the belief that the Congress would not accept such a scheme despite the current poverty program requirements for representation of the poor on governing boards. Compare Section 2, Boyko State Draft.

SECTION 102. TERM OF OFFICE

Overlapping terms are provided, and the commissioners are given tenure.

SECTION 103. COMPENSATION

The drafters expect the commission to be full time, or nearly full time during the first few years, later the duties will be less onerous, and they may then be compensated on the basis of the time they are engaged in their duties.

SECTION 104. NOMINATIONS

If neither the Governor of Alaska nor the natives are to select any members of the commission, the Task Force feels their interest should at least entitle them to make suggestions to the President. This is here provided, but the President is not required to pick his appointees from among those nominated, as such a requirement can lead to an attempt by the suggesting agency to control the choice of the President by suggesting several, only one of whom would be acceptable to the President.

SECTION 105. LOCATION

The Task Force deems it of utmost importance that this section be adopted. We do not wish to do our business with the commission in Washington.

SECTION 106. EMPLOYEES AND EXPENSES

This section requires no commentary.

SECTION 107. PROCEDURE

No comment.

SECTION 108. JURISDICTION AND POWERS

Since full adjudication of native claims will normally not be necessary, the power of the commission to adjudicate claims is limited to the extent necessary to carry out the state and federal acts. The Task Force does not expect a multitude of litigated native claims to be heard by the commission.

While the commission is primarily an administrative agency and not adjudicatory, when it is proceeding in disputed matters, notice and opportunity to be heard is required.

SECTION 109. TESTIMONY OF WITNESSES

No comment.

SECTION 110. FINAL DETERMINATION OF THE COMMISSION

While the commission is not expected to act like a court of law, this section establishes certain minimum standards for its decisions in disputed matters, in order to make judicial review possible.

SECTION 111. JUDICIAL REVIEW

Review is provided to the U.S. District Court for the District of Alaska. It is important to the Task Force that the review be to this court, as it is the one most competent to decide any appeal. It may not be the most sympathetic, indeed the drafters believe that historically this court has not been sympathetic to native claims, but this factor is outweighed by its availability and competence.

The scope of review is limited, in part because of a desire for economy and early settlement of disputes, and in part because even the commission's decisions in disputes are likely to be decided on broad public policy grounds rather than on precise legal rights.

SECTION 112. ATTORNEYS FOR NATIVE GROUPS

The United States has always controlled the contracts of lawyers with Indians. While the Task Force is not happy about this situation, as federal officials have, at times, misused this power, this section appears necessary.

Since the commission will be meeting in Alaska, admission to the bar of the United States District Court for the District of Alaska, to which any appeals would be taken, is appropriate. This does *not* restrict practice to those lawyers resident in Alaska or members of the Alaska Bar Association.

SECTION 113. OFFICIAL DOCUMENTS

Compare Sec. 10, S. 2690.

SECTION 201. NATIVE TOWNSHIP GRANTS

This and succeeding sections are based upon the selection procedures of the Alaska Statehood Act. The grants are to the local native groups, are in praesenti grants (at least to the extent that the Statehood Act makes in praesenti grants, if it does) and the group, rather than the Secretary, selects the lands it desires.

The total lands granted are 40 million acres, which are divided among the groups according to their "population," that is those on their rolls. However, as will be seen, a native need not be a village resident to be included on the rolls.

Preliminary estimates of the number that will be enrolled is 80,000. If so, the land selection factor will be 500, and each native group will be entitled to select as its grant 500 acres × number of persons on its final roll. For example: 500×300=150,000 acres.

SECTION 202. PREFERRED RIGHT OF SELECTION

Generally, the grant awarded each native group will be much smaller than the area it claims Indian Title to by aboriginal occupancy. The Task Force considers it crucial to any fair settlement that each native group be able to get in its grant the lands most important to it. Generally, these will be lands in the immediate vicinity of the historic village, but some lands may be future village sites or lands of economic value, and so on. This section gives the group a preferred right of selection as against the State of Alaska and all others for a limited period of time so that it can obtain title to such lands. This preference right does not extend throughout the native claims area, however, but only to certain lands nominated and withdrawn within six months of the date of the federal act under the next section.

SECTION 203. TEMPORARY WITHDRAWAL TO PROTECT PREFERENCE RIGHTS

The Task Force recognizes the interest of the State of Alaska in early resumption of state selection. This section, with Section 202, attempts to accommodate this interest with the interest of native groups in obtaining title to the lands most important to the several native groups.

Each group nominates such lands for selection and the Secretary withdraws, in general, these lands from entry or selection by others. This permits the land freeze (continued by Section 213) to be lifted by the commission within six months after the passage of the federal act.

The maximum acreage so nominated and withdrawn cannot exceed forty million acres.

SECTION 204. WITHDRAWN LANDS

A major problem with any land settlement for the villages lies in the fact that many villages are situate on or are surrounded by lands which have been withdrawn or reserved by the Federal Government. No satisfactory land settlement can be made without permitting the natives who have used and occupied these lands from time immemorial to obtain some minimum portion of these reserved and withdrawn lands. This section provides four methods of making at least some of these withdrawn and reserved lands available for the native occupant.

Subsection (a) is a redraft of a provision in S. 1964, and is believed to be acceptable to the Secretary of the Interior.

Subsection (b) is a redraft of a suggestion which would have made the Alaska Native Commission the deciding body on revocation of a withdrawal or reservation (with an appeal to Congress). It has been modified and thereby made less effective in the belief that the original scheme would have been objectionable to the several departments. While the Task Force prefers the earlier version, it modified its position in hopes of obtaining departmental support.

Subsection (c) is especially important, for many villages will be unable to obtain any land around the village unless such a provision as this is in the bill.

Subsection (d) is intended to make some minimum amount of the national forests available, with the consent of the Secretary of Agriculture, for the local native groups. While the Statehood Act permits such grants it is only available to municipal corporations. While the Task Force would like to make more forest lands available, a limit of 100,000 acres was placed on this provision in hopes of making it acceptable to the Department of Agriculture and to avoid any unwarranted antagonistic reaction by conservation groups.

SECTION 205. GENERAL PROVISIONS AS TO SELECTION

These provisions are a variation of those in the Statehood Act.

SECTION 206. TEMPORARY ROLL

This is an essential step in the exercise of preferential rights of selection as against the State of Alaska.

SECTION 207. FINAL ROLL

This section is self-explanatory. Note that the roll is not kept open. After-born children and others who later come to light may share in benefits under the rules of the corporation, but cannot be added to the rolls.

SECTION 208. PREFERRED RIGHT OF SELECTION AS TO WITHDRAWN LANDS

This section parallels a similar section in the Alaska Statehood Act, but gives the native group priority *in its own area.*

SECTION 209. SURVEYS AND PATENTS

This section parallels a similar section in the Alaska Statehood Act, except that patent may be granted by description before survey.

SECTION 210. TENTATIVE APPROVAL

This is taken from the Statehood Act.

SECTION 211. TRUST

This is a redraft of similar provisions in S. 1964. Generally, Alaska native groups are opposed to using a trustee, but some groups may desire to use these optional provisions.

SECTION 212. IN LIEU SELECTIONS

The idea for this section comes from S. 1964, and the idea recognizes that many villages do not have land in the vicinity available for selection. The section permits such villages to select lands in other areas in Alaska but, since they will be selected primarily for economic value, the Task Force felt that such lands should be subject to a ⅙ royalty to the local native group and a ⅙ royalty to the statewide native corporation.

A native group will not be required to select all barren lands in its claim area before being allowed in lieu selections. In lieu selections are not entitled to priority over state selections.

SECTION 213. INTERIM ADMINISTRATION UNDER PUBLIC LAND LAWS

This section, which temporarily continues the land freeze, is a revision of Section 2 of S. 1964.

SECTION 214. RESERVATIONS AND RESERVES

This section is a revision of Section 3 of S. 1964.

SECTION 215. NATIVE ALLOTMENT ACT

This section is a revision of Section 5 of S. 1964.

SECTION 216. TAXATION AND LOCAL LAWS

This section attempts to provide a comprehensive set of rules of taxation of native township grant lands.

While there is no property tax on land in Alaska outside of cities and boroughs, the Task Force was concerned with the possibility that the native corporations might lose lands through a real property tax on lands that were not producing revenue. As the corporations are the corporate embodiment of a tribal sovereign and, as Indian lands have often been exempted from property taxation, it was considered appropriate to provide such an exemption.

On the other hand, the Task Force recognizes that it is proper for lands receiving benefits from municipal governments to pay for such benefits. In Alaska, as in many states, this is often done by the sovereign landowner making payments "in lieu of taxes" to the local government. The Alaska State Housing Authority makes such payments on its low cost public housing projects, for example. This device is here recognized.

In keeping with the business corporation approach, the revenues from these lands are taxable under the income tax laws of Alaska and the United States.

The Alaska Constitution, in keeping with modern theory, makes private interests in government property taxable to the private holder, and the same principle is adopted here.

The section also makes native township grant lands generally subject to state and local laws, such as planning and zoning, building codes, and so on.

Compare Sections 3(b) and 1(e) of S. 1964.

SECTION 217. FEDERAL HIGHWAY ALLOCATIONS AND FIRE PROTECTION

The first paragraph of this section is a revision of Section 7, S. 1964.

The second paragraph is intended to solve another potentially serious problem, by having the Bureau of Land Management continue to provide fire protection at no cost of lands which produce no revenues. The State of Alaska does not receive such revenues free, and this has been a factor tending to prevent early selection of lands granted by the Statehood Act.

SECTION 218. RIGHTS OF CERTAIN OCCUPANTS

These provisions are revisions of provisions in S. 1964, see Section 3(e), (h), Page 5.

SECTION 219. ADDITIONAL TOWNSHIP GRANTS

This section is a safety valve. As a legislative settlement cannot, by its nature, deal with the equities of each group of natives, some groups may receive an inadequate settlement. The Secretary is empowered to give relief in such situations.

Although the section is the result of a suggestion from an Interior Department representative, and the language is drawn from Section 3(a), Pages 8–9, of S. 1964, the section at this time represents only the position of the Task Force.

SECTION 220. PRIORITY BETWEEN STATE AND NATIVE SELECTIONS ABSENT PREFERENCE RIGHTS

This section establishes a general rule that absent preference rights first in time are first in right as between selections by native groups and the State of Alaska.

While the Task Force expects that native groups will use their land selection rights immediately, and select perhaps as much as thirty million acres within a year after the federal act is adopted, many native groups will hold some selections rights in reserve, and under Section 201 they will have twenty-five (25) years in which to exercise their selections. So there will be conflicts between state and native selections, even between native selections in the future. The rule of first in time, first in right seems a fair way of resolving these conflicts.

SECTION 221. CONTRACTS WITH THE ALASKA DIVISION OF LANDS

By this section native groups are empowered (and, in effect, encouraged) to enter into land management contract with the Alaska Division of Lands. The native group retains policy control. The Division of Lands now provides such services to the boroughs of Alaska (which, under the borough act, are entitled to select 10% of the state lands in the borough).

SECTION 222. CONVEYANCE, RELEASE AND REDISTRIBUTION OF LAND SELECTION RIGHTS

Some native groups may not desire to exercise all of their land selection rights. The first paragraph permits the rights to be released to the Alaska Native Commission, which may redistribute the rights upon the basis of need and equity. Released land selection rights should not be offset against an award in the Indian Claims Commission.

As the State of Alaska has received patent to some areas which villages consider important or critical to their well being, they may contract with the State of Alaska to obtain these lands. The second paragraph is intended to provide for such acquisitions.

The third paragraph is self-explanatory. As some groups may not use all of their selection rights in twenty-five years, the fourth paragraph provides for the redistribution on the basis of need and equity of any "leftover" selection rights.

SECTION 223. STATE NOT TO LOSE ENTITLEMENT

As certain state selections will be voided by native group preference selections, it is appropriate to make clear that the state in such cases does not lose its selection rights.

SECTION 301. GRANT OF ROYALTY

Sections 301, 302, 304, 305, 306, and 308 are a Task Force revision of a draft submitted to the Task Force by representatives of the Interior Department.

In Section 301 the principal changes are that the royalty is made a present property interest and the initial term is extended from 10 to 25 years. It is understood that these changes are supported by both the Interior Department and Governor Hickel.

SECTION 302. ADVANCE ON ROYALTY

This section is believed acceptable to both Interior and Governor Hickel. The Task Force would prefer a greater advance royalty, but decided to ask for $20,000,000, about $250 per person on the rolls, as they considered that a greater asking might antagonize some persons.

SECTION 303. COMPUTATION OF TERM

This section, which is self-explanatory, in effect guarantees the natives that they will receive at least $65,000,000 during the twenty-five year term. This recent addition to the legislation has, to date, only received the approval of the State of Alaska. The Task Force believes that some such provision should be included.

SECTION 304. MODIFICATION AND TERMINATION

A revision of the Interior draft, this section is self-explanatory.

SECTION 305. DISTRIBUTION TO NATIVE GROUPS

See generally, on this section and Sections 306 and 307, the report of the Task Force to Governor Hickel.

SECTION 306. DISTRIBUTION TO NATIVE REGIONAL CORPORATION

See comment to Section 305.

SECTION 307. DISTRIBUTION TO NATIVE STATEWIDE CORPORATION

Self-explanatory.

SECTION 308. TEMPORARY ADVANCEMENTS

Taken from Interior draft, this revised provision will permit possible distribution of funds before the final rolls are completed.

SECTION 309. DEVELOPMENT OF REVENUES

The Task Force believes that if the Natives are to accept the gamble offered by Secretary Udall in lieu of compensation for their lands, including those already lost, the United States should commit itself to play the game. We would not want the United States to later decide to lock up the outer continental shelf.

SECTION 401. ABORIGINAL USE AND OCCUPANCY

This section is a revision of 3(e), p. 10, of S. 1964, but it is much broader and the permit period on third party lands is extended to 100 years.

SECTION 402. TERMINATION AND COMPENSATION

This section notes the methods of termination of aboriginal rights, and provides that such termination shall be non-compensable. It assumes an adequate overall settlement.

SECTION 501. FINAL SETTLEMENT OF NATIVE CLAIMS

Compare Section 6, S. 1964.

SECTION 502. TIME FOR FILING CLAIMS

Self-explanatory. Note that the principal purpose of the claim is to delimit the area within which a group has preference rights of land selection.

SECTION 503. CONFLICTING CLAIMS

Because of the limited function of claims, relatively little litigation is expected on conflicting claims.

SECTION 504. CLAIMS OF NEW VILLAGES

Native villages have relocated or been reestablished during the last 100 years as a result of volcanic explosion, flood, loss of game, and other reasons. This section permits these villages to participate in the settlement.

SECTION 505. CLAIMS OF ABANDONED VILLAGES

This section provides for situations such as Kenai, where the native village has been absorbed, and villages which have been involuntarily abandoned. In the latter case, only a few native group corporations based upon abandoned villages are expected, as most members of these villages have formed or have affiliations with other groups.

SECTION 506. MERGER OF CLAIMS AND GROUPS

While Alaska natives historically have not had strong central organizations, a move in this direction has been evident in recent years. The Task Force believes this movement should be recognized and encouraged.

SECTION 507. ENROLLMENT

This section provides for the principles of enrollment. Generally, the group is the judge, but every native is entitled to enrollment and may apply to the commission for relief if he is denied enrollment.

SECTION 508. ENROLLMENT OF REGIONAL NATIVE CORPORATIONS AND THE STATEWIDE NATIVE CORPORATION

Self-explanatory.

SECTION 509. EXCLUSION OF METLAKAHTLA INDIANS

Compare Section 4(b) of S. 1964.

SECTION 510. ALASKA FEDERATION OF NATIVES AND REGIONAL ASSOCIATIONS

This section permits certain existing organizations to become the statewide native corporation or regional native corporations provided for in this act.

Also, it provides for effective merger of villages into regional associations, a development which is now occurring. Compare Sec. 506.

SECTION 511. CONTINUATION OF PROGRAMS

The Task Force regards the proposed settlement as modest. After its accomplishment the average native for many years will still need the benefits of existing Bureau of Indian Affairs programs. The settlement should not be used as an excuse to terminate Indian programs.

SECTION 512. INCORPORATION

This section establishes some basic rules for incorporation under state laws.

SECTION 513. ALTERNATIVE INCORPORATION UNDER THE INDIAN REORGANIZATION ACT

Self-explanatory.

SECTION 514. TAXATION

This section establishes certain general rules of taxation. It should be reviewed and revised by an expert in drafting tax legislation.

SECTION 515. AUTHORIZATION FOR APPROPRIATION

Compare Section 3(j), p. 7, S. 1964.

SECTION 516. DEFINITIONS

These are generally self-explanatory. Note that certain urban native groups, such as the Fairbanks Native Association, which do not as a group claim Indian Title, are not "native groups" under the act. Their members must be enrolled on the rolls of their historic villages.

SECTION 517. SHORT TITLE

No comment.

Proposal for Settlement of the Alaska Native Land Claims

(A report of the Governor's Task Force on Native Land Claims—Juneau, January 10–16, 1968)

To: The Honorable Walter J. Hickel, Governor of Alaska:

Your Task Force proposes a four part settlement of the Native land claim question, consisting of

(a) A grant of 40 million acres of land in fee, or in trust, to village groups (compared to the 102.5 million acres given the State of Alaska under the Statehood Act, or the much larger area encompassed in the Native claims) allocated among the villages in proportion to the number of persons on their rolls.

(b) A grant of a 10% royalty interest in outer continental shelf revenues, along the lines proposed by Secretary Udall, in lieu of the right to compensation for lands reserved or disposed of to third parties, with an immediate advance payment of $20,000,000 by the Federal Government.

(c) A grant by the state of a 5% royalty interest in state selected lands, tidelands, and submerged lands, but excluding current revenue sources from the state lands (in order to avoid direct impact on the general fund) and commencing only upon lifting the land freeze and resumption of state selection.

(d) A terminable license to use the surface of lands under occupancy and use by Natives.

Principal objectives of the Task Forces in developing our proposal include the avoidance of courts and litigation, the simplification of the administrative process, the early accomplishment of the settlement, the grant of present property interests, the avoidance of state and federal control, the need to avoid "freezing the villages in history," the spreading of the benefits from royalties widely, but recognizing private property concepts, and utilizing modern corporate forms for engaging in business enterprise by Native groups.

For convenience, the four parts will be called (a) township land grants, (b) offshore royalties, (c) state-granted royalties, and (d) surface rights.

The details of the proposal, as worked out by the Task Force, are as follows:

TOWNSHIP LAND GRANTS

1. Each village (of 25 persons or more) may select land from within its claim area (or area in which it has aboriginal occupancy). The amount of land is determined by the number of Natives on the village roll.

2. The selection process would be similar to that provided the state in the Statehood Act, and the time to select would be 25 years.

3. In order to accelerate the selection, the Secretary is to take a temporary roll, including on the roll those residents in the village and others who can be quickly included, such as those resident in other towns and cities. The roll should be as complete as possible, given the limited time it will be open for enrollment.

Upon completion of the temporary roll the village makes its initial selection, which shall be given priority against any state selection not patented or tentatively approved, in the reserved area. As to patented or temporarily approved lands, an exchange of lands procedure should be provided for. The state is then free to select any other land in the reserved area.

Upon completion of the permanent roll the village may select additional land for the net additions to its roll (or may reconvey some of its selection to the United States in the event the permanent roll totals less than the temporary roll).

In order to provide for early lifting of the land freeze, the villages will nominate areas for preferential selection, based upon their estimated entitlement, and these areas will be withdrawn by the Secretary of the Interior. The areas withdrawn shall not exceed 40 million acres. The "land freeze" is then lifted as to other areas in the state, within six months of the passage of the Federal Act.

Your Task Force favors the continuation of the land freeze at this time, but we recognize the public interest in early resumption of state selections. We have spent many hours attempting to reconcile the opposing positions in a manner that would be fair to all. We have been unable to work out a method that could result in freeze lifting before the passage of the Federal Act, but we remain prepared to consider any such possible method. We have requested the Interior Department and your Attorney General to review this problem in hopes of working out a solution which would provide a lifting of the freeze even earlier than we here propose, which is six months after the adoption of the Federal Act.

4. If there are not sufficient lands in the claim area for selection, the village shall be entitled to in lieu selection, subject to the priority right of each village to township selection under its temporary roll. Because such lands will be selected primarily for economic value, any revenues from in lieu lands will be subject to a one-sixth (⅙) royalty to the local village and a one-sixth (⅙) royalty for the statewide Native corporation.

5. Village township lands shall not be subject to taxation as long as the land is owned by the incorporated tribal group, but revenues from the land will be taxable, and the corporation may make "in lieu of tax" payments to local governments. Private interests in these lands, such as leaseholds, will be taxable to the private owner.

6. In order to facilitate future development, the village-as-a-municipal-corporation shall be separated from the village-as-an-incorporated-tribal-group. Among the differences between these concepts are the following: Whites may become resident members of the municipality; residence is not required for membership in the corporation; corporation membership in the course of time is to be translated into stock in a business corporation under Alaska law. A membership interest will be represented by 100 shares of stock which are not alienable by the first holder, except at death, and successor holders must be descendants of those on the original roll until 100 years have elapsed, when the shares shall be freely alienable, subject to any "close corporation" provisions in the articles and by-laws.

7. To avoid inflation of the rolls, a Native must be one-quarter blood to be enrolled. However, subject to a one-sixteenth statutory minimum, a corporation may extend benefits to those of lesser blood quanta.

8. The village shall have the option of whether to receive the grant in fee or in trust. If in trust, the village may choose the Secretary of the Interior as trustee, or subject to his concurrence in the appointment, may appoint any other person, including a regional or statewide Native corporation as trustee.

9. The village township land grant shall include all mineral rights.

10. The corporation, subject to limitation, may grant lands in fee to members, such as townsite lots, or to the local municipal corporation.

11. The village may elect to vest title to its lands in a regional corporation, either as trustee, or if all other member villages of the regional corporation do so, then in fee. The regional corporation may make the selection of lands. In this case the regional corporation may exercise the right to nominate and exercise preferential selection rights throughout the region. (Each village separately would otherwise be limited to its Native claim area.)

12. The village is encouraged to contract with the Alaska State Division of Lands for land management, with the village to retain policy control. The Division now has contracts with several boroughs for the management of borough lands.

13. Because many villages are on or are surrounded by reservations and withdrawn lands, the federal law must provide an effective means of obtaining some of these lands for township selection. Specifically, up to 100,000 acres of forest lands should be made available, subject to the approval of the Secretary of Agriculture. Also, villages should have a priority right of selection when reservations and withdrawals are canceled.

14. Villages on Indian reservations will obtain title to reservation lands, and the reservations will be terminated.

15. Native township grant lands will be considered federal lands for the purpose of allocating federal highway funds until such lands are in private ownership and are taxable.

16. Existing occupants of township grant lands will have preference rights in acquiring title thereto.

OFFSHORE ROYALTIES

1. The offshore royalty program as suggested by Secretary Udall is acceptable as a part of an over-all settlement.

2. This program, as redrafted by your Task Force, includes:

(a) A ten percent (10%) royalty as a present property interest for not less than twenty-five (25) years.

(b) The royalty will be distributed in proportion to the final rolls, to three classes of recipients. (1) All villages (corporations)—75% (2) All regional corporations—20% (3) A statewide Native corporation—5%.

(c) The United States is committed to develop the outer continental shelf.

3. The royalty should not be used for per capita distribution in cash, but should be available for family plan distribution, scholarships and other direct benefit to members until the corporation or regional corporation becomes a pure business corporation. There should be a limit on such distributions to avoid dissipation of the assets of the corporation.

4. The royalty shall not be a substitute for state or federal government programs now in being.

5. If Congress fails to enact the offshore royalty program, then a substitute will be provided, such as a program of compensation for lands reserved or disposed of to third persons.

If possible, such a substitute program should not involve a claims procedure in the Indian Claims Commission or the Court of Claims. However, if there is no other acceptable alternative, the following guidelines have been suggested:

(a) File in the Court of Claims.

(b) Each group may file its own claim.

(c) Each group may retain its own counsel.

(d) Valuation for compensation shall be determined by the times of taking, not 1867.

(e) As to reserved and withdrawn lands, the United States may release such areas within six months after filing of the claims case. If it does not do so, that shall be the date of taking.

6. As to the offshore royalty, $20,000,000 shall be provided by appropriation as an advance on royalties, to be repaid without interest from one-half of the actual royalties.

7. In computing the 25 year term, the following years are excluded:

(a) Any year in which no moneys are received.

(b) Any year in which less than $1,000,000 is received.

(c) Any year in which a portion of the proceeds goes to repay the advance royalty.

The effect of these exclusions is to guarantee receipt of at least $65,000,000, assuming there are revenues.

8. The royalty continues after 25 years, until modified or terminated by Congress.

STATE GRANTED ROYALTIES

1. The grant of royalties by the state to the Natives shall be by act of the Alaska Legislature granting a present property right in perpetuity.

2. The state act shall include the following:

(a) Paragraphs 3–4 under "Offshore Royalties" are applicable to this program also.

(b) The royalty shall include all proceeds received by the state from leases or other contracts on state selected lands executed after the effective date of the act, which would therefore exclude revenues from existing leaseholds and contracts and from lands finally disposed of to third parties before that date.

(c) The royalty rate shall be 5%.

(d) The royalty shall be distributed in the same manner as the outer continental shelf royalties.

(e) The royalty shall extend to tide and submerged lands granted the state in the Statehood Act.

(f) The royalty does not extend to proceeds received by the state from federal leases, e.g., the 90% share received under the Statehood Act.

SURFACE RIGHTS

1. The existence of Native use and occupancy of lands should be recognized and may continue.

2. The surface use provisions of Secretary Udall's bill should be adapted to our proposal. The period should be lengthened to 100 years.

3. The right of surface use shall be terminable by act of the executive.

4. On the question of compensation for termination of surface rights, because of the desire to avoid litigation, compensation will not be necessary if a satisfactory overall settlement is reached.

MISCELLANEOUS

1. The Alaska Native Claims Commission, as proposed by Secretary Udall's bill and by Attorney General Boyko, can be adapted to the settlement proposed as follows:

(a) It would be called the Alaska Native Commission.

(b) Established by Federal Act, it would settle overlapping claims for such purposes as determining which village is entitled to select township lands in the disputed area. The Commission would be given jurisdiction to hear other similar disputes.

(c) The Commission would be an advisor to the Governor on the utilization of state lands subject to state royalty and could be an advisor to the Secretary of the Interior as to utilization of the outer continental shelf.

(d) After each village makes its initial selection the Commission might be given the duty of determining what areas are thereby opened to state selection.

(e) The Commission would not be given the power to manage the property or property rights granted to the villages, regional corporations or the statewide corporation. The Commission would not have the power of selection. If there is compensation (instead of an offshore royalty) the Commission would not hear these cases as this appears to add a cumbersome and time-consuming additional step in the litigation.

(f) The Commission would be given limited rights of approval or veto power over the several classes of corporations, for limited periods of time.

(g) The Commission would meet in Alaska.

(h) The Governor and statewide Native groups may suggest persons for membership on the Commission.

(i) The state could vest certain powers in the Commission.

(j) The Commission would consist of seven members, appointed by President, with the advice and consent of the Senate, all of whom would be Alaskans of five years residence, and a majority of whom would be Natives.

2. Certain Alaska cases are pending before the Indian Claims Commission and one case is before the Court of Claims. Our recommendations concerning these are:

Any claimant in court or before the Indian Claims Commission should have the option of withdrawing its claim and participating in the settlement.

If the claimant chooses to proceed with its claim there is strong sentiment that the claimant should nevertheless have full benefits under the settlement. However, any judgment proceeds received would be deducted from the outer continental shelf revenues which the claimant would otherwise receive.

3. The question of whether a person may be enrolled on the rolls of more than one village was raised and it was decided that each Native may choose "his village" but may be enrolled only once.

4. The Metlahkatla Indians are excluded from any benefits.

5. The enrollment of the urban Native would be upon the rolls of "his" village.

6. Generally, it appears desirable to strengthen the regional associations (regional corporations) as better and more effective leadership may be available at this level. Merger of villages into the regional corporation will be provided for. No more than 20 regional corporations will be allowed, which will cover all of Alaska, except the Annette Island Reservation.

7. Generally, the Native corporations will be organized under the Alaska Business Corporations Act, modified to meet the peculiar nature of these corporations, but anticipating gradual conversion into an ordinary business corporation.

However, local corporations may, if they desire, organize or continue to operate as corporations under the Indian Reorganization Act. Many such corporations already exist in Alaska, and some village groups undoubtedly would prefer to remain in that business status.

CONCLUSION

We have devoted many days of serious effort to this project. Many ideas and possible solutions have been deliberated. The above program represents our best judgment in reconciling the numerous needs and interests which must be accommodated in any adequate solution to the problem.

At all times we have endeavored to find solutions which are compatible with the needs of the federal and state governments, as well as the Natives of Alaska. We are aware of the responsibility placed upon us. We feel that there is now a sound legislative format which can lead us safely out of the grave difficulties presented by the Native land claims problem.

We want to thank you for your concern and foresight in setting up this Task Force, so that we could participate directly in the process of policy making on a subject which affects the life of every Alaska Native. There has been failure in the past to recognize that the situation of the Alaska Native is a primary historic problem confronting the state of Alaska. It cannot be ignored without harm to the public interest of this State. A solution must be found now, as a lack of action will only bring a worse train of events in its wake.

We urge the adoption of this program as a proper and just solution on terms fair to all.

Respectfully,

WILLIE HENSLEY,
Chairman.

THE VETERANS IN PUBLIC SERVICE BILL

Mr. YARBOROUGH. Mr. President, I am today introducing on behalf of myself and the Senator from Massachusetts [Mr. KENNEDY], the veterans in public service bill—legislation which will go a long way toward giving an opportunity to the American fighting man to direct his talents to those areas of society where his vigor and dedication are most desperately needed.

The Bible directs us to beat our swords into plowshares, and that is what this legislation will do. In place of a carbine the soldier who has come home from battle will wield books and maps and other tools of knowledge as a teacher in the classrooms of America's inner city and deprived rural areas—where he is needed most.

The energy that enables our soldiers to march for days and nights on end will be enlisted to keep our streets safe from crime and violence.

Through this legislation, the American soldier will continue to serve his country, manning the classroom instead of a sentry post or a hospital operating room instead of a medical bay.

The Veterans in Public Service Act will make possible this transition in the role of our soldier from defending our country to improving our country.

In his message on veterans' benefits, President Johnson described how the program would work for the veteran who chooses to teach in a deprived area:

> While he is getting the schooling that will qualify him for teaching, he will draw additional benefits of $50 a month for every month he agrees to teach—up to three years of such extra benefits.
>
> While he is actually on the job teaching, he will draw a special training allowance, in addition to his regular salary—$80 a month for the first school year, $60 a month for the second.
>
> Should he decide to pursue a graduate degree while he is still teaching, he could—by continuing to teach beyond the second year—earn additional GI Bill educational benefits.

By providing such incentives to our discharged military men we will help to fill one of the most awesome manpower gaps in the country—that in the public sector. Our schools are crying for teachers and teacher aides; our police and fire departments are undermanned; hospitals and clinics are unable to provide the quality and quantity of service they should—all for want of trained professional and nonprofessional personnel.

I have long been a champion of providing increased adjustment benefits for our returning soldiers; the passage of the cold war GI bill into law is witness of my philosophy. Now, through the Veterans in Public Service Act, we will recognize the talents that the GI bill training has helped to cultivate, and we will suggest that those talents be directed toward the service of society.

It should be clear by now that legislation of this sort is a sound investment for the Congress to make. It is an investment in our returning GI's, but it is more than that; it is an investment in America—an investment that yields a measurable return of 200 to 300 percent on the dollar and an immeasurable return on the quality of American life.

Under the World War II and Korean GI bills some $15 billion were spent on training and rehabilitation. As a result, the young men—and there were approximately 11 million of them—who were trained increased their abilities and increased their incomes so that through taxation they repaid to society the investment made in them. That repayment was made at the rate of roughly a billion dollars a year so that our World War II and Korean investments have already been repaid, and will, during the earning lifetime of the individuals who received training, be repaid two or three times over.

I am confident that Congress will recognize the importance of the Veterans in Public Service Act and give it the highest priority on its agenda of legislation for this session.

At this point, Mr. President, I ask that a copy of the bill for veterans in public service be printed in the Record, along with a section-by-section analysis of it and tables showing the first 5-year costs of the act.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, section-by-section analysis, and tables will be printed in the Record.

The bill (S. 2910) to provide special encouragement to veterans to pursue a public service career in deprived areas, introduced by Mr. Yarborough (for himself and Mr. Kennedy of Massachusetts), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the Record, as follows:

S. 2910

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans in Public Service Act of 1968."

Section 2(a) chapter 34 of title 38, United States Code, is amended by adding at the end thereof a new subchapter V as follows:

"SUBCHAPTER V—VETERANS IN PUBLIC SERVICE

"§ 1690. Purpose; definitions

"(a) This subchapter is intended to furnish special encouragement and economic support to veterans who are willing to devote a part of their lives to preparing for and pursuing teaching or other public service careers in deprived areas.

"(b) For the purposes of this subchapter—

"(1) The term 'deprived area' means an area, whether urban or rural, in which the Administrator finds that there is a substantial concentration of low income families.

"(2) The term 'qualified veteran' means a veteran who (A) is an 'eligible veteran' as defined in section 1652(a) of this title, or (B) met the basic eligibility requirements for education and training benefits under title II of the Servicemen's Readjustment Act of 1944 (part VIII of Veterans Regulation Numbered 1(a)), or former chapter 33 of this title, or (C) meets or met the basic eligibility requirements to receive vocational rehabilitation under chapter 31 of this title.

"(3) The term 'public service career' means an occupation such as teacher or policeman, which the Administrator finds to be one which meets a necessary community need and to be in short supply, either generally or in deprived areas.

"(c) In making determinations pursuant to subsection (b) above, the Administrator will consult with appropriate other officials of the government.

"§ 1691. Additional educational entitlement to upgrade professional skills

"(a) Any qualified veteran who agrees to pursue a public service career (including service described in section 1693(a)(2) of this chapter) in a deprived area for not less than two years may be afforded additional entitlement to educational assistance under this chapter on the basis of one month's entitlement for each month, or portion thereof, not to exceed thirty-six months total, during which he is pursuing such a career in a deprived area.

"(b) Entitlement under the provisions of this section:

"(1) may be earned solely on the basis of service in a deprived area subsequent to the date of enactment of this section;

"(2) shall be available to a qualified veteran during the period commencing after the completion of one year's service (twelve continuous months, or, with respect to teaching, an academic year), in a deprived area, but not later than eight years after maximum entitlement has been earned.

"(c) No additional entitlement may be afforded a qualified veteran pursuant to subsection (a) of this section when such additional entitlement added to any unused and current entitlement the veteran may have earned under this chapter, exceeds thirty-six months, but such additional entitlement shall not be subject to the limitations of section 1661(b) of this chapter.

"§ 1692. Residencies in teaching

Any qualified veteran who, previous to the date of enactment of this section, has not taught in a deprived area for a period of two years may elect to receive a training assistance allowance as provided herein during the period required to complete two years of teaching in a deprived area. The training assistance allowance of an eligible veteran pursuing a residency in teaching shall be that provided under section 1683 of this title, except that the reduction in amount prescribed in the table of that section shall apply to an 'academic year' rather than to six-months intervals.

"§ 1693. Other public service careers

"(a) The Administrator may, by regulation, provide incentive benefits for qualified veterans who agree to engage for a period of at least two years—

"(1) in a public service career, other than teaching, in an area or areas which the Administrator may determine has need for such service; or

"(2) in a program consisting of organized activities in a deprived area which will contribute to his qualifications for entering a public service career (including participation in a Federal volunteer program) which may or may not be combined with institutional courses available under some other Federal law.

In determining the areas for which incentive benefits may be paid under paragraph (1) of this subsection, the Administrator may distinguish, with respect to any public service career, between service in a deprived area, service in a political subdivision, which includes a deprived area, and public service generally.

"(b) Payments under this section:

"(1) may not exceed the rates set forth in section 1683 of this title and may not extend over a period of more than two years or the period necessary to complete two years of such service, whichever is the lesser.

"(2) may be made only to a qualified veteran on the basis of service subsequent to the date of enactment of this section.

"§ 1694. Supplementary training allowance

"(a) Any qualified veteran who is pursuing, on a full-time basis, as defined by the Administrator, a program of education (or a combination of education and training) which would qualify him for a public service career, designed by the Administrator pursuant to subsection (b) below, and who agrees to pursue such public service career in a deprived area for at least two years after the completion of his program, may receive supplementary training allowance of $50 per month while pursuing such program, in addition to any educational assistance allowance provided by section 1682 of this title to which he may be entitled.

"(b) With respect to public service careers, other than teaching, the Administrator may designate those public service careers, which will afford eligibility under this section, either on a nationwide basis or based on special conditions in the deprived area or areas in which the qualified veteran has agreed to serve.

"(c) No allowance authorized pursuant to subsection (a) or (b) of this section may be paid for a period of education or training longer than the period the qualified veteran has agreed to serve in a deprived area.

"§ 1695. General provisions

"(a) The Administrator, in the case of a qualified veteran who agrees to pursue a public service career in a deprived area for at least two years, may waive any or all delimiting dates upon the use of entitlement earned but unused under part VIII of Veterans Regulation Numbered 1(a) or the former chapter 33 of this title, or upon the receipt of vocational rehabilitation under chapter 31 of this title. Any entitlement under any of the foregoing laws restored pursuant to this subsection (1) shall be deemed to be entitlement to educational assistance under this chapter; (2) shall be made available only for such periods as the qualified veteran is in pursuit of a program under which he is also eligible for supplementary training allowance pursuant to section 1694 of this chapter; and (3) in no event may exceed thirty-six months.

"(b) Training assistance allowances and incentive benefits authorized by section 1692 or 1693 of this chapter, respectively, may be authorized without charge to, and irrespective of, any entitlement to educational assistance the veteran may have under this chapter, but no additional educational entitlement may be afforded under section 1691 of this chapter on the basis of any period of service for which a training assistance allowance or an incentive benefit pursuant to sections 1692 or 1693 of this chapter is paid.

"(c) Notwithstanding any other law, an eligible veteran employed by the United States or by the District of Columbia to teach or to render service as otherwise provided by this subchapter may receive a training allowance or an incentive benefit in addition to his compensation for such service.

"(d) In the event a qualified veteran breaches his agreement to serve in a deprived area, any amount paid to him by way of supplementary training allowance pursuant to section 1694 of this chapter shall be considered an overpayment and recoverable as a debt by the Government unless waived pursuant to section 3102(a) of this title.

(b) The Analysis at the head of chapter 34 of title 38, United States Code, is amended by adding thereto the following:

"SUBCHAPTER V—VETERANS IN PUBLIC SERVICE

"1690. Purpose; definitions.

"1691. Additional educational entitlement to upgrade professional skills.

"1692. Residencies in teaching.

"1693. Other public service careers.

"1694. Supplementary training allowance.

"1695. General provisions."

The section-by-section analysis presented by Mr. Yarborough is as follows:

Section-by-Section Analysis

The first section would provide that the bill may be cited as the "Veterans in Public Service Act of 1968."

Section 2(a) would amend chapter 34 of title 38, United States Code, by adding a new subchapter V entitled "Veterans in Public Service", consisting of the following new sections:

PURPOSE DEFINITIONS

Section 1690(a) would state that the purpose of the subchapter is to furnish encouragement and economic support to veterans to devote a part of their lives preparing for and pursuing public service careers in deprived areas.

Section 1690(b) would define the following terms:

"Deprived area"—as an area, urban or rural, in which the Administrator finds that there is a substantial concentration of low income families. This definition would permit the Administrator to define as a "deprived area" an entire geographical area, urban or rural, or small segments or pockets of urban or rural areas. What constitutes a deprived area will, of necessity, vary as applied to specific public service occupations.

"Qualified veteran"—as a veteran who is eligible for benefits under section 1652(a) of this title or who met the basic eligibility requirements to receive educational assistance allowance under the World War II educational assistance program, the Korean conflict educational assistance program, or who meets or has met basic eligibility requirements for vocational rehabilitation for veterans with a service-connected disability. Hence, a qualified veteran would include an otherwise eligible veteran for educational assistance based on World War II service, Korean conflict service, or service subsequent to January 31, 1955, as well as any veteran who qualifies to receive vocational rehabilitation under chapter 31 of title 38.

"Public service career"—as an occupation, such as teacher or policeman, which the Administrator finds to be one meeting the necessary community needs and in short supply, either generally or in deprived areas. Such careers could include firemen, and hospital workers, as well as others.

In making findings under subparagraph (b) of this section the Administrator will consult with appropriate other officials of the Government such as the Secretary of Health, Education, and Welfare, the Secretary of Labor, and the Director of the Office of Economic Opportunity.

ADDITIONAL EDUCATIONAL ENTITLEMENT TO UPGRADE PROFESSIONAL SKILLS

Section 1691 would provide for additional educational entitlement to upgrade professional skills. It would permit a qualified veteran who agreed to pursue a public service career in a deprived area for at least two years to earn additional entitlement to educational assistance under chapter 34 of title 38 (the new veterans educational assistance program) on the basis of one month's entitlement for each month or portion of a month during which he pursued such a career in a deprived area. Entitlement could only be earned for service in a deprived area subsequent to the date of enactment of the section and would be available for use by the qualified veteran during the period commencing after the completion of one year's service (or an academic year in the case of a teacher) but not later than eight years after he had earned maximum entitlement. The maximum entitlement which can be earned under this section cannot exceed thirty-six months. Moreover, accrued unused entitlement, including that earned under this section together with that otherwise earned and unused under chapter 34 cannot exceed 36 months at any one time. Entitlement earned is not subject to the limitations of section 1661(b) of this title. Thus, entitlement previously used under chapters 31, 33, 34 and 35 would not be deducted from that earned under this section. Hence, while a qualified veteran could utilize in excess of thirty-six months entitlement, he could not have, at any one time, accrued and unused in excess of thirty-six months entitlement.

RESIDENCIES IN TEACHING

Section 1692 provides that any qualified veteran who, previous to the date of enactment of this section, has not taught in a deprived area for a period of two years may elect to receive training assistance allowance during the period required to complete two years of teaching experience in a deprived area. The training assistance allowance payable is that provided for on-job training under section 1683 of title 38, except that the reductions in the amount are geared to an "academic year" rather than six-month intervals. Hence, a single veteran without dependents would draw $80 per month during the first academic year and $60 per month during the second academic year of teaching in a deprived area, with corresponding higher amounts for dependents.

OTHER PUBLIC SERVICE CAREERS

Section 1693 provides for special incentives for other public service careers by permitting the Administrator, by regulation, to provide incentive benefits for public service careers other than teaching. It would authorize payment of incentive benefits to qualified veterans pursuing public service careers such as policeman, fireman, and hospital workers and, in addition, would authorize payment of such benefits to qualified veterans participating in programs of organized activities in a deprived area such as the Vista program.

The incentive allowances under this section may not exceed the rate set forth in section 1683 of title 38 and may not be paid for more than two years. Further, they may be paid only on the basis of public service or participation in organized activities in a deprived area, subsequent to the date of enactment of the section.

In determining areas for which incentive benefits may be paid to eligible veterans pursuing a public service career under this section, the Administrator may distinguish between services in a deprived area, service in any political area which includes a deprived area and public service generally. This language would permit the authorization of incentive benefits for service in cities or rural counties which would encompass in part deprived areas as well as areas which, in their entirety, meet the definition of "deprived areas", and would allow a variance in the boundaries of such areas for the purpose of specific public service careers. Thus, an eligible veteran pursuing a career as a policeman in a city or county which includes, in part, a deprived area might qualify to receive benefits under this section, while one pursuing another career, otherwise eligible, might not qualify for such benefits unless he pursued his career within the limits of a specific "deprived area". Further, the Administrator could find that some specific public service career, for which there may be no particular need, would not qualify for benefits regardless of where the person served. In rare instances when found to meet the purposes of the subchapter, a career in public service generally could meet the requirements. Participation in a program of organized activities must be performed in a "deprived area" to qualify for incentive benefits under this section.

SUPPLEMENTARY TRAINING ALLOWANCE

Section 1694(a) would provide a supplementary training allowance of $50 per month in addition to any educational assistance allowances otherwise payable under chapter 34 to a qualified veteran pursuing, on a full-time basis, a program of education (or a combination of education and training) that would qualify him for a public service career if he agrees to pursue such public service career in a deprived area for at least two years after completion of his program.

This would mean that a veteran having eligibility for educational assistance based on service in World War II, the Korean conflict, or subsequent to January 31, 1955, could pursue a program of education under chapter 34 of title 38, qualifying him for a public service career and if he agreed to pursue such a career in a deprived area for two years, he could receive $50 per month in addition to the educational assistance allowance to which he would otherwise be entitled. Thus, a single veteran with no dependents would receive $50 per month in addition to the $130 per month educational assistance allowance. Moreover, a qualified veteran pursuing a federal program such as the Teacher Corps, while not entitled to educational assistance allowance because of the prohibition against duplication of benefits contained in section 1781 of title 38 could receive the $50 per month supplemental training allowance under this section.

For the purposes of section 1694(a), the Administrator may designate the other public service careers, other than teaching, for which eligibility under this section may be afforded. He may designate such public service careers either on a nationwide basis, or based on conditions in certain specific deprived areas where the qualified veteran has agreed to serve. Benefits could be paid under this section without regard to section 1781 of title 38 which prohibits duplication of benefits. The supplemental allowance could not be paid for a period longer than that for which the veteran has agreed to serve in a deprived area. Any amounts paid by way of supplementary training allowances would be recoverable by the Government from the veteran in the event he breaches his agreement to serve in a deprived area.

GENERAL PROVISIONS

Section 1695(a) permits the Administrator to waive all delimiting dated upon the use of entitlement earned under the World War II, Korean conflict and service after January 31, 1955, GI programs, or upon the receipt of vocational rehabilitation of chapter 31 of this title. Any entitlement restored by reason of such a waiver is deemed to be entitlement to educational assistance under chapter 34 of title 38 and may be made available only while the veteran is pursuing a program under which he is eligible for supplementary training allowances pursuant to section 1694 of this chapter. In no event may he be restored more than 36 months entitlement.

Subsection (b) provides that training assistance allowances for incentive benefits authorized by section 1692 or 1693 may be paid without charge to, or irrespective of, any entitlement to educational assistance the veteran may have under chapter 34. No additional educational entitlement may be afforded under section 1691 of this chapter because of pursuit of service for which a training assistance allowance or incentive benefit is paid pursuant to section 1692 or 1693. Subsection (c) makes clear that there would be no bar to the payment of training assistance pursuant to section 1692 and incentive benefits pursuant to section 1693 to employees of the United States and the District of Columbia in addition to their salary.

Subsection (d) provides that in the event a veteran breaches his agreement to serve in a deprived area, any supplementary training allowance paid to him pursuant to section 1694 of this chapter shall be considered an overpayment and recoverable as a debt unless the overpayment is waived pursuant to section 3102(a) of title 38.

Section 2(b) is technical in nature amending the analysis at the head of chapter 34 of title 38 to include the new subchapter V, "Veterans in Public Service."

The tables presented by Mr. YARBOROUGH are as follows:

FIRST 5-YEAR COST OF VETERANS IN PUBLIC SERVICE ACT OF 1968

USAGE OF ENTITLEMENT WHICH WAS RESTORED FOR SERVICE IN DEPRIVED AREAS

Year	Cases	Direct benefits cost
1st	700	$600,000
2d	2,200	1,800,000
3d	3,100	2,600,000
4th	2,900	2,400,000
5th	2,900	2,400,000
5-year total		9,800,000
TEACHERS RESIDENCY		
1st	19,900	$12,600,000
2d	19,800	11,500,000
3d	8,800	5,100,000
4th	7,300	4,600,000
5th	6,600	4,200,000
5-year total		38,000,000
PUBLIC SERVICE WORKERS		
1st	5,000	$5,900,000
2d	13,000	15,300,000
3d	15,000	17,700,000
4th	16,000	18,900,000
5th	16,000	18,900,000
5-year total		76,700,000
SUPPLEMENT TO TRAINING ALLOWANCES—$50		
1st	12,500	$4,400,000
2d	13,100	5,000,000
3d	14,500	5,500,000
4th	14,500	5,500,000
5th	14,500	5,500,000
5-year total		25,900,000

ADMINISTRATIVE

Year	Cost
1st	1.1
2d	1.7
3d	1.5
4th	1.5
5th	1.5
5-year total	7.3

Note: It is estimated that administration will require 125 additional employees at an average grade of GS-9.

VOCATIONAL REHABILITATION TRAINING

Mr. YARBOROUGH. Mr. President, the second bill that I am introducing today, on behalf of myself and the Senator from Massachusetts [Mr. KENNEDY], is designed to improve the vocational rehabilitation training for service-connected veterans by authorizing pursuit of such training on a part-time basis.

This bill will cover an important but neglected segment of veterans who have service-connected disabilities. For example, a veteran may presently be employed full time at an occupation that provides an adequate income for himself and his family, but he may have a disability which progressively gets worse and worse. Because his present job is adequate, he may not see the need for receiving vocational rehabilitation or may not be able to afford to receive full-time training by quitting his present job. By the time his disability has progressed to the point that he can no longer work at his present job, his eligibility for vocational rehabilitation may have run out, since eligibility expires in 9 years.

Without some kind of part-time vocational rehabilitation, a veteran may be faced with the grim alternatives of working full time to support his family or receiving vocational rehabilitation training full time with a seriously reduced income.

Under the bill I am introducing today, such a veteran will be able to receive vocational rehabilitation training part time and continue to work at his regular job. In this way, as the veteran's disability grows progressively worse he can gradually receive training that will allow him to pursue a different vocation.

Experience has shown that some eligible veterans who would have benefited from a vocational rehabilitation training program have had to forgo the pursuit of such a program because of their economic situation. If the law had permitted, they could have gained benefits through a part-time program which would have allowed them to supplement their income by full- or part-time employment.

The administration's Vocational Rehabilitation and Education Advisory Committee, established pursuant to section 1788 of title 38, considered this problem in depth and recommended that necessary steps be taken to authorize the pursuit of part-time institutional training for chapter 31 trainees.

The full-time requirement has often worked to the detriment of those veterans in need of training who would rather continue unsuitable employment than risk the uncertainty of full-time training. These persons have been reluctant to give up their jobs to take training on a full-time basis because they lacked confidence in themselves or the program and had no assurance that such training would improve their job potential.

The estimated cost of direct benefits for fiscal year 1969 would be $4,200,000. The number of trainees per month for 1969 would be 2,100, for 1970 and 1971—2,600, and would gradually decline after that to 2,300 in 1973.

At this point, Mr. President, I ask that a copy of the bill for part-time vocational rehabilitation be printed in the RECORD, along with an analysis of the bill and an explanation showing the changes in the existing law.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, analysis, and explanation will be printed in the RECORD.

The bill (S. 2911) to amend title 38 of the United States Code to improve vocational rehabilitation training for service-connected veterans by authorizing pursuit of such training on a part-time basis, introduced by Mr. YARBOROUGH (for himself and Mr. KENNEDY of Massachusetts), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

S. 2911

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1504 of title 38, United States Code, is amended by (1) deleting in subsection (b) the table contained therein in its entirety and substituting in lieu thereof the following:

"Column I	Column II	Column III	Column IV
Type of training	No dependents	One dependent	Two or more dependents
Institutional:			
Full time	$110	$150	$175
Three-quarters time	80	110	130
Half time	55	75	85
Institutional on-farm, apprentice or other on-job training: full time	95	125	150";

and (2) inserting in the first sentence following the table immediately before the word "trainee" the following: "full-time"; and (3) by inserting at the end of such section immediately after subsection (c) the following new subsection:

"(d) The Administrator shall define full-time and part-time training in the case of all eligible veterans pursuing a course of vocational rehabilitation training under this chapter."

The analysis of the bill presented by Mr. YARBOROUGH is as follows:

ANALYSIS OF THE BILL

(To amend title 38 of the United States Code, to improve vocational rehabilitation training for service-connected veterans by authorizing pursuit of such training on a part-time basis.)

The bill would amend section 1504 of title 38, to provide for a schedule of subsistence allowance rates for three-quarter and half-time training. The subsistence allowance for institutional training on a three-quarters-time basis for a veteran without dependents would be $80, with one dependent $110, and with two or more dependents $130, while half-time training would be $55, $75, and $85 per month. No allowance would be paid for institutional training on a less than half-time basis and institutional on-farm, apprentice and other on-the-job training on less than a full-time basis. The additional $5 per month for each dependent in excess of two which is currently being paid would continue to be applicable to veterans pursuing training on a full-time basis only.

The bill would also add a new subsection (d) to section 1504, authorizing the Administrator to define full-time and part-time pursuit of a course of vocational rehabilitation training under this chapter.

The explanation presented by Mr. YARBOROUGH is as follows:

CHANGES IN EXISTING LAW

TITLE 38—VETERANS' BENEFITS

* * * * *

PART III—READJUSTMENT AND RELATED BENEFITS

* * * * *

§ 1504. Subsistence allowances

(a) While pursuing a course of vocational rehabilitation training and for two months after his employability is determined, each veteran shall be paid a subsistence allowance as prescribed in this section.

(b) The subsistence allowance of a veteran-trainee is to be determined in accordance with the following table, and shall be the monthly amount shown in column II, III, or IV (whichever is applicable as determined by the veteran's dependency status) opposite the appropriate type of training as specified in column I:

[Column I	Column II	Column III	Column IV
Type of training	No dependents	One dependent	Two or more dependents
Full-time institutional training	$110	$150	$175
Institutional on-farm, apprentice or other on-job training	95	125	150]

Column I	*Column II*	*Column III*	*Column IV*
Type of training	*No dependents*	*One dependent*	*Two or more dependents*
Institutional:			
Full time	*$110*	*$150*	*$175*
Three-quarters time	*80*	*110*	*130*
Half time	*55*	*75*	*85*
Institutional on-farm, apprentice or other on-job training; full time	*95*	*125*	*150*

Where any *full-time* trainee has more than two dependents and is not eligible to receive additional compensation as provided by section 315 or section 335 (whichever is applicable) of this title, the subsistence allowance prescribed in column IV of the foregoing table shall be increased by an additional $5 per month for each dependent in excess of two.

(c) Where the course of vocational rehabilitation training consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement in writing showing any wage, compensation, or other income paid by him to the veteran during the month, directly or indirectly. Based upon such written statements, the Administrator is authorized to reduce the subsistence allowance of such veteran to an amount considered equitable and just.

(d) *The Administrator shall define full-time and part-time training in the case of all eligible veterans pursuing a course of vocational rehabilitation training under this chapter.*

Mr. YARBOROUGH. Mr. President, both of these bills represent an investment—not only an investment in the men who have laid their lives on the line in defense of America, but an investment in America herself. We have reaped, and we continue to reap, the fruits of our investment in the World War II GI bill, the Korean GI bill, and the cold war GI bill. The bills I introduce today will capitalize on those investments and, by channeling the talents of our soldiers into those areas of the country most in need of talent, provide an added return on our investment.

Mr. KENNEDY of Massachusetts. Mr. President, first I wish to say how delighted I am to associate myself with the efforts of the distinguished Senator from Texas [Mr. Yarborough], and also to succeed him, as well as the distinguished Senator from West Virginia [Mr. Randolph], as the new chairman of the Veterans' Affairs Subcommittee.

As the newly designated chairman of the Veterans' Affairs Subcommittee, it is both a pleasure and an honor to be acting jointly with the distinguished senior Senator from Texas in introducing these two important bills today.

Senator Yarborough has fathered much of the legislation which is today making the lives of our veterans richer, better, more productive, and fuller. As the new chairman of the Veterans' Affairs Subcommittee, I will continue to press for enactment of legislation embodying the goals established by the Senator from Texas.

The two bills we introduce today are administration bills. They are both needed. They are imaginative. They recognize both the special position of veterans and the special needs of our society. They both merit speedy enactment. As chairman of the Veterans' Affairs Subcommittee, I will do all I can both to speed their enactment and to see that they are strong enough to have their intended effects.

I shall discuss, briefly, the two bills.

VETERANS IN PUBLIC SERVICE

The first is the Veterans in Public Service Act of 1968. The purpose of this bill was plainly stated in the President's message on veterans affairs:

> To provide incentives to channel the talents of the veteran to the most urgent needs of rural and urban America today: To teach the children of the poor; to help man understrength police forces and fire departments; to do meaningful work in local hospitals, where skills are short; to fill the ranks of VISTA, to work in Youth Opportunity Centers and in the Concentrated Employment Program.

The incentives and encouragements the bill offers a number of different forms. They come on top of the regular benefits available to veterans under the GI bills. Under the proposals, qualified veterans who agreed to pursue a public service career in a deprived area for at least 2 years would receive additional entitlement to educational assistance under the GI bill. This additional entitlement would be on the basis of 1 month's entitlement for each month's service in the public service job. Thus, a veteran who worked as a policeman for 2 years would earn an additional educational assistance, also for a 2-year period.

Residencies in teaching are the second form of inducement. A qualified veteran who has not previously taught in a school in a deprived area could elect to receive a training assistance allowance for the 2-year period he did teach in such a deprived area school. For a single veteran without dependents, this allowance would total $80 per month the first year and $60 per month the second year. For married veterans, the allowance is correspondingly higher.

The third form of incentive is payment of incentive benefits to qualified veterans who pursue careers in public service careers other than teaching. These would include policemen, firemen, hospital workers, VISTA volunteers, and others found qualifying by the Administrator of the Veterans' Administration. These incentive payments could not extend for more than 2 years.

The fourth form of incentive is an allowance to supplement the regular benefits of the GI bill, for veterans who agreed to pursue public service jobs for at least 2 years after completion of his academic training. This incentive would be an additional allowance of $50 per month.

This is a comprehensive system of encouragements, and it should have a material impact. The Veterans' Administration has estimated that in the first year of program operation, about 38,000 veterans would be involved in one or another of the programs. The number would rise in successive years.

There is a distinct need for public service employment of the type envisioned by the proposed legislation. Let me cite a few examples.

The report of the Commission on Law Enforcement and the Administration of Justice says:

> Due to the great difficulties of attracting capable personnel, almost all large police departments in the United States are substantially below their authorized strength.

The average police force operates 5 percent below its quota. Police forces in large cities operate 10 percent below standard capacity. An additional 50,000 new police officers are needed every year.

The Teacher Corps bill, which the Senator from Wisconsin [Mr. Nelson] and I originally introduced in 1966, was aimed at one of the same problems this bill is: The availability of teachers in slum schools. The teacher-pupil ratios in schools in deprived areas, for example, are much higher than in other areas. In many schools in these areas, the problem is less one of teaching than of keeping order. The addition of new, dedicated men—veterans—to the teaching force in these schools can be a major factor in improving these schools.

A graphic example of the need for programs of this type is the health manpower shortage. The National Advisory Commission on Health Manpower recently reported on the shortages in health manpower, and when speaking about nurses said:

> The growth in demand during 1965–1975 will exceed growth in supply by about 100,000 nurses, further exaggerating what is already considered by many to be a critical shortage.

The Commission then recommended that:

> The Federal Government give high priority to the support under university direction of experimental programs which train and utilize new categories of health professionals.

This bill is one way of carrying out this recommendation.

There are many other vital public service jobs our States, local governments, and public service organizations need to have filled. As one further example, the National Advisory Council on Public Welfare reported in 1966 "an extreme shortage in qualified personnel for social welfare programs."

In sum, there are many manpower shortages in public service jobs—and this bill can make a significant contribution toward easing these shortages.

Mr. William J. Driver, the Administrator of Veterans' Affairs, expressed the rationale for the bill very succinctly in his letter transmitting the bill to the Senate. He said:

> This bill is intended to provide the incentive which will channel the talent, the wisdom, and the maturity of the veteran into the most urgent needs of rural and urban America today.

IMPROVED VOCATIONAL REHABILITATION TRAINING

The second bill would improve the existing program of vocational training available to veterans.

Under existing law, financial assistance for vocational rehabilitation training for veterans with service-connected disabilities is available only for full-time training. The program provides payments for a subsistence allowance, and also for tuition, fees, books, supplies, and equipment.

This program was designed to help disabled veterans restore their employability. As such, it is a compassionate and necessary program.

But its built-in limitations have reduced its effectiveness. There are many thousands of disabled veterans who, because of physical or economic limitations, simply cannot take part in a full-time training program. The bill, by authorizing part-time participation in vocational rehabilitation training programs, will bring the benefits of the program to the veterans who may need its help the most, but who do not qualify today.

CONCLUSION

There may be other areas in which the existing legislation providing aid and assistance to this country's veterans needs revision. As chairman of the Veterans' Affairs Subcommittee, I will look at this legislation. Where it is inadequate, or where it is out of date, I will try to make it realistic. In doing so, I will be following the leadership of the Senator from Texas [Mr. Yarborough] and the Senator from West Virginia [Mr. Randolph] my immediate predecessors as chairman.

I am particularly interested to see that our veterans hospitals are making the best possible care available to veterans, with the minimum of cost to the veterans themselves and to the Government.

America's veterans hold a special place in our history. They have stood in the front lines of the fight for freedom and liberty. They deserve our continuing support.

Mr. YARBOROUGH. Mr. President, I am honored to be cosponsor of the bill with the Senator from Massachusetts [Mr. Kennedy]. I want to congratulate him, and the veterans of America, on his being named today as chairman of Senate Veterans' Affairs Subcommittee.

I served as chairman of that subcommittee for several years. I joined the subcommittee 10 years ago and have been on it ever since. When I first began to serve on that subcommittee the late John F. Kennedy was also serving on it. I served with him until he became President of the United States.

When the Senator from Massachusetts [Mr. Kennedy] came to the Senate, he went on the Veterans' Affairs Subcommittee. When his brother, the Senator from New York [Mr. Kennedy] came here, he also went on the Veterans' Affairs Subcommittee. They both serve on it now. Thus, I have had the privilege, in my years in the Senate, to serve on the Veterans' Affairs Subcommittee with these three very able and distinguished brothers.

I am certain that with the great talent and dedication of the Senator from Massachusetts [Mr. Kennedy], the veterans of our land will be pleased to hear of his willingness to accept the subcommittee chairmanship.

The chairmanship of the subcommittee was open for several days. Other Senators were discussing accepting it. The Senator from Massachusettts agreed to take the chairmanship and is thus starting out with auspicious legislation which will mean much to the millions of veterans already discharged in this present period, and those who will come out of service in the future.

Once more, I congratulate and thank the Senator from Massachusetts for taking the chairmanship of the Veterans' Affairs Subcommittee.

PROPOSED SALE OF LANDS TO COLORADO RIVER COMMISSION OF NEVADA

Mr. BIBLE. Mr. President, I introduce, for appropriate reference, a bill to amend the act directing the Secretary of the Interior to sell certain lands in the State of Nevada to the Colorado River Commission of Nevada.

This measure will extend by another 5 years the period in which the State will be able to exercise its authority to acquire the designated lands.

Since the present act expires on March 6, 1968, I urge early hearings by the Senate Interior and Insular Affairs Committee.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2913) to amend the act directing the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada in order to extend for 5 years the time for selecting such lands, introduced by Mr. Bible, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

A BILL TO AUTHORIZE THE FURTHER AMENDMENT OF THE PEACE CORPS ACT

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to amend further the Peace Corps Act.

The proposed bill has been requested by the Director of the Peace Corps and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the Record at this point, together with the letter from the Director of the Peace Corps to the Vice President dated January 29, 1968, and a section-by-section analysis in regard to it.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, letter and analysis will be printed in the Record.

The bill (S. 2914) to authorize the further amendment of the Peace Corps Act, introduced by Mr. Fulbright, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the Record, as follows:

S. 2914

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 3(b) of the Peace Corps Act, as amended, which authorizes appropriations to carry out the purposes of that Act, is amended, by striking out "1968" and "$115,700,000" and substituting "1969" and "$112,800,000," respectively.

Sec. 2. Section 5 of the Peace Corps Act, as amended, which relates to Peace Corps volunteers, is amended as follows:

(a) In subsection (c), strike out "the Act of August 3, 1950, chapter 518, section 1 (5 U.S.C. 61f)" and substitute therefor "section 5582(b) of title 5 of the United States Code".

(b) In subsection (d), strike out "the Federal Employees' Compensation Act (39 Stat. 742), as amended" and substitute therefor "sections 8101–8150 of title 5 of the United States Code".

(c) In subsection (d)(1), strike out "the Classification Act of 1949, as amended," and substitute therefor "sections 5101–5115 of title 5 of the United States Code".

(d) In subsection (f)(1)(A), strike out "the Civil Service Retirement Act, as amended (5 U.S.C. 2251 et seq.)" and substitute therefor "sections 8331–8348 of title 5 of the United States Code".

(e) In subsection (h), strike out "(5 U.S.C. 2171 et seq.)" and substitute therefor "(50 U.S.C. 1451 et seq.)"; strike out "the Act of June 4, 1954, chapter 264, section 4 (5 U.S.C. 73b–5)" and substitute therefor "section 5732 of title 5 of the United States Code".

(f) In subsection (j), strike out "1757 of the Revised Statutes of the United States, as amended (5 U.S.C. 16)" and substitute therefor "3331 of title 5 of the United States Code".

Sec. 3. Section 7(a)(3) of the Peace Corps Act, as amended, which relates to Peace Corps employees, is amended by striking out "207 of the Independent Offices Appropriation Act, 1949, as amended (5 U.S.C. 118h)" and "title II of the Overseas Differentials and Allowances Act (5 U.S.C. 3031 et seq.)" and substituting therefor "5941 of title 5 of the United States Code" and "sections 5921–5925 of title 5 of the United States Code", respectively.

Sec. 4. Section 13 of the Peace Corps Act, as amended, which relates to experts and consultants, is amended as follows:

(a) In subsection (a), strike out "15 of the Act of August 2, 1946, as amended (5 U.S.C. 55a)" and substitute therefor "3109 of title 5 of the United States Code".

(b) In subsection (b), strike out "section 13 of the Civil Service Retirement Act, as amended (5 U.S.C. 2263)" and substitute threfor "sections 3323(b) and 8344 of title 5 of the United States Code".

Sec. 5. Section 14(b) of the Peace Corps Act, which relates to the detail of personnel to foreign governments and international organizations, is amended by striking out "1765 of the Revised Statutes (5 U.S.C. 70)" and substituting therefor "5536 of title 5 of the United States Code".

The letter and analysis presented by Mr. Fulbright are as follows:

Peace Corps,
Washington, January 29, 1968.

Hon. Hubert H. Humphrey,
President of the Senate.

Dear Mr. President: Enclosed for your consideration is draft legislation which will enable the Peace Corps to continue its work on behalf of world peace and understanding.

This legislation will authorize the appropriation of $112.8 million for the Peace Corps in Fiscal 1969. It will enable the Peace Corps to train an estimated 9,200 Volunteer applicants in the coming year, 1150 more than this year. It will also enable the total number of Volunteers and trainees serving at the end of the Peace Corps Program Year, August 31, 1969, to grow to about 15,200, approximately 600 more than the estimated number on August 31, 1968.

During the past year, the Peace Corps has increased the number of countries with which it has programs from 52 to 57, and requests for Volunteers have been received from several additional countries. Our program in 1969 calls for continued emphasis on more effective and more economical ways to recruit, select, train, program and support our Volunteers.

The Bureau of the Budget has advised that enactment of this legislation would be in accord with the program of the President.

Sincerely,

JACK VAUGHN.

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED ACT TO AMEND FURTHER THE PEACE CORPS ACT

The proposed act (the "bill") (to amend further the Peace Corps Act, as amended) ("the act"), authorizes new appropriations under the general authority in the act for appropriations to carry out the purposes of the act. The bill would accomplish this by striking out the amount and the reference to the fiscal year in that general authorization and substituting the new amount and the new fiscal year. Deletion of the amount and date in the general authorization, of course, has no effect on funds heretofore made available to carry out the purposes or provisions of the act.

The bill also includes technical amendments to reflect the 1966 codification of title 5 of the United States Code. No substantive changes are intended by these amendments.

Section 1.—Amends section 3(b) of the act, which relates to authorizations, to authorize the appropriation of $112,800,000 for fiscal year 1969.

Sections 2 through 5.—Amend sections 5(c), 5(d), 5(d)(1), 5(f)(1)(A), 5(h), 5(j), 7a(3), 13(a), 13(b) and 14(b) of the act to reflect the 1966 codification of title 5 of the United States Code.

ADDITIONAL COSPONSOR OF BILL

Mr. PEARSON. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Wyoming [Mr. HANSEN] be added as a cosponsor of the bill (S. 2134) to provide incentives for the establishment of new or expanded job-producing industrial and commercial establishments in rural areas.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The bill clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Mr. President, what is the rule before a second quorum call can be asked for?

The PRESIDING OFFICER. The Senator from Montana is advised, through the office of the Parliamentarian, that the rule is that business is supposed to be transacted between two completed quorum calls. However, this quorum call not having been completed, there is no rule.

THE BUDGET

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the lead editorial which was published in the Evening Star on yesterday be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONGRESS AND THE BUDGET

The President's $186.1-billion budget hardly overflows with surpluses. Its crucial issues were argued with remarkable clarity a week ago, before the House Ways and Means Committee—and the next significant chapter is apt to unfold in that same forum.

In essence, the new budget is advanced as a model of austerity, already pared to the bone, whose "first and foremost" necessity is congressional approval of the President's temporary surcharge on income taxes. This was precisely the pitch pursued in the House last week, to no resounding applause. While the full budget details were not then available, the basic figures were. At that time, Ways and Means Chairman Wilbur Mills made quite plain his view that the first order of business is going to be the matter of next year's federal spending. We suspect he was speaking for a majority of the Congress.

Against that background, the prospects of an amicable meeting of minds between Congress and the administration appear to be quite bleak.

Nevertheless, an effort in that direction must be made. In our view, the tax request is needed to avoid excessive borrowing and to depress other inflationary pressures which already are in effect. Prices rose about 4 percent during the last half of 1967 alone. On the basis of the proposed budget expenditures, the only alternative to a temporary tax boost is a deficit on the order of $20 billion.

It does not follow, of course, that the Johnson assessment of "rock-bottom" spending has to be taken at face value. In his comments last week some observers saw suggestions that Mills might be willing to initiate the tax-boost drive if relatively modest spending cuts were made in the budget Congress received yesterday. We hope, however, that Mills retains his tone of skepticism on this score, and that he is joined by the leaders of both parties in charge of appropriations.

The accepted pattern of budget presentation is of course to advance fiscal requests in bookkeeping forms which emphasize prudence and economy to the maximum extent possible—just as the contrary political purpose of the President's recent State of the Union message was to present the maximum illusion of progress. Thus, for example, the budget accurately emphasizes that the great bulk of the net increase of $10.4 billion in spending proposals next year is made up of defense and mandatory expenditures such as civil and military pay raises. It emphasizes, beyond that net figure, that new "selective" increases of about $3 billion for such programs as model cities, manpower and housing are largely offset by about $2.5 billion in "painful" reductions and deferrals of existing programs.

No doubt some of these "painful" cuts will also strike raw nerves in Congress, particularly in an election year. Whether Congress will maintain an attitude of restraint in acting on these curtailments, as well as viewing the increases with a skeptical eye, remains to be seen. Its obligation, however, is to recognize that the Vietnam war, which next year will impose a $26 billion burden upon the economy, requires a period of belt-tightening until the necessary military expenditures can be reduced. And it seems inconceivable that there are not places within a budget of $186 billion, if they are sought out, where responsible cuts can be made.

As to inflation, and the fate of the tax surcharge, President Johnson could aid his own cause by taking a firmer stand on some positive means of curbing the wage-price spiral. His weak plea to labor and industry in the State of the Union message for voluntary restraint might as well have been left unsaid.

There is nothing illusory, however, about the effects of inflation. Rising prices hit hardest those people who are least able to do anything about them—the needy and the elderly on fixed incomes, whose numbers in this country are mounting day by day.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

A REBUTTAL TO THE FEDERAL TRADE COMMISSION'S TAR AND NICOTINE CIGARETTE CONTENT REPORT

Mr. ERVIN. Mr. President, the public last month was given a set of figures that came from the Federal Trade Commission purporting to show the amount of so-called tar and nicotine in 59 brands and types of cigarettes. Smokers have been told—not by the FTC, I may add—that these figures can be a guide to the "least hazardous" cigarettes. Because we can apparently expect further such figures from the FTC in the future, it is important that the public and that we in Congress should have a clear understanding of what these figures are—and what they are not.

I do not now want to go into the fact that scientists testifying last fall before the Consumer Subcommittee of the Senate Commerce Committee refused to assert that the tar and nicotine measurements have any proved significance in terms of health. I want to deal directly with the figures themselves that appear to be highly suspect on the basis of test methods. Also, they are reported in such a way that they are misleading and confusing to anybody but a Ph. D. in statistics.

When the Commission first decided it would run tests on tar and nicotine, the tobacco industry demonstrated its technological know-how to show the Commission's scientists the approved and accepted methods. But the Commission in its bureaucratic wisdom introduced its own modification in methodology, although with some dissent. At the time, the industry experts, who pioneered in the basic technology adopted by the FTC for testing, pointed out that the FTC's adaptations would result in questionable figures. The modified test plan called for too few cigarettes in tests, set too short a butt length for smoking, and did not include reporting figures on a per puff basis as well as on a per cigarette basis.

The FTC thus chose to ignore the experts' suggestions and charged ahead. They came up with a group of figures that is a mish-mash of milligrams and tenths of milligrams, millimeters, standard deviations, and plus and minus values that take away whatever meaning might have been gleaned from the figures by the public.

The result is that at least two of the five commissioners are themselves doubtful about the meaning of the figures—pointing out the comparisons are impossible because the cigarettes were smoked to butt lengths that varied all over the lot.

To give the Senate an idea of what the average smoker may have learned from the figures, I offer the wry remarks of one newspaper commentator:

> I learned that I smoke 80 mm. cigarettes that weigh 1.0264 grams and contain 15.8 plus or minus 0.4 tars and 1.01 plus or minus 0.07 nicotine if smoked to a butt 27 to 32 mm. in length. What this means is that I am better off than anybody smoking the 85 mm. cigarettes that weight 1.1977 and contain 28.6 plus or minus 0.5 tars and 1.54 plus or minus 0.07 nicotine if smoked to a butt 23 mm. in length.

And that, if I may say so, is one of the more lucid interpretations of the FTC's figures.

The distortions in the FTC's tests are carefully and fully documented in a critique filed recently with the Commission by the American Tobacco Co., Brown & Williamson Tobacco Co., Liggett & Myers Tobacco Co., Philip Morris, Inc., and R. J. Reynolds Tobacco Co.

The analysis documents the deficiences of the Commission's methods, the confusing results, and the frankly scientifically inadequate tests which the Commission is using.

To give the Senate an example: While the Commission purported to list certain cigarettes in order of "tar" content, the critique shows that:

> The cigarette listed 27th is not shown to have more tar than the variety listed 19th, and it is not shown to have less tar than the variety listed 37th.

For another example:

> Reporting to a tenth of a milligram . . . implies a precision far beyond that actually obtained. The Commission tables demonstrate that the errors are simply too large even to justify reporting to the nearest milligram. To report to a tenth of a milligram is patently absurd, and scientifically ridiculous on this method.

The manufacturers' analysis concludes:

> The deficiencies in the Commission's methodology in terms of the varieties tested, sample size, method of reporting, and butt length are clearly revealed by the Commission's Report. These are plainly manifested by the reported data.
>
> It is indeed unfortunate that a government agency adopted a testing methodology and reporting technique which can subject it to a charge of misleading the public.

Because of the importance of these revelations, I ask unanimous consent to have printed in the RECORD the complete text of the critique prepared by these five companies, as submitted to the Federal Trade Commission, and I urge that all Senators interested in this important subject give careful study to it.

There being no objection, the critique was ordered to be printed in the RECORD, as follows:

[Before the Federal Trade Commission: Cigarettes and Related Matters; Methods To Be Employed in Determining Tar and Nicotine Content]

AN ANALYSIS OF THE FEDERAL TRADE COMMISSION'S "REPORT OF TAR AND NICOTINE CONTENT OF THE SMOKE OF 59 VARIETIES OF CIGARETTES" OF NOVEMBER 20, 1967

To the Honorable Commissioners:

Since the Federal Trade Commission announced in June 1966 its plans to establish its own laboratory to test cigarettes for "tar" and nicotine content, the undersigned companies have cooperated fully with the Commission in making available through their scientific personnel the accumulated experience of the industry in testing and reporting of "tar" and nicotine in cigarette smoke. Notwithstanding the absence of any evidence the low "tar" and nicotine are related in any way to smoking and health, the undersigned have attempted to assist the Commission in the determination of its testing methodology and system of reporting. In that connection, the undersigned submitted written recommendations to the Commission relating to the testing of cigarettes on August 5, 1966, September 9, 1966, November 28, 1966, December 20, 1966, and April 10, 1967. This cooperation has been acknowledged by Chairman Paul Rand Dixon and reported to the House Committee on Interstate and Foreign Commerce on March 16, 1967 (Tr. 660–61).

In the methodology adopted by the Commission on July 31, 1967, with Chairman Dixon dissenting in part, and Commissioner MacIntyre not participating, the recommendations of the undersigned were rejected with respect to the number of brands and varieties of cigarettes to be tested, the number of cigarettes of each variety to be smoked, the butt length to which cigarettes were to be smoked, and the method of reporting including per puff values.

On November 20, 1967, the Commission issued a "Report of Tar and Nicotine Content of the Smoke of 59 Varieties of Cigarettes" (hereafter referred to as the "Report"). This Report contains a short summary of the methodology employed and three tables giving values of "tar" and the total alkaloids reported as nicotine (hereafter referred to as "nicotine") for each of the 59 varieties tested. This Report shows a further departure by the Commission from the method of reporting which had previously been adopted by the Commission on July 31, 1967.

Examination of the Commission's Report conclusively demonstrates that the Commission should in the public interest have followed the recommendations previously made by the undersigned to the Commission. It is submitted that the failure to do so has led, and will continue to lead, to deficiencies which make the results reported plainly misleading to smokers.

Accordingly, this memorandum is respectfully submitted to disclose the deficiencies in the Commission's methodology and in the results reported, and to demonstrate that the Commission Report underscores the validity of the recommendations previously made. This memorandum is submitted in a further effort to cooperate with the Commission and to urge the Commission promptly to modify its previously adopted methodology on the basis of the results issued November 20, 1967, before further testing is conducted.

A. THE COMMISSION'S FAILURE TO TEST ALL VARIETIES

There are more than 150 varieties of cigarettes produced in the United States. The Commission tested only 59 varieties of cigarettes representing only 22 brands, and results were reported to the public for only these 59. It is urged that the Commission not limit its testing to brands and varieties arbitrarily chosen, but rather to test all kinds and sizes of all brands of cigarettes.

This decision to test only a limited number of varieties is widely misunderstood and lacking in justification. Those smokers who would like to compare the "tar" and nicotine of different varieties of cigarettes will be unable to do so simply because the Commission has reported values for only about one-third of the varieties of cigarettes that people smoke. Smokers who are unable to evaluate the "tar" and nicotine of a particular variety, which the Commission failed to test, may for that reason decide against smoking that variety.

Accordingly, the decision to test only 59 varieties may have serious and completely unwarranted competitive effects. It is indeed unfortunate that the Commission, quite cognizant of the public deference to Government figures, was unable in its first testing to do a complete job.

B. THE COMMISSION'S INADEQUATE SAMPLE SIZE

In our previous submissions and in the November 10, 1966, hearings, it was repeatedly emphasized that unless a sufficiently large number of cigarettes of each variety were smoked, any values obtained would be highly uncertain, and smokers would be misled into thinking that there were differences in "tar" and nicotine between varieties when in fact such differences had not been established by the samples tested.

It was repeatedly recommended that the Commission test a working minimum of 200 cigarettes of each variety. Written presentations were made to this effect by both company research directors and statistical experts such as Dr. Herbert Arkin and Mr. Walter Hendricks.

The Commission rejected this recommendation as to necessary sample size, and decided instead to test only 100 cigarettes of each variety. As a restult of this choice of a now proved inadequate sample size, it is perfectly clear from an examination of the tables in the Commission's Report that the uncertainty in many of the values reported by the Commission is simply too large to permit any remotely reliable variety comparisons. Accordingly, smokers who do not understand the meaning of "two (2) standard deviation of the mean," even if these "tolerances" had been fully reported in their newspapers, have been misled in believing that there are differences between varieties when *in fact* such differences have not been established.[1]

This can be clearly demonstrated by reference to the Commission table which lists cigarettes "in increasing order of 'tar' values." For example, one variety which is listed 27th in that table is reported as yielding 20.7 mg. of "tar" with a sampling error of 0.8 mg. This means that there is a 95 percent chance that the true mean "tar" value, based on the Commission's sample of this variety, lies somewhere between 19.9 mg. and 21.5 mg., and based on these results, no one can assert with the designated 95 percent confidence that the true mean value is not 19.9 mg. or 21.5 mg., rather than the reported 20.7 mg. The true mean value can in fact, on the Commission sample, be at any point between 19.9 and 21.5. On the other hand, the variety listed 37th is reported as yielding 21.7 mg. with an error of 1.0. This means that there is a 95 percent chance that the true mean value for this variety lies somewhere between 20.7 and 22.7.

---

[1] The Commission's "tolerances" defined as "two (2) standard deviation of the mean" are expressed in what is at best a confusing manner. This expression of error misled the New York Times and other publications into concluding that "95 percent of the cigarettes in the two packs" were within the tolerance limits. The remainder of this memorandum proceeds upon the necessary assumption that the Commission meant that there is a 95 percent chance that the true mean value for a particular variety falls within the tolerance limits given.

When accepted statistical analysis is applied to the reported values for the varieties listed 27th and 37th, it is perfectly clear that the Commission test results are not sufficient to establish a difference between these two varieties.[2] The mean "tar" value of the variety listed 27th might in fact be greater than the mean "tar" value of the variety listed 37th.

Similarly, the variety listed 19th is reported as having a "tar" value of 20.0 mg. with an error of 0.6. This means that there is a 95 percent chance that the true mean value lies somewhere between 20.6 mg. and 19.4 mg. Statistical analysis demonstrates that the Commission results do not establish a difference between the variety listed 27th and the variety listed 19th. The mean "tar" value of the variety listed 27th might in fact be less than the mean "tar" value of the variety listed 19th.

As this discussion demonstrates, an examination of the tables in the Commission's Report makes it clear that the variety listed 27th is not shown to have more "tar" than the variety listed 19th, and it is not shown to have less "tar" than the variety listed 37th. Instead of being 27th out of 59 varieties in order of increasing "tar", this variety might actually be lower than the variety listed 19th or higher than the variety listed 37th or anywhere in between. Moreover, the difficulty is that the Commission never made this clear to smokers who either saw the data without the "tolerances" as published by many newspapers, including the Washington Post, as the Commission could have anticipated, or who did not understand the meaning of the so-called "tolerances". Under these circumstances the Commission engendered the danger of inadvertently misleading a large segment of the American people.

The point is that the Commission is not justified in listing varieties in ascending or descending order of values reported to a tenth of a milligram in view of the errors involved due to the inadequate sample size. For example, eight varieties had listed values between 21 mg. and 22 mg. However, from the Commission's table it can be seen that a total of 19 varieties, almost one-third of the varieties tested, have margins of error sufficiently large that there is a 95 percent chance that those true mean values could also be between 21 and 22. In these circumstances, specifically listing varieties in ascending order in a table by differences of one-tenth of a milligram will inescapably mislead the public into believing that there are differences in "tar" values among varieties where the minutely listed differences are simply not established by its tests.

Had the Commission selected a sample size larger than 100 cigarettes of each variety, the range of error accompanying the Commission's results would have been smaller. Even if it is assumed without evidence that comparisons of "tar" and nicotine are related to smoking and health, smokers might then have made comparisons of minimum statistical reliability of the "tar" and nicotine.

A sample size of 200 cigarettes of each variety as a working minimum was previously recommended to the Commission on the assumption that the Commission's laboratory could attain *the precision of the industry laboratories*, and therefore 200 cigarettes of each variety would lead to a maximum error in the mean of 0.5 mg. or less in all values. It was pointed out by Dr. Arkin in his submission of November 28, 1966, that 0.5 mg. is "the *largest* permissible sampling fluctuation tolerance which could be accepted under such circumstances."[3] In contrast, the Commission's tables demonstrate that of the 59 varieties tested 35 have an error greater than .5 mg. These errors are simply too large to permit any kind of variety comparisons, and the size of these errors can only be reduced by smoking more cigarettes of each variety.

Based upon the data in the Commission's Report it is possible for a statistician to calculate the sample size or number of cigarettes of each variety required to be smoked to obtain non-misleading results to the nearest *whole milligram* in further testing by the Commission. There are several statistically sound choices which the Commission can make. The Commission can select a sample size large enough that the error of no variety exceeds .5 mg., or the Commission can select a different sample size for each of the 59 varieties tested based upon the disclosed errors listed in the Commission Report. If the Commission adopts the former choice it must smoke 2500 cigarettes of each variety.[4] If the Commission adopts the latter, it must smoke more than 100 cigarettes for 35 of the 59 varieties tested[5] and 200 or more cigarettes for 24 varieties.[6] Another possibility is that the Commission smoke approximately 325 cigarettes of each variety.[7]

The Commission may select any one of these alternatives. However, continuing to smoke only 100 cigarettes of each variety is statistically unsound and inescapably induces wholly unfounded and deceptive variety comparisons.

C. THE DECEPTIVE REPORTING OF RESULTS

As indicated above, the Commission's choice of an inadequate sample size of only 100 cigarettes resulted in 35 of the 59 values reported having an error in excess of .5 mg. for "tar". Since it is necessary to have an error of .5 mg. or less to justify reporting to the nearest *whole* milligram, the Commission should have reported these values by a range. Thus, for example, the value listed as 21.0 with an error of 0.8 should have been reported as 20–22.

However, the Commission did not merely report "tar" to the nearest mg., even though it had plainly announced on July 31, 1967, that "tar" content would be reported "to the nearest whole milligram." Instead the Commission, with no explanation, reported the average "tar" to the nearest tenth of a milligram.[8]

In the light of the magnitude of the errors revealed in the Commission tables, reporting to a tenth of a milligram is both scientifically unfounded and deceptive. This inexplicable reporting to a tenth of a milligram, contrary to the Commission's adopted methodology, implies a precision far beyond that actually obtained. The Commission tables demonstrate that the errors are simply too large even to justify reporting to the nearest milligram. To report to a tenth of a milligram is patently absurd, and scientifically ridiculous on this method.

More than 10 percent of the 59 varieties tested by the Commission have an error in excess of one milligram. To report values of these varieties to the nearest tenth of a milligram is misleading beyond contradiction. For example, one variety was reported as having a value of 21.1 with an error of 1.1. This means that there is a 95 percent chance that the true mean value lies somewhere between 22.2 and 20.0. There can be no justification for reporting this value as 21.1 rather than as 21, or more precisely as 20 to 22. The .1 simply has no meaning and can only induce smokers to conclude that there are differences between varieties, *e.g.*, between 21.1 and 21.3, when in fact such differences have not been established by the Commission's testing or are ascertainable by this method.

It is no answer to suggest that to a trained statistician the Commission Report contains sufficient data for an understanding of these errors in reporting. The Commission results were widely carried by major news services and newspapers, major networks and leading magazines, and it has even been suggested should be bannered at retail points of sale. Many of these, including the Washington Post, carried only the mean values and not the measure of errors. This could very well have been anticipated by the Commission in view of the similar press treatment of the earlier Roswell Park results. Moreover, it is simply unrealistic to expect a smoker to have sufficient statistical training to understand the meaning of "two (2) standard deviation of the mean."

It was our recommendation that reporting should be made only to the nearest whole milligram. That recommendation was based upon the desire for simplicity and understandability in any report made by the Commission to the public. However, that recommendation was based on the testing of a sufficient number of cigarettes to reduce the error to a maximum of 0.5 mg. We still believe that showing margins of error might be confusing to non-statisticians, but this does not mean that values not remotely reliable to a milligram can even more erroneously be reported to a tenth of a milligram and offered to the public, and comparatively listed on that unfounded basis, without any explanation.[9] To do so is plainly deceptive.

---

[2] No statistically reliable difference between the two varieties is established by the Commission test results because the difference between the reported means for the two varieties is 1.0 and this is less than the square root of the sum of the squares of the errors of the two varieties which is $\sqrt{(.8)^2+(1.0)^2}$ or approximately 1.3. For a more detailed statistical treatment of this point, the Commission is respectfully referred to the submission of Dr. Herbert Arkin of December 18, 1967.

[3] Dr. Arkin further stated that "an argument can be made for even a tighter tolerance which would result in a larger sample size."

[4] The largest error listed in the Commission Report is 2.5. Since $E=2s/\sqrt{n}$, in order to reduce E by $\frac{1}{5}$, it is necessary to increase $\sqrt{n}$ five fold. With a sample of only 100 cigarettes, the square root of n is 10. It is therefore necessary to increase n so that its square root will equal 50 rather than 10. Thus n has to be increased to 2500.

[5] It has already been demonstrated that smoking 100 cigarettes of each variety leads to values for E greater than .5 for 35 of the 59 values. These values for E can only be reduced by smoking more cigarettes for each of the 35 varieties.

[6] There are 24 varieties having a value of E equal to or greater than .7. When $E=.7$, E can be reduced to .5 by smoking approximately 200 cigarettes. The calculation is $(.7)(\sqrt{100})=2s$ which must also equal $(.5)(\sqrt{n})$. Therefore, the required $\sqrt{n}=14$; and n must be 196.

[7] This alternative is discussed in detail in the submission of Dr. Herbert Arkin of December 18, 1967.

[8] A similar analysis can be made for nicotine which the Commission announced on July 31, 1967, would be reported to the nearest 1/10 milligram, and which was in fact reported to the nearest 1/100 milligram.

[9] Among the more obvious errors in the Commission reporting is the patent mix-up of the results for Marlboro 100 mm. (F,SP.) and Marlboro 85 mm. (F,M,SP.).

D. THE FAILURE TO REPORT PER PUFF VALUES

The undersigned have consistently urged the Commission to report "tar" and nicotine values both on a per puff and per cigarette basis. The Commission's decision not to report on a per puff basis as well as a per cigarette basis denies smokers access to full information with regard to "tar" and nicotine content of cigarettes.

It is widely recognized that individual smoking habits vary enormously both in the number of puffs per cigarette and the butt length to which the cigarette is smoked.[10] Implicit in such recognition is the fact that for many smokers a more intelligible expression of smoke quantity than that of total quantity collected per cigarette is the "tar" or nicotine per puff. Smokers generally are aware of their puffing habits. At the very least, values should be reported both on a per puff and a per cigarette basis. Given such per puff data, the smoker, who alone knows his own smoking habits, can make a personal evaluation of the data.

Moreover, there is no justification for the Commission withholding this pertinent information which would be informative to the public. The smoking machine employed by the Commission automatically gives the number of puffs, and by letter of August 4, 1967, it was suggested that the Commission should record the number of puffs of each cigarette which is smoked for such future use as may develop for that information.

The Commission cannot justify this failure to report per puff values as well as per cigarette values on the ground that the order of the listing of varieties is the same whether values are reported per cigarette or per puff. In the critique of Roswell Park, April 10, 1967, it was amply demonstrated that this is not the case.

Finally, it is widely recognized that there are large differences in the average number of puffs for the varieties tested by the Commission when these varieties are smoked to 23 mm. on a smoking machine. Therefore, reporting only on a per cigarette basis and then comparing results for different varieties reported is comparing wholly disparate values. It is plainly inaccurate to compare what is yielded from ten puffs of one cigarette with what is yielded from eight puffs of another. Valid scientific comparisons cannot be made between two values obtained by different testing conditions unless the values are reported in such a way that the test differences are eliminated. If results are reported on a per puff, as well as a per cigarette basis, this fundamental objection is minimized.

E. THE SELECTION OF A 23 MM. BUTT LENGTH

We concur in the view of Chairman Dixon and Commissioner MacIntyre that the Commission should have adopted 30 mm. as the butt length to which cigarettes should have been smoked, and not 23 mm.[11] As Chairman Dixon and Commissioner MacIntyre point out, the comparative value of any tests is doubtful when cigarettes are smoked to a 23 mm. butt length because the great majority (43 out of 59) of the varieties tested could not be smoked to 23 mm. These varieties were smoked to butt lengths between 23 mm. and 34 mm. Even a cursory examination of the tables in the Commission Report demonstrates the wide range of butt lengths to which different varieties were smoked. It is simply impossible to make any comparisons of values obtained by smoking cigarettes to different butt lengths.

The majority of the Commission, defending its choice of a 23 mm. butt length, asserts that smoking to 23 mm. leads to "realistic values for the tar and nicotine content to which smokers are exposed." In point of fact, numerous witnesses including Dr. Ogg, Dr. Hammond, and Dr. Hobbs testified at the Commission hearing of November 30, 1966, that the average butt length for American smokers was 30 mm. No witness testified to an average butt length of less than 30 mm.[12]

There is no justification for the selection of a 23 mm. butt length. If the objective is to measure as much "tar" and nicotine as possible, why not smoke to a 10 mm. butt length or take more frequent puffs or longer puffs than those prescribed by Ogg? In fact all of the parameters in the Ogg method such as butt length, puff frequency, puff duration and puff volume are *average* values. The Commission was content to accept all of these averages *except* butt length, for which 23 mm. was arbitrarily selected.

Moreover, the Commission Report itself demonstrates a further uncertainty introduced by the choice of a 23 mm. butt length. The 100 cigarettes of many varieties which were actually tested could not be smoked to the same butt length. These ranges of butt length, as much as 3 mm. for many varieties, are attributed by the Commission to the "variance of overwrap." The crucial fact, however, is that selecting a 23 mm. butt length rather than a 30 mm. butt length even precluded smoking cigarettes of the same variety to the same butt length, as well as smoking different varieties to the same butt length. Under these circumstances, any reliable comparisons are indeed impossible.

CONCLUSION

The foregoing critique of the Commission "Report of Tar and Nicotine Content of the Smoke of 59 Varieties of Cigarettes" of November 20, 1967, confirms in every respect the recommendations repeatedly made to the Commission by the undersigned. The deficiencies in the Commission's methodology in terms of the varieties tested, sample size, method of reporting, and butt length are clearly revealed by the Commission's Report. These are plainly manifested by the reported data.

It is indeed unfortunate that a Government agency adopted a testing methodology and reporting technique which can subject it to a charge of misleading the public. It is respectfully submitted that had the Commission adopted the recommendations of the undersigned, the Commission would have established a scientifically adequate method of testing cigarettes and a reliable method of reporting results.

Respectfully submitted.

THE AMERICAN TOBACCO CO.
CYRIL F. HETSKO
BROWN & WILLIAMSON TOBACCO CORP.
ADDISON Y. YEAMAN
LIGGETT & MYERS TOBACCO CO.
FREDERICK P. HAAS
PHILIP MORRIS INC.
PAUL D. SMITH
R. J. REYNOLDS TOBACCO CO.
H. HENRY RAMM

DECEMBER 30, 1967.

VIETNAM

Mr. SYMINGTON. Mr. President, recent developments in South Vietnam once more emphasize the military as well as the political problems in that country about which I have expressed growing apprehension.

Because the Vietcong and the North Vietnamese utilized the Tet holiday program in a manner comparable to the way they utilized the various bombing cessations, only the extraordinary gallantry of our own forces, as well as those of our allies, prevented the development of an even more serious situation than the one we now face; with the enemy's major attack still to come.

U.S. RECOGNITION OF GREEK JUNTA IS A DISSERVICE TO THE GREEK PEOPLE AND TO THE CAUSE OF DEMOCRACY

Mr. GRUENING. Mr. President, the totally unnecessary, precipitate and unwise "resumption of normal diplomatic contacts" by the United States with the Greek military junta does a grave disservice not alone to the brave people of Greece but to the cause of democracy throughout the world.

The U.S. action also goes far toward undermining the ability and effectiveness of the King of Greece in forcing out the military junta and restoring democratic government to Greece and the civil liberties of its people.

---

[10] Both the scope of the variations and the public cognizance of them were abundantly demonstrated in the results of a 1964 Public Health Service Survey, first disclosed to the industry on December 7, 1967. Each respondent current smoker was asked to indicate, by drawing two lines through a diagram of a cigarette, (1) "how far down" he usually smoked his cigarettes (Question 158), and (2) the amount of each cigarette which he "*actually* usually smoked, considering your style of smoking—for example, how long you usually left the cigarette in an ash tray or held it in your hand" (Question 159).

In answering the first question as to the butt length at which the cigarette was extinguished, 41.9% of the male current smokers and 40.8% of the female current smokers indicated an "average butt length" of 30 mm.; 30.1% of the males and 39.2% of the females reported a butt length of 40 mm.; and 9.6% of the males and 10.3% of the females recorded a butt length of 50 mm. The remainder of the current smokers reported average butt lengths at the fringes.

Those reporting a butt length, at the time of discarding, of 30 mm. or more, aggregated 82.8% of the 1,265 male current smokers and 92.1% of 1,072 female current smokers.

In reporting how much of the cigarette they *actually smoked*, the respondents recorded an even more diverse pattern. Only 8.6% of the male current smokers and 4.5% of the female current smokers reported actually smoking to a butt length of 30 mm.; 22.4% of the males and 17.0% of the females reported actually smoking to 40 mm.; 29.0% of the males and 33.4% of the females, to 50 mm.; and 24.6% of the males and 30.5% of the females, to 60 mm. The bulk of the remaining current smokers reported actually smoking only to 70 mm., with only 3.2% smoking below 30 mm.

These data clearly indicate that there are such wide variations in the amount of a cigarette *actually puffed* and *smoked* that reporting "tar" and nicotine on a per puff basis would afford to most smokers information which they could intelligently relate to their own smoking habits. The Public Health Service Survey materials referred to are available in detail to the Commission. (See Appendix B, FTC Report to Congress, June 30, 1967).

[11] In the case of filter cigarettes, the cigarettes are smoked to the designated butt length, either 30 mm. or 23 mm., or to 3 mm. beyond the tipping paper (filter overwrap), whichever is longer.

[12] The 1964 Public Health Service Survey, *supra* footnote 10, strongly corroborates this testimony. When asked to indicate "how far down" the respondent "usually" smoked his cigarettes, 82.8% of the 1,265 male current smokers and 92.1% of the 1,072 female current smokers indicated that their "average butt length" was 30 mm. or over.

The New York Times, in its editorial on January 28, 1968, entitled "A Boon to the Greek Junta" asked the question which those of us who are seriously concerned about the earliest possible restoration of democratic institutions to Greece are also asking: "What was Washington's hurry?"

As the New York Times points out in its editorial, the new constitution proposed by the military junta is "even more destructive of basic freedoms than had been rumored."

In the face of such anticipated oppressive actions by the Greek military junta, how is the cause of democracy served by this unwarranted and ill-conceived resumption of normal diplomatic contacts with the Greek military junta?

Why could this action not have waited until every ounce of pressure could have been exerted upon that junta to obtain the restoration of the King of Greece to his throne and of a democratically oriented government in Athens to protect the civil liberties of the Greek people?

I hope the resumption of "normal diplomatic contacts" with the junta does not signal a complete change of policy on the part of the Department of State and that it will discontinue the suspension of the shipment of major items of military aid to the Greek military junta. Such action would be an added blow to the prestige and power of the King, would weaken those who seek to restore democracy to Greece and would further entrench the tyrannical military junta in Athens.

I ask unanimous consent that there be printed in the Record at the conclusion of my remarks the editorial from the New York Times of January 28, 1968, entitled "A Boon to the Greek Junta."

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A Boon to the Greek Junta

The United States has given the military junta in Greece an enormous and unnecessary political and psychological boost by announcing "the resumption of normal diplomatic contacts."

This act may have curtailed whatever leverage the exiled King Constantine had retained for moving the regime toward constitutional and democratic government. It certainly has dismayed many Greeks of widely varying political persuasions at home and abroad who had united in opposition to the military dictatorship of Colonel Papadopoulos and his fellow putschists.

While we believe in the common-sense principle that the United States should as a rule recognize governments in *de facto* control of their territory, we do not see why it was essential to grant this extra boon to the junta at this time. American relations with Greece had never been severed, and American officials all along had been conducting routine business with the regime. But the American Ambassador is officially accredited to the King, who might have been able to exact important concessions from the junta in return for such a "resumption" announcement at some future date. What was Washington's hurry?

Unfortunately, the evidence as to the course the junta will take becomes clearer and more disturbing daily. The Times of London has obtained the draft of a new Greek Constitution even more destructive of basic freedoms than had been rumored. It would allow detention without charge; modify the right to trial by jury; remove the rights to bail and to prompt trial for political prisoners. It could cripple the rights of assembly and dissent. As the London newspaper says, "it is a Constitution for locking people up and shutting protest down."

Greece may be quiet for the present under the colonels, but given the wide spectrum of prominent Greeks who have denounced the regime it is clear there must be a formidable latent opposition, capable of eventual mobilization.

Reports from Athens describe the junta's "enormous relief" at the "resumption" announcement. Why Washington felt it wise to grant this regime such relief at this moment remains a mystery.

AMERICA MUST REMAIN A MARITIME POWER

Mr. KUCHEL. Mr. President, last Saturday, January 27, the SS *President Fillmore* was launched at the Ingalls Shipyard of Litton Industries, Pascagoula, Miss.

My wife was honored on that occasion by being selected to christen this sleek vessel which, in the next few months, will join the liner fleet of the American President Lines. This new, proud, automated, handsome ship will be one of a small fleet and one of the finest of its type afloat.

Mr. President, I ask unanimous consent that a partial text of my remarks on the occasion of the christening ceremonies be printed at this point in the Record.

There being no objection, the partial text was ordered to be printed in the Record, as follows:

America Must Remain A Maritime Power

(Partial text of remarks by U.S. Senator Thomas H. Kuchel, at the launching of the SS *President Fillmore*, Ingalls Shipyard, Pascagoula, Miss., January 27, 1968)

All who have joined in the creation of this good ship deserve an especial salute. I am honored to participate, with Mrs. Kuchel, in this colorful and memorable occasion. The SS *President Fillmore* will serve the best interests of all of the people of America. She is a mighty addition to our merchant fleet. Such additions these days are all too rare. Accordingly, this ceremony takes on added significance, as we again respect the ancient rites of the sea in sending to the tide another vessel to carry the American flag throughout the world.

Millard Fillmore, as President of the United States, signed the act of Congress admitting my native California into our national Union. The emergence of this new, bustling and distant state produced, in that era, of more than a century ago, enormous difficulties in communication in pre-Civil War America. The rich lands of the Far West were months away by sail. California was highly prized, but, to the civilized East Coast, she was uncivilized and unruly. Over a century ago Fillmore's biographer wrote of California ". . . from the absence of social restraints, no community stood in greater need of a firm and regular government strictly enforced." At such a great distance, it seemed impossible that this vast, new, and uncivilized commonwealth would ever be tamed.

The first and fastest means of communication was the clipper ship. These mighty vessels were the swiftest mechanisms of transportation yet devised by man, but a record passage to California required, even so, 118 days. The Fillmore Administration coincided with the high mark of the clipper trade to California, to China for silk, to Borneo for pepper, and to Ceylon for tea. The flag of the still fledgling American fleet had few rivals. Yet, even in her hour of majestic progress, the signs of defeat began to appear across the sea. While America concentrated on clippers, British shipyards on the Clyde and Thames were working hard on constructing iron ships to be propelled through steam. By 1870, Britain was building three times as much tonnage for steam as for sail. American leadership rapidly succumbed to foreign perserverence in superior technology. It was many years before America recovered. And that ancient lesson ought not to be lost on us today.

Ocean borne commerce is as vital to our nation now as it was in the days of the *Flying Cloud* and routes 'round Cape Horn. In the past 15 years, the total tonnage carried annually in world trade has better than doubled. Our national trade has grown at an even faster rate. America is highly dependent on imports of many major raw materials. With 1⁄16th of the world's population, we annually consume ⅓ of its power, ⅕ of its coal, ¼ of its steel and ⅙ of its cement. Our national product accounts for ⅓ of the world total. To maintain this kind of a free society, we must import all of our requirements for many important items: rubber, tin, manganese, bauxite, asbestos, chromite, and cobalt to mention only a few. Our consumption continues to grow, and so does our need for an effective merchant marine under our national flag.

By the year 2000 AD, the total value of world trade, if it continues to grow at its present rate, will be somewhere between one and two trillion dollars per year. The need for, and the incentive, country by country to expand international shipping will grow, and will grow rapidly. Others see this clearly. Japan has just constructed the largest vessel afloat, the *Idemitsu Maru*. Weighing over 210,000 tons, it has been described as the equivalent of laying the Empire State Building on its side and setting it afloat. Britain and a number of other nations are experimenting with nuclear energy. Sweden has built vast modern shipyards. And, on the other side of what used to be called the Iron Curtain, the Soviet Union has doubled her merchant fleet since 1960. She has passed the United States in numbers of ships afloat. Soviet deadweight tonnage is scheduled to double again by 1970. Surely, there is no reason to suppose that she will not keep on growing, as fast and as efficiently as she finds possible and feasible.

Meanwhile, in the past 15 years, the American fleet has declined by nearly one-fourth. My friend, United States Senator Magnuson of Washington, has pointed out that only 100 of the 900 ships now under the American flag are modern enough to sustain speeds of greater than 20 knots. All this despite the urgent need to supply our American military presence in Southeast Asia and to meet the needs of our booming economy.

My fellow Americans, it is very late in the day. There are those who will commiserate with us over the fate of the fleet. There are others who will smile with scorn, and exult with our plight. They know full well that America cannot maintain even her present position in the world with the dozen ships per year constructed under the present provisions of the Merchant Marine Act of 1936. They know that our present fleet faces block obsolescence as the production of the World War II era passes from use. They question whether we can compete with cheap foreign labor, low cost steel, low operating costs—the closing scissors of high domestic wages and keen foreign competition.

But to those who doubt our ability to stay on the seas, let me say that America retains many advantages.

We have, first of all, superior technology. Our shipyards continue to demonstrate an amazing capacity to improve the techniques of production. A recent survey of the shipbuilding industry indicates that significant improvements in productivity in the past seven year period have been found only in Japan and in the United States, as compared to other shipbuilding nations. This is tremendously encouraging. It is a great tribute to organizations like the Ingalls Shipbuilding Corporation, Litton Industries and the American President Lines. Their foresightedness is a highly significant and favorable sign for the future.

As the SS *President Fillmore* and her sister ships show, new methods of handling cargo are increasing the ability of our vessels to compete. Despite difficulties in other areas, the United States maintains the best and most up-to-date liner fleet afloat. The *President Fillmore* is a part of this great tradition. She and her sisters are the finest cargo liners in the world. She proves we build a first-class fleet when we are resolved to do so. We must extend this excellence to all necessary aspects of our merchant marine.

As one member of the United States Senate, I pledge my firm support for whatever is needed to bring back the American flag, among all nations, to pre-eminence on the high seas, so far as it is the place of the Congress and Federal Government to achieve that position.

There is a clear national interest in building and maintaining an effective merchant fleet. It is correctly termed our fourth line of defense, as the continuing conflict in Southeast Asia daily demonstrates. The sad state of our nation's balance of payments has brought a near crisis to the financial centers of the mightiest productive system in the history of mankind. The redress of this problem must lie heavily with an increasing and favorable movement of foreign trade. To the extent that this trade moves under our flag, our nation's accounts will surely benefit. When trade moves in foreign vessels, the accounts suffer.

The condition of the American merchant marine is, and ought to be, a matter of urgent national concern. It requires immediate attention: deeds not words, to use the phrase of a great and gallant American. The time is short. As we approach the day when, hopefully, prayerfully, the scourge of war in Vietnam may pass away, the press of military business in our shipyards will subside, leaving capacity open for construction of new commercial vessels. We need to be at work now to see that no sinew of production will be left idle, that no talent will be ignored, that no time will be lost in the essential of rebuilding ocean plying, peaceful trading American merchant fleet.

America has ability, spirit, and deep knowledge of the shipbuilding craft and the ways of the sea. Let the SS *President Fillmore* with her enormous speed and her Twentieth Century design symbolize the high standard which we earnestly seek for all vessels bearing the stars and stripes. As we send this sleek, proud craft now upon the waves, may we not mark this day with a firm resolve that the family of stoutly built American ships may grow and thrive.

FRANCE MUST PAY HER DEBTS

Mr. HARTKE. Mr. President, in the House of Representatives yesterday, the Honorable Lester Wolff, of New York, introduced a concurrent resolution (H. Con. Res. 662) on behalf of himself and 24 other Members of the House. This resolution would seek repayment by the Government of France to the United States of the just, legal, and outstanding debt still owed to the United States by the French Government.

We all are only too painfully aware of the increased strain being placed upon the American economy and the American people—in addition to carrying more than our share of vast global responsibilities—by the deficits being accumulated in our balance of payments. Although the final figures are not yet in, our deficit last year was in the vicinity of $4 billion.

In order to correct this imbalance, President Johnson has been forced to request new sacrifices by the already burdened American people. He has instituted more stringent regulations which will curtail investment opportunities abroad for American business. He will seek to increase the cost of foreign travel by Americans in order to reduce this source of outflow of dollars. He has been forced to cut back many of the Government's overseas operations.

Of course, there will be discussion and consideration in the near future if these and the other proposals by the President are the most effective means of dealing with and eradicating our balance-of-payments deficit. But this question over which means will be adopted is not the significant point. The real meaning is that the American people are going to have to make sacrifices, both monetary and others, in order to help solve this problem.

The history of the 20th century is the history of just such similar sacrifices being made by the American people to meet and do away with a series of world crises. It was these sacrifices which were made with American lives, American loans, and American material which assisted France in defeating her enemies in the First World War.

How have we been dealt with by the Government of France in return for our past assistance?

First, the Government of France still has a total outstanding debt from the First World War of over $6½ billion. France is making no effort to settle this legal debt.

Second, I have referred to the present delicate situation produced by the high deficit in our balance of payments. Has France offered to do anything to ease our current predicament? Has France offered to contribute anything to directly assume a share of the American responsibilities? Has France done unto us as we have done unto them so many times in the past?

The answer to all of these questions is unfortunately, "No."

But France has not been inactive. I would that she were less active. We would be better off if France chose not to act at all instead of following her past policy. With friends like this no wonder our problems keep mounting instead of being lessened.

Rather than paying back debts legally owed, rather than assuming her share of world responsibilities, rather than attempting to alleviate the current strain on the international position of the dollar, French Government has done everything in her power to exacerbate our problems: she has continued to turn her dollar surpluses in exchange for gold thus increasing pressure on the dollar; she has engaged and supported speculative moves in the European gold market which are responsible for the record outflow of American gold in December 1967 of $900 million; she has blocked attempts to strengthen the British pound which is intimately tied to pressure on the dollar; and she has sabotaged proposals for international cooperation to reduce the pressure on the dollar and instead has tried to utilize her dollar surpluses to force the United States to adopt the monetary policies of the Government of France.

We must have redress for these grievances. We cannot tolerate this action which worsens our problems, increases the costs to be borne by the American people, and defaults upon legal obligations.

It is more than just plain commonsense to demand that a dollar given on loan is a dollar which must be repaid. Under the current international conditions, we must take action which will end the policies of the French Government which are so harmful to American interests.

For all of these reasons, the action taken by Representative Wolff and his colleagues is both well timed and of the utmost importance: France must repay her World War I and other debts owed to the American people; France must be prohibited until repayment of that outstanding debt from turning her dollar surpluses into gold and thus working to worsen our current balance-of-payments problem. No more dollars held by France should be allowed to be exchanged for gold until these debts are settled in full.

For these reasons I support and applaud the action taken by Representative Wolff and the other Members of the House. For these very same reasons I introduced in the first session of the 90th Congress my own bill, S. 2767, which would prohibit the exchange of American gold for dollars held by the French Government until the French Government has erased the obligations owed to the United States which now amount to almost $7 billion.

EDITORS CALL FOR FIREARMS CONTROL

Mr. DODD. Mr. President, I ask unanimous consent to have printed in the Record a number of editorials which represent the widespread and considered thought of nearly all the press in the United States on the need for strong Federal controls on the interstate sales of firearms. I commend the editorials to the attention of Senators as they prepare to act on S. 1, amendment No. 90, which I introduced during the last session of Congress.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Sacramento (Calif.) Bee, Sept. 23, 1967]

MAJORITY FOR GUN CURBS

A national survey by Louis Harris, highly successful feeler of the public pulse, strongly suggests the hue and cry against proposed federal gun-control legislation is contrived by the gun lobbyists.

This survey provides telling evidence that not even gun owners favor the position of the gun fanatics.

Harris reveals that 27 million white Americans own guns and that a majority say they would use them to protect themselves and families during racial riots. Does this not lend substance to the gun lobby's campaign against gun legislation as hostile to self protection against rioters?

Far from it.

Harris' survey reveals that 66 per cent of the gun owners who say they would use them in riots favor federal gun-control legislation. These people have sense enough to understand that none of the proposed federal bills would forbid the possession of arms by responsible people. They perceive, despite the false, misleading propaganda to the contrary, that the weeding out of irresponsibles from the list of gun owners is actually a protection, not a stripping away of protection.

How many more exposures of the hollow claims of the gun fanatics are necessary to stiffen the spines of the members of Congress against the pretense of the minority of gun control foes that they are a majority?

Antigun control propaganda has so bamboozled a few Americans that they honestly believe their constitutional rights would be threatened if proved criminals and psychopaths were not allowed to buy guns.

[From the North Adams (Mass.) Transcript, Aug. 1, 1967]

Riots—and Gun Laws

It's not easy to buy a gun in New Jersey.

That state's firearms control law is about the strictest in the nation. The buyer has to obtain a permit, then undergo a waiting period, and meet other standards indicating that he is a proper person to bear arms.

But when the city of Newark had a racial riot two weeks ago, there was no lack of guns in the hands of rooftop snipers and others who hardly could have possessed firearms by legal means.

The federal government wondered about the source of all this weaponry suddenly appearing in the hands of rioters, and the Treasury Department conducted a check.

And it found that in one day just prior to the Newark outbreak, a total of 690 purchases of firearms was made by New Jersey residents in the adjoining states of New York, Maryland, and Delaware.

In other words, New Jersey's gun law was powerless, in the absence of interstate controls to keep that state's residents from acquiring weapons they could not have obtained at home.

That rather remarkable number of gun purchases in adjoining states and the possession of considerable armament by snipers in the Newark riots hardly could have been just coincidence.

It would be hard to find a more dramatic argument in favor of the administration bill for interstate gun control, which is before Congress but is facing strong opposition.

There has to be a start somewhere to combat the pattern of violence that has spread throughout the nation's cities this summer and a logical first step would be to make the acquisition of guns something more than a casual purchase.

Contrary to the objections raised by the National Rifle Association and various sportsmen's organizations, the administration gun law does not put any obstacles in the way of purchases by legitimate users.

It simply enables states to enforce their own gun laws and not have them nullified by lax regulations in neighboring states.

For one thing, it requires guns shipped from out of state to be delivered by accredited dealers within the state. It prohibits over-the-counter sale of pistols and revolvers to residents of another state, and requires over-the-counter sales of shotguns and rifles to comply with the laws of both the buyer's and the seller's states. It prohibits the sale of hand guns to those under 21 and of rifles to persons under 18.

And it limits the importation of military surplus firearms and certain foreign-made firearms.

There is nothing harsh or unduly restrictive in this proposed law. Opponents have been relying heavily on Article II of the Constitution which provides that "the right of the people to keep and bear arms shall not be infringed." The proposed law, however, does not infringe that right. It merely specifies under what conditions the right can be exercised.

When the lawless can obtain firearms with ease, the rights of the law-abiding are endangered, as has been amply demonstrated this summer in Newark and Detroit and elsewhere. The administration gun law will not prevent purchases by proper persons. Does anyone seriously contend that improper persons should have ready access to firearms?

[From the Boston (Mass.) Record American Sunday Advertiser, Sept. 19, 1967]

Guest Editorial

By Lyndon B. Johnson, President of the United States, in calling for Congressional adoption of an effective federal gun control law.

"Last year, two million guns were sold in the United States. Many of them were sold to hardened criminals, snipers, mental defectives, rapists, habitual drunkards and juveniles.

"There is no excuse for a holdup at gunpoint on a dark city street or an armed robbery in a house where children are sleeping. We are long past the point where we can allow lethal weapons to be hawked by the same mail order techniques used to market frozen steaks or baskets of fruit. We are long past the point where we can allow an enemy of society to buy and use a weapon of death and disorder—when existing state laws would not even allow the same person to drive a car, or to vote."

[From the Boston (Mass.) Record American Sunday Advertizer, Sept. 18, 1967]

Gun Laws

In Washington, President Johnson has appealed to Congress to enact a Federal gun control law to help combat lawlessness. House Speaker John W. McCormack has pledged "prompt action" on a long-stalled bill to limit gun sales, particularly mail order sales.

In Boston, the Massachusetts Senate has given initial approval to a bill to regulate the importing of guns from other states.

These developments reflect growing official awareness of the urgent necessity for gun control legislation in society's war on crime and riots. Both President Johnson and a special Massachusetts legislative commission have emphasized the proposed bills do not interfere with the rights of sportsmen or law-abiding citizens, but are aimed solely at keeping deadly weapons out of wrong hands. The need for immediate enactment of these Federal and state laws is obvious.

[From the Boston (Mass.) Record American Sunday Advertizer, Oct. 26, 1967]

Berserk Sportsman

It would be incorrect to suggest that more stringent gun control laws would have averted Monday's mass shooting tragedy in Lock Haven, Pa. Leo Held, the man who went berserk, was a pillar of his community as well as an avid sportsman and hunter. He would have qualified easily for any license that might have been needed for the guns with which he killed six people and wounded six others.

Yet the case again underscores certain truths about owning firearms which merit consideration. The first is that anybody—literally anybody—who has a gun or guns about the house automatically has a preoccupation which may or may not be healthy. For a gun in the house is a magnetic and potentially dangerous presence. It asks to be tended, cleaned, oiled and fondled as befits an instrument of personal power. And eventually it will have to be fired, if only on the pretext of seeing if it is in good working order.

It is of course trite—but still grimly true—that untold numbers of crimes and tragedies would never have happened if guns had not been readily available.

The Hearst Newspapers have been urging action on President Johnson's tough gun control bill, still hamstrung in Congressional committees. We do so as a matter of principle, knowing full well it will not stop criminals from getting firearms. Nor do we in any way challenge the right of responsible sportsmen to possess guns, despite the obvious dangers involved. We simply feel that tighter regulations will be a good thing generally for our society—if only to emphasize the very serious responsibility of owning firearms.

[From the New Haven, (Conn.) Register, Oct. 1, 1967]

Gun Control Prospects Now Appear Brighter

President Johnson, with the advice and assistance of Conn. Sen. Thomas Dodd, has agreed to an amendment which would "water down" to some extent his proposed national gun control bill. This, it appears agreed, brighten its prospects for congressional acceptance.

The all-out gun control advocates, in or out of Congress, will beyond doubt look upon this amendment with misgiving. The more realistic, however, seem of the opinion that the amended version has merits, at least upon a half-a-loaf being better than none basis.

The Congress, in our opinion, should cast a favoring ballot on the legislation as it now stands.

The amendment in question makes sense in its practical applications. It would permit states to exempt themselves if they so prefer from a ban on the mail order sales of rifles or shotguns.

Sponsors of the bill assert that this amendment is directed to meet the objections of some western and rural states. They oppose the mail order ban on the ground that it would bar ranchers and farmers, plus rural area sportsmen from mail order sources which constitute their primary supply route for obtaining guns.

Remembering that many still contend, and not without shadow of substance, that gun controls and restrictions may slow up, but not curb entirely, the traffic in guns which fall into criminal hands, this measure can at best help to solve while falling far short of ideal solution.

[From the Springfield (Mo.) Leader & Press, Sept. 22, 1967]

Right Direction

Yesterday Sen. Robert Griffin, R-Mich., proposed the Senate investigate the Pentagon's close ties with the National Rifle Association. This is a probe, in our estimation long overdue. For years, the NRA has lobbied and propagandized against and distorted facts about every arms control bill offered in Congress.

The NRA is comprised of some 850,000 gun enthusiasts from every state in the union—and there is nothing wrong with that. Most members are good citizens without an antisocial thought in their minds, bound together by a wholesome, commendable, common hobby.

But their leadership, whether members realize it or not, has whipped up a frenetic animosity against any legislation intended to keep firearms from falling into the hands of potentially dangerous people—known psychopaths, criminals, etc. The NRA has kindled and nurtured that prejudice, often as not, by complete misrepresentation of facts.

"The NRA leadership," says Sen. Edward M. Kennedy, D-Mass., "has misrepresented the very reasonable (gun control) proposals before Congress, has exaggerated their effect on legitimate firearms users and has stirred up emotional but baseless arguments in the name of the Constitution."

Sen. Kennedy's brother, the late President, was assassinated by a psychopath who had purchased the death weapon cheaply through the mails—perhaps he is prejudiced.

Then how about this comment from a Congressman who is also a longtime member of NRA: "I must strongly disagree with the NRA's opposition to the firearms legislation. No responsible citizen can in good conscience deny the urgent need to protect the public from arming destructive, deranged and dangerous people." The speaker is Rep. James H. Scheuer, D-N.Y.

Sen. Griffin's plaint is that the Pentagon has made NRA "the exclusive sales agent" for surplus Army rifles—so exclusive "only the NRA and its affiliated units are eligible to purchase surplus arms and ammunition."

Also so exclusive the senator was astonished to learn that members of the Detroit Police Department cannot purchase surplus carbines unless they first join and pay dues to the NRA.

Ammunition, weapons purchased at a fraction of their worth—but only by NRA members, never by law enforcement officers and departments as such. Yet last spring 9000 NRA member orders to the Pentagon for such guns and ammunition were checked out and 60 were found to have been from convicted felons or persons with arrest records for serious offenses. Less than 1 percent, true, but ex-convicts and known serious offenders could freely buy guns and weapons denied even to law officers.

The NRA's link to the Pentagon was established in 1903 when this weapons program was created "to foster better markmanship in our armed forces through civilian training." It never accomplished much in that respect, and the average age of NRA members is 39—does that sound like Army material?

Because it is a non-profit organization, NRA escapes taxes, even on the lucrative magazine it publishes, though it competes in a field with eight rival magazines, all taxed.

There is nothing in the proposed arms control bill that would infringe on the rights of most Americans to own and use guns—and those few restricted should be denied firearms for the safety of the public.

Sen. Griffin's proposal does not include the bill, only the link between NRA and Pentagon—a link which should have been broken years ago. However, such investigation might bare some other unpleasant facts which would help to win the legislation Congress should have enacted long ago.

[From the Miami (Fla.) News, Sept. 23, 1967]

The Carbine Absurdity

A funny thing is happening to Detroit policemen even as President Johnson tells them "the responsibility for keeping the peace in our cities is in the hands of local authorities" and asks gun control legislation to help them do the job.

To help them fulfill that responsibility and harking to lessons learned in the massive riots in their city in July, some 2,000 Detroit police officers are trying to buy surplus U.S. Army carbines for their personal use in riot situations (under the law the city can't buy the carbines).

To get the weapons, the policemen must pay a $5 membership fee to the most outspoken lobbyist against gun control legislation—the National Rifle Association.

President Johnson conceded the responsibility for law enforcement rests at local level in an address to the International Association of Police Chiefs last week.

He noted then the problems with "a new kind of disorder in your city . . . not individual acts of violence or just thievery but . . . massive crimes against people and against property."

At the same time, and later in a message to Congress, the President urged a "law to limit the out-of-state purchase and the interstate mail order sale of firearms."

Detroit police know of the need for firearms control. In that city's searing experience wtih the "new kind of disorder," snipers took a heavy toll and proved to be the most serious problem for police, National Guardsmen and Federal troops.

But the policemen also learned that the now discarded U.S. Army carbine was a handy weapon for the few police who had them as their personally-owned weapon during the trouble. As a result, some 2,000 Detroit policemen now want to obtain carbines of their own.

They found the city can't buy them, that they'll have to obtain them personally. The reason is that the National Rifle Association, through a law some 45 years old, has a corner on the U.S. Army's surplus weapons market. Anyone can get a carbine, for example, for $20 through the NRA (the civilian market price runs $60) but only if he is an NRA member, which means paying $5 dues to the organization. And the civilian market is about dried up, anyway, even if police or their agency could afford the $60 price.

The NRA's virtual monopoly is created by the law which says the Army can dispose of its surplus small arms in only two ways, selling them as scrap or distributed through the NRA.

The reason is an anachronistic Congressionally-enacted "civilian marksmanship program," sponsored by the NRA, which among other things requires that anyone obtaining a carbine through the organization certify he will "use this weapon in civilian marksmanship programs which promote practice in the use of rifled arms."

Despite the carbine's shortcomings for NRA's specified purposes, however, a policeman must contribute $5 dues to the NRA to get a carbine. Many of these same policemen are outspoken supporters of gun control laws (as is FBI Director J. Edgar Hoover), yet a part of their $5 dues will go to further the NRA's active opposition to such laws.

Congress should heed the President's request for firearms sales restrictions—actually far less sweeping than many law enforcement officers advocate.

At the same time, however, it should also consider overhauling the Army's program for disposing of surplus weapons, so that law enforcement agencies and individual officers can have priority over a "civilian marksmanship program" of dubious merit.

[From the Macon (Ga.) News, Sept. 5, 1967]

To Save Lives

The New York City Council is considering proposed legislation to tighten up its gun control ordinance. This occasioned hearings on the broad question of firearms control before a joint city-state legislative committee. And it was in this setting that Sen. Robert F. Kennedy aligned himself forcefully with opposition to the National Rifle Association, which has for many years successfully lobbied against stronger federal gun control legislation though the need for it is evident.

Kennedy described the NRA lobbying as "a great disservice to the country," and charged: "Because of what they've done the association must take a share of the responsibility for the deaths of many Americans."

These are harsh accusatory words. Not all who champion stricter gun laws would go this far. But wherever one places the blame, the important thing is that many people die needlessly by gunfire because such weapons are so readily accessible.

No feasible law would bring to an end such deaths; no one claims that. But it stands to reason that sensible gun controls, including registration and a tight curb on mail order sales except to dealers, would improve the situation. Incidents in the news every day underscore the crying need for improvement.

[From the Paducah (Ky.) Sun-Democrat, Oct. 1, 1967]

A Grim Reminder

Fourteen months ago a demented 25-year-old architectural engineering student climbed to the tower of a University of Texas building at Austin and began firing at unsuspecting people on the ground with a small arsenal of firearm weapons. Before he was slain by a policeman's bullet, Charles Joseph Whitman killed 14 innocent persons and wounded 30 others. The bodies of his wife and mother later were found at their homes, presumably killed by Whitman the night before.

In a letter to the congressional leaders requesting immediate action on his administrations proposed gun control law, President Johnson made reference to the tragedy in Austin and disclosed that in the intervening 13 months that had elapsed, the use of guns had been involved in more than 6,500 murders, 10,000 suicides, 2,600 accidental deaths, 43,500 aggravated assaults and 50,000 robberies in the United States.

Two million guns were sold in the nation last year, many of them to hardened criminals, mental defectives, habitual drunkards, rapists and juveniles. In the state of New Jersey, which adopted its own gun control legislation, 7 per cent of those applying for permission to buy guns during the first half of 1967 were turned down because of prior criminal records, mental instability, drug or alcoholism addiction and other reasons. Yet there was no reported instance of a qualified person being denied license to purchase a gun for legitimate use.

Opponents of the federal gun control bill have tried to kill it by implanting suspicion that it will deprive Americans of their constitutional right to bear arms and make it hard for them to buy guns for hunting, target shooting and other legitimate purposes.

Actually, the bill is aimed at stopping these things:

Interstate mail order sales of all firearms.

Over-the-counter sales of firearms other than rifles and shotguns to persons who live in other states.

Sales of handguns to any person under 21 and sales of rifles and shotguns to any person under 18 years of age.

It also would curb imports of firearms into the United States, making bazookas, machine guns, armor-piercing cannon and other weapons of war hard if not impossible to get.

President Johnson said the gun control legislation now before Congress is aimed solely at keeping deadly weapons out of the wrong hands. It interferes neither with sportmen nor law-abiding citizens with a legitimate need for guns and imposes no real inconvenience on legitimate gun buyers, he pointed out.

The bill represents the President's third attempt to get an effective gun control law passed by Congress and it appears to be no nearer passage than the first one he proposed. Meanwhile, the senseless maiming and killing of our citizens goes on at the hands of gun-happy criminals and mentally unbalanced persons.

The University of Texas episode mentioned by the President in his latest request for passage of the gun control bill is a grim reminder of what can happen any time at any other place. The longer Congress puts off the inevitable passage of the bill the greater price the public will have to pay in blood, heartaches and tears.

[From the Green Bay (Wis.) Press Gazette, Nov. 19, 1967]

The Shrill Shriek of the Gun Lobby

The National Rifle Association has been fighting gun control legislation in the Congress. Some evidence that the legislation might pass has brought shrieks of dismay from the association and shrill efforts through its official publication, "The American Rifleman," to smear anyone who has even hinted that it's about time that some form of legislation to control the sale of firearms is long past due.

In its most recent issue, the publication has these statements "The anti-gun element wears several faces. There are the sincere faces of do-gooders, some of whom literally would not harm even a germ-laden fly. There are the cynical faces of politicians who would traffic in emotionalism to get votes. There are the over-tensed faces of fanatics ready to doom whatever they dislike—in this instance, firearms—and the calculating faces of extremists determined to destroy what we know and treasure as the American way of life. All of these people would bury our guns. Some of them would like to bury us (the NRA) also."

This is poppycock, and the NRA knows it. But it reveals its real point in the magazine's editorial by suggesting that the ". . . NRA has proven itself exactly what it is acclaimed for being, 'Foremost guardian of the American traditional and constitutional right of citizens to "Keep and Bear Arms." Join or renew your NRA membership now.'" This is the smear technique followed by the hard sell, all on grounds that the pending gun sale legislation is the result of a vast conspiracy to prevent law-abiding citizens from purchasing guns. It suggests that the NRA is the only force mounting the ramparts to protect "the keep and bear arms" provision of the Constitution.

Perhaps the NRA considers J. Edgar Hoover as one with the do-gooders, the politicians, the fanatics and the extremists in its diatribe against those who believe the time is long past due for the legislation against the indiscriminate sale of firearms.

Mr. Hoover said recently that ". . . the easy accessibility of firearms is responsible for many killings, both impulse and premeditated." He put his finger on the flaw in the NRA contention that no one could obtain a gun if legislation is adopted to control the sale and registration of firearms. The legislation, Mr. Hoover said, presents "no great problem to the individual in requiring all guns to be registered if the owner has nothing to hide and if he is a law-abiding citizen." He continued, "I think mail order firearm purchases should be banned, interstate transportation of firearms controlled and local registration of weapons required and enforced."

These are reasonable regulations. They would not, in contrast with the NRA's contention, violate anyone's constitutional rights, prevent hunters from buying and using guns, destroy what "we know and treasure as the American way of life" as the NRA puts it in its shrill opposition to regulation of gun sales, or even hurt the proper goal of the NRA in its field of competence—advice and direction on the proper and safe use of firearms.

Congress should pass the firearms sales legislation now before it. The NRA should seek its members on its own merits rather than on the technique of smear of those who favor such legislation.

[From the Milwaukee (Wis.) Journal, Nov. 22, 1967]

Just 4 Years Ago

Suppose that there were virtually no restrictions on ownership of a potentially deadly implement, the auto. No car would have to be registered. The citizen could buy it and sell it without any formalities at all. Suppose that anybody could operate an auto, including children, without any test of eyesight, knowledge of rules of the road or competence to drive.

Preposterous? Of course it is. But there are virtually no restrictions on ownership of another potentially deadly implement, the gun. In most communities, some type of firearm is readily available to almost anybody. There is no registration, no check of firearm safety record, of arrests for felonies involving guns, of competence to handle a deadly weapon. And, if there do happen to be local restrictions, they can be ducked quite simply by ordering a gun by mail.

The auto, although incidentally a lethal weapon if misused, is designed for transportation. The firearm, although incidentally suitable for target practice, is designed to kill.

Just four years ago a United States president was assassinated by a mail order rifle, ordered under an assumed name. There have been attempts in congress ever since to put the most rudimentary controls on this traffic. Nobody is proposing federal registration of firearms, simply a ban on the interstate mail order sale of guns to individuals so that local controls can become effective.

National polls consistently have found a majority of Americans in favor of stiffer federal controls on guns. Yet a flood of opposing mail, carefully generated by the firearms lobby, deluges congress and it does nothing. The killing of human beings by easily owned, readily concealed, slimly regulated firearms goes on.

Preposterous? Of course it is.

[From the St. Paul (Minn.) Pioneer Press, Nov. 11, 1967]

Check on Weapons Sales

The furor over gun sales has produced at least one beneficial side effect.

The Army now screens members of the National Rifle Association who apply for surplus government weapons under the Pentagon's civilian marksmanship program. The result: weapons have been withheld from about 80 members on the basis of police reports that they are unfit to possess guns. In most cases, criminal records were cited.

That is not a very large number in view of the fact that 13,400 NRA purchase applications were received. But we are happy that there is now some modicum of control. No one knows, of course, just how many guns got into hands of felons through this program in the past 64 years since neither the NRA nor state adjutants general were able to conduct complete investigations into the background of persons who joined the rifle group.

The Army began its screening program early in May. NRA members (they are the only ones who can buy the surplus weapons) now must submit an affidavit to the government with their purchase orders; it states they are not under indictment nor have never been convicted of a felony. The Army then asks local police to check their files. A 45-day hold is put on the gun orders.

Federal law only bars convicted felons from possessing guns but the Defense Department apparently will go along with local police if they feel persons with an arrest record should not be sold weapons.

The weapons sale program is flourishing—$1.6 million of government rifles and pistols were dispensed to NRA members last year and is not going to be abolished, apparently. But at least there will be some check on sales.

We're making progress.

A PUBLIC OFFICE IS A PUBLIC TRUST

Mr. KUCHEL. Mr. President, a few days ago the senior Senator from New Jersey delivered a lucid, most persuasive address to the Columbia Law School alumni luncheon in which he set out the legal basis for enforcement of the proposition that public office is a public trust.

Since Senator Case has been in the Senate, he has been a leader in the effort to safeguard the integrity of Government and to maintain high standards of conduct in the legislative as well as the executive branch.

His proposal that public officials be held to account for their actions as private trustees long has been widely commended within the legal profession.

I am happy to call the attention of members to his thoughtful discussion, and ask unanimous consent that it be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Text of Remarks by Senator Clifford P. Case to the Annual Columbia Law Alumni Luncheon, New York City, January 26, 1968

Just as the Decalogue has both its "Thou Shalts" and its "Thou Shalt Nots", so, the injunctions upon a trustee are both positive and negative.

I suppose if one had to make a choice, one would in each case conclude that of the two sets of obligations, the affirmative were the more important.

Of course, one does not have to make that choice. Indeed, under the law he is not permitted to.

One is obliged to observe both the "Shalts" and "Shalt Nots". A trustee is accountable for a breach of both affirmative and negative obligations.

I make something of this point because I do not wish anyone to imagine that, though I shall hereinafter emphasize certain negative restrictions upon trustees, public or private, I am in any sense unaware of the importance of the proper performance of their positive duties.

Indeed, in private affairs, I can imagine stockholders who would be quite content to retain as president of their corporation one whose brilliant management has multiplied the value of their holdings, despite his failure to forgo one or more questionable opportunities for personal profit arising because of his position. There have been labor leaders who, despite questionable dealing with union funds, still enjoyed the overwhelming support of their membership because of their skill in negotiating favorable contracts with employers.

And certainly the public good requires that the holder of public office, whether a mayor, a governor, a legislator, the president of the United States, or any one of the millions of bureaucrats whose existence has become essential to us all, be competent, at least, as well as honest.

But in law it is no defense against a charge of breach of his negative duties that a private trustee has performed with competence, and even with brilliant success, the affirmative functions of his office.

There are certain things a trustee simply must not do.

All of you know that not too long ago it was fairly commonplace for a corporate officer, or his family, to have favorable contractual relations with his own corporation. That day has passed.

So far as I know, the sale of one's voice or vote, in private or in public affairs, has always been illegal. But, until recently, it was thought not improper for a director or officer to make personal gain by trading in the securities of his own company on the basis of information known to him but not known to the general public or to the general body of his stockholders. This, happily is no longer so.

It would have shocked the corporate lawyers of an earlier generation to suggest that the holders of a majority of the stock of a corporation could not sell it to anyone they pleased.

Yet the New York courts have permitted the trustees in bankruptcy of a corporation to collect heavy damages from owners of the majority of the stock of the corporation who had sold their controlling holdings to strangers without bothering to discover what the characters or even the reputations of the purchasers were, after which the purchasers looted the corporation and drove it into insolvency.

The Securities and Exchange Commission held, in *Cady Roberts & Co.*, SEC Release #6668 (November 8, 1961), that the antifraud provisions of the Securities Exchange Act were violated when a registered broker-dealer had gotten from his partner, a corporate director, information of an impending dividend reduction and thereupon had caused shares of the corporation owned by his customers in discretionary accounts to be sold on the stock exchange prior to public announcement of the dividend reduction.

The Commission held that the broker-dealer's fiduciary duty to his customers was overridden by the impropriety of his use of inside information obtained from his partner, a director of the corporation. The Commission asserted that it was the purpose of the Exchange Act to "eliminate the idea that the use of inside information for personal advantage was a normal emolument of corporate office."

The point is that for some years the law of private trusts has been developing apace. The area of private activity in which trust obligations have been imposed has been greatly expanded. At the same time, private trustees have been held to constantly higher standards of conduct. Unfortunately, one can scarcely claim a similar development over the whole field of public affairs.

I say the whole field "advisedly," for, by statute and through the Senate's authority to advise and consent to presidential appointments, Congress has required the holders of many offices in the Executive branch of government to dispose of personal financial interests which might conflict with their public responsibilities.

I am sorry to say Congress has been somewhat slower to impose such standards upon its own membership.

Certain provisions of our conflict of interest laws do apply to the members of Congress. It is a crime, for example, for a member of Congress, as well as any officer or employee of the United States, to receive compensation for any service in a matter in which the United States is a party. Yet in countless other ways the standards of conduct of members of Congress and other legislative bodies fail in fact to meet the high standards which are imposed in private trust situations and which are required of many public officials in the Executive branch of our government.

Two matters are particularly troublesome.

One is the conflict between personal interests of legislators and their public duties. Another is the matter of influence peddling.

As to the former, that is, conflict of interests, it may be unrealistic to suggest that legislators must divest themselves of all personal interests which might conceivably be affected by legislation or by the action of governmental regulatory agencies. Though, in many cases, they certainly should.

Should a member of Congress whose law firm represents a common carrier, for example, act on as a Committee member or vote on the floor on measures affecting common carriers? Or should one with business interests or business associates in the mining industry pass on such measures as depletion allowances?

We have come to expect a member of the Judicial branch to disqualify himself from sitting on a case where his personal interests or associates might be thought to color his view. The same holds true for the Executive branch. Should not the same practice be followed in Congress and in other legislative bodies?

I think it clearly should. I have long urged that Congress act to provide effective protection for the public interest in this matter and to do so in a manner consonant with the elective status of its members. Public disclosure is that way.

For many years, with increasing support from my colleagues, I have proposed legislation to require all members of Congress to report annually their income from all sources, including gifts, and their assets and liabilities, as well as all dealings in securities and commodities and real property. These would be filed with the Comptroller General as public records available to both press and public. Such reports would also be required of candidates for Congress and top officials in both the Legislative and Executive branches.

A second part of this legislation would apply the principle of disclosure to all oral or written communications to regulatory agencies concerning particular cases, including communications from members of Congress or members of the Executive branch outside the agency involved. For example, all communications, routine or otherwise, from members of Congress in behalf of a particular application for a broadcast license from the Federal Communications Commission would be made a part of the public record.

Though I am by no means opposed to an effort to write improved codes of conduct, I believe public disclosure provides by far the best attack upon conflicts of interest.

Disclosure is self operating and automatic. It avoids the difficulties of enforcement in a field in which the courts have been reluctant to interfere and in which legislators have shown themselves reluctant to discipline their colleagues.

It avoids the difficulties which other approaches might raise as to possible infringement of the right of the people to elect as their representatives whomever they choose. At the same time it would give the electorate a solid basis on which to judge their representatives' actions.

And it would be preventive because the necessity of making such a report would serve as a stop-and-think warning in any case in which a question of the propriety of conduct might be involved.

Adoption of a disclosure requirement of the sort proposed—at every level of government, Federal, state and local, and for both Executive and Legislative branches—would put new meaning—real meaning—into the somewhat hackneyed expression that "public office is a public trust." I was, therefore, greatly pleased when General Eisenhower, in Reader's Digest for January, gave public disclosure his full endorsement.

So much for conflicts of interest. What of influence peddling?

Disclosure legislation of the sort we have proposed would go a long way to deal with this problem also. In addition, another sanction which has come into extensive use in the law of private trusts could and should be applied in the field of public trusts, namely, taking the profit out of breaches of such trust.

I have referred to several of the decisions holding that a private trustee can be compelled to account for every penny of profit he makes out of a breach of trust. I am certain that the law is the same in regard to any profit derived from a breach of one's public duties. And I am convinced that whenever they are given an opportunity to do so, the courts will so hold.

In fact, the courts have so held. It would not be appropriate for me here to attempt the citation or discussion of the long list of decisions. One, I think, will suffice.

In *Reading* v. *Attorney General* (1951 A. C. 507) a British Army sergeant during World War II received money from smugglers for escorting their trucks through Cairo, Egypt, thus enabling them to pass the civilian police without inspection. The British military got wind of this and took possession of the money. The sergeant sued to recover it.

The House of Lords held that the Crown was entitled to the money since the sergeant had gotten it by the use of the uniform of the Crown. It was held immaterial that the sergeant was not acting in the course of his employment and that the Crown had suffered no loss and could not lawfully have made the profit itself.

The principal opinion in the case states: ". . . any official position, whether marked by a uniform or not, which enables the holder to earn money by its use gives his master a right to receive the money so earned even though it was earned by a criminal act. 'You have earned,' the master can say, 'money by the use of your position as my servant. It is not for you, who have gained this advantage, to set up your own wrong as a defence to my claim.' "

Professor Arthur Lenhoff, writing in the Columbia Law Review points to the Reading case in urging that the constructive trust be employed as a remedy for corruption in public office. And the Harvard Law Review, commenting on the case, pointed out that "its principle might well be applied to the currently notorious 'sales of influence' by public office holders."

At the beginning of my remarks I called attention to the Securities and Exchange Commission assertion that it was the purpose of the Securities Exchange Act to eliminate the idea that the use of inside information for personal advantage was a normal emolument of corporate office.

Surely the courts would hold that the same principle is at least equally applicable to public office. Surely the use of inside information obtained through public office or the use of the prestige and influence pertaining to public office for personal advantage is not a "normal emolument" of that public office. Surely no one has the right to trade on the prestige of his official position for his own private gain.

There is some of the preacher in all of us. We all like to tell other people what they ought to do. So, in closing, I suggest that the Bar and its members have a special opportunity and, therefore, obligation, in connection with taking the profit out of influence peddling.

Civil suits against office holders to compel them to account for profit made through selling or bartering, or otherwise compromising their influence and prestige, can, of course, be brought by the legal representatives of the various levels of government. If such representatives fail to bring such actions, I believe they can, in most jurisdictions, be brought by private citizens for the benefit of the government involved. In a few jurisdictions new or amendatory legislation may be necessary to permit such litigation.

The corporate stockholders suit was regarded with some distaste by the "establishment", both legal and business, of my early years at the Bar. Yet it performed a very real public service in the establishment and the enforcement of trust relationships in the private area. Is it not possible that similar litigation by private citizens, represented by private counsel, could accomplish a similar benefit in establishing and enforcing higher standards of conduct in public life?

If we make the principle of disclosure of personal interests a firm requirement for public office holding and if we also establish firmly the institution of civil suits for accounting for profits made through the use of public office and the prestige and influence thereto appertaining, we shall have come measurably closer to the time when we can claim that public office is indeed a public trust.

RABBI NORMAN GERSTENFELD

Mr. BREWSTER. Mr. President, the Washington community has lost one of its most distinguished members with the untimely passing of Rabbi Norman Gerstenfeld.

As minister and spiritual leader of the Washington Hebrew Congregation for 33 years, Rabbi Gerstenfeld established himself in the forefront of religious and civic movements for citizens of all faiths.

In the United States and in the many foreign countries that he visited, Rabbi Gerstenfeld was recognized and respected both as a leader of Reform Judaism and as one who advocated the close fellowship of men of all religions.

In the Metropolitan Washington area, Rabbi Gerstenfeld led the members of his congregation with the highest devotion. But his leadership also extended into religious and civic enterprises that touched all faiths and all citizens and enriched the community as a whole.

Rabbi Gerstenfeld was a man of great wisdom and distinction. His loss will be felt deeply.

Both the Washington Post and the Evening Star of January 29 published editorials that spoke eloquently of Rabbi Gerstenfeld's contributions. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 29, 1968]

NORMAN GERSTENFELD

The devotion and fidelity with which Rabbi Gerstenfeld discharged his duties to the Washington Hebrew Congregation, which he served and led for 32 years, were amply attested by the extraordinary devotion and fidelity long accorded him by his parishioners. Throughout that congregation today there must be a warm and vivid sense of personal bereavement. But the measure of a minister of religion runs, of course, beyond his own parish and even beyond his own religious community. It runs to the larger community in which all men are brothers, whatever their mode of worship. And here, too, Rabbi Gerstenfeld won esteem and affection through leadership and service.

Himself a Talmudic scholar of distinction with a love for Hebrew lore and literature, the Rabbi enriched the intellectual life of Washington by inaugurating and sustaining his congregation's notable Sunday Scholar series of lectures and its extremely useful Institute of Judaism for the Christian Clergy. He fostered the concept of community brotherhood by a variety of interfaith activities. And he gave secular service to the whole of Washington through participation some years ago in the work of the District Board of Public Welfare. Men and women of every faith will be diminished by his death.

[From the Evening Star, Jan. 19, 1968]

RABBI GERSTENFELD

Rabbi Norman Gerstenfeld, a dedicated and effective advocate of individual freedom and the fellowship of man, once summed up his social philosophy for a student audience. "Society," he said, "needs more than one kind of man if it is to grow onward toward its destined glory."

Of those many kinds of men, Dr. Gerstenfeld played a unique and central role in the shaping of his society.

For 33 years, Dr. Gerstenfeld served at the Washington Hebrew Congregation. That span covered Washington's greatest period of rapid growth. And while the district's character changed from the small town of the mid-1930s to the world capital of today, Dr. Gerstenfeld was among the foremost of those who directed that development.

He was a scholar, a civic activist and a religious leader, whose leadership extended far beyond the broad horizons of the religion to which he devoted his life. He worked actively with Catholic and Protestant churchmen to enrich the city's religious life.

His family's loss is shared by his congregation, his co-religionists and the city he served so ably and so long.

DIPLOMATIC MEANS MUST BE EXHAUSTED BEFORE FORCE IS USED IN "PUEBLO" CRISIS

Mr. PROXMIRE. Mr. President, I wish to join many other Senators in praising the President's reliance upon diplomacy to solve the *Pueblo* crisis. We must not be pulled blindly into an avoidable war. Our paramount concern must be the safety of the 81 American sailors and 2 civilians now in North Korean hands. Thus, before we reach for our guns, we must give the North Koreans every reasonable opportunity to expiate their crime on the high seas. Only when it is clear that diplomacy has failed should we consider force, with all that that entails, as an alternative.

However, there are some unanswered questions which should be dealt with: Why was the *Pueblo* so vulnerable to capture? Why was nothing done once the North Korean's plans were known? And what is being done to prevent another such situation?

I should like to commend the newspapers, particularly the Milwaukee Journal and the Wall Street Journal, for their thoughtful comments on the crisis. I ask unanimous consent that editorials published by them be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

A TIME TO KEEP COOL

It is critically important for the United States to use every diplomatic means at its disposal to seek release of the intelligence ship Pueblo and her crew, seized by North Korean patrol boats. The alternative is to widen the war in the far east and strain our armed might to the danger point.

If the facts are as our navy presents them, this was an outrageous and unprovoked violation of international law. The prompt return of the 906 ton, 178 foot "intelligence collection auxiliary ship" is the minimum condition on which the United States can settle. The inevitable call to "send in the marines" is premature until and if diplomacy fails.

This aside, it needs to be asked what this slimly armed vessel, jammed with apparently secret electronic equipment, was doing without air or sea escort so close to the North Korean coast. An hour and 45 minutes elapsed between the first approach of Communist patrol boats and the boarding and capture of the Pueblo, the navy says, yet either no attempt was made by the ship's captain and crew to call for help or no help was sent.

These are questions the American people can properly expect their military authorities to answer. A well escorted vessel, in constant touch with its base, might never have fallen into this trap and thus set up an internationally dangerous incident.

There is no way of knowing whether this was the impetuous and foolhardy act of a few North Korean junior officers, unsanctioned by their leaders, or a calculated attempt to provoke an incident and further strain the overstretched military arm of the United States.

If the former is true, there is a fair chance that the Pueblo will be returned after the requisite amount of saber rattling and diplomatic haggling. The United States should keep its "cool" and try diplomacy first.

[The Wall Street Journal, Jan. 29, 1968]

THE MOMENTUM OF BELLIGERENCE

Faced with a possible replay of the Korean war while bogged down in Vietnam, the Administration can hardly be faulted for ordering a limited call-up of air reservists. Yet the danger is great that both sides could progressively harden their "responses" until the second Korean war would become a certainty.

No one pretends to know whether North Korea's capture of the intelligence ship Pueblo signals an intent to open a second front. Many doubt it, seeing in the incident instead an attempt to exploit an inviting opportunity—the vulnerability of a lonely, lightly armed vessel jammed with sophisticated electronic gear.

The harsh fact nonetheless remains that the North Koreans are eminently capable of re-starting that war, which has been in a most uneasy state of suspension these 15 years, tying down 50,000 U.S. troops. It's not only North Korea; the Communists can open second fronts in Laos and Thailand and elsewhere along the vast periphery of the Red world.

A further fact is that right now may seem an attractive time for the North Koreans (or others) to do so. Along with all its other woes in Vietnam, the U.S. is confronted with what may be the biggest battle of the war, at Khe Sanh below the demilitarized zone. There, 5,000 Marines are tightly encircled by North Vietnamese and Vietcong forces, and the American position is perilous.

To some, indeed, Khe Sanh looks like another Dienbienphu. To us it appears rather unlikely, the U.S. strength in Vietnam being so much greater than was the French in 1954. At best, though, Khe Sanh is a bitter reminder how much power the Communists can still mount after all the punishment they have taken from the U.S. And it could well impress the North Koreans as a good time for major trouble-making precisely for that reason.

For still a further unpleasant fact, the U.S. is in fairly poor shape to wage a new Korean war, let alone any others. As our Washington Bureau puts it, the call-up of reservists emphasizes that very point; for all its enormous power, the Vietnam war has spread the power thin and the nation is short of men and materiel for any sustained struggle with North Korea. Which adds one more chapter to the long lesson about the dangers of getting militarily overextended and overcommitted around the world.

Suppose, however, that the North Koreans have no such intentions, that the Pueblo's capture was an isolated foray. It is still a treacherous situation, because it is one in which each side's successive steps could carry things out of hand. North Korea could react to the call-up by more military moves; the U.S. could then react with tougher steps of its own. In no time the fat could be in the fire.

Caution thus is mandatory. So far we think the Administration probably has been reasonably restrained. Certainly it could not just sit there, saying and doing nothing while the North Koreans keep the ship and crew. Washington therefore is trying to exhaust diplomatic means—taking the issue to the UN Security Council, for example—before resort to force. Fortunately, this approach seems to have the approval of most members of Congress.

There is, finally, one specific reason why the Korean confrontation should not be allowed to escalate, willy-nilly, into war. It would be wholly disproportionate to the ostensible cause, namely the Pueblo and the nature of its mission.

Remember the U-2? If the U.S. Government considers it necessary, and it doubtless is in the world as it is, to send a lone reconnaissance plane high over Russia, it must realize the risk and be prepared to lose the plane. The U.S. never regarded its shooting down by the Soviets as a cause of war.

Exactly the same with the Pueblo. Many questions are unanswered about the handling of its predicament, and the seizure itself is humiliating and infuriating. Still, if the U.S. views that kind of mission as essential, it should be prepared to accept what can happen without over-reacting to the point of risking actual war.

Granted, if the North Koreans do aim to re-open the war, these observations are academic. But for war to come without appropriate cause, merely through the momentum of mutual belligerence, could be as tragic as the consequences of the shot at Sarajevo.

DAVID GITELSON—BRAVE AND SELFLESS AMERICAN

Mr. KENNEDY of Massachusetts. Mr. President, during my recent trip to Vietnam, I met and spent a great deal of time with a brave and selfless young American, David Gitelson, of Beverly Hills, Calif.

For the past 2 years, David Gitelson had lived with the South Vietnamese villagers in the Mekong Delta as a volunteer with the International Voluntary Services. He devoted his time and his energy to helping the people of his area, the homeless and uprooted refugees, the sick and the hungry, those in need of help in building wells or who could benefit from Gitelson's knowledge and schooling in soil sciences.

A national magazine in a recent issue singled out Gitelson for special praise:

> A lanky loner who lopes around in sandals and faded levi's, Gitelson carries his worldly possessions with him in a wheat sack, is known to the Vietnamese as "My Ngheo"—the poor American. U.S. officials consider him the most effective American of all of the thousands involved in delta pacification. Says one: "All he has is strength, stamina and awkwardness. I wish we had more like him."

David Gitelson was concerned about the South Vietnamese people. He was close to them and understood their needs. He was pained and distressed over the suffering in Vietnam and over a government which seemed removed from the people in the countryside.

When MacAlester College in St. Paul, Minn., recognized David Gitelson's extraordinary abilities and contributions by awarding him its International Distinguished Service Award, Gitelson declined to leave Vietnam to accept the citation. He choose to remain in Vietnam working as he had—day in and day out—with the people of the delta.

The nomination citation for the award was written by the IV's leader in Vietnam and tells a lot about this young man:

> I feel that he stands as the high point in selflessness in his every action. He has expended countless energies in his work of trying to help raise the level of income of the rural people living at the base of Ba the Mountain. In recent years, large numbers of war refugees have poured into this somewhat more secure area . . . None with more than the clothes on his back and those on his children trailing behind him. Dave has worked through the height of last year's flood to help these people find land, try to find some seeds and implements and to get them re-established in life by growing gardens. Daily one can see him walking to and from farmers' houses . . . wearing his old clothes. A modest man who speaks modestly of his own accomplishments. Dave wears modest clothing and leads a simple life not for the show, but out of a true sense of humility.
>
> I feel no greater testimony as to the appreciation of Vietnamese people for his efforts in their behalf could be made than to relate what a Vietnamese student told me in Long Xuyen, not far from Ba The a few months back when he saw Dave come into the House. He said, "Oh, is he in IVs too? My people love that man. He helps my people very much."

Ironically, at almost the very moment David Gitelson was being honored in St. Paul, Minn., he was taken prisoner by the Vietcong in the Mekong Delta and then brutally slain.

He was the sixth member of IV's to be killed over the last 2 years. His loss to his parents, to IV's, to the Vietnamese people he worked with, and to our society to which he would have returned is incalculable.

RATIFICATION OF HUMAN RIGHTS CONVENTIONS WOULD PROVIDE LEADERSHIP TO CAUSE OF PEACE

Mr. PROXMIRE. Mr. President, our Nation is confronted in this International Human Rights Year with a deep moral obligation to ratify the Human Rights Conventions on Forced Labor, Freedom of Association, Genocide, and Political Rights of Women.

I plan to continue my efforts to win ratification of these conventions by the Senate because I genuinely believe all Americans support established and guaranteed standards of international behavior. There are some who voice concern over such Senate action saying it would usurp responsibility for matters now within the jurisdiction of the States and upset the Federal-State balance.

Let me again state that nowhere in these conventions are there any provisions which would present a conflict with express limitations in the U.S. Constitution.

I feel we should share our legacy with people everywhere.

It is our job, in the days ahead, to work harder at the job of strengthening and seeking peace throughout the world. We can do that by aiding the promotion and development of respect for human rights and the fundamental freedoms.

Let us give active leadership to this great issue.

As we mark 1968 down in our records as the International Human Rights Year, I ask Senators to perceive the tremendous value attainable from ratification of these conventions because the issue of human rights is really inseparable from the cause of peace.

URBAN COALITION

Mr CLARK Mr President, during the past several months I have often had occasion to speak in praise of the work of the Urban Coalition, a group representing the major "movers and shakers" in American business, labor, religion, civil rights, and local government.

On January 12, 1968, the Urban Coalition presented a "Statement on the Opening of Congress." The statement deserves the attention of every Member of the Senate and House of Representatives.

I strongly support the call of the Urban Coalition for "a reordering of national priorities." It has long been my own position that such a reordering is essential if we are to meet our basic responsibilities to the people of the country.

I ask unanimous consent that the statement by the Urban Coalition be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement on the Opening of Congress by the Urban Coalition, January 12, 1968

As the new year begins and the second session of the 90th Congress convenes, The Urban Coalition reaffirms its call for recognition of the compelling needs of the people of our nation's cities and for immediate and positive action to meet those needs. No longer can this country tolerate the serious unemployment, housing deficiencies, educational disparities and urban decay which plague urban America. The Urban Coalition calls upon American citizens to insist that this session of Congress enact the legislation necessary to restore health to our cities.

The nation can no longer ignore the intolerable conditions of life which cripple too many of our fellow citizens and induce the widespread discontent and disorder which have erupted year after year, warning America that it is not meeting its responsibilities to its own people.

The Urban Coalition, broadly representative of American business, labor, religion, civil rights and local government, pledges its firm and continued support for a reordering of national priorities and a commitment of national resources equal to meeting these responsibilities. The substantial number of communities forming counterpart Urban Coalitions all over the country is strong evidence that the citizens of our urban areas share the Urban Coalition's concern and its commitment. With the commitment of its citizens this nation has the capacity now to resolve its urban problems.

We call upon the Congress, the Administration and the nation to move without delay on urban programs. The Administration's Open Housing legislation should be enacted into law now.

Definite steps should be taken now to assure government-generated employment to every citizen able and willing to work but unable to find private employment.

The Administration's Safe Streets and Crime Control Act and Juvenile Delinquency amendments were drastically altered in the House of Representatives last year to channel the programs and funds through a state planning and allocation process which would delay and frustrate their effectiveness. The original Administration version of these bills should be passed by the Senate so as to mount an efficient and effective attack on the root causes of violence, crime and delinquency coupled with the development of improved local law enforcement.

A supplementary appropriation bill should be immediately introduced and enacted to fund fully the President's anti-poverty programs as authorized for this fiscal year.

Programs for low and moderate income housing, urban development, model cities, mass transportation and community facilities should be extended, expanded and adequately funded now.

The repressive welfare program amendments enacted last year, penalizing children born into one-parent homes and shifting the financing burden to local government, should be repealed immediately.

We know these legislative aims are more easily stated than accomplished. But we also know the needs are massive and urgent, and the hour is late. We pledge our full support for the legislative action required and ask the help of Congress and the nation.

Andrew Heiskell,
Cochairman, the Urban Coalition, Chairman of the Board, Time, Inc.
A. Philip Randolph,
Cochairman, the Urban Coalition, Vice President, AFL-CIO.

PRESIDENT PROPOSES SOUND COURSE TO MAINTAIN INTERNATIONAL VALUE OF THE AMERICAN DOLLAR

Mr. SMATHERS. Mr. President, this year, the President's economic report and its discussion of the international monetary system is of particular interest to the Congress and the Nation.

We are all conscious of the fact that the international monetary system was severely tested last year, particularly after the British devaluation. There are many Americans who have been and are concerned over the recent deterioration in our balance of payments and our substantial loss of gold reserves.

President Johnson's economic report faces up to these problems and their implications in a realistic and forthright fashion. The report shows how the international monetary system was able to overcome these difficulties through prompt and cooperative action. It makes clear that the American dollar remains the world's strongest currency.

The report strongly reaffirms the U.S. commitment to maintain dollar convertibility to gold at $35 an ounce. The two economic reports submitted to us spell out in some detail why it would not be wise for the United States—as well as the countries of the free world—to allow the price of gold to rise precipitously. Such action would be ineffective and inequitable. It would give unearned windfall to such gold producing countries as South Africa and the Soviet Union while penalizing countries like Japan and Sweden which have traditionally held a large part of their reserves in dollars. Finally, it would not only reward speculators but it would be likely to encourage them in the belief that further price rises are inevitable.

The report spells out at considerable length the President's program to assure the American people that the dollar will continue to remain strong and the international monetary system will evolve in an orderly and progressive fashion.

An essential part of this program consists in the vigorous balance-of-payments measures which the President has already announced and which are designed to move our payments situation decisively toward equilibrium.

A second major strategy involves a strong Presidential effort to make dollar surplus countries in Western Europe live up to their responsibilities to bring about payments adjustment. The report gives a concise outline of what must be expected of these countries.

Third, President Johnson has asked for removal of the gold cover against Federal Reserve note liabilities. Although it is now technically possible for the gold stock to dip below the gold cover requirement, removal of this statutory limitation will help make it unmistakably clear that the entire gold stock is available to defend the international convertibility of the dollar.

Finally, the report stresses the vital need for adoption of a new international reserve asset that will supplement such existing assets as gold and dollars and permit an adequate and smooth growth of total of international reserves. Great progress toward this goal was made last fall when the plan for creation of special drawing rights was agreed upon at Rio de Janeiro. The President's report leaves no doubt that the nations of the world should now act promptly to implement that plan and to activate it on an adequate scale.

A NEEDED SEARCH FOR FUTURE ASIAN POLICY

Mr. NELSON. Mr. President, there are many thousands of citizens in the State of Wisconsin who have been disturbed and puzzled by our Vietnam policy.

Futile escalation and increased American involvement have not succeeded in ending the war.

Many of the reservations and doubts expressed by Wisconsin citizens have been eloquently stated in a recent series of editorials on the war in the Green Bay, Wis., Press-Gazette.

Through the years the Green Bay Press-Gazette has been one of Wisconsin's most distinguished newspapers. Its thoughtful and well written editorials are widely read.

I highly recommend to my colleagues the three recent editorials in the Press-Gazette on the incongruities of our Vietnam policy and ask unanimous consent that they be printed at this point in my remarks.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Green Bay (Wis.) Press-Gazette, Jan. 7, 1968]

Harming the Republican Campaign

There seems to have developed in much of the country a feeling that perhaps South Vietnam was not really important to American interests or security but that our commitment of extensive military forces there has now made it so. Even retired Marine Gen. David Shoup's blast that the idea that Communists would be attacking the continental United States if they won in Vietnam as "poppycock" does not cloak the concern now that we just can't get out.

Former President Eisenhower expressed this when he warned that, "If any Republican or Democrat suggests that we pull out of Vietnam and turn our backs on the more than 13,000 Americans who died in the cause of freedom there, they will have to contend with me. That's one of the few things that would start me off on a series of stump speeches across the nation."

And yet when Gen. Eisenhower was campaigning for the presidency, he took quite a different approach to the war in Korea.

"The first task of a new administration will be to review and reexamine every course of action open to us with one goal in view; to bring the Korean war to an early and honorable end . . . for this task a wholly new administration is necessary . . . the old administration cannot be expected to repair what it failed to prevent," candidate Eisenhower said.

There really can be no responsible encouragement for American forces just to withdraw from Vietnam and, as far as such a course goes, we are now committed by our presence. General Eisenhower never suggested such a withdrawal of forces from Korea either.

But in those days his emphasis was upon bringing the war to an end. Now, he seems to be turning toward only a military victory in Vietnam. Does this possibly mean that he no longer believes the course his administration followed for Korea was the right one?

The former President may not have meant it that way but his recent remarks tend to handicap any Republican effort to campaign for peace and an honorable settlement—just the thing that contributed so heavily to his own election 16 years ago.

[From the Green Bay (Wis.) Press-Gazette, Jan. 11, 1968]

A Cease-Fire for Our Purposes

As usual, there is a wide divergence of opinion over what may be a new peace feeler from Hanoi.

The most vehemently opposed to the American involvement in Vietnam see United States reluctance to accept the idea of a change in the attitude from Hanoi as further proof of the perfidy of American policies. The bombing of a Russian ship in the harbor at Haiphong and raids within nine miles of the border of China are also cited as part of the same pattern of talking about peace but raising the ante and escalating the military pattern at the same time.

But those opposed to a halt in the bombing insist that the latest word from Hanoi that it "will talk" rather than "could talk" if the bombing halts is just another come-on to give the North Vietnamese a breather and the opportunity to move more troops and supplies to the South. This side also points out that the Communists consider negotiations as a part of war and refer to North Korean activity during the Panmunjom discussions more than a decade ago.

There are a couple of things that appear to be true, however, in spite of the disputes, the suspicions, and what may be the lack of accurate information from Washington.

Hanoi's latest overture is really nothing very new. Although the United States officials have chosen to downgrade them, there have been other indications that talks would begin a few weeks after the bombing stopped. United Nations Secretary General U Thant said so late last summer and the Indian defense minister indicated in October to the General Assembly that he had information to that effect. It has also been reported that Premier Kosygin not only made the same suggestion in London last winter but that he told President Johnson the same thing at Glassboro in June.

Presumably, the main thing that holds up American moves toward negotiations gained only through a halt in the bombing is concern over how the cessation would be used by the Communists. It must be accepted that they would continue to move troops, to repair bridges, and to unload and ship supplies. The American forces would be doing much the same thing except that we would be hampered by the continuation of the war in the South, not halted like the bombing, at least for the time being.

But if a halt could lead to negotiations that led to a cease-fire and a hard line across the DMZ, would this be something dishonorable for the United States to accept? The Communists would have no more territory than when the war began; indeed they might well have the possibility of less than they could have won by local elections in 1954. At least, it has been conceded that the United

States and South Vietnam opposed the elections as outlined by the Geneva Accords because they were worried the Communists would win at that time.

Certainly, the Korean solution is not a happy one. There are incidents along the border, the United States continues to keep thousands of troops in Korea (although less would be required once the Koreans in Vietnam went home) and there is little chance for reunification of Korea.

But both North and South Korea have had an opportunity to repair the ravages of war. The recovery in the South has been tremendous, although it still has a long way to go. Even though a military junta seized control, there has been some progress toward more representative and democratic government. And North Korea has turned toward the more moderate communism of the Soviet Union and away from reliance upon the hysteria of Red China.

The Vietnamese and Korean situations are not completely identical. Even with encouragement to go North, the Viet Cong might prefer to lie low and wait for another chance as the Huks may have done in the Philippines. Without more cooperation from Laos and Cambodia, all infiltration to the South could not be halted. And the political instability of South Vietnam, greater than was present in South Korea which has still had two upheavals since the end of the war, could well mean coup after coup leading to Communist gains.

But the alternative to considering this eventual solution is a continuation of a war with no end in sight. North Vietnam may be hurting, but the latest reports indicate that its food crisis is over and that, without American invasion or use of nuclear weapons, the North Vietnamese can hold out almost indefinitely. Despite the reports of enemy dead, the Viet Cong seem to be as strong as ever, launching bold attacks close to American-held bases while they continue their terror raids on villages. The reluctance to send more Americans to combat almost certainly is a political matter in an election year. Another half million Americans probably will be needed to pacify South Vietnam—and if hot pursuit begins into Cambodia and Laos, the numbers required become even higher especially if the native populations are not interested in helping.

Quite aside from the risk of involvement with China in an escalated war is the basic question of whether we are being sucked into a fight at a place chosen by the Communists to weaken our ability to respond in more important places in the world. A cease-fire of the type finally reached in Korea, thus, becomes a logical objective.

[From the Green Bay (Wis.) Press-Gazette, Jan. 16, 1968]

A Needed Search for Future Asian Policy

A group of 14 American scholars of Asian affairs met recently for a three-day conference and issued a report about the American "presence" in Asia.

The report has been widely misinterpreted as backing our course in Vietnam. It is, instead, a reasoned statement about our past successes and mistakes in Asia, a general summing up, and some suggestions for the future. The United States had to go it alone in Asia as in Western Europe after World War II because of the vacuum of power in both areas.

"The United States has bought time for some 200 million people to develop, without their being ceaselessly confronted with combined external-internal Communist threats of growing proportions," the report notes.

The report points in particular to Indonesia, although it should also be noted that the Indonesian revolt against Communist influence came about completely without American interference or encouragement—perhaps even without American suspicion that it might happen. But the report warns that "to accept a Communist victory in Vietnam would serve as a major encouragement to those forces in the world opposing peaceful co-existence, to those elements committed to the thesis that violence is the best means of effecting change. It would gravely jeopardize the possibilities of a political equilibrium in Asia, seriously damage our credibility, deeply affect the morale—and the policies—of our Asian allies and the neutrals. These are not developments conducive to a long-range peace. They are more likely to prove precursors to larger, more costly wars."

Having warned against a Communist military victory or political settlement in favor of the Communists and having included some criticism of those in the United States who keep up the Communist hopes of such a victory, the report goes on to caution against a continuation of our policies and any escalation.

"A capacity to go down as well as up by carefully considered and measured steps must be demonstrated . . . Nothing would do more to strengthen American support for our basic position than to show a capacity for innovation of a de-escalatory nature. . . . At stake is a principle essential to the survival of the policies of limitation," the scholars say. The report also points out that the war must be won in the South and that "the strengthening of the South Vietnamese military and police forces must receive top priority. An increasing emphasis must be placed upon 'seize and hold' rather than 'search and destroy' operations with the peasants being given protection against extortion and pillage from all sides . . . Corruption must be rigorously attacked . . . social reforms . . . must be strongly supported . . . but for people under siege, there is no substitute for security."

The report says that "now the time is approaching when new styles of operation, new techniques, and new emphasis are essential . . . our role should be that of ultimate resort rather than that of first-line defense. Fixed bases in populous areas exact a political price that will at some time become too high. No issue needs to be reviewed more frequently than that of the precise disposition of American military power in the Asia-Pacific theater . . . the issue should be that of taking positions that are consonant with technological and political developments, positions that support rather than disturb our basic objectives . . . The most basic challenge confronting us today is to learn to live with insecurity without succumbing to panic or extremism."

The report differs from most on Vietnam in that it does not try to place blame for our being in the present situation. Instead, it takes it from now on, conceding that mistakes have been made. But on balance our record in Asia has been a good one, the report says. The report has already been criticized, however, by other American specialists on Asia who argue that "what we are doing in Vietnam is illegal and immoral and that in the very act of physically destroying a small country thousands of miles from our shores we are also morally destroying ourselves."

Certainly, our material and technical aid has been essential in the progress of such Asian nations as Japan, the Republic of China on Taiwan, and South Korea. But there are disturbing signs of a growing resentment of too much American presence, even aside from the war in Vietnam.

The Marcos government in the Philippines is on shaky political ground and, whatever its own point of view, must react to the growing anti-Americanism among the Filipino people. This was recently demonstrated when President Marcos announced that he would send no more token troops to Vietnam despite a contrary pledge to President Johnson only months ago. Thailand is fighting the same form of inflation which has surged through Vietnam because of American spending. Even economically secure Japan has political problems and no intention whatever of commiting any help to us in the war. Because of these political considerations, our presence in Asia must be muted and the military presence especially played down if not immediately reduced.

These particular Asian scholars are "moderates," it seems to us, and are saying to many of their contemporaries on American campuses: Let's go on from here with solid recommendations rather than complaints about past mistakes. Their suggestions as well should be noted by the critics who want us to withdraw unilaterally and perhaps even more by those who would exert continually more military pressure to reach that quick, simple, and final solution.

THE BARBAROUS RELIC

Mr. NELSON. Mr. President, in these times of economic duress and uncertainty, the attention of many Americans is being drawn to such problems as our balance-of-payments deficit and inflation at home.

In an article entitled "The Barbarous Relic," Dr. Frank C. Genovese, associate dean of the Graduate School of the Babson Institute, deals with many of these economic issues and offers some interesting proposals for their alleviation.

Dr. Genovese suggests that we sell as much of our gold as possible and replace it with reserves of other nations' currencies and securities. He departs from the traditional theory of the necessity and desirability of gold by stating that it is "a worthless form of wealth" and a "barbarous relic."

Dr. Genovese also voices his conviction that additional measures are necessary to curb the Nation's balance-of-payments problem. He includes a program of four points designed to encourage domestic spending and investment.

There are of course no easy answers to our serious economic problems, but Dr. Genovese has written a provocative article. I think it deserves reading by Senators, therefore I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Barbarous Relic

(By Frank C. Genovese, M.A., Ph. D.)

We should pay heed to Santayana's statement that those who do not study history are condemned to repeat it. In the late 1700's and early 1800's while Britain warred with Napoleon, the British who were off the gold standard saw their pound suffer de facto devaluation. The argument raged as to whether or not excessive creation of money had led to this depreciation of British money. Some very important British bankers took the view that credit which was created against goods in transit and in the process of manufacture could never be excessive and thus contribute to price increases. This "real bills" doctrine assumed goods were being created *pari passu,* or in constant rate, with the creation of money. If indeed, such had been the case, the bankers might have been correct, prices might not have risen because of this increase in money and accordingly, the British pound might not have suffered depreciation in terms of other countries' monies.

The above is instructive as we regard the current gathering flight from the dollar. One interpretation of Keynes' statement that gold was a "barbarous relic" is essentially the view of these bankers at the time of the 19th century Bullion Crisis. The modern form of this position is that the value of the American dollar is based on the strength of the U.S. economy and not on gold. This is the old real bills idea and it suffers from the same short sightedness, the view that goods and money increase in an exact lockstep with each other. This is a fatal overlooking of what has been happening in the U.S.A. for a considerable time now. Money has been increasing much more rapidly than have goods and we have been having inflation and consequently the U.S. dollar has been becoming worth less.

This set of facts—the relatively greater increase of U.S. money than U.S. goods and securities—could have been offset, and the dollar been kept at the same strength relative to other currencies if these other currencies too had been depreciated by excessive creation. This has not been the case, so our inflation has not been condoned by other nation's practices.*

So much for the diagnosis. What's to be done? Keynes was right, gold *is* a barbarous relic, but it is so in another sense entirely. It is a relic of times of poor communication, economic illiteracy, statistical ignorance, and rapacious princes. A modern world should not need gold. It is a useless form of wealth. Gold should be the world's hot potato. Every country should seek to unload it on other nations so that it can get something useful for it. We should let France and other nations have our gold while we purchase foreign deposits, securities, land, etc. We should seek to convert gold to earning assets or jewelry or fillings for teeth, etc. We presently have an historic opportunity to do just this. Let us continue to unload gold and let us never be so foolish as to try to reacquire it by trading American-owned assets for it.

In all honor, we should state this as our position and let those who want it, acquire gold. As the light of the consequences of this practice in terms of real assets and inflation dawns on other nations, gold buying will tend to dry up and its use as a monetary base be forsaken. The relic will be abandoned.

We still must get our house in order. We must recognize that we pay for imports and capital acquisitions abroad with exports and capital acquisitions by foreigners. We must recognize that our continuance as a world power is going to be expensive. We need cushions of reserves in other countries' currencies or in International Monetary Fund rights as do other countries. We can trade and develop in a progressive world on this basis. Indeed, we should state our willingness to trade U.S. Federal Reserve deposits at fixed rates with the central banks of other nations and with the International Monetary Fund. We can introduce more certainty in international payment than existed under the gold standard. We can use the Monetary Fund as an insurer of foreign deposit balances.

We should remember that foreigners do not buy "the strength of the U.S. economy." Rather they buy goods and securities from us. The relevant question is, "are our goods and securities a good buy?" With unilateral price inflation by the U.S., they become increasingly less of a good buy. Putting our house in order thus first of all means a dramatic decrease in the rate at which the American banking system, as led by the Federal Reserve Open Market Committee, has been creating funds. This action is apparently now being taken.

We sorely needed a tax increase to finance government spending. This will allow the Federal Reserve System to decrease its credit creation and allow the U.S. dollar to rise in purchasing power when compared with foreign currencies.

Lest it be thought that the answer to the new American dilemma, namely, how to maintain prosperity without inflation, could be solved by raising the price of gold, let us attempt to disabuse ourselves of this treacherous doctrine. The British experience since World War II should be an object lesson in the futility of such a policy. Devaluation is like surgery that seeks to eliminate a wart on the nose by cutting off the patient's head.

Few articles are produced by any country solely for export. Their prices within any country are a result of costs and demands from within as well as without the country. Cutting the U.S. or other currency cost of British pounds does not automatically mean everyone will buy Scotch cheaper. When a product has been selling well there is no need to reduce its price in export markets. Accordingly its price is raised in new pounds and the producers continue to collect more in pounds, as they did before, from both Englishmen and foreigners. Indeed, if the Englishman wants to keep his share, he had better bid up the domestic price. Here we have a classic case. Devaluation, supposedly necessary because of inflated British prices, will further inflate these prices.

Now if the product had been selling poorly at home or abroad, the devaluation will reduce the price abroad and again add to demand with a tendency toward higher domestic price. As the price climbs, the price in the export market, now in devalued proceeds, also climbs. The net result may well be to earn Britain more foreign exchange. But there is no guarantee of this.

While the British find foreign goods cost them more, they may tend to turn towards buying more domestically produced goods. But here again such a shift upwards in substitute prices can only serve to lower the value of the pound internationally. Devaluation can thus lead to domestic inflation rather than to deflation. Deflation could have been managed more easily without devaluation. Deflation could have sprung from within through decreases in the British money supply, or in its velocity, or through rising productivity.

And it is this last which is the true victim of devaluation. The pessimism bred by devaluation is great indeed. Unfulfilled promise begets little trust in future promises. This applies both to domestic investors and to foreign investors in Britain. Their immediate estimate must be that they have suffered a loss. Do such men seek further losses?

Indeed, were devaluation a solution, the government undertaking it would hasten to proclaim it to the world as a victory. They, instead, admit it as a failure of policy.

This is by no means to plead international parities are of no moment or that individual prices of commodities and securities should find adjustment only in world markets. Money exchange between countries is a necessary adjunct to trade and exchange rates must reflect the totality of inflows and outflows between any nation and the world. A nation losing gold in the past on a chronic basis (as against a sudden flight of capital) should, however, find its adjustment mechanisms internally. It should seek to lower domestic demands by monetary and fiscal control, it should seek to improve productivity. Changing exchange rates is a madness. Any long established rate is right, any change in it is wrong. Herein, the barbarous relic is anachronistic in its implications. If a nation has a large gold holding, it can inflate with some impunity but events will overtake it. When they do, dramatic deflation or devaluation may be resorted to with grave consequences both domestically and to world trade as a whole. Flights of capital can reduce even large stocks of gold dramatically in short order and imperial countries where orderly economic development is going forward. A run on Canadian dollars a few years back was of this character. Herein we see the barbarous relic exercising its barbarity. The civilized answer is central bank cooperation and sanity in domestic development. Rather than reflecting a discipline, gold permits whimsy and fecklessness of character in national monetary and fiscal policies.

America should exercise her historic opportunity—away with the fetish of gold—on with stability in the purchasing power of the dollar! We need a reversal of Federal Reserve policy of increasing reserves and a willingness by Mr. Wilbur Mills to raise taxes.

Such are the broad outlines. The Treasury is not powerless and Congress can attack the weakness of the dollar by several means. Only a period of time for recuperation of the dollar is needed. There is virility, and burgeoning productivity increases in this great machine which we call the U.S. economy.

We have already taken some steps to meet the U.S. balance of payments problem. We have—

1. Tried to restrict purchases abroad for military and governmental purposes,
2. Allowed banks to pay higher than Regulation Q interest rates on foreign deposits.
3. Put a 15% tax on the purchase of foreign securities by Americans,
4. Urged American companies with foreign operations to seek funds needed by these operations abroad, and
5. Asked U.S. banks to restrain their foreign lending.

More can be done and needs to be done. We should, therefore, immediately investigate the possibilities of

1. Paying a 15% premium on funds obtained by Americans in liquidating foreign holdings,
2. Urging American companies with foreign subsidiaries to borrow abroad for financial needs of *domestic* parts of these companies by compensating them for increases in interest cost,
3. Paying 15% of the cost of the U.S. assets purchased by foreigners with newly brought in funds, and
4. Paying a premium on funds brought in by U.S. banks operating abroad.

There would be problems with these new measures, but there are always problems.

The 15% contributed towards foreign purchases of U.S. assets could be stated as a lien against these assets which would be collectable on the sale of these assets and the withdrawal of the funds by foreigners. This might help produce a somewhat locked-in effect on these funds but foreigners might be willing to accept this if we had no reclaiming privilege against any dividends or interest paid on such investments in the U.S.A. The U.S.A. is a good place to invest and all the world knows it.

Let us not lose this opportunity to banish the barbarous relic!

There is one further piece of advocacy underlying the above comments. The advocacy is that the U.S. not reduce her commitments and activities around the globe, that she not retreat into political isolation. America needs a strong current account surplus in order to finance the war in Viet Nam and for other purposes. We should recall that it was financial insufficiency perhaps as much as anything else, which stopped Britain,

---

*It is true that the U.S. has not suffered as great changes as have other nations in "cost of living" prices. Price changes in basic items of trade between nations, the so-called "terms of trade", are important to the point made here. Thus, the inflation of our wholesale price index is more important to the argument herein expressed. There has been some very hopeful correction recently in wholesale prices and the Federal Reserve is taking action towards slowing monetary growth. But for a few months doubts on the stability of the U.S. dollar will persist.

France and Israel in their attempt to seize the Suez canal a few years back. While America's action at that time may have been unwise, we should not now deny ourselves power in this troubled world. General de Gaulle understands this and we should as well.

WORLD PEACE THROUGH LAW ORGANIZATION

Mr. NELSON. Mr. President, on January 9, 1968, the U.S. attorney for the eastern district of Wisconsin, James B. Brennan, addressed the Milwaukee Bar Association on the topic of the quest for world peace through law. In this fine speech, Mr. Brennan emphasizes the peacekeeping potential of such international organizations as the United Nations and the importance of international treaties. As he states so well:

> There is need for each country to recognize the array of United Nations treaties that could not only outlaw war but also prevent the early stages of war and more important, enrich the lives of all mankind.

Obviously, the search for world peace must be made by every nation. This speech, written by an outstanding lawyer, offers some constructive ideas on how international law and organization can be of great help in that search. I ask unanimous consent that Mr. Brennan's speech entitled "Nuremberg, the Common Law of Mankind," be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

NUREMBERG, THE COMMON LAW OF MANKIND

Fellow lawyers, today I should like to discuss with you the world peace through law organization. The organization is five years old. I attended the third meeting last summer at Geneva, Switzerland. I must announce and admit that I am an advocate of their stand that through treaties, the legal profession world wide can stand for the principle of a rule of law in the world. I am an advocate of this advocacy.

Second, I would like to relive with you the history of the international military tribunals activity at Nuremberg after World War II, and recall with you the great support for punishing war criminals, and some of the objections to this tribunal.

Lastly, I would like to examine the lawyers track record, and especially the American Bar Association's efforts in Hawaii last summer concerning establishing a rule of law in the world by treaties.

First, I had the marvelous opportunity of attending the convention of the fledgling world peace through law organization at Geneva, Switzerland, last summer. There were over 100 countries represented. The opening sessions of the conference were held at the Palais De Nations, which housed and was constructed for the Old League of Nations over 50 years ago. This was an impressive place to begin deliberations with over a thousand lawyers from all parts of the world. Switzerland, although small in size is great in stature because of a 150 year peaceful coexistence with neighbors. We have much to learn from them. One of the opening talks by the Honorable Rene Cassin was impressive. He is the president of the European Court of Human Rights. This octogenarian presided at the cornerstone laying of the Palais De Nations in Geneva 50 years ago and still has plenty of fight and enthusiasm for the rule of law for man.

The theme and thrust that was so convincing to me was that all the lawyers in the world did not meet as innovators or starry-eyed idealists but as recipients of works by men through the ages who have sought to bring order to our world by law. All of us are expected to do it, and each is to throw his thimble full into the battle. The battle that the lawyers can contribute much to is the fact that treaty-making power, dialogue with nations of all nations, broadly exercised, is the answer. It is the most potent realistic and wholesome instrumentality for peace that can be exercised in our world. Chief Justice Earl Warren lent the stature of his office to this convention and told us that history teaches that international law works well when universally accepted and thus universally adhered to. He pointed out the law of diplomatic immunity, the law of the sea, and the postal conventions as irrefutable proof. Quoting Chief Justice Warren, on the need for each country to recognize the array of U.N. treaties that could not only outlaw war but prevent the early stages of war, and more important enrich the lives of all mankind. We give lip service to the truism that no man or no country is an island, therefore, what is happening to other parts of the world does and will affect us.

Justice Warren said, and I quote: "Instead of matching each other soldier for soldier, plane for plane, bomb for bomb, and missile for missile, let us create a new kind of competition, a new kind of rivalry. Let us match each other law for law, treaty for treaty, until all contacts and relationships in the world community are covered with law, law which prevents disputes or law which channels disputes to law institutions for peaceful decision. Let us concentrate on creation of so much law that controls so much of mankind's inter-dependent, trans-national contacts, that disputes large enough to cause war will be guided into courthouses and away from battlefields. Thus can we render war obsolete in the "law-full" world we must have if humankind is to survive the power nations now possess."

Last summer's meeting resulted in my complete conviction for the advocacy of the rule of law for the world. I was privileged to serve on the criminal law section of this organization which attempts to firm up the Nuremberg rules for international conduct. With this background, we examine the attempt of the Allied powers after World War II to urge a common law of mankind on the world and especially upon the Axis powers that were defeated. To briefly set the complete background for the actions that the Allies took, we must realize that there were many and plenty of legal objections to the international military tribunal at Nuremberg.

The world has seen the vanquished punished for war. With little research we can see that in 405 B.C. Lysander, after the defeat of the Athenian fleet, took the Athenian officers to task with the resulting death penalty. The Archduke of Austria in 1474 tried Sir Peter of Hagenbach for an illegal war and as conquerer obtained a conviction. The English in 1796 tried an English citizen for the killing of French prisoners of war and obtained a conviction.

Napoleon after violating the convention of 1811 which required him to be banished to the island of Elba was declared an outlaw by administrative action, and was almost shot. The great powers relented and as you know banished him to the island of Helena. The Kaiser after World War I was slated for trial but the Dutch Government gave him asylum. The commandant of Andersonville, the notorious civil war prison, was tried and killed for his treatment of Northern prisoners. After World War I, both the French and Germans tried each others prisoners. These attempts show the striving for a common law of mankind.

The agreements and treaties which closely preceded the International Military Tribunal Charter itself are as follows:

1. In 1941, the London agreement entered into between Roosevelt and Churchill which clearly set forth that retribution for crimes against the Axis powers would be taken.

2. In January of 1942 the Declaration of St. James Palace included 9 European powers, indicating the same purpose of punishing war criminals.

3. On October 7, 1942, the U.N. Commission for the Investigation of War Crimes was established with the avowed purpose of ferreting out the crimes and punishing those guilty.

4. On November 1, 1943, the most important Moscow declaration included Roosevelt, Churchill and Stalin, and the thrust of that declaration was that those responsible for atrocities and massacres and executions would be held liable.

5. Finally, Yalta, February 11, 1944, it was stated that the Allies would hue to an inflexible purpose, to bring all war criminals to just and swift punishment.

Thus was born the charter for the International Military Tribunal.

The charges brought pursuant to this charge were:

Count one: Waging an aggressive war. This charge had two aspects, one the general inception and idea of aggressive war or wars and two, the charge for the specific war involved. This crime was enunciated in the charter as being a crime against peace defined as planning, preparing, initiating or waging a war of aggression or a war in violation of international treaties agreements or assurances.

Count two: Crimes against humanity defined as murder, extermination, enslavement, deportation and other inhumane acts committed against any civilian population before or during the war, persecutions on political, racial or religious grounds and executions of or in connection with any crime within the jurisdiction of the tribunal, whether or not in violation of the domestic law of the country where perpetrated. This charge involved the crime against nationals of another country as well as ones own citizens.

Count three: War crime, violations of the laws or customs of war. Such violations shall include but not be limited to murder, ill treatment or deportation to slave labor or for any other purpose of civilian population of or in occupied territory, murder or ill treatment of prisoners of war or persons on the seas, killing of hostages, plunder of public or private property, wanton destruction of cities, towns or villages, or devastation not justified by military necessity.

Count four: Being part of a criminal organization. If the tribunal made a finding that the organization in question was criminal and that an individual was a member, that person could not contest the criminality of the finding at trial.

The rights accorded to the defendants were:

One: A statement of the charges.

Two: The right at preliminary examination or trial to give any explanation relevant to the charges.

Three: The right to be charged in ones own language.

Four: The right to conduct his own defense or to have the assistance of counsel.

Five: The right to present evidence and cross-examine. It is to be noted that legal aid services were not provided and for those of us who have trouble with the admissibility of evidence, the charter provided that all probative evidence would be admissible. The results were that of the 24 German major war criminals, 22 were convicted. Seven received the death penalty. The remainder received from life to ten years.

The major objection to Nuremberg of course would be that what claim can the vanquished have and what rights can they possess when the conquerer decides to try them. The number two objection, of course, would be that perhaps trials would be on a firmer basis if there had been a law in existence or a treaty in existence for all the countries involved prior to the war. The specific objection, I suppose, can be put in the late Senator Taft's words when he said, and I quote: "While clothed with forms of justice, . . . (they) . . . were in fact an instrument of government policy, determined months before at Teheran and Yalta." When viewed on the basis of domestic laws, we of course must concede that this isn't the way domestic law is run. Even though we can pick off the fact that aggression was stated as a crime by the Assembly of the League of Nations in 1927, the Pan American Conference in 1928; most important, the pact of Paris or the Kellogg-Briand Treaty binding on 63 nations in 1928 and entered into by all the great powers which stated, and I quote the preamble: "All changes and their relations with one another should be sought by pacific means and be the result of a peaceful and orderly process and that any signatory power which shall hereafter seek to promote its national interest by resorting to war should be denied the benefits furnished by this treaty."

Article one: "The high contracting parties solemnly declare in the names of their respective peoples, that they condemn recourse to war for the solution of international controversies and renounce it as instruments of national policy in their relations with one another.

Article two: "The high contracting parties agree that the settlement as solution of all disputes or conflicts whatever nature or whatever origin they may be which may arise among them shall never be sought except by pacific means."

While many discuss Nuremberg, Nuremberg appears to come in the middle of and contribute to the transition from the traditional sovereignty of personal immunity to that of a real world community which will be built primarily upon the responsibility of men. Whether ex post facto is a rule of law or not, we justify Nuremberg on the common law of mankind.

The most important thing is what have we done since Nuremberg. What action to implement the ideals of the Kellogg-Briand Pact of 1928 and other pacts?

All abhor genocide for instance. No one can support the German attacks on the lowlands which preceded the invasion of France or the attack on Poland which preceded the invasion of Russia. We can all agree because this is someone else's country. What is more important and more helpful and the reason for the advocacy of the new fledgling world peace through law organization is that not only must the aggressive war be determined as wrong and agreed to by all nations, but the steps leading up to it. This is of vital importance, and as Justice Warren pointed out, we have a U.N. which does make this effort of attacking the predisposition of war, but unfortunately, the number of countries ratifying these types of treaties is low. It is with this in mind that perhaps Nuremberg did not measure up to the mark as far as being a clear pronouncement of law before the fact and further that a mere declaration by all countries against war will not do the job. We must have treaties aimed at the cause of war.

What is our track record as attorneys through our organizations concerning the implementation of international dialogue. We know that treaties have worked and have worked well, and again I cite the postal conventions. We mail letters around the world by treaty.

It is with my advocacy gained from Switzerland at the conference there that I sadly relate what our American Bar's position was in one of the most fundamental aspects of international dialogue, namely the action taken on the Genocide Treaty. The Genocide Treaty was sent to the Senate of the United States for its advise and consent by the late President Kennedy in 1963. He told the Senate the following, and I quote: "United States law is, of course, already in conformity with these conventions, and ratification would not require a change in our domestic legislation. However, the fact that our Constitution already assures us of these rights, does not entitle us to stand aloof from documents which project our own heritage on an international scale."

We recall vividly the extermination of six million Jews, gypsies, political prisoners, Jehovah's witnesses. This recollection prompts a genocide treaty.

Senator Kennedy submitted in the same year the Human Rights Treaty and said the following: "The day to day unfolding of events makes it even clearer that our own welfare is interrelated with the rights and freedoms assured the peoples of other nations . . ."

The fact is the American Bar at last summer's meeting could not bring themselves to urge ratification of these treaties by the Senate of the United States, and felt obliged to remain neutral. Their reasoning, the sovereignty of nations is sacrosanct even to the point of genocide. We have a migratory bird treaty, which was entered into between Canada and the United States and keeps our Department of Interior busy trying to keep hunters from shooting Canadian geese. If we can regulate the geese flocks to the displeasure of hunters and farmers of the Horican Marsh area, we certainly should be able to go on record urging the Senate to ratify the genocide treaty. We should not leave such action undone and settle for the birds.

But in keeping with the direction and the thrust of the international respect for rule of law, there is more to be done than just the dragging of feet on treaties that should be ratified. It is the creation of a climate which would urge upon members of the bar and upon the Senate of the United States to actively engage in anticipating causes of war. Treaties dealing with the new discoveries in science, space, and the oceans, certainly should be explored, lest this be a cause of war. Treaties dealing with the rights of emerging powers should be explored. The treaties dealing with investment in foreign countries should be explored, so we don't again confront ourselves with the dilemma of Nuremberg after a war, but take some active steps to remove from the battlefield disputes that could be resolved more in keeping with the dignity of man.

Lest we be accused of a domestic rule of law and an international rule of force, we should move. We must keep in mind the directive of St. Luke's gospel, chapter eleven, verse 26, "Woe to you lawyers, also! Because you load men with oppressive burdens and you yourselves with one if your fingers do not touch the burdens." The American Bar should set the pattern by urging ratification of treaties for the protection of human beings everywhere. It is the bar's great tradition, we must look to the people who are dedicated to the rule of law. We are not innovators. We stand on the shoulders of great men who have gone before. Our obligaion and dedication point the way.

MARY LASKER'S CRUSADE

Mr. NELSON. Mr. President, the November 17 edition of Medical World News includes a fascinating article about Mary Lasker, a woman whose scientific and medical achievements have made her one of Wisconsin's most prominent daughters. The article, written by Dr. Howard A. Rusk, tells of the Lasker Foundation, which Mrs. Lasker and her husband, Albert, founded in 1942. The Lasker Foundation gave awards to medical educators, public health leaders, and medical scientists from 1946 to 1960 and has also given annual awards in the field of medical journalism. Because of her belief that a nation's greatest asset is the health of its people, Mrs. Lasker established the Albert Lasker Medical Research Awards to help spread the awareness of important medical discoveries throughout the world. Because of the great prestige of these awards, it is no coincidence that 17 winners subsequently won Nobel Prizes.

Probably the best expression of Mary Lasker's devotion to medical and scientific advancement occurred when she was asked why she continued her crushing pace year after year. In a beautiful and heartfelt statement she answered:

> How can I do otherwise when people are sick and dying needlessly because we don't know enough? How can anyone rest when children are malnourished, stroke victims are paralyzed, and heart patients are gasping for breath and gasping for life.

Mr. President, as a testament to Mary Lasker's great contribution to medical science and to mankind, I ask unanimous consent that this fine article by Dr. Rusk be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MARY LASKER'S CRUSADE

(By Dr. Howard A. Rusk)

There is always a reason why any great program grows and flourishes. The components are imagination, dedication, and leadership. These ingredients are behind the Albert Lasker awards. They have been synthesized in the personality and life of Mary Lasker, president of the Albert and Mary Lasker Foundation.

Asked how she can continue her crushing pace year after year, her reply is always the same: "How can I do otherwise when people are sick and dying needlessly because we just don't know enough? How can anyone rest when children are malnourished, stroke victims are paralyzed, and heart patients are gasping for breath and grasping for life?"

In her world travels, whether collecting art for her priceless collection, which includes paintings by Picasso, Renoir, Duffy, and Dali and scores of other masterpieces, or acquiring specimen roses and daffodils for her country garden, Mary Lasker's primary quest is for basic and clinical medical research. In Washington, London, Paris, or New York, her crusade for research goes on.

Since it was founded in 1942, the Albert and Mary Lasker Foundation has been primarily concerned with medical research and health education. From 1946 through 1960, the foundation annually gave awards to medical scientists, public health leaders, and medical educators through the American Public Health Association. Under this program, special Albert Lasker awards were given to such medical giants as Drs. Thomas Parran, Haven Emerson, Charles-Edward Amory Winslow, Alfred D. Hershey, Gerhard Schramm, Heinz Fraenkel-Conrat, and Alan Gregg. In 1959, special awards for extraordinary public service were given to those staunch advocates of public health legislation. Sen. Lister Hill (D-Ala.) and the late Rep. John E. Fogarty.

The foundation annually gives awards for medical journalism. It also has given awards through such organizations as the Planned Parenthood–World Population, the International Society for Rehabilitation of Disabled, and the American Heart Association.

A nation's greatest asset, Mary Lasker believes, is the health of its people. And she recognizes that the elimination of disease depends largely upon expanded medical knowledge and its application to the problems of disease. Because of these beliefs, the Albert and Mary Lasker Foundation in 1962 established the Albert Lasker Medical Research Awards to help spread the knowledge of lifesaving medical discoveries throughout the world.

Awards are given every year for basic medical research and for clinical research. The basic medical research award honors men who have made outstanding contributions and focuses public attention on their efforts. The research may have helped eliminate a major cause of death, disease, or disability, or uncovered new concepts. The clinical research award is given for medical findings that are applied to the problems of human diseases. The research may result in the reduction or elimination of the main causes of death, disease or disability.

MEASURE OF GREATNESS

Last week, three more men joined the distinguished ranks of winners of Albert Lasker awards. Dr. Bernard B. Brodie, chief of the laboratory for chemical pharmacology at the National Heart Institute, won the basic research award for his work on "the rational use of drugs in the treatment of many diseases." The clinical research award went to Dr. Robert Allan Phillips, a physiologist who runs a clinic in East Pakistan, for his work on electrolyte therapy that helped reduce the cholera mortality rate to less than 1%. And the Albert Lasker Public Service Award went to Rep. Claude Pepper (D-Fla.) for his efforts in establishing some of the basic councils at the National Institutes of Health.

As Mrs. Lasker pointed out at last week's presentation, "the history of the Albert Lasker Medical Research Awards reflects the world's major medical advances during the last two decades. The awards have been given for such great medical advances as the discovery of streptomycin for use against tuberculosis, in 1948; the use of cortisone against arthritis, in 1949; the development of poliomyelitis vaccines, in 1954, 1956, and 1965; the use of isoniazid in tuberculosis, in 1955; the development of antihypertensive drugs for use against high blood pressure, in 1957; the use of tranquilizers for mental illness, in 1957; introduction of The Pill, in 1960; the discovery of the structure of the DNA molecule, in 1960; the identification and isolation of hormones of the anterior pituitary glands, in 1962; and the development of antidepressant drugs for use in severe mental depression, in 1964."

It is not surprising that no honors in American medicine are held in higher esteem than the Albert Lasker Medical Research Awards and that 17 winners subsequently won Nobel Prizes.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

INTERFERENCE WITH CIVIL RIGHTS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 705, H.R. 2516.

The PRESIDING OFFICER. The bill will be stated by title.

The BILL CLERK. A bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will resume the consideration of the bill.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the order previously entered, the Chair recognizes the Senator from Ohio.

RECENT TRIP TO SOUTH VIETNAM BY SENATOR YOUNG OF OHIO

Mr. YOUNG of Ohio. Mr. President, as a representative of the Senate Committee on Armed Services I recently spent much of the time between January 5 and 20 in Asia—in Vietnam, Thailand, and Laos. I returned more convinced than ever that our involvement with a huge army in the ugly civil war in Vietnam is the worst mistake ever made by any administration in our Nation's history. It is a war in which we should never have become involved in the first instance, and from which we should extricate ourselves at the earliest possible moment that we can achieve a cease-fire and disengagement.

At the outset, may I say that the hundreds of thousands of young Americans now fighting in Vietnam are the cream of the crop of our Armed Forces. They are the finest, most intelligent and best equipped fighting men in any army in any war at any time in the history of the world. Their morale is of the highest. I spoke with hundreds of young men from Ohio and with servicemen from throughout the Nation. They are in Vietnam for reasons which are not of their making, and they are serving in the finest tradition of our Nation. They are not responsible for the policies which have involved us in this civil war. However, if courage, skill, and a willingness and readiness to fight could win this war, these young men would have won it long ago.

All Americans may be proud of the valor of our fighting men in Vietnam. We must also fulfill our responsibilities to these men whose lives are too precious to sacrifice in a civil war in a small agricultural nation in Southeast Asia—a nation which is of no strategic or economic importance to the defense of the United States—never was and never will be.

At this time, we have more than 600,000 soldiers, sailors, marines, and airmen stationed in Vietnam and Thailand and with our 7th Fleet off the coast of Vietnam. Yet, it seems clear that a military victory for us is not attainable in the foreseeable future. In addition, during the past 2 years since the time I last visited Southeast Asia, our destruction of both North and South Vietnam through bombing and defoliation and incessant fighting has created an animosity toward Americans that can only make our political objectives more difficult to attain. I was appalled at the increased destruction and ravage in the countryside since my visit 2 years ago.

Furthermore, it is even clearer today than it was in 1965 that the regime in Saigon has utterly failed to earn the confidence of the people of South Vietnam and exists only at the sufferance of and by reason of the support of our Armed Forces and the CIA. In the pursuit of peace, as in the prosecution of the war, the military junta in Saigon has failed miserably to shoulder its share of the burden. The Thieu regime has determined to suppress all talk of negotiations. It was outrageous for President Thieu to criticize the United States for efforts to initiate peace talks. It is totally unacceptable for the United States, which bears the brunt of the battle, to be bound by Thieu's position. The fact is that for all practical purposes the South Vietnamese Army has ceased to fight. It has even failed in its now primary duty of helping to pacify the countryside.

Although there are more than 600,000 men in the South Vietnamese Army—miserably led by officers whose corruption and lack of competence in many instances is well known—the more Americans are committed to combat, the fewer South Vietnamese fight. We behold the spectacle of our marines, the proudest and best trained amphibious fighters in the world with a great history and noble tradition of being in the vanguard of offensive actions, on the defensive south of the demilitarized zone in a holding action. In recent months, our casualty totals of killed and wounded far exceeded those of the friendly forces. I would term them the "altogether too friendly forces."

President Thieu recently proclaimed, "Our bombing of the north must not be halted." That pompous arrogance is a case of the tail wagging the dog. During the past year, 71,403 Americans were killed and wounded in Vietnam. During that same period, 40,328 of the so-called friendly forces of South Vietnam were killed and wounded. Let Vice President Ky who trained as a pilot with the French against his fellow countrymen seeking the liberation of Vietnam from France don his pretty flying outfit and lead the bombers against Hanoi, since President Thieu is outraged at the thought of stopping the bombing.

It is unconscionable that we Americans draft young men of 18 and that half of the American soldiers fighting in Vietnam are draftees, while it is common knowledge in Saigon that a young man can buy his way out of the draft or his release from the army. Only recently, the South Vietnamese General Assembly refused to lower the draft age from 20 to 18 because it did not consider the country to have reached a state of national emergency. One member of the Assembly went so far as to state that he could see no reason why 18-year-old Vietnamese should be inducted into the army to support an American war.

In some respects conditions in Vietnam which were bad in late 1965 I found to be worse in 1968. Saigon of January 1968 is a filthy cesspool of a city. Garbage is uncollected. Rats are in evidence. Observation of what is occurring on the broad main avenues proves obviously there is no drafting or mobilization of South Vietnamese young men 18 to 25. The broad avenues are crowded with traffic—taxicabs, bicycles, motorcycles, and young men crowding the sidewalks and bars. A top American army officer informed me that if the military police would collect the Saigon drugstore cowboys with their sharp clothes and pointed shoes leaving the Rex Theater, a movie house, at 10 p.m. at least two battalions of young men from 18 to 22 could be collected each night from this one theater in a matter of minutes for placement in the army.

In this decadent, filthy city, despite the beautiful homes and clubs and palaces reminiscent of the French colonial empire, most of them bearing no evidence of repairs during the past 10 or 15 years, many thousands of drugstore and black market cowboys, as Americans term the young Vietnamese men riding Japanese motorcycles, engaging in pandering, stealing, and black-market operations, are everywhere in evidence on the crowded streets and sidewalks. It seems that in Saigon every other store is a bar.

We Americans contribute to this. At night time, thousands of Americans in civilian clothes are in the streets and bars. Our AID mission alone in Saigon is said to have more than 4,000 officials and employees. No one knows how many thousands of CIA officials and employees operate in Vietnam, mostly in Saigon and in the Mekong Delta, in addition to the American officials of CIA. In addition refugee administrators, so-called, members of our overseas mission termed USOM and officials and employees of other of our alphabetical agencies are in evidence numbering thousands everywhere and everywhere in Vietnam wherever our Armed Forces maintain headquarters and refugee camps.

Near An Khe in South Vietnam extending for a long distance in front of the barracks, headquarters, and artillery positions of our Armed Forces I beheld what is meant by defoliation. Miles, length and width, of what had been beautiful green forestland with humble homes of peasants were and are being defoliated as our forces have burned, destroyed, and poisoned the trees and foliage in the entire area. The land itself has been poisoned. Men, women, and children have been forcibly removed from their homes and most of them taken, against their will, to miserable refugee camps, so-called. Some of our refugee camps with thousands of old men, women, and children herded together may not be as terrible as this gutter, seared, destroyed land bereft of bushes and trees, but all except one refugee camp I saw were in exceedingly deplorable condition.

It was explained to me by the general commanding that the French had never really conquered the Vietnamese at this area near An Khe and the French presence up to 1954 had never taken hold. They were peace-loving peasants who over the years had considered themselves free men and women, and the commanding general informed me that almost without exception they were unfriendly to Americans. The men were away and, according to the women, had been away for a long time. Only old men and women were there. Yet, some of the women had babies a few months old. My informant said the conclusion was that the husbands were away and were in the VC. While the men are fighting for what they consider the liberation of their country, the women and children were herded together and taken from the burial places of their ancestors so sacred to the Vietnamese, and placed in concentration or refugee camps, so our artillerymen in their observation posts could have a better view of the countryside to enable them to better repel sudden attacks. A few of those camps, Mr. President, I am sorry to say, were so terrible that they caused me to think about what we denounced in World War II when we talked about Dachau and other concentration camps in Germany.

> Defoliation of the forest by low-yield atomic weapons could well be done. When you remove the foliage, you remove the cover—

So said Barry Goldwater in 1964.

At that time I denounced as unthinkable the defoliation and desecration of the Vietnamese countryside. Administration militarists have carried on the Goldwater program. We are indeed removing the cover, hoping the VC will stand naked to be cut down by American air power and tremendous firepower. In doing this we are also spraying and destroying crops in VC controlled areas using a commercial weed killer and the land itself is likely to be sterile, poisoned and worthless for many years. Vietnam, a beautiful green paradise, is being stripped of vegetation and crops. In the first 9 months of 1966, an area of a thousand square miles—the size of Rhode Island—was defoliated. By this January it is estimated that a million and a half acres have been ruined. Defense Department officials now propose to use new, more powerful chemicals to increase the total of ruined, spoiled land to a catastrophic extent. A recent test of 27 pounds of supercharged defoliant wiped out an acre of rain forest, ruining that area for how long a period no one can accurately predict.

Unfortunately, these shameful tactics result in destroying crops and even foliage supplying food for water buffalo so greatly needed by Vietnamese farmers. Of course, many water buffalo and other livestock were destroyed. We are not only destroying the meager food supply of Vietnamese civilians, but also leaving the earth sterile for future generations.

Unfortunately, men, women, and children trying to stay alive are being pushed closer to starvation or herded like animals into American refugee camps. It is difficult to visualize this burned-out, devastated land.

It is apparent to any observer in Southeast Asia that the Saigon regime is hopelessly corrupt and unconcerned for the lot of the South Vietnamese people. As the distinguished senior Senator from Massachusetts [Mr. **Kennedy**] recently stated after his return from Vietnam, officials in Saigon are indifferent toward their own people, and the Government of South Vietnam is infested with corruption.

The Saigon regime shows little or no concern for the hundreds of thousands of civilians who have been wounded and maimed. They are more concerned with maintaining themselves in power than in helping their own people who have become victims of the war. They treat the mass of the Vietnamese in the countryside in the same manner as the French and Japanese colonial masters who preceded them.

Less than one-fourth of the arable land acquired by the Saigon government since 1954 for distribution to the peasants has actually been distributed. At the same time the National Liberation Front, or VC, have reportedly distributed some five times the amount of land distributed by the Saigon regime. In areas under control of the Saigon military regime, the old feudal system of absentee landlords still prevails. Top-level talk of winning the "political" war by "social reform" and "revolutionary development" remains empty verbiage. Wherever U.S. troops, or friendly, so-called, South Vietnamese soldiers establish "security" in the villages, the landlords return to collect back rents and reimpose a feudal system on the peasantry.

Mr. President, I could go on and on, detailing the instances of the corruption that encompass all aspects of life in South Vietnam. However, it all adds up to the fact that we have to date failed dismally in our efforts to establish a viable government in South Vietnam truly concerned with the welfare of the South Vietnamese people. Instead of suppressing honest dissent Thieu and his cohorts should be broadening his government to include spokesmen for the unrepresented millions of South Vietnamese who yearn for peace.

Mr. President, the warhawk Joint Chiefs of Staff and other admirals and generals consistently urge further escalation of the war in spite of the fact that their advice to date has proven to be abysmally wrong. The views of such outstanding military leaders as Gens. James M. Gavin, Matthew Ridgway, and David M. Shoup, who have urged deescalation of the war, cessation of the bombing, and eventual disengagement and withdrawal to our coastal enclaves under the protection of our airpower and our 1st and 7th Fleets, have been ignored.

Unfortunately, the fact is that, with more than a half a million troops better trained and equipped than any troops in our history, with more than 600,000 South Vietnamese soldiers, with 45,000 South Koreans—I reviewed the Tiger and Blue Dragon and other South Korean divisions, and they are splendid combat soldiers—with command of the air and sea, we have been brought to a standstill by 280,000 Vietcong armed, until recently, with only rifles and mortars. The inescapable conclusion is that our military leaders have grossly misjudged the character of this war.

The failure of our military leaders to solve the problems of guerrilla warfare in Vietnam is, ironically, now being used by them to dislodge civilian control over the military. The warhawk generals and admirals now demand that all restrictions be removed from targets in north Vietnam. This, despite the fact that Secretary of Defense McNamara publicly stated on several occasions that our bombing of North Vietnam would never end the war and has neither stopped nor even curbed the infiltration from the north of men and supplies to the south.

Despite the loss of more than 15,000 American lives in our involvement in the Vietnam civil war, and the expenditure of more than $50 billion, despite a 4-to-1 advantage in manpower and an enormous advantage in firepower, we are still no nearer victory than a year ago. The constant answer of the generals and admirals to past failures is "give us more men" and more bombing. If they are going to continue seeking to destroy a nation and to kill off thousands and thousands of civilian men, women, and children, in addition to the 150,000 civilians we have already killed and maimed with our artillery and napalm bombing, then those in power in the Defense Department and the administration should tell the truth to the American people. They should tell them that it is going to require the participation of perhaps more than 1 million American soldiers, sailors, airmen, and marines. Let us hope that this administration will come to its senses before we are committed to such a tragic course of action.

Mr. President, we are not involved in the civil war in Vietnam to the extent we are today because of any commitments made by Presidents Eisenhower or Kennedy. There are no such commitments. We are not in Vietnam because of our commitments under the SEATO Treaty. We are not in Vietnam in order to contain Chinese communism.

We are in Vietnam because we attempted to create a pro-American, anti-Communist Chinese buffer state in Vietnam and failed. Since 1961 we have been fighting to save face. It now seems evident that the policy of this administration is to seek a military victory; but the fact is we are not winning in Vietnam. Assuming even that Communist China did not under any circumstances intervene, we cannot attain true victory in Vietnam. A stalemate seems to be the situation.

General Westmoreland, who was good enough to give a good deal of time to talking with me, informed me that we are no longer losing the war. Incidentally, when I was in Vietnam 2 years ago, General Westmoreland informed me, and I was surprised to be so informed, that the bulk of the Vietcong fighting us in the Mekong Delta were born and reared in the Mekong Delta, which is south and west of Saigon. Then his chief deputy told me when I was in Thailand—not knowing of the other conversation—that 80 percent of the Vietcong fighting us then and now in the Mekong Delta were born and reared in the Mekong Delta.

I said, "General, we are involved in a civil war in Vietnam, are we not?"

He said, "Well, it is an insurrection we are involved in."

Unfortunately, the hard truth is that South Vietnam can only survive as a military dependent and protectorate of the United States. To quell all armed opposition would at best force us to become mired down in a war that could last 5, 10, or 20 or more years and cost the lives of hundreds of thousands of young Americans. Then, we would be conquerors of a hostile people and forced to maintain perhaps a quarter of a million troops in Vietnam as a garrison. It is stubborn and foolhardy to continue to speak of or to seek a military victory. If the President continues to demand that we go on to an ultimate military victory, then no American can tell with any certainty where that may eventually lead us.

The alternative is to seek a diplomatic settlement under which an interim government representing all elements of South Vietnamese society could end the civil war and the people of Vietnam themselves ultimately decide whether and how north and south should be reunified. The alternative is a policy of political and economic support for impoverished peoples, of peaceful competition with Communist regimes, and of collective, not unilateral, defense against actual armed aggression. It is foolhardy to persist in our blunder in Vietnam at incalculable cost to our moral position and our responsibilities at home and elsewhere in the world.

On December 29, 1967, the Foreign Minister of North Vietnam said:

> After the United States has ended unconditionally the bombing and all other acts of war against the Democratic Republic of Vietnam, the Democratic Republic of Vietnam *will* hold talks with the United States on the questions concerned.

That was December 29, 1967. This is February 1, 1968. Our President should manifest his eagerness to obtain a ceasefire and a diplomatic settlement. He should immediately order the unconditional cessation of the bombing of North Vietnam. This is a risk, of course, but a risk that we can well take.

Some administration warhawks, notably Secretary of State Rusk, have contemptuously suggested that those Americans who oppose the continued bombing of North Vietnam do not consider that a halt in the bombing would result in the deaths of thousands of young Americans. They ignore the fact that more than half the Americans killed in the entire Vietnam war from 1961 to the present time have been killed since the beginning of 1967, the period of the most intensive escalation and expansion of the war. Statistics further reveal the number of American deaths declined during the bombing pause last February. Secretary of Defense McNamara expressed doubt that reduction of the bombing would bring a marked increase in American casualties in South Vietnam, as claimed by the warhawk generals and by Secretary Rusk.

If we continue the bombing we take a greater risk in the continuation of the war, increased casualties and the continued extension of the war into Laos and Cambodia.

I spent some days in Laos, and I was horrified at what I witnessed in that underdeveloped country, whose neutrality we have ostensibly been fighting to maintain, and whose neutrality we are now violating ourselves. In fact, the war might very likely be extended into China itself. In the past, President Johnson has demanded an assurance of "prompt" talks before halting the bombing. However, he keeps adding other demands and assurances that the talks will be "productive." Demanding that Hanoi agree in advance to halt its aid to the Vietcong, while our own massive military presence remains intact and our own supplies and men continue to flow by air and sea unabated from the United States into Vietnam, is really a concealed demand for surrender that our administration leaders have been making.

The President's claim that we would jeopardize the lives of our troops while we hold talks unconditionally does not hold water. Our men are being shot at and killed every day. There is no evidence whatever that more would be shot at or killed if diplomats sat down at the negotiating table. Though continuing fighting while negotiating, hoping to secure a ceasefire and peace admittedly leaves much to be desired, it is better than fighting while not negotiating. It is tragic that President Johnson seems to refuse to accept the military neutralization of Vietnam as an honorable and proper objective of American policy. The objective he is pursuing of achieving total victory and the establishment of an anti-Communist, pro-American South Vietnam can be attained, if at all, only by many more years of war and can be preserved only by a permanent American military presence on the mainland of Asia.

Very definitely President Johnson owes it to the American people to give up his determination to continue our fighting in Vietnam until we attain military victory and in the process destroy much of Vietnam and kill, maim, and wound additional hundreds of thousands of Vietnamese children, women, and men. Unless he gives up that idea of military victory, Americans will be losing lives in Vietnam not only throughout 1968, but also in future years up to and including 1972, or beyond that.

We Americans cannot possibly attain following a cease-fire all that would be achieved by complete military victory and the destruction of the armed forces of the VC and of North Vietnam and also its bridges, railroads, dams, factories and other structures. However, through negotiations we can hope to attain the neutralization of Vietnam and of all Southeast Asia.

What President Johnson should seek to attain is a cease-fire. Then enforcement of that by constant surveillance by an expanded International Control Commission with representatives of India, Canada, and Poland, and added security forces to enforce its will and with the irrevocable promise of elections throughout all of Vietnam not later than September 1970, to bring about reunification of what is now termed North Vietnam and South Vietnam in one united Vietnam. This would restore Vietnam to its historic status as one country, so recognized in the Geneva agreement of 1954 which referred to the 17th parallel as a temporary demarcation line, and not a national boundary. At the conference table, pending the time of these elections which would be supervised by officials of the International Control Commission—and I advocate this policy—it could be agreed that what is now South Vietnam is to continue as a neutralized country; North Vietnam to remain as it is, a nationalist Communist country. A unified Vietnam could and would be a buffer against any possible southerly expansion of Communist China. In fact, North Vietnam, which is now a nationalist Communist country, could become an Asiatic Yugoslavia.

For thousands of years the Vietnamese and the Chinese have been enemies. Whether Ho Chi Minh will be alive and powerful in 1970, as he is now, is a matter in the hands of Divine Providence. He is an old man to be sure and reportedly in poor health, so it is unknown now whether he will be alive 2 or 2½ years from now. However, in the event he is alive in 1970 and should be elected by the majority of the voters of all Vietnam, then that would be the manifestation of the will of the Vietnamese people, and who are we to say that we have a mandate to upset that?

In connection with the proposed and promised election it must be assured that all citizens of the entire area of Vietnam, north and south of the 17th parallel, who are above the age of 18 should be entitled to vote. This, regardless of whether they are Buddhists, neutralists, Catholics, or members of various and divers tribes and sects. This would be different in South Vietnam than when Ky and the militarists operating the Saigon regime last September barred all neutralists from voting and barred the candidacy of the popular Duong Van Minh—Big Minh, so called—who had been President of the Saigon regime and who was overthrown by the generals in the nighttime coup in June of 1965. Nine of those ten generals fought for the French Army in 1954 against their own fellow countrymen who were seeking national liberation. Then, they selected Ky as Prime Minister. Ky was in the French air force fighting against his own countrymen during their war of liberation from France. Yet, though all this has occurred, we have heard about one man, one vote in Vietnam.

Furthermore, this time it must be definitely agreed that the election we approve will not be called off. Regarding the 1964 Geneva accords, John Foster Dulles approved the provision promising elections throughout all Vietnam in 1956. President Diem, who was installed by us as President of South Vietnam with the help of our CIA, called off the elections. The civil war then resumed, and our casualties have been more than 100,000, and our warplanes and helicopters destroyed in combat more than 2,000. That is the price we Americans have paid for involving ourselves in a civil war in an Asiatic country 10,000 miles distant from our shores.

Mr. GORE. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. I yield.

Mr. GORE. Mr. President, I find the address of the able Senator enormously interesting.

I inquire of the Senator if the Geneva accords did not provide for internationally supervised elections in Vietnam as a national entity in order to permit Vietnamese people to achieve and have the right of self-determination?

Mr. YOUNG of Ohio. The distinguished senior Senator from Tennessee is absolutely factually correct in his statement. We approved of that, and that was a guarantee. It was recognized at the time.

The Senator will recall that President Eisenhower referred to that later and said that had the election been held, Ho Chi Minh, then regarded as the George Washington of Vietnam, would have received 80 percent of the vote throughout all of Vietnam.

Mr. GORE. Did not the Geneva accord specifically stipulate that the 17th Parallel was to be only a temporary cease-fire area and that it should not be considered as a political boundary in any respect?

Mr. YOUNG of Ohio. The distinguished Senator is absolutely correct. It was referred to as a temporary demarcation line, and the Geneva accords specifically stated that it was not a national boundary.

Mr. GORE. Have not President Johnson and Secretary Rusk stated several times that the Geneva accord is "an adequate basis for peace in Vietnam?"

Mr. YOUNG of Ohio. That has been stated. Those are their words, but I should like to see action along that line.

Mr. GORE. Is the Senator in essence proposing an implementation of the Geneva accords?

Mr. YOUNG of Ohio. I would like us to go on from there, because the United States, through its then Secretary of State John Foster Dulles, specifically approved the Geneva accords.

Mr. GORE. I believe, to be specific, if my memory serves me correctly, that the United States, instead of approving—though it was not a signatory to the Geneva accords—attached, by way of addendum, a statement pledging the United States not to disrupt the Geneva accords.

Mr. YOUNG of Ohio. The distinguished Senator is correct, and that was so stated. John Foster Dulles stated that our Government approved the accords but the United States was not a signatory.

Mr. President, in a negotiated settlement, both the VC, or forces of the National Liberation Front, and the civilian and military forces of North Vietnam and the forces of the present government of South Vietnam—the military regime of Thieu and Ky—must accept settlements made with the realization that neither side has won a military victory.

The historian Arnold J. Toynbee in his great work "Hannibal's Legacy," stated that the price of Rome's subjugation of the Western Mediterranean was an economic, social and religious derangement of Roman life.

> The government—

He wrote—

> bent on pursuing military adventures on the frontiers, became less and less responsive to domestic problems.

Toynbee draws the lesson:

> War posthumously avenges the dead on the survivors, and the vanquished on the victors. The nemesis of war is intrinsic. It did not need the invention of the atomic weapon to make this apparent. It was illustrated, more than two thousand years before our time, by Hannibal's legacy to Rome.

We Americans should refuse to continue to waste our strength, economic, military, and moral, in so highly questionable a course as the war in Vietnam. Rather, the administration must exert every effort to bring about some kind of limitation and ultimately a settlement of the war.

We have passed several points at which some limitation of the war might have been possible. The recent statement by the North Vietnamese Foreign Minister offers us perhaps a last best opportunity to try to seek an honorable end to this miserable war. I urge President Johnson to test the statement of North Vietnam by unconditionally halting the bombing. It is an opportunity that may not come again.

Tuesday of this week, Premier Indira Ghandi of India and Premier Kosygin of the Soviet Union issued from New Delhi a public statement of greatest importance. They called on President Johnson to respond forthwith to the peace offer from Hanoi by ordering an unconditional stopping of American bombing of North Vietnam in order to effect a political settlement of the American war in Vietnam and to bring peace. President Johnson, the hour is late. Why have you failed to respond to the offer of the Foreign Minister of North Vietnam that his country will negotiate if there is an unconditional halt in the bombing of North Vietnam? Why have you apparently ignored or rejected the plea of the leaders of India and the Soviet Union?

To continue our present tragic course is likely to lead to a third world war. We are ravaging a small agrarian country which presents no threat whatever to our interest or security. For this we are paying a price which more and more Americans feel is intolerable.

Mr. President, I yield the floor.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may make a statement on a nongermane subject.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

INTERNATIONAL AND DOMESTIC TRAVEL ACT OF 1968

Mr. JAVITS. Mr. President, on behalf of myself and 11 cosponsors, I introduce the International and Domestic Travel Act of 1968. The cosponsors of the measure are Senators BIBLE, BROOKE, CANNON, CLARK, HANSEN, HARTKE, LONG of Missouri, MCGEE, PERCY, SCOTT, and WILLIAMS of New Jersey.

The proposal made in this bill is a positive approach to a solution of the U.S. travel deficit problem. Positive measures suggested to the administration for the last several years should, in our judgment, be given an opportunity to operate before Congress enacts any measures to restrict travel abroad by U.S. citizens. Travel restrictions as proposed by the administration would be self-defeating, difficult to administer, and would invoke retaliation by countries which depend on income received from American tourists.

Let us emphasize the positive before we go for the negative and restrict the freedom of our people to travel.

This bill, bipartisan in sponsorship, is designed to strengthen the capabilities of the U.S. Travel Service to reduce our balance-of-payments deficit. It would increase foreign travel to the United States and assist private industry and official travel organizations to encourage increased domestic travel by Americans.

Specifically, the bill provides:

First. New responsibilities for the U.S. Travel Service. These include development of a coherent national travel policy, coordination of present travel activities of various Federal agencies, encouragement and improvement of domestic travel facilities, and coordination of and acting as the Federal Government's liaison with State and private tourist organizations.

Mr. President, at the present time the United States Travel Service operates exclusively abroad and it has no domestic functions.

The proposed legislation further provides:

Second. A budget of $15 million to finance the Service's new activities and to strengthen its present activities abroad. Of this, $5 million would be used to start the proposed domestic travel program and $10 million would be used to promote foreign travel to the United States.

Third. A national inventory of our travel resources to lay the groundwork for a long-term national travel program. The bill calls for the establishment of a 15-member National Tourism Resources Review Commission, to be appointed by the Secretary of Commerce from among private citizens knowledgeable and experienced in the travel field.

For the past 7 years the country has been faced with a continuous balance-of-payments deficit, a significant element of which has been the much higher level of U.S. travel expenditures abroad than foreign travel expenditures in the United States.

This has given us the famous travel gap which, in round figures, was approximately $1.9 billion to $2 billion in 1967.

Except for the establishment of the U.S. Travel Service in 1961—in the legislation for which Senator MAGNUSON and I had joined—no action has been taken by this administration that dealt effectively with this problem. The administration has not been willing to fight for congressional approval of the USTS budget request in any year since it went into operation with the result that USTS has never been able to get appropriations even up to its authorized level of $4.7 million per year.

I stood on the floor of the Senate and fought for it time and again. They were knocked down in the Committee on Appropriations, of which I am a member, and by conference committees. No one seems to realize what we were up against. We would never have had travel restrictions proposed in panic if this proposal had been in effect. It could have cut our deficit nearly in half, or from substantially $4 billion to $2 billion. However, that is water over the dam and we are dealing with what can be done now.

The President is proposing very drastic restrictions on travel. Of all of the things the President is proposing to meet the balance-of-payments problems, this is the most unpopular and deservedly so, because especially in all of the years, this country, the greatest tourist attraction in the world, has not begun to be exploited.

In his Economic Report in January 1967, the President called for establishment of a special industry-Government task force to make specific recommendations by May 1 on how the U.S. Government can best stimulate foreign travel to the United States. It took 11 months to appoint this task force, which was not appointed until November 16, 1967, and which was to report by early summer.

On January 1, the President asked them to file their first report by February 15. Then in his state of the Union message the President gave strong hints that he will propose restrictions on travel to reduce the "travel deficit" by $500 million.

I deeply regret that the President is considering—and that Treasury witnesses may propose when they testify before the House Ways and Means Committee on February 5—restrictive measures on travel just 10 days before the President's Travel Task Force's first report is due to be sent to him and the Congress. This makes no sense to me.

Before restrictions are called for on travel—and freedom to travel is a most important right—every conceivable positive measure, my own bill, the proposals of the task force and others, should be tried.

Also, as the Senate heard discussed by the distinguished Senator from Delaware [Mr. WILLIAMS] and me yesterday, recommendations for some means of utilizing foreign currency by U.S. travelers abroad—either derived from U.S. counterpart holdings of certain foreign currencies such as rupees or Israeli pound or by long-term credit-swap arrangements with foreign countries interested in U.S. tourism—are reportedly being explored by the Travel Task Force itself, and should be given a chance to work before we undertake restrictions in this field.

I especially condemn such a discriminatory proposal as taxing every traveler $5 or $10 a day, or imposing a tax of 5 percent on airline tickets, which would only favor the rich over those in moderate circumstances. It would have no other effect.

Restrictions on travel are self defeating. Not only would they be difficult to administer but they will surely invoke retaliation by countries who depend on income received from American tourists. If exemptions are made for certain countries or certain type of traveler, cries of discrimination will be heard and with justification.

My own bill, the proposals of the Travel Task Force and other suggestions taking the positive approach are clearly workable alternatives to restrictive measures and I call on my colleagues in the Congress not to support any restrictive legislation before these positive measures have been tried. If they do not result in reducing the "travel deficit" substantially by $500 million within the next 12 to 18 months and it is clear that there is no hope to get better cooperation from foreign governments, then—and only then—would it be in order to draw up restrictive measures.

Mr. President, for all of these reasons, and I respectfully submit that the proposals which have been made in this field are the most unpopular and deservedly so of the measures recommended by the President to deal with our balance of payments, I hope very much the administration will get behind a stimulation of foreign travel to the United States and begin to use brains and ingenuity to work out arrangements with foreign countries which would not inhibit travel but facilitate travel and postpone the impact on our balance of payments, and we could thereby use currencies we have in excess and counterpart currencies for similar purposes.

I think that with an application of ingenuity, brains, and the investment of a small amount of money, a great deal can done in this field which will obviate the need for imposing harsh restrictions on the traditional right of Americans to travel anywhere in the world.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2907) to amend the International Travel Act of 1961 in order to promote travel in the United States, introduced by Mr. JAVITS (for himself and other Senators) was received, read twice by its title, and referred to the Committee on Commerce.

NOBODY BELIEVES THE COMMUNISTS—WHO BELIEVES THE UNITED STATES?

Mr. GRUENING. Mr. President, an editorial in the New York Times for January 31, 1968, entitled "Nobody Believes Communists," points out:

> Reaction here and abroad to the Pueblo incident suggests that the credibility of the Government of the United States is not universally accepted—which is a tragic reflection on this democracy.

The repercussions of an untruth told by a democratic nation to its people go much further than the perversion of the truth about a particular incident. A single misrepresentation casts a shadow of doubt on the truthfulness of all future statements made by that government to its people.

The United States is in the truly unenviable position—because of its past misrepresentations—of having all its public pronouncements greeted with skepticism.

For that sad state of affairs the United States has no one to blame but itself.

Beginning with the U-2 incident, running through the Bay of Pigs tragedy and on to the cloud that shrouds what actually occurred in August 1964 at the Gulf of Tonkin, the people of the United States have witnessed administration after administration issuing statements which the later revelation of the true facts proved to be wrong.

Is it any wonder, therefore, that so much skepticism has developed at home and abroad at the explanation—or lack of it—given by the administration for the incident of the U.S.S. *Pueblo*?

The steady erosion of domestic and foreign confidence in statements emanating from the United States is indeed one of the more unfortunate effects of its military involvement in Vietnam. In the words of the New York Times' editorial:

> There have been repeated misrepresentations by the Johnson Administration concerning the war in Vietnam.

Unfortunately, the misrepresentations concerning the war in Vietnam began long before the Johnson administration. They began during the Eisenhower administration when the attempt was made—successfully—to subvert the Geneva accords of 1954 and to convince the people of the United States that the civil war raging in South Vietnam was in fact "aggression from the north."

This aping of the Communist propensity for lying can erode the very foundations of our democracy. Telling the truth should be one of the distinguishing characteristics of a democracy and a free society. The tendency is increasing to gloss over misrepresentations by the U.S. Government on the grounds that "the Communists do it, so why should not the United States?"

It should be stopped once and for all time.

I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD at the close of my remarks the editorial from the New York Times of January 31, 1968, entitled "Nobody Believes Communists."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NOBODY BELIEVES COMMUNISTS

Former Assistant Secretary of Defense Arthur Sylvester once asserted that a government has the "right, if necessary, to lie to save itself."

There may be an element of truth in what Mr. Sylvester said. But the right to lie, if indeed it may be granted, is a highly selective prerogative that can be abused only at the risk of incalculable self-harm. Reaction here and abroad to the Pueblo incident suggests that the credibility of the Government of the United States is not universally accepted—which is a tragic reflection on this democracy.

Diplomatic efforts to obtain a speedy return of the captured intelligence ship and its crew have been handicapped by an unfortunately widespread skepticism on the part of outsiders as to the facts in the case. A dispatch to this newspaper from London the other day on European reaction to the Pueblo's seizure reported: "There was little inclination to sympathize with the Americans. . . . Except in London, the assumption was that the intelligence-gathering vessel had ventured into North Korean waters." In the United States, itself, doubts and a demand for "all the facts" have been expressed in Congress and by the public as well.

This skepticism is due in part, of course, to the ambiguities of the incident. Even Secretary of State Rusk, who last Wednesday called the North Korean move "an act of war," conceded on Friday that he could not say categorically there had not been an intrusion into North Korean waters. But the American position has been weakened by memories of other incidents in which the United States Government has been proved less than candid.

There was, for example, the Eisenhower Administration's initial denial that Gary Powers' U-2 had deliberately violated Soviet air space. There were the Kennedy Administration's attempts to mislead the United Nations about the Cuban invasion in 1961 and its initial denials concerning Soviet missiles in Cuba in 1962. And there have been repeated misrepresentations by the Johnson Administration concerning the war in Vietnam and in regard to the initial landings in the Dominican Republic.

Such dissembling by governments is certainly not unique. The Communists are past masters of the art of lying—as North Korea has once more demonstrated with her preposterous charges against the United States and her obviously contrived "confession" by the Pueblo's captain. But, then, nobody believes the Communists.

The mere fact that so much suspicion has been aroused in the Peublo case—and it may be totally unjustified—suggests once again that it can rarely, if ever, be in the best interests of the United States to stoop to the Communist level and to sacrifice its own credibility and moral authority in world affairs on the altar of expediency.

INTERFERENCE WITH CIVIL RIGHTS

The Senate resumed the consideration of the bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

Mr. TALMADGE. Mr. President, last week the distinguished Senator from Michigan [Mr. HART], the floor manager of the pending bill, made an interesting observation on the removal of the application of this legislation to people because of their race, color, religion, or national origin. I had inquired of the Senator what would be wrong with striking provisions of the bill which make it apply to people just because of their race, color, religion, or national origin, as set forth in section 245(a) of H.R. 2516.

The distinguished Senator from Michigan replied:

> If the Senator wants to have a Federal police force patrolling the streets, that is fine.

I am very glad he made that point. I regret, because the Senator had pressing committee business, that we were unable to pursue our discussion any further at that time.

I, of course, do not want Federal police forces to oversee the lives of 200 million Americans, as the Senator from Michigan well knows. I do not want anything that even resembles a Federal police force, not for 200 million Americans, not for 20 million Americans, and not for one American. But, that is precisely what the pending bill would provide.

Here is what the bill would do:

It would set up a multitude of brand new Federal crimes, most of them so vaguely defined that they would not even come into play unless the people involved were of different races, different national origins, or different religions. One set of circumstances might constitute a Federal crime under one condition and not be a Federal crime at all under other conditions. The whole thing would be determined by diversity of religion, by diversity of national origin, and by diversity of color, after delving into the innermost recesses of a man's mind and determining what his motives under the circumstances were.

We cannot determine crimes by what a man is thinking. We must determine crimes by what a man does. The consequences of his acts are what makes a crime. If an individual in America strikes a black man with his fist, he should be adjudged under the law as if he strikes a white man with his fist. Yet, under the pending bill, if a white man strikes a black man, he is guilty of a Federal crime. If he strikes a white man, he is not guilty of a Federal crime. It depends on the color of the individuals involved and not the nature of the crime. It also would depend upon the religion of the individual involved rather than the nature of the crime. It would also depend upon the origin of the individuals concerned rather than the nature of the crime.

What difference does it make if some offense is committed against an individual who formerly resided in England, or whether it is committed against an individual who formerly resided in Texas? They are both entitled to protection under American law and are entitled to equal treatment under the law.

The Constitution of the United States guarantees equal treatment under the law. The pending bill purports to be a civil rights bill, yet by its very nature and its very scope provides for unequal treatment for 200 million Americans.

The situation is determined by the nature of one's religion, the nature of the religion of the aggrieved citizen, the color of the aggrieved citizen, and the color of the man who is alleged to have aggrieved the citizen.

I doubt if anything has been proposed in the history of the Republic so calculated to confuse the people of this country, so calculated to create chaos in the basic organic law of the land. It would have the effect of removing the enforcement of the fundamental law from the jurisdiction of the individual States. That is how it would operate, Mr. President.

I happen to reside in an apartment house in the District of Columbia at the present time, which is probably guaranteed by Federal agencies which lend money to build apartment houses and build homes throughout the land. Under that particular situation, I would have the long arm of the Federal law thrown around me to protect me because I happen to reside in such a dwelling.

Now, if someone came in and stole a suitcase from the apartment which I occupy, he would have violated the law under the proposals in H.R. 2516. He would have violated the law because I am occupying a building on which a Federal guarantee has been placed. He would have deprived me of some of my property without my consent and he would, therefore, have injured me or interfered with me in occupying the premises where I reside.

Mr. President, if the particular burglar who committed that act happened to be white and happened to be a Baptist, he probably would not have violated Federal law and he would be tried under the normal criminal procedures of the District of Columbia. But if the burglar or the criminal who aggrieved me by stealing my suitcase happened to be black, or of another national origin, or of a religion other than a Baptist, then the Federal law would come into play.

That, Mr. President, is a fair example of how far removed from reality the pending bill is.

It would predicate violation of these special laws on a person's race, on his color, on his religion, and even, yes, Mr. President, on his national origin.

The pending bill would make the laws apply to some of the people of the land but not to all the people of the land. It would apply in some particular set of circumstances but not across the board.

For example, under the pending bill, one person could be guilty of assault and battery; and be punished for that offense and another person could be guilty of the same crime and not be subject to Federal prosecution.

Mr. President, under the proposed legislation, if two people go to a baseball game at the stadium in the city of Atlanta and during an argument about the game get into a fist fight, here is what would happen:

If both were white and both were of the same religion, or if both were black and of the same religion, and if both were Americans, and therefore, of the same national origin, and they got into a fist fight, they would not be guilty of violating any Federal law whatever. They would be guilty of violating the city ordinances of the city of Atlanta. They would be guilty of violating the penal code of the State of Georgia, and appropriate action under those circumstances would be taken in accordance with the ordinances and the laws of the State of Georgia.

But if one of them happened to be black and the other white and they got into a fist fight and, as a result thereof, one of them obtained a bloody nose, the situation would be entirely different. Under those conditions, the one who was the aggressor, whoever he may be, would be guilty of violating a new criminal law, predicated upon the pending bill, and he could be fined as much as $10,000 and put in jail for as long as 10 years for engaging in a fist fight at a baseball game in a public stadium in the city of Atlanta, Ga.

Mr. President, the example I have given could be created hundreds and, yes, thousands of times throughout this land of ours. One set of circumstances might produce no crime any more serious than breaching the peace or disturbing the peace at the local level, whereas another crime, in identical circumstances, depending only upon the diversity of the religion, color, and national origin of the people involved, would subject those involved to imprisonment in the penitentiary for 10 years and a fine of up to $10,000.

Mr. President, how ridiculous can we get when we propose a whole new criminal code for the United States of America? How farfetched can we be in dreaming up new schemes in appealing to voters at the ballot box in this, an election year? It is time for the Senate of the United States to come down from a dream world and live in a world of reality, to forget the ridiculous, to apply the principles we have learned from long experience, and to recognize that all people under like circumstances should be treated exactly alike under the laws of this land. I have pointed out that the enforcement of this law would depend upon a person's race, on his color, on what church he went to, or what country in the world he might have come from. Worst of all, this bill would have the effect of greatly expanding Federal power over the people of this country.

I feel that the people of America are getting a little fed up with having to look to Washington, D.C., with having to come here and deal with the executive branch of the Government for the daily routine of their lives. I feel that the people who founded our country were correct when they devised a system which was based on the premise that the least governed people were the best governed people. I think our people are tired of seeing their everyday, normal operations, the routine affairs of their lives, regulated from Washington, rather than regulated from the city halls, from the courthouses, from the capitals of their own States. We have tried to emulate too much some of the governments in other areas of the world where all power revolves around the national government, sometimes by a dictator who has never been elected by anyone in his life.

Mr. President, rather than trying to entrust Washington with added authority and added centralization of power and added responsibility, I think the Senate can best consider trying to strengthen some of our government on the local level, where the people themselves can make greater decisions in determining, on the local level, what they desire and what their needs are. Certainly, I think this is no time when the Senate of the United States ought to be concerning itself with people having fist fights in public stadiums of this land, and people having scuffles on the streets of the cities of this land, when we have far more important problems to concern ourselves with than matters of this nature.

It seems to me to be the height of absurdity that a nation which is involved in a bloody war in Asia, with crises occurring every day, with problems of inflation in our land, with the balance-of-payments deficit, and problems of similar importance, would be considering now the creation of a whole new pattern of criminal Federal law to regulate fistfights and insults throughout the length and breadth of our land.

I say "regulate." It would not regulate all of them; it would regulate only some of them. It would regulate only those who were engaged in a fistfight if they were of a different color, of a different national origin, or of a different religion. Two people belonging to the same church and the same religion would not fall victim to the long arm of the Federal Government. But if they engaged in a fistfight in a particular place and they happened to be of a different religion or a different color or came from different countries at some particular time, then they would come under Federal law in this respect.

The law would in effect create a vast Federal army of policemen to enforce this special law, in special sets of circumstances, for the alleged benefit and protection of a few people.

At the same time, Mr. President, this bill is so clearly unconstitutional that I am surprised the Senate would even waste its time to consider it. Congress has no authority under the Constitution to attempt to legislate in the area of private wrongs committed by one private citizen against another. This is well established and fundamental constitutional law, dating back 100 years.

The 14th amendment to the Constitution add nothing to the rights of any citizen against another. It does, of course, furnish protection against any State action that would encroach upon the fundamental rights of our people.

As stated in the Guest case, citing the authority of the *United States* v. *Cruikshank*, 92 U.S., p. 542. pp. 554 and 555:

> It is a commonplace that rights under the Equal Protection Clause itself arise only where there has been involvement of State or of one acting under the color of its authority. The Equal Protection Clause "does not add anything to the rights which one citizen has under the Constitution against another."

The Supreme Court has stated, even in the Guest case, that this has been the Court's view from the beginning, and it remains the Court's view today.

This is not just old law it is a restatement of old law, and well-established law, as set forth by the Supreme Court in the recent Guest case. As I have pointed out to the Senate in an earlier address on this floor, the proponents of this legislation are on shaky ground indeed if they cite the Guest case as their authority.

Inasmuch as we have heard a great deal of discussion about 14th Amendment rights, I think it would be well for the Senate to consider just what those rights are.

There can be no doubt but that the 14th amendment rights are these, and only these:

First, the right of a citizen not to have his privileges or immunities abridged by the making or enforcement by a State of any law.

Second, the right of all persons not to be deprived by any State of liberty or property without due process of law.

Third, the right of all persons within the jurisdiction of a State not to be denied by that State the normal protection of the law.

H.R. 2516 departs from the rule of law as set forth by the Constitution and as announced by the Supreme Court. It seeks to make certain acts committed by private persons against others substantive Federal crimes. I reiterate that these would not be Federal crimes equally applicable to all our citizens, but would apply only to some people part of the time.

By way of example, this bill would prohibit force or the threat of force, injury or intimidation, or attempts to injure or intimidate any person, because of his race, color, religion, or national origin, if he happens to be—reading from section 245(a)(8) on page 8 of the bill—"enjoying the goods, services, facilities, privileges, advantages, or accommodations of any inn, hotel, motel, or other establishment which provides lodging to transient guests or of any restaurant, cafeteria, lunchroom, lunch counter, soda fountain, or other facility which serves the public and which is principally engaged in selling food for consumption on the premises, or of any gasoline station, or of any motion picture house, theater, concert hall, sports arena, stadium, or any other place of exhibition or entertainment which serves the public, or of any other establishment which serves the public and which is located within the premises of any of the aforesaid establishments or within the premises of which is physically located any of the aforesaid establishments."

For example, if two persons became involved in an altercation in a hotel, motel, or other rooming house, and if those people happen to be of different races or of different religions, the assailant could be made the subject of Federal prosecution. The same, Mr. President, would be true for all of the other long list of establishments here, including even a filling station.

If two persons had a fist fight in the area of a filling station, and they happened to be of different religions, different colors, or different national origins, then, under the terms of this bill, Mr. President, they would be subject to Federal prosecution; and if one of them were injured, the other could be fined as much as $10,000 and put in a Federal penitentiary for up to 10 years. That would be true not only of a filling station, Mr. President, but of any restaurant, any cafeteria, any lunchroom, any lunch counter, any soda fountain, or other facility which serves the public and which is principally engaged in selling food for consumption on the premises, or of any gasoline station, motion picture house, theater, concert hall, sports arena, stadium, or any other place of exhibition or entertainment which serves the public, or any other establishment which serves the public and is located within the premises of any of the aforesaid establishments, or within the premises of which is physically located any of the aforesaid establishments.

Mr. President, in order to try to prove that the victim was set upon because of his race or religion or national origin, one would have to probe into the innermost recesses of the assailant's mind, to attempt to establish intent, and that would, of course, be next to impossible in most cases. It would be beyond imagination for one to try to determine the intent of why a particular individual struck someone else. It might be because he did not like the way he walked. It might be because he did not like the color of his eyes. It might be because he was walking too fast to suit him, or too slowly to suit him. It might be because the aggressor just felt particularly obstreperous that day. It could, Mr. President, be for any reason. No one but the aggressor knows why he does a particular act.

Under this bill, Mr. President, one would have to determine that the aggressor did the particular act because he did not like the color of the victim, the national origin of the victim, or the religion of the victim.

If I go over and strike the Senator from North Carolina, the only thing that the Government ought to be concerned about is that I struck the Senator from North Carolina, which is an offense, a violation of a law. They ought not concern themselves as to whether I struck the Senator from North Carolina because I did not like his glasses, the color of his necktie, the size of his feet, the color of the suit he is wearing, the way he sits in his chair, the way that he smiles at me, or any one of a thousand other things, Mr. President. The crime ought to be predicated upon the act and what it does to the victim, and not why a particular aggressor does a particular thing.

Instead, Mr. President, of trying to throw the long arm of the Federal Government over any dispute or altercation that may arise in this country hereafter between private individuals, the Government of the United States could better concern itself with the problem of seriout crime, now multiplying rampant in the United States and increasing almost nine times as fast as our population increases.

Mr. JORDAN of North Carolina. Mr. President, will the Senator yield?

Mr. TALMADGE. I am delighted to yield to my good friend, the distinguished Senator from North Carolina.

Mr. JORDAN of North Carolina. I am sure the Senator knows that there have been many instances in which people have gotten into scuffles or some sort of fights with people of other nationalities because they did not happen to like Greeks, Italians, Germans, or members of some other nationality. That does happen.

We are at war with another nation. We have certainly fallen out with them because we are doing a lot of shooting and killing.

Mr. TALMADGE. The Senator is correct.

Mr. JORDAN of North Carolina. I cannot see how in the world anybody can interpret the pending legislation as being a just and fair measure without having a lot of imagination.

The pending bill contains the word "intimidate." I would hate to serve on a jury and try to determine what "intimidate" means. There could be thousands of things referred to as "intimidation."

I know of a case in which some people fell out and had a fight. The case went to court. The court asked what they were fighting about. One of the defendants said, "Well, he was looking at me, and I did not like the way he was looking at me."

Mr. TALMADGE. I have heard the same statement.

Mr. JORDAN of North Carolina. I imagine that could be called intimidation. If one of the parties was of a different color, that would be a Federal crime.

Mr. TALMADGE. The Senator is correct.

Mr. JORDAN of North Carolina. However, if two white people fell out over such a matter and a fight occurred, that would not be a Federal case. That would come under a State law.

Mr. TALMADGE. The Senator is correct. The participants must be of different races, different colors, different religions, or different national origins. What would be a crime under one set of circumstances would not be a Federal crime under another set of circumstances.

Mr. JORDAN of North Carolina. If the pending measure is enacted into law—and I do not see how it can possibly be—would we not have to have two sets of police officers—one to enforce the pending measure and one to enforce State or municipal laws against people who had a fight.

Mr. TALMADGE. It would require a vast army of Federal policemen to police affairs that are now handled by local police officers.

Mr. JORDAN of North Carolina. It seems to me that we would have to have two different kinds of policemen.

Mr. TALMADGE. That would be the size of it.

Mr. JORDAN of North Carolina. If two white people were in a fight and one of them was killed, the person who had done the killing could be tried for murder.

Mr. TALMADGE. The Senator is correct, and that man would be tried as a defendant in a State court.

Mr. JORDAN of North Carolina. The Senator is correct. The only offense that is considered to be a crime here at this time is if one does not pay his income tax. If a person commits murder, he is just confused. If a person steals, he is just confused. These crimes are being committed every day.

Mr. TALMADGE. The Senator has put his finger on one of the weaknesses of the pending measure when he points out the language on page 7, line 6, of the pending measure, which states "intimidates or interferes with." That can mean any variety of things.

How does one interfere with somebody? Does he pass him too fast on the highway? Does he permit the fumes of his exhaust pipe to get too close to him?

Does he interfere with him if he is hanging a clothesline in his backyard and it does not meet with his neighbor's satisfaction?

How does one go about interfering with

a man? No guidelines are laid down here We have no idea what the word "interferes" might mean.

It could mean any number of things, I might be interfered with because they do not bring cool water to my office as expeditiously as I think they should. I might be interfered with if my mail is not delivered as expeditiously as I think it should be.

What does "interferes with" mean? What does "intimidate" mean? Nobody knows. I do not know.

Mr. JORDAN of North Carolina. There are two men standing in the doorway now. If the Senator were to attempt to go through that doorway now, he could not go through without excusing himself.

Mr. TALMADGE. I would have to interfere with them. I would have to ask Senator McGovern and the other gentleman to move out of the door so that I could get out. I would be interfering with them otherwise, and they would be interfering with me because they are standing in the doorway.

Mr. JORDAN of North Carolina. The pending measure is so broad that it is ridiculous.

Mr. TALMADGE. The Senator is exactly correct.

Mr. JORDAN of North Carolina. It would be almost amusing if it were not serious enough to be brought up on the Senate floor so that we have to defend ourselves against something that we cannot conceive of.

Mr. TALMADGE. I cannot conceive of it. If a child were to bring such a proposal home from kindergarten, the parent would think that the child did not have a responsible teacher.

Mr. JORDAN of North Carolina. The parent would know that the child did not have a responsible teacher.

Mr. TALMADGE. The parent would have to start the child in another school, whether it be in kindergarten or some other class.

If a man were set upon, he could claim that he was beaten up because of his race, religion, or national origin, whether it is true or not.

If I were to go downtown and someone were to attack or burglarize me, I could claim that that person did not like me because I happened to be a Senator from Georgia, a white man, a Baptist, or something of that nature. And the Federal law would come into play purely because of diversity of religion, color, or national origin.

A similar situation which is just as ridiculous could develop in restaurants, cafeterias, lunch counters, or in corner drugstores.

Another example would be if a fist fight were to break out at a football or baseball game. And they very often do break out. If the participants were of different races or color or national origin or religion, the long arm of the Federal law could reach out in an attempt to prosecute the people of one race or religion and ignore all of the other people who were involved in the disturbance.

I have already illustrated one matter, but I should like to do so again. If Rap Brown and Stokely Carmichael were on a soapbox making a speech and urging people to go out and take the law into their own hands, someone in the audience might get up and go over and punch Brown or Carmichael in the nose. Right away that person would be subject to the Federal law if he happened to be of a different color, religion, or national origin from Brown or Carmichael. And Rap Brown and Stokely Carmichael could continue to incite people to riot with impunity.

Let us take another illustration. If the President of the United States were addressing a joint session of the Congress and someone yelled out and tried to heckle him, he would be interfering with him.

If the heckler were of the same race, religion, and national origin as the President, it would not be punishable under the Federal law. However, if not, then the man would be guilty of violating the Federal law.

Mr. President, if George Wallace were to come to a particular State and make a speech and a white man of the same religion, race, and national origin as Wallace were to heckle him, that man would not be violating any law. However, if the man were of a different race, religion, or national origin than Wallace and were to heckle Wallace, he would then be guilty of violating the Federal law. So, we see how ridiculous we can get when we attempt to predicate laws upon diversity of religion, color, or national origin without any effort to pass the law based upon the nature of the crime and what the particular criminal did.

Mr. President, instead of considering laws of this nature to stretch the long arm of the Federal Government down into common breaches of the peace, the Senate should be concerning itself today with the riots that have broken out in 130 of our principal cities in the United States and that have already cost about three-fourths of a billion dollars. We have had many lives lost, many of them policemen and firemen in the performance of their duty. Some people, with impunity, have run rampant in many of the cities of our country.

Yet, these laws are designed to aid and protect such people as Rap Brown and Stokely Carmichael, who go from city to city, day to day, fomenting strife and riots.

One could go on for days citing similar ridiculous examples of the unequal and punitive applications of the proposed bill.

As I have pointed out, this is the fatal weakness of the bill. There cannot be one law for one group of people and another law for another group, depending upon their race, religion, color, or national origin.

Moreover, if we are going to adhere to the Constitution. We cannot legislate to protcet individuals against private wrongs. If we try to do so, we will most assuredly have to set up a Federal police force with thousands and thousands of agents to roam the country and to investigate just about everything one person does to another. I contend that this not only is utterly impossible, but also is not a desirable state of affairs for America.

We have State laws and State courts to enforce the criminal statutes that fall outside the realm of Federal jurisdiction. If one person assaults another, that is a State and local matter. If one person intimidates another, that is a State and local matter. If one person interferes with another in the enjoyment of the free use of any public accommodation, that also is a State matter. It does not matter to the States whether the violations of the law involve a diversity of race, a diversity of color, a diversity of religion, or a diversity of national origin. A violation of the law is a violation of the law, and it should be dealt with accordingly, regardless of who or what was involved. That is the way the law should operate, if we are to continue to have equal protection of the law, which really means the protection of equal laws.

I have some amendments to this bill which I will explain and discuss at a later time. It occurs to me that if this bill does not already cover people who riot and do injury to others because of race, then perhaps we should give some thought to making it do so.

If this bill had been the law last summer and it had been a Federal crime for one person to attack another because of race, then just about all of the rioters in Detroit, in Newark, in Cleveland, and a host of other unfortunate cities, would be in a Federal jail today. Unfortunately, this bill is not aimed at that.

We have all read about how mobs roamed around, looking for white persons to attack. Any white person who unhappily came upon the scene had a brick thrown at him, or he was knocked to the ground and stomped—in hundreds and hundreds of cases in which a person was under attack purely and simply because of his race.

Similarly, automobiles on the public streets were stoned and overturned, again simply because the driver happened to be white. Stores and small businesses were stoned and burned out, purely and simply because the proprietor was of a different race.

In fact, in my opinion, any person who actively advocates black power or who roams through the streets shouting, "Get Whitey!" would fall under the purview of a law such as this, because these people were clearly attempting to interfere with and to intimidate people of another race.

This, by no stretch of the imagination, should be construed as the advocation of such a bill or the endorsement of such a law. I still believe that law enforcement is a State and local matter. But I cannot help believe that if we are going to propose punishment for lawbreakers, we should make the punishment apply to all lawbreakers.

H.R. 2516 provides punishment for a long, new series of Federal crimes committed by people who do harm to others because of race, color, religion, or national origin. It also would punish people who attempt to interfere with or intimidate other people because of race, color, religion, or national origin.

I wish to remind the Senate that there now walks on the streets of Washington a man who has made a career of interfering with and intimidating people because of race. This man is Stokely Carmichael. He has fomented enough strife to set race relations back a hundred years, while he walks the streets scot free.

In a riot in Atlanta a year or so ago, Carmichael urged people to plan a revolution against white citizens and to be out "beating heads." If this kind of thing is not intimidation of other people because of race, then I do not know the meaning of the word.

Mr. President, speaking of New York, Stokely Carmichael said this:

> In Cleveland, they're building stores with no windows—all brick. I don't know what they think they'll accomplish. It just means that we'll have to move from Molotov cocktails to dynamite.

Mr. President, is there any doubt in anyone's mind at all that Carmichael was talking about white stores and not Negro stores?

One could go on and on with a recitation of the hate and violence which has been preached by Stokely Carmichael, H. Rap Brown, and a host of others like them, preaching a doctrine that would deprive the citizens of this country of their rights to be safe and secure on the public streets, to make a living and operate their businesses without being bombed or burned out.

If we were to believe, perhaps, that H.R. 2516 were going to be administered and enforced against all people who break the law, without fear or favor, then, perhaps, the bill would not be so obnoxious. But, we have had many months of experience, indeed, even years, that clearly demonstrates there are double standards of law enforcement, that some people can break the law with impunity and others can commit the same acts and be put far back in jail.

Mr. JORDAN of North Carolina. Mr. President, will the Senator from Georgia yield at that point?

Mr. TALMADGE. I am delighted to yield to my dear friend from North Carolina.

Mr. JORDAN of North Carolina. Does the Senator feel that this bill would serve as an encouragement to the wrong kind of people; namely, the Stokely Carmichaels and the Rap Browns, and at the same time might discourage policemen in carrying out their normal functions in handling demonstrations, marches, and other forms of riots, and that we know have happened and probably will happen again?

Mr. TALMADGE. Oh, yes, indeed. In fact, the pending bill would take in city sidewalks and streets as areas where it would be operative. If we had a policeman trying to stop a riot and he arrested a rioter of a different color, different religion, or different national origin from the policeman, he could immediately be hauled into court and prosecuted. If he happened to have hit him with a billy, or something, trying to subdue him or arrest him, he could be fined $10,000 and sent to jail for up to 10 years. The same thing, I say, with reference to policemen, would also be applicable to members of the National Guard. If we had a Guardsman trying to put down a riot and the Guardsman arrested someone of a different color, different religion, or different national origin from him, he could be tried and convicted; and if the Guardsman happened to have fired a shot to protect his life or to protect the lives of others, he could be hauled into Federal court and sentenced to prison for up to life.

Even troops of the U.S. Army on duty in a municipality, trying to put down a riot, as they finally did in Detroit, Mich., last year, and if some of the men in the Army who made arrests or attempted to make arrests were of different religions, different races, or different national origins from those who engaged in the riot, they also could be hauled into court, tried, and convicted. In fact, the bill goes so far as to say that, notwithstanding any other law—well, let me read to the distinguished Senator from North Carolina from page 7 of the bill, section 245, "Interference With Civil Rights":

> Whoever, whether or not acting under color of law—

So this would clearly include not only policemen, but members of the National Guard and members of the U.S. Army, because it makes no exclusion for law-enforcement officers. If police officers or members of the National Guard or members of the Army, as the case may be, used a bayonet or the butt of a rifle, or even a little finger, against any rioter who was of a different color, a different religion, or a different national origin, he could be hauled into the Federal court and put in jail for life if he killed someone; and he could be put in jail for a year and fined $1,000 if there were no physical injury; and if there were physical injury, he could be fined no more than $10,000 or imprisoned for more than 10 years, or both.

So we see how vicious this thing is.

Mr. JORDAN of North Carolina. Perhaps the Senator remembers that last fall, before Congress adjourned, a group of Negroes descended on the House Gallery, created a great disturbance over there, and a regular riot and commotion ensued. They kicked some of the Capitol policemen. They were white policemen, right here on the Hill, and there were some colored policemen there, too. After a great struggle and a lot of disturbance, they did manage to take some of them downtown and arrest them. If this proposed law had been in effect at that time, any of those Negroes could have invoked the Federal law against our own policemen right here because of claimed police brutality or because they tried to arrest them and to keep them from taking over the House of Representatives of the United States.

Mr. TALMADGE. Oh, yes, indeed.

Mr. JORDAN of North Carolina. They would come under the law and they could be brought into court. That is what the bill provides.

Mr. TALMADGE. That is right. If there is a diversity of race, a diversity of religion, or a diversity of national origin, one can haul anybody into court.

Mr. JORDAN of North Carolina. They did not exactly pin a medal on them for doing that, but they let them off with a $10 fine and let them sign their own bond.

Mr. TALMADGE. They wanted to make sure they did not make them angry.

Mr. JORDAN of North Carolina. That is right. They put them back on a bus and sent them back to New York. What we need is not new legislation, but enforcement of the law. We have enough laws now, if only we will enforce them.

Mr. TALMADGE. I could not agree more with the Senator. We have enough laws on the books to last 10,000 years. If the courts would construe the laws and the Constitution the way they are written, if our policemen were unfettered, if our Federal judges recognized that the rights of society are just as great as the rights of criminals, and if our authorities recognized that they are courts of justice, and not courts of mercy, we could stop some of the crime that is rampant in America right now.

Mr. JORDAN of North Carolina. I thank the Senator for yielding to me.

Mr. TALMADGE. I thank my friend for his contribution to this debate.

Mr. President, this bill will do little more, I am afraid, than perpetuate the double standard. We all know where it is aimed.

None of us holds any brief for violence. We do not approve of terrorism in any form. We are shocked by people bombing churches and homes just as we are shocked by the bombing that has taken place in more than 130 cities in America in the past 2 or 3 years.

We all want law and order to be preserved, whether it be in the South, the North, the East, or the West, or in any of the other 50 States in this Nation. We all want peace and we all want harmony. We decry violence, whether it be by the mob in the streets or by the midnight marauder.

This bill, Mr. President, will not contribute to restoration of respect for law and order. It will in fact encourage, aid, and abet people who are more interested in tearing down than they are in building up, because they know, as they go about spreading disorder and strife, that they will have on their side a whole army of Federal policemen. In fact, they will have the U.S. Attorney General as their personal bodyguard.

And it seems to me worth noting that the Attorney General has not seemed much interested in enforcing the law of this country, without fear or favor, in recent years.

Perhaps I could amend that to say that he seems quite able to enforce the law against some people, but not against all people.

Mr. President, that is what this bill is all about. It has a built-in double standard of law and law enforcement. It applies to some people. It applies to some sets of circumstances, but not all sets of circumstances. It is a vicious law. It is an iniquitous bill that makes a mockery of the constitutional protection guaranteeing all people equal treatment under the law.

Mr. President, following the War Between the States there were efforts to pass punitive legislation such as that now before the Senate. These were the iniquitous Reconstruction Acts, which would have put 10 States of the South under military rule and which would have virtually abolished all the constitutional rights of the people of those 10 States.

Because of the courage of one man—President Andrew Johnson—the radicals who proposed this legislation were defeated. President Andrew Johnson vetoed this legislation and sent an eloquent message to the Congress explaining why he did not think sovereign States of the United States should be subjected to force legislation.

I have reread President Andrew Johnson's veto message, and although it is 100 years old, I find much of his eloquent message and persuasive argument to be relevant to the situation we are confronted with today. For example, it was one of the expressed purposes of the Reconstruction Act to preserve law enforcement and to punish people who disturbed the peace and who did violence to other people. Military tribunals were to have been set up to prosecute people under the act, and to summarily call them before their kangaroo courts without even the benefit of trial by jury. One of the terrible effects of the Reconstruction Act would have been to take law enforcement away from the States and turn it over to the Federal Government. H.R. 2156 attempts to do the very same thing. Besides, it carries the Reconstruction Act one step further by not making the law applicable to all people, but only to some of the people, some of the time.

I shall comment further on President Andrew Johnson's veto message at a later date, because what he said then is equally true today.

I say again that the bill is unnecessary. Ample statutes are on the law books of every State in the Union to deal with crimes of any nature. It is unnecessary to create a vast new complex of Federal criminal laws that are ill-defined, laws as to which no one can determine the meaning, laws which are applicable to some of the people under varying circumstances, but not to all the people.

When we start to consider the passage of laws which will affect the rights of citizens based on diversity of race, diversity of religion, and diversity of national origin, we shall be going to extremes, indeed.

On page 7 of the bill, section 245, "Interference with civil rights," reads as follows:

> Whoever, whether or not acting under color of law—

That means people involved in enforcing the law—policemen, National Guardsmen if a riot is involved, sometimes Federal troops—can be hauled into Federal court and may be sentenced to life imprisonment or to a fine of $10,000 or to jail for 10 years under certain circumstances. What are those circumstances?

If he injures someone, the injury can probably be defined in terms of law. That means if he pulls some hair out of his victim's head, for example, he has injured him.

The next one is "intimidate." Who knows what intimidation means? Intimidation can mean many things. If an employer calls an employee and suggests to him that he should not join a labor union, that might be intimidation. If a policeman sees someone who he knows gets inebriated frequently, and suggests to him that he ought not to drink so much, that might be called intimidation, and probably is. It might even be that someone who might call up a rival for a girl friend's affections, and say, "Please don't call Sally for any more dates," would be engaging in intimidation.

I do not know that intimidation has ever been defined by the law, and I do not know if it can be defined, because intimidation can mean many things to many people, under many different circumstances. So it can be seen, Mr. President, how broad this authority is.

Look at the next term: "or interfere with."

What is "interfering with"? If you order a car and it is not delivered as promised, is the dealer interfering with you? If a doctor promises to come and visit your sick baby, and does not arrive on time, is he interfering with you? If someone does not get out of your way when you are walking down this aisle, is he interfering with you? If I go over and ask a Senator to please give me a drink of water, and he pushes the glass rapidly away from me, is that interfering with me? That may be what "interfering with" means.

Yet, Mr. President, this statute is so broad that it makes these vague and indefinite terms the subject of crimes, under certain circumstances. If a person of a different religion interferes with me—whatever the word "interference" may mean—that means that he has committed a crime under Federal law, if this bill is enacted into law. If he interferes with me, he has committed a crime. If he intimidates me, he is guilty of a crime. Oh, yes, Mr. President, I say he is guilty of a crime, but he would be guilty of a crime only if he, as a person not of my color, not of my religion, or not of my racial origin, intimidates me. If a white man who is American-born, who is a member of the Baptist Church, shoots at me on the floor of the U.S. Senate, even as I am uttering these words, he would not be violating the terms of this legislation. But if anyone who is not a member of the Baptist faith even sticks out his finger and tries to heckle me, he is violating the terms of this proposed bill.

I say to the Senate, Mr. President, that it is a ridiculous set of circumstances for us to consider legislation that does not treat all events and all natural effects alike, but treats differently different events, predicated upon different sets of circumstances, the circumstances being your country of origin, your color, and your religion.

I hope that the Senate of the United States, if it is intent upon writing a new Federal criminal code, with the consequent disruption of relations under our Federal system, if we try to take away from States and municipalities their ancient prerogative of dealing with breaches of the peace on the local level, then, for God's sake, Mr. President, let us make those laws uniform. Let us make them apply to 200 million Americans. Let us not make them apply to some Americans and make them inapplicable to other Americans, based on their diversity of race, their diversity of color, and their diversity of religion.

This bill is supposed to be a measure to uphold and support the Constitution of the United States. I think, Mr. President, it defies that principle, because the 14th amendment is aimed only at State action. This bill does not cover State action at all, but private actions by private individuals against other private individuals.

We are supposed to have equal protection of the laws. That means that all laws will apply to all citizens equally. This is the most discriminatory piece of legislation that I have ever seen, in that it applies only to some of the people, some of the time, under some circumstances, and as a consequence of some events, provided they are of different race, different color, different religion, or different national origin.

Mr. President, I understand that the distinguished Senator from Alabama [Mr. SPARKMAN] has arrived on the floor and wishes to make a speech. I yield the floor at this time.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SPARKMAN. Mr. President, I thank the Senator from Georgia. I do not like to displace him in this way, or in any way, but I do have a meeting at 4 o'clock that I feel I must attend, and it struck me that I might speak at this time if it were agreeable to him.

With respect to the pending bill, H.R. 2516, I intend to discuss both constitutional law and policy. It will be my theme that a constitutional basis for this proposed Federal Criminal Code is sadly lacking in our basic dual form of government. It will be my further theme that the 14th amendment has not been construed directly in such a manner as to permit the jurisdictional implications claimed by the proponents of this legislation, despite the strained interpretation that they wish to place on the case of *United States* v. *Guest, et al.* (383 U.S. 745 (1966)). Moreover, I shall urge that the 14th amendment was clearly intended to be restricted to State action; that Congress intended it only as a means of curbing State action when it proposed the amendment to the States; and that Congress should now restrict itself within those sound, intended limitations. It is a matter of sound policy that in dealing with the instant and similar proposals we impose these limitations, lest we change the very fundamentals of our dual form of government and foist upon the people of this Nation a Federal police state.

Before pursuing this argument further, however, I would like to expand briefly on some points that I mentioned in my remarks against this bill in the Senate on January 24, 1968. These remarks are found on pages 919 to 921 of the RECORD of that date. I stated that the bill as drawn is quite broad in its coverage. It is so broad, in fact, that it would be extremely difficult for anyone to know just what activities, services, benefits, and programs of all governments—Federal, State, and local—are covered. This bill, as we know, makes it a serious felony for anyone to act with force or threat by way of intimidation, injury, or interference against anyone associated with a situation involving so-called civil rights.

The average person might read the law and still be in a state of confusion as to what is meant and what is covered. In many of our complicated laws dealing with purely civil and highly technical matters, this might be the case understandable. In the field of the criminal law, however, it should not be the case, and when it is, I think that the language is unconstitutional due to vagueness.

A person would have to be equal to the celebrated "Philadelphia lawyer" to understand only a part of the legal coverage that is involved. For example, just one of the paragraphs of the bill covers practically everything in the United States. It is as follows:

> (3) participating in or enjoying any benefit, service, privilege, program, facility, or activity provided or administered by the United States, or by any State or subdivision thereof.

The matters referred to above are legion. Every privilege, service, and benefit of all governments, Federal, State, and local, would add up to thousands of activities, services, benefits, and programs. It is indeed a proposal for a Federal police state to include all of these within the criminal jurisdiction of the U.S. District Courts.

Many State and local laws establish programs and activities. Presumably, they give benefits. As I pointed out on January 24, the fair housing programs of the States and localities that have adopted laws establishing these programs fall rather squarely within the terms of this bill, irrespective of whether or not, it was so interested, and the so-called benefit offered is the right to participate in the program.

We, in the Congress, should take due notice of this possibility because the Federal courts would be empowered to impose severe criminal penalties under this bill for threats or interferences by force with the local or State right of another person to participate in fair housing programs. Thus, the Federal courts could still become enforcement forums for fair housing laws despite the fact that Congress has refused to pass a national fair housing law.

Mr. President, I am confident that most of the Members of the Senate do not realize that this measure is, in part, a fair housing enforcement law.

The irony growing out of the implications of this bill is that we may get into the position of cluttering up the Federal courts—as busy as they are with serious Federal litigation—with matters which are constitutionally designated as State matters.

We must be careful that we do not place the Federal Government in the position of becoming a local police court and dealing with local breach of the peace or disorderly conduct laws.

We must think long and hard about matters that could arise under a proposal such as is before us. If we do not stop this bill now, our entire dual system of justice and law will be changed. If we do not stop this bill now, Federal courts with great powers and penalties could move into the former jurisdiction of local and State courts in the all important field of criminal law. I cannot overemphasize this statement.

I turn now to another vague and broad term used in the bill; namely, the word, "interfere." This word may be used elsewhere in a few laws, but in the strict construction required in criminal law, the word interfere is difficult to understand. I mentioned on January 24 that this word is susceptible of a rather loose meaning. The bill would make it a Federal crime to interfere by force or threat of force with something that is indefinite. If "interfere" referred to something more definite it would be better defined.

Webster's dictionary defines the word "interfere" as follows:

> 1. To knock one foot or leg against the other; said of a horse.
>
> 2. To strike against each other; come into collision or opposition; clash; collide.
>
> 3. To come in or between for some purpose; intervene; to meddle.
>
> 4. In football, to effect an interference.

Obviously, from the above varying definitions, it can be ascertained that even a slight action contrary to the interests of another party might be considered an interference. Even the act of meddling can be an interference.

Black's law dictionary defines "interfere" as: "To check; hamper; hinder; disturb; intervene" and cites the cases of *State* v. *Estes* (185 N.C. 752, 117 S. E. 581, 582) and *Conger* v. *Italian Vineyard Co.* (186 Cal. 404, 199 Pac. 503).

Since the legal definition seems to be along the line of hampering, hindering, or disturbing, we might take this at its face value and conclude that this bill seeks to make a major felony out of rather weak or innocuous circumstances. Much more harsh language could have been used and certainly is available in the English language if the drafters of this bill had wanted to use it.

The use of the term "by force" in the bill does not add much by way of harsh requirements, for two reasons. First, "by force" can mean by a very little force. It takes force even to lift a finger. Second, the words "or threat of force" are added after the word "force" in the bill. Thus, the very weak objective of interference may be accomplished by a mere threat of force.

I have examined several law precedents to get a better understanding of the word "force." The general result that I have found is that force means power or strength directed to an end. Usually, the word occurs in such connections as to show that unlawful or wrongful action is meant. See *Watson* v. *Railway Co.* (28 N.Y. Supp. 84 (7 Misc. Rep. 562)); *Temple Lumber Co.* v. *Living* ((Tex. Civ. App.) 289 S. W. 746, 749).

Therefore, it is logical to conclude that the word "force" was placed in the bill to indicate that wrongful or unlawful action was intended to be covered. Here, however, the unlawful action itself is referred to in the bill and may occur by the weak standards of intimidation or interference.

Mr. **JORDAN** of North Carolina. Mr. President, will the Senator yield?

Mr. **SPARKMAN**. I yield.

Mr. **JORDAN** of North Carolina. I should like to ask the Senator about the broad coverage of this bill. It deals in very vague terms, but it is very broad. In fact, it is so broad that one cannot tell how far it extends—where it starts and where it stops.

Does the Senator feel that extending the jurisdiction of this proposed criminal enactment down to every activity, service, program, or benefit of the Federal Government, all State governments, and all local governing units is so broad that it is difficult to understand and is therefore vague and full of "overbreadth"?

Contrast this with the overt action and criminal or willful state of mind that is required normally in crimes for which an individual may be sentenced in the field of serious crimes, and the inescapable conclusion is self-evident that the proponents of this bill seek to impose heavy maximum penalties for small or slight acts, simply because the subject is civil rights.

I would like now to turn to some constitutional law consideration.

I am far from satisfied that the 14th amendment is a basis for a Federal Criminal Code reaching down to individual actions that do not involve the State action mentioned in the amendment itself.

Despite some intervening or qualifying decisions, I feel that we should take heed of the clear lines of demarcation laid down in the civil rights cases 85 years ago. These standards are even more applicable here in considering a whole Federal Criminal Code than they were in considering the matter before the Court in 1883.

Mr. **SPARKMAN**. I believe the Senator has propounded a question that must be answered in the affirmative. I do not see how anyone can answer it otherwise. The Supreme Court has invalidated State criminal statutes for vagueness and overbreadth as in *Cox* v. *Louisiana* (379 U.S. 536 (1965)). As a matter of fact, the Senator prefaced his question by saying the bill is broad, and he said something about vagueness. It is very vague and that, in itself, makes it broad, because there is no way of telling everything that can be covered. Its broadness and overbreath also makes it vague. When you talk about intimidation, interference, and threats of force, you are really spreading it out in the broad fields covered. There is no question about that. As I said a few moments ago, with respect to persons who are different in race, color, national origin, or religion, this bill covers practically every little act they might do, if any force may be read into the action.

It should be remembered that the dictionary shows one of the meanings of "interfere" to be "to disturb." I suppose if a person were playing his guitar at night outside somebody's window, it might be technical interference, because he would be disturbing that person. The force of music might be open to question. However, it would not be a crime unless a different color, race, national origin, or religion were involved.

I suppose that would mean, because I am a Methodist, that if a good Baptist brother disturbed me by playing a musical instrument outside my window or talking a little louder than I thought he should talk, I would be disturbed. By devious loose interpretation this might be interference, or intimidation and he would be liable to prosecution for a criminal offense that most likely would not even hold up in the local police court or in the justice of the peace court.

Mr. JORDAN of North Carolina. The Senator from Alabama has heard some singing and music that really did interfere with his rest and sleep, but he would not want to prosecute for that purpose under a Federal law, would he?

Mr. SPARKMAN. I would not want to call in the Federal constabulary.

Mr. JORDAN of North Carolina. But the Senator could do so. He could say that the other person did that because of a difference in color, race, or national origin. He could say, "The man is doing this to intimidate me and worry me."

Mr. SPARKMAN. "To interfere with me."

Mr. JORDAN of North Carolina. "To interfere with me." The Senator could say, "I am going to call a Federal law enforcement officer and have the man indicted." And the man would have to go to court to defend himself.

Mr. SPARKMAN. The Senator is correct. Of course, we are citing some very flimsy cases, but they might be covered by this bill, the way it is now drawn.

Mr. JORDAN of North Carolina. The Senator is correct.

Mr. KENNEDY of Massachusetts. Mr. President, will the Senator from Alabama yield for a question?

Mr. SPARKMAN. I yield.

Mr. KENNEDY of Massachusetts. I know that the Senator from Alabama has been making a point, during the course of the afternoon, about the question of vagueness and the question of constitutionality. I wonder whether the Senator from Alabama is familiar with Senator ERVIN's proposed amendment to the pending bill, which relates to the same general subject matter as the bill itself.

Mr. SPARKMAN. Yes. As a matter of fact, I referred to that amendment at some length in my remarks on January 24.

Mr. KENNEDY of Massachusetts. As I recall, the Senator spoke in support of Senator ERVIN's approach on this question.

Mr. SPARKMAN. I pointed out that the Ervin amendment has the value that some of the things that were in the original bill are not in the amendments and that the Ervin amendment spells out its jurisdiction more clearly and is more specific.

Apparently the Senator has something in mind that would not do that. I do not know what it is. I would be glad to be enlightened.

Mr. KENNEDY of Massachusetts. I was interested because I, along with other members of that committee, feel that the Ervin amendment is broader, more general, and perhaps less definitive than the proposed legislation that is before us.

I notice that in the course of the Senator's comments, he expressed concern at certain paragraphs of the proposed legislation which is before us, and I wonder whether he has reviewed, as well, the comparable language of the Ervin amendment.

I note, for example, that the Ervin amendment has such language as this, appearing in its section 245, "Deprivation of Rights by Violence":

> (3) to participate in or enjoy any benefit, service, privilege, program, or activity provided by any facility owned, operated, or managed by or on behalf of the United States;
>
> (4) to participate in or enjoy any benefit of any program or activity receiving Federal assistance, other than by way of a contract of insurance or guaranty;

It seems to me that this language is very close to the relevant language in the committee bill, and if a person is satisfied with the language of the one, he should be satisfied with the language of the other, as far as vagueness and scope go.

Then, he also questions whether section (a) of section 245 is too vague when it refers to "force or threat of force." Yet the Ervin amendment includes the same language.

Moreover, Mr. President, the language "by force or threat of force" used in section 245 of the committee bill is standard, boilerplate language; it is language which is seen in bills that many of the members of the Committee on the Judiciary have sponsored over the years.

The same points, I believe, apply to the words, "injure, intimidate, or interfere with." This language is in Senator ERVIN's bill and, as I remember, in many other laws as well.

Some of us are perplexed that those who talk in terms of the committee's language being so vague as to be unconstitutional, can at the same time cosponsor or support amendments which have the identical language.

Mr. SPARKMAN. I appreciate the comments of the Senator from Massachusetts. I wish to call to his attention that while I did commend the Ervin bill for some of the changes and restrictions to Federal matters that it made, I did not at any time say that I would support the Ervin amendment. I said it did spell out some of these things and that it would also give jurisdiction back to the local courts in some cases.

I feel that the Ervin amendment does have the virtue of narrowing the matter down and making it more explicit in certain areas, although I have not endorsed it as such.

Mr. KENNEDY of Massachusetts. I appreciate the clarification the Senator has made, but I would again point out that the major impact of the Ervin proposal would be to vastly expand Federal jurisdiction into types of crime where no need has been shown.

Mr. SPARKMAN. Mr. President, I had just quoted Mr. Justice Bradley, of the Supreme Court, in the civil rights cases decided in 1883. They became famous cases. They are landmarks. Certainly one would have thought that they established for good, the rule that the 14th amendment does not provide for criminal legislation such as the instant bill, but prohibits actions on the part of the States. I shall read again the last sentence that I quoted earlier:

> It does not invest Congress with power to legislate upon subjects which are within the domain of State legislation; but to provide modes of relief against State legislation or State action of the kind referred to.

That language is just as clear as it can be. Unfortunately, it is limited by inference or by dictum today. They were famous words, well spoken words, and words which we could well heed at this time. Congress clearly has that prerogative.

Justice Bradley then went ahead to discuss the type of legislation that Congress can pass to enforce the 14th amendment. He made a statement that is quite appropriate now, both as a matter of policy and, in many respects, as a matter of law. I quote from page 13 of the opinion:

> Such legislation cannot properly cover the whole domain of rights appertaining to life, liberty, and property defining them and providing for their vindication. That would be to make Congress take the place of the State legislatures and to supersede them. It is absurd to affirm that, because the rights of life, liberty, and property (which include all civil rights that men have) are by the Amendment sought to be protected against invasion on the part of the State without due process of law. Congress may therefore provide due process of law for their vindication in every case.

On page 14 the Justice continues:

> If this legislation is appropriate for enforcing the prohibitions of the Amendment, it is difficult to see where to stop. Why may not Congress with equal show of authority enact a code of laws for the enforcement and vindication of all rights of life, liberty and property? The assumption is certainly unsound. It is repugnant to the Tenth Amendment of the Constitution, which declares that powers not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States respectively, or to the people.

I do not quote Mr. Justice Bradley's sound and famous words to attempt to show that his clear views on the affirmative power of Congress to legislate under the 14th amendment reflect the views by dicta of several Justices of the present Supreme Court. Moreover, the expanded use by the Court of the 14th amendment has been of considerable quantity, especially in striking down State laws and in strengthening, in general, the power of the Federal Government.

I have quoted these words because I felt that they have meaning here in this debate on the policy and propriety of enacting a Federal Criminal Code in the field of civil rights. Congress too has the right to interpret the 14th amendment and to determine what it considers as "appropriate legislation." It is a tremendous step that we are asked to take and I am convinced that what Justice Bradley said is wise. As to the wisdom of Congress passing the proposed Criminal Code, I have no doubt that it would be unwise.

DISAPPEARING FARMS CAUSE NEW AMERICAN SOCIAL PROBLEMS

Mr. McGOVERN. Mr. President, each year the South Dakota Farmers Union, which is the largest farm organization in my State, and which has members in a number of States across the country, sends a delegation of farm people to Washington to discuss with Members of Congress the problems and the hopes of agriculture.

Today there is a considerable group in the city from my State, and they have been visiting with other members of the delegation and Members of Congress.

I have asked the Senator from Alabama to yield to me for just a few minutes in order that I may make a few comments while these people are in the Capitol, and draw attention to what I regard as the most important single economic problem before the country today. That is the problem facing American agriculture.

Some time this spring, during the farm sale season which precedes planting, the auctioneer's gavel is going to fall on the possessions of the Nation's three millionth farmer and we will have less than that number of farms for the first time in nearly a century.

We passed 3 million farms in the Nation in 1872 with the number growing to a peak of 6,812,350 in 1935.

The Department of Agriculture earlier this month reported 3,057,000 farms in the United States on January first of this year— a decline of more than 25 percent in the last 10 years—with a continuing decline of about 80,000 each year.

This is the year that the number will go below 3 million which takes us back to the level of nearly a century ago.

We must decide whether we are going to accept adjustments to technological changes which are steadily squeezing out our last significant stronghold of individual, independent enterprise, and the communities, churches, schools, stores, and other institutions it supports or if we are going to guide adjustments to technology to preserve individual opportunity.

Some economists are already declaring that two-thirds or more of our remaining farming units and at least 80 percent of our rural towns are inefficient and surplus to today's needs. They assume without real examination of their basic assumption, that the obliteration of several million individual, independent enterprises and the transfer of another large segment of our society from entrepreneurs to the labor force, and from the rural areas to congested cities is an inevitable form of progress.

It is time we took a look to see if the change is either inevitable or desirable and whether the new society toward which we are heading, a kind of corporate collectivism, is what we really want.

Early in our Nation's existence, Thomas Jefferson wrote that "cultivators of the earth are the most valuable citizens." Writing to John Jay in 1785, Jefferson expressed his belief that the prosperity, democracy and morality of the Nation depended on the preservation of the rural landholder; he deplored the commercial and industrial strife in Europe, and the idea that Americans would ever be "piled upon one another in large cities."

A. Whitney Griswold, later president of Yale University, published a book in 1948 on "Farming and Democracy," in which he refuted the theory that democracy depends wholly on family farmers, but he did find that agriculture is the largest remaining sector of our economy still characterized by widely distributed individual, independent enterprises.

He wrote:

> A family farm affords scope for a citizen to live and work more or less on his own terms, to develop initiative and resourcefulness, the sense of responsibility and self-respect that have always and everywhere been considered among the greatest assets of democracy. If we still count them as such, not symbolically, but concretely and instrumentally, like our physical resources we will support family farming as we will all socially constructive individual enterprise. The question is do we really believe in free enterprise in these vital terms?

Democracy can save family agriculture if it will, Griswold concluded. He was skeptical that democracy would make the effort. He cited the fact that we adopted antimonopoly laws late in the 19th century and supplemented them from time to time as industrial empires grew, but that by the end of World War II one-tenth of 1 percent of corporations owned 52 percent of the industrial capacity of the Nation. We were not so dedicated to widespread individual private enterprise that we implemented effectively our stated antitrust, antimonopoly policy.

There were 5½ million farms in America when Griswold was writing his book, only two decades ago. There are a little more than half that many now.

Any reading of American farm policy papers in recent years reveals an abundance of vocal devotion to family type agriculture. Congress has repeatedly adopted policy statements in connection with agricultural and public lands legislation declaring the maintenance of individual family farms to be important official policy.

We are clinging to the symbol of the family farm, if not to the institution itself. As urban capital and corporate entities move into agriculture, we revise our criteria for a family farm to make the new average size consistent with the definition, and perhaps also to avoid a careful examination of what we are allowing to happen.

Historically, the United States had three types of agriculture in its beginnings. The original 13 States included those with the southern plantation system, based on slavery, later modified to a system of sharecropping and tenancy. In the Southwest we had a Spanish "estancia" pattern of agriculture, based on large land grants owned by noblemen and worked by peons.

The third pattern was an American pattern, adopted early in our national history when Congress rejected a proposal to grant or sell public domain lands in million acre tracts and adopted instead a policy of granting or selling quarter sections to settlers. This concept was the basis of our homestead policy, embodied in the Homestead Act of 1862 and in other measures.

The 160-acre or family-farm concept was carried into this century in the Reclamation Act of 1902, adopted after President Theodore Roosevelt had condemned abuse of the Desert Lands Act, the Timber and Stone Act and the commutation clause in the Homestead Act by nonsettlers to acquire large tracts. The 160-acre limitation in reclamation law has been diluted by a ruling that a man and wife may each own such a unit under irrigation from Federal projects, but it remains the basic standard, or concept, of Federal farm policy.

The southern plantations are still with us in some respects as large mechanized farms, slowly moving away from cotton to diversified farming. They have poured many of their sharecroppers and laborers into the ghettos of our central cities, and we have seen them as a factor in riots in Watts, Chicago, and elsewhere. The old Farm Security Administration, in New Deal days, attempted to stem that flow with a program of buying and subdividing plantations into family-farm units, or into cooperative farms. But that effort was hampered and undercut by charges that it was socialistic.

In the southwest, the old estancia is now a corporate farm, until very recently dependent on migrant and foreign workers who were paid low wages to do the work that peons once performed. These giant farms are still in the throes of adjustment to a more acceptable employer-employee relationship, searching out low wage labor, fighting off unionization, and mechanizing operations on an emergency basis to avoid sale and subdivision into smaller farms.

Our new ability to mechanize farming operations of every kind, from plowing in 60-foot widths to picking tomatoes, and the inability of family farmers to lift prices for their commodities beyond 1947 levels so they will be adequate to meet rising production costs and living costs on a moderate-size holding, has resulted in massive consolidations of farms. The consequence is the decline in farm numbers, decline in rural communities, churches, schools, commercial establishments—the whole structure of rural society—and a rising migration to the cities.

Individual enterprise opportunities in rural America are shrinking and the trend is steadily toward dependence on employment by others if employment can, indeed, be found. Our city riots show that considerable numbers are not finding the opportunity to live with any dignity or comfort in urban areas.

A quarter century ago, Walter Goldschmidt made a study of the social organization of two towns in California in land areas of equal productivity. The one marked difference in the two communities was in the type of agriculture in the areas they served. Arvin served a corporate farming operation worked predominantly by hired labor. Dinuba served an area of family farms.

Arvin was a town of honky-tonks, poor housing, a few weak service clubs, shaky businesses, a single elementary school, and one playground loaned by a local industry.

Dinuba was a town of attractive residential streets, permanent churches, three parks, three elementary schools and a high school, strong service clubs, lodges, and veterans organizations, furniture and household furnishing stores, farm equipment dealers, hardware, and clothiers. The small-farm town had 2 to 1 more business establishments, $4.4 million in trade volume against Arvin's $2.5 million, and three times the volume of trade in household supplies and building materials and equipment.

The quality of democracy itself was affected. Government was a step removed in the farm-labor town. Dinuba had its own city government. Arvin was ruled from the county seat by county commissioners. This was reflected in the contrast in streets, schools, parks, and services. I would like to suggest to those now proposing to abolish township, small towns, and even county governments and establish a relatively few district governments, that they examine the quality of public services revealed in this study.

The contrast in the quality of society in the corporate farm-labor town and the family-farm town was unmistakably great, and the preferable social organization unmistakably clear. The findings of the study—a summary—are so striking I ask unanimous consent, Mr. President, to include them in the Record at this point.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Effect of Type of Farming on Social Structure: Summary of Findings

Certain conclusions are particularly significant to the small businessman, and to an understanding of the importance of his place in a community. Not only does the small farm itself constitute small business, but it supports flourishing small commercial business.

Analysis of the business conditions in the communities of Arvin and Dinuba shows that—

(1) The small farm community supported 62 separate business establishments, to but 35 in the large-farm community; a ratio in favor of the small-farm community of nearly 2:1.

(2) The volume of retail trade in the small-farm community during the 12-month period analyzed was $4,383,000 as against only $2,535,000 in the large-farm community. Retail trade in the small-farm community was greater by 61 percent. (See figure and table, pp. 83 and 84.)

(3) The expenditure for household supplies and building equipment was over three times as great in the small-farm community as it was in the large-farm community.

The investigation disclosed other vast differences in the economic and social life of the two communities, and affords strong support for the belief that small farms provide the basis for a richer community life and a greater sum of those values for which America stands, than do industrialized farms of the usual type.

It was found that—

(4) The small farm supports in the local community a larger number of people per dollar volume of agricultural production than an area devoted to large-scale enterprises, a difference in its favor of about 20 percent.

(5) Notwithstanding their greater numbers, people in the small-farm community have a better average standard of living than those living in the community of large-scale farms.

(6) Over one-half the breadwinners in the small-farm community are independently employed businessmen, persons in white-collar employment, or farmers; in the large-farm community the proportion is less than one-fifth.

(7) Less than one-third of the breadwinners in the small-farm community are agricultural wage laborers (characteristically landless, and with low and insecure income) while the proportion of persons in this position reaches the astonishing figure of nearly two-thirds of all persons gainfully employed in the large-farm community.

(8) Physical facilities for community living—paved streets, sidewalks, garbage disposal, sewage disposal, and other public services—are far greater in the small-farm community; indeed, in the industrial-farm community some of these facilities are entirely wanting.

(9) Schools are more plentiful and offer broader services in the small-farm community, which is provided with four elementary schools and one high school; the large-farm community has but a single elementary school.

(10) The small-farm community is provided with three parks for recreation; the large-farm community has a single playground, loaned by a corporation.

(11) The small-farm town has more than twice the number of organizations for civic improvement and social recreation than its large-farm counterpart.

(12) Provision for public recreation centers, Boy Scout troops, and similar facilities for enriching the lives of the inhabitants is proportioned in the two communities in the same general way, favoring the small-farm community.

(13) The small-farm community supports two newspapers, each with many times the news space carried in the single paper of the industrialized-farm community.

(14) Churches bear the ratio of 2:1 between the communities, with the greater number of churches and churchgoers in the small-farm community.

(15) Facilities for making decisions on community welfare through local popular elections are available to people in the small-farm community; in the large-farm community such decisions are in the hands of officials of the county.

These differences are sufficiently great in number and degree to affirm the thesis that small farms bear a very important relation to the character of American rural society. It must be realized that the two communities of Arvin and Dinuba were carefully selected to reflect the difference in size of enterprise, and not extraneous factors. The agricultural production in the two communities was virtually the same in volume—2½ million dollars per annum in each—so that the resource base was strictly comparable. Both communities produce specialized crops of high value and high cost of production, utilizing irrigation and large bodies of special harvest labor. The two communities are in the same climate zone, about equidistant from small cities and major urban centers, similarly served by highways and railroads, and without any significant advantages from nonagricultural resources or from manufacturing or processing. The reported differences in the communities may properly be assigned confidently and overwhelmingly to the scale-of-farming factor.

The reasons seem clear. The small-farm community is a population of middle-class persons with a high degree of stability in income and tenure, and a strong economic and social interest in their community. Differences in wealth among them are not great, and the people generally associate together in those organizations which serve the community. Where farms are large, on the other hand, the population consists of relatively few persons with economic stability, and of large numbers whose only tie to the community is their uncertain and relatively low-income job. Differences in wealth are great among members of this community, and social contacts between them are rare. Indeed, even the operators of large-scale farms frequently are absentees; and if they do live in Arvin, they as often seek their recreation in the nearby city. Their interest in the social life of the community is hardly greater than that of the laborer whose tenure is transitory. Even the businessmen of the large-farm community frequently express their own feelings of impermanence; and their financial investment in the community, kept usually at a minimum, reflects the same view. Attitudes such as these are not conducive to stability and the rich kind of rural community life which is properly associated with the traditional family farm.

Mr. McGOVERN. Mr. President, the Goldschmidt study was first published as a book, "As You Sow," in 1945. It was condensed and published as a committee print, "Small Business and the Community Effects of Scale of Farm Operations," by the Senate Special Committee To Study the Problems of Small Business, in December 1946. I can find no similar measurements of the quality of social organization resulting from varying types of agriculture since the Arvin and Dinuba study.

A good deal has happened since Arvin and Dinuba were studied and the report made available widely by the Small Business Committee.

At the time, we were conducting or initiating reasonably consistent policies.

Pressure was mounting to require the large factory farms to pay migrant and imported workers fairer wages, and to provide those workers with decent housing and sanitary facilities. This was an effort to improve the lot of the residents of the Arvin-type communities by setting some improved standards of wages, housing, and sanitation for them, and to eliminate the competition of low wage workers with family farmers. At the same time, the old Farm Security Administration was conducting a number of projects intended to increase and strengthen family agriculture. They included cooperative farms, joining small farmers in machinery, breeding stock, buying and marketing enterprises to reduce their operating costs and improve their returns by joint ventures. They included the purchase of large farms and subdivision into small, family sized units which could be acquired over 20 or 30 years. It was an effort to increase the Dinuba pattern and shift the old plantations and estancias from large commercial, employed-labor operations to smaller individual entrepreneurships.

In the late forties, the Farm Security efforts were attacked as socialistic, if not communistic, and, within a few years time, the projects intended to create new individual private enterprises were liquidated. Modest tenant-purchase or farm-ownership loan programs, and operating loan programs have continued, but the zeal to create more family farming opportunities which would intercept a substantial number of sharecroppers and low-wage farmworkers between the farms and the urban ghettos was ordered abandoned.

The Farm Security Administration was reorganized as the Farmers Home Administration. It has attempted to salvage weaker family farming operations with loans and technical assistance, and to keep some worthy beginning farmers in agriculture as technological developments and pressure on farm prices forced farmers to operate larger and larger units and increase capital inputs to survive. But today, we find FHA making cooperative grazing loans and real estate loans which facilitate enlargement of farming units and accept liquidation of numbers of farms as the inevitable trend.

The demand for a fairer deal for farm labor has had a measure of success. Within recent years we have adopted minimum wage provisions applicable to farm labor and we have discontinued special foreign labor importation programs to bring low wage seasonal workers into the country at Government expense. The result has been faster mechanization of large farms, emphasis on big tractors and big machinery.

The labor force in agriculture has been cut in half and more and in the absence of opportunities to go into family farming, the Arvin-type communities have been depopulated and the displaced have moved to Watts, and South Chicago, and Detroit instead of transforming the Arvins into Dinubas. The old plantation holdings and estancias—the large farms—have persisted and their numbers are increasing, not so fast perhaps as an intermediate size, but the whole trend is toward expansion of farm size, not toward increase in numbers of individual, independent ownerships.

There is no question that our farm programs have favored larger operators, and stimulated consolidation. The greatest benefits have gone to the producer with the most bushels to receive price support, and the most acres to divert for payments. Limitations on the amount of Federal payments or assistance to single producer, which come up whenever someone exposes the million-dollar payments which go to a few of the largest farmers or farming corporations, have not been practical as long as it has been necessary to control planted acreage and use diversion payments to get producers to idle a part of their productive land.

The operators of the largest number of acres had to be attracted into the production control or it would have been ineffective. A 50,000-acre wheat producer could not be attracted into the acreage reduction program if $5,000 was the most he, as an individual producer, could get for participating as a result of a statutory limit.

If acreage diversion was compulsory and the violators of acreage allotments were sharply penalized for marketing in excess of their quota, then a limit on payments would be possible with production control. But, except in cotton and tobacco, mandatory controls have never been accepted by the producers.

A consequence of farm programs benefitting larger farmers most has been an acceleration of enlargement of farms, without question. Mechanization has made operation of larger units possible with constant labor inputs. The programs have speeded up the process. The failure of farm equipment companies to develop economical and efficient light equipment for smaller farms has heightened the relative inefficiency of smaller units.

Our tax laws have also made a contribution to displacement of farmers, a situation which the junior Senator from Montana [Mr. METCALF] is attempting to correct in his bill, S. 2613, which would deny nonfarmers the right to claim farm losses in excess of farm profits in making income-tax returns.

Urban residents are able to get into farming these days, although they know little or nothing of agriculture, by retaining a farm management firm to conduct the operation. The urbanite then plows some of his ordinary income taxable at 50 or 60 or 70 percent into repairs and maintenance, terracing and soil conservation practices—everything which can be charged off as an expense but will increase the value of the property and later be recapturable as a capital gain. The capital gain will be subject to a maximum 25-percent tax rate, much lower than the ordinary income rate. Or he invests in cattleraising, holding the livestock and increments in the herd long enough, at least, to qualify for capital gains tax treatment when sold.

Statistics on personal income tax returns for 1965 compiled by the Internal Revenue Service, Senator METCALF has discovered, show that 341,000 farm tax returns were filed by residents of 86 of our largest metropolitan areas. In 31 of these cities, farm loss claims exceeded farm profits. In Los Angeles, farming losses claimed exceeded profits by more than $40 million and "farmers" in nearby Anaheim lost another $6 million. In all of California, which the Department of Agriculture reports as having over $890 million net farm income in 1965, the Internal Revenue collector was told that there was $16 million more losses than earnings from agricultural ventures. California was not alone. Louisiana and Nevada farm taxpayers reported overall losses. In Texas, where the Department of Agriculture reported over $900 million net farm income, the Internal Revenue collector found only $90 million. The "farmers" in Dallas and several other large Texas cities reported overall losses.

One consequence of the invasion of urban capital in agriculture has been inflation of land values, to the disadvantage of real farm operators. A city resident who can reap a 10- to 45-percent tax savings on his urban income plus any farming margins, can pay a great deal more for land than an agricultural producer who must live on profits from production alone. The agricultural producer today finds land values bid up toward the tax-savings-plus-earnings value—a handicap to him unless he is liquidating. A young beginning farmer who has to buy his land with a mortgage, is faced with capital costs—principal and interest—very likely to be beyond anything the land can earn from production alone, at least without great sacrifices in family living levels.

A number of large corporations are moving into agriculture as a consequence of the tax laws and of the economy of massive operations.

The whole structure of farming is thus changing. Family farms are not going to disappear entirely. Agricultural officials defend present trends by pointing out that "disappearance" is chiefly in small farms under $10,000 gross farm income, and that the number of adequate sized farms, with $10,000 or more gross income, is rising.

This is a modest increase, and the fact remains, that the total number of farms is declining, the number of private enterprises is going down, and the number of customers for rural community goods and services is falling dramatically.

Riots in the cities, and the knowledge that in South Chicago, in Watts, in Detroit, and other large cities, that a substantial percentage of the rioters were displaced rural people, have considerably upset the national complacency and acceptance of consolidations and displacements in agriculture.

The President's National Advisory Commission on Rural Poverty reported to him:

> The relationship between the poverty in our central cities and in rural areas is clearly established, and the Commission emphasizes the futility of attempts to solve the urban problem without comparable efforts to solve the rural problem.

Urban problems will not stay solved, even with heroic slum clearance, housing and other poverty and economic opportunity programs, if the rural areas continue to pour tens of thousands of their poor, largely untrained for urban employment, into the central cities.

The response to the realization of the interrelationship of rural and urban poverty problems has been a quite varied set of proposals to disperse industries, to build new model districts in rural areas, with small bedroom towns in easy commuting distance to a small rural city where industrial jobs, cultural activities, larger stores, higher educational institutions and other regional services would be available.

I have joined Senator JAMES B. PEARSON in proposing a bill to give certain Federal tax concessions to industries which locate outside large metropolitan areas, and I have proposed in another bill certain special credits in determining the low bid for suppliers from smaller cities in the award of Government procurement contracts, which now run between $85 and $90 billion a year. If we really want to disperse industry, Government purchasing power can be used to do a considerable amount of it.

Congress has established a special loan and grant program for sewer and water facilities in small towns. One critic has suggested that in so doing "you have only assured that future ghost towns will have the most modern facilities." However desirable and however liberal the loan and grant terms, the assistance in modernizing creates a new obligation without necessarily stopping the decline in the communities' clientele or contributing to the inadequate income which made a grant necessary to meet the community's need in the first place. The basic need for greater income has not been met.

New economic blood—a new flow of earnings from outside the community—must be created. Industrial payrolls may help some of them if the industries are not of such low-wage standards they create their own social problems. The Department of Agriculture is encouraging farmers to start new recreational enterprises, to entertain urban residents on farm vacations, establish picnic and camping grounds and to sell hunting privileges.

There was a time when nearly every American family had parents, grandparents, or other close relatives back on the farm, and visits were commonplace. Thanksgiving at grandpa's farm was a tradition. With only 6 percent farm population, and urban families with increasing generations of urban background, farm vacations on a paying basis may develop income for a few farmers, but very questionably enough to restore farm prosperity and the purchasing power to make farming an adequate economic base for socially strong, desirable rural communities.

The Department of Agriculture has recognized that many innovative new farm enterprises must be started if this approach is to significantly slow the decline of farm units and has recently held a series of meetings on opportunities for the smaller farm operators. It is emphasizing aid to the most needy and deserves the highest praise for this new emphasis.

In spite of all these laudable efforts to provide modern utilities, encourage new enterprises, and restore economic health in rural areas, the decline continues. And it is going to continue until our democratic society determines to do what A. Whitney Griswold found possible when he wrote that family agriculture cannot save democracy, but democracy can save this last remaining sector in our society of extensive independent enterprise.

Kenneth Galbraith wrote in "The Affluent Society" that big business, big labor, and big farm groups would create a system of countervailing forces which would assure a reasonably democratic division of income and economic and social amenities in the Nation. Farm groups with power to bargain effectively for farmers on price have not emerged.

Edward Higbee, who wrote "Farms and Farmers in an Urban Age," a 20th Century Fund study, foresaw an ultimate struggle between large farmer cooperative organizations and chain stores for dominance over an agriculture integrated vertically with food processing and marketing either from the bottom up or the top down.

Cooperatives are growing, but they have not become a market bargaining force in any major crop. M. W. Thatcher who heads both the large Farmers Union Grain Terminal Association and the National Federation of Grain Cooperatives, told a recent National Farmers Union convention that he could not foresee cooperatives alone building the bargaining power a great mass of family farmers require to be effective.

We had testimony at hearings on a stockyards bill before the Senate Agriculture Committee a few days ago that the chain stores are in livestock feeding, but not in a large way. Feed companies have moved into poultry and egg production—once the province of the farm wife for clothing, grocery, and schoolbook money—because it assures a market for their product—mixed feeds. The Farm Bureau Federation has been getting into the marketing field, but not effectively enough to avoid a serious decline in broiler returns when production jumped last year. The National Farmers Organization, very much in the farm news recently, has called several withholding actions in recent years—one is now starting to hold grain out of the market—but it has not yet achieved the sort of ability to effect product prices for the family farmers which labor unions exercise for their members in the wage field.

There is yet to appear from within agriculture itself, as forecast, a force with the power to protect and enhance family farm returns enough to arrest liquidation of farming units. Many wise observers say that there will be no effective countervailing force, and no power sufficient to prevent the economic exploitation of agriculture until consolidation of production units has eliminated a very large part of the 3 million farms left and the remaining producers—agribusiness concerns and very large farm enterprises—are sufficiently few to be able to get together and manage prices as oligopolies manage industrial prices and labor unions achieve better wages and fringe benefits.

The report of the President's Advisory Commission on Rural Poverty all but ignored the possibility of reviving family agriculture and accepted the inevitability of declining farm numbers. I say "all but ignored," for it did give two or three paragraphs to a recommendation that the Department of the Interior enforce the excess lands provision in irrigation law and subdivide the 250,000 acres of land improperly held in excess of the 160-limit on irrigation in a single ownership from Federal reclamation projects, which would provide 1,562 new farming units.

Except for that single suggestion that the number of viable farming units be increased, the Commission's report was filled with a comprehensive set of recommendations to soften the consequences of supposedly inevitable trends toward fewer farms.

The Commission's recommendations to help the 14 million rural poor reads much like an encyclopedia of our welfare and rights programs—equality of opportunity to get jobs, vocational retraining, medical care, improved housing, food stamps, birth control, better organization of economic development agencies, better education, and more liberal social security—the gamut of welfare measures plus a call for implementation of our national full-employment policy with computerized employment services and federally created jobs for all who are not absorbed by private employers.

The whole thrust is toward public assistance; toward making the 14 million "people who were left behind" tolerably comfortable in their displacement from agriculture or rural employment dependent on agriculture, with nonfarm jobs for those able to work even if the Government has to provide them.

The Commission did not indicate that it had given much thought to programs to preserve and expand family farming opportunities—of creating more Dinubas rather than just alleviating the suffering in Arvin. If it faced up to Whitney Griswold's proposition that this last remaining segment of individual, independent free enterprise is worth preserving, it did not so indicate, or I have not found reference to it.

Recently, a member of the National Advisory Commission on Rural Development of the Department of Agriculture, raised the question I am raising in a letter to Farmland, published by Farmland Industries, a cooperative at Kansas City.

The author, Stanley Andrews, of Alamo, Tex., asks whether or not we are foolishly letting technology destroy a great many social values, and economic values, in our American agricultural system. He wrote:

> I think it is time for cooperatives, farm organizations and everybody else (agricultural colleges, too) to begin thinking about what this expansionism and technological advance is doing to *people*, aside from the economic factors involved.

Mr. Andrews also challenges the current planners' concept that most of our small towns have to be wiped out along with a majority of farms, and centers of government moved two or three notches away from the citizens in a few medium sized cities in each State.

Yesterday I inserted Mr. Andrews' splendid article in the RECORD and I urge my colleagues to read it. It is a very succinct statement of the issue.

The junior Senator from New York was recently credited with estimating the cost of rebuilding our cities to decent, habitable levels at $1 trillion. We have seen that a substantial part of the extreme poverty in the cities is a consequence of migration from rural poverty to urban poverty. But there remains in the rural areas, where 30 percent of our population lives, more than 40 percent of people with incomes below the poverty level.

It is my own conviction that we can afford to spend and invest considerable sums to strengthen family agriculture, keep people on the land, and reverse the trend of migration toward the cities, to avoid part of the enormous cost of salvaging the cities.

Consumers can well afford to pay a little more for food, if need be, to avoid the consequences of concentrations and managed prices when concentration has run its course.

We spend less than 18 percent of disposable income for food—actually more than enough food for a healthy diet for, as a Nation, we have an excess of obesity. In other nations, food costs up to 50 percent of disposable income, as in Russia.

Less than 30 percent of these consumer food expenditures go to the farmers. They get 37 cents of the consumer food dollar out of domestic commodities but imports—tea, sugar, cocoa, spices, and other food items—including some competitive with our own production—are imported. So our own farmers' share of what the consumer spends to adorn his dining table is only about 30 percent of total food dollars spent, and only about 5 percent of total disposable income.

Are intensified overcrowding, expanding slums and ghettos, heightened crime rates and intensification of all the other urban problems worth enduring to save a few pennies on food? Or would our society be of a better quality in America if we helped family farmers get a larger share of disposable income?

Would we not be better off if we passed a Wagner Act for farmers which gives them power to go to the bargaining table and get prices adequate to make the old family farm, and rural towns like

Dinuba, economically sound again, so they can support the type of society Dr. Goldschmidt found in Dinuba?

This country has higher quality social institutions among people in industry, and trade and service sectors, because we enacted minimum wage laws and helped labor establish collective bargaining for better wages, more reasonable hours, vacations, health and retirement benefits.

We need to go about assuring farm people the same sort of improved returns and working conditions. We can far better afford another 1 or 2 percent of disposable income for food at the farm level than we can afford the social ills, and the cost of curing those ills.

I readily concede that I cannot present a comparative estimate of the economic cost of adjusting the agricultural situation and the economic and social cost of failing to do so. There has been little or no research in the field.

We have before us two proposals which could lead to the careful study we need. I am a coauthor with Senator MUNDT of Senate Joint Resolution 64 to establish a commission to study balanced economic development. A study of balanced economic development could and should take into consideration social values involved. Senator MUSKIE has proposed a study of the effects of technology in our society, and in hearings on his resolution gave preliminary recognition of the serious import to society of the revolution occurring in agriculture.

Whoever does the study—and the Department of Agriculture has many competent men on its staff, although heavily weighted with economists, who could get into the subject—should be able to give us some very graphic projections of both the social cost of removing farmers, closing their churches, consolidating their schools, selling out the stores they patronized, abandoning the rural communities they supported, and other liquidations which will have to be made, plus the cost of resettling these displaced people in urban places with decent housing, all the welfare services the Commission on Rural Poverty has mentioned, streets, transportation, new schools, utilities, police and fire protection, and the other indispensable services.

Beyond that, there is need to examine the comparative characteristics and desirability of a society with a liberal segment of individual enterprisers and opportunities for self-reliant individual enterprise, and a society of managers and employees.

We are more and more accepting technology, unquestioningly, as an irresistible force, and optimum mechanical efficiency as the goal of existence.

As Stanley Andrews has written, it is time to take a look at what is being done to people.

A good life for people, with freedom and individual opportunity, was the original goal of this Republic, and I deeply believe that it is still the proper one; that the welfare of people is fundamental.

Mr. SPARKMAN. Mr. President, will the Senator from South Dakota yield?

Mr. McGOVERN. I am happy to yield to the Senator from Alabama.

Mr. SPARKMAN. I want to tell the Senator that I found his statement very interesting. This is a matter in which I have been greatly interested throughout the years. I come from a State which is essentially rural in character, and has many small towns. I assume the same holds true for my good friend from South Dakota.

Mr. McGOVERN. That is correct.

Mr. SPARKMAN. Does not the Senator feel, without detracting in any way from large towns, that the real life of his State is based on the smaller towns and the rural areas and communities?

Mr. McGOVERN. I think that from the very beginning, people all across the country have benefited from the virtues of rural living. That has been true from the very earliest days of our national history.

Thomas Jefferson made the statement, in various ways and on many occasions, that democracy itself had benefited greatly from the kind of independence, the self-reliance, and the wholesome atmosphere existing in agricultural living in the small towns and rural areas. As the Senator has said, this is no criticism of those who live in metropolitan areas, many of whom are there because of shrinking economic opportunities in the rural areas today and are in search of jobs.

Mr. SPARKMAN. Thomas Jefferson, of course, believed quite strongly, and he expressed it in his philosophy from time to time, that a great part of the strength of America must be derived from its rural population.

Mr. McGOVERN. The Senator is correct.

Mr. SPARKMAN. Particularly for those who own and work their own farms. I am sure that Thomas Jefferson did not foresee that automation would operate our farms as it does today, but he was thinking of the individual, family-owned and family-worked farm.

Mr. McGOVERN. That was an amazing prophecy President Jefferson made 175 years ago, when he stated that he trembled when he thought of the day when Americans would be piled one on top of each other living in great industrial complexes.

Mr. SPARKMAN. Do not we all.

Mr. McGOVERN. Many of our friends in the metropolitan areas are grappling with that very problem today.

One thing I have noticed in the last year or so, which encourages me, is the growing recognition on the part of urban spokesmen that their interest lies in trying to slow down the exodus of people from the smaller towns and farms. They realize that if the process continues, the result will be to dump additional millions of people into already overcongested cities and the problems of city planners will be aggravated enormously.

Thus, I think that it is in the national interest—this is not a case of farm groups asking for something that is in their interest only, at the expense of someone else—to spread out the population in this country. All of us should take a sympathetic look at some of the proposals being introduced to try to encourage industry to locate in less populated parts of the country, to encourage a greater share in Government contracts and Government procurement on the part of private industry which is willing to produce and fulfill those contracts out in areas where population is sparse.

Mr. SPARKMAN. I would hazard the guess that the Senator has the same feeling I have, of hope and encouragement in the past few years, as we have seen, to some extent at least, the movement of industrial development into rural areas. When I say rural areas, I mean to include small towns, of course.

The Bureau of the Census says that any area with not more than 2,500 people living in it is considered to be rural. A great deal of industry has been developed in those areas. I am very proud of the fact that I was the author of section 502 of the Small Business Investment Act which, in effect, recognized local industrial development boards and provided that loans might be extended by the Small Business Administration to those local boards to aid in industrial development.

Most of that has taken place—certainly in my own State, and I presume it is true all over the country—in the small towns and in rural areas.

Mr. McGOVERN. The section 502 provision which was inserted in the basic legislation, along with the other things the Senator has done, has greatly assisted the cause of small business development. Many concerns have taken advantage of section 502. If I remember correctly, that is the section under which even private nursing homes can be established.

Mr. SPARKMAN. Any development that is supported through local efforts.

Mr. McGOVERN. I know the Senator would be interested to know that the Committee on Agriculture and Forestry is now holding hearings on a strategic food reserve bill. We have been holding hearings on that bill all week. It has as one of its major purposes the pulling out of the market excess farm stocks to build up a strategic reserve in such a way as to raise farm prices and to insulate the market against excessive supplies, and also, at a very dangerous time in history, to provide this country with a strategic reserve of food.

Mr. SPARKMAN. I believe the Senator knows I have sponsored that measure over several years, along with him and the Senator from North Carolina [Mr. JORDAN].

Mr. McGOVERN. I thank the Senator for yielding to me.

Mr. SPARKMAN. I want to bring up just one more point with reference to rural betterment. I refer to a bill of which I am a joint sponsor, the Senator from South Dakota is a joint sponsor, and the Senator from North Carolina is a joint sponsor, as are 90 Members of the Senate. The others may have gotten on the bill later. I refer to a bill that was introduced by the Senator from Vermont [Mr. AIKEN] about 3 years ago, a bill which made it possible for the financing of water and sanitation systems for rural areas. The Senator remembers that measure, I am sure.

Mr. McGOVERN. Yes.

Mr. SPARKMAN. The good that that measure has done in the short time it has been in existence transcends any hopes that any of us may have had.

Mr. McGOVERN. It has been an enormously helpful program. It does not surprise me at all that the measure had 93 Senate cosponsors, because I believe it will help to make the towns and communities of America a healthier place to live.

Mr. SPARKMAN. And the rural communities, right out in the country.

Mr. McGOVERN. Yes.

Mr. SPARKMAN. As a matter of fact, many rural communities in my home county organized and went into the program, administered, by the way, by the Farmers Home Administration. I know that they were working on a plan, and I think they finally formed a countywide organization.

The net result is that every farm home in my county can have access to running water and to sewers—I am not saying immediately, but as part of the program, as it develops—and to sanitation plants or systems.

So there are things that can be done for the rural areas that will prevent them from dumping their people into the cities, making cities bigger and bigger, and putting greater burdens upon our urban renewal programs, model cities, urban transit, and all of the various city programs which we are told by people who have studied the subject will cost billions of dollars. As a matter of fact, I think I heard somebody—probably the Senator from Connecticut—say he estimated the cost would be around $1 trillion.

Mr. McGOVERN. I think the Senator from New York [Mr. KENNEDY] made that estimate.

Mr. SPARKMAN. I know it was something like $1 trillion. I know the mayor of New York City said it would take $50 billion for New York alone.

Mr. McGOVERN. I know the Senator shares my views. I am not pessimistic about the future of rural America. While we are going through some difficult times, I think the country is waking up to the fact that the loss of modest farm units and the decline of job opportunities in the smaller towns is a matter of national concern, one that we should face up to, and I think the country will respond to it. It realizes the enormous cost of rebuilding our cities is partly a result, at least, of liquidating farms. The water resources bill, which the Senator referred to, and the strengthening of some other programs are harbingers of better things to come. I am optimistic about the long-range prospects of agriculture in this country.

Mr. SPARKMAN. I mentioned just a couple of the programs. I am not going to take more time, but I merely wish to add that within our own lifetime electric power has been made available to farm communities, and today electric power is available to between 90 and 95 percent of farm homes in the country. When I was a boy, there was nothing like that available. Even when I ran for Congress, in my whole district of northern Alabama only one little farm community had electric powerlines, which had been put in more or less as an experiment of the TVA. That was just getting started.

Several years after that, my colleague from Alabama [MR. HILL] sponsored a program for rural telephones. I thought he was reaching for the moon when he came up with that proposal, but with the usual push and skill that are characteristic of him, he got that legislation through. We have all supported it. It has done a remarkably fine job in the rural communities of the Nation.

Mr. JORDAN of North Carolina. Mr. President, will the Senator from South Dakota yield?

Mr. McGOVERN. With the permission of the Senator from Alabama.

Mr. SPARKMAN. I yield.

Mr. JORDAN of North Carolina. I agree with the remarks the Senator has made. I appreciate his statement, because both of us serve on the Committee on Agriculture and Forestry. He is one of the leaders in promoting legislation which is beneficial to small farmers as well as to big farmers, and at the same time benefits the country as a whole. I wanted to say how much I appreciate the fine work the Senator has done for his farm constituents.

Mr. McGOVERN. I thank the Senator. It is a pleasure to serve on the committee with him.

Mr. SPARKMAN. Mr. President, I have enjoyed the Senator's presentation in his usual clear and forceful manner.

SECRETARY OF DEFENSE CLARK M. CLIFFORD

Mr. PELL. Mr. President, in naming Clark M. Clifford Secretary of Defense, our President has chosen a man of singular ability and intelligence and one possessed of an unique background, combining knowledge of the grave problems facing our Nation and familiarity with the thinking of so many of our leaders, past and present.

I wish him well on his new responsibility and pray that as he carries out his task of leading and controlling the most effective possible military force, he will keep equally in his mind the fact that in these times the only acceptable purpose of war is the attainment and enlargement in the areas of peace.

Finally, as a friend and having a very real affection and admiration for Mr. Clifford, I extend him all my own good wishes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1788) to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments.

VIETNAM VETERAN BENEFITS

Mr. MONRONEY. Mr. President, in the past few years many Members of Congress have traveled to Vietnam to obtain firsthand information on the conduct of the war. During my 5 days there I learned much that could be understood only through personal observation. I was deeply impressed by the outstanding attitude and achievements of our servicemen.

Right now, many of the men I talked with 3 years ago in Vietnam are returning to civilian life, where they hope to enjoy the many rights and privileges for which they have been fighting. In the past 2 years Congress has enacted two major bills to provide Vietnam veterans with the benefits they deserve. However, the transition to civilian life is still difficult for many.

Last Tuesday, January 30, President Johnson sent a message to Congress recommending several new programs which will ease this change in a way that will benefit the entire country. The President's proposals present a unique program designed not only to help veterans successfully return to civilian life but also to encourage them to use their talents where they will be of maximum benefit to society.

A little over a year ago, the Department of Defense began Project 100,000. Under this program the training facilities of the Armed Forces have been used to train young men who have physical or educational limitations. Of the 49,000 men who participated in the program during its first year, 96 percent successfully completed basic training while 98 percent of the normal recruits completed the same course. As a result of this success, the President has asked the Secretary of Defense to double the program this year.

Last year over 350,000 men were helped through Project Transition to prepare while still on active duty for return to civilian life. This program provides counseling, education, skill enhancement and job placement during the last 30 to 180 days of service. Priority is given to the disabled and those with inadequate civilian education and skills. Project Transition is to be expanded to all major troop installations in the United States in hopes of reaching 500,000 men this year.

The Veterans' Administration has begun a program of advising servicemen before they are discharged of the many benefits they will be entitled to receive. The program is now in operation in 110 military hospitals, 150 military separation points and in Vietnam. The President has directed that this program be expanded to all military hospitals and separation centers and to more men in the field. By the time the serviceman is actually discharged he will be prepared to take advantage of all available benefits.

Many disabled veterans are presently unable to receive vocational rehabilitation because it is offered only on a full-time basis. The President has recommended that this program be offered on a part-time basis so that veterans will be able to continue their present jobs while receiving vocational training.

In an additional effort to encourage veterans to resume their education after discharge, President Johnson has announced his intention to issue an Executive order giving job priority in the first five civil service levels to veterans who agree to go to school part time under the GI bill.

In Vietnam many young men had their first opportunity to help others personally through medical and educational assistance, building programs and other community services. They should have every chance to pursue similar work when they return home. To make this possible the President has proposed various incentives for veterans who choose to work in the field of public service. Benefits will be provided for those who join police forces and fire departments or work in local hospitals, youth opportunity centers, the concentrated employment program, or VISTA.

I cannot express too strongly my support for all of the recommendations contained in the President's message. This outstanding program will insure that every veteran will be able to become a productive citizen whose work will benefit himself and his Nation.

FEDERAL EMPLOYEES BENEFIT FROM NEW BILL

Mr. MONRONEY. Mr. President, the Senate will recall our amendments to the Federal Employees' Group Life Insurance Act, which were enacted December 16, 1967, in the postal rate and Federal pay bill. These new life insurance provisions substantially improved upon the old program by increasing benefits, resolving financial problems of the fund, and authorizing a new optional insurance policy of $10,000 for employees.

I have received an interim report from the Honorable John W. Macy, Jr., Chairman of the Civil Service Commission, advising the Committee on Post Office and Civil Service of the procedures for changing life insurance benefits.

I ask unanimous consent that Mr. Macy's letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONRONEY. This new insurance program has already proven its great importance to Federal employees. In his letter, Mr. Macy states:

> First payoffs under the liberalized program were made the week of January 1 and went to the widows of an Interior Department mining engineer and of three postal workers, all in widely separated areas. Each of the four widows, three of whom have young children, received $12,000 more than would have been payable to her under the old program. The widow of one of our Ambassadors who died a natural death and the widow of another State Department employee who lost his life in an automobile accident were among other early beneficiaries of the newly enacted liberalizations. The Ambassador's widow is receiving $32,000 instead of the $20,000 maximum life insurance that she could have received under the old program. The other State Department widow is receiving $40,000 instead of the $10,000 that would have been payable to her under the old program: she benefits from the new $10,000 minimum of regular life insurance (instead of the $5,000 she would have had under the old program), plus an equal amount optional insurance, plus an equal amount of accidental death insurance, which her husband could have elected had time permitted him the opportunity to do so.

I thought my colleagues would be interested in this report because the new changes in the life insurance program originated in the Subcommittee on Health Benefits and Life Insurance here in the Senate, and we are very proud of our final achievement in modernizing life insurance benefits for Federal employees.

EXHIBIT 1

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., January 24, 1968.
Hon. A. S. MIKE MONRONEY,
Chairman, Committee on Post Office and Civil Service, U.S. Senate

DEAR MR. CHAIRMAN: Because of your continuing interest in improved life insurance protection for Federal employees, I would like to give you a brief report of the action we have taken to implement the insurance provisions of P.L. 90–206 since the President signed it on December 16:

A question-and-answer press release about changes made by the new law was issued December 19 and has received wide publicity.

We held briefing sessions with employee organization leaders on December 18 and with agency personnel directors on January 4—plus innumerable, individual question-and-answer conversations with the press, agency officials, and even individual employees concerned about their own situations.

Preliminary instructions, with information to be distributed to employees, were formally issued to agencies (including Interagency Boards and other key officials in the field) on December 22; advance copies had been released to them December 18.

The Commission, by regulation, is voiding all previously filed waivers of insurance coverage, *effective as of February 14,* and has so informed agencies; employees will be informed via agency instructions and/or the special insurance election form they will be required to complete. We are taking this action in order to give all employees a fresh start and an unrestricted opportunity to participate in the newly liberalized program, from which their own past action would otherwise have barred them. All such employees may now have regular insurance and, if they elect it, optional insurance—without regard to age, condition of health, or previous waiver of right to participate in the group life insurance program.

The Commission was authorized by law to make the new optional insurance available at any time from February 14 to mid-June of 1968. We have decided to make it available on February 14, the same day the liberalized regular insurance schedule becomes generally applicable, and are so informing agencies.

A new "Election, Declination, or Waiver of Life Insurance" has been designed, printed, and is being moved into agency supply channels for world-wide distribution to more than 2½ million Federal employees, beginning January 22.

Interim rules and procedures governing insurance coverage, registration, payroll, accounting, and reporting through the initial registration period that ends April 14 have been developed, approved by the Commission, and will be published in the Federal Register of January 26. Agencies are being informed by letter of January 26.

Work on continuing regulations, instructions, and procedures (including those involving accounting and statistical requirements) for the period after April 14 is well under way. Good progress is being made in revising the entire series of life insurance forms, every one of which must be redesigned, reprinted, was distributed to agencies in order to accommodate to the various changes made by the new law. Although it may not be possible to complete all of this work by April 14, we nevertheless expect the new program to be effectively operative within the time limits dictated by the legislation.

Our own internal procedures are being revised and our computer operations are being reprogrammed to take insurance deductions from annuitants for the first time, and to make periodic adjustments in those deductions, for retired and retiring employees who elect optional insurance and are not yet 65 years old.

First payoffs under the liberalized program were made the week of January 1 and went to the widows of an Interior Department mining engineer and of three postal workers, all in widely separated areas. Each of the four widows, three of whom have young children, received $12,000 more than would have been payable to her under the old program. The widow of one of our Ambassadors who died a natural death and the widow of another State Department employee who lost his life in an automobile accident were among other early beneficiaries of the newly enacted liberalizations. The Ambassador's widow is receiving $32,000 instead of the $20,000 maximum life insurance that she could have received under the old program. The other State Department widow is receiving $40,000 instead of the $10,000 that would have been payable to her under the old program: she benefits from the new $10,000 minimum of regular life insurance (instead of the $5,000 she would have had under the old program), plus an equal amount of accidental death insurance, and she also receives the $10,000 additional optional insurance, plus an equal amount of accidental death insurance, which her husband could have elected had time permitted him the opportunity to do so. None of these employees or their survivors, incidentally, paid more for this extra protection than they were paying under the old program—the added protection was free to them because their deaths occurred during the transitional period immediately following enactment of the law.

These are examples of some of the dramatic headline effects the program can produce. Less dramatic individually, but highly important overall, are the more general facts that under the new legislation—

Every insured employee has a minimum of $10,000 in life insurance, plus an equal amount of accidental death and dismemberment protection.

Every insured employee has at least $2,000 more life insurance (plus an equal amount of accidental death and dismemberment protection) than he had before, and some whose protection had been cut short by the old $20,000 ceiling have still more protection in an amount determined by their salary but not exceeding $32,000.

Additional regular insurance protection will total about $8.5 billion more than under the old program, making the total in force over $30 billion.

Every insured employee automatically has an additional $10,000 of optional insurance, free to him, through February 14 and can continue his optional insurance protection after that time if he chooses to do so at his own expense.

The survivors of employees who die during the time the liberalized program is being put into operation are fully protected, to the maximum levels of both regular and optional insurance authorized by the new law.

By the end of the fiscal year, we expect to have preliminary statistical information and analyses of employees' reception of the new optional insurance. That information, its implications, and early actuarial experience of the optionally-insured group are particularly important because employees are to pay the total actual cost of the optional insurance, and the premiums may need to be revised (possibly upward but, hopefully, downward) in future years to reflect actual cost experience.

A report similar to this one is being sent to Mr. Daniels, Chairman, Subcommittee on Retirement, Insurance and Health Benefits of the House Post Office and Civil Service Committee.

Sincerely yours,

JOHN W. MACY, Jr.,
Chairman.

QUESTIONABLE USE OF THIRD-CLASS MAIL BY MONTGOMERY WARD

Mr. MONRONEY. Mr. President, last Thursday the distinguished senior Senator from Wisconsin, Senator PROXMIRE, entered in the RECORD correspondence and related materials concerning a credit life insurance program recently announced by Montgomery Ward, whereby charge customers would be insured in an amount equal to the balance of their account.

As chairman of the Committee on Post Office and Civil Service, I share the Senator's strong interest in this recent proposal not because our committee has jurisdiction over credit life insurance, but because we recommend rates and requirements for the admission of letters to the U.S. mail. The recent Montgomery Ward circular advising its 6½ million charge customers of their credit insurance program was delivered as third-class mail. The rate of postage for delivery of that class of mail under a bulk permit is 3.8 cents per piece, or 2.2 cents less than the charge for a first-class letter.

I have today written Postmaster General O'Brien a letter requesting that he investigate this particular mailing to determine whether it is legal to mail a letter of this sort under a third-class permit.

Mr. President, I ask unanimous consent that the letter to which I refer be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONRONEY. Mr. President, according to information I have received, the letter mailed by Montgomery Ward requires that the charge customer notify Montgomery Ward in writing if he does not wish to be insured. If one-half of the Montgomery Ward charge customers choose not to be insured it will cost these people $195,000 worth of stamps to refuse the insurance. This letter from the company to the customer requires positive action. It requires the recipient to act upon the information contained in that letter or be charged money.

The statutory definition of what first-class mail is does not cover this kind of situation, and the statutory definition of third-class mail describes it merely as that mail which is not first class, second class, or fourth class. I cannot conceive that Congress intended to permit a letter of the sort mailed by Montgomery Ward to be carried at a subsidized rate to inform its customers of an insurance plan that they must pay for unless they spend 6 cents to reply by first-class mail.

This is not an advertisement of a product which the customer may buy; it is a notice having a direct and immediate effect on his financial account. I am not a lawyer, but I think my colleagues who are admitted to the bar will find this a most interesting variation of the law of contracts.

I will be very happy to advise the Senate when I receive a reply from the Postmaster General.

EXHIBIT 1

JANUARY 30, 1968.

Hon. LAWRENCE F. O'BRIEN,
The Postmaster General,
Post Office Department,
Washington, D.C.

DEAR MR. POSTMASTER GENERAL: On Thursday, January 25, 1968, Senator William Proxmire inserted in the Congressional Record a number of letters and related materials concerning a mailing by the Montgomery-Ward Company of correspondence relating to the purchase of credit life insurance.

It is my understanding that this mailing was at third-class bulk rates. The letter notified the customer that unless he responded in writing advising the company of his refusal to be insured, he would automatically become insured for the amount of the balance of his account, up to $3,000.

I respectfully urge you to investigate this mailing immediately to ascertain whether the provisions of Title 39, United States Code, and regulations pursuant to those provisions of law permit a mailer to mail at subsidized third-class rates letters which require a response to avoid the payment of money.

If in your opinion it is legal to mail such material as third class, I would appreciate any suggestions or recommendations you may have concerning amendments to the postal statutes to define more carefully and clearly the classification of mail.

With kind regards and best wishes, I am,

Sincerely,

A. S. MIKE MONRONEY,
Chairman.

PRESIDENT JOHNSON'S CALL FOR WAGE AND PRICE STABILITY

Mr. SPARKMAN. Mr. President, President Johnson has submitted an economic message that provides Congress and the American people with the real facts of economic life and the best remedies for continuing prosperity and growth. The President has provided the means to enjoy continued high employment, while maintaining reasonable price stability.

There is, of course, no magic formula and no single road to our objective. We must move on many fronts, including sound fiscal and monetary policy and better training of our labor force so that the skills available can better match the skills required.

But these steps by themselves cannot do the whole job. As long as some labor unions continue to press for the largest wage settlements they can reach, and some business executives continue to seek the highest prices and profits the market will bear, both wages and prices will be engaged in a futile race which can have no winner. We must bend every effort to convince both business and labor that their true long-term interests lie in a policy of maximum restraint rather than maximum short-term self-interest.

I was particularly impressed by the comment in the Council's report pointing out that, over the years, the shares of labor and profits in our total product have remained virtually unchanged.

I fully support, therefore, the President's call for responsible behavior on the part of labor to moderate its wage objectives and on the part of business to avoid or limit price increases to the maximum extent possible. Both labor and business have made tremendous gains in the past 7 years and both should be willing to accept some temporary sacrifices in order to insure that those gains continue. They should be especially willing to do so since these are in no sense real sacrifices; they involve merely foregoing the temptation to reach for larger gains than even our economy can provide—illusory gains quickly eroded by rising prices—and resting content with the real gains assured by steady progress. The time calls for enlightened statesmanship on the part of all concerned—Government, business, and labor alike.

The President is providing leadership. Congress and the American people must continue to support him in his quest for the continued growth and development of the American economy, and in guarding against inflation.

PROPOSED CHANGES IN SENATE RULES

Mr. LONG of Louisiana. Mr. President, some time ago I communicated with the Senator from Pennsylvania with regard to the possibility of modifying the Senate rules to recognize certain facts of life and expedite the work of the Senate.

I am sure the Senator will recall that we discussed the possibility of, on some basis, permitting a Senator to be recorded as voting rather than not voting at a time when he had a live pair with a Senator who was present and willing to accord him a pair.

Mr. CLARK. The Senator is correct.

Mr. LONG of Louisiana. I ask the Senator if it does not make good sense, rather than creating a stalemate by calling the roll slowly and engaging in other dilatory tactics while a Senator dresses in the Senate gymnasium and comes over to the Senate floor, that we arrange it so that under those circumstances a Senator could be recorded as voting rather than as not voting when another Senator is present and willing to accord him a pair.

Mr. CLARK. Mr. President, I think that is a good idea. I would say, however, that I understand the majority leader has made such a suggestion and that some such arrangement is to be made in the CONGRESSIONAL RECORD.

The difficulty is, of course, that the Congressional Quarterly will not acknowledge this, and the Congressional Quarterly receives very wide distribution among one's constituents, and it might take priority over the RECORD.

I nevertheless agree.

Mr. LONG of Louisiana. Mr. President, the Senator is aware that the Senate cannot transact business in the absence of a quorum. There must be 51 Senators present.

In the committees, however, I think it is generally accepted that a Senator will be recorded in accordance with his wishes. Sometimes we do it by telephone. We sometimes call and say, "We have reached a tie vote, and we would like to break the tie according to your wishes." We then record him one way or the other. In view of the fact that the Nation is aware of the telephone, which has been invented for some time now, it must be recognized that it is possible for one to find out even in greater detail than the average Senator knows when he votes on a rollcall what the arguments are one way or the other, it would occur to me that we should impress upon some of our colleagues who are sticklers for the old rule and the old way of doing business that we should become aware of the fact that the telephone now exists. We should realize that we live in the age of television and that we still have the telephone and that it is possible to record one's vote by that means.

I am not suggesting that we violate the constitutional provision that requires a quorum to be present in order to transact business. I am certain that every Senator would insist that a quorum be present. However, a quorum being present, it does seem to me to be a great waste of time to have a slow rollcall, especially when a Senator's vote would not make any difference anyway. The vote would not be a decisive vote. Nevertheless, we have to keep the Senate in session and fiddle and faddle and waste time to obtain the presence of a Senator.

The Senator indicated to me that on the appropriate occasion he would be willing to join in and perhaps even be the principal sponsor of some measure to so modify the rules which we hope will meet with the approval of the Senate.

I would hope that in due course we might persuade our colleagues to go along with such a principle.

Mr. CLARK. I would not disagree with the Senator and would be receptive to any suggestion he would make along those lines. It would have to be carefully drawn—first, because we are under the constant glare of publicity in this Chamber, and adverse public relations could result if one's political opponents were given an opportunity to expose the fact that a Senator was neither on the floor nor in committee when his vote was cast. I would be prepared to take that risk, but I do not know how other Members would feel about this.

So far as the floor vote is concerned, I believe that is a little involved. A large part of the country still thinks that the votes of Senator are determined by the course of debate. I believe there is a concept, somewhat more romantic than realistic, which thinks of a crowded Senate Chamber listening to Clay, Webster, and Calhoun, and being swayed as to how they will vote on a particular measure by the oratory of their colleagues.

The Senator from Louisiana is a polished orator of great ability, and I have no doubt that on occasion his arguments have persuaded many of his colleagues. I believe he will agree with me that, in the long run, Chamber oratory does not make much difference in terms of how one is going to vote.

When it comes to the committee system, it would be a little different, because the clash of different views within the committee, by members sitting across a table, does have more relation to legislation.

So, if we are to say that under all circumstances we could vote a committee member who has not participated in the discussion, this might be subject to different views. I would be most receptive to any suggestion that the Senator from Louisiana might make.

Mr. LONG of Louisiana. It seems to me that some of the practices we use in committees could be well recommended to the Senate itself. I have in mind the type of situation that occurs in the Committee on Finance, of which I have the privilege to be chairman.

For example we will arrive at a vote on something, and we will have a quorum—plenty of Senators present to vote—but we will arrive at a tie. We will call a Senator who is not present and ask him how he desires to vote. At that point, someone will explain, in the presence of the committee, what the vote was. Another member of the committee may feel that the explanation did not adequately explain his side of the argument, so he will say, "Just a minute. Let me have the telephone." He will then proceed to say, "My friend, let me explain how this looks to me," and he will explain his view.

At that point, someone else might say, "Just a minute. That does not do justice to my argument. Let me explain my point of view."

After we have concluded, the person on the other end of the telephone has had a fair presentation of the argument, and we then say, "How do you want to be recorded?" And we record him.

If we can do that in a committee, I contend that that person is better provided with information than a Senator who comes charging into the Senate Chamber, after the Senators have been holding the matter up by saying, "Mr. President, will you please inform me how I am recorded?" When the Senator comes into the Chamber, he has approximately 30 seconds in which to find out what it is all about and to vote.

Mr. CLARK. The Senator from Louisiana knows how he finds out. He asks either the representative of the secretary to the majority or the representative of the secretary to the minority, and says, "How are the boys voting?" And nine times out of 10 he votes accordingly.

Mr. LONG of Louisiana. I would say that when one comes charging into the Chamber, completely winded, and wishes to vote, the best thing to do is to find the secretary for his party and say, "If you were me, how would you vote?" and vote that way. That is about what happens in those situations.

I believe that if we would just recognize that this is an electronic age and the telephone has been invented, we might arrange to expedite the matter and move on with the business.

For a number of years, I have contended that a Senator should be able to put his speech in the Record as though he made it, rather than read every word on the floor of the Senate. The point is that if he desired to read it, it would be all right; but if no one in Washington was particularly concerned about it, the Senator could put it in the Record and save time. I am pleased that we have more or less, by tacit approval, proceeded to that procedure.

Mr. CLARK. I thank the Senator.

THE PERDICARIS INCIDENT REVISITED

Mr. CLARK. Mr. President, I desire to speak this afternoon on the subject of my colleague from Pennsylvania [Mr. Scott], Theodore Roosevelt, and the credibility gap.

I address myself to this subject for the following reason:

In the Record of January 23, 1968, in the proceedings of the House, Mr. Hall was given permission to revise and extend his remarks, and spoke on the subject of the seizure of the U.S.S. *Pueblo* by North Korean torpedo boats. In the course of his remarks, he suggested that the Commander in Chief—namely, President Johnson—should "act with Teddy Roosevelt firmness and abort a diversionary effort or indeed world war III. Please recall that it was on June 22, 1904, after a similar international situation, that his Secretary of State, John Hay, cabled the U.S. consul in Morocco, 'We want Perdicaris alive, or Raisuli dead.' History records immediate results. Let us get on with the job. We are reacting too little as a proud nation to the loss of too many fine citizens."

Two days later, on January 25, my esteemed colleague, Senator Scott, speaking on the subject of the seizure of the U.S.S. *Pueblo,* stated:

> We are being pushed around all over the world. One remembers somewhat longingly the days when the United States was a fully respected national power and what occurred when the pirates in north Africa at the time seized an American citizen named Perdicaris. It was in the time of Theodore Roosevelt, a man who knew what to do.
>
> The seizure had been made by a man named Raisuli. Theodore Roosevelt told the government of that country, for all the world to hear, "Perdicaris alive or Raisuli dead."

I have the utmost esteem for my colleague, who is not only an able and effective Senator—although I deplore his politics—but is also a learned and erudite scholar. He is the author of a book, about to be published, which he promised to send me, entitled "Come to the Party," which I am sure is full of not only political erudition but also his usual wit and good humor.

Some Members of the Senate may not know that he is also the author of a learned tome which sells for $15 a copy, which deals with the Ting—or is it, perhaps, the Ming or the Chang?—dynasty.

Mr. SCOTT. Tang.

Mr. CLARK. The Chinese art of the Tang dynasty. It is a beautiful book, and I have had the pleasure of looking at it, although I regret that my strapped finances have made it impossible for me to purchase a copy.

When the time comes for my colleague to delve into the history of 1904, I suspect that a little of the background on the subject of "Perdicaris alive or Raisuli dead" should be put into the Record.

It so happens that the well-known author, Barbara Tuchman, writing in

"American Heritage" back in 1959, before the comments which attempted to assimilate Teddy Roosevelt and Perdicaris with the U.S.S. *Pueblo*, had investigated the situation. It is a fascinating story and I would like briefly to relate it.

There was a wealthy man named Perdicaris, who had been born of Greek parents in the United States. It was at the time of the Civil War and he was about 21 or 22 years of age. His mother was a strong supporter of the Confederacy, and his father was a strong supporter of the Union. I suspect that Mr. Perdicaris was not anxious to be torn between that parental disagreement, and perhaps he did not even want to be shot. He went back to his native Greece, he renounced his American citizenship, and he became a Greek citizen. He kept this fact a secret for 40 years.

A man of great charm, he acquired a villa in Tangiers in the State of Morocco where he entertained lavishly with a large staff of servants, wined and dined his friends, and occasionally wrote a poem or an essay.

While he was in that condition, almost all of his American friends thinking he was still an American citizen—and he was not—he was kidnaped by a ruffian named Raisuli, who was the opponent of the Sultan of Morocco, said to be a weak and corrupt monarch.

Raisuli went off with Perdicaris and held him back in the Rif Mountains, whereupon he demanded a huge ransom.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. SCOTT. That spelling is R-i-f-f.

Mr. CLARK. It is spelled R-i-f by Barbara Tuchman. Perhaps the Senator is correct. At any rate, he asked a huge ransom, claiming the sultan would have to free all political prisoners who had been taken, and give him two provinces in Morocco, setting him up as a junior king.

Meanwhile, the American Minister, who was a great friend of Perdicaris, was very much upset and so he telegraphed to the State Department and the White House about this outrageous abduction of a man whom he thought to be an American citizen. Thereupon, John Hay, who was the Secretary of State, undertook to speak rather loudly. He also wielded a pretty big stick because he, with the approval of Theodore Roosevelt, proceeded to send practically the entire American fleet to the harbor in Tangiers to get Perdicaris back. I think seven or eight warships of the American fleet were involved. They arrived there.

The question was: What were they going to do? It was fairly certain that if they put Marines ashore to go after Raisuli, he would cut Perdicaris' throat before they got to him.

The suggestion was made by Miss Tuchman that they were pretty good guerrilla fighters in the hills of Morocco and this might not be the wise thing to do.

This was just before the nominating convention in 1904 when Teddy Roosevelt was about to be renominated as the President of the United States on the Republican ticket. Students of history will remember that although Theodore Roosevelt subsequently became a hero in the Republican Party, he was not very popular in his own party in the term after McKinley had been shot.

Mark Hanna and others were grumbling about nominating this upstart. He was a good politician, in addition to being a good President. He sent this telegram.

The Nation was electrified. Everybody thought: What a good and tough President we have. They all rallied around at the convention and nominated Teddy Roosevelt, and his action on foreign policy was very much approved.

It turned out that Perdicaris was not an American citizen but a Greek citizen. We would have launched a war making much ado about not very much, but this fact was concealed by John Hay and President Theodore Roosevelt and only leaked out very much after the incident had been settled and the nomination all over.

In addition, at that point France was establishing itself as a leader among the European powers in Morocco. We asked the good offices of France to help us out of this situation. This was at the time of the Franco-England detente which subsequently ended up with World War I. Astute diplomat that he was, Secretary of State Hay persuaded France to make a loan to Morocco which the Vizier requested.

Negotiations went on for some little time and finally a representative was sent to talk to Raisuli. He agreed to turn Perdicaris lose in the event he got this ransom, which in those days was a large sum.

Perdicaris came back in triumph, Raisuli went on his way for a good many years, and the bill was paid by France although they got the Sultan to put his valuables in hock to bribe Raisuli to turn Perdicaris loose. The truth did not come out until much later.

I suspect the U.S.S. *Pueblo* incident, with respect to which my colleague took a belligerent position on the floor of the Senate the other day, will be resolved through diplomacy and not military action in order to get those boys back in good health, and possibly, although I doubt it, the ship also.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. CLARK. I yield to my good friend and colleague, the junior Senator from Pennsylvania.

Mr. SCOTT. Mr. President, I thank my distinguished and scholarly senior colleague and I express some curiosity as to why he should be jousting with me since I am not his opponent in this election year, and there are other matters to which he could more seriously address himself than the delightful raillery in which he has been so joyously indulging.

I respect his scholarship, but as so frequently happens in covering great distances, we never dig quite deeply enough. So not for the first time, my distinguished senior colleague has advanced a grievous error.

I shall refer to Scribner's Dictionary of American History, 1960, and I am quoting from that dictionary, using as source material the book "The First Moroccan Crisis, 1904–1906," by E. N. Anderson, the "Diplomatic History of the United States," by S. F. Bemis, and "Adventures in American Diplomacy," by A. L. P. Dennis, all of whom are closer to the scene than the Senator's favorite author, Barbara Tuchman, who may, after all, have the British view of this rather than the American. We are not discussing British valor at this point.

I was pleased to note that France paid the bill. That was probably the last time France paid anyone's bill. I was glad to hear it.

But the error of which I speak resides in this fact; namely, that—

> On May 18, 1904, Jon Perdicaris, an American citizen, and his stepson, Cromwell Varley, a British subject, were abducted from their villa near Tangier by the Riffian bandit, Raisuli—

Whom I called a pirate before and now call a pirate bandit—

> The United States, with British support and using French good offices, demanded that the Moroccan sultan secure Perdicaris' release, and despatched the warship, *Brooklyn*, to Tangier.

Not the entire American fleet, Mr. President.

> Meanwhile, the State Department came to suspect that Perdicaris had divested himself of American citizenship—

Mr. CLARK. A good many years before that.

Mr. SCOTT (continuing reading):

> but ultimately determining the question in his favor.

Mr. CLARK. Mr. President, will my distinguished colleague yield there?

Mr. SCOTT. I yield.

Mr. CLARK. On what date is that erudite statement made from which the Senator is quoting?

Mr. SCOTT. The Dictionary of American History, published by Scribner's, 1960.

Mr. CLARK. Yes.

Mr. SCOTT. I was assisted by the Library of Congress in securing information which I think is much more accurate than the Senator's single source, and is founded upon four separate sources.

Mr. CLARK. Will my colleague yield briefly once more?

Mr. SCOTT. Yes, of course.

Mr. CLARK. And then I shall be glad to yield back to him.

Mr. SCOTT. I am here only because I do not know what purpose the Senator had in bringing up this matter, but I am always glad to accommodate him.

Mr. CLARK. Just a little good clean fun. I suspect that the learned authors of the volumes from which the Senator quotes have not had an opportunity to review properly Barbara Tuchman's article which was published in Esquire magazine for August 1959, I believe. Incidentally, she is the wife of a New York physician.

Mr. President, I ask unanimous consent to have this article printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SCOTT. Was it Esquire or Playboy that the article appeared in?

Mr. CLARK. No. It was actually published in American Heritage, a most estimable, hard-cover book, well worthy of the same kind of scholarship which my colleague from Pennsylvania, on many occasions, has evidenced himself.

Mr. SCOTT. I did rise to commiserate with my colleague because we scholars—if I may be so immodest as to include us both—should perhaps watch our research a little more carefully, although I enjoy the raillery.

To continue reading from Scribner's dictionary:

> On June 22 Secretary Hay sent the famous despatch demanding "Perdicaris alive or Raisuli dead."

Fortunately, just about that time, Perdicaris was being released and, therefore, it is evident that when Theodore Roosevelt moved, he got action, and the action was that the transaction was in favor of an American citizen.

Now whether his administration did not reveal that they had doubt about Perdicaris' citizenship, it seems to me that is not terribly material, because I have been down here 25 years, and I have seen several Democratic administrations whose reluctance to reveal essential information to the American people has become not only utterly massive, but also legendary. One can equate the fact that whenever we have a Democratic President, there is an awful lot that will not be told the people of the United States.

For example, with regard to the U.S.S. *Pueblo*—and I do not retract a single word that I said, although the Senator opened it up by quoting a Member of the other body—and I do not adopt his sentiments for mine because I do not agree with him——

Mr. CLARK. Nor did the Senator get his idea from a Member of the other body, I am sure.

Mr. SCOTT. It so happens that I did not read the Congressional Record, and I did not have any idea that someone else was using this unhappy analogy of Theodore Roosevelt. But I hope that the Senator would never expect that either he or I would be bound by what some other Member of either body says, because if that were to happen, this would be a difficult place, indeed.

No long ago, President Johnson said, in referring to the U.S.S. *Pueblo:*

> Clearly, this cannot be accepted—

Referring to the seizure of the *Pueblo*.

Mr. President, I am glad that diplomatic channels are being used, although I question their usefulness. I am not one who thinks that we should crawl on our bellies to the North Koreans and lie to them and further affect the credibility of the United States by "admitting" that we were not in international waters when, in point of fact, all the evidence available to me—and it is not complete—is that we were in international waters.

I do not know, from what the Senator has said, what his position on the U.S.S. *Pueblo* is.

I am perfectly willing to state mine:

I think that, first, if it had been possible for the skipper of that ship to open the seacocks and scuttle his vessel rather than surrender, he should have done so. That is in accordance with the rules governing the Navy. He has that within his permission. He may not have been able to do it, however. I am making no criticism of him in any way.

It is permissible to inquire why he was alone and unguarded.

It is permissible to inquire why the ship was that close to the hostile shores of the enemy, with whom we have not yet concluded—nor the United Nations—a treaty of peace.

It is permissible to inquire why, with help potentially only 15 minutes away by air—and on this I do have good and high authority—such aid was not called for.

I think it is permissible to inquire what the President is ultimately going to do.

It is permissible to say that the American people probably have never been so angry with an enemy in many years as they are now with North Korea.

I have received a letter from a citizen of the United States—his citizenship, by the way, is not in any way in doubt—who lives in Japan and has done so for many years, and whom I know personally—the letter came to me this morning, saying:

> Even the Japanese radio says the North Koreans have made fools of us.

He enclosed a clipping from a London paper which said:

> *Pueblo* captured by the smallest navy.

If my senior colleague can be complacent about that, I cannot. What has happened here is inestimably serious. I agree with the Secretary of State when he says that the North Koreans should "cool it." I am not advocating an immediate and dangerous military step, but I say that if diplomacy fails, I personally hope that the United States will engage in some sort of reprisal which will serve notice to those nations in the world, large and small, that would like to obtain an aggressive advantage over us, that we as a nation will not tolerate those forms of aggression. What form it should take is up to the Commander in Chief.

I am merely saying that I will support him. I am asking whether my senior colleague will support the President, if he takes such military measures?

Mr. CLARK. I shall respond to that inquiry in a moment but, first, let me complete the record with respect to a subject to which I have been addressing myself, with a quote from Barbara Tuchman:

> . . . the memorable telegram "This Government wants Perdicaris alive or Raisuli dead" flashed across the Atlantic cable over Hay's signature and was simultaneously given to the press at home. It was not an ultimatum, because Hay deliberately deprived it of meaningfulness by adding to Gummere (U.S. Consul General in Tangier at the time) "Do not land marines or seize customs without Department's specific instructions". But this sentence was not allowed to spoil the effect: it was withheld from the press.
>
> Although the public was inclined to credit authorship to Roosevelt, the Baltimore Sun pointed out that Mr. Hay too knew how to make the eagle scream when he wanted to. Hay's diary agreed. "My telegram to Gummere," he noted comfortably the day afterward, "had an uncalled for success. It is curious how a concise impropriety hits the public."
>
> After nominating Roosevelt by acclamation, the convention departed in an exhilarated mood.

There is not a shadow of a doubt that Perdicaris was not an American citizen at all.

Now, to respond directly to my colleague about the U.S.S. *Pueblo*, I had the privilege of attending, at the White House last night, a meeting of Democratic members of the Appropriations, the Armed Services, and the Foreign Relations Committees, at which the President and his principal Cabinet officers gave us a very full briefing on the situation with respect to the *Pueblo*.

I do not believe at this time, in this Chamber, I am at liberty to disclose what was said, but I have no doubt that the more senior members of my party in the Senate will, in due course, make an explanation of what was told us then.

I am convinced, and I am sure my colleague, if he had heard the explanations, would be convinced, that the unfortunate situation with respect to the seizing of the *Pueblo* is entirely understandable; that military action would probably be folly; and that we can hope by diplomatic action certainly to get the crew back—which most of us unceasingly look for—but, unless I miss my guess, all the secret equipment had been taken off the ship long ago and if we attempted to get it by military action, it would be sunk.

It also should be pointed out that the Soviet Union and Red China have a treaty of military assistance in effect with North Korea, and if we attempt military action against North Korea in reprisal, we may well bring about World War III, if we do not look out.

Mr. SCOTT. The Senator said something which may prove to be important, if I understood it. Is he saying that as a result of his activities yesterday he has information that the President will not take any military action under any circumstances in this case?

Mr. CLARK. No; what I said is, and I will repeat it because I do not want to be misunderstood, that I am not at liberty to state what took place at that meeting, but I am reasonably certain that ranking Republican members of those three committees have been briefed to that same effect, and I would suggest that my colleague contact them before he undertakes to pontificate upon what should be done with respect to the *Pueblo*.

Mr. SCOTT. Is the senior Senator from Pennsylvania prepared to say that if the President does advocate—diplomatic measures having failed—some military form of reprisal, he would support the President in such measures?

Mr. CLARK. I am perfectly confident the President will not do that.

Mr. SCOTT. Is he prepared to support the President if he does advocate such military action?

Mr. CLARK. That is what my friend well knows is referred to as an "iffy" question, and like Franklin Delano Roosevelt, I never answer "iffy" questions.

Mr. SCOTT. It is not "iffy" for me. If the President made such a request, I would support him, as my Commander in Chief.

Mr. CLARK. I would suggest to my colleague, in all good humor—and this colloquy has been in all good humor—

Mr. SCOTT. Surely.

Mr. CLARK. That he should get himself fully informed before he speaks on the floor any further about this matter.

Mr. SCOTT. The Senator must not assume that I lack information on my part simply because I do not divulge all the information I know, because, for this Senator, it is not always wise to tell everything he knows in a single speech. If one does that, he does not have anything else for other speeches.

Mr. CLARK. I was giving the Senator the benefit of the doubt.

Mr. SCOTT. I appreciate that, but the Senator has a long road to November, and I want him to save part of his wind for that. In the meantime I was probing to find out the degree of support he has for his President. I must admit my failure in that regard. I hope the Senator will take time to tell us what his Thursday position is on Vietnam, but I will try to keep in sight his changing views on the war as time goes on.

Mr. CLARK. The Senator, I am sure, is aware of the fact that my position with respect to Vietnam has been entirely consistent. I have just come back from there, as the Senator knows. While I learned a lot and while I consider myself wiser and believe that my adult education has been increased, I have had no occasion to change my views, which have been very explicit in the speeches which I have made on the floor of the Senate and elsewhere for the last 2 years.

Mr. SCOTT. I appreciate that, but I understand that the Senator for some time has been advocating the cessation of the bombing of North Vietnam, but that quite recently he is not advocating the cessation of the bombing of the north until after the Khe Sanh battle is over? Is that not a change?

Mr. CLARK. Which should be over in the next couple of weeks. I think it is obvious that if a battle is joined just below the militarized zone, there is no use to try to get peace now, until we see who wins the battle. That is only commonsense. That battle was not joined until the last few days.

Mr. SCOTT. I thank the Senator for praising a Republican President, Theodore Roosevelt, and I look forward to praising the next President, who I also hope will be a Republican.

EXHIBIT 1

"PERDICARIS ALIVE OR RAISULI DEAD"

(By Barbara W. Tuchman)

On a scented Mediterranean May evening in 1904 Mr. Ion Perdicaris, an elderly, wealthy American, was dining with his family on the vine-covered terrace of the Place of Nightingales, his summer villa in the hills above Tangier. Besides a tame demoiselle crane and two monkeys who ate orange blossoms, the family included Mrs. Perdicaris; her son by a former marriage, Cromwell Oliver Varley, who (though wearing a great name backward) was a British subject; and Mrs. Varley. Suddenly a cacophony of shrieks, commands, and barking of dogs burst from the servants' quarters at the rear. Assuming the uproar to be a further episode in the chronic feud between their German housekeeper and their French-Zouave chef, the family headed for the servants' hall to frustrate mayhem. They ran into the butler flying madly past them, pursued by a number of armed Moors whom at first they took to be their own household guards. Astonishingly, these persons fell upon the two gentlemen, bound them, clubbed two of the servants with their gunstocks, knocked Mrs. Varley to the floor, drew a knife against Varley's throat when he struggled toward his wife, dragged off the housekeeper who was screaming into the telephone "Robbers! Help!," cut the wire, and shoved their captives out of the house with guns pressed in their backs.

Waiting at the villa gate was a handsome, black-bearded Moor with blazing eyes and a Greek profile, who, raising his arm in a theatrical gesture, announced in the tones of Henry Irving playing King Lear, "I am the Raisuli!" Awed, Perdicaris and Varley knew they stood face to face with the renowned Berber chief, lord of the Rif and last of the Barbary pirates, whose personal struggle for power against his nominal overlord, the Sultan of Morocco, periodically erupted over Tangier in raids, rapine, and interesting varieties of pillage. He now ordered his prisoners hoisted onto their horses and, thoughtfully stealing Perdicaris' best mount, a black stallion, for himself, fired the signal for departure. The bandit cavalcade, in a mad confusion of shouts, shots, rearing horses, and trampled bodies, scrambled off down the rocky hillside, avoiding the road, and disappeared into the night in the general direction of the Atlas Mountains.

A moment later, Samuel R. Gummere, United States consul general, was interrupted at dinner by the telephone operator who passed on the alarm from the villa. After a hasty visit to the scene of the outrage, where he ascertained the facts, assuaged the hysterical ladies, and posted guards, Gummere returned to confer with his colleague, Sir Arthur Nicolson, the British minister. Both envoys saw alarming prospects of danger to all foreigners in Morocco as the result of Raisuli's latest pounce.

Morocco's already anarchic affairs had just been thrown into even greater turmoil by the month-old Anglo-French entente. Under this arrangement, England, in exchange for a free hand in Egypt, had given France a free hand in Morocco, much to the annoyance of all Moroccans. The Sultan, Abdul-Aziz, was a well-meaning but helpless young man uneasily balanced on the shaky throne of the last independent Moslem county west of Constantinople. He was a puppet of a corrupt clique headed by Ben Sliman, the able and wicked old grand vizier. To keep his young master harmlessly occupied while he kept the reins not to mention the funds, of government in his own hands, Ben Sliman taught the Sultan a taste for, and indulged him in all manner of, extravagant luxuries of foreign manufacture. But Abdul-Aziz's tastes got out of bounds. Not content with innumerable bicycles, 600 cameras, 25 grand pianos, and a gold automobile (though there were no roads), he wanted Western reforms to go with them. These, requiring foreign loans, willingly supplied by the French, opened the age-old avenue of foreign penetration. The Sultan's Western tastes and Western debts roused resentment among his fanatic tribes. Rebellions and risings had kept the country in strife for some years past, and European rivalries complicated the chaos. France, already deep in Algeria, was pressing against Morocco's borders. Spain had special interests along the Mediterranean coast. Germany was eyeing Morocco for commercial opportunities and as a convenient site for naval coaling bases. England, eyeing Germany, determined to patch up old feuds with France and had just signed the entente in April. The Moroccan government, embittered by what it considered England's betrayal, hating France, harassed by rebellion, tottering on the brink of bankruptcy, had yet one more scourge to suffer. This was the Sherif Mulai Ahmed ibn-Muhammed er Raisuli, who now seized his moment. To show up the Sultan's weakness, proportionately increase his own prestige, and extract political concessions as ransom, he kidnapped the prominent American resident Mr. Perdicaris.

"Situation serious" telegraphed Gummere to the State Department on May 19. "Request man-of-war to enforce demands." No request could have been more relished by President Theodore Roosevelt. Not yet 46, bursting with vigor, he delighted to make the Navy the vehicle of his exuberant view of national policy. At the moment of Perdicaris' kidnapping he faced, within the next month, a nominating convention that could give him what he most coveted: a chance to be elected President "in my own right." Although there was no possibility of the convention's nominating anyone else, Roosevelt knew it would be dominated by professional politicians and standpatters who were unanimous in their distaste for "that damned cowboy," as their late revered leader, Mark Hanna, had called him. The prospect did not intimidate Roosevelt. "The President," said his great friend, Ambassador Jean Jules Jusserand of France, "is in his best mood. He is always in his best mood." The President promptly ordered to Morocco not one warship, but four, the entire South Atlantic Squadron—due shortly to coal at Tenerife in the Canaries, where it could receive its orders to proceed at once to Tangier. Roosevelt knew it to be under the command of a man exactly suited to the circumstances, Admiral French Ensor Chadwick, a decorated veteran of the Battle of Santiago and, like Roosevelt, an ardent disciple of Admiral Alfred Thayer Mahan's strenuous theories of naval instrumentality.

Roosevelt's second in foreign policy was that melancholy and cultivated gentleman and wit, John Hay, who had been Lincoln's private secretary, wanted only to be a poet, and was, often to his own disgust, Secretary of State. On the day of the kidnapping he was absent, delivering a speech at the St. Louis Fair. His subordinates, however, recognized Gummere, who was senior diplomatic officer in Tangier in the absence of any American minister and had six years' experience at that post, as a man to be listened to. The victim, Perdicaris, was also a man of some repute, whose name was known in the State Department through a public crusade he had waged back in 1886–87 against certain diplomatic abuses practiced in Tangier. His associate in that battle had been Gummere himself, then a junior member of the foreign service and Perdicaris' friend and fellow-townsman from Trenton, New Jersey.

"Warships will be sent to Tangier as soon as possible," the department wired Gummere. "May be three or four days before one arrives." Ships in the plural was gratifying, but the promised delay was not. Gummere feared the chances of rescuing Perdicaris and Varley were slim. Nicolson gloomily concurred. They agreed that the only hope was to insist upon the Sultan's government giving in to whatever demands Raisuli might make as his price for release of his prisoners. Most inconveniently the government was split, its foreign minister, Mohammed Torres, being resident at Tangier where the foreign legations were located, while the Sultan, grand vizier, and court were at Fez, which was three days' journey by camel or mule into the interior. Gummere and Nicolson told Mohammed Torres they expected immediate acquiescence to Raisuli's demands, whatever these might prove to be, and dispatched their vice-consuls to Fez to impress the same view urgently upon the Sultan.

The French minister, St. René Taillandier, did likewise, but, since the Anglo-French entente was still too new to have erased old jealousies, he acted throughout the affair more or less independently. France had her own reasons for wishing to see Perdicaris and Varley safely restored as quickly as possible. Their abduction had put the foreign colony in an uproar that would soon become panic if they were not rescued. The approach of the American fleet would seem to require equal action by France as the paramount power in the area, but France was anxious to avoid a display of force. She was "very nervous," Admiral Chadwick wrote later, at the prospect of taking over "the most fanatic and troublesome eight or ten millions in the world"; she had hoped to begin her penetration as unobtrusively as possible without stirring up Moroccan feelings any further against her. Hurriedly, St. René Taillandier sent off two noble mediators to Raisuli; they were the young brother sherifs of the Wazan family, who occupied a sort of religious primacy among sherifs and whom France found it worthwhile to subsidize as her protégés.

While awaiting word from the mediators, Gummere and Nicolson anxiously conferred with an old Moroccan hand, Walter B. Harris, correspondent of the London Times, who had himself been kidnapped by Raisuli the year before. Raisuli had used that occasion to force the Bashaw, or local governor, of Tangier to call off a punitive expedition sent against him. This Bashaw, who played Sheriff of Nottingham to Raisuli's Robin Hood, was Raisuli's foster brother and chief hate; the two had carried on a feud ever since the Bashaw had tricked Raisuli into prison eight years before. The Bashaw sent troops to harass and tax Raisuli's tribes and burn his villages; at intervals he dispatched emissaries instructed to lure his enemy to parley. Raisuli ambushed and slaughtered the troops and returned the emissaries—or parts of them. The head of one was delivered in a basket of melons. Another came back in one piece, soaked in oil and set on fire. The eyes of another had been burned out with hot copper coins.

Despite such grisly tactics, Harris reported to Gummere and Nicolson, his late captor was a stimulating conversationalist who discoursed on philosophy in the accents of the Moorish aristocracy and denied interest in ransom for its own sake. "Men think I care about money," he had told Harris, "but, I tell you, it is only useful in politics." He had freed Harris in return for the release of his own partisans from government prisons, but since then more of these had been captured. This time Raisuli's demands would be larger and the Sultan less inclined to concede them. Sir Arthur recalled that on the last occasion Mohammed Torres had "behaved like an old brute" and shrugged off Harris' fate as being in the hands of the Lord, when in fact, as Nicolson had pointed out to him, Harris was "in the hands of a devil." Sir Arthur had suffered acutely. "I boil," he confessed, "to have to humiliate myself and negotiate with these miserable brigands within three hours of Gibraltar." Gummere thought sadly of his poor friend Perdicaris. "I cannot conceal from myself and the Department," he wrote that night, "that only by extremely delicate negotiations can we hope to escape from the most terrible consequences."

Back in America, the Perdicaris case provided a welcome sensation to compete in the headlines with the faraway fortunes of the Russo-Japanese War. A rich old gentleman held for ransom by a cruel but romantic brigand, the American Navy steaming to the rescue—here was personal drama more immediate than the complicated rattle of unpronounceable generals battling over unintelligible terrain. The President's instant and energetic action on behalf of a single citizen fallen among thieves in a foreign land made Perdicaris a symbol of America's new role on the world stage.

The man himself was oddly cast for the part. Digging up all available information, the press discovered that he was the son of Gregory Perdicaris, a native of Greece who had become a naturalized American, taught Greek at Harvard, married a lady of property from South Carolina, made a fortune in illuminating gas, settled in Trenton, New Jersey, and served for a time as United States consul in his native land. The son entered Harvard with the class of 1860 but left in his sophomore year to study abroad. For a young man who was 21 at the opening of the Civil War, his history during the next few years was strangely obscure, a fact which the press ascribed to a conflict between his father, a Union sympathizer, and his mother, an ardent Confederate. Subsequently the son lived peripatetically in England, Morocco, and Trenton as a dilettante of literature and the arts, producing magazine articles, a verse play, and a painting called *Tent Life*. He had built the now famous Villa Aidonia (otherwise Place of Nightingales) in 1877, and settled permanently in Tangier in 1884. There he lavishly entertained English and American friends among Oriental rugs, damasks, rare porcelains, and Moorish attendants in scarlet knee-pants and gold-embroidered jackets. He was known as a benefactor of the Moors and as a supporter of a private philanthrophy that endowed Tangier with a modern sanitation system. He rode a splendid Arab steed—followed by his wife on a white mule—produced an occasional literary exercise or allegorical painting, and enjoyed an Edwardian gentleman's life amid elegant bric-a-brac.

A new telegram from the State Department desired Gummere to urge "energetic" efforts by the authorities to rescue Perdicaris and punish his captor—"if practicable," it added, with a bow to realities. Gummere replied that this was the difficulty: Raisuli, among his native crags, was immune from reprisal. The Sultan, who had a tatterdemalion army of some 2,000, had been trying vainly to capture him for years. Gummere became quite agitated. United action by the powers was necessary to prevent further abductions of Christians; Morocco was "fast drifting into a state of complete anarchy," the Sultan and his advisers were weak or worse, governors were corrupt, and very soon "neither life nor property will be safe."

On May 22 the younger Wazan returned with Raisuli's terms. They demanded everything: prompt withdrawal of government troops from the Rif; dismissal of the Bashaw of Tangier; arrest and imprisonment of certain officials who had harmed Raisuli in the past; release of Raisuli's partisans from prison; payment of an indemnity of $70,000 to be imposed personally upon the Bashaw, whose property must be sold to raise the amount; appointment of Raisuli as governor of two districts around Tangier that should be relieved of taxes and ceded to him absolutely; and, finally, safe-conduct for all Raisuli's tribesmen to come and go freely in the towns and markets.

Gummere was horrified; Mohammed Torres declared his government would never consent. Meanwhile European residents, increasingly agitated, were flocking in from outlying estates, voicing indignant protests, petitioning for a police force, guards, and gunboats. The local Moors, stimulated by Raisuli's audacity, were showing an aggressive mood. Gummere, scanning the horizon for Admiral Chadwick's smokestacks, hourly expected an outbreak. Situation "not reassuring," he wired; progress of talks "most unsatisfactory"; warship "anxiously awaited. Can it be hastened?"

The American public awaited Chadwick's arrival as eagerly as Gummere. Excitement rose when the press reported that Admiral Theodore F. Jewell, in command of the European Squadron, three days' sail behind Chadwick, would be ordered to reinforce him if the emergency continued.

Tangier received further word from the sherifs of Wazan that Raisuli had not only absolutely declined to abate his demands but had added an even more impossible condition: a British and American guarantee of fulfillment of the terms by the Moroccan government.

Knowing his government could not make itself responsible for the performance or nonperformance of promises by another government, Gummere despairingly cabled the terms to Washington. As soon as he saw them, *Roosevelt sent "in a hurry"* for Secretary Hay (who had meanwhile returned to the capital). "I told him," wrote Hay that night in his diary, "I considered the demands of the outlaw Raisuli preposterous and the proposed guarantee of them by us and by England impossible of fulfillment." Roosevelt agreed. Two measures were decided upon and carried out within the hour: Admiral Jewell's squadron was ordered to reinforce Chadwick at Tangier, and France was officially requested-to-lend her good offices. (By recognizing France's special status in Morocco, this step, consciously taken, was of international significance in the train of crises that was to lead through Algeciras and Agadir to 1914.) Roosevelt and Hay felt they had done their utmost. "I hope they may not murder Mr. Perdicaris," recorded Hay none too, hopefully, "but a nation cannot degrade itself to prevent ill-treatment of a citizen."

An uninhibited press told the public that in response to Raisuli's "insulting" ultimatum, "all available naval forces" in European waters were being ordered to the spot. Inspired by memory of U.S. troops chasing Aguinaldo in the Philippines (see AMERICAN HERITAGE, February, 1958, page 24), the press suggested that "if other means fail" marines could make a forced march into the interior to "bring the outlaw to book for his crimes." Such talk terrified Gummere, who knew that leathernecks would have as much chance against Berbers in the Rif as General Braddock's redcoats against Indians in the Alleghenies; and besides, the first marine ashore would simply provoke Raisuli to kill his prisoners.

On May 29 the elder Wazan brought word that Raisuli threatened to do just that if all his demands were not met in two days. Two days! This was the twentieth century, but as far as communications with Fez were concerned it might as well have been the time of the Crusades. Nevertheless, Gummere and Nicolson sent couriers to meet their vice-consuls at Fez (or intercept them if they had already left) with orders to demand a new audience with the Sultan and obtain his acceptance of Raisuli's terms.

At five thirty next morning a gray shape slid into the harbor. Gummere, awakened from a troubled sleep, heard the welcome news that Admiral Chadwick had arrived at last aboard his flagship, the *Brooklyn*. Relieved, yet worried that the military mind might display more valor than discretion, he hurried down to confer with the Admiral. In him he found a crisp and incisive officer whose quick intelligence grasped the situation at once. Chadwick agreed that the point at which to apply pressure was Mohammed Torres. Although up in the hills the brigand's patience might be wearing thin, the niceties of diplomatic protocol, plus the extra flourishes required by Moslem practice, called for an exchange of courtesy calls before business could be done. Admiral and consul proceeded at once to wait upon the foreign minister, who returned the call upon the flagship that afternoon. It was a sight to see, Chadwick wrote to Hay, his royal progress through the streets, "a mass of beautiful white wool draperies, his old calves bare and his feet naked but for his yellow slippers," while "these wild fellows stoop and kiss his shoulder as he goes by."

Mohammed Torres was greeted by a salute from the flagship's guns and a review of the squadron's other three ships, which had just arrived. Unimpressed by these attentions, he continued to reject Raisuli's terms. "Situation critical," reported Chadwick.

The situation was even more critical in Washington. On June 1, an extraordinary letter reached the State Department. Its writer, one A. H. Slocumb, a cotton broker of Fayetteville, North Carolina, said he had read with interest about the Perdicaris case and then, without warning, asked a startling question, "But is Perdicaris an American?" In the winter of 1863, Mr. Slocumb went on to say, he had been in Athens, and Perdicaris had come there "for the express purpose, as he stated, to become naturalized as a Greek citizen." His object, he had said, was to prevent confiscation by the Confederacy of some valuable property in South Carolina inherited from his mother. Mr. Slocumb could not be sure whether Perdicaris had since resumed American citizenship, but he was "positive" that Perdicaris had become a Greek subject forty years before, and he suggested that the Athens records would bear out his statement.

What blushes reddened official faces we can only imagine. Hay's diary for June 1 records that the President sent for him and Secretary of the Navy Moody "for a few words about Perdicaris," but, maddeningly discreet, Hay wrote no more. A pregnant silence of three days ensues between the Slocumb letter and the next document in the case. On June 4 the State Department queried our minister in Athens, John B. Jackson, asking him to investigate the charge—"important if true," added the department, facing bravely into the wind. Although Slocumb had mentioned only 1863, the telegram to Jackson asked him to search the records for the two previous years as well; apparently the department had been making frenzied inquiries of its own during the interval. On June 7 Jackson telegraphed in reply that a person named Ion Perdicaris, described as an artist, unmarried, aged 22, had indeed been naturalized as a Greek on March 19, 1862.

Posterity will never know what Roosevelt or Hay thought or said at this moment, because the archives are empty of evidence. But neither the strenuous President nor the suave Secretary of State was a man easily rattled. The game must be played out. Already Admiral Jewell's squadron of three cruisers had arrived to reinforce Chadwick, making a total of seven American warships at Tangier. America's fleet, flag, and honor were committed. Wheels had been set turning in foreign capitals. Hay had requested the good offices of France. The French foreign minister, Théophile Delcassé, was himself bringing pressure. A British warship, the Prince of Wales, had also come to Tangier. Spain wanted to know if the United States was wedging into Morocco.

And just at this juncture the Sultan's government, succumbing to French pressure, ordered Mohammed Torres to accede to all Raisuli's demands. Four days later, on June 12, a French loan to the government of Morocco was signed at Fez in the amount of 62.5 million francs, secured by the customs of all Moroccan ports. It seemed hardly a tactful moment to reveal the fraudulent claim of Mr. Perdicaris.

He was not yet out of danger, for Raisuli refused to release him before all the demands were actually met, and the authorities were proving evasive. Washington was trapped. Impossible to reveal Perdicaris' status now; equally impossible to withdraw the fleet and leave him, whom the world still supposed to be an American, at the brigand's mercy.

During the next few days suspense was kept taut by a stream of telegrams from Gummere and Chadwick reporting one impasse after another in the negotiations with Raisuli. When the Sultan balked at meeting all the terms in advance of the release, Raisuli merely raised his ante, demanding that four districts instead of two be ceded to him and returning to the idea of an Anglo-American guarantee. "You see there is no end to the insolence of this blackguard," wrote Hay in a note to the President on June 15; Roosevelt, replying the same day, agreed that we had gone "as far as we possibly can go for Perdicaris" and could now only "demand the death of those that harm him if he is harmed." He dashed off an alarming postscript: "I think it would be well to enter into negotiations with England and France looking to the possibility of an expedition to punish the brigands if Gummere's statement as to the impotence of the Sultan is true."

No further action was taken in pursuit of this proposal because Gummere's telegrams now grew cautiously hopeful; on the nineteenth he wired that all arrangements had been settled for the release to take place on the twenty-first. But on the twentieth all was off. Raisuli suspected the good faith of the government, a sentiment which Gummere and Chadwick evidently shared, for they blamed the delay on "intrigue of authorities here." Finally the exasperated Gummere telegraphed on the twenty-first that the United States position was "becoming humiliating." He asked to be empowered to deliver an ultimatum to the Moroccan government claiming an indemnity for each day's further delay, backed by a threat to land marines and seize the customs as security. Admiral Chadwick concurred in a separate telegram.

June 21 was the day the Republican National Convention met in Chicago. "There is a great deal of sullen grumbling," Roosevelt wrote that day to his son Kermit, "but they don't dare oppose me for the nomination. . . . How the election will turn out no one can tell." If a poll of Republican party leaders had been taken at any time during the past year, one newspaper estimated, it would have shown a majority opposed to Roosevelt's nomination. But the country agreed with Viscount Bryce, who said Roosevelt was the greatest President since Washington (prompting a Roosevelt friend to recall Whistler's remark when told he was the greatest painter since Veláquez: "Why drag in Veláquez"). The country wanted Teddy and, however distasteful that fact was, the politicians saw the handwriting on the bandwagon. On the death of Mark Hanna four months before, active opposition had collapsed, and the disgruntled leaders were now arriving in Chicago prepared to register the inevitable as ungraciously as possible.

They were the more sullen because Roosevelt and his strategists, preparing against any possible slip-up, had so steam-rollered and stage-managed the proceedings ahead of time that there was nothing left for the delegates to do. No scurrying, no back-room bargaining, no fights, no trades, no smoke-filled deals. Harper's Weekly reported an Alabama delegate's summation: "There ain't nobody who can do nothin'" and added: "It is not a Republican Convention, it is no kind of a convention; it is a roosevelt."

The resulting listlessness and pervading dullness were unfortunate. Although Elihu Root, Henry Cabot Lodge, and other handpicked Roosevelt choices filled the key posts, most of the delegates and party professionals did not make even a pretense of enthusiasm. The ostentatious coldness of the delegation from New York, Roosevelt's home state, was such that one reporter predicted they would all go home with pneumonia. There were no bands, no parades, and for the first time in forty years there were hundreds of empty seats.

Roosevelt knew he had the nomination in his pocket, but all his life, like Lincoln, he had a haunting fear of being defeated in elections. He was worried lest the dislike and distrust of him so openly exhibited at Chicago should gather volume and explode at the ballot box. Something was needed to prick the sulks and dispel the gloom of the convention before it made a lasting impression upon the public.

At this moment came Gummere's plea for an ultimatum. Again we have no record of what went on in high councils, but President and Secretary must have agreed upon their historic answer within a matter of hours. The only relevant piece of evidence is a verbal statement made to Hay's biographer, the late Tyler Dennett, by Gaillard Hunt, who was chief of the State Department's Citizenship Bureau during the Perdicaris affair. Hunt said he showed the correspondence about Perdicaris' citizenship to Hay, who told him to show it to the President; on seeing it, the President decided to overlook the difficulty and instructed Hunt to tell Hay to send the telegram anyway, at once. No date is given for this performance, so one is left with the implication that Roosevelt was not informed of the facts until this last moment—a supposition which the present writer finds improbable.

When Roosevelt made up his mind to accomplish an objective he did not worry too much about legality of method. Before any unusual procedure he would ask an opinion from his Attorney General, Philander Knox, but Knox rather admired Roosevelt's way of overriding his advice. Once, when asked for his opinion, he replied, "Ah, Mr. President, why have such a beautiful action marred by any taint of legality?" Another close adviser, Admiral Mahan, when asked by Roosevelt how to solve the political problem of annexing the Hawaiian Islands, answered, "Do nothing unrighteous but . . . take the island first and solve afterward." It may be that the problem of Perdicaris seemed susceptible of the same treatment.

The opportunity was irresistible. Every newspaperman who ever knew him testified to Roosevelt's extraordinary sense of news value, to his ability to create news, to dramatize himself to the public. He had a genius for it. "Consciously or unconsciously," said the journalist Isaac Marcosson, "he was the master press agent of all time." The risk, of course, was great, for it would be acutely embarrassing if the facts leaked out during the coming campaign. It may have been the risk itself that tempted Roosevelt, for he loved a prank and loved danger for its own sake; if he could combine danger with what William Allen White called a "frolicking intrigue," his happiness was complete.

Next day, June 22, the memorable telegram, "This Government wants Perdicaris alive or Raisuli dead," flashed across the Atlantic cable over Hay's signature and was simultaneously given to the press at home. It was not an ultimatum, because Hay deliberately deprived it of meaningfulness by adding to Gummere, "Do not land marines or seize customs without Department's specific instructions." But this sentence was not allowed to spoil the effect: it was withheld from the press.

At Chicago, Uncle Joe Cannon, the salty perennial Speaker of the House, who was convention chairman, rapped with his gavel and read the telegram. The convention was electrified. Delegates sprang upon their chairs and hurrahed. Flags and handkerchiefs waved. Despite Hay's signature, everyone saw the Roosevelt teeth, cliché of a hundred cartoons, gleamingly whitely behind it. "Magnificent, magnificent!" pronounced Senator Depew. "The people want an administration that will stand by its citizens, even if it takes the fleet to do it," said Representative Dwight of New York, expressing the essence of popular feeling. "Roosevelt and Hay know what they are doing," said a Kansas delegate. "Our people like courage. We'll stand for anything those two men do." "Good hot stuff and echoes my sentiments," said another delegate. The genius of its timing and phrasing, wrote a reporter, "gave the candidate the maximum benefit of the thrill that was needed." Although the public was inclined to credit authorship to Roosevelt, the Baltimore Sun pointed out that Mr. Hay too knew how to make the eagle scream when he wanted to. Hay's diary agreed. "My telegram to Gummere," he noted comfortably the day afterward, "had an uncalled for success. It is curious how a concise impropriety hits the public."

After nominating Roosevelt by acclamation, the convention departed in an exhilarated mood. In Morocco a settlement had been reached before receipt of the telegram. Raisuli was ready at last to return his captives. Mounted on a "great, grey charger," he personally escorted Perdicaris and Varley on the ride down from the mountains, pointing out on the way the admirable effect of pink and violet shadows cast by the rising sun on the rocks. They met the ransom party, with thirty pack mules bearing boxes of Spanish silver dollars, halfway down. Payment was made and prisoners exchanged, and Perdicaris took leave, as he afterward wrote, of "one of the most interesting and kindly-hearted native gentlemen" he had ever known, whose "singular gentleness and courtesy . . . quite endeared him to us." At nightfall, as he rode into Tangier and saw the signal lights of the American warships twinkling the news of his release, Perdicaris was overcome with patriotic emotion at "such proof of his country's solicitude for its citizens and for the honor of its flag!" Few indeed are the Americans, he wrote to Gummere in a masterpiece of understatement, "who can have appreciated as keenly as I did then what the presence of our Flag in foreign waters meant at such a moment and in such circumstances."

Only afterward, when it was all over, did the State Department inform Gummere how keen indeed was Perdicaris' cause for appreciation. "Overwhelmed with amazement" and highly indignant, Gummere extracted from Perdicaris a full, written confession of his forty-year-old secret. He admitted that he had never in ensuing years taken steps to resume American citizenship because, as he ingenuously explained, having been born an American, he disliked the idea of having to become naturalized, and so, "I continued to consider myself an American citizen." Since Perdicaris perfectly understood that the American government was in no position to take action against him, his letter made no great pretension of remorse.

Perdicaris retired to England for his remaining years. Raisuli duly became governor of the Tangier districts in place of the false-hearted Bashaw. The French, in view of recent disorders, acquired the right to police Morocco (provoking the Kaiser's notorious descent upon Tangier). The Sultan, weakened and humiliated by Raisuli's triumph, was shortly dethroned by a brother. Gummere was officially congratulated and subsequently appointed minister to Morocco and American delegate to the Algeciras Conference. Sir Arthur Nicolson took "a long leave of abesnce," the Wazan brothers received handsomely decorated Winchester rifles with suitable inscriptions from Mr. Roosevelt, Hay received the Grand Cross of the Legion of Honor, and Roosevelt was elected in November by the largest popular majority ever before given to a presidential candidate.

"As to Paregoric or is it Pericarditis," wrote Hay to Assistant Secretary Adee on September 3, "it is a bad business. We must keep it excessively confidential for the present." They succeeded. Officials in the know held their breath during the campaign, but no hint leaked out either then or during the remaining year of Hay's lifetime or during Roosevelt's lifetime. As a result of the episode, Roosevelt's administration proposed a new citizenship law which was introduced in Congress in 1905 and enacted in 1907, but the name of the errant gentleman who inspired it was never mentioned during the debates. The truth about Perdicaris remained unknown to the public until 1933, when Tyler Dennett gave it away—in one paragraph in his biography of John Hay.

(NOTE.—Barbara W. Tuchman, the wife of a New York City physician, contributes to several journals of opinion and is the author of three books, the most recent being The Zimmermann Telegram, published last year by the Viking Press.)

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERFERENCE WITH CIVIL RIGHTS

The Senate resumed the consideration of the bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

Mr. TALMADGE. Mr. President, earlier in the day I referred to Andrew Johnson's veto message on similar force legislation immediately following the War Between the States. I call attention to some of his remarks that I find especially appropriate relating to this particular pending measure.

Referring to the rights of individual States under the Constitution to make, amend, and execute their own laws, President Andrew Johnson said:

> They certainly have not succeeded in preventing the commission of all crimes, nor has that been accomplished anywhere in the world. There, as well as elsewhere, offenders sometimes escape for want of vigorous prosecution, and occasionally perhaps by the inefficiency of courts or the prejudice of jurors.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield to my friend from Louisiana, the distinguished majority whip.

Mr. LONG of Louisiana. Mr. President, I ask the Senator from Georgia whether he agrees with me that this particular message is one of the most courageous statements ever made by an official in the public service of this country.

Mr. TALMADGE. I could not agree more. As a matter of fact, it almost obtained his impeachment, as the aftermath of the venom, the fury, and the hatred of the country generally toward the people of the Southern States.

We are living in somewhat the same kind of era at the present time, but, thank God, it is not as bad.

Mr. LONG of Louisiana. I ask the Senator if it is not true that after Andrew Johnson was impeached by the House of Representatives—in large measure because he had the courage to veto that reconstruction act—and went back to his home State of Tennessee, was subsequently elected Senator, from Tennessee, and returned, that was the first time in history of the Senate that, contrary to the rules, the Senate gave a Senator a standing ovation when he came in to take his oath.

Mr. TALMADGE. That is true. I call the attention of the Senator to the fact that the late President Kennedy selected Andrew Johnson as the subject of one of the articles for his book "Profiles in Courage."

Mr. LONG of Louisiana. I think it may safely be said that there was a man who, in effect, committed political suicide by standing up for what he considered right.

Mr. TALMADGE. I agree. Would that we had more examples today of that type of political courage.

President Andrew Johnson pointed out that this, of course, could be said of any part of the world or any part of the country, but to try to correct these ills by force legislation of the type now before the Senate is just as bad as the problems the legislation is attempting to remedy.

On the question of whether or not such force legislation is prohibited by the Constitution, or whether Congress can enact such a law, President Andrew Johnson said this:

> We have no right to do, in one place more than another, that which the Constitution says we shall not do at all.

I wish to emphasize and reiterate those words of President Andrew Johnson:

> We have no right to do in one place more than another, that which the Constitution says we shall not do at all.

I submit, Mr. President, that we have no right to enact a special law for the protection of special people in carefully selected States of the Union. We do not have the right to enact special laws anywhere, at any time.

Mr. President, I find President Andrew Johnson's veto message appropriate in many respects to what we are faced with today.

Mr. LONG of Louisiana. Mr. President, will the Senator yield at that point?

Mr. TALMADGE. I am delighted to yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, I ask the Senator from Georgia whether it is not correct that if there is one thing more than any other that, domestically, the people of this country want us to do, it is to pass a law to protect the civil rights of 200 million Americans, be they Negro or be they white, no matter what their color may be; that the people want us to pass a law—or to have a constitutional amendment, if need be—to do something to keep people like Stokely Carmichael and Rap Brown from going around accusing all the American people of being a bunch of murderers and assassins, which we are not, accusing us of being international criminals, which we are not, stirring up people to commit acts of violence against the laws of their States and their cities, and setting those mobs off to do the mischief that we find such great difficulty in restraining.

I further ask the Senator whether he knows of anything in this proposed bill that would do anything to stop people like Rap Brown and Stokely Carmichael from doing those awful things they have been doing up to now?

Mr. TALMADGE. No. On the contrary, the bill reads as if it might have been drafted either by them or by some of their legal department. I will point out to the Senator why. On page 7, under section 245, Interference with civil rights, at line 3, it reads:

> Whoever, whether or not acting under color of law.

That means that the police department of every municipality, the sheriff's office of every county of every State in the

Union, the State militias of all of the 50 States, and the Armed Forces of the U.S. Government, might be called out by the legally constituted authority, which can be the mayor, the chief of police, the sheriff of the county, the governor of the State, or the President of the United States.

Then, if those law enforcement officers proceed to try to put down a mob by force of arms and some citizen is shot down on a public street or sidewalk, the pending measure, if it is enacted into law, would immediately come into play. And if there is a diversity of race or religion between one of the rioters and a law enforcement officer or a sheriff's deputy or a member of the State militia, the U.S. Army, Marine Corps, Air Corps, or Navy, the law would immediately come into play.

Of course, as the Senator knows, if one of the rioters were to get hit with a rifle butt and a little blood were drawn, the man who wields the rifle butt would be subject to imprisonment for 10 years and a fine of $10,000.

The pending measure is designed not to stop Stokely Carmichael or Rap Brown or any rioter, but it will aid the rioters. It will throw a further damper on law enforcement officers who are already complaining as the Senator knows.

Some of the people in Detroit are hollering "police brutality." They did the same thing in Newark and in other areas. Instead of yelling "police brutality," all they would have to do under the pending measure would be to indict the police officer, prosecute him, and convict him when all he was doing was enforcing the law and trying to put down a riot.

Mr. LONG of Louisiana. Mr. President, did the Senator read some of the news reports about the event that happened in Louisiana last year when a group announced that they were going to march from Bogalusa to the State capital at Baton Rouge?

Mr. TALMADGE. I did.

Mr. LONG of Louisiana. Is the Senator aware of the fact that the Governor announced that he was going to protect the rights of these people and see that nobody disturbed or hurt them?

Mr. TALMADGE. I am.

Mr. LONG of Louisiana. The Governor called out the State police and the militia in order to protect them, even though white men had to fight white men to protect the marchers.

The Governor announced that when they reached the State capitol and were accorded the right of speaking from the capitol steps, if Rap Brown or Stokely Carmichael or one of that group said anything to incite those people to start shooting, burning, or destroying public property or deny somebody his civil rights, he was going to personally arrest him. He also said that he was going to have the State police and the militia arrest the whole gang. That is how that matter was broken up.

Under the pending measure, if the Governor had walked in and arrested a fellow the moment he got the crowd riled up to burn down the city, would not every officer and State police or even the National Guard or members of the U.S. Army who might help in the arrest be subject to imprisonment for 10 years and a fine of $10,000 if the court were to rule that they acted too soon?

Mr. TALMADGE. The Senator is correct. Page 7, section 245, reads:

> . . . knowingly injures, intimidates, or interferes with . . .

It could be stated that the Governor of Louisiana when he made that statement intimidated Stokely Carmichael or Rap Brown. The language also says, "or interferes with." Certainly the Governor of Louisiana interfered with Stokely Carmichael and Rap Brown when he stated he was going to arrest them if they incited people to riot and shoot other people.

The Senator from Louisiana is an able lawyer. I do not know what intimidate means in this bill. Some people say that Senators have been intimidated by Presidents concerning the way in which they vote. If the pending measure becomes law, perhaps the President will be subject to some penalty for intimidating Senators or Representatives.

No President has ever tried to intimidate the Senator from Georgia. However, I have heard it charged and alleged on many occasions that Members of Congress have been intimidated or coerced and that sometimes their arms have been twisted.

If the pending measure becomes law, it might even reach the President. I do not know what "interferes with" means in this bill.

I have been interfered with a lot of times. I never did think, however, that someone's interference was particularly a ground for trying to put him in jail if he did not happen to have the same color or religion or national origin that I have.

When I was speaking earlier in the day, the distinguished Senator from South Dakota [Mr. McGovern] and one of the clerks were standing in the doorway. If I had walked out of the door of the Senate Chamber, they would have been interfering with my exit. And if I had moved in and pushed them aside, I would have been interfering with their standing in the Senate Chamber doorway. Perhaps the measure would even affect Senators.

Mr. LONG of Louisiana. Could it not be contended that merely because a Senator takes the floor of the Senate and makes a speech, he is interfering with the civil right of some other Senator who wants to vote and get on with the matter and does not want to hear another speech?

Mr. TALMADGE. The Senator is correct. Sometimes we have had a row on the floor of the Senate when several Senators have addressed the Presiding Officer at the same time and the Presiding Officer, in the exercise of his duty and responsibility under the Senate rules and under the Constitution, recognized a particular Senator. I have seen acrimony on the floor of the Senate. Some Senator would contend that he should have been recognized rather than the Senator that the Presiding Officer recognized.

Those Senators were interfered with and they demonstrated it, sometimes rather violently, on the floor of the Senate.

Mr. LONG of Louisiana. Has not the Senator had the experience of being the Governor of his great State of Georgia?

Mr. TALMADGE. I have had that honor.

Mr. LONG of Louisiana. And it has been on more than one occasion.

Mr. TALMADGE. The Senator is correct, in two terms.

Mr. LONG of Louisiana. If the Senator from Georgia were serving in his old capacity as Governor of the State of Georgia, he would be the chief law enforcement officer of that State.

Mr. TALMADGE. I would and was.

Mr. LONG of Louisiana. Assuming that these people started to stir up trouble and the Governor foresaw the prospect of a riot and the danger of the great city of Atlanta being burned, I assume that the Governor would call out the National Guard, since they would be under his jurisdiction.

Mr. TALMADGE. The Senator is correct.

Mr. LONG of Louisiana. If the Governor would tell them to go out and put down the riot, is it not correct that the pending measure would provide that even though those men are soldiers and operating under the orders of their Governor, they would not be protected if they interfered with Rap Brown?

Mr. TALMADGE. Not only if they interfered with Rap Brown, but if they hit Rap Brown with an open hand while he was causing people to riot and drew a little blood, they could be sent to jail for 10 years and fined $10,000.

Mr. LONG of Louisiana. Those boys are not lawyers and do not understand the law.

Mr. TALMADGE. The Senator is correct. They could even be court martialed if they did not obey the order. They could be sent to the Federal penitentiary if they do obey the order. The pending measure would place them in a strange predicament.

Mr. LONG of Louisiana. Mr. President, does the Senator think it is fair to state to a fellow who is trying to do his duty and do what is right as the good Lord gave him the ability to do so, that he should do a certain thing, even though that he will be in trouble if he does it and he will be in trouble if he does not.

Mr. TALMADGE. I do not think it is fair at all.

Mr. LONG of Louisiana. If some young fellow joins the police force and tries to do his duty and obeys the orders of his superior, he can go to jail for 10 years and be fined $10,000 for doing so.

Mr. TALMADGE. The Senator is correct. The firemen in Detroit were doing their duty, and some of them were shot down while they were trying to put out fires that arsonists had set.

The firemen would not be protected at all under the pending measure, but the rioters would be protected.

Mr. LONG of Louisiana. If a fireman in trying to put out a fire erroneously grabs hold of the wrong person, thinking that one man had set the fire, would he not be subject to imprisonment for 10 years and a fine of $10,000 because he was trying to obey his orders?

Mr. TALMADGE. Provided he is of a

different color, different religion, and different national origin. Presumably if both of them were Baptists, the law would not be applicable. However, if one were a Methodist and another were a Presbyterian, the law would come into play.

If one was white and the other was yellow or black, the law would come into play.

If one was born in Great Britain and the other was born in America, the law would come into play. However, if all parties involved were of the same race, religion, and national origin, the law would not come into play.

Mr. LONG of Louisiana. Does not the law have something to do with public officials seeking to guarantee equal protection under the law in the event someone interferes with him, even though there is no difference in race or religion or national origin.

Would that not provide for a situation in which, even though there is no difference in race, some poor fellow trying to do his duty under law could again be imperiled and be required to act without any protection of law, and subject to the severe penalties provided under this bill.

Mr. TALMADGE. I agree with the Senator.

I thank the Senator from Louisiana for his contribution in demonstrating to the Senate, and I hope to the country, the inequities of this bill.

Mr. President, I have previously stated the principal features that are wrong with this bill. First, it seeks to create a new Federal criminal code relating to matters that are already punishable by municipal ordinances and by State authority, and to create a far-reaching Federal criminal code which would create vague, new, indefinite crimes.

What constitutes the crime of "intimidates"?

What constitutes the crime of "interferes with or attempts to injure"?

Those terms, Mr. President, are so vague and so indefinite that no court, no grand jury, no prosecuting attorney, no sheriff, no law enforcement officer under the sun could determine their significance. Yet, that would be a part of the criminal code of our country.

Mr. LONG of Louisiana. Is the Senator aware of any other well-known law which makes it a crime to interfere?

Mr. TALMADGE. I have never heard of it. It does not even say what one is interfering with or how he is going to interfere.

Mr. LONG of Louisiana. Is it not possible that almost anything could be regarded as an interference?

Mr. TALMADGE. Back in my more youthful days, two boys would sometimes be courting the same young lady, and one of them would try to court her to the exclusion of the other. He was certainly interfering with the other boy's right to court that lady, and I would not want to make it a Federal crime.

Mr. LONG of Louisiana. If the race issue became involved, is it not possible that some person might be subject to prosecution and found guilty, under the law, merely because he was in love with the girl and somebody of a different race was in love with her?

Mr. TALMADGE. Exactly—and he tried to interfere.

Mr. LONG of Louisiana. Tried to marry her.

Mr. TALMADGE. That is correct.

Mr. LONG of Louisiana. Proposed that she should join him in wedlock.

Mr. TALMADGE. The Senator is eminently correct.

Mr. LONG of Louisiana. Can the Senator state with certainty that that would not be interference with that man's right to equal protection under the law?

Mr. TALMADGE. In terms of this bill, it probably would, and it would cause him to be subject to prosecution. If they got into a fistfight and a litle blood was drawn, he could be sent to the penitentiary for 10 years and fined $10,000.

Mr. LONG of Louisiana. Mr. President, it occurs to me that when one thinks in terms of breach of promise, that has been regarded as an appropriate court action in some cases, and that might become involved in this situation.

For example, let us say a young lady is being courted by someone of a different religion or a different race, and the parents of that young lady do not want her to marry someone of a different religion or a different race, as the case may be, and they try to persuade the young lady not to marry him but to marry someone of her own religion.

Mr. TALMADGE. Under those conditions, they would be staring the Federal penitentiary squarely in the eye.

Mr. LONG of Louisiana. Does the Senator believe that anybody in this country has any idea that situations such as that may be involved in this bill?

Mr. TALMADGE. I do not.

The press and other news media of this country have been derelict in the performance of their duty, in not letting the American people know—all 200 million of them—what is in this bill. We read a little article that was written about it. It is referred to as a simple civil rights bill. That is all they say. The Senator and I know it is not simple when a new Federal criminal code is sought to be created for the Nation, based on vague and indefinite terms and theoretical ideas, when we have no law, no tradition, no history, no legal foundation for them.

Instead of making the law and the bill and the act apply to every American citizen—all 200 million of them—it just applies to some citizens, sometimes, in cases, in some situations, when the religion is different, when the race is different, and when the national origin is different. That is what this bill is all about.

Mr. LONG of Louisiana. Mr. President, we have had violations of one's civil rights about which the people of this Nation are concerned. So far as I can see, the people of this Nation would not be helped by this bill one way or the other.

I should like to relate to the Senator a situation that occurred in my hometown. After Stokely Carmichael got through making his speeches advocating sedition, that the people rise up against their Government—treason and sedition—those seeds fell in some soil where they sprouted. In most instances, people ignored them. However, in two instances they took effect, with the result that some Negro citizens threw brickbats at cars moving on the interstate highway. In one situation, they would stand on a street corner and throw brickbats, rocks, and stones at automobiles that passed. Eventually, a boy was passing by on a motorcycle, and someone hit him in the head with a rock and killed him. Those people ran away.

The point is that that kind of mischief, stirred up by the Browns and Carmichaels, was responsible for the boy being killed.

Is that not the kind of situation about which the American people want something done?

Mr. TALMADGE. It is. But that would not be covered in this bill, unless they happened to be of a different race, a different religion, or a different national origin. Nothing in the bill affects a riot. They can riot on the streets as much as they wish, and this bill would not deter them in any way.

The floor manager of the bill, the distinguished Senator from Michigan, so stated. He made a statement and inserted it in the Record 2 days ago, if my memory serves me correctly.

Mr. LONG of Louisiana. May I suggest to the Senator that we should agree to amendments as a substitute for this bill, so that, in terms of civil rights, we could pass a bill, if one must be passed, which would help to make every person more secure in his home and more safe from assault from the outside, would make every mother safe in her functions and her duties toward her children, would make every father secure with his family, in seeking to provide them with the necessities of life, and would make every American, regardless of race, creed, or color, completely secure in the rights he is entitled to enjoy, against the troublemakers, agitators, and arsonists who would kill people and burn their homes down and destroy their places of business.

Mr. TALMADGE. I agree with the Senator. They incite the riots and create the enormous crime wave going on in the country at the present time.

Mr. LONG of Louisiana. Mr. President, it might be well if the Senator continued his speech at a later date; and if the Senator would agree to this, I would move that the Senate stand in adjournment at this time, under the previous order.

Mr. TALMADGE. I am willing to yield at this time.

ADJOURNMENT

Mr. LONG of Louisiana. Mr. President, I move, in accordance with the order previously entered, that the Senate stand in adjournment until 12 o'clock meridian tomorrow.

The motion was agreed to; and (at 5 o'clock and 9 minutes p.m.) the Senate

adjourned until tomorrow, Friday, February 2, 1968, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate February 1, 1968:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Thomas O. Paine, of California, to be Deputy Administrator of the National Aeronautics and Space Administration, vice Robert C. Seamans, Jr., resigned.

CONFIRMATION

Executive nomination confirmed by the Senate February 1, 1968:

DEPARTMENT OF COMMERCE

William H. Chartener, of New York, to be an Assistant Secretary of Commerce.

HOUSE OF REPRESENTATIVES—*Thursday, February 1, 1968*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

With God all things are possible.—Matthew 19: 26.

Eternal Father, amid the encircling gloom of our anxious days enter Thou our hearts, lift us up, lead us on, light the way, and give us courage to go forward with Thee. In this high hour, preserve us, O God, for in Thee do we put our trust.

Hear us as we pray for all those in positions of influence in our Government that they may make wise decisions and choose right paths for our Nation. Guide our President, our Speaker, these Representatives of our people, and all who work beneath this dome of our national life that in Thy strength they may be made strong, with Thy wisdom may they be made wise, and by Thy good spirit may they, too, be good.

Give us the assurance that with Thee all good things are possible, even in the tough troubles of these trying times. Help us, O God, help us this day and forevermore.

In the name of the Master of all good workmen we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the House by Mr. Geisler, one of his secretaries, who also informed the House that on January 30, 1968, the President approved and signed bills of the House of the following titles:

H.R. 827. An act to amend the Presidential Inaugural Ceremonies Act.

PRESIDENT'S MESSAGE ON VETERANS' AFFAIRS

Mr. STUBBLEFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. STUBBLEFIELD. Mr. Speaker, I am impressed by the eloquence of the President's message on veterans' affairs and by its imaginativeness and constructiveness. It is a comprehensive and workable plan for assuring that our returning servicemen are able to resume civilian life with full opportunity, adequate financial resources, good housing, and good health.

It is also a plan whereby the young men of today—tempered by battle perhaps and shaped by the experience that can only be gained in uniform—may be educated, trained, and motivated to be the leaders of this great Nation tomorrow.

America has shown its enlightenment for many years by the quality and the abundance of the help it has given its veterans. It would be hard to imagine what our country would be like today if the veterans of World War II and Korea had not had the GI bill. A whole generation of veterans was educated and trained under this remarkable program.

The men and women who received this benefit were able to acquire knowledge and skills that would have been impossible for many of them and their lives have been enriched and made meaningful. But the veteran did not receive the total benefit of this program. Many of the leaders of America today were GI bill students and the impact the bill has had on our Nation in incalculable.

The same may be said of the GI housing program, medical benefits, job benefits, and other provisions of legislation passed to help the veteran.

Lyndon B. Johnson called for veterans legislation on the floor of the House of Representatives more than 20 years ago in a speech in which he said it is America's responsibility to see to it that "the veteran may return to his community as a free, upstanding, and self-reliant citizen."

Today in asking for improvements on our handling of veterans' affairs and in the benefits provided our veterans, he reiterated his earlier statement.

The President knows and our people know that we can never repay the veteran for his service and his sacrifice. But they know that we must try and that the success of veterans programs has been a brilliant page of our Nation's history within the post-World War II period.

Let us continue that success.

LEGISLATION ROADBLOCK

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, this is February 1. A little over 2 weeks ago this session of Congress was convened. Already I can detect an air of defeatism on the part of many Members, because I have heard from some influential Members that it is too late in this session to introduce and pass legislation. Just yesterday I was visited by a group of National Guard employees who reported that they had been advised by many Members of the other body that it was "too late" to introduce legislation with the hope of having it passed this year. I cannot think of anything worse than to say that here in the third week of this session of Congress it is too late to introduce and pass legislation that is needed. I have suggested some legislation, and I do not intend to introduce it until I can at least get some encouragement that it will be considered and that some action will be taken to curb the Supreme Court and the Federal courts in the usurpation of legislative powers. In this matter of redistricting the Congress has not acted in giving a guideline to the Supreme Court. This needs to be done this year instead of waiting until next year or some future year for that to be done.

AMERICAN PEOPLE WAITING FOR THE PRESIDENT TO TAKE ACTION IN RESPONSE TO PIRATING OF THE U.S.S. "PUEBLO" AND THE KIDNAPING OF 83 AMERICAN SERVICEMEN

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. DICKINSON. Mr. Speaker, for the past 10 days I, along with all of the American people, have been waiting for the President to take some action in response to the pirating of the U.S.S. *Pueblo* and the kidnaping of 83 American servicemen.

With each passing hour our opportunity to act effectively has lessened and the hope of vindication of this outrage and the release of our men and property has dimmed. Today I feel as nearly all Americans feel—bewilderment, frustration, and outrage.

I ask the question on everyone's mind and lips when I say, "Why don't we do something? Why isn't something effective being done—or at least attempted?"

The mail brings increasing demands that the President, the Congress, or someone do something.

President Truman made a decision in 1945—the hardest decision anyone has ever made, but he made it. In 1958 President Eisenhower acted decisively and landed marines in Lebanon to protect our interests. President Kennedy acted with firmness and resolve when he faced the missile crisis in Cuba.

What does this administration do when we are faced with this deliberate act of aggression? We call on Russia for help. They turn us down, naturally. Then we call on the United Nations—another futile gesture. Who are we going to ask for help next—Castro? Mao Tse Tung? Ho Chi Minh?

The American people expect the President of the United States to speak in a loud clear voice and in terms that the North Koreans can understand—and to do anything and everything necessary to secure the return of our ship intact and our men unharmed. There can be no compromise on this. A failure to do so on his part and I am sure the American people will speak in a loud clear voice next November that he can understand.

SECRETARY BOYD'S RESIGNATION CALLED FOR

Mr. PELLY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, Helen Delich Bentley, maritime editor of the Baltimore Sun, said in this morning's edition that Secretary of Transportation, Alan S. Boyd, in a transportation forum in New York yesterday, hinted that the sharp cutbacks in appropriations in the recent budget requests of President Johnson could be the result of the industry's fight to keep the Maritime Administration out of the Department of Transportation. According to this, Mr. Boyd said although the steamship industry has claimed in the past that things could not be worse, now maybe they will think better about it.

To me, Mr. Speaker, Mr. Boyd's statement was an unabashed admission that the cut in the Maritime budget was a blackjack operation. To jeopardize the Nation's economy and defense posture in a vindictive punitive action—after the House had voted 326 to 44 in support of an independent agency rather than yield to the administration—is sufficient justification for Mr. Boyd's resignation.

Mr. Boyd has stubbornly insisted that American ships be built in foreign yards. He has no background in maritime matters. No one in industry or Congress has any confidence in him.

The only thing I know that might persuade some Members of Congress to support the administration proposal to transfer Maritime—and I doubt even this—would be a new construction shipbuilding program of at least 25 ships a year and Mr. Boyd's resignation. He should resign.

THE PRESIDENT'S SPECIAL MESSAGE ON VETERANS' AFFAIRS

Mr. CONABLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CONABLE. Mr. Speaker, the special message on veterans affairs which we received from the President earlier this week contained a number of interesting proposals which I am confident will receive the careful attention of the Congress.

The special incentives for training in public service positions are designed to aid those veterans of our present conflicts as well as meet crying domestic needs in fields of health, education, and public safety. More realistic levels on home loan guarantees are also recommended. The message recognized, too, the plight of veterans currently receiving pensions which may be substantially reduced or terminated by slight increases in their incomes. The House has already acted to alleviate that problem and hopefully the Senate will support our position on this.

These are modest, yet significant proposals in keeping with the Nation's commitment to those who serve during times of military conflict. Despite the controversy which swirls about our present military policies, each of us desires the Nation's full support for those who are committed to service in behalf of our country.

SALUTE TO A STATESMAN

Mr. MAYNE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. MAYNE. Mr. Speaker, day after tomorrow, February 3, in his birthplace of Cherokee, Iowa, a distinguished American will reach his 89th birthday.

I refer to the Honorable Guy Gillette, who came to this House in the 73d Congress following the election of 1932 to represent 13 counties which made up the then Ninth District of Iowa, 12 of which are now included in the present Sixth District which I have the honor to represent.

After distinguished service in the House in the 73d and 74th Congresses, Guy Gillette was elected to the U.S. Senate, once in 1936 for a short term and twice later for full terms, his final departure from the Senate coming in January of 1955.

Guy Gillette was the very picture of a Senator of the United States, tall, imposing, with the head of a Roman tribune. And with his presence was combined intellect, humanity, and grace.

He was a member of the Senate Foreign Relations Committee, and as such was an influence in the discussions that led to the United Nations Charter. During a 4-year absence from the Senate, Presidents Roosevelt and Truman kept him active on important assignments related to his senatorial experiences.

Although Senator Gillette suffered a very serious illness last fall, I have had the pleasure of visiting with his son Mark, and am happy to report that the Senator is progressing nicely and is convalescing from his illness at the Sioux Valley Nursing Home in Cherokee. He is alert and active and continues his unfailing interest in good government through extensive reading and correspondence.

All Iowans are deeply grateful for the tremendous service which Guy Gillette rendered our State and Nation during his public life.

We are also justifiably proud of the prestige which his personal reputation and achievements have brought to the Hawkeye State. And we are happy to join in paying tribute to him again as this great American reaches the threshold of his 90th year. It gives me great pleasure to wish Senator Gillette a very happy birthday on Saturday, February 3.

CALL OF THE HOUSE

Mr. PELLY. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER.** Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 11]

Broomfield
Cabell
Cederberg
Celler
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Corbett
Cramer
Dawson
Diggs
Dingell
Dorn
Erlenborn
Fountain
Giaimo
Gibbons
Halleck
Hansen, Idaho
Hansen, Wash.
Karsten
Kupferman
Lipscomb
Long, Md.
McClory
McFall
Macdonald, Mass.
Mayne
Mills
Mink
Monagan
Moorhead
Moss
Passman
Pike
Pryor
Resnick
Rhodes, Ariz.
Robison
Rosenthal
Rumsfeld
St. Onge
Schwengel
Shriver
Smith, Iowa
Taft
Talcott
Teague, Tex.
Whalen

The **SPEAKER.** On this rollcall 379 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 238)

The **SPEAKER** laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Joint Economic Committee and ordered to be printed with illustrations:

To the Congress of the United States:

Most Americans see the economy in terms of a particular job or farm or business. Yet the welfare of each of us depends significantly on the state of the economy as a whole.

It was never more necessary for all Americans to try to see the whole economy in perspective—to realize its achievements, to recognize its problems, to understand what must be done to develop its full potential for good. For, as a people, we face some important choices.

A TIME FOR DECISIONS

Seldom can any single choice make or break an economy as strong and healthy as ours. But the series of interrelated decisions we face will affect our economy and that of the whole free world for years to come.

We face these hard decisions with a confidence born of success. Our economy has never been stronger and more vigorous than during the 1960's.

Our achievements demonstrate that we can manage our economic affairs wisely—that we can make sound choices.

If we now choose responsibly, we can look forward—at home—to more years of healthy prosperity, and of social and economic progress.

If we choose responsibly, and our friends abroad cooperate responsibly, we and they can look forward in confidence to the continuing smooth and rapid expansion of the mutually rewarding international exchange of goods and services.

But if we temporize—try to avoid the hard choices before us—we will soon discover that we have even more difficult choices to make. In six months or a year, we could find our prices and interest rates rising far too fast. In a few months we and our friends abroad could face new uncertainty and turbulence in international financial affairs.

If we wait for the problems to become acute and obvious, then everyone will be ready to act. By then, the tasks could well be much harder. In the coming weeks and months we must choose

Whether we will conduct our fiscal affairs sensibly; or whether we will allow a clearly excessive budgetary deficit to go uncorrected by failing to raise taxes, and thereby risk a feverish boom that could generate an unacceptable acceleration of price increases, a possible financial crisis, and perhaps ultimately a recession;

Whether as businessmen and workers we will behave prudently in setting prices and wages; or whether we will risk an intensified wage-price spiral that would threaten our trade surplus and the stability of our economy for years to come;

Whether we will act firmly and wisely to control our balance-of-payments deficit; or whether we will risk a breakdown in the financial system that has underpinned world prosperity, a possible reversion toward economic isolationism, and a spiraling slowdown in world economic expansion;

Whether we will move constructively to deal with the urgent problems of our cities and compassionately to bring hope to our disadvantaged; or whether we are willing to risk irreversible urban deterioration and social explosion.

I know that Americans *can* face up to the tasks before us—that we *can* run our economic affairs responsibly. I am confident that we *will* take timely action to maintain the health and strength of our economy and our society in the months and years ahead.

THE RECORD AND PROBLEMS OF PROSPERITY

The year 1967 was one of uncertainties and difficulties both in our external and our internal economic affairs. Yet there were reasons for confidence as well as concern, both internationally and domestically.

1967—A YEAR OF READJUSTMENT AT HOME

For the domestic economy, 1967 was a year of readjustment—after the strains of 1966.

Growth in the first half was at an annual rate of only a little over 1 percent, after correction for price increases. But vigorous growth resumed in the second half—at a yearly rate of around 4½ percent.

Last year had to be a year of readjustment because our economy began the year out of balance. Inventories were excessive, housing was in a slump, and business spending on new plant and equipment threatened to drop away from a level that seemed too high to be sustained.

Those imbalances no longer exist. That is why our economy is again advancing so strongly.

Because readjustments were necessary, the gains of 1967 were not as great as were those of 1966, nor as those anticipated for 1968. Yet it was a year of important economic progress on most fronts.

During 1967

An additional 1¾ million persons found jobs;

Our unemployment rate, at 3.8 percent, matched that of 1966 and was lower than in any previous year since 1953;

Average earnings of factory workers rose by $4.80 a week;

Total employee compensation rose $33 billion;

Farm proprietors' net income dipped, but by yearend had returned to the level of a year earlier;

Total consumer income after taxes climbed $35½ billion;

Industrial production, after dropping almost 2½ percent, recovered by December to a new all-time peak; and

The annual rate of housing starts rose a half million.

During 1967, prices also advanced—more than we would have wished. Even so, real purchasing power per capita available to consumers after taxes rose 3 percent.

1967—A YEAR OF EXTERNAL PROBLEMS AND PROMISE

The U.S. balance-of-payments deficit—a chronic problem since 1957—worsened in 1967 after several years of substantial improvement. In important measure this deterioration reflected the fears and uncertainties surrounding the devaluation of the British pound in November.

The same uncertainties also fed a massive wave of private speculation against gold late in the year. This subsided only after the United States and other countries in the "gold pool" demonstrated their determination—backed by the use of their monetary reserves—not to allow a change in the price of gold.

In the absence of strong new action by the United States—and by the surplus countries of Western Europe—there was danger that the deterioration of the U.S. payments balance and speculation against gold and currencies might feed upon and reinforce one another in a way that could touch off an international financial crisis in 1968.

Even if the dangers were remote, the grave consequences of such a crisis for the world economy demanded bold and immediate preventive action. It was taken on January 1. The substance of our measures, plans, and priorities is discussed later in this Report.

But 1967 saw progress as well as problems on the international front. For it also brought the culmination of two giant forward steps in world international economic affairs, both long in gestation:

In June, the Kennedy Round of negotiations produced agreement on the single most significant multilateral reduction in world trade barriers in history. It promises further to stimulate the expansion of international trade, already a major source of postwar economic growth throughout the world.

In September, the member nations of the IMF reached agreement on plans to create by deliberate cooperative action a new form of world reserves, supplementing gold and the dollar. Once this plan comes into full operation, the vulnerability of the present system to speculation should gradually fade away, and so should any threat of a possible future strangulation of the growth of world trade and production.

SEVEN YEARS OF EXPANSION

If 1967 stood alone, it would have to be judged a satisfactory year, despite its problems.

But 1967 must not be seen in isolation—rather as the seventh year of the longest and strongest economic expansion in our history. The opening months of 1967 were merely a brief pause in the broad sweep of economic advance.

Over these seven years

Our total real output of goods and services has increased more than 40 percent;

Per capita income after taxes and valued in dollars of constant purchasing power has risen 29 percent;

10 million more people are at work;

More than 12 million Americans have moved above the poverty line.

Over just the past four years

2¼ million more students are in college;

5½ million new homes have been built;

35 million new cars have been sold;

Use of electricity has risen one-third;

5 million more families own stock, 23 million more have savings accounts, and the assets of private pension funds have grown by $40 billion; and

35 percent more Negroes have found professional, technical, and managerial jobs.

Had the path of real output in 1961–67 followed the bumpy path of 1954–60

The Nation's total real output over the past seven years would have been $340 billion lower (valued in today's prices) than it actually was—this cumulative difference is about equal, in real terms, to the Nation's total output in 1942.

The annual rate of output today

(valued in today's prices) would be $120 billion lower than in fact it is—this difference is equivalent to about $1,600 a year per person now employed.

Truly, the American people have enjoyed exceptional economic benefits over these seven years. But these striking benefits confer obligations.

Over this period 8 million more families have achieved yearly incomes above $10,000. They—and the 6½ million who already enjoyed such incomes in 1960—have a special obligation to the more than 10 million households still in poverty.

The seven-year *increase* of $820 in real per capita income (valued in today's prices) exceeds the current *total* average per capita income in nations with 70 percent of the world's population. This fact makes inescapable the obligation of the American people for helping to maintain security and for providing economic assistance to the developing world.

I believe that the American people—whose present affluence would have been beyond the belief of most of us only 20 years ago—accept these obligations. My policies, at home and abroad, continue to be founded on a vision of the opportunities and obligations for the wealthy to help the poor to help themselves.

THE ROLE OF POLICY

It is far more than coincidence that, during these seven years of achievement, fiscal and monetary policy have been actively and consciously employed to promote prosperity.

No longer does Federal economic policy rely primarily on the "automatic stabilizers" built into our system, or wait for a recession or serious inflation to occur before measures are taken.

Fiscal and monetary policies have not been perfectly executed nor perfectly coordinated in the past few years. But our policies have remained under continuous and coordinated review. And our actions have been consistently in the right direction, if not always perfectly timed nor in precisely the right degree.

THE PROBLEMS OF PROSPERITY

Healthy prosperity has brought exceptional gains in production, incomes, and jobs.

But prosperity has not solved all of our economic problems, and it has created some of its own. These are the priority problems facing us in 1968.

1. First and foremost, we must take the necessary steps to put our fiscal affairs in order. Unless we do we shall be unable to deal effectively with the other problems that confront us.

2. We must slow down the wage-price spiral. Although we cannot achieve stability all at once, we must make progress in 1968 toward our goal of reasonable price stability in a steadily growing, high-employment economy.

3. We must push forward vigorously to restore equilibrium in our international accounts. We shall do so in full awareness of our responsibilities to promote and sustain a strong and expanding world economy. And we will enlist the cooperation of all other nations who share those responsibilities.

4. We must deal more effectively with our urban problems. More and more of our people live in cities. Yet cities threaten to become less and less livable—unless we take decisive steps to correct: slum housing; inadequate public services; congestion, noise, and pollution; inadequate transportation; unplanned sprawl; segregation, discrimination, and deficient job opportunities; crime, delinquency, and alienation.

5. We must continue the struggle to expand the opportunities available to every citizen—especially our disadvantaged. They require education, training, and adequate health care to prepare them for useful careers, and freedom from discrimination in finding jobs and housing. Those unable to work need adequate income protection. The war on poverty must go forward.

FISCAL POLICY AND THE OUTLOOK FOR 1968

THE CURRENT ECONOMIC SITUATION

The month-to-month changes of our economic indicators were often puzzling in 1967. But, when seen in perspective, economic developments reveal

A slowdown—though not a decline—in the first half, as we predicted a year ago; and

A strong and sustained recovery in the second half, as we predicted last January and again in August when I renewed my request for a tax increase.

In the second half of last year, the annual rate of our gross national product advanced by $32½ billion. In only one earlier half-year—the second half of 1965—has it advanced by more.

The unemployment rate in December was 3.7 percent. In only 2 months of the last 169 has it been lower.

Factory orders and shipments of durable goods were at an all-time high.

Personal income rose more than $12 billion in November and December.

And, disturbingly, the rate of increase in industrial wholesale prices in the second half of 1967 has been exceeded in only 4 other half-year periods in the past 16 years.

Every prospect is for continued rapid increase of output in the months ahead. Most experienced observers agree that the pace now is—and in the months ahead will be—too fast for safety. The gain in gross national product in the current quarter is generally expected to be one of the largest in our history—a record we could gladly do without at this time.

THE CURRENT FISCAL SITUATION

Following the major tax cuts of 1964 and 1965—equivalent to about $23 billion in today's economy—the booming economy of 1965 and 1966 brought Federal revenues into balance with Federal spending. In both years there was a small Federal surplus on the comprehensive national income accounts basis.

The slowdown in economic growth that began in late 1966 dampened the growth of revenues. At the same time, the cost of our commitment to freedom in Southeast Asia was steadily rising.

As a result, the Federal sector account plunged into deficit—$12½ billion in calendar year 1967.

Sharply rising Federal spending was a strong expansionary force in the economy between mid-1965 and mid-1967. While housing was still recovering from the after-effects of tight money, and private demand was sluggish—during the first half of last year—the stimulus from Federal spending was welcome.

Federal spending has not been growing rapidly since mid-1967, nor will it increase rapidly in the next year and a half. But because of the already high level of defense outlays, total Federal expenditures are too large to be piled on top of *normal* private demand without overheating our economy. It is because private demand has now returned to normal after its temporary weakness that we now need new measures of fiscal restraint.

Without the proposed income tax surcharge and the maintenance of current excise tax rates, the Federal sector deficit on national income account would remain close to the level of 1967.

Unless action is quickly taken to expand Federal revenues, a deficit that largely—in combination with a resurgent private economy—would have these consequences:

It would speed up a wage-price spiral already turning far too rapidly.

It would seriously impair our already difficult international economic position—by damaging confidence in the dollar, and by stimulating imports and putting exports at a competitive disadvantage.

Financing such a deficit would increasingly strain financial markets, pushing interest rates further above present record highs, and threatening another financial squeeze and another slump in homebuilding.

THE ROLE OF FISCAL RESTRAINT

The extraordinary achievements of our economy during the past seven years were made possible by our willingness to use fiscal and monetary policies to stimulate adequate expansion of total demand.

Now, however, restraint is essential to our economic health. High interest rates and tight money can restrain the economy—and will do so if fiscal policy fails to do it. But the cost of monetary restraint is high and unfair, imposed primarily on a single industry—homebuilding.

We must demonstrate that we can use fiscal policies flexibly—that we can raise as well as lower taxes.

I therefore urgently renew my request that the Congress enact a temporary 10-percent surcharge on corporate and individual income taxes.

For corporations, the surcharge would become effective January 1, 1968, and continue through June 30, 1969.

For individuals the surcharge would become effective on April 1. The 10-percent increase in withholding tax would continue through June 30, 1969. Taxpayers in the lower income brackets would be exempted from any surcharge.

The legislation should, as I recommended last year, put all corporations on a fully current payments basis, and extend temporarily the telephone and automobile excise taxes otherwise scheduled to drop on April 1, 1968.

These measures would increase tax

revenues in fiscal year 1968 by $3 billion, and in fiscal year 1969 by $13 billion.

If future circumstances should permit ending the surcharge before June 30, 1969, it can be promptly repealed.

The surcharge of 10 percent on individual income taxes would reduce individual incomes by about 1 percent on the average. With the low-income exemption, the surcharge would add nothing to the taxes of a family of four with an income of $5,000. It would increase the tax bill for a family of four making $25,000 by about 2 percent of income.

Effective Federal tax rates on individual income would still remain, on the average, about 10 percent lower than in 1963.

A tax increase in the form of a surcharge on present taxes has many advantages:

It is simple, requiring no additional administrative expense or inconvenience to the taxpayer;

It preserves the present progressiveness of the system as it applies to middle and upper incomes, and the present division between corporate and personal taxes;

It is easy to identify and repeal when no longer needed.

THE ECONOMIC OUTLOOK WITH THE TAX INCREASE

The fiscal policies I am now proposing will

Accomplish a sharp reduction in the Federal deficit on national income account, and erase it early in 1969;

Encourage balanced economic expansion to continue at a rate appropriate to our rising productive potential;

Permit the unemployment rate to remain below 4 percent for the third straight year;

Allow credit to remain available, without soaring interest rates, to meet the needs of housing and other key areas;

Promote a gradual slowing down of price increases;

In combination with the other measures we are taking, encourage an expansion of our foreign trade surplus.

Even with the surcharge, GNP should increase by some $60 billion, about 7¾ percent. With prices rising more than 3 percent, real output of goods and services in 1968 will be more than 4 percent above 1967.

Consumer purchases and homebuilding activity will rise strongly.

Expenditures to expand and modernize productive capacity will grow at the moderate pace consistent with business needs.

While State and local governments will continue to increase spending at a fairly rapid rate, Federal purchases will grow by less than half as much as in 1967.

There will be further large gains in private incomes, even after higher taxes and prices.

The economic outlook is thus favorable—assuming fiscal restraint is forthcoming. Damage has already been done to interest rates, to our trade surplus, and to the level of prices by the failure of Congress to act last fall. But it is still not too late to avoid far more serious problems if action is taken in the next few weeks.

I again urge the Congress to act promptly on my tax proposals.

PROBLEMS AND PROGRAMS IN OUR INTERNATIONAL ECONOMIC AFFAIRS

THE U.S. BALANCE-OF-PAYMENTS DEFICIT

On January 1, I announced the main elements of our new balance-of-payments program for 1968. That program deals decisively with the threat to the dollar that developed in 1967.

NATURE OF THE PROBLEM

It is important to be clear about the nature of our balance-of-payments problem. The United States has a sizable surplus of exports of goods and services over imports. Our past overseas investments bring in excellent and growing earnings, and our new overseas investments are running at a very high level. There is a small but growing reverse flow of foreign investment here.

We have heavy military expenditures overseas, which are not fully offset by our allies; and our aid program still accounts for a small outflow of dollars.

Our export sales, our investment return, and the inflow of investment from abroad are not large enough to finance our imports, our new investments abroad, and our net Government overseas expenditures.

The difference—the deficit—is financed partly by sales of gold and partly by increased foreign holdings of short-term dollar investments by foreign businesses, banks, individuals, and governments.

The position of the United States in its international economic affairs is thus much like that of a wealthy and prosperous businessman whose liquidity has come under strain.

His commercial operations remain highly successful, with the value of his sales well in excess of his costs.

His large long-term investments in other enterprises are yielding an excellent return, and he sees an abundance of further opportunities for profitable investments that will bring large future returns.

Both his income and his net worth are growing strongly every year. And he does not hesitate to spend freely on the good things of life, while also making large gifts to worthy causes.

But he has been borrowing extensively at short term to help finance his long-term investments. Each year, he adds more to his short-term debts than to his liquid assets. It is in this sense—but only this—that he has an annual deficit. It is a liquidity deficit. It is not a deficit in his profit and loss account, nor an overspending of his income.

Some of his short-term creditors—although not really doubting the strong excess of his assets over his liabilities—are nevertheless getting a bit concerned about continuing to expand—or even to renew—their short-term credits.

Should some of them refuse to renew their loans, his situation could become awkward. Other creditors might become nervous and would rush to present their claims. Financial pressures would extend to other, smaller businessmen with whom he had strong commercial ties, and whose basic positions were less sound.

That man—like the United States—needs to pull back for a while to strengthen his liquidity.

He will want to cut costs and increase sales in his commercial operations.

He will have to pass up for a while many of his attractive opportunities for profitable long-term investments.

He will need to review the terms of his spending and gifts—to ease their impact on his cash position.

Most of all, he wants no doubt to arise about his ability to meet his debts as they come due. He would easily survive a financial crisis with no major impairment of his income or net worth. But some other businessmen who bought from or sold to him could easily be dragged into bankruptcy.

REDUCING THE DEFICIT

Since 1961, the United States has been making a determined effort to reduce its liquidity deficit. Through 1965, steady progress had been made.

In 1966 the deficit held even, in spite of the rising overseas costs of Vietnam. But the deficit increased in 1967—particularly sharply in the fourth quarter—reversing that progress. The instability generated by devaluation of the British pound was responsible for a significant part of the deterioration, but not for all of it.

Overseas defense costs rose despite tight controls on spending.

The net balance of tourist expenditures shifted further against the United States.

Private U.S. capital outflows rose, even though direct investment was held in check by the voluntary program; and foreign capital inflows decreased.

Our trade balance failed to improve as much as we expected, mainly because of the economic slowdown in Europe.

Some of the steps we might consider to reduce our payments abroad—such as reverting to high tariffs or quotas—would reverse long-term policies and, by provoking retaliation, reduce our receipts by as much as or more than our payments. And many of the other things we could do would seriously and irresponsibly harm our domestic economy, friendly countries overseas, or the flow of world trade.

PROGRAM FOR 1968

We have a clear duty to act. And we are taking action—as constructively and responsibly as we can.

DOMESTIC ECONOMIC POLICIES

The avoidance of excessive demand in our economy is crucial to the strength of the dollar as well as to our domestic prosperity.

If we place too much pressure on our resources, U.S. buyers will turn abroad for supplies and our imports will soar. And if our prices rise, we will weaken our export competitiveness and attract even more imports—not just immediately, but for years to come.

That is why the first order of business in defense of the dollar is to pass the tax bill.

We must also exert every effort to avoid the possible destructive effects on our trade surplus of strikes or the threat of strikes in key industries. I urge business and labor to cooperate with the Secretaries of Labor and Commerce in dealing with this danger to our export surplus.

DIRECT BALANCE-OF-PAYMENTS MEASURES

In addition to assuring the health of our economy at home, we must act directly on the key international flows that contribute to our deficit. Our direct balance-of-payments measures are designed to move us strongly toward equilibrium—this year. Some measures are temporary and will be removed as soon as conditions permit. Others are designed for longer range needs. Several will require congressional action.

We have already put into effect

A new mandatory program to restrain direct investment abroad which will reduce outflows by at least $1 billion from 1967.

A tighter Federal Reserve program to restrain foreign lending by U.S. banks and other financial institutions, to achieve an inflow of at least $500 million.

We have begun action to save $500 million on Government expenditures overseas. Negotiations are already underway to minimize the foreign exchange costs of our essential security commitments abroad. Orders have already been issued to cut the number of civilian personnel abroad.

We are organizing major efforts to encourage foreign investment and travel in the United States.

I announced on January 1 that the Secretary of the Treasury would explore with the Congress legislative measures to help us achieve our objective of reducing our travel deficit abroad by $500 million this year. Those explorations are proceeding.

In the meantime, I again ask the American people to defer for the next two years all nonessential travel outside the Western Hemisphere.

I also announced on January 1

That we were initiating discussions with our friends abroad on ways to minimize the disadvantages to our trade from various nontariff barriers and national tax systems abroad; and

That we were preparing legislation in this area whose scope and nature would depend on the outcome of these consultations.

The consultations have been in progress since January 1. When they are completed, I will announce their outcome, and indicate what if any legislation we shall seek.

I am asking the Congress for the funds necessary to support long-term measures to stimulate exports, by

Intensifying promotion of American goods overseas; and

Expanding and strengthening the role of the Export-Import Bank.

RESPONSIBILITIES OF SURPLUS COUNTRIES

As we fulfill our responsibilities, other nations have an equal obligation to act. The balance-of-payments surpluses of our trading partners in continental Europe are essentially the mirror image of our deficit. Their constructive adjustments, as well as our own, can contribute to remedying our mutual imbalance.

For them, as for us, action at home heads the list. The nations of continental Europe should use their fiscal and monetary policies to pursue steady expansion of their domestic economies. Indeed, if they were to tighten credit and budgets in order to protect their surpluses, then we could not succeed in our efforts to come into equilibrium in a healthy world economy. Even worse, a competitive slowdown in world economic expansion could ensue, to the detriment of all peoples everywhere.

Surplus countries can also contribute to a smooth process of adjustment by reducing their barriers to trade, by increasing their economic assistance to developing countries, by expanding their capital markets to finance their own investment, by permitting wider access to these capital markets by other nations, and by meeting their full share of the foreign-exchange costs of our collective defense effort.

The world tried competitive beggar-my-neighbor policies in the 1930's and they ended in chaos. The surplus countries have the obligation to assure that this does not happen again.

THE DOLLAR AND THE INTERNATIONAL MONETARY SYSTEM

The interests of major nations are also linked together in the international monetary system. For us, there is a special responsibility, since the dollar is a world currency

Widely used by businesses abroad,

Held along with gold as a reserve asset by foreign central banks.

Our deficits in the past decade have sent more dollars abroad than businesses there needed to acquire, or than governments have wanted to hold as reserves. Many of these dollars were used to purchase gold from the United States.

Speculation generated by the strains on the international monetary system has caused further drains of gold from international reserves—much of it from our own.

As a result, U.S. gold reserves have declined to about $12 billion. This is still ample to cope with foreseeable demands on our gold stock. But persistent large U.S. deficits would threaten the entire international monetary system.

Our commitment to maintain dollar convertibility into gold at $35 an ounce is firm and clear. We will not be a party to raising its price. The dollar will continue to be kept as good as or better than gold.

FREEING OUR GOLD RESERVES

I am therefore asking the Congress to take prompt action to free our gold reserves so that they can unequivocally fulfill their true purpose—to insure the international convertibility of the dollar into gold at $35 per ounce.

The gold reserve requirement against Federal Reserve notes is not needed to tell us what prudent monetary policy should be—that myth was destroyed long ago.

It is not needed to give value to the dollar—that value derives from our productive economy.

The reserve requirement does make some foreigners question whether all of our gold is really available to guarantee our commitment to sell gold at the $35 price. Removing the requirement will prove to them that we mean what we say.

I ask speedy action from the Congress—because it will demonstrate to the world the determination of America to meet its international economic obligations.

SPECIAL DRAWING RIGHTS

Through U.S. deficits the dollar has been the major element of the recent growth of international reserves.

As we move into balance, the world can no longer look to the dollar for major future additions to reserves.

Neither can it depend on gold. Gold production has been leveling off in the face of rising industrial use and a steady drain into private hoards. What is needed is a reserve asset universally acceptable as a supplement to gold and dollars, that can be created in the amount needed to meet the desired expansion of world reserves.

The Special Drawing Rights plan agreed on in Rio de Janeiro last September provides such an asset. This plan will fundamentally strengthen—and ultimately transform—the international monetary system in the years ahead.

The agreement should be promptly ratified and swiftly activated on an adequate scale. I will call upon the Congress to approve U.S. participation.

TRADE

The Kennedy Round was completed on June 30, the most successful multilateral agreement on tariff reduction ever negotiated. Four years of hard negotiating were required—but the ultimate success was worth it. A fair bargain was struck. Our farmers and businessmen will get major benefits as new markets are opened to them.

We will continue to work with our trading partners—in the GATT and in other bodies—to find new approaches to the liberalization of world trade, with urgent consideration given to nontariff barriers.

Some would throw away the gains from three decades of liberal trade policy, retreating into shortsighted protectionism. Mandatory quotas on American imports would meet prompt retaliation abroad. All Americans would pay a high price for the benefit of a few.

Protectionism is no answer to our balance-of-payments problem. Its solution depends on expanding world trade.

The Government stands ready to help the few that may be hurt by rising imports—but in ways that expand trade, strengthen our economy, and improve our international relations.

Accordingly, I will shortly send to the Congress legislation which will

Provide an extension of unused tariff-reducing authority;

Liberalize the criteria for adjustment assistance to firms and workers; and

Eliminate the American selling price system of customs valuation.

During the year ahead, opportunities may develop to expand peaceful trade with the countries of Eastern Europe and the Soviet Union. I again urge the Congress to provide the necessary authority for us to pursue such opportunities should they develop.

The United States has been discussing with other industrial countries a system of temporary generalized tariff preferences by all developed countries for all developing countries. Agreement was reached in the OECD on the general principles of such a system. It will be presented to the developing countries at the UNCTAD meeting in New Delhi.

We shall continue to consult with Members of Congress and representatives of American industry, agriculture, and labor as these discussions proceed.

AID TO DEVELOPING COUNTRIES

If economic progress were now to slow down in the developing countries that make up two-thirds of the free world—in the arc of Asia from Turkey to Korea, in Latin America, and in Africa—our hopes for a peaceful world would be menaced. In 1968 this means that we should

Approve a prudent AID program;

Quickly agree with other donor countries on a substantially increased replenishment of funds for the International Development Association;

Extend the Food for Freedom Act;

Authorize the United States to share with other donors in establishing the Special Funds of the Asian Development Bank.

Several less-developed countries have made great strides in the promotion of family planning. We must be prepared to assist their efforts if the grim race between food supplies and population is to be won decisively.

We can do these things—as in conscience we must—without detriment to our international payments. AID has already made great progress in reducing the impact of its program on the U.S. balance of payments. In 1968 that impact would be reduced by another $100 million, so that less than 8 percent of AID's dollar expenditures will be for non-U.S. goods and services.

THE RETURN TO PRICE STABILITY

Neither the United States nor any other free industrial nation has yet learned how to couple steady growth at high employment with reasonable stability of prices.

Our price record since 1960 has been superior to that of any other major industrial country. Even since mid-1965, we have done better than in past periods of hostilities—when direct controls were used.

But our recent record has clearly not been good enough. For one reason, firm discipline with respect to U.S. costs and prices is essential to a strong balance-of-payments position.

Rising prices are not just a last-year problem or a this- and next-year problem. They are a persistent, long-term problem for a high-employment economy—one that will not fade away by itself.

We must do what we can to minimize price increases in 1968. But we must also settle in for a long hard fight aimed toward 1969, 1970—and 1980.

One source of inflationary pressure is a rate of economic expansion that strains available productive resources. Too much demand will lift prices and wages all across the line.

Thus the readiness to apply fiscal and monetary restraint when demand threatens to become too strong must be the fundamental reliance in our battle to restore and then maintain stable prices.

RESPONSIBLE WAGE AND PRICE BEHAVIOR

But inflationary pressures also arise when labor and business each seek to expand their claims against the national product—through excessive wage settlements or unnecessary price hikes—at a faster rate than real national product is growing.

If labor seeks 80 percent of the total national pie and business 25 percent, the only result can be rising prices. This inflates the pie—but does not increase its substance.

Whatever the initial source which starts prices rising, the rise tends to perpetuate itself. Higher prices enlarge labor's wage demands. Faster wage increases raise costs, which makes prices rise some more. Once a wage-price spiral has begun, it is exceedingly difficult to slow it down.

In each of the last two years, our price level has risen by about 3 percent, and in the last six months by about 4 percent. With a somewhat stronger economy in 1968, and with labor unions building the expectation of further price rises into their wage demands, there is danger the spiral will accelerate. If it does, we face the prospect that the spiral will still be turning steadily in 1969 and into 1970. The longer it turns the harder it is to stop.

A highly restrictive fiscal and monetary policy could throttle the economy and create widespread unemployment and idle capacity in order to dampen upward pressures on wages and prices. But it would serve the objective of price stability only by sacrificing most of our other key economic objectives.

Dealing with inflation by creating a recession or persistent slack is succumbing to the disease—not curing it. The experience of 1957 and 1958—when the unemployment rate reached 7½ percent and consumer prices still rose 5 percent—is a clear reminder of the large costs of such a policy and of its limited effectiveness in halting a spiral in motion. This is a course which I reject—and which I am confident that the American people reject.

Therefore, in addition to urging prompt action by the Congress on my tax proposals, I must again urge—in the strongest terms I know—that unions and business firms exercise the most rigorous restraint in their wage and price determinations in 1968.

We must make a *decisive* turn back toward price stability this year. This will only be possible

If the average gain in wages and fringe benefits incorporated in new labor agreements this year begins to move back toward parity with our gains in productivity; and

If businesses absorb cost increases wherever possible, and avoid any price decision which would, on the average, increase their margins over labor and materials cost.

STRUCTURAL PRICE PROBLEMS

There are other sources of price increase we can begin to attack in 1968. We should not expect quick results. But, over the longer pull, an important contribution can be made.

There are a number of industries in which prices have climbed persistently because of supply bottlenecks in labor, materials, or capacity; because of backward technology; because of inefficient distribution systems or trade practices; or for other so-called "structural" reasons.

If we regard the battle against rising prices as a long-term task, it is time to begin to fight on every front where long-term results can be achieved.

Existing Government organization is not effectively suited to dealing with the full range and dimensions of the problem of prices.

CABINET COMMITTEE ON PRICE STABILITY

I am therefore establishing a Cabinet Committee on Price Stability, including the heads of the major relevant departments and offices of Government, coordinated by the Chairman of the Council of Economic Advisers and served by a small professional staff.

The Committee will focus the attention both of the private economy and of the Federal Government on the objective of price stability.

It will study and recommend—both for private and for public action—measures which can improve efficiency, remove bottlenecks, and improve technology in industries which are the source of persistent inflation. And it will give price stability a high priority in the formulation and administration of all Government programs.

The Committee will work closely with representatives of business, labor, and the public to seek ideas and initiatives to correct persistent structural problems that cause prices to rise and to inform them of the consequences of irresponsible wage and price behavior. It will not, however, become involved in specific current wage or price matters.

Through this new machinery, we seek to achieve a new and more effective cooperation among business, labor, and government in the pursuit of price stability in a free market economy.

CITIES AND HOUSING

The American city is in distress, plagued by poverty, unemployment, and slums; hobbled by inadequate public services, inefficient transportation, pollution, and congestion.

The city is also the source of an unprecedented affluence. Bitter poverty amidst spreading affluence spotlights the problems of the disadvantaged.

Yet that very affluence should be the source of great hope. For general affluence makes it possible to erase pockets of deprivation. We now have the means for a massive reconstruction of urban America.

The first step in an effective attack on urban problems came last year when 63 cities received the first round of Model Cities planning grants. By the end of this year, many of these cities will be ready to begin work. This first round will ultimately permit the transformation of 65 blighted areas, housing 3.7 million people, into decent places to live and work.

I will ask the Congress to fund fully the $1 billion authorization for the Model Cities program in fiscal year 1969.

Our next step will be to fulfill the commitment of the Housing Act of 1949—to provide every American family with decent housing. Our goal is to eliminate substandard housing in ten years. This task will require the full cooperation of labor, business, local government—and the residents of blighted areas.

Too long we have regarded the unemployed slum dweller as a national burden. The time has come to recognize him as a national resource, and to offer him a job rebuilding the slums in which he lives.

Our target for fiscal year 1969 is to begin 300,000 new and rehabilitated units—several times the current rate. Rent supplement and "turnkey" public housing programs will be modified and enlarged to engage private enterprise on a massive scale.

The expansion of federally assisted housing must not shrink the private housing market. During the next ten years we will need 20 million housing units in addition to those receiving Federal assistance.

Their production will balloon the need for mortgage money. I will therefore proposed legislation to strengthen the mortgage market and the financial institutions that supply mortgage credit. I also propose that current interest rate ceilings on FHA and VA mortgages be lifted to allow them to compete on equal terms with other assets.

I also urge the Congress to complete action on legislation

To strengthen regulation of savings and loan holding companies,

To provide Federal charters for mutual savings institutions.

If we are to reconstruct the American city, we need knowledge and innovation as much as men and money. We lead the world in technology. Yet little of its power is directed to the problems of cities.

As a first step, I have named a panel to establish an Institute for Urban Development. This Institute will undertake the systematic analysis of fundamental urban problems for Government agencies.

The agonies of our cities will not yield easily or quickly—nor to simple solutions. Yet the breadth of our vision must be scaled to the magnitude of our problem—and our opportunity.

In the coming weeks, I shall send the Congress a message containing my detailed recommendations.

EXPANDING INDIVIDUAL OPPORTUNITY

America has historically taken pride in being the "land of opportunity." To a far greater extent than any earlier civilization, American society has provided opportunities for the majority of its citizens to achieve whatever their ambitions and abilities might permit.

Yet for a minority—steadily diminishing in every generation—opportunity has remained a myth.

The recent experience of prolonged prosperity and high employment has pried open the doors of opportunity for many who formerly were shut off from the main circle of abundance. Indeed, sustained prosperity is the single most important source of expanding opportunity.

But even prolonged and general prosperity leaves too many Americans untouched, unable to share in its rewards.

Despite our prosperity, there are still more than 10 million families whom we classify as poor. They include about one-seventh of our people. Many are Negro. But two-thirds are white. Many are old. But nearly half are children. Many live in urban areas. But about half live in small towns or in rural areas. Most were born poor.

Regardless of race, age, or where they live, they are not statistics, they are people. We cannot turn our backs on our fellow Americans who need help.

I regard it as a primary purpose of government to expand the opportunities for all citizens to share in our economic and social progress. For most, this means the opportunity for rewarding employment. For millions who are retired, disabled, or otherwise unable to seek active work, a share in prosperity requires wise and humane programs of income maintenance and social insurance. For all, it means full access to education and to health care.

America has made great progress in recent years—in the creation of jobs, the provision of adequate incomes, and the improvement of health and education. The future holds promise of further advance.

EMPLOYMENT AND TRAINING

More Americans entered the labor force last year than in any year since World War II. And these job seekers were accommodated to a remarkable degree.

The over-all unemployment rate averaged 3.8 percent, as it did in 1966. Except for the years of World War II and the Korean war, this two-year average was the best in four decades.

The unemployment rate for adult men—both white and Negro—was the lowest since World War II.

Yet there is no room for complacency in these achievements. The unemployment rate for Negroes, Mexican-Americans, and other minorities remains distressingly high, and far too many of our teenagers look for work and fail to find it.

We have already made impressive progress in improving job opportunities—through the Neighborhood Youth Corps, the Job Corps, our other manpower training and retraining programs, provision of day-care facilities for working mothers, and in many other ways.

Increasingly our efforts are concentrated on the disadvantaged who have been unable to share in our prosperity. In continuing partnership with State and local governments, we will expand our training and related manpower activities, with special emphasis on an enlarged Concentrated Employment program.

But this year the Federal Government is also seeking a new partnership with private industry to train and hire the disadvantaged. I believe this partnership can succeed—and must—in providing work opportunities for every American who wants a job and who will make reasonable efforts to prepare himself to hold it.

UNEMPLOYMENT INSURANCE

Even when there are enough jobs to go around and manpower is better matched to jobs, some will inevitably experience unemployment in our dynamic economy.

Our present unemployment compensation system was designed in the 1930's. The economy has greatly changed since then, but the unemployment compensation system has not.

In many cases, the man or woman unemployed today lost his job because his skills have become obsolete, not because his employer lost his market. That worker needs long-term benefits which can support him through a substantial period of retraining, guidance, and similar services—not merely cash benefits which run out at a critical moment. Further, the benefits provided under many State systems have proved inadequate to current needs.

I am therefore asking the Congress for new legislation to strengthen the Federal-State unemployment insurance system by increasing coverage, raising benefits, modifying eligibility conditions, increasing the Federal unemployment tax base and rate, providing federally financed extended benefits to be triggered by high unemployment; and to link extended benefits to the training and employment rehabilitation of the recipients.

EDUCATION

The Federal Government has done more to improve educational opportunities in the past three years than in all its previous history. In particular, attention has been focused on providing opportunities for children to throw off their legacy of poverty. Head Start, the Elementary and Secondary Education Act, and higher education legislation stand as landmarks of our progress.

One key program for 1968—based on the Education Profession Development Act of last year—gives special emphasis to the single most important element in the educational process—our teachers. We must attract more teachers to work with disadvantaged youth, and help such teachers develop the new skills and new sensitivities needed to teach the children from poor families.

I shall propose an Educational Opportunity Act—continuing our efforts to break down the financial barriers which keep young people from poor families from entering or remaining in college.

HEALTH

Victories in the progress of health care have recently been written in headlines. Soon a failing heart may no longer be an inevitable prelude to death. Less dramatic but equally important is that Medicare and Medicaid have brought the gains of medical research within the reach of millions.

But this is no time to pause. Our rising standards and our expanding powers to cure press against present limitations on our ability to supply medical care.

Much recent effort has centered on the health needs of our older citizens. This was right, for the elderly often combine high medical need with limited financial resources.

Now we must turn attention to our

children. Millions of young Americans today receive inadequate medical attention—both a result and a cause of poverty. I therefore propose a five-year plan to bring complete health services to children of low-income families, beginning with prenatal care for mothers, and continuing through the first year of infancy.

The supply of qualified health personnel has lagged behind the expanding demand. I will shortly propose new measures to increase this supply.

Last year, medical care prices rose 7 percent, more than twice as fast as other prices. I shall propose new measures to slow down the spiraling cost of health care.

INCOME MAINTENANCE

I have recently appointed a Presidential Commission on Income Maintenance. This distinguished group of citizens, under the chairmanship of Mr. Ben Heineman, has a broad charter to examine every aspect of our present public welfare and income maintenance programs and to propose necessary reforms. The Commission will examine a number of major reforms proposed in recent years—including several varieties of minimum income guarantees. It will evaluate the costs and benefits of these proposals in terms of their effects both on the recipients and on the economy.

CONSUMER PROTECTION

The true test of the efficiency of any economic system is its ability to meet the needs of consumers. The American economy—with its free markets—has far surpassed all others in meeting this test.

But the market does not always give the consumer the protection he needs. There is a role, too, for Government action, especially as our wants and our products become more complex.

Last year the Congress enacted, and I approved, important new legislation to protect our consumers.

Important new measures are being proposed to the Congress for the protection of consumers. I hope that this Congress will go down in history as the consumer-conscious Congress.

OTHER ECONOMIC POLICIES

1. The Department of Transportation, now one year old, is moving vigorously toward rationalization and coordination of our transportation policies. I have asked its Secretary to develop new proposals to improve air safety and air service.

The number of air passengers has doubled in the past five years and will more than double again in the next ten. Airway and airport facilities must keep up with this growth. These facilities are costly and benefit primarily their users—who should pay the necessary costs.

2. Total holdings of our stockpile of strategic and critical materials now stand at $6.4 billion, of which $3.3 billion exceeds our stockpile requirements as presently determined. Continuing to carry these excess materials in the stockpile both imposes an unnecessary burden on our taxpayers and restricts their availability to our industries.

I renew my recommendation that I be given authority to dispose of many of these excesses, especially of nickel, platinum, beryl ore, magnesium, and castor oil, all currently in short supply in the commercial market.

3. Accurate, comprehensive, and timely statistics are essential to the development of sound economic policies by government, business, and labor.

Our economic statistics are the best and most comprehensive in the world. But they can be and need to be further improved. The costs will be exceedingly small relative to the benefits.

To this end, my 1969 budget provides for several new statistical efforts which can be rapidly and inexpensively translated into improved guides for public and private decisions.

CONCLUSION

A strong and sustained advance of production surely does not mean we have solved all economic problems—much less that the Nation is making satisfactory progress toward its broader and more fundamental goals.

Americans know how to create an expanding abundance. But we are still learning how to use it wisely and compassionately to further the self-development and happiness of men, women, and children.

Similarly, merely to achieve a balance in our international payments would not assure that our international economic relations amply serve the interests of this Nation and of world progress. We could bring our balance of payments into equilibrium by means which would weaken our domestic economy, forfeit our foreign policy objectives, or impair the vitality of world economic development.

This Administration will never forget that the purpose of our economy and of our economic policies is to serve the American people—not the reverse.

Yet this recognition would not justify policies which ignore the dangers of inflation, economic distortions, and ultimately recession. For these are equally enemies of our public purposes.

Nor will we forget that balance-of-payments policies should serve the Nation's basic goals abroad and at home—not the reverse.

Yet this recognition makes it no less necessary to deal firmly and decisively with our balance-of-payments problem. For a breakdown of the international financial system would bring incalculable harm not only to ourselves and free peoples around the world, but even to world peace and progress.

I am determined that our economic policies in 1968 will be prudent as well as creative; safe as well as ambitious; responsible as well as compassionate.

The American people are giving their sons and brothers to fight for freedom abroad. At home we must support their sacrifice by preserving a sound economy. I believe that the American people will accept the cost of doing that

By paying an extra cent of each dollar of income in taxes,

By accepting the cutback of lower-priority Federal programs, and

By limiting the expansion of Federal spending to a few areas of the most vital priority.

Today the war in Vietnam is costing us 3 percent of our total production. That is a burden a wealthy people can bear. It represents less than one year's growth in our total output.

But one day peace will return. If we plan wisely—as the committee on post-Vietnam adjustment I announced in my Economic Report last year has been doing—and act boldly, we will have that 3 percent of output to add—over a year or two—to our normal 4 percent a year of economic growth.

If we preserve a healthy economy in the meantime, we will be prepared when our sons and brothers return to take full advantage of that bonus.

Our obligation to them demands that we do no less.

LYNDON B. JOHNSON.

FEBRUARY 1, 1968.

PRESIDENT'S ECONOMIC REPORT PRAISED

Mr. ALBERT. Mr. Speaker, President Johnson's economic message to Congress is a report of the world's wealthiest, most prosperous nation which is determined to bring all of its citizens into the mainstream of its national life.

We have learned to create unparalleled abundance—now we must use it.

The year 1967 was our 7th year of sustained economic expansion. Our economy created almost 2 million new jobs. Industrial production by the end of the year reached an alltime high. And the average earnings of factory workers rose $4.80 a week.

But as President Johnson reminded us, our economic expansion is not an end in itself—it must be used to improve the quality of American life. The programs outlined in the President's report will help solve the problems facing America in this turbulent decade.

The President pledged to eliminate substandard housing in 10 years; to launch an imaginative job program for our hard-core unemployed; to improve health services for our children; and to protect the American consumer from fraud on the marketplace. While maintaining fiscal prudence in expenditures the Johnson administration will not forfeit its trust to America.

The President's Economic Report demonstrates that 1968 will be the year when America shows the world economic responsibility as well as domestic progress—fiscal soundness as well as compassionate creativity.

The enormous strength of our Nation's economy—as documented by the President's Economic Report—should give us the confidence born of success to meet the challenges ahead.

And as the President reminded us today, the American economy will continue to be strong if we—Government, business, and labor—work selflessly to serve the best interests of all Americans.

Mrs. GRIFFITHS. Mr. Speaker, the American economy has done a magnificent job in providing job opportunities to American workers. As President Johnson said in his Economic Report today, more than 10 million people have been added to payrolls in the last 7 years. Within just the last year, 1¾ million persons have found jobs. And we can all take pride in the administration's record of 1966 and 1967, when the unemployment rate averaged 3.8 percent—the lowest rates since 1953.

Behind these notable overall achievements of our economy, there are some distressing statistics. The nonwhite unemployment rate in 1967 was 7.4 percent, nearly double the national average. Almost 13 percent of our teenagers were unable to find employment. And over 175,000 Americans were unemployed for 26 weeks or longer during a typical month in 1967.

Behind these distressing statistics are people who have suffered from their inability to find remunerative jobs. And now behind these people must stand the Government and private employers who will provide all deserving job applicants with opportunities for employment.

President Johnson's Economic Report represents an immense step in our efforts to improve the job opportunities for all Americans.

The President has also expressed his concern for workers who have been unable to obtain gainful employment and who therefore are not eligible for unemployment compensation. Since the early 1960's, programs such as the Manpower Development and Training Act have assisted the most trainable of our disadvantaged. In 1968, close to a million persons will be served by these retraining programs.

But now the President has issued a challenge. He has urged America to consider the plight of the most severely disadvantaged members of our society. These workers too must have the opportunity to earn their own way. And the President has turned to one of the most creative sectors of the American society and has asked for its partnership in the struggle against hard-core unemployment. He has asked the business community to participate in a new program—job opportunities in the business sector—a program known as JOBS. JOBS will provide Federal funds to private employers to both train and hire the most deprived segments of the population. Within the next 18 months 100,000 Americans will be given the employment opportunities which have previously been foreclosed to them.

Lyndon Johnson deserves our praise for the economic accomplishments of recent years: millions of Americans have found jobs. He deserves our admiration for his willingness to face the task of offering employment opportunities to the most disadvantaged members of our society. And he deserves our support for programs that will continue this progress for all Americans.

Mr. BOGGS. Mr. Speaker, President Johnson's Economic Report is a call to this Congress to maintain our long period of growth. It is a report of which every American can be proud—because it catalogs our Nation's economic strength and it points out what must be done to maintain it.

The year 1967 was the seventh year of the longest period of economic expansion in our history.

Successful completion of the Kennedy round brought the most significant reduction in world trade barriers in history and agreement by the nations of the International Monetary Fund created new world reserves to facilitate international transactions and ease speculation.

During 1967, President Johnson reported that almost 2 million Americans found new jobs. Our unemployment rate reached its lowest point in 15 years. Net consumer income rose by an incredible $35 billion.

But clouds arose on the horizon. British devaluation shook the financial markets of the world and contributing to our international balance-of-payments deficit. The American dollar came under attack from abroad. Our domestic economy became overheated.

The proposals in the President's economic message will help assure our Nation's continued economic health—if we face up to certain hard decisions.

The President's surtax proposal which must be enacted will assure lower interest rates, curb inflationary price and wage pressures, and maintain the integrity of the American dollar—at the average price of 1 cent on the dollar.

We must also move swiftly to curb our balance-of-payments deficit by restraining American investment abroad, reducing travel abroad and freeing our gold reserves to defend our dollar, and expanding world trade.

I have confidence that Congress will face up to the President's call for action. At stake is the future of an economy which is the envy of the world.

SECOND ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

I am pleased to transmit to the Congress this second annual report of the National Endowment for the Humanities.

The Endowment and its advisory group, the National Council of the Humanities, represent the first major step ever taken by the Government to support this broad and significant range of human knowledge and achievement. Their creation by the National Foundation on the Arts and the Humanities Act of 1965 brought national concern and support to a field where such encouragement was long overdue.

This Report describes the Endowment's initial year of full activity. It shows that during fiscal year 1966, the Endowment developed programs seeking the broadest possible use of the funds available. In fiscal year 1967, it awarded approximately $4.5 million to a total of 412 institutions and individuals in 44 states and the District of Columbia.

The awards included:

Eighteen grants designed to stimulate public understanding and use of the humanities. These grants promoted innovations in the field of instructional television, and encouraged historical societies and museums to make their resources more broadly available.

Twenty-eight awards to revitalize the teaching of the humanities at all levels.

Eighty-one grants in support of research and publication designed to expand the development of scholarly resources in all fields of the humanities. These funds now support the first sustained effort to produce definitive editions of the works of great nineteenth-century American authors, from Emerson to Whitman, and contribute to such diverse and important projects as the publication of the letters of Supreme Court Justice Louis Brandeis, the training of young American archaeologists, and the first publication of the complete works of John Dewey, one of America's greatest philosophers.

Two hundred and eighty-five fellowship awards, providing funds for a year of independent research for established scholars, six to eight months of uninterrupted study for the scholar-teacher, and summer stipends for younger scholars.

Such projects and fellowships—representing only a small proportion of the many meritorious applications submitted—are proof that the Endowment has met enthusiastic acceptance by the scholarly community.

I commend this Report to the Congress, and urge early action to give the Endowment the resources we have requested to carry forward and expand its valuable work.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 1, 1968.*

PRESIDENT'S REPORT PLEDGES GAINS IN EDUCATION AND HEALTH

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MADDEN. Mr. Speaker, President Johnson's excellent Economic Report to Congress was particularly noteworthy for its emphasis on improving education and health in America.

Since assuming the Presidency, Lyndon Johnson has made the greatest strides in our Nation's history in raising the quality of American education and providing adequate health care for all Americans.

Under his administration, Congress has passed the Elementary and Secondary Education Act, the Higher Education Act, and the Teacher Corps. Our national investment in education has been tripled in 3 short years.

The health field has seen equally important progress. Medicare has provided millions of older Americans excellent medical treatment—in dignity and within their means. Mental retardation clinics and community mental health centers are being built at a record rate. Medicaid is providing our poorest citizens with the adequate medical care so necessary for their survival.

However, as the President's report notes, we have only begun the task of making equal opportunity a reality for all Americans.

Our educational resources are being strained to the breaking point. Many graduates are ill prepared for the world about them. Quality education is not a meaningful reality for millions of our children.

So too, millions of young Americans receive inadequate—if any—medical attention, stunting their development.

The President's programs will help alleviate these tragic conditions.

He has proposed an expanded program of prenatal and infant care for poor families, a consolidation and expansion of college aid to students from low-income families, improvements in vocational education, and strengthening of existing education and health legislation.

The President's Economic Report boldly faces up to the difficult problems confronting America in this challenging decade. Congress must as eagerly do so.

AUTHORIZING FEASIBILITY INVESTIGATON OF CERTAN WATER RESOURCE DEVELOPMENTS—CONFERENCE REPORT

Mr. JOHNSON of California. Mr. Speaker, I call up the conference report on the bill (S. 1788) to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1065)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1788) entitled "An Act to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the amendments of the House to the text and title of the bill and agree to the same.

HAROLD T. JOHNSON,
JAMES A. HALEY,
ED REINECKE,
Managers on the Part of the House.
HENRY M. JACKSON,
CLINTON P. ANDERSON,
THOMAS H. KUCHEL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the amendments of the House to the text and title of the bill (S. 1788) to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

When the bill, S. 1788, first came to the House it authorized the Secretary of the Interior to conduct investigations to determine the feasibility of four potential reclamation projects. Such authorization is required by section 8 of the act of July 9, 1965 (79 Stat. 213, 217). The bill was amended in the House to include two additional feasibility investigations and to provide for the preparation of a reconnaissance report—a step which is normally preliminary to a feasibility investigation—on what was described as the "California coastal diversion project, consisting of subsurface offshore conveyance of water from the Eel-Klamath River areas to an appropriate terminal point in southern California." This was included in the bill not because the House believed that specific authorization was needed for a reconnaissance study but in order to lay emphasis on the importance of its being undertaken at an early date.

Upon return of the bill to the Senate, the Senate in effect concurred in the first of these amendments (that providing for additional feasibility investigations) but declined to accept the second (that providing for the reconnaissance study). Its position was not antipathetic to the reconnaissance study but was based on the belief that specific authorization for a study of this type might set an undesirable precedent. It therefore concurred in the House amendment to the text with an amendment conforming to these views.

It is the unanimous belief of the members of the conference committee and the recommendation of the members from the House that the House should recede from its disagreement to the Senate's amendment to the House amendments to S. 1788. In so doing, all members of the conference committee agreed that acceptance of this amendment to the amendments is not to be taken as in any way indicating a lack of interest in seeing the reconnaissance study go forward. On the contrary, it was agreed by the conferees that the statement of the managers on the part of the House should emphasize, on behalf of all the conferees, the importance which they attach to this study, particularly in view of its relation to certain feasibility investigations authorized in section 2 of the act of September 7, 1966 (80 Stat. 707, 710), their belief that the study should be given a priority position by the Department of the Interior and the Bureau of Reclamation, and their expectation that the Department will submit a report on its study to the two Houses of Congress not later than December 31, 1970.

HAROLD T. JOHNSON,
JAMES A. HALEY,
ED REINECKE,
Managers on the Part of the House.

Mr. JOHNSON of California (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the statement of the managers on the part of the House be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The gentleman from California [Mr. JOHNSON] is recognized for 1 hour.

Mr. HALL. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Missouri.

Mr. HALL. I thank the gentleman for yielding.

Mr. Speaker, I would like to say that I have read the report, and the statement of the managers on the part of the House, but at no place therein do I find whether the expense to the Government and to the U.S. taxpayer, is greater than when this bill left the House, or whether it is the same, or less than when it left the House, or the intent of the Senate amendment or refusal to accept the House position is concerned. I wonder if the distinguished gentleman would give us a short statement covering these points before the final action or decision as to whether or not this would be accepted by a rollcall vote or not?

Mr. JOHNSON of California. I would say in reply to the gentleman from Missouri that the bill when it left the House had section 2 in it that called for a reconnaissance study on the part of the Bureau of Reclamation under the Department of the Interior. But when we met in conference the conferees agreed unanimously that this should not be in the bill; it merely should be in the report, whereby they would ask the Bureau of Reclamation to make the study under general investigative authority, and their funding, coming from their general fund. This will cost no more than when the bill left the House.

Mr. HALL. Mr. Speaker, if the gentleman will yield further, do I infer from that statement that there is no increase in the expenditure as a result of the conference?

Mr. JOHNSON of California. That is true.

Mr. HALL. And there were no Senate added-on nongermane amendments to this House passed piece of legislation?

Mr. JOHNSON of California. No, there were not.

Mr. HALL. I thank the gentleman.

Mr. JOHNSON of California. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Speaker, I support this conference report.

I want to say to our colleague, the gentleman from Missouri, that this will cost less than when it left the House because the House had added one project with which the other body did not concur.

Now for the benefit of the Members of the House and to refresh their recollections, some years ago the Bureau of Reclamation had blanket authority to make feasibility studies of any project that they wanted. The Committee on Interior and Insular Affairs recommended to the House, and the corresponding committee in the other body took the same action, limiting the authority of the Bureau of Reclamation and require that before they undertake feasibility studies, they would be required to come before the respective committees of the House and of the other body to get their approval.

The Bureau of Reclamation appeared before the committee of the other body and asked for authorization on five projects. This was granted.

When they appeared before the House, they asked five projects, and the House added two others, for study.

The conference agreed that they would accept the original five and one which the House added.

The project which was turned down in the conference as a feasibility study called for a study to consider the transfer of water from the Pacific Northwest into certain other areas of the country.

I would certainly hope that some day in the very near future the Bureau of Reclamation would be authorized to undertake that study.

Mr. JOHNSON of California. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. Reinecke].

Mr. REINECKE. Mr. Speaker, I would like to point out a few more things regarding these particular studies.

The study here is actually a reconnaissance rather than a feasibility study.

The problem that the other body had on this is simply that a reconnaissance study does not require congressional authorization whereas feasibility reports are required to have congressional authorization.

So what we were doing on this was something that they have the authority to do without legislation.

The Senate decided this might establish a precedent, so that sometime in the future certain agencies might use it as a shield to avoid reconnaissance studies.

The reason I offered this amendment in the first place is simply because we are not able to get adequate recognition from the Bureau of Reclamation on this particular project. We added this as a sense of Congress and that sense I think has been adequately expressed.

Now there is a date in the report that the Senate has accepted rather than to write this study in as an amendment, so that the Bureau must report by December 31, 1970.

This covers a project which if proven satisfactory, could be a very important factor in solving the water problems of the Southwest as well as a possible means of cleaning up polluted rivers all over the country.

While I did not like to give up on the language in the House bill, nonetheless the intent has been accomplished and that the chairman of the Senate Interior Committee has promised that he will personally urge the Secretary of Interior to carry on this reconnaissance report.

Mr. JOHNSON of California. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CONSUMER CREDIT PROTECTION ACT

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11601) to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by establishing maximum rates of finance charges in credit transactions; by authorizing the Board of Governors of the Federal Reserve System to issue regulations dealing with the excessive use of credit for the purpose of trading in commodity futures contracts affecting consumer prices; by establishing machinery for the use during periods of national emergency of temporary controls over credit to prevent inflationary spirals; by prohibiting the garnishment of wages; by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11601, with Mr. Price of Illinois in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment offered by the gentleman from Mississippi [Mr. Montgomery]. Without objection, the Clerk will again report the amendment of the gentleman from Mississippi.

There was no objection.

The Clerk read as follows:

> Amendment offered by Mr. Montgomery: On page 40, beginning at line 6 strike out all of section 201.

Mrs. SULLIVAN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentlewoman from Missouri is recognized for 5 minutes.

Mrs. SULLIVAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Mississippi. This title is not an appendage to the bill placed in it for the purpose of mischief but is an integral part of the Consumer Credit Protection Act.

Someone raised the question on Tuesday as to how a matter like this got into "an interest rate bill." Well, this is not an "interest rate bill," nor is it solely a truth-in-lending bill. I know it is popularly called that, but this is the Consumer Credit Protection Act, and we have many things in the bill which relate to the use of credit by consumers other than the interest charged for credit.

This is one of those important provisions. A Member said on Tuesday that all he had been able to learn about the reasons for inclusion of this title in the bill is that personal bankruptcies were rising. Well, this is most discouraging, believe me, to a subcommittee chairman who held weeks and weeks of hearings and published two thick volumes of hearings and documentation, and to all of us on the committee who spent so much time on this title in committee and in our discussions in the committee report.

I realize it is hard for Members to read 1,221 pages of printed hearings on the bill and 139 pages of the committee report before a bill comes up. But most of the Members have received letters and telegrams from constituents for or against this title from collection agencies and from doctors opposing it and from labor and management favoring it, and I know their offices checked with us to see just what the bill does. I might say I am surprised—I am truly surprised—to find so many doctors clamoring for the unlimited right to garnishee their patients' wages, thus causing family hardship and, in many instances, causing the patient's dismissal from employment.

Surely this is not the way doctors collect many of their bills, but it is the way collection agencies often do, and it would be interesting to know the commission a bill collector charges a doctor for garnisheeing a worker's pay and causing his dismissal. How much of the money thus collected goes to the bill collector and how much goes to the doctor?

But I am getting away from the major issue here. I mentioned the doctors only because most of the mail to Members in opposition to this title came from doctors and bill collectors.

Garnishment is the successor to debtor's prison. Perhaps the opponents of this title of the bill would like to go back to the practice of putting debtors in jail. It is about as effective a way to render a man jobless as to force his dismissal for garnishment.

We have hundreds of pages of testimony on the cruelties of the garnishment system in many States as a means not of satisfying just debts but of selling shoddy or defective goods at high prices to poor people who cannot afford them and who could not pay for them and then using the device of garnishment to force the courts and the employers to do the bill collecting.

How does the Federal Government get into it? Well, for one thing, we are paying heavily in Federal taxes for the operations of the bankruptcy courts in rescuing the garnished workers from financial death. We as taxpayers are footing the bill for this cycle of garnishment, followed by bankruptcy.

But that is only part of it. Garnishment, as cited by some of our largest corporations and by labor leaders, is one of the major factors in the disruption of production and employment. It is a major factor in labor-management discords, because dismissals growing out of garnishment frequently lead to expensive arbitration. Also, it is costly as a payroll expense to business. It is mainly the weapon not of the honest merchant or lender but of the predatory credit sellers who hook a poor ignorant worker on credit terms which are as devastating to that worker as the dope habit—something he can never seem to lick.

Go into the lower courts—we have—and watch the parade of garnishments obtained by the hundreds by the same lawyers each week for the same "easy credit" houses.

If we wonder about the constitutionality or the appropriateness of Federal action in this matter, read the opinion of the American law section of the Legislative Reference Section, on page 1109 of the Record of January 25. Then read our hearings, and weep—weep for the inhumanity exposed there about the sewer of the so-called easy credit racket—not legitimate business, but the bloodsuckers of commerce.

In Tennessee the worker caught in the clutches of gyp credit could have all but $12 of his weekly pay taken away to satisfy debts that he may not even owe. I think that has just been raised a few dollars, but at the time of our hearing, we were told the figure was only $12 a week for a single person, and $17 a week for a family man, plus $2.50 a week for each child under 16, which was protected from garnishment. In Mississippi I believe the amount of a worker's pay exempt from garnishment is $12.50 for a single person, and $25 a week for a family man. In California—the personal bankruptcy capital—our hearings show, on page 1124, that this tool is used almost exclusively by collection agencies, professional bill collectors. We can talk States' rights all we like, but these garnishments flow across State lines and follow, and sometimes hound, a man to his grave.

Are we to believe that without this type of debtors' prison most Americans will not pay honest debts? No, indeed. What we know from our study of this problem is that in a vast number of cases the debt is a fraudulent one, saddled on a poor ignorant person who is trapped in an easy credit nightmare, in which he is charged double for something he could not pay for even if the proper price was called for, and then hounded into giving up his pound of flesh, and being fired besides.

This is what we are dealing with here. So let us shed a tear for the poor bill collector, who would have to depend upon some other method for collecting questionable or fraudulent debts, and for the cheap credit outfit which would have to begin to learn to check a person's financial ability to pay for what they want to entice him into buying.

If we want to know why this is in our bill, please, for the sake of humanity and human decency, read what our hearings show on this dirty business. It is the mainstay of the vermin element in easy credit rackets, and a vote to eliminate this title of the bill is a vote for your "friendly bill collector" and the shark-toothed businesses he services.

Mr. MONTGOMERY. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I appreciate very much the gentlewoman's yielding.

Possibly I misunderstood the figures but I believe they are a little misleading and might not be correct for Mississippi. I take from the hearings that 75 percent of the resident's earnings due or becoming due are exempt, for Mississippi. In fact this means they are a little better off, for the poor man, than in Missouri. Missouri is listed right under Mississippi.

Mrs. SULLIVAN. Believe me, I do not intend to defend for the State of Missouri on this.

Mr. WIDNALL. Mr. Chairman, I move to strike the requisite number of words.

I should like to put in the RECORD that we did have extensive hearings on garnishment and heard some very enlightening witnesses before the committee. The committee disposition with respect to garnishment was arrived at after having the benefit of some very fine testimony.

I would not want any Member of the Congress to think that this matter was treated lightly.

Mr. REUSS. Mr. Chairman, I rise in opposition to the amendment and move to strike the requisite number of words.

I want enthusiastically to endorse the position just taken by the distinguished gentlewoman from Missouri and by the gentleman from New Jersey [Mr. WIDNALL] in support of the committee amendment position, which owes so much to the helpfulnes of the gentleman from New York [Mr. HALPERN].

In a nutshell, what the Halpern proposal—which has wide bipartisan support—does is to say that this ancient and cruel garnishment doctrine, about which Charles Dickens wrote in his novels about the debtor's prisons, should have some checks placed upon it.

The idea of wage garnishment in advance of judgment, of trustee process, of wage atachment, or whatever it is called is a most inhuman doctrine. It compels the wage earner, trying to keep his family together, to be driven below the poverty level.

In one State, which shall be nameless, wages can be garnished down to a $50 a month pittance. In another State it is $20 a week. In other States it is 50 or 75 percent of the little amount which the wage earner is able to earn.

Not only is it inhuman to ask people who are trying to earn a living and to keep their families together to be subjected to these garnishments, but also the garnishment process is perhaps the worst thing we have for inciting and making possible spurious and ill-advised credit. A merchant who knows he can garnish is very likely to induce a wage earner to overextend himself. The rash of personal bankruptcies which are an unhappy blight upon our country's credit history, which are occurring today, is in large part due to the abuse of garnishment.

States rights have nothing to do with it. We encourage States which want to abolish garnishment, such as Texas and Pennsylvania, to their credit, have done, to continue. We encourage other States to join the ranks.

Certainly, as with minimum wage and with general truth-in-lending propositions, there should be the kind of moderate and sensible control over garnishment which is inherent in the Halpern amendment.

I hope the proposal to knock this out will be knocked down by a resounding "no" vote.

Mr. HALPERN. Mr. Chairman, I rise in opposition to the amendment and move to strike the requisite number of words.

Mr. Chairman, during the lengthy hearings on this bill, incontrovertible evidence mounted to demonstrate that the practice of wage garnishment is directly responsible for some highly undesirable, and growing economic and social ills, including the alarming increase in levels of personal bankruptcies.

Because State garnishment laws vary so greatly in the protection they offer to the debtor, and because, as I shall explain, the consequences of garnishment can be so drastic, I feel that a Federal law in this area is vitally needed.

The consequences of garnishment for the debtor are threefold, and one or more of these consequences has, with increasing frequency, led to bankruptcy. First, depending on widely divergent State laws, the debtor may find his wages completely cut off, or may be left with as little as $50 a month to support himself and his family. Further evidence is hardly needed to show that this is not even subsistence income for an individual, let alone an entire family.

Second, the debtor often may find himself unemployed; employers are often unwilling to accept the additional expense of administering garnishments. And, for the same reason that he lost his job initially, the debtor often finds it difficult to secure another position; employers are not anxious to take on the extra bookkeeping expenses, and furthermore are suspicious of individuals who have fallen into such an undesirable credit position.

Third, either because of his precarious financial position or fearing the mere threat of garnishment and the possible danger to his employment, the debtor is likely prey to the whole host of less scrupulous creditors of the "loan shark" class, who may initially promise an escape from his predicament and who, all too often, are only the precursors of total financial disaster.

Mr. Chairman, with garnishment merely the first step, all of these roads lead increasingly to the ultimate catastrophe of personal bankruptcy. The increase in consumer credit of about 70 percent from 1960 to 1966 has been outpaced by a rise in personal bankruptcies of over 80 percent. And the evidence indicates that garnishment has played a major role in the latter trend.

H.R. 11601 as originally introduced would have prohibited garnishment completely. Recognizing, however, that protection of the debtor must not be accomplished by totally destroying the rights of the creditor, I introduced an amendment to restrict, rather than totally prohibit, wage garnishment. The amendment would restrict garnishment to 10 percent of income over $30 per week, and would prohibit an employer from firing an employee by reason of a single garnishment of the employee's wages. These provisions would not affect those States with stricter garnishment laws; only in these States with weaker garnishment regulations would the Federal law supercede that of the State. The restrictions, however, would not apply to claims for Federal and State taxes or to court-ordered family support payments.

The rights of the creditor to collect his claims in a reasonable manner have, under this amendment, been protected. The lender may even find himself benefiting from such a law, for he cannot collect anything if the debtor is driven into bankruptcy. The amendment should, also, encourage the creditor to exercise greater caution in his lending practices, to check the credit worthiness of potential borrowers, with the realization that he cannot compensate for the debtor's default by claiming as much of the debtor's income as he pleases.

The fear that, because creditors are partially deprived of their "insurance" against defaults, credit might become less available is in no way borne out by the evidence from those States which either totally prohibit, or severely restrict, the practice of garnishment.

Mr. Chairman, I submit that the economic hardship suffered by individuals, and the instability engendered in the aggregate economy, constitute eloquent testimony to the need for Federal legislation to curb the practice of garnishment. I therefore, strongly urge the acceptance of the committee amendment. It would be a travesty if this provision were not included in this bill. Therefore, I urge that the gentleman's amendment be rejected and the committee position be maintained.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of title II of the Consumer Credit Protection Act, which would greatly restrict the garnishment of wages to satisfy debts. It is the purpose of this title to eliminate the root cause of the alarming increase in personal bankruptcy, to which many honest debtors are driven in order to keep their jobs and continue to support their families. Garnishment of wages is consumer peonage.

My position has been for total and outright banishment of wage garnishment. My native State of Texas prohibits all garnishment. This works well. It protects the wage earner; it does not harm the consumer credit industry.

Despite my consistent and active support of total garnishment as originally contained in H.R. 11601, the committee amended the bill to restrict from garnishment 90 percent of a worker's wage, although totally prohibiting garnishment of the first $30 per week. However, compromise is at times the better part of wisdom, and I accepted the committee amendments to title II as a reasonable compromise, as have the minority members of the committee.

Title II as amended prohibits the garnishment of a worker's wages to extend to court-determined debts for support, nor to debts for any State or Federal tax. Title II would also prohibit the discharge of an employee because his wages had, on one occasion, been subject to garnishment.

Garnishment laws have been with us for decades. Garnishment was prohibited by the Texas constitution adopted in 1876. Pennsylvania outlawed garnishment in 1945, Florida in 1875, and the District of Columbia in 1902. More recently, North Carolina, New York, and South Carolina have restricted garnishment. Other States, including Michigan, Connecticut, and Hawaii, have at least established prohibitions against firing an employee because his wages had been garnished. Many States, however, inadequately, have established minimums or percentages of a worker's wage which are exempt from garnishment.

And it is illegal to garnish the wages of Federal employees.

The garnishment provisions of H.R. 11601 are not extreme. They substitute minimum standards for a confusing array of State laws, which will be a boon both to out mobile population and companies with credit dealings in more than one State.

On the one hand, title II prohibits more than 10 percent of a worker's weekly wage above $30 from being garnished. The experience of Texas, Florida, and Pennsylvania with absolute restriction of garnishment—a total of 205 years—has not proven to be a hardship on any segment. A study I requested recently from the Library of Congress concluded in this respect that—

> Economic data show that the ratio of installment credit to retail trade is as high in States that do not permit garnishment as in States that do.

We learned in committee hearings of the judgment of a Fort Worth credit bureau manager that there is no more problem collecting debts in Texas, than in other States. Actually, bankruptcy cases are dramatically lower in the States which prohibit garnishment.

On the other hand, the title II prohibition from garnishment of the first $30 of a worker's weekly wage is also a minimum standard. States such as Illinois with a $45 weekly floor would retain their more comprehensive laws.

It is high time that our attitude toward wage garnishment caught up with our attitude toward debt. Our history books tell us that in the early 1800's tens of thousands of our citizens along the Atlantic seaboard were imprisoned for debt, sometimes for amounts less than a dollar. But now installment buying is a way of life, and all types of stores beg their customers to set up revolving credit accounts. Far from being a sin, personal debt is now encouraged and widely advertised for. Today, the attacking of a man's source of subsistence, sometimes without warning, is just as harsh and inhuman a treatment as the imprisonment of debtors was in the past.

Also, it does not seem to me that employers should have to function as collection agencies for creditors. Three major steel corporations—Inland, United States, and Republic—have testified that garnishment deductions from the wages of their employees is a heavy, unwanted administrative expense. In committee we also heard testimony that the processing of each individual garnishment can cost the employer between $15 and $35. Such deductions could easily intrude upon the attentions of an employer's accounting, payroll, personnel, and legal departments

Further, if garnishment requires a court judgment, this process is costly to the community; and if garnishment triggers consumer bankruptcy, as it frequently does, this results in a loss to the creditor.

The experience of States without garnishment demonstrate that it is unnecessary as an instrument to force the payment of debts. Innovations in credit management and credit security have kept pace with the demands of a growing credit economy. There are a vast assortment of remedies for recovering debts other than wage garnishment: Such as prelitigation collection procedures; skip tracing; repossession of articles sold; attachment and execution levies against cars, bank accounts, and homes; liens of various kinds; and judicial examination of judgment debtors.

The garnishment of wages is a particular favorite of unscrupulous creditors who cater to low-income persons with credit problems. "If we take away the garnishee we take away the most important lever of the deceptive seller" is the judgment of Mr. Sidney Margolis, the noted consumer-affairs journalist. Where a reputable credit bureau would counsel against the extension of credit, the unscrupulous creditor will make the loan under any terms he can get, knowing that garnishment will provide him with his money before the debtor ever has the chance to provide for his families' necessities. What we have all too often in garnishment areas is credit deliberately given to people who will not—who cannot—afford to keep up regular repayments.

I repeat, garnishment of wages is consumer peonage. There have been cases of workers committing suicide to escape the tentacles of total garnishment, like putting a man in prison for going into debt, garnishment restricts a debtor's ability to pay. For a poor man—and whoever heard of the wage of the affluent being attached?—to lose part of his salary often means his family will go without the essentials. No man sits by while his family goes hungry or without heat. He either files for consumer bankruptcy and tries to begin again, or just quits his job and goes on relief. Where is the equity, the commonsense, in such a process?

A Federal referee in bankruptcy from California who testified in our hearings said:

> As a referee I do not like to see creditors sustain losses but I must conclude that in most cases the creditor has in many respects created the very problem from which his loss arose. Each of us are paying for these losses when we pay our monthly bills. The creditor merely adds to the normal price a sum sufficient to write off these losses.

A Federal referee in bankruptcy from Tennessee made the same point and went on to say:

> If consumers are not loaded down beyond their capacity to repay, they will have funds available to pay their legitimate debts. I firmly believe that the vast majority of bankrupts really want to pay their debts but, because of low sales resistance and garnishment statutes, they find themselves in an impossible situation and, once wage garnishments commence, their only hope is to seek relief from the bankruptcy court.

Garnishment frequently triggers bankruptcy, somewhere between 80 and 60 percent of the time. This is the conclusion of all five of the Federal referees in bankruptcy who testified before Banking and Currency. Consumer bankruptcies reached 208,000 in fiscal 1967, leading to the cancellation of about $1.5

billion in personal debt. These figures represent not only personal tragedy for 208,000 persons, but the $1.5 billion is a significant loss to the credit industry which ultimately falls on all borrowers.

Virginia, with less population than Florida, has eight times as many bankruptcies. Virginia permits garnishment; Florida does not.

Ohio with about the same population as Texas, has nearly 50 times more bankruptcies. Ohio permits garnishment; Texas does not.

Tennessee, with population and other similarities to North Carolina, has over 25 times more bankruptcies, Tennessee until last year permitted almost total garnishment; North Carolina does not.

California with a slightly larger population than New York, has five times more bankruptcies. California permits garnishment of up to 50 percent of a workers' wage; New York has a law similar to title II. This situation caused a Federal referee in bankruptcy from Oregon to testify:

> What disturbs me most is that garnishment affords these young people with some justification for wiping out their debts in bankruptcy. I say young people because the average age of bankruptcy is 29 years and some of them come in as early as 23 and 24 and 25 years. They usually have two or three children. Many of them come to me after court is over to say that they would have been able in time to pay the just bills if they had been given an opportunity, but repeated garnishment had prevented them from holding steady jobs. Our present laws are causing them to lose their sense of obligation."

From personal observation and experience, I can assure my colleagues that the prohibition of garnishment in my native Texas has not slowed the growth of the consumer credit industry, cut down on the ratio of installment buying nor hampered the collection of debts.

> The prohibition of garnishment of current wages has by no means put loan companies out of business in Texas—

Agreed the Federal referee in bankruptcy from Dallas.

> From what I have learned from other States, particularly Pennsylvania, the credit losses on consumer loans are not any greater in States prohibiting the garnishment of wages—

Agreed the referee from Oregon.

The need to restrict garnishment is simply that the wage earner must have the protection and use of his salary. The fact is that many States have not protected the wage-earning consumer. The consumer is usually underrepresented in State legislatures, while the loan companies and collection agencies maintain aggressive lobbies. I speak from my experience as a former Texas State Senator.

And the fact is that most State laws on garnishment are a hodge-podge of throwbacks encouraging consumer peonage and contributing directly to the alarming increase in consumer bankruptcies.

For these reasons, I strongly urge the passage of effective Federal restrictions on wage garnishment, as contained in title II of the Consumer Credit Protection Act.

Mr. PATMAN. Mr. Chairman, I wonder if we can agree upon a limitation of time on this amendment?

How many of the Members would like to talk on this amendment?

I see five standing now.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close at 10 minutes to 2.

Mr. ABERNETHY. Mr. Chairman, reserving the right to object, I would like to point out that all of the time up to now has been taken by those who are against the amendment. I would like to have at least 4 or 5 minutes to speak on the amendment.

Mr. PATMAN. Each Member would have 5 minutes. That will be 25 minutes. Now the gentleman from Mississippi [Mr. Montgomery] has gotten up, and the chairman of the subcommittee. Therefore, Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 30 minutes.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Texas?

There was no objection.

The **CHAIRMAN.** The Chair recognizes the gentleman from New Hampshire [Mr. Wyman] for 4 minutes.

Mr. WYMAN. Mr. Chairman, I understood that the gentleman from Texas announced that there would be 5 minutes given each one of the Members who were standing; is that not correct?

The **CHAIRMAN.** Does the gentleman from Texas desire to reply to the gentleman from New Hampshire?

Mr. PATMAN. Yes. I thought that there were six Members standing at the time, but if there were more than that—were there seven Members standing?

The **CHAIRMAN.** There were eight Members standing.

Mr. PATMAN. Mr. Chairman, I believe they all should be entitled to 5 minutes each.

Mr. Chairman, I ask unanimous consent to revise my previous unanimous-consent request, so that each of the eight Members who were standing may have 5 minutes apiece.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Texas?

There was no objection.

The **CHAIRMAN.** The Chair recognizes the gentleman from New Hampshire [Mr. Wyman].

Mr. WYMAN. Mr. Chairman, I hope I shall not take the 5 minutes, but I do want to be able to say a few things about this bill, and the pending amendment.

I agree that garnishment can become a monster; that it is a bad boy. I deplore the concept and its abuses, and I concur with what the gentlewoman from Missouri [Mrs. Sullivan] has said, and what other Members have said about how it needs to be better regulated to protect our people.

I favor a restriction on the abuses of garnishment by commercial collection agencies as well as others. But the place to address this argument is not to the Congress of the United States, but to the State legislatures. It is not for us here to impose on every State in the Union the New York formula, which is what this legislation does.

Just because there is a difference in the law, and a marked difference, between perhaps what California does, and what New Hampshire does or what New York does, does not give the Congress the power to step in and say "we are going to pass a uniform law." The argument about controlling the monster is for the State legislatures, except possibly in regard to processes of the Federal courts.

Mr. Chairman, fundamentally this title is just a naked preemption of the State law without Federal authority. If this bill were to provide that only garnishment arising from claims arising in or out of interstate and foreign commerce are to be so limited there would be some basis for exercising the jurisdictional prohibition upon the State courts. But to do as this bill does, which is to deny to all of the State courts the power to exercise any process to help a creditor collect from a debtor in that State when the legislature of that State has considered the subject time and time again, and said that the State court is to have this power is to supersede State laws without any foundation of authority whatsoever. The memorandum from the Library of Congress in this regard overstates the case, and is not a valid exposition of constitutional law, when subjected to careful analysis.

Let me give just one example and then I will end these remarks.

Suppose a State legislature wants to let hospitals use the garnishment process. Omit the doctors or the dentists or the nurses—just leave it to the hospitals to have that power in that State. Is that not properly for the State legislature? Of course it is.

The bill we are considering here denies any State legislature any garnishment power except the New York formula of 10 percent above $30-a-week.

I say this is something that we should not impose on any other State. I say this is not because I support garnishment but because it is unconstitutional.

I urge the adoption of whatever formula or combination of formulas or amendments here that will make it clear that while we are in agreement that garnisment is bad and we desire to do something to regulate it but that we are limited in how far we can go by law. We cannot, in my opinion, impose a uniform law on the States in the manner proposed here today.

The **CHAIRMAN.** The Chair recognizes the gentleman from Missouri [Mr. Jones].

Mr. JONES of Missouri. Mr. Chairman, I did not intend to speak on this matter at all. I had been going along on this bill because I thought that we were trying to enact legislation to give specific and helpful information to the people who are availing themselves of credit.

It came as a kind of a surprise to me to find out that the committee evidently wants to amend the laws and take away States rights and give an advantage to a deadbeat who does not want to pay his bills, and to take away the recourse that an honest merchant has to collect a legal account.

I have never heard such a conglomeration of naive statements by intelligent people as I have heard about this garnishment law.

How is anyone going to collect from

a deadbeat if you are taking away the tool to collect—the only thing that he has. It just does not make any sense to me.

I have been trying to go along. But the gentlewoman from St. Louis spoke a minute ago about the imposition on these people and she even went so far as to say something about garnishment being a means of collecting an unjust debt. Of course, you cannot collect anything except a just debt. The courts decide when a debt is just. That is a part of it. That judgment has to be made before they can enforce garnishment procedures.

I am not a lawyer but I think we are doing enough to help these people protecting them from usury and hidden credit charges—instead of going further and taking away from the creditor the opportunity to avail himself of the laws of his State to collect money that is due him.

These are not all bad people who use this procedure of garnishment. They are not all crooks. There might be some crooks—I do not doubt that—the small loan companies and things like that. But we are trying to give you a bill that they can work under and control those people. Now you want to take away the only recourse that the legitimate merchant has when he sells goods and the fellow does not want to pay for them.

You say, "No; we cannot go ahead and garnishee him."

Someone mentioned particularly the Federal employees, that we have more deadbeats in the Federal Government or people who know that they cannot be bothered with this thing. I thought that we had taken care of that sometime ago—but evidently we did not.

I have been in favor of the stated purposes of this legislation, but when you seem determined to take away States rights, I am going to give second thought to the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. Latta].

Mr. LATTA. Mr. Chairman, when this matter was before the Committee on Rules, I raised the question as to whether garnishment was a proper subject in this bill.

I still have a question in my mind as to whether this is rightfully a part of this bill as it deals with loan sharks and high interest rates and notifying the debtor before he goes into debt as to how much interest he is going to pay, and so forth.

I think this is proper. I am for these truth-in-lending sections and support them. I supported the amendments that have been proposed here tightening up these provisions in the bill.

But when it comes to dabbling into States rights—and I am one of those who believe that there are such things as States rights, and trying to impose upon the 49 other States the law of one single State; namely, New York, then I say it is time to stop, look, and listen.

If we are going to start a precedent of having New York State's laws incorporated into our Federal statutes and have these laws take precedent over the laws of the other 49 States, then we ought to know about it here and now.

I, for one, resent having another State telling the State of Ohio what their garnishment laws ought to be by incorporating its laws into our Federal statutes.

We have had garnishment laws in the State of Ohio for many, many years. They have been through the courts and have been upheld many, many times. I have not seen many abuses because I agree with the statement made by the gentleman from Missouri that perhaps we are trying too hard to protect individuals from paying their just debts.

I happen to be of the old school which believes you should pay your just debts. Therefore, I do not believe we should take away a means of collection from a creditor after he has extended his credit to one who wishes it. I do not think the Congress of the United States should go on record here as being for the person who does not want to pay his just debts and against the person who puts up the credit. We have a lot of small business people extending credit. We are not always talking about Sears, Roebuck or the large department stores. We are talking about little individual store owners out in Ottawa, Ohio, or Holgate, Ohio. Sometimes these small businessmen must go into county or municipal courts to collect what is owing them. These small businessmen work long hours for the money to buy merchandise and they deserve to be paid when they extend credit. Now we should not come along with Federal legislation and say that you cannot collect through garnishment proceedings unless you comply with a Federal statute.

I do hope that this House will stop and look at this particular title. I think the title should come out. Take it all out, not only the first section as proposed by this amendment, for it will not do the job, but the entire title. We must have a further amendment to take out the balance of this title under the present parliamentary situation. I hope that this House takes this action so we will have a good truth-in-lending bill and one which will not superimpose the will of New York State on our other 49 States through Federal legislation.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I am pleased to yield to the gentleman from Iowa.

Mr. GROSS. I do not know of any reason why we should take the city of New York or New York State as a model for much of anything. The city of New York has the highest per capita debt of any municipality in the United States, some $4 billion-plus. I would prefer not take New York City as a model for anything.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. Abernethy].

Mr. ABERNETHY. Mr. Chairman, I do not know how many merchants there are in the United States. I imagine there are several hundred thousand, perhaps a million or so.

I have not yet lost faith in these American businessmen. Nor have I yet come to the conclusion that every American businessman is a crook or a potential crook as some here in their support of title II seem to conclude.

It hurts me when it is suggested that the average storeowner or department store operator is a cheat, or that he would force the sale of merchandise upon a man simply for the privilege of gouging the salaried man. I would like to believe, and I do believe, that merchants make sales to customers, including wage earners, because they feel they are making a good and fair transaction, one that is good for the customer as well as the merchant.

It is a universal rule that one cannot buy merchandise unless he can show a capacity to pay. There may be a few rotten merchants, or shylocks or cheats, among our multiplied thousands of American merchants; but why should we destroy all of them and a legitimate method of protecting creditors simply because there are a few in the merchandising field who want to cheat or be oppressive.

Since the courts of the English-speaking people were established, suits may be brought for many purposes—for actions in tort, for damages, for trespass, for debt and so on. When the claim is reduced to a judgment, there are only two methods by which the judgment creditor can recover and collect. One is by a levy upon the debtor's property; the other is by garnishment. If a levy upon his property is legitimate, why would not a levy upon his income be legitimate?

One is just as legitimate as the other.

I would like to comment on what the gentleman from Missouri [Mr. Jones] and the gentleman from Ohio [Mr. Latta] had to say. They were so right and so sound. There are some States that probably do not like garnishment. There are others that do. Let the States make that decision. The time may even come when some States will want to eliminate the right to levy on a man's property to recover on a judgment. Let them make that decision. Why should we establish here the one rule by which every State and every court in this country and every creditor in this country should be guided?

Bear in mind, when we eliminate the lawful right to garnishee wages to recover on legitimate judgment debts, we are going to have a good many merchants who will say, "They have reduced my opportunity to collect on the fellow who may default, so I am just not going to let him have the merchandise." Otherwise the merchant might have done business with the would-be buyer. This garnishment provision will undoubtedly do those you are trying to protect more harm than good. If he sorely needs certain merchandise you, by this provision, will reduce his opportunity to secure credit.

I just hope we will not go far afield from the real objectives of this bill in taking care of consumer credit problems and move into the foreign field of garnishment. Certainly this ought to be left to the judgment of the respective legislatures of the States of this Nation. If Texas does not want garnishment, as they apparently do not, that is all right with me. If Ohio wants it, why not let them have it? Why should we be the judge? Why is it that we substitute our judgment for that of our great State legislatures, all of them are closer to the people and to this strictly local question than are we here in Washington.

These members who so harshly spoke of garnishment told us how cruel it was, how ancient, how old, how mean, and how rigid and unfair was such a proceeding. Yet they recognize the legitimacy, rightness, and fairness of it by bringing in their own version of garnishment.

Although they condemn garnishment, they do not outlaw it. They bring in their own version of such. They are attempting to substitute their version for that of the State legislatures. Everyone over the Nation must all subscribe to what they say. They are assuming a holier than thou attitude. They superimpose their views and their versions on every State, every legislature, every creditor, and every debtor in this Union on an entirely and completely local matter.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, does the gentleman not also find it quite interesting that the U.S. Government has the very strange garnishment proceeding, actually one which most people should be offended by. I am speaking of the Internal Revenue Service, which can move in and take your property and income without much notice.

Mr. ABERNETHY. They can move in and take it with much less notice than these business people. Indeed, the Federal authority is more cruel and more vicious than any comparable State authority.

Most business people are not bad. Let us not get ourselves off on the idea that these people are all crooks or that they are imposing on poor people.

In behalf of both the creditor and debtor, the merchant and the buyer, and in support of the right of the States to make a decision on what is purely a local and State matter, this amendment should be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. Waggonner].

Mr. WAGGONNER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Mississippi [Mr. Montgomery].

Perhaps I made a mistake when I left home before daybreak this morning, on my way to the Presidential breakfast, when I left my overshoes at home, because I think I need them in this Chamber to protect my feet today from the tears that have this carpet soggy from crying over the mistreatment of these poor people who have been unable to pay their bills.

The principle of garnishment legislation in every State is exactly the same as it is in criminal laws—it is intended to deter the man who overspends and does not make any effort to handle his personal business in a way that will let them meet his obligations when the time comes to pay his just and honest debts, just exactly as padlocks put on a businessman's door warn a man he will be in violation of criminal law if he breaks that lock and enters when he should not.

Let me explain the reason why we have trouble in the United States today. The number one issue is violence, crime in the streets, civil disobedience. Why? Because people in every level of government, especially at the Federal level, have not yet realized we have an obligation not only to protect the innocent but to prosecute the lawless. When we prosecute the lawless, we are going to get rid of this problem of lawlessness and crime and violence in the streets.

We here ought to give the same protection to the little businessman that the gentleman from Mississippi [Mr. Abernethy] was just talking about, that we give to the innocent. We ought to protect him from that occasional deadbeat. These little independent businessmen are not all bad.

This proposal, this title, should not be a part of this legislation today for the obvious reason that there is already a federally authorized study of garnishment legislation, and there is going to be a Federal recommendation.

This Congress approved that study, and it is underway now.

This proposal additionally should not be a part of this legislation today, because members of the committee say, "We are going to drop it in conference. We want it for bargaining power with the Senate." When Members stand up and make that sort of admission they should remember that the Members of the Senate read this debate, also. They know what is going on over here, and they are not going to be hoodwinked or browbeaten in conference when we make statements such as that openly.

The State of Louisiana exempts 80 percent of any individual's income from garnishment. That is pretty generous, in my opinion. I have done law enforcement work. I have served garnishment papers. I know something about it.

When one serves a garnishment paper on an individual in someone's employ, and that man who employs the employee being served does not respond, he becomes, under the Louisiana law, liable for that entire debt.

What about the Federal Government? This is where we should be concerned. This is the subject the gentleman from Ohio [Mr. Ashbrook] broached a minute ago in the question of the gentleman from Mississippi.

The Federal Government can garnishee every penny of a man's wages, every penny of his bank accounts, to satisfy what? Income tax. If a person has an obligation to pay income tax, he has an obligation to pay his other debts which are just. Why? Because most of these people had no part in levying the income taxes, but they had an awful lot to say about whether or not they were going into a retail establishment to buy the merchandise of a little independent businessman.

What protection are we going to give this little independent businessman? Is he not entitled to the same consideration the purchaser is? Should he not have lawful recourse to the courts of this land?

Do Members stand here today to indict every Federal and every district court in this country, which would allow garnishment to collect income taxes or to collect a just debt?

I do not. I do not believe these people are all bad. If any Member does, let him go back home to tell the State legislature and to tell the judges, "You do not know what you are doing. You are entering into a conspiracy with a bunch of loan sharks and credit collectors. We do not trust you. You cannot do it any more."

Let this Congress tend to its own knitting at the Federal level. Let the States run their own laws. Let them have garnishment legislation if they want it. If they do not want it, they do not have to have it. Some do not. My State does. I want them to have the right to continue it if they want it.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I am glad to yield to the gentleman from Wisconsin.

Mr. REUSS. I thank the gentleman. The gentleman is making a moving case in behalf of the rights of a creditor. I will agree that a creditor's rights deserve recognition.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that I be permitted to yield 1 minute of my time to the gentleman from Louisiana.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. REUSS. Is the gentleman aware of the fact that there is a class of debtors making $30,000 a year whose wages are entirely exempt from garnishment, Federal, State, and local?

Mr. WAGGONNER. Surely.

Mr. REUSS. And that that class is the Members of the Congress of the United States?

Mr. WAGGONNER. That is exactly right.

Mr. REUSS. Would the gentleman join in a campaign to make the rights of creditors more real by extending the right of garnishment to the salaries of Members?

Mr. WAGGONNER. I will be glad to, if the gentleman will join me. I will introduce that legislation, if the gentleman will drop this from this proposal.

Mr. REUSS. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentlewoman from Missouri [Mrs. Sullivan].

Mrs. SULLIVAN. Mr. Chairman, I yield back my time.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. Montgomery].

Mr. MONTGOMERY. Mr. Chairman, I certainly will not take all of my time, but I should briefly like to explain what the amendment does, again.

My amendment would strike out section 201 of title II of this bill. If my amendment is adopted I believe the distinguished chairman and I have agreed that possibly I could offer an amendment to strike all of title II. So, actually, if we can adopt this amendment certainly I would follow with an amendment taking all of title II out, which would take out the garnishment section of the bill.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from North Carolina.

Mr. WHITENER. I appreciate the gentleman's yielding.

I am astounded that the proponents of this legislation would suggest that the Congress should write local law in the field of garnishment.

It happens in my State that we do not have a garnishment law, but it is a matter for our State legislature. I would point out these folks who are so concerned about the debtor are probably not taking into account the fact that the debt-paying debtor might well wind up being punished by this provision, because any businessman who stays in business takes into account in his price-fixing procedures the cost of doing business. If as a result of this legislation the deadbeats are protected, then the debt payers will be paying higher prices for merchandise.

I note also that the committee in its amendment to the original bill was very careful to leave the tax gatherers, both Federal and State, untouched by this title II provision. Now, if the little corner grocery store is to be deprived of its rights under State law, why cannot the massive Federal Government be required to give the same consideration to the wage earner?

May I point out further, if the gentleman will yield further, that some of us, like the gentleman from Colorado [Mr. ROGERS], and others, have for several years worked with the wage earners provisions of chapter 13 of the Bankruptcy Act. We have not only amended that act, we have also tried by contacts throughout the Nation to encourage the use of chapter 13 proceedings to encourage wage earners to pay their debts under an arrangement procedure provided in chapter 13.

The approach by this bill we have before us negates all of the efforts we have made in this field. It creates a privileged class which of those who are not willing to pay their honest debts. It takes away the basic rights of the States to regulate in a strictly local field of legislation.

Mr. Chairman, I support the gentleman's amendment.

Mr. MONTGOMERY. Mr. Chairman, I thank the gentleman for pointing out this most important matter as to the way in which this bill was drawn up. I would like to say that if you want to let the States regulate their own garnishment laws, you will support my amendment. If you want the Federal Government to move in on the State authority, then vote against my amendment. It is just that simple.

Mr. WHITENER. Mr. Chairman, will the gentleman yield to me?

Mr. MONTGOMERY. I yield to the gentleman from North Carolina.

Mr. WHITENER. Mr. Chairman, I note in title II of this legislation—and I do not know whether it is an oversight or not—that there is nothing said about the assignment of wages procedures available in most States of the Union. The assignment of wages procedure are the ones that an unscrupulous businessman will be using. If you enact this bill into law, the only person who will be hurt, in my judgment, is the scrupulous businessman who is furnishing the food for the table and the furniture for the home of the wage earner. I see nothing here that prevents an unscrupulous merchant getting his customer to assign wages at the time he makes a purchase. That is not a garnishment procedure and would not be precluded by the bill.

Mr. MONTGOMERY. Mr. Chairman, I yield back the balance of my time.

The **CHAIRMAN.** The Chair recognizes the gentleman from Texas [Mr. PATMAN] for 5 minutes to close debate on this amendment.

Mr. PATMAN. Mr. Chairman, this is not the New York law. Neither is it the Louisiana law. The Louisiana law is just about as near to this title of the bill as is the New York law. In other words, Mr. Chairman, to refer to it as the New York people trying to get their law enacted into Federal legislation, I do not think it is exactly right.

Mr. Chairman, several States have similar laws to this. Some are more oppressive than others. No one wants to help an individual beat a just and honest debt. There are ways of collecting debts other than garnishment which, of course, is the most cruel method that can be used.

Mr. Chairman, we can take, for instance, situations which arise at Federal facilities. In the congressional district which it is my honor to represent, when they write to me about a merchant to the effect that they have an account overdue and an employee is employed at a certain Federal facility, I just tell them to go to the local justice of the peace, get a liquidated claim of judgment, and file that with the manager of that facility. Either he will make arrangements for it to be paid or the purchaser will be fined. There is no real problem in collecting debts from big company concerns engaged in the construction of Federal projects, if they are not liquidated.

Mr. Chairman, one can never tell whether it will be questioned, but when one gets a judgment, one can collect upon it. The rights of the individual States are protected.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I cannot yield at this time.

Mr. Chairman, in the title dealing with the operation of the States, section 204 at page 42 of the bill, if the members of the Committee will read it, they will find that the State rights and State laws are pretty well provided for.

So, Mr. Chairman, it is my opinion that this committee performed an excellent job in going into all of these laws of the different States and, finally, agreed upon one provision that in the opinion of the committee would be fair to all concerned.

Mr. Chairman, I feel that the report of the committee should be supported rather than the amendment which has been offered by the distinguished gentleman from Mississippi [Mr. MONTGOMERY], an amendment which has not been considered by the committee directly. However, the amendments of the committee have been considered very carefully—considered and weighed and evaluated, by all of the members of the committee, after careful study.

Mr. Chairman, it is my opinion that the members of the Committee of the Whole House on the State of the Union should vote with the committee on this issue which in my opinion would represent a vote in the interest of the public.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I am glad to yield to the distinguished gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, I just want to read a few excerpts from two letters which I have received, one from the Republic Steel Corp. and one from the United States Steel Corp., directed to the attitude of major industries on this issue. The letter from the Republic Steel Corp. is signed by the vice president for corporate relations and public affairs, Mr. H. C. Lumb, in which he states, in part, as follows:

> We believe there are many reasons from the point of view of both employers and employees which favor a prohibition of garnishment laws.
>
> From a company standpoint, the garnishment of an employee's wages imposes a substantial administrative burden.

And he goes on:

> In several instances where legal questions have been involved, the expense to Republic of a garnishment proceeding has been almost as great as the amount being garnished. In one pending lawsuit, Republic and another company are being sued for $10,000 damages for allegedly causing the wrongful garnishment of an employee's wages in the sum of $57.78.
>
> The cost to Republic in terms of damage to employee relations is perhaps even more substantial. While it is difficult to measure, we believe that the garnishment of an employee's wages often impairs the employee's performance on the job. In a few instances repeated difficulties with respect to garnishments have made it necessary to discharge the employee.
>
> The disadvantages of garnishment laws to the employee are also numerous. Aside from paying interest on his debt, the employee is usually required to pay filing fees and other costs relating to the garnishment proceeding which are added to the amount being garnished. Moreover, a garnishment proceeding is often the forerunner of continuing financial difficulties experienced by the employee and is frequently followed by personal bankruptcy proceedings.

I have a similar letter from Mr. William G. Whyte, vice president of United States Steel.

Mr. Chairman, I include at this point in the RECORD the full text of the two letters to which I have referred:

REPUBLIC STEEL CORP.,
Cleveland, Ohio, November 22, 1967.

Hon. LEONOR K. SULLIVAN,
Chairman, Subcommittee on Consumer Affairs, House of Representatives, Washington, D.C.

DEAR MRS. SULLIVAN: I am writing on behalf of Republic Steel Corporation to support

Title II of the truth-in-lending bill (H.R. 11601) which would prohibit the garnishment of wages.

We believe there are many reasons from the point of view of both employers and employees which favor a prohibition of garnishment laws.

From a company standpoint, the garnishment of an employee's wages imposes a substantial administrative burden. The handling of garnishment orders adds to the cost of doing business with no benefit whatsoever to the employer. Moreover, if a notice of garnishment is not attended to promptly (even though the propriety of the garnishment may be in question) a judgment may be entered directly against the company.

In several instances where legal questions have been involved, the expense to Republic of a garnishment proceeding has been almost as great as the amount being garnished. In one pending lawsuit, Republic and another company are being sued for $10,000 damages for allegedly causing the wrongful garnishment of an employee's wages in the sum of $57.78.

The cost to Republic in terms of damage to employee relations is perhaps even more substantial. While it is difficult to measure, we believe that the garnishment of an employee's wages often impairs the employee's performance on the job. In a few instances repeated difficulties with respect to garnishments have made it necessary to discharge the employee.

The disadvantages of garnishment laws to the employee are also numerous. Aside from paying interest on his debt, the employee is usually required to pay filing fees and other costs relating to the garnishment proceeding which are added to the amount being garnished. Moreover, a garnishment proceeding is often the forerunner of continuing financial difficulties experienced by the employee and is frequently followed by personal bankruptcy proceedings.

We do not believe that the extension of credit fostered by the garnishment laws is beneficial to the economy of the United States. Aside from the disruption caused by individual bankruptcies, the garnishment laws encourage the extension of credit which would not otherwise be granted and help to divert an employee's earnings away from the purchase of goods and services into the payment of interest and the costs of garnishment proceedings. Thus the prohibition of garnishment laws might well be beneficial for the economy.

It is our belief that the prohibition of garnishment laws would remove a burden on interstate commerce. We would appreciate your making copies of this letter available to the members of the Subcommittee on Consumer Affairs so that our position on this matter will be made known to them. Extra copies of the letter have been enclosed for that purpose.

Sincerely,

H. C. LUMB,
Vice President, Corporate Relations and Public Affairs.

UNITED STATES STEEL CORP.,
Washington, D.C., October 30, 1967.
Hon. LEONOR K. SULLIVAN,
Chairman, Subcommittee on Consumer Affairs, U.S. House of Representatives, Washington, D.C.

DEAR MRS. SULLIVAN: I am taking this opportunity to communicate with you regarding the truth-in-lending bill (H.R. 11601).

The provisions of the proposed bill which has a direct relationship to our operation is Title II, prohibiting the garnishment of wages. We are in favor of the provisions of Title II (dealing with the Prohibition of Garnishment of Wages) to the bill now before your Subcommittee.

Wage garnishments constitute a heavy and costly administrative burden upon our company. Quite apart from the administrative burden that garnishments impose on any large-size company, we believe that this repayment device may well lead to the extension of credit to wage earners in situations where credit more reasonably might be withheld and in fact serves to enhance the credit problems to which many employees find themselves subject.

We sincerely trust that our comments may be helpful to you and your colleagues in the consideration of this proposed legislation.

Sincerely,

WM. G. WHYTE.

Mr. PATMAN. Mr. Chairman, this amendment has been fully discussed. Therefore, I ask for a vote on it. I hope that the members of the Committee of the Whole House on the State of the Union will sustain the Committee on Banking and Currency on this amendment.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. HALPERN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Texas has expired. All time has expired.

The question is on the amendment offered by the gentleman from Mississippi [Mr. MONTGOMERY].

The question was taken; and the Chair announced that the noes appeared to have it.

Mrs. SULLIVAN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MONTGOMERY and Mr. PATMAN.

The Committee again divided, and the tellers reported that there were—ayes 98, noes 101.

So the amendment was rejected.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 40, line 6, strike "PROHIBITION" and insert "RESTRICTION".

The committee amendment was agreed to.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the remainder of the bill may be considered as read, printed in the RECORD, and open to amendment at any point except, of course, that committee amendments come first.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk read as follows:

SEC. 202. (a) No person may attach or garnish wages or salary due an employee; or pursue in any court any similar legal or equitable remedy which has the effect of stopping or diverting the payment of wages or salary due an employee.

(b) Whoever violates subsection (a) of this section shall be fined not more than $1,000, or imprisoned not more than one year, or both.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

On page 40, strike lines 13 through 19 and insert the following:

"SEC. 202. (a) Except as provided in subsection (b) of this section, not more than 10 per centum of the excess over $30 per week, or its equivalent for any pay period of a different duration, of any wages, salary, or earnings in the form of commission or bonus as compensation for personal services may be attached, garnished, or subjected to any similar legal or equitable process or order. No court of the United States or of any State may make, execute, or enforce any order or process in violation of this section.

"(b) The prohibition contained in subsection (a) of this section does not apply in the case of any debt due—

"(1) under the order of any court for the support of any person; or

"(2) for any State or Federal tax.

"(c) The Secretary of Labor is authorized to make such regulations as may be necessary to carry out the purposes of this section. Whoever willfully and knowingly violates any regulation issued under authority of this section shall be fined not more than $1,000, or imprisoned not more than one year, or both.

"(d) The Secretary of Labor, acting through the Wage and Hour Division of the Department of Labor, shall enforce the provisions of this section.

SEC. 203. (a) No employer may discharge any employee by reason of the fact that, on one occasion, wages or other compensation due the employee for personal services have been subjected to attachment, garnishment, or any similar legal or equitable process.

"(b) The Secretary of Labor, acting through the Wage and Hour Division of the Department of Labor, shall enforce the provisions of this section.

"(c) Whoever willfully violates subsection (a) of this section shall be fined not more than $1,000, or imprisoned not more than one year, or both.

"SEC. 204. This title shall not be construed to annul, alter, or affect, or to exempt any creditor from complying with, the laws of any State relating to the garnishment of wages, salary, or earnings in the form of commission or bonus, as compensation for personal services in connection with credit transactions, where such laws—

"(1) prohibit such garnishments or provide for more limited garnishments than are provided for in section 202(a) of this title, or

"(2) prohibit the discharge of any employee by reason of the fact that, on any occasion, wages or other compensation due the employee for personal services have been subjected to attachment, garnishment, or any similar legal or equitable process."

Mr. WYMAN (during the reading). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. WYMAN. Mr. Chairman, I have an amendment to section 202. I am just inquiring now as to whether I must await the reading of section 203 and section 204 and so forth before offering it.

The CHAIRMAN. The Clerk is now reporting the committee amendment.

The Clerk concluded the reading of the committee amendment.

AMENDMENT TO THE COMMITTEE AMENDMENT OFFERED BY MR. ROGERS OF COLORADO

Mr. ROGERS of Colorado. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. ROGERS of Colorado: On page 41, strike out lines 9 through 14.

Mr. ROGERS of Colorado. Mr. Chairman, the objective of this amendment is to eliminate section (c) from section 202 for the simple reason the amendment as drawn here would authorize the Secretary of Labor to draw rules and regulations and to control Federal and State courts.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman.

Mr. REUSS. The gentleman from Colorado was kind enough to furnish both the majority and the minority with copies of his amendment previous to this amendment.

It is my judgment that the gentleman's amendment is a constructive amendment.

The withdrawal of the criminal penalty, and of the intervention of the Secretary of Labor, in this instance seems to me justified because the matter rests, and properly rests, with the State and Federal courts and is taken care of by the earlier section, section 202(a).

Accordingly—and I have discussed this matter with my leaders and associates on the committee—we would have no objection to the gentleman's amendment, and thank him for his constructive spirit in offering it.

Mr. HALPERN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from New York.

Mr. HALPERN. I agree with the statement of the gentleman from Wisconsin. I believe the points made by the gentleman from Colorado are well taken, and I concur with his amendment.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. An unusual change of heart has taken place here. Only a few minutes ago I heard the distinguished chairman, the gentleman from Texas [Mr. PATMAN], say that this entire committee amendment had been carefully weighed and considered. Could we inquire if there is going to be other amendments accepted to other parts of this "carefully weighed" amendment?

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Wisconsin.

Mr. REUSS. I respond to the inquiry of the gentleman from Mississippi by saying that this is the only amendment which in the judgment of the majority and the minority of the House Committee on Banking and Currency is an improvement. I will inform the gentleman that it is the only one we propose to accept.

Mr. ROGERS of Colorado. May I respond further by saying that I do have at the desk another amendment which the committee would not agree to, and that amendment would strike out all of lines 1 to 3, inclusive, on page 42, removing the question of making it a Federal crime to discharge an individual when he may have been garnished once. That is an amendment that I propose to offer after this one is adopted.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I just wish to make clear that I certainly have no objection to taking this subsection out. In fact, I would like to take the whole thing out. Indeed, this section should come out because it would authorize the imposition of a fine of $1,000 and imprisonment in jail for a solid year for the violation of a regulation to be drawn by the Secretary of Labor, no part of which has ever been seen by the House of Representatives.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the chairman, the gentleman from Texas.

Mr. PATMAN. This amendment was considered before I made the statement that we had agreed to this, because we think it is a constructive suggestion, it is a good amendment, and we ask that the amendment be adopted.

The **CHAIRMAN.** The question is on the amendment to the committee amendment offered by the gentleman from Colorado [Mr. ROGERS].

The amendment to the committee amendment was agreed to.

AMENDMENT TO THE COMMITTEE AMENDMENT OFFERED BY MR. ROGERS OF COLORADO

Mr. ROGERS of Colorado. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

> Amendment to the committee amendment offered by Mr. ROGERS of Colorado: On page 42, strike out lines 1 through 3.

The **CHAIRMAN.** The gentleman from Colorado is recognized for 5 minutes.

Mr. ROGERS of Colorado. Mr. Chairman, as you will readily understand, section 203(a) of this committee amendment provides that no employer may discharge an employee for one garnishment, and that if that employer should discharge him for a garnishment, then he has committed a Federal crime and the punishment is a fine of not more than $1,000 or up to 1 year in jail.

My amendment merely eliminates the criminal penalties in connection therewith. May I point out that most employers, or a majority of the employers in the United States, are corporations. Is it certain that if a vice president of a corporation should discharge a man and give as a reason that he had been garnisheed under a State or Federal garnishment act, the vice president would be guilty of a Federal crime? I think, as it is now drawn, when it says "employer" it means the corporation. And if the corporation is the employer, then it would be the only one that would be subjected to that penalty. Hence, I do not believe that we should, as a Federal policy, say to an employer that any time the employer discharges an employee when he has a garnishment, it runs the risk of committing a Federal crime and subjects itself to a penalty of a $1,000 fine or a year in jail.

Hence, we should not, as the Federal Government, enter into the employer-employee relationship and subject that employer to this penalty. There will be ample ways in which the garnishment may be carried out, because it still is the court that may have issued the execution and still it is with the sheriff or constable to carry out the garnishment. He is under the control of the court, and this court is under direction to follow the other sections of this law. Therefore, why should we make it a penalty and a crime, when it is not necessary and the man himself will get his adequate protection?

I therefore urge that my amendment be adopted.

Mr. REUSS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Colorado [Mr. ROGERS].

Mr. Chairman, I shall be very brief. Just a few moments ago we were delighted to go along with another amendment offered by the gentleman from Colorado [Mr. ROGERS], whose judgment and legal knowledge we all respect. We did that because there the amendment struck the criminal penalty from the garnishment process itself, and we believed—and I believe we were correct—that because the garnishment process itself is lodged in the court, that alone provided a sufficient remedy.

Now we are dealing with an excellent provision of the Halpern amendment, which says that a man cannot be fired because there has been one garnishment lodged against him. If there is more than one, then, yes, he can be; but if only one, then he cannot be fired.

The only penalty provided is the criminal penalty of the fine and modest imprisonment, which is a typical feature of the Federal Criminal Statutes. The reason that is in there is, unless we provide a penalty, there is absolutely nothing to stop the employer from firing with impunity a wage earner against whom one garnishment, just or unjust, has been obtained.

I hope, therefore, this amendment will be voted down.

Mr. HALPERN. Mr. Chairman, I rise in opposition to the amendment.

As explained by the distinguished gentleman from Wisconsin, the committee amendment would prohibit the firing of an employee because of one garnishment.

If there is a second garnishment, the prohibition would not apply.

Let me repeat that, Mr. Chairman, This provision applies the prohibition only to the first garnishment, which is certainly reasonable.

I should like to add that this language was adopted unanimously by our committee. We heard no objection from credit spokesmen. Both the consumer and credit groups agreed this was reasonable and desirable.

The gentleman from Colorado has offered an amendment which would completely destroy the committee amendment which, I should point out—and I repeat—was adopted unanimously.

The gentleman's amendment would take the teeth out of this section of the bill and kill its effective enforcement. I trust his amendment will not prevail and that the committee provision will remain.

The **CHAIRMAN.** The time of the gentleman from New York has expired.

The question is on the amendment offered by the gentleman from Colorado [Mr. ROGERS] to the committee amendment.

The amendment to the committee amendment was rejected.

AMENDMENT TO THE COMMITTEE AMENDMENT OFFERED BY MR. WYMAN

Mr. WYMAN. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

> Amendment to the committee amendment offered by Mr. WYMAN: On page 41, line 2, after "United States" strike out "or of any State".

Mr. WYMAN. Mr. Chairman, the purpose of this amendment is to remove the limitation on the State courts, prohibiting orders or processes in violation of new Federal policy.

This statute, as it is presently proposed, would deny to the State courts the powers to enforce their own garnishment laws. By what right does the Congress assume such preemptive authority?

The distinguished chairman of the committee has said that section 204 takes care of State laws. It takes care of the States laws in terms of grandiose largesse. It says the State laws can exist only as long as they are stricter than the Federal formula set out in the bill before us.

I made this point before, and I make it now in connection with this very simple amendment. There is no authority in the Congress to take the State courts out of the field in terms of enforcement of local garnishment laws. There is nothing in the statute that requires when the transactions are removed from the State court jurisdiction they must have arisen in interstate or foreign commerce. There is no nexus, no connection between what we are trying to do here in terms of what this statute proposes under the Federal Constitution. We are a democracy operating in a Federal system under a republican form of government. The statute before us does violence to this system.

I want no part of such a sweeping preemption in a field that is the prerogative of State legislatures in the whole 50 States.

It is true that some States do not have garnishment laws. That is their business, not ours.

To say that this has something to do with the monetary powers of the Nation, or that more people might go into individual bankruptcy if this statutory formula is not imposed on the whole country is just not so.

I submit that we should remove this language that offends everyone here who is concerned with preservation of reserved State powers, the right of States to make and enforce their own laws except where power to supersede is given to the Federal Government in the Constitution. We can properly, of course, say that no court of the United States may do so.

I quote from line 1, page 41:

> No court of the United States may make, execute, or enforce any order or process in violation of this section.

But we should not say, Mr. Chairman:

> No court of any State may make, execute, or enforce any order or process in violation of this section.

We simply cannot do this with regard to the State courts if our Constitution means anything any more.

I urge the adoption of this amendment to preserve and protect our constitutional system.

Mr. HANNA. Mr. Chairman, I rise in opposition to the amendment.

I include in the RECORD at this point an argument on the constitutionality of the committee amendment:

STATEMENT ON THE CONSTITUTIONALITY OF THE PROPOSED GARNISHMENT AMENDMENT TO THE TRUTH IN LENDING BILL

Some questions have been raised as to the constitutionality of Federal legislation on the subject of garnishment of wages. On first examination these questions seem to have some merit. However, upon more detailed examination of the constitutional issue, it becomes quite clear, I believe, that there is not substantial question as to the constitutionality of such a provision.

Without presenting a long, technical explanation as to why I think Congress has the constitutional power to legislate in the area of garnishment, it is clear from an examination of court decisions, particularly over the last 30 years, that this power exists.

This fact can be demonstrated most effectively by an examination of the many labor laws which have been enacted during and since the days of the New Deal. There include the National Labor Relations Act, the Fair Labor Standards Act and the Taft-Hartley Act. The Supreme Court has held that the size and impact on interstate commerce of any particular activity is not a relevant question as to the constitutionality of a statute involving such matters.

Likewise, Congress has established minimum prices for agricultural commodities and such prices have been upheld by the courts even in cases in which the producer sold his product only within a single state. In one such case, *U.S.* v. *Wrightwood Dairy Company,* the Supreme Court stated:

"Congress plainly has power to regulate the price of milk distributed through the medium of interstate commerce . . . and it possesses every power needed to make that regulation effective. The commerce power is not confined in its exercise to the regulation of commerce among the states. It extends to those activities intra-state which so affect interstate commerce, or the exertion of the power of Congress over it, as to make regulation of them appropriate means to the attainment of a legitimate end, the effective execution of the granted power to regulate interstate commerce."

In another instance, Chief Justice of the United States Supreme Court Harlan F. Stone stated, in the case of *Southern Pacific Company* v. *Arizona* in 1945, and I quote:

"Congress has undoubted power to redefine the distribution of power of interstate commerce. It may either permit the states to regulate the commerce in a manner which would otherwise not be permissible, or exclude state regulation even of matters of peculiarly local concern which nevertheless affect interstate commerce."

Therefore, it appears clear that there is no constitutional barrier to the Congress establishing a national standard for the garnishment of wages. It is simply a judgment for Congress to make that this is a serious situation involving the economic welfare of millions of workers throughout the United States and that the seriousness of the problem is such that congressional action is necessary.

After taking many hours of testimony and studying hundreds of pages of discussion and data on the subject of garnishment the Banking and Currency Committee, and particularly Mrs. Sullivan's Subcommittee on Consumer Affairs, decided that this was indeed a serious national problem and that at least a minimum national standard should be established for the garnishment of wages.

Mr. HALPERN. Mr. Chairman, I rise in opposition to the amendment and move to strike the requisite number of words.

I strongly oppose the amendment offered by the very able and distinguished gentleman from New Hampshire.

As a practical matter, Mr. Chairman, the amendment would put a terrible burden on all workers being garnished, on their employers, and on the creditor seeking a garnishment.

This would be so because if this amendment were adopted, only the Federal courts would have jurisdiction over garnishment proceedings under this law. Therefore in many States, particularly in the South and the West, where there are only two or three Federal district courts covering very wide areas of the State, all involved, would have to travel hundreds of miles to a court in a distant place instead of going to a local court. In addition, it is my understanding that State courts have in many instances applied Federal laws, and indeed, are obligated to do so. Therefore, to adopt this amendment would do terrible hardship to all concerned. I trust it will be rejected.

Mr. WYMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. HALPERN. I yield to the gentleman from New Hampshire.

Mr. WYMAN. The gentleman referred to the State courts enforcing Federal law. The language here says:

> No court of the United States or of any State may make, execute, or enforce any order or process in violation of this section.

This is not an addendum but something subtracted from the State courts. My question of the gentleman is, Where do we get the authority to tell the State courts that their processes shall be of no force and effect in carrying out the law of garnishment in the several States established by their own legislatures?

Mr. HALPERN. My answer is that the argument of our constitutional authority was clarified earlier when the same question was raised during the debate on the Montgomery amendment.

Mr. WYMAN. If the gentleman will yield further, that is not an answer to the question.

Mr. REUSS. Mr. Chairman, I rise in opposition to the amendment because the amendment would in effect wipe out the entire action on garnishment which we are taking. Under the amendment offered by the gentleman from New Hampshire, the State courts could go blithely ahead and garnish the last $5 from the weekly wage of someone who is making $30 a week. The mere fact that the Federal courts could not join in the dirty job is small comfort to the people here, and I think we are a majority, who believe that there has to be some limit on the power of a creditor, whether just or unjust, to harass a debtor by the abuse of the garnishment process.

I hope that the amendment will be decisively voted down.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield to me for a question?

Mr. REUSS. I shall be glad to yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I would like to ask the gentleman from Wisconsin whether or not in a State which does not have any garnishment proceedings the committee bill will allow garnishment. For example, in Pennsylvania there is no garnishment of wages. Will this allow the garnishment of wages in that State?

Mr. REUSS. It certainly will not. Pennsylvania should be proud of its antigarnishment motion, as I know the gentleman is. Under section 204 it is stated with crystal clarity that Pennsylvania, Texas, and other States which have had the good sense to abolish this antique doctrine of garnishment, may continue to do so.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from New Hampshire [Mr. WYMAN].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. WYMAN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WYMAN and Mr. PATMAN.

The Committee divided, and the tellers reported that there were—ayes 87, noes 102.

So the amendment to the committee amendment was rejected.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. HALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is my presumption that you are about ready to ask that the Clerk read title III, and as I have throughout the rest of this bill, I would like to propound some questions for information only without indicating whether or not I am for the bill as a whole, or even this title.

Mr. Chairman, we have in title III a proposed Commission on Consumer Finance, and my question is: Would this replace President Johnson's Committee on Consumer Interests, which I believe is now chaired by Mr. Bronson C. La-Follette?

Furthermore, Mr. Chairman, if the proposed Commission does not replace the existing President's Commission, how will the new Commission herein established find its duties and functions differ from those of the existing Presidential committee?

Then, finally, the payoff question would be, Mr. Chairman: What would be the cost of maintaining such a commission?

Mr. Chairman, in the interest of time and inasmuch as we have taken an extra day, I would also at this time like to ask some delving—and I hope thoughtfully and well-prepared questions on the remainder of the bill—the title for administration and enforcement.

What type of credit transaction and what types of business will the Fed regulate under this legislation we are asked to pass here today?

Second, how many additional personnel will be required, Mr. Chairman, by the Fed, by the Commission, and by other Federal agencies, in order to enforce this proposed law?

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HALL. In just one moment.

Third, Mr. Chairman, how much in additional expense will this cost the taxpayers?

Now, Mr. Chairman, I would be most happy to yield, because on page 18 of the committee report prepared under the aegis of the chairman, and subcommittee chairman, it states:

> The regulations will be allocated among various Federal agencies already having regulatory responsibilities over industries affected by the credit disclosure requirements of the bill.

Mr. Chairman, I now yield to the chairman of the Committee on Banking and Currency, the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, may I say to the gentleman in answer to his first question, this will not interfere with any other law or any commission of the President now in existence. Furthermore, the duties of the Commission are set forth on page 44 of section 304, and it is evident, if the gentleman will read them, that there will be no conflict.

The total cost authorized in the bill would be $1.5 million, which would be up to the Committee on Appropriations as to whether or not they would recommend the whole amount, or a smaller sum. It is restricted to that.

Mr. HALL. Would the distinguished chairman please cite for me wherein the additional expense from the taxpayers is stated? Is that on line 8 on page 49 under section 307?

Mr. PATMAN. That is correct; section 307.

Mr. HALL. Of course, Mr. Chairman, we are quite familiar with the process of claiming that an authorization will not necessarily delve into the taxpayers' pocket, but those pigeons have a habit of coming home to roost.

Mr. Chairman, I am glad to have one man's opinion. I submit that these questions are for the perception of all Members.

I yield back the balance of my time.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

I would like to ask the Chairman a few questions concerning the Commission that would be established under the terms of this bill.

How many employees are to be added to the payroll under the terms of this Commission?

Mr. PATMAN. I do not know how many. I do not believe it is possible for anyone at this stage to estimate. But I can say that if it will stop all the robberies and all the racketeering, the loan sharking, and the charging of usurous interest rates, it will not be money except well spent. It will be well spent money.

The Committees on Appropriation will have to pass on the number of employees, and I am sure they will use the good judgment which they have used in the past to make sure that they are justified, and will serve the best interests, and that the expenditure is justified, or they will not make the appropriation.

Mr. GROSS. President Johnson has been talking about restraints on spending in the Federal Government and restraints on employment. Did the administration ask for this Commission?

Mr. PATMAN. Certainly, this is an administration bill. Does not the gentleman want to stop the charging of usurious interest? Do you not want to stop exorbitant interest charges?

Mr. GROSS. What is that?

Mr. PATMAN. Do you not want to stop the exorbitant interest charges? There are many people who are being oppressed by this situation.

Mr. GROSS. Is the fact of another commission going to do it? The gentleman knows as well as any Member of the House that simply because a new Commission is established that does not mean all the evils in connection with credit in this country are going to be cured.

The answer that the gentleman from Texas has given me up to this point, as to the number of employees, and the additional empire building implicit in this Commission, is less than no answer at all.

When you held hearings on the establishment of this Commission, as you must have if you were discharging your responsibility, you must have been provided with some idea of how many more people were going to be put on the payroll.

Mr. PATMAN. Now will the gentleman let me answer that?

Mr. GROSS. Yes.

Mr. PATMAN. I think it is very unreasonable to say that before the law is even passed, you must estimate the number of employees it will take to enforce the law. You do not know how widespread the violations will be. You do not know the volume of work that you will have before you. There is no way to reasonably estimate it until the law is passed and it goes into operation.

Mr. GROSS. Of course, the gentleman ought to be aware of the fact that there is a law on the statute books, a public law that requires you to come before the House of Representatives and give us certain information, including the manhours involved. You have not done so in this bill. You apparently have no intention of doing it. Therefore, you, yourself, are not in conformance with the law governing legislation.

Mr. PATMAN. It is not timely now. When it is timely and appropriate, it will be provided.

Mr. GROSS. Of course, it is timely now.

Mr. PATMAN. It is not timely now but it will be at the appropriate time.

Mr. GROSS. Do you have any idea of how many supergrades you are going to ask for? You provide in the bill for an unspecified number GS-18 employees, which is the top of the supergrades.

Mr. PATMAN. This is a very good cause and it is for a good purpose. I am sure that an adequate number of employees will be provided, and a reasonable number of employees.

Mr. GROSS. I have been here for a few years and I have heard the gentleman hedge in providing information as he is doing today.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentlewoman.

Mrs. SULLIVAN. I am happy to inform the gentleman that this is going to be a commission just like the National Commission on Food Marketing. It will consist of nine members, three Members of the House and three Members of the other body. With the six Members of the Congress forming a majority of the committee, they will decide how many employees will be needed and will be asked for in order to do the work that we expect them to do and which is spelled out in this legislation.

Mr. GROSS. We have 434 Members of the House. I do not know how many are present, but those who are ought to have some definite knowledge of the authority being delegated to a brandnew commission and its ability to engage in empire building in the Federal Government. That is my point.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk will read.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point, with the committee amendments to be considered first.

Mr. ASHBROOK. Mr. Chairman, reserving the right to object, as a Member who has an amendment I would like to have an assurance that the time will not be cut off so that there might not be time to adequately explain the amendment.

The CHAIRMAN. The gentleman from Texas has asked that the remainder of the bill be considered as read and open to amendment at any point, with committee amendments to be considered first, and made no request as to the time.

Mr. ASHBROOK. Mr. Chairman, is it not correct that if that is accomplished the gentleman could move at any time to close debate?

Mr. PATMAN. We are not going to abuse any rights of Members.

Mr. ASHBROOK. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The remainder of the bill is as follows:

TITLE III—COMMISSION ON CONSUMER FINANCE

SEC. 301. ESTABLISHMENT.—There is established a bipartisan National Commission on Consumer Finance (referred to in this title as the "Commission").

SEC. 302. MEMBERSHIP OF THE COMMISSION.—(a) The Commission shall be composed of nine members, of whom—

(1) three are Members of the Senate appointed by the President of the Senate;

(2) three are Members of the House of Representatives appointed by the Speaker of the House of Representatives; and

(3) three are persons not employed in a full-time capacity by the United States appointed by the President, one of whom he shall designate as Chairman.

(b) A vacancy in the Commission does not affect its powers and may be filled in the same manner as the original appointment.

(c) Five members of the Commission constitute a quorum.

SEC. 303. COMPENSATION OF MEMBERS.—(a) Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Each member of the Commission who is appointed by the President may receive compensation at a rate of $100 for each day he is engaged upon work of the Commission, and shall be reimbursed for travel expenses, including per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

SEC. 304. DUTIES OF THE COMMISSION.—(a) The Commission shall study and appraise the functioning and structure of the consumer finance industry. The Commission, in its report and recommendations to the Congress, shall include treatment of the following topics:

(1) The adequacy of existing arrangements to provide consumer financing at reasonable rates.

(2) The adequacy of existing supervisory and regulatory mechanisms to protect the public from unfair practices.

(3) The desirability of Federal chartering of consumer finance companies, or other Federal regulatory measures.

(b) The Commission may make interim reports, and shall make a final report of its findings, recommendations, and conclusions to the President and to the Congress by December 31, 1969.

SEC. 305. POWERS OF THE COMMISSION.—(a) The Commission, or any three members thereof as authorized by the Commission, may conduct hearings anywhere in the United States or otherwise secure data and expressions of opinions pertinent to the study. In connection therewith the Commission is authorized by majority vote

(1) to require, by special or general orders, corporations, business firms, and individuals to submit in writing such reports and answers to questions as the Commission may prescribe; such submission shall be made within such reasonable period and under oath or otherwise as the Commission may determine;

(2) to administer oaths;

(3) to require by subpena the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) in the case of disobedience to a subpena or order issued under paragraph (a) of this section to invoke the aid of any district court of the United States in requiring compliance with such subpena or order;

(5) in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths, and in such instances to compel testimony and the production of evidence in the same manner as authorized under subparagraphs (3) and (4) above; and

(6) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States.

(b) Any district court of the United States within the jurisdiction of which an inquiry is carried on may, in case of refusal to obey a subpena or order of the Commission issued under paragraph (a) of this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

(c) The Commission is authorized to require directly from the head of any Federal executive department or independent agency available information deemed useful in the discharge of its duties. All departments and independent agencies of the Government are hereby authorized and directed to cooperate with the Commission and to furnish all information requested by the Commission to the extent permitted by law.

(d) The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conducting of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(e) When the Commission finds that publication of any information obtained by it is in the public interest and would not give an unfair competitive advantage to any person, it is authorized to publish such information in the form and manner deemed best adapted for public use, except that data and information which would separately disclose the business transactions of any person, trade secrets, or names of customers shall be held confidential and shall not be disclosed by the Commission or its staff. The Commission shall permit business firms or individuals reasonable access to documents furnished by them for the purpose of obtaining or copying such documents as need may arise.

(f) The Commission is authorized to delegate any of its functions to individual members of the Commission or to designated individuals on its staff and to make such rules and regulations as are necessary for the conduct of its business, except as herein otherwise provided.

SEC. 306. ADMINISTRATIVE ARRANGEMENTS.—(a) The Commission is authorized, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service or to classification and General Schedule pay rates, to appoint and fix the compensation of an executive director and the executive director, with the approval of the Commission, shall employ and fix the compensation of such additional personnel as may be necessary to carry out the functions of the Commission, but no individual so appointed shall receive compensation in excess of the rate authorized for GS–18 under the General Schedule.

(b) The executive director, with the approval of the Commission, is authorized to obtain services in accordance with the provisions of section 3109 of title 5 of the United States Code, but at rates for individuals not to exceed $100 per diem.

(c) The head of any executive department or independent agency of the Federal Government is authorized to detail, on a reimbursable basis, any of its personnel to assist the Commission in carrying out its work.

(d) Financial and administrative services (including those related to budgeting and accounting, financial reporting, personnel, and procurement) shall be provided the Commission by the General Services Administration, for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator of General Services. The regulations of the General Services Administration for the collection of indebtedness of personnel resulting from erroneous payments shall apply to the collection of erroneous payments made to or on behalf of a Commission employee, and regulations of said Administrator for the administrative control of funds shall apply to appropriations of the Commission. The Commission shall not be required to prescribe such regulations.

(e) Ninety days after submission of its final report, as provided in section 304(b), the Commission shall cease to exist.

SEC. 307. AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated such sums not in excess of $1,500,000 as may be necessary to carry out the provisions of this title. Any money appropriated pursuant hereto shall remain available to the Commission until the date of its expiration, as fixed by section 306(e).

TITLE IV—SEVERABILITY

SEC. 401. If any provision of this Act is judicially held to be invalid, that holding does not necessarily affect the validity of any other provision of this Act.

COMMITTEE AMENDMENTS

The Clerk read as follows:

On page 44, line 6, after "industry" insert ", as well as consumer credit transactions generally".

On page 44, line 11, strike "financing" and insert "credit".

The committee amendments were agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 44, line 14, after "practices", insert ", and insure the informed use of consumer credit".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: Strike title III, page 42, line 18, and all that follows through page 49, line 5.

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes.

Mr. ASHBROOK. Mr. Chairman, my amendment would strike in its entirety title III, the Commission on Consumer Finance.

The proposal for this Commission is not in the Senate-passed bill. I understand, although the Chairman has said otherwise, that it was not recommended by the administration, although I might be corrected on that. The gentleman could give his attention to that.

It is the only provision in the bill, incidentally, that calls for the expenditure of Federal funds.

I personally see no justification for the creation of a Commission on Consumer Finance as proposed in this bill.

In recent years we have all witnessed a very rapid growth in these types of ad hoc bodies in connection with various issues requiring continuing study. Here is just one more $100 per day, executive department, window-dressing proposal. Undoubtedly there will be a need for such continued study of consumer credit protection. But I think, Mr. Chairman, we should take the lead in this area ourselves in the Congress and see that as much as possible of this study occurs here in this body.

While six of the nine members of the proposed Commission would be Members of Congress—three Senators and three Representatives—commissions drawn along these lines more often than not merely represent the views of executive department staff in whatever administration happens to be in power. I happen to think that consumer credit protection should be a continuing interest on the part of the committees of Congress with proper jurisdiction. I further believe that the oversight, surveillance, and investigative functions of Congress have been greatly eroded by the ever-increasing, though sometimes subtly disguised, delegation of these functions to the executive branch.

With regard to both the promulgation of regulations as well as the administrative enforcement of H.R. 11601, the executive branch properly will play the dominant role. Moreover, section 204(e) establishes an advisory committee to advise and consult with the Federal Reserve Board in the exercise of its functions with respect to this proposed legislation in addition to this Commission. In appointing the members of this committee to advise the Federal Reserve Board it shall "seek to achieve a fair representation of the interests of sellers of merchandise on credit, lenders, and the public." It seems to us that the proposed Commission on Consumer Finance duplicates needlessly the functions of the advisory committee proposed by section 204(e).

Even with the passage of the proposed legislation, there will remain many unanswered questions relating to consumer credit protection. I think Congress should reassert its proper role in further investigating whatever might require legislative revision or solution. Unlike practically every other major legislative proposal of the past decade, truth in lending was and is the product of congressional and not executive initiative. By not relying on reports and recommendations sent to it by a commission oriented to the executive branch, Congress can maintain its initiative in at least this area.

I might say also, Mr. Chairman, I have followed the activities of Miss Esther Peterson and Miss Betty Furness very closely as they have labored in behalf of the administration in their special role as consumer advisers. Judging by their activity—and I say this not as a criticism; in fact, I respect them for their political sagacity—they have spent far more time selling the Great Society as a partisan political product to consumers than in what is advertised as their duties, the watchdog of consumer affairs. They give adequate indication of what a Commission of this type would do. I urge the House to delete this section by supporting my amendment.

Mr. PATMAN. Mr. Chairman, I shall not take much time, so we may get to a vote. May I say this title, this part of the bill was put in by a unanimous vote. It was bipartisan. Both Democrat and Republican members voted for it unanimously. They all want it.

It serves a good purpose. If we were to knock this out, we would go a long way to destroy the bill. Who is going to evaluate the information that is submitted? This is a disclosure bill. We have to have somebody to pass on it and evaluate it and make recommendations. That is what the Commission is for. This is really the heart of the bill. We might as well try to destroy the whole bill, because this would destroy it.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I may have misunderstood, or there may need to be a correction of the RECORD. Did the chairman say it was unanimous? It was my understanding there was no vote on this.

Mr. PATMAN. It was unanimous, absolutely. The Republicans and Democrats sponsored this.

Mr. ASHBROOK. By a record vote?

Mr. PATMAN. I do not recall. But the gentleman can rest assured when there is no opposition, we do not need a record vote. Why would we need a record vote? It is unanimous. Nobody disputes that. They are all here.

Mr. ASHBROOK. If the chairman will yield further, again it was my understanding, and I may be wrong, the chairman said the exact opposite, and the chairman said this was recommended by the administration.

Mr. PATMAN. The bill was recommended by the administration.

Mr. ASHBROOK. In response to the question by the gentleman from Iowa [Mr. GROSS] as to whether title III was an administration proposal, I understood the gentleman to say it was.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, I would be glad to reply. This is not an administration proposal. It is my proposal, in which I was joined by the cosponsors of the bill and by the majority of the committee. The bill itself, yes, is an administration endorsed bill, but many of its provisions, including this one, originated with the sponsors of the bill.

I served on the National Food Marketing Commission, which spent a million and a half dollars to make the most comprehensive study ever done in 40 years into the food business. It took us 2 years. I think we have every right to have this same kind of study made in the consumer credit field. The other study has resulted in legislation, to help the farmer and the consumer and the food industry. It was done by a highly qualified staff of experts, supervised by 10 Members of Congress and five public members, and headed by a distinguished jurist, former California Supreme Court Chief Justice Phil S. Gibson. I look for a similar worthwhile result from this proposal.

Mr. ASHBROOK. Mr. Chairman, I thank the gentlewoman for setting the record correct. The only point I had in mind is that it seems the Commission will go on forever, in perpetuity. Is that what is in mind?

Mr. PATMAN. It all depends on the need.

Mrs. SULLIVAN. It is set for 2 years. There is no need for this to go on forever.

Mr. McCORMACK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the House in the Committee of the Whole is coming to the final minutes and the concluding of consideration of this bill.

This is one of the most important bills historic in the history of our country in many decades. The passage of this bill and some other bills that will probably later come up to protect the interest of the consumer of our country will justify making this Congress one of the most historic in the history of our country in connection with the protection of the rights of consumers of America.

I congratulate the chairman of the committee, the chairwoman of the subcommittee, and the Members on both sides, Democrats and Republicans on the committee for their profound consideration which they have given to this bill. I congratulate the House in the Committee of the Whole for strengthening the bill as it was reported out of committee.

In relation to the amendment of my friend from Ohio, let us see what these provisions do. This is original on the part of the committee. This is original action on the part of the House. We know that Congress played a very important part throughout our entire constitutional history in originating matters. This Commission has very important duties to perform. What are they?

> The Commission shall study and appraise the functioning and structure of the consumer finance industry, as well as consumer credit transactions generally.

They will recommend and report to the Congress. The recommendations and reports will come back to the appropriate committees of the Congress.

What else is this Commission to do?

They will consider—

> (1) The adequacy of existing arrangements to provide consumer credit at reasonable rates.

Everybody wants that. This means we will have a continuing body looking into this, comprised of six Members from both branches of the Congress out of a Commission of nine members.

The report and recommendation will be made to the Congress and referred to the appropriate committees of the Congress for further legislation, if necessary, to be considered by both branches of the Congress.

> (2) The adequacy of existing supervisory and regulatory mechanisms to protect the public—

From what?

> from unfair practices, and insure the informed use of consumer credit.
>
> (3) The desirability of Federal chartering of consumer finance companies, or other Federal regulatory measures.

It seems to me that these particular provisions and the establishment of the Commission—while it would not be disastrous without them in the bill—are of vital importance not only in giving strength and stability to the bill we pass but also in assuring continuity of consideration by a responsible Commission of which a clear majority will consist of Members of both branches of the Congress.

Mr. GROSS. Mr. Chairman, will the distinguished Speaker yield?

Mr. McCORMACK. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. As I understand it, the $1½ million in support of this Commission is not budgeted. In the past the President has berated the Congress for exceeding his recommendations. Should I vote for this bill, I wonder if I would be berated by the President for having exceeded his recommendations to the Congress.

Mr. McCORMACK. I believe if the gentleman follows me he will be on safe ground.

Mr. ASHBROOK. Mr. Chairman, will the distinguished Speaker yield?

Mr. McCORMACK. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I certainly would say to the distinguished Speaker that this particular Member knows the Speaker of the House is probably the greatest advocate of this body of any Member we have.

The basic thrust of my amendment is that the House, and particularly a committee of the House, has jurisdiction in this matter and should be doing the very precise thing we would be turning over to the Commission.

Is it the Speaker's belief that the Commission could do better than a particular House committee with jurisdiction in this matter? That was my particular thought on this amendment.

Mr. McCORMACK. I did not understand fully the question of my friend from Ohio.

Mr. ASHBROOK. I say, the Speaker is probably the greatest advocate for the House of Representatives.

Mr. McCORMACK. The Speaker will always protect the rights of committees and all Members in every way possible.

There are times, as the gentleman knows, when a bill might be introduced when parts of it, if introduced separately, would go to different committees despite the major emphasis. In the drafting of a bill the major emphasis might prompt the reference of a bill to committee A. It might involve provisions which, if introduced separately, would go to committee B.

I do not see any difficulty, if I correctly sense what my friend has in mind, so far as future difficulty is concerned.

Mr. ASHBROOK. Possibly I did not make myself clear. As an advocate of the House—and I happen also to be an advocate of the House of Representatives—it appears to me that our function would be better fostered by having the House itself do the precise matters which the Speaker is saying should be delegated to a commission.

Mr. McCORMACK. We are not delegating anything. We are providing for a continuation of inquiry, and the Commission is to make recommendations and a report to the Congress. The recommendations and the report will be separately acted on in accordance with the rules. Any bills introduced will be referred to the appropriate committees.

With all due respect to my dear friend from Ohio, I believe these particular provisions will strengthen the bill pending before the Committee of the Whole House, and will have a strengthening influence in the future in connection with protecting the interest of the consumers of our country.

Mr. ASHBROOK. I thank the Speaker for his answer. He is a better man than I.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. ASHBROOK].

The amendment was rejected.

Mr. WIDNALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WIDNALL. Mr. Chairman, we have nearly completed work on the Consumer Credit Protection Act or the truth-in-lending bill, whichever you prefer to call it. Recently, there has been a tendency in connection with various consumer bills to either overstate or understate its importance. The problem with overstating the importance of a measure of this kind is that both the executive branch and Congress breathe a sigh of relief and have a tendency to put aside any further questions in connection with the subject of the legislation. The problem with underestimating the effect and scope of consumer protection legislation is that it sometimes encourages excessive legislative effort for publicity purposes. To an extent, I think the meat inspection bill last year was a good example of legislative "overkill."

The bill before us this afternoon has, I think, generally avoided either extreme. However, I think even the sponsor of this legislation would have to agree that disclosure of additional credit information will not provide a solution for the very worst credit abuses in our Nation.

We should keep in mind, for instance, that the one major means of evading the purposes of this legislation is to be found through the price mechanism. The most unscrupulous merchants in our society, for the most part in the low-income areas of our Nation's cities, merely have to increase their prices in order to decrease the annual percentage rate they charge on credit. A front-page story in the Washington Post 2 days ago based upon the testimony of the Federal Trade Commission illustrated this point. Moreover, mere disclosure of credit terms will not seriously affect fraudulent practices of fast-talk salesmen who seldom depend upon normal merchandising techniques to assist making a sale. In short, disclosure cannot be expected to seriously affect outright fraud—so often the prevailing practice in the poorest sections of our Nation's cities.

Furthermore, I do not believe this disclosure bill will encourage any sudden move toward a competitive climate based upon interest rates offered by reputable merchants. I think we are only kidding ourselves if we expect this legislation to create such a competitive climate. After all, the costs of providing installment and revolving credit are often very similar in various parts of the country and in different large retail establishments. On the other hand, I agree with the gentlewoman from Missouri that perhaps the typical consumer has not realized the benefit of cash purchases and short-term as opposed to long-term retail credit.

The real benefit to be derived from this legislation, in my opinion, will result from the credit advertising provisions, and this will be a negative result in that it will be largely unseen and unappreciated by the public. I think that we are going to witness a striking reduction in false and misleading credit advertising and, to the extent that this occurs, our reputable merchants and our established credit institutions will be amazed at the increase in their own business receipts. The "come-on" advertising of a dollar down and a dollar a week or the advertisement emphasizing a false and misleading trade-in value for old TV's or automobiles will be largely removed from the scene. In this regard, I regret that the House defeated the Williams' amendment which would have placed a share of the burden of responsibility on direct mail order companies, newspapers, radio and TV for self-policing the character of advertisements.

Mr. Chairman, I was especially pleased that the majority side of the aisle accepted my amendment which will apply the same standards of disclosure on monthly bills sent out by installment lenders as apply to revolving credit. There is no question that disclosure will have a far more meaningful effect in educating the public in terms of the American consumer reading it every month on her bills than would have occurred if the disclosure only took place prior to the sale on the contract agreement. My amendment will apply to a potential of some $75 billion a year in consumer credit.

Mr. Chairman, I want to make it clear that the legislative intent of my amendment applies with equal force to annualizing the credit charges on installment contracts where the so-called front-end load or finance charge occurs in connection with a sale as opposed to the monthly credit charges.

I think the House is also to be commended for accepting the Poff amendment on loan sharking. This represents a milestone in legislative achievement in an area that has been ignored for entirely too long. The significance of the amendments offered by the gentleman from New Jersey [Mr. CAHILL] also should not be overlooked. To a large extent, his amendments will root out the second trust gyp artists.

In conclusion, I want to pay my deepest respects to the chairman of our committee and to the chairman of the Subcommittee on Consumer Affairs. There is no question in my mind that this bill is infinitely stronger, more far-reaching and more effective than that which passed the Senate. We legislated well in committee and here on the floor. Finally, what we should not overlook is the fact that this legislation is nearly entirely the product of congressional initiative, and not merely another in a long line of bills rubberstamped by the Congress at the behest of the executive branch.

AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI: On page 49, immediately after line 11, insert:

"TITLE IV—DISCLOSURE OF CREDIT INFORMATION

"FINDINGS AND PURPOSE

"SEC. 251. (a) The Congress finds—

"(1) large banks and other large creditors are at the present time engaged in the creation and operation of nationwide data transmission and data processing networks whose operations are in interstate commerce and make extensive use of facilities of interstate commerce.

"(2) where credit information relating to the credit standing of individuals and families is handled through these networks, usually only the bare credit rating is transmitted or even readily accessible. The facts or allegations giving rise to the rating are generally unknown to those who use the credit ratings to make credit decisions.

"(3) while those who have created these data processing networks have generally taken elaborate precautions to avoid any legal liability to those most directly affected, the persons being rated, procedures to facilitate the correction, by the persons being rated, of errors in the ratings are virtually nonexistent. On the contrary, elaborate precautions are often taken to conceal from the persons most directly concerned, not only the ratings but the very identity of the organizations making them.

"(4) because of the nationwide character of these data processing networks, and the secrecy, anonymity, and gross oversimplifications which are characteristic of the system, individual consumers are generally powerless to protect themselves against either error or malice.

"(b) It is the purpose of this title to afford to individuals a means whereby they may ascertain and, where necessary, take steps to correct credit ratings concerning themselves which are, or are based upon information which is, transmitted in interstate commerce or by any means or facility of interstate commerce.

"SEC. 252. For the purposes of this title—

"(a) The terms 'credit' and 'creditor' shall have the meanings defined in section 202 of the Federal Reserve Act as amended by this Act.

"(b) The term 'credit report' means any written or oral report, recommendation, or representation as to the credit worthiness, credit standing, or capacity of any individual, and includes any information which is sought or given for the purpose of serving as the basis for a judgment as to any of the foregoing factors.

"(c) The term 'credit information agency' means (1) any creditor and (2) any individual, organization, or entity which engages in the business of making credit reports.

"(d) The unexplained refusal of a credit rating agency to give a credit report on any individual shall be deemed an adverse credit report on that individual for the purposes of this title.

"SEC. 253. No creditor may make use of any credit report without disclosing that fact and the identity of the credit rating agency to the person to whom the report relates if that person has applied to the creditor for credit.

"SEC. 254. No credit rating agency may make any credit report on any individual without disclosing to the individual, at his request, the content of the report and, in the case of any adverse report, the specific facts or allegations upon which the report is based.

"SEC. 255. The Board of Governors of the Federal Reserve System shall make such regulations as may be necessary to carry out the provisions of this title, and may exempt from the requirements of this title the transmission of any information if it finds that compliance with this title with respect thereto is both unnecessary to carry out the purposes of this title and an undue burden and expense in connection with credit transactions.

"SEC. 256. Whoever violates any provision of this title or any regulation of the Board of Governors of the Federal Reserve System issued pursuant to this title shall be fined not more than $1,000 or imprisoned not more than one year, or both."

Mr. PATMAN (during the reading). Mr. Chairman, this amendment has been furnished to the majority and to the minority members of the Committee on Banking and Currency. It is my opinion that all the Members on both sides of the aisle understand just what the amendment contains.

Therefore, I ask unanimous consent that further reading of the amendment be dispensed with, that it be printed in the RECORD, and that the gentleman from Wisconsin be permitted to explain the contents of his amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ZABLOCKI. Mr. Chairman, this amendment would create a new title, title IV, affecting the disclosure of credit information.

It would establish the right of an individual seeking credit to see any report prepared on himself by a central credit bureau or similar agency.

Information contained in credit reports currently is denied our people. This denial is both unjust and can cause serious economic hardship.

We live, Mr. Chairman, in a largely credit economy. A good credit rating is a virtual necessity and a precious possession.

Most Americans today live on credit—that is, on future earnings—with about 60 percent of the average individual's net income going to credit obligations of one kind or another. The practice is growing steadily.

Mr. Chairman, as you know, before any institution will extend credit, it examines the credit rating of the individual applying for credit. This rating is customarily received from one of the more than 2,500 local credit bureaus located throughout the United States.

These local bureaus are now in the process of being linked together by a nationwide data transmission and data processing network.

The purpose—and a good one—is to speed the transmission of credit information to every corner of our Nation.

At the same time, however, it will increase the possibility of injustices being done individuals seeking credit.

Where information relating to the credit standing of individuals and families is handled through these networks, usually only the bare rating is transmitted.

The circumstances giving rise to the rating are generally unknown to those who use the credit ratings to make credit decisions.

A mistaken identity or a situation requiring more explanation than is possible in transmission can ruin the chances of an individual to establish credit in a community into which he recently has moved.

My own deep interest in this problem dates from last fall when one of the families in my district suffered economic hardship and considerable embarrassment because of an erroneous credit report.

Because this family was denied any information contained in the report, the work of rectifying the mistake was a most complicated and burdensome process.

This refusal to access of a credit report is not unique.

As a matter of policy, credit bureaus

in the country today will not show individuals their own credit report.

A recent Reader's Digest article entitled "What Credit Bureaus Know About You," cites another interesting situation. A man was refused credit because his file contained an outdated record showing that he had been sued for nonpayment of a bill.

The fact was that the court suit had been brought 15 years earlier by a racketeering agency which had sent him publications he had never ordered. Although the suit had been thrown out of court, that information was not in the file.

Let us now turn to a section-by-section analysis of the bill.

Section 251 describes in detail the evils which this bill is designed to correct.

Subsection (a), (b), and (c) simply define the terms used under the bill.

The definition of "credit report" and "credit information agency" make it clear that the bill applies only to those agencies in the principal business of making such reports.

Subsection (d) is designed to prevent a credit agency from refusing to show an individual his credit report simply by saying that they do not have such a report, without explanation.

It is reasonable to assume that if an individual has applied for and been denied credit in a community, his record can be found at the local credit bureau. If for some reason it is not there, the credit bureau can escape any liability under the amendment simply by explaining the situation to the individual.

Section 253 gives a person denied credit the right to know from the institution denying credit the name of the agency from which the adverse report was obtained. With this information he would then be able to approach the proper agency for redress.

Section 254 would require that credit rating bureaus must, upon request, show an individual any credit report that they have made on him.

As I have pointed out before, at present an individual has no such right.

Section 255 puts the power of enforcing the legislation in the hands of the Board of Governors of the Federal Reserve Board.

To the Board it gives the authority to make the regulations necessary to carry out the intent and purposes of this amendment. In this the Board would be guided by the legislative intent expressed in section 251 of the amendment.

The Federal Reserve Board is also given the power to determine exemptions on those forms of information which it finds constitute an undue burden or expense on credit rating agencies. In this connection the intent is not to disrupt the normal operations of our credit system. It is important to the economic health of our Nation.

This section will give the power to exempt from regulations whatever types of credit rating the Board finds to be necessary.

This, I am sure will prevent any undue burden falling on our credit rating bureaus while getting at the evils which is the purpose of the amendment.

It may be noted here that corporate credit reports are not affected under the act—only consumer credit reports.

And finally, section 256 prescribes the penalties which may be incurred for violations of the title or regulations set down to implement it.

Mr. Chairman, every individual ought to have the right to see a credit report compiled on himself or herself. This title will establish that right.

I urge its adoption as title III of the Consumer Credit Protection Act.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I am delighted to yield to the distinguished gentleman from Texas, the chairman of the Committee on Banking and Currency.

Mr. PATMAN. Mr. Chairman, if this amendment is adopted, and if there is anything wrong about it, we shall have another opportunity to pass upon it, because there is no question but what this bill is certainly going to conference. However, this amendment has been very carefully examined by our staff of the Committee on Banking and Currency as well as by the members thereof, and we are confident that it is a good addition to the bill and will make the bill even stronger.

Therefore, Mr. Chairman, we are willing to accept the amendment which has been offered by the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the distinguished gentleman from Texas for his observation and for his acceptance of the proposed amendment.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. Of course, I am glad to yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, do I understand correctly that the amendment which has been offered by the distinguished gentleman from Wisconsin [Mr. ZABLOCKI] will forbid, if adopted, any person engaged in the retail business who has asked for credit, to deny confidential credit information from references to the applicant for credit?

Mr. ZABLOCKI. Not at all; it does not propose to do that at all. It provides that one seeking credit be given an opportunity to know why credit is denied to him and upon what basis. It is my opinion that an applicant for credit should have this right, because there are errors which occur in credit ratings. On many occasions a credit rating is established based on erroneous information. Further, errors in identity often occur. When such circumstances exist the individual seeking credit or attempting to correct a credit rating is unable to do so unless he is told the reason for the adverse credit report.

Mr. WAGGONNER. Let me ask this one other question, if the gentleman will permit me——

Mr. PATMAN. Mr. Chairman, will the gentleman yield first for a brief suggestion?

Mr. ZABLOCKI. I will be glad to yield to the chairman.

Mr. PATMAN. There are plenty of agencies in the country that commercialize confidential information that is obtained legally, and one of the objects of this is to prevent the commercialization of confidential information. That is a good thing; is a wonderful thing, and it is something we shoud have had a long time ago.

Mr. WAGGONNER. I beg to differ with the gentleman.

Mr. TIERNAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Rhode Island.

Mr. TIERNAN. Would this not, or could this not lead to lawsuits against, say, business bureaus who give out information with regard to credit references? There is no protection with respect to suits against them?

Mr. ZABLOCKI. I submit there is adequate protection in this regard in section 255. This section provides for the power of enforcing this legislation, in the hands of the Board of Governors of the Federal Reserve Board. This Board could exempt under provisions of this section the requirements to transmit any information if it finds that compliance is unnecessary to carry out the intent and purpose of this amendment. The Board of Governors of the Federal Reserve Board could exempt in certain instances.

As to the possibility of or protection from suit, I submit credit rating bureaus should be as careful as banks and other large creditors pertaining to credit ratings. If accurate information is given, and error is kept to the minimum, there is little possibility of a suit. I believe we should be just as concerned about the credit rating of individuals and the right to maintain a proper credit status for a creditor as it is for the possibility of a suit, because of careless and erroneous information.

Mr. TIERNAN. This amendment, as I understand it, is directed to information supplied by a third party, or only by the party requested to give credit?

Mr. ZABLOCKI. From the third party.

Mr. TIERNAN. So that information obtained from the third party is given to the purchaser; is that correct?

Mr. ZABLOCKI. That is correct.

Mr. TIERNAN. There is no protection for the instrument or the agency that is given the information from a lawsuit from that purchaser if the information is false; is that correct?

Mr. ZABLOCKI. There would not be any protection any more than——

Mr. TIERNAN. The only thing is today they are not required to give that information, are they?

Mr. ZABLOCKI. They are not.

Mr. WIDNALL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

This, it seems to me, is a very far-reaching amendment. I believe the purpose is good, but it is something we never took up in committee. It is so far reaching that we should have ample time to consider it within committee as a separate measure some time in the near future. I believe we are making a great mistake to act hurriedly on this without having any kind of testimony as to its far-reaching effect.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the distinguished chairman.

Mr. PATMAN. May I invite the distinguished gentleman's attention to the fact that the Poff amendment yesterday was rather a far-reaching amendment, and it is in the same category, and it is in the same deal that this would be in. So I believe it would be reasonable to suggest that if there is anything wrong about this amendment—and I do not believe that there is, and our experts say there is nothing wrong with it, and it is in the public interest—but should anything wrong be discovered about it, we still have another chance of taking it out.

Mr. WIDNALL. I certainly do not believe that there is any similarity between this amendment and the Poff amendment. The matters contained in the Poff amendment are of pretty general knowledge, and were talked about for many, many months. This is not something that has been discussed within the Congress, or by a congressional committee, and I believe it would be a serious mistake to accept it now.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Georgia.

Mr. FLYNT. I agree with the gentleman from New Jersey that the amendment should be defeated.

From what I heard of the explanation of it, it appears to me that the adoption of this amendment might put the responsibility on the merchant to justify the refusing of credit in any amount to a person who applied for credit at his place of business.

It could subject a merchant to a damage suit in the event he refused to extend credit.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman.

Mr. ZABLOCKI. I am sorry if I gave that impression. A merchant would in no way be liable. I believe, however, and I am sure the gentleman from New Jersey will agree, that an unexplained refusal of credit rating is unjust to a purchaser who desires to have credit, and I think there ought to be an explanation when he is denied that credit.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have not spoken on this bill, but I am a little bit concerned about this amendment offered by my friend, the gentleman from Wisconsin [Mr. ZABLOCKI].

In the utilization of commercial practices, the people who are in business frequently go to credit agencies and ask for credit reports on people. Those credit reports usually come in and the ratings, particularly on consumer credit come in as "A," "B," "C" and so on. Sometimes they come in saying the man is behind time in his payments. Sometimes it comes in saying that he had to be sued to obtain payment of his bill. Sometimes you have information that he is undergoing divorce proceedings and that his accounts have been tied up in court by the complaining partner in the marriage.

There is a lot of confidential information in these credit reports which I feel is confidential, and I just think we are going a little too far here on this particular thing, if I understand the Zablocki amendment correctly.

I speak as a person of some experience. I happen to own a retail business and I utilize the revolving credit formula. You have to use it if you are going to stay in competition because everybody else uses it. I do utilize it—and at a rate 33½ percent less than the people in my particular area—and I do that voluntarily.

But there have been an awful lot of amateurs talking in the well of the House who have not had commercial experience and retail commercial experience in the utilization of credit.

I have heard a lot of statements from the well of the House that are pretty unrealistic. I have not challenged them because I do not want to be in the position of being a self-pleader or in a conflict of interest even for a moment.

I supported the so-called Sullivan amendment. I am going to support the bill because I do believe in full truth in credit and in letting the consumer know what that cost is going to be. I do not care whether it is on a monthly or a yearly basis so far as I am concerned personally.

But here is a three-page amendment. I do not know—are you going to come in next and ask a lawyer to reveal his confidential information between himself and a client if it happens to be related to credit or for some other purpose?

I just think we ought to go a little bit slow on this thing and know a little bit more about it.

The gentleman from New Jersey [Mr. WIDNALL] has said that this matter was not brought up in committee and discussed. It is farreaching in its effect. I would just say I think we ought to go a little bit slow on forcing a merchant to reveal confidential information.

Are you going to take the Dun and Bradstreet ratings of merchants, for instance, and publish them in the paper or give them to irresponsible people who might disclose the credit standings of firms as well as individuals? I do not know how far this will go.

Mr. ZABLOCKI. This does not affect corporate credit ratings at all. It has to do with individual consumer ratings.

Mr. TIERNAN. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Rhode Island is recognized for 5 minutes.

Mr. TIERNAN. Mr. Chairman, I am concerned about this amendment because, frankly, I have been supporting Mrs. SULLIVAN's amendments to the bill in their full context. However, if you take the time to read the language of this amendment, the amendment applies to all credit reports, either written or oral, made as reports, recommendations or representations as to the creditworthiness, credit standing or capacity of any individual.

I pose the example to the Members of the House here of my being a merchant and having a customer by the name of Tiernan come into my store to buy a color TV. I tell him that I do not have that set in my store at the moment but I will have it in tomorrow. I meet Mr. Jones the next morning for coffee. He is a merchant also in town. He tells me that Tiernan's credit rating is not too good because he had some experience with him when he bought a refrigerator from him. He was a little delinquent in payment.

That day I go back to my store and Tiernan comes in to get the TV set. I decide that I am not going to extend him any credit.

Does the amendment mean that I have to tell Mr. Tiernan that my good friend, Mr. Jones, told me that he was not credit-worthy, and if I do, what is my legal liability?

There is no protection here at all for a suit against me or against Mr. Jones, who told me that information.

Frankly, though the committee members may have studied this, there is no testimony before the committee with regard to the amendment, and I think it may be useful to bring it in before this body in a different form with certain safeguards in it, but in its present form I think it goes a little bit too far in that we may be getting into areas where we do not know what would result as a consequence of this attempt to protect the consumers.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. TIERNAN. I yield to the gentleman from New Jersey.

Mr. MINISH. There is another possibility in the example you stated. The party of the second part may not want to lose the business. He resents the purchaser going to another store. So he tells the man who asks that the prospective purchaser is a bad credit risk in order not to lose him as a customer.

Mr. TIERNAN. That is true; that is always a possibility. However, after 2 days of debate on this measure we should be most cautious not to take a step which would result in greater damage than good.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. TIERNAN. I yield to the gentleman from California.

Mr. HOLIFIELD. The extension of credit by a merchant is a matter of judgment. He extends credit on the basis of his judgment that the extension of that credit will result in the man paying his bills. Many things may enter into his judgment on that question. Here you would step in and say that he has to reveal the confidentiality of any information that he may have on the extension of that credit. If you are going to force every man who sells merchandise on credit to sell and prove all the factors or reveal all the factors which concerned his judgment that the extension of credit will be justified and that the bill will be paid, it seems to me you are going a long ways to make the man liable for a suit for revealing the information which he may have, but which may be very difficult for him to go into court and justify or reveal without the basis of a suit against him or his informant.

You are not denying that individual the right to have merchandise. He can go to a competitor and get his merchandise if he wants to. But again I say you cannot take away the judgment from the merchant as to whether he should sell a prospective buyer or not sell.

Mr. PICKLE. Mr. Chairman, I move to strike the requisite number of words.

I simply wish to say that I think we are getting on dangerous ground here, however well intended the amendment offered may be. I am sure that is the case. The amendment states on page 2:

> It is the purpose of this title to afford to individuals a means whereby they may ascertain and, where necessary, take steps to correct credit ratings. . . .

That is a good purpose, but it does not say how he is to obtain these records, and it might mean he would come to a merchant and make him reveal any kind of credit rating that might have been given to the merchant in confidence.

The amendment goes on further to say in section 254 that no credit rating agency may make any credit report on any individual without disclosing to the individual at his request the contents of the report, and, in the case of any adverse report, the specific facts or allegations on which the report is based.

I would say that would put a merchant in a very disadvantageous position and that he would be hesitant either to furnish or certainly not furnish any kind of document he might have.

Perhaps an individual ought to have a chance to see why his credit was refused. Perhaps there is a better answer to it. Perhaps we should say to the commission they may receive complaints from an individual if they feel credit was improperly denied, or at least the individual would have some place to go. But it seems to me we do not have this well thought out, and, pending some conference with the other body, I think this is a very dangerous thing, and we should have further thought on this amendment. I, therefore, oppose the amendment.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the chairman.

Mr. PATMAN. Mr. Chairman, may I say the intent of this amendment is spelled out in the first paragraph. We have a different situation. It involves millions of dollars of credit. Here is language that talks about large banks and other large creditors which are to be engaged in the creation of and operation of a nationwide data transmission and data processing networks. It is necessary that people have some protection in the bill against these machines if mistakes are made. I think this is very reasonable, and it is the very thing we did for the minority side yesterday. We accepted a long amendment, much longer than this, with the understanding we would go along with it and study it in detail before the conference is held.

Mr. PICKLE. No one questions the intent of the amendment. The question is how the document might or might not be furnished and under what circumstances. I think it has not been well thought out and should be defeated.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I have not seen a copy of the amendment. Does this go to bank credit ratings as well as to credit bureaus?

Mr. PICKLE. Mr. Chairman, I would just answer the gentleman this way. The amendment at the beginning says "that large banks and other large creditors"—but throughout the entire amendment it talks in terms of "any creditor" not being able to refuse documents or data. I think it would go much further than any bank. It could go to any bureau or to any merchant.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. Zablocki].

The amendment was rejected.

Mr. BYRNE of Pennsylvania. Mr. Chairman, I completely support the gentle lady from Missouri, Congresswoman Sullivan, on this important legislation to protect the consumers of this country. She has done a magnificent job in calling to the attention of the American people the need for truth-in-lending legislation and for protection of the consumer in the use of credit.

In Philadelphia we have had many instances where the poor have been victimized by sharp practices of the money lenders and the credit gyps, and it is time to expose these people by making the true facts known to the consumer about the rates charged for credit.

Mr. PATMAN. Mr. Chairman, in recent months, the National Rural Electric Cooperative Association has done much to inform the public—particularly our rural citizens—about the need for a strong truth-in-lending bill.

Through the office of its Women's Activities Coordinator, Mrs. Erma Angevine, NRECA has used its publications and meetings to explain the tremendous need for this type of legislation. This work with its 20 million consumer members across the country has been invaluable in gaining wide understanding and support for H.R. 11601. In addition, I know that many State rural electric associations, including my home State of Texas, have given equally strong support to the cause of justice for the American consumer.

Mr. Chairman, the National Rural Electric Cooperative Association, along with other consumer organizations, has given its full support to the inclusion of revolving credit and the elimination of the $100 exemption. In short, they have asked that the major loopholes be closed and I commend them for this position. Their position on this legislation has been beneficial not only to the rural people, but to the entire country.

Mr. BINGHAM. Mr. Chairman, the purpose of the amendment proposed by the gentleman from Virginia [Mr. Poff], for which I voted this afternoon, is to make loan-sharking activities by organized crime syndicates a Federal crime. I trust that the amendment will be carefully studied by the Senate-House conference committee when it considers the bill, as the distinguished chairman, the gentleman from Texas [Mr. Patman], indicated would be the case. Certainly it is not good legislative practice to have a far-reaching amendment of this kind considered for the first time on the floor of the House without extensive debate, but the machinations of the organized crime syndicates deserve Federal attention and adoption of the Poff amendment will guarantee this attention. If, after studying the provisions of the Poff amendment, the conference committee should decide that the provisions are too vague or too broad and that innocent persons may be put in jeopardy, I trust that the conference committee will either revise the provisions so as more precisely to pinpoint the evil attacked or will reject the amendment altogether, with a view to having the provisions studied in greater detail by appropriate committees of both the House and Senate.

I respect those few of my colleagues who voted against the amendment because of what they felt were its technical imperfections, but I am confident that such technical imperfections can be dealt with in the manner I have suggested.

Mr. HORTON. Mr. Chairman, I rise in support of the Consumer Credit Protection Act of 1968. There is wide support for truth-in-lending legislation in this country, among borrowers and lenders and among sellers and buyers. It is fair to say that there is a real consensus on the need for fair and full information on the costs of borrowing money, and on the costs of buying merchandise "on time."

Under this bill, lending institutions and sellers will be required to disclose in easily understandable and uniform terms what the cost of credit will be in a particular transaction. This will enable the borrower and consumer to compare and shop for credit which is most economical without having to decipher complex or incomplete statements of credit costs. These disclosure requirements will extend to credit advertising as well as to specific credit transactions, to further facilitate a situation where the consumer can select his creditor or lender with his eyes wide open, and with a full understanding of the transaction he is about to enter.

In addition, the several factors included in total financing charges are subject to these disclosure requirements—for example, where credit life insurance is mandatory, this fact, plus a detailing of its costs must be disclosed to the borrower.

Mr. Chairman, the Congress does not, by enacting this bill, impose any ceilings or regulations on interest rates or installment buying and selling practices. These matters, in most cases, are the rightful province of the States. The bill does include, however, two provisions which strongly discourage unfair and illicit credit practices.

The first restricts the garnishment of employee wages to no more than 10 percent of earnings above $30 per week, and it forbids employers from firing an employee for his first garnishment. This provision is generally parallel to the laws of New York and other States.

The second provision, puts the teeth of Federal enforcement behind State laws prohibiting loan-sharking, or lending at illegally high interest rates by making violations of State interest laws a Federal offense. This provision is among the most important in the legislation. It hits hardest at organized crime, which derives a large income each year from loan-shark operations. This section of the bill complements nine bills I introduced during the first session to provide the necessary legal and enforcement tools for a crackdown on organized criminal operations. The addition of the anti-loan-shark amendment to the Consumer Protection Act is a very welcome and crucial one.

Mr. Chairman, I commend the members of the Committee on Banking and Currency and the segments of our economy which have cooperated in giving form and substance to this landmark piece of legislation. H.R. 11601 has my fullest support; I view it as a benefit to all segments of what is rapidly becoming a credit-oriented economy, particularly to the American consumer.

Mr. COHELAN. Mr. Chairman, I rise in support of the Consumer Protection Act.

This measure, generally known as the truth-in-lending bill, is the most important piece of consumer protection legislation to come before the House of Representatives in many sessions.

This bill will allow us, as consumers, to shop knowledgeably for credit.

Unlike groceries which are sold for so much a pound, and therefore with easily comparable prices, credit charges have not been regularly disclosed, and when disclosed, they have not generally been disclosed in a complete and comparable manner. Put simply, what the truth-in-lending law will do is to require complete disclosure, in writing in advance, of the total dollar costs of credit, stated in a readily comparable annual rate. Thus, it will be easy to shop for credit. Everyone will know how much they are paying and at what rate. Consumers will then knowingly be able to reject excessive credit charges.

The House bill, as amended, will require credit cost disclosure for practically all consumer credit. It will cover consumer bank loans, finance company loans, credit union lendings, installment credit sales, revolving credit, and home mortgages. Credit purchases on credit cards, at department stores, and of automobiles, furniture, and appliances will be with complete disclosure.

What is complete disclosure under the bill? It is disclosure of all credit costs, including those figured as a percentage of the amount of credit extended, points on home loans, loan fees, credit life insurance and the like. All mandatory charges imposed by the creditor and payable by the borrower incident to the extension of credit must be disclosed.

Not only must all these charges be disclosed, but they must be stated in dollars and cents as the total cost of credit. And this cost must also be stated as an annual rate.

Thus the 6-percent, 12-month automobile loan in which the credit costs are added to the amount borrowed and then the balance paid off in 12 equal monthly installments would be stated as 10.90 percent per annum interest on the unpaid balance. This certainly will make it easier to compare credit costs.

The bill also requires that credit costs and rates be disclosed in writing in advance of the transaction. Disclosure also will be required of the number, amount and due dates of payments, as well as of any penalties for late payments.

Revolving credit accounts, like those used by most department stores, are a major and growing source of consumer credit. To assure knowledgeable shoppers for this form of credit the bill requires, in addition to total cost and rate disclosure, that the seller tell the buyer the following:

The basic conditions of the credit plan;

The method of calculating credit costs;

The nature and calculation method of any late costs or penalties;

The outstanding balance at the beginning of the billing period;

The amount and date of each extension of credit, and a description of any goods which were purchased;

The total amount credited to the buyer's account during the billing period;

The total amount of credit charges incurred in the billing period, including a breakdown of those which are due to a percentage charge, and those due to a fixed fee; and

The date by which payment must be received to avoid any penalty or late fee.

Thus there is extensive coverage of this form of credit. Revolving credit buyers will now be more able to decide whether to buy on time and if they do whether they are paying more or less than they might pay elsewhere.

In this area, it is worth a moment's pause to point out that a considerable portion of the revolving credit costs do not represent true interest costs. Most of the costs of extending revolving credit are service charges much like those charged by banks on the processing of personal checks. Each charge entry and each payment on the revolving credit account, like each check and each deposit, requires considerable processing. The revolving credit charges must meet these costs as well as the interest costs of loaning money. Thus it is to be expected that the rates quoted on revolving credit will be considerably higher than the rates quoted on sizable loans which do not entail so large a processing factor. This fact may require a revision of the handling of revolving credit disclosure.

Also, the annual rate disclosure required by the law is not a totally accurate description of the credit costs. If revolving accounts do not, for example, credit payments made during the billing period in computing charges, the costs will be higher, but the annual rate figure will not reflect it.

However, we cannot solve all the problems at the outset. What we must do is to keep a very close watch on the functioning of the disclosure system this bill sets up, and to make the changes, if any, which are suggested by malfunctions in the system.

By adopting the amendment requiring disclosure of credit charges under $10 and annual rate quotations for revolving credit, we have not solved all the problems. We must continue to be watchful.

Too, the conference will have the chance to work its will on this measure, and any final judgment must await the actual enactment of this measure.

Not all the significant provisions of the truth-in-lending bill deal directly with the extension of credit. Title II of the bill protects wage earners by prohibiting with certain exceptions the garnishment of the first $30 of wages each week, and 90 percent of all wages over that amount. Further still, and perhaps even more importantly, the bill prohibits the discharge of any employee on the ground that he has on one occasion had his wages attached. This will relieve a great pressure and threat from all workers, and especially those at the lower income levels.

Title III of the bill will establish a Consumer Finance Commission to study the functioning and structure of the consumer finance industry. This will help us keep an eye on the mechanics of the truth-in-lending measure and on any aberrations which need to be corrected.

In short, the truth-in-lending bill is a major piece of legislation. It takes us a long way from the old caveat—let the buyer beware—and moves us toward the ideal of fully informed and truly knowledgeable buyers—and fair sellers.

Mrs. SULLIVAN. Mr. Chairman, this has been a thrilling experience and I want to thank all of the Members on both sides of the aisle who have been helpful on this legislation, particularly the chairman of the Banking Committee, Mr. PATMAN; the ranking minority member, Mr. WIDNALL—I must admit he has given me some problems from time to time but he is always a gentleman and he fights clean; the cosponsors of this bill, Mr. GONZALEZ, Mr. MINISH, Mr. ANNUNZIO, Mr. BINGHAM, and Mr. HALPERN—it took courage to put their names on this bill back on July 20 when it was introduced and contained provisions on truth-in-lending we were told would not stand a chance of being considered, and then these other things like garnishment, at the time, was considered a very extreme proposal. After we had our session with the Federal Court Bankruptcy Referees and some of the great legal experts on this subject, a completely new attitude developed on the garnishment issue.

I cannot begin to single out all the people who have helped in drafting or in suggesting revisions in the bill to improve it. The staff has worked terribly hard. The furniture dealers' Washington representative, Mr. Spencer Johnson, was one of the first in the business field to really get busy on alerting independent business on the danger to small business and independent business from the revolving credit amendment, and the banking community, when it finally did become involved at the local level, was very effective. Evelyn Dubrow and her truth-in-lending task force, consisting of many of the civic and voluntary and labor organizations, did a wonderful job in alerting consumers and Betty Furness I am proud of. As far as I am concerned, she put more into this than the rest of the administration combined. She is a worthy successor to Esther Peterson.

I know the Members of the House are my friends and will not be critical of the immodesty in my reading now the most touching and the most wonderful communication I have received on this fight. It was in my office last night when I returned from the floor after the terrific landslide votes on revolving credit and the $10 exemption, and I hope everyone will excuse my vanity in reading this message because of the history of the 8-year battle over this legislation and the fact that this is the first time this legislation has ever been considered in the House. The message is as follows:

> God bless you, dear lady, for your work and bravery. It could not have been done without you and, from all I hear, you were the deciding factor. There are millions who will yet rise up and call you blessed.
>
> With love and affectionate gratitude.
>
> PAUL H. DOUGLAS.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. ALBERT) having assumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11601) to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by establishing maximum rates of finance charges in credit transactions; by authorizing the Board of Governors of the Federal Reserve System to issue regulations dealing with the excessive use of credit for the purpose of trading in commodity futures contracts affecting consumer prices; by establishing machinery for the use during periods of national emergency of temporary controls over credit to prevent inflationary spirals; by prohibiting the garnishment of wages; by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry; and for other purposes, pursuant to House Resolution 1043, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. GERALD R. FORD. Mr. Speaker, I demand a separate vote on the so-called Poff amendment.

Mr. WAGGONNER. Mr. Speaker, I demand a separate vote on the Committee amendment on page 40, line 13, as amended in section 202.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en bloc.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

On page 40, insert after line 5 the following new section:

"SEC. 102(a). The Congress makes the following findings:

"(1) Organized crime is interstate and international in character.

"(2) Organized crime is engaged directly in interstate and foreign commerce, as well as intrastate commerce, in loaning money and other valuable things at excessive rates of interest, often in conjunction with the use of force, violence, and fear. This so-called loan sharking business of organized criminals and other criminals involves billions of dollars each year.

"(3) The stability of the Nation's economy is affected by loan sharking activities.

"(4) The use of legitimate credit channels would be enhanced by the prevention of loan sharking activities.

"(5) The production and flow of goods in the Nation's economy is hindered by the diversion of money into excessive and confiscatory credit payments.

"(6) Federal programs designed to aid the poor in the United States are rendered less effective by loan sharking activities.

"(7) The diversion of money and assets into organized crime nullifies the purposes and benefits of a free enterprise economy and hinders the operations of Federal statutes and regulations designed to preserve that economy.

"(8) In order to protect commerce, benefit the national economy and assure the full effects of Federal programs designed to aid the poor and maintain a free enterprise system, it is the purpose of this Act to prohibit loans at excessive and prohibitive rates of interest.

"(9) Loan sharking activities directly impair the effectiveness and frustrate the purposes of the laws enacted by the Congress on the subject of bankruptcies.

"(10) Loan sharking activities impair the stability of the national economy and thereby interfere with the regulation of the value of money.

"b (1) Whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce by loan sharking or attempts so to do shall be fined not more than $10,000 or imprisoned not more than five years, or both.

"(2) (A) Whoever travels in interstate or foreign commerce or uses any facility in interstate or foreign commerce, including the mail, with the intent to promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of loan sharking, and (B) thereafter performs or attempts to perform any act described in the preceding clause, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

"(3) As used in this section—

"(A) The term 'loan sharking' means the lending of money at a rate of interest prohibited by the statutes of the State where the loan transaction takes place.

"(B) The term 'commerce' means commerce within the District of Columbia, or any Territory or possession of the United States; all commerce between any point in a State, Territory, possession, or the District of Columbia and any point outside thereof; all commerce between points within the same State through any place outside such State; and all other commerce over which the United States has jurisdiction.

"(4) Whoever knowingly participates in any way in a wrongful use of actual or threatened force, violence, or fear in connection with a loan or forbearance in violation of subsections (1) and (2) of this section, or attempted violation thereof, shall be fined not more than $10,000 or imprisoned not more than twenty-five years, or both.

"(5) Whoever knowingly possesses, maintains, or exercises control over any paper, writing, instrument, or other thing used to record any loan or forbearance or any part of such transaction in violation of subsections (1) and (2) of this section shall be fined not more than $5,000 or imprisoned not more than five years, or both.

"(c) The provisions of subsection (b) of this section do not apply to any extension of credit by a creditor which is both—

"(1) licensed or chartered as a banking or lending institution by the United States or any State, and

"(2) regulated and supervised as a banking or lending institution by the United States or any State.

"(d) Whenever in the judgment of a United States attorney the testimony of any witness, or the production of books, papers, or other evidence by any witness, in any case or proceeding before any grand jury or court of the United States involving any violation of this section, or any conspiracy to violate such section, is necessary to the public interest, such United States attorney, upon the approval of the Attorney General, or his designated representative, shall make application to the court that the witness shall be instructed to testify or produce evidence subject to the provisions of this section, and upon order of the court such witness shall not be excused from testifying or from producing books, papers, or other evidence on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. But no such witness shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, nor shall testimony so compelled be used as evidence in any criminal proceeding (except prosecution described in the next sentence) against him in any court. No witness shall be exempt under this section from prosecution for perjury or contempt committed while giving testimony or producing evidence under compulsion as provided in this section.

"(e) This Act shall not be construed as indicating an intent on the part of Congress to occupy the field in which this Act operates to the exclusion of a law of any State, territory, Commonwealth, or possession of the United States, and no law of any State, territory, Commonwealth, or possession of the United States, which would be valid in the absence of the Act shall be declared invalid, and no local authorities shall be deprived of any jurisdiction over any offense over which they would have jurisdiction in the absence of this Act."

Mr. GERALD R. FORD (during the reading). Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GERALD R. FORD. Mr. Speaker, is the Clerk reading the Poff amendment?

The SPEAKER pro tempore. The gentleman is correct.

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GERALD R. FORD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make a point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 383, nays 5, not voting 43, as follows:

[Roll No. 12]

YEAS—383

Abbitt
Abernethy
Adair
Adams
Addabbo
Albert
Anderson, Ill.
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Arends
Ashbrook
Ashley
Ashmore
Aspinall
Ayres
Baring
Barrett
Bates
Battin
Belcher
Bell
Bennett
Berry
Betts
Bevill
Biester
Bingham
Blackburn
Blanton
Blatnik
Boggs
Boland
Bolling
Bolton
Bow
Brademas
Brasco
Bray
Brinkley
Brock
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burton, Calif.
Burton, Utah
Bush
Button
Byrne, Pa.
Byrnes, Wis.
Cahill
Carey
Carter
Casey
Chamberlain
Clancy
Cohelan
Collier
Colmer
Conable
Conte
Conyers
Corman
Cowger
Culver
Cunningham
Curtis
Daddario
Daniels
Davis, Ga.
Davis, Wis.
de la Garza
Delaney
Dellenback
Denney
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Dole
Donohue
Dorn
Dow
Dowdy
Downing
Dulski
Duncan
Dwyer
Edmondson
Edwards, Ala.
Edwards, Calif.
Edwards, La.
Eilberg
Esch
Eshleman
Everett
Evins, Tenn.
Fallon
Farbstein
Fascell
Feighan
Findley
Fino
Fisher
Flood
Flynt
Foley
Ford, Gerald R.
Ford, William D.
Fraser
Frelinghuysen
Friedel
Fulton, Pa.
Fulton, Tenn.
Fuqua
Galifianakis
Gallagher
Gardner
Garmatz
Gathings
Gettys
Gilbert
Goodell
Goodling
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gude
Hagan
Haley
Hall
Halpern
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Hardy
Harrison
Harsha
Harvey
Hathaway
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Herlong
Hicks
Holifield
Holland
Horton
Hosmer
Howard
Hull
Hungate
Hunt
Hutchinson
Ichord
Irwin
Jacobs
Jarman
Joelson
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, Mo.
Jones, N.C.
Karth
Kastenmeier
Kazen
Kee
Keith
Kelly
King, Calif.
King, N.Y.
Kirwan
Kleppe
Kluczynski
Kornegay
Kuykendall
Kyl
Kyros
Landrum
Langen
Latta
Leggett
Lennon
Lloyd
Long, La.
Lukens
McCarthy
McCloskey
McClure
McCulloch
McDade
McDonald, Mich.
McEwen
McMillan
MacGregor
Machen
Madden
Mahon
Mailliard
Marsh
Martin
Mathias, Calif.
Mathias, Md.
Matsunaga
May
Mayne
Meeds
Meskill
Michel
Miller, Calif.
Miller, Ohio
Minish
Minshall
Mize
Montgomery
Moore
Moorhead
Morgan
Morris, N. Mex.
Morse, Mass.
Morton
Mosher
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Patman
Patten
Pelly
Pepper
Perkins
Pettis
Philbin
Pickle
Pike
Pirnie
Poage
Poff
Pollock
Pool
Price, Ill.
Price, Tex.
Pucinski
Purcell
Quie
Quillen
Railsback
Randall
Rarick
Rees
Reid, Ill.
Reid, N.Y.
Reifel
Reinecke
Resnick
Reuss
Rhodes, Pa.
Riegle
Rivers
Roberts
Rodino
Rogers, Colo.
Rogers, Fla.
Ronan
Rooney, N.Y.
Rooney, Pa.
Rostenkowski
Roth
Roudebush
Roush
Roybal
Ruppe
Ryan
St Germain
Sandman
Satterfield
Saylor
Schadeberg
Scherle
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shipley
Sikes
Sisk
Skubitz
Slack
Smith, Calif.
Smith, N.Y.
Smith, Okla.
Snyder
Springer
Stafford
Staggers
Stanton
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stubblefield
Stuckey
Sullivan
Taylor
Teague, Calif.
Teague, Tex.
Tenzer
Thompson, Ga.
Thompson, N.J.
Thomson, Wis.
Tiernan
Tuck
Tunney
Udall
Ullman
Utt
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waggonner
Waldie
Walker
Wampler
Watkins
Watson
Watts
Whalley
White
Whitener
Whitten
Widnall
Wiggins
Williams, Pa.
Willis
Wilson, Bob
Wilson, Charles H.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Young
Zablocki
Zion
Zwach

NAYS—5

Celler
Eckhardt
Evans, Colo.
Gonzalez
Scheuer

NOT VOTING—43

Brooks
Broomfield
Burleson
Cabell
Cederberg
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Corbett
Cramer
Dawson
Erlenborn
Fountain
Giaimo
Gibbons
Gurney
Halleck
Hansen, Wash.
Karsten
Kupferman
Laird
Lipscomb
Long, Md.
McClory
McFall
Macdonald, Mass.
Mills
Mink
Monagan
Moss
Passman
Pryor
Rhodes, Ariz.
Robison
Rosenthal
Rumsfeld
St. Onge
Shriver
Smith, Iowa
Taft
Talcott
Whalen

So the amendment was agreed to.

The Clerk announced the following pairs:

Mr. Brooks with Mr. Broomfield.
Mrs. Mink with Mr. Cederberg.
Mr. Gibbons with Mr. Laird.
Mr. Monagan with Mr. Rhodes of Arizona.
Mr. Fountain with Mr. Cramer.
Mr. Pryor with Mr. Talcott.
Mr. St. Onge with Mr. Halleck.
Mr. Moss with Mr. Don H. Clausen.
Mr. Rosenthal with Mr. Lipscomb.
Mr. Karsten with Mr. Robison.
Mr. Passman with Mr. Del Clawson.
Mr. Giaimo with Mr. Gurney.
Mr. McFall with Mr. McClory.
Mr. Burleson with Mr. Cleveland.
Mr. Clark with Mr. Shriver.
Mr. Macdonald of Massachusetts with Mr. Taft.
Mr. Cabell with Mr. Kupferman.
Mr. Smith of Iowa with Mr. Erlenborn.
Mrs. Hansen of Washington with Mr. Whalen.
Mr. Mills with Mr. Long of Maryland.

Mr. BYRNE of Pennsylvania. Mr. EDWARDS of California, Mr. MATSUNAGA, and Mr. EILBERG changed their votes from "nay" to "yea."

The doors were opened.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

On page 40, strike lines 13 through 19 and insert the following:

"SEC. 202. (a) Except as provided in subsection (b) of this section, not more than 10 per centum of the excess over $30 per week, or its equivalent for any pay period of a different duration, of any wages, salary, or earnings in the form of commission or bonus as compensation for personal services may be attached, garnished, or subjected to any similar legal or equitable process or order. No court of the United States or of any State may make, execute, or enforce any order or process in violation of this section.

"(b) The prohibition contained in subsection (a) of this section does not apply in the case of any debt due—

"(1) under the order of any court for the support of any person; or

"(2) for any State or Federal tax.

"(d) The Secretary of Labor, acting through the Wage and Hour Division of the Department of Labor, shall enforce the provisions of this section.

"SEC. 203. (a) No employer may discharge any employe by reason of the fact that, on one occasion, wages or other compensation due the employee for personal services have been subjected to attachment, garnishment, or any similar legal or equitable process.

"(b) The Secretary of Labor, acting through the Wage and Hour Division of the Department of Labor, shall enforce the provisions of this section.

"(c) Whoever willfully violates subsection (a) of this section shall be fined not more than $1,000, or imprisoned not more than one year, or both.

"SEC. 204. This title shall not be construed to annul, alter, or affect, or to to exempt any creditor from complying with, the laws of any State relating to the garnishment of wages, salary, or earnings in the form of commission or bonus, as compensation for personal services in connection with credit transactions, where such laws—

"(1) prohibit such garnishments or provide for more limited garnishments than are provided for in section 202(a) of this title, or

"(2) prohibit the discharge of any employee by reason of the fact that, on any occasion, wages or other compensation due the employee for personal services have been subjected to attachment, garnishment, or any similar legal or equitable process."

Mr. PATMAN. (During the reading) Mr. Speaker, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WIDNALL. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WIDNALL. Mr. Speaker, is it not true that a vote "yea" on the proposed amendment would eliminate the committee amendment?

The SPEAKER. A vote "yea" would be a vote to adopt the committee amendment.

Mr. WIDNALL. That is true. If the amendment offered by the gentleman from Louisiana [Mr. WAGGONNER] is adopted, then the bill would go back to the original language as reported by the Committee, reinstating section 202 (a) and (b)?

The SPEAKER. In response to the parliamentary inquiry, the Chair will state that if the committee amendment is defeated the language would go back to that in the original bill.

Mr. WIDNALL. The gentleman is moving to strike the committee amendment, I believe.

Mr. ALBERT. Mr. Speaker, if the gentleman will yield, there has not been an offering of an amendment. There has been a request for a separate vote on the committee amendment. The inquiry should relate to what the effect of the separate vote would be.

Mr. WAGGONNER. Mr. Speaker, I ask unanimous consent to withdraw the request for a separate vote.

The SPEAKER. The Record will note the request, but the vote still will be on the committee amendment.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. McCLURE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. McCLURE. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. McClure moves to recommit the bill H.R. 11601 to the Committee on Banking and Currency.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. WIDNALL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 383, nays 4, not voting 44, as follows:

[Roll No. 13]

YEAS—383

Abbitt
Adair
Adams
Addabbo
Albert
Anderson, Ill.
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Arends
Ashbrook
Ashley
Ashmore
Aspinall
Ayres
Baring
Barrett
Bates
Battin
Belcher
Bell
Bennett
Berry
Betts
Bevill
Biester
Bingham
Blackburn
Blanton
Blatnik
Boggs
Boland
Bolling
Bolton
Bow
Brademas
Brasco
Bray
Brinkley
Brock
Brooks
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burton, Calif
Burton, Utah
Bush
Button
Byrne, Pa.
Byrnes, Wis.
Cahill
Carey
Carter
Casey
Celler
Chamberlain
Clancy
Cohelan
Collier
Colmer
Conable
Conte
Conyers
Corman
Cowger
Culver
Cunningham
Curtis
Daddario
Daniels
Davis, Ga.
Davis, Wis.
de la Garza
Delaney
Dellenback
Denney
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Dole
Donohue
Dorn
Dow
Dowdy
Downing
Dulski
Duncan
Dwyer
Eckhardt
Edmondson
Edwards, Ala.
Edwards, Calif.
Edwards, La.
Eilberg
Esch
Eshleman
Evans, Colo.
Everett
Evins, Tenn.
Fallon
Farbstein
Fascell
Feighan
Findley
Fino
Fisher
Flood
Flynt
Foley
Ford, Gerald R.
Ford, William D.
Fraser
Frelinghuysen
Friedel
Fulton, Pa.
Fulton, Tenn.
Fuqua
Galifianakis
Gallagher
Gardner
Garmatz
Gathings
Gettys
Gilbert
Gonzalez
Goodell
Goodling
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gude
Hagan
Haley
Hall
Halpern
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Hardy
Harrison
Harsha
Harvey
Hathaway
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Herlong
Hicks
Holifield
Holland
Horton
Hosmer
Howard
Hull
Hungate
Hunt
Hutchinson
Ichord
Irwin
Jacobs
Jarman
Joelson
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, Mo.
Jones, N.C.
Karth
Kastenmeier
Kazen
Kee
Keith
Kelly
King, N.Y.
Kirwan
Kleppe
Kluczynski
Kornegay
Kuykendall
Kyl
Kyros
Landrum
Langen
Latta
Leggett
Lennon
Lloyd
Long, La.
Lukens
McCarthy
McCloskey
McCulloch
McDade
McDonald, Mich.
McEwen
McMillan
MacGregor
Machen
Madden
Mahon
Mailliard
Marsh
Martin
Mathias, Calif.
Mathias, Md.
Matsunaga
May
Mayne
Meeds
Meskill
Michel
Miller, Calif.
Miller, Ohio
Minish
Minshall
Mize
Moore
Moorhead
Morgan
Morris, N. Mex.
Morse, Mass.
Morton
Mosher
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Patman
Patten
Pelly
Pepper
Perkins
Pettis
Philbin
Pickle
Pike
Pirnie
Poage
Poff
Pollock
Pool
Price, Ill.
Price, Tex.
Pucinski
Purcell
Quie
Quillen
Railsback
Randall
Rarick
Rees
Reid, Ill.
Reid, N.Y.
Reifel
Reinecke
Resnick
Reuss
Rhodes, Pa.
Riegle
Rivers
Roberts
Rodino
Rogers, Colo.
Rogers, Fla.
Ronan
Rooney, N.Y.
Rooney, Pa.
Rostenkowski
Roth
Roudebush
Roush
Roybal
Ruppe
Ryan
St Germain
Sandman
Satterfield
Saylor
Schadeberg
Scherle
Scheuer
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shipley
Sikes
Sisk
Skubitz
Slack
Smith, Calif.
Smith, N.Y.
Smith, Okla.
Snyder
Springer
Stafford
Staggers
Stanton
Steed
Steiger, Ariz.
Steiger, Wis.
Stratton
Stubblefield
Stuckey
Sullivan
Taylor
Teague, Calif.
Teague, Tex.
Tenzer
Thompson, Ga.
Thompson, N.J.
Thomson, Wis.
Tiernan
Tuck
Tunney
Udall
Ullman
Utt
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waggonner
Waldie
Walker
Wampler
Watkins
Watson
Watts
Whalley
White
Whitener
Whitten
Widnall
Wiggins
Williams, Pa.
Willis
Wilson, Bob
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Young
Zablocki
Zion
Zwach

NAYS—4

Abernethy
McClure
Montgomery
Stephens

NOT VOTING—44

Broomfield
Burleson
Cabell
Cederberg
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Corbett
Cramer
Dawson
Erlenborn
Fountain
Giaimo
Gibbons
Gurney
Halleck
Hansen, Wash.
Karsten
King, Calif.
Kupferman
Laird
Lipscomb
Long, Md.
McClory
McFall
Macdonald, Mass.
Mills
Mink
Monagan
Moss
Passman
Pryor
Rhodes, Ariz.
Robison
Rosenthal
Rumsfeld
St. Onge
Shriver
Smith, Iowa
Taft
Talcott
Whalen
Wilson, Charles H.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Mills with Mr. Broomfield.
Mrs. Mink with Mr. Cederberg.
Mr. Gibbons with Mr. Laird.
Mr. Monagan with Mr. Rhodes of Arizona.
Mr. Fountain with Mr. Cramer.
Mr. Pryor with Mr. Talcott.
Mr. St. Onge with Mr. Halleck.
Mr. Moss with Mr. Don H. Clausen.
Mr. Rosenthal with Mr. Lipscomb.
Mr. Karsten with Mr. Robison.
Mr. Passman with Mr. Del Clawson.
Mr. Giaimo with Mr. Gurney.
Mr. McFall with Mr. McClory.
Mr. King of California with Mr. Cleveland.
Mr. Clark with Mr. Shriver.
Mr. Macdonald of Massachusetts with Mr. Taft.
Mr. Long of Maryland with Mr. Kupferman.
Mr. Smith of Iowa with Mr. Erlenborn.
Mrs. Hansen of Washington with Mr. Whalen.
Mr. Charles H. Wilson with Mr. Corbett.

Mr. McMILLAN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. Price of Illinois). Pursuant to House Resolution 1043, the Committee on Banking and Currency is discharged from the further consideration of the bill (S. 5).

MOTION OFFERED BY MR. PATMAN

Mr. PATMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Motion offered by Mr. Patman: Strike out all after the enacting clause of S. 5 and insert the provisions of the bill, H.R. 11601, as passed, as follows:

Section 1. This Act may be cited as the "Consumer Credit Protection Act".

TITLE I—CREDIT TRANSACTIONS

Sec. 101. (a) The Federal Reserve Act is amended by striking the first sentence and inserting:

"TITLE I—THE FEDERAL RESERVE SYSTEM

"SECTION 1. SHORT TITLE AND DEFINITIONS

"This title may be cited as the Federal Reserve Act."

(b) Title I of the Federal Reserve Act is amended by changing "Act", wherever that word is used with reference to title I of the Federal Reserve Act (as so designated by subsection (a) of this section) to read "title".

(c) The Federal Reserve Act is amended by adding at the end:

"TITLE II—CREDIT TRANSACTIONS

"DECLARATION OF PURPOSE

"Sec. 201. The Congress finds that economic stabilization would be enhanced and that competition among the various financial institutions and other firms engaged in the extension of consumer credit would be strengthened by the informed use of credit. The informed use of credit results from an awareness of the cost thereof by consumers. It is the purpose of this title to assure a meaningful disclosure of credit terms so that the consumer will be able to compare more readily the various credit terms available to him and avoid the uninformed use of credit.

"DEFINITIONS

"SEC. 202. For the purposes of this title,

"(a) 'Board' means the Board of Governors of the Federal Reserve System.

"(b) 'credit' means the right granted by a creditor to a person other than an organization to defer payment of debt or to incur debt and defer its payment, where the debt is contracted by the obligor primarily for personal, family, household, or agricultural purposes. The term does not include any contract in the form of a bailment or lease except to the extent specifically included within the term 'consumer credit sale'.

"(c) 'consumer credit sale' means a transaction in which credit is granted by a seller in connection with the sale of goods or services, if such seller regularly engages in credit transactions as a seller, and such goods or services are purchased primarily for a personal, family, household, or agricultural purpose. The term does not include any contract in the form of a bailment or lease unless the obligor contracts to pay as compensation for use a sum substantially equivalent to or in excess of the value of the goods or services involved, and unless it is agreed that the obligor is bound to become, or for no other or a merely nominal consideration has the option of becoming, the owner of the goods upon full compliance with the provisions of the contract.

"(d) 'finance charge' means the sum of all the mandatory charges imposed directly or indirectly by a creditor, and payable directly or indirectly by an obligor, as an incident to the extension of credit, including loan fees, service and carrying charges, discounts, interest, time price differentials, investigators' fees, costs of any guarantee or insurance protecting the creditor against the obligor's default or other credit loss, and any amount payable under a point, discount, or other system of additional charges, except that

"(1) if itemized and disclosed under section 203, the term 'finance charge' does not include amounts collected by a creditor, or included in the credit, for

"(A) fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of or for perfecting or releasing or satisfying any security related to a credit transaction, or the premium, not in excess of those fees and charges, payable for any insurance in lieu of perfecting the security; or

"(B) taxes; and

"(2) where credit is secured in whole or in part by an interest in real property, the term does not include, in addition to the duly itemized and disclosed costs referred to in clauses (A) and (B) of paragraph (1), the costs of

"(A) title examination, title insurance, or corresponding procedures;

"(B) preparation of the deed, settlement statement, or other documents;

"(C) escrows for future payments of taxes and insurance;

"(D) notarizing the deed and other documents;

"(E) appraisal fees; or

"(F) credit reports.

"(e) 'creditor' means any individual, or any partnership, corporation, association, cooperative, or other entity, including the United States or any agency or instrumentality thereof, or any other government or political subdivision or agency or instrumentality thereof, if such individual or entity regularly engages in credit transactions, whether in connection with the sale of goods and services or otherwise, and extends, or arranges for the extension of, credit for which the payment of a finance charge is required.

"(f)(1) 'annual percentage rate' means, for the purposes of sections 203(b), 203(c), and 203(d), the nominal annual rate determined by the actuarial method (United States rule).

"(2) The Board may prescribe methods other than the actuarial method, if the Board determines that the use of such other methods will materially simplify computation while retaining reasonable accuracy as compared with the rate determined under the actuarial method.

"(3) For the purposes of section 203(d), the term 'equivalent annual percentage rate' means the rate or rates computed by multiplying the rate or rates used to compute the finance charge for any period by the number of periods in a year.

"(4) Where a creditor imposes the same finance charge for all balances within a specified range, the annual percentage rate or equivalent annual percentage rate shall be computed on the median balance within the range for the purposes of sections 203(b), 203(c), and 203(d).

"(g) 'open end credit plan' means a plan prescribing the terms of credit transactions which may be made thereunder from time to time and under the terms of which a finance charge may be computed on the outstanding unpaid balance from time to time thereunder.

"(h) 'installment open end credit plan' means an open end credit plan which has one or more of the following characteristics: (1) creates a security interest in, or provides for a lien on, or retention of title to, any property (whether real or personal, tangible or intangible), (2) provides for a repayment schedule pursuant to which less than 60 per centum of the unpaid balance at any time outstanding under the plan is required to be paid within twelve months, or (3) provides that amounts in excess of required payments under the repayment schedule are applied to future payments in the order of their respective due dates.

"(i) 'organization' means a corporation, government or governmental subdivision or agency, business or other trust, estate, partnership, or association.

"(j) 'State' means any State, the Commonwealth of Puerto Rico, or the District of Columbia.

"DISCLOSURE OF FINANCE CHARGES; ADVERTISING

"SEC. 203. (a) Each creditor shall furnish to each person to whom credit is extended and upon whom a finance charge is or may be imposed the information required by this section, in accordance with regulations prescribed by the Board.

"(b) This subsection applies to consumer credit sales other than sales under an open end credit plan. For each such sale the creditor shall disclose, to the extent applicable,

"(1) the cash price of the property or service purchased;

"(2) the sum of any amounts credited as downpayment (including any trade-in);

"(3) the difference between the amounts set forth in paragraphs (1) and (2);

"(4) all other charges, individually itemized, which are included in the amount of the credit extended but which are not part of the finance charge;

"(5) the total amount to be financed (the sum of the amounts disclosed under (3) and (4) above);

"(6) the amount of the finance charge (such charge, or a portion of such charge, may be designated as a time-price differential or as a similar term to the extent applicable);

"(7) the finance charge expressed as an annual percentage rate;

"(8) the number, amount, and due dates or periods of payments scheduled to repay the indebtedness;

"(9) the default, delinquency, or similar charges payable in the event of late payments; and

"(10) a description of any security interest held or to be retained or acquired by the creditor in connection with the extension of credit, and a clear identification of the property to which the security interest relates.

Except as otherwise hereinafter provided, the disclosure required by this subsection shall be made before the credit is extended. Compliance may be attained by disclosing such information in the contract or other evidence of indebtedness to be signed by the obligor. Where a seller receives a purchase order by mail or telephone without personal solicitation by a representative of the seller and the cash price and deferred payment price and the terms of financing, including the annual percentage rate, are set forth in the seller's catalog or other printed material distributed to the public, the disclosure shall be made on or before the date the first payment is due. Where a creditor mails or otherwise transmits monthly or other periodic bills or statements in connection with any sale to which this subsection is applicable, each such bill or statement shall set forth, to the extent applicable, the items described in subsection (d)(3) of this section, except that if the credit is extended for a period of five years or more, the items described in subsection (d)(3) need not be set forth more than once in each calendar year. If a credit sale is one of a series of credit sale transactions made pursuant to an agreement providing for the addition of the deferred payment price of that sale to an existing outstanding balance, and the person to whom the credit is extended has approved in writing both the annual percentage rate or rates and the method of computing the finance charge or charges, and the creditor retains no security interest in any goods sold as to which he has received payments aggregating the amount of the sales price including any finance charges attributable thereto, then the disclosure required by this subsection for the particular sale shall be made on or before the date the first payment for that sale is due.

"(c) This subsection applies to extensions of credit other than consumer credit sales or transactions under an open end credit plan. Any creditor making a loan or otherwise extending credit under this subsection shall disclose, to the extent applicable:

"(1) the amount of credit of which the obligor will have the actual use, or which is or will be paid to him or for his account or to another person on his behalf;

"(2) all charges, individually itemized, which are included in the amount of the credit extended but which are not part of the finance charge;

"(3) the total amount to be financed (the sum of items (1) and (2) above);

"(4) the amount of the finance charge;

"(5) the finance charge expressed as an annual percentage rate;

"(6) the number, amount, and due dates or periods of payments scheduled to repay the indebtedness;

"(7) the default, delinquency, or similar charges payable in the event of late payments; and

"(8) a description of any security interest held or to be retained or acquired by the creditor in connection with the extension of credit, and a clear identification of the property to which the security interest relates.

Except as otherwise hereinafter provided, the disclosure required by this subsection shall be made before the credit is extended. Compliance may be attained by disclosing such information in the note or other evidence of indebtedness to be signed by the obligor. Where a creditor receives a request for an extension of credit by mail or telephone without personal solicitation by a representative of the creditor and the terms of financing, including the annual percentage rate for representative amounts of credit, are set forth in the creditor's printed material distributed to the public, or in the contract of loan or other printed material delivered to the obligor, the disclosure shall be made on or before the date the first payment is due. Where a creditor mails or otherwise transmits monthly or other periodic bills or statements in connection with any extension of credit to which this subsection is applicable, each such bill or statement shall set forth, to the extent applicable, the items described in subsection (d)(3) of this section, except that if such credit is extended for a period of five years or more, the items described in subsection (d)(3) need not be set forth more than once in each calendar year.

"(d)(1) This subsection applies to open end credit plans.

"(2) Before opening any account under an open end credit plan, the creditor shall, to the extent applicable, disclose to the person to whom credit is to be extended—

"(A) the conditions under which a finance charge may be imposed, including the time period, if any, within which any credit extended may be repaid without incurring a finance charge;

"(B) the method of determining the balance upon which a finance charge will be imposed;

"(C) the method of determining the amount of the finance charge (including any minimum or fixed amount imposed as a finance charge), the annual percentage rate of the finance charge to be imposed, if any, and, in the case of an installment open end credit plan, the equivalent annual percentage rate;

"(D) the conditions under which any other charges may be imposed, and the method by which they will be determined; and

"(E) the conditions under which the creditor may retain or acquire any security interest in any property to secure the payment of any credit extended under the plan, and a description of the interest or interests which may be so retained or acquired.

"(3) For each billing cycle at the end of which there is an outstanding balance under any such account, the creditor shall disclose, to the extent applicable,

"(A) the outstanding balance in the account at the beginning of the billing period;

"(B) the amount and date of each extension of credit during the period and, if a purchase was involved, a brief identification (unless previously furnished) of the goods or services purchased;

"(C) the total amount credited to the account during the period;

"(D) the amount of any finance charge added to the account during the period, itemized to show the amount, if any, due to the application of a percentage rate and the amount, if any, imposed as a minimum or fixed charge;

"(E) the finance charge expressed as an annual percentage rate;

"(F) the balance on which the finance charge was computed and a statement of how the balance was determined. If such a balance is determined without first deducting all payments during the period, that fact and the amount of such payments shall also be disclosed;

"(G) the outstanding balance in the account at the end of the period; and

"(H) the date by which, or the period (if any) within which, payment must be made to avoid additional finance charges.

"(4) If a creditor adds to this billing under an open end credit plan one or more installments of other indebtedness from the same obligor, the creditor is not required to disclose under this subsection any information which has been disclosed previously in compliance with subsection (b) or (c).

"(5) Any creditor under an open end credit transaction shall furnish any party to the transaction with a written estimate of the approximate annual percentage rate of the finance charge on the transaction determined in accordance with regulations issued by the Board, if the party making the request specifies or identifies the repayments schedule involved and such other essential credit terms as may be prescribed in the regulations issued by the Board.

"(e) In the case of any extension of credit in connection with which a security interest is to be retained or acquired in any property which is used or is expected to be used as a residence by the person to whom credit is extended, the disclosures required under this title shall be made at least three days before the transaction is consummated or before any agreement to consummate the transaction is entered into by the party to whom the credit is extended, whichever is earlier. The Board may, if it finds that such action is necessary in order to permit homeowners to meet bona fide personal financial emergencies, prescribe regulations authorizing the modification or waiver of this requirement to the extent and under the circumstances set forth in such regulations.

Notwithstanding any other provision of this Act, written acknowledgement of receipt by a person to whom a statement is required to be given pursuant to this paragraph shall provide only a rebuttable presumption of proof of delivery thereof.

"(e) Written acknowledgment of receipt by a person to whom a statement is required to be given pursuant to this section shall be conclusive proof of the delivery thereof and, unless the violation is apparent on the face of the statement, of compliance with this section in any action or proceeding by or against an assignee of the original creditor without knowledge to the contrary by such assignee when he acquires the obligation, unless the assignee, its subsidiaries, or affiliates, are in a continuing business relationship with the original creditor. Such acknowledgment shall not affect the rights of the obligor in any action against the original creditor.

"(f) If there is more than one obligor, a creditor may furnish a statement of required information to only one of them. Required information need not be given in the sequence or order set forth in this section. Additional information or explanations may be included. So long as it conveys substantially the same meaning, a creditor may use language or terminology in any required statement different from that prescribed by this title.

"(g) If applicable State law requires disclosure of items of information substantially similar to those required by this title, then a creditor who complies with such State law may comply with this title by disclosing only the additional items of information required by this title.

"(h) If information disclosed in accordance with this section and any regulations prescribed by the Board is subsequently rendered inaccurate as the result of a prepayment, late payment, adjustment, or amendment of the credit agreement through mutual consent of the parties or as permitted by law, or as the result of any act or occurrence subsequent to the delivery of the required disclosures, the inaccuracy resulting therefrom shall not constitute a violation of this section.

"(i) If a creditor, in order to aid, promote, or assist directly or indirectly, any consumer credit sale, loan, or other extension of credit subject to the provisions of this section, other than an open end credit plan, states or otherwise represents in any advertisement

"(1) the rate of the finance charge, the advertisement shall state the rate of the finance charge expressed as an annual percentage rate; or

"(2) the amount of an installment payment or the dollar amount of finance charge, the advertisement shall state:

"(A) the cash price or the amount of the loan, as applicable;

"(B) the downpayment, if any;

"(C) the number, amount, and due dates or period of payments scheduled to repay the indebtedness if such credit were extended; and

"(D) the rate of the finance charge expressed as an annual percentage rate.

The provisions of this subsection shall not apply to advertisements of residential real estate except to the extent that the Board may by regulation require.

"(j) No creditor, in order to aid, promote, or assist, directly or indirectly, the extension of credit under an open end credit plan may state or otherwise represent in any advertisement any of the specific terms of that plan unless the advertisement clearly and conspicuously sets forth

"(1) the conditions under which a finance charge may be imposed, including the time period, if any, within which any credit extended may be repaid without incurring a finance charge;

"(2) the method of determining the balance upon which a finance charge will be imposed;

"(3) the method of determining the amount of the finance charge (including any minimum or fixed amount imposed as a finance charge), and the annual percentage rate; and

"(4) the conditions under which any other charges may be imposed, and the method by which they will be determined.

"(k) No creditor may state or otherwise represent in any advertisement

"(1) that a specified periodic credit amount or installment amount can be arranged, unless the creditor usually and customarily arranges credit payments or installments for that period and in that amount; or

"(2) that a specified downpayment is required, unless the creditor usually and customarily arranges downpayments in that amount.

"(l) For the purposes of subsections (i), (j), and (k), a catalog or other multiple-page advertisement shall be considered a single advertisement if the catalog or other multiple-page advertisement clearly and conspicuously displays a credit terms table on which the information required to be stated by subsections (i), (j), and (k) is clearly set forth.

"(m) The prohibitions and requirements of subsections (i), (j), (k), and (l) of this section shall apply only to a creditor or his agent directly or indirectly causing the publication or dissemination of an advertisement and not to the owner, employees, or distributors of the medium in which the advertisement appears or through which it is disseminated.

"(n) The provisions of this section shall not apply to

"(1) credit transactions involving extensions of credit for business or commercial purposes, or to governments or governmental agencies or instrumentalities, or to organizations;

"(2) transactions in securities or commodities in accounts by a broker-dealer registered with the Securities and Exchange Commission; or

"(3) credit transactions, other than real property transactions, in which the total amount to be financed exceeds $25,000.

"REGULATIONS

"SEC. 204. (a) The Board shall prescribe regulations to carry out section 203, including provisions:

"(1) describing the methods which may be used in determining annual percentage rates under section 203, including, but not limited to, the use of any rules, charts, tables, or devices by creditors to convert to an annual percentage rate any add-on, discount, or other method of computing a finance charge;

"(2) prescribing procedures to insure that the information required to be disclosed under section 203 is set forth clearly and conspicuously; and

"(3) prescribing reasonable tolerances of accuracy with respect to disclosing information under section 203.

"(b) In prescribing regulations with respect to reasonable tolerances of accuracy as required by subsection (a)(3), the Board shall observe the following limitations:

"(1) The annual percentage rate may be rounded to the nearest quarter of 1 per centum for credit transactions payable in substantially equal installments when a creditor determines the total finance charge on the basis of a single add-on, discount, periodic, or other rate, and such rates are converted into an annual percentage rate under procedures prescribed by the Board.

"(2) The use of rate tables or charts may be authorized in cases where the total finance charge is determined in a manner other than that specified in paragraph (1). Such tables or charts may provide for the disclosure of annual percentage rates which vary up to 8 per centum of the rate as defined by section 202(f). However, any creditor who willfully and knowingly uses such tables or charts in such a manner so as to consistently understate the annual percentage rate, as defined by section 202(f), shall be liable for criminal penalties under section 206(b) of this title.

"(3) In the case of creditors determining the annual percentage rate in a manner other than as described in paragraph (1) or (2), the Board may authorize other reasonable tolerances.

"(4) In order to simplify compliance where irregular payments are involved, the Board may authorize tolerances greater than those specified in paragraph (2).

"(c) Any regulation prescribed under this section may contain such classifications and differentiations and may provide for such adjustments and exceptions for any class of transactions as in the judgment of the Board are necessary or proper to effectuate the purposes of section 203 or to prevent circumvention or evasion of, or to facilitate compliance by creditors with, section 203 or any regulation issued under this section. In prescribing exceptions, the Board may consider, among other things, whether any class of transactions is subject to any State law or regulation which requires disclosures substantially similar to those required by section 203.

"(d) In the exercise of its powers under this title, the Board may request the views of other Federal agencies which in its judgment exercise regulatory functions with respect to any class of creditors, and such agencies shall furnish such views upon request of the Board.

"(e) The Board shall establish an advisory committee, to advise and consult with it in the exercise of its functions with respect to section 203 and this section. In appointing the members of the committee, the Board shall seek to achieve a fair representation of the interests of sellers of merchandise on credit, lenders, and the public. The committee shall meet from time to time at the call of the Board, and members thereof shall be paid transportation expenses and not to exceed $100 per diem.

"EFFECT ON STATE LAWS

"SEC. 205. (a) This title shall not be construed to annul, alter or affect, or to exempt any creditor from complying with, the laws of any State relating to the disclosure of information in connection with credit transactions, except to the extent that such laws are inconsistent with the provisions of this title, or regulations issued thereunder, and then only to the extent of the inconsistency. This title shall not otherwise be construed to annul, alter or affect in any manner, the meaning, scope or applicability of the laws of any State, including, but not limited to, laws relating to the types, amounts or rates of charges, or any element or elements of charges, permissible under such laws in connection with the extension or use of credit, nor to extend the applicability of such laws to any class of persons or transactions to which such laws would not otherwise apply, nor shall the disclosure of the annual percentage rate in connection with any consumer credit sale as required by this title be evidence in any action or proceeding that such sale was a loan or any transaction other than a credit sale.

"(b) The Board shall by regulation exempt from the requirements of section 203 any class of credit transactions which it determines are subject to State law or regulation substantially similar to the requirements under that section, with adequate provision for enforcement.

"(c) Except as specified in section 206, section 203 and the regulations issued thereunder do not affect the validity or enforcibility of any contract or obligation under State or Federal law.

"CIVIL AND CRIMINAL PENALTIES

"SEC. 206. (a)(1) Any creditor who, in connection with any credit transaction, knowingly fails in violation of section 203 (except sections 203(i), 203(j), and 203(k)), or any regulation issued thereunder, to disclose any information to any person to whom such information is required to be given shall be liable to such person in the amount of $100, or in any amount equal to twice the finance charge required by such creditor in connection with such transaction, whichever is the greater, except that such liability shall not exceed $1,000 on any credit transaction. Any action which may be brought under this subsection against the original creditor in any credit transaction involving a security interest in real property may be maintained against any assignee of the original creditor where such assignee, its subsidiaries, or affiliates were in a continuing business relationship with the original creditor either at the time the credit was extended or at the time of the assignment, unless the assignment was involuntary, or the assignee shows by a preponderance of evidence that it had no knowledge of any reasonable likelihood of violation by the original creditor and that it maintained procedures reasonably adapted to apprise it of the existence of any such violations.

"(2) In any action brought under this subsection in which it is shown that the creditor disclosed a percentage rate or amount less than that required to be disclosed by section 203 or regulations prescribed by the Board (after taking into account permissible tolerances), or failed to disclose information so required, there shall be a rebuttable presumption that such violation was made knowingly. The presumption is rebutted if the creditor shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. A creditor has no liability under this subsection if within fifteen days after discovering the error, and prior to the institution of an action hereunder or the receipt of written notice of the error, the creditor notifies the person concerned of the error and makes whatever adjustments in the appropriate account as are necessary to insure that the person will not be required to pay a finance charge in excess of the amount or percentage rate so disclosed.

"(3) Any action under this subsection may be brought in any United States district court, or in any other court of competent jurisdiction, within one year from the date of the occurrence of the violation. In any such action in which a person is entitled to recover a penalty as prescribed in paragraph (1), the defendant is also liable for reasonable attorneys' fees and court costs as determined by the court.

"(b) Any person who knowingly and willfully gives false or inaccurate information or fails to provide information required to be disclosed under the provisions of this title or any regulation issued thereunder, or who otherwise knowingly and willfully violates any provision of this title or any regulation issued thereunder, shall be fined not more than $5,000 or imprisoned not more than one year, or both. The Attorney General shall enforce this subsection.

"(c) No punishment or penalty provided for a violation of section 203 or any regulation issued under section 204 applies to the United States, or any agency thereof, or to any State, any political subdivision thereof, or any agency of any State or political subdivision.

"(d) No person is subject to punishment or penalty under this section solely as the result of the disclosure of a finance charge or percentage which is greater than the amount of such charge or percentage required to be disclosed by such person under section 203, or regulations prescribed by the Board.

"ADMINISTRATIVE ENFORCEMENT

"SEC. 207. All of the functions and powers of the Federal Trade Commission are applicable to the administration and enforcement of this title to the same extent as if this title were a part of the Federal Trade Commission Act, and any person violating or threatening to violate any provision of this title or any regulation in implementation of this title is subject to the penalties and entitled to the provisions and immunities provided in the Federal Trade Commission Act, except as follows:

"(1) The exceptions stated in section 5(a)(6) of the Federal Trade Commission Act (15 U.S.C. 45(a)(6)) are not, as such, applicable to this title.

"(2) No bank or thrift institution is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act with respect to this title if the bank or institution is subject to section 5(d) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)), section 407 of the National Housing Act (12 U.S.C. 1730), or section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818). The Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation) shall enforce this title and regulations in implementation thereof with respect to banks and other institutions under their respective jurisdictions.

"(3) No common carrier subject to the acts to regulate commerce is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act with respect to this title. The Interstate Commerce Commission shall enforce this title and regulations in implementation thereof with respect to such carriers.

"(4) No air carrier or foreign air carrier subject to the Federal Aviation Act of 1958 is subject to the Federal Trade Commission or to the provisions of the Federal Trade Commission Act with respect to this title. The Civil Aeronautics Board or the Federal Aviation Administration, as may be appropriate, shall enforce this title and regulations in implementation thereof with respect to any such carrier.

"(5) Except as provided in section 406 of the Act of August 15, 1921 (7 U.S.C. 227)—

"(A) no person, partnership, or corporation subject to the Packers and Stockyards Act, 1921, is subject to the jurisdiction of the Federal Trade Commission or to the provisions of that Act with respect to this title, and

"(B) the Secretary of Agriculture shall enforce this title and regulations in implementation thereof with respect to persons, partnerships, and corporations subject to the Packers and Stockyards Act, 1921.

"REPORTS

"Sec. 208. Not later than January 3 of each year commencing after the effective date of this title, the Board of Governors of the Federal Reserve System and the Attorney General shall, respectively, make reports to the Congress concerning the administration of their functions under this title, including such recommendations as the Board and the Attorney General, respectively, deem necessary or appropriate. In addition, reports of the Board of Governors of the Federal Reserve System shall include the Board's assessment of the extent to which compliance with the provisions of this title, and regulations prescribed thereunder, is being achieved.

"EFFECTIVE DATE

"Sec. 209. The provisions of this title shall take effect on the first day of the ninth calendar month which begins after the date of enactment of this title, except that section 204 shall take effect immediately."

Sec. 102(a). The Congress makes the following findings:

(1) Organized crime is interstate and international in character.

(2) Organized crime is engaged directly in interstate and foreign commerce, as well as intrastate commerce, in loaning money and other valuable things at excessive rates of interest, often in conjunction with the use of force, violence, and fear. This so-called loan sharking business or organized criminals and other criminals involves billions of dollars each year.

(3) The stability of the Nation's economy is affected by loan sharking activities.

(4) The use of legitimate credit channels would be enhanced by the prevention of loan sharking activities.

(5) The production and flow of goods in the Nation's economy is hindered by the diversion of money into excessive and confiscatory credit payments.

(6) Federal programs designed to aid the poor in the United States are rendered less effective by loan sharking activities.

(7) The diversion of money and assets into organized crime nullifies the purposes and benefits of a free enterprise economy and hinders the operations of Federal statutes and regulations designed to preserve that economy.

(8) In order to protect commerce, benefit the national economy and assure the full effects of Federal programs designed to aid the poor and maintain a free enterprise system, it is the purpose of this Act to prohibit loans at excessive and prohibitive rates of interest.

(9) Loan sharking activities directly impair the effectiveness and frustrate the purposes of the laws enacted by the Congress on the subject of bankruptcies.

(10) Loan sharking activities impair the stability of the national economy and thereby interfere with the regulation of the value of money.

(b)(1) Whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce by loan sharking or attempts so to do shall be fined not more than $10,000 or imprisoned not more than five years, or both.

(2)(A) Whoever travels in interstate or foreign commerce or uses any facility in interstate or foreign commerce, including the mail, with the intent to promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of loan sharking, and (B) thereafter performs or attempts to perform any act described in the preceding clause, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

(3) As used in this section—

(A) the term "loan sharking" means the lending of money at a rate of interest prohibited by the statutes of the State where the loan transaction takes place.

(B) The term "commerce" means commerce within the District of Columbia, or any Territory or possession of the United States; all commerce between any point in a State, Territory, possession, or the District of Columbia and any point outside thereof; all commerce between points within the same State through any place outside such State; and all other commerce over which the United States has jurisdiction.

(4) Whoever knowingly participates in any way in a wrongful use of actual or threatened force, violence, or fear in connection with a loan or forbearance in violation of subsections (1) and (2) of this section, or attempted violation thereof, shall be fined not more than $10,000 or imprisoned not more than twenty-five years, or both.

(5) Whoever knowingly possesses, maintains, or exercises control over any paper, writing, instrument, or other thing used to record any loan or forbearance or any part of such transaction in violation of subsections (1) and (2) of this section shall be fined not more than $5,000 or imprisoned not more than five years, or both.

(C) The provisions of subsection (b) of this section do not apply to any extension of credit by a creditor which is both—

(1) licensed or chartered as a banking or lending institution by the United States or any State, and

(2) regulated and supervised as a banking or lending institution by the United States or any State.

(d) Whenever in the judgment of a United States attorney the testimony of any witness, or the production of books, papers, or other evidence by any witness, in any case or proceeding before any grand jury or court of the United States involving any violation of this Section, or any conspiracy to violate such Section, is necessary to the public interest, such United States attorney, upon the approval of the Attorney General, or his designated representative, shall make application to the court that the witness shall be instructed to testify or produce evidence subject to the provisions of this section, and upon order of the court such witness shall not be excused from testifying or from producing books, papers, or other evidence on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. But no such witness shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, nor shall testimony so compelled be used as evidence in any criminal proceeding (except prosecution described in the next sentence) against him in any court. No witness shall be exempt under this section from prosecution for perjury or contempt committed while giving testimony or producing evidence under compulsion as provided in this section.

(e) This Act shall not be construed as indicating an intent on the part of Congress to occupy the field in which this Act operates to the exclusion of a law of any State, territory, Commonwealth, or possession of the United States, and no law of any State, territory, Commonwealth, or possession of the United States, which would be valid in the absence of the Act shall be declared invalid, and no local authorities shall be deprived of any jurisdiction over any offense over which they would have jurisdiction in the absence of this Act.

TITLE II—RESTRICTION OF GARNISHMENT OF WAGES

Sec. 201. The Congress finds that garnishment of wages is frequently an essential element in predatory extensions of credit and that the resulting disruption of employment, production, and consumption constitutes a substantial burden upon interstate commerce.

Sec. 202. (a) Except as provided in subsection (b) of this section, not more than 10 per centum of the excess over $30 per week, or its equivalent for any pay period of a different duration, of any wages, salary, or earnings in the form of commission or bonus as compensation for personal services may be attached, garnished, or subjected to any similar legal or equitable process or order. No court of the United States or of any State may make, execute, or enforce any order or process in violation of this section.

(b) The prohibition contained in subsection (a) of this section does not apply in the case of any debt due—

(1) under the order of any court for the support of any person; or

(2) for any State or Federal tax.

(c) The Secretary of Labor, acting through the Wage and Hour Division of the Department of Labor, shall enforce the provisions of this section.

Sec. 203. (a) No employer may discharge any employee by reason of the fact that, on one occasion, wages or other compensation due the employee for personal services have been subjected to attachment, garnishment, or any similar legal or equitable process.

(b) The Secretary of Labor, acting through the Wage and Hour Division of the Department of Labor, shall enforce the provisions of this section.

(c) Whoever willfully violates subsection (a) of this section shall be fined not more than $1,000, or imprisoned not more than one year, or both.

Sec. 204. This title shall not be construed to annul, alter, or affect, or to exempt any creditor from complying with, the laws of any State relating to the garnishment of wages, salary, or earnings in the form of commission or bonus, as compensation for personal services in connection with credit transactions, where such laws—

(1) prohibit such garnishments or provide for more limited garnishments than are provided for in section 202(a) of this title, or

(2) prohibit the discharge of any employee by reason of the fact that, on any occasion, wages or other compensation due the employee for personal services have been subjected to attachment, garnishment, or any similar legal or equitable process.

TITLE III—COMMISSION ON CONSUMER FINANCE

Sec. 301. Establishment.—There is established a bipartisan National Commission on Consumer Finance (referred to in this title as the "Commission").

Sec. 302. Membership of the Commission.—(a) The Commission shall be composed of nine members, of whom—

(1) three are Members of the Senate appointed by the President of the Senate;

(2) three are Members of the House of Representatives appointed by the Speaker of the House of Representatives; and

(3) three are persons not employed in a full-time capacity by the United States appointed by the President, one of whom he shall designate as Chairman.

(b) A vacancy in the Commission does not affect its powers and may be filled in the same manner as the original appointment.

(c) Five members of the Commission constitute a quorum.

Sec. 303. Compensation of Members.—(a) Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Each member of the Commission who is appointed by the President may receive compensation at a rate of $100 for each day he is engaged upon work of the Commission, and shall be reimbursed for travel expenses, including per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

Sec. 304. Duties of the Commission.—(a) The Commission shall study and appraise the functioning and structure of the consumer finance industry, as well as consumer credit transactions generally. The Commission, in its report and recommendations to the Congress, shall include treatment of the following topics:

(1) The adequacy of existing arrangements to provide consumer credit at reasonable rates.

(2) The adequacy of existing supervisory and regulatory mechanisms to protect the public from unfair practices, and insure the informed use of consumer credit.

(3) The desirability fo Federal chartering of consumer finance companies, or other Federal regulatory measures.

(b) The Commission may make interim reports, and shall make a final report of its findings, recommendations, and conclusions to the President and to the Congress by December 31, 1969.

Sec. 305. Powers of the Commission.—(a) The Commission, or any three members thereof as authorized by the Commission, may conduct hearings anywhere in the United States or otherwise secure data and expressions of opinions pertinent to the study. In connection therewith the Commission is authorized by majority vote—

(1) to require, by special or general orders, corporations, business firms, and individuals to submit in writing such reports and answers to questions as the Commission may prescribe; such submission shall be made within such reasonable period and under oath or otherwise as the Commission may determine;

(2) to administer oaths;

(3) to require by subpena the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) in the case of disobedience to a subpena or order issued under paragraph (a) of this section to invoke the aid of any district court of the United States in requiring compliance with such subpena or order;

(5) in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths, and in such instances to compel testimony and the production of evidence in the same manner as authorized under subparagraphs (3) and (4) above; and

(6) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States.

(b) Any district court of the United States within the jurisdiction of which an inquiry is carried on may, in case of refusal to obey a subpena or order of the Commission issued under paragraph (a) of this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

(c) The Commission is authorized to require directly from the head of any Federal executive department or independent agency available information deemed useful in the discharge of its duties. All departments and independent agencies of the Government are hereby authorized and directed to cooperate with the Commission and to furnish all information requested by the Commission to the extent permitted by law.

(d) The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conducting of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(e) When the Commission finds that publication of any information obtained by it is in the public interest and would not give an unfair competitive advantage to any person, it is authorized to publish such information in the form and manner deemed best adapted for public use, except that data and information which would separately disclose the business transactions of any person, trade secrets, or names of customers shall be held confidential and shall not be disclosed by the Commission or its staff. The Commission shall permit business firms or individuals reasonable access to documents furnished by them for the purpose of obtaining or copying such documents as need may arise.

(f) The Commission is authorized to delegate any of its functions to individual members of the Commission or to designated individuals on its staff and to make such rules and regulations as are necessary for the conduct of its business, except as herein otherwise provided.

Sec. 306. Administrative Arrangements.—(a) The Commission is authorized, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service or to classification and General Schedule pay rates, to appoint and fix the compensation of an executive director and the executive director, with the approval of the Commission, shall employ and fix the compensation of such additional personnel as may be necessary to carry out the functions of the Commission, but no individual so appointed shall receive compensation in excess of the rate authorized for GS–18 under the General Schedule.

(b) The executive director, with the approval of the Commission, is authorized to obtain services in accordance with the provisions of section 3109 of title 5 of the United States Code, but at rates for individuals not to exceed $100 per diem.

(c) The head of any executive department or independent agency of the Federal Government is authorized to detail, on a reimbursable basis, any of its personnel to assist the Commission in carrying out its work.

(d) Financial and administrative services (including those related to budgeting and accounting, financial reporting, personnel, and procurement) shall be provided the Commission by the General Service Administration, for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator of General Services. The regulations of the General Services Administration for the collection of indebtedness of personnel resulting from erroneous payments shall apply to the collection of erroneous payments made to or on behalf of a Commission employee, and regulations of said Administrator for the administrative control of funds shall apply to appropriations of the Commission. The Commission shall not be required to prescribe such regulations.

(e) Ninety days after submission of its final report, as provided in section 304(b), the Commission shall cease to exist.

Sec. 307. Authorization of Appropriations.—There is hereby authorized to be appropriated such sums not in excess of $1,500,000 as may be necessary to carry out the provisions of this title. Any money appropriated pursuant hereto shall remain available to the Commission until the date of its expiration, as fixed by section 306(e).

TITLE IV—SEVERABILITY

Sec. 401. If any provision of this Act is judicially held to be invalid, that holding does not necessarily affect the validity of any other provision of this Act.

Amend the title so as to read: "An Act to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by restricting the garnishment of wages; and by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry; and for other purposes."

The motion was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by restricting the garnishment of wages; and by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry; and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 11601) was laid on the table.

AUTHORIZATION TO MAKE CORRECTIONS IN THE HOUSE AMENDMENT TO S. 5

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Clerk may correct designations of titles and sections and cross-references in the House amendment to the bill of the Senate, S. 5.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed and to include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

LEGISLATIVE PROGRAM FOR THE WEEK OF FEBRUARY 5, 1968

Mr. GERALD R. FORD. Mr. Speaker. I ask unanimous consent to address the House for 1 minute.

The **SPEAKER.** Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, I take this time for the purpose of asking the distinguished Majority Leader, the gentleman from Oklahoma [Mr. Albert], the program for the remainder of this week and the program for next week.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, in response to the inquiry of the distinguished minority leader, we will have no further legislative business this week and will ask to go over until Monday on the conclusion of the announcement of the program for next week. It is as follows:

Monday is Consent Calendar day.

There will be three bills brought up under suspension of the rules, as follows:

H.R. 10277, authorizing the Administrator of Veterans' Affairs to convey certain property to the State of Mississippi;

H.R. 4282, to eliminate certain requirements with respect to effectuating marketing orders for cherries;

S. 974, to authorize the Secretary of Agriculture to convey certain lands to the city of Glendale, Ariz.

Also on Monday:

H.R. 6157, to permit Federal employees to purchase shares of credit unions through voluntary payroll allotments. This will be called up under an open rule, with 1 hour of debate.

For Tuesday and the balance of the week:

The Private Calendar;

H.R. 6649, Export-Import Bank Act extension, which will be brought up under an open rule with 2 hours of debate;

H.R. 11284, Fire Research and Safety Act of 1967—under an open rule with 1 hour of debate.

H.R. 150, to provide for the designation of certain Veterans' Administration facilities—subject to a rule being granted.

H.R. 25, to authorize the Secretary of the Interior to preserve certain estuarine areas—subject to a rule being granted.

This announcement is made subject to the usual reservations that conference reports may be brought up at any time, and that any further program may be announced later.

Mr. Speaker, if the gentleman will yield further, I should like to make the request I indicated.

Mr. GERALD R. FORD. I yield to the gentleman from Oklahoma.

ADJOURNMENT TO MONDAY, FEBRUARY 5, 1968

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourns to meet on Monday next.

The **SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

Mr. GROSS. Mr. Speaker, reserving the right to object, I wonder if I heard the listing of the business for next week correctly. I do not recall the listing of a bill to remove the 25-percent gold cover.

Mr. ALBERT. The gold cover bill cannot be ready for business next week. We had intended to program it, but the committee will not finish its report until Friday, and the Rules Committee cannot hear it until the report has been filed. That is the only reason it has not been programed.

Mr. GROSS. I know that some kind of petition or resolution is being circulated for the signatures of Members of the House to require France to pay her debts to the United States, and this to the exclusion of other foreign debtor nations. I wonder what effect that may have on the French Government due to failure to act on a bill. Will they acquire the little that is left of our so-called free gold, or will they wait to mop up, if the House is injudicious enough to pass a bill to remove the gold cover and thus make available the last $10.5 billion.

Mr. ALBERT. The gentleman is making a very astute speech on a very important subject which I do not think has any relation to the issue at hand; namely, the announcement of the program for next week.

Mr. GROSS. All I am trying to determine is the timeliness or the untimeliness of the consideration of legislation.

I thank the distinguished majority leader.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. COLMER. Mr. Speaker, reserving the right to object—and I shall not object—I would like to inquire of the majority leader about H.R. 8, the so-called Pool bill providing penalties for obstructing the Armed Forces, which was reported out of the Un-American Activities Committee on May 31, 1967, upon which a rule was granted shortly thereafter, and which has been adopted by the House. I would like to inquire as to the programing of this bill. Can the gentleman give us any assurance about that matter?

Mr. ALBERT. Mr. Speaker, if the gentleman will bear with me, I am not able to give that assurance at this time.

Mr. COLMER. Mr. Speaker, if the gentleman will bear with me further, it would appear to some of us, who are concerned about flagrant violation of the laws and of the decency of the country by obstructing of the movement of our Armed Forces, that something should be done about it. I want to express the hope again.

Mr. ALBERT. Mr. Speaker, I share the gentleman's feeling with respect to the sentiment he has expressed about the obstruction of the movement of our Armed Forces.

Mr. COLMER. Mr. Speaker, I hope the gentleman will program this bill at a future date—and not too far in the future.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. Mr. Speaker, I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, apparently the majority leader feels for the gentleman but cannot quite reach the gentleman.

Mr. COLMER. Mr. Speaker, I hope the gentleman from Iowa will help the majority leader reach me.

Mr. GROSS. I certainly will.

Mr. GUBSER. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from California.

Mr. GUBSER. Mr. Speaker, I thank the gentleman for yielding.

I take this time for the purpose of asking the distinguished majority leader a question regarding H.R. 4282, to eliminate certain requirements with respect to effectuating marketing orders for cherries. It has come to my attention that there is a great deal of controversy which is going to errupt regarding this bill.

It is a very far-reaching amendment. It is a very far reaching act, and some of us would like to have the opportunity of expressing ourselves at the time it is considered, for more than 40 minutes allowed under suspension of rules. It is so far-reaching, I sincerely believe we should have more time, and I respectfully ask the majority leader if he could not resort to normal procedures and bring this up under a rule, particularly since some of us cannot be here on Monday and would like to offer amendments. I respectfully ask the majority leader if he would consider moving that and getting a rule.

Mr. ALBERT. If the gentleman will yield, it is not within the prerogative of the majority leader to call up bills under suspension of rules, so I do not have authority to act on the request.

Mr. GUBSER. Mr. Speaker, may I say to the gentleman, I know this has come by surprise to a very substantial industry. There is going to be considerable opposition, and at least the opportunity to offer amendments to a far-reaching bill should be given the membership this early in the session. So, to whoever does have the authority, I respectfully suggest that the best interests of good legislative procedures would be served if this bill would be taken off the suspension and considered under a rule, under the regular orderly procedure.

Mr. ALBERT. Mr. Speaker, I thank the gentleman for his observations, and I renew my unanimous consent request.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. COLMER. Mr. Speaker, I withdraw my reservation of objection.

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 5910, DECLARING THAT THE UNITED STATES HOLD CERTAIN LANDS IN TRUST FOR THE PAWNEE INDIAN TRIBE, OKLAHOMA

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5910) to declare that the United States holds certain lands in trust for the Pawnee Indian Tribe, Oklahoma, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The **SPEAKER.** Is there objection to the request of the gentleman from Colorado? The Chair hears none, and appoints the following conferees: Messrs. HALEY, EDMONDSON, TAYLOR, BERRY, and McCLURE.

BENNETT INTRODUCES BILL TO BAR SUBVERSIVES FROM DEFENSE PLANTS

Mr. **BENNETT.** Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. **BENNETT.** Mr. Speaker, last December the Supreme Court declared an important section of the Subversive Activities Control Act unconstitutional. The Court told us that we could not make it unlawful for any member of a Communist organization to engage in any employment in any defense facility. The Court feels that we violated freedom of association by so trying to curb sabotage and spying in our defense facilities.

This decision—U.S. against Robel—brought to the public's attention the need for effective legislation to combat subversives in our defense plants, and several Members of Congress, including me, are today introducing a bill to do just this. Many Members of the House Armed Services Committee join me in this.

Under this legislation the Secretary of Defense is authorized and directed to designate certain industrial plants or facilities "defense facilities," and the employees of such a facility will be required to sign a statement that they know the facility is so designated. The President is then authorized to institute such measures or regulations as may be necessary to bar from employment in such facilities any person concerning whom there is reasonable grounds to believe that he is disposed and has the opportunity by reason of his employment to engage in sabotage, espionage, or other subversive acts against his employer.

The legislation would authorize reasonable inquiries directed to an individual regarding his affiliations, membership, beliefs, or activities, which are relevant to determine whether there are reasonable grounds to believe that he may engage in sabotage, espionage, or other subversive acts as an employee in the defense facility. Before a person could be deprived of employment he would be notified of the reasons for the action proposed against him and given a reasonable opportunity to present information in his behalf and defend himself against such action. This bill would also give the President authority to seek a temporary or permanent injunction, restraining order, or other order against the management of defense facilities in accordance with the act to prevent the employment of a person found to be disposed toward and to have the opportunity to engage in sabotage, espionage, or other subversive acts against his employer.

Mr. Speaker, I believe this legislation meets the test of "fairness" as applied by the Supreme Court. This bill does not infringe upon full freedom of association, yet it provides that important protection our defense facilities need against those who would seek to disrupt or impair the productive capabilities and military effectiveness of our country by sabotage, espionage, and other subversion.

I hope all Members of the House will join in giving speedy approval to this legislation.

POPULAR ELECTION OF MEMBERS OF THE U.S. SUPREME COURT

Mr. **LONG** of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. **LONG** of Louisiana. Mr. Speaker, I have long held the opinion that the members of the U.S. Supreme Court should be elected by popular vote and for a specific length of time. In a nation devoted to the democratic concept, the manner in which the Court is now selected is an outmoded legacy of a past century. It has no place in 20th century America.

No man or group of men should be given the task or asked to assume the responsibility for arbitrating a nation's most critical and important questions without recourse to the people. Aside from the prudence or precision of its decisions, the fact remains that the Supreme Court is not responsive to the people, nor is there a way to generate this responsiveness. The steady encroachment of the Court upon the legislative and executive portends an eventual dictatorship of the obligarchy. While the Court may lead the will of the people today, it can as easily lag behind tomorrow. In either case, the Court holds a fundamentally indefensible position in a democratic government.

As a practical matter, the Court has recently shown with striking results that it moves along paths alien to the American electorate, handing down disastrous decisions in the field of law enforcement, aiding the already enormous rate of increase in crime and lawlessness in the land.

Decisions such as Escobedo, Miranda, and Mapp, in which the Court sought to protect the rights of the accused, resulted in a loss of rights and freedoms by the law abiding.

The concept of the democratic government means more to me than merely government by the people. It also means a basic faith in the sovereignty of the people. The way in which we name our chief jurists reflects an equally basic distrust of the people.

I think the time has come in America when the people must make the selection of their judges, and I am, therefore, introducing a joint resolution, similar to other bills on this subject, introduced earlier, proposing an amendment to the Constitution to provide for popular election of the Judges of the Supreme Court. I ask the serious consideration of the Members of the House.

M-16 RIFLE AMMUNITION CONTROVERSY

Mr. **ICHORD.** Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. **ICHORD.** Mr. Speaker, on January 29 the Secretary of Defense announced that the distribution in Vietnam and manufacture of IMR 8208M propellant which is used in the 5.56-millimeter ammunition for the M-16 rifle was being suspended.

An Associated Press story carried in the newspapers on January 30 erroneously indicated that the powder was being disqualified because it left excessive residue in the rifles. The story also erroneously concluded that the action was in conflict with the report of the M-16 Investigative Subcommittee which I recently chaired. The story was apparently written around a news release of the Department of Defense Office of Public Affairs, which, though technically not in error was certainly susceptible of misinterpretation.

Those who have followed the problems of the M-16 rifle will recall that the serious trouble began in 1964 when those responsible for the M-16 program authorized ball propellent for loading in M-16 ammunition in addition to IMR 4475, an earlier version of IMR propellant. The use of ball propellant resulted in greater pressure at the gas port which actuates the bolt carrier, thus causing the cyclic rate of the weapon to be increased as much as 200 rounds per minute. This increase and possibly other effects of the ball propellant caused the malfunction rate of the weapon to multiply many times. As a matter of fact, the situation became so bad that the Colt Manufacturing Co. notified the Army that it could no longer qualify the rifles with ball propellant ammunition. Colt requested and received permission to use IMR 4475 for qualifying the M-16, even though most of the ammunition at that time in Vietnam was loaded with ball propellant.

The Army, rather than working on the powder, chose to modify the rifle. A new buffer was developed which had the effect of slowing the rifle back down approximately in the same proportion as the increase caused by the ball propellant. All weapons, now in Vietnam, are supposedly equipped with the new buffer. Observe that the rifle has now been modified to accommodate ball propellant. The cyclic rate is returned to 650 or 850 rounds per minute. But what will happen when you use IMR propellant which produces lower gas port pressure than does ball propellant. IMR propellant is now being used in a different system. This is one of the reasons why the key recommendation of your subcommittee called for an independent test and evaluation of the M-16 rifle. In response to the subcommittee's recommendation, testing has been conducted in Panama under the direction of Dr. John S. Foster, Director of Defense and Engineering who is held in the greatest respect by the members of the Armed Services Committee.

The problem encountered in Panama came as no surprise to the subcommittee. As a matter of fact, I anticipated trouble with the IMR because of the new system. In any event the development has borne out the conclusion of the subcommittee that further testing was necessary.

Previous tests have proven time and time again that IMR propellant is cleaner burning than ball propellant. Although I did at one time question the clean burning characteristics of later versions of the powder, it still appears that IMR propellant is cleaner burning than ball propellant. Ball propellant, on the other hand, has not experienced the problem of chamber pressure control as in the case of IMR. In this respect, I shall include at the close of my remarks correspondence with Dr. Jackson of Du Pont back in November of 1967.

Mr. Speaker, the M-16 subcommittee at no time made any finding in regard to the adequacy or inadequacy of either ball propellant manufactured by Olin Mathieson or IMR manufactured by Du Pont. Both propellants have been manufactured for military use for many years. I should make it clear that the IMR propellant that has been disqualified is not the IMR which was used back in 1964. Prior to the modification of the M-16, there was no showing that IMR was a contributing factor to any excessive malfunctioning. The committee did however find that there was a mismarriage of the weapon system and the ball propellant back in 1964 which contributed heavily to the excessive malfunction rate later experienced by the M-16.

In order to clarify this matter and to set the record straight, with unanimous consent I include in the RECORD, following my remarks, a copy of the DOD news release, a letter received from Dr. Foster, dated January 31, the Associated Press story, and my correspondence with Dr. Jackson:

[News release from the Office of Assistant Secretary of Defense, Public Affairs, Jan. 29, 1968]

The Secretary of Defense today directed the Secretary of the Army to suspend until further notice the distribution in Vietnam and the manufacture of 5.56 mm ammunition loaded with "IMR" propellant.

The action taken is precautionary and will be reviewed after detailed analysis of test data on the ammunition has been completed. The order does not apply to tracer rounds.

A preliminary inspection of data from new tests of the M-16 rifle, fired with the two kinds of ammunition available in Vietnam, IMR and ball propellant indicates substantial difference in the malfunction rates with the two types of propellant. The difference between the two has lead to a tentative conclusion that the ball propellant is significantly better.

A fully adequate level of several months supply of ammunition loaded with ball propellant is now on hand in South Vietnam. IMR propellant constitutes about 20-25 percent of the total stocks of 5.56 ammunition. No shortages will result from the order suspending production with IMR. The existing IMR stocks will continue to be used in training.

Ball powder is a spherical grained propellant. IMR (Improved Military Rifle) powder is an extruded, longitudinal type grain. These two powders have different burning and pressure characteristics primarily because of the difference in grain configuration.

The action taken will be reviewed when more detailed analysis of the Panama test data has been completed.

DIRECTOR OF DEFENSE
RESEARCH AND ENGINEERING,
Washington, D.C., January 31, 1968.

Hon. RICHARD ICHORD,
Special Subcommittee on the M-16 Rifle Program, House Armed Services Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: During our meeting with you and your committee on 30 January, there was considerable discussion regarding an Associated Press story on the M-16.

Certain information contained in that account of temporary suspension of the use of IMR propellant in the M-16 is in error.

The suspension of use of IMR was based on the fact that ball propellant ammunition demonstrated a lower malfunction rate than ammunition loaded with IMR. This was the only reason given in the DOD press release (attached). Preliminary data indicates that the malfunctions were not related to the amount of residue in the rifle. Previous tests have demonstrated that IMR leaves less residue than ball. The cause of the higher malfunction rate is under investigation, but it does not appear to be related to fouling.

Newspaper reports indicated that the results of the Panama tests ran counter to the report of the Special Committee on the M-16 headed by Representative Ichord. This is not so. The majority of the conclusions of the Ichord Committee related to the performance of the unmodified rifle with ball and the older type IMR propellants. The tests in Panama were conducted with the modified rifle using ball and the newer type IMR propellants as now used in Vietnam. Consequently, the action taken by the Department of Defense is not in conflict with the Subcommittee report.

Sincerely,

JOHN S. FOSTER, Jr.

JAMMING OF M-16'S LINKED TO POWDER—PENTAGON BANS COMBAT USE OF A RIFLE AMMUNITION

WASHINGTON, January 29.—Secretary of Defense Robert S. McNamara today halted combat use of a type of ammunition linked to jamming of the controversial M-16 rifle in Vietnam.

Production of the 5.56 millimeter cartridge containing powder known as "improved military rifle" (I.M.R.) propellant was ordered stopped. The powder causes a residue in rifles, officials said.

Mr. McNamara told Secretary of the Army Stanley R. Resor to suspend distribution of the ammunition in Vietnam until further notice.

The Defense Secretary said that United States forces had "a fully adequate level of several months supply" of other 5.56 millimeter ammunition using a different powder considered more reliable.

Preliminary data from recent tests of the M-16 rifle show that the older, ball propellant type of powder stands up "significantly better" than the "improved military rifle" powder, Mr. McNamara said.

Rifles using both types of ammunition were fired, with the I.M.R. rounds causing a higher number of malfunctions. The tests were conducted in Panama under conditions similar to those in Vietnam.

PENTAGON PLANS REVIEW

Mr. McNamara's action was described as precautionary, and the Pentagon said the matter would be reviewed after more detailed analysis of the tests.

The Pentagon figures that the troublesome propellant makes up about 20 to 25 per cent of the total stocks of 5.56-millimeter ammunition. Rounds with the troublesome powder will continue to be used in training to consume those stocks. The "improved military rifle" powder is produced by du Pont de Nemours & Co. Olin Mathieson manufactures the other—ball propellant—type.

The Pentagon said it had not determined whether it would speed up production of the ball propellant rounds.

Results of the Panama tests, as reported by the Pentagon, run counter to assertions in a report last fall by a House armed services subcommittee criticizing the M-16 rifle program.

The group, headed by Representative Richard H. Ichord, Democrat of Missouri, attributed the sometimes fatal M-16 jamming to a switch in 1964 from the use of I.M.R. powder to the older ball propellant.

The subcommittee's report said the change-over "was not supported or justified by test data" and asserted that Olin Mathieson's long relationship with the Army in explosives production had influenced military decision makers to switch ammunition.

I.M.R. powder has an extruded, longitudinal type of grain, in contrast to the spherical grain of the older powder. The difference in the grains gives the two propellants distinctly different burning and pressure characteristics.

NOVEMBER 24, 1967.

Dr. WENDELL F. JACKSON,
Director, Research and Development Division, Explosives Department, E. I. duPont de Nemours and Co., Wilmington, Del.

DEAR DR. JACKSON: As chairman of the House Armed Services subcommittee investigating the operation and performance of the M-16 weapon system, it would be greatly appreciated if you would advise me as to whether or not you continue to produce IMR 4475 powder, and, if so, to your knowledge, is any of said powder being loaded in 5.56 ammunition. I know that the Army discontinued buying the same in 1964 but it is thought that you might still be producing IMR 4475 for commercial consumption.

Also, there was evidence developed in the hearings that after the disqualification of IMR 4475 you changed from dinitrotoluene to methyl centralite in CR 8136 as a coating of the powder grains to control the initial burning rate. When CR 8136 was disqualified you developed IMR 8208 M in which the coating is ethylene dimethacrylate. There is also evidence to the effect that the change in coating enabled you to better control chamber pressure but to get this improvement you had to sacrifice the cleaner burning characteristics of IMR 4475.

Would you please advise me in detail as to the effect of the changes on fouling. I am sure that you have comparative studies of fouling with all three versions. Your immediate attention to this request would be greatly appreciated.

Sincerely yours,

RICHARD H. ICHORD,
Member of Congress.

E. I. DU PONT DE NEMOURS & CO., INC.,
Wilmington, Del., December 4, 1967.

Hon. RICHARD H. ICHORD,
Representative in Congress, Rayburn House Office Building, Washington, D.C.

DEAR MR. ICHORD: Your letter of November 24, 1967 provides a welcome opportunity to correct an impression which my testimony before your subcommittee investigating the operation and performance of the M-16 weapon system may have created with respect to the fouling characteristics of IMR-8208M. I am aware of no evidence that the clean burning properties of IMR-4475 were sacrificed in the transition to the EDM (ethylene dimethacrylate) coated powder.

Data available to me on this point, which are admittedly not as complete as I would like, fall into three classes:

1. Observations at our own ballistic laboratory.
2. Results obtained during the qualification tests of IMR–8208M.
3. Reports from ammunition loading facilities.

Actual observations of residue after firing 20 round series of IMR–4475 and IMR–8208M in the test barrels we use for powder proof show no difference in fouling. However, starting with a clean M–16 rifle for each test, we fired 100 rounds of 5.56 mm ammunition loaded with

1. 24.8 grains of IMR–4475
2. 25.8 grains of IMR–8208M
3. WC–846 Ball powder reference ammunition.

There was very little residue accumulated around the bolt and breech with the two Du Pont powders. If anything, the IMR–8208M test was slightly cleaner than the IMR–4475. The ball powder reference showed very noticeably more residue than the other two powders.

The fact that only a small increase in weight of charge was required to give service velocity when changing to the EDM coated powder is evidence that the latter is not a significantly slower powder in the usual ballistic sense, but rather a more progressive burning one. The percentage of EDM required as a deterrent coating to furnish a powder of satisfactory ballistic performance in this weapon is only 60% of the DNT (dinitrotoluene) needed for the IMR–4475 originally supplied.

Although you may have already encountered it, I call attention to the following information from the Aberdeen Proving Ground firings of the qualification test of IMR–8208M.

These firings were summarized in *Frankford Arsenal Fifteenth Memo Report on XM16E1 (or AR–15) Rifle/Ammunition System* in which the results of qualification trials of EX–8208 (the trial lot of IMR–8208M), a Hercules powder, HPC–11, and Olin's WC–846 (used as the control) were reported. The schedule called for 6000 round tests in each of two XM16E1 rifles. I quote from the report the following comments concerning the Du Pont candidate and the ball powder control with respect to the results of the fouling test:

"*EX–8208:* No stoppages attributed to visible fouling occurred throughout the 6000-round test on either of the two rifles. Only a moderate amount of fouling appeared on the bolt assembly area after the initial 1500-round firing and after each subsequent 1000-round cycle.

"*WC–846:* With the sample containing this propellant, failure to eject occurred repeatedly after 1100 rounds in one weapon. These stoppages were attributable to excessive fouling in the bolt mechanism. To eliminate the weapon itself as contributing to this condition, it was decided to replace this rifle with another new XM16E1 Rifle and conduct the test again. Though two weapons fired satisfactorily for 1500 rounds, it was obvious that WC–846 caused considerably more fouling to appear in the bolt assembly area than did either of the other test propellants."

The report carries the following paragraph summarizing the fouling observations:

"*Fouling:* The control propellant (WC–846) gave the greatest amount of visible accumulation of residue in the bolt assembly area, while HPC–11 gave the least. Though WC–846 meets current acceptance criteria for fouling, it appears to be marginal in this regard after between 1000 and 1500 rounds of firing without cleaning; WC–846 loaded cartridges will cause stoppages attributable to excessive fouling in the bolt mechanism. Both EX–8208 and HPC–11 are clearly superior in this respect."

I can only add that we do not have data in hand which shows an exhaustive comparison of the two Du Pont powders, IMR–4475 and IMR–8208M, but it is clear that the modification required to produce the latter did not result in a powder with the fouling characteristics of the Ball propellant, WC–846.

Specific inquiry addressed to Lake City Arsenal which has been manufacturing 5.56 mm ammunition loaded with IMR–8208M for more than a year has brought forth the reply that no functioning difficulties attributable to fouling have been observed with this propellant.

There are currently being circulated in the public press statements to the effect that single base powers of the type represented by IMR–4475 and IMR–8208M are inferior with respect to storage stability. I would like to take this opportunity to correct any misconception which these statements may have engendered. The Du Pont Company has records of hundreds of samples of single base powders of the IMR type made over the years showing a surveillance life of 40 to 50 years at 30° C. (86° F.). Recently a sample of IMR–17½ was removed from storage after 51 years. It was still good.

High temperature stability tests on single base powders for military use are run at 134.5° C. as a specification requirement. Double base powders are tested at 120° C. because they cannot survive the higher temperature. In another specification test, the powder must last for either 30 days at 150° F. or 120 days at 125° F. Here again single base powders never had any difficulty meeting the higher temperature requirement. The lower one was introduced to accommodate the double base propellants. I am not saying that the stability of properly formulated and manufactured double base propellants is inadequate. The Army has satisfied itself by extensive tests that both ambient storage and elevated temperature storage characteristics are satisfactory. I do want to set the record straight, however. Claims that single base powders have inferior stability are certainly unwarranted.

You inquired as to whether the Du Pont Company continues to produce IMR–4475. We continue to produce IMR–4475 for both commercial and Government requirements. Although it is not presently being supplied for the 5.56 mm Ball M193 or Tracer M196 cartridge it is being evaluated by Frankford Arsenal and Lake City Arsenal for the XM195 Grenade cartridge.

Sincerely yours,

W. F. JACKSON,
Director, Research & Development Division.

AMENDMENTS TO FEDERAL TRADE COMMISSION ACT

Mr. CAHILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CAHILL. Mr. Speaker, I have today introduced legislation to amend the Federal Trade Commission Act to authorize injunctive relief with respect to violations of section V of the act.

For some time, I have been seeking ways and means to control, if not completely eliminate, unfair and deceptive practices in relation to the consumers of the United States. I have been particularly interested in the field of second mortgages recognizing the outrageous abuses perpetrated upon our citizens by unscrupulous brokers and practitioners in the mortgage field. My office has been in direct communication with the Federal Trade Commission and has received excellent cooperation from this organization. It has become apparent, however, both to the Commission and to my office that the law as presently written does not provide the FTC with the necessary authority and power to carry out the duties and responsibilities which they feel and I feel are necessary to combat these fraudulent practices.

I need not remind the Members of the House of the President's state of the Union message in which he, too, joined the fight to strengthen the law relating to the Federal Trade Commission. In correspondence with Paul R. Dixon, Chairman of the Federal Trade Commission, I have been informed that Mr. Dixon is firmly of the opinion that strengthening sections 13 and 14 of the act would provide a statutory basis for more effective regulations of unfair and deceptive practices in the field of consumer deception.

With the thought of aiding Mr. Dixon and his staff I, therefore, have this day introduced the legislation which hopefully will carry out the recommendations of Mr. Dixon and will strengthen the authority and power of the FTC to the end that it will be able to more forcefully and effectively wage the fight against the deception of the consumers of the United States.

Mr. Speaker, I include at this point the text of the bill which I have introduced:

H.R. 15038

A bill to amend the Federal Trade Commission Act to authorize injunctive relief with respect to violations of section 5, and to make certain practices a misdemeanor

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 13 of the Federal Trade Commission Act (15 U.S.C. 53) is amended by relettering subsection (b) and any references thereto as subsection (c) and by adding immediately following subsection (a) the following new subsection:

"(b) Whenever the Commission has reason to believe that—

"(1) any person, partnership, or corporation has been or is using any unfair method of competition or unfair or deceptive act or practice in commerce in violation of section 5 of this Act, and if it shall appear to the Commission that a proceeding in respect thereof would be to the interest of the public, and

"(2) that the enjoining thereof pending the issuance of a complaint or the completion of proceedings pursuant to a complaint by the Commission under such section 5, and until such complaint is dismissed by the Commission or set aside by the court on review, or the order of the Commission to cease and desist made thereon has become final within the meaning of such section 5, would be to the interest of the public.

the Commission by any of its attorneys designated by it for such purpose may bring suit in a district court of the United States to enjoin such unfair method of competition or unfair or deceptive act or practice in commerce. Upon proper showing a temporary injunction or restraining order shall be granted without bond. Any such suit shall be brought in the district in which such person, partnership, or corporation resides or transacts business."

SEC. 2. Section 14 of the Federal Trade

Commission Act (15 U.S.C. 54) is amended by relettering subsection (b) and references thereto as subsection (c) and by adding immediately after subsection (a) the following new subsection:

"(b) Any person, partnership, or corporation, who violates any provision of section 5 of this Act shall, if such violation is with intent to defraud or mislead, be guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than $5,000 or by imprisonment for not more than six months, or by both such fine and imprisonment; except that if the conviction is for a violation committed after a first conviction of such person, partnership, or corporation for any violation of section 5, punishment shall be by a fine of not more than $10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment."

JUDGE, POLITICIANS MEET IN PRIVATE ON REMAP PLAN

Mr. HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Missouri?

Therewa s no objection.

Mr. HALL. Mr. Speaker, I come before the House today concerning a matter that strikes at the very heart of our representative government in a republic; the disruption and perversion of our system of checks and balances, through ablation of the principle of separation of powers.

The matter to which I am referring is the meeting between Federal Judge John W. Oliver of the western district of Missouri and Gov. Warren Hearnes of Missouri, and elected representatives of the Missouri State Assembly. Now, at first it may not seem unusual that these two public officials should meet, but since Judge Oliver was the member of the three-man Federal court writing the majority opinion that overruled the Missouri Legislature's congressional redistricting plan, another serious encroachment of the judicial branch into the legislative branch occurred. Not only did this encroachment occur, but a patent breach of judicial ethics was committed upon the part of Judge Oliver.

This meeting and subsequent meetings by Judge Oliver with the Democrat leadership of the Missouri Legislature was first brought to public attention in an article that appeared in the January 30, 1968, St. Louis Globe-Democrat written by one of their distinguished editors, Mr. Jack Flach.

These can hardly be labeled "unprecedented acts." They are nothing more than flagrant acts of political "hanky-panky." They are the direct intervention by the judiciary upon the legislative process. They are an unmitigated breach of judicial ethics. They are attempts to deny Missouri Negroes representation in the Congress. They are attempts to deny and reduce the representation of those 46 percent of Missourians who voted Republican in the 1966 election to a minute 10 percent. Nothing could be further from the concept of "one man, one vote" which Judge Oliver so piously and hypocritically claims he advocates.

Now, Mr. Speaker, I do not wish to tarry on the political questions involved for I am sure that Judge Oliver is more qualified to do so, since originally his appointment to the bench was a reward for political services rendered. However, Mr. Speaker, it is the judicial ethics of Judge Oliver that appalls me. The Globe-Democrat article states that the judge saw nothing wrong in discussing a case that had already been decided with interested parties. Is the case finally decided? Does not the three-man Federal court still maintain jurisdiction until they approve a redistricting plan, or until they are overruled by a higher court? This three-man court will yet have to rule upon the proposed redistricting plan that may or may not emerge from the present special session of the Missouri Legislature. The judge's actions are an obvious breach of judicial ethics by his having ex parte communications with interested parties. How can the judicial standard of impartiality be sustained by Judge Oliver by such action? This breach is further compounded—if it is true as alleged by the article—that the judge initiated the meetings.

Mr. Speaker, in light of the alleged breaches of judicial ethics on the part of Judge Oliver I request that the House Committee on the Judiciary investigate these activities. There is precedent for such an investigation and I call your attention to "Hinds' Precedents," volume 4, section 4062. Only through such an action can the standards of the Federal judiciary be bolstered, and can the citizens of Missouri be truly represented in Congress.

Mr. Speaker, under unanimous consent I insert in the Record the aforementioned Globe-Democrat article:

Judge, Politicians Meet in Private On Remap Plan

(By Jack Flach)

In what was described as an unprecedented act, Federal Judge John W. Oliver of Kansas City initiated meetings with politicians in Jefferson City recently and discussed procedures to arrive at a solution to the state congressional redistricting problem.

Even though the three-man federal court he is on will still have to rule on a motion in the case, Judge Oliver held private meetings with Gov. Hearnes and Rep. F. E. (Gene) Copeland of New Madrid, author of the current redistricting bill before the House.

DENIES IMPROPRIETY

Judge Oliver denied to The Globe-Democrat that there was any impropriety in his actions because the court had already disposed of the case before the meetings took place. It recently ruled Missouri's congressional redistricting plan unconstitutional causing the matter to again be considered in this special session of the General Assembly.

A stay order asked by the state is still pending before the federal court but Judge Oliver said "this was not discussed in any way."

The first meeting Judge Oliver had was with Rep. Copeland in a restaurant in Westphalia, a small community outside Jefferson City. Mr. Copeland said he understood the Judge would be willing to meet with Gov. Hearnes, if the latter was willing, and discuss the aspects of his court's recent decision on redistricting.

MET GOVERNOR HEARNES

Subsequently the Judge met with Gov. Hearnes last Thursday in his office for what Gov. Hearnes referred to Monday was a "social visit with some redistricting matters discussed." He said he felt it was up to Judge Oliver to relate additional information if he cared to.

Judge Oliver acknowledged such a meeting. He said:

"I hadn't paid my respects formally to the Governor and this afforded me the opportunity. Reapportionment was discussed. The Governor made some inquiries as to our recent decision but anything further should come from him."

Judge Oliver denied reports that he:

One. Inferred that the Copeland plan, which the Governor privately favors and which is being called a gerrymander by some Republicans and Negroes, would meet the federal court requirements if passed by the legislature.

Two. That he suggested the court would approve any one of three remap plans that have been suggested by the federal court in its recent decision.

"QUITE UNUSUAL"

When informed of Judge Oliver's meeting with Democratic leaders by The Globe-Democrat, Senate Majority Leader William B. Waters, a Democrat from Liberty, said:

"Quite unusual if it happened. It would set a new precedent."

After several hours of discussion with Gov. Hearnes and Rep. Copeland in the Governor's office last Thursday morning, the meeting was moved to the Executive Mansion for lunch. Gov. Hearnes then called in, with Judge Oliver's approval, three House Democratic leaders. They were James E. Godfrey, Richard Rabbit and James Troupe, all of St. Louis.

The redistricting problem was then discussed some more between the Judge and the legislators.

Judge M. C. Matthes of St. Louis, a member of the court with Judge Oliver, said here late Monday he didn't care to comment on another judge's actions. "I haven't talked to any legislator since the decision and I don't propose to."

Judge Matthes wrote the dissenting opinion in the recent 2-1 vote of the federal court which knocked out the Missouri congressional redistricting plan.

Judge Oliver insisted he saw nothing wrong in his actions and said he'd be willing "to talk to Republicans" as well as Democrats about the case if they so desired.

Questioned about encroachment of the judicial branch into the legislative branch of government, he said: "He'd be the last to try to tell them how to redistrict." He said had the case still not been decided, it of course would not have been proper to pay such visits to politicians as he did.

Judge Oliver, a native of Cape Girardeau, was named to the federal bench in 1962. He was an active Democrat at the time. The Oliver family had participated in Missouri Democratic politics for many generations. He is a graduate of the University of Missouri and was an honor student at the law school.

VIETNAM—THE OVERALL PICTURE

Mr. BRAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRAY. Mr. Speaker, from the Mekong Delta south of Saigon to the great supply base at Da Nang in the north; on the decks of the carriers *Kitty Hawk* and *Ranger*; watching mammoth Caterpillar tractors push huge plows, clearing 400-yard-wide strips along roads and depriving guerrillas of cover and concealment; talking to men of a combat battalion from Thailand, tough, proud little "Cobras," as they call themselves, who a few days before had killed 89 Communists and lost only one man of their own; listening to the combat report of two young American infantry sergeants, just returned from a 7-day search and probe expedition with their Montagnard—Vietnamese mountain people—patrol.

I returned from Vietnam a few days ago where these incidents, and others, gave me a close-up, first-hand look at what we have there: the most professional and highly skilled fighting force in the world, hunting out the Communists in the plains, in the mountains, and in the jungles, outmaneuvering and outfighting the enemy on his own ground.

The tempo of action accelerated, as the lunar New Year—Tet—approached. At this time, for the United States, there is good news both from the battlefield and also from the South Vietnamese homefront, but there are disturbing signs in several areas as well. One of the most disturbing is Washington's continued refusal to allow decisive action to be taken that would stop war supplies from reaching North Vietnam. You can sense that the crisis is approaching for both sides.

Slowly, but surely, Saigon's influence is moving into the hamlets and villages along reopened roads which are now secure from Communist attacks. I myself traveled some roads where, just 6 months ago, lurking guerrillas would have made it impossible. Most main roads are open and free of danger; farm produce moves to the city, and supplies for the rural areas flow back in return.

This is an extremely important factor. For some time, much Communist strength had been in holding and controlling, through murder and intimidation, large rural areas and many villages. If Saigon can shake the Communist hold, it will mean a major setback for the Vietcong.

South of Saigon, in the steaming, swampy, and rich rice lands of the Mekong Delta, with its complex network of rivers, canals, strips of jungle and mangrove swamps, the long-time Communist guerrilla haven is being cleared and secured. A joint Army-Navy river force has been formed, the first in U.S. military history since the Civil War. Much in use are armorplated LCM's—landing craft, medium, of World War II days—which, with their gun turrets, closely resemble the *Monitor* of Civil War fame. Other armored LCM's are being used as troop carriers, and additional artillery is floating in on pontoons.

These tactics have carried the fight right into the center of the Communist forces. In a never-ending series of small but successful operations—I watched two of them myself—guerrilla effectiveness is being sharply reduced.

Two years ago, the shipping situation was nothing less than a shambles. At one time over 150 cargo vessels were waiting to unload. Some stood offshore for as long as 4 months, and harbors as far away as the Philippines were filled with ships waiting to proceed to Vietnam.

Today, eight efficient supply ports along South Vietnam's east coast operate better than any equivalent setup during World War II. Waiting time for ships to unload is less than 2 days, and the ports could take a 30-percent increase without difficulty.

All so-called truces in Vietnam have always meant two things: more men and material coming down the Ho Chi Minh trail for North Vietnam, free from air attack, and systematic Communist violations of the cease-fire. The last one, over the new year, was no exception: the supply flow increased 2,000 percent and there were 170 Communist cease-fire violations. In one instance, when the Communist 9th Division hit the 1st Brigade of the U.S. 25th Division, 23 Americans were killed. But the Communists lost 355. The "Tet" truce, this year, broken by the Communists as it commenced, was canceled by the Americans and South Vietnamese forces in several areas. This is one time we did not sit idly by and wait to be attacked on all fronts during a "cease-fire."

Hanoi has recently been following a military policy that at first glance appears self-defeating and in conflict with their well-documented strategy and tactics. I refer to repeated, militarily futile Communist attacks against strong American positions. These mean heavy Communist losses and while they also mean casualties for American troops we lose no ground.

There are probably two reasons for this. One is the hope that heavier U.S. casualties will cause us to tire of the war. It is known that Hanoi banks heavily on U.S. public opinion forcing a withdrawal. North Vietnamese newspapers and radio broadcasts report with great satisfaction all antiwar statements and demonstrations that take place in the United States. This view, of course, is erroneous; Hanoi is badly misreading the temper of the American public.

The other reason would be to keep us off balance, constantly guessing where the next strike will come, and forcing us to disperse our forces in many different locations to meet these attacks. This is an old and often-used Communist tactic. We find it applied everywhere and not only in Vietnam. The recent series of hit-and-run attacks, one of which, in Saigon, even penetrated the U.S. Embassy grounds; frontal infantry assaults against our positions in the field; guerrilla raids into Thailand, Laos, and now Cambodia; a North Korean murder mission attempting to kill the President of South Korea; murder raids against unarmed villagers. In all probability, the seizing of the U.S.S. *Pueblo*, off Wonsan, is indirectly a part of the same strategy.

We can expect a major confrontation soon; forces are being built up on both sides, and the eyes of the world are turning toward the red clay hills far to the north and west, where the demilitarized zone meets the Laotian frontier at a place known as Khesanh.

KHESANH—ANOTHER DIENBIENPHU?

Never an easy place to defend, it was situated on a level plain and surrounded by hills that gave the attackers excellent concealed artillery sites. The airstrip was constantly under fire. Supply, solely by air, was difficult at best and often impossible. Attackers outnumbered defenders and for almost 2 months a Vietnamese general, until then unknown to the rest of the world, sent his attacking forces against some of the finest soldiers of Europe.

On the afternoon of May 7, 1954, it was all over, and the bitter, bloody, 54-day struggle ended with the defending forces almost annihilated. No one knows if the unknown general was watching when Platoon Commander Chu ta The's squad overran the command post and raised a red flag with a gold star in the center. No one knows if the unknown general realized the "experts" had given him only one chance in a hundred of winning. No one knows if he knew he would go down in history as the man who ended European power in the Far East.

But he knows today, 14 years later. The world has a new name that stands in military history with Waterloo and Stalingrad as symbols of crushing defeats whose effects went far beyond the carnage of the battlefield.

It would be interesting to know what other thoughts are in the general's mind. Today, Gen. Vo Nguyen Giap is North Vietnam's Defense Minister, reported to be in direct, personal command of 40,000 Communist troops around the Marine base at Khesanh. We can be sure that as General Giap studies the terrain and plans the approaching battle, he must note the similarity between Khesanh and that other battlefield of 14 years ago, which was named Dienbienphu.

Far in the northwestern corner of South Vietnam, 16 miles south of the demilitarized zone and 6 miles east of the Laotian frontier, 5,000 U.S. Marines are dug in at the Khesanh combat base, 1 mile wide and 2 miles long, with an airstrip in its center. To the northeast, a forested ridge rises 1,500 feet above the base. To the south, narrow and treacherous jungle ravines lead to the town of Khesanh, 3 miles away, which was evacuated a few days ago. In the west, a valley stretches toward the Se Pone River, marking the frontier between South Vietnam and Communist-controlled Laotian territory where the Ho Chi Minh trail carries North Vietnamese men and supplies.

To the northwest, between 2 and 3 miles away, rising above a small valley pointed toward the main base, are Hills 881 south and north, and Hill 861, where Marine detachments watch and wait. These hills cost the Marines 138 killed and 397 wounded last May, when the North Vietnamese were driven off after a week of bloody fighting, but 800 Communists were killed. North of the hills, the mountains of the Annamite range rise to peaks over a mile high, making a near-impenetrable block between North and South Vietnam.

Khesanh has been called the cork in the bottle. If North Vietnam could blast the cork out of the way, the Communists would come out on the Quang Tri and Cam Lo River valleys. Only 30 miles away is the provincial capital of Quangtri and 10 miles further on is the South China Sea. This would put the Communists in the rear of the major part of the U.S. 3d Marine Division, stationed along the demilitarized zone.

Estimates of Communist troop strength in the area run from 20,000 to 40,000 and it is known many more are available in North Vietnam, not far away. Five days after American aircraft saw heavy artillery being moved on trucks in Laos, Khesanh was under artillery fire, including 152-millimeter howitzers, the heaviest guns used in Vietnam to date.

Khesanh, like Dienbienphu, can be isolated by three factors: weather, terrain, and enemy action. The Marines depend entirely on airlift for reinforcements and supplies. The airstrip is under Communist mortar fire and if the barrage is too heavy, planes cannot land at all, but have to drop their cargoes by parachute. When they do land, they do not stop—cargo slides out the rear ramp, and passengers follow. If the weather is bad, there are neither planes nor parachutes, nor are air strikes possible against the solidly dug in Communist artillery positions and supply dumps ringing Khesanh.

Khesanh may be attacked from three sides: from the north, out of North Vietnam and the demilitarized zone; from the west, pouring across the Laotian frontier and hitting the Marine left flank; and possibly from the south, after an end run through Laos, doubling back into South Vietnam, and then striking the Marines in the rear. Two Communist divisions are now in the immediate vicinity and even holding positions south—in the rear—of the base. There are also enemy elements near Conthien, on the Marines' right.

A North Vietnamese officer told U.S. intelligence that General Giap wants nothing less than another Dienbienphu, at Khesanh, and subsequent destruction of all United States and South Vietnamese forces in the northern provinces, as a prelude to negotiations. Giap may be aiming to surround Khesanh, cutting it apart and killing or capturing its defenders, while American reinforcements are held off by other Communist troops.

The northeast monsoon season will effectively hinder U.S. air action, both in attacking Communist positions and in bringing in supplies and men. It will last for at least another month, and when the heavy, almost-constant rains sweep across the mountains it will screen Communist movements and work greatly in their favor.

A major Communist offensive is now in the making, somewhere on the Vietnam battlefront, and all signs point to Khesanh. The Communists are going to try their best to repeat Dienbienphu. They are in retreat on many fronts and they will be staking a great deal on their forthcoming efforts.

General Westmoreland and Marine Corps commanders assured us that we could and would hold Khesanh; 15,000 more U.S. troops have been moved into the northern provinces, to add to the force of 41,000 1st and 3d Division Marines already there.

This is a tactical move, pertaining to an individual battle. The American people can have the utmost confidence in the tactics developed by General Westmoreland and his commanders, and in the courage and skill of the American fighting men—on land, on sea, and in the air—who will carry them out. The combination adds up to the finest professional fighting force in the world.

But what of our overall strategy, the art of conducting the war itself, the mammoth panorama upon which battles move?

"Someone had blundered," Tennyson's famous refrain is a suitable but tragic epitaph for more than one battle in world history. A field commander's tactical skill is wasted, a soldier's or a sailor's or a flyer's bravery—and blood—will be sacrificed without cause, and a war will be needlessly prolonged if strategic errors are not only committed but allowed to stand unchanged, long after the terrible mistake is apparent.

And we have made just such a strategic error in our conduct of the Vietnam war. Our planners in the Department of Defense have consistently ignored one of the oldest maxims of war, one of the basic rules of strategy: Cut the enemy's supply line, and destroy his supply bases.

In spite of constant pleas for action by the military, in spite of repeated urging by Members of the Congress, in spite of overwhelming evidence that North Vietnam could not hope to continue the war for any length of time if we took this one all-important step, the Department of Defense has refused to allow mining or blockading of the approaches to Haiphong, North Vietnam's seaport. Through this port, the sinews of war have continued to flow to the Communists without hindrance.

The heavy artillery trained on the Marines at Khesanh and the thousands of rounds of shells for the guns were, until a few days ago, stacked and ranked deep in the streets, lanes, and alleys and on the sports fields of Hanoi and Haiphong. So were the mortars and other weapons used in the recent attacks on Saigon, Pleiku, and other cities. Much of it came south over the Ho Chi Minh trail during the New Year's and other truces we allowed the enemy, when the Communists knew they could move men and materiel without fear of air attack.

There can be no military excuse for such a policy. Any justification, if there is one, must be political or diplomatic. But when we consider the danger and losses in making relatively ineffective air strikes against supply convoys moving south on the Ho Chi Minh trail, we may well ask: What price diplomacy? What price politics? The high degree of skill and courage shown by our pilots cannot stop it all, as the shell craters at Khesanh can testify.

There is no indication that a reversal of this policy is being considered. High Defense officials state that even if talks between the United States, Saigon, and Hanoi did begin, we would not only stop bombing but we would still accept the fact that North Vietnam would continue to supply its forces in the south during that time. We will bitterly regret ever having following such a blind and shortsighted course.

It is a crisis period for both sides. The heavy, sullen rumblings of artillery, reverberating across the mountains at Khesanh, serve as an ominous overture to what may very likely be the most critical armed confrontation between communism and the free world in the last 15 years.

As I left Vietnam a few days ago, I recalled my first trip to that country in late 1953, when I had visited units of the French Army around the Hanoi-Haiphong area. Plans for "Operation Castor," which would send paratroopers in to set up the fortress of Dienbienphu, had already been drawn by the French military authorities, and were being put into action while I was there, I expect, at Khesanh, not another Dienbienphu but an example of courage and heroism by our troops that will be outstanding in American military history.

In a newsletter dated November 19, 1953, I wrote of my visit that—

> It will be difficult (for the French) to get away from the French Maginot Line theory that has dominated this war for so long. The importance of holding Indochina against Communism is great. I am sorry to say that the future does not look bright.

I closed that particular newsletter by saying:

> I wish the report I bring from Indochina might be more favorable, but, as the old baseball umpire says, "I just call 'em as I see 'em."

No other evaluation was possible then, and, unfortunately, no other evaluation is possible today.

THE BICENTENNIAL OF THE AMERICAN REVOLUTION

Mr. THOMSON of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. THOMSON of Wisconsin. Mr. Speaker, on Tuesday, January 16, my distinguished colleague, the gentleman from Indiana [Mr. ROUSH] reminded us that "we are already in the midst of the bicentennial of the American Revolution." He proposes that Congress memorialize our political subdivisions in the States to publish updated histories in 1976 in observance of America's 200th birthday anniversary. It is fitting here to note that Mr. ROUSH's home city is Huntington, Ind., named for a signer of the Declaration of Independence, Mr. Samuel Huntington, of Connecticut.

Mr. Speaker, I invite the attention of Mr. ROUSH and all Members to a resolution I am introducing in support of his view by which Congress may: First, enlist the hundreds of county historical societies in our Nation as a guiding force in local research and publication; and second, broaden the scope of national observance to include an honoring of the opening of the Mississippi Valley to discovery and exploration. From a wooded knoll in Grant County in the Third Wisconsin District which I have the honor to represent, the visitor may peer down upon the confluence of the Wisconsin and the Mississippi Rivers. There, on a historic June day in 1673, Jolliett and Marquette slowed their canoes to gaze in wonderment on a surging "Father of Waters." Hence, 1973 becomes a tricentennial year for millions of Americans residing between the Alleghenies and the Rockies, from the Great Lakes to the Gulf of Mexico. Our States and counties, cities and small towns, and countryside will pause humbly to recollect a winning of the wilderness that became mid-America. I am happy to note that my distinguished colleagues Congressman BYRNES of Wisconsin's Eighth District, and Congressman ZABLOCKI are members of the Father Marquette Tercentenary Commission created by Public Law 89–187 of the 89th Congress to develop and execute suitable plans for the celebration of the 300th anniversary of the advent and subsequent history of Father Jacques Marquette.

Consider the link of the 1670's to the 1770's. The Fox-Wisconsin Rivers route from the Great Lakes to the Mississippi was but a forerunner of the Chicago-Desplaines and the St. Joseph-Kankakee routes in 1675 and 1679, respectively; the forks of Maumee to forks of Wabash, in much use after Detroit's founding in 1701; and the passages from Lakes Ontario and Erie toward the headwaters of the Ohio River. Those portage routes, opened initially in 1673 via the Fox-Wisconsin, swiftly assumed such strategic importance that—even with the passage of a hundred years—a primary aim of the United States following the Revolution was to establish an uncontested control over the most vital route of that time; namely, the Maumee-Wabash portage. Indeed, it is said that the American Revolution did not end in the West until that control had been won by Gen. Anthony Wayne, in 1794–95.

Mr. Speaker, the "mystic chords of memory" summoned by President Lincoln and cited by Mr. Roush do, indeed, as my colleague observes, "bind us as a nation and a people." They reach beyond erasure across the 30 decades—or the 20—to our own times. They will inspire, beyond doubt, a nationwide gathering of local chronicles for local publication but embracing all America, and to this end a memorializing, a call to the wellsprings of our heritage by Congress should be an early concern of the appropriate committee.

THE PRESIDENT'S MESSAGE RECOMMENDING EXPANSION OF THE VETERANS' BENEFIT PROGRAM

Mr. PICKLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PICKLE. Mr. Speaker, the merit of any program enacted by the Congress can be measured in the results that it produces. We have witnessed some 11 million veterans attending college and over 7 million veterans purchasing homes with GI loan guarantees because of the three GI bills passed by the Congress.

The invaluable aid that has been rendered to our Nation because of the college degrees and the stability of homeowners has stamped the mark of success on all of our veterans' programs.

President Johnson has sent us another message containing broad recommendations for an expansion of the veterans' benefit program. Based on the experience of past legislation, I am certain that these new programs will bring us the desired results. In addition to the overriding factor that we have the obligation to provide benefits and opportunities to the brave men who fight in Vietnam, we have the chance of combating some of the ills which have plagued our society for years.

President Johnson has pointed out the way that will give the one thing our veterans desire most upon their return. It is the chance to prove themselves in civilian life as they have proved their bravery and manhood in battle.

I believe this message has presented us with a challenge for action. We will have shown our gratitude to those men who fight for freedom. We will have begun to pay back the huge debt that we owe them. At the same time we will have embarked on a course that provides veterans the opportunity to create an enviable slot in our society. They will be helping to educate those who need education the most and helping those who need aid on their road to health.

I ask that the Congress give its swift approval to these outstanding recommendations made by the President.

QUO VADIS—U.S.A.?

Mr. HALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include relevant material.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, we now find our Nation suffering from a crisis of leadership.

How ironic that a Democrat President told the Nation in 1932 "that the only thing we have to fear is fear itself." Yet today that describes the crisis of leadership that affects our country under Lyndon Johnson.

Nowhere is there a better example of dealing from "fear" rather than from strength, than in the U.S.S. *Pueblo* hijacking episode.

Who else but a Lyndon Johnson could take a clear-cut insult to the United States, a direct challenge to our national honor, a provocation by a fourth-rate power against the mightiest nation on earth, and by the process of: First, silence, followed by meetings, briefings, indecisions, equivocation, consultation, nonretaliation, followed by the quagmire of a fruitless U.N. filibuster, turn a clear-cut act of war and piracy on the high seas into mush.

The other day in the Washington press, I had to look at the inside pages of the newspaper to realize the *Pueblo* and its crew were still in enemy hands, 10 days after being hijacked on the high seas.

The time to act, the time to make crystal clear that direct and overwhelming military action would follow, if the ship and its crew were not released, was within 24 hours after the *Pueblo* was seized. By failing to act decisively and by failing to leave no doubt that refusal to release the *Pueblo* would be followed by air and sea action, the options open to the President are becoming increasingly limited, and the options opened to the South Koreans are increasingly limited, and the options opened to the North Koreans are becomingly increasingly expanded, if indeed they have not already made their point.

What for example, will the President do if the North Koreans fine the *Pueblo* and its crew $10 million, and say they will be released only upon payment of the fine by the United States, and an admission of guilt.

Will the President sell out the national honor and pay tribute, something no American Government has done in history even when we ourselves were a weaker, or third-rate power?

Each day's delay has imposed further restrictions on our ability to act decisively—and in fact has created the conditions which the Nation wants to avoid, the possibility of another no-win, second front war in Asia.

Never has there been a time when strong leadership, was more important, and therefore never has there been a time when it was so important that the people demand defense and not tribute.

GROUNDHOG DAY, 1968

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, tomorrow is Groundhog Day, a traditional festival celebrated in many parts of this country. But nowhere does the day have more meaningful observance than in Punxsutawney, Jefferson County, Pa., an area which I have the distinct honor to represent.

At the break of dawn, the groundhog will emerge from his underground home and indicate what the elements have destined for us in the weeks ahead. If this renowned weather prognosticator sees his shadow, we must button up our overcoats and accustom ourselves to 6 more weeks of wintry weather, but if there is no shadow, spring and the cherry blossoms are just around the corner.

I am sure that few of you need to be reminded of the ritual that surrounds February 2, also the Feast of Candlemas, but for the record, let me provide some background on how the lore started.

Since the Middle Ages, people believed February 2 was the day chosen by hibernating animals to surface and observe the weather. If the animal came to the open and was frightened by his shadow on a sunny day, it returned to his burrow for more hibernating, thus more weeks of wintry weather. But a cloudy day, minus the shadow, meant that pleasant weather was near. Such a sign would be cheerful and heartening news to a farmer because in it he saw the end of winter and a good omen for the entire year.

On behalf of the Punxsutawney Groundhog Club—the oldest society in the United States that preserves this tradition—and myself, I extend best wishes for a cloudy Groundhog Day, an early spring, and a bountiful year.

SAVING THE GILA WILDERNESS

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, buried in the central Arizona project bills is a New Mexico project called Hooker Dam. So little known is this project that the Commissioner of Reclamation could not give me firm information about the dam's size, when I asked him during hearings before the Reclamation and Irrigation Subcommittee.

There are some things we do know. We know that the reservoir would back water into the Gila Primitive Area and Gila Wilderness, thus creating a precedent for invasion of wilderness areas by water projects.

We do know that the Gila River Gorge that would be affected by this project is a beautiful part of New Mexico, watered by a perennial stream in an arid land. The gorge is biologically rich. It is easy to get to, easy to travel in.

We do know that no solid justification for the Hooker Dam has ever been advanced, raising the question whether Congress should authorize a project about which there is so much mystery.

I want to save this valuable part of the Gila Wilderness by moving Hooker Dam away from its presently planned location.

Mystery though there is, a diligent conservationist in New Mexico has done his best to gather the little bit that is known, and include this report on Hooker Dam and the damage it would do, prepared by Henry Zeller of Santa Fe, to be placed in the RECORD, as follows:

Report on Hooker Dam

(By Henry M. Zeller, conservation chairman, Rio Grande Chapter, Sierra Club)

This report is a compilation of all significant information it has been possible to gather about the Hooker unit of the Central Arizona Project. In gathering information and preparing the report a sincere effort has been made to maintain objectivity. Questions are welcomed about particular points of the report, and reference material can be made available for study. Numbers inserted in the text refer to the list of source material at the end of the report.

I. INTRODUCTION

The Hooker unit of the Central Arizona Project contemplates a dam and reservoir on the Gila River a few miles above the villages of Cliff and Gila, New Mexico. The dam would be outside both the Gila Wilderness and the Gila Primitive Area, but the reservoir would flood the valley of the Gila in the Gila Primitive Area, which here is a narrow strip along the boundary of the Gila Wilderness, and would extend some seven miles into the Wilderness itself.[5] Thus a precedent would be created for the erosion and perhaps the eventual dismemberment of the National Wilderness Preservation System, so recently created in 1964.[1]

We began to gather information about the Hooker project some two years ago, and by now sufficient information has been obtained to make possible its evaluation. Evaluation is important because the Wilderness Act,[1] while defining wilderness as nature undisturbed by man and providing for its preservation, goes on specifically to permit the exploitation of water resources in units of the National Wilderness Preservation System if authorized by the President upon his determination that such exploitation "in the specific area will better serve the interests of the United States and the people thereof than will its denial." Thus the prime question in this case is as to whether the Hooker proposal is being handled in accordance with the Wilderness Act in the national interest.

II. WHAT IS THE PURPOSE FOR HOOKER DAM?

The fundamental purpose of the Hooker Dam and Reservoir as now conceived has arisen from the Congressional consideration of the Central Arizona Project. Originally thought of as just another multi-purpose dam,[12] it has now become an instrument to obtain 18,000 acre feet per annum of additional consumptive use in New Mexico of the waters of the Gila.[18] The additional water rights would be put to work through the upstream transfer of senior rights on the Gila in Arizona to consumers in New Mexico, the Arizona users to be reimbursed by water imported from the Colorado River via the CAP.

The source of the water for additional consumptive use is a bargain between the states of New Mexico and Arizona.[3, 13, 16, 17, 19, 20] The effort of Arizona to obtain Congressional authorization of the Central Arizona Project has given New Mexico an opportunity to demand additional use of Gila River waters in exchange for support of the CAP. This was an opportunity which state officials had been awaiting since the 9 March 1964 decision of the United States Supreme Court in *Arizona v. California et al*, a case which had dragged on since 1952 as far as New Mexico was concerned, and which had not been altogether satisfactory to the state. The decision did, however, allow a loophole for the future, and now Hooker is the instrument for the exploitation of this loophole.

The specific function of the Hooker Dam and Reservoir in an engineering sense would be to impound water from the flow of the upper Gila so that New Mexico's water, both that based on established uses [6, 19] amounting to 31,000 acre feet per annum, and that new water to be made available as part of the CAP/Hooker bargain, amounting to 18,000 acre feet per annum, could be released at a rate which would provide a firm supply to consumers, whoever they might be, Of course, a certain portion of the releases would be destined for the remaining uses in Arizona, and a "permanent" pool would form, both to remove and detain sediment and for some claimed benefits.

Hooker Dam not designed

As the project is examined the important point that immediately comes to light is that it has not actually been designed.[9] The Bureau of Reclamation has conducted reconnaissance studies based on criteria now largely outdated.[4, 9, 12] Bureau testimony before Congress has supported a reservior of 98,000 acre foot capacity, the design characteristics for which the Bureau obtained from a 1945 report by the Corps of Engineers having to do with flood control on the Gila River system.[9] All these preliminary data have been rendered obsolete by the initiative of the state of New Mexico in reorienting the Hooker project to water exchange in a specific quantity by interstate agreement.[2, 4, 6, 9] Now the project must be designed to accomplish its new purpose and function.[9]

According to the State Engineer, who bases his statement on information received informally from the Bureau of Reclamation, a reservoir capacity of 215,000 acre feet is required to provide 18,000 acre feet per annum of additional consumptive use in New Mexico.[4] The Bureau itself will say only that the 98,000 acre foot idea is outdated and that they have not "established the capacity which will be required to meet the provision of 18,000 acre feet of additional consumptive use. They do, however, say further, "The resulting reservoir may be considerably in excess of the 98,000 acre foot capacity used in the report," reference being to the 1945 report of the Corps of Engineers already mentioned, and that passage of the current legislation would give them authority to proceed with "detailed operation studies to size the reservoir." [9]

Meanwhile, in current legislation Congress is still basing consideration of the project on the concept of a dam tentatively designed for a reservoir of 98,000 acre feet, while at the same time providing for the 18,000 acre feet per annum of additional water use for New Mexico.[13, 14, 15] The dam being considered by Congress would be a concrete gravity structure costing $28,797,000. The State Engineer, again referring to informal communication with the Bureau of Reclamation, quotes an estimate of $24,400,000 as the cost of an earthfill dam to impound a reservoir of a capacity of 215,000 acre feet.[4, 6] The Bureau will say only that they have not made a decision as to the type of structure.[9]

Some apprehension arises when one compares the concept for the dam now before Congress with information received from the State Engineer and the Bureau of Reclamation both before and after the reorientation of the project described above. In the light of the fact that Congress is basing cost figures on a smaller dam while considering authorization of one which will impound a reservoir capable of delivering New Mexico's full 18,000 acre feet per annum of additional water, it seems very possible that the cost of the project might be extravagantly above the figure before Congress of $28 million plus, if the dam should eventually turn out to be of the concrete gravity type after all.

Both the State Engineer and the Bureau of Reclamation are very definite as to the correctness of the choice of the Hooker site as opposed to others that are available, and they rule out the possibility of alternatives to the project as a whole* which might be capable of enabling the desired water exchange [6, 9]. (*In this case, the State Engineer's statement was oral in the course of a public discussion.) And yet, all consideration of alternatives or alternate sites has been cursory as far as we know, besides being as equally outdated as the 98,000 acre feet reservoir.

The truth is that nobody can judge the relative practicality of Hooker as conceived or can compute its specifications or cost, or even pass on the selection of a site, until it is actually planned on the basis of a specifically oriented, thorough study. Most certainly no decision can be made as to whether the project is in the national interest. In this connection, and while granting that few, if any, reclamation projects are fully planned before authorization, it should be noticed that Hooker is actually at least a step behind the usual situation in the sense that all planning, has been against outdated criteria, whereas it perhaps ought to be more than a step ahead to be in the spirit of the Wilderness Act. A project which would invade a unit of the National Wilderness Preservation System should not even be considered unless study has progressed to a point where it is possible to give full weight to its effect,

---

Footnotes at end of article.

both positive and negative, on the national interest.

III. WHO WOULD BENEFIT FROM HOOKER DAM?

An examination of the claimed benefits is an essential part of the overall evaluation of the Hooker project. We are, however, well advised to keep in mind the fact that nobody can really define any benefits until there has been a genuine feasibility study. According to the State Engineer's statement presented to the Senate Subcommittee on Water and Power Resources in May, 1967, the benefits accruing from the operation of the Hooker Dam and Reservoir would comprise flood control, outdoor recreation, fish and wildlife benefits, and a firm water supply through river regulation for municipal, industrial, and agricultural uses.[3]

Incidentally, it can be shown that the Hooker unit is in no way essential to the Central Arizona Project in an engineering or operating sense, the primary purpose of the CAP being to deliver water from the Colorado River to the Phoenix and Tucson areas.[9] [15] Any benefits from Hooker must be sought in New Mexico, except perhaps for some incidental river regulation and flood control along the Gila in Arizona, and these functions could largely be performed by the Corps of Engineers' proposed Camelback Dam between Safford, Arizona, and the junction of the San Francisco River. The only Hooker benefit which would remain in Arizona if Camelback were built would be in the short reach of the Duncan Valley between the New Mexico line and the mouth of the San Francisco.[9] Hooker would not control the San Francisco River which joins the Gila in Arizona well downstream, whereas the Camelback Dam would do so, protecting the Safford area from the floodwaters of both rivers. It is plain that any significant benefits from Hooker must be sought in New Mexico.

As already brought out, the fundamental purpose of the Hooker Dam and Reservoir is to provide an operational facility to accomplish an exchange of water for the benefit of New Mexico. By agreement with Arizona, this water exchange would bring New Mexico additional consumptive uses amounting to 18,000 acre feet per annum. As far as can be learned, the 18,000 acre foot figure has no special significance, being simply the result of bargaining. According to the State Engineer its tentative breakdown to specific uses is as follows: [4] [6]

Consumptive uses in acre-feet per annum:

Municipal (Silver City)	800
Industrial (mining and milling)	10, 000
Reservoir evaporation	6, 400
Irrigation	700
Not specified	100
Total	18, 000

A drop for irrigation

In considering the benefits claimed for Hooker, let us first consider the assist to agriculture. Looking at the contemplated allocation of additional water to agriculture, 700 acre feet per annum, it is apparent at first glance that irrigated farming in the Gila watershed can provide only a very small part of the justification for Hooker.[6] This point is due to the small size of the population and irrigated acreage in the watershed area. The population of the Gila watershed is 4,300 according to the 1960 census.[6] Irrigated acreage breaks down as follows: [6]

Area	Acreage	Consumptive use in acre-feet per annum
Gila above Virden Valley	7, 057	13, 662
San Francisco Valley	2, 269	3, 187
San Simon Valley	2, 900	7, 200
Virden Valley	3, 240	7, 000
Total	15, 46[illegible]	31, 049

According to the State Engineer [6] "the minor increase of 700 acre feet in consumptive use for irrigation would result from the increased supply made available to presently irrigated lands in the Gila Valley by the protection of existing temporary rock and brush diversion dams from floods and by the minimum releases made for fishery." He also says, "New uses could be established in the San Francisco and San Simeon Valleys under contract with the Secretary of the Interior." Water for the new uses would not come from the 700 acre feet already mentioned, since this water would be restricted to the Gila Valley proper, but apparently would have to come from the 100 acre feet per annum for unspecified use shown in the table on page 4, or from surplus water in one of the other allocations. At any rate, it could not come to any significant amount, and according to the Bureau of Reclamation would be in violation of S1004, the CAP bill that has passed the Senate.[9]

Further emphasis of the small role of agriculture in justifying the Hooker unit is lent by the fact that the Phelps-Dodge Corporation has purchased 3,500 acres of irrigated land with appurtenant water rights of 10,500 acre feet per annum, in the Gila Valley, for the purpose of diverting the water rights to use at their newly reviving mining operation at Tyrone. The land lies in the Cliff-Gila, Buckhorn-Duck Creek, and Redrock localities, and is removed by this purchase from irrigated farming. Thus, deducting this acreage, only 11,966 acres remain in the entire watershed for irrigated farming, and the Gila above Virden Valley has only 3,557 acres remaining, being reduced by about half.[6] [7]

If our system can tolerate a condition under which a private corporation can for its own purposes remove a large percentage of an irrigated area from production, it is certainly inconsistent for us to become unduly concerned about the remainder. Obviously, the population and irrigated acreage in the Gila watershed do not picture an agricultural situation sufficient to form any primary part of the justification of a project costing more than $24 million. The insignificance of agriculture thus rules out any arguments for benefits on the basis of the provision of a firm water supply for irrigation, and the amount of additional consumptive use for agriculture is negligible. The claim to flood control benefit suffers the same fate, because it is only the meager agricultural interests that might be helped.

Outdoor recreation losses

From a wilderness point of view, the construction of the Hooker project would be destructive of outdoor recreation values because of its encroachment into the Gila Wilderness and the Gila Primitive Area. By the same token, it would have a very adverse effect on the flora and fauna of the wilderness areas. This negative effect is the first point that comes to mind when considering the claim to outdoor recreation and fish and wildlife benefits.

Front the point of view of conventional outdoor recreation, the Hooker Reservoir would be difficult of access, being approachable by motor vehicle from only one direction, and then only if adequate road appoaches were provided, which would add materially to the cost of the project. The point has been made that advantage could be taken of some of the construction road net, but this would be a makeshift and might require heavy maintenance unless rebuilt, thus defeating the purpose of the makeshift. The lake itself would be a narrow defile between steep slopes providing few shore facilities such as landings or campsites. There would be the problem of Forest Service enforcement of appropriate regulations on the part of the lake inside the wilderness areas, not to mention the difficulty of enforcing measures to reduce adverse effect on the wilderness brought on by the advent of large numbers of visitors to the reservoir. The conventional visitor would probably not like these rules. In summary, it seems that the reservoir would not be altogether satisfactory for conventional outdoor recreation, while at the same time it would bring additional hazards to the wilderness areas on top of the damage caused by the basic encroachment.

Considering fish and wildlife benefits, the effect of the construction of the project on the local ecology has already been mentioned, and is discussed further below. There could be no wildlife benefit because the effect on wildlife would be all negative. The same is true of the native fish.

It is true that "put and take" fishing through the stocking of exotic "sport" species might be obtained in the lake and below the dam, but this would compound the destructive effect of the project on the local water biota. It would be at the cost of natural values, violating the wilderness areas and adding to the effect of the dam in making the river downstream fully artificial.

Whatever can be said of outdoor recreation and fish and wildlife benefits, these should be discounted heavily on account of the adverse effect on the wilderness areas. These already offer outdoor recreation benefits which would be impaired by the proximity of the dam and the intrusion of the reservoir. In addition, the claimed benefits in the categories mentioned could be served just as well, if not better, by a reservoir at some alternate site downstream. At the recent Senate hearings on the CAP legislation, Mr. Thomas L Kimball, Executive Secretary of the National Wildlife Federation, testified in favor of a downstream site on the basis of accessibility for "general types of water-related recreation uses." [14]

Industrial water—But who needs it?

A positive benefit but a meager one is the 800 acre feet of water for additional consumptive use per annum allocated to Silver City.[6] According to the Silver City Chamber of Commerce, the town used about 1,000 acre feet from wells in 1965.[21] It is quite possible that Silver City will need more water in the near future, but this need of a town of about 7,000 inhabitants can furnish only a very small part of the justification for a project of the size and cost of Hooker. Incidentally, the cost would be increased by the installation of the means of delivery to Silver City. The Bureau of Reclamation has estimated the cost of a pipeline to Silver City to be about $4.5 million.[12] Inquiry has brought out that this pipeline has not yet been planned nor is it known who would build it or pay for it.[6] [9]

As can be seen from the table of consumptive uses already given above, the allocation to industrial (mining and milling) use is by far the most important, the amount being 10,000 acre feet per annum out of the total of 18,000.[1] [6] [9] According to the State Engineer, officials of the Phelps-Dodge Corporation expressed interest in that amount of water in the course of Bureau of Reclamation reconniassance study of several years ago.[22] Considering the fact that the main purpose of the project is to bring additional water rights to New Mexico, as well as that 10,000 of 11,600 acre feet of useful water supply are for mining and milling (omitting for the moment the 6,400 acre feet for evaporative loss), it follows that the fundamental purpose of the Hooker project, specifically, is to provide water for mining and milling. Moreover, since mining and milling would receive by far the greater part of the water for additional consumptive use, and since all other benefits claimed are relatively insignificant, the evaporative loss is also logically chargeable to mining and milling. Therefore, it can be said that if the mining

---

Footnotes at end of article.

and milling water is intended for Phelps-Dodge, then 10,000 plus 6,400 acre feet, or a total of 16,400 acre feet of the total 18,000 is logically chargeable to their Tyrone mine, which is the only one concerned, and that the Hooker Dam and Reservoir is being proposed for the benefit of that one mine, with only a few ancillary benefits claimed for other purposes.

By now, however, it has been established by correspondence with Phelps-Dodge that they do not need the additional water from Hooker. It is obviously true that Phelps-Dodge may decide some day to expand their Tyrone operation beyond what is now planned. Besides this, various reports indicate the possibility of mining activity in the vicinity by other concerns. But these are indefinite possibilities which may never materialize.[7]

Thus, the claims for benefits to be derived from the Hooker project come to naught when examined. The State Engineer avers,[8] "I believe it is axiomatic that if additional uses in New Mexico from the Gila River system are authorized there is no doubt that the water will be used." The argument of the proponents of the project boils down to the point that if New Mexico should miss the opportunity afforded by Congressional consideration of the Central Arizona Project, then New Mexico's hope for more use of Gila River waters would be lost forever. Benefits are claimed for the project to justify it, but as these are questioned, it is said in effect that the value of the benefits as claimed is irrelevant because the water will be used for sure by somebody, sometime, for something valuable to the economy of the locality.

That the benefits received by somebody would be relatively short-term is demonstrated by the fact that the tentative specifications allow for a "100-year sediment pool".[6] After this pool was filled with sediment the ability of the project to fulfill its functions would steadily decrease, although its effect on the land and the biota at its site would endure much longer.

Thus, Hooker stands vulnerable to the conclusion that, if built, it would be a typical example of so many of our comparatively small and doubtful decisions that lead inevitably by attrition to the destruction of the natural Earth. Little decisions made one by one for ostensibly good reason, always short-lived by the standards of nature, lead collectively to enduring, large-scale, nonbeneficial results.

IV. HOOKER DAM NOT IN NATIONAL INTEREST

An interesting point can be made at this stage in the evaluation of the Hooker proposal. It is clear that the initiative for the concept and development of the Hooker idea comes from within the state, and state officials and representatives are the primary promoters. From a purely state point of view these individuals are indeed faithful servants of the people. The guiding motive is *to get the water* without qualification in terms of esthetic or natural values of the national interest. New Mexico is not alone in this, for here we have typical water politics.

The objective is to obtain the concession which would allow New Mexico additional use of Gila River waters through legislative bargaining, and it would then be up to the Bureau of Reclamation to design works to implement the law. No such design now exists.[9]

In arguing for Hooker, benefits are claimed for municipal and industrial and for agricultural uses which technically belong to the CAP because the water is only being redistributed by exchange.[9] At the same time, Hooker is mercifully kept buried in the CAP legislation because it cannot stand alone in an economic sense.

In any event, the benefits claimed are the product of a rationalization of something already decided upon. At the time of the Bureau of Reclamation's "Upper Gila River Investigation" dated January, 1963, which was made under contract with the state,[12] the redevelopment of a depressed agricultural situation seems to have been the main factor considered, mining at the time being on a very low scale. Then Phelps-Dodge decided to revive the Tyrone mine and this apparently changed the complexion of the rationalization because the company indicated an interest in more water. Now, the compelling point has become the chance to get more use of Gila River waters. Meanwhile, the rationalization has not been adjusted to take care of the fact that Phelps-Dodge could not wait for Hooker to materialize, but went ahead to obtain water rights by purchase. In doing so, the company cancelled the only definite prospect for the use of mining and milling water and they also subtracted materially from the validity of the claim, already minor, for benefits to agriculture. At the moment, therefore, it is necessary to fall back on the State Engineer's statement that if the water is supplied, some use will be found for it.

So much, then, for the evaluation of Hooker in terms of the benefits claimed for it. They have no claim on national interest.

V. BIT-BY-BIT DESTRUCTION OF THE WILDERNESS

Having looked at the claims of the advocates of the Hooker project to evaluate its possible positive aspect, the way is cleared to evaluate the negative. The first thing one discovers here is that there has been no real analysis of the damage the project would do to the wilderness areas affected.[6] [8] [9] According to present thought, which as already shown is tentative at best, the Hooker Reservoir would cross the Gila Primitive Area at a point where it is about six-tenths of a mile wide and would extend some seven miles into the Gila Wilderness, for a total or around eight river miles.[5]

In mitigation of the offense of encroachment into the Gila Wilderness and Primitive Areas, the proponents argue that the encroachment is very minor both in actuality and in percentage of the total area of wilderness. They say that the project site has no scenic values and that it is really no more than a "gravel pit," and that no precedent will be created because every such incursion into a unit of the Wilderness Preservation System must be specifically justified.

These points are not well taken. The wilderness lands which would be flooded do have scenic values, as photographs recently taken surely prove. Even so, the scenic values are in a sense irrelevant, because an area protected under the Wilderness Act need not be just scenic or even scenic at all; it is protected under the law to preserve what it is, what it contains, whatever that may be. Any after the fact argument that the nature or contents of a wilderness area are in some sense unworthy is, in a sense, an attack on the Wilderness Act itself. The degree of encroachment is by no means the basis for a valid contention, because an encroachment can be defined in no way other than as an encroachment, and is a violation of the law, even if for a purpose permitted by the law, if not, by decision of the President, in the national interest.

The precedent

As for the creation of a precedent, no less a person than Colorado's Senator Allott raised this point during the recent Senate hearings on the CAP legislation. After questioning the New Mexico State Engineer, who was a witness, the Senator summarized[14] (quoting from the report of the hearings):

"The reason I ask you these questions to straighten out my own mind as to the actual invasion of the primitive area and the wilderness area, is simply because in the future, having enacted this legislation, I am sure that Congress is going to be required in the national interest from time to time to make some slight modifications, and it is just a question of how slight is slight, and when the national interest justifies it."

Senator Allott is a reclamationist who has nothing against dams in general or Hooker in particular. It ill becomes the Hooker advocates to maintain that no precedent would be created by the project, because, human nature being what it is, there is little doubt that it is such as they who will cite the precedent in their arguments to excuse similar wilderness encroachments in the future. The precedent set up would be both fundamental and procedural, and the more casual the incursion now the better it would excuse even more casual incursions later.

This thought is disturbing. Our fears were well-expressed for us by Secretary of the Interior Udall in Denver on September 6, 1967. Upon being queried about the proposal to thrust Interstate 70 through the Gore Range-Eagles Nest Primitive Area, he said, "I think the question is whether it (the nation's collective wilderness) can be eroded away step by step or whether we can preserve it."

The Wilderness Act could not have passed Congress without the proviso permitting the exploitation of water resources explained at the beginning of this report. It is apparent that the reclamationists place great store in this concession, forgetting their part of the bargain, which requires them to convince the President specifically in each case that it is in the national interest. Apparently this bargain is not going to be effective in protecting the Wilderness System unless it is enforced by both Congress and the Administration.

It is doubtful if the dam-builders have ever really accepted the Wilderness Act, and it can be predicted that they will whittle away at it whenever possible. The site proposed for Hooker was withdrawn in 1916, and this, in the mind of the reclamationist, makes Hooker senior to the Gila Wilderness, which was not established administratively until 1924. To quote the New Mexico State Engineer: [5]

"The Hooker site has long been considered in planning for development of the land and water resources of the Gila River as evidenced by its withdrawal under Water Power Designation No. 1, dated August 7, 1916. The Gila Wilderness area was not established until 1924.

"During the consideration of the Wilderness Act of 1924, the Hooker project along with others was brought to the attention of the Congress and was in part responsible for the language of the Act which permits the construction of water resources works within wilderness areas where such works in a specific area would better serve the interests of the people of the United States than will the denial of such works."

The "Gila Primitive Area" was established in 1924 with 574,000 acres, and enlarged in 1930 to 695,000 acres. This acreage included more than the total of the present Gila Wilderness, the present Gila Primitive Area, and the Black Range Primitive Area. Since then it has been attacked from all sides by a miscellany of interests.[23]

Wilderness lost

The first dismemberment came in 1931–32 when a motor road was put straight through it from Mimbres to the Beaverhead Ranger Station, thus severing the present Black Range Primitive Area, around 132,000 acres, from the main body. Also about this time came a "fire control" road up Copperas Canyon. This gave access to private inholdings along the Gila River, and received such heavy use that in the early 1930's a corridor along the road amounting to some 3,000 acres was carved out of the Primitive Area, all but severing the present Gila Primitive Area from the remaining main body.[23]

Footnotes at end of article.

In 1944, World War II brought the excision of 5,150 acres along the south border of the wilderness because of fluorspar deposits. In 1953, the present area of the Gila Wilderness was administratively classified as such under Regulation U–1, leaving all the acreage of the present Gila Primitive Area under the old L–20 classification, and reducing the area fully classified as wilderness to 438,626 acres. The eastern area was not included under the new regulations because it had been too heavily penetrated by motor vehicles, mostly those of hunters.[23]

Besides being dissected as described, the original Gila Primitive Area has been violated by excessively luxurious trails, by mechanized hunters, by the introduction of non-native game ungulates while inhibiting natural population control by predators, by the control of the predators themselves, by artificial game management, by the introduction of exotic "sport" fish into the Gila[11] River, and by artificial fire control. This unnatural interference has led to ecological changes which are not compatible with the maintenance of wilderness. In particular, fire control has led to significant changes in the flora, and to the constant danger of really destructive fires. The temptation to allow harvesting of commercial timber has been a constant threat.[23]

It is time we did some thinking. The Gila Wilderness and the Gila and Black Range Primitive Areas can be used as an object lesson in how not to run a wilderness. To quote Raymond F. Dasmann's "The Last Horizon", after recounting the vicissitudes of the Gila wilderness areas, he writes: [24]

"It is obviously not enough to set aside a wilderness area. We must also be willing to leave it completely alone, and not deviate from that decision regardless of fires that burn, insect pests that kill the timber, game herds that increase and die off, or timber that rots on the stump. If we set aside an area with tongue in cheek, planning on exploiting its resources some time in the future, let us not deceive ourselves by calling it a wilderness."

No area can rightly be called a wilderness unless it is left alone. The Wilderness Act defines a wilderness as "an area where the earth and its community of life are untrammeled by man, where man himself is a visitor who does not remain."

VI. MORE UNCERTAINTY

As to actual damage to be caused by the Hooker project, in recent correspondence the Forest Service states: [8]

"A more intensive and exacting survey will be made which will provide information on the specific effects the reservoir will have on the flora and fauna of the Gila Wilderness and Primitive Area. We would expect some adverse effects on the vegetation and smaller forms of life within the immediate vicinity or back-water area."

The first sentence indicates that the Forest Service just does not yet know what the full damage would be. The second sentence is a gross understatement, for the entire biota in the flooded area would be destroyed. The riparian vegetation now present is the basis for the biological community inhabiting the valley of the Gila. Once it is destroyed at any given place there can be no community in residence that is based on it, and those forms of life dependent on it will simply share its fate. This statement applies equally to both the land and water subdivisions of the community. The water life would be as drastically affected as the land, what with the substitution of a still lake with a constantly fluctuating level, probable changed temperature conditions, and a bottom formed from freshly accumulating silt, for a flowing stream. The fluctuating level would have a very unesthetic effect, incidentally, what with the "bathtub ring" all around the perimeter of the reservoir and the silt delta at its head, both caused by varying precipitation and drawdown together with the constantly accumulating silt.

The only animals using the Gila that might not be especially affected are those, mostly the larger mammals, that inhabit the wilderness hinterland and merely come to the river for water. It is only conjecture, however, to discount the effect on animals occupying the hinterland, because without study we cannot know the uses to which they put the riparian area, or the relative importance of the flooded area to that remaining unflooded above the reservoir.

Fast-water fish fauna would not only be affected in the area flooded by the reservoir, but in the whole course of the river for some distance below the dam. There would not only be the lethal ecological changes brought by the dam and reservoir through changes in the river, but exotic fish species in considerable numbers would no doubt be introduced for sport purposes, with lethal effect on the native species.

This destructive effect of the Hooker project passes unnoticed by the proponents of the project.[6][9] The Bureau of Reclamation is completely unaware of the riparian biota which would be affected by inundation, answering queries almost altogether with respect to the species of the hinterland[9] All thought about fish has to do with exotic species, no value at all being assigned to the natives, their offense being that they are not "sport" fish.[9] No consideration is given birds, reptiles, etc., at all, except for a few "game" birds.[9]

An important biological area

The Gila riparian area is an extension into New Mexico of the Sonoran biotic area. This is a geographic area centered in northern Sonora and southern Arizona, with extensions into adjacent states. Thus, the Gila riparian area maintains a reservoir of the Sonoran flora and fauna which is unique in New Mexico, and one of the few remaining examples of the riparian element of this biotic area anywhere. It is unique in numbers of species of fish, birds, reptiles, and mammals. Besides the unique species, there is a great variety of life. According to Dr. John P. Hubbard, ". . . indeed there are many, many aspects of the biology of the area that remain to be investigated. It should be obvious, however, that the Gila Valley is richly endowed in its flora and fauna."[11]

The dominating terrestrial plant is the broad-leafed cottonwood, *Populus fremonti*, which occurs only in this part of New Mexico and is characteristic of the Sonoran area, being found along the Gila upstream as far as the mouth of Turkey Creek. It grows as high as 100 feet, with a diameter of four feet or more. This tree is the main plant of an arboreal, riparian habitat important to many animals, especially birds. It prefers the broader, more stable stretches of the floodplain, the very places that are attractive to man. For this reason it has been destroyed in many parts of the Gila Valley, and more and more of it is lost each year. There is great need to preserve some of this cottonwood habitat, both because of the species dependent upon it and because it has never been fully studied. We know that it is important, but our knowledge does not go far enough beyond that. Unless some of it is permanently preserved we may lose the final residue and never really know what we have lost.[10][11]

The entire Gila riparian area is interesting, and we are entitled to hope that any part of it in the Gila Wilderness or the Gila Primitive Area, or even in the Gila National Forest, can be preserved. Meanwhile, the most vulnerable specific habitat is that based on the cottonwood.

There is an excellent stand of the broad-leafed cottonwood in association with a Sonoran sycamore, *Platanus wrightii*, at the junction of Mogollon Creek with the Gila. This stand is located on private inholding within the boundary of the Gila National Forest and downstream from the proposed site for the Hooker Dam. This is perhaps the best such stand anywhere along the river, and should be preserved. At the moment, it is subject to the will of its owners and is so close to the Hooker site that it might be destroyed in the process of construction, or should it survive that stage it might fall victim to later control of water flow or usage of the reservoir.[11]

Between the dam site and the Primitive Area boundary in the area which would be inundated is a somewhat less good example of the cottonwood habitat. Although this is not as good a stand as the one at Mogollon Creek, it is on National Forest land, and, but for the threat of Hooker, could be considered safe.[11]

In short, the construction of the Hooker project would continue the process of violation which began immediately the old Gila Primitive Area was established. This sad history of the oldest wilderness bodes ill for the future of the National Wilderness Preservation System. At the same time, Hooker would continue the destruction of the Sonoran biotic area along the Gila, both in the wilderness areas and without. Thinking of the effects of the dam and reservoir on natural values and the effect of the activity of large numbers of people seeking the usual types of water-oriented recreation on the reservoir, also destructive of natural values, it is quite probable that the Forest Service would soon declare that Hooker made impossible the administration of wilderness in the vicinity. It is very likely, then, that we would have a movement for another excision of wilderness territory.

VII. SUMMARY

Having examined and evaluated the proposal for the Hooker Dam and Reservoir in the light of all available information, it is possible to state these conclusions:

(1) The Hooker project has not been designed to the point where it has a true specific identity;

(2) Because it has no specific identity, its effects and benefits cannot be exactly defined, nor can its cost or a benefit/cost ratio be computed;

(3) Another obstacle to the computation of a benefit/cost ratio is that there has been no exploration of alternative methods of obtaining additional water for Southwest New Mexico, nor has there been adequate study of alternate sites, as far as can be determined;

(4) The benefits claimed for Hooker are doubtful when fully examined and when negative effects are charged against them;

(5) Analysis of the benefits indicates that they are the currently exposed portion of a continuing process of rationalization;

(6) The construction of the Hooker project would be just another step in a precedent-creating history of wilderness violation and dismemberment;

(7) The project would have a destructive effect on a unique and interesting biota;

(8) The damage wrought by Hooker would sacrifice natural resources that might endure for many centuries, if safeguarded from destruction by man, for the sake of doubtful benefits the life of which could be measured in decades;

(9) No governmental agency concerned, either state or federal, has a fully formed picture of the project, either the actual project itself or its benefits and effects;

(10) Finally, it is obvious that the Hooker advocates have not made a case to show that the project would be in the national interest and in the spirit of the Wilderness Act.

It is clear that the Wilderness Act puts

Footnotes at end of article.

the burden of proof upon those who would exploit water resources in units of the Wilderness System. The Hooker unit should be detached from the Central Arizona Project and made to stand or fall on its own merits after a thorough study of its concept, design, benefits, and effects. Certainly it should not continue to be handled as a routine reclamation project, because the obvious intent of the Wilderness Act is to provide for special handling and a specific decision by the President in each case.

In order to permit the New Mexico state authorities to make their case for Hooker or an acceptable alternate solution, any legislation authorizing the Central Arizona Project, while dropping Hooker as a unit, should establish the right of New Mexico to additional use of Gila River, or possibly other, waters to the extent of at least 18,000 acre feet per annum. Such a provision of law would do away with the contention that the consideration of the CAP provides New Mexico's last chance for additional water for Southwest New Mexico.

As the proposal for the Hooker unit stands at the present time, there is a clear case for its disapproval by Congress. The case for disapproval becomes truly emphatic when considered in the light of the proposed expenditure of $24 million or more at a time when the country is pressed with inflation and war costs and when there is much talk of government economy coupled with a tax increase. This is definitely not the time for authorization of a project which looks doubtful from every angle from which it can be viewed.

FOOTNOTES

[1] The Wilderness Act, Public Law 88-577, 3 Sep 64.

[2] Ltr Director Region 3, Bureau of Reclamation, to Mr. John V. Young, 21 Oct 66.

[3] Statement by State Engineer, NM, re CAP legislation to Senate Subcommittee on Water and Power Resources, May 1967.

[4] Ltr State Engineer to Zeller, 13 Jun 67.

[5] Ltr State Engineer to Congressman H. T. Johnson, 6 Apr 67.

[6] Ltr State Engineer to Zeller, 27 Jun 67.

[7] Ltr Manager Tyrone Branch, Phelps-Dodge Corp, 23 Sep 67, to Zeller.

[8] Ltr SW Regional Forester, Forest Service, to Zeller, 13 Oct 67.

[9] Ltr Commissioner Bureau of Reclamation, to Congressman J. P. Saylor, 24 Oct 67.

[10] Ltr Dr. Dale A. Zimmerman, Western NM Univ., to Zeller, 21 Nov 67.

[11] Report of Biological Survey, December 1967, Dr. John P. Hubbard, Smithsonian Institution.

[12] Memorandum Report, Upper Gila River Investigation, New Mexico, Bureau of Reclamation, Jan 1963.

[13] Report of Hearings before the House Subcommittee on Irrigation and Reclamation, 90th Congress, 1st Session, Mar 1967.

[14] Report of Hearings before the Senate Subcommittee on Water and Power Resources, 90th Congress, 1st Session, May 1967.

[15] Report of the Senate Committee on Interior and Insular Affairs, 90th Congress, 1st Session, Report No. 408, 26 Jul 67.

[16] Memorandum from Congressman Rhodes, Udall, and Senner, all of Arizona, to Senator Anderson of New Mexico, 12 May 66.

[17] Ltr Senator Anderson, NM, to Congressman Udall, Ariz., 16 May 66.

[18] Ltr Commissioner Bureau of Reclamation, to Zeller, 3 Jul 67.

[19] Report of Hearings before the House Subcommittee on Irrigation and Reclamation, 89th Congress, 1st Session, Aug-Sep 65.

[20] Report of Hearings before the House Subcommittee on Irrigation and Reclamation, 89th Congress, 2nd Session, May 1966.

[21] Ltr Silver City Chamber of Commerce, to Mr. John V. Young, 11 Nov 66.

[22] Excerpt of statements by State Engineer, public panel discussion, 24 Aug 67.

[23] "The Dismembered Wilderness", by Robert E. Warner, 1962, Pacific Discovery 15(4): 3–10, pub by California Academy of Sciences, Golden Gate Park, San Francisco, Cal.

[24] "The Last Horizon," by Raymond F. Dasmann, 1963, The Macmillan Company.

PERSONAL EXPLANATION

Mr. PEPPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PEPPER. Mr. Speaker, for the past 15 days I have been on a factfinding visit to Israel with a group of business and professional people from the Greater Miami and Florida area.

This trip afforded me the opportunity to see at first hand the result of the war of last summer, to speak with the leaders and prominent people in the State of Israel and investigate the problems that will be facing the young State of Israel. This trip was most rewarding and, as might be expected, the Israelis were most hospitable, enlightening, and helpful.

Mr. Speaker, I am sure that most of us here are aware of the growth and development of Israel even in the fact of aggression and tyranny from its neighbors. This demonstration of the great ability, tenacity and determination of the Israeli people strengthens my proposal calling on our Government to enter into a mutual defense treaty with Israel.

Mr. Speaker, while I was gone, I missed six rollcalls; three of these were quorum calls and three were recorded votes. I would like at this time to state my position on these three recorded votes so as to report to this body my feelings on the legislation that was under consideration.

ROLLCALL NO. 2

I would have voted "yea" in favor of H.R. 10337, to amend the District of Columbia Minimum Wage Act to authorize the computation of overtime compensation for hospital employees on the basis of a 14-day workweek. This legislation passed by a recorded vote of 283 yeas to 9 nays with a 139 not voting. This appears on page 427 of the January 22, 1968, CONGRESSIONAL RECORD.

ROLLCALL NO. 4

I would have voted "nay" on the amendment offered by Mr. WIDNALL relative to the definition of the term "debt security" in H.R. 8696, a bill to amend section 408 of the National Housing Act, as amended, to provide for the regulation of savings and loan holding companies and subsidiary companies.

This amendment was rejected by a recorded vote of 156 yeas to 198 nays and 76 not voting. This appears on page 711 of the January 23, 1968, CONGRESSIONAL RECORD.

ROLLCALL NO. 6

I would have voted "yea" in favor of H.R. 14563, to amend the Railroad Retirement Act of 1937 and the Railroad Unemployment Insurance Act to provide for increased benefits, with committee amendments. This legislation passed by a recorded vote of 321 yeas to 0 nays and 111 not voting. This appears on page 1053 of the January 25, 1968, CONGRESSIONAL RECORD.

THE CONTINUING WAR ON HUNGER

Mr. PEPPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PEPPER. Mr. Speaker, I recently read a very informative statement by Mr. William S. Gaud, Administrator, Agency for International Development, which he made before the Subcommittee on Foreign Aid Expenditures of the Senate Government Operations Committee.

I have been very much concerned with the rising world population crisis. I have cosponsored legislation which would directly concern itself with this problem and I highly commend my good friend and colleague, from the other body, Senator GRUENING, for his leadership in this matter by conducting these hearings.

Mr. Speaker, since the population crisis concerns all of us, under unanimous consent I insert, following my remarks, the statement by the Honorable William S. Gaud so that all those who read this RECORD will have an opportunity to have his views on this matter:

STATEMENT OF HON. WILLIAM S. GAUD, ADMINISTRATOR, AGENCY FOR INTERNATIONAL DEVELOPMENT, FEBRUARY 1, 1968

Mr. Chairman and Members of the Committee, I am happy to appear before you to discuss a subject of the highest importance to the Agency for International Development—the rapid growth of population in the developing nations.

THE PROBLEM

I need not burden you of all people, Mr. Chairman, with a lengthy description of the problem which confronts us. Nearly two years ago in April 1966, you asked what A.I.D. was doing to help solve the population problems of the less developed world. You stressed the need to "face forthrightly the multiplying problems of our multiplying populations."

The population of the world is now growing at the unparalleled rate of 2% a year. This is a new problem for the world. It took us from the beginning of time until 1830 to reach our first billion of world population. One century later, in 1930, we had two billion. Only thirty years later, by 1960, we had the third billion. Currently, we are adding something like 65 million more people annually, more than the equivalent of a new West Germany or United Kingdom each year. At this rate, the present world population of 3.5 billion will double in the next 35 years.

This adds a radically new dimension to a host of problems which are already difficult enough: how to feed and house the world's people, how to educate them and find jobs for them, how to deal with the problems of urban growth, how to get on with the business of economic development and—above all—how to secure and maintain a lasting peace. President Johnson put it plainly when he said that:

"Next to the pursuit of peace, the really greatest challenge to the human family is the race between food supply and population increase."

The greatest and most immediate pressure will be felt by the two-thirds of humanity living in the less developed areas of Asia, Latin America and Africa. These are already areas of need and want. Yet they enjoy—if that is a proper use of the word—the fastest population growth in the world, and they cannot afford it.

AID'S POPULATION POLICY

In November 1967 I issued to all A.I.D. offices here and abroad a formal Policy Determination directing them *to give the highest priority*—along with food production—to encouraging, supporting and strengthening family planning programs in the developing countries (P.D. 39, November 3, 1967).

Our population policy is based on four fundamental principles.

The first principle is that overpopulation and underdevelopment go hand-in-hand. This tie is both biological and economic. Overpopulation in the less developed countries leads to malnutrition, which cuts energy and kills initiative. Malnutrition also shortens the life span and saps productivity. These personal deprivations add up to national failures in development. We have evidence, too, that infant and maternal malnutrition can cause mental retardation—again, personal tragedies which hobble national growth. Finally, national resources used to care for weak, ill, overcrowded, underemployed people are resources diverted from development.

In sum, when a country's production gains are matched by population gains—*nothing is gained*. The country is not moving ahead. It is treading water, and it is in trouble. The progress of the poor nations will depend largely upon their success in slowing down their rates of population increase. They will not be able to offer their people better lives and opportunities until their resources and populations are in proper balance.

The second principle is that the government of every nation with a population problem—whether developed or developing—should do its utmost to increase the knowledge and practice of family planning among its citizens. Our role is to encourage and help the developing nations with this task.

The third principle is respect for the sovereignty and the sensibilities of the nations we assist. The population question is as delicate as it is urgent. Over half the people in the developing world now live under governments that have policies of reducing birth rates. But some countries, even though they are aware of the seriousness of the problem, and are working on it, either do not welcome outside help in this field or do not want it on a large scale. Our work in the population field must be carried on in such a way as not to raise political problems. The family planning programs we assist must be host nation programs—not our programs. They should avoid labels marked "made in the USA."

This principle is based upon Section 291 of the Foreign Assistance Act of 1967. It declares that "every nation is and should be free to determine its own policies and procedures with respect to problems of population growth and family planning within its own boundary." Consistent with this, we will not assist any program unless we are asked to do so.

The fourth principle is that A. I. D. will support no family planning or population program unless it is voluntary. This means several things. For one thing, each developing country must decide for itself what types of programs best suit its requirements and its people. We will not force a particular type of program on any country. For another, we will assist only those programs in which individuals are free to participate or not as they see fit, and where they have a choice of means. In short, Mr. Chairman, we want no part of either international coercion or individual coercion. We do not make family planning a condition of aid.

Guided by these principles, and acting in accordance with our determination to give programs relating to population growth the highest priority, A. I. D. is determined to do everything it can to help the developing countries face up to and overcome their population growth problems.

PROGRAM EXPANSION

The Agency for International Development has financed population and family planning programs in some 30 countries. One year ago, this Committee asked A.I.D. to submit a country-by-country report of our activities in the population field. We did so. I now have a further report, entitled "Population Program Assistance", which I am submitting for the record, bringing the earlier report up to date.

In the main, our contributions have been modest. This is so for several reasons. For one thing, some nations do not want outside help in dealing with this problem. Others, while tentatively exploring the problem and sniffing at it around the edges, are not yet ready to embark on large-scale programs. Also, as I have already mentioned, A.I.D. has only recently reached the stage of substantially expanding its activities in this area.

Our dollar obligations for family planning and population programs over the past few years were as follows:

Fiscal year:	
1964	None
1965	$2,292,307
1966	5,487,192
1967	4,252,988

In the current fiscal year, FY 1968, our obligations will be far higher. Section 292 of the Foreign Assistance Act provides that $35 million of economic aid funds may be used only for programs relating to population growth. This year's Authorization Act did not become effective until November 14, 1967, the Appropriation Act did not become effective until January 2, 1968, and we operated through much of the fall without benefit of a continuing resolution. Nevertheless we have obligated or committed $8.7 million for dollar projects. Moreover, we have programmed over $30 million ($20.5 million in dollars and more than $10 million in local currency.)

We will fund additional family planning and population projects before the end of the fiscal year. I hope our dollar funding will reach $35 million. We will do our best to see that it does. All A.I.D. Missions have been advised that additional funds are available for these programs, and they have been encouraged to submit proposals to us. Our staff in Washington is also working on developing additional projects, and we have been exploring with the Ford Foundation, the National Institute of Health and the Department of Health, Education, and Welfare and others the possibility of putting additional funds into technological research.

My expectation is that, whatever we obligate in FY 68, we will obligate an even larger amount in FY 69.

I have taken a number of actions within A.I.D. to increase the effectiveness of our activities relating to population growth. I will mention three of the most important.

First, in March 1967, I established the Population Service within the Office of the War on Hunger to provide expert leadership and support for our population work (A.I.D. General Notice of February 10, 1967). It is headed by Dr. R. T. Ravenholt who has made a distinguished record in public health work, both in this country and overseas. The Service has an authorized staff of 28, of whom 25 are now on board.

Second, in May 1967 the Agency removed contraceptives from the Ineligible Commodity List, thereby allowing them to be financed with A.I.D. funds. A message went to all A.I.D. offices here and overseas announcing this action and noting that, "By removing contraceptives and equipment for their manufacture from the list of ineligible commodities, greater freedom is afforded the Agency to consider fully all the needs of family planning programs and related activities for each country concerned." (Manual Circular 1454.3, dated May 11, 1967.)

Finally, in November 1967 I issued the Policy Determination to which I have already referred, giving these programs highest priority along with food production. (P.D. 39, November 3, 1967.)

The Agency has taken great pains to see that these policy changes are recognized and enforced by our entire staff both here and abroad. This is done through staff meetings, published guidelines and policy determinations, airgrams and cables. The Regional Administrators, in particular, devote considerable time and effort to this undertaking. In a further effort to keep the Agency's employees up-to-date and informed on developments in this field, I propose to reprint this statement and see that it is distributed to all A.I.D. employees with the request that they read it and be guided by it in carrying on the Agency's business.

In April 1966, when this Committee last heard from A.I.D., there were 8 people in the Agency spending all or a major part of their time on population matters. Today there are 52. Twenty-five of these are in the Population Service. The rest are either in our Regional Bureaus or are serving overseas. For example, there are 10 American professionals in the Health and Family Planning Division in our India Mission, and 7 in the comparable office in our Pakistan Mission. Every overseas Mission has at least a part-time Population Officer.

RESEARCH EXPANSION

The entire field of population problems and family planning in developing countries is still largely uncharted. We have a great deal to learn about motivating people to practice birth control, about how best to administer family planning programs, and about other problems. More research is vital.

That is why I am pleased to announce, today, that A.I.D.'s first two grants under Section 211(d) of the Foreign Assistance Act will be for research here and abroad in the family planning and population field. Section 211(d) is the provision which authorizes us to strengthen the capacity of American research and educational institutions to carry out programs concerned with economic and social development in the less developed countries.

We are planning a grant of $1 million to allow the Carolina Population Center of the University of North Carolina to expand its research and teaching activities over a two-year period. The Population Center provides special family planning training, population research and population consultants to a number of developing countries. A.I.D. funds will enable the Center to expand its training work and its research programs in India, Thailand, Latin America and elsewhere. The new grant will also be used to improve the Center's Population Information Services.

The second grant will provide $400,000 over two years to strengthen The Johns Hopkins Population Unit. This institution has already provided training for A.I.D. field personnel and performed important population research in India, Nigeria and Latin America. The new grant will finance further research on effective administration of family planning programs and on the relationship between population control and economic development.

I might add that the Johns Hopkins Population Unit and the Carolina Population Center were among the earliest recipients of A.I.D. grants for population work. Indeed, these two institutions were started with our help. Section 211(d) will allow us to expand further the capabilities of these and other research centers.

A.I.D. has also supported or is supporting population research by such institutions as the University of Hawaii, the Pathfinder

Fund, and the International Planned Parenthood Federation. This year we plan to do much more research work than we have in the past. As an example, within one week we will sign a contract with the University of Pennsylvania calling for a practical cost-benefit analysis of family planning programs. We also plan to finance a number of population "field laboratories" run by the University of North Carolina, which we hope will produce reliable data on births, deaths, fertility and family planning practices. These data will give us more accurate measures of population growth and family planning results in the developing world.

COUNTRY PROGRAMS

I would like to refer briefly, Mr. Chairman, to our programs in a few of the countries which are making substantial efforts to deal with the problem of population growth.

Pakistan

Pakistan has 128 million people and is the fifth most populous nation in the world. Its population is growing at an extremely high rate.

Pakistan has an active, expanding and well-administered population program. To the best of my knowledge there is no head of state in the developing world with a greater awareness of the importance of this problem—or more determined to do something about it—than President Ayub. The head of his Family Planning Program told me when he visited Washington some time ago that President Ayub has given family planning such high priority that he has no trouble getting all the funds, people and material that he needs. I wish the United States foreign aid program could get this kind of blank check.

Pakistan's goal is to reduce its birth rate from 50 per 1,000 to 40 per 1,000 by 1970. I believe this goal can be met. More than 1 million IUD's had been inserted by the end of 1967, 40,000 women were taking oral contraceptives and voluntary sterilizations of males were increasing. There were 23,000 of the latter during last September alone.

Pakistan is bearing most of the cost of this program. Sweden has been giving some support since 1961. Since 1966 this has consisted of $1 million worth of contraceptives a year. Since 1964 A.I.D. has provided technical help, training and commodities in the aggregate amount of approximately $500,000. We have also made a Cooley loan of $168,000 in rupees to a Pakistan subsidiary of G. D. Searle of Chicago which will make and market contraceptives and other drug products in Pakistan.

Our A.I.D. Mission in Pakistan includes a seven man Health and Family Planning Team. This year we plan to finance training in the United States in population work for about 40 Pakistanis, and provide pills, clinical supplies, training equipment and other commodities. All told, in FY 1968 we expect to obligate more than $6 million—$750,000 in dollars and $5.3 million in rupees—for family planning work in Pakistan. We estimate that from its own budget, Pakistan will spend approximately $12 million on its program during this fiscal year.

India

India's population problems are clear and pressing. There were 340 million Indians in 1947. In 1967 there were more than 515 million. Population is growing by more than 1,000,000 people monthly—a new Netherlands every year.

The Indian Government has had a national family planning policy and program since 1951. It has not been a dynamic or effective program. But now, under vigorous leadership from a new Family Planning Minister, the program appears to be moving.

India's family planning budget for this year is about $41 million—2% of the total Indian budget and five times the size of the 1965–1966 budget. The Government has opened 5,400 rural Family Planning Centers and 8,500 subcenters. Approximately 25,000 people are now working on family planning. More and more Indian couples now use conventional contraceptives. More IUD's are being inserted and more voluntary sterilizations are taking place. Plants for the manufacture of condoms are being set up and modernized.

In addition, there is legislation pending to raise the minimum age for marriage in India. This could be most significant.

All this is a start. But much more is required if India's population problem is to be brought under control. The number of couples in the child-producing age groups, practicing contraception, must increase tenfold. Some 95,000 existing family planning jobs have to be filled. Enormous problems of supply and administration must be solved. Family planning information must be effectively circulated over a vast country. It is the view of the Indian Government that couples must be motivated not only to practice contraception but to plan smaller families—many who presently practice contraception already have four or more children.

A.I.D. is helping in a number of ways. This year we will obligate $1.9 million to finance contraceptives, research, organizational help and advanced training in the United States. We have already obligated $4 million worth of rupees, generated by P.L. 480 sales, for family planning projects. We are also providing resident experts. Our A.I.D. Mission in New Delhi now has a Health and Family Planning Team which includes ten American and four Indian professionals.

So much for what is already under way in India. Looking to the future, our Mission in New Delhi is currently discussing with the Government of India new assistance which would more than double currently planned U.S. dollar aid to the Indian family planning program. Less than a month ago, when the new Indian Family Planning Minister, Mr. Chandrasekhar, was in Washington, we discussed what additional assistance A.I.D. might usefully provide to quicken the pace of India's program. The Minister showed us a list of possible projects which are the subject of the current discussion in New Delhi.

The new package totals $4 million in dollars and $22 million in rupees. It would provide condoms and pills in addition to the quantities I announced last year, as well as equipment for packaging condoms, jeeps for family planning workers, and visual aid and printing equipment for the Indian education and advertising effort.

Our preliminary review gives us confidence that mutual agreement on the bulk of this additional assistance will be reached quickly.

Korea

South Korea, with 30 million people, is conducting a substantial population program at a cost of around $2 million a year. There are now more than 2,200 Korean paid family planning workers, over 28,000 family planning volunteers, 1,100 IUD clinics, 700 vasectomy (male sterilization) clinics and 11 mobile clinics. The Koreans are doing well. It is estimated that over 20% of all Korean families are now practicing family planning of one kind or another. Since 1963 the population growth rate has been cut from 3% to 2½%. The Koreans intend to reduce it to 1.9% before the end of 1970.

In FY 1966 A.I.D. helped the Korean Government equip ambulance-type vehicles for IUD insertions and vasectomy operations. In the next year we provided approximately $100,000 to finance vehicles, health centers and central family planning expenses. This year, under an A.I.D. contracts with the Population Council, $235,000 will be granted to the Planned Parenthood Federation of Korea for field workers, evaluation teams, data processors and oral contraceptives for some 900,000 women—women who are expected to be "drop-outs" from the IUD program over the next two years. We have also made a $40,000 grant through the Population Council to a Korean university for a study which we hope will indicate how family planning services can be offered most effectively throughout the country.

Latin America

Latin America's population growth rate of 3% is the highest in the world. There is an awareness of increasing food shortages, malnutrition, unemployment and overcrowding, but family planning is a very sensitive subject and Latin American leaders have been cautious and slow in developing effective programs.

Underlying much of this reluctance to take action has been the notion that Latin America has the room to accommodate larger and larger populations. This view of the problem mistakes room for resources.

Today, however, Latin American leaders are becoming increasingly concerned with the problems of uncontrolled population increase. Eight countries in Latin America now have official programs to lower birth rates: Barbados, Chile, Costa Rica, the Dominican Republic, Honduras, Jamaica, Nicaragua and Venezuela.

Last April, the Eighth World Conference of the International Planned Parenthood Federation was held in Chile, the first meeting of this kind in Latin America. President Frei attended. Latin American response to the Conference was encouraging, suggesting new attitudes in leadership and new initiatives in the making.

A.I.D. has provided over $1.9 million for the Latin American program of a number of private international organizations such as the International Planned Parenthood Federation, the Latin American Demographic Center, the Latin American Center for Studies of Population and Family, and the Pan American Health Organization. Our A.I.D. Regional Office for Central America and Panama provides help for country population programs and for the population programs of the Organization of Central American States and the Central American Institute for Economic and Social Development.

This work must go forward on a vastly expanded scale. It is my view that there are some countries in Latin America in which the goals of the Alliance for Progress will be most difficult to achieve unless and until their governments and people face up to the problem of rapid population growth.

AID TO PRIVATE ORGANIZATIONS

In October 1967 A.I.D. granted $3 million to the International Planned Parenthood Federation. $1 million of the grant will finance contraceptives, medical supplies, vehicles and other materials for family planning programs. $500,000 will support IPPF work in Latin America. The remainder will finance enlarged family planning training, demonstration and other activities in Asia and Africa.

In FY 1967 A.I.D. provided $375,000 to the Population Council for expansion of its family planning activities in East Asia, plus $300,000 for study and expansion of the Council's highly successful postpartum family planning program. This program now operates in 27 hospitals in 15 countries around the world. It offers family planning information, contraceptives and practical instruction to obstetrical patients during the lying-in period. About 40% of the women in the program hospitals have accepted family planning. What's more, by their word-of-mouth advertising, an equal number of other women have been introduced to family planning. These women are relatively young and have small families, another important consideration. This fiscal year A.I.D. plans to provide the Population Council with $500,000 for a three year expansion of this program in many developing countries.

CONCLUSION

Mr. Chairman, I would like to end on a personal note.

It is a matter of great satisfaction to me to be Administrator of the Agency for International Development at a time when we can move vigorously ahead in the family planning and population fields. My predecessors were not so fortunate. Whatever their personal views, they operated in a far less favorable climate than prevails today.

For many years before coming to the Government in 1961 I was an active supporter of the Planned Parenthood League of my home State of Connecticut—a State which had more trouble than most in adopting a Twentieth Century view of this all important problem. My own views have not changed. Indeed, greater familiarity with conditions in the developing world has sharpened my awareness of the problem and heightened my sense of urgency. I am eager to do what I can to increase the volume and momentum of our programs relating to population growth, and thereby help the developing nations reduce their population growth rates.

I have with me today Mr. Herbert J. Waters, Assistant Administrator of our War on Hunger Office; Dr. Ravenholt; and Mr. Maurice J. Williams, Assistant Administrator for Near East and South Asia. The first two are familiar with all our programs in this field. Mr. Williams is particularly familiar with our programs in Pakistan, India and the other countries of the NESA Region. We will all be happy to respond to your questions.

Thank you.

ERROR IN STATING COSPONSORS OF H.R. 15030

Mr. JONES of Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. JONES of North Carolina. Mr. Speaker, today a bill was introduced, H.R. 15030, which purports to "enable potato growers to finance a nationally coordinated research and promotion program to improve their competitive position and expand their markets for potatoes by increasing consumer acceptance of such potatoes and potato products and by improving the quality of potatoes and potato products that are made available to the consumer."

Inadvertently, this bill was delivered to the bill clerk of the House by a member of the staff of the House Committee on Agriculture and was given a number, prior to my knowledge that the bill had been placed in the hands of the bill clerk. The bill contains the names of Congresswoman CATHERINE MAY of Washington, and Congressman GEORGE HANSEN of Idaho, who had not yet been officially contacted to authorize the use of their names as cosponsors of this bill.

Mr. Speaker, I regret this error and hope that this clarifies the position of my two able colleagues.

GARDNER SCOUT REPRESENTS NEW ENGLAND

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Next week, Mr. Speaker, February 7 to 13, the Nation celebrates the 58th birthday of the Boy Scouts of America.

This event has special significance for the Congress because the 64th Congress in 1916 granted a Federal charter to this great youth organization which is now worldwide in scope.

For the second time in 3 years, Mr. Speaker, I am privileged to have among my constituents one of the 13 Boy Scouts, chosen from a membership numbering almost 5½ million to report on the Scout achievements of the past year to Members of Congress, leaders of industry, and representatives of organizations advancing the Boy Scout cause.

This year Eagle Scout Stephen James Erickson of Gardner, Mass., has been selected to represent all of New England in carrying out that phase of the Boy Scout Birthday Week celebration known as Report to the Nation and his busy week here in Washington and New York will include calls at the White House, the Pentagon, and the United Nations.

Sixteen-year-old Stephen, a member of Gardner's Boy Scout Troop 10, was selected for this honor because of his outstanding record in school, church, Scouting, and community service. President also of his junior class at Gardner High School, Stephen is the son of Mr. and Mrs. Walfred G. Erickson, whose many valuable and noteworthy contributions to the Gardner community, have undoubtedly influenced and stimulated his own interest in community betterment.

I extend my deepest congratulations and felicitations to Stephen and his parents for the great and well-deserved honor which Scouting has bestowed upon them. Stephen's remarkable record of achievements and exemplary work in many endeavors give rich promise of a brilliant future for this young man and I extend to him my very best wishes for a memorable and enjoyable stay in the Capital and every measure of success and happiness in the future.

The National Office of the Boy Scouts of America, New Brunswick, N.J., has issued a special press release about Stephen's selection to represent New England at next week's Capital ceremonies and I insert the text to be printed in the CONGRESSIONAL RECORD together with a recent news article from the Worcester, Mass., Telegram.

The material follows:

SCOUTS PICK MASSACHUSETTS YOUTH FOR REPORT TO NATION

The Boy Scouts of America, which has almost 5½ million boys as registered members, have picked a 16-year-old Gardner youth as one of 13 Report to the Nation representatives.

Eagle Scout Stephen James Erickson, son of Mr. and Mrs. Walfred G. Erickson, 359 Union Street, Gardner, Mass., was selected by the Boy Scouts of America, New Brunswick, N.J., because of his outstanding record in school, church, Scouting, and community service. He is a junior in Gardner High School.

During February 7–13, young Erickson will join 12 other boys for visits to Washington and New York to carry out the Report to the Nation phase of Scouting's annual birthday celebration known as Boy Scout Week.

In each city, the group will be honored at various functions and will make personal reports on the achievements of the Scouting movement during 1967. Reports will be made in person to high government officials and leaders of business, religious, and community affairs.

The schedule has not been completed; however, it is anticipated that calls will be made at the White House, the Pentagon, and the United Nations. Full details will be announced later.

Thomas J. Watson, chairman of the board, International Business Machines, who is President of the Boy Scouts, and Alden G. Barber, Chief Scout Executive, joined in a statement which reported that 1967 was a year of growth and service in carrying out the theme of "Scouting rounds a guy out."

Steve Erickson and his Report to the Nation team will report on some of Scouting's accomplishments last year.

The actual report is expected to include such highlights as intensified efforts in disadvantaged areas, the hosting of the XII World Jamboree in Idaho last summer, major revision in the 2-million-member Cub Scout program, modernizing of merit badges, conservation activities, and a new membership record.

Steve is currently a member of Troop 10 sponsored by the Holy Spirit Catholic Church. He joined the Cub Scouts 7 years ago and earned his coveted Eagle Scout rank in 1966. His Scouting activities have included serving on the camp staff at the David R. Collier Boy Scout Reservation, acting as senior patrol leader, and the 50-Miler Award, Scout Lifeguard, and camping.

The Erickson family attends St. Paul's Episcopal Church which awarded Steve the God and Country emblem for his religious work and service to the church. He is an acolyte and participates in youth work as a member of the Episcopal Young Churchmen.

At Gardner High, Steve is busy with swimming, track, skiing, the angler's club, biology club, and other activities. His community service projects have included fundraising for muscular dystrophy and united fund.

When he graduates from high school, he hopes to attend Annapolis or become a biology teacher or a space biologist.

His parents are both active in church and civic affairs. Mr. Erickson is a life insurance agent for John Hancock, a member of the American Legion, the Hope Lodge Masons, and serves on the Gardner Housing Authority. Mrs. Erickson is a registered nurse who does church and alumni work. Both brothers, Neil, 13, and Brian, 18, are Scouts.

[From the Worcester (Mass.) Telegram, Jan. 5, 1968]

GARDNER SCOUT IS SELECTED TO REPRESENT NEW ENGLAND

GARDNER.—Twice in three years scouts from the Monadnock Council, B.S.A., have been selected to represent New England in making the annual report to President Johnson during Boy Scout Week, Feb. 3 to 9.

Stephen J. Erickson, 16, an Eagle scout and the son of Mr. and Mrs. Walfred G. Erickson of 359 Union St., has been notified that he was chosen from the 350,000 scouts in New England's 41 councils.

In 1965, Donald A. Grace of Troop 18 in Athol was chosen. He is now a geology student at Harvard University.

Erickson will meet representatives from the 11 other districts Feb. 3 in New York City. The 12 scouts are to report to national staff members Robert W. Cameron and Edward Finney.

During Boy Scout Week the group will make appearances and tour historic sites in New York, Philadelphia and Washington, D.C.

They will present reports from the councils in their regions Feb. 8 to President Johnson. These reports include detailed summaries of all scouting activities performed during the year in the councils.

The scout executive for the Monadnock Council is Clair E. Shirley. His executive in the eastern district, Gardner area, is Edward R. Ostrosky of 93 Marquette St. The president of the Monadnock Council is Paul R. Bryant.

Erickson first applied for the position in October. He won in his own council and later was selected as one of seven finalists to take examinations and interviews at the region one level in Boston. The region one chairman and director of the selections program is Thomas Alsopp, vice president of the Prudential Insurance Co.

Erickson has been a Boy Scout for five years. He received his Eagle award in 1966. He holds the 50-miler, the mile swim and lifeguard awards. He was honor camper of 1966 in his council.

He was president of his sophomore and junior classes at Gardner High School and was 1967 delegate to the Worcester Polytechnic Junior Science Symposium. He is a member of the Anglers, Biology and Ski clubs.

PERSONAL EXPLANATION

Mr. CHARLES H. WILSON. Mr. Speaker, I was absent from the floor on the final vote on H.R. 11061 due to having been called from the floor by some constituents from Los Angeles County, and was involved in a discussion concerning Los Angeles County business.

Mr. Speaker, had I been present on the floor I would have voted "yea" on passage of H.R. 11601.

FINAL REPORT ON REVENUE SHARING BY REPUBLICAN COORDINATING COMMITTEE

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. LAIRD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. LAIRD. Mr. Speaker, today I rise to discuss revenue sharing. Revenue sharing, as you know, is the plan whereby we can redress the imbalance which presently exists in our Federal-State fiscal relationships, by replacing categorical grant-in-aid programs with a system of bloc grants, lump-sum payments to the States, and tax credits. I will be taking the floor of the House on many occasions to discuss this subject during this session, but today I am particularly pleased to be able to insert in the CONGRESSIONAL RECORD the final report of the Republican coordinating committee's special study group on revenue sharing. This report is entitled "The Restoration of Federalism in America."

The special study group released a preliminary report on the same subject last April. Since that time, the members of the coordinating committee of the Republican Party, representing the entire party leadership, have considered the subject and discussed it in detail. As a result of this intensive examination, the new report was approved at the December 1967 Republican coordinating committee meeting and released to the press earlier this month.

The new report represents a significant expansion of the party's recommendations in this vital area of Federal fiscal relationships. The report recommends: First, the coordination of categorical grants into bloc grants; second, the granting of unrestricted funds from the Federal Government to the States; and third, the institution of a Federal income tax credit for all State and local taxes paid.

The endorsement of a plan for a Federal income tax credit is particularly welcome by me, since this provision is included in my revenue-sharing bill, H.R. 5450. In fact, the major elements of the revenue sharing package endorsed by the Republican coordinating committee are included in my legislative proposal.

"The Restoration of Federalism in America" has received widespread support throughout the Nation. The two largest circulation daily newspapers in the country—the New York Daily News and the Los Angeles Times—have both given the report firm editorial support, I include these two editorials with my remarks at this point:

[From the New York Daily News, Jan. 22, 1968]

IN DEFENSE OF FEDERALISM

The prestigious Republican Coordinating Committee has come forward with a program for breathing new life into federalism. the basic principle behind our system of government.

The RCC's objective: to shift the nation's political and economic center of gravity out of Washington and back to the grass roots level where it belongs.

The GOP stand carries behind it the weight of top Republicans from former President Dwight D. Eisenhower on through the current party leadership at the national and state levels.

It should be the basic guide for Republicans in Congress, as well as for the delegates who will write a platform and choose a Presidential nominee this summer.

We hope that others—notably President Lyndon B. Johnson—will study it carefully and not dismiss it with a sneer and a yelp about Republican "obstructionism."

The RCC's starting point is the simple—and we think valid—assumption that state and local officials can spend tax money more effectively than far-off and often far-out bureaucrats in Washington.

Uncle Sam is indeed a mercilessly efficient collector of taxes. But he has proved a bumbling, ten-thumbed incompetent at parceling out that money to combat such local-level problems as welfare, housing, urban renewal, job training, education and the like.

The GOP's plan to restore federalism is not a matter of sentiment or of wanting to flip back into the comfortable and uncomplicated past.

It is a question of putting the nation's resources to the best possible use. The taxpayer, hit by skyrocketing demands from all levels of government, should not settle for less.

Take Federal grant-in-aid to state and local governments. These have grown, weedlike, to 400 programs showering down $17 billion from the national treasury. And LBJ, without a blush, predicted a year ago that the shower will turn into a deluge of $60 billion within five years.

Yet each of these programs is tightly bound by rules and restrictions set by Washington bureaucrats, and wrapped in red tape fashioned by these same empire-builders. All that master-minding and nit-picking costs money in the form of delays, misdirected effort, duplication and confusion.

The GOP solution is to boil down the 400 rigidly controlled programs into broad, categorical grants that would give officials below needed leeway in using the money where it was most needed.

Under the plan, taxpayers also would receive credit on their Federal income tax for state and local levies paid. Further, Washington would share its revenue wealth directly with local governing bodies.

The alternative to the GOP scheme is not pleasant to behold: an ever-growing central government making local authorities jump and dance like puppets at the end of the Federal purse strings.

[From the Los Angeles Times, Jan. 21, 1968]

BRINGING GOVERNMENT HOME

During the current fiscal year the federal government will pour out some $17 billion in grants-in-aid to state and local governments. Virtually every federal department and agency is involved in some way in more than 400 such programs.

On the basis of figures compiled recently by the Joint Congressional Economic Committee these federal handouts could run to more than $50 billion a year by 1975.

That possibility deeply concerns many Americans because it seems to signal the prospect of eventual destruction of our federal system.

To reverse the trend and bolster that system, the Republican Coordinating Committee suggests that a start be made at once on a three-part program.

Recalling a prediction by President Johnson last year that grants-in-aid may quadruple in five years, the committee notes this increase would skyrocket federal contributions above $60 billion by 1973. In the view of the committee, this would mean "the end of our traditional federal system and the establishment of a virtual monopoly of power in Washington."

The 50 states, 3,000 counties, 35,000 municipalities and 43,000 school and special districts would be reduced to "subdivisions taking orders from administrators who hand out the money," it adds.

President Johnson himself recognizes that a restructuring of the program is necessary because expansion of grants increases red tape, causes delays, places an extra burden on states and hobbles comprehensive planning. Yet his own recommendations have almost doubled the grants in the past three years.

The GOP group proposes consolidation of the 400-plus individual grant programs into nine broad grant categories covering major fields of domestic activity. It also calls for federal income tax credits for state and local taxes, and federal sharing of tax revenues with state and local governments.

The unprecedented centralization of decision-making at the federal level has created a veritable maze of paperwork, controls, duplication and confusion requiring ever larger numbers of government employees at all levels.

The results have been a failure of the programs to perform as promised and ever-mounting administrative costs which deprive the taxpayer of full value on his tax dollar.

"There is growing awareness that the present entangled system, dominated by federal government, is neither an effective nor desirable way to administer the needed expansion in domestic services," says the committee.

Consolidation would leave to recipient governments the judgments on the exact application of funds within the bounds of a particular category. It would enable state and local governments to use funds for specific projects most urgently needed in their areas instead of being bound by federal priorities.

The tax credit system would permit local entities to meet costs of expanded services through local levies rather than through increased federal subventions.

Under the revenue sharing proposal federal funds would be apportioned among the states on the basis of population. They would, however, be adjusted to cover both variations in tax collection efforts and the greater needs of poorer states.

Full implementation of the program obviously must await a time when the extraordinary demands of national defense have subsided and federal expenditures are under firm control. But the committee insists that a start can be made in fiscal 1969 on a gradual consolidation of the grant programs. Such a step, requiring no additional federal expenditures, should work to assure the taxpayer of a better shake for his tax dollar.

Decentralization would, naturally, increase the autonomy of local government and give the taxpayer a greater voice in how his money is to be spent. Voters have direct access to their local officials, whereas federal officials are often so insulated that they can hand down decisions without regard to the interests of the citizens immediately involved.

The GOP proposal is sound. It squares with the thinking of many economists and should be given congressional consideration at the earliest feasible moment.

To those who continue to push for more and more centralization we can only recall the recent words of Daniel P. Moynihan, former assistant secretary of labor, director of the Joint Center for Urban Studies of the Massachusetts Institute of Technology and Harvard University, and a longtime member of the Americans for Democratic Action:

"The federal government is good at collecting taxes and it is rather bad at disbursing services. Liberals must divest themselves of the notion that the nation, especially the cities of the nation, can be run from agencies in Washington."

As the New York Daily News points out in its editorial titled "In Defense of Federalism":

> The alternative to the GOP scheme is not pleasant to behold: an ever-growing central government making local authorities jump and dance like puppets at the end of the Federal purse strings.

And I can only emphasize what the Los Angeles Times concluded; namely, that—

> The GOP proposal is sound. It squares with the thinking of many economists and should be given congressional consideration at the earliest feasible moment.

The special study group of the Republican coordinating committee which prepared the report was chaired by Dr. Roger A. Freeman, senior staff member of the Hoover Institution at Stanford University, Stanford, Calif.

The report follows:

THE RESTORATION OF FEDERALISM IN AMERICA

INTRODUCTION

This report of the Republican Coordinating Committee's Study Group on Revenue Sharing is designed to amplify the statement we made in April 1967, under the same title, and to present in more specific terms a plan to right the current imbalance in Federal-State relationships.

We wish to stress the need to implement the recommendations of this paper in a fiscally responsible manner. Our first recommendation—the gradual conversion from specialized grants to consolidated program grants—requires no additional Federal expenditures, and should be acted upon without delay.

However, it is obvious that with continued inflation and a budget deficit as high as $35 billion this fiscal year mentioned by the President, no sizable program of revenue sharing or tax credit assistance to State and local governments can be implemented at this time, except to the extent that funds currently being used for existing programs can be diverted to these new plans. With a proper ordering of spending priorities, we believe that these programs can be initiated to a limited degree in Fiscal Year 1969. Full implementation must await a time when the extraordinary demands of national defense, which we have consistently supported, have subsided, and Federal expenditures are firmly under control.

THE DECLINE OF FEDERALISM

One hundred and eighty years ago the Founding Fathers met in Philadelphia to "establish and ordain (this) Constitution for the United States of America." They established this Republic upon the principle of a proper dispersal of governmental power, a Federal system of checks and balances with authority allocated to several branches and levels of government. The writers of the Constitution had learned from history that centralization of power leads to tyranny, that no matter how well intended, good government is no substitute for self-government, and that the only lasting safeguard of the liberty of citizens and communities is a system that prevents any single segment of government from being able to control all the others.

In recent decades, and especially during the 1960's, a trend toward centralization in Washington of decision-making on domestic public services has been apparent. If left unchecked this trend may destroy the system which the Founding Fathers created, which our generation inherited, and which we hope to bequeath to our children and children's children. This trend is evidenced most vividly by the unparalleled growth of specialized Federal grant-in-aid programs from a few dozen costing $1 billion annually not long ago to over 400 programs requiring $17 billion today. These programs now cover virtually the entire range of domestic public services.

A number of fundamental political and administrative problems have been created by this proliferation of Federal grant programs. The maze of separate regulations, directives, and forms has generated an unprecedented lack of program coordination, and confusion and disharmony among different levels of government. The results have been a failure of these programs to perform as promised, and ever-mounting administrative costs which deprive the taxpayer of full value on his tax dollar.

Moreover, as a result of Federal financial inducements followed by detailed Federal controls and restrictions, States, counties, cities, towns and school districts have learned in recent years that they are no longer masters of their own affairs. Attempting to get the most in Federal funds, States and localities may fail to meet the urgent needs of their citizens because Federal money is accepted for other, less important, purposes and must be matched with local funds. In this way, centrally established priorities often determine what will be done even though needs differ widely from State to State and from locality to locality. There are now very few activities in which a State or community makes decisions based strictly on merit—it usually first determines what Federal money is available, and acts accordingly.

When citizens are aggrieved by an act of government, they can generally unseat their locally elected officials—county commissioners, city councilmen, mayors, and governors.

But they are frequently helpless and frustrated when it comes to the acts of Federal agencies in Washington. Federal officials are so far removed from the reach of local residents that they can make decisions affecting the vital interests and livelihoods of those citizens without taking their wishes into consideration.

The situation calls for a plan of action to prevent the accumulation of greater authority in the Federal bureaucracy, to strengthen the hand of State and local governments in the provision of domestic public services, and to increase the effectiveness of the use of the taxpayer's dollar.

WHAT CAUSED THE CONCENTRATION OF GOVERNMENTAL POWER IN WASHINGTON?

A variety of reasons have been cited for the growth in Federal power and the decline in home rule and local self-government. But the main cause is the growth of specialized Federal grants-in-aid. Moreover, according to President Johnson the present 400 or more programs and $17 billion in annual expenditures is intended to be merely the beginning. On March 18, 1967, the President told the State governors that Federal grants-in-aid will quadruple in the next five years. The President added:

"What we are living through together are the birth pangs of a fundamentally new process in American government—a new kind of Federalism—Federal-State interaction never contemplated by the Founding Fathers."

The President was undoubtedly correct in saying that the Founding Fathers never contemplated such action. In fact, they would have been horrified by such ideas.

If Federal aid is increased from $17 billion in the Fiscal Year 1968 to over $60 billion by 1973, it will, for all practical purposes, mean the end of the Federal system as envisioned by the Founders, and the establishment of a virtual monopoly of power in Washington. For these plans suggest that 50 State governments, 3,000 counties, 35,000 municipalities and townships and 43,000 school and special districts will be reduced to subdivisions which take most of their orders from the Federal administrators who hand out the money.

What makes State and local governments subordinate subdivisions is not merely the flow of the money, whether it be $1 billion or $17 billion or more than $60 billion. It is that Federal funds are being allocated specifically for thousands of State and local programs, covering virtually all of their activities, and conditioned upon compliance with innumerable and changing Federal dictates.

The rapid expansion in the number of grant-in-aid authorizations and in expenditures for these programs is shown in the following tables:

TABLE 1.—NUMBER OF FEDERAL GRANT-IN-AID AUTHORIZATIONS IN EFFECT, 1964-66, BY MAJOR FUNCTION AND PROGRAM

Function and program	Number of authorizations		
	Apr. 1, 1964	Jan. 4, 1965	Jan. 10, 1966
National defense:			
Civil defense and National Guard	5	5	5
Atomic energy	5	5	5
State and local emergency planning	1	1	1
Agriculture and related resources:			
Commodity distributions	2	1	1
Rural renewal	3	4	6
Land and water resources	1	1	1
Research and other services	6	6	7
Natural resources:			
Land and water resources	15	18	24
Forest resources	6	6	6
Mineral resources	2	2	5
Fish and wildlife resources	8	11	15
Recreational activities	1	3	3
Resource surveys	1	1	1

TABLE 1.—NUMBER OF FEDERAL GRANT-IN-AID AUTHORIZATIONS IN EFFECT, 1964-66 BY MAJOR FUNCTION AND PROGRAM—Continued

Function and program	Number of authorizations: Apr. 1, 1964	Jan. 4, 1965	Jan. 10, 1966
Commerce and transportation:			
Aviation	2	2	2
Water transportation	5	5	5
Highways	9	10	12
Advancement of business	3	4	7
Area redevelopment	4	4	10
Regulation of business	------	------	1
Housing and community development:			
Aids to private housing	2	2	2
Public housing	2	2	3
Urban renewal and development	13	19	27
Health, labor, and welfare:			
Health services and research	58	63	86
Labor and manpower	9	9	9
Public assistance	12	11	12
Economic opportunity programs	------	13	15
Other welfare services	15	18	31
Education:			
Assistance for elementary and secondary education	4	4	17
Assistance for higher education	7	7	22
Science education and research	5	5	5
Other aids to education	21	26	38
Veterans benefits and services: Veterans' hospitals and medical care	1	3	3
General government:			
Tax administration	3	3	3
Property management	8	9	9
Total	239	283	399

Source: Library of Congress, 1966. Later data unavailable.

TABLE 2.—FEDERAL-AID EXPENDITURES IN RELATION TO TOTAL FEDERAL EXPENDITURES AND TO STATE-LOCAL REVENUE, 1958-68

	Total expenditures for aid to State and loca. governments, budget and trust accounts			
	Amount (millions)	As a percent of total cash payments to the public	As a percent of domestic[1] cash payments to the public	As a percent of State-local revenue
1958	$4,935	5.9	14.2	12.0
1959	6,669	7.0	15.0	14.6
1960	7,040	7.5	15.6	13.8
1961	7,112	7.1	15.0	13.2
1962	7,893	7.3	15.6	13.5
1963	8,634	7.6	16.1	13.7
1964	10,141	8.4	17.5	14.8
1965	10,904	8.9	17.7	14.7
1966	12,960	9.4	18.8	15.6
1967 estimate	15,366	9.6	19.5	16.0-17.0
1968 estimate	17,439	10.1	20.4	([2])

Source: Bureau of the Budget, 1967.

[1] Excludes payments for national defense, space, and international affairs and finance.

[2] Not available.

To be sure, the need for public services has grown tremendously with the increase in population, greater urbanization and industrialization. The issue is not so much what level of public services is to be provided. The question is who should make the decisions: the citizens and their elected local and State officials, or the Federal government and its administrative officials.

The multiplication of Federal aid programs to well over 400 at this time has, in many cases, resulted in virtual chaos. With so many overlapping activities, often several Federal agencies are engaged in parallel or similar pursuits, sometimes in competition with each other.

John Gardner, Secretary of Health, Education, and Welfare, testified before the Senate Subcommittee on Intergovernmental Relations in the fall of 1966:

"In almost every domestic program we are encountering crises of organization. Coordination among Federal agencies leaves much to be desired. Communications between the various levels of government—Federal, State, local—is casual and ineffective."

The Director of the Bureau of the Budget, Charles L. Schultze, referred at the same Congressional hearings to "the problem of excessive categorization of Federal grant-in-aid programs" and stated:

"Where they have been categorized, they have had the unfortunate result of removing from State and local executives power in their own house. We ought to be careful not to keep doing that, we ought to be moving in the other direction."

And even the President has criticized present arrangements. In a message to Congress last March he said:

"There are today a very large number of individual grant-in-aid programs, each with its own set of special requirements, separate authorizations and appropriations, cost-sharing ratios, allocation formulas, administrative arrangements, and financial procedures. This proliferation increases red-tape and causes delay. It places extra burdens on State and local officials. It hinders their comprehensive planning . . . fundamental restructuring of our grant-in-aid programs is essential."

Notwithstanding this declaration, the President has submitted numerous requests for new specialized aid programs at every recent session of Congress. In fact, the increase in the number of authorizations from 239 in April, 1964, to well over 400 at the present time is due almost entirely to his recommendations.

This discrepancy between word and deed suggests that the Administration is merely paying lip service to the principles of Federalism, while it continues to amass power in its own hands at the expense of States and communities. The record shows that the Administration has consistently opposed proposals that would effectively restore balance to our Federal system. Small wonder that its *credibility gap* has widened, and that the American public and Congress are increasingly unwilling to accept official claims at face value.

FEDERAL FINANCIAL AID TO STATE AND LOCAL GOVERNMENTS

The demands upon State and local governments for public services have multiplied in recent years, and they will continue to grow at a rapid pace. Just in the past ten years, State and local expenditures for education, health and welfare, highways, natural resources, and similar purposes have jumped from $43 billion to $95 billion, an increase of 121 percent compared with a simultaneous growth in national income of only 73 percent. More than four-fifths of the $52 billion expenditure rise was financed by State and local governments from their own sources, but only by imposing upon their citizens continuing rounds of tax boosts. Between 1959 and 1966 the 50 States enacted 19 new major taxes and 230 major increases in tax rates. Action at State legislative sessions in 1967 suggests that this upward trend will continue. Even so, State and local indebtedness more than doubled during the decade and now exceeds $100 billion. Moreover, the financial problems of State and local governments have been aggravated by the inflationary policies of the present Administration and by exorbitant interest rates which are now at their highest level in almost half a century.

Although most government services in the domestic field have traditionally been State and local responsibilities, the ability of State and local governments to raise adequate revenues to meet the sharp increase in needs is in most cases gravely handicapped by the excessive Federal tax burden. Federal income tax rates were pushed to extremely high levels during World War II. Although most of the Armed Forces were quickly disbanded after the end of the war, income tax rates were reduced only slightly, while many excise tax rates were in fact increased, and the growing revenues were used to expand the Federal establishment out of proportion. State and local governments would be in a far better position to support their activities adequately if this Federal tax burden did not hit their taxpayers every year like a ton of bricks.

State and local tax receipts do increase—without rate boosts—roughly in proportion to the growth of the economy. But Federal tax receipts grow much faster due to the graduated nature of the Federal income tax, which to the individual means an automatic increase in tax rates as his income level advances. Also, as the value of the dollar shrinks and incomes go up, income taxes may grow faster than real personal income. This means that the burden of the income tax, as well as the receipts from it, grow rapidly and disproportionately without higher Federal tax rates—and even while tax rates are being reduced.

While Federal revenues increase at a rapid pace, State and local officials must assume the political risk of steady rounds of tax increases if, in order to meet urgent demands, their revenues are to grow faster than the economy as a whole. This disparity has been one of the major reasons for the steady and rapid increase in Federal grants-in-aid.

HOW CAN THE TREND OF CENTRALIZATION BE ARRESTED?

We believe that the prime aim and objective of any drive to ease the financial strain on State and local government should be a program of a gradual step-by-step reduction in the Federal tax burden through a series of cuts in income tax rates.

The Federal government should steadily reduce its share of the tax dollar so that States and local governments can simultaneously increase their share. We believe this to be the soundest method of relieving the pressure on State and local government finances.

A program of cutting Federal tax rates must go hand in hand with Federal expenditure control so as to prevent the continuance of huge budgetary deficits which can result in a steady shrinking of the value of the dollar.

This does not necessarily mean a reduction in the dollar amounts of Federal expenditures. But we believe that further growth in Federal expenditures must be controlled so as to assure that deficits and inflation do not result. The major aim must be a gradual, continued reduction in the slice of the tax dollar which the Federal government takes. However, because of the built-in growth in receipts from the Federal income tax, we believe that the Federal government should continue to aid in the financing of vital public services provided by State and local governments, such as education, welfare, health and highways.

In other words, the money flow from the Federal government to State and local governments, which presently totals $17 billion annually and has shown a tendency to grow, should for now be maintained but limited and phased into a better plan. The flow of money is not itself the chief cause of the ever-growing accumulation of power in Washington and the danger to the Federal system of government. The danger, insidious but powerful, results from the splintering of grants-in-aid into hundreds of programs and from the minute conditions and close regulations accompanying them.

A NEW REPUBLICAN PLAN

We believe that the foregoing problems can be solved in various ways. We also believe that a combination of several methods will be the most effective way to do so. Therefore, we propose a plan of action consisting of three major parts to advance our commitment to a more balanced and effective Federal-State partnership.

Consolidated program grants

Instead of grants for hundreds of different programs, and thousands of projects, Federal funds to State and local governments should be allocated to a few broad functional areas such as education, welfare, and health, with the decisions as to the exact application of the funds left to the recipient governments.

Such consolidation would have many advantages. It would enable State and local governments to apply funds to the specific project most urgently needed in their areas, rather than permitting the Federal government to set priorities.

In addition, a system of consolidated program grants would reduce the substantial administrative costs and burdens which have been imposed at all levels of government by the current method of specialized grant assistance. Each of the more than 400 grant programs generates a need for additional administrative personnel and expenses to comply with Federal requirements and standards. This has been a major cause of the mushroom growth in the government bureaucracy at all levels, which over the past ten years has increased at more than three times the rate of population growth, from 7.6 million to a total of 11.7 million employees. By permitting the combining of administrative functions and by promoting uniformity of procedures, consolidated program grants would sharply reduce the need for personnel and would be a far more efficient and economical method of providing Federal financial assistance.

In view of the startling growth in the number of specialized grant programs in the last few years, the immediate need is to reverse this trend of proliferation by holding to an absolute minimum the establishment of new grant programs, and by beginning to consolidate existing grants into broader categories.

While recognizing that grant consolidation must be a gradual, evolutionary process, we believe that immediate steps should be taken to reduce the number of grants, especially in those functional areas where proliferation has been most pronounced. For example, in the field of health the number of grant programs jumped from 58 to 86[1] in just the two-year period 1964 to 1966; in education the increase is even sharper, from 37 to 82 over the same two years; other examples are housing and community development (from 17 to 32 programs) and natural resources (from 33 to 54) (see Table 1). We recommend that Congress amend legislation in these fields to consolidate grants into broader categories beginning in Fiscal Year 1969. To provide for an orderly transition to the use of consolidated program grants, the amounts provided in each of these areas for Fiscal Year 1969 should be held to the Fiscal Year 1968 appropriation.

We commend the action of the House of Representatives this year in adopting Republican amendments which established a consolidated program grant approach in the law enforcement and juvenile delinquency fields.

For the longer run, we envision the consolidation of the more than 400 specialized grant titles now in existence into a small number of program grant categories. There should be one program grant for each major domestic field of activity, with each to be administered by a single Federal agency. Using these guidelines, possible consolidated program grant categories are the following nine—and these are only rough guides for purposes of initial discussion and to provide a framework for more detailed study.

1. Agriculture.
2. Natural Resources.
3. Transportation.
4. Housing, Community Development, and Commerce.
5. Health.
6. Education.
7. Public Assistance and Economic Opportunity.
8. Unemployment Compensation.
9. General Government.

The number of existing specialized grants and the amounts currently budgeted within each of these possible categories are shown in the following tables:

TABLE 3.—*Number of specialized grant-in-aid authorizations within each of nine possible consolidated program grant categories*

[Number of authorizations [1]]

Consolidated program grant title:	
Agriculture	15
Natural Resources	54
Transportation	19
Housing, Community Development, and Commerce	50
Health	86
Education	82
Public Assistance and Economic Opportunity	65
Unemployment Compensation	5
General Government	23
Total	399

[1] As of January 10, 1966.

Source: Library of Congress, 1966. Later data unavailable.

TABLE 4.—AMOUNTS BUDGETED FOR SPECIALIZED GRANTS-IN-AID BY 9 POSSIBLE CONSOLIDATED PROGRAM GRANT CATEGORIES, 1966-68

Expenditures in millions of dollars]

Consol.dated program grant title	1966	1967	1968
Agriculture	369	525	559
Natural resources	345	392	541
Transportation	4,056	4,063	4,094
Housing, community development, and commerce	730	962	1,495
Health	1,244	1,684	2,188
Education	1,525	2,229	2,498
Public assistance	4,077	4,821	5,317
Unemployment compensation	469	518	552
General government	147	173	196
Total	12,961	15,367	17,439

Source: Bureau o. the Budget, 1967.

We recognize that it may be desirable in *exceptional cases* for the Federal Government to sponsor new specialized grant programs to meet emerging problems of recognized national scope and urgency and, by offering to match funds, to encourage States to support such programs. Federal stimulative grants of this type should be authorized for a maximum of three to five years, and the Federal contribution should steadily decline over that period, after which the specialized grant would be merged with the appropriate consolidated program grant.

Many examples exist where a specialized grant was authorized for the declared purpose of stimulating the States, but a few years later became an institutionalized and vested interest with Federal contributions steadily increasing.

As a matter of principle all grant assistance—with the exception of the revenue sharing proposed in subsequent paragraphs—should be channeled through consolidated program grants. Exceptions, if any, need to be kept to a minimum. Otherwise, the consolidated program grant method we propose will not achieve the desired objectives.

Federal income tax credits

As mentioned previously, one of the major reasons for the rapid growth in Federal expenditures for grants-in-aid is the difficulty which State and local governments experience in raising adequate revenues from their own tax resources to finance expanding public service needs. The excessive Federal tax burden which accounts for 65 percent of all taxation in the United States and over 90 percent of income taxation is a prime factor in restricting State and local tax efforts.

An effective means of enabling State and local governments to finance themselves more adequately is the granting of credits on the Federal income tax for a portion of taxes paid to those governments. Such credits could be made available for *all* State and local taxes which are presently deductible for Federal income tax purposes, or at least for those types of taxes which are presently imposed within all States. A credit would be a more effective way to stimulate State and local taxes and reduce the burden of Federal taxation than deduction from taxable income.

We do not believe that Federal tax credits should be permitted only for State income taxes, as has sometimes been suggested. This would force all States to adopt a particular tax, although the citizens of some States clearly prefer other types of taxation. It is highly improper for the Federal Government to pressure the citizens of some States into a *form* of taxation which they do not favor.

A system of Federal tax credits for State and local taxes would have a number of advantages.[1] It would encourage and facilitate the efforts of State and local governments to meet the costs of expanded services through taxes raised by them rather than through increased Federal grants-in-aid. Thus, tax credits would tend to combine the authority to spend with the responsibility to tax in the provision of State and local services. We believe this to be a sound principle. Also, for each State and local tax increase prompted by a tax credit system, Federal tax collections and the Federal share of the tax dollar would tend to be reduced. This would help restore a more proper balance to the roles of Federal, State, and local governments in the field of taxation.

In some fields such as education an important share of the responsibility is borne by private institutions and their supporters. If financial aid goes only to public institutions, the existing balance could be shifted strongly toward public education. This could effectively be remedied in part by the granting of Federal income tax credits for tuition and certain other expenses in education. Financial aid programs such as this must be carefully designed, along with other needed education programs, to include significant assistance to young people from families with the greatest financial need.

In addition to tax credits for State and local taxes and for certain education expenses, we recommend that Congress increase the credit on Federal estate taxes for payment of State inheritance and estate taxes. An increase in this credit, which currently averages 20 percent instead of the originally intended 80 percent, would enable the States to collect the major receipts of these taxes. This particular readjustment would help restore a better balance to the Federal system through a simple change to an established procedure.

---

[1] The Comprehensive Health Planning and Services Act, passed by Congress in 1966 with full Republican support, merged about ten of these programs into a broader public health services grant category.

[1] In view of the present grave fiscal situation resulting from unsound Democratic economic policies, some temporary formula to narrow the initial application of a tax credit and to reduce the immediate revenue loss to the Treasury may need to be considered. One suggested method of achieving this objective would be a floor on the application of the tax credit expressed as a percentage of adjusted gross income. Using for example a 5 percent floor, a family earning $8,000 could take an income tax credit for the amount of State and local taxes paid in excess of $400, but would continue to take a tax deduction for the first $400. A floor of this type would tend to provide the full benefits of the credit to *new* State and local taxes, which is the main purpose, and would minimize the "windfall" effect of granting relief from existing State and local levies.

Revenue sharing

Tax credits as proposed will not completely alleviate the problem of inadequate State and local revenues. Eventually, the tax credit method should help permit State and local governments to raise tax rates more commensurate with growing demands for public services, but full success will require executive and legislative action over a number of years. We therefore propose a revenue sharing program to help fill the gap between State and local revenue needs and sources.

Under this plan the Federal Government would provide to State and local governments a portion of Federal income tax receipts with minimum restriction on the use of the funds. This revenue sharing concept has received great popular support throughout the nation. Discussion has brought recognition that this method of providing aid would permit State and local officials to exercise maximum discretion in the provision of domestic public services, and would provide immediate relief to hard pressed State and local governments.

We recommend that Congress authorize and appropriate a revenue sharing fund beginning in Fiscal Year 1969 in an amount that is consistent with sound fiscal policy.

As another means of providing additional Federal revenue to State and local governments, Congress may find it appropriate to review proposals regarding Federal payments in lieu of taxes on Federal tax exempt property.

Distribution and administration of consolidated program grants and revenue sharing

There are many provisions related to the distribution and administration of both consolidated program grants and the revenue sharing fund to which particular attention must be directed. The legislative details can best be determined by the appropriate committees of Congress after adequate public hearings. However, to be equitable and workable we believe that the final plan should contain provisions based on certain principles as discussed below.

1. *Basic Distribution by State.*

Funds should be apportioned to the States generally according to population, but adjusted to recognize variations in tax effort and the greater needs of the poorer States. Additional factors such as school-age population, incidence of disease, geographical area, urbanization, etc., as appropriate, may be considered for some consolidated program grants.

2. *Allocation to Local Governments.*

The initial distribution of funds should be to the States. However, with growing urbanization in our society the pressing needs of city and other local governments must be recognized. Any final plan, therefore, must contain appropriate and enforceable provisions to ensure that State governments pass on a fair share to units of local government.

3. *Enforcement of Civil Rights.*

Title VI of the Civil Rights Act of 1964 which prohibits racial discrimination now applies to all State and local programs benefited by Federal grants-in-aid. Consolidated program grants and revenue sharing would continue this policy.

4. *State and Local Administration.*

State and local planning, accounting and auditing requirements must be established to ensure that funds are used for the broad purposes intended, but without imposing detailed Federal controls.

5. *Federal Research and Technical Assistance.*

A reasonable but small portion of the funds within each consolidated program grant may be retained by the Federal Government for those research and technical assistance activities which can best be performed on a centralized basis with the benefits made available to all States.

6. *Support for Non-Governmental Activities.*

Wherever at the present time Federal grants are available in support of private non-governmental activities, care will have to be taken to ensure continued encouragement of the benefited activities on a basis related to actual need.

This is particularly important for private elementary and secondary schools. About one in every seven pupils now attends a private elementary or secondary school. These schools constitute an important element of our total education system, and provide a degree of freedom of choice for many families.

LEADING REVENUE SOURCES TO THE STATES

Some observers have suggested that the best way to correct the current imbalance in the Federal system is for the Federal Government to abolish payments to the States in whatever form, and reduce income tax rates accordingly. Thus, State and local governments would have more fiscal leeway, could adequately finance their own needs, and would regain control over domestic public services.

A great deal may be said for the soundness of the principle of letting every unit of government and particularly every State raise the revenues for whatever it spends. Certainly, a fair balance between the costs and benefits of public services can be achieved by requiring each unit or level of government to face its citizens with the full tax bill for services provided by that government.

But this basically sound principle does not seem to offer an adequate answer to some of the country's urgent problems. Certain areas and States are poorer than others, but it is in the national interest that their residents, as Americans with equal rights and responsibilities, should have access to an adequate level of such vital public services as education, health, welfare, and highways, without bearing an excessive tax burden.

Moreover, as we have already emphasized, the rapid built-in growth in Federal receipts through the graduated income tax has resulted in Federal preemption of the most lucrative revenue sources. This development has made it very difficult for State and local governments to expand their tax revenues fast enough to keep up with the growth in legitimate needs for public services.

Attempts to diminish the amount of Federal aid have been singularly unsuccessful in the past and appear to be no more promising in the future. Therefore, complete reliance cannot be placed upon the basically desirable method of reducing Federal tax rates.

CONCLUSION

The 1960's have witnessed a tremendous expansion in the number of specialized grant-in-aid programs as one of the principal devices employed by the Federal Government for administering and financing expanded domestic public services within the Sates. The result has been to centralize decision making to an unprecedented degree in the Federal Government, and to create a veritable maze of paperwork, controls, duplication, and confusion, requiring ever-larger numbers of government employees at all levels.

There is growing awareness and recognition that the present entangled system, dominated by the Federal Government, is neither an effective nor a desirable way to administer the needed expansion in domestic public services. This is particularly true for those "Great Society" programs of the Department of Housing and Urban Development, the Department of Health, Education, and Welfare, and the Office of Economic Opportunity which more and more impinge directly on the lives and institutions of the people in thousands of individual communities throughout America. In these activities, greater participation, flexibility and control at the State and local community level are absolutely necessary.

Some advocates of increasing centralization assert that a Federal system of government is inadequate and out-of-date in the last half of the Twentieth Century. They allege that major domestic public services must now be provided nationwide and uniformly and that this can be accomplished only under the direction and control of the Federal Government.

We, on the contrary, believe that the huge expansion of government in recent decades makes decentralization more important and more urgent than ever. As the range of government activities has expanded, the number of decisions has grown so much that a division of authority among several groups of officials now appears far more needed than it was in the simpler days of small-scale government. If we force the President and Congress to give most of their time to the consideration of hundreds of domestic public services, we make it impossible for them to devote sufficient study and attention to questions of defense and foreign affairs which only they can decide. A succession of grave crises bears witness to the need for permitting the top officials of our Federal Government, both in the Executive and Legislative branch, to focus their time and efforts on these matters.

We have sketched in this report a program which could restore strength and vitality to our Federal system of government and leave its capacity for preserving individual freedom unimpaired for future generations of Americans. We believe a combination of consolidated program grants, income tax credits, and revenue sharing to be the most effective and desirable method of achieving those ends. We therefore urge Congress to act favorably upon the following recommendations:

1. Reverse the trend in the proliferation of specialized grant-in-aid programs—now estimated at well over 400—by a gradual consolidation of grants eventually into a small number of program grants.

2. Allow Federal income tax credits for State and local taxes to enable State and local governments to finance their activities increasingly under their own powers. Stricter Federal expenditure control and a gradual reduction in Federal tax rates should go hand in hand with this program.

3. Authorize and appropriate a Federal revenue sharing fund to be allocated to States and local governments with minimum restrictions and in an amount consistent with sound fiscal policy.

The membership of the Republican coordinating committee follows:

Republican Coordinating Committee

Presiding Officer: Chairman, Republican National Committee.

FORMER PRESIDENT

Dwight D. Eisenhower, 300 Carlisle Street, Gettysburg, Pennsylvania.

FORMER PRESIDENTIAL NOMINEES

Barry Goldwater (1964), Post Office Box 1601, Scottsdale, Arizona.

Richard M. Nixon (1960), Nixon, Mudge, Rose, Guthrie & Alexander, 20 Broad Street, New York, New York.

Thomas E. Dewey (1944 & 1948), 140 Broadway, New York, New York.

Alf M. Landon (1936), National Bank of Topeka Building, 1001 Fillmore Street, Topeka, Kansas.

SENATE LEADERSHIP

Everett M. Dirksen, Minority Leader.

Thomas H. Kuchel, Minority Whip.

Bourke B. Hickenlooper, Chairman, Republican Policy Committee.

Margaret Chase Smith, Chairman, Republican Conference.

George Murphy, Chairman, National Republican Senatorial Comm.

Milton R. Young, Secretary, Republican Conference.

Hugh Scott, Vice Chairman, National Republican Senatorial Comm.

HOUSE LEADERSHIP

Gerald R. Ford, Minority Leader.

Leslie C. Arends, Minority Whip.

Melvin R. Laird, Chairman, Republican Conference.

John J. Rhodes, Chairman, Republican Policy Committee.

H. Allen Smith, Ranking Member of Rules Committee.

Bob Wilson, Chairman, National Republican Congressional Comm.

Charles E. Goodell, Chairman, Planning and Research Committee.

Richard H. Poff, Secretary, Republican Conference.

William C. Cramer, Vice Chairman, Republican Conference.

REPRESENTATIVES OF THE REPUBLICAN GOVERNORS ASSOCIATION*

John A. Love, Governor of the State of Colorado, Denver, Colorado.

John A. Volpe, Governor of the Commonwealth of Massachusetts, Boston, Massachusetts.

George W. Romney, Governor of the State of Michigan, Lansing, Michigan.

Nelson A. Rockefeller, Governor of the State of New York, Albany, New York.

Raymond P. Shafer, Governor of the Commonwealth of Pennsylvania, Harrisburg, Pennsylvania.

John H. Chafee, Governor of the State of Rhode Island, Providence, Rhode Island.

Nils A. Boe, Governor of the State of South Dakota, Pierre, South Dakota.

Daniel J. Evans, Governor of the State of Washington, Olympia, Washington.

REPUBLICAN NATIONAL COMMITTEE

Ray C. Bliss, Chairman, Republican National Committee, 1625 I Street, Northwest, Washington, D.C. 20006.

Mrs. C. Wayland Brooks, Assistant Chrmn., Republican National Committee, 1625 I Street, Northwest, Washington, D.C. 20006.

Mrs. Collis P. Moore, Vice Chairman, Republican National Committee, Box 225, Moro, Oregon, 97039.

Donald R. Ross, Vice Chairman, Republican National Committee, 1406 Kiewit Plaza, Farnam at 36th, Omaha, Nebraska 68131.

Mrs. J. Willard Marriott, Vice Chrmn., Republican National Committee, 4500 Garfield Street, Northwest, Washington, D.C. 20007.

J. Drake Edens, Jr., Vice Chairman, Republican National Committee, Post Office Box 9385, Columbia, South Carolina 29201.

PRESIDENT OF THE REPUBLICAN STATE LEGISLATORS ASSOCIATION

F. F. (Monte) Montgomery, Speaker of the House of Representatives, State of Oregon, Salem, Oregon.

FACTFINDING MISSION FOR STANDING COMMITTEES

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. Pettis] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. PETTIS. Mr. Speaker, it was my privilege and warm pleasure recently to accompany my good friends and colleagues, Congressman Richard C. White, of Texas, and Congressman Howard W. Pollock, of Alaska, on a factfinding mission through Southeast Asia and Antarctica for standing committees to which we are assigned. Congressmen White and Pollock were on special congressional committee assignments for the Committee on Interior and Insular Affairs, and I was on a special congressional committee assignment for the Committee on Science and Astronautics. In addition, Congressman Pollock performed special factfinding activities on behalf of the Committee on Merchant Marine and Fisheries, with reference to Coast Guard, port, cargo and maritime personnel activities in Vietnam that are under the cognizance of that committee.

On our extensive mission to Southeast Asia and Antarctica, Congressmen White and Pollock and I flew some 39,000 miles with over 100 actual flying hours, with benefit of 36 intensive briefings and numerous inspection tours, talking with all echelons of the military and with the nationals.

Throughout the extensive trip, I was impressed with the dedicated effort with which Congressman Pollock made written and radio-taped reports to forward to his constituents. I have read each of these reports and want to commend my colleague from Alaska for the detail and accuracy of these reports and for his admirable devotion to duty.

Mr. Speaker, I include the daily reports of the Congressman from Alaska to his constituents as a part of the Record:

Report No. 1

This is Howard W. Pollock, the Congressman from Alaska, in Tokyo, Japan, en route to Hong Kong, Saigon, DaNang, and other points in South Vietnam. The 3,500 mile flight from Anchorage to Tokyo took 7 hours and 14 minutes. By crossing the International Dateline travelling westerly and crossing into six different time zones, it is 5 hours earlier but the next day in Tokyo. Thus I departed Anchorage at 3:47 PM on Christmas afternoon, and arrived in Tokyo at 6:01 PM the next afternoon, 26 December. Tokyo is now the biggest city in the world, with 11.2 million people. The exchange rate is presently 360 yen for one American dollar. Thus you can readily understand the shock of paying 5,200 yen for one night at the excellent Hotel Okura.

I had a number of fruitful meetings with Yoshio Katsuyama san, the charming Director of the Alaska State Office in Tokyo, and with a number of the leading Japanese industrialists interested in Alaska, the most prominent of which was Kogoro Vemura san, Chairman of Alaska Kai or Alaska State Society of Japan and Vice President of the Japanese Federation of Economic Organizations.

The U.S. gets more support from Japan than from any non-combatant ally in Vietnam, both politically and economically. The Japanese are building hospitals and airfields in Vietnam and sending medical teams and supplies. Japan desires Southeast Asian stability and realizes this can best be achieved by the U.S. presence as a deterrent to Communism, but the Japanese are terribly worried about escalation of the war.

I will be reporting from time to time as I travel through Southeast Asia and Antarctica. This is Congressman Howard Pollock in Tokyo.

Report No. 2

This is Howard W. Pollock, the Congressman for Alaska, reporting to you from Hong Kong, en route to Southeast Asia and Antarctica. The 1,892 mile flight from Tokyo to Hong Kong took 4 hours and 31 minutes. Because of a headwind at 179 miles per hour, our ground speed in the DC–7 jet transport was only 329 knots.

This intriguing British Colony of Hong Kong Island and Kowloon Peninsula on the mainland of Red China, where I stayed overnight, is Red China's gateway to the rest of the world. The valuable trade, business and communications center brings some $500 million of income to Communist China.

Hong Kong is six hours earlier than Anchorage-Fairbanks time, but on the following day since it is east of the International Dateline.

The rate of monetary exchange is 6.1 dollars for one America dollar. I had far too little time in Hong Kong and want to return one day to this great city of 4 million people, mostly Chinese.

Tomorrow I arrive in South Vietnam. This is Congressman Howard W. Pollock, Hong Kong.

Report No. 3

This is Howard W. Pollock, the Congressman for Alaska, reporting to you at the end of my first day in Vietnam.

I departed Hong Kong at 7 AM via Cathey Pacific for the 945-mile flight to Saigon and arrived 1 hour and 51 minutes later, after crossing a portion of the South China Sea and part of the Vietnamese mainland.

Upon arrival I was briefed on the problems of port congestion, cargo pilferage, security measures against this pilferage, merchant marine personnel problems and related security and disciplinary measures, and general Coast Guard activities in the Vietnamese war.

Later I was joined by Congressman Richard White of Texas for a flight north to Da Nang, where we met Congressman Jerry Pettis and Navy Captain Frazier, our escort officer. After a briefing on the Marine Corps activities in the I Corps Area, we were all flown some 120 miles out to sea and landed on the attack aircraft carrier *Kitty Hawk* to observe Naval operations in the Tonkin Gulf off the shores of North Vietnam. The *Kitty Hawk* is the flagship of the Attack Carrier Striking Force of the Navy's Seventh Fleet, better known as Task Force 77.

The mission of the attack carriers is to launch combat air strikes around the clock against military targets in North Vietnam, in order to interdict the flow of men and materials from the enemy's homeland to his troops fighting in South Vietnam.

I interviewed a number of Alaskans who are members of the USN aboard the *Kitty Hawk*. The morale is high.

This is Congressman Howard W. Pollock aboard the *Kitty Hawk* in the Tonkin Gulf off the coast of Vietnam.

Report No. 4

This is Congressman Howard W. Pollock reporting to you from Vietnam.

What an exciting day was this, my second day in Vietnam. Early this morning our Grumman aircraft CIA was catapulted with a force of 3 Gs off the flight deck of the Attack Carrier *Kitty Hawk* in the Tonkin

---

*In the absence of a representative of the Republican Governors Association, the following alternates have been named: Ronald Reagan, Governor of the State of California, Sacramento, California; Spiro T. Agnew, Governor of the State of Maryland, Annapolis, Maryland; Tim Babcock, Governor of the State of Montana, Helena, Montana.

Gulf off the coast of North Vietnam. Less than an hour later Congressmen Pettis and White and I landed at Da Nang for a full day with the U.S. Marines. We were extensively briefed by Lt. General Cushman, Commanding General of the I Corps and Commanding Officer of III Corps Marine Amphibious Forces. Thereafter we were briefed in detail at the headquarters of the 1st Marine Division and the 1st Reconnaissance Battalion. These men are doing a fantastically courageous job, one of which all Americans can be extremely proud.

There are two significant activities going on in Vietnam as a means of giving the people a feeling of security and confidence after an area is reclaimed from VC control, and as a means of establishing local governments and economic and social activity at the hamlet and province levels. The first is the Combined Action Platoon or CAP program. There are CAP platoons in all areas of Vietnam, with 79 CAP platoons in the I Corps area. Nevertheless, the CAP platoons are in only about 10 percent of the villages and hamlets of South Vietnam, protecting about 280,000 people, with an eventual 400,000 population protection contemplated. To keep this in perspective, it must be remembered that there are approximately 17.7 million people in Vietnam (in I Corps, 3.7 million; in II Corps, 3 million; in III Corps, 5 million; and IV Corps, 6 million).

The second program is the pacification program which is also under the military, and is identified as the Civilian Operations and Revolutionary Development Support or CORDS. It is CIA sponsored. The 59-man Revolutionary Development cadres are all Vietnamese, and are organized roughly as follows: 1 group leader, 1 deputy group leader, 1 intelligence officer, 2 communications personnel (radio operators), 2 medics, 1 inter-team leader in charge of the 34-man militia (which is the security portion of the cadre group), 1 inter-team leader for Civic Affairs and the New Life Development Team. There are ten individuals assigned to Civic Affairs, which generally covers census grievances, administration and motivation of the civilian population. There are 7 members of the New Life Development Team, all specially trained in the fields of education and culture, land reform, cooperatives, hygiene/sanitation, agriculture, animal husbandry, cottage, industry and construction/public works.

The land reform cadre member has the following nine duties:

1. to formalize land leases
2. keep rent within legal limits
3. publicize tax and rent exemptions
4. assist in listing abandoned lands and recommending their disposition
5. organize meetings to discuss land distribution
6. assist in the adjustment of VC-allocated lands
7. assist in adjustment of illegal claims of public lands
8. assist in adjudication of all land disputes
9. assist in issuing titles to land bought from dispossessed landowners.

The 59-man cadre of Vietnamese are recruited in the villages and sent to Vung Tau, Southeast of Saigon, for special training as a team, after which they are returned to perform the Civic Action programs.

The Civilian Operations and Revolutionary Development Support or CORDS program of pacification not only provides security, which is vital to the establishment of local government, but the program provides political control, involvement of the people, initiation of economic and social activity at the hamlet level, and coordination with and utilization of the province governments and officials who were elected by the people. At the present time the province chief is not an elected official, but is appointed by the central Vietnamese government at Saigon. At such time as the CORDS organization becomes capable of more broadly implementing and expanding their programs, not only at the hamlet level but also at the province level, it is contemplated that the province chief will then be elected by the people also.

By comparison with any country on earth, the elections held in South Vietnam were a tremendous success. As an example, notwithstanding many threats, violence and atrocities which were perpetrated by the Viet Cong to put fear into the people and prevent them from seeking free elections, 86.1% of the people in the I Corps area voted in the presidential election, and 70.8% of the people voted in the Congressional elections which followed. There is no state in the union which can match that record for voter participation. The successful presidential and legislative local elections, and the inauguration of the new national government were very serious political defeats for the Viet Cong.

We met members of the Combined Action Platoons which have the responsibility and objective in the villages and hamlets to search out and destroy the Viet Cong, protect public security, maintain law and order, protect the friendly local government, organize local intelligence, participate in civic action, and conduct propaganda against the VC.

In the course of our extensive travels in South Vietnam, we flew by Marine helicopter to an area south of Da Nang in the I Corps area to Hoi An, the provincial capital of Quang Nam Province, and intended to also go to the nearby hamlet of Thanh Nam, but darkness prevented our entry into Thanh Nam. At Hoi An we talked with the Combined Action Platoon personnel and with the Vietnamese members of the CORDS cadre and their American military advisors to discuss the effectiveness of their programs in an area not yet sufficiently pacified or cleared of Viet Cong. The discussions were enlightening, and the enthusiasm pronounced. As we departed Hoi An and flew over the hamlet of Thanh Nam, another helicopter in the area with us was shot down over the hamlet by the Viet Cong and destroyed, will all persons aboard losing their lives. Although we didn't know it at the time, immedately following our departure from Hoi An, this provincial capital of Quang Nam Province, was attacked by the Viet Cong, and the siege lasted for approximately three days. A number of officials and other persons in the village were killed, and we indeed were fortunate to have made a timely departure quite by luck, and to have missed this vicious attack by only a few minutes.

Today again I met a number of Alaskans serving in the Marine Corps in Vietnam, and will make a special report on these Alaskans soon.

This is Congressman Howard W. Pollock in Da Nang, South Vietnam.

Report No. 5

This is Congressman Howard W. Pollock, bringing you a special report from Vietnam.

Birth control is a sensitive issue in Vietnam. Many young men have died over the years, not only from the ravages of war, but from disease which is prevalent and brings about the high mortality rate.

A decree published as far back as 1921 makes it a criminal offense to use or encourage the use of birth control devices or techniques. The law even calls for jail sentences for discussing the subject in public.

A limited research program is being conducted (a pilot program using the IUCD), but it is being handled delicately, with an effort being made to have some voluntary agencies chartered by the National Assembly to carry on the research.

Despite the above, I understand that birth control pills are freely imported and freely sold on the market in Vietnam. The difference lies in their purpose being given as the control of menstrual flow.

The public health program is primarily under A.I.D.

This is Congressman Howard W. Pollock bringing you a special report from Vietnam.

Report No. 6

This is Congressman Howard W. Pollock in Vietnam.

Make no mistake about it, we are decisively winning the military war, as well as the political and socio-economic war in Vietnam, and Hanoi knows it, although I fear we have a great deal yet to do to win the psychological and political aspects of the Vietnam war outside of Vietnam.

Two years ago South Vietnam was on the very brink of surrender and total collapse, although the people of the United States didn't seem to know it. The armed intervention and assistance by the U.S. has unquestionably brought South Vietnam back along the slow, torturous road toward eventual victory, and with it social and economic development.

Today the V.C. and the North Vietnamese no longer believe military victory is possible. The tactics are changing as the war is steadily slipping away from the enemy. In the deteriorating situation the V.C. no longer attempt to persuade the people of a better way of life under their absolute control, but rule by sheer terror and unspeakable atrocities. Forced recruitment of 12 and 13 year olds is increasing, with instant violent death the reward for refusal. The enemy is no longer capable of taking and holding areas; there is trouble in controlled areas; the losses are exceeding input (there were 93,263 confirmed losses in 1966 for the V.C. and North Vietnam, and 133,009 as of November 30, 1967). As areas are controlled and pacified by the U.S. and South Vietnamese forces with Combined Action Platoons and the Civil Operations and Revolutionary Development Support cadres, the enemy is losing control of the population. Under the Revolutionary Development or CORDS program, not only is security provided to assuage the fears of brutal retaliation, but the political control which follows the elections has brought about a voluntary involvement of the people; and economic and social activity is being initiated at the hamlet level by the 59-man Revolutionary Development cadres, all specially trained Vietnamese Nationals. Not only is the enemy declining in strength, but political defeats such as the successful presidential and legislative and local elections, and the inauguration of the new national government were very serious political defeats.

With the situation continually deteriorating and becoming desperate for the V.C., a maximum effort will have to be made, and relatively soon. In-country recruitments and infiltration from the north have been cut in half this year, and our "Chien Hoi" or open arms program for returnees who surrender is on the increase.

The patience and protracted war is no longer adequate for the enemy; a stepped-up, frantic, urgent effort appears to be in the offing. There is an increase in hit and run terrorism in Saigon and elsewhere, and a decisive phase of the war appears imminent in the next few months. The North Vietnamese are abandoning their policy of conserving troops, and militarily ridiculous assaults are being launched, apparently in the frantic hope for a psychological appearance of having achieved a position of strength for negotiating a favorable cease fire—which would, in great measure, be a North Vietnamese victory.

Documents from captured V.C. convey a confidence that war protests and peace demonstrations and discouragement in the U.S. with the pace of the war will give the enemy the psychological and political victory he so desperately needs and cannot win militarily or otherwise.

This is Congressman Howard W. Pollock in South Vietnam.

Report No. 7

This is Congressman Howard W. Pollock, reporting to you from Southeast Asia.

As we depart from Saigon, South Vietnam, and cross Cambodia for Bangkok, Thailand, my mind is filled with the many events of the crowded last few days, and many thoughts come to mind. I have mixed emotions, for my travels, briefings, conversations and observations brought forth good and bad impressions. The war is going well for South Vietnam, and I feel the North Vietnamese and VC are in deep trouble. Accordingly, we seem to be approaching a decisive phase of the war, and can anticipate more intensive efforts by the frustrated enemy who must have victories, however temporary, to gain psychologically, in the hope of achieving a position of apparent strength for future negotiations and bargaining.

I recall the very high morale and determination of the troops, the domesticated water buffalo being used in the rice paddies, the thousands of junks on the rivers and bays, the numerous Vietnamese graves that resemble shell holes from the air, the metal and grass thatched roofs of the Vietnamese homes that actually seem more adequate and uniform than those of the remote Eskimo, Indian and Aleut villages of Alaska, the fact that the northeast monsoon winds are relatively dry and the weather was for the most part pleasant. As an attorney, I was initiated into the very exclusive I Corps Bar Association of northern South Vietnam.

I became acutely aware of how desperately Hanoi depends upon the anti-war demonstrators and protestors, the dissenters, the sympathizers with our foe. Unwittingly or intentionally, these individuals do a gross disservice to our country and even more directly to our fighting forces who risk their lives for this nation in Vietnam.

It must be obvious that such talk and actions encourage the enemy, boost their morale, cause them to miscalculate our resolve, result in false signals being transmitted to Hanoi, obviously prolong the war and lead to the loss of more American lives.

The question is no longer whether we are properly in Vietnam or not. The fact is that we are indeed there, deeply involved in an ugly war that everyone wants to end. In my humble opinion, we no longer have the option of withdrawing unilaterally with honor.

I find no quarrel with reasonable dissent, and certainly would, in no way, impair or restrict the Constitutional rights of any American to exercise his freedom of speech. The issue is not whether these individuals have a right to speak out and act the way they do, but whether they should do so in view of the irreparable harm which follows as a direct consequence of their acts. The issue is not one of right but of responsibility.

This is Congressman Howard W. Pollock, enroute to Bangkok.

Report No. 8

This is Congressman Howard W. Pollock in Bangkok, Thailand.

As we celebrated New Years Day 1968, the people of this fascinating country celebrated New Years Day for the year 2511. Thailand was formerly known as Siam.

Thailand is known as a constitutional monarchy, with His Majesty King Phumiphol (pronounced Pumi Bon) as the monarch since 1953, when he succeeded his father. The country is actually ruled by the successors of a military coup in 1958, who suspended the constitution, instituted an interim constitution pending the preparation of a new, more democratic, more modern constitution, which will be proclaimed and promulgated by the King when the powerful military-economic oligarchy decides it should be done. The prime minister and unicameral constituent assembly are chosen by the oligarchy, then appointed by the King.

The country measures approximately 500 miles x 1,000 miles, and has a population of 32 million people. Although there is an infrastructure of Communist Chinese guerrillas on the southern part of the peninsula right across the border from Malaysia, where they fled when the Malaysia coups failed, the indigenous, full-time armed Communist insurgent guerrillas in the north and northeast and other areas of Thailand are not supported by an infrastructure as in Vietnam, but only by their own families. While the Communist Party is illegal in Thailand, the insurgents are not actually members of the Party usually. There are an estimated 2,500 armed full-time Communist guerrillas in Thailand, and banditry alone equals the Communist movement. It is the Communist long-term developmental plan to build an infrastructure in every province; and the assassination incidence, terrorism and armed propaganda in villages has doubled in the last two years. The story is the same in Laos and Burma. There are virtually no Communist insurgent guerrillas in the left-leaning Prince Sianouk's Cambodia, although there are North Vietnamese and Viet Cong forces at sanctuary. The Royal Thai Army and other government forces have launched a counter-insurgency program, and have established a Communist Suppression Command, a National Security Command, a Thai National Police force, and a civilian development force not unlike the Revolutionary Development cadres in Vietnam, to provide protection, civil operations and social development in problem villages. It is entirely a Thai operation, without U.S. involvement other than advisory and training programs in Bangkok.

No American servicemen have ever been fired upon in Thailand, and the American troops do not carry weapons or participate in the counterinsurgency effort. Of the roughly 45,000 U.S. forces in Thailand, only 861 provide advice or assistance to the Thai government. The balance are combat and support forces primarily connected with the war in Vietnam and located at U-tapao where we have a B–52 base some 600 to 700 miles from the targets in Vietnam.

Thailand has indeed taken sides with the U.S. in its fight against Communist aggression by providing the sanctuaries from which the B–52 bombers can operate. There are no U.S. bases, as such, in Thailand; they are Royal Thai bases.

This exposure to the Southeast Asian countries and their structures and problems has been invaluable to me in the field of our foreign relations.

This is Congressman Howard W. Pollock in Bangkok.

Report No. 9

This is Congressman Howard W. Pollock in Singapore.

We are in this fascinating city-nation en route to Sydney, having stopped at Penaug in Malaysia en route from Bangkok, Thailand. Shanghai is the fifth largest shipping port in the world, a city of about 2½ million people, mostly Chinese. It is fairly well off the beaten path so far as the war in Vietnam is concerned. A former British colony, Shanghai became part of the Malaysia Federation, but internal political frictions reached a point where, by mutual consent, Shanghai disengaged 'from Malaysia and became an independent republic, a city nation. The Singapore and Malaysia dollars are interchangeable and worth roughly one-third of the American dollar. Singapore is part of the British Commonwealth and a duty-free port which sells bargain goods from all over the world, goods from the USA and Red China alike.

As we leave the area of the Vietnam war, I cannot help but recall the disdain and concern with which the American forces view the Christmas, New Years and tet or Chinese New Year cease fire periods. This truce or stand down time does not, in any way, help our friendly forces, for it is unilaterally observed. Our military men still have to perform their duties. They stand guard; they are attacked; they fight; they get shot; they die all the same. Only the enemy benefits through massive resupply of men, supplies and equipment, and uses the time for tactical and strategic operations which ultimately translates into more casualties and death for our American boys.

This is Congressman Howard W. Pollock in Singapore.

Report No. 10

This is Congressman Howard W. Pollack in Sydney, Australia.

We flew the 4600 miles from Singapore to Perth in western Australia and across the continent to Sydney during the night. Tomorrow we fly to Christchurch, New Zealand, and the following morning depart for Antarctica. We will be on the frozen lower continent for about five days visiting American bases and scientific missions in several areas, and are looking forward to the unusual assignment.

The beautiful city of Sydney has a population of some 2½ million people. In February of 1965, Australia changed its currency from the pound to the dollar, and it is the only country where we have seen their basic unit of currency, the dollar, worth more than our own. An American dollar is only worth 89 cents Australian, and the old shilling is worth 5 cents.

The government and financial community are concerned with the substantial cut in U.S. foreign aid but will manage to live with it. The newspapers are heavily emphasizing that our foreign aid appropriations are the smallest in the program's history.

This is Congressman Howard W. Pollack in Sydney.

Report No. 11

This is Congressman Howard W. Pollock at McMurdo Station, Antarctica, the largest U.S. settlement on the continent.

We flew in from Christchurch, New Zealand, a distance of 2417 miles in a Navy C–121, which we know as the "Connie", after being outfitted with adequate cold weather survival gear. The trip took 9 hours, 54 minutes.

Upon arrival at McMurdo Station we were given briefings and a tour of the camp facilities and laboratories by Admiral James L. "Doc" Abbot, who is Commander of Task Force 43, the Antarctica Naval Support Force, and senior U.S. representative in the Antarctica, by Doctor Tom Jones, Director of the National Science Foundation, down from Washington, D.C. for the inspection trip also, and by Jerry Huffman, Director of the United States Antarctic Research Projects, better known as USARP.

There are many research projects and experiments in many disciplines of science being conducted at various locations here on the Antarctic continent, with some 2600 scientists and support personnel here during the summer months, from October through February, and with only about one-tenth of them or 260 wintering over.

The Antarctic is the coldest, windiest, highest and dryest continent on earth. Its average elevation is 7000 ft., most of which is solid ice and compacted snow. It is a veritable snow desert with an average snow precipitation of only 4 inches. The lowest temperature ever recorded was at Vostok, a Russian station, where it hit −126.9° F. on August 24, 1960. Our lowest recorded temperature was −121.4° F. at Plateau Station on August 24, 1966.

From McMurdo we can observe Mt. Erebus, one of the continent's four active volcanoes.

It is 12,450 ft. high, but the highest mountain is Vinson Massif, 16,860 ft.

Tomorrow we have another long day, but look forward to the visit to Plateau and Pole Stations.

This is Congressman Howard W. Pollock at McMurdo, Antarctica.

REPORT NO. 12

This is Congressman Howard W. Pollock, again at McMurdo Station, Antarctica.

Today we flew 1390 miles in a Navy C–130 Hercules, the workhorse of the Antarctica, to Plateau Station where the elevation is 11,900 ft., but in this frozen desert the oxygen in the atmosphere is compressed to an equivalent of an altitude of 14,000 ft. This is truly a psychological challenge for man to survive in solitude in this hostile environment. There are geomagnetic and meteorological experiments among others being conducted there. The snow and water weights at Plateau are perhaps the lightest in the world.

From Plateau Station we flew 738 miles to Pole Station at the exact geographic South Pole, 90° S. From there one can only travel north. The elevation is 9,200 ft., with an atmosphere equivalent to perhaps 11,000 ft. There too the air was thin and the weather quite cold, −60° F. At Pole there are many scientific projects underway in a number of disciplines—aurora, seismographic, geomagnetic, electromagnetic, meteorologic, etc.

We took pictures at the South Pole after inspecting the scientific experiments and being briefed, and then flew the 835-mile trip back here to McMurdo.

It's been a long day, but one that will stand out in my memory. Tomorrow we fly to Byrd Station.

This is Congressman Howard Pollock at McMurdo in the Antarctic.

REPORT NO. 13

This is Congressman Howard W. Pollock at McMurdo, Antarctica, reporting on our third fruitful and eventful day on the southern continent.

Today we flew 920 miles to Byrd Station, the second largest station. While there are studies and experiments in geomagnetism, seismology, ionosphere levels, aurora, air glow, glaciology, radio, physics and meteorology, the prize sought by a scientific team is the results of a deep-core ice drilling project which reaches back thousands of years into the history of the world's climate.

We inspected ice cores to depths of 5300 ft., from precipitation at a period estimated to be 19,000 years B.C. At 150 ft. was very porous ice formed at the birth of our nation in 1776. At 850 ft. was much more compressed and more transparent ice from the year Christ was born, and each of us was given a vial of water from a portion of this ice which had been melted, water fresh and pure that existed at the time Christ was on earth.

We flew back to McMurdo to wind up another eventful and historic day with dinner aboard a US Coast Guard icebreaker.

The weather is beautiful, clear, bright, sunshine, near 32°F. But then it should be warm for it is the middle of the summer.

This is Congressman Howard W. Pollock in McMurdo, Antarctica.

REPORT NO. 14

This is Congressman Howard W. Pollock in McMurdo, Antarctica.

Today was a delightful day. We flew to Cape Royds to see the Adelie penguins and observed them for some time. One can walk right among them. They are clumsy ashore, but smooth, swift and graceful swimmers indeed. The Adelie penguin shoots out of the water into the air and lands standing upright on a shore ledge of ice—a startling spectacle to behold. We saw no Emperor penguins. They are normally at Cape Crozier but have moved out on the floating ice.

We visited the cabins of the explorers Shackleton and Scott by helicopter, and then returned to McMurdo to visit the nuclear desalinization water and power plant, and construction projects, before visiting the New Zealand Scott Station nearby. Then we visited the Weddell seals on the ice. They show no fear, and one can walk right up to these large animals of the sea. They are being studied for their sonar capacities and ability to dive to great depths for great periods with little apparent oxygen requirement.

Tomorrow we depart this unusual continent. The Antarctic ice cap, which covers the continent, is a great dome of ice up to 16,000 ft. thick, covering 95–98° of the continent and containing 9/10 of all the fresh water ice in the world. It has been estimated that if this mass of ice were to melt, the ocean level throughout the world would rise 120–150 ft.

There are plateaus 11,000 ft. high, volcanoes, snow deserts—5½ million square miles of the coldest, highest, dryest, southernmost continent in the world.

This is Congressman Howard W. Pollock in Antarctica.

THE UNITED STATES' CURRENT 50-YEAR WAR

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. UTT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. UTT. Mr. Speaker, in the first session of the 87th Congress, I introduced House Joint Resolution 515, which was a resolution calling for a declaration of war against the international Communist conspiracy, and 100 separate Communist Parties in over 100 different countries, which I named separately at that time.

The purpose of such a declaration of war, then as now, would be to legally recognize the fact that our enemy is the international Communist conspiracy, together with the Communist Parties in the various countries. With such a declaration we would have a legal basis upon which to prosecute those who continue to give aid and comfort to the enemy. The propaganda of the conspiracy could be confiscated, and the purveyor of that propaganda could be prosecuted in the same manner in which we prosecuted Tokyo Rose.

There were several other Members of Congress at that time who introduced identical resolutions. No hearings were set by the Committee on Foreign Affairs, which is the congressional arm of the State Department, whose sympathy for the Communist line is beyond my comprehension.

Last week, one of my constituents, William F. Haney, lieutenant colonel, USAF, retired, submitted a similar suggestion in an article which he prepared, entitled "The United States' Current Fifty-Year War," in which he outlines the 50 years in which the Communist conspiracy has been waging war against the United States of America. In his thesis he proposes a unanimous declaration of United States of America against the Communist conspiracy, and with unanimous consent I include in my remarks this paper by Mr. Haney:

THE U.S. CURRENT 50-YEAR WAR

(By William F. Haney, lieutenant colonel, USAF, retired)

I

After fifty years, the time has come for a national positive statement of policy and guidance, pertaining to the atheistic ideology of the Marxist-Leninist, known the world over, today, as Communism.

It is extremely apparent that the governing body of the people of these United States, the Congress and the Executive Branch, must speak out in clear, precise, basic English, telling the facts and logical conclusions of the differences between the United States ideology, called Americanism, and its opponent Communism.

This declaration must be unanimous since it must represent the entire people of these United States.

The declaration must be based on truth and not tainted by design to appease any person or people of other countries, friend or foe.

The declaration must be designed for the people of these United States but must be such that others, outside of the United States, may understand, without the necessity of interpolation, the exact meaning of the facts presented and conclusion drawn from those facts.

This declaration must not be underestimated in its importance. In this year of 1967 it is equal in importance to the unanimous declaration of Congress made on July 4, 1776.

II.

In order that a true and logical conclusion may be established, a series of allegations are made which prove the basis for a just and logical finding, with its unalterable conclusion.

Allegation No. 1: The Marxist-Leninist atheistic ideology commonly referred to in this year as Communism, is diametrically opposed to the "way-of-life" of our forefathers.

Facts:

Americanism is defined as: a phrase, word, trait, custom or object peculiar to, originating in, the United States. Also the spirit of loyalty to American ideals. Americanism is our "way-of-life," developed by our forefathers and perpetuated by the people of these United States.

Americanism is embodied in our "free enterprise" system (Capitalism) and as stated in the American creed as read on April 3, 1918, in the House of Representatives, where it was formally accepted in the name of the United States Government. The creed reads as follows:

"I believe in the United States of America as a government of the people, by the people, for the people; whose just powers are derived from the consent of the governed; a democracy in a republic; a sovereign nation of many sovereign states; a perfect union, one and inseparable; established upon those principles of freedom, equality, justice and humanity for which American patriots sacrificed their lives and fortunes.

"I therefore, believe it is my duty to my country to love it; to support the Constitution; to obey its laws; to respect its flag; and to defend it against all enemies."[1]

To further understand Americanism and how it has developed into the ideology of the United States, a profile of an American must be established.

In this present time period, historians have been able to assemble a vast reservoir of facts about the people of these United States, both in the historical past and in the present.

When this assortment of facts is assessed, a study will reveal the true background, way-of-life, and the very nature of the citizen of these United States. The many variations of culture and family forefathers is evident always, however there appears to be many points of unity in the makeup of the American.

---

[1] American Creed. Encyclopaedia Britannica.

First in the point of unity is his theistic belief. This stems from the belief of his ancestors and in the basic philosophy which established proof for his belief.

Second, is his strong desire for freedom and equality. This too, is a direct derivative of the philosophy of his ancestors. This is true whether or not his ancestors possessed freedom as Americans know it.

Third, is his respect for justice. He will accept just laws but will reject any law until proven just for the majority.

Fourth, is his outward dislike for things military, with the paradox that he will become the finest military man in the world when called up to do so by his country.

Fifth, he dislikes taxes and other assessments but when asked, will readily pay what he properly owes.

Sixth, he has always considered "free enterprise" one of his cherished freedoms and he has used it to build the United States to its position as the most affluent nation in the world.

Seventh, he is enterprising to the degree that the world recognizes the term "Yankee ingenuity" as solely American.

Eighth, his desire for "plain talk," stating facts and truth, makes America a poor nation to carry out a program of intrigue. The American is more skilled in speaking the truth than making the "big lie" seemingly the truth.

There are many more facets to the profile of an American: The inability of the American to see that some of his words and actions offend foreign nationals. His acceptance of his affluence and mobility. His inability to realize how his spending habits cause other nations' citizens to be jealous. He believes in his form of government to such an extent that he believes there is no other form that is as good, and he desires all countries to try his form of government. However, he still believes each people should decide the form of government by which they will be governed.

These points of unity are evident in all Americans, regardless of the specific area of the United States wherein their heritage originated.

It is true that exceptions will be found to almost any generalized statement. This is also true in this profile of an American. There are those who believe contrary to the vast majority of Americans which compile the over-all profile. However, the exceptions bring forth a crystallization of the over-all profile as being the historically proven, correct description of the people of these United States.

Using the profile of an American as a background, it is easy to understand the thought and forcibleness which caused the proclamation made by the people, through their representatives in the Continental Congress, on July 4, 1776. The subsequent formation of the Constitution reflects the same forcibleness and unity of thought, which is carried on today by the vast majority of the people of these United States.

"The starting point of Marx's theory of Socialism is his doctrine of the class struggle. This provides a clue to the two doctrines chiefly associated with his name—the materialist conception of history and the theory of surplus value.

"Marx's materialist conception of history has been often misunderstood.

"It is far from being merely the doctrine that economic forces are predominant in the direction of social affairs, though this is involved in it. Still less is it the doctrine that individual men act only from material motives, and this is not even involved in it. In essence Marx contends that there exists in any society, certain material 'forces of production' and a certain knowledge of their use in man's service. These form the 'conditions of production,' and for their employment there is required an arrangement of the powers of society, implying a certain relationship among the members, and the establishment and maintenance of appropriate social institutions. If, for example, at a particular stage of development the 'forces of production' are to be fully exploited, certain forms of private property must be recognized and secured, and certain members of society endowed with authority both over the material means of production and over the other members, who must accept the subordinate role assigned to them by the dictates of economic circumstances. This recognition and this authority imply and require a power able to enforce them; and this power is found in the State, which takes its special form from the character of the economic institutions it exists in order to uphold. Political and social institutions are thus dependent upon and derive their special forms from the underlying economic circumstances of the society in which they exist. Political power is a derivative power, depending for its validity and survival on its correspondence with the needs forced on men by conditions of production." [2]

This then establishes the State as supreme and all persons and property subject to the State.

"Developed at a time when philosophy and science were beginning to conceive of the world as self-contained and self-perfecting, Marxism-Leninism has remained profoundly imbued with this whole outlook. This finds expression in two ways: first, insofar as it makes a man an absolutely independent being, a creative process in and by his activity itself, and especially his daily work, and therefore man's own supreme being; secondly, insofar as religion is reduced to a mere man-made ideology. It is no accident that the 'Critique of man's ordinary life in general' by Karl Marx began with a critique of religion. Marxism-Leninism expresses a kind of atheism that may once have seemed historically necessary to the extent that it opposed concepts depicting God as, somehow, part of the world. Nevertheless it is also obvious that Marxist-Leninist atheism simply disregards the real relationship between man and God.

"The militant attitude of Communism originates in this same radical perspective which seeks to eliminate God from all human activity. It does not ask the Christian to deny his faith, but it takes for granted that his participation in the party activity will be the quickest way to make him aware of the utter irrelevance of the Christian religion, since the whole activity is based on ideas and theories from which all Christian or other religious motivation is excluded.

"Marx certainly meant to liberate man from the power of domination which other men had acquired over him as much on the economic as the political level. But the method he advocates to obtain this liberation drives man back into the power of nature and tyranny, for man finds himself ultimately alienated to this nature which materialism was intending to substitute as an absolute in the place of the Christian God. At the same time man is subjected, completely defenseless, to the power of Society, or those who claim to present it. Consequently, in the view of a Christian who analyzes Marxism-Leninism, it seems clear that it implies an idea of false redemption. In the words of a religious historian: 'the absolute cannot be eliminated, it is only capable of being degraded.' All this makes evident a fact that Engels had already stressed in 1843 in his articles for the New Moral World, that is, that 'there can be no such thing as Christian Communism.'

"The Christian who has pondered the ideas of Marx and his followers with the seriousness they deserve, will come to the conclusion that any form of Christian Marxism is unthinkable and a contradiction in terms." [3]

The diametric opposition found in Americanism to Marxism-Leninism is founded in the philosophical background of the people of these United States. All Europeans who emigrated to the American colonies prior to 1776, were theistic people; Judeo-Christian in theology; Scholastic in philosophy and Christian in religion. The vast majority of all Americans adhere to the same theology, philosophy and religion today as they did when our nation was formed. Since atheism is diametrically opposed to theism and Materialistic philosophy diametrically opposed to Scholastic philosophy, Americanism, which is the way-of-life of the people of these United States of America, is not and can never be compatible with Marxism-Leninism.

Allegation No. 2: One of the principal goals of the Marxist-Leninist atheistic ideology is to eliminate the government of the United States through the use of *all* means including the overthrow of the government by force and violence.

Facts: "Lenin's manifesto, published in the name of the party on November 1, 1914, denounced the imperialistic character of the war (World War I) and the war guilt of all the great powers, 'who had long been preparing a sanguinary struggle for the purpose of widening their markets and destroying their rivals.' The manifesto points out that the majority of Social Democratic leaders were on the side of the bourgeois of their country, thus violating the resolutions of the International Socialist Congresses and bringing about the downfall of the Second International. Lenin said that the defeat of their 'own governments' should be the slogan of the Social Democrats of *all* countries. Lenin subjects to a merciless criticism not only Socialist patriotism, but that pacifism which, while occupied with platonic protests, withdraws from the revolutionary struggle with those elements of the working class movement which are midway between the Social Democrats and Communists, supporting the former in actual practice.

"On November 1, 1914, Lenin promulgated a program for the creation of a new International 'to undertake the task of organizing the forces of the proletariat, for the revolutionary attack on capitalist governments; for the Civil War against the bourgeois of all countries; for the attainment of political power and the victory of Socialism.'

"The third Communist International (comintern) established by Lenin in 1919, held its Sixth World Congress in September 1928. The program which it adopted was a statement of the objectives of International Communism since the Communist Manifesto in 1848. The statement of the ultimate aim of the Communist International is as follows: 'The ultimate aim of the Communist International is to replace world capitalist economy by a world system of Communism.'" [4]

Karl Marx said "the proletarian revolution is impossible without the forcible destruction of the bourgeois state machine and the substitution for it of a new one." [5]

The United States of America is the foremost "bourgeois state" in the world, according to Communist's terms.

Allegation No. 3: Many followers and adherents of the Marxist-Leninist atheistic ideology have performed deeds of violence and crime against the people of these United

---

[2] Karl Marx: Encyclopaedia Britannica.

[3] From Karl Marx to Mao Tse-Tung by Henri Chambre.

[4] Vol. 13: Encyclopaedia Britannica.

[5] Selected works Vol. VII, page 124 of Karl Marx.

States, while justifying their actions as being in the interest of their ideology.

Facts: The one American whose activities have proven, beyond doubt, his reliability, professional ability as an investigator, his personal integrity and loyalty to Americanism is Mr. J. Edgar Hoover of the United States Federal Bureau of Investigation, Department of Justice. He is an expert in knowledge of Communists, their actions and their ideology.

In Mr. Hoover's books, *Masters of Deceit*, there are many incidences which prove the factualness of the stated allegation. Names of Communists with their misdeeds against the people of these United States are given in detail.

There is strong reason to believe that additional facts, in complete support of this allegation, would be available to the Congress of the United States upon request by the House of Representatives and/or the Senate to the Department of Justice of the United States.

Allegation No. 4: The peace of the entire world is placed in jeopardy by adherents to the Marxist-Leninist atheistic ideology, in their conformity with this ideology.

Facts: The stated objectives of the communists include the overthrow of every government that does not provide a "dictatorship of the proletariat." The stated means to achieve this objective, within each country, is Civil War assisted and directed by the Communists.

In support of this objective the acts of subversion conducted by the Communists are geared to inciting all target countries to political unrest, political upheaval and rebellion. These acts are designed to cause the "free countries" to act independently and destroy the "unity of free countries" which forms the strongest line of resistance against the Communist goal. War is the ultimate form of destruction of the "unity of free countries" therefore war is an objective of Communism.

Dr. Fred Schwartz, a researcher in the psychology and pathology of Communism reasons: "Communism can take over the United States without having a single Communist in these United States." He obtains this conclusion from the fact that: "Once the concept that there is no endeavor in life that merits death—then Communism takes over." This fact can become reality when fear of the Atom and Hydrogen bomb overcome the will to defend Americanism with the supreme sacrifice, death in defense of our chosen way-of-life.

Since this reasoning is applicable to the United States, it is applicable to all nations who follow the slogan "Better Red Than Dead."

Allegation No. 5: The Armed Forces of those various nations who believe in freedom and liberty for all men, have been forced to engage in armed hostilities against the Armed Forces of nations who adhere to the Marxist-Leninist atheistic ideology in order to preserve the integrity of less powerful nations who do not desire to conform to the Marxist-Leninist atheistic ideology.

Facts: During the past twenty years the following countries have engaged in armed hostilities against Communst forces, either as indigenous to the country repelling Communism or as an ally in the resistance of Communism:

1. United States.
2. United Kingdom.
3. Australia.
4. New Zealand.
5. Greece.
6. Philippines.
7. Republic of China.
8. Iran.
9. Thailand.
10. Costa Rica.
11. Dominican Republic.
12. South Vietnam.
13. Republic of South Korea.
14. Republic of Panama.
15. Venezuela.
16. Labanon.
17. Argentina.
18. Salvador.
19. Bolivia.
20. Nicaragua.
21. Columbia.
22. Hungary.
23. Republic of Cuba.

During the past twenty years, the following countries have been locations of Armed conflict between Communist aggressors and anti-Communist forces:

1. Iran
2. Greece
3. Korea
4. Philippines
5. Taiwan
6. Malaya
7. Dominican Republic
8. Panama
9. Costa Rica
10. Argentina
11. Vietnam
12. Thailand
13. Venezuela
14. Lebanon
15. El Salvador
16. Nicaragua
17. Bolivia
18. Cuba
19. Hungary
20. Colombia

Allegation No. 6: Actions of adherents to the Marxist-Leninist atheistic ideology prove that the ideology is, in fact, an adversary of Americanism.

Fact: The definition of adversary as used herein is: "one actively hostile; an opponent; enemy."

Communism has been proven actively hostile to Americanism as cited in previous allegations with their sustaining facts.

Communism is a declared opponent of Americanism.

Communism has demonstrated a malicious purpose toward Americanism in the basic writings of Karl Marx, Friedrich Engels and Josef Stalin. (Reference is made to the *Communist Manifesto* written by Marx and Engels; *Capital,* by Marx; *Socialism, Utopian and Scientific,* by Engels; *The Foundations of Leninism* by Josef Stalin.) The basic writings malign the very basis of Americanism.

Allegation No. 7: The declaration of Congress of July 4, 1776, unanimously made by both houses, as well as the approved Constitution of the United States, ratified by all of these United States, have established the foundation and method of our government.

Fact: The truth of this statement is historical fact.

Allegation No. 8: The people of these United States believe that each person in the world is free to choose the form of government under which he will be ruled.

Fact: The truth of this statement is established in fact by the declaration made by the Continental Congress of the United States on July 4, 1776. There is and has been no change in this historical truth.

Allegation No. 9: The people of these United States have chosen a democratic, federal, republic of separate sovereign states, bound together under a Constitution, to be their government.

Fact: The United States Constitution establishes each state as a sovereign state and all states are joined together as a democratic, federal, republic.

Allegation No. 10: The founding fathers, and the government established by them, were theistic. Founded on the Judeo-Christian theology and the Scholastic philosophy.

Facts: The founding fathers were theistic because they were Protestant, Catholic, and Jewish in origin of belief and European in culture.

They were imbued with the Judeo-Christian theology by heritage.

Their philosophy was Scholastic because Scholastic philosophy developed to maturity during the eleventh to the fourteenth century and the Scholastics were the founders of the education system developed in Europe. Therefore, the philosophy of the educated, for three hundred years, in Europe, was Scholastic. Scholastic philosophy, consisting of the studies of Cosmology, Ontology, Epistemology, Logic and Ethics, was the basic philosophy of all Europeans prior to the Reformation. One of the primary results of the Refermation, at the very onset, was the retardation of education in Universities. This resulted in the mass of the people being omitted from formal education until the eighteenth century. In the eighteenth century, Universities were revived, however, only the well-to-do class could become educated. The effect was that philosophical ideas were transmitted from father to son, for the four hundred year education retardation period, resulting in the basic Scholastic philosophical concepts being taught and applied in the resolution of philosophical problems, by the mass of the people.

The Europeans who emigrated to America, therefore, had the basics of Scholastic philosophy imbued into their concept of life. This philosophy is prevalent in today's thought.

Allegation No. 11: The people of these United States are not in a declared State of War with any sovereign nation of this world, at this time.

Fact: The truth of this statement is historical fact.

Allegation No. 12: The test of time has been judiciously applied to the compatability of the ideology of the Marxist-Leninist, with all that we, the people of these United States, hold sacred.

Fact: Communism has been inside these United States for the past fifty years. There has been no year, during that period, that the purpose of Communism has not come in conflict with Americanism and proved to be diametrically opposed to our fundamental conception of freedom, humanity, democracy and philosophy of life.

Fifty years, a half of a century, is an adequate time period for the testing of compatability of philosophy and ideology, since this time period has provided ample opportunity for either philosophy or ideology to establish their points of compatability in their literature, leadership and actions of adherents.

The logical conclusion of these proved allegations is that the Marxist-Leninist atheistic ideology was designed to, and has been fulfilling all of the essential requirements of a "State of War" with Americanism.

Since Americanism is the ideology of the people of these United States and since the government of the United States is the people, it may be logically stated, as a truism, that Communism has been and currently is at war with the United States.

However, Communism is not a sovereign nation, but an ideology.

Therefore, the adherents to Communism may or may not be hostile to the United States, depending on their degree of militancy and support of their ideology. At the present time, no Communist nation is in a "State of War" with the United States, the technicality being that a "State of War" requires a declaration of war on the part of the waring nations.

Without a "State of War" adherents to Communism who wage "acts of war" against the United States are rightly classed as anarchists and are outside the law. Therefore, the United States is justified in using the minimum means necessary to protect and defend itself. This is action within the scope of a "Just War."

Historically, a good example of this reasoning has been demonstrated in the actions taken by sovereign nations against piracy on the high seas. The Pirate adhered to the materialistic concept of life in which wealth was its end. He justified murder, rape and pillage in his adherence to this ideology. All civilized people of all nations abhored Piracy and the Pirate was condemned, sought out and destroyed. There was no "State of War" between any sovereign nation and Piracy since

Piracy was not a nation; Pirates being only militant adherents to an evil ideology.

Communism is not good in any sense, since it opposes God, which under Judeo-Christian theology is "all good." Therefore, Communism must be properly called "evil" the opposite of good.

III

Consolidating the allegations into a proposed Congressional declaration and drawing proper and logical conclusions, the recommended test of the declaration is:

"The Unanimous Declaration of the United States of America, made in Congress ------------------

"Whereas the Marxist-Leninist atheistic ideology, commonly referred to in this year as Communism, is diametrically opposed to the 'way-of-life' of our forefathers and,—one of the principal goals of the Marxist-Leninist atheistic ideology is to eliminate the government of the United States through the use of all means, including the overthrow of the government by force and violence and—many followers and adherents to the Marxist-Leninist atheistic ideology have performed deeds of violence and crime against the people of these United States, while justifying their actions as being in the interest of their ideology and—the peace of the entire world is placed in jeopardy by adherents to the Marxist-Leninist atheistic ideology, in their conformity with this ideology, and—the Armed Forces of those various nations who believe in freedom and liberty for all men, have been forced to engage in armed hostility against the Armed Forces of nations who adhere to the Marxist-Leninist atheistic ideology, in order to preserve the integrity of less powerful nations who do not desire to conform to the Marxist-Leninist atheistic ideology, and—actions of adherents to the Marxist-Leninist atheistic ideology prove that the ideology is, in fact, an adversary of Americanism, and—the declaration of Congress of July 4, 1776, unanimously made by both houses, as well as the approved Constitution of the United States, ratified by all of these United States have established the foundation and method of our government, and—the people of these United States believe that each person in the world is free to choose the form of government under which he will be ruled, and—the people of these United States have chosen a democratic, federal, republic of separate sovereign states bound together under a Constitution to be their Government, and—the founding fathers, and the Government established by them were theistic. Founded on the Judeo-Christian theology and the Scholastic philosophy, and—the people of these United States are not in a declared State of War with any sovereign nation of this world, at this time, and—the test of time has been judiciously applied, to the compatibility of the ideology of the Marxist-Leninist with all that we, the people of these United States hold sacred.

"We, therefore, the Representatives of the United States of America in general Congress assembled, appealing to the Supreme Judge of the Universe for the rectitude of our intentions, do in the name and by the authority of the good people of these United States solemnly publish and declare, that a State of War does exist and has existed since its inception, between the Marxist-Leninist atheistic ideology, and the ideology of Americanism. That while there is no State of War in actual existence between the government of these United States and any other sovereign nation, at this time, the ideology of the Marxist-Leninist atheistic philosophy is diametrically opposed to and totally incompatible with our form of government, our way-of-life and our belief as stated in our unanimous declaration of July 4, 1776, and our Constitution; is hostile to our way-of-life; is an adversary to our constitutional government and therefore, is totally rejected as an evil, to be resisted by all of the people of these United States."

IV

By Congress speaking publicly and officially for the people of these United States, the first positive benefit will be in establishing an official enemy of the United States. This is required because the declaration of July 4, 1776, implies that the people of this nation recognize no enemy except in time of war. The United States Constitution provides for only one method in the declaration or recognition of a "State of War," and that is by direct action of the Congress of the United States.

With a formal recognition of an existing State of War, the Constitutional provisions of treason become available. Acts by citizens of the United States which give aid and comfort to the enemy (Marxist-Leninist atheistic ideology) become an act of treason. Anarchy and sedition become more easily identifiable.

With this declaration containing the statement of proven allegations, as written in this paper, a clear, concise and factual exposition of Americanism is presented to all people of all nations.

The declaration will crystallize the true motives, beliefs and feelings of the people of these United States as pertains to Marxist-Leninist atheistic ideology. This will leave no doubt in the minds of the people of these United States or in the minds of the people of any nation, of the United States opposition to Communism.

The wording of the declaration will preclude truly adverse propaganda since it is a recognition of an existing war between two ideologies and specifically states that the United States is not in a declared war (at this time) with any sovereign nation.

This declaration justifies any action the United States takes, within the scope of "minimum action *necessary,*" to preserve and protect Americanism against Communism.

This declaration proves Marxism-Leninism to be the aggressor in this war of ideologies and confirms the proven facts of Communistic aggression world wide.

V

Every citizen of these United States should become concerned with the real threat of our government and way-of-life that is the very nature of Marxism-Leninism.

Fear and apathy have no place in Americanism and therefore should be nonexistent in any consideration pertaining to the defense of Americanism.

Each citizen, who subscribes to the blessings of Americanism, should insist that his elected Representatives in Congress take immediate action to voice the proposed declaration.

TAX INCENTIVES FOR RURAL POVERTY AREAS

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. BUSH] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BUSH. Mr. Speaker, those who live in our rural areas, and wish to remain there, should have the opportunity to do so. The urban problem that is so prevelant today is, after all, only the result of the failure to solve the rural problem. Little has been done to create job opportunities in rural areas and our rural areas are being depleted of people.

The most important thing that Congress can do in this area is to create realistic economic conditions for American business to invest in improving the rural areas and training the population.

The private sector of this country has proven over and over agan that it is best qualified to handle these problems. This legislative package that I am introducing today would provide incentives for this group to come in and help find solutions to this unemployment.

The new feature of this program is the preservation of tax exemption for those industrial development bonds which finance certified facilities in rural poverty areas. The bill is a combination of the Rural Job Development Act of 1967, using the Human Investment Act regarding job training, and the bill withdrawing tax exemption for industrial development bonds, excluding certified facilities in rural poverty areas.

There is no cure-all solution, but this bill is a step in the right direction.

A $70 TELEGRAM

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. BUSH] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BUSH. Mr. Speaker, today I received this telegram concerning the closing of the Job Corps Center in Lincoln, Nebr. A telegram from enrollees in the program—a telegram which Western Union estimates cost $70. A quick check around reveals that other Members of this body have also received similar wires.

A check with the Office of Economic Opportunity here in Washington reveals that they plan to absorb the 6,500 enrollees effected by the closing of the 16 centers and that they were closed on the basis of performance. The OEO is sure they will be able to handle all but 1,800 of these enrollees. They also advised that they may be able to handle this 1,800 but if not they will be given an administrative leave and taken back into the training centers on a space available basis.

Today I am sending letters to the Job Corps Center in Lincoln, Nebr., Sargent Shriver and the Bureau of the Budget asking where the funds came from to pay for this telegram.

LINCOLN, NEBR.,
January 1, 1968.

Hon. GEORGE BUSH,
House of Representatives,
Washington, D.C.:

What do you plan on doing with us now that we are going back home now that this opportunity at the Lincoln Job Corps Center is taken from us? We are all corpsmen at Lincoln from Texas.

Julian Aguayo, Alice, Texas; Johnny Alderson, Mesquite; Frank Allen, Nachogdoches; F. J. Allen, Nachogdoches; Richard Arrendondo, Wichita Falls; Jose Barrera, Del Rio; Harvis Barry, Nachogdoches; Tom Butler, Ft. Worth; Jesse Canales, Aransas Pass;

Tommy Carter, Houston; Erasmo Cavazos, Lubbock; Raul Cavazos, Houston; Milton Clack, Gonzales; Lincoln Como, Jamper; Julian Cordero, San Marcos; Edward Cox, Amarillo; Homer Davidson, Ft. Worth; Donald Denges, Austin; Garland Douglas, Corsicana; Dennis Duke, Austin; Bobby Edmonson, Houston; Johnnie Ellis, Paris.

Donald Estell, Houston; David Flores, San Angelo; Jerry Fugitt, Ft. Worth; Donald Fuller, Houston; Herbert Garcia, Brownsville; Xavier Garza, Houston; Cesar Gonzalez, Eagle Pass; Charles Haley, Amarillo; Albert Hall, Seguin; Anthony Johnson, Houston; Billie Johnson, Greenville; Ronald Johnson, Midland; John King, Converse; Jay Loepke, Mission; Eddie Mansell, Wichita Falls; Jesus Martines, McAllen; Paul Martinez, Uvalde; Ralph Melchor, San Antonio; Alexander Mandoza, El Paso; Lee Miles, Houston; Joseph Murphy, Galveston; Harold Norris, Victoria; Ray Pate, San Antonio.

James Powell, Beaumont; Melecio Ramirez, Roma; Jose Reyes, San Antonio; Guadalupe Reyes, San Antonio; Reynalso Reyes, Kingsville; Johnson Richardson, Port Arthur; Joe Rios, El Paso. Joe Rivas, San Antonio; Mike Roach, Electra; Juan Rodriguez, Roma; Max Salas, Houston; Earl Shaw, Pittsburg; Don Smith, Universal; Jose Solis, Brulla; Jose Soliz, El Paso; John Thomas, Bivins; Robert Villanueva, San Antonio; Rodolfo Vinten, Pearsall; Roy Washington, Midland; Bennie White, Longview; Clifford Willeford, Gladewater; Bobby Williams, Jasper; Verson Williams, Carrigan; Albert Windom, Houston; Billy Young, Hamilton; Don Aguilera, Austin.

Isidro Aguirre, El Paso; Verson Anderson, Midland; Carl Andrews, Port Arthur; Jamie Artis, Dallas; Larry Bell, Victoria; Larry Black, Big Lake; Lee Bowen, Bayton; Beauford Brooks, Marlin; Joe Buentello, Lubbock; James Clay, Beaumont; Donnell Cook, Smithville; Roland Daniels, Freeport; James Davis, Houston; Louis Dominguez, Harlingen; Billy Fletcher, San Angelo; Robert Garcia, Alice; Lester Greene, Houston; Ron Hales, Texline; James Hall, Bryan; Felix Hernandez, Edinburg; Jimmie Hill, San Antonio; Walter Hill, San Antonio; Wesley Johnson, Houston; Ronnie Jones, Marlin; Lawrence Joseph, Beaumont; Johnny Mims, Tyler; Albert Mitchell, Temple; Ernest Molina, Amarillo; Richard Nibert, San Antonio; Juan Palmo, San Benito; Anthony Patterson, Haskell; Fidel Perez, Premont; Mauro Perez, Kingsville; Daniel Phillips, Beaumont; Donald Rideau, Beaumont; Alberto Rodriguez, El Paso; Melving Stevenson, Bryan; Billy Thomas, Haskell; Eusebio Vasguez, El Paso; Walter Victoria, Beaumont; John Walker, Houston; Edwin Williams, Houston; Sutorise Wright, San Antonio; Onesimo Zapata, Waxahachie.

MEDICARE DID NOT GO TO EXPO—CLEVELAND INTRODUCES NEW BILL

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, I wish to call to the attention if my colleagues in the House a bill which I have introduced today, to amend title XVIII, section 1814(f) of the Social Security Act.

The purpose of my bill is to insure medicare coverage to eligible persons who require emergency inpatient hospital treatment in Canada and Mexico, regardless of where the emergency occurred.

Mr. Speaker, while I was back in New Hampshire's Second District holding office hours during the Christmas recess, a constituent told me that he had been unable to obtain reimbursement from medicare for emergency medical expense incurred while visiting relatives in Canada, in spite of the fact that he was on social security and eligible for medicare.

In checking the present law, I discovered that payment of "emergency inpatient hospital services" will be made for an individual in a hospital outside the United States only if:

First, such individual was physically present in a place within the United States at the time the emergency which necessitated such inpatient hospital services occurred; and

Second, such hospital was closer to, or substantially more accessible from, such place than the nearest hospital within the United States.

I do not think this law provides adequate protection to our senior citizens who wish to visit our neighbors to the north and south.

In this particular case, my constituent was visiting relatives in Canada and seeing Expo '67 when he suffered a stroke and needed immediate medical attention. The Canadian doctor decided that it would be too dangerous to transport the patient back to an American hospital. Consequently, this man was hospitalized in Canada for 10 days, after which time he could be safely transferred to a hospital in Massachusetts.

However, having physically been in Canada at the time of the stroke, he was not eligible, under the existing law, to obtain reimbursement from medicare. The $275 of medical bills incurred during the 10 days of hospitalization in Canada were a heavy burden for a man who receives less than half that sum per month in social security benefits.

My bill is designed to correct this inequity. Under its provisions, a person eligible for medicare benefits would be covered in Canadian and Mexican hospitals during an emergency, regardless of where he was at the time of the emergency. These benefits would continue, just as they do under the present law, until such time as the patient is no longer in critical condition, and can be safely transferred to a hospital in the United States.

This bill, if enacted into law, would not end any protection which is now provided under the present law. Nor would it entail any great cost to the United States. It would simply allow our senior citizens to spend a vacation in Mexico, or visit relatives and friends in Canada, free of any fear that in an emergency, they might not be able to get back across the border for medical treatment. They would be secure in the knowledge that their medicare protection, which they have earned and have the right to expect, will travel with them beyond the borders of this country.

A BILL TO AMEND THE INTERNAL REVENUE CODE RELATING TO INVESTMENT COMPANIES FURNISHING CAPITAL TO DEVELOPMENT CORPORATIONS

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CURTIS. Mr. Speaker, I am introducing at this time a bill which would amend the Internal Revenue Code of 1954 to provide a longer period of time for disposing of certain assets in the case of regulated investment companies furnishing capital to development companies.

This bill is the result of some study of an unforeseen problem encountered in the application of the existing tax law. The measure was previously brought to light during hearings last year by the Senate Select Committee on Small Business. The chairman of that select committee, Senator GEORGE SMATHERS, Democrat, of Florida, has introduced a similar bill on December 15, 1967, in the CONGRESSIONAL RECORD, volume 113, part 27, page 36846. It is my understanding that this proposed amendment has been discussed with and agreed to by the Treasury Department. Therefore I feel that the matter ought to be brought before the House for its consideration.

Present law treats regulated investment companies as conduits, taxing such companies only on the income which they do not distribute to shareholders and taxing the shareholders on the remainder. Companies otherwise eligible, in order to qualify for this tax treatment, must invest 50 percent of their assets in cash, cash items, and certain securities. Generally, such securities of any one issuer may not be greater in value than 5 percent of an investment company's total assets or more than 10 percent of the outstanding voting securities of the issuer.

Recognizing the desirability of providing encouragement and financial assistance to companies engaged in the development or exploitation of inventions, technological improvements, and new processes or products, the Congress in 1951 provided an exception to the above-described diversification requirements for investment companies certified by the Securities and Exchange Commission as being principally engaged in furnishing capital to such development corporations.

This exception, contained in Code section 851(e), waives the 10-percent limitation test to be met on the basis of the cost of the investment rather than its value. However, these favorable terms cease to apply to the securities of any single issuer 10 years after the date on which the investment company first acquired any security of such issuer. Moreover, such terms cease to apply to all of the investments of the investment company if at any time the aggregate value of its investment in companies in which it has more than 10 percent voting control, and in each of which it has held any security for more than 10 years, exceeds 25 percent of the value of the investment company's total assets.

One of the two investment companies currently being certified by the Securities and Exchange Commission as qualifying under code section 851(e) is in the position where, by reason of an unusually fortuitous investment, it will cease to qualify for the exceptions above-described because of the aforementioned 25 percent limitation. Because of a savings provision applicable to regulated investment companies generally, this company may continue to elect regulated investment company treatment but only if it refrains from new investments which succeed the 5- and 10-percent limits. Not only would this course of action hamstring the activities for which the company was organized and which it has effectively carried out, but it produces an anomalous result. An amendment extending the 10-year period, coupled with an amendment denying application of the general savings provision to a regulated investment company which previously has relied upon, but no longer qualifies for, the special rules applicable to investment companies furnishing capital to development companies, will prevent this result.

This bill makes the two suggested amendments. First, the bill extends the existing 10-year period to 20 years insofar as the 25-percent limitation is concerned. Second, it limits the general savings provision so that it does not apply to a regulated investment company which has once relied upon but ceases to qualify for the special rules applicable to development capital companies. In addition to the two amendments noted above, this bill also makes a technical amendment. It provides that an investment of a development capital company in a debt obligation having a maturity date of not more than 5 years shall be treated as a cash item if the obligation is not convertible and is not associated with the issuance of stock rights or warrants.

OPEN HEARINGS IN CONGRESS—CAN WE IMPROVE OUR RECORD?

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CURTIS. Mr. Speaker, the Washington Post hit the nail on the head with its editorial on Sunday, January 28, 1968, entitled "Secrecy in Congress." Referring to a tabulation made by the Congressional Quarterly, the Post reports the discouraging record of 39 percent closed hearings by congressional committees. This practice is inexcusable and damaging, as the Post correctly observes "citizens have something to contribute in the making of the laws."

There is much wisdom throughout our society which must be drawn upon to make representative government work and to develop effective legislation. Closed and secret committee session should be the rare exception, and the burden should be on the committee to justify any such practice. The Legislative Reorganization Act of 1967, now blocked in the House Rules Committee because of lack of support by the House Democratic leadership, takes a positive step in the direction of insuring open public hearings. Section 103 of the bill, which was unanimously reported from the Joint Committee on the Organization of the Congress and overwhelmingly passed by the Senate, requires open hearings with exceptions limited to national security matters and matters relating to an individuals' privacy or other subjects so specified as confidential by Government regulation.

The choice of including or excluding the public should not be left to the pleasure of the committee. The editorial follows:

> SECRECY IN CONGRESS
>
> That the Congress of a democratically governed country would hold 39 per cent of its committee meetings in secret seems almost unbelievable. But there it is. According to the Congressional Quarterly's annual report the record improved a little from last year's 42 per cent. But that is not much to brag about.
>
> So much of the real legislative process in our complicated modern society has moved into the committee sessions that a people excluded from these meetings lacks the means of shaping legislation that a free people should possess. The reaction of the public outside the hearings to the testimony of witnesses and the statements of members is a vital part of the legislative process. Citizens have something to contribute to the making of the laws. Their contribution is diminished if they have no chance to make informed suggestions while the shaping of a bill is taking place.
>
> They have little chance of judging their elected representatives, moreover, if they cannot learn of the positions they take and the views they express during the important primary stages of legislating.

THE "PUEBLO" INCIDENT

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. EDWARDS of Alabama. Mr. Speaker, the *Pueblo* incident shows once again how U.S. policy is paralyzed at the times when firm action is most needed. It shows that leadership of today is bankrupt when it comes to meeting the tests put to us by the Communists.

There is no good reason why the United States should allow itself to be made such a fool. To do so simply invites more of the same.

Last year, in a somewhat similar incident, an Egyptian ship, using Russian-made equipment, fired a set of missiles at an Israeli ship and sank it a few miles off the Egyptian coast.

A few days later the Israelis, feeling no need to enter into a debate, simply opened up with artillery on a major Egyptian oil storage center and destroyed it. Their message was clear. Our message to North Korea has not been clear at all.

So far our Government has not shown a reason why the *Pueblo* was operating without suitable escort protection from other ships or planes, or both. That in itself seems to be a great mistake, especially since the North Koreans had warned of possible action.

But once the *Pueblo* had been captured by the North Koreans, then our forces should have taken quick action to get it back. There should have been immediate U.S. reaction.

The White House should have acted with determination, making clear to all parties that this country would not stand idly by to watch such an outrage.

Perhaps the worst part about the U.S. failure to act in defense of the *Pueblo* was that it serves to give world opinion the impression that somehow we felt we were in the wrong.

But the Russians and the Americans as well as others have been doing this exact same thing for several years. Leaders of the two countries evidently have had some kind of gentlemen's agreement. "You let my electronic intelligence ships alone and I shall ignore yours."

And with this arrangement, Russian ships have operated off the coasts of this country as well as in all key areas of the globe. They have openly monitored U.S. naval maneuvers, for example.

Our people were apparently lulled into a false security, and it never occurred to them that something like this could happen. The administration was admittedly surprised.

Likewise, when Russia refused on two occasions to even accept the U.S. request to act as an intermediary with North Korea, our people were again surprised.

It has been the State Department gospel that the Russians really want to be peacemakers, and while the Kremlin may still put out nasty propaganda, they are actually cooperative when it really counts.

There is no reason to believe the Russians are innocent in this episode. There is every reason to believe that the Kremlin wants to increase U.S. problems anywhere it can through actions of other and smaller nations—North Korea, North Vietnam, Cuba, Egypt, Panama, and others.

The timing of this new Korea problem in connection with events in Vietnam, Laos, the Middle East, and elsewhere, shows a master hand, just as have other similar events in past years.

The Kremlin seeks to picture us as a "paper tiger" by showing that we cannot, or will not, protect our legitimate interests when we are challenged.

There is a vast difference between having power and having the will to use it. It is a difference which is not yet fully recognized even in some of the highest places in Washington.

The United States has power, but the Communist world has developed the technique of paralyzing our ability to use power in critical situations.

Mr. Speaker, U.S. leadership appears unable to cope with this situation, and this gives us a tremendous problem as we face important new events which are sure to come.

RAILROAD RETIREMENT ACT AMENDMENTS

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. Dole] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. DOLE. Mr. Speaker, I regret I was unavoidably absent when H.R. 14563, the 1968 amendments to the Railroad Retirement Act of 1937 and Railroad Unemployment Insurance Act, was approved by the House.

These amendments represent a broad-based consensus of railroad management and labor. They were endorsed by the Railroad Retirement Board. They were unanimously reported by the Committee on Interstate and Foreign Commerce and then passed without dissent by the House on January 23, 1968.

These amendments of 1968 represent fair increases in benefits for over 650,000 railroaders.

This bill, providing congressional approval to an agreement between railroad management and labor, will provide well-deserved benefits to our Nation's railroaders.

Needless to say, I would have voted for H.R.14563 had I been present.

FROM CONGRESS: 4 YEARS OF SUPPORT FOR OTEPKA

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. Ashbrook] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, for more than 4 years, State Department security specialist Otto F. Otepka has been battered against first one wall then another by the isolated officials within the State Department and the administration.

I say "isolated" because some officials, or former officials, have been charged with perjury before a Senate committee; others with simply evading the truth—and being covered by their Foggy Bottom accomplices; others with mutilating documents and planting them in Otepka's burn bag; others with tapping his telephone conversations; others with destroying the tapes of these conversations, and yet all have been isolated from the law and even from any but the mildest reprimand.

Add to these the less well-known facts that job descriptions have literally been voided when Department officials wanted to shunt a man off to preserve their personal safety; civil service regulations have been ignored with impunity whenever the "get Otepka" clique thought it necessary; critical reports citing these incidents have been disregarded or hidden. When you add these together you have the biggest case of collusion against one man, and the Congress, and the American people, that has ever hit the Federal Government.

The bright hope in the whole, ugly, State Department bag is seen only when one realizes just how many Senators and Congressmen have taken a stand against this collusion and behind the man, Otto Otepka, and the principles he fights for and represents.

I will include a fairly complete list of these Members of Congress with my remarks today, those who might have been left out, I hope, will realize that the oversight was not intentional. Most of these citations are direct references to the case, some are indirect, nearly all are favorable to Otepka. As an example, Senator Dodd, on December 20, 1963, inserted 109 editorials into the Record. Of these, only four or five were against Otepka and his fight.

I believe that Members who find their names on this list can be justly proud of their stand, but I would advise them, and others, to be watchful of recent developments in the Otepka case and ready to move again with their support.

Otepka waited years for a hearing within the State Department and now he is being forced to wait again for a decision from the Civil Service Commission. The pressure is on him again. Only the front is different.

This list of interested Members shows not only their number, but the diversity of sources from which they have commented on the case. There is interest in the Otepka case. I can only hope there is also a concerted effort to finally bring it to a just and rapid conclusion.

The list follows:

Otto F. Otepka—1963 Daily Congressional Record Citations

Sept. 3, 15357, Sen. Tower; Art., Manchester, N.H. Union Leader.

Oct. 3, 17770, Sen. Miller; Art., Wash. Star; art. Des Moines Register.

Oct. 7, Sen. Thurmond; Arts., Des Moines Register; St. Louis Globe Dem.; Wash. Star; Charleston News Courier; Chicago Trib.

Oct. 8, 17959, Rep. Snyder; Arts., Chicago American.

Oct. 22, 18993, Rep. Snyder; Remarks re arts., Chicago American.

Oct. 31, Rep. Kyl; Remarks.

Nov. 5, 20031, Sen. Dodd; Sen. Thurmond; and Sen. Lausche; Remarks re dismissal.

Nov. 5, Rep. Gross; Press statement only.

Nov. 7, Sen. Scott; Press statement only.

Nov. 8, A6987, Rep. Johansen; Art., Chicago Trib.

Nov. 9, Sen. Dodd; Press statement only; urges State Dept. to charge Reilly, Hill, Belisle.

Nov. 10, Sen. Hruska; Press statement only.

Nov. 12, 20513, Sen. Williams of Delaware; Wash. Star Editorial.

Nov. 14 A—, Rep. Derounian; David Lawrence & Richard Wilson cols. from N.Y. Her Trib. & Wash. Star.

Nov. 14, Sen. Dominick; Richard Wilson col. Wash. Star.

Nov. 19, A7144, Rep. Younger; NBC radio bdcst. by Martin Agronsky (anti Otepka).

Nov. 19, Rep. Bruce; Press release only.

Nov. 19, Sen. Dodd; Press statement only.

Nov. 20, Sen. Dodd; Press release only.

Dec. 19, 24033, Rep. Cramer; Remarks re purge of State personnel by Rusk.

Dec. 20, 24118, Sen. Dodd; Inserts 109 different editorials from newspapers throughout U.S.; copies of charges, answer & decision against Otepka.

Dec. 24, 24345, Rep. Cramer; Transcripts of wiretapping incident.

Otto F. Otepka—1964 Daily Congressional Record Citations

Jan. 8, 140, Rep. Hosmer; American Seccurity council art.

Jan. 8, 86, Sen. Miller; Transcripts of test. Reilly, Hill, Belisle re wiretapping; arts. Des Moines Register; Wash. Star.

Jan. 9, 155, Rep. Gross, Rep. Cramer; Remarks; arts. Des Moines Register.

Jan. 20. A196, Rep. Hosmer; Tr. of remarks of Donald Jackson on KCOP, Los Angeles.

Jan. 21, A209, Rep. Hoeven; Same item as Hosmer on Jan. 20.

Feb. 15, Rep. Bruce; Press release only.

Apr. 10, 7351, Sen. Thurmond; Remarks, arts. Des Moines Register.

Apr. 10, H. R. Gross; inserts appeals to Civil Serv. Comm. by Norbel and Hite.

Apr. 10, Rep. Bromwell; Press statements only.

Apr. 26, Sen. Beall; Press release only.

May 5, A– Rep. Gross; Inserts Wash. Post art. covering speech of Clark Mollenhoff.

May 18, A2593, Rep. Ashbrook; Inserts chapters from Kluckhohn's books mentioning Otepka.

May 26, 11503, Sen. Thurmond; Remarks on floor; proposes bill to allow Otepka & others to sue for damages.

May 26, A– Rep. Devine; Inserts editorial Ft. Lauderdale, Fla. News.

May 28, Sen. Williams, Del.; Inserts Wash. Eve. Star col. of Richard Wilson.

May 28, A2883, Rep. Meader; Inserts same art. as Williams.

May 28, A2896, Rep. Berry; Inserts same art. as Williams.

June 4, A– Sen. Thurmond; Inserts art. Orangeburg, S.C. Times and Democrat, by Thurman Sensing.

June 8, A3041, Rep. Younger; Inserts art. Wash. Star by Cecil Holland.

June 8, Sen. Simpson; Tr. of his weekly radio show (press release).

June 15, 13310, Sen. Dominick; Inserts arts. Rocky Mountain News, Wash. Star.

June 18, 13838, Sen. Williams of Del.; Inserts art. written by Clark Mollenhoff for New York Univ. News Workshop.

Aug. 4, 17352, Rep. Bromwell; Inserts arts. Des Moines Register.

Aug. 4, 17450, Sen. Miller; Inserts art. Des Moines Register; Sen. Eastland; remarks re Wieland case.

Aug. 21, 20244, Sen. Proxmire: Inserts Readers Digest art. re Sen. Dodd; art. mentions Dodd's defensive role of Otepka.

Aug. 21, 20244, Sen. Proxmire; Inserts floor re Communist infiltration of gov.; defends Otepka.

Sept. 30, Rep. Nelsen; Inserts editorial from Waseca, Minn. Herald.

Oct. 4, Sen. Beall; Press release only.

Oct. 6, Sen. Simpson; Press statement only.

Oct. 23, Sen. Goldwater; Press statement only.

Oct. 30, Sen. Goldwater; Press statement only.

Otto F. Otepka—1965 Daily Congressional Record Citations

Mar. 29, 5987, Sen. Williams of Del.; Inserts speech of Clark Mollenhoff at Wittenberg Univ.

Apr. 5, A1646, Rep. Gross; Reviews case of Otepka and purge of his associates; inserts art., Des Moines Register.

Apr. 5, 6799, Sen. Miller; Reviews case of Otepka & assoc.; inserts art., Des Moines Register.

Apr. 13, A1811, Rep. Minshall; Inserts art. Cleveland Plain Dealer.

Apr. 23, 8086, Sen. Miller; Reviews case; discusses denial of pay increase to Otepka.

May 4, A—, Rep. Pool; Inserts art., El Paso, Tex. Times; re purge of Norpel, an Otepka assoc.

May 26, 11429, Sen. Simpson; Inserts radio bdcst. of "Three Star Extra" (NBC).

June 2, 11779, Sen. Williams of Del.; Discusses and contrasts cases of two Defense Dept. embezzlers & case of Otepka; score Great Society ethics.

June 15, A3089, Rep. Duncan; Inserts Allen-Scott col. re attempts to oust Otepka by Hays bill.

July 19, 16599, Rep. Gross; Speech on floor accuses Wieland as liar with security clearance; notes contrast in treatment of Otepka.

July 20, 16843, Sen. Miller; Criticizes clearance and assignment of Wieland to Australia; Inserts arts., N.Y. Times, Wash. Post; notes role of Otepka in case.

July 20, A3899, Rep. Michel; Scores clearance of Wieland and contrasts treatment of Otepka.

July 21, A16999, Rep. Hall; Contrasts Handling of Otepka & Wieland cases; says treatment Otepka like case history gestapo techniques.

July 26, 17641, Sen. Miller; Criticizes handling cf Wieland case; inserts, arts., Des-Moines Register.

July 28, 17969, Rep. Minshall; Contrasts Bobby Baker case with Otepka case.

July 28, A4161, Rep. Hall; Inserts art. StL. Globe-Dem. re Wieland and Otepka.

July 29, 18144, Sen. Thurmond; Inserts Readers Digest art. July re Ordeal of Otto F. Otepka.

Aug. 4, 18728, Rep. Hall; Discusses Wieland case; reviews actions against Otepka; inserts letters to him from Myra Finkel, Otepka neighbor; inserts letters to Wash. Star from Myra Finkel.

Sept. 27, A5450, Rep. Gross; Inserts art. Des Moines Register; asks Rusk disqualify himself.

Oct. 6, A5618, Rep. Minshall; Inserts art. Cleveland Plain Dealer.

OTTO F. OTEPKA—1966 DAILY CONGRESSIONAL RECORD CITATIONS

Feb. 2, 1754, Rep. Ashbrook; discusses portions of Mollenhoff book "Despoilers of Democracy"; quotes passages re Otepka case.

Mar. 3, 4657, Rep. Hall; inserts art. by Vera Glaser in Des Moines Register re Mollenhoff book mentioning Otepka case.

Mar. 3, A1134, Rep. Rumsfeld, inserts review of Mollenhoff book in "Washington World", mentioning Otepka case.

Mar. 14, 5379, Sen. Williams (Del.), inserts arts. re Mollenhoff book from Burlington, Ia. Hawkeye and Des Moines Register.

Apr. 1, 7107, Sen. Miller, praises Mollenhoff book; inserts several reviews of book in newspapers and magazines, mentioning Otepka.

June 20, 13050, Rep. Ashbrook, comments on Freedom of Information bill in relation to Otepka case; inserts art. Chicago Trib.

Oct. 3, 23961, Rep. Ashbrook, comments on Code of Ethics relative to Otepka case; inserts Chicago Trib. art.

Oct. 4, A5103, Rep. Gathings, inserts speech of Frank Ahlgren, Editor, Memphis Com'l Appeal, mentioning Otepka case.

Dec. 31, Rep. Gross, releases text of letter to J. Edgar Hoover.

OTTO F. OTEPKA—1967 DAILY CONGRESSIONAL RECORD CITATIONS

May 23, S7235, Sen. Young; Comments on Dodd, included anti-Otepka.

June 1, H6511, Gross; *Exchange* article on Hearing.

June 7, H6826, Ashbrook; Otepka Case: Discouragement to Federal Employees.

June 13, H7144, Ashbrook; Fairplay #1, With Cong. Gurney.

June 15, H7312, Gross; Mollenhoff article, hearing secrecy.

June 15, A3050, Hall; *Exchange* article, 6/4, State Dept., C.S.C., Otepka.

June 19, H7445, Ashbrook; Fairplay #2, National Observer by Gary Gerlach.

June 21, A3163, McClure; Richmond News Leader article.

June 22, H7865, Ashbrook; Fairplay #3.

June 22, V. Thompson; The Otepka Case, American Leg. Res. 9/1/66.

June 22, A3221, Roudebush; Chicago Trib. Editorial, on secrecy of hearings.

July 19, H9055, Nelsen; Three *Exchange* articles.

Aug. 25, H11257, Ashbrook; Fairplay part 4.

Sept. 19, H12135, Ashbrook; Willard Edwards Column.

Sept. 28, S13841, Sen. Hruska; Omaha World-Herald Editorial.

Oct. 10, S14566, Sen. Miller; Mollenhoff, from Des Moines Register.

Oct. 17, H13566, Rarick; St. Louis Globe Democrat, on Rostow, Otepka included.

Oct. 18, Rarick; Rostow, Index of General Situation, Mentions Otepka.

Oct. 19, Thurmond; Sec. Clear. of W. W. Rostow, Mentions Otepka.

Nov. 3, Gross; Impossible Personnel Policies in the State Department.

Nov. 7, Rarick; Rostow, Another Alger Hiss? Mentions Otepka.

Nov. 22, H15797, Ashbrook; State Dept.: Some Abuses and Recommendations.

Dec. 7, H16484, Ashbrook; A Further Inquiry.

Dec. 8, S18210, Sen. Curtis; Sigma Delta Chi Report—Secrecy and Freedom of Info.

Dec. 11, H16647, Ashbrook; Mollenhoff, "Case Goes to Rusk."

Dec. 14, H17049, Ashbrook; Otepka Brief.

Dec. 27, A6391, Ashbrook; Otepka decision to appeal.

Dec. 27, A6413, Ashbrook; Report of (Otepkas') Hearing Examiner.

THE DECLINE OF THE FREE WORLD

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHBROOK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, the trade carried on with Cuba by free nations is an indication of the sorry state in which the free world finds itself vis-a-vis the Communist international movement. While factions in various countries which are allied with the worldwide Communist force take the initiative through guerrilla and terrorist action—the present nationwide guerrilla attacks in South Vietnam are a good example—some free nations continue their commerce with nations such as Cuba where man's God-given rights have become a thing of the past.

In 1963 the Organization of American States approved a report of its Inter-American Commission on Human Rights entitled, "Report on the Situation of Political Prisoners and Their Relatives in Cuba." Under the heading of "Mistreatment of Political Prisoners," the report listed in its table of contents some of the abuses endured by Cubans at the hands of Castro and his cohorts:

> Death because of lack of medical care.
>
> Insanity as a result of mistreatment.
>
> Disease caused by physical mistreatment.
>
> Looting, abandonment, and isolation of the prisoner.
>
> Moral offenses against the dignity of the prisoner.
>
> Mental or psychological torture.

To further illustrate the complete perversion of moral values it is sufficient to cite the statement of one lawyer who was consigned to the largest prison in Cuba, Model Prison. According to the lawyer, and confirmed by other documents in the possession of the Commission, Model Prison, which consists of a number of large circular buildings, was mined with explosive charges capable of destroying the prison and killing the inmates. According to the statements submitted to the Commission, this cruel device was arranged by Cuban authorities for use in the event of a successful armed invasion of Cuba.

The lawyer cited above stated:

> After arriving at the Isle of Pines in a file of prisoners that had come from La Cabaña, we were first taken to a place called the "Pavilions" within which are the so-called "Punishment Pavilions". From these pavilions we were sent to the various circular buildings. Upon arriving at my circular building, I met numerous companions of mine, physically debilitated, who informed me that there was a great quantity of explosives in these circular buildings. Because of my years of experience in fighting with explosives, I was commissioned to study the way in which these materials were distributed and to determine whether there was any possibility of preventing our being blown up by a simple order of the communist authorities.

The lawyer further stated:

> Playing the part of moles, we dug holes in the floor of the first floor to the ground floor, through which we were able to get into the tunnel of that floor and to see the way in which the explosives were distributed and arranged to enable the Cuban authorities to blow up all four circular buildings at once, if they felt this necessary. The material is placed in the tunnel of the ground floor on sort of benches, which have been covered with bricks and cement to prevent the material from getting wet. The cords that hold up the electric detonaters and the "prima" cord are supported by hooks to keep the cords dry. The wires of this system leave the building through a tube, and the same is true of those in each of the other buildings.

This is but a brief illustration of how unbelievably inhuman Communist captors can be toward their fellow men. Yet free nations see no wrong in helping Communist regimes, through their trade, in continuing to brutalize human beings.

The Baltimore Sun of today, February 1, listed the ships of various nations which have been blacklisted by us for trading with Cuba. I insert this article in the RECORD at this point:

FOUR VESSELS ADDED TO U.S. BLACKLIST: ROSTER OF SHIPS TRADING WITH CUBA NUMBERS 206

Washington, Jan. 31 [*Special*]. The Maritime Administration announced today that the Government has added four more ships to its blacklist for trading with the Castro regime in Cuba.

However, the agency said, the number of ships on the list declined to 206 since its December report because ten ships that have been prohibited from carrying United States Government-financed cargo were either broken up, wrecked, or scrapped.

BRITAIN HAS MOST

Added to the blacklist were the Cheng Paishan and Chiang Kiang, both of British registry; Anka, Cypriot; and Bar, Yugoslav. Taken off the list were two ships from each of the following registries: British, Cypriot, Lebanese, Greek, and South African.

Britain continues to have the most vessels on the blacklist with 59. Cyprus has 23; Lebanon, 23; Poland, 20; Greece, 16; Italy, 12; Finland, Panama, and Yugoslavia, 8 each; and France, 7.

Other nations have four or fewer vessels on the blacklist, which was begun three years ago.

POSTMASTERS AND POLITICS

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. CAHILL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CAHILL. Mr. Speaker, on January 17, I called attention of the House to the problems of the Camden, N.J., post office, and the proposed appointment of a postmaster. In that statement, I suggested that someone other than the acting postmaster would be appointed. I also suggested that the appointee would have absolutely no experience. I am now assured to my deep regret that my prediction is correct. As indicated in the statement of January 17, pursuant to the suggestion of the junior Senator from New Jersey, a civil service examination was scheduled for the announced purpose of selecting the "best qualified man."

The acting postmaster has been serving in that capacity for 4 years and has 32 years actual experience in the post office, is a nonveteran and, therefore, has no allowance by way of point preference. He received a grade of 96 on the examination. The third man, who will be appointed postmaster, I am told, had a grade of 80, which includes a 5-point veteran's preference. The first successful applicant had a grade of 97, which included a 10-point veteran's preference. I am now reliably informed that the candidate without experience who received the lowest grade is going to be appointed postmaster in place of the man with 32 years experience who has been acting postmaster for 4 years, who has received commendations from the regional office for his performance, and who has, in effect, devoted his entire lifetime to the post office.

Is there any wonder, Mr. Speaker, why the Postal Service in the United States is deteriorating? Is there any wonder why our citizens complain of poor mail service? Is there any wonder why prices keep escalating in the cost of mailings? Until we remove politics from the appointment of postmasters, we cannot expect improvement in the Postal Service.

I intend to request permission to appear before the subcommittee, headed by the distinguished gentleman from Pennsylvania [Mr. NIX] for the purpose of bringing all of the facts of this case to the attention of the Post Office Committee. This case, in my judgment, dramatically illustrates the need for the removal of postmasters from politics. The present system, Mr. Speaker, as you know, permits the Congressman of the district to "advise" if the district is represented by a Democratic Congressman. If the district is represented by a Republican Congressman, then the present system permits the U.S. Senator to "advise" on the appointment. This system permits the injustice to occur that is now taking place in Camden, N.J. I am certain that the Postmaster General would be the first to express the sincere hope that the Congress would change, by legislation, this outmoded system of appointment. I hope that such legislation will be enacted in the near future.

THE ALASKA NATIVE LAND CLAIMS SETTLEMENT ACT OF 1968

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Alaska [Mr. POLLOCK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. POLLOCK. Mr. Speaker, I am today introducing another bill designed to solve the longstanding problem of aboriginal land claims in Alaska. This bill is entitled the Alaska Native Land Claims Settlement Act of 1968. For a century Alaska's native citizens have claimed ownership of vast areas of land inhabited and utilized by themselves and their ancestors. These are just claims, yet they have been totally ignored for decades. Recently, however, it has been recognized that these claims can no longer be ignored. A just solution must be found.

Last year I introduced a bill, H.R. 11164, at the request of the Alaska Federation of Natives. The distinguished chairman of the Committee on Interior and Insular Affairs [Mr. ASPINALL] introduced, by request, a bill drafted by the Department of the Interior, H.R. 11213. These two bills contained provisions which were not acceptable to the State of Alaska or the natives. As a result, the Governor of Alaska, the Honorable Walter J. Hickel, appointed a Task Force on Native Land Claims whose job it was to seek an acceptable compromise. The task force has produced a proposed bill which it is hoped will satisfy the parties. The principal objectives of the task force in developing its proposal include the avoidance of litigation or other court action, the simplification of the administrative process, the early accomplishment of the settlement, the grant of present property interests, the avoidance of State and Federal control, the need to avoid "freezing the villages in history," a broad spreading of the benefits from oil royalties, a recognition of private property concepts, and utilization of modern corporate forms for engaging in business enterprise by native groups.

The bill contains three main points:

First. A grant of 40 million acres of Alaska land from the United States in fee or in trust to village groups and allocated among the villages in proportion to the number of persons on their rolls in lieu of the vastly larger area encompassed in the miscellaneous native aboriginal land claims. This grant to the natives compares with 102.5 million acres of land authorized to be selected by the State of Alaska under the Alaska statehood enabling legislation.

Second. A grant of a 10-percent royalty interest in the revenues derived from Outer Continental Shelf adjacent to Alaska, in lieu of the right to compensation for lands reserved or disposed of to third parties, with an immediate advance payment of $20,000,000 by the Federal Government.

Third. A terminable license to use the surface of lands under occupancy and use by natives.

Mr. Speaker, next week the Interior Committee of the other body will hold public hearings in Anchorage, Alaska, on this legislation. It is my earnest hope that the House will also consider this serious problem at an early date.

This bill is a composite of ideas generally agreed upon by the native community of Alaska and the State administration and has been reviewed by the Secretary of the Interior. It may well not be the final exact wording desired by the proponents of the measure; however, it is important that this much-studied proposal be introduced prior to the hearings on the measure now scheduled in Alaska.

SUNDAY FOR SAFETY

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. SCOTT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SCOTT. Mr. Speaker, all of us are concerned about the growing death rate in Vietnam and certainly I would not want to detract in any way from this concern.

However, a recent editorial in the Herald-Progress, a newspaper published at Ashland, Va., within my congressional district, discusses the growing number of fatalities on our highways. Because automobiles are something we use every day, we may fail to realize that far more deaths are caused by traffic accidents than by combat in Vietnam. There were 43,110 highway deaths in the first 10 months of 1967, according to the latest Department of Transportation figures.

During that same period 7,723 American soldiers died as a result of enemy action in Vietnam.

Still another startling set of figures shows that 1,600,000 persons were killed on highways in the United States in the years 1900 to 1966 while deaths in all of the wars in which the United States has been involved—from the American Revolution through the present conflict—have totaled 1,107,000.

These figures may offer additional reasons why we should not have any cutbacks in plans for completion of the Interstate Highway System and why we should give high priority to these lifesaving highways.

The thrust of the editorial, "Sunday for Safety," is that—

> No assembly can legislate obedience to law, respect for other human beings, the charity, patience and humility, the Sunday School virtues which must lie deep within the heart of all drivers before our roads will be safe.

Mr. Speaker, I commend the following short editorial to the attention of my colleagues:

SUNDAY FOR SAFETY

Man's obligation to be his Brother's Keeper on the highways will be preached throughout Hanover county on Sunday, January 28th as local clergymen join ministers around the state in observing "Sunday for Safety."

The public's need for some serious talking-to is dramatically shown on the opposite page. There is the death list for 1967. Hanover is right there among them—with 16 fatalities as its share of the 1,219 names on the roll call.

All in all, it was an all-time record breaking year and the seventh consecutive year in which highway deaths increased. Pedestrian deaths rose from 182 to 214. Crashes killing more than one person each were up from 133 killing 331 people in 1966 to 146 killing 362. Noncollision crashes, involving contact with no other vehicle or a pedestrian, rose from 389 killing 471 to 423 killing 503.

Urban deaths were up from 25 to 302 and rural ones from 856 to 909. Deaths of servicemen climbed from 70 to 75. Motorcycle deaths almost doubled with 47 as compared to the 26 of 1966.

Virginia is seriously challenged this year to halt the trend, reverse it and begin bringing down this skyrocket of death and horror. We trust the General Assembly will tackle the thoughtful work of the Virginia Traffic Safety Study Commission and enact, quickly and without quibble, the necessary laws to rein in this runaway. Things just can't get any worse before they start getting better.

But laws, of course, will be only the beginning. No assembly can legislate obedience to law, respect for other human beings, the charity, patience and humility, the Sunday School virtues which must lie deep within the heart of all drivers before our roads will be safe.

Yes, the more we think about it, the more we like the idea of a Sunday for Safety and some earnest sermonizing on man's obligation to his fellow travelers.

LSD AND OTHER HALLUCINOGENS

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. GURNEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. GURNEY. Mr. Speaker, I am today introducing legislation to amend the Federal Food, Drug, and Cosmetic Act to prescribe penalties for the unauthorized possession of LSD and other hallucinogens, including such drugs as STP, and to increase the penalties for the manufacture, possession with intent to sell, and sale of these drugs.

At the present time, it is not a crime to possess these drugs for personal use. Most other abuses of the drugs carry penalties of up to 1 year and/or $1,000 in fines for first offenses. There is a slightly higher penalty for sale to minors. It is because strict control of the use of these drugs is critical that I have suggested a change in the law. My bill would proscribe any possession of the drug, other than pursuant to an authorized prescription. Penalties for possession for personal use, if not pursuant to the above, would be up to 1 year and/or $1,000 in fines for the first offense and 3 years and/or $10,000 for subsequent offenses.

Possession with the intent to sell, manufacture, and sale of the drug would carry penalties of imprisonment of 3 years or a fine of $10,000 or both. The second or any subsequent conviction would subject the offender to imprisonment of 6 years or a fine of $15,000 or both.

I believe that this action is not only called for, but imperative. Most demanding considerations in experiences with these drugs are the growing use of them by young people, coupled with a growing body of evidence that use produces irreversible changes in life and personality.

The reports of the horrifying effects of the drugs continue to mount: Cell damage, acute depression, suicide, homicide, long-term mental hospitalization—and to a very large number of persons with no previous history of psychiatric disorder.

According to one report, 8 percent of LSD users become homicidal or suicidal; 12 percent, violent; 16 percent require extended hospitalization.

It now appears that LSD can tragically affect children born of the user.

What is most frightening of all is that the effects of the drug are unpredictable, the results not completely known.

I do not believe we can afford to wait the many years it may take to discover the full effects of LSD. We did that with thalidomide—until it had taken its toll. I have thus asked that unauthorized possession of LSD be made unlawful. The sale and manufacture of these drugs cannot be tolerated. Indeed, it is most disquieting that manipulation of the professional seller and manufacturer of these drugs is not curbed.

Certainly the passage of stricter laws will not solve the entire problem. Education with regard to the effects and possible results of experiments with drugs such as LSD must be greatly expanded. An attack on underlying social causes is gravely needed.

Yet, a strict law is needed most of all.

MANPOWER DEVELOPMENT

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. GURNEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. GURNEY. Mr. Speaker, the President's manpower message has again called attention to a serious domestic problem. I am pleased to note that major emphasis was placed on the role of the business community in solving the problem of the hard-core unemployed. In this regard, I was interested in the prompt reply to the message by W. P. Gullander, president of the National Association of Manufacturers. The NAM statement recognizes the need for a gradual approach to a solution of this problem and demonstrates the willingness of industry to work with the Federal Government to develop realistic programs to create job opportunities for this group. The NAM statement also notes the continuing efforts of industry in the field of employee health and safety and questions the need for a new and massive Federal program in this area.

I insert Mr. Gullander's statement in the RECORD at this point:

STATEMENT OF W. P. GULLANDER, PRESIDENT, NATIONAL ASSOCIATION OF MANUFACTURERS, ON PRESIDENT JOHNSON'S MANPOWER MESSAGE

WASHINGTON, January 23.—The NAM shares President Johnson's conviction that providing training and jobs in private industry is the key to reducing hard-core unemployment. As the President has stated, six out of seven American jobs are provided by private employers.

We welcome the recognition in the President's Message that a solution to hard-core unemployment requires a partnership between industry and Government. We hope that there will be a full partnership in which industry will have an equal voice in planning and managing the program.

The objective must be to convert those who are presently unemployable into workers who can hold jobs on the basis of their own worth and their own productivity. Private employers are in the best position to understand realistically the skills, experience, and work habits an individual must possess to attain that status.

The NAM stands ready to cooperate in the work of the new National Alliance of Businessmen.

In view of the need for Government economy, which has never been greater, we urge that the necessary money for this new effort be derived by curtailing other Government programs, including other manpower programs.

The NAM will comment later upon the specifics that the President has indicated he will propose in the field of occupational safety and health. However, we must now express reservations about the proposals which the President has outlined in this Message. Industry has achieved significant results in this field and can look forward to continued improvement. Good health and safety programs result in greater efficiency and savings to industry and thus provide their own incentive.

NAM is presently pioneering industrial mental health programs in addition to the familiar, continuing health and safety programs. Local and state officials as well as insurance companies provide objective outside appraisals and adjustments of individual company programs.

We question the need for a major new Federal program involving further regulation of industry practices in regard to health and safety.

PERSONAL EXPLANATION

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. GURNEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. GURNEY. Mr. Speaker, I regret that we were unable to complete a vote on truth in lending earlier in the afternoon.

An engagement of long standing prevents my being in Washington to vote my support for the bill as it now stands. If I had been present for that vote, I would have registered, as I have done before, strong approval for the measure. It will offer effective protection for the American consumer and equal treatment for the various institutions offering credit benefits.

NEED FOR QUICK ACTION

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska [Mr. DENNEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. DENNEY. Mr. Speaker, today I am introducing H.R. 15040 which is designed to restore the orderly development of our Nation's highways.

As my colleagues know, Secretary of Transportation Boyd announced last week that Federal-aid highway obligation levels during 1968 will be held approximately to 5 percent below 1967 levels. Since the moneys involved are in a trust fund which can only be used for highways, a hold back on this program would have no effect on the financial crisis and large administrative deficits faced by the Federal Government.

Mr. Speaker, this cutback has been touted as an anti-inflationary proposal. Although it might achieve this temporary objective, in the long run it would have a terrific inflationary impact.

Skilled persons simply will not remain, and professionally trained people graduating from our colleges and universities will not join industries which blow hot or cold with every change in the Washington weather. Contractors and others who fail to obtain contracts because of this cutback will still have to meet payrolls and make payments for equipment and material purchased in anticipation that the highway program would continue at the rate which could be supported by the highway trust fund. These payments will be reflected in higher bid prices in bidding for subsequent contracts, and this will have a definite inflationary impact and will increase the cost of our highway program in both lives and money.

As a member of the Public Works Committee, I participated in joint hearings on this very same problem early last year. As a result, the cuts were restored. Since the hearings were merely recessed, I wrote the committee chairman to reopen hearings immediately for the purpose of exploring this latest cutback.

Should this approach prove more feasible, then it would be my hope that we can obtain immediate hearings on this bill which would prevent the Federal Government from using obligated highway trust funds to flip-flop back and forth depending on the prevailing winds of the fiscal situation and public opinion. The only way to establish and maintain an economic and effective highway program is by establishing a long-range plan and then keeping faith with it.

PERSONAL ANNOUNCEMENT

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. CHAMBERLAIN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, I am unrecorded on the first two rollcall votes of the second session due to my absence while with a subcommittee of the House Armed Services Committee in Southeast Asia. Had I been present, I would have voted on rollcall No. 2 "yea," and on rollcall No. 4 "yea."

I also note that I am unrecorded on rollcall No. 235 during the first session and wish to announce that had I been present, I would have voted "yea."

UNITED STATES HAS NO CHOICE IN "PUEBLO" INCIDENT

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. CHAMBERLAIN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, it is now more than a week since the brazen hijacking of the U.S.S. *Pueblo* and still there is no visible sign whatsoever that either the men or the vessel will be recovered.

It is difficult to decide what is the more appalling about this incident—the failure to prevent the seizure of the *Pueblo* or the belated, ineffectual efforts made to retrieve it after the fact.

One thing is clear. The loss of the *Pueblo* is a victory of the first magnitude for North Korea. Nothing that is done now can change that. The secret information that has come into the hands of the Communist world cannot be recovered. The return of the vessel now would not alter the fact of this great intelligence coup. Nevertheless, every effort must be made to obtain the release of the crew without delay, for their own well-being as well as the honor and security of the Nation.

The North Koreans have committed an act of war against the United States, and so far have gotten away with it. The American people deserve to be told the full story of how and why this could happen, for it raises grave questions about our preparedness and the ability of the administration to react to such belligerent insults at the appropriate time and before the damage has been done.

Mr. Speaker, the depth of feeling of many Americans on this matter is expressed, I believe, particularly well in an editorial appearing in the Jackson, Mich., Citizen Patriot on January 26, 1968, and I commend it to the attention of my colleagues:

UNITED STATES HAS NO CHOICE IN "PUEBLO" INCIDENT

The seizure of the USS Pueblo by North Korea has left Americans angry, frustrated, almost in a state of shock.

Their concern grows with each passing hour as they wait for positive action by their government to deal with the type of international banditry that America has not accepted since the early days of the Republic.

The government's caution and its inability to react in a traditional fashion due to the complexity of today's world add to the frustration and the worry on the part of the people.

In an earlier day, an insult to America and danger to its citizens would have been met immediately and in a positive manner. The Marines would have landed and the gunboats would be lying offshore, ready to start throwing steel and high explosives.

Today the Administration must weigh every move carefully because the incident is part of a vast international power struggle which includes a shooting war.

On the surface the piracy committed by North Korea appears be part of a grand Communist scheme to harass America. The role of the Soviet Union, the arrogant belligerence of the North Koreans, the timing with an impending major military effort by the North Vietnamese and the propaganda efforts by Ho Chi Minh, make such a conclusion inescapable.

Moreover, this latest development in the international power game is a sharp rebuke to those who believe that course of sweet reasonableness will bring an end to the Vietnam War, that Russia can be prevailed upon to serve as a mediator if given the right cues by President Johnson, and that the Communists really are not such bad people, after all. Many a dove was shot down as North Koreans boarded the Pueblo.

The United States, of course, cannot allow the incident to pass without positive retaliatory action, even though it has overlooked certain transgressions by Communists in the past. American planes have been shot down over international waters by Russians, with the incidents handled through diplomatic channels.

Nothing so raw, however, as the Pueblo incident, has taken place. America has no choice but to move.

The gravity of the situation calls for every effort to reach a diplomatic solution. A renewal of the Korean war, which could come about, would put a great strain on America's resources. Perhaps that is exactly what the

Communist conspirators have in mind. The belligerency of the North Koreans may be aimed at creating a second front, at least at the guerrilla warfare level, against America. The Soviet Union would supply the arms, and perhaps the direction, for such a military venture, just as they are in North Vietnam.

The Soviet Union also would be served by such a development because it would permit it to move into the vacuum created by the withdrawal of the British military presence from Singapore to the Suez Canal.

Thus the world conflict is acquiring a new dimension. The threat to America, indeed to all the free world, has become more serious in the past few days. Today it is more obvious that the Vietnamese affair is more than a mere struggle over real estate and the fate of the people in one small nation. It is part of the never-ending battle for power between the free and the Communist worlds.

The burdens which lie on the President's shoulders have been multiplied by the Pueblo affair. A false move on his part now would be disastrous.

He is faced with more than a mere case of piracy and a threat to American lives. Every decision must be made in the context of the global power struggle and dangers inherent in it.

Although Mr. Johnson must make every effort to use the channels of diplomacy to bring the Pueblo affair to a satisfactory ending, he cannot accept anything less than an honorable solution, come what may. A retreat in this area is impossible, just as a withdrawal, without reciprocity, from Vietnam is unthinkable.

The Communists, by the seizure of the ship and its crew, may be attempting to prove its old propaganda line that the United States is a "paper tiger." If they succeed, America is finished as a world power.

In this hour of national crisis the President must have the full support of all Americans who are capable of realizing that their country's honor and the lives of fellow citizens are at stake.

Republicans and Democrats, hawks and doves, conservatives and liberals, have a common cause in seeing that America does not back down.

They may disagree on immediate methods. Suggestions run from an immediate declaration of war on North Korea if the ship and men are not released to cautious use of diplomatic methods.

These differences of opinion are proper. No room exists, however, for differences on the ultimate goal. That is to reassert America's traditional belief in freedom of the seas and its refusal to accept piracy and insults to its national honor.

DOWNTOWN PROGRESS: PATHWAYS TO THE FUTURE

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. MATHIAS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. MATHIAS of Maryland. Mr. Speaker, the revitalization of our great central cities is a task of tremendous proportions and incredible intricacy. In the past, our efforts have too often been unsystematic, unsophisticated, underfunded, and inevitably unsuccessful. But these very failures have been educational. We have learned that an urban area cannot be revived by governmental fiat, that public investment alone will not suffice, and that the only public programs which will really work are those which are responsive to the dynamism of urban life. In short, we have finally grasped the critical importance of the private sector as a catalyst for change and a contributor to progress, and of human considerations as the guide for growth.

In the Nation's Capital, these realizations have formed the basis for action by a remarkable and important organization, Downtown Progress. Downtown Progress, the National Capital Downtown Committee, is a nonprofit corporation formed and financed by Washington's business and civic leaders to help develop and implement a program for the revitalization of the economic heart of Washington.

The downtown area—between the White House and the Capitol—is the dominant retail center in the entire metropolitan area, with sales in excess of $350 million. Downtown establishments employ about 85,000 people, and serve not only the nearly 3 million residents of the metropolis, but also the millions of visitors who come to Washington each year. The area contains two-thirds of the land zoned for private central business district development in the capital city, and its health is obviously crucial to the well-being of the city as a whole. Yet despite the dominance of this area, its rates of employment growth, business growth, and private construction have not kept pace with those of the metropolitan region as a whole, nor with those of newer business centers in Washington.

To combat the problems of incipient commercial and residential blight in the heart of Washington, Downtown Progress was created in 1960 on the recommendation of the Joint Policy Committee of the Federal City Council and the National Capital Planning Commission. From its beginning, the organization has been a spur for cooperative activity by concerned private citizens and public officials. An action plan for downtown Washington, published in 1962, indicated the potential for development by private enterprise within the framework of responsive public policies. This concept is now being advanced through a comprehensive downtown feasibility study, which will provide the basis for development of an urban renewal plan, to be advanced in coordination with the rapid transit system, the Pennsylvania Avenue plan, the development of the National Visitor Center at Union Station, and the renewal projects adjacent to the downtown area.

Mr. Speaker, the individual leaders and contributing firms of Downtown Progress cannot be commended too highly for the perception, perseverence, and commitment which they have brought to bear on the problems of central Washington. Mr. Robert C. Baker, president of the board of directors and the executive committee of Downtown Progress, merits particular praise for his enlightened and untiring efforts.

On January 25, it was my privilege to attend the annual meeting of Downtown Progress, and to hear an extremely eloquent and provocative address by Mr. James F. Oates, Jr., the chairman and chief executive officer of the Equitable Life Assurance Society of the United States. Mr. Oates, whose corporation is a leader among the insurance firms investing deeply in urban rehabilitation, addressed himself to the fundamental questions posed for business by the cities: the questions of priorities, responsibility, and involvement.

In exploring these questions, Mr. Oates wisely stressed the human considerations which should be central to all urban planning and programs. Recognizing that the most stubborn urban problems are those of hopelessness, alienation, and passivity, he emphasized the importance not only of building cities to serve human needs and foster human growth, but also of involving people from all parts of the community in the rebuilding process. His remarks are grounded in the conviction that, as he stated.

> Man is intelligent enough to undo the confusion he has created.

This is the faith upon which Downtown Progress has been based.

Mr. Oates' remarks on "Pathways to the Future" should be read and re-read by all Members of Congress, local officials, and concerned citizens, and I include the text of his address in the RECORD at this point:

PATHWAYS TO THE FUTURE

(An address delivered at the annual meeting of Downtown Progress, Washington, D.C., January 25, 1968, by James F. Oates, Jr., chairman and chief executive officer, the Equitable Life Assurance Society of the United States)

Today I hope we can look together, joined by a common interest and mutual good will, down the pathways of the future. Our future is destined to be governed to a substantial extent by our success, acting as a coalition, in the diagnosis and cure of the sickness of our cities.

This sickness is incredibly severe and pervasive. It could readily develop into a fatal blight from which we might never recover without the loss of our individual freedoms.

Unfortunately, but most importantly, the sickness of our cities is not only evidenced by the abhorrent, indeed ghastly physical conditions of the ghetto, but also is to be found in the serious damage that has been and is currently being inflicted upon men's minds and spirits.

Clearly, many thousands of specific remedial steps in respect to jobs, housing, transportation, education and new opportunities, must be taken in a myriad of localities throughout the nation.

THREE CENTRAL QUESTIONS

As we confront this problem of great size and overwhelming complexity, it is not surprising that we are plagued by hard choices, indecisions, and doubts. This is because our approaches to the problem must also be involved and complex. Since the Equitable—along with a lengthening list of business firms and corporations—has been earnestly striving to arrive at wise decisions, perhaps you would be interested in a business analysis of the situation and a proposed course of action.

In our view, the basic problem breaks down into three categories of questions—questions of priorities, questions of responsibility, and questions of involvement. And each of these categories, in turn, raises a long list of specific and collateral issues.

Questions of priority ask what comes first in importance. The critical urgency of the situation and danger to society calls on us to do something. In doing something, how should the priorities be assigned?

What is the relative urgency of physical facilities—housing, commercial buildings, libraries—on the one hand, and on the other hand, social roles, notably jobs and educational opportunities? How much of our resources should be allocated to each?

Another important priority issue asks whether to rebuild the blighted areas or to rehabilitate existing structures? While this issue has been mainly focused on housing, it applies with equal relevance to commercial properties of many different kinds.

Secondly, the questions as to responsibility and where it inescapably lies raise equally perplexing issues:

Where does public responsibility end and private enterprise begin? What are their relative roles?

What should be the relationship between local programs (either public or private) and programs to meet the larger requirements of the surrounding area or region?

Finally, the questions of involvement raise moral issues as to who should and must participate—as a matter of moral right as well as practical expediency.

Should the intended beneficiaries of such programs participate in their own salvation and on what basis? Is some reallocation of power and authority to the poor a necessary condition to resolve our urban dilemma?

Furthermore, the question of who is distinctly related to the most agonizing moral issue of our time. Can Negro-white collaboration be made to work? Are the trends against such an achievement? Will we be ultimately forced to surrender to an American version of apartheid whether advocated by whites or Negroes?

It would seem to be desirable, therefore, to discuss a sampling of issues under each of these central questions: (1) what objectives come first, (2) where does the responsibility lie, and (3) who is to participate? As we reach reasonable consensus respecting such issues involving what, where, and who, we are given a glimpse of the preferred pathways to the future.

SIGNIFICANCE OF DOWNTOWN PROGRESS

First off, however, I want you to express our feelings of identification with Downtown Progress and its ideals. Over the years, as many of you know, the Equitable has been privileged to take a leading part in comparable programs, notably in Pittsburgh with the development of the so-called Golden Triangle. Similar programs—also due largely to business leadership—are underway in many other cities—including Denver, Louisville, San Francisco, and St. Louis.

The centers of our cities must be prosperous, attractive, and stimulating if we hope to have healthy cities. When we analyze the city from a "systems" point of view—we discover the importance of the heart of the city. People in the surrounding neighborhoods look to the central city for employment, for services and shopping, for recreation—indeed for all the comforts and necessities of a good life. As we plan our great cities of the future, we inevitably will plan great city centers. Certainly, your organization has demonstrated impressive leadership in this field. You realize far better than any guest visitor in Washington the inherent potentials of such projects as the proposed National Visitor and Student Center, the new Downtown Library, the new National Gallery for portraits and the fine arts, the restoration of the historic Ford's Theater—to say nothing of the possibility of a new downtown residential area east of Mt. Vernon Square. In addition to reversing commercial and residential deterioration, revitalization of the heart of the city is, so far as I know, the only sure way of slowing down the flight to suburbia—a trend which, as you well know, is already creating a whole new range of national problems.

WHAT IS TO RECEIVE PRIORITY?

Let us consider, then, the question of priorities. Among city planners a vigorous and heated debate continues to center on the issue of new buildings vs. rehabilitation—whether to bulldoze and build new structures, or renovate and rehabilitate existing structures. In our experience, there is no one fool-proof answer to this question. Each case varies according to local needs and the relationship of the particular project to some larger plan for development. What is right for downtown Washington may be wrong for downtown Manhattan.

Yet, fortunately, we do have guidelines. In our practical programs of urban renewal, we must think not only of changing the buildings and the physical environment; we must not forget that it is people, after all, who make up a city. Thus, when we lay out plans for new buildings or new shopping centers, we must simultaneously plan for the people who will live in those buildings or who will shop in those centers. I am advised that research shows that the sense of neighborhood is often so important that the best way to improve conditions may be to rehabilitate the buildings, not destroy existing structures or enforce drastic residential change upon the inhabitants. This approach enables a stable neighborhood to continue on a higher scale, but complete with its involved network of individual roles, social institutions, centers of influence and friendships.

Another way of putting this point is to observe that people need a sense of identity. They need to belong. Much has been written of the difference in spirit, though not in physical surroundings, of the early Italian or Irish slums in our cities and our present day ghettos. One tragic difference is that the earlier slums tended to be stable neighborhoods—places where people felt they belonged and were needed—whereas the contemporary ghetto is typically not a neighborhood but rather a collection of dilapidated buildings filled with people who have been isolated and consequently alienated. A first step toward rehabilitation, then, may very well be to restore a sense of neighborhood.

There are, I am told, community organizations in Washington which are starting such a process in their respective areas. I refer to such organizations as the Model Inner City Community Organization, usually I believe called simply MICCO. Organizations such as MICCO can become vital forces fostering community participation in rehabilitating areas presently characterized by painful alienation and bitter withdrawal.

The development of physical facilities, in short, will be of little avail unless meaningful social roles are also provided including primarily jobs. Recent experience in my own company has strongly demonstrated the importance of a job, of work as an essential badge of membership in the larger society. Let me report briefly on one such project. The Equitable's program for high school dropouts—largely young Negroes—has only just now completed its fifth year. The record of experience with these young people is one of accomplishment and difficulty, joys and sorrows. On balance, however, we are satisfied that it has been and continues to be a success.

Perhaps the most important lessons we have learned from this program are not economic but sociological in nature. Thus we now believe that we know these things about the dropout:

He needs to experience a measure of success. He has been overwhelmed by failure.

He needs new models—new examples to emulate. Here his peers and his supervisors on the job have a magnificent opportunity.

He needs a chance to learn; to learn the basics—a chance that is realistically geared to the fact that his experience with learning has been difficult and discouraging.

Finally, he needs to be provided with work that is worthwhile. This perhaps has been the most difficult fact of all for us to grasp; for all too frequently it turns out that the dropout's failures in the work role stem from his supervisor—who himself, perhaps subconsciously, feels and thus communicates the notion that the work is boring and of small consequence.

As we consider priorities, I feel that we must recognize the overwhelming necessity of providing jobs for the economically disadvantaged and the culturally deprived. We now know that it is not enough simply to change a person's physical environment, an entire way of life is also involved. The key lies, rather, in bringing people into the mainstream of the city. I commend President Johnson's call for a concerted effort to "start a new partnership between government and private industry to train and to hire the hard-core unemployed persons." This program would offer Federal manpower funds to those companies which recruit and train the chronic jobless and guarantee jobs to the successful trainees. This is a measure that could go far to multiply satisfying roles and provide an enlarged sense of community. I concur with the President that there is "no task before us of more importance . . . to the country, or to our future."

* * * * *

For those who would work to build the better city of tomorrow, the task is clear; we must recognize all inhabitants of the city to be members of the community, we must train the so-called untrainable and hire the so-called unemployable. The need is great and the time is ripe for private industry to open up jobs through the design of creative and bold new programs. Private companies, as never before, are trying new ways to make tax producers out of tax consumers. A survey of some of these new projects was released earlier this month, at a meeting of the National Industrial Conference Board. Let me report a few that I had found especially exciting. A Michigan utility has "adopted" a ghetto area school, providing job training programs, vocational guidance, special skill training, part-time work experience, and a college scholarship fund. A Chicago department store has a corps of its employees tutoring tenants of a housing project in basic reading skills. A Philadelphia steel company has created a job information service for ghetto residents, using one of their Negro executives on a weekly television program which placed 3,000 people during its first five weeks. A New York bank has agreed to find 2,000 jobs for residents in one of the City's low-income areas. A Detroit manufacturer has initiated a buddy system, where each new employee from the ghetto area is assigned a friend to help him learn the requirements and expectations of the job.

These are but a few examples, but they constitute a very great promise. I can think of nothing more rewarding for a businessman than to experience the success of a training experiment or of opening up new job opportunities. It seems to me that the field for creative thinking on the job front is not only wide open but susceptible to quick results.

This first pathway to the future, in effect, suggests that rebuilding and rehabilitation are not alternatives, but complementary processes. But whichever procedure is followed in a particular instance, the probability must be recognized that the results will be disappointing if the inhabitants are not given significant roles to play in the larger community.

WHERE IS THE RESPONSIBILITY TO BE LOCATED?

Let us turn now to the question of where the responsibility lies. The charter of Downtown Progress calls for minimum public action and maximum development by private enterprise—and this is as it should be. Yet it is generally agreed that the nature and scope of the urban problem calls for both private and public enterprise. Let me underscore this point with two examples.

You have heard a good deal about the billion dollar pledge recently presented to the President by the nation's leading life insurance companies. In effect, this pledge commits the life insurance community to divert from its normal stream of investments at least one billion dollars for investment in city core areas throughout the country, so as to improve housing conditions and to finance job creating enterprises. Thus capital will be available for projects which would not ordinarily have been financed under normal business practices because of their high risk. The terms of each project will be negotiated by the particular company making the commitment and, where appropriate, investments under the program will carry government FHA guarantees.

The billion dollars has been subscribed by life companies pro rata according to their assets. The Equitable, for example, has pledged some $100 million, and I'm happy to say that we have already taken the first tangible steps in this program—a small but highly significant investment in Pittsburgh, joining with a number of other corporations to provide low-income housing. We and three other life insurance companies have also earmarked funds for so-called vest pocket housing in New York City, and the Prudential has announced a multi-million project in Newark.

These and other similar plans are only the beginning. The companies will continue to seek out projects. At Equitable we have set up something new—an office of Urban Redevelopment, with this as its sole responsibility. Even more vital than the money involved, is the stimulus we hope to give to the nation's other large sources of capital. The life insurance industry is hopeful that the billion dollar fund will spark a chain reaction producing a massive private drive to do away with slum housing and to raise living standards.

On the other hand, both public and private projects must be involved in urban areas. Neither can do the job alone. And this points up the necessity of cooperative effort and open lines of communication. Certainly, you in Downtown Progress have shown your acceptance of this principle. Your list of advisory and participating organizations constitutes one of the most impressive examples of cooperation that I've ever seen.

But a spirit of cooperation—however cordial—is obviously not enough. Not only must public and private interests share the task of rebuilding and revitalizing our cities, but equally important, there is a need, an ever growing need, for the economic resources essential to carry out these programs.

Again, I would draw on our own experience. The role that the life insurance companies play in financing business expansion as well as sharing the cost of the revitalization of our cities depends on the formation and investment of capital. It is, then, not surprising that we are profoundly concerned about the future demands for capital. The life insurance industry, together with all other private institutions for accumulating savings, must, it seems to me, take all possible steps to help meet the rising need for capital funds. This too, will require close coordination and integration between government and private programs, to the end that business is not impaired in its ability to accumulate adequate, indeed vital, pools of capital.

It is in light of this concern about capital formation, that I feel compelled to share some thoughts with you about Social Security. Here is an area where private and public programs must be used creatively to serve the best interests of all Americans. The new Social Security legislation recently passed by Congress has the effect of expanding the program beyond the provision of the tradition "floor of protection," and may as a consequence reduce the flow of private saving. All would agree that Social Security has been an improvement over the grossly inadequate systems of county and state old age assistance which it has largely replaced. This does not mean, however, that something better still may not be possible and preferable. We must work to design new methods to improve rather than merely expand our present Social Security System.

Our nation cannot begin to achieve the necessary growth rates which future generations will require, unless the instruments for assembling pools of private savings—such as the life insurance companies, the savings institutions, the investment banks—are able to go about this vital business. A pay-as-you-go Social Security tax which provides no funds for long-term investment, simply cannot fill this bill.

My second example is not unrelated. As we develop cooperative programs between public and private organizations, it seems clear that constructive urban design must be both planned and implemented within the context—not of separate cities—but of vast and ever-expanding metropolitan areas. Such areas, as we all know, are made up of many disparate cities and towns. Each locality, both large and small, has its own local government. Each strives to meet its own local interests, usually within a narrow perspective.

Furthermore, local governments, quite understandably, do not wish to yield any of their prerogatives to outsiders. Yet, if planning is to succeed, it requires a strong metropolitan base. This can be achieved only when local loyalties and jurisdictions give way to some higher level of authority.

In short, the predicament of our cities is a complex of many interlocking, overlapping problems—problems of transportation, housing, education, sub-cultures, population change—and countless others. Each of these problems, quite understandably, has its own corps of specialists; most of us become specialists in one field or another and we tend to talk and associate only with other specialists in the same field. Yet herein lies another basic difficulty. For nothing can be more frustrating than the struggles of a group of specialists to find the solution to a general problem.

As a businessman who has seen the management team operate with reasonable success under a variety of conditions, I believe that we must learn a great deal more about the great variety of team systems and interdisciplinary approaches to long-range urban design and community development.

There are many models to choose from, one of which is an approach to urban problems which, appropriately enough, has its home in Athens—an approach with which I am sure many of you are familiar. This is known as ekistics—taking its name from the Greek word for home. It calls for the closest possible collaboration between the technical and cultural disciplines, such as engineering and architecture, on the one hand, and the behavioral sciences and public administration, on the other. If such a science is ever to be evolved and applied, public and private interests must walk hand in hand.

An excellent example of the ekistic approach to urban planning is the Detroit metropolitan area, under the leadership of Doxiadis Associates, who also serve as consultants to Downtown Progress. Detroit's area of influence has been found to extend throughout Michigan and Northern Ohio as well as into Canada. This one area is thus playing an important part in the entire Great Lakes region.

Just the other day I learned something from Constantinos Doxiadis, which should be of interest to all of us. The facilities of Systems Development Corporation are now available to help relate existing conditions to alternative courses of action for the great variety of cities existing in our country. This technique will aid cities throughout America to study on a systematic basis their future patterns of development. Certainly, any future plan for Washington, D.C., cannot long endure without reference to the part this great city is playing and will continue to play in the developing East Coast megalopolis.

The second pathway to the future thus points unmistakably to the proposition that the base of public and private cooperation must be broadened, and that local programs—either public or private—need to be put to work within the framework of the larger region.

WHO IS TO PARTICIPATE?

Our third and last big question deals, as you will remember, with involvement. Who is to participate in the necessary and countless programs of the future? This basic inquiry returns us to the fact that cities are people. It must be conceded that the American city is in agony. Not only are its central areas characterized by deteriorating buildings; more importantly they are inhabited by people who are increasingly alienated and dispirited—people who seem to be twice isolated, first by a ruling society which has excluded them, and second by their own feelings of intense alienation from such a society.

As we attempt to break through this twofold isolation, the principle of participation offers a key. Of all the recent innovations in the American welfare system, the participation of deprived people themselves seems to me to be the most exciting. Nor is this without theoretical interest. In recent years, systematic studies of behavioral scientists have repeatedly demonstrated the positive force of participation in solving a wide variety of human problems—in arriving at complex decisions, in improving worker productivity or military morale, in breaking into the so-called poverty cycle, in rehabilitating delinquents, alcoholics, and addicts, to say nothing of deepening the motivation to learn at all educational levels. Such studies reflect the theory that the greater the involvement and the broader the participation of human beings in an enterprise, the more likely it is to succeed.

Only through some measure of participation can the alienated be brought back into the mainstream of life and given a true sense of responsibility. Nor should we be unprepared for outbreaks of irritation during this process. I feel strongly, for example, that even the picketing of schools by concerned parents, or rent strikes by aroused occupants of sub-standard tenements, can be healthy signs. A parent concerned about his child's education has broken through half of the isolation of the slum; he is concerned, not irrevocably alienated. I would suggest, consequently, that high priority be given to programs that stress participation by those who are to be helped. We should allocate more authority and responsibility to the poor to help both public and private leaders in the planning and implementation of constructive programs of all kinds.

In this connection, I was more than a little interested in one of your recent reports which called for precisely this kind of participation.

I quote: ". . . to permit more people to participate fully in the mainstream of American life," and ". . . involvement of (people) in the preparation of plans before they are drawn rather than in the review of plans after they have been drawn."

The most basic issue of involvement centers on the racial crisis in our larger cities. Ghettos are characteristic of practically every American city of any size and the demographers tell us that they are increasing rather than declining in population. We now know that conditions which tend to keep one group isolated generate pressures that inevitably result in explosions. Isolation is the major condition underlying the riots.

In my judgment, businessmen must establish new and effective relations with those who have been isolated for far too long a period. People in Watts, or Harlem, or in the ghettos of Newark or Detroit need to participate more fully in the workings of American business. We must invest money, time, and effort. And such investments can be profitable. Here are some examples. For years a branch department store in a slum area of St. Louis was in poor physical condition, had high pilferage rates and was losing money. Recently, the firm decided to invest $250,000 in a new store to replace the former outworn structure, though in an area said to be ripe for a riot. Today, this store, with an integrated staff, has low pilferage rates and is one of the highest producers in the nationwide chain. Another major chain with plans to build a large store in the New York area, has selected a site not in mid-town, but in Harlem. A well-known manufacturer of computers has recently announced plans to build a large plant in the ghetto area of Minneapolis. I can think of no more efficient way of destroying the isolation of the ghetto than through such practical programs of integration.

Even more significant, as Whitney Young has pointed out, is the importance of integration to every part of the on-coming generation.

"Increasingly it is the insecure, the frightened, the unsure, who need to surround themselves with sameness. But there is richness in diversity and white citizens will benefit just as surely as Negroes."

Furthermore, integration works more often than senational newspaper stories lead us to suppose. The recent record is clear. Negroes in traditionally all-white work groups are not rejected and disruptive of morale. Qualified Negro supervisors experience little problem in dealing with white subordinates. Negro managers are no more resented than Negro bus drivers. Examples of successful integration are legion.

Historically, our nation has been likened to a melting pot, a nation made great by the bloods of many lands. It must soon be universally accepted that all Americans are full Americans regardless of race, color, creed, or circumstance. We must hasten progress to that goal by eliminating discriminatory practices in the building trades, through open housing legislation, through better educational facilities, and through fairer employment opportunities on all fronts. The seriousness of this issue cannot be overemphasized. Unless we solve it, the American dream will founder.

J. Irwin Miller, recently cited by Saturday Review as "Businessman of the Year" has said: "Violence and disobedience are wrong and constitute a danger to the fabric of society; but it is also very wrong, and illegal, and contrary to our free country's dearest principles to keep any segment of our peoples depressed and deprived—simply because the white majority has the power to do so. Of the two dangers, the latter has usually proved in history to be the more formidable."

The third pathway to the future, therefore, may be summarized in one sentence: Programs must be designed and implemented with full participation by the people to be helped—irrespective of race, color, creed, or circumstance.

CONCLUDING NOTE

May I conclude with a confession of personal faith. It is my conviction that the future is no longer a distant and irrelevant period of time. Our future is intimately involved in the urgency of the present. It is my further conviction that man is intelligent enough to undo the confusion he has created. If our social problems are great, so are our talents, our resources, and our determinations. Man's highest hopes, his greatest experiments in living, have been acted out in the cities throughout the course of history. Many dreams have taken tangible shape in places of high population density and intense human interaction. But it is the human equation which is always central.

The city of the future will demand not just excellent physical design, but the conservation of human values; not just a comfortable conformity, but a vibrant diversity; not just a collection of special interests, but the setting for a truly democratic and proud community. This is the nature of our common dream. Each one of us must contribute to its realization.

CRISIS IN HIGHWAYS: NEW JERSEY SUFFERS

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. CAHILL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CAHILL. Mr. Speaker, the State of New Jersey is facing a crisis in its highway program as the result of the recent directive from the U.S. Department of Transportation. To some degree, the State of New Jersey is responsible for this crisis. Regardless of the responsibility, however, the citizens of New Jersey and, indeed, of the Nation will suffer.

Mr. Speaker, New Jersey is truly a corridor State, connecting Pennsylvania and New York and representing an integral part of the north-south and east-west highway transcontinental system. New Jersey is also one of the chief contributors by way of money to the highway trust fund.

Mr. Speaker, the directive certainly, as far as the State of New Jersey is concerned, should, in my judgment, be modified, if not eliminated.

What are the facts? In 1967, the State of New Jersey obligated $114 million of highway trust funds for the highway program in New Jersey. As of December 31, 1967, the State of New Jersey had a balance available for obligation from previous allocations amounting to $98 million. This $98 million could have been obligated as late as December 30, 1967. The reasons why it was not obligated must be answered by the Governor and the commissioner of transportation of the State of New Jersey. The reasons for their failure to obligate these available funds may be valid. However, the failure to obligate the additional funds has been a contributing factor to the crisis confronting the State.

I am informed that as of January 2, 1968, the highway trust fund made its quarterly release totaling $1.1 billion and that New Jersey's share of that amounted to $27 million. I am certain that the officials in New Jersey, based upon past performance, expected similar allocations in the three remaining quarters in calendar year 1968. Thus, New Jersey anticipated some $206 million during calendar 1968 which could have been obligated for highway planning and construction.

Now, as a result of the directive of the Department of Transportation, New Jersey will receive 5 percent less than the amount actually obligated by the State in 1967. Since New Jersey only obligated $114 million instead of the $212 million which was available to be obligated, the State will be compelled to accept for 1968 $114 million less the 5 percent. Since New Jersey obviously planned on the anticipated $206 million, it, in effect, will lose $97.7 million from highway funds from the Federal trust fund.

This is a reduction which New Jersey cannot possibly tolerate and keep its faith with the citizens of the State in its highway program. I have, therefore, today written personally to Secretary of Transportation Alan S. Boyd, calling his attention to this crisis and urging a modification of this directive as it applies to the State of New Jersey. I have called to his attention that New Jersey in 1966 contributed approximately $130 million to the Federal highway funds and received from this trust less than $90 million.

Coupled with the convenience and importance of the highway system of New Jersey to the rest of the Nation, I believe modification is indicated. I have also written today to Commissioner Goldberg and have asked for an explanation of the reasons why the available funds which could have been obligated in 1967 were not, in fact, obligated, particularly in view of the great needs in highway construction throughout the State of New Jersey.

Mr. Speaker, I recognize the need for economy. In my judgment, however, there are many other areas which should have been considered before the very vital highway program was impaired, if not destroyed.

THE "PUEBLO" INCIDENT

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. SCHADEBERG] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SCHADEBERG. Mr. Speaker, following is the text of a news release which I have issued today, asking questions which I feel the American public deserves answers to:

> Representative Henry C. Schadeberg (R., Wisc.) today asked Secretary of Defense McNamara, Why the silence and secrecy over events surrounding the capture of the *Pueblo?*
>
> The Wisconsin Congressman said that "the ship is in enemy hands, the crewmen are captives of the Communists, yet the American people know little or nothing about what occurred at the time the *Pueblo* was boarded, or who is responsible for the lack of protective cover for the *Pueblo*."
>
> Congressman Schadeberg urged the Defense Secretary "to level with the American people on the eve of his departure from the Defense Department" and reiterated his charge of January 30th that McNamara had

direct charge of the *Pueblo* as director of the National Security Agency.

He asked the Secretary a series of questions which, he said, "must be answered and answered forthwith in candor and honesty since the American people are entitled to the truth, and the parents of sailors on board the remaining intelligence ships are entitled to know if their sons are being protected adequately, as those on the *Pueblo* and its sister ship, the *Liberty*, sunk during the Israeli-Egyptian war, were not." There appear to be more than 80 other ships in the *Pueblo* class and just as helpless—some 6,000 unprotected fighting men.

The questions that should be answered by the Secretary of Defense were:

1. "Has anything been done to protect the other spy ships now operating in dangerous waters?

2. "Who ordered the surrender of the *Pueblo*, an act contrary to Navy tradition and devotion to duty by those trained to man our ships?

3. "Why were the documents on the *Pueblo* not destroyed, as I understand they were not?

4. "What was the communications and intelligence value of the sophisticated electronic gear on the *Pueblo* in relation to the equipment known to have been developed by the Communists?

5. "Reports are rampant in the country that the *Pueblo* had no destruct equipment for secret data and machinery which should certainly be mandatory for Naval vessels in troubled waters. Why not?

6. "Are the 80-odd other *Pueblo* type ships being supplied with automatic destruct instruments?

7. "Why has the Secretary of Defense, the man responsible for the assignments of the *Pueblo* under the National Security Agency set-up, remained silent during this grave challenge to our security? Is the loss too piddling for his attention or are we confronted with a blunder of such magnitude that he is unwilling to admit his responsibility?

Congressman Schadeberg said that "the truth about the *Pueblo* will hurt no one, since the ship has doubtless been thoroughly fly-specked and gutted of its equipment by the Communists, the crewmen are in enemy hands and the Communist North Korean propagandists are undoubtedly readying a world-wide propaganda barrage to fill the credibility gap left open by the refusal of the Secretary of Defense to level with the American people."

Twice during the month of January, the Congressman said, North Korean broadcasts warned American authorities that it was planning on taking action against our spy ships.

Certainly the U.S. Navy was ready, willing and able to act to protect the *Pueblo*. Someone else, somewhere, did not allow them to do so. We are entitled to know who and why, the Congressman said.

The American public is entitled to a full explanation from their own officials rather than being fed a garbled version from the Communist propagandists, the Congressman declared.

HIGH HONOR ACCORDED LOWELL MONSIGNOR

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MORSE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. MORSE of Massachusetts. Mr. Speaker, it was reported this week in the Lowell Sun that the distinguished pastor of St. Louis de France Church in Lowell, Mass., has been honored by the Republic of France. Msgnr. Alfred R. Julien, JCK, was made a Knight of the National Order of Merit, and received congratulations from the French Ambassador to the United States.

Monsignor Julien has been a tireless worker, giving of his time and energies, particularly in promoting French culture. But his activities are not limited—he has worked extensively in the areas of education and public relations as well. He has made an indelible contribution to his community as well as to his church and I wish to add my congratulations to those of his friends and colleagues on this occasion.

Mr. Speaker, I include an article from the Lowell Sun about Monsignor Julien's distinguished career:

HIGH HONOR ACCORDED LOWELL MONSIGNOR

LOWELL.—Monsignor Alfred R. Julien, JCK, pastor of St. Louis de France Church, has been informed by Jacques Massenet, Consul General of France in Boston that he has been honored by the Republic of France and made Chevalier dans l'Ordre National du Merite (Knight of the National Order of Merit). Immediately following the announcement from the French Consulate, congratulations from Charles Lucet, ambassador of France to the United States in Washington were forwarded to the Lowell clergyman.

A native of Salem, Monsignor Julien is the son of the late Mr. and Mrs. Joseph Julien. He is a graduate of St. Joseph's school Salem and St. Joseph's Seminary, Trois Rivieres, P. Q. Canada, from where he entered St. John's Seminary, Brighton, and was sent to Rome. He was ordained to the priesthood in the eternal City in 1933 and furthered his studies there to become a doctor of Canon Law.

Returning to the U.S. his first assignment was as assistant pastor at St. Mary's Church, Marlboro. Other assignments included assistant pastor of St. John the Evangelist Church, Newton and of St. Joseph's parish, Everett. He then became professor of Canon Law at St. John's Seminary, Brighton and pastor of St. Mary's, Marlboro in 1954.

In 1958 the late Pope Pius XII made him a domestic prelate with the title Right Reverend and in 1962 he was appointed pastor of St. Louis de France Church, Lowell.

Monsignor Julien is Episcopal Vicar of the Archdiocese of Boston and chairman of the Liturgical Commission. He is archdiocesan parish priest and religious consultor; archdiocesan prosynoday examiner; and censor of archdiocesan publications.

The honor bestowed upon Monsignor Julien by the French Republic comes in recognition for his numerous contributions to the promotion of French culture and in appreciation of services rendered in the fields of education and public relations. An eloquent orator, Monsignor Julien is frequently called upon to address civic and ecumenical gatherings throughout New England.

Due to his numerous responsibilities he recently resigned from the Lowell Housing Authority.

Monsignor Julien is the brother of Rev. Rene Julien, assistant pastor of St. Jean Baptiste parish in Lynn and Rev. Robert Julien, assistant pastor of St. Joseph's parish, Waltham.

COLLECTION OF THE FRENCH DEBT TO THE UNITED STATES

The SPEAKER pro tempore (Mr. PRICE of Illinois). Under a previous order of the House, the gentleman from New York [Mr. WOLFF] is recognized for 60 minutes.

Mr. WOLFF. Mr. Speaker, when I came to Congress 3 years ago, France was using all her available dollars to buy gold on the international market. At that time I took the floor, not to question the legality of France's action, but to propose, that while France pursues such policies, we should require payment of France's legal and binding World War I debt to the United States.

I said then and I say now: There is no substantial reason why the United States should not collect this just debt.

If I may, I would like to discuss briefly the history of this indebtedness.

During and immediately after World War I France borrowed $3,404,800,000 from the United States. The loans carried a 5-percent interest charge and were to be payable on demand. However it soon became obvious that France would not be able to pay the debt except over a long period. Thus in 1922 the Congress approved a long-term payment program for France. Under the terms of the revised agreement, which incidentally was quite favorable to France, by permitting no interest charges to accrue before 1930, the debt was to be paid by 1987. Also, interest charges were significantly reduced. Under the new agreement the interest rate was to start at 1 percent in 1930 and climb to a maximum three and a half percent by 1966.

This was, for all practical purposes, a writeoff of 60 percent of the debt. Let me repeat. By so dramatically easing the interest charges we, in fact, decided to forgo 60 percent of the money due to the United States.

But our consideration did not end there. When the world was struck by the great depression President Hoover requested and the Congress approved a 1-year moratorium of the indebtedness. That moratorium, for the 1932 fiscal year, was unnecessary, at a time when the United States was itself in the midst of serious depression.

But then, as in the twenties, we acted honorably. The United States made it clear we were prepared to make it as easy as possible for France to meet her responsibility.

However the honor of the United States was answered with contempt. Illegally contending that there was a connection between German reparations and her debt to the United States, France unilaterally discontinued payments on the debt when the 1-year moratorium expired.

That was in 1933. For 30 years France and the United States have remained close allies. We helped France financially and militarily; our military men's blood was spilled on French soil to save it from certain conquest in World War II. We loaned money to France to fight the war and we loaned money to France after the war for the massive rebuilding of a war-torn nation. France was our friend and the World War I debt was honorably not pursued.

However France under De Gaulle has in recent years acted without honor and with disregard for our longstanding friendship. From her gold buying of the early 1960's to her disruption of the Atlantic alliance and NATO to her role in the attempt to undermine the dollar late last year, France has acted against the interests of the United States and the West.

Now let me reiterate at this point something I have repeatedly called to the Members' attention: The debt of France is legal and binding. Both our Treasury and State Departments acknowledge that it is, without question, money that is properly ours. We have never accepted the French position that the debt is related to German reparations.

Now let me discuss the present status of the debt. The United States carries the debt on the Treasury Department's list of accounts receivable. Yet we have done nothing to see that the American people receive what is properly theirs.

On June 30, at the close of the last fiscal year, the debt, including principal and interest figured at the lower, revised interest rate, totaled $6,850,592,550.57. Because, under the revised agreement of the 1920's, the debt was to be paid in full over 65 years, France was in default, as of June 30, for more than $5 billion.

In the 7 months of the current fiscal year interest has been accruing daily. The debt is now approximately $7 billion and there has been a comparable increase in the amount that is past due.

This, then, is the background. It is simple and clear. France owes the United States a large sum of money. France has, for more than 30 years, made no effort to pay that money. And now the American people have decided we want and need that money.

Mr. Speaker, because of the interest of the American people in reclaiming what is rightfully theirs, there has been a great deal of attention to my comments in recent months. The media and many organizations have written about the French war debt.

From the attention that has been paid to this matter I have received thousands of letters. I have correspondence from every part of the country and literally around the world. The American people, as a body, feel most strongly that we should collect this debt.

Let me read some samples of my correspondence:

From Pennsylvania:

> De Gaulle talks peace while he collects our gold to wage war to devaluate our dollar and throw this Nation and all others who rely on the stability of the dollar into chaos.

From Massachusetts:

> It's about time some Government spokesman put that artificial Napoleon in his place. What an ingrate.

From Florida:

> I'm for you one hundred per cent in your demand that France repay money still owed from World War I.

From Kansas:

> We do not assist other countries for praise, but certainly when a country that has been assisted as much as France has in the last fifty years, and quite possibly could not have pulled themselves up by their own bootstraps, they do need reminding of what they owe—at least to keep them quiet.

From an American serviceman stationed overseas:

> The time has come to make France pay its World War I debt. Why should you, I and others suffer by taxing to the bone.

From an American working for the U.S. Government in Australia:

> I have never been able to understand why we allowed France to bleed us of gold when they owed us so much money.

From Missouri:

> Treasury officials and others have said politics and the world economic system prevent the U.S. from demanding repayment. I—at fifty years of age—am tired of our easy come, easy go policies. Keep up your good efforts.

And from my own district:

> When I have a legal debt, I pay it. Why should I have a tax increase while France has an unpaid legal debt to the United States. By the way, we sure could use that seven billion dollars in our cities and poor rural areas. If France is so rich, they should pay their legal debts. Good luck.

The feeling of the American people is clear. So is the feeling of the Congress. Yesterday when I introduced House Concurrent Resolution 622, to collect France's World War I debt, I had the maximum number of 24 cosponsors. Today, I say proudly, 75 additional distinguished Members have introduced companion legislation. I am confident additional Members will join us. In addition to myself the following Members are sponsoring this legislation to collect our money:

Mr. Abernethy
Mr. Addabbo
Mr. Anderson of Tennessee
Mr. Ashmore
Mr. Bevill
Mr. Bingham
Mr. Blatnik
Mr. Bray
Mr. Brinkley
Mr. Carey
Mr. Delaney
Mr. Dent
Mr. Dingell
Mr. Dulski
Mrs. Dwyer
Mr. Edwards of Alabama
Mr. Eilberg
Mr. Evins of Tennessee
Mr. Fallon
Mr. Farbstein
Mr. Fino
Mr. Flynt
Mr. Friedel
Mr. Galifianakis
Mr. Gettys
Mr. Gibbons
Mr. Gilbert
Mrs. Griffiths
Mr. Hagan
Mr. Haley
Mr. Hall
Mr. Halpern
Mr. Hechler
Mr. Helstoski
Mr. Hicks
Mr. Horton
Mr. Hungate
Mr. Hunt
Mr. Ichord
Mr. Jones
Mr. Johnson of California
Mr. Karth
Mr. Kee
Mrs. Kelly
Mr. Kornegay
Mr. Landrum
Mr. Leggett
Mr. Lennon
Mr. Long of Louisiana
Mr. Lukens
Mr. Machen
Mr. Marsh
Mr. Matsunaga
Mr. Meeds
Mr. Montgomery
Mr. Morris of New Mexico
Mr. Morton
Mr. Nichols
Mr. O'Hara of Michigan
Mr. Olsen
Mr. O'Neal of Georgia
Mr. Ottinger
Mr. Patman
Mr. Pepper
Mr. Pollock
Mr. Pucinski
Mr. Randall
Mr. Rarick
Mr. Reinecke
Mr. Resnick
Mr. Rivers
Mr. Roberts
Mr. Rogers of Colorado
Mr. Roudebush
Mr. Roush
Mr. Roybal
Mr. St Germain
Mr. Satterfield
Mr. Schweiker
Mr. Shipley
Mr. Sikes
Mr. Sisk
Mr. Snyder
Mr. Steiger of Arizona
Mr. Stephens
Mr. Stratton
Mr. Stuckey
Mr. Taylor
Mr. Teague of California
Mr. Teague of Texas
Mr. Tenzer
Mr. Waggonner
Mr. Waldie
Mr. Walker
Mr. White
Mr. Whitener
Mr. Willis and
Mr. Wilson of California

Mr. Speaker, when more than 100 Members of the House of Representatives initiate legislation on an issue as important as the collection of the French war debt we have passed the point of talk and entered the realm of action.

President de Gaulle would do well to take seriously the sentiment of the American people and the feeling of the Congress regarding France's debt, at a time when France is taking steps contrary to the best interests of the United States. There is no reason to permit De Gaulle to pursue policies contrary to the interests of the United States at a time when France is so deeply in our debt.

I would call to the Members' attention a dispatch from Paris earlier this week in which De Gaulle indicated a moderating of his anti-American stance. This is interesting. It appears that De Gaulle may realize he cannot act against the United States without inviting retaliatory action. We will not submit passively to this conduct and I hope the support that has been gathered for the legislation to collect the World War I debt will cause De Gaulle to remember how strong and vital to his country's well-being, American friendship has been.

Besides the 100 Members introducing House Concurrent Resolution 622 and its companion resolutions, several Members have introduced such legislation on their own. I welcome their support.

It would seem, Mr. Speaker, that with this overwhelming interest of the House in the collection of the debt the Ways and Means Committee should hold prompt hearings on the legislation. I have indicated my feeling on this matter in a letter to the distinguished chairman.

My thought is that the committee and the House leadership should heed this bipartisan call for legislation making clear the feeling of the people of this Nation and the Congress regarding collection of the French debt.

The cause is just—the need for action is immediate.

Does the Government favor a waiver of this debt or collection of the debt?

I call to your attention this resolution:

H. CON. RES. 622

Whereas France was obligated to the United States on her World War I debt in the amount of $6,850,592,550 and was default on principal and interest totaling $5,077,723,883 on June 30, 1967;

Whereas the French Government has not contested the validity of its debt to the United States;

Whereas the United States has never recognized that there is any connection between the World War I obligations of France and France's reparation claims on Germany;

Whereas France has taken steps inconsistent with the best interests of the United States and the Atlantic Alliance;

Whereas the domestic economy of the United States has required spending reductions and the development of new sources of income;

Whereas the American people should not be made to subsidize the French war debt: Now, therefore, be it

Resolved by the House of Representatives (*the Senate concurring*), That it is the sense of Congress that it shall be the policy of the United States to require the Republic of France to immediately begin payment of its World War I debt to the United States;

It is further the sense of Congress that the debt should be fully paid within twenty years of passage of this resolution;

It is further the sense of Congress that such payment should be made in twenty equal installments to include all principal and interest now, or in the future, due to the United States;

It is further the sense of Congress that should France continue to default on World War I indebtedness to the United States, the President should take whatever steps are necessary to guarantee payment of that debt.

Mr. KARTH. Mr. Speaker, will the gentleman yield?

Mr. WOLFF. I am glad to yield to the distinguished gentleman from Minnesota.

Mr. KARTH. Mr. Speaker, I want to commend the distinguished gentleman from New York for taking the leadership in what I consider to be an important subject matter. I want to commend him, also, for taking the well today and calling to the attention of the House and therefore to the attention of the American people the vital statistics that he is giving to the Congress of the United States and the American people explaining the reasons why he feels it is so vitally important that we take this action in enacting the joint resolution which he has introduced.

I feel privileged to associate myself with him and certainly think I would be remiss if I did not say it is through the leadership and the spearheading of this effort by the gentleman in the well that we have accomplished what we have. Without that leadership there would not be 100 people today who would be sponsoring with him this joint resolution calling the attention of the American people to this important matter.

Mr. Speaker, in view of President de Gaulle's mischiefmaking with the gold standard and the American dollar, I think it is high time that the United States remind the French President that arrogance is no substitute for honesty.

Dealing in half-truths, distortions, and outright attacks upon America, De Gaulle has squandered his own credibility and brought discredit upon the French people. Perhaps a meaningful reminder of that country's indebtedness to us might bring a measure of reality back to De Gaulle's view of the Western World.

De Gaulle's further meddling in the Middle East, and anti-Semitic pronouncements leave no room for doubt that the aging President is more than a merely eccentric international influence. Although I generally disapprove of such retaliatory actions, I believe the danger of his excesses should be fully understood and dealt with in appropriate firmness by our Government and our President.

Mr. EILBERG. Mr. Speaker, will the gentleman yield?

Mr. WOLFF. I am delighted to yield to the gentleman from Pennsylvania.

Mr. EILBERG. Mr. Speaker, I am introducing today for appropriate—and I fervently hope prompt—action a concurrent resolution making it the sense of Congress that the huge World War I debt owed by France to the United States should be fully paid within the next 20 years.

In this, I am joining a number of other Members of Congress who have already introduced similar legislation, firmly convinced that I am reflecting the deep and increasingly more prevalent feeling of the American people toward this debt and toward the nation that owes it to us. This feeling has been made abundantly clear by thousands of letters that we, Members of Congress, have received from our constituents. It has been echoed and supported by countless columns and editorials in the Nation's press.

They speak out unmistakably the mind of America: Our patience has worn thin; we will no longer show toleration and forbearance to a country that has been and still is doing its utmost to undermine the best interests of the United States.

Mr. Speaker, I do not wish to dwell on the well-known facts that it was American blood and American weapons that helped France regain her freedom in World War II and that it was American generosity and assistance after that great conflict that was mainly instrumental in France's economic comeback and today's prosperity. I do not wish to dwell on these facts because I do not wish to accuse France of outright and gross ingratitude.

But I must emphasize some of the practical aspects of this indebtedness and of its relation to the U.S. economy. First of all, the large size of the presently outstanding debt itself—almost $7 billion—and of its already delinquent portion—over $5 billion—requires that something be done to regularize the condition of this debt. This regularization is the more urgent because the total amount of French outstanding obligation increases annually by almost $135 million, the amount of interest which the United States is entitled to receive on the outstanding principal. What is more, the amount in default grows annually by $200 million, including the interest and payment on principal. Clearly, such a situation must not be permitted to exist any longer without a realistic attempt at eliminating it.

Second, there exists no legal reason that would enable France to continue disregarding this longstanding obligation. France's claim that the payment of her debt to the United States is somehow contingent on her receipts of reparation payments from Germany simply does not hold water. No such provision has been included in the original debt agreement nor has any such connection ever been recognized by the United States. It must further be pointed out that, despite her reluctance to continue servicing this debt, France has never claimed that the debt itself is not legal and binding in its entirety.

Third, There is a valid as well as practical reason for the settlement of this debt within the 20 years, as proposed in the concurrent resolution. The original debt agreement provided for its total repayment by June 1987; there is no legal reason why France ought not to be held to its original obligation. The practical question of whether France is able to pay annually some $420 million in order to adhere to the proposed accelerated schedule of payments must be viewed in the light of her recent monetary and financial transactions with the United States. Surely a nation that has, within 5 recent years, been able to purchase almost $3 billion worth of American gold and to make substantial advance payments on her other debts cannot claim any lack of funds—the absence of German reparation payments notwithstanding—wherewith to settle a just and legal and long overdue debt. Furthermore, France would be well advised to consider the simple fact that had she been making her annual payments regularly instead of suspending them unilaterally, they would amount to less than one-third of the prospective accelerated payments.

I recognize, Mr. Speaker, that French delinquency in this matter has been to some extent due also to our own laxity in constantly reminding our debtor of her obligation. A provision exhorting the President to take whatever steps are necessary to guarantee the payment of this debt is therefore also incorporated in the resolution I am presenting.

The benefits that the United States might derive from its implementation are obvious. The Federal Treasury would be assured of substantial additional receipts, thereby reducing the annual budgetary deficit. Furthermore, the deficit in our balance of international payments would be substantially reduced, and the major source of pressure on our gold would be almost eliminated. Quite clearly, a France with few idle dollars would not be able to demand her pound of gold and pursue monetary policies threatening the dollar.

And, Mr. Speaker, if France in the process also learns that in international relations as well as among individuals it pays to keep good manners, so much the better.

Mr. HAGAN. Mr. Speaker, will the gentleman yield?

Mr. WOLFF. I am delighted to yield to the distinguished gentleman from Georgia.

Mr. HAGAN. Mr. Speaker, I appreciate the gentleman from New York [Mr. WOLFF] giving me the opportunity to express my appreciation to him for his remarks and for the work that he has expended here in developing this resolution.

Mr. Speaker, I am delighted to cosponsor this resolution with the distinguished gentleman from New York as well as the other cosponsors. I am delighted to join in the gentleman's remarks.

Mr. Speaker, I close my comments by saying this, that in view of the activities of the French Government in recent weeks and months, it is my opinion it is high time that we did something along the line that the gentleman from New York has proposed.

Mr. Speaker, I thank the gentleman from New York [Mr. WOLFF] very much for yielding to me at this time.

Mr. WOLFF. Mr. Speaker, I thank the gentleman from Georgia very much for his contribution to the discussion of this subject.

Mr. TENZER. Mr. Speaker, will the gentleman yield at this point?

Mr. WOLFF. I am delighted to yield to my colleague from Long Island.

Mr. TENZER. Mr. Speaker, I would like at this point to commend my distinguished colleague from Long Island and from New York for having brought this matter on the French debt to the United States to the forefront of public attention.

For a long time most Americans and many Members of this House hardly realized that France had not paid its debt to the United States. I am well aware of the favorable balance of payments in the trade between the United States and France. I understand that we export from the United States to France some $900 million worth of products, and we import from France approximately $600 million worth of products, but I commend the gentleman because his approach, his resolution, does not suggest a boycott of French goods, but takes a reasonable approach to a creditor nation asking a debtor nation to pay its just debt.

In addition, Mr. Speaker, if the gentleman will yield further, I would like to say that at this time, when our Government is asking for a 10-percent surcharge from Americans seeking to raise $7.5 billion to cut the deficit which faces this Nation, and to prevent inflation, and while our Government is continuing to search for new sources of revenue, it would be irresponsible for us to fail to take appropriate action against the debtor nations who owe us money, including France.

Mr. Speaker, I would like to inform the gentleman in the well, and the House, that I am pleased to sponsor today a House concurrent resolution in identical form to that which was introduced by the gentleman. And I have the distinct pleasure to have associated with me in the introduction of this resolution, which I am introducing for 24 other Members of the House and for myself.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TENZER. Mr. Speaker, I am today pleased to sponsor House Concurrent Resolution 627, which is identical to House Concurrent Resolution 622 introduced by my distinguished colleague from Long Island, Congressman Lester Wolff.

Joining with me today in cosponsoring this resolution are the following Members of Congress: Mr. Ashmore, Mr. Blatnik, Mr. Dent, Mr. Fallon, Mr. Farbstein, Mr. Friedel, Mrs. Griffiths, Mr. Jones of Missouri, Mrs. Kelly, Mr. Haley, Mr. Kee, Mr. Kuykendall, Mr. Kornegay, Mr. Leggett, Mr. Meeds, Mr. Machen, Mr. O'Hara of Michigan, Mr. Pepper, Mr. Rogers of Colorado, Mr. Roudebush, Mr. St Germain, Mr. Stephens, Mr. Stuckey, and Mr. Whitener.

During the past few months, there has been a great outcry, both publicly and in the Congress, over the failure of France to pay its World War I debt to the United States. I am indeed pleased to see that so many of my colleagues have joined in cosponsoring the resolution first introduced by the gentleman in the well.

The World War indebtedness of the Government of France due and unpaid as of June 1967 was over $5 billion. The total obligation which is outstanding including both matured and unmatured principle and interest arrearages to that date was $6,850 million. Today, when the U.S. balance of payments is hopelessly in arrears, there is no valid reason why the United States should not request France to make payments on its debt.

It seems clear to me, that even though the Treasury takes the position that we have never recognized that there was any connection between the World War I obligations due and owing to the United States and the reparations claims on Germany, nevertheless, the fact that the United States is sitting idly by and doing nothing to collect the debts owing it, constitutes a de facto recognition of the claim of the debtor nations involved that there is indeed a connection between reparations from Germany to them and payments to the United States. Our Treasury Department which is so adept at extracting every loose penny from the American taxpayer has shown an amazing lack of inability in the collection of debts due and owing to the Government of the United States.

While an overall settlement of the past debts due and owing to the United States would be desirable, I urge our Government to at least move in the direction of those debtor countries which are capable of meeting their debts. The Government of the United States owes to its citizens the effort of obtaining these outstanding billions due to us.

In closing, I would just like to make particular reference to the Government of France. It is indeed incredible that a debtor nation like France, for which the United States has done so much during and following two great World Wars should posture as a creditor, not only undermining our currency, but criticizing our Vietnam policies. This nation has intentionally and deliberately offended this country time and time again. It is time for the United States to meet the challenge of France. One way is to require France to repay the billions of dollars it owes to this country. While I do not advise a boycott of trade with France, I do urge this Government to take whatever means necessary to obtain repayment of these outstanding debts.

I congratulate my colleague, Lester Wolff, and the 97 other Members of the House who have sponsored House Concurrent Resolution 622. I commend their efforts in this matter and urge other Members to join with me in support of this resolution.

Mr. WOLFF. Mr. Speaker, I thank the gentleman for his kind comments, and also for his cooperation and the work that he has done in helping to bring this matter to the attention of the American people.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CREDENTIALS APLENTY FOR MRS. ANNE MILLER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. Feighan] is recognized for 15 minutes.

Mr. FEIGHAN. Mr. Speaker, a woman of exceptional capabilities has recently been elected vice president of the Jewish Community Federation in Cleveland.

Mrs. Anne Miller, whose prime interests in her early married life were dedicated to the noble arts of motherhood and family life, has quietly, but zestfully, extended her services to the community during the years her children were growing to adulthood. This remarkable and gracious lady, by her disarming charm and personal magnetism, has been able to recruit others to her several works of charity, and by her own dedicated and zestful efforts, has made a lasting impression upon all with whom she has worked. By her enthusiasm for doing good, she has been able to stimulate incentive and impart fervor in others who have worked under her able direction. Perhaps the secret of Mrs. Miller's success lies in the fact that she has worked so zealously without any thought of reward except the satisfaction and gratification that comes to one whose efforts are dedicated to doing good for his fellowman. Nevertheless, the rich results of Mrs. Miller's tireless endeavors could not remain in anonymity, and her election as vice president of the Jewish Community Federation—the first election of a woman to that office in 38 years—is a fitting and well deserved tribute to her many remarkable accomplishments. Cleveland is proud of Mrs. Anne Miller and I am glad to include an article which appeared in the December 28, 1967, issue of the Plain Dealer:

CREDENTIALS APLENTY: ELECTION OF A WOMAN IS FIRST IN 38 YEARS

(By Alma Kaufman)

Mrs. Anne Miller, new vice president of the Jewish Community Federation, says she doesn't know how she came to be the first woman in 38 years to become an officer of the federation. But, her credentials are impressive.

She is a past president of the Jewish Family Service of Cleveland, on the national board of Family Service Association of America, chairman of the Commission on Services to Older Persons, on the boards of the Cleveland Homemakers Service Association, the Jewish Convalescent Rehabilitation Center, Council Gardens and the Jewish Orthodox Home for the Aged.

Mrs. Miller's husband, Alex, is an executive of Universal Steel Co. and of Columbia Iron & Metal Co. He is a vice president of Mount Sinai Hospital, on the Blue Cross executive board, and on the board of the Jewish Community Federation. The Millers live at 2958 Fontenay Road, Shaker Heights.

They have two children, both married, and six grandchildren.

"As my children grew up I became more active in community work and I thoroughly enjoy it," said the new vice president. "I expect I get more out of it than I give."

She plays golf and bridge when she can find time, and also likes to spend time with her grandchildren.

"I try to impress upon my children that my family definitely has priority," she said.

Mrs. Miller is a native of Sioux City, Ia. She moved here after her marriage.

"In health and welfare and voluntary agencies Cleveland is very good," she said. "But I'm not proud of public relief."

"It's too bad the mothers can't work and still get the amount they are entitled to. This business of saying people must keep on having babies to get relief is ridiculous."

As a member of the federation's public welfare committee, Mrs. Miller has been helping with a tutoring and counseling project in Glenville area schools.

"We all must become part of the inner city and see what we can do," she said.

THE "PUEBLO" INCIDENT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from South Carolina [Mr. WATSON] is recognized for 15 minutes.

Mr. WATSON. Mr. Speaker, in my view, one of the greatest American figures of history was President Theodore Roosevelt.

Remember? He is the one who said: "Speak softly and carry a big stick."

When Theodore Roosevelt was President, the United States carried an awfully big stick. Oh, we did not go around looking for fights, but when an international bully decided to flex its muscles, we did not back down or cowardly run from a fight. Accordingly, we were respected throughout the world not only for our might, but the courage to use that power in the defense of what we believed was right.

Teddy Roosevelt has been dead for over 40 years. The spirit of American courage that he left behind has carried us through a number of world crises, including two World Wars. But what about today? Where is that courage so typical of the American people? Yes; you guessed it, why is not someone showing a little courage about the *Pueblo*.

Sadly, we must hang our heads in shame in 1968. We do not have a Teddy Roosevelt in the White House today. The big stick has been replaced by nothing more than a wet noodle. Where great men have tread, unfortunately, the White House is now the home of a man whose only greatness lies in his willingness to talk.

But, Mr. Speaker, the American people are getting fed up with just talk. As has been so well established, the Communists do not recognize talk; they only respond to power. Thousands of miles from our shores, off the coast of little North Korea, is a ship—an American ship. And somewhere in North Korea are some 80 crewmembers of that ship. They are also Americans. You and I know they are not in North Korea for an extended winter vacation. They are prisoners—not of war, mind you—but prisoners of a Communist regime which has illegally seized them and their ship on international waters.

The *Pueblo*. That is right, the *Pueblo*. Not many of us had heard of the *Pueblo* until the morning of January 23. The administration of President Lyndon B. Johnson is still acting as if it had never heard of the *Pueblo*. But, all Americans can refresh their memory. The people of this Nation—who are summoned by the administration to support its foreign and and military policies—have a right to the answers, the true answers, and as promptly as possible.

One answer is certain, Mr. Speaker. Our Government is doing nothing—at least nothing constructive in recovering our men and restoring our prestige in the world community. Today, the Communists laugh up their sleeves at us as they plan their next move. Who knows? Maybe next week, Communist Cuba will try to steal the Florida Keys. After all, 2 weeks ago, who would have thought that an American ship could be captured and towed into a Communist port and without a fight? Obviously, armed with only two .50-caliber machineguns, the *Pueblo* could not have put up much of a fight, but why did not other ships and planes go to its rescue? The answers from the Pentagon to this and other related questions fail to satisfy the American people.

It is not surprising that a tiny nation such as North Korea would not have the fortitude to tackle a ship, say the size of a destroyer. After all, they really do not have to risk this sort of confrontation. They fully realize that weak-kneed appeasers in the Johnson administration will negotiate when there is absolutely nothing left to negotiate—that is, with the exception of the bag we are holding.

Mr. Speaker, time is not on our side in the *Pueblo* seizure. Normal diplomatic channels have failed to provide for the release of the ship and its crew. More of our men are dying. We must now contemplate the only alternative left open—an ultimatum to the Government of North Korea to either release the ship or run the risk of having its major defense installations annihilated. In reality, the moment it was learned that the ship had been hijacked, U.S. military retaliation should have been put into play.

American prestige has deteriorated to an alltime low. Unless swift, certain action is used to release the *Pueblo*, our respect among the nations of the world will never be regained. Let us remember there are some things that simply are not negotiable—foremost among these are the lives of Americans that have been laid down to keep us strong and free. The *Pueblo* incident is an affront to their memory. It is a sad commentary on the leadership that the American people have a right to expect from the White House.

I want that ship back—and our American seamen. All Americans want this. If this administration had been more resolute and forthright in the beginning, we would have it back now.

The time for talk is over. Like Teddy Roosevelt would have said, the time has come to use the big stick. Let us demand the immediate release of the *Pueblo* and her crew, assuring the Communists that if they do not respond, then we shall take such military steps as are necessary, including the use of tactical nuclear weapons.

Some politicians have said that it would do little good for us to move against the North Koreans militarily in an effort to recover the *Pueblo*, for probably we would recapture nothing more than the hull of the ship. With that I strongly disagree. First, we are in a position to inflict infinitely more devastation upon them than they can upon us, and I believe they would be unwilling to pay that price; second, I believe those courageous American seamen who are now prisoners of the North Korean Communists had rather pay the supreme sacrifice than see America compromise at this time. If this act of piracy goes unchallenged then you can be assured that the Communists in Cuba, North Vietnam, North Korea, and Russia will justifiably conclude that the Americans have a lot of bluff but not much brawn, a lot of conversation but not much courage—yes; a lot of guff but not much guts.

Frankly, a solution to both the Vietnamese and Korean situations could more easily be found were we to recapture some of those basic principles of integrity, honor, and courage which have made America great in the past, and would bring her more peace and prosperity in the future.

Mr. Speaker, let me reiterate, time is against us in the *Pueblo* situation; we must act now. Although the initial military action in Korea was a United Nations operation, the North Koreans and the Russians have already rejected any solution which may be forthcoming from that body, which, unfortunately, has degenerated into nothing more than an international debate club. Therefore this is our problem. These are our men and this is our ship. God help us if we do not have the courage to make an effort to help our fellow Americans who are prisoners in North Korea.

CONGRESSMAN GILBERT SUPPORTS PRESIDENT'S CIVIL RIGHTS PROPOSALS

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. GILBERT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GILBERT. Mr. Speaker, however unfair it may be to forget the great progress this country has made in assuring equal treatment to all its citizens, we cannot overlook that there remain many areas in which racial discrimination is the rule. President Johnson eloquently pointed to these areas in his civil rights message last week. We cannot stand still in civil rights. As Members of Congress, we will not have the right to rest until every American can be certain of obtaining a home, a job, a meal, a trial, without being subject to discrimination on the basis of race. The legislation that President Johnson proposes to help achieve these ends is wise and just. I support it with deep conviction.

This civil rights package of measures was submitted to the 90th Congress last year. It did not receive our approval.

But we cannot be hesitant this year. I recognize that the bottleneck to a civil rights bill is now in the other body, but I urge the Judiciary Committee to hold hearings on this bill, to expose to the public how much these laws are needed. In the past 4 years, the President and the Congress compiled one of the finest equal opportunity records ever put together by any administration. More has been done to advance educational opportunity, voting rights, and the right to a job, than ever before. We were the men who helped President Johnson strike down the last remaining color and race barriers to full opportunity. We must act courageously again on the bills now before us.

President Johnson's message asks us to do what we know is our duty. Mr. Speaker, it is my most profound hope that we pass an important civil rights measure in the current session of Congress.

ITALIAN EARTHQUAKE VICTIMS

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. OTTINGER. Mr. Speaker, we were all shocked and saddened by the tragic earthquakes which occurred in Sicily last month.

Thousands of Sicilians lost their lives, homes and livelihoods as a result of this great natural disaster. While emergency shelter was provided for most of these people, many of the temporary quarters were destroyed by subsequent tremors and floods. Unfortunately, the future is bleak in this underdeveloped area.

Various European nations have opened their doors to the earthquake victims. However, although many of these homeless people are close relatives of American citizens and have waited for a considerable time to obtain visas to join their families in this country, our immigration laws do not take their current plight into account and they are counted against the ceiling of total Italian immigration. Therefore, as there is no specific provision for the issuance of any special visas to them, I have today introduced legislation authorizing 2,000 special immigrant visas for the immediate entry into the United States of Italian earthquake victims.

This legislation is certainly consistent with our traditional policy of aiding those made homeless by catastrophe or oppression and similar legislation was enacted in 1958 to assist Portuguese victims of the volcanic eruptions in the Azores.

My bill applies to only those earthquake victims whose homes and means of support have been destroyed and they must still fulfill the present eligibility requirements for the issuance of immigrant visas such as health, good character, and so on.

Mr. Speaker, we must act with great urgency to help alleviate the suffering and distress of these unfortunate people and I urge the prompt enactment of this legislation.

DR. ENRICO FERMI COMMEMORATIVE STAMP—II

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. OTTINGER. Mr. Speaker, on January 22, I introduced legislation (H.J. Res. 989) directing the Postmaster General to issue a special commemorative stamp in honor of the late Dr. Enrico Fermi.

As I noted in my introductory remarks, the proposal for a Fermi stamp has already generated considerable support and interest and a great deal of work has been performed by several organizations, the most notable of which is the Enrico Fermi Educational Foundation, of Yonkers, N.Y.

The Fermi Foundation has been untiring in its efforts to enlist the support of other groups and public officials, not only in Westchester County and New York State but in other areas as well. This organization and one of its principal members and officials— Mrs. Morris Piemontese—were instrumental in having the Italian Government issue a special commemorative stamp in Dr. Fermi's honor last December.

Mr. Speaker, I am pleased to call to our colleagues' attention the important work of the Fermi Foundation and I insert herewith, for inclusion in the RECORD, an article which recently appeared in the New York News:

FERMI STAMP BACKERS POINT TO ITALY MOVE

(By John Randazzo)

If the Italian government issues a stamp in memory of the late atomic scientist Enrico Fermi, why shouldn't Washington match the honor, a Yonkers scholarship group has asked.

With that rallying cry, the Enrico Fermi Foundation of Yonkers yesterday embarked on the third year of a campaign to influence federal postal officials to confer philatelic honors on "the father of the atomic age."

To date, correspondence has been apparently ending up in the dead-letter file. Discussions by Rep. Richard L. Ottinger (D-25th CD) with Postmaster General Lawrence F. O'Brien have produced no results.

NATIONAL CAMPAIGN

"They'll (the foundation) have to mount a nationwide effort, through the states, senators and congressmen if the stamp is to become a reality," Rep. Ottinger told the News.

Foundation officials, headed by Michael Vitulli, its president, are going even farther . . . internationally . . . to beat the drums for Fermi.

One of their emissaries is Mrs. Morris (Fanny) Piemontese, a vivacious former Yonkers business woman who visited Italy in the summer of 1966. She heads the ladies auxiliary.

While there, Mrs. Piemontese talked up the stamp drive with Italian President Guisseppe Saragat and Foreign Minister Amitore Fanfani. Would they help? An audience with Pope Paul VI followed the state visit.

A few weeks ago an Italian postal official informed Mrs. Piemontese the Italian government was to issue on Dec. 2 a commemorative stamp for Enrico Fermi. The date marked the 25th anniversary of the first nuclear chain reaction produced by Fermi at Stagg Field, Chicago.

"We're trying again, with a little extra impetus from Italy," said Vitulli.

ORGANIZATION IN LINE

Italian groups in the state of Massachusetts are being galvanized for the stamp quest. Bay State Gov. John W. Volpe is leading the drive personally by direct communications with Postmaster General O'Brien and President Johnson.

Westchester backers of the commemorative stamp include the Board of Supervisors, Greenburgh Assemblyman Alvin M. Suchin, the Yonkers Lawyers Association, the Italian Civic Association of Mount Vernon and scores of other groups around the county.

"Fermi was a great American, although he was born in Italy. It is about time the United States honored him. More than 25 years have passed since his great nuclear achievement," said Mrs. Piemontese, who lives at 29 Hughes Terrace.

SPECIAL VISA LEGISLATION FOR SICILIAN DISASTER VICTIMS

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. CORMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CORMAN. Mr. Speaker, yesterday I introduced special legislation (H.R. 14945 to authorize the immediate entry into the United States of 2,000 natives of Italy and their families who have lost their homes and livelihood as a result of the recent Sicilian earthquakes.

My bill would make available 2,000 special immigrant visas, and the wives and children of these persons would also be issued special visas. This special legislation is necessary to provide entrance into the United States to these unfortunate families so that they will not be charged against the Italian immigration quota. This proposal is not without precedent. When volcanic eruptions in the Azores occurred in 1958, similar special legislation was enacted to help the Portugese victims of that disaster.

It is in our American tradition to open our doors to the hopeless and to the distressed. We have an obligation—more, we have a duty—to offer a haven to these people, to give them an opportunity to begin a new life. From all reports, the earthquakes were of such magnitude that even the land is gone and there is no possibility of rebuilding on it in the near future. These Sicilian families face a hopeless future.

Many of these people have relatives in the United States and have long wanted to come here to live. They have encountered numerous delays in obtaining visas. My bill can accomplish a twofold purpose—it can alleviate the suffering that the earthquake victims have had to endure; it can also result in permitting many families who have been separated for years to come together.

Mr. Speaker, I strongly urge early passage of this legislation.

OUR DEBT TO THE NATION'S VETERANS

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. Corman] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CORMAN. Mr. Speaker, our fighting men in Vietnam are too busy to think of what they will do when they come home—their families are too concerned—but I can assure them that their President and the Congress are working together to express the gratitude of the American people for the sacrifices they are making. Our country has always looked after her veterans through programs established for their benefit and this practice will continue.

The high regard with which President Johnson holds our veterans and servicemen is expressed by his second special appearance before Congress on behalf of veterans affairs.

His requests and actions encompass the entire veteran population. He spoke of medical care, educational benefits, increased serviceman's group life insurance coverage, and new methods to inform veterans of the benefits available.

I support these requests and emphasize the sweeping program for jobs and training, especially the new VIPS program which encourages veterans to train and work in the public service.

I share the President's desire to assure every veteran the right to burial in a national cemetery situated reasonably close to his home. In California we have experienced the primary problems of limited space and the rising cost of land, but I submit that this can and must be corrected. To this end I believe that the Administrator of Veterans' Affairs should be given the responsibility of resolving the dilemma. His agency is charged with the welfare of veterans and I believe that it is well prepared to solve the current crisis existing in the national cemetery system. It seems logical to me to transfer this responsibility to the VA and I would support legislation to accomplish this.

I reflect the words of President Johnson in saying that I am ready to act on "the responsibilities unique to our own day. Today, as in times past, it is on America's fighting men that this Nation must depend. Their service honors us all."

I join the President in looking forward "to that good day when they will return as free, upstanding and self-reliant citizens."

TRUTH-IN-LENDING BILL, H.R. 11601

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Scheuer] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCHEUER. Mr. Speaker, we are near the end of our long fight to require that borrowers be given understandable information about the interest they pay. This should be minimum protection for the American consumer.

As the bill now stands, the only exceptions to full and open disclosure are the exemption of revolving retail store charge accounts and transactions for which the interest is $10 or less. I urge elimination of both.

Simple commonsense tells us that installment buyers, particularly those of low income and limited education—the bulk of the market for revolving credit accounts—may very well not understand that 1½ percent per month adds up to 18 percent per year.

Under this legislation, stores, banks, and loan companies will be required to state their true interest on an annual basis—not monthly, not quarterly, but annually.

Why should revolving accounts be exempt from this provision?

If Joe Smith, who has been unemployed for a year, gets a job and decides to buy his wife the washing machine she has wanted for years as a Christmas gift, he should be able to compare the cost of buying it at a furniture store to the cost of buying it at a chain store using the revolving credit plan. Further, he should be able to compare the cost of either of these plans with the cost of borrowing the money from a bank or his credit union. Unless all these financing opportunities are disclosed in identical, understandable and comparable terms, he cannot possibly have the information he needs to make an informed decision.

The retail interests who oppose the inclusion of revolving credit plans in the truth-in-lending bill argue that their credit charges do not lend themselves to a meaningful annual figure because the rate is measured from the exact time of each purchase to the exact date of each payment.

At the same time, however, they seem quite able to continue the practice in which they have been engaged for years—telling customers their finance charge is 1½ percent per month.

Why is that so different to translate into a financing rate of 18 percent a year?

We are a nation whose economy is enormously dependent on the mass use of credit. The number of adults who do not purchase consumer goods on credit is insignificant. Since 1945, consumer credit purchases have grown at a rate four and one-half times that of the gross national product. Yet, no normal expense is less understood by a consumer than the cost of the credit he buys.

Each time he makes an installment plan purchase, he is faced with confusing, conflicting, complicated, and frequently deceptive, practices.

Millions of Americans are waiting for us to clear up the consumer credit picture for them. I suggest that we complete this job by adding revolving credit accounts to the other lending arrangements covered by H.R. 11601.

We must pass a meaningful and effective truth-in-lending measure in this Congress.

CONGRESSMAN CLAUDE PEPPER'S REPORT FROM ISRAEL

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. Pepper] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PEPPER. Mr. Speaker, I have just returned from a fact-finding visit to Israel and I would like to report to the House on some aspects of what I and my fellow Floridians saw in this most exciting nation in the Middle East. Our purpose in going to Israel was to see firsthand the results of the war of last summer, to speak with leaders and prominent people in the state of Israel and to investigate the problems that will be facing the new state of Israel. Our trip was most rewarding, and, as might be expected, the Israelis were hospitable, enlightening, and very helpful.

There is little need for examining the fantastic progress of Israel for the Members of the House since I am sure that most of us here are aware of the growth and development of Israel and of the tenacity and determination of the Israel people. In the brief span of two decades, the people of Israel have converted a wasted and abandoned desert that was called Palestine into the garden that is Israel. Evidence of their devotion and hard work are indelibly inscribed across the land of the Bible and the reason for their remarkable success is undeniably manifest in the faces and the hearts of the Israel citizens. One gets the very clear impression after spending even a brief time with these people in their land that there can be no challenge too great, no obstacle too imposing, and no threat too grave to shake their faith in their God or their faith in themselves. At a time when the world is subjected to the decadent thinking of hippies and malcontents, it is very refreshing to see a nation of people whose honorable intentions are to build, create, and develop a society of freedom and a culture of progress.

We had the distinct honor and pleasure to visit with many of the Israel people and we were again impressed with the honesty and the forthrightness of these sons and daughters of the ancient Hebrews. Their elected leaders and representatives displayed a magnanimity that should be the humbling model for all men everywhere who serve their fellow man in positions of public trust. Regardless of the exalted position or title, the Israel leaders demonstrate a humility and a candor that truly makes them servants of the people and of the State of Israel. We were constantly aware of the fact that reason and logic dictated the actions of the Israel leaders and that the nation was being governed with intelligence. For any who would express doubts of the viability of the State of Israel, may I set their minds at ease once and for all; the Israelis are capable, dedicated and determined and their nation shall endure.

But after traveling through this land and seeing the territory gained from the recent victory over aggression, one very clear fact emerged. The State of Israel is still vulnerable to the attacks of the Arab States which stand waiting at the borders for the chance to attempt again the destruction of Israel. The Golden Heights, the positions formerly held by the Syrian artillery, are now in the hands of the Israelis and the Arab war machine has been defused—temporarily. In the Sinai desert, the former lines held by the Egyptian Armies of Colonel Nasser are filling with sand and the menace to the Negev has been removed—temporarily. Along the banks of the Jordan River, the Jordanian and Iraqi Armies are at bay, held back by the Israel defense forces that patrol this new frontier. But again, the unsettled peace that has been imposed by Israel is only temporary. Sullen faces across those borders reflect the statements of leaders in the Arab capitals. They will try again to destroy Israel and they will try again to massacre the Jews.

As long as the State of Israel exists, and that will be for many centuries I know, the Arab States will try to breach the fortress of democracy that is Israel. We do not fear for the life of Israel today for we know that the Israelis have proven their tenacity and their military abilities three times in the past two decades against their Arab tormentors. But Russian advisers are now in the capitals of the Arab countries, and Russian weapons are reappearing in the Arab armies. Recently, there were claims that Russian pilots were fighting in the Yemen civil war for the Republican government. Is it possible that the Russians will be assuming a larger role in the military affairs of the Arab States in the future?

As long as the Israelis must keep their weapons at their sides during their every hour, the building of the Israel society is hindered by the imposition of the constant vigilance forced on them by their bellicose neighbors. As long as Israel must stand alone as she did in 1948, 1956, and 1967, the realization of the potential of Israel cannot be completed. The diversion of so much of Israel's limited resources for the defense establishment constitutes a drain on the Israel people and the Israel economy that would cripple a lesser nation. If Israel could apply the energy that is now by necessity used for defense to the problems of progress, the results would be even more rewarding than those already achieved.

There is one very sure and very positive way to rectify the dilemma of Israel that takes so much away from the vitality of the nation for use on the battlefield and along the borders, and that is to find a permanent peace in the Middle East. But we and the Israelis must wait for reason and logic to come to the Arab capitals and the wait may be a long one. The United States can implement that peace by joining with Israel in a defense pact that will guarantee the security of Israel. The purposes served would be twofold: first, the Arab States would realize that their next aggression would entangle them with the United States, a prospect which they fear; and, second, the people of Israel could continue with the task they have set for themselves of building a viable, progressive nation in the Middle East.

My support for a mutual defense pact between the United States and the State of Israel is nothing new, I have advocated such a binding agreement between the two nations for many years. Before this House at the present time is a bill which I have reintroduced that would create a mutual defense pact between the United States of America and the State of Israel. My recent trip to Israel convinced me even more that the suggestion of that bill is valid and that the best interests of both nations can be served by the establishment of a mutual defense pact. The United States will protect the only true democracy in the Middle East and will tell the world that this Nation will stand in support of democracy.

The advantages to the Arab States are also evident. Without the prospect of a war with Israel, maybe the Arab States could start solving some of their own problems and begin to help their own people. A firm U.S. commitment would tell the Russians that this Nation will stand by the freedom of Israel and that the Middle East can no longer be the battleground between their puppets and democracy. A pledge to the people of Israel will act as a stimulant to other beleaguered nations that the United States will stand by them when their liberty is threatened.

Around the world, the United States is being challenged daily and the democracies are under a constant barrage from the communists and the dictators. It is a time of trial and it is the time for a firm resolve that freedom shall not die before the onslaught of totalitarianism. The United States of America is the foremost democracy that the world has ever known and it is the duty and the privilege of this Nation to insure the continuation of freedom. Let us join with the home of liberty in the Middle East, the State of Israel, in a common commitment that the freedom we cherish shall not fall before the sword of tyrants.

OFFICE OF ECONOMIC OPPORTUNITY DISCRIMINATES AGAINST THE ELDERLY POOR

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. PEPPER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PEPPER. Mr. Speaker, recently I was shocked to discover that the Office of Economic Opportunity intends to betray the trust that we in Congress have put in it. I have been an enthusiastic supporter of the war on poverty since it was first proposed, but I cannot condone decisions which make the elderly poor the victims of planned discrimination.

We have learned on good authority that the Office of Economic Opportunity has decided not to allocate funds for the new senior citizens programs authorized by the 1967 Economic Opportunity Amendments. There will be no special emphasis program, senior opportunities and services, despite the decided interest of Congress in such a program. There will be no special VISTA effort to increase activities by the elderly, despite the need for such special projects and, once again, the clear intent of Congress. There will be no special training program for the long-term unemployed elderly, despite the congressional mandate in the new part B. "Work and Training for Youth and Adults," in title I of the economic opportunity amendments.

We in Congress have been deeply concerned for many years with the plight of our elderly poor, who are expected to survive without complaint on an income which is pitifully small by any standard. Statistics show that 7 million older Americans are poor: this amounts to 20 percent of all poor Americans. The war on poverty was designed to help all the poor, but at most only 2 percent of the Office of Economic Opportunity's total expenditures have reached the aged poor.

Why is there this discrimination against the aged? Have Sargent Shriver's efficiency experts decided that programs for the elderly do not pay? I am sure that no Member of Congress will accept their judgment in this matter. Congress has decided time and again that the elderly poor must be helped, not only out of sympathy for their plight and gratitude for what they have done for this country, but out of the knowledge that older people have a great deal more to contribute to society. Such programs as Foster Grandparents have proved this over and over again.

I feel both anger and sorrow at this arbitrary action by the Office of Economic Opportunity. I am angered, because Congress has made its intent abundantly clear, both in the legislation and its authorizations and in the legislative history of the 1967 amendment from committee hearings through amendments on the floor. Sargent Shriver has assured us many times that OEO programs for the aged will soon be increased: but now we hear that they are to be ended altogether because of the lack of any appreciable amount of funds.

I feel sorrow, also, because by this action the Office of Economic Opportunity has weakened further its position with Congress. I have been a firm friend of Sargent Shriver, and supported his programs: but now it appears that once again Congress instructions are to be ignored. It becomes difficult to support OEO at appropriation time, and Sargent Shriver should not forget that fiscal year 1969 begins in only 6 months. We in Congress have the right to demand that OEO carry out our legislation without discrimination and without attempts to subvert it. Therefore, Mr. Speaker, I request that an equitable amount of funds be earmarked for our elderly poor. I have suggested in the past that 20 percent of the total appropriations for the community action agency of OEO be allotted for this purpose. If no action is taken on this request and our elderly are completely ignored by that agency, then it is indeed clear that a congressional investigation of OEO be convened at once to investigate this matter. Our senior citizens must not be treated as second- or third-class citizens by that Agency and we must not let the agency we created to fight poverty ignored 20 percent of its target population.

WE STILL NEED PATRIOTS

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. PEPPER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PEPPER. Mr. Speaker—

> Patriotism is the love of country—

According to Gen. David M. Shoup, former Commandant of the U.S. Marine Corps. He continues—

> It is the love of the things about your country that you don't want to see lost, that you want to see perpetuated, and for which you're willing to sacrifice. Patriotism is something from our heart, a faith, a dedication.
>
> We are a fortunate people. Our national history rings with names of great patriots: George Washington, Nathan Hale, Thomas Jefferson, Alexander Hamilton, and a host of others; men whose character, ability and dedication have become symbols to freedom-loving people throughout the world.
>
> They made possible the creation of this nation. They cast the mold. They forged the steel. They shaped the destiny. These men were motivated by one of the most noble and selfless of all emotions—love of country. They pledged their fortunes, their lives, and their honor to their country.

Patriotism, and the need for patriotic men, did not die with the last revolutionary soldier to fall in battle. Patriots set up the government of the new land and defended it a half century later from its own internal upheaval. Patriotism ran like an electric shock through the entire land on the morning of December 7, 1941.

Just a few weeks ago we read in the newspapers of a man whose name, I think belongs in the list of great American patriots. He was severely beaten by a large group of Panamanians who had been defiling the American flag in the course of an anti-American demonstration in Panama. This man, with patriotic fire, and the bravery to back it up, jumped alone into the fray to recover and defend the symbol of his Nation. Perhaps his act struck me as all the more reassuring because he was not in the uniform of the Nation, not ordered to fight. He did so when he could have just as easily walked on. In doing as he chose to do, he expressed his willingness to fight to protect each and every one of us, and what we stand for.

The drama of this mans act is all the more striking when we see it in the light of what is happening to our flag right here in America at the hands of the "peace" demonstrators. It is nothing new to read about the mutilating or burning of this precious symbol of our heritage right in Washington by the radical, inarticulate children of all ages who defile the Stars and Stripes to show their contempt for the land that has protected them and offered them the best that any nation in the world can give.

I find this one spontaneous act of patriotism so reassuring because there is such a distressing lack of patriotism today. I am disturbed at this because I feel that any nation, in order to prosper and advance, needs the wholehearted and open support of its people. Not their blind, unquestioning echos of agreement, but their faith in the motives and goals of the nation. Americans, on the other hand, seem to be increasingly apathetic toward patriotism and even hostile to patriotic response.

We cannot remain strong, we cannot retain a sense of national purpose, we cannot pretend to be the leaders of the free world if we do not believe in all these things ourselves. We have to believe in ourselves. I am especially disturbed because I feel that the demonstration of patriotism is a sign that a nation is alert and vital, that it is free of inner decay, and that the decline in patriotism is a sign of some greater and deeper trouble lying within us.

I think we will recover our national spirit, but we cannot do it by continuing to be complacent over the inroads in our patriotic zeal which are being made by the rowdies and the dissenters who have not learned how to dissent properly.

The flag-burning that has swept the Nation points out clearly the unpatriotic spirit of many of our citizens. Since the beginning of time, men have embodied in tangible objects the abstract principles in which they believe. Long before the standards of the Roman legions, men have carried banners and flags to signify their common aspirations and goals. When we pledge our allegiance to the flag, we are not revering a piece of printed cloth, but the symbol of our land and "the Republic for which it stands."

By the same token, when a group of slogan-shouting rowdies sets fire to that flag, they are not just burning a piece of cloth. They are signifying their contempt for all the things Americans have to tie them together—the heritage and the commitments of the Nation. For those who have neither the capability nor the will to disagree in a rational and civilized manner, burning the flag is their way of proving their contempt.

They cry about the American boys being sent to die in Vietnam, but they cry not from conviction or considered opinion. If they had stopped to think, or if they really cared about the boys they wail about, the would see in a moment that it is actions like theirs that prolong the war and take more and more American lives.

For with the tremendous coverage with which the press flatters them and their tantrums, these demonstrators are known worldwide. Their actions are taken, by those who do not understand a system which allows any type of dissent at all, to mean that an uncontrollable majority of the people here are opposed to the war. They then reason that these people will force America to pull out of the war if they can hold on a little longer. And so the war goes on, and with the hope that pressure at home will make us leave, the Vietcong spurn the conference table.

I think it is about time for America to begin showing the same contempt for those in this unruly minority that they show for her. They are immature ingrates who will take advantage of everything America can offer, including an education which most of them could not hope to get in any other country, and then thumb their noses at the very system that has treated them so well. They stand behind the freedom their heroes would see destroyed.

We have channels of dissent for those who have a rational point to make, and those channels—the courts, the polls, public action groups—have proven quite effective. But they presume a rational approach and reasonable thought instead of emotional reaction. The demonstrators of today are not capable of reason and are not willing to play by the rules they use as their shield. This has been clearly demonstrated by the reception given Vice President HUMPHREY, General Hershey, and George Romney by student groups. These are not adult audiences who are interested either in learning the truth or in hearing the other side. They are children incapable either of understanding or of meeting the arguments and reasoning of the other side. Their only defense, like the child who is frustrated by adult discipline, is to scream and call names.

Last November in New York City a group of "peace" demonstrators taunted police, kicked in the windshield of a taxicab, threw plastic bags of red liquid at police and passing automobiles, frightened, and threatened theater and restaurant patrons, turned in false fire alarms, and otherwise harassed citizens, broke laws, and created chaos. One newspaper referred to it as "a revolting display."

This is the work, not of people who disagree with their country's foreign policy, but of children who cannot express their frustrations and so throw tantrums. Just as parents cannot condone tantrums, neither can a nation. The demonstrators are really seeking attention, not an end to war. If it were not the war, it would be something else. So it is with the college students who dress up in Revolutionary War uniforms and break up House Un-American Activities Committee hearings when they ought to be in school learning just why that war was fought. They want attention, and we give it to them—coast to coast on the evening news.

I think we should start treating these children as children. Arrest them and prosecute them for their offenses. You or

I could not get away with breaking an automobile windshield or throwing paint on people—why should they? Stop interviewing them on television. What they are thinking is not important, for if they were thinking anything worth hearing, they would be saying it, not shouting slogans fed them by their leaders. When and if they grow up and start thinking, and have something to say, then we will listen. In the meantime, we ought not to shower them with the one flattery they want—public attention on front pages and the TV screen.

When they have grown up and learned to dissent within the channels our law provides so carefully, when they are worth listening to because they are saying something, not just shouting nothing, then we will listen.

For then they will be ready to show us that they, too, are patriots, interested in protecting the ideals and the Nation they believe in. The act of dissenting within the law, from any popularly held view, with the hope of accomplishing something good, is an act of determined patriotism.

In the meantime, you and I can stop being ashamed of being patriotic. It is not unfashionable any more than believing in God is old hat. Faith and belief in our Nation and its principles is not only right, but it is essential, if we are to survive.

When we disagree with the Government, we should do it the right way, not by name calling and destructive criticism, but by a determined effort to make this land even better and to strengthen her free institutions.

Let us all take to heart the examples of the American in Panama, and the boys in the jungles who every day risk their lives for the ideals we cherish.

This is a time for patriots—stand up and proclaim and live your loyalty. Never has your country needed you more.

U.S.S. "PUEBLO"

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. Cohelan] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COHELAN. Mr. Speaker, last Thursday, the 25th of January, in a public statement I urged the United States to respond cautiously and firmly to the capture of the intelligence ship, U.S.S. *Pueblo*, by North Korean gunboats.

Then, as now, I think the important thing is not to panic. We are a large and powerful Nation, and we have the responsibility not to act precipitously because of the obvious consequences.

The continuation of the war in Vietnam, together with the great costs of the Korean confrontation of the early 1950's, should serve to encourage us to act with restraint.

The use of all our planes and guns and men will not bring out our 83 men alive. As soon as we applied military force, our 83 men would be killed, and our ship destroyed. Thus there is every reason to continue to pursue our present strong diplomatic efforts.

I am gratified that the President has taken this matter to the United Nations, and I am pleased that the U.N. has dealt with this matter seriously and in a way that promises to be helpful.

At the United Nations and elsewhere our diplomatic efforts are continuing. The President's decision to call up 14,000 reservists appears to be having a sobering effect on the North Koreans. I have every reason to be hopeful that we will find a peaceful solution to this crisis.

However, if the United States is to serve effectively as a deterrent to future wars, we must show that we will react with resolve.

The Soviet Union must certainly recognize that her ships and naval operations are just as subject to piracy as ours if the law of the sea and international law is not respected. Russia too must act responsibly.

Negotiations over this incident will at best be difficult. But we are a great power. We are not easily threatened by a small power like North Korea. I fully expect our Nation will act in this matter with initiative and resolve, and at the same time with restraint and caution. Through diplomatic channels we can negotiate the return of our ship and her crew. There have been similar incidents in recent history involving return of American personnel. Eventually negotiations will be successful.

With patience and persistence I feel confident our men and the ship will be returned.

STATEMENT IN SUPPORT OF H.R. 11284, THE FIRE RESEARCH AND SAFETY ACT OF 1967

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Eilberg] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. EILBERG. Mr. Speaker, I would like to say a few words in support of H.R. 11284, a bill which I am proud to cosponsor. This bill is designed to authorize a fire research and safety program under the direction of the National Bureau of Standards and to establish a National Commission on Fire Prevention and Control.

It is ironic and tragic that here in the United States, with all of our vast technical know-how, 12,200 persons were killed by fire in 1967 and property loss was estimated at some $2.07 billion. These statistics are alarming and, therefore, I am pleased to support the administration in seeking this necessary legislation.

The figures speak for themselves in justifying the need for such legislation but to offer more vivid evidence of devastating loss in lives and property we need only look at the loss of the $75 million Apollo spacecraft, in which three astronauts died; the $52.5 million destruction of Chicago's McCormick Place, and the Penthouse Restaurant fire in Montgomery, Ala., which killed 25 persons.

We are making no headway at the present time in reducing the per capita death rate from fires. Annual loss now amounts to approximately $9 per every man, woman, and child in our country. Even more alarming is the fact that our per capita fire death rate is twice that of Canada, four times that of the United Kingdom, and six and one-half that of Japan.

The fire safety program envisions the strengthening, expansion, and voluntary coordination of the already significant efforts of the many private organizations and individuals as well as the local, State, and Federal organizations active and competent in the field. The provision of Federal funds, through contracts and grants will assist these groups to establish a broader financial base and, thereby, to increase their effectiveness and extend the scope of their activities in behalf of public safety. The participation of the Federal Government is expected not only to widen the technical and financial base but to increase public awareness of the seriousness of the problem.

I am pleased to note that House Joint Resolution 498, a bill which my able colleague, the gentleman from Pennsylvania [Mr. Barrett], introduced, has been included in H.R. 11284. This measure provides for the establishment of a National Commission on Fire Pevention and Control. This commission would study all aspects of the national fire problem. It would report to the President and the Congress in 18 months on further legislation or other appropriate measures to establish the scope and course of this fire research and safety program beyond the first 2 years. Its interim and final reports will be most important in shaping this program and the national fire safety.

I regard the proposed bill as a proper and necessary step the Federal Government ought to take to permit those who have been struggling so valiantly for so long against fire to take a giant technological step forward. Concluding, I can only say that I hope my esteemed colleagues will realize the worth of this legislation and will join me in support of its passage without delay .

PRESIDENT'S JOB MESSAGE MEETS URBAN CHALLENGE OF THE 1960'S

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Gilbert] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GILBERT. Mr. Speaker, as a Representative in a district in which unemployment remains a severe problem, I was particularly heartened by President Johnson's manpower and employment message. In it, he reaffirmed the right of every American to hold a job and the responsibility of this Government to assist him in obtaining one. The President has asked for $2.1 billion for the coming fiscal year to support manpower programs. He proposes programs of the greatest magnitude in the Nation's history. In these days of urban unrest, nothing less is needed. The campaign to make men employable is certainly among the most important this Government can wage. I commend the President on his wisdom and I urge upon the Congress the most sympathetic attention to the proposals he makes.

Our manpower development programs helped over 1 million people in 1967, but more must be done—particularly for the hard-core unemployed. The hard-core jobless in our cities are America's most desperate citizens—devoid of hope, wasted in spirit, angered at an affluent society about them. Our concentrated employment program has located many of the long-term unemployed in the slums of our 50 largest cities. Now the President proposes a new manpower program to create jobs.

Through a national alliance for businessmen, President Johnson has called upon private enterprise to join with Government to find employment in private industry for 500,000 unemployed by 1971—and for 100,000 by June of 1969. Private industry will bear the normal costs of training these men and women for productive employment. The Federal Government will assume the additional costs necessary to make up for years of deprivation and discrimination. The investment necessary is $2.1 billion—but it is an investment an enlightened Nation concerned with urban unrest can ill afford to reject.

Mr. Speaker, the President's recommendations also provide greater worker safety on the job through a comprehensive occupational safety program. The tragedy of on-the-job accidents is written in lost lives, limbs, and money. Each year over 14,000 workers are killed and 2 million injured with consequent loss of billions of dollars in wages. This must not—and need not—continue. The President's Occupational Safety and Health Act of 1968 will help assure comprehensive worker safety through research, new safety standards, strong sanctions, and assistance for State safety programs.

Mr. Speaker, jobs are the key to individual dignity, family stability, and urban growth. The President's job message offers answers for urgent problems—and it deserves our equally urgent and immediate attention. These programs will take us a long way down the road to urban progress in the challenging 1960's.

POTENTIAL ROLE OF U.S. MERCHANT MARINE

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Addabbo] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ADDABBO. Mr. Speaker, my colleague, Representative Jacob H. Gilbert of the 22d Congressional District, New York, delivered a speech recently to the AFL–CIO Maritime Trades Department here in Washington, in which he discussed the potential role of the U.S. Merchant Marine in correcting the deficit in the balance of payments. Representative Gilbert is a former member of the House Merchant Marine and Fisheries Committee and is now a member of the Ways and Means Committee. His comments are incisive and valuable, and I would hope that Members of the House will find time to study his recommendations carefully. His speech follows:

Remarks of Hon. Jacob Gilbert, U.S. Congressman From New York, at Luncheon Meeting of AFL–CIO Maritime Trades Department, January 10, 1968

I am delighted to be able to come here today, before Congress gets back into session and we get snowed under—by paper work, instead of just by the weather.

This is going to be a busy year for us on Capitol Hill.

Despite the fact that we stayed in session last year for something like eleven months, it was largely a frustrating session—at least for those of us who have dedicated ourselves to genuine progress for America.

We ended the first session of the 90th Congress with a heavy backlog of unfinished business—items like an overhaul of our unemployment insurance and workmen's compensation programs, for example; civil rights legislation, truth-in-lending, situs picketing—the list is depressingly long.

And even in the areas where legislation *was* forthcoming in 1967, the performance was something less than sparkling:

We enacted a Social Security program which just wasn't good enough—and we're going to have to improve it this year so that we don't penalize the people who are supposed to be helped by the public welfare portion of that program.

We continued the War on Poverty program with much too little money to do a really effective job—and we're going to have to provide more funds this year if we ever expect to make a dent in the poverty which afflicts so many of our fellow citizens.

We voted for a model cities bill—but we must do much more if we are to make our metropolitan areas into decent places to work and to live, and if we are going to eliminate the ghettoes which are an affront to the people who live in them and a blot on the conscience of our nation.

We passed a $9.1-billion elementary and secondary school aid bill—but we have to be prepared to enlarge on this program, satisfactory as it may seem, because the educational demands of this country grow at the same pace as our children grow, and we must have the capacity and the will to give them the best possible educations so that they will be prepared for the complex world which they are to inherit and inhabit.

In your own area of maritime, the first session of the 90th Congress both made progress and left a residue of unfinished business.

We passed the maritime authorization bill which provided for a much-needed overhaul of the annual appropriation procedure for our government's investment in the merchant marine—but this will be largely meaningless if we don't have a maritime program to provide the framework for appropriating and investing sufficient funds to do something about our merchant marine's problems.

The House passed a bill that will reestablish the Maritime Administration as a completely independent agency—and we passed it by the overwhelming margin of 326 to 44.

But the Senate has still to act on the measure—and even with Senate passage, the creation of an independent agency isn't going to solve this industry's problems—not unless we also get a maritime program.

Bills to meet this need—to provide adequate funds for shipping and shipbuilding, and to enlarge the scope of our activities on the high seas—have been introduced in both the House and Senate, and I am proud to be the sponsor of one of those bills.

Now we have got to get this maritime program enacted into law.

A program to revitalize the American fleet has always been important—but it has never been more important than it is right now, with the American economy threatened by the attacks on the dollar from abroad and by the worsening balance-of-payments picture.

In recent weeks, the President has announced some steps that are contemplated to help correct this situation—and the situation *must* be corrected if our economy is to remain strong.

The White House has proposed placing curbs on corporate spending overseas, on bank investments abroad, and on foreign travel by American citizens.

These will require special legislation—some of it in the field of taxation—and this interests me as a member of the House Ways and Means Committee, because ours is the tax-writing committee of the House.

There have also been suggestions by Administration officials that the imposition of a surtax on top of the present income taxes is also a vital part of the program to check the outflow of gold—on the theory that only by putting checks on our own domestic economy can we establish the necessary credibility to make the curbs on our foreign expenditures palatable to our friends abroad.

The surtax question, as you know, is one with which Chairman Mills and the rest of us on the Ways and Means Committee have wrestled for many months—and it's no secret that many of us have had reservations of one sort or another about the enactment of such legislation.

The Ways and Means Committee is going to take up this matter again, as soon as Congress reconvenes—but many of the reservations we have about this surtax still remain.

I know we are going to take an even harder look at the situation now than we did during 1967, because of the added implications of the dollar crisis that has resulted from year after year of having an unfavorable balance of payments.

Obviously, the Administration is correct in linking together the surtax question and the suggestions for curbing the flow of American dollars out of this country—in fact, I applaud the Administration for recognizing that the best way to deal with our economic problems is on a total basis, instead of on a piece-meal basis.

In pursuit of this idea of putting all of the pieces of the economic puzzle together, I think we must consider the whole range of maritime problems as being part and parcel of the balance-of-payments question.

It is incredible to me that, in all that the Administration has proposed in connection with stemming the outflow of gold, the only reference to maritime has been with regard to the curtailing of travel to Europe—and this has been only an oblique reference, since it would apply to air travel as well as to travel by ship.

On the other—and larger—questions of maritime, and its potential impact on correcting the situation, the Administration has been strangely silent.

Yet the merchant marine is the great common denominator in our international trade.

If we had been utilizing our merchant

marine properly—and we have not utilized it properly for 20 years—then we wouldn't have any problem to deal with today.

Our foreign trade has been growing by leaps and bounds ever since the end of World War II—and all but a fraction of 1 percent of this trade travels by ship.

The sad fact of the matter, however, is that more and more of this tonnage travels aboard ships flying the flags of other nations.

I don't intend to bore you with a long lecture about international trade—but let me make one simple point:

When our international trade—either exports or imports—travels on ships of other nations, money flows out of the United States—in the form of wages to foreign crewmen and profits to foreign ship owners.

On the other hand, when our exports or imports travel on American-flag vessels, we keep the dollars in the United States—because American sailors spend their wages in American ports, ship-owners buy their fuel and provisions in American ports, and the vessels are built and repaired in American yards.

What's more, the wages and profits paid to American sailors and American shipowners return taxes to the U.S. Treasury—and wages and profits paid to foreign seamen and foreign shipowners contribute nothing to the U.S. Treasury.

So we are looking at the greatest single potential for correcting the balance-of-payments problem when we look at the U.S. merchant marine.

Yet the Administration has ignored this.

Instead, it has begun to zero in on our import-export trade—as though this trade exists independently of our merchant marine.

Just a day or two ago, Under-Secretary of State Katzenbach suggested the possibility that two steps might be taken:

The United States, he said, might attempt to encourage exports by giving special tax credits to American firms which ship their goods abroad.

And, he said, we might discourage some imports by imposing an added tax on goods coming into the country.

Now these are suggestions which I am not prepared to suggest at this time—for they raise large questions of tariff wars, and about the free flow of trade between nations, which are disturbing to me.

I will say this, however:

Any moves that we *do* make in this direction of making international trade the servant of the American people, insofar as correcting the balance of payments is concerned, must be made with the thought of utilizing our merchant marine.

Therefore, a much more intriguing proposal would be to consider approaching the import-export question this way:

That we give special tax credits to American firms which ship their goods abroad—*provided they ship them on American-flag vessels.*

That we impose an extra tax on imports—*unless those imports are carried on American-flag vessels.*

Taken together, these two steps might mark the beginning of the end of our reliance on ships flying the flags of other nations—a reliance which today results in about 93 percent of all our import-export commerce traveling aboard foreign ships.

We might, in effect, kill two birds with one stone: We might regain a favorable balance-of-payments position, and we might regain our lost supremacy on the high seas.

I realize there will be arguments against this—arguments that will come from our allies overseas and from the American corporations which have chosen, for whatever reason, to register their ships abroad, and build their ships abroad, and to hire their seamen abroad.

But I have an answer for both of these sources of criticism.

As far as our allies are concerned, their future welfare depends on the stability of the U.S. dollar—and if, for selfish reasons, they destroy the full faith and credit of the American economy, they will be writing the epitaph to their own country's economy, too.

As far as our American business firms which operate the "runaway-flag" ships are concerned—they have, in the last analysis, an even greater stake in the stability of the U.S. dollar than our allies do.

If the dollar fails to maintain its strength, then the American economy is going to be in for rough times—and the "runaway-flag" operators are going to be as disadvantaged as the rest of our society will be.

These "runaway" operators have been trying to enjoy the best of two worlds.

They have wanted to benefit from the booming U.S. economy, but they have been unwilling to contribute to it, either in taxes or in fair wages to their fellow Americans.

I think they have helped to bring on this crisis which the American dollar now faces—and I think they should be called upon—forced, if necessary—to help defend the dollar now.

The Administration has said that the dollar-gap and the surtax are inextricably linked together—and, as a member of the House Committee entrusted with our national tax program, I accept that analysis.

I will, therefore, give some serious consideration to the *total* tax situation facing our country—not just the need for a surtax to "cool off" the economy and not just the need for action to stem the outflow of American gold.

Let me emphasize again my belief that the solution to the balance-of-payments deficit rests, in considerable degree, on our merchant marine.

The time has come to make this clear—to the Administration, to foreign shippers and shipbuilders, and to those in this country who may not fully appreciate the role this industry plays in our commerce and defense.

Now is the time to move forward with a program to rebuild our merchant fleet—and to safeguard it against the piracy of its competitors, who have the advantage both of government subsidies and sweatshop wages, and who use this advantage to the disadvantage of ships flying the American flag.

If we put tax money intelligently into rebuilding and operating our merchant marine, we can produce tax dollars for the U.S. Treasury and we can put a stop to the outflow of American dollars through our international transportation account.

And in so doing, we can make certain that our merchant marine fulfills its role in our society.

BARRETT URGES SPECIAL IMMIGRATION VISAS FOR ITALIAN EARTHQUAKE VICTIMS

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. BARRETT] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BARRETT. Mr. Speaker, everyone knows by heart these famous words engraved on the base of the Statute of Liberty:

> Send these, the home-less, tempest-tost to me, I lift my lamp beside the golden door.

Mr. Speaker, on Tuesday, January 30, 1968, I introduced H.R. 14943, a bill for the relief of certain distressed aliens.

The American people and the Government of this great Nation have always generously responded to the plight of human suffering—throughout the world and without regard to the race, color, or creed of those who have suffered. We have a history of opening our doors and hearts to those stricken by disasters.

Within the past month several earthquakes have devastated areas of Sicily, Italy, causing extensive destruction of property and loss of life.

My bill will authorize the issuance of 2,000 special immigration visas to Sicilians, who are unable to return to their place of residence and are in urgent need of assistance for the essentials of life, and who seek to enter the United States as immigrants. The bill also provides that the spouse and children of such aliens, if accompanying or following to join, may be issued special immigrant visas notwithstanding such numerical limitation.

The dire need of these people, made homeless and poorer than most poor, deserves our generous consideration of such legislation at the earliest possible moment. In other past instances, the Congress has moved promptly and liberally to alleviate the conditions of other peoples in similar circumstances. We can do no less in this instance. I urge the prompt consideration and approval of this legislation by the Congress.

PRESIDENT JOHNSON'S URGENT ECONOMIC MEASURES FOR URBAN AMERICA

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. BARRETT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BARRETT. Mr. Speaker, in his economic report, the President has cogently stated the basic challenges facing our Nation, and has proposed wise, effective measures to meet them.

Especially meritorious are the President's recommendations for solutions to the problems which afflict our great cities.

As the President correctly stated, one particularly important order of economic business is to scale the size of existing effective programs to the magnitude of the urban problems which they attack.

The model cities program is a powerful weapon against urban decay in our Nation's most blighted neighborhoods—but only if the necessary funds are provided.

The dramatic new approaches to federally subsidized housing developed in the past 2 years—such as rent supplements, "turnkey" public housing, and below-market interest rates—successfully draw the private sector into the attack on slum housing. But if these programs are to succeed in providing what President Johnson believes the Nation should provide—every American with a decent home within a reasonable period of time—there must be addditional funds.

The President's proposal to multiply by several times the current rate of federally assisted housing construction, recognizes the top priority which Congress and the Nation must give to eliminating dwelling units which are unfit for human occupancy.

We must mobilize the Nation's resources to rebuild and reshape the cities. President Johnson has made many noteworthy recommendations along these lines. First, ghetto residents ought to have the chance to be trained and employed on the project made possible by Federal housing and urban development programs. Second, our vast national reservoir of technological talent should be tapped and directed toward solving many critical technical problems of the cities: How can we build decent, well constructed housing more cheaply; how can we solve the transportation problems within cities; what can we do about pollution and other forms of environmental deterioration? We look with hope and confidence to the President's proposed Institute for Urban Development to provide some answer to these and many other important urban-related questions.

As the President stated in his Economic Report: "The agonies of our cities will not yield easily or quickly." Yet the programs the President has outlined will make important, visible inroads against urban decay.

I commend the President for the positive, effective contribution he has made and is making in turning the American city into a showcase—rather than a paradox—or our national prosperity.

CITIZEN'S ADVISORY COUNCIL PROPOSED

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. GALLAGHER] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, last month I was pleased to give an address before the Annual Management Conference in New York City. During that speech, I called for the formation of a Citizen's Advisory Council to assist the Congress in fully evaluating the impact of science and technology upon our society. I do not believe I need to explore the necessity for such a council at any great length at this time. Let me state briefly that I have been disturbed by recent indications that our technology is impinging upon traditional American values. I believe that such a council would help to strike a balance between sophisticated electronic advances, particularly in the field of surveillance, and laws which reflect an older and possibly outdated mechanical methodology.

As chairman of the Special Subcommittee on Invasion of Privacy, I have seen how computer based information systems are radically altering communication between all levels and groups within America. Research activity, particularly within the social sciences, has reached such towering proportions that decisionmakers, as well as the various researchers and professors within the disciplines, are being submerged in an innundation of potentially valuable findings. In order to make some sense out of all this expenditure of time and money—frequently Federal funds, let me add—it is essential that we learn to channel this flow of information into a utilizable form.

Mr. Speaker, I was very happy that the National Science Foundation has announced today the formation of a Special Commission on the Social Sciences. While I intend to continue to press for a council specifically oriented toward informing the Congress of the thrust of scientific and technological innovation, it is apparent that this newly established Commission will address itself to the similar problems in the social sciences.

This Commission has a wide range of expertise, as its members are drawn from the academic community as well as the mass media. It will bring a cross-disciplinary focus to bear on the problems involved in using social science research in the process of decisionmaking within the Government.

Mr. Speaker, the distinguished Americans who compose the Special Commission on the Social Sciences have, as a basic goal, the improving of communication and collaboration between the social and natural sciences, with special emphasis on the engineering profession. The National Science Foundation, under congressional funding authority, has made many contributions in the past to increasing the usefulness of research and its relevance to the functioning of government. I am confident this Commission will assist in translating the "information explosion" into a "knowledge explosion" and hopefully explode a few firecrackers of wisdom as well.

TRUDEAU McELHINEY

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. FULTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FULTON of Tennessee. Mr. Speaker, my community of Metropolitan Nashville-Davidson County, Tenn., recently mourned the passing of Mr. Trudeau McElhiney.

During their lifetimes, men leave their marks on society and community in a number of ways; some do it by their contributions, some do it by their actions, while others are remembered for the example they set in their personal lives for others. Such was the case of Mr. Trudeau McElhiney, who put his deep personal faith in God to work in his daily life as an example worthy of emulation by all men.

The passing of Mr. McElhiney and his contribution to our community and his fellow man was noted and succinctly stated in an editorial on January 1, 1968, in the Nashville Banner. I include the editorial in the body of the RECORD at this point and commend it to my colleagues for their consideration:

TRUDEAU MCELHINEY

Christian gentleman—no term could better describe the character of Trudeau H. McElhiney, whose untimely passing has brought shock and sadness into a multitude of lives, including those of this newspaper, of whom he was an esteemed associate—in its mechanical department—for more than a score of years.

Pride and skill reflected in his work as printer—and devotion to every responsibility, latterly, as composing room foreman for the Newspaper Printing Corporation. In that, as in every assignment of his life, his influence was for good; faithful to the moral standards of noble precept and practice.

For Trudeau McElhiney lived by his religion; a minister of the Church of Christ—preaching by example daily, as in his pulpit on Sunday. Tireless in his consecration, he filled his relatively brief span of years with incalculable service.

Beloved of his family, he enjoyed no less the admiration, respect and affection of those with whom he came in daily contact. And these share the sense of loss, the personal bereavement, occasioned by the news of his death.

BILL ON MANDATORY SENTENCE FOR BANK ROBBERY

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. FULTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FULTON of Tennessee. Mr. Speaker, we hear much talk today about the alarming growth of crime and violence in this Nation, and yet we see very little being done about it. In fact, the people are becoming so alarmed and disgusted that, in their frustration at the seeming inactivity in combating crime, they are blaming Congress and the Federal Government for not carrying its responsibility in maintaining law and order.

Actually there is not a great deal which the Congress and the Federal Government can or should do. The maintenance of local law and order is and should be a duty of local government. We have a responsibility at the Federal level to support and assist local effort, but we have no desire or need for Federal intervention in local law enforcement or a Federal police force to maintain law and order.

However, there is one area in particular where the Federal Government does have a primary responsibility. This is in the field of bank and savings and loan robberies. As in other categories of crime, marine properly—and we have not utilized it properly for 20 years—then we wouldn't have any problem to deal with today.

Our foreign trade has been growing by leaps and bounds ever since the end of World War II—and all but a fraction of 1 percent of this trade travels by ship.

The sad fact of the matter, however, is that more and more of this tonnage travels aboard ships flying the flags of other nations.

I don't intend to bore you with a long lecture about international trade—but let me make one simple point:

When our international trade—either exports or imports—travels on ships of other nations, money flows out of the United States—in the form of wages to foreign crewmen and profits to foreign ship owners.

On the other hand, when our exports or imports travel on American-flag vessels, we keep the dollars in the United States—because American sailors spend their wages in American ports, ship-owners buy their fuel and provisions in American ports, and the vessels are built and repaired in American yards.

What's more, the wages and profits paid to American sailors and American shipowners return taxes to the U.S. Treasury—and wages and profits paid to foreign seamen and foreign shipowners contribute nothing to the U.S. Treasury.

So we are looking at the greatest single potential for correcting the balance-of-payments problem when we look at the U.S. merchant marine.

Yet the Administration has ignored this.

Instead, it has begun to zero in on our import-export trade—as though this trade exists independently of our merchant marine.

Just a day or two ago, Under-Secretary of State Katzenbach suggested the possibility that two steps might be taken:

The United States, he said, might attempt to encourage exports by giving special tax credits to American firms which ship their goods abroad.

And, he said, we might discourage some imports by imposing an added tax on goods coming into the country.

Now these are suggestions which I am not prepared to suggest at this time—for they raise large questions of tariff wars, and about the free flow of trade between nations, which are disturbing to me.

I will say this, however:

Any moves that we *do* make in this direction of making international trade the servant of the American people, insofar as correcting the balance of payments is concerned, must be made with the thought of utilizing our merchant marine.

Therefore, a much more intriguing proposal would be to consider approaching the import-export question this way:

That we give special tax credits to American firms which ship their goods abroad—*provided they ship them on American-flag vessels.*

That we impose an extra tax on imports—*unless those imports are carried on American-flag vessels.*

Taken together, these two steps might mark the beginning of the end of our reliance on ships flying the flags of other nations—a reliance which today results in about 93 percent of all our import-export commerce traveling aboard foreign ships.

We might, in effect, kill two birds with one stone: We might regain a favorable balance-of-payments position, and we might regain our lost supremacy on the high seas.

I realize there will be arguments against this—arguments that will come from our allies overseas and from the American corporations which have chosen, for whatever reason, to register their ships abroad, and build their ships abroad, and to hire their seamen abroad.

But I have an answer for both of these sources of criticism.

As far as our allies are concerned, their future welfare depends on the stability of the U.S. dollar—and if, for selfish reasons, they destroy the full faith and credit of the American economy, they will be writing the epitaph to their own country's economy, too.

As far as our American business firms which operate the "runaway-flag" ships are concerned—they have, in the last analysis, an even greater stake in the stability of the U.S. dollar than our allies do.

If the dollar fails to maintain its strength, then the American economy is going to be in for rough times—and the "runaway-flag" operators are going to be as disadvantaged as the rest of our society will be.

These "runaway" operators have been trying to enjoy the best of two worlds.

They have wanted to benefit from the booming U.S. economy, but they have been unwilling to contribute to it, either in taxes or in fair wages to their fellow Americans.

I think they have helped to bring on this crisis which the American dollar now faces—and I think they should be called upon—forced, if necessary—to help defend the dollar now.

The Administration has said that the dollar-gap and the surtax are inextricably linked together—and, as a member of the House Committee entrusted with our national tax program, I accept that analysis.

I will, therefore, give some serious consideration to the *total* tax situation facing our country—not just the need for a surtax to "cool off" the economy and not just the need for action to stem the outflow of American gold.

Let me emphasize again my belief that the solution to the balance-of-payments deficit rests, in considerable degree, on our merchant marine.

The time has come to make this clear—to the Administration, to foreign shippers and shipbuilders, and to those in this country who may not fully appreciate the role this industry plays in our commerce and defense.

Now is the time to move forward with a program to rebuild our merchant fleet—and to safeguard it against the piracy of its competitors, who have the advantage both of government subsidies and sweatshop wages, and who use this advantage to the disadvantage of ships flying the American flag.

If we put tax money intelligently into rebuilding and operating our merchant marine, we can produce tax dollars for the U.S. Treasury and we can put a stop to the outflow of American dollars through our international transportation account.

And in so doing, we can make certain that our merchant marine fulfills its role in our society.

BARRETT URGES SPECIAL IMMIGRATION VISAS FOR ITALIAN EARTHQUAKE VICTIMS

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. BARRETT] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BARRETT. Mr. Speaker, everyone knows by heart these famous words engraved on the base of the Statute of Liberty:

> Send these, the home-less, tempest-tost to me, I lift my lamp beside the golden door.

Mr. Speaker, on Tuesday, January 30, 1968, I introduced H.R. 14943, a bill for the relief of certain distressed aliens.

The American people and the Government of this great Nation have always generously responded to the plight of human suffering—throughout the world and without regard to the race, color, or creed of those who have suffered. We have a history of opening our doors and hearts to those stricken by disasters.

Within the past month several earthquakes have devastated areas of Sicily, Italy, causing extensive destruction of property and loss of life.

My bill will authorize the issuance of 2,000 special immigration visas to Sicilians, who are unable to return to their place of residence and are in urgent need of assistance for the essentials of life, and who seek to enter the United States as immigrants. The bill also provides that the spouse and children of such aliens, if accompanying or following to join, may be issued special immigrant visas notwithstanding such numerical limitation.

The dire need of these people, made homeless and poorer than most poor, deserves our generous consideration of such legislation at the earliest possible moment. In other past instances, the Congress has moved promptly and liberally to alleviate the conditions of other peoples in similar circumstances. We can do no less in this instance. I urge the prompt consideration and approval of this legislation by the Congress.

PRESIDENT JOHNSON'S URGENT ECONOMIC MEASURES FOR URBAN AMERICA

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. BARRETT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BARRETT. Mr. Speaker, in his economic report, the President has cogently stated the basic challenges facing our Nation, and has proposed wise, effective measures to meet them.

Especially meritorious are the President's recommendations for solutions to the problems which afflict our great cities.

As the President correctly stated, one particularly important order of economic business is to scale the size of existing effective programs to the magnitude of the urban problems which they attack.

The model cities program is a powerful weapon against urban decay in our Nation's most blighted neighborhoods—but only if the necessary funds are provided.

The dramatic new approaches to federally subsidized housing developed in the past 2 years—such as rent supplements, "turnkey" public housing, and below-market interest rates—successfully draw the private sector into the attack on slum housing. But if these programs are to succeed in providing what President Johnson believes the Nation should provide—every American with a decent home within a reasonable period of time—there must be addditional funds.

The President's proposal to multiply by several times the current rate of federally assisted housing construction, recognizes the top priority which Congress and the Nation must give to eliminating dwelling units which are unfit for human occupancy.

We must mobilize the Nation's resources to rebuild and reshape the cities. President Johnson has made many noteworthy recommendations along these lines. First, ghetto residents ought to have the chance to be trained and employed on the project made possible by Federal housing and urban development programs. Second, our vast national reservoir of technological talent should be tapped and directed toward solving many critical technical problems of the cities: How can we build decent, well constructed housing more cheaply; how can we solve the transportation problems within cities; what can we do about pollution and other forms of environmental deterioration? We look with hope and confidence to the President's proposed Institute for Urban Development to provide some answer to these and many other important urban-related questions.

As the President stated in his Economic Report: "The agonies of our cities will not yield easily or quickly." Yet the programs the President has outlined will make important, visible inroads against urban decay.

I commend the President for the positive, effective contribution he has made and is making in turning the American city into a showcase—rather than a paradox—or our national prosperity.

CITIZEN'S ADVISORY COUNCIL PROPOSED

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. GALLAGHER] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, last month I was pleased to give an address before the Annual Management Conference in New York City. During that speech, I called for the formation of a Citizen's Advisory Council to assist the Congress in fully evaluating the impact of science and technology upon our society. I do not believe I need to explore the necessity for such a council at any great length at this time. Let me state briefly that I have been disturbed by recent indications that our technology is impinging upon traditional American values. I believe that such a council would help to strike a balance between sophisticated electronic advances, particularly in the field of surveillance, and laws which reflect an older and possibly outdated mechanical methodology.

As chairman of the Special Subcommittee on Invasion of Privacy, I have seen how computer based information systems are radically altering communication between all levels and groups within America. Research activity, particularly within the social sciences, has reached such towering proportions that decisionmakers, as well as the various researchers and professors within the disciplines, are being submerged in an innundation of potentially valuable findings. In order to make some sense out of all this expenditure of time and money—frequently Federal funds, let me add—it is essential that we learn to channel this flow of information into a utilizable form.

Mr. Speaker, I was very happy that the National Science Foundation has announced today the formation of a Special Commission on the Social Sciences. While I intend to continue to press for a council specifically oriented toward informing the Congress of the thrust of scientific and technological innovation, it is apparent that this newly established Commission will address itself to the similar problems in the social sciences.

This Commission has a wide range of expertise, as its members are drawn from the academic community as well as the mass media. It will bring a cross-disciplinary focus to bear on the problems involved in using social science research in the process of decisionmaking within the Government.

Mr. Speaker, the distinguished Americans who compose the Special Commission on the Social Sciences have, as a basic goal, the improving of communication and collaboration between the social and natural sciences, with special emphasis on the engineering profession. The National Science Foundation, under congressional funding authority, has made many contributions in the past to increasing the usefulness of research and its relevance to the functioning of government. I am confident this Commission will assist in translating the "information explosion" into a "knowledge explosion" and hopefully explode a few firecrackers of wisdom as well.

TRUDEAU McELHINEY

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. FULTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FULTON of Tennessee. Mr. Speaker, my community of Metropolitan Nashville-Davidson County, Tenn., recently mourned the passing of Mr. Trudeau McElhiney.

During their lifetimes, men leave their marks on society and community in a number of ways; some do it by their contributions, some do it by their actions, while others are remembered for the example they set in their personal lives for others. Such was the case of Mr. Trudeau McElhiney, who put his deep personal faith in God to work in his daily life as an example worthy of emulation by all men.

The passing of Mr. McElhiney and his contribution to our community and his fellow man was noted and succinctly stated in an editorial on January 1, 1968, in the Nashville Banner. I include the editorial in the body of the RECORD at this point and commend it to my colleagues for their consideration:

TRUDEAU McELHINEY

Christian gentleman—no term could better describe the character of Trudeau H. McElhiney, whose untimely passing has brought shock and sadness into a multitude of lives, including those of this newspaper, of whom he was an esteemed associate—in its mechanical department—for more than a score of years.

Pride and skill reflected in his work as printer—and devotion to every responsibility, latterly, as composing room foreman for the Newspaper Printing Corporation. In that, as in every assignment of his life, his influence was for good; faithful to the moral standards of noble precept and practice.

For Trudeau McElhiney lived by his religion; a minister of the Church of Christ—preaching by example daily, as in his pulpit on Sunday. Tireless in his consecration, he filled his relatively brief span of years with incalculable service.

Beloved of his family, he enjoyed no less the admiration, respect and affection of those with whom he came in daily contact. And these share the sense of loss, the personal bereavement, occasioned by the news of his death.

BILL ON MANDATORY SENTENCE FOR BANK ROBBERY

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. FULTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FULTON of Tennessee. Mr. Speaker, we hear much talk today about the alarming growth of crime and violence in this Nation, and yet we see very little being done about it. In fact, the people are becoming so alarmed and disgusted that, in their frustration at the seeming inactivity in combating crime, they are blaming Congress and the Federal Government for not carrying its responsibility in maintaining law and order.

Actually there is not a great deal which the Congress and the Federal Government can or should do. The maintenance of local law and order is and should be a duty of local government. We have a responsibility at the Federal level to support and assist local effort, but we have no desire or need for Federal intervention in local law enforcement or a Federal police force to maintain law and order.

However, there is one area in particular where the Federal Government does have a primary responsibility. This is in the field of bank and savings and loan robberies. As in other categories of crime, the increase in the incidence of bank robberies has escalated rapidly.

During the calendar year of 1967, there was an average of at least one bank robbery every 2 weeks in my home district of Nashville-Davidson County and at branch facilities in the middle Tennessee area.

According to the U.S. attorney general for middle Tennessee, Gilbert Merritt, my district is not an exception. Nationally, from 1960 to 1966, bank robberies have increased in the United States by 154 percent.

Our modern, suburban bank branches have been designed to make access as convenient as possible for the motoring public. This has also proved a boon to the motorized bank robber.

Our banking institutions have also felt that it is better to offer no resistance to the bank robber, rather than risk the injury or death of employees or customers. The days of the running gun battle with bank robbers and bank guards no longer apply.

The prospect of being gunned down has greatly diminished, and bank robbers have taken full advantage of the situation. The situation has reached the point where even amateur bandits have been able to carry out successful bank holdups.

It is apparent that the penalties now exacted under title 18, chapter 103, section 2113 of the United States Code have failed to provide sufficient punishment to deter the criminal element from attempting or carrying out bank robberies.

I am, therefore, today introducing legislation which would call for a mandatory sentence of not less than 20 years, with parole considerations to be made no earlier than 10 years, in any case of bank robbery or attempted bank robbery, regardless of the amount of money involved, or whether weapons of any nature were used in the robbery. This would be the minimum sentence.

The full story of the situation in my district and in middle Tennessee is spelled out in an article by Reporter Jim Squires of the Nashville Tennessean. The problems cited apply throughout our Nation, and I submit, at this time, the inclusion of this article in the RECORD, along with a copy of my proposed legislation, as follows:

A 60% increase in bank robberies in Middle Tennessee annually is causing law enforcement agencies so many headaches even the children of FBI agents are suggesting ways to stop them.

The 7-year-old son of FBI agent Henderson Hillin recently suggested to his father that each bank be equipped with trap doors in front of teller windows and a tiger in the basement.

"When the bandit steps up to the window," said Timmy, "you just push a button and down he goes to the tiger."

"Don't laugh," says U.S. Atty. Gilbert Merritt. "That's as good as anything we've come up with."

The recent boom in the bank robbing business is a clear indication that police and federal agents may need a tiger in the banks to halt the siege.

TWENTY-SIX TIMES IN 1967

Middle Tennessee banks were held up by armed bandits 26 times during 1967, with a total take of slightly more than a quarter of a million dollars. The loss figure is equal to 5% of the total $5 million taken in all the bank robberies in the United States in 1966.

These figures represent only money taken in daring daylight holdups of federally-insured institutions. Money lost in bank burglaries or in the theft of deposits en route to banks are not included.

The 26 robberies this year is 10 more than occurred in Middle Tennessee in 1966, and 16 more than were pulled off in 1965.

NOT WORLD CAPITAL

But, contrary to public opinion, Nashville is not the "bank robbery capital of the world."

"The increase locally is just part of a nationwide trend," says Merritt, the man charged with the responsibility of prosecuting federal law violators. "From 1960 to 1966, bank robberies increased in this country 154%."

Efforts to compare Nashville with cities of comparable size were stymied because the Federal Bureau of Investigation, the chief source for crime statistics, does not release figures on bank robberies alone.

All FBI reports include bank stickups in the major crime classification of robberies. As a result, local police departments—the original sources for FBI statistics—also group the bank holdups with other robberies.

But law enforcement officers readily admit Nashville and most other Metropolitan areas are being hit by daring bank robbers much too frequently.

They attribute the rise to two factors:

The increase in the number of conveniently located branch banks in the suburbs.

The well-established policy of non-resistance among banks and savings and loan institutions, a policy which did not always exist.

In the days of the James gang, and even as late as John Dillinger and Bonnie Clyde, it was not unusual for a bank employe to pull a gun and fight for his deposits.

ARMED GUARDS

Before the surge of branch banking, the larger financial institutions usually employed armed guards whose chief duty was to prevent any unauthorized withdrawals.

It was not unusual for a bank robbery gang to leave in a blaze of gunfire, with two or three of their number lying dead or wounded on the bank floor.

But with the coming of large insurance companies willing to insure banking institutions against holdup losses came instructions from bank officials to "let them have the money."

It is cheaper to pay increased premiums, they said, than to risk the life on an employe or to provoke a shooting incident that might brand the bank an unsafe place to do business. A dead or wounded can cost the bank more than bank robberies.

NO RESISTANCE

In the 26 stickups in Middle Tennessee this year, no employe offered resistance. And the only injury reported among bank employes was a scratch on the neck of a woman teller who was pushed around by a knife brandishing bandit.

In all but three instances, the bandits got away clean on the day of the robbery. One Metro policeman was shot during a gunfight in trying to apprehend one bandit. The two others were captured without incident.

Bank officials are almost unanimous in support of the non-resistance policy. Their feeling was best summed up by Carmack Armistead, a senior vice president of First American National Bank.

"The feeling among all our officials is that we would rather be cleaned out than to take a chance on an employe or customer being injured," he said.

REWARD, $5,000

"The only protective device we have is offering a $5,000 reward for information leading to the capture of bank robbers."

Merritt says this attitude is the major factor not only in the increase in robberies but also in the high incidence of clean getaways.

Bank robbers know they have very little chance of getting hurt," he said. "This, coupled with the large amount of cash available to them makes bank robbery the most attractive crime."

Although law enforcement officers will not say so publicly, many express the opinion privately that banks do not want the bandits apprehended in or near the bank.

ONE ALARM SYSTEM

Merritt said a federal agent told him recently that only one Nashville bank, Commerce Union, has an alarm system that could enable police to surprise robbers in the process of a holdup.

"Many banks across the country have excellent alarm systems," Merritt said. "But in most cases the employees are not trained well enough to use them effectively."

Merritt said information from witnesses on the scene of the robbery often helps in the investigation, but robberies are seldom reported to police in time to prevent them.

All to often, he said, observers react like they did during the August holdup of the South Nashville branch of Third National Bank.

JUST DROVE AWAY

One man started to enter the bank, saw the holdup in process and merely drove to another branch to deposit his money. A second witness decided to report the incident but drove nearly 10 miles from the scene before stopping to telephone.

There is some question whether the alarm and detection devices now in use are deterrents. The national increase would indicate they are not.

Commerce Union's alarm system has not prevented its branches from being robbed as frequently as any other. In fact, Commerce Union branches were struck four times during 1967.

First American, on the other hand, had only one robbery. That involved the stickup of a porter who was carrying deposits from the Old Hickory and Madison branches to the main office on a Nashville Transit Company bus.

A gunman boarded the bus on Gallatin Road, held up the porter, stopped the bus and got off with a bag containing $42,000 in checks.

Last week, Commerce Union's alarm system failed during a holdup at the Deaderick Street branch, about two blocks from the police station. The malfunction allowed a lone gunman to escape, with $11,000.

Commerce Union and Third National, among many other banks and savings and loan institutions in the area, utilize hidden cameras, which if activated, photograph bank robbers in action.

OF GREAT VALUE

These can be of great value to law enforcement agents, especially if the bandits fail to cover their faces. FBI agents credit pictures taken in April holdup of the Fairview Branch of the Williamson County Bank in bringing about quick arrests and subsequent convictions.

At the same time the FBI has been unable to identify a lone bandit whose uncovered face was photographed by hidden cameras in the November holdup of Third National Bank in Belle Meade.

Excellent photographs of a robbery in progress were taken during the holdup of the Hermitage Branch of the Mt. Juliet last week. However, the bandits wore ski masks which completely concealed their identities.

The mere presence of these cameras may be an aid in foiling stickups.

CHANGED MINDS

Last July two camera-shy gunmen changed their minds about trying to rob the Melrose branch of Third National. The men, wearing stockings on their faces, were headed into the rear door of the bank but ran back to their car when they spotted a sign saying the bank used electronic cameras to photograph all customers.

But, as Merritt points out, the cameras may only deter the amateurs and amateurs are not necessarily in the minority among bank robbers.

There is no typical bank robber or typical bank robbery, so any effective means of halting the crime must be geared to include all methods and all potential robbers.

The inclusion of bank robbery among federal crimes and the establishment of the FBI as an effective nationwide law enforcement agency may have signaled an end to the Dillinger-type bank robber.

But it did not necessarily end the days of the professional gang.

Merritt points to the existence of two such gangs in Middle Tennessee, both of which figured in this year's staggering robbery statistics.

SIX CONVICTIONS

Six persons were convicted earlier this month of being part of a bank robbery conspiracy. Two of them, including the alleged leader, Gary Ethridge, were convicted of murdering another gang member who had been talking to the law.

Three members of the gang were found guilty of the April 24 robbery of Commerce Union Bank in Bordeaux. Two others were acquitted of charges they robbed the Third National Bank branch on Lafayette Street, Aug. 3, but one of them was found guilty of possessing money from that stickup.

Merritt said federal authorities believe another professional gang was in the making when it was smashed last March with the arrest of three men. They were charged and convicted in the Mar. 7 robbery of the same Commerce Union branch in Bordeaux.

EIGHT ARE UNSOLVED

Of the 26 robberies, police and federal authorities still consider eight "unsolved." It is not known how many of these were pulled off by "pros." Three of them were accomplished by nervous lone gunmen who appeared anything but professional.

In all, arrests have been made and charges placed in 11 of the 26 holdups. Indictments have been returned in eight of these. Trials have already been held in six of the cases, resulting in five convictions and one acquittal.

In addition to the holdup men considered by police to be professionals, those arrested included a drifter from Georgia, a man who had recently lost his job in Little Rock, and petty criminals with no previous record of bank robbery.

BIG TIME

Police say the professionals come from the ranks of the "petty thieves" with long records of burglary and theft.

"Once they hit a bank, they consider themselves big time and seldom return to smaller crimes," said one officer. "If they get by with one without getting caught right away, you can bet they'll be after another one."

One convicted bank robber with a record of minor offenses said recently that "the lure" of ready cash and the slim risk of violence is "too tempting" for petty criminals to resist.

Arrests in 11 of the holdups and eight unsolved leaves seven in an unusual and unnamed category.

Merritt says these are cases in which authorities have identified the criminals but have either been unable to find them or to amass enough evidence for arrests.

In some instances, the attorney said, these persons have been convicted of other crimes and are already in prison for long terms.

The arrest statistics on this year's bank robberies alone staunchly support police claims that bank holdup men are eventually caught in all but a few cases.

"The fact that they get away on the day of the robbery does not mean they are not caught," Merritt said. "Arrests of bank robbers seldom get the publicity the actual holdup does.

POLICY CONFLICT

"To catch them in the act, the alarm systems must be improved. Here again we run into a conflict with bank policy."

The increase in bank holdups in recent years has evoked numerous and varied suggestions on how they may be stopped.

Some favor active resistance on the part of employes and the presence of armed guards in every bank.

Proponents of this like the story of a Los Angeles teller who locked himself in his cage when a knife-wielding bandit came in and demanded the money.

The bandit, obviously frustrated at the teller's stubbornness, ran outside the bank where he stood on the street, threatening to kill himself. Police arrived and hauled him off to a psychiatric hospital.

LOCAL RESISTANCE

Others point to the local success of Walter Ewing Jones, manager of the Third National Bank's Church Street branch.

When notorious kidnaper Tom Robinson tried to rob the bank in 1965, Jones disarmed him, wrestled him to the floor and held him for police.

A female bandit who attempted to hold up the bank a year earlier met the same fate. A teller simply overpowered her and recovered the money another employe had given her.

Another theory designed to make robbing banks less attractive is to limit the amount of cash kept on hand in the teller cages.

This has been done to a certain extent to the satisfaction of bank officials, if not to police.

"Each teller must have at least $3,000 or $4,000 on hand at all times," said Sam Fleming, president of Third National. "To further limit this amount would be impractical."

Fleming said suggestions that all deposits be transmitted immediately to underground vaults have merit but that it would have to be done by computers.

Money handled by each teller must remain separate, he said. Each window requires separate bookkeeping.

The added expense of a duplicate set of tellers at every branch would greatly exceed higher insurance premiums caused by bank robberies, Fleming added.

CASH CONTROL

Ed Nelson, a vice-president of Commerce Union, said his bank has a "cash control" policy and attempts to limit "cash on hand" as much as possible.

Like Fleming, however, Nelson pointed out that without new machinery to accomplish further limiting, the added expense would make such efforts economically impractical.

Law enforcement officers have long favored a change in bank design, limiting the number of entrances and fortifying them until they resemble a fortress.

One local FBI agent suggests that banks have only one entrance, complete with a foyer enclosed with bullet proof glass.

After a robbery has occurred and the bandits are leaving, he explains the push of a button will lock them in the foyer and hold them for police.

"A CHEERFUL PLACE"

Any proposal to change the design of banks brings this response from bank officials:

"We want our banks to be cheerful, attractive-looking and convenient," says Fleming. "All banks would have to agree to it before one would ever attempt it."

Here again the cost of fortifying branch banks exceeds insurance cost increases.

Banks are insured against losses by private underwriters, and holdups are only part of the coverage. It also includes fire, burglaries, and embezzlement.

Insurance coverage on $3.5 million costs banks about $25,000 annually. Premiums on $5,000 deductible are about $5,000 a year less.

This insurance would be retained by banks regardless of the number of armed robberies and is carried in addition to the insurance on deposits by the Federal Deposit Insurance Corp.

POLICE EFFORTS

The Police Departments have in some cities come up with efforts of their own to discourage bank robbers.

Philadephia, for instance, utilizes stakeout teams of crack marksmen which stake out different banks each day. Potential bandits must gamble that the stakeout team is not stationed at their target.

But the number of branch banks are increasing at a faster rate than the size of police forces. There are nearly 80 now in operation in Nashville.

It is generally agreed that any effective method of curbing bank robberies must come about either through a change in the banks' policy of nonresistance or new technology that would reduce the amount of cash available to tellers.

GUARDS IN BRANCHES

One local bank, Commerce Union, says it is considering a modification of non-resistance thinking—at least to the point of placing armed guards at all branches.

Another, Third National, says it will continue to rely on hidden cameras and "other things" that will aid in the capture of bandits after the robberies occur.

A third major bank, First American, says it foresees no major change in the current system of total non-resistance.

Meanwhile, bank tellers will continue to eye each customer with suspicion, hoping he's got money in his hand and deposit on his mind.

GOOD CONSUMER AGENDA

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentlewoman from Hawaii [Mrs. Mink] may extend her remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mrs. MINK. Mr. Speaker, the Washington Post, in an editorial on January 20, 1968, described President Johnson's consumer proposals as "one of the better parts of his state of the Union message." While noting that not all of the items merit top priority, the editorial concludes that all of the proposals are important. This Congress made great strides in the field of consumer protection during the first session, and we now face the challenge of carrying on this good work in the second session. To illustrate the support for consumer legislation in responsible quarters, I insert the Washington Post editorial in the Record, as follows:

Good Consumer Agenda

President Johnson's bow to the consumer was one of the better parts of his State of the

Union message. No doubt most of the reforms he called for in the name of the consumer will have an appeal for voters in an election year. But that is expected from every President who is seeking a new mandate. The real test is whether the reforms themselves are sound and desirable, and win a pretty good score.

His idea of a lawyer for the American consumer in the Justice Department is in keeping with the general trend toward specialization. No doubt this consumer counsel will interest himself in fraud cases, various hazards to consumers and possible new legislation to protect the public. His advice may also be useful in some antitrust cases in which the issue is protection of the consumer through active competition in the marketplace.

The President's call for more thorough inspection of fish and poultry is a logical sequel to the enactment of the Wholesome Meat Act last year. Likewise there is sound backing for the truth-in-lending, pipeline safety and fire safety bills which need only the approval of the House. On the Senate side, the House-passed bill to protect the country's commodity exchange markets from fraud needs early attention.

The rackets that have been uncovered in the home-improvements business are ample reason for extending the powers of the Federal Trade Commission. In the field of automobile insurance, the President called only for a major study, but this may lead to reforms of vast interest to consumers. Abuses in some parts of the industry appear to have become widespread, and the congestion of the courts with lawsuits growing out of motor accidents is itself a cause for grave concern. Protection against the hazards of radiation is also a subject on which much additional information will be needed for intelligent legislative action.

Not many of these items command top priority. But all are important. A Congress that is concerned about its own public image cannot afford to ignore the President's vigorous championship of the consumer.

BALANCE-OF-PAYMENTS PROPOSAL

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. VANIK] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VANIK. Mr. Speaker, in connection with the balance-of-payments proposal which will be considered by the Ways and Means Committee on Monday, I will propose an exemption on foreign travel limited to a 30-day period. According to the latest reports of the passport office, less than 14 percent of all foreign travel occurs within a 30-day period. The 86 percent of foreign travel for a longer period of time provides the real flight of the American dollar and the consequent foreign travel imbalance.

The right to travel freely is one of the hallmarks of American citizenship which should not be altered or destroyed. Travel restraints should be not invoked except as a last resort. The need for travel this year is a matter that every American citizen should decide in his own conscience, particularly when hundreds of thousands of American young men are involuntarily travelling in the military service of our country.

I certainly feel that students and teachers should also be exempt from travel restraint. Their travel expenditures are generally modest and do not contribute in any substantial way to the balance-of-payments problem.

The real culprit in the balance of payments problem is the expatriate American who enjoys lush American income and prefers to live abroad for years on end. These people should think a little more patriotically about their obligations as American citizens and consider how their way of life compounds America's difficult economic problems. Perhaps the time has come for them to make up their minds as to where their loyalties belong. Excluding military dependents, there are over 1 million Americans living almost permanently abroad on American dollars. They are the big contributors to the balance-of-travel deficit. They should be taxed first.

A BILL TO EXTEND THE LIFE OF THE EXISTING PROVISIONS OF THE MANPOWER DEVELOPMENT AND TRAINING ACT

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. HOLLAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLLAND. Mr. Speaker, I have today introduced a bill to extend the life of the existing provisions of the Manpower Development and Training Act for an additional 3 years. This bill, which has been recommended by the President, does not alter in any way the nature of the act or the programs carried on under it, but merely changes the expiration dates of those parts of the act which are not already enacted as permanent legislation.

I do not anticipate, Mr. Speaker, serious controversy over the extension of MDTA. This act has earned the support of virtually all segments of the Nation and of both parties in the Congress. It has been amended on several occasions during its 5 years of operation, and the amendatory process has become increasingly nonpartisan both in the committee and on the House floor.

An identical bill will be introduced this week in the other body by my colleague from Pennsylvania, Senator CLARK, and I anticipate that Senator CLARK's Subcommittee on Employment, Manpower, and Poverty and the House Select Subcommittee on Labor which I have the honor to chair, will work together in their accustomed cooperative manner. The act, I am confident, will be extended without serious opposition.

But the unanimity behind MDTA should not be allowed to obscure the importance of this act and the major role it plays in meeting current problems and the role it can play in meeting problems which are now beginning to arise.

Nearly 1 million Americans, men and women, young and not so young, of all races and backgrounds, in all parts of the country, have been helped to develop new skills and find new and better jobs under the Manpower Development and Training Act since we first put it on the statute books 5 years ago. We first conceived of MDTA as a major weapon in the fight against the effects of automation and changing technology. Now, in every State and virtually every city of the Nation, people whose skills are no longer valuable to employers can learn new skills, young people who are unable to complete their formal education can learn trades, people who have long been on the fringes of the labor force can gain the skills which will make them productive and prosperous members of the community. MDTA is at the heart of this Nation's efforts to maintain economic stability and avoid severe unemployment problems.

Existing MDTA programs are essential to the President's program of creating jobs for the hard-core unemployed, which he announced to the Congress last week.

But the greatest challenge MDTA will face is still ahead of it. When—as with God's help it will—peace returns to the world, and we are no longer required to devote so much of our productive capacity to the needs of war, there will be a crying need to retrain workers for the work of peace. As long as MDTA stays in effect, we will have the mechanism to do just that. I am confident the Congress will take thoughtful and quick action on this bill.

Mr. Speaker, I include at this point in the RECORD a letter from the Secretary of Labor to the Speaker and an explanatory statement from the Labor Department regarding this legislation:

JANUARY 23, 1968.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: In accordance with the President's Manpower Message transmitted to the Congress today I am enclosing draft legislation to extend certain provisions of the Manpower Development and Training Act. I am also enclosing a brief statement explaining the need for this legislation.

I urge that early and favorable consideration be given to its enactment.

Sincerely,

WILLARD WIRTZ,
Secretary of Labor.

EXPLANATORY STATEMENT OF A DRAFT BILL TO EXTEND CERTAIN EXPIRING PROVISIONS UNDER THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED

This bill would merely extend existing authority for those programs under the Manpower Development and Training Act which are not authorized on a permanent basis; it would create no new type of program authority.

The Labor Mobility Demonstration Projects under section 104(a) and the experimental bonding projects under section 105 are authorized in the present Act only through June 30, 1968. This bill would extend authority for those programs through June 30, 1970.

The training and skill development programs under title II of the Act are currently authorized through June 30, 1969, with additional authority to disburse funds appropriated under that title through December 30, 1969.

This bill would extend the experimental

and demonstration programs for the training and education of persons in correctional institutions under section 251 of title II through June 30, 1970. The remaining authorizations in title II would be extended through June 30, 1972 (in the case of program authorizations) and December 30, 1972 (in the case of the authority to disburse funds appropriated).

JEWISH LABOR COMMITTEE SUPPORTS PRESIDENT JOHNSON'S CIVIL RIGHTS MESSAGE

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROSENTHAL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, the Jewish Labor Committee has added its strong voice in support of President Johnson's civil rights message.

The President and an enlightened Congress have taken the most significant steps in a generation to assure that the Constitution's guarantee of equality becomes an immediate reality for all Americans. But much is left undone—and unpassed.

Congress failure to act on several administration civil rights proposals—as the Jewish Labor Committee pointed out in its telegram of support to the President—has "added to the despair in our urban ghettoes and resulted in lawlessness and riots."

Before we adjourn this session we must move to protect our citizens against violent interference with their constitutional rights; strengthen our power to prohibit job discrimination; assure fairness in jury selection; and make equal opportunity in housing a reality for every citizen.

The future of our society depends on our vision and courage. It is for us to decide whether to provide the blessings of American freedom to all our people—or permit old inequities and discrimination to continue unhindered.

The day will surely come—as it must—when, in President Johnson's words "the color of a man's skin is as irrelevant as the color of his eyes."

The Jewish Labor Committee, under the able direction of Adolph Held, seeks to hasten that day. For their strong commitment to the dignity of man they deserve our Nation's admiration.

Under unanimous consent I include their telegram to President Johnson and the news release accompanying it in the RECORD:

JEWISH LABOR COMMITTEE SUPPORTS PRESIDENT'S CIVIL RIGHTS PROGRAM

NEW YORK, N.Y.—Endorsing President Johnson's Civil Rights Legislative Message to the Congress today, Adolph Held, President of the Jewish Labor Committee, in a wire to the President, urged its immediate passage by Congress.

Pointing out that the failure of Congress to act on previous civil rights messages sent by the President had "added to the despair in our urban ghettoes and resulted in lawlessness and riots." Mr. Held said that this now becomes "our nation's number one priority." Mr. Held called on the President to "give the full weight of your office to the immediate enactment of this desperately needed legislation."

Mr. Held pledged the support of the Jewish Labor Committee and its affiliated bodies to secure enactment of the President's Civil Rights Program.

The text of the telegram follows:

"Your Civil Rights Message to Congress and urgent appeal for immediate enactment of this program has the wholehearted support of the Jewish Labor Committee. The legislation called for in your message is our nation's number one priority. The failure of Congress to act in previous sessions to provide the jobs, education, housing and other measures called for in your program added to the despair in our urban ghettoes that resulted in lawlessness and riots. We stand firmly behind your program and urge you to give the full weight of your office to the immediate enactment of this desperately needed legislation."

PEACE ONLY THROUGH VICTORY

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. RARICK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RARICK. Mr. Speaker, recent events in rapid occurrence show the fallacy of such policies as coexistence, containment, or placing any faith in Communist agreements.

Two American military officers have been brutally murdered in Guatemala. Nearly all Latin America and Central America is under propaganda and terrorist attack.

In Korea, the President of the Republic of South Korea is the victim of an attempted assassination and the neutral zone is made a farce by constant infiltration of guerrillas from the north.

In South Vietnam and Africa the buildup and operation all follow the same plan—Communist inspired, financed, organized, and aimed.

The question then becomes, are we in the United States and our few remaining free world friends going to continue to fritter away our sons and husbands, our tax money and substance on brush wars that cannot be won, only to awaken to another fomented class war in another area of the world. Or, are we tired of building on false policy and promises given from a crooked tongue and ready to awaken to the need for a solution to the attacks, harrassment, and exploitation of free peoples of the world.

If we are ready for a solution, our foreign policy must be redrafted. For the solution will never be found in Vietnam, Korea, Cuba, Africa, or on a million small isolated guerrilla-terrorist fronts.

The solution rests in Moscow, Russia, and with its companion conspirator in Peking, China. And you cannot do business with or trust Communist butchers.

Coexistence and containment are diplomatic theories. They are inapplicable to military solutions and if pursued can only aggravate the situation by prolonging the cause and killing more of our sons. Diplomacy is to prevent wars—not control them or cause additional loss of life and suffering, trusting in diplomatic appeasement and promises. The military should take over when the diplomats run out of hot air and have failed. Until our people accept these simple ground rules, there can be no peace nor can there be any victory.

Mr. Speaker, I include Mr. Bob Angers' column from the January 28, Lafayette, La., Daily Advertiser following my remarks:

ANECDOTES AND ANTIDOTES

(By Bob Angers)

Women sending their men off to war once again to defend this great country from tyranny are entitled to some answers, no matter how harsh they might be.

No patriot, male or female, questions "Why we fight?" We fight to prevent the International Criminal Communist Conspiracy from taking over the world and destroying this nation.

The question of "How did the U.S. get into this fix?" is an entirely another matter. The answer is very complex but may be summarized as follows: "The service men win the war; the politicians lose the peace!"

Lets blame those who should be blamed—Franklin Delano Roosevelt, Harry S. Truman, the Brothers Kennedy, Lyndon B. Johnson, Hubert Humphrey, Soapy Williams, Senator William Fulbright, and their ilk on the Democratic side. On the Republican side, Dwight D. Eisenhower, Earl Warren, Jacob Javits and others in the GOP who claim they are in the Middle but swing to the Left to avoid the Right.

The Pueblo incident is but a symbol of the retreat, appeasement, and accommodation of the enemy that has marred our international relations since the defeat of Nazism and Facism.

Who is the enemy? The Communist. The Communist in Vietnam. The Communist in Moscow. The Communist in Red China. The Communist in Africa. The Communist in Eastern Europe. The Communist in Cuba. The Communist in the race riots in America and on the American college campuses. The Communist and his fellow traveler, whether he is marching on Washington to protest the Vietnam War or penetrating sensitive areas of American life like the news media, the labor union, the clergy or any other is the enemy of America.

Who recognized the Communism of Mother Russia when it was about to collapse of its own weight? The late Franklin D. Roosevelt! The Red penetration of our government, starting with the Department of Agriculture and spreading like a cancer, began immediately afterwards.

Who betrayed China to Communism? It started with Roosevelt and was completed with Truman and his "advisors" when the American people were told that the Communist Chinese were really just "Agrarian Reformers."

Roosevelt-Truman era also marked the time when we turned our backs on Chiang-Kai-Shek, denied his arms, snubbed him diplomatically, ridiculed his government and his intentions.

This inability to distinguish friend from foe has continued to the present. Just last week, as the Pueblo Incident heightened war tension around the world, Teddy Kennedy was attacking the government of South Vietnam!

The Korean war (the politicians called it something else) followed and President Truman refused to let the United States win. The Chinese monster he helped create poured troops into North Korea. We have learned in recent times that Communist spies penetrated our intelligence apparatus and advised their comrades in Red China that General MacArthur would not be allowed to continue hot pursuit across the Yalu.

Eisenhower won election on the "Crime, Corruption And Korea" issue and helped bring an end to the conflict in Korea, although that nation was divided north and south. But he failed to help the French in the war against Communism in Indo-China, what is now the "Southeast Asia" on the war map. And he was president when Fidel Castro first came into power in Cuba.

President Kennedy was our next commander-in-chief. His sorry record included accommodation of a Communist Government in Laos, the Berlin Wall, the betrayal of the Cuban exiles at the Bay of Pigs and the phony confrontation with the Russians over the Missile crisis. He also promised Russia we wouldn't invade Cuba or allow any other country in the Hemisphere attempt to throw Castro out!

Johnson has been the president since 1963. The Russians and the military hardware are still in Cuba. So are the Red Chinese and the Red East Europeans. A "tri-continental" headquarters to subvert Africa, Asia and Latin America has been in operation in Cuba since January, 1966. And the island 90 miles from Florida is a huge Nazi-type concentration camp (without the ovens) and a longtime base for training terrorists, including revolutionary operatives burning and looting and killing in the city streets of the USA!

Where, oh God, are the men who can lead this country out of darkness? The lights have been dimming from the Roosevelt-Truman through the Kennedy-Johnson eras!

These unknown leaders might learn a lesson from an outfit of concerned Americans who will hold a function in Washington Feb. 19.

An "indictment" has been returned against the Communist Criminals of the world. They have been summoned by the Young Americans For Freedom (that's a Right—for America—organization) to appear before the Court of Public Opinion in Washington to answer for a half century of crimes against humanity.

The "summons" lists the following charges: (1) Genocide: 30 million victims; (2) Slave Labor: 15 million imprisoned annually: (3) Religious Persecutions: All faiths . . . Orthodox, Catholic, Protestant, Jewish, Moslem. Of the Catholics alone, 31,779 churches closed. (4) International Duplicity: violation of every major agreement made with the Free World!

You can help to make this Red Trial an effective expose of International Criminal Communism by sending a countribution to Young Americans For Freedom, 1221 Massachusetts Ave., N. W. Washington, D.C. 20005.

Citizen action against Communism must come at all levels. One step would be to write elected officials in Washington asking them to adopt legislation outlawing Communism in America like other countries who love freedom have done.

A slave vessel or two should be lined up to deport from the U.S. to Siberia the vassals and the Uncle Toms and the other panderers of Communism, in both parties and from all races, who preach anarchy and practice treason while hiding behind so-called "rights."

It's line-drawing time in America once again. You're either with her or against her. Get with her or get out. The middle ground caved in when it was trampled by too many clay feet.

A BRITISH RHODESIAN TO BRITISH PARLIAMENT

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. RARICK] may extend his remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RARICK. Mr. Speaker, if it be true that our leaders joined in on the unconscionable U.N. sanctions against Rhodesia because of an agreement whereby Britain would buy airplanes, we must immediately withdraw the embargo.

Not only has the anti-Rhodesian foolishness cost us friendship and international prestige as well as loss of markets and revenue, but the British canceled the airplane contract.

There is no legal, ethical, moral, or justifiable basis for continuing economic sanctions against free Rhodesia—the friends of the liberty-loving American people—nor was there any basis for instituting such blackmail.

I ask that a letter from Mr. J. Gwynne-Evans, of Salisbury, Rhodesia, addressed to the British Parliament, follow my remarks for the interest of all.

EXPEDIENCY AND PRINCIPLES—THIRD LETTER SENT TO MEMBERS OF THE BRITISH PARLIAMENT CONCERNING NEGOTIATIONS WITH RHODESIA

(By J. Gwynne-Evans)

After Mr. George Thomson's "sombre" report on Rhodesia to the British House of Commons in November, a "period of intensification of sanctions" is envisaged by him, failing an agreement within the next few weeks.

So the peaceful country with the least tension in Africa is to be further persecuted. The folly of this proposal is slowly unrolling. The brunt of sanctions to date has been taken by the 15,000 Africans who have lost their jobs. (Nice work by a Labour government you may think!) The brunt tomorrow will be taken by Malawi who, if sanctions prove more effective than they do at present, will receive back 150,000 unemployed workers, a fear that is well in the mind of Dr. Banda. Britain's loss so far has been estimated between £100–200 million sterling, which has been a contributory cause of the devaluation of sterling, and has insulated Rhodesia from the need to devalue, because Britain has lost many of the markets in Rhodesia to other nationalities who have not devalued. The purpose of sanctions is presumably to effect a change of heart in the Rhodesian government and people and to force them to accept the British government's terms for an "honourable settlement". The reverse is in fact happening, and it should have been expected. As Mr. George Thomson has discovered, Mr. Smith and his government have become less accommodating since the failure of the Tiger talks. So it goes on, but not much longer. There is a petition being got up amongst Africans, ——— to ask Britain to remove sanctions because they are hurting the Africans most, and to recognize "immediately" the Rhodesian government.

The present attempts to wage economic and moral warfare against Rhodesia will fail because in time of peace this is contrary to the principles of morality, good conduct, honour and common sense. And because the nations of Southern Africa intend to stick together, otherwise disunited they would fall to outside pressure. Also because the British Labour Party, the instigator of sanctions, is unlikely to remain in power much longer, whilst an increasing number of their successors of the Conservative Party are either getting second thoughts on the whole policy of sanctions or have actively campaigned against them. The Conservative Party is not so mesmerized by slogans as are the Labour and Liberal Parties, and is more likely to break away into the realms of practical politics when they can see a line of action is proving abortive. It is up to the Labour Party to think quickly and get themselves out of the mess they have made out of negotiations with Rhodesia to date.

Mr. Harold Wilson and those of all parties who think like him are making a great fuss over the necessity of an *"honourable settlement"* with Rhodesia along the lines of his *"six principles"*. He tells the other Commonwealth countries that there will be no "sell out" of these principles to the Rhodesian government. Very high-minded indeed; what an honourable man is this! And his supporters, what integrity they must have! No wonder they feel they have the moral right to cry "down with the self-seeking and immoral Rhodesian government of 'cowboys' "!

Integrity? Cowboys? Aden, an honourable settlement? "We will hand over power at the end of the month to whoever is in control, or to no one. We intend to get out of Aden whether or not a governing party is in power". These are the words quoted in the daily press as spoken by Mr. George Brown, British Foreign-Secretary, and as being the considered policy of the Labour government. It is of course the greatest piece of expediency and involves no principles at all, moral or humanitarian. It gives to Britain peace without honour. For Aden, which had the pax Brittanica for the past 120 years it leaves nothing but the prospect of civil war and bloodshed. For Egypt it leaves the path clear for her to step in. The Conservative leaders in the House of Commons have not been slow to point out the selfish, sanguinary and strategically unwise sell-out of the Aden protectorate. For Rhodesia, 43 years self-governing, of course only a strict insistence on the six principles gives independence. Is this honourable? What humbug! What a pantomime! "One man, one vote, once!" (Mr. Duncan Sandy's words—and he ought to know!)

Is the proposed settlement based on the "six principles" an "honourable settlement"? Britain encouraged many of her own race to go and settle in Rhodesia taking with them their money and their lives and gave to them a government of their own choosing. She now turns round on them and says in effect unless you agree forthwith to hand over the reins of power to the other race over whom you have been ruling with our approval for 76 years (or 43 years of self-government) then we will do our best to disinherit you. This is the policy of NIBMAR and of a course will be resisted by most Englishmen worth their salt, especially if he has a family to inherit from him. It does not help matters for Mr. Wilson to say at one moment that he will insist on the policy of NIBMAR forthwith, and then with the next breath that there is no hurry for it. Obviously the man cannot be trusted by the Rhodesians whose lives would be at stake. Such a settlement would be a most dishonourable settlement.

The policy of handing over ex-African colonies to majority rule has been a dismal failure in most cases if it was the intention for this system to survive. Its side-issues in the Sudan amounted to the massacre of between a half and one million negroes by the Arabs. In Ruanda to the loss of a hundred thousand Hamitic Watutsis killed by the Bahutus. In Zanzibar to the virtual extinction of the Arabs by the negroes. In Nigeria there is civil war between the Biafrans and the Federal government. In Ghana was the civil war against Nkrumah. The border warfare between the Somalis and the Kenya government. The Congo. . . . Need I go on?

Now it may well be that once Britain intended to get out of these regions at short notice that she had little alternative to giving them self-government under the "one man, one vote, once" system. But there is every reason not to try the experiment with

Rhodesia, for there is an existing qualified franchise and government available, and there has been sufficient time in which to take a re-apprizal of the results of "majority rule" governments elected by uneducated voters. Furthermore what moral right has Britain to impose her will over a territory to which she has given self-government since 44 years, when the elected government of that territory, with the clear majority of the electorate backing it up, clearly state they do not wish for what Britain considers is appropriate for them?

The principle of self-determination (not one of the six principles required by Mr. Wilson's government) is clearly at stake. No. 5 of the six principles states that the British government will have to be satisfied that any basis for independence was acceptable to the people of Rhodesia as a whole. Apparently when Rhodesian self-determination is considered by the British government the "self" part of the expression refers to Britain, not to Rhodesia! This is perhaps a constitutional lawyers quibble, but there is a strong precedent, specifically acknowledged by the British government in the "Blue Book", Cmnd 2807 (concerning the negotiations over independence between the two countries) that Britain does not interfere in the internal affairs of Rhodesia. Why then when the elected government of Rhodesia decided that it was the will of the Rhodesian people both black and white that they wanted independence did the British government not accept this as evidence for the fifth principle? Why is it necessary for the British government to break the established principle of non-interference in the internal affairs of Rhodesia and for themselves to enter the arena in Rhodesia and test public opinion?

Independence was clearly decided upon by both the black and the white people of Rhodesia in 1964 and they did not under the principle of self-determination ask for it to be qualified by Mr. Wilson's six points. Why then should Mr. Wilson insist on his six points? By what right? Does the Queen's dismissal of the elected government of Rhodesia negate the will of the Rhodesian electorate who by referendum on the 5th November, 1964 expressed by an overwhelming percentage their desire for independence? By the unanimous vote of their chiefs and headmen at the indaba held between 21st–26th October, the Africans of the tribal reserves, who constitute the majority of Africans in Rhodesia, declared "It is our earnest wish to be given independence and we do not want to come back and discuss it any more." Be it noted that in Rhodesia, under the principle of self-determination, the indaba is recognized by the Africans in the tribal reserves as the true method of testing the will of the people because the headman and chief have to give expression to the views that have been argued out at the village level. This is a far better method than Mr. Wilson's majority vote idea because the majority of Africans have never used the method and don't understand it. Their method of self-determination is not recognized by the Labour government and some other British politicians who maintain that they know the mind of the Rhodesian African better than does the Rhodesian white or black man.

It is interesting to note that in Ghana, the Chief Justice Akuffo-Addo, Chairman of General Ankrah's Constitutional Commission, commends the use of traditional chiefly power and argues for a qualitative franchise. Perhaps he knows the pit-falls of an unqualified franchise and majority rule for his people rather better than those in Westminster 6,000 miles away whose advisers must be getting a little rusty and out of touch!

Another principle not mentioned by Mr. Harold Wilson and his advisers is the legal one that an accused person is entitled to be heard in his own cause. When Lord Caradon took the matter of mandatory sanctions to the United Nations on behalf of the British government, Rhodesia asked to be heard. This was refused and no effort appears to have been made by the British representative on the matter. Just another principle that might well cancel out one of Mr. Wilson's principles.

It is still possible for the Labour government to come to terms with the Rhodesian government de facto. She can with honourable justification abstain from insisting on majority rule before granting independence. She can abide by the principle of self-determination and allow Rhodesians themselves by their traditional methods to decide on the best form of government they desire. She can abide by the established principle of non-interference in the internal affairs of Rhodesia and grant recognition of her independence because it has in 1964 been established by these traditional methods that the country wants independence from Britain. Would it not have been the wise and honourable thing to have given Mr. Smith his country's independence under the 1961 constitution (cutting the clauses which gave Britain control of Rhodesian affairs) as he requested? Britain has not been able to ensure that the checks and balances she put into the constitutions of the other African states have remained effective in fact. On the contrary they have in all cases been ignored by the dictators who have got into power by the application of "one man, one vote, once", or by the simple means of political assassination or military coups. I suggest that Britain, now that she is in a financial mess, should end the impasse by an honourable settlement which takes for its basis the self-determination principle interpreted by Rhodesia's own wishes. Mr. Wilson might put the good of his country and face up to the anger of his left wing supporters, for he will be out of power soon in any case.

There is in Rhodesia two main groups or races, who in the past have been highly antagonistic to one another. The minority race of Matabeles (Zulus) who conquered the majority group of Shonas. This is not a happy combination of circumstances in which to start one more experiment in handing over the country to majority rule. What then is the real reason for withholding recognition of Rhodesia's independence except upon terms embracing six principles, and yet handing over independence to Aden without any principles at all? The answer is a combination of expediency and self-induced blindness as to what has happened elsewhere in Africa. It is in part a futile and pathetic attempt by Britain to retain her influence over her ex-colonies which she no longer wishes to rule yet fears to alienate. This is a luxury that Britain cannot afford because it is illogical and is not working. Many of these territories are not even paying lip-service to Britain and are calling in other nationalities to replace her. But Britain's natural ally Rhodesia is being down and alienated. Can anyone think of anything more stupid?

A disturbing sign of the times to-day is the view taken by many Britons that the world "race" is a dirty one, in direct contrast to many other races such as the Arabs, Israelites, Turks, Greeks, Chinese, Africans who call up the word to give themselves solidarity even with those not within their own borders. Not so Britain or rather not so the "liberal", so-called, types of all parties. Our "kith and kin" in Rhodesia are looked upon by these people as somewhat worse than aliens. The expression "blood is thicker than water" means little or nothing to such people of the modern British scene. It is probably a reaction to the past when the opposite was true, or to the "racialist theories" of Hitler. The racialist theories of Hitler were an extension into the absurd and into wickedness instead of being perfectly natural and decent form of strength and solidarity in time of trouble. The Western world is entering upon a period of great danger to its survival. It is still important for Britain to retain pride in her race and past achievements of her people all over the world. Southern Africa is now the only remaining safe base for ships and aircraft over about half the world. One would have thought that British statesmen with their past experience of global strategy would at least be seeing that this area was assisted to remain strong and a stable part of the Western World defences. Not a bit of it. They refuse to supply arms for its defence. America too is suffering from the disease known as "liberal myopia". As a world leader for only 25 years there is perhaps some excuse for her.

It is not the purpose of these letters to lower the prestige of Britain or British politicians. They have succeeded in lowering their own reputation in this part of the world. There is no obstacle to an honourable solution to Rhodesia's independence except the insistence of the six principles. There is extremely little evidence that the panacea of "majority rules" in Africa produces anything but dictatorship. *In Rhodesia the Africans are not sufficiently educated to be intrusted with majority rule nor are the nationalist leaders of sufficient calibre to create other than a bloody solution to the issue.* Why then insist on the six principles?

The report brought back by Mr. George Thomson is only "sombre" because he has failed to face the facts in Africa. The Rhodesian government has taken them into account and therefore will not accept Mr. Wilson's terms for the recognition of their independence. If Mr. Wilson was prepared to hand over Aden to "any one or no one" then he should be prepared with honourable intent to recognize Rhodesia's independence and that her government is the ipso facto government of the country in the eyes of Britain. Then by a fresh election inside Rhodesia her new government can become the government legal in British eyes and the rest of the world. This should be done without delay. Mr. Harold Wilson and many of his party may be outside the legal government of Britain pretty soon.

As a first-hand observer of the scene here I can state with some confidence that the greater the duress put upon the Rhodesian government and people the greater resistance likely to be encountered, and a complete break with Britain and the Crown will almost certainly ensue. It is little use my continuing to advocate retention of the link with the Crown if you parliamentary chaps are going to do your best to create the opposite feeling . . . by placing the maximum amount of nuisance value you can think up on the patient people here. Haven't you suffered enough from the stupidity of your Rhodesian policy?

J. GWYNNE-EVANS.

CAUSEWAY, SALISBURY, RHODESIA, *November 25, 1967.*

POLICY IN AFRICA AND ITS ERRORS

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. RARICK] may extend his remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RARICK. Mr. Speaker, the so-called "winds of change" have prejudiced the thinking and blinded the objectives of our U.S. foreign policy on the continent of Africa. Let it be remembered that the citizens of Mozambique, as much a part of Portugal as Alaska and Hawaii are the United States, are under attack by Communist terrorists and advised their comrades in Red China that General MacArthur would not be allowed to continue hot pursuit across the Yalu.

Eisenhower won election on the "Crime, Corruption And Korea" issue and helped bring an end to the conflict in Korea, although that nation was divided north and south. But he failed to help the French in the war against Communism in Indo-China, what is now the "Southeast Asia" on the war map. And he was president when Fidel Castro first came into power in Cuba.

President Kennedy was our next commander-in-chief. His sorry record included accommodation of a Communist Government in Laos, the Berlin Wall, the betrayal of the Cuban exiles at the Bay of Pigs and the phony confrontation with the Russians over the Missile crisis. He also promised Russia we wouldn't invade Cuba or allow any other country in the Hemisphere attempt to throw Castro out!

Johnson has been the president since 1963. The Russians and the military hardware are still in Cuba. So are the Red Chinese and the Red East Europeans. A "tri-continental" headquarters to subvert Africa, Asia and Latin America has been in operation in Cuba since January, 1966. And the island 90 miles from Florida is a huge Nazi-type concentration camp (without the ovens) and a longtime base for training terrorists, including revolutionary operatives burning and looting and killing in the city streets of the USA!

Where, oh God, are the men who can lead this country out of darkness? The lights have been dimming from the Roosevelt-Truman through the Kennedy-Johnson eras!

These unknown leaders might learn a lesson from an outfit of concerned Americans who will hold a function in Washington Feb. 19.

An "indictment" has been returned against the Communist Criminals of the world. They have been summoned by the Young Americans For Freedom (that's a Right—for America—organization) to appear before the Court of Public Opinion in Washington to answer for a half century of crimes against humanity.

The "summons" lists the following charges: (1) Genocide: 30 million victims; (2) Slave Labor: 15 million imprisoned annually: (3) Religious Persecutions: All faiths . . . Orthodox, Catholic, Protestant, Jewish, Moslem. Of the Catholics alone, 31,779 churches closed. (4) International Duplicity: violation of every major agreement made with the Free World!

You can help to make this Red Trial an effective expose of International Criminal Communism by sending a countribution to Young Americans For Freedom, 1221 Massachusetts Ave., N. W. Washington, D.C. 20005.

Citizen action against Communism must come at all levels. One step would be to write elected officials in Washington asking them to adopt legislation outlawing Communism in America like other countries who love freedom have done.

A slave vessel or two should be lined up to deport from the U.S. to Siberia the vassals and the Uncle Toms and the other panderers of Communism, in both parties and from all races, who preach anarchy and practice treason while hiding behind so-called "rights."

It's line-drawing time in America once again. You're either with her or against her. Get with her or get out. The middle ground caved in when it was trampled by too many clay feet.

A BRITISH RHODESIAN TO BRITISH PARLIAMENT

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. RARICK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RARICK. Mr. Speaker, if it be true that our leaders joined in on the unconscionable U.N. sanctions against Rhodesia because of an agreement whereby Britain would buy airplanes, we must immediately withdraw the embargo.

Not only has the anti-Rhodesian foolishness cost us friendship and international prestige as well as loss of markets and revenue, but the British canceled the airplane contract.

There is no legal, ethical, moral, or justifiable basis for continuing economic sanctions against free Rhodesia—the friends of the liberty-loving American people—nor was there any basis for instituting such blackmail.

I ask that a letter from Mr. J. Gwynne-Evans, of Salisbury, Rhodesia, addressed to the British Parliament, follow my remarks for the interest of all.

EXPEDIENCY AND PRINCIPLES—THIRD LETTER SENT TO MEMBERS OF THE BRITISH PARLIAMENT CONCERNING NEGOTIATIONS WITH RHODESIA

(By J. Gwynne-Evans)

After Mr. George Thomson's "sombre" report on Rhodesia to the British House of Commons in November, a "period of intensification of sanctions" is envisaged by him, failing an agreement within the next few weeks.

So the peaceful country with the least tension in Africa is to be further persecuted. The folly of this proposal is slowly unrolling. The brunt of sanctions to date has been taken by the 15,000 Africans who have lost their jobs. (Nice work by a Labour government you may think!) The brunt tomorrow will be taken by Malawi who, if sanctions prove more effective than they do at present, will receive back 150,000 unemployed workers, a fear that is well in the mind of Dr. Banda. Britain's loss so far has been estimated between £100–200 million sterling, which has been a contributory cause of the devaluation of sterling, and has insulated Rhodesia from the need to devalue, because Britain has lost many of the markets in Rhodesia to other nationalities who have not devalued. The purpose of sanctions is presumably to effect a change of heart in the Rhodesian government and people and to force them to accept the British government's terms for an "honourable settlement". The reverse is in fact happening, and it should have been expected. As Mr. George Thomson has discovered, Mr. Smith and his government have become less accommodating since the failure of the Tiger talks. So it goes on, but not much longer. There is a petition being got up amongst Africans, ——— to ask Britain to remove sanctions because they are hurting the Africans most, and to recognize "immediately" the Rhodesian government.

The present attempts to wage economic and moral warfare against Rhodesia will fail because in time of peace this is contrary to the principles of morality, good conduct, honour and common sense. And because the nations of Southern Africa intend to stick together, otherwise disunited they would fall to outside pressure. Also because the British Labour Party, the instigator of sanctions, is unlikely to remain in power much longer, whilst an increasing number of their successors of the Conservative Party are either getting second thoughts on the whole policy of sanctions or have actively campaigned against them. The Conservative Party is not so mesmerized by slogans as are the Labour and Liberal Parties, and is more likely to break away into the realms of practical politics when they can see a line of action is proving abortive. It is up to the Labour Party to think quickly and get themselves out of the mess they have made out of negotiations with Rhodesia to date.

Mr. Harold Wilson and those of all parties who think like him are making a great fuss over the necessity of an *"honourable settlement"* with Rhodesia along the lines of his "*six principles*". He tells the other Commonwealth countries that there will be no "sell out" of these principles to the Rhodesian government. Very high-minded indeed; what an honourable man is this! And his supporters, what integrity they must have! No wonder they feel they have the moral right to cry "down with the self-seeking and immoral Rhodesian government of 'cowboys' "!

Integrity? Cowboys? Aden, an honourable settlement? "We will hand over power at the end of the month to whoever is in control, or to no one. We intend to get out of Aden whether or not a governing party is in power". These are the words quoted in the daily press as spoken by Mr. George Brown, British Foreign-Secretary, and as being the considered policy of the Labour government. It is of course the greatest piece of expediency and involves no principles at all, moral or humanitarian. It gives to Britain peace without honour. For Aden, which had the pax Brittanica for the past 120 years it leaves nothing but the prospect of civil war and bloodshed. For Egypt it leaves the path clear for her to step in. The Conservative leaders in the House of Commons have not been slow to point out the selfish, sanguinary and strategically unwise sell-out of the Aden protectorate. For Rhodesia, 43 years self-governing, of course only a strict insistence on the six principles gives independence. Is this honourable? What humbug! What a pantomime! "One man, one vote, once!" (Mr. Duncan Sandy's words—and he ought to know!)

Is the proposed settlement based on the "six principles" an "honourable settlement"? Britain encouraged many of her own race to go and settle in Rhodesia taking with them their money and their lives and gave to them a government of their own choosing. She now turns round on them and says in effect unless you agree forthwith to hand over the reins of power to the other race over whom you have been ruling with our approval for 76 years (or 43 years of self-government) then we will do our best to disinherit you. This is the policy of NIBMAR and of a course will be resisted by most Englishmen worth their salt, especially if he has a family to inherit from him. It does not help matters for Mr. Wilson to say at one moment that he will insist on the policy of NIBMAR forthwith, and then with the next breath that there is no hurry for it. Obviously the man cannot be trusted by the Rhodesians whose lives would be at stake. Such a settlement would be a most dishonourable settlement.

The policy of handing over ex-African colonies to majority rule has been a dismal failure in most cases if it was the intention for this system to survive. Its side-issues in the Sudan amounted to the massacre of between a half and one million negroes by the Arabs. In Ruanda to the loss of a hundred thousand Hamitic Watutsis killed by the Bahutus. In Zanzibar to the virtual extinction of the Arabs by the negroes. In Nigeria there is civil war between the Biafrans and the Federal government. In Ghana was the civil war against Nkrumah. The border warfare between the Somalis and the Kenya government. The Congo. . . . Need I go on?

Now it may well be that once Britain intended to get out of these regions at short notice that she had little alternative to giving them self-government under the "one man, one vote, once" system. But there is every reason not to try the experiment with

Rhodesia, for there is an existing qualified franchise and government available, and there has been sufficient time in which to take a re-apprizal of the results of "majority rule" governments elected by uneducated voters. Furthermore what moral right has Britain to impose her will over a territory to which she has given self-government since 44 years, when the elected government of that territory, with the clear majority of the electorate backing it up, clearly state they do not wish for what Britain considers is appropriate for them?

The principle of self-determination (not one of the six principles required by Mr. Wilson's government) is clearly at stake. No. 5 of the six principles states that the British government will have to be satisfied that any basis for independence was acceptable to the people of Rhodesia as a whole. Apparently when Rhodesian self-determination is considered by the British government the "self" part of the expression refers to Britain, not to Rhodesia! This is perhaps a constitutional lawyers quibble, but there is a strong precedent, specifically acknowledged by the British government in the "Blue Book", Cmnd 2807 (concerning the negotiations over independence between the two countries) that Britain does not interfere in the internal affairs of Rhodesia. Why then when the elected government of Rhodesia decided that it was the will of the Rhodesian people both black and white that they wanted independence did the British government not accept this as evidence for the fifth principle? Why is it necessary for the British government to break the established principle of non-interference in the internal affairs of Rhodesia and for themselves to enter the arena in Rhodesia and test public opinion?

Independence was clearly decided upon by both the black and the white people of Rhodesia in 1964 and they did not under the principle of self-determination ask for it to be qualified by Mr. Wilson's six points. Why then should Mr. Wilson insist on his six points? By what right? Does the Queen's dismissal of the elected government of Rhodesia negate the will of the Rhodesian electorate who by referendum on the 5th November, 1964 expressed by an overwhelming percentage their desire for independence? By the unanimous vote of their chiefs and headmen at the indaba held between 21st–26th October, the Africans of the tribal reserves, who constitute the majority of Africans in Rhodesia, declared "It is our earnest wish to be given independence and we do not want to come back and discuss it any more." Be it noted that in Rhodesia, under the principle of self-determination, the indaba is recognized by the Africans in the tribal reserves as the true method of testing the will of the people because the headman and chief have to give expression to the views that have been argued out at the village level. This is a far better method than Mr. Wilson's majority vote idea because the majority of Africans have never used the method and don't understand it. Their method of self-determination is not recognized by the Labour government and some other British politicians who maintain that they know the mind of the Rhodesian African better than does the Rhodesian white or black man.

It is interesting to note that in Ghana, the Chief Justice Akuffo-Addo, Chairman of General Ankrah's Constitutional Commission, commends the use of traditional chiefly power and argues for a qualitative franchise. Perhaps he knows the pit-falls of an unqualified franchise and majority rule for his people rather better than those in Westminster 6,000 miles away whose advisers must be getting a little rusty and out of touch!

Another principle not mentioned by Mr. Harold Wilson and his advisers is the legal one that an accused person is entitled to be heard in his own cause. When Lord Caradon took the matter of mandatory sanctions to the United Nations on behalf of the British government, Rhodesia asked to be heard. This was refused and no effort appears to have been made by the British representative on the matter. Just another principle that might well cancel out one of Mr. Wilson's principles.

It is still possible for the Labour government to come to terms with the Rhodesian government de facto. She can with honourable justification abstain from insisting on majority rule before granting independence. She can abide by the principle of self-determination and allow Rhodesians themselves by their traditional methods to decide on the best form of government they desire. She can abide by the established principle of non-interference in the internal affairs of Rhodesia and grant recognition of her independence because it has in 1964 been established by these traditional methods that the country wants independence from Britain. Would it not have been the wise and honourable thing to have given Mr. Smith his country's independence under the 1961 constitution (cutting the clauses which gave Britain control of Rhodesian affairs) as he requested? Britain has not been able to ensure that the checks and balances she put into the constitutions of the other African states have remained effective in fact. On the contrary they have in all cases been ignored by the dictators who have got into power by the application of "one man, one vote, once", or by the simple means of political assassination or military coups. I suggest that Britain, now that she is in a financial mess, should end the impasse by an honourable settlement which takes for its basis the self-determination principle interpreted by Rhodesia's own wishes. Mr. Wilson might put the good of his country and face up to the anger of his left wing supporters, for he will be out of power soon in any case.

There is in Rhodesia two main groups or races, who in the past have been highly antagonistic to one another. The minority race of Matabeles (Zulus) who conquered the majority group of Shonas. This is not a happy combination of circumstances in which to start one more experiment in handing over the country to majority rule. What then is the real reason for withholding recognition of Rhodesia's independence except upon terms embracing six principles, and yet handing over independence to Aden without any principles at all? The answer is a combination of expediency and self-induced blindness as to what has happened elsewhere in Africa. It is in part a futile and pathetic attempt by Britain to retain her influence over her ex-colonies which she no longer wishes to rule yet fears to alienate. This is a luxury that Britain cannot afford because it is illogical and is not working. Many of these territories are not even paying lip-service to Britain and are calling in other nationalities to replace her. But Britain's natural ally Rhodesia is being down and alienated. Can anyone think of anything more stupid?

A disturbing sign of the times to-day is the view taken by many Britons that the world "race" is a dirty one, in direct contrast to many other races such as the Arabs, Israelites, Turks, Greeks, Chinese, Africans who call up the word to give themselves solidarity even with those not within their own borders. Not so Britain or rather not so the "liberal", so-called, types of all parties. Our "kith and kin" in Rhodesia are looked upon by these people as somewhat worse than aliens. The expression "blood is thicker than water" means little or nothing to such people of the modern British scene. It is probably a reaction to the past when the opposite was true, or to the "racialist theories" of Hitler. The racialist theories of Hitler were an extension into the absurd and into wickedness instead of being perfectly natural and decent form of strength and solidarity in time of trouble. The Western world is entering upon a period of great danger to its survival. It is still important for Britain to retain pride in her race and past achievements of her people all over the world. Southern Africa is now the only remaining safe base for ships and aircraft over about half the world. One would have thought that British statesmen with their past experience of global strategy would at least be seeing that this area was assisted to remain strong and a stable part of the Western World defences. Not a bit of it. They refuse to supply arms for its defence. America too is suffering from the disease known as "liberal myopia". As a world leader for only 25 years there is perhaps some excuse for her.

It is not the purpose of these letters to lower the prestige of Britain or British politicians. They have succeeded in lowering their own reputation in this part of the world. There is no obstacle to an honourable solution to Rhodesia's independence except the insistence of the six principles. There is extremely little evidence that the panacea of "majority rules" in Africa produces anything but dictatorship. *In Rhodesia the Africans are not sufficiently educated to be intrusted with majority rule nor are the nationalist leaders of sufficient calibre to create other than a bloody solution to the issue.* Why then insist on the six principles?

The report brought back by Mr. George Thomson is only "sombre" because he has failed to face the facts in Africa. The Rhodesian government has taken them into account and therefore will not accept Mr. Wilson's terms for the recognition of their independence. If Mr. Wilson was prepared to hand over Aden to "any one or no one" then he should be prepared with honourable intent to recognize Rhodesia's independence and that her government is the ipso facto government of the country in the eyes of Britain. Then by a fresh election inside Rhodesia her new government can become the government legal in British eyes and the rest of the world. This should be done without delay. Mr. Harold Wilson and many of his party may be outside the legal government of Britain pretty soon.

As a first-hand observer of the scene here I can state with some confidence that the greater the duress put upon the Rhodesian government and people the greater resistance likely to be encountered, and a complete break with Britain and the Crown will almost certainly ensue. It is little use my continuing to advocate retention of the link with the Crown if you parliamentary chaps are going to do your best to create the opposite feeling . . . by placing the maximum amount of nuisance value you can think up on the patient people here. Haven't you suffered enough from the stupidity of your Rhodesian policy?

J. GWYNNE-EVANS.

CAUSEWAY, SALISBURY, RHODESIA, *November 25, 1967.*

POLICY IN AFRICA AND ITS ERRORS

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. RARICK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RARICK. Mr. Speaker, the so-called "winds of change" have prejudiced the thinking and blinded the objectives of our U.S. foreign policy on the continent of Africa. Let it be remembered that the citizens of Mozambique, as much a part of Portugal as Alaska and Hawaii are the United States, are under attack by Communist terrorists

using the similar weapons and strategy employed by the Vietcong in South Vietnam.

So that our colleagues may have a different viewpoint to help analyze errors in our direction, I ask that the speech of the Prime Minister of Portugal, the Honorable Dr. Oliveira Salazar, delivered November 30, 1967, to the representatives of the municipalities of Mozambique, Africa, be here placed in the RECORD.

THE POLICY IN AFRICA AND ITS ERRORS

(Speech by Prime Minister Dr. Oliveira Salazar, knowledging the tribute paid to him on November 30, 1967, by the representatives of the municipalities of Mozambique)

I am most grateful to all of you who have come to the Lusitanian Motherland from so far away, to bring me the solemn assertion that you consider me to be a son of each and every Municipal Council of Mozambique. Through you, the "good men" you represent send me tributes, their wishes and even a request for a visit which God alone knows whether it can still occur given the difficulties of our times because, by bringing about much delay, they will also destroy other possibilities. But all of you have done the best you could, since your main desire was to liken me to yourselves by binding me to the people of your home soils and in dedication to the common Motherland. I thank you for everything. I accept everything, bar the tribute which I do not deserve, as I consider myself only to be the interpreter of the inalienable feelings and rights of the Nation, through work, through determination, through unbreakable resistance.

Your presence here is, in point of fact, perhaps a protest, or better still, the ostensible rectification of many wrong steps taken by others. Hence, I can take advantage of it to say a few words concerning the policy of Africa and its errors. In this process for which, in the face of History, each party must assume its share of responsibility, the latter belongs entirely to the West. We shall have to see whether we are guilty, as we are accused of being, or are the victims which those who are really responsible do not even seem to deplore.

The first error which appears to us as the cause of the unhappy African situation, in most of its territory, is to have started off with the idea of the identity of the continent to which therefore the same political, economic and social formulas were to be applied. Perhaps a little because we ourselves have stressed this defect of vision, today one begins to understand the reality and to recognize the existence of a triple Africa which would have required different regimes and treatments: the Afro-Arab Africa; the typically African Africa; and, in the south, the Euro-Africa.

It is known that certain countries of North Africa, with a historical past which the immediate neighbors South of the Sahara cannot invoke, have sought to direct their destinies under a badly disguised hegemony. Even were these not the intentions, one would invariably have to take into account the results of African subversion, led and mostly financed from the North, in the face of the West's inertia or willingness to withdraw. Nevertheless, that policy, apart from the persistently fomented spirit of subversion, was to be little less than useless, because sociological and historical reasons, still very much alive in the spirit of the Africans, opposed the easy building of empires which would extend from Cairo or Algeria to the Equator, if not the Cape.

From the European angle, the most serious aspect of the north-African policy pursued is that the Mediterranean is too narrow to allow for the development of hostile nations on the two shores. So that, as has so far been the case almost without exception, if the evolution of the countries of North Africa takes place on the basis of enmity in relation to Europe and of close ties with the East, that carelessly neglected evolution will reduce the European power of resistance along the entire Mediterranean border, and in a manner such as we may consider it to be dangerous for its security. We know that Carthage was destroyed through the persistent efforts of Ancient Rome, and that the overwhelming Arab wave swept through there many centuries ago in the direction of the Iberian Peninsula. But geography has not altered throughout the years and it is from geographical positions that one leaves for conquest or it is simply in them that defense is ensured. The truth is that in very recent times the Mediterranean, a peaceful and purely European sea, has lost this character, and powers that are not of that sea are beginning to establish themselves there in strength. And that will be a new source of preoccupations or dangers, nor will the financial support of the West and the repeated declarations of friendship and good neighborliness succeed in altering the situation.

Apart from a small number of exceptions, African Africa which, *grosso modo,* extends to the south of the Sahara and over which European sovereignties prevailed, appears before us divided into numerous small countries considered independent States. In the rush to proceed with so-called decolonization, it would seem there was no time to pay attention to existing inadequacies.

From the territorial standpoint, the exiguity of areas, the lack of natural borders, traced on the spot by the chances of the occupation, the lack of an economic basis upon which to sustain an efficient administration, resulted in arousing the first suspicion as to the precarious nature of the independences which were granted. The inability to create a collective sense of responsibility among the ethnologically different and hostile peoples which European rule enabled to live together, and other identical or similar reasons which compelled them to separate and develop in various territories, are the cause of political instability and of the numerous wars which threaten to cause bloodshed in Africa in the centuries to come. In such conditions as concern territory and population, some States will tend to break up while others will attempt to expand even to the extent of absorbing the weakest. Post-independence defense undertakings and subsidies granted by the ruling powers which were the best way to control the populations will be seen not to present sufficient guarantees of stability, peace and progress.

No matter how hard the responsible States tried, there was not time or it was not possible to constitute political elites, to adequately staff the administration and management of the economy with local inhabitants, to fuse races and cultures so as to constitute national bases upon which to erect a valid State. Suddenly, and apart from appearances resulting from State bodies having been legally constituted, it was realized that almost everywhere there lacked an efficient administration and the range of Government power was limited, oscillating between a preposterous concentration of power and the innumerable traditional bearers of authority, which is not consistent with the modern State of Western conception. And the latter is what it was sought to impose upon them.

The explosions of anti-white racism aggravated the situations in many places, the countries wanting as they were in capable elites and encouraging in the natives the desire for the "Africanization of staffs" which they could not improvise. The only conclusion which should have been reached was the realization that a political society, even with the minimum sense of common interests, is a complex body of slow evolution and requiring many types of staffs to maintain itself and to progress, from which we were very far.

The manner in which the former sovereign powers and others historically alien to the phenomenon have to correct the situation, irreversible in their view, obviously could go no further than supplying technicians, granting big loans or free subsidies, offering commodities to fill essential needs and contribute to the formation of local elites. I doubt these aids, given with more generosity than knowledge of practical realities, can be sufficient to make up for the present deficiencies. In any case, in a considerable part of that Africa, there are by the side of, at the back of and who knows possibly above the various rulers, the respective technical advisers, who inform them, guide them, and perchance act as substitutes for them. They do not belong to the land, it is doubtful whether they love it, they serve it very much like the mercenaries they are.

The forgotten fact that, in addition to competence, government requires organization and morality, led to the channeling of and wasting of millions upon millions in the African territories without the slightest, or with very little return. And as a considerable part of the funds does not consist of free subsidies, it so happens that in many cases the situation is made worse by the onus of interest and amortizations which cannot be covered by wealth that has not been created. Thus, another lesson is that generosity cannot be a substitute for the work of populations interested in their own land nor the results of a perhaps slow, but profitable evolution, suddenly interrupted.

The stimulus given to education of the masses resulted less in the creation of schools where it is possible to fuse European culture with the subsistent elements of native cultures, than in scholarships for study in foreign countries. It is known that, in this way, many Africans were diverted to military and guerrilla training camps; others drugged in schools specializing in communist political and social formation and a few were scattered throughout the world, in contact with various and very different civilizations and cultures. In my humble opinion, of all these, some will return home as subversive elements and others, uprooted from it, having lost all contact with elements useful to their culture, incapable of acting satisfactorily to ensure the progress of their fellows: being most assuredly political agents, but not factors of local progress.

In the summarily described circumstances, it is difficult to accept the idea that there is true independence in many of these countries, when the latter is pledged to foreign technique, finance, economy and even culture—and more than foreign in the legal sense, alien in the human and moral sense. But if the peoples to whom I have referred feel happy in spite of all this for having been told they were independent, I reckon it would not be nice of us to attempt to disillusion them. The facts, and life itself, with its undeniable and sometimes cruel realities, will restore the exact status of things.

South of the Zaire and the Rovuma which border northern Angola and Mozambique, there is a group of territories in which we must include Malawi and which, even though under very varied political circumstances, present traits in common of the greatest interest. We can assert that there one finds onself in the richest and most developed part of Africa, with non-substitutable interdependencies, with the sometimes multi-secular settlement of a numerous white population, which in most cases is responsible for the management of the economy and the progress of the populations, and furthermore leaning entirely toward the West in dominant culture and ideological options. Thereon incrusted is Rhodesia, awaiting an agreement with Britain which will recognize her independence, and Zambia whose well understood interests are naturally bound to this area. Be that as it may, this Southern Africa is for the time being the only solid guarantee and the only ally of Western policy in Africa. The fact that Angola and Mozambique are part of the Portuguese Nation and, being integrated therein therefore have enjoyed the status of independence for longer than the others, does not hinder, in fact rather contributes towards a closer tie with Europe than that maintained by some of those territories if they continue to be or become members of the British Commonwealth. The tightening of relations between all of them is essential to the life of each one of them and to general progress; and in addition they are all fortunate enough to be free of the calamity of racism of any kind.

That very brief summary makes sufficiently clear the crime against civilization and against the progress of the African people which it would be to extend to Southern Africa, which many aim to and are trying to do, the policy pursued in areas to the north and to the south of the Sahara. Already we have in Africa anarchy, misery, political and military conflicts in sufficient number and dimension to ensure that we should not thoughtlessly cause to arise in those regions the same causes which produced them in other places.

In point of fact, within the last few weeks, one has witnessed in the 4th Committee of the United Nations, the spectacle which has been repeated for years, against the Portuguese presence in Africa, culminating in large condemnatory votes in which the communist and Afro-Asian countries participated ostensible, the first practising their policy most coherently, the second struggling against their own true interests or the interests of those they call their brothers. Nothing is more contradictory in what has been disclosed regarding deficiencies in Africa, than certain thesis propounded there and passed by a great majority, with large neutral blots of abstentionists and a few limited ones of courageous reprobation.

One knows that all sorts of elites are lacking in those territories, yet one opts to ensure that valid experts of any technique or activity shall not become integrated therein. So often without providing guarantees, one begs at the doors of the West for financial subsidies to be squandered, but one does not desire that that capital from that same West should be invested in normal conditions in local production for the progress of the local populations. It is right for administration and government not to be the object of improvisation, yet the aim is to deny them to those who are most capable in the name of majorities not prepared to undertake them. From such a line which, incidentally, it is not our intention to follow, there could only result the extension in Africa of the taint of chaos and regression to previous states thought to be out-dated. For these reasons I continue to admire Russia and her satellites, to be sorry for the Africans and their passions, to not understand the Europeans and Americans who have not yet clearly seen the horizons of the world, perhaps because the so-called winds of change have blurred them.

Here I open a parenthesis.

That subversion of a considerable part of the African structure has provoked migrations between the various territories cf hundreds of thousands if not millions of persons. We too shelter many of those poor people in the Portuguese territories, but certain distinctions must be made concerning this phenomenon which is only apparently identical. While we receive in Angola or Mozambique those who flee from conflicts or war and want to enjoy a little security and peace, the hundreds of thousands of Portuguese who are in the Congo and Tanganyika did not flee because they were afraid of the authorities, nor are they in exile because they dread them should they return to their homes. Those multitudes are a necessary instrument of terrorism and one of its most characteristic features. In point of fact, they constitute a mass for compulsory recruitment, a valuable element of international propaganda and, through the subsidies it is desired to channel towards the refugees, a source of support for the terrorists. What happens is that, while in the Congo it is the terrorists themselves who prevent the return of their prisoners, the border on the northern bank along the Rovuma is guarded by armed forces of Tanzania, so that with the return of the Portuguese that source of revenue and of excuses for protests shall not dry up.

Be that as it may, our position is to receive in Portuguese territory all those who consider it to be their motherland and who, fully confident, desire to resume their life in order and in peace, under the security which the authorities can guarantee them. We advise that only those who are liable to be identified as the authors of serious crimes shall continue to patronize the countries where they are residing as refugees, for the simple reason that they cannot expect to be well received by the children or brothers of their victims.

Our line of action is dictated to us by a History of centuries which moulded the Euro-African features of the Portuguese Community, and is also based on what experience has enabled us to learn from contact with the most varied peoples of the globe. Material interests have not been the essential aim of Portuguese action in the world, rather have we sacrificed them to the progress of the populations. Europe today laughs at "paternalism" towards certain not yet evolved races, and at the "missionary spirit", because the fact is they do not appear to believe any more in their civilizing mission, as they no longer believe in the superiority of their own civilization. But we continue to believe. As a result of this we have rights and duties which dictate a certain behaviour—and this is that of tenacious resistance to the disintegrating forces which infiltrate into Overseas from abroad.

It would be a grave risk for the world to allow itself to become rooted in the conviction that terrorism is invincible; and it was certainly for this reason that Britain fought it and liquidated it so well in Kenya and in Malaysia.

The problem would certainly be different if we, as many claim they believe, were up against a generalized feeling of intolerance or, better still, of an uprising of the populations. I call attention to the three following facts: the first is that the Africans assassinated by the terrorists while working and reaping their crops are incomparably greater in number than the members of the European forces or local inhabitants charged with defending them; the second is that when pursued by such liberators, the populations seek refuge with the military forces or the authorities; the third is that except for a few spots of temporary refuge or of hidden stores of arms and victuals, there is not a bit of territory of which the terrorists can say: we rule here. They can kill in various places, like fugitive bandits, but they occupy none. In my view these three proven facts shôuld suffice to destroy, in people of good faith, the myth of liberation of the Africans by the so-called nationalist movements in Portuguese territory.

I anticipate a question: how long will it take to put an end to terrorism, continuing to call upon every ounce of our strength of mind, to involve all government and private resources, to risk the lives of our finest youth and to impose upon the families of the combatants the hardest trials? How much longer?

I answer. There are ideologies in Africa which lead to subversion, and there are also interests which swim through chaos and with it are hoping to obtain facilities and privileges. The "African solidarity" which, without protests, dares to preach at the UNO on the legitimacy of the terrorist movements and the right of the respective territories to support them, have no force other than that which comes to them through the junction of those ideologies and of the aforementioned interests. But the first are opposed to the survival of the West; the second, regardless of whence they come, will be assured only through the stability of governments and the peaceful activity of peoples. Therefore when we see that the West begins to understand they are being undermined by Communism in Africa, the absurd, we might say sacrilegious, coalition which has been maintained so far, will cease to exist, and the attitudes towards the African problems will become different. In Africa itself, the moderate countries are growing in number and influence and there will come a time when the extremists will have to let them live in the friendly cooperation which we propose to them and support. This exact moment of understanding and of decision to desist cannot be far off; however the synchronization of such varied features is unpredictable.

I cannot end these words, as I would so like to, on a note which all—above all those who suffer most—would consider clearly optimistic. But I believe that one must be optimistic when one is sure to make resistance last indefinitely. That possibility is one which is the real proof of strength and the sure sign of victory, through which we desire only that the Portuguese Nation shall continue to live in peace.

OUR BALANCE-OF-PAYMENTS PROBLEMS

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. FRIEDEL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FRIEDEL. Mr. Speaker, earlier this year the President forcefully informed the American people of our serious balance-of-payments problems and requested voluntary compliance with some of the proposals he has advanced to correct these problems.

Many people in this country voiced the opinion that the President's proposals were too restrictive; some have even suggested that the problem is not serious enough to warrant the attention being devoted to it at this time.

Next week the House Ways and Means Committee will hear the President's proposals to remedy our balance-of-payments problem in more detail. We in the Congress will be asked to consider legislation to help implement his new program. I believe that any such legislation should only be enacted on a temporary basis, particularly the proposal that tourist travel be taxed.

I would like to call to the attention of my colleagues a recent column written

by Edward M. Bernstein which discusses the economic impact of our balance-of-payments problem here and abroad and ask that it be inserted at this point in the RECORD.

NO EASY REMEDIES EXIST FOR PAYMENTS PROBLEMS

(By Edward M. Bernstein)

In a New Year Day message to the nation, President Johnson announced a very severe program to restore the U.S. balance of payments. The new program is urgent because of the threat to the dollar. The strength of the dollar depends on the strength of our payments position.

The United States has had a difficult balance of payments problem for the past ten years. Essentially this means that the earnings from our trade surplus and foreign investments have not been sufficient to pay for our foreign investments and the aid and overseas military expenditures of the Government. Every President since Eisenhower has taken some action to strengthen the balance of payments. Despite this, only a moderate and temporary improvement was achieved. In the past two years the problem has become more acute—partly because of the costs of the Vietnam war, partly because of the inflation of 1965–66.

The devaluation of sterling weakened confidence in currencies generally and in the dollar particularly. Speculation reached fever pitch in the gold markets of London, Zurich and Paris. There was imminent danger of a breakdown of the international monetary system. The speculation was brought to an end through the cooperative action of the countries in the gold pool, but only after several hundred million dollars had come out of our gold reserves.

So long as other countries keep acquiring a surfeit of dollars, there is danger of renewed flight into gold. Unless we restore the strength of the dollar, which is one of the pillars of the international monetary system, it will be impossible to avoid widespread monetary disorders. The remarkable prosperity of the postwar period might then end in a disastrous worldwide inflation as it did in the 1930's.

These are the facts and the fears that underlie the President's action program. The program imposes a reduction of $1 billion in U.S. direct investment abroad. It requires a return of $500 million to this country through a reduction of bank loans to continental Europe. It envisages a reduction of nonessential travel outside the Western Hemisphere. It includes further restraints on Government spending abroad. Finally, it proposes measures to encourage a larger increase in U.S. exports which must be the principal means of restoring our long-run payments position.

The action program will entail hardships for the U.S. economy and for the world economy. There are people who believe that all this is unnecessary. Some of them seem to think that our difficulties are due to wicked foreigners who insist on converting dollars into gold. Others think that the balance of payments can be restored painlessly by letting the dollar depreciate in a free exchange market. Unfortunately, there are no easy remedies for balance of payments problems.

The outflow of gold is a consequence, not a cause of our difficulties. We cannot solve the payments problem by the ingenious device of saying that we will sell gold, but we won't buy it back. No foreign country is selling gold to us now, except as a friendly gesture, and none will sell gold to us in the future unless they run short of dollars. It is true that foreign central banks cannot continue to add indefinitely to their gold reserves except by cannibalizing our gold reserves. This is the real gold problem. The solution is to create new reserve assets, not to force a unilateral demonetization of gold. In the meantime, we can keep our gold if we bring down the dollars to pay out to foreigners to the amount they want to spend and invest here.

The view that it would be painless to restore our balance of payments by letting the dollar depreciate in a free market is an illusion. All that a depreciation of the dollar would do is to allocate the effects of the reduction in U.S. foreign spending in a different way. In this country, it would place the greatest burden of adjustment on the consumers of import goods—through higher prices and smaller supplies. Abroad, it would place the greatest burden of adjustment on the countries that depend on exports to us. Canada, Japan, and the United Kingdom, which have balance of payments problems of their own, would find their position intolerable. They would have no alternative except to let their currencies depreciate, too. Even some of the surplus countries of Europe would feel the depressing effects of a reduction of their exports to us. In order to maintain production and employment, they would probably let their currencies go down to the previous dollar rate. In the end, a depreciation of the dollar would bring improvement in the balance of payments in the wrong accounts and from the wrong countries at the cost of serious monetary and economic disruption.

To put it plainly, there will be some hardship from a reduction of U.S. payments by $3 billion no matter how it is done. The action program minimizes the impact on the world economy. Except for the proposed tax on tourist travel, it does not restrict any trade in goods and services. Even the restraints on capital outflow are designed to avoid adverse repercussionary effects on the world economy.

The severest restrictions are on direct investment in continental Europe. Many of these countries have a balance of payments surplus and large reserves. They can absorb the balance of payments effects and they can offset any adverse impact on their economy through expansionary domestic policies. The restriction on direct investment in other developed countries (the United Kingdom, Canada, Japan and Australia) and in the oil-producing countries of the Middle East is relatively moderate. Even so, it will cause difficulties for some of the hard-pressed countries. In the less developed countries, U.S. direct investment can grow this year by a generous 10 per cent. The restriction on bank credit to foreigners is virtually all on the developed countries of continental Europe. If they adjust their credit policies to offset reduced borrowing from this country, there will be no adverse effect on production and trade.

The action program is an emergency program. It should be a temporary program. Our first job is to see that it succeeds. That requires, above all, avoiding renewed inflation by enacting the temporary tax surcharge. Beyond that, we must strengthen our long-run competitive position by holding down prices and costs. Then, when the Vietnam war is over, we shall be able to balance our payments without controls. The world needs a strong and stable dollar. That means a strong and stable dollar without controls.

RAIL MERGERS

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. FRIEDEL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FRIEDEL. Mr. Speaker, as chairman of the Subcommittee on Transportation and Aeronautics of the Interstate and Foreign Commerce Committee I have received a considerable amount of mail and listened to a lot of arguments for and against railroad mergers.

I am sure my colleagues are aware of the length of time it takes to obtain a decision on such a proposal, particularly if it is taken to the courts. Just last month we saw the Supreme Court rule on the merger of the Pennsylvania and New York Central Railroads.

In this connection, I would like to call to the attention of my colleagues an article which recently appeared in the Washington Post entitled "Rail Merger Consummated" and ask unanimous consent to have it inserted at this point in the RECORD.

[From the Washington (D.C.) Post, Jan. 21, 1968]

RAIL MERGER CONSUMMATED

The Supreme Court put an end to a protracted and litigious struggle when it approved the merger of the Pennsylvania and New York Central railroads. Some savings should be effected by the corporate union, and the bankrupted New Haven will be rescued, albeit, as Justice Douglas pointed out, at a very heavy cost to its bondholders. But in weighing the public benefits of the Penn Central merger, which was as much the result of political as economic pressures, the question of balanced rail competition in the East should not be forgotten.

If one proceeds logically from the proposition—still to be tested—that rail merger is the only route to economic viability, it follows that the eastern consolidation should have assumed a different shape. The Pennsylvania should have been merged with the Norfolk & Western and the New York Central with the Chesapeake & Ohio-Baltimore & Ohio, thus pairing merchandise carriers with coal carriers for balanced competition. But that reasonable, two-trunk line arrangement was not made. Instead, the Interstate Commerce Commission, bowing to New England pressure on behalf of the New Haven, which were particularly strong in the Kennedy Administration, agreed to a three-trunk line system for the East, the Penn Central, the C&O-B&O and the N&W.

The flaw in the three-trunk line system is that competition is badly unbalanced, the Penn Central being so large as to overwhelm its independent rivals. That is why the N&W and the C&O-B&O want to merger, and that is why they opposed the union of the Pennsy and Central pending ICC approval of their own merger.

In our view an N&W-C&O merger is essential to restore the balance of rail competition in the East. It has been endorsed by the Council of Southern Governors and faces no major opposition except that of the Penn Central. The ICC, having pushed the Eastern railroad consolidation to this point, should approve the N&W-C&O merger as swiftly as it possibly can.

CONSUMER PROTECTION ACT

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. ECKHARDT] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ECKHARDT. Mr. Speaker, the bill that we passed today is the most innovative bill that we have passed in this session of Congress and it affords effective consumer protection against credit abuse and excessive hidden interest rates in credit sales of consumer goods. I voted for the bill enthusiastically.

But the Republican amendment was improvident. It is a sham pretense at reform with gaping loopholes. The Poff amendment should be eliminated or drastically altered in conference.

Under it, a State loan regulatory agency which is weak or corrupt can circumvent application of Federal law by licensing lending institutions which flagrantly and habitually engage in usury—section 102(b)(4), CONGRESSIONAL RECORD, January 31, 1968, page 1605.

In States where there are no usury laws, no Federal prohibition is applicable at all under the Poff amendment. Only in States which have good laws and good regulatory agencies, or no regulatory agencies does the Poff amendment have effect. In the former situation, State law and State enforcement may be presumed to be adequate, and Federal activity in the field is officious intrusion.

There is, therefore, only a narrow field in which the amendment would have practical effect. Some little reform in this narrow field is too small a correction to be worth the price of abandoning sound constitutional principles of equality of treatment under the law of citizens of all States and of injecting the Federal courts and police into the area of general criminal law and thus moving apace toward a police state.

PROTECTION FOR BANKS

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FASCELL. Mr. Speaker, as I indicated to Members of the House on January 30, it has been most gratifying to me, as chairman of the Legal and Monetary Affairs Subcommittee of the House Committee on Government Operations, to note the serious attention being paid to organized efforts to combat organized crime against banks. Bank supervisory agencies and banks, themselves, are combining their efforts and sharing their experiences and ideas about effective means of protecting their institutions and their customers against robberies and holdups.

One method of approach is to make bank officials more acutely aware of the many steps they can take to increase security and prevent robberies, as well as to acquaint them with the devices they can install in bank quarters to aid in identification of robbers who threaten their employees and depositors.

On January 19, 1968, the Comptroller of the Currency, William B. Camp, distributed to the presidents of some 5,000 national banks throughout the country a pamphlet outlining both the growing threat they face and some of the methods and devices that can be used to counter these crimes.

The text of Mr. Camp's letter follows:

THE ADMINISTRATOR
OF NATIONAL BANKS,
Washington, D.C., January 19, 1968.

To the Presidents of all National Banks:

A booklet entitled "Criminal Assaults on Banks" is enclosed. It is being distributed to alert financial institutions across the United States to the sharp rise in bank robberies, burglaries and related crimes—including shootings and beatings of customers and personnel.

This booklet emphasizes the compelling need for a sound program of bank security and protection. It describes several devices and techniques which have proved effective not only in safeguarding financial institutions against criminal assault, but also in helping the FBI and other law enforcement agencies to identify and arrest those involved when robberies or burglaries have occurred.

We urge that, in the light of the information which this booklet contains, you carefully consider the protection being afforded your own facilities, customers and personnel. The mounting tide of crimes against banking institutions is a clear warning that strong safeguards and up-to-date security measures are needed.

Please do not hesitate to contact either your local FBI Office or this Office if you would like to have additional information on how to formulate a maximum protection plan for your bank.

Sincerely,

WILLIAM B. CAMP,
Comptroller of the Currency.

The response to the Comptroller's letter has been gratifying to him and to me. Bank officials have pledged renewed efforts on their part and have indicated that they are taking the warning to heart and are following his suggestions for tighter security measures.

The public, too, is becoming increasingly aware of the problem, as indicated by the newspaper articles that follow:

[From the Washington Post, Jan. 23, 1968]

NEW SAFEGUARDS URGED TO THWART BANK ROBBERIES

The Comptroller of the Currency, citing a mounting wave of bank robberies, has urged all national banks to incorporate strong safeguards and up-to-date security measures in their operations.

Comptroller William B. Camp sent to all national bank presidents a booklet entitled "Criminal Assaults on Banks" which suggests alarm systems, microphones connected to a speaker at the local police station and hidden cameras to discourage and thwart robberies.

Bank robberies increased more than 40 percent during the first 10 months of 1967 compared with the same period a year earlier, the booklet says.

[From the American Banker, Jan. 25, 1968]

BANK CRIME PREVENTION BOOK ISSUED BY CAMP

WASHINGTON.—The Comptroller of the Currency is sending a booklet entitled "Criminal Assaults on Banks," to all national banks.

The booklet describes the growing danger from bank robberies, burglaries and related crimes. It also emphasizes the compelling need for a sound program of security and protection in banks.

It tells of several devices and techniques which have worked effectively, not only in safeguarding banks against criminal assault, but also in aiding the Federal Bureau of Investigation and other law enforcement agencies to identify and arrest those involved in burglaries or robberies.

Some of the more economical devices and techniques to improve bank security mentioned in the booklet are: "Robbery Alarm Systems," at a cost of less than $100, plus a small monthly charge; a microphone and connected loud speaker system from the bank to the local police station, also under $100, and protective cameras—both motion picture and sequence-type—for about $1,000.

Other measures include: Uniformed guards; steel bars and gratings over windows and skylights; bulletproof glass at tellers' windows, as well as two-way mirrors; adequate lighting, and "bait" money with the denomination, serial number and series year recorded.

[From the Philadelphia Inquirer, Jan. 23, 1968]

BANKS URGED TO IMPROVE SAFEGUARDS

The Comptroller of the Currency, citing a mounting wave of bank robberies, has urged all national banks to incorporate strong safeguards and up-to-date security measures in their operations.

Comptroller William B. Camp sent to all national bank presidents a booklet entitled "Criminal Asaults on Banks" which suggests alarm systems, microphones connected to a speaker at the local police station and hidden cameras to discourage and thwart robberies.

THE PRESIDENT'S IMAGINATIVE MESSAGE ON VETERANS AND SERVICEMEN CHARTS A REALISTIC COURSE OF ACTION

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. RODINO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RODINO. Mr. Speaker, one of the highlights of President Johnson's message to Congress on America's servicemen and veterans was his request to provide incentives to channel the talents of veterans to the most urgent needs of rural and urban communities.

His proposed Veterans in the Public Service Act of 1968 would provide additional benefits to veterans to teach the children of the poor, to help man police forces and fire departments, and to do meaningful work in local hospitals.

This program should enable Vietnam era servicemen, who return to civilian life at the rate of 70,000 a month, to bring the leadership they have acquired in the service to inspire the children of the disadvantaged to work their way out of their unfavorable surroundings and up to their fair share of the fruits of our democratic society.

It is fitting that these children should learn how to make their way in our system of free enterprise from the men who have fought to protect that system from those who would destroy it.

The President made a very significant statement when he said:

> Every veteran who wants it should have the right to burial in a national cemetery situated reasonably close to his home.

He chose this way to remind us that space in the national cemetery system is diminishing at an alarming rate. I know not the words to describe the catastrophic proportions to which this problem could arise if it is not corrected before many months have passed. I would feel that I had failed the veterans in New Jersey and in every State of this great Nation if I did not speak out on this glaring fault in our veterans' program.

Like all problems this can only be rectified by positive action. Therefore, I ask you to join me in providing a sensible solution. It is apparent that the national cemetery system as it is now operated needs to be revised. Rather than dividing the responsibility among three segments of the Government let us centralize it in one. Logic tells me that the Administrator of Veterans' Affairs is in the best position to take immediate action. His is the agency of the veteran—the problem belongs there. In the name of humanity let us take action now.

The President reminded us of the unfinished business of the 90th Congress. The two measures he again asked for were:

First, to increase the minimum amount of Servicemen's Group Life Insurance from $10,000 to $12,000, and the maximum up to $30,000 depending on the pay of the serviceman. The amount of insurance for our servicemen has not been increased during the 50 years since World War I; and

Second, to protect the veteran and his widow from losses that could occur to pensioners from increases in income such as social security. This has already passed the House and is awaiting Senate action.

The new measures proposed by the President are:

Increase the maximum guaranty on GI home loans from $7,500 to $10,000 to make this program more realistic in the present money market.

Allow disabled veterans to take part-time vocational rehabilitation training while they work, in order to fit themselves for better positions in spite of their service-incurred handicaps, and assure that each veteran has the opportunity for burial in a national cemetery close to his home.

President Johnson also asked for an expression of the sense of Congress in support of job preference for veterans who enter the industrial job market.

These measures are a necessary extension of enlightened assistance being given veterans under existing programs.

Highlighted in the President's report were these examples of present or forthcoming assistance for veterans:

VA contact representatives will expand their counselling of servicemen to all military hospitals and all 257 military separation points in the United States plus several bases in Vietnam.

Veterans assistance centers will be established in 10 of the nation's largest cities to provide Government assistance to veterans.

Disadvantaged servicemen will be given special training in civilian skills before they are separated from service under an expanded Department of Defense program, "Project Transition."

Federal-State employment offices will make special reports to the President on job assistance provided veterans.

Training of medical specialists in VA will be doubled, from 40,000 to 80,000 per year.

The Veterans Advisory Commission will soon submit its recommendations.

The President indicated he will sign an Executive Order to hire veterans who need experience on a priority basis in the first five levels of the civil service, provided the veterans agree to pursue a part-time educational program under the GI bill.

I endorse the President's program in every detail. It affords us an opportunity to fulfill our obligation to those who have faithfully served their nation, and in so doing to further the national interest.

AMEND FEDERAL FIREARMS ACT

The **SPEAKER** pro tempore (Mr. PRICE of Illinois). Under previous order of the House, the gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, the Chicago City Council has just passed an ordinance which provides for new controls over gun ownership in the city of Chicago. This action was inevitable in light of the experience the city has been having in recent years—experience closely resembling that of most other major urban areas during the same period. There comes a time, as Mayor Daley and the Chicago City Council have recognized, when for the sake of the general public safety, certain controls have to be exercised.

The safety of Chicago citizens has finally required that the old permissive attitude toward the ownership of guns be abandoned in our city. The frontier town of 1833 has become the teeming, complex metropolis of 1968. It is not surprising that the same degree of restriction should no longer be sufficient.

I have grown up at a time and in a country where almost every family has a rifle or a shotgun or a pistol. Most of the men in the Midwest, where waterfowl shooting has been some of the best in the Nation, own a shotgun and know how to use it. When I first heard of limiting or restricting the ready purchase and sale of guns which a number of groups have been urging on the Congress for many years, I felt that it was not in the best interests of the general public to take such action. But this view was one which I took without the information which has been carefully documented over the years. Today, I must, in all honesty, admit that there is a very real need to take a second look to see if we are not being too casual in the passing out of these weapons.

In Chicago alone there has been a 27-percent increase in the number of robberies with guns in the period between 1965 and 1967. During the same period, more than 1,400 people were murdered by guns. Especially alarming has been the evidence that an unusually large number of youngsters have been getting their hands on guns of all kinds and, worse, that they have been using those guns in the commission of an increasing number of crimes. According to Mayor Daley, Chicago youth involvement in murder by guns jumped 150 percent from 1965 through 1967. During 1967, 95 young people committed murder with guns.

Since the turn of the century, 750,000 civilian Americans have met death through the use of firearms. This figure has been taken from official records which were not nearly complete. If all deaths had been duly recorded, it is estimated that they would run well into the millions. But even this incomplete list exceeds the total of our soldiers killed in all the wars of our history from the Revolutionary War to Vietnam. The list of all our military dead, for all wars, comes to 530,000.

It is estimated that this carnage is going on today at the rate of 17,000 nonmilitary deaths every year or about 50 every day. These fatalities are running, on a comparative basis, as high as 5 to 10 times that of other countries. Within the past 100 years, assassins' bullets have been aimed at seven of our Presidents and have claimed the lives of four. With the exception of the United States, most countries make it illegal to possess or fire a gun unless the person so possessing has the requisite permit. In England, for example, you need a certificate from the local police in order to own or buy a rifle or a pistol. Since few people, with the exception of farmers, acknowledged hunters or members of shooting clubs can give valid reason for wanting these guns, such certificates are rarely issued.

Significantly this tight control has its effect upon the criminal world. In recent years in England, where over 400,000 criminals were brought to book, only 159 were carrying guns. In the United Kingdom, the murder rate from firearms was one-half of 1 percent of the rate in this country.

In the Netherlands where no gun can be purchased without a permit, no gun homicide has occurred in several years. Italy has similar restrictions.

Some countries, though requiring a permit to acquire, limit the amount of ammunition for these licensed guns. In Japan, the only type of gun you can buy is a shotgun or rifle which must be registered with the police annually. In that country, in order to obtain a hunting license, you must take instructions on gun handling and pass a written test before the license will be issued. Also, at the end of the hunting season, all unused ammunition must be turned in.

In Canada, all handguns must be registered and all gun dealers must be licensed. The licensing of dealers also is a requirement of most other countries.

Until Lee Harvey Oswald fired his mail-order rifle at President Kennedy on that fateful date of November 22, 1963, he had not broken a single law, either Federal or State, on the acquisition or possession of a firearm.

Anyone with the price and the means of locomotion can go into a sporting goods store and get a gun with no questions asked. With respect to mail-order business, the purchaser of guns is an unlimited class ranging from juvenile delinquents to idiots to the high priestess of a local LSD group.

Although the assassination of President Kennedy shocked this country to its innermost fiber, still only seven of our States require a person to possess a license to purchase a pistol. Nine other States require only a cooling-off period before a firearm can be obtained. That is, if you order a rifle, you must fill out a form, which is made available to the local police and actual delivery of the weapon is postponed for a period of between 48 and 72 hours.

The people of Chicago decided to do something about this alarming and rapidly deteriorating situation. Their municipal government has enacted a law which will make it very difficult for undesirable persons and irresponsible persons to come by a gun.

The new Chicago ordinance requires that every gun dealer complete a registration form at the time of making a sale. The form, which will contain salient information about both the purchaser and the weapon, will then be mailed by the dealer to the office of the city collector within 48 hours of the sale. Any gun acquired through other than commercial channels must be registered by the new owner himself within 10 days of acquisition. All guns possessed prior to enactment of the law must be registered by the 30th day following the effective date.

The following people are now specifically ineligible to possess a gun in Chicago, and the city collector may refuse to issue to anyone of them a registration certificate and demand that he turn over his gun or guns to the police department:

Any person under 18 years of age;

Any narcotic addict;

Any person convicted in any jurisdiction of a felony within 5 years preceding the application;

Any person released from a mental institution or from the custody of the Illinois Youth Commission within 5 years preceding application; or

Any person who is mentally retarded.

The penalty for violation of the law is a $500 fine.

Chicago has shown it is determined to see that privately owned guns in the city are solely in the hands of responsible adult, law-abiding citizens. Yet, despite the determination, Chicago will not be able to achieve this goal as long as it remains so easy, as it is now, for Chicagoans to obtain guns through other than local dealers. The new law insures that a Chicago dealer will report all sales and submit the proper forms; it, of course, has no effect whatsoever over the thousands of dealers and manufacturers located elsewhere.

Mr. Speaker, I strongly believe in the preservation of local police powers. But in some areas those powers are meaningless unless backed up by appropriate Federal statutes. The free flow of commerce among the States, which is such an essential feature of our economy, creates police problems for the localities just as it provides much of the wealth which keeps us a flourishing Nation. The responsibility for preservation of the general welfare also rests with the Federal Government. The gun traffic problem is a perfect example of an area which demands exercise of these two Federal responsibilities.

Neither cities, counties, nor States, will ever be able to control the possession of guns within their respective jurisdictions until we have a Federal law which backs them up. The bill which I introduce today has that as its primary purpose. I would like to make it very clear that I am not trying to make life difficult for gun lovers, nor do I have any grudge against any of the so-called gun interests—I am simply concerned with seeing that Chicago—or any other city or State which may pass a similar law—has a decent chance of getting it enforced.

In essence, my bill would:

First, require that any mail-order sale of firearms be channeled through a licensed dealer doing business in the State of residence of the purchaser;

Second, require a mail-order purchaser to submit to the out-of-State dealer or manufacturer from whom he is ordering a firearm a form containing certain required information;

Third, require any dealer making an interstate mail-order sale to forward certain information to the local law enforcement officer of the place where the purchaser resides—then observe a waiting period before making shipment;

Fourth, prohibit any person from possessing in the State locality where he resides, a firearm purchased outside the State if it would be unlawful for him to purchase or possess such firearm in the State or locality; and

Fifth, strengthen penalties and licensing requirements.

As pointed out in the statement made by J. Edgar Hoover, in the FBI Law Enforcement Bulletin of June 1963:

> The easy accessibility of firearms is a significant factor in murders committed in the United States today. It is a problem which the American public needs to examine closely. The questionable traffic in deadly weapons in many sections of our country is a disgrace. To my mind, the public has a right to expect that the distribution and the purchaser of weapons so deadly and easily concealed as handguns must meet certain regulations and qualifications. The spotlight of public attention should be focused on the easy accessibility of firearms and its influence on willful killing.

The days of uncontrolled gun ownership are over when it comes to a densely populated place like the city of Chicago. Chicago and similar areas throughout the country need to maintain orderly regulation of gun ownership. In order to do so, their laws must be supplemented by an appropriate Federal statute. My bill would, if enacted, be such a statute and I present it with the hope it receives the serious consideration I believe it merits.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. KUPFERMAN (at the request of Mr. GERALD R. FORD), for the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ROSTENKOWSKI (at the request of Mr. CHARLES H. WILSON), for 5 minutes, today; and to revise and extend his remarks and include extraneous matter.

Mr. FEIGHAN, for 15 minutes, today; and to revise and extend his remarks and include extraneous matter.

Mr. SIKES, for 15 minutes, on February 5; and to revise and extend his remarks and include extraneous matter.

Mr. O'HARA of Illinois, for 60 minutes, on Thursday, February 15, 1968, to commemorate the 70th anniversary of the sinking of the *Maine;* and to revise and extend his remarks and include extraneous matter.

Mr. WATSON, for 15 minutes, today; and to revise and extend his remarks and include extraneous matter.

EXTENSIONS OF REMARKS

By unanimous consent, permission to extend remarks was granted to:

Mr. WILLIS.

Mr. REUSS in six instances and to include extraneous matter.

Mrs. GRIFFITHS (at the request of Mrs. SULLIVAN) to follow the remarks of Mr. ALBERT today.

(The following Members (at the request of Mr. EDWARDS of Alabama) and to include extraneous matter:)

Mr. MORSE of Massachusetts.

Mr. GERALD R. FORD.

Mr. AYRES.

Mr. DERWINSKI in two instances.

Mr. MICHEL in two instances.

Mr. PETTIS in two instances.

Mr. BRAY in two instances.

Mr. WINN.

Mr. HOSMER in two instances.

Mr. MATHIAS of Maryland in five instances.

Mr. BOB WILSON.

Mr. O'HARA of Illinois in five instances and to include extraneous matter.

Mr. PHILBIN in seven instances and to include extraneous matter.

Mr. MAYNE to have his 1 minute speech printed prior to consideration of H.R. 11601 today.

Mr. BOGGS (at the request of Mr. CHARLES H. WILSON) in the body of the RECORD following remarks of Mr. ALBERT on the subject of the President's Economic Report.

Mr. ALBERT immediately following the Economic Report of the President of the United States.

(The following Members (at the request of Mr. CHARLES H. WILSON) and to include extraneous matter:)

Mr. PHILBIN in two instances.
Mr. BYRNE of Pennsylvania.
Mr. EILBERG.
Mr. LONG of Maryland.
Mr. RYAN in three instances.
Mr. KARTH.
Mr. NIX.
Mr. RARICK in four instances.
Mr. GONZALEZ in two instances.
Mr. CELLER.
Mr. KEE.
Mr. OTTINGER in two instances.
Mr. RHODES of Pennsylvania.
Mr. ROYBAL in six instances.
Mr. PATTEN.
Mr. DORN in two instances.
Mr. COHELAN.
Mr. BOLLING.
Mr. WHITENER in two instances.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1542. An act to amend section 408 of the National Housing Act, as amended, to provide for the regulation of savings and loan holding companies and subsidiary companies.

ADJOURNMENT

Mr. CHARLES H. WILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p.m.), under its previous order, the House adjourned until Monday, February 5, 1968, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1443. A letter from the Secretary of Defense, transmitting the annual report on Reserve Forces for fiscal year 1967, pursuant to the provisions of section 279, title 10, United States Code; to the Committee on Armed Services.

1444. A letter from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting a special report on arrangements with private organizations under the educational research training program, for the year ending December 31, 1967, pursuant to the provisions of Public Law 89–750; to the Committee on Education and Labor.

1445. A letter from the Secretary, Export-Import Bank of Washington, transmitting a report of the amount of Export-Import Bank insurance and guarantees issued in December 1967 in connection with U.S. exports to Yugoslavia, pursuant to the provisions of title III of the Foreign Assistance and Related Agencies Appropriation Act of 1968 and to the Presidential Determination of February 4, 1964; to the Committee on Foreign Affairs.

1446. A letter from the Assistant Secretary for Administration, Department of Commerce, transmitting a report of foreign excess property disposed of during calendar year 1967, pursuant to the provisions of Public Law 81–152; to the Committee on Government Operations.

1447. A letter from the the Attorney General of the United States, transmitting a report on the activities of the Community Relations Service for fiscal year 1967, pursuant to the provisions of Public Law 88–352; to the Committee on the Judiciary.

1448. A letter from the Chairman, Atlantic-Pacific Interoceanic Canal Study Commission, transmitting a draft of proposed legislation to amend sections 3 and 4 of the act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans; to the Committee on Merchant Marine and Fisheries.

1449. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes; to the Committee on Science and Astronautics.

1450. A letter from the Chairman, U.S. Tariff Commission, transmitting the 51st annual report of the Commission, pursuant to the provisions of section 332 of the Tariff Act of 1930; to the Committee on Ways and Means.

1451. A letter from the Secretary of Housing and Urban Development, transmitting copies of a proposed joint resolution, providing, until October 1, 1968, for flexible interest rates for mortgage insurance programs and continuing low-rent housing assistance; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XXIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DULSKI: Committee on Post Office and Civil Service. 1967 report of the statistical activities of the Federal Government (Rept. No. 1071). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT (for himself, Mr. HÉBERT, Mr. FISHER, Mr. LENNON, Mr. RANDALL, Mr. HICKS, Mr. MACHEN, Mr. WALKER, Mr. BRAY, Mr. BOB WILSON, Mr. CHAMBERLAIN, Mr. KING of New York, Mr. SMITH of Oklahoma, and Mr. CLANCY):

H.R. 15018. A bill to amend the Subversive Activities Control Act of 1950 to authorize the Federal Government to bar the employment in defense facilities of individuals believed disposed to commit acts of sabotage, espionage, or other subversion; to the Committee on Un-American Activities.

By Mr. ABBITT:

H.R. 15019. A bill to provide for an equitable sharing of the U.S. market by electronic articles of domestic and foreign origin; to the Committee on Ways and Means.

By Mr. ANDERSON of Tennessee:

H.R. 15020. A bill to establish a Congressional Center for the Study of Domestic and International Policy; to the Committee on House Administration.

By Mr. BUSH:

H.R. 15021. A bill to amend the Internal Revenue Code of 1954 to limit the use of industrial development bonds to rural areas, to allow a credit against income tax to employers for the expenses of providing job training programs in rural areas, and otherwise to encourage fuller and more effective use of the human resources of such areas; to the Committee on Ways and Means.

By Mr. CLEVELAND:

H.R. 15022. A bill to amend title XVIII of the Social Security Act to provide that payment may be made under the hospital insurance program for emergency inpatient hospital services furnished in Canada or Mexico regardless of where the emergency occurred; to the Committee on Ways and Means.

By Mr. CURTIS:

H.R. 15023. A bill to amend the Internal Revenue Code of 1954 to provide a longer period of time for disposition of certain assets in the case of regulated investment companies furnishing capital to development companies; to the Committee on Ways and Means.

By Mr. DONOHUE:

H.R. 15024. A bill to authorize reimbursement to the States for certain toll highways, bridges, and tunnels on the Interstate System, and for other purposes; to the Committee on Public Works.

By Mr. DULSKI:

H.R. 15025. A bill to provide special encouragement to veterans to pursue a public service career in deprived areas; to the Committee on Veterans' Affairs.

By Mr. EILBERG:

H.R. 15026. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. FULTON of Tennessee:

H.R. 15027. A bill to amend section 2113 of title 18, United States Code; to the Committee on the Judiciary.

By Mr. GILBERT:

H.R. 15028. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. GROSS:

H.R. 15029. A bill to amend section 1114 of title 18, United States Code, so as to extend its protection to postmasters, officers, and employees of the field service of the Post Office Department; to the Committee on the Judiciary.

By Mr. JONES of North Carolina (for himself, Mr. ULLMAN, Mrs. MAY, Mr. HANSEN of Idaho, and Mr. HATHAWAY):

H.R. 15030. A bill to enable potato growers to finance a nationally coordinated research and promotion program to improve their competitive position and expand their markets for potatoes by increasing consumer acceptance of such potatoes and potato products and by improving the quality of potatoes and potato products that are made available to the consumer; to the Committee on Agriculture.

By Mr. MADDEN:

H.R. 15031. A bill to permit Canadian trawlers to harvest alewives in Lake Michigan; to the Committee on Merchant Marine and Fisheries.

H.R. 15032. A bill to authorize reimbursement to the States for certain toll highways, bridges, and tunnels on the Interstate System, and for other purposes; to the Committee on Public Works.

By Mr. MORSE:

H.R. 15033. A bill to amend title I of the Housing Act of 1949 to authorize loans to assist older persons who have been displaced from their homes by urban renewal projects to purchase comparable homes, free of additional debt; to the Committee on Banking and Currency.

By Mr. PATMAN:

H.R. 15034. A bill to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; to the Committee on Banking and Currency.

By Mr. REUSS:

H.R. 15035. A bill to provide for the economic development and management of the resources of individual Indians and Indian tribes, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SHIPLEY:

H.R. 15036. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. BURKE of Massachusetts:

H.R. 15037. A bill to amend title IV of the Social Security Act to improve the program of aid to families with dependent children, and for other purposes; to the Committee on Ways and Means.

By Mr. CAHILL:

H.R. 15038. A bill to amend the Federal Trade Commission Act to authorize injunctive relief with respect to violations of section 5, and to make certain practices a misdemeanor; to the Committee on Interstate and Foreign Commerce.

By Mr. CAREY:

H.R. 15039. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. DENNEY:

H.R. 15040. A bill to amend title 23, United States Code, in regard to the obligation of Federal-aid highway funds apportioned to the States; to the Committee on Public Works.

By Mr. DIGGS:

H.R. 15041. A bill to amend the Social Security Act so as to revise certain provisions thereof relating to public assistance which were enacted or amended by the Social Security Amendments of 1967; to the Committee on Ways and Means.

H.R. 15042. A bill to amend title IV of the Social Security Act to improve the program of aid to families with dependent children, and for other purposes; to the Committee on Ways and Means.

By Mr. GURNEY:

H.R. 15043. A bill to amend the Federal Food, Drug, and Cosmetic Act to prescribe penalties for the possession of LSD and other hallucinogenic drugs by unauthorized persons; to the Committee on Interstate and Foreign Commerce.

By Mr. HELSTOSKI:

H.R. 15044. A bill to establish the Federal Insurance Corporation; to the Committee on Banking and Currency.

By Mr. HOLLAND:

H.R. 15045. A bill to extend certain expiring provisions under the Manpower Development and Training Act of 1962, as amended; to the Committee on Education and Labor.

By Mr. HORTON:

H.R. 15046. A bill to provide for improved employee-management relations in the Federal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. McCARTHY (for himself and Mr. Morse):

H.R. 15047. A bill to authorize the Coast Guard to study methods of preventing casualties involving vessels carrying certain contaminants, to authorize the Coast Guard to conduct continuing research on the removal of contaminants from beaches and waters, to authorize the examination of routes used by vessels carrying certain contaminants, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MURPHY of Illinois:

H.R. 15048. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. POLLOCK:

H.R. 15049. A bill the Alaska Native Land Claims Settlement Act of 1968; to the Committee on Interior and Insular Affairs.

By Mr. OTTINGER:

H.R. 15050. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. ROSTENKOWSKI:

H.R. 15051. A bill to amend the Federal Firearms Act to make unlawful the interstate shipment of firearms to persons prohibited by State or local law from possessing firearms, and for other purposes; to the Committee on Ways and Means.

By Mr. ZION:

H.R. 15052. A bill to provide for the establishment of a national cemetery at or near the Lincoln Boyhood National Memorial; to the Committee on Veterans' Affairs.

By Mr. ANDERSON of Tennessee:

H.J. Res. 1035. Joint resolution to provide for the issuance of a special postage stamp in commemoration of Dr. Enrico Fermi; to the Committee on Post Office and Civil Service.

H.J. Res. 1036. Joint resolution to assist Vietnam veterans in obtaining suitable employment; to the Committee on Post Office and Civil Service.

By Mr. COHELAN:

H.J. Res. 1037. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. LONG of Louisiana:

H.J. Res. 1038. Joint resolution proposing an amendment to the Constitution of the United States to provide for the popular election of the Judges of the Supreme Court; to the Committee on the Judiciary.

By Mr. SCHWEIKER:

H.J. Res. 1039. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. WATTS:

H.J. Res. 1040. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. EILBERG (for himself, Mr. Addabbo, Mr. Brinkley, Mr. Dulski, Mrs. Dwyer, Mr. Evins of Tennessee, Mr. Fino, Mr. Gilbert, Mr. Hagan, Mr. Halpern, Mr. Ichord, Mr. Landrum, Mr. Lennon, Mr. Lukens, Mr. Matsunaga, Mr. O'Neal of Georgia, Mr. Rivers, Mr. Roush, Mr. Roybal, Mr. Satterfield, Mr. Schweiker, Mr. Sikes, Mr. Teague of Texas, Mr. Waggonner, and Mr. White):

H. Con. Res. 623. Concurrent resolution to require France to pay its World War I debt; to the Committee on Ways and Means.

By Mr. HUTCHINSON:

H. Con. Res. 624. Concurrent resolution expressing the sense of Congress that the United States and the political entities thereof should adopt "911" as the uniform, single, nationwide emergency telephone number; to the Committee on Interstate and Foreign Commerce.

By Mr. KARTH (for himself, Mr. Abernethy, Mr. Bray, Mr. Carey, Mr. Edwards of Alabama, Mr. Flynt, Mr. Galifianakis, Mr. Gettys, Mr. Hall, Mr. Hicks, Mr. Hunt, Mr. Johnson of California, Mr. Long of Louisiana, Mr. Marsh, Mr. Morris, Mr. Nichols, Mr. Patman, Mr. Pollock, Mr. Rarick, Mr. Reinecke, Mr. Roberts, Mr. Shipley, Mr. Stratton, Mr. Taylor, and Mr. Walker):

H. Con. Res. 625. Concurrent resolution to require France to pay its World War I debt; to the Committee on Ways and Means.

By Mr. PEPPER:

H. Con. Res. 626. Concurrent resolution to require the collection of the French World War I debt to the United States; to the Committee on Ways and Means.

By Mr. TENZER (for himself, Mr. Ashmore, Mr. Blatnik, Mr. Dent, Mr. Fallon, Mr. Farbstein, Mr. Freidel, Mrs. Griffiths, Mr. Jones of Missouri, Mrs. Kelly, Mr. Haley, Mr. Kee, Mr. Kuykendall, Mr. Kornegay, Mr. Leggett, Mr. Meeds, Mr. Machen, Mr. O'Hara of Michigan, Mr. Pepper, Mr. Rogers of Colorado, Mr. Roudebush, Mr. St Germain, Mr. Stephens, Mr. Stuckey, and Mr. Whitener):

H. Con. Res. 627. Concurrent resolution to require France to pay its World War I debt; to the Committee on Ways and Means.

By Mr. THOMSON of Wisconsin (for himself and Mr. Roush):

H. Con. Res. 628. Concurrent resolution commemorating the bicentennial of the American Revolution; to the Committee on the Judiciary.

By Mr. DULSKI:

H. Res. 1053. Resolution authorizing the expenses for conducting studies and investigations pursuant to House Resolution 209; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 15053. A bill for the relief of Antonino Ribaudo; to the Committee on the Judiciary.

By Mr. BRASCO:

H.R. 15054. A bill for the relief of Lucia D'Angelo; to the Committee on the Judiciary.

By Mr. BURTON of California:

H.R. 15055. A bill for the relief of Mrs. Aldree Simone Van Moppes and her children, Alain Van Moppes and Didier Van Moppes; to the Committee on the Judiciary.

By Mr. CONYERS:

H.R. 15056. A bill for the relief of Seydou Dion; to the Committee on the Judiciary.

H.R. 15057. A bill for the relief of Hazel Scott; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 15058. A bill for the relief of Carlo Belforte; to the Committee on the Judiciary.

By Mr. JOELSON:

H.R. 15059. A bill for the relief of Mrs. Lucia Tommasi; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 15060. A bill for the relief of Dr. Jaime E. Lazaro; to the Committee on the Judiciary.

H.R. 15061. A bill for the relief of Dr. Lydia L. Lazaro; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H.R. 15062. A bill for the relief of Dimitrios Niforos; to the Committee on the Judiciary.

By Mr. PHILBIN:

H.R. 15063. A bill for the relief of Comdr. Edwin J. Sabec, U.S. Navy; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H.R. 15064. A bill for the relief of Mrs. Martha Geaneas; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 15065. A bill for the relief of Injo Tong Koan; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

237. The SPEAKER presented a petition of the Board of Supervisors, Inyo County, Calif., relative to the Common Varieties Act (69 Stat. 368), which was referred to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Tenth Anniversary of First U.S. Space Launch

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. KARTH. Mr. Speaker, today marks the 10th anniversary of the first U.S. space launch. Explorer I was a small spacecraft by today's standards but nevertheless it led to a major discovery—the Van Allen radiation belts which surround the earth. During these past 10 years, our progress is little short of amazing when one considers the dismal days of late 1957 after the Soviets launched Sputnik. An excellent overview of U.S. advances during the first "space decade" was given by Dr. Homer E. Newell, Associate Administrator at NASA, before the sixth AIAA aerospace sciences meeting in New York on January 23. Dr. Newell's remarks are as follows:

SPACE PLANS AND POSSIBILITIES

(By Homer E. Newell, Associate Administrator, National Aeronautics and Space Administration)

INTRODUCTION

Ten years ago the Space Age began. Today, as we note the anniversaries of Sputnik, Explorer, and Vanguard, we do well to take stock of where we are and where we are going in Space, for after a decade of unparalleled success we find ourselves having to resell to our fellow citizens this greatest adventure of mankind. Well may we ask, "What has gone wrong? Is the Vietnam War the whole reason, and will the growing disinterest reverse itself and become renewed interest and support when that conflict has been resolved? Or is there something deeper and more fundamental to combat, as is suggested by the widespread signs of disenchantment with science in general?"

I believe that there is more to this matter than the Vietnam problem, and that those of us who pursue careers in science, technology, and advanced engineering have a lot of fence mending to do. In the years ahead of us we face the need to resell the values of our profession, in terms clear to the public, the legislator, and the administration, in terms to make plain the worth to the public interest of what we are doing.

And we can't do that by talking only to ourselves.

We have a lot to sell. It is not all Space, not even nearly all Space. But what this country has accomplished in its Space Program over the past ten years, and what it can accomplish in the future, are illustrative of our capabilities and our opportunities. So let us review the case for Space, bearing in mind the broader, rather than the narrower, context.

RETROSPECTION

Ten years ago at the start of the Space Age, our planning for the future included the requirement to establish the organizational and management as well as disciplinary and technical capability to achieve our objectives in science, technology, and applications. Now our planning for the future can be based on a well established and versatile capability in science, engineering, and administration. Reliable space vehicles are available ranging from small sounding rockets to the Titan and Saturn V class vehicles. The ability to use automated techniques successfully in space has been demonstrated by the Mariner, Ranger, Surveyor, Lunar Orbiter, Explorer, Geophysical and Solar Observatories, Tiros, Nimbus, Syncom, the Applications Technology Satellites, and many others. The capability of man to operate in space is emerging from the successes of Mercury and Gemini, and as Apollo proceeds.

The success of the first Saturn V, which was also the first launch from the new Apollo complex at Cape Kennedy, demonstrates the validity of the launch complex and most of the Apollo flight hardware, but even more it demonstrates the advance over the past decade in the capability to build and fly new large systems successfully. The combined technical and managerial skills which have been developed give us confidence that we can proceed to more exciting and complex tasks in the decade ahead. The day-old success of the Apollo 5 mission, demonstrating the validity of the Lunar Module and many of the operational concepts for the lunar flight, gives us further encouragement.

Ten years ago, we could only assert from intuition and prophecy the value of space techniques to science. Today, we can point to a profound influence that space has had on the geosciences, is having on astronomy, and is beginning to have in life sciences.

Ten years ago, one could only point forward hopefully to space applications in meteorology, communications, navigation, and geodesy. Today, there are satellite systems and their earth-based components in operation for all of those areas, while still other possibilities are becoming apparent, for example, in earth resource surveys or data collection and dissemination.

Ten years ago there was serious question as to whether there would be adequate manpower or interest to carry out our planned space program. Today, there are substantial teams of highly competent scientists and engineers engaged in developing and applying our national space capability.

Ten years ago our space program was put together in something of a piecemeal fashion, bringing to bear separate capabilities as we could seize upon them, taking largely a survey approach in science, and an exploratory approach in applications. Today, we are in a position to plan and carry out a broad, integrated program to explore the solar system, including investigations of the earth and of sun-earth relationships. We are well on our way toward establishing the basis for investigating major areas of natural phenomena that characterize the universe in the places where measurements can best be made in space, with a power and an intensity hitherto unavailable to the researcher. If a breakthrough to long-range weather forecasting ever proves possible, it is clear that space will play a major role. A broad spectrum of communications applications for commercial, industrial, political, and military purposes is apparent and within reach.

Ten years ago it was apparent to many that space and aeronautical technologies would prove mutually contributory. Today it is patent that the two technologies are in many areas inseparable.

Ten years ago scientists and engineers schooled in the traditions and skills of the pre-Space Age era, had to turn to, learning and relearning as they went, to tackle the new problems ushered in by the Space Age. Today, we see entering the scene a new generation of researchers who, during their formative years, watched the Space Age unfold. These men and women have been caught up in the excitement that space represents. They may be expected to bring their enthusiasm to bear not only upon space, but also upon the great challenges today at home on our planet earth, such as the problems of oceanography, earth resources, the cities, transportation, population, pollution, and food. They are likely to oppose any national decision to sidestep *any* of these challenges.

Ten years ago the total of the world's space effort was encompassed in the beginning efforts of the United States and the USSR. Today space research and applications have become worldwide, with some eighty nations in addition to the US and USSR, taking part, many of them with sizable and substantial efforts of their own.

Ten years ago the atmosphere, the oceans, and space were more often thought of separately rather than as closely related media. Today these three are beginning to be viewed as inseparable media of human activity, engendering a broader and more cohesive view of our natural environment, and forcing a reassessment of the dimensions of our political environment.

Ten years ago there was grave concern about this country's ability to compete in space, and general agreement that we must not only compete but must lead. Today, there is no longer any grave concern about our ability to compete, but neither is there general agreement that we should continue a major program of space exploration. Rather, there is a feeling that the space program can be cut back, this in the face of the fact that we have just begun to explore and use space and in the face of increasing USSR efforts.

Ten years ago the space program was almost doubling in size each year, today the program has actually been shrinking since its peak in 1966.

Ten years ago any space mission was new and capable of bringing in exciting information. Then the required scientific experiments were simple, while today many of the pioneering experiments have been done. Now we are faced with the more difficult tasks of investigation, including the development of an understanding of the processes and dynamics of phenomena we have uncovered. Often the scientific experiments required to answer today's questions are large, complex, and costly.

Ten years ago a major problem was to find enough capable people to undertake a mission. Today, with a shrinking program there is an abundance of good people. NASA completed the Lunar Orbiter and Mariner V programs in 1967 and is right now winding up the Surveyor Program. More than $700 million and 20 to 30 thousand man years of effort were spent on the Ranger, Mariner, Orbiter, and Surveyor projects through 1967. The elimination of the Mariner 71 and Voyager program from the Fiscal Year 1968 budget creates a problem of what to do with these teams of highly skilled people. Some, but certainly not all, of the key people can be used in Apollo as it approaches the crucial period of manned operations and the landing on the moon.

Ten years ago mastering space technology was a major problem. Success was a rare and precious commodity. Today, success is routine and failures are rare.

Ten years ago we were caught up in a wave of enthusiasm for Space, and a frantic drive to compete with the Soviets who had stolen a long and psyche-shaking march with the launching of Sputnik I. Today, the values of space research, and indeed of all research, must be weighed against their contribution to national needs—the need to reduce expenditures, the need to solve the problems of the cities, of the pollution of our environment, and of over-population.

THE OUTLOOK

I think you will agree that our country can take satisfaction in, and rightfully be proud of, what it has accomplished so far in space. But truly, what has been done is only the merest beginning of what can be done.

The opportunities this nation, and indeed the world, have today in space are challenging and promising. In space applications if we will follow thru, we can look forward to the use of space communications for radio and television broadcasting, navigation, civilian ship and air navigation, air traffic safety and control, data collection and dissemination, and space communications, that is, the use of space systems for relaying radio communications from remote parts of the solar system to the earth. Future operational weather satellite systems can be created to improve greatly on the capabilities of the present-day systems, possibly to help furnish the basis for long-range weather forecasting and to play a role in the development of techniques for weather modification and control. The use of satellite observations for earth resource surveys is highly promising. In science, if we follow thru, we can move from survey and exploratory measurements to investigation of the dynamics and underlying causes of phenomena in space; and from a broad collection of separate, loosely connected experiments to an integrated investigation of the solar system and of the universe. The creation of a large, versatile astronomical facility in space with the promise of a revolutionary impact on the science of astronomy is within our grasp. The biomedical results from Mercury and Gemini, and the startling results from the first successful Biosatellite hold promise of the usefulness of space techniques in biological and biomedical research.

But it is not enough to consider only opportunities. We must also assess the climate in which the opportunities exist, and note with concern a growing inclination to let those opportunities pass by unheeded and unused.

The outlook for the next two to three years, or at least until the situation in Vietnam has been resolved, must be for reduced budgets and for few new space missions to follow up and build on our completed projects. We plan to terminate the Orbiting Astronomical Observatory (AOA) in 1970 after OAC–C; the Orbiting Geophysical Observatory (OGO) in 1969 after OGO–F; Biosatellite in 1970 after Biosatellite E. We plan to continue the Mariner missions to the nearby planets *but as of now there are no approved missions after the Mariner 69 missions to Mars.* We plan to continue the Orbiting Solar Observatory (OSO) *but as of now there are no approved missions after OSO–H.*

We have plans for continuing manned space flight programs after Apollo, as in Apollo Applications, but the support we receive is halting and questioning.

Obviously, as projects are phased out, with few if any new ones to take their place, we will lose some of our hard-won capability.

With such an outlook for the immediate future, it is important to assess accurately the prospects for the more distant future, for the mid to late 70's, for example. Our expectations are important because they help to determine the decisions we should make in these next crucial years. If we anticipate a permanent large-scale reduction in the resources allocated to space, that would imply one set of actions for NASA for the next few years; if, however, the outlook is for a temporary slowdown in the space program, brought on by the present need to reduce expenditures, to be followed, after that need is past, by a resumption of a vigorous exploration of space, that would imply quite a different set of actions by NASA. In the first case the primary concern would be the orderly completion of the projects underway and obtaining the maximum benefit from them. In the second case, actions would be required to minimize the loss of capability, particularly key people and in some cases essential teams of people. In addition, some of our scarce resources would be used to do the detailed planning and the design and laboratory work leading to new missions in the 70's. These steps are essential to maintain the elements of our spaceflight capability to enable the country to start new projects with a minimum amount of re-learning and re-training.

LONG-TERM OUTLOOK

We assume that the long term outlook for space exploration and research and for the application of space flight and techniques to the solution of practical problems is good. Consequently, NASA is making the decisions and taking the actions required to preserve the nation's space capability and to lay the groundwork for a vigorous and exciting program in the 70's.

Why do we think the long-term outlook for the space program is good?

First and foremost, the *intrinsic* worth of the program merits the interest and support of the American people. The scientific results of the past decade demonstrate the power of the satellite and space probe as research tools. The economic value of the communications and meteorological satellites demonstrates the worth of space techniques when applied to practical problems.

Secondly, the vast numbers of babies born just after World War II are now college students and will in the 70's become a powerful force of intelligent, highly educated people looking for careers which are satisfying and which in their judgment will be historically significant. This generation, having grown up with the space program will, we think, want to continue to explore the moon and planets, to observe the stars and galaxies above the atmosphere; and they will see the satellite—with its worldwide communications ability and as ability to gather data on a global basis—as a mechanism to help draw the peoples of the world together and to help solve their common problems.

Thirdly, we expect the USSR to continue a vigorous, expanding space program which cannot help but be a constant challenge that this country must meet.

While it is clear that expenditures must be guarded wisely to enable the nation to meet the challenge it faces in Vietnam, it is equally clear that Vietnam is not the only place in which this nation's way of life and ability are being challenged. According to the report, "Review of the Soviet Space Program," prepared by the Science Policy Research Division, Legislative Reference Service, Library of Congress, Washington, D.C., the USSR has made 19 planetary attempts since 1960 while the U.S. has made 5. Clearly, the Soviets have assigned a high national priority to planetary exploration. It is also clear from their total launch rate that they are continuing to develop the technology of automated and manned flight systems. There is no evidence that they have retreated from their plan to demonstrate the supremacy of the Communist way of life by showing that they are the leaders of the world in the ability to conceive, design, develop and use space hardware. The long-term need on the part of this country to meet that challenge of the USSR and the emerging challenge of China is real and far-reaching in consequences, just as is the need to meet the immediate challenge in Vietnam.

Fourth, as this nation's economic growth continues, and hopefully, as our expenditures for military efforts decrease, we think there will be not only the resources available for a vigorous U.S. space program, but also a recognized need to maintain the industrial capacity represented by the space and space-related industries.

Finally, we are assuming that the public will grow in its understanding and appreciation of the intrinsic worth of the space program. The space-oriented younger generation will help to bridge the present communications gap between our profession and the layman, but in the meantime we must continue our own efforts to communicate by using all the means at our disposal.

FUTURE POLICIES

There are several key policies that NASA plans to follow in the immediate future. First, as indicated above, NASA is planning for a major space program in the 70's. As we terminate or complete projects, we are reviewing which elements of those projects should be preserved, and how best to go about it. We are maintaining, and in some cases increasing, the level of funds for supporting research and technology. There are several reasons for doing this. There are large amounts of data coming in from the spacecraft which we have launched. Supporting research and technology funds can be used to analyze and interpret those data. Supporting research and technology funds can be used for laboratory work and theoretical studies required to design new experiments and instruments for the missions we think likely in the 70's.

Secondly, we plan to seek approval and support from both the Executive Branch and Congress, to initiate some new programs. While it is clear that many leaders in Congress feel that NASA should proceed with at least a reduced planetary program at this time, it is equally clear that there are others who oppose any further planetary flight program at this time.

In the planetary program the funding and the work of the agency will be structured so that we can proceed either along the line of a modest flight program, or with a much slower paced supporting research and technology program. Which path NASA will take will depend upon decisions of the President and the response of the Congress to the fiscal year 1969 budget. The work is structured in such a way that the agency will not have to choose between these two alternatives until late in fiscal year 1968 when Congress will have had an opportunity to review our proposals and indicate their reaction.

Another policy which we plan to follow is a greater involvement of the academic community in planning our future program as well as executing it. The universities have conducted the majority of the scientific research for our space program in the past; we plan to continue that policy. However, because of the complex nature of the spacecraft we will be designing and building, we need to involve the academic community more than ever in both the design and the execution of a mission.

We plan to increase emphasis on aeronautics as our growing space technology has an ever-increasing impact on the use of air space as well as outer space.

NASA will continue to support the development of key advanced technologies, such as materials and structures, space power, electronics, and nuclear propulsion. We will continue with the NERVA I program as outlined to the Congress in last year's hearings.

At the same time, we plan to give *more emphasis to* the application and use of the space *capability* we have *already developed, relative to* the development of *new capability.*

There will be increased emphasis on the use of knowledge gained from space research and technology to the solution of practical problems on earth. We will give especial attention in our planning for the next decade to the interests of various user agencies such as the Departments of Interior, Commerce, Agriculture, Defense, and Transportation, for example.

As we continue the development of manned space flight, and move to the completion of the Apollo Program, we will be planning and laying the groundwork for such applications of the manned capability as the creation and use of orbiting astronomy facilities, space laboratories, and deep space missions. In the more immediate future, as a steppingstone to all of these possibilities, we will be giving special attention to where we go next in the development of orbiting space stations.

CONCLUSION

The continuing progress of our nation in its attacks on poverty, ignorance, and disease, cannot be achieved if we neglect the basic strength of our national economy—an advancing frontier of technology led by vigorous and innovative pioneers. Under the democratic system, there is no substitute for human judgment, participated in by large numbers of our citizens.

Until we of the scientific and engineering community have done our utmost to inform the citizen and increase his understanding, he cannot participate fully and effectively in the debates and judgments that today's society must engage in. More than ever before, this nation needs men and women whose *minds* and imaginations can marry the solving of technological problems on the one hand, with the solving of sociological problems on the other, even if they are not personally engaged in the work involved.

Our resources, whether natural, monetary, or human, must be expended wisely and carefully in these difficult times. The values of our various programs, including the space program, must be considered carefully to determine how well they serve to answer our national needs. But in making the decisions, we must continually bear in mind that the same kind of innovative thinking now so clearly evident in the space program can be applied and carried over to earthbound problems of air and water pollution, urban housing and transportation, crime control, hunger, and all the other factors that weigh heavily on men's minds today.

I mentioned earlier in this discussion the young people now coming up through the school system, to take over from us—from you and me. They are growing up in the Space Age. They are imbued with an enthusiasm for what can be done today on many fronts. If you and I don't do some of these things sooner, they will take them up and do them later. History will record that they did them, and by implication, that we didn't.

In any case, sooner or later, just as we have come to think naturally of and accept fully the telephone, radio, television, the automobile and the airplane, the materials and products of modern chemistry, the miracles of modern medicine, and the whole range of scientific and technological benefits as part of our culture and everyday living, I firmly believe that one day space will be an accepted and unquestioned part of our everyday concepts and uses.

President's Commission for Observance of Human Rights Year, 1968

HON. JOSEPH S. CLARK

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1968

Mr. CLARK. Mr. President, on January 30, 1968, President Johnson signed an Executive order establishing the President's Commission for the Observance of Human Rights Year, 1968. I am delighted at the President's action. Although the time is late, I hope it is not too late to provide for meaningful U.S. participation in this great event.

This is a matter which has long been of concern to me. As long ago as March 17, 1966, I introduced legislation with 27 cosponsors to establish a U.S. Committee on Human Rights. That bill was approved by the Senate but died in the House. It was reintroduced by me again last year, and again was passed by the Senate, but thus far the House has still refused to act. However, now that the President has taken the initiative, the need for congressional action is moot.

I ask unanimous consent that the full text of President Johnson's statement on signing this order be printed in the RECORD at the conclusion of my remarks. I wholeheartedly endorse the President's statement. It is eloquent; it is cogent; and it deals with crucial issues of our era: the need for international cooperation as opposed to international conflict.

I salute the distinguished citizens who have been named by the President to the Commission. I know that Ambassador Harriman, who will head the group, is as sincere and effective a worker for peace as there is in the Federal Government, and I am sure his colleagues on the Commission share his commitment and his enthusiasm.

I also ask unanimous consent that the text of the Executive order and the text of my original bill to create a Human Rights Committee, including the list of cosponsors, be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

TEXT OF REMARKS OF THE PRESIDENT ON SIGNING THE EXECUTIVE ORDER ESTABLISHING OBSERVANCE OF HUMAN RIGHTS YEAR 1968

It is seldom that any one man's life embodies both national leadership and a universal cause. It is rarer still when his spirit survives his death and endures as an inspiration for man's deepest hopes.

Such a man was born eighty-six years ago this day.

President Franklin Delano Roosevelt stands in life and death as a towering advocate of those timeless ideals that promise individual fulfillment to men and peace to the family of nations. His country pursues those ideals more than two decades after his death: social justice here at home and a community of mutually respecting nations throughout the world.

Today we take another and determined step toward those ideals. We mark the anniversary of President Franklin Roosevelt's birth in the most fitting and hopeful way—by building on his work.

I have today signed an Executive order establishing a Presidential Commission for the Observance of Human Rights Year.

The General Assembly of the United Nations has designated 1968 as International Year for Human Rights. It is the 20th Anniversary Year of the Universal Declaration of Human Rights. United Nations members are called up for appropriate national observances throughout this year.

Three months ago, in declaring 1968 Human Rights Year for the United States, I called upon "all Americans and upon all government agencies—Federal, State and local—to use this occasion to deepen our commitment to the defense of human rights and to strengthen our efforts for their full and effective realization both among our own people and among all the peoples of the United Nations." The Commission I have appointed is composed of distinguished citizens and heads of Executive Agencies. They are charged with shaping the variety of our efforts into a major and purposeful national contribution.

The United States was founded on great and lasting principles of liberty and rights for the individual. Our Constitution and our laws preserve these rights. Our Government is devoted to enlarging them for all Americans.

But rights not perceived cannot be prized; rights not understood are rights not exercised, and soon weakened or destroyed. We have a great need and responsibility to educate our people in a fuller understanding of their rights.

We can lead by our example. Peace is the spur. If nations are not to rely forever on a fragile balance of fears, they must find confidence in making justice the guiding principle of their national and international affairs.

We seek justice as a safeguard against tyranny and catastrophe. Secretary of State George Marshall reminded us twenty years ago:

"Governments which systematically disregard the rights of their own people are not likely to respect the rights of other nations and other people, and are likely to seek their objectives by coercion and force."

Thus warned in 1948, America pledged her strength and hope with other signatories to the Universal Declaration of Human Rights. This great compact gave new power and coherence to man's often shapeless, and sometimes hopeless yearning for equality and freedom.

We reaffirm our allegiance to that Declaration today, and call upon all our citizens and institutions to advance its purposes to the extent of their abilities.

The Senate has signified that it will enlarge its own important role. It supported our participation in international agreements that further the protection of human rights by consenting to the Supplementary Convention of Slavery on November 2, 1967. In my Proclamation designating Human Rights Year, I declared that ratification of the Human Rights Conventions was long overdue. It is my earnest hope that the Senate will complete the tasks before it by ratifying the remaining Human Rights Conventions.

America's domestic initiatives and successes in assuring our people the guarantees of our Constitution should be better understood by the international community.

The Commission I appoint today—

Can enlarge our people's understanding of the principles of human rights, as expressed in the Universal Declaration and the Constitution and in the laws of the United States;

Can provide a focus for governmental participation in Human Rights Year, enlisting the cooperation of organizations and individuals;

And may conduct studies, issue publications and undertake such other activities as it finds appropriate.

I have appointed the following distinguished citizens to serve on the Commission:

W. Averell Harriman, Ambassador-at-Large.

Anna Roosevelt Halsted of Washington, D.C.

A. Philip Randolph of New York.

Tom Clark of Texas, former Associate Justice, U.S. Supreme Court.

George Meany of Maryland, President of the AFL–CIO.

Elinor L. Gordon of New York, President of the Citizens' Committee for Children.

Robert Meyner, former Governor of New Jersey.

Dr. J. Willis Hurst of Atlanta, Georgia.

Bruno Bitker of Wisconsin, Chairman of the Human Rights Panel at the White House Conference on International Cooperation in 1965.

I have asked Averell Harriman to serve as Chairman of the Commission. Anna Roosevelt Halsted has graciously agreed to act as Vice Chairman.

I have also today asked the following heads of Executive agencies to serve on the Commission: the Secretary of State, the Attorney General, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Secretary of Housing and Urban Development, the Staff Director of the U.S. Commission on Civil Rights, and the Chairman of the Equal Employment Opportunity Commission.

I have selected these men and women with care and confidence, because I expect them to perform an outstanding service for every American, and for all who prize the rights that we possess and seek to make secure for others.

The Commission will have my strongest personal support.

EXECUTIVE ORDER ESTABLISHING THE PRESIDENT'S COMMISSION FOR THE OBSERVANCE OF HUMAN RIGHTS YEAR, 1968

Whereas the United Nations General Assembly has designated the year 1968 as International Human Rights Year to commemorate the 20th Anniversary of the adoption of the Universal Declaration of Human Rights; and

Whereas the United States has sought in its national and international policies to promote the principles of the Universal Declaration of Human Rights in accordance with its heritage of civil and political liberties and in recognition of the human rights of all without distinction of race, color, creed, sex, or national origin; and

Whereas, by Proclamation No. 3814 of October 11, 1967, I have designated 1968 as Human Rights Year;

Now, therefore, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

Section 1. *Establishment of Commission.* (a) There is hereby established the President's Commission for the Observance of Human Rights Year 1968 (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of the Secretary of State, the Attorney General, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Secretary of Housing and Urban Development, the Staff Director for the Commission on Civil Rights (42 U.S.C. 1975d(a)), the Chairman of the Equal Employment Opportunity Commission, and ten other members to be appointed by the President from public or private life. The President shall designate the chairman and the vice chairman of the Commission from among its members.

(c) Members of the Commission who are otherwise employed by the United States shall receive no additional compensation by reason of their service to the Commission. Members who are not so employed shall serve without compensation, but shall be entitled to receive travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U. S. C. 5703) for persons so serving.

Sec. 2. *Functions of the Commission.* (a) The Commission shall promote the effective observance in the United States of 1968 as the 20th Anniversary of the United Nations Universal Declaration of Human Rights. To this end the Commission shall seek to create a better understanding of the principles of human rights as expressed in the Universal Declaration, the United States Declaration of Independence, the Constitution and laws of the United States, and the Constitutions and laws of the several States of the United States.

(b) The Commission shall provide a focus for the interest of official bodies, Federal, State, and local, which share its purpose. It shall also enlist the cooperation of educational institutions, foundations, mass media, civic, labor, and other organizations which plan to participate in the observance of International Human Rights Year.

(c) The Commission may conduct such other activities as it may deem appropriate to provide for the effective participation of the United States in the celebration of International Human Rights Year. Such activities may include, but need not be limited to, (i) conducting studies, (ii) issuing reports and other publications, and (iii) holding meetings, both public and private, at such times as the Chairman shall determine.

(d) The Commission shall report from time to time to the President on the progress made in the observance of International Human Rights Year in the United States. The final report of the Commission shall be made to the President on or before the date which occurs one year after the date of this order and the Commission shall be deemed to be terminated on the date which so occurs.

SEC. 3. *Assistance and cooperation.* (a) As may be necessary, each Federal agency, an officer of which is a member of the Commission, may furnish assistance to the Commission in accordance with the provisions of section 214 of the Act of May, 4, 1945 (59 Stat. 134; 31 U.S.C. 691), or as otherwise permitted by law. The Department of State is hereby designated as the agency which shall provide the Commission with necessary administrative services and facilities.

(b) The Commission is authorized to request any agency of the executive branch of the Government to furnish the Commission such information and advice as may be useful to it for the fulfillment of its functions under this order. Each such agency is authorized, to the extent permitted by law and within the limits of available funds, to furnish such information and advice to the Commission upon request of the Chairman or Executive Director of the Commission.

(c) Upon request of the Chairman or Executive Director of the Commission each agency of the executive branch of the Government shall otherwise cooperate with the Commission in carrying out the provisions of this order and shall provide the Commission with such additional assistance and service as it may be able to provide.

(d) The Commission shall invite the cooperation of the United States National Commission for UNESCO with a view to coordinating its activities with those of the United States National Commission for UNESCO.

Sec. 4. *Commission staff.* The Commission shall have an executive director who shall receive such compensation as may hereafter be specified, and it is authorized to obtain services in accordance with the provisions of 5 U.S.C. 3109.

LYNDON B. JOHNSON.

S. 3101

(Mr. CLARK (for himself, Mr. ALLOTT, Mr. BARTLETT, Mr. BREWSTER, Mr. CHURCH, Mr. DOUGLAS, Mr. HART, Mr. HARTKE, Mr. INOUYE, Mr. JAVITS, Mr. LONG of Missouri, Mr. McCARTHY, Mr. McGEE, Mr. McGOVERN, Mr. METCALF, Mr. MONDALE, Mr. MORSE, Mr. MOSS, Mr. MUSKIE, Mrs. Neuberger, Mr. PELL, Mr. PROXMIRE, Mr. RANDOLPH, Mr. SALTONSTALL, Mr. SCOTT, Mr. TYDINGS, Mr. YARBOROUGH, and Mr. YOUNG of Ohio) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations.)

A bill to establish a United States Committee on Human Rights to prepare for participation by the United States in the observance of the year 1968 as "International Human Rights Year," and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF UNITED STATES COMMITTEE ON HUMAN RIGHTS

SECTION 1. That, in order to provide for effective and coordinated preparation for participation by the United States in the observance of the year 1968, designated by the General Assembly of the United Nations as "International Human Rights Year", there is established an advisory and coordinating committee, to be known as the "United States Committee on Human Rights" (hereinafter in this Act referred to as the "Committee").

MEMBERSHIP OF THE COMMITTEE

SEC. 2. (a) The Committee shall be composed of eleven members, as follows:

(1) two Members of the House of Representatives, appointed by the Speaker of the House of Representatives, one from each of the two major political parties.

(2) two Members of the Senate, appointed by the President of the Senate, one from each of the two major political parties.

(3) seven appointed by the President of the United States, one of whom he shall designate to serve as Chairman of the Committee.

(b) The Committee shall elect a Vice Chairman from among its members.

(c) A vacancy in the Committee shall be filled in the same manner in which the original appointment was made.

(d) The Committee is authorized to issue such rules and regulations as it deems advisable to conduct its activities.

COMPENSATION OF MEMBERS OF THE COMMITTEE

SEC. 3. Members of the Committee who are officers or employees of the United States shall serve without compensation in addition to that received for the service as such officers or employees. Members of the Committee appointed from private life each shall receive $100 per diem when actually engaged in the performance of duties vested in the Committee. Each member of the Committee shall be allowed travel expenses in the same manner as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b–2) for persons in the Government service employed intermittently.

POWERS AND DUTIES OF THE COMMITTEE

SEC. 4. The Committee shall formulate plans for effective and coordinated participation by the United States in the observance of the year 1968 as "International Human Rights Year". In order to carry out the provisions of this Act the Committee is authorized to—

(1) conduct studies, seminars, and meetings with appropriate parties in order to provide for effective participation in the observance of International Human Rights Year at the Federal, State, and local levels of government in the United States;

(2) explore the role of the United States in defining, expressing, and expanding the application of human rights principles in the United States and throughout the world;

(3) review past and present policies of the United States with respect to the universal application and preservation of human rights principles; and

(4) take such other action and conduct such other activities as it may deem appropriate to provide a basis for the observance by the United States of International Human Rights Year.

COOPERATION WITH COMMITTEE BY EXECUTIVE AGENCIES

SEC. 5. (a) The Committee is authorized to request any department, agency, independent establishment, or instrumentality in the executive branch of the Government to furnish suggestions and information to assist the Committee in carrying out the provisions of this Act. The head of each such department, agency, independent establishment, or instrumentality shall furnish such suggestions and information to the Committee upon request of the Chairman or Vice Chairman.

(b) Upon request of the Chairman or Vice Chairman of the Committee, the head of each department, agency, independent establishment, or instrumentality in the executive branch of the Government shall otherwise cooperate with the Committee in carrying out the provisions of this Act and shall provide the Committee with such additional assistance and services as may be available.

(c) The Administrator of General Services shall provide administrative services for the Committee on a reimbursable basis.

STAFF OF COMMITTEE

SEC. 6. (a) The Committee shall appoint an executive secretary without regard to the civil service laws, prescribe his duties, and fix his compensation at a rate not to exceed the maximum rate payable under the General Schedule of the Classification Act of 1949, as amended (5 U.S.C. 1113(b)).

(b) The Committee is authorized to appoint, without regard to the civil service laws, and fix the compensation, in accordance with the Classification Act of 1949, as amended, of such personnel as it deems advisable to carry out the purposes of this Act.

(c) The Committee may procure temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), but at rates not to exceed $100 per diem for individuals.

REPORT AND TERMINATION OF COMMITTEE

SEC. 7. The Committee shall submit to the President, not later than April 1, 1967, for transmittal to the Congress a report of the activities of the Committee under this Act together with its recommendations, including recommendations as to the manner in which the most effective and coordinated participation by the United States in the observance of the year 1968 as "International Human Rights Year" may be accomplished and including recommendations as to the means by which the United States may contribute most effectively to the acceptance, observance, practice, and enforcement of the principles of human rights throughout the world during "International Human Rights Year" and thereafter.

(b) From and after the submission of its report to the President under subsection (a), the Committee shall, under the direction of the President, continue as an informational and coordinating clearinghouse and center of United States participation in the observance of the year 1968 as "International Human Rights Year" and, to carry out such purpose, shall perform such additional duties as the President may prescribe.

(c) The Committe shall cease to exist at the close of December 31, 1968.

ACCEPTANCE OF DONATIONS; AUTHORIZATION OF APPROPRIATIONS

SEC. 8. (a) The Committee is authorized to accept donations of money, property, and personal services in carrying out the provisions of this Act.

(b) There are authorized to be appropriated such sums, not to exceed $300,000, as may be necessary to carry out the provisions of this Act.

Amend the title so as to read: "A bill to establish a United States Committee on Human Rights to prepare for participation by the United States in the observance of the year 1968 as International Human Rights Year, and for other purposes."

Time for Decision in Vietnam

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. MICHEL. Mr. Speaker, there is an old expression we are all familiar with, "fish or cut bait." It seems to me that this sentiment is now applicable in discussing the administration's policy in directing the war effort in South Vietnam. The series of coordinated attacks on several cities in South Vietnam, including our own Embassy in Saigon, indicates quite clearly that the present policy is not working and the incessant bombing, while causing some inconvenience to the North Vietnamese, has not really hampered their ability to move men and material into the South in sufficient quantities to cause our troops plenty of trouble and dislocation.

It seems clear to me that the Communists are pursuing a policy of all-out, full-scale warfare, and the time has come for our military forces to be given the authority to respond in kind—by undertaking appropriate action to interdict the flow of supplies through the ports of North Vietnam.

An editorial appearing in the Chicago Tribune, Thursday, February 1, 1968, outlines this issue in rather clear fashion, and I include the editorial at this point in my remarks:

TIME FOR DECISION IN VIETNAM

The Communists observed the lunar new year [Tet] truce in Viet Nam, to which they were committed, by launching their biggest coordinated offensive of the war. The Red guerrillas struck with mortars, rockets, and terrorist raids in Saigon, Da Nang, and other major cities from one end of the country to the other, attacked a dozen American air fields, and seized and temporarily held the United States embassy, all with coordination and precision that evidenced weeks of advance planning.

Undoubtedly this spectacular show of strength was intended to paralyze the will of the United States for continued support of South Viet Nam against communist aggression and create conditions for a negotiated settlement on the enemy's terms. In a top secret letter to the communist high command in South Viet Nam, which was captured by American troops, Le Duan, first secretary and boss of North Viet Nam's Communist party, discussed the possibility of negotiations with the United States. He said the time might come when it would be expedient to "fight and negotiate." This is orthodox communist doctrine, which regards "negotiating" as the continuation of war by other means. Le Duan recalled that the "fight and negotiate" strategy was used successfully by the Communists against the United States in the Korean war and against France at the time of the 1954 Geneva conference on Indo-China.

While the Communists were demonstrating their defiance and contempt of the United States and their characteristic perfidy by lashing out in all directions, in violation of a holiday truce, Washington was preoccupied with speculation about the possibility that President Johnson will order an end of the bombing in North Viet Nam and discuss a cease-fire if the enemy will continue only "normal" movement of troops and munitions into South Viet Nam.

When Clark Clifford, President Johnson's nominee for secretary of defense, was asked by senators what this meant, he recalled President Johnson's "San Antonio formula," which "assumed" that the Communists would not "take advantage" of such a unilateral stopping of half of the war by the United States.

"Their military activity will continue in South Viet Nam, I assume, until there is a cease-fire agreed upon," Clifford said. "I assume they will continue to transport the normal amount of goods, munitions, men, to South Viet Nam. . . . So what I am suggesting is, in the language of the President, that he would insist that they not take advantage of the suspension of the bombing."

Under this construction of the President's terms, just about anything the Communists did to support their war operations in the south on the present scale would qualify as "normal." In recent months they have sent four full divisions into the northwestern part of South Viet Nam, thus escalating infiltration to the level of invasion. They have introduced weapons far more sophisticated than are normally used in guerrilla warfare, including 122 mm. rockets, 152 mm. guns, and even tanks. Under the Johnson formula as construed by Mr. Clifford, who was an adviser to President Truman, author of America's tragic retreat from victory in the Korean war, even this buildup for the slaughter of American and allied troops would presumably continue as "normal."

Our bombing has increased the difficulties and costs, but it has not reduced the scale, of North Viet Nam's operations in the south. This is because we have not interdicted North Viet Nam's supplies at the ports where they arrive. The heavy weapons and most of the other munitions used by the enemy come from the Soviet Union and its eastern European satellites. The only way to stop this traffic and end the war by winning it is to close North Viet Nam's ports, particularly Haiphong, by bombing and mining if possible or by a naval blockade if necessary.

If we fail to do this, the consequences will be far worse than in the Korean debacle, which Gen. Mark Clark described as "a war we were not permitted to win." Unless we are prepared to let the Communists take over South Viet Nam, we shall have to keep many more troops there than the 50,000 we now have in South Korea, more than 14 years after the armistice. There will be repeated humiliations of the United States in the South China sea like the seizure of the Pueblo in the Sea of Japan, and there will be more Koreas, more Viet Nams. Thailand, which we are committed to defend, is next on the communist "liberation" program.

Business as Usual in a Time of Crisis

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1968

Mr. THURMOND. Mr. President, for some time, many of us have spoken out on the Senate floor against our business-as-usual attitude in a time of crisis. For the past 7 years, we have accepted diplomatic defeat after defeat, have let small, fifth-rate nations humiliate us, and have been unable to win a war in a tiny, backward country in Southeast Asia.

As we have been bogged down by these difficulties abroad, our sworn enemy, the Soviet Union, is moving into the Mideast and Mediterranean while it encourages its satellites and allies to keep the pressure on us in the Pacific.

One of the best summaries that I have seen of this sad account of mismanagement and accelerating disgrace is found in the February 5, 1968, edition of the U.S. News & World Report magazine. In the section of the magazine entitled, "Newsgram" the editor lists many reasons why it is difficult for the American people to have any optimism for the future.

His subjects range from crime in the street to no-win wars. He describes the administration's pitiful effort to conduct "business as usual" at home while trying to provide both guns and butter, and to put something into every outstretched hand.

Mr. President, I ask unanimous consent to have this editorial printed in the Extensions of Remarks of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NEWSGRAM FROM THE NATION'S CAPITAL

It is amazing to watch how troubles keep piling up for U.S.

People yearn for calm and a chance to be optimistic. All that people get is one uncomfortable jolt after another, none generating optimism.

There is nothing in the trends to suggest early change.

Just look around, and you see why optimism is so difficult to come by.

Tiny North Vietnam has all-powerful U.S. stopped in its tracks.

Now tiny North Korea has humiliated the U.S., challenged LBJ to a fight from which it is confident he will back away, helpless to do otherwise.

Actually: U.S., trying to get out of one war, could drift into bigger war.

And that isn't all. This country, tangled in war in Asia, in order to fight that war with "business as usual" at home has reduced forces elsewhere.

Russia, sensing U.S. weakness, now is moving with speed and power into the Mideast and Mediterranean, threatening to outflank Europe from the South.

Big defeats appear to be taking shape, despite optimistic talk.

West Europe, at the same time, is pulling away. France, with its vital geography, no longer is a U.S. ally. Britain, firmest U.S. ally, is forced by its own troubles to draw back. Italy, on the fringes, is an onlooker.

West Germany watches and wonders as U.S. reduces forces there to help fight what's supposed to be a minor war in Asia. Outlook isn't too good.

It's the end of the road, a near disaster, for LBJ's war policies.

A token call-up of Air Force, Navy Air reservists reveals that. Army and Marine call-up may not be far away. Manpower and weapons suddenly are found to be almost desperately short for one small war, and now a new war threatens.

Navy, Marines, Air Force are scraping the barrel's bottom for men, for planes, for ships. "Business as usual" at home—the so-called guns-and-butter policy—may be about to end up in something not far from a crisis.

It may also be that what's happening is teaching U.S. one lesson.

The lesson: When you get into a war, you had better go in to win.

Korea was a no-win war, influencing Communists to try another in Vietnam. Now Korea, never settled, is flaring again as a diversion from Vietnam war.

At Bay of Pigs, U.S. accepted defeat, giving Communists a nearby base.

U.S. "softness" encourages Communists to keep pushing, to test out areas of weakness. That may be more dangerous than a showdown.

Just take Vietnam. In mid-1965, late 1965, in 1966 and repeatedly since, the Chiefs of Staff unanimously warned LBJ that a call-up of the reserves was needed, that Vietnam was a serious war. They got the brush-off.

Also: Military warned that Vietnam was the kind of war that, to be waged successfully, would require up to 750,000 troops. They were turned down, given half that, and a gradual build-up since. Manpower shortage now is serious.

Civilians masterminded this war—with results that people can note.

In light of what's happening in war in Asia and trouble elsewhere:

Arms spending will have to be increased above presently planned levels.

Planes, ships, men, supplies are desperately short if there's trouble outside Vietnam. "Cost-effectiveness" called for using up stockpiles of arms, for draining all but fighting forces of nonnuclear war equipment.

Controls, begun on investment abroad, near on travel overseas, are more and more of a prospect for wages, prices, credit as inflation accelerates.

Higher taxes in the end, can hardly be avoided.

The LBJ effort to fight a war in Asia with "business as usual" at home seems on the verge of ending in rather a spectacular failure.

World troubles are only some of those that add to public unhappiness.

Cost-of-living increase, now persistent, is a growing worry. Tax increases at the State and local level add to the irritation. People find that their bigger paychecks are eaten up by higher prices and rising taxes.

Farmers are hurt and unhappy because their costs are up, prices down.

Rising crime angers people in some big cities. Riots, if they come this summer, on top of everything else, might be regarded as the last straw.

The Voice of a Disabled Vietnam Veteran

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. RARICK. Mr. Speaker, Sgt. Leroy Sliter, of Slidell in the Sixth District of Louisiana, is a combat veteran of our quasi-diplomatic venture to contain Communist terrorism and aggression in Vietnam.

Sergeant Sliter is back with us as a disabled veteran—he gave both legs for his country and our liberties.

On leave, he made a short speech to the cadets of the Slidell Civil Air Patrol squadron which is far more in the interest of our Nation and people than all the anti-American publicity wrapped up in a ball of wax. Yet, Sergeant Sliter's remarks got no further than a few paragraphs in his hometown paper.

I salute Sergeant Sliter—a first-class American and wish him Godspeed. If our news media would give more attention to young men like Sergeant Sliter, our country would enjoy a more positive direction. We must start emphasizing dedication and loyalty over the catcalls and subversion of the "anti's."

I include as part of my remarks the portion of Sergeant Sliter's speech contained in the Slidell-St. Tammany Times for January 11, 1968:

VIETNAM CASUALTY HONORED BY CAP ON BRIEF LEAVE FROM HOSPITAL

Sgt. Leroy Sliter, son of Mrs. Clara E. Lyon of 545 Fremaux Ave., was honored by the cadet division of Slidell's Civil Air Patrol Squadron last Tuesday night for the part he played against the enemy in Vietnam.

The 23-year-old Marine, who lost both legs by traumatic amputation when an 81-mm mortar exploded approximately six feet from him, was home on a two-week leave from the U.S. Naval Hospital in Philadelphia, Pa. His sister, Pam Lyon, a cadet in the Slidell Squadron, escorted Leroy to the celebration given by the cadet division. A special cake, reading "Welcome Home Lee," was presented to the Marine sergeant.

Sliter described the combat situation before he was hit. "We were about 26 meters SSW of Danang loading about 700–800 pounds of explosives aboard a tank division when the mortar fire started. I was squatting down and had just stood up when the 81-mm hit next to me. My buddy said I was about six feet from the detonation."

The young Marine was on his second tour of Vietnam when wounded. His first tour of duty started on July 9, 1965. After spending 22 months stationed at Chu Lai, he returned home for a short leave. On the 28th of April he returned as a combat engineer to Danang and was back in Vietnam only two or three days when wounded. He was taken immediately to the USS *Repose* where he remained from May 4 until May 27, then was flown to the U.S. Naval Hospital in Philadelphia where he has been convalescing since. They are making artificial limbs for Sliter there now.

He spoke to the cadet officers concerning the conditions in Vietnam. "The Cong are vicious fighters," he said, "They fight by no war code whatsoever. They are often unmerciful in their attempts to get information from the surrounding villages. And they are sneaky fighters. There is a mass system of honeycombs in Nam where they hide. They use whole bottoms of trees to cover the entrances, fake bamboo patches, and all sorts of trapdoor devices.

"The hardest part of the war is to lose a buddy there. As far as the protest marches and draft-card burnings back in the states, we usually get a big laugh out of it. The guys it affects most are the Negroes who fight with us. They are spilling their blood and dying on a foreign soil and then read of some of the goings on among their own race back home. They are the ones it hurts most."

Sgt. Sliter isn't bitter about his loss of both limbs. During the interview it was possible to detect a deep feeling of love for country that was evidently also felt by his fellow soldiers with whom he fought. His plans for the future include attending either LSU or Rice University to major in architecture. He returned to Philadelphia Wednesday at noon.

Farmers Home Administration Spurs Rural Development Activity in West Virginia—FHA Benefits Reach a Record 94,000 Persons—Senator Randolph Commends State Director Manchin and His Staff

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1968

Mr. RANDOLPH. Mr. President, on several occasions I have commented on the excellent work being accomplished by the Farmers Home Administration in the development of rural community facilities and in providing increased opportunity for our rural citizens. The activities of this Government agency have had my constant support. I have worked closely with officials of FHA in bringing to West Virginia a most effective program. Significant advances have been realized in our State through FHA.

Recently, the West Virginia State director of FHA, A. James Manchin, conferred with me on the activities of his organization during 1967 and on many of the proposed plans and projects for 1968. I was provided with a copy of his annual report; it outlines in detail the accomplishments of his organization during the year. The activities of FHA in West Virginia have continued to increase and to benefit more rural citizens. More than 94,000 persons in our State are realizing the fruits of FHA programs.

Mr. President, the Farmers Home Administration has received from Congress the authorization of tools, so to speak, with which to work and to assist our rural residents. But no program approved by Congress will bring the hoped for advancements unless there are able and dedicated administrators, staffs, and personnel for implementation. West Virginia has such an administrator in Mr. Manchin; and he has with him capable employees in the main office and in the field, and also with those who serve in an advisory capacity. Robert Hedrick, business leader and active farmer, of Elkins, is chairman of the FHA State Advisory Committee. FHA has a team in West Virginia which works for the people—the needs of the people are the priorities. I again commend director Manchin and those who serve with him.

Our State director and the people of West Virginia have received the full cooperation and support of the National Administrator, Howard Bertsch. We have worked closely with Mr. Bertsch and his staff, and we are grateful for the professional and conscientious manner in which they have responded in meeting the challenges of rural development.

Mr. President, it has been a privilege to participate in many of our FHA projects from the preliminary planning through the groundbreaking and dedication stages. This has been a stimulating experience. FHA projects are effective examples of a partnership of the people and their government, working for the betterment of the community and the citizen. The spirit of cooperation and citizen involvement in these programs are truly impressive. I am confident that FHA will sustain its record of past achievements while continuing to reach out to more and more of our rural people.

Mr. President, I ask unanimous consent that the Report on Farmers Home Administration Activities in West Virginia during 1967 be printed in the Extensions of Remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT ON FARMERS HOME ADMINISTRATION ACTIVITIES IN WEST VIRGINIA DURING 1967 BY STATE DIRECTOR A. JAMES MANCHIN

Rural community progress in West Virginia has been substantially spurred by the activities of the Farmers Home Administration.

Credit programs of the Farmers Home Administration have helped more than 94,000 people in West Virginia improve their homes, family farms, and communities during 1967, an all-time record. Through loans and grants, the agency added $15,126,115 to the State's economy.

Gains were especially strong in the field of housing, community water and sewer systems, and in extending financial aid to assist low-income families in the establishment of income-producing enterprises.

These increasing programs reflect President Johnson's support of a better living standard and the development of the kind of environment that will encourage industrial growth in rural areas.

FHA programs, which supplement all other credit available to rural people, have totaled $57,840,200 in the past five years.

An estimated 3,800 people benefited from Farmers Home Administration loans for purchase, construction or improvement of 901 family homes in rural West Virginia during the past year. Housing credit has grown from the level of $874,575 in 1960 to $7,560,140 in 1967.

Family farmers in the State who lacked other sources of credit turned to FHA for $975,160 in loans to secure farm ownership and improve their farms, and $2,338,285 in loans for operating purposes last year.

Many of the 194 farm families served by these loans might have been forced off the land except for this source of financing.

Economic Opportunity loans, which enable low-income families to equip themselves for income-producing enterprises have resulted in small loans totaling $1,288,090 to 673 families the past year, and $36,176 to 7 cooperative groups.

Fourteen county planning commissions received $131,480 to initiate county-wide studies of water and sewer needs and development opportunities.

Community improvement in West Virginia was boosted by $2,264,190 in FHA loan and grant financing of modern water and sewer systems. These facilities which were constructed in towns up to 5,500 population reached into the homes of 14,320 people, 163 places of businesses, and 60 institutional buildings.

Towns benefited by the water and sewer program are able to improve living standards and accommodate new businesses and industry when they can offer the same kind of water service as found in the city.

FHA loans totaling $532,600 also supported two projects to build community outdoor recreation centers serving an estimated 3,250 people living in the rural areas of the State.

State and county Technical Action Panels have helped local groups plan various projects for community betterment, including the very successful junk car removal campaign. The TAP is a council of public agencies that helps find sources of technical, financial and other assistance needed to carry out projects for community improvement.

The Farmers Home Administration operates with the strong conviction that the people of rural West Virginia have set a course to make their surroundings a place to move to, effecting a rural renaissance. The personnel of FHA are prepared to work side-by-side with the local leaders to strengthen the family farm, rebuild the rural community and to alleviate poverty.

Unpreparedness of United States for Simultaneous Wars

HON. NORRIS COTTON

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1968

Mr. COTTON. Mr. President, the Wall Street Journal of January 29 contains an article written by Frederick Taylor and Richard F. Janssen showing how the confrontation with North Korea, whether or not it leads to war, is pounding home the fact that we have neglected our general military posture because of the concentration in Vietnam and the need to correct that situation as speedily as possible.

I ask unanimous consent that the article be printed in the Extensions of Remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KOREAN INCIDENT SHOWS UNPREPAREDNESS OF THE UNITED STATES FOR SIMULTANEOUS WARS; SPARE TROOPS ARE FEW, MATERIEL IS SECRET—ARE FURTHER CALL-UPS DUE?

(By Frederick Taylor and Richard F. Janssen)

WASHINGTON.—The confrontation with North Korea, whether or not it leads to war, is pounding home a lesson for Administration policymakers: The U.S., struggling with the burdens of Vietnam, is not prepared to cope quickly with any second conflict.

As a result, the planners may be growing more willing to do something about present shortcomings, if and as budget strains permit. One indication is last week's call-up of reserve airmen, even though it may have been mainly a war-of-nerves move. That call-up may be followed by a summons to some Army reserve units. Even if the Korean scare fades soon, these reservists may be kept on active duty to aid the Vietnam war effort or ease the general strain on military manpower. Or some of their equipment may be commandeered for active forces.

Despite reassurances from President Johnson, Defense Chief McNamara and others, the lack of full readiness for the second-conflict contingency seems evident in both military and economic planning, but more plainly and more urgently in the military area.

It is this situation, basically, that brought a weekend warning from Richard Nixon that the U.S. can't afford major troop commitments elsewhere than Vietnam. And it is this situation, among other things, that is tending to deter the Administration from seeking any military solution to the ship-seizure crisis.

HOME UNITS ILL-EQUIPPED

The U.S. has been concentrating its resources on Vietnam at the expense of other potential military needs. Military men have been transferred to Vietnam from bases all over the world. Combat units stationed in the U.S. have served as "supply depots" for Vietnam, yielding tanks, helicopters and artillery pieces. It's doubtful that any, except perhaps the 82nd airborne division based at Fort Bragg, N.C., now have all the equipment the organization charts call for. U.S.-based Army outfits lack the new and supposedly superior M–15 rifle used in Vietnam; they have the older M–14 instead.

Moreover, the newer, faster, F100 and F102 fighter planes have been taken from National Guard and reserve air units and given to outfits fighting in Vietnam; many reserve units are still flying slower F86 planes of Korean-war vintage. Other equipment originally destined for ground reservists has gone to the active Army instead; these reservists, if called up, would need extra training time to become combat-ready.

On top of that, Secretary McNamara, recalling the $12 billion surplus of military equipment left after the Korean war, has geared war production to Vietnam needs, but not much more. As a result, U.S. inventories of bombs, ammunition and other supplies were reduced sharply and have not been rebuilt; this policy is limiting materiel on hand in places other than Vietnam.

In South Korea, despite months of hostile rumblings from the Red north, the U.S. has been keeping an Air Force of only around two dozen fighter-bombers; if this small force attempted any quick, token air strike it might have been clobbered by the North Koreans. Hence the U.S. has now hastily moved in several dozen jet fighters, plus the carrier Enterprise with 80 aircraft, the smaller anti-submarine carrier Yorktown and a flock of escort vessels. But the bulk of American air and sea power in the Western Pacific remains tied up in the Vietnam area.

KOREAN TROOPS IN VIETNAM

For the ground defense of South Korea, the U.S. has on the scene two divisions plus supporting troops—a total of 50,000 men. That number is a mere fraction of the 350,000

American troops there at the height of the Korean war. Though the South Koreans have more than 500,000 troops of their own, they are less well equipped, and South Korea has diverted 48,000 of its best fighting men to the Vietnam war.

If a Korean war should break out, the U.S. has few troops nearby that could be rushed in. Of the other American forces in Asia, nearly all are fully occupied in or around Vietnam—a total of 565,000 men. There are insignificant numbers of combat troops in Japan, Okinawa, and the Philippines.

Thus the Pentagon planners would have to turn to U.S.-based forces. Though there's an impressive total of 766,000 Army personnel stationed on American soil, the combat troops are relatively few. Perhaps 250,000 could go overseas quickly in case of need. Mostly, these are the troops in the Army "fire brigade" called the strategic reserve. Included are the 82nd airborne, the 5th mechanized infantry division at Fort Carson, Colo., the first and second armored divisions at Fort Hood, Texas, and the 6th armored cavalry regiment at Fort Meade, Md.

EARMARKED FOR EUROPE

But the two armored divisions are earmarked for a special purpose: Reinforcement of American forces in Europe. The 250,000 figure is not very impressive; it's around half the number now involved in Vietnam, and if added to the U.S. troops in Korea it would still bring the total there to less than the Korean war peak.

(The U.S. also has 352,000 military men deployed in Europe, along with scattered numbers elsewhere. But the men in Europe, on hand to fulfill a NATO defense commitment, could hardly be withdrawn without the hard-to-get permission of U.S. allies.)

Noting the shortage of troops for a second conflict, Democratic Sen. Henry Jackson of Washington, a member of the Senate Armed Services Committee, reasons that if there's another Korean war, "I'm afraid we'll be getting into the use of nuclear weapons." Republican Sen. Strom Thurmond of South Carolina takes the same view. And yesterday, Democratic Sen. John Stennis of Mississippi, chairman of the Senate preparedness subcommittee, said, "I wouldn't rule out anything"—including nuclear weapons. Certainly, Congressional and military pressure for "'going nuclear" would mount in case of a second conflict. (Mr. McNamara has said in the past, "We do not preclude the use of nuclear weapons even in limited wars," though he has added that it would raise difficult problems and might not work to U.S. advantage.)

At any rate, the current military scene seems to show that under the strain of the Vietnam war, the Kennedy-McNamara doctrine of "flexible response" enunciated in 1961 has fallen short of its aims. In developing this alternative to the Eisenhower-Dulles "massive retaliation" policy, Mr. McNamara built up U.S. potential for smaller non-nuclear wars, expanding the Army, adding green beret special forces, helicopters and other small aircraft. But now the Vietnam conflict has swallowed up much of this capacity added in the early 1960's.

Well before the Pueblo's seizure by the North Koreans, critics of the Administration's Vietnam policy were arguing that U.S. power was streched too thin to permit American commitments to be met. One dove, former Kennedy aide Arthur Schlesinger Jr., said: "If our assistance were sought today in some other part of the world, what in fact could we do—with 40% of our combat-ready divisions, more than 50% of our air power and more than a third of our naval power tied down in a small country 10,000 miles from the United States?"

In contending that Vietnam escalation has raised doubts about this country's ability to honor its commitments elsewhere, Democrat Schlesinger then cited none other than Republican Nixon, quoting the former Vice President as saying: "One of the legacies of Vietnam almost certainly will be a deep reluctance on the part of the United States to become involved once again in a similar intervention on a similar basis."

ECONOMIC READINESS

Economic preparedness for a second-war contingency is obviously a very different story from military readiness, and yet this tale has a somewhat similar ring.

Though Vietnam war spending is equal to only about 3% of total national production, it has led to growing budget deficits, rising inflation dangers and expanding dollar outflow from the U.S.; it seems doubtful that the proposed income tax rise and other Administration plans to cope with these problems, even if adopted in full, would wholly succeed. A second conflict, economic planners agree, would add to present problems and probably force a cut in output of civilian goods as well. Yet they're divided over how much difference another Korean war would make and what economic steps would be necessary.

In case of a second conflict, the question of clamping direct wage-price-credit controls on the economy would clearly become much hotter, but insiders' assessments as to whether President Johnson would actually opt for controls diverge sharply. "Hell, no," declares a highly placed Administration seer. But another astute Government economist gives a different answer, softer and more sadly expressed: "With the kind of inflation we have already, could anyone doubt that we'd have to have controls?"

THE CASE AGAINST CONTROLS

Reflecting the predominant Administration approach so far, opponents contend controls simply haven't worked well enough in the past to merit consideration. Controls are cursed with "tremendous ineffectiveness," one official says, and already overworked LBJ aides clearly have no stomach for the task of building a new bureaucracy to administer complicated regulations.

What's more, control-opponents contend, a Presidential bid to Congress for authority to impose controls could worsen inflation while the bid is pending, as many people would scramble to get higher prices and wages before any freeze. This, some recall, was a problem President Truman encountered early in the Korean war by proclaiming his intention to seek controls months before they were imposed.

There are options that could detour this danger, though. The Administration could ask Congress to make any controls retroactive to the day a Presidential request was made. And assuming the public-opinion polls showed strong sentiment for controls, analysts figure Congress would be quick to give the President what he asked.

Privately, some insiders hint that the public mood regarding any second war could be vital in influencing any decision on controls. "Controls are so full of holes that they require voluntary support," one official says; only if the public should rally behind a Korean venture much more enthusiastically than it has behind Vietnam, he reasons, "might you hope controls would have some effect."

Metropolitan Hospital, Philadelphia, Pa.

HON. JAMES A. BYRNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. BYRNE of Pennsylvania. Mr. Speaker, I have the honor to represent a district that includes some of the most successful redevelopment programs in the entire country.

Specifically, I am referring to the redevelopment and restoration being done in the area of Philadelphia known as Society Hill. This area is bounded by Seventh Street on the west, the Delaware River on the east, Lombard Street on the south and Chestnut Street on the north. It has often been called the most historic square in America.

However, in any redevelopment program of this magnitude, problems, of course, arise. I should like to comment on one specific problem that has been solved through the splendid cooperation of Federal, State, and city officials, as well as the support of private citizens.

Metropolitan Hospital is a private nonprofit hospital located at the corner of Spruce and Third Streets in the heart of Society Hill. It is a 230-bed general hospital and has been at this location since 1955. Recently, the board of directors of the hospital began on an expansion program necessitated by increased activity due to the general increase in hospital care as well as this redevelopment program. However, since these expansion plans were unable to conform to the overall redevelopment picture, it was decided that a new location should be found for the hospital.

Indeed, this was not an easy task. Working in close cooperation with city and Federal officials, Metropolitan Hospital was named as redeveloper of a city block between Eighth and Franklin Streets and Race and Vine Streets. This area had become the "skid row" of Philadelphia and was ready for the redevelopment program. It is on this site that the first completely new hospital complex in Philadelphia in a decade is now under construction. The twin eight-story tower structure will be one of the finest medical institutes in center city. Being adjacent to the new Delaware Expressway and also the police administration building, it will afford the much-needed emergency facilities in this area. In addition, it will provde 250 hospital beds that are so desperately needed at this time.

However, modern medical institutions cost money. Hill-Burton funds of $2,600,000 have been granted and the sale of their present property provided $2,800,000. The hospital itself has secured a mortgage commitment of $3,800,000 for a total of $9,200,000. I am certain that Philadelphia industry, as well as private local citizens, will rise to the occasion and see that this amount is provided for this project.

I am proud of the work that we have been able to do in this section of Philadelphia and I believe that other Members of the Congress would be interested in hearing of this successful redevelopment project.

Programs for Veterans

HON. JOSEPH S. CLARK

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1968

Mr. CLARK. Mr. President, President Johnson has sent us a message on a matter of great concern to me—programs for our veterans, the men and women who have served America faithfully. With this January 30 message, the President refines and somewhat enlarges upon his requests of 1967.

The first message on veterans' affairs contained proposals so necessary and so equitable that nearly all have been enacted already. The Veterans Pension and Readjustment Act of 1967 put veterans of the Vietnam era on an equal footing with veterans of earlier conflicts—an adjustment long overdue. The act also increased pensions to a level more consistent with today's economy.

Some additional adjustments are needed in such areas as insurance, ceilings on home loan guarantee and pension protection. But in addition to suggesting changes that would benefit only veterans and their dependents, the President has now suggested a measure that will benefit our whole society.

In the veterans in public service program, I see an opportunity for meeting one of our greatest social challenges. What better way is there to bring leadership and learning to our ghettos than through the men who have developed that leadership in the pursuit of a patriotic ideal?

To help carry out this program in Pennsylvania, I hope all State and local agencies will cooperate with the one-stop veterans assistance centers being established in Philadelphia and Pittsburgh. A great opportunity was given us when these cities were selected to receive such centers.

The action by the Civil Service Commission has led the way to help the veteran who needs prompt employment by extending the reality of veterans preference—in the first five grades of civil service—for those who demonstrate a will to improve themselves through GI bill education.

I hope industry will follow this lead in spirit and in kind.

With equal feeling, I echo the President's desire that the Veterans' Advisory Commission be heard from on the matter of veterans' cemeteries.

For men and women who have given a part—or all—of their life to their country, it is a small request that they be given the right of burial in a national cemetery close to their homes.

Austerity Budget Provides for 60-Percent Funding Increase in Controversial Luxury Item—The SST

HON. WILLIAM F. RYAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. RYAN. Mr. Speaker, Evans and Novak, in the Washington Post of January 29, 1968, provided an interesting look at one aspect of the President's budget for fiscal year 1969. They throw the spotlight on a particular aerospace hardware item—the supersonic transport. While doubts about the economic and technical aspects of this project grow, while concern increases about public financing of a potential private windfall, while serious questions about the impact of the sonic boom on the populace have yet to be answered, and in face of an advertised austerity approach to all nonmilitary projects, the President has proposed that the fiscal year 1969 appropriation be nearly $81 million more than fiscal year 1968—from $142.375 million to $223 million—an appropriation increase of about 60 percent.

It is interesting to note that beyond the proposed new obligational authority of $223 million, the President anticipates a total SST expenditure in fiscal year 1969 of $351 million—$251 million more than the estimated total expenditure of $100 million in fiscal year 1968. This represents a total expenditure increase of more than 250 percent.

I commend this interesting item to the attention of my colleagues. The column by Rowland Evans and Robert Novak follows:

[From the Washington (D.C.) Post, Jan. 29, 1968]

L. B. J. BUSINESS-AS-USUAL BUDGET PROVIDES A 60-PERCENT SST INCREASE

At a moment when Communists are launching a new offensive in Vietnam and provoking a second-front crisis in Korea, President Johnson's new budget calls for a whopping 60-percent increase in appropriations for the supersonic transport (SST).

When Mr. Johnson's budget for the next fiscal year is revealed at noon today, the SST millions will quickly blot out of congressional minds the Administration's real efforts to hold down domestic spending. Such an increase for a civilian aircraft only buttresses the charge that this is a business-as-usual budget submitted by a business-as-usual President.

Indeed, the President's unwillingness to put Washington on a wartime footing is harshly underlined by the background of the SST financing program.

A year ago, the President asked an appropriation of $198 million for the SST, the 1800-mile-per-hour last word in transatlantic travel whose development is being subsidized by Uncle Sam. Congress actually appropriated $142.4 million, a generous figure in a penny-pinching Congress (though considerable sentiment was building on Capital Hill to eliminate the appropriation for the duration of the war emergency).

As we reported in previous columns, there is a strong argument that the SST should be financed out of private corporate funds, rather than the U.S. Treasury. The necessity for Federal subsidy is further undermined by the current technical problems faced by the Concorde, the Anglo-French rival.

But even some Government officials who fully approved the Federally financed SST felt some cutback was dictated by this year's supposedly tight budget—a cutback widely expected on Capitol Hill.

They will now be disappointed. The Federal Aviation Agency and its parent, the Department of Transportation, actually recommended a higher appropriation. Surprisingly, this was fully supported by the Budget Bureau and by Mr. Johnson himself (an SST fan dating back to his vice presidential days) in confidential budget deliberations at the LBJ ranch early this month.

The result is that the budget unveiled to the public today will call for a new appropriation of somewhere between $220 million and $230 million, an SST-sized increase of $80 million or so beyond what Congress appropriated last year.

This is proof positive that the mood of urgency in Washington is not strong enough to resist the lobbying power of the aviation industry and, even more important, the political muscle of Sen. Warren Magnuson of Washington.

The Boeing Co., which stands to gain Federally-induced windfall profits without risking any of its own capital as a designer of the superjet, is a gargantuan force in the political and economic world of Magnuson's home State. Facing a determined Republican bid to unseat him in 1968, Magnuson made it clear to the White House he wanted a hefty appropriation for his pet project this year.

He had more than a few favors coming. Without Magnuson serving as blocking back in the Senate Appropriations Committee, the President never would have won final approval of his model cities plan.

The very fact that Great Society projects like model cities retain a high priority in time of shooting war reflects the President's attempted—but unattainable—balancing act. Mr. Johnson has set himself the impossible goal of being a war President and a reform President at the same time. While seeking to contain Asian communism in Vietnam, he also seeks to make history with his domestic programs.

Even pro-LBJ members of the House Ways and Means Committee were disappointed last week when the President's leading economic lieutenants refused to sell the tax increase as a war tax needed for the boys in Vietnam. This strategy comes straight from the White House, which has strenuously avoided moving to a wartime atmosphere even in its rhetoric.

If diplomatic measures in Korea fail and another war front develops there, the President will have no choice. He will have to go that extra step and jettison major parts of his business-as-usual budget. Then that fat new SST appropriation (for a project some always regarded as dubious) almost surely would be the first to go.

The 50th Anniversary of Independence of the Ukraine

HON. JOSEPH S. CLARK

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, February 1, 1968

Mr. CLARK. Mr. President, on January 22, thousands of Americans of Ukrainian descent celebrated the 50th anniversary of the independence of the Ukraine. For all who love freedom, no matter what their ethnic heritage, this event has a solemn significance.

I should like to take this occasion to salute our fellow citizens who are bound by ties of blood and affection to the Ukraine. Their deep sense of commitment to their long-sought goal—the restoration of the Ukrainian nation—is an inspiration to all of us. It demonstrates once again the power of an ideal to endure and sustain itself in the face of entrenched opposition and indifference.

As Americans, we know the importance of faith in ideals, just as we know that there is no greater source of strength and courage than the love of liberty. This is why all of us in this country feel that we too are a part of the struggle which this 50th-anniversary celebration symbolizes.

United States, Vietnam Financed Sea Water To Cure Ills

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. MICHEL. Mr. Speaker, while President Johnson is asking the American people to shell $2.9 billion more in tax dollars for foreign aid, we find that AID has been buying sea water to dispense as medicine to the long-suffering peasants in Vietnam. I call your attention to a story in the January 31 Baltimore Sun by Helen Delich Bentley which reports that AID financed importation from Puerto Rico of a product labeled "l'eau de mer" and another called "bioceane" which the accompanying brochure guaranteed as pure ocean water "drawn from the sandy bottom of the sea at 10 meters in calm weather."

AID stopped financing the purchase directly in 1966. However, the South Vietnamese Government has continued the practice, paying for it out of the $350 million foreign exchange surplus which our foreign aid dollars have built up.

This sea water was claimed to help victims of arthritis, eczema, palsy, cancer, diabetes, leukemia, multiple sclerosis, anemia, baldness, myasthenia gravis, poor digestion, and lack of virility. While any such "cure" would be drummed out of business in the United States, our own AID department has been buying and dispensing it to the South Vietnamese.

The story points out that La Thanh Nghe, a former Cabinet member who imported the sea water, is accused of taking $900,000 in kickbacks from American drug firms on commodities financed by AID.

How long must the American public pay for activities of this kind by AID? The Johnson administration's credibility gap is now as deep as the ocean.

UNITED STATES, VIETNAM FINANCED SEAWATER TO CURE ILLS

(By Helen Delich Bentley)

WASHINGTON, January 30.—Ocean water—clearly labeled *bioceane* and *l'eau de mer*—has been financed both by the United States and Vietnam Governments for shipment from Puerto Rico to Vietnam as a medical cure for many ailments among Vietnamese peasants.

In 1966, shipments of the "medical panacea"—said to help victims of arthritis, eczema, palsy, cancer, diabetes, leukemia, multiple sclerosis, anemia, myasthenia gravis, gray hair, baldness, lack of virility and digestion, among other ailments—were financed directly by the United States Agency for International Development.

FINANCING CONTINUED

Even though AID, in November, 1966, canceled a license for shipment because the supplier involved had been eliminated from its accepted list, the Government of Vietnam continued to finance the importation of the seawater from the same supplier.

As recently as last September, the Vietnamese Government is known to have licensed a shipment from United Pharmacal Labs, Inc., of Mayaguez, Puerto Rico, the leading producer of bioceane in the Western Hemisphere in recent years.

HIGHLY SUSPECT

AID's cancellation of the United Pharmacal license was not because the product involved was nothing more than seawater—as its advertisements proclaim—but because the firm had been placed on the questionable or highly suspect list.

United Pharmacal is said to be one of the numerous firms (said to total at least 19) run by Clement Gubbay, an Italian who is a British citizen and who has successfully to date managed to evade being called before the Senate Permanent Investigations subcommittee. The subcommittee is scheduled to hold a brief hearing tomorrow on more of Gubbay's activities, including *bioceane*.

Last year, the subcommittee declared that excessive markups on drugs handled by only two of Gubbay's firms amounted to $1,600,000 for fiscal 1966.

SWITCHING ORDERS

He then was accused of switching orders and bids among his complex of companies in New York, Puerto Rico, France, Italy, Lebanon, Brazil and Vietnam, building in cost upon cost at the expense of the United States. The goods were transferred on paper from one company to another before reaching Vietnam with each company taking a substantial profit—again on paper.

Gubbay has refused, thus far, to appear before the subcommittee and is not expected to be there tomorrow.

An importer of *bioceane* was La Thanh Nghe, a member of the Cabinet, Nguyen Cao Ky, former Premier of South Vietnam. At the hearing last year, Nghe was said to have collected nearly $900,000 in "kickbacks" and illegal commissions from American drug companies on commodities financed by AID.

TYPICAL EXAMPLE

A typical example of how the Vietnamese government stepped in when AID finally stopped paying for the importation of seawater—the commodity and its ocean transportation—concerned a shipment of 3,640 boxes of *bioceane* to be sent from Puerto Rico to Vietnam.

On May 14, 1966, AID approved the license, but canceled it in November because the supplier had been suspended. However, on March 8, 1967, that shipment of *bioceane* was transported from San Juan, Puerto Rico, arriving in Vietnam in May, with the Government of Vietnam issuing a license four months later on September 23, 1967.

This means that the Gubbay complex and other importers were proceeding to bring questionable commodities into Vietnam at the height of the shipping and port crisis in Saigon and elsewhere in Vietnam, and then later persuading someone in the Government to provide the license for it to be transferred from the port area for distribtuion in the city.

UNITED STATES STILL PAYS

Even though the Vietnamese Government takes over the financing of a commodity such as *bioceane*, the United States is said to be paying for it indirectly—actually, almost directly.

In Vietnam, the United States buys piasters at a rate of 80 for $1 to purchase various supplies there, and to pay the Vietnamese troops and employees in various Government agencies.

These piaster purchases by the United States have built up the foreign exchange of Vietnam to at least $350,000,000, placing it in one of the best financial positions ever and one of the best of any Asian nation.

OTHER RATES

However, the black market rate for piasters is 145 for $1 and the regular rate is 118 for $1. This means that the United States is providing extra funds for the Vietnamese Government.

Therefore, any dollars put out by the Vietnamese Government for licenses on commodities imported into the country actually come from the United States at a premium.

One publication issued promoting *bioceane* states that it is available in ampules of 10 millimeters, is 100 per cent ocean water drawn from the sandy bottom of the open sea at 10 meters in calm weather, the optimum conditions for obtaining pure water. Before being placed in ampules the water undergoes a sterilizing bateriological filtration process.

The "pH" factor to express both acidity and alkalinity of ocean water is subject to seasonal variations, depending upon atmospheric pressure and the density of carbonic acid in the air, and usually ranges from 7 to 8.5. However, the "pH" of *bioceane* usually is stabilized at 5.6, so that the ionic concentration always remains constant, permitting painless injection without inducing any severe reactions.

ADMINISTERED BY INJECTION

Administered by means of subcutaneous or intravenous injection, *bioceane* also may be taken orally or by aerosol. Normal dosage is supposed to be from one to four ampules daily, according to advice from the consulting physician.

Signs of sickness which should indicate to a person that he needs *bioceane* would be:

Infants—Athrepsy (gradual deterioration of body tissues through malnutrition); anorexia (lose of appetite); gastroenteritis; eczema.

Adults—Nutritional and digestive troubles; vomiting during pregnancy; presence of escherichia coli (normal inhabitants of human and animal intestinal tracts) in the urine; psychastaenia (a nervous state characterized by an urge to think, feel, or do something which the patient himself recognizes to be senseless, silly or irrational).

The two-page promotion piece also recommends *bioceane* for hives, psoriasis, fungus, allergic dermatosis, coryza and rhinitis.

Because of the 49 dissolved elements present in ocean water, it states that ocean water can be compared with a "full-blooded" serum.

Announcing Hearings on S. 3: Judicial Review of Constitutionality of Federal Education Grants

HON. EDWIN E. WILLIS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. WILLIS. Mr. Speaker, as chairman of Subcommittee No. 3 of the Committee on the Judiciary I wish to announce that the subcommittee will hold public hearings on S. 3, and its House counterpart, H.R. 1198, to provide effective procedures for the enforcement of the establishment and free exercise clauses of the first amendment to the Constitution.

The hearings will commence on Wednesday, March 6, at 10 a.m., in room 2141, Rayburn House Office Building. Additional hearing dates will be determined later.

This legislation would provide judicial review of the constitutionality under the first amendment of grants and loans to educational institutions pursuant to any of nine specified acts of Congress. It would do this by according for all individual and corporate Federal income taxpayers, all citizens and corporations of the United States, and certain educational institutions standing to sue in the

District Court of the District of Columbia for a declaratory judgment determining the constitutionality under the first amendment of any grant or loan approved pursuant to any of these acts.

Persons wishing to present testimony or submit prepared statements should communicate with counsel to the subcommittee, Mr. Herbert Fuchs, room 2137, Rayburn House Office Building.

Brotherhood Week

HON. GEORGE M. RHODES

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. RHODES of Pennsylvania. Mr. Speaker, our Nation owes a debt of gratitude to those who unselfishly give their time and energy to promote good human relations, understanding and good will. Foremost amongst those engaged in this important work is Mr. Sterling W. Brown, president of the National Conference of Christians and Jews.

I would like to share with my colleagues a letter I received from Mr. Brown concerning the relevance of Brotherhood Week which this year begins on February 18.

The letter follows:

JANUARY 9, 1968.

Congressman GEORGE M. RHODES,
Rayburn Office Building,
Washington, D.C.

DEAR CONGRESSMAN RHODES: The year 1968 marks the fortieth anniversary of the founding of the National Conference of Christians and Jews. In its two score years we believe that this organization has been a potent educational force on the American scene.

As we approach Brotherhood Week, which will be observed February 18 through 25, it is interesting to reflect that the high ideals embodied in the concept of the Brotherhood of Man under the Fatherhood of God have as much relevance today as in 1928.

In 1928, when far-sighted Americans of various faiths joined hands and hearts to form the National Conference, they mandated the organization to focus attention on the problems of discrimination and prejudice that blight our pluralistic society.

This, we believe, we have done and are continuing to do. We believe that the educational efforts of the National Conference have contributed to the awareness that Americans have of the disastrous consequences we face by allowing bigotry and prejudice to poison our social structures.

This is not to say that in 1968 we may pause to rest. We dare not.

Most recently interracial tensions have reached crisis proportions. As I stated in my annual report, which is enclosed, anti-Negro bias, the pernicious doctrine of white superiority, finally wrecked the patience and the hopes of American Negroes.

The National Conference, in forty years of experience, is convinced that the most basic long-range solution continues to be an educational one.

We have chosen "equal opportunity for all" as the theme for our fortieth anniversary year because it not only epitomizes the task facing us as a nation, but it states neatly the direction of much of our educational programming.

Human relations workshops, conferences and institutes sponsored by the National Conference through headquarters in New York City, 75 regional offices and 200 chapters reach many thousands of persons directly and millions indirectly each year.

One of our major programs is directed toward youth. Children from affluent suburbia and rural and urban slums meet and learn together. Parents and teachers likewise participate. The National Conference has taken a leadership role in preparation for the 1970 White House Conference on the Effects of Discrimination on Youth.

The National Conference has pioneered in the sensitive area of police-community relations. Several national institutes and many regional ones have brought together police administrators, patrolmen, community leaders, government officials and ghetto spokesmen. Such conferences under National Conference auspices began in 1955.

The problem of merit employment, ranging from hiring policies to promotion practices, also occupies National Conference attention. As in all its programs, the National Conference seeks the cooperation of other organizations and agencies to multiply the effectiveness of its efforts.

Promotion of understanding among the faiths in America has been a central focus of National Conference programming since its inception. Dialogue in a spirit of friendly confrontation dispels misunderstanding and recrimination.

I do not think it necessary to itemize for you, how greatly the problems vexing our society differ from those of two generations ago. The National Conference is very much aware of such changes. Yet it is remarkable how much of the vision of yesterday remains valid today.

Equal opportunity for all, regardless of race, creed, color or national origin, is more than a cliche. It is a promise that has changed the face of our society, and continues to do so.

Sincerely,

STERLING W. BROWN.

Support for Proposed Veterans' Legislation

HON. WILLIAM H. AYRES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. AYRES. Mr. Speaker, I want to express support of the proposed veterans' legislation suggested on January 30 by the President.

Two of the proposals will correct flaws in existing benefits and more nearly establish equity between the benefits offered Vietnam era veterans and those offered World War II veterans.

One of these is the proposal to raise GI home loan guarantee from $7,500 to $10,000. For many years the $7,500 limit was sufficient. Building costs have increased and homes on the market today are often far beyond the reach of the $7,500 guarantee. Raising the guarantee to $10,000 will permit the returning veteran to obtain an adequate home.

A second item which deserves prompt consideration is a change in the vocational rehabilitation program. Presently, a disabled veteran must enroll full time to receive this benefit. The proposed change would permit him to work part-time while training for a better job. This change is most certainly in the interest of promoting self-help and is a matter of equity, as we all recognize. Clearly, the disabled should be able to keep his job while he prepares for a better one through vocational training.

Because these proposals are moderate, fair, and in the form of needed refinements to broader programs established earlier in a bipartisan manner by the Congress, I will give them my earnest support.

All of America stands behind her fighting men and it is essential that this country always expresses its deep gratitude in constructive and beneficial ways to the brave men risking their lives in the cause of freedom.

Poff Calls Recent Court Decision Mandate for Congressional Action on Eavesdropping

HON. GERALD R. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. GERALD R. FORD. Mr. Speaker, our Republican task force on crime is deeply concerned with the problems involved in electronic eavesdropping.

Under leave to extend my remarks, I include a January 16 press statement of the task force, entitled "POFF Calls Recent Court Decision Mandate for Congressional Action on Eavesdropping":

POFF CALLS RECENT COURT DECISION "MANDATE" FOR CONGRESSIONAL ACTION ON EAVESDROPPING

Rep. Richard H. Poff (R.-Va.), Chairman of the House Republican Task Force on Crime today told his colleagues that a Supreme Court decision handed down during the recess was a "mandate for Congressional action" in the area of electronic eavesdropping.

In a speech on the House floor, Poff called attention to the case of *Katz* v. *United States* decided on December 18. In that case the Court struck down the conviction of a west coast bookmaker because government agents who were investigating him did not obtain a search warrant before installing a listening device outside a telephone booth from which he was making gambling calls. At the time the investigation was being carried on, the Fourth Amendment had been thought not to prohibit the use of listening devices where no trespass or physical intrusion was involved in their installation.

Poff pointed out, first, that the *Katz* opinion, because of its handling of the warrant issue, "lays to rest for all time Constitutional doubts concerning Court ordered and Court supervised electronic surveillance." He further observed that now "it is beyond dispute that a warrant system precisely as is created in the McCulloch-Ford bill," of which he and the entire Crime Task Force are cosponsors, "will survive any tests" along Constitutional lines.

"At the same time, however," he continued, "*Katz* cuts in another direction." "Whether rightly or wrongly," Poff explained, "the Court has extended the reach of the Fourth Amendment far beyond the pale of anything previously held." "As of this date, *Katz* represents yet another restriction on legitimate law enforcement."

Poff noted that he was "not displeased" with the *Katz* decision as long as "it is recognized for what it is." He welcomed it as a mandate for legislation but, he said, "if Congress does not respond to the mandate, then law enforcement will suffer, again," and more important, he continued, "it will suffer at our hands, not those of the Court."

"The ball has been thrown to us," he concluded, "we cannot drop it."

Labor Threatened by Federal Bureaucrats

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. RARICK. Mr. Speaker, this morning a Louisiana city of some 20,000 citizens will suffer severe economic losses because of a labor strike precipitated by the forces of the U.S. Government.

The grievance sparking the walk-out is the attempt of the Office of Federal Contracts Compliance, a bureaucratic office of the U.S. Department of Labor, to coerce the union and employer to accept a labor contract which refuses to recognize job seniority.

In reality, the Washington bureaucracy is seeking to outlaw labor unions, collective bargaining and job security. For this is a test case and obviously if successful, we can expect the voiding of labor agreements nationwide.

The weapon sought to be used by the OFCC—cancellation of all Government contracts if the old labor contract is not thrown out and the Government agreement accepted by both sides. In other words, economic blackmail using taxpayers' dollars.

The members of the union have reluctantly agreed to all substitute provisions except that deleting seniority. For the men know without seniority they have no job security—without job security, or their freedom to bargain collectively, their union becomes but a dues paying social club. See my remarks, CONGRESSIONAL RECORD, volume 113, part 8, page 10430.

Time was when labor and management solved their own grievances. But now they find a new face and dictatorial hand in their negotiations—the interference of a strange monster financed by taxpayers—uncompromising and not interested in the rights of organized labor or individual workers.

Strange behavior for this outfit to be so intent on disrupting our citizenry, and apparently with the complete cooperation of the U.S. Department of Justice. While they cannot find a law to shut up Stokely Carmichael and his fellow-traveling soul brothers, or prosecute flag burners and disloyal insurrectionists, they can by stronghand—without law, reason, or precedent—to destroy organized labor and turn a peaceful community inside out.

We can only conclude that the U.S. Department of Labor and its front, the Office of Federal Contracts Compliance, has now joined with the "anti" forces of Stokely Carmichael in concerted effort to destroy or curtail the forces which have been instrumental in raising the living standards of the U.S. workingman and making this the strongest country in the world. At least they are all moving in the same direction.

Nationwide the membership of organized labor had best awaken to the obvious attempt to nationalize all labor—for next may come wage control, membership requirements, and full federalization of labor. You have not read about this because the publicity has been restricted as if censored—the hands of destruction work best in silence and the dark.

I include a letter to the editor of the Bogalusa Daily News following my comments:

BOGALUSA, LA.

EDITOR, DAILY NEWS:

According to various reports relative to the "A" plus "B" seniority system which Crown Zellerbach Corp. is going to institute at their Bogalusa plant as of Feb. 1, 1968, the Office of Federal Contract Compliance, an agency of the U.S. Department of Labor, is primarily responsible for Crown Zellerbach Corp. having to institute such a system.

Two factors involved in this matter that every citizen of Bogalusa, as well as every other American citizen, should be concerned with are (1) Dictatorship and (2) Unionism, the backbone of the entire labor force in the United States.

Dictatorship is born and thrives in countries emphasizing centralized government, and at no time during the existence of our country has centralized control by our Federal government been more apparent than at the present.

"Blackmail", is one weapon which prevails in any dictatorship, and under the existing laws of our country "blackmail" is illegal, due to the fact that the Supreme Court of the United States, which is composed of nine men who are appointed by the President of the United States to serve until death, usually determines in this Great Society of ours and our so-called democracy which laws are just and right, as well as constitutional and unconstitutional, and as of this day I do not believe they have ruled that "blackmail" is legal. Therefore, it would appear to me that the Federal government is blackmailing Crown Zellerbach Corp. through the medium of the almighty dollar, and that one day every citizen in all walks of life will have to forget the value of the dollar and stand up and be counted in order to survive.

Unionism, which is the crutch of our labor force, is definitely to be affected, and if the Federal government is successful in their attempt to institute this "A" and "B" seniority system in Crown's plant in Bogalusa a precedent will be established and every union of any nature whatsoever in these United States will be affected. This matter is just another step forward by the Federal government to remove and eliminate any and all individual rights of every state, every city, every town, every village, every business, every organization, and every citizen of this "Great Society" of ours.

The Director of OFCC or this particular agency is not nessarily to blame, since President Lyndon B. Johnson and the rest of his administration is condoning this action by simply doing nothing. Apparently, they must think it is some type of big joke of no serious consequences; however, whenever the matter is as grave as strangling the lives of some 20,000 citizens it is certainly a far cry from being a joke. As a citizen of Bogalusa, even though I am not directly on the payroll of Crown Zellerbach Corp., I have as much at stake as the next person and depend on Crown Zellerbach Corp. to generate enough income locally through salaries of their employees in order that the economy of our wonderful community can remain stable and actually exist.

I appeal to each and every one involved, referring to Crown Zellerbach Corp. and their employees in Bogalusa, to do whatever is humanly possible to resolve this matter for the sake of our community and I demand from the Federal government, for whatever it may be worth, to stop creating additional problems and solve some of their present ones, such as Vietnam, the tight money market, inflation, Cuba, deficit spending, the national debt, rising taxes, poverty, De Gaulle, devaluation of the dollar, demonstrations, rising crime, bankrupt social security program, slums, medicare, staying ahead of Russia, squashing Jim Garrison's attempt to uncover the true facts in the Kennedy assassination and school integration to name a few.

KENNETH H. RIDGDELL.

Postmaster Appointments

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. NIX. Mr. Speaker, postmasterships and politics are always a prime topic of conversation. Unfortunately, the discussion of this matter often produces more heat than light. Some needed and very welcome facts were forthcoming in an announcement made today by the Post Office Department. Postmaster General O'Brien reported that an increasing number of postmasters are being drawn from the ranks of the career postal service.

This is a noteworthy trend and I commend the Postmaster General and the administration for recognizing the ability inherent in our career postal service by substantially increasing the percentage of postmasterships held by career employees. I include the Post Office's announcement about postmaster appointments at this point in the RECORD:

Career employees are being promoted to postmasterships in increasingly larger numbers, with 42.6 per cent of all postmaster confirmations in 1967 going to this group, Postmaster General Lawrence F. O'Brien reported today.

In 1967, there were 1,515 confirmations with 42.6 per cent of the top post office jobs given to careerists; in 1966, there were 1,395, with 38.3 per cent going to careerists, he noted.

Moreover, Mr. O'Brien said, there has been a general five-year increase. For 1965, the respective totals were 1,288 and 33.5 per cent; for 1964, 1,092 and 32.4 per cent, and for 1963, 1,699 and 30.6 per cent.

Career employees may be selected for nomination to the Senate by the President if they qualify under Civil Service standards for the particular position they are seeking.

In most instances, the careerists who won nomination and confirmation did so noncompetitively, as permitted by Civil Service rules. In remaining instances, they won out in open competitive examinations.

The Senate confirmations represent postmasterships in the first, second and third-class offices, known as "Presidential offices," since they require nomination by the President.

Postmasters in the very small fourth-class post offices are appointed under Civil Service standards by the Postmaster General.

Under a policy emphasizing full opportunities for career advancement, the Department has recently filled some of its top postmasterships with people who have risen through the ranks, Mr. O'Brien said.

The nation's two largest post offices, for example, have postmasters appointed in recent years from career ranks. They include New York City, headed by Postmaster John

Strachan, formerly a careerist on the administrative staff of the Department's New York Region, and Chicago, headed by Postmaster Henry W. McGee, a former career regional official at Chicago.

Mr. Strachan entered the Postal Service March 17, 1941, and was confirmed as postmaster June 23, 1967; Mr. McGee entered the service June 18, 1929, and was confirmed as postmaster on October 17, 1966.

Other notable examples of careerist advancing to major postmasterships in recent years include: Warren M. Bloomberg, Baltimore, Maryland; Walter J. Hogan, Minneapolis, Minnesota; Frank J. Viola, Bronx, New York; and Hon Chung Chee, Honolulu, Hawaii.

The large number of confirmations each year reflects normal turnover among a staff of about 32,000 postmasters due to retirements, resignations and deaths.

President's Message on Veterans

HON. JAMES KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. KEE. Mr. Speaker, the record of this administration in the field of veterans' affairs has been so spectacular as to merit the word "revolutionary." For years, the American veterans had been treated as the proverbial stepchild after the fighting had ceased. What was left over—if anything—was awarded with benevolent phrases.

We realized a new commitment to our veterans following World War II and we likewise accepted our responsibility after the Korean conflict. But perhaps the greatest recognition to those who have served came last year, following President Johnson's message on veterans benefits. Again, this year, we have received another momentous message from the White House encompassing a broad program designed to aid the veteran and the Nation as a whole.

I am grateful for the leadership the President has shown in providing recommendations, well thought out and long range in scope, which have made a better America by providing equitable veterans benefits.

The President's proposed Veterans in the Public Service Act of 1968 is an excellent program for the veteran who wishes to teach in deprived areas. Under this program, the veteran will draw $50 per month additional benefits for every month he agrees to teach, up to 3 years of such extra benefits, while he is getting the schooling to qualify him for a teaching position. While he is on the job teaching, he will receive a special training allowance, in addition to his regular salary—$80 per month for the first school year and $60 per month for the second year. If he desires to pursue a graduate degree while teaching, he can by continuing to teach beyond the second year, earn additional GI bill educational benefits.

I wholeheartedly agree with this proposal, and other outstanding proposals such as the abolition of waiting lists in VA hospitals, the expansion of counseling and aid to men still in service.

These are just a few of the important proposals and I know the veterans of this country will feel for the first time that they have indeed received the recognition that was promised them for their service.

With several million men under arms at this time and the gravity of the world situation, the focus of our attention will be centered on the men currently engaged in our present conflict. However, by enacting this legislation, we can assure these men, along with all other veterans, that America will keep its pledges to those who serve.

Robert Wood Johnson, Industrialist, Philanthropist, Civic Leader, the Late Chairman of the Johnson & Johnson Corp., New Brunswick, N.J., Dead at 74

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. PATTEN. Mr. Speaker, a great, distinguished citizen and leader of Middlesex County, the State of New Jersey, and these United States, passed away recently at the age of 74, the Honorable Robert Wood Johnson. He was the son of the founder of the Johnson & Johnson Corp. with the central headquarters located in New Brunswick N.J. One of the leading newspapers in my district, the Home News, of New Brunswick, N.J., has compiled a very extensive and informative news account of Mr. Johnson. I would like to call this news account to the attention of the distinguished Members of Congress and the people of this Nation. Corporate enterprise can learn much by reviewing and adopting some of the principles and policies which he advocated and thus came about during his tenure.

ROBERT WOOD JOHNSON DEAD AT 74

The General is dead.

Robert Wood Johnson, one of the Raritan Valley area's most eminent citizens and an industrialist, conservationist and civic leader of world renown, died last night in Roosevelt Hospital, New York, after a short illness.

He was 74 years of age.

The son of the founder of Johnson & Johnson, General Johnson devoted his life to public service and to building the family-owned firm into a major international corporation.

He was the chief executive officer of the firm during the period of its most dynamic growth from 1932 until 1963 when he resigned as chairman of the board.

He continued active participation in the affairs of the company as a director and chairman of the Finance Committee.

General Johnson is survived by his wife, the former Evelyne Vernon of Rosedale Road, Princeton; one son, Robert Wood Johnson, Jr. of Princeton; one daughter, Miss Sheila Johnson of New York City; one brother, J. Seward Johnson of Oldwick; one sister, Princess Alexis Zalstem-Zalessky of New Milford, Conn., and Palm Beach, Fla.; and five grandchildren.

DISTINGUISHED CAREER

During a distinguished career in public service, General Johnson made important contributions in the fields of hospital administration, highway development and integrated mass transportation, water supply and water pollution. He also was involved in numerous civic and philanthropic activities.

General Johnson was a pioneer in the movement to build attractive factories and received national and international recognition for his contributions to the theory of modern business management and the philosophy of the social responsibilities of business.

He was commissioned a brigadier general during World War II and served under appointment by President Franklin D. Roosevelt as vice chairman of the War Production Board and chairman of the Smaller War Plants Corp.

General Johnson entered the family firm in 1910 as a mill hand at the age of 17. He became vice president and general manager in 1930 and was elected president two years later. At the time, the company manufactured almost all its products in New Brunswick, served a largely domestic market and had annual sales of about $11 million.

He became chairman of the board in 1938. Under his leadership, the company diversified its interests into pharmaceuticals, feminine hygiene products, textile manufacturing, pressure-sensitive industrial tapes and other medical and industrial fields.

Johnson & Johnson rapidly grew into the world's largest manufacturer of surgical dressings, baby and medical products. In 1967, the company operated 90 plants on six continents, sold its products in 120 nations, and had annual sales over $700 million.

EXPANDED OVERSEAS

The groundwork for international expansion was established in 1923 when General Johnson and his brother, Seward, toured the British Empire and other parts of the globe to look for new markets. One year later their observations led to the formation of the first overseas affiliate, Johnson & Johnson (Gt. Britain) Ltd.

General Johnson was born in New Brunswick in 1893. He received his formal education at Rutgers Preparatory School, Lawrenceville School and from private tutors. He held honorary degrees from Rutgers University, Rockhurst College, The Philadelphia College of Pharmacy and Science, Northwestern University and the University of Dallas.

General Johnson was elected to the Highland Park Borough Council in 1918 and served as mayor from 1920 to 1922. He continued his interest in politics and worked closely with the political leadership in the state.

He was instrumental in forming the New Jersey Conference for the Promotion of Better Government in 1952, an organization whose objective was to secure worthy candidates for public office.

Following World War II, General Johnson received the unusual distinction of being offered the nomination for U.S. Senator from both political parties. He declined both offers.

General Johnson's military career began in 1926 when he was appointed a captain in the Medical Corps. He attended the War College in Washington, D.C., and served in a civilian capacity as New Jersey Rationing Administrator early in World War II.

ORDNANCE COLONEL

He later became a colonel in the Ordnance Department and was assigned as chief of the New York Ordnance District.

General Johnson was a vigorous exponent of his ideas on business management and broad social and economic questions. As an author and public speaker he earned an international reputation as a sound thinker whose ideas were years ahead of the times.

He published three books and wrote a number of magazine articles dealing with major problems confronting industry—its patterns of growth, relations with government, responsibilities to the community and to employes and improvements in labor-management relations.

His books include "But, General Johnson," Princeton University Press, 1944; "Or Forfeit Freedom," Doubleday & Co., 1947, selected by the American Political Science Association as the 1948 book of the year and winner of the Franklin D. Roosevelt Memorial Foundation Award; "Robert Johnson Talks It Over," privately published, 1949. He also was a co-author of "Human Relations in Modern Business," Prentice-Hall Inc., 1950.

During a period when the trend in American business was leaning in the direction of a centralized, concentrated management, General Johnson was strongly advocating decentralization to avoid concentrating executive power and responsibility in a large, unwieldy organization.

He wrote in an article for the Saturday Evening Post in 1946: "Industrially, we in America for a long time have had a psychosis for big business, for putting everything under one roof. But even P. T. Barnum's tent got so big he had to have side shows.

FIT HUMAN BEINGS

In General Johnson's words, the organization of Johnson & Johnson was "worked out to fit human beings, so the people who manage our affairs could do the best possible work. . . . The idea of decentralization grew up when we found that one large factory cramped the style of the men and women who had to keep it going."

In practice, decentralization emphasized the importance of people, or "human engineering," a favorite topic of General Johnson. He said, "The value of splitting up huge centralized, concentrated operations is principally its restoration of human values, which were submerged when industry got the bug of putting all its operations under one roof."

Factory architecture was another topic which aroused the indignation and captured the imagination of General Johnson. In 1945, he told a reporter that he considered 85 per cent of all U.S. factories obsolete and that he'd like to see them razed if their managements did not modernize them. "A disorderly plant is a symptom of confused management," he added.

Following General Johnson's pioneering influence, Johnson & Johnson built factories throughout the world which received significant awards for their appearance.

The Ethicon, Inc., plant in Bridgewater was recognized as one of the five most beautiful buildings in the country in 1956. The companys' Eastern Surgical Dressings Plant in North Brunswick and the Personal Products Co. plant in Wilmington, Ill., were awarded Factory Magazine's "Top 10 Plants of the Year" citation in 1958 and 1962, respectively.

General Johnson contended that factories can be beautiful, simple and easy to maintain. He said: "We build not only structures in which men and women of the future will work, but also the pattern of society in which they will work. We are building not only frameworks of stone and steel, but frameworks of ideas and ideals."

In the late 1940's, General Johnson was the chief architect of a special report, "Human Relations in Modern Business," in which 50 leading industrial, religious and educational leaders in America recorded their views. Harvard Business Review called the study a "Magna Carta for management and worker."

The spirit of General Johnson's participation in public service activities was communicated throughout the entire Johnson & Johnson organization. In 1965 Time magazine wrote, "Johnson & Johnson, No. 1 maker of bandages and surgical dressings, has started a non-partisan, political education program that has prompted 80 employes to hold political offices where the company has plants."

This political and public affairs program served as a prototype for similar programs adopted by industries throughout the nation.

General Johnson was a prominent leader in highway development and transportation, water supply and water pollution as well as numerous civic projects.

Throughout his lifetime, he contributed large sums of money to charitable causes—many of them in the field of medicine. He considered philanthropy a very private matter and steadfastly refused to make public announcements of his contributions, many of them made through the Robert Wood Johnson Foundation.

His early recognition of the inevitable problem of overcrowded highways was instrumental in leading to the creation of the New Jersey Turnpike Authority in 1949. This modern system of toll roads led in turn to the development of the Garden State Authority. Both served as models for similar systems throughout the United States.

General Johnson also was an early advocate of integrated mass transportation systems. He saw his ideas adopted in new departments of transportation established with these concepts on both the state and federal level.

General Johnson also showed farsighted concern for preserving and maintaining the water supply of New Jersey. He led the movement to build a $33 million trunk sewer system and central treatment plant, completed in 1958, to clean up pollution in the Raritan River.

WATER RESOURCES

He also was a strong advocate of the full development of the water resources of the Delaware River Basin, a movement which led to the establishment of the four-state Delaware River Basin Commission in 1961.

Another example of his foresight in matters of public concern occurred in the early 1930's when he conducted a successful campaign to keep the Delaware and Raritan Canal from being filled in. He argued that it should be maintained as a valuable source of potable water.

Among his many honors and awards, General Johnson was the first layman to receive an Honorary Fellowship from the American Academy of Surgeons and the first American to become a member of the Court of Patrons of the Royal College of Surgeons of England.

He was an honorary fellow of the American College of Hospital Administrators and a life Governor of the Imperial Cancer Research Fund in England.

He received the annual Brotherhood Award from the National Conference of Christians and Jews in 1958 and the "People to People Inc." Award in London, England, in 1957 for extraordinary pioneering contributions to the development of understanding and friendship for people on every continent.

General Johnson received the "Gold Medal of Merit" from the Veterans of Foreign Wars for aviation safety and free enterprise in 1959, and the American Legion "40 and 8 Award" for aiding the mentally retarded in 1960.

He also received the Distinguished Service Award from the Arthritis and Rheumatism Foundation in 1964 and the "Executive of the Year" Award from the American College of Hospital Administrators in 1965.

RECEIVED AWARDS

His other awards include the Human Relations Award from the Society for the Advancement of Management in 1950 for his guiding role in the report, "Human Relations in Modern Business" and the Public Interest Award from the Public Relations Society of America in 1949.

Also, the Charles Coolidge Parlin Memorial Award in 1953, the "Industrialist of the Year" Award for North America in 1959 from the Society of Industrial Realtors, the George Washington Award in 1965 from the American Hungarian Studies Foundation and the Freedom Foundation Award in 1950.

A former airplane pilot, he was Master of Hounds of the Stony Brook Hunt Club of Princeton. His interest in aviation dated back many years and he had the distinction of holding the first private license for autogyros, forerunner to the helicopter.

For many years, General Johnson was an outstanding yachtsman. He was awarded the Gold Medal by the International Oceanographic Foundation in 1964 "in recognition of his contributions to advancing knowledge of the sea, both through his pioneering efforts in developing new boats and sailing methods and for the support of oceanographic research."

His interests were reflected in his many clubs and affiliations. He was a patron of the American Museum of Natural History and a Mason. His memberships included the American Legion, the Army Ordnance Association, the New York Yacht Club, the Cruising Club of America, the Surf Club of Miami Beach, the Bath and Tennis Club of Palm Beach and the Indian Creek Country Club of Surfside, Fla.

Johnson & Johnson Credo

(Note.—Gen. Robert Wood Johnson wrote the following "Credo" for the officials and employes of the Johnson & Johnson family of companies.)

We believe that our First Responsibility is to the doctors, nurses, hospitals, mothers, and all others who use our products. Our products must always be of the highest quality. We must constantly strive to reduce the cost of these products. Our orders must be promptly and accurately filled. Our dealers must make a fair profit.

Our Second Responsibility is to those who work with us—the men and women in our plants and offices. They must have a sense of security in their jobs. Wages must be fair and adequate, management just, hours reasonable, and working conditions clean and orderly. Employees should have an organized system for suggestions and complaints. Supervisors and department heads must be qualified and fair minded. There must be opportunity for advancement—for those qualified, and each person must be considered an individual standing on his own dignity and merit.

Our Third Responsibility is to our management. Our executives must be persons of talent, education, exeperience and ability. They must be persons of common sense and full understanding.

Our Fourth Responsibility is to the communities in which we live. We must be a good citizen—support good works and charity and bear our fair share of taxes. We must maintain in good order the property we are privileged to use. We must participate in promotion of civic improvement, health, education and good government, and acquaint the community with our activities.

Our Fifth and Last Responsibility is to our stockholders. Business must make a sound profit. Reserves must be created, research must be carried on, adventurous programs developed, and mistakes paid for. Adverse times must be provided for, adequate taxes paid, new machines purchased, new plants built, new products launched, and new sales plans developed. We must experiment with new ideas. When these things have been done the stockholder should receive a fair return. We are determined, with the help of God's grace, to fulfill these obligations to the best of our ability.

A Teacher of Politics

"I know politics," Robert Wood Johnson once told an interviewer. . . . "I'm a student of politics."

It was an interest he maintained throughout his life and long before his death the "student" became the "teacher."

It was Johnson who first articulated the need for industry and major corporations to participate actively in public service, through government.

It was a sense of responsibility he gave shape to early in his life and is perhaps most graphically illustrated by the famous "garbage incident" back in 1920 when he was the youngest mayor ever elected in Highland Park.

Then, while presiding one night at a formal dinner party in his home, he received a call from an irate resident who complained her garbage had not been picked up.

Undaunted, Johnson put down his martini and, still in evening dress, drove in his station wagon to the woman's house, picked up her garbage and disposed of it in the borough dump.

Though a Republican, Johnson really could not be typed by any political label.

He was the only man in the state of New Jersey ever to be offered the senatorial nomination of both political parties.

He saw political parties and political ideologies as the most effective vehicles in contributing to the public welfare, and resented any restrictions they put on action.

He was the first man in the state to forsee the need for the New Jersey Turnpike and one of the principals responsible for its construction.

In the heyday of Franklin Delano Roosevelt's "New Deal" administration, it was Johnson who appeared before Congress to plead for a 75-cent-an-hour minimum wage, because he thought the 65-cent-an-hour minimum sought by the administration was "too low."

Yet he was quick to turn his scorn on government when he felt it was becoming too regulatory.

"Government," he once wrote, "is the scourge of the world. Whatever government touches, it is crippled or destroyed in the vast majority of cases."

In 1948, he praised the administration of then New Jersey Gov. Alfred E. Driscoll, hailing the new constitution as "a major achievement."

But within the same month, he was writing to Harpers Magazine, denouncing universal military training and the draft and saying he favored a UN Defense Force. . . . "although it seems impossible."

Yet when he saw the need for coordinated attack on pollution and an organized program of conservation, he resorted to government to get the job done.

He was one of the prime movers behind the strengthening of the state's Department of Conservation and Economic Development.

Philip B. Hofmann, chairman of the Board of Directors of Johnson & Johnson said today:

"We announce with deepest regret and sorrow the death of Gen. Robert Wood Johnson.

"The world complex of Johnson & Johnson and affiliated companies are and will be his living and continuing monument. From one company in New Brunswick and one small subsidiary created by his father and uncle, General Johnson built the present complex of over 60 companies throughout the world.

"General Johnson was a creative and dynamic man. The management of Johnson & Johnson will continue in the future, as in the past, to the best of its ability to adhere to the same principles of management and policies established during the 57 years General Johnson was associated with Johnson & Johnson.

"In the hospital field we have always considered General Robert Wood Johnson as a most distinguished leader," Jack W. Owen, executive vice president of the New Jersey Hospital Association, wrote Mrs. Johnson.

"The officers, board of trustees and entire membership of the association join me in this expression of sorrow. . . . You and the whole health field have lost a great and good man."

COMMENT FROM SQUIBB

E. R. Beckwith Jr., president of E. R. Squibb and Sons, Inc., said:

"Squibb deeply mourns the loss, not only of an outstanding American, but of a friend, neighbor and leader of one of the most respected manufacturing and research organizations in the pharmaceutical world."

Another leader in both finance and pharmaceuticals, George Garfield of Highland Park and Princeton, hailed Johnson as "a man of unusual character who built up something that's a rarity and the envy of the business world . . . the name and the Red Cross symbol were known throughout the world."

Garfield also lauded Johnson's acumen and leadership in early diversification that ran from surgical sutures and feminine products to man-made fibers to the well-known surgical dressings line.

"We should have a Hall of Fame for great men in business and industry—and he should be one of its first members," Garfield concluded.

From the National Association of Chain Drug Stores, Washington D.C., Robert J. Bolger, executive vice president, expressed sadness over Johnson's death, commenting:

"Mr. Johnson in years past was very active in the affairs of our association, and his company today maintains the fine relationship he began."

Soldier Scores Antiwar "Trash"

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Dallas, Tex., Times Herald of January 29, 1968:

TEXANS AT WAR: SOLDIER SCORES ANTIWAR "TRASH"

GIs in Vietnam would "feel a lot better if they didn't have to listen to all that trash about anti-war demonstrations, picketing and this 'be kind to Vietnam stuff' " says a Texan at war.

Lawrence Edward Hawkins, who recently spent a short leave at his Lower Rio Grande Valley home, called news of anti-war demonstrations "the greatest demoralizer" to U.S. military personnel in Vietnam.

Hawkins' father is Edinburg Mayor Lloyd, Hawkins, a radio station executive, Hawkins had spent about seven months in Vietnam as a crew member of an LST assigned to furnish supplies to the troops in combat areas.

"We come from the Gulf, go up the river, and there is a landing on the beach where we unload food and ammunition," Hawkins said. Another job handled by the LST is to cut off the supply of food and ammunition to the Viet Cong.

"We do this by inspecting their sampans and checking to see that they are not carrying any food supplies and ammunition," he said.

The LST Hawkins is assigned to frequently comes under fire from the Viet Cong as they make their way to the landing place, he said.

The war in Vietnam is more than what the American people hear and read about, says Hawkins.

"Once a Marine patrol went out and seven American soldiers were killed. About a month later, I received a newspaper which carried the story on the incident and it said there had been three casualties," Hawkins said.

Hawkins, who attended Pan American College for a year after graduating in 1965 from Edinburg High School, said he was leaving the Valley for an assignment in Guam, but might possibly later return to Vietnam.

"I'll be glad when I complete my military service, but I would not mind returning to Vietnam," he said.

Washington, D.C., Asks Indianapolis Women for Help

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. BRAY. Mr. Speaker, the women of Washington, D.C., have turned to the women of Indianapolis, Ind., for advice and assistance in combating the frightful crime rate in our Nation's Capital.

The Indianapolis anticrime crusade, under the direction of Mrs. Margaret Moore, has become known nationwide for its work in mobilizing 50,000 women volunteers in the fight against crime. The following article from the Washington Post, February 1, 1968, tells the story:

FEAR TRIGGERS WOMEN'S CLUBS

(By Mary Wiegers)

Because they are afraid to go out at night, afraid of having their purse snatched during the day, and, because they are tired of fear, women's clubs of Washington met last night to plan an anti-crime crusade.

The dinner meeting at the National Lawyers' Club, attended by representatives of 19 D.C. women's organizations, was called by the D.C. State Federation of Business and Professional Women.

Margaret Hicks Williams, a BPW D.C. State Federation vice president who originated the crime crusade idea, led the meeting and suggested to the women that they pattern their approach on the successful women's crusade against crime initiated by Margaret Moore in Indianapolis.

Mrs. Moore, one of the speakers at the now infamous Jan. 19 Women Doers luncheon (interrupted by Eartha Kitt) at the White House, has agreed to come to Washington and help launch the crusade here.

Mrs. Williams explained that the Indianapolis crusade began when 30 indignant women got together to discuss crime after the murder of a 90-year-old woman psychologist by a boy who was trying to take her purse. Now more than 50,000 Indianapolis women volunteers are involved in the anticrime program.

"Four years later the total crime was down 2.2 per cent. Arrests were up, muggings and criminal assaults were down" and of 4000 school drop-outs 2000 are back in school because of the Indianapolis women, Mrs. Williams told the group.

She explained that the Indianapolis women got no Federal funds and would refuse grants if offered. "There is now no constitution, no budget, no general meetings, no membership list," Mrs. Williams said.

Instead the women took on such projects as:

Court Watching—3000 women sat in on 70,000 cases to check on the judges, the attorneys and the types of cases being heard.

Dark Streets—the women lobbied for 9000 new street lights and crime dropped 85 per cent in the once dark areas.

Inform Youth of the Law—they translated Indiana statutes into laymen's language so minors could understand them and distributed the booklet to schools.

Mrs. Williams told the D.C. women they need not copy the Indianapolis methods, but could use them for ideas.

Then she called for suggestions from the club representatives.

The women were hesitant at first, but finally personal experiences, accompanied by suggestions, began to flow.

Maurine Abernathy of the Women's Bar Association said, "I'm getting to the point where I don't drive my car, because I can't park safely when I come home at night.

She called for tighter laws on confessions and an end to "protecting the criminal."

Genevieve Valentine, representing the Century Club said, "We were horrified when one of our members—a Mrs. Mosby was murdered" and told how the women then got together to form PAAC—the Protective Action Against Crime group which tried to bridge the gap between the police and the community.

"One inspector told us the police could do more if we kept the NAACP out of it," she said. "So I think there is room for understanding on both sides."

The women agreed to set up a day workshop soon with Mrs. Moore and to compile material on all the areas they could look into.

A Democrat Digests the State of the Union Message

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. RARICK. Mr. Speaker, our hometown folks in the journalism field seldom get as much coverage as the big boys even though they show more commonsense and write columns also.

Mr. Ben Garris, a disabled veteran of World War II, and a Democrat, writes a regular column called Hooks and Shells. Usually ole Ben sticks to sports, but this week he blew up on politics.

I thought some of our colleagues would be interested in political savvy of the hometown folks, so I include Ben's column following my remarks:

HOOKS AND SHELLS

I suppose most of you heard President Johnson belabor the obvious last week in his state of the Union message to Congress. At least, you heard some of it until the whole thing became so boring you turned off the TV and put a record on the stereo.

That speech hit a new low in flatness. You could tell it, too, when the people didn't cheer but once like they really meant it, and that when the curbing of crime was mentioned. The rest of the time they were as enthusiastic as labor leaders at a businessmen's luncheon. LBJ wasn't even enthusiastic himself. Had a hangdog look to him, like a "hard shell" Baptist with a hangover. You know, feeling bad, but knowing he would do it again.

Generally, one of these state of the Union messages is full of goodies for everybody, and is full of ringing praise for the party that happens to be in the saddle. This time, Johnson sounded like he wanted to apologize for something, but either didn't get around to it or didn't know where to start.

First, we will take the crime thing. Now, everybody, except the criminal, is against crime. All of us know that the crime rate is exploding faster than the birth rate. Also, all of us know that it will have to be stopped soon or everybody will have to start wearing a 6-gun like the people in the old West.

What did L.B.J. have to offer? Nothing, really. He cried and moaned about the problem, but the best he had in the way of a solution was offering to pour a few bucks of Federal money into the police departments, which is considerably less than an acceptable solution. It is almost certain that with this Federal money would come little Federal men—at first, snooping and making "reports" to the U.S. Attorney General, and then, dictating to the local cops.

It is also typical that Johnson did not even mention one of the real reasons for this surge in criminal activity, which is the series of almost unbelievably naive and permissive decisions handed down by a Supreme Court packed with Kennedy, LBJ, and "Ike" liberals. (Give the police a little Federal money, but tie their hands with the Federal courts.)

Then, there was the ever-present thing about "negotiation" in Viet Nam. Again, the President paid homage to the liberal element in this land. Again, he "stands ready" to negotiate with anybody, anywhere, anytime. Apparently, this Administration learned little from the hard lessons of Korea. If you remember there, there was a hue and cry for "negotiated" peace. The pressure became great; and, sure enough, negotiations began. They went on for more than two years before a meaningful cease-fire, and are still going on today. Not only that, but more than 50 percent of all U.S. soldiers killed were killed after negotiations started. No one has ever done anything but lose when they sat down to talk with a Communist.

Johnson also mentioned his big program of house-building—at our expense. He did not mention the fact that the budget he is working on this year is the highest ever, but that he is not willing to cut his domestic spending program. Here is probably why he did not mention money:

The "regular" budget during Kennedy's last year in office was about 92-billion. Johnson's budget this year, six years later, is over 147-billion—a budget that is up 60 percent in just six years.

The "cash" budget, which gives a much truer picture of what the nation spends each year: 188-billion; 6 years ago, 113-billion—up a whopping 65 percent. Non-military spending (that includes those "sugarplum" programs that we are saddled with) is up by 48-billion, which is 75 percent up. Remember, now, you and I who hold jobs pay for all this. Do you think you are being represented correctly at the national level by the Democratic Party?

The President's Program for Veterans

HON. HERVEY G. MACHEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1968

Mr. MACHEN. Mr. Speaker, as President Johnson pointed out in his special message to Congress on veterans affairs, every American can take pride in what is being done for the veteran, and what progress has been made in meeting the needs of our servicemen. But these needs are changing so the President's latest request and action are designed "to continue and bring up to date our efforts to help the veteran and his family."

I further believe some of the proposals will help our country in our search for domestic tranquillity.

I admire the thought that has gone into the proposals. I am excited by the idea of the Veterans in the Public Service Act, which will channel the talents of the veteran to the most urgent needs of rural and urban America today. I believe veterans will respond to this challenge.

I salute the President's endeavor to close the communications gap by establishing U.S. veterans assistance centers in major cities. At the centers a veteran will be made aware of the programs available to him; he will be able to choose among them, and he will receive the help he needs when he needs it.

I intend to do my part in behalf of the men who have done—and are doing—so much in behalf of our country. I urge my colleagues to do the same.

How 'Bout Dat

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. DERWINSKI. Mr. Speaker, under leave to extend my remarks in the RECORD I wish to include a most unusual editorial commentary carried in the January 13 edition of the South Suburban News. This newspaper describes itself as the largest Negro-oriented weekly circulated in the Chicago area. It has attracted considerable attention through its provocative and challenging editorial commentary. A most unusual feature of the South Suburban News is a column written under the pseudonym Ignor Ramus. This particular commentary covers the Office of Economic Opportunity in a most imaginative manner.

The column follows:

IT'S TIME WE GET HIP TO HANDOUTS LIKE OEO (ORFUL EASY OUT)—HOW 'BOUT DAT

(By Ignor Ramus)

I thinks, Brothers and Sisters, it be about time we be getting hip to these hand out outfits what we got going for us these days—y'all knows the ones I mean—them what be so phony they make a three-dollar bill look legit and gets theyselves known by they initials and what be funded by the government. Yeah. Take for instance that O.E.O. Yeah. If you don't take 'em it sure ain't 'cause my permission be lacking 'cause anybody what wants 'em has that in full, you better know it. I got mixed up with that bunch of nobodies when they first come around talking 'bout this be something new and of real benefit and this be the first program what be gonna engage the folks, and I does mean us what been tangled up with the roots of the grass, in what they vowed was a meaningful way, you dig? Yeah, well like you know, anybody go for that, especially if they be a little strained in they brains from having to keep they thinking up tight, outta sight and not able to afford to do nothing but right all the time and I knows all of y'll pick up fast on that. Yeah. Meaning like right be what you can get by with to the right person at the right time which be any time you needs somepin' which in my case be all the time, you hip to that? Yeah. That's how I decided to give that bunch the benefit of my superior talents. Yeah.

I smelled a whole boocoo of rats when I seed all them anything but grass roots looking folks running 'round in the neighborhoods trying to act natural and with it and all like that but since there be certain folks what I don't put nothing by I just told myself I done smelled so many rats in my everyday carryin' on that it were not anything but my imagination that this passel of rats not only be funny but dead and too damned onery to lay down and let somebody cover 'em up—you know what I mean? Yeah. That what I told myself and that how I become a community representative with the Office of Economic Opportunity which didn't last long as it takes to pronounce the above mentioned title what they bestowed on me what I shoulda knowed was too long and impressive sounding to mean a thing—you know it too? Yeah.

First thing I noticed strange was that here be a job paying money, looking for me instead of me looking for it, a past time what I ain't allowed myself the luxury of since I got hip to the American ideal of work hard and get a good education and then work hard some more on whatever job you gets not because of but in spite of that education so you have enough money to pay for your ulcers or some psychiatric attention whichever one you chooses as your thing, you know. Yeah. Well, the thought did come to me that any money coming from the government be my own money which I done paid in to that sinking fund just by living in this country 'cause anybody what's got certain habits like eating, sleeping and y'all know what else has been paying some kinda tax no matter what condition they be taking care of these habits under and furthermore, in the communities where they be locating these O.E.O. (orful easy out) places the people be black and they being paying additional taxes for that privilege, you hip? Yeah. That thought come to me and another one like it which be that the government done promised black people forty acres and a mule some quite a few years ago and I kinda hoped maybe this be they way of making good on somepin' what's done been owing and got a whole lotta past due notes attached to it—you know? Yeah. Like maybe the way the world looking at this country these days the government couldn't afford to come right out and say they done been dealing with a deck of cards with notched edges but they could give you something for nothing especially when it were coming out of your own pocket, you know what I mean.

Well, I be American, too, and I figger to go 'long with that especially since it seem all they want me to do is help them identify with the folks since the directors, supervisors and counselors don't know the community too well and just might get not only hurt but wasted if they starts messing with one of the brothers or sisters what got a good thing going and got ulterior motives for keeping it that way—I knows y'all understands me so I won't go into no details on that. You see, I figgered my good thing be so solid I could handle something like what they talking about in my spare time 'cause mixing with the people be my game and all that be good, too. But, and this be why I's an ex-representative—them bunch of intellectual misfits wasn't doing nothing but paying me a pittance of my own money to spy on my own folks and come back and give them some information so they could write up a bunch of reports full of false and frone statistics which wouldn't make sense less it be to somebody what sick with superiority fever who believe they doing something for humanity and all they be doing is drawing a big salary offa information supplied by the community representative which be 'bout the coldest stuff in the world, Earl and I ain't lyin'. Yeah. Soon's I pick up on what the deal were and who was benefiting what I, uh, well, what you might say if you wanna, resigned but not before I gets myself together and lays some real lowdown bad mouth on them folks which left no doubt in any of they minds that this whole system which give birth to them shuckin' and jivin' organizations set up to keep the foots of one set of folks on the necks of another set of folks be outta style, therefore no good, no matter what kinda name or initials they puts on theyselfs. Yeah. You see in my case they happened to got 'hold to somebody what invented that game and ain't got no kinda nevermind 'bout putting it in the wind so my sisters and brothers what be in the same boat with me can help them folks get theyselfs some healing, you dig? Yeah. Maybe that be the reason I don't hear so much 'bout them folks like I use to and all that be good for true, you know, Hugh? Now, how 'bout dat!

Instinct for Victory Is Needed

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. HOSMER. Mr. Speaker, Copley newspapers in California and Illinois today are carrying the following editorial which I commend to the attention of the Congress:

INSTINCT FOR VICTORY IS NEEDED

Is there an American whose blood is not boiling today; Who does not think that American honor has been demeaned?

Several weeks ago the President of the United States of America said the allies were winning the war in South Vietnam.

The Communist contempt and response was instantaneous and unmistakeable. Puny, primitive North Korea, with no navy worthy of the name, captured a highly important vessel of the United States and is holding the crew and ship while we impotently dance the diplomatic minuet.

Only a few American ships have been captured in history—none during the major world wars. And in each case the United States' retaliation was swift and sure and effective to prevent future piracy.

Now in another direct slap at our President and our nation, plainly labelled as such by the enemy, the North Vietnamese have launched their biggest offensive of the war in Southeast Asia on two battlefronts—the countryside and the cities.

They attacked the headquarters of the military commander in Vietnam. They beseiged our embassy in Saigon for six hours and sent Ambassador Ellsworth Bunker into hiding. They attacked billets for military men, killed military and civilians in the streets of all major cities in South Vietnam; destroyed millions of dollars worth of aircraft, attacked the Presidential Palace and raised the North Vietnamese flag in key areas.

For years our military men have been asking for the go ahead signal in Vietnam to fight the war in the military fashion they know will bring sure victory. We have the power to do the commanders to direct it and the resources to support it.

The determination to win our wars is woven into the tradition of America. We lost it in Korea in 1953, not on the battlefield but at the diplomatic tables where the peace was half concluded.

We paid the price of that appeasement in the capture of the U.S.S. *Pueblo* by North Korea which can be interpreted as one of the reasons for intensification of Communist aggression today in South Vietnam.

Unless we alter the restraint policy on the military we will pay a far greater price. Already the pacification program for the countryside has been inestimably lengthened by the Viet Cong attacks in the cities. What farmer can believe he is safe from terrorism when his cousin in the city is not?

We will now have a harder time convincing our allies that we are not bogged down interminably in Vietnam at the expense of our other world responsibilities.

How will we be able to convince the world we are winning when our own embassy in Saigon is beseiged? And think of the propaganda Ho Chi Minh now is beaming at Communist revolutionaries.

This, however, is not the time to cry over spilt milk. It is time for men in government with the attitudes of Washington, Lincoln, Stephen Decatur, Theodore Roosevelt and John Paul Jones.

This is the time for men with the instinct for victory, the courage to do what must be done by ourselves for ourselves and for men of wisdom who will listen to the military commanders who have been saying all along how best to do it.

"Business and the Urban Crisis"—A McGraw-Hill Special Report

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. BRADEMAS. Mr. Speaker, one of the most encouraging developments in our country today is the awakened interest of American business and industrial leaders in helping attack the many problems that afflict our towns and cities.

I refer, for example, to the announcement by President Johnson last week of the formation of the National Alliance of Businessmen, headed by Henry Ford II, which is aimed at mobilizing the talent and resources of business and industry in an effort to solve the probems of hard-core unemployment in our major cities.

Another outstanding demonstration of this new interest is the publication this month of a special report, "Business and the Urban Crisis," by McGraw-Hill Publications.

This McGraw Hill special report provides an excellent summary both of the problems facing urban America and the positive response being made by some segments of American business and industry.

Mr. Speaker, I insert the text of this report at this point in the RECORD:

BUSINESS AND THE URBAN CRISIS

"Absolutely terrifying. No wonder people riot."

So said William Day, president of Michigan Bell Telephone, looking over the ghettos in Detroit after last summer's riots.

Bill Day said it well. The urban ghettos are terrifying—in Detroit and in dozens of other cities. And until positive steps are taken to solve the ghetto problem, this country of ours faces social and economic chaos.

And unless business takes the lead—now—the problem will not be solved.

Yet what business can do is neither easy nor immediately clear. The problem of the cities is complex, of long duration, and made up of issues that range from lack of jobs to bad housing, from faulty education to inadequate police protection.

In some areas of the problem, business has already made a fine start. In others, there still are only glimmers of what can be done.

This special report, distributed through McGraw-Hill publications to their millions of business and professional readers, focuses on what must be done in the three most critical areas: jobs, housing, and education. It was written by a task force of McGraw-Hill editors, drawing upon the editorial resources of our 44 business publications and 19 U.S. news bureaus.

We believe we are especially qualified to gather, edit, and disseminate vital information on this subject—what companies and industries have done, are doing, plan to do. Hence this report. We hope to convey some of our own feelings about the terrible urgency for action, and thus to stimulate and encourage other business organizations to do what each is best qualified to do.

We would like to hear of action your company has taken or plans to take. We shall continue our reporting on this subject, and we offer the editorial pages of all our publications as a forum for the exchange of constructive thinking on this massive problem we share.

We all face this urban crisis together; together we must solve it.

Sincerely,

JOSEPH H. ALLEN,
President, McGraw-Hill Publications.

THE PROBLEM

In the wake of riots that focus attention on the angry frustrations of America's slum dwellers, business faces a choice: Let the anger take its course, or act now to relieve it. For rational men, that's no choice at all.

"If you cats can't do it, it's never going to get done."

The speaker: Frank Ditto, a Black militant leader in Detroit.

The cats: a group of Detroit businessmen who visited Ditto's Voice of Independence headquarters after last summer's riots.

"The government can't lick this problem," Ditto added. "So business has to."

Of course, business *has* to do nothing of the sort. What's more, no one—business included—can expect to come up with a swift cure for the ills that plague the cities.

But, if only for intelligently selfish reasons, businessmen can't afford to ignore the urban crisis. Here's why:

If you ignore the crisis, no one else may be able to cool the anger that boils up in riots. So far at least, no one else has gotten more than token results—not the government, not the labor unions, not the churches, and not the civic organizations.

Make no mistake—the riots are not yet revolutionary, nor do they involve more than a tiny fraction of the Negro population. They are significant only as a headline-grabbing symbol that focuses attention on the resentment felt by Negroes, now 11% of the nation's population. The real problem is not the riots but the frustration that generates them.

That frustration often explodes in rioting just when conditions are improving. Reason: Deprived people feel most frustrated when their hopes and expectations have been raised but not completely satisfied.

Detroit was a case in point. Its poverty programs were held up as models. Its mayor and police chief were sympathetic to Negroes. Detroit, in short, seemed well on its way to avoiding racial outbreaks. Yet Detroit was wracked by 1967's worst riot.

If you ignore the crisis, slums could siphon off more and more of your profits. Slums are a luxury few cities can afford, and much of what they cost is paid by taxes on business. Deterioration of the cities speeds up the flight of middle- and upper-income families (and some industries) to the suburbs. Result: Tax bases are reduced, retail trade slumps, and an increasing share of the tax burden falls on business.

New York City's annual slum bill, for example, is $3.2 billion. Welfare alone costs $1.5 billion—$1 billion in federal and state funds, plus $500 million raised by the city. To that, add a $1.7-billion subsidy in the taxes the slums don't pay, the extra fire and police protection they require, and the social and health problems they create.

But even that huge outlay isn't doing the job. Right now, according to the New York Regional Planning Assn., the city needs another $1.1 billion—$300 million for educating slum children, plus $800 million for a host of poverty services.

Is New York an isolated example? Not really. It is simply an advanced case of what many other cities could experience in less than a decade.

If you ignore the crisis, you may be overlooking a big potential market. The city has always been a social and economic necessity for businessmen. Markets thrive in healthy cities, waste away in sick ones.

If today's sick cities can be cured—if ghetto dwellers can be better housed, better educated, and, above all, better employed—new and profitable markets will open up for business.

Even the very process of saving the cities creates opportunities for some industries—construction, for example. Between now and the year 2000, the city ghettos will need some 10 million new dwelling units. No matter who builds these units—private operators or public authorities—they will add up to $200 billion in today's dollars in new business for developers, contractors, and building-product manufacturers.

What's needed to open up this huge market, to begin cutting the high cost of slums, and to cool the anger that boils up in riots is to break down the barriers that trap Negroes in the ghettos.

Slums, of course, have always been a fact of U.S. life. The rural and immigrant poor moved in, found jobs (especially in unskilled and semiskilled fields), and then moved up the economic ladder. Not so today. Now the poor (mostly non-whites) still move in, but that's as far as they can go.

Why? What traps the Negro in the ghetto? One barrier—both a cause and a result of the problem—stands out:

The income gap between this country's whites and non-whites is wide and getting wider. Today, in the midst of general prosperity, over 30 million Americans live in poverty (family incomes under $3,130), and almost 30 million more live in deprivation (incomes from $3,130 to $5,000). Roughly half of each group is clustered in the city slums.

To be sure, slum dwellers' incomes are rising—but not at the same pace as the incomes of everyone else. And in the worst slums, incomes are actually falling. In New York's central Harlem, for instance, the average dropped from $3,997 in 1960 to $3,907 in 1966. Meanwhile, consumer prices in the New York metropolitan area rose 12%.

Just how badly off is the typical Harlem family? A Bureau of Labor Statistics study, released last fall, shed some light on that one. Said BLS: A year's moderate living for a family of four in New York City costs $10,195—or almost three times the average income in Harlem.

The gap between white and non-white buying power is largely the result of a paradox: Advancing technology, a boon to most Americans, has made it steadily more difficult for the hard-core poor to find work. Mechanized farming has sped the migration of Southern Negroes to Northern cities. And in the cities, automation has wiped out the very jobs that untrained, rural-bred Negroes can handle. In 1950 one out of six Negro migrants failed to find jobs in Northern cities, by 1960 the figure had doubled to two out of six.

But the income gap is just one of the barriers that trap non-whites in the city ghettos. Here are four others:

1. Zoning bars low-income families from the suburbs—first, by stipulating lot sizes (and thus house prices) that are beyond their reach; second, by keeping out blue-collar industry that could provide jobs for people now living in the city.

2. Welfare often hinders more than it helps. First of all, the welfare burden (annual cost: $7 billion) falls heavily on the Northern cities and lightly on the areas where the bulk of the poor came from. Second, even states and cities with liberal benefits fail to meet federally defined minimum-income levels. Finally—and this is the crux of the matter—welfare practices kill the slum dwellers' incentive to find a job and hold his family together. If the father of a family on welfare gets a job, whatever he earns is deducted from his family's welfare payments. In effect, he is taxed 100% on his earnings. So he may face a hard choice: Quit the job or abandon his family.

3. A new legislative coalition has little sympathy for the sick cities. In state legislatures and Congress, there has always been a understandable rivalry between representatives of the cities and the rural areas. Now—and for equally understandable reasons—the rural spokesmen have a potent new ally: representatives of the burgeoning suburbs. This new coalition reinforces suburban zoning and limits the ability of urban-based legislators to put across programs aimed at solving the cities' problems.

4. Cities lack the financial base to do the job that must be done to—tackle adequate housing programs, for instance. The basic problem: Property taxation—source of most municipal revenue—is inequitable; it puts the biggest burden on business, the smallest on slum-housing owners. So, not surprisingly, many companies flee the city—which only loads a bigger burden on those who stay, puts the city in a worse financial bind than ever, and makes it less and less likely that slum problems will be solved with local money.

In theory at least, removing all those barriers is every American's problem. But this report is about what businessmen can do—if they get involved. And since this report stresses the purely practical reasons for business action, it goes without saying that getting involved invites economic risks.

When the president of Detroit's largest department store led a state open-housing fight last November, more than 10,000 customers closed out their accounts in 10 days. Every time Henry Ford II has made a pronouncement in behalf of Negro rights, Ford Motor Co. sales have tumbled in the South.

But Henry Ford still maintains: "People who don't face up to this issue are stupid. It's a great opportunity for business. It's shortsighted not to step in and do something to solve the problem."

What, then, can business do to ease the frustration of the ghetto dwellers?

Business can turn the staggering need for low-rent city housing into a big and profitable market—if some of the government-imposed rules that now regulate housing construction are changed.

Business can also put its influence and special skills behind sorely needed changes in the city school systems.

And business alone holds one key to breaking the vicious slum cycle of unemployment, poverty, poor housing, poor education, and low productivity. That key is jobs.

JOBS

"Jobs are the live ammunition in the war on poverty," says Labor Secretary Willard Wirtz. And, he adds, it's up to business and industry to pass the ammunition.

How many jobs are needed? Secretary Wirtz estimates a half-million for 100 city slums, another half-million for the rest of the country.

In a growing economy that produces a million and a half new jobs a year, the need to place half a million slum dwellers—or even a million—does not sound all that tough.

But it is. Business has found that hiring and training the people at the bottom of the ghetto barrel—"making the transition from the street corner to a job," as a Los Angeles training executive puts it—is tougher than it sounds.

Yet business must face up to it. President Johnson, for one, has issued a direct challenge: ". . . Help me find jobs for these people or we are going to have to offer every one of them a job in government."

Members of the Urban Coalition, which includes the nation's top industrialists, recently pledged a million jobs. And many businessmen cite practical reasons for action.

Says Chester Brown, Allied Chemical's chairman: "Business can broaden its markets by increasing people's purchasing power. One way to do this is to lift the economic status of poverty-stricken slum dwellers."

Says H. C. (Chad) McClellan, who heads the Los Angeles-based Management Council for Merit Employment: "Shall we go on paying $400 million a year in Los Angeles welfare costs, or shall we go down and take a realistic look at the potential workers in the slums?"

Just who are these potential workers? Mostly they are the hard-core unemployed—unschooled, unskilled, and unmotivated. To turn them into productive workers, business must help them overcome handicaps that bar them from good jobs: culturally impoverished lives, grossly deficient education, poor health, fear of failure, the exodus of jobs to the suburbs, and finally society's discrimination against them.

There is no clear-cut answer. Businessmen, in fact, are simply learning by doing. Here are some of the things they have learned:

No program to hire the hard-core poor will succeed unless top management is totally committed. "Any company that gets into this kind of project without the backing of the top man will fall flat on its face," says Richard Knapp, personnel manager at Warner & Swasey, Cleveland. Kodak Chairman William Vaughn says bluntly: "Unless top management lays it on the line, lower-echelon people won't do it. Even then, they may not do it without follow-up."

Follow-up by top management is vital if a project is not to drift. Humble Oil's recruitment coordinator, Harry G. Taylor, says: "We recently shook up a lot of our people when we called them together and told them they weren't doing as well as they should. Now those who have been taking it easy know management is serious."

A firm stand also heads off possible resistance from other employees.

"You find some resistance among plant employees," admits Walter Maynor, industrial relations director at Sherwin-Williams. "But we let them know in no uncertain terms that this policy had been set by our top people and that they intend to enforce it."

Martin Stone, president of Los Angeles' Monogram Industries, lost one foreman who wouldn't go along with his program. "You've got to sell the shop supervisors," Stone warns. "If you don't, the job will never get done—and you'll never be able to pinpoint why."

They won't come knocking at your door—recruiting may call for special efforts. You can't just hang out a sign and expect a flood of grateful, job-hungry applicants.

"If we had waited for them to come to us," says Harry Taylor, recruitment coordinator at Humble Oil in Houston, "we might still be waiting." Humble even finds it difficult to convince college people that it really wants to hire Negroes.

"Pessimism pervades the entire minority," says Charles Rutledge, assistant to the president at Lockheed Missiles & Space. "They feel they've got as much chance getting to the moon as getting a job at Lockheed."

When Kaiser Industries started looking for "qualified" minority employees in Oakland, "most of the unemployed didn't even bother to apply," says Vice-President Norman Nicholson. Now Kaiser has a program for "qualifiable" people and cultivates contacts with Negro groups.

Candor is the best antidote to diffidence and distrust, Nicholson finds. "We're late in doing this, and it was under pressure," he tells Negroes. "But don't cry about past history. The door is open now."

To reach across the barriers of suspicion, companies can call on dozens of job-development groups in the Negro-employment field. The Urban League, for one, has had long experience.

Another notable Negro-led effort, the Opportunities Industrialization Centers, stresses enlisting business to help Negroes help themselves. Started in Philadelphia by the Rev. Leon H. Sullivan, OICs have spread to 65 cities.

The Twin Cities OIC in Minneapolis is typical. Launched a year ago with 75 trainees, it raised $80,000 from business, now has 1,100 trainees and 300 already on jobs. Like other OICs, it devotes about half its training program to skills, office and shop work, and service trades—the other half to grooming work habits, attitudes, and basic reading and arithmetic.

Other sources of help are community-wide groups that seek to reconcile disparate civic and racial organizations, moderate and militant alike, and to bring the jobless into contact with jobs.

Some of these groups—Cleveland's AIM-JOBS, St. Louis' Work Opportunities Unlimited, Los Angeles' Management Council—provide pre-job training, on-the-job counseling, and other aids. And they are getting results.

AIM has helped find jobs for some 600 applicants; WOU for 6,500, the Boston Community Development Corp. for 5,000; the Management Council for 18,000. And the new Detroit Committee, working with the Detroit Board of Trade, has spurred 20 companies into hiring 15,000 unskilled Negroes.

Such results call for special recruiting efforts. A few examples:

After the Watts riots in Los Angeles, some 50 companies sent recruiters directly into the district, and the Management Council induced the California Employment Commission to open a branch there.

In Rochester, N.Y., Kodak and other companies hold interviews at Negro neighborhood centers and take job referrals from 17 social agencies.

United Airlines sends Negro pilots, stewardesses, and ticket agents into the ghettos to talk with people. Says Daniel E. Kain, personnel director for field services: "These people have to taste it, feel it, see it. Otherwise it's a bunch of hot air."

You may have to relax your hiring standards and change your hiring practices. Most companies find they have to drop their hiring bars a bit or, if they are taking admittedly unqualified people, a lot. Intensive training projects like Whittaker Corp.'s "Instant Hiring" in Los Angeles ask for little except a will to work.

Warner & Swasey eliminated the usual hiring yardsticks, including testing. Pacific Telephone & Telegraph, along with other companies, has hired people with police records. Ohio Bell Telephone went back over its list of rejected applicants just to hire some who had been considered unqualified. And Lockheed Missiles went looking for high school dropouts—people with no marketable skills—for its VIP (Vocation Improvement Program). Of the first 100 applicants referred to the company by social agencies, only 11 were rejected.

Not everyone agrees, however, that lower hiring standards are a prerequisite. For instance, Chad McClellan of the Los Angeles Management Council tells companies: "Don't hire anyone who doesn't meet your standards. Don't lower your standards—raise theirs."

And while hiring requirements may be less stringent, there's no compromise on work performance. A Pacific Telephone & Telegraph executive speaks for most companies: "We would rather train than perpetuate the problems of unskilled labor."

You may also have to restructure some of your jobs to make them easier to master. Some companies have solved the work performance problem by redefining or restructuring jobs to bring them closer to the reach of unskilled people. Lockheed compares this to measures used to train wartime workers.

Buxton-Skinner in St. Louis established a category of "electrician's helper" one step below "electrical maintenance assistant" to provide niches for poorly skilled workers. To implement its nurse training project, the Kaiser Foundation in San Francisco created the job of "clinic assistant" to relieve nurses of such routine though important chores as weighing patients and taking temperatures.

But this approach may not appeal to every company. "McDonnell-Douglas in Los Angeles has never changed production procedures to fit trainees," says a company official. "We fit the trainees to our procedures."

McDonnell-Douglas doesn't think much of the war-period analogy, either. "The days of Rosie the Riveter are gone forever," its spokesman says. "The one-step assembly worker has given way to workers handling a series of operations on the line."

The key to success—and the toughest part of the whole problem—is the right kind of training. "The first question an executive must ask himself is: 'Are we ready to spend the extra time to prepare these employees?' Unless the answer is a flat yes, the program won't go."

This advice from an Emerson Electric executive in St. Louis is based on hard experience in training workers from scratch. It's more than a matter of teaching specific job skills. At the very least, companies must orient their trainees to a totally unfamiliar environment of shop or office. At the most, they must somehow plug up wide gaps in basic education. And they must grapple all along the line with problems of instilling motivation and a proper attitude.

It can be done. Business is already deep in the effort. Some 1,600 companies have contracts to offer training under the Manpower Training & Development Act, which turned out 140,000 trainees in the past fiscal year.

Westinghouse Electric is one large company that is training hard-core unemployed under a new Concentrated Employment Program. Raytheon is launching a special project at its Waltham (Mass.) plant for 100 hard-core people. Government is offering new lures to employers who will tackle the training of unskilled people. About $350 million in federal funds is available this fiscal year.

New training techniques are often needed. Emerson Electric, for example, uses closed-circuit TV to show clerical trainees their job operations in slow motion. Hoffmann-La Roche also uses audio-visual aids to train clerks in its Newark (N.J.) offices.

The results of a balanced program can be impressive. Of 111 in a Lockheed VIP training group, only four were fired—mostly for poor attendance—and 105 are working today. Lockheed bore down hard on teaching both skills and attitudes. "We overtrain," says Charles Rutledge, assistant to the president, "so the worker will be able to perform all his duties and get an immediate feeling of success."

The key to effective training is a job at the end of the training cycle. That's what community programs, however well-intentioned, cannot promise. Much of what passes for training in store-front settings has little relation to employers' needs. And trainees themselves sense this. "Training to be unemployed" is how one New York Negro put it.

Only business can provide both training and a job. What's more, most company training programs pay the trainee while he's learning.

Eugene Cox, who runs Whittaker Corp.'s "Instant Hiring" project, declares: "Nobody but business—not welfare, not the government, not charities—can offer green-power motivation."

Mayor Alfonso J. Cervantes of St. Louis notes that "private industry's training of the disadvantaged on the job is much more efficient than training by any public agency." And only industry, he adds, can give purpose to the training by providing a job at the end of the line.

But the mere existence of beginners' jobs is not enough. Trainees must also be able to see some chance to advance. Business, too, must count on an upgrading process. Unless trainees can advance, a Kodak executive points out, the bottom jobs will soon be clogged with unpromotable people.

Effective training isn't always limited to job skills—you may even have to teach the three Rs. Lee Gassler, industrial relations director at Kodak Park, points out: "The under-educated worker is often unable to get over even the first hurdle in getting a job. A simple application form holds terror for him if he can neither read the questions nor write the answers."

Gassler speaks from experience. In 1964 Kodak began an experimental project to hire unskilled people and bring them up to the entry level for skilled apprenticeship training. Even though classes were small—no more than 15 each—the company found that classroom instruction was not enough. So the instructors—skilled men pulled off regular jobs—wound up giving almost individual tutoring.

The basic problem: Trainees were seriously deficient in reading, writing, and arithmetic. "We were surprised at how retarded they were," says a training executive. Even prior schooling was no guarantee. One trainee who had attended three years at a Rochester high school was told to drill a series of holes a foot apart. "What's a foot?" he asked. Another was given a job requiring measurement with a ruler. When the instructor found the job undone, the embarrassed trainee admitted he didn't know how to use a ruler.

Kodak's experience is hardly unique: A Los Angeles bus company recruiting in a ghetto area found few people who could make change for a dollar.

Kodak took steps to solve the problem in 1966. In the midst of a bruising battle with a militant Rochester group called Fight, the company reorganized its training. It now limits instruction by Kodak personnel to on-the-job programs and brings in outside experts—the Board for Fundamental Education of Indianapolis—to teach reading, writing, and numbers. The unskilled are put in a job class and, if they need it, in a BFE class. One BFE section raises basic education to the fifth-grade level, another from fifth to eighth.

Effective training may also immerse you in the personal problems of your trainees. Sometimes, in fact, the line between training and therapy gets very thin indeed. Fear of failure, for example, is widespread.

"These kids are oriented to failure," says an Inland Steel vice-president, William G. Caples. For that reason, Kodak's BFE classes aim as much at instilling confidence as at teaching facts. Says an instructor: "Most of these people have failed everywhere—in school, at home, in jobs. So we try to put them in situations where they'll succeed."

Since they fear failure, many trainees resist responsibility—at least at the start.

"We start them off where they make no decisions," says Training Dept. Manager R. H. Hudson of Lockheed-Georgia. "Then we slowly let them take on responsibility."

First-line supervisors get involved in mundane problems. Stanley W. Hawkins, training coordinator at Lockheed Missiles, points out: "We help with problems, on shift and off—getting people into hospitals and out of jail, getting gas and electricity turned back on, towing cars off the freeway, fighting off finance companies, arguing with car dealers."

How do you cope with problems like these? One way is to put qualified Negroes into supervisory and managerial jobs.

"You can use some white guys, but there's a real need for the worker to identify with the top guys, the upper echelon," says Leon Woods, the 24-year-old Negro general manager of Watts Mfg. Co. in Los Angeles. This is the highly publicized company that Aerojet-General started in the riot-torn Watts area to provide jobs for Negroes in their own neighborhood. One of Aerojet's aims was to eliminate a prime cause of absenteeism—long trips between slums and plants, often without public transportation.

Sometimes the waters are murky—you may have trouble communicating with your trainees. "Most jobs are lost by attitudes, not inability to do the work," says the Rev. Leon Sullivan of the Opportunities Industrialization Centers. A Kodak executive agrees. But, he adds, "It's often hard to know what their attitude is."

Many workers are reluctant to admit they don't understand. Verbal confusions crop up. A newly hired Negro clerk at a St. Louis company wanted to quit because she was "bored." A bit miffed, her supervisor was ready to let her go until he found she really meant she was perplexed.

At Lockheed Missiles, one instructor tries to anticipate poor understanding. Every day he reviews his material for "suspect words," then writes these on the blackboard and defines them whether anybody asks or not.

Clear communication is particularly important in the crucial process of motivating new workers. Training personnel tend to agree with Eugene Cox of Whittaker Corp. that motivation starts with showing people how they can get tangible rewards. "The best way to change attitudes about their future," he says, "is to show them what they can get if they apply themselves."

Frank Libby, vocational training supervisor at Kodak Park, puts it simply: "I try to get them addicted to the paycheck." And Frank S. Jabes, an employee relations executive at TRW in Cleveland, adds: "If you want to see some really motivated people, take a look at a guy who is having his first chance to make a living wage. You couldn't have a better employee."

This is no one-way street—you have to strike a balance between sympathy and firmness. Companies that hire hard-core unemployed minority people can expect them to behave differently from the corporate rank and file. Turnover is high—holding more than 50% of trainees is pretty good. Absenteeism, tardiness, a general lack of responsibility are common failings.

"Mondayitis is almost epidemic," says one supervisor.

"They have a tremendous number of grandmothers and grandfathers who keep dying month after month," another supervisor complains.

It doesn't help to be over-sympathetic, companies have found. In fact, a firm hand on the reins seems to work best.

A Kodak instructor, Frank Palmisano, explains why his company decided to take a firmer attitude toward absenteeism and tardiness in training classes: "We checked on former trainees and found that those with poor attendance records in training did no better on the job. So now we deal with absenteeism in training—ask the problem cases what's wrong and how we can help them. If they still goof up in spite of our efforts, we let them go."

Jack B. McCowan, vice-president of Firemen's Fund American Insurance in San Francisco, lets supervisors "spoonfeed" trainees for a while in work matters. But he makes it clear that he expects standards to be met on attendance and behavior.

A practical question: What will all this extra time and effort cost? It depends on what you have to start with—the background of your trainees—and on the level of skills you need from them. Experience indicates that the cost per trainee can range from a few hundred dollars to several thousands.

On the more modest level, IRC, Inc., a Philadelphia electronics company, spends between $300 and $400 per person; McDonnell Aircraft in St. Louis, $450. Leon Sullivan's OICs report an average $900 per trainee.

For harder cases and higher skills, the tab gets bigger. Lockheed-Georgia spends $700 of its own money plus $400 of government funds for each trainee. Humble Oil spends $1,200 per man. It cost Kaiser Engineering a total of $12,000 to train six draftsmen.

When you deal with badly underskilled people, you run into big money. Just how big is open to argument. And it's an argument that often involves the federal government, which pays part of the cost of these hard-case training programs.

Robert Scanlon, corporate training director at Whittaker Corp., says "Instant Hiring" costs two or three times as much as conventional industrial training.

Avco Corp. estimates it will cost $5,000 per man to train 230 hard-core unemployed, including ex-convicts, reformed drug addicts, and former alcoholics. The government will pick up two-thirds of the cost.

In the last analysis, are the extra training costs worth it? Most businessmen who have tackled the job problem think so. And Norman Nicholson of Kaiser Industries speaks for many of them when he says, "The costs of training are high. But riots and jails are also expensive."

Businessmen point out, however, that they are thinking primarily of long-range values rather than immediate pay-off. Kodak's Lee Gassler, for example, says his training program helps the company, the trainee, and the community, "but at the moment the trainee and the community are benefiting most."

More specifically, there are signs of real progress.

Says an auto company executive: "Some of the inner-city people we hired are working out better than the walk-ins."

Says Industrial Relations Manager Joe Flynn of Kaiser Aerospace & Electronics: "We've already upgraded 21 minority employees at our San Leandro plant. Our experience has been excellent."

Says the manager of a Philadelphia store that employs eight Philco-Ford trainees: "In the past we hired Negroes because we felt we had to. Now we feel these girls deserve to be hired on their own merits."

And that, of course, is the aim of every hiring and training program.

HOUSING

To government, the enormous need for city housing is a staggering problem. To business, that need represents a huge market—but only if some way can be found to make it profitable.

The problem of supplying housing in the cores of cities is not a problem of logistics or construction technology. It is purely a problem of economics.

Under present taxation and finance practices, no one can supply the volume of housing needed. But if the rules that force these practices are changed—if some new form of government subsidy is accepted and if red tape is trimmed from federal housing programs—a staggering need can be turned into a profitable market.

Business' stake in changing the rules is pretty simple and direct. Just replacing the substandard housing in cities would involve more new construction than the total volume of housing starts over the past five years.

The 1960 housing census uncovered more than 4 million urban dwelling units that were completely dilapidated, some 3 million more that were badly deteriorated, and another 2 million with serious code violations or serious overcrowding. If that is not a bad enough problem—or a big enough market—recent Census studies indicate the 1960 figures may have underestimated the number of dilapidated units by as much as one-third.

What's more, revitalizing the cities would encourage the return of hundreds of thousands of families who have fled to the suburbs—and thus would generate new demand for middle- and upper-income housing.

So sitting right there in the city slums is a market for well over 7 million new and rehabilitated housing units and all the building products that go into them—everything from flooring and drywall to lighting and plumbing fixtures. And, points out Raymond H. Lapin, president of HUD's Federal National Mortgage Assn.: "The profit earned on a sheet of gypsum board is the same whether the board is used in a low-rent apartment of a $50,000 house."

Key problem: the gap between what housing costs and what low-income families can pay. New housing in multi-family buildings—the kind needed in most city slums—costs from $17,000 to $22,000 a unit, even with an urban renewal land write-down. Rehabilitated housing, in any volume and in the densities desirable, costs at least as much, and sometimes more.

This means the monthly rent for a $20,000 unit with one bedroom would be roughly $150. That figure would include (1) maintenance, (2) operating costs, (3) amortization and interest on a subsidized loan with interest a few points below market yields and a term up to 40 years, (4) partial realty-tax abatement (about 50%), and (5) a two-thirds write-down of the land cost.

Yet half the low-income families in the slums can afford to pay only $65 to $110 a month for rent. And the other half cannot afford more than $35 to $60 a month.

Government programs to fill the gap have been too small, under-financed, and overcomplicated. Congress has created one program after another—FHA's Section 221d3 and public housing and urban renewal, for example—with enough visibility to persuade voters that something is being done. But most of these programs are too poorly funded to have any impact on urban problems. Many of them overlap and even conflict with earlier programs. So each new program adds chaos to the already chaotic machinery of federal, state, and local governments. In retrospect, it is easy to see why the programs tried so far have not worked:

Until fairly recent years, the public housing idea was unacceptable to most Americans—"Why should I pay part of somebody else's rent?" Congressional authorizations for low-rent public housing have permitted only a fraction of what is needed. And, with some notable exceptions, the quality of public housing has been bad; monolithic, prison-like structures, stripped of such "frills" as doors on the closets. In short, super-slums.

Urban renewal has not solved the problem. Most localities have used renewal programs to broaden their tax base with new commercial development or upper-middle-income housing rather than to provide low- and middle-income housing.

FHA's 221d3 program, greeted in 1961 as the answer to low-income housing, has virtually ground to a halt because of too-low mortgage limits ($17,500 in high-cost areas) and the fantastic red tape involved in getting projects through local FHA offices.

The 221d3 program was designed to provide new and old rehabilitated rental and co-op housing for low- and moderate-income families. In some cases it permits a below-the-market interest rate of only 3% on mortgages. But as Jason Nathan, head of New York City's Housing & Development Administration, pointed out last fall: "Six years after the program was started, it had provided only 4,350 rehabilitated apartments—and 1,500 of them are in New York City."

Most other FHA programs were never intended to provide low-income housing. In fact, the agency's original purpose in the 1930s was to get money moving again. Built into its legislative history is the requirement that mortgage insurance be placed only on economically sound properties. Since it is hard to argue that a slum area is economically sound, slum properties were automatically ruled out.

"FHA is the easy and popular target for all our frustrations," says New York City's Nathan. "But to blame FHA alone is not the whole truth. Their reluctance is not simply a matter of inertia. It also arises out of a schizophrenic Congress. One segment of Congress blasts FHA for failure to provide socially motivated housing. Another segment almost gleefully seeks out a few cases of mortgage defaults and scorches FHA for its radicalism and lack of sober conservatism."

But, Nathan adds, "Even if existing programs were adequately financed and enthusiastically administered, there would be enormous problems."

The myth that new technology can cut costs continues to confuse the issue. It is unrealistic to count on some magical breakthrough in technology to solve the cost problem.

It is unlikely that research will find new materials cheaper than wood and brick and cement and gypsum. It is equally unlikely that labor practices can be changed in any effective way. Yet industry leaders and government officials from HUD Secretary Robert Weaver on down keep calling for the breakthrough—thus delaying a commitment to solve the problem with the building tools already at hand.

For years one innovator after another—often aided by federal grants—has tried to put housing on the assembly line. And for years these attempts have failed to cut costs.

Reason: Most innovators have concentrated on the shell of the building—the bare walls, floor, and roof. And the shell is the cheapest part—if the walls were simply eliminated, the total price would be cut by less than 5%. The bulk of the cost is in land, financing, overhead, profit, interior finishes, and mechanical equipment.

Rehabilitation of slum housing is a highly publicized solution—but hardly a cure-all. It does indeed improve housing in what is usually a rather limited rehabilitation area. But, so far at least, it has fallen short on other counts.

Rehab has not added to the supply of housing units. Except in a few neighborhood-wide ventures, it has not performed the social function of rehabilitating a community. And, despite such rarities as New York City's 48-hour "Instant Rehab" (new units were dropped into the shells of gutted tenements), it has not solved the problem of relocating slum families while the job is being done.

In slum areas, where tenements brought up to a "safe and sanitary" standard are at best a minimum goal, rehab does buy time while better plans are made. But a big question remains: Is rehab housing really cheaper than new housing? Many experts do not feel it is—especially when the high costs of planning and managing a rehabilitation job are counted in.

What's more, there is still no evidence that rehab can be profitable. A number of major corporations—including Alcoa, Armstrong Cork, Rockwell Mfg., Reynolds, U.S. Steel, and Smith, Kline & French—have made small experimental forays into rehabilitation. On a larger scale, several companies in Pittsburgh—Westinghouse, National Gypsum, Pittsburgh Plate Glass, and others—have teamed up to form a limited-profit rehab corporation.

The best-known effort is U.S. Gypsum's rebuilding of several hundred units in New York City's Harlem and its plans for similar work in Chicago and Cleveland. But USG has yet to say how its ventures is faring financially.

Whether a businessman sets out to fix up old apartments or build new ones, he faces two harsh realities:

Harsh reality No. 1: a shortage of money to finance low-rent city housing. There is no magic way to finance housing. Housing must draw on the same capital pool that business, industry, and the consumer draw on. Any investment in housing must match the market yield of other segments of the capital pool.

Ray Lapin of the Federal National Mortgage Assn. puts it this way: "Let's admit at the outset that there are no new sources of mortgage funds. There is no money tree—not the Federal Reserve, not the U.S. Treasury, not FNMA, and certainly not the treasuries of the nation's corporations."

Lapin points out that the traditional sources of mortgage money—life insurance companies, mutual savings banks, savings and loan associations, and, more recently, the commercial banks—have invested about as much as they can afford.

"From now on," he says, "the volume of mortgage lending by these institutions will be limited to the future course of savings—and to the choice between mortgages and other investments."

Harsh reality No. 2: the red tape that strangles government housing programs. Government-assistance programs won't work unless some way can be found to eliminate the time-consuming rules and procedures that confront—and frustrate—every prospective builder or developer.

In New York City it takes at least two years to process the average FHA 221d3 project—and by that time, costs have risen 10%. Furthermore, builders often run into delays before their proposals even reach FHA. A case in point: Late last year a 1,450-unit project, proposed by HRH Construction Co. in 1961, was still awaiting approval by the New York City Board of Estimate.

But, notes HRH Vice-President Richard Ravitch, there are signs that federal administrators are finally bending their rules and speeding up their procedures. Last fall, for example, HUD Assistant Secretary Philip N. Brownstein told his district directors: "Slash through red tape, indecision, and pussyfooting. . . . Set rigid time goals and see that they are met. . . . Be prudent as well as urgent, but be prepared to take the risks necessary to get the job done."

Brownstein's conclusion was most direct: "You should work at this task as though your job depended on it—because it may!"

Several ways to provide more mortgage money have been proposed. Three recent ones:

FNMA's Lapin has suggested a government-backed mortgage market. He hopes such a market would offer the investor a competitive yield and give the mortgage borrower access to all parts of the savings pool—not just the "compartmented, specialized part of the capital market" now available.

A group of 348 life insurance companies has pledged to invest $1 billion in new and rehabilitated slum housing within the next year. It should be noted, however, that these mortgages will carry the peak FHA rate of 6%. And to insure them, FHA must substitute a policy of social benefit for its traditional policy of economic soundness.

A task force of the National League of Insured Savings & Loan Assns. has recommended that the S&Ls put $5 billion a year for the next 12 years into renewing the city slums. Bart Lytton, the task force chairman, says this can be done if the government permits a combination of federal loan guarantees, tax-free interest on investments in risky "improvement districts," and terms of up to 60 years to reduce monthly mortgage payments.

New federal programs may provide more money and loosen the stifling rules. Perhaps the most important—if it is adequately funded—is the Model Cities program. In the first round, it provides $11 million for planning and $300 million for construction (by paying 80% of what, under normal urban-renewal procedures, is the one-third local contribution to a project's cost).

Another program, launched in 1966 and

now beginning to accelerate, is the so-called "Turnkey." Designed to involve private enterprise to a degree rare in government-sponsored work, this program gives a developer an almost-free hand to proceed as he would with a private project. It simplifies the approval process and permits the developer to build low-rent public housing on his own land, to his own plans and specifications, and then to sell the project to a local housing authority. Early experience leads government officials to believe that public housing built this way can be completed in two or three years less time and at cost savings ranging from 10% to 15%.

In the wings is legislation that may involve business much more deeply in urban housing. Best known are the Percy and Kennedy proposals.

Sen. Charles Percy would set up a quasi-public agency capitalized with up to $2 billion in government-guaranteed debentures at market interest rates. The agency would offer 30-year mortgages to non-profit housing corporations at subsidized interest rates.

Sen. Robert Kennedy's proposal calls for a tax credit of up to 30% accelerated depreciation on a sliding scale (from 20 years down to 7 years) and an insurance fund to protect capital investment. For 100% equity in a project, an owner would get a 22% tax credit and 10-year depreciation.

Early this year President Johnson was expected to propose an omnibus housing bill, including requests to continue urban renewal, public housing, and other major programs through 1973. The Administration bill will probably overlap one proposed by Sen. John Sparkman and his housing subcommittee. The most significant change urged by the Sparkman committee is to raise the 6% statutory ceiling on interest rates for FHA and VA mortgages. This would stimulate the flow of money into construction, but, politically, it is a hot potato.

Do all the difficulties faced so far rule out adequate housing for slum families? Not if one idea—admittedly distasteful to some businessmen—is accepted:

Any solution to city housing problems must involve some form of government subsidy. Subsidies now look like the one way to span the gap between what low-income families can pay for housing and what private enterprise can supply at a reasonable profit.

The subsidy idea is hardly new. It was the aim, if not the result, of many existing federal housing programs. It is also the basic tool of the Kennedy and Percy proposals. What's more, many businesses—from farming and oil to autos and aerospace—benefit from subsidies, open or hidden. One example: The U.S. government finances irrigation projects for agriculture to the tune of $1 billion a year on 50-year, zero-interest loans.

Some of the required housing subsidy can continue in the form of below-the-market interest rates and long-term mortgages. But this alone is not enough. Bolder forms of subsidy will also be needed. The most obvious possibilities; total land write-down (in essence, state or municipal ownership of the land) and total tax abatement on dwelling units for at least as long as they are occupied by low-income families.

Yet no major city could afford to write down land entirely and lose all taxes on the property. This suggests the oft-mentioned possibility that the federal government relieve the cities of all welfare, health, and education costs, on the ground that these services are a national concern.

Whatever form the expanded subsidies take, the government must be prepared to provide them without insisting on overcomplicated procedures. The government has a right to regulate what it subsidizes, but rules that keep every conceivable wrong-doer out of a program make it almost impossible for right-doers to get in.

Finally, as business and government work together on new rules to make the needed housing possible—by making it possible for private enterprise to earn a profit building it—one often-overlooked principle must be kept in mind:

While the most urgent need is to replace the slums, the cities also need the kind of housing that will attract and hold a middle class. It makes no sense simply to reinforce the ghettos, to freeze the trend that populates the cities only with the very rich and the very poor. Socially, politically, and economically, cities need a broader base of people.

This country is a long way from President Johnson's dream of "cities of spacious beauty." But if business and government face some hard facts, at least a start can be made.

EDUCATION

Traditionally, businessmen have left public education to the educators. But the professional educator is in trouble today in the city, and businessmen could help him find a way out.

At the U.S. Office of Education, Commissioner Harold Howe II spells out the problem:

"There is a vast psychological gap between the clientele of today's city schools (students and parents) and the suppliers of education (teachers, administrators, and school board members)."

This gap is steadily widened by the spreading Negro ghettos, the flight of white families to the suburbs, and the mushrooming non-white population of city schools.

An example that scares everybody is Washington, D.C., where 93% of public-school pupils are Negroes and the percentage is still rising. Elsewhere, worried school administrators watch the trend and see their systems as "Washington minus five years" or "Washington minus three years." In Detroit, non-whites represent 57% of the school population; in Chicago, 54%; in Cleveland, 53%; in St. Louis, 62%.

When the Negro school population reaches such high levels, the quality of education suffers. Negro pupils begin to feel segregated and lose their motivation to learn. Teachers have to spend more time keeping order than teaching. So, not surprisingly, the most-experienced teachers tend to shun the very schools that most need them.

Total solution of the educational problem may not be possible. But ghetto schools can be vastly improved—if there are major changes in attitude and action not only among educators but also among businessmen.

Educators must become more flexible and more responsive to the pupils' needs. Critics claim that an entrenched bureaucracy, unmoving and unresponsive, has fought bitterly against changes in some cities.

"Our urban public school systems seem musclebound with tradition," says Dr. Kenneth B. Clarke, a Negro sociologist and president of the Metropolitan Applied Research Center. "They seem to represent the most rigid forms of bureaucracies, which are paradoxically most resilient in their ability to resist demands for change."

Bureaucracy strait-jackets not only some school systems but also many government officials. So businessmen emerge as one force that can bring about change.

Businessmen must understand education, support it, and even get directly involved. Specifically:

Businessmen will have to alter their traditional opposition to more spending for schools, and face up to higher taxes. Almost every suggestion to improve the ghetto schools takes enormous sums of money. One federal act alone, authorized $6.1 billion for fiscal 1967 and 1968 to help elementary and secondary education, and the figure is over $9 billion for 1969 and 1970.

Some businessmen have already changed their stance on school spending. In Detroit last year the usually conservative Board of Trade raised $60,000 to campaign for higher school taxes that would bring in an additional $25 million a year.

Businessmen will have to speak out on school improvements, many of which are controversial. In Pittsburgh, for example, businessmen have allied themselves with educators and civic and religious groups to support a revamped educational system that includes replacing all the city's high schools with five super high schools—a move to aid integration.

Businessmen will have to work more with professional educators. When the Hartford (Conn.) Board of Education and Common Council reached an impasse on what should be done about the city's schools, the Chamber of Commerce persuaded both parties to bring in an outside consultant to recommend action. The New Detroit Committee, formed mainly of businessmen after last summer's rioting, is pressing Detroit's school system to adopt consultants' recommendations that had been ignored by the city's educators.

More businessmen should also turn to education for a career. In Philadelphia, for example, an enlightened school administration has gone to business rather than traditional educational circles for two new associate superintendents. One, a former partner in a large accounting firm, is in charge of finance; the other a professional planner, heads the school system's planning.

Finally, businessmen need to make one other contribution to education: Using skills perfected for business—such as marketing, engineering, and management—they can help frame creative proposals for new educational programs.

If educators and businessmen are to work together to upgrade the city schools, what changes and improvements should they seek? Here are five suggestions by men who have already been deeply involved in the problem:

1. *Change the ghetto schools to gear them more closely to the right culture.* Harold B. Gores, president of Educational Facilities Laboratories Inc., a nonprofit corporation established by the Ford Foundation, blames a lot of the schools' troubles on the existence of two cultures in the cities. And, he says, many schools are geared to the wrong one.

"That culture," Gores explains, "is white, middle-class, Anglo-Saxon, Protestant. The children attuned to it are success-oriented and have strong family ties. In contrast, the Negro child in a ghetto doesn't know or appreciate the standards, values, or morals of the middle-class family. He may have no father. His only close relative, his mother, may raise him to live for the pleasure of the moment. For such a child, there is no tomorrow to worry about or plan for."

Kenneth Mines, a Negro lawyer in Detroit, describes an added handicap: "Every Negro child realizes he is different, that there is something wrong with him. This builds an inferiority complex. Some children react negatively, some react violently, some just drift down and become inferior."

So the ghetto school has to be both school and family for many Negro pupils. That is the reasoning behind some of the compensatory programs that have been started.

The Preschool Project in Ypsilanti, Mich.—a program that included home visits, psychological consulting, medical services and a special task-oriented curriculum—produced a consistent jump in intellectual ability among disadvantaged Negro children—but at a cost of $1,500 per pupil.

Frustratingly, high cost doesn't guarantee success. Three years after New York City started the More Effective Schools program that raised instructional costs from $434 to $994 per pupil, The Center for Urban Education concluded: "The MES program has not had any significant . . . effect on children's performance in arithmetic . . . [nor has it] stopped the increasing retardation of children who began it in grades two or three."

The same charge of ineffectiveness has been leveled at Headstart, the Office of Economic Opportunity's $1.5-billion-a-year program for preschool children. Although it is still too early for a complete evaluation, critics maintain that the children lose their headstart soon after leaving the program. Apparently, the government sees some truth in the charge, because it is now adding a "Follow Through" program to continue up through the third grade.

2. *Change the school curriculums to make them more realistic than they are now.* Even if a young Negro now makes it through early grades, he's likely to fall afoul of a curriculum that bears little resemblance to real life around him.

No part of the curriculum is held in lower regard by the average ghetto dweller than vocational training, which is supposed to turn out graduates ready to step into jobs in industry. Negroes claim that many vocational programs teach trades oriented to the '30s and '40s rather than the '60s. Negro students now want to learn telephone installing, business-machine repair, computer programming, and television maintenance instead of traditional woodworking, metal working and automobile repair.

Ghetto leaders hope that business, prompted by its need for better employees, will force a change to more useful training. In fact, only business can make vocational training more realistic, according to Robert Potts, of the Virginia Park Rehabilitation Citizens Committee, which is trying to rebuild the area where Detroit's 1967 riots started.

"Private industry will have to contribute people and equipment and help plan the curriculum," says Potts. "School administrators don't know what kinds of jobs industry has today."

Exactly what can industry do? Here is one example: Michigan Bell Telephone Co. adopted a heavily Negro Detroit high school whose students went on strike last year to oust the principal. The company sends its personnel people to the school to teach weekly classes on how to get a job—what to wear, how to act and what the interviewer is looking for.

"Only eight students showed up for the first class," says Michigan Bell President William Day, "but when the others heard via the grapevine that it was for real, more started to attend. Now the classes are jammed."

3. *Consider a whole new approach to the design of school buildings.* Too many city school buildings are old and outmoded. In Boston, for example, a third of the schools were built more than 100 years ago. Even worse in the minds of architects, most of today's school design still stems from a 120-year-old idea first applied at Boston's Quincy school, which is still in use. It treats a school as an egg crate that seals the pupils into compartments, each with a teacher.

"Today's schoolhouse is monastic, antiseptic, and unattractive," says Harold Gores of the Educational Facilities Laboratories. "Its only benefit is that it is nearly indestructible." More to Gores' liking are wide-open spaces, now starting to show up in suburban schools, that allow team teaching and greater flexibility.

4. *Bring more Negro teachers and administrators into the city school systems.* "Negro pupils would be more motivated to learn," says Ernest Brown, a personnel executive with the Michigan Consolidated Gas Co., "if they had models to look up to. Since the first person of stature a Negro child meets may well be his teacher, there should be more Negro teachers in ghetto classrooms."

That's easier said than done, according to many school officials. Not enough Negroes are qualified, and business often snaps up those who are.

True enough—but only to a degree. It's also true that some school systems have not been sympathetic to hiring Negroes, and others have simply not thought about it. In Detroit's system, for example, where enrollment is more than 50% Negro, there is not a single Negro athletic director.

5. *Take a new look at the thorny question of integration.* With the fast-rising Negro population in so many cities and the equally fast white exodus, the integrated school's ideal racial mix—70% white and 30% Negro—is no longer physically possible in more and more schools. Result: Some of the first integration efforts—busing, educational parks, and metropolitan schools—don't look so effective anymore.

Now the most promising efforts seem to be aimed at upgrading the city schools enough to lure whites back. That means adding a lot of educational services once considered frills: extensive counseling, extracurricular remedial programs, smaller classes, and higher salaries for teachers.

But integration is no longer the chief concern of militant Black leaders like James Del Rio, a Michigan state legislator.

"We don't want integration," he says bluntly. "We want to improve the education in our Black schools." Del Rio's goal is also the goal of some more-moderate Negroes and whites—at least as a realistic first step toward solving the problem.

For the long pull, however, the best solution still seems to be the old Horace Mann concept of a common school where the banker's daughter and the blacksmith's son attend classes together. In a well-publicized study (the so-called Coleman report), two Johns Hopkins professors found that mixing students of all classes and races was a more effective way to improve education in ghetto schools.

Carl Schmidt: Desert Painter

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. PETTIS. Mr. Speaker, our beautiful desert, in San Bernardino County, Calif., attracts many artists who find a spiritual pleasure and inspiration in the space and silence, and the incredibly beautiful ever-changing colors in the desert scene. The sunrises and sunsets are spectacular. One of the best known landscape painters in the West is Carl Schmidt, who came to us from Minnesota and established much of his reputation with apt and memorable paintings of our desert, our Indian scenes, as well as still lifes, portraits, and historic and religious subjects.

When a farm boy in Minnesota, Carl's drawings of farm animals earned the encouragement of his teachers and neighbors, and he was advised to study at Chicago Art Institute. After 4 years advanced art training there, he won first prize in an institute contest and went on to become a professional artist.

Carl was lured to our vast western spaces, and liked what he found in the magnificent desert country. For the past 40 years he has given his talents to creative painting, and I am very proud of the colorful painting of a serape and Indian bowl which not only decorates my office, but practically breathes the Indian lore which San Bernardino County loves. I invite my colleagues to visit my office and see it for themselves.

This artist is too gifted and sincere, too much a man of vision and artistic discipline, to permit illness and being bedridden for years, to stop his splendid work. He continues—bigger than illness—to paint, and his work continues to inspire a new appreciation for the subjects he loves. His works of art have had many showings, including one-man exhibits at the Stendah, Webb, Paschte, and Laguna Galleries, at the San Bernardino Cultural Center and the Los Angeles County Museum. He holds membership in the San Bernardino Art Association, the Traditional Artists Association, and the Laguna Art Guild.

Mr. Speaker, we westerners are proud of Carl Schmidt, and we believe his works of art will endure.

Firearms Legislation

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. DINGELL. Mr. Speaker, pursuant to permission granted I insert in the RECORD an excellent release just put cut by the National Shooting Sports Foundation setting forth clearly the position of law-abiding citizens and sportsmen with regard to firearms legislation.

This excellent commentary merits careful consideration. It points out how existing laws have not until just now been enforced to control shipment of firearms by irresponsible persons.

Hopefully, this editorial will lead to the wise revision of the unwholesome attitude by certain power hungry persons in the Department of Justice and Department of the Treasury, and serve to aid in passage of proper and meaningful legislation to restrict shipment of firearms to criminals, dope addicts, juveniles, and other undesirable persons, without stripping law-abiding citizens of their right to own and bear arms for legitimate sporting and defense purposes.

The text of the release follows:

A thirty-year lapse between legislation and enforcement was revealed recently when federal agents made their first case on mail-order abuses through a section of the Federal Firearms Act of 1938.

United States Attorney Robert Morgenthau successfully obtained a federal grand jury indictment against a Nanuet, N.Y. firearms dealer. The indictment charged that the mail-order house had violated the 1938 law by shipping guns to individuals in other states who had not produced the required state or local licenses or permits.

According to the New York Times, "The indictment was described as the first of its kind in the country against a mail-order company dealing in firearms."

Sportsman interests have maintained for years before Congressional committees and subcommittees considering new legislation that existing federal firearms laws suffer from lack of enforcement by the U.S. Treasury and Justice Departments.

At the same time, the Treasury and Justice Departments have been working strenuously for more rigid gun laws, pushing in particular for increasingly restrictive versions of the Dodd bills.

"The delay in acting upon a provision of federal law, a 30-year delay according to the New York Times, is a glaring example of lax enforcement. It lends strength to the position of law-abiding gun owners that existing laws have never been given a real chance," stated Warren Page, president of the National Shooting Sports Foundation, Inc.

"Sportsmen can see little merit in passing additional laws when federal enforcement agencies have scarcely sampled the effectiveness of laws passed three decades ago.

"This same lack of active enforcement has probably also contributed to the general lack of information about gun laws on the part of the public. The New York Times, which pointed out this prime example, has for more than four years not only been campaigning for passage of the Dodd bill but implying that there was no existing law to prevent improper mail-order shipments," Page pointed out.

The indictment returned against the New York dealer was apparently based on that section of the federal act of 1938 which states: "It shall be unlawful for any licensed manufacturer or dealer to transport or ship any firearm in interstate or foreign commerce to any person other than a licensed manufacturer or dealer in any State the laws of which require that a license be obtained for the purchase of such firearm, unless such license is exhibited to such manufacturer or dealer by the prospective purchaser."

Page pointed out that this section of the law could be made even stronger, and enforcement easier, by passage of the bill introduced in both the 89th and 90th Congress by Sen. Roman L. Hruska of Nebraska. The Hruska measure, which is supported by all the major conservation and sportsmen's organizations in the nation, would prohibit the interstate shipment of firearms in contravention of any state law.

Page said the public has been led to believe there are no laws which prohibit criminals from obtaining firearms, even though such prohibitions have been a basic part of the same federal law since 1938.

The act provides: "It shall be unlawful for any person who has been convicted of a crime punishable by imprisonment for a term exceeding one year or is a fugitive from justice to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce, and the possession of a firearm or ammunition by any such person shall be presumptive evidence that such firearm or ammunition was shipped or transported or received, as the case may be, by such person in violation of this chapter."

A violation of the act can bring imprisonment up to five years, a fine up to $5,000, or both.

"Once again, it may well have been the singular lack of enforcement which has created this impression among the public and the news media," Page said. "Under questioning by Congressmen at hearings in Washington, Treasury officials have claimed they are unable to enforce these firearms laws due to a lack of manpower.

"During the 1965 hearings, Treasury officials admitted that only two men and three women were assigned full time to enforcement of both the 1938 Federal and 1934 National Firearms Acts. This hardly seems a strenuous effort for a department which views the commerce in firearms with such alarm."

Page compared the lack of enforcement to the lack of action on reasonable and useful firearms legislation. He said that while both departments have been calling for new laws, neither has offered support to realistic proposals like those of Sen. Hruska.

Hawks, Doves Through History

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. DORN. Mr. Speaker, I commend to the attention of my colleagues and the people of the United States the following article which recently appeared in the U.S. News & World Report:

HAWKS, DOVES THROUGH HISTORY

Have wars involving Americans ever been popular in this country? Is the Vietnam war any different from others in its effect upon voter sentiment? Did popular dissatisfaction ever cause a President to change course?

A study that has come to the attention of President Johnson and of some members of his Cabinet bears on answers to those and other questions. What it shows can give no cheer to dissenters and demonstrators now attacking the war in Vietnam.

This study, covering American experience in wartime from 1776 to 1952, comes up with five basic conclusions:

1. Wars begin with enthusiastic support, then turn to criticism of the President and his Administration.
2. Many leading citizens, among others, turn to opposition—in Congress, the press, the schools and pulpits.
3. Economic troubles explain much of the opposition.
4. There has been considerable suppression of the more unpopular forms of dissent.
5. When war is over, many critics find that the war was an act of statesmanship after all.

The report takes up seven major wars in historic order—

THE REVOLUTIONARY WAR

Barely half of the population supported this war for independence, with the remainder either neutral or Tory.

Defeats in combat and privations caused widespread gloom.

A leader of the American Anglican Church, the Rev. Samuel Seabury, and many wealthy families were leaders of the opposition to the war.

War caused imports from Britain to stop. Merchants, farmers and fishermen suffered severely, while soaring inflation hit laborers, artisans and the clergy.

As criticism mounted, repression followed. Some opposition leaders were imprisoned. Others barely escaped lynching. Still others fled abroad. The mayor of New York was among those imprisoned.

When peace and victory came, a romantic view of the struggle quickly replaced all the gloom and defeatism.

THE WAR OF 1812

At the start of this war, a majority of Americans were in support. Soon, however, opposition mounted in New England in face of defeats and economic problems. This opposition then spread to the South and West. Men and money at times were denied for the war.

The Governor of Massachusetts sent a three-man delegation to Washington to take the surrender of what he thought would be a beaten Administration and a defeated country, the study states.

Daniel Webster made a speech of criticism so bitter that it was suppressed for 100 years. Webster spoke of a Government "more tyrannical, more arbitrary, more dangerous, more allied to blood and murder, more full of every form of mischief, more productive of every sort of misery than has been exercised by any civilized government, with a single exception, in modern times."

William Cullen Bryant wrote poems against the war. President Timothy Dwight of Yale toasted British victories. The list of critics reads like a "Who's Who" of England at the time.

As this war neared an end, the study says, it seemed that only President James Madison and Gen. Andrew Jackson still stood firm.

Then the Treaty of Ghent was signed and Jackson won the battle of New Orleans. The Federalist Party, which had opposed the war, soon disappeared completely.

THE MEXICAN WAR

War was popular at the start. The House voted for this war 174 to 14, the Senate 40 to 2. The Whigs proclaimed that "doubt, division and reproach will be unknown."

Then the mood changed. James K. Polk, the President, was a Democrat, and the elections of 1846 went heavily against the Democrats. The opposition Whig journals told Mexico that "her cause was just, that a majority of Americans detested the war, that the Treasury could not bear the cost . . . that our armies could not win the war, and that soon the Administration would be rebuked and its policies reversed."

A resolution condemning the war was passed in Congress.

Intellectuals, including James Russell Lowell and Herman Melville, took the lead in opposition. "The New York Tribune" urged withdrawal of U.S. troops. Senator Webster spoke of President Polk's "impeachable offense." Henry Clay joined the critics of the war.

Manuel Rejón, the Mexican leader, is quoted by the study as telling a diplomat that the key to his policy was the belief that the American people would not continue to support the war.

There was panic on Wall Street. Inflation spread and business failures multiplied.

Then came the battle of Buena Vista, which made it clear that the U.S. was going to win. When peace came, an opposition Whig journal described the operation as "one of the most brilliant wars that ever adorned the annals of any nation." And a general who led the U.S. armies—Zachary Taylor—became the Whigs' successful presidential candidate.

THE CIVIL WAR

Early enthusiasm, in this war, again was followed by widespread discouragement.

In 1862, congressional elections went heavily against President Abraham Lincoln's party. By December of that year, a House resolution calling for negotiations with the South was tabled by a vote of only 98 to 59.

After a few years of war, in the summer of 1864, a group of prominent Republicans organized a "Lincoln withdrawal" movement. A Senator friend said of the President: "I fear he is a failure." Lincoln himself judged he could not be reelected.

At this point, a Confederate general wrote his wife:

"We learn from gentlemen recently from the North that the Peace Party is growing rapidly—that McClellan will be elected and that his election will bring peace—provided always that we continue to hold our own against the Yankee armies."

The loudest congressional critics were "hawks," including the Speaker of the House and members of key committees.

But much of the press was "dovish" and critical, the study reports. This included "The New York Daily News," "The New York Tribune," "The New York Evening Post," "The Chicago Times," and "The Detroit Free Press."

Economic discontent and opposition to the war produced draft riots over much of the country.

In New York alone, at least 1,000 people were killed or wounded by these riots.

In the clampdown that followed, more

than 13,000 people were arrested. Many went to prison. Martial law was used against those who encouraged draft-dodging or offered aid and comfort to the rebels. Habeas corpus was suspended in many parts of the nation.

A few weeks before the fall of Atlanta, "The New York Times" editorialized that the only way to save the Union was to select a peace commission to negotiate with Jefferson Davis.

The victory at Atlanta, however, produced a dramatic change of heart. Then a Lincoln bandwagon began to roll. Soon, the hottest critics of the war jumped aboard.

WORLD WAR I

This is described as a relatively short war of rare popularity. But even so—

President Wilson's request to arm merchantmen was killed by filibuster in Congress.

Six Senators voted against a declaration of war.

A militant union, the Industrial Workers of the World, made this comment:

"This is a businessman's war and we don't see why we should go out and get shot."

A draft law passed only after a bitter debate.

Congressional criticism of President Wilson and the war mounted, as months of fighting went on. There were even demands in Congress that the President abdicate control over military affairs.

In the elections of 1918, Democrats lost heavily in both House and Senate as the war's popularity declined.

Economic problems developed. Prices rose rapidly. Wartime scarcities appeared. Farmers became bitter about the ceiling price on wheat. Anti-German sentiment, a drive against Socialists and others suspected of sedition led to reprisals against individuals and groups.

Even in a relatively short, uncomplicated war, the study concludes, criticism of the President, economic problems and internal repression are hard to avoid.

WORLD WAR II

The Japanese attack on Pearl Harbor drowned out most of the earlier critics, in Congress and in the press, who had opposed any U.S. entry into the war.

As the big war ground on, however, problems grew and dissatisfaction increased. Examples:

Juvenile delinquency rose by 56 per cent, while high school enrollment dropped 56 per cent.

Racial tensions flared. There were major riots in Detroit in June, 1943, and in other cities.

Labor disputes became widespread. Many States passed antilabor laws during the war.

Wartime food prices rose by 50 per cent. After Pearl Harbor, the general price level in America rose by 2 per cent a month. Black-marketing became rampant.

Dissatisfaction grew; the Democrats suffered big losses in both House and Senate in 1942. Economic problems connected with the war were largely to blame, the study finds.

THE KOREAN WAR

There was initial enthusiasm for this war, with support again falling off as hardships and frustrations increased.

At war's beginning in 1950, a Gallup Poll showed 81 per cent in favor of President Truman's intervention, and only 13 per cent against.

But in January, 1951, Gallup showed 66 per cent of the people in favor of pulling out of Korea, and 25 per cent against withdrawing.

When General MacArthur was fired, polls showed only 29 per cent of Americans favored the President, against 69 per cent favoring the General.

When war had gone on for two years, the President's popularity in 1952 had fallen to an all-time low of 26 per cent.

Opposition rose in Congress. Senator Robert Taft of Ohio, leader of the Republicans, called Korea an "utterly useless war." Another Senator said the President had sent troops to Korea "for the specific purpose of having them defeated. . . ." And eight members of the Senate Foreign Relations Committee and the Armed Services Committee issued a joint statement in August, 1951, attacking the Administration for having "squandered" the military victory. They judged the war "a catastrophic failure."

Press criticism was widespread among newsmagazines as well as leading newspapers and columnists.

Economically, many shortages developed and wage-price controls were reinstituted, causing wide resentment.

With war drawing near an end, the study reports, about the only enthusiasm for resisting Communist aggression seemed confined to the President and the troops in Korea.

After the Communist assault had been driven back and the war halted, however, opinions changed. The study concludes with this judgment made by Clinton Rossiter, a Cornell University professor and historian, in 1956:

"I am ready to hazard an opinion, to which I did not come easily or lightly, that Harry Truman will eventually win a place as President, if not as a hero, alongside Jefferson and Theodore Roosevelt."

Msgr. Jose R. Nunez

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. PETTIS. Mr. Speaker, a beloved friend and spiritual leader in the community of San Bernardino, Calif., Rt. Rev. Msgr. Jose R. Nunez, has left a heritage of good works and grateful friends, after his most untimely death on January 23.

The tributes to this great religious man's life have indicated the love the community held for him. He was one of the religious leaders whose sincerity and goodness crossed denomination and religious and racial lines easily. Much of his work was devoted to the Mexican-American community, as pastor of Our Lady of Guadalupe Church. In the 28 years allotted to Monsignor Nunez' work in our community, there arose a school, a clinic, a day nursery, two convents, and a new church and rectory, within his parish.

In 1964 the San Bernardino City Council proclaimed December 13 as Monsignor Nunez Day.

The Reverend Father Adolfo Chaves, Monsignor Nunez' assistant for 12 years, said:

> He was very dedicated, and did all he could for all people. It was just a small, poor Mexican-American parish when he came here. Now it is a thriving parish. He strived to better the condition of his people in every way.

Mr. Speaker, it is a privilege to pay tribute to this most exemplary citizen and leader, by recognizing his lifetime of good works, and the enduring contributions he made to his community. Forty-five years a priest, Monsignor Nunez was deeply respected by his fellow clergy as well as the community at large. The Most Reverend Francis J. Furey, bishop of the San Diego diocese, presided at a concelebrated high mass at Our Lady of Guadalupe Church attended by many clergymen of his own and other faiths, as well as representatives of the community he loved so greatly. There were special masses, rosaries, remembrance of this man, and all that he did will never be forgotten.

Mr. Speaker, Monsignor Nunez' death is a great loss, not only to the Mexican-American community of San Bernardino, but to all of us who knew and loved him.

Input-Output Keeping Big Corporations Alert and Agile

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. FULTON of Pennsylvania. Mr. Speaker, I am submitting for the RECORD the following letter and article sent to me by my good friend and former Pittsburgh Congressman, Judge Samuel A. Weiss:

JUDGES' CHAMBERS,
COURT OF COMMON PLEAS,
Pittsburgh, Pa., January 30, 1967.

Hon. JAMES G. FULTON,
Member of Congress,
House Office Building,
Washington, D.C.

DEAR JIM: Mr. Lewis E. Conman, director of the Pittsburgh field office of the Department of Commerce, is a friend of mine; and since his coming to Pittsburgh, he has initiated many projects for the help of business and the academic community in Pittsburgh and Western Pennsylvania.

Lew was appointed director of the Pittsburgh office in November, 1967, by Secretary of Commerce Alexander P. Towbridge. His many friends know that he will continue to be a dynamic force in our expanding civic and business interests, and he has indicated that from the very first day he walked into his office. Westinghouse, U.S. Steel, and other corporations admit Lew has done a magnificent job, as indicated by the enclosed article in the Pittsburgh Press, Friday, January 26, 1968. If you would have this article placed in the Congressional Record, it will mean a lot to our Pittsburgh District.

Sincerely,

SAMUEL A. WEISS.

[From the Pittsburgh (Pa.) Press, Jan. 26, 1968]

INPUT-OUTPUT KEEPING BIG CORPORATIONS ALERT AND AGILE—DEPARTMENT OF COMMERCE SEES PITTSBURGH AS CENTER

(By William Allan)

Corporations today are like pro football linemen—big, agile, alert—and this was very much in evidence yesterday at the U.S. Department of Commerce field office.

More than 100 representatives of 56 major U.S. corporations were getting the latest information on input/output, the corporate planning tool which uses the very simple precept that all company purchases (inputs) are someone else's sales (outputs) to study the inter-industry flow of goods and services.

J. M. Fuerst, market research manager of the Celanese Corp. of America, put matters into perspective:

"In the highly competitive petrochemical industry—where capital requirements are great, technology complex and changes rapid—our management is convinced that only a large, integrated and imaginative company can hope to remain competitive and profitable and still grow."

"More than ever, we have found that Celanese's performance depends primarily on our ability to foresee the future."

Mr. Fuerst, and three colleagues—Joel M. Gochenour of Stanford Research Institute, Dr. A. George Gols of Arthur D. Little Co., and C. Ward Seitz of North American Rockwell—conducted a technical session.

Without getting too technical, an example of input/output would run something like this: Steel buys its raw materials—iron ore, limestone and coal—from the mining industry. Steel also sells steel to the equipment industry. The equipment industry, in turn, sells to the mining industry. Thus, a boom in steel creates a demand for raw materials, which creates a demand for machinery, which creates a demand for steel.

All of this, of course, is aimed at getting a product (let's say an auto) into the consumer's hands, so the details are many.

Big charts, plotting all these industrial, economic, governmental, etc., factors do make sense, and such details are a computer system's meat.

As Mr. Fuerst pointed out, Celanese sales have doubled to more than $1 billion and profits have increased over 1000 per cent in a four-year period.

Mr. Seitz says input/output aided North American Aviation to determine that Rockwell-Standard Corp. was an excellent merger partner.

Dr. Gols reports that the charts show steel's growth coming in just five major markets: Rubber, copper, aluminum (probably equipment) shipbuilding and stampings, while most major markets look just great for plastics, with the exception of metal containers. He forecast a "fierce battle" over the next decade between metals and plastics—and among various combinations.

Mr. Gochenour traced increased demand in the food-beverage industry back to basic chemicals—through the paper industry—and explained how input/output could be used to forecast overseas markets.

In addition, techniques are being developed to pinpoint diversifications opportunities, general trends, demands for materials, changing technology and generally to coordinate activities.

The session was the second sponsored here by the Department of Commerce, and that fact indicates Pittsburgh is well ahead of most areas on input/output.

Lewis E. Conman, director of the field office, said input/output already has spread as far as Europe and there is reason to believe that Pittsburgh will become the input/output study center of the world.

He already has scheduled a session for small business here on Feb. 21, with the University of Pittsburgh helping out.

Consumer Credit Protection Act

HON. WILLIAM A. BARRETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. BARRETT. Mr. Speaker, pursuant to permission granted, I insert in the Congressional Record a telegram I received supporting H.R. 11601, the Consumer Credit Protection Act:

Hon. William A. Barrett,
House of Representatives,
Washington, D.C.:

The National Association of Mutual Savings Banks led the financial world in advocating truth-in-lending legislation. We urge your support of the pending bill, including Mrs. Sullivan's revolving credit amendment.

Harlan J. Swift,
President, National Association of Mutual Savings banks.

President Assures Youth Their Views Are Heard by Their Government

HON. DONALD J. IRWIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. IRWIN. Mr. Speaker, President Johnson's message to the student delegates of the Senate youth program last week was a plea for involvement in the affairs of Government.

The genius of democracy is its responsiveness to the will of the people—young and old. Youth can best accomplish its goal of changing the world by involving itself in government and politics—not by dropping out of society in frustration.

Just as youth seeks to help government, so too does government help youth. The Johnson administration has attempted to create the widest opportunities for talents by removing the barriers of ignorance, poverty, prejudice, and disease.

Youth today is more prosperous than ever before—but more concerned with society than ever before. Youth today has had the advantages of good education, excellent health care, and abundant material comforts—and they desperately want everyone else to share it with them.

Most of all youth wants to be listened to with respect—to be heard in the great halls of government as well as in the classrooms of America. The Democratic Party has always been the party of youth and youthful ideas—and it remains so today. As the President—and leader of the Democratic Party said to the students, "So long as I lead, you will be heard."

Under unanimous consent I insert in the Record the President's remarks at the White House on January 26:

REMARKS OF THE PRESIDENT TO STUDENT DELEGATES ATTENDING THE SENATE YOUTH PROGRAM SPONSORED BY THE HEARST CORP., JANUARY 26, 1968

Distinguished students; ladies and gentlemen:

I understand that you young people hold elective positions in your schools. It is a great pleasure for me to welcome you here to the East Room in the White House as office-holders.

If any of you have decided to run for reelection, I have a word of advice. The only thing that I know that is harder than holding an office is running for an office. So, be sure to preserve your strength—you may need it in the stretch.

I have been hearing so much about young people that I am ready to believe what a columnist had to observe recently:

"One of the worst things that can happen to an American child nowadays is youth."

I have not asked you to come here this morning under any pretense that I am going to analyze you. I think enough people have you on the couch already—especially about your morals, your hair length and hemlines.

But I want to talk instead in the few moments that you have given me, about a subject that intrigues you and disturbs me: How can young Americans influence the policies and events which determine so much of their own lives?

Well, the truth is they can—and they can't.

Mr. Clifford was not the only man who was considered for Secretary of Defense for a period of many months. But I must admit that none of his competition was under 25. There never will be a Senator under 30, or a President under 35—not without a Constitutional Amendment. Most heads of corporations and universities—most great generals, most scientists, professors, bankers, lawyers, journalists—if you please, most of the so-called "power structure" are not going to be under 30. That is the way it is; and any who say otherwise are only flashing "fools gold."

But I am not here this morning to discourage you. I recognize your restlessness. And I welcome some one has written of you:

"Probably the most powerful head of steam ever created is that of young people trying to set on fire a world that they think is all wet."

But we must ask ourselves this question: How can this youthful head of steam become a constructive force in our national policy? How can your restlessness and your drive be satisfied—so that all America gains from your energies and from your ideals?

We have found many of the answers. But we must find more. Young people may have less power than they want. But let me tell you this: Many of you have a great deal more power than you think.

The longer I work in this House, the more I see how sensitive this government is, how strongly it responds to the peoples' needs and desires. When the American people say something, when they really care about something—then the American system really works. It works not only for those over 30, but it works for those under 30 as well.

It works best not for those who "turn off" or those who "drop out"—but particularly for those who "butt in." And that is what I would recommend to those of you who want to change the world. I would suggest to you: "butt in", "butt in" to politics. "Butt in" to politics hard and loud and clear and then you have a chance to change the world from within.

You have something else going for you. Hard as it is for you to believe now, you are not going to be 17 or 18 forever.

But the basic power and the great advantage of youth is staying power. When these tense moments that we undergo today are just footnotes in our history, you young men and women are going to be running this nation. It will be your turn then to cope with the tense moments that come your way. It will be you who confront them in government and business and science, and every field of human endeavor. I might add that your time of testing—the time that you will have the opportunity and responsibility to demonstrate your wisdom and to accept your responsibility—may be closer than you think. Look around this room and this House. Look at the faces of the people who labor here and those who turn off the switches after midnight every night. The men and women who make the White House go and really make it tick, who really keep this country moving, are generally your kind, mostly young, some of them not even 30, most of them under 40.

So, as you can see, youth always wins in the long run. And I think that is something that each of you will do well to remember.

Your Government's responsibility to you is to create the widest possible range of opportunities for your talents to exploit. Where those talents are threatened by disease; or by prejudice; or by poverty; wherever youth is wasted by circumstance—there is where a responsible Government should and must intervene.

Not to write your ticket for you, but to set you free to write your ticket for yourselves.

That is what we are trying so hard to do. What I hope you will do is take advantage of these opportunities that you have—opportunities that are greater now for more of our people, for more of our youth, than they have ever been in the history of man.

That, really, is youth's real power. You have only to reach out and to seize it and thus to shape your own society. Let me ask you this question: How many young people in other countries can claim the power that you possess? What other generation has ever had your chance to speak up, to stand out, to make the world what you want to make it?

Make no mistake. When you young people speak up, people around here sit up. You won't see many people wearing hearing aids in the White House. You won't find anyone in this Administration who wants to tune you out. We hear you. We want you. We need you considerably more, I think, than any of you may know.

I have spent 37 years of my life in Government. If I have learned one thing in those 37 years it may be that the most important instrument of Government is the ear.

I will go further than that. I use it about 20 hours a day. The test and the art of leadership and democracy is not the hand that rules, but the heart that hears.

I want to leave you with a promise. That promise is this: So long as I lead, you will be heard.

I have been listening to young voices all of my life, and other voices too.

This morning I am reminded of a voice that I heard more than 30 years ago when I was quite a young man. I was stirred, stirred by the eloquence of Franklin Roosevelt, who said: "The destiny of American youth is the destiny of America."

Some may ask today: What is our destiny? Well, I believe I know the answer.

I look at you young people—the smartest, the healthiest, the most prosperous, the best dressed, with more creature comforts and more advantages than your fathers or your grandfathers ever dreamed of, and yet you are the most straight-forward and most concerned generation that I have ever seen in all of my life. I draw a conclusion from that. I look at you and I know that America is going to make it—and America is going to make it big.

Thank you very much.

Veterans in the Public Service

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. LONG of Maryland. Mr. Speaker, the President's message in behalf of our Nation's servicemen and veterans places strong emphasis on helping the GI find challenging employment after he leaves the service. The constructive programs proposed by the President are evidence that our Government is as concerned with the welfare of the serviceman after he returns to civilian life as it is with providing him with the best equipment and training while he is in our Armed Forces.

The impending opening of U.S. Veterans Assistance Centers in 10 major cities—with an additional 10, including Baltimore, to follow as soon as possible—will provide centralized information on the health, housing, employment, and educational benefits available to the returning serviceman, and ease his transition to civilian life.

The proposed Veterans in the Public Service Act is an imaginative plan to encourage and prepare veterans to devote their lives to public service. This act is designed to produce greater stability in our society, wise leadership and counsel for our youth, and job fulfillment for the veteran.

The Vulnerable Russians

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. DERWINSKI. Mr. Speaker, the new book under the title of "The Vulnerable Russians" deserves the studied attention of every thinking American who is concerned with questions of war and peace, United States-U.S.S.R. relations, and America's future. Authored by Dr. Lev E. Dobriansky, of Georgetown University, the work is easy reading, revealing, and well documented. It illuminates many fundamental misconceptions held both in official and private circles with regard to the Soviet Union and the Red empire, and it provides concrete alternatives, both in concept and practical action.

"The Vulnerable Russians" is now available at the Georgetown University Bookstore, White Grovenor, Georgetown University, Washington, D.C. However, some excerpts from the book will give the reader an indication of the novel nature of the work:

MARX'S OUTLOOK ON THE PRISON HOUSE OF NATIONS

Perhaps more than any other Western writer of his day, Marx displayed a deep perception into the traditional forces of the Russian Empire. Viewing the policy of imperialist Russia as changeless, he warned for his time as well as ours: "Its methods, its tactics, its maneuvers may change, but the polar star of its policy—world domination—is a fixed star.

* * * * *

Relatively few in the Free World have recognized the crass Russian perversion of Marx and Marxism. Still fewer who are conversant with both the Marxist system of thought and the history of Russian, predominantly an imperio-colonialist history, have detected in this perversion one of our chief ideological weapons against what is spuriously called Communism.

* * * * *

To cope with the Russian bear, the United States has, up to now, relied chiefly on economic and military power in what has steadily deteriorated into a policy of patch-up containment. Captive Cuba alone stands as a living symbol of the long-run bankruptcy of this policy. What Alexander I had failed to acomplish in the nineteenth century, Khrushchev achieved in the 1960's by entrenching Russian interests close to our shores.

* * * * *

On this score, Moscow's success in transporting the notions that the global conflict, in the contradictory context of peaceful coexistence, is one of "socialism versus imperialism" actually has been our failure to determine the real nature of the enemy. For this failure we have paid dearly, not only since World War II but also since the end of World War I. President Woodrow Wilson advocated the principle of national self-determination, yet failed to enforce it in many areas of the dissolved Tsarist Russian Empire.

* * * * *

Blind to the "polar star" of traditional Russian policy that has guided and dominated the actors—be they the Nicholases, the Lenins, Stalins, Khrushchevs, Brezhnevs, or future Shelepins—are we to perpetuate the mistakes, seeking accommodation and coexistence to prop up a failing policy of patched-up containment?

MARXIAN INSIGHTS INTO THE RUSSIAN EMPIRE

* * * * *

Above all others, Marx saw the Tsarist Russian Empire as a "prison house of nations." If he were alive today, there can be no doubt about his describing the core of the present Soviet Russian Empire—the Soviet Union—as a prison house of nations. The writings of Marx on Russia, its empire, its past and its future make far more sense for a current understanding of the threat facing the Free World than the mountains of literature built about Communism, Sovietism, Marxism-Leninism, and Bolshevism in the USSR over the past four decades.

* * * * *

His treatment would be a far cry from the fallacious and misleading handling of this basic material by too many of our contemporary analysts. You could almost pick them at random. Take, for example, a biography of an American millionaire, William Boyce Thompson, who served on the American Red Cross mission to Russia.

* * * * *

Similar examples abound in our academic and official realms. A textbook used in our universities introduces the subject of the USSR this way: "Its population was estimated in 1940 to be more than 192,000,000, and though representatives of over a hundred nationalities contributed to this total, more than 150,000,000, or nearly four-fifths, are ethnically Russian." Even Red Moscow is more truthful in its 1959 census.

* * * * *

Here, too, one can quote Marx at length. Apropos to "peaceful co-existence" is this Marxian observation: "The work of Russian encroachments in Europe will once again be confined to the slower but surer processes of diplomacy and intrigue, animated by unscrupulous arrogance on one side and aided by weakness and pusillanimity on the other."

* * * * *

A Marxian orchiectomy—i.e., the operation of psychopolitical sterilization—on the Soviet Russian toitalitarians is no play on words. In sharp contrast to many of our own contemporary experts, Marx gives every evidence of a working knowledge of these two major phenomena—the prison house of nations and the traditional cold war diplomacy of Russian tyrants, whether native or Russianized.

* * * * *

It is little wonder that a collector of Marx's writings on Russia sums up these contributions as follows: "Whether the Russian czar bears the name of an Alexander or a Nicholas, a Stalin or a Khrushchev is of minor importance. Trenchant as was the 1917 break with the traditional Russian social system, the goal of conquest and thirst for acquisition intrinsic in her foreign policy remain unchanged, whether embellished as in Czarist times with the pretext of protecting Eastern Christendom or the Slavic world or camouflaged under the Red Soviet banner of 'liberation of society and the world from the capitalist yoke.' "

* * * * *

What quite rightly is implied here is that the ultimate solution is the final and decisive break-up of the Russian Empire, whether red, white or whatever hue. Wishful thinking for a peaceful evolution of the Soviet Union, a happy coexistence between West and East, a "non-communist, democratic government in Moscow" is a pursuit of an intellectual mirage. This has become a favorite sport today. It is an old story that fits neatly into Moscow's cold war plans. Indubitably, tomorrow we shall pay for repeating today the mistakes of yesterday.

* * * * *

THE PRISON'S FIRST COLLAPSE

* * * * *

The supreme irony in this regard was the totalitarian re-establishment of the Russian prison house of nations by Lenin himself, the supposed heir of Karl Marx—a professed Marxist turned into a Russian jailer! The Russian Empire collapsed in World War I not so much because of the two Russian revolutions in 1917, but chiefly because of the sweeping non-Russian revolution for national freedom and independence.

* * * * *

Or when an utterly confused product of the *Life World Library* describes Lenin as "an ardent Marxist," the facts of his crass opportunism belie such a characterization.

* * * * *

A sadly neglected subject is Lenin's Bolshevik exploitation of the captive non-Russian nations issue prior to 1917. The Bolsheviks saw it as one of the major forces contributing to the break-up of the Tsarist Russian Empire. A history which the Red Chinese know all too well, Lenin and his conspiratorial band propagandized and exploited this issue in full.

* * * * *

Yes, Marx truly provides us with a genuine cold war perspective when he stresses, "The Russian bear is certainly capable of anything, so long as he knows the other animals he has to deal with to be capable of nothing." At their birth in 1917–22, most of the independent non-Russian nations could scarcely have been expected to protect themselves adequately against the resharpened claws of the Russian bear.

* * * * *

Lenin played it right; the Western nations proved to be capable of practically nothing in securing their own freedom in the long run by literally securing the newly won freedom of Georgia, Armenia, Ukraine and the other non-Russian nations.

* * * * *

It is vitally important for us Americans to come to grips with these essential historical facts bearing on the Soviet Union and their threat to our Western civilization, many of which were fully grasped by Marx.

* * * * *

The notion that Red Moscow first commenced its imperio-colonialist ventures in 1939 smacks of historical myopia. The prevalence of this fallacious idea obstructs our view of the total picture of Soviet Russian imperialism, extending back to 1917–23. With this picture one can easily understand why Moscow cries out, "No interference in our internal affairs" when concern is shown for these primary captive non-Russian nations. Without them its expansionist base would be severely reduced.

* * * * *

In this period of "negotiations for peace" we might take another leaf from Marx. "Russia," he wrote, "only throws out so many notes to the Western diplomats, like bones to the dogs, in order to set them at an innocent amusement, while she reaps the advantage of further gaining time." Since 1954 a mountain of such bones has been created by Moscow.

* * * * *

One of our outstanding American journalists emphasizes that "our enemy is not Communism per se, but Soviet imperialism. . . ." True, but not completely. It is not the Soviet Union that is imperialistic, but rather Soviet Russia, which is only a part of the Union. As Marx observed, the fixed star of world domination is a Russian star.

TOWARD THE PRISON'S FINAL COLLAPSE

* * * * *

The cold war weapons used by the present heirs of the Russian Empire are in reality old weapons. What is new is their field of specific application, their environment for the new kill. We Americans have come to recognize these weapons more and more, but there can be no question of the fact that we still have a long way to go in our understanding of how to blunt these weapons, and with our own weapons of truth and decency to pierce the very heart of the Soviet Russian imperio-colonialist system.

* * * * *

We can defeat the Soviet Russian totalitarians in the Cold War. The mainstay of Moscow's ambitions and pretensions has always been its propaganda power. Interpreted in its proper educational sense, propaganda is Moscow's central power.

* * * * *

The Russian Empire collapsed once in a state of a hot war; it can collapse again in the state of a cold war. To bring this to pass, it is essential that there be a balanced combination of five factors:

* * * * *

The all-important concept of the captive non-Russian nations in the USSR is, as we shall see, a central, synthesizing and explosive concept. Where there is a plague or wildfire, we do not hesitate to employ dynamite. The concept of the captive non-Russian nations in Moscow's primary empire is our dynamite for the Cold War—and again, I repeat for those afflicted by acute nuclearitis, without exploding the world.

* * * * *

A number of subjects examined here are concretely tested theories. They are not speculative ideas precedent to possible acts and events; they are ideas which generated acts and actual events.

In this Cold War it pains me, as very likely it does the reader, to witness the acutely disadvantageous situations in which our leaders are frequently placed when meeting with the Soviet Russians.

President's Economic Report

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. BOLLING. Mr. Speaker, President Johnson's Economic Report to Congress proposes a much-needed overhaul of our antiquated unemployment security system to better meet the needs of today's worker.

Our unemployment insurance system protects millions of Americans from the tragedy of losing a job with no other place to work. But a system designed for the great depression no longer meets the challenges of the 1960's.

Millions are now unprotected; cash benefits have not kept pace with our rising standard of living; and the present system cannot adequately help those in need of training and counseling.

President Johnson has proposed legislation that will modernize the unemployment insurance system.

Coverage will be extended to include additional workers under the umbrella of protection. Cash benefits will be increased along with the unemployment tax base and rate. Extended benefits will be triggered by unemployment and will be linked to training and employment rehabilitation of the recipients.

An enlightened Nation can do no less than assist workers forced from their jobs by technology, age, or discrimination. An enlightened people must help its fellow citizens live decently while they earnestly seek new employment.

President Johnson has proposed one of the most important advances in unemployment compensation since the inception of the system over 30 years ago.

Congress must not turn its back on this grave problem. I have confidence it will not.

Postal Pegasus

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. EILBERG. Mr. Speaker, the Philadelphia Evening Bulletin sees the replacement of trains by planes as the primary mode of transportation for mail delivery as "a natural progression." It is, indeed, a natural and desirable progression and I insert the Bulletin editorial in the RECORD:

POSTAL PEGASUS

There would seem to be a contradiction between the increase in air and first class mail postage recently and the announcement by Postmaster General Lawrence F. O'Brien that he will try to induce Congress to permit him to drop the domestic 10-cent air mail fee, because most mail is moved by plane now.

Ostensibly, the increase in costs for handling all grades of mail grew out of the pay increases for postal employes and the perennial deficits by the department. The O'Brien proposal grows out of the practical fact that use of railroads, by the Post Office, has been decreasing.

This is particularly true of the overland trains, whose passenger loads have been cut back by air travel, causing many railroads to cut down on their schedules. Thirty years ago, there were 10,000 trains in the nation available to carry the mail. Today, there are only 741.

Over 500 cities are now tied into a mail net by air, where, only a year ago, only 14 cities were linked directly. From use of this net, 75 percent of letters mailed before 5 P. M. one day are at their destinations the next morning, and 90 percent are delivered in two days.

It may not be easy for the postmaster general to get his proposal through Congress, and that is one of the reasons why, although the rates were raised now, the proposal is still a year away.

The postmaster general wants to have solid facts to put before those concerned with railroad use. For 1968, the railroads will be paid $270 million for mail hauling, including parcel post and bulk mail, which is not shipped by air. Airlines have reached $150 million in federal payments and these are increasing.

The myth of Pegasus may be coming true.

The Pony Express seems to be giving way to the winged horse. It should be seen as a natural progression.

We're Right in Vietnam

HON. BASIL L. WHITENER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. WHITENER. Mr. Speaker, the effort our Nation is making to halt the spread of communism in Southeast Asia and to support the national integrity and sovereignty of the free nations in that area is one of the highly controversial issues of our time.

Much has been written and said about the moral position of the United States in Southeast Asia. Charles H. Deal, editor of the Observer-News-Enterprise, Newton, N.C., has the answer, I feel, to those who would like for the United States to withdraw from Southeast Asia.

In a very fine editorial carried in the January 29, 1968, edition of his paper Mr. Deal gives us the reason why every American should support his country in meeting the great challenge to freedom which communism has created in Southeast Asia and other areas of the world.

Mr. Deal's editorial is as follows:

If Evil Is Wrong, We're Right in Vietnam

Someone said it: "The hottest corner of hell is reserved for those, who in time of moral crisis, maintain their neutrality."

Decent people in this country abhor some terrible things which have occurred in our society—in America. They find it understandably stomachturning that dozens of people watched a woman stabbed to death, turning away instead of offering assistance. Any number of other similar acts have been recorded by the daily press.

The usual explanation for this behavior? "I didn't want to get involved."

Some of our people who detest most this narrow and cowardly view of reasoning are themselves caught up in the same web by stating the United States has "no business" in Vietnam. We hear this statement from otherwise God-fearing, reasonable people who wouldn't dream of issuing a vocal protest or demonstrating or be caught suggesting that a young man not shoulder the responsibility to his country and his God by bearing arms in time of need.

"Pull out and let the Asians have Asia" is an all too common statement of late. A withdrawal on our part—make no mistake—would be a great victory for international communism and its quest to rule and enslave the world, including the U.S.A.

In the final analysis, we are not quibbling about the morality of war, but more directly do we intend to survive the threat of those who would conquer the world piece by piece until only we remain to stand alone? A pullout is precisely what communism is seeking, because it would destroy our prestige with nations which have been able to hold out against this cancer with our moral support.

If communism and its stated aims are wrong, we are right in our position as an international police force. The basic fundamental reason for our existence as a nation is couched in freedom and self-determination. May it always be so.

Some of the creeps who come out of the woodwork to hurl insults at our system is not so surprising. A person who hasn't the decency to keep his body clean and his hair trimmed and his morals within reasonable bounds would hardly be expected to understand what our system is all about. This weirdo group gives little comfort to the enemy. This type is self-destructing and society recognizes them generally as undesirables and reactionaries—often for no more reason than being reactionary.

Of far greater concern are the people who count and help form public opinion who suggest a pullout with no apparent concern for the longrange damage. They seem not to understand that our decision appears to be that brushfire battles today are perhaps our greatest bulwark against nuclear World War III tomorrow.

Can it be that our highly developed and affluent society has bred a population of jellyfish? Our troops in Vietnam give an image of what they are, the finest manhood we have to offer. But some of our brains on the homefront have grown soft from such sport as chasing the almighty dollar and its fringe benefits.

How can it be that our values have changed so? Few people thought that our part in World War I or World War II was wrong. There were few demonstrations against our involvement in Korea.

Our war in Vietnam today is no different. We are in that country for the same reasons we engaged the Germans and Japanese. Our quest 25 years ago was no more honorable than our avowed purpose of engaging and defeating communism today.

A main source of concern today is how much doubt is being planted in this country by undercover communists. How much labor and racial strife has been communism-inspired? FBI Chief J. Edgar Hoover is certain that communism is playing a role in civil unrest and certain persons who engaged in civil rights strife in the past are now well known as communists.

Remember Robert Williams, the Monroe Negro who was a part of violence in that North Carolina town? Williams fled to escape prosecution on a charge of kidnapping. Today, Williams has taken asylum in communist-controlled Cuba, where another erstwhile hero of freedom—Fidel Castro—now holds court.

Knowing that communism has played a part, however major, in creating some of the sores of our own society, it is highly conceivable that the practice is far more wide-spread than we realize.

The recent standoff over North Korea's seizure of the American ship, *Pueblo*, seems to show that some members of Congress have likewise been deluded by the importance of our remaining in Vietnam.

Some of the so-called Doves, who were advocating a pullout from Vietnam, are now among the most outspoken for direct action in recovery of the *Pueblo* and its crew of 83.

The ire of Americans over the North Korean incident also suddenly makes antiwar demonstrations most unpopular, too. And yet, nothing has really changed.

It is possible, even highly probable, that despite their high motives, we have many in our society favoring a pullout in Vietnam who have unknowingly becomes dupes of the communist conspiracy.

Fortunately, the ablest polls taken today show that a vast majority of Americans favor our involvement in Vietnam and probably any other place where it becomes necessary to take the lead against communism or any other evil force.

According to pollster Lou Harris, Americans are against a withdrawal from Vietnam by a margin of 4–1. Many other polls show similar results.

Americans have supported the country's position in Vietnam by a majority from the outset.

Americans are resolute to resist aggression.

And showing their distaste, American support for Vietnam was at its highest shortly after the march of weirdos on the Pentagon, followed by picketing of recruiting stations and manufacturers of war goods.

The people who counted seemed to say: "If this is opposition to the war, count me out."

We can be dupes—knowing or unknowing—for communism.

Or we can stand up for right against wrong.

National Association of Retired Civil Employees States Its Case on Retirement Inequities

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. DULSKI. Mr. Speaker, the National Association of Retired Civil Employees has stated its own case very well on the need for legislation to eliminate civil service retirement inequities.

For the information of the Members, following is the summary prepared by the association:

Summary by National Association of Retired Civil Employees

Much has been said and done during the past few years about the principle of comparability in salaries between postal and other Government employees with those of outside industry, and rightly so, but there has been no consideration for the employee already retired. If comparability and a higher standard of living are necessary for present employees, then the annuities of those Federal civil employees retiring over the years should be made comparable with the annuities of Federal employees retiring today. Instead of income adjustments comparable to those of employees, or matching increases to retirees in industry generally, the Federal retiree is grudgingly given a "Cost of Living" increase, always months or years behind.

Actually the standard of living for all Federal civil retirees except those most recently retired is now lower than immediately after retirement and we see this at a time when the standard of living in the United States is at an alltime high.

Besides being denied this increased or improved standard of living the retiree is also denied many of the liberalized benefits under civil service retirement laws because most of the liberalizing laws become effective with the date of enactment and benefit only those employees who retire thereafter.

Let us look at the record—Since 1956 postal employees have received salary increases of nearly 75% and other Federal employees have received increases of more than 65% giving them a terrific boost in their standard of living, while the retiree has received three or four meager "cost of living" adjustments, totaling from 15% to 25%. To the retiree this represents only a "Depressed" standard of living.

To deny these retirees "comparability" is bad enough, but to also deny them the opportunity to share in liberalized benefits such as a much lower cost of providing a survivor annuity for their spouse; increased insurance benefits; permitting retirement at age 55 with 30 years service without penalty, and permitting the spouse to remarry without loss of annuity, are gross injustices for which there is no excuse. We have a few pre-1948 widows who are still denied annuities solely because they were married less than five years. We have pre-1956 disability retirees who cannot benefit by the annuity floor in effect for nearly 12 years. Extra-long service benefits given to all who retired since 1960 are still denied to those previously retired. What justification can possibly be given to these examples of discrimination?

The Administration urged the Congress to increase the minimum annuity for beneficiaries under the Social Security System and the First Session of the 90th Congress agreed to this, without any consideration of the fact that literally thousands and thousands of our Civil Service Retirees and Survivors are drawing annuities which place them far below the poverty level as established by the present Administration.

Although tax free benefits under social security have been increased twice, in 1965 and again 1967, our plea for increasing our Retirement Income Credit from $1,524 for a single person, and $2,286 for married couples, to match these increases in social security was denied.

Bills correcting these inequities have been introduced into the Congress.

Imported Farm Labor

HON. JEFFERY COHELAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. COHELAN. Mr. Speaker, foreign agricultural workers continue to have a depressing effect on the wages and working conditions of farm laborers.

On December 15, 1967, I related to this body at some length the progress which had been made in securing higher wages and better working conditions for agricultural laborers. I also pointed out that American workers would perform farm labors—if the wages and conditions were good enough. Unfortunately in my December remarks I had to note that we have still not made sufficient progress. Imported laborers are still being used unnecessarily and the threat of still more imported laborers makes it difficult to obtain a decent wage for farm workers.

Mr. Arnold Mayer, legislative representative of the Amalgamated Meat Cutters and Butcher Workmen, in a statement to the U.S. Department of Labor hearings concerning aliens performing temporary labor, has made a significant presentation of these issues. I commend this statement to my colleagues and include Mr. Mayer's testimony in the RECORD at this point:

STATEMENT OF ARNOLD MAYER, LEGISLATIVE REPRESENTATIVE, AMALGAMATED MEAT CUTTERS AND BUTCHERS WORKMEN (AFL-CIO), IN THE HEARINGS OF THE U.S. DEPARTMENT OF LABOR CONCERNING ALIENS PERFORMING TEMPORARY LABOR, WASHINGTON, JANUARY 29, 1968

My name is Arnold Mayer. I am the Legislative Representative of the Amalgamated Meat Cutters and Butcher Workmen (AFL-CIO). I am testifying today on behalf of the AFL-CIO and my own International Union.

The AFL-CIO is a federation of 128 International Unions which represent some 14 million American workers.

The Amalgamated is one of these International Unions. It has about 400,000 members organized in some 400 Local Unions throughout the United States and Canada. The Amalgamated and its local unions have contracts with thousands of employers in the meat, retail, poultry, egg, canning, leather, fish processing and fur industries.

END THE IMPORTATION

When we testified in a similar Department hearing on Dec. 5, 1966, we said:

"Here we are again—discussing the importation of foreign workers!

"The AFL-CIO and the Amalgamated Meat Cutters and Butcher Workmen firmly believe that these hearings are unnecessary. We urge today—as we have in the past—that no temporary foreign workers be imported into the United States to perform agricultural labor. If the importations are stopped, then the whole certification and adverse effect procedure will be obviated."

We repeat this view with greater emphasis. The importation of semi-captive foreign workers is a vestige of the unfortunate past. Congress demonstrated in 1963–64 that it wanted the farm labor importations ended. This intent of Congress has not been carried out.

ADVERSE EFFECT CONTINUES

It is simply nonsense to believe that American farm workers are not adversely affected by the importation because the number of workers brought into the U.S. has been reduced and because rates are set and increased periodically. Obviously, the fewer the importations and the higher the adverse effect rate, the less U.S. farm workers are harmed. But any importations and any hope by the growers for importations must cause an adverse effect.

The importations cushion the growers against having to raise wages and improve working conditions to the point necessary to attract and maintain a sufficient labor force. Farm labor wages would certainly be higher than they are today and working conditions would certainly be better if this cushion did not exist.

Growers, alone among all of the U.S. employers, need not practice free enterprise. They can depend upon the federal government to do a part of their labor recruitment.

INADEQUATE ENFORCEMENT

The fact that U.S. workers will do any and all work in American agriculture if the wages and working conditions are right has been amply proved in the last three years. The fact that agriculture can prosper by having decent conditions is being proved by growers and unions, especially in California, which formerly used more than 200,000 foreign farm workers a year. In that state, the United Farm Workers Organizing Committee has negotiated contracts which contain common labor rates near $2.00 an hour, fringe benefits, grievance and arbitration procedures and other points of industrial democracy.

The fact that enforcement of the adverse effect provisions by the Department sometimes leaves a great deal to be desired has also been shown. California Rural Legal Assistance made the point plainly when it forced the Department into an out-of-court settlement in September. The agreement provided that the Department will observe its own adverse effect regulations. That has not been done when the Department certified more than 8,000 braceros to work in California last year. The evil of this program has corroded and at times still does corrode the Department.

FLORIDA SCANDAL

And foreign workers are still semi-captives. Consider the shocking incident, which occurred only a few weeks ago:

On January 2, imported Jamaican workers at the Glades Sugar Cooperative, Pahokee, Fla. sat down in the cane fields to demand better pay. They also charged that they were being credited with less hours than they actually worked. Significantly, Company records shows the average workday to be less than 7 hours.

What happened to these "free" men?

First of all, the local police sent in the riot squad because the growers alleged the workers threatened to burn the camp down. Fifty two workers were arrested and put in jail under bail of $11,500—I repeat $11,500 each. These workers were given the "free" choice of staying in jail or going home.

They went home.

Some 80 more workers went home at their own request, according to the growers. And it is true, they did make the decision to go home. These "free" men were given the "free" choice of working at the rate which the employer wanted to pay or be sent home.

They chose to go home.

NUMBER OF IMPORTATIONS NO LONGER DECREASES

The foreign farm labor importations in the past brought into the U.S. semi-captive workers who limited wages and job opportunities for America's poorest of poor, the U.S. farm worker. It still does. The magnitude of the problem has decreased because fewer workers are imported and better standards are set. But the nature of the problem has not changed. The scandalous conditions of the importation can only be ended when the importation is completely and finally stopped.

Nor is the foreign farm labor program phasing out. In 1965 and again in 1966, the number of importations dropped sharply. But in 1967, the number stabilized at the level of 1966. In both 1966 and 1967, peak employment of foreign workers was 12,000. The total importation for all of 1966 was 23,500 and for all of 1967 23,600. The importation of cheap, semi-captive workers is continuing at a steady rate.

ADVERSE EFFECT RATES

Our arguments in the 1964 and 1966 adverse effect hearings for a complete stop in the importation of foreign farm workers unfortunately did not bring about that desired result. We hope the Department will act differently on the basis of the three year experience and after it considers the testimony of these hearings.

However, the possibility does exist that it may continue the importations. If it does and if those organizations which are concerned with farm labor conditions do not propose and support new adverse effect provisions, then the hopelessly outdated rates may remain. Not only would foreign farm workers be imported, but more of them would come into the United States.

Because of these factors, we will offer suggestions concerning new adverse effect rates. But we repeat again and again that we strongly and emphatically urge that the adverse effect rate be made unnecessary by stopping the importation of the foreign farm workers entirely.

RECOMMENDATIONS

We recommend that:

1. The adverse effect wage for each state should produce an annual income higher than the government-established poverty line figure—about $3,300 currently. This means that the adverse effect rate should be more than $1.55 for each and every state.

2. Hourly earnings should not be the only test of earning opportunities. Currently, a worker is not paid in agriculture for the time he must wait even though his inability to work is no fault of his own and even though the employer has told him to be available.

Unions have met this problem in many industries. For example, in the meat packing and poultry industries, the Amalgamated long ago negotiated contracts which provide that a worker must be paid for 36 hours of work if the employer did not inform him during the previous week that he should not report for work. Whether he works those hours or not, he is guaranteed pay for them.

Also, government regulations under the Fair Labor Standards Act provide that a worker be paid for the time if he waits for work through no fault of his own and has been previously asked to report for work by the employer.

The Pony Express seems to be giving way to the winged horse. It should be seen as a natural progression.

We're Right in Vietnam

HON. BASIL L. WHITENER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. WHITENER. Mr. Speaker, the effort our Nation is making to halt the spread of communism in Southeast Asia and to support the national integrity and sovereignty of the free nations in that area is one of the highly controversial issues of our time.

Much has been written and said about the moral position of the United States in Southeast Asia. Charles H. Deal, editor of the Observer-News-Enterprise, Newton, N.C., has the answer, I feel, to those who would like for the United States to withdraw from Southeast Asia.

In a very fine editorial carried in the January 29, 1968, edition of his paper Mr. Deal gives us the reason why every American should support his country in meeting the great challenge to freedom which communism has created in Southeast Asia and other areas of the world.

Mr. Deal's editorial is as follows:

IF EVIL IS WRONG, WE'RE RIGHT IN VIETNAM

Someone said it: "The hottest corner of hell is reserved for those, who in time of moral crisis, maintain their neutrality."

Decent people in this country abhor some terrible things which have occurred in our society—in America. They find it understandably stomachturning that dozens of people watched a woman stabbed to death, turning away instead of offering assistance. Any number of other similar acts have been recorded by the daily press.

The usual explanation for this behavior? "I didn't want to get involved."

Some of our people who detest most this narrow and cowardly view of reasoning are themselves caught up in the same web by stating the United States has "no business" in Vietnam. We hear this statement from otherwise God-fearing, reasonable people who wouldn't dream of issuing a vocal protest or demonstrating or be caught suggesting that a young man not shoulder the responsibility to his country and his God by bearing arms in time of need.

"Pull out and let the Asians have Asia" is an all too common statement of late. A withdrawal on our part—make no mistake—would be a great victory for international communism and its quest to rule and enslave the world, including the U.S.A.

In the final analysis, we are not quibbling about the morality of war, but more directly do we intend to survive the threat of those who would conquer the world piece by piece until only we remain to stand alone? A pullout is precisely what communism is seeking, because it would destroy our prestige with nations which have been able to hold out against this cancer with our moral support.

If communism and its stated aims are wrong, we are right in our position as an international police force. The basic fundamental reason for our existence as a nation is couched in freedom and self-determination. May it always be so.

Some of the creeps who come out of the woodwork to hurl insults at our system is not so surprising. A person who hasn't the decency to keep his body clean and his hair trimmed and his morals within reasonable bounds would hardly be expected to understand what our system is all about. This weirdo group gives little comfort to the enemy. This type is self-destructing and society recognizes them generally as undesirables and reactionaries—often for no more reason than being reactionary.

Of far greater concern are the people who count and help form public opinion who suggest a pullout with no apparent concern for the longrange damage. They seem not to understand that our decision appears to be that brushfire battles today are perhaps our greatest bulwark against nuclear World War III tomorrow.

Can it be that our highly developed and affluent society has bred a population of jellyfish? Our troops in Vietnam give an image of what they are, the finest manhood we have to offer. But some of our brains on the homefront have grown soft from such sport as chasing the almighty dollar and its fringe benefits.

How can it be that our values have changed so? Few people thought that our part in World War I or World War II was wrong. There were few demonstrations against our involvement in Korea.

Our war in Vietnam today is no different. We are in that country for the same reasons we engaged the Germans and Japanese. Our quest 25 years ago was no more honorable than our avowed purpose of engaging and defeating communism today.

A main source of concern today is how much doubt is being planted in this country by undercover communists. How much labor and racial strife has been communism-inspired? FBI Chief J. Edgar Hoover is certain that communism is playing a role in civil unrest and certain persons who engaged in civil rights strife in the past are now well known as communists.

Remember Robert Williams, the Monroe Negro who was a part of violence in that North Carolina town? Williams fled to escape prosecution on a charge of kidnapping. Today, Williams has taken asylum in communist-controlled Cuba, where another erstwhile hero of freedom—Fidel Castro—now holds court.

Knowing that communism has played a part, however major, in creating some of the sores of our own society, it is highly conceivable that the practice is far more wide-spread than we realize.

The recent standoff over North Korea's seizure of the American ship, *Pueblo*, seems to show that some members of Congress have likewise been deluded by the importance of our remaining in Vietnam.

Some of the so-called Doves, who were advocating a pullout from Vietnam, are now among the most outspoken for direct action in recovery of the *Pueblo* and its crew of 83.

The ire of Americans over the North Korean incident also suddenly makes antiwar demonstrations most unpopular, too. And yet, nothing has really changed.

It is possible, even highly probable, that despite their high motives, we have many in our society favoring a pullout in Vietnam who have unknowingly becomes dupes of the communist conspiracy.

Fortunately, the ablest polls taken today show that a vast majority of Americans favor our involvement in Vietnam and probably any other place where it becomes necessary to take the lead against communism or any other evil force.

According to pollster Lou Harris, Americans are against a withdrawal from Vietnam by a margin of 4–1. Many other polls show similar results.

Americans have supported the country's position in Vietnam by a majority from the outset.

Americans are resolute to resist aggression.

And showing their distaste, American support for Vietnam was at its highest shortly after the march of weirdos on the Pentagon, followed by picketing of recruiting stations and manufacturers of war goods.

The people who counted seemed to say: "If this is opposition to the war, count me out."

We can be dupes—knowing or unknowing—for communism.

Or we can stand up for right against wrong.

National Association of Retired Civil Employees States Its Case on Retirement Inequities

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. DULSKI. Mr. Speaker, the National Association of Retired Civil Employees has stated its own case very well on the need for legislation to eliminate civil service retirement inequities.

For the information of the Members, following is the summary prepared by the association:

SUMMARY BY NATIONAL ASSOCIATION OF RETIRED CIVIL EMPLOYEES

Much has been said and done during the past few years about the principle of comparability in salaries between postal and other Government employees with those of outside industry, and rightly so, but there has been no consideration for the employee already retired. If comparability and a higher standard of living are necessary for present employees, then the annuities of those Federal civil employees retiring over the years should be made comparable with the annuities of Federal employees retiring today. Instead of income adjustments comparable to those of employees, or matching increases to retirees in industry generally, the Federal retiree is grudgingly given a "Cost of Living" increase, always months or years behind.

Actually the standard of living for all Federal civil retirees except those most recently retired is now lower than immediately after retirement and we see this at a time when the standard of living in the United States is at an alltime high.

Besides being denied this increased or improved standard of living the retiree is also denied many of the liberalized benefits under civil service retirement laws because most of the liberalizing laws become effective with the date of enactment and benefit only those employees who retire thereafter.

Let us look at the record—Since 1956 postal employees have received salary increases of nearly 75% and other Federal employees have received increases of more than 65% giving them a terrific boost in their standard of living, while the retiree has received three or four meager "cost of living" adjustments, totaling from 15% to 25%. To the retiree this represents only a "Depressed" standard of living.

To deny these retirees "comparability" is bad enough, but to also deny them the opportunity to share in liberalized benefits such as a much lower cost of providing a survivor annuity for their spouse; increased insurance benefits; permitting retirement at age 55 with 30 years service without penalty, and permitting the spouse to remarry without loss of annuity, are gross injustices for which there is no excuse. We have a few pre-1948 widows who are still denied annuities solely because they were married less than five years. We have pre-1956 disability retirees who cannot benefit by the annuity floor in effect for nearly 12 years. Extra-long service benefits given to all who retired since 1960 are still denied to those previously retired. What justification can possibly be given to these examples of discrimination?

The Administration urged the Congress to increase the minimum annuity for beneficiaries under the Social Security System and the First Session of the 90th Congress agreed to this, without any consideration of the fact that literally thousands and thousands of our Civil Service Retirees and Survivors are drawing annuities which place them far below the poverty level as established by the present Administration.

Although tax free benefits under social security have been increased twice, in 1965 and again 1967, our plea for increasing our Retirement Income Credit from $1,524 for a single person, and $2,286 for married couples, to match these increases in social security was denied.

Bills correcting these inequities have been introduced into the Congress.

Imported Farm Labor

HON. JEFFERY COHELAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. COHELAN. Mr. Speaker, foreign agricultural workers continue to have a depressing effect on the wages and working conditions of farm laborers.

On December 15, 1967, I related to this body at some length the progress which had been made in securing higher wages and better working conditions for agricultural laborers. I also pointed out that American workers would perform farm labors—if the wages and conditions were good enough. Unfortunately in my December remarks I had to note that we have still not made sufficient progress. Imported laborers are still being used unnecessarily and the threat of still more imported laborers makes it difficult to obtain a decent wage for farm workers.

Mr. Arnold Mayer, legislative representative of the Amalgamated Meat Cutters and Butcher Workmen, in a statement to the U.S. Department of Labor hearings concerning aliens performing temporary labor, has made a significant presentation of these issues. I commend this statement to my colleagues and include Mr. Mayer's testimony in the RECORD at this point:

STATEMENT OF ARNOLD MAYER, LEGISLATIVE REPRESENTATIVE, AMALGAMATED MEAT CUTTERS AND BUTCHERS WORKMEN (AFL–CIO), IN THE HEARINGS OF THE U.S. DEPARTMENT OF LABOR CONCERNING ALIENS PERFORMING TEMPORARY LABOR, WASHINGTON, JANUARY 29, 1968

My name is Arnold Mayer. I am the Legislative Representative of the Amalgamated Meat Cutters and Butcher Workmen (AFL–CIO). I am testifying today on behalf of the AFL–CIO and my own International Union.

The AFL–CIO is a federation of 128 International Unions which represent some 14 million American workers.

The Amalgamated is one of these International Unions. It has about 400,000 members organized in some 400 Local Unions throughout the United States and Canada. The Amalgamated and its local unions have contracts with thousands of employers in the meat, retail, poultry, egg, canning, leather, fish processing and fur industries.

END THE IMPORTATION

When we testified in a similar Department hearing on Dec. 5, 1966, we said:

"Here we are again—discussing the importation of foreign workers!

"The AFL–CIO and the Amalgamated Meat Cutters and Butcher Workmen firmly believe that these hearings are unnecessary. We urge today—as we have in the past—that no temporary foreign workers be imported into the United States to perform agricultural labor. If the importations are stopped, then the whole certification and adverse effect procedure will be obviated."

We repeat this view with greater emphasis. The importation of semi-captive foreign workers is a vestige of the unfortunate past. Congress demonstrated in 1963–64 that it wanted the farm labor importations ended. This intent of Congress has not been carried out.

ADVERSE EFFECT CONTINUES

It is simply nonsense to believe that American farm workers are not adversely affected by the importation because the number of workers brought into the U.S. has been reduced and because rates are set and increased periodically. Obviously, the fewer the importations and the higher the adverse effect rate, the less U.S. farm workers are harmed. But any importations and any hope by the growers for importations must cause an adverse effect.

The importations cushion the growers against having to raise wages and improve working conditions to the point necessary to attract and maintain a sufficient labor force. Farm labor wages would certainly be higher than they are today and working conditions would certainly be better if this cushion did not exist.

Growers, alone among all of the U.S. employers, need not practice free enterprise. They can depend upon the federal government to do a part of their labor recruitment.

INADEQUATE ENFORCEMENT

The fact that U.S. workers will do any and all work in American agriculture if the wages and working conditions are right has been amply proved in the last three years. The fact that agriculture can prosper by having decent conditions is being proved by growers and unions, especially in California, which formerly used more than 200,000 foreign farm workers a year. In that state, the United Farm Workers Organizing Committee has negotiated contracts which contain common labor rates near $2.00 an hour, fringe benefits, grievance and arbitration procedures and other points of industrial democracy.

The fact that enforcement of the adverse effect provisions by the Department sometimes leaves a great deal to be desired has also been shown. California Rural Legal Assistance made the point plainly when it forced the Department into an out-of-court settlement in September. The agreement provided that the Department will observe its own adverse effect regulations. That has not been done when the Department certified more than 8,000 braceros to work in California last year. The evil of this program has corroded and at times still does corrode the Department.

FLORIDA SCANDAL

And foreign workers are still semi-captives. Consider the shocking incident, which occurred only a few weeks ago:

On January 2, imported Jamaican workers at the Glades Sugar Cooperative, Pahokee, Fla. sat down in the cane fields to demand better pay. They also charged that they were being credited with less hours than they actually worked. Significantly, Company records shows the average workday to be less than 7 hours.

What happened to these "free" men?

First of all, the local police sent in the riot squad because the growers alleged the workers threatened to burn the camp down. Fifty two workers were arrested and put in jail under bail of $11,500—I repeat $11,500 each. These workers were given the "free" choice of staying in jail or going home.

They went home.

Some 80 more workers went home at their own request, according to the growers. And it is true, they did make the decision to go home. These "free" men were given the "free" choice of working at the rate which the employer wanted to pay or be sent home.

They chose to go home.

NUMBER OF IMPORTATIONS NO LONGER DECREASES

The foreign farm labor importations in the past brought into the U.S. semi-captive workers who limited wages and job opportunities for America's poorest of poor, the U.S. farm worker. It still does. The magnitude of the problem has decreased because fewer workers are imported and better standards are set. But the nature of the problem has not changed. The scandalous conditions of the importation can only be ended when the importation is completely and finally stopped.

Nor is the foreign farm labor program phasing out. In 1965 and again in 1966, the number of importations dropped sharply. But in 1967, the number stabilized at the level of 1966. In both 1966 and 1967, peak employment of foreign workers was 12,000. The total importation for all of 1966 was 23,500 and for all of 1967 23,600. The importation of cheap, semi-captive workers is continuing at a steady rate.

ADVERSE EFFECT RATES

Our arguments in the 1964 and 1966 adverse effect hearings for a complete stop in the importation of foreign farm workers unfortunately did not bring about that desired result. We hope the Department will act differently on the basis of the three year experience and after it considers the testimony of these hearings.

However, the possibility does exist that it may continue the importations. If it does and if those organizations which are concerned with farm labor conditions do not propose and support new adverse effect provisions, then the hopelessly outdated rates may remain. Not only would foreign farm workers be imported, but more of them would come into the United States.

Because of these factors, we will offer suggestions concerning new adverse effect rates. But we repeat again and again that we strongly and emphatically urge that the adverse effect rate be made unnecessary by stopping the importation of the foreign farm workers entirely.

RECOMMENDATIONS

We recommend that:

1. The adverse effect wage for each state should produce an annual income higher than the government-established poverty line figure—about $3,300 currently. This means that the adverse effect rate should be more than $1.55 for each and every state.

2. Hourly earnings should not be the only test of earning opportunities. Currently, a worker is not paid in agriculture for the time he must wait even though his inability to work is no fault of his own and even though the employer has told him to be available.

Unions have met this problem in many industries. For example, in the meat packing and poultry industries, the Amalgamated long ago negotiated contracts which provide that a worker must be paid for 36 hours of work if the employer did not inform him during the previous week that he should not report for work. Whether he works those hours or not, he is guaranteed pay for them.

Also, government regulations under the Fair Labor Standards Act provide that a worker be paid for the time if he waits for work through no fault of his own and has been previously asked to report for work by the employer.

Therefore, we urge that the adverse effect rate should not only be an hourly figure, but should also be a weekly wage guarantee during the period the employer expects the workers to be available to him. This weekly figure should be above the amount required for a higher-than-poverty level annual income. It should therefore be above $63 a week in each state.

3. These poverty level wages are inadequate in most areas of the nation to attract workers. As we have previously said, farm employers should compete with other employers for labor. That competition must be meaningful. There is no reason why non-agricultural employers should raise wages to be able to recruit and keep workers, while agricultural employers keep poverty-level wages and get foreign workers.

We therefore suggest that hourly and weekly adverse effect rates in each state correspond either to above-poverty level pay or to wages other employers in the state pay to attract workers with equal skills, whichever is higher.

HAZARDOUS WORK

4. Many farm crops involve difficult, arduous, hazardous and unpleasant work. For these reasons, labor shortages have continuously existed in these crops. Among these crops are sugar cane cutting, date harvesting, asparagus cutting, and brussel sprout harvesting. In fact, sugar cane harvesting in Florida remains the only crop in the nation dominated by foreign workers.

Why should the growers of such crops not pay higher wages to recompense workers for the unattractiveness of the work? Why should they be able to avoid the responsibility for recruiting their own labor force and have the federal government get foreign workers, who because of their hunger are willing to work at these jobs at low wages?

We therefore suggest that in those crops where the work is especially unattractive or hazardous, the Department of Labor require an adverse effect rate which is 25 percent higher than the rate applicable in the state according to our recommendations 1, 2 and 3.

5. There has been some talk of putting into effect an automatic mechanism for adjusting the adverse effect rate rather than holding these hearings. We strongly oppose such a procedure.

If the foreign farm labor importation program is not ended, then public hearings must be held frequently on the harm this program does. The public has a right to know and this means of informing the public should not be shut off.

Also, agricultural employment patterns, wage rates and job conditions are changing rapidly. To find the changes and what to do about them should not be left to some rigid formula or a computer. The responsibility cannot and should not be shifted. It must remain with the Department and with *men* in the Department.

END THE LABOR IMPORTATIONS

Mr. Examiner, these are our recommendations if the Department should continue to permit foreign labor importations. We hope, however, that it will follow the intent of Congress and stop these importations immediately.

Pay TV in Perspective

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. OTTINGER. Mr. Speaker, one of the most controversial issues to come before the Interstate and Foreign Commerce Committee in the 90th Congress has been the question of subscription, or pay television.

The committee heard many witnesses on both sides of the issue. Unfortunately, some of the testimony shed more heat than light and a majority of the committee ultimately voted to direct the Federal Communications Commission not to take any action on pay television for a year.

This was an unfortunate decision, in my view, and I am convinced that it merely postponed an inevitable confrontation on the question of whether the Government will continue to permit the networks to control, by and large, what the viewing public will see, or whether the viewer, through the power of the purse, will have more freedom to select what he will see on television.

New York Times columnist Jack Gould did a penetrating analysis of the pay TV question recently, and I commend his article to the attention of my colleagues:

WAITING TO SEE PAY TV PAY OFF

(By Jack Gould)

The subject of pay-as-you-see television has produced a torrent of words for over a decade. The heady dream of converting the nation's homes into millions of box offices, with the prospect of enriching multitudinous impresarios beyond their fondest hopes, has periodically caught the fancy of the Hollywood craft unions, producers and financiers.

Yet now the whole concept of toll television, with the viewer exerting the power of his purse over what he might elect to see, appears to have encountered its darkest hour. The House Committee on Interstate and Foreign Commerce has directed the FCC not to take any further action for a year (in a political campaign year that delay could easily be extended) and the FCC has shown no inclination to challenge the politicos.

The hardest hit by the House committee's edict is the partnership of the Zenith Radio Corporation and R.K.O.-General, which has been conducting the country's only remaining test of subscription television in Hartford, Conn., over station WHCT–TV. Whether it will continue the test despite the unlikelihood of obtaining much more data—it has been doing research for over three years—remains to be seen. If economics should dictate that WHCT–TV resume its full pursuit of the advertiser's dollar in so-called free broadcasting—and there are strong reports to that effect—pay TV may regard 1968 as almost a terminal year.

The arduous road that lies ahead for the Hartford experiment comes after Sylvester L. (Pat) Weaver's ill-fated subscription television venture in Los Angeles and San Francisco and the little-publicized demise of the other major experiment in Etobicoke, the Toronto suburb, in which Paramount Pictures at one time was involved.

The formidable lobbies of the broadcasting and film industries unquestionably had a major hand in thwarting pay TV; both became almost hysterical at the mere thought of toll video siphoning off any of their income or talent, and their persuasive powers found many attentive ears in Congress, where members do not want to disturb the chief outlets for their campaigning.

There was—and is—something supremely ironic about industries purporting to be in the vanguard of free enterprise rushing to Washington to deny a rival even the minimum chance to fail on his own terms. But there can be no denying that the strategy of delay appears to have worked with devastating effect and, that even under ideal conditions the electronic parade may have passed by the concept of pay TV.

The original thinking behind pay TV was to afford the subscribing viewer programing that sponsored TV could not provide. The backbone of toll video was scheduled to be first-run movies, which was what aroused the theater owners to protest. But, in the intervening years, commercial TV has scooped up so many films that pitting even a new film against the profusion of TV films that may have not been widely seen could be a very difficult business dilemma.

Moreover, save for the very occasional prizefight, advertising sponsored TV now has an economic stranglehold on sports for many years. There are not many choice attractions left for a system seeking to charge a fee to the viewer. And the growth of educational televison, however difficult and prolonged, would seemingly pre-empt pay TV's chances of success in many spheres of cultural programing.

Yet, despite all the handicaps, the House committee's edict is disturbing. If the FCC must continuously be the stepchild of Congress in handling matters of expertise for which the agency was created in the first place, there is not only a serious question of retarding progress but also a subtle reaffirmation of the status quo.

The practicality of pay TV is basically something that only the marketplace can decide. But it would seem dubious to impose a year-long freeze on the idea itself. Perhaps the application of the toll theory has insurmountable hazards in the commercial television world. But, with educational television facing far greater economic burdens with each passing year, it would seem premature to rule out the idea entirely in the noncommercial sphere.

Unless noncommercial TV is to fall under the dominance of either constant Congressional or philanthropic scrutiny, it might just be that pay-as-you-see TV would be a long-range solution. Whereas in commercially oriented pay-as-you-see television a charge of $1 or more per program may be necessary in noncommercial television a charge of even a penny, a nickel or a dime ultimately might work wonders in achieving a more viable financial base for the noncommercial service.

It is odd that none of the many groups interested in educational TV have truly studied the possibility of some system of toll video that would offer a solution to the permanent financing of the alternative medium. Yet such support from the viewer, if only a theory at this point, conceivably could be more durable than the recurring uncertainties of Congressional appropriations or philanthropic donations. In diverse patronage by the public itself, there might be the foundation for what ETV needs most: financial independence.

No observer in his right mind would suggest that such a course would be simple. Indeed, the average viewer may now be so accustomed to receiving all kinds of TV without direct charge that it is too late to alter his habits. And there is the dilemma of whether the cost of investing in the pay TV device would make the investment appealing.

The one thought is that with educational television facing a continuing crisis in obtaining funds, the House Commerce Committee and the FCC might wish to review the possibility that a toll system could have a value in noncommercial video that apparently does not prevail in commercial television. Pay TV, for too long, has battered its head against the awesome powers of commercial television; its future course, at least to the extent of a few limited tests, might indicate whether its more valid usefulness does not lie in easing the economic pains of noncommercial television. Such an approach would avoid the recurring head-on collision between commercial interests and present the conceivable advantage of having noncommercial TV supported by those who are most interested in its potential.

At the very least, before pay TV is written off, there would seem need for some imagination in exploring whether or not it might be logically married to ETV. The central idea of pay TV—that is, wooing the viewer's help in meeting program costs—coincides with the most pressing economic qualms of ETV. And in nonprofit and nonspeculative hands, with program prices so low as not to handicap the viewer of modest means, the idea might have value.

The House Commerce Committee promises eventual hearings on pay TV; one objective might be to see whether toll video could do enormous cultural good without impinging on existing commercial fare. No one can tell whether such an approach is practical; it may not be. But the Zenith Radio Corporation, which has done most of the technical work in the Hartford experiment, and one or more educational broadcasters might be tempted to test whether technology and social betterment on the air could not be harmonized. Any conclusion, whether negative or positive, should not be overlooked in a thorough examination of the future options for achieving a more rounded television medium.

Yankee Enterprise for Ancient Greece

HON. ROMAN C. PUCINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. PUCINSKI. Mr. Speaker, the National Observer recently carried an excellent article about a multimillion-dollar project which Litton Industries, Inc., is launching in the Greek island of Crete.

I believe this article deserves the widest attention. Mr. Charles B. Thornton, chairman of Litton's Board, deserves the highest commendation for his daring venture to bring Yankee enterprise to ancient Greece.

Mr. Robert M. Allen, Jr., president of the Litton International Development Corp. which will manage the Greek project, also is confident that it will succeed.

I believe both Mr. Thornton and Mr. Allen and all of their associates deserve the highest commendation for this bold and imaginative project of exporting American know-how and industrial ingenuity into other parts of the world. I know this project will work, and when it does, it will do more to strengthen world confidence in the American concept of opportunity than any other thing that we can do.

The National Observer article follows:

[From the National Observer, Jan. 8, 1968]

YANKEE ENTERPRISE FOR ANCIENT GREECE

(By Harold H. Brayman)

BEVERLY HILLS, CALIF.—Experts at space-age Litton Industries, Inc., are tossing some unusual questions at the company computers: When during the year do Brussels sprouts sell at the highest price in German groceries? Can farmers on Crete, where family incomes in certain areas average $453 a year, afford a $1,000 prefabricated home? Can a field of artesian wells effectively replace a projected $80,000,000 dam system?

Resolving such questions will help Litton in its latest for-profit venture in imagination—a contract to advise the Greek government on its economic-development program for the island Crete and the western portion of the Peloponnesos. Litton men now are scouring these areas for likely projects to suggest to the Greek government, which plan to spend $300,000,000 there over the next 12 years on roads and other capital projects. Then Litton will raise about $500,000,000 on world money markets for investing in these regions. That's a lot of cash for Greece: total foreign investment in Greece in the 12 years that ended in 1965 was $576,800,000, according to Greek government figures.

President Johnson's decision last week to impose tight controls on corporate investment abroad won't hamper the Greek project, Litton officials believe. First Litton had planned to raise most of the $500,000,000 in Europe, not the United States. Then Greece, considered in Washington as economically underdeveloped, escapes the harsher rules drawn up for the rest of Europe. Too, sympathetic Washington officials have given "informal assurances" they won't impair the Greek program, says Robert M. Allan, Jr., president of Litton International Development Corp., the subsidiary managing the Greek project.

Nor has the recent political turmoil in Greece hampered the project, though it negated any value from Mr. Allan's gracious loss in a sailboat race last year to King Constantine, now in exile. "We're trying not to be political," Mr. Allan explains. "The feasibility study [of the project's potential] was begun four governments ago and finished three governments ago. Two other governments discussed a contract, and the current government signed it. Everyone has been affirmative."

The project reaches far deeper than the living standards of some Cretan peasants. Litton, the first major American industrial corporation to enter the nation-building business, is testing new approaches toward social and economic problems, using computers to package the problems and solutions Executives at the company's colonial-style headquarters here talk of adapting these approaches in tackling domestic American problems, such as the deterioration of some cities.

GUINEA-PIG PROJECT

So Greece is a test. Charles B. Thornton, Litton's chairman, admitted it last summer when he told reporters in Europe that Greece was a "guinea-pig" project. The Greek language contains no equivalent for guinea pig; Greek newspapers translated it simply as "pig." "The Greeks are still mad at us over that one," says Mr. Allan.

Already, Litton is scouting for other national customers. The company has run a feasibility study for developing the Alentejo region in southeast Portugal; five Litton officials are negotiating contract terms with Portuguese officials. Litton has discussed similar projects with 14 other nations. "We must work with nations that have an educated base, like Nicaragua, Ireland, or Indonesia. We're not interested in Africa. I don't see any purpose in applying a complicated regional approach to a $100,000 project in Africa."

Litton normally moves fast; since the company's incorporation in 1953, it has built sales to an annual $1.6 billion, half in products not on the market three years ago. Not so in Greece, where not a single foundation has been poured on a Litton-sponsored hotel or plant.

"The Greeks want us to do something immediately,' but if anything will kill the project, it will be haste," Mr. Allan argues. "They expect miracles. I received a letter from a man living in an area of Greece where we are not involved. He asked us to move a telephone pole that's in the middle of a street where St. Paul walked. We symbolize change to them."

One delaying factor is the lack of precedent to guide Litton. Other private companies have worked for profit to advise underdeveloped nations. David Lilienthal, former chairman of the Tennessee Valley Authority, heads a small company with contracts in Iran, Colombia, and other nations. But such companies usually are planners, leaving the financing to others.

Litton, with its world-wide operations and financial contacts, will also raise the money. "No one has ever attempted a job of our type before," Mr. Allan adds. "We're going to be a combination investment banker, engineer, trouble shooter, chamber of commerce, and tourist agency. I don't see how we can fail."

The taproot of this business-government co-operation reaches into discussions in recent years among Litton's top men over the question of how the gap between the rich and poor nations affects Litton. "We see the entire world caught up in a rapidly accelerating revolution. The question is what opportunities exist for Litton in participating in this revolution," explains John H. Rubel, a senior vice president.

Two years ago, Mr. Rubel held talks with Greek officials over that country's need "to get backing on its internal development" if it was to join the Common Market in 1984, as planned. After the Greek military took control of the nation early this year, an agreement was completed. The military government "provided the atmosphere in which things can get done," Mr. Allan says. "And they knew what they didn't want. They didn't want more studies out of context, such as a study on how to market one product or where to build one hotel."

ONE OF THE GOOD GUYS

If the project works, Greece gains a lot. So will Litton. The project makes Litton "one of the good guys of the world," Mr. Allan believes. Resulting publicity of the Litton name helped sell some Litton voting machines in western Europe, he says, and should eventually help sales in Greece and elsewhere of such products as Litton's line of Royal typewriters.

Litton, too, figures to turn a direct profit. The Greek government reimburses Litton for the salaries and expenses of Litton employes on the project, $1,000,000 this year, then pays Litton an 11 per cent fee atop those costs. Litton also receives a finder's fee of about 2 per cent on all investment money it attracts to Greece.

And problems are basic. One problem, which seems incomprehensive to Americans, is the lack of mortgage lending funds. "There's almost no way to buy a house in Greece because there's practically no way to finance it," Mr. Allan explains. So Litton is discussing possible home-construction plans with World Homes, Inc., an international developer based in Wichita, Kan.

"We've submitted to Litton a plan calling for construction in a city in the Peloponnesos 300 townhouses to cost $7,000 each," says James Van Pelt, World Homes president. The units would be financed originally by a stock issue in Europe and the United States, then mortgaged to Greeks at a cost of about $75 a month for 15 years, comparable to the cost of renting an apartment there, Mr. Van Pelt says. World Homes also proposes a plan to sell $1,000, prefabricated four-room homes that a farmer could put together himself, using some local masonry.

A NEED FOR TRAINING

Some programs will involve training. Mr. Allan recalls a problem: "I wanted to catch a boat one afternnon from Crete to Athens. I asked the ticket agent for a schedule. He didn't have one. He told me the boat left sometime in the early evening, and if I went to the wharf and waited, I'd catch it eventually. He had no understanding of how to merchandise. We'll have to get someone to train him."

The major emphasis by the 73 Litton employes now working in Greece centers on 16 tourist, agricultural, and industrial construction projects. "Our primary thrust is to develop tourism. Second to evolve an approach to agriculture, and third to assist in attracting private enterprise," Mr. Allan explains. His voice suddenly builds in enthusiasm. "Look at Olympia, where they held the original Olympic games. It could become a major tourist area.

"Olympia would be excellent for meetings and conventions, and there's a fine beach nearby. There are just a couple of small hotels there now, plus a 600-room hotel on the beach scheduled to open next June. But it takes a day by car to drive to Olympia from Athens, and the only air service lands you 80 or 100 miles away. So to fill any new hotels, we've got to provide better transportation." The only advance so far is the declaration of the area around Olympia as a federal park.

"Strong potential exists for hotels at several spots on Crete," Mr. Allan continues, rising from his antique-style desk to pace around his small office here. He ticks off the glories of Crete, its uncrowded beaches and the lure of the majestic remnants of the Minoan culture that flourished there for 2,000 years. The 152-mile-long island now has one deluxe resort hotel.

An initial project likely will be a resort hotel at Khania, the capital of Crete and location of the island's jet airport. "Investors are interested," Mr. Allan adds.

One prospect might be Litton's new Stouffer Foods subsidiary, which operates seven hotels in the United States and plans to expand abroad. But Litton says it now has no plans for Stouffer hotels in Greece.

COMPUTERIZED PLANNING

In its efforts to mesh American know-how with Greek potential, Litton employs a computerized "systems approach" to reshape the Greek economy. This technique, most often associated with Defense Department plans for new weapons systems, seeks first to identify the general need, then isolate the components necessary to fill that need. Not only must the cost of a hotel be run through computers, but the quality and price of transportation access, health facilities, food and water supplies, labor, and other items must be evaluated to determine a hotel's feasibility.

Blipping through Litton computers have been other questions. How best to take advantage of Crete's year-round growing season? What vegetables should be harvested at what time of the year to bring the highest possible profit in northern European groceries? This expands into studies on what combination of vehicles would be used most economically to move fresh produce to the groceries.

Improved agriculture will then bolster demand for fertilizer, farm tools, and crop-handling services, demands that should produce jobs. The only industries now located in Crete and the western Peloponnesos make furniture and paper and press grapes into wine.

A prime concern is the Mesara Plain, an east-west area in central Crete where the principal crops now are olives and grapes, and the average annual family income is $453. Litton has run through its computers information on a variety of potential crops that might do well in Crete. "We've become the world experts on the price of Brussels sprouts in Germany. We've examined the costs of building a landing strip on Crete for hauling Brussels sprouts, the cost of air transportation, and the size of farms needed for efficient operations. Most farms now are no bigger than this room." Mr. Allan sweeps his arm around his office. "Maybe it won't be Brussels sprouts. Maybe it'll be fresh flowers or artichokes."

WELLS, NOT DAMS

Change will require water. Before Litton's arrival, the Greek government planned to build seven dams to hold irrigation water for Mesara farmers. Litton studies indicate the water needs of the plain probably can be met by drilling a system of artesian wells. "And they don't need the fancy concrete ditches that the French are trying to sell them for irrigation," Mr. Allan adds. "Simple mud ditches with wooden gates should prove as effective." Together, these alterations might save 90 per cent of the estimated $80,000,000 cost of a dam system, money to divert into an improved road network on the island.

There are more problems confronting Greece and Litton than just the efficient operation of a particular industry or farming area. The partners are tampering with the fabric of the existing society, and they know it. "If we're to increase the size and efficiency of farms, some of the people will have to move off the land into villages." Mr. Allan pauses a moment. "Will moving them and giving them new jobs make them happier? We don't know."

That's one question Litton can't program into its computers.

Commuter Airlines

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. DORN. Mr. Speaker, commuter airline service is expanded at a fantastic rate. Commuter airline service received no Government subsidy and is rapidly becoming a classic example of private enterprise.

Mr. Speaker, the following timely and excellent article by the managing editor of Air Transport World, Col. Ansel E. Talbert, vividly portrays the rapid growth of this "new breed of airline." I commend the article in the January issue to the attention of my colleagues in the Congress and to the people of the country:

A STATUS REPORT ON COMMUTER AIRLINES

(By Ansel E. Talbert)

The boom in scheduled air taxi or commuter airline service is continuing unabated and many observers are calling its current progress "explosive."

This year the number of U.S. air taxi companies operating regularly scheduled service on specified routes with aircraft weighing under 12,500 pounds is expected to push above 200. There seems to be no reason why it will not keep on climbing, barring unforeseen national economic depression.

The tremendous growth and expansion which already has taken place is brought sharply into focus by the fact that four years ago on January 1, 1964, all then-existing scheduled air commuter services in the U.S. numbered an even dozen.

The latest Federal Aviation Administration statistics, as of November 1, 1967, show that a grand total of 165 scheduled air taxi operators were in business on that date. They were flying 685 aircraft—452 multi-engined—and were carrying air express and air cargo as well as rapidly increasing amounts of air mail.

No commuter airline company receives a government subsidy. But the U.S. Post Office has contracts with about 80 operating to and from nearly 250 cities and towns. It paid them a total of $3.6 million in 1967 for expediting the mail. By all reports the commuters have done an excellent job and their total pay is expected to more than double in 1968.

And the scheduled air taxi development is by no means confined to the United States.

Although the Australian government granted permission to an air charter company for the first time last August to operate regular commuter service over a specific route, at the year's end there were 20 active companies in all parts of Australia.

R. W. Swartz, that nation's Minister of Civil Aviation, calls the commuters "a valuable addition to Australia's transport system." There also are scheduled air taxi operators in Mexico, the Commonwealth of Puerto Rico, East Africa and several other parts of the world.

Almost without exception, the major airlines are favorable to scheduled air taxi service growth, which to a large degree is blossoming around major traffic hubs and connecting them up with smaller communities—many of which previously lacked air service. More than 50 U. S. commuter air lines now have interline agreements with one or more large airlines.

These in many cases feature in their advertising and promotion the through-ticketing now possible to and from expanding numbers of grass roots destinations.

A good example is the Allegheny Commuter operated by Henson Aviation of Hagerstown, Md., under an agreement with Allgeheny Airlines. Using nine-passenger Beech Queen 80 equipment, this commuter air service carried 315 passengers between Hagerstown and Baltimore's Friendship International Airport during its first two weeks of operation, which began November 15, 1967.

The Allegheny Commuter provides Hagerstown with four daily round trips to Friendship Airport, scheduled so as to make connections to Allegheny flights serving New York City, Boston, Hartford/Springfield, Providence and many other U. S. cities.

Allegheny Airlines provides reservations service 24 hours a day by way of direct telephone lines from Hagerstown to its computerized reservations center, as well as ground handling and passenger service at Baltimore. Leslie O. Barnes, president of Allegheny Airlines says:

"The fact that passenger traffic increased 55 per cent during the initial two-week period of the Allegheny Commuter service, over the passenger travel carried by Allegheny Airlines during the corresponding 1966 period, is an indication of the traffic generating potential."

The total number of passengers carried by all the scheduled air taxi services during 1967 is not known exactly. Up to now they have not been required to report results of their operations to either the FAA, the Civil Aeronautics Board or any other government body.

The National Air Taxi Conference, an organization to which 54 scheduled air taxi operators belong, together with nearly 200 additional non-scheduled air taxi charter companies, estimates that during 1967 *all* its members carried 553,000 passengers.

The Association of Commuter Airlines, which has a membership comprising 30 scheduled operators and manufacturers and no non-scheduled ones, initially forecast one million passengers for the entire commuter-scheduled air taxi industry in 1967, soon after that year's start. The association now says that this figure has been "greatly exceeded."

Other estimates of 1967 travel on all the commuter airline services in the U.S. run as high as 2 million passengers, although some feel this may be on the high side. A great many experts do not.

It is a fact, however, that the enormous expansion of the commuter airline industry has surpassed the expectations of even top industry leaders and put carefully considered predictions out of date, soon after they were made.

Terence O. Dennison, president of the Association of Commuter Airlines, told the U.S.

Senate Commerce Committee's sub-committee on aviation last August that "it is estimated that by 1975 there will be over 200 scheduled operators flying more than 800 aircraft"—a prediction now likely to be realized in a matter of months, because no "leveling off" took place in 1967.

One big accompanying development is the appearance at a number of major airports of well-staffed ticket counters serving the commuter airlines. Most of these in the past have been depending on fixed base operators to answer telephone inquiries, arrange passenger ground transportation on connecting flights and perform other services.

At Washington National Airport, four large scheduled air taxi companies—Suburban Airlines (formerly Red Bank Air Taxi), Princeton Airways, Ransome Air and Pennsylvania Commuter—operate a joint ticket counter in charge of Josephine Diaz, formerly on the teaching staff of the Institute of Modern Languages. She speaks four: Spanish, French, Italian and English.

Both the CAB and the FAA are giving strong encouragement to the scheduled air taxi companies, although the former refused last month to take over the job of "regulating" the commuter industry or making official the designation of "third level airlines" or other tags stressing the air line nature of the operation. It indicated that at least for the time being, the commuters should remain part of general aviation.

The CAB did propose an amendment of Part 298 of its economic regulations, which would require all air taxi operators, scheduled and nonscheduled, to carry liability insurance with a minimum limit of $75,000 per passenger, and also register annually with the board. Filing of schedules would be part of this official registration. The Board has set January 22, 1968 as the final date for receiving relevant views or material on this proposal.

The scheduled air taxi expansion is having a powerful impact on light aircraft manufacturing both in the United States and abroad. Piston aircraft models now mostly make up the commuter fleets. But nearly every major light aircraft manufacturer is either developing new types specifically designed for commuter airline service or beefing up and improving his existing aircraft so as to make them better adapted for scheduled air taxi operators.

Beechcraft will begin delivery this Spring of its new Beechcraft 99, a 17-place turboprop priced between $350,000 and $400,000, which will cruise at 250 mph.

Cessna is banking on its model 402, in production nearly a year and designed specifically for commuter service, with quick-change capabilities from nine passengers to cargo/mail.

Piper is coming in strong with its new 18-place PA-35, the largest aircraft it ever has built.

De Havilland of Canada is making major changes in its Twin Otter which entered service last July, with a series 200 to be introduced this April with a 70 per cent increase in baggage space.

Germany's Dornier Skyservant, a $190,000 STOL aircraft to be marketed in the U.S. by Butler Aviation; Britain's Handley Page Jetstream now being tested in prototype form and a new 11-place "Aeroliner" of Rockwell Standard Aero Commander also are in the running along with an entirely new future generation of commuter aircraft stressing VTOL and STOL. These will appear during the next several years, and are certain to bring commuter services closer in to the cities.

THE COMMUTER FLEETS

Here's how the commuter airline fleets break down by manufacturer according to FAA statistics as of November 1, 1967 versus the same time in 1966:

Manufacturer	1967		1966	
	Number	Percent of total	Number	Percent of total
Beechcraft	188	27.4	126	24.7
Cessna	169	24.6	106	20.8
Piper	169	24.6	142	27.8
De Havilland of Canada	54	7.9	51	10.0
Aero Commander	44	6.4	34	6.7
Others	63	9.1	51	10.0

The Case Against Hard Pesticides

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1968

Mr. DINGELL. Mr. Speaker, pursuant to permission granted I insert into the Extensions of Remarks of the CONGRESSIONAL RECORD an excellent article appearing in the January–February 1968 issue of "Michigan Conservation," the official publication of the Michigan Conservation Department, entitled "The Case Against Hard Pesticides."

That excellent article, written by one of the great conservationists of this Nation, Dr. Ralph A. MacMullan, director of the Michigan Department of Conservation, demonstrates that persistent chemicals are causing alarming changes in our environment.

Dr. MacMullan points out that the weight of evidence against these chemicals is overwhelming and raises the possibility that additional Federal legislation is needed to prevent the hazards clearly evident to our people from Endrin, DDT, Dieldrin, and Aldrin.

I also insert an admirable commentary as to the effects of the pesticides on fish, wildlife, and humans following that fine article under the title "What Can Pesticides Do?"

The articles referred to follow:

THE CASE AGAINST HARD PESTICIDES

(By Ralph A. MacMullan)

Michigan has come to a point in its history when it must completely outlaw the use of certain highly destructive pesticides such as DDT, Dieldrin, Aldrin, Heptachlor, Endrin, Lindane, Chlordane, and other "hard," or persistent chemical compounds used to kill insects.

Michigan must move now to halt their use, in a struggle that can prove to be the most difficult and probably the most important that has ever faced our natural resources. Threats of fire, pestilence, and plague against those resources are as nothing compared to the pervasive and sinister attacks of such chemicals. They have now polluted our environment to the extent that we no longer eat any food or drink any fluid without swallowing at least minute quantities of these chemicals. DDT is found in the Antarctic Ocean, thousands of miles from any area where it has ever been used. It is found in fish life of the deep oceans. It is found inside the eggs of eagles and ospreys and falcons—eggs which do not hatch into birds whose numbers are now in decline. We kill robins, our state symbol, and prevent the birth of bald eagles, our national symbol, with these pesticides. We kill so many robins, in fact, that a news item about the "seventh annual die-off of robins" in one of Michigan's cities is hardly noteworthy, and is relegated to the back page of a local newspaper. Two years ago, a U.S. Public Health Service study showed that the average American has gathered 12 parts per million of DDT into his human fatty tissue, as well as .15 of a part per million of Dieldrin. Nursing mothers now impart .08 of a part per million of DDT in human milk given their infants. Frankly, no one knows what 12 parts per million in human fatty tissue means. But we know it's going to stay there and that DDT in far smaller concentrations has awesome consequences for many small or simple forms of animal life. DDT is even found in the rain. We have, in the name of compromise and acceptance, already allowed ourselves to be carried much too far down this hazardous road. We have been beguiled by a malignant belief that things will work out, that better substitutes will be found and used, that American know-how and technology will lead us to the light. We have until recently condoned use of such chemicals even in the Department of Conservation, and we have in the past used them to combat forest insects, park pests, and fish and game problems. We are all sheep in the same flock, and the real fight is not against some distant state or federal bureau, or lone farmer, or crop-dusting pilot. The real fight is against ourselves. Are you, as an urban, or suburban householder, willing to pay twenty-five cents a pound for apples where you now pay twenty cents? Will you accept higher prices when costs of crop production rise? Individually and collectively, we enjoy big, luscious wormless fruits and vegetables available at every market, and we fail to question the individual farmer or rosegrower when crops and flowers are dusted, several times each year.

But we should question them, and we should question ourselves. The weight of evidence against these hard, or persistent chemicals is now so overwhelming that there is no longer any doubt of the need to end their use. Literally hundreds of documented cases tell us of the danger these chemicals pose for wildlife, for soil organisms, for the purity of our water, for all basic elements of the animal food chain. We also have grave reservations about many of the "soft" pesticides—those which are non-persistent, which break down into harmless compounds in a short time. Some are extremely lethal to wildlife. However, our overwhelming concern is with those chemicals that do not break down readily, which are working insidious changes in our environment and which exert lasting effects on birds, fish, soil organisms, and other elements of the environment.

These chemicals are used to control insect pests, and without question they appear to be highly effective. Generally they are spread as dust or in a fine spray that blankets an entire area. Unfortunately, this blanket keeps slipping off the bed. One study shows that up to half of all DDT spread by airplanes does not settle, but escapes instead into the atmosphere. Such fine particles may then be carried completely around the globe in as little as two weeks, to be deposited anywhere on the earth by rains or winds. If not spread by airplane, such chemicals are carried off the land by the runoff of rainwater or melting snow, or by any vagrant breeze. As a result, DDT and other similar chemicals are now found in every major river system of the United States, in all the Great Lakes and in all inland lakes which have been checked, in soil organisms, and in virtually all human and animal life on which studies have been carried out. Saddest of all, DDT, the most persistent of the bunch, has a half-life of 10 to 15 years. If all further use of these chemicals were halted right now, we would still have to live with the effects of our past excesses for more than a generation. In short, we are talking about altering and changing the environment that we will hand over to our children's children, or even to their grandchildren.

To some it may seem strange that a conservationist should express concern over this pesticide problem. Yet the problem is so intimately woven into the fabric of our environment that eagles' eggs and the contents of a glass of water and the price of apples are all affected simultaneously. By one view, the problem is the direct concern of no one. By any rational review of the facts, however, the problem is paramount to each of us together, and may in the end prove more dangerous to our total environment than any other single threat in history.

The question of danger, therefore, can no longer be entertained. The questions we now must ask are: A) How much damage already has been done? and B) How can we stop further use of these chemicals?

To the first question, no immediate answer is possible. We know that the effects of these chemicals continue for a long time after they are released. We know that lower forms of life are more easily affected than higher, more complex forms of life. We are beginning to understand the consequences of "biological magnification" which operates with these chemicals. In biological magnification, small plant and animal forms gather quantities of these chemicals into themselves. Even very minute quantities suspended in water are collected or "magnified" in this way. When eaten by larger creatures, the concentrations contained in the lower forms of life enter the larger creatures. When these animal forms are in turn consumed by even larger creatures, the chemical is further concentrated. Thus, a frog eats dozens of insects that carry particles of this matter. Many such frogs are in turn eaten by pike and bass, and many such fish—either alive or dead—may in turn be eaten by an osprey or eagle. The chemical dangers that faced the insects, frogs, and fish are now concentrated in the bird. An example of this occurred in an attempt to rid Clear Lake in California of nuisance midges. A chemical called DDD was applied to Clear Lake to a level of .02 of one part per million parts of water. That is equal to a few drops of the material in a railroad tank car full of water. Thirteen months later analyses showed the residue levels were 10 parts per million in plankton, 903 parts per million in the fat of plankton-eating fish, 2690 parts per million in the fat of carnivorous fish, and 2145 parts per million in fat of fish-eating birds, most of which had died. This represents a 100,000-fold increase in fish-eating birds over levels in lake water. There is strong circumstantial evidence that this sort of magnification is the single prime reason for the alarming decline of bald eagles—as well as many other species of predatory birds—in recent years. How long such declines will continue or how many species of wildlife will be affected can only be matters for conjecture.

The more important question to ask at this time is how to stop further use of these chemicals.

Actually, there are now numerous "soft" chemicals which can be used to control insect pests, but which lose their strength after a relatively short period of time. Some are now in wide use and have proved their effectiveness in solving a broad spectrum of insect problems. Some people have voluntarily turned to them after viewing the consequences of DDT, Dieldrin, and the other hard chemicals. However, some soft chemicals are extremely dangerous to handle and require more frequent application to accomplish the same ends. Also, many are more expensive, hence less commonly available.

To ask a farmer to abandon voluntarily the use of hard chemicals, where they are permitted, is asking him to place himself at a disadvantage in the marketplace. Only through wide-ranging agreement among agriculturists, or by sanctions against those who continue to use hard chemicals can a voluntary program work effectively. It is perhaps too much to expect that this can happen, given the conditions of the free marketplace.

A seemingly simple alternative is to pass a state law preventing all further sale or use of specific chemicals such as DDT in Michigan. While an ideal solution from the standpoint of conservation, this could place some Michigan farmers at a disadvantage to those outstate farmers whose crops are shipped into Michigan.

Perhaps a federal law could be passed, preventing interstate commerce in these chemicals. For example, DDT is produced in plants in only six states, and a federal law would essentially bottle up production in those states. Senator Gaylord Nelson of Wisconsin recently introduced such legislation into the Congress, but it has yet to see daylight past the doors of the committee room. If such legislation were passed at a federal level, it would give agriculturists across the nation a more even chance to absorb the restriction.

In the meantime, there is much that can be done here in Michigan to reduce the use of hard pesticides. Recently, the Governor asked the directors of the Departments of Agriculture and Conservation to prepare a statewide policy for eventual elimination of the use of hard pesticides for adoption by these and other agencies within the state. Meetings are being held now to draft such a policy. The Department of Conservation, meantime, has halted all use of hard chemicals for all Department programs and projects, and we have issued binding orders that they are not to be used on any projects in the future. We expect to continue to use soft chemicals for certain projects, but the hard group has been banned.

Individual communities throughout the state also can contribute their share to the effort by refraining from use of DDT in control of Dutch elm disease and mosquitoes. Actually, there are numerous examples of Dutch elm disease programs that have produced satisfactory results with Methoxychlor.

Sportsmen's groups, civic organizations, women's clubs, and individuals—everybody, in fact—must speak out against hard pesticides if we are to return our environment to a more normal condition. As a beginning, we can all stop the use of such chemicals on home flowers and vegetable gardens, and in local mosquito control.

For our part this Department is, as of now, adopting the following five-point action program aimed at ending all further use of these chemicals in Michigan:

1. Through such messages as this one, we will let it be known that we are going to battle right down the line to protect our environment against hard pesticides by making people aware of the problem's seriousness and by urging them to exert their rights and responsibilities as citizens to take corrective steps.

2. We will, in the interest of the people of Michigan, seek appropriate legislation against hard pesticides. Right now, for instance, there really is no reason why another ounce of DDT should be applied anywhere in this state. Effective non-persistent substitutes are available.

3. We will initiate this program Now! In fact, we have already begun. Our stand against the application of Dieldrin in Berrien County in recent weeks established our position.

4. We will encourage the use of alternative safe chemical and biological controls in place of hard pesticides—chemicals such as Malathion and Methoxychlor, biologicals such as the various natural enemies of harmful insects. We fully realize that these alternatives may be more expensive and less convenient. Their use undoubtedly will temporarily disrupt segments of the agricultural community and others to whom pest control is vital. But we believe this country has the technological capacity to lick these problems without continuing the use of dangerous hard pesticides.

5. We will make it clear to the public that, as consumers, they will have to pay for a chemically clean environment. We may have to ante up a penny or two more per pound for apples or potatoes or cabbage to meet the cost of more expensive but safer controls. The price, however, will be worth it.

WHAT CAN PESTICIDES DO?

DDT residues were shown to be completely distributed through food chains in the Lake Michigan ecosystem near Green Bay, Wisconsin. Residues were found in shallow and deep water mud samples, small crustaceans, alewives, whitefish, chubs, old-squaw ducks, and ring-billed and herring gulls (Keith, University of Wisconsin, 1966).

Both DDT and Dieldrin have been shown to pass from mother to offspring through the placenta in mice (Backstron et al., Royal Veterinary College, Stockholm, 1965), while DDT also passes through the placenta in dogs (Finnegan et al., 1949), rabbits (Fish and Wildlife Service, 1963), and man (Denes, 1962).

The widespread destruction by DDT of salmon runs in the rivers and streams of New Brunswick is probably the best documented in the whole library of unintended "side effects" published in the scientific literature (Elson, Fisheries Research Board of Canada, 1967). More than 130 pages of the Journal of the Fisheries Research Board of Canada, No. 4, 1967, are devoted to a description of this disaster.

DDT was applied to Montana forests at ½ lb. per acre. Residues were present in eggs and young of grouse 1 year after spraying, and at 2 years after spraying, residues still exceeded pre-spray levels. Residues in the grouse exceeded tolerance levels set for meats by the U.S. Food and Drug Administration (Mussehl & Finley, 1967).

In order of frequency of occurrence, Dieldrin, Endrin, DDT, and DDE were found in all major river basins in the United States (Weaver et al., U.S. Public Health Service, 1965).

The percentage of immature birds in the U.S. bald eagle population in 1961, 1962, and 1963 was 26.5 percent, 23.7 percent, and 21.6 percent, respectively. Nesting failure has been especially severe around Lake Michigan (Sprunt & Ligas, National Audubon Society, 1967; Postupalsky, 1967).

When exposed to quantities of DDT as low as ½ of one part per million HeLa S. cells of human origin showed change. Microscopic observations showed increased granulation, elongation, and vacuolation, all of which are manifestations of irregular cell growth and cell destruction. Dieldrin had a similar, but lesser effect. Dieldrin and DDT affected synthesis of both RNA and DNA in cells of human origin, although the pattern of change was inconsistent. These findings suggest a possibly fundamental influence on mammalian cellular biochemistry (Chung, Huang & Brown, Tuskegee Institute, 1967).

The presence of Dieldrin in big game mammals of South Dakota exceeds the zero tolerance for Dieldrin in meats set by the U.S. Government (Greenwood, Greichus & Hughins, South Dakota State University, 1967).

Nesting success of bald eagles has been very low in the eastern United States. In the Chesapeake Bay region the percent of bald eagle nests hatching young has decreased from 97 percent in 1936 to between 9 and 23 percent during the past 5 years. Immature birds are becoming less numerous at a more rapid rate than are adults (Sprunt, National Audubon Society, 1963; Abbott, 1967).

Until the biological effects of a compound known to have some toxic properties have been established through adequate research, that compound must be assumed to be potentially dangerous. Empirical research and experience are teaching us, sometimes the hard way, the folly of assuming that lack of evidence is the same as negative evidence (Warner, Peterson & Bordman, Foundation for Environmental Biology, University of California at Berkeley, 1966).

SENATE—*Friday, February 2, 1968*

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

Rev. John E. Huss, D.D., pastor, Charleston Heights Baptist Church, Charleston Heights, S.C., offered the following prayer:

Our Father in Heaven, innumerable hosts of us join our voices with the Psalmist of old when he prayed, "Out of the depths have I cried unto thee, O Lord"—Psalm 130: 1.

While we desperately seek enlightenment on questions which defy an answer, and seek for solutions to problems which seem insoluble, we feel that if we include Thee in our efforts, answers and solutions will be forthcoming. May we not in all our strength ever be too proud to seek divine guidance.

Almost three millenniums ago Thou didst speak to Solomon, the wisest man of his day, and set forth the conditions for man's welfare. Help us to heed Thy words: "If My people, which are called by My name, shall humble themselves, and pray, and seek My face, and turn from their wicked ways; then will I hear from heaven, and will forgive their sin, and will heal their land"—II Chronicles 7: 14.

We pray in His dear name. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, February 1, 1968, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 5910) to declare that the United States holds certain lands in trust for the Pawnee Indian Tribe of Oklahoma, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Haley, Mr. Edmondson, Mr. Taylor, Mr. Berry, and Mr. McClure were appointed managers on the part of the House at the conference.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar.

The PRESIDENT pro tempore. Without objection, it is so ordered.

DEPARTMENT OF STATE

The bill clerk read the nomination of Edward D. Re, of New York, to be an Assistant Secretary of State.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. ADVISORY COMMISSION ON INFORMATION

The bill clerk read the nominations of Palmer Hoyt, of Colorado, and Morris S. Novik, of New York, to be members of the U.S. Advisory Commission on Information.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD of Virginia. Mr. President, the Senate is about to vote on the confirmation of the nomination of Palmer Hoyt, of Colorado, for reappointment as a member of the U.S. Advisory Commission on Information.

I have known Mr. Hoyt for a good many years. I served with him on the board of directors of a large news-gathering organization. Palmer Hoyt is regarded as one of the ablest men in the newspaper profession. He is an editor of note. He is a newspaperman of the highest attainment.

I commend the President for the reappointment of Mr. Hoyt, and I strongly commend to the Senate Palmer Hoyt, of Denver, Colo., for reappointment as a member of the U.S. Advisory Commission on Information.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. RANDOLPH, from the Committee on Public Works:

Brig. Gen. C. Craig Cannon, U.S. Army, to be a member of the Mississippi River Commission.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, the Committee on Armed Services, and the Subcommittee on Executive Reorganization of the Committee on Government Operations be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LAUSCHE:

S. 2916. A bill to amend the Federal Food, Drug, and Cosmetic Act, to prescribe penalties for possession of LSD and other hallucinogenic drugs by unauthorized persons; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. Lausche when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE (by request):

S. 2917. A bill to amend title 5, United States Code, "Government Organization and Employees", to authorize the Commissioner of the District of Columbia to place positions in the government of the District of Columbia in grades GS–16, GS–17, and GS–18, and with the approval of the President, other positions at levels IV and V of the executive schedule, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON (for himself and Mrs. Smith) (by request):

S. 2918. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes; to the Committee on Aeronautical and Space Sciences.

(See the remarks of Mr. Anderson when he introduced the above bill, which appear under a separate heading.)

AMENDMENT OF FEDERAL FOOD, DRUG, AND COSMETIC ACT TO PRESCRIBE PENALTIES FOR POSSESSION OF LSD AND OTHER HALLUCINATORY DRUGS BY UNAUTHORIZED PERSONS

Mr. LAUSCHE. Mr. President, I introduce for appropriate reference, a bill to amend the Federal Food, Drug, and Cosmetic Act to prescribe penalties for the possession of LSD and other hallucinatory drugs by unauthorized persons.

While the present law provides that manufacture, sale, or other disposition of LSD without authorization is a violation of the Food, Drug, and Cosmetic Act, there is no Federal law penalizing one in possession—if such possession is for his own personal use or for use by a member of his family. All that Federal agents can do to the known user is to take the drug from him—thus leaving him free to obtain a fresh supply.

This proposed bill would prohibit possession of LSD "except pursuant to a prescription by a duly-licensed practitioner." If one is found in violation, he may be fined $1,000 for the first offense and for a second offense may be put into jail for 3 years and fined $10,000.

Mr. President, LSD is a dangerous drug; indirectly it is sometimes even a killer and possibly a crippler of unborn babies. Medical evidence piling up is showing the adverse effects of using it, and prospective reports appear even more dismal.

It is also clear that the use of LSD is becoming more frequent, particularly among the young. Present legislation is not sufficient to deter those who are playing Russian roulette with a sugar cube. The problem needs a remedy quickly.

Those in possession of LSD are not only endangering their physical and emotional well-being but also are hurting society and maybe even future generations. They must be stopped.

If warnings, education, and other methods of reasoning had proven sufficient, perhaps such legislation would not be necessary. But, unfortunately, the rapid increase of users and abusers and the corresponding increase in harmful and tragic afteraffects show that other methods have failed. Therefore, I introduce this bill and urge its prompt consideration in order to protect our youth and our society from the needless and tragic consequences of "taking a trip."

The **PRESIDENT** pro tempore. The bill will be received and appropriately referred.

The bill (S. 2916) to amend the Federal Food, Drug, and Cosmetic Act to prescribe penalties for the possession of LSD and other hallucinogenic drugs by unauthorized persons, introduced by Mr. Lausche was received, read twice by its title and referred to the Committee on Labor and Public Welfare.

APPROPRIATIONS FOR THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. **ANDERSON**. Mr. President, on behalf of myself, and the senior Senator from Maine, by request, I introduce for appropriate reference a bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes. I ask unanimous consent that the bill be printed in the Record together with a letter from the Administrator, National Aeronautics and Space Administration, requesting the proposed legislation and a sectional analysis of the bill.

The **PRESIDENT** pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, letter, and sectional analysis of the bill will be printed in the Record.

The bill (S. 2918) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes; introduced by Mr. Anderson (for himself and Mrs. Smith), by request, was received, read twice by its title, referred to the Committee on Aeronautical and Space Sciences, and ordered to be printed in the Record, as follows:

S. 2918

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration:

(a) For "Research and development," for the following programs:

(1) Apollo, $2,038,800,000;

(2) Apollo applications, $439,600,000;

(3) Advanced missions, $5,000,000;

(4) Physics and astronomy, $141,900,000;

(5) Lunar and planetary exploration, $107,300,000;

(6) Bioscience, $48,500,000;

(7) Space applications, $112,200,000;

(8) Launch vehicle procurement, $128,300,000;

(9) Sustaining university program, $10,000,000;

(10) Space vehicle systems, $35,300,000;

(11) Electronics systems, $39,400,000;

(12) Human factor systems, $21,700,000;

(13) Basic research, $22,000,000;

(14) Space power and electric propulsion systems, $44,800,000;

(15) Nuclear rockets, $60,000,000;

(16) Chemical propulsion, $36,700,000;

(17) Aeronautical vehicles, $76,900,000;

(18) Tracking and data acquisition, $304,800,000;

(19) Technology utilization, $4,000,000.

(b) For "Construction of facilities," including land acquisitions, as follows:

(1) Ames Research Center, Moffett Field, California, $386,000;

(2) John F. Kennedy Space Center, NASA, Kennedy Space Center, Florida, $13,909,000;

(3) Manned Spacecraft Center, Houston, Texas, $3,100,000;

(4) Michoud Assembly Facility, New Orleans and Slidell, Louisiana, $400,000;

(5) Wallops Station, Wallops Island, Virginia, $500,000;

(6) Various locations, $23,705,000;

(7) Facility planning and design not otherwise provided for, $3,000,000.

(c) For "Administrative operations," $648,200,000.

(d) Appropriations for "Research and development" may be used (1) for any items of a capital nature (other than acquisition of land) which may be required for the performance of research and development contracts and (2) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" pursuant to this Act may be used for construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee has notified the Speaker of the House of Representatives and the President of the Senate and the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate of the nature, location, and estimated cost of such facility.

(e) When so specified in an appropriation Act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) maintenance and operation of facilities, and support services contracts may be entered into under the "Administrative operations" appropriation for periods not in excess of twelve months beginning at any time during the fiscal year.

(f) Appropriations made pursuant to subsection 1(c) may be used, but not to exceed $35,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

(g) No part of the funds appropriated pursuant to subsection 1(c) for maintenance, repairs, alterations, and minor construction shall be used for the construction of any new facility the estimated cost of which, including collateral equipment, exceeds $100,000.

Sec. 2. Authorization is hereby granted whereby any of the amounts prescribed in paragraphs (1), (2), (3), (4), (5), and (6) of subsection 1(b) may, in the discretion of the Administrator of the National Aeronautics and Space Administration, be varied upward 5 per centum to meet unusual cost variations, but the total cost of all work authorized under such paragraphs shall not exceed the total of the amounts specified in such paragraphs.

Sec. 3. Not to exceed one-half of 1 per centum of the funds appropriated pursuant to subsection 1(a) hereof may be transferred to the "Construction of facilities" appropriation, and, when so transferred, together with $10,000,000 of the funds appropriated pursuant to subsection 1(b) hereof (other than funds appropriated pursuant to paragraph (7) of such subsection) shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in subsection 1(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless (A) a period of thirty days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Astronautics of the House of Representatives and to the Committee on Aeronautical and Space Sciences of the Senate a written report containing a full and complete statement concerning (1) the nature of such construction, expansion, or modification, (2) the cost thereof including the cost of any real estate action pertaining thereto, and (3) the reason why such construction, expansion, or modification is necessary in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

Sec. 4. Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Astronautics or the Senate

Committee on Aeronautical and Space Sciences,

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by sections 1(a) and 1(c), and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

unless (A) a period of thirty days has passed after the receipt by the Speaker of the House of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 5. It is the sense of Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

SEC. 6. This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1969."

The letter and analysis, presented by Mr. ANDERSON, are as follows:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION,
Washington, D.C., January 31, 1968.

Hon. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Herewith submitted is a draft of a bill, "To authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes," together with a sectional analysis thereof. It is submitted to the President of the Senate pursuant to the Rule VII of the standing rules of the Senate.

Section 4 of the Act of June 15, 1959 (73 Stat. 73, 75), provides that no appropriation may be made to the National Aeronautics and Space Administration unless previously authorized by legislation. It is the purpose of the enclosed bill to provide such requisite authorization in the amounts and for the purposes recommended by the President in the Budget of the United States Government for the fiscal year ending June 30, 1969. The bill would authorize appropriations to be made to the National Aeronautics and Space Administration in the sum of $4,370,400,000, as follows: (1) for "Research and development," $3,677,200,000, (2) for "Construction of facilities," $45,000,000, and, (3) for "Administrative operations," $648,200,000. The bill is identical to the National Aeronautics and Space Administration Authorization Act, 1968 (Public Law 90–67, 81 Stat. 168) except for the necessary changes in dollar amounts and the substantive and editorial changes hereinafter discussed.

An editorial change has been made in the introductory clause. Past years' NASA authorization acts contained language setting forth the total dollar amount authorized to be appropriated. Such language has been deleted from the draft bill, at the request of the Chairman of the Committee on Science and Astronautics of the House of Representatives.

Four changes have been made with respect to the "Research and development" program line items set forth in subsection 1(a). The first is the elimination of the "Voyager" line item, resulting from the decision not to proceed with this program at this time. The second change is the deletion, in the "Chemical propulsion" line item, of the requirement in the NASA Authorization Act, 1968, that $3,000,000 authorized pursuant to such program line item "be used only for the large solid motor project." Thirdly, the "Aeronautics" line item has been changed to read "Aeronautical vehicles," to clarify that such program line item relates solely to research and development activities involving aeronautical vehicles; other research and development activities relating generally to "aeronautics," as that term is commonly understood, are included in various other program line items. The final change in subsection 1(a) concerns the "Sustaining university program" line item. At the request of the Chairman of the Subcommittee on Space Science and Applications of the House Committee on Science and Astronautics, the position of this line item has been changed, in the interest of jurisdictional clarity, to place it with the space science and applications line items (items (4) through (8)).

The "Construction of facilities" locational line items in subsection 1(b) differ from those enacted as part of the fiscal year 1968 Authorization Act only in that the locational line items for Goddard Space Flight Center, Jet Propulsion Laboratory, Lewis Research Center, and Nuclear Rocket Development Station have been omitted since no funds are being requested for those locations.

The numbers of the paragraphs of subsection 1(b) to which reference is made in Sections 2 and 3 have been changed due to the change in the number of locational line items included in subsection 1(b). No substantive changes are intended.

Section 6 of the NASA Authorization Act, 1968, which established an Aerospace Safety Advisory Panel has been omitted since under the language of that provision the existence of the Panel will continue indefinitely.

Finally, the last section of the draft bill, Section 6, has been changed to provide that the bill, upon enactment, may be cited as the "National Aeronautics and Space Administration Authorization Act, 1969," rather than "1968."

The National Aeronautics and Space Administration recommends that the enclosed draft bill be enacted. The Bureau of the Budget has advised that there is no objection to the presentation of the draft bill to the Congress and that its enactment would be in accordance with the program of the President.

Sincerely yours,

JAMES E. WEBB.

SECTIONAL ANALYSIS

(A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes)

SECTION 1

Subsections (a), (b), and (c) would authorize to be appropriated to the National Aeronautics and Space Administration funds, in the total amount of $4,370,400,000, as follows: (a) for "Research and development," a total of 19 program line items aggregating the sum of $3,677,200,000; (b) for "Construction of facilities," a total of 5 locational line items, together with one for various locations and one for facility planning and design, aggregating the sum of $45,000,000; and, (c) for "Administrative operations," $648,200,000.

Subsection 1(d) would authorize the use of appropriations for "Research and development" for: (i) items of a capital nature (other than the acquisition of land) required for the performance of research and development contracts; and, (ii) grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities. Title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution. Moreover, each such grant shall be made under such conditions as the Administrator shall find necessary to insure that the United States will receive therefrom benefit adequate to justify the making of that grant.

In either case no funds may be used for the construction of a facility the estimated cost of which, including collateral equipment, exceeds $250,000 unless the Administrator notifies the Speaker of the House, the President of the Senate and the specified committees of the Congress of the nature, location, and estimated cost of such facility.

Subsection 1(e) would provide that, when so specified in an appropriation Act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) contracts for maintenance and operation of facilities and support services may be entered into under the "Administrative operations" appropriation for periods not in excess of twelve months beginning at any time during the fiscal year.

Subsection 1(f) would authorize the use of not to exceed $35,000 of "Administrative operations" appropriation funds for scientific consultations or extraordinary expenses, including representation and official entertainment expenses, upon the authority of the Administrator, whose determination shall be final and conclusive.

Subsection 1(g) would provide that no funds appropriated pursuant to subsection 1(c) for maintenance, repair, alteration and minor construction may be used to construct any new facility the estimated cost of which, including collateral equipment, exceeds $100,000.

SECTION 2

Section 2 would authorize the 5% upward variation of any of the sums authorized for the "Construction of facilities" line items (other than facility planning and design) when, in the discretion of the Administrator, this is needed to meet unusual cost variations. However, the total cost of all work authorized under these line items may not exceed the total sum authorized for "Construction of facilities" under subsection 1(b), paragraphs (1) through (6).

SECTION 3

Section 3 would provide that not more ½% of the funds appropriated for "Research and development" may be transferred to the "Construction of facilities" appropriation and, when so transferred, together with $10,000,000 of the funds appropriated for "Construction of facilities," shall be available for the construction of facilities and land acquisition at any location if (1) the Administrator determines that such action is necessary because of changes in the space program or new scientific or engineering developments, and (2) that deferral of such action until the next authorization Act is enacted would be inconsistent with the interest of the Nation in aeronautical and space activities. However, no such funds may be obligated until 30 days have passed after the Administrator or his designee has transmitted to the Speaker of the House, the President of the Senate and the specified committees of Congress a written report containing a description of the project, its cost, and the reason why such project is necessary in the national interest, or each such committee before the expiration of such 30-day period has notified the Administrator that no objection to the proposed action will be made.

SECTION 4

Section 4 would provide that, notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Astronautics or the Senate Committee on Aeronautical and Space Sciences;

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by subsections 1(a) and 1(c); and,

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

unless (A) a period of 30 days has passed after the receipt by the Speaker of the House, the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SECTION 5

Section 5 would express the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

SECTION 6

Section 6 would provide that the Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1969."

DISPOSAL OF PLATINUM FROM THE NATIONAL STOCKPILE—AMENDMENT

AMENDMENT NO. 521

Mr. WILLIAMS of Delaware submitted an amendment, intended to be proposed by him, to the bill (H.R. 5789) to authorize the disposal of platinum from the national stockpile and the supplemental stockpile, which was ordered to lie on the table and to be printed.

NOTICE OF HEARINGS

Mr. MONRONEY. Mr. President, I wish to announce that the Committee on Post Office and Civil Service has scheduled four public hearings during the month of February. All hearings will be held in room 6202 of the New Senate Office Building, beginning at 10 a.m.

Persons wishing to testify at any of these hearings may arrange to do so by contacting the committee, telephone 225-5451.

On Tuesday, February 6, we will hear testimony on the nomination by the President of Mr. Frederick E. Batrus to be Assistant Postmaster General, Bureau of Transportation and International Services. Mr. Batrus is a career employee within the Post Office Department and has served for several years as the Deputy Assistant Postmaster General.

On Wednesday, February 14, the full committee will hold hearings on S. 1997 and H.R. 7659, legislation to provide for a mid-decade census of population. S. 1997 is sponsored by Senator DANIEL B. BREWSTER, of Maryland.

On February 15 the Subcommittee on Civil Service will hold hearings on S. 555, a bill to extend to employees of local boards in the Selective Service System the rates of pay provided by the general schedule of the Classification Act. This legislation was also introduced by Senator BREWSTER.

On February 28 and 29 the full committee will hold hearings on the need for additional supergrade positions in the executive branch. There is no bill introduced on this subject, but legislation will be developed in committee if a need for additional positions is justified.

VETERANS' BENEFITS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a number of telegrams I have received from veterans' organizations, expressing support for the President's request of the House and Senate regarding new veterans' programs, be printed at this point in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

FORT LAUDERDALE, FLA.,
February 1, 1968.

Senator MIKE MANSFIELD,
Washington, D.C.:

County veterans service officers of the State of Florida concur with the President's request to the House and Senate regarding new veterans' programs.

THOMAS F. KEHOE,
President, County Service Officers Association of Florida.

ATLANTA, GA.,
February 1, 1968.

MIKE MANSFIELD,
Senate Majority Leader,
Senate Building,
Washington, D.C.:

Urge your complete support of all proposals contained in President Johnson's recent message to House and Senate on veterans' benefits. Being associated with the department which piloted the concept of veterans' assistance centers, I know personally of the great results obtained from such centers.

BRUCE B. DIGGS,
Service Officer, Department of Georgia, Veterans of Foreign Wars of the United States, Counselor, Georgia State Department of Veterans' Service.

ATLANTA, GA.,
February 1, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate, Washington D.C.:

President Johnson's January 30th special message to Congress was an important statement in behalf of veterans and servicemen. We are grateful for the present administration concerned for America's defenders of freedom. We earnestly solicitate your support of the President's proposals to insure their congressional approval.

HUGH H. HOWELL, Jr.,
Chairman, Georgia State Board of Veterans Service.

STATESBORO, GA.,
February 1, 1968.

Hon. MIKE MANSFIELD,
Senate Majority Leader,
Senate Office Building, Washington, D.C.:

On behalf of Georgia's more than forty thousand American legionnaires we wish to respectfully request that you use all of your influence and wisdom in implementing all of the provisions contained in President Johnson's message to Congress of January thirtieth on "America's Servicemen and Veterans". We especially endorse the "one stop center" as we know this type service affords excellent guidance and counselling to the veteran as the Georgia State Department of Veterans' Service under the director of Mr. Pete Wheeler has held one day sessions in several Georgia cities since the onset of the Vietnam conflict offering exactly the same services as outlined in the President's message. All of the various veterans organizations participated and assisted in these operations. The first of these was held in Columbus, Georgia, shortly after the 1st Cavalry Division was sent to Vietnam. All of these one-stop service programs were highly successful, reaching thousands of eligible veterans and their dependents, even though lasting only one day. Your continued great interest and concern for the welfare of our veterans and servicemen has not gone unnoticed and is greatly appreciated.

BEN B. HODGES,
Accredited Representative and Vice Chairman, Rehabilitation Committee, the American Legion Department of Georgia, Statesboro, Ga.

TIFTON, GA.,
February 1, 1968.

Senator MIKE MANSFIELD,
Majority Leader,
U.S. Senate,
Washington, D.C.:

On behalf of Georgia American Legionnaires, I respectfully urge your support and influence in securing congressional approval of President Johnson's recommendations in his 1-30-68 message on America's returning servicemen.

A. V. AKIN, Jr.,
Accredited Representative, Chairman Georgia Rehabilitation Committee, the American Legion.

BOSTON, MASS.,
February 1, 1968.

Senator MIKE MANSFIELD,
Senate Office Building,
Washington, D.C.:

The department of Massachusetts Amvets wholeheartedly support the President's special message of veterans and urge your favorable consideration for legislation to implement his request.

FRANCIS E. COOK,
Department Commander.

THE "PUEBLO" INCIDENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an article by James Reston which appeared in the Great Falls, Mont., Tribune of January 30, 1968, entitled "*Pueblo* Incident and Vietnam Lesson," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PUEBLO INCIDENT AND VIETNAM LESSON

(By James Reston)

WASHINGTON.—In the Arab-Israeli war and the latest international crisis in North Korea, President Johnson has shown that he has learned something from the tragedy of Vietnam. He has listened carefully to the arguments for and against military intervention in North Korea and restricted himself to cautious defensive measures.

The lesson of Vietnam is that it is easier to get involved in wars than to get out of them. Sudden military action, even if limited to retaliation for some provocation, can quickly lead to counter-measures and soon involve the prestige and power of the nation.

This is what happened when the President reacted to the North Vietnamese attack on our destroyers in the Gulf of Tonkin by bombing North Vietnam, and there were officials here who wanted to take similar action to punish the North Koreans for capturing the USS Pueblo.

This could, however, have quickly reopened the war along the 38th parallel in Korea, and confronted us with a two-front conflict at a time when we are already over-extended. In fact, this may have been precisely what the Communists wanted. So the President waited, turned to U.N., and called up some air and naval reserves—just enough to fill some of the gaps in the under-strength units weakened by the drain in Vietnam, but not enough to alarm the world.

He could have ordered the bombers off the Enterprise and hit North Korea for its capture of the Pueblo. Public opinion would undoubtedly have backed him, for the North Korean provocation, unlike the complicated tangle of Vietnam, is simply a humiliation which everybody understands and resents, but this would not have gotten the 83 crew members back, and might have started a second war, which nobody needs in the present circumstances.

No doubt there are North Korean vessels on the high seas which the U.S. Navy can intercept and hold until this senseless incident is settled. Apparently the Russians have understood the possibility of retaliation for their own spy ships, innocently characterized as trawlers, are reported to have vanished in the last few days from their normal cruising lanes near the coastal United States.

Nevertheless, the Pueblo incident, even if it is settled without military action, is instructive. For it shows just how much of our effective military strength is now tied down in Vietnam, and how vulnerable we are under present policies to new diversionary attacks on areas we are committed to defend.

The gap between our commitments and our power to meet those commitments could be very great, very quickly, if the Communists were to stir up trouble through Communist guerillas in Korea, Taiwan, Laos, Thailand, Iran or the Near East, or in any one of two of these places at the same time.

Even by creating military incidents, the Communists can influence the internal policies of the United States, and divert to war more and more funds which are needed for the reconstruction and civil order of our cities.

President Johnson's problem was to take strong diplomatic action and prudent military defense measures, without being dragged into any impetuous moves which would put intolerable strains on an already over-extended military establishment abroad and financial structure at home.

So far he has kept the balance fairly well on the Pueblo affair. But the larger balance between his worldwide commitments and his power is still uneven, or can quickly be made so by even limited moves by Communist forces anywhere in the great arc from the Sea of Japan to the Mediterranean.

Yet in this situation, many in the Congress who oppose the President's supplementary war tax are at the same time the loudest howlers for a harder war in Vietnam and military retaliation in Korea.

Fortunately, the President has not fallen this time for the tactical move of acting first and thinking of the consequences later. He has measured his words and his action in a very difficult situation. He deserves the unity and support on Korea he has requested.

LATIN AMERICAN FILM SERIES

Mr. ELLENDER. Mr. President, in the winter of 1966, on behalf of the Senate Appropriations Committee, I toured all of the countries of Latin America to inspect U.S. operations to the south of us. While on my tour, I took color movies of the life and peoples of every country I visited, and upon my return this footage was used to produce three documentary films on the industry, agriculture, and Latin American life in general.

This film was subsequently shown over WETA television here in Washington on December 6, and I received many favorable comments from those who saw it. WETA—channel 26—is an educational television station, and the station is now cooperating with the Language Americas Association, Inc., a nonprofit organization, and with several Latin American embassies in the telecasting of several additional films dealing with individual countries in Latin America.

The purpose of the films I produced was to assist in bringing the peoples of the United States and Latin America closer together, so that we can more fully understand and appreciate the ways of life of South America. This is the aim of the cooperative effort now underway with the series scheduled for showing over WETA-TV. The time of the showings will be 6:30 p.m. each Saturday. The film titles and dates are:

February 3, Brazil: "Cities of Yesterday and Tomorrow";

February 10, Colombia: "Colombia, Giant to the South";

February 17, Panama: "The Panama Canal"; and

February 24, Mexico: "The Road of Independence" and Venezuela: "Caracas, City of Eternal Spring."

I commend these programs to all who might be interested.

THE PHILADELPHIA INQUIRER AND VIETNAM

Mr. CLARK. Mr. President, the Philadelphia Inquirer is one of the great newspapers in America, and one of its claims to greatness is due to the wide variety of political and social views of its many able reporters. The encyclopedic nature of this paper's reporting is well evidenced by three commentaries which appear in this morning's issue.

The first is a column which appears on the editorial page under the byline of Mr. John M. Cummings, entitled "Facing Two Ways for Sake of Votes." I ask unanimous consent to have this column printed at this point in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

FACING TWO WAYS FOR SAKE OF VOTES

(By John M. Cummings)

Sen. Joe Clark, talkative again after a brief period of silence, belongs in the group of faint-hearted men devoid of belief in this country's ability to win a military victory in Vietnam. The Japanese, after winning an advantage in their sneak attacks on Pearl Harbor, learned a lesson in the might of this Nation. The Kaiser's Germany and later Hitler's Germany came to the same conclusion.

Faint heart ne'er won fair lady. Nor did it ever win a war. Senator Clark, as reported in this spot on a previous occasion, is trying to carry water on both shoulders. For President in this year of the ballot he is supporting the incumbent, Lyndon Baines Johnson, although the President is not one of the group of faint-hearted men. So far as the war is concerned, he is of the stout-hearted variety.

The first candidate in the field for the Democratic Presidential nomination, Sen. Eugene J. McCarthy, of Minnesota, marches side by side with Clark when it comes to disagreement with the President on the conduct of the war.

Clark is among the odd balls of the country who support the President but who violently disagrees with his war policy. Party politics has taken the place of love of country.

In his first outbreak since his return from Vietnam, Clark says that while in that war-ravaged country he talked to a number of American soldiers, officers and men in the ranks, who shared the belief a military victory is beyond reach.

In the Second World War Clark served in the China-Burma-India theater of operations and from all accounts, acquitted himself creditably. He was an officer at that stage of his career. One wonders, then, how he lost faith in the arms of his country in the intervening years?

During his recent brief visit to Vietnam he talked not only to the fighting men, but to civilians. Whether these were American civilians, in search of an honest dollar, or Vietnamese who weren't so particular, was not related in his Washington interview. All these agreed with him that a military victory was beyond reach.

It is surprising, not to say confusing to most citizens, as they behold the number of civilians and public officials who go to Vietnam and come back loaded with more information than General Westmoreland, the commander in chief, has been able to accumulate.

So far as is known, Clark had not talked with the man in charge during his brief stay in Vietnam. Relying on reports from his subordinate officers in the field, General Westmoreland believes a military victory is not only possible, but is closer than the faint hearts dream.

In an election year, such as the one we are now in, it is customary for the slick politician to appeal for votes on any sort of basis, including ethnic and religious.

Larry O'Brien, Postmaster General and Johnson political strategist, in outlining the President's campaign procedure the other day, said he would neither condemn nor assail his Republican opponents, but ask them to lay on the line their cure for war in Vietnam.

The President, of course, need not stray from his own Democratic Party in putting out an ultimatum of this sort. The Clarks and the Fulbrights, the latter being chairman of the Foreign Relations Committee, are more deeply critical of the Vietnam war than a dozen Senators of the Republican party. These are the natural enemies of Mr. Johnson in a Presidential year.

Mr. CLARK. This column consists largely of an attack on me. This is not unusual, since Mr. Cummings has been tending this particular vineyard for the last 20 years.

I am very fond of old John Cummings. He is a fine old man. To be sure, he has not been well pleased with national politics since the assassination of the late President William McKinley. He has been disturbed about State politics in Pennsylvania since the election of George Earle as the first Democratic Governor of that State, in 1934. He has never been happy about Philadelphia politics since Dick Dilworth was elected district attorney and I was elected mayor, in 1951. So one need not be surprised that he is taking out after me in this column.

I should like to point out an inaccuracy which occurs in the column, in that he states that during my recent trip to Vietnam, I did not undertake to confer with Gen. William Westmoreland. This is inaccurate, since I spent perhaps 2 hours with General Westmoreland and had a most illuminating and interesting conversation with him during the course of my visit.

I should add, however, that while Mr. Cummings undertakes to comment quite frequently on our policy and conditions in Vietnam, he has never been there.

There is another very able reporter on the Philadelphia Inquirer named Joe McGinniss, a shrewd, able, and aggressive young man, who recently returned from South Vietnam, having written a series of very brilliant articles on what he found while he was there.

In the Philadelphia Inquirer this morning, in a column entitled "The Passing Scene," he headlines his comments, "VC Message Can't Be Missed."

Mr. President, I ask unanimous consent to have printed in the RECORD the column written by Joe McGinniss.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

VC MESSAGE CAN'T BE MISSED

(By Joe McGinniss)

I remember a night in Pleiku. The first of those nameless hill battles around Dak To had ended and everybody wanted to leave at once, to return to Saigon and write. Helicopter space was scarce, however, because casualties were taken out first, and some of us got to Pleiku too late for the last plane to Saigon. We had to spend the night.

We went to the bar they run there for the press and ate ham sandwiches and drank Ballantine beer from rusty cans and watched a 4-week-old pro football game on TV.

The captain in charge, a friendly man with a mustache, was explaining some things about Pleiku to a couple of the newer correspondents.

"What about security?" one of them asked, eventually. "How safe is it here?"

"Here?" The captain smiled. "Why, this is probably the safest place in Vietnam. Haven't heard anything more than a jeep backfire for the past six months."

A little later we went to bed in an MP barracks. We were there five minutes, no more, when a siren began to blow and men in their underwear raced up and down the aisle.

"Get to the bunker! Get to the bunker! Mortar attack!"

Well, it was not much. Two rockets, neither of which landed anywhere near us, but it made a point I did not forget.

Now, as I read, hardly believing, of what has been happening in Vietnam this week, it seems more relevant than ever.

The point is: Nothing in Vietnam is quite as good as it seems to be.

You see all our planes and tanks and fine young soldiers and you are told day after day after day how we really are winning, how the VC are starving to death, how their morale is shattered, how they cannot recruit, how the people are on our side now, and—despite a natural skepticism toward official pronouncements and a strange fear that in the end what the generals mean by victory would not be good either for the Vietnamese or us—you find yourself believing it.

Then the VC attack our embassy and get inside the grounds and the lies and the false predictions are exposed.

In a sense, even more shocking is what they did in the rest of the country. Hitting 21 provincial capitals at once. Actually taking temporary control of places like Hue and Kontum.

These are just names unless you have been there or read a lot, but they are not the sort of places the VC is supposed to get near. Hue, for example, with its size and status as an ancient capital, holds a position among Vietnamese cities not unlike that which Philadelphia holds in the United States.

It is incredible. No one in Vietnam, not even the most embittered and cynical of critics, was even dreaming of anything like this in December. It simply could not happen. We were too strong. They were too weak.

When the possibility of terrorism in Saigon over the holidays was discussed, it was in terms of bombs in movies theaters or hand grenades tossed into cafes.

Instead, we have snipers firing at William Westmoreland's window.

The week's events have a lot of meaning and none of it is good for the Johnson-Rusk-Westmoreland cause.

All last year the main thrust of American movement in Vietnam was toward giving the people confidence in the new Government in Saigon. But confidence could flower only from security. The first job, the big job, all last year, was to prove to the people that they no longer had to fear the VC. The Americans, they were told, would protect them, and when the Americans were no longer there, the VC would not be, either.

In some small ways, it seemed to be starting to work. There were so many troops everywhere that, except for the Delta region they have controlled for a generation, the VC could not find a solid base.

When they came they could not stay long, and there were more and more places to which they could not come at all. People were starting to feel safe. They were beginning to believe that maybe what Saigon said was true.

All that, of course, has been lost in the past four days, The VC, with their attacks, may have done the one thing they needed to do—they may have destroyed the people's faith in the Government's ability to protect them.

How can a man in a hamlet feel safe when he learns that the Americans, in their embassy, were not? And the VC, by spreading their assault through the entire country, have made sure that no one missed the message.

They have done a few other things, too, like forcing a suspension of the new Constitution, of which everyone was so proud, and showing up as overconfident fools the American military men who said they were falling apart. But what they have done most of all, and what we might need years to overcome, if, indeed, we can at all, is show the people that the Americans, and the "American Vietnamese" for all their money and power, cannot give a man safety in his home.

If I had lived in a village in Vietnam, I would surely think twice, after this week, about telling the VC to go away.

Mr. CLARK. Mr. President, Mr. McGinniss states in part, with respect to the VC raids, that the VC, whom he deplores as much as I do, have done a number of things, including:

> * * * forcing a suspension of the new Constitution, of which everyone was so proud, and showing up as overconfident fools the American military men who said they were falling apart. But what they have done most of all, and what we might need years to overcome, if, indeed, we can at all, is show the people that the Americans, and the "American Vietnamese" for all their money and power, cannot give a man safety in his home.

If I had lived in a village in Vietnam, I would surely think twice, after this week, about telling the VC to go away.

Mr. President, a third very able, young, and effective reporter for the Philadelphia Inquirer is Mr. Joseph C. Goulden, who covers Capitol Hill and the White House for that fine newspaper. A column entitled "Foe's Hit-Run Raids Are Hard To Counter," written by him under his byline "Washington Background," was published in this morning's Philadelphia Inquirer. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

FOE'S HIT-RUN RAIDS ARE HARD TO COUNTER

(By Joseph C. Goulden)

WASHINGTON.—*"I am reminded of a story (of) the first time an Indian saw a candidate for public office. The candidate was making a great oratorical effort, and after he was finished, someone asked the Indian, 'What happened?' The Indian said, 'Well, white man make much thunder, much wind, no rain.' "*—Sen. Russell B. Long's appraisal of the U.N. handling of the *Pueblo* seizure crisis.

The cynics' quip this week is whether Saigon can be classified as a "pacified hamlet" under standards U.S. officials there apply to the rest of the country. One criteria is the ability of Americans to spend the night in a village without being fired upon; since American paratroopers had to storm the American Embassy to evict the Vietcong suicide squad, and since Ambassador Ellsworth Bunker had to be whisked away from his home to a hiding place, Saigon doesn't exactly deserve a "secure" rating.

Military officials here are disturbed but not really surprised about the intrusion, and at the nearly simultaneous rocket and mortar barrages at U.S. bases elsewhere in the country.

One man with stars on his shoulders said of the embassy raid: "Give me 31 men who are willing to die and I'll dent almost any building you name, even the CIA headquarters out in Langley. But you've got to ask whether 31 dead bodies are worth the propaganda you get out of it.

"It's the old 'flying wedge' you used to find in college football. Hit any object hard enough, and it will yield. So what did it gain? Momentary possession of an embassy reception room at 2 o'clock in the morning, and the headlines—and 31 men dead."

The rocket raids, while not suicide missions, are every bit as hard to counter. The Vietcong use Soviet-made launchers that can be dragged through the brush to within six miles of the perimeter of an air base. One man carries the launcher, which is about as complex as a five-foot length of drain pipe; his companion carries a sackful of projectiles.

They get their bearings from visual sightings of a mountain peak or tall tree, elevate the launcher to a predetermined degree, and start dropping projectiles. Three shots and a cloud of dust later, they're gone—vanished into the brush again before the U.S. helicopters arrive. The launcher is cheap enough to be abandoned.

The only antidote for such attacks is active patrolling of base perimeters; given the area contained in a six-mile-deep arc, finding a two-man rocket team is happenstance. So the Air Force learns to park its planes farther apart, to prevent chain-reaction explosions, and people sleep in bunkers at night.

That the attacks will give the U.S. second thoughts about stripping men from southern bases for the impending Khe Sanh battle is accepted; that the U.S. just possibly will find itself short of troops at Khe Sanh is also prompting interesting conversational theorization at the Pentagon, to wit:

—Suppose two weeks hence the North Vietnamese encircle Khe Sanh with their 35,000 to 40,000 regulars, and bad weather prevents the U.S. from using its air power.

—Suppose that U.S. intelligence confirms that Vietnamese civilians have fled the area, as they are believed to have done since the heavy B–52 raids began.

—Suppose the Korean crisis continues, and precludes President Johnson from dispatching further military strength to South Vietnam.

In such a situation, what would the Presidential decision be if the Joint Chiefs of Staff told him that only tactical nuclear weapons could save Khe Sanh from being overrun?

That even such a question is being asked at the middle-echelons of the Pentagon is indicative of military frustrations both in South Vietnam and in North Korea—whispers about the previously-unspeakable.

Mr. CLARK. Mr. President, Mr. Goulden takes the same position that so many knowledgeable people are taking about the international impact and the impact on the United States of the present unfortunate happenings in Vietnam. I would hope very much that Mr. Cummings, who by seniority is entitled to take the position he takes, would invite Mr. Goulden and Mr. McGinniss to his office in order to have them straighten him out on what is going on in Vietnam.

CAUTION URGED IN PURCHASE OF TURNPIKES BY FEDERAL GOVERNMENT

Mr. LAUSCHE. Mr. President, there have been legislative proposals of late that the Federal Government buy the toll turnpikes of a number of States in the Nation. At first sight, the suggestion seems to be highly acceptable. It is suggested, for instance, in connection with the Ohio Turnpike, which cost $325 million to build, and which had an indebtedness of $253 million as of December 31, 1966, that the Federal Government ought to buy the turnpike and pay off the debt, providing the highway fitted into the Interstate Highway System.

Bills have been introduced in the House of Representatives and in the Senate, calling upon the Federal Government to buy such turnpikes. The bills thus far introduced deal supposedly with separate States. When a calculation is made of the cost, if the turnpikes of one State were to be bought, on its face that would seem to be highly feasible and negligible in cost.

The Department of Transportation has prepared a tabulation of the turnpikes now in operation and which ultimately, if any one turnpike is bought, would require the buying of all of them.

Mr. President, the query is: How much is the total indebtedness of the several States for the turnpikes which are in existence? I pause so that Senators may ponder that question for a moment. I notice that the chairman of the Senate has put up five fingers. It is $4 billion. The proposal would load the Federal Government down with this added huge obligation of $4 billion for toll turnpikes alone. In Ohio the turnpike is operating, and no one is complaining about the paying of the tolls. The present remaining debt of the Ohio Turnpike will be paid off 15 years ahead of the time estimated by the financial advisers at the time the financial and engineering feasibility study was made.

The building of highways will have to be expanded in the next 15 or 20 years. The future will require the building of more toll roads in addition to those that are now built through excise taxes.

Exploring the subject further, if the Federal Government buys the turnpikes, how will we escape buying the toll bridges?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that I may proceed for 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, I do not know how much money would be involved if the Federal Government, after it bought the turnpikes, proceeded to buy the toll bridges.

It is my suggestion that we look upon this new proposed program cautiously, knowing of the serious status of our financial problems federally. The cost of the proposal would be $4 billion, which would be $4 billion added to the public debt, and to the tax burden. The financial difficulties of the Federal Government have required now a curtailment in the amount of $600,000,000 in the Federal highway program. If we buy the toll roads and the toll bridges it will, for a time, devastate the financial ability to build the needed future highways of our country.

Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Turnpike Doing OK" and a tabulation entitled "Toll Roads on the Interstate System."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TURNPIKE DOING OK

We cannot agree with Rep. Charles A. Vanik that the federal government should pay Ohio the $343 million it cost to build the Ohio Turnpike.

Turnpike financing is well in hand. Toll revenues are exceeding expectations and the debt is expected to be retired sometime in 1979, 13 years ahead of schedule. Judging from the great use motorists and truckers make of the turnpike, they don't begrudge the tolls, figuring the savings in time and trouble are worth the fees.

Paying Ohio for turnpike construction costs would open the door for reimbursement of turnpikes everywhere, and the federal highway trust fund would be depleted.

There is some merit in considering the West Virginia Turnpike a special case. The House Public Works Committee has recommended that West Virginia be paid $81 million for its pike and that it be made a toll-free part of the interstate system.

But West Virginia's pike is only two-lane and isn't generating the revenues to pay its own way. If it is to be part of the interstate system, two more lanes will have to be added, or a parallel two-lane roadway built, and the federal government obviously will have to participate heavily in the cost.

That would still leave an inequity, with motorists heading in one direction paying tolls, and in the opposite direction not paying them. In this circumstance, it seems fair that the federal government pick up the tab for the entire road.

TOLL ROADS ON THE INTERSTATE SYSTEM

[Dollar amounts in thousands]

Toll road	Total mileage	Mileage on Interstate System	Outstanding indebtedness as of Dec. 31, 1966
Connecticut Turnpike	126.5	86.7	$443,610
John F. Kennedy Memorial Highway (Delaware)	11.9	11.9	29,395
Sunshine State Parkway (Florida)	268.6	43.1	153,526
Northwest Tollway (Illinois)	76.3	66.3	[1] 422,228
Tri-State Tollway (Illinois)	81.2	81.2	
Indiana Turnpike	156.9	156.9	250,096
Kansas Turnpike	236.7	187.0	192,749
Kentucky Turnpike	40.0	40.0	27,721
Maine Turnpike	116.5	62.3	71,707
John F. Kennedy Memorial Highway (Maryland)	42.2	42.2	72,468
Massachusetts Turnpike	136.4	132.8	437,337
New Hampshire Turnpike	14.0	14.0	3,550
F. E. Everett Turnpike (New Hampshire)	39.7	14.2	14,885
New Jersey Turnpike	134.0	38.9	480,038
Thomas E. Dewey Thruway (New York)	557.2	522.6	897,800
Ohio Turnpike	241.0	205.9	253,771
Turner Turnpike (Oklahoma)	86.1	86.1	[2] 22,775
Will Rogers Turnpike (Oklahoma)	87.9	87.9	61,679
Pennsylvania Turnpike	470.8	357.6	340,600
Richmond-Petersburg Turnpike (Virginia)	34.7	34.7	67,193
West Virginia Turnpike	87.4	87.4	133,000

[1] Includes bonds issued to construct 26.8 miles of East-West Toll Road.

[2] These bonds were refunded as a part of a $186,000,000 issue sold in December 1966 and the Turner Turnpike was incorporated into the Oklahoma Turnpike System.

ORDER OF BUSINESS

Mr. ELLENDER. Mr. President, since no other Senators seek to be recognized during the morning hour, I ask unanimous consent that I may proceed for 8 to 10 minutes, so that I may complete my statement.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Louisiana is recognized.

THE 20TH ANNIVERSARY OF CEYLON'S INDEPENDENCE

Mr. ELLENDER. Mr. President, Sunday, February 4, 1968, will mark the 20th anniversary of the independence of Ceylon, one of the most advanced and progressive countries in all continental Asia. Last fall I spent part of November and almost all of December inspecting our U.S. operations in South Asia on behalf of the Senate Appropriations Committee. I was scheduled to spend about 2 days on the island of Ceylon, but airplane trouble delayed my departure for over 15 hours. I can truthfully say that I can think of no other area where such a delay would have been as welcome to me.

During my visit to the capital city of Colombo and on motor trips throughout the countryside, I was most courteously and warmly received and I was able to observe much of the agricultural and industrial activity carried on there.

This island nation off the tip of India is one of the most stable parliamentary democracies in that part of the world. Regular elections, without interruption, date back to 1931, based on universal adult suffrage. Although I did not have the opportunity to study the island's governmental structure, I was told that the rule of law is firmly entrenched and that there is an active opposition party in the Parliament and that the local press is free of undue government regulation.

Under this stability and freedom, the people of Ceylon are making progress toward curbing the ills that affect so much of Asia and, indeed, so much of the world. For example, among the more than 10 million people on the island, the literacy rate is 70 percent. Great efforts have been made to spread education throughout the island and I am confident that this will continue. Already the literacy rate is higher than any other country in Asia, with the exception of Japan. Strong efforts are also being made to increase the medical facilities of the nation and to curb disease. Because of this work, the infant mortality rate of the island is steeply declining and each year brings to these infants a longer life expectancy.

This brings us to one of the most serious problems confronting the government, that of the high rate of population growth, coupled with the fact that very little new land can be brought into cultivation. Because of the population increase, which has been at about 2.8 percent in previous years, the government is having to press forward with family planning. One-third of the food needed to support the population is now being imported and since the land area is limited, more and more imports will become necessary in the future. The government is moving ahead to close this gap and I express the hope that success will follow in controlling the population expansion.

As I indicated, during my stay on the island, I noted many signs of progress. New apartment buildings have been constructed in Colombo, the capital, and I visited sawmills, tea, rubber and coconut processing plants, farming areas and agricultural research stations which were thriving.

I learned, however, that the economic picture of Ceylon is not all on the bright side and that there are dark clouds on the horizon. The government was forced to devalue the nation's currency after Britain took a similar step. In the case of Ceylon, the devaluation was by a much greater percentage. A lack of funds has also forced cuts in social welfare expenditures. I think it noteworthy that these reductions have been made in the interest of Ceylon's long-term development operations, for certainly there was no political gain attached to them.

On the bright side of the picture, the Government is pressing forward with plans for increasing agricultural production. Ceylon's rice harvest last year was an alltime record high and intense efforts are being made to increase seed quality, the use of fertilizer, and to expand storage facilities. I can give personal testimony to the success of this program for I spent a good deal of time in the countryside and viewed with interest the extensive areas under rice cultivation. As chairman of the Senate Committee on Agriculture and Forestry and as a native of south Louisiana, this is a subject I know something about and I was most impressed. I visited the Central Agricultural Research Institute at Gannoruwa, as well as the Veterinary Research Institute also located there. I toured these facilities and even took advantage of the occasion to participate in a research seminar which was in progress when I arrived. I hope that those at the research center learned as much from my brief remarks as I learned during my visit with them.

The program aimed at increasing agricultural production is not entirely government oriented. Efforts are also being made to attract private capital to agricultural investment. As a matter of fact, I am informed that a large part of the capital budget expenditures have been and will be directed to programs to increase production in the private sector.

As in almost all of the less developed countries, Ceylon's economic difficulties stem from the problems affecting traditional exports of raw materials—in this case, tea, rubber, and coconuts. Ceylon is the world's leading exporter of tea and ranks fourth in the export of rubber. Steep fluctuations in the prices of these products means that Ceylon relies to some extent on foreign assistance and foreign investment to finance her economic development. I might add at this point that at present the United States has no aid program in Ceylon, although the Peace Corps was setting up a modest operation when I was there in December. From my experiences there I can willingly recommend a program of commercial loans, however. From my conversations with the people and officials, I believe that this is what is most desired from their point of view.

I am told that the climate for foreign investment in Ceylon is much better than it has ever been before and that there has been an increase in the number of applications received from U.S. firms desiring to invest in Ceylon.

I hope this trend continues and, in my estimation, there is no reason that it should not continue. This is especially true in the field of tourism. With proper guidance, the tourist industry could be greatly expanded. This small island could be turned into a veritable dream world. It has virtually everything to be desired. The climate is excellent the year round, particularly in the south-central part where some of the beautiful mountains tower 8,000 feet above the sea. With improved roads, all parts of the island could become easily accessible, but already most of the points of interest are near a railroad. A combination of bus and rail transportation would make it possible for an energetic and flourishing tourist industry to bring much wealth to the island.

In conclusion, the Ceylonese people are most intelligent and their leaders seem to know the problems confronting their country. More important, the leaders seem to be willing to do something about them. The Ceylonese are to be commended on the progress and stability that has prevailed during their first 20 years as a free and independent nation. I believe that this progress will continue to increase in the years ahead. I would like to extend the congratulations of the U.S. Congress and the American people to the people of Ceylon on this important anniversary. I would like also to extend once again my deep appreciation to the Government and officials of Ceylon for the hospitality extended to me on my recent visit and to their able representative in this country, Ambassador Oliver Weerasinghe, for his efforts on my behalf and for his efforts in bringing the peoples of Ceylon and the United States of America closer together.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I am happy to yield to the Senator from Montana.

Mr. MANSFIELD. I join the distinguished senior Senator from Louisiana in extending congratulations to the Government of Ceylon on the forthcoming 20th anniversary of its independence.

I agree with what the distinguished Senator has said. I am very much aware of the economic difficulties which confront that country at this time because of the depressed prices in tea and rubber. Nevertheless, they are trying, under their outstanding Prime Minister and his government, to achieve all they possibly can. On the basis of their own initiative, they have been doing a remarkably good and efficient job. I am delighted that the Senator has seen fit on this occasion to express the sentiments of the Senate and the Congress to the Ceylonese Government which is performing so well under extremely difficult circumstances.

The Senator from Louisiana is chairman of the Senate Committee on Agriculture and Forestry, and he is aware of the fact that in Ceylon the rice problem has been a source of friction for a long time, in part because of subsidization. That has been one of the difficulties the Prime Minister has had to contend with. But it is my understanding that he is meeting and overcoming it and that, as a result, rice production is increasing, even though government subsidization is decreasing.

We are extremely fortunate in having as our Ambassador to Ceylon and the Maldive Islands, the Honorable Andrew V. Corry, of Montana, a graduate of the Montana School of Mines, a graduate of Oxford and of Harvard, a fellow member with me of the faculty at the University of Montana in the 1930's, and a man who has served his country extremely well in an ambassadorial capacity in Ceylon, where he is presently located, and at his previous post in Sierra Leone.

I know, on the basis of word I have received from Ambassador Corry, that he was delighted and pleased with the visit of the senior Senator from Louisiana. He told me in his communication that he felt a great deal of good had been accomplished because of the Senator's visit and that out of it has come a better understanding between our two countries.

Again I commend the Senator for marking this anniversary. I congratulate the Government and the people of Ceylon on the 20th anniversary of their independence, and wish them all Godspeed and good luck in the future.

Mr. ELLENDER. I wish to thank the distinguished Senator from Montana. I thoroughly agree with him in the remarks he has made about Ambassador Corry. He is a very able, conscientious, and hard-working man. I do not know of any better representation we could send to Ceylon than to have Mr. Corry there as our Ambassador.

I thoroughly enjoyed my visit with Ambassador Corry, and it pleases me to hear the Senator say that the feeling is reciprocated on the part of our able representative. The Ambassador is well informed; he is a credit to the State of Montana, and I know that both nations will benefit by his presence in Ceylon.

THE NEW KOREAN CRISIS

Mr. BYRD of West Virginia. Mr. President, I invite attention to an editorial which appeared in the January 29 issue of the Martinsburg, W. Va., Journal. The editorial is entitled "The New Korean Crisis." I read as follows from the editorial:

> As this was written the true facts surrounding the seizure of an American intelligence gathering ship by North Korean patrol boats were not known.
>
> Numerous unanswered questions popped up as a result of this incident and probably it shall take days, months or years to have them all properly answered. And again maybe we shall never know all of the true circumstances surrounding this crisis.

The editor, Mr. Paul Martin, goes on to raise certain questions about the seizure of the *Pueblo*, and then proceeds with the following paragraph:

> All of these questions point up how difficult it is for the average American to properly assess a situation such as the seizure of a U.S. ship in the waters of the Sea of Japan. While such an act may provoke a most serious crisis including another war, we do not know the full facts which brought on the incident. It is best under the circumstances that we remain calm and take no rash action.

Mr. President, I wish to express my support of the thought which is well presented in the last sentence which I have just read, to wit:

> It is best under the circumstances that we remain calm and take no rash action.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE NEW KOREAN CRISIS

As this was written the true facts surrounding the seizure of an American intelligence gathering ship by North Korean patrol boats were not known.

Numerous unanswered questions popped up as a result of this incident and probably it shall take days, months or years to have them all properly answered. And again maybe we shall never know all of the true circumstances surrounding this crisis. Even at this late date there is serious questioning in this country over the Gulf of Tonkin attack in August 1964 which propelled the United States into a full-scale war in Vietnam.

In the case of the capture of our intelligence ship by the North Koreans some Washington observers are asking why the captain did not try to immobilize or even scuttle the ship rather then permit her seizure? Navy officers said that if the ship's rudder had been jammed and her anchor dropped, she would have been hard to tow the 25 miles from the scene of the encounter to the North Korean port of Wonsan. Others say the ship could have been sunk with the explosives believed to have been on board.

Why did the ship apparently offer no resistance, at least enough to delay the harassers long enough for a decision to be made to send help and for that help to arrive? An official Pentagon statement said the ship, the *Pueblo*, had radioed back that she "had not used any weapons."

It long has been a basic tenet among Navy officers not to surrender an armed vessel without a fight. The Pentagon had to reach back to the war of 1812 to remember the last time a Navy skipper had given up his ship without a fight. The ship was the *Chesapeake*. The skipper was subsequently court-martialed.

The questions keep coming. Why did the *Pueblo* not carry heavier weapons or, lacking a capability for effective self-defense, why was a destroyer escort not maintained in the vicinity?

One of the reasons according to Washington sources why the *Pueblo* did not have a warship escort is the fact that the Navy is sorely pressed to maintain required destroyers off Vietnam and in the other major fleets patrolling the world's oceans.

There was also the question as to why jet fighters were not rushed to the scene to protect the out-gunned vessel. There were at least a dozen Air Force F–4 and F–105 fighter-bombers on hand in South Korea, 54 Air Force fighters in Japan and scores of Navy fighters aboard the nuclear aircraft carrier *Enterprise*, which was steaming from Japan toward Vietnam at the time of the incident.

All of these questions point up how difficult it is for the average American to properly assess a situation such as the seizure of a U.S. ship in the waters of the Sea of Japan. While such an act may provoke a most serious crisis including another war we do not know the full facts which brought on the incident. It is best under the circumstances that we remain calm and take no rash action.

There has been speculation for some time about the possibility of resumption of the war in Korea which was settled in a shaky way with a truce in 1953. Some observers have cautioned that the Communists might launch a diverting action in Korea to add further strain on U.S. military strength in Vietnam. With each painful crisis it becomes increasingly plain what an enormous and dangerous task we have assumed by attempting to police the world.

TARGET: PUBLIC OPINION

Mr. BYRD of West Virginia. Mr. President, the New York Times of February 1 contains an article entitled "Target: Public Opinion," written by Hanson W. Baldwin. I read certain paragraphs therefrom:

> United States intelligence officers believe that the latest nationwide attacks in South Vietnam by Communist guerrillas and sabotage and terrorist units, as well as the impending battle around Khesanh, are focused squarely on public opinion in this country and in South Vietnam. The enemy hopes to foster war-weariness; to strengthen the opposition to the war in the United States and in South Vietnam, and to force the allies to enter negotiations at a disadvantage.
>
> * * * * *
>
> The over-all strategy of the enemy, as interpreted in the Pentagon, is aimed primarily at political and psychological objectives.

Mr. President, the sum and substance of this article is that the Vietcong's aim, it is believed, is to spur allied war weariness. I ask unanimous consent that the article by this knowledgeable, shrewd, and highly respected analyst, Mr. Hanson W. Baldwin, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TARGET: PUBLIC OPINION—U.S. OFFICERS BELIEVE VIETCONG AIM IS TO SPUR ALLIED WAR-WEARINESS

(By Hanson W. Baldwin)

United States intelligence officers believe that the latest nationwide attacks in South Vietnam by Communist guerrillas and sabotage and terrorist units, as well as the impending battle around Khesanh, are focused squarely on public opinion in this country and in South Vietnam. The enemy hopes to foster war-weariness; to strengthen the opposition to the war in the United States and in South Vietnam, and to force the allies to enter negotiations at a disadvantage.

The enemy's principal military effort is concentrated against the Marine base near Khesanh and its outlying posts, which are on the western end of the demilitarized zone. In this area, where massive North Vietnamese reinforcements can be supported by fire from artillery emplaced in the demilitarized zone or across the frontiers in North Vietnam and Laos, the enemy has been building up supplies and digging trenches and tunnels towards the Marine line.

The attack against Khesanh had been expected to coincide with Tet, the lunar new year, but apparently the North Vietnamese have been delayed by heavy United States bombing and artillery fire.

* * * * *

FORESEEN BY WESTMORELAND

As viewed from Washington, the situation in Vietnam is developing in outline—though not in degree or scope—along the lines foreseen by Gen. William C. Westmoreland, the United States commander, and his staff late last year.

The demilitarized zone had been expected to be the major focus of enemy efforts since it offers the shortest supply route and gives the enemy an advantage he enjoys nowhere else—the capability of supporting his infantry with heavy artillery fire.

At the same time the enemy had been expected to utilize the Tet truce to build up and resupply his forces, and perhaps to make diversionary attacks elsewhere in South Vietnam to prevent the reinforcement of the demilitarized zone area if possible.

All of these things have occurred; what was not anticipated was the scope, strength and skill of the attacks surprise they apparently achieved in many areas.

Officers asserted that the widespread attacks, including the assault on the United

States Embassay in Saigon, must have been long planned and carefully coordinated and were deliberately timed to violate the enemy's own truce. The attacks coincided with the holiday merrymaking and relaxation always associated with Tet. In some cities the popping of fire crackers covered the sound of enemy guns at first.

The South Vietnamese, while not completely surprised, had their guard down, although officers in Washington spoke last night in high praise of the South Vietnamese Army's rapid reaction.

The over-all strategy of the enemy, as interpreted in the Pentagon, is aimed primarily at political and psychological objectives. The terrorist attacks in Saigon and elsewhere were intended as "headline-grabbers," as one officer put it, "to make us look silly," and to impress United States and South Vietnamese public opinion with the enemy's strength.

Some of the attacks, like the mortar and rocket barrages against United States airfields, were military in nature, but many, like that on the embassy, were against nonmilitary objectives. Presumably, none of them, with the possible exception of the attacks against Banmethuot, Hue and Kontum were envisaged as sustained efforts.

The "one-shot" efforts were launched in most cases by terrorist or sapper units, also called "suicide squads" and "special action" units, and were covered by attacks by local guerrilla units.

Last year the South Vietnamese police and military wiped out one such unit consisting of 12 men. A special action unit, it had accounted for about 80 per cent of the sabotage and terrorist acts in Saigon from 1965 to 1967.

LOSS OF FACE IS SEEN

As the military see the situation, the nuclespread Vietcong attacks resulted in a loss of face for the United States and South Vietnam and will have intangible political and psychological effects. The United States casualties were not great but the South Vietnamese lost more than 200 men.

However, the costs to the enemy were very high—one estimate last night was 3,000 enemy, killed and captured—and most of his highly trained special action units and many local guerrilla units are believed to have been wiped out. Further, there was no diversion of allied strength from the Khesanh region and the DMZ, where the Marines had already been re-enforced by large elements of the first Cavalry Division (Airmobile) and by South Vietnamese troops.

On the other hand, the officers warned that the enemy's effort was far from over, and they believed that in the impending fighting around Khesanh he would make a supreme drive to achieve another Dienbienphu—the climactic battle that wiped out a French force of 15,000 men in 1954, and resulted in the defeat of France in Indochina.

Most officers in Washington are said to be confident that the enemy cannot repeat such a victory against American forces but do agree that the United States might well meet reverses and suffer heavy casualties. And it is heavy casualties that are a key factor in the enemy's attempt to influence American public opinion and to undermine the will power of the United States and South Vietnam.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. (Mr. McINTYRE in the chair). Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STOKELY CARMICHAEL AND MARTIN LUTHER KING TO CONSIDER CAMPAIGN COALITION

Mr. BYRD of West Virginia. Mr. President, a small but significant news item appeared in the inside pages of the Washington Post this morning. It said that Martin Luther King and Stokely Carmichael would meet to consider combining forces for the "civil disobedience" pressure campaign on Congress planned here in April.

I have felt all along, Mr. President, that the presence of Carmichael in Washington was an ill omen for the future. That King would consider joining forces with the man who advocates burning America down tells us something about the civil rights apostle of "nonviolence," too, I think.

I shall have more to say on this subject at the appropriate time.

I ask unanimous consent that the article entitled "Carmichael Due To Meet King," published in today's Washington Post, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CARMICHAEL DUE TO MEET KING

ATLANTA, February 1.—Dr. Martin Luther King Jr. and black power advocate Stokely Carmichael will meet in Washington, D.C., next week to discuss joining forces for Dr. King's "massive civil disobedience" campaign in the Capital in April.

The exact date and place of the King-Carmichael meeting has not been set, said the Rev. Bernard Lafayette, the former field secretary for the Student Nonviolent Coordinating Committee.

CONSUMER PROTECTION

Mr. MAGNUSON. Mr. President, the Committee on Commerce has been quite active, during the last session and in the preceding Congress, in considering items which are commonly called consumer protection items. Sometimes the press has asked, "Why all of this rush on consumer items at this time? Is there some significance to it?"

Of course, the significance is the need for the legislation. The Committee on Commerce has for years been very active on consumer items. In 1953, Congress passed a bill, of which I was the author, dealing with flammable fabrics. The Senator from Louisiana will remember the Wool Labeling Act. We went into the matter of truth in fabrics, which deals with clothing, quite thoroughly. We have dealt carefully with food labeling, and have enacted a number of measures to give the consumers better protection as to the quality of the products they buy in an increasingly complex marketplace.

So the committee has been active for a long time in this field. Last session we considered auto safety; two sessions ago, tire safety. For some reason, the people in the communications fields who discuss these matters—press, radio, television, and otherwise—have paid more attention to the committee's activities in this area lately than they used to, when we have considered such items in the past.

I do not recall having any particular publication of the Wool Labeling Act, the Truth in Fabrics Act, or the Fur Labeling Act at the time.

We have been looking at this matter for a long time.

I must admit that in the minds of the public the law is becoming more complex as time goes on and as our economy has expanded. We have been studying consumer items in much more detail than in past sessions. The concern and awareness of the Commerce Committee is not some Johnny-come-lately matter.

I thought that I would review a little bit today the work that the committee is doing on these so-called consumer items.

It will be recalled that the President of the United States in three state of the Union messages has mentioned many of these items, consumer safety items as well as consumer protection items. I thought that I would at this time review for the purpose of the record what the Commerce Committee has been doing in this matter.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the distinguished Senator from Washington be recognized out of order for an additional 20 minutes.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. MAGNUSON. Mr. President, consumer protection is not out of order.

I understand that we do have some business pending, but I thought that I might at this time discuss the condition existing with relation to some of these matters, conditions which I think have continued for a little too long a time.

Climaxing 3 years of intensive growth on a steadily broadening front, 1968 will signal the full maturation of the Senate Commerce Committee's commitment to consumer democracy.

During these past several years, the committee patterned and shaped consumer legislation in areas as diverse as the safe design and construction of automobiles, the retarded flammability of textile products, the safe construction and operation of natural gas pipelines, the elimination of poisonous and explosive household chemicals and of dangerous toys, the cautionary warning of the severe hazards of cigarette smoking, and the clear and comprehensible labeling and packaging of consumer products. This was known as the Truth in Packaging Act.

I pay tribute at this time to the distinguished Senator from New Hampshire [Mr. COTTON], the ranking minority member of the committee, and to all other members of the minority who have joined in these efforts.

During the course of these efforts, the

role of the committee has evolved from one primarily of responding to executive proposals to one of generating and initiating new programs internally. This evolution has been accompanied, moreover, by a parallel growth in the range and boldness of the proposals developed and proposed by an administration which fully shares our own sense of unfulfilled obligation to the American consumer.

Thus, last year, in transforming the sharply limited terms of the original Flammable Fabrics Act into a comprehensive omnibus textile products safety measure through the Flammable Fabrics Act Amendments of 1967, and in developing a new regulatory framework to assure minimum safety standards in the construction, performance, and operation of natural gas pipelines through the natural gas pipeline safety bill, we added solid building blocks to the foundations of consumer protection laid in the Motor Vehicle and Traffic Safety Act and the Child Protection Act enacted in 1966.

In a separate but related measure, the Fire Research and Safety Act, the committee sought to make possible a long-range program of comprehensive fire research and pilot safety programs to seek out ways to heighten our effectiveness in protecting against fire-inflicted deaths, injury and damage to property. And in providing legislative authority for the creation of a National Commission on Product Safety, we sought to secure a coherent, comprehensive review of, first, the extent to which the unsafe design or construction of household products constitutes a significant public health problem in the United States today, and second, the adequacy of existing safeguards against the sale of hazardous household products.

In addition to completing action on these landmark measures—of which only the gas pipeline safety and the fire research and safety bills await House action—we completed the initial phases of several additional significant pieces of proposed consumer legislation, as discussed below, including legislation authorizing the Public Health Service to set maximum radiation emission standards for electrical appliances and medical devices, legislation to upgrade and strengthen the quality of Federal fish inspection programs, the proposed Power Reliability Act designed to forestall major electric power blackouts, and legislation to promote the development of less hazardous cigarettes. I emphasize "less hazardous cigarettes."

In exercising its oversight responsibilities, the committee kept close watch over the development of regulations implementing the Fair Packaging and Labeling Act, and it held intensive inquiry into the vigor and effectiveness with which the National Motor Vehicle and Traffic Safety Act has been implemented by the Department of Transportation. These oversight activities will continue unabated.

Finally, the committee laid the groundwork in 1967 for major committee projects in the coming session. These will include consideration of fundamental automobile insurance reform; improving the disclosure of terms and the performance of guarantees and warranties; relief from high pressure door-to-door sales techniques, home improvement frauds, and certain arbitrary and deceptive practices of household movers. The committee will also probe the fairness and adequacy of voluntary commercial standards, particularly those affecting consumer goods, and the role of unjust commercial practices in the urban ghettos as a source of racial and social unrest.

These events have laid the foundation for prospective committee action in the following major consumer projects:

AUTOMOBILE INSURANCE

The American system of compensating automobile accident victims, built upon the ancient foundation of common law tort liability, is, by common consensus, grossly inadequate in an age dominated by the automobile, its blessings and its social costs. And the automobile insurance industry superimposed upon this archaic legal framework is, by the admission of its own leading members, a beleaguered industry. Discriminatory and sharp underwriting practices appear to exist to a significant degree. These include arbitrary cancellations and failures to renew, geographical, racial and economic blackouts in coverage, discriminatory premium rates, and unfair and inadequate claims settlement practices.

According to published reports, of about $4.5 billion a year paid by Americans for automobile bodily injury liability insurance, less than half that amount is returned in net benefits paid to only some of those injured—for example, only 37 percent of Michigan's traffic victims in 1958. Yet premium rates rise inexorably. New and imaginative approaches can surely introduce a greater efficiency into the system, thus reducing the consumer's cost of protection and increasing the proportion of the injured who receive just and equitable benefits.

On December 14, 1967, I introduced Senate Joint Resolution 129, which would authorize the Secretary of Transportation to cooperate with other Federal agencies, including the Federal Trade Commission, in the conduct of a comprehensive study and investigation of the automobile insurance industry and the existing compensation system for motor vehicle accident losses. The report, to be filed with the Congress within 18 months of enactment of the resolution, would provide the basis for voluntary reforms and possible legislative action in the next Congress. President Johnson, in his recent state of the Union message, endorsed such a study.

A preliminary report from the Secretary will be submitted early in this session, outlining the scope of the proposed study and investigation. Committee hearings to identify problem areas and determine the precise dimensions of the investigation will be scheduled shortly thereafter.

ELECTRIC POWER RELIABILITY

One of the major pieces of legislation before the 90th Congress is the proposed Electric Power Reliability Act, S. 1934. This bill was drafted by the Federal Power Commission, at the President's request, to insure that major power blackouts, such as that which darkened the Northeast in November 1965 can be eliminated or at least reduced to a bare minimum in the future. Yet as the size of our electrical systems continues to grow through high voltage interconnections, the possibility of massive failures over wide areas increases at the same time that the number of these and smaller power disturbances is dramatically reduced. Nevertheless, since the major Northeast failure of 1965, there have been 26 blackouts extensive enough to be classified as "major" power failures by the Federal Power Commission. Many experts agree that this relatively high number of failures can be reduced substantially. And all agree that it is extremely important that we try to reduce them, for such blackouts can cause considerable economic loss to industries located within the blackout area and could, under certain easily foreseeable circumstances, lead to disaster.

Under the Power Commission's proposal, a system of regional councils would be created to coordinate the planning of bulk power facilities by all utilities—private, public, and Federal—within each designated region. The councils would develop regional plans which would then be reviewed by the FPC to determine whether they conform with the broad objectives outlined in the act. The bill provides that all utilities participating in an FPC-approved regional plan would be exempt from private antitrust actions. In other words, they would have to correlate and join together in many ways. In addition, it would establish procedures for FPC certification of EHV lines, which would provide an opportunity for public notice and hearings prior to final approval of a proposed EHV line routing.

The committee also has before it several additional bills relating to the construction of EHV lines; the study of serious power failures; and the conferring, under specified conditions, of antitrust immunity upon utilities which are cooperating in the planning and operation of electrical systems. We plan to consider these proposals in conjunction with the power reliability legislation.

During preliminary hearings on S. 1934, the committee has become increasingly aware that the impact of the proposed legislation as well as the nature of the reliability problem varies greatly from region to region throughout the United States. In other words, what might be true in the Pacific Northwest might not apply to the Northeast or the Middle East area. It was this realization that led the committee to plan a series of regional hearings so that we could better understand the regional as well as the national implications of this legislation.

The first such hearing was held in Seattle, Wash., on December 20 and 21. Subsequent field hearings will be conducted during the next few months.

(At this point Mr. BYRD of Virginia assumed the chair.)

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. LAUSCHE. A request has come to me from the electrical power interests of Ohio that a meeting should be held in the Ohio area on this very important bill. There is no expression of objection to the bill.

Mr. MAGNUSON. No. We seek modifications and ideas.

I say to the Senator from Ohio that electrical power reliability is not achieved simply by passing a law. There must be the complete cooperation of all the utilities involved—private and public.

Mr. LAUSCHE. That is what has been indicated to me.

This morning I sent a note to one of the staff members of the Committee on Commerce, asking him to explore the situation, because I believe that the electrical power suppliers in Ohio want to cooperate and work out a system which would prevent future breakdowns of broad areas in the supply of power.

Mr. MAGNUSON. I am sure the Senator is aware of the situation.

I held a hearing in Seattle on December 20, which involved the Pacific Northwest. We have a little different situation there. We have the Bonneville distribution system, which involves everyone. However, in the Senator's area and in the Northeast, the situation is a little different. I found a great awareness on the part of the utilities in wanting to do something about this matter, and we want to join them and to be helpful.

I hope that the Senator from Ohio, who is a distinguished member of my committee, will find the time to conduct at least 2 or 3 days of these important hearings in that area.

Mr. LAUSCHE. I contemplate doing so.

Mr. MAGNUSON. It is not the desire of these industries to do this. They want to have the best equipment possible. But, occasionally these problems are caused by mistakes or lack of technological planning.

RADIATION HAZARDS

One of the marvels of modern technological progress is the wizardry performed by high-powered electronic equipment with their high voltage vacuum tubes which have made possible a whole new variety of industrial and household products ranging from radar ranges powerful enough to broil a steak in seconds, to laser beams that pierce diamonds for bearings, to color television. Related to these are the machines that produce X-rays for industry, medicine and dentistry, particularly the fluoroscopes and other diagnostic and therapeutic X-ray devices. But, as with other blessings of modern technology, our appreciation of the potential hazards of electronic and X-ray equipment has lagged behind our fascination with their benefits. Belatedly, the public has acquired a growing awareness that it may be exposed to excessive radiations from improperly designed or constructed electronic equipment.

Late in the first session of the 90th Congress, the committee held 3 days of hearings on S. 2067, the proposed Radiation Control for Health and Safety Act of 1967, introduced by Senator BARTLETT. The hearings produced substantial evidence that legislation is desirable to protect the public from unnecessary exposure to ionizing and other potentially harmful radiations from electronic products. In particular, the committee notes testimony that shows unnecessary public exposure to the public from poorly designed or operated X-ray equipment of some physicians and dentists.

The product may be good but sometimes the physician or the dentist may not be trained properly to operate it.

The American Medical Association and the American Dental Association are wholeheartedly trying to work out this matter.

Recently the American Dental Association itself has cautioned against the routine, noncritical use of X-rays by dentists, a striking recognition of the growing realization of the potential hazards of excessive radiation.

I might mention that I have been in the office of a dentist all morning. He put some substance on each side of my jaw. He claims he knows how to operate the equipment. He is a good dentist. However, in other places there are people who do not know how to operate the equipment properly.

The two professional organizations to which I have referred have suggested to all of their members that they should consider taking another course in the operation of these new and fascinating devices that are going to give us better health in the future in connection with dental care.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. LAUSCHE. Am I correct that within the last several days there have been articles in the newspapers indicating that leaders of the dental associations have discussed this subject?

Mr. MAGNUSON. The Senator is correct. They are trying to insure that all members today—and that would be about 98 percent—know how to use these new and modern devices which are going to be good for the health of the people in this country. The American Medical Association is making the same suggestion.

Mr. LAUSCHE. They are thoroughly conscious of the problem and they are aware that attention must be given to it because the rays do destroy health unless the application of the rays are guarded scientifically and efficiently.

Mr. MAGNUSON. The Senator is correct. I shall not go into detail; but, as the Senator knows, there are also many side effects.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senator may proceed for an additional 10 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

Mr. MAGNUSON. Mr. President, the discovery last spring that certain color television sets contained a part that emitted X-rays far in excess of present professional standards for radiation control illustrates both the kind of radiation hazards that may be introduced into our households and the fact that no Federal regulatory standards exist which would have prevented the sale of these sets in interstate commerce. Other testimony clearly demonstrated that many new electronic products may emit radiations which can produce adverse biological effects in humans. And these radiations include, in addition to the familiar X-rays, such other radiations as microwaves and laser beams.

State statutes and State radiation control organizations today furnish the only protection and safeguards against use of equipment that may cause occupational or personal exposure to radiation that exceeds professionally recognized exposure guides—assuming that such guides exist in all cases, which they do not. Moreover, the limited funding and poor quality of enforcement of State programs furnish little substantial protection against the sale in interstate commerce and the subsequent use of potentially dangerous equipment.

The bill before the committee would authorize the Secretary of Health, Education, and Welfare to establish and carry out a program, with inputs from scientific, professional, industrial, and other bodies, to protect the public against the future sale of poorly designed equipment that can cause undesirable radiation exposure. It would authorize the Secretary to set standards for radiation control that would apply to electronic products sold in interstate commerce. It would also authorize the Secretary to conduct and sponsor the research necessary to establish a sound basis for such standards. In doing these things, S. 2067 reflects President Johnson's recommendation in his recent state of the Union message for legislation to control hazardous radiation.

The committee hopes to conclude its hearings and report appropriate legislation.

FISH INSPECTION

We just finished a controversy in connection with meat inspection, as the Senator from West Virginia well remembers. Fish is a big commodity for the housewife in the United States. I believe that Americans do not eat enough fish. It is a perishable commodity and it has to be handled carefully.

Last July the committee held 2 days of hearings on the proposed Fishery Products Protection Act of 1967, S. 1472. This bill would authorize the Secretary of the Interior, under whose Department comes the Bureau of Commercial Fisheries, over a 3-year period, to conduct a survey "of the methods, practices, and sanitary conditions of the establishments and vessels of the United States processing fish and fishery products," and, on the basis of the facts developed by this survey, to issue regulations which would establish such sanitary standards and practices for these establishments and vessels as he finds are necesary to insure that fishery products will be wholesome, unadulterated, and of good quality.

At the time of the hearings, the administration questioned the need for such legislation, since the Food and Drug Administration has had a limited fish inspection program for many years. Certain witnesses did point out, however, that an exceptionally large proportion of many fishery products offered to the consuming public are of inferior quality, and other statements were produced indicating that the sanitary practices observed in segments of the industry were far from adequate to insure the wholesomeness of the product.

In addition, considerable controversy exists in the fish industry as to the proper agency repository for this fish inspection. Canners, who have long dealt with the Food and Drug Administration, feel that this agency should have jurisdiction, while the fresh fish industry and fresh fish processors feel that the Bureau of Commercial Fisheries cannot be excluded from a prominent role in this activity. This is a matter the committee will have to decide.

Since the hearings, there has been increasing interest in this subject, and the President has now indicated that he will request an expanded fish inspection program. I expect that proposal to be here next week. We believe that the hearings will be concluded and further action in this area can certainly be expected during the coming session of Congress.

HOME IMPROVEMENT FRAUDS

Next, a matter of timely importance to all Americans—home improvement frauds. Mr. President, I do not know how many letters Senators have been receiving on this matter but the committee has received plenty. The Senator from West Virginia [Mr. BYRD], who plays such a prominent role in the affairs of the District of Columbia, has a pretty good idea, I am sure, of what has been happening in that field. Scores of frauds have been uncovered. That is true not only in the District of Columbia but also all over the United States.

The home improvement industry in the United States now serves a $15 billion annual market. The services it performs and the new materials and techniques it has introduced have greatly contributed to the material well-being of millions of American families. But the industry's performance and reputation—that is, the good ones, let us put it that way, and the reliable ones—have been scarred by the predatory tactics of unscrupulous fringe operators. I suggest that the reliable ones are 100 percent in cooperation with us. For the past decade, home improvement frauds have been the subject of more complaints to the Better Business Bureau than any other type of business enterprise. I think that in the District of Columbia, home improvement frauds have been subject to more complaints to the Federal Trade Commission than any other. I think it is four times as much. Home improvement malpractices alone account for an estimated consumer loss of from $500 million to $1 billion yearly.

According to a recent report from the Federal Trade Commission to the committee, large and small contractors, product suppliers, and financial institutions are all involved, to some degree—in some areas, and I do not say that this is a rule, it may be the exception—in home improvement deception. Although the poor are easy prey and frequent victims of home improvement rackets, no one is immune from such victimization.

The products and services these unscrupulous sellers offer are numerous—siding, storm doors and windows, roofing, wall-to-wall carpeting, central vacuum cleaning systems, intercoms, fire alarm systems, awnings, gutters, chimney repairs, furnace repairs, driveway repairs, among others. And many of these home improvement sales are made through outright deception, fictitious and inflated pricing, bait and switch tactics, bogus contests, fictitious bargains, misrepresentations of guarantees and product quality, referral selling, scare tactics, and many others.

I pause here to suggest that all one has to do is to listen to a radio station in a given metropolitan area on a given day to know what goes on.

Mr. LAUSCHE. Mr. President, will the Senator from Washington yield for a question?

Mr. MAGNUSON. I do not mean the large areas, but smaller ones; because we could not possibly examine all the advertising that comes in.

The PRESIDING OFFICER. The time of the Senator from Washington has expired.

Mr. BYRD of West Virginia. Mr. President, I note that no other Senator desires recognition in connection with the transaction of routine morning business. The Senator from Washington is making a very important, informative, and most interesting statement, and I therefore ask unanimous consent that he be allotted not to exceed an additional 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. I thank the Chair. I am happy to yield now to the Senator from Ohio.

Mr. LAUSCHE. In the early 1930's, when I was a judge on the courts in Cleveland, actions were brought before me against homeowners who had purchased furnaces and other types of services. The situation frequently cropped up where the contractor who had supposedly committed a fraud or a wrong took a promissory note and then sold it to a finance company.

Mr. MAGNUSON. The Senator is correct.

Mr. LAUSCHE. The finance company would then come in and say, "We bought the note. We are innocent holders without notice of any fraud having been committed."

My question is: Is that practice present, so far as the Senator from Washington knows, in these instances because he has mentioned finance companies?

Mr. MAGNUSON. There is no question about it. They plead, as the distinguished Senator from Ohio knows as a good lawyer, third-party innocence, that they knew nothing about it. Then they go ahead and collect on the notes, such as we have been reading about in the Washington papers.

Mr. LAUSCHE. That was the practice in the 1930's and obviously it is still the practice today.

Mr. MAGNUSON. Yes.

Mr. LAUSCHE. So that the perpetrators of wrong sell the promissory note and the buyer of that promissory note shuts his eyes, closes his ears, and pretends he knows nothing about what the perpetrator of the wrong did.

Mr. MAGNUSON. That is correct.

Mr. LAUSCHE. The buyer usually buys these notes day after day, and then has the audacity to say, "I neither saw, nor heard, nor had any knowledge of the fact that the seller of the note to me was in the habit of practicing fraud."

Mr. MAGNUSON. I suspect, let me say to my good friend from Ohio, that we will have plenty of testimony on this phase of the home improvements fraud matter.

Although the FTC has maintained a small enforcement program against improvement frauds, unfair practices in the home improvement field are now so serious and widespread that, on behalf of myself, Senator HARTKE, Senator HART, and Senator BREWSTER—and, I am sure, the agreement of the Senator from Ohio that he will be a consponsor—I have introduced a joint resolution (S.J. Res. 130) to create a special FTC task force devoted to rooting out home improvement frauds.

The resolution directs the FTC—again because we do not want to be unfair about this—to make a 1-year investigation into deceptive practices in the home improvement industry, including a detailed study of the relationship between racketeers, finance companies and product suppliers. The resolution also directs the FTC simultaneously to expand and intensify its enforcement activity in home improvements. To enable the Commission to perform this massive crack down the resolution would have to authorize the appropriation of a certain amount for the next 3 years.

Additionally, to allow the FTC to halt deceptive home improvement swindles quickly before the perpetrators can milk their scheme dry by delaying final order, the resolution would permit the FTC to seek from an appropriate court, when it is in the public interest, a preliminary injunction against the alleged offender.

In view of the dimensions of the problem and its consequences, additional manpower and legal powers to curb home improvement rackets are an essential part of the committee's program to protect consumers. Hearings on the resolution will be scheduled early in the year.

FTC ACT ANTIFRAUD AMENDMENTS

Although fraudulent practices in the home improvement field appear to be approaching epidemic proportions, we should not minimize the impact of such predatory and deceptive practices in other lines of commerce. The Federal Trade Commission has been notoriously ill equipped to take speedy and forceful action against the inventive army of fly-by-night operators who prey upon the public with schemes as extensive and diverse as the wit of the confidence man, abetted by modern tools of communication and persuasion, can devise. The Commission has long sought additional powers to cope with such practices; specifically, the power to obtain preliminary injunctions and to impose fines for unfair or deceptive practices committed with the intent to deceive or defraud.

In addition, the Commission has on occasion been severely hampered in its deceptive practices work by the restricted interpretation of its basic mandate which does not permit it to police deceptive acts and practices which clearly affect interstate commerce. There is substantial support for legislation to expand its jurisdiction to the extent permissible under Federal law.

The President, in his state of the Union message, called for additional powers to enhance the ability of the FTC to protect consumers. We anticipate that his recommendations will be similar to those suggested above. We will give earnest consideration to these proposals, for they certainly should be an integral part of any meaningful consumer protection program.

DOOR-TO-DOOR SALES

Every year unscrupulous salesmen defraud the public of hundreds of millions of dollars—more, it is estimated, than is lost through robbery, embezzlement, and forgery combined. The committee has acquired substantial evidence that a disproportionate share of this deceptive selling is carried on by door-to-door salesmen who employ such schemes as bait advertising, fictitious pricing, chain referral selling, deceptive "giveaways," and simple scare and high-pressure tactics. The evidence is persuasive that thousands, perhaps millions, of persons subjected to such practices in their own homes, sign contracts for unwanted and unneeded merchandise.

Not infrequently, the victimized realize almost immediately—or sometimes the next morning—that they have been cheated or lured into making an unwanted purchase at an inflated price, but they are unable to do anything about it.

I guess this takes place after the husband comes home and asks, "Darling, what did you do today?" And the wife says, "Oh, the nicest man showed up today, and I signed this contract." Then they take a look at it. Consequently, the buyer may become hopelessly saddled with long-term debts and subjected to the thinly disguised threat of debt collection proceedings if he defaults—garnishment is one example.

To remedy this situation and to give consumers some recourse from high pressure, deceitful sales practices, Senator Brewster and I, in April 1967, introduced S. 1599, the proposed "Door-to-Door Sales Act." The bill calls for a "cooling off" period during which the buyer can rescind a sale or sales contract "which is entered into at a place other than the place of business of the seller." The buyer must simply notify the seller of his intention to rescind by mail prior to midnight of the following business day.

Someone has suggested that we ought to make that 48 hours or longer. Oddly enough, in Great Britain a slip is provided, and if the purchaser thinks he did the wrong thing, he can tear off that slip and drop it in the mail within 24 hours. I think that is the period of time allowed in Great Britain. I will put into the Record what the exact period of time is.

The bill also provides that the salesman furnish the buyer, at the time of the sale, with a receipt which bears a conspicuous notice informing him of his right to rescind and which also sets forth the seller's address and the details of the transaction.

We hope to hold hearings on the bill and take appropriate action early in 1968. We will have hearings on this bill.

ADDITIONAL COSPONSOR

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BYRD of West Virginia. Does the period of 48 hours, or whatever it may be, have reference only to those contracts that are made as a result of door-to-door selling?

Mr. MAGNUSON. That is right, outside the place of business.

Mr. BYRD of West Virginia. Are Senators who are not members of the committee being accepted as cosponsors of the bill?

Mr. MAGNUSON. Yes.

Mr. BYRD of West Virginia. I wonder if the Senator would mind adding my name as a cosponsor?

Mr. MAGNUSON. Mr. President, I ask unanimous consent that that be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. I thank the Senator.

Mr. MAGNUSON. Mr. President, I want to depart from my prepared remarks for a moment. We have had several meetings on this subject. We do not go at this problem just overnight. We have talked with representatives of industry and those who do door-to-door selling. They feel something like this should be given to the people. They feel they sell good products and that their cancellations would be minor. I suppose any Member of the Senate could ask his wife about the number of people who come to the door of his house in a given day. Some of the products they sell are good. As a matter of fact, some of the more prominent door-to-door salesmen do not mind this proposal at all, because it gives them a second chance to get back in the house. They will say, "Look, maybe I was wrong," but this gives them a chance to sell three or four more things. But some of them have been found to be deceptive, particularly with respect to advertising claims. We have had many cases pointed out to us in which the salesman says, "You take this product. You do not have to pay right now. If you will give us the names of prospective customers, you may keep this." Well, it is found that the prospective customer has never been found and the person is sent a bill, and perhaps action is brought against him to collect.

CIGARETTE ADVERTISING AND LABELING

Toward the end of August last year, the committee held 3 days of hearings to review the scientific progress being made toward the development and marketing of less hazardous cigarettes. These hearings were prompted in part by growing interest in promoting competition in the sale of cigarettes which are low in tar and nicotine, and by several highly publicized, but unsubstantiated, reports of "breakthroughs" in filter technology. The committee was particularly concerned with the extensive claims for the "Strickman" filter then being promoted by Columbia University. At the close of the hearings, I stated that the testimony had led me to the following conclusions:

First. While more refined approaches may be promising, we can now state with assurance only that reduced total tar and nicotine is probably an effective route to a less hazardous cigarette.

Second. Competition in the production and marketing of cigarettes progressively lower in tar and nicotine content is highly desirable.

Third. Advertisements which list tar and nicotine levels, together with truthful collateral statements, are essential to such competition through the development of consumer acceptance of such products.

Fourth. The Surgeon General should establish a panel or task force to evaluate health claims for new filters or processes, and if legislation is required to accomplish this result, then such legislation should be proposed.

Fifth. The Surgeon General should consider whether the Federal Government should prescribe maximum permissible limits for toxic substances contained in cigarette smoke.

We intend to pursue these suggestions through hearings and through encouragement of administrative programs, such as that undertaken by the Federal Trade Commission which is periodically testing cigarettes for their tar and nicotine content and reporting its tests results to the committee.

In addition, we remain deeply concerned about the role of advertising, especially television advertising, in promoting or sustaining the smoking habit, particularly among young people. The committee has before it various proposals to regulate or limit such advertising and we are planning to hold comprehensive hearings on these proposals early in the session.

GUARANTEES, WARRANTIES, AND SERVICING

The committee has been receiving a steady flow of mail from consumers throughout the country complaining, typically, that a recently purchased product was defective and would not be repaired or replaced by the manufacturer; or that certain defects or failures in a product had not been repaired, despite frequent visits to the repair shop; or that the prices charged for minor repairs were exorbitant; or that significant parts of a product's mechanism were not covered by the guarantee but that this had not been made clear at the time of sale; or that disputes with the manufacturer as to the coverage of the guarantee and the allocation of costs under it always seemed to be resolved by the manufacturer in his favor.

I do not quite agree with that. Perhaps that statement should be modified. I would probably say that the allocations of costs resolve themselves that way because of the inability of the consumer to make communication with the manufacturer. That is a better way to put it, because the overwhelming majority of legitimate manufacturers would not want it said that their product was not good. But there is a complete gap there, and it results in default in the manufacturers' favor.

In the closing days of the last session, three bills were introduced to deal with these problems. The first bill, which I introduced, (S. 2726), would require the comprehensible disclosure of the terms and conditions of guarantees and warranties. It would also establish an Advisory Council on Guarantees, Warranties, and Servicing which would conduct a comprehensive study and investigation of the adequacy of performance under guarantees, the methods of resolving disputes relating to the adequacy of such performance, the extent of the difficulty in securing competent servicing of mechanical and electrical products under warranties and guarantees as well as under customary service agreements, and the difficulties encountered in obtaining relief for inadequate performance under guarantees and under customary service agreements. This Council would be required to report back to Congress with its recommendations within 2 years.

I personally think it can be done in a shorter time than that, but that is what is proposed.

The provisions of the remaining two bills, S. 2727 and S. 2728, introduced by Senator HAYDEN, are similar. S. 2727 would apply to automobile warranties and S. 2728 to those on home appliances. Each bill would set up an arbitration system to settle disputes arising under warranties and guarantees. In addition, however, they would authorize the Secretary of Commerce to set standards to regulate the relationship between the manufacturer and his dealer, so as to make clear that the manufacturer must be ultimately responsible for performance under the guarantee agreement.

Poor servicing and inadequate performance under guarantees is one of the major areas of consumer discontent. We, therefore, plan to hold hearings on these bills early in the session and hope to develop some sound legislative solutions during this session of Congress.

MISCELLANEOUS

Mr. President, I am about through with this long and complicated field, but there are several other additional consumer projects which the committee will consider during the coming year. We may not get to all of them, but at least we will hope to create an awareness of conditions that exist.

First. The committee has become increasingly concerned with complaints received by Members, as well as the Interstate Commerce Commission, concerning unfair and arbitrary practices of household goods movers. These embrace, but are not limited to, problems arising out of chronic underestimates to housewives, deliveries far beyond the promised dates, inflexible credit policies and dilatory claims settlement procedures. The committee will attempt to develop adequate procedures through the ICC to deal with these problems, since the ICC alone has the authority.

Anyone who has shipped household goods, and had one piece damaged, knows the nature of the problem. Even when the movers admit they were responsible for the damage, it is amazing how long it takes to settle the account, even though the amount is small. Usually the actual worth of the item entailed is not the chief consideration. To the housewife, it is the fact that it was her piece of furniture, perhaps something which had a special sentimental value to her, which often creates difficulties almost impossible to surmount, and we hope that the ICC will take a longer look at this issue.

I point out that reliable household goods movers would probably wish to cooperate in helping solve the problem, because they wish to do the right thing for their customers.

Second. The committee will consider S. 2186, introduced by Senators HART and BREWSTER, which would create a National Consumers Service Foundation—an item which I believe the administration has mentioned on several occasions—to represent the consumers' viewpoint before Government agencies and also develop information helpful to consumers.

This is a broad question, at which the committee will have to take a long look.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MAGNUSON. I ask for 3 additional minutes.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that the Senator from Washington may have 10 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Third. There is growing concern with the volume of accidental poisonings of young children by prescription drugs and similarly packaged potentially poisonous products sold in interstate commerce. I am not talking about the labeling. The Food and Drug Administration can take care of that. The committee hopes to develop an appropriate program to promote the use of safe containers—containers which are available; I have seen many of them. They are almost foolproof, and do not cost any more than some of the unsafe containers now in use.

Fourth. Two years ago at my request the Federal Trade Commission inaugurated a special pilot program in the District of Columbia—this will interest my friend, the Senator from West Virginia—to expose and halt frauds and other predatory practices affecting low-income consumers. The committee expects to review this program together with recent reports that consumers in these areas may be forced to pay higher prices for similar or lower quality products. I think the Senator from Michigan [Mr. HART] is now in the process of holding hearings on that matter.

Fifth. The committee will pay particular attention to many problems still unsolved with relation to tire defects—though we have passed a good law on that subject—and the grading of tire quality; safety standards for used cars—this is an oversight matter which I think we can work out—and the concern that Federal safety regulations may serve as an unjustified excuse for price increases.

The Senator from Connecticut [Mr. RIBICOFF], as I understand, intends to hold hearings next week on the safety device price increase in cars. Our committee will take a look at it afterward.

Sixth. The committee will maintain close liaison with the National Commission on Product Safety, created by Congress as a result of the committees finding that serious gaps remain in the laws protecting consumers against unsafe products.

I have a friend, Mr. President, who is one of the chief research men in one of the largest electrical manufacturing companies in the world. He has often said to me, "With all we know, and all the things we are doing in the field, there must be a better way to provide household electrical outlets than we have now, where children can stick their fingers in and get electrocuted." He says, "There must be a better way, and it does not need to cost any more."

This is the type of thing we are talking about.

Seventh. On item 7, the commitee has had many hearings, and has been involved with the subject for a long time. Although the transportation of hazardous substances, both explosive and poisonous, is presently regulated by the act governing the transportation of explosives, recent tragedies have raised questions as to the adequacy of the implementation of the present statutes. The commitee intends to give close attention to this matter.

Eighth. An important aspect of the drive to require full disclosure of interest rates has been the recognition that credit advertising, as well as the credit contracts themselves, is an important factor in promoting credit competition. With 14 cosponsors, and I suspect there will be more, I introduced a bill, S. 2268, the proposed Fair Credit Advertising Act, which would require disclosure of the cost of credit in credit advertising. The provisions of this bill, in substance, have now been made a separate part of the House truth-in-lending bill, H.R. 11601.

Since the preparation of this report, I understand the House of Representatives passed that bill yesterday, by a large margin. The committee will follow with great interest the subsequent course of this legislation.

Ninth. The committee will continue to review voluntary standards development in the U.S. testimony before the committee in such apparently unrelated areas as automobiles, tires, gas pipelines, and cargo containers has raised serious questions as to the extent to which the public interest is served by the various voluntary standards-setting programs conducted by the U.S. Standards Institute and other reliable private bodies. They may not meet the challenges. The committee recognizes the valuable contribution made by these organizations but believes it is time for a comprehensive analysis of their role in our economy.

This is not as broad a package as it may sound. The committee has been considering many of these matters off and on for a long time. I think most of us know what we want to do. We wish to be fair; we wish to be practical; we do not wish to overload the American economy. We do not expect this to be a political issue at all. Certainly it is not the intent to bury American business in any kind of enterprise or operation such as we are undertaking. As a matter of fact, it is pleasing to me that almost every legitimate American businessman in all these fields, in the industries themselves, have been most cooperative, most helpful; and I believe the business people will help us, with some of the legislation that will soon be forthcoming, to provide a fair, practical bill, which will not only help protect the consumer, but give American business some guidelines which industry itself has always wanted.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. LAUSCHE. Mr. President, at the very beginning, I wish to commend the Senator from Washington for a meaningful presentation on many problems confronting the consumers of the United States as well as the businessmen; and I am certain that his objective is to reach a conclusion, after the bills are considered, which will be fair to the businessman and fair to the consumer as well.

Mr. MAGNUSON. And even more important, as the Senator well knows, is the fact that we will have the cooperation of the business people involved. They have been giving us their cooperation.

Mr. LAUSCHE. Mr. President, I would like to take up four matters with the Senator.

The Senator's proposal with reference to the automobile phase of his presentation is to make a complete study of the automobile insurance business, the rights of motorists, the rights of the injured person, and the entire gamut of problems attending the operation of automobiles on the highways as they relate to insurance.

Mr. MAGNUSON. The Senator is correct.

Mr. LAUSCHE. It is also intended that we determine where the weaknesses in our present operations are and how they should be remedied by law.

Mr. MAGNUSON. The Senator is correct. I do not know whether we will need to do very much on the matter.

Mr. LAUSCHE. There has been some proof to the effect that the income derived from premiums is grossly in excess of the money paid out to compensate for the property damage, injuries, and deaths on the highways. There is some prima facie proof on this. However, the Senator from Washington and the cosponsors of the bill are not yet satisfied as to what the actual facts are.

Mr. MAGNUSON. The Senator is correct. However, by the same token when one talks to people in the insurance industry he finds that many of the automobile casualty insurance companies are having a real tough time today and that some of them have gone broke.

Mr. LAUSCHE. The Senator is correct.

Mr. MAGNUSON. The automobile insurance industry is most complex, and it has become a national problem. I am not talking about other types of insurance.

One cause of the problem is that if 20 people run into each other downtown—and I suspect that in the next 20 minutes 20 people will run into each other—these people will all be insured; but we will have to go a long way to find two individuals with the same type of policy.

Mr. LAUSCHE. Mr. President, I should like to be listed as a cosponsor of Senate Joint Resolution 129.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the name of the distinguished Senator from Ohio [Mr. LAUSCHE] be listed as a cosponsor at the next printing of Senate Joint Resolution 129.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, with reference to the electric power reliability bill, that measure has been offered because of the breakdown of electric power which paralyzed hospitals, businesses, and homes in a wide area in the northeastern part of the country.

Mr. MAGNUSON. It also interfered with the airlines. We were lucky that we did not have more accidents.

Mr. LAUSCHE. Mr. President, the purpose of that measure is to determine whether we can obtain cooperation so as to eliminate danger by virtue of having coordinated services rendered by a combination of power companies.

Mr. MAGNUSON. The Senator is correct. We found that the availability of people with expertise in this field is very limited. I refer to the knowledge concerning how to put together a nuclear system with a hydroelectric system or a steam plant, or all three of them, and create sufficient units to assure a continuous supply of electrical energy. The field is amazingly technical.

The industry is working on it. I do not believe that anyone who furnishes electrical energy does not want to have a continuous supply of electrical energy. It is to their advantage to have a continuous supply.

Mr. LAUSCHE. Mr. President, I set down hearings in Ohio on the Cleveland Illuminating Co. The officials of that company believed that the whole problem should be explored.

Mr. President, I should like to be listed as a sponsor of the Electrical Power Reliability Act.

Mr. BYRD of West Virginia. Mr. President, I should also like to be listed as a cosponsor of the Electrical Reliability Act.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the name of the Senator from Ohio [Mr. LAUSCHE] and the name of the Senator from West Virginia [Mr. BYRD] be listed as cosponsors at the next printing of S. 1934.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, with reference to the home improvement frauds problem, I have already discussed that matter with the Senator briefly.

What the Senator stated reawakens in my mind the many instances of that character which were brought to my attention in 1934, 1935, and 1936 at the height of the economic paralysis that hit the country when creditors were bringing foreclosure actions of chattel mortgages and recovery of property under replevin actions. The bill dealing with home improvement frauds contemplates a complete study of that entire matter.

Mr. MAGNUSON. The Senator is correct.

Mr. LAUSCHE. Mr. President, I should like to be listed as a cosponsor of that measure also, Senate Joint Resolution 130.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the name of the Senator from Ohio [Mr. LAUSCHE] be listed as a cosponsor at the next printing of Senate Joint Resolution 130.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, I now direct the attention of the Senator from Washington to the deceits that are being and have been practiced by the door-to-door salesmen.

It is my understanding that that measure already contains substantive proposals which would permit a housewife after she has been induced to buy goods from a house-to-house salesman to have 24 hours within which to notify the seller that she does not want to abide by the contract.

Mr. MAGNUSON. The Senator is correct. Of course, I suppose it would be better to say that she has 24 hours in which to discuss the matter with the rest of the family, including the fellow who will have to provide the money. I imagine that many husbands will be very happy to see this bill enacted into law.

Mr. LAUSCHE. Mr. President, I should like also to be listed as a cosponsor of S. 1599.

Mr. BYRD of West Virginia. Mr. President, I should also like to be listed as a cosponsor of S. 1599.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that at the next printing of S. 1599, the names of the distinguished Senator from Ohio [Mr. LAUSCHE] and the Senator from West Virginia [Mr. BYRD] be listed as cosponsors of S. 1599.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. LAUSCHE. My own view is that it ought to provide for a period of 48 hours.

Mr. MAGNUSON. The committee will discuss that matter. The American public benefits from the sale of books. I buy a lot of books. I see all these books advertised, and I really want them. I bought one today. The book is on the "First 50 Years of American History" and contains illustrations of American antiques.

Even there, the book companies provide for a 30-day period of examination. If one does not like the book, he can send it back.

I appreciate the interest of the Senator. He has always had a great interest in these matters in committee.

This endeavor is in an effort to help the greatest economy in the world, a private enterprise economy, and it is to strengthen the theory of private enterprise so that we can move forward.

I am sure that most of the industry will help us.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BYRD of West Virginia. Mr. President, I congratulate the distinguished senior Senator from Washington on the statement he has made.

I commend him on his leadership in this very important field—the field of protection to the consumer—which is becoming an increasingly important field.

We are all consumers. We may not all

be businessmen or laborers, but we are all consumers.

I think that the steps which are being taken by the Senate committee will be in the good interest of the consumers of the Nation and in the good interest of legitimate businesses. The businesses of our country support this kind of legislation and offer their cooperation, as the Senator from Washington has stated, and this legislation will benefit industry as well as the consumers.

Mr. MAGNUSON. The Senator is correct. And we want to see that we are not harassing anybody. We want to be practical about this matter.

I thank the Senator for his remarks.

A great deal of the difficulty in this matter arises because the marketplace is getting so complex that it is hard sometimes for anybody to understand it.

Mr. BYRD of West Virginia. The work the Senator is doing indicates the good service that he is performing for his people.

PRESIDENT JOHNSON POINTS TO NEED FOR IMPROVED STATISTICS FOR ECONOMIC ANALYSIS

Mr. TALMADGE. Mr. President, in his economic message today, President Johnson properly calls attention to the vital economic decisions which the Nation must face this year. And the President emphasizes that we face these hard decisions with a confidence born of success.

The President notes that our past successes are attributable in no small part to the fact that the United States has the most accurate, comprehensive, and detailed economic statistics in the world, based on information that has consistently improved in accuracy, speed, and coverage. But, wisely recognizing that the need for accurate and timely information to guide public and private decisions grows as we develop ways to make better use of our available statistics, he recommended a carefully designed, selective program of improvement in our current economic statistics.

This program deserves the wholehearted support of the Congress. For years, the Subcommittee on Economic Statistics of the Joint Economic Committee, has supported—and in some cases sponsored—continuing improvements in our current economic statistics, including most of those which constitute the President's program this year. President Johnson and the subcommittee support improvements in Federal economic statistics for the simple but fundamental reason that accurate, prompt, and comprehensive statistics on the state of our economy are absolutely essential to the development of sound economic policies by Government, business, and labor.

The criteria used to select each improvement which was included in the President's program are unassailable: that it assist current policy formulation, that it be capable of rapid implementation, and that its cost be moderate.

I congratulate the President on his attention to our needs for better economic information and strongly urge Senators to support this program.

PRESIDENT JOHNSON'S EXCELLENT INTERVIEW WITH GEORGE MEANY REAFFIRMS AMERICA'S REASONABLE POSTURE IN SOUTH VIETNAM

Mr. BREWSTER. Mr. President, in an interview filmed especially for members of the AFL–CIO, President Johnson has once again asserted America's determination to defend South Vietnam from aggression, while at the same time continuing to press for peaceful negotiations. The President told George Meany:

> We are not going to let any of our nations who are bound to us by treaties and alliances be gobbled up by any would-be conqueror . . . while we stand by with an umbrella.

I think the American people stand firmly with him on this proposition. And I think they also agree with him that it is not in the interest of the United States "for us to stop our bombing, only to have them continue theirs. A bomb dropped from a bicycle can kill as many people as a bomb dropped from a plane."

The President's words are well heeded. We have seen over the past few days the kind of terror and destruction that Communist raids can cause throughout South Vietnam.

And as the President said, the United States is ready and willing to find ways to end this war. He added:

> But, until the enemy is willing to go to the peace table, and is willing to say if you stop your bombing he will promptly come and talk, and that we can have productive discussions, and that he will not take advantage of our restraint to put extra pressure on during that period, then I think we would be endangering the lives of our men. . . .

I am certain that the American people support the President's view that negotiations must hold promise of being productive before we enter into them. And we must be assured that Hanoi will not use this negotiating period to cause the kind of bloody incidents that are now underway in South Vietnam.

I ask unanimous consent that the President's excellent interview with Mr. George Meany be printed in the RECORD.

There being no objection, the conversation was ordered to be printed in the RECORD, as follows:

CONVERSATION OF THE PRESIDENT AND GEORGE MEANY, PRESIDENT OF AFL–CIO AND CHAIRMAN OF COPE

Mr. MEANY. Mr. President, this film we are making this morning will be shown to officers and members of our unions throughout the country, mostly the leaders of the American trade union movement at the local level.

I want to express our appreciation and the appreciation of the membership of the AFL–CIO for giving us this opportunity to talk to you about the many issues that we face, as well, perhaps, to talk a little bit about the issues we faced in the past, things that you are interested in and, of course, things that our members are very much interested in; for instance, the question of education, which I am sure you are greatly interested in.

The PRESIDENT. Mr. Meany, I welcome this opportunity to talk with you and to the officers and members of your unions and specifically on this subject of education.

I was in Congress for 24 years. During that time we talked about education a great deal, and how important it was that we do something about it. But we did very little. We never had any overall comprehensive Federal Aid to Education during that period.

In 1964 and 1965, with the help of the AFL–CIO and the teachers of the country, and the mothers, we promulgated a program and finally passed through Congress a massive educational measure and supplemented it with more than 20 other bills.

The key bill is Elementary and Secondary Education. So as a result, today, the Federal Government is doing more than three times as much in the field of education as it did four years ago when this Administration began.

Mr. MEANY. I think that's true. I think actually what happened in '64 and '65 was that for the first time in the history of this country the Federal Government assumed that there was a Federal responsibility for the education of the children of America at every level and what we, of course, have always held as a cherished goal of America's workers, that we would see the day when every boy and girl in this country would get all the education that he or she—that they could assimilate, that they had the aptitude for, that they would get this irrespective of the economic circumstances from which they sprang.

The PRESIDENT. That is the objective and the goal of this Administration—to give every boy and girl in this country all the education that he or she can take. Through the Elementary and Secondary Education Act, through the Higher Education Act, we are taking care of the people between the first grade and the college graduates, even the graduate school graduates.

But we have responsibilities even beyond that which we are undertaking. In the Head Start program we are getting the youngster before he gets in the first grade. And in the adult education program, we are going back and taking people who are in their 60's, and some even in their 70's, and giving them adult education programs and teachings.

The sad thing about the world in which we live is that four out of every ten people, Mr. Meany, cannot read and write. This illiteracy and this ignorance is a terrible handicap to peace in the world, because when people are uninformed and when people are ignorant, they cannot reason and make judgments that they do if they have had the benefits of education.

So not only here in our own country, but throughout the world, one of the Number 1 problems of our time is education and how we can get it to the masses.

We have a massive program in this country. We are going to continue it. We are going to expand it.

Mr. MEANY. Well, of course, that's true, of course, that we feel that education and lack of education—illiteracy—makes a contribution toward the development of a situation where peace is not possible.

So we have been in this fight for a long time. For instance, the fight on poverty, the fight for minimum wages—this is not new, this is not new to us, and not new to you. Now, the first of February this year the minimum wage in this country went to $1.60 an hour. The first of February last year there were about 8 million people added to that.

Now, what does this mean? This means in the final analysis that as far as those families are concerned, something concrete has been done in the war on poverty. The minimum wage law is part of the war on poverty. I am sure you can recall, because you were a Member of Congress back in 1938, I think it was, somewhere back there, when we passed the first minimum wage law, 25 cents an hour.

You remember that. I am sure you remember that because you voted for it. There were people who said then that this was going to bankrupt the country, this was going to be a terrible thing.

Now, in the final analysis, what it does, it brings more and more people into the mainstream of the American economy in the sense that they become purchasers and consumers in the marketplace.

The PRESIDENT. I have been through several minimum wage fights—the 25 cents an hour one, the $1 an hour one when I was leader in the Eisenhower Administration, when I was Majority Leader of the Senate, and finally the $1.60 that we have worked on the last few years.

I am glad it is going in effect. I think it is absolutely essential that we have some guarantees of some minimum for the people in this country. I remember when we passed the first act we had women, mothers of children, working for 6 and 7 cents an hour in pecan shelling plants in my State. People predicted havoc if we passed a 25-cent minimum wage just as they do when we take any progressive step in this field.

But it wasn't havoc. It was a substantial improvement for the entire Nation. I am very happy that the Congresses of recent years have recognized the necessity for upgrading and keeping these minimums in effect.

Mr. MEANY. All of these things are tied together—education, minimum wage, because, as you said before, people today want a better world. We want a better world, and I'm sure the common people all over the world want a better world. All these things help.

The PRESIDENT. The thing you have done, though, Mr. Meany, that I think is a great monument to the labor movement in this country, to your leadership, and I think to the Government as well, is the health program that we have been able to enact into law in the last few years, Medicaid and Medicare, and the some 20-odd supplementary health measures, because it doesn't make any difference how smart a person is, it doesn't make any difference how skilled a person is, if he is in poor health he is not very productive.

So we must take precautionary measures in the health field. We are doing that. In the last few years, as a result of the leadership that labor and its individual members have given to the country and to the Congress, we have been able to pass the Medicare bill and the Medicaid bill, and supplementary health measures that result now in millions of people having a means to pay their doctors' bills, and millions of people who never had means to pay their hospital bill before. They now do not have to rely on their children to take care of them.

Mr. MEANY. That's true.

The PRESIDENT. And we're not going to be satisfied to stop there. We see that because we do not arrest the disease early enough, it brings on great complications and costs us much more.

Mr. MEANY. You talk about health, and of course this leads you into another subject in which you are interested, and that is rebuilding the cities of America, because we have conditions in a number of our cities that are certainly, to say the least, unhealthy, and causing us a great many problems, and we, too, would like to see something done.

I hope that Congress is more cooperative in this coming session in going along with your program for helping the cities of America rebuild, because all of these things are tied together—the minimum wage, health, Medicare, urban renewal and all this sort of thing—and, of course, this brings us to a great big subject I am sure you must be interested in, and that is an overall housing program. Are we going to have an overall housing program this year? I hope we are.

The PRESIDENT. We are. The greatest challenge that this Congress faces, really, in the domestic field, is the problem of the cities. I have a commission that has carefully gone into that and studied it. It is headed up by some of the ablest men in this country.

We know that the problems of the cities are many. First, we have some 500,000 hard-core unemployed people in those cities who are frustrated, that have no jobs, that have nothing to do. Our first problem is to try to find employment and training for that minimum, hard-core group that cause us problems in the cities.

The second thing is to get an overall housing program, certainly a program particularly for the poor, because we have had relatively a few thousand units built each year and there are more of them deteriorating and going out of date than new ones are replacing them. So we are having a minimum 10-year housing program where we hope that we can add not just a few thousand, but millions of homes for low-income people in this country.

We anticipate that this year we will have a minimum of 300,000 new homes, instead of the 35,000 or 45,000 that we have had for poor and low-income groups.

We must, Mr. Meany, find some way in this country to find a decent, a sanitary, a structurally sound house at as low a cost as possible for our poor and low-income groups. Now, if we can go to the moon, and if we can perform all these other feats of science, we have got to find the answer to low-income housing, and we haven't done that in our cities.

This Administration had a committee working under the direction of Mr. Edgar Kaiser. We are hoping that we can present to the Congress a program that the Congress will adopt that will launch us on a 10-year housing effort that will result in millions of new homes for the people who need them most.

Mr. MEANY. Well, I am sure that you find that the AFL–CIO will be back of you in this effort, Mr. President, education, housing, poverty, minimum wages, all of these things are related. But they bring to mind another question, and that is this question of crime, crime in the streets that people are talking about today. This, too, is one of your problems.

The PRESIDENT. Mr. Meany, that is one of the major problems facing this country. Now what are we going to do about it?

First, if we are going to do something about crime, we are going to have to do something about what causes crime. Unemployment, ignorance, disease, filth, poor housing, congestion, discrimination—all of these things contribute to the great crime wave that is sweeping over this country. We are going to through our poverty program, through our education program, through our conservation-recreation program, try to get at some of the causes of crime.

But in addition to that, the Federal Government cannot ever develop into a police state and have its base here in Washington. Our Founding Fathers protected against that when they wrote the Constitution. So this is a problem that begins first in the home with the parents.

Someone said to me when I was home during the holidays that it would be a good thing if all parents could say "Where are our children?" at 11 or 12 o'clock in the evening. What are they doing? Do the parents know?

So the problem begins at the home. And then if the laws are violated, the law enforcement is local law enforcement. The Federal Government cannot pick the Chief of Police in a given city. The Federal Government can't select the Sheriff. The Federal Government doesn't select the local judges. And law enforcement is a local matter, with the local people, in a local community, and in the State.

Now, we are doing everything we can to give the maximum amount of assistance to the cities and to the States. But, as I say, it is a problem of the home, it is a problem of the local community, it is a problem of the State, and the Federal Government has many suggestions. It has recommended a gun control bill. It has recommended a Safe Streets Bill. It has recommended to provide research assistance and counseling with the cities and with the States.

But no one wants a Federal police force and the Federal Government cannot, by itself, control crime. It can only supplement what the local authorities do, and that we are going to do.

Mr. MEANY. Well, as I see it, it is a problem that has got to be approached in two ways: Number one, you have got to have law enforcement, because while we realize that it is the ghettos and the disease and the poverty that provide the atmosphere for this type of local crime, it is the people in the ghettos in most cases are the victims.

The PRESIDENT. They are the ones that suffer most.

Mr. MEANY. They are the ones that suffer most from these riots, from these crimes, and there are people with criminal minds who take advantage of these conditions. So I think what we have got to do, we have got to eliminate the conditions to whatever extent we can, and as rapidly as we can, but at the same time we have got to have respect for law, because if we don't have respect for law, we won't even be able to eliminate these conditions.

The PRESIDENT. I heartily agree with you, and I think that one of the most important bills that the Congress will have to face up to this coming year will be the Safe Streets Bill that I recommended last year, and I hope the Congress will enact this year; the Gun Control Bill; and the other measures that will get at the cause of crime and also provide a remedy.

Mr. MEANY. Yes, because just strict law enforcement might help, but it will not solve the problem. We have got to have law enforcement, and we have got to have a program to eliminate the conditions that breed crime in our cities. I think we have a two-pronged approach in this thing.

The PRESIDENT. If we attack the discrimination problem, if we attack the poverty problem, if we find jobs, if we can provide decent housing, if we can help rebuild our cities, we can get at some of these causes. But the local law enforcement has got to be done at the local level. This begins in the home. This begins in local conditions.

We can help them. We can supplement them, but we must not supplant them.

Mr. MEANY. I agree with you completely.

I would like to bring up one other subject that I think is important. Don't you agree with us that we can do all these things and still keep our commitments to the other nations of the world, to the free people of the world? You see, we are always up against this argument that, well, we can't support the efforts of the people of South Vietnam to retain their freedom and independence which we are committed to do—we can't do that and at the same time do all these things on the home front.

We think America is big enough to do both.

The PRESIDENT. America is big enough to do both. It can do both, Mr. Meany, and I believe that it will do both. This argument that is used that because we are trying to protect freedom in some part of the world we can't protect our people at home is a phony argument. It is an excuse.

Now, it is true that we do have to forgo some of the things. We can't do everything at once. We can't correct the neglect of centuries in a day. But we can try and we can make a start and we can get on our way. That we definitely are doing.

I am the father of two daughters. When I hear this argument that we can't protect freedom in Europe, in Asia, or in our own Hemisphere and still meet our domestic problems, I think it is a phony argument. It is just like saying that I can't take care of Luci because I have Lynda Bird. We have to take care of both of them and we have to meet them head on.

Here is a nation with more people employed than ever in our history.

Here is a nation with people working at better wages than ever in our history.

Here is a time when our profits are higher than ever in our history. Here is a time when we have had 82 months of prosperity in this nation. Here is a time when we have the greatest gross national product that we have ever had, and we are spending $25 billion in protecting freedom in Asia. To say out of the $800 billion we make, and the $25 we have to spend in Southeast Asia, that the other $775 shouldn't be used for the benefit of the people is just a very poor excuse.

We must educate our children. We can't neglect them. We must provide health for our people. We can't neglect it. We must provide conservation of our resources in this country. We cannot neglect that. We must find jobs for those who want jobs and who need jobs, and we are going to do it by encouraging private industry and the labor unions and the government to work hand in hand in these matters, as we have been in the more recent years past.

There is no group that has been more helpful to bringing prosperity to this country and to launching a program for the benefit of all the people of this country than the AFL–CIO under your leadership.

I am happy to say that the businessmen generally have tried to listen and to be cooperative. I am hopeful in the days ahead that we can enact through the Congress a job program, a housing program, additional education measures, provide for additional steps that we ought to take in the health field, and at the same time protect freedom.

It is just a bunch of balarney that we can take care of one need we have and have to ignore all the others. It's just the same as saying you can take care of one child and you can't take care of the other.

Mr. MEANY. I'm quite sure we have the same faith in America that you have; that America is big enough and strong enough to do this. Insofar as our commitments in Far East Asia are concerned, we in the trade union movement are very practical people. We know from experience what dictatorship means. We know it before anybody else knows it, because if anybody is going to dictate any place in this world he must control the means of production. They can wait awhile about controlling the artists or the scientists or the writers, but they can't wait insofar as the worker is concerned. They have got to control him immediately. This is what Hitler did. This is what Mussolini did and this is what Stalin did and Lenin, when they came to power 50 years ago in the Soviet Union. They took control of the workers.

So we are more keenly aware of what dictatorship means. This is why we feel that you just can't stand by and see two or three million people go down the drain and hope that that's the end of it, because we are convinced that if we step aside, if we withdraw from Vietnam, that you are not going to satisfy the appetite of these people who believe in dictatorship. They will move down Southeast, and the next thing you know they will be in the Philippines, and you know what that would mean to us.

So we are convinced that you are on the right track. The American trade union movement, as represented by the AFL–CIO, made it crystal clear at its last convention that we support the policy in Vietnam of fighting for the freedom of those people and that we also believe that we can do that and continue the Johnson program to make this a better nation for all of the American people.

The PRESIDENT. Mr. Meany, our people are peace-loving people. We seek no war. We want peace in the world. But we have learned some things from participation in World War I and World War II and the Korean War and other disturbances in recent years, and that is that you cannot successfully appease an aggressor. If you run and if you hide and if you let aggression spread, the time comes when you must face up to it sooner or later.

Now, we have the will for peace. We have the machinery for peace. No one in the world wants peace more than I do. I live with war 24 hours a day. I read the casualty lists every morning. But I know that until the enemy, the Communist enemy, is willing to genuinely and sincerely sit down and talk about peace in good faith, that we shouldn't hold out all these illusions and these hopes that can't be realized to our people.

So the best road to peace that I know of is to remain strong, and remain firm, and do stand on principle. We haven't had an appeaser President in my lifetime. Every President that has preceded me has stood on the principle that when we were called upon to resist aggression and to perform under the treaties that this country had entered into, that the word of the United States could be depended on. As long as I am President, we are going to keep our word.

We are not going to let any of our nations who are bound to us by treaties and alliances be gobbled up by any would-be conqueror, any would-be dictator, while we stand by under an umbrella. Now, if they want to talk peace and if they will agree to self-determination in South Vietnam, we are willing to meet them at the conference table tomorrow.

We said in San Antonio, we will stop our bombing now if you will come and have a prompt discussion and a productive discussion in good faith. You can make all the proposals you want to. We will make our proposals. We will exchange views.

But they have not accepted that proposal.

Now, I don't know how much further I can go. I don't think it would be in the interest of this Nation for us to stop bombing, only to have them to continue theirs. A bomb dropped from a bicycle can kill as many people as a bomb dropped from a plane. It is rather ridiculous for some of our people to say "You ought to stop bombing," and then when I say, "Well, will we have a prompt discussion?" they say, "We don't know."

We don't have that answer. "Will they have a productive discussion?" "Well, we don't know." "Will they talk about just North Vietnam? That's what's indicated. That problem is in South Vietnam."

So we must pursue and explore the meaning of these so-called offers so that we don't buy a pig in a poke and so we don't repeat the errors of Panmunjom and we don't let the Communists lead us down a road that we don't know where we are going.

Mr. MEANY. I think in exploring, Mr. President, we should also take into consideration the fact that every bombing pause we have had has resulted in an immediate Communist buildup that has cost American lives. So those who want us to stop the bombing, and stop it without qualification, I would like to ask them how many American lives do we have to lose before we start bombing again in case the Communists don't come to the conference table.

This is the problem, and I know this is your problem.'

The PRESIDENT. It is, and we live with it every day. We have the professionals who have rendered great service in our foreign policy field for many years and they are taking every word that is said and exploring it in every place they can in an attempt to find a reasonable way to get to the peace table. But until the enemy is willing to go to the peace table, and is willing to say if you stop your bombing he will promptly come and talk, and that we can have productive discussions, and that he will not take advantage of our restraint to put extra pressure on during that period, then I think that we would be endangering the lives of our men, and some men don't have that responsibility. But as Commander-in-Chief I do have, and I must take that into consideration before I make these decisions. We are going to continue to search every day for peace, but a peace with honor.

Mr. MEANY. I am sure that the American people are in agreement, Mr. President. They want peace, but they want peace with honor, and they don't want peace as a sacrifice of our good word and a sacrifice of our commitments that we have made.

On behalf of the American trade union movement, I can say to you we are with you in this effort. I want to thank you very much for giving us this time and letting us know what is on your mind, so our members can listen in and certainly get closer to you and your problems as a result. Thank you very much.

Mr. MEANY (continuing). As you have just heard, the President of the United States and we share the same views on the critical issues of the day. We share, as well, with Lyndon Johnson the same hopes and aspirations for a better America.

In a few short months, the American people will be going to the polls to decide these issues by choosing a President, a Vice President, and a Congress. They will decide whether we will march forward to new legislative victories or whether the gains we have already made and our unions which made them possible will be attacked.

As I have often said before, elections are not won in Washington. They are won back home. And they are won by you, the leaders of the labor movement.

So I urge you to start now. Get your registration drives underway. Collect the COPE dollars which are so necessary to the campaign. Make sure your members and their families and their neighbors know the issues, know the voting record of the candidates, know who is a friend and who is not, and get out the vote on election day.

In a very real sense, you, the leaders of the labor movement, will decide the 1968 election. I am confident you will do the job.

OREGON SHAKESPEAREAN FESTIVAL

Mr. HATFIELD. Mr. President, it was a pleasure to read Mr. Richard Coe's column in the Washington Post this morning and find a double tribute to the Oregon Shakespearean Festival at Ashland, Oreg. Mr. Coe, one of the Nation's most distinguished drama critics, conveyed the high praise of Mr. Louis Wright, the retiring director of the Folger Shakespeare Library, and then added some favorable words of his own.

I therefore, wish to extend an invitation to all Senators and to all other citizens of our land to visit Oregon this year and attend the Oregon Shakespearean Festival at Ashland, Oreg. The repertoire will include "Cymbeline," "Hamlet," "As You Like It," and "Henry VIII." The plays will be performed July 21 through September 8. I ask unanimous consent that Mr. Coe's paragraph be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOLGER TO OREGON

I was so intrigued by Louis Wright's amusing way of announcing his retirement as director of the Folger Library that I missed a later item in his always interesting annual report: "The most effective presentations of Shakespeare that we have seen in many years were plays performed last summer by the Oregon Shakespearean Festival, at Ashland, Oregon . . . all presented as Shakespeare wrote them, without fancy gimmicks and without pretentiousness." All of which and more is praise from Caesar indeed and I welcomed it because I'm inclined to share the opinion. This company, over 30 years old, performs every summer and is a fine reason for chucking Europe and heading for Oregon. I'm sure its longtime Governor, Sen. Mark Hatfield (R-Ore.) will relish this salute to Oregon from the Folger's sharp Dr. Wright.

PRESIDENTIAL PANEL MAKES VALUABLE CONTRIBUTION TOWARD SOLVING THE NATION'S INSURANCE PROBLEMS

Mr. McINTYRE. Mr. President, I have read with great interest, and I might say delight, the report recently issued by the President's National Advisory Panel on Insurance and Riot-Affected Areas.

The Panel made a very intensive study of all insurance problems in those areas. The facts accumulated prove beyond any argument that there are grave insurance problems in center city areas which demand the concentrated efforts of the insurance industry, the States involved, and the Federal Government.

I am particularly pleased that the report not only points out the problems, but also makes substantial recommendations which, if implemented, should go a long way toward solving them.

The recommendations were worked out in cooperation with the insurance industry, State insurance commissioners, and city officials. It is my understanding that all of these sectors of our society support these recommendations. Under these circumstances, we should have little difficulty in enacting the necessary legislation so that the program may be implemented in the near future. Indeed, many of the concepts in the report are the same as those contained in S. 1484, the small business crime protection insurance bill, which my Small Business Subcommittee of the Banking and Currency Committee has been working on. This fact should enable the committee to expedite the legislation necessary to implement the President's recommendations, since much of the ground work has already been done.

The responsibility for solving these insurance problems rests on the insurance industry, State and local governments, and the Federal Government. I urge that the Senate take speedy and affirmative action on the legislation to implement the President's proposals when it is introduced.

A BUSINESS EXECUTIVE LOOKS AT VIETNAM

Mr. HARTKE. Mr. President, the harsh events of the past few days in Vietnam have made the Nation more than ever aware of the magnitude of our problems there. I believe more than ever that we must have a change in policy, that we must leave no stone unturned in the effort to find a way to peace, even though it means abandoning previous positions taken by the State Department and the White House.

A tough-minded decision based on facts is often a necessity for a business executive, as Mr. Harold Willens, of Los Angeles, recently pointed out. Speaking as a businessman, he told the students and faculty at the University of Hawaii last December 5:

> We (business men) simply cannot afford the luxury of self-deception. . . . Errors are permissible in the business decision-making process. What is not permissible is the refusal to admit error. For the life of me I fail to see why self-deception must be avoided like the plague in business affairs, but not in political or military affairs.

Mr. Willens, with whom I shared a television discussion recently, is cochairman of an organization, formed last fall, called Business Executives Move for Vietnam Peace. Its membership is now some 1,600. Each one in this group is a president, board chairman, or top-level executive. The other national cochairman is Mr. Henry Niles, of Baltimore, chairman of the board of the Baltimore Life Insurance Co.

Mr. President, I ask unanimous consent that the address by Mr. Willens be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A BUSINESS MAN LOOKS AT VIETNAM

(Address delivered by Harold Willens at the University of Hawaii, December 5, 1967)

Had I been invited to address you 6 months ago on the subject of Vietnam, a stranger walking in would be justified in assuming I was either a political or military expert dealing with related aspects; an academician speaking on the historical or idealogical elements of our involvement . . . or possibly a theologian concerned with moral considerations.

You know, of course, that I am none of these. I am a business executive . . . a man blessed with the good fortune of substantial success in the challenging and fascinating world of business which constitutes one element of this great, free nation of ours.

What has changed within 6 months to explain the fact that, as a businessman, I might have something of interest and value to communicate for your consideration? The silence of the business community has been broken, and business executives . . . more than 1,500 already . . . have moved into the national dialogue on Vietnam: *that's what has changed*. Is that change a *good* thing?

I, of course, believe it is. Business leaders have contributed much to the growth and progress of our country. Business leaders are often dynamic, energetic people with good minds and excellent judgment. Should such characteristics and the contributions they can generate for the good of the nation be withheld simply because the problem at hand is a controversial one?

Or is it reasonable to believe that difference of opinion regarding Vietnam exists among all Americans . . . *except* businessmen? Such a thought is patent nonsense. Therefore, if business leaders remained aloof and apart from this most critical problem of our time, it would be reasonable to regard them as irresponsible or afraid. But businessmen have *not* remained silent, as my being with you today indicates.

It would be fair for any one to ask: is there anything useful which the business community can add to the Vietnam debate? I think there is.

In the decision-making process of businessmen there always is, or always *ought* to be, an element which is too often lacking in the political and military decision-making process. In saying this, I do not imply that businessmen are somehow blessed with superior wisdom or superior . . . anything. Not at all. I am saying rather, that external circumstances *force* upon business decision-makers a behavioral pattern I can only describe as self-honesty. We simply cannot afford the luxury of self-deception. If we kid or con ourselves into believing we cannot be wrong, the competitive market place or its equivalent will quickly . . . and painfully . . . show us that we *were* wrong after all: and that we were stupid not to recognize or admit that we were wrong. Errors are permissible in the business decision-making process. What is *not* permissible is the *refusal to admit error* . . . a blind, stubborn clinging to that which hasn't worked. It matters little whether the refusal to change results from lack of ability to conceive an alternative plan, or from a passionate love-affair with one's own idea.

The classic example of the point I make is, of course, Ford's experience with the Edsel. Mr. McNamara and his highly paid experts were not fools because they conceived, designed and built the Edsel. In the human enterprise it is natural to make mistakes . . . even for highly paid experts. But Mr. McNamara and his people *would* have been fools if they had refused to admit their mistake.

They acted as businessmen always should and indeed always must if they want to avoid corporate oblivion. Ford's decision-makers faced reality. They admitted they were wrong. They killed their own brainchild. They took a huge financial beating . . . and they also took their company on to a bigger and better future.

Had they stubbornly refused to believe they could be wrong, they would have compounded their (quite human) error from a loss of money to the death of a giant corporation. That is what I mean by the self-honesty which characterizes decision-making among successful business-leaders.

Perhaps I am dense. But for the life of me I fail to see why self-deception must be avoided like the plague in business affairs . . . but not in political or military affairs.

Let us now turn to these.

To link political and military matters with my Edsel example I should like to remind you of a curious and interesting fact. On August 25th last, testifying before the Senate Preparedness Subcommittee, Defense Secretary Robert McNamara stated flatly that in his opinion Hanoi could never be bombed to the negotiating table. He said this, mind you, as one of the men responsible for the decision to bomb North Vietnam, and knowing that one of the main objectives of the bombing was to force Hanoi into negotiations.

This man from the business world was doing what comes naturally to men of the business world. Let us stop dreaming, he was saying. Let us face reality. He said it about the Edsel. He said it about the bombing. To my knowledge Mr. McNamara is the only man in the top decision-making group who is a product of the business world, where it is often less important to be a genius than to have the guts to say: I was wrong. Perhaps Mr. McNamara's resignation stems from the futility of working with people so obsessed by passionate self-righteousness that they are incapable of saying: I was wrong.

At this point I should like to make something quite clear to you. Business Executives Move for Vietnam Peace wants, in Vietnam, *exactly* what our government wants: *negotiated settlement*. Not precipitous, unilateral withdrawal. *Negotiated settlement*. In our considered viewpoint, only fools and madmen think in terms of "military victory", in this situation. Senator Thruston Morton of Kentucky was the main speaker at our inaugural Meeting September 27th in Washington. We believe he was right when he said:

"Total military victory in Vietnam means total war with China and . . . total world holocaust."

Believing Senator Morton is right explains in part why we accept our government's objective, but do *not accept* the present policy of reaching for that obective. To strive for negotiated settlement by risking "total world holocaust" seems to us irresponsible *as well* as unproductive. But there is another reason for which we reject the present policy of continued escalation and particularly the continued bombing of North Vietnam. And that other reason has to do with our way of life as businessmen: with our way of making decisions.

We've bombed the north for 34 months. Each month, each bomb, seems to take the possibility of negotiations farther away, rather than bringing it closer. Responsible American newsmen, as loyal as you and I, report from personal contact that Hanoi will never negotiate while the bombing continues. The North Vietnamese seem to react as we Americans probably would in similar circumstances . . . and as the British did when Hitler tried to bomb *them* into submission. That shouldn't surprise, proud, independent people like us. Not if we stop spinning idle foolish dreams and realistically regard the facts.

The facts indicate, when the myths and fables are moved aside, that continuation of the bombing at this point makes no sense. One of the myths which obscures facts is this: Cessation of bombing would constitute betrayal of our troops. American casualties would increase.

Listen to these statistics, my friends, recently received from our Defense Department, but not well publicized:

In 1966 we flew 23,577 bombing missions and dropped 512,000 tons of bombs. U.S. casualties for the year were 36,146.

In the first 8 months of 1967, 24,488 missions (more than all of 1966) dropped more tonnage than for all of 1966.

U.S. casualties through September 23 were 55,139, more than all of 1966, and if projected to year end at the same rate, that means *twice* as many U.S. casualties as in 1966.

Again, I may be dense. But my experience in working with facts and figures—rather than myths—leads me to conclude from these Defense Department statistics that the *more* we bomb the North the *more* young Americans are wounded and killed. This conclusion is further supported by statistics showing that during the 3 previous bombing pauses, for an over-all total of 7 weeks, American casualties were sharply reduced.

As someone has quipped: giving up bombing the North is as much of a sacrifice as giving up cancer!

What might we gain, on the other hand? Kosygin, whose country provides 80% of the North Vietnamese supplies and materiel, has told our President that cessation of bombing would lead to negotiations. U Thant has said the same, as other responsible world figures have done.

In this kind of situation, with a *possibility* the alternative *might* work . . . and a guarantee that the present policy has failed . . . I can tell you what course business decision-makers would choose. But apparently at least a few political and military leaders are caught in the paralysis of unchanging rigidity. They can't believe what hasn't worked really hasn't worked.

Secondly, our group urges de-escalation of the ground war. On November 26, the L.A. Times informed us that "though Saigon military information officers were still quoting a figure of 83 Americans killed in the battle for Hill 875 Army Doctors and other reliable sources put the number of American soldiers killed at a minimum of 135. They should know: they had seen the broken bodies".

The article goes on to ask "*why* last week's bloody battle for an undistinguished piece of terrain defended by well dug-in North Vietnamese soldiers?" The answer given by "the senior man on the ground" was: "because the enemy was there".

We believe that sacrificing American lives is too high a cost for an objective consisting of "an undistinguished piece of terrain". We believe, in other words, that search-and-destroy is a policy which makes no sense in a limited war seeking negotiated settlement as its ultimate objective.

As our third and final point we urge a clear, unequivocal statement that we will negotiate with all fighting parties. That means the NLF as well as Hanoi.

There is nothing original about our three-point alternative to the present, bankrupt policy of continued escalation. What is new is our insistence that the objective, impersonal and pragmatic flexibility which underlies business decision-making ought to be a part of the Vietnam policy decision making process.

We are, as you are, stockholders in the great American dream. We believe it may be transformed to nightmare by the rigid inflexibility of a few men. We remind these few men that elected and appointed officials in a Democracy are supposed to serve—not rule—their people. These few men could be wrong. Along with *many* distinguished Americans who served our nation as military and political leaders, we believe that these few men *are* wrong.

It is our hope that by speaking out with clarity and courage—and supported by facts rather than myths—we may achieve these objectives: First, remind our nation that unlike other wars, we did not march into this one with a clear sense of mission and a high sense of purpose. A little at a time we slipped and stumbled into and there are few if any who do not wish we'd never taken that first wrong step.

Second, persuade our people and our government that—as in a bad business deal—there is always a way out. This great nation must never fall victim to the foolish, dangerous notion that we cannot find solutions to problems.

Third, convince the business community and all Americans that extrication from Vietnam must begin with a change of attitude in Washington. If a substantial segment of the business community, which is undeniably practical, undeniably respectable, undeniably loyal . . . responds to the challenge, the necessary change of attitude in Washington may well develop.

If it does, we shall have made the wisest, most useful, investment of our money, our time, our effort.

And for that investment we shall have been richly rewarded.

SERMON DELIVERED AT COMMEMORATIVE SERVICE FOR RECONVENING OF 90TH CONGRESS

Mr. PELL. Mr. President, this past Sunday, January 28, I attended the commemoration service for the reconvening of the 90th Congress at All-Souls Memorial Episcopal Church.

Our colleague, Senator MONRONEY expressively read the Scripture lesson.

The sermon was given by John Sharon. This sermon with its emphasis on the need for courage and optimism as well as its forthright discussion of death—the common denominator that faces us all—made such a strong impression on me that I would like to share it with my colleagues.

For this reason, I ask unanimous consent to have this moving message placed in the RECORD.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

Dr. Blackwelder, Mr. Hewlett, Senator Monroney, members of this magnificent Choir and friends: I deeply appreciate the very kind and thoughtful remarks of our rector. I was very pleased when Dr. Blackwelder invited me to return this year because after last year's service, I received a couple of letters that made me a bit apprehensive:

One Member of Congress wrote that last year's service made him feel "humble and inspired" and reminded him of the quotation of a famous New York judge who once said, "No man's life, liberty or property are safe, so long as the Congress is in session . . . ."

And then there was a woman visitor from San Francisco who wrote, "Your sermon reminded me of the story of the two hippies who were walking down the street; they came upon a nun whose arm was in a sling. They stopped to ask her what happened, and the nun replied, 'Well, if you must know, I slipped in the bathtub and broke my arm.' The two hippies looked at each other, said nothing, and walked on. About a block down the street, one of the hippies turned to the other and said, "What's a bathtub?" And the other hippie replied 'How would I know, I am not a Roman Catholic.' "

And the woman added, "I don't know why your sermon reminded me of that story, but it did." Perhaps that story came to her mind because ours is a church for "all souls."

And we at "All Souls" extend a very cordial welcome today not only to the leaders of our country but to men and women of all faiths throughout the world within the reach of the Voice of America at this special service to commemorate the reconvening of the American Congress.

A few weeks ago, I was talking to a Member of Congress and during the course of the conversation, I wished him a Happy New Year. And he replied, "What's so happy about it?" I thought he was joking at first, but the more I talked to him, the more I realized how serious he was. "This is an election year," he said. "The people back home don't appreciate how hard I have worked, or what I have tried to do for them. They are restless and bitter. They're frustrated over Viet Nam and the high cost of living. They are fed up with crime in the streets, riots in our cities." He said, "*I* know I am not responsible for all of this, but *they* think I am. Frankly, I'm scared to death. I've just about given up all hope."

"Scared to death"—"given up all hope."

Here was a prominent, well educated public official, elected by the people to do the best job he knew how, whose conscience told him he had fulfilled that mandate, yet he faced the future with such despair and such fear.

We all know that there are men and women in *all* walks of life whose energies are dissipated by haunting fears. They become afraid of life and afraid of death. And because they can't manage their fears, they become like this Congressman, half afraid of themselves. There is not one of us who has not at some time in his life been anxious or oppressed by fear, especially the fear of death.

But today in the twentieth century, at an hour when our patience is being tested in Viet Nam, North Korea and elsewhere, at a time when more and more nations are developing the means of mass destruction of the human race, it is essential for each of us to face up to the problems and the perils of fear.

Of course, *healthy* fear is a valuable asset for it can protect us and cause us to invent ways and means of overcoming all kinds of threats and dangers that otherwise could harm us. But compulsive fears—especially the compulsive fear of death—fears that oppress, that create anxiety or panic, that paralyze every thought or action are harmful. They are harmful to us as individuals; they are harmful to us as a nation.

It is appropriate, therefore, that this morning's Scripture comes from the 14th Chapter of the Gospel according to St. John:

"Jesus said, 'Let not your heart be troubled; you believe in God, believe also in me. In my Father's house are many mansions: if it were not so I would have told you. I go to prepare a place for you. And if I go and prepare a place for you, I will come again, and receive you unto myself, that where I am, there you may be also . . .' "

This is one of the most familiar passages of the Bible. And yet there are some amongst us who think that it is all *too* familiar and they prefer not to hear it all. *Why* is this?

Because it is this Biblical passage that we hear so often at a time of sadness in our lives. We hear it read at funerals. It is found in our book of Common Prayer in the Order of the Burial of the Dead. So some of us dread it . . . simply because we cannot bear the thought of death . . . the inevitability of death . . . the fact that all too soon, at a time and place unknown, each of us must go to face his Maker. We cannot bear the thought of "losing" someone we love . . . especially if that someone is one's self.

There are too many of us, like my friend in Congress, who have a defeatist attitude. When something unpleasant looms over the horizon, we tend to turn our backs and run, or we look the other way. We become anxious or terrified. We turn inward: Faith is displaced by distrust; hope by despair; joy by sorrow.

Consumed and engulfed by fear, we lose sight of the meaning and purpose of life; of why God put us here on this imperfect but Blessed earth.

What *can* we do about this? How does one put his spiritual house in order?

First: we must learn how to face and conquer our fears, especially our fear of death; and

Second: we must look forward to death as an episode, an adventure, an opportunity, a true joy in our Christian life.

There are, as you know, several kinds of fear and each of us, if he were honest with himself, would have to admit to having experienced almost every kind.

There is the *fear of failure;* to fail at something, whether it be a failure in business, a job, in school, in marriage, in an election or to fail as a parent or grandparent is a threatening prospect for many of us. None of us likes to fail at anything . . . but then who of us is perfect?

There is the *fear of physical harm,* be it sickness, injury, or some form of bodily disability. None of us likes to be injured or sick, but who can say he has not experienced it?

There is the *fear of want,* the fear that food or clothing or shelter will be beyond the grasp for you and your loved ones. How sad it is that so many millions of our fellow men—at home and abroad—live in poverty, engulfed by this fear.

There is the *fear of loneliness* . . . the fear of being alone and cut off from the joys and the loves we cherish that make life worth living. But who can say he has never been lonely.

Then there is the *fear of death* . . . the most basic fear of all. How tragic and absurd it is that so many of us are crippled by this fear of the inevitable. To those who are so crippled, death represents the ultimate failure, the ultimate disability, the ultimate loneliness. Sometimes some of us experience this fear openly:

If you are a soldier in the jungles of Viet Nam; or a crewman on the decks of the Pueblo;

if you are very elderly and know your time is limited;

or if you are seriously ill and know that for you life hangs in the balance. This is the fear that sends cold chills up and down your spine, as you face imminently an end which will cut you off from life as you know and love it, a life which others, but not *you,* will continue to enjoy.

The *unhealthy* fear of death manifests itself in other forms;

in an excessive concern for bodily health;

in a frantic attachment to material things, as if money is man's only god;

in an excessive anxiety about every thing or every event in life, as if worry were man's daily bread.

Some of us are so consumed by fear, particularly the fear of death, that we are almost overwhelmed by it, failing to realize that fear shuts out the joy and the love that God intended us to have.

But we must never lose sight of the fact that God gave us the wherewithal, the Faith, the insight, to conquer our fears, the quiet but determined courage to fight back against what might appear to each of us to be *impossible* odds.

Poets down through the ages have described it in various ways, but in modern times is there any more eloquent expression of this faith and courage than in that wonderful song from "The Man of La Mancha"?

"To dream the impossible dream,
To fight the unbeatable foe,
To bear with unbearable sorrow,
To run where the brave dare not go.

"To right the unrightable wrong,
To love, pure and chaste, from afar,
To try, when your arms are too weary,
To reach the unreachable star!

"This is my quest: to follow that star,
No matter how hopeless, no matter how far;
To fight for the right, without question or pause:
To be willing to march into Hell for a Heavenly cause!

"And I know, if I'll only be true to this glorious quest,
That my heart will lie peaceful and calm
When I'm laid to my rest . . .

"And the world will be better for this,
That one man, scorned and covered with scars,
Still strove, with his last ounce of courage,
To reach the unreachable star!"

This past year, we saw a dramatic example of this determined faith and courage. Do you remember what Joseph Stalin's daughter said after she severed the bonds of her oppression, overcame the fear that engulfed her and "ran where the brave dare not go"? "I found," she said, "that it was impossible to live without God in one's heart."

". . . impossible to live without God in one's heart."

Another example in modern history occurred twenty-five years ago when thousands of Nazis were poised on the Greek border ready to strike and the Government of that brave little nation had to decide whether or not to fight against impossible odds. Later, when the Greek Prime Minister was asked about this decision, he said, "For me and my people, it was not a difficult decision. After all, to us, death is but an episode, another adventure on life's road."

Earlier in this service we recited the Apostle's Creed.

"I believe in God, the Father almighty, Maker of Heaven and Earth, and in Jesus Christ, His only Son our Lord.

But the Creed is something *more* than an expression in our belief, more than a reaffirmation of our faith; when we recite the Creed we testify to the *historical events* through which God made known Himself to us: the historical fact of Christ's birth, His life, His death upon the cross and His glorious resurrection. To each of us here and everywhere, death *can* be another episode, an adventure, an opportunity, a joy, if we will but accept the historical *fact* that Christ rose from the dead for your salvation and mine.

Do you remember the story of Little Tommy, the six-year-old boy who one day asked his mother, "Mommy, what happens to us when we die?" and his mother replied, "Do you remember what happened yesterday? All day long you were busy playing or working hard. Like everyone else, you got very tired. You came into the house and fell asleep on the sofa.

"When your father came home and found you asleep, he took you into his arms and carried you up to your bedroom. When you awoke this morning, you found yourself in a different room than that in which you fell asleep.

"So it is with death," she said. "When death comes, one goes to sleep and when you awaken, you find that the Heavenly Father has taken you to another home, another room, another mansion, more beautiful than where you fell asleep."

And after the mother had finished her explanation, Little Tommy said, "Thank you, Mommy. That sounds like fun."

If that child would but keep his faith and always look upon death as "fun," as an episode, as a glorious adventure, he will never be oppressed by death's fear.

"Jesus said, 'Let not your heart be troubled. You believe in God, believe also in me. In my Father's house are many mansions; if it were not so, I would have told you. I go to prepare a place for you. . . .' "

Contrast Little Tommy's faith in the future with the young businessman who one day was driving hurriedly to his office. He felt a pain in his chest and thought it wise to stop at his doctor's office. By the time he reached there, the pain was more acute and he collapsed on the examining table. Moments later, when the doctor confirmed that this young man had had a heart attack, he sank into a state of shock and intense fear. As he was being wheeled to the hospital on a stretcher, an attendant tried to comfort him with conversation. He asked her to be quiet. "Don't you understand? I have had a heart attack, a heart attack." When he got to his hospital room, he told the nurse he didn't want to see anybody and asked her to pull down the shades so he could commiserate in the darkness. Engulfed in fear, he became depressed, turned inward, and hostile towards the doctors and nurses. "Why did this have to happen to me?" he asked. "Why do I have to die so young?" For two days he lay in a state of shock, hating, and fearing the world and everyone in it. And then without notice, a friend came silently into his room, opened his clenched fist and into his hands placed a crucifix, a little cross. When the friend withdrew from the room, he could see in her eyes that someone cared, someone was concerned, someone was praying for him. Alone again, he looked at the cross and thought of Christ on Calvary. He asked himself, "I wonder if Christ ever knew fear?" And then he thought of all that Jesus had to fear as Jesus anticipated what His enemies would do to Him. Of course, Christ was scared. The prayer in Gethsemane, "Lord let this cup pass from Me" revealed that Jesus experienced fear like everyone of us. But Jesus faced it coldly and courageously, and with trust in God, He conquered it: "Lord, not My will, but Thine be done." But then when Jesus was nailed to the cross, the fear returned: "My God, My God, *why* hast Thou forsaken Me?" But again He conquered as He said finally, "Father, into Thy hands I commend My spirit."

As this patient studied the cross and contemplated the fears, the faith, the trust and the courage of Jesus on the cross, he mustered all the strength he possessed and lifted that cross of Christ as high as his arm would stretch. And he whispered to himself and to God:

"Yea, though I walk through the valley of the shadow of death, I will fear no evil; for Thou art with me; Thy rod and Thy staff they comfort me."

And then he rang for the nurse to have the shades raised so the sun could dance once again in his heart.

Yes, this patient recovered. But what would have happened to him had he not a key to unlock the gate to his heart to let the love of God and the faith and trust of Jesus Christ flood his soul and give him a fresh will to live?

He was saved and surely, he is grateful for it, and now is better prepared to face his Maker.

But there are so many of us today who have yet to see the light; who live in the darkness of our deepest fears; if only they would turn to the Master, the Comforter, the Healer of us all:

"Jesus said, 'Let not your heart be troubled. You believe in God, believe also in me. In my Father's house are many mansions. If it were not so, I would have told you. I go to prepare a place for you. . . .' "

One of the saddest facts of life is that fear, if unchallenged, knows no boundaries; it lives with all of us at home and abroad. Fear is color-blind; it does not discriminate. It affects individuals; it affects people; it can overwhelm a nation. As a nation we have always been on guard to threats to our liberty—be they from within or without. But some fears are *un*healthy and we should not let them divert us. For example, there are some here in America who think that there is something evil, something menacing, something inherently wrong about another nation getting to the Moon before we do. Recently, Dr. Von Braun, when he testified before Congress, was asked what he expected to find on the Moon when we did get there, and he replied, *"Russians."* I have often wondered what would be the impact on the world if when the Russian spacemen *do* return from their first visit to the Moon and are asked, "What did you find there," *they* reply, *"Christians."* Perhaps then this mad race to the Moon could take on a new purpose; that we as a nation so committed to the love of God would hasten to proclaim this identity to all the universe by planting the cross of Christ on the Moon's highest crater! An impossible dream? An unreachable star? Perhaps. I do not know. But I do know that in this age of tension and turmoil the world is looking to us for some answers. And in a nation that is racked by so much hate, disobedience, rebellion, injustice and bad manners, quick and simple solutions to the problems of the world cannot come easily. A nation is only as great as its people; and our people—you and I—if we are to "bring in the day of brotherhood" must recommit ourselves to an absolute trust in God and to the teachings of Jesus Christ. The hour has long since come for a new identification with Jesus; a recommitment that will permit His commandments to so direct, sanctify, and govern our lives that we may, in our time, perfectly love Him and worthily magnify His Holy Name.

So dedicated and so committed, we, as individuals and we as a nation, will be better prepared to fight any foe, bear any sorrow, right any wrong, conquer any fear.

Last year a beloved member of this parish took a long and uncertain journey to the Mayo Clinic for major surgery. When he was recovering in the hospital, a friend sent him this anonymous quotation:

"Let death's wings brush you . . .
Lightly but definitely . . .
And *then* you will know what it is to *live.*"

What is it to live?

To live is to *love* without fear: "to love the Lord thy God with all thy heart and with all thy soul and with all thy mind; and to love, with *limitless* love, thy neighbor as thyself."

To live is to *give* without fear: "to give of one's self to others and to God, knowing that on this earth God's work must be our own."

To live is to *know* without fear: "to know that wherever you go and whatever you do, God holds you in the hallow of His hand; and that whatever your problem, whatever your fear, Jesus is ever in your presence to attend you."

And finally, to live is to *join* without fear: "to join with the committed peoples of the world, as we do here this morning, as we look to our chosen leaders and say,

" 'Rise up, O men of God;
His kingdom tarries long;
Bring in the day of brotherhood,
And end the night of wrong.

" 'Lift high the cross of Christ,
Tread where His feet have trod;
As brothers of the Son of Man,
Rise up, O men of God'."

Let us pray.

FINAL PRAYER

O Lord, make us instruments of Thy peace. Where there is hatred, let us sow love.

Where there is injury, pardon. Where there is doubt, faith. Where there is despair, hope. Where there is darkness, light. And where there is sadness, joy.

Grant that we may not so much seek to be consoled as to console. To be understood as to understand. To be loved as to love.

For it is in giving that we receive. It is in pardoning that we are pardoned. And it is in dying that we are born to eternal life, Through Jesus Christ, our Lord. Amen.

THE SELF-PROCLAIMED WONDROUS ACHIEVEMENTS OF OFFICE OF ECONOMIC OPPORTUNITY

Mrs. SMITH. Mr. President, from time to time I have received reports from the Office of Economic Opportunity on its self-proclaimed wondrous achievements.

From time to time officials of the Office of Economic Opportunity have vigorously proclaimed an alleged nonpartisan and nonpolitical character despite the policy of the Johnson administration to give the faithful Democratic Members of the Congress advance notice on the Government largesse actions ahead of the Republicans so that the Democrats can take credit for all of the wondrous benefits going to the congressional districts and the States.

But I have had a recent communication from the Office of Economic Opportunity on which they really outdo themselves on wondrous achievements and claimed nonpartisanship.

I have received an envelope from the Office of Economic Opportunity addressed to the Honorable Margaret C. Muskie, House of Representatives, Washington, D.C. 20510.

This surely must be the ultimate in the OEO's great vigor and effort for nonpartisanship. It is a tremendous blending for it not only blends a Republican Senator with a Democratic Senator, but it even makes the great stride of blending the Senate with the House in placing this newly created Republican-Democratic Senator in the House of Representatives.

Actually I wonder whether this was a Freudian slip or whether the OEO was spoofing me.

Whatever it is, the OEO has produced a combination that all other Federal agencies will be hard put to equal.

One might not exactly cite the OEO for accuracy, but one surely must marvel at the breathtakingly creative imagination of the OEO in this latest example of its all-out effort for nonpartisanship.

DEATH OF EDWARD J. KELLY, FORMER NATIONAL COMMANDER, AMERICAN LEGION

Mr. DODD. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the Hartford Courant, Tuesday, January 23.

It is the report of the death, at age 76, of Edward J. Kelly, a former national commander of the American Legion and a former Connecticut State representative.

I was long privileged to know Ed Kelly as a dear personal friend.

He was a great American in the finest sense of the word. He loved his God, his country, his family, and his friends. He served all well.

He served, particularly well, the interests of all his former comrades-in-arms; not only the members of the American Legion, to which he dedicated so much time, effort, and service, but, through that effort, all veterans of the Nation's wars.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EDWARD KELLY DIES AT 76—EX-STATE REPRESENTATIVE

Edward J. Kelly, 76, a former national vice commander of the American Legion and a former state representative, died Monday at the Rocky Hill Veterans Hospital.

He had served since 1957 as a member of the Rocky Hill Home and Hospital Commission. He was its treasurer, chairman of the committee on personnel, vice chairman of the committee on buildings and grounds and a member of the hospital's executive committee.

He was named to the commission by former Gov. Abraham Ribicoff for an eight-year term and was reappointed by Gov. Dempsey in 1965.

He served as the Democratic representative to the lower house from the town of Sprague in 1963 and 1965.

He was a close friend of State Rep. Rubin Cohen, D-Colchester. When the state's voting districts were re-apportioned in 1965, Mr. Kelly and Cohen were placed in the same district.

Mr. Kelly would not compete for the nomination for representative against Cohen because of their long-standing friendship. Instead, he sought the nomination for Senate from the 19th District, but was defeated.

He had no bitterness, however, and still maintained his love for politics and the Democratic Party. In the last session of the Legislature, he served there as a sergeant-at-arms "because he enjoyed being there," a friend said.

He was so pleased at being a representative, as a matter of fact, he chartered a bus and brought all of his 43 grandchildren to the Capitol one day during the 1965 session to watch him and his colleagues at work.

Mr. Kelly was a gentle, soft-spoken man who enjoyed the intricacies of politics. He was a retired Railway Mail Service employe. Before his retirement in 1953, he could only watch from the sidelines, and his spare time was spent in American Legion activities. He served as state commander in 1953 and 1954. After his retirement, however, he became active in local politics and served as a member of the Sprague Democratic Town Committee until his death.

He made his home at 8 Brookside Ave., Baltic, but had lived in Taftville most of his life. He was a widower and leaves a brother, Thomas Kelly of Worcester, Mass.; a sister, Mrs. Daniel Porter of Catonsville, Md.; three sons, Edward J. Kelly Jr., of Rocky Hill, John F. Kelly of Taftville and Thomas V. Kelly of Norton, Mass.; and five daughters, Mrs. Jim Meehan and Mrs. Leonard Costello of Uncasville, Donald Tweedy of Norton, Mass., Mrs. Fred Gale of Preston and Mrs. James Osten of Norwich.

The funeral will be Thursday at 10:15 a.m. at the Doherty Brothers Funeral Home, 129 Providence St., Taftville. There will be a Requiem Mass at St. Mary's Church in Baltic at 11 a.m. Burial will be at St. Joseph's Cemetery, Norwich. Calling hours are today from 7 to 9 p.m. and Wednesday from 2 to 4 and 7 to 9 p.m.

THE BENNETTS OF CRANSTON

Mr. PELL. Mr. President, all Rhode Island is proud of the Bennetts of Cranston, our State's No. 1 sports family. Mr. and Mrs. John Bennett, active sports enthusiasts themselves, have six sons, each of whom seems set on outdoing the other in the garnering of championships and trophies.

An article published recently in the Providence Evening Bulletin highlighted the accomplishments of the sportsminded Bennetts. I ask unanimous consent that this tribute be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BENNETTS OF CRANSTON RATED STATE'S NO. 1 SPORTS FAMILY

(By Bill Parrillo)

The selection this week of John Bennett as Rhode Island's top schoolboy athlete for 1967 almost could be called just another in a long line of outstanding accomplishments by a most outstanding sports family—the Bennetts of Cranston.

There are eight of them—Harvey and Diane Bennett and their six sons, Curt, 19; John, 17; Harvey Jr., 16; Billy, 14; Jimmy, 10; and Peter, 6. And, as sports family "teams" go, they probably would have to be rated No. 1.

It borders on the amazing. A quick tour through the Bennett home and you'll see why.

On proud display are several All-State schoolboy awards for either hockey or tennis, numerous championship trophies and assorted other plaques for membership on championship hockey teams at all levels.

TWELVE YEARS

And then there's the contributions of Harvey Sr., for 12 years a star goaltender for the R.I. Reds. It's only a slight exaggeration to say the Bennett's living room easily could be mistaken for a trophy outlet.

And how has this affected everyone?

"We're very proud naturally," says Harvey Sr. "But you also have to be a realist and know that you can't win all the time. It's the effort and dedication that counts."

If it's effort and dedication that counts, then chalk one up for the senior Bennetts.

Mrs. Bennett has been active for several years as a member of various women's sports auxiliary groups in Cranston. It was she who first interested the boys in tennis.

THE WATCHERS

"I thought they should have an interest in another sport besides hockey and tennis is a good conditioner, requiring a great deal of concentration," she says.

Harvey Sr., an automobile salesman, heads a hockey school and frequently takes peewee teams on trips to Canada for games against Canadian youngsters. And, of course, every chance they get, they watch their sons compete.

A typical Saturday a few weeks ago went like this: In the morning, they watched Jimmy play in the Edgewood Hockey Association at the Cranston Ice Bowl. Later, they saw Billy play in the goal for the Mickey Stevens team in the CLCF organization.

Then, in the afternoon, it was a trip to Dedham, Mass., to see John play for Choate Academy against Noble & Greenough. That night, it was Curt, a sophomore at Brown, playing against Harvard at Cambridge.

THE AWARDS

"And you know, Harvey Jr. was playing that night for Cranston East but, of course, we just couldn't possibly make that game," Mrs. Bennett said with a laugh.

To give you just an idea of how things have gone lately in the award-taking department, consider:

Curt, a standout at Brown, was a schoolboy All-Stater in both tennis and hockey and later was named Journal Honor Roll Boy by these newspapers for academic and athletic excellence.

John, also a tennis and hockey All-Stater, recently received an award for general athletic excellence by a New England tennis group, in addition to his R.I. schoolboy-athlete award.

And Harvy Sr. was installed as a member of the Reds' Hockey Hall of Fame a few months ago.

The elder Bennetts have been residents of Rhode Island the last 19 years, both being natives of Regina, Saskatchewan province in Canada. Although neither attended college, they hope all their sons do.

"We'd like to think our boys will be all student-athletes and not only athletes," Harvey Sr. says, "Sports are fine but you have to work the sports in with the education and not the other way around."

"We will have two boys at Brown next year and I hope they all go there if they are qualified," Mrs. Bennett says. "Rhode Island has been good to us and we think Brown is a fine school."

And how do you go about keeping six young equally satisfied? Harvey explained it best:

"What No. 1 gets, No. 6 gets. It's that simple."

SAM CHARLSON, MANHATTAN, KANS.—MAN OF THE YEAR

Mr. PEARSON. Mr. President, at the 50th golden anniversary banquet of the Chamber of Commerce of Manhattan, Kans., Sam Charlson was named "Man of the Year."

It has been my opportunity to know Sam Charlson for many years. We served together in the Kansas State Senate, and I have had the opportunity to know of his public service to the school board, the city commission of Manhattan, and in the State legislature. He represents the very best of Kansas. His long years of service are only a part of the full and meaningful and rewarding life of Sam Charlson. I am very much pleased that the Manhattan Chamber of Commerce would honor him in this manner.

I ask unanimous consent, Mr. President, that an article, entitled "Charlson Is Named 'Man of the Year,'" published in the Manhattan Mercury, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHARLSON IS NAMED "MAN OF THE YEAR"

Sam C. Charlson was named "Man of the Year" Friday night at the Manhattan Chamber of Commerce's 50th Golden Anniversary banquet meeting in the K-State Student Union.

Charlson, 77, of Charlson and Wilson abstractors and insurance agency, received the award from the Chamber's outgoing president Lowell Jack.

"Sam has always been for things—like the airport and Sunset Park and Zoo," said Jack. "He has always had great interest in people, particularly those who need help."

Charlson was born in Lake Mills, Iowa, graduating from the University of Iowa in 1914. He came to Manhattan in 1920 as bookkeeper, credit manager and advertising manager of Stevenson's Clothing Store.

Charlson's past achievements are many. He has served on the Manhattan School Board (1927–1930); been finance commissioner of Manhattan (1930–1951); state representative from Riley County (1952–1956); and state senator (1956–1960).

He's a charter member of the Manhattan Kiwanis Club and has served on the Board of Directors, served as director of the Manhattan Chamber of Commerce, been on the Board of Directors at the Manhattan Country Club and served as secretary-treasurer of the club from 1928–1947.

Charlson is also on the board of directors for the First National Bank, Manhattan Mutual Life Insurance Company, Upland Mutual Insurance Company, Home Savings and Loan Association where he is currently chairman of the board.

Charlson has served as president and secretary of the Riley County Historical Society where presently he is director of the Historical Society of the state of Kansas.

He has served many times on the board of trustees of the First Methodist Church and is presently a member of that board. A member of the Elks Club, Masonic Lodge, and Modern Woodmen including several other organizations in Manhattan.

The Charlsons have three children, Col. William E. Charlson, now stationed in the Pentagon, who graduated from West Point in 1944; two daughters, Mary, wife of Col. John T. Pierce, U.S. Army Retired, and Anne, wife of Dr. F. H. Oberst, head of the Veterinary Clinic at Michigan State.

Both daughters and husbands are K-State grads.

ADDRESS OF HERMAN POLLACK AT MEETING OF AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE

Mr. PELL. Mr. President, the American Association for the Advancement of Science held its annual meeting in New York City last month from December 26 to 31. Many subjects of interest and importance were covered in the more than 100 lectures, symposia, and specialized sessions. It was not possible even to sample them all. Still, in addition to my duties with the panel on man and transportation, I was able to attend one session on marine science.

Domestic and foreign discussions on the exploration and exploitation of the oceans, and particularly of the deep seabed, are already taking place. Soon some decisions of far-reaching consequence will have to be made. I personally think this country should be pushing for some kind of legal regime for ocean space. I think the paper presented by Mr. Herman Pollack on this general subject was excellent. He is Director of International Scientific and Technological Affairs for the Department of State. He eloquently summarized the international issues with which nations must come to terms and stated clearly the requirements for enduring decisions. I particularly commend his calling for a "sense of urgency in coming to grips with these problems before conflict arises."

Mr. President, I ask unanimous consent that the full text of Mr. Pollack's remarks be reprinted in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

National Interest, Foreign Affairs, and the Marine Sciences

(By Herman Pollack, Director, International Scientific and Technological Affairs, Department of State, presented at the annual meeting of the American Association for the Advancement of Science, Marine Science Panel, New York City, December 27, 1967)

The problems of exploring and using the deep oceans are not confined to those of a scientific or technical nature. There are opportunities and risks, and there are purposes and tasks, which affect our international relationships and our foreign policy objectives. The successful exploration of the world's oceans and the peaceful exploitation of their resources will occur only if based on clear international understanding and agreement.

The relationships between and among nations, inherent to this exploitation, are one of the many areas in which much creative work needs to be done before the nations of the world can effectively apply today's considerable technological resources to the search for ocean treasure. The pattern for international cooperation in the marine sciences has developed largely in response to varying immediate needs or interests. We believe that we must now look to the creation of more coherent and comprehensive international agreements and understandings if we are to accommodate expanding interest and opportunities in this field. To this end, we will seek to engage the attention and cooperation of other nations in support of two basic and clear objectives: to promote both the study and the use of the world's oceans and their resources, and to avoid conflict in the process, and indeed advance international amity.

In today's world we must seek to do so without compromising our military security, while enhancing our commercial and industrial capabilities. This should be possible.

Since some of you may not be familiar with the interest of the Department of State in the marine sciences, I shall begin by reviewing that subject. Then I shall open a discussion of the major issues in this field of particular concern to our relationships with other nations.

Let me first point out that the Department of State is not an operating agency in the field of oceanography. We conduct no scientific research projects. We do not operate any research vessels or submersibles. We run no laboratories. Nor do we conduct any operating programs having to do with the exploration of the oceans or the use of their resources.

Rather, it is our task to formulate United States foreign policy objectives with respect to the oceans. As related parts of this task, we must identify the opportunities and needs for international arrangements, consider them in relation to our foreign policy objectives, study the problems which are foreseen, and finally serve as a catalyst for appropriate action.

This necessitates relating the diverse international programs of many government agencies to clear, attainable national objectives.

This means the negotiation of arrangements abroad to meet our own needs in the field—negotiations which cover a broad spectrum extending from arrangements for specific research projects to the complexities of the international law of the sea.

This requires expert assistance in identifying those opportunities in this field which can support our foreign policy objectives, and some of those experts are sitting here today.

It requires an understanding of the interests and capabilities of other nations in this field.

It concerns international ground rules for scientific investigation of the oceans and for exploitation of their resources.

We have historically been deeply involved in the negotiation of international agreements on ocean fisheries. The Department of State is charged with the implementation of United States international fishery policies. This is accomplished through participation in eight different international fisheries commissions, and through such international organizations as the FAO. The focus of these efforts is the rational use of the living resources of the sea in consonance with the principles of conservation.

The Department is also responsible for United States participation in international governmental organizations whose interests relate directly to marine matters, or impinge on these matters; for example: the Intergovernmental Oceanographic Commission in its consideration of scientific activities in oceanography, the Food and Agriculture Organization in its concern with fisheries; the World Meteorological Organization in its arrangements to study the effect of the oceans on climate and weather; the International Maritime Consultative Organization with respect to shipping problems and the safety of lives at sea; and the International Telecommunications Union in connection with overseas communications.

We also help arrange, or support, bilateral and multilateral cooperative projects with foreign governments and foreign scientists in this field; for example: the recent worldwide cruise of the Oceanographer and such research undertakings as the Indian Ocean Expedition.

Finally, we seek the development of a coherent body of objectives and a comprehensive plan for their achievement—in short, policy planning. This is the central task and it goes hand in hand with the development of a national oceanographic program.

Incidentally, we follow closely the views of nongovernmental scientific organizations such as ICSU and its member committee, SCOR, in developing national positions. We support the establishment of relationships between such groups and related governmental organizations so that the views of the world scientific community may be brought to bear continuously on developing policies and programs.

In all of these tasks the Department works closely with other departments and agencies. The Secretary of State is a member of the National Council on Marine Resources and Engineering Development and the Department is represented on the four committees of the Council.

In addition, nearly a year ago, the Department of State established an Inter-departmental Committee on International Policy in the Marine Sciences. The scope of the Committee's interests is indicated by the subjects it assigned to the temporary interagency panels it established; for example: scientific cooperation; the living resources of oceans; and regional cooperation in South America and Europe.

Originally established on a temporary basis, the Secretary of State is now converting it into a permanent Committee on International Policy in the Marine Environment. I anticipate that the principal tasks of this Committee in the future will relate to international programs for the exploration of the oceans and their floors and to the question of a regime for the floors which lie beyond present national jurisdictions.

Let me now open the discussion of some of the issues relating to the deep ocean floor by considering briefly the debate in the UN General Assembly this fall which focused on the resolution introduced by Ambassador Pardo of Malta. That resolution and the reactions to it have involved, at an early state in their development, many of the major policy issues which will confront us in the future.

Ambassador Pardo proposed that the Assembly look toward a new international treaty which would reserve the ocean floor beyond the limit of national jurisdiction exclusively for peaceful purposes and establish an international agency to assume jurisdiction over the deep ocean floor and its resources. It was his suggestion that the financial benefits from the exploitation of these resources be allocated primarily to the less developed countries.

In debating this resolution the Assembly has started a dialogue on complex and difficult questions affecting law, arms control, international cooperation, management and regulation, and economic development. Yet, we are still without clear understanding of the full implications of the proposals contained in the Maltese resolution.

The United States view, as set forth by Ambassador Goldberg in the course of the debate, stressed the importance of comprehensive and responsible study, the need for international cooperation in exploration of the ocean floor, and the need for general principles to guide activities undertaken in this field. He pointed out that the deep ocean floor should not become a stage for competing national sovereignties, but should be open to exploration and use by all states, without discrimination. He emphasized the complexity of these issues and noted the considerable body of existing international law and treaty rights and obligations which bear on the subject. He further affirmed the willingness of the United States to participate fully in whatever studies are necessary in determining the future legal regime of the deep ocean floor.

Some four dozen countries have spoken in the debate on this subject in the Political Committee of the General Assembly, representing a wide range of attitudes and uncertainties. Their views run all the way from an apparent willingness by some to act now to adopt several of the principles suggested by Ambassador Pardo to a reluctance, on the part of others, to have the General Assembly involve itself in these issues or to create a special committee to consider them seriously. There is no common view as to the limits of national jurisdiction over coastal waters or the adjacent ocean floor. Some advocate, nonetheless, a freeze on the extension of sovereignty or sovereign rights. There was throughout the debate a sensitivity on the part of developing countries to this new manifestation of the technological gap, evidenced, for example, by suggestions that there be no unilateral exploitation of the resources of the deep ocean floor. There is, in short, no consensus among the UN members on the issues, or on comprehensive, long-range approaches.

Any conclusions which might be reached as a result of these discussions should relate as much to science and technology as to national political interest. It is what is possible, as well as desirable, which will govern the activities of nations in the deep oceans. The political discussions must have the benefit of the best scientific and technical information available if they are to be truly meaningful. I agree with the sages who said: "It is unwise to pursue political goals sharply at odds with technical realities." It will be useful to keep this admonition in mind as we look at the marine issues of particular interest to future foreign policy.

The nations of the present world stand entranced in much the same frame of mind with which the nations of Europe viewed the New World in the 16th century—with the rumors of immense treasure and riches to be found on the ocean floor. These estimates are as yet based more on speculation than on hard fact. Furthermore, one must keep in mind that it will not suffice to establish the existence of resources in the seabed and on the ocean floor. It must also be established that they are recoverable on an industrial basis, and at a competitive price. It can be safely predicted that the capital investments required will be huge. But the selling job has been done—not only in this country but in others—and international interest is now high.

Today, as the world turns its attention to the ocean floor beyond the continental shelf, there is a genuine search on the part of many for internationally agreed guidelines to the development and use of ocean floor resources as an alternative to the preemptive approaches historically spawned by the treasure syndrome. President Johnson made a contribution on behalf of the United States to this discussion when he said:

"Under no circumstances, we believe, must we ever allow the prospects of rich harvest and mineral wealth to create a new form of colonial competition among the maritime nations. We must be careful to avoid a race to grab and to hold the lands under the high seas. We must ensure that the deep seas and the ocean bottoms are, and remain, the legacy of all human beings."

Some of the factors which will underlie our approach to these matters are already clear.

First, the United States enjoys a significant capability in oceanology, both in research and applications. In some respects we enjoy a significant lead, and our continued commitment to leadership is essential.

Second, the deep interest, both here and abroad, in the resources of the ocean floor and its subsoil compels a response.

Third, we are already confronted with special pleading and special points of view such as those of the land-locked nations, those who would use revenues primarily for the developing nations, and those who would vest control or management of the deep seabed in the United Nations.

Fourth, in the search for meaningful areas for international cooperation and "bridge building" between East and West, North and South, the attention will increasingly fall on the deep oceans. Interest is whetted by the attractive analogy between the possibilities for agreement on the exploration and use of the resources of the deep oceans on one hand, and agreements concerning the use of the Antarctic and outer space on the other—an analogy which is by no means entirely relevant.

Some important factors, then, are known—it is the unknowns in the equation which continue to trouble us. There is an old saying that one requires 60 percent of the answer in order to ask an intelligent question, and for this reason we cannot now pose those questions which we need to ask if we are going to have the kind of information on which policy judgments can be based, and which can resolve the political issues which will face us in the near future.

But even if we don't know the questions we do know some of the characteristics which the answers must have. They must be able to stand the test of time, and accommodate advancing technology. Provision should be made for substantive changes, as we match our capabilities to the challenge, but the broad principles should be durable. We must have answers which will provide hospitably for major capital investments while at the same time providing measures for the resolution of economic and jurisdictional issues which could lead to conflict. We must have answers which provide for national security considerations within the larger context of the broad national interest. In all these aspects, the answers must be generally acceptable to other nations.

But first and foremost we will be in no position to define wisely international guidelines for the development and use of the ocean floor, until we learn more than we now know about the deep ocean environment and man's ability to work in it.

There are several problems which will have to be taken into account, in the work which lies ahead. For example, the present Convention on the Continental Shelf defines that Shelf as "the seabed and subsoil of the submarine areas adjacent to the coast . . . to a depth of 200 meters or, beyond that limit to where the depth of the superjacent waters admits of the exploitation of the natural resources of the said areas . . .". In this instance, an increasingly important legal definition, which determines the extent of national sovereign rights, rests in part on a changing technological capability. Yet, we do not know what the practical effect of those changes will be.

The Convention on Fishing and Conservation of the Living Resources of the High Seas permits any coastal State to adopt "unilateral measures of conservation appropriate to any stock of fish or other marine resources in any area of the high seas adjacent to its territorial sea," provided that "the measures adopted are based on appropriate scientific findings." In this instance the law defers to science, but we have relatively little in the way of "appropriate scientific findings."

And so we need now to intensify the groundwork and our homework if we are to have effective international arrangements in this field. Scientific knowledge, technical readiness, and national interest are all parts of the whole—and there can be no "sum of the parts". Each must make its contribution wholeheartedly; a guessing game in any one of the three could be disastrous.

Further, in formulating these guidelines our response will necessarily be conditioned in part by military requirements. This aspect of our national security as it relates to the oceans is but one, albeit a critical element in assessing our total national interest. We shall have to take into account the considerable attention that has been given over the centuries by the nations of the world to the military uses of the sea.

In conclusion, there is no possibility that the extending of the sea frontier will be purely an American effort. There are other nations with strong programs in being. We must work within an international framework in opening the sea to profitable enterprise. We need to agree on the obligations and benefits which will accrue to participating nations. The interests of other nations not now ready to participate must be considered including those of landlocked nations.

Above all we need to have a sense of urgency in coming to grips with these problems *before* conflict arises. To be profitable, ocean exploitation must be peaceful, and I can make it no plainer than that. Leadership and enduring solutions, in this age of technology, require active collaboration among scientists, engineers and political experts.

COMMENTS BY SENATOR PERCY AT KANSAS DAY BANQUET IN HONOR OF SENATOR CARLSON

Mr. PEARSON. Mr. President, on January 29, 1968, at the Kansas Day Banquet, the distinguished and able junior Senator from Illinois [Mr. Percy] honored Kansas by serving as the principal speaker of the evening.

The Senator from Illinois was thoughtful enough on that occasion to express what was in the minds and hearts of many Kansans, for he measured once again the great accomplishments and achievements of Senator Frank Carlson during his 40 years of public service.

Mr. President, I ask unanimous consent that the comments of Senator Percy on that occasion be printed in the Record.

There being no objection, the comments were ordered to be printed in the Record, as follows:

Comments by Senator Charles Percy at Kansas Day Banquet

I think it only appropriate that I begin by mentioning something which I am sure is much on your minds today. That is the announcement of your distinguished senior Senator that he will retire at the end of his current term.

I will not presume to inform you of the accomplishments of Frank Carlson during his long service to his state, his party and his nation. The value of that service and the recognition of it by the people of your state is best measured by the fact that for 40 years you have elected him to every position he has sought—or been sought for, and with good reason.

It is a rare newspaper or magazine article on mental health that does not mention Kansas as a state long in the vanguard in this vital field—and you remember that it was Frank Carlson, during his tenure as Governor, who lead the way to one of the foremost state sponsored mental health programs in the nation.

As you travel across Kansas and see the many federal reservoirs, and the lakes covering more than 100,000 acres—you remember Frank Carlson, who as a freshman representative in 1936 was intrumental in enactment of milestone flood control legislation.

And if you travel across Kansas on its excellent highways—you remember Frank Carlson. For it was during his governorship that a long-range highway improvement plan for Kansas was inaugurated.

Even as you pay your income tax, not only you but the people of all our states could well remember Frank Carlson. For it was during his tenure in the House, where he served on the Ways and Means Committee, that Frank Carlson exercised his quiet and authoritative influence on tax legislation benefiting the taxpayer, and was instrumental in adoption of the pay-as-you-go tax plan in 1942.

And in Washington, those who annually attend the Presidential Prayer Breakfast will remember Frank Carlson, acknowledged as its founder and for many years its leader.

I could go on and on, listing Frank Carlson's contributions to Kansas and the nation, in the fields of housing, education, and many others. But you here know them better than I.

Rather I want to reflect for a moment on Frank Carlson as a man—a man born on the land, of immigrant parents, growing to maturity as a farmer and a dedicated Christian, showing early promise of the leadership role he was to assume by becoming superintendent of his Sunday School at the age of 16. The promise culminated and now bears its ultimate fruits for the benefit of us all with Frank Carlson's service in the Senate of the United States.

Frank Carlson's name has not been frequently in the headlines, for that is as he wants it. Rather, Frank Carlson works with quiet dedication in the committees, and cloakrooms and the corridors, influencing, persuading, and above all leading in the formation of policy and enactment of legislation. Take only one field as an example—that of foreign affairs. Frank Carlson's voice long has been heard with respect in the halls of Congress and in the oval room of the White House on sensitive matters dealing with foreign policy. His influence and the respect in which he is held is witnessed by his selection to attend the Kennedy Round Tariff negotiations in Geneva, and his designation as a delegate to the 19th United Nations General Assembly—fields far removed from the plains of his native Kansas.

His is a voice that will be sorely missed when he leaves the Senate next January.

On January 23, Frank Carlson's 75th birthday, his fellow Senators gave a luncheon in his honor, and subsequently on the floor of the Senate, 45 Senators spent more than two hours paying him tribute and enumerating his many achievements. Those remarks take up more than 12 pages in the Congressional Record. The words of the Majority Leader of the Senate, Mike Mansfield, convey the spirit of that tribute, and convey my own feeling. He said: "There is no man for whom I have greater admiration. There is no man who is so unostentatious and who—without fanfare—contributes so much to the welfare and the betterment of this body."

We cannot here today enhance the honor that has justly come to Frank Carlson. But in marking it, we can rededicate ourselves to the principles for which he stands and has labored so long and so effectively.

ENCYCLOPAEDIA BRITANNICA GIVES REFERENCE BOOKS TO 1,000 SCHOOLS

Mr. PELL. Mr. President, the Encyclopaedia Britannica has long dedicated itself to excellence in the field of education. In a recent ceremony celebrating Britannica's 200th anniversary at the Smithsonian Institution, the Britannica announced a book distribution program which will furnish much-needed reference books to 1,000 schools throughout the country.

At the ceremony, U.S. Ambassador to UNESCO, William Benton, who is chairman and publisher of Encyclopaedia Britannica, presented the volumes to President Johnson in honor of the President's "leadership and continuing contributions to education for all Americans." The 1,000 reference sets will be designated "Presidential Reference Libraries" and will be distributed under the guidance of the Office of Education to school systems with limited library facilities.

Every State, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and American Samoa will receive at least one reference library. The libraries will be distributed according to the needs of the school and will include State institutions for the handicapped, neglected delinquent children, migratory worker schools, and Indian schools. Thus the Encyclopaedia Britannica assists in fulfilling the goal set by President Johnson in his message 2 years ago to the Congress, that:

> Every child must have the best education our nation can provide.

This great concern of Encyclopaedia Britannica for better opportunities in education deserves our praise. Dr. S. Dillon Ripley, Senator Benton, and President Johnson presided admirably over the lively anniversary ceremony in December. I ask unanimous consent that the ceremony be included at this point in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF DR. S. DILLON RIPLEY II, SECRETARY OF THE SMITHSONIAN INSTITUTION, AT ENCYCLOPAEDIA BRITANNICA PRESENTATION, DECEMBER 14, 1967

Mr. President, Ambassador Benton, Distinguished guests, ladies and gentlemen, I am very happy to welcome you here today. In looking toward this occasion, I have been unable to decide whether to describe the Encyclopaedia Britannica as a museum between hard covers or the Smithsonian as an encyclopedia of objects.

We are both, in any event, dedicated in our separate ways to the broad objectives of education for all Americans, for which President Johnson has worked with such great effect not only during these recent years but for a lifetime.

It is certainly most appropriate that we met here today, on this 200th anniversary of the Encyclopaedia Britannica, to honor that President who has inaugurated so many educational firsts by inaugurating a book program that will contribute to the education of children in every part of the country.

We and our encyclopedic guests of course have other things in common. We, to, originated across the Atlantic. The presence of Sir William Haley, of the still-Britannic elements of the Encyclopaedia Britannica, demonstrates in splendid fashion the international nature that lingers on even as in the case of the Smithsonian. We especially welcome you here today, Sir William.

We, too, celebrated a bicentennial a few years ago. And it was in this ceremony that President Johnson spoke so eloquently of the need for a national and international center for scholars here at the Smithsonian. May I report to you today, Mr. President, that your words have never been far from our thoughts. As a great open university for all our people we will continue to work toward this goal and others in the fields of education and research in the arts and history and the sciences.

I should like to introduce now, and once more to welcome, the man of many achievements who has been chairman and publisher of Encyclopaedia Britannica during a very dynamic quarter century. Since graduating from Yale yesterday, in 1921, he has distinguished himself many times over—from the world of business to the United States Senate, from his editorial desk to UNESCO.

I hope you all will join me in wishing an enthusiastic Happy 200th Anniversary to Ambassador Bill Benton. [Applause.]

Mr. Benton.

REMARKS BY AMBASSADOR WILLIAM BENTON

Mr. President, Secretary Ripley, friends of the Smithsonian, I am grateful to the Secretary for those warm and friendly words of greeting.

I said to the President as we walked up here, "Mr. President, can't you teach me to be as good in politics as I am in business?" (laughter)

Two years ago one of Encyclopaedia Britannica's most famous contributors wrote a message which has become historic. In it he stated, "our goal is to improve the quality of American life. We begin with learning. Every child must have the best education our nation can provide."

He quoted Thomas Jefferson's famous words . . . "that no nation can be both ignorant and free" . . . and he added that today no nation can be both ignorant and great.

This contributor, former Texas school teacher who taught in a small school in Cotulla—I had to make a long distance phone call to Washington today to find out how to pronounce it. (laughter) It shows you there are a good many things the Encyclopaedia doesn't know, Mr. President—Texas, some thirty odd years ago is the President of the United States and his message was to the United States Congress.

I doubt very much whether his Cotulla school had a library. Even if it did, I doubt that it had a reference section. I am sad to acknowledge, Mr. President, that even in this year 1967—in spite of the best efforts of the best salesmen of the Encyclopaedia Britannica—there are still schools that do not have what educators consider the most basic facility of all—a library.

For the 200 years of Encyclopaedia Britannica's history, which we commemorate today, the Britannica has been dedicated to the increase and diffusion of knowledge. Our goals are thus similar to those of our host, the Smithsonian Institution, whose motto is "the increase and diffusion of knowledge among men." (While Secretary Ripley and I were waiting for the President downstairs, he told me that George Washington used this phrase in his inaugural address.) The Encyclopaedia Britannica proudly carries on its title page the motto the University of Chicago with which it is associated, "Let knowledge grow from more to more and thus be human life enriched."

What could be more appropriate, to mark the Britannica's 200th anniversary, than to honor our great national leader who has dedicated himself to these same goals? No President, and I day say no chief of state has ever worked so tirelessly and so effectively to expand educational opportunities for all peoples everywhere . . . as has President Lyndon Baines Johnson. (Applause.)

It gives me great pleasure, as Chairman and Publisher, Mr. President, I have lasted longer as publisher than you are likely to last as President. (Laughter.) No man has ever stuck it out before for 25 years. (Laughter.) I've got a 200-year record (laughter)—to open Britannica's Bicentennial by presenting in your name a "Presidential Reference Library" to 1000 schools where the need is greatest.

The selection and distribution of the 1000 schools will be made in cooperation with the U. S. Office of Education. This office, with the assistance of an advisory committee of educators, is using a formula based on need. A 53-volume elementary reference library—fifty-three volumes, Mr. President, not merely the Encyclopaedia Britannica (laughter)—will go to 665 grade schools, and a 57 volume secondary reference library will be given to 335 junior and senior high schools. Permanent book plates will mark these "Presidential Reference Libraries," for all to see as "a gift honoring the many educational contributions made to his country by the 36th President of the United States, Lyndon Baines Johnson." (applause)

And incidentally, Mr. President, sets of these libraries are going to schools in Cotulla and Johnson City. (laughter) Not, of course, on the basis of need, but just as a Christmas present. (laughter) I understand 4 schools already have been selected to receive these libraries. Two of them are supposed to be nearby here . . . There—right up in front . . . Come up, children, and stand up in front so you can be seen. Yes, come up and shake hands with the President. (applause) Very good. (applause) Two of these schools are Castlemount High School in Oakland, California, and Jones Elementary School in Jackson, Mississippi. But two others are here in the District, and are represented here today by their principals and librarians, and by two of the children who will benefit from the gift.

This is Tabitha Torosian. Come over here, Tabitha. . . . Of the fourth grade? . . . Tabitha? (laughter) That's just as difficult as Cotulla. (laughter) Tabitha . . . and what's the second name?

(Tabitha: T-O-R-O-S-I-A-N.)

Tabitha. Tabitha Torosian of the fourth grade at the Tyler Elementary School and Dewayne Sellers of the third grade of Junior Village School. (applause)

Now you go back and join your teachers. (laughter) . . .

When I think of the many hundreds of thousands of school children who will benefit from these libraries, I am reminded of an article on the goal of education written for one of the early editions of the Encyclopaedia Britannica by James Mill, the 18th century historian, economist and philosopher and father of John Stuart Mill. He wrote, and I commend this to you because nothing better has been said on this subject from

that 18th century date to this one. . . . He wrote:

"The end of education is to render the individual, as much as possible, an instrument of happiness, first to himself and next to other beings." (applause)

I like that applause for James Mill.

Mr. President, in all humility and with the greatest of pleasure I present to you these Presidential Reference Libraries for the school children of the United States. (applause)

Remarks of the President

Dr. Ripley, Senator Benton, Members of Congress, ladies and gentlemen, Senator Benton did say to me coming up here that he wished that I would give him what information I had on politics (laughter) and I don't know how a man could be very learned in that field and have such a poor poll (laughter) unless there is something wrong with politics or polls. (laughter) But I may need to know something about business. (laughter) It depends on your frame of mind. (laughter)

I agreed with Senator Benton that I would tell him what little I knew about politics if he would tell me all he knew about business. (laughter)

The first thing he did was get up here and make a prediction. (laughter) I thought he was bragging for a moment about how long he had been connected with the Encyclopaedia Britannica until I found out he was predicting what a short time I would be President. (laughter)

Let's just leave it this way (laughter): He is better at explaining things than he is at prophesying. (laughter and applause)

I would like to quote—and, Senator Benton, if it pleases you, sir—to disagree with something I read in the Encyclopaedia Britannica. (laughter) I am a concerned Democrat who is exercising my free right of free speech, and my right to dissent. (applause)

What I read that I disagreed with in the Encyclopaedia Britannica concerned education. This is what it said:

"Education (consists of) instructing children . . . in such branches of knowledge and polite exercises as are suitable to their genius and station."

That statement appeared in the Britannica, "suitable to their genius and station." It appeared in the first edition of the Britannica 200 years ago. (laughter) That shows what has happened in 200 years, doesn't it?

I don't believe it. Neither does today's Encyclopaedia Britannica. For this gift to 1000 schools that you have talked about underscores the idea that in America education must be concerned not with the station of our young people—not with their station—but their ability.

By this very generous and farsighted act of yours, placing these Presidential reference libraries in these poor schools attended by our poor children, Senator Benton, you and your organization are helping to give these people power—power to rise above the arbitrary "station" they were born to.

Nothing gives me greater satisfaction than the fact that the old ideas of station and the old ideas of privilege are withering away and are dying on the vine. (applause) I think that is especially true in education. Nothing makes me happier than to know that I have had a little part in it in the past four years, in creating the conditions that will one day—that will one day—give every child as much education as he or she can take. (applause)

I am going to talk to you about what we have done here in a moment. Before you get too tired, I am going to break the bad news to you first. I am going to tell you what we haven't done, and I think it is an international disgrace—that there are human beings walking around on two legs in this day and age who would permit a condition like this to continue—where four people out of ten can't read "dog", can't spell "cat", and can't write "mama".

That is the kind of civilization we are leading. Some people are satisfied with it. Some people are content with it. Some people are apparently willing to let us stay that way for fear we are going too far too fast.

I don't feel that way about it. I am happy that we are doing something, not only to let people out of poverty, but something to let every boy and girl have all the education that he or she can take.

The day before yesterday I went to a little town near my home where we had a junior college just established. We had a program—the Higher Education Facilities Act of 1965. Under Title V, you could build libraries. The Federal Government put in 50 percent and the local people voted a bond issue and put in 50 percent.

Anyway, we planned for a junior college so boys and girls could stay with mama and papa and live at home—eat mother's cooking, so they wouldn't have to go to a junior college, and get two years of college.

In 1900 we had eight junior colleges in this country. When I became President we had 600-plus junior colleges in this country. Today we have 900 junior colleges. In three years we have added 300 junior colleges—one or two opening every week. (applause)

We took a poll. It wasn't a little Harris poll or a Gallup poll. They get awfully busy working for other people this season of the year. (laughter)

But we took a poll. There were 150 students who were eligible for that junior college. The people voted a bond issue. We built the junior college. We opened it the day before yesterday. I went by there to pay my respects and take a look at it.

I said, "Where are your 150?" They said, "They are out there with 1850 more. We have an enrollment of 2000, eager, yearning, seeking knowledge." This is the first time they had the facilities, equipment and staff, and so forth, to give it to them.

Now I am glad that Senator Benton and his vision and his generosity are going to make available the Encylopaedia Britannica. I hope it is not one 200 years old, because that school is Cotulla—Cotulla. (laughter) It is a Latin-American school. You probably have the Latin pronunciation. (laughter)

But we didn't have an Encyclopaedia Britannica then. We didn't deal with this business of station. Johnson City doesn't have an Encylopaedia Britannica either, or didn't have when I went to school there some years ago.

I am glad you are recognizing those two.

But what makes me prouder than ever, Senator, is that for many years you have been in the forefront of a movement in this country to get the Federal Government deeply concerned about giving every boy and girl all the education that he or she can take. (applause)

When you take that slogan, or that motto, or that objective, I think that is a rather remarkable development. There has never been anything like it in the history of the world. The horizon of opportunity has been broadened for millions of children—young children. You know what we are doing for education in this country and what we have done in the last three years, too. Because the Federal Aid to Education was a very dirty word in all of my campaigns for 24 years—12 years in the House and 12 years in the Senate.

But we are giving them education in Head Start at 4 years old. You move down the street two blocks and we are teaching them to read and write at 74 years old. Aren't you proud of that kind of a program? (applause)

In three years the number of children from 3 years old to 4 years old in nursery schools in the United States—children 3 to 4 in nursery schools in the United States—has jumped 29 percent—in three years. The drop-out rate is down by more than a fifth in five years.

There were 4.3 million students in college in 1963, when I took the oath of office. Today there are 6 million—not 4 million—6.1 million in college three years later. We haven't got this year's gain—4 to 6 to 7, whatever it is.

The Federal Government has had a very major role in education. That may be one of the big reasons for our deficit. (laughter) We don't like deficits. We don't want deficits. We are going to try to do something about deficits. But the big deficits we have had in this country have been in the deficits in education, and the deficit in health. We are doing something about those deficits, too.

In the last three years our educational spending: when I became President it was $4 billion a year—today it is $12 billion a year. In three years, up three times. (applause)

Our spending for university research has gone up 61 percent in the last five years—and is now bearing the sort of fruit that you are going to be reading about tomorrow morning.

What are you going to read about tomorrow morning? It is going to be one of the most important stories that you ever read, your daddy ever read, or your grandpappy ever read.

At this very moment, the biochemists at Stanford University are announcing a very spectacular breakthrough in human knowledge. They have for the first time finally succeeded in manufacturing a synthetic molecule that displays the full biological activity of a natural molecule in a living organism. (applause)

In the words of this Nobel Peace Prize winner, and others associated with him, they have come "the closest yet to creating life in the laboratory" by manufacturing "the living genetic material of a virus." When this man-made viral material infected bacteria, it began to reproduce.

Think about the state ordaining life. This is going to be one of the great problems—one of the big decisions. If you think about some of these decisions the present President is making—it is going to be a kindergarten class compared to the decisions some future President is going to have to make.

These men have unlocked a fundamental secret of life. It is an awesome accomplishment. It opens a wide door to new discoveries in fighting disease and building much healthier lives for all human beings. It could be the first step—these great laboratory geniuses say—toward the future control of certain types of cancer.

The work of these scientists, headed by Dr. Arthur Kornberg, is living proof of the creative partnership which has developed over the years between science, between the universities, and their Government. If you want to say "Federal", then "Federal Government".

We are quite proud that their explorations have been made possible by public grants from the Federal Government's National Institutes of Health and their National Science Foundation.

We are quite proud that there has been a substantial drop, as a result of our program for children—our appropriations in behalf of medicine for children—in the infant death rate.

There has been a substantial drop—we hope it continues as it shows now—in our death rate. How much that is connected with the fact that all of our people over 65 have a chance to have medicare and hospitals, have a chance to have their doctor bills paid, have a chance to go to a nursing home, have a chance for your mothers, fathers, grandmothers and grandfathers to be taken care of—how much that is having to do with the declining death rate is a matter of conjecture. We can't prove that. I don't want to get my credibility involved any more (laughter), because I have all the election year problems I can deal with now. (laughter)

But I want to ask you, when you read about what they are doing here at Sanford, when you read about what they are doing out here at NIH, when you read what they are doing at Head Start, when you read about what they are doing with 74-year-old men and women learning to read and write, and when you read about cutting that infant death rate, you read about reducing that total death rate in the country, and you read about pulling people up above the poverty level by the millions for the first time—is there any satisfaction in the world that can really be greater than bettering humankind by educating the mind and building and preserving the body? (applause)

I was thanking Senator Benton for some more of his generosity. He came to see Mrs. Johnson the other day. He had admired some paintings in Senator Lehman's office many years ago. He went down to the art gallery when he got enough money to pay for them and bought some himself. He saved them through the years and treasured them very much.

He saw Mrs. Johnson and said, "I want to give this to my country. I want to give it to the White House." That beautiful painting is there in the White House where it is admired every day by thousands of Americans who come and go from that house—that first house of the land.

But what Senator Benton and his people are doing here today is going to live long after people forget that beautiful painting.

The knowledge that he is going to open up and expose to these children—the information—in all the Cotulla's and Johnson Cities and other places of the land—is going to pay results long after the pictures have faded.

So I want to say that as man continues with this work—education and health to make these wonderful discoveries such as Dr. Kornberg has just made at Stanford University—I devoutly hope that men like him will grow in the wisdom that is needed to apply the results of this study to all mankind.

I remember how frightening it was when we split the atom—how frightening it still is. But thank goodness we have had the wisdom of men with prudence and understanding to deal with this problem.

I devoutly hope that men like Dr. Kornberg will grow with wisdom in the years.

While this is being announced today—this afternoon, tonight, at Stanford University, across the land—another great experiment is under way all across America. That is one that Senator Benton is participating in. That is in unlocking the power—unleashing, not Chiang Kai-shek—but unleashing the power of the human potential. (applause)

Unleasing the power of the human potential has always been the American dream in this country. If we can keep the momentum of education going—it is going to slow some when we start balancing these budgets and we try to have guns and butter, and try to protect our freedom with one hand; keep our guard up and our hand out with education and health and the others—we cannot do it all overnight.

But we are moving forward. We are moving again. That curve is going up in education and in health. If we can only improve the quality of education and the quantity of education at every level, and we can make education available to every child. There are really not many types of children. There are not many types of human beings. And there is really not any difference in them. They have two legs, two arms and just three colors.

If we treat them all alike—my little Luci made the best civil rights speech I have ever heard. She said, "I don't understand why all of this misunderstanding and hatred and everything about civil rights." She was 11 years old. She was out in California.

I was frightened to death that she was going to eliminate me from the race with the civil rights speech. (Laughter.)

But she said, "I have white hair and blue eyes and my mother has brown hair and my daddy—what little hair he has got—has black hair. He is fair. We all have different colors. I have different colored hair, different colored skin and we have the most wonderful family. We just get along fine. If we can get along well together, I don't know why all the world can't get along together." (Applause.)

So if we can make an education available to all who are fair, all who are blonde, all who are brunette, and all the different colors, all with the same legs, same arms and the same hearts, if we can do that we shall make this country the America that we want it to be.

We shall make this country the American reality. We shall make this country the land that our great grandparents thought they were coming to when they first set foot on our shores.

Pardon me for asking you to stand this long. I appreciate your indulgence. I always have the feeling that I enjoy talking about the potentials, the human potentials and bettering human kind, by conservation, by education, by medical care and health care—I enjoy talking about it perhaps more than some people enjoy hearing it. (laughter and applause)

POLITICAL ACTIVITIES OF BIG LABOR

Mr. FANNIN. Mr. President, during the latter part of January, Machinists' President Roy Siemiller addressed the staff of the Western Conference of Teamsters in Phoenix. His remarks were most interesting to me because they confirmed my belief that the primary aim of big labor is to maintain, at all costs, their freewheeling ability to engage in political activities and influence legislation. Mr. Siemiller expresses concern lest such issues as the Vietnam war distract the minds of the membership from this goal. If this should happen, according to Mr. Siemiller, the forces of evil would be unleashed and union officials would find that their political muscle had been diminished. Moreover, they would have to contend with laws which restrict their now almost unlimited power. It is interesting to note that the legislative proposals which Mr. Siemiller cites as being anathema to labor are those which would confer benefits on individual union members and restore a measure of balance to labor-management relations.

Mr. President, I ask unanimous consent that the digest of Mr. Siemiller's remarks, as contained in the Machinist, be printed in the RECORD.

There being no objection, the digest was ordered to be printed in the RECORD, as follows:

[From the Machinist, Feb. 1, 1968]

TEAMSTERS

(NOTE.—IAM President Roy Siemiller spoke at Phoenix, Ariz., last week before the entire staff of the Western Conference of Teamsters. He was introduced by Teamster Vice President Einar Mohn. Here in digest is what Mr. Siemiller told the Teamsters.)

Relationships between the Teamsters and the Machinists go back to early days when teamsters started chauffeuring horseless carriages and machinists began keeping them in good repairs. The relationship between our two unions is a natural one, but I would be less than honest if I pretended that it has always been a smooth or peaceful one.

Although both our unions are committed to the same basic trade union prinicples, though we both serve the needs of working people, though we seek similar economic, legislative and political goals, we have fought each other almost as much as we have helped each other.

COMMON GOALS

Today our only formal agreement is with the Western Conference of Teamsters. But that is a beginning, a beginning that I hope will lead to a broader, deeper and more lasting arrangement between two organizations that have far more in common than in opposition.

Even though our present contacts are primarily informal they are also quite extensive. In many localities throughout the country our staff works closely with your staff, our business representatives with your business representatives, our officers with your officers, on problems of mutual interest and concern.

Since I took office as President of the IAM we have worked toward such policy in dealing with the International Brotherhood of Teamsters. It is a policy that has paid dividends to both of us. And it is a policy we intend to continue and strengthen. What has happened is far less important than what will happen.

Today, in election year 1968, the need of the labor movement to hang together—to avoid being hung separately—is critical. The compulsory arbitration bill that was so swiftly enacted for the benefit of the railroad bosses is but a small taste of what's in store for us, *all* of us—the Machinists, the Teamsters, and every other union, large or small, in America—if we lose this election.

If we let our members get sidetracked by other issues, including race prejudice and the war in Vietnam, and if, as a result, conservative anti-labor forces take over the Presidency, the Senate and the House of Representatives, we can expect with complete certainty legislation which will destroy the American labor movement as we now know it. It has already been introduced.

We can, for example, expect legislation prohibiting industry-wide bargaining.

We can expect a federal open shop, or so-called national right-to-work law.

We can expect the Labor Board to be abolished and replaced with a special "Labor Court."

We can also expect legislation which will outlaw multi-union bargaining, which is the only kind of bargaining that's effective when you're dealing with giant nation-wide corporations.

If we lose this election, then as surely as the night follows the day, we can expect a law prohibiting unions from engaging in any kind of political action. Today we try to elect friends of the working people through funds voluntarily donated by our members. The Machinists do it through our Non-Partisan Political League; the Teamsters through DRIVE; and the AFL–CIO through COPE. But if we get smashed in the election of 1968, as we will if we don't get organized and get together now, there won't be any DRIVE, MNPL or COPE in 1969. All it will take to pass such laws will be a few more anti-labor votes in the House and the Senate.

VITAL ELECTION

We lost 40 good friends in the House of Representatives in the last election. If we lose 20 more in this election, the great American Labor Movement, this movement that for generations has served the needs, advanced the hopes, insured the prosperity, and fed the aspirations of the working people, will be dealt legislation that will make Taft-Hartley and Landrum-Griffin look pro-labor by comparison.

We must not let it happen. The time has

come to forget the disputes of the past, to put away the petty jurisdictional squabbles of the present and lay a foundation for true trade union cooperation and political progress.

U.S. RATIFICATION OF HUMAN RIGHTS CONVENTIONS WOULD GIVE NEW IMPETUS TO INTERNATIONAL HUMAN RIGHTS

Mr. PROXMIRE. Mr. President, as every Member of the Senate is undoubtedly aware, the General Assembly of the United Nations has proclaimed 1968 International Year for Human Rights. As the General Assembly has suggested and as President Johnson has urged again this week, the most fitting way for the United States to demonstrate our commitment to human rights is by ratifying the human rights conventions.

U.S. ratification will have one very real benefit: U.S. ratification will give these conventions new life. Our ratification will encourage nations which have withheld adherence to reconsider their position.

U.S. ratification of these conventions would emphasize renewed observance of the standards these conventions set forth. Our ratification would provide tremendous impetus to the continuing worldwide struggle for human rights as part of our great tradition beginning in 1776 to espouse these rights.

Once again, I urge the Senate to face its responsibility squarely and give its advice and consent to the Human Rights Conventions on Forced Labor, Freedom of Association, Genocide, and Political Rights of Women.

HOUSE PASSES A STRONG TRUTH-IN-LENDING BILL

Mr. PROXMIRE. Mr. President, the House of Representatives yesterday passed landmark consumer protection legislation. The House passed the strongest truth-in-lending bill ever considered by either House of Congress. It is a bill of which consumers can be justly proud. It is a bill which I believe former Senator Paul Douglas, the original architect of truth in lending, will be proud of.

By passing a tough truth-in-lending bill by 382 to 4, I believe the House has indicated that this is truly the year of the consumer. The House vote shows the growing importance of consumer protection legislation and the growing effectiveness of consumer and labor groups in achieving effective legislation.

I was pleased to see that the House was able to eliminate a number of exemptions which were included in the Senate bill. The original truth-in-lending bill, which I introduced on January 11, 1967, applied the identical disclosure requirements to all segments of the credit industry. All creditors were required to disclose the cost of credit in terms of an annual percentage rate as well as in dollars and cents. However, stiff opposition developed in the Senate Banking Committee to these across-the-board provisions. In order to break the 7-year logjam, it therefore became necessary to exempt certain segments of the industry from some or all of the disclosure requirements of the bill. For example, short term revolving credit plans were exempt from disclosing the annual percentage rate. Second, creditors would not be required to disclose the annual rate whenever the finance charge was less than $10. Third, first mortgages were exempted entirely from the bill.

Most of the members of the Banking Committee were not completely satisfied with the Senate bill. There were some, including myself, who felt it should have gone much further in the direction of consumer protection. Others felt additional exceptions and exemptions should have been provided. Considering the differences of opinion in committee, I believe the Senate bill was the best possible bill which could have emerged.

S. 5, as passed by the Senate, is a good bill. It covers approximately 97 percent of ordinary consumer credit transactions. However, the House has passed an even stronger bill. It eliminates the three exemptions included in the Senate bill and provides a number of additional consumer protection features.

I would like to describe some of these additional features for the benefit of the Senate. First of all, the House bill includes a prohibition on wage garnishment. Creditors would be prohibited from garnishing more than 10 percent of a wage earner's weekly salary in excess of $30. This provision is patterned after the New York State law on garnishment and is actually milder than in several States where garnishment has been prohibited entirely. There are some who argue that the restrictions on wage garnishment will cause consumer credit to dry up. However, an analysis of those States with a complete prohibition on garnishment reveals no substantial difference in the amount of consumer credit extended. The restrictions on garnishment do, however, require creditors to be more careful in the amount of credit they extend to low-income consumers. There are some merchants who do not hesitate to sell costly merchandise to consumers who are already burdened with debt. This is possible because the creditor knows he can always recover the money owed to him by slapping a wage garnishment on the consumer's salary. In effect, the courts act as a collection agency for the creditor. The House provision on garnishment would also prohibit employers from dismissing an employee solely on account of the fact that their wages have been garnished. Some employers have the practice of automatically firing employees who have their wages garnished. This is an effective threat which creditors can use to harass and intimidate debt-laden consumers. By removing the threat, the House provision protects the consumers and particularly low-income consumers from this type of harassment.

Second, the House bill includes a provision requiring full disclosure in advertising. If a creditor advertises any rate, it must be the annual percentage rate as defined in the bill. If he advertises the amount of the payment or the dollar cost of credit he is also required to give full particulars on the cost of credit. Creditors could no longer advertise a $1 down and $2 a week. In such a case they would also have to indicate how many weeks, the total dollar cost of credit and the annual percentage rate.

I believe these advertising provisions will be particularly effective in insuring full disclosure. The truth-in-lending bill as passed by the Senate would require a disclosure prior to the actual credit transactions. However, by this time many consumers are already effectively committed to a particular purchase and find it difficult to bargain effectively on credit terms. Very frequently it is the deceptive advertising on the part of the creditor which lures the customer into the store in the first place. Experience under the Massachusetts truth-in-lending law, which includes a section on advertising, has shown that full disclosure in advertising is extremely important in stimulating competition and eliminating deceptive practices.

Third, the House bill is much stronger in its enforcement provisions. The House bill provides for administrative enforcement procedures in addition to additional remedies. The Federal Reserve Board would issue regulations which would be enforced with cease-and-desist type authority by the appropriate Federal agencies. Under the Senate bill, enforcement would have been secured through civil actions brought by consumers. This method was also available in the House bill.

Fourth, the House bill provides for a Commission on Consumer Credit to study the structure of the consumer credit industry. The Commission would report on whether or not credit is being provided at reasonable rates, whether the public is being protected against unfair practices, and whether other additional legislation is desirable. The House bill authorizes $1.5 million to carry out the study. The Commission would be required to report to Congress by December 31, 1969. The Commission would consist of three Senators, three Congressman, and three members appointed by the President.

Fifth, the House bill would require that premiums for credit life insurance, if mandatory, be included in the computation of the annual percentage rate. There are some unscrupulous lenders who could charge excessive premiums for credit life insurance while collecting substantial kickbacks from the insurance company. In effect this is a method whereby a creditor can increase his effective yield without increasing the stated rate of interest. If these charges are mandatory, the House bill requires that they be included in the annual percentage rate. The Senate bill specifically exempts credit life insurance premiums from being counted in the annual percentage rate. In view of the substantial evidence of abuse in the credit life insurance field uncovered by Senator HART's Antitrust Subcommittee, I believe the House has added a vital safeguard. We attempted to secure this same principal in the Senate committee, but it was rejected by an 8-to-6 vote.

Sixth, the House bill was amended on the floor to permit the Federal Government to restrict the operations of loan sharks, who are frequently under the control of organized crime. The amendment adopted by the House would make it a Federal crime for any unlicensed lender to violate any State law limiting the charges on consumer credit transactions. By bringing the additional enforcement machinery of the Federal Government into play, the unscrupulous and shocking practices of loan sharks will stand a better chance of being abolished. I recall the testimony of Joe Valachi, in which he revealed that the so-called "juice racket" is one of the biggest moneymakers of organized crime. The Mafia has a most effective method for collecting their illegal and exorbitant interest charges. According to Mr. Valachi the Mafia has a regular penalty schedule which ranges from broken legs for minor infractions, all the way up to death.

Seventh, the House also amended the bill on the floor to include provisions for dealing with the notorious second mortgage racket. A recent series of newspaper exposés have revealed the shocking practices of fly-by-night contractors who prey upon low-income homeowners. These contractors frequently provide shoddy home improvement work which is paid for on an installment basis. The note is secured by a second mortgage and interest charges customarily average between 30 and 40 percent a year. The evidence indicates that many homeowners had no idea that they were signing second mortgage notes or in some cases first mortgage notes on their homes. The House bill would require creditors to disclose in clear and specific terms whether or not their loan was secured by a mortgage on real property. This disclosure would have to be made at least 3 days prior to the completion of the transaction. This would strike against the fast shuffle method employed by fly-by-night contractors who bamboozle unsuspecting homeowners into signing second mortgage notes at exorbitant rates of interest.

Mr. President, I believe the House truth-in-lending bill is the most effective piece of consumer protection legislation that has been passed in years. Much of the credit for this fine piece of legislation must be given to Congresswoman LEONOR SULLIVAN, of Missouri, the chairman of the Subcommittee on Consumer Affairs of the House Banking and Currency Committee. Mrs. SULLIVAN fought long and hard for an effective measure and was able to withstand the tremendous pressure of consumer credit lobbyists. It was only through her steadfast perseverance and leadership that an effective bill emerged from the House of Representatives.

I also want to compliment and commend the distinguished chairman of the House Banking and Currency Committee, Congressman WRIGHT PATMAN. Mr. PATMAN has demonstrated throughout his long and distinguished career that he is an able champion of the consumer, and certainly his role in the truth-in-lending bill is a shining example of his dedicated leadership.

I also want to congratulate Congressman WILLIAM WIDNALL, of New Jersey, the ranking Republican on the House Banking and Currency Committee. Although Congressman WIDNALL differed on some of the details of the bill, he made it clear from the outset that he supported a strong and effective truth-in-lending bill. His constructive leadership and support made it possible for the bill to become a truly bipartisan product.

Mr. President, I am hopeful that the Senate will be able to accept most of the improvements offered by the House in the truth-in-lending bill. Certainly in this age of the consumer, we can do no less than provide the American public with an effective and strong truth-in-lending bill. I believe President Johnson and the administration will strongly support most of the improvements added by the House and I believe it will be particularly fitting for the Senate to agree to a strong measure as a tribute to the pioneer of the consumer credit legislation, former Senator Paul Douglas of Illinois.

CONNECTICUT CITIES TAKE THE LEAD IN PROVIDING JOB OPPORTUNITIES

Mr. RIBICOFF. Mr. President, last year, my Subcommittee on Executive Reorganization conducted extensive hearings on the Federal role in urban affairs. During that yearlong inquiry, one call sounded with increasing insistence from the 110 spokesmen for the American city who appeared before the subcommittee.

That call was for jobs—jobs for every citizen anxious to leave dependence and deprivation behind, and willing to work for the dignity and self-respect accorded his more fortunate neighbors.

I was particularly pleased, therefore, to learn that in two major cities—Hartford and Stamford—in my own State of Connecticut, private industry has taken on an extremely important part of the task.

In Stamford, the management council and chamber of commerce will cooperate with a local, nonprofit organization—the Committee on Training and Employment—CTE—in a long-range employment program called Job, Inc. The program's objectives are four in number:

Equipping unemployed persons with the basic education and skills required in today's labor market.

Matching Stamford's unemployed citizens with the existing jobs offered by business and industry.

Working with employers and the employees in a manner designed to build and maintain a stable work force.

Working with employers to initiate basic education and on-the-job training courses designed to upgrade members of their existing work force and produce additional job openings.

The business and industrial leadership of Hartford, too, has responded to the needs of their city. On December 13, 1967, the Greater Hartford Chamber of Commerce adopted a job opportunity pledge. The pledge and its amplification typify the business community's growing attitude of responsible concern and constructive action, and I ask unanimous consent that they be printed at this point in the RECORD to serve as example and incentive to all the cities of our Nation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JOB OPPORTUNITY PLEDGE

Confident that Greater Hartford business and industrial leadership has the skills, the capacity and the resources to make this region one of open opportunity for all its citizens, and confident that the employers of the region are determined to demonstrate the vitality of the American dream, the Greater Hartford Chamber of Commerce believe that a job opportunity now exists for any and every present resident of the region who is willing and able to work.

Persons lacking marketable skills or education can be enrolled in one or more of the broad variety of pre-employment, vocational or educational training programs operated in this area by public and private agencies and upon successful completion of a suitable training program can be assured of hire.

Steady attendance and acceptable on-the-job performance are required in order to hold employment.

Therefore, the Chamber hereby declares as one of its principal goals—a job opportunity for all such residents and pledges its every effort and energy toward this end.

AMPLIFICATION OF JOB OPPORTUNITY PLEDGE

The Greater Hartford Chamber of Commerce believes that a productive way of life is possible for all the residents of the Greater Hartford region.

We believe that government and other agencies have roles to play.

We believe that private enterprise has the principal, most responsible role to play in continuing to provide entry jobs and training of employees for advancement.

We pledge a concerted effort by the Chamber of Commerce to work with private enterprise and individuals:

1. To seek out aggressively those in need of employment; to promote the hiring of those employable in the best job commensurate with skill; to promote the training of those not fully qualified for jobs through both public and employer training programs;
2. To promote the sensitivity of employers in all supervisory levels to the needs and potentials of the unemployed group;
3. To investigate the causes of turnover in an effort to seek solutions;
4. To work cooperatively with all appropriate agencies, public and private, currently working toward the common goal;
5. To work with every business, industrial and commercial firm in the region to achieve cooperation.

With private enterprise providing the economic opportunity, we call upon the people of the Greater Hartford region to see that opportunity is opened to all.

We believe that the greater Hartford economy will continue to provide economic opportunity. The economy has demonstrated such a vitality that non-agricultural employment in the region has risen by nearly 50,000 jobs over the past five years. There are 10,000 jobs now open in the region.

There are a broad variety of vocational and educational training programs under both public and private agencies.

We believe that any resident in the Greater Hartford region who is able and interested in working can find a job now or, if lacking in marketable skills or education, can be enrolled in a suitable training program and upon successful completion of the training—be assured of hire.

Therefore, the Chamber pledges itself, in cooperation with its member companies, to work with agencies, both public and private, to achieve this goal.

Agencies with which the Chamber will work will include the Community Renewal Team of Greater Hartford, the Urban League of Greater Hartford, the Connecticut State Employment Service, the Human Relations Commission of the City of Hartford, the Connecticut State Commission on Human Rights and Opportunities, and others.

CONCLUSION OF MORNING BUSINESS

The **PRESIDING OFFICER** (Mr. CHURCH in the chair). The hour of 2 o'clock having arrived, morning business is concluded.

INTERFERENCE WITH CIVIL RIGHTS

The **PRESIDING OFFICER.** The Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

The Senate proceeded to consider the bill.

Mr. **BYRD** of West Virginia. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. **BYRD** of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

VISIT TO THE SENATE BY URUGUAYAN SENATORS

Mr. **HICKENLOOPER.** Mr. President, we are honored today by the visit of three distinguished Senators from our good friend, the Latin American country of Uruguay, who have come to the United States to see a part of our life, our customs, and our system.

They are making a sort of circumferential trip to the United States, going around both seacoasts. I would suggest that they visit the interior of the United States, where we would make them as welcome as they are in any other place, but their time is limited.

Mr. President, I wish to introduce to the Senate at this time Senator Agustin Claudio Caputi Vassallo, Federal Senator in General Assembly from the Department of Canelones,

Senator Eduardo Paz Aguirre, Federal Senator in General Assembly from Department of Canelones, and

Senator Daniel Augusto Vaz Vergez, Federal Senator in General Assembly from Department of Montevideo. [Applause, Senators rising.]

Gentlemen, we welcome you to the Senate and we are glad you have taken the time and have the interest to come to our country.

Mr. President, I ask unanimous consent that the Senate stand in recess for 2 minutes so that Senators may greet the Uruguayan Senators.

The **PRESIDING OFFICER.** The Chair wishes to extend a very cordial welcome to the Senators from Uruguay and to express the wish that their visit to the United States will be most satisfactory.

RECESS

Thereupon, at 2:12 p.m., the Senate took a recess until 2:14 p.m.

During the recess, the Uruguayan Senators were greeted by Members of the Senate.

On expiration of the recess, the Senate reassembled and was called to order by the Presiding Officer (Mr. CHURCH in the chair).

INTERFERENCE WITH CIVIL RIGHTS

The Senate resumed the consideration of the bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

Mr. FONG. Mr. President, the debate on H.R. 2516 is now extending into its third week. Thorough consideration of this important measure is desirable and necessary, but I submit that much of the recent debate has tended to obscure, rather than clarify, the real issues which exist.

The bill we are now considering is really quite simple:

It proposes criminal sanctions designed to deter and punish those who would interfere by force with various activities protected by our Federal statutes or the Constitution of the United States.

WHY H.R. 2516 IS NECESSARY

Mr. President, the great majority of Americans have either welcomed or peacefully accepted the movement of Negroes toward full enjoyment of equality under our law. This has been particularly marked since the enactment of the historic Civil Rights Act of 1964 and the landmark Voting Rights Act of 1965.

Unfortunately, however, a very small minority of lawbreakers has resorted to violence in an effort to bar Negroes from exercising these constitutionally and statutorily protected rights. Acts of racial terrorism have sometimes gone unpunished and have too often deterred the free exercise of these rights.

It is very apparent to me that the No. 1 domestic problem of America today is the problem of our race relations: the problem whether we as a nation will accord full dignity and equal status to our Negro and other racial minorities.

Here is a problem which is and has long been a great irritant to the American body politic—a problem which is surely eroding the Nation's strength and sense of unity and harmony.

Acts of racial violence have occurred in retaliation against Negroes who have exercised or sought to exercise their civil rights. In some cases, violence has been used against Negroes who have not engaged in any civil rights activities in order to intimidate and deter other Negroes in the exercise of their rights. Both white and Negro civil rights workers have been victimized.

Under our federal system of government, the keeping of the peace is, for the most part, a matter of local and not Federal concern. Where the administration of justice has been impartial, perpetrators of racial crimes have been apprehended by local police and appropriately punished by local courts.

But in some places, local officials either have been unable or unwilling to solve and prosecute crimes of racial violence, or to secure convictions in such cases—even when the facts seemed to warrant.

As a result, Federal action is badly needed to compensate for the lack of effective protection and prosecution on the local level.

Also, such racial violence is a denial of Federal rights which impels protection by the Federal Government.

Too often in recent years, racial violence has been used to deny Federal rights to our minorities—thereby flouting the clearly expressed will of the Congress. Thus, when a Negro is assaulted for attending a desegregated school or casting a ballot, it is not only the individual Negro citizen and the peace and dignity of the State that is hurt. Such acts of lawlessness have too often deprived American citizens of basic Federal rights—so that they are, indeed, Federal crimes whose vindication should be committed to the Federal courts.

PRESENT FEDERAL LAWS INADEQUATE

A number of criminal and civil statutes designed to reach both private and official interference with Federal rights were passed by Congress in the 1860's and 1870's. These laws included the statutory predecessors of what are new sections 241 and 242 of the Federal criminal code (18 U.S.C. §§ 241 and 242), which are directly relevant to this debate.

They are relevant, because H.R. 2516 is designed precisely to cure the inadequacies which have been found in sections 241 and 242—the only two Federal laws on our books today prohibiting violent interference with civil rights—since neither of the Civil Rights Acts of 1964 or 1965 covered this issue.[1]

Section 241 prohibits two or more persons to conspire "to injure, oppress, threaten, or intimidate any citizen in the free exercise or enjoyment of any right or privilege secured to him by the Constitution or laws of the United States." Punishment under this section is a fine of $5,000 and/or 10 years' imprisonment.

Section 242 prohibits anyone "under color of law" to take the same actions; sanctions are $1,000 fine and/or 1 year's imprisonment.

While there have been some successful prosecutions under these laws, opinions of the Supreme Court—particularly in the cases United States against Guest and United States against Price, which I will come to later—have noted a number of serious deficiencies in both laws. Each defect noted by the Court was coupled with a suggested remedy.

First, the coverage of the laws is very limited. Section 241 reaches only conspiracies, and in some situations it may be restricted to conspiracies involving the participation of persons acting "under color of law." Section 242 pertains only to conduct which was under color of law.

Thus, neither statute reaches purely private actions which interfere with 14th amendment rights.

At the same time, the Court made it abundantly clear that Congress could constitutionally enact a statute reaching private conduct denying such rights. H.R. 2516 is such a statute which would—

---

[1] The 1964 Act covered issues such as rights to attend desegregated schools, to employment opportunity, to public accommodations, and to State-assisted programs.

The 1965 Act dealt only with voting rights. This law did provide criminal penalties, but its provisions are somewhat narrower than those in H.R. 2516.

as a majority of the Court said was constitutionally possible—cover racially motivated acts of violence which do not involve participation or connivance of public officials.

A second defect of sections 241 and 242 is their lack of clarity and specificity. While they are applicable to some racial violence, they are inadequate to meet many present problems.

This has resulted in the need for extensive judicial construction and has caused difficult problems of proof, including the requirement that specific intent be shown in each case.

These problems have in turn led to long delays and protracted litigation which have undermined enforcement efforts.

In addition, because these statutes do not spell out clearly what kinds of conduct are prohibited, they lack the deterrent effect that would result from plainly worded prohibitions.

H.R. 2516 exactly meets these problems by spelling out and defining specific kinds of activity to be protected. It eliminates conspiracy as a required element of the crime. The clear language of the bill would avoid unnecessary litigation concerning both coverage and problems of proof.

A third defect is the inadequacy of the maximum penalties, which I earlier noted. H.R. 2516 meets this problem by providing maximum graduated penalties commensurate with the seriousness of the offense: a $1,000 fine and/or 1 year imprisonment if no bodily harm results; $10,000 and/or 10 years' imprisonment if someone is hurt physically; and imprisonment of a term of years up to life if death occurs.

PROVISIONS OF H.R. 2516

H.R. 2516 would prohibit interference and attempts to interfere, by force or threat of force, with any person because of his race, color, religion, or national origin, and because of his exercise of specifically enumerated rights: voting, use of public accommodations, access to public education, public services and facilities, employment, jury service, use of common carriers, and participation in federally assisted programs.

Thus, the bill would protect Negroes and members of other minority groups from violence directed at them because they are or have been engaging or seeking to engage in these activities. It would punish not only violence which is intended to discourage the victims from engaging in such activities, but also violence directed against a person who has not been involved in civil rights activity but who is selected as a victim in order to intimidate others.

In addition, the bill would protect civil rights workers and others who urge or aid the exercise of Federal rights, as well as those who engage in speech or peaceful assembly opposing their denial. Persons with legal obligations not to discriminate with respect to the protected activities—such as public school officials, restaurant owners, and employers—would also be protected against violent retaliation and intimidation.

H.R. 2516 would prohibit forceful interference with any of the specified activities by individuals acting alone as well as by public officers or other persons acting under color of law.

FACTUAL BASIS TO THE BILL

Mr. President, other Senators, in the course of this debate, have already recounted the sad and depressing history of recent events which has rendered enactment of this legislation an urgent necessity. Case after case of racial violence comprise the factual basis for H.R. 2516.

Lemuel Penn, a Negro educator, shot by assailants while driving through the State of Georgia, returning to Washington, D.C., after serving as an officer of the U.S. Army in a summer camp in 1964. Of the six persons indicted and tried under Federal law—section 241—only two were convicted. No convictions resulted from the State prosecution of the case.

Mr. ERVIN. Mr. President, will the Senator from Hawaii yield for a question about Lemuel Penn?

The PRESIDING OFFICER (Mr. McGOVERN in the chair). Does the Senator from Hawaii yield to the Senator from North Carolina?

Mr. FONG. I am happy to yield to my good friend the Senator from North Carolina.

Mr. ERVIN. Does the Senator not know that the Hart bill would not cover cases like the Penn case, whereas my amendment would cover cases like the Penn case?

Mr. FONG. I believe the Hart bill would reach the Penn case.

Mr. ERVIN. Let me read from the Hart bill to the Senator. On page 8, subsection (6), it would protect only a man using "any vehicle terminal, or facility of any common carrier by motor, rail, water, or air;".

That is the only provision that would protect him. Lemuel Penn was driving his own automobile, traveling in interstate commerce, going from Fort Benning, to his home in Washington. He was not using "any vehicle, terminal, or facility of any common carrier by motor, rail, water, or air." Thus, the Hart bill would not cover that case, but my amendment would.

I invite the attention of the Senator from Hawaii to subsection (5) on page 2 of my amendment No. 505. It would cover the case of any man, of any race, any religion, or no religion, or any national origin, because he was moving or traveling in interstate commerce, regardless of how he was moving, on foot, in his own car, or any other way. It would cover the shooting of James Meredith, the man involved in the integration of the University of Mississippi, when he was walking through Mississippi and someone shot at him from ambush. But the Hart bill would not. My substitute affords better protection to people than the Hart bill in these respects, and affords that protection to all men regardless of race, color, religion, or national origin. Thus, I think that the Senator should vote to substitute my amendment for the Hart bill.

Mr. FONG. I do not agree with the distinguished Senator from North Carolina. Under the terms of the Hart bill, if it could be proved that the shooting of Lemuel Penn was racially motivated and was done to deter others from doing the same thing, I think the Penn case would most definitely be covered.

Mr. ERVIN. The Senator from Hawaii, who is an excellent lawyer, knows that every person has a right to travel in interstate commerce, on foot, or in his own automobile, as well as in a vehicle of a common carrier.

Mr. FONG. Yes.

Mr. ERVIN. Will the Senator tell me why it should be made wrong to interfere with a man's right to travel in interstate commerce merely on account of his race and not because he is electing to exercise his constitutional rights?

Mr. FONG. The answer, Senator, is that the Hart bill is intended to restrict Federal powers only to instances where there is clearly demonstrated a need for Federal legislation.

Mr. ERVIN. The Hart bill does not protect anybody traveling in interstate commerce unless he is traveling in a conveyance of a common carrier; and even in that case, unless the interference is on account of his race.

My amendment would cover anybody who is offered violence because he is traveling in interstate commerce, on foot, on horseback, in his own automobile, or by any other method; and it would protect him regardless of his race. It would protect all men. I cannot see why everybody's constitutional rights do not require equal protection.

Mr. FONG. In general, State laws are adequate to protect persons who travel in interstate commerce but who may not fall within the ambit of H.R. 2516. We are trying to confine this bill to areas of urgent necessity for additional Federal legislation. We do not wish to broaden it to areas where no such need exists. If we were to accept the amendment offered by the distinguished Senator from North Carolina, we would in many respects be extending the Federal Government's jurisdiction unnecessarily.

Mr. ERVIN. Let me say to my good friend, the Senator from Hawaii, that he is misconstruing my amendment. My amendment does not make it a crime in any case, unless force or threat of force sufficient to constitute an assault is used against a man because he has undertaken or is undertaking to exercise specified constitutional rights or specified rights under Federal laws. The difference between the Hart bill and my amendment on this phase of it is that my amendment would give protection to all men of all races, and would apply to all men under like circumstances, regardless of race, color, religion, or national origin, while the Hart bill would apply only if the act were motivated by race, color, religion, or national origin.

I cannot see any difference between using force to deny a man a constitutional right because of the color of his skin and using force to deny him his constitutional right because of the color of his necktie. Every man's constitutional rights should be protected. The Hart bill does not do that.

Mr. FONG. The Hart bill contem-

CONCLUSION OF MORNING BUSINESS

The **PRESIDING OFFICER** (Mr. CHURCH in the chair). The hour of 2 o'clock having arrived, morning business is concluded.

INTERFERENCE WITH CIVIL RIGHTS

The **PRESIDING OFFICER**. The Chair lays before the Senate the unfinished business, which will be stated by title.

The **LEGISLATIVE CLERK**. A bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

The Senate proceeded to consider the bill.

Mr. **BYRD** of West Virginia. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. **BYRD** of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

VISIT TO THE SENATE BY URUGUAYAN SENATORS

Mr. **HICKENLOOPER**. Mr. President, we are honored today by the visit of three distinguished Senators from our good friend, the Latin American country of Uruguay, who have come to the United States to see a part of our life, our customs, and our system.

They are making a sort of circumferential trip to the United States, going around both seacoasts. I would suggest that they visit the interior of the United States, where we would make them as welcome as they are in any other place, but their time is limited.

Mr. President, I wish to introduce to the Senate at this time Senator Agustin Claudio Caputi Vassallo, Federal Senator in General Assembly from the Department of Canelones,

Senator Eduardo Paz Aguirre, Federal Senator in General Assembly from Department of Canelones, and

Senator Daniel Augusto Vaz Vergez, Federal Senator in General Assembly from Department of Montevideo. [Applause, Senators rising.]

Gentlemen, we welcome you to the Senate and we are glad you have taken the time and have the interest to come to our country.

Mr. President, I ask unanimous consent that the Senate stand in recess for 2 minutes so that Senators may greet the Uruguayan Senators.

The **PRESIDING OFFICER**. The Chair wishes to extend a very cordial welcome to the Senators from Uruguay and to express the wish that their visit to the United States will be most satisfactory.

RECESS

Thereupon, at 2:12 p.m., the Senate took a recess until 2:14 p.m.

During the recess, the Uruguayan Senators were greeted by Members of the Senate.

On expiration of the recess, the Senate reassembled and was called to order by the Presiding Officer (Mr. CHURCH in the chair).

INTERFERENCE WITH CIVIL RIGHTS

The Senate resumed the consideration of the bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

Mr. **FONG**. Mr. President, the debate on H.R. 2516 is now extending into its third week. Thorough consideration of this important measure is desirable and necessary, but I submit that much of the recent debate has tended to obscure, rather than clarify, the real issues which exist.

The bill we are now considering is really quite simple:

It proposes criminal sanctions designed to deter and punish those who would interfere by force with various activities protected by our Federal statutes or the Constitution of the United States.

WHY H.R. 2516 IS NECESSARY

Mr. President, the great majority of Americans have either welcomed or peacefully accepted the movement of Negroes toward full enjoyment of equality under our law. This has been particularly marked since the enactment of the historic Civil Rights Act of 1964 and the landmark Voting Rights Act of 1965.

Unfortunately, however, a very small minority of lawbreakers has resorted to violence in an effort to bar Negroes from exercising these constitutionally and statutorily protected rights. Acts of racial terrorism have sometimes gone unpunished and have too often deterred the free exercise of these rights.

It is very apparent to me that the No. 1 domestic problem of America today is the problem of our race relations: the problem whether we as a nation will accord full dignity and equal status to our Negro and other racial minorities.

Here is a problem which is and has long been a great irritant to the American body politic—a problem which is surely eroding the Nation's strength and sense of unity and harmony.

Acts of racial violence have occurred in retaliation against Negroes who have exercised or sought to exercise their civil rights. In some cases, violence has been used against Negroes who have not engaged in any civil rights activities in order to intimidate and deter other Negroes in the exercise of their rights. Both white and Negro civil rights workers have been victimized.

Under our federal system of government, the keeping of the peace is, for the most part, a matter of local and not Federal concern. Where the administration of justice has been impartial, perpetrators of racial crimes have been apprehended by local police and appropriately punished by local courts.

But in some places, local officials either have been unable or unwilling to solve and prosecute crimes of racial violence, or to secure convictions in such cases—even when the facts seemed to warrant.

As a result, Federal action is badly needed to compensate for the lack of effective protection and prosecution on the local level.

Also, such racial violence is a denial of Federal rights which impels protection by the Federal Government.

Too often in recent years, racial violence has been used to deny Federal rights to our minorities—thereby flouting the clearly expressed will of the Congress. Thus, when a Negro is assaulted for attending a desegregated school or casting a ballot, it is not only the individual Negro citizen and the peace and dignity of the State that is hurt. Such acts of lawlessness have too often deprived American citizens of basic Federal rights—so that they are, indeed, Federal crimes whose vindication should be committed to the Federal courts.

PRESENT FEDERAL LAWS INADEQUATE

A number of criminal and civil statutes designed to reach both private and official interference with Federal rights were passed by Congress in the 1860's and 1870's. These laws included the statutory predecessors of what are new sections 241 and 242 of the Federal criminal code (18 U.S.C. §§ 241 and 242), which are directly relevant to this debate.

They are relevant, because H.R. 2516 is designed precisely to cure the inadequacies which have been found in sections 241 and 242—the only two Federal laws on our books today prohibiting violent interference with civil rights—since neither of the Civil Rights Acts of 1964 or 1965 covered this issue.[1]

Section 241 prohibits two or more persons to conspire "to injure, oppress, threaten, or intimidate any citizen in the free exercise or enjoyment of any right or privilege secured to him by the Constitution or laws of the United States." Punishment under this section is a fine of $5,000 and/or 10 years' imprisonment.

Section 242 prohibits anyone "under color of law" to take the same actions; sanctions are $1,000 fine and/or 1 year's imprisonment.

While there have been some successful prosecutions under these laws, opinions of the Supreme Court—particularly in the cases United States against Guest and United States against Price, which I will come to later—have noted a number of serious deficiencies in both laws. Each defect noted by the Court was coupled with a suggested remedy.

First, the coverage of the laws is very limited. Section 241 reaches only conspiracies, and in some situations it may be restricted to conspiracies involving the participation of persons acting "under color of law." Section 242 pertains only to conduct which was under color of law.

Thus, neither statute reaches purely private actions which interfere with 14th amendment rights.

At the same time, the Court made it abundantly clear that Congress could constitutionally enact a statute reaching private conduct denying such rights. H.R. 2516 is such a statute which would—

---

[1] The 1964 Act covered issues such as rights to attend desegregated schools, to employment opportunity, to public accommodations, and to State-assisted programs.

The 1965 Act dealt only with voting rights. This law did provide criminal penalties, but its provisions are somewhat narrower than those in H.R. 2516.

as a majority of the Court said was constitutionally possible—cover racially motivated acts of violence which do not involve participation or connivance of public officials.

A second defect of sections 241 and 242 is their lack of clarity and specificity. While they are applicable to some racial violence, they are inadequate to meet many present problems.

This has resulted in the need for extensive judicial construction and has caused difficult problems of proof, including the requirement that specific intent be shown in each case.

These problems have in turn led to long delays and protracted litigation which have undermined enforcement efforts.

In addition, because these statutes do not spell out clearly what kinds of conduct are prohibited, they lack the deterrent effect that would result from plainly worded prohibitions.

H.R. 2516 exactly meets these problems by spelling out and defining specific kinds of activity to be protected. It eliminates conspiracy as a required element of the crime. The clear language of the bill would avoid unnecessary litigation concerning both coverage and problems of proof.

A third defect is the inadequacy of the maximum penalties, which I earlier noted. H.R. 2516 meets this problem by providing maximum graduated penalties commensurate with the seriousness of the offense: a $1,000 fine and/or 1 year imprisonment if no bodily harm results; $10,000 and/or 10 years' imprisonment if someone is hurt physically; and imprisonment of a term of years up to life if death occurs.

PROVISIONS OF H.R. 2516

H.R. 2516 would prohibit interference and attempts to interfere, by force or threat of force, with any person because of his race, color, religion, or national origin, and because of his exercise of specifically enumerated rights: voting, use of public accommodations, access to public education, public services and facilities, employment, jury service, use of common carriers, and participation in federally assisted programs.

Thus, the bill would protect Negroes and members of other minority groups from violence directed at them because they are or have been engaging or seeking to engage in these activities. It would punish not only violence which is intended to discourage the victims from engaging in such activities, but also violence directed against a person who has not been involved in civil rights activity but who is selected as a victim in order to intimidate others.

In addition, the bill would protect civil rights workers and others who urge or aid the exercise of Federal rights, as well as those who engage in speech or peaceful assembly opposing their denial. Persons with legal obligations not to discriminate with respect to the protected activities—such as public school officials, restaurant owners, and employers—would also be protected against violent retaliation and intimidation.

H.R. 2516 would prohibit forceful interference with any of the specified activities by individuals acting alone as well as by public officers or other persons acting under color of law.

FACTUAL BASIS TO THE BILL

Mr. President, other Senators, in the course of this debate, have already recounted the sad and depressing history of recent events which has rendered enactment of this legislation an urgent necessity. Case after case of racial violence comprise the factual basis for H.R. 2516.

Lemuel Penn, a Negro educator, shot by assailants while driving through the State of Georgia, returning to Washington, D.C., after serving as an officer of the U.S. Army in a summer camp in 1964. Of the six persons indicted and tried under Federal law—section 241—only two were convicted. No convictions resulted from the State prosecution of the case.

Mr. ERVIN. Mr. President, will the Senator from Hawaii yield for a question about Lemuel Penn?

The PRESIDING OFFICER (Mr. McGOVERN in the chair). Does the Senator from Hawaii yield to the Senator from North Carolina?

Mr. FONG. I am happy to yield to my good friend the Senator from North Carolina.

Mr. ERVIN. Does the Senator not know that the Hart bill would not cover cases like the Penn case, whereas my amendment would cover cases like the Penn case?

Mr. FONG. I believe the Hart bill would reach the Penn case.

Mr. ERVIN. Let me read from the Hart bill to the Senator. On page 8, subsection (6), it would protect only a man using "any vehicle terminal, or facility of any common carrier by motor, rail, water, or air;".

That is the only provision that would protect him. Lemuel Penn was driving his own automobile, traveling in interstate commerce, going from Fort Benning, to his home in Washington. He was not using "any vehicle, terminal, or facility of any common carrier by motor, rail, water, or air." Thus, the Hart bill would not cover that case, but my amendment would.

I invite the attention of the Senator from Hawaii to subsection (5) on page 2 of my amendment No. 505. It would cover the case of any man, of any race, any religion, or no religion, or any national origin, because he was moving or traveling in interstate commerce, regardless of how he was moving, on foot, in his own car, or any other way. It would cover the shooting of James Meredith, the man involved in the integration of the University of Mississippi, when he was walking through Mississippi and someone shot at him from ambush. But the Hart bill would not. My substitute affords better protection to people than the Hart bill in these respects, and affords that protection to all men regardless of race, color, religion, or national origin. Thus, I think that the Senator should vote to substitute my amendment for the Hart bill.

Mr. FONG. I do not agree with the distinguished Senator from North Carolina. Under the terms of the Hart bill, if it could be proved that the shooting of Lemuel Penn was racially motivated and was done to deter others from doing the same thing, I think the Penn case would most definitely be covered.

Mr. ERVIN. The Senator from Hawaii, who is an excellent lawyer, knows that every person has a right to travel in interstate commerce, on foot, or in his own automobile, as well as in a vehicle of a common carrier.

Mr. FONG. Yes.

Mr. ERVIN. Will the Senator tell me why it should be made wrong to interfere with a man's right to travel in interstate commerce merely on account of his race and not because he is electing to exercise his constitutional rights?

Mr. FONG. The answer, Senator, is that the Hart bill is intended to restrict Federal powers only to instances where there is clearly demonstrated a need for Federal legislation.

Mr. ERVIN. The Hart bill does not protect anybody traveling in interstate commerce unless he is traveling in a conveyance of a common carrier; and even in that case, unless the interference is on account of his race.

My amendment would cover anybody who is offered violence because he is traveling in interstate commerce, on foot, on horseback, in his own automobile, or by any other method; and it would protect him regardless of his race. It would protect all men. I cannot see why everybody's constitutional rights do not require equal protection.

Mr. FONG. In general, State laws are adequate to protect persons who travel in interstate commerce but who may not fall within the ambit of H.R. 2516. We are trying to confine this bill to areas of urgent necessity for additional Federal legislation. We do not wish to broaden it to areas where no such need exists. If we were to accept the amendment offered by the distinguished Senator from North Carolina, we would in many respects be extending the Federal Government's jurisdiction unnecessarily.

Mr. ERVIN. Let me say to my good friend, the Senator from Hawaii, that he is misconstruing my amendment. My amendment does not make it a crime in any case, unless force or threat of force sufficient to constitute an assault is used against a man because he has undertaken or is undertaking to exercise specified constitutional rights or specified rights under Federal laws. The difference between the Hart bill and my amendment on this phase of it is that my amendment would give protection to all men of all races, and would apply to all men under like circumstances, regardless of race, color, religion, or national origin, while the Hart bill would apply only if the act were motivated by race, color, religion, or national origin.

I cannot see any difference between using force to deny a man a constitutional right because of the color of his skin and using force to deny him his constitutional right because of the color of his necktie. Every man's constitutional rights should be protected. The Hart bill does not do that.

Mr. FONG. The Hart bill contemplates primarily cases which are racially motivated. This is the area in which it has been convincingly shown a serious problem of law enforcement exists. Beyond that, it is neither wise nor desirable to go.

Returning to my statement:

Schwerner, Chaney, and Goodman, three civil rights workers involved in voter registration drives in Mississippi, one a Negro, the other two Caucasians from New York, brutally murdered in Neshoba County, Miss., in June 1964. There were no State convictions in this case, either. And of the 18 defendants tried in Federal court—under section 241—seven were convicted, eight acquitted, and three released because of a hung jury. The appeal of the seven convicted persons is now on appeal.

The Rev. James Reeb, a Unitarian clergyman shot and killed in Selma, Ala., in March 1965, while working in a voter registration campaign. Three defendants were tried in State court and all three were acquitted. No Federal prosecution occurred because of the inadequacies of existing law.

Viola Liuzzo, wife of a Michigan Teamster official, mother of several children, did not participate in the Selma-to-Montgomery, Ala., march, in 1965, but was shot while providing transportation for marchers returning to Selma after the march. Again, no State prosecution. But three persons were indicted and three persons convicted under section 241.

Mr. President, I have described only a few of the cases of racial violence which have received extensive publicity. There have been, and there continue to be, countless other instances which may or may not have been widely publicized.

I refer to situations in which children attending desegregated schools and their parents have been attacked by mobs of private persons. I have in mind school officials and employers, who have extended equal educational and employment opportunity to Negroes, threatened with violence and bodily harm.

The opponents of H.R. 2516 have raised many arguments against the bill, Mr. President, but so far as I can determine, they do not deny that, in some areas, local law enforcement has failed to deal with racially motivated crimes.

SUBSTITUTE WOULD DESTROY FEDERAL SYSTEM

Some opponents have argued that the bill as reported by the Committee on the Judiciary is too limited in scope, because it is only applicable to crimes committed "because of race, color, religion, or national origin." They have, therefore, introduced a substitute bill which omits the factor of race, color, religion, or national origin. The substitute thereby purports to cover the entire panoply of civil rights, embracing in its sweeping ambit rights ranging from the freedom of travel, freedom of employment, to rights of protection for law-enforcement personnel, to rights relating to race relations.

Aside from the tremendously ambiguous language of the substitute bill, that bill would do irreparable damage to the principles of federalism so basic to our system of government.

The civil rights proposed to be protected under the substitute measure are indeed important and fundamental ones. In some instances, Federal legislation may well be justified and required. I submit, however, that this should be done on the merits of each situation in which there is a clearly demonstrated need for Federal protection.

I am sure that when we come to examine specific situations, State laws in many instances will be found to be entirely adequate to deal with specific crimes. The extension of Federal authority into these areas—traditionally reserved to the States and adequately covered by the States—would be inconsistent with our federal system and would have the effect of destroying it.

Yet, Mr. President, these opponents of H.R. 2516 are so opposed to this bill, that they are willing to wash away all traditional rights of States, sacrificing them all at the expense of our Federal system.

The committee bill, H.R. 2516, is limited in scope. Our principles of federalism require that. In adopting legislation of this type, Congress should proceed with great caution—restricting itself to matters as to which there has been clearly established a need for a Federal law.

I believe that the proponents of the committee bill have established a very strong and compelling case for the need of Federal legislation to curb crimes of racial violence. Because racially-based crime has presented a special law enforcement problem, we are proposing H.R. 2516 as a special solution, especially tailored to meet this critical problem.

Thus, in my opinion, H.R. 2516 does not unduly expand Federal power. Rather, it is a proper and restrained response to a very real need.

H.R. 2516 IS CONSTITUTIONAL

During the debate on this bill, it has been said that its adoption would amount to illegally amending the 14th amendment. Of course, no statute can "amend the Constitution." When Congress exercises its legislative power, it must do so within the bounds set forth by the Constitution.

The primary objection of the opponents of H.R. 2516 is the fact that the bill would reach interference by private parties under the 14th amendment—that H.R. 2516 would protect rights relating to the equal enjoyment of State facilities and activities, such as public schools, municipal parks, public assistance programs, and the State electoral process. They contend that the 14th amendment does not go this far in its guarantees.

While the 14th amendment does not specifically forbid private discrimination against persons seeking to enjoy State facilities and activities, section 5 of that amendment expressly authorizes Congress to enact appropriate legislation to "enforce" its substantive guarantees.[2]

The scope of this congressional implementing power is broad; and any doubt that this power can reach private acts to obstruct equal access to State facilities and benefits has been laid to rest by the opinions of Mr. Justice Clark and Mr. Justice Brennan, speaking for six Justices of the Court in the case *United States* v. *Guest*, 383 U.S. 745 (1966).[3]

These six justices joined in the view that, in exercising its power under section 5, Congress can prohibit private interference with rights which rest upon section 1. Let me illustrate this view.

The equal protection clause of section 1 is the basis for the requirement that public schools be free of de jure segregation. Accordingly, the right of an individual to attend a desegregated school is created under section 1 of the 14th amendment. Under section 5, Congress is empowered to enact legislation which enforces the other provisions of the 14th amendment. Surely, Congress could reasonably conclude that, if the right to a desegregated education is to be realized, Negro children and their parents must be free from private interference with that right. They must, for example, be protected from the individual who would attack the child because he is entering a formerly all-white school.

Mr. ERVIN. Mr. President, will the Senator yield at that point for a question?

Mr. FONG. I am happy to yield to the Senator from North Carolina.

Mr. ERVIN. Section 5 of the 14th amendment provides that Congress shall have power to enforce, by appropriate legislation, the provisions of this article. I ask the Senator whether these are not the provisions referred to:

> No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of

---

[2] The relevant language of the 14th Amendment is as follows:

"Section 1. . . . No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

* * * * *

"Section 5. The Congress shall have power to enforce, by appropriate legislation, the provision of this article."

Of course, it has long been settled that Congress may prohibit private interference with Federal rights based on the legislative authority of Congress under the Commerce clause (Article I, Section 8). *United States* v. *Darby*, 312 U.S. 100; *United States* v. *Wrightwood Dairy*, 315 U.S. 110; *Atlanta Motel* v. *United States*, 379 U.S. 241; *Ex Parte Yarborough*, 110 U.S. 651.

[3] In the *Guest* case, six private individuals were indicted under 18 U.S.C. § 241 for conspiring to deprive Negro citizens in the vicinity of Athens, Georgia, of the free exercise and enjoyment of rights secured to them by the Constitution and laws of the United States—that is, the right to use state facilities without discrimination on the basis of race, the right to equal enjoyment of privately owned places of public accommodation (now guaranteed under Title II of the Civil Rights Act of 1964), and the right freely to engage in interstate travel.

Two other cases handed down, *United States* v. *Price*, 383 U.S. 787 (1967) and *Katzenbach* v. *Morgans*, 384 U.S. 641 (1966), reinforced the *Guest* decision. The *Price* case involved the 1964 killings of three civil rights workers in Neshoba County, Mississippi, which was discussed earlier. The *Morgan* case dealt with the Voting Rights Act of 1965.

> life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

Those are the provisions of the 14th amendment which Congress may enforce by appropriate legislation; and there is no provision in that section which applies to any individual who is not an officer of the State, acting on behalf of the State, is there?

Mr. FONG. Will the Senator restate his question?

Mr. ERVIN. I say, there is nothing in those provisions of the 14th amendment to the Constitution which has any reference to any wrongful act of any individual; they apply only to acts of the State denying due process of law, denying the equal protection of the laws, or abridging the privileges and immunities of citizenship, do they not?

Mr. FONG. If the Senator is referring to section 1 of the 14th amendment, he is entirely correct.

Mr. ERVIN. So how can Congress reach the conclusion that wrongful acts of private individuals are covered by the 14th amendment to the Constitution, which applies only to State actions?

Mr. FONG. The Supreme Court of the United States, in *United States* v. *Guest* (383 U.S. 745) considered in 1966, with six Justices concurring, concluded that in exercising its power under section 5, Congress can prohibit private interference with the rights enumerated in section 1.

I agree with the Supreme Court.

Mr. ERVIN. Will not the Senator from Hawaii agree with the Senator from North Carolina that every decision of the Supreme Court from 1868 down to the Guest case held that the 14th amendment applies only to State actions?

Mr. FONG. Yes; up to that time. However, I should point out to the learned Senator from North Carolina that the Supreme Court in all those cases interpreted section 1, and not section 5, of the 14th amendment.

Mr. ERVIN. The opinion in the Guest case was not written by Justice Brennan or Justice Clark, was it? The opinion in the Guest case was written by Justice Potter Stewart, was it not?

Mr. FONG. I do not recall.

Mr. ERVIN. I inform the Senator from Hawaii that that is so.

Here is what the Court says in the Guest case, in the opinion written by Mr. Justice Stewart:

> It is commonplace that rights under the equal protection clause itself arise only where there has been an involvement of the State or of one acting under the color of its authority. The equal protection clause "does not * * * add anything to the rights which one citizen has under the Constitution against another." As Mr. Justice Douglas more recently put it, "The 14th amendment protects the individual against *State action*, not against wrongs done by *individuals*." This has been the view of the Court from the beginning. It remains the Court's view today.

That is the opinion in the Guest case; and what Justice Brennan said was nothing but dictum—merely the expression of his personal opinion. He cited no authority to sustain it; and Justice Clark did not even agree with Justice Brennan. He talks about reaching conspiracies, and Justice Brennan talks about reaching something else.

So the statements in Guest case, relating to the power of Congress to legislate against actions of individuals under the 14th amendment are nothing but dicta; and dictum by a judge is akin to the weakness which prompts a Senator, like myself, to talk too much.

Mr. FONG. Yes, and sometimes it becomes law, in many cases.

Mr. ERVIN. And sometimes not.

Mr. FONG. But I do not agree that it was dictum. I believe it represented the primary thrust of the court's reasoning. After all six Justices said that private actions could be reached under section 5 of the amendment. I am sure this will ultimately be the law of the land.

Mr. ERVIN. Not yet. I thank the Senator for yielding. I hope it has not caused him any inconvenience.

Mr. FONG. No, it did not. I enjoyed this colloquy with the distinguished Senator.

The occurrence or the threat of such an attack would not be an action of the State, but it would be just as detrimental to the exercise of the constitutional right to attend a desegregated school as the acts of a recalcitrant school official.

It is plain in my judgment that the Guest opinion makes clear the constitutionality of this bill.

COVERAGE MISUNDERSTOOD

The committee version of H.R. 2516 has been criticized by opponents on the ground that violence by white people against white people and Negroes against Negroes because of attempts to exercise Federal rights would not be covered by the bill.

Where criminal conduct is committed by a person of the same racial background as his victim, it is not necessarily true that the conduct would fall outside the reach of H.R. 2516.

If the acts complained of were committed because of the victim's race, color, religion, or national origin, and the other elements of the crime were present, a violation would be made out, regardless of the race or color of the person committing the offense.

As a practical matter, in the typical case, a racially motivated crime will involve acts committed by members of one race against another race.

However, there are many exceptions; for example, crimes based on the victim's religion or national origin may have no racial aspect; crimes against civil rights workers under subsection (b) of the bill, or against public officials under subsection (c) of the bill, might often find the defendant and the victim members of the same racial background.

It is misleading oversimplification to imply that Federal jurisdiction under the bill somehow depends upon a diversity of racial background between criminal and victim.

H.R. 2516 SHOULD BE ENACTED PROMPTLY

Mr. President, it is my judgment that little can be gained from additional debate on H.R. 2516. Repeatedly, the need for this legislation and its constitutionality have been demonstrated—in committee hearings, reports, and during floor debate—in 1966, in 1967, and again in 1968.

This legislation proposes a criminal statute designed to respond to demonstrated needs. It would effectively deter and punish interference by force or threat of force with rights protected by Federal statutes or the Constitution of the United States.

H.R. 2516 would strengthen the Government's ability to meet the problem of violence arising out of civil rights activities.

A Nation which prides itself upon the rule of law cannot further tolerate the denial of constitutional rights by violence.

H.R. 2516 should be adopted without further delay.

Mr. President, I yield the floor.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. ERVIN. Mr. President, I have proposed several amendments to this measure. One of them bears the number 429. Another bears the number 430. Another is the amendment which constitutes the pending business, and bears the number 505.

Another amendment bears the number 504. Another bears the number 503. Another bears the number 502. Still another bears the number 501.

Another bears number 500.

Another bears number 506.

Another bears number 520.

Another bears number 499.

And another amendment bears number 498.

Mr. President, I ask unanimous consent that these amendments be deemed and considered as having been read for the purpose of satisfying the provisions of rule XXII and the provisions of any other rules of the Senate requiring the reading of amendments.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none, and it is so ordered.

Mr. ERVIN. Mr. President, William Gladstone said that the Constitution of the United States was the greatest document ever struck off at any given time by the mind and purpose of man.

This statement is correct insofar as it states that the Constitution was reduced to writing at a given time. It is also correct in that it states that it is the greatest document ever devised by the mind of man.

However, the statement is not correct if it is to be construed to state that the ideas and the concepts and the rules stated in the Constitution were all devised at the time the Constitution was written.

The Constitution of the United States is a document which incorporates in its provisions all of the great rights wrung by the people from the hands of tyrannical government.

The best description of how the Constitution was written and came into being as a document of government was given by one of the ablest of all American lawyers, Jeremiah S. Black, chief counsel for the petitioner in the greatest and most courageous decision the Supreme Court of the United States ever handed down, ex parte Milligan.

Mr. Black said in his argument before the Supreme Court in that case:

> But our fathers were not absurd enough to put unlimited power in the hands of the ruler and take away the protection of law from the rights of individuals. It was not thus that they meant to secure the blessings of liberty to themselves and their posterity. They determined that not one drop of blood which had been shed on the other side of the Atlantic, during seven centuries of contest with arbitrary power, should sink into the ground; but the fruits of every popular victory should be garnered up in this new government. Of all the great rights already won they took not an atom away. They went over Magna Carta, the Petition of Right, the Bill of Rights, and the Rules of the Common Law and whatever was found there to favor individual liberty they carefully inserted in their own system.

The men who drew the Constitution were undoubtedly the best equipped men for such a task that this Nation has ever known. They were familiar with the long and bitter struggle of men for the right of self-government. They knew that government has an insatiable thirst for power, and they knew that no government will stop short of tyranny unless it is restrained by some organic law which government itself cannot alter or repeal. So, they wrote the Constitution for a threefold purpose:

First. To define the powers that the government which they were creating was to possess;

Second. To establish a government of laws in which all laws should apply in like manner to all men in like circumstances; and,

Third. To secure to the individuals residing in the country certain basic rights which they could assert against government itself.

These wise men knew that Thomas Hobbs spoke an everlasting truth when he said:

> Freedom is government divided into small fragments.

As a consequence, they divided the powers of government between the National Government on the national level and the State governments on the State level. They gave the National Government certain limited powers which are either expressly stated or necessarily implied in the Constitution. They did that to keep the Federal Government restricted to the domain which the Constitution assigns to the Federal Government. And they left all of the other powers of government to the States.

Among the powers of government which they left to the States was the power to define, prosecute, and punish crimes of violence committed by one individual against another.

This power has always resided in the States, and this bill—the Hart bill—for the first time since George Washington took his first oath of office as President of the United States, down to the present moment, attempts to share it with the Federal Government.

There has been some argument that the Hart bill should be passed because three men were murdered in Mississippi and because a few other interracial crimes were committed in Southern States. I do not favor conferring upon the Federal Government the power to define, to prosecute, and to punish crimes of violence committed by one individual against another. But if Congress is going to go into that field, it should have as much concern with the 180 unsolved murders committed in the State of New York in 1966 as with crimes committed in the South. I venture the assertion, without fear of successful contradiction, that there were more unsolved murders committed in New York State alone in 1 year—1966—than the number of unpunished interracial murders committed in all the Southern States during this generation. As a matter of fact, 23.1 percent of the 780 murders committed in New York in 1966 have never been solved.

I might add, incidentally, that the State of Mississippi, where an atrocious murder was committed—involving a Negro who resided in Mississippi and two boys who had come down from New York—according to the FBI figures, is the most law-abiding State in the United States, with the exception of North Dakota.

I call attention to the fact that in the State of Massachusetts, whose Senators will undoubtedly be strong advocates of the Hart bill, 21 of the 103 murders committed in 1966 remain unsolved. That is 20.4 percent of all the murders committed in Massachusetts during that year.

Now, I do not favor the Federal Government taking over the task of detecting, prosecuting, and punishing the unsolved murders committed in New York and Massachusetts and other States. But, for the life of me, I cannot understand why Senators are concerned with murders committed in Mississippi and Georgia, and in limited numbers in States below the Mason-Dixon line, and have no concern whatever for the fact that the next most populous State in the Union, New York, had 180 unsolved murders in 1966.

I might state that the most populous State, California, had 92 unsolved murders in 1966, which is 15.2 percent of all the murders committed in that State during that year.

I mention that the Constitution leaves to the States, under the reserved powers of the States, the power to define, to prosecute, and to punish crimes of violence committed by one individual against another. Not a single syllable in the Constitution of the United States confers on the Federal Government a general power to define, prosecute, and punish crimes of violence committed by one individual against another.

The absolute necessity of abiding by the Constitution and leaving to the State the powers which the Constitution reserves to the States was well expressed by a Democratic president who was the most knowledgeable concerning government of any occupant of the White House. I refer to Woodrow Wilson. He said this:

> Liberty has never come from the government. Liberty has always come from the subjects of it. The history of liberty is the history of the limitation of governmental power, not the increase of it. When we resist, therefore, the concentration of power, we are resisting the processes of death, because concentration of power is what always precedes the destruction of human liberties.

During recent years we have heard much of the bills which are given the beguiling name of "civil rights bills." All these bills have been passed for the avowed purpose of securing so-called rights to a minority of our population.

Back in 1883, Justice Bradley, one of the wisest men who ever served on the Supreme Court of the United States, had something wise to say about this segment of our population.

It is something which the Senate should consider at this time. Justice Bradley said:

> When a man has emerged from slavery, and by the aid of beneficent legislation has shaken off the inseparable concomitants of that state, there must be some stage in the progress of his elevation when he takes the rank of a mere citizen, and ceases to be a special favorite of the laws, and when his rights as a citizen, or a man, are to be protected in the ordinary modes by which other men's rights are protected.

Mr. President, the bill is repugnant to the concept of Justice Bradley that all Americans, regardless of race, national origin, or religion, should have their rights as citizens or as men protected by the ordinary modes by which other men's rights are protected.

Justice Bradley's observation is sound, because it is in complete harmony with the intent of the drafters of the Constitution that all laws should apply in like manner to all men in like circumstances.

If the national sanity of the United States were not impaired, as it is, by the unceasing agitation about racial matters, the bill would be clearly seen for what it is—an absurd bill, inconsistent with the doctrine of equality of all men before the law, and inconsistent with the principle that all just laws apply in like manner to all men in like circumstances.

If a Christian, assuming a Christian could do such a thing, should murder a Mohammedan because the Mohammedan is attemtping to exercise a constitutional right and because of the Mohammedan's religion, the Christian would be covered by this bill. I use the word "Christian" to signify a man who professes to be a Christian rather than one who practices Christianity.

However, if a Christian kills 1,000 Mohammedans because they are attempting to exercise their constitutional rights, and is not actuated by their religion in so doing, this bill would not cover him at all. That shows the manifest absurdity of the bill.

Lawyers are familiar with the old principle of the law that Federal courts are given by the Constitution jurisdiction of civil cases between citizens of different States. We call that jurisdiction based on diversity of citizenship.

This bill would give to the Federal courts criminal jurisdiction based upon diversity of color, diversity of race, diversity of religion, or diversity of national origin. Surely these factors are absurd bases upon which to create a law.

I think that the constitutional rights of each man, regardless of his race, regardless of his color, regardless of his religion, and regardless of his national origin, are just as precious as the constitutional rights of other men.

Why should the Senate be considering a bill which shows it is concerned about the constitutional rights of some people and has no concern about the constitutional rights of all of the other American people?

The Founding Fathers drew the Constitution, as I have said, with the purpose, among other things, of defining the powers that the Federal Government was to take and exercise. It intended that all Members of Congress, and the President, and the Supreme Court should abide by that Constitution. I say this because it requires each of them to take an oath or to make an affirmation that he will support the Constitution.

In the very nature of things, a written document cannot enforce itself. It must be enforced by human beings, and those who wrote our Constitution and those who wrote amendments to our Constitution contemplated that the men taking oaths or making affirmation to support that Constitution would abide by that oath or affirmation and obey the words of the Constitution.

It is a great pity that the Constitution cannot enforce itself, and that in the very nature of things its enforcement must be left to men, men who sometimes sell constitutional truth to serve the political hour, and men who are sometimes so enamored of their own personal notions of what the Constitution should say that they refuse to go by what the Constitution does say.

One of America's wisest sons of all time, Judge Learned Hand, said something on this subject. He said:

> I often wonder whether we do not rest our hopes too much upon constitutions, upon law and upon courts. These are false hopes; believe me, these are false hopes. Liberty lies in the hearts of men and women; when it dies there, no constitution, no law, no court can save it; no constitution, no law, no court can even do much to help it. While it lies there, it needs no constitution, no law, no court to save it.

I say with profound regret that legislation and judicial opinion of the past several years make it manifest that devotion to the words of the Constitution has died in the hearts of some men in high official positions.

Some provisions in the Hart bill are based upon powers of States rather than on powers of the Federal Government, and that makes the Hart bill a dangerous bill. It may be a little difficult for men to do evil the first time; but when men do evil the first time it is easier for them to do evil the second time, and so on. I do not accuse anybody of intending to do evil. Those who succumb to the temptation to do constitutional evil believe that good will result from it.

Mr. President, Eve did not intend to do evil when she ate the forbidden fruit. She looked at the forbidden fruit and saw it was plesant to the eye and believed it to be good for food. Moreover, she had been told by the serpent that eating the forbidden fruit would make one wise. Eve wanted wisdom so she disobeyed the Almighty. She had a good motive. She wanted enlightenment of mind. She wanted to extend her intellectual horizons. She intended to do good by doing evil.

That is what men do when they advocate bills which cannot be reconciled with constitutional principles. The portions of the Hart bill which are concerned with enrollment in schools and colleges, the use of State facilities, and service upon State juries are concerned with matters which are within the domain of the State. The Federal Government has no concern whatever with them except to prevent the State from doing certain things in respect to them in violation of the 14th amendment. Despite this, the Hart bill undertakes to regulate these things and to make Federal crimes of wrongful acts of individuals relating to persons in attendance at schools, persons using State facilities, and persons summoned to serve on State juries. But the Federal Government has no power in respect of those matters other than its power to enforce certain specified State action under the restricted power given it by the 14th amendment.

Mr. President, what is the relevant part of the 14th amendment? It is the first section:

> No State—

It does not say "no individual."

The first section states:

> No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State—

It does not say "any individual"—

> nor shall any State deprive any person of life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

Mr. President, it is an absolute impossibility for any individual to violate the provisions of the 14th amendment. An individual cannot abridge anyone's privileges or immunities as citizens of the United States.

An individual cannot deprive any person of life, liberty, or property, without due process of law.

The only persons who can do those things are the legislative, executive, or judicial public officials who are acting on behalf of a State.

No person can deny to another person within his jurisdiction the equal protection of the laws. No one can do that, except legislative, executive, or judicial, officers acting on behalf of a State.

There is not a syllable in the 14th amendment that gives Congress power to make wrongful acts of individuals Federal crimes.

The fifth section of the 14th amendment does not do that. The fifth section merely says:

> The Congress shall have power to enforce, by appropriate legislation, the provisions of this Article.

These are the provisions of the amendment which forbids a State to abridge the privileges and immunities of Federal citizenship, or to deprive any person within its jurisdiction of due process of law, or to deny to any person within its jurisdiction the equal protection of the laws.

Mr. President, I say this without fear of successful contradiction by any Member of the Senate, by any of the hundreds of lawyers in the Department of Justice who are lobbying for the pending bill, or by any other human being: Every decision ever handed down by the Supreme Court of the United States declares that first section of the 14th amendment, which I have read, applies only to State action and that provision, and the fifth section relating to the power of Congress to enforce that provision by appropriate legislation, have no possible application to any wrongful acts of any individuals.

Yet, the Hart bill undertakes, for the first time in the history of this Nation, to have the Federal Government enter into a field which the Constitution of the United States reserves to the States. If the Congress can do this, it can assume virtually every governmental power reserved by the Constitution to the States, and thus destroy the federal system which the Constitution was ordained to establish.

Mr. President, there are scores and scores and scores of decisions sustaining what I say; namely, that the equal protection of the laws clause, the due process of law clause, and the privileges and immunities clause in the 14th amendment refer to State action and to State action alone.

As I stated a moment ago during the colloquy with the distinguished Senator from Hawaii [Mr. FONG] regarding the Guest case, the majority opinion written by Justice Potter Stewart, affirms what scores and scores and scores of other decisions held.

I read again from what Justice Potter Stewart had to say:

> It is commonplace that rights under the equal protection clause itself arise only where there has been an involvement of the State or of one acting under color of its authority. The equal protection clause does not add anything to the rights which one citizen has under the Constitution against another.

As Mr. Justice Douglas more recently put it:

> The Fourteenth Amendment protects the individual against State action and not against wrongs done by individuals.
>
> This has been the view of the Court from the beginning. It remains the Court's view today.

Mr. President, I do not know how anything could be said more clearly on that subject.

There were two concurring opinions in which certain of the justices, as one of their associates Justice Harlan intimated, talked too much—talked about matters not involved in the case. But those judges have written opinions, which I can cite, and will cite if this debate continues, in which they, too, say that the 14th amendment is applicable exclusively to State action and has no possible application to wrongs done by one individual against another.

Yet that is precisely what the several sections in the Hart bill, relating to State activities, would attempt to do.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ERVIN. Yes; I am delighted to yield to the distinguished Senator from Louisiana.

Mr. ELLENDER. Is it not a fact that the majority decision in the Guest case, which proponents are citing as authority, held that very thing?

Mr. ERVIN. Yes. Exactly that.

Mr. ELLENDER. What they cited was dictum in concurring opinions by some other judges?

Mr. ERVIN. Yes. The concurring opinions were written by Justice Clark and Justice Brennan, both of whom had written several decisions in which they said that the 14th Amendment applies only to State action.

Mr. ELLENDER. Is the Senator familiar with any majority decision wherein the contrary has been found?

Mr. ERVIN. I have read all of these cases, I think, and on the basis of having read them, I make the assertion that no such majority decision exists.

Mr. ELLENDER. I agree with the Senator thoroughly.

It seems to me to be clear that the sole purpose of the 14th amendment to the Constitution as well as the 13th and 15th was to change the legal system governing persons which prevailed prior to their adoption. The purpose was to restrict the actions of the State government and by so doing abolish the State laws which treated persons differently based on race or previous condition of servitude. The State as well as the Federal Government were prohibited from enacting legislation which treated persons differently based on race.

No attempt was made by those amendments to regulate relations between men, but only relations between the governments, both Federal and State, and man. It is clearly written that "No State shall" do such and such. There is a whole body of common law which protects a person in his relations with another and it is sufficient. I thank the Senator from North Carolina.

Mr. ERVIN. Mr. President, I want to review many of these cases. I have gotten near the end of the preamble to this speech. I want to continue it on a subsequent occasion. I want to convince my brethren who differ with me that the 14th amendment applies only to State action and persuade them, if I can, to vote for my amendment, which is perfectly constitutional, and which would be a just bill if Congress is going to enter this field. This is true because it protects the constitutional rights of all people, and does not make the interest of the Federal Government in their constitutional rights depend on race, color, religion, or national origin. It treats all men alike under like circumstances.

Manifestly, I cannot do that at this hour, and for that reason I ask unanimous consent that I may continue my remarks on a subsequent occasion without having the remarks I have made today and the remarks I may make on a subsequent occasion in elaboration of these remarks count as anything save one speech.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ERVIN. Under authority of the unanimous consent so granted, I yield the floor for the time being.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, notwithstanding rule VIII, I may proceed briefly on another subject.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

FIFTH ANNIVERSARY OF W. A. BOYLE AS PRESIDENT OF UNITED MINE WORKERS OF AMERICA

Mr. BYRD of West Virginia. Mr. President, I call attention to an editorial in the February 1 issue of the United Mine Workers Journal. This editorial calls attention to the fact that Mr. W. A. "Tony" Boyle celebrated his fifth anniversary on January 19 as President of the United Mine Workers of America.

I call attention to the fact that Mr. Boyle is the 11th American coal miner to hold the chief executive's office of this great labor union. It is a union which speaks for coal miners in more than 25 States of the United States and several provinces of the Dominion of Canada.

Mr. Boyle has had a very interesting career. His Irish father began work in the coal mines of Scotland at the age of 9; and his grandfather and great-grandfather worked in the coal mines of the United Kingdom.

Mr. Boyle has performed a great service during these 5 years for the United Mine Workers of America, as an organization, and also for the miners who make up the union. For example, he has been very active in the promotion of coal mine safety. This is a subject of intense personal interest to him.

One of the great legislative victories of his career was the enactment by the last Congress of an amendment to the Federal Coal Mine Safety Act which brought mines employing 14 or fewer men underground under the enforcement provisions of the Safety Act.

During the presidency of Mr. Boyle there have been many notable improvements in coal mine safety throughout the United States. I call attention to the fact that last year, when the coal mines of the United States were producing 549 million tons of soft coal, 217 miners were killed. This was the lowest death toll in the statistical history of mine fatalities. The death rate per million man hours of exposure, to wit, 0.91, was the lowest since 1953, at which time the previous low was set.

Mr. Boyle should be commended for his leadership in the field of coal mine safety, and he also should be commended for the many other accomplishments which have been brought about through his leadership, such as improvements in wage contracts with the American coal industry.

I shall not enumerate the many improvements which have resulted from the leadership and dedicated work of this great United Mine Workers chieftain, but I shall merely ask, in a moment, that those be enumerated in the RECORD. I only wish at this point to add my congratulations to the United Mine Workers president and to say that American coal miners can be proud of a president who works night and day for the miners, who elected him to this important post, and for their families.

I ask unanimous consent that the editorial, entitled "January 19 Was President Boyle's Fifth Anniversary as Head of UMWA" be inserted in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the United Mine Workers Journal, Feb. 1, 1968]

JANUARY 19 WAS PRESIDENT BOYLE'S FIFTH ANNIVERSARY AS HEAD OF UMWA

This is by way of congratulations to *UMWA International President W. A. Boyle* on his fifth "birthday" as President of our Union.

It was five years ago on January 19, 1963, that the sad news was announced that the UMWA's beloved *Thomas Kennedy,* who had served as International President from January 14, 1960—succeeding *John L. Lewis,* who had retired—had died at his home in Hazleton, Pa., following a lengthy illness.

In accordance with provisions of the *International Constitution,* Boyle, who had been *Acting President* from December 1, 1962, succeeded to the Presidency of the International Union. He was subsequently elected to a full term by the membership.

President Boyle, a former Montana coal miner, thus became the 11th American coal miner to hold the chief executive office of the International Organization which speaks for coal miners in more than 25 states in the United States and several provinces of the Dominion of Canada.

Boyle is the first of the 11 leaders of the UMWA to come from a Western coal mining state.

To refresh the memories of our readers it is worth while to recall some of President Boyle's career. He comes from a family of many generations of coal miners. His Irish father began work in the coal mines of Scotland at the age of nine and before him his grandfathers and great-grandfathers worked in the coal mines in the United Kingdom.

Boyle, while working in the mines in the western states, served in various *Local Union* offices of the UMWA and in 1940 was elected *President of UMWA District 27* (*Montana, North Dakota* and, more recently, *Alaska*). During the industrial union organizing days, Boyle served as regional director for the Committee for Industrial Organization (CIO) in four western states and later as regional director of *UMWA District 50* in the same area.

During World War II, Boyle represented the UMWA on various government commissions. He also served in various capacities on state commissions in Montana.

Boyle's "schooling" in the top leadership of the UMWA started in 1948 when he was assigned to the International headquarters as an Assistant to President Lewis. During the period from 1948 until 1960, when he became *International Vice President,* Boyle represented the UMWA on numerous government and labor-management boards and committees including the *Joint Board of Review* and the *Joint Industry Safety Committee.*

Coal mine safety has been with President Boyle, as with all coal miners, a subject of intense personal interest and the greatest legislative victory in his career was the enactment by the 89th Congress of an amendment to the Federal Coal Mine Safety Law that brought so-called Title I coal mines (those employing 14 or less men underground) under the enforcement provisions of the Safety Act.

While on the subject of coal mine safety it is worthy of note that during President

Boyle's first five years as UMWA President there have been notable improvements in coal mine safety throughout the United States. President Boyle has always worked intensely for constructive cooperation in the field of improved mine safety and the record in recent years speaks for itself.

President Boyle has served for a year now as *Chairman of the Board* of the *National Coal Policy Conference, Inc.*, the coal industry's "one voice" that speaks with authority on the legislative and public relations problems of the bituminous coal industry. During his term in office there has been increasing action in behalf of the welfare of the coal industry and its workers.

President Boyle serves also as *Chairman* of the UMWA's legislative agency, *Labor's Non-Partisan League*, the labor movement's oldest legislative and political action organization. As LNPL Chairman Boyle has steered a middle-of-the-road course politically in the legislative and political field working to help elect labor's friends and defeat labor's enemies in national politics.

It has been President Boyle, more than any other individual, who has managed to stir up some constructive action—finally—to go after the atomic energy "establishment" that is hell bent on building dangerous atomic energy power plants with taxpayers' funds. Boyle launched his campaign against these plants publicly in his 1967 Labor Day speech in Wheeling, W. Va. Basically Boyle's position is simply that the growth of the government-subsidized nuclear power industry is a threat to the health and safety of all Americans. Secondly, it is a direct threat to the welfare of the coal industry and its workers.

The anti-atomic energy campaign is continuing and it would appear that the second session of the 90th Congress, now meeting, is just beginning to stir on the subject. Boyle's campaign to alert the American people to the hazards of nuclear power is continuing.

But for coal miners, obviously the most important accomplishments of President Boyle have been the improvements in the wage contracts with the American coal industry.

To refresh the memories of our readers let us recite just a few of the major improvements that have come to members of the UMWA under President Boyle's leadership.

He signed his first National Bituminous Coal Wage Agreement on March 23, 1964. The *Journal* reported on April 1, 1964, that the bituminous coal miners had won:

A $2-a-day wage increase;

Mine-wide seniority (to replace classification seniority);

Assignment of a helper to work with all operators of continuous mining machines;

A $25 increase in vacation pay bringing the total for the two-week vacation period to $225;

The recognition, for the first time in the soft-coal contract, of seven holidays with double-time pay for work done on those days;

Time and one half pay for Saturday work as such;

Double time pay for Sunday work as such;

The elimination of charges against coal miners for use of bath houses and wash houses.

President Boyle's second contract came in 1966. It was a much more involved negotiation but as always the operators and coal miners eventually settled on an agreement that was mutually satisfactory.

The 1966 agreement now in effect, and reopenable this year, provided:

A $1-a-day wage increase;

Eight *paid* holidays (an improvement of major proportion because previously coal miners had not received any pay for holidays unless they were worked);

A boost in vacation pay to ten times the daily rate paid the coal miner, plus the addition of any shift differentials and holiday pay due him;

Boosts in second and third shift differentials to 8 and 10 cents an hour additional pay, respectively (from previous differentials of 4 and 6 cents an hour);

Shift preference and improved seniority;

An improvement in the "helper" clause.

In the 1966 agreement continuous mining machine operators, inside electricians and inside mechanics got a $1.32 a day wage boost (instead of $1 a day) to bring their top wages to $30 a day.

Basic wages in the bituminous coal industry went, under the 1966 agreement, from $26.25 a day to $27.25 a day and the top-rated men mentioned above got their wages boosted from $28.68 a day to $30 a day.

The 1966 agreement was to run for 30 months, from April 1, 1966, to September 30, 1968.

(President Boyle already has informally—but publicly—told the coal operators that he intends to negotiate a new agreement this year.)

Day-rate men were guaranteed, in the 1966 agreement, four hours of pay once they entered the coal mine. In the 1964 agreement they had been guaranteed only two hours of pay.

The 1966 agreement provides shift preference based on seniority in mines where shift rotation was not then practiced.

The revised seniority clause in the 1966 agreement retained the 1964 principle of mine-wide seniority but improved the clause by specifying that when a mine is abandoned or closed, the laid-off employe had the right to transfer to another mine of the same company in the same UMWA District before the company could hire any new men.

The boost in vacation pay has meant an average increase throughout the industry of $55 on top of the $225 paid in the 1964 contract.

The 1966 agreement provided, for the first time, on an industry-wide basis that UMWA Mine Safety Committeemen, would be compensated by the operator when they investigate mine explosions or disasters.

The 1966 agreement provided, for the first time in the history of the industry, that coal operators *must* furnish bathhouses or wash-up facilities without charge to the coal miners.

Little or nothing was overlooked in this meticulously worked out agreement. For example, the 1966 agreement provided that companies must make bulletin boards or bulletin spaces available to the UMWA.

Coal miners, under the existing agreement, receive compensation from the operator for jury duty.

Important improvements were written into the "helper" clause, including the fact that the helper must receive the operator rate of pay when he operates the machine.

Two vacation schedules were set up in the 1966 agreement to start in 1967. This was written in to spread employment and to aid the coal industry keep operating so that all contract companies would not have to shut down their mines completely during the UMWA vacation period.

That's just part of a remarkable record for five years.

Is it enough?

Well, President Boyle is on record as saying that it isn't and that he intends to improve the agreement in this year's negotiations.

So once again, congratulations!

As always American coal miners can be proud of their President who has made it crystal clear during his first five years in office that he works night and day for the men who elected him to his important post.

—JUSTIN MCCARTHY.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate adjourn until 12 o'clock meridian on Monday next.

The motion was agreed to; and (at 3 o'clock and 38 minutes p.m.) the Senate adjourned until Monday, February 5, 1968, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 2, 1968:

DEPARTMENT OF STATE

Edward D. Re, of New York, to be an Assistant Secretary of State.

U.S. ADVISORY COMMISSION ON INFORMATION

The following-named persons to be members of the U.S. Advisory Commission on Information for terms of 3 years expiring January 27, 1971, and until their successors are appointed and qualified:

Palmer Hoyt, of Colorado.

Morris S. Novik, of New York.

EXTENSIONS OF REMARKS

George Kennan

HON. JEFFERY COHELAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 2, 1968

Mr. COHELAN. Mr. Speaker, in a wistful moment at the end of an article which appeared recently in the New York Times magazine, Mr. George Kennan observed:

> How wonderful it would be if we and they—experience on the one hand, strength and enthusiasm on the other—could join forces.

Such is Mr. Kennan's lament after his review of the disaffection of today's younger generation.

Mr. Kennan ranges widely over the college scene, pausing to comment on the firmness with which convictions are held, the disaffection with the "system," and much of the rest which concerns collegiate society.

On the subject of young conviction, Mr. Kennan sagely notes:

> It lies within the power as well as the duty of all of us to recognize not only the possi-

bility that we might be wrong but the virtual certainty that on some occasion we are bound to be.

I believe Mr. Kennan has contributed important insights and has articulated quite well some old thoughts on the problems of our young citizens.

And so, I commend Mr. Kennan's article to my colleagues, and insert the article in the RECORD at this point:

REBELS WITHOUT A PROGRAM

(By George F. Kennan)

There is an ideal that has long been basic to the learning process as we have known it, one that stands at the very center of our modern institutions of higher education and that had its origin, I suppose, in the clerical and monastic character of the medieval university. It is the ideal of the association of the process of learning with a certain remoteness from the contemporary scene—a certain detachment and seclusion, a certain voluntary withdrawal and renunciation of participation in contemporary life in the interests of the achievement of a better perspective on that life when the period of withdrawal is over. It is an ideal that does not predicate any total conflict between thought and action, but recognizes that there is a time for each.

No more striking, or moving, description of this ideal has ever come to my attention than that which was given by Woodrow Wilson in 1896 at the time of the Princeton Sesquicentennial.

"I have had sight," Wilson said, "of the perfect place of learning in my thought: a free place, and a various, where no man could be and not know with how great a destiny knowledge had come into the world—itself a little world; but not perplexed, living with a singleness of aim not known without; the home of sagacious men, hardheaded and with a will to know, debaters of the world's questions every day and used to the rough ways of democracy; and yet a place removed—calm Science seated there, recluse, ascetic, like a nun; not knowing that the world passes, not caring, if the truth but come in answer to her prayer. . . . A place where ideals are kept in heart in an air they can breathe; but no fool's paradise. A place where to hear the truth about the past and hold debate about the affairs of the present, with knowledge and without passion; like the world in having all men's life at heart, a place for men and all that concerns them; but unlike the world in its self-possession, its thorough way of talk, its care to know more than the moment brings to light; slow to take excitement, its air pure and wholesome with a breath of faith; every eye within it bright in the clear day and quick to look toward heaven for the confirmation of its hope. Who shall show us the way to this place?"

There is a dreadful incongruity between this vision and the state of mind—and behavior—of the radical left on the American campus today. In place of a calm science, "recluse, ascetic, like a nun," not knowing or caring that the world passes "if the truth but come in answer to her prayer," we have people utterly absorbed in the affairs of this passing world. And instead of these affairs being discussed with knowledge and without passion, we find them treated with transports of passion and with a minimum, I fear, of knowledge. In place of slowness to take excitement, we have a readiness to react emotionally, and at once, to a great variety of issues. In place of self-possession, we have screaming tantrums and brawling in the streets. In place of the "thorough way of talk" that Wilson envisaged, we have banners and epithets and obscenities and virtually meaningless slogans. And in place of bright eyes "looking to heaven for the confirmation of their hope," we have eyes glazed with anger and passion, too often dimmed as well by artificial abuse of the psychic structure that lies behind them, and looking almost everywhere else but to heaven for the satisfaction of their aspirations.

I quite understand that those who espouse this flagrant repudiation of the Wisconian ideal constitute only a minority on any campus. But tendencies that represent the obsession of only a few may not be without partial appeal, at certain times, and within certain limits, to many others. If my own analysis is correct, there are a great many students who may resist any complete surrender to these tendencies, but who nevertheless find them intensely interesting, are to some extent attracted or morally bewildered by them, find themselves driven, in confrontation with them, either into various forms of pleasing temptation, on the one hand, or into crises of conscience on the other.

If I see them correctly (and I have no pretensions to authority on this subject), there are two dominant tendencies among the people I have here in mind, and superficially they would seem to be in conflict one with the other. On the one side there is angry militancy, full of hatred and intolerance and often quite prepared to embrace violence as a source of change. On the other side there is gentleness, passivity, quietism—ostensibly a yearning for detachment from the affairs of the world, not the detachment Woodrow Wilson had in mind, for that was one intimately and sternly related to the real world, the objective, external world, whereas this one takes the form of an attempt to escape into a world which is altogether illusory and subjective.

What strikes one first about the angry militancy is the extraordinary degree of certainty by which it is inspired: certainty of one's own rectitude, certainty of the correctness of one's own answers, certainty of the accuracy and profoundity of one's own analysis of the problems of contemporary society, certainty as to the inequity of those who disagree. Of course, vehemence of feeling and a conviction that right is on one's side have seldom been absent from the feelings of politically excited youth. But somehow or other they seem particularly out of place at just this time. Never has there been an era when the problems of public policy even approached in their complexity those by which our society is confronted today, in this age of technical innovation and the explosion of knowledge. The understanding of these problems is something to which one could well give years of disciplined and restrained study, years of the scholar's detachment, years of readiness to reserve judgment while evidence is being accumulated. And this being so, one is struck to see such massive certainties already present in the minds of people who not only have not studied very much but presumably are not studying a great deal, because it is hard to imagine that the activities to which this aroused portion of our student population gives itself are ones readily compatible with quiet and successful study.

The world seems to be full, today, of embattled students. The public prints are seldom devoid of the record of their activities. Photographs of them may be seen daily: screaming, throwing stones, breaking windows, overturning cars, being beaten or dragged about by police and, in the case of those on other continents, burning libraries. That these people are embattled is unquestionable. That they are really students, I must be permitted to doubt. I have heard it freely confessed by members of the revolutionary student generation of Tsarist Russia that, proud as they were of the revolutionary exploits of their youth, they never really learned anything in their university years; they were too busy with politics. The fact of the matter is that the state of being enragé is simply incompatible with fruitful study. It implies a degree of existing emotional and intellectual commitment which leaves little room for open-minded curiosity.

I am not saying that students should not be concerned, should not have views, should not question what goes on in the field of national policy and should not voice their questions about it. Some of us, who are older, share many of their misgivings, many of their impulses. Some of us have no less lively a sense of the dangers of the time, and are no happier than they are about a great many things that are now going on. But it lies within the power as well as the duty of all of us to recognize not only the possibility that we might be wrong but the virtual certainty that on some occasions we are bound to be. The fact that this is so does not absolve us from the duty of having views and putting them forward. But it does make it incumbent upon us to recognize the element of doubt that still surrounds the correctness of these views. And if we do that, we will not be able to lose ourselves in transports of moral indignation against those who are of opposite opinion and follow a different line; we will put our views forward only with a prayer for forgiveness for the event that we prove to be mistaken.

I am aware that inhibitions and restraints of this sort on the part of us older people would be attributed by many members of the student left to a sweeping corruption of our moral integrity. Life, they would hold, has impelled us to the making of compromises; and these compromises have destroyed the usefulness of our contribution. Crippled by our own cowardice, prisoners of the seamy adjustments we have made in order to be successfully a part of the American establishment, we are regarded as no longer capable of looking steadily into the strong clear light of truth.

In this, as in most of the reproaches with which our children shower us, there is of course an element of justification. There is a point somewhere along the way in most of our adult lives, admittedly, when enthusiasms flag, when idealism becomes tempered, when responsibility to others, and even affection for others compels greater attention to the mundane demands of private life. There is a point when we are even impelled to place the needs of children ahead of the dictates of a defiant idealism, and to devote ourselves, pusillanimously, if you will, to the support and rearing of these same children—precisely in order that at some future date they may have the privilege of turning upon us and despising us for the materialistic faint-heartedness that made their maturity possible. This, no doubt, is the nature of the compromise that millions of us make with the imperfections of government and society in our time. Many of us could wish that it might have been otherwise—that the idealistic pursuit of public causes might have remained our exclusive dedication down into later life.

But for the fact that this is not so I cannot shower myself or others with reproaches. I have seen more harm done in this world by those who tried to storm the bastions of society in the name of utopian beliefs, who were determined to achieve the elimination of all evil and the realization of the millennium within their own time, than by all the humble efforts of those who have tried to create a little order and civility and affection within their own intimate entourage, even at the cost of tolerating a great deal of evil in the public domain. Behind this modesty, after all, there has been the recognition of a vitally important truth—a truth that the Marxists, among others, have never brought themselves to recognize; namely, that the decisive seat of evil in this world is not in social and political institutions, and not even, as a rule, in the ill will or iniquities of statesmen, but simply in the weakness and imperfection of the human soul itself, and by that I mean literally every soul, including my own and that of the student militant at the gates. For this reason, as Tocqueville so clearly perceived when he visited this country 130 years ago, the success of a society may be said, like charity, to begin at home.

So much, then, for the angry ones. Now, a word about the others: the quiescent ones, the hippies and the flower people.

In one sense, my feeling for these people is one of pity, not unmixed, in some instances, with horror. I am sure that they want none of this pity. They would feel that it comes to them for the wrong reasons. If they feel sorry for themselves, it is because they see themselves as the victims of a harsh, hypocritical and unworthy adult society. If I feel sorry for them, it is because I see them as the victims of certain great and destructive philosophic errors.

One of these errors—and it is one that affects particularly those who take drugs, but not those alone—is the belief that the human being has marvelous resources within himself that can be released and made available to him merely by the passive submission to certain sorts of stimuli: by letting esthetic impressions of one sort or another roll over him or by letting his psychic equilibrium be disoriented by chemical agencies that give him the sensation of experiencing tremendous things. Well, it is true that human beings sometimes have marvelous resources within themselves. It is also true that these resources are capable, ideally, of being released and made available to the man that harbors them and through him to others, and sometimes are so releasd. But it is not true that they can be released by hippie means.

It is only through effort, through doing, through action—never through passive experience—that man grows creatively. It is only by volition and effort that he becomes fully aware of what he has in him of creativity and becomes capable of embodying it, of making it a part of himself, of communicating it to others. There is no pose more fraudulent—and students would do well to remember this when they look at each other—than that of the individual who pretends to have been exalted and rendered more impressive by his communion with some sort of inner voice whose revelations he is unable to describe or to enact. And particularly is this pose fraudulent when the means he has chosen to render himself susceptible to this alleged revelation is the deliberate disorientation of his own psychic system; for it may be said with surety that any artificial intervention of this sort—into the infinitely delicate balance that nature created in the form of man's psychic makeup—produces its own revenge, takes its own toll, proceeds at the cost of the true creative faculties and weakens rather than strengthens.

The second error I see in the outlook of these people is the belief in the possibility and validity of a total personal permissiveness. They are misjudging, here, the innermost nature of man's estate. There is not, and cannot be, such a thing as total freedom. The normal needs and frailties of the body, not to mention the elementary demands of the soul itself, would rule that out if nothing else did. But beyond that, any freedom from something implies a freedom to something. And because our reality is a complex one, in which conflicts of values are never absent, there can be no advance toward any particular objective, not even the pursuit of pleasure, that does not imply the sacrifice of other possible objectives. Freedom, for this reason, is definable only in terms of the obligations and restraints and sacrifices it accepts. It exists, as a concept, only in relationship to something else which is by definition its opposite; and that means commitment, duty, self-restraint.

Every great artist has known this. Every great philosopher has recognized it. It has lain at the basis of Judaic-Christian teaching. Tell me what framework of discipline you are prepared to accept, and I will attempt to tell you what freedom might mean for you. But if you tell me that you are prepared to accept no framework of discipline at all, then I will tell you, as Dostoevski told his readers, that you are destined to become the most unfree of men; for freedom begins only with the humble acceptance of membership in, and subordination to, a natural order of things, and it grows only with struggle, and self-discipline, and faith.

To shun the cruelty and corruption of this world is one thing. It is not always unjustifiable. Not everyone is made to endure these things. There is something to be said for the cultivation, by the right people, and in the right way, of the virtues of detachment, of withdrawal, of unworldliness, of innocence and purity, if you will. That, as a phase of life, is just what Wilson was talking about. In an earlier age, those who are now the flower children and the hippies would perhaps have entered monastic life or scholarly life or both. But there, be it noted, they would very definitely have accepted a framework of discipline, and it would normally have been a very strict one. If it was a monastic order, their lives would have been devoted to the service of God and of other men, not of themselves and their senses. If it was the world of scholarship, their lives would have been devoted to the pursuit of truth, which never comes easily or without discipline and sacrifice. They would have accepted an obligation to cultivate order, not chaos; cleanliness, not filth; self-abnegation, not self-indulgence; health, not demoralization.

Now I have indicated that I pity these people, and in general I do. But sometimes I find it hard to pity them, because they themselves are sometimes so pitiless. There is, in this cultivation of an absolute freedom, and above all in the very self-destructiveness with which it often expresses itself, a selfishness, a hardheartedness, a callousness, an irresponsibility, an indifference to the feelings of others, that is its own condemnation. No one ever destroys just himself alone. Such is the network of intimacy in which every one of us is somehow embraced, that whoever destroys himself destroys to some extent others as well. Many of these people prattle about the principle of love; but their behavior betrays this principle in the most elementary way. Love—and by that I mean the receiving of love as well as the bestowal of it—is itself an obligation, and as such is incompatible with the quest for a perfect freedom. Just the cruelty to parents alone, which is implicit in much of this behavior, is destructive of the purest and most creative form of love that does exist or could exist in this mortal state.

And one would like to warn these young people that in distancing themselves so recklessly not only from the wisdom but from the feelings of parents, they are hacking at their own underpinnings—and even those of people as yet unborn. There could be no greater illusion than the belief that one can treat one's parents unfeelingly and with contempt and yet expect that one's own children will some day treat one otherwise; for such people break the golden chain of affection that binds the generations and gives continuity and meaning to life.

One cannot, therefore, on looking at these young people in all the glory of their defiant rags and hairdos, always just say, with tears in one's eyes: "There goes a tragically wayward youth, striving romantically to document his rebellion against the hypocrisies of the age." One has sometimes to say, and not without indignation: "There goes a perverted and willful and stony-hearted youth by whose destructiveness we are all, in the end, to be damaged and diminished."

These people also pose a problem in the quality of their citizenship. One thing they all seem to have in common—the angry ones as well as the quiet ones—is a complete rejection of, or indifference to, the political system of this country. The quiet ones turn their backs upon it, as though it did not concern them. The angry ones reject it by implication, insofar as they refuse to recognize the validity of its workings or to respect the discipline which, as a system of authority, it unavoidably entails.

I think there is a real error or misunderstanding here. If you accept a democratic system, this means that you are prepared to put up with those of its workings, legislative or administrative, with which you do not agree as well as with those that meet with your concurrence. This willingness to accept, in principle, the workings of a system based on the will of the majority, even when you yourself are in the minority, is simply the essence of democracy. Without it there could be no system of representative self-government at all. When you attempt to alter the workings of the system by means of violence or civil disobedience, this, it seems to me, can have only one of two implications: either you do not believe in democracy at all and consider that society ought to be governed by enlightened minorities such as the one to which you, of course, belong; or you consider that the present system is so imperfect that it is not truly representative, that it no longer serves adequately as a vehicle for the will of the majority, and that this leaves to the unsatisfied no adequate means of self-expression other than the primitive one of calling attention to themselves and their emotions by mass demonstrations and mass defiance of established authority. It is surely the latter of these two implications which we must read from the overwhelming majority of the demonstrations that have recently taken place.

I would submit that if you find a system inadequate, it is not enough simply to demonstrate indignation and anger over individual workings of it, such as the persistence of the Vietnam war, or individual situations it tolerates or fails to correct, such as the condition of the Negroes in our great cities. If one finds these conditions intolerable, and if one considers that they reflect no adequate expression either of the will of the majority or of that respect for the rights of minorities which is no less essential to the success of any democratic system, then one places upon one's self, it seems to me, the obligation of saying in what way this political system should be modified, or what should be established in the place of it, to assure that its workings would bear a better relationship to people's needs and people's feelings.

If the student left had a program of constitutional amendment or political reform—if it had proposals for the constructive adaptation of this political system to the needs of our age—if it was this that it was agitating for, and if its agitation took the form of reasoned argument and discussion, or even peaceful demonstration accompanied by reasoned argument and discussion—then many of us, I am sure, could view its protests with respect, and we would not shirk the obligation, either to speak up in defense of institutions and national practices which we have tolerated all our lives, or to join these young people in the quest for better ones.

But when we are confronted only with violence for violence's sake, and with attempts to frighten or intimidate an administration into doing things for which it can itself see neither the rationale nor the electoral mandate; when we are offered, as the only argument for change, the fact that a number of people are themselves very angry and excited; and when we are presented with a violent objection to what exists, unaccompanied by any constructive concept of what, ideally, ought to exist in its place—

then we of my generation can only recognize that such behavior bears a disconcerting resemblance to phenomena we have witnessed within our own time in the origins of totalitarianism in other countries, and then we have no choice but to rally to the defense of a public authority with which we may not be in agreement but which is the only one we've got and with which, in some form or another, we cannot conceivably dispense. People should bear in mind that if this—namely noise, violence and lawlessness—is the way they are going to put their case, then many of us who are no happier than they are about some of the policies that arouse their indignation will have no choice but to place ourselves on the other side of the barricades.

These observations reflect a serious doubt whether civil disobedience has any place in a democratic society. But there is one objection I know will be offered to this view. Some people, who accept our political system, believe that they have a right to disregard it and to violate the laws that have flowed from it so long as they are prepared, as a matter of conscience, to accept the penalties established for such behavior.

I am sorry; I cannot agree. The violation of law is not, in the moral and philosophic sense, a privilege that lies offered for sale with a given price tag, like an object in a supermarket, available to anyone who has the price and is willing to pay for it. It is not like the privilege of breaking crockery in a tent at the county fair for a quarter a shot. Respect for the law is not an obligation which is exhausted or obliterated by willingness to accept the penalty for breaking it.

To hold otherwise would be to place the privilege of lawbreaking preferentially in the hands of the affluent, to make respect for law a commercial proposition rather than a civic duty and to deny any authority of law independent of the sanctions established against its violation. It would then be all right for a man to create false fire alarms or frivolously to pull the emergency cord on the train, or to do any number of other things that endangered or inconvenienced other people, provided only he was prepared to accept the penalties of so doing. Surely, lawlessness and civil disobedience cannot be condoned or tolerated on this ground; and those of us who care for the good order of society have no choice but to resist attempts at its violation, when this is their only justification.

Now, being myself a father, I am only too well aware that people of my generation cannot absolve ourselves of a heavy responsibility for the state of mind in which these young people find themselves. We are obliged to recognize here, in the myopia and the crudities of *their* extremism, the reflection of our own failings: our smugness, our timidity, our faintheartedness and in some instances our weariness, our apathy in the face of great and obvious evils.

I am also aware that, while their methods may not be the right ones, and while their discontent may suffer in its effectiveness from the concentration on negative goals, the degree of their concern over the present state of our country and the dangers impilicit in certain of its involvements is by no means exaggerated. This is a time in our national life more serious, more menacing, more crucial, than any I have ever experienced or ever hoped to experience. Not since the civil conflict of a century ago has this country, as I see it, been in such great danger; and the most excruciating aspect of this tragic state of affairs is that so much of this danger comes so largely from within, where we are giving it relatively little official attention, and so little of it comes, relatively speaking, from the swamps and jungles of Southeast Asia into which we are pouring our treasure of young blood and physical resources.

For these reasons, I do not mean to make light of the intensity of feeling by which this student left is seized. Nor do I mean to imply that people like myself can view this discontent from some sort of smug Olympian detachment, as though it were not our responsibility, as though it were not in part our own ugly and decadent face that we see in this distorted mirror. None of us could have any justification for attempting to enter into communication with these people if we did not recognize, along with the justification for their unhappiness, our own responsibility in the creation of it, and if we did not accompany our appeal to them with a profession of readiness to join them, where they want us to, in the attempt to find better answers to many of these problems.

I am well aware that in approaching them in this way and in taking issue as I have with elements of their outlook and their behavior, it is primarily myself that I have committed, not them. I know that behind all the extremisms—all the philosophical errors, all the egocentricities and all the oddities of dress and deportment—we have to do here with troubled and often pathetically appealing people, acting, however wisely or unwisely, out of sincerity and idealism, out of the unwillingness to accept a meaningless life and a purposeless society.

Well, this is not the life, and not the sort of society, that many of us would like to leave behind us in this country when our work is done. How wonderful it would be, I sometimes think to myself, if we and they—experience on the one hand, strength and enthusiasm on the other—could join forces.

HOUSE OF REPRESENTATIVES—*Monday, February 5, 1968*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The Lord is gracious and full of compassion; slow to anger and of great mercy.—Psalm 145: 8.

O Lord, our Heavenly Father, by whose mercy we have come to the beginning of another week, grant that we may enter it with humble and contrite hearts. Confirm our purpose to walk more sincerely in Thy way and to work more surely in Thy service.

Let not the mistakes of the past master us but forgive and set us free. Lead us into a closer companionship with Thee that we may continue to walk in the ways of honesty, truth, and good will. Give us the confidence that strengthens, the faith that breeds courage, and the integrity of mind that holds us steady amid the pressures of this time.

Lay Thy hand in blessing upon each one of us. Make us worthy of this day, adequate for our tasks, and ready to lead our Nation into the paths of peace. In the Master's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, February 1, 1968, was read and approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Jones, one of his secretaries, and he announced that on February 3, 1968, the President had approved and signed the act (S. 306) to increase the amounts authorized for Indian adult vocational education.

A COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON BANKING AND CURRENCY

The SPEAKER laid before the House the following communication from the chairman of the Committee on Banking and Currency:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D.C., February 5, 1968.

Hon. JOHN W. MCCORMACK,
The Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: As you know, pursuant to section 712(a)(2) of the Defense Production Act of 1950 (title 50, Appendix, United States Code, sec. 2162 (a)(2), it is the duty of the Chairman of the Committee on Banking and Currency to suggest five members of the committee to be members of the Joint Committee on Defense Production. This section also provides that a vacancy in the membership of the Joint Committee on Defense Production shall be filled in the same manner as the original selection.

A vacancy in the membership of the Joint Committee on Defense Production resulted with the resignation of Congressman Abraham J. Multer effective as of midnight, December 31, 1967 (page 7, CONGRESSIONAL RECORD, January 15, 1968).

It is suggested that Congresswoman Leonor K. Sullivan, a member of the Committee on Banking and Currency of the House of Representatives, be appointed to fill the vacancy in membership on the Joint Committee on Defense Production. I sincerely hope that this recommendation meets with your approval.

With kindest regards and best wishes, I am
Sincerely,

WRIGHT PATMAN,
Chairman.

CREDIBILITY

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BRINKLEY. Mr. Speaker, the American people have been assured that the U.S.S. *Pueblo* was taken in international waters beyond both the 3-mile limit and the 12-mile limit; these assurances have ranged from news releases to high-level congressional briefings.

I am shocked to now hear from those same sources that the U.S.S. *Pueblo* may have been within the 12-mile limit.

Mr. Speaker, there are three things potentially worse than not getting our men and our ship back. The first is being in the right and playing the coward; the second is being in the wrong and not admitting it; the third is erring in the first instance in either of these two things.

The measurement goes to our moral fiber.

CALLUP OF THE GUARDSMEN AND RESERVISTS

MR. MONTGOMERY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER.** Is three objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MONTGOMERY. Mr. Speaker, the February 3 issue of the Memphis Commercial Appeal contained an article by Morris Cunningham praising the role of the National Guard in maintaining our national security.

It was pointed out that in last week's callup of about 9,200 guardsmen, 99.6 percent reported for duty within 24 hours.

Of the 34 who were late, all were ill—some were in hospitals—or traveling. Several were airline pilots who were out of the country. One pilot called in from Japan, another from Europe, and a third from Malaysia.

In an interview with Mr. Cunningham, Maj. Gen. Winston P. Wilson, chief of the National Guard Bureau, said that this illustrated the progress that has been made in performing the mission of the Guard. General Wilson says that this was 3 percent better than the Berlin callup in 1961, and that was a 30-day alert.

Mr. Speaker, I just wanted to point out to my colleagues that the promptness of the civilian soldier in reporting for active duty is worthy of recognition.

National Guardsmen and reservists have never failed this country yet. What our country needs is more Americans like the individual reservists and guardsmen called up last week.

FEDERAL COMMITTEE ON NUCLEAR DEVELOPMENT

Mr. MIZE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MIZE. Mr. Speaker, on October 19 last year I introduced House Joint Resolution 903 which, if adopted, would create a Federal Committee on Nuclear Development to review and evaluate the civilian nuclear program of the United States. Attention continues to be drawn to possible thermal pollution and radioactive contamination caused by nuclear powerplants. Whether or not this concern is exaggerated and justified should be looked into and determined by a committee which would be established by my joint resolution.

It appears that some scientists feel a special evaluation of the impact of locating many reactors on the shores of the Great Lakes would be desirable. If these fears and concerns are unfounded, it should be made public. If the fears and concerns are justified, this too should be made public.

I respectfully urge that the Senate and House of Representatives promptly establish this committee.

READING OF GEORGE WASHINGTON'S FAREWELL ADDRESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that on Thursday, February 22, 1968, George Washington's Farewell Address may be read by a Member to be designated by the Speaker.

The **SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DESIGNATION OF MR. SIKES TO READ WASHINGTON'S FAREWELL ADDRESS

The **SPEAKER.** Pursuant to the special order agreed to today, the Chair designates the gentleman from Florida [Mr. SIKES] to read Washington's Farewell Address immediately following the approval of the Journal on February 22, 1968.

IN DEFENSE OF J. P. STEVENS & CO.

Mr. O'NEAL of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. O'NEAL of Georgia. Mr. Speaker, our most highly esteemed colleague, the Honorable L. MENDEL RIVERS, obtained a special order and spoke eloquently on January 30 in defense of the good name and the good citizenship of J. P. Stevens & Co.

In this he was joined by other distinguished Members of this body who feel equally enraged at the abuse directed at the officers and employees of this great company.

Since I was not on the floor on that occasion, I take this time to say that I am in hearty agreement with them.

My only hesitation is in the use of the term "defense" of a company which has a record of good citizenship and good employee relations for a century and a half. They need no defense in my district and the communities they serve. A company that produces quality products by 45,000 fine employees in 20 States should not need a defense.

It is a misfortune that it does at this time.

I am happy to add my voice to those of my colleagues in behalf of the management and employees.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER.** The Chair lays before the House a message from the President of the United States.

CALL OF THE HOUSE

Mr. HALL. Mr. Speaker, this is an extensive message on education. It is my opinion that the Members of the House should hear it.

Therefore, Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER.** Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 14]

Abbitt
Anderson, Tenn.
Ashley
Barrett
Blackburn
Blanton
Brock
Burleson
Button
Cabell
Cahill
Carey
Celler
Clark
Clausen, Don H.
Cleveland
Conyers
Cramer
Diggs
Edmondson
Edwards, Ala.
Edwards, Calif.
Eshleman
Evans, Colo.
Everett
Farbstein
Fascell
Feighan
Fino
Flood
Fulton, Tenn.
Gallagher
Gardner
Goodling
Gubser
Gurney
Hagan
Halleck
Halpern
Hansen, Idaho
Harvey
Hébert
Holifield
Hosmer
Hull
Jones, Ala.
Karth
Kluczynski
Kornegay
Long, La.
Lukens
McCloskey
McDonald, Mich.
Macdonald, Mass.
Madden
May
Monagan
Moss
Nix
O'Hara, Ill.
O'Hara, Mich.
Passman
Pepper
Pickle
Pirnie
Pool
Rarick
Rees
Reinecke
Resnick
Rivers
Ronan
Rosenthal
Rostenkowski
Rumsfeld
St. Onge
Smith, Okla.
Staggers
Tuck
Vanik
Waggonner
Wampler
Wilson, Charles H.

The **SPEAKER.** On this rollcall 351 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EDUCATION, THE FIFTH FREEDOM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 247)

The **SPEAKER.** The Clerk will read the message from the President of the United States.

The following message from the President of the United States was read and referred to the Committee on Education and Labor and ordered to be printed:

To the Congress of the United States:

In two centuries, America has achieved—through great effort and struggle—one major educational advance after another: free public schooling; the Land Grant Colleges; the extension of the universities into the Nation's farms and homes; the unique venture that has placed a high school education within the reach of every young person.

I believe that our time—the mid-1960's—will be remembered as a time of unprecedented achievement in American education.

The past four years have been a time of unparalleled action:

The Congress has approved more than 40 laws to support education from the preschool project to the postgraduate laboratory;

The Federal Government has raised its investment in education to nearly $12 billion annually, almost triple the level four years ago.

The real significance of what we have done is reflected, not in statistics, but in the experiences of individual Americans, young and old, whose lives are being shaped by new educational programs.

Through Head Start, a four-year-old encounters a new world of learning.

Through Title I of the Elementary and Secondary Education Act, a disadvantaged youngster finds essential extra help—and school becomes a more rewarding place.

Through the Teacher Corps, a bright and eager college graduate is attracted to teaching and his talents are focused where the need is greatest.

These programs—all of them new—are enriching life for millions of young Americans.

In our high schools, students find that once-empty library shelves are filled; the most up-to-date laboratory equipment is available; new courses, new methods of teaching and learning are being tested in the classroom.

A student who sets his sights on college is more likely than ever before to find help through Federal loans, scholarships and work-study grants.

Today's college student is more likely than ever to live and learn in new dormitories, new classrooms, new libraries and laboratories.

Today, thousands of parents who in their youth had no chance for higher education can say with certainty, "My child can go to college."

Above all, we can see a new spirit stirring in America, moving us to stress anew the central importance of education; to seek ways to make education more vital and more widely available.

That new spirit cannot be fully measured in dollars or enrollment figures. But it is there nonetheless. The achievements of the past four years have sustained and nourished it.

Yet for all our progress, we still face enormous problems in education: stubborn, lingering, unyielding problems.

The phrase, "equal educational opportunity," to the poor family in Appalachia and to the Negro family in the city, is a promise—not a reality.

Our schools are turning out too many young men and women whose years in the classroom have not equipped them for useful work.

Growing enrollments and rising expenses are straining the resources of our colleges—and the strain is being felt by families across America.

Each of these problems will be difficult to solve. Their solution may take years—and almost certainly will bring new problems. But the challenge of our generation is to lead the way.

And in leading the way, we must carefully set our priorities. To meet our urgent needs within a stringent overall budget, several programs must be reduced or deferred. We can reduce expenditures on construction of facilities and the purchase of equipment. But, many of our urgent educational programs which directly affect the young people of America cannot be deferred. For the cost—the human cost—of delay is intolerable.

These principles underlie my 1969 budgetary recommendations and the proposals in this message. My recommendations are tailored to enable us to meet our most urgent needs, while deferring less important programs and expenditures.

ELEMENTARY AND SECONDARY EDUCATION

It took almost a century of effort and controversy and debate to pass the Elementary and Secondary Education Act.

The great question was this: Can there be a system of large-scale aid to education which does not diminish the independence of our local schools and which safeguards the rich diversity of American education?

In 1965 such a law was passed. Today it is at work in nearly 20,000 school districts: strengthening State and local school boards, local school officials and classroom teachers, and improving the quality of education for millions of children.

It may take a decade or more to measure the full benefits of the Elementary and Secondary Education Act. But already evidence is mounting to support my belief that this is the most significant education measure in our history.

Last year, Congress extended this law, the bedrock of all our efforts to help America's schools.

This year we have an opportunity to make that law a more efficient instrument of aid to education; to make it more responsive to the needs of the States and communities throughout the country.

I urge the Congress to fund title I of the Elementary and Secondary Education Act well in advance of the school year, so that State and local school officials can make their plans with a clear idea of the resources that will be available.

Our resources are not unlimited—and never will be. So it is all the more important that in assigning priorities, we focus our aid where the need is greatest.

That firm principle underlies a six-point program which I am proposing to Congress under the Elementary and Secondary Education Act and other authorities:

1. Two innovative programs to help America's youngest and poorest children have been proven in practice. I propose that funding for the Head Start and Head Start Follow Through programs be stepped up from $340 million to $380 million.

2. Last year, Congress authorized a special program to help Mexican-American, Puerto Rican, and other children who are separated by a language barrier from good education. I propose that we launch this bilingual education program with a $5-million appropriation.

3. We are still doing less than we should do to prepare mentally retarded and physically handicapped children for useful lives. I propose that our special programs for the handicapped be increased from $53 million to $85 million.

4. We must rescue troubled boys and girls before they drop out of school. I propose full funding—$30 million—for a new Stay in School program, which will help schools tailor their own programs, from new and exciting methods of instruction to family counseling and special tutoring, to turn potential drop-outs into high school graduates.

5. Upward Bound, a program for poor but talented students, has directed thousands of young Americans into college who might otherwise never have had a chance. I propose that Congress increase funds for Upward Bound to serve 30,000 young Americans this year.

6. Adult basic education classes last year gave about 300,000 men and women an opportunity to gain new earning power, new self-respect, a new sense of achievement. I propose that Congress provide $50 million for this vital program.

If we can invest vast sums for education, we must also be able to plan and evaluate our education programs; to undertake basic research in teaching and learning, and to apply that research to the classroom. For these efforts, I propose appropriations of $177 million next year.

NEW STRENGTH FOR VOCATIONAL EDUCATION

Whatever else we expect of the local school, we demand that it prepare each student for a productive life. The high school graduate who does not enter college needs not only knowledge enough to be a responsible citizen, but skills enough to get and keep a good job.

One and a half million young men and women will leave high school and enter the labor force this year—in a time of high employment, when skills are at a premium.

Too many of them will find that they have no job skills—or only marginal skills, or skills which are not really needed in their communities.

A high school diploma should not be a ticket to frustration.

We must do more to improve vocational education programs. We must help high schools, vocational schools, technical institutes, and community colleges to modernize their programs, to experiment with new approaches to job training. Above all, we must build stronger links between the schools and their students, and local industries and employment services, so that education will have a direct relationship to the world the graduating student enters.

I recommend that Congress enact the Partnership for Learning and Earning Act of 1968.

This new program—streamlining and strengthening our vocational education laws—will:

Give new flexibility to our system of matching grants, so the States can concentrate their funds where the need is greatest;

Provide $15 million for special experimental programs to bridge the gap between education and work: for alliances between schools, employment services and private employers; for new summer training programs combining work and education;

Totally revise and consolidate our existing vocational education laws, reducing paperwork for the States, the schools and other training centers;

Encourage the States to plan a long-range strategy in vocational education.

TRAINED PROFESSIONALS FOR OUR SCHOOLS

The value of all these measures—and indeed, the effectiveness of our entire school system—depends on educators: teachers, teacher aides, administrators and many others.

It would profit us little to enact the most enlightened laws, to authorize great sums of money—unless we guarantee a continuing supply of trained, dedicated, enthusiastic men and women for the education professions.

To advance this essential purpose, I propose

That Congress provide the funds needed to train nearly 45,000 teachers, administrators and other professionals under the Education Professions Development Act of 1967.

That Congress authorize and appropriate the necessary funds so that 4,000 of our best and most dedicated young men and women can serve our neediest children in the Teacher Corps.

HIGHER EDUCATION

The prosperity and well-being of the United States—and thus our national interest—are vitally affected by America's colleges and universities, junior colleges, and technical institutes.

Their problems are not theirs alone, but the Nation's.

This is true today more than ever. For now we call upon higher education to play a new and more ambitious role in our social progress, our economic development, our efforts to help other countries.

We depend upon the universities—their training, research, and extension services—for the knowledge which undergirds agricultural and industrial production.

Increasingly, we look to higher education to provide the key to better employment opportunities and a more rewarding life for our citizens.

As never before, we look to the colleges and universities—to their faculties, laboratories, research institutes, and study centers—for help with every problem in our society and with the efforts we are making toward peace in the world.

STUDENT AID

It is one of the triumphs of American democracy that college is no longer a privilege for the few. Last fall, more than 50 percent of our high school graduates went on to college. It is our goal by 1976 to increase that number to two-thirds.

In the past four years, we have significantly eased the financial burden which college imposes on so many families. Last year, more than one student in five attended college with the help of Federal loans, scholarships, grants and work-study programs.

But for millions of capable American students and their families, college is still out of reach. In a Nation that honors individual achievement, financial obstacles to full educational opportunity must be overcome.

I propose the Educational Opportunity Act of 1968:

To set a new and sweeping national goal: that in America there must be no economic or racial barrier to higher education; that every qualified young person must have all the education he wants and can absorb.

To help a million and a half students attend college next year through the full range of our student aid programs, including guaranteed loans.

To strengthen the Guaranteed Loan Program by meeting the administrative costs of the banks who make these loans. With a service fee of up to $35 for each loan, this program can aid an additional 200,000 students next year, bringing the total to 750,000.

To provide $15 million for new programs of tutoring, counseling and special services so that the neediest students can succeed in college.

To unify and simplify several student aid programs—College Work-Study, Educational Opportunity Grants and National Defense Education Act Loans—so that each college can devise a flexible plan of aid tailored to the needs of each student.

AID TO INSTITUTIONS OF HIGHER LEARNING

Today, higher education needs help.

American colleges and universities face growing enrollments, rising costs, and increasing demands for services of all kinds.

In 10 years, the number of young people attending college will increase more than 50 percent; graduate enrollments will probably double.

Our first order of business must be to continue existing Federal support for higher education.

I urge the Congress to extend and strengthen three vital laws which have served this Nation well:

The National Defense Education Act of 1958, which has helped nearly two million students go to college and graduate school.

The Higher Education Facilities Act of 1963, which has helped nearly 1,400 colleges and universities meet growing enrollments with new classrooms, laboratories and dormitories.

The Higher Education Act of 1965, which, in addition to its student aid programs, has strengthened college libraries, involved our universities in community service, and given new vitality to 450 developing colleges.

I also urge the Congress to fulfill the commitment it made two years ago, and appropriate funds needed for the International Education Act. This Act will strengthen our universities in their international programs—and ultimately strengthen the quality of the men and women who serve this country abroad.

We must apply more effectively the educational resources we have. We must encourage better cooperation between the Nation's colleges and universities; and we should move to increase each institution's efficiency by exploiting the most advanced technology.

To serve these purposes, I recommend the Networks for Knowledge Act of 1968.

This pilot program will provide new financial incentives to encourage colleges and universities to pool their resources by sharing faculties, facilities, equipment, library and educational television services. It will supplement the effort launched last year by the National Science Foundation to explore the potential of computers in education.

I also recommend three new measures to strengthen graduate education in America.

First, we should increase the Federal payment available to help graduate schools meet the cost of educating a student who has earned a Federal Fellowship. At present, Federal Fellowship programs are actually deepening the debt of the graduate schools because this payment is too low.

Second, we should launch a new program to strengthen those graduate schools with clear potential for higher quality. With enrollments growing, we must begin to enlarge the capacity of graduate schools. This program will underwrite efforts to strengthen faculties, improve courses and foster excellence in a wide range of fields.

Third, I urge the Congress to increase government sponsored research in our universities. The knowledge gained through this research truly is power—power to heal the sick, educate the young, defend the nation, and improve the quality of life for our citizens.

A STRATEGY FOR HIGHER EDUCATION

The programs I am presenting to the Congress today are aimed at solving some of the problems faced by our colleges and universities and their students in the years ahead. But accomplishing all these things will by no means solve the problems of higher education in America.

To do that, we must shape a long-term strategy of Federal aid to higher education: a comprehensive set of goals and a precise plan of action.

I am directing the Secretary of Health, Education, and Welfare to begin preparing a long-range plan for the support of higher education in America.

Our strategy must:

Eliminate race and income as bars to higher learning.

Guard the independence of private and public institutions.

Ensure that State and private contributors will bear their fair share of support for higher education.

Encourage the efficient and effective use of educational resources by our colleges and universities.

Promote continuing improvement in the quality of American education.

Effectively blend support to students with support for institutions.

Such a strategy will not be easy to devise. But we must begin now. For at stake is a decision of vital importance to all Americans.

EDUCATION AND THE QUALITY OF LIFE

Every educational program contributes vitally to the enrichment of life in America. But some have that enrichment as their first goal. They are designed not to serve special groups or institutions, but to serve all the American people.

We have tested in the past three years a new idea in government: The National Foundation on the Arts and Humanities.

That experiment has been an impressive success. It has proved that government can indeed enhance the Nation's cultural life and deepen the understanding of our people.

With modest amounts of money, the Humanities Endowment has promoted scholarship in a wide range of fields and quickened public interest in the humanities.

The Arts Endowment has brought new energy and life to music, drama, and the arts in communities all over America.

I believe the Foundation has earned a vote of confidence. I urge that the National Foundation of the Arts and Humanities authorization be extended.

We have acted also to launch an historic educational force in American life: public broadcasting—non-commercial radio and television service devoted first and foremost to excellence.

Last year the Congress authorized the Corporation for Public Broadcasting. This year we must give it life.

I recommend that the Congress appropriate the funds needed in fiscal 1968 and fiscal 1969 to support the inital activities of the Corporation for Public Broadcasting.

Last year I stressed the importance of a long-range financing plan which would ensure that public broadcasting would be vigorous, independent and free from political interference or control. The problem involved is complex. It concerns the use of the most powerful communications medium in the world today. It should not be resolved without the most through study and consultation.

I am asking the Secretary of Health, Education, and Welfare, the Secretary of the Treasury and the Director of the Bureau of the Budget—who have been studying this problem since the law was enacted—to work with the Board of Directors of the Corporation for Public Broadcasting and the appropriate Committees of the Congress to formulate a long-range financing plan that will promote and protect this vital new force in American life.

THE FIFTH FREEDOM

On January 6, 1941, President Franklin D. Roosevelt set forth to Congress and the people "four essential human freedoms" for which America stands.

In the years since then, those four freedoms—freedom of speech, freedom of worship, freedom from want, and freedom from fear—have stood as a summary of our aspirations for the American Republic and for the world.

And Americans have always stood ready to pay the cost in energy and treasure which are needed to make those great goals a reality.

Today—wealthier, more powerful and more able than ever before in our history—our Nation can declare another essential human freedom.

The fifth freedom is freedom from ignorance.

It means that every man, everywhere, should be free to develop his talents to their full potential—unhampered by arbitrary barriers of race or birth or income.

We have already begun the work of guaranteeing that fifth freedom.

The job, of course, will never be finished. For a nation, as for an individual, education is a perpetually unfinished journey, a continuing process of discovery.

But the work we started when this Nation began, which has flourished for nearly two centuries, and which gained new momentum in the past two Congresses—is ours to continue—yours and mine.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 5, 1968.*

PRESIDENT JOHNSON'S NEW EDUCATION STRATEGY FOR THE NATION

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PERKINS. Mr. Speaker, President Johnson's moving special message on education will go down in history as the message which sought to complete the great cycle of Government support programs for the future of our children.

For the President has in effect said to us that a society is often remembered in history for what it did or tried to do for the improvement of the mind and character of its citizens.

Today's message calling for a new strategy in educational advance is a monument to the dedication of a President and a Congress which believe education is the first order of business of any government.

The President proposes to make the promise of America real by funding the Elementary and Secondary Education Act well in advance of the school year, so that local officials can make their plans with a firm idea of the resources available for new programs.

He has proposed the Educational Opportunity Act which will unify a number of existing student aid and grant and scholarships programs.

He has proposed to make a college education attainable to every American child—regardless of income, but based on ability.

He has proposed significant increases of funds for proven experimental programs such as Headstart, Upward Bound, Followthrough.

He has proposed innovations in bilingual education, and increases in vocational educational aid.

He has stressed the necessity and value of educational research in teaching and learning.

There is no area of educational opportunity which the President has not touched on in his message—a tribute to his comprehensive vision of our educational needs.

We in the Congress who have supported the President on historic acts such as elementary and secondary education, the higher educational facilities, economic opportunity, and many others, now will stand with him as he proposes the fulfillment of America's pledge to give its children the best in education.

I am proud to be a leader in this effort. I am proud to serve a President who does not believe in looking back, but always looks forward.

I urge the Congress to give swift positive approval to one of the finest legislative packages on education ever submitted by any President in our history.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the distinguished majority leader.

Mr. ALBERT. Mr. Speaker, I, also, have read the President's message on education. I join the distinguished chairman of the Committee on Education and Labor in what he is saying about this message and the proposed legislation.

Mr. Speaker, Lyndon B. Johnson has sent to the Congress a special message which confirms the title he has borne these past 4 years—"The Education President."

Never before have we seen a President seek during his term to complete the unfinished business of educational opportunity for all Americans.

Not content to rest with the unparalleled education record of the 89th Congress, the President has proposed to strengthen the Elementary and Secondary Education Act, make college education an attainable reality for millions of underprivileged boys and girls, and effect new and needed changes in Federal aid to vocational education, bilingual education, adult education and every other area of man's quest for knowledge and improvement.

We must support the President as he seeks to step up funding for Projects Headstart and Upward Bound.

We must support the President as he proposes a new stay-in-school program.

We must support his efforts to help prepare mentally and physically handicapped children for useful lives.

We must support the President as he seeks to initiate a new era for college and university education in America.

If there is one program on which this entire Congress can unite, it is in its total support for the vision of our President who is determined to make educational opportunity a living reality for this society and for all its citizens.

Mr. BOGGS. Mr. Speaker, President Johnson's moving education message has proclaimed for all Americans the right to freedom from ignorance in our time. This is a right which is equally as vital as the four essential freedoms Franklin Roosevelt spelled out 30 years ago.

The administration and the Congress have taken unparalleled steps to provide quality education for every American in the past 4 years. We have tripled our national investment in education and passed over 35 laws to support education from pre- to post-graduate school.

But our Nation still faces enormous problems. Growing enrollments and rising costs strain our educational resources. Graduates are often ill prepared for the world of work. And millions of poverty-stricken youngsters are untouched by decent education.

President Johnson seeks answers to these problems. For our grade-school children there is Headstart and Followthrough. For our elementary schools the President has requested support for the new stay-in-school program and proposed an imaginative Partnership for Learning and Earning Act. Special educational programs will help the handicapped and the student with language difficulties.

But President Johnson has recognized that all too often a high school diploma is no longer a passport to prosperity—a college degree is necessary. Although one-half of our high school graduates go on to college we can no longer be satisfied when a college education remains out of reach for millions.

The President's Educational Opportunity Act of 1968 will go a long way toward helping deserving students secure a college education—by strengthening existing college aid programs and providing additional financial assistance to needy students with college qualifications.

Yes, education for all is our fifth essential freedom in this land of abundance—and we have already taken great strides to guarantee it.

But we cannot be satisfied until every American is free to develop his educational talents to his fullest potential.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

NAMING OF VETERANS' ADMINISTRATION FACILITIES

The Clerk called the bill (H.R. 150) to provide for the designation of certain Veterans' Administration facilities.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RYAN. Mr. Speaker, reserving the right to object, this bill was on the Consent Calendar on January 15 at which time I objected, as I did to similar legislation in the 88th and 89th Congresses. Section 3 would name a veterans' hospital for the late Congressman John Rankin. In my opinion it would be improper to name a veterans' hospital for a blatant segregationist, a hospital which is to be open to all regardless of race, creed, or color.

The person for whom this hospital would be named was notorious for his expressions of racial bigotry and anti-Semitism. It would be a travesty for Congress to approve this designation.

Therefore, Mr. Speaker, I am constrained to object.

Mr. RYAN, Mr. SAYLOR, and Mr. HAWKINS objected, and, under the rule, the bill was stricken from the Consent Calendar.

LAND TRANSFER TO MISSISSIPPI

The Clerk called the bill (H.R. 10277) authorizing the Administrator of Veterans' Affairs to convey certain property to the State of Mississippi.

There being no objection, the Clerk read the bill, as follows:

H.R. 10277

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of Veterans' Affairs is authorized to convey, without monetary consideration, to the State of Mississippi, for educational purposes, all right, title, and interest of the United States in and to a tract of five acres of land, more or less, constituting a portion of the reservation of the Veterans' Administration Center, Gulfport, Mississippi, and of the tract of land approximating thirty acres that has been declared excess to the needs of the Veterans' Administration. The exact legal description of the tract shall be determined by the Administrator of Veterans' Affairs, and if a survey is required in order to make such determination, the State of Mississippi shall bear the expense thereof.

SEC. 2. Any deed of conveyance made pursuant to this Act shall—

(a) provide that the land conveyed shall be used for educational purposes and in a manner that will not, in the judgment of the Administrator of Veterans' Affairs, or his designate, interfere with the care and treatment of patients in the Veterans' Administration Center, Gulfport, Mississippi:

(b) contain such additional terms, conditions, reservations, easements, and restrictions as may be determined by the Administrator of Veterans' Affairs to be necessary to protect the interest of the United States;

(c) provide that if the State of Mississippi violates any provision of the deed of conveyance or alienates or attempts to alienate all or any part of the parcel so conveyed, title thereto shall revert to the United States; and that a determination by the Administrator of Veterans' Affairs of any such violation or alienation or attempted alienation shall be final and conclusive; and

(d) provide that in the event of such reversion, all improvements made by the State of Mississippi during its occupancy shall vest in the United States with payment of compensation therefor.

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, this bill authorizes the Administrator of Veterans' Affairs to convey, without monetary consideration, approximately 5 acres of land, now a portion of the Veterans' Administration hospital at Gulfport, Miss., to the State of Mississippi for educational purposes—required by the Mississippi State Department of Education to establish a permanent site for a vocational rehabilitation center.

In 1922 approximately 147 acres of land were acquired by a predecessor agency of the Veterans' Administration at Gulfport, Miss., from the city of Gulfport, and the Mississippi Centennial Exposition, for a monetary consideration of $125,000.

Under Public Law 85–196 the Administrator of General Services, for $1,000 conveyed to the Gulfport Municipal Separate School District approximately 10 acres of the then existing reservation for school purposes.

By a deed dated December 4, 1964, the Administrator of General Services conveyed a second 10 acres to Harrison County, Miss., for a consideration of $27,500.

On May 25, 1967, the Veterans' Administration reported an additional portion of the original reservation comprising approximately 30 acres to the General Services Administration as excess to the Veterans' Administration needs. The 5 acres involved in this legislation are part of the 30-acre tract.

Section 2 of the bill provides sufficient safeguards to protect the interests of the Government and the transfer would not be adverse to the operation of the Veterans' Administration hospital at its present site. The Veterans' Administration has no objection to the favorable consideration, and there would be no additional appropriation as a result of the approval of this bill.

Mr. ADAIR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ADAIR. Mr. Speaker, I rise in support of H.R. 10277. This bill authorizes the Administrator of Veterans' Affairs to convey to the State of Mississippi approximately 5 acres of land that is now a portion of the Veterans' Administration hospital reservation at Gulfport, Miss. The land will be used for educational purposes.

This 5-acre track is a part of the 147 acres of land at Gulfport, Miss., acquired by the Veterans Bureau in 1922 from the city of Gulfport and the Mississippi Centennial Exposition.

The State of Mississippi needs this 5-acre track and the Veterans' Administration has declared the 5 acres as excess to their needs. In a report to the committee, the Veterans' Administration indicates that their principal interest is to assure that the land in question is not used in a manner inimical to the proper and effective operation of the nearby Veterans' Administration hospital. Section II of the bill provides sufficient safeguards to protect the Government's interest. The only objection to the transfer of the this land, Mr. Speaker, appears to come from the Bureau of the Budget. That agency's objection is based upon the fact that this bill accomplishes the transfer of land by legislation rather than administratively upon determination by the General Services Administration that the property is surplus to the needs of other Federal agencies. Since the land was conveyed initially by the city of Gulfport, Miss., I think it is appropriate that that portion of the land that is surplus to the needs of the Veterans' Administration be returned to Mississippi. I urge that the bill be passed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DETERMINING THE RIGHTS AND INTERESTS OF THE NAVAJO TRIBE AND UTE MOUNTAIN TRIBE OF THE UTE MOUNTAIN RESERVATION IN AND TO CERTAIN LANDS IN THE STATE OF NEW MEXICO

The Clerk called the bill (S. 491) to determine the rights and interests of the Navajo Tribe and the Ute Mountain Tribe of the Ute Mountain Reservation in and to certain lands in the State of New Mexico, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HALL. Mr. Speaker, reserving the right to object, I wonder if we could establish a little more updated information than we have in this report.

I understand that possibly several millions of dollars are involved, but in fact the proposed legislation would only establish a three-man court to determine the justice and equity involved in a strip about 2 miles in width by 10 miles in length on the border of the State between these two Indian tribes.

I would like to know how much has been accumulated in this joint account since September 8, 1965, and if my assumptions are correct.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. HALL. I am delighted to yield to the distinguished chairman of the Committee on Interior and Insular Affairs.

Mr. ASPINALL. Mr. Speaker, the amount that is involved in this legislation comes about because of the accumulation of moneys from oil and gas leases on lands belonging to the Navajo and Ute Mountain Tribes. This area is not along the border of the two States. This area extends down into the State of New Mexico. The two tribes have come to an agreement on part of the lands, but on this particular part, this narrow strip which is about 2 miles in width and 10 miles in length, they are not in agreement and this legislation would merely permit them to go into a court action and see what the judicial determination would be.

The rest of the money has been divided between the two tribes and will continue to be divided as it accumulates from the oil and gas leases on the lands that belong to the Navajo and to the credit of the Utes on the lands that belong to them.

Mr. HALL. I appreciate the gentleman's response, which takes care of part of my question. For the benefit of the Members present, can you give the accumulation in dollars, in round figures, in this joint account from oil and gas leases since 1965?

Mr. ASPINALL. No, I do not have that particular figure here. But money from oil and gas leases is added to the other moneys that are involved so far as these two tribes are concerned. There have been some accumulations since 1965, but they have not been the amount or anything like the amount that is involved in this particular legislation. I do not know whether that does my friend any good or not in answer to his questioning.

Mr. HALL. What I am getting at, Mr. Speaker—and I appreciate the gentleman's obvious effort to try to fill the void in my knowledge, which perhaps would have been eased if the legislative report had been maybe a little bit updated—I understand it as over 2 years old—is it true that the average accumulation has amounted to something over $300,000 per family in one of the litigant tribes?

Mr. ASPINALL. No, I have no knowledge of the amount to which my colleague has referred. The amount of $300,000 per family relates, perhaps, to the amount of money that the Ute Mountain Ute Tribe has in the Treasury of the United States for its use sometime in the future. There is approximately $15 to $16 million of cash that they have in the Treasury of the United States drawing interest at 4 percent. There is also coming to them certain moneys that they, themselves, have that they put into their own account. This tribe numbers about 1,100, representing about 350 to 400 families. That is where you get the matter of $250,000 to $300,000 per family. But they do not have any right to the use of that money without the supervision of the Bureau of Indian Affairs and without coming to the Congress of the United States in order to get from our committee authorization first, and then, if necessary, from the House and the other body permission to use it in accordance with their plan.

Mr. HALL. Mr. Speaker, I further appreciate the distinguished gentleman's answer, and I am familiar with our surveillance and exercise of control of our original Americans and ancestors who are now in the unfortunate position of being wards of the Federal Government. I have absolutely no desire to do other than assist them.

I am familiar with the trust funds and how the Indians themselves, in their tribal councils, disburse and control these funds which eventually are made available to them from the Federal Treasury, on recommendation of the gentleman's committee.

The question in my mind is, will this strip of land in litigation, to be settled or allocated by this three-judge panel, involving approximately $4 million or more—if more oil and gas is struck—be thrown into the same fund and what would the 2-by-10-mile strip add to that, and what are the prospects of it being distributed unevenly by a three-judge court rather than under the entire Federal legislature supervision? What are the chances it will be inequitably and unjustly divided between some of the tribes?

Mr. ASPINALL. The question is whether or not the survey line is an equitable line, and it is a question that is a judicial rather than a legislative matter. There is no way either one of the tribes, in my opinion, can be hurt by this legislation. It simply holds in abeyance, the time and amount for disposition to each, waiting the time for the disposition. If there is anything that seems to be inequitable, I can assure my friend the Committee on Interior and Insular Affairs will be watching for it.

Mr. HALL. Mr. Speaker, I appreciate the legislative record being made by the gentleman. I am vitally interested in this, as I know the gentleman is, and as I know the gentleman's subcommittee is. I did want to update the report and bring out these facts.

It is my understanding, Mr. Speaker, and the distinguished gentleman assures me that since this is a judicial question, we are not deleting other funds by sending this to a three-judge court for a decision that might be inequitable.

Mr. ASPINALL. I can assure the gentleman it will not be.

Mr. HALL. I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

S. 491

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Navajo-Ute Boundary Dispute Act."

SEC. 2. The consent of the United States is hereby given to either or both the Navajo Tribe of Indians and the Ute Mountain Tribe of the Ute Mountain Reservation to bring suit against each other, and against any other tribe of Indians, persons, or entities, to quiet the beneficial title in and to such lands in the State of New Mexico as are common to the description contained in article II of the treaty concluded June 1, 1868, between the United States and the Navajo Nation or Tribe of Indians and proclaimed August 12, 1868 (15 Stat. 667), setting apart certain lands for the use and occupation of the Navajo Tribe of Indians, and to the description contained in section 3 of the Act approved February 20, 1895 (28 Stat. 677), setting apart certain lands for the sale and exclusive use and occupancy of the Southern Ute Indians described therein. The United States asserts no beneficial claim to or interest in such land, acknowledges that it holds the legal title to the land in trust, recognizes that the beneficial title cannot be litigated without the consent of the United States, and consents to litigation between the two Indian tribes only in order that their conflicting claims of beneficial title may be conclusively determined. The United States shall not be joined as a party defendant in the litigation, and nothing in this Act shall be construed to authorize a claim against the United States. The Secretary of the Interior shall administer the land in accordance with the judicial determination of beneficial title.

SEC. 3. Any action commenced pursuant to section 2 of this Act shall be heard and determined by a district court of three judges in the United States District Court for the District of New Mexico, in accordance with the provisions of title 28, United States Code, section 2284, and, subject to the provisions of section 4 of this Act, any party may appeal as of right directly to the Supreme Court of the United States from the final determination by such three-judge district court.

SEC. 4. It is hereby declared to be the intent and the objective of the Congress that the relative rights and interests of all parties making claims against each other in and to the surface and the subsurface of the lands identified in section 2 of this Act be judicially determined in accordance with such principles as may be just and fair in law and equity, including a consistent award or awards or release or releases to either or both the Navajo Tribe and the Ute Mountain Tribe of the Ute Mountain Reservation of such bonus sums, rentals, and royalties, or other moneys paid or received on account of the leasing of any portion of such lands and now held in a joint account in the Treasury of the United States pursuant to the agreement dated May 9, 1957, between the two tribes, approved by the Area Director of the Bureau of Indian Affairs. In furtherance of the accomplishment of this intent and the attainment of this objective, the parties are hereby authorized to enter into a settlement agreement in which provision may be made for a recognition in perpetuity of their relative rights to use and to enjoy the surface and the subsurface of the lands identified in section 2 of this Act, including the division of any and all of such bonus sums, rentals, and royalties, or other moneys paid or received on account of the leasing of any portion of said lands for any purpose or purposes. Such settlement agreement may be embodied in and be made a part of any decree of the court, which thereupon shall be final and conclusive with respect to the rights and interests of all parties.

SEC. 5. Nothing in this Act shall be deemed to be a congressional determination of the merits of the conflicting tribal, individual Indian, or other claims with respect to the lands that are the subject of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. This concludes the call of the Consent Calendar.

ELIMINATING CERTAIN REQUIREMENTS FOR OBTAINING MARKETING ORDERS FOR CHERRIES

Mr. FOLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4282) to amend the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, so as to eliminate certain requirements with respect to effectuating marketing orders for cherries.

The Clerk read as follows:

H.R. 4282

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 8c(2) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is amended by striking out "cherries, apples, or cranberries" and inserting in lieu thereof "apples or cranberries".

The SPEAKER pro tempore. Is a second demanded?

Mr. HUTCHINSON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington will be recognized for 20 minutes, and the gentleman from Michigan will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, the purpose of this legislation is not complicated. The original Marketing Act of 1937 exempted all but two fruits and vegetables from marketing orders if they were for canning purposes. In 1961, the act was amended to include cherries for canning or freezing, with the proviso that processor agreements would be required as well as the provision of two-thirds support by producers—either by volume or by number.

The purpose of this legislation is to eliminate from the act the requirement for processor approval. This crop—cherries for canning and freezing—is one that is particularly susceptible to fluctuations in weather and other conditions of production. This has resulted, in recent years, in widely varying prices. These prices often, of course, work to the advantage of the processor, who under existing legislation has a veto over the remedial marketing order.

The original purpose of marketing orders was to stabilize prices and distribution of the commodity for producers.

It is, in the judgment of the committee, incongruous that there should be a requirement for processor approval. For this reason, the committee carefully considered the testimony of those farm organization cherry producers and the industry involved—that is, the cherry processors—we heard objections from the National Canners Association, and reported the bill to the full committee, where it was adopted.

Mr. Speaker, I reserve the remainder of my time.

Mr. HUTCHINSON. Mr. Speaker, I hope that the House will not suspend the rules and pass this bill under a suspension. The matter is controversial. The gentleman from Washington has mentioned that the processors are opposed to the bill.

The history of marketing orders among the cherry producers indicates that the cherry producers themselves are certainly far from agreement upon this. So this matter is a matter of sufficient concern that in my judgment, at least, it should be subjected to full debate, with an opportunity for amendment.

As I understand the law, at the present time there are four fruits for canning or freezing which are subject to marketing orders—grapefruit, cherries, cranberries, and apples. In the case of cherries, cranberries, and apples, the processors are permitted a voice in the adoption of the marketing order. In the case of grapefruit the processors have no voice, apparently, on the question of adopting an order, but the statute in the case of grapefruit assures the processors a voice in the administration of the order, since it says that there shall be processor membership on the committee administering the order.

This bill, in effect, Mr. Speaker, would place cherries in a unique situation, alone of all processed fruits, because the cherry processor alone would have neither a voice as to the content of the order nor as to its administration.

If a Member would take the time to read the present statute relative to the breadth of marketing orders, in the case of a fruit processor, at least, a marketing order could be devised which would be so broad as to actually be a club of economic life or death over him, because the order might provide that it could control through allocation the quantity and the quality and the grade and the size and the source of every processor's supply, in this case of cherries. Also, the orders could in effect control the markets into which a processor could ship his cherries, because the order could limit the quantity and the grade that could be shipped into any particular market.

The whole philosophy of marketing orders was devised originally to be concerned primarily with fresh products, a producer's product. When he sells his product to a processor, however, the product then becomes the processor's, and the processor has the responsibility for orderly marketing it, for putting it in markets as best he can and in his own judgment to his best advantage.

To subject the cherry processing industry to a situation where it no longer will have any control over how many cherries it may acquire or where it will market them seems to me a matter of very serious concern and something this House ought to debate fully. Certainly, in fairness to all the cherry processing industry, if the Congress wants to deprive the processor of any voice in determining whether or not there should be an order, at least the law ought to provide that he should have a voice on the administering committee.

The passage of this bill under the present parliamentary situation, it not being open to amendment, would deprive the cherry processor of any voice, either in the content or the administration of an order. He would neither have an opportunity to act in the making of the order nor in the administering of it. In that way he is being treated uniquely.

The committee report said that the committee feels there is no justification for keeping cherries for canning or freezing as an exception because the majority of the commodities now eligible for marketing orders have no such participation. I submit that in the case of fruits that is not true. In the case of fruits there are only four fruits for canning or freezing subject to marketing orders as it now stands.

As I related before, in every one of those cases the processor has a voice now. You are simply depriving the cherry processor of any voice at all here.

I hope the rules will not be suspended, and I reserve the balance of my time.

Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. HALL].

Mr. HALL. Mr. Speaker, I appreciate the gentleman from Michigan yielding to me.

I rise, as I do so often, primarily for information for the benefit of the Members of the House.

This bill, Mr. Speaker, H.R. 4282, acts by deletion from a basic bill. In other words, this amends the Agricultural Adjustment Act.

Is it not true that by simply striking out "cherries, apples, or cranberries," and inserting in lieu thereof "apples or cranberries," that that will still leave what is known in agricultural circles as bloc voting rather than voting by the individual producer and at the same time, as stated in the report on the first page, say that such a marketing order would be in order only if the issuance of such is approved by the processors?

My interest here is one of definition. For the benefit of all the Members here present who will probably vote on this question, can we say a producer, for all intents and purposes, is a cherry grower—the farmer who has the orchard and who husbands and harvests it is the actual producer; and the processor would be those engaged in the business of transporting, canning, and packing, including the jobbers? In between there is, of course, the question of block voting by cooperatives as well. The individual producer yields his prerogatives. Would this bill change that in any wise?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. HALL. I yield to the gentleman from Washington.

Mr. FOLEY. No. I would advise the gentleman from Missouri that the only effect this legislation has is to remove cherries from the list of the commodities for canning and freezing that must have the approval of 50 percent of the processors, by weight. That is the only purpose of the legislation and its only reach.

Mr. HALL. Mr. Speaker, I further ask if on enacting this amendment, if it would remove the right of referendum prior to an order being established by the cherry grower?

Mr. FOLEY. No; it does not eliminate the referendum. In all other respects the procedure of establishing the marketing order would remain the same as it does under the original act as amended. In this case it requires a two-thirds vote by referendum of the producers either by number or by volume.

Mr. HALL. Mr. Speaker, I further presume from the gentleman's answer, the gentleman who is handling the bill, that there is still the provision for bloc voting by cooperatives, if such is delegated by the individual producers.

Mr. FOLEY. As in the case with all marketing orders, that is the condition which applies to marketing orders for cherries.

Mr. HALL. Mr. Speaker, it would seem to me that in view of this report the crux of this situation is whether or not we are trying to support and assist the agricultural producers or whether, indeed, we are giving more time and attention to the processor. I favor the basic principle of individual producer referendum, but see no reason for excluding agribusiness by a change in Federal legislation for provincial or area reasons.

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.

Mr. FOLEY. Mr. Speaker, I yield 5 minutes to the author of the legislation, the distinguished gentleman from Pennsylvania [Mr. VIGORITO].

Mr. VIGORITO. Mr. Speaker, I thank the distinguished gentleman from Washington [Mr. FOLEY] very much for yielding to me this time during which to discuss this legislation.

Mr. Speaker, the reason I introduced this legislation is because in 1965 a vote was taken on red tart cherries in the five States surrounding the Great Lakes, and 90 percent of the red sour cherries are grown there; those States being the States of Wisconsin, Ohio, Michigan, Pennsylvania, and New York.

Mr. Speaker, 77 percent of the producers or farmers in Pennsylvania voted in favor of a marketing order, while only 26 percent of the processors voted in favor of the marketing order.

So, Mr. Speaker, one can see that the processors could not care a hoot about having a marketing order.

I would like to repeat—what will a marketing order do for farmers of red tart cherries if two-thirds of them decide that they would like to have a marketing order.

They could grade, size, and set up quality standards, container standards, promotion and advertising, marketing service and merchandising, and research such as marketing statistics within the scope of price analyses, production problems, handling and engineering problems, new product development, and so forth.

So, it has no bearing upon selling the cherries from the producers to the processors. They would still have the free market at work between the producers and the processors.

Mr. Speaker, I wish to state—and this very rarely happens—with reference to this bill that it comes out of the Committee on Agriculture with the endorsement of at least five or six major farm organizations which have approved it, this bill H.R. 4282.

In addition, the U.S. Department of Agriculture approves the passage of this bill. The American Farm Bureau, the National Grange, the National Farmers Union, the National Farmers Organization, the National Council of Farmers and Cooperatives, and the National Cherry Growers Council endorse this legislation.

So, Mr. Speaker, it is my opinion that H.R. 4282 speaks for itself, the fact that this is the only bill that I can recall where all six or seven of these farm organizations are in agreement. That is a very rare thing.

So I hope, Mr. Speaker, that the Members of this House will see fit to give their approval to this legislation which in my opinion will give the farmers and the producers of cherries the right to determine whether they wish to go ahead and have marketing orders for their benefit.

Mr. HUTCHINSON. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Virginia [Mr. DOWNING].

Mr. DOWNING. Mr. Speaker, I find that I must oppose this bill. It seems to me that the processor here has a substantial interest and, certainly, has an investment in this matter. It is my further opinion that the adoption of this legislation would sever his rights completely. It is my information that in the marketing agreements, the processor is called upon to make contributions in order to carry out the advertising regulations and so forth. He has this obligation in addition to the fact that he is necessarily connected, as I understand it, with the cherry producers. In other words, the cherry producer must have the processor and the processor must have the producer.

This bill completely severs the right of the processor to vote in a referendum on cherry marketing policy. The Agricultural Marketing Agreement Act of 1957 was amended in 1961 to authorize a marketing order for cherries, cranberries, and apples to require a favorable vote by at least 50 percent of the processors as well as 66⅔ percent of the producers voting in the referendum in order that an order could be made effective as to any one of these commodities. So Congress adopted a policy that marketing orders for these crops should not be adopted unless the processors have the express right to express approval or disapproval of a proposed order.

Three years ago a proposed cherry order was made the subject of a referendum by the U.S. Department of Agriculture, but it was voted down, not only by a substantial processor margin, but by a 7-percent margin of the producers themselves. It is apparent that without a processor vote, the proponents of these mandatory controls believe that they could persuade at least two-thirds of the cherry producers to adopt certain marketing control agreements.

In conclusion, I would like to say I believe that the processors and the producers are tied together too intimately to cut the processors away from important decisions of this kind, and I do hope that the House will vote down this bill.

Mr. FOLEY. Mr. Speaker, the gentleman from Virginia mentioned the contributions that were made by the processors in these marketing order arrangements. I might say that there are over 43 marketing orders and, contrary to the suggestion of the gentleman from Michigan, most of the overwhelming number of those marketing orders, all but four, do not have any requirement for processor approval.

The processor has the opportunity—which indeed they all avail themselves of—of passing on any cost of advertising and promotional work on to the ultimate consumer, but in this case, the case of cherries, there is a requirement, along with three other commodities, for the processors to approve a marketing order by 50 percent of their number before the marketing order can come into existence. This has successfully prevented a marketing order for canning and freezing cherries.

The purpose of the act of 1961 was to permit the canning and freezing producers of cherries to have a marketing order for an orderly marketing of their crops which the addition of this requirement of processor approval has prevented.

The object of the committee in removing the requirement is to allow the 1961 law to be effective; in other words, to allow a marketing order for the producers of canned cherries. It has no other purpose beyond that. It does not otherwise change or expand the marketing order. The purpose is to give the cherry farmers who have been badly hit and badly depressed in recent years a chance to bring some orderly marketing into their affairs.

As the gentleman from Pennsylvania said, I believe this is one of the few occasions, if not the only one, on which we have a bill before the Committee on Agriculture which had the concurrence of all the major farm organizations. This is a rare occurence in the Committee on Agriculture, but it did occur in this bill, and the overwhelming number of producers have given their support to this legislation.

Mr. DOWNING. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Virginia.

Mr. DOWNING. If I understand the gentleman correctly, the main purpose of the bill is to remove the processors from voting, so that the producers can adopt a marketing procedure. That does not seem exactly fair to me, because the processors have a direct interest in this marketing agreement.

Mr. FOLEY. If the gentleman will recall, there are processing or marketing orders for more than 43 commodities; in all but four of those the processors are excluded from any participation, even though they have an obvious interest.

The purpose of the marketing orders indeed is not to assist the processors. They have the opportunity to protect themselves in other ways. The purpose is to help the producers.

The initiative for all the marketing orders has been a corncern with the producers.

Mr. DOWNING. The Marketing Act of 1961 expressly amended the original act to allow producers to have the vote under the marketing agreement; is that not so?

Mr. FOLEY. I would say that the purpose of the 1961 amendments was to permit canning and freezing of cherries to be the subject of a marketing order.

In view of the fact that the act originally excluded commodities for canning and freezing from marketing orders, the exception was removed in part for these cherries in 1961.

There was an additional proviso at that time that the approval of the processors was to be added to the approval of the producers.

Mr. DOWNING. There must have been some reason for this to be included in 1961 and I think they should still stay in the act.

Mr. FOLEY. I might point out here that the experience since the 1961 amendments has been such that the Committee on Agriculture has recently added another commodity to those subject to a marketing order for canning and freezing; namely, pears.

In that matter, which has not yet reached the floor of the House, the Committee on Agriculture did not provide for processor approval.

Mr. VIGORITO. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Pennsylvania.

Mr. VIGORITO. I wish to state to the gentleman from Virginia that I believe one reason is that the canning group had a more effective lobby.

I would like to make another point or observation, that in the last 3 years I have talked with cherry growers in my area and representatives of various cherry producers. When they voted on it in 1965, they were not really sure what a marketing order could possibly do for them.

I think with a little more salesmanship and explanation, I am sure the next time they get an opportunity to vote that the cherry producers will vote favorably—that is, two-thirds of the votes, either by weight or by number of farmers, will be in the affirmative and in favor of a marketing order.

Mr. FOLEY. Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the Committee on Agriculture, the gentleman from Texas [Mr. POAGE].

Mr. POAGE. I would just like to call attention to the fact that we have about 40 of these marketing orders which may be put into effect on a vote by the producers. Of course, that is the purpose of the marketing order, to try to give the producers a better opportunity to make a living. A good many of them are in effect on the west coast. The producers are able to vote a marketing order in and yet I have not heard of any of the processors being forced out of business on the west coast.

It strikes me that the west coast producers and processors probably are doing a great deal better today than our northeastern fruit producers and processors.

It looks to me like the experience of the Nation indicates that these orders are a good thing and that they do help. There is not a ton of cherries produced in the State of Texas that I know of, but these people in the Great Lakes area ought to have an opportunity to vote for a marketing order for themselves if they want it; that is, if two-thirds of them want it—and that is what is required by this bill. It simply gives the producers an opportunity to put a marketing order into effect if two-thirds of the producers want it.

It seems to me highly desirable. Experience has not indicated that it will hurt any processor. Actually, the processors on the Pacific coast are operating at far better profit levels than processors in the Northeast right now. I think these Northeast processors had better get some prosperous producers. I do not think you can have a very prosperous processing industry unless you have some prosperity among the producers.

Mr. HUTCHINSON. Mr. Speaker, I want to reiterate, however, that all these marketing orders that have been mentioned are for fresh produce—fresh agricultural products. None of them are for processed products except in the area of these four particular fruits, grapefruit, cherries, cranberries, and apples. Those are the only four in which the processors are ever involved, because no marketing order ever reaches any other processed fruit. It just reaches these four kinds. So I do not think the House should be confused by the point that, in effect, 40-odd marketing orders are involved. They are not comparable. They are all for fresh products, not for processed products.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. HUTCHINSON. I yield to the gentleman from Washington.

Mr. FOLEY. I think the gentleman will find that there is a marketing order for canning cling peaches.

Mr. HUTCHINSON. I thank the gentleman for that information. I was not aware of it. It must be on the west coast.

Mr. FOLEY. Yes, it is.

Mr. HUTCHINSON. Aside from that, my statement still stands. I also believe the House should be reminded of the fact that in the administration of these marketing orders for processed fruits the processor pays the cost of administration over and above the contribution of the Federal Government, which I believe is $25,000 to get the marketing order set up. Therefore, the administration of it is all financed through the processors by way of assessment. Under those circumstances it certainly seems as though we ought to have a voice one way or the other, either in the make-up of the order to begin with or in its administration. By this bill you would deny the cherry processor a voice either way. You would give him no voice at all.

Again I say the House would do the matter more justice if this suspension were voted down and we would let the matter come up under a rule where it could be debated and be subject to amendment.

Mr. FOLEY. Mr. Speaker, the objection of the gentleman from Michigan is not a proper objection to this legislation. Indeed, in all the marketing orders that I know the cost of administration is paid for partially by processors or handlers. They in turn recover the cost either from the price paid to the producer on the one hand or the price paid by the ultimate consumer on the other. They do not bear any of the costs out of their own profits. They have two ways to recover the cost: A lower price to compensate for the cost to the actual producer who sells the goods to them or in the ultimate price paid by the customer in the grocery store, the consumer of the product. That is the case in all the 40-odd marketing orders we have.

These marketing orders have worked out well. They have benefited both the producer and the processor, and also the ultimate consumer. All we seek here is an opportunity for the cherry producers to be able to share these benefits which he is now prevented from sharing by this rather unusual requirement of a 50-percent approval by processors.

Mr. VIGORITO. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Pennsylvania.

Mr. VIGORITO. I thank the gentleman. I wish to point out that last year Pennsylvania produced 400 tons of red tart cherries, and this is the lowest production on record since records were first kept. If that rate continues there will be no need to discuss any legislation whatsoever. We must reverse this trend; otherwise we will not have any producers of red tart cherries.

Mr. HUTCHINSON. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, I just wonder why we have to consider legislation such as this under suspension, with no chance of any kind of amendments or any revisions. The last amendment to the law relating to orders for cherries was made by Congress in 1961, I believe.

At that time, under an open rule and after due consideration, the processor was given a voice in determining whether marketing orders would be put into effect or not. What do we do now? We come along and act in a rather cusory fashion, it seems to me.

I happen to have a rather substantial cherry-producing area in my district—I will agree that among many producers there is great questioning as to what is appropriate in terms of operating through orders or not having orders. There is also among the growers themselves concern—because in many cases these growers are cooperative processors—concern as to whether processors should not be in this.

But what I would complain about at this stage, Mr. Speaker, is that here, in a rather cusory fashion, by the technique of suspending the rules, we consider the subject. I do not think we are under that kind of pressure from either side in this matter that we have to take action in this restrictive manner.

I would suggest, Mr. Speaker, that this motion should be defeated and, if the gentlemen want to go to the Rules Committee and bring this up under the normal method of considering legislation so that amendments, if there are amendments, could be appropriately considered, it would be a much better way for us to proceed in this important matter.

Mr. HUTCHINSON. Mr. Speaker, so that the Record may be complete and clear, the gentleman from Washington referred a few minutes ago to a peach marketing order action on the west coast. I am now informed that the order is pursuant to a State law there. It is not a Federal order. I am also informed—though I know nothing about it firsthand—that the State order does require processor approval.

Mr. Speaker, I have no further requests for time and yield back the balance of my time.

Mr. FOLEY. Mr. Speaker, I thank the gentleman from Michigan for the correction. I will say the Committee on Agriculture has also reported out a bill for canning orders for frozen pears, which does not contain this provision for processor approval.

Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Washington that the House suspend the rules and pass the bill (H.R. 4282).

The question was taken.

Mr. HUTCHINSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 180, nays 168, not voting 83, as follows:

[Roll No. 15]

YEAS—180

Abernethy
Adams
Addabbo
Albert
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Aspinall
Bingham
Boggs
Boland
Bolling
Brademas
Brasco
Brinkley
Brooks
Brown, Calif.
Brown, Ohio
Burke, Mass.
Burton, Calif.
Byrne, Pa.
Conable
Corman
Culver
Daddario
Daniels
Davis, Ga.
Dawson
de la Garza
Delaney
Dent
Dickinson
Dole
Donohue
Dow
Dulski
Eckhardt
Edmondson
Edwards, La.
Eilberg
Esch
Evins, Tenn.
Fallon
Fisher
Foley
Ford, William D.
Fountain
Fraser
Friedel
Fuqua
Galifianakis
Garmatz
Gathings
Giaimo
Gibbons
Gilbert
Gonzalez
Green, Pa.
Griffiths
Gude
Hamilton
Hansen, Wash.
Harrison
Harsha
Hathaway
Hawkins
Hays
Hechler, W. Va.
Helstoski
Henderson
Herlong
Hicks
Holifield
Holland
Howard
Hungate
Ichord
Jarman
Joelson
Johnson, Calif.
Jones, Mo.
Jones, N.C.
Karsten
Kastenmeier
Kazen
Kee
Keith
Kelly
King, Calif.
Kirwan
Kyros
Landrum
Leggett
Lennon
McCarthy
McClure
McCulloch
McEwen
McFall
Machen
Mahon
Mathias, Md.
Matsunaga
Meeds
Miller, Ohio
Mills
Minish
Mink
Montgomery
Moore
Morgan
Morris, N. Mex.
Morton
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nichols
O'Hara, Mich.
Olsen
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Patman
Patten
Perkins
Philbin
Pike
Poage
Pollock
Price, Ill.
Pryor
Pucinski
Purcell
Randall
Reid, N.Y.
Rhodes, Pa.
Rodino
Rogers, Colo.
Rooney, Pa.
Roth
Roush
Roybal
Ruppe
Ryan
Scheuer
Schweiker
Scott
Selden
Shipley
Sikes
Slack
Smith, Iowa
Snyder
Steed
Stephens
Stubblefield
Stuckey
Sullivan
Taylor
Teague, Calif.
Teague, Tex.
Tenzer
Thompson, N.J.
Udall
Ullman
Van Deerlin
Vigorito
Walker
Watts
Whalen
White
Whitener
Willis
Wolff
Wright
Young
Zwach

NAYS—168

Adair
Anderson, Ill.
Arends
Ashbrook
Ashmore
Ayres
Baring
Bates
Battin
Belcher
Bell
Bennett
Berry
Betts
Bevill
Biester
Blatnik
Bolton
Bray
Broomfield
Brotzman
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burton, Utah
Bush
Byrnes, Wis.
Carter
Casey
Cederberg
Chamberlain
Clancy
Clawson, Del
Cohelan
Collier
Colmer
Conte
Corbett
Cowger
Cunningham
Curtis
Davis, Wis.
Dellenback
Denney
Derwinski
Devine
Dingell
Dorn
Dowdy
Downing
Duncan
Dwyer
Erlenborn
Findley
Flynt
Ford, Gerald R.
Frelinghuysen
Fulton, Pa.
Gettys
Green, Oreg.
Gross
Grover
Hagan
Haley
Hall
Hammerschmidt
Hanley
Hanna
Hardy
Heckler, Mass.
Horton
Hosmer
Hunt
Hutchinson
Irwin
Jacobs
Johnson, Pa.
Karth
King, N.Y.
Kleppe
Kupferman
Kuykendall
Kyl
Laird
Langen
Latta
Lipscomb
Lloyd
Long, Md.
McClory
McCloskey
McDade
McMillan
MacGregor
Mailliard
Marsh
Martin
Mathias, Calif.
Mayne
Meskill
Michel
Miller, Calif.
Minshall
Mize
Moorhead
Mosher
Nelsen
O'Konski
Pelly
Pettis
Poff
Price, Tex.
Quie
Quillen
Railsback
Reid, Ill.
Reifel
Reuss
Rhodes, Ariz.
Riegle
Roberts
Robison
Rogers, Fla.
Roudebush
St Germain
Sandman
Satterfield
Saylor
Schadeberg
Scherle
Schneebeli
Schwengel
Shriver
Smith, Calif.
Smith, N.Y.
Springer
Stafford
Stanton
Steiger, Ariz.
Steiger, Wis.
Stratton
Taft
Talcott
Thompson, Ga.
Thomson, Wis.
Tiernan
Tunney
Utt
Vander Jagt
Waldie
Watkins
Watson
Whalley
Whitten
Widnall
Wiggins
Williams, Pa.
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Wyman
Yates
Zablocki
Zion

NOT VOTING—83

Abbitt
Ashley
Barrett
Blackburn
Blanton
Bow
Brock
Burleson
Button
Cabell
Cahill
Carey
Celler
Clark
Clausen, Don H.
Cleveland
Conyers
Cramer
Diggs
Edwards, Ala.
Edwards, Calif.
Eshleman
Evans, Colo.
Everett
Farbstein
Fascell
Feighan
Fino
Flood
Fulton, Tenn.
Gallagher
Gardner
Goodell
Goodling
Gray
Gubser
Gurney
Halleck
Halpern
Hansen, Idaho
Harvey
Hébert
Hull
Jonas
Jones, Ala.
Kluczynski
Kornegay
Long, La.
Lukens
McDonald, Mich.
Macdonald, Mass.
Madden
May
Monagan
Morse, Mass.
Moss
Nix
O'Hara, Ill.
Passman
Pepper
Pickle
Pirnie
Pool
Rarick
Rees
Reinecke
Resnick
Rivers
Ronan
Rooney, N.Y.
Rosenthal
Rostenkowski
Rumsfeld
St. Onge
Sisk
Skubitz
Smith, Okla.
Staggers
Tuck
Vanik
Waggonner
Wampler
Wilson, Charles H.

So (two-thirds not having voted in favor thereof), the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert and Mr. St. Onge for, with Mr. Gubser against.

Mr. Rooney of New York and Mr. Carey for, with Mr. Reinecke against.

Mr. Waggonner and Mr. Long of Louisiana for, with Mr. Cahill against.

Mr. Kluczynski and Mr. Monagan for, with Mr. Goodling against.

Mr. Barrett and Mr. Rostenkowski for, with Mr. Morse of Massachusetts against.

Mr. Fascell and Mr. Feighan for, with Mr. Don H. Clausen against.

Mr. Kornegay and Mr. Madden for, with Mr. Fino against.

Mr. Nix and Mr. Celler for, with Mr. Halpern against.

Mr. Charles H. Wilson and Mr. Ronan for, with Mr. Bow against.

Until further notice:

Mr. Clark with Mr. Cramer.
Mr. Pepper with Mr. Jonas.
Mr. Farbstein with Mr. Brock.
Mr. Macdonald of Massachusetts with Mr. Cleveland.
Mr. Cabell with Mr. Goodell.
Mr. Vanik with Mr. Halleck.
Mr. Tuck with Mr. Skubitz.
Mr. Resnick with Mr. Pirnie.
Mr. Rivers with Mr. Lukens.
Mr. Rosenthal with Mr. Button.
Mr. Staggers with Mr. Edwards of Alabama.
Mr. Hull with Mr. Eshleman.
Mr. Hardy with Mr. Smith of Oklahoma.
Mr. Sisk with Mr. Gurney.
Mr. Gallagher with Mr. Wampler.
Mr. Flood with Mrs. May.
Mr. O'Hara of Illinois with Mr. Blackburn.
Mr. Moss with Mr. McDonald of Michigan.
Mr. Jones of Alabama with Mr. Gardner.
Mr. Abbitt with Mr. Hansen of Idaho.
Mr. Burleson with Mr. Rumsfeld.
Mr. Evans of Colorado with Mr. Edwards of California.
Mr. Passman with Mr. Pickle.
Mr. Rarick with Mr. Blanton.
Mr. Ashley with Mr. Diggs.
Mr. Everett with Mr. Rees.
Mr. Pool with Mr. Fulton of Tennessee.
Mr. Gray with Mr. Conyers.

Messrs. IRWIN, TIERNAN, and MIZE changed their votes from "yea" to "nay."

Messrs. RUPPE and REID of New York changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

LAND CONVEYANCE, GLENDALE, ARIZ.

Mr. POAGE. Mr. Speaker, I move to suspend the rules and pass the bill (S. 974) to authorize the Secretary of Agriculture to convey certain lands to the city of Glendale, Ariz., as amended.

The Clerk read as follows:

S. 974

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, should such land become surplus property pursuant to the Federal Property and Administrative Services Act of 1949, as amended, the Secretary of Agriculture is authorized and directed to convey to the city of Glendale, Arizona, upon payment by said city of such amount as he deems appropriate, but in no event less than $35,000, giving due consideration to the public use thereof, all right, title, and interest of the United States in and to those lands constituting the grounds of the Southwest Poultry Experiment Station, located in the city of Glendale, Arizona, which station has been scheduled for closing in the near future by the Department of Agriculture. The lands authorized to be conveyed by this Act, consisting of approximately twenty acres, the exact legal description of which shall be determined by the Secretary of Agriculture, shall be made only after a final determination has been made by the Secretary that such lands are no longer needed by the Department of Agriculture for poultry research purposes or for any other purpose. After such a determination has been made by the Secretary and before the conveyance of such lands is made, the Secretary shall make such disposition of improvements and facilities located on such lands as he deems to be in the best interest of the United States.

SEC. 2. The conveyance authorized by the first section of this Act shall provide that the lands so conveyed shall be used by the city of Glendale, Arizona, for public park or recreational purposes only, and if they shall ever cease to be used for such purposes the title to such lands shall revert to the United States which shall have the immediate right of reentry thereon. Such conveyance may be made subject to such other terms, conditions, and restrictions as the Secretary of Agriculture deems appropriate.

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Texas.

Mr. POAGE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a Senate bill. It passed the other body and was referred to this House, and was considered by the Committee on Agriculture of this House, and was reported favorably by unanimous vote of that committee.

This bill authorizes the conveyance of certain land in the city of Glendale, Ariz., to that city from the Secretary of Agriculture. The land originally was purchased by the Secretary of Agriculture for $4,500. It is now surplus to the needs of the Government.

The House amendment to the bill provides that the land may be conveyed for not less than $35,000, assuring the U.S. Government of an enhancement of at least $30,500 on the transaction. The property is being conveyed to the city for use only for public purposes, for park and recreation purposes, and reverts to the U.S. Government if it ceases to be so used.

The property is probably worth more on the open market than $35,000. In fact there is a suggestion that it might be worth anywhere from $140,000 to $200,000. The Senate originally passed this bill without any assurance that there would be any consideration paid to the Federal Government. Many Members are familiar with what is known as the Morse rule in the Senate. The House amendment complies with the so-called Morse rule, of providing a return to the Government of at least $35,000.

I believe it is perfectly clear that this is in keeping with the usual practice of conveying public lands, except that there is a good deal better return to the Federal Government than takes place in many instances.

Our committee felt, all personalities aside, trying to consider only the question of the merits of the bill, that the bill should be passed and that it was a worthwhile undertaking. The committee asks for passage of this bill.

Mr. GROSS. Mr. Speaker, I have no requests for time. I yield back my time.

The SPEAKER pro tempore (Mr. BOGGS). The question is on the motion of the gentleman from Texas [Mr. POAGE] that the House suspend the rules and pass the bill S. 974, as amended.

The question was taken.

Mr. POAGE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 202, nays 138, not voting 92, as follows:

[Roll No. 16]

YEAS—202

Abernethy
Adair
Anderson, Ill.
Andrews, Ala.
Andrews, N. Dak.
Arends
Ashbrook
Aspinall
Ayres
Baring
Bates
Battin
Belcher
Bell
Berry
Betts
Biester
Boggs
Bolton
Bray
Brinkley
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burton, Utah
Bush
Carter
Cederberg
Chamberlain
Clancy
Clawson, Del
Collier
Colmer
Conable
Conte
Corbett
Cowger
Cunningham
Curtis
Davis, Wis.
de la Garza
Dellenback
Denney
Derwinski
Devine
Dickinson
Dole
Dow
Duncan
Dwyer
Edwards, La.
Erlenborn
Esch
Findley
Fisher
Ford, Gerald R.
Fountain
Fraser
Frelinghuysen
Fulton, Pa.
Fuqua
Gathings
Gross
Grover
Gude
Hall
Halleck
Hammerschmidt
Harrison
Harsha
Hechler, W. Va.
Heckler, Mass.
Hicks
Horton
Hosmer
Hunt
Hutchinson
Jacobs
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Mo.
Kastenmeier
Keith
King, N.Y.
Kirwan
Kleppe
Kupferman
Kuykendall
Kyl
Laird
Landrum
Langen
Latta
Leggett
Lipscomb
Lloyd
McClory
McCloskey
McClure
McCulloch
McDade
McEwen
MacGregor
Mahon
Mailliard
Marsh
Martin
Mayne
Meskill
Michel
Miller, Ohio
Minshall
Mize
Montgomery
Moore
Morris, N. Mex.
Morse, Mass.
Morton
Mosher
Myers
Natcher
Nelsen
Nichols
O'Konski
O'Neal, Ga.
Patman
Pelly
Perkins
Pettis
Poage
Poff
Pollock
Price, Tex
Pryor
Purcell
Quie
Quillen
Railsback
Reid, Ill.
Reid, N.Y.
Reifel
Rhodes, Ariz.
Riegle
Robison
Rogers, Colo.
Rogers, Fla.
Roth
Roudebush
Roush
Ruppe
Sandman
Schadeberg
Scherle
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shriver
Skubitz
Smith, Calif.
Smith, N.Y.
Snyder
Springer
Stafford
Stanton
Steiger, Ariz.
Steiger, Wis.
Stubblefield
Taft
Talcott
Taylor
Teague, Calif.
Thompson, Ga.
Thomson, Wis.
Udall
Utt
Vander Jagt
Waldie
Watkins
Watson
Whalen
Whalley
White
Widnall
Wiggins
Williams, Pa.
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Wyman
Zion
Zwach

NAYS—138

Adams
Addabbo
Anderson, Tenn.
Annunzio
Ashmore
Bennett
Bevill
Bingham
Blatnik
Boland
Bolling
Brademas
Brasco
Brooks
Burke, Mass.
Burton, Calif.
Byrne, Pa.
Casey
Cohelan
Corman
Culver
Daddario
Daniels
Davis, Ga.
Dawson
Delaney
Dent
Dingell
Donohue
Dorn
Downing
Dulski
Eckhardt
Edmondson
Eilberg
Fallon
Flynt
Foley
Friedel
Galifianakis
Garmatz
Gettys
Giaimo
Gibbons
Gilbert
Gonzalez
Green, Oreg.
Green, Pa.
Griffiths
Hagan
Haley
Hamilton
Hanley
Hanna
Hathaway
Hawkins
Hays
Helstoski
Henderson
Herlong
Holifield
Holland
Howard
Hungate
Ichord
Irwin
Jarman
Joelson
Jones, N.C.
Karsten
Karth
Kazen
Kee
Kelly
King, Calif.
Kyros
Lennon
Long, Md.
McCarthy
McFall
McMillan
Machen
Matsunaga
Meeds
Miller, Calif.
Minish
Mink
Moorhead
Morgan
Murphy, Ill.
Murphy, N.Y.
Nedzi
Olsen
O'Neill, Mass.
Ottinger
Patten
Pike
Price, Ill.
Pucinski
Randall
Reuss
Rhodes, Pa.
Roberts
Rodino
Rooney, Pa.
Roybal
Ryan
St Germain
Satterfield
Saylor
Scheuer
Shipley
Sikes
Sisk
Slack
Smith, Iowa
Steed
Stephens
Stratton
Sullivan
Teague, Tex.
Tenzer
Thompson, N.J.
Tiernan
Tunney
Ullman
Van Deerlin
Vigorito
Walker
Watts
Whitener
Whitten
Willis
Wolff
Wright
Yates
Young
Zablocki

NOT VOTING—92

Abbitt
Albert
Ashley
Barrett
Blackburn
Blanton
Bow
Brock
Burleson
Button
Byrnes, Wis.
Cabell
Cahill
Carey
Celler
Clark
Clausen, Don H.
Cleveland
Conyers
Cramer
Diggs
Dowdy
Edwards, Ala.
Edwards, Calif.
Eshleman
Evans, Colo.
Everett
Evins, Tenn.
Farbstein
Fascell
Feighan
Fino
Flood
Ford, William D.
Fulton, Tenn.
Gallagher
Gardner
Goodell
Goodling
Gray
Gubser
Gurney
Halpern
Hansen, Idaho
Hansen, Wash.
Hardy
Harvey
Hébert
Hull
Jones, Ala.
Kluczynski
Kornegay
Long, La.
Lukens
McDonald, Mich.
Macdonald, Mass.
Madden
Mathias, Calif.
Mathias, Md.
May
Mills
Monagan
Moss
Nix
O'Hara, Ill.
O'Hara, Mich.
Passman
Pepper
Philbin
Pickle
Pirnie
Pool
Rarick
Rees
Reinecke
Resnick
Rivers
Ronan
Rooney, N.Y.
Rosenthal
Rostenkowski
Rumsfeld
St. Onge
Smith, Okla.
Staggers
Stuckey
Tuck
Vanik
Waggonner
Wampler
Wilson, Charles H.

So (two-thirds not having voted in favor thereof) the motion was rejected.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Pirnie.

Mr. Rooney of New York with Mr. Cahill.

Mr. St. Onge with Mr. Cleveland.

Mr. Carey with Mr. Bow.

Mr. Waggonner with Mr. Cramer.

Mr. Long of Louisiana with Mr. Blackburn.

Mr. Kluczynski with Mr. McDonald of Michigan.

Mr. Monagan with Mr. Lukens.

Mr. Barrett with Mr. Harvey.

Mr. Rostenkowski with Mr. Goodell.

Mr. Fascell with Mr. Gurney.

Mr. Feighan with Mr. Mathias of Maryland.

Mr. Kornegay with Mr. Brock.

Mr. Madden with Mr. Button.

Mr. Nix with Mr. Edwards of California.

Mr. Celler with Mr. Byrnes of Wisconsin.

Mr. Charles H. Wilson with Mr. Rumsfeld.

Mr. Ronan with Mr. Eshleman.

Mr. Clark with Mr. Reinecke.

Mr. Pepper with Mr. Halpern.

Mr. Farbstein with Mr. Fino.

Mr. Macdonald of Massachusetts with Mr. Gubser.

Mr. Cabell with Mr. Smith of Oklahoma.

Mr. Vanik with Mr. Hansen of Idaho.

Mr. Tuck with Mr. Gardner.

Mr. Resnick with Mr. Conyers.

Mr. Rivers with Mr. Edwards of Alabama.

Mr. Rosenthal with Mr. Goodling.

Mr. Staggers with Mr. Mathias of California.

Mr. Hull with Mrs. May.

Mr. Hardy with Mr. Wampler.

Mr. Diggs with Mr. Dow.

Mr. Gallagher with Mr. Don H. Clausen.

Mr. Flood with Mrs. Hansen of Washington.

Mr. O'Hara of Illinois with Mr. Philbin.

Mr. Moss with Mr. Blanton.

Mr. Albert with Mr. Mills.

Mr. Abbitt with Mr. Jones of Alabama.

Mr. Ashley with Mr. Evans of Colorado.

Mr. Everett with Mr. William D. Ford.

Mr. Burleson with Mr. Passman.

Mr. Pickle with Mr. Fulton of Tennesse.

Mr. Rarick with Mr. Stuckey.

Mr. Evins of Tennessee with Mr. Pool.

Mr. O'Hara of Michigan with Mr. Rees.

Mr. BARING, Mr. FULTON of Pennsylvania, Mr. ERLENBORN, and Mr. TAYLOR changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

AMENDING THE COMMODITY EXCHANGE ACT

Mr. POAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 13094), an act to amend the Commodity Exchange Act, as amended, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 2, strike out "any".

Page 14, line 25, strike out "voked. Upon" and insert "voked.' and 'Upon".

Page 16, line 10, after "9(b)" insert " : *Provided,* That any such cease and desist order against any respondent in any case of manipulation of, or attempt to manipulate, the price of any commodity shall be issued only in conjunction with an order issued against such respondent under section 6(b) of this Act".

Page 19, strike out lines 11 to 17, inclusive, and insert "nancial requirements under section 4f of this Act: *Provided,* That pending final determination under clause (B) or (C), registration shall not be granted: *And provided further,* That the applicant may appeal from a refusal of registration under clause (B) or (C) in the manner provided in paragraph (b) of section 6 of this Act; and'."

Page 21, line 17, strike out "margin" and insert "margin,".

Page 21, line 17, strike out "trade" and insert "trades".

Page 23, line 2, strike out "regulations" and insert "regulations,".

Page 23, lines 12 and 13, strike out "or the institution of any proceeding under section 9a of this Act".

Page 24, after line 3, insert

"Sec. 28. This Act shall become effective one hundred and twenty days after enactment."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

PAYROLL ALLOTMENTS FOR CREDIT UNIONS

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1048 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 1048

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6157) to permit Federal employees to purchase shares of Federal- or State-chartered credit unions through voluntary payroll allotment. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from California [Mr. Sisk] is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. Anderson] pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1048 provides an open rule with 1 hour of general debate for consideration of H.R. 6157 to permit Federal employees to purchase shares of Federal—or State-chartered credit unions through voluntary payroll allotment.

H.R. 6157 would allow Federal employees to save at their credit union through a system of payroll savings plans. The bill would allow each Federal employee who belongs to a State or federally chartered credit union to have a portion of his pay deducted for savings purposes and sent directly to the credit union. The credit union shall reimburse the U.S. Government for the reasonable cost of making such allotment.

The Comptroller General of the United States shall issue regulations to implement this authority.

Under present law, the head of each department has authority to authorize payroll allotments for savings bonds, contributions to the combined Federal campaign—charitable contributions—union dues, and, in the case of military personnel, payment for shares in credit unions. However, credit union payroll deductions are not allowed presently for Federal employees.

Under the terms of the bill, the Federal Government would be required to make payroll savings deductions for shares in credit unions upon the written request of a Federal employee.

Mr. Speaker, I urge the adoption of House Resolution 1048 in order that H.R. 6157 may be considered.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have no objection to the granting of the rule on this bill. There are no minority views.

I would merely add to what has been said by my colleague from California that I did happen to visit with the Chairman of the Civil Service Commission, Mr. Macy, the other day and mentioned the fact that this legislation would soon be before the House. He did express, while not opposition, perhaps reservation about the further extension of this principle that payroll deductions be used for a variety of causes.

As I understand it, this legislation is confined to the purposes stated; namely, the purchase of shares in Federal- or State-chartered credit unions. I believe perhaps during the discussion of the bill it might be in order to ask the committee to address itself to that particular question, as to whether or not similar requests have been received from other organizations to permit the use of payroll deductions as a means of enlisting support of Federal employees; and, if so, what their plans are with respect to reporting out further bills of this nature.

Mr. Speaker, I have no further requests for time.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6157) to permit Federal employees to purchase shares of Federal- or State-chartered credit unions through voluntary payroll allotment.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6157, with Mrs. Green of Oregon in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. Patman] will be recognized for 30 minutes, and the gentleman from New Jersey [Mr. Widnall] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas.

Mr. PATMAN. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, the legislation before the House today, H.R. 6157, is a very short and concise bill. The legislation would merely allow Federal employees to purchase shares of Federal- or State-chartered credit unions through voluntary payroll allotments. In addition, the bill provides that the Government's cost of handling such allotments shall be paid by the credit union receiving the allotment. Your committee feels that this legislation would not only be of benefit to Government employees but would also aid the Federal Government. By encouraging regular savings, employees build a source of funds to meet emergencies or to finance large purchases. This should result in fewer employees who over extend themselves and get into financial trouble. This, in turn, should lead to a more productive and stable work force and fewer complaints to the Federal Government from creditors concerning employees in financial difficulty.

According to the Bureau of the Budget, 48.8 percent of all Government employees are in grades GS–1 to GS–6. This would indicate that nearly 1 million Federal employees are of modest means, clearly requiring access to credit sources and inducements to saving. Thus, H.R. 6157 would be of great benefit to this large group of Government employees who, when financial trouble strikes, often are forced to borrow at high interest rates, thus compounding the difficulty.

Much has been said during recent months about the differences in salaries for employees of private companies as opposed to those working for the Federal Government. The recently enacted pay raise bill was designed to bring Federal employees' pay closer to that of employees in private industry. Along that line, it should be noted that payroll allotments for share purchases in credit unions are commonplace in private industry, and H.R. 6157 would merely extend that privilege to Government employees, thus taking another step toward placing Federal employees on a par with those in private industry as far as salary and benefits are concerned.

The Treasury Department opposes H.R. 6157 primarily on the grounds that the enactment of this legislation would place credit unions in direct competition with the Government savings bond program and could reduce the volume of savings bonds purchased by Federal employees. Your committee notes that the Treasury Department's opposition is based on conjecture and not on an experienced factor. For instance, servicemen are allowed payroll deduction allotment privileges for credit union share purchases, but at the same time, our servicemen are among the greatest volume purchasers of savings bonds.

Perhaps one of the most dramatic arguments to show that payroll deduction plans do not affect bond sales occurred recently at Bergstrom Air Force Base in Texas. On January 11, President Johnson presented the base a Minute Man flag in recognition of the fact that more than 90 percent of the command had bought savings bonds in 1967. The Minute Man flag is a Treasury Department award given to governmental and private organizations for outstanding savings bond participation. It should be pointed out that military personnel at Bergstrom Air Force Base, like servicemen the world over, are eligible for payroll allotments to credit unions. A check of the credit union at Bergstrom revealed that of its 6,000 members, 3,000 or 50 percent had payroll deduction allotments going to the credit union. Thus, while 50 percent of the credit union members had payroll deductions, the base, as a whole, had a 90-percent participation in the savings bond program. I think this example clearly refutes the Treasury's argument that passage of this bill would harm bond sales, particularly since it was the Treasury Department that selected Bergstrom for the award.

In private industry it has been proven that payroll deduction plans do not hurt bond sales. For example, 80 percent of the employees of a major aircraft corporation have credit union payroll deductions but 99 percent have savings bond deductions.

One of the problems in the connection of series E bonds is that of early redemption. According to Treasury figures, more than 1 out of every 3 series E bonds sold during 1965 was cashed in during the first year. The Federal Government only gains maximum advantages from the sale of savings bonds when they are held to maturity. While the Government does receive some financial assistance through bonds that are cashed in after being held for only a short time, it is felt that the paperwork involved in handling the bond transactions would offset the financial benefits accrued during the brief period. Clearly then, there is not enough to promote bond sales if bonds are not to be held for a sufficient length of time to provide benefits to the Government.

Your committee feels that by authorizing credit union payroll deductions for Federal employees that the problem of early redemption on savings bonds can be alleviated to a certain extent.

Systematic savings in credit unions would provide Federal employees with funds to meet short-term needs. Under this legislation, the employees who automatically add to their regular savings account in their credit union build a source of funds for consumer goods purchases or for emergency situations. He would not have to redeem his bonds for such purchases and because of this, the possibility that he would hold his bonds to maturity would be greatly increased. In addition, Mr. Chairman, your committee feels that passage of this legislation would promote great savings which could be an effective and painless way of fighting inflation.

In closing, Madam Chairman, I would like to once again point out that the credit unions, as they have in the past, are once again willing to pay their own way and will reimburse the Government for any costs incurred in processing the allotments.

It has been suggested by some Members of this body that every bill that is introduced should also be accompanied by a statement outlining the cost to the Government that would be incurred after the legislation was passed. That task is an extremely easy one for H.R. 6157.

Since the legislation provides that the credit unions will reimburse the Government for the cost of allotment processing, the financial cost to the Government of this legislation is zero, while the benefits that the Government will receive can never be fully measured in dollars and cents.

Madam Chairman, I yield to the gentlewoman from Missouri such time as she may consume.

Mrs. SULLIVAN. Madam Chairman, I want to compliment the gentleman from Texas, the chairman of the Committee on Banking and Currency, for bringing this bill to the floor of the House at this time. It is a good bill and should pass without any difficulty. The witnesses who testified before our committee in behalf of the bill gave good and convincing reasons as to why the bill should be considered favorably.

The credit unions were in the forefront of the battle for the Consumer Credit Protection Act which we passed in the House last week—they favored truth-in-lending legislation from the very beginning, when Senator Douglas first introduced the bill 8 years ago.

The credit union people were excellent witnesses before my Subcommittee on Consumer Affairs during our hearings on H.R. 11601, and pointed out the reasons why even the credit unions had to disguise the annual percentage rate of their interest or finance charges on loans, and use a monthly rate instead. As long as these rates are described in confusing terminology, the 12-percent rate of the credit unions—a very low rate compared to most other lenders—actually sounded very high. So even though they wanted to give the true rate, the confusion among consumers as to the meaning of the various rates cited by other types of lenders forced the credit unions to use monthly rates instead of annual rates. I appreciated their candor and their willingness to change their procedures to conform to H.R. 11601.

Chairman Patman frequently says that next to the church, the credit union is the most important voluntary organization to which a citizen can belong. He has been instrumental in the passage of many credit union bills, of which this is the latest. I urge its passage.

Mr. PATMAN. Madam Chairman, I yield such time as he may consume to the gentleman from Rhode Island [Mr. St Germain].

Mr. ST GERMAIN. Madam Chairman, I rise in strong support of H.R. 6157.

I have long supported legislation to provide payroll deductions for Federal employees belonging to credit unions and, in fact, during the 89th Congress introduced legislation designed to accomplish that purpose.

When credit union representatives appeared before the Banking and Currency Committee to testify on H.R. 6157, they made a strong case for its enactment, and I must reject the Treasury Department's argument that enactment of this legislation would hinder bond sales.

It has repeatedly been shown that on military installations where a credit union is in operation, bond sales are not in the least affected because of payroll deductions for the purchase of credit union shares. We have long allowed payroll deductions for credit union share purchases by our Armed Forces personnel. Yet, our servicemen and women as a class are the largest purchasers of savings bonds. Such a fact not only disproves the Treasury Department's argument that passage of this legislation will hurt bond sales, but in reality, may actually mean that passage of this legislation will help bond sales since Federal employees will now be able to save for emergency needs at the credit union through a painless withholding program and through the educational process of savings will be, I feel, favorably inclined to make additional investments in savings bonds which are designed as long-term savings instruments.

Madam Chairman, there are more credit unions, nearly 23,000, than all other financial institutions combined. Credit unions have established a remarkable record of safeguarding their members' funds so there could be no doubt that these institutions are well managed and a safe place to save.

Because of this, I feel it is important that Federal employees be allowed to make automatic payroll deductions for share purchases in credit unions. Credit unions have played a great part in economic history of our country and in the recent tight money situation have proven to be one of the most stable members of the financial community. I, therefore, urge the unanimous approval of H.R. 6157.

Mr. PATMAN. Madam Chairman, I yield such time as he may consume to the gentleman from Hawaii [Mr. MATSUNAGA].

Mr. MATSUNAGA. Madam Chairman, as the introducer of an essentially similar bill, H.R. 4256, I rise in support of H.R. 6157, which would allow Federal employees to save at their credit unions through voluntary payroll allotment.

The bill we are considering would allow each Federal employee who belongs to a Federal- or State-chartered credit union to have a designated amount deducted from his pay for savings purposes and sent directly to the credit union. The credit union involved would reimburse the U.S. Government for the reasonable cost of making such allotments.

We ought to support this legislation for several very sound reasons. In the first place, the bill would provide an inducement to save for an estimated 1 million Federal employees of modest means. It would encourage this large group of citizens to save systematically for a "rainy day," which often brings financial disaster because of their lack of planning. Credit union savings would provide these employees with a ready source of funds in an emergency, and remove the necessity of borrowing at high interest rates. This removal of earnings from current spending would also help to reduce inflationary pressures.

Another justification for the enactment of this bill is that it would increase the effectiveness of the U.S. savings bond program. Treasury Department figures indicate that an unusually large number of U.S. savings bonds are redeemed within 1 year of the date of purchase. Clearly, the holders of these bonds did not have the needed cash fund for their short-term needs. By creating such a fund through the payroll allotment provided in this bill, the Federal employee would find it possible to hold his Government bonds to maturity. I think that the benefits realized by both the Government and the employee are self-evident when the employee holds his Government savings bonds to maturity.

Madam Chairman, I do not believe, as some seem to fear, that payroll allotments for credit unions would supplant the Government savings bond program. The employees who do not need the ready cash fund that this bill would make possible would continue to buy Government savings bonds as a long-term investment. At the same time, as I have pointed out, this legislation would satisfy a need among our Government employees who may be using the Government savings bond program for a purpose that could be better served by a ready cash account.

I urge a favorable vote for H.R. 6157.

Mr. PATMAN. Madam Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Thank you, Mr. Chairman, for yielding me this time.

I supported this bill in committee, and I wish to congratulate the chairman, our illustrious fellow Texan, for this legislation.

Madam Chairman, the legislation before the House today, H.R. 6157, will correct a deficiency that has existed in our Federal Government for a long time.

Servicemen have long been able to make payroll allotments for credit union share purchases, but civilian personnel working side by side with our servicemen have been denied this privilege. Not only have the civilian workers seen the allotment privileges available to servicemen but they know that thousands of private employers grant allotment privileges to their employees. Thus, the Federal civilian employees must suffer while others are granted what might best be termed "privileged privileges."

It should be noted that the Civil Service Commission could, by regulation, allow Federal employees to have payroll deductions for credit union share purchases but has refused to grant this privilege. Even when the credit unions offered to pay for the processing of the allotments, the Civil Service Commission still refused the request. I sincerely hope that the Civil Service Commission will carefully review all of its policies to see that there are none that unfairly discriminate against Federal employees as has the one before the House today.

The story of credit unions is the story of success. Thousands of people who have never before saved a penny, have found that after being exposed to their credit union, that for the first time they have begun saving funds. H.R. 6157 merely makes it easier for Federal employees to accomplish savings.

A program of systematic savings will not only benefit the individual saver, but will have a beneficial effect on the operation of the Federal Government. It has been proven time and again that employees with savings accounts suffer far fewer financial problems than those who have no savings accounts and must borrow to meet financial difficulties. Thus, passage of this legislation should greatly decrease the number of complaints that the Federal Government receives concerning employees who are in financial difficulty.

In closing, I would like to point out that the credit union movement has always prided itself on paying its own way, even to the extent of paying the entire cost of the operation of the Bureau of Federal Credit Unions, the agency which regulates and supervises Federal credit unions.

It is in that credit union tradition that H.R. 6157 has been drafted, with credit unions paying the full cost of this legislation. I know that my colleagues will pass this legislation unanimously with the tribute of the outstanding work of our Nation's credit unions.

Mr. DEL CLAWSON. Madam Chairman, I yield such time as he may consume to the gentleman from Utah [Mr. LLOYD].

Mr. LLOYD. Madam Chairman, I merely rise because I think it is important that a few facts concerning this legislation be brought out.

The Department of the Treasury objected to this legislation before the committee, according to my reading of the hearings, on two grounds. One is that it would compete with the sale of savings bonds. Second, it would unduly complicate the Federal payroll system.

The chairman of the committee has stated, as I understood it, that the Treasury in effect has withdrawn its objections. If that is true, this is something I did not know anything about, but I will accept the chairman's statement on that, naturally.

Mr. PATMAN. Madam Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the chairman of the committee.

Mr. PATMAN. I believe the gentleman misunderstood me about their withdrawing their objections. I did not intend to say that. I said that there was no need for further objection from the Treasury because the credit union will pay all of the cost, and it is written into the bill itself.

Mr. LLOYD. I thank the chairman for his explanation of it. It is my understanding, then, that they, the Treasury Department, have not withdrawn their objection.

The other body has had this legislation under consideration, and they have passed a bill on it. The legislation that passed the other body recognizes deductions not only for the purpose of purchasing shares in credit unions but also recognizes deductions for deposit or for savings in other financial institutions. I think the Members of the House should recognize in the legislation before us today that the only deduction that is recognized is the deduction for Federal employees for Federal credit unions and not deductions for other financial institutions. And, to that extent, we are plowing new ground and establishing a new precedent.

Now, this is not an apprehension apparently that has bothered the members of the Committee on Banking and Currency, meeting in a hearing and executive committee on the morning of November 1, which meeting I was unable to attend. It is not an apprehension, apparently, that has bothered the various Members of this House of Representatives.

So, Madam Chairman, I am not going to make any further issue out of it, except to state that I think these are considerations which should come before the House in passing legislation establishing a precedent of this kind.

Mr. DEL CLAWSON. Madam Chairman, I yield such time as he may consume to the gentleman from Iowa [Mr. GROSS.]

Mr. GROSS. Madam Chairman, I would like to ask the gentleman from Texas, in an effort to satisfy the apprehension as expressed by the gentleman from Illinois [Mr. ANDERSON], whether the Committee on Banking and Currency has applications from others for payroll deductions of any kind or nature at this time, and whether the committee expects to entertain further legislation on this subject?

I share the apprehension that the House of Representatives will be called upon to provide for additional deductions from paychecks.

I think it ought to be limited to the proposition we have here today, and we ought to have assurance that the committee is not about to come in with legislation for other payroll deductions.

Mr. PATMAN. Madam Chairman, will the gentleman yield?

Mr. GROSS. Yes, I yield to the gentleman from Texas.

Mr. PATMAN. Madam Chairman, I will state to the gentleman from Iowa—and I believe it is pretty well known—that when this bill goes to the other body an effort will be made to put on savings and loan associations, commercial banks, and mutual savings banks. Then the question will come back to the House of Representatives for its consideration. I know the question will be up for consideration, but in so long as the institutions themselves pay the entire cost of this operation and the development thereof, without question, I do not believe there should be any difficulty.

We are not binding any other financial institution. We are not opposing any other financial institution. And, if the facts and circumstances are practically the same, the credit unions will probably go through the other body as part of this legislation.

Mr. GROSS. Is the gentleman from Texas saying in response to my question that he is willing to go to conference with the other body and agree to other payroll deductions, for instance, for banks, savings and loan associations, mutual savings and loan operations?

Mr. PATMAN. Madam Chairman, if the gentleman will yield, no, I have never made an agreement like that. With reference to savings and loan institutions, we cannot under the rules of the House make an agreement like that without abrogating the theory of a free conference.

Mr. GROSS. What is the gentleman's suggestion?

Mr. PATMAN. Madam Chairman, if the gentleman will yield further, when you have a free conference you are not supposed to be tied down by specific commitment. But these are the institutions—these three—commercial banks, savings and loan institutions, and mutual savings and loan institutions. Therefore, perhaps we should give them the same rights and privileges and then when the question comes back to the House of Representatives it will be settled right here, or if not settled here, it will be settled in conference.

Mr. GROSS. What is the gentleman's personal position in the matter?

Mr. PATMAN. My personal position is to take a look at it, if and when it happens.

Mr. GROSS. Some of us would like an answer from the gentleman at this time in the matter of how much further he is prepared to go in authorizing deductions from Federal employees' pay checks.

Mr. PATMAN. May I say to the gentleman from Iowa that I have a high regard for the gentleman. I know the gentleman is doing this in the public interest and he is very sincere about it. However, I could not say anything else with reference to the matter. I could not give to the gentleman in advance what will ultimately happen in the conference, because if I did so I could not serve on the conference.

You see, you have got to have a free conference, and you cannot have a free conference if the members are committed in advance.

Mr. DEL CLAWSON. Madam Chairman, I yield 1 minute to the gentleman from Michigan [Mr. HUTCHINSON].

Mr. HUTCHINSON. Madam Chairman, I take this time simply to raise this one question which is in my mind, which is this. I understand that the credit union people are agreeable to paying the entire cost of the administration of this payroll deduction plan, but I would like to ask: What is the capacity of the machinery in the Government to handle these various accounts? Are we going to have to end up having to invest in more and bigger machinery, machinery having a lot more columns in it in order to accommodate these plans?

Mr. PATMAN. The extra expenditure is not contemplated, and that question was not even raised. The amount of work involved will be so small in comparison with the ability of the machines to carry it forward that it is not a serious question.

Mr. HUTCHINSON. The gentleman says that this is not a serious question, but I for one have known many instances where it was necessary to acquire bigger machines with more columns in them in order to take care of some additional items.

However, I thank the gentleman for his answer.

Mr. DEL CLAWSON. Madam Chairman, I have no further requests for time.

Mr. PATMAN. Madam Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 25 of the Federal Credit Union Act (12 U.S.C. 1770) is amended (1) by inserting "(a)" immediately after "SEC. 25" and (2) by adding at the end thereof the following new subsection:

"(b) Any Federal employee who is a member of any credit union that has a common bond consisting of Federal employees and members of their families shall have the right to have payment on shares in the credit union made by allotment from his salary in such amount and at such times as the employee may from time to time request in writing. The credit union shall reimburse the United States Government for the reasonable cost of making such allotment.

"The Comptroller General of the United States shall issue regulations to implement this authority.

"In this subsection, 'Federal employee' means any person employed by any department, agency, independent establishment, board, office, commission, or other establishment in the executive, legislative, or judicial branch of the Government, any wholly owned or controlled Government corporation, and the municipal government of the District of Columbia."

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. ALBERT) having assumed the chair, Mrs. GREEN of Oregon, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 6157) to permit Federal employees to purchase shares of Federal- or State-chartered credit unions through voluntary payroll allotment, pursuant to House Resolution 1048, she reported the bill back to the House.

The SPEAKER pro tempore (Mr. ALBERT). Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, and to include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DEMONSTRATIONS IN THE NATION'S CAPITAL

Mr. DORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN. Mr. Speaker, today the peace demonstrators are back in Washington again. No doubt they will continue as in the past to falsely charge the United States with war crimes and escalation of the war in South Vietnam thus echoing the charges of crimes from Hanoi and Peking. This peace demonstration rally coincides with escalation of the Vietnam war by the Communist aggressor. This demonstration comes at a time when Communist terror, infiltration, murder, and sabotage reached an unprecedented scale of escalation in South Vietnam—Communist attacks on women and children with 150,000 homeless.

This is the Communists' answer to the doves of peace and those who extend the olive branch. Escalation and murder is the Communists answer to our repeated offers of negotiation. Every sincere offer of peace by our Government has met with an emphatic "No" and more aggression and terror by the Communists.

The peace demonstrators here have had their answer time and again from Hanoi. Hanoi does not now want peace. It is high time the peace demonstrators go home and promote unity in our country for our men fighting ruthless aggression. The peace demonstrators who really desire peace have come to the wrong place at the wrong time. No demonstration has ever been more ill timed and ill conceived. Aggression is not spawned in Washington, but in Hanoi and Peking. We will have peace in South Vietnam when the aggressor returns home. There will be peace when he deescalates his aggressive escalation.

Mr. Speaker, this Nation is in war. It is high time for all of the American people to tighten their belts and exert every effort to support our men fighting for freedom. We as a nation should go on wartime footing, make the necessary sacrifices, win the war, and secure the peace for little nations who oppose stark ruthless aggression. The card burner, flag burner, and peace demonstrator is pointing in the wrong direction. Washington is for peace, Hanoi promotes aggression and escalated war.

THE BRIGHT FUTURE OF MISSISSIPPI

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, during the recent recess I visited a number of towns and cities in my district and had an opportunity to speak to the annual meeting of the Chamber of Commerce of Corinth, Miss., following a visit to the numerous industrial plants in the area. One of the plants visited was that of the International Telephone & Telegraph Co., of which we are very proud. This plant employs about 500 people from the general area.

With all the problems of the rapid increase in our population, I pointed out to the members of the chamber of commerce that Mississippi's future is indeed bright. We have the space, clean streams, plenty of rainfall, and many other wonderful things, but above all friendly people who welcome industry to our State.

We hear much about the problems which will follow when our population of 200 million jumps to 300 million and then to 400 million, and it will happen sooner than you think. We do not hear so much about the wonderful opportunities this will bring to business.

Recently Mr. Harold S. Geneen, chairman and president of I.T. & T. pointed out many of these opportunities in a speech before the Investment Analysts Society of Chicago. I would like to present here an editorial with regard to Mr. Geneen's speech, which appeared in the Daily Corinthian, Corinth, Miss., January 16, 1968:

[From the Daily Corinthian, Jan. 16, 1968]

BUSINESS CAN MEET CHALLENGE

In November the population counter at the Commerce Department in Washington rolled over to an even count of 200 million. That's a lot of people for a nation whose settlement began in 1607. But of equal significance, while the United States was joining the 200 Million Club—China, Russia and India are the only other members—computers at the Census Bureau revealed that by the year 2004 this country will reach a population of 400 million. Although it took 360 years to reach our present size, our population will double again in just 37 years!

This enormous growth presents the nation, and business in particular, with some challenges that will make the change from buggy whip to automatic shift seem like child's play. Time and technology no longer will permit gradual or leisurely transition from present-day thinking and methods to the type of management techniques necessary to meet the demands of this burgeoning population and increasingly complex society. Imaginative corporate planning by today's business leaders holds the answer to the question whether we adequately take care of those 400 million Americans and other billions elsewhere in the world.

If enough far-sighted businessmen are prepared to handle the problems this expanding world poses, the future will be filled with opportunity. As one corporate leader—Harold S. Geneen, chairman and president of International Telephone and Telegraph Corporation—pointed out recently, by the year 2000 the total disposable income in the United States will zoom from less than $500 billion per year today to something in the neighborhood of $3 trillion. Incredible as this sounds, it is realistic—and the fact suggests the scope of the economic age which man will face.

In a speech before the Investment Analysts Society of Chicago, Mr. Geneen described both the challenge and the opportunity. It is clear, he said, that new kinds of corporations and managements will be needed in the years ahead to younger people, broadening educational standards, growth or urbanization and the desire for more leisure time. All of these patterns will make themselves widely felt in whole new patterns of markets.

To meet the challenge of this exploding economy, Mr. Geneen sees the need for a "unified-management, multi-product company" which is capable of offering insurance against entry into varied industries brings the resources and purpose of the national resources of labor and materials.

This "unified-management, multi-product" theory is no visionary concept. It is, in fact, the philosophy under which Mr. Geneen has guided ITT to an eminent position in industry.

ITT may be unique but the philosophy under which it operates may hold the key to assuring the nation that business will be prepared to meet the demands of the people when the census counter turns over to 400 million in the year 2004.

TAMPA ORAL SCHOOL FOR THE DEAF

Mr. GIBBONS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a news article.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GIBBONS. Mr. Speaker, the Tampa Oral School for the Deaf is doing an outstanding job in assisting many young people who have impaired hearing. Without this vital help, many of these youngsters would never overcome their physical handicap.

The Oral School for the Deaf represents a partnership between the Tampa Junior Women's Club, the Hillsborough County school system, the economic opportunity program, and many dedicated people such as Dr. Thomas Edwards who have given freely of their time and energy to make this school a great success. This kind of cooperation produces results.

An excellent article about the Tampa Oral School for the Deaf appeared in the Tampa Times on January 27. It was written by Mr. Tony Zappone. I urge all Members to read about the important work underway in Tampa, financed in part by the economic opportunity program.

The article follows:

WORLD OF SOUND OPENS FOR THEM—YOUNGSTERS LEARN TO OVERCOME HANDICAP OF IMPAIRED HEARING

(By Tony Zappone)

Young children with impaired hearing learn early to cope with their deficiency at the Tampa Oral School for the Deaf.

The school, at 2718 Paxton Street, is controlled by a board of directors composed of 21 community leaders. It is financed by Hillsborough County School System, grants from the federal government, Tampa Junior Women's Club and other sources.

"Our endeavor here is to identify children with hearing losses at the earliest possible age," Mrs. Barbara Stefany, the school's director, said.

The program begins with training the parents of deaf children to give the youngsters effective ways to understand and help in the learning experience of their children. Mrs. Stefany said most parents have never known a deaf person until they themselves had a deaf child.

Children with impaired hearing are referred to the school by local physicians, otologists, audiologists and community agencies. Average tuition at the school is $35 based on parents' ability to pay. About 48 pre-school children are now enrolled.

When a child is old enough to come into a classroom situation, he is taught language, auditory training, speech and speedreading.

"Auditory training is making a child aware of sound and teaching him to react to it." Mrs. Stefany said. "A child first has to have language to give him enough meaningful experiences that he wants to talk about them."

The school takes only educable children with a hearing loss. This year, for the first time, three teachers' salaries are being paid by the Hillsborough County school system. The staff is composed of paid teachers from all parts of the country.

Four new classrooms were added to the three original ones recently, and tomorrow the additions will be dedicated. Dr. Edgar L. Lowell, administrator of the John Tracy Clinic, will be guest speaker at the dedication scheduled for 3 p.m. The Tracy Clinic, in Los Angeles, has pioneered in the training of parents of deaf children.

Tampa Mayor Dick Greco has declared next week "Tampa Help the Hearing Impaired Week." The proclamation was presented to Dr. Thomas Edwards.

The entire physical plant at the Tampa Oral School for the Deaf was donated by Fred K. Conn, who has been active in charities throughout the city. The buildings are being dedicated to him.

Additional children will be taken into the school until the ratio of eight children to one teacher is reached. Children who enter have hearing losses ranging from moderate to total impairment.

When children complete the entire program of the school, they either enter school for normal hearing children, attend special education classes in Hillsborough County Schools, or go to the State School for the Deaf in St. Augustine, where they live while studying.

"These children belong in their homes with their families and it's up to the community to provide the educational opportunities these children need," Mrs. Stefany said.

In late spring, the school will have a new piece of equipment, an "Evoked Response Audiometer." It is a computerized testing appartus which takes responses from the brain and sends them through the computer. It is hoped that the new equipment will more accurately determine the actual degree of hearing impairment in a child. Now, such data is gathered through the child's responses to hearing certain levels of sound.

The school opened in Tampa two years ago.

CEYLON'S 20TH ANNIVERSARY

Mr. ADAIR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ADAIR. Mr. Speaker, on February 4, Ceylon celebrated the 20th anniversary of its independence as a nation.

Ceylon has made great progress since receiving its independence. Today, it is one of the most stable parliamentary democracies in that part of the world. Parliamentary elections based on universal adult suffrage date back as far as 1931, and there has been no interruption in the sequence of these elections. An active parliamentary opposition and a free press are further indications of the vitality of the democratic process in Ceylon.

One of the consequences of this dedication to democratic ideals has been the considerable progress she has made in curbing illiteracy and disease. Ceylon has a literacy rate higher than most other countries in the area with the possible exception of Japan. Her medical services are bringing about a lower infant mortality rate and higher life expectancy.

Ceylon is currently experiencing an economic crisis. As a result, the country has made several courageous decisions. Through drastic cuts in social welfare expenditures—particularly the rice subsidy—the Government has demonstrated its willingness to sacrifice political gains in the interest of the country's long-term development objectives.

Ceylon is vigorously pushing ahead with plans for increasing food production. Last year's rice harvest set an all-time record in the production of the island's staple food. Private groups have strongly supported the food drive. School children have gone out in groups to assist in the weeding of the farmers' fields. The Government's efforts strongly emphasize production increases by the private sector of agriculture. In fact, almost the entire investment of agriculture in the Government's capital budget this year has been directed to programs in the private sector.

The climate for foreign investment in Ceylon is better than it has ever been. As a result, there is a greater interest on the part of companies from the United States and other countries to invest in Ceylon.

One of the achievements of the present Government has been its ability to unify the different races in Ceylon in the interest of working together for the country's development. In the Prime Minister's Cabinet, as in other high echelons of Government, there is representation of people from all racial groups and social strata.

In foreign affairs, Ceylon enjoys friendly relations with the United States while following a moderate policy of nonalinement. The cooperation which exists between our two nations is illustrated by such events as the return of the Peace Corps to Ceylon, the arrival next April of the hospital ship *Hope*, the implementation of for-for-peace programs, and the increase in exchange of students and scholars between the two countries.

I am sure my colleagues will join me in saluting Ceylon on the 20th anniversary of its independence.

"MEET THE PRESS" PROGRAM

Mr. THOMPSON of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. THOMPSON of Georgia. Mr. Speaker, yesterday while viewing one of the most respected news programs on American TV, "Meet the Press," I felt flow through my entire body disgust for what I was hearing.

Mr. Speaker, this morning I talked to Lawrence Spivak, producer of "Meet the Press" and asked how it happened that the regularly scheduled program was canceled and that Secretaries Rusk and McNamara were featured at this particular time.

According to Mr. Spivak he had tried for approximately 7 years to obtain an interview program with Secretary McNamara and when he received word through a White House correspondent, that "they wanted to do a show" he immediately contacted Secretaries McNamara and Rusk and the show was on.

Mr. Spivak advised that as is always the case with "Meet the Press" the program was completely unrehearsed, however, there were certain questions which were of obvious importance and which were asked by the panelist without any prompting.

Mr. Speaker, I was particularly repulsed to hear our Secretaries of Defense and State speaking as though they were puppets being manipulated by the demands of the North Korean Communists in response to certain questions that were asked. Specifically it appeared that they had only two purposes in being on the program. One was for Secretary Rusk to announce on nationwide TV, as apparently demanded by the North Koreans, that should the log of the U.S. Navy vessel *Pueblo*, which has been in the hands of the North Koreans for approximately 2 weeks and which the Koreans have had ample time to doctor, with the aid of the captive crew, show that the ship was in Korean waters, we would announce this to the world and thus in effect justify the action of the bandit nation in seizing a U.S. naval vessel.

Mr. Speaker, the second purpose, it appeared to me, was for Secretary McNamara to announce on nationwide TV the fact that should it be determined that the U.S. naval vessel *Pueblo* had intruded in Korean waters, even through negligence, that the captain of the ship would be punished.

Both of these purposes were carried out by the Secretary as though they had been ordered to do so by the North Koreans.

I recall only last week the majority leader in the Senate stating that even though the ship was not in Korean waters, possibly we should say it was in order to secure the release of the crew.

Mr. Speaker, I do not know what has happened to the spirit of America, but apparently the administration is willing to compromise the truth and agree to punish our seamen because of the demands of a bandit nation.

If there is any attempt to discipline this captain once the crew is returned, it will be my purpose to do all within my power to see that those who are attempting to punish him for carrying out his orders, be removed from their office.

INTER-AMERICAN HIGHWAY IN CENTRAL AMERICA

The **SPEAKER** pro tempore (Mr. MATSUNAGA). Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 15 minutes.

Mr. SIKES. Mr. Speaker, the Inter-American Highway in Central America commands a great deal of interest throughout the Western Hemisphere. To the average person in the United States, the name has romantic connotations and it inspires a desire to travel in exciting new lands. But to those who live in Latin

America, it is an avenue to the future. It is a highway of great economic importance to each country which it traverses. The highway has opened direct communication to each of the five Central American countries. Yet surprisingly, it fails to connect Tegucigalpa, the capital of Honduras, with the other capital cities of Central America. This connection was not made at the time the highway was built because of time and distance. Now the omission should be corrected. Improved economic conditions and growth of the area demands it. Indeed, the importance of its capital to the country of Honduras and the fact that all other Central American capitals are now connected by the Inter-American Highway should be sufficient to insure that steps be taken to provide a direct link to picturesque and hospitable Tegucigalpa.

This is a matter of great moment to Honduras. To provide a solution, alternative routes have been proposed to move traffic directly from Salvador through Tegucigalpa to Nicaragua. The issue was raised by President Lopez Arellano with President Johnson in a memorandum at Punta del Este in 1967. The proposal includes construction of a highway or paving of parts of existing roads at the Salvadoran border to Marcala-La Paz and connecting with the San Pedro Sula-Tegucigalpa highway at San Antonio where it would lead into Tegucigalpa. Traffic arriving in Tegucigalpa could then either return to the Inter-American Highway via the existing southern highway—Route No. 1—or could continue on the proposed alternative route to Managua through Danli in Honduras and Las Manos in Nicaragua.

Steps also are being taken with the help of the Central American Bank of Economic Integration to finance feasibility studies for Central American integration roads in Honduras covering approximately the same route requested by President Lopez Arellano. CABEI also seems favorably disposed toward financing the road construction itself provided that no major obstacles are revealed in the feasibility studies. However this is not the only means of financing which should be explored.

A number of other alternative highways have been proposed which would directly affect Honduras and bring Tegucigalpa into the present Inter-American Highway system. All proposals are receiving study but it is important that the question of routing be resolved and construction begun.

Honduras has been a stanch friend to the United States. The Honduran Government has supported U.S. efforts in Korea and in Vietnam. The Honduran people have stood with us time and again on matters in which hemispheric solidarity was important. The United States can reciprocate in a striking and dramatic way by lending its support wholeheartedly to the proposal to link Tegucigalpa in a modern highway system with other Central American capitals, and on this I urge there be no delay.

EDUCATION IN A TRILLION-DOLLAR ECONOMY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. Pucinski] is recognized for 15 minutes.

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PUCINSKI. Mr. Speaker, the title of my remarks today is "Education in a Trillion-Dollar Economy."

Earlier today on behalf of several of my colleagues and myself, I introduced President Johnson's Earning and Learning Act of 1968, which the President described in some detail in the message which was read to the House earlier today, and which appears at another point in this Record.

The legislation we introduced today was introduced on behalf of the chairman of our committee, the gentleman from Kentucky, the Honorable Carl Perkins, the gentleman from Indiana [Mr. Brademas], the gentleman from Florida [Mr. Gibbons], the gentleman from Michigan [Mr. O'Hara], the gentleman from Michigan [Mr. William D. Ford], the gentleman from California [Mr. Hawkins], and the gentleman from New York [Mr. Carey].

I introduced this legislation today, Mr. Speaker, because I believe the administration should have its legislation introduced. But I believe that this proposal by the President should serve only as a basis for extensive hearings which my subcommittee will hold on this very important legislation.

I am aware of the administration's difficult task of trying to carefully balance the needs of the entire Nation, but, speaking for myself and as chairman of the general Subcommittee on Education, I must say that the legislation we introduced today does not come anywhere near meeting the great challenge confronting our young people in America today. I will use my every resource to broaden the President's well-meaning proposal to meet those needs.

Recently I spoke to the American Vocational Association convention in Cleveland and I discussed education in a trillion dollar economy. I explained in great detail how, in my judgment, vocational education can be the cornerstone, the keystone in helping our Nation meet the manpower shortages which will comfort us when this trillion dollar national product is achieved.

All over America, millions of parents who send their youngsters to high school, see their children graduate from high school and if they do not go on to college, these parents soon discover how woefully neglected and unprepared these youngsters are for getting a gainful job.

We have said many times that the purpose of our legislation, the Vocational Education Act, which is now before my committee, is to provide assistance to local communities all over America so they can develop educational programs to assure every single youngster in this country will graduate from high school with a marketable skill.

I am convinced that when we provide every youngster in this country with a marketable skill upon graduation from high school, future generations will be able to save the billions of dollars that this generation is now spending on the manpower retraining program and various other educational programs and various other efforts to raise the quality of education of our young people so as to make them gainfully employable.

It appears to me that we have treated vocational education as a stepchild much too long.

It also occurs to me that in view of the fact that there are more than 50 percent of the youngsters in this country who do not go on to college, the responsibility of education is just as much to provide these youngsters with a basic and meaningful education for gainful employment as it is for those who are going to go on to college.

We have become obsessed in this country and we have put a great priority on providing education facilities for those youngsters who are going to go on to higher education. This is important because certainly in this complex world, we need people who can come out of our institutions of higher learning and assume the great responsibilities that our industry and our Government require.

But I am also concerned about those youngsters who do not go on to college.

I must say regretfully, with all due respect to the administration, that I am convinced hearings before my committee will show this bill is totally inadequate to meet the needs of vocational education in America.

It should come as a source of great concern to all of us that the highest single group of unemployed people in this country are the young people.

The unemployment rate in this country among white males between the ages of 16 and 19 is 23 percent. The unemployment rate among white young females, between the ages of 16 and 19, is 24 percent. The unemployment rate among young Negro boys, age 16 to 19 is 33 percent. The unemployment rate among young Negro women between the ages of 16 and 19 is a staggering 49 percent.

This is where the great challenge for America lies in education, and I think some of the sophisticates in education, some of the educational pedagogues, have treated vocational education as a stepchild much too long.

It is for this purpose that I introduce the President's bill today in order to give us a base on which we can now work to fill the unmet needs of vocational education.

We will start hearings on this legislation very shortly.

It is my hope educators throughout this country will be able to point out to us how we can strengthen the President's proposal and, working together as reasonable people, help us draft legislation which will fill the great gap in American education.

I hope that, indeed, when we are through, this Congress will approve legislation which will make it possible for local schools all over this country to assure that every youngster who graduates from high school shall graduate with a marketable skill.

So often today, Mr. Speaker, we see

parents going to a graduation ceremony, and they get a big lump in their throat because they see their son or daughter standing on the platform in cap and gown, perhaps even delivering a speech during the graduation, and then comes the moment of reckoning. The youngster goes out and tries to find a job. Too often, we find high school graduates getting jobs as a gas station attendant, a shipping clerk, or some other job that is not too rewarding simply because the young man has had no preparation whatsoever for gainful employment.

In fact, starting with the Christmas holidays, and from now until about the first of June, in my own office I have visited and will visit with some 2,000 young people. I am sure this is the experience of everyone in Congress. These young people come between the Christmas holidays and the first of June asking us for our assistance in obtaining for them summer employment.

We ask these youngsters time and again, "What can you do? What kind of job are you interested in? Where can we assist you?

And it is really a great tragedy how many of these youngsters, either potential high school graduates, high school graduates, or even those attending college tell us, "Well, I don't know what I can do." They have no idea what they can do. In my judgment, they are totally unemployable except for the least skillful jobs.

So it is for this reason that I was very happy today to see the President send his message on education to Congress. President Johnson has done more for education than any other President in the history of this country. When I say today that the proposal for extending the vocational education program is inadequate, I in no way intend my remarks to be constructed as in any way criticizing the President. The President has his responsibilities. The President recognizes that we have just so much in the way of resources, and they have to be stretched a long way for many programs. I say that whatever disagreement there may be on how far these programs should go or how soon, it is an honest disagreement among honest men.

In my judgment, the keystone, the corner stone of American education in a trillion-dollar economy is vocational education. By the end of this decade, by 1970, this Nation will have a trillion-dollar economy. By June 30 of this year, we will hit $850 billion. We will need a labor force of 100 million people by 1970 to meet the needs of this huge trillion-dollar economy.

So I say the place to develop that labor force is in the high school program of today. For that reason I am glad the President has proposed the legislation, because we can now move forward to drafting a good, comprehensive omnibus vocational act of 1968 which will meet the challenges of our time.

Mr. HUNGATE. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Missouri.

Mr. HUNGATE. Mr. Speaker, I commend the gentleman for the introduction of this act dealing with the improvement of education and particularly of vocational education.

I would call the attention of the gentleman to the fact that about 80 percent of those with income below the poverty line of $3,000 for a family of four are of the type mentioned by the gentleman. We have 50 percent of our people below the poverty line living in rural areas.

In my judgment, the Vocational Education Act is one of the great needs by which these people can lift themselves from this condition. I commend the gentleman, and I know his committee will work toward improvement of vocational education.

Mr. PUCINSKI. Mr. Speaker, I thank the gentleman for his remarks.

Mr. Speaker, I would be remiss if I did not point out in these remarks that the architect of our vocational education program is the chairman of our Education Committee, the gentleman from Kentucky [Mr. PERKINS], who wrote the Vocational Education Act of 1963, which has become landmark legislation simply because of the tremendous good it is doing for youngsters who do not go on to college.

Mr. Speaker, at this point, I include a speech I delivered at the American Vocational Association convention in Cleveland on December 4, 1967, entitled "Education in a Trillion Dollar Economy":

Education in a Trillion-Dollar Economy

This generation belongs to you! As vocational educators, you will have to produce the man power for America's trillion dollar economy. Make no mistake, this nation is going to a trillion dollar gross national product by 1972. We are now at $780 billion and will hit $850 billion by next summer. In a trillion dollar economy, the keystone of education has to be vocational education.

On all fronts—business, industry, agriculture, even the home—automation has advanced.

For many occupations, the technical content has increased dramatically.

Whole job categories have disappeared. Skills deemed essential in the past have become obsolescent. Most jobs today and for the foreseeable future require a greater complexity of understandings, less physical skill, more knowledge at the entry level, and greater versatility.

The need for more trained people to fill the jobs is already apparent and will continue to grow—and grow—and grow!

Preparing these people for employment is clearly the challenge and responsibility of the vocational educators—those in public and private schools, as well as in industry.

The need for vocational education will continue to grow throughout the '70s, as our work force approaches 100,000,000 by 1980. By then, each man and woman in the work force will need retraining every 5–7 years.

The need for such frequent re-training is already here in a number of fields.

With the anticipated work force and re-training needs and the approximate cost of occupational training for a year for each trainee at $1,000, the involvement of the country in providing occupational training will approach 15 billion dollars a year by 1980.

Vocational education is no longer a sport for the meek. You must have the courage to demand billions of dollars to carry out your mission.

Massive training and re-training activities are needed to prepare people to earn. The opportunity of "learning to earn" is an inalienable right. And, you in the various fields of vocational and technical education are in a unique position to provide national leadership in helping our youth and adults achieve this right. The need to do this is here and now. From the ranks of tonight's audience must come many of the leaders that are required—the administrators, supervisors, researchers, master teachers.

In the next decade, many of you here will no longer be teachers—instead, you will be the administrators, the directors, the planners of a huge vocational teacher training complex.

We have been allowing about one million young people to leave the high schools each year, untrained and uneducated, and we have expected them to find jobs.

America is faced with the strange dilemma of enjoying its seventh year of continuous prosperity and, at the same time, registering an alarmingly high rate of unemployment among young people—unemployment not because they are too lazy to work, but because they do not have the skills of modern technology.

Testimony before the House General Subcommittee on Education indicates that average unemployment rates among young people in the U.S. stand at 22 percent for young men and 24 percent for young women. But among Negroes, the rates are 31 percent for young men and a staggering 46 percent for young women.

What are young people—and adults, as well—to do if they are not prepared to earn? Find their subsistence through the avenues of public welfare? We need wage-earners instead of tax-eaters. We need to prepare young people for the fulfillment of participating in a meaningful way in the world of work. We need to prepare them for the vast range of occupations needed to keep a trillion dollar economy operating.

Our goal is: A marketable skill for each youth and adult.

This is an objective for every school throughout the nation, those in the urban areas, those in the rural areas, and those in the in-between urban areas. Vocational education is not a rural program nor an urban program. If it is the right of every young person and adult, it must be available to all in all kinds of educational settings. And, its programs must take into account the mobility of our population and the talents of our students. The curriculum cannot be based on immediate local need alone.

We are on the verge of an educational revolution. This revolution, in the making, is bringing vocational education to the fore as the leading force in the total educational scheme. Vocational education has come of age; it is gaining increased visibility and recognition as the field responds to the social needs of the times.

I cannot stress too strongly this need to "rescue" the potential dropout. During public hearings held on vocational education legislation this year, I was pleased to see the general acceptance of a proposal for establishment of Residential Vocational Education Schools. These schools would be designed to draw in the young people from rural and small urban areas to provide training in skills which no one school system in the area could do alone. It would have living and other residential facilities to accommodate these students while undergoing the training.

Originally the thinking was that students should be between 15 and 17 to attend, but now our educators believe that a youngster first starts thinking of becoming a "dropout" when he or she is about 12. It is at this age, they say, when the youngster first starts thinking about the future for him and if it looks hopeless, he generally decides to drop out of school as soon as he legally can do so.

For this reason, the Office of Education believes that residential schools should be open to youngsters as early as their 12th year to keep them interested in the future and in developing the skills needed for a prosperous future.

In this regard, I often think of one student who testified before my subcommittee. He was attending a general high school in Chicago and was wavering on the borderline of quitting and looking for a job. Fortunately, his counsellor detected this attitude, and encouraged him to transfer to a vocational school. There is a happy ending to the story because the student liked the vocational school so much his grades improved and now he has been offered several scholarships. The moral to the story, of course, is that he now faces an entirely different world with a skill and the prospect of a college education.

Another story, much the same, concerned a young girl who planned to struggle thru four years of general high school work and then register in a beauticians school. Instead, she went to a vocational school, learned the skill she wanted and liked it so well she is now considering a college education to become a teacher of cosmetology. This too, speaks highly for vocational education.

Actually, vocational-technical education is in about the position that mathematics and science were immediately following Sputnik. Visibility, challenge, high expectation: these are key words in assessing the present status of the field.

All vocational educators are needed in the revolution. In-fighting among the educators can be most wasteful of time and energy needed for more important undertakings. What must concern all of us are the tasks to be done in achieving the goal of a marketable skill for every youth and adult, as well as total employability for our people. These tasks require the dedicated efforts of all: those in Trade and Industrial Education, Agriculture, Distributive Education, Business and Office Occupations, Home Economics Education, Health Occupations, Technical Education, Vocational Guidance, and perhaps new areas as yet un-named and, perhaps, un-dreamed of!

There is *room* for *all*. There is *need* for all in the developing educational revolution.

The best efforts of those in all of the subject fields of vocational education will be required in the revolutionary days ahead. Achievement of our goals and ideals will require the combined efforts of vocational teachers, supervisors and administrators, teacher educators, professional organization members and staff, representatives of business and industry, and legislators. The highest order of communication and cooperation is an imperative!

As Marvin Feldman has indicated, Vocational education is . . . "an approach to the disciplines which, when properly used, could reconstruct the American educational system for greater relevance and bring about a total renaissance of liberal arts studies. As a part of the educational revolution a national information program is needed which will describe the dignity of work, the importance of superior craftsmanship, and efficient production and make clear the relationship of these to the strength of America.

Man's vision of a truly balanced, productive society *can* be realized through the educational revolution that is coming. A major objective of our educational programs must be "to provide the kinds of learning opportunities which make people employable, promotable, and flexible in adapting to occupational change."

Federal aid is needed for vocational education programs that dissuade teen-agers from becoming an "unemployment" statistic and fit them into the country's economic pattern. Such programs would tend to: reduce the migration of our youth to Hippiland and the burning of draft cards, and bring order instead of riots to our streets.

Young people are seeking ideals, models, a worthy self-concept. Such educational programs would help them find these through meaningful work experiences and enriching contacts with people like you who have the concerns of young people at heart. This is what your job is all about and your position, which is already an enviable one, will gain lustre and status in the days ahead as your field responds to its social challenges.

Our concern for young people means concern for *all* young people. A program is bound to look good if its students are selected for their intelligence, high level of motivation, and potential for placement in high-status jobs. But, we cannot judge the success of an educational endeavor in the simple terms of where a student stands at the end of his training program. The only moral basis for evaluation is the value that the educational experience adds to the individual—where he stands after a training program in relation to where he stood at its beginning. This concept is an essential one for the vocational educator who is interested in serving *all* youth.

All youth are *not* being served. The rate of "dropouts" for riot cities, according to figures supplied to the U.S. Office of Education is:

Detroit: Total high school enrollment of 72,719 for the 1966–67 school year dropped by 9,281 students for a loss rate of 12.8 percent. Boy students dropped out at a rate of 14.5 percent.

Newark: Students left high schools before graduation at rates of 7 to 9 percent between 1961 and 1967. Last year Newark schools lost 1,355 students for a 7 percent "dropout" rate.

New York: Of a total junior and senior high school enrollment of nearly 480,000, the loss rate was slightly more than 7 percent.

The irony of this situation is that the Labor Department's U.S. Employment Service reports that it had 233,861 unfilled job requests on file at its offices on June 1. It estimates that only about one-third of the available jobs in the country are reported to USES offices, thus making about 700,000 as the estimated jobs available in June.

They ranged from medical technicians, repairmen, clerical, to machine shop workers and construction helpers.

Each of these positions requires some practical training, but the many requests for Federal Manpower Development and Training Programs cannot be filled because of the demands on the available funds. The obvious answer is that such occupations should have been taught to the thousands of jobless young people in vocational education programs. We now recognize this failure and Congress hopes to remedy it through legislation in its next session.

Vocational education is a major force in reducing school "dropouts" and in encouraging continued learning. It can be even more effective as we take seriously the idea of providing vocational education for *all* of our young people—not 50 percent, not 80 percent, but *all*. Nothing less can answer to our social needs and the needs of the individuals that we serve.

Congress is now looking forward to the days when the demand for skilled workers will be great. The Office of Education is currently at work on a major revamping of all existing vocational education programs. As you know, the principal programs arise from the Smith-Hughes Act of 1917, the George-Barden Act of 1946, and the Vocational Educational Act of 1963. Congress appropriated some $255 million for these three major acts in Fiscal Year 1967, but in so doing, it required the individual states to maintain 26 different bookkeeping and accounting systems. Needless to say, the administration sometimes becomes time-consuming.

The Office of Education is now drafting new legislation which I hope will combine the best features of all existing programs, remove many of the restrictions which now limit the use of the Federal aid by the States, and generally update and modernize the provisions of the programs.

I hope this new legislation will expand the programs to train young people for the skills that our society currently needs. I also hope that adequate provisions will be made for annual reviews of new skills which may be needed.

As the 1963 Act lifted the mandatory requirements for on-farm training which made possible classes in farm-related activities, so too, will the 1968 proposals remove restrictions in other areas.

Of course, I feel that it should provide for an authorization of at least $400 million as was suggested during the hearings this year.

Effective vocational education teaches the boy and girl, the man and the woman, how to earn a living and how to live well. We are not concerned solely with skill development, but also with becoming an employable person, with learning how to live effectively in all dimensions of life. For the employed woman, the problems of effective living in all dimesnions are particularly acute. There are several reasons. The work and education lives of married women tend to be discontinuous in nature because of marriage and child-bearing and rearing. Women tend to tailor this careers to those of the husband. They carry heavy responsibilities in their dual role of homemaker-wage earner. Hence, they need some special vocational education which emphasizes: human relationships applied to family and employment situations; principles of management; budgeting and consumer education; physical well-being through nutrition, adequate housing, sanitation, and safety; personal qualities related to employability; and child care and guidance. Such education might do more to break the poverty cycle in many families than education of any other type.

While we are deeply concerned about our young people and their educational needs and the special problems of the 36 million-plus women expected in our labor force in 1980, there is another social and economic problem that must command our attention. The unseen cancer in America is underemployment—the desperate problem of the hangers-on who are barely making it and who may slip to join the wasteland of the unemployed and unemployable unless you give them help.

These are the individuals who are working for less than decent-living wages. These are the individuals with meager abilities and lesser skills. These are the individuals who have difficulty with the management and decision making situations of everyday life. Training these people, many of them mature adults, is another of the burning challenges facing you. Legislation and educational programs must take into account the training and re-training needs of these under employed.

There are peculiar and exciting challenges to vocational educators working at all levels. In the elementary and junior high schools, vocational guidance and pre-vocational education are aspects of the program for helping youth attain employability. In the high school, terminal training must be provided for some and a base for further education and training developed for others. In the post-secondary schools lie some of the greatest challenges to technical educators; the projection is for 15,000,000 full-time equivalent post-high school students in 1980. Adult training and re-training and teacher education are other areas of vital concern.

Let us consider this problem of teacher education in your field. Just how many vocational education teachers are there in the U.S.? The total estimated for public and private vocational schools is 190,000 teachers. The Office of Education projects its estimate of vocational education teachers for the current fiscal year at 155,000 for public schools. The number of teachers in private trade and vocational schools has been estimated at 35,000. With a ratio of 15–1, some 1,000,000 teachers will be needed in post-secondary programs by 1980. For the secondary level, the U.S. Office of Education estimates that at least 250,000 vocational education teachers will be needed.

It is my opinion that substantial provision for research funding must be part of the legislative program, which is my major concern. I agree with Congresswoman Edith Green that vocational and technical education is a top priority item for research in education. If we are going to continue to make America strong, research is necessary to obtaining new and more efficient ways of accomplishing our vast tasks. Probably some of the research funds should be for unsolicited research so that the new ideas from the field that might otherwise escape attention have a chance!

Paul Goodman, in *Growing Up Absurd* says that, "It is the missed revolutions of modern times—the fallings-short and the compromises—that add up to the conditions that make it hard for the young to grow up in our society." We dare not miss our opportunity for a real educational revolution. We dare not fall short. We dare not compromise. The stakes are too high. The results of failure are too frightening to contemplate. Education for meaningful work and for full employability can provide answers not only for many of the social ills of our own country but for the world.

Those who have worked in the developing countries of the world feel that vocationally competent personnel might be far more effective than dollars in bringing about growth and development. Our nation can lead the way. A whole society can catch fire with enthusiasm and deep sense of commitment. From there, the world! Balanced, productive societies answering to the needs of those at all economic and cultural levels through meaningful goals and ideals brought to implementation. Such will require a gigantic sense of commitment and unstinting labor—still, I believe that it is to dream the *possible* dream!

REPRIMAND JUDGE OLIVER

Mr. HALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, the St. Louis Globe-Democrat, last week revealed a series of private meetings between Federal Judge John W. Oliver, of Kansas City, Gov. Warren E. Hearnes, and the Democratic leadership of the Missouri Legislature. Ironically, this is being referred to locally as the "Treaty of Westphalia," in Missouri's modern times. These meetings constitute a most serious breach of judicial ethics since Judge Oliver was a member of the three-man Federal court that struck down the Missouri Legislature's congressional redistricting law. This breach is further compounded due to the fact that a special session of the State legislature is now convened to draw up and act upon a new redistricting plan.

Last week, Mr. Speaker, as one elected congressional representative who will not be adversely affected, I requested that the House Committee on the Judiciary investigate the unprecedented activities of Judge Oliver. In the same light, the St. Louis Globe-Democrat in an editorial printed on February 1, 1968, demanded that Judge Oliver be reprimanded for his behavior.

The editorial follows:

REPRIMAND JUDGE OLIVER

Federal District Judge John W. Oliver of Kansas City has described his recent "private" visits with Jefferson City politicians, during which Missouri's Congressional redistricting problems were discussed, as "social visits with some redistributing matters discussed."

It must be abhorrent to the citizens of Missouri, Republicans and Democrats alike, that a Federal Judge would debase his office and be so naive as to believe his description of the meetings would be regarded by his fellow Missourians as other than an evasion.

Several persons in attendance at the "private" meetings unhesitatingly disclosed that the subject of the get-togethers was the redistricting problem, but not Judge Oliver who initiated the "private" meetings while his court still retained jurisdiction over the sensitive redistricting issue.

A motion to stay the execution of the court's recent order, declaring the existing plan invalid, has been granted by the three-man Kansas City Federal Court, of which he is a member.

Judge Oliver has committed a breach of legal propriety unprecedented on the federal bench, as far as we know.

He should be disqualified from further judicial consideration of the redistricting issue. Preferably he ought to disqualify himself. If he doesn't, disqualification should be compelled.

Further, he and Gov. Warren E. Hearnes should disclose fully all that took place during their talks and in remap discussions the Judge had with Rep. F. E. (Gene) Copeland and other Democratic leaders of the Legislature.

Judge Oliver was an active Democrat, prior to his appointment to the federal bench in 1962 upon the joint recommendation of United States Senators Stuart Symington and Edward V. Long. He is a former member of the Kansas City Election Board. He worked in every Democratic national campaign since 1932 until his elevation to the District Court.

The zealous Judge Oliver's first "private" meeting was with Rep. Copeland, his second with Gov. Hearnes. Both men are backing the Copeland redistricting plan which is a blatant and frightful gerrymander, an affront to all Missourians, even apart from special groups whose interests have been negated.

Despite his sanctimonious protestations to the contrary, it can only be concluded that Judge Oliver would approve the dismal Copeland plan.

The most guileless, novice lawyer—just out of law school and handling his first case—would be inspired by the ethics of his profession and ordinary good judgment to avoid "private" meetings of the sort the sophisticated Judge Oliver, blandly and without candor, describes as "social."

In these trying days in America when our courts, and most especially our Federal Courts, should be the ultimate source of justice and progress, it is disheartening to Missourians to be afflicted with such "private" meetings between a Federal District Judge and partisan political leaders.

St. Louis County Superivsor Lawrence K. Roos has characterized Judge Oliver's private meetings as the basis of the dirtiest political scandal in Missouri in the last 28 years. He likened the incident to the Democrats' attempted governorship steal in 1940.

He also said it is contrary to every principle of good government and openly violates the traditional separation of the legislative, executive and judicial branches of the government.

At best the problems incident to Congressional redistricting are infected with vexation and discord and scarcely susceptible of solution without wounds which may never heal.

Without resolution of the propriety of Judge Oliver's conduct, ethically or professionally, it is certain that his "private" meetings have injected an element of doubt over the good faith of those engaged in the redistricting.

This could render the issue irresolvable in sufficient time to hold Congressional elections in Missouri this fall by districts.

Such a state of affairs would be a high water mark in disservice to all Missourians.

Judge Oliver, at the very least, should be sharply reprimanded for his recent behavior.

SPECIAL POLL OF CONSTITUENTS

Mr. McDADE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McDADE. Mr. Speaker, all of us know that we are in troublesome times. Every voice of the administration and indeed every voice of every major political leader across the world echoes this thought daily. Because of this and because we in the Congress will face many decisions arising out of these difficult times, I have sent out a special poll to my constituents to determine their thinking on some of the issues which will confront us.

In mailing this special poll, I have pointed out to them that "liberty and equality are found in democracy when all persons share in the Government to the utmost," and have written them the following letter:

DEAR FRIEND: The President's State of the Union Message made it clear that our nation faces some very serious challenges . . . challenges which affect each and every one of us. Abroad the war continues and other tests confront us. Domestically we are in a time of great transition. Intertwined in these national and international events are our economic problems.

Please take a few moments to answer this special poll. We shall try to get the results reported to you faster than ever. With your cooperation this will be the best poll ever taken in our District. I assure you your opinion will mean a great deal to me.

These are the questions I have asked them:

1. What should we do about Viet Nam? (Please select only one)

— (a) Continue our present course?

— (b) Take steps to de-escalate the war?

— (c) Apply more military pressure?

— (d) Withdraw as soon as possible?

2. Should the United States encourage direct talks with the Viet Cong in an effort to end the war?

3. Do you believe the South Vietnamese army is doing enough in fighting the Viet Cong and the North Vietnamese?

4. Do you believe it is vital to our national security to fight in Viet Nam?

5. Do you believe the bombing of North Vietnam has been effective?

6. Do you believe that we should cut off aid with any country that trades with North Viet Nam?

7. Do you believe that the draft law has been working equitably?

8. What should we do about our economic problems (Mark one)

— (a) Enact the President's proposal for a 10% surtax?

— (b) Reduce Federal spending?

— (c) Raise taxes and cut spending?

9. If we have to cut Federal spending, show

your order of preference by listing 1 through 8.

— (a) Space Program.
— (b) Foreign Aid.
— (c) Health and Welfare.
— (d) Public Works.
— (e) Defense.
— (f) Agriculture.
— (g) Urban Aid.
— (h) Education.

10. Do you favor the President's proposals to:

— (a) Limit new capital investments abroad?
— (b) Limit freedom of U.S. citizens to travel abroad?

AMERICAN SHIPPING—SCUTTLED AGAIN

Mr. MAILLIARD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MAILLIARD. Mr. Speaker, on Monday, January 29, the President submitted to the Congress his budget for fiscal year 1969. After examination of the budget proposals for maritime programs, I can only say that I am both shocked and dismayed.

I do not level this criticism to the President's maritime budget proposal lightly. However, I find the naivete of his request in this area incredible in view of its low level of financing to meet an already critical national problem.

On page 20 of the booklet entitled "The Budget of the United States Government," there is a table captioned "Budget Program Reductions and Reforms." This table is supposed to reflect cuts below the 1968 program level as funded for each of the major agencies. The reduction shown in this table for the Department of Commerce within which the Maritime Administration presently operates—and I might add the only cuts shown for that Department—is $163 million which purports to represent a cut in ship construction funds of $156 million and $7 million in maritime research. Yet the total budget for the Department of Commerce now approaching almost $1 billion reflects an increase of slightly more than $50 million in new obligational authority over fiscal year 1968, and, similarly, increases are indicated in Federal expenditures in other fields of transportation. Nevertheless, for some undisclosed reason, the Maritime Administration appears to have been singled out as the recipient of budgetary surgery.

What is even more shocking is the accounting gimmickry which appears to have been used to bring about the estimated reduction of $156 million for new merchant ship construction. It seems to have been effected simply by not spending unobligated funds—moneys which the Congress itself felt necessary to spend for new merchant ships, but which this administration has refused to use.

For example, in fiscal year 1967, the administration requested $86 million for new merchant ship construction. The Congress added almost $21 million to this request. Yet in that period ship construction contracts were awarded for but one new vessel and a change order was granted with respect to five vessels already under construction.

In fiscal year 1968, the administration requested $143 million for new merchant ship construction. The Congress granted the full amount. In that period 11 contracts for new ship construction were awarded.

Now in fiscal year 1969, almost $120 million is being requested for new ship construction to fund, according to the appendix to the budget, 10 new vessels. However, it has been reliably reported that instead of 10 badly needed new merchant ships, we will be fortunate indeed if eight new vessel construction contracts are awarded.

Consequently, for the period fiscal year 1967 through fiscal year 1969, new merchant ship construction contracts will average out to only seven or eight ships per year. At a time when the merchant vessel replacement program is almost 100 ships behind schedule, I find it incredible that such a low-level budget proposal would be submitted to the Congress. This situation is even more stunning when recalling the words of Rear Adm. John M. Alford, USN, Deputy Commander, Military Sea Transportation Service, on December 12, 1967. Speaking at the MSTS-Industry Conference on Military Sealift held here in Washington, D.C., Admiral Alford stated, concerning our maritime posture, that:

> If one assumes the construction of 11 ships per year and retirement of ships after 25 years of service, the effect on the dry cargo fleet can be seen to be that 666 ships in 1968 will decline to only 264 ships by 1980.

Bear in mind also that we are not even constructing 11 ships per year but only an annual average of seven to eight.

Concerning this need for a redirection in maritime leadership, you will recall that in October of last year, the House overwhelmingly passed legislation calling for the creation of an independent Federal Maritime Administration. At that time, many expressed skepticism over the desirability of this legislation. They argued that the Maritime Administration needed to be within a Department, so that it would have a Cabinet-level officer capable of representing maritime's case for increased Federal funds. Well, in the preparation of the budget for fiscal year 1969 the Maritime Administration did have a Cabinet-level officer—the Secretary of Commerce. Yet this agency had its key program of ship construction singled out from the multitude within the Department of Commerce to be the sole recipient of a major budget cut. If the maritime budget for fiscal year 1969 constitutes a product of Cabinet-level representation, then I, for one, see an even greater need at this time for the establishment of an independent Federal Maritime Administration.

There remains only one other reason for the extraordinary cuts in merchant ship construction, and that is that it was done in a fit of pique over congressional efforts to keep the Maritime Administration out of the Department of Transportation and establish it as an independent agency. I, for one, cannot attribute such an action to the President of the United States. Consequently, I was astonished and alarmed to read in the Baltimore Sun of February 1 a report by its maritime editor, Helen Delich Bentley, that, and I quote:

> The Secretary of Transportation today (January 31, 1968) hinted that the sharp cutbacks in appropriations for new merchant ship construction by the Administration could be the result of the industry's fight to keep the Maritime Administration out of the Department of Transportation.

The article continued by quoting Secretary of Transportation Boyd as stating that although the steamship industry has claimed in the past that:

> Things couldn't be worse, now maybe they'll think better about coming into DOT.

The same article quoted a distinguished Senator as confirming this observation with the words that the steamship industry had "blackballed itself out of the Department of Transportation."

Mr. Speaker, it is one thing to have an administration which is unsympathetic and unreceptive to the maintenance of our national sea power. It is something else again when that same administration in a reported fit of pique has become outright hostile with a total disregard for national interest. For this reason, I have serious concern over the efforts of my distinguished colleagues on the other side of the aisle who in November of last year initiated and introduced legislation designed to bring about a long-awaited and much-needed maritime promotional program. Their bill would provide for an annual authorization of $300 million for each of the next five fiscal years for new merchant ship construction. However, in light of the President's budget for fiscal year 1969 and the reported remarks of the Secretary of Transportation, I have serious cause to wonder whether this or any other amount authorized—and yes, even if appropriated—will be honored by the administration. As noted in the Journal of Commerce of January 30, and I quote:

> The President seemed to be telling Congressman and Senators . . . that it will make no difference what sort of a new program they approved or how large an authorization or appropriation they pass. He will free only about $110 million in the fiscal year for ship construction subsidies.

Mr. Speaker, on December 11, 1967, I addressed the House taking exception to certain statements made by John Harllee, Chairman of the Federal Maritime Commission. Harllee was reported as stating that:

> He firmly believes that President Lyndon B. Johnson has been one of the staunchest supporters of the American Merchant Marine in the history of our Nation.

Well if the President's budget request for maritime programs in fiscal year 1969, and the press reports of the attitude of some of his cabinet officers toward the industry, are barometers measuring this alleged staunch support, then God help the American merchant marine. With friends like this, who needs enemies.

WILL REMOVAL OF GOLD COVER BACKFIRE?

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. **ASHBROOK**. Mr. Speaker, the President has asked Congress to remove the remaining gold reserve requirement backing our currency. The effect he hopes to achieve is the stabilization of the dollar and shoring up of confidence in our determination to back our paper with gold.

As usual, there are at least two sides to the issue and the other one was succinctly present in a newspaper column by Henry Hazlitt, entitled "Administration's Policies Tend To Destroy Confidence in Dollar."

The item, taken here from the Columbus, Ohio, Dispatch of January 28, 1968, indicates how the removal of the gold cover might, and in Mr. Hazlitt's opinion would, backfire.

The net effect would be the destruction of the dollar, rather than the preservation of it. There might be a run on our remaining gold rather than a continuation of the present period which has the United States in the position of having less gold than the dollars which foreign financial institutions now hold. The problem finally may become that of having "fiat" money.

Mr. Hazlitt's argument is the other side and until the administration comes up with a convincing—and I repeat, convincing—counter to it, our gold cover should remain as it is.

I include the news article in the RECORD at this point:

ADMINISTRATION'S POLICIES TEND TO DESTROY CONFIDENCE IN DOLLAR

(By Henry Hazlitt)

In the name of preserving confidence in the dollar, the Johnson Administration is destroying confidence in the dollar.

To repeal the last remaining gold reserve requirement behind the nation's currency, as the President asks, will produce exactly the opposite result from that intended.

Let us look at the argument for this proposal. The nation's gold stock has now fallen to $12 billion. (It was $23 billion in 1957.) But the legal requirement of a 25 per cent gold reserve against Federal Reserve notes today "ties up" about $10.5 billion of this, leaving only about $1.5 billion "free" gold to meet the demands of foreign central banks that may want gold for their dollar holdings.

So the argument for removing the gold reserve requirement altogether is that it will restore confidence by reassuring foreign central banks that we stand ready, if necessary, to pay out gold "down to the last bar."

How good is this argument? True, our whole $12 billion gold stock would be available for foreign central banks. But foreign official institutions have liquid dollar claims against us of $15.5 billion—$3.5 billion in excess of our total gold stock.

Suppose the central bank of one or more of these countries began asking itself whether, if the others started cashing in their paper-dollar claims, there might not be enough gold left to cash in its own dollars if it waited too long?

Moreover, in addition to the $15.5 billion official claims against us, we have short-term liabilities to foreign private banks, firms and individuals totaling $14.5 billion.

These private dollar holdings, it is true, are not directly convertible into gold. But Britons, Germans, Italians or Frenchmen who become nervous about the future of their dollars can sell them in their own markets for their own local currencies.

Their central banks are obligated to buy these dollars at par. Therefore, the dollars could end up in the central banks and become direct claims on our gold. In short, our total $30 billion of short-term liabilities to foreigners are potential claims against our $12 billion gold stock.

In 1945 Congress reduced the gold reserve requirement from 40 per cent against Federal Reserve notes and 35 per cent against Federal Reserve depositis to only 25 per cent against both. On March 3, 1965, Congress removed the 25 per cent reserve requirement against deposits, but kept it against notes. Now it is being asked to eliminate any reserve requirement whatever.

The argument being made for this step by the Administration and the Federal Reserve authorities is not candid. It is not true, as they imply, that the present law keeps gold from being paid out. It in fact allows our entire gold stock to be paid out upon demand by authorized claimants.

But if the 25 per cent minimum reserve requirement is breached, a progressive tax, increasing as the reserve deficit mounts, is levied on the Federal Reserve Banks involved.

It is this penalty tax that the monetary managers want to get rid of. If this tax is not considered the most appropriate penalty, then I suggest a substitute. Whenever and as long as the gold reserve falls to less than 25 per cent, the Fed should be prohibited from issuing a single additional Federal reserve note.

As the Economists' National Committee on Monetary Policy summed up the issue last summer, the removal of the 25 per cent gold cover "would open the way to a practically unlimited expansion of Federal Reserve notes, to a removal of the proper restraining influence of a reserve requirement, to a loss of all gold stock, to thoroughgoing fiat money (the weakest money known to man) and to a decline and even collapse in the value of our currency."

MADE IN U.S.A.

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, Army, the publication of the Association of the U.S. Army, in its January 1968 issue, provided some very sobering observations on the possibility of sustained guerrilla warfare in urban areas on a much larger scale than Newark, Detroit, or Plainfield. The article "Made in the U.S.A." was written by Col. Robert B. Rigg, a former intelligence officer who, with a group of military and civilian scholars at the U.S. Army Institute of Advanced Studies, produced "The Long-Range Strategic Forecast," which deals with social, economic, political, and military projections up through 1980. His books include "War: 1974," many of whose "futurisms" have become realities in Vietnam. He is now a consultant on matters pertaining to Red China, and is associated with the Rabinow Engineering Division of Control Data Corp.

In his appraisal of the problem Colonel Rigg pulls no punches in outlining the possible magnitude of future insurrections. He states:

> Unless the decay of core cities can be cured by social, economic and political means, Detroit's relatively small square mileage of violence of 1967 could look insignificant in military and damage terms, compared to what could be a virtual Stalingrad in an American city by 1970 or 1980.

To forestall organized guerrilla violence and to keep our cities from becoming battlegrounds, Colonel Rigg also recommends counteractions against possible guerrilla forces by "penetration by police intelligence, application of military intelligence, and reliance on traditional FBI methods."

I include the article "Made in U.S.A.," by Col. Robert B. Rigg, in the RECORD at this point:

MADE IN U.S.A.

(By Col. Robert B. Rigg)

During the next few years organized urban insurrection could explode to the extent that portions of large American cities could become scenes of destruction approaching those of Stalingrad in World War II. This could result from two main causes:

Man has constructed out of steel and concrete a much better "jungle" than Nature has created in Vietnam.

There is the danger and the promise that urban guerrillas of the future can be organized to such a degree that their defeat would require the direct application of military power by the National Guard and the active Army.

This degree of destruction can easily come about because of these two circumstances. After all, we have seen many square blocks totally ruined in Watts, Detroit and elsewhere, where there was no organized resistance. Were organized insurrection to break out and military power needed to suppress it, destruction in city square miles could mount tremendously over what we have seen.

However, while application of pure military firepower would be a poor solution, political efforts might prove not much better. There are measures that offer a better solution if we are to keep our cities from becoming battlegrounds: penetration by police intelligence, application of military intelligence, and reliance on traditional FBI methods. Such efforts must begin now so as to prevent organized urban guerrilla violence from gathering momentum.

To prevent and to curb urban violence of any order we must establish an effective system of intelligence in the ghettos of urban America. If penetration were professionally effective, such a system could warn of any plans for organized violence by subversive elements. Further, should organized violence break out, such an espionage system would be able to keep riot control and counter-violence forces informed during a disturbance.

The real prevention of urban violence and insurrection begins with social, economic and political efforts. But alongside these measures and efforts there must be the "peripheral insurance policy" of an inside intelligence system that can warn of serious outbreaks and help curb them.

Furthermore, there will also be needed among the well established political-tactical-military informants those who can help guide troops and police through the maze of buildings, stair-wells, streets, alleyways, tunnels, and sewers that may be the key to tactical success. In the countryside we would call this elementary or "grass roots" intelligence; in the city there will be a similar need.

Just as China was plagued with rural guerrilla warfare from the 1920s to the late 1940s, so too, if present trends persist, could the United States experience similar strife and violence. The singular difference is that the fighting would be urban in nature. Furthermore, it is likely to be of such a special brand that can bear only the unique label, "Made in the USA." Thus, the United States may inadvertently provide the world with a new brand of internal warfare that could haunt and harass large metropolitan areas for decades to come.

This possibility is alarming in light of the population explosion and the urban growth which by the 1980's may result in strip cities extending from Miami to Boston, from Chicago to Detroit, from San Francisco to San Diego—not to mention similar areas abroad. Of further import for the near future is the fact that the older "core cities"—such as Chicago, New York, Detroit, Newark, Oakland, Los Angeles and others—could become concrete jungles where poverty could spread with their growth. Additionally, such cement-and-brick "jungles" can offer better security to snipers and city guerrillas than the Viet Cong enjoy in their jungles, elephant grass and marshes. This suggests protracted warfare of a very new kind if city guerrilla forces become well organized by dissident and determined leaders.

City warfare is not new. What would make this type of conflict new, different, and more terrifying would be two elements. One would be the very geographical extent of the concrete jungles that are now simply called ghettos; such slum areas can expand rapidly as suburbia grows and absorbs the more affluent. The other would be lawless forces intoxicated by the ease and security with which they might successfully defy police, National Guardsmen, and Army regulars. The concrete blocks of our great ghettos have vertical acreage and horizontal mileage that offer such tactical protection and vantage points as to make future snipers much "braver" and city guerrillas much bolder than unorganized rioting mobs have been so far.

These are only a few of the trends in the United States which flash warning that our nation could be in for such violent street disorders that to suppress them would ultimately require the civil uses of military power on a scale never heretofore visualized.

Racial issues, poverty, political unrest among minorities, the population explosion, and the rapid growth of strip cities that absorb the decaying old core cities—all these represent a combination of future factors and trends that could plague metropolitan areas and breed more violent and better organized disorder. That urban violence has spread significantly makes the outlook grim, because street violence has found acceptance among minorities.

Today's riots bring more than temporary disorder. They instill a new frame of mind among minorities—an outlook that visualizes rebellion against society and authority as a successful venture for the future. So far the unruly elements, with no real organization, have demonstrated that they can do unusual damage wantonly and indiscriminately. But the sick seed can grow into a menacing weed if in the future the potentials of organization are exploited.

So far the causes of urban violence have been emotional and social. Organization, however, can translate these grievances into political ones of serious potential, and result in violence or even prolonged warfare. Thus, we may find that the danger to a free America is greater from within than from without.

If present trends persist, it is possible that in the next decade at least one major metropolitan area in the United States could be faced with guerrilla warfare of such intensity as to require sizable U.S. Army elements in action and National Guard units on active duty for years. No doubt such an urban conflict could be contained, subdued and defeated, but the effort could possibly require years of concerted military action before even effective social improvements could have impact. This is what the war in South Vietnam has demonstrated. Further, if organized guerrilla resistance spreads to several cities and requires the use of many military units, a national paralysis of very serious proportions might ensue.

The strange thing about this ominous prospect is that such warfare in alleys, streets, cellars, sewers and rooftops could erupt and be carried out initially by organized guerrillas with no prodding by communists or other political movements. It could erupt simply from poverty or racial or local issues, and expand into more blood-spilling violence during which a more overriding political issue—communist or other—could be conveniently inserted by subversive leaders.

Today you need not point to the red flag of communism to appreciate that violence, dissidence and disaffection of other sorts can threaten the United States from within. A future political brand of internal guerrilla threat may now be so faceless as to not appear on the attorney general's black list for some time to come. Yet the potential threat could be so ominous as to rank alongside communism. Nevertheless, the threat of future communist exploitation of American urban unrest remains potent.

Communist China and Cuba represent potential grave internal threats to the United States. They can covertly subsidize insurgent elements within our urban areas although so far, according to the FBI, they have not done so. However, in some intelligence circles of our government it is known that the more dangerous conspirators in ghettos are being prompted by members of the pro-Chinese wing of the American communist party.

The riots in Newark and Detroit have opened new opportunities for these communist nations which have a well-known record of exporting revolution. Suddenly they learn that there are ill-disciplined elements in the continental United States which can engage in violence without even a political cause. Snipers who will fire from roof-tops and high-rise windows out of nothing more than the urge to violence and vengeance against society are certainly ripe for political coercion by Red China's and communist Cuba's secret agents who seek men of this type the world over.

Some advocates of Black Power regard outbreaks of violence as a necessary part of what Adam Clayton Powell called "the black revolution that is going to purge American democracy." Powell pronounced this on 26 July 1967, just as the Detroit riot began to subside. On the same day, Black Power leader Stokely Carmichael issued a similar manifesto from Cuba, at the very time when the Organization of American States was announcing that Castro was continuing his support of communist terrorists and guerrillas in Venezuela. In its report, the OAS special committee made the main point that Cuba's activities include training, arming and transporting guerrillas for operations in other countries.

Extremely bitter since the Bay of Pigs invasion, Castro has become a would-be exporter of revolution. With Carmichael at his elbow, Castro gave his "blessing" to riots in U.S. cities and called for guerrilla warfare there.

On 3 August, while still in Cuba, Carmichael repeated his prediction of "urban guerrilla warfare" against the U.S. government: "Our only answer is to destroy that government or to be destroyed while trying to destroy the government." At any rate, "we are going to start with guns to get our liberation."

A few days later in New York another advocate of violence, H. Rap Brown, called on Negroes to arm themselves against a white "conspiracy of genocide," while labeling riots in Newark, Detroit and Plainfield as "dress rehearsals for revolution."

These are straws in the wind, but nevertheless many hundreds applaud locally, and millions listen nationally, while would-be Nazis and members of the American communist party draw much smaller crowds, generate only token enthusiasm, and represent a week threat, internally. But these groups can exploit advocates of Black Power and violence. Responsible Negro leaders work elsewhere with real power and purpose for more meaningful progress, but they may end up as "Uncle Toms" if the advocates of violence persist.

In the future, forceful leaders—or even careless ones—could easily evoke and provoke protracted violence so as to cause National Guard units to be on almost permanent active duty in many of our cities.

Every nation at times has its would-be Hitlers. So far the United States has been able to survive the extreme rantings of such radicals who have never been able to muster political forces of consequence, much less military forces. But the appeal, and sometime success, of guerrillaism is an intoxicant that could "inspire" urban minority leaders or future would-be Hitlers—men of ruthless purpose and gnawing ambition.

Time, and the crowding circumstances of the population explosion, can breed wholesale urban violence. Social and economic progress promise to be of help here, but we cannot be too certain that such efforts will always succeed. For example, not long ago, modern housing in Anacostia, D.C., was vandalized by youthful gangs of the community. With no unified leadership, they smashed and destroyed property wholesale and so intimidated store-owners and passers-by that one of Washington's major newspapers wrote a series of articles on this modern-day phenomenon which portends problems in future communities. Why? Because here was a state of mind that manifested itself very boldly. Its overtones for the future are obvious.

Urban riot has been established as an instrument of racial rebellion. But the riots have not been strictly one of Negroes clashing with whites; often the rioters were relieving their frustrations at their ghetto surroundings and relative poverty, and upon authorities. It is important to remember this, especially where it pertains to slums. Violence in the future may even be by whites protesting against poverty and their environment. White or black, here is where the political aspect looms large because communist elements can penetrate urban America and foment serious trouble.

The future brand of trouble may not necessarily be communist-inspired. Activists of the left who now expend their energies in protesting against the Vietnam war could become a growing source of urban unrest and trouble. The future problem of city violence bears no particular political label at the moment but it does indicate that trouble can arise from the left or right, or from black or white. Poverty and social problems exist in rural areas, but they can reach explosive and serious proportions only in our cities.

The personal right to own firearms is being seriously debated in Washington today. The argument will linger, and probably with no conclusive results, for a long time. The stark fact remains that from Chicago to the Congo, anyone who wants to shoot can buy small arms and even mortars. World War II, the many limited wars since, and all the military aid programs have flooded the world with arms and ammunition. If a subversive force or organization wants arms, they are available. If their leaders want them on a wholesale scale, arms for the urban guerrillas of the United States will not be hard to obtain.

Today, one trend is self-evident: metropolitan police cannot cope with even disorganized violence where it reaches high proportions. Tomorrow, police and National Guard units may not be able to cope with urban violence that is well organized.

Another trend is toward organization for violence. Over the past two decades organization has spread in the ghettos of America. It began with street gangs who boldly formed semi-uniformed clubs and deliberately engaged in "rumbles" for "sport" or diversion. Now the overtones of racialism and the more public recognition of poverty-area-contrast with other communities have brought movements designed to "fight their way up and out." In short, the trend is toward organization designed for aggression in behalf of racial and poverty issues. Militancy prevails in slums where heretofore there was only the defeatism of complacency. For the future, militancy can be expected to prevail. Elements of American poverty have discovered the ally of aggression. Added, however, will be organization behind the militancy, and the second ingredient of arms in place of rocks and bottles. A disorganized mob throws rocks, bricks, and bottles. An organized mob of the future will be armed, and will not be content to gather its armament from street rubble.

"Fight for something" is an old American tradition. Any time hence, people in a large slum in a congested metropolitan area could fight in guerrilla fashion for their own local aims. They might not be fighting the federal government, but merely the city or the state. As in Vietnam today, the fighters by night could be workers by day. Roof-tops, windows, rooms high up, streets low down, and back alleys nearby, could become a virtual jungle for patrolling police or military forces at night when hidden snipers could abound, as they often do against U.S. and allied forces in Vietnam in daylight. Could local police or National Guard units carry out search-and-destroy campaigns in the cement-block jungles of high-rise buildings?

Even in the face of large-caliber artillery, the battle of Stalingrad demonstrated that a city of steel, concrete and brick offers unusual protection to its defenders and great obstacles to its assailants. Consider a creeping guerrilla war by night in a typical portion of the old core of an American city. Police patrols and National Guardsmen could be sniped at by night for months and suffer heavy casualties from determined but hidden foes. Such warfare would not need to be fought by lone guerrillas in the lower streets. Vietnam's jungles have no elevators and stairwells in their tree-tops, but city buildings do—and a multitude of vacant rooms to which to flee. No jungle's tree branches are as secure. The degree of security for city guerrillas is almost too imposing to suggest. Mao Tse-tung's concept of prolonged war could be applied—by city guerrilla forces so determined—to the same extent that he waged it about China's countryside.

Police, National Guard, and active Army units could hardly carry out successful clear-and-hold operations in the steel-and-concrete jungle of high-rise buildings without resorting to a campaign that would almost reach the destruction experienced by Stalingrad. The problem is difficult enough in the sometimes peaceful countryside of Vietnam today, but what tank or bulldozer is going to flatten an old 20-story apartment or office building that is sniper-ridden by night and vacant by day? Here, urban guerrillas could shoot down into the streets, drop fire bombs, and not even need mortars. Plainly, the finest "jungle" for insurrection was not created by Nature; it has been built by man.

From a military standpoint, successful warfare against urban-based guerrillas in American cities could be as difficult and prolonged as the fighting in Vietnam if the insurrection is well organized.

Unless the decay of core cities can be cured by social, economic and political means, Detroit's relatively small square mileage of violence of 1967 could look insignificant in military and damage terms, compared to what could be a virtual Stalingrad in an American city by 1970 or 1980.

While the patterns of future urban insurrection may vary, there will be certain problems to confront, if the violence is organized.

Problem No. 1 would be organization itself. To combat this would require political and intelligence penetration of high order and expertise. Here, penetration must be deep enough so as to warn of secret subversive plans, to pinpoint leaders and to disrupt organization itself.

Problem No. 2 would concern the identification of hideouts, areas where weapons are stored, sources of arms, guerrilla means of transportation, access and escape routes, and probably resistance spots. In other words, we must have intimate and accurate information on the facilities used by urban guerrillas before and during trouble.

Problem No. 3 relates to tactical military action against organized resistance once conflict begins. Hopefully, this assumes that at least fair intelligence and espionage would continue to meet the problems mentioned. But no intelligence report has ever been prepared that included complete information on the enemy *after* the fighting started. Tactical action has always had to rely on what little was known and what could be learned through intelligence gathered by scouting and combat. Imagine a building or a block of buildings that houses innocent people but is used at night by snipers and insurrectionists with fire bombs. Tactical action here would take on the proportions of search-and-plan operations by day, and retaliation, maneuver, and fighting by night. Night fighting will call for a very delicate decision as to which darkened window to shoot at and which roof-top to blast by mortar fire or to assault by helicopter. A whole new manual of military operations, tactics and techniques needs to be written in respect to urban warfare of this nature. There are none on the subject today.

Problem No. 4 includes police-Guard-Army and local authority (particularly political), coordination, communications and control. Here also is a very big problem that can be greatly aggravated by chaos and street fighting. For every city, for every emergency, this one requires much planning in depth. Planning is vital, particularly in terms of political and military control and coordination of all efforts. Once chaos and conflict ensue, command and coordination become even more crucial and necessary. Communications in terms of standing operating procedure, integrated radio networks, liaison, procedures, and the like, are big problems that must be solved before conflict, and modified to meet the demands of the situation.

Problem No. 5 can be termed "Mixture X." It includes everything from control and safety of a few dozen (or hundreds)of refugees fleeing from buildings to hostages being held by seasoned guerrillas or being used by them as escape shields. It includes the sick and wounded among the innocent. It includes the supply of food and medicine—and medical treatment—to trapped people. It includes evacuation by helicopters and by fire fighters, of people trapped in burning buildings. It includes the protection of firemen from sniper fire, the need of which last summer's Detroit riot demonstrated in very grim and dramatic fashion. Plainly, firemen need the Red Cross badge of safety to protect them in their valor and work. They didn't have even this in Detroit. They may suffer heavy casualties during organized urban insurrection of the future unless they are somehow more respected by some agreement or other measure.

Success in coping with organized urban warfare will not rest on agreements, but rather depend on tactics and techniques yet to be formulated. The overall problem, and success in meeting it, depend heavily on a new measure of organization, coordination and study among officials of the city, state, National Guard, police, active Army and FBI. While these organizations understand the problem and are alert to it, much work lies ahead.

The implications are clear. American military and political plans must now, more than ever before, be based upon meeting a new kind of internal violence.

The most delicate type of so-called "limited war" lies ahead. Military force and military restraint of a new order call for new types of training and discipline. Traditionally, and normally, soldiers are taught to fire back, to gain the objective, and to seize the high ground. These tactical principles can no longer be applied unless we want to see street blocks become battlegrounds of utter destruction. Greater firepower and more troops have already raised the ante of escalation in Vietnam.

There is one lesson we must learn from even this type of limited war. When urban guerrilla warfare strikes, meeting it will require the highest degree of calmness ever demanded of the American soldier since the traditional "Don't one of you fire until you see the white of their eyes." This means that the active Army, National Guard, and police must use the pressure of their presence, the force of probing, and the expertise of military intelligence, without resorting to serious outbreaks of fire power, much less wanton shooting. The implications here are serious in respect to military training and operations. Each unit and each soldier must be expected to endure the highest incidence of sniping, apply the utmost of maneuvering and—at times—resort to the least firing. This is a large order for any force, but only through such disciplines and techniques can urban guerrilla warfare be contained within bounds, limited in destructive powers, held within limits, and destroyed by the most singular means—and that is through seizure rather than through destruction by firepower. Military intelligence, police and detective efforts and FBI penetration can make greater progress toward defeating future urban guerrillas than any military firepower.

Such planning must include training troops for urban insurrection. For the National Guard this means a complete change of direction in training as something of first priority. For the active Army, such training has serous overtones to the extent that it must train for the concrete jungle as well as for the other kind. Further, it means that Army units must be oriented and trained to know the cement-and-asphalt jungle of *every* American city. It means that maneuvers and exercises, heretofore carried out about the countryside, in the future can be conducted in large cities. Possibly the sight of such maneuvers in several cities could prove a deterrent to urban insurrection. Today's trend implies that very soon American troops will be maneuvering in metropolitan areas to an extent more than ever before imagined. Here they will be required to learn about and memorize details of many metropolitan communities, their buildings, streets, alleyways, roof-tops, and sewers, just as once they learned the use of terrain features of open country. This is the only way to solve the intelligence, social, economic and political problems associated with serious Third Front warfare which could bear the unfortunate label of "Made in the USA."

STAMP-FOOD PRICE STUDY

Mr. OLSEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include an editorial.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. OLSEN. Mr. Speaker, a recent editorial in the Bridgeport, Conn., Post revealed the results of a survey into the relationship between trading stamps and supermarket prices.

In light of the current controversy surrounding trading stamps, and in an effort to keep my colleagues in the House

informed regarding the various aspects of this controversy, I request that the Post's editorial be inserted at this time in the Record:

Stamp-Food Price Study

The effect of trading stamps on supermarket prices has generated a great deal of controversy, with not nearly enough objective information. But now some clear light has been thrown on this subject.

A study published in the fall issue of New York University's Journal of Retailing finds that stores that dropped stamps in two large-city neighborhoods in 1965 cut prices initially, but the reductions were not maintained.

Professor F. E. Brown, of Pennsylvania University's Wharton School of Finance and Commerce based his conclusions on 39 price checks of 80 items each. Data for the study were obtained by on-site shelf pricing performed by women trained by the Bureau of Labor Statistics to do similar work in connection with its Consumer Price Index.

Prof. Brown reported that the effect of dropping the stamps on the general price level disappeared within a nine-month period. Competing stores reacted to the cuts in different ways. Some actually reduced prices more than did the store that eliminated the stamps. Competitors would not allow a significant price difference to open up.

By the end of the 12-month study period in 1966, food prices in the two areas studied has risen in all the study stores about as much as the Consumer Price Index for food in the most similar city for which data were available.

The professor concluded that in stamp-dropping situations, "inability by the dropping to increase volume significantly will bring a profit squeeze, restoration of higher prices, and a new cycle with different promotions."

This conclusion is significant since it provides objective evidence to prove what many supermarket operators have been saying in defense of their stamps.

POSTAL APPOINTMENTS

Mr. OLSEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. OLSEN. Mr. Speaker, I am introducing a bill which provides for appointments of postmasters for first-, second-, and third-class post offices. Recently the Post Office Department released a statement which gave some statistics on postmaster appointments. There were 1,515 postmaster confirmation actions in 1967 and 42.6 percent of these jobs were given to career post office employees. In 1966, 38.3 percent were given to career employees in 1965, 33.5 percent. Now, the sense of the announcement was that the increasing percentage of appointments coming from the career service is a good trend. I say if this is a good thing then let us drive it up to 100 percent, which this bill will do.

Let us assume that in 1968 there will be approximately 1,500 first-, second-, and third-class appointments and that 50 percent will come from the career service. That leaves 750 appointments from the outside, an average of less than two per congressional district. These appointments from the outside are not sufficient in number to permit a judicious selection from the constituency. In small cities they can be the cause of diversive conflict within party organizations and ultimately a headache to all concerned including the Congressman. I recently had an unfortunate experience in this area which helps make this bill attractive for me.

I think it is difficult to argue against the merit of appointing as postmasters, capable career professionals who have familiarized themselves with all aspects of the post office operation and who have demonstrated their qualifications by taking appropriate noncompetitive examinations.

I am confident that the morale of the postal service will be increased in that the able employee in a post office will now be assured of a chance for the top job. Right now he knows that when the top job is open it may go to an outsider.

This bill should result, over the course of a few years, in all top post office jobs being held by knowledgeable postal career men. This will certainly help the Post Office Department.

I have some reservations concerning the requirement in the bill that prior to appointment an employee must be given the opportunity to familiarize himself with all of the postal functions by actually performing the duties in each area. The means by which such a requirement could be implemented is not clear and I believe this section of the bill needs clarification and perhaps revision.

UNIVERSAL FIBERGLASS CASE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, the role of Neal Peterson in the Universal Fiberglass Corp. case is highly questionable at best, and demonstrates a carelessness on conflicts of interests. It has many of the earmarks of the "gross improprieties" that characterized the activities of Robert G. "Bobby" Baker, the former secretary to the Democratic majority in the Senate.

Like Mr. Bobby Baker, Neal Peterson was a staff member in the U.S. Senate. He was on the professional staff of the Senate Small Business Committee earning a salary of $12,000 and later $14,000 a year, in the period from 1961 through early 1965. Peterson's specific duties called for him to be in contact with the Small Business Administration in following up investigations of the legality and the soundness of the actions of the Small Business Administration, then headed by Eugene Foley, another Minnesota political figure of some prominence.

He had an obligation to treat every firm in the same manner, and to avoid any action that might appear to be a pressure for favored treatment for any firm. Peterson had an obligation to avoid circumstances that might indicate an interest in approval of any questionable decisions.

In this case Peterson was a part of the "intensive activity" on behalf of the controversial decision to approve a certificate of competency for Universal Fiberglass Corp. in January 1965.

Universal Fiberglass Corp., was represented by Neal Peterson's brother, Roger A. Peterson, of the Minneapolis law firm of Helgesen, Peterson, Engeberg & Spector.

With his brother's law firm in this case, Neal D. Peterson should have avoided any contact with the case for Humphrey's office or any advocacy for Universal Fiberglass Corp., in any form. If Mr. Peterson was insensitive to the conflict of interest posed when his brother represented Universal Fiberglass, then someone else in the Humphrey office should have recognized the problem and put a stop to it.

Instead of a frank discussion of this case from Vice President Humphrey and his staff, they have engaged in what appears to be an effort to hide Peterson's role until that role was spotlighted by newspaper reporters.

The circumstances surrounding the SBA decision to grant this certificate of competency were bad enough to start with. Foley approved it on a file that contained a one-paragraph unsigned memorandum.

The role of Neal Peterson raises other serious questions, and the taxpayers should not forget that the Government may lose as much as $3 to $4 million on this deal.

Also worthy of note is the fact that Roger A. Peterson's law firm has continued to represent this Universal Fiberglass firm even as it has defied the Government and has refused to make its financial records available.

Mr. Speaker, I submit for printing in the Record at this point two articles from the Minneapolis Tribune, the first of the date of February 2, 1968, and the second on February 3, 1968:

Universal Fiberglass Lawyer's Kin Helped Push for SBA Loan

(By Clark Mollenhoff)

Washington, D.C.—Neal D. Peterson, brother of a lawyer for Universal Fiberglass Corp., was the man in Vice-President Hubert Humphrey's office who pushed approval of a controversial Small Business Administration (SBA) action for Universal Fiberglass.

It was learned Thursday that Peterson was Humphrey's staff man on the Senate Small Business Committee when he aided in winning approval for SBA action that was beneficial to his brother's client, Universal Fiberglass.

Neal Peterson's brother is Roger A. Peterson of the Minneapolis firm of Helgesen, Peterson, Engberg & Spector. The firm is listed as lawyer of record for Universal Fiberglass Corp., Two Harbors, Minn.

In the last two weeks, Rep. H. R. Gross, R-Iowa, has criticized the SBA for approving a certificate of competency for Universal Fiberglass over the objections of the financial experts and technical experts in the General Services Administration (GSA) and the SBA.

The delivery of the SBA certificate of necessity meant that the GSA was required to award a $13.3 million contract for three-wheel mail trucks to Universal Fiberglass despite studies that stated that the firm had neither the financial backing nor the technical qualifications to manufacture the mail trucks or deliver on time.

Gross aimed most of the criticism at the actions of Eugene Foley, a Democratic political figure who was administrator of the SBA at the time of the controversial Universal Fiberglass decision in late 1964 and early 1965.

Foley, who had been a Humphrey employee on the Senate Small Business Committee staff in 1961, had Humphrey's support when he was named to head the SBA.

An investigation of the Universal Fiberglass decision by the General Accounting Office (GAO) concluded that the adverse views of experts in the GSA and SBA were overruled by Foley on the basis of a one-paragraph unsigned memorandum found in the files.

Gross contends that the government may lose as much as $3 million to $4 million as a result of area redevelopment loans, SEA loans and progress payments that were made to Universal Fiberglass on mail trucks that were never delivered.

Minnesota Republicans and a number of other members of Congress have said that the Universal Fiberglass transaction "reeked of political influence."

Humphrey and Rep. John Blatnik, D-Minn., were active in promoting the SBA decision for Universal Fiberglass.

Blatnik said he had urged the SBA to approve the Universal Fiberglass certificate of competency although it was "a borderline case" because of a large increase in unemployment in his district caused by the closing of a railroad roundhouse in Two Harbors.

Blatnik obtained help from Humphrey's office and it was Neal Peterson "who attended all the meetings and handled all the details."

"It was Neal Peterson who suggested that Universal might hire his brother, Roger, to help on this," Blatnik said. The hiring of Roger Peterson was done by George H. Bookbinder, of New York, N.Y., and Cleveland, Ohio, and an officer of Universal Fiberglass, Blatnik added. Blatnik has been willing to discuss all aspects of his role in the Universal Fiberglass case, but Humphrey's office has refused to comment on the case, or to make the file on the case available for examination.

Norman Sherman, press aide to the Vice-president, said yesterday that Humphrey will not be interviewed on the Universal Fiberglass case and that Neal Peterson has been instructed not to comment on it.

HHH Office Confirms Aide Helped Firm

(By Clark Mollenhoff)

Washington, D.C.—Vice-President Hubert Humphrey's office Friday confirmed that a staff member was involved in "intensive activity" to win government approval of a controversial document relating to Universal Fiberglass Corp., of Two Harbors, Minn.

It said Neal D. Peterson, assistant to the Vice-President and brother of a lawyer for Universal Fiberglass, pushed approval of the controversial certificate of competency for Universal Fiberglass. But it also said he had not yet become a member of Humphrey's staff when he did so.

Rep. John Blatnik, D-Minn., yesterday corrected a statement in which he said Peterson suggested that Universal Fiberglass hire his brother, Roger, a Minneapolis lawyer.

Blatnik said yesterday that he made "a slip of the tongue."

"I don't know why I said it," Blatnik said. "It was an awful goof and it upset the Vice-President and his whole staff."

Blatnik said he had thought that his own administrative assistant, Jim Aberstar, had made the suggestion that Roger Peterson's law firm be hired.

"I must have somehow used Neal Peterson's name when I meant Jim Aberstar," Blatnik said. "It was unfortunate, and it has caused the Vice-President and Neal Peterson a lot of trouble."

Blatnik said that he had talked to Aberstar and was told that Aberstar did not suggest that Peterson's law firm be hired.

"I understand that the law firm might have been suggested by a representative of the Steel Workers Union," Blatnik said.

Universal Fiberglass Corp. was awarded a certificate of necessity by the Small Business Administration (SBA) in January 1965 when SBA was headed by Eugene Foley, a prominent Minnesota Democrat. The decision by Foley has been criticized as being against the recommendations of financial and technical experts of the General Services Administration (GSA) and the Small Business Administration.

Rep. H. R. Gross, R-Iowa, said yesterday that he questions "the propriety" of Neal Peterson's alleged behavior while on the government payroll.

Humphrey has been unavailable for comment in the more than two weeks that the Universal Fiberglass case has been a subject of critical discussion in the Congress. Norman Sherman, Humphrey's press aide, has stated periodically that the Vice-President will not be questioned on the case, will not make the file available and will not permit Neal Peterson to be questioned.

Humphrey's office denied that Peterson was a member of Humphrey's staff while carrying out the activities on behalf of Universal Fiberglass.

The records show that Peterson was a professional staff member on the Senate Small Business Committee from 1961 through 1964.

His work on the Universal Fiberglass case took place in late 1964 when Humphrey, then a senator, was the third-ranking member of the committee. Shortly after Humphrey became Vice-President, Peterson left the committee staff and he now carries the title "assistant to the Vice-President."

Late yesterday, Sherman authorized the SBA to release the one letter it received from Humphrey.

The letter, dated Dec. 4, 1963, was to Harry Sieben, regional director in Minneapolis. It stated:

"Dear Harry: I have just received copies of a project proposal application to the Area Development Administration. This is the project that Jim Rand of Rand Development and George Bookbinder have been working on. If you have not received copies of this application please let me know because I certainly would appreciate it if your people could start working on it. We need to get going on this one as soon as possible."

The letter was signed: "Sincerely, Hubert H."

The project was approved by the Small Business Administration a month later.

Mr. Speaker, I also submit for printing in the Record in connection with this subject two articles from the Cleveland Plain Dealer, of the dates of February 2 and February 4, 1968:

Humphrey Aide's Brother Is Rand Counsel

(By Sanford Watzman)

Washington.—A third link has been established between Vice President Humphrey and the eye-brow raising case of the Universal Fiberglass Corp., a subsidiary of the Rand Development Corp. of Cleveland.

Neal D. Peterson of the vice president's staff is a brother of Roger Peterson, a lawyer for Universal. Roger represents the company in a court fight over Universal's refusal to open its records to the government.

The subsidiary in Two Harbors, Minn., landed a $13.3-million contract for three-wheel mail trucks despite a finding of government experts that Universal did not have the know-how to produce the vehicles. Uncle Sam canceled the contract when deliveries were not made on time.

Humphrey's office issued a statement last night asserting that political influence did not figure in the transaction.

Rep. H. R. Gross, R-Iowa, has said the deal "smells to high heaven." He noted that the Small Business Administration paved the way for the contract by granting a certificate of competency to the company—an act which overruled SBA's own investigators.

As disclosed in earlier Plain Dealer articles, Eugene P. Foley was the head of SBA in 1965, when the award was made. Humphrey at that time was the senior senator from Minnesota, Foley's home state.

Foley played a major role in Humphrey's campaign for the Democratic presidential nomination in 1960.

George H. Bookbinder, vice president both of Rand and Universal, has been identified as a fund-raiser for Humphrey in that contest.

Neal Peterson was a professional staff member of the Senate Select Committee on Small Business when Humphrey was a member of the panel. He moved into the vice president's office in 1965.

President Johnson has given Humphrey the assignment of acting as the administration's liaison man with mayors and other local officials around the country.

Neal Peterson is the vice president's staff man in charge of this activity. He recently supervised publication of a catalog of federal money programs and services that are available to local communities.

Like his brother, Neal is a lawyer and once practiced in Minnesota. Roger Peterson is a member of Helgesen, Peterson, Enberg & Spector, a Minneapolis law firm.

That the two are brothers was confirmed for The Plain Dealer by Robert Hinkley, an aide to Minnesota Gov. Harold Levander. The Republican governor is investigating the Universal case because the company received state as well as federal money to help it get started.

For the last three days, The Plain Dealer had tried to make contact with Neal Peterson here, but the vice president's aide did not return telephone calls.

Finally, another assistant to the vice president, responding to a query from the newspaper late yesterday, acknowledged the connection between the two Petersons.

Asked whether Neal Peterson had had anything to do with the Universal transactions—the company latched on to government loans as well as the mail truck contract—the Humphrey spokesman said he did not know.

He added he would check on Neal Peterson's role, if any, and advise the newspaper.

Asked whether Humphrey himself had taken a hand in the dealings, the spokesman asserted: "His senatorial office handled many requests from Minnesota business constituents."

"Did he do anything as vice president?" the aide was asked.

He replied: "We've had no role in it as vice president."

The earlier disclosures by The Plain Dealer had elicited a mere "no comment" from Humphrey's office.

Other sources here related Neal Peterson was the contact man between the vice presidential office and Rep. John A. Blatnik, D-Minn., whose district includes Two Harbors.

Reached for a statement last night, Blatnik said he had had discussions with Neal Peterson about Universal while Peterson was on the Small Business committee staff.

The next question, which was whether Blatnik had been in touch with Peterson on the matter after Peterson joined the vice president's staff, brought this reply:

"Isn't Peterson still with the committee? I didn't know he had gone over to the vice president's office."

The congressman readily acknowledged last week he had pushed for the contract award because it brought an industry to a depressed area and produced badly needed jobs.

United States Guards Files but Wants Rand's

(By Sanford Watzman)

Washington.—While the U.S. government is locked in a lawsuit over access to records of the Universal Fiberglass Corp., it refuses to open its own files in the case.

The Small Business Administration (SBA)

has denied a Plain Dealer request to see its files. It cited exemptions in the so-called Freedom of Information Act of 1967.

Involved is the case which Rep. H. R. Gross, R-Iowa, sees as an "outrageous boondoggle," involving "powerful political friends in Washington . . . the raw, blatant use of influence." (Universal is a subsidiary of the Rand Development Corp. of Cleveland.)

A Plain Dealer investigation has disclosed three links between principals in the case and Vice President Hubert H. Humphrey, former senator from Minnesota, where Universal has its plant.

Universal obtained government loans and a $13.3-million contract for three-wheel mail trucks, although SBA investigators reported strong doubts the company had the capacity to produce good vehicles on time.

After some experience indicated the experts had been right, the government canceled the contract and charged the taxpayers had been left holding the bag for some $3 million.

More than a year has elapsed since the government sued for the right to examine the company's books, so it could determine exactly what it is owed by Universal. Apparently, the court fight will drag on for some time to come.

Meanwhile, Congress' General Accounting Office (GAO), at Gross' request, inspected SBA's own records. A focal point of interest was why the agency's staff had been overruled by then SBA administrator Eugene Foley, a former political aide to Humphrey.

GAO reported to Gross all it could find was an unsigned one-paragraph memorandum contradicting findings of the experts.

GAO itself could find "no evidence that Universal's production capabilities had improved" between the time the experts rendered their verdict and the mysterious memo was put in the file.

GAO did not say whether it had also seen papers showing that congressmen or other officials might have interceded for Universal.

However, if there were such documents, observers here hold, GAO probably would have discreetly passed over them. As an arm of the legislative branch, GAO has 535 bosses—100 in the Senate and 435 in the House.

SBA officials suggested the Plain Dealer specify the documents it wanted to see. That proposal was rejected by the newspaper.

Spokesmen for the agency—Administrator Robert C. Moot—would not grant an interview. He explained that an indiscriminate search of the file might constitute a violation of 18 USC 1905—a criminal statute. This law protects business secrets.

This exchange followed:

Q—We have no interest in such things as confidential cost and credit data. Could you excise such material from the file before making it available?

A—That wouldn't be feasible.

Q—Is it possible that prohibitions in the statute might not have full force in this case because the company has ceased operations and is no longer in a competitive position, and also because litigation in court may have opened the door to release of some of the information?

A—We don't think so.

Last July 4, when SBA issued regulations implementing the Freedom of Information Act, the agency said its action was "in keeping with the spirit as well as the letter" of the law.

It added: "Disclosure is the general rule rather than the exception."

However the regulations—as provided by the law—do detail certain exceptions to the rule, including "internal agency communications showing, for example, recommendations on applications for assistance."

When he signed the act, President Johnson hailed it as a boon to democracy, adding: "No one should be able to pull curtains of secrecy around decisions which can be revealed without injury to the public interest."

But students of the act say it is imprecise.

THE "PUEBLO" INCIDENT

Mr. LLOYD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. LLOYD. Mr. Speaker, along with millions of other Americans, I listened yesterday with deepest interest and concern to the words of our Secretary of State, Mr. Rusk, and to our Secretary of Defense, Mr. McNamara, as for 1 hour on the televised program, "Meet the Press," they responded to questions on foreign policy and military policy.

I want to direct attention to the statement made by Mr. McNamara that from January 10 to January 21 the *Pueblo* held radio silence and "in that period we lack knowledge" of its moves.

As pointed out by the Washington Post this morning, our Ambassador to the United Nations, Mr. Goldberg, made a statement to the Security Council of the United Nations on January 26, 1968, as follows:

> Now, Mr. President, I want to lay to rest—completely to rest—some intimations that the *Pueblo* had intruded upon the territorial waters and was sailing away from territorial waters and that the North Korean ships were in hot pursuit. This is not the case at all and I shall demonstrate it by this map.
>
> Now we will show by times and the course of the vessel exactly what occurred and you will see from this that the location of the *Pueblo* was constantly far away from Korean shores, always away from the 12-mile limit until it was taken into Wonsan by the North Korean vessels.

I realize that all Members of Congress, under appropriate security necessity, cannot be privy to all facts of our continuing foreign and military policy. However, Mr. Speaker, we are called upon by our constituents and by our respect for personal duty and personal honor, to discharge the responsibility of sacred trust imposed upon us in these critical days of our national history, and to do those things we must pursue and support those honorable means which would keep this Nation from war.

It has been my policy to support the President of the United States, the Commander in Chief of our Armed Forces, in the policies which I believe the hard evidence would demand of any responsible person with these awesome responsibilities, and I want to be able properly to continue that support. However, it strongly appears to me that, as a Member of the U.S. House of Representatives, I have been misled as a direct result of conflicting statements of official representatives of the President of the United States.

Ambassador Goldberg's statement to the United Nations appeared to me to be a categorical assertion that the *Pueblo* did not intrude beyond the 12-mile limit. I believe that is the proper interpretation which a reasonable person would place upon his statement to the Security Council.

During the past Christmas holiday season, I spent the entire time in my district and except for Christmas Day, New Year's Day, and Sundays, I worked at my job every day. At the conclusion of that period, I issued a statement in which I said:

> Utahans I have talked to concerning the war seemed to have adopted more of a "dovish" attitude in the past six months. Six months ago most of those objecting to the present policy favored acceleration of the war effort. Today, most of those opposing the present policy seem to favor withdrawal in varying degrees.

A weekly newspaper editor in my district, Mr. Inez Riding, of Delta, Utah, commented upon this release, and I consider her comments significant and part of the history of Utah's Second Congressional District Congressman in these trying days. Her column follows:

Down Yawnder

(By Inez Riding)

VIETNAM THOUGHTS

> I have a question.
>
> Were any Millard County folks questioned on Vietnam by Congressman Sherman P. Lloyd during his recent visit to Utah?
>
> We received a news release from his office saying that the attitude of people in his congressional district had changed to "dovish" on Vietnam.
>
> I have been unable to find anyone in our area that he contacted.

AM I TALKING TO THE WRONG ONES?

> I find the release hard to believe because the people that I talk with say to me that we should get in to win or get out!
>
> There are so many things difficult to accept about that war.
>
> A young man from one of our local communities is a helicopter crew chief in Vietnam. He has written home that his group cannot keep all ten copters flying at once.
>
> Reason? Lack of parts.
>
> Isn't that sickening and sad?
>
> I know that young man. He is not easily excited nor is he given to overstatement.

WHAT CAN WE DO ABOUT SUCH THINGS?

> If we don't get the materials needed for the men to use how can we in good conscience continue sending them over?
>
> A good friend said Tuesday "Don't get all worked up about Vietnam, Inez. Apparently there is not a thing any of us can do to better the situation."

I'M FOR TRYING

> I need reassurance by our congressional delegation that Vietnam is not going to be shunted aside in the political battle of 1968. I need reassurance that we will not suddenly settle for peace on terms that would mock American dead. I need reassurance that American men in Vietnam are not "forgotten Americans". I need reassurance that the welfare of that minority group is of concern to everyone.
>
> Where will I get the reassurance?

On the same day Mrs. Riding's column arrived at my office, many other letters arrived from equally responsible constituents, one of which I think should be made part of this presentation, since it indicates the increase of vital concern among these constituents, and expresses a view at variance with that of Mrs. Riding:

> JANUARY 31, 1968.
>
> DEAR SHERM: This is only one of many letters I have written you in protest over the Vietnam war, but this time I am determined to mail it. This war is becoming a national catastrophe. It is corroding our moral strength, dangerously weakening our econ-

omy, destroying Vietnam, and killing and maiming our boys. For what?

I urge you to do all within your power to get us out.

Respectfully,

Barbara Tanner.

The Washington Post editorial of February 5, 1968, to which I have previously referred is as follows:

[From the Washington Post, Feb. 5, 1968]

TURNABOUT

Secretaries Rusk and McNamara, in their doubleheader appearance on Meet the Press, seem to have opened a new diplomatic door to the peaceable retrieval of the Pueblo crewmen. In remarks presumably selected to mesh with the secret talks at Panmunjom, they raised the possibility that before its capture on Jan. 23, the Pueblo had penetrated North Korean waters. From Jan. 10 to 21, Mr. McNamara said, the Pueblo held radio silence and "in that period we lack knowledge" of its moves.

From that new point, Mr. Rusk went on to state that if the United States discovered the Pueblo had been inside the 12-mile limit, it would "make those facts available." Mr. McNamara opened the prospect of disciplining the skipper "if he violated his instructions consciously or through negligence."

These three elements—admission, apology, discipline—mark a new public position for the United States, which since the incident had maintained that no intrusion had taken place and therefore there was nothing to apologize for and no one to criticize. The three elements also match the three North Korean demands: that Washington "admit," "apologize" and "punish."

It should be noted that the two Secretaries were not making an unconditional offer to North Korea. They made plain that, first, the crewmen must be released and, secondly, the United States must be the party to determine what the Pueblo's conduct had been. These conditions make sense. As Mr. Rusk said, no fair judgment can be made on the basis of "confessions" and tapes put out by Pyong-yang. Only by hearing the Pueblo story from its own men and logs, in an atmosphere free from North Korean intimidation, can the truth be learned.

Nothing the two officials said offered the slightest excuse for the piracy North Korea committed by seizing the Pueblo. Regardless of where it had earlier sailed, at the time of capture it was on the high seas, protected—or so it had every reason to believe—by international law and practice. We are dealing with a country with a profound disrespect for the conventions honored in the family of nations.

Americans will surely be gratified at any favorable turn in the prospects for the crewmen's return. However, it is extremely disturbing that the forthrightness shown yesterday by Mr. McNamara and Mr. Rusk was missing from Ambassador Goldberg's remarks in the Security Council on Jan. 26. He said:

> Now Mr. President, I want to lay to rest—completely to rest—some intimations that the Pueblo had intruded upon the territorial waters and was sailing away from territorial waters and that the North Korean ships were in hot pursuit. This is not the case at all and I shall demonstrate it by this map.
>
> Now, we will show by times and the course of the vessel exactly what occurred and you will see from this that the location of the Pueblo was constantly far away from Korean shores, always away from the 12-mile limit until it was taken into Wonsan by the North Korean vessels.

Such a statement does not enhance the public's confidence in an Administration with more than its share of trouble in that regard. Nor does it allow the room for diplomatic maneuver which the new McNamara-Rusk position provides.

LEGAL JURISDICTIONAL OFFSHORE LIMIT

Mr. RIEGLE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RIEGLE. Mr. Speaker, recent events dictate that we reevaluate the wisdom of maintaining only a 3-mile jurisdictional limit off our shores, while most Communist nations demand a 12-mile limit.

The recent criminal seizure of the *Pueblo* highlights a thoroughly undesirable state of international affairs. While all evidence indicates that our ship was highjacked in international waters and our Military Establishment failed to go to the rescue of the ship, the incident dramatizes the nonsense in allowing Communist ships within 3 miles of our shores.

As I speak, Russian ships are 3 miles from our coasts, armed with sophisticated electronic equipment, gathering intelligence data. The Soviet spy fleet, composed of over 30 trawler-type vessels, uses these electronic devices to probe our inland activities. A detailed analysis of these Soviet operations can be found in the Congressional Record of January 31, 1968.

Our 3-mile limit is outmoded in this age of electronic espionage when aggressor nations penetrate our shores while we must keep our vessels four times as far off their shores.

In the interest of our national security we should, as a minimum, base our policy on mutuality. Thus, we would continue our traditional 3-mile limit for those countries which reciprocate by recognizing a 3-mile limit for their own territorial waters. But in the case of those who claim a 12-mile limit—such as Russia and North Korea—we would insist that their ships keep at least 12 miles off our shores. Under present circumstances, our national security interests require that we immediately implement this extended limit.

The 3-mile limit has long been embodied in our foreign policy, which has emphasized freedom of the seas. But blind adherence to a policy which has come to threaten our national interests is foolhardy.

The joint resolution which I have introduced today is designed to accomplish the following objectives:

First, to declare, in the absence of an international treaty, that our traditional 3-mile territorial limit shall continue in effect only with those countries that reciprocate by recognizing a 3-mile limit as to their territorial waters.

Second, to declare that any nation claiming a wider limit up to 12 miles shall henceforth observe a corresponding limit with respect to our shores.

Third, to express the sense of Congress that the President take appropriate steps through the United Nations or otherwise to convene an international convention for the purpose of seeking agreement among the nations of the world upon a uniform territorial limit.

The policy that I advocate today is consistent with our national security needs and the perpetuation of the concept of freedom of the seas. This policy is based upon mutuality—the assumption that both sides will observe the same rules.

The text of this joint resolution follows:

H.J. Res. 1047

Joint resolution to declare the policy of the United States with respect to its territorial sea

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the territorial sea of the United States is hereby established as extending three nautical miles from the coast line of the United States: *Provided,* That in the case of any coastal country (including ships and nationals thereof) which claims a territorial sea extending more than three nautical miles from its coast line, the territorial sea of the United States shall be equal in distance to that claimed by such other country, but not to exceed twelve nautical miles.

Sec. 2. If the President of the United States determines that any portion of the territorial sea as extended by this joint resolution conflicts with the territorial sea of another country he may make such modifications in the seaward boundary of such portion as may be necessary.

Sec. 3. It is the sense of the Congress that the President of the United States consider taking appropriate initiative through his representative at the United Nations, or through other means, to convene an international conference for the purpose of establishing a universally recognized seaward boundary for the territorial seas of all coastal countries.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Pepper (at the request of Mr. Boggs), for today, on account of illness.

Mr. Reinecke (at the request of Mr. Gerald R. Ford), for the week of February 5, on account of official business.

Mr. Gurney (at the request of Mr. Gerald R. Ford), for today and balance of week, on account of personal matters.

Mr. Kornegay (at the request of Mr. Boggs), for today, on account of illness in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Schwengel (at the request of Mr. Pettis), for 1 hour, on February 7; and to revise and extend his remarks and include extraneous matter.

Mr. Cowger (at the request of Mr. Pettis), for 1 hour, on February 7; and to revise and extend his remarks and include extraneous matter.

Mr. Pucinski, for 15 minutes, today.

EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Pettis) and to include extraneous matter:)

Mr. Widnall.

Mr. Goodell.

Mr. BROOMFIELD in four instances.
Mr. CEDERBERG.
Mr. DERWINSKI in three instances.
Mr. HARRISON.
Mr. QUILLEN in four instances.
Mr. MCDADE.
Mr. LLOYD.
Mr. STEIGER of Wisconsin.
Mr. CURTIS in three instances.
Mr. SCOTT.
Mr. CONTE.
Mr. MICHEL in two instances.
Mr. ASHBROOK in two instances.
Mr. BERRY in two instances.
Mr. SCHWEIKER.
Mr. ERLENBORN.
Mr. REINECKE.
Mr. HORTON.
Mr. RIEGLE.
Mr. HUNGATE in two instances.

(The following Members (at the request of Mr. HUNGATE) and to include extraneous matter:)

Mr. BOGGS.
Mr. CORMAN in five instances.
Mr. MURPHY of Illinois in two instances.
Mr. MOORHEAD in three instances.
Mr. LONG of Maryland in three instances.
Mr. SMITH of Iowa.
Mr. TENZER in 10 instances.
Mr. MORRIS of New Mexico.
Mr. STUCKEY.
Mr. O'NEAL of Georgia.
Mr. MURPHY of New York.
Mr. COLMER.
Mr. DINGELL.
Mr. HAWKINS in three instances.
Mr. TEAGUE of Texas.
Mr. COHELAN in two instances.
Mrs. MINK.
Mr. EDMONDSON.
Mr. HATHAWAY.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1788. An act to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments, and for other purposes.

ADJOURNMENT

Mr. HUNGATE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 32 minutes p.m.) the House adjourned until tomorrow, Tuesday, February 6, 1968, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1452. A letter from the Comptroller General of the United States, transmitting a report of examination of financial statements, fiscal year 1967, Federal Crop Insurance Corporation, Department of Agriculture (H. Doc. 208); to the Committee on Government Operations and ordered to be printed.

1453. A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting drafts of two bills, the "Higher Education Amendments of 1968," and the "Partnership for Earning and Learning Act of 1968"; to the Committee on Education and Labor.

1454. A letter from the Comptroller General of the United States, transmitting a report of need for improved controls over appraisal reports supporting prices paid to acquire land for highways in the States of South Carolina and Tennessee, Federal Highway Administration, Department of Transportation; to the Committee on Government Operations.

1455. A letter from the Comptroller General of the United States, transmitting a report of substantial savings available to the military services through increased recapping of aircraft tires, Department of Defense; to the Committee on Government Operations.

1456. Commissioner, Indian Claims Commission, transmitting a report that proceedings have been finally concluded with respect to docket No. 220, *The Sac and Fox Tribe of Oklahoma, et al., Petitioner*, v. *The United States of America, Defendant*, pursuant to the provisions of 60 Stat. 1055, 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

1457. A letter from the Assistant Secretary of the Interior, transmitting the annual report on the anthracite mine water control and mine sealing and filling program, pursuant to the provisions of Public Law 87–818; to the Committee on Interior and Insular Affairs.

1458. A letter from the Commissioner, Indian Claims Commission, transmitting a report that proceedings have been finally concluded with respect to docket No. 316, *the Kickapoo Tribe of Kansas, the Kickapoo Tribe of Oklahoma, et al., petitioners*, v. *the United States of America, Defendant*, pursuant to the provisions of 60 Stat. 1055, 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

1459. A letter from the Commissioner, Indian Claims Commission, transmitting a report that proceedings under the act have been concluded with respect to docket No. 314–E, *the Peoria Tribe of Indians of Oklahoma and Amos Robinson Skye on behalf of the Wea Nation, petitioners*, v. *the United States of America, Defendant*, pursuant to the provisions of 60 Stat. 1055, 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

1460. A letter from the Commissioner, Indian Claims Commission, transmitting a report that proceedings have been finally concluded with respect to dockets Nos. 258 and 259, *The Kiowa, Comanche and Apache Tribes of Indians, Petitioners*, v. *The United States of America, Defendant*, pursuant to the provisions of 60 Stat. 1055, 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

1461. A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting the annual report of claims settled by the Department during the calendar year 1967, pursuant to the provisions of section 3(e) of the Military Personnel and Civilian Employees' Claims Act of 1964; to the Committee on the Judiciary.

1462. A letter from the president and chairman, Little League Baseball, transmitting the Annual Report of Little League Baseball, Inc., for the year 1967, together with the audit for the fiscal year ending September 30, 1967, pursuant to the provisions of Public Law 88–378; to the Committee on the Judiciary.

1463. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the provisions of section 244(a) (2) of the Immigration and Nationality Act of 1952, as amended; to the Committee on the Judiciary.

1464. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation and a list of the persons involved, pursuant, to the provisions of section 244(a) (1) of the Immigration and Nationality Act of 1952, as amended; to the Committee on the Judiciary.

1465. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a report of an order entered in the case of a certain alien found admissible to the United States, pursuant to the provisions of section 212(a) (28) (I) (ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

1466. A letter from the Commissioner Immigration and Naturalization Service, U.S. Department of Justice, transmitting a report of lists and orders entered in cases in which the authority contained in section 212(d) (3) of the Immigration and Nationality Act was exercised, pursuant to the provisions of section 212(d) (6) of the Immigration and Nationality Act; to the Committee on the Judiciary.

1467. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting reports concerning visa petitions approved, according certain beneficiaries third preference and sixth preference classification, pursuant to the provisions of section 204(d) of the Immigration and Nationality Act; to the Committee on Judiciary.

1468. A letter from the Postmaster General, transmitting a report of the estimated amount of the losses or costs (or percentage of costs) incurred by the postal service in the performance of public services, for the fiscal year ended June 30, 1967, pursuant to the provisions of Public Law 87–793; to the Committee on Post Office and Civil Service.

1469. A letter from the Chairman, U.S. Civil Service Commission, transmitting reports with respect to positions in grades GS–16, GS–17, and GS–18 in various departments and agencies of Government during calendar year 1967, pursuant to the provisions of title V, section 5114, United States Code; to the Committee on Post Office and Civil Service.

1470. A letter from the Administrator, General Services Administration, transmitting a report of the status of construction, alteration, or acquisition of public buildings, pursuant to the provisions of 40 U.S.C. 610(a); to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JOHNSON of California: Committee on Interior and Insular Affairs. H.R. 2901. A bill to designate the Oahe Reservoir on the Missouri River in the States of North Dakota and South Dakota as Lake Oahe (Rept. No. 1072). Referred to the House Calendar.

Mr. JOHNSON of California: Committee on Interior and Insular Affairs. H.J. Res. 297. Joint resolution to change the name of Twin Buttes Dam and Twin Buttes Reservoir on the San Angelo project, Texas, to "Bryant Dam" and "Bryant Reservior" (Rept. No. 1073). Referred to the House Calendar.

Mr. JOHNSON of California: Committee on Interior and Insular Affairs. H.J. Res. 358. Joint resolution to change the name of San Angelo Reservior project, Texas, to "Culbertson Deal Reservoir" project, Texas; with amendment (Rept. No. 1074). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PUCINSKI (for himself, Mr. PERKINS, Mr. GIBBONS, Mr. BRADEMAS, Mr. Carey, Mr. William D. Ford, Mr. Scheuer, Mr. O'Hara of Michigan, and Mr. Hawkins):

H.R. 15066. A bill to amend the Vocational Education Act of 1963, and for other purposes; to the Committee on Education and Labor.

By Mr. PERKINS (for himself and Mrs. Green of Oregon):

H.R. 15067. A bill to amend the Higher Education Act of 1965, the National Defense Education Act of 1958, the National Vocational Student Loan Insurance Act of 1965, the Higher Education Facilities Act of 1963, and related acts; to the Committee on Education and Labor.

By Mr. ANDREWS of North Dakota:

H.R. 15068. A bill to enable potato growers to finance a nationally coordinated research and promotion program to improve their competitive position and expand their markets for potatoes by increasing consumer acceptance of such potatoes and potato products and by improving the quality of potatoes and potato products that are made available to the consumer; to the Committee on Agriculture.

By Mr. BARING:

H.R. 15069. A bill to amend the act directing the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada in order to extend for 5 years the time for selecting such lands; to the Committee on Interior and Insular Affairs.

By Mr. BLACKBURN (for himself, Mr. Meskill, Mr. Duncan, Mr. Denney, Mr. Thompson of Georgia, Mr. Winn, Mr. Williams of Pennsylvania, Mr. Anderson of Illinois, Mr. Rees, Mr. Moorhead, Mr. Halpern, and Mr. Ashmore):

H.R. 15070. A bill to amend the Legislative Reorganization Act of 1946 to provide for the indexing of hearings of standing committees of the House of Representatives, and for other purposes; to the Committee on Rules.

By Mr. BRINKLEY:

H.R. 15071. A bill to amend the Internal Revenue Code of 1954 to provide a trade or business deduction to firemen for meals which they eat while at their post of duty overnight; to the Committee on Ways and Means.

By Mr. BURTON of Utah:

H.R. 15072. A bill to amend the act of March 1, 1933 (47 Stat. 1418), entitled "An act to permanently set aside certain lands in Utah as an addition to the Navajo Indian Reservation, and for other purposes"; to the Committee on Interior and Insular Affairs.

By Mr. DUNCAN:

H.R. 15073. A bill to authorize the Veterans' Administration to extend aid on account of structural defects in properties purchased with financing assistance under chapter 37 of title 38 of the United States Code; to the Committee on Veterans' Affairs.

H.R. 15074. A bill to permit the release of certain veterans from liability to the United States arising out of loans made, guaranteed, or insured under chapter 37 of title 38, United States Code; to the Committee on Veterans' Affairs.

H.R. 15075. A bill to amend title 38 of the United States Code to extend, and in some cases revive, eligibility of veterans of the Korean conflict for guaranteed, insured, and direct home, farm, and business loans; to the Committee on Veterans' Affairs.

H.R. 15076. A bill to amend title 38 of the United States Code so as to increase to amount of home loan guarantee entitlement from $7,500 to $10,000 and for other purposes; to the Committee on Veterans' Affairs.

By Mr. EDWARDS of Louisiana:

H.R. 15077. A bill to prohibit the introduction, or manufacture for introduction, into interstate commerce of master keys for motor vehicles, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FARBSTEIN:

H.R. 15078. A bill to amend title I of the International Claims Settlement Act of 1949 to permit the filing of additional claims against the Government of Poland; to the Committee on Foreign Affairs.

By Mr. FINO:

H.R. 15079. A bill to amend title 5, United States Code, to include certain periods of coverage under the Social Security Act as creditable service for civil service retirement purposes; to the Committee on Post Office and Civil Service.

By Mrs. GREEN of Oregon:

H.R. 15080. A bill to amend the Vocational Education Act of 1963, and for other purposes; to the Committee on Education and Labor.

By Mr. HELSTOSKI:

H.R. 15081. A bill to amend section 13a of the Interstate Commerce Act, relating to the discontinuance or change of certain operations or services of common carriers by rail, in order to require the Interstate Commerce Commission to give full consideration to all financial assistance available before permitting any such discontinuance or change; to the Committee on Interstate and Foreign Commerce.

By Mr. KING of New York:

H.R. 15082. A bill to promote the foreign policy of the United States by authorizing the Secretary of State to restrict the travel of citizens and nationals of the United States where unrestricted travel would seriously impair the conduct of foreign affairs, and for other purposes; to the Committee on the Judiciary.

By Mr. McMILLAN:

H.R. 15083. A bill to encourage and assist private industry to provide needed new parking facilities, employment opportunities, and housing units, and a strengthened and expanded tax base in the District of Columbia, and for other purposes, pursuant to skyline studies for the National Capital Planning Commission in 1964, and parking studies for the Bureau of the Budget to provide needed parking facilities in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MATSUNAGA:

H.R. 15084. A bill to amend the Federal Employees Health Benefits Act of 1959 to provide that the entire cost of health benefits under such act shall be paid by the Government; to the Committee on Post Office and Civil Service.

By Mr. MILLER of California:

H.R. 15085. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

H.R. 15086. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes; to the Committee on Science and Astronautics.

By Mr. MORGAN:

H.R. 15087. A bill to authorize the further amendment of the Peace Corps Act; to the Committee on Foreign Affairs.

By Mr. MORTON:

H.R. 15088. A bill to amend the Migratory Bird Treaty Act to prohibit the baiting of waterfowl, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MURPHY of Illinois:

H.R. 15089. A bill to amend the National Foundation on the Arts and the Humanities Act of 1965; to the Committee on Education and Labor.

By Mr. OLSEN:

H.R. 15090. A bill to provide for the appointment of postmasters; to the Committee on Post Office and Civil Service.

By Mr. RARICK:

H.R. 15091. A bill to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus real and personal property to State and local juvenile correctional and rehabilitative agencies; to the Committee on Government Operations.

By Mr. RIVERS:

H.R. 15092. A bill to amend the Subversive Activities Control Act of 1950 to authorize the Federal Government to bar the employment in defense facilities of individuals believed disposed to commit acts of sabotage, espionage, or other subversion; to the Committee on Un-American Activities.

By Mr. ST GERMAIN:

H.R. 15093. A bill to provide flexible interest rates for mortgages insured by the Federal Housing Administration; to the Committee on Banking and Currency.

By Mr. SCOTT (for himself, Mr. Button, Mr. McClure, and Mr. Ruppe):

H.R. 15094. A bill to amend title 39, United States Code, to regulate the mailing of master keys for motor vehicle ignition switches, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. VANIK:

H.R. 15095. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 15096. A bill to amend the Watershed Protection and Flood Prevention Act, as amended; to the Committee on Agriculture.

By Mr. EDMONDSON:

H.R. 15097. A bill to amend title 10, United States Code, to provide for the rank of major general for the Chief of the Dental Service of the Air Force; to the Committee on Armed Services.

By Mr. MORRIS (for himself, Mr. Walker, Mr. Udall, Mr. Steiger of Arizona, and Mr. White):

H.R. 15098. A bill to amend the Agricultural Adjustment Act of 1938 with respect to extra long staple cotton, and for other purposes; to the Committee on Agriculture.

By Mr. PEPPER:

H.R. 15099. A bill to amend the Vocational Education Act of 1963, and for other purposes; to the Committee on Education and Labor.

H.R. 15100. A bill to amend the Higher Education Act of 1965, the National Defense Education Act of 1958, The National Vocational Student Loan Insurance Act of 1965, the Higher Education Facilities Act of 1963, and related acts; to the Committee on Education and Labor.

H.R. 15101. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WYATT:

H.R. 15102 A bill to amend title 10, United States Code, to equalize the retirement pay of members of the uniformed services of equal rank and years of service, and for other purposes; to the Committee on Armed Services.

By Mr. BROOMFIELD:

H.J. Res. 1041. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Affairs.

By Mr. BROWN of Michigan:

H.J. Res. 1042. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Affairs.

By Mr. CHAMBERLAIN:

H.J. Res. 1043. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Affairs.

By Mr. DOLE (for himself, Mr. Mize, Mr. Winn, Mr. Anderson of Illinois, and Mr. Roudebush):

H.J. Res. 1044. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Affairs.

By Mr. HICKS:

H.J. Res. 1045. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. HUTCHINSON:

H.J. Res. 1046. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Affairs.

By Mr. RIEGLE (for himself, Mr. MESKILL, Mr. KUYKENDALL, Mr. HUNT, Mr. PETTIS, Mr. STEIGER of Arizona, Mr. MILLER of Ohio, Mr. SANDMAN, Mr. STEIGER of Wisconsin, and Mr. RAILSBACK):

H.J. Res. 1047. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Affairs.

By Mr. RUPPE:

H.J. Res. 1048. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Affairs.

By Mr. WHALLEY:

H.J. Res. 1049. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Affairs.

By Mr. BARING:

H. Con. Res. 629. Concurrent resolution to require France to pay its World War I debt; to the Committee on Ways and Means.

By Mr. HATHAWAY:

H. Res. 1054. Resolution to express the sense of the House concerning a means toward achieving a stable and durable peace in the Middle East; to the Committee on Foreign Affairs.

By Mr. RODINO:

H. Res. 1055. Resolution to extend the greetings and felicitations of the House of Representatives to the citizens and government of the town of Montclair, N.J., on the occasion of its 100th anniversary; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CAREY:

H.R. 15103. A bill for the relief of Dr. Edgardo S. Alday; to the Committee on the Judiciary.

By Mr. EDWARDS of California:

H.R. 15104. A bill for the relief of Herlindo Mariscal Vasquez; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 15105. A bill for the relief of Lillo Zicari; to the Committee on the Judiciary.

By Mr. HICKS:

H.R. 15106. A bill for the relief of Moon, Dong Wook; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H.R. 15107. A bill for the relief of L. Cpl. James McCormick Bain, U.S. Marine Corps; to the Committee on the Judiciary.

By Mr. O'NEILL of Massachusetts:

H.R. 15108. A bill for the relief of Faustino Sanchez Castaneda; to the Committee on the Judiciary.

H.R. 15109. A bill for the relief of Eduardo Hernandez Castro; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

238. The SPEAKER presented a petition of Henry Stoner, Avon Park, Fla., relative to tenure of U.S. judges, which was referred to the Committee on the Judiciary.

SENATE—*Monday, February 5, 1968*

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

Rt. Rev. Theodore M. McCrea, S.T.D., suffragan bishop, diocese of Dallas, Dallas, Tex., offered the following prayer:

Almighty God, who hast given us this good land for our heritage; we humbly beseech Thee that we may always prove ourselves a people mindful of Thy favor and glad to do Thy will. Bless our land with honorable industry, sound learning, and pure manners. Save us from violence, discord, and confusion, from pride and arrogancy, and from every evil way. Defend our liberties, and fashion into one united people the multitudes brought hither out of many kindreds and tongues. In the time of prosperity, fill our hearts with thankfulness, and in the day of trouble, suffer not our trust in Thee to fail.

Thou who art creator of all things, ruler of all mankind, the guide and the strength of those who seek Thee, endue with the spirit of these Thy servants that there may be justice and peace at home, and that, through obedience to Thy law, we may show forth Thy praise among the nations of the earth. Give them courage to do what they must do, serenity to withstand myriad pressures and temptations, and strength to survive the crushing burdens of their great office. Fill them with the serious dedication that must accompany high responsibility and the sense of humor that will keep them from taking themselves too seriously. Watch over all those whom they love, protecting them from harm, guiding them and us all at length to a fulfillment with Thee in Thy kingdom. This we ask for Thy blessed name's sake.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, February 2, 1968, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Jones, one of his secretaries.

EDUCATION—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 247)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

In two centuries, America has achieved—through great effort and struggle—one major educational advance after another: free public schooling; the Land Grant Colleges; the extension of the universities into the Nation's farms and homes; the unique venture that has placed a high school education within the reach of every young person.

I believe that our time—the mid-1960's—will be remembered as a time of unprecedented achievement in American education.

The past four years have been a time of unparalleled action:

The Congress has approved more than 40 laws to support education from the preschool project to the postgraduate laboratory;

The Federal Government has raised its investment in education to nearly $12 billion annually, almost triple the level four years ago.

The real significance of what we have done is reflected, not in statistics, but in the experiences of individual Americans, young and old, whose lives are being shaped by new educational programs.

Through Head Start, a four-year-old encounters a new world of learning.

Through Title I of the Elementary and Secondary Education Act, a disadvantaged youngster finds essential extra help—and school becomes a more rewarding place.

Through the Teacher Corps, a bright and eager college graduate is attracted to teaching and his talents are focused where the need is greatest.

These programs—all of them new—are enriching life for millions of young Americans.

In our high schools, students find that once-empty library shelves are filled; the most up-to-date laboratory equipment is available; new courses, new methods of teaching and learning are being tested in the classroom.

A student who sets his sights on college is more likely than ever before to find help through Federal loans, scholarships and work-study grants.

Today's college student is more likely than ever to live and learn in new dormitories, new classrooms, new libraries and laboratories.

Today, thousands of parents who in their youth had no chance for higher education can say with certainty, "My child can go to college."

Above all, we can see a new spirit stirring in America, moving us to stress anew the central importance of education; to seek ways to make education more vital and more widely available.

That new spirit cannot be fully measured in dollars or enrollment figures. But it is there nonetheless. The achievements of the past four years have sustained and nourished it.

Yet for all our progress, we still face enormous problems in education: stubborn, lingering, unyielding problems.

The phrase, "equal educational opportunity," to the poor family in Appalachia and to the Negro family in the city, is a promise—not a reality.

Our schools are turning out too many young men and women whose years in the classroom have not equipped them for useful work.

Growing enrollments and rising expenses are straining the resources of our colleges—and the strain is being felt by families across America.

Each of these problems will be difficult to solve. Their solution may take years—and almost certainly will bring new problems. But the challenge of our generation is to lead the way.

And in leading the way, we must carefully set our priorities. To meet our urgent needs within a stringent overall budget, several programs must be reduced or deferred. We can reduce expenditures on construction of facilities and the purchase of equipment. But, many of our urgent educational programs which directly affect the young people of America cannot be deferred. For the cost—the human cost—of delay is intolerable.

These principles underlie my 1969 budgetary recommendations and the proposals in this message. My recommendations are tailored to enable us to meet our most urgent needs, while deferring less important programs and expenditures.

ELEMENTARY AND SECONDARY EDUCATION

It took almost a century of effort and controversy and debate to pass the Elementary and Secondary Education Act.

The great question was this: Can there be a system of large-scale aid to education which does not diminish the independence of our local schools and which safeguards the rich diversity of American education?

In 1965 such a law was passed. Today it is at work in nearly 20,000 school districts: strengthening State and local school boards, local school officials and classroom teachers, and improving the quality of education for millions of children.

It may take a decade or more to measure the full benefits of the Elementary and Secondary Education Act. But already evidence is mounting to support my belief that this is the most significant education measure in our history.

Last year, Congress extended this law, the bedrock of all our efforts to help America's schools.

This year we have an opportunity to make that law a more efficient instrument of aid to education; to make it more responsive to the needs of the States and communities throughout the country.

I urge the Congress to fund Title I of the Elementary and Secondary Education Act well in advance of the school year, so that State and local school officials can make their plans with a clear idea of the resources that will be available.

Our resources are not unlimited—and never will be. So it is all the more important that in assigning priorities, we focus our aid where the need is greatest.

That firm principle underlies a six-point program which I am proposing to Congress under the Elementary and Secondary Education Act and other authorities:

1. Two innovative programs to help America's youngest and poorest children have been proven in practice. I propose that funding for the Head Start and Head Start Follow Through programs be stepped-up from $340 million to $380 million.

2. Last year, Congress authorized a special program to help Mexican-American, Puerto Rican and other children who are separated by a language barrier from good education. I propose that we launch this bilingual education program with a $5 million appropriation.

3. We are still doing less than we should do to prepare mentally retarded and physically handicapped children for useful lives. I propose that our special programs for the handicapped be increased from $53 million to $85 million.

4. We must rescue troubled boys and girls before they drop out of school. I propose full funding—$30 million—for a new Stay in School program, which will help schools tailor their own programs, from new and exciting methods of instruction to family counseling and special tutoring, to turn potential drop-outs into high school graduates.

5. Upward Bound, a program for poor but talented students, has directed thousands of young Americans into college who might otherwise never have had a chance. I propose that Congress increase funds for Upward Bound to serve 30,000 young Americans this year.

6. Adult basic education classes last year gave about 300,000 men and women an opportunity to gain new earning power, new self-respect, a new sense of achievement. I propose that Congress provide $50 million for this vital program.

If we can invest vast sums for education, we must also be able to plan and evaluate our education programs; to undertake basic research in teaching and learning, and to apply that research to the classroom. For these efforts, I propose appropriations of $177 million next year.

NEW STRENGTH FOR VOCATIONAL EDUCATION

Whatever else we expect of the local school, we demand that it prepare each student for a productive life. The high school graduate who does not enter college needs not only knowledge enough to be a responsible citizen, but skills enough to get and keep a good job.

One and a half million young men and women will leave high school and enter the labor force this year—in a time of high employment, when skills are at a premium.

Too many of them will find that they have no job skills—or only marginal skills, or skills which are not really needed in their communities.

A high school diploma should not be a ticket to frustration.

We must do more to improve vocational education programs. We must help high schools, vocational schools, technical institutes, and community colleges to modernize their programs, to experiment with new approaches to job training. Above all, we must build stronger links between the schools and their students, and local industries and employment services, so that education will have a direct relationship to the world the graduating student enters.

I recommend that Congress enact the Partnership for Learning and Earning Act of 1968.

This new program—streamlining and strengthening our vocational education laws—will:

Give new flexibility to our system of matching grants, so the States can concentrate their funds where the need is greatest;

Provide $15 million for special experimental programs to bridge the gap between education and work: for alliances between schools, employment services and private employers; for new summer training programs combining work and education;

Totally revise and consolidate our existing vocational education laws, reducing paperwork for the States, the schools and other training centers;

Encourage the States to plan a long-range strategy in vocational education.

TRAINED PROFESSIONALS FOR OUR SCHOOLS

The value of all these measures—and indeed, the effectiveness of our entire school system—depends on educators: teachers, teacher aides, administrators and many others.

It would profit us little to enact the most enlightened laws, to authorize great sums of money—unless we guarantee a continuing supply of trained, dedicated, enthusiastic men and women for the education professions.

To advance this essential purpose, I propose

That Congress provide the funds needed to train nearly 45,000 teachers, administrators and other professionals under the Education Professions Development Act of 1967.

That Congress authorize and appropriate the necessary funds so that 4,000 of our best and most dedicated young men and women can serve our neediest children in the Teachers Corps.

HIGHER EDUCATION

The prosperity and well-being of the United States—and thus our national interest—are vitally affected by America's colleges and universities, junior colleges and technical institutes.

Their problems are not theirs alone, but the Nation's.

This is true today more than ever. For now we call upon higher education to play a new and more ambitious role in our social progress, our economic development, our efforts to help other countries.

We depend upon the universities—their training, research and extension services—for the knowledge which undergirds agricultural and industrial production.

Increasingly, we look to higher education to provide the key to better employment opportunities and a more rewarding life for our citizens.

As never before, we look to the colleges and universities—to their faculties, laboratories, research institutes and study centers—for help with every problem in our society and with the efforts we are making toward peace in the world.

STUDENT AID

It is one of the triumphs of American democracy that college is no longer a privilege for the few. Last fall, more than 50 percent of our high school graduates went on to college. It is our goal by 1976 to increase that number to two-thirds.

In the past four years, we have significantly eased the financial burden which college imposes on so many families. Last year, more than one student in five attended college with the help of Federal loans, scholarships, grants, and work-study programs.

But for millions of capable American students and their families, college is still out of reach. In a nation that honors individual achievement, financial obstacles to full educational opportunity must be overcome.

I propose the Educational Opportunity Act of 1968:

To set a new and sweeping national goal: that in America there must be no economic or racial barrier to higher education; that every qualified young person must have all the education he wants and can absorb.

To help a million and a half students attend college next year through the full range of our student aid programs, including guaranteed loans.

To strengthen the Guaranteed Loan Program by meeting the administrative costs of the banks who make these loans. With a service fee of up to $35 for each loan, this program can aid an additional 200,000 students next year, bringing the total to 750,000.

To provide $15 million for new programs of tutoring, counseling, and special services so that the neediest students can succeed in college.

To unify and simplify several student aid programs—College Work-Study, Educational Opportunity Grants and National Defense Education Act Loans—so that each college can devise a flexible plan of aid tailored to the needs of each student.

AID TO INSTITUTIONS OF HIGHER LEARNING

Today, higher education needs help.

American colleges and universities face growing enrollments, rising costs, and increasing demands for services of all kinds.

In 10 years, the number of young people attending college will increase more than 50 percent; graduate enrollments will probably double.

Our first order of business must be to continue existing Federal support for higher education.

I urge the Congress to extend and strengthen three vital laws which have served this Nation well:

The National Defense Education Act of 1958, which has helped nearly two million students go to college and graduate school.

The Higher Education Facilities Act of 1963, which has helped nearly 1,400 colleges and universities meet growing enrollments with new classrooms, laboratories and dormitories.

The Higher Education Act of 1965, which, in addition to its student aid programs, has strengthened college libraries, involved our universities in community service, and given new vitality to 450 developing colleges.

I also urge the Congress to fulfill the commitment it made 2 years ago, and appropriate funds needed for the International Education Act. This Act will strengthen our universities in their international programs—and ultimately strengthen the quality of the men and women who serve this country abroad.

We must apply more effectively the educational resources we have. We must encourage better cooperation between the Nation's colleges and universities; and we should move to increase each institution's efficiency by exploiting the most advanced technology.

To serve these purposes, I recommend the Networks for Knowledge Act of 1968.

This pilot program will provide new financial incentives to encourage colleges and universities to pool their resources by sharing faculties, facilities, equipment, library and educational television services. It will supplement the effort launched last year by the National Science Foundation to explore the potential of computers in education.

I also recommend three new measures to strengthen graduate education in America.

First, we should increase the Federal payment available to help graduate schools meet the cost of educating a student who has earned a Federal Fellowship. At present, Federal Fellowship programs are actually deepening the debt of the graduate schools because this payment is too low.

Second, we should launch a new program to strengthen those graduate schools with clear potential for higher quality. With enrollments growing, we must begin to enlarge the capacity of graduate schools. This program will underwrite efforts to strengthen faculties, improve courses and foster excellence in a wide range of fields.

Third, I urge the Congress to increase government sponsored research in our universities. The knowledge gained through this research truly is power—power to heal the sick, educate the young, defend the nation, and improve the quality of life for our citizens.

A STRATEGY FOR HIGHER EDUCATION

The programs I am presenting to the Congress today are aimed at solving some of the problems faced by our colleges and universities and their students in the years ahead. But accomplishing all these things will by no means solve the problems of higher education in America.

To do that, we must shape a long-term strategy of Federal aid to higher education; a comprehensive set of goals and a precise plan of action.

I am directing the Secretary of Health, Education, and Welfare to begin preparing a long-range plan for the support of higher education in America.

Our strategy must:

Eliminate race and income as bars to higher learning.

Guard the independence of private and public institutions.

Ensure that State and private contributors will bear their fair share of support for higher education.

Encourage the efficient and effective use of educational resources by our colleges and universities.

Promote continuing improvement in the quality of American education.

Effectively blend support to students with support for institutions. Such a strategy will not be easy to devise. But we must begin now. For at stake is a decision of vital importance to all Americans.

EDUCATION AND THE QUALITY OF LIFE

Every educational program contributes vitally to the enrichment of life in America. But some have that enrichment as their first goal. They are designed not to serve special groups or institutions, but to serve all the American people.

We have tested in the past three years a new idea in government: The National Foundation on the Arts and Humanities.

That experiment has been an impressive success. It has proved that government can indeed enhance the Nation's cultural life and deepen the understanding of our people.

With modest amounts of money, The Humanities Endowment has promoted scholarship in a wide range of fields and quickened public interest in the humanities.

The Arts Endowment has brought new energy and life to music, drama, and the arts in communities all over America.

I believe the Foundation has earned a vote of confidence. I urge that the National Foundation on the Arts and Humanities authorization be extended.

We have acted also to launch a historic educational force in American life: public broadcasting—non-commercial radio and television service devoted first and foremost to excellence.

Last year the Congress authorized the Corporation for Public Broadcasting. This year we must give it life.

I recommend that the Congress appropriate the funds needed in fiscal 1968 and fiscal 1969 to support the initial activities of the Corporation for Public Broadcasting.

Last year I stressed the importance of a long-range financing plan which would ensure that public broadcasting would be vigorous, independent and free from political interference or control. The problem involved is complex. It concerns the use of the most powerful communications medium in the world today. It should not be resolved without the most thorough study and consultation.

I am asking the Secretary of Health, Education, and Welfare, the Secretary of the Treasury and the Director of the Bureau of the Budget—who have been studying this problem since the law was enacted—to work with the Board of Directors of the Corporation for Public Broadcasting and the appropriate committees of the Congress to formulate a long-range financing plan that will promote and protect this vital new force in American life.

THE FIFTH FREEDOM

On January 6, 1941, President Franklin D. Roosevelt set forth to Congress and the people "four essential human freedoms" for which America stands.

In the years since then, those four freedoms—freedom of speech, freedom of worship, freedom from want, and freedom from fear—have stood as a summary of our aspirations for the American Republic and for the world.

And Americans have always stood ready to pay the cost in energy and treasure which are needed to make those great goals a reality.

Today—wealthier, more powerful and more able than ever before in our history—our Nation can declare another essential human freedom.

The fifth freedom is freedom from ignorance.

It means that every man, everywhere, should be free to develop his talents to their full potential—unhampered by arbitrary barriers of race or birth or income.

We have already begun the work of guaranteeing that fifth freedom.

The job, of course, will never be finished. For a nation, as for an individual, education is a perpetually unfinished journey, a continuing process of discovery.

But the work we started when this Nation began, which has flourished for nearly two centuries, and which gained new momentum in the past two Congresses—is ours to continue—yours and mine.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 5, 1968.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 5) to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extension of credit, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1788) to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments, and for other purposes, and it was signed by the Vice President.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the Legislative Calendar, under rule VIII, be dispensed with.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Interior and Insular Affairs be authorized to meet during the session of the Senate today.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR FANNIN TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from Arizona [Mr. FANNIN] be recognized for 20 minutes tomorrow, at the conclusion of the transaction of morning business.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

ATTENDANCE OF A SENATOR

Hon. **LEE METCALF**, a Senator from the State of Montana, attended the session of the Senate today.

THE U.S.S. "PUEBLO" SEIZURE

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the February 3, 1968, issue of Newsweek entitled "Avoiding a Second Front in Asia," and an article that appeared in the Great Falls, Mont., Tribune of January 27, 1968, entitled "Nuclear Specter Hovers Over *Pueblo* Atonement," by Messrs. Evans and Novak.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

[From Business Week, Feb. 3, 1968]

AVOIDING A SECOND FRONT IN ASIA

Is American military power stretched so thin in Vietnam that it cannot meet a challenge anywhere else in the world? The question seems absurd; yet it is raised by North Korea's seizure of a U.S. electronic intelligence ship, the Pueblo. And it is sharpened even further by this week's spectacular Vietcong raids on major cities—including the attack on the American Embassy in Saigon—and by North Vietnam's massing of troops around Khesanh.

In the Pueblo affair, the answer is clear. The U.S. and its allies have enough power in the area to meet North Korean aggression, if North Korea is acting on its own. But if Pyongyang is acting at the instigation of Moscow and Peking, or is able to draw them into supporting its adventures—as it did in 1950—then there is grave danger of a conflict in Asia that would be far too big for U.S. forces to handle. In such an event, the U.S. might have little choice but to use tactical nuclear weapons to make up for its disadvantage in troop strength.

Obviously, U.S. efforts to retrieve the Pueblo and its crew should aim to avoid this danger by averting a confrontation with the Soviet Union or China. So far, there is no evidence that the ship seizure was planned with the help of Moscow or Peking. Indeed, it may have been intended to prod them into more militant support for North Korea and North Vietnam. But it would be hard for the two rivals for Communist leadership to keep aloof if the North Koreans again became embroiled in hostilities with the U.S. Hence, the U.S. should try to keep the dispute as low-keyed as possible, while seeking a diplomatic solution. Not until diplomacy has been exhausted should force be contemplated.

In dealing cooly and deliberately with Pyongyang's provocation, Washington will suffer no loss of prestige. North Korea is a minor power, in itself no threat to the U.S. Like other bellicose leaders of small nations, the rulers in Pyongyang have discovered that the nuclear balance of terror allows them a certain impunity for tweaking the tails of the great powers.

Just what motivated the seizure is not entirely clear. But more than anything, the North Korean regime is probably driven by frustration at the growing strength and prosperity of South Korea. North Korea's hopes of eventually taking over the whole country have grown dim. South Korea is no easy target for subversion, and its tough army of 500,000 men, backed by 55,000 American troops, could stop any direct attack from the North.

Thus the nation where the U.S. halted Communist aggression in Asia 15 years ago has become a bulwark against Communist thrusts. The main confrontation now is in Vietnam, where the long, grueling war may at last be heading for a resolution (page 15). Therefore, in handling the Pueblo incident, the U.S. should make sure that it is not provoked into opening a second front on the Asian mainland.

[From the Great Falls (Mont.) Tribune, Jan. 27, 1968]

NUCLEAR SPECTER HOVERS OVER "PUEBLO" ATONEMENT

(By Rowland Evans and Robert Novak)

WASHINGTON.—If the dangerous chain of events started by the capture of a U.S. Navy spy ship, Pueblo, should lead to outright attack by North Korea across the 38th parallel, responsible U.S. commanders would recommend the use of tactical nuclear weapons by U.S. forces in the south.

The fact that low-yield tactical nuclear weapons are being privately discussed, rather than massive ground forces, shows how extended U.S. military forces are under the growing demands of the war in Vietnam. Were U.S. forces not spread so thin, a North Korean assault might be rolled back with conventional arms.

Moreover, the Vietnam war is the real reason for the escalating acts of harassment by North Korea, culminating in seizure of the Pueblo. The purpose is to stop South Korea from sending another division of highly trained Republic of Korea (ROK) troops to Vietnam.

The South Koreans already have 48,000 troops in South Vietnam—an elite ROK contingent among the best fighters in the war. With an apparently hard ceiling imposed by Washington of 525,000 on the number of U.S. troops available, an extra Korean division is regarded by the U.S. as essential to deal with the huge offensive now being mounted by North Vietnam directly across the demilitarized zone at the 17th parallel.

Prior to the Pueblo crisis, the North Koreans had failed to create a second guerrilla front in South Korea, despite extraordinary efforts. The abortive attempt to assassinate South Korean President Chung Hee Park was only the most blatant of literally hundreds of incidents to stir up political revolt in South Korea.

The object is obvious: To frighten the South Korean government, keep it off balance and turn its military attention away from South Vietnam and back home. The Communists hope, beyond canceling the extra South Korean division for Vietnam, is to force President Park ultimately to recall troops now in Vietnam.

U.S. military commanders in South Korea make little secret of their fears that large-scale attack across the 38th parallel by North Korea would find the South Korean-U.S. forces short of manpower, mobility and certain weapons. South Korea has 18 front-line divisions. The U.S. has two under-strength divisions, 55,000 troops, including small naval detachments, Marines and air.

Combined U.S. ROK forces are not enough. One U.S. official was informed by U.S. generals during a recent trip to South Korea that if serious fighting resumed along the border

President Johnson would have no choice but to mobilize the reserves at home and prepare for a second major Asian war.

Thus, President Johnson's agonizing predicament on how to recover the Pueblo comes into clearer perspective. A U.S. ultimatum demanding the return of the Pueblo and its crew requires hard action to enforce the ultimatum in the event of a rejection. That, in turn, would surely be followed by North Korean counteraction, setting up an escalation pattern of dangerous proportion.

Reaction here early this week was muted, with none of the usual demands for retribution and revenge. The consequences are far too serious.

This absence of bloodthirsty political demands from Capitol Hill gave Johnson time for maneuver but scarcely removed his ultimate dilemma. If the outrageous seizure of a U.S. ship on the high seas, clearly in international waters, is not atoned for, there will be no limit to the audacity of the North Koreans. But the attempt at atonement could lead into the nuclear shadows.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MISSISSIPPI RIVER COMMISSION

The bill clerk read the nomination of Brig. Gen. C. Craig Cannon, U.S. Army, to be a member of the Mississippi River Commission.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. SPARKMAN, from the Committee on Banking and Currency:

Merton J. Peck, of Connecticut, to be a member of the Council of Economic Advisers.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

ENROLLED BILLS SIGNED

The PRESIDING OFFICER announced that on today, February 5, 1968, the Vice President signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

S. 1542. An act to amend section 408 of the National Housing Act, as amended, to provide for the regulation of savings and loan holding companies and subsidiary companies; and

H.R. 14563. An act to amend the Railroad Retirement Act of 1937 and the Railroad Unemployment Insurance Act to provide for increase in benefits, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDING OFFICER laid before the Senate the following letters, which were referred as indicated:

Report of Indian Claims Commission

A letter from the Commissioner, Indian Claims Commission, transmitting, pursuant to law, a report that proceedings under the act have been finally concluded with respect to Docket Nos. 258 and 259, the Kiowa, Comanche, and Apache Tribes of Indians against the United States of America (with an accompanying report); to the Committee on Appropriations.

Report of Export-Import Bank of Washington

A letter from the Secretary, Export-Import Bank of Washington, reporting, pursuant to law, the amount of Export-Import Bank insurance and guarantees issued in December 1967 in connection with U.S. exports to Yugoslavia; to the Committee on Appropriations.

Report of Indian Claims Commissioner

A letter from the Commissioner, Indian Claims Commission, transmitting, pursuant to law, a report showing that proceedings under the act have been finally concluded with respect to Docket No. 316, the Kickapoo Tribe of Kansas, the Kickapoo Tribe of Oklahoma, et al., against the United States of America (with an accompanying report and documents); to the Committee on Appropriations.

Annual Report on Reserve Forces

A letter from the Secretary of Defense, transmitting, pursuant to law, the Annual Report on Reserve Forces for fiscal year 1967 (with an accompanying report); to the Committee on Armed Services.

Flexible Interest for Mortgage Insurance Programs and Continuing Certain Low-Rent Housing Assistance

A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation providing, until October 1, 1968, for flexible interest rates for mortgage insurance programs and continuing certain low-rent housing assistance (with an accompanying paper); to the Committee on Banking and Currency.

Publications of Federal Power Commission

A letter from the Chairman, Federal Power Commission, transmitting, for the information of the Senate, a copy of the following publications: "Sales by Producers of Natural Gas to Interstate Pipeline Companies, 1966," "Steam-Electric Plant Construction Cost and Annual Production Expenses, 1966," "Principal Electric Facilities, 1966 (regional maps)," and "Major Natural Gas Pipelines, June 30, 1967 (map)," (with accompanying reports); to the Committee on Commerce.

Reports of Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report of the need for improved controls over appraisal reports supporting prices paid to acquire land for highways in the States of South Carolina and Tennessee, Federal Highway Administration, Department of Transportation, dated February 2, 1966 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report of substantial savings available to the military services through increased recapping of aircraft tires, Department of Defense, dated February 1, 1968 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of financial statements, fiscal year 1967, Federal Crop Insurance Corporation, Department of Agriculture, dated February 1, 1968 (with an accompanying report); to the Committee on Government Operations.

Report of Foreign Excess Property Disposal

A letter from the Assistant Secretary for Administration, Department of Commerce, reporting, pursuant to law, the foreign excess property disposed of during the calendar year 1967 by the Department; to the Committee on Government Operations.

Report on Anthracite Mine Water Control and Mine Sealing and Filling Program

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a report on the Anthracite Mine Water Control and Mine Sealing and Filling Program, 1967 (with an accompanying report); to the Committee on Interior and Insular Affairs.

Report of Claims Settled by Department of State Under the Military Personnel and Civilian Employees' Claims Act of 1964

A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, a report of claims settled by the Department under the Military Personnel and Civilian Employees' Claims Act of 1964, for the Calendar year 1967 (with an accompanying report); to the Committee on the Judiciary.

Admission Into the United States of a Defector Alien

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a copy of orders entered granting admission into the United States of a defector alien (with an accompanying paper) to the Committee on the Judiciary.

Temporary Admission Into the United States of Certain Aliens

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered, granting temporary admission into the United States of certain aliens (with accompanying papers) to the Committee on the Judiciary.

Suspension of Deportation of Certain Aliens

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

Report of Estimated Amount of Losses or Costs Incurred by Postal Service in Performance of Public Service

A letter from the Postmaster General, reporting, pursuant to law, the estimated amount of the losses or costs (or percentage of costs) incurred by the postal service in the performance of public services during the current fiscal year; to the Committee on Post Office and Civil Service.

Report on GS–17 Positions by the Administrative Office of U.S. Courts

A letter from the Director, Administrative Office of the U.S. Court, reporting, pursuant to law, that the duties of the four GS–17 positions allocated the agency have not changed since the report of last year; to the Committee on Post Office and Civil Service.

Report of General Services Administration on Public Buildings

A letter from the Administrator, General Services Administration, transmitting, pursuant to law, a report of the status of construction, alteration or acquisition of public buildings for the year ended December 31, 1967 (with an accompanying report); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDING OFFICER:

A resolution adopted by the Military Order of the World Wars, San Antonio chapter, San Antonio, Tex., praying for the enactment of legislation to amend the Sedition Act of 1917; to the Committee on the Judiciary.

A resolution adopted by the Lake County Board of Commissioners, Two Harbors, Minn., remonstrating against the proposed closing of the Isabella Job Corps, Isabella, Minn.; to the Committee on Labor and Public Welfare.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. JORDAN of North Carolina (for Mr. Randolph), from the Committee on Public Works, without amendment:

S. Res. 250. Resolution to authorize certain additional studies by the Committee on Public Works (Rept. No. 960); referred to the Committee on Rules and Administration.

By Mr. JORDAN of North Carolina, from the Committee on Public Works, with amendments:

H.R. 12603. An act to supplement the purposes of the Public Buildings Act of 1959 (73 Stat. 479), by authorizing agreements and leases with respect to certain properties in the District of Columbia, for the purpose of a national visitor center, and for other purposes (Rept. No. 959).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KUCHEL (for himself, Mr. Bennett, Mr. Bible, Mr. Cannon, Mr. Hansen, Mr. Moss, Mr. Murphy, Mr. Hatfield, and Mr. Young of North Dakota):

S. 2919. A bill to clarify the relationship of interests of the United States and of the States in the use of the waters of certain streams; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. Kuchel when he introduced the above bill, which appear under a separate heading.)

By Mr. CARLSON:

S. 2920. A bill to amend the Internal Revenue Code of 1954 to provide special loss carryover rules for insurance companies; to the Committee on Finance.

(See the remarks of Mr. Carlson when he introduced the above bill, which appear under a separate heading.)

By Mr. NELSON:

S.2921. A bill for the relief of Cho Tak Chau, Chi Kuen Lok, Man Sang Wong, Yiu Wong, Man Lap Ng, Wai Yung Lau, Yung Chi Kong, Sun Hao Chin, Wun Lai Chu, Man Wah Yeung, Shao Tsu Wong, and Sign Lien Mao; to the Committee on the Judiciary.

By Mr. FULBRIGHT (by request):

S. 2922. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations; to the Committee on Foreign Relations.

(See the remarks of Mr. Fulbright when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN:

S. 2923. A bill to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; to the Committee on Banking and Currency.

(See the remarks of Mr. Sparkman when he introduced the above bill, which appear under a separate heading.)

By Mr. LONG of Missouri:

S. 2924. A bill for the relief of Dr. George Antonatos;

S. 2925. A bill for the relief of Jeoshua Wingarten;

S. 2926. A bill for the relief of Dr. Jaime and Mrs. Judith Jaramillo; and

S. 2927. A bill for the relief of Drs. Jack I. and Ruth Ludatscher; to the Committee on the Judiciary.

By Mr. KENNEDY of New York:

S. 2928. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

(See the remarks of Mr. Kennedy of New York when he introduced the above bill, which appear under a separate heading.)

By Mr. GRIFFIN (for himself Mr. Allott, Mr. Bennett, Mr. Bible, Mr. Boggs, Mr. Case, Mr. Carlson, Mr. Cotton, Mr. Dodd, Mr. Dominick, Mr. Eastland, Mr. Fong, Mr. Hansen, Mr. Hruska, Mr. Lausche, Mr. Mansfield, Mr. McGovern, Mr. McIntyre, Mr. Miller, Mr. Mundt, Mr. Murphy, Mr. Nelson, Mr. Percy, Mr. Prouty, Mr. Randolph, Mr. Spong, Mr. Thurmond, and Mr. Young of North Dakota):

S.J. Res. 136. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Relations.

(See the remarks of Mr. Griffin when he introduced the above joint resolution, which appear under a separate heading.)

WATER RIGHTS ACT OF 1968

Mr. KUCHEL. Mr. President, I introduce, for appropriate reference, a bill to clarify the relationship of interests of the United States and the States in the use of waters of certain streams. The bill is introduced on behalf of myself, Mr. Bennett, Mr. Bible, Mr. Cannon, Mr. Hansen, Mr. Hatfield, Mr. Moss, Mr. Murphy, and Mr. Young of North Dakota.

This bill is a revision of my earlier bills: S. 1275, 88th Congress; S. 1636, 89th Congress; and S. 2530, 90th Congress.

S. 2530 is identical to S. 1275. On March 29, 1965, I introduced S. 1636. Two suggestions for change in S. 1636 have been made to me by the American Bar Association and seem to me to have considerable merit. Otherwise, S. 1636 and the bill which I now introduce are identical. The changes in S. 1636 are these:

First. Section 1, subsection 2, of S. 1636, provides that if a Federal withdrawal or reservation is to create a water right which shall have priority as against a water right which has been created under State law, then the Federal claim, like the State claim, shall give fair notice to the world as to the purpose, quantity, and priority date of the water right which is claimed. The reason for this reform is that in recent years Federal administrators have asserted water rights retroactively to the dates of very old withdrawals or reservations, which, when made, gave no notice to anyone of the magnitude of the water right so belatedly asserted. This "second-guesses" the originally intended scope of the withdrawal or reservation. By doing so, the Federal department is able to cut off, without compensation, State-generated rights, no matter how long the water may have been used under State law, outside the reservation, during the interval. Sometimes the interval between the making of the withdrawal or reservation, and the announcement of the Federal water right claimed under it, has amounted to several decades. The change that I am now making tightens up the requirement of fairplay that I proposed in S. 1636, by telling the head of the department to promulgate his claim of a water right by transmitting it to Congress and publishing it in the Federal Register, and by giving Congress 60 days within which the Committee on Interior and Insular Affairs of either House may vacate it by passing an adverse resolution. This would result in requiring an Act of Congress, if the department's proposal is to be approved.

Second. Section 5, subsection (3) of S. 1636, gives assurance that nothing in the bill amends any provision of the acreage limitations in the Federal reclamation law. In S. 1636, this was followed by a proviso which would apply the reclamation law's acreage restrictions to water which is made available for irrigation under any other Federal law, except for use by Indians. I was aiming at the Interior Department's present practice of offering land in blocks of several thousand acres, for development by large corporations, to use the water rights decreed to the Colorado River Indian Reservation. This, to my mind, is an indefensible policy. Neither State has any water to spare for the sort of speculative expansion by non-Indians which is now being encouraged, under the protection of Indian water rights. But I am persuaded that this subject should not be treated in general legislation, so I have deleted it in the revision of S. 1636, which I now introduce.

The bill which I now introduce, like its predecessors, is sponsored by the American Bar Association and was drafted in cooperation with the distinguished water lawyer, Mr. Northcutt Ely, former chairman of the Water Resources Committee of the section on Mineral and Natural Resources Law of the American Bar Association.

In order that the development of this legislation might be clear, I ask unanimous consent that the text of my new bill and the text of my remarks on the floor of the Senate on March 29, 1965, when I introduced S. 1636, be printed in the Record at this point.

The PRESIDING OFFICER. Without objection, the bill will be received and appropriately referred; and, without objection, the text of the bill and the remarks will be printed in the Record.

The bill (S. 2919) to clarify the relationship of interests of the United States and of the States in the use of the waters of certain streams, introduced by Mr. Kuchel (for himself and other Senators), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the Record, as follows:

S. 2919

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subject to the exceptions stated in section 5, the withdrawal or reservation of surveyed or unsurveyed lands of the United States, heretofore or hereafter made, shall not affect any right to the use of navigable or nonnavigable water acquired pursuant to State law either—

(1) before the establishment of such withdrawal or reservation or

(2) after the establishment of such withdrawal or reservation, unless, in the latter event, a Federal statute, or an officer of the United States authorized to make such a withdrawal or reservation, shall have promulgated the purpose, quantity, and priority date of the water right reserved to the United States or otherwise established under its own laws, and such promulgation shall have antedated the initiation of the conflicting right under State law; *Provided,* That if such promulgation shall be made otherwise than by an Act of Congress, it shall not become effective until sixty days after it shall have been published in the Federal Register and transmitted by the head of the department having jurisdiction of the lands affected to both Houses of Congress (counting only days on which both Houses are in session); and it shall be vacated if disapproved within said sixty days by resolution of the Committee on Interior and Insular Affairs of either House.

Sec. 2. Any right to the diversion, storage, distribution, or use of water which the United States or those claiming under the United States assert to have been established under the laws of a State shall be neither greater nor less than those accorded by the laws of that State to uses of water by others than the United States (including the State itself) in like circumstances, and shall be initiated and perfected in accordance with the procedure established by the laws of that State: *Provided,* That this section shall not affect any authority which the United States may have to establish water rights under its own laws, heretofore or hereafter enacted.

Sec. 3. No vested right to the diversion, storage, or use of any waters, navigable or nonnavigable, acquired under the laws of a State and recognized by the laws in force as of the effective date of this Act in that State as being compensable if taken or used by or under the authority of the State, shall be taken or used by or under the authority of the United States without just compensation. "Vested right" shall mean either (1) an appropriative right initiated in accordance with the general laws of the State applicable to the appropriation of water rights, which has been exercised either by the commencement of actual diversion, storage, or use of water, or by the commencement of construction of works for such purposes, and which is thereafter maintained with reasonable diligence in the completion of such works and application of water to such purposes, or (2) a riparian, overlying, or pueblo right, to the extent that such laws of the State recognize such rights, or (3) a prescriptive right or any other water right to the extent that water has been put to beneficial use.

Sec. 4. If works hereafter constructed by or under the authority of the United States impair or interfere with the utilization of any right to the diversion, storage, or other use of water which is vested and compensable under section 3, and if agreement with the owner of said right as to the compensation due for such impairment or interference has not been reached by the time of the initial interference with such right, the United States shall initiate and diligently prosecute proceedings to condemn the same under appropriate Federal or State laws of eminent domain. If it shall fail to do so, no statute of limitations shall apply against a suit by the injured party against the United States for compensation for such impairment or interference in a Federal court of competent jurisdiction; but nothing in this Act shall authorize an action to enjoin such impairment or interference, if such an injunction action could not be maintained in the absence of this Act.

Sec. 5. Nothing in this Act shall be construed as—

(1) modifying or repealing any provision of any existing Act of Congress relative to acquisition by the United States of rights to the use of water pursuant to State law;

(2) permitting appropriations of water under State law which interfere with the provisions of international treaties of the United States;

(3) amending, altering, or repealing any provision of any law which limits the acreage in single ownership that may be served with water made available under the reclamation law;

(4) affecting, impairing, diminishing, subordinating, or enlarging (a) the rights of the United States or any State to waters under any interstate compact or existing judicial decree, (b) any obligations of the United States to Indians or Indian tribes, or any claim or right owned or held by or for Indians or Indian tribes, (c) any water right heretofore acquired by others than the United States under Federal or State law, (d) any right to any quantity of water used for governmental purposes or programs of the United States at any time prior to the effective date of this Act, (e) any right of the United States to use water which is hereafter lawfully initiated in the exercise of the express or necessarily implied authority of any present or future Act of Congress or State law when such right is initiated prior to the acquisition by others of any right to use water pursuant to State law, (f) any preference accorded by Federal or State law to any public agency with respect to electric power.

Sec. 6. This Act may be cited as the "Water Rights Act of 1968."

The text of Senator Kuchel's remarks of March 29, 1965, is as follows:

Clarification of Relationship of Interests of the United States and of the States in Use of Waters in Certain Streams

Mr. Kuchel. Mr. President, I introduce for appropriate reference a bill to clarify the relationship of interests of the United States and the States in the use of waters of certain streams. The bill is introduced on behalf of myself, Mr. Allott, Mr. Bible, Mr. Jordan of Idaho, Mr. Moss, Mr. Simpson, Mr. Young of North Dakota, and Mr. Dominick. I ask unanimous consent that the bill may remain at the desk for 1 week for the purpose of possibly obtaining additional sponsors.

This bill is a revision of my bill S. 1275, 88th Congress, with the same title and purpose, in which Senators Moss, Jordan, Bible, Church, and Engle joined me.

This bill like its predecessor, is sponsored by the American Bar Association, and was drafted in collaboration with, the distinguished water lawyer, Mr. Northcutt Ely, chairman of the Water Resources Committee of the Section of Mineral and Natural Resources Law of the American Bar Association. It incorporates principles which I first stated in a bill I introduced in a still earlier Congress, S. 2636 in the 87th Congress.

These principles attracted the support of the American Bar Association, as indeed they did of a large number of national, regional, and State organizations concerned with water resources. I am annexing a representative listing of some of them.

The Water Resources Committee of the Section of Mineral and Natural Resources of the American Bar Association subsequently subjected that draft bill to extensive study. The committee is composed of lawyers from all parts of the country, primarily, however, from the Western States, and most of them have had extensive experience in the water resources development field. As a result of the review of the draft bill by the Water Resources Committee, a number of amendments were recommended. I thought well of them and introduced the amended bill as S. 1275 in the 88th Congress.

The house of delegates of the American Bar Association, at its August 1963 meeting, adopted a resolution endorsing these principles as stated in S. 1275, 88th Congress, and directed its officers to appear in support of them. The bar association's resolution, with the recommendation of the section of mineral and natural resources law which led to its adoption, may be found at the end of my present statement.

Hearings on S. 1275 were held in the 88th Congress. The changes which I have now made, in introducing the present bill, are designed to clarify the points upon which some witnesses professed some misunderstanding. The objectives are unchanged.

We attempt in this bill to strike a fair balance between the exercise of Federal power, employed in the development of water resources and, on the other hand, the protection of preexisting property rights in those same waters. We are not concerned with doctrinaire disputes and the source of the Federal power. We do not pass upon the contention of some Federal lawyers that the Government owns the rights to all the water originating in Federal lands, because the King of Spain owned them and ceded them to Mexico, and Mexico ceded them to the United States. We do not argue the question of whether the United States has paramount power. We do not debate the question of whether, as creation of a State, its controls of the water originating on the Federal lands in that State. We do not interpret old Federal statutes to discover whether they did or did not recognize appropriations of navigable waters, or dissect the claims of the States to the beds of navigable streams, with their attendant effect on water rights, especially riparian rights. All we do is to say that whatever the constitutional basis of the Federal point may be—whether the commerce clause, the property clause, the war power, the general welfare, or whatever—when the United States exercises its constitutional power to consider a project for the development and use of water resources, and the construction or operation of that project causes damage to, or conflicts with a preexisting property right in those waters which arose under the laws of the State, then the Federal power may, of course, be exercised, but compensation shall be paid for the taking of the water right, just as for any other real property.

My bill has the following basic objectives, stated in the order in which corresponding Sections appear.

First. Effect of reservations and withdrawals: Section 1 would change existing law as to the effect of reservations or withdrawals of Federal lands on water rights which are created under State law.

Section 1 provides:

"Section 1. Subject to the exceptions stated in section 5, the withdrawal of reservation of surveyed or unsurveyed lands of the United States, heretofore or hereafter made, shall not affect any right to the use of navigable or nonnavigable water acquired pursuant to State law either.

"(1) before the establishment of such withdrawal or reservation, or

"(2) after the establishment of such withdrawal or reservation, unless, in the latter event, a Federal statute, or an officer of the United States authorized to make such a withdrawal or reservation, shall have promulgated the purpose, quantity, and priority date of the water right reserved to the United States or otherwise established under its own laws, and such promulgation shall have antedated the initiation of the conflicting right under State law."

We deal here with two situations:

The first is that where a water right has been initiated under State law before a Federal reservation or withdrawal of land along the same stream is made. We say that the preexisting State-created water right shall not be adversely affected by the later creation of a Federal reservation. There should be little dispute about this.

The second situation is that where the State-generated water right is created after the reservation or withdrawal is made. Here we say that the State-created water right is good unless some Federal statute, or an official authorized by statute to make such a withdrawal or reservation, specifically promulgates the purpose, quantity, and priority dates of the water right which the United States intended to reserve for the benefit of that reservation or withdrawal under its own laws, and the date of promulgation antedates that of the conflicting right claimed under State law. This gives ample opportunity for the definition and protection of water rights needed by any Federal reservation, while giving notice to the world of the priority date and magnitude of the Federal claim. Such notice is now lacking. This proposal would thus cure the gross unfairness of the present situation, under which a rancher who has used water for many years may find his water cut off because it originates in a national forest reservation, which was created still earlier, on which the Government now wishes to build a newly conceived project never contemplated when the withdrawal or reservation was made. This has happened.

Whereas in California, a high proportion of the mountain areas of origin of our water supplies are Federal lands, all of them withdrawn or reserved, the dormant Federal claim, undefined in magnitude, hangs like a sword of Damocles over present investments and over future planning of the use of our water resources.

Here it is fair to make acknowledgement of the contribution made by the Departments of Interior, Defense, and Justice during the Eisenhower administration, under the chairmanship of Hon. Elmer F. Bennett, Under Secretary of the Interior, in drafting and presenting to the Congress the "agency bill," so referred to because it was the proposal of those Government agencies. It was prompted by the concern created by the Supreme Court's decision in *FPC* v. *Oregon*, 349 U.S. 435 (1955). Unfortunately it was never introduced in the forum presented by the agencies, but was substantially amended before introduction, and the bill that was introduced failed of passage. I have drawn upon the "agency bill" in preparing S. 1275 and the present bill. Section 1 of S. 1275, which dealt with the reservation problem, was taken verbatim from the agency proposal. In my present bill, I have modified the earlier language in the interest of clarity. I have proposed language which would strike a fair balance between the preservation of established equities and the effectuation of the purposes of establishment of a Federal reservation. The key to the proposed compromise is the requirement that, if the making of a reservation is to cutoff rights of citizens to thereafter put water to use with any firmness to their water right, and thus require that water to waste to the sea until the Federal Government gets around to putting the reserved water to use, then, in order to have that drastic effect, the intent to do so must be stated, not merely implied, in a publicized statute or order which shall state the purpose, the quantity, and the priority date of the water right so reserved to the United States. Thereafter, and only thereafter, will private development of that water resource proceed at its own risk.

Note that here, as throughout the bill, we make these principles applicable to both navigable and nonnavigable waters. This is because the Government has recently claimed that the Desert Land Act, under which some 10 million acres have gone to patent in 16 of the Western States pursuant to a finding by the Secretary of the Interior, required by the statute, that the entryman had a valid appropriative water right under State law, gives no protection where the water right, even though so approved by the Secretary, is one which is asserted against the waters of a navigable stream such as the Sacramento, Columbia, San Joaquin, or Colorado.

Note also the cross-reference which we make to section 5. This has the effect of exempting Indian reservations from the effect of section 1. We except Indian reservations because a sense of fairness compels special rules for the protection of Indian wards of the Government, where the water is in fact used by Indians. As to the case where the water reserved for an Indian reservation is used by non-Indian lessees, I shall have more to say later, in connection with section 5.

Second. Rights claimed by the United States under State law: In section 2 we deal with the case in which the United States is not relying upon a water right which it claims to have created for itself under its own laws by a reservation or withdrawal of Federal land, but is relying upon a water right which was created under the laws of a State, and which the United States claims to have acquired either by an original appropriation made for its benefit, or by purchase or condemnation from a prior owner.

This section provides:

"Sec. 2. Any right to the diversion, storage, distribution, or use of water which the United States or those claiming under the United States assert to have been established under the laws of a State shall be neither greater nor less than the right recognized by the laws of such State in a private citizen in like circumstances, and shall be initiated and perfected in accordance with the procedure established by the laws of that State: *Provided*, That this section shall not affect any authority which the United States may have to establish water rights under its own laws, heretofore or hereafter enacted."

The United States does frequently acquire water rights by proceedings, in accordance with State law, before some State administrative agency, or by buying or condemning preexisting water rights from someone who himself had acquired them. Section 7 of the reclamation law provides for this, and this practice has been followed by the Interior Department for over 60 years. It would seem axiomatic that where the Federal Government elects to thus proceed under State law, it acquires only what State law gives. But Government lawyers make the contrary claim. For example, here is the Court's characterization of the Federal Government's claim in the Fallbrook case (*U.S.* v. *Fallbrook PUD*, 165 F. Supp. 806, 828–29 (S.D. Calif. 1958)):

"(2) State police regulation theory:

"That California's statutory application and permit procedures for the acquisition of an appropriative water right are police regulations which are inapplicable to the United States, with the result that, even if all other water users must comply with such procedures in order to acquire a valid appropriative right, the United States can obtain the right merely by taking and using water.

The language of section 2 would put an end to this sort of contention. But we do not intend to affect the instances in which the Congress has specifically empowered the United States to impound water and dispose of it by contract, as in the Boulder Canyon Project Act, independently of State law, as the Supreme Court construed that act in *Arizona* v. *California*, 373 U.S. 546 (1963), or the instances in which Congress may do so in the future.

Third. Compensability: Section 3 assures that when water rights, created under State law, are taken by the United States or under its authority, compensation shall be paid if the State itself would have to pay for them if it took them. This is perhaps the most important section in the bill. It reads:

"Sec. 3. No vested right to the diversion, storage or use of any waters, navigable or nonnavigable, acquired under the laws of a State and recognized by the laws in force as of the effective date of this Act in that State as being compensable if taken or used by or under the authority of the State, shall be taken or used by or under the authority of the United States without just compensation. 'Vested right' shall mean either (1) an appropriative right initiated in accordance with the general laws of the State applicable to the appropriation of water rights, which has been exercised either by the commencement of actual diversion, storage or use of water, or by the commencement of construction of works for such purposes, and which are being applied to use with reasonable diligence in the completion of such works and application of water to such purposes, or (2) a riparian, overlying, or pueblo right, to the extent that such laws of the State recognize such rights, or (3) a prescriptive right or any other water right to the extent that water has been put to beneficial use."

This would remove an illogical anachronism which has been developed by the courts with respect to the so-called navigation servitude, by which the Federal Government may preempt the use of waters of a navigable stream or any of its nonnavigable tributaries which affect its navigable capacity, thereby destroying vested water rights, and do so without compensation for those rights so long as it is furthering navigation interests under the commerce power. But if the Federal Government takes a water right pursuant to any constitutional power other than the navigation facet of the commerce power, it has to pay compensation. That is demonstrated by *International Paper Co.* v. *U.S.*, 282 U.S. 399 (1931), in which the Federal Government took certain water rights pursuant to the war power and the Supreme Court held that compensation was constitutionally required.

See also *U.S.* v. *Gerlach Live Stock Co.*, 339 U.S. 725 (1950), in which, over the strong objections of the Department of Justice, the U.S. Supreme Court required the Government to pay for State-generated water rights taken in the development of the San Joaquin River, a navigable stream. It held that the taking was in aid of reclamation, not navigation. However, if those same rights, in either the International Paper case or the Gerlach case, had been taken by the Federal Government pursuant to its power to control navigation, no compensation would be required. The two decisions so recognize. This was the result reached in *United States* v. *Twin City Power Co.*, 350 U.S. 222 (1956), as to the "reservoir value" of lands flooded by a federally authorized project.

There is no logical basis for this exception to the general requirements of the fifth amendment, but it has become imbedded in the law. Fortunately, the Supreme Court has said that even though compensation is not constitutionally required in such cases, Congress may provide for compensation as it sees fit. Thus, with respect to certain Federal Water resource development programs, Congress has already provided that if vested water rights recognized under State law are taken or infringed, then compensation shall be paid. This is true under the Reclamation Act of 1902—see Gerlach, supra—and the Federal Power Act of 1920. See *FPC* v. *Niagara Mohawk Power Corp.*, 347 U.S. 329 (1954). The present bill, in section 3, would simply extend the protection which Congress has afforded to property rights under the Reclamation Act and the Federal Power Act to all vested water rights—as defined in the bill—whenever such rights are taken or impaired by any water resource development projects undertaken by the Federal Government or under its authority throughout the Nation.

This bill would not endow any asserted rights with a sanctity that they would not have under State law. We seek to protect only the rights which have become vested prior to the Federal taking. In riparian-law States, the right inheres in the riparian land, as a part of its title. In the appropriation-law States, by "vested" we mean water rights initiated and maintained in accordance with State law, for the utilization of which diversion, storage, or other works have been actually constructed, and which are being applied to use with reasonable diligence. In such event, the priority of the right, as everywhere recognized, relates back to the date of its initiation, and its magnitude and value are subject to proof, as in any condemnation case. This is the rule in all of the appropriation-law States, the dry areas of the country. It is the rule recognized by sections 7 and 8 of the reclamation law. The magnitude of the right is limited not only by the capacity of the diversion works, but by the court's determination of the water supply available for that diversion, taking into account the streamflow and the water user's relative priority on the stream, as well as the court's determination of the issue of diligence as related to the quantity of water that the project could expect to put to use in a reasonable time. Cities and reclamation projects for example, must build aqueducts and canals for their future populations and needs, not for those of today, and their water rights are not measured by the quantity of water that they used yesterday, but by the quantity that will be put to use ultimately by the diligent use of those works.

But we do not protect paper rights, such as those involved in *United States* v. *Grand River Dam Authority*, 363 U.S. 229 (1960). If a water right would not be compensable under State law if taken by the State itself, it will not be compensable if taken by the Federal Government. Moreover, we limit the test of compensability under State law to those State laws which are in force at the time of the passage of this bill. We thus avoid any possibility, however remote, that a State may hereafter create exotic water rights of some kind which the Federal Government may have to pay for. Private as well as municipal and State investments in water resource development should be encouraged. The Federal Government should not have to bear the whole burden of water resource development. Security of tenure is essential to the attraction of the necessary capital for this purpose. The protection of such investments should not be limited to nonnavigable streams. Under the Supreme Court's decisions, as the special master observed during the trial of Arizona against California, any stream is navigable which is deep enough to float a Supreme Court opinion.

If Federal water resource projects are in the national interest, as of course they are, it is only fair that the cost of destroying preexisting water rights to make way for those Federal projects, like the cost of destroying other real property, such as existing buildings, shall be borne by the Federal Treasury, not the individual investors who lose their water supply to the new project. The burden of the cost of acquisition of such rights, on most projects, is negligible to the Government, but catastrophic to the individual from whom they are taken without payment. A few years back the costs of water rights purchased by the Government on the great Central Valley project in California comprised less than 1 percent of total project costs.

Section 3 should properly lay to rest one of the Justice Department's most recent efforts to negate the congressional directive for compensation in the Reclamation Act and the Federal Power Act. It has asserted that no compensable private water rights can ever be acquired in a navigable stream absent congressional consent. The Department's contention is summed up in its brief of June 30, 1959, before the special master in Arizona against California, in which it spent several pages of argument attempting to justify the position that:

"As against the United States, privately owned rights to the use of the navigable waters are not possible in the absence of express provision therefor by Congress." (F. 487)

If this is so, then, as I have stated earlier, millions of acres have been improperly patented under the Desert Land Act of 1877 throughout the West, because they are irrigated from navigable streams, and, under that statute, the entryman was not entitled to a patent unless he could prove to the satisfaction of the Secretary of the Interior that he had made a valid appropriation of water under State law. It seems incredible that anyone can seriously contend that the water rights in most of the western streams on which such development has been based are invalid and can be destroyed without compensation. This bill, in section 3, would make it clear that Congress does not share that view.

Fourth. Condemnation: Section 4 deals with the situation in which the Government finds it necessary to acquire State-created water rights which the owner declines to sell. The section provides:

"SEC. 4. If works hereafter constructed by or under the authority of the United States impair or interfere with the utilization of any right to the diversion, storage, or other use of water which is vested and compensable under section 3, and if agreement with the owner of said right as to the compensation due for such impairment or interference has not been reached by the time of the initial interference with such right, the United States shall initiate and diligently prosecute proceedings to condemn the same under appropriate Federal or State laws of eminent domain. If it shall fail to do so, no statute of limitations shall apply against a suit by the injured party against the United States for compensation for such impairment or interference in a Federal court of competent jurisdiction; but nothing in this Act shall authorize an action to enjoin such impairment or interference, if such an injunction action could not be maintained in the absence of this Act."

The section makes three important points:

First, if negotiation fails, the Government is directed to resort to condemnation, not merely to seize the water without judicial process and tell the luckless owner to sue in the Court of Claims. This has been done, and, under existing law, the Government has been sustained.

Second, the bill tells the Government that if for any reason it does not proceed in this orderly way, the owner's right to sue for compensation remains intact, and, moreover, no statute of limitation runs against him. The case in which this problem and the preceding one arose will be referred to in a moment.

Third, we say that the right to fair compensation, secured by this section, shall not be construed to impliedly authorize injunction suits to stop the building of a project. We add this in order to quiet some rather inchoate anxieties expressed in the hearings on S. 1275.

The compensability and statute-of-limitations problem is highlighted by *Dugan* v. *Rank*, 372 U.S. 609. In that case the Bureau of Reclamation, in constructing the Friant Dam unit of the Central Valley project, purchased a number of water rights on the lower reaches of the stream below the dam, and contracted with other users that it would maintain certain minimum streamflows. But it failed to work out satisfactory arrangements with certain other users who asserted various claims. When the dam was finally closed and operations were begun, the water supply to some of the claimants downstream was curtailed. Those users sought to enjoin the operation of the project unless the Government would maintain the natural flow of the stream at their points of diversion, or agree to a physical solution which would give them the equivalent of their preexisting rights. The Supreme Court held that the suit could not be brought against the United States, either directly or through certain Bureau of Reclamation officials, because there had been no congressional consent to suit. More importantly, however, the Court held that the Federal Government by the mere closure of the dam had partially taken the water rights of the complaining users and that the appropriate remedy was a suit for damages under the Tucker Act. Presumably the Court of Claims will make the necessary determination as to what water rights, if any, were taken and the compensation that should be paid as required by the Reclamation Act.

But witnesses in the hearings on S. 1275 asserted, and defended, the probability that the statute of limitations had begun to run when Friant Dam's gates were closed, and that this would preclude recovery in the Court of Claims.

The broad problem here concerns the proper relationship of the Federal Government to its citizens. If water rights have to be taken for a Federal project, they should be acquired in an orderly eminent domain proceeding in which adequate notice is given to all the potentially affected users, a declaration of taking is filed in the appropriate court, and all issues are joined before the project is built, and some unsuspecting user, far downstream, has his rights taken with no more notice than that the project is in operation. The danger of such a user's rights being cut off by the statute of limitations is substantial. The orderly way is for everyone to know what his rights are, to know what the Federal Government intends to do, and just what is going to be done in the way of curtailment of existing rights by construction of a Federal project. This is accomplished through the employment by the Government of traditional eminent domain proceedings if the necessary rights cannot be acquired by agreement. Contrary to some arguments which we have heard, this is no great burden on the Federal Government. But even if there are any burdens here, they properly should be placed on the Federal Government rather than on the individual water users. When a planning report is made for a project, for example, the construction agency is usually well aware whether existing rights on the stream may be impaired by the operation of the project. If purchase negotiations are unsuccessful, the United States should file a declaration of taking and then get on with the project.

Some have argued that requiring the Federal Government to go through eminent domain proceedings will unduly hold up the construction of projects. This possibility is negated and prohibited by the express language we propose. Immediate possession can be taken. If anyone is overlooked in this procedure, he is not entitled to stop the project by an injunction suit against a Bureau official. Some individuals, if overlooked initially, might have to be brought into the eminent domain proceedings later, or, if they are completely overlooked, might have to resort to the Court of Claims. Section 4 simply puts the burden on the Federal Government, where it belongs, to go forward in a reasonable and orderly fashion to obtain the necessary rights to get the project underway rather than permitting it to preempt a stream and throw the burden on the water users to try to find out what has been taken, if anything, and how they are to go about getting water or compensation. The bill proposes good policy and fairplay.

Fifth. Preservation of existing laws: Section 5 of the act is a series of savings clauses. Several, but not all of them, are derived from the original "agency bills."

"Sec. 5. Nothing in this Act shall be construed as—

"(1) modifying or repealing any provision of any existing Act of Congress relative to acquisition by the United States of rights to the use of water pursuant to State law;

"(2) permitting appropriations of water under State law which interfere with the provisions of international treaties of the United States;

"(3) amending, altering, or repealing any provision of any law which limits the acreage in single ownership that may be served with water made available under the reclamation law: *Provided*, That the same acreage limitations that are imposed by the reclamation law shall be applicable to water made available for irrigation under any other federal law by users other than Indians, pursuant to a Federal reservation or withdrawal;

"(4) affecting, impairing, diminishing, subordinating, or enlarging (a) the rights of the United States or any State to waters under any interstate compact or existing judicial decree, (b) any obligations of the United States to Indians or Indian tribes, or any claim of right owned or held by or for Indians or Indian tribes, (c) any water right heretofore acquired by others than the United States under Federal or State law, (d) any right to any quantity of water used for governmental purposes or programs of the United States at any time prior to the effective date of this Act, (e) any right of the United States to use water which is hereafter lawfully initiated in the exercise of the express or necessarily implied authority of any present or future Act of Congress or State law when such rights is initiated prior to the acquisition by others of any right to use water pursuant to State law, (g) any preference accorded by Federal or State law to any public agency with respect to electric power;"

The reasons for these provisions may be briefly stated.

Subsection 1 states that nothing in this bill would repeal any act of Congress relative to acquisition by the United States of rights to the use of water pursuant to State law. Thus section 8 of the Reclamation Act of 1902, for example, would not be affected.

Subsection 2 simply states the existing law, that a treaty is the supreme law of the land and rights in international streams are not to impair or interfere in any way with the provisions of any treaty affecting those waters. This language originated in the "agency bill," and I have no objection to it.

Subsection 3 is new. It disclaims any effect on any acreage limitation provisions in the Federal or State laws. There is no conceivable way in which either S. 1275 or the present bill could be construed to repeal or affect the 160-acre limitation of the reclamation law, but, inasmuch as certain witnesses in the hearings on S. 1275 professed to be worrying about this imaginary ill, there is no harm in putting an end to this illusion.

The real acreage limitation problem is illustrated by what is now happening on the Colorado River Indian Reservation in Arizona and California. Here a massive expansion of irrigation of desert lands by large non-Indian lessees is under way, with the blessing of the Interior Department, which is a continuing process of issuing such leases. These lessees include large corporations which are allowed by the Government to lease up to 6,000 acres apiece, and which will reap huge profits from gobbling up, for speculative expansion, the water that is so desperately needed in central Arizona and in California for the preservation of the existing economies in those States. All that the Indians get out of this promotion is rental money, and the Government would be many millions of dollars ahead if it paid them more generous rentals than the corporate lessees offer, while postponing this unnecessary expansion of the overload on the Colorado River's water supply until we can import enough water to meet the existing requirements in Arizona, California, and Nevada. This will be costly at best. It will be even more costly if we have to import water to replace these increasing depletions, caused by non-Indian users of a water right that Congress reserved for Indians. My bill, in section 5(3), a new provision, accordingly would extend the 160-acre limitation of the reclamation law to the use of all water which is made available by a Federal reservation or withdrawal. Without this amendment, the 160-acre limitation does not apply to lands in Indian reservations, even a 6,000-acre corporate farm of a non-Indian lessee. The amendment, as a practical matter, affects only non-Indian large-scale lessees, because no Indian irrigates as much as the 160 acres of irrigated land which the reclamation law permits to a single man, or the 320 acres that it permits to a married couple; but, to make sure that Indian rights are not interfered with we do not extend the acreage limitation to uses by Indians themselves.

This situation on the Colorado River Indian Reservation is so serious that it should have an immediate and separate cure, perhaps in appropriation bills dealing with the particular reservation, and should not await enactment of this general legislation.

Subsection 4 of section 5 is a general disclaimer assuring that certain other existing rights and obligations are not impaired or modified in any way by this legislation. It is derived from the "agency bill," for the most part. In particular, subsection 4(a) preserves the rights of the United States or any State under existing compacts or judicial decrees—4(b) preserves obligations of the United States to Indian tribes, and rights held for any Indian tribes (this is discussed earlier in connection with sections 1 and 5(3). Subsection 4(c) leaves unaffected valid water rights heretofore acquired by other than the United States under Federal or State law—4(d) protects any existing uses by the Federal Government which were made for a valid governmental purpose under either State or Federal law, before enactment of this bill.

Subsection 4(e) is a prospective provision which would make it clear that valid future rights may be acquired for Federal projects by congressional authorization so long as such rights are initiated prior to the acquisition by others of intervening rights under State law. It is a simple statement of the priority principle which has been at the heart of water resources development in the West for a hundred years, and makes it clear—if any clarification were needed—that whatever power the United States may have under the Constitution and specific Federal legislation to generate water rights under its own laws is not restricted, nor is the Government compelled, by this bill, to resort solely to State laws to generate or acquire water rights which it may need. The same principle is respected in the proviso to section 2.

Subsection 4(f) preserves all existing preferences which appear in Federal and State law in favor of public agencies with respect to electric power. Again, there is no conceivable way in which S. 1275 could have impinged on such statutes. But some witnesses seemed to think there was, and there is no harm in saying that this shall not happen.

The final section provides:

"Sec. 6. This act may be cited as the Water Rights Act of 1965."

Conclusion: This bill will facilitate the development of the Nation's water resources by putting an end to the most serious conflicts between Federal and State interests which now impede the coordination of these interests in regional planning.

The purpose of today's presentation is simply to explain what is in the bill, and why. I shall postpone to another day a more complete exposition of the urgency for action in the fields of conflict which this bill identifies and attempts to solve, and of the serious impediments which may stand in the way of the urgently needed development of our western water resources if we do not solve these problems.

I have a resolution of the house of delegates of the American Bar Association, adopted in August 1963; a statement in support of the section of the mineral and natural resources law of the recommended legislation, from the American bar; a tabulation of the support of S. 1275 in the 88th Congress, which, as I say, is the predecessor of the present bill. I ask unanimous consent that the documents to which I have just alluded be printed at this point in the Record, and I ask unanimous consent that at the conclusion of those inserts, a copy of the entire text of the bill be set forth in the Record.

The Presiding Officer (Mr. Harris in the chair). The bill will be received and appropriately referred; and, without objection, the bill will be held at the desk as requested, and the bill and documents will be printed in the Record.

The bill (S. 1636) to clarify the relationship of interests of the United States and of the States in the use of the waters of certain streams, introduced by Mr. Kuchel (for himself and other Senators), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the Record, as follows:

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

"Section 1. Subject to the exception stated in section 5, the withdrawal or reservation of surveyed or unsurveyed lands of the United States, heretofore or hereafter made, shall not affect any right to the use of navigable or nonnavigable water acquired pursuant to State law either

"(1) before the establishment or such withdrawal or reservation, or

"(2) after the establishment or such withdrawal or reservation, unless, in the latter event, a Federal statute, or an officer of the United States authorized to make such a withdrawal or reservation, shall have promulgated the purpose, quantity, and priority date of the water right reserved to the United States or otherwise established under its own laws, and such promulgation shall have antedated the initiation of the conflicting right under State law.

"Sec. 2. Any right to the diversion, storage, distribution, or use of water which the United States or those claiming under the United States assert to have been established under the laws of a State shall be neither greater nor less than those accorded by the laws of that State to uses of water by others than the United States (including the State itself) in like circumstances, and shall be initiated and perfected in accordance with the procedure established by the laws of that State; *Provided*, That this section shall not affect any authority which the United States may have to establish water rights under its own laws, heretofore or hereafter enacted.

"Sec. 3. No vested right to the diversion, storage or use of any waters, navigable or nonnavigable, acquired under the laws of a State and recognized by the laws in force as of the effective date of this Act in that State as being compensable if taken or used by or under the authority of the State, shall be taken or used by or under the authority of the United States without just compensation. 'Vested right' shall mean either (1) an appropriative right initiated in accordance with the general laws of the State applicable to the appropriation of water rights, which has been exercised either by the commencement of actual diversion, storage or use of water, or by the commencement of construction of works for such purposes, and which is thereafter maintained with reasonable diligence in the completion of such works and application of water to such purposes, or (2) riparian, overlying, or pueblo right, to the extent that such laws of the State recognize such rights or (3) a prescriptive right or any other water right to the extent that water has been put to beneficial use.

"Sec. 4. If works hereafter constructed by or under the authority of the United States impair or interfere with the utilization of any right to the diversion, storage or other use of water which is vested and compensable under section 3, and if agreement with the owner of said right as to the compensation due for such impairment or interference has not been reached by the time of the initial interference with such right, the United States shall initiate and diligently prosecute proceedings to condemn the same under appropriate Federal or State laws of eminent domain. If it shall fail to do so, no statute of limitations shall apply against a suit by the injured party against the United States for compensation for such impairment or interference in a Federal court of competent jurisdiction; but nothing in this Act shall authorize an action to enjoin such impairment or interference, if such an injunction action could not be maintained in the absence of this Act.

"Sec. 5. Nothing in this Act shall be construed as—

"(1) modifying or repealing any provision of any existing Act of Congress relative to acquisition by the United States of rights to the use of water pursuant to State law;

"(2) permitting appropriations of water under State law which interfere with the provisions of international treaties of the United States;

"(3) amending, altering, or repealing any provision of any law which limits the acreage in single ownership that may be served with water made available under the reclamation law: *Provided*, That the same acreage limitations that are imposed by the reclamation law shall be applicable to water made available for irrigation under any other Federal law by users other than Indians, pursuant to a Federal reservation or withdrawal.

"(4) affecting, impairing, diminishing, subordinating, or enlarging (a) the rights of the United States or any State to waters under any interstate compact or existing judicial decree, (b) any obligations of the United States to Indians or Indian tribes, or any claim of right owned or held by or for Indians or Indian tribes, (c) any water right heretofore acquired by others than the United States under Federal or State law, (d) any right to any quantity of water used for governmental purposes or programs of the United States at any time prior to the effective date of this Act, (e) any right of the United States to use water which is hereafter lawfully initiated in the exercise of the express or necessarily implied authority of any present or future Act of Congress or State law when such right is initiated prior to the acquisition by others of any right to use water pursuant to State law, (f) any preference accorded by Federal or State law to any public agency with respect to electric power.

"Sec. 6. This Act may be cited as the Water Rights Act of 1965."

The documents presented by Mr. Kuchel are as follows:

"Resolution (No. 54) of the House of Delegates of the American Bar Association Adopted August 1963

"Whereas certain jurisdictional conflicts exist between the States and the Federal Government with respect to water resource developments; and

"Whereas the Select Committee on National Water Resources of the U.S. Senate has reported, after an exhaustive study, that 'the broadening pattern of these conflicts is conclusive proof of the urgent need for clear-cut, definitive action on the part of Congress to work out with the States a redefining of Federal-State powers and responsibilities for control, use, and development of water resources'; and

"Whereas extensive hearings have been held by the Congress on this subject over the past 6 years with the result that certain problem areas have been brought into clearer focus and various legislative remedies proposed: Now, therefore, be it

"*Resolved*, That the American Bar Association urges the Congress to consider favorably legislation designed to preserve to the States their historic role in water resource development and to eliminate some of the impediments to fuller Federal-State cooperation in this field; and be it further

"*Resolved*, That the officers of the association and the section of mineral and natural resources law be authorized to appear before appropriate committees of Congress in support of the foregoing resolution and legislation similar in substance to the attached draft of bill.

"Statement of the Section of Mineral and Natural Resources Law in Support of Recommended Resolution

"The proposed resolution relating to legal rights to the use of water is the outgrowth of the extensive consideration which has been given to the problem of jurisdictional conflicts between the Federal and State governments for almost 10 years since the Supreme Court's opinion in the so-called Pelton Dam case, *FPC* v. *Oregon*, 349 U.S. 435 (1953). During this period, extensive hearings have been held by the Congress on the problem and a wide variety of legislative proposals put forth. The kind of legislative action proposed by this resolution, would be an appropriate first step in meeting what the Senate Select Committee on National Water Resources has termed the 'urgent need for clear-cut, definitive action on the part of Congress to work out with the States a redefining of Federal-State powers and responsibilities for control, use, and development of water resources' (S. Rept. No. 29, 87th Cong., 1st sess. 66 (1961)). As water shortages have become an increasing problem in eastern areas of the United States, interest in this type of legislation has become national in scope.

"'The legislation which this resolution would endorse (S. 1275 and H.R. 5914, 88th Cong., which are identical with app. A attached to this report) centers on four points: (1) The effect of Federal reservations of public lands on water rights recognized under State law (the bill preserves the latter rights, unless the reservation was created to establish a right to consumptive use, as for Indians, in which case the priorities established by the date of the reservation are protected); (2) the preservation of the primacy of consumptive uses over navigation on navigable streams west of the 98th meridian (this principle is already established by section 1 (b) of the Flood Control Act of 1944, 58 Stat. 888–89, as amended, 33 U.S.C. 701–1 (1962), and a number of other flood control acts, but this bill would give its general application); (3) a direction that where the United States claims water rights under State law, it shall follow the procedure established by the State statute in acquiring them (some Federal officials have claimed water rights under State law while ignoring the State's procedural requirements relating to hearings, contests, etc.); and (4) a direction that water rights, if recognized as compensable in the State under which they are claimed, shall be compensable if taken by the United States (in the absence of Federal legislation providing otherwise, the Federal Government may impair vested water rights without compensation in constructing water resource development projects in furtherance of its powers under the commerce clause of the Constitution). Compare *United States* v. *Gerlach Livestock Co.*, 339 U.S. 725 (1950) and *FPC* v. *Niagara Mohawk Power Co.*, 347 U.S. 239 (1954) with *United States* v. *Twin City Power Co.*, 350 U.S. 222 (1956). If the United States acquires them otherwise than by purchase, it shall condemn them in appropriate proceedings rather than merely take them without notice and remit the owner to suit in the Court of Claims. See *Dugan* v. *Rank*, 83 Sup. Ct. 999 (1963).'

"Support for S. 1275 in the 88th Congress

"Testimony, resolutions, or statements of support for S. 1275 were received from the following, among others:

"U.S. Senators: Senator Thomas H. Kuchel, of California; Senator Len B. Jordan, of Idaho; Senator Alan Bible, of Nevada; Senator Wallace G. Bennett of Utah; Senator Milward L. Simpson, of Wyoming; Senator Peter H. Dominick, of Colorado.

"Member of the House of Representatives: Hon. Ralph R. Harding, of Idaho.

"Governors: Hon. Robert B. Smylie, Governor of Idaho; Hon. Mark O. Hatfield, Governor of Oregon; Hon. George D. Clyde, Governor of Utah.

"Governors' committees: The Missouri River States Committee, composed of the Governors and 2 representatives of each of the 10 Missouri Basin States.

"Representative of State legislature: Hon. Carley Porter, chairman, water committee, California State Assembly who presented assembly joint resolution No. 2.

"Attorneys general: Hon. Duke Dunbar, attorney general of Colorado, representing the National Association of Attorneys General, accompanied by Hon. Daniel McLeod, attorney general of South Carolina, and Dr. Michell Wendell, counsel for the Council of State Governments; Hon. Stanley Mosk, of California, representing the Association of Western Attorneys General, accompanied by Hon. Charles E. Corker, assistant attorney general; Hon. John Raper, of Wyoming, accompanied by Hon. Charles Astor, member of the Natural Resources Board, and Hon. Eugene Van Camp, State commissioner.

"State water resources boards or commissions: Montana State Water Conservation Board: Hon. Clarence Davis, Hon. C. H. Raymond, chairman; Commission of Soil and Water Conservation, State of Arkansas; Hon. Ed I. McKinley, Jr.; Nevada State Department of Conservation and Natural Resources: Hon. Hugh Shamberger, director; Mississippi Conservation Commission: Hon. Samuel Thompson, chairman; New York State Department of Conservation: Hon. Harold Weil; Florida Board of Conservation: Hon. Randolph Hodges, director; Tennessee Department of Conservation: Hon. Raleigh W. Robinson, director, division of water resources; Texas Water Commission: Hon. Joe D. Carter, chairman; Oregon State Water Resources Board: Hon. Dorel J. Lane, executive secretary; Colorado River Board of California: Hon. M. J. Dowd, chairman; Wyoming Natural Resources Board: Hon. Charles Astor, commissioner, Hon. Eugene Van Camp, member.

"National organizations: American Bar Association: Northcutt Ely, chairman, water resources committee, section of mineral and natural resources law; National Association of Attorneys General: Hon. Duke Dunbar, attorney general of Colorado; National Reclamation Association: Hon. Hugh Shamberger, president, accompanied by Dr. Mitchell Wenwell; Council of State Governments: Dr. Mitchell Wendell, counsel; National Association of Soil and Water Conservation Districts: Milton Fracke, chairman, water resources committee; Chamber of Commerce of the United States: John J. Meehan, secretary of the natural resources committee; Municipal Law Officers of the United States: Edward F. Taylor, chairman, water problems committee; National Association of Counties: **Hon. Harold W. Kennedy**, county counsel, **Los Angeles County, Calif.**; the Interstate **Conference on Water Problems: Mr. Dorel Lane, chairman; Mr. Sam Thompson** on behalf of the **State of Mississippi, Mr.** Harold Weil, **Department of Conservation, State of New York, and Mr. Hugh Shamberger, director of the Nevada State Department** of Conservation; the **American Farm Bureau** Federation: **John Taylor, Esq**; the **National** District **Attorneys'** Association: Hon. Richard **W. Dickenson**; American National Cattlemens Association: **Mr. C. W. McMillan.**

"**Regional organizations:** The Colorado River Water Users Association (composed of representatives of major organizations of water users in the 7 Colorado River Basin States: **Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming**): Hon. Dallas E. Cole, president, and Hon. Hugh **Shamberger; County Supervisors' Association of California:** Hon. Harold W. Kennedy, county counsel, **Los Angeles County; Hon. William R. MacDougall**, general counsel; Southern California Water Conference, representing 55 water agencies in California: **James H. Kreiger, Esq.**, chairman; **Feather River Project Association, California; California State Chamber of Commerce: Burnham Enersen, Esq.; Irrigation Districts Association of California: Burnham Enersen, Esq; the Bear River Protective Committee, Idaho: Hon. Lloyd Dunn**, chairman; **California Municipal Utilities Association: F. V. Frey, secretary; South Dakota Council of Producers, Business and Industry: C. F. Stilgebouer, president; Eel River Flood Control and Water Conservation Association, California: James D. Gilbert, president.**

"**Counties, through their boards of supervisors or other** governing bodies: county commissioners of San Juan County, Utah.

"**The following counties of California** (in some cases acting as Boards of California County **Flood** Control or Water **Districts**): **Alameda, Alpine, Butte, Contra Costa** (ex officio the governing board of the Contra **Costa County Water Agency**), **Del Norte, Fresno, Humboldt, Inyo, San Joaquin, Kings, Los Angeles, Mendocino, Modoc, Mono, Placer, Riverside, Sacramento, San Luis Obispo, San Mateo, Santa Barbara** (with joint resolution **with board of directors of Santa Barbara County Flood Control and Water Conservation District**), **Santa Clara, Solano, Sonoma, Tehama, Tuloumne, Ventura, Yolo, Yuba, and Siskiyo.**

"**District, cities, and local organizations: city of Los Angeles, Calif., Hon. Samuel W. Yorty, mayor.**

"**California districts: Fallbrook Public Utility District, California: Coachella Valley County Water District, California; Bueno Colorado Municipal Water District, California; San Dieguito Irrigation District, California; Laguna Beach County Water District, California; Orange County Water District, California; the Metropolitan Water District of Southern California; Norton L. Morris, executive secretary, the Kern County Water Agency, California; Hon. Harvey O. Banks, Nevada County Farm Bureau, California; Chamber of Commerce of the City of San Diego, Calif.**"

SPECIAL LOSS CARRYOVER RULES FOR INSURANCE COMPANIES

Mr. **CARLSON**. Mr. President, I am today introducing a bill that would provide special loss carryover rules for insurance companies.

The purpose of the bill is simply to correlate the various parts of subchapter L, relating to the taxation of insurance companies, as to the treatment of loss carryovers. Each part taxes a different class of insurance companies and provides for loss carryovers, but they are called operations loss carryovers in part I, unused loss carryovers in part II, and net operating loss carryovers in part III. Moreover, there is no provision for carrying losses over from one part to another, despite the fact that the taxation of a particular insurance company may shift from one part to another because of changes in the mix of its business or because of a reorganization, such as a conversion or merger of a reciprocal insurance company into a stock company or the merger of a mutual casualty company, taxable under part II, and a factory mutual company, taxable under part III. The bill preserves loss carryovers in such cases, to the extent of the lesser of what the taxpayer or its predecessor had under its old classification or would have had under its new classification. While the bill covers all carryovers originating in years beginning after December 31, 1962, when the taxation of insurance companies was radically revised, it is applicable to—that is, affects tax liabilities for—only taxable years beginning after December 31, 1966.

Mr. President, I ask that the bill which I have introduced be appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2920) to amend the Internal Revenue Code of 1954 to provide special loss carryover rules for insurance companies, introduced by Mr. CARLSON, was received, read twice by its title, and referred to the Committee on Finance.

A BILL TO AUTHORIZE A 3-YEAR EXTENSION PERIOD FOR THE ARMS CONTROL AND DISARMAMENT AGENCY

Mr. **FULBRIGHT**. Mr. President, by request, I introduce, for appropriate reference, a bill to authorize a 3-year extension period for the Arms Control and Disarmament Agency.

The proposed bill has been requested by the President of the United States and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2922) to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

S. 2922

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 49(a) of the Arms Control and Disarmament Act, as amended (22 U.S.C. 2589(a)), is amended by inserting immediately after "$30,000,000", the following: ", and for the three fiscal years 1969 through 1971, the sum of $33,000,000,".

EXTENSION FOR 2 YEARS THE AUTHORITY OF FEDERAL RESERVE BANKS TO PURCHASE U.S. OBLIGATIONS DIRECTLY FROM THE TREASURY

Mr. SPARKMAN. Mr. President, I introduce, at the request of the Secretary of the Treasury, a bill to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury. I ask unanimous consent that the letter of transmittal be printed in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2923) to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury, introduced by Mr. SPARKMAN, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The letter, presented by Mr. SPARKMAN, is as follows:

THE SECRETARY OF THE TREASURY,
Washington, January 27, 1968.

Hon. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a proposed bill, "To amend section 14(b) of the Federal Reserve Act, as amended, to extend for two years the authority of Federal Reserve banks to purchase United States obligations directly from the Treasury."

The proposed legislation would extend for an additional two years, from June 30, 1968 to June 30, 1970, the temporary authority under which Federal Reserve banks may purchase public debt obligations directly from the Treasury in an amount not to exceed $5 billion outstanding at any one time. The present direct purchase authority was enacted during World War II and has since been extended from time to time on a temporary basis. The last extension was in 1966 and the authority will expire on June 30 of this year.

This authority is infrequently used but its existence permits the Department to operate with lower cash balances than would otherwise be required, especially during periods just prior to tax payment dates. For example, the authority was utilized once in 1966 and on three occasions in 1967 around tax payment dates. Moreover, the availability of the direct purchase authority is important as a standby means of providing a ready source of funds in the event of a disruption in the private financial markets due to a serious national emergency or a nuclear attack on the United States. That the authority has been sparingly used in the past is demonstrated by the attached table.

There is enclosed for your convenient reference a comparative type showing the changes in existing law that would be made by the proposed legislation.

It would be appreciated if you would lay the proposed bill before the Senate. A similar proposal has been sent to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that there is no objection to the presentation of this proposed legislation to the Congress.

Sincerely yours,

HENRY H. FOWLER.

ITALIAN EMERGENCY IMMIGRATION LEGISLATION

Mr. KENNEDY of New York. Mr. President, I introduce, for appropriate reference, a bill to provide immigrant visas for victims of the earthquakes that recently devastated parts of Sicily.

All of us in the Congress, and all Americans, were shocked and saddened to learn of these disasters. We mourn the hundreds who perished in them; now we must offer our help to the thousands who survive in anguish and destitution.

The American Government through our Ambassador to Italy has joined the Italian Government in its relief efforts. We have made available temporary housing, food supplies and medical services. And we have pledged to help those who choose to remain in Sicily to rebuild their homes and lives.

But for many there can be little hope of rebuilding the farms and shops and villages that have been destroyed. The damage was too great. Some of these will leave Sicily for other parts of Italy. But still others may wish to begin a new life in this country. They may have relatives here who are anxious to welcome and help them. We should do all that we can to make such resettlement possible.

The bill that I introduce would suspend the numerical limitations of the Immigration and Nationality Act to permit the issuance of immigrant visas to 5,000 natives and citizens of Italy who have been uprooted by the earthquakes in Sicily. Visas would of course be made available for their spouses and children as well.

In the interest of fairness and speed, preference would be given to those who have previously applied for immigrant visas and had not yet been admitted only because of the numerical limitations of the act. This will assure that those who had previously sought admission and were victims of the earthquakes do not have their opportunity for a visa diminished by the earthquakes. It will also assure that the pressure on the Italian Government's resources is relieved as promptly as possible.

Mr. President, in my judgment this bill would make an important contribution to the relief of a tragic situation. Similar legislation was enacted some years ago to help the victims of earthquakes in the Azores. It is estimated that 40,000 people have had their lives torn apart by these earthquakes in Sicily. American citizens stand ready to offer their comfort and assistance. We should remove the legal barrier that threatens to prevent them from doing so.

I urge the prompt adoption of this legislation.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2928) for the relief of certain distressed aliens, introduced by Mr. KENNEDY of New York, was received, read twice by its title, and referred to the Committee on the Judiciary.

ADDITIONAL COSPONSORS OF BILLS

Mr. MAGNUSON. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from New Jersey [Mr. WILLIAMS] be added as a cosponsor of the bill (S. 2650) to amend the Merchant Marine Act, 1936, and other statutes to provide a new maritime program.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Connecticut [Mr. RIBICOFF] be added as a cosponsor of the bill (S. 2907) to amend the International Travel Act of 1961 in order to promote travel in the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, at the request of the junior Senator from Wisconsin [Mr. NELSON], I ask unanimous consent that the name of the senior Senator from Oregon [Mr. MORSE] be added as a cosponsor of S. 2040, a bill to provide for Federal assistance in the planning and installation of works and measures for the control and prevention of damages resulting from erosion of the roadbeds and rights-of-way of existing State, county, and other rural roads and highways, from erosion of the banks of rivers and streams, and from erosion of unrestored or unrehabiliated surface or strip mined non-Federal lands, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, February 5, 1968, he presented to the President of the United States the following enrolled bills:

S. 1542. An act to amend section 408 of the National Housing Act, as amended, to provide for the regulation of savings and loan holding companies and subsidiary companies; and

S. 1788. An act to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments, and for other purposes.

NOTICE OF HEARING

Mr. JACKSON. Mr. President I wish to announce that the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs will hold a hearing on Tuesday, February 20, on Senate Concurrent Resolution 11, National American Indian and Alaska natives policy resolution. The hearing is scheduled for 2 p.m. in room 3110, New Senate Office Building, and those interested in testifying on this proposed legislation should contact the committee staff at the earliest opportunity in order that a witness list may be prepared.

NOTICE OF HEARING

Mr. JACKSON. Mr. President, I wish to announce that the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs will hold a hearing on Monday, March 4, on S. 1764, a bill to repeal section 7 of the Yakima Enrollment Act of 1946. The hearing will begin at 10 a.m. in room 3110, New Senate Office Building.

Those who wish to testify on this proposal are asked to contact the committee staff at the earliest opportunity.

NOTICE OF SALINE WATER HEARINGS

Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate that the Subcommittee on Water and Power Resources will hold an open public hearing on S. 2912, a bill to authorize appropriations for the saline water conversion program, to expand the program, and for other purposes. The hearing will begin at 11 a.m. on February 14, 1968. The hearing will be held in room 3110 of the New Senate Office Building.

Anyone wishing to testify should so inform the committee.

FOREIGN INDEBTEDNESS TO THE UNITED STATES

Mr. FULBRIGHT. Mr. President, there have been many references made in both the Senate and the House to French indebtedness to the United States. I urge my colleagues in the Senate and in the other body to examine the entire problem of foreign indebtedness to this country, rather than to single out—because of pique and frustration—one debt or one debtor. In the eyes of many Europeans, the statements made on the floor of the Senate regarding French indebtedness are seen not as expressions of justifiable indignation but as a resort to demagoguery compounded by ignorance, or misrepresentation, of the facts.

At an executive hearing held by the Committee on Foreign Relations on December 15, 1967, with Ambassador Charles E. Bohlen, the question of French indebtedness was reviewed, and I requested the Department of State to provide further information regarding French war debts to the United States and American war debts to France. Assistant Secretary of State William B. Macomber, Jr., replied to these questions in a letter dated December 22 which enclosed a special memorandum prepared by the Department of State on the legislative history and current figures regarding French World War I and World War II indebtedness. Also enclosed was a compilation by the Treasury of the overall World War I debt situation.

I ask unanimous consent that the full text of Mr. Macomber's letter and of the enclosures thereto be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. FULBRIGHT. I also request unanimous consent that a memorandum supplied to me by the Treasury Department at my request last August, entitled "Performance of the Government of France Compared With That of Other Governments in Repaying Obligations to the U.S. Government," together with two tables—one summarizing by area and country the status of foreign loans and other credits from U.S. Government agencies as of June 30, 1966, and the other showing principal and interest due and unpaid 90 days or more as of the same date—be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. FULBRIGHT. Mr. President, I would like to point out that the statistics provided by the Treasury Department in the table enclosed with Mr. Macomber's letter show that as of June 30, 1967, in principal and interest due and unpaid from debts arising from World War I, Great Britain owed the United States $7.3 billion, France owed about $5 billion, and Italy about $1 billion.

So much for World War I indebtedness. As for the status of foreign loans and credits extended by the United States during World War II and thereafter, as of June 30, 1966, Great Britian owed the United States $4.062 billion, India owed $2.972 billion, Pakistan owed $1.098 billion, and Brazil owed $1.140 billion. Japan, Turkey, Yugoslavia, Chile, the United Arab Republic, Israel, and Spain each owed less than $1 billion, and more than France, which owed $402 million. Since June 30, 1966, the French Government has made additional payments which have reduced France's World War II debts to the United States to about $300 million, debts which once totaled $2.4 billion.

I would also like to note, Mr. President, that the memorandum sent to me by Mr. Macomber on December 22 states that the French Government has not contested the validity of its debt to the United States but has asserted that there is a direct connection between France's payment of this debt and reparation payments by Germany to France. The memorandum goes on to state:

> The view is widely held among the fifteen countries, in addition to France, which have unpaid World War I obligations to the United States that the payment of these debts should be dependent upon reparation payments by Germany. Resolution of the problem of inter-governmental claims against Germany arising out of World War I was deferred "until a final general settlement of this matter" by the London Agreement on German external debts concluded in 1953. This agreement, to which the United States is a party, has the status of a treaty and was approved by the Senate.

In this connection, Mr. President, I ask unanimous consent that the text of a paragraph on the subject of German debt settlement agreements, from the "Legislative History of the Committee on Foreign Relations, 83d Congress," be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. FULBRIGHT. Mr. President, the committee held 2 days of public hearings on these agreements, on June 17 and 18, 1953; recommended ratification on July 3, 1953; and the Senate approved these agreements by a vote of 46 to 16 on July 13, 1953.

Mr. President, I hope that Members of both the Senate and the House will study carefully the background documents which I have asked to be inserted in the RECORD. There seems to be an impression in the United States that the French Government is our chief debtor and that the French record has been poorer than the records of other countries. An examination of the material inserted in the RECORD will prove otherwise.

EXHIBIT 1

DEPARTMENT OF STATE,
Washington, D.C., December 22, 1967.

Hon. J. W. FULBRIGHT,
Foreign Relations Committee,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: In the course of the hearing for Ambassador Bohlen on December 15, certain questions were raised to which I would like to respond.

With regard to the French war debts, I am enclosing a copy of a special memorandum we have prepared on the legislative history and current figures regarding the French World War I indebtedness. The statement begins with a paragraph regarding the French indebtedness arising out of World War II, on which the repayment record is excellent. I also enclose the latest compilation by the Treasury of the overall World War I debt situation.

During the discussion, mention was also made of our Revolutionary War debt to France. Several years ago the story was circulated that we had not repaid this debt, which involved French subsidies during the period 1776–84 amounting to the equivalent of $2 million and loans during the period 1777–1783 amounting to the equivalent of $6.3 million. Following enabling legislation from the Congress in 1790, funds were borrowed from banks in the Netherlands which enabled the United States to make full payment of the war debt to France. The last installment of the Dutch refunding loan was paid on schedule in 1809.

Questions were also raised regarding the current balance of payments between the United States and France. Overall balance of payments statistics are not compiled on a bilateral basis, although we do have information on certain accounts. The current commodity trade balance, for example, continues heavily in our favor. Last year French exports to the United States totalled $660 million (FOB) while United States exports to France reached a level of $1,200 million (CIF). While expenditures for foreign travel by United States residents in Europe and the Mediterranean increased about 50 percent during the period 1962–1966, expenditures in France rose to a peak of $127 million in 1964 and declined to 116 million last year, when 685,000 residents travelled to France. During the same period travel from France to the United States steadily increased and reached a total of 62,000 French residents last year, who spent an estimated 25 million in the United States. On private investment account, the flow of new direct investment capital from the United States to France during 1966 totalled $93 million. Total earnings on investments in France during the same period amounted to 88 million, of which 36 million was remitted to the United States and the remainder was reinvested.

You also asked about French investments in Viet-Nam and the income currently derived from them. Our most recent information indicates that French assets in South Viet-Nam at the end of 1963 totalled the equivalent of 329 million, of which 130 million is in industry, 122 million in agriculture, including 125,000 acres of rubber plantations, and $77 million in banking and commercial enterprises. We are asking the Embassies at Saigon and Paris for any more current information regarding these French assets and also on the income derived from them.

I shall respond further when the above information is received.

Sincerely yours,
WILLIAM B. MACOMBER, Jr.,
Assistant Secretary for Congressional Relations.

FRENCH GOVERNMENT DEBTS TO THE UNITED STATES ARISING FROM WORLD WARS I AND II

With regard to the $2.4 billion post-World War II indebtedness of France to the United States, the French Government has met all amortization payments and has paid ahead of schedule more than $900 million. Repayments of principal by France to date total $2.1 billion, leaving only $300 million of this debt to be paid. The next payment is due in 1970.

The circumstances surrounding the World War I debt are as follows. In 1926 the United States and France entered into an agreement to fund the debt of $3.3 billion plus unpaid interest. This funding agreement provided for the issuance of bonds in the amount of $4.0 billion, repayable with interest over a period ending 1987. France paid principal and interest on these bonds up to 1931. Payments due in 1931–32 were postponed in accordance with an agreement concluded with France in 1932, pursuant to authority contained in the Joint Resolution of Congress of December 23, 1931. At the end of 1932 the French Chamber of Deputies adopted a resolution that deferred the interest payment then due, and since that date no further French payments of principal or interest have been made.

The French Government has not contested the validity of its debt to the United States. The French have instead asserted that there is a direct connection between French payment of this debt and reparation payments by Germany to France. The Chamber of Deputies had ratified the 1926 funding agreement with the reservation that the debt to the United States was to be paid "exclusively by the sums that Germany shall pay France". The Chamber of Deputies resolution at the end of 1932 declared that payments to the United States were deferred until the United States should agree to enter a conference for the purpose of adjusting all international obligations and of putting an end to all international transfers for which there was no compensating transaction.

The view is widely held among the fifteen countries, in addition to France, which have unpaid World War I obligations to the United States that the payment of these debts should be dependent upon reparation payments by Germany. Resolution of the problem of inter-governmental claims against Germany arising out of World War I was deferred "until a final general settlement of this matter" by the London Agreement on German external debts concluded in 1953. This agreement, to which the United States is a party, has the status of a treaty and was approved by the Senate.

The United States has never recognized that there was any connection between the World War I obligations of those countries and their reparation claims on Germany. While the London Agreement would not prevent the United States from raising, on a bilateral basis, the question of payment of any of the World War I obligations of debtor countries to the United States, it must be recognized that any effort on the part of the United States to collect these obligations would undoubtedly raise the problem of German World War I reparations. From the practical viewpoint, therefore, there does not seem to be any possibility of reaching an agreement on repayment in the absence of an over-all settlement of the German World War I reparation problem, with its wide-ranging political ramifications.

PART I.—INDEBTEDNESS OF FOREIGN GOVERNMENTS

INDEBTEDNESS OF FOREIGN GOVERNMENTS TO THE UNITED STATES ARISING FROM WORLD WAR I AS OF JUNE 30, 1967

	Original indebtedness	Interest through June 30, 1967	Total	Cumulative payments		Total outstanding	Unmatured principal	Principal and interest due and unpaid
				Principal	Interest			
Armenia	$11,959,917.49	$28,587,070.35	$40,546,987.84	$17.49		$40,546,970.35		$40,546,970.35
Austria [1]	26,843,148.66	44,058.93	26,887,207.59	862,668.00		26,024,539.59	$882,626.31	25,141,913.28
Belgium	419,837,630.37	318,884,720.47	738,722,350.84	19,157,630.37	$33,033,642.87	686,531,077.60	197,580,000.00	438,951,077.60
Cuba	10,000,000.00	2,286,751.58	12,286,751.58	10,000,000.00	2,286,571.58			
Czechoslovakia	185,071,023.07	111,060,093.17	296,131,116.24	19,829,914.17	304,178.09	275,997,023.98	86,355,000.00	189,642,023.98
Estonia	16,466,012.87	21,869,780.01	38,335,792.88		1,248,432.07	37,087,360.81	9,007,000.00	28,080,360.81
Finland	8,999,999.97	11,476,565.96	20,476,565.93	[2] 4,292,999.97	[3] 11,476,565.96	4,707,000.00	4,707,000.00	
France	4,089,689,588.18	3,246,978,853.39	7,336,668,441.57	226,039,588.18	260,036,302.82	6,850,592,550.57	1,772,868,667.43	5,077,723,883.14
Great Britain	4,802,181,641.56	6,980,131,958.11	11,782,313,599.67	434,181,641.56	1,590,672,656.18	9,757,459,301.93	2,433,000,000.00	7,324,459,301.93
Greece	34,319,843.67	3,230,509.84	37,550,353.51	983,922.67	3,143,133.34	33,423,297.50	21,205,921.00	12,217,376.50
Hungary [4]	1,982,555.50	2,775,445.76	4,758,001.26	73,995.50	482,924.26	4,201,081.50	1,095,545.00	3,105,536.50
Italy	2,042,364,319.28	339,839,470.22	2,382,203,789.50	37,464,319.28	63,365,560.88	2,281,373,909.34	1,168,900,000.00	1,112,473,909.34
Latvia	6,888,664.20	9,250,660.91	16,139,325.11	9,200.00	752,349.07	15,377,776.04	3,801,800.00	11,575,976.04
Liberia	26,000.00	10,471.56	36,471.56	26,000.00	10,471.56			
Lithuania	6,432,465.00	8,612,114.16	15,044,579.16	234,783.00	1,003,173.58	13,806,622.58	3,487,367.00	10,319,255.58
Nicaragua [5]	141,950.36	26,625.48	168,575.84	141,950.36	26,625.48			
Poland	207,344,297.37	279,443,464.38	486,787,761.75	[6] 1,287,297.37	21,359,000.18	464,141,464.20	115,807,000.00	348,334,464.20
Rumania	68,359,192.45	51,261,664.70	119,620,857.15	[7] 4,498,632.02	[7] 292,375.20	114,829,849.93	31,923,000.00	82,906,849.93
Russia	192,601,297.37	476,089,679.51	668,690,976.88		[8] 8,750,311.88	659,940,665.00		659,940,665.00
Yugoslavia	63,577,712.55	25,825,277.92	89,402,990.47	1,952,712.55	636,059.14	86,814,218.78	35,389,000.00	51,425,218.78
Total	12,195,087,259.92	11,917,685,236.41	24,112,772,496.33	761,037,272.49	1,998,880,514.14	21,352,854,709.70	5,886,009,926.74	15,466,844,782.96

[1] The Federal Republic of Germany has recognized liability for securities falling due between Mar. 12, 1938, and May 8, 1945.

[2] $6,360,250.26 has been made available for educational exchange programs with Finland pursuant to 20 U.S.C. 222-224.

[3] Includes $13,155,921 refunded by the agreement of May 28, 1964. The agreement was ratified by Congress Nov. 5, 1966.

[4] Interest payments from Dec. 15, 1932, to June 15, 1937, were paid in pengo equivalent.

[5] The indebtedness of Nicaragua was canceled pursuant to the agreement of Apr. 14, 1938.

[6] Excludes claim allowance of $1,813,428.69 dated Dec. 15, 1929.

Excludes payment of $100,000 on June 14, 1940, as a token of good faith.

[8] Principally proceeds from liquidation of Russian assets in the United States.

EXHIBIT 2

PERFORMANCE OF THE GOVERNMENT OF FRANCE COMPARED WITH THAT OF OTHER GOVERNMENTS IN REPAYING OBLIGATIONS TO THE U.S. GOVERNMENT

Virtually all of the loan agreements and settlements made with foreign countries since the beginning of World War II established fixed amortization schedules which call for regular payments over a period of years. We expect both principal and interest on these obligations to be paid in accordance with the agreed schedules. France, like most other countries, is making such payments. The United States received more than $800 million in 1967 from such scheduled debt repayments.

There have been a few cases in which it has become impossible for debtor nations to meet scheduled payments, making it necessary to negotiate a rescheduling of the obligation. Some of the loan agreements provide for postponing payments under certain circumstances. Where disputes arise resulting in payment delays, efforts are made to reach agreement in order that payments may be resumed. There have been a few instances, notably, in the case of the Republic of China and the USSR, where it has not been possible to reach agreement involving comprehensive settlement of World War II, Lend Lease and related accounts. (The USSR is making payments on Lend Lease items which were in production or storage in the United States before V-J Day.) Table I attached summarizes the status of all foreign World War II and postwar loans and other credits extended by U.S. Government agencies by geographic area and country. Table II shows principal and interest due and unpaid 90 days or more as of June 30, 1966. Both of these tables are excerpted from the publication *Foreign Credits by the United States as of June 30, 1966* prepared by the Department of Commerce at the request of the Senate Foreign Relations Committee.

The United States has encouraged the governments of nations which are in a strong financial position to make payments in advance of the scheduled due dates and since 1959 advance repayments of nearly $3 billion have been collected. Several countries, among them Germany, Italy and Sweden, have prepaid all or nearly all of their World War II and postwar obligations to the United States. France, which received credits totaling approximately $2.2 billion during this period, has made payments in advance of about $900 million. These prepayments, combined with the scheduled payments, have reduced French postwar obligations to the United States to approximately $300 million.

The situation is different with respect to World War I debts. Most governments, including France, fulfilled their commitments under their World War I debt agreements until the depression. Debtor governments stopped making payments in 1932, following the expiration of the one-year moratorium on debts owed to the United States negotiated by President Hoover in an effort to mitigate the effect of these debt obligations on Europe's economic health. Although some other countries made token payments until the beginning of World War II, Finland is the only country which is presently meeting its obligations in full. Table III shows the status of these obligations as of June 30, 1967.

While the countries which have large World War I obligations to the United States have never denied the jurisdictional validity of their debts, there is a view widely accepted among them that the payment of these debts should be dependent on reparation payments by Germany. Resolution of the problem of governmental claims against Germany arising out of World War I was deferred "until a final general settlement of this matter" by the London Agreement of 1953, to which the United States is a party.

The Government of the United States has never recognized that there was any connection between the World War I obligations of those countries and their reparations claims on Germany. While the London Agreement would not prevent the United States from raising, on a bilateral basis, the question of payment of any of the debtor countries' World War I obligations (except in the case of Germany), it must be recognized that any effort on the part of the United States to collect these obligations would undoubtedly raise the problem of German World War I reparations. From the practical viewpoint, therefore, there does not seem to be any possibility of reaching an agreement on repayment in the absence of an over-all settlement of the World War I reparations problem, with its wide-ranging political ramifications.

TABLE I.—SUMMARY BY AREA AND COUNTRY, STATUS OF FOREIGN LOANS AND OTHER CREDITS FROM U.S. GOVERNMENT AGENCIES, AS OF JUNE 30,1966

[In dollars or dollar equivalents, except where otherwise indicated on lines noted with symbol □]

Area and country	Amount authorized only	Status of credit			Interest and commissions collected
		Utilized	Principal collected	Principal outstanding	
Total U.S. Government foreign credits to all countries and to international organizations	31,966,117,655	25,368,138,064	5,345,111,540	19,365,251,496	4,116,331,594
Western Europe (excluding Greece and Turkey)	10,370,403,474	9,555,689,434	2,859,142,326	6,665,315,023	2,091,344,794
Austria	92,389,681	79,235,081	33,445,632	45,789,448	13,465,099
Belgium	172,537,674	154,478,242	84,731,480	69,746,762	42,731,658
Denmark	35,616,444	35,616,444	5,264,968	30,351,476	11,369,721
Finland	138,476,942	137,793,557	68,362,324	69,420,528	59,281,772
France	727,821,414	716,815,959	310,817,210	402,661,901	232,925,269
Germany	1,235,970,051	1,235,884,268	1,018,362,010	217,022,249	246,520,867
Iceland	47,436,791	39,844,465	7,730,840	32,028,074	7,245,850
Ireland	128,200,000	128,200,000	17,955,081	110,244,919	43,269,198
Italy	504,538,461	322,147,615	168,249,427	153,889,269	54,758,105
Liechtenstein	574,622	574,622	246,267	328,355	86,978

TABLE I.—SUMMARY BY AREA AND COUNTRY, STATUS OF FOREIGN LOANS AND OTHER CREDITS FROM U.S. GOVERNMENT AGENCIES, AS OF JUNE 30, 1966—Continued

[In dollars or dollar equivalents, except where otherwise indicated on lines noted with symbol □]

Area and country	Amount authorized only	Status of credit			Interest and commissions collected
		Utilized	Principal collected	Principal outstanding	
Western Europe (excluding Greece and Turkey)—Continued					
Luxembourg	3,000,000	3,000,000	694,200	2,305,800	977,998
Netherlands	129,500,000	129,500,000	63,979,027	65,520,973	39,453,336
Norway	87,400,000	87,400,000	62,313,895	25,086,105	25,535,886
Portugal	137,280,554	136,367,483	21,975,667	114,391,816	25,836,670
Spain	674,998,103	508,794,889	76,315,244	432,423,780	87,443,605
United Kingdom	5,100,087,729	4,850,087,729	787,668,829	4,062,407,891	1,050,659,808
Yugoslavia	943,730,698	820,573,436	90,692,054	702,158,187	107,552,593
European Atomic Energy Community	100,868,000	60,544,638	--------	60,544,638	3,385,964
European Coal and Steel Community	100,000,000	100,000,000	31,100,000	68,900,000	38,844,419
NATO	9,976,261	9,331,008	9,238,154	92,854	--------
Eastern Europe	384,731,083	384,731,083	103,884,153	280,846,931	152,493,022
Czechoslovakia	7,599,107	7,599,107	2,729,238	4,869,869	745,090
Hungary	15,917,026	15,917,026	10,111,720	5,805,307	5,238,783
Poland	138,720,376	138,720,376	58,557,522	80,162,855	42,192,247
Soviet Union	222,494,574	222,494,574	32,485,673	190,008,901	98,316,902
Near East (including Greece, Turkey, and United Arab Republic)	3,391,801,686	2,552,928,091	286,063,743	2,151,079,455	281,334,528
Cyprus	1,308,458	373,275	--------	373,133	1,119
Greece	286,653,950	257,600,432	72,841,586	184,798,328	51,200,120
Iran	485,869,977	349,218,026	94,085,491	255,391,261	49,091,089
Iraq	24,432,692	19,367,561	1,483,769	17,878,792	487,699
Israel	616,537,452	526,884,357	58,747,892	456,768,352	74,501,890
Jordan	27,953,764	17,801,205	1,400,118	16,401,087	679,900
Lebanon	7,333,929	7,333,929	1,781,660	5,552,269	1,290,316
Saudi Arabia	82,498,756	9,113,342	6,984,313	2,129,029	71,102
Syria	38,046,510	12,296,144	855,025	10,654,708	1,067,854
Turkey	1,113,708,432	768,367,489	35,378,052	732,210,161	55,865,180
United Arab Republic	707,457,765	584,577,330	17,505,837	468,922,336	47,078,257
South Asia	6,108,735,503	4,657,761,958	218,865,275	4,134,224,802	423,054,313
Afghanistan	67,466,101	55,326,016	9,686,350	45,639,666	19,621,280
Ceylon	23,973,249	15,910,105	1,221,773	14,688,332	2,012,385
India	4,512,490,067	3,447,170,286	171,247,253	2,972,605,999	308,940,593
Nepal	5,268,430	2,382,934	48,446	2,334,487	123,911
Pakistan	1,499,537,656	1,136,972,617	36,661,453	1,098,956,318	92,356,146
Africa (excluding United Arab Republic)	1,297,053,401	799,517,635	66,793,684	730,322,835	88,036,256
Algeria	12,594,000	11,571,637	--------	11,571,637	--------
Cameroon	13,000,000	4,851,250	--------	4,851,250	23,507
Congo (Brazzaville)	250,000	250,000	25,000	225,000	40,041
Congo (Kinshasa)	63,308,800	24,835,462	--------	24,235,462	7,562
Ethiopia	97,303,455	48,070,905	8,796,027	39,274,877	5,775,759
Ghana	147,366,552	68,043,440	266,035	67,777,404	3,047,740
Guinea	25,997,170	2,531,785	--------	2,531,785	124,098
Ivory Coast	19,043,000	8,415,026	516,778	7,898,248	221,725
Kenya	16,901,000	13,419,417	--------	13,419,417	--------
Liberia	177,137,313	125,139,916	15,816,763	109,323,154	18,998,383
Libya	7,014,355	7,014,355	1,081,664	5,932,692	1,139,687
Malagasy Republic	2,700,000	--------	--------	--------	--------
Malawi	200,000	--------	--------	--------	--------
Mali	3,200,000	160,400	--------	160,400	886
Morocco	332,143,117	267,788,610	3,435,399	264,355,557	35,871,305
Niger	2,300,000	338,641	--------	338,641	--------
Nigeria	67,520,798	14,454,321	567,850	13,886,471	740,160
Senegal	3,268,412	300,000	90,000	210,000	42,156
Sierra Leone	12,672,000	11,285,444	--------	11,285,444	444,882
Somali Republic	6,200,000	2,388,080	35,000	2,353,080	142,166
South Africa	34,151,609	34,151,609	25,634,203	8,517,406	10,[illegible]53,867
Sudan	35,719,503	17,695,917	--------	17,699,021	1,847,269
Tanzania	12,588,400	7,640,525	225,283	7,415,243	230,850
Tunisia	170,182,430	111,595,628	5,801,720	103,376,198	4,799,866
Uganda	5,450,000	2,531,789	--------	2,531,769	8,815
Zambia	4,899,920	4,554,378	--------	4,554,378	--------
East African Common Services Organization	3,574,000	--------	--------	--------	--------
Unspecified areas in Africa	20,367,566	11,089,101	4,501,961	6,598,282	4,075,533
Eastern Asia and Pacific	3,055,904,313	2,255,226,872	483,361,415	1,754,964,560	299,601,238
Australia	225,456,414	68,440,350	39,055,456	29,384,894	334,792
Burma	71,843,664	45,967,722	5,263,635	40,704,087	6,075,953
China—Islands	521,502,422	396,983,934	35,098,446	361,761,095	33,420,296
Indonesia	326,749,536	306,453,670	119,142,555	171,815,423	66,277,947
Japan	1,149,843,958	979,469,773	215,453,095	764,196,678	137,780,521
Korea	255,593,899	91,268,456	6,741,761	83,619,703	4,516,895
Malaysia	23,520,082	20,000,000	5,838,099	14,161,901	1,878,936
New Zealand	12,477,732	5,821,664	4,983,164	838,501	--------
Philippines	214,678,308	146,151,250	34,584,365	111,233,923	18,742,343
Ryukyu Islands	29,224,411	17,381,765	222,901	17,158,864	768,490
Thailand	133,164,212	91,280,142	13,773,171	77,506,971	16,792,455
Vietnam	91,849,677	85,828,147	3,204,768	82,582,520	13,012,610
Western Hemisphere	7,050,583,600	4,992,303,579	1,285,920,049	3,519,599,377	775,695,362
Argentina	632,983,957	486,718,376	131,890,539	341,491,288	98,739,975
Bolivia	184,043,211	94,107,011	9,532,586	84,607,838	13,625,034
Brazil	2,290,364,038	1,724,805,240	453,306,166	1,140,348,476	311,119,471
Chile	905,775,122	705,021,486	87,653,067	609,405,555	81,859,465
Colombia	572,806,558	423,214,496	116,102,247	285,702,817	51,086,845
Costa Rica	91,168,747	52,833,593	11,974,239	40,859,354	9,807,089
Cuba	37,598,233	37,598,233	1,331,652	86,266,581	6,999,694
Dominican Republic	134,570,543	62,089,619	940,510	61,149,109	1,876,118
Ecuador	174,067,715	101,109,494	28,743,463	72,723,772	16,822,020
El Salvador	65,369,584	41,077,688	6,596,517	34,481,171	2,490,882
Guatemala	52,881,849	26,048,229	4,357,000	21,691,229	2,212,023
Guyana	9,500,000	96,045	--------	96,045	--------
Haiti	37,942,381	37,942,381	3,593,953	34,348,428	9,986,995
Honduras	40,238,242	23,318,364	2,564,449	20,753,915	1,974,147

TABLE I.—SUMMARY BY AREA AND COUNTRY, STATUS OF FOREIGN LOANS AND OTHER CREDITS FROM U.S. GOVERNMENT AGENCIES, AS OF JUNE 30, 1966—Continued

[In dollars or dollar equivalents, except where otherwise indicated on lines noted with symbol ☐]

Area and country	Amount authorized only	Status of credit			Interest and commissions collected
		Utilized	Principal collected	Principal outstanding	
Western Hemisphere—Continued					
Jamaica	19,600,000	1,973,357	93,000	1,880,357	13,096
Mexico	636,092,673	398,463,360	122,658,369	275,804,991	80,464,654
Nicaragua	72,352,031	32,971,652	8,912,711	24,058,941	3,542,957
Panama	87,767,334	61,080,225	6,453,541	54,626,684	5,871,273
Paraguay	55,222,802	32,701,294	3,358,722	29,342,572	6,049,274
Peru	394,457,478	298,533,202	135,526,938	162,998,220	53,890,819
Surinam	5,950,000	1,000,000	....	1,000,000	15,611
Trinidad and Tobago	17,000,000	12,773,030	1,928,573	10,844,457	1,412,979
Uruguay	57,547,084	34,507,065	2,935,209	18,264,037	3,130,187
Venezuela	304,248,614	182,881,434	43,643,196	139,238,238	12,420,858
Central American Bank for Economic Integration	62,500,000	10,895,302	30,000	10,865,302	203,215
Unspecified areas in Western Hemisphere	108,543,403	108,543,403	101,793,403	6,750,000	80,682
Nonregional international institutions:					
United Nations	165,000,000	141,263,276	39,189,595	102,073,681	4,348,941
Unspecified areas	141,904,646	28,716,134	1,891,301	26,824,833	423,140

TABLE II.—PRINCIPAL AND INTEREST DUE AND UNPAID 90 DAYS OR MORE—STATUS OF FOREIGN LOANS AND OTHER CREDITS FROM U.S. GOVERNMENT AGENCIES, AS OF JUNE 30, 1966

[In dollars or dollar equivalents]

Credit program (and collecting agency [1]) and country and credit program	Total due and unpaid 90 days or more			Principal [3]				Interest [3]			
						Other foreign entities				Other foreign entities	
	Total	Due in U.S. dollars	Due in foreign currencies	Total	Foreign governments and central banks	Government and central bank guaranteed	Other [4]	Total	Foreign governments and central banks	Government and central bank guaranteed	Other [4]
Total	265,719,830	252,588,266	13,131,564	188,978,733	169,031,616	30,591	19,916,526	76,741,097	62,957,969	124,544	13,658,584
Under foreign assistance (and related) acts	8,246,053	5,720,540	2,525,513	5,413,385	2,694,027	....	2,719,358	2,832,668	1,487,270	....	1,345,398
Country program loans (Agency for International Development)	8,178,012	5,652,499	2,525,513	5,345,344	2,625,986	....	2,719,358	2,832,668	1,487,270	....	1,345,398
Financing of military sales (Defense Department)	68,041	68,041	....	68,041	68,041	....	....	....	....	....	....
Under Agricultural Trade Development and Assistance Act	2,743,295	....	2,743,295	1,866,064	88,196	....	1,777,868	877,231	265,645	....	611,586
Currency loans to foreign governments (Agency for International Development)	353,841	....	353,841	88,196	88,196	....	....	265,645	265,645	....	....
Currency loans to private enterprises (Agency for International Development)	2,389,454	....	2,389,454	1,777,868	....	....	1,777,868	611,586	....	....	611,586
Under Export-Import Bank Act	91,122,455	91,122,455	....	55,572,019	40,152,917	....	15,419,300	35,550,436	23,733,836	115,000	11,701,600
Surplus property sales	54,514,212	46,651,456	7,862,756	35,924,648	35,894,057	30,591	....	18,589,564	18,580,020	9,544	....
Sales of oversea surpluses (Treasury Department)	54,337,193	46,474,437	7,862,756	35,791,018	35,791,018	....	....	18,546,175	18,546,175	....	....
Sales of domestic surpluses [5]	136,884	136,884	....	103,039	103,039	....	....	33,845	33,845	....	....
Merchant ship sales (Commerce Department: Maritime Administration)	40,135	40,135	....	30,591	....	30,591	....	9,544	....	9,544	....
Prior grants converted into credits (Treasury Department) [6]	109,093,815	109,093,815	....	90,202,617	90,202,617	....	....	18,891,198	18,891,198	....	....
Argentina: Under Export-Import Bank Act	3,385,800	3,385,800	....	3,222,300	....	....	3,222,300	163,500	....	....	163,500
Bolvia	27,973,016	27,973,016	....	18,152,381	17,973,500	....	178,881	9,820,635	9,597,400	....	223,235
Under Foreign Assistance (and related) Acts: Country program loans	402,116	402,116	....	178,881	....	....	178,881	223,235	....	....	223,235
Under Export-Import Bank Act	27,570,900	27,570,900	....	17,973,500	17,973,500	....	....	9,597,400	9,597,400	....	....
Chile: Under Export-Import Bank Act	2,300	2,300	....	2,100	....	....	2,100	200	....	....	200
China	81,174,119	81,174,119	....	47,223,885	47,010,904	....	212,981	33,950,234	33,904,610	....	45,624
Under Foreign Assistance (and related) Acts: Country program loans	258,605	258,605	....	212,981	....	....	212,981	45,624	....	....	45,624
Under Export-Import Bank Act	29,125,955	29,125,955	....	16,033,019	[7] 16,033,019	....	....	13,092,936	[7] 13,092,936	....	....
Surplus property sales: Sales of oversea surpluses	4,369,545	4,369,545	....	2,449,069	2,449,069	....	....	1,920,476	1,920,476	....	....
Prior grants converted into credits [6]	47,420,014	47,420,014	....	28,528,816	28,528,816	....	....	18,891,198	18,891,198	....	....
Colombia: Under Export-Import Bank Act	11,900	11,900	....	10,400	....	....	10,400	1,500	....	....	1,500
Costa Rica	1,909,436	1,909,436	....	1,825,583	1,528,700	....	296,883	83,853	....	....	83,853
Under Foreign Assistance (and related) Acts: Country program loans	380,736	380,736	....	296,883	....	....	296,883	83,853	....	....	83,853
Under Export-Import Bank Act	1,528,700	1,528,700	....	1,528,700	[8] 1,528,700	....	....	....	....	....	....
Cuba: Under Export-Import Bank Act	23,550,800	23,550,800	....	12,040,200	....	....	12,040,200	11,510,600	....	....	11,510,600
Czechoslovakia: Surplus property sales—Sales of oversea surpluses	4,349,571	4,349.571	....	2,727,126	2,727,126	....	....	1,622,445	1,622,445	....	....
Ecuador: Under Export-Import Bank Act	16,900	16,900	....	16,400	....	....	16,400	500	....	....	500
Greece: Surplus property sales—Merchant ship sales	40,135	40,135	....	30,591	....	30,591	....	9,544	....	9,544	....
Guatemala: Under Foreign Assistance (and related) Acts—Financing of military sales	68,041	68,041	....	68,041	68,041	....	....	....	....	....	....
Haiti: Surplus property sales—Sales of domestic surpluses	136,884	136,884	....	103,039	103,039	....	....	33,845	33,845	....	....
Hungary: Surplus property sales—Sales of oversea surpluses	3,250,972	3,250,972	....	3,250,972	3,250,972	....	....	....	....	....	....
India	3,958,746	54,596	3,904,150	3,603,042	1,892,000	....	1,711,042	355,704	....	....	355,704
Under Foreign Assistance (and related) Acts: Country program loans	8,696	8,696	....	....	....	....	....	8,696	....	....	8,696
Under Agricultural Trade Development and Assistance Act: Currency loans to private enterprises	2,012,150	....	2,012,150	1,685,442	....	....	[9] 1,685,442	326,708	....	....	326,708
Under Export-Import Bank Act	45,900	45,900	....	25,600	....	....	25,600	20,300	....	....	20,300
Surplus property sales: Sales of oversea surpluses	1,892,000	....	1,892,000	1,892,000	1,892,000	....	....	....	....	....	....

See footnotes at end of table.

TABLE II.—PRINCIPAL AND INTEREST DUE AND UNPAID 90 DAYS OR MORE—STATUS OF FOREIGN LOANS AND OTHER CREDITS FROM U.S. GOVERNMENT AGENCIES, AS OF JUNE 30, 1966—Continued

[In dollars or dollar equivalents]

Credit program (and collecting agency [1]) and country and credit program	Total due and unpaid 90 days or more			Principal [2]				Interest [3]			
						Other foreign entities				Other foreign entities	
	Total	Due in U.S. dollars	Due in foreign currencies	Total	Foreign governments and central banks	Government and central bank guaranteed	Other [4]	Total	Foreign governments and central banks	Government and central bank guaranteed	Other [4]
Indonesia	11,039,790	10,177,722	862,068	8,569,523	8,569,523	--------	--------	2,470,267	2,470,276	--------	--------
Under Foreign Assistance (and related) Acts: Country program loans	2,277,384	1,766,279	511,105	1,780,158	1,780,158	--------	--------	497,226	497,226	--------	--------
Under Agricultural Trade Development and Assistance Act: Currency loans to foreign governments	350,963	--------	350,963	88,196	88,196	--------	--------	262,767	262,767	--------	--------
Under Export-Import Bank Act	5,661,000	5,661,000	--------	4,617,500	4,617,500	--------	--------	1,043,500	1,043,500	--------	--------
Surplus property sales: Sales of oversea surpluses	2,750,443	2,750,443	--------	2,083,669	2,083,669	--------	--------	666,774	666,774	--------	--------
Iran	32,496,034	32,493,559	2,475	24,124,335	24,099,935	--------	24,400	8,371,699	8,368,199	--------	3,500
Under Agricultural Trade Development and Assistance Act: Currency loans to foreign governments	2,475	--------	2,475	--------	--------	--------	--------	2,475	2,475	--------	--------
Under Export-Import Bank Act	27,900	27,900	--------	24,400	--------	--------	24,400	3,500	--------	--------	3,500
Surplus property sales: Sales of oversea surpluses	31,753,906	31,753,906	--------	23,388,182	23,388,182	--------	--------	8,365,724	8,365,724	--------	--------
Prior grants converted into credits	711,753	711,753	--------	711,753	711,753	--------	--------	--------	--------	--------	--------
Korea: Surplus of property sales—Sales of oversea surpluses	5,970,756	--------	5,970,756	--------	--------	--------	--------	5,970,756	5,970,756	--------	--------
Liberia: Under Foreign Assistance (and related) Acts—Country program loans	195,739	195,739	--------	158,040	--------	--------	158,040	37,699	--------	--------	37,699
Nigeria: Under Export-Import Bank Act	115,000	115,000	--------	--------	--------	--------	--------	115,000	--------	115,000	--------
Pakistan: Under Agricultural Trade Development and Assistance Act—Currency loans to private enterprises	92,426	--------	92,426	92,426	--------	--------	92,426	--------	--------	--------	--------
Paraguay	260,611	--------	260,611	86,847	86,847	--------	--------	173,764	36,617	--------	137,147
Under Foreign Assistance (and related) Acts—Country program loans	123,402	--------	123,402	86,847	[10] 86,847	--------	--------	36,555	[10] 36,555	--------	--------
Under Agricultural Trade Development and Assistance Act	137,209	--------	137,209	--------	--------	--------	--------	137,209	62	--------	137,147
Currency loans to foreign governments	62	--------	62	--------	--------	--------	--------	62	[10] 62	--------	--------
Currency loans to private enterprises	137,147	--------	137,147	--------	--------	--------	--------	137,147	--------	--------	137,147
Philippines	2,740,498	2,640,328	100,170	1,822,573	--------	--------	1,822,573	917,925	--------	--------	917,925
Under Foreign Assistance (and related) Acts—Country program loans	2,640,328	2,640,328	--------	1,822,573	--------	--------	1,822,573	817,755	--------	--------	817,755
Under Agricultural Trade Development and Assistance Act—Currency loans to private enterprises	100,170	--------	100,170	--------	--------	--------	--------	100,170	--------	--------	100,170
Soviet Union: Prior grants converted into credits [5]	60,962,048	60,962,048	--------	60,962,048	60,962,048	--------	--------	--------	--------	--------	--------
Sudan: Under Agricultural Trade Development and Assistance Act—Currency loans to private enterprises	47,561	--------	47,561	--------	--------	--------	--------	47,561	--------	--------	47,561
United Arab Republic: Under Agricultural Trade Development and Assistance Act—Currency loans to foreign governments	341	--------	341	--------	--------	--------	--------	341	341	--------	--------
Uruguay: Under Export-Import Bank Act	27,900	27,900	--------	26,400	--------	--------	26,400	1,500	--------	--------	1,500
Venezuela: Under Export-Import Bank Act	51,500	51,500	--------	51,500	--------	--------	51,500	--------	--------	--------	--------
Vietnam: Under Foreign Assistance (and related) Acts—Country program loans	1,774,879	--------	1,774,879	748,474	[11] 698,474	--------	[11] 50,000	1,026,405	[11] 897,869	--------	[11] 128,536
Yugoslavia Under Foreign Assistance (and related) Acts—Country program loans	116,127	--------	116,127	60,507	[12] 60,507	--------	--------	55 620	[12] 55,620	--------	--------

---

[1] Collecting agency (shown in parentheses) is agency responsible for collection of outstanding amounts as of June 30, 1966. Programs were often under the administration of another agency at the time of authorization and utilization of the credits.

[2] Does not include amounts reported as charged off as uncollectable. Does not include amounts rescheduled or deferred according to agreements: for example, the agreement of Mar. 6, 1957, with the United Kingdom as approved by Public Law 85-21: or the agreement of Mar. 20, 1961, with Poland.

[3] Amounts reported are known to be understated: in several instances agencies have stopped reporting accruals of interest when credits have gone into default. Does not include amounts rescheduled or deferred according to agreements: for example, the agreement of Mar. 6, 1957, with the United Kingdom as approved by Public Law 85-21.

[4] Includes loans guaranteed by commercial banks.

[5] General Services Administration has referred these credits to General Accounting Office and State Department for further collection action.

[6] Technically, "Prior grants converted into credits" are so labeled in the instances of China and Soviet Union for statistical convenience in summarizations, as final settlements for World War II accounts with these countries are yet to be reached.

[7] Amounts shown as overdue represent the matured and unrepaid installments on loans made prior to 1947 to mainland China. The Republic of China is continuing to make payments on that portion of these loans which represent assets still within its control. The unmatured principal on the portions upon which service is not being maintained amounts to $10,353,000; these unmatured principal installments are not included in this table.

[8] Due and unpaid principal includes $1,528,700 to be refinanced under refunding credit of Dec. 2, 1965.

[9] The collecting agency has reported that reamortization is under consideration for a part of the credits on which this amount is overdue.

[10] The collecting agency has reported that reamortization is under consideration for the credits on which this amount is overdue.

[11] The collecting agency has reported that a moratorium is being considered for the credits on which this amount is overdue.

[12] Foreign currency repayments due in July 1965 were tendered in the amounts of 750 (old) dinars per dollar. These foreign currency are valued in the basic tables of pt. I at 1,000 (old) dinars per dollar, the rate officially prevailing for many transactions in Yugoslavia from July 1 through July 26, 1965, when the par rate was changed to 12,500 (old) dinars per dollar (see International Financial News Survey, vol. XVII, pp. 253 and 265). The amounts reported here as underpaid represent the dollar equivalents of the units which would be sufficient to bring the repayment rate to 1,000 (old) dinars per dollar. See also the discussion in the section "Exchange risks" in the accompanying explanatory note.

Note: For important qualifications affecting this table, see explanatory note.

EXHIBIT 3

5. THE GERMAN DEBT SETTLEMENT AGREEMENTS

The problems growing out of a major war are many and for a number of years the committee has had to deal with some of these, such as agreements involving German-enemy assets, the resolution terminating the state of war with Germany—the contractual agreements with Germany, numerous peace treaties and related matters. In 1953 it was asked to act upon a series of agreements, known as the "German debt settlement."

Although the problem of German debts existed before the war, the interruption of World War II complicated the matter. The committee report described the situation as follows:

"During the 1920's the German Government, in need of foreign credit, sold a large volume of German bonds abroad. Many of these bonds were sold in the United States, the principal loans being the Dawes loan of 1924 and the Young loan of 1930. In addition, a number of lesser German governmental units sought financing in the United States (loans to German states and municipalities totaled $344 million) as did certain German private groups such as business corporations and private borrowers (total $908 million), banks, churches, and public utilities (total, $430 million). Many of these credit instruments were purchased by private American investors.

"During the depression of the 1930's payments upon most of these loans were defaulted and the bonds fell in value. Commercial credit operations were blocked. In 1933, following the rise of Hitler to power, the German Government in the process of restricting foreign-exchange transfers established a conversion office for foreign debts into which private German debtors made payment. The German Government then offered various types of payments to creditors in foreign countries, some of which were accepted but most of which were rejected. German currency manipulations continued until the outbreak of the war in a manner particularly discriminatory against American creditors.

"At the end of the war, the situation in Germany was such that it was impossible to make collections on any of these debts. Since 1948, however, with the help of the United States Government, economic recovery in Western Germany has been substantial. As a result, American economic aid has been gradually reduced and the capacity of the German Government and German private debtors to make payments abroad has been increased.

"Since the summer of 1951 a Tripartite Commission on German Debts, representing the United States, the United Kingdom, and France, has been carrying on negotiations looking toward the settlement of Germany's external debt."

Four agreements resulted from these negotiations:

I. An agreement on German external debts, signed at London on February 27, 1953, by the Federal Republic of Germany, and by the United States and 17 other creditor countries (Ex. D).

II. An agreement between the United States and the Federal Republic of Germany regarding the settlement of the claims of the United States for postwar economic assistance (other than surplus property) to Germany, signed at London on February 27, 1953 (Ex. E).

III. An agreement between the United States and the Federal Republic of Germany relating to the indebtedness of Germany for awards made by the Mixed Claims Commission, United States and Germany, signed at London on February 27, 1953 (Ex. F).

IV. An agreement between the United States and the Federal Republic of Germany concerning the validation of German dollar bonds, signed at Bonn on April 1, 1953 (Ex. G).

Three of these agreements concerned payments to be made by the German Government, by public authorities in Germany, and by private debtors in Germany to American nationals entitled to benefit from evidences of German indebtedness. The other agreement was a settlement between the United States and Western Germany for postwar assistance under the Marshall plan and the program of relief in occupied areas.

In view of the importance of these agreements, the committee held 2 days of public hearings. It recommended ratification on July 3, 1953, in the following words:

"Although the Committee on Foreign Relations is not satisfied that these agreements establish what might be described as full justice, it does feel that under the circumstances they represent the best kind of settlement which can be made at this time in the interests not only of the United States as a whole but in the interests of thousands of American citizens who invested their savings in Germany. It hopes that the Senate will give its advice and consent at an early date to the ratification of these agreements.

"Ever since the end of the war this committee, in its desire to strengthen the forces of democracy in the world, has repeatedly urged that every opportunity should be given Germany to rebuild its shattered economy and assume an equal place in the family of nations. The committee believes that these agreements constitute a significant step toward that goal."

The Senate, on July 13, 1953, approved the four agreements, the main one (Ex. D), by a vote of 46 to 16.

Signed February 27, 1953, and April 1, 1953:

Transmitted to Senate, April 10, 1953: Executives D, E, F, and G, 83d Congress, 1st session.

Public hearings, June 17 and 18, 1953: Printed hearings.

Reported to Senate, July 3, 1953: Executive Report No. 3, 83d Congress, 1st session.

Approved, July 13, 1953 (Ex. D) by a vote of 46–16: Congressional Record, same date.

VIETNAM—THE DIFFERENCES BETWEEN OFFICIAL STATEMENTS AND PRESS REPORTS

Mr. FULBRIGHT. Mr. President, I have spoken before on the floor of the Senate on the differences between official statements and press reports on the war in Vietnam. Tom Wicker, of the New York Times, has recently written an interesting article on this phenomenon in which he quoted the remarks made by four experienced correspondents in South Vietnam on a National Educational Television program.

According to Mr. Wicker, William Tuohy, of the Los Angeles Times, one of the four journalists who appeared on the program, cited as perhaps the best reason that American officials and American correspondents have so seldom seen eye to eye on Vietnam the fact that American military and civilian officials spend only 2 years in Vietnam. Robert Shaplen of the New Yorker, in his comments on the subject, said that it was the business of officials to be optimistic and correspondents to be skeptical.

I found Mr. Wicker's article, which appeared in the January 14 issue of the New York Times, most perceptive, and ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE EXAMINER OF VIETNAM

(By Tom Wicker)

WASHINGTON, January 13.—Historically, the record for accuracy and foresight of American reporters in Vietnam is head and shoulders above that of officials in Saigon and Washington. Nevertheless, in these two capitals, the charges against the American press in South Vietnam range from an effort to picture its members as young, inexperienced, cynical and prone to pick up their news at the bar, to the uglier suggestions of subversive influences.

Now four of the most distinguished and experienced correspondents in South Vietnam have been given the chance to reply and they have shed a good deal of light on why there should be so many differences between the official and the press versions of what is happening. On a National Educational Television program, they pointed out, for one thing, that some men, looking at a glass with water in it, see it as half-full while others see it as half-empty.

BLOODY BATTLE

Here is Peter Arnett, a long experienced Pulitzer Prize winner for The Associated Press, a New Zealander married to a Vietnamese, on the two ways to look at the bloody battle of Dakto:

"If the Communists . . . did have the objective that (General) Westmoreland thought, of taking Dakto, well, they failed in their objective and they lost an estimated—a body count of maybe 1,400 dead. That means they were decisively beaten and they were driven back into their sanctuary—Cambodia—therefore, it was a great success for us.

"But if you look at it from the other point of view, that their main objective was to engage Americans in the worst possible terrain for the Americans, fight them, get big headlines in the United States, and kill a lot, and actually pay less in their own lives there than they would in an open area like the Mekong Delta or the coast, and also if they intend to pull Americans out of populated areas and get them into a no man's land, then they had quite a success there."

SOMETHING MORE

But the reporters also made it clear that there was something more involved than a complex situation. R. W. Apple of the New York Times, making the point that his reports were based on information from the same "majors, captains, sergeants, middle-level civilian officials" that also report to the Johnson Administration, said he believed that "very often the information that starts out with the captain or the major doesn't make it to Washington."

Or, as William Tuohy of the Los Angeles Times put it, "When the Defense Secretary demands statistics, he's going to get them. And there are going to be charts and diagrams and all the arrows are going to go in the right direction and the blue spots are going to be bigger than the red spots. But the question is: Do they really reflect what's going on in the countryside?"

Apple also pointed out that just as French officers, a decade ago, were confident that the Vietnamese could not put artillery around Dienbienphu and supply their troops there, American officers now are claiming that the Vietcong "can't possibly go on any longer. They can't take this kind of punishment."

FAULTY JUDGMENTS

The correspondents agreed that this kind of estimate was heard so often because "we [Americans] constantly make our judgments of their strengths, their intentions, their ability and willingness to pursue this war on the basis of ourselves, rather than on the basis of them."

As a further illustration of illusionary thinking, Robert Shaplen of The New Yorker, whose experience in Vietnam dates back to the French war, cited the recent elections:

"The idea that the Vietnamese really were hot about these elections," he said, "is just so much hogwash. They went through the process; this is what they were supposed to do. They were relatively honest . . . but that doesn't mean they cared. . . . You can't have one election one month, another one two months from now, and all of a sudden have a new President and say, 'Wow! There's democracy.' You can't do it."

Tuohy demolished one favorite Administration propaganda weapon this way: "Any man who's ever been in the field . . . knows that there is no such thing as a body count. A platoon commander fighting for his life, trying to maneuver his platoon, simply doesn't have time to count enemy dead. . . . Therefore, what this is is merely a battlefield estimate. Everybody knows this in the field. In Saigon, however, there are general officers who really believe that a body count literally consists of individual bodies counted."

OVER AND OVER

Shaplen, who spoke wearily of how veteran reporters "go through the process over and over again of seeing a new team of two-year guys come out here" for the Government, and Tuohy cited perhaps the best reason why the press and the officials have so seldom seen eye to eye in Vietnam.

It is not only because the situation can be seen so many ways, or because of American inexperience in Asia, or even because of the heavy Washington pressure for results.

"It's their business to be optimistic," Shaplen said, "and our business to be pessimistic . . . skeptical rather than pessimistic."

"We're not operators and administrators," Tuhoy added, "We tend to be examiners."

And if they don't, who will?

Mr. FULBRIGHT. Mr. President, I should add that several qualified observers who have studied the conditions in Vietnam on the spot, men who are neither Government officials nor journalists, have been very certain that the journalists in Vietnam are much more accurate and objective in their evaluation of the situation than are the Government officials, including the military officers.

"THE DIPLOMATIC WAY OUT OF VIETNAM"—AN ARTICLE WRITTEN BY ANTHONY EDEN

Mr. FULBRIGHT. Mr. President, Anthony Eden, Earl of Avon and former British Foreign Secretary and Prime Minister who served as Cochairman of the Geneva Conference in 1954, has written a most interesting article entitled "The Diplomatic Way Out of Vietnam." Lord Avon remarks that while repeated attempts have been made to revive the activities of the two Geneva Conference Cochairmen, the Soviet Union and Great Britain, these attempts have been without success. He suggests that it would be worthwhile to make an attempt to bring together the three powers represented on the International Supervisory Commission—Canada India, and Poland—and the two Cochairmen—the Soviet Union and Great Britain—in a meeting the purpose of which would be to prepare the ground for a reconvening of the Geneva Conference. Lord Avon adds:

> If that initiative is not successful, variants of it should be persisted in without respite.

Lord Avon also writes:

> Those who contemplate that the fighting can peter out without a negotiated settlement are only prolonging the span of the war, even if they do not realize it. Nor is there anything in the record of escalation to establish that it can do other than intensify suffering and multiply the risks of a wider conflict.

I ask unanimous consent that Lord Avon's article, which appeared in the January 6 issue of the New York Times, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DIPLOMATIC WAY OUT OF VIETNAM

(By Anthony Eden, Earl of Avon)

There are many in non-American lands who twelve years ago would have advised against United States intervention in Vietnam. These same observers would not, however, now wish to see an American withdrawal without an arrangement which could give fair confidence of an enduring and peaceful life for the countries of Indochina.

Repeated attempts have been made to revive the activities of the two Geneva conference cochairmen, Soviet Russia and Britain, but without success. It is, however, worth considering whether another grouping of powers might not be activated to play a part in reducing the area of differences.

NEW GENEVA CONFERENCE

Canada, India and Poland have been members of the Supervisory Commission since 1954. Theirs has often been a frustrating task, but in the course of it the governments of all three countries have gained familiarity with the detailed problems of the area. It should be worth while to make an attempt to bring those three powers together with the two cochairmen in a meeting, however informal.

The purpose would be to prepare the ground for a reconvening of the Geneva conference. If that initiative is not successful, variants of it should be persisted in without respite.

Much, of course, must depend upon the intentions of Soviet Russia. The Geneva Agreements of 1954 would never have been reached without Soviet cooperation. Admittedly the relations of Moscow with Peking were very different in those days, which no doubt made it possible for the Soviet representative to counsel restraint upon the Vietminh, as he certainly did.

WITH SOVIET ASSISTANCE

Today the general opinion seems to be that Soviet Russia would like to bring the conflict to an end, but that Hanoi is the intransigent capital. If this is so it should not be above the wit of resourceful Soviet diplomacy to work to bring the parties to the council table, yet it does not seem to do so with any of the earnestness displayed in 1954.

However this may be, and Moscow probably has its hawks and doves like every other capital, there can be no question of the influential part which Soviet diplomacy could play in encouraging new diplomatic moves to promote a settlement in Indochina.

Time is not necessarily on the side of the Communist powers. They would be wrong to ignore the increasing authority of the United States in much of the area of Southeast Asia, in Malaysia, Indonesia and Singapore as well as in Thailand. Admittedly the American presence brings local criticism, yet, broadly speaking, these nations welcome American support because of their deep suspicion of China's intentions. Soviet Russia must share these suspicious, for she ranks high today in the catalogue of China's enemies.

All this is argument for the general advantage which is to be found in a negotiated settlement whereby the territory of South Vietnam and its neighbors would be internationally guaranteed by agreement among the powers concerned. Admittedly such a negotiation presents formidable difficulties, as do the military arrangements which must be dovetailed into it, but not more so than some other problems which have been resolved before now.

Those who contemplate that the fighting can peter out without a negotiated settlement are only prolonging the span of the war, even if they do not realize it. Nor is there anything in the record of escalation to establish that it can do other than intensify suffering and multiply the risks of a wider conflict.

Time is an essential ingredient in any settlement which is to be of service to South Vietnam. After the terrible ravages which that country has endured, a full period of years, perhaps as much as ten or fifteen, is necessary before it should be asked to express its will about its relationship with its neighbors.

Probably North Vietnam could continue to infiltrate forces into the South on the present scale for many years to come. On the other hand, the United States cannot be defeated militarily and it is unwise for any country to count upon political events in a foreign land to reverse its policies.

Any nation that is determined upon a hundred per cent victory in a war of this character, where so much is indeterminate, may live to regret that it has not opted for half that figure.

DIPLOMATIC PERSEVERANCE

This at least is certain: It would be an immense relief to the world if peace could be brought to Indochina. Yet that can only happen if all the powers on the sidelines will make their contribution to get negotiations opened. It could take weeks or months, but if it eventually led to the guaranteed neutrality of the North and of their neighbors to the South it would be to the best interest of all concerned. If only they could be brought to believe it.

In negotiation as in so much else: "Perseverance, dear my lord, keeps honour bright."

LATIN AMERICA

Mr. FULBRIGHT. Mr. President, the Washington Post on Sunday in its "Outlook" section, published two articles about affairs in Latin America which should concern all Americans and especially Members of the Senate. Today's Post carries a second article by Mr. Goshko.

The first article by John M. Goshko, entitled "Latin Arms Boomerang," is the first of a series. It is extremely significant and obviously is based upon a thorough study of the situation in Latin America, and is not distorted by our Government's official euphoria. I congratulate Mr. Goshko on the quality and timeliness of his article, as well as on the second article, entitled "Latins Blame the United States for Military Coups."

The other article in the Sunday "Outlook" section is written by Father Blase Bonpane, and it gives an excellent account of the situation in Guatemala, an ominous one for the United States. This article is consistent with and complements the Goshko article.

I commend all three articles to Senators. I ask unanimous consent to have the articles printed in the RECORD as a part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

LATIN ARMS BOOMERANG

(By John M. Goshko)

LIMA.—Since the founding of the Alliance for Progress in 1961, the armed forces of Latin America have beaten back five Communist attempts to inflame the hemisphere with guerrilla warfare.

During the period, however, these same armed forces have participated in the overthrow of 13 Latin governments. Nine of the coup victims were elected, constitutional, civilian presidents.

The statistics illustrate one of the most vexing problems confronting the framers of United States policy toward Latin America: how to deal with the Latin military, an institution that is at once the region's chief shield against internal subversion and the frequent disrupter of its democratic development.

Deeply involved in this contradiction is the American program of military assistance, which has made the United States the major supplier of Latin America's arms and the most influential teacher of its soldiers.

This program—including grants of equipment, training by U.S. advisory missions and schooling for Latin officers at bases in the United States and the Panama Canal Zone—cost U.S. taxpayers $56 million last year. When U.S. arms sales to Latin America are added in, the program's cost climbs to $98 million.

Americans who forget there are U.S. military activities to the south received a shocking reminder recently with the machine gun murder of two U.S. officers in Guatemala.

From Washington's point of view, the military investment has paid off in Latin armies' increased ability to defeat Castro-inspired guerrillas. Before the arrival of U.S. advisers, for example, few people familiar with the Bolivian army's history would have believed it capable of chewing up an insurgent movement directed by Che Guevara.

But U.S. influence has been less successful in promoting the respect for civilian authority and constitutional processes called for in the Alliance for Progress. The military is quite willing to accept U.S. hardware and training, but it resists suggestions that it has no business flexing this muscle in politics.

In the view of an increasingly vocal body of critics, this represents a greater damper to Latin America's democratic evolution than a regiment of Che Guevaras.

HALF THE PEOPLE

Critics point out that almost seven years of the Alliance for Progress, more than half the people and two-thirds of the land in Latin America are still under the thumb of military dictatorships. They point out that even where governments are civilian, the military retains the power to divert badly needed development funds to purchase such showpiece weapons as supersonic jets.

Increasingly, the charge is heard that U.S. military activities run counter to the spirit of the Alliance and make U.S. policy appear hypocritical in Latin eyes. One long-time student of the Latin military, the University of New Mexico's Edwin Lieuwen, says:

"The principal threat to internal security in Latin America comes from suppressed populist forces and the U.S. military assistance program is contributing to that threat."

Herbert Klein, a University of Chicago professor, is even more blunt:

"My impression is that in Bolivia, for example, we train Bolivian special forces to fight insurgents, but they use ther training to massacre mine workers or to put down student disorders."

U.S. policymakers reply that while it is not Washington's aim to perpetuate a military status quo, it would be foolish to ignore the immediate threat of Castorite subversion.

Besides, the Latin military's power would exist with or without U.S. assistance. Therefore, the policymakers contend, continued U.S. influence is important in helping wean Latin armed forces from politics and involving them in development.

Some fundamental changes have taken place in Latin military dictatorship. Only a decade ago, the typical caudillo or strongman was someone like Cuba's Fulgencio Batista or the Dominican Republic's Rafael Trujillo—brutal political gangsters who used their control of the armed forces to enrich themselves and their cronies.

Today, these adventurers have been replaced by a less colorful, more complex breed typified by Juan Carlos Ongania of Argentina and the late Humberto Castello Branco of Brazil, who led coups for reasons that they conceived of as patriotic rather than ambitious.

The old-time dictators ruled by combining charisma with an alley brawler's ability to stay atop the undisciplined factions that used to pass for an army in Latin America. Today's military leader is essentially an organization man whose powers and policies represent a consenus of his officer corps.

In most armies, the corps agrees on its collective position through an informal consultative process that, with proper allowance for rank and discipline, gives a say to everyone from the chief of staff to second lieutenants. "The Argentine officers' corps scrupulously practices within itself the democracy that it denies to the rest of the country," one observer says.

Occasionally, the consensus breaks down in interservice rivalries (the army usually is able to force its decisions on the much smaller navy and air force) or factionalism within the army. When that happens, the result can be civil war like the short-lived struggle in Argentina in 1963 or the bloodier explosion that caused the 1965 intervention of U.S. troops in the Dominican Republic.

Usually, though, disputes are kept within the family. Dissident officers are "exiled" to distant posts or retired.

The officer corps is motivated by what it regards as its traditions, prerogatives and duty to its country. Although this has sometimes led it to sympathize with liberal movements, the tendency in recent years has been to favor stability over reform and change.

POPULAR PRIDE

The military, surprisingly, has retained the good will of the masses in most parts of Latin America. Reformers and intellectuals may deplore the conservatism of the officer corps, but most Latin Americans regard their armed forces with pride and awe.

In part, this is because of the nationalist and romantic heritage of 19th century struggles for independence. Latin cities overflow with monuments to battles and generals that long have been forgotten by the rest of the world. The servicemen of today, streaking by in modern jets or parading in Napoleonic era uniforms, form the link with an idealized past.

Another factor conditions the public attitude: The officer corps offers a poor boy a chance to get ahead. Although the small Latin navies traditionally have been a haven for younger sons of the oligarchy, the other services take a large percentages of cadets from the lower middle class.

Castello Branco and Ongania both followed this route. So did Brazil's current president, Arthur da Costa e Silva, Paraguay's Alfredo Stroessner and most military leaders of the present generation. Many a family finds the sum of its ambition a son bright enough to win appointment to the military academy.

This social mobility has distinct limits. In Argentina, the only Latin nation with a sizable Jewish population, one would have to look very hard to find any Jewish names in the officer corps. In those countries with large Indian or Negro minorities, the officer corps maintain a color line, although one man who annually attends the graduation ceremonies of the military academy in Peru contends that "each year the faces of the new lieutenants get a little bit darker."

Recently, the military career has run into competition from business and the professions. In fact, one of the chief spurs to the military's current hunger for supersonic jets and other sophisticated hardware is its conviction that it will be unable to recruit bright prospects unless it can offer them the trappings of a jet age army.

But for the present, military officers continue to excite respect and envy. Salaries, if not opulent (a general in one of the larger armies earns about $10,000 a year), are respectable. Blatant corruption has been subdued, but the officer corps still maintains special privileges.

WARY OF REFORM

In almost every country, the best medical care is found in the military hospitals.

Such capitals as Caracas, Buenos Aires and Asuncion boast officers' clubs of eye-dazzling luxury—though the public can now visit the club that Perez Jimenez built in Caracas. Some nations even give their officers special import privileges that allow them to possess cars and other luxury goods at a fraction of the normal price. In a carryover from the old days, the military in many areas thus trades in contraband.

In Buenos Aires, women push their way to the front of a supermarket or bank line brandishing cards identifying them as the wives of officers. In Lima, a request from a general can quickly erase the two or four years that most citizens must wait for a telephone.

Their comfortable niche makes the armed forces suspicious or reform that could erode their power.

This does not mean that the military is reactionary in the same sense as the big business and landholding oligarchies with which it often finds itself allied. Actually, the officer corps' innate nationalism makes them acutely aware of Latin America's wretched underdevelopment.

But while the armed forces are increasingly willing to take part in the modernization process, they see their role primarily in physical development—the building of roads and dams. In the more basic area of social reform, the military seems haunted by the fear that any radical change will lead to communism, as it did in Cuba.

In fact, many observers think the militarism that parallels the Alliance for Progress is largely a reaction to Fidel Castro. Latin military leaders recall how Castro lined Cuba's senior officers up against the executioner's wall. They recall also that Castro began as a moderate reformer and as a result they view all reform movements as a potential threat to their lives and institutions.

During the early 1960s, the military in most Latin countries forced hesitant or reluctant civilian governments to make the diplomatic break with Cuba. In all nine countries where a civilian government was recently ousted by coup, the armed forces gave the need to save the countries from communism as one of their main justifications.

The military does not seem in any hurry to relax this attitude. In only five Countries—Mexico, Chile, Uruguay, Costa Rica and Panama—do armed forces have a tradition of submitting to civilian authority. Colombia, which a decade ago suffered under an oppressive military regime, also has shown signs of moving in the direction of constitutionalism.

Eight countries are ruled by outright military dictatorships. These range from such tiny political backwaters as Paraguay, Nicaragua, El Salvador, Honduras and Haiti to the two largest countries of South America, Brazil and Argentina.

In the smaller countries, where there is little or no democratic tradition, the military rules pretty much in the "banana republic" style of past generations.

In Argentina and Brazil, and to a lesser extent in Bolivia, the armed forces have decided that civilian leadership is corrupt and incompetent and that the military is the only institution capable of prodding the country toward industrial modernity. The result has been a combination of capitalism and social conservatism reminiscent of pre-World War II Germany, Japan and Italy.

As Prof. Lieuwen points out, these armed forces are "attempting revolutions from above" with the emphasis on economic change.

In Argentina and Brazil, they favor the business and landholding interests and put the burden of sacrifice on such low-income groups as trade unions and small farmers. The justification is that if the economic reforms are successful, the entire country ultimately will benefit.

While it will be a long time before the final returns are in, all three countries have shown some tentative success in combating deep-seated economic maladies.

Although these experiments, particularly in Brazil and Bolivia, have enjoyed the enthusiastic backing of Washington, the military leaders of all three countries have made only token efforts to implement the social reforms envisioned by the Alliance for Progress. They have been increasingly dictatorial, with political activity and dissent either suppressed outright, as in Argentina, or kept under tight control, as in Brazil and Bolivia.

Finally, there are five countries—Peru, Venezuela, Ecuador, Guatemala and the Dominican Republic—where a civilian sits in the president's chair but where the military has the power to pull it out from under him. Here, the collisions between military attitudes and Alliance ideals are not as obvious but they exist.

THE MODEL OF PERU

A typical example is offered by Peru, whose armed forces are frequently cited by U.S. advisers as a model for other Latin armies. At first glance, there seems to be much to emulate.

The Peruvian army is a lean, tough force that fought and won the last war on the South American continent (a 1942 dustup in which Peru decisively whipped Ecuador). More recently, the Peruvian armed forces have faced a challenge from Castroite guerrillas and wiped it out with a speed and precision unmatched by any of the other countries with an insurgent problem.

At the same time, the armed forces here have participated in an extensive and sophisticated nation-building program. Until recently, the army was the only active road-building agency in Peru. Its vocational training schools offer many young Peruvians their only chance to learn such trades as bricklaying or shoemaking. It runs literacy campaigns for the peasants.

In the jungles of Peru's Amazon interior, a squadron of gunboats (facetiously called "the Atlantic fleet") cruises the river tributaries bringing medical and dental care to remote outposts. The air force operates an airlift whose pontoon planes swoop down on the rivers to transport the sick.

The Peruvian military takes justifiable pride in these services. The result of this pride, however, is to bolster the military's image of itself as a sort of supreme court with the duty to act as arbiter between civilian politicians and, if necessary, to cast them aside and take over.

Twice within the last 20 years (from 1948 to 1956 and from 1962 to 1963), it has done so. The memory of those times causes every politician in Peru from President Fernando Belaunde Terry on down to regard the good will of the generals as their first rule of survival.

Thus, when the air force decided recently that it wanted to acquire a squadron of French supersonic Mirage jets, neither the vehement objections of the United States nor the shaky state of Peru's finances were able to prevent it from having its way.

Not a single voice was raised publicly to question the wisdom of the move or point out the problems it would create for Belaunde's efforts to bolster the sagging economy, even though the jet purchase probably will cost Peru a badly needed U.S. loan.

Instead, Belaunde, who is regarded as one of the region's most articulate advocates of reform, led the bipartisan chorus applauding the purchase of the jets. The planes were needed, he explained with a straight face, to help further the armed forces' development work.

No one familiar with Latin American affairs is under any illusions about what happened in Peru. There are those who argue that this is the price that must be paid to protect Latin America from Castroism and give the Alliance for Progress time to work. But others wonder how much protection of this sort the Alliance can stand.

[From the Washington Post, Feb. 6, 1968]

LATINS BLAME THE UNITED STATES FOR MILITARY COUPS—AID IS SUSPECT

(By John M. Goshko)

LIMA.—Brig. Gen. Vernon D. Walters is an affable, urbane man whose many talents include a remarkable facility with languages. At one time, he was well-known in Washington as President Eisenhower's favorite interpreter.

More recently, "Dick" Walters has had a reputation of a different sort. In Brazil, where he served as U.S. military attache, political circles still whisper about how he allegedly prodded his old World War II comrade, the late Marshal Humberto Castello Branco, into leading the 1964 coup that brought Brazil under military rule.

Half a continent away, in the Bolivian Capital of La Paz, similar stories are told about another former U.S. attache, Air Force Col. Ed Fox. A flying instructor and drinking companion of Gen. Rene Barrientos Ortuno, he was regarded as one of the Air Force's leader's intimates in the days before the coup that catapulted him into the Bolivian presidency.

The victim of that coup, exiled former President Victor Paz Estenssoro, still insists that Fox was behind his ouster. Among Bolivians with an awareness of politics, it is hard to find anyone who disagrees.

These stories are now part of Latin political folklore. Spokesmen for the U.S. Embassies in La Paz and Rio de Janeiro have grown hoarse in their denials.

Washington, while conceding that it was not unhappy to be rid of Brazil's leftist President Joao Goulart, insists that it gave no comfort to the forces that toppled him. Lincoln Gordon, U.S. Ambassador in Rio at the time, later told the Senate Foreign Relations Committee: "Neither I nor other officials of the U.S. Government nor the Government in any way, shape or manner was involved . . ."

Still, U.S. officials admit that Walters did drop around to have breakfast with Castello Branco the morning after the coup and urged him to assume the presidency. During the ensuing three years, Walters, with his links to the Brazilian military leadership, was known to be one of the most important behind-the-scenes figures in the Embassy.

BOLIVIAN SITUATION

Denials of U.S. involvement in the Bolivian coup follow the same pattern—with the additional point that U.S. policy in 1964 aimed at keeping Paz Estenssoro in office. Yet there are former members of the U.S. mission in Bolivia, who, in private, hint at "contradictions" among the Embassy personnel at the time of the coup.

Both Walters and Fox are gone from the Latin scene. Argument about what they did or didn't do would now be academic—except for one thing. To most Latin Americans, the stories of their alleged extracurricular activities have the ring of truth.

So do the rumor-clouded reports of other U.S. military activities in such places as the Dominican Republic, Guatemala and Honduras. More than six years of U.S. investment in the Alliance for Progress have been unable to rid Latins of their conviction that U.S. policy is made in the Pentagon.

For they are aware of the close collaboration between the U.S. and the powerful Latin armed forces, including those in most of the eight countries that live under military dictatorships. Why is there such collaboration?

SEE FEAR OF CASTRO

Latins believe the answer is fear of Fidel Castro. They feel U.S. policy is aimed less at furthering the Alliance than at keeping the Latin military establishment pro-U.S. anti-Communist.

U.S. officials insist that military and civilian goals are really two chips from the same block. A recent State Department pronouncement puts it this way:

"Basically we support the Alliance for Progress. But you can't separate the military from the far-larger area of economic and social change and improvement. The economy of a nation and the welfare of its people cannot progress in a climate of civil disturbance."

Gen. Robert W. Porter, head of the U.S. Southern Command, praises the Latin armed forces as an instrument for "change through evolutionary rather than revolutionary means."

In a recent Washington speech, Porter said Latin America threatens to become another Vietnam unless the U.S. helps armed forces there provide a shield against insurgency while the governments build a stable society.

This is the rationale on which officials base the equipment sales and training programs that make the U.S. the chief outside influence on the Latin armed forces. Grants and sales have been running at about $98 million annually, although congressional action will reduce this year's total.

As the program's backers point out, military aid is only 7 per cent of all U.S. aid to Latin America. It also accounts for only 7 per cent of Latin America's total annual expenditures for defense purposes.

Three-fourths of U.S. military aid is for acquiring arms and equipment. This is subject to a statutory ceiling in foreign-aid legislation. The ceiling recently was cut by Congress from $85 million to $75 million.

Transfers of military hardware come through cash and credit sales and grants. The grant program covers transport vehicles, helicopters, spare parts and communications equipment, but no tanks, fighter planes, artillery or combat vessels.

The remaining aid funds are used for training and miscellaneous functions. A small portion (about $4 million a year) provides support for Civic Action—the highly publicized program of military participation in such national development projects as building roads and rural schools.

EMPHASIS ON SECURITY

The overwhelming emphasis in equipment grants and training is on internal security. Less than a decade ago the Defense Department insisted that the greatest danger came from "submarine action in the Caribbean Sea and along the coast of Latin America." Since 1961, however, U.S. strategic thinking about Latin America has focused on guerrilla warfare.

The nerve center of U.S. military activity in Latin America is Gen. Porter's Southern Command, headquartered in the Panama Canal Zone.

Its functions include supervising the 43 military advisory groups scattered through 17 Latin countries (all but Mexico and Haiti). These missions, separate from the military attaches on each embassy staff, have a total strength of about 800 officers and enlisted men from all four services. They range in size from five men in Panama to well over 100 in Brazil, and they train soldiers in everything from driver education to riot control.

They are extremely well-heeled in comparison with their sister civilian agencies. In Brazil the military mission's representation allowance for entertaining is $17,900 a year. The Agency for International Development people in Brazil, who administer the largest single U.S. aid program in Latin America, have a total representation allowance of $7000. The U.S. Ambassador's similar allowance is about $6000.

The Southern Command also oversees a more advanced training program. Each year it enrolls more than 2000 Latin officers in U.S. military courses at levels going all the way up to the Command and General Staff School at Fort Leavenworth and the Inter-American Defense College in Washington.

The focal point of this program is the School of the Americas at Fort Gulick in the Canal Zone. (The school's location apparently contradicts the 1903 treaty with Panama, which says U.S. troops should be stationed in the Zone solely to defend the Canal.)

COURSES OF 40 WEEKS

Although the school's stress is on counter insurgency, its curriculum includes 23 different courses, some running for 40 weeks. All are taught in Spanish or Portuguese by U.S. military instructors. The faculty is heavily weighted with Puerto Ricans, Mexican-Americans and Cuban exiles.

More than 20,000 Latin military men have studied at the school, and a graduate normally commands respect among his fellow officers back home. The school counts so many important Latin officers as alumni (including the current Defense Ministers of Colombia and Bolivia) that it is known throughout Latin America as the "*escuela de golpes*" or coup school.

During the Dominican Republic civil war in 1965, School of the Americas graduates turned up in leadership spots on both sides. When the Argentine army took over the government in 1966, the colonel acting as spokesman for the coup leaders greeted Amercian correspondents by remarking how much he had enjoyed his "year in Panama."

GREEN BERET UNIT

The image of glamor—and lightning rod of controversy—in the military assistance program is another organization at Fort Gulick. A neat row of barracks is headquarters for the 8th Special Forces-Special Action Force for Latin America, a unit of 800 Green Beret specialists in the art of guerrilla warfare.

The unit consists of 17 training teams that travel through Latin America at the request of Latin governments, supplementing the work of resident U.S. missions by offering special instruction in counterinsurgency. Since the unit was established in 1962, the Green Berets have operated in all 17 countries where the U.S. has advisory groups.

It was one of these teams—its 16 members making it the largest force ever sent into the field in Latin America—that trained the Bolivian troops who bagged the master guerrilla, Ernesto Che Guevara. In Venezuela, Colombia, and Guatemala, Green Beret advisers are given much of the credit for helping local military forces crush guerrilla movements.

Despite the successes attributed to the Special Forces, many U.S. diplomats view their presence in Latin America as a mixed blessing. They believe that the increasing publicity they get draws too much attention to U.S. relations with the Latin military and hardens the image of the U.S. as a partner of repressive forces.

COMPARED TO VIETNAM

Anti-American propaganda increasingly focuses on the Green Beret rather than its old standby, the less easily identifiable CIA agent, as the symbol of Washington's behind-the-scenes domination of Latin America. Even in the U.S., there are people who recall that the Vietnam war started out with Special Forces troops in an advisory role, and who are uneasy about their prominence on the Latin scene.

During the Bolivian guerrilla campaign last summer, the air was filled with vague reports of "thousands of Green Berets" flooding into the Andes. Actually, in the past year the number of U.S. troops in Bolivia has never exceeded 150, and these men never got anywhere near the fighting. Their activities were carefully confined to training and helping the Bolivians unsnarl their supply, communications and intelligence problems.

Similar rules hold in all the other Latin countries where the Special Forces operate. Because U.S. officials suspect the guerrillas want to force the U.S. into combat by killing some American advisers, U.S. troops are forbidden to accompany Latin army units on patrol in countries with insurgency problems.

In Guatemala city recently, Communist guerrillas did kill two U.S. officers in an evident attempt to stir up political trouble. The U.S. scrupulously avoided any direct response to the provocation.

IS SUPPRESSION ENCOURAGED?

Critics on both sides of the U.S. border argue that military assistance cannot avoid the danger of encouraging Latin armed forces to suppress all dissent in the name of internal security.

Nor are they reassured by the official Washington doctrine that everyone is on the same team and working toward the same goals. They point out that many military advisers view the U.S. role in Latin America in the simple terms expressed by one high-ranking officer: "Our job down here is to see that the Commies don't take over."

From there, it is but a short step to the idea, long dominant in right-wing Latin circles, that Latin America is not yet ready for democracy and needs guiding by a strong hand like the armed forces.

Anyone who has much contact with U.S. military personnel in Latin America becomes accustomed to remarks about how "Washington is awfully naive if it thinks it can make the Latins over in our image."

YOUNG OFFICERS

But the assistance program also includes a fair cast in concrete. And if we sprinkling of younger officers who recognize that the day is passed when the U.S. could maintain Latin America as a sphere of influence through its friendship with regional military chieftains.

Unlike those liberals who regard the Latin military as an institution to be destroyed, these officers think the armed forces can make a real contribution to the region's future progress.

They support Civic Action and other plans to rechannel the military's power from politics to national development. By greatly expanding and accelerating this side of the assistance program, they think, the Latin armed forces gradually can be brought to accept the idea of civilian dominance.

GENERATION GAP

"There's no denying that the top layer of the Latin officer corps is set in its ways," says an officer with long Civic Action experience. "But that's less an institutional problem than the result of the generation gap.

"What must be done is to become much more selective in deciding who we're going to make an effort with—who we pick for the openings in our schools. We've got to concentrate on the younger, idealistic men who haven't had their thinking cast in concrete. And if we do, we could revolutionize the Latin military in a single generation."

There are signs that this sort of thinking may eventually bring about big changes in the military assistance program. The program's supporters talk less about the dangers of communism now and more about the democratizing influence of U.S. advisers on their Latin counterparts.

But emphasis on internal security continues to be a very real and conspicuous first principle of U.S. Latin American policy. As long as it does, Washington's close ties with the Latin military will continue to strike most Latins as looking suspiciously like the tail that wags the dog of U.S. devotion to the Alliance for Progress.

A PRIEST ON GUATEMALA

(*The Rev. Blase Bonpane, 38, raised in California, is a priest of the Catholic Foreign Mission Society of America, better known as Maryknoll. A former superior of his order for its Denver region, he received a master's degree in Latin American studies from Georgetown University and was assigned in 1966 to work among university students in Guatemala. Father Bonpane was withdrawn from the Central American republic in December by the Maryknoll order in the wake of a decision by two of his priest colleagues, the Revs. Arthur and Thomas Melville, and a Maryknoll nun, Sister Marian Peter, all of them American citizens, to join the Guatemalan revolutionary movement. Father Bonpane's views on Latin America and particularly on Guatemalan social questions may prove startling to many Americans but are widely held among leading Catholic experts on the area.*)

(By Father Blase Bonpane)

The Central American republic of Guatemala may well be the Vietnam of tomorrow. American activities so far in the smoldering Guatemalan civil war suggest that the United States, in betrayal of its highest ideals, is preparing to take on the futile task of commanding the tides of freedom to roll back.

Guatemala smells like South Vietnam did a few years ago. There are the same United States military advisers by the hundreds, the same corrupt power structure, the same fear of communism to the point of paranoia, the same group of peasants weak in themselves but firmly determined that no foreigner is going to overcome them on their land.

Those who lead the Guatemalan revolution look at the United States involvement in Vietnam and say:

"You Americans, with a half million troops, with bombs, with napalm, with an air force, with the best military expertise in the world, with the finest technical aid, have not been able to contain the situation in half of one small Asian country.

"What is going to happen when you are confronted with ten Latin American countries? If you learn your lesson from Vietnam—we might say, if you repent of Vietnam—you will not be destroyed. If you repeat the Vietnam experience in Guatemala, in Colombia, in Bolivia, in Brazil, in Mexico, in Peru, we Latin Americans maintain that there will not be a United States."

As a North American priest, I believe that this insight of the Latin American, both the intellectual and the common-sense peasant, is correct. Those who guide United States foreign policy have found the formula for the destruction of the greatest nation in the world. The formula is to try to contain or to destroy valid popular revolutions. We cannot do it. The lesson of our history should teach us that raw power cannot be set against the will of man.

In Guatemala, the United States is standing militarily behind an oligarchy of 2 per cent of the Guatemalan people who possess 80 per cent of the land and resultant power.

IT'S OUR ARMY

We Americans have supplied the army with weapons, with training, with helicopters, with planes. We have helped the national police to hire new personnel and provided them new carbines, so that pairs of policemen are now found on every street corner. We have bought the police cars for the secret police.

In a very real way, the Guatemalan army is our army. If it were at the service of the people, it might be encouraging to know that we had staffed an instrument of law and order in Latin America. But this army is in the service of corruption. It is in the service of a society in which most people are hungry.

Over half the Guatemalan people are suffering from malnutrition. A wage of 50 cents a day in Guatemala is above average, but meat is 40 cents a pound and eggs 50 to 60 cents a dozen. This means that people don't eat and children die unnecessarily. Of the 70,000 a year who die in Guatemala, 30,000 are children. Guatemala's child mortality rate is 40 times that of the United States.

Destitute people find it hard to think. We don't find revolutions beginning among the destitute. Revolutions are begun by people who "turn on" the destitute. In most of the world's revolutions this has been a small, middle-class group of intellectuals who explain to the poor their plight.

During my 15 months in Guatemala, I was the national director of the Cursillos de

Capacitacion Social; in English, Workshops on the Social Question. At the National University of Guatemala, we operated what might be called a "center of social awareness."

In Guatemala, university students total about .4 of 1 per cent of the population. This tiny minority is extremely important and rather vociferous. In our program in the National University we started the students off with eight days of work, study, eat, sleep. During the eight days we studied capitalism, socialism, Marxism, communism, papal encyclicals on social questions, sociological data on Guatemala, possible solutions to the Guatemalan phenomenon. On the course's eighth day we invited the student into the field to meet the farmer and to work with him in understanding what we had discussed.

The students, working mostly on weekends, discussed with the peasants such concepts as the dignity of man, the common good, community, the right to organize, how to organize, especially how to organize peasants' leagues, that is, farmers' unions.

When a break occurred in the regular school schedule, we invited the students to direct six-week courses in literacy, hygiene and health.

During our last six-week program, we received one of many accusations that came our way. Someone mentioned to me that he had heard from the army, from the far right, that we were about to begin an armed revolution in Huehuetenango. I said it would be easy to prove the falsity of such an accusation by going up to Huehuetenango and seeing what the 90 students were doing. We invited the mayor, the governor, various high-ranking military officers to see the closing of the program.

Those who went up there saw that there wasn't even a slingshot.

I am called a Communist in Guatemala. So is anyone who is interested in the organization of labor, in seeing the peasant earn more than 40 cents a day, in a just division of the lands—anyone who spends too much time concerned about the very poor.

I have been told by wealthy people: "We will stop you."

After the wealthy charged my friends and me with being Communists, they charged that we were plotting armed revolution. This second accusation was really the most dangerous and it led several students to flee for their lives.

A GOOD USE

Church money was given to various students to help them get out of the country, and I think that the accusation that the Melvilles had used church money for other than church purposes is false. I think they used church money to help students flee the country for their lives, and I think that would always be a good place to use church money. It was urgent that these students leave because they would be shot down without a hearing by the secret police. That's how Guatemala now operates.

The violence that surrounds life in Guatemala is hard to imagine. It permeates everything. The army and the far right have this year murdered close to 3000 of their opponents.

The so-called extremist right is directed and approved of by the army. I recall a visit to the town of Gualan in the department of Zacapa. I went there with a team of students from the National University to establish a new youth center. A week after the group was organized, its president received a death warning from the Mano Blanca (White Hand).

I went alone to visit the head of the Mano Blanca and asked him why he was going to kill this lad. At first he denied sending the letter, but after a bit of discussion with him and his first assistant, the assistant said, "Well, I know he's a Communist and so we're going to kill him."

"How do you know?" I asked.

He said, "I know he's a Communist because I heard him say he would give his life for the poor."

CHRIST AS A COMMUNIST?

With such a definition of communism, we find many new names in the Communist ranks, including Christ's. The point is that the allegation of communism is made very hastily. The second point is that after the accusation people are killed.

We'd better get used to socialistic states in Latin America, because we're not likely to see anything more mild than Mexican socialism and other solutions will probably be farther left.

We don't want Cuba or any other country pointing missiles at us. But neither can we expect to determine what kind of government other countries are going to have. This implies a great change in the psychological relationship of the United States to Latin America. All through our history we have acted as if the Latin nations were our colonies.

The sooner we learn these independent nations are not our colonies, the fewer guerrillas we are going to have in the mountains.

The guerrilla is not just a loud-mouthed ruffian. My image of him is a soft-spoken, well-read, dedicated person who has reluctantly made the decision, backed by the majority of Latin American sociologists, that the only way to change the current power structure in Latin America is violence.

Frequently the guerrilla comes to this conclusion because he is a Christian. The development of the Christian mystique in the armed movement in Latin America may be the catalytic agent that will bring about revolution in these countries more rapidly than we had imagined.

INSTITUTIONALIZED VIOLENCE

I believe the well-read student can say honestly the status quo is so intolerably violent that it killing my brother: my brother is suffering as a result of the institutionalized violence in which he lives. He is dying because he doesn't eat. He is dying because he doesn't have land. He is dying because he cannot organize his labor. He is dying intellectually because he has no schools.

To take a nonviolent position in the face of such violence is to approve of violence. The Latin American guerrilla of a Christian temper, taught by Pope Paul's Christmas message, agrees that Christianity is not pacifism and believes that the witness of his fighting is necessary at this time.

I find that the guerrilla frequently has the New Testament in his pocket. I recall one saying to me that he had lost 80 of his friends in one year and that this had made him very sad. But he said that he felt that Jesus had told us that the seed had to fall into the ground and die or it would remain by itself alone. He felt that he and his friends were the seed of a new order that was coming to Guatemala.

There is a great prophetic ring about so many of the things that the guerrilla says. One told me the revolution in the church would begin in Guatemala. He said, "We are going to be very hard on the church, but I think that we are going to have a church that is more pure, a church that is more primitive in the good sense of that word, and I think that the ecclesiastical revolution will begin here in Guatemala."

REACHING THE UNEDUCATED

The commitment of Guatemalan intellectuals is now beginning to reach the uneducated. The peasant has a catalyst of revolution in his hand, the transistor radio. He realizes something is wrong with his life and he know that it can be better. He knows that the goods and services of society do not reach him. He is willing to fight rather than deteriorate.

I am a patriot. It sickens me to see my country on the wrong side in Guatemala. I think the United States is the greatest country in the world, and I don't want to see it on a self-destruction course. These new five, six, seven, eight new Vietnams that could erupt in Latin America would be the end of the United States because we would find that our boys wouldn't go.

The fact that two priests, Fathers Art and Tom Melville and Sister Marian Peter—three of my closest friends—have entered into the Latin American revolution directly does not surprise me. Their act is a valid witness for the church in Latin America. Things are that bad.

In his encyclical on development (Populorum Progressio), Pope Paul states that violent revolutions generally beget new evil and are not to be encouraged. But he qualifies the generalization, excluding revolts "where there is manifest long-standing tyranny which would do great damage to fundamental personal rights and dangerous harm to the common good of the country."

BUCCANEER CAPITALISM

If there is anywhere in this world where such tyranny has persisted, it is Latin America. Centuries have not been time enough to bring development any further than selfishness, individualism and 19th century buccaneer capitalism.

I think that the Melvilles and Sister Marian Peter will one day be looked upon as among the great heroes of the church in this century, because they helped point up the horrors of the intervention of power politics into small, weak nations.

I think what they're doing is going to result in many people having a better way of life and is going to bring attention to the great errors that the United States makes by muscling its way into Latin American countries.

Hence, if I think there's any message from all this for the United States, I would say that we should discontinue our vast military aid to Latin American countries.

We could give our attention to projects of social betterment. Then also we could understand that we are opposing currents of thought and desire in Latin America that are already formed and growing. These currents are not specifically communistic, but with our current posture, only communistic nations are taking advantage of these currents of thought and desire.

Contemporray religious thought, taught by the Second Vatican Council, has brought us much closer to the revolutionary mind. Before the Council it was common to think that as missionaries we should arrive in a foreign land with desires, hopes and goals, and give these hopes, desires and goals to the people.

But a better understanding of the Incarnation teaches me that my job is to arrive in a foreign land and to enter into the hopes, the desires and the anxieties of the people, even unto their ultimate consequences.

In days to come the word "missionary" will be clothed with deeper meaning. Alan Paton says well what mission is not:

"Love without justice is a Christian impossibility, and can only be practiced by those who have divorced religion from life, who dismiss a concern for justice as politics and who fear social change much more than they fear God."

SENATOR SMITH VERSUS VIOLENCE IN FILMS

Mr. AIKEN. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Senator SMITH Versus Violence in Films," written by Richard L. Coe, which was published in the Washington Post of Sunday, February 4, 1968.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR SMITH VERSUS VIOLENCE IN FILMS

(By Richard L. Coe)

Like a lot of people these days, Sen. Margaret Chase Smith is concerned about violence and sex on screen and TV. This concern goes against her congressional grain, for the only woman to serve in both houses of Congress has centered her career in the world of arms and space. By doing her homework, Sen. Smith has caused military and spatial authorities to go back to their books and return to her, sometimes privately, with apologies.

This kind of nitty-gritty dealings in the rugged terrain of Messrs. McNamara and Webb is far more to Sen. Smith's temperament than the prissy business of sniffing at the movies. While she is an intensely female female, from her smart high heels to the tiny red rose she sports afresh every day, Sen. Smith is frankly proud of the respect she commands from 99 male peers as a senior member of three major committees, Armed Services, Appropriations and Aeronautical and Space Sciences. Talk to other Senators about her and you'll find she rates high.

Thus, turning her attention to the frivolous world of theater and home screens has required an effort.

"But something has got to be done," she commented the other afternoon in her muted, immaculate Senate office, "What I want to protect is the freedom of the screen. I want to avoid censorship. I think it's fine we have less of it than we did."

"But"—and she weighed her words slowly—"unless there is more responsibility, we'll get more censorship and less freedom.

"Don't forget, I'm a Republican. I don't want to see the government getting into everything, but something has got to be done about the violence our young people have poured at them from the screens, at home and in the theater. And in the advertising, too. Just look at the ads!"

Maine's senior Senator rejoices that in the past 14 years state and city censorship laws have been disappearing.

"In our doctrine of freedom," she observes, "it is a constitutional violation to keep certain films from adults as well as from children. As Judge Frankfurter put it, such laws were like burning down the house to roast the pig."

Instead, she points to film classification, the means many foreign countries use to protect children from violence and sex on the screen. She observes:

"The actual classifying can be done by industry, government or by some group combining the two. It can be enforced legally by towns, counties or states or followed voluntarily by distributors, producers and theater owners."

She also has some warnings.

"Mr. Valenti, of the Motion Picture Association, at one time seemed impressed with the classification idea. But he's turned on it and the turning came after Metro-Goldwyn-Mayer's hypocritical release, through a subsidiary company, of 'Blow-Up,' for which a Code seal had been disallowed. For Metro to pull this trick was blatant hypocrisy and there are many other instances of such finagling.

"However, even under the organization's Code, the problem of adult foreign films being shown to immature audiences still remains.

"I don't pretend to have the answers on how to cope with such questions but that is the reason I want them discussed. All my bill asks for is to consider the problem. I don't offer any specifics. My resolution simply asks that responsible people discuss the whole problem."

Though Sen. Smith introduced her bill over a year ago, the question has, if anything, been intensified. Violence on film has been increasing and even the understanding of its meanings has been clouded. For instance, to this observer, the violence in "Bonnie and Clyde" is meaningfully used. The frightening ignorance of that physically attractive pair leads directly to their gory end and the lesson is brilliantly pointed so far as young people are concerned. On the other hand, that "Dollar" series, typified by Keith's current "The Good the Bad and the Ugly," uses violence purely for shock value. This series, purportedly about the Old U.S. West, is master-minded by Italians working in Spain. The violence in this and other films is sheer sadism.

The Producers Guild of America Journal recently devoted a full issue to the matter. A many-sided discussion, this was most impressively summed up in a paragraph by Dr. Fredric Wertham, noted for his studies on human violence. Dr. Wertham wrote:

"With regard to violence, moviegoers fall into three categories. First, there are those who told of being genuinely upset; they closed or covered their eyes at certain scenes or walked out of the movie. They made up a considerable percentage. Others were enthralled, fascinated and captivated. The third group had become completely accustomed to it. They were indifferent and felt: this is how it is; you might as well see it. This is in my opinion the most dangerous and socially harmful effect. It would be foolhardy to assume that such an attitude does not spill over into actual life. What it really signified is a devaluation of human life."

Dr. Wertham's third category—those who take devaluation of human life for granted—is the critical area Sen. Smith wants to highlight in her questioning.

"Of course," she remarks, "the responsibility does lie with parents, but that doesn't mean they always accept it or can cope with it. The theater movies of today will very soon be on the home screens. What then? Hasn't TV always put a premium on violence?

"You'll notice," she laughed, "that I'm asking questions, not giving categorical answers. That's what this bill of mine is all about though some do enjoy taking the easy way for a laugh by thinking of me as some new version of Mrs. Grundy. That's not the point."

Within a week or so, the Senate Commerce Committee, chaired by Sen. Warren G. Magnuson (D-Wash.) will decide whether to consider Sen. Smith's S. Res. 9. Those in favor of the discussion, might do some prodding by writing their Senators.

TIME FOR ACTION AGAINST AUTO THEFT

Mr. KUCHEL. Mr. President, increasing crime in America is one of our greatest domestic concerns. Each day we are confronted with new and larger statistics on crime. The conscience of every American is enflamed at this growing disregard for the rules of our society. The law-abiding people of this country are demanding and are entitled to effective counteraction on every level.

In January of 1967, I introduced for the second time legislation aimed at curbing one of the leading criminal offenses committed in America today—auto theft. It is an offense which is usually a stepping stone to more serious crimes. Auto theft ranks third among the most frequently committed felonies throughout the Nation. More than half a million cars were stolen in this country in 1967. The number of auto thefts has more than doubled since 1955.

Although carelessness on the part of automobile owners contributes to auto theft, even automobiles which are properly locked can be stolen easily by professionals, and without much more difficulty, by amateurs. One of the leading causes of this ease of theft is the uncontrolled sale and misuse of the master key. For a small, minimal price, any citizen—law abiding and criminal alike—can obtain a key which will open the door of literally hundreds of cars. It is essential that interrelated Federal and State laws be enacted making it illegal to sell, possess or receive master keys unless they are for legitimate users.

The purpose of my bill, S. 644, would require that no master key shall be shipped in interstate commerce to a person prohibited by State law from receiving or possessing master keys. It is intended not only to strengthen State regulations but to encourage those States which do not now regulate the sale of master keys to consider establishing appropriate controls.

But despite the frightening statistics on auto thefts and the urgent need for legislation in this area, the Senate Committee on the Judiciary has failed to act on my or any other proposal in this area. In a recent letter to the committee, the executive vice president of the American Automobile Association, Mr. George F. Kachlein, Jr., appealed for early hearings on legislation aimed at curbing the use and sale of master keys for motor vehicles except to authorized persons. I join in his request. This desperate problem can no longer be ignored. The American people are concerned about crime. My bill aims at preventing a leading criminal offense in this Nation—auto thefts. The flagrant misuse of master keys must be controlled on a State and Federal level if the interests of all Americans are to be safeguarded and protected.

I ask unanimous consent that a copy of the letter from Mr. Kachlein to the Committee on the Judiciary as well as an article appearing in the Los Angeles Times on this subject be placed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN AUTOMOBILE ASSOCIATION,
Washington, D.C., December 9, 1967.

Hon. JAMES O. EASTLAND,
Chairman, Committee on Judiciary,
U.S. Senate, Washington, D.C.

DEAR SENATOR EASTLAND: Two bills to curb the use of master keys for motor vehicles have been introduced in the Senate and referred to your Committee. Twelve similar bills have been introduced in the House, as of December 1.

The American Automobile Association would like to request your assistance in giving these measures an early hearing. Both S. 644 by Senators Thomas Kuchel and Hugh Scott, and S. 1783 by Senators Abraham Ribicoff and Robert Kennedy deserve full consideration in order to stem the rising rate of automobile thefts.

In 1965, there were 493,100 motor vehicle thefts. This jumped to 557,000 in 1966. In 40 percent of these thefts, the owners left an open ignition or keys in the ignition with the doors unlocked. To remedy this, the AAA played a major role in a recent national auto theft prevention campaign to warn the public against making such costly, inviting mistakes.

Directed by the United States Department of Justice, 19 organizations sought to make their members and the public more aware of the ways they can prevent auto thefts.

At the same time, automobile manufacturers have begun to include devices which will make motor vehicles more difficult to steal.

The third facet of this attack, we believe, is legislation at the Federal level to prohibit the sale or use, except by authorized persons, of these master keys, which will start a large variety of different vehicles.

From various parts of the country, we are receiving letters from members telling us they have received unsolicited requests to buy these keys. A copy of a typical advertisement is enclosed. Since activity appears to be on the upswing, we are asking for an early hearing on preventive legislation.

The delegates to our recent annual meeting, acting in behalf of our ten and one-half million members, reaffirmed a resolution calling for the "enactment by the Congress of legislation prohibiting the sale in interstate commerce of motor vehicle master keys except to authorized persons."

Thanking you for your consideration of this matter, I am with all best wishes

Cordially,

GEO. KACHLEIN, Jr.,
Executive Vice-President.

Enclosures.

SPECIAL BULLETIN—FINAL OFFER

Now! You Can Open Any Car or Truck.

To: New Car Dealers, Used Car Dealers, Service Stations, Police Agencies, Repossessors, Banks & Finance Cos., Locksmith, Independent Garages, Parking Lots, etc.

DOUBLE MONEY-BACK GUARANTEE ON OUR MASTER KEYS

"3" keys to open all Ford Co. products (Fords, Lincolns, Mercurys, T-Birds, Mustangs, etc.), $3.

"3" keys to open all Rambler Products (Americans, Ambassadors, Rebels, etc.) (Plus Jeeps and International Lines), $3.

"3" keys to open all Chrysler Motor Co. products (Chryslers, Plymouths, Dodges, De Sotos, Valiants), $3.

"6" keys to open all General Motors Co. products (Chevys, Olds, Pontiacs, Buicks, Caddies, etc.) (P.S. Also opens many H.D. Motorcycles), $4.

(There is no easier, faster or more economical way to open locked cars).

Keys will open doors & ignitions on all cars & trucks built from 1955–1967.

Our prices are subject to change without notice.

Fla. Residents: Add 3% sales tax.

Special 10-day offer: If you buy all four sets pay only $10 now!

(Our low prices are based on "Payment With Order" please.)

Thank you for reading this circular.

OVERSEAS TRADING CO., LTD.
P.O. Drawer 5217, Gulfport, Florida 33737.

*Double your money-back if keys fail to open all cars as shown. Original keys and proof of purchase must be brought to this address, for field proof try-out.

BILLS TO PROHIBIT USE OF MASTER KEYS

SENATE

S. 644. Thomas H. Kuchel (R.–Calif.) and Hugh Scott (R.–Pa.) (1).

S. 1783. Abraham A. Ribicoff (D.–Conn.) and Robert F. Kennedy (D.–N.Y.) (2).

HOUSE

H.R. 1992. Edward A. Garmatz (D.-Md.) (5).

H.R. 3774. Theodore R. Kupferman (R.–N.Y.) (3).

H.R. 3806. Lionel Van Derlin (D.–Calif.) (1).

H.R. 6246. Glenn Cunningham (R.–Nebr.) (4).

H.R. 7219. James T. Broyhill (R.–N.C.) (4).

H.R. 7394. Frank J. Brasco (D.–N.Y.) (4).

H.R. 12047. Richard D. McCarthy (D.–N.Y.) (2).

H.R. 13827. Charles S. Joelson (D.–N.J.) (1).

H.R. 14003. Richard L. Ottinger (D.–N.Y.) (2).

H.R. 14186. Dominick V. Daniels (D.–N.J.) (3).

H.R. 14226. James A. Byrne (D.–Pa.) (2).

H.R. 14230. Frank Horton (R.–N.Y.) (5).

H.R. 14262. Roy A. Taylor (D.–N.C.) (4).

Identical numbers after the names of the sponsors indicate identical legislation.

All Senate bills have been referred to the Senate Committee on the Judiciary.

All House bills have been referred to the Committee on Interstate and Foreign Commerce, except H.R. 12047, 14003, and 14226, which have been sent to the House Committee on the Judiciary.

[From the Los Angeles Times, Dec. 15, 1967]

EASY FOR THIEVES—MASTER KEYS FOR OPENING AUTO LOCKS SOLD BY MAIL

(By John Dreyfuss)

When it comes to breaking into cars, the pick of the crops comes from Florida.

The pick—properly called a manipulation key—is advertised as a master key by its manufacturers. Anyone with $3 and a 5-cent stamp can get a set by mail.

For another $6.95 he is assured prompt delivery of a "so-called burglar tool" which completely sidesteps the lock picking problem. It enables a so-called burglar to "strike like a cobra" and open cars without using keys.

At least one Florida firm—one of several in the state—advertises in men's magazines, trade journals and by direct mail. No identification is needed to buy its products, a Los Angeles Police Department spokesman said.

Any Southland resident in search of manipulation keys can buy by mail locally, though from a less known supplier than the Florida company.

A manufacturer who maintains post office boxes in Van Nuys and Sherman Oaks sells sets of six keys for $4. For the complete lock picker, $20 will fetch 64 keys.

LEGITIMATE USE CLAIMED

"I sell to garages, service stations, repossessors and others who can use manipulation keys legitimately—no one else," said the manufacturer. He asked that his name not be used.

"That's not true," responded a special agent of the National Automobile Theft Bureau when told of the key man's claim.

"We bought a set of manipulation keys from him, without identifying ourselves in any way," the agent said.

An LAPD spokesman agreed with the agent. "You don't have to prove you've got a legitimate need," he said. "All you have to do is send the money."

But last February the police department checked 148 mail order key customers in Los Angeles and found most of them had a legal reason for wanting the keys.

The request leading to the check came from Sen. Thomas J. Dodd (D-Conn.), chairman of the subcommittee to investigate juvenile delinquency.

Tom Reddin, then a deputy police chief, wrote Dodd: "In general, these buyers are responsible businessmen who use the keys to move vehicles in repair garage and parking lot operations."

Most customers were dissatisfied with the efficiency of the mail order manipulation keys, Reddin said.

In addition to California and Florida, manipulation keys are available by mail from firms in Maryland and Pennsylvania.

Despite the availability of manipulation keys, less than 2% of auto thefts involve their use, police said.

Theodore H. Johnstone, manager of security systems for General Motors Corp., told the Times that eight of every 10 cars stolen have been left unlocked with the key in the ignition.

Of the six methods most often employed by car thieves, use of manipulation keys ranks No. 5, Johnstone said.

He pointed out that 1967 and 1968 GM cars have about 8,000 possible key combinations, and it is difficult to open them with manipulation keys.

"A manipulation key set will open only 20% of the locks it's advertised to open," he said.

But Dewayne Wolfer, LAPD criminalist, disagreed. "Guys that get these keys and practice for three weeks can open 99% of all car locks," he said.

Wolfer supported Johnstone's contention that the Florida firm does not make keys for 1967 and 1968 GM cars. "But they could," the policeman added.

In April Lt. George Hees of the LAPD told the Senate subcommittee to investigate juvenile delinquency that some persons arrested for auto theft hand manipulation keys in their possession.

"From the intact ignition systems of most recovered cars, this (manipulation key) means of getting into and starting a stolen car is undoubtedly used to a considerable extent," Hees testified.

NEED FOR LEGISLATION

A General Motors Corp. vice president told the same subcommittee that "there is a need for legislation against improper possession, reproduction or sale of so-called master keys."

Several bills aimed at curbing mail order sales of keys to unqualified customers are buried in a crush of congressional anticrime proposals being considered as the current session nears its end.

Sen. Thomas H. Kuchel (R-Calif.), Rep. Lionel Van Deerin (D-Calif.) and Rep. Richard L. Ottinger (D-N.Y.) have submitted such bills.

If their efforts should fail, the Justice Department may get into the act, said Fred M. Vinson, chief of the criminal division.

The department is alarmed enough to consider submitting a bill of its own next session, Vinson said.

The manipulation keys "are definitely a factor in the severe auto theft problem now confronting the country," he added.

But, until legislation is enacted, anyone with the necessary $3 and the patience to wait for the postman can get a set of manipulation keys through a mail order company.

RECOGNITION OF SENATOR KENNEDY OF NEW YORK AND SENATOR JAVITS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that at the conclusion of morning business today the junior Senator from New York [Mr. KENNEDY] be recognized for not to exceed 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that following the speech by the junior Senator from New York under the special order which has just been granted, that the senior Senator from New York [Mr. JAVITS] be recognized for not to exceed 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEAD-TAX PROPOSAL TO PENALIZE AMERICANS WHO TRAVEL TO EUROPE UNWISE

Mr. YOUNG of Ohio. Mr. President, it seems fantastic that President Johnson would propose to penalize Americans by urging Congress to impose a head tax of $5 or more a day on travel abroad outside of the Western Hemisphere. A tax on airline tickets and ship travel outside the Western Hemisphere also should not be seriously considered in the Congress. If the administration goes through with these proposals, Congress would do well to reject them. Unfortunately, there has been tremendous outflow of gold from our country. Men and women who over the years planned and saved money for a European holiday or who wish their children—those of college age—to profit mentally and spiritually by firsthand observations of European culture, or lack of it, are not the cause of the tremendous balance-of-trade deficit nor our outflow of gold, and they should not be punished in an effort to secure an adequate balance of payments and to maintain our present gold reserve.

West Germany and other European nations have prospered as never before, largely because of American tourists. Though 23 years after World War II, we still maintain in Western Europe 350,000 men of our Armed Forces, their nearly 300,000 dependents and thousands of American civilians employed by the Armed Forces. Those professional soldiers who have been living like squawmen with their wives and families should put their training to use in Vietnam instead of our sending young draftees to Vietnam following 4 months of training. A proper policy would be to establish in Western Europe a mobile, lean fighting force less than half the number of the present forces. The Soviet Union no longer threatens the peace of Europe. Furthermore, we have the proven airlift capacity to move an entire armored division from the United States and land them in West Germany combat ready in a matter of hours.

A head tax on American travelers is an obnoxious innovation. Why penalize a schoolteacher who has lived frugally and saved money over the years for that summer vacation in Europe? We must first reform our tax laws which exempt from taxation some investments by American corporations outside the Western Hemisphere. Then, above all else, plug tax loopholes thereby bringing in nearly $10 billion additional revenue each year. Then, why not bring home at least 100,000 soldiers and 150,000 dependents who are ostensibly defending our NATO allies who fail to defend themselves, although they are now able to make the sacrifices we Americans have been making? Not one NATO ally has fulfilled its manpower commitment to NATO. The real outflow of gold will be ended if President Johnson proposes this prudent and wise program and Congress supports him.

A NEW POLICY FOR U.S. TERRITORIAL WATERS

Mr. GRIFFIN. Mr. President, I ask unanimous consent to proceed for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, on behalf of myself and a number of cosponsors, I introduce, for appropriate reference, a joint resolution to revise the policy of the United States with respect to our territorial limits. Many Senators have indicated that they wish to join me in sponsoring the resolution. At this point, they are: Senators ALLOTT, BENNETT, BIBLE, BOGGS, CASE, CARLSON, COTTON, DODD, DOMINICK, EASTLAND, FONG, HANSEN, HRUSKA, JORDAN of Idaho, LAUSCHE, MANSFIELD, MCGOVERN, MCINTYRE, MILLER, MUNDT, MURPHY, NELSON, PERCY, PROUTY, RANDOLPH, SPONG, THURMOND, and YOUNG of North Dakota.

Mr. President, since the days of President Thomas Jefferson, we have traditionally recognized a 3-mile territorial limit off our shores. As a leading advocate of freedom of the seas, the United States has gone to great lengths to try to promote among all the nations of the world recognition of the 3-mile limit.

Of course, the United States and other nations often apply different standards with respect to customs authority, fishing rights and natural resources. But, as I said on the floor of the Senate last Wednesday, a serious question arises in the wake of the *Pueblo* incident—a question as to the wisdom of maintaining our traditional 3-mile limit with respect to all nations of the world while most of the Communist nations claim—and we dutifully observe—a 12-mile limit as to their shores.

In my view, it makes no sense to allow the ships of Communist nations to come to within 3 miles of our shores, while they, the Communist nations, insist that we stay 12 miles from their shores.

I believe it is about time that we changed our policy and brought more realism into this basic area of international relations. The joint resolution offered today is one step in that direction.

In essence, the joint resolution provides that our traditional 3-mile limit will be continued but only as to those nations which reciprocate by also observing a 3-mile limit with respect to their shores; and nations which claim a wider territorial limit as to their shores, will henceforth be expected to observe a corresponding territorial limit with respect to our shores, up to 12 miles.

It should be noted that the resolution does not purport to change the policy on territorial limits of any nation other than the United States. Of course, there would be no way that we could do so by such a resolution. But our insistence upon some reciprocity may well encourage the adoption of fair and mutual standards.

In matters of this kind, I believe we have the right to expect reciprocity. As the majority leader, the distinguished Senator from Montana [Mr. MANSFIELD], said in endorsing the purpose of the joint resolution last week:

> We ought to operate on a tit-for-tat basis.

If we follow the advice of the Senator from Montana in this respect, I am convinced that we would command much more respect around the world.

Throughout our history, the United States has observed the 3-mile limit. But that is no justification for blind, rigid, adherence to a policy which falls short of serving our national interest.

Mr. President, in my remarks to the Senate last Wednesday, I undertook to point out the significant intelligence advantage which is handed to the Communist bloc by our present policy.

In a nationwide television appearance yesterday, Secretary of State Dean Rusk remarked that the Soviet Union now has some 18 intelligence ships scattered around the world, some of them operating close to our own coasts.

Based on information which has come to my attention, I would venture to observe that the Secretary of State was being extremely conservative, because I understand that the number of Soviet ships performing an espionage function is probably closer to 30.

Mr. President, I wish to focus attention upon section 3 of the resolution which expresses the sense of Congress that the President consider taking appropriate steps, through the United Nations or other means, to convene an international conference for still another try to establish a uniform seaward limit to be recognized by all nations of the world. As in the past, I believe we should continue to seek agreement among the nations of the world upon a uniformly recognized territorial limit.

In 1958 and 1960, such international conferences were held in Geneva, but they failed to reach agreement, although there was an understanding that no nation should claim a territorial limit in excess of 12 miles.

The joint resolution offered today is consistent with the customary principles of international law. I believe that the joint resolution, if passed, will encourage further international negotiation looking toward agreement on this fundamental issue.

I wish to emphasize that the joint resolution is in no way offered as a substitute for the commendable efforts underway to obtain release of the U.S.S. *Pueblo* and its crew. In light of these efforts and other considerations, the appropriate committees and the leadership would have to judge as to when such a joint resolution might properly be considered and brought to a vote in the Senate.

The resolution may not be perfect in every respect but I believe it should, at the very least, serve to focus attention upon the need to reshape our policy. In addition, I confidently believe that the resolution will serve to strengthen the President's hand at this critical hour.

I am glad to say that I have already received assurances from the chairman of the Committee on Foreign Relations, the distinguished Senator from Arkansas [Mr. FULBRIGHT], that his committee will give the proposed legislation sympathetic consideration.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, it will be printed in the RECORD.

The joint resolution (S.J. Res. 136) to declare the policy of the United States with respect to its territorial sea, introduced by Mr. GRIFFIN (for himself and other Senators), was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

S.J. RES. 136

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the territorial sea of the United States is hereby established as extending three nautical miles from the coast line of the United States; provided, that in the case of any coastal country (including ships and nationals thereof) which claims a territorial sea extending more than three nautical miles from its coast line, the territorial sea of the United States shall be equal in distance to that claimed by such other country, but not to exceed twelve natural miles.

SEC. 2. If the President of the United States determines that any portion of the territorial sea as extended by this joint resolution conflicts with the territorial sea of another country he may make such modifications in the seaward boundary of such portion as may be necessary.

SEC. 3. It is the sense of the Congress that the President of the United States consider taking appropriate initiative through his representative at the United Nations, or through other means, to convene an international conference for the purpose of establishing a universally recognized seaward boundary for the territorial seas of all coastal countries.

Mr. BOGGS. Mr. President, I am happy to join as a cosponsor in this resolution to establish a principle of mutuality concerning our territorial waters and the territorial waters of other nations.

It seems only fair and logical that we should require other nations to respect our shores to the same degree that they require us to respect theirs. The most obvious result of the institution of this territorial limitation by the United States would be to require that Russia keep its ships at least 12 miles from our shores, since that is the limit which Russia requires us to maintain.

While the 3-mile limit has been traditional with our Nation and has been maintained since the early 19th century, it is a fact worth noting that only 29 out of 98 nations with a coastline are now observing the 3-mile territorial limit. The remainder have wider limitations, and most of these are 12 miles.

While passage of this resolution would have no effect on the incident involving the *Pueblo*, it would serve to afford additional future protection for our country and hopefully would lead to eventual establishment of a worldwide agreement on the question of territorial waters.

I congratulate the junior Senator from Michigan [Mr. GRIFFIN] for his leadership in this area.

A BRILLIANT START TOWARD SAVING LAKE MICHIGAN

Mr. NELSON. Mr. President, the four States which surround Lake Michigan were summoned to an interstate pollution conference in Chicago last week by Secretary of the Interior Udall. In just 3 days, this four-State conference made a brilliant start toward saving Lake Michigan, a victim of more than a century of abuse from the cities, industries, and millions of individuals within its watershed.

Because Lake Michigan is the second largest lake in America and a part of the Great Lakes chain, which forms one of America's most priceless natural resources, the Chicago conference is of historic significance for the entire Nation.

I want to give the Senate a report on the Chicago conference; to outline some of the startling evidence which was presented there for the first time, and to highlight both some of the opportunities and the pitfalls which lie ahead for this historic conference.

To outline these remarks, I wish to emphasize these major points:

First. The conference has already revealed that Lake Michigan pollution is worse than we realized—worse even than the Federal Government has indicated in its most recent published reports. Lake Michigan is nearing the "point of no return" and if not saved soon, it cannot be saved.

Second. It it now clear that while strong State action may reduce two of the major problems—municipal and industrial pollution—only immediate interstate and Federal action can attack the No. 1 problem, which is the overfertilization of the lake by phosphates and other nutrients. This must be done by requiring the removal of phosphates from sewage and from certain manufactured products.

Third. While the four-State campaign to save Lake Michigan is off to a brilliant start, it could fail completely if it were diverted into a search for scapegoats.

Fourth. One such scapegoat is the shortage of Federal funds to help communities build sewage treatment plants. More funds are desperately needed, and a determined fight will be made to win them here in the Congress this year. However, there are many things which can and must be done immediately to save Lake Michigan which do not involve Federal funds. To refuse to do these things would be to surrender in the fight against pollution.

Fifth. The conferees representing the four States in the Chicago conference bear a heavy responsibility because they must represent the complex interests of millions of people throughout the Midwest. They are no longer merely the heads of State agencies working on water programs. They are sitting in for Governors, and they must represent the total public interest.

Three successive bombshells were dropped at the conference by three of the Nation's top experts in water pollution. Their testimony destroyed many of the old myths we have lived with for years, and which have helped to delay the war on pollution.

Even as this conference was beginning, you could hear repeated the biggest myth of all—the notion that "this conference is not really necessary. There is nothing it can do which the States could not do by themselves."

I never expect to hear that argument again. It was a casualty of the Chicago conference.

The man who did the most to destroy that myth was Dr. A. F. Bartsch, chief of the national eutrophication research program for the Federal Water Pollution Control Administration. In a masterly scientific paper, he showed the startled conferees that the Lake Michigan pollution problem which they have been working on has gotten completely away from them.

I will summarize some of Dr. Bartsch's findings, and then I will offer his complete paper for insertion in the RECORD at the close of my remarks.

As Dr. Bartsch explained, eutrophication is the aging process by which lake waters become fertile and produce algae and other unwanted living matter in great quantity. The algae become so numerous that they make the water green and ruin its usefulness. The oxygen content declines. The nature of the aquatic life in the water undergoes a fundamental change, with desirable species disappearing and undesirable species multiplying.

The destruction of lakes by eutrophication is "not merely a theory—it is a historical fact repeated over and over again in every continent," Dr. Bartsch told the conference. "The unfortunate end result is inevitable if preventive measures are not taken in time."

As Dr. Bartsch stated:

> There is evidence that continued input of nutrients can finally bring a lake beyond the point of no return, to the stage where continuous recycling of nutrients already present can result in production of nuisance growths of algae.

Lake Michigan is nearing this "point of no return." Dr. Bartsch said:

> The real beginnings of eutrophication are just around the corner.

Lake Michigan receives an input of 166 million pounds of nitrogen and 14.6 million pounds of phosphates each year. Because of the small outward flow through the Straits of Mackinac, Lake Michigan retains 95 percent of these phosphates and 81 percent of the nitrogen. Dr. Bartsch reported that "most concern has centered on inputs of phosphorus," because it seems to provide the key to controlling algae growth.

It is estimated that about 5 million pounds, or one-third, of the phosphates comes from runoff water. The remaining two-thirds comes from municipal and industrial wastes. The phosphates in runoff water come from fertilizer. The phosphates in municipal and industrial wastes come from detergents and from human wastes.

Even in deep water areas of Lake Michigan, "indications of gradual chemical buildup are apparent," Dr. Bartsch reported. The total phosphate concentration average about .02 mg/1. Dr. Bartsch estimates that the critical level for phosphates—the level beyond which the water will produce a "nuisance growth" of algae—is about .03 mg/1.

Dr. Bartsch went on to say:

> At Green Bay, high nutrient input brought soluble phosphate to an average concentration of 07. mg/1, sometimes reaching as high as .6 mg/1. In Milwaukee harbor, soluble

> phosphate averaged .44 mg/1—15 times the concentration considered critical for the production of nuisance growths of algae—and sometimes reached as high at 1.4 mg/1.

Those figures tend to confuse a layman. But what they mean is that phosphate buildup in the Green Bay test averaged more than twice the critical level, and ran as much as 20 times the critical level.

In Milwaukee Harbor, it averaged 15 times the critical level and ran as much as 46 times the critical level.

Thus, Dr. Bartsch revealed what I believe few have realized—that Lake Michigan is on the verge of destruction from phosphate buildup. The chemical pollution of the lake is steadily increasing and we do not know just when it will pass the point of no return.

Prior to this conference, it was believed that Lake Michigan as a whole did not suffer from oxygen depletion, because of the sheer size of the lake. Dr. Bartsch again revealed to the startled conferees that this is simply not true. In 1954, the oxygen values in deep water equaled or exceeded 90 percent of saturation in 35 percent of the cases. In 1966, 90 percent of saturation was exceeded in only 10 percent of the cases.

Dr. Bartsch summarized his research with these words:

> Lake Michigan, as a whole, is now at an early stage in the eutrophication process that was passed through by Lake Erie at some point in the past. . . . The awareness of what has happened to Lake Erie and other lakes, and the emerging evidence of subtle chemical changes in water quality, emphasize the need for action now. . . . To restore the inshore waters and prevent the spread of inshore conditions lakeward, *all controllable nutrient input should be stopped.*

That is the most important single message to come out of the four-State conference so far.

A second bombshell at the conference was a paper by Donald J. Baumgartner, an oceanographer who has made a detailed study of Lake Michigan currents. He exploded two myths—first, that only the inshore waters are seriously harmed by pollution, and second, the often quoted statement that Lake Michigan water is replenished about once every 100 years.

Dr. Baumgartner's research revealed that lake currents spread the pollution all over the lake, even hundreds of feet down to the bottom in the deepest holes.

He said:

> On the bottom, they (the pollutants) may decompose or react in a way that contributes to poor water quality in an area for a long period of time.

Dr. Baumgartner noted that another scientist has estimated that "it would take about 100 years to reduce the pollutional concentration in the lake by 90 percent." Dr. Baumgartner reviewed this data and came to the conclusion that the time required would be "more nearly on the order of 1,000 years."

Dr. Baumgartner concluded:

> Pollutional material will . . . eventually be manifested in all parts of the lake. Because some fractions of the waste are persistent, natural decay of pollutant material in time cannot be relied upon to prevent the degradation of water quality.
>
> If concentrations of pollutants are allowed to increase, as they are in Lake Michigan, to the point that a serious water use problem occurs, it will take a very long time under the best of conditions to reduce their concentrations to acceptable levels. Dr. Bartsch's testimony shows that over 14 million pounds of phosphates are discharged to Lake Michigan every year, but only 800,000 pounds are removed per year, indicating that they are obviously building up in the lake. *Every year that this practice is continued is likely to add tens of years to the time required for the lake to be restored.*

The third startling report was delivered by Dr. Leon W. Weinberger, director of research for the Federal Water Pollution Control Administration.

Following the shocking reports by Dr. Bartsch and Dr. Baumgartner on the damage phosphates are doing to Lake Michigan, Dr. Weinberger announced:

> Waste water treatment facilities can be designed, built and operated to remove at least 80% of the phosphorus found in municipal wastes.

This was surprising news. Neither the Federal nor the State representatives at the conference realized that the technique was so far advanced, that it was in operation in a number of cities, and that the cost had been brought down to reasonable levels. They sharply questioned Dr. Weinberger, but he was reassuringly firm.

> Is there any hesitation in your conclusions?—

Asked a Wisconsin representative.

> There is no doubt in my mind—

Dr. Weinberger replied.

> The 80% figure is conservative. The evidence indicates that 90 to 95%, and even more phosphorous can be removed effectively.
>
> Phosphates can be removed today from municipal sewage at a cost of less than 5¢ per 1,000 gallons, or less than 1¢ per capita per day. Future phosphate removal costs will decline, and commercial firms have even projected that net costs of less than 1¢ to 2¢ per 1,000 gallons may be realized. Effective treatment for phosphate removal will simultaneously yield other pollution control benefits through removal of other impurities.

These unassailable scientific findings spell out exactly what we must do to save Lake Michigan.

We must require municipalities and industries discharging wastes into Lake Michigan and its tributaries to install facilities to remove phosphates from their wastes in the very near future.

Furthermore, I believe the Congress should act immediately on legislation which will have the effect of removing phosphates from detergents and other products, wherever possible and at the earliest possible date consistent with scientific and industrial know-how.

We have been told what we must do to save Lake Michigan. Now let us do it.

I wish to refer to just two more studies presented to the conference.

W. F. Carbine, Great Lakes Regional Director for the Bureau of Commercial Fisheries, provided shocking new evidence on pesticide buildup in the lake.

> Lake Michigan has the highest concentration of pesticides of any of the Great Lakes, which now are only slightly below levels that are known to be injurious to man or aquatic life—

Mr. Carbine reported.

> A continuation at high levels or an upsurge in pesticide application anywhere in the Lake Michigan basin could increase the pesticide concentration prevailing in the open lake from the present non-lethal level to a lethal value.

Mr. Carbine expressed grave concern about the buildup of polluted sediment on the Lake Michigan bottom. Studies in Lake Erie indicate that the polluted bottom sediment tends to provide a never-ending source of pollution.

> Should this be true—

Mr. Carbine said—

> man be confronted with a self perpetuating situation partly immune to active flushing action in Lake Erie, to say nothing of Lake Michigan which lacks flushing capability.
>
> Unless immediate measures are implemented to reduce enrichment of Lake Michigan, the deterioration will progress with increased rapidity and conditions will soon be comparable to Lake Erie. The biological, esthetic and recreational value of Lake Michigan, the largest fresh water resource that lies entirely within the United States, is threatened with swift and early disaster.

In my opinion, Mr. Carbine's report confirms the findings and conclusions of the other speakers and points to another urgent problem. In my opinion, it shows that the Congress must take steps immediately to set strict national standards for pesticides, regulating both their chemical composition and their use in such a way as to eliminate or at least reduce the obvious damage they are doing to Lake Michigan and other parts of our natural environment.

The final report to which I call attention was by Richard A. Pavia, assistant commissioner of water and sewers for the Federal Water Pollution Control Administration, and concerned pollution from ships and vessels. Mr. Pavia said:

> It has been argued that the magnitude of this source of water pollution (ships) is negligible, and that, at the most, minimum levels of treatment should be required. Unfortunately, this theory, which has largely been advocated by persons with special interests, isn't supported by facts or accepted by the public. . . . Vessel usage is not uniformly distributed over the entire lake area, but instead is concentrated in the locations of dense population where domestic water supply and recreational uses are a maximum. As a result, marinas are frequently located in close proximity to bathing beaches and domestic water intakes. . . . Beaches and marinas use the same waters.

Mr. Pavia pointed out, for example, that the Chicago area must cope with the wastes from 750 oversea vessels, 3,000 domestic and Canadian ships, and 4,000 pleasure craft.

> Boating and bathing in the same shore waters presents a real threat of infection to swimmers.

Tests at Chicago area marinas during 1967 showed that pollution was from 120 percent to 245 percent above the amount allowed by Illinois water quality standards.

Mr. Pavia concluded that the only answer is to ban all polluted waste discharges from ships, and to require them to install approved devices to retain their wastes. He urged the conference to recommend a common implementation and enforcement time schedule for all four

States, followed by enactment of similar regulations covering all of the Great Lakes. This of course is what my Great Lakes Ship Pollution Act, introduced in 1965, would accomplish.

Now I wish to discuss some of the specific problems facing the four-State conference, particularly the problem of scapegoats to which I referred earlier.

The Governors of the four States called to this conference have designated as their representatives the heads of their appropriate conservation, water resources, or natural resources departments. These men are all thoroughly experienced in the field of water pollution. Most of them are veteran administrators of their own State programs designed to clean up pollution.

This, of course, puts them in a difficult position. All of them are proud of their own State programs. All of them are somewhat skeptical of Federal "interference" in their water pollution programs. All of them have certain longstanding grievances with the other States involved in the conference.

It is going to take real statesmanship on the part of these men to rise to the challenge which the conference presents to them, and to agree on a really bold set of recommendations which will clean up Lake Michigan.

Incidents during the conference illustrate this difficulty. At one point, an Illinois speaker cited the "extreme industrial pollution in the Fox River valley" of Wisconsin and said:

> The picture of Green Bay becomes gloomier every day.

The Wisconsin conferee thought this remark was "unfortunate."

> We have just completed a major hearing on the Fox river.

He said:

> We do not view our picture in Wisconsin as "gloomier every day."

The Illinois speaker stood his ground, and it was a tense moment.

On another occasion, a conferee representing one of the States refused to allow an Izaak Walton League official from his State to testify—because the Izaak Walton League statement was sharply critical of the State's antipollution program.

These scattered incidents simply underline the fact that we are expecting an awful lot from the conferees who are the real working delegates to this conference. They are sitting in for Governors, who are the elected representatives of 27 million people. They are no longer merely representing their own immediate State agencies.

They may be called upon to make recommendations which will be painful for them and others in their States to accept. But there is no alternative if we are to save Lake Michigan.

One conclusion which we found almost everyone willing to accept at Chicago was the need for more Federal funds to help communities build sewage treatment plants.

For 2 years now, I have been proposing legislation to provide 90 percent Federal grants for sewage treatment plants, so we can fight water pollution with the same sense of urgency we used to build our interstate highway system. I mentioned this proposal at the Chicago conference and found strong support for it.

Meanwhile, along with other Senators, I have been trying to get increased appropriations under the existing programs, which provides grants of 30 percent to 50 percent. Last year I favored appropriating the full $450 million which we had authorized earlier, but we appropriated only $203 million. This year I urged the Bureau of the Budget to recommend the full $700 million authorized for fiscal 1969, but the budget recommends only $225 million.

I hope that the strong support for increased Federal appropriations for sewage treatment plant construction, which was registered at the Chicago conference, will make itself felt in the Congress and help us to increase these appropriations.

It is going to take a real effort. We all know that the general mood of the country is to "cut Federal spending." If we really are to increase Federal spending to fight water pollution, then the local, State, and Federal officials of these four States should join forces in this cause and marshal public opinion behind them.

While working at this worthy cause, however, I feel it important to emphasize that increased Federal funds for sewage plant construction are only one part of the task which lies before us.

There is a tendency particularly for harassed State officials to point a finger at the Federal Government and say, "That's where the problem is."

That is not true. The problem is not in the Federal Government, or in the State governments—the problem is deep in the waters of Lake Michigan. There are many, many things we must do, and do immediately, if we are to save this lake.

As I mentioned before, we must stop the flow of nutrients into the lake. This means the conferees are going to have to adopt some tough deadlines. We have got to get phosphates out of our sewage and out of some of our manufactured products. We have got to control pesticides, and the wastes from ships, and runoff from the land. While doing all these things, we can work for more realistic Federal and State financing of our pollution control programs. Let us not forget that some States have cut back even more sharply than the Federal Government on antipollution funds. But it would be a tragedy if the notion spread that the four-State conference, which is off to such a brilliant start in Chicago, should simply close up shop and do nothing until the Congress appropriates more money for sewage treatment plants.

To those State spokesmen who are tempted to place all the emphasis on "more Federal money," it should not be necessary to point out the obvious flaw in their argument.

State officials generally have resisted the suggestion that this interstate conference be convened. They have consistently argued that we should "leave this problem to the States." They have contended that they have the pollution problem under control.

Now some of these same officials are attacking the Federal Government for not being sufficiently involved in fighting pollution. They are clamoring for more money from a level of government which they have insisted should not be sticking its nose into pollution.

They cannot have it both ways.

I ask unanimous consent to insert the statement by Dr. Bartsch in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON EUTROPHICATION CONDITIONS IN LAKE MICHIGAN [1]

INTRODUCTION

Through vigorous efforts of the press, thousands of people living in the Lake Michigan watershed are acquiring an awareness of the term "eutrophication." They are learning, also, that it relates in some manner to water pollution and water quality problems in the lake.

Many scientific studies of Lake Michigan have been carried out over the years by a number of agencies representing states and communities fronting on the lake. The resulting observations cover a historical period dating back before the turn of the century, but the data improves in completeness only in recent times. Among recent Lake Michigan studies, one needs to cite the intense efforts of the Great Lakes Research Division of the University of Michigan, The Center for Great Lakes Studies of the University of Wisconsin, and the studies of the Great Lakes Region of the Federal Water Pollution Control Administration.

At this point, I wish to submit for the record of this conference a report titled: "Water Quality Investigations, Lake Michigan Basin, Biology" dated January 1968, prepared by: Great Lakes Region, Federal Water Pollution Control Administration.

This report is based on field investigations carried out by this agency.

The facts revealed by all of these studies collectively make up the story of what has been happening to Lake Michigan in recent times. Many aspects of the story are far from clear, but from study of these reports one can derive an insight as to what seems to be happening to the lake. One gets the impression that the results of all of these investigations are substantially in agreement, that all pertinent interpretations of the findings support essentially similar conclusions as to the present status of Lake Michigan so far as eutrophication is concerned.

The problem of eutrophication is one of the chief concerns about Lake Michigan. In simplest terms, eutrophication means the aging process of the lake in which its waters become more fertile and acquire a greater capability to grow algae and other forms of unwanted living matter. Frequently, the algae become so numerous that they make the water green and interfere in many ways with the continued usefulness of the water. This is one of the most common, objectionable symptoms of eutrophication. In addition, there are other more subtle symptoms of change that sometimes would pass without being noted except by the scientist investigator. Nevertheless, such subtle changes are clues that slow-acting, long-range changes are taking place.

Changes to look for include: decrease in transparency of the water; increase in total dissolved solids, including especially nitrogen and phosphorus needed for growth of substantial quantities of algae; loss of dissolved oxygen in the deeper layers; and changes in bottom-dwelling animals and microscopic plants. When eutrophication has not proceeded to an obvious and objectionable stage, it becomes necessary to examine the combination of these more subtle clues in order to sense the existing state of affairs. In many cases, such scrutiny may reveal a forecast of things to come. Some changes such as these are now appearing in Lake Michigan.

---

[1] Presented by A. F. Bartsch, Chief, National Eutrophication Research Program, FWPCA, at FWPCA Interstate Enforcement Conference, Chicago, Illinois, January 31, 1968.

Many scientists have been studying various aspects of the "personality" of Lake Michigan and have produced much valuable information. I call attention especially to the efforts of Dr. Alfred M. Beeton of the University of Wisconsin in Milwaukee. He was the first, I believe, to perceive, assess, and describe clearly the responses of the Great Lakes, including Lake Michigan, to the eutrophying influences of human affairs in the watershed area. I would like to propose that the following of his papers that call attention to this matter be accepted as exhibits for the record of this conference:

Beeton, A.M. 1965. Eutrophication of the St. Lawrence Great Lakes, Limnol. & Oceang. 10:240–254.

Beeton, A. M. 1966. Indices of Great Lakes Eutrophication. Publ. No. 15, Great Lakes Research Div., The University of Michigan, p. 1–8.

Beeton, A. M. 1967. Changes in the Environment and Biota of the Great Lakes. Presented at the International Symposium on Eutrophication, June 11–16, 1967, Madison, Wisconsin. (In Press.)

One of the principal factors that affect the rate of eutrophication is the extent to which nutrients needed by algae enter the body of water. Under natural conditions, unaffected by the affairs of man, the input of nutrients in runoff from the watershed land and in precipitation generally is low. Then the aging process usually proceeds at a slow rate. Cultural developments on the watershed, such as the establishment of cities and cultivation or other disturbance of the land, accelerate nutrient input. The result of this input is shown clearly in a chart prepared some years ago by Dr. A. D. Hasler of the University of Wisconin (Fig. 1) [graph not printed in RECORD]. The influences of cultural development are superimposed on the natural aging process and accelerate it so that the terminal point is reached much more quickly. It makes no difference where along the time scale the human influence is brought to bear. The end result is always the same. The lake is brought more rapidly to a higher level of fertility and greater crops of algae and other plants are produced than under natural influences alone.

The outcome of increasing nutrient input is not merely a theory. It is a historical fact repeated over and over again in every continent. This can be verified readily by reference to the well-known histories of the lakes at Madison, Wisconsin; Lake Washington, at Seattle; and in Europe—at Lake Geneva, Lake Zurich, and the Bodensee, to mention only a few.

Until recently, most studies of eutrophication have been with fairly small lakes. Because of its size, one can expect that Lake Michigan will differ in the details of its response to the forces of eutrophication. But there is no doubt that even here these forces will be felt and produce undesirable change. The unfortunate end result is inevitable if preventive measures are not taken in time.

Algal nutrients of special concern are nitrogen and phosphorus. Studies by the Federal Water Pollution Control Administration have shown that soils of the Lake Michigan basin yield phosphate to the runoff water at a rate of from 31 to 250 lbs. per square mile per year. It is estimated that the annual input of phosphate to the lake from these sources is about 5 million lbs. This is about one-third of the total input; the remaining two-thirds comes from municipal and industrial wastes. Comparable figures for nitrogen are not available, but it is known that rivers tributary to the lake bring in 69 million lbs. annually. This is about 42% of the total input. The remainder comes from direct discharges and precipitation. Nitrogen and phosphorus are normal components of sewage. They are present in amounts of about 8–12 lbs. of nitrogen and 1.5–4 lbs. or more of phosphorous per person per year. Even after conventional secondary treatment substantial amounts of these nutrients still remain to be discharged into surface waters. Sewage contains other components, also, both organic and inorganic, which have stimulatory influences on the growth of algae. However, most concern has focused on inputs of phosphorus for the following reasons. First, algae can obtain phosphorus from the water when it is present in exceedingly minute amounts. In many lakes exhaustion of the phosphorus supply by algal growth seems to serve as a deterrent to further growth. Second, although nitrogen also is a vital nutrient for algal production, there are various largely uncontrollable opportunities for nitrogen input—for example, fixation of nitrogen gas from the atmosphere by some species of algae themselves. And third, phosphorus input is more amenable to control. In any event, the quantity of algae a lake can grow is largely determined by the amount of nutrients available. The more nutrients there are, the more algae there will be, the greater the nuisance will become. There is evidence that continued input of nutrients can finally bring a lake beyond the point of no return—to the stage where continuous recycling of nutrients already present can result in production of nuisance growths of algae.

The tremendous mass of data gathered on the physical, chemical, and biological status of Lake Michigan indicates that the lake, as a whole, is beginning to show some early symptoms of accelerated eutrophication. In this respect the offshore areas differ from the inshore areas in the nature and extent of their responses to the input of nutrient-bearing pollutants. Consequently, it is necessary to examine them separately.

OFFSHORE AREAS

The offshore, deep water areas of Lake Michigan do not now show substantial effects of pollution or the onset of eutrophication forces. They do, however, exhibit a combination of minor and subtle changes that suggest that the real beginnings of eutrophication are just around the corner. This view is supported by a number of factors that I wish to point out.

The standing crop of algae, as shown by periodic sampling during 1962 and 1963, has a low population density, between 100 and 300 organisms per ml. It is partly because of this low algal population that the water has a high transparency—in 1966 averaging 6 meters, as shown by secchi disc. This is less transparent than Lakes Superior and Huron but more transparent than Lakes Erie and Ontario. Unfortunately, there is no historical record of transparency to show if and to what extent water clarity is changing. One study of primary productivity—roughly, the rate of algal growth—showed a rate in 1964 only slightly higher than in Lake Superior.

Two changes in species composition in the zooplankton have been noted. A water flea, *Bosmia longirostris*, has replaced another, *B. coregoni*. This is significant because a similar change occurred in Lake Zurich in Switzerland concurrent with and as evidence of eutrophication changes which were occurring there. There, also, pollution is the prime source of nutrient input. Another small organism, called *Diaptomus oregonensis*, has appeared and become prominent since 1927. What this means beyond the fact that change is occurring is not now clear.

The three principal kinds of bottom-dwelling animals that occur in offshore areas are the same now as observed in 1931 and 1932. These same organisms commonly are found in other lakes that are not eutrophic. But, recent studies by the Great Lakes Research Division of the University of Michigan have shown that these animal populations have increased markedly. This is a response, most likely, to enrichment of the bottom sediments.

Except in the south end of the lake, where chemical quality of the water is declining, offshore water presently is of high quality. Nevertheless, indications of gradual chemical build-up are apparent. Total inorganic nitrogen concentration averages 0.19 mg/1, and total phosphate is in the neighborhood of 0.02 mg/1. Concentrations of these two nutrients in the offshore waters have not yet reached levels that frequently cause nuisance growths of algae. In his studies, Beeton has noted that total dissolved solids have increased 30 ppm in 90 years, sulfate 13 ppm, and chloride about 6 ppm. These increases are not great. But, if no preventive action is taken, chemical build-up will increase so that nutrients and other dissolved solids will move to levels characteristic of eutrophication.

Some data on dissolved oxygen concentrations in deep waters of the lake are available for 1954, 55, 60, 61, and 66. It has been pointed out that in the decade since the mid-50's, the oxygen content has decreased slightly. In 1954–55 the oxygen values equaled or exceeded 90% of saturation in 35% of the cases; in 1966, 90% of saturation was exceeded in only 10% of the cases. If such decreasing oxygen is more than a momentary variation, it should be viewed with concern as a symptom of movement toward eutrophication.

INSHORE AREAS

In contrast to the offshore waters, the inshore areas have changed drastically and in many ways under the influence of human activities. In recent years both attached and free-floating algae, *Cladophora* and others, frequently have appeared in nuisance proportions at various harbor and waterfront areas around the lake.

These attached growths periodically break loose by wave action and wash ashore to litter the beaches in slimy windrows. Resulting nuisances have occurred repeatedly at such points as Chicago, Green Bay, Milwaukee, Manitowoc, Sheboygan, Racine, Calumet Harbor, Indiana Harbor, Benton Harbor, Grand Haven, and other localities. In the summer of 1967 (Fig. 2), [map not printed in RECORD] algal growths of this kind were more onerous than previously. They also appeared in new places and more luxuriantly than had been the case before. The growth of such masses of algae is a direct response to concentrated high levels of nutrients brought into the lake by way of municipal sewage, land runoff, urban drainage, industrial wastes, and other sources. In Lake Erie, luxuriant growths of *Cladophora* seem to have been a forerunner of the more widely dispersed free-floating or planktonic growths of algae that now exist there.

Overabundant planktonic algae also have caused problems. Among such problems are shortened filter runs and other difficulties in water treatment plants at Green Bay, Sheboygan, Milwaukee, Waukegan, Evanston, Chicago, Gary, Michigan City, Benton Harbor, Holland, Grand Rapids, and Muskegon. Taste and odors in water supplies caused by algae have occurred at Kenosha, Chicago, Evanston and other North Shore cities.

In the southern end of the lake, there is ample evidence of deterioration of chemical water quality in areas adjacent to population centers. Total inorganic nitrogen and soluble phosphate were found to be highest here. Along with Green Bay, these also are the areas of greatest algal growths, sometimes reaching the point that water transparency diminished to less than one meter.

At Green Bay, high nutrient input brought soluble phosphate to an average concentration of 0.07 mg/l, sometimes reaching as high as 0.6 mg/l. In Milwaukee harbor, soluble phosphate averaged 0.44 mg/1—15 times the concentration considered critical for the production of nuisance growths of algae—and sometimes reached as high as 1.4 mg/l. Many other examples of high nutrient availability could be cited, but these are indicative of nutrient conditions existing in many of the inshore trouble spots.

According to long-term records available at Chicago, plankton algae increased at an annual rate of 13 new organisms/ml between 1926 and 1958. They also reached three times the numbers found in offshore waters. Such conditions of accelerated eutrophication exist and usually extend lakeward in some form or other at many points around the lake, such as at Milwaukee, Racine, Chicago Harbor, Calumet Harbor, Indiana Harbor, St. Joseph, Benton Harbor, and Grand Haven.

In many of these areas, further evidence of lake deterioration is seen in the nature and density of bottom animal populations. In general, over the years there has been a shift from a normal assemblage of animals characteristic of clean water to dense populations of one or two kinds, such as sludgeworms, and bloodworms, commonly taken as evidence of organic pollution.

So, along with the increased growth of algae, many of these inshore areas that receive municipal and other wastes show this kind of biological response to pollution. Fig. 3 [map not printed in RECORD] shows the population density distribution of sludgeworms in 1962. Inshore areas of pollution in which the populations of bottom animals are thus impaired total 3,475 square miles along the southern perimeter of the lake, almost uninterrupted from Port Washington to Muskegon. Although not shown in the figure, similar conditions also occur over some 28 square miles of lower Green Bay, as well as locally at Manitowoc, Sheboygan, South Haven, Benton Harbor, Saugatuck, Ludington, Manistee, and Manistique.

CONSIDERATION

While the deep water areas of Lake Michigan give only a suggestion of creeping eutrophication, the lake's response to increasing nutrients in the inshore waters is obvious and shows that the lake can respond when nutrients for plant growth are abundant. Lake Michigan, as a whole, is now at an early stage in the eutrophication process that was passed through by Lake Erie at some point in the past. With increasing time, nutrient levels will increase until finally the entire lake becomes involved. With certain reservations, Lake Erie can be viewed as a prototype and a preview of what can happen in Lake Michigan if nutrient-bearing waste input continues unabated.

Using available data, one can examine existing nitrogen and phosphorus input-output balances for Lake Michigan (Table I). In doing so, two points are noted: First, the estimated inputs of nitrogen and phosphates are substantial. Second, both nitrogen and phosphate retentions in Lake Michigan are high—81% for nitrogen and 95% in the case of phosphate.

While percentage retention may vary considerably among lakes and among different nutrient elements of concern, substantial retentions are not unusual. This, together with changes that have been permitted to occur over the years in the inshore waters, the low flushing rate of Lake Michigan, the awareness of what has happened to Lake Erie and other lakes, and the emerging evidence of subtle chemical changes in water quality, emphasize the need for action now.

We have seen forecasts that population of the Lake Michigan basin will soar from a 1960 level of 4.2 million to 12.1 million by the year 2020, that industrial wastes will increase by a factor of 3, that chlorides in the lake will build up from a 1965 level of 7 mg/1 to 12, and sulfates from 20 to 29 mg/1. One can only expect that nutrients, such as nitrogen and phosphorous, although complicated by their biological involvement, will increase in somewhat the same pattern, also. If these changes are permitted to happen, there seems little doubt that the problems of the inshore waters will become more frequent and more distasteful. They also will be extended lakeward and gradually take over all of Lake Michigan. There is no doubt that the factors that stimulate eutrophication will function in Lake Michigan as they do in any other lake. There remains only the question—how long will it take? Whether this requires 50, 100, or 1000 years, it can be prevented only by restoring the inshore areas to an acceptable state and preserving the offshore waters in their present state of purity. In the light of what is now known about Lake Michigan, a policy should be established without delay to keep nutrient input from all sources at the lowest possible level.

SUMMARY

In summary then:

The offshore waters of Lake Michigan are now of high quality. They are just beginning to show slight, subtle changes in the direction of eutrophication. Localized inshore waters are now eutrophic and have lost their usefulness for many desirable purposes. If forecasts of future chemical inputs materialize, eutrophication processes will be accelerated. Problems in inshore waters will then become even more distasteful and costly, and they will gradually involve offshore waters. Accelerated eutrophication can be prevented if action to slow down nutrient input is taken soon enough. The Lake Michigan campaign can be largely a preventive one—therefore, more effective and economical than a totally restorative program. To restore the inshore waters and prevent the spread of inshore conditions lakeward, all controllable nutrient input should be stopped.

TABLE I.—LAKE MICHIGAN ESTIMATED ANNUAL INPUT AND OUTPUT OF NITROGEN AND PHOSPHATE, 1963-64

	Input (millions of pounds)	Output (millions of pounds)	Retained in lake (percent)
Nitrogen	166.1	32.2	81
Phosphates	14.6	0.8	95

PRESIDENT JOHNSON URGES CONTINUED PROGRESS FOR AMERICAN EDUCATION

Mr. MORSE. Mr. President, today, the President, who has done more for education than any President in our history, addressed himself to the educational goals that America must meet in the years ahead. His education message is a historic document.

President Johnson has rightly proposed continued progress to build upon the national commitment to provide a quality education for all Americans.

These programs are responsive to the definite needs in our educational establishment. They will help us to achieve long-range benefits that may well determine the vitality and capacity of American education for years to come.

I join with the President in urging Congress this year to fund the Elementary and Secondary Education Act well in advance of the school year, so that State and local officials can be guided in making plans with a realistic idea of the resources that will be available. But I shall also press, may I say, for an increase in this educational area over the budget estimates.

President Johnson has, in my judgment, correctly posed the problem of priorities in meeting the needs of the educational establishment. For as he noted today:

> Our resources are not unlimited—and never will be. So it is all the more important that in assigning priorities, we focus on aid where the need is greatest.

Mr. President, as I have said, the President has correctly indicated the need for the establishment of priorities. What must be said, however, is that the recommendations carried in the budget of the United States for funding of educational programs do not necessarily reflect, if I am any judge, the attitude of many of us in the Congress.

I find it difficult to reconcile the estimates for education with the $79.8 billion recommended in our defense budget. It is a figure which is going inevitably much higher. That $79.8 billion is not all Vietnam—only $26 billion, approximately, is for that area—the rest is for our Military Establishment all over the world, in Asia, Africa, and in Latin America.

I believe that a saving can and should be made in these areas of defense spending rather than at the expense of schoolchildren of America.

When I see our bilingual education programs funded at $5 million although the authorization is $30 million; when I see a request for 2-year college construction of $34 million, and a request of only $33 million for all 4-year undergraduate construction for a total of $67 million; when I see only $8 million for graduate school construction which last year had $50 million; and I know, because I helped to write the authorization bills, how we felt when we recommended $936 million for undergraduate construction for fiscal year 1969 and $120 million for graduate school construction for fiscal year 1969. We felt then that we were underestimating the need, $936 million was a conservative estimate of need yet the budget request is for $67 million only. It is difficult to understand.

Why do I say this? Because the testimony before our committee was to the effect that college construction to meet student enrollment would require in excess of $4 billion a year.

Do not forget that our Federal grant money is matching money. It represents up to one-third of the cost of construction—two-thirds comes from other sources—so that when there is a cut from $120 million to $8 million that does not represent a $112 million cut, that means a denial of facilities, money in the amount of $336 million; a cut from $936 million to $67 million does not represent a cut of just $869 million, it means three times that amount, or $2.6 billion in deferred construction.

What are we thinking of—if we intend to meet the needs of America's boys and girls? I agree with the President that priorities should be established, that first things should come first. In my judgment, the first priority is the education of our children. Let there be savings but let the savings come in other areas. What can be of greater importance in meeting the problems with which we are being faced in ever-increasing numbers, than the education of the citizens who will have to resolve them?

I shall do my best to support the President in his plea that the International Education Act be funded. It is now long overdue. This is one item to strengthen our graduate schools at home which will give a cost-benefit ratio far in excess of many, many of the items found in the military budget.

I believe with him that there can be no retreat—no turning back—from the promising beginning made to bolster the quality and availability of education in this country.

Nor, may I add, has the President ignored the needs for better educational planning and research. He has called for a large increase in appropriations for this important program. And I think Congress should be receptive and I hope it will be prompt in enacting his request, but not at the expense of other educational programs such as title II ESCA, and title III NDCA, each of which has had more than a $50 million cut from last year. Yet I commend and fully support the President's message on education.

There is nothing more basic to the welfare of the American people than insuring the quality of education. This is the task of the 90th Congress. President Johnson has told us how to achieve this purpose—and we now must act quickly to pass this vital legislation.

Mr. JAVITS. Mr. President, the President's message on education, as I see it, is long and eloquent, but short on program. For example, he has now budgeted $33 million of the $300 million Congress appropriated in 1967 for the construction of undergraduate facilities, a cut of almost 90 percent.

ORDER OF BUSINESS

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Are we in the morning hour?

The PRESIDING OFFICER. We are in the morning hour.

Mr. MORSE. I yield the floor for other morning hour business. I have certain other items I want to get into the RECORD in time for me to leave for a plane early in the afternoon, but I never trespass upon the rights of my colleagues. I will await my turn in rotation.

Mr. JAVITS. Mr. President, may I say to the Senator from Oregon that I will speak after the morning hour, following the Senator from New York [Mr. KENNEDY], for 20 minutes, but I have about 1 minute on something totally different at this time.

ECONOMIC CONDITIONS IN THE NATION

Mr. JAVITS. Mr. President, the hearings on the Joint Economic Committee opened this morning on the President's Economic Report. The minority took a united position on the President's Economic Report in a statement issued this morning. As I am the ranking minority member from the Senate on that committee, I wish to call the Senate's attention to this statement.

The primary burden of the position of the minority is that the administration has lost the initiative with respect to our economic problems and has yet to come clean with the American people as to the economic effects of the Vietnam war. The President has tried to beg the issue on the tax surcharge on the basis that its purpose is to reduce demand, instead of coming out with the fact that it is a tax to support the Vietnam war.

The minority also points out that it has been way ahead of the administration in trying to reduce nonessential expenditures and to deal with problems which are essential—such as hard core unemployment, the problems of our cities—endeavoring to meet these problems in an intelligent way, through the Economic Opportunity Corporation—I happen to be the author of that—and other means, such as Senator PERCY's housing proposals, to show how private enterprise can be brought into the war on poverty and the crises in the cities. The minority has worked hard to bring about a reform in the international monetary system, which is one of our trying situations at this time.

For these reasons, I hope very much that Members of the Senate will read carefully the statement of the minority, the statement of Senator PROXMIRE, chairman of the committee, and the statement made today by Gardner Ackley, setting out the administration's case.

Mr. President, I ask unanimous consent that pertinent excerpts from the minority's statement including a list of the Members may be made a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

REPUBLICAN MEMBERS OF THE JOINT ECONOMIC COMMITTEE

Senate

Hon. Jacob K. Javits (N.Y.)
Hon. Jack Miller (Iowa)
Hon. Len B. Jordan (Idaho)
Hon Charles H. Percy (Illinois)

House

Hon. Thomas B. Curtis (Mo.)
Hon. William B. Widnall (N.J.)
Hon. Donald Rumsfeld (Illinois)
Hon. William E. (Bill) Brock, III (Tenn.)

* * * * *

The Administration has yet to come clean with the American people about the economic effects of the Vietnam War. Private studies conducted at the University of Michigan show that the Vietnam build-up between the first quarter of 1965 and the last quarter of 1966 was responsible for a total rise of $32 billion in annual GNP and for roughly 3.2 million additional jobs. According to the study, without Vietnam spending, output in the final quarter of 1966 would have been almost 4 percent below that reported, while unemployment would have risen to a recession level of 7.7 percent of the labor force.

American agriculture is also in serious trouble. Farm parity prices are the lowest since the depression days of the thirties and costs of production are steadily rising under the Administration's inflationary policies. Farm debt has reached the danger point.

There is no disguising the difficulties before our country by a long and weary statistical recital of our economic achievements. The wonder is not that we have made economic gains but that, having made those gains, the Administration has failed so completely to marshal our vast resources effectively to solve our growing agenda of urgent and critical problems.

For our part, whether collectively or individually, we have consistently advocated that at high employment, the avoidance of inflation required a more moderate pace of monetary advance and a Federal budget somewhere near balance. Time has proved that judgment correct.

As long ago as 1963, the minority members of this committee proposed a non-partisan Commission on Federal Expenditure Policy to establish priorities in public spending and to identify those activities which could be better performed and with superior effectiveness by State and local governments and by the private sector. We repeated that recommendation in 1964 only to have it rejected outright by the Administration in both years.

For years we have advocated less reliance on aggregate spending to eliminate hard-core unemployment and more emphasis on manpower training in the private sector through devices such as the Human Investment Act. We have urged the formation of a public-private Economic Opportunity Corporation, new machinery to combat emergency strikes, a plan to promote and assist in providing homeownership among low-income families and better methods to increase the revenue sources of State and local governments.

In 1963, long before the Administration finally acted, the minority foresaw the coming world financial crisis and introduced a resolution calling for reform of the international monetary system and parallel action to drastically reduce our balance of payments deficit. Had the Administration assigned a high priority to the solution of these problems years ago, we would not now be experiencing our staggering balance of payments deficit and gold outflow.

We regret that most of these and other recommendations which we have made through the years were received by the Administration with indifference or outright hostility. This applies as well to our belief that before a tax increase could be of benefit to the economy it would have to be tied to a package of significant reductions in nonessential spending. Only such a package would slow inflation below the 3 percent increase which the Administration appears content to tolerate this year and enable a re-ordering of priorities so necessary to help solve our unmet domestic problems.

Although time is growing short, and our problems are mounting, we are confident that our people still have the will and the capacity to overcome them if given wise, effective and courageous leadership.

The PRESIDING OFFICER. Is there further morning business?

My BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further morning business?

CORRUPTION IN SOUTH VIETNAM, I—MUST OUR BOYS DIE TO DEFEND IT?

Mr. GRUENING. Mr. President, one of the major reasons for my opposition to our involvement in Vietnam is my conviction that we are supporting a South Vietnamese Government so corrupt and graft-ridden that it cannot begin to command the loyalty and respect of its citizens. This was equally true of its eight predecessor regimes. As a result, American boys must fight and die because the South Vietnamese are unwilling to fight for their own independence. Our young men are drafted and sent 10,000 miles away, while any South Vietnamese who can afford it is free to buy his way out of military service. Besides the billions of dollars to finance the war, we are pouring hundreds of millions of dollars in economic assistance in Vietnam each year because corruption in the Vietnamese Government has limited the collection of taxes to only a small fraction of what it should be. And even at that, much of the aid we give that country is misspent or ends up fattening the pocketbooks of Government officials.

What the American people should come to realize is that the top Vietnamese Government officials in Saigon are neither interested in fighting the war or in seeing to it that it is brought to an end. For them to do either would curtail the immense profits they are now making out of the war, which is paid for, of course, not only by the American taxpayer but by the lives of our boys. These Government officials have major holdings in land and real estate which they have leased and rented to U.S. agencies at tremendously inflated prices. They own the largest bars and brothels in Saigon and obtain a steady flow of graft from those they do not own outright. They build their mansions at the mountain resort of Dalat and their wives are the principal buyers of gold jewelry at the amply stocked shops in downtown Saigon. They are to be seen every night of the week at the most expensive nightclubs which serve the most luxurious food and whiskeys at prices which would make a Parisian nightclub owner blush. And worst of all, they are systematically pillaging the millions of pitiful refugees from the ravage of war by insisting on their "take" of each dollar the United States provides for refugee relief.

But this is nothing new. The South Vietnamese have never shown any stomach for fighting to support their corrupt rulers. In 1964, the South Vietnamese Army was on the verge of collapse. The opposition to the Diem regime had grown from a force of about 12,000 South Vietnamese irregulars to about 100,000. Without the aid of a single North Vietnamese soldier, these irregulars had taken over virtual control of most of the country outside of Saigon. The Vietnamese Armed Forces, then numbering over 350,000, dug themselves in and refused to engage the enemy. It became apparent that only a massive infusion of U.S. forces could prevent the National Liberation Front from taking over the country and in the ensuing years we saw American soldiers taking on more and more of the burden which the South Vietnamese refused to shoulder. While the number of our troops mounted, increasing desertions characterized the South Vietnamese Army. In the last year for which figures were reported, nearly 100,000 South Vietnamese deserted their units. Now it is American boys who are bearing the brunt of the fighting and week by week it has become commonplace for the casualty figures to show many more of our soldiers killed and wounded than South Vietnamese.

In 1954 President Eisenhower refused to send American troops to the aid of the beleaguered French forces because he was not convinced that the South Vietnamese people were dedicated to their Government and would make the necessary sacrifices in its support. Fourteen years later, after we have expended billions of dollars and have suffered over 100,000 in casualties, top administration officials again are beginning to say that our efforts will not be successful if we try to take over the job that the South Vietnamese should be doing. Thus, in his report to the Senate and House Armed Services Committees on February 1, 1968, Secretary of Defense McNamara stated that—

> No matter how great be the resources we commit to the struggle, we cannot provide the South Vietnamese with the will to survive as an independent nation, with a sense of national purpose transcending the claims of family, friendship or regional origin; or with the ability and self-discipline a people must have to govern themselves. These qualities and attributes are essential contributions to the struggle only the people of South Vietnam themselves can supply.

Has it not become tragically clear that the South Vietnamese Government enjoys the support of its people as little in 1968 as it did in 1954? Have not the Vietcong attacks on January 31, 1968, in which they seized and held over forty of the provincial capitals and major cities from the Mekong Delta to the 17th parallel, shown that the South Vietnamese army is utterly incapable and unwilling to carry out even the limited responsibilities assigned to it by General Westmorland—the security of the cities and the pacification of the villages and hamlets? Is it not crystal clear that the South Vietnamese Government and its army are no more willing and capable of fighting now than it was when President Eisenhower refused to sacrifice American lives in 1954 in a futile effort to support a corrupt dictatorship?

Nor is the story of corruption in the South Vietnamese Government anything new. As chairman of the Government Operations Subcommittee on Foreign Aid Expenditures, I have made intensive investigations of corruption in Vietnam and of mismanagement in our aid program in that country. I intend to make a series of statements on these matters in the near future. Every government since Diem has promised to weed out corruption and graft and has made a few feeble gestures to placate the United States. But nothing really changes and the handful of corps commanders or province chiefs that are relieved soon reappear in other posts and the game of musical chairs continues in the same dreary pattern.

When the Thieu government came into power last fall we heard once more the same promises that corrupt officials would be weeded out. How utterly meaningless these gestures are, is disclosed in an article in the January 30, 1968, New York Times by Mr. Charles Mohr. An official announcement last fall said that Col. Le Duc Dat, chief of Phuoctuy Province, and Ho Nhat Quan, mayor of Vungtau, had been removed for "illegal activities" and would be severely punished. Mr. Mohr learned that nothing of the sort had taken place. In fact, Mr. Mohr reported that these officials had been promoted. Quan has been made commander of artillery forces in the III Corps area which includes a dozen provinces around Saigon, and Dat has been made assistant commander of the 18th South Vietnamese Army Division.

Senator Edward Kennedy of Massachusetts, has given us a firsthand report on the extent of government corruption in Vietnam and the indifference of its officials to the plight of the millions of tragic refugees and the victims of the war.

He says:

> I say that the explanation for this terrible situation is not cultural but political. I say that most of the officials in Saigon do not care about these stricken people; that they are more interested in maintaining their own positions of power than in helping the victims of the war; and that from the way they look upon the people outside Saigon, and the way they treat the peasants elsewhere, they have become much like the colonialists who trained them. They are truly colonialists in their own nation.
>
> Along with this lack of urgency and this indifference toward the enemy and toward its own people, the government of South Vietnam is infested as well with corruption. It is almost impossible to go to Vietnam and speak with any candid American or South Vietnamese citizen without instantly becoming involved in a discussion of the corruption of the central government. Government jobs are bought and paid for by people seeking a return on their investments. Police accept bribes. Officials and their wives run operations in the black market. AID funds and hospital supplies are diverted into private pockets. Army vehicles are used for private purposes, supplies disappear and show up in the bootleg stores on the street.
>
> Corruption pervades all aspects of Vietnamese life, and it is brazenly practiced. For example: our government decided it would be helpful if veterans of the Vietnamese army could come to the United States to study at American universities and learn about our country. We asked the government of South Vietnam to select some qualified men for this opportunity. The list they gave us consisted mainly of relatives of government officials. When we discovered this, we asked them to find other men, unrelated to them. But after the second list came in, it was discovered that all of the new applicants had been made to promise a percentage of their scholarship payments to the officials who chose them.

Is it any wonder that the South Vietnamese Army will not fight for this kind of government, that increasing numbers of villagers and peasants have gone over to the side of the Vietcong, and that countless thousands of others will evade military service? Senator Edward Kennedy reported after his trip to Vietnam that while half of the American boys fighting in Vietnam are draftees, in Saigon any young man can buy his way out of the draft, or if he is in service he can buy his release. He goes on to say:

> There are thousands of American men fighting in Vietnam and risking their lives. But in the country our men are defending, in Vietnam, the police must march through the streets in a house-to-house search seek-

> ing eligibles for the army. And they do this only when pressure is applied by critics. While I was in the country the government of South Vietman refused to permit the drafting of 18-year olds, because it does not consider the country to have reached a state of national emergency. As one member of the Vietnamese assembly stated during their debate on the subject, he could see no reason why he should vote to draft 18-year olds to support what was an American effort.

Dramatic evidence of the complete disinclination of the Vietnamese to fight the war was provided in the events on January 31, 1968. In the early morning hours the Vietcong undertook a series of coordinated raids against military and other strong points throughout the country. Military officials estimated that as many as 1,000 guerrillas in units ranging from two men to 200 infiltrated Saigon for the attack against the U.S. Embassy and other installations. They came heavily armed with rockets, automatic weapons, and dynamite. After they struck, it fell to the U.S. forces to dislodge them and to bear the casualties in dead and wounded. The New York Times of February 1, 1968, reports that:

> The South Vietnamese police do not appear to have taken much of a role in the fight for the embassy or to have impeded the infiltration of guerrilla units into the downtown area.

Senator Kennedy reports that the Government of South Vietnam has been engaged in the systematic looting of its own people and that those who have been most defrauded are the ones who are in the most dire straits—the war refugees who now total almost one-fourth of the entire population of South Vietnam. He says:

> Let me detail some examples in the refugee field. We now have given South Vietnam $30 million a year for refugee relief. In my many conversations with the hard-pressed American refugee personnel, it was estimated that only half of the supplies ever reached the refugee. The officials of the government of South Vietnam, and the province chiefs supported by them, have the keys to the warehouses, and they keep much of the goods for themselves. Each refugee is supposed to receive the equivalent of $45 for resettlement. It was estimated to me by a U.S. official adviser to the refugee program that 75 per cent of this amount is siphoned off before it reaches these people.
>
> Provincial officials are given a certain amount of money each year to spend on refugee relief. But instead of using it to provide for refugees, many of them lend this money at high rates of interest, collecting it back just in time to make the expenditures before the end of the budget year.
>
> In the field of refugee care and in many other fields, the government of South Vietnam has been engaged in the systematic looting of its own people. Many of its officials have, as their overriding concern, taking as much as they can, while they can, from the treasure of American wealth. When we in America are being asked to pay a surtax of 10 per cent to support this war, we have a right to demand that these practices in South Vietnam stop.

Senator Kennedy concludes by saying that—

> Until the government of South Vietnam undertakes to reform itself; until it decides to work a seven-day week as the Americans are doing; until it resolves to mobilize the nation, to draft the young men who should be fighting for their country instead of playing in the cities, until it rids itself of the cancer of corruption—until it does these things, it will not be worthy of the respect of its people. It will not receive their support for the war, and the war will become more and more an American instead of a Vietnamese effort.

The similarity of Senator Kennedy's conclusions to that of Secretary of Defense McNamara is obvious. But the real question remains; just what are the prospects that the Government of South Vietnam will reform itself, that it will mobilize the nation, that it will draft its young men? If it has not done so in 14 years, what are the chances that it will do so in the future?

The answer should be obvious. There is no chance whatsoever of this taking place and the United States will have to continue pouring the lives of its soldiers and more billions of dollars into a rathole unless it awakens to the fact that we are bogged down in a quagmire from which we can only extricate ourselves by recognizing that the conflict in Vietnam must be decided by the Vietnamese themselves.

All this adds up to the infamy of drafting our young men and sending them to fight people against whom they have no grievance and to die in the process to support a nauseating, utterly corrupt and unconscionable regime established in a rigged election.

On two occasions I have introduced legislation providing that no draftees should be sent to Southeast Asia without their consent. I pointed out in my presentation before the Armed Services Committee that our draftees were subject to unique discrimination not suffered by those in the regular services for it is obvious that when a man voluntarily enlists in the Army, Air Force, Navy, or Marine Corps he accepts the obligation to go wherever the Commander in Chief chooses to send him. He may have strong feelings about fighting this war but he has voluntarily accepted this commitment. The draftees are in a different position. This is why there is so much unrest and bitterness among large numbers of our young people today. They are no less patriotic than were their predecessors of the same age who went to war in World War I and World War II where the United States had a vital stake and where as in Pearl Harbor we were wantonly attacked without warning.

No such facts justify our military involvement in Southeast Asia, where we are engaged in an illegal and indefensible war in which despite all the official propaganda to the contrary, and the insistence that we are fighting aggression, it was we who barged in unilaterally unasked and when we started bombing North and South became the aggressors.

Had my efforts to amend the Draft Act to provide that no draftees be sent to Southeast Asia without their consent, I believe that perhaps half of them would have gone there. They would have gone for a variety of reasons, but the other half would have preferred to take service in other parts of the world where our troops are stationed. Such action would have been a tremendous affirmation of our democratic principles, and it would have obviated the rising revulsion among our young people to be forced to do what their conscience impels them to resist.

The dilemma of our young men is set forth in an article in the February 4 issue of the New York Times by its knowledgeable Tom Wicker entitled "To Go or Not To Go?"

I ask unanimous consent to have printed in the Record an address by the Senator from Massachusetts [Mr. Kennedy] before the World Affairs Council of Boston on January 25, 1968, concerning his recent trip to South Vietnam; an article entitled "Saigon Rewards Two Dismissed Aides," written by Charles Mohr and published in the New York Times of January 30, 1968; and the article entitled "To Go or Not To Go," written by Tom Wicker and published in the New York Times of February 4, 1968.

There being no objection, the requested items were ordered to be printed in the Record, as follows:

Text of an Address by Senator Edward M. Kennedy Before the World Affairs Council of Boston on His Recent Trip to South Vietnam, January 25, 1968

It is a pleasure for me to have this opportunity to appear before the World Affairs Council, to discuss my recent trip to Vietnam.

Vietnam is not the only nation in Southeast Asia that presents us with dangers in our foreign policy. We know of the continued insurgency in the Northeast corner of Thailand, of the invasion of Laos by North Vietnamese forces, and the increasing bellicosity of the North Koreans that resulted this week in an almost unprecedented seizure of an American Naval vessel. These must be matters of concern to us all and they are situations to be watched with care and treated with sound judgment. But Vietnam is where we have tied down so much of our manpower, our resources, our energies, and our hopes.

As Chairman of the Senate Judiciary Subcommittee on Refugees, I went to Vietnam to investigate our progress, or lack of progress, in both our refugee and our civilian casualty programs. Within the next two or three weeks, I expect to make a detailed report to the Senate of my findings within the area of these specific responsibilities. Today, I wish to be more general.

I certainly did not go to Vietnam expecting suddenly to find the solution to the war. I return with no blueprint for immediate success, no scheme for peace that others have missed.

But I believe I do return with a greater sensitivity, with greater feelings about our total efforts there. These I wish to share with you.

I last visited Vietnam in 1965, at the beginning of the massive buildup there of American presence. At that time, the Viet Cong threat was at a peak. The danger was imminent that they would take over the country, destroying in the process whatever free institutions the people enjoyed. The decision was made by the United States during this period to revise significantly our role in Southeast Asia. We have held to that decision with little change since then.

At that period in the struggle we took every claim of progress as a strong sign of hope—perhaps because the situation was so dismal. One left Saigon in 1965 feeling things were going to get better, simply because they could not get worse. I left at that time not with any hope of victory in the near future but at least with the hope that some real progress was on the horizon, that some real improvement, some easing of pain was in store for the people of Vietnam who had suffered so long—and for our people too.

On my return this year from Vietnam, I am forced to report to you, and to the people of the Commonwealth, that continued optimism cannot be justified. I am forced to conclude that the objectives we set forth to justify our initial involvement in that conflict, while still defensible, are now less clear and less attainable than they seemed in the past.

And I believe that if current policies relating to the nature of the war are not changed, and the assumptions underlying civilian programs are not revised, then the prospects for individual freedom and political stability in Vietnam in the foreseeable future are dim.

In essence, I found that the kind of war we are fighting in Vietnam will not gain our long-range objectives; that the pattern of destruction we are creating can only make a workable political future more difficult; and that the government we are supporting has given us no indication, and promises little, that it can win the lasting confidence of its own people.

The war in Vietnam is unlike the traditional wars in our history in which we were prepared to act alone. Our country was not attacked, our cities were not threatened. We do not seek to overthrow an enemy government, capture ground, or achieve an unconditional surrender. We seek only to allow the people a free choice. For these reasons the war is more nebulous, more vague in its ends, than the conflicts of our past. And for precisely these reasons, there is always the chance that our actions, if not fully considered, can exceed our needs. That is why we must be careful in applying the traditional canons of patriotism, or the cliches of the past, in judging this war. As our military effort must be more sophisticated than any other in the past, so must our views as citizens on the policy questions before us.

But before I elaborate on these points, let me share with you some of my personal impressions after observing the war in Vietnam.

First, I was deeply impressed by the American servicemen who are serving there. I had hours of discussion with them, from the Delta in the south to Danang in the north. The man who serves there today is in the tradition of his father who fought in the South Pacific and his brother who walked the length of the Korean Peninsula. Because of the greater opportunities he has had at home, he is perhaps more professional, more intelligent and more aware of his own capabilities as a man and as a soldier. He is there to do a job, and he does it well.

Criticism of the war is not criticism of these individuals. They do not make policy; but no policy makers ever had better men to carry out their objectives. If bravery, skill and sheer force could win this war, these men would win it. But it is these very characteristics that should give us pause—these men whose lives are too precious to sacrifice endlessly or needlessly. We owe much to our fighting men. Our responsibilities to them are great and grave. To interpret criticism of our policies as a lack of support for our men is to suggest that we blindly abandon them to policies without an intelligent consideration of alternatives that may be open to us.

The valor of our troops is one impression I brought back with me from Vietnam. A second strong impression was radically different: the paradox of the city of Saigon.

Saigon has grown over the past three years by almost two million people. The contrasts there are painful. A small, privileged segment of Vietnamese society is thriving in this center of war economy. These privileged individuals are content with the status quo.

But those who have been driven in from the countryside and must now live in the streets and hovels present a different picture. These people are not doing well in this war, and they know the price of the conflict very well. Vietnam is a nation in which reverence for the dead is the highest trait of character. Yet I saw people in Saigon who are forced to live in graveyards, and have even hollowed out tombs to find shelter. This is a city where thousands of young men 18 and 19 years old flash about the streets on their motorbikes, wearing cowboy hats and leather gloves, exempt from the war and oblivious to the sacrifices of others. Yet this is also a city where 40 per cent of the death toll is accounted for by children under two years of age, children killed primarily by dysentery or pneumonia.

The contrasts of the major city are reflected as well in the countryside. From the air, Vietnam is a beautiful land, but when you descend from the sky you see clearly the pockmarks of war, and when you walk through the villages you see the ravages of war in the faces of the sick and wounded children. Beyond the villages abandoned fields stretch to the horizon, and scorched outlines of houses burned to the ground sometimes cover more than half the land area of a province. Whole areas which have been bulldozed to the ground are commonplace, and so are wide corridors of defoliated forests, and fields that once produced food. Here and there are compounds of long sheds with shiny tin roofs—the refugee camps where thousands upon thousands of people have been herded together, uprooted from all they ever knew or wanted.

These are the people of Vietnam, the peasants of Vietnam. They are not a demanding people. Their simplicity is overwhelming, their wants meager. I had the opportunity to visit more than 25 refugee camps and talk to hundreds of their people. I was struck with the fact that they—and their fellow peasants who make up the vast majority of the population—have no ideological commitment to anything beyond their own families, and perhaps their hamlets or villages. The provincial government, and the central government in Saigon, are nothing but far-away titles to most of them. The debate over communism and freedom has little meaning.

I do not mean to suggest that the peasant of Vietnam would be unresponsive to any form of government. But I do suggest that their concerns and their hopes should not always be considered identical to ours. As a leading intellectual in Vietnam told me, "The peasant may have no political notion of democracy, but he does carry a strong desire for justice." The form of government they want, according to him, is a just government. And none of the governments they have seen in their lifetime have been just to them. To them, the promises of the United States and the promises of the Viet Cong make little difference, even if ours are real and the others propaganda. What they are interested in is the way of life which causes the least further disruption in their already disrupted lives.

We tend to think of refugees as a small minority of people who have been caught in a passing conflict. But when I discuss the refugees in Vietnam, I am talking about literally 25 per cent of that nation's population, all of whom are disaffected, all of whom hold a strong resentment for whatever side tore them away from the simplicity of their lives to the squalor and the bureaucracy of the camps. Most of these people are totally disenchanted with the powers on both sides responsible for their fate. Vietnam today is a land of disenchanted people.

I found a great deal of resentment toward the United States among these people. I asked all of those to whom I spoke how and why they became refugees. The vast majority—I would judge over 80 per cent—claimed they were either deposited in camps by the Americans or fled to camps in fear of American airplanes and artillery. Only a handful claimed they were driven from their homes by the Viet Cong.

The French, one leader told me, committed many sins in Vietnam. But the French did not wipe their villages, or burn down their homes, or herd them into enclosures in the name of security, when many felt more secure, with more food and less disease, where they were.

It is apparent to me that it is the refugees of Vietnam, and their brothers in the hamlets, whom we must win over for any policy to succeed. But all too often this task may be almost impossible, because of that one forgotten and seemingly insignificant act in a fast-moving war, the destruction of a home or a hamlet—and that most significant fact, that we displayed no compassion thereafter.

One further impression—and perhaps the strongest and most depressing—is the impression of the Viet Cong themselves. I spoke to Vietnamese and Americans alike who have either known the enemy from years of experience or have encountered him in the dark of night. The determination of the Viet Cong is awful to behold. They are capable of great cruelty. They often attack positions using the peasant and his home as a shield. They use the familiar tactics of the terrorist, relying upon fear when persuasion fails.

I met with one woman and her family of five in Ben Cat the morning after the Viet Cong had taken her husband from his bed and cut his throat, leaving him dying in the yard. He had done no wrong, but control of this refugee area was slipping from the Viet Cong, and they needed an example of discipline.

The Viet Cong are driven by a belief in the rightness of their cause that comes from years of colonial rule and injustice inflicted by passing governments. This belief has grown strong on a sense of nationalism carefully nurtured and promoted by communist political cadres. It is true that their forces have been depleted by our weapons; in the Delta, we are capturing 14 and 15 year old boys. But it is just as true that in the past six months there has been more enemy activity in that area than there was when the Viet Cong were at the height of their strength. We must face this Viet Cong determination realistically and for what it is.

While I was in their country I tried to assess the spirit with which the Vietnamese on our side conduct their part of the war. For we are in Vietnam because they are in peril; it is their country, their war, their future. Every other time in our history when we have gone into battle to help others stay free the other nations have been dedicated to the cause. When they were threatened, as Britain and Russia and South Korea were, they fought valiantly. Where they were conquered, as the French, the Poles, the Scandinavians, the Filipinos were, they turned guerrillas and did the best they could to resist.

But at this stage of the war in Vietnam, I believe the people we are fighting for do not fully have their hearts in the struggle. And I believe as well that the government that rules them does not have its heart in the cause of the people. So we are being forced to make the effort for them and take the risks they should be taking themselves.

We are losing 9,000 lives and spending $30 billion a year, and have twice come close to mobilizing our reserves because of the war in Vietnam. But Saigon—faced with an enemy which controls more than half of its land area—has yet to declare a state of national mobilization.

Half of the American boys fighting in Vietnam are draftees. But in Saigon, it is common knowledge that a young man can buy his way out of the draft, or if he is in service can buy his release.

There are thousands of American men fighting in Vietnam and risking their lives. But in the country our men are defending, in Vietnam, the police must march through the streets in a house-to-house search seeking eligibles for the army. And they do this only when pressure is applied by critics. While I was in the country the government of South Vietnam refused to permit the drafting of 18-year-olds, because it does not consider the country to have reached a state of national emergency. As one member of the Vietnamese assembly stated during their debate on the subject, he could see no reason why he should vote to draft 18-year-olds to support what was an American effort.

South Vietnam's civilians who have been injured as a result of the war are victims of the same lack of concern. Each year 150,000 civilians are wounded in the war, and more than 25,000 are killed. Only 150 Vietnamese doctors are available to treat these civilian casualties, and they must also serve the entire population of over 13 million. And yet I learned, in discussions with members of the government, that they plan to divert many of this meager number by drafting more doctors into the military.

Were it not for the private doctors from the United States and other free world nations who have gone to Vietnam on their own time; and were it not for the fact that the United States military has finally accepted some measure of responsibility for the civilians killed and injured in the fighting, there would be almost no doctors at all to help these people.

I tried to warn Vietnamese officials of the suffering that would result if they removed the skilled medical people from the civilian population. They did not appear to be impressed.

There are those who say that such a lack of compassion is normal in a continent which has seen so much suffering for so many centuries. In matters such as this, they maintain, we must make allowances for the Asian mind. But I visited more than twenty provincial hospitals and dispensaries. I entered pediatric wards at 11 o'clock at night and saw rats in the rafters and filth on the floors, windows without screens, children wide-eyed with pain, and no Vietnamese personnel to comfort them or care for them. And I cannot believe that this suffering is made any easier by the cultural background of the sufferers.

I say that the explanation for this terrible situation is not cultural but political. I say that most of the officials in Saigon do not care about these stricken people; that they are more interested in maintaining their own positions of power than in helping the victims of the war; and that from the way they look upon the people outside Saigon, and the way they treat the peasants elsewhere, they have become much like the colonialists who trained them. They are truly colonialists in their own nation.

Along with this lack of urgency and this indifference toward the enemy and toward its own people, the government of South Vietnam is infested as well with corruption. It is almost impossible to go to Vietnam and speak with any candid American or South Vietnamese citizen without instantly becoming involved in a discussion of the corruption of the central government. Government jobs are bought and paid for by people seeking a return on their investments. Police accept bribes. Officials and their wives run operations in the black market. AID funds and hospital supplies are diverted into private pockets. Army vehicles are used for private purposes, supplies disappear and show up in the bootleg stores on the street.

Corruption pervades all aspects of Vietnamese life, and it is brazenly practiced. For example: our government decided it would be helpful if veterans of the Vietnamese army could come to the United States to study at American universities and learn about our country. We asked the government of South Vietnam to select some qualified men for this opportunity. The list they gave us consisted mainly of relatives of government officials. When we discovered this, we asked them to find other men, unrelated to them. But after the second list came in, it was discovered that all of the new applicants had been made to promise a percentage of their scholarship payments to the officials who chose them.

Let me detail some examples in the refugee field. We now have given South Vietnam $30 million a year for refugee relief. In my many conversations with the hard-pressed American refugee personnel, it was estimated that only half of the supplies ever reach the refugee. The officials of the government of South Vietnam, and the province chiefs supported by them, have the keys to the warehouses, and they keep much of the goods for themselves. Each refugee is supposed to receive the equivalent of $45 for resettlement. It was estimated to me by a U.S. official adviser to the refugee program that 75 per cent of this amount is siphoned off before it reaches these people.

Provincial officials are given a certain amount of money each year to spend on refugee relief. But instead of using it to provide for refugees, many of them lend this money at high rates of interest, collecting it back just in time to make the expenditures before the end of the budget year.

In the field of refugee care and in many other fields, the government of South Vietnam has been engaged in the systematic looting of its own people. Many of its officials have, as their overriding concern, taking as much as they can, while they can, from the treasure of American wealth. When we in America are being asked to pay a surtax of 10 per cent to support this war, we have a right to demand that these practices in South Vietnam stop.

Until the government of South Vietnam undertakes to reform itself; until it decides to work a seven-day week as the Americans are doing; until it resolves to mobilize the nation, to draft the young men who should be fighting for their country instead of playing in the cities, until it rids itself of the cancer of corruption—until it does these things, it will not be worthy of the respect of its people. It will not receive their support for the war, and the war will become more and more an American instead of a Vietnamese effort.

As I mentioned at the outset, I did not go to Vietnam in pursuit of a plan for peace. A short trip to Vietnam, even by someone who follows the issues closely, does not arm one with credentials and the information necessary to talk authoritatively of specific peace moves and solutions. Nevertheless, I feel no report to the people of this state on my impressions on the war would be complete without some personal conclusions.

I do not wish to engage in speculation on whether or not we have been aggressive enough in grasping offers to negotiate an end to the war, but I would question the wisdom of some who feel that a great deal of the negotiations for peace must be carried out before the negotiating table is ever reached.

Admittedly, we are confronted with cunning men in Hanoi. But I have sufficient faith in our own ingenuity and bargaining ability to believe that we can discuss settlement before many major military issues are resolved. Negotiations will not be a quick or painless solution to the Vietnam war, but the sooner they begin, the sooner men of peace, rather than those concerned solely with military victory, will begin bringing their influence to bear on the ultimate result.

But if negotiations are not forthcoming, or if they face a great delay, we must ask ourselves whether the gains we can achieve are worth the staggering costs we now incur. American officials I talked to in Vietnam are emphatic that we must not expect too much from the central government, that the effort to win the people and discourage the V.C. will go slowly, and that we cannot hope for an end to our involvement for another five or ten years. It is easy to accept five to ten years in the abstract, but it becomes more difficult when years are translated into dollars—another $150 to $300 billion at the current level of spending. And I find it impossible to talk of our future in Vietnam in terms of another 50,000 to 100,000 young Americans dead. Last year, 9,000 boys died; this year we will lose 10,000. Unless we change the way we fight in this war, the death toll will grow even larger while the gains, computed by often meaningless statistics, will merely creep along, to mock the offering of this, the most precious gift we have.

And so it is that the rising cost of American lives and the damage, both political and physical, that we inflict on the people, cause me to view current military actions with great dismay. As a result, I believe that if we cannot achieve negotiations in the very near future, we should begin immediately to moderate significantly our military activities in South Vietnam to levels more tolerable to all and more commensurate with our limited aims. Our overriding goal should be to maximize the safety and security of the Vietnamese people and our own soldiers, rather than to search out the enemy in his territory and on his terms. To produce a flow of statistics of enemy killed, roads opened, hamlets secured, is not our goal in Vietnam, and it is not worthy of our effort. To seek to justify a war by such meaningless numbers is not only new to the American experience—it is unbecoming to a great nation.

The adoption of a more defensive military posture, one designed to protect and hold areas of heavy population rather than to seek out the enemy, has, I found, some support among our military leaders in Vietnam. And at the same time—as essential to this strategy—we would have to demand more from the South Vietnamese government in the basic political effort of gaining the allegiance of the people who would be under the protection of the U.S. and other free world forces.

This task can only be successfully fulfilled by the government of South Vietnam. But given our expenditure of lives and treasure, and the threat of Vietnam to our own domestic tranquility, it is largely our responsibility to see that they accomplish this task. For too long we have tolerated not only government corruption but government indifference to the people. We have refused to confront Saigon with the same determined fury we have unleashed on Hanoi. But they too must face the hard demands of war—and those demands should be placed before them by us in clear and concrete terms.

I would urge a confrontation between our government and the government of South Vietnam on the entire question of corruption, inefficiency, waste of American resources and the future of "the other war". They should be told in terms that will leave no doubt that if they find it impossible to attract the people of Vietnam to their own constitutional government, the American people will rightfully demand serious alterations in the nature of the United States involvement.

We can have an enormous influence over the government of South Vietnam if only we choose to use it. They know that if we were not there they would collapse. We came to their aid because their people were in danger of a communist takeover. But today many of their officials believe that, because of our fear of China and of our deep concern about communist advances in Southeast Asia, we are tied to Vietnam irrevocably. As a result, I believe they feel they can act as they wish towards the war and towards their own people, confident we will fill the gaps they will leave.

They must be disabused of the belief that American men and American money are a fixture in Vietnam. There is no lack of will in this country to assist others anxious to help themselves, but Saigon should know that American resources are not infinite and that patience has its limits. Above all else, the American people will not be content with the giving of lives, with making the ultimate sacrifice for a government which refuses to share proportionately in that sacrifice.

So it should be made clear to the elected government of South Vietnam that we cannot continue, year after year, picking up the pieces of their failures. We should as a nation do all that is necessary to prepare that government to take over their true responsibilities. But if they are unwilling to accept them, they should be aware that the American people, with great justification, may well consider their responsibilities fulfilled.

Almost two centuries ago, Thomas Paine, a man who wrote of our own struggle as a young nation, stated, "those who expect to reap the blessings of freedom must, like men, undergo the fatigue of supporting it." That lesson still holds today. No nation has done more in the last quarter century than the United States to promote and preserve freedom in this world. We have done so because peace under freedom was the watchword in the creation of our own republic and is the highest aspiration of all men. Our word is good to all who share that aspiration with us and to all who will work with us to attain it now and maintain it in the future.

[From the New York Times, Jan. 30, 1968]

Saigon Rewards Two Dismissed Aides—Men Accused of Corruption Get High Post in Army

(By Charles Mohr)

Saigon, South Vietnam, January 29.—Two South Vietnamese Army officers dismissed from Government positions last fall on corruption charges have been placed in desirable army jobs, it was disclosed today.

The official announcement of their dismissal last fall said that they would be severely punished.

The officers, both lieutenant colonels are Le Duc Dat, the former chief of Phuoctuy Province, and Ho Nhat Quan, the former appointed Mayor of Vungtau, a seaside resort town just east of Saigon. Phuoctuy Province is just to the north of Vungtau.

The dismissal announcement had said that Colonel Dat would be "severely punished" for "having committed mistakes while discharging his duties having indulged in illegal activities."

NAMED A COMMANDER

The announcement added that Colonel Quan had been ordered to report to the Defense Ministry for strong disciplinary measures.

Informed sources have disclosed, however, that Colonel Quan has been made commander of artillery forces in the III Corps area, which includes a dozen provinces around Saigon. Colonel Dat, the sources said, has been made assistant commander of the 18th South Vietnamese Army Division.

The case is not without precedent here.

American advisory officials in another province recently made a determined and prolonged attempt to document the corruption and inefficiency of a military officer holding a provincial job. He was promoted one grade in rank and given a better job.

An American working in the field remarked: "The promotion policies of the South Vietnamese Army can be summed up in five words, 'foul up and go up.' "

For several days, Vietnamese military spokesmen avoided answering questions about the present assignments of Colonels Dat and Quan. Finally, they flatly refused to answer. Inquiries to a Vietnamese civilian information official also failed to elicit answers. However, informed sources in the military region where the two officials are working disclosed their assignements.

Colonel Dat enjoyed a good reputation for ability and drive with his American collegues. His dismissal did not especially cheer some Americans.

To Go or Not To Go?

(By Tom Wicker)

New Haven, Conn.—Few subjects seem to stir more interest among students and other young people today than the question of draft resistance—to go or not to go? At Yale, where the chaplain of the university, William Sloane Coffin, has been legally charged with encouraging draft resistance, the matter permeates conversation, even among faculty members far past the age of military service.

This is discomfitting to one not so constantly exposed to the current moods of youth, and himself—like most older Americans—a veteran of highly involuntary military service. Indeed, the attitude of "We won't go" is almost incomprehensible to many of the World War II generation, whose members are likely to cite their own patriotism of a quarter-century ago as evidence of the present generation's softness (or worse).

SPECIAL BREED

The millions who rushed off to World War II, however, are something of a special breed. Theirs was probably the only war with a foreign power in American history in which there was not a widespread and articulate dissent. Even during the American Revolution, some of the bloodiest depredations were wrought by patriots and Tories fighting each other. Abraham Lincoln was a notable dissenter from the Mexican War and German-Americans were conspicuous during World War I both by their disapproval of the war and by the persecutions they therefore suffered at the hands of other Americans.

By contrast, World War II was virtually a national uprising. Reluctant as they were to arm themselves or to play an active role in the world in the Thirties—even against the menacing Hitler—Americans after the Japanese attack on Pearl Harbor went to war with virtually unanimous zeal. The emerging realization of the monstrous evils of Nazi Germany contributed to the war spirit, which never flagged.

Whatever else anyone wants to make about the Vietnamese War, they can hardly describe it as such an expression of the national emotions as was World War II. It is, rather, a policy war, more nearly analogous, say, to the Spanish American War, which also provoked an impassioned dissent in this country.

A policy war is one to which the national Administration, for reasons it considers ample, commits the armed forces in pursuit of some goal of national interest. That goal may, or may not, be visible to or easily understood by those not particularly versed in the intricacies of national rivalries, the rigidities of ideology of the mystic vision and deductions of geopolitical strategists. A policy war is, therefore, a far different thing from a war of national impulse such as World War II, or even a war of obvious usefulness, like the international cooperative effort that turned back the North Korean invasion of South Korea in 1950.

GOOD CASE

There is a very good case to be made that policy wars should not be fought with draftees. The British, who waged many a policy war, did so with professionals, or with mercenaries (like those Hessians at Trenton who, at the time of Washington's crossing of the Delaware, were as surprised as the South Vietnamese guarding the American Embassy in Saigon last week) or with the hapless kidnap victims of the press gang.

Some time ago, Senator Ernest Gruening of Alaska was sponsoring a resolution that would have prohibited the use of draftees in South Vietnam. In retrospect, had the Administration accepted this restriction, many of its domestic problems with the war might not have become so pressing. Reliance upon a professional army would not make the war any purer to those who consider it immoral, nor any more sensible to those who believe it a hideous waste of American lives, resources, influence and energy; but it would have eased the impact of the casualty lists, obviated the moral dilemma of the young men now facing draft calls, and perhaps have cooled the youthful fervor that is the most striking and disturbing aspect of the dissent.

ONLY "HIS POLICY"

President Johnson, convinced as he obviously is of the rightness and necessity of his policy in Vietnam, has still not been able to make the resulting war any more than "his policy" for millions of Americans. He has not been able to make of it some expression of national need and sentiment to which they could respond wholeheartedly. When these Americans are also draft eligibles, they see their prospective military service more nearly in terms of a modern-day press gang than of the patriotic zeal their elders demand of them.

This does not really answer the question, however, whether such young men should acquiesce in or resist the draft; it does not tell them whether to go or not to go. There is a moral question involved in breaking the law, too; and there is bound to be an imponderable inner consequence of the profoundly unnatural act of renouncing one's country, family and heritage (however one may scorn all three).

The World War II veterans remembered patriotism as an inadequate guide for resolving such personal dilemmas. The eager volunteers of December, 1941, did what was right for their generation to do, but that does not entitle them to ask another generation, in another age and another war, to fight at Khesanh merely because their fathers remember Pearl Harbor.

ORDER FOR RECOGNITION OF SENATOR MORSE

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, following the statement by the senior Senator from New York [Mr. Javits] concerning which a unanimous-consent request has heretofore been granted, the distinguished senior Senator from Oregon [Mr. Morse] be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

USE OF FARM OPERATION LOSSES AS OFFSET TO INCOME FROM OTHER SOURCES

Mr. METCALF. Mr. President, on November 1, I introduced S. 2613, a bill to amend the Internal Revenue Code to prohibit persons who are not bona fide farmers from using losses incurred in their farming operations as an offset to income from other sources. Since the introduction of that bill, I have received a great many inquiries about the Internal Revenue Service study of 1965 individual income tax returns, to which I referred in my explanatory remarks on November 1.

Contained in that study is a table of selected sources of individual income, taxable income, and income tax compiled from an analysis of individual income tax returns filed in the 100 largest standard metropolitan statistical areas. According to that study, 31 of those metropolitan areas report a net loss from farming. To illustrate, four of the areas

studied are located in California. Taken collectively those four metropolitan areas reported a net loss from farming in excess of $60 million. To further illustrate, four metropolitan areas studied in Texas reveal a collective net loss from farming in excess of $40 million. So that Senators may have the full benefit of the statistics of individual income compiled by the Internal Revenue Service, I ask unanimous consent that the entire table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 34.—SELECTED SOURCES OF INCOME, TAXABLE INCOME, AND INCOME TAX, BY 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS (TAXABLE AND NONTAXABLE RETURNS)

[Dollar amounts in thousands]

100 largest standard metropolitan statistical areas	Number of returns	Adjusted gross income (less deficit)	Salaries and wages (gross)		Business net profit and loss		Farm net profit and loss		Partnership net profit and loss		Net gain and net loss from sales of capital assets	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Akron, Ohio	202,326	$1,507,872	188,253	$1,304,811	16,009	$79,539	1,353	[1]$1,458	2,986	$20,658	14,544	$22,452
Albany-Schenectady-Troy, N.Y	258,259	1,698,909	231,683	1,426,584	17,464	85,658	2,439	369	5,373	21,121	22,153	16,746
Allentown-Bethlehem-Easton, Pa.-N.J	189,334	1,274,069	171,539	1,069,740	14,270	71,037	1,662	823	3,520	27,092	19,892	20,973
Anaheim-Santa Ana-Garden Grove, Calif	405,628	3,116,992	364,661	2,631,232	37,891	180,056	3,669	[1]9,484	13,187	56,443	60,666	105,807
Atlanta, Ga	425,806	2,936,644	391,117	2,455,788	30,925	152,104	3,625	[1]1,291	11,048	90,772	32,676	67,979
Bakersfield, Calif	99,659	642,580	88,893	508,194	9,789	40,184	1,498	8,589	3,600	25,848	12,703	14,679
Baltimore, Md	622,843	4,209,358	576,286	3,533,928	41,069	219,924	6,582	[1]1,132	10,586	76,180	53,126	74,946
Beaumont-Port Arthur, Texas	97,523	646,071	89,710	558,767	9,915	25,474	1,989	1,187	1,755	12,152	6,386	13,293
Binghamton, N.Y.-Pa	91,311	572,604	81,079	479,337	7,901	30,776	2,654	1,434	2,828	13,892	10,729	6,687
Birmingham, Ala	201,666	1,274,727	187,776	1,091,773	12,450	55,727	1,088	[1]740	4,771	33,923	11,931	15,448
Boston, Mass	991,932	6,479,569	891,247	5,210,268	71,486	377,442	1,037	524	15,027	89,139	97,294	157,059
Bridgeport, Conn	149,001	1,007,503	133,662	833,200	10,265	47,264	(*)	(*)	2,778	16,109	12,901	14,705
Buffalo, N.Y	459,422	3,077,001	415,277	2,609,471	34,559	159,374	2,935	215	9,490	54,824	39,395	38,870
Canton, Ohio	123,224	860,693	114,470	734,984	10,653	49,516	2,046	137	1,891	15,856	9,032	8,750
Charlotte, N.C	114,012	811,774	105,367	677,880	9,476	49,445	2,144	387	3,384	14,135	10,693	14,224
Chattanooga, Tenn.-Ga	99,400	582,578	91,439	485,238	8,594	36,722	1,416	320	2,869	16,811	6,069	10,786
Chicago, Ill	2,581,895	19,377,910	2,334,533	15,902,828	165,232	946,124	13,655	5,713	64,171	420,827	226,499	481,865
Cincinnati, Ohio-Ind.-Ky	449,758	3,001,485	401,652	2,407,135	37,245	187,938	7,987	212	10,043	62,770	41,083	53,395
Cleveland, Ohio	722,876	5,375,682	671,810	4,426,853	44,591	213,061	3,458	1,823	15,357	109,535	61,453	205,189
Columbus, Ohio	297,997	1,996,554	277,173	1,704,112	23,518	111,766	6,385	6,752	5,489	30,935	21,201	32,936
Dallas, Tex	459,845	3,098,708	411,203	2,504,940	49,457	201,334	14,412	[1]10,103	15,029	82,873	50,354	122,562
Davenport-Rock Island-Moline, Iowa-Ill	131,404	867,629	117,744	708,227	11,018	47,468	7,166	27,579	3,584	18,705	14,319	16,862
Dayton, Ohio	255,965	1,910,431	237,388	1,639,981	21,483	100,864	7,604	4,132	4,664	26,875	18,060	26,957
Denver, Colo	392,289	2,632,842	352,411	2,167,569	38,885	165,526	5,365	[1]1,658	12,153	71,115	56,105	59,715
Des Moines, Iowa	91,874	638,018	83,206	516,836	9,370	45,541	2,363	2,297	2,637	17,148	8,127	9,303
Detroit, Mich	1,467,162	11,138,440	1,337,459	9,443,784	92,718	521,403	5,855	250	31,910	227,687	131,983	158,972
Duluth-Superior, Minn.-Wis	105,206	611,449	93,845	518,502	9,290	31,135	2,292	1,847	3,741	6,350	12,374	6,687
El Paso, Tex	114,755	649,097	106,300	573,846	6,575	26,311	(*)	(*)	3,905	15,370	7,429	11,072
Flint, Mich	154,140	1,208,764	141,272	1,029,503	8,980	52,772	3,531	[1]1,126	3,088	27,943	9,987	16,365
Fort Lauderdale-Hollywood, Fla	151,555	1,000,615	123,333	673,408	17,767	66,933	(*)	(*)	3,204	28,400	27,759	52,051
Fort Worth, Tex	219,526	1,340,236	201,786	1,141,149	22,926	78,754	4,544	[1]4,681	5,790	27,403	16,594	23,591
Fresno, Calif	126,733	778,313	111,427	633,843	12,253	53,988	7,790	10,812	5,591	29,065	18,190	21,498
Gary-Hammond-East Chicago, Ind	205,458	1,448,099	192,669	1,285,805	10,333	56,346	2,413	3,374	4,086	27,553	13,212	11,761
Grand Rapids, Mich	160,783	1,050,144	140,974	813,678	16,479	84,646	4,088	5,123	3,554	34,504	18,700	23,040
Harrisburg, Pa	126,456	830,520	113,415	699,438	10,412	42,157	3,418	3,149	2,241	21,980	9,830	11,887
Hartford, Conn	208,362	1,560,321	187,497	1,243,527	14,959	90,028	(*)	(*)	4,991	28,902	25,097	33,357
Honolulu, Hawaii	186,537	1,254,091	172,448	1,042,819	14,496	61,024	976	3,255	8,979	30,229	28,512	35,525
Houston, Tex	543,122	3,697,660	500,467	3,077,781	54,264	198,586	13,155	[1]20,279	12,683	77,555	52,620	117,269
Indianapolis, Ind	355,966	2,453,144	323,078	2,057,901	28,169	138,474	14,161	15,692	7,460	52,538	33,730	31,922
Jacksonville, Fla	154,007	984,965	140,829	837,501	13,688	48,711	(*)	(*)	2,770	22,248	10,188	20,753
Jersey City, N.J	247,455	1,492,803	229,123	1,281,277	13,640	67,278	(*)	(*)	5,631	28,334	23,255	11,689
Johnstown, Pa	82,211	465,033	75,346	412,324	6,368	18,837	(*)	(*)	2,152	7,732	6,079	4,500
Kansas City, Mo.-Kans	405,641	2,840,953	364,363	2,317,757	36,533	174,338	10,156	1,339	9,441	74,265	44,219	60,907
Knoxville, Tenn	110,980	658,589	100,298	552,377	6,732	31,082	3,435	[1]2,079	4,835	16,622	10,122	13,297
Lancaster, Pa	106,263	690,873	93,810	566,335	10,431	54,191	5,817	12,296	1,992	8,844	10,164	9,043
Lansing, Mich	106,045	749,654	93,277	618,080	8,693	45,368	6,863	4,270	2,876	19,018	10,748	8,137
Los Angeles-Long Beach, Calif	2,518,674	18,840,037	2,233,039	15,475,843	243,031	1,114,697	7,585	[1]41,854	91,392	390,732	374,502	620,229
Louisville, Ky.-Ind	263,153	1,738,112	239,260	1,428,196	20,635	108,080	6,279	2,496	9,147	43,561	20,914	20,273
Memphis, Tenn.-Ark	222,993	1,327,694	206,351	1,082,540	17,800	83,573	2,972	[1]3,425	5,019	44,441	16,257	34,280
Miami, Fla	377,107	2,229,393	314,995	1,688,959	35,735	148,552	1,888	[1]102	13,267	47,150	53,810	86,831
Milwaukee, Wis	480,124	3,474,088	432,685	2,920,476	32,997	183,565	4,590	5,131	6,579	52,337	54,075	57,382
Minneapolis-St. Paul, Minn	599,144	4,225,274	549,857	3,540,588	41,633	183,550	7,460	[1]468	15,464	99,480	69,945	112,250
Mobile, Ala	99,825	573,960	90,507	491,728	8,278	23,760	1,687	[1]3,263	2,246	1,721	5,925	7,779
Nashville, Tenn	171,856	1,022,631	157,348	843,228	11,210	54,321	5,972	[1]536	5,427	36,061	10,600	19,415
New Haven, Conn	131,725	964,193	118,223	770,096	8,944	52,434	(*)	(*)	2,142	22,172	13,724	22,961
New Orleans, La	332,086	2,078,760	296,631	1,651,960	24,110	117,537	(*)	(*)	6,498	66,253	25,435	54,611
New York, N.Y	4,546,345	34,278,160	4,103,589	26,478,302	330,585	1,793,426	3,096	[1]7,248	158,676	998,503	605,022	1,211,191
Newark, N.J	680,733	5,277,951	613,487	4,215,481	46,535	286,638	(*)	(*)	18,687	177,170	93,888	116,779
Norfolk-Portsmouth, Va	185,575	1,095,972	167,174	947,924	9,948	48,956	960	792	3,861	16,655	11,561	14,016
Oklahoma City, Okla	205,920	1,203,042	182,824	997,433	19,590	63,314	6,439	[1]590	6,026	32,137	17,490	28,091
Omaha, Nebr.-Iowa	185,831	1,152,348	165,620	946,226	14,421	60,832	3,750	8,619	4,024	25,975	15,496	25,713
Orlando, Fla	110,136	619,170	96,327	506,547	11,332	40,971	1,955	7,049	3,308	21,522	9,633	13,163
Paterson-Clifton-Passaic, N.J	468,411	3,631,413	415,649	2,982,449	33,263	202,016	657	[1]241	18,314	81,696	57,560	82,493
Peoria, Ill	120,894	826,598	104,663	676,154	8,208	40,159	5,486	12,933	3,285	20,820	14,651	10,482
Philadelphia, Pa.-N.J	1,597,929	10,865,580	1,442,593	8,900,101	113,584	602,516	8,057	499	35,599	258,888	144,495	200,066
Phoenix, Ariz	275,900	1,685,621	240,060	1,348,698	29,308	104,385	4,002	785	8,319	37,922	36,988	45,836
Pittsburgh, Pa	732,123	5,064,555	649,857	4,114,704	60,979	290,561	3,552	[1]776	17,882	129,459	64,735	94,299
Portland, Oreg.-Wash	327,185	2,250,414	292,015	1,802,264	28,618	136,344	6,376	3,248	8,432	84,276	45,766	59,286
Providence-Pawtucket-Warwick, R.I.-Mass	310,225	1,875,198	287,274	1,574,777	22,804	95,033	(*)	(*)	4,040	33,751	27,026	28,233
Reading, Pa	103,555	653,801	94,223	549,384	8,172	36,772	2,342	5,080	2,030	15,658	9,637	12,276
Richmond, Va	160,964	1,158,757	147,228	926,471	10,221	53,827	1,521	[1]483	2,964	31,686	13,573	36,724
Rochester, N.Y	313,432	2,174,996	281,587	1,823,642	20,655	104,404	5,153	3,577	4,466	33,831	29,189	35,725
Sacramento, Calif	227,145	1,707,422	203,295	1,434,482	23,445	101,677	4,455	883	9,307	64,159	26,187	32,522
St. Louis, Mo.-Ill	812,032	5,634,196	737,020	4,650,927	56,190	280,323	13,553	11,644	16,987	123,220	80,233	98,435
Salt Lake City, Utah	168,864	1,064,466	153,715	880,452	17,778	64,506	1,565	[1]2,487	5,480	34,178	19,541	19,694
San Antonio, Tex	245,703	1,348,256	222,933	1,119,286	18,572	80,705	5,074	[1]5,112	4,818	18,876	22,812	25,829
San Bernardino-Riverside-Ontario, Calif	305,329	2,050,093	269,688	1,714,792	31,302	118,777	5,147	[1]4,827	10,416	30,507	37,128	56,867
Dan Diego, Calif	369,541	2,381,542	327,125	1,966,939	34,146	126,608	4,248	1,575	9,431	43,502	50,336	72,830
San Francisco-Oakland, Calif	1,173,439	8,944,867	1,019,467	7,003,250	99,806	539,418	4,517	[1]3,849	48,872	268,814	184,401	294,179
San Jose, Calif	330,859	2,530,899	302,578	2,129,910	25,076	126,157	2,177	7,900	12,089	51,540	46,450	67,768
Seattle-Everett, Wash	429,041	3,152,715	384,576	2,603,960	43,204	193,293	4,135	606	16,515	78,672	65,502	76,911
Shreveport, La	66,591	394,276	60,757	316,899	6,632	22,734	1,759	[1]1,024	2,843	15,608	4,792	8,700
South Bend, Ind.–Mich	90,016	612,122	80,919	497,847	9,616	41,143	3,563	3,895	3,089	18,321	9,354	8,958
Spokane, Wash	100,169	598,890	85,060	476,368	8,657	44,343	3,185	7,906	2,815	18,931	13,801	7,647
Springfield-Chicopee-Holyoke, Mass.-Conn	171,165	1,117,807	153,158	938,362	11,189	56,711	650	[1]1,807	2,428	15,645	15,623	12,027
Syracuse, N.Y	192,539	1,263,897	173,217	1,050,157	14,996	70,631	3,426	1,529	5,514	29,016	19,866	15,453
Tacoma, Wash	120,668	744,247	111,758	649,024	8,930	41,502	1,351	569	4,902	15,897	14,118	7,502
Tampa-St. Petersburg, Fla	301,865	1,616,896	239,427	1,195,083	32,111	97,306	3,691	[1]1,304	7,117	33,610	42,649	46,910

TABLE 34.—SELECTED SOURCES OF INCOME, TAXABLE INCOME, AND INCOME TAX, BY 100 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS (TAXABLE AND NONTAXABLE RETURNS)—Continued

[Dollar amounts in thousands]

100 largest standard metropolitan statistical areas	Number of returns	Adjusted gross income (less deficit)	Salaries and wages (gross)		Business net profit and loss		Farm net profit and loss		Partnership net profit and loss		Net gain and net loss from sales of capital assets	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Toledo, Ohio-Mich	228,527	$1,532,669	208,638	$1,279,791	16,776	$68,470	5,903	$3,845	6,215	$34,240	20,240	$27,556
Trenton, N.J	116,054	814,526	105,813	663,350	8,390	42,473	378	2,646	3,177	15,912	14,035	23,286
Tucson, Ariz	84,518	522,315	72,343	390,468	7,363	26,387	(*)	(*)	1,799	13,748	11,388	25,566
Tulsa, Okla	146,317	1,019,882	125,995	785,179	18,195	68,111	4,714	[1] 4,521	4,427	22,955	16,898	37,410
Utica-Rome, N.Y	93,567	603,868	81,320	479,073	7,635	33,604	2,538	6,325	2,457	12,327	11,075	10,524
Washington, D.C.-Md.-Va	831,996	6,589,453	762,312	5,467,647	53,013	311,516	4,127	[1] 3,599	22,259	93,044	95,989	191,481
Wichita, Kans	127,237	810,864	115,076	673,604	11,604	31,017	5,708	8,850	3,862	27,011	13,494	14,203
Wilkes-Barre-Hazleton, Pa	106,113	551,707	95,331	460,952	11,710	37,245	(*)	(*)	2,176	14,991	8,521	7,032
Wilmington, Del.-Md.-N.J	146,919	1,277,333	131,665	917,342	8,692	56,662	2,295	300	3,088	8,116	17,545	98,045
Worcester, Mass	122,221	749,669	112,380	638,420	7,277	40,679	(*)	(*)	1,613	12,354	10,742	12,003
York, Pa	100,451	638,334	89,934	528,572	8,680	39,896	5,680	3,848	4,144	18,957	10,523	7,690
Youngstown-Warren, Ohio	173,692	1,247,646	160,090	1,103,277	13,571	63,682	2,385	1,591	3,779	20,924	10,075	6,214

Note: See text for "Explanation of Classifications and Terms" and "Sources of Data, Description of the Sample, and Limitations of the Data."

Mr. METCALF. Mr. President, the table discloses that taken collectively, the net loss from farming reported on individual income tax returns in the 31 metropolitan areas reporting net farm losses is in excess of $141 million. These are the absentee farmers the bill is aimed at, and these statistics illustrate the need for prompt action.

THE WILD AND SCENIC RIVERS BILL

Mr. CHURCH. Mr. President, early last year the Senate unanimously approved S. 119, my bill to establish a national system of wild and scenic rivers. The bill is now before the House Committee on Interior and Insular Affairs, and Chairman ASPINALL has indicated he will conduct early hearings on this and similar bills.

There is much interest in the proposed legislation. People from throughout the Nation, even though the bill has already passed the Senate, continue to write to me, expressing their strong support for the preservation of some of America's rivers in their natural state.

If Congress can enact the legislation this year, it will be a major accomplishment in the field of conservation.

An excellent article on "Wild Rivers" and S. 119, written by Michael Hudoba, appears in the January issue of Sports Afield. I ask unanimous consent that it appear in the RECORD at the conclusion of my remarks.

Mr. President, I also invite the attention of the Senate to a meeting of the Lewis and Clark Trail Commission in Washington on Tuesday and Wednesday of this week. This is the Commission established by Congress in 1964 to promote the preservation and marking of the Lewis and Clark Expedition of 1804–6.

Chairman Sherry R. Fisher, of Des Moines, Iowa, has announced that the Commission will meet starting at 9 a.m. Tuesday in the National Wildlife Federation Building at 1412 16th Street NW., and at the same time on Wednesday in the Caucus Room of the Cannon House Office Building.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WILD RIVERS

(By Michael Hudoba)

To escape from a madly paced business world to the peace and quiet of the wilderness; to enjoy the treasures of an unspoiled free-flowing river—this is the dream of the true sportsman.

Today, however, the opportunity to realize this dream is being debilitated by the urgent pressures of an expanding economy and growing population. Yet there is still hope that some of these idyllic settings—once so common and taken for granted by a young America—may be preserved. That hope is in the form of the Wild and Scenic Rivers Bill (S-119), passed unanimously by the Senate. It has been sent to the House Committee on Interior and Insular Affairs. This measure is so fundamental and of such far-reaching importance to the sportsmen/conservationists of this nation that it deserves their most earnest and strongest support.

The proposal would establish, as congressional and national policy, the preservation of a rapidly disappearing natural resource: the free-flowing rivers and streams that still exist in their natural state. These rivers would be a significant adjunct to our National Wilderness System.

Many of America's free-flowing rivers face the threat of dams, the danger of pollution and other destructive assaults. The objective of S-119 and related bills is to balance a national policy of dam building with a new Congressional policy of preserving selected rivers and sections of rivers that possess unique conservation, scenic, fish, wildlife and outdoor-recreation values.

The proposed law would prohibit the Federal Power Commission from issuing licenses for the construction of dams on designated wild or scenic rivers except where such action may be specifically authorized by Congress. In other words, Congress by passing the bill would say "hands off" to the FPC and, in reality, recapture from FPC control of those free-flowing rivers.

The bill (S-119), introduced by Sen. Frank Church (D.-Idaho), would establish a system of seven wild rivers along with a system of five scenic rivers. Although the bill does not go far enough in the number of rivers to be classified, it does provide for the study of 28 additional rivers for potential inclusion in the National Wild and Scenic Rivers System. Significantly, the bill states that no dams may be authorized or built during the proposed five-year study period on these 28 rivers.

The Wild Rivers System, as defined in the bill, would include a stream, tributary or river—and the related adjacent lands—located in a sparsely populated, natural and rugged environment where the river is free-flowing and unpolluted, or where the river should be restored to such condition, in order to promote sound water conservation and the public use and enjoyment of the scenic, fish, wildlife and outdoor-recreational values.

The Scenic Rivers System, as defined in the bill, would include a stream or section of a stream, tributary or river—and the related adjacent lands—that is unpolluted and should be left in its pastoral or scenic attractiveness, or that should be restored to such condition, in order to protect, develop and make accessible its significant national outdoor-recreational resources for public use and enjoyment.

The Secretary of the Interior, and the Secretary of Agriculture where National Forest lands are involved, after consultation with interested federal agencies, would be directed to consult with the Government and officials of the states in which the 28 additional rivers are located to ascertain whether it would be feasible and in the public interest to conserve segments of these rivers. The appropriate Secretary would submit his recommendations to the President within five years from the date of enactment of this act. The President would then submit to the Congress his recommendations for such legislation. The rivers (or segments thereof) named for additional study include the following:

Salmon, Idaho; Buffalo, Tennessee; Big Fork, Minnesota; Hudson, New York; Missouri, Montana; Niobrara, Nebraska; Skagit, Washington; Susquehanna, New York and Pennsylvania; Suwannee, Georgia and Florida; Youghiogheny, Maryland and Pennsylvania; Little Miami, Ohio; Little Beaver, Ohio; Maumee, Ohio; Pine Creek, Pennsylvania; Delaware, Pennsylvania and New York; Allegheny, Pennsylvania; Clarion, Pennsylvania; West Branch Susquehanna, Pennsylvania; Chattoga, North and South Carolina and Georgia; Flathead, Montana; Gasconade, Missouri; Guadalupe, Texas; Klamath, California; Penobscot, Maine; Pere Marquette, Michigan; Upper Iowa, Iowa; Feather, California, and Rio Grande, Texas.

The bill passed by the Senate also states that the Secretary charged with the administration of each national wild or scenic river area shall establish detailed boundaries for such areas. These may be revised from time to time, but may not include more than 320 acres per mile on both sides of the stream.

Stretches along both banks of a river would be kept in their natural state so as to preserve the wilderness and scenic beauty of the adjacent land.

The areas included in the Wild Rivers System would be protected from dam building, industry could not intrude and road construction would be subject to stricter regulation. Pollution would be strictly prohibited, and if there are traces of pollution, this would be subject to priority programs for cleanup. In reality, the river and its shoreline would be kept in a natural state. Even bridge building would have to conform to a wild river preservation policy.

The total cost of land acquisition and development of the National Wild and Scenic Rivers system over the next ten years has been estimated to be $40 million.

More than 650 rivers and streams were studied. While the initial list contains a relatively small mileage, the fact that Congress recognizes and would authorize the establishment of such a system is significant.

In addition to the Senate-passed bill (S–119) introduced by Senator Church, five other wild river bills are pending in the House Interior and Insular Affairs Committee: HR–90, by Rep. John Saylor (R.-Pa.); HR–493, by Rep. John Dingell (D.-Mich.); HR–6166, by Rep. Henry Reuss (D-Wis.); HR–6588, by Rep. William Anderson (D.-Tenn.) and HR–8416, by Rep. Wayne Aspinall (D.-Colo.).

Despite Senate passage of S–119, Interior Secretary Stewart Udall announced support of HR–8416, which starts with the fewest (four) rivers. Perhaps it is more than significant that the author of HR–8416, Representative Aspinall, is chairman of the House Interior Committee, which controls so much of the department's legislation.

Congressman Aspinall was a key obstacle to the passage of prior wilderness legislation, and before introducing HR–8416, he had said he did not consider wild rivers "priority legislation." It would be unfortunate if the Interior Department's endorsement of the chairman's bill should result in a minimal wild rivers system for a start.

Representative Saylor's bill, HR–90, is the stronger bill, naming 16 rivers to be included in the system. Congressman Saylor, who is ranking minority member of the House Interior Committee, also names 50 rivers for study for potential inclusion in the system. HR–90 would also establish three categories of scenic rivers: Class I (wilderness rivers accessible only by trail), Class II (primitive rivers accessible only in places by roads) and Class III (free-flowing rivers having some developments and impoundments).

If there is to be any compromise on S–119, it would be desirable to have such discussions resolve between S–119 and HR–90.

Although the measure passed by the Senate by an 84–0 vote, S–119 faces a difficult situation in the House, where there was no indication of any early consideration. Sportsmen should not forget that it was in the House that the National Wilderness System failed to pass in one session of Congress. It was finally achieved only after the most intense efforts by a concerned public.

Sportsmen cannot afford to let the same failure and delay befall the Wild and Scenic Rivers legislation. It deserves the strongest support possible from sportsmen/conservationists everywhere. Unless victory is won soon, free-flowing, pristine and scenic rivers in an unspoiled state will soon become only a memory.

OREGON WILDLIFE FEDERATION—RESOLUTIONS

Mr. MORSE. Mr. President, recently Mrs. Polly DeTemple, secretary of the Oregon Wildlife Federation, brought to my attention copies of certain of the resolutions adopted by that organization at its 31st annual winter meeting.

In my opinion these resolutions are deserving of the support of Congress unless a clear showing to the contrary can be established in committee hearings by substantial evidence. It is my opinion that a prima facie case exists in support of these resolutions and I intend to support them in the absence of convincing proof to the contrary.

Since these resolutions concern problems of national scope or are pertinent to the activities of Federal agencies, I ask unanimous consent that they be printed in the Record.

There being no objection, the resolutions were ordered to be printed in the Record, as follows:

Resolution 2: Wildlife Habitat Research

Whereas, winter food is the principal limiting factor of big game populations in western states, especially Oregon; and

Whereas, economical and practical methods of increasing the food supply on the marginal sites that are used by big game in winter have not been devised; and

Whereas, the maintenance of a productive wildlife habitat is one of the objectives of federal land management programs and the United States is a dominant landowner in western states;

Now, therefore, be it resolved, that the Oregon Wildlife Federation in convention assembled this 14th day of Jan. 1968, in Corvallis, Oreg., urges more emphasis of wildlife habitat, research and development in the multiple use programs of the federal land management agencies; and

Be it further resolved that the Oregon Wildlife Federation recommends the creation of a wildlife habitat research coordinator within the Forest Service and Range Experiment Station branch of the U.S. Forest Service to assemble and disseminate information pertinent to the management and development of land for wildlife production in the western states; and

Be it still further resolved that copies of this resolution be forwarded to the National Wildlife Federation and to the Oregon Congressional Delegation.

Resolution 3: Gun Legislation

The following resolution has been regularly adopted by the Roseburg Rod & Gun Club and is hereby submitted for consideration to the Oregon Wildlife Federation:

Since we believe in the encouragement of the fine sports of hunting and marksmanship as one of the finest and most satisfying forms of outdoor recreation; and

Whereas, we recognize the right of citizens of this country to own and properly use firearms as a basic right and heritage; and

Whereas, we believe that curtailment of this right by law would be no more effective in the reduction of crime and the misuse of firearms than was the Volstead Act in the control of spiritous liquors;

Now, therefore, be it hereby resolved by the Oregon Wildlife Federation, in convention assembled this 14th day of January 1968, at Corvallis, Oregon, that this organization is in complete agreement with and herewith adopts as it's own, the policy as published by the National Wildlife Federation with regard to the control of firearms. It shall further be the policy of the O.W.F., its officers, directors, and members to vigorously oppose the enactment of legislation, either by state legislatures, or the Congress, that would tend to compromise any part of the aforesaid policy; and

Be it further resolved that copies of this resolution be forwarded to Oregon's Congressional Delegation, the National Wildlife Federation, Izaak Walton League of America, the National Rifleman Association, the State and National Grange.

Resolution 4: Umpqua River Basin Development

The following resolution has been regularly adopted by the Roseburg Rod & Gun Club and is hereby submitted for consideration of the Oregon Wildlife Federation at its Annual Meeting in January 1968:

Whereas, the Umpqua River in Douglas County, Oregon, is the largest river system in the State without complete, comprehensive, multi-purpose development plans, or authorized federal projects; and

Whereas, without control of destructive floods and augmentation of dwindling summer flows from stored winter run-offs, the stream must surely decline in its ability to furnish maximum human benefits in terms of fish, recreation, wildlife, irrigation and domestic water; and

Whereas, with proper development, giving due regard to all beneficial uses, including the quality of its waters, this fine stream can be made to furnish more fish, recreation and water for other human needs to benefit the economy and livability of its watershed;

Now, therefore, be it resolved by the Oregon Wildlife Federation, in convention assembled this 14th day of January 1968 at Corvallis, Oregon, that this organization urge appropriate agencies of the Federal Government to speed completion of reports on the development of the Umpqua River basin and to support speedy authorization of projects acceptable pending the availability of development funds; and

Be it further resolved that copies of this resolution be forwarded to Oregon's Congressional Delegation, National Wildlife Federation, Izaak Walton League of Oregon, U.S. Forest Service, Bureau of Land Management, Bureau of Reclamation, and the Olalla Irrigation District.

Resolution 12: Migratory Bird Stamp Fee

Whereas the United States' Congress is considering legislation which would increase the duck stamp fee from $3.00 to $5.00; and require a $1.00 hunting stamp for hunting of other migratory game birds; and

Whereas the number of persons enjoying the privilege of hunting waterfowl declined by approximately 30 per cent following a $1.00 increase of said fee in 1959; and

Whereas a further loss of public interest in the waterfowl resources would jeopardize existing and potential programs for the benefit of those resources;

Now, therefore, be it resolved that the Oregon Wildlife Federation, in convention assembled this 14th day of January 1968, in Corvallis, Oregon, does not favor a further increase of the fee for migratory bird hunting stamps or the proposed addition of a hunting fee for other migratory birds at this time; and

Be it further resolved that copies of this resolution be forwarded to the National Wildlife Federation and to Oregon's Congressional Delegation.

Resolution 13: Opposing Construction of Road 3190

Whereas the U.S. Forest Service, in the Winema National Forest, has lately put up for bid a timber sale known as the Telephone Draw Sale; and

Whereas connected with this sale, it is proposed by the Forest Service that a road, numbered 3190, be constructed by the successful bidders; and

Whereas this road will have the following adverse effects:

1. it will pass within two hundred (200) feet of a now isolated and productive sandhill crane and waterfowl nesting marsh, and will cause these birds to abandon this area. (Greater sandhill cranes enjoy endangered species status.)

2. the road is a series of adverse grades, running at right angles to the draws and drainages, cutting across a series of finger meadows and marshy areas.

3. the road will not be a hidden road but will pass boldly through the center of meadows, compacting the wet meadow areas

and interfering with the natural seepage of forage producing waters.

4. the presence of this road will change the whole ecology of this area and greatly limit wildlife use of a now highly productive area, which now is one of the finest deer areas in the state.

5. this road parallels and duplicates the Buckhorn Springs Road, now in use by loggers and favored by the logging industry as the best road for timber harvest.

6. the timber concerned lies mainly on east-west plateaus, and could be best harvested through a series of spur roads feeding in to the Buckhorn Springs Road, which roads could be closed and reseeded after use, except those necessary for management.

7. sufficient roads already exist in the area for good hunter access and fire control.

8. this new road will run parallel to five (5) existing roads and will be a trunk line instead of a spur line, resulting in fast traffic in the heart of a wildlife area;

Now, therefore, be it resolved that we, the Oregon Wildlife Federation, in convention assembled this 14th day of January 1968 in Corvallis, Oregon, are firmly opposed to the construction of road 3190 and urge the use of existing road systems; and

Be it further resolved that copies of this resolution be forwarded to regional headquarters of the U.S. Forest Service and to Oregon's Congressional Delegation.

Emergency Resolution E–4: Jurisdiction of Fish and Resident Wildlife

Whereas, the U.S. Fish and Wildlife Service and the U.S. National Park Service of the Department of Interior have asserted that wildlife resources are an appurtenance to land by claiming that resident wildlife on federal lands are the property of the United States; and

Whereas, by law, history, and tradition the ownership of wildlife has been separated from the ownership of land in the United States and responsibility for protection and management of resident wildlife resources has been a function of the respective States; and

Whereas, the condition of the wildlife resources and the benefits enjoyed by the people of the United States provide no cause for Federal encroachment into the management of fish and resident wildlife resources;

Now, therefore, be it resolved that the Oregon Wildlife Federation, in convention assembled at Corvallis, Oregon on January 14, 1968, recommends Congressional action to affirm that fish and resident wildlife resources are properties of the people of the respective states and provide guidelines for assistance but not domination by federal agencies responsible for the development and management of federal lands;

And be it further resolved that copies of this resolution be forwarded to the Secretary of Interior; Director U.S. Fish and Wildlife Service; Director, U.S. National Park Service; Oregon Congressional Delegation; National Wildlife Federation; International Association of Game, Fish and Conservation Commissioners; and the Western Association of State Game and Fish Commissioners; and the New Mexico Department of Game and Fish.

THE AMERICAN INTEREST IN EUROPE

Mr. SPARKMAN. Mr. President, on December 2, Secretary Rusk addressed the United Italian-American Labor Council in New York on the subject of "The American Interest in Europe." Some portions of the Secretary's address struck me as warranting greater public attention than they have received.

It seemed to me that Secretary Rusk adopted a new tone in talking about our relations with Europe. In marked contrast to previous administration statements urging Europe to unite in a certain way or at a certain speed, Secretary Rusk said in New York:

> Certainly we have no wish to impose our own formulas or our own blueprints upon our European friends. The time has come when Europeans must themselves resolve the urgent problems of their own destiny, but in doing so they should know that they have our support, our allied strength, our sympathy, our good will. No doubt Americans will be free enough, publicly and privately, with our political advice to our friends in Europe; and we know that our European friends will continue to be free with their advice. But finally, only the people and governments of Europe can decide how ardently they should pursue the goal of unity and what form it should take.

Secretary Rusk also suggested a new European approach in the field of military defense. He told his New York audience:

> We would welcome now, as before, a Euopean caucus, if they want to call it that, in NATO, something like a European defense community, because it was not the United States which blocked earlier efforts to do just that. There is nothing in our economic, military, and political relationship that we're not willing to discuss and share in order to accommodate the growing strength and confidence of a uniting Europe.

Mr. President, I think that the paragraphs I have just quoted show a sensitivity to Europe's problems and a willingness to see Europeans approach those problems in their own way and at their own pace. I commend Secretary Rusk and express the hope that his words herald some new departures in the attitudes of our Government toward Europe, attitudes that have often seemed to me to be based more on wishful thinking than on objective realities.

NATIONAL BROTHERHOOD WEEK

Mr. FONG. Mr. President, soon many organizations—civic, fraternal, labor, business, and religious—will be observing Brotherhood Week.

It will be noted not only in cities all over America but in many parts of the world as well. This celebration comes at a time when the Congress of the United States is debating legislation on one of the most vital issues of the day, civil rights.

Much of the social concepts we are attempting to embody in a civil rights bill are memorialized in the objectives of National Brotherhood Week.

It is appropriate that we pause to take cognizance of these objectives; and to note above all that in essence we are striving to promote social justice everywhere in this great Nation.

Hawaii will be among the hundreds of places throughout the world that will commemorate Brotherhood Week. The Brotherhood of Temple Emanu-El in Honolulu plans to honor three of that city's leaders for roles they have played in the promotion of programs to help man understand man.

They include Dr. Thomas H. Hamilton, president of the University of Hawaii, Mr. George Chaplin, editor of the Honolulu Advertiser, and the Reverend Hiro Higuchi.

For this occasion, the Brotherhood of Temple Emanu-El requested that I prepare a statement on the observance of Brotherhood Week. It has also requested that these remarks be printed in the CONGRESSIONAL RECORD. I therefore ask unanimous consent that the remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

Observance of National Brotherhood Week

To those of you gathered here for the observance of Brotherhood Week, Aloha.

The idea of a special occasion to promote brotherhood is of course not one of recent development. Its purpose is to further understanding among persons of all cultures and religions.

Brotherhood Week seeks the acceptance of all men on the basis of individual equality. This is truly a wonderful goal.

The thought was first advanced by Father McMenamin of Denver in 1929.

By 1946, enthusiastic response turned Brotherhood Day into Brotherhood Week. It is observed in many parts of the world. Civic, fraternal, labor, and business organizations contribute to its success.

This gathering, under the auspices of the Brotherhood of Temple Emanu-El, demonstrates in my mind the concern that you have for the plight of men and women in less happier circumstances because of racial, religious or social prejudices.

One of the most noble acts that man can perform in the cause of social justice is to help lessen the burdens of those who suffer—those who suffer not because of the lack of capabilities but more because of the lack of opportunities.

Many of them would be far greater successes and citizens had they had the privileges and opportunities that many of us take for granted.

This group of people is suffering at the hands of man. It can be likened to the situation of "Man's inhumanity to Man."

This is not to say that there has been no progress in the area of human relations. You and I need only to look back 25 years ago to realize how much of a darker world we lived in insofar as our attitudes toward peoples of different pigments and creeds were.

There has been tremendous advancement in breaking down the barriers that mean so much as to whether you and I may know social and economic fulfillment.

But today in our midst there are people who are ostracized because of religious beliefs; people who cannot obtain full employment, or who cannot live in residences of their choice whether financially able or not.

Further, there are still people within our confines who are denied equal justice, equal opportunities in education.

There is a long road to travel before we can say that there is in America equal justice and equal opportunity for all regardless of color, religious belief or financial status.

The Congress of the United States has made important strides in the passage of laws to promote and preserve the dignity of man. It, too, must travel more to strengthen the laws on human rights and to put meaning in such goals as open housing and equal political rights.

It becomes important more and more for all of us to stand resolute in our efforts to wipe out discrimination in all of its evil facets.

Let us not make this observance of Brotherhood Week 1968 another instance of window dressing, another instance of concealed prejudices.

Let us open our hearts and our minds. Let us be brothers. Let us realize that if we are to have happiness and dignity, so must we help others achieve these things.

A pledge to ourselves to make continuing efforts to understand the cultures, beliefs and aspirations of the people who make up this great nation of ours is a step toward the creation of a family of man.

I understand that on this day, there are plans for honoring three men of this community for roles they have played in the promotion of programs to help man understand man. They are Dr. Thomas A. Hamilton, president of the University of Hawaii; Mr. George Chaplin, Editor of the Honolulu Advertiser, and the Reverend Hiro Higuchi.

I extend sincerest aloha and congratulations to them.

TRUTH-IN-LENDING LEGISLATION IS, FORTUNATELY, IMMINENT

Mr. GRUENING. Mr. President, the 90th Congress is taking the progressive steps necessary to help the American consumer make sense out of credit buying.

"Buy now and pay later" is an accepted way of life in our land. Consumer credit, which totaled $5.6 billion at the end of 1945, has climbed to nearly $100 billion. Consumer credit has become a big part of our economic development. As such, it must be safeguarded to make certain that Americans who buy on credit, as most of us do from time to time, are properly informed about interest rates and penalties.

Last session the Senate, without a dissenting vote, passed S. 5, the Truth-in-Lending Act of 1967. It was a splendid, if overdue, action. Last week the House passed its version of truth in lending, H.R. 11601, the Consumer Credit Protection Act. The House version contains certain desirable improvements and safeguards not in the Senate bill, for, as I said on the floor of the Senate on July 11, 1967, "We pass no perfect legislation"; and I hope the Senate conferees will agree to the language in the House version of S. 5.

Consumers have the right to know the facts as they concern revolving credit charges, second mortgage charges, credit life insurance premiums, and interest rates, however large or small. Further, consumers have the right to protection from wage garnishments which would impose undue restrictions and from loan sharks who violate State laws.

The bill passed by the other body makes possible the truth-in-lending features I have just discussed.

The House bill also authorizes a Commission on Consumer Credit consisting of three Senators, three Congressmen, and three members appointed by the President. A total of $1.5 million would be authorized to carry out a study of the structure of the consumer credit industry. That study report would be due by December 31, 1969. Such a study is in the interest of the consuming public.

The fight to achieve truth in lending began many years ago. It took on increased strength in 1960 when former Senator Paul Douglas introduced S. 2755, a bill to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extensions of credit. Gradually, shorter phrases replaced the long title, and we discussed "truth in credit" and then "truth in lending." I have supported this legislation enthusiastically from its start.

Informing the consumer about credit charges became a domestic crusade. Paul Douglas taught us the importance of the value of persistence in just causes, and I am proud to have been a cosponsor of the bill he introduced in 1960 and of subsequent truth-in-lending measures. Perhaps the ablest pupil Paul had is our industrious and capable colleague from Wisconsin [Mr. PROXMIRE], who last session led the successful fight in the Senate to pass S. 5.

And we have learned, too, that women more than men know the value of sensible credit terms. The able and articulate Representative from Missouri, Mrs. SULLIVAN, has been successful in her efforts to write the best bill possible.

American families pay $12.5 billion or more each year in interest and service charges for consumer credit.

"Buy now and pay later" living is appealing. It is particularly inviting to the millions of younger Americans who as young marrieds set up housekeeping on a scale undreamed of by their grandparents. It is not unusual for them to buy homes and furnishings on credit. Nor shoud it be unusual today when so much of our national economy is geared to consumer credit buying.

However, all has not been paradise in a "Buy now and pay later world." A young couple inundated by credit payments may be overwhelmed financially and their marriage may suffer as a result. Congress, I am certain, has no desire to be branded as a homewrecker.

During the 86th Congress, when discussing the desirability of enacting truth in lending, former Senator Paul Douglas said:

> The average consumer cannot make rational choices in a free competitive economy unless he is an informed consumer . . . The consumer is generally his own best credit manager, provided he has all the facts about the cost of credit.

His observation is correct.

I hope our conferees will accept the improvements on S. 5 which have been added by the other body. If so, this Congress will have an historic achievement to its credit whose beneficial results will be widespread.

PRESIDENT JOHNSON'S RIOT INSURANCE PANEL MAKES SOUND RECOMMENDATIONS TO PROTECT CITY BUSINESSMEN AND HOMEOWNERS AGAINST LOSS

Mr. SPARKMAN. Mr. President, as one who has been deeply interested in the problems of housing and small business for many years, I was extremely pleased to receive the substantial recommendations on riot insurance made by President Johnson's special insurance panel.

Many citizens look upon insurance as a luxury. The fact is that insurance on home, property, or business is an absolute necessity. Loss or destruction due to riot or civil disorder can easily lead to bankruptcy or insuperable debt.

The President's panel—headed by the distinguished Governor of New Jersey—noted that—

> Insurance is a basic necessity for responsible property owners and is vital to the rebuilding of our cities.

The recommendations of the President's panel have great significance for the millions of people who reside and work in our cities.

I feel quite strongly that the recommendations calling for a cooperative undertaking between private industry and government at all levels, will receive the approbation of insurance companies around the country.

The public exploration of this problem will lead industry itself to take the lead in offering riot insurance—with Government help—in many areas where it was deemed impossible before.

The recommendations of the panel for Government action—such as the creation of a National Insurance Development Corporation—are in the tradition of enlightened government.

I am happy to note that a great many of the concepts embodied in the insurance panel recommendations are the same as are contained in S. 1484—the small business crime protection insurance bill—which the Small Business Subcommittee of the Senate Banking and Currency Committee has been working on. And I am also happy to note that the insurance panel recommendations dealing with making home insurance available certainly will assist our attempt in the committee to work out a program which will enable low-income families to own their own homes.

I am sure that the basic compatability of the insurance panel recommendations and the proposals being worked on by the Banking and Currency Committee will enable the committee to act promptly on all of these matters so that the common goals of the proposals can be implemented in the near future.

The country needs unified action on this problem. The President has given us an excellent series of plans to work on. It is our duty to fashion responsible legislation to protect the city dweller and improve life in urban areas.

AN ESTIMATE OF SECRETARY McNAMARA'S PENTAGON CAREER

Mr. McGEE. Mr. President, as the time comes for Robert S. McNamara to step down as Secretary of Defense, it seems appropriate to remark on the desirability, the necessity even, of having such men as this—philosophers and statesmen—in high places. Mr. McNamara has displayed, along with his well-known talents for organization and administration of a most complex institution, the Department of Defense, the qualities of understanding and compassion. He understands human beings. He understands, I am sure, himself. He has an appreciation for the lessons of history, which, tied to his grasp of modern technology, has heightened his effectiveness over the past 7 years, during which he has occupied what Saul Pett of the Associated Press calls "one of the world's hottest seats."

Mr. President, Mr. Pett, in an excellent estimate of Mr. McNamara's career at the Pentagon, draws greatly upon observations by the Defense Secretary himself, and presents us with a document which deserves recognition. I refer to Mr. Pett's article, which appeared in the editorial section of the Sunday Star yesterday. At one point, Secretary McNamara is quoted as saying:

> I leave with a feeling of great gratitude to two presidents for the opportunity of serving our nation. I still have the strong feeling that any individual who can serve his government should do so and that he and his family will benefit from it.

We can be glad that Robert S. McNamara feels this way. We can be glad he chose to serve. And we can be glad, Mr. President, that his departure from the Department of Defense does not mean an end to his public service. Mr. President, I ask unanimous consent that Saul Pett's article from the Sunday Star appear in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MCNAMARA ESTIMATE OF PENTAGON CAREER

(By Saul Pett)

The trouble with fiction is people like Robert Strange McNamara.

Had he been the subject of a novel instead of a fact of American history the last seven years, one could expect to find him now either a sputtering basket case or a martyr screaming in the night on a pyre of politics and special interest.

But there he still is, Robert Strange McNamara, by all that he says and his associates detect, still visibly intact of body and soul and psyche after seven years in one of the world's hottest seats.

After seven years of unending crisis, in which he could never be more than a phone call away from Armageddon, years of bitter controversy, an increasingly agonizing war that wouldn't go away, years of monumental nuclear decisions in which he had to contemplate death by the millions, McNamara admits to some scar tissue but to no feeling that "it has worn me down."

Friends and colleagues speak of assorted passing traumas but, summing up the wear and tear, the retiring secretary of defense insists that he sleeps about as much as he ever did. As much, if not always as well.

CONTINUING FAITH

He leaves the Pentagon and its intramural battlefields with a positive sense of accomplishment which few people, including critics, would deny him. His manner, in leaving, is not that of a loser or symbol of a fading viewpoint. And he leaves with what he came, a continuing faith in reason and logic and the processes of objective analysis.

One might have thought that problems like Vietnam, which seems to defy reason and logical analysis, would be especially frustrating to the man they were calling the human computer.

"I think," he said during a reflective interview, "there is a place for debate on the role of reason—for example, existentialism versus rationalism. That is a philosophical matter. But I know of no one who has suggested that the problem of Vietnam can be solved by an existentialist approach.

"It's true, of course, that there are a number of factors about Vietnam on which it has been difficult to get enough information—the attitude and thinking of the North Vietnamese, for example. So there is a gap in our knowledge. I believe the problem of Vietnam must be attacked rationally, but the results will be imperfect because we lack certain facts."

There are those who think McNamara had to learn the limits of reason and Vietnam was his principal teacher.

ELUSIVE FACTORS

"It was the first time he was dealing with elusive factors," said a formerly highly placed officer who generally admires the outgoing secretary. "He had to learn that war is not an exact science. It depends more on human reaction than hardware. You can't wage it by computer methods and engineering."

Others who know him say that as the Vietnam war persisted, as each new measure adopted failed to end it, McNamara grew pessimistic and weary in the job. He was even quoted once as saying, "I've been given all the resources I've asked for to solve the problem in Vietnam and I've failed. Perhaps it's time for someone else to try."

"I have not said that," McNamara said, his back to the big windows that open onto the Pentagon's grassy parade ground, the yachts on the Potomac and, in the distance, the Capitol dome. "But I will make no comment on Vietnam now. It's not yet possible to look back on it with any wisdom. Perhaps in two or four years but not now."

With the admitted benefit of hindsight, are there things he would have done differently in Vietnam?

"Oh, surely," he said quickly. "But it would be unwise to comment on that now. There will be plenty of time to review mistakes when it is all over."

But always there is Vietnam. It came up yet again.

Q. Generals have a lifetime to learn how to deal emotionally with casualties. How do you, a civilian, learn to deal with the inevitable casualties of war?

A. Sleeping pills help . . . It also helps to believe in what you're doing and to know that the men who are fighting the war also believe clearly in what we're doing. The morale of our men over there is tremendous.

PERSHING'S DESK

Characteristically, working in his shirtsleeves on a Saturday, McNamara was interviewed at the big desk once used by Gen. John J. Pershing, before the oil portrait of James Forrestal, the first secretary of defense, a public man who took his life in an agony of private terror.

The eighth secretary of defense, who has held the job the longest, did not look like a man overcome with exhaustion or pessimism. Nor did he seem to be a man whose "spiritual strength was sapped" by his many fights with Congress, as one associate put it. Nor did he suggest a man dumped by the president for political reasons or one finally squeezed out by the pressure of those who disagreed with him. These things may be true but Robert McNamara, working this day on piles of secret papers that would become the Pentagon's new astronomical budget, did not look it.

With the square cut of his combed-back hair, the old-fashioned rimless glasses, the quick and mostly confident answers, he still suggested to this visitor a happy scoutmaster, who thinks the troop is coming along fine, just fine. It is not smugness so much as self-assurance and enthusiasm, a galloping zest for challenge that one imagines accompanied Theodore Roosevelt into a herd of buffaloes.

Obviously Vietnam and the Pentagon are still chock full of challenge. Why leave then to head the World Bank? In announcing the McNamara move, President Johnson noted, "He has richly earned relief from the arduous labors and stress" of the defense job. McNamara, himself, mentioned then only that the country might benefit from the appointment of a "fresh person." Friends and associates take him at his word, although several think the specific timing of the switch may have been inspired by political considerations known only to Lyndon Johnson.

AN OFFENSIVE GAME

A former service secretary, with a passion for football metaphors, said, "Bob based his handling of the job on the assumption he wouldn't stay more than four years. Therefore, he played a strictly offensive game, always throwing the ball. He took on the National Guard and the reserves, he took on the military pros and Congress in things like the TFX fight.

"After awhile you've got to get a little punchy. The military, you see, not only has a two-platoon system, it has the infinite-platoon system. In six years, they get three turnovers on the joint chiefs of staff and they can keep pounding away at you with fresh men."

"Undoubtedly," said a retired officer and friend, "he feels like a lemon that's been squeezed dry."

To a reporter, McNamara puts it less extremely.

"I believe any individual goes through peaks and valleys of creativity," he said. "One brings to a post such as this certain ideals and concepts. In the process of putting them into effect, a great amount of energy is expended. Another person could bring in new ideas and new energies to move things farther along. I think the proper order of service here would be four or five years. I stayed longer because of Vietnam. In a way, experience is a substitute for innovation.

". . . I don't mean by any of this that we're not continuing to innovate. We are . . . In the last year we have made tremendous progress in the use of the Department of Defense on major social problems. So progress hasn't stopped but the rate of innovation is less today than four years ago."

DIFFERENT WAR POLICIES

Highly placed people in and out of uniform appear to agree that McNamara's differences with the Joint Chiefs of Staff on the conduct of the Vietnam war were not "basic" but a matter of degree. They concurred, it is said, in the levels of power to be used but disagreed on the rate by which the increased military pressure should be applied. The chiefs wanted to move faster; McNamara wanted to go slower to make certain the United States was not over-reacting in Vietnam.

"In other words," said one senior officer, "it was the difference between a gradual increase of pressure versus the big fast blow. McNamara's view has prevailed so far."

The man did not lend any ominous emphasis to the words, "so far." He did not indicate which view he thought would prevail after McNamara is gone. President Johnson has said McNamara's leaving does not signal any change in U.S. war policy.

Back in carpeted Suite 3E880 of the Pentagon, where the civilian head of the defense department presides by act of Congress and constitutional intent, Robert McNamara touched indirectly on his differences with the joint chiefs. It came up, not specifically about Vietnam, but as it reflected his basic theory of running Defense.

That is, he said, "that the responsible officials should be active leaders. It is not a question of my over-ruling the joint chiefs—it is my job to lead. That demands isolation of the issues, analyses of the pros and cons, and making a decision. A man in my job should be criticized for not doing that, for failing to provide that kind of leadership.

"SALUTE FOR AIDES

"As a matter of fact, the Chiefs have been brought much more into the decision-making process here in the last seven years, not less. But it was my job to lead and in the course of leading I sometimes acted against the advice of the majority of my advisers. Some of these decisions have proven right and some wrong, but for all of them I assumed responsibility."

Leaning back in his chair and adding up the "peaks and valleys" of his tenure at the Pentagon, McNamara said he leaves with a feeling of "tremendous satisfaction," not frustration or disappointment. He emphasized it had not been a one-man show and saluted men like Harold Brown, Charles

Hitch, Cyrus Vance, Roswell Gilpatric, John Foster, Paul Nitze, Alain Enthoven and others. The peaks?

"First and most important, we reshaped our national defense policy to ensure integration of our military strategy with our foreign policy, our military force structure and our financial planning . . .

"This led to a complete re-examination of the concept of the use of our power. It became clear that we couldn't win a strategic nuclear war, that nobody could. That's not to say that nuclear force wasn't required in our defense picture. A strategic nuclear force is absolutely essential to our security. But, we would use it only under extreme conditions, and so we had to have other forces to use under other conditions.

"The concept of massive retaliation was ruled out. We needed a whole spectrum of responses. We began to tailor our military forces to those needs. Then it was necessary to educate the public and the Congress that you cannot win a strategic nuclear war. We said it in different ways over a period of time. I consider getting that concept across our greatest single accomplishment.

"A corollary to that is the necessity for restraint in the application of power in the nuclear age. We applied this theory twice with great success. I believe it will prove equally applicable in Vietnam.

"During the Berlin crisis in 1961, President Kennedy, with great courage, mobilized the reserves and sent air national guard squadrons to Europe to reflect our determination. We applied with restraint and eventually the Russians withdrew from that confrontation. Again, in the Cuban missile crisis, there was great mobilization of power, applied with great restraint."

THE ERROR

And Vietnam: Always there is Vietnam.

"Vietnam, of course, is still in controversy."

And the valleys, the errors?

"The most notable was the Bay of Pigs. President Kennedy gallantly took the responsibility but the fact is that I, along with others, recommended it. The President's advisers were unanimous but that doesn't change the fact that I was wrong.

"Other errors? I feel bad about a commission I set up in 1963 to study racial discrimination in the armed forces. It made recommendations and we tried to put them into effect. But nothing happened and I didn't do a thing about it. Not a thing happened for four years, and then we finally went to work and accomplished something."

FACING CONGRESS

McNamara was asked about the cumulative effect of high-level combat in Washington. He smiled, looking down at his desk.

"The wear and tear comes in the psychological mood with which you approach your work and that mood is a function of how you take criticism.

"You must be secure enough in your decisions so that you can face criticism with the right perspective, with tolerance and without so much antagonism that it begins to tear you apart. I don't think it has worn me down. And it is not that I have a thick skin. I don't."

Was dealing with Congress a drain on his spirits?

"Well, it's like being a trial lawyer. You're on trial before the jury and that is as it should be. Anyone responsible for spending 10 percent of the nation's resources and employing four and one-half million people ought to be subject to public examination. It is an absolutely necessary part of our system and I wouldn't change it in any degree. But searching examination is a mental struggle and tiring to both parties. . . .

"I've had to act contrary to many viewpoints and interests represented in Congress but I think most of the congressmen realize I was always acting in what I believed to be the national interest. I've been pleased and touched by their many private comments to me since my resignation was announced."

EISENHOWER WARNING

In leaving the White House, President Eisenhower warned the nation of the growing power of the military-industrial complex. Does McNamara share that concern?

"I don't as long as the secretary of defense operates the way he should, examining all the factors of a problem and making decisions on his own analysis, regardless of the pressures applied to him. If he then is backed by the President—as I have been backed by both Presidents Kennedy and Johnson—then how can the military-industrial complex get to him?

"And Congress cannot be subverted in this area if the secretary acts thoroughly and rationally and solely for the national interest, and presents the issues dispassionately along with his recommendations. I'd say, in this area, we haven't lost more than two percent of the cases to the so-called military-industrial complex—and in those instances we failed to present our case properly."

McNamara once said he could write a book on the negative things one has to learn coming to Washington. Is he now leaving with any great illusions shattered?

"I leave with a feeling of great gratitude to two presidents for the opportunity of serving our nation. I still have the strong feeling that any individual who can serve his government should do so and that he and his family will benefit from it."

But what negative things did he have to learn?

"Well, for one thing, to prevent strong disagreement on a pressing issue from turning into personal dislike and to distinguish in others between disagreement and disrespect."

Is it true that he didn't lose any sleep over decisions once they had been made?

"Yes, because I know no one is infallible—certainly not I. One must expect to make a certain percentage of errors, and I can accept that—depending, of course, on the importance of the error. Most decisions, once made, don't bother me in the slightest."

MARGIN OF ERROR

McNamara pointed to papers on his desk.

"For example, in taking $10 million or $15 million out of this or that item in the budget, one must expect to make some mistakes. On the really major issues, I would hope that our mistake level is at an absolute minimum."

What, in his mind, is the percentage of his errors he could tolerate?

"As I said, it is the importance of the issues which determines the number of errors which can be tolerated. We must, and do, strive to keep errors on major issues to a minimum. Or problems of lesser magnitude, ten percent or less doesn't bother me. But some people are afraid to take any action for fear of making an error. You can't let that immobilize you."

People who know the retiring secretary of defense were surprised to hear that he could tolerate that margin of error in anyone, especially Robert Strange McNamara.

WE LIVE IN INTERESTING TIMES

Mr. PERCY. Mr. President, for many years I have felt that Whitney Young articulates as well as anyone in the Nation the Negro's relationship with white America. He speaks on urban and racial problems with the experience of one who has seen history made in this area. His statements are always honest and hard-hitting, full of optimism and hope for the future.

Recently he spoke before the annual meeting of the Institute of Life Insurance in New York City. I ask unanimous consent that his speech be printed in the Record, for it is an excellent one filled with sober warnings, intelligent suggestions, and good advice. Mr. Young argues that the present racial confrontation is good because it is honest. The fact that the races now openly discuss racial problems is a positive sign. Out of racial confrontation can come the groundwork for the rebuilding of our common society.

Mr. Young commends the insurance industry for their participation in the renewal of our cities. He says:

> I am sure you will agree with me that Washington can't do the job alone. Those who look to the government to solve this problem without recognizing the importance of involving the business community are mistaken. We are a business-oriented society and it is impossible as well as unwise to ignore the private sector's role in the urban crisis.

I agree completely with Mr. Young in his emphasis of the importance of participation by business in the solution of our urban problems. The fact that we are now all working together—the business community, Congress, and the Negro community—is one of the most exciting facts of our times.

There being no objection, the address was ordered to be printed in the Record, as follows:

Address by Whitney M. Young, Jr., Executive Director, National Urban League, Before the Annual Meeting of the Institute of Life Insurance, New York City, December 12, 1967

There is an old Japanese curse that says: "May you live in *interesting* times." The reason for its use as a curse is because interesting times are times of revolution, drastic change and upheaval.

By any measurement, we live in interesting times.

Last summer may have been the most interesting in our history. It was a summer of racial violence, of riots, and of challenges to the ability of this society to achieve justice and equality for all of its citizens.

It has been estimated that since 1965, riots have claimed 130 lives, wounded 3,600 people, and cost more than a billion dollars in property damage and economic losses.

Most of the discussion about riots has concentrated on the negative aspects—the violence, the polarization of attitudes, and the desertion from the cause of civil rights of some people who were formerly sympathetic to it.

I think it is time we took a long, hard look at the positives in this situation. In the long run, they may prove to be more significant.

One such positive element is the fact that white Americans, for the first time, are now aware of the problems faced by Negroes, and more important, realize that these are problems which threaten the future of our nation.

For Negroes have been ignored. A whole network of freeways and expressways have cut off the ghetto from the eyes of white Americans, and Americans have cheerfully accepted the fiction that conditions were rapidly improving.

It is unfortunate that it took riots to bring the facts of ghetto life to the attention of most people, but insofar as these facts have been made common knowledge, something positive exists.

The resulting racial confrontation is a positive sign. It may be ugly. It may be painful. But it is honest in a way that the "be-nice-to-Negroes-its-Brotherhood-Week" kind of liberalism never was.

For the first time people are saying what is really on their minds. Negroes are freely expressing their resentment and mistrust of white society, a society which has enslaved and exploited them for over 300 years. And whites feel liberated from having to keep their good manners when talking about racial questions. They, too, express their hate freely.

It is all out in the open now, and that too, is positive. Now an honest dialogue can begin. Stripped of hypocrisy, we can now lay the groundwork for a reconciliation and a rebuilding of our common society.

Shortly after the riots in Detroit, I met a businessman who took very little time to bring our conversation around to riots.

"You know, Mr. Young," he said, "I used to be sympathetic to the Negro's cause, but all of this rioting and violence made me change my mind. I've lost my sympathy for the civil rights movement."

"That's too bad," I said, and I meant it for we can't afford to lose meaningful support. But I went on to ask him, "When did you sympathize with us, what did you do? How many Negroes did you hire? How many did you train for jobs? What did you do to help Negroes move into your neighborhood? What did you, as a community leader, do to improve schools and housing in the ghetto?"

"Well," he stammered, "nothing."

"Then we really haven't lost much," I said. "Nothing from nothing leaves nothing."

People who were really committed to the cause of equal opportunity knew what conditions were like and weren't surprised at what happened. They don't like violence and riots. Neither do I. But with the gap between the races widening, and conditions in the ghetto daily growing worse, no one should be surprised when the inevitable explosions occur.

The gap in economic and social conditions *has* widened. In 1955 the average Negro family made $2,000 less than the average white family. Now $3,300 separate them. Unemployment has grown to about 2½ times the white rate. Since 1960 families living in poverty in New York City increased from 28 percent to 35 percent. In the Hough area of Cleveland, they grew from 31 percent of the total, to 39 percent. In Watts, deteriorated housing grew by a third while rents increased.

Go into every city and every ghetto in this country, and you will find evidence that the gap is widening, and Negroes are worse off than they were.

It is the realization of these shocking facts, and the understanding of their significance, that has moved so many people who were formerly indifferent to stand up and be counted in this time of national testing.

And few groups have responded with a greater sense of urgency than the leaders of the American business community. For they know the truth of what Justice Brandeis said many years ago: "Unless our financial leaders are capable of progress, the institutions which they are trying to conserve will lose their foundation."

Today's new breed of businessman understands this. He knows that business has a role to play in solving our racial dilemma. He is socially conscious, better educated, more enlightened, and better trained than the businessmen of any other period in our history.

He understands that the continued prosperity of his industry is tied to the future of our cities. And he knows that he has a responsibility to bring his creative talents and resources to bear on our urban problems.

He knows that we will either help the Negro citizen become a productive tax-paying citizen, or we will stand by while he becomes a disgruntled dependent, consuming tax dollars; we will either give support to responsible Negro leadership and organizations, or we will stand by while irresponsible leadership takes over.

Three months ago, I was at the White House, in the company of your industry's spokesmen, to hear the life insurance industry announce to the President that it had pledged itself to invest one billion dollars in ghetto areas.

I have tried to get a large scale commitment of this sort from private industry for years, and it was a thrilling moment for me. I know that for those of you who represent the new breed of businessman I was just talking about, it represented a landmark for yourselves and for your industry.

There were many people in the insurance industry that day who stood just a bit taller and felt a bit better for being part of such a meaningful and important moment.

But after the euphoria, came a sort of "morning after" reaction. Many people asked "Just what are we getting into?" And instead of universal acclaim, some cynics and critics were heard.

Some pointed out that the investment was insured by federal programs and therefore no risk was involved. Others said it was the first step in a kind of "corporate imperialism." Some have called it tokenism, and others have said that the results will be invisible.

But your harshest critics and closest observers are the very people who stand to benefit most by your actions—the people in the ghetto.

It is important for you to understand that their previous experience with business in general, including the insurance industry, does not encourage belief and trust.

They know all about the way industry has refined its techniques of discrimination into a fine art. They are familiar with such historical practices as discriminatory ratings and other means of racial discrimination.

And then there is the matter of the inspection guide put out by a retail credit company which made 20 million inspection reports last year for every major insurance company in the country, and which requires its inspectors to gather detailed racial information including the racial backgrounds of the subject's friends and church. I mention these not to discredit your industry, but to set forth the reasons for the mistrust which exists in the ghetto. And I know that steps have already been made to correct these past practices.

I know that your commitment was made in all sincerity and in full knowledge that it was one of the most important things your industry could do to help rebuild our cities. And I think it was an unprecedented demonstration of the creative response of socially conscious businessmen.

I know you spoke in the language of friendship, but, as Thoreau said, "The language of friendship is not words, but meanings." For the millions of people in our urban ghettos, belief in your commitment must wait until the buildings are up and the evidence is there.

They have been lied to, exploited, studied, analyzed, lectured, threatened, and investigated until all the promises and reports are coming out of their ears. Who can honestly say they are wrong to take an attitude of waiting and watching?

The spotlight is on your industry to fulfill its promises, and the nature of the situation is such that only prompt, visible, tangible results can allay the doubt and cynicism which surround you.

I would caution you against listening too closely to the critics of your industry's commitment. I know that many insurance executives secretly want to hear that the problems of the ghetto are too overwhelming for private efforts to make much of a difference.

To the corporate executive, the temptation is great to say: "I make machines," or "I sell insurance," and disclaim responsibility for the social problems of our time.

I would suggest to you that unless these problems are solved business will not be in a position to make machines, sell insurance, or do anything else profitably while our major cities suffer economic and social depression, which is based on racial factors.

It is quite common to hear the liberal's reflex opinion—"Don't trust business, all they want is to make fat profits, they don't care about anything else"—but it doesn't sit well to hear businessmen agreeing with that.

The fact of the matter is that business has a stake in the social renewal of this nation. It must assume its fair share of the burden for two main reasons.

The first is that it is in business' self-interest to do so. Burning cities are bad for business. Slums and dependency and crime they breed are bad for business. Racial discrimination and the $30 billion it costs in lost spending power for Negro citizens are bad for business.

The second reason was succinctly stated by the New York Times which declared in an editorial: "Much of the blight that currently afflicts America's metropolitan centers stems from industry's preoccupation with higher economic yield regardless of social cost."

I admire the great ingenuity of American business in keeping Negroes out of all levels of operation except the most menial. I admire it because I am a believer in excellence and in creativity, and for the major part of the American economy to do so well in excluding Negroes over the years reflects an excellence in planning and a creativity far beyond the bounds which we might reasonably expect.

To the degree that American business is responsible for today's crisis, it must actively participate in its resolution.

I should add yet another reason, and that is that the immense resources and ingenuity of the business community are desperately needed. I am sure you will agree with me that Washington can't do the job alone. Those who look to the government to solve this problem without recognizing the importance of involving the business community are mistaken.

We are a business-oriented society and it is impossible as well as unwise to ignore the private sector's role in the urban crisis. And of all business enterprises, the insurance industry is perhaps the most important, both in terms of its own impact on the economy and in terms of its enormous resources.

Your critics notwithstanding, I feel that your industry's commitment to invest a billion dollars in the ghetto is one of historic importance, but I hope that you will see it as a beginning and not an end. Your industry can set the pace for the rest of American business. I'd like to suggest a few ways in which this could be done.

The first step should be to train, hire, and advance into all levels of your operations, Negro workers. The Urban League has a number of programs which recruit and train people, and we have worked with several major insurance companies, with excellent results.

The time has come for you to aggressively seek out Negroes for jobs in your industry. Anyone who doubts that Negroes can handle complex jobs in finance or that Negroes can succeed in the insurance business ought to take a trip to Durham, North Carolina, and take a look at the operations of North Carolina Mutual—Negro owned and staffed.

But the success of employment efforts depends on tough management. I know of a young Negro who met the president of an insurance company who was very impressed by him, and suggested that he join the company. When the young man met with the personnel people, he was told there were no openings. The president heard about this and hit the roof—that young man wound up as a special assistant to the president.

That's the kind of thing that can happen when top management says it backs equal opportunity and then lets middle management or local branch people go about their old ways.

Another way in which the insurance industry can help is by actively working for social legislation. Let one Congressman imply that he is thinking about a bill which would affect your industry, and I'm sure the streets of Washington will be crowded by all the lobbyists and public relations people you would send down there.

But bills which would encourage private investment in the ghetto or new programs to end slums, to end racial discrimination in housing, and positive programs attacking poverty and its causes affect your industry every bit as much. The insurance industry ought to be actively working to prevent the dismemberment of OEO. It ought to be leading the fight for open housing. It ought to be arguing against spending billions on farm subsidies, space exploration and supersonic planes while people go hungry in the slums. It ought to be using its tremendous communications facilities to educate people about the results of racism and the need for renewal of our cities.

And last, but not least, the immense resources of your industry should be consciously used to promote racial harmony and to encourage investment in integrated areas and in the slums.

If there is any "red-lining" to be done, I'd like to see it confined to those lily-white communities where minorities are not allowed to live and to those businesses whose discriminatory practices mark them as killers of the American dream.

If it takes government backing to insure against losses in ghetto investments, fight for measures which will give you that backing. If it takes closer cooperation with civil rights organizations to plan your programs in this field, work with us. The Urban League stands ready to help you and to work with you. And so do other responsible Negro leadership. As the late President Kennedy said: "If a free society cannot help the many who are poor, it cannot save the few who are rich."

There is an old song that goes: "We're in the same boat, brother." The boats that landed Negroes on these shores arrived long before the boats that brought your ancestors, unless they happened to come over on the Mayflower, but we are all in the same boat now. If anyone thinks Negro citizens are about to depart en masse for Africa, they'd better forget it. If anyone is deluded by wild talk of setting up separate states for Negroes, they'd better forget it.

Negroes have been here for more than 300 years. They've fought and died for this country. They want to be an equal part of it, and they aren't taking "No" for an answer to their just demands.

We are indeed in the same boat today. We share the same hopes, the same dreams, and the same cities. Whether we build a new democratic society together or whether we end in an orgy of violence or in a slow, painful process of decay, depends in large measure upon the will of private industry to help solve our urban and racial crisis.

In recent months I have been part of numerous "first steps" like the formation of the Urban Coalition and your industry's billion dollar commitment. If the problem is to be solved, these first steps must be followed quickly and vigorously with other measures.

An ancient Greek philosopher was once asked, "How do we achieve justice in Athens?" "We shall achieve justice in Athens," he answered, "when those who are not injured are as indignant as those who are," and so shall it be in America. When the people in this room and your counterparts in other industries become as indignant as those who are actually suffering the daily humiliations and indignities, then, and only then, will justice come to America.

THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Mr. SPARKMAN. Mr. President, I wish to call the attention of my colleagues to the significant progress and growth experienced since the 30's by the self-sustaining $2 billion Federal Savings and Loan Insurance Corporation—FSLIC. This agency of the Federal Government operates under the direction of the Federal Home Loan Bank Board—FHLBB—whose chairman is John E. Horne. FSLIC insures, up to $15,000, the savings entrusted by the public in 4,487 insured savings and loan associations in 50 states with assets aggregating $138 billion. These institutions are the lending mechanism providing the financing of more than 40 percent of all homes in the country.

Neither the FHLBB nor the FSLIC receives any appropriated funds from the U.S. Treasury. While these agencies are self-supporting, their expenses are restricted to limitations set each year by Congress.

The Congress in 1934, having taken steps a year earlier to reestablish confidence in the commercial banking system—over 5,100 banks closed their doors during the 1930–32 period—by creation of the Federal Deposit Insurance Corporation, wisely provided a parallel insurance mechanism for the savings and loan industry by creation of the Federal Savings and Loan Insurance Corporation. Just as bank failures during the 1930–32 period highlighted the need for the FDIC, so did failures of savings and loan associations in the same period—438 associations, about 4 percent of the total number—show the need for the FSLIC.

The intervening 33 years have dimmed the memory of the near-debacle climate of the financial community in the early period of the great depression. Thousands of small savers needed protection. Insurance was necessary to reverse a tide of withdrawals. A psychology of fear pervaded the marketplace. The public's growing wariness of financial institutions was reflected in a tripling of gold coin and a doubling of Federal Reserve notes in circulation. Money available for mortgage lending was fast drying up. The Congress rightly saw that public confidence in financial institutions must be regained and maintained through insurance instrumentalities of the Federal Government.

In three short decades the familiar insignia of the insured association—FSLIC's symbol—the blue and white circle with a horizontal red bar across the center—has established itself as a mark of confidence and a bulwark of strength. While in 1935 assets of insured associations represented only 12 percent of the assets of all associations—less than $6 billion—today insured institutions represent over 96 percent of the total, or over $138 billion.

At December 31, 1967, of the 4,487 insured institutions with over 42 million savings investors, 2,056 were Federal associations and 2,431 were State-chartered associations. The governing statute requires that all Federal savings and loan associations, that is, those chartered by the FHLBB, have their savings insured by the FSLIC. All State-chartered associations, which apply for and are approved for insurance by the FHLBB, are accorded the same protection. Long-term mortgage loans secured primarily by residential property constitute the principal assets of these institutions. Of their total savings of $120 billion, over 97 percent thereof is insured by the FSLIC. In speaking of the strength of the system, not to be overlooked are reserves for losses held by insured institutions in a total amount of $9 billion, over 7.5 percent of all savings.

The FSLIC, acting in the role of insurer, has a strong asset position. At December 31, 1967, its total assets exceeded $2.1 billion; reserves for losses were more than $2 billion, consisting of primary—regular premiums and earnings of the fund; and secondary reserves—prepayment premiums on which members receive a return equivalent to the FSLIC's portfolio yield. Although it has never found it necessary to do so, FSLIC has recourse by law to three other sources of funds, that is: First, it may borrow up to $750 million from the U.S. Treasury; second, it may assess additional premiums against its insured members, in certain circumstances, not to exceed one-eighth of 1 percent of insured savings and creditor obligations; and third, it may require insured institutions to deposit up to 1 percent—in excess of $1 billion—of their savings with the FSLIC. While the Insurance Corporation's initial ability to perform as insurer was bolstered substantially, if not almost entirely, in 1935 by a $100 million stock investment by the U.S. Treasury—FSLIC's reserves, exclusive of the stock, totaled only $100,000 in 1935—such investment, together with dividends approximating $43 million, had been repaid in its entirety by 1957.

In recent times the Congress has acted to enhance the strength of the FSLIC by giving the FHLBB additional supervisory powers with reference to insured institutions. In 1966, the Financial Institutions Supervisory Act was passed. It enabled the FHLBB to take intermediate steps to rectify the problems of State-chartered, insured institutions. Previously the Board's only meaningful recourse in such cases was to initiate proceedings for cancellation of insurance. An effective holding company bill has been enacted by the Congress and awaits the President's signature. Upon the signing of the bill, the FHLBB will have the right to insist that holding-company-owned associations operate in the same prudent manner as other insured institutions.

In protecting the savings of up to $15,000 per insured member, the FSLIC, in providing financial assistance to those institutions which are in default or in danger of default, either makes payment of insurance—when a receiver has been appointed for the purpose of liquidation—or takes one or more default-prevention actions in the form of a contribution, a purchase of assets, or a loan. These latter actions, with current emphasis on the contribution route generally accompanied by a merger of a failing institution with a sound insured institution, must be preceded by a determination that the cost thereof is not in excess of the cost of liquidating the institution. In the 33 years of FSLIC's existence the savings of 359,700 savers in 69 insurance settlement cases—including 10 receiverships—have been protected by the FSLIC. Insurance losses to the FSLIC resulting from such settlements are estimated at approximately $105 million.

The FSLIC, with its $2 billion in assets, the preponderant part of which is in U.S. Government securities readily convertible to cash, stands ready to protect the insured savings investor against any foreseeable failure of an insured institution.

MAN AND WOMAN OF THE YEAR

Mr. FANNIN. Mr. President, the Advertising Club of Phoenix has done the State of Arizona a great service in recognizing Miss Arlena Seneca as Woman of the Year for 1967 and Mr. John Armer as Man of the Year for 1967.

These two people have made outstanding contributions to the community and particularly in service to their fellowmen.

It is an honor to be able to recognize such selflessness in an era when "live for yourself" seems to be the code of the day.

Mr. President, I ask unanimous consent that the newspaper article from the Phoenix Gazette outlining the accomplishments of Miss Seneca and Mr. Armer be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The 1967 Man and Woman of Year Named

> "Many women," said Arlena Seneca, "stand with me in active concern for our fellow man."
>
> And that, the chairman of the selections committee said today was the reason Miss Seneca was chosen as the Phoenix Advertising Club's Woman of the Year for 1967.
>
> The South Mountain High School department head and civic leader, and the 1967 Man of the Year, John Armer, were honored last night at a Westward Ho banquet attended by 385 persons, the largest crowd in the long history of the annual awards.
>
> John McMullin, general chairman, said Miss Seneca has done many things to improve her community as she tries (as she told the banquet audience) to live by three words emphasized by her parents: Determination, Unity, Respect.
>
> "She is a bridge between people," said Hal Metcalf in telling of her participation in:
>
> Careers for Youth, Urban League Guild, Arizona Council for Civic Unity, community study group in the inner city, League of Women Voters, Big Sisters of Arizona, Girl Scouts, YWCA. She is a member of Southminster Presbyterian Church.
>
> As head of the science department at South Mountain High she writes principally in the field of biology and holds the achievement recognition award of the National Science Teachers Association. She received the Charles D. Poston award for outstanding contributions to the field of human relations.
>
> Miss Seneca, born in Mississippi and member of a large family, was stricken in her teens with sciatic rheumatism and could not walk for five years. Her first ambition was to be a surgeon, but limited finances prevented such a career.
>
> Honoree Armer, president of an air conditioning company since 1952, has been called the "grandfather of air conditioning in Arizona," Metcalf recalled. He has been a sheet metal worker since age 16.
>
> He served seven years on the board of education of Phoenix Union High School District, retiring last Dec. 31. He was the first president of the Arizona School Boards Association, represented Arizona as a director of the National Association for Better Schools, and served on the Conference Committee on Education under President Eisenhower.
>
> He is a director of John C. Lincoln Hospital and active in masonic affairs.
>
> "I don't know," Armer said, "of a greater honor than to be recognized by your neighbors and fellow citizens.

PROTECTING THE CONSUMER AGAINST THE GOVERNMENT

Mr. HRUSKA. Mr. President, in his state of the Union message President Johnson took occasion to bear down heavily on the protection which has presumably been given to the consumer through recently enacted legislation, and on the supposedly tremendous need for further legislation on his behalf.

Evidently it has become politically expedient, in this year of our Lord 1968, to make a grandstand play in favor of legislation of all sorts to protect a creature who, we are told, is poor, lost, and befuddled—the consumer. It may be news to the consumer to be told that he is poor, lost, and befuddled. Some of the consumers in my State are strongly under the impression that they are perfectly competent to manage their own affairs for the most part. In fact, some of them think they handle their affairs better than this Government handles its affairs. However, notwithstanding this attitude on their part, the signs and portents clearly point to more and more so-called consumer legislation.

It is true that during recent years the Congress has passed among other things the so-called Fair Packaging and Labeling Act; the Drug Amendments Act of 1962, a law tightening control by the Government over the production and distribution of drugs; legislation relating to the safety of automobiles; an act extending broadly the Federal inspection function over meatpacking establishments; and laws relating to flammable fabrics, clinical laboratories, and various other matters. It is also a fact that last year the Senate passed legislation not yet acted on by the House on the subjects of truth in lending, pipeline safety, and fire safety.

I am glad to be able to say that this Senator supported each and every one of these measures for consumer protection in the form in which finally enacted. However, it should be said that in dealing with these matters too frequently we found ourselves confronted with an administration proposal as originally proposed, which was either an ill-digested mass of contradictory and unworkable ideas, or else an administrative proposal for top-heavy bureaucratic controls to regulate and hamstring the businessman trying to produce or market a product that would suit the demands of his customers. In such cases it was necessary for Congress or its committees, again and again, to tackle the job of making sense out of nonsensical proposals, and writing law which would provide both essential consumer protection, and a workable regulatory regime for business.

I am thinking particularly of the changes that had to be made by the House in the so-called Fair Packaging and Labeling Act and the rewriting by the Senate Judiciary Committee and by the Senate in 1962 of the bill originally introduced by Senator Kefauver to regulate the drug industry. In both cases, the proposals with which we were originally confronted were of the most extreme sort, involving endless unnecessary costs to business, as well as depriving the consumer of his or her own freedom of choice in many cases.

Unfortunately, it seems too easy to forget that in our modern system of free choice, the consumer herself or himself has built-in protections in most cases far more important than anything that a bureaucratic agency can give. The consumer can simply refuse to buy an unsatisfactory product. If he buys it once by accident and then finds it unsatisfactory, he can give the product such a bad name among his friends that the manufacturer or seller might wish he had never made that particular sale. Furthermore, he can refuse to buy it a second time—and most industries live on repeat business. The grocer, the druggist, the barber, even the lawyer can never stay in business unless he can keep his customers or clients satisfied, and keep them coming back. These are the powers of the consumer, and the built-in consumer protections that exist regardless of what laws we pass, and of how the Federal Government regulates or misregulates the economy.

As previously stated, I have supported each and every one of the major items of consumer legislation acted upon by Congress in recent years—after it had been thoroughly worked over either by the appropriate committee, or by the House or Senate in each case. I expect to continue to vote for needed legislation to guard the health and safety of consumers, to protect them from fraud and deception, to make sure they are given the full facts of what they are buying and so on.

However, it seems worthwhile to me that we remind ourselves from time to time that Government regulation is not necessarily an unmixed blessing. Sometimes there is as much, or more, of a problem of protecting the consumer against the Government, instead of giving him protection by the Government. A magazine article has come to hand from the Consumer Bulletin—hardly a bulwark of rightwing reaction—pointing out the helplessness of consumers who are not protected by the American Free Choice system. This article, which is entitled, "Consumers in the United States versus the U.S.S.R.," is a discussion of a recent book entitled "Workers' Paradise Lost" by Eugene Lyons, which points out the extreme difficulty of simply getting along through the daily round of normal activities for the average Russian.

This explicit point is made:

> Those who have been looking to the federal government in Washington, D.C. and its local outposts, to take care of their complaints and remedy some of their problems, may find cause to change their point of view somewhat after reading Eugene Lyons' book. It demonstrates clearly and beyond

the shadow of a doubt that consumers in any country may at times have less need for protection *by* the government than need for protection *against* some of its operations and controls.

I ask unanimous consent that there be inserted in the RECORD the article from the Consumer Bulletin of January 1968 entitled "Consumers in the United States versus the U.S.S.R.—Off the Editor's Chest."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONSUMERS IN THE UNITED STATES VERSUS THE U.S.S.R.—OFF THE EDITOR'S CHEST

Consumers in the United States are the envy of the world for the abundant variety, quality, and attractiveness of the products that can be conveniently purchased at a wide range of prices. It is difficult to think of American consumers as lacking anything but sufficient funds to supply their needs and wants; yet early last fall there were headlines in various publications such as "Congress Continues Consumer Push," and "Consumer Protection Bills Move Along in Congress."

At about the same time, there were numerous articles in the public press on various aspects of Soviet life occasioned by the fiftieth anniversary of the Russian revolution celebrated by the USSR on November 7, 1967. An interview with a former member of the Soviet Politburo brought forth the proud boast of the elimination of illiteracy, improvement in standards of living, culture, education, gains in housing and other creature comforts.

The column of another journalist, however, carried the heading: "Ivan—A Struggling Consumer." The exact comparison of dollars to rubles in buying power is complicated, but it was estimated that a weekly supply of food for a family of two adults and two children would cost $34.60 in Moscow and that it woud require 59.2 hours of work to earn that amount. The same assortment of foods in the United States would come to $18.27 and it would require only 7.3 hours to earn the money.

One research specialist estimated that for a worker in Moscow it would take 23.3 months' pay to purchase a small car, as contrasted with 3.6 months' pay for a workman in the United States, Understandably, there are only something like a hundred thousand cars in Moscow, the fifth most populous city in the world, and few gasoline stations.

What it means to the consumer to live in the totally regimented, one-party society of the USSR compared with sharing the benefits of the free enterprise system as it operates in the United States is vividly presented by Eugene Lyons, formerly a reporter for the United Press and currently a senior editor of the Reader's Digest, in his new book, "Workers' Paradise Lost." In a revealing chapter on living standards in the USSR, Mr. Lyons points out that the "living space" per person set by law for residents of leading Soviet cities is 9 square meters, or about 97 square feet, "a room less than 10 by 10 feet, which happens to be the allotment per inmate in the better American prisons." At that, only two or three of the largest cities in Russia can provide more than six square meters per person. Furthermore, Lyons reports that in Moscow and other primary Russian cities the waiting period for a new apartment is likely to be at least five years. One trade union delegation from the United States visiting the USSR noted poor workmanship on the interiors of hotels and "enterprise buildings" (factories), including loose door hinges, wobbly door handles, loose-fitting windows, missing sink stoppers, and poor electric lighting.

If the U.S. consumer finds too much difficulty in getting a repairman or serviceman to attend to her balky appliances, she can, if necessary, buy a new appliance. In the USSR, according to Mr. Lyons, the total number of vacuum cleaners, refrigerators, washing machines, and television sets being produced is wholly inadequate for the vast population, and only those in middle-class and higher economic brackets can obtain them.

Since spare parts are scarce and repair facilities almost non-existent, it is essential to have a family member or friend who is mechanically skilled, if the appliances are to be kept in running order. Breakdowns in every type of equipment are common. One Russian is quoted as saying: "They can get to the moon, but they can't get me to the fifth floor," because the elevator was always out of order. The consumer in the USSR is the forgotten man, whose welfare has been sacrificed for production of blast furnaces, airplanes, and sputniks.

At the conclusion of his 387-page book, Eugene Lyons comments that the Communist "mirage of bliss and plenty beyond the horizons of time" is a "propaganda fantasy." Mr. Lyons amply documents his charge that, at the half century mark, Soviet Communism has failed on many fronts, including that of growing an adequate supply of essential food such as wheat, which in recent years has often been purchased from capitalist suppliers in foreign countries.

In order to meet growing demands and to remedy shortages of needed consumer goods, the current Soviet leaders are reported to be experimenting with the enterprise economy techniques of profits, market prices, supply and demand, as stimulants to production and efficiency. Whether a combination of "totalitarian economic monopoly with a few selected capitalist techniques" such as a supply of machinery and credits from capitalist countries will provide the Russian people with an abundance of the products and amenities of daily living that U.S. consumers have long taken for granted remains to be seen. Mr. Lyons has his doubts.

Workers' Paradise Lost, by Eugene Lyons ($6.95, Funk & Wagnalls, New York) deals with all aspects of the Soviet half-century—industrialization, collectivization, science, culture, as well as living standards and the myth that communism can provide abundance for the ordinary citizen. The book presents a very dismal picture of the daily life for all but the favored few in the ruling hierarchy of the USSR.

Those who have been looking to the federal government in Washington, D.C., and its local outposts, to take care of their complaints and remedy some of their problems may find cause to change their point of view somewhat after reading Eugene Lyons' book. It demonstrates clearly and beyond a shadow of a doubt that consumers in any country may at times have less need for protection *by* the government than need for protection *against* some of its operations and controls.

The Founding Fathers of the United States understood this very clearly, and a reading of Mr. Lyons' penetrating analysis of the results of a monopoly of economic and political power in the USSR over the past fifty years will refresh our appreciation of their wisdom.

A SOLDIER'S PRAISE FOR SENATOR SAM ERVIN

Mr. BYRD of West Virginia. Mr. President, a good letter to the editor of the Morganton, N.C., News-Herald was recently brought to my attention.

The letter concerns the distinguished and able senior Senator from North Carolina [Mr. ERVIN] and the entertainer, Bob Hope.

The writer, a soldier stationed at Fort Ord, Calif., has nothing but praise for Senator ERVIN's labors, a view, I am sure, that is shared by all Senators.

I ask unanimous consent that the letter, entitled: "GI's Admire ERVIN, Bob Hope," be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Morganton (N.C.) News-Herald, Jan. 31, 1968]

GI'S ADMIRE ERVIN, BOB HOPE

EDITOR, THE NEWS-HERALD:

You published my letter concerning our training as a soldier today. I am very grateful to you for doing so.

Here is another which I think will be of interest to your readers.

The two men who are most admired and respected in the United States army today are Sen. Sam Ervin and Bob Hope.

Ridiculous as it might sound, these two men support all this Nation stands for: freedom, fun and fullfillment of the promise to protect our people in their way of Life. These two men have made good in their foothold in the history making of this great land of ours. They are known all over the world as public figures which are acknowledged as masterpieces of God's judgment in making a "man."

In addition to their independent judgment, warm-hearted generosity, deep-rooted patriotism, they both have a quickness of wit and oratory speech.

Throughout their career, both men have a magnetic attraction which failure could never abash or dishearten. They both exercise special talents for "helping people." Their many admirers trust their judgment and courage. In the tense hour of our grim struggle to preserve peace in our Nation, these two men have made self-confident decisions with courage and vision. They have captured and held the support of the mass of people in wit and honor.

I am proud that I was able to live and grow in Morganton where Sen. Sam Ervin grew.

I am proud that I could go to church and serve the same God which Sen. Sam Ervin has served for years.

I am proud that every army officer loves and respects Sen. Sam.

I am proud that I could join the armed forces to protect the same nation Sen. Sam Ervin has protected.

I am proud that Morganton and Burke County were not mistaken when they saw in him a determined leader in the struggle to save liberty and justice for all.

Pvt. WILLIAM EARL WOODY, Jr.
FORT ORD, CALIF.

A PRIORITY-LESS ADMINISTRATION

Mr. PERCY. Mr. President, J. W. Anderson, of the Washington Post, has written an article on the President's budget which I feel will be of interest to every Member of Congress.

All of us agree that we must set priorities in allocating Federal funds. I question, however, the priorities of this administration and its start-and-stop approach to problem solving.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WAR ON POVERTY A GRIM ACCOUNT

(By J. W. Anderson)

Reports of Sargent Shriver's final, unsuccessful budget appeal to President Johnson are now circulating among congressional offices. Shriver couldn't persuade the President to allocate more money to combat poverty. But his description of the implications of his failure has acutely impressed other men who will be up for election in November.

Shriver went down to the President's ranch in Texas, shortly after New Year's Day, to talk about money for the embattled program that used to be called the War on Poverty. Shriver knew that Congress had cut the current year's budget for his Office of Economic Opportunity. In Texas, he discovered that the President meant to reduce it further in order to create an emergency fund of $35 million for summer riot prevention. And then it developed that still more cuts were in store in the next budget.

After he got back to Washington, Shriver wrote the President a very brief memorandum which may become one of the more important state papers of this Administration. OEO, Shriver said, was commencing to carry out the President's decisions precisely as ordered.

But, he continued, he felt a responsibility to be absolutely sure that the President fully understood the impact of these cuts. He cited the Head Start children whose classes would be closed in midyear, the slum neighborhood workers who would be fired, the Job Corps trainees who would be furloughed. The response from the White House, it appears, was total silence.

Now that the President's budget has been published, the dilemma is even clearer. To save money for the summer, for example, the OEO will have to lay off some 7000 community organizers. Most of these people were hired in the first place because they are articulate, well known in slum communities, and unemployed. Shortly they will be unemployed again. Does this sound like an effective way to reduce tension in the ghettos?

But the real impact of this budget lies in the drastic cuts in presidential hopes and purposes. Each of President Johnson's historic new social and educational bills was originally designed to operate on a far larger scale than it ever achieved. All over the country there are mayors, city councilmen and school boards full of wrath because the Federal end of the partnership did not live up to its expansive promises.

First came the War on Poverty. In late 1965, the word from Washington was that its budget would be doubled the next year to $3 billion. But suddenly the President turned cool, and OEO's spending has never reached $2 billion a year.

When the Elementary and Secondary Education Act was passed in 1965, as one of its draftsmen said not long ago, "We all assumed, as a matter of course, that by this time it would be up to $5 billion." It is, in fact, leveling off at about $2 billion.

In 1966 came the Model Cities Act, for which Congress last year provided less than half the President's request. Here Mr. Johnson has asked for a large increase, but he has always had trouble with this legislation.

The cumulative effect of this repeated cycle of Great Society promise and default has been a growing distrust of the Federal Government. This new distrust is most marked among precisely those people who, five years ago, put the greatest faith in the idea of large new Federal social programs: those people who are or were, the urban liberals.

The passionate opposition to the Vietnam war has eroded the pre-1965 alliance; the fragmentation of the civil rights movement has compounded the deterioration; uncertainty and equivocation over the big social action programs has made it irremediable.

Fear and distrust of the Federal Government used to be characteristic of the far right alone. Now it is spreading among the traditional supporters of massive intervention: in the universities and among the intelligensia; in the slums and among the Negroes, in the big cities' city halls and among the Democratic organizations.

Last year's liberals, particularly among the academic intellectuals, are now showing much less faith in Federal planning and much more interest in the theory of the free market. Support is rising for a negative income tax, for example, to replace the cumbersome administrative structure of individual welfare payments, so vulnerable to wavering presidential purpose and congressional spleen.

The intellectual leadership of the country is increasingly willing to trust the country to Adam Smith's invisible hand rather than the very visible and heavy hand of the Federal executive. The history of Shriver's OEO has played a part in that change. Its present state of affairs is accurately reflected in the Shriver memorandum.

FAIR SHAKE FOR THE CATTLEMEN

Mr. HRUSKA. Mr. President, early in 1966 for a brief period there was a run-up in the price of hides which temporarily brought some benefit to the U.S. cattle industry but which was effectively brought to an end by the sudden imposition of a system of controls over hide exports by the Department of Commerce. Subsequently, these controls were removed but more recently hide prices have slumped downward to very low levels.

Last fall there was inserted in the CONGRESSIONAL RECORD, volume 113, part 22, pages 29782–29783, a news story from the Wall Street Journal, which led to an exchange of correspondence between the Secretary of Commerce and me as to the need for the hide export control, and its effect in hurting the domestic price of hides. For the RECORD it seems desirable to summarize my views and explain their basis.

In my letter to Secretary Trowbridge of December 5, 1967, I stated my conclusions as follows:

> 1. Subsequent events showed that the export control on hides was totally unnecessary. The supposed shortage turned out to be imaginary. Hide prices are now at or near a two-year low.
>
> 2. The run-up of hide prices at the time was nowhere near sufficient to justify the drastic action of imposing the control on exports. Hide prices had been unfairly low, and the market rise of early 1966 represented a recovery from these low levels. Under the circumstances the action by the Department of Commerce constituted unfair discrimination against the producer in favor of the buyer—the shoe manufacturer or other user of hides and leather.
>
> 3. The action without question seriously damaged our effort to build foreign markets for hides on a long-range basis. I do not argue that your action was the sole cause of the decline in exports, but it was certainly one cause and an important one.

As to conclusion No. 1 stated above, the fact is that before the year—1966—was out, we found that we had more than enough hides in this country to fill the domestic demand, even though the control over exports was comparatively ineffective. The Department's experts had figured that if 14 million hides were permitted to be shipped out of this country, it would mean a domestic shortage of 2.7 million hides. Total exports in 1966 finally turned out to be 14.1 million—but far from precipitating a shortage in this country, a glut developed before the end of the year. Before the end of the year prices declined, and by the end of the following year—1967—prices were back down well below the average of recent years. At the end of my remarks a table is appended showing the course of hide prices.

In conclusion No. 2 above it is stated that the run-up in prices was not sufficient to justify the imposition of controls. Hide prices have been distressingly low in recent years. I do not think that gives consumers any vested right to profit at the expense of the producer, or to mobilize the power of government to push down hide prices whenever they may chance to increase a little. As recently as 1959, hide prices rose to a higher level than they did in 1966. At that time a different administration was in power and the government did not intervene to push down the price of hides.

In conclusion No. 3 above it is stated that the Government action had the effect of damaging our effort to build long-range acceptability for our hide suppliers. In his letter to me, Secretary Trowbridge argues that the loss of export volume we experienced in 1967 was not due to the alienation of our customers, but to the return of Argentina to the market as a supplier. Of course, when a competitor returns to the business you may have trouble holding on to your customers. The fact is, however, that Argentine sales did not really increase very much in 1967. Following are the figures on export volume by Argentina and by the United States for the first 10 months of 1967, compared with the same 10-month period of 1966:

Exports, hides—thousands, first 10 months of each year

Argentina	
1966	6,455
1967	6,777
United States	
1966	11,309
1967	9,848

Argentine sales increased about 300,000 hides, but our volume dropped by about 1.5 million. It is understood that a considerable inventory of hides has been backed up in this country, which have not been sold to date. It seems absurd to blame our difficulties on the Argentines, when the actual increase in volume of Argentine exports has been so slight.

Consent is requested to insert at the end of my remarks a letter to me from Secretary Trowbridge dated November 16, 1967; my reply dated December 5; and a letter to me dated December 15 acknowledging my December 5, letter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PACKER HIDE PRICES, AVERAGE PER POUND, CHICAGO

	Heavy native steers	Light native cows
1940	12.50	12.64
1941	14.49	14.68
1942	15.50	15.50
1943	15.50	15.50
1944	15.50	15.50
1945	15.50	15.50
1946	18.55	18.36
1947	27.25	28.70
1948	27.73	28.39
1949	22.60	25.25
1950	26.83	29.14
1951	31.02	34.24
1952	14.99	18.08
1953	14.86	17.81
1954	11.68	14.25
1955	12.38	13.51
1956	12.39	15.95
1957	11.03	15.65
1958	11.41	16.57
1959	19.16	25.61

PACKER HIDE PRICES, AVERAGE PER POUND, CHICAGO—Continued

	Heavy native steers	Light native cows
1960	13.72	18.81
1961	14.91	19.54
1962	15.19	18.50
1963	11.23	12.83
1964	10.32	13.23
1965	14.2	15.7
1966:		
January	17.3	20.0
February	19.0	22.6
March (1st week)	21.25	25.5

Source: For 1940 through 1964, Livestock and Meat Statistics, 1962, and Livestock and Meat Statistics Supplement for 1964, both published by the U.S. Department of Agriculture; for 1965 and 1966, from Economic Research Service, U.S. Department of Agriculture.

PACKER HIDE PRICES, CHICAGO, AVERAGE PER POUND, 1966 AND 1967, BY MONTHS

	Steers, heavy native		Cows, light native	
	1966	1967	1966	1967
January	17.3	13.0	20.1	19.8
February	19.0	12.9	22.6	19.0
March	18.8	12.0	23.4	17.1
April	18.3	11.5	21.6	16.1
May	20.0	12.2	22.5	15.8
June	20.3	12.5	22.5	16.3
July	20.2	12.0	21.6	15.8
August	18.3	11.2	19.6	14.0
September	16.3	11.7	17.7	14.6
October	14.3	10.3	16.1	14.6
November	14.2	10.7	17.7	15.2
December	12.7	......	19.3	......

Source: U.S. Department of Agriculture.

THE SECRETARY OF COMMERCE,
Washington, D.C., November 16, 1967.

Hon. ROMAN L. HRUSKA,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HRUSKA: I should like to comment on your speech of October 24, 1967, which appears on pages S15203–4 of the Congressional Record of that date. After noting the fact that in an appearance before the Senate Finance Committee, I mentioned that the Department of Commerce is engaged in protecting and promoting our export trade at every opportunity, you state, "It is regrettable that the Department of Commerce was not as sedulous in promoting our export volume of hides early last year." The 1966 action of the Department of Commerce to which you refer stemmed from our responsibilities in administering the Export Control Act of 1949. Section 2 of that Act states, "The Congress hereby declares that it is the policy of the United States to use export controls to the extent necessary (A) to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand." The attached statement by former Under Secretary LeRoy Collins before a House Subcommittee on March 22, 1966, details the situation existing at the time the Department announced short supply controls over hides and explains why we felt such controls were necessary at that time. I find nothing inconsistent in the Department engaging in an overall activity to promote our export trade in general, and at the same time administering the Export Control Act on a carefully selected basis in those few instances where abnormal foreign demand is having an inflationary impact. I think there can be no doubt that the foreign demand in 1966 was clearly abnormal.

In your speech you state that the principal effect of our short supply control was to frighten our foreign customers into looking for alternative sources for hides. The suggestion that the fall in our export rate in 1967 is being created by a lack of confidence on the part of foreign buyers as a result of our short supply control is, in my opinion, unwarranted. As the article quoted by you in the Wall Street Journal points out, Argentina, a major world supplier of hides, was forced by drought and other factors to reduce its offerings to the world market from 12.1 million hides in 1962 to 6.8 million in 1965. This action resulted in many foreign importers of hides turning to the United States for their hides. Partly as a result of this U.S. exports of hides increased from 7.1 million in 1962 to 13.3 million in 1965. Much of the abnormal foreign demand which was clearly evident in early 1966 was coming from Eastern European countries, who for currency and other reasons traditionally bought their hides from Argentina and not from the United States. By November 1966 when our short supply controls were terminated, Argentina had replenished its herds and was moving to increase its exports to the predrought level. I suggest that the principal reasons for the decline in our exports this year are to be found in the reentry of Argentina into the market, in an increase in the domestic supply of hides in Western Europe, and in the economic slowdown in Western Europe and Japan.

Sincerely yours,

R. B. TROWBRIDGE,
Secretary of Commerce.

DECEMBER 5, 1967.

Hon. ALEXANDER B. TROWBRIDGE,
Department of Commerce,
Washington, D.C.

DEAR MR. SECRETARY: This is in response to your letter of November 16, commenting on my statement in the Record of October 24 with respect to the export control on hides.

Your good faith and sincerity of purpose are not questioned. However, I submit that the following conclusions on the whole episode are still valid:

1. Subsequent events showed that the export control on hides was totally unnecessary. The supposed shortage turned out to be imaginary. Hide prices are now at or near a two-year low.

2. The run-up of hide prices at the time was nowhere near sufficient to justify the drastic action of imposing the control on exports. Hide prices had been unfairly low, and the market rise of early 1966 represented a recovery from these low levels. Under the circumstances the action by the Department of Commerce constituted unfair discrimination against the producer in favor of the buyer—the shoe manufacturer or other user of hides and leather.

3. The action without question seriously damaged our effort to build foreign markets for hides on a long-range basis. I do not argue that your action was the sole cause of the decline in exports, but it was certainly one cause and an important one.

Sincerely,

ROMAN L. HRUSKA,
U.S. Senator.

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF INTERNATIONAL COMMERCE,
Washington, D.C., December 15, 1967.

Hon. ROMAN L. HRUSKA,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HRUSKA: Secretary Trowbridge has asked me to acknowledge and thank you for your letter of December 5 concerning export controls on hides.

We are glad to have your views, but, as the Secretary explained in his letter of November 16, we still feel that our action was appropriate in view of the situation existing at that time.

We, too, regret the drop in hide prices and exports but are still persuaded that our control action was not a principal factor in causing the situation existing now.

Sincerely yours,

RAUER H. MEYER,
Director, Office of Export Control.

DID THE U.S.S. "PUEBLO" INVADE NORTH KOREA'S TERRITORIAL WATERS?

Mr. GRUENING. Mr. President, on January 26, 1968, in reporting to the United Nations Security Council on the seizure of the U.S.S. *Pueblo* by North Korean naval vessels on January 23, 1968, U.S. Ambassador Arthur J. Goldberg stated positively:

> At 12 noon on January 23, Korean time, the United States ship Pueblo, manned by a crew of 6 officers, 75 enlisted men and 2 civilians and sailing in international waters off the North Korean coast, was confronted by a heavily armed North Korean patrol boat identified as Submarine Chaser No. 35.
>
> The strict instructions under which the Pueblo was operating required it to stay at least 13 nautical miles from the North Korean coast. While my country adheres to the three-mile rule of international law concerning territorial waters, nevertheless the ship was under orders whose effect was to stay well clear of the 12-mile limit which the North Korean authorities have by long practice followed.

However, 9 days later, on February 4, 1968, Secretary of Defense McNamara, appearing in a special "Meet the Press" program was asked the question:

> Q. Secretary McNamara, does the Navy know for sure that the Pueblo at no time entered North Korean waters?
>
> The Secretary replied: "No. I think we cannot say beyond a shadow of a doubt at no time during its voyage it entered North Korean waters. We can say this: I think it bears on the answer. First, the commander had the strictest of instructions to stay in international waters. We believe he did.
>
> "Second, at the time of seizure we are quite positive it was in international waters. Thirdly, there was a period of radio silence appropriate to its mission from the period of roughly Jan. 10 to Jan. 21, and it is in that period that we lack knowledge, and we will not be able to obtain knowledge of that until the crew and the commander are released."

Commenting on this "turnabout" in the administration's statements about the *Pueblo* incident, the Washington Post this morning commented:

> Such a statement does not enhance the public's confidence in an Administration with more than its share of trouble in that regard. Nor does it allow the room for diplomatic maneuver which the new McNamara-Rusk position provides.

The maneuverings about the *Pueblo* incident are highly reminiscent of the maneuverings of the administration at the time of the Gulf of Tonkin incident. At that time the then U.S. Ambassador to the United Nations, the late Adlai Stevenson reported the incident to the Security Council in these words:

> Now Mr. President, clearly this was a deliberate armed attack aganist a naval unit of the United States Government on patrol in the high seas—almost 30 miles off the mainland. Nevertheless, my Government did its utmost to minimize the explosive potential of this flagrant attack in the hopes that this might be an isolated or uncalculated action. There was local defensive fire. The United States was not drawn into hasty response.

Even at the time of the Tonkin Gulf incident—and since then—doubts were expressed in the press and in the Congress as to whether all pertinent facts were given to the American people about that incident.

There can be no doubt but that the credibility of the United States in the United Nations has been badly strained by the *Pueblo* incident.

I ask unanimous consent that the editorial from the Washington Post of February 5, 1968, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TURNABOUT

Secretaries Rusk and McNamara, in their doubleheader appearance on Meet the Press, seem to have opened a new diplomatic door to the peaceable retrieval of the Pueblo crewmen. In remarks presumably selected to mesh with the secret talks at Panmunjom, they raised the possibility that, before its capture on Jan. 23, the Pueblo had penetrated North Korean waters. From Jan. 10 to 21, Mr. McNamara said, the Pueblo held radio silence and "in that period we lack knowledge" of its moves.

From that new point, Mr. Rusk went on to state that if the United States discovered the Pueblo had been inside the 12-mile limit, it would "make those facts available." Mr. McNamara opened the prospect of disciplining the skipper "if he violated his instructions consciously or through negligence."

These three elements—admission, apology, discipline—mark a new public position for the United States, which since the incident had maintained that no intrusion had taken place and therefore there was nothing to apologize for and no one to criticize. The three elements also match the three North Korean demands: that Washington "admit," "apologize" and "punish."

It should be noted that the two Secretaries were not making an unconditional offer to North Korea. They made plain that, first, the crewmen must be released and, secondly, the United States must be the party to determine what the Pueblo's conduct had been. These conditions make sense. As Mr. Rusk said, no fair judgment can be made on the basis of "confessions" and tapes put out by Pyongyang. Only by hearing the Pueblo story from its own men and logs, in an atmosphere free from North Korean intimidation, can the truth be learned.

Nothing the two officials said offered the slightest excuse for the piracy North Korea committed by seizing the Pueblo. Regardless of where it had earlier sailed, at the time of capture it was on the high seas, protected—or so it had every reason to believe—by international law and practice. We are dealing with a country with a profound disrespect for the conventions honored in the family of nations.

Americans will surely be gratified at any favorable turn in the prospects for the crewmen's return. However, it is extremely disturbing that the forthrightness shown yesterday by Mr. McNamara and Mr. Rusk was missing from Ambassador Goldberg's remarks in the Security Council on Jan. 26. He said:

> Now Mr. President, I want to lay to rest—completely to rest—some intimations that the Pueblo had intruded upon the territorial waters and was sailing away from territorial waters and that the North Korean ships were in hot pursuit. This is not the case at all and I shall demonstrate it by this map.
>
> Now, we will show by times and the course of the vessel exactly what occurred and you will see from this that the location of the Pueblo was constantly far away from Korean shores, always away from the 12-mile limit until it was taken into Wonsan by the North Korean vessels.

Such a statement does not enhance the public's confidence in an Administration with more than its share of trouble in that regard. Nor does it allow the room for diplomatic maneuver which the new McNamara-Rusk position provides.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, is there further morning business?

The **PRESIDING OFFICER.** Is there further morning business? If not, morning business is concluded.

INTERFERENCE WITH CIVIL RIGHTS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 705, H.R. 2516.

The **PRESIDING OFFICER.** The bill will be stated by title.

The BILL CLERK. A bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation and for other purposes.

The **PRESIDING OFFICER.** Without objection, the Senate will resume its consideration.

ORDER OF BUSINESS

Under the previous order, the Senator from New York [Mr. KENNEDY] is recognized for 20 minutes.

Mr. BYRD of West Virginia. Mr. President, if the distinguished Senator from New York will yield for a very brief quorum call, I suggest the absence of a quorum.

Mr. KENNEDY of New York. I yield for that purpose.

The **PRESIDING OFFICER.** The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered. The Senator from New York.

Mr. KENNEDY of New York. Mr. President, 5 years ago, a quarter of a million Americans marched peacefully in Washington.

Their demand was simple: an end to racial injustice.

Four years ago, the Congress—and the Nation—staged a historic debate over the rights of Americans to enter places of public accommodation.

The root of that issue was clear: an end to racial injustice.

Three years ago our President addressed a joint session of Congress, and the people of this Nation.

The legal issue was the right to vote.

The fundamental issue was clear: An end to racial injustice.

Today we debate a different bill—but the basis of this bill is the same: It is to put an end to a society where a man wears his color as a badge of inferiority; and it is to move toward a society where men may exercise their rights as citizens without fear of official hostility or lawless violence.

Men speak today about law and order and the need to protect our people from violent crime in the streets.

But we have still not enacted adequate laws to protect against one part of that violence—arson, murder, and desecration of houses of worship—directed at citizens who seek no more than to exercise rights guaranteed them by the Constitution, who seek no more than to live their lives in peace and under the rule of law. That protection is provided by H.R. 2516, which is before the Senate now.

Yet today, there is no great debate.

There is no mobilization of our national conscience.

Despite the energy and effort of men of good will, in and out of Congress, we appear to lack of any real concern for the basic, constitutional liberties of millions of Americans.

It is true that today our national focus is riveted on other, urgent issues: A seemingly endless, debilitating war half a world away; violence and bloodshed in the streets of American cities; and a loss of faith in our purpose and principles.

And it is also true that these other issues pose awesome tests.

The energy we require to shape new approaches to this turbulent world; the resources and the will we must summon to make our cities places of productive labor instead of purposeless violence—these demand the best within us as a nation and as a people.

These are critical needs which must be met.

And there are bills now before us to meet these problems: To encourage private industry to provide jobs and housing in the ghetto; to insure that the Government will be the employer of last resort when private industry cannot provide enough jobs; and to reform our rigid, antiquated welfare system. These—and others—are specifically directed at our pressing national needs.

But these tasks do not excuse indifference to injustice; instead they demand action to end it, wherever it occurs.

For the protection of basic constitutional liberties is a clear and simple matter of will.

We need no new vast resources—no new commitments.

We need only the determination to vindicate a promise made a hundred years ago.

It requires no new vision; but only the vision to see what has been done—and what must be done no longer.

This is a year of choice for our people; but it is a year which transcends the issue of who shall lead us, and asks where we wish to be lead.

It is a year when we seek to meet the challenge of rising repudiation of our laws, our structures, and the very institutions of our Government.

But we only delude ourselves if we seek to meet this challenge with repression.

If we would dissuade our citizens from redressing their grievances violently, we must prove that they will be redressed peacefully.

If we would demand respect for law and order we must free our citizens from the threat of lawlessness when they seek to exercise their lawful rights.

The principal issue before us today is the extension of Federal criminal law to punish those who violate the Federal rights of others.

It is to this end that H.R. 2516 is directed—and it is to this goal that I first wish to speak.

WHAT H.R. 2516 DOES

The Civil Rights Protection Act—H.R. 2516—is a clear and concise piece of legislation.

It forbids anyone—whether acting under color of law or not—from interfering with, intimidating, or injuring a citizen because of his race, color, religion, or national origin, and because he has been engaging or attempting to engage in the following activities:

Voting, running for office, registering, or acting as an election official in any election;

Enrolling or attending any public school or college;

Taking part in any public service, privilege, or activity;

Working or seeking work, or joining a union;

Serving as a juror;

Using any common carrier;

Taking part in an activity receiving Federal financial aid; or

Using a public accommodation.

Further it forbids interference with any person in order to discourage other citizens, because of race, color, religion, or national origin, from exercising these activities.

It also forbids intimidation because of a citizen's urging others to take part.

Finally, it graduates the penalties for violating sections 241 and 242 of title 18.

Recently, some have suggested modification of H.R. 2516.

Some would replace the 14th amendment with a combined commerce clause and Federal-interest basis for action.

Others would eliminate the racial motivation clause.

Still others would give the State a certain amount of time—perhaps 6 months—before permitting the Federal Government to act.

I fully recognize that accommodation is the basis of political action; that compromise may at times be necessary.

But in this case, I believe firmly and unequivocally that these changes would not be a compromise—they would be surrender.

They would render protection both arbitrary and inconsistent; they would distort the contours of Federal protection; and they would expand Federal power without offering sufficient Federal protection. I think we must enact H.R. 2516 as it was reported by the Senate Judiciary Committee.

THE 14TH AMENDMENT

The 14th amendment granted full citizenship rights to Americans, regardless of race or color.

In section 5 it provided that Congress had the power "to enforce, by appropriate legislation, the provisions of this article."

Whatever the debate on the constitutional history of this provision once was, there is no question today that we intended it, in the words of one constitutional expert, as "a positive, comprehensive Federal program defining fundamental civil rights protected by Federal machinery against both State and Federal encroachment."

As Justice Harlan put it in his dissent in the civil rights cases—a dissent which is today recognized as authoritative:

> (Negro) freedom necessarily involved immunity from, and protection against, all discrimination against them because of their race.
>
> Congress, therefore, may enact laws to protect that people against deprivation, because of their race, of any civil rights granted to other free men in the same state . . .

The 14th amendment is the basic Federal protection of the equal rights of citizens. As such, it is the only proper and effective basis for protecting these rights against private infringement—for it is the source of these rights, and can clearly define how they are to be protected.

Moreover, the private terror which has too often been a way of life for thousands of our citizens is not simply wanton violence. It is aimed precisely at the attempt by Americans to exercise the rights which the 14th amendment protects—to live as citizens equally with their neighbors.

Thus, both the wrong and the remedy are linked unmistakably to the 14th amendment—and this is the proper basis for action by us.

RACIAL MOTIVATION

We have been taught to look with suspicion on laws with a racial character, and some here have urged the Congress to eliminate racial motivation as a source for Federal power.

First, racial motivation is the source of the crime; in most cases, those who practice the rule of lawlessness aim their practices either directly at Negro citizens, or at those who seek to encourage racial equality.

That is the reason for this legislation; that ought to be part of the law.

Second, without a racial basis for Federal power, this legislation would in fact do what opponents charge it would do: That is, it would extend Federal power into areas where State and local law-enforcement agencies ought to have responsibility.

We seek to extend Federal power here for a limited purpose—not to grasp more power into the Central Government, but to free citizens who are being denied their rights because of their race or because they sought to work for racial equality.

If this limit is dropped, the consequences would be significant.

Federal agents could intercede in a fight in any place of public accommodation; or could assume plenary power over all interstate commerce facilities, whenever any crime took place.

It would, in sum, alter the character of this Federal power from a limited but powerful tool, aimed at redressing a specific evil, into a general extension of Federal law enforcement.

Here, I suggest, federalism is a legitimate interest, and we should hesitate before so extending Federal law-enforcement power.

It was racial equality that prompted the passage of the 14th amendment; it is racial equality—and not a general widening of Federal police power—which should form the basis for our action. The removal of racial motivation as the basis for the legislation would create a dangerous precedent which should deeply trouble all of us and especially those who profess particular concern about States rights.

THE STATE TRIGGER

I can understand why some Senators have suggested that we build into this law a delaying mechanism; that we give the States the chance to act against private interference with 14th amendment rights.

But I cannot agree that it is either wise or effective.

First, this is a bill involving clear-cut Federal rights and interests.

Even though most private interference also would constitute a State crime, that is irrelevant to this bill.

For we speak now of concurrent jurisdiction, of an area where the Federal Government has for a century declared an umbrella of protected activity for all of its citizens.

Abstention—awaiting action by the State—is certainly no more necessary here than it is in the case of civil damage actions to vindicate constitutional rights; yet in Monroe against Pape, the Supreme Court declined to compel Federal delay in an action for civil damages.

And similar concurrent jurisdiction is found throughout Federal law-enforcement machinery.

Moreover, we cannot shut our eyes to what we know is true.

In all too great a measure, private terror is either aided or encouraged by official indifference.

Some localities have seen the sorry spectacle of law-enforcement agents actively working to deny equal rights to their own constitutents.

Given this clear, unmistakable history, we cannot permit Federal rights to be frustrated by bad-faith prosecutions or dilatory tactics, such as an initial indictment followed by indifferent pursuit of a conviction.

The rights invaded by private terror under this bill are clearly Federal in nature; we must not enact a bill which would allow them to be erased by local and State inaction. Any so-called compromise which would require Federal delay while awaiting action by the State is unsatisfactory.

THE NEED

I would suggest, further, from my own experience as Attorney General, that an extension of Federal law-enforcement power to preserve equality of citizenship is essential.

As Attorney General, I saw our Department undertake vigorous efforts to curb lawlessness; and I also saw this effort continually frustrated by impotent power.

State juries, drawn from sections of the community, are frequently just as intimidated as those who have been threatened or beaten.

Law-enforcement officials are often hostile to punishing those who assault Negro citizens.

It is, in my judgment, clear that unless we reach those who deny with violence the constitutional rights of others, we will gain little when we legislate new rights.

For what we proclaim in theory will be buried under a wave of threats and violence—and we shall have no effective tool for enforcing the rights we have secured.

THE PRACTICAL ADVANTAGE OF THE 14TH AMENDMENT

But the 14th amendment is more than a proper conceptual basis for this act.

It is the only basis for a comprehensive Federal bill.

Any other basis would be unfair, to those protected by the bill, those charged under it, and those responsible for enforcing it.

For example, a commerce clause Federal interest bill could reach federally aided facilities, but not those solely sponsored by the State.

It could reach private interference with acts affecting interstate commerce, but not those solely within intrastate commerce.

It would reach schools which receive Federal aid but not those public schools receiving no Federal aid.

The consequences are disastrous.

A Negro would be protected in his use of a national park 3,000 miles from his home, but he would have no Federal protection against interference with his use of a city park across the street.

He could attend a college in a distant State which received Federal aid, and know that he would have a protective Federal umbrella about him.

But if he sought entrance to a public college in his own State—a college which received no Federal funds—he would be at the mercy of a hostile State system should he be violently attacked in his attempt to exercise his constitutional right to attend that school.

If a Negro ran for local office in a local primary, and he was shot at or harassed while campaigning, would Federal authority protect him?

That is not at all clear.

The crux of the issue is simple: We must grant Federal protection as broad as the rights we federally guarantee.

If a man has the right to attend any public facility—whether or not federally aided—and if that right is federally guaranteed, as it is by the 14th amendment; then he has the right to invoke Federal protection when someone seeks to prevent him from exercising that right.

It is the 14th amendment which places all men, regardless of their race or color, on an equal footing with all other citizens of the State and Nation.

It is that same amendment which must draw the contours of protection around the citizen, when he attempts to exercise those rights.

Not to provide this protection would be simple hypocrisy.

For we would say to our citizens, "You have this right; we guarantee it; but we will give you no protection should someone seek to deny you this right."

Moreover, a 14th amendment theory—with the rights protected clearly spelled out—is far more in keeping with our traditions of criminal law than a theory linked to difficult and changing definitions of the commerce or Federal interest theory.

An accused knows whether he has assaulted a Negro seeking to integrate a school or a restaurant; so does a jury; so does a prosecutor.

The issue is subject to understandable proofs and rebuttals.

But if we force the issue into the confused tangle of commerce clause cases, we pose an unfair burden to prosecutor, defendant, and juror alike.

Must an accused have willfully affected interstate commerce?

If so, a conviction would be almost impossible.

Shall he be deemed to know that his act would impede commerce?

If so, this sets a dangerous precedent—for inferences are not to be lightly assumed in a criminal case.

Can a jury distinguish an assault on a child attending a federally aided school from a State-aided public school?

And is this a valid distinction to make?

These questions, in my judgment, answer the broad question.

It is clear to all of us—proponents and opponents alike—that the issue before us is whether Federal protection is to be extended against private interference with federally protected rights.

That was the intent of Congress and the States a hundred years ago.

That is the elementary right of our citizens, white and black, North and South.

These rights—and the right to exercise citizenship free of bigotry—spring directly and unmistakably from the 14th amendment, and the enforcement powers within section 5.

It is the proper tool; it is the appropriate tool.

It is the only route to a comprehensive, consistent, and workable bill.

It is the route we must take in the hard path of guaranteeing equal justice under law.

We must enact H.R. 2516 in the form as reported by the committee. The so-called compromises of which we have heard are too likely to be inadequate and even perhaps ineffective.

OPEN HOUSING AND EQUAL EMPLOYMENT

Mr. President, I fully realize that debate on H.R. 2516 is currently the principal civil rights controversy facing this body.

But we in the Congress must recognize two other vital issues which must be resolved this session and, if possible, during the current debate: The issues of open housing and equal employment.

Let me touch briefly first on housing.

It is easy enough to recognize that need for more housing, particularly for low- and middle-income earners.

The 5.7 million units of substandard housing which now scar our land; the growing blight of slums in our largest cities, unfit for human habitation; these are tangible signs of crisis.

Yet what of those who have the power to escape? What of those who have finally overcome the barriers of race and now earn enough money to afford decent housing?

The Civil Rights Commission found last year:

> Even Negroes who can afford the housing in [the suburbs] have been excluded by the racially discriminatory practices not only of property owners themsleves, but also of real estate brokers, builders, and the home finance industry.

These practices are as direct as a flat refusal to show property to a Negro, and as insidious as the ploys of "not available" and "just rented" which always afflict a buyer of the wrong race.

Negroes invariably find properties overpriced or unavailable for inspection, or, if they manage to overcome these barriers, they find hostility from brokers, rejection from financers, and resentment from prospective neighbors.

The insidious effect of discrimination in housing is incalculable.

It tends to force Negroes into a smaller area of housing, thus artificially driving up the price even of slum housing, and cutting down the supply of low-income housing to those who, in fact, cannot afford substantial outlays.

In fact, Negroes on the average pay one-third of their income for housing, instead of the national average of one-fourth—a statistic as attributable to the inflated cost of their housing as it is to their general economic depression.

Moreover, the creation of segregated neighborhoods imposes de facto segregation across our national life.

Northern schools, integrated for decades, are now more racially isolated than they were 30 years ago; and with racial isolation comes the constant reinforcement of existing stereotypes.

White and black live apart, grow further apart and the next generation, having learned nothing of other races, grows further apart and less willing to live together.

And the vicious cycle breeds until resentment explodes into something worse.

But why is the Federal Government required to take a role?

What is its responsibility?

The answer is clear.

First, the Federal Government actively aided segregation in housing.

After the Second World War, FHA financing, which made the suburbs within reach of millions of Americans, consistently and vigorously encouraged racial segregation; and consistently delayed and frustrated efforts to build integrated suburban housing.

This explicit Federal policy, which continued for 20 crucial years, has in large measure helped to form the isolated racial pattern of American living patterns today.

Clearly the force which helped to spawn his dilemma must take the lead in helping to solve it.

Second, State and local governments are frequently unwilling to alter this pattern.

In one northern, liberal city, for example, a fair-housing ordinance has been in existence for 16 years.

Yet most of its housing projects were more than 90 percent occupied by either white or Negro residents.

Similar patterns persist across America.

Finally, the isolation in housing creates clear-cut and debilitating effects on commerce.

With mobility in living growing each year, a national pattern of racial isolation impedes and distorts commerce in vital areas.

Moreover, the spreading tensions which racial isolation spawns can foster a welter of problems—ranging from civil disorder to public housing policy to education—which will require Federal assistance.

And perhaps fundamentally, we require a Federal open-housing law because the promise of racial equality has consistently stemmed from the Federal Government.

It was we who promised to eradicate the badges of inferiority; it was we who repudiated this pledge with indifference and inaction.

Now it is up to us to demonstrate that we do in fact mean it—that the national housing market will at last become an open market—and that the struggle for self-worth will not end with a refusal to permit those of different colors to enjoy the fruits of their successes.

A Federal open-housing law is only the start of a vigorous Federal housing policy—but it is a necessary step, and it should be taken this session. Indeed, it should be adopted in the course of our discussion of the pending bill—if it can be raised in a parliamentary manner which does not jeopardize H.R. 2516 itself.

EMPLOYMENT

Finally, I would turn to employment.

Here again the crucial problem lies with those who lack the skill and the education to qualify for a decent job.

To this end, we are beginning massive manpower training programs, and clearly, private industry must begin its own work in putting those who are idle today into productive labor, which promises job training with employment.

But what of those who can work now? What of those who do have the skills to earn a living wage at rewarding labor?

The fact is that bigotry—plain and simple—has deprived thousands of such men the chance to become employed now.

The pattern is clear; only last month, the Equal Opportunity Commission, in my own city of New York, found shamefully meager numbers of Negroes and Puerto Ricans doing skilled labor—labor for which qualified men could easily be found.

Here again, the very fact that the problem is so much less costly to remedy makes inaction that much more indefensible.

For here the barrier to employment is not skill; it is not education.

It is simply and exclusively the color of a man's skin.

A first, minimal step toward the eradication of this condition is to vest in the EEOC full power to grant cease and desist orders when it finds a pattern or practice of racial discrimination in any facility receiving Federal assistance or funds, or in interstate commerce.

The Clark-Javits bill, S. 1308, would accomplish this, although I would urge my colleagues to note that the price for EEOC cease-and-desist power—the eradication of an individual's right to bring a private suit in district court—may be too high a price to pay.

But clearly action to end discrimination in employment at the Federal level is a matter of urgent priority.

Mr. President, these loans require no great outpouring of funds.

They divert no resources from other tasks, and add nothing to our budget.

They do not promise an end to violence in our streets; nor will they clean our air and water, rebuild our cities, or bring us peace.

These steps are matters of justice.

They must be taken because they are right; because men of different races have for too long been denied some rather basic, human rights.

They must be taken because they will bring us a little closer—not a lot, but a little closer—to what this Nation is supposed to stand for.

That, really, is the task for us this year; to bring our laws, and ourselves, a little closer to the principles this Nation has stood for for almost two centuries.

Perhaps we shall never fully redeem them.

It was, after all, Thomas Jefferson who said:

> When I realize that God is just, I tremble for my country.

I suggest only that if we take these steps, we shall all tremble a little less.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KENNEDY of New York. I yield.

Mr. MORSE. Mr. President, I rise for just a moment to congratulate the Senator from New York for his brilliant and eloquent support of the pending civil rights bill. I particularly wish to associate myself with his very brilliant application of the 14th amendment to the bill, in which he points out so clearly, to use my phraseology, that the 14th amendment is the foundation on which this bill is built.

It is particularly fitting that the former Attorney General of the United States, with the great record he made in that office in support of the constitutional guarantees of the people of this country, should be the one who, in the course of this debate, has discussed the application of the 14th amendment to the bill.

Once again we hear, in the course of this debate, the old cry of States rights, for that is imbedded in many of the speeches we have already heard in opposition to the bill. But once again I make the answer I always make whenever I hear the States rights argument on the floor of the Senate: Those who make it have the responsibility to tell us what is unconstitutional about the bill; for unless they can point out an unconstitutional feature of it, then States rights are not violated.

Once again, we are finding that many of the opponents of the bill do not like the policy of the bill. They do not prefer it as setting out standards of public policy. That has nothing to do with States rights. There cannot be a bona fide violation of States rights in any bill unless the bill is unconstitutional in some respect. That is lost sight of by many well-intentioned Americans who become confused by the slogan-argument of States rights, when what they really mean is that they think that, as a matter of public policy, the Federal Government should not enforce the Constitution.

The brilliant former Attorney General of the United States—now the very able Senator from New York—is telling us, once again, that the entire issue involved is whether or not we are going to make the 14th amendment a living, dynamic section of the Constitution or a dead letter. We cannot afford, in the interest of the future of this Republic, to let it become a dead letter.

In my judgment, it is the very essence of the bill before us.

I congratulate the Senator from New York and completely associate myself with the position he has taken on the bill, especially with the fine argument he has made with respect to the application of the 14th amendment as really the driving force behind the bill.

Mr. KENNEDY of New York. I thank the Senator from Oregon for his very helpful statement.

Mr. HART. Mr. President, will the Senator yield?

Mr. KENNEDY of New York. I yield.

Mr. HART. Mr. President, I wish to inject a more personal note. I thank the Senator from New York very much for coming to the floor at a time when, according to reports in the press, health problems in his family might have explained fully why he did not.

No voice raised in this debate during the past 3 weeks has attracted as many Members of the Senate nor has been more eloquently persuasive of the prudence and the appropriateness of the action that the committee majority took when it reported a bill which—talk about States rights—limits the reach of Federal power and limits it to the area where the evil has been established.

I am grateful that the Senator from New York would have interrupted a difficult day to do this.

Mr. KENNEDY of New York. I thank the Senator from Michigan.

The PRESIDING OFFICER (Mr. SYMINGTON in the chair). The time of the Senator from New York has expired.

Mr. KENNEDY of New York. I ask unanimous consent that I may proceed for 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRUENING. Mr. President, I wish to join in the eloquent tribute which the distinguished senior Senator from Oregon and the distinguished senior Senator from Michigan have paid to the Senator from New York for his splendid, eloquent presentation of the real heart of this issue.

Rectification of injustices is long overdue, and it is distressing that in this hour of domestic crisis we find so many people who do not realize that this is a burning issue—perhaps the most burning issue—which faces us at home, and which we cannot pass up without taking the type of affirmative action which the Senator from New York so eloquently seeks. I thank him for his support of this vital issue. I am completely with him and with those who are supporting the pending measure.

Mr. KENNEDY of New York. I thank the Senator from Alaska.

I yield the floor.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, notwithstanding the order that was previously entered, I ask unanimous consent that I may suggest a brief quorum call.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Under the previous order, the Senator from New York is recognized for 20 minutes.

Mr. JAVITS. Mr. President, I understand that the senior Senator from Oregon [Mr. MORSE] is under some time pressure. I wish to tell the Senator from Oregon that if my prepared remarks result in any further discussion I shall terminate the discussion at the end of 20 minutes so that he may proceed, and then we could return to further discussion in connection with my speech later.

The **PRESIDING OFFICER.** The Senator from New York may proceed.

VIETNAM: THE FRENETIC STALEMATE

Mr. JAVITS. Mr. President, the recent turn of events in Vietnam has grievous and disheartening implications for the United States. No American ought to derive pleasure from the obvious personal embarrassment which they must cause President Johnson. I hope that it is not false optimism to expect that recent developments will temper the unrealism of the administration policymakers.

Last July General Westmoreland asserted when he appeared on television with the President, and in response to the President's prompting that he "touch on this stalemate creature":

> The statement that we are in a stalemate is complete fiction. It is completely unrealistic. During the past year, tremendous progress has been made . . . we have pushed the enemy farther and farther back into the jungle.

In a guerrilla raid on January 31, the Vietcong penetrated the U.S. Embassy in Saigon and pushed to within 300 yards of General Westmoreland's headquarters at Tansonnhut airbase. They knocked Saigon radio off the air, laid siege to the Presidential Palace, raised their flag in the Buddhist capital of Hue, and forced a suspension of the Vietnamese Constitution. The Vietcong attacked in 26 of 44 provincial capitals.

As reported in the New York Times:

> In all the raids, the enemy displayed coordination and offensive strength without precedent in the war.

Yet, it was just over 2 months ago, in his speech at the National Press Club, that General Westmoreland assured us:

> His guerrilla force is declining at a steady rate.

I agree that these spectacular guerrilla raids do not necessarily represent a significant threat to our basic military position in Vietnam. Their greatest impact will be political and psychological. But it is precisely in our political strategy that we are most vulnerable in Vietnam. Accordingly, I hope that the significance of these raids will be assessed with the realism and sobriety they deserve. I trust that we will be spared from any more of those now familiar military assessments which claim that because the enemy paid an "exorbitant price" for the raids they are to be discounted. By the criteria which guide our military commanders the price in terms of human lives may well have been "exorbitant." I doubt that the Vietcong views it that way. It is likely that they calculated the cost in advance and are well satisfied with the result. To seek solace in any other view would be self-delusion. We must take account of the extraordinary regenerative and recuperative powers of the Vietcong guerrilla capability in all our calculations.

The spectacular guerrilla raids have been staged against the background of developments around Khesanh, where the enemy is massing his greatest concentration of troop strength since Dienbienphu. General Westmoreland has said that he expects the biggest battle of the war to begin there shortly. We all hope and pray that our forces will win a great victory at Khesanh.

Mr. President, I must say parenthetically that I have noted reports alleging that the President has required members of the Joint Chiefs of Staff to sign a paper telling him that they believe that Khesanh can and should be defended. I am not all sure I understand how this extraordinary procedure can effect the situation on the ground in Vietnam.

Nonetheless, it seems unlikely our forces can be defeated, given the skill and valor of our men and their overwhelming firepower. Nonetheless, General Giap has proven his skill and his durability on the battelfield. I hope there will be the admirable resolution we have seen, but no tendency to overconfidence at Khesanh.

In my judgment, the lesson of the guerrilla raids and the impending battle at Khesanh is this: The situation in Vietnam is in a stalemate, despite our apparent victories which seem to evaporate so soon.

I think it is particularly regrettable that Secretary Rusk's remarks on television yesterday indicate that the administration has learned little from the events of the past week in Vietnam. He dismissed the significance of the Vietcong guerrilla raids in these words:

> Now I have no doubt that there are some people in South Vietnam who are grumpy, as there are a few people here who are grumpy, because somehow it was not possible to give them complete protection against what has happened in the last few days.

In addition, Secretary Rusk chides the Hanoi and the Vietcong for "laying on this major offensive" at a time when the United States has been "in the process of exploring the problems that arise" in comparing the respective terms for a bombing cessation and while the United States has "exercised some restraint" in the bombing of North Vietnam.

In my judgment, if the Communist offensive of the past week does have any direct relation to the question of peace negotiations, it is this: Hanoi thinks we are overestimating the strength of our overall political-military position in Vietnam and in consequence are seeking political objectives through negotiations which we cannot win on the battlefield. So long as we are convinced that we can totally frustrate the Communists political objectives in South Vietnam and the Communists are convinced of the opposite, there can and will be no meaningful negotiations and no peace.

Throughout 1967 the administration took the view that it was Hanoi and the Vietcong which were really hurting on the battlefield. Events of the past week indicate, at a minimum, that the other side was hurt less than the administration thought, even taking into account the "Battle of the Bulge" theory. Also, it is clear that the weakness in South Vietnam which was effectively exploited was in areas of South Vietnamese responsibility; particularly areas most dependent upon the allegiance of the South Vietnamese people to the GVN.

For these reasons, I think it is all the more pertinent to stress the point which I have emphasized in my prepared remarks. We do not yet have a winning strategy in Vietnam; the situation there is basically stalemated; an adjustment of our strategy and objectives is required to reduce the gap between our objectives and our capabilities; and we must prepare ourselves for a negotiated settlement.

Each time in the past when it has been confronted with an obvious stalemate in Vietnam, the administration has reacted by introducing additional military force into the struggle. Each time the enemy has countered apparently successfully, producing a new stalemate at a higher level of military intensity.

If there is to be any resolution of the Vietnam conflict in the foreseeable future, it is essential that the administration acknowledge the existence of a stalemate and readjust its strategy accordingly. Recent military reports, with their emphasis on such concepts as "large-scale invasion" and "major battle," may indicate that the powerful faction in our Government dedicated to a military victory is contemplating a new escalation of our effort, perhaps including a "counterinvasion" of North Vietnam.

However, at the same time there has been a very significant shift in our terms for a cessation of the bombing of North Vietnam. I believe that our new terms are much more realistic. Instead of demanding that Hanoi suspend all infiltration—which our bombing has not been able to prevent—we will now be satisfied if Hanoi will restrict itself to its existing level of infiltration.

This new formula was made public by Defense Secretary-designate Clark Clifford. It is a most auspicious entry on stage for Mr. Clifford. However, I would like to believe that it is a final victory and vindication for Secretary McNamara, whose courageous and devastating testimony on the bombing program before the Senate Preparedness Subcommittee last August, and again in January, set the stage for our realistic new position.

I regard our new terms for a bombing cessation to be of far ranging significance, not merely or even primarily because it will make it easier for Hanoi to come to the conference table. Its real significance, in my judgment, is the implicit recognition it contains that there is a stalemate which is unlikely to be broken very soon by military action or by bombing Hanoi.

Perhaps we will have to wait until after the Khesanh battle. But I believe that the time has now come for us to move vigorously to exploit the new realism of our position on bombing and negotiations.

The crucial element will be to make it clear to the Soviet Union that our new position does indeed signal a recognition that there is a fundamental stalemate in Vietnam; that this stalemate is dangerous and costly, that it cannot be broken by military measures which we would now contemplate using; and that accordingly we seek a political and diplomatic compromise.

The U.S.S.R. should then call publicly—that is the missing link—for a cessation of bombing and negotiations, on the terms contained in our new formulation, and the challenge to our diplomacy is to bring this about. Once the U.S.S.R. has publicly committed its prestige to a bombing halt and negotiations on these terms, we would stop bombing North Vietnam forthwith.

This is probably the greatest single chance the U.S.S.R. will have to gain in the eyes of the world the respect which came to it as a result of Tashkent. And at the moment of repulsing the Vietcong attack in the cities is precisely the moment to make the proposal because the NFL and North Vietnam then will have tried everything and realized that they simply cannot prevail militarily there.

We will then enter a new stage of "fighting and negotiating." It will be a nasty and frustrating process as it was in Korea. But it can signal the one thing the American people want; namely, a beginning of the end.

The assumption that our present basic pattern of military activity is advantageous to us because we are the world's greatest military power and can continually up the ante has proven to be grievously costly. I think there are two basic reasons for this confounding of an apparently reasonable assumption. First is the natural advantages of what might be called the "adverse ratio" which the enemy enjoys in warfare of this kind. This adverse ratio in Vietnam is perhaps 10 to 1; that is we must put in 10 times what the enemy does to achieve the same effect. As the more than $25 billion allocated in the next budget testifies, this can be a very costly proposition.

However, in my judgment, there is a second and more basic reason why the Vietnamese Communists find it possible to match our increments of power and thus keep the military situation stalemated. For the fact is that we do not have an effective or realistic political strategy in Vietnam to support our military strategy—in a war which is basically political.

The facts of the matter are that the South Vietnamese Government has not been able to establish itself as an effective governing force, at least as it is now constituted and oriented; that it is the central thrust of the NLF to discredit this government and that here is where the recent Vietcong offensive in the cities has hurt the most.

The United States has made costly and painful efforts to legitimatize and energize the military government in Saigon. It is crucial to our whole strategy in Vietnam to establish a viable non-Communist government in South Vietnam which can attract the active allegiance of the rural population.

Last fall, when several of us in this Chamber protested against the abuses and mockeries of the election process going on—and being condoned by the administration—we were subjected to the now familiar chorus of irrelevances from the administration.

Let us take a look at the Saigon government today, whose highly dubious electoral "victory"—was given such solemn public blessing by the White House, the State Department and our Embassy in Saigon. President Thieu has already suspended the constitution and reimposed marital law.

In addition to President Thieu's dramatic action of imposing martial law, there is other recent evidence that it is falling well short of the high expectations set for it by administration spokesmen.

Perhaps the most disheartening sign is the sievelike security in so many South Vietnamese cities exploited by the Vietcong with such success in recent days.

Another signal is the resignation of General Thang, the one conspicuously honest and effective commander in the ARVN, on whose efforts to reduce corruption and make a go of pacification such high stakes rode. As if to reinforce the lesson, shortly after General Thang's resignation, the press reported that two senior Vietnamese military officers dismissed last fall for corruption had been reinstated in high army posts.

The painfully steep cost of the Vietnam in purely monetary terms has been dramatized by the crises it has precipitated in both our domestic and foreign accounts. The intangible costs of Vietnam has been even higher.

I think it is especially confusing for the administration to keep telling its critics that we have interests at stake in Vietnam and a commitment to its people. Of course this is true. But the fact is that we have other interests which are as vital and which are being downgraded or neglected, as well as other commitments as solemn which are not being fulfilled—because of the disproportion of our sacrifice and investment in Vietnam.

In the long run, I fear that the most damaging cost of Vietnam will prove to have been the grossly disproportionate amount of attention and sapping of mental energies it has taken from the highest leadership levels in this country. In consequence, other, ultimately perhaps even greater, problems in Europe, the Middle East, and Latin America, have been relegated largely to the second and third echelon, where they are not positioned to be dealt with in a creative manner.

Generals long ago gave up leading their men into battle. But President Johnson, as Commander in Chief, seems to have a most extraordinary and archaic concept of his role. Quite frankly, his time and energy are much too valuable to this country, and indeed to the world, to be used on such tasks as personally selecting each bombing target in North Vietnam.

It is commonly supposed that the Vietnam war is an obstacle to the Soviet Union undertaking realistic cooperative efforts with us to achieve detente and secure world peace. It is working this way in the Middle East and elsewhere. On the other side of the coin, the war is also a block for us, which prevents us from working with the Soviet Union. It is in the self-interest of both countries, as well as in the highest interests of world peace, that this obstacle be removed. For instance, efforts to achieve an agreement on the limitation of strategic nuclear weapons, perhaps possible on the basis of Secretary McNamara's bold and creative suggestions of mutual acceptance of a stable plateau in missile technology, are surely compromised by the distrust and strained dialog caused by Vietnam.

In the highest interests of this country, we cannot delay forward movement on the great tasks of this era, while a further costly new increment of military resources is poured into the disjointed society of South Vietnam in an effort to break the stalemate and achieve a military solution to a political impasse.

Mr. President, that is the end of my prepared remarks but I want to say one more thing, and it will take just 1 minute.

This morning, I was asked a question by a newspaperman who had read my speech. He said, "What do you say about the proposition that people who make this kind of analysis are told that it is harmful to our men in the field?"

Mr. President, I think that is a very good question and I should like to try to answer it, and answer it publicly.

Our men in the field are there doing the work of our Nation. They are fighting in order to preserve and safeguard freedom. I do not believe that their sacrifice in Vietnam has been wasted. I conceive that many things have flowed from it, such as perhaps the changed situation in Indonesia today, greater stability in other parts of South and Southeast Asia, even perhaps restraint by Communist China, in other directions in which they might have moved. Every one of our men who has died in Vietnam is as much a hero as the men who died in World War II.

But, Mr. President, they are there as soldiers and we are here as Senators. They and we expect that some day, somehow, in some way, we are going to bring the war to an end. That is the task of statesmen which we try to be and that is why we are here in the Senate and not on the battleline.

I have voted to support our men in every way, and I will continue to do so. I am not counseling any pullout. But intelligent, creative statesmanship tells us, when we see the message written so large on the wall, that it is time to begin to find the beginning of the end.

That is the reason why I have made my statement today, and why I have spoken before, and why many of my colleagues feel as I do, whose patriotism and dedication could never be challenged. We feel this is a role we must play—the role of statesmanship which has not been played effectively up to now.

TRIBUTE TO SENATOR HILL

Mr. MORSE. Mr. President, I rise to pay tribute to Senator Lister Hill, chairman of the Senate Committee on Labor and Public Welfare. I not only consider him to be one of the great Senators of our time, but I think the history of the Senate will record, long after all of us here now are gone, that Senator Hill was one of the great Senators in the history of the U.S. Senate.

He has served in the Congress of the United States for the past 45 years, 15 of those years in the House and 30 years in the Senate.

Mr. President, he is really irreplaceable, and I think what I have to say about him today, based upon my rich experience of association with him as a member of his committee, where I have served as chairman of the Subcommittee on Education for many years, more than calls for and warrants the tribute I now pay to him.

On January 24, 1968, upon hearing of Senator Hill's plan to retire from the Senate at the end of this session of Congress, I wrote to him the following letter, in which I said:

> Dear Lister: Midge and I want you to know that we read with deep regret the announcement of your decision not to run for reelection.
>
> At the appropriate time, I intend to pay a very deserved tribute on the floor of the Senate to your many years of dedicated service to the people of Alabama and of the country. In the course of those remarks, I will say and mean every word of it that you are a very great, great Senator who will continue to be recognized fifty years from now and beyond as one of the great Senators in the history of the Senate.
>
> I have asked Stewart McClure to prepare a compendium for me setting forth your legislative contributions during your service in both the House and the Senate. The insertion of the compendium into the Record as part of my remarks will speak more eloquently than anything else I could possibly say about your statesmanship.
>
> Midge joins me in warm affectionate regards to both you and Henrietta.
>
> Cordially,
>
> Wayne Morse.

Lister Hill began his service to the Nation 45 years ago when he was elected to the House of Representatives in 1923 at the age of 28. He was the youngest Member of the House at that time. He represented his district, which included his native city, Montgomery, the capital of Alabama, for 15 years. Doubtless the greatest of his many contributions while serving in the House was his sponsorship with the late Senator George Norris, of the Tennessee Valley Authority, which has transformed a vast part of the South into a thriving industrial community. If he had accomplished nothing else during his long career, and, of course, he has the greatest record of legislative achievement of any man who ever served in Congress, his fellow southerners and the Nation as a whole would owe him eternal gratitude.

On January 10, 1938, Lister Hill became a Senator of the United States from the State of Alabama. During all his 30 years in the Senate he has served as a member, and later as the chairman, of the committee most responsible for the development and protection of the health, education, and welfare of the American people, the Senate Committee on Labor and Public Welfare.

For the past 13 years, since he became chairman in 1955, Lister Hill has guided and shaped this committee until it has become the greatest instrument of human progress in our legislative history, for he has chaired the committee in keeping with democratic processes; and I use the word "democratic" with both a capital "D" and a small "d." He has not only granted it, but he has insisted that the subcommittees exercise great authority and power in the carrying out of the jurisdiction of the respective subcommittees.

The vast range of laws, programs, and agencies encompassed within the sweep of his committee's authority almost defies enumeration.

At the same time that he has been in charge of the committee which handles legislation authorizing our great social programs, he has also been chairman of the Appropriations Subcommittee which approves the funds required to carry out these programs. Since he became chairman of Labor-HEW, for example, Federal funds for medical research alone have increased sixteenfold. Last year's Labor-HEW appropriations bill for fiscal 1968 exceeded $13 billion, the second largest amount, after Defense appropriations, approved by the Congress.

As chairman of the Committee on Labor and Public Welfare, Senator Hill's legislative domain extends over such areas vital to the lives of our people as the following, and these are by no means all:

First. Health: Public health, construction of hospitals, clinics, and nursing homes; medical research and health research facilities; education and training of personnel in all health professions; aid to the handicapped and to victims of mental illness and mental retardation; drug abuse control and food and drug protection; preventive medicine; comprehensive health planning; community health services; migrant worker health programs; and vocational rehabilitation.

Second. Education: Federal assistance to elementary, secondary, and vocational education, and to colleges, universities, and graduate schools; education of children of low-income families, migrant workers, and Indians; supplementary educational centers; educational research and training; education of the handicapped; school and public libraries, both urban and rural; college student loans, grants-in-aid and work-study programs; graduate fellowships; foreign language and area center programs; equipment for science, mathematics, and language laboratories in high schools and colleges; school disaster aid and assistance to federally impacted areas; guidance and counseling programs; and research in new educational media.

Third. Labor: Labor-management relations; national emergency strikes; fair labor standards; maintenance of wage standards under Federal contracts; migratory labor; industrial and mine safety; Federal employees and longshoremen's compensation; employees' welfare and pension funds; railroad retirement and unemployment compensation; manpower training and development; equal pay for women; and equal employment opportunities for all.

Fourth. Other jurisdictional legislative fields under the able leadership of Lister Hill are the following:

Veterans' education, health and readjustment; the war on poverty with its Job Corps, Neighborhood Youth Corps, Headstart, Upward Bound, community action, and other programs; juvenile delinquency and youth opportunities; problems of the aging, science, arts, and humanities.

Senator Hill's committee has jurisdiction and legislative review functions over the following Federal Departments and Agencies: Department of Labor, Public Health Service, Office of Education, National Institutes of Health, National Institutes of Mental Health, National Library of Medicine, Food and Drug Administration, National Labor Relations Board, National Mediation Board, National Mediation Service, Railroad Retirement Board, Veterans' Administration, Office of Economic Opportunity, National Science Foundation, Equal Employment Opportunity Commission, Federal Coal Mine Safety Board of Review, Administration on Aging, National Foundation on the Arts and Humanities, Office of Science and Technology.

MAJOR LEGISLATIVE ACCOMPLISHMENTS

During the 17 years prior to Senator Hill's assuming the chairmanship of the Labor Committee, he achieved a remarkable legislative record in many fields. I want to mention a few of them:

The Hill-Burton Hospital Construction Act of 1946. In little more than 20 years, under a local-State-Federal cost-sharing formula, 9,200 general hospitals, mental hospitals, chronic disease hospitals, tuberculosis sanitariums, public health centers, nursing homes, schools for nurses, crippled children's clinics, rehabilitation facilities, diagnostic and treatment centers, and other medical facilities have been completed—due in no small part to the leadership of Senator Hill.

Freight rate discrimination. The Hill amendment to the Transportation Act of 1940 directed the Interstate Commerce Commission to seek out and remove freight rates found unfair and discriminatory in the South. More than anything before, this legislation liberated the South from its colonial status and promoted the industrial revolution that has taken place there in the past three decades.

Rural Telephone Act: The Rural Telephone Act owes much to Lister Hill.

This program, originated by Senator Hill, expanding the impact of the Rural Electrification Act, has brought modern communications to millions of farm families throughout the country.

Oil for education amendment: The oil for education amendment is another great landmark of his statesmanship in the Senate. This proposal by Lister Hill that royalties from the Nation's undersea oil resources be allocated for grants-in-aid to education, though it did not become law, as the parliamentary device by which the reach of the tidelands oil bill was cut back and the Federal Government retained control of the Outer Continental Shelf. Well over $1 billion in revenue from rents and royalties on offshore oil production has already accrued to the Federal Treasury as a result.

B2H2: Senator Hill was a member of the famous World War II senatorial team who stirred the American people to support the concept of what became the United Nations. Senators Ball, Burton, Hatch, and Hill were the great leaders in that original drive for the United Nations.

Unification of the armed services: Lister Hill was author of the original bill which became the basis for the post-war unification of the armed services under the Defense Department.

Voluntary health insurance: Another field in which his brilliant statesmanship played a very effective part was that of voluntary health insurance. This proposal, made by Senator Hill in 1949, provided a plan for hospital and medical care for every citizen through voluntary methods and the present practice of American medicine, a precursor to medicare and medicaid.

In this same period, the Labor Committee, of which he was a member, handled such landmark legislation as the Fair Labor Standards Act and amendments, the Labor-Management Relations Act and amendments, the National Science Foundation Act, the National Institutes of Health, the Veterans Readjustment Acts of World War II and the Korean conflict, and initiation and repeated extensions of the program for Federal aid to schools in federally impacted areas.

Mr. President, I asked Mr. McClure of the staff of the Committee on Labor and Public Welfare to prepare for me a compendium of the major legislative accomplishments of the Committe on Labor and Public Welfare, under the chairmanship of Mr. Hill, from January 1955 to date. I have that compendium before me, and I ask unanimous consent that it be printed in the Record at this point.

There being no objection, the list was ordered to be printed in the Record, as follows:

Major Legislative Accomplishments of the Committee on Labor and Public Welfare Under the Chairmanship of Lister Hill[1]

(January 1955 to date)

(1) Establishment of the Joint Commission on Mental Illness and Health (July 1955)

(2) Poliomyelitis Vaccination Assistance Act (August 1955)

(3) Increase in the Minimum Wage of 2.1 million workers from 75¢ to $1.00 (August 1955)

(4) The Health Research Facilities Act (June 1956)

(5) The Survey of Sickness Act—a census of disease and disability (July 1956)

(6) The National Institute of Dental Research (July 1956)

(7) The Omnibus Health Act—comprising the following programs: (August 1956)

Graduate Training of Professional Public Health Personnel

Advance Training of Professional Nurses

Vocational Education in Practical Nurse Training

Grants to Improve State Mental Institutions

Extension of the Hill-Burton Hospital Construction Act

(8) The National Library of Medicine (August 1956)

(9) The Library Services Act—to develop public library service in rural areas (June 1956)

(10) The War Orphans Educational Assistance Act (June 1956)

(11) Grants for Teaching Mentally Retarded Children (September 1958)

(12) A Loan Service of Captioned Films for the Deaf (September 1958)

(13) Amendment of the Federal Food, Drug, and Cosmetic Act to Prohibit the Use of Untested Food Additives (September 1958)

(14) The National Defense Education Act (September 1958)

(15) Employee Welfare and Pension Plans Reporting and Disclosure Act (August 1958)

(16) Creation of a Special Subcommittee for a Study of the Problems of the Aging (Established January 1959)

(17) Creation of a Special Subcommittee for a Study of the Problems of Migratory Labor (Established August 1959)

(18) The Labor-Management Reporting and Disclosure Act (September 1959)

(19) Grants-in-Aid to Universities, Hospitals, and Laboratories for Health Research and Training (September 1960)

(20) The National Institute for International Medical Research (July 1960)

(21) Program for Training Teachers of Deaf Children (September 1961)

(22) Extension of Coverage under the Minimum Wage Law to an Additional 3.6 Million Workers and Gradual Increase of Minimum Wage to $1.25 (May 1961)

(23) Juvenile Delinquency and Youth Control Act (September 1961)

(24) Manpower Training and Development Act (October 1962)

(25) National Institute of Child Health and Human Development (October 1962)

(26) Construction of Academic Facilities in Colleges (December 1963)

(27) Expansion of the Library Services Act to Non-rural Areas (November 1963)

(28) Medical School Construction and Loans to Medical Students (September 1963)

(29) Construction of Community Mental Health Centers (October 1963)

(30) Equal Pay for Women (June 1963)

(31) The Economic Opportunity Act (August 1964)—"War on Poverty"

(32) The National Technical Institute for the Deaf (April 1965)

(33) The Older Americans Act (July 1965)

(34) The Drug Abuse Control Act of 1965 (July 1965)

(35) The National Foundation on the Arts and Humanities (September 1965)

(36) Regional Centers for the Treatment of Heart Disease, Cancer, and Stroke (October 1965)

(37) The Vocational Student Loan Insurance Act (October 1965)

(38) The Higher Education Act (November 1965)

(39) The School Disaster Insurance Act (November 1965)

(40) Readjustment Assistance to Veterans—The cold war GI bill (March 1966).

(41) Amendment of the Federal Coal Mine Safety Act (March 1966).

(42) Provisions for settlement of the airlines dispute (August 1966).

(43) The Metal and Non-Metallic Safety Act (September 1966).

(44) Further expansion of the Fair Labor Standards Act to 7 million additional employees and gradual increases to $1.60 an hour (September 1966).

(45) The Sea Grant College Act (October 1966).

(46) The International Education Act (October 1966).

(47) The Comprehensive Planning and Public Health Services Act (November 1966).

(48) The Elementary and Secondary Education Assistance Act (November 1966).

(49) The Allied Health Professions Personnel Act (November 1966).

(50) Amendment of the Higher Education Act (June 1967).

(51) Extension and expansion of Public Mental Health programs (June 1967).

(52) Provision for settlement of the railway labor dispute (July 1967).

(53) The National Center for Deaf-Blind Youths and Adults (October 1967).

(54) Extension and expansion of mental retardation programs (December 1967).

(55) Partnerships for Health Act (December 1967).

(56) Extension of the Economic Opportunity Act (December 1967).

(57) Extension of the Elmentary and Secondary Assistance Act (December 1967).

Mr. MORSE. Interestingly enough, Mr. President, it covers 57 great legislative fields, having resulted in the passage of legislation with respect to all those fields.

I close, Mr. President, by saying that I want this Record to show my very sincere thanks to Lister Hill for the great lessons in the legislative process he has taught me while I have been associated with him on the Committee on Labor and Public Welfare. I wish to thank him also for the inspiration that he has been to me as we have worked together on some of the legislative subjects that I have listed in the compendium, for which he deserves the greatest credit.

Above all else, Mr. President, I wish to thank Lister Hill for the great cooperation that he has extended to me as chairman of the Subcommittee on Education of the Committee on Labor and Public Welfare. That was so typical of him. He could have been chairman of that subcommittee, but he insisted that the chairmanship of the subcommittees be distributed among the committee's members.

He did retain a seat on my subcommittee, though he was chairman of the full committee. Is that not like him? And as a member of the subcommittee, he never failed to give me complete cooperation in connection with any effort that I sought to accomplish by way of bringing out education legislation.

I could talk on and on, and still not say too much about the statesmanship of Lister Hill; but I did wish to say this much today, Mr. President; and I am sure that I really speak for a unanimous Senate when I pay this tribute to that great statesman from Alabama, Lister Hill.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

---

[1] All the health legislation on this list was sponsored by Senator Hill and managed in Subcommittee, Committee, on the Floor and in Conference by him.

Mr. MORSE. I yield. If I find it necessary to leave before the Senator finishes, it is only because I must catch a plane.

Mr. BYRD of West Virginia. I ask unanimous consent that the Senator's time be extended for 3 minutes.

Mr. President, in the year 1666, a great fire broke out in the city of London. Before that fire had been brought under control, it had destroyed three-fourths of the city.

The outstanding architect of that period was Christopher Wren. I have heard it said that more than half of the structures that replaced the destroyed buildings were designed by Christopher Wren.

Among the edifices he designed was the great dome that sits atop St. Paul's Cathedral in London. I have stood beneath that dome, where, along the floor, appear the words:

> If you seek my monument, look about you.

As I have listened today to the appropriate, timely, and deserving remarks made by the great and distinguished Senator from Oregon [Mr. Morse] with reference to the services of the equally great and distinguished Senator from Alabama, Lister Hill, I have realized that it would be impossible to enumerate all the things that great Senator has done not only in the service of the State of Alabama, but also of the United States and of the people of our country. We need only to look about us to see the good that has resulted from his statesmanship.

I have sat on his Appropriations Subcommittee. He has at all times been kind, just, and fair and reasonable, and I say, as the Senator from Oregon has said, that long after Senator Hill has left the Senate, the people of the country will rejoice that there has been such a man as the Senator from Alabama to serve as chairman of the Committee on Labor and Public Welfare, and a chairman of the Appropriations Subcommittee on Labor and Health, Education, and Welfare: A man with vision—great vision; a man with a heart—a great heart; and a man with a mind—a great mind—the Senator from Alabama [Mr. Hill]—gentleman, scholar, and statesman.

Mr. MORSE. Mr. President, I say to the Senator from West Virginia [Mr. Byrd], our acting majority leader, that I appreciate very much the tribute he has just paid to Senator Hill. In the very few moments that he spoke, he presented a most eloquent and most deserved tribute, and I am delighted to have it quoted with my speech here today.

Mr. BYRD of West Virginia. I thank the Senator very much.

Mr. JAVITS. Mr. President, I have had the opportunity to work opposite the distinguished Senator from Alabama [Mr. Hill], in two capacities, as ranking minority member of the Committee on Labor and Public Welfare, of which he is chairman, and as ranking minority member of the Subcommittee on Labor-HEW Appropriations, of which he is also chairman.

Lister Hill is retiring from a great field of public service in which he has won many victories, victories which have advanced the health and education of our Nation. Hospitals throughout the Nation, erected under the Hill-Burton Act over more than a decade, research advances in all areas of medicine, legislative enactments in all areas of the health sciences attest to the validity of his title emeritus, "Mr. Health."

We of the minority have enjoyed eminent fairness at the hands of the distinguished Senator from Alabama. With the Nation, we will miss the warmth, the gentle good humor, and the loving kindness with which he has greeted us all and graced our committee sessions.

Mr. President, I should like to include as part of my remarks a recent editorial from the New York Times, on Senator Hill's retirement and invite particular attention to the lead sentence of that editorial—"Lister Hill has done more for the health of Americans in modern times than any man outside the medical profession." Magnificently done, Lister Hill, you have earned the laurels and the contentment of the coming many years.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Senator From Alabama

> Lister Hill has done more for the health of Americans in modern times than any man outside the medical profession. The son of a distinguished surgeon who named him for Lord Lister, noted British physician, Senator Hill made politics his career and improved medical care his cause.
>
> As chairman of the Senate Labor and Public Welfare Committee and of the Appropriations subcommittee for the health and welfare agencies, he has been a tireless protagonist of generous research budgets for the National Institutes of Health. He was coauthor of the Hill-Burton Act which over the past 21 years has made possible the building of thousands of new hospitals and clinics. More recently he has worked on legislation to aid the mentally retarded and to build more medical schools.
>
> Senator Hill has, of course, had other interests. Unfortunately civil rights was not one of them. But he fought for the Tennessee Valley Authority and for minimum wage legislation when those were unpopular causes. He was an early champion of Federal aid for education. He has been a consistent internationalist in foreign affairs.
>
> Now that he has announced his forthcoming retirement after 45 years of service in both houses of Congress, he leaves a dwindling band of Southern white liberals of his generation on Capitol Hill. These were men who were trapped by the racial history of their region and who dared to be progressive on every issue except civil rights. Despite this handicap, Lister Hill has served his state and nation well.

Mr. MORSE. The Senator from New York is the ranking minority member of the Committee on Labor and Public Welfare. He knows whereof I speak in my tribute to Senator Hill.

But if Senator Hill were here, he would join me in this tribute to the Senator from New York [Mr. Javits]: The Senator from New York has sat on our committee as the ranking Republican member, but, as Senators have heard me say so many times as I have managed education bills here on the floor of the Senate, he has never sat there as a Republican, just as none of us on the Democratic side have ever sat there as Democrats. We work, on that committee, in support of these great humanitarian legislative programs that I have listed here today, as Senators, nonpartisan in carrying out our responsibility to the Senate and to the country.

In fact, I was told that an analysis has also been made of the quantity of legislation that comes each session of the Congress to the floor of the Senate from the various committees. And I was surprised to learn—although I do not think I should have been surprised, but I was—that there is no other committee in the Senate that sends as many major measures to the floor of the Senate dealing with overall national problems as does the Committee on Labor and Public Welfare in line with its jurisdiction. All one has to do is to take a look at that jurisdiction to realize that undoubtedly the report which I have received is true.

The committee has such a wide scope of jurisdiction that it sends to the floor of the Senate, I am told, more legislation dealing with domestic programs than does any other legislative committee in the Senate.

I thank the Senator from New York for the comments he has made. And I again thank the Senator from West Virginia [Mr. Byrd].

VIETNAM

Mr. COOPER. Mr. President, the senior Senator from New York [Mr. Javits] made in his speech today a searching and impartial analysis of the recent events in Vietnam. The suggestions of the distinguished senior Senator from New York to the administration and to our country have been constructive.

I commend the senior Senator from New York also for the tone of his speech and his high-mindedness.

It is a difficult time to speak about Vietnam. We are concerned about the recent events which have threatened the security of our troops in a task which they have met so resolutely and bravely.

We are concerned about events which may follow—perhaps new attacks throughout South Vietnam or at Khe Sanh—when our men will be called again to demonstrate—as I am sure they will do—the same resolution and bravery.

The Senator from New York has taken account of this difficulty. I believe that he stated very accurately and correctly in his closing remarks that our troops will perform bravely their duty in Vietnam, but that we here have our own duty to perform in respect to the war.

The Senator from New York has made suggestions which I think are very valuable. There is one matter that he did not mention specifically, a matter which I think is of immediate importance. That is that our leaders in Vietnam and at home should examine closely the capabilities of our intelligence. For as long as we are engaged in war, it is necessary to give the greatest protection possible to those who actually do the fighting.

I believe also that if we are going to defend positions in so many places in the world, places involving danger—and I refer not only to the war in Vietnam, but also to recent events in Korea and in other parts of the world—the administration, the Congress, and the American people must come to grips with the question of whether we are providing resources commensurate to carry out the policy which the administration has been pursuing up to the present time. I refer to resources in terms of money, the imposition of taxes, the establishment of priorities, manpower, and—as much as we dislike it—the calling up of Reserves, if it should become necessary.

The Senator from New York did refer directly to the Government of South Vietnam. We must ask whether that administration has the will, not only militarily, but also politically, to accomplish the social and economy reforms to meet an aggression, and to fulfill its obligation to establish a representative government which purpose we have given for our own presence in Vietnam.

On this subject the statement of Secretary McNamara has been quoted again and again. Nevertheless, I think it is worthwhile to quote it at this time. Mr. McNamara has said:

> No matter how great be the resources we commit to the struggle, we cannot provide the South Vietnamese with the will to survive as an independent nation, with a sense of national purpose transcending the claims of family, friendship, or regional origin; or with the ability and self-discipline a people must have to govern themselves.

We will have to examine our own influence and purpose, to bring about these absolutely necessary aims and abilities.

Mr. President, the senior Senator from New York has suggested a way of seeking negotiation of the war as a beginning of the end, as he said, might be sought. From time to time other Senators have suggested other means that we might pursue to work toward "a beginning of the end" of the war.

The present occupant of the chair, the distinguished senior Senator from Missouri [Mr. Symington], has suggested means to accomplish this end.

I can only hope and urge that once order is established, our Government will not be limited to awaiting signs from the other side in seeking negotiations; that it will itself take stronger initiatives, direct, and affirmative initiatives to see whether there is a way toward negotiations, to the end, even if it is only the beginning of the end of the war—an initiative which, I would say again, is not based so obviously upon waiting for action by the other side.

I compliment the distinguished Senator from New York. I have told him I thought he had made one of his best speeches, and he has made many.

In time of trouble and difficulty, when our thoughts go out to those who fight, and when we are concerned about their interests and that of our country, which is always primary, the tone and high mindedness of his speech are worthy of notice and emulation.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. JAVITS. Mr. President, there is no Senator whose favorable comment I would value more highly than that of the Senator from Kentucky. I am grateful to him. Any of us who have the feeling that duty requires us to speak about Vietnam takes a solemn and rather lonely position. It can easily be distorted and misunderstood; sentences can be taken out of context; and so on. But one must run those risks, because we are here for a purpose, not merely to occupy an office. That is uniquely true of the Senator from Kentucky, and thus it is a source of the deepest satisfaction to me that he has found some elements of importance and affirmative assistance to our Nation in this dreadful crisis. I am deeply grateful to him.

TRIBUTE TO SENATOR RUSSELL BY ATLANTA JOURNAL AND CONSTITUTION

Mr. BYRD of Virginia. Mr. President, yesterday's magazine section of the Atlanta Journal and Constitution published an interesting article on the distinguished senior Senator from Georgia [Mr. Russell].

The significance of this article is that it documents the strong efforts which were made by the chairman of the Senate Armed Services Committee to prevent U.S. involvement in a land war in Asia. The Georgia Senator has since described U.S. involvement in Vietnam as "one of the great tragedies of our history."

Yet, once our Government committed troops, once our Government sent American soldiers to fight in Asia, Senator Russell has given those troops full support, and our Government and our Commander in Chief full support.

I happen to share Senator Russell's convictions in regard to becoming involved in a ground war in Asia; and I, like the senior Senator from Georgia, once we committed our men, have fully supported our troops and our Government.

Mr. President, I believe the article by Wayne Kelley setting forth Senator Russell's views on involvement in Southeast Asia is an important one.

Richard B. Russell is one of the great Senators of the 20th century. He has served in this body for 35 years. He is beloved and admired. His wisdom in many of the courses he has urged, or sought to prevent, becomes more apparent each day.

This might be an appropriate time to insert in the Record the latest casualty figures. For the 1-week period January 29 through February 4, 515 U.S. servicemen were killed and 2,875 wounded, for a total of 3,390.

Mr. President, I ask unanimous consent that the text of the article captioned "Senator Russell Vows To Speak His Mind," published in the Atlanta Journal and Constitution on February 4, be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

After a Painful Silence—Senator Russell Vows To Speak His Mind

(By Wayne Kelley)

"Back in 1954, I thought I saw a cloud over Asia no larger than the size of a man's hand," Georgia Sen. Richard Brevard Russell told colleagues in a 1966 Senate speech.

The cloud hovered over Dien Bien Phu, one of the last outposts of the French military presence in Indo-china. The Vietminh were tightening their death grip on the French garrison and Secretary of State John Foster Dulles called in bipartisan congressional leaders to argue for American intervention.

Present at the 1954 session with Dulles were Thruston Morton, then assistant secretary of state, and Admiral Arthur W. Radford, chairman of the Joint Chiefs of Staff, who supported the intervention. The congressional delegation included Sen. Lyndon Johnson, D-Texas, the Senate Democratic leader.

Sen. Russell was then the ranking Democrat on the Senate Armed Services Committee. He recalled in an interview recently that the proposal for aiding the French was "pretty comprehensive."

The Eisenhower administration plan called for the use of American air support and aircraft carriers. But it was clear to him. Sen. Russell said, "if we went into any of it, we would have to take it all." That would mean American aid on the ground, something U.S. military leaders had long cautioned against in Asia.

As he listened to Dulles outline the scheme for involving young Americans in the war, Sen. Russell grew increasingly angry. Suddenly he was on his feet protesting.

"I made what I thought was a powerful speech against it," the Georgia senator said. "I told them it was wrong—that I was weary of seeing American soldiers being used as gladiators to be thrown into every arena around the world."

Joining Sen. Russell in the protests against American involvement in Vietnam was Sen. Johnson. The howl from Capitol Hill powers had an impact. No U.S. planes rushed to the aid of the beleaguered French forces. Dien Bien Phu fell.

But the cloud of disaster did not disappear. Later in 1954, after the adjournment of Congress, Sen. Russell was at home in Winder. Morton called and asked for an appointment. The two men met at an Atlanta hotel for lunch. The assistant secretary of state revealed that the Eisenhower administration was sending arms and some technicians to Vietnam in an effort to help the tottering French.

This time the administration was not seeking Russell's advice. Morton was reporting a decision. "I thought I had it stopped," Sen. Russell recalls. "But it was a *fait accompli.*"

Morton, now a Republican senator from Kentucky, remembers the visit as a "pleasant luncheon" with Sen. Russell, during which he broke the news "more by way of information rather than consultation as to what we would do in that part of Southeast Asia."

According to Sen. Morton, Sen. Russell was deeply disturbed, but pledged his support and public silence. "We commit the flag, and I will support the flag," Sen. Russell said, "but it is going to be a long-drawn-out affair costly in both blood and treasure."

"How right he was," Sen. Morton told the Senate on May 24, 1965, in a tribute to Sen. Russell.

The small cloud "no larger than the size of a man's hand" was to assume frightening proportions until it covered all of Vietnam, threatening the prestige of the United States and exacting in "blood and treasure" a toll far greater than even Sen. Russell had feared.

The Georgia senator has since described the U.S. involvement in Vietnam as "one of the great tragedies of our history." He has also confided that it has caused him "a greater sense of personal frustration" than anything he has encountered in 35 years as a senator.

But in recent months the haunting memories of 1954 and Sen. Russell's considerable power in the Senate have propelled the 70-year-old chairman of the Senate Armed Services Committee toward a role of tremendous historical importance and ominous responsibility.

The United States must decide in this day of nuclear threats whether Article I, Section

8, of the U.S. Constitution is meaningless. This is the section which provides that only Congress has the power to declare war.

Obviously the Constitution can no longer apply as it did in July 1898, when President William McKinley sent Teddy Roosevelt and his Rough Riders charging up San Juan Hill three months after transmitting a war message to Congress. Conceivably Congress could have recalled U.S. forces from Cuba then.

In the nuclear age, it may be impossible to do anything once hostilities begin. In October 1962, 64 years after the Spanish-American War, President John F. Kennedy rejected all suggestions that he reconvene Congress or ask for a declaration of war during the Cuban missile crisis. The President informed congressional leaders of his plans for a quarantine of Russian shipping only after the strategy had been decided.

Today, with nuclear war possible within minutes, the constitutional powers of Congress to debate foreign policy and pass formal declarations of war are severely limited by missile realities.

The President of the United States travels at all times in company with the necessary codes, communications and authority to launch a nuclear attack. Presidents Truman, Eisenhower, Kennedy and Johnson have all seen fit to commit troops without a declaration of war.

Whether Congress is to retain any meaningful leadership or influence in matters of military intervention may well be up to Sen. Russell and a few members of the Senate "establishment." During an April 4, 1962, Senate speech in which he sought a Congressional check on American military commitments to the United Nations, Sen. Russell chided colleagues for "fleeing from our responsibilities and minimizing the position of the Senate and of the Congress . . . in our scheme of government."

In the past year Georgia's senior senator has already taken a giant step toward assuring that the Senate will at least hold some small partnership with the White House in decisions on fast-breaking military operations.

On Saturday, July 8, 1967, Secretary of State Dean Rusk, a fellow Georgian, telephoned Sen. Russell to tell him that three Air Force jet transports and about 150 men were headed for the Congo where President Joseph D. Mobutu was fighting rebels and white mercenaries.

Secretary Rusk said that the planes would be used to evacuate Americans, including such persons as embassy staff and missionaries. "I said all right," Sen. Russell recalls.

But the next morning Rusk called again and said it had developed that the planes were to be used "to transfer Mobutu's troops around the Congo to deal with the revolutionary elements," Russell said.

On Monday, July 10, shortly after noon, Sen. Russell took the floor of the Senate to deliver an angry speech. He cocked his head to one side in the manner that people who know the senator recognize as his "no nonsense" posture.

"Mr. President, I rise to register my earnest protest against the action of our government in sending planes and troops into the Congo to intervene or take sides in what has been termed a rebellion, but appears to be an internal disturbance," he said.

The senator pounded his fist on his desk as he talked. He bluntly told Secretary Rusk and the administration what he thought of this move which he feared could quickly escalate with the bloodshed of a few American soldiers.

Some senators might not consider as serious the small number of troops involved in the Congo mission, he said. "But," Sen. Russell pointed out with feeling, "Vietnam started out with a force not much larger than this.

"I have spent most of my career here in the Senate laboring and working to try to assure that the armed strength of these United States is sufficient to defend the people of this country; but I have not spent that time and that effort striving to create forces that would be sent all over the world under such circumstances . . ."

One by one, hawk and dove alike, liberals and conservatives, the most influential members of the U.S. Senate stood to echo the sentiments of the senior senator from Georgia.

Sen. John C. Stennis, D-Miss., second senior Democrat on the Armed Services Committee, thanked Sen. Russell for his "wisdom and alertness." Senate Majority Leader Mike Mansfield, D-Mont., added his strong backing. The chairman of the Senate Foreign Relations Committee, Sen. William Fulbright, D-Ark., seconded Russell's objections. Republican leaders joined the Democrats.

The public opposition of Sen Russell on such matters is part of his determination not to repeat the commitment to painful silence he made in 1954.

He now plans to act swiftly, as he did on the Congo matter, when he feels the administration is taking an unwarranted military risk. "As soon as I hear about it, I denounce it so there will be neither disloyalty nor doubt," the senator said. "I am going to take that position from here on out."

The Russell challenge to the Congo aid last July got quick results. Shortly after his speech, two of the transports flew home and the administration denied a similar request from Nigeria for U.S. planes.

"I think that the note of caution that we have sounded has been heard," Sen. Russell declared in an interview nearly five months later.

This was not the only front on which Sen. Russell chose to operate during 1967. Earlier in the year he led the opposition on the Senate Appropriations Committee to a Navy request for a $1 billion fleet of 30 "fast deployment logistics" (FDL) ships.

The Navy had asked for authorization of $301 million to build the first seven FDLs. Sen. Russell announced on March 21, 1967, that his Armed Services Committee had denied the request for the "floating arsenals" which could deploy heavy military equipment on the seas.

"The committee was concerned about the psychological effect, both at home and abroad, of being committed to deployment all over the world," Sen. Russell told his colleagues. "There is reason to think," he added pointedly, "that if it is easy for us to go anywhere and do anything, we will always be going somewhere and doing something."

The costly and frustrating Vietnam war has intensified support from all sides for Sen. Russell's noninterventionist positions. There are senators who wish to win in Vietnam and get out. Others wish to negotiate a way out now. A few would just get out.

For his own part, Russell believes that the United States never had any clearly defined obligation to go into Vietnam—that the move was optional. "But frankly, I don't see how we could come out of there now and abandon the field to Communist forces," he says, adding almost wistfully that "I doubt there is any man in the United States who is more anxious that I am to conclude this tragic situation."

Sen. Russell has supported American intervention in Korea, Formosa and the Dominican Republic, and was one of the Democratic senators urging President Kennedy to invade Cuba during the 1962 missile crisis. Although he shies from involvement in Asia, he fervently believes in the Monroe Doctrine for Latin America.

"President Kennedy had his communication ready for Khrushchev (on withdrawal of the missiles) and I urged him to tear it up," Sen. Russell recalls. "I was one man who advocated an invasion during that final conference at the White House."

Sen. Russell said that "Cuba didn't have any substantial military strength at this time," and argued that installation of offensive missiles offered what might be a final reason to rid the island only 90 miles from Florida of both Fidel Castro and communism.

Actually, there may have been a great deal more at stake, Sen. Russell believes today. "If we had struck, and struck hard, in Cuba, I don't believe we would have had this situation in Vietnam," he said.

"Russia did have some 4,000 to 5,000 troops in there (Cuba) that I didn't know about," the senator added. "They would have had to get out of the way or take the consequences."

Sen. Russell also strongly urged President Johnson to send U.S. Marines into the Dominican Republic in 1965 to protect American citizens and to prevent any chance of a Communist takeover. The Georgian continues to be an advocate of tough and direct action against any Communist threat in Latin America.

The long-range question, of course, is not one of Vietnam or of Russell or of administration positions on a given crisis. The final problem is one of forming some effective partnership between the Presidency and Congress which does not make war simply an executive decision to be whispered later to horrified senators and representatives.

The senior senator from Georgia is uniquely qualified to play a chief role in molding a new liaison between the White House and Congress on military and foreign policy matters.

Sen. Russell serves on three important committees—Armed Services, Appropriations and Space. He is chairman of the Armed Services Committee and of the Defense Appropriations Subcommittee. On the gold-plated Appropriations Committee he ranks second only to the aged Sen. Carl Hayden, D-Ariz.

He is also a member of the Democratic Policy Committee, which considers new legislative proposals, and the Democratic Steering Committee, where he has a strong voice in committee assignments.

Although Sen. Russell's power has been somewhat diminished by the election of a number of younger and more liberal senators replacing his old allies, the changes may actually have enhanced his tremendous prestige. A speech by Sen. Russell on Vietnam, for instance, would hardly invoke the partisan overtones of one by Sen. Robert F. Kennedy, D-N.Y., or Sen. Charles Percy, R-Ill.

Some veteran senators are also currently at a disadvantage on military issues. Sen. Fulbright, chairman of the Foreign Relations Committee, has become such an administration antagonist on Vietnam that he is an unlikely catalyst for compromise.

Sen. Mansfield, the majority leader, is a dove on the Vietnam war and a non-interventionist generally. But he is also the nominal Democratic administration spokesman in the Senate. (Russell said he passed up three chances to be majority leader "because I could not get down there on the floor and defend the President's bill if I did not believe in it.") The Georgia senator might be described as "loyally independent."

Among his colleagues, Sen. Russell is regarded as a leader of unparalleled honesty, candor and ability. His patriotism is unquestioned and his primary field of interest lies solely within the Senate, which he calls "the greatest deliberative body in the world."

In 1967 the United States had more than 1 million soldiers abroad, upwards of 500,000 of them in Vietnam, and the rest in Europe (365,000), Latin America (40,000), Japan (40,000), Korea (50,000) and Africa and the Middle East (10,000). The U.S. has military advisory teams in about 38 countries and is providing economic assistance to at least 76.

Potential trouble spots are available just about anywhere one cares to look. It would be impossible and unadvisable to have a rigid policy for each sector of the world or to require "consensus" approval from Congress. But the penalties of excluding Congress from meaningful participation loom very large in a nuclear world.

Georgia's Sen. Russell must be one of the main architects if any arrangement is devised which will restore to Congress a share of those powers over military affairs set out in the U.S. Constitution.

Sen. Russell came to Washington in January 1933 at the age of 35. After his unsuccessful bid for the 1952 Democratic Presidential nomination, Harry Truman wrote: "He had ability, integrity and honesty. . . . If Russell had been from Indiana or Missouri or Kentucky, he may well have been President."

January 1968 marked the beginning of Sen. Russell's 36th year in the Senate. Despite a long and distinguished career, Richard Brevard Russell may find the challenges still before him as great as anything he might have encountered as President.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, informed the Senate, that pursuant to section 712(a)(2) of the Defense Production Act of 1950 (title 50, Appendix, United States Code, sec. 2162(a)(2)), the chairman of the Committee on Banking and Currency had appointed Mrs. SULLIVAN, of Missouri, to the Joint Committee on Defense Production, vice Mr. Multer resigned.

The message announced that the House had passed, without amendment, the bill (S. 491) to determine the rights and interests of the Navajo Tribe and the Ute Mountain Tribe of the Ute Mountain Reservation in and to certain lands in the State of New Mexico, and for other purposes.

INTERFERENCE WITH CIVIL RIGHTS

The Senate resumed the consideration of the bill (H.R. 2516) to prescribe penalties for certain acts of violence of intimidation, and for other purposes.

Mr. HOLLAND. Mr. President, on January 23 I spoke on H.R. 2516, the pending business. I speak again today, without trying to follow any prepared course, but to follow, I believe rather logically, upon what I had to say on my prior appearance.

At that time, I called attention to the fact that I strongly preferred the substitute to the pending bill which had been proposed by the distinguished senior Senator from North Carolina [Mr. ERVIN]. It appeals more to me, both from the constitutional basis and from the standpoint of wisdom, as to what is the sound method of approaching the problems and giving a solution to the problems which are involved in the proposed legislation.

Mr. President, I called attention to the fact that the committee in its majority report on H.R. 2516 had filed an inadequate description of what was involved in the word "knowingly" as it became a part of any criminal charge made under this bill, if this bill should become law. I called attention to the fact that not only would the matters mentioned by the majority of the committee in their opinion be involved as matters of required proof on the part of a prosecutor, but also, it would be required—absolutely required—that the prosecutor be able to show that the person who was being prosecuted, the defendant in the case, had knowingly violated the alleged civil right of the person whose right was said to have been violated, in the respect that he did it knowing the race or color of the prosecuting witness, and that his action was based on a racial motive.

Knowledge of race or color is almost impossible under many conditions now prevailing in this country, because unless the defendant had personal or rather intimate knowledge of the prosecuting witness, he could not know in many cases what was the race and color of the prosecuting witness. I shall not elaborate on that point at this time. But every Senator and everyone who knows anything about our troublesome racial problems in this Nation knows that that is the case—that many persons who claim to be colored or of Negro stock are completely white so far as their pigmentation is concerned; and their hair is straight, and many of them even have blue eyes. So, under the mixed-up racial situation we have in our Nation, it has become a complete impossibility for a prosecutor to establish knowledge of the race of the prosecuting witness except in those few cases where there would be intimate personal knowledge by the defendant of the race of the prosecuting witness. I will not elaborate further on that point.

I also mentioned in my former appearance that it seemed to me that instead of doing away with discrimination, and those who have favored the so-called civil rights proposals of the last 10 years which have been enacted into law, and of the last 20 years or more which have been discussed on the floor of the Senate, know perfectly well that there has been one common thread that has run through them—the effort to do away with discrimination—whereas this proposed measure is based on discrimination.

Be that as it may, I indicated that as to the passage of these so-called civil rights, some of us who had known, I believe, as much about civil rights as anyone could in this Nation—civil rights based on racial or national difference—had known that here was a field that existed in men's minds, that called for education, that called for tolerance, that called for good will, that called for graduality in the approach, because, based so deeply on tradition, discrimination could not possibly be stamped out by the mere passage of laws in Congress.

We pointed out that, in our judgment, those acts were aimed exclusively at the Southern part of this Nation, and that they had no application to and would not accomplish anything with respect to the great urban centers of the North and the West.

Mr. President, I also called attention to the fact—and we all know it is true—that in the last 2 years, the great center of racial conflict has entirely departed from the Southland.

We have had very few objectionable incidents down there. To the contrary, we have had relative peace and that is what we prophesied on the floor of the Senate. But to the contrary, in the northern ghettos and in the northern cities, whether they were ghettos or not, and many were not, there have been repeated acts of violence and repeated disturbances that broke the peace, that destroyed property, that wounded and injured people, that took lives needlessly, that lighted up the landscape with fires of domestic disturbances, the like of which we have not seen for many years in this country, and which I pray we never see again.

It has become rather clear that just what we prophesied on the floor of the Senate has come to pass; namely, that not only did all of that wealth of so-called civil legislation have no application to the areas of the North and to the so-called ghettos and crowded areas in cities like New York, Newark, Cleveland, Philadelphia, Chicago, and cities of the West like Los Angeles and San Francisco, but to the contrary, the people they thought would be affected by that legislation had already lived for years under State laws which allowed no segregation in schools based on race, which allowed no deprivation of voting power because of race or color, which did not have segregation in housing, many of which had stronger FEPC laws than the law that was finally written into our Federal Code. In brief, they were not affected and they were not touched by the legislation we passed here.

I stated in my former argument that I believe, and I do believe, that much of the reason for the discontent and disillusionment and the following disorder that was seen in the great cities of the North, the Midwest, and the West was based upon the fact that that legislation did not touch them, did not affect their problems, did them no good, and was perfectly useless as applied to them.

Mr. President, I called attention to the fact that now a new tactic was being proposed. All that legislation of worthy motive, but of no results whatever, in the North, Midwest, and West was based on the effort to eliminate discrimination, and that that was repeated over and over and over again. It was repeated by the advocates of the so-called civil rights law on the floor of the Senate and on the floor of the other body, in repeated interviews and appearances on television and radio, in repeated articles in magazines and newspapers, that discrimination was the thing that they were all struggling against, saying, "We do not want to have discrimination between the races to continue to exist in this Nation." However, now, in this proposal it is discrimination that is sought and sought to be placed in the body of our criminal law so as to make the acts of an individual as against a citizen of the United States a crime or not depending upon his race or color, and depending upon the race or color of the individual whose civil rights are said to be violated.

Mr. President, it is a rather tragic thing that after all these years of striving and struggling for what they called equality before the law and absence of discrimination before the law and in the practices of our people that the ardent proponents of this civil rights law turn back to the discrimination which used to be practiced in criminal laws, away back in the territorial days, away back in the days of slavery.

I have in my office a book which is a compilation of the statutes passed by the Territorial Legislative Assembly of the Territory of Florida. A great many acts were passed then, and they were passed before 1845, the year in which Florida came into the Union, which were based on acts of persons of one color against persons of another color. They were based entirely on discrimination by way of race or color.

We have had no such laws as that since Statehood. More particularly, since a few years after the tragic Civil War, no such laws have been placed on our books.

Yet here, Mr. President, advocates of this act propose to base this attempt on discrimination, and complete discrimination. A white officer taking certain action against a white person would not commit a Federal crime under the purview of this law, but taking the same action against a colored person would commit a Federal crime and would be answerable under the Federal law.

Mr. ERVIN. Mr. President, will the able Senator from Florida yield to the Senator from North Carolina appropos of the argument that he is now making?

Mr. HOLLAND. I yield.

Mr. ERVIN. I wish to call to the Senator's attention an observation made by Mr. Justice Bradley in the civil rights cases reported in 109 U.S. 3, October 25, 1883. This observation appears on page 25 of the report of that case. I quote Mr. Justice Bradley:

> When a man has emerged from slavery, and by the aid of beneficient legislation has shaken off the inseparable concomitants of that state, there must be some stage in the progress of his elevation when he takes the rank of a mere citizen, and ceases to be the special favorite of the laws, and when his rights as a citizen, or a man, are to be protected in the ordinary modes by which other men's rights are protected.

Mr. President, I wish to ask the Senator from Florida if the administration bill does not undertake to make one segment of our society special favorites of the law and excuse them from having their rights as citizens or men protected in the ordinary modes by which other men's rights are protected.

Mr. HOLLAND. The Senator is completely correct. The proposed act does exactly that. That is one of the principal reasons that the Senator from Florida has been opposing the bill so vigorously. The Senator from Florida does not only oppose that fact and does not only agree with the philosophy of the able Justice of the Supreme Court, which has just been quoted by the distinguished Senator from North Carolina, but the Senator from Florida also opposes it because the advocates of civil rights legislation have forgotten what they have tried to do all of these years. They have strayed from their original objective to eliminate discrimination and they now propose to base criminal legislation and criminal jurisdiction upon discrimination and nothing else.

As far as the Senator from Florida is concerned, he has felt it is his duty, and he is certain that the Senator from North Carolina has felt the same way, to call attention not merely of the public to this fact, and not merely of the Congress to this fact, but to call it also to the attention of his good friends who have been advocates throughout the years of the civil rights legislation. They have lost sight of their goal. They are pursuing an objective which up until now has been a distasteful one to them. They have now come from an objective of eliminating discrimination to an objective which depends on the recognition of discrimination and the making of discrimination as the basis for a criminal charge. I think that is a pitiful situation.

Mr. ERVIN. As the Senator from Florida has pointed out on previous occasions, they have always professed that their desire was to make all men equal before the law.

Mr. HOLLAND. Correct.

Mr. ERVIN. Is it not true that the bill would afford Federal criminal protection to some persons and deny it to others in like circumstances, and also provide for punishment of some persons and exempt others in like circumstances from punishment on the mere basis of the race, color, religion, or national origin of either the prosecuting witness or the accused?

Mr. HOLLAND. The Senator is so right. Of course the Senator realizes that the matter of religion and national origin is window dressing. What they are really talking about is race and color. That is what the debate of the able proponents of the bill have been basing their case upon, a difference in race or color, no matter how hard a fact to be known, no matter how hard to be proved and to be proved as known, and to be proved as motive for an act; they propose to put on the books a criminal statute based upon the necessity of alleging discrimination or proving discrimination, and which recognizes discrimination in its essential facts, because it says that my act against the Senator from North Carolina for instance, which might be an innocent act because we happen to be of the same color, if directed at another citizen of another color, would be a Federal crime, triable in a Federal court before a Federal judge and punishable under Federal law.

Mr. ERVIN. Is it not true that the bill undertakes to give protection to members of one race and deny it to members of other races?

Mr. HOLLAND. The Senator is correct. In my brief remarks the other day, I called attention to the fact that the bill proposes to make a criminal act punishable under Federal law and heard by Federal courts out of an act based upon difference in color and race, whereas the same act might be a crime under State law or might be no crime at all if the violator and the victim were of the same race.

This kind of criminal statute is just unconscionable. I cannot see why anyone possessing the good conscience and the good motives which our friends do who are urging support of the pending bill could possibly take this position based upon discrimination, when all these years and for years before the time 10 years ago when the first Civil Rights Act was passed and ever since, while other civil rights acts have been considered and passed, we have been saying it is discrimination, that we hate to discriminate, that we want to do away with discrimination based upon race and color and that difference. Now here they turn around and say that on the same difference of race or color, they want to put a criminal statute, whose essence is discrimination, on the book of Federal law.

Mr. ERVIN. Mark Twain is reputed to have said, "Truth is very precious. Use it sparingly." Unfortunately, I have never been able to follow Mark Twain's advice. I make the confession, which is in accordance with the truth as I see it, and if I am wrong, I should like to be set straight by my good friend from Florida, but I believe—and I hate to say that I believe it—that the administration wants this bill passed because it wants to make it appear it is willing to afford protection to black people which it is not willing to give to people of other races and colors.

Mr. HOLLAND. The whole attitude of the administration makes that motive seem to be the active motive which underlies the request for passage of the pending bill. The administration would do well to think back over the many times it has spoken out against discrimination and that now it, the administration and the President, are supporting a bill which is based upon discrimination and are seeking to accomplish discrimination and to perpetuate discrimination in our criminal laws.

Mr. ERVIN. Has not the Senator from Florida been impressed by the argument he has heard, that the chief reason assigned by the proponents of the bill for its passage has been certain very unfortunate and atrocious interracial murders in a few Southern States?

Mr. HOLLAND. Yes. The Senator from Florida well remembers the conversation that took place in the hearings between the Senator from North Carolina and the distinguished Attorney General of the United States, in which the Attorney General never would say or intimate that there was anything that had happened in the demonstrations in the North which required such a bill, but he tried to pin the principal occasion for the need of the proposed law upon a few isolated incidents which he thought had occurred in the great State so well represented by the Senator from North Carolina. I thought it was a petty showing, an unworthy showing to be made by a Cabinet officer of the United States.

Mr. ERVIN. He cited some 11, 12, or 13 instances in North Carolina in which no one at all had been hurt. He and his Assistant Attorney General Doar stated that nothing had occurred outside the South which demanded the passage of a law like this.

Mr. HOLLAND. The Senator is correct.

Mr. ERVIN. Mr. President, on behalf of my State of North Carolina, I should like to ask the distinguished Senator from Florida if he would permit me to state to him the record of North Carolina in the matter of murders as compared with some of the other States north of the Mason-Dixon line. Would the Senator from Florida agree with the Senator from North Carolina that murder is the most reprehensible of all crimes, the one crime most likely to shock the sensibilities of any normal human being?

Mr. HOLLAND. I do. I heard the Senator. I went through the same facts with him. I would appreciate it if he would place them in the RECORD now because they so clearly state that the record of his own great State is infinitely preferable to that of the States where the Attorney General said there was no violence that justified enactment of the pending bill.

Mr. ERVIN. FBI reports show that in North Carolina in 1966, there were 183 murders, and that all except 6 have been solved, showing that the percentage of unsolved murders in North Carolina was only 3.3 percent.

The same record shows that the State of Massachusetts had 103 murders during that same year, that 21 were unsolved, and that the percentage of unsolved murders in Massachusetts for that year was 20.4 percent as against 3.3 percent for North Carolina.

The same record also shows that in the State of New York during that year there were 780 murders, with 180 unsolved, and that the percentage of unsolved murders in New York was 23.1 percent as contrasted with the unsolved murder rate in North Carolina of 3.3 percent.

Mr. HOLLAND. Do I correctly understand that those figures in that report come from the FBI?

Mr. ERVIN. Yes; this is based on FBI crime reports for 1966.

Mr. HOLLAND. I hope the Senator will proceed to place the rest of those figures into the RECORD.

Mr. ERVIN. The same report shows in Illinois there were 610 murders. Seventy-eight, or 12.8 percent of them remain unsolved, as against the six unsolved murders in North Carolina and 3.3 percent unsolved murders in North Carolina.

The record shows that the State of California had an unsolved murder record of 15.2 percent.

The record shows that the State of Ohio had an unsolved murder record of 15.4 percent.

The State of Michigan had an unsolved murder record of 12.2 percent.

The State of Idaho had an unsolved murder record of 50 percent. However, Idaho had very few murders, only four, and two were unsolved.

The record shows that the State of Oregon had an unsolved murder record of 35 percent.

The State of Rhode Island had an unsolved murder record of 30.8 percent.

The State of North Carolina, as I said, had an unsolved murder record of 3.3 percent.

Yet the Attorney General of the United States said North Carolina was a State that needed passage of this law to prevent crimes of violence, and that none of these other States with a much higher record of unsolved murders required the legislation.

Mr. HOLLAND. I appreciate the fact that the Senator from North Carolina has placed this data, coming from the FBI, into the RECORD of this debate at this time, because it shows so clearly that while we are not perfect in the Southland, and while there is no contention on the part of the Senator from North Carolina that we are perfect, the data shows that in this most important of crimes, murder, the State of North Carolina has made a wonderful record as compared with much of the rest of the Nation.

Mr. ERVIN. I thank the Senator.

Mr. HOLLAND. I want to say for the RECORD that I think the chamber of commerce of his wonderful State ought to give him a prize, because people are going to come down to his State for security from the things that are happening in so many other highly populated States of the Nation.

Mr. ERVIN. I thank the Senator. I do not claim that everything is perfect in North Carolina. As I recall, there was a serpent even in the Garden of Eden. North Carolina is the next thing to the Garden of Eden, and there may be a serpent or two there.

Mr. HOLLAND. I thank the Senator for his contribution.

Mr. President, one of the things that has caused me deepest concern, not only during this debate but in the last few months, has been the fact that there has been so much unsound and disturbing advice given by members of the minority race, by Negroes who have had great success, who have been given fine opportunity in this country, who have been recognized by their fellow citizens because of their attainments in one field or another, and yet who have not been able to stick to the sound basis of advising and insisting upon law observance on the part of other fellow citizens, and who I think have adopted a course that is likely to bring about this year more of the troubles of the same kind we had last summer.

In pointing up the comments of Sammy Davis in Miami at a press conference a few days ago, I want to read from the Miami News, one of the three most liberal papers in my State, which is well known, and from the column by Jack Roberts, one of the most liberal of their columnists, on the subject of Sammy Davis' remarks to the public as represented by a great group of newspaper people at a news conference called by him. The title of this column by Jack Roberts on January 26 of this year reads: "Cut It Out, Sammy, Riot Talk Is Cruel."

The column reads:

> Sammy Davis Jr., came here to work 10 days at the Deauville Hotel in Miami Beach and to pick up a $40,000 paycheck. Good work if you can get it.
>
> Suddenly, it seemed to Miamians, good old Sammy had found time, for free, to advise us on race relations.
>
> He made the usual prediction at a press conference that Negroes were going to riot next summer like never before and make last summer "look like a picnic."
>
> He was asked by one of the 26 newsmen attending his press conference what the Negro in America wanted and Sammy said:
>
> "To get off my back, man. That's what he wants. To get off my back and give me a chance."
>
> Now I am obviously irritated by this bit of race-baiting from the Negro who has everything, but before I proceed it is best to explain how Davis' press conference came about.
>
> Gene Hogan, public relations director at the Deauville, says that Davis was besieged with requests for exclusive interviews when he hit town this year and that it was virtually impossible to accommodate all interested persons. So a press conference was called. Davis held one here last year and it was well received.
>
> There was no advance planning to talk about Eartha Kitt's outburst at the White House or civil rights in general, said Hogan. Davis was simply available to answer questions, that's all.
>
> ### NEWSMEN ASKED QUESTIONS, SAYS HOTEL PRESS AGENT
>
> It was the newsmen gathered who steered the questions to civil rights and away from show biz talk, said Hogan, and Davis simply obliged them with answers.
>
> Okay. That makes you understand things a bit better.
>
> But I am sick unto death of all Negroes and whites who keep chanting that incite-to-riot phrase about wait until next summer.
>
> It's the cruelest thing a person can do to the average man living in the Negro sections. They don't want their homes burned down and their kids shot at. But that "wait'll next summer" phrase repeated often enough compels the young hotheads of the slums to act.
>
> I'm also sick of the Negroes and whites who whip President Lyndon Johnson daily for not doing anything for Negroes. I've been convinced for a long time that the President's troubles with the voters stem more from his spending on poverty programs (accompanied by riots) than from opposition to the war.
>
> Yet there Davis was, the $4,000-a-day man, saying President Johnson had better come up with some concrete programs and quick.
>
> ### THEY SAY "DO SOMETHING" BUT NOBODY TELLS HOW
>
> I'm ready to listen to any Negro—not just entertainers—who have positive ideas as to what can be done to help other Negroes. But please, don't give me that "get off my back, white man," routine. Tell me what I can do to help and I'll do my darndest.
>
> The trouble with most of the wide-sweeping pronouncements on civil rights—and you hear them all the time on TV talk shows—is that they simply say "do something or else." They don't tell you "how."
>
> I'm willing to do anything that's within my power. I'll help a young man get a job, I'll vote for extra taxes to educate him, I'll do my best to consider his feelings, his hopes, his problems. I'll vote for people who have positive, detailed plans as to what can be done.
>
> Should Sammy Davis have kept his mouth shut about racial problems? Absolutely not. But because he's a fine entertainer and a most quotable person, he should deal in positive advice.
>
> Tell us how, Mr. Davis. Don't threaten. And please don't call the summer of '67 a "picnic." That was a time when 31 American cities had major riots, 86 were killed, 2,056 injured and 11,094 arrested. That was no picnic for America.

Mr. President, I have put this article in the RECORD without further comment. I want it to be very clear that here is the case of a man who has been favored by our country, regardless of color, who has been recognized as having some talent, and well paid for it—and he is entitled to credit for having recognized his talent and having developed it and then made it available in such a way as to give him the great rewards he has had. He is talking in this way, to a news body in a city where there has been no trouble of this kind, where the people are living in peace and contentment, and trying to make it appear that we are going to have worse times ahead of us in 1968 than we had in 1967, and that, as a matter of fact, 1967 was, to use his words, "a picnic compared to what we are going to have in 1968."

Does he tell us what to do? And, more important, does he suggest to his own people what they should do? Does he make any kind of constructive suggestion which his young people can follow with the hope of getting constructive results?

Mr. ERVIN. Mr. President, will the Senator yield for another question?

Mr. HOLLAND. I am delighted to yield for a question.

Mr. ERVIN. I should like to ask the Senator this: In addition to offending the principle that all men should be equal before the law, and that all laws should apply in like manner to men in like circumstances, does not this bill run afoul of the provisions of the 14th and the 15th amendment, in that it attempts to punish wrongful acts by one individual against another?

Mr. HOLLAND. I think so. I have followed with a great deal of interest the arguments of my distinguished and highly capable friend in many fields, but particularly in the field of constitutional law and I think he is right.

But for the purpose of this argument today, I intended to stick pretty well to another subject matter, if the Senator will permit me to pursue that course.

Mr. ERVIN. I just wanted to ask the Senator one or two further questions.

Mr. HOLLAND. I am happy to yield.

Mr. ERVIN. If the proponents of this bill will read one or two decisions to which I should like to call to the Senator's attention, I suggest they will not be able to advocate this bill with quite as much fervor, unless they have very low confidence in the intellectual ability and the judicial candor of the U.S. Supreme Court.

Mr. HOLLAND. May I state that I hope, likewise, they will read some decisions—some good, sound, commonsense decisions—on this same subject.

Mr. ERVIN. To pinpoint the point I am trying to make, subsection (1) of section 245, beginning with line 6 on page 7 of the bill, undertakes to make it a crime for an individual to use violence or threats of violence against another because of his race, and also because he is attempting to vote or qualify to vote, and so on, in any primary, special, or general election. It is sufficiently broad to cover all elections.

That can be based only on the 15th amendment, as far as State elections are concerned. I ask the Senator from Florida if the 15th amendment does not have these two sections:

> SECTION 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude—
>
> SECTION 2. The Congress shall have power to enforce this article by appropriate legislation.

Mr. HOLLAND. The Senator has, of course, read the 15th amendment in full, since that is all there is in it.

Mr. ERVIN. Has not the Court, in interpreting it, held this: There are certain very obvious limitations upon the power of Congress to legislate for the enforcement of this article. First, legislation to be authorized by the amendment must be addressed to State action in some form, or through some State agency. Second, it must be limited to dealing with discrimination on account of race, color, or previous condition of servitude.

Mr. HOLLAND. I believe that is correct.

Mr. ERVIN. This bill is not addressed to State actions of any kind.

Mr. HOLLAND. Oh, no. This bill is addressed to personal actions, by person against person.

Mr. ERVIN. I ask the Senator from Florida if the Supreme Court has not held, in the case of the *United States* v. *Reese*, 92 U.S. 214; *United States* v. *Cruikshank*, 92 U.S. 542; *United States* v. *Harris*, 106 U.S. 629; *James* v. *Bowman*, 190 U.S. 127; and *Pope* v. *Williams*, 193 U.S. 621, that under the provisions of the 15th amendment, the only power of Congress to legislate in respect to State elections is contained in the 15th amendment, and that under that amendment Congress cannot punish the acts of any individual against another individual, because the amendment is restricted to State action only.

Mr. HOLLAND. That is my understanding of those decisions, and of the meaning of the law.

Mr. ERVIN. I ask the Senator from Florida this additional question: Did not a lower U.S. court, a circuit court of appeals, hold the same thing in the case of *Karem* v. *United States*, 121 Federal 250?

Mr. HOLLAND. I am not familiar with that case, but I noticed that it was mentioned in one of the briefs on this matter, and I take it for granted that it says what the Senator says it does.

Mr. ERVIN. I cannot conceive how any person could urge that the 15th amendment contemplates that wrongful acts of one individual towards another individual because of his participation in a State election is a Federal offense, unless that person has overlooked these decisions, or unless he has little confidence in the intellectual integrity of the Supreme Court, unless he thinks the Supreme Court no longer heeds the plain words of the 15th amendment, and unless he has so little confidence in the judicial ability of the Supreme Court that he thinks the Supreme Court will be able to throw all of those decisions into the judicial garbage can.

I thank the Senator from Florida.

Mr. HOLLAND. I thank the Senator for his contribution, which has been most helpful.

Mr. President, I have mentioned Sammy Davis. I am not trying to be disagreeable. I simply read from the public press how he acted and how he spoke to a representative group of newspaper, TV, and radio men in Miami a few days ago.

I do not think I need mention for the RECORD what Stokely Carmichael has done. I remember that he went to various places in the South, seeking to stir up trouble, and did not get much reaction; and I am glad to be able to make that comment for the RECORD. The main trouble he has made has been outside the South. The colored people of the South have, in general, too much good judgment to follow a man like Stokely Carmichael.

I could mention Rap Brown. He, too, had made some pilgrimages. I remember that he went over to Alexandria. He was successful in getting away from the jurisdiction of Maryland and now has a long drawn-out legal case pending on the question of whether he should be extradited. But he was not able to get any substantial backing from the Negro citizens of the Commonwealth of Virginia.

He went to Jacksonville, Fla., and made an impassioned speech to some of our Negro people, with exactly the same result, or lack of result.

The real trouble, where those folks have made trouble, has been in the crowded areas of the Northern and Western cities.

I notice that Dick Gregory—another of the same stripe—is up to some stunts. He has announced that when the Democratic Convention meets in Chicago to renominate a man who has done more good for Gregory's race than any other President in history—much of which I have not been able to follow, because I have not thought it was constitutional, or wise—he proposes to raise such an obstruction that the convention will not be able to function. He has said so publicly on various occasions.

That is the kind of advice, that is the kind of encouragement to violence, that young Negroes are getting from people of their own race, people who have achieved successes of one kind or another. My understanding is that Dick Gregory has made quite a fortune as an author.

But I come back to one from whom, I think, we have a right to expect better things. He is Dr. Martin Luther King. He had the great honor to be awarded the Nobel Peace Prize. Whether that was appropriate or not is not for me to say. I did not think it was, but evidently those who were charged with the responsibility thought it was appropriate, so Dr. King does have that great honor. The fact that he was awarded the honor, and that he did things which, in the esteem of many people, entitle him to that honor, should make him cautious about what he says and does or proposes to do.

We all know that Dr. Martin Luther King has now proposed to come to Washington, the Capital of the Nation, this spring. I believe that April is the time he has marked for our execution. He plans to make it impossible for Congress to function. He expects to camp in Jackson Place, opposite the White House. He proposes that "shanties"—I believe that is his word—be erected around the Tidal Basin, where the cherry blossoms will be in bloom. What a travesty that will be. That is, very appropriately, Thomas Jefferson's place, and is so recognized by all of us in the Capital, because it is in the immediate area of the Jefferson Memorial. Dr. King proposes to give us all kinds of rough treatment until we follow his advice and carry out his will.

The editorial on this subject published in today's Washington Star is so appropriate that I shall read it into the RECORD, because it bears out the general thought that I have been following. I have mentioned Sammy Davis, Stokely Carmichael, Rap Brown, Dick Gregory, and now Martin Luther King.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LONG of Louisiana. Mr. President, I ask the Senator whether an undertaking by some group to come to the beautiful cherry blossom area—which is a national monument and, in some respects, a national shrine—to erect shanties among the cherry trees at a time when those trees are in bloom and after this Government has paid large amounts of money to acquire rights-of-way and tear down what we believed to be unsightly housing and replace it with nice housing in Southeast Washington does not constitute to some extent a deterioration of the beauty of the Capital, paid for at great expense by the people of this Nation.

Mr. HOLLAND. I think so. I thought he would think so. However, apparently he thinks it is an ornamentation of the scene because of the objectives he has in mind which he thinks will be served by the erection of these shanties to be inhabited by miserable people from all parts of the Nation until they can harass us, he thinks, to the point that we will do something under that coercion.

I am looking at a man [Mr. LONG] who has been coerced a great deal. I have never heard of his yielding to coercion. I doubt if there are many Senators who would yield to coercion.

I do not have the slightest idea that any Senator or that the President would yield to this kind of misconduct on Jackson Place and around that peaceful body of water where we have these cherry trees.

I doubt if any Senator would yield to that type of coercion. I cannot understand how a man presumed to be as intelligent, as Dr. King is could allow himself to be deluded in such a manner and to come to such a conclusion.

Mr. LONG of Louisiana. Mr. President, does this not amount, to a considerable extent, to the defacing of a beautiful area, an area in which is located the Washington Monument, the monument to Thomas Jefferson, who advocated far before Jackson and Lincoln were born, the abolition of slavery, an area where the Lincoln Memorial stands, an area in which we in recent years have spent considerable sums of money to destroy some structures that had many years of life remaining, had we wanted those structures to be there. We did this only because we thought those structures would not fit in with the beauty of that part of the Nation's Capital.

Mr. HOLLAND. The structures were only relatively unsightly.

Mr. LONG of Louisiana. The Senator is correct. It is not that they were ugly. It is just that they were not compatible with the beauty and grandeur that we would expect to have in a place honoring our Nation's first President and the author of the Declaration of Independence and one of our greatest Presidents of all time, Abraham Lincoln, who signed the Emancipation Proclamation and fought the Negro cause as much as any man in history ever did.

Can the Senator advise me whether those people have any right to erect shanties and unsightly structures on that public property?

Mr. HOLLAND. Mr. President, my own feeling is that they have no right whatever. I think that they should be prevented from doing it. However, that is not the point involved here. The point involved is that this man, who should be a great leader for his people and a kind of prophet to lead them out of the wilderness, is leading them into making one of the most abysmal mistakes they have ever made.

If they do follow his advice—and he continues to give this advice to the point that the President himself had to take note of it the other day, as stated in the editorial which I am about to read from today's Washington Star—he will be rendering a disservice to his people.

I thank the Senator from Louisiana for his helpful comments.

I read from the editorial entitled "King's Promise":

> President Johnson came up with an understated mouthful the other day when he was asked about the mass civil rights demonstration planned for spring, and aimed at disrupting the orderly functioning of the government. "I would be hopeful," he said, "that our energies, our talents and our concerns could be directed in a more productive and effective manner."

I think that is a very moderate statement for the President to make. And yet anybody who reads it can easily see that the President is trying to use a gloved hand to tell Martin Luther King that he cannot disrupt the Capital and that he will not be permitted to do so, and that he ought to turn his leadership to better ends.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LONG of Louisiana. Mr. President, would not the kind of conduct to which Mr. King refers interfere with the rights of all Americans, and taxpayers in particular, who have paid to create this beautiful part of our Nation's Capital, and particularly people who want to be present to observe the beautiful cherry blossoms?

Would not that action tend to interfere with the civil rights of those people and their right to enjoy the beauties for which they have paid their tax money?

Mr. HOLLAND. I think so. I think the President has some civil rights. I think the Cabinet officers and Senators and Representatives all have some rights. Everybody has the right to go about his business. That is our duty and our obligation. And yet Mr. King proposes "massive dislocation of the Capital."

The editorial continues in a way that I very strongly appreciate, and I continue to read from the editorial:

> The trouble with the Rev. Martin Luther King's call for a "massive dislocation of the Capital" is that its effect will be felt by the wrong target, and its result will, almost certainly, be the opposite of what is sought.

Then further on in the editorial, which I will later have printed in the RECORD, it states:

> But the fact remains that economic realities exist, and Dr. King's goal of "jobs and income for all" simply cannot be achieved overnight, regardless of the degree of good will and good intention by the rights leaders, the President, the Congress and the public. Yet Dr. King proposes to his followers that they tie up the city of Washington, build a shanty town among the cherry trees and engage in massive civil disobedience until the government comes across.

I pause there to say that in addition to all of the matters so ably brought out by the distinguished junior Senator from Louisiana, this very spot where the Japanese cherry trees are planted is a sort of memorial spot for the kind act that Japan did to us. And Japan is now our ally and friend.

I wonder what Japan thinks about a program such as this, a program designed to desecrate those beautiful grounds and that beautiful planting of trees from far-away Japan, trees sent there as an evidence of friendship and good will, an act that Mr. King now proposes to nullify by erecting shanties at that location.

I continue to read from the editorial:

> Dr. King must know that the only people who will truly suffer are the residents of the District of Columbia, with whom he has no quarrel. He must know that he cannot close down the Congress, and that if he succeeds in disrupting in part the functions of government, to that extent his campaign will be counterproductive. Above all, he must know that he is holding out to his followers a promise that cannot be fulfilled. And that tactic, he must also know, carries with it the real and present danger of violence and tragedy, and a further unnecessary postponement in the achievement of the goal toward which the vast majority of Americans are determined to move.

Mr. President, I could put other statements in the RECORD—for instance, the statement of Mr. Lippmann of many years ago, when he commented that any decision except by a majority—and a clear majority—of our people to take a step like this against the opposition of the minority is unwise and simply results in disobedience, noncompliance, and worse conditions. I could put into the RECORD quotations from Mr. David Lawrence and others to somewhat the same effect, but I note that a Senator has arrived in the Chamber who is to begin speaking in a few minutes, and I will yield to him shortly.

Mr. President, I ask unanimous consent that the editorial from the Washington Post, to which I have referred, be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

KING'S PROMISE

President Johnson came up with an understated mouthful the other day when he was asked about the mass civil rights demonstration planned for spring, and aimed at disrupting the orderly functioning of the government. "I would be hopeful," he said, "that our energies, our talents and our concerns could be directed in a more productive and effective manner."

The trouble with the Rev. Martin Luther King's call for a "massive dislocation of the Capital" is that its effect will be felt by the wrong target, and its result will, almost certainly, be the opposite of what is sought.

There is no argument here with Dr. King's announced goal—the removal from our society of the ugly stain of poverty and unemployment. There is no denying the fact that these evils weigh most heavily on the Negro population of the nation. The President and the majority of Congress have demonstrated their conviction that the complaint is just and must redressed.

But the fact remains that economic realities exist, and Dr. King's goal of "jobs and income for all" simply cannot be achieved overnight, regardless of the degree of good will and good intention by the rights leaders, the President, the Congress and the public. Yet Dr. King proposes to his followers that they tie up the city of Washington, build a shanty town among the cherry trees and engage in massive civil disobedience until the government comes across.

Dr. King must know that the only people who will truly suffer are the residents of the District of Columbia, with whom he has no quarrel. He must know that he cannot close down the Congress, and that if he succeeds in disrupting in part the functions of government, to that extent his campaign will be counterproductive. Above all, he must know that he is holding out to his followers a promise that cannot be fulfilled. And that tactic, he must also know, carries with it the real and present danger of violence and tragedy, and a further unnecessary postponement in the achievement of the goal toward which the vast majority of Americans are determined to move.

Mr. HOLLAND. Mr. President, I just wish to say, before I complete my remarks today, that it seems to me that if this bill were to become law, it would have this result: It would make a Federal case out of every one of these charges of brutality aimed at police officers who have been trying to do their duty, aimed at National Guardsmen when they have been called in to suppress disorders, aimed at regular Army men when they are called to keep the peace, as they were around the Pentagon not long ago. Every charge against them that they have been guilty of brutality, in that they have used too much violence in what they have done to those who have been demonstrating, will become a Federal case and will clutter up the business of the Federal commissioners, the district attorneys, the Federal district courts, and ultimately the courts above.

Mr. President, I do not want to make a police court out of our district court, nor do I want to dignify these charges of brutality, because I know of my own knowledge of some instances in which those charges have been completely false, in which the officers had been doing their duty as they thought they should.

It is difficult enough now to get police officers. It is difficult enough now to get the scale of pay up to where we can hold the requisite number. We are fighting all the time to get new recruits for the police force, for instance, in the District of Columbia.

Mr. President, the passage of this bill would do more to discourage the effort to build up our police force, to build up our National Guard, to build up the morale of the regular military men and others who keep the peace in these various fields, than anything else we could do. I do not believe we want to do that.

I have seen in the newspapers in the District of Columbia and in the newspapers of my own State many statements about how difficult it is now to hold on to good men in the police force. I have heard complaints from the National Guard officers who have been called up. I have heard over radio and television some of the thugs who attempted to capture the Pentagon not long ago, complaining of the brutality they had suffered at the hands of the military police and regular soldiers of the U.S. Army.

I also saw the television pictures of the fray that took place at the Pentagon. The men of our regular forces showed the greatest restraint I have ever seen on the part of men who were thoroughly in the right and trying to be as gentle and kind as they could, yet who had to do their duty of keeping out of the Pentagon the group of young thugs who were trying to break up the defense of our country.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LONG of Louisiana. Mr. President, if this bill were on the statute books, would it not present a serious handicap to our policemen—and to servicemen who were called out to supplement their strength—who were called up, let us say, to move away the people who were desecrating our national monuments, defacing them, cluttering them up with all sorts of litter and unsightly structures? Would that not cause our policemen and our devoted servicemen, who were doing their duty, to be put in a position in which they must act at their peril when they use force to try to move these people from the places where they are doing what Dr. King has suggested—making it impossible for people to enjoy something that was put there for the benefit of all citizens?

Mr. HOLLAND. The Senator is correct. Of course, it would be doing just that.

If Dick Gregory accomplishes his purpose in Chicago, it will mean that the Senators who go to the convention—the national quadrennial convention of one of our two great parties—the House Members, and the Delegates from the States, including the Governors of many States, will be interfered with and harassed and treated with every discourtesy.

That is not my conception of what democratic government should permit. I do not believe it will be permitted. Yet, that is the kind of advice that is being handed down by the Martin Luther Kings, by the Stokely Carmichaels, by the Rap Browns, and by the Dick Gregorys. And now we even have a man of the cloth, Martin Luther King, saying, "Let's come to the Capital and desecrate the cherry blossom area and force such a dislocation of the Capital that they will finally give us what we want."

Mr. President, if that is democratic process, if that is right, then I do not know the meaning of democratic process and I do not know the meaning of what is right. I believe it is as wrong as it can be, and I am making these comments because I believe much of the responsibility for the troubles we had last year and for any troubles we may have this year will be on the shoulders of these so-called leaders, who are leading their people in the wrong direction and toward objectives that are not sound, American objectives.

Mr. LONG of Louisiana. Mr. President, the Senator well knows that there have been other occasions when the Government had to use force. Sometimes it is difficult for a serviceman or policeman to know for a certainty at what point he is completely within his rights and is doing his duty, and at what point he might be using more force than necessary in achieving his objective, or perhaps using force that might not have been necessary. It is a matter of judgment.

The Senator is aware, is he not, that in view of the recent Supreme Court decisions, it is almost impossible for a lawyer to predict what the Supreme Court will do with cases of that nature, in which one is doing his duty as he sees it? The Court might uphold him and might not.

The Senator is familiar, is he not, with the cases that developed from Birmingham, from Selma, and from elsewhere, in which ordinances were violated? In some instances, the Court held that the ordinance was not valid. Under this bill, the policeman or serviceman doing his duty would be jeopardized, because it says that if he is acting under color of law, he is not protected.

Mr. HOLLAND. That means not only if the decision is in favor of the officer, but also, if the decision is against him, he was still acting under color of law, and in either case the victim could hale him into Federal court. There are many other similar cases, not based on these disorders, such as demonstrations.

There are cases such as the eviction of a tenant who refuses to pay his or her rent. The officer might go there, the tenant will not get out, and the officer may have to use force to evict the tenant. The officer is merely trying to carry out his duty because he has been ordered by the court to evict the tenant. Cannot the Senator see what a ready outlet this is for the making of charges that the officer violated the civil rights of the poor woman involved, or one of her children, or her husband, or whoever lives there? The whole thing is fraught with so many intolerable situations.

I wish to call to the Senator's attention one of the sections of the law which is proposed here. It is one of the eight instances of civil rights protected by Federal law which is supposed to be defended by this act.

I refer to subsection (7) if the victim was "participating in or enjoying the benefits of any program or activity receiving Federal financial assistance."

The advocates of this bill have argued on the floor of the Senate that if this law had been in operation a Federal offense would have been involved in the casé of the murder—and it was to me a very offensive murder—of the reserve officer from Washington who was a colored man who had been on duty somewhere in the South and while returning to Washington was murdered on the highway between Athens and somewhere north of there.

I call attention to the fact that this language covers any act resulting from force, violence, or coercion, or an alleged criminal act resulting from those things, on a Federal highway, because the Federal Government participated in financing every one of them. Any such act would become a potential Federal crime. Let us say that a road patrolman is a white man and the person traveling on the road who refused to stop, when he did stop, was drunk and refused to give up and had to be manhandled a bit. The person who was drunk could bring that case into the Federal court.

Mr. President, the entire act is so full of things that go far afield, as far as the Senator from Florida is concerned, he wants no part of it.

Of the eight civil rights mentioned here to be protected by Federal law, one is campaigning or qualifying to run for office. Another section applies to participating in or enjoying any benefit, service, privilege, program, facility, or activity provided or administered by the United States, or by any State or subdivision thereof.

A third section relates to participating in or enjoying the benefits of any program or activity receiving Federal financial assistance.

Another section has to do with how he may be treated by a labor organization. That is subsection 4 on page 8 of the proposed bill. I shall read that section into the RECORD so that my point can be fully made. This is the fourth of the eight different types of civil rights created by Federal law which we are supposed to be defending by this act:

> (4) applying for or enjoying employment, or any perquisite thereof, by any private employer or agency of the United States or any State or subdivision thereof, or of joining or using the services or advantages of any labor organization or using the services of any employment agency.

Does not the Senator see how full of possibilities for misuse and the bringing of trivia into the Federal courts this act would be if it ever became law?

The Senator from Florida just cannot understand the thinking or the philosophy of any serious minded lawyer who would bring forth an act of this kind and propose to make our district courts mere magistrates courts, which is what they would be, with this tremendous backlog of situations, with every part of it based on discrimination under section (a) because it would have to be an act based on difference in race or color and knowingly, with full knowledge of that difference in race or color.

The Senator from Florida just cannot stomach this act. If the Senator from Florida is the only Senator here who will oppose it—and he knows he is not—he is going to have his say about it. It is a bad act; it is not sound, it is not constitutional, it is not wise, it does not have elements of wisdom and good commonsense in it.

I am amazed that some of these so-called civil rights leaders are demanding, without any change at all, that we enact this bill and not take advantage of the contributions of our legal staff and those in this body with the ability to rewrite the legislation and put it into compromise form so it will not be so objectionable.

The Senator from Florida does not want anything pushed down his throat and he knows that the Senator from Louisiana does not want that either; and there are others who do not come from our part of the country who do not intend to be coerced into passing an unwise law and an unconstitutional law.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LONG of Louisiana. Mr. President, this act, in the minds of some persons, was based on the fact that there were three civil rights workers who lost their lives in the State of Mississippi. It is my understanding that those people involved in that incident were prosecuted under existing law. As far as the jury felt there was a basis to convict, they were convicted if they should have been convicted. Certainly, anyone guilty of murder should be convicted. The law was adequate to convict those persons who were guilty where there was evidence available to show they had something to do with that crime.

The other day we read in the Washington newspapers of a case of a woman who was the wife of a distinguished resident of the District of Columbia. She was murdered in her own bed. An assailant came in and suffocated the woman by holding a pillow over her face until she was suffocated. The person confessed and the acting District Attorney had to move to nol pros the case and turn the murderer loose. That person was not punished. Here was an instance of a confessed murderer and he was turned loose under a recent Supreme Court decision, the Mallory decision, in which the police have only a few hours to examine a murderer or any criminal before charges are preferred against him.

On the merest of technicalities and through an impediment recently imposed by the Supreme Court, the lives of the citizens of this country are endangered.

A short time ago we had the case of a person who was guilty of a number of murders which had a sexual connotation to them. He was turned loose because the person had not been successfully prosecuted even though the person was reputed to have committed similar crimes before.

We have had the Supreme Court tell us that a confession is not valid unless it can be proved beyond the shadow of a doubt that the person confessed. It must almost be proved that the person asked to confess in order to admit a confession as a valid document in evidence that the person committed a crime.

It would seem to me that the public is much more concerned about trying to protect the rights of our citizens against mob action, against brutality and murder in these riots, arson, as was practiced in these riots, and murder in their own homes by assailants whose confessions will not be admitted into evidence even though the policemen do their earnest best to pursue all procedures as they understand them. It seems to me that the public is much more concerned that we do something about the rampant crime which now exists, partly as a result of Supreme Court decisions and partly as a result of professional troublemakers, than to try to pass a law to do something in a situation where the law is already adequate.

Mr. HOLLAND. I agree completely with the distinguished Senator. Incidentally, one of the minority opinions in the commitee report on the bill from the Committee on the Judiciary contains that same thought, that until we have some real, stern effective antiriot legislation, we are piddling along to get into such stuff as is embraced in the pending bill. That is the same thought I think the Senator is advancing, and I thank him for having advanced it.

Mr. President, I want to end on a more kindly note. All is not bad, ugly, and irretrievable in the matter of race relations. We have so many kindly things happening. I could name dozens out of my own State, but I am going to put in the RECORD only one at this time because I think that Senators are entitled to get away from all this thinking about the rough stuff that I know we are not going to allow to happen and to some of the kindly things which are happening.

Here is a story of the return of Deacon Jones, the famous football player of the Los Angeles Rams, to his home in Orange County, Fla., at Orlando—he is really from Eatonville, a little incorporated colored city just outside of Orlando and Winter Park, where the colored people have the "say" entirely. They founded the city. They took it over. They operate it. They operate it well. They have their own bank, savings and loan institution, and so forth. That is where he was born and raised. He was educated, incidentally, at a South Carolina Negro college and then went into professional football. Undoubtedly he is the best defensive player we have.

I read just one sentence from the Orlando Sentinel of Sunday, January 28, just a few days ago, written by Bill Buchalter, a well-known reporter on the Sentinel staff:

> More than 1,000 Orange County football fans turned out Saturday to welcome home David (Deacon) Jones.

Then follows a long article, a total of perhaps three columns in all, about the homecoming of this highly recognized and well-received young Negro to his home and the way he was treated by both white and colored, one award given by the white mayor of Orlando and another by the colored mayor of Eatonville.

I ask unanimous consent to have the article printed in the RECORD, to leave a bit of a good taste in the mouth of my distinguished friend from Michigan whom I see in the Chamber now and who, I know, has not enjoyed some of the things I have had to say on this subject.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Orlando (Fla.) Sentinel, Jan. 28, 1968]

DEACON JONES HAS HIS DAY

(By Bill Buchalter)

More than 1,000 Orange County football fans turned out Saturday to welcome home David (Deacon) Jones.

They were all there at the Winter Park Mall. Autograph seekers, curiosity seekers, football fans, little kids with poised pens. Admiring males . . . and females.

It was a mob scene that would have done Times Square at New Year's Eve proud.

And it did make a square-shouldered football star named Deacon Jones proud. The Mall celebration was one of three highlights of the David (Deacon) Jones Day to recognize the accomplishments of the National Football League's lineman of the year.

"I was fortunate to play in the NFL and win some honors," said Jones after receiving an honorary citizenship to Winter Park from Mayor Daniel Hunter. "But I'd gladly throw all those honors in the ocean in exchange for this honor today. It's the greatest of my life."

A graduate of Hungerford High School, now Wymore Tech, Jones is considered the finest football player ever produced in Florida.

Mayor Hunter told Jones, "Although you were born in Eatonville, we're going to claim you too. Whether you like it or not."

Winter Park Mall Merchants Association President Cliff Goodman presented a watch to Jones and added, "You are the first football player I've ever seen who played two positions at once—defensive end for the Los Angeles Rams and the fifth back in the opposing backfield."

This was the heaviest turnout of the longest and most satisfying day for Jones. He and his wife caught a plane out of Los Angeles at 1:45 a.m. (4:45 EST).

Orlando Mayor Carl Langford presented the 245-pound All-Pro star with a key to the City of Orlando at the airport. The party regrouped at Rollins College and paraded through Winter Park to the Mall, led by bands from Jones, Wymore Tech and Glenridge Junior High.

The festivities continued with a parade through Eatonville, another key presentation by Eatonville Mayor Nathaniel Vereen and recognition of special guests, including Edward Clark, his coach at Hungerford, and Dr. Carl Moore, his coach at South Carolina State.

Perhaps even more proud than the Deacon were his parents, Mr. and Mrs. Ishman Jones. "I'm proud to be here," Ishman said humbly. "Proud of him (David), of Winter Park and Eatonville. Proud of the young men who made this possible for my son."

One of the guys who made it possible was Lester Seays, a former teammate who now works for the Orlando Recreation Department. Seays and members of Eatonville's AmVet Post 18 and the Winter Park Young Men's Club sponsored the event.

Seays introduced Jones first to the large crowd by saying, "Actually the man I'm introducing needs no introduction. That is, if you've had your TVs on. He's No. 75."

It was apropos.

And it even had the quiet but smooth-talking Jones at loss for words. But the singing star, businessman, football player had a return quip later:

"I must be the happiest man in the world. It took me two weeks to prepare a speech and I still can't express my gratitude. As for my play in Miami, there were quite a few guys who came to see me play and if I didn't play up to my capabilities, they might have called this day off."

From the time he was given the key to the city to the time Jack Branham, Sr., of the Orange Bowl committee, presented the Most Valuable Player for the Defense trophy at a special banquet Saturday night, it was Deacon's Day.

DEACON: A REAL BELIEVER

David (Deacon) Jones believes in the Los Angeles Rams, George Allen and the National Football League. He believes he still has a lot to learn and a lot of playing to do.

He believes all of these while making believers out of opposing offenses.

Uppermost in Jones' beliefs is the fact the NFL flag will fly over Los Angeles next year.

"You know as well as I do," he said, "that we're gonna win it. We should have won it last year. We had one unfortunate situation—we had to go to Green Bay."

Mention the word Green Bay to a Ram and he'll answer like a University of Florida fan, "Wait 'till next year."

"This," said Jones Thursday during his Day in Orlando, Winter Park and Eatonville, "is that year. We have a lot of good young players. It takes 40 men working together to coordinate things. We had two lapses this year. Next year, I believe we can put it all together."

Jones credits Allen and the development of quarterback Roman Gabriel as keys to Ram successes.

"Allen did a fantastic job," he said about the Ram coach. "He took a team that was in bad shape and made it a contender in two years. Why that's almost unheard of in that short a period. Allen did a fantastic job in putting the pieces together."

Jones called Gabriel the next super pro quarterback, explaining, "Next year is his year. The only way to develop is to play. And Allen played Roman. He's as strong as a bull . . . can bench press 325 pounds. He's a weight fanatic and has that excellent passing arm."

Jones doesn't look for any new faces in the Ram lineup. "Coach Allen likes to play veterans," he said, "and after all, we're still learning. But you get 22 men working together and it's a beautiful thing."

The learning process never ends, even for the five-time All-Pro Jones. "I still find time in the off-season to review films, talk to coaches about my mistakes and how to correct them. I'm looking for new areas to improve myself. This is my seventh season and still I feel I'm just learning. I know I'm going to play better next year because there are more things I can do to make myself a tougher player."

So dedicated is Jones to making himself and the Rams better, that he dieted during the last off season and shed 40 pounds of excess weight from 280 to 240. He now plays between 240 and 250, the lightest man on the Rams' Fearsome Foursome. (But he was clocked at 9.6 for the "fatman's 100-yard dash at South Carolina State).

"The extra weight didn't hurt my speed," said Jones, "but I found myself getting tired in the fourth quarter. And, that's when you've got to be able to turn it on. I felt I was much stronger this year in the final 15 minutes and hope to improve even more for next year."

Jones feels Philadelphia's 275-pound Bob Brown, his own teammate Charlie Cowan and Green Bay's Forrest Gregg are the league's best offensive linemen, the toughest people to block.

"But," he added, "there's no way to measure pain. Or to measure the ability of a man to stand up against pain. It's difficult to pick out one man since I always saw two or three. But I will admit that anybody who plays in the NFL must be able to withstand pain or deal some of it out."

Referring to Gregg and Green Bay, Jones describes that game as one of the lapses.

But he quickly added, "We (the Rams) would like to play that one over. As a matter of fact, I'd play that one for nothing and I know 39 others who feel the same way."

Jones made believers out of Orlando football fans on TV and during his one-day visit home. His next effort is to outbelieve the believers in Green Bay. "That comes next year," he believes.

Mr. HOLLAND. Mr. President, I do want him to read something in my remarks which show that race relations are not all bad. As a matter of fact, I want him to know that in part of the country where I live, they are largely to the good. They are worse now than they were before the civil rights laws were enacted, because the colored people have had some leadership such as I have mentioned here already from various leaders to whom many Negroes look up, but the advice given them is not good advice; but, generally speaking, our relations are excellent. This is but one example and I want the record to show it.

Mr. HART. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. HART. I might have been tempted to make comment other than in the fashion I shall, until the Senator from Florida said in concluding, let us leave it on a happy note. I am content to leave it on a happy note. I am not even in complete agreement with the Senator from Florida that Deacon Jones is the best defensive lineman in the NFL. There might be two or three others who might be better.

Mr. HOLLAND. Of course he is a Florida player. I think that might forgive a little overestimate on my part; but, at any rate, the article gives him that rating and says he is the best, and the Senator from Florida so understands it: I certainly yield to my friend from Michigan if he thinks there is someone up there on the well-known team in Wisconsin, the Green Bay Packers, for instance, who might be a little better. He is at liberty to say so.

Mr. HART. What I might have said, but shall restrict myself to a very brief suggestion, is that professional football and professional baseball, now that baseball has more recently lifted the color line, shows the very great strength that this Nation can develop as it increasingly eliminates the color test. All white baseball teams were, we thought, the best that America could field for a long time. Finally, with the passage of time, other Americans, who happen to be Negroes, were permitted the opportunity to play on those baseball teams, and they have demonstrated that for a great many years we have missed some awfully good baseball players. That is true not just alone in the case of muscle but also the mind. The strength of this Nation will be greatly increased in direct proportion to our ability to judge everyone in every phase of activity as we judge a pro football player; namely, "Who is best?"

Mr. HOLLAND. I thank my friend from Michigan for ending on that good note. Of course, I have known for a long time that Negroes produce many good athletes. I played in World War I, for a time, on a Cuban football team in Key West. I was a training officer for a Cuban battery of artillery sent over there in the early days of the war. Some of them were white, and some were Negro. Some of the best players were Negroes. Thus, I have known for a long time that what the Senator from Michigan says in this field is true. I have had good reason to know that for a long time, because of the accomplishments of graduates from FAMU, the Negro school in Tallahassee. I believe that the Senator from Michigan and I had a colloquy on that subject the other day regarding Althea Gibson, the tennis player, Bob Hayes, the fastest man, Willie Gallimore, one of the best football players, and 14 playing professional football out of that one school alone and several playing professional baseball.

We have never made any claims, so far as I am concerned, decrying in any way the great potentiality of Negroes in athletics, music, our spiritual life, and many other fields.

I still feel sure that separation of the races is the best thing for them and for us in many fields. I am able to say with great confidence that many of the finest people in the Negro race share my belief and show it daily within my State of Florida.

Mr. President, I yield the floor.

ORDER OF BUSINESS

Mr. HART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF GOVERNMENT OF GREECE

Mr. CLARK. Mr. President, I speak with some disappointment this afternoon of the action of our Government in giving recognition to the Greek junta in Athens. I appreciate that it took a good, long while to do this. Nevertheless, without any assurance that an adequate and decent constitution had been drafted and would be submitted to the Greek people on a day certain for their approval, the State Department undertook to recognize the colonels' government.

I was particularly disappointed in reading in the newspapers last week of widespread incidents of torture, of arm twisting, of dictatorial activity of which the junta had been guilty in connection with the many thousands of political prisoners who are still incarcerated in jails all over Greece.

I note with pleasure an article which appeared in this morning's New York Times, entitled "Greek Exiles Seek Unity Against the Junta," under the byline of Graham Hovey, a member of the editorial board of the Times.

I ask unanimous consent that the editorial comment may be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GREEK EXILES SEEK UNITY AGAINST THE JUNTA

(By Graham Hovey)

Prominent Greek exiles of differing political backgrounds have launched an effort to forge a united democratic front to force the military junta from power in Athens. Some of them say that, if they fail, the United States and the other NATO allies may eventually face "another Vietnam" in Greece.

They are convinced that the junta intends to cling to power indefinitely, with a Constitution rigged to that end, but that its oppressive policies will eventually ignite a popular explosion. Unless the democratic forces can unite, they say, the Communists will dominate the emergent resistance movement.

Many of them believe, however, that a solid democratic front, if supported by the United States and other allies, could still force the junta to leave peacefully. In any event, they see this effort as the only alternative to a civil war that could easily become a wider, big-power conflict.

American pressure is so important for their objective that these Greeks were dismayed two weeks ago, when Washington announced resumption of "normal diplomatic contracts" with the Athens regime. They felt this was a concession that should have been considered only after specific moves by the junta toward democratic, constitutional government. They would regard it a disaster if Washington followed its initial action by resuming the regular military aid suspended after the coup of last April.

Some who have come from Greece recently fear Washington is not yet fully sensitive to the extremist character of the regime or the drastic nature of its purges. They reject the argument that arms aid must be resumed in the overall NATO interest because they say the purge of nearly every experienced high-ranking officer has divided and bewildered the armed forces and made them a liability for the Atlantic Alliance.

THE JUNTA'S PURGE

The junta began by concentrating on persecution of leftists and politicians of George Papandreou's Center Union, but gradually extended its purge into the very citadels of Greece's "Establishment." In the last month alone it has removed 56 university professors; four leading bankers, including the governor of the Bank of Greece; four ambassadors and other senior diplomats, and an additional 79 army officers. It has brought the arraignment of the former Primate of Greece and the Bishop of Salonika. Over a longer period the junta has purged the staggering total of 115,000 mayors and municipal council members.

Greek democrats fear that the extent of the purge and police terror has been obscured abroad by such junta gestures as the freeing of Andreas Papandreou and the dropping of charges against the publisher, Mrs. Helen Vlachos.

They believe the purge of left and right alike indicates that the junta plans to take Greece on a dangerous new course. In this connection they speak of the possibility of a grim future choice between a Nasser-type regime under the colonels or a Communist takeover. This specter gives urgency and a note of panic to their drive for a democratic front, anchored on the Papandreous' Center Union and the rival National Radical Union.

Success will depend heavily on attitudes of the three most prominent exiles: King Constantine, Andreas Papandreou and former Premier Constantine Caramanlis. They fought bitterly in the past and may still differ radically.

Even exiles long critical of the royal family believe the King, despite his failure to oust the junta in December, must now be the symbol for uniting all democrats. It is doubtful that Andreas Papandreou, still bitter over Constantine's ouster of his father as Premier in 1965, will agree. He has told Newsweek that the King is "the wrong symbol for the revolution against the junta" though he does not oppose a constitutional monarchy.

Mr. Papandreou believes the King should stay out of Greece until democratic institutions are restored. The King says he will return if the junta meets conditions that include publication of a new Constitution, fixing a date for a vote on it, free parliamentary elections and a free press. It will take delicate negotiation to bring the two men together.

CARAMANLIS IN THE WINGS

With Mr. Caramanlis, whose governments brought Greece its greatest postwar stability and growth, the problem is mostly hurt pride. He has waited in Paris four years for a popular call home that has not come. He demanded in November that the junta quit but has not spoken out since the King's counter-coup.

Greeks working for a democratic front do not discount the obstacles, but they are confident that their effort will arouse positive response inside Greece. They take heart from the fact that Andreas Papandreou, never the most conciliatory of Greeks, said after his arrival in Paris: "All disputes must be laid to rest. I did not come out of Greece to revitalize old quarrels."

Mr. CLARK. Mr. President, the article indicates that, at long last, the democratically inclined Greek exiles, who are opposed to the Fascist dictatorship, are unifying against the junta and hope to be able to form a democratic group which, in due course, will be able to eliminate the present dictatorship and restore Greece, the mother of our democracy, to the democratic condition under which it has lived until recently, ever since the expulsion of the Communists shortly after World War II.

I commend this group for their activity, wish them well, and hope that only the most formal of business relationships will continue between our Government and the Greek junta until such time as democracy may be brought back to that unhappy country.

INTERFERENCE WITH CIVIL RIGHTS

The Senate resumed the consideration of the bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

Mr. McCLELLAN. Mr. President, on Friday, January 26, I addressed myself to the lack of merit and lack of integrity of the pending bill. At that time, I indicated that later during its consideration I would have more to say about it. As this discussion progresses, and the complete dearth of logic, reason, and justification to support it becomes more and more apparent, more and more convinced am I that we are either engaging here in a lot of futility in discussing it or we are bent on doing a great disservice to our country, and particularly to race relations—

I mention this, Mr. President, because I think it is easy to demonstrate the lack of integrity of the proposed legislation and its equitable objectives by simply referring to the record and demonstrating the considerations that were ignored or rejected by the majority of the Judiciary Committee which reported the bill favorably.

Mr. President, when H.R. 2516 was before the House of Representatives, a majority of its Members insisted upon adding an amendment on the floor to provide:

> Nothing within this section shall be construed so as to deter any law enforcement officer from lawfully carrying out the lawful duties of his office and no such officer shall be considered to be in violation of this section for carrying out the lawful duties of his office or enforcing lawful ordinances and laws of the United States or their political subdivisions.

Mr. President, that provision or a comparable provision is necessary if policemen are to be protected on the streets, streets that today are unsafe; streets where today we are afraid to tread because of the danger from violent assault.

If policemen are to be protected in the performance of their duties and are to be reassured that the provisions of the proposed legislation are not to apply to them in the discharge of their duties, some saving clause in line with the sentiments expressed in the quotation I have just read from the House bill is not only in order but is imperative if Congress is to make its will known with respect to this aspect of the legislation and the consequences it is to have in its administration.

The bill reported by the majority of the Senate Committee on the Judiciary fails to contain that or any other such provision.

The views of the majority of the committee who ordered the bill reported in its present form are made even more clear by the fact that they rejected an amendment offered in committee by the Senator from North Carolina [Mr. ERVIN]. Not only did they not include the House provision; they definitely and affirmatively rejected a comparable provision offered as an amendment by the Senator from North Carolina, which provides as follows:

> Nothing in this Act shall apply to acts or omissions on the part of law enforcement officers, members of the National Guard, as defined in section 101(9) of title 10, United States Code, members of the organized militia of any State or the District of Columbia, not covered by section 101(9) or members of the Armed Forces of the United States who are engaged in suppressing a riot or civil disturbance or restoring law and order during a riot or civil disturbance.

Senator ERVIN's amendment was designed to insure and make certain that the provisions of H.R. 2516 could not be used to harass and deter National Guardsmen, soldiers, police, and other law-enforcement officers engaged in suppressing a riot.

Mr. President, under Supreme Court decisions today, law enforcement officials all over the land are confused as to what is their duty, what is their authority, what they can do, what the limits imposed against them are, in their efforts to preserve peace, enforce the law, and maintain law and order in their communities. It is, in my judgment, nothing less than outrageous, an outrageous ingratitude, to put those who are on the front lines of the struggle to maintain law and order and protect the lives and property of the law-abiding citizens, our policemen, under the terrible and omnipresent threat of being hailed into Federal court on a criminal charge because the Attorney General of the United States or a grand jury determined weeks or months afterwards, that in the heat of the conflict—at the height of a riot—the police had used an unreasonable amount of force in their efforts to suppress the rioters, the looters, the plunderers, the arsonists, and the anarchists.

Mr. President, it is easy to look back and do Monday morning quarterbacking on a riot, and say that a policeman may have used, for a moment there, under given circumstances, a little too much force, that he was a little hasty, and that he might have used poor judgment, and to feel, perhaps, that he should be prosecuted for that slight error in judgment.

Without this saving clause, one of these amendments to which I have referred, or similar provisions in this bill, our policemen are not protected against making such a mistake in a riot situation, when they are trying to restore order, when they are trying to protect the lives and property of our people.

I can hardly understand the reasoning or the prejudice of those who would say that under such circumstances there should exist this threat over our policemen, to make certain that they do not use force against one person or another on the basis that they were discriminating against a Negro or against a white man, as the case may be, rather than on the basis of trying to preserve order, when force was used under such circumstances.

Bear in mind, Mr. President, if a white policeman makes such a mistake against a white man in a rioting situation, there is no Federal crime, under this bill. It is perfectly all right. Or vice versa, if a Negro policeman makes a mistake against a Negro, in using too much force under such circumstances, there is no crime.

We hear a great deal about discrimination. Here is where the Federal Government, in the guise of civil rights, proposes to resort to discrimination that permits one to be exhorted, threatened, intimidated, coerced, and prevented from doing a lawful thing, and the Federal Government will have no concern about it, if the two parties involved are of the white race, or if they are both Baptists; but if one of them is of one race and the other of another, or one is of one religious faith and the other is of another, then it becomes a violation of law, and the Federal Government becomes deeply concerned about it.

Mr. President, I have always thought that a Baptist's nose would bleed just as much as if it was punched by a Baptist as if it would if punched by a Catholic. I am sure the pain would be the same, assuming the force of the blow were equal.

Then where is justice? Where is equal justice, if the Federal Government is to say, by law, that if the Baptist is hit by a Baptist, he will just have to suffer his pain, the Government does not care; but on the other hand, if he is hit by a Catholic, or, to turn it around, a Baptist hits a Catholic, the Government becomes terribly concerned?

We have reached the point of the depth of the ridiculous in this fanatical pursuit of pacification and placation on the racial issue. The result is, Mr. President, as anyone who will keep his eyes open and observe all about him can see, that instead of bringing about harmony, respect, and fellowship in race relations, we are engendering and generating greater hatred, greater disrespect, and turmoil, strife, and terror in race relations.

How long will it be before we will awaken to what we are doing? Mr. President, it needs to be soon. With the appeasement process that we are pursuing, we are playing with social dynamite.

There is absolutely no power reposed in the Senate to solve these problems overnight by the enactment of a law such as the pending measure or by the many laws we have already debated. And we have enacted a veritable flood of so-called civil rights legislation in the past few years.

The tide of discontent is rising higher and higher, and the demands for more and more such legislation is increasing and becoming more and more exacting and impossible of fulfillment. Can we not learn?

When H.R. 2516 was on the floor of the House, its members insisted upon and passed an amendment specifying that—as used in this section, the term "engaged in speech or peaceful assembly" shall not mean the urging, instigating, or inciting of other persons to riot or to commit any act of violence in furtherance of a riot.

There is no such provisions in the pending bill. Evidently, the sponsors of the pending measure do not want it to apply to riots. They want to be certain that those who riot are not called to justice by reason of this legislation.

As Senators EASTLAND and THURMOND appropriately state in their separate views beginning at page 16 of the committee report:

> We reiterate, that under the terms and provisions of this bill as order reported to the Senate, if a white person had been present during the inflammatory speech of H. Rap Brown which led to the Cambridge riots on July 24, 1967, and, becoming enraged at the inflammatory statements made by Brown, had shouted a threat to him from the audience, that person could be tried under this act and fined up to $1,000 and imprisoned for 1 year. If such person had jumped up on the platform and struck Brown, giving him a bloody nose, he could be punished by 10 years in prison and fined up to $10,000. *No punishment could be imposed on H. Rap Brown under these circumstances.*

Mr. President, Rap Brown, who was there inciting people to riot, could receive no punishment under the pending bill.

I continue to read from the separate views of Senators EASTLAND and THURMOND:

> We strongly believe that under these conditions the majority of the Senate and the vast majority of the American people rightly believe that H. Rap Brown should be punished under the Federal criminal law, and that the person who became angry at him should not be punished. If we are wrong, then the Senate should enact this bill in its present form.
>
> If there are those who doubt that a person who heckled Brown at the Cambridge speech could be indicted and convicted under the terms of this bill, we will apply the provisions of the bill to the facts in that case.

> First, during the course of his speech Brown complained about inadequate schools afforded the Negro community. He also complained about the police protection given the Negro community by the city of Cambridge. The bill would make it a crime to knowingly, by force or threat of force, injure, intimidate, or interfere with any person because he has engaged in speech or peaceful assembly opposing any denial of the opportunity to participate in eight (8) specified categories of activities without discrimination on account of race, color, religion, political affiliation, or national origin. The third of the eight specified categories of rights is "participating in or enjoying any benefit, service, privilege, program, facility, or activity provided or administered by the United States or by any State or subdivision thereof." Obviously, the public schools are a benefit, privilege, facility, or activity provided or administered by the State of Maryland and/or the city of Cambridge. Also, police protection falls in the same category.
>
> It is important to understand that the bill speaks of "speech or peaceful assembly." The word "peaceful" modified "assembly" but it does not modify "speech."

It does not modify "speech" as used in the pending bill.

I continue to read:

> Any interference with even the most violent and inflammatory *speech*, such as the one made by Brown, which opposed the denial of the opportunity to participate in any activity or benefit mentioned in the eight categories, which embrace practically all human activities and actions, on account of race, et cetera, would be prohibited under this bill, and at the same time deter the police from keeping the peace.

Under those circumstances, since there is no saving clause to protect policemen who try to do their duty, why would a policeman walk in and try to preserve law and order? If he were to do so, he would do so at the risk of perhaps later being charged with using bad judgment and being subjected to a fine and a prison sentence.

I continue to read:

> Another reason why this bill should be defeated is that it is another in a long series of proposed legislation which is aimed and directed solely and exclusively at the people of a few States in the Deep South. This is another bill that treats the States of the South and their people as "conquered provinces."

Mr. President, I do not know on how many occasions, but more than once, and possibly a half dozen times, in the course of debating the various civil rights bills in the Senate, some of which have been enacted into law, I and other Senators representing that section of the country that is the target for these vicious laws, that section of the country that is the culprit that is sought to hold up to ridicule and to punish by the enactment of so-called civil rights statutes, have tried to point out—and we have not been very convincing, and certainly were not at the time—that those who were sponsoring such legislation, with vengeance toward our section of the country, were inviting catastrophe to fall upon themselves.

If anyone has any doubt about what has happened, review your newspapers for the last 2 years and see where the heaviest rioting occurred. Look at your record of crime increases today over the Nation and see where there is the heaviest increase. It is not down in the section of the country where you seek to reform us by enacting compulsory legislation, legislation to compel us to have respect, where we feel that respect is to be earned and not coerced.

They are learning, I hope—they are learning the hard way. And it is a tragic way, Mr. President, because great suffering already has occurred; and if there is a repetition this year of what happened last summer, a great deal more suffering is in store.

You can pass this bill without a dissenting vote, if you can—you will not—and you can add more clauses to it and more sections, trying to point to my section of the country and hold it up to ridicule and scorn, trying to punish it. You can do all of that, if you like, but it will have no impact. It will be no barrier against the tide of crime that is sweeping the major cities of this country, nor will it serve as a barrier and an obstruction to riots that are now being planned for this summer.

This is not the answer, Mr. President. We are indulging in an erroneous remedy, and those who are forcing this remedy will be the greatest victims of it.

> It is important to understand that the bill speaks of "speech or peaceful assembly." The word "peaceful" modified "assembly" but it does not modify "speech."
>
> Any interference with even the most violent and inflammatory *speech*, such as the one made by Brown, which opposed the denial of the opportunity to participate in any activity or benefit mentioned in the eight categories, which embrace practically all human activities and actions, on account of race, et cetera, would be prohibited under this bill, and at the same time deter the police from keeping the peace.

I repeated that quotation, Mr. President, because it is loaded with truth.

> The Voting Rights Act of 1965, on its face, was contrived so as to apply only to the "bad States." This was admitted by its sponsors and supporters.
>
> While H.R. 2516 applies on its face equally to all sections of the Nation, a reading of the testimony before the Subcommittee on Constitutional Rights by those who would be charged with its enforcement, if enacted, the Attorney General and his assistant in charge of the Civil Rights Division of the Department of Justice, clearly shows—

An admission by the strongest implication—

> that the only reason this bill was proposed was because of certain alleged acts of violence which had occurred in the South.

I am not just making a reckless charge. I shall quote the testimony from the record:

> It is also clear that this is the only section of the country as to which the prospective enforces of the bill expected it to be applied.

No, Mr. President. As of now, although they seek the enactment of it, they have no intention to use it as an instrument, as a weapon, to prevent riots and violence in the North. It is just intended to punish the bad boys of the South.

> On September 21, 1967—

Less than a year ago—

> the Attorney General and his assistant in charge of the Civil Rights Division gave testimony on this bill to the Subcommittee on Constitutional Rights. The following colloquies occurred between Senator Ervin and Attorney General Clark and Assistant Attorney General Doar:
>
> "Senator ERVIN. Are you contending that violence never occurs in the North?
>
> "Attorney General CLARK. How do you mean? The threats?
>
> "Senator ERVIN. It is aimed at society, in general, is it not?
>
> "Attorney General CLARK. This is aimed at where the problem is.
>
> "Senator ERVIN. Is the problem in the South?
>
> "Attorney General CLARK. The problem on account of race has been largely in the South."

I submit that you have more problems in the North today with respect to race relations, and you have more bitterness, more resentment, and less harmony, than exists in the South. Yet, we have to keep on whipping the South.

> "Senator ERVIN. Were there no threats made surrounding the recent riots?
>
> "Attorney General CLARK. If there have been threats in the riots, they are probably in violation of State law, and they ought to be prosecuted.[1]

So, is everything else covered by this bill a violation of State law where violence is involved? No State in this Union condones violence by its statutes. Therefore, if it is all right to let the States enforce the laws with respect to rioting in the North, why can you not trust the States to enforce the laws for assault and violence? But, again, we are not really concerned about justice or equity.

Those considerations do not motivate this legislation. Neither is present. The contrary is true. Unequal justice is what this bill seeks to impose.

> "Senator ERVIN. Please tell me a situation that has risen in the North at which this bill is directed.
>
> "Mr. DOAR. Well, the need for the bill arose because of law enforcement problems in the particular area of the country in the South; that is true.[2]

And yet, Mr. President, you have more law violations, you have more race troubles, you have more race problems, and you have more racial unrest in the cities of the North than anywhere in the Southland. But they like to ignore that. Why, Mr. President? They like to ignore it for the same reason that motivates this proposed legislation, and that is politics, plain old politics. Without it, Mr. President, you would not have this bill here, and everybody in his heart knows it.

Mr. President, with these absurdities and this ridiculous philosophy of dogmatism that is gripping this country today, we are trifling with the destiny of our Nation. You cannot keep on yielding to, trying to pacify and placate minority elements every time they make a complaint, running here, and try to pass a law to give them what they want. It will not work, it never has worked, and it will not work now. It will never work. We should not be so stupid as statesmen to assume on the basis of history that it will.

"[1] Hearings before the Subcommittee on Constitutional Rights of the Committee on the Judiciary, U.S. Senate, on the Civil Rights Act of 1967, p. 320."

"[2] Ibid., p. 323."

Mr. President, I shall continue to read from the individual views:

> This testimony is shocking in its blindness to realities. It was given on September 21, 1967, after the smoke had settled on the charred remains of property lost or destroyed. The sad events of the summer of 1967 were history. And yet, incredibly enough, these persons in responsible positions stated then that the problem on account of race is largely in the South, and that the need for the bill arose because of problems in the South.
>
> This testimony is especially shocking because the bill as ordered reported *could* be used to prosecute the rioters and looters who destroy places of business.

But it is not going to be. That is not the purpose of it. We are going to let the States handle that. The purpose of it is to try to further humiliate the South. I am a southerner and I am proud of it. I refuse to be humiliated now, tomorrow, or the next day while we sink further and further in the mire of political expedience by legislation of this character.

> All of the elements of an offense under H.R. 2516 are present in the case of a Negro rioter who burns or destroys a place of business owned by a white person, which business is licensed to operate by the State.

It will cover it, but is that the purpose of the bill? No. Where did the burnings occur? Where were whole sections of cities destroyed by the riots? Where? It was not in the Southland. What does the Attorney General say? He said, "We will leave it up to the States to enforce the laws up there. We just have to wring the neck of the South again."

> First, it is obvious that force was used, by way of arson or theft, in the destruction of such a place of business.
>
> Second, the clear inference could be drawn that the act was racially motivated where the offending party was a Negro and the place of business was owned by a white person.

Did that happen in the riot areas? It did. Where there was a Negro place of business they wrote on it "soul brother" and they passed that one and went next door where that sign did not appear and where there was a white man, and they put the arson's torch to it or the molotov bomb. Would this apply? Mr. President, if you are honest about it, it would. Would it be enforced? Was that the reason for the enactment of it? No. It is pure poppycock under any rational definition.

> This inference would be even stronger in the cases in which Negroes destroyed places of business owned by white persons and left unharmed places of business owned by Negroes located in the same area, especially where the places of business owned by Negroes spared by the rioters bore such signs as "Soul Brother." This has occurred many times.
>
> Third, the right to carry on a business licensed to operate by the State or its subdivisions is a "privilege, * * * provided * * * by any State or subdivision thereof," as listed in the third group of specified activities protected against violence by the bill. At 53 C.J.S., page 446, Licenses section 1b, is found the following language:
>
> "A privilege is the exercise of any occupation or business which requires a license from some proper authority, designated by some general law and is not free to all or any with out such license. The term embraces any and all occupations that the legislature may in its discretion declare to be privileged and tax as such."
>
> Section 30 of Licenses, 53 C.J.S., pages 560–563 lists more than 100 trades, occupations and callings which the States license or regulate, and which may be determined by a State to be privileged.
>
> "However, the Attorney General and his assistant did not cite any of these acts of violence which were fresh in the minds of all as being covered by the terms of H.R. 2516. They only mentioned the "bad States" of the South.
>
> It would be futile for those who own small places of business in riot-prone areas to hope that H.R. 2516, if enacted, would be used to prosecute those who by violent acts, and motivated by racial antipathy, destroy their rights to carry on a lawful business, trade, or calling. The prospective enforcers of H.R. 2516 see no problem there.
>
> We are constrained to say that, in our judgment, it is unseemly for those in authority to respond to these riots, which constitute a flagrant assault on ordered liberty, by saying "We deplore the riots, but we must examine and cure the root cause." This conditional condemnation, containing the qualifying word "but," amounts to praising with faint damns.
>
> There are others in high places who have stated their feelings about these riots even more explicitly. The following is an excerpt from a speech made by Mr. Harold Howe II, U.S. Commissioner of Education, before the city club of Chicago's annual civic assembly, Chicago Bar Association, on May 13, 1966:
>
> "I have not come to preach a sermon, for sermons have proved notoriously ineffective in bringing about major changes in society."

That is quite significant, it is not?

> . . . sermons have proved notoriously ineffective in bringing about major changes in society.

Thus, because persuasion has failed we now propose to substitute force. Ah, Mr. President, we cannot have our way by preaching sermons and trying to persuade so now we will resort to the force of law to compel, coerce, and intimidate.

I continue to read:

> In any case, I think we must concede that the most effective statements on civil rights in our time have not been made from the pulpit, but in the streets of Montgomery and Selma, Watts, and a dozen other cities less celebrated in headlines but equally effective as object lessons.

Mr. President, these words are not a sermon, we departed from that, we have rejected the sermon, but we are now talking about force. These words were uttered before the hot summer of 1967. Yes, that is very impressive, he says, but the more we enact so-called civil rights legislation, the more enflamed the atmosphere becomes, the more frequent and the more extensive becomes the rioting, and the corresponding increase in the crime rate, eight to nine times faster than the population is growing.

The only remedy seems to be more and more, like taking a drug. We are on a civil rights and civil liberties drug. The more we do, the more we have to do—and the more we do the less becomes the cure. Yet we cannot see it. Ah, to this list which I mentioned of Montgomery, Selma, and Watts, getting away from the North, as I said, the hot summer of 1967, to that list can now be added:

> To which list of celebrated cities could be added Newark, Detroit—

Ah, Detroit—where one of the worst riots occurred, yet where the most had been done in social aid and benefits for the so-called minority race, where they have the highest standard but still had, too, the largest riot in that community.

Why?

Appeasement. It does not work.

Continuing reading:

> Cleveland, Milwaukee, Chicago, New York, Tampa, Nashville, Cambridge, Md. and many others could be added.
>
> It must be admitted that there does appear to be some logic to the Commissioner's reasoning. After every outburst of mob violence, riots, mass looting, killing, and arson, fresh demands are made from certain quarters to enact another "civil rights" bill so that "the people" will receive fresh assurance that the Federal Government is on their side and is concerned with their problems.

Now we have assured them about that, but they do not believe us. Pass the pending bill and they still will not believe us. They will still be demanding more. There will be continued aggravation. Passing the pending bill will not be a resolution of the problem.

Continuing reading:

> This tactic has worked well in the past, but we firmly believe that the great majority of the people want no more of it.
>
> In our judgment, H.R. 2516 should be defeated overwhelmingly by this Senate. The consequences of its enactment would be tragic. The consequences of enacting this bill before the enactment of a meaningful antiriot bill would be disastrous, in that the vast majority of the American people would be thus clearly told by Congress that it is not concerned with the problems of violence about which *they* are most concerned.

Mr. President, passing the pending bill will not hinder, hamper, or arrest for one moment the plans now in the making for the "camp-in" demonstrations intended to disrupt the Government and declared and announced as the object and purpose of the demonstrations.

Our Government and its officers, the highest authority, from the President through the Attorney General and on down, are not making any pronouncements against it.

Who can have any respect for law and order when that kind of tone and example is set from the top?

Instead of enacting the pending bill, we should be enacting antiriot legislation. There should be pronouncements from the highest law enforcement authority in this country that the intended and infamous "camp-in" and disruption shall not be permitted to occur.

Have we got the courage to do it?

No.

Why?

Politics.

Watch it happen. If they can get by with it, who will be in that campaign? Every sympathizer of violence who can be gotten into it will be there. Their agitators will be present. Do not be surprised if violence erupts.

Mr. President, what is done with them when they commit violence? Look at the record. At most they get a $10 fine. Many of them do not even pay that. I am telling you, Mr. President, we need law enforcement. When respect for the law is demanded, and not when you compromise with law violators, is the law obeyed.

Some persons talk about reforming them. They have been in jail five or six times, and then they are turned out again. People talk about rehabilitation. The way to have safe streets is to take the criminals off the streets and incarcerate them where they belong. We will not have any safe streets as long as they run loose. We are going to have to come to grips with this issue. We cannot pussyfoot about it indefinitely.

Mr. President, I am a little more concerned about the safety of my country and about the preservation of the sovereignty and integrity of our Nation than I am about who is the next President of the United States. I would like to see my President, whom I propose to support, have the courage to announce that this country will not be disgraced and this Capital will not be made a ground of degradation and shame by a band that proposes to come here with the announced purpose of disrupting Government as a threat to compel obedience to their demands.

Is that government by law? Is that petition for redress of grievances? No, Mr. President. To come here with the announced purpose of disrupting Government is not a petition under the Constitution. A government that cannot protect itself and continue its function is not a government that people will long respect.

The law-abiding citizen has some rights, too. He has a right to expect his government not to submit to such blackmail and hijacking.

I hope before that time comes there will be the courage and resoluteness to let it be known that those who propose to do such a thing will be met with such resistance as is necessary to prevent it from happening. If persuasion will do it, if logic and reason and an appeal to patriotism and right and justice will do it, fine; but I think before anyone would let them take over this National Capital and obstruct the streets and disrupt the processes of government, they should be stopped. It should not be permitted to occur.

Mr. President, do not marvel, do not be amazed, that crime is increasing in this country. We are tolerating it. That is why it is increasing. We are coddling the criminal. We are turning him loose on society, although he has confessed to his crime, and although he is known to be guilty, to prey on society. And we call that justice. There is something wrong with our system of justice when that occurs. There is something gravely wrong with it that needs correcting.

Mr. President, in the past 5 or 6 years the Congress has enacted a veritable flood of so-called civil rights legislation. We were told over and over again by its proponents, that if we did not enact that legislation there would be trouble—there would be rioting—there would be violence—there would be bloodshed and wanton destruction of property. So the Congress bowed to their demands—but did it ward off the rioting or violence, or bloodshed, or wanton destruction of property? We know it did not. Instead the rioting, violence, and crime has increased at an ever-accelerating rate of speed until it has now become a veritable flood of violence which verges on complete anarchy.

Neither that so-called civil rights legislation nor the bill we are now considering has had, nor will have, any pacifying influence on those who incite and engage in the crime, the violence, and the riots which plague this Nation today. Instead, such legislation has only led to more and more ultimatums and threats from self-appointed spokesmen for minority groups.

The willingness of legislators to accede to such ultimatums has only served to incite the rabble-rousers to make still greater demands and to increase their attacks upon Congress and upon our free society.

This critical situation has been further aggravated by court decisions, particularly those of the Supreme Court. Many of those decisions have caused great confusion and produced much disarray in law enforcement and criminal justice procedures. They have placed strained, if not distorted, constructions on the Constitution, overruled long-established judicial precedents, shackled law-enforcement officials; and, by dubiously invoking specious procedural technicalities and grossly exaggerating the legitimate virtues of civil liberties, many guilt-confessed and confirmed law violators have been permitted to remain free to prey upon society.

Mr. President, the situation confronting this Nation today presents a sordid spectacle indeed. The breakdown of law and order, emanating as it does from ill-advised legislation, and from certain court decisions, is adversely affecting the safety of our law-abiding citizens and the security of our Nation. As a consequence, criminals, rioters, hate-mongers, insurrectionists, and anarchists are increasingly defying the law and getting away with it, and public confidence in the ability of the courts to administer justice and of the Government to preserve and maintain law and order, is being seriously undermined.

Mr. President, I make these comments most reverently and respectfully. For I believe our court should give more consideration to, and place greater emphasis on, the issues of right and wrong, of truth and justice, and on the guilt or innocence of the accused, and less on procedural technicalities which give undue advantage to the criminal and add to the peril of society.

It is equally urgent that the Congress, the Executive, and the judiciary, and all branches of our State and local governments begin giving attention to that first duty of government, which is the preservation of law and order and the protection of every citizen in his person and in his property, without regard to his race, color, religion, or national origin.

Mr. President, I can cite so many of these cases. Somebody said, "Oh, that will all stop now. We are going to get adjusted to the so-called liberalism of our courts, which protects the poor criminals."

I noticed this in the last 2 or 3 days. Let me see the date of it. In the Washington Post, 2 days ago, February 3, 1968, there was an article, the headline of which reads "Confessed Murderer Freed Because of Mallory Rule."

He was being freed on technicalities, not on the issue of whether he voluntarily confessed, but on the technicality that possibly some law-enforcement officer did not take immediate steps to arrest him. He is free to go back and murder again. Can you tell me that is justice, in a civilized society?

That kind of justice belongs to the jungle, and to barbarians, not to our civilization. The situation has to be remedied.

I ask unanimous consent that the article entitled "Confessed Murderer Freed Because of Mallory Rule," written by David A. Jewell, and published in the Washington Post of February 3, 1968, be printed in the Record at the conclusion of my remarks.

The **PRESIDING OFFICER** (Mr. Williams of New Jersey in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. **LONG** of Louisiana. Mr. President, will the Senator yield?

Mr. **McCLELLAN**. I yield to the distinguished Senator from Louisiana, if I may do so without losing my right to the floor.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **LONG** of Louisiana. Mr. President, is the Senator aware of the fact that the leadoff demonstration, occurring over a series of days, which led to the first of the most recent series of civil rights laws, was that led in Birmingham, Ala., by Martin Luther King, where he admittedly, and even by the test of the Supreme Court's decisions, violated the law?

Does the Senator recall that on that occasion, a number of clergymen asked Dr. King to respect the law, and to be sufficiently patient in his activities that the law might not be violated in seeking to change such laws as he wished to change, and that thereupon Dr. King wrote the famous letter saying that he would not obey a law with which he did not agree?

Those who sympathized with Dr. King said, based on this contention, with the fact that firehoses and police dogs had been used in protecting law and order with regard to violation of local city ordinances, that the civil rights law of 1964 must be passed; and we were confronted with a law which had as its genesis the fact that Dr. King and a number of his people conducted this demonstration, in which they violated a number of city ordinances; and thus they were led to believe that that was the way to get what they wanted?

Mr. **McCLELLAN**. Surely that was what they were led to believe. That is what they still believe. But does getting what they seek stop them? Of course not. We could pass a civil rights bill tomorrow morning, the President could sign it before sundown tomorrow, and Martin Luther King would still not call off the campaign he is preparing to wage to disrupt the Government here in Washington. Of course not.

Mr. **LONG** of Louisiana. Will the Senator yield further?

Mr. McCLELLAN. I yield.

Mr. LONG of Louisiana. Is the Senator aware of the fact that after the terrible riots which resulted in burning down major cities last year, a commission was appointed and, by and large, the burden of the commission's argument in its finding was that the way to stop this kind of riots was to give those who lived in those areas more benefits, more Federal aid, more opportunities, rather than to bear down and insist that law and order must be upheld first and foremost, on the theory that there is no excuse whatever for murder, arson, looting and the destruction of private property, the kind of thing that occurred in those riots?

In fact, one would be led to believe that now those cities should be rewarded. As a matter of fact, has it not become somewhat of a joke among Senators that the term "demonstration cities" originally used with respect to one of these Federal aid programs appeared to be something with which to reward cities where demonstrations had occurred?

Mr. McCLELLAN. Or, when they burn down a city, let the taxpayers go build it back. That is the theory of Dr. King, I presume.

But I want to say one thing: Dr. King's impassioned statement that he would not obey a law he thought was morally wrong, that he thought he had a right to disobey a law he thought to be wrong or unjust, is the most dangerous poison you can pour into the political bloodstream of this Nation and into the social life of our country, if all of us were to take that poison.

I know of some laws I do not like. I know of some Supreme Court decisions that I think are morally wrong. I do not think they square with justice at all. Moreover, four members of the Supreme Court agree with me in many of those instances. Yet do I have a right to say that, because there was a majority opinion and a strong minority dissent, and I do not like what the Supreme Court did, I have a right to violate it and not obey it?

I do not. And if the time comes when we all embrace that philosophy, and practice it, there will be no more sovereignty of government, and no more law and order. It cannot be preserved, subscribing to that philosophy and following that practice.

I might say further, Mr. President, that many of these Supreme Court decisions overrule precedents set by wise and able jurists who established those precedents, and under whose precedents this country got along pretty well. We had law and order, and we had better quality of justice then than we have now. We had better race relations. We had better many things than we are having under this revolution that has taken place, with the courts wantonly overturning precedents.

I sometimes wonder if those judges take a great deal of personal satisfaction or comfort from the fact that they have the power to do it. Those precedents were the law of the land; and I submit they ought not to be promiscuously reversed and overruled.

There might be circumstances where a mistake has been made in the past that ought to be corrected; but not upon the basis of the frivolous arguments and the specious reasoning upon which some of these decisions are premised. Certainly not.

The law of the land today becomes obsolete tomorrow, nullified tomorrow, by reason of the whim of a court. Where is there stability? What can people anchor to?

We hear a lot today about the "credibility gap," and people are concerned about it. Where is the stability of Government? Where is equal justice under the law for the criminal and society alike? It is not to be found in recent decisions of the Court. Yet there are those who will defend them to the death, while the victims multiply for lack of protection from the barbaric criminals.

No, we will not do much about it. We will propose to spend a little more money, but we do not want to put any teeth in the law to deal with these criminals. We have spent money, now, for everything; and, Mr. President, that is not the only remedy. It will help. It has its proper place, and the social reforms and social programs are essential to national progress and to the perpetuation of civilization.

But there are limits and there are restraints. There are fundamentals that cannot be disregarded and ignored, without inviting penalties, without there being a recompense, a punishment, a retribution for what we have done.

Mr. LONG of Louisiana. Mr. President, is the Senator of the opinion that the American people are concerned that one such as Stokely Carmichael is permitted to go around the world preaching what amounts to treason against this country?

Mr. McCLELLAN. We are doing nothing about it. When we do nothing about it, this is what we can expect. We cannot do anything about it.

Mr. LONG of Louisiana. Is it not the opinion of the Senator that that is something that the American people think we ought to do something about?

Mr. McCLELLAN. I am persuaded that many of them feel we should do something about it. Most of the people whom I know feel that way about it.

I am saying in all candor that I would like to see my President and my administration take a firmer stand and be more aggressive and determined to do something about it instead of alibiing and making excuses while the situation grows worse and worse.

We ought to have charges lodged in court against these people. Those charges ought to be pressed vigorously. Of course, if the Supreme Court turns the defendants loose, then the Justice Department and the executive branch of the Government will have done its duty. And if we pass some laws that will be effective, if held constitutional, we will have done our duty. But if the Court persists in this course of employing exaggerated technicalities to bring about the release of criminals, then the onus must be on the Court with respect to the damage this country suffers and the damage and suffering that is inflicted upon our society by reason of their being no law enforcement.

Mr. LONG of Louisiana. Is the experience of the Senator somewhat similar in Arkansas to our experience in Louisiana that the jails are full to capacity as never before because of the impediments placed by the court on a law enforcement officer if he undertakes to do his duty and the impediments that are also placed upon justice moving expeditiously to decide a case one way or the other by reason of both the rule regarding confession and the Mallory rule having to do with the length of time that a person can be held? Does that fact not have much to do with the present frustration of the law enforcement officers and the courts?

Mr. McCLELLAN. I do not believe our Founding Fathers ever intended by the fifth amendment to declare or to abrogate, so to speak, the obligation of citizenship that a citizen owes to his Government.

We pass laws to take a man, draft him, put him in the Army, put him in the front lines, and have him shot at in the name of our country. Yet, somebody can violate the law, murder, rape, rob, or mug, and we try to find every possible excuse to turn him loose.

We say that that man owes nothing to his country, that he does not have to answer a question. However, when an officer goes out to investigate and try to discover who the culprit is and bring him to justice, under the court rulings today a criminal owes nothing to his country and has no duty to try to preserve it. The defendant is free to do what he pleases. A police officer cannot ask him the necessary questions to obtain information as to what he might have seen or done.

Mr. LONG of Louisiana. Mr. President, is the Senator of the opinion that we can provide for this by statute, or will it be necessary to amend the Constitution?

Mr. McCLELLAN. It may very well be necessary to amend the Constitution. I do not know. I do not think that anyone knows what the Supreme Court will hold on anything. I do not think that the Court knows what it held last year or what it will hold next year. Nobody knows. The situation is unstable. We cannot predicate or base future decisions on precedents of the past.

The Senator says that a constitutional amendment may be necessary. I do not know. However, in the meantime I do not propose to be idle and try to do nothing about it.

I think we can legislate in that field within the framework of the Constitution if the Constitution is given a correct interpretation of what our Founding Fathers intended. And we have tried to do so. If we cannot, if the Court says that we are all wrong again and that our action is unconstitutional, very well. Then we will try to get a remedy by the constitutional processes. That may be necessary. That may be what we will have to do. However, in the meantime I do not propose to condone or acquiesce in this national, wholesale releasing of confessed criminals to prey once again on society.

Mr. HART. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. HART. Mr. President, will the Senator not agree that we would most certainly have to amend the Constitution if we are going to make a man answer police questions that he does not want to answer?

Mr. McCLELLAN. I did not say that we would make him answer the questions.

Mr. HART. My point is that the problem described by the Senator is the consequence of the Bill of Rights, and the Bill of Rights consciously was intended to put handcuffs on Government. And we did it in the belief that in the long haul each of us would be the better and the Nation the stronger. And, indeed, we will have to amend the Constitution if we want to say to the police departments: "How much time would you like to hold a man before you arraign him?"

If we provide that they can hold a man for 6 hours and then arraign him, that is an act that the Bill of Rights was intended to prevent, and that is exactly what characterizes us as a free society and distinguishes us from the police state in which they can knock on a door and take a person without a warrant.

This provision does make law enforcement more difficult.

Mr. McCLELLAN. It endangers the freedom of society.

No one proposed a philosophy such as is now proposed in our almost 200 years of history until just recently. We got along pretty well. We had law enforcement. We had respect for law and order. However, when the Supreme Court goes to tampering with the Constitution in this fashion, it loses respect for the Constitution itself. It makes a plaything out of it. That is what it is doing today when it renders decisions that play around with trying to show how much smarter the court is today than any court that ever preceded it.

We are trifling with the destiny of America. Nobody's heart is bleeding today for the victims out on the streets. Why do we not have a right to walk the streets and to do this and to do that?

The Senator said that the man would be made to answer questions. They would not make him answer them. They would ask him the questions. Why can they not ask him the questions? What is wrong with making the usual interrogation in an effort to seek information?

If that theory is adopted and followed and becomes a fixed law in this land, no citizen will help a policeman or try to help him discover who committed a crime.

It is all right in the abstract, if someone else gets killed. However, when it comes to one's own home and the wife and mother comes back from the grocery store after having been robbed, raped—or perhaps does not come back because she has been murdered—it will come back to haunt us that some people do have rights under the Constitution. They have the right to live and to be protected.

Mr. President, when the Senator says that the officers cannot ask a suspect what he knows, that is carrying it to the extreme and to the ridiculous. It is building a wall of protection around the criminal element in this country.

That is my view about it. I stand on it. I am willing to take the barbs that may be hurled against a conscientious effort to bring reason and justice back into our system of law enforcement.

Mr. HART. Mr. President, will the Senator yield further?

Mr. McCLELLAN. I yield.

Mr. HART. Mr. President, I will participate, as I did in the committee, with the Senator from Arkansas in his effort. It really invokes no criticism to seek, in the committee or on the floor, to protect innocent people and, indeed, we pray that violence never comes into our own homes or is done to one of us. However, we must also represent the family whose child is picked up by a policeman and who perhaps has not had the same education that my children have had, and certainly is not able to tell the policeman, "You call my father."

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. McCLELLAN. One need not have an education to know that it is wrong to kill.

Mr. HART. The Senator is correct.

Mr. McCLELLAN. When the Senator gets to that point, he says, "He's uneducated," and excuses him for committing murder.

Mr. HART. I do not excuse it.

Mr. McCLELLAN. That is what is wrong in this country today. That is why people get the idea they can violate the law and do as they please.

Mr. HART. If I may continue——

Mr. McCLELLAN. I am glad to yield a little further to my friend.

Mr. HART. We have an obligation equally to insure that those rights that your children and mine have had automatically all their lives, under the Bill of Rights, are available equally to the child of darkness, whether he is good or bad, whether he shot somebody or whether he is a suspect.

Mr. McCLELLAN. Why inject black or white into it?

Mr. HART. Rich or poor.

Mr. McCLELLAN. I talk about the criminal and the law. That is the only difference. Color has nothing to do with it.

Mr. HART. Each family has its share of both.

Mr. McCLELLAN. Share of both of what?

Mr. HART. Rich and poor, too. We have an obligation to insure that the protection of the Bill of Rights is available equally to the poor one as well as the rich one, and that is the balance we have to seek and to strive for with a crime bill.

Mr. McCLELLAN. Is the Senator charging that the courts for centuries past have not treated the rich and the poor, as he terms it, alike in the matter of crime, in the matter of confession or nonconfession?

Mr. HART. Senator, I have never done a field study on it.

Mr. McCLELLAN. Then, I would not argue so forcefully about it.

Mr. HART. But I have a very strong impression that when the police reach my child, they do it a lot more gently than when they reach the child who comes from the other side of the railroad track, and I think that is history's lesson.

Mr. McCLELLAN. So the child on the other side of the railroad track, because he is on that side, gets some privileges; does he? Is that the Senator's argument? I do not agree.

Mr. HART. I am seeking to suggest that we make sure that the Bill of Rights features are available on both sides of the railroad track equally, and that is all I am suggesting. They have always been available to me and my family. Let us make sure they are equally available to those from the other side of the tracks.

Mr. McCLELLAN. Does the Senator think that turning loose self-confessed murderers on some technicality makes for equality? Is that his idea of equality and justice?

Mr. HART. The technicality that is available to me and to the Senator should be available to anybody else.

Mr. McCLELLAN. I do not think it should be available to me that the police officer has no right to ask me questions. I do not see how he can investigate a crime unless he can ask questions. Of course, he does not have to answer, and the policeman cannot compel him to answer.

Mr. HART. Should not the policeman tell him so?

Mr. McCLELLAN. Why does he not know it? Take these hardened criminals, these repeaters.

Mr. HART. They know it.

Mr. McCLELLAN. The Senator says the policeman must hold out to them a little card and read all this.

Mr. HART. I will interrupt the Senator from Arkansas once more, if he will permit it.

Mr. McCLELLAN. Yes.

Mr. HART. The organized-crime leader in this country is not the fellow who is ignorant of the technicalities.

Mr. McCLELLAN. Many of them have no education at all.

Mr. HART. The child of the poverty-stricken family may well be. And that, also, we do not have to do field studies on. Organized-crime leaders in this country virtually have their lawyers in their pockets always.

Mr. McCLELLAN. But the Senator does not make it apply to them.

Mr. HART. It is no problem for them. But it is a problem for the poor.

Mr. McCLELLAN. I propose to let the determination of voluntary confession be made on the totality of the circumstances. If there is that kind and if they know it, they should not be able to hide behind the fact that some officer, in his haste to arrest, asked the questions when under an emergency, as an illustration, and is not permitted to ask questions, because this man is a confirmed criminal.

I say, frankly, that what we are doing today in overruling all the precedents of the past is simply opening the floodgates. They are open, and crime is increasing, and I predict that we will stand on this floor next year and it will still be going up and up and up, until the courts decide to enforce the law and incarcerate those who are guilty and take them off the streets. We will not have safe streets until that is done. We can argue about it, alibi for it, make excuses from now until doomsday, but we are only hastening doomsday by postponing our reckoning with this problem and dealing with it.

Mr. HART. We are really not changing the law when we say——

Mr. McCLELLAN. The Supreme Court changed it.

Mr. HART. I think the Court is not changing the law when it says that a person has a right to a lawyer when he is in custody. They may be making it more meaningful when they say, "If you can't afford a lawyer, the State will provide it." That is something new. But I believe it is consistent with the principle that long has been enunciated. The Senator and I were always able to have a lawyer; hence, we got one. But now the courts say, "If you have not the money to get a lawyer, you are still entitled to it, and you are entitled to be told that"—a right which one might not have known unless he was told.

Mr. McCLELLAN. I have never known of a case that went to trial in my jurisdiction, with which I was familiar, in which the accused did not have a lawyer.

Mr. HART. In custody.

Mr. McCLELLAN. Certainly, if he is in custody. Do the taxpayers owe me a lawyer—and everybody else who walks the street—at all times to protect me?

Mr. HART. Yes.

Mr. McCLELLAN. Then we need more police to protect the citizens of this country, instead of lawyers roaming the streets, trying to protect the criminals.

Mr. LONG of Louisiana. Mr. President, the Senator is aware, is he not, that most of the people in our penitentiaries are repeaters? They have been guilty of first one felony and then another, with the result that they tend to repeat or disobey the law of a serious nature.

The present trend of some of these Supreme Court decisions seems to be—and the argument to support them seems to be—that we should favor these people with all the advantages they would have if they were a criminal lawyer and an expert on constitutional law, to begin with. So that having committed a serious crime against society, every possible defense that could be contrived to their advantage would be immediately available to them, even before a lawyer could arrive at the scene.

I say to the Senator that to apply the rights guaranteed by the Bill of Rights to that type of conclusion makes it extremely difficult to effectively enforce the law or even to recruit police officers, after they have been confronted with such frustrations.

I ask the Senator if that is not part of the problem we have been experiencing in connection with the large increase in crime—that you cannot do as much as you should do to the people who commit the crimes.

Mr. McCLELLAN. That is true. And that is why we are having trouble getting policemen. One reason is that they are inadequately paid. That situation should be corrected, by all means. Another reason is that the police do not have public support, and they do not have the support of the Supreme Court of the United States in cases in which they risk their lives to apprehend criminals.

Mr. President, there must be a change in attitude on the part of the public and on the part of the courts, if we are to have law enforcement in this country and if we are to get better trained policemen who are dedicated to the task of enforcing the law.

Mr. President, in this connection I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Bleeding Hearts at Root of Crime Explosion," written by Karr Shannon, which was published in the Arkansas Democrat on January 13, 1968; an editorial entitled "Civil Rights and Black Power," which was published in the Arkansas Democrat of January 14, 1968; an editorial entitled "Order Must Prevail," which was published in the Arkansas Democrat on January 24, 1968; a very informative article entitled "Crime in the Streets" which was published in the February issue of Nation's Agriculture and which was written by Charles B. Shuman, president, American Farm Bureau Federation; an article entitled "Crime Problem: Why It's Not Solved," published in U.S. News & World Report of February 5, 1968, and finally an article which is entitled "New District of Columbia Law Seen Bar to Freeing the Guilty," which was published in the Washington Star of February 2, 1968.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Arkansas Democrat, Jan. 13, 1968]

SAYS BLEEDING-HEARTS AT ROOT OF CRIME EXPLOSION

(By Karr Shannon)

America's crime wave stems not from poverty but from a collapse of moral leadership, maintain M. Stanton Evans and Margaret Moore in their new book, "The Lawbreakers," which will be published in February.

"There is a good deal of evidence . . . showing that men of influence, fully aware of what they are doing, have taken it as their explicit mission to break down codes of value and have, on the whole, done the job remarkably well," say the authors. "Our proposition is that, when people are taught to think like criminals, it is reasonable to suppose that sooner or later they will start acting like criminals. Or, to put the matter more specifically: When a group of influential members of society set out to tear down standards of morality, preach that there is no objective measure of right and wrong, that religion is mumbo-jumbo and that deviant behavior should be looked upon with toleration, it is reasonable to suppose that deviant behavior will become increasingly apparent."

The authors predict that such a "relentless effort to break down value in view of the value crisis confronting American society" will end in "catastrophe."

THE NEW MORALITY

Evans and Moore contend that we are "actually seeking to educate young people to disbelieve in traditional conceptions of right and wrong," and that this is creating a "new morality." From this, they continue "an emotional and intellectual atmosphere results in which people are ready to be basically 'tolerant' of virtually anything . . ." If compassion for this deviate is to be a measure of value, we are not really entitled to condemn or punish anyone for anything.

Crime, according to the authors, is therefore "the result, not of poverty and deprivation, but of a breakdown in the realm of conscience. It is a lack of character, not lack of money, that has brought us to the present crisis. If we would know the sources of the modern crime wave in America, we must seek them in the forgotten realm of morals."

"The Lawbreakers" shows that although the last 30 years have been a time of "strenuous reform in the application of criminal law," intending to lower the crime rate, just the opposite has been happening: "With every improvement . . . in the protection of criminal civil liberties, and every advance made in the field of human penology, we have added another notch on the upward movement of the crime graph.

WE HAVE LESS LIBERTY

"The criminals have more liberty and are better treated, but the rest of us have less liberty and are treated worse. And the point of the system . . . was supposed to be the other way around."

In short, the book pretty well blames the professional bleeding-hearts and do-gooders as the root of the crime explosion in America.

[From the Arkansas Democrat, Jan. 14, 1968]

CIVIL RIGHTS AND BLACK POWER

By starting this early in the year Adam Clayton Powell, back from a quiet life on his cozy island, will be able to plant a good many seeds of discontent by the time summer gets here.

He told university students in California that they should "move out and try to create a new society." And he made it plain that the new society should have black leaders.

By making such statements, Powell is calling for action but he is not outwardly advocating violence of revolutionary measures.

Negro leaders have learned how to call for action and to stir up groups without advocating violence. Such is the art of persuasion. Advocates of the black power movement don't have to stick their necks out and tell the gang to pick up cudgels and march. But they get their message across very clearly, nonetheless.

By endorsing the volatile, militant Stokely Carmichael and Rap Brown, Powell, who was ousted from Congress last year, urges his audience to recognize those rabble-rousers as their leaders.

He advises his listeners to insist on full equality, and he speaks with derision of "phony civil rights bills."

Yet when Congress reconvenes tomorrow one of the big issues will be a civil rights bill. But this bill does not apply to all persons—it simply is designed to protect Negroes and civil rights workers from racial violence. This bill is going to cause a storm of protest.

Powell, Carmichael and others no doubt have elaborate plans to stir groups to action in coming months. They don't have to advocate violence, but they know they'll get it.

What would be more logical than for this same group to call for a law giving them special protection in the streets? They want protection from violence they themselves may incite. Such a law could not exactly be said to protect the peace.

[From the Arkansas Democrat, Jan. 24, 1968]

ORDER MUST PREVAIL

In the past few years there has been a growing trend toward more contempt of authority. As the crime rate increases there is more flagrant disregard for law and a desire to prevent others from enjoying their constitutional rights.

Order is the first object of any government. Without it no other goal can be attained. For this reason, demands for change should be made only by peaceful methods. Those who ignore the law also ignore the fact that every right that a man enjoys carries with it a correlative duty to observe the rights of others.

Practically every day we hear men blatantly proclaiming their rights, without seeming to realize that duties go hand in hand with them. The cries are loudest from those troublemakers who are dedicated to the destruction of our Constitution and all that it stands for, yet, when caught red-handed, loudly assert the immunities and privileges which it assures.

Crime will be curbed only when the American people will finally refuse to tolerate further abuses of the law. There will come a time when they will insist that those in public office promptly invoke the laws when mobs would tread upon them.

It is highly imperative that mob action be stopped.

But stopping summer riots won't be easy and apparently it is not the real goal of all law-enforcement officials. Heads of police forces are meeting near Washington for a conference on prevention and control of civil disorders. Atty. Gen. Ramsey Clark said it was the determination of the officials at the conference that there will not be more disorders this summer than in 1967.

It's a pity they can't raise their sights a little. To allow mob action to continue in the streets of the nation's big cities constitutes an ever-increasing strain on our cherished system that allows freedom and self-government.

[From Nation's Agriculture]

This We Believe: Crime in the Streets

(By Charles B. Shuman, president, American Farm Bureau Federation)

"At what point is the approach of danger to be expected? I answer, if it ever reaches us it must spring up amongst us. It cannot come from abroad. If destruction be our lot, we must ourselves be its author and finisher. I hope I am over-wary. But if I am not, there is even now, something of ill-omen amongst us. I mean the increasing disregard for law that pervades the country, the growing disposition to substitute the wild and furious passion in lieu of sober judgment of courts and, the worse, savage mobs for the executive ministers of justice."

These words, which could be applied to recent disorder and riots in the streets, are from a speech by Abraham Lincoln in Springfield, Illinois, on January 27, 1838. In like manner, the noted historian, Arnold Toynbee, has observed that the fall of every civilization has been preceded by declining morality, increasing contempt for the law and growing barbarism and anarchy within the nation before being conquered by outside powers. America is today being infiltrated and threatened by barbarism and anarchy from within.

Riots, sit-ins, looting, lawlessness of every kind are increasing at an alarming rate. Recent Supreme Court decisions seem to provide greater protection for criminals than law-abiding citizens. Disrespect and disregard for certain laws is being advocated from a few pulpits and the National Council of Churches has encouraged, as well as provided financial support for, protest marches and other civil disorders. The rationale is that riots, protests and even crime are the result of the "failure of society," that individuals should not be forced to obey laws which "offend one's conscience."

This philosophy encourages immorality and lawlessness by providing easy excuses for all kinds of indolence, degradation and crime. It is argued that the individual should not be held fully responsible for his acts when he has been handicapped by a slum environment, poverty, racial discrimination or inadequate education. Abraham Lincoln would not have become a statesman if he had been influenced by such perverted reasoning.

Finding the cause for the alarming increase in the incidence of crime in America is not easy because there are so many contributing factors. Many point to the breakdown of family life—working mothers, excessive drinking, easy divorce, little or no parental discipline. Others point to government programs which ignore or premiumize immorality, such as rewarding mothers of illegitimate children with welfare payments in proportion to the number of offspring and soliciting school drop-outs for make-work jobs at handsome salaries. Some place the blame on inadequate education in the public schools or the failure of the churches to challenge and inspire the people.

Few have related civil disorders, immorality and crime to government fiscal irresponsibility and the inflation which has gripped our nation for so many years.

Inflation is caused by the federal government spending more than it takes in—fiscal irresponsibility. Inflation destroys the value of savings—thus penalizing thrift and encouraging speculation and big spending. Inflation gets its impetus from human selfishness and greed—from efforts to get something for nothing.

Socialism, materialism, inflation and immortality seem to travel together down the same road. "If destruction be our lot, we must ourselves be its author and finisher." It is easy to place responsibility for inflation and the evils it breeds on the Great Society or politicians generally, but all citizens must share the blame. 1968 provides a great opportunity for legitimate and constitutional protest—at the polls.

[From U.S. News & World Report, Feb. 5, 1968]

Crime Problem: Why It's Not Solved

Crime, increasing every year, has just set another new record in the U.S.

There were 3.75 million major crimes committed in this country in 1967. That was an increase of half a million—or nearly 16 per cent—over 1966.

Even more startling to Americans is this: Crime, since 1960, has jumped 88 per cent—almost doubling in seven years. The U.S. population, in that same period, has grown only 10 per cent. This means that crime is going up nearly nine times as fast as the population.

Demand for action. The American public for years has been clamoring for action, demanding an end to this constant rise in crime.

President Johnson, in his state-of-the-union address on January 17, drew his loudest applause from Congress with this statement:

"The American people have had enough of rising crime and lawlessness."

Why, then, has this steady climb been permitted? Why, after so many years, has the crime problem in this country not been solved? Is there an answer to this situation?

To get the views of experts on crime—its causes and its cures—members of the staff of "U.S. News & World Report" talked to law-enforcement officials in key cities across the nation.

Those officials blame the failure to solve the crime problem on many things:

Not enough policemen—especially those with adequate training.

Public treatment of police, which makes it difficult to recruit policemen in the numbers needed.

Lack of modern police equipment.

Court decisions that hamper police investigations of crimes.

Leniency of courts in punishment of criminals.

Racial agitation.

"Permissiveness" in dealing with youngsters in homes and schools.

One view stressed by many officials was summed up by Evelle J. Younger, district attorney for Los Angeles County, in these words:

"The real problem is that we Americans have just never been sufficiently aroused or determined to take the steps necessary to control crime. Before we win this war on crime, it is going to require that all responsible citizens get involved—to the same extent, for example, that citizens got involved in World War II.

"So I think the real answer to the crime problem is simply public attitude.

"When people have really had enough of crime, then they are going to demand that their police and public officials take vigorous action. And the people are going to support that vigorous action.

"Then the pendulum will swing back. The trend in crime will be reversed.

"I believe that the winds of change are now blowing. I think people are fed up. And I think you are going to see a stiffening of attitude on the part of both officials and citizens in enforcing the law."

Public help wanted. From Edward V. Hanrahan, U.S. attorney in Chicago, came this:

"Beefing up police departments, paying policemen more money, getting higher-quality policemen—these things may help, but they are not the total answer.

"There has to be an aroused, concerned, interested public, willing to assist and inform law officials.

"There has to be an attitude on the part of people that you don't buy stolen goods, make a phone bet on your favorite football team, or try to buy your way out of a traffic ticket, because that just makes an official more easily corruptible when he is confronted with a bribe offer from a burglar."

Ralph F. Turner, acting director at Michigan State University's school of police administration and public safety, said: "Our effectiveness in controlling crime depends on how much police surveillance the American public wants to tolerate."

Omaha's Police Chief Richard R. Andersen put it this way:

"Crime is not a police problem. It is the people's problem—and they had better start becoming more aware of it.

"This problem is getting closer to home all the time, and the odds are increasing that the average person will be a victim of crime."

Earl Morris of Columbus, Ohio, president of the American Bar Association, recently cited statistics to show that the risk of becoming a crime victim has increased by 50 percent since 1960, and the criminal acts strike one of every five American families each year. He said:

"What is needed is the development of a monumental dedication to the job of cutting through public apathy and educating the citizenry to the threat that confronts us."

Cost of crime: 20 billions. A national crime commission estimated last year that the economic impact of crime in this country exceeds 20 billion dollars a year.

In 1967, according to the Federal Bureau of Investigation's Uniform Crime Reports, major crimes were committed in the U.S. at the rate of seven every minute—or one every 8.5 seconds.

On the yearly average, there was a murder every 41 minutes, a rape every 19 minutes, a robbery every 2.7 minutes, an aggravated assault every 2 minutes, a burglary every

20 seconds, a larceny of $50 or more every 31 seconds and an auto theft every 40 seconds.

President Johnson on January 17 submitted to Congress a request for 100 million dollars to help State and local governments improve law enforcement. He also asked for some new anticrime laws. The President's program is set out in more detail on page 51.

Most officials questioned by "U.S. News & World Report" welcomed the prospect of federal aid and said the President's program would be helpful.

Some, however, questioned whether the Johnson plan goes far enough.

Milwaukee Mayor Henry W. Maier said:

"One hundred million dollars is a drop in the bucket. It doesn't begin to strike at the area of greatest need."

Senator John L. McClellan (Dem.) of Arkansas, said the President's program "holds much promise for long-range improvements, but it will obviously be some four or five years before any substantial benefits can accrue from this."

Also, Mr. McClellan told the Senate on January 18, the Johnson anticrime bill should be broadened to:

Permit police use of wiretaps and other electronic eavesdropping.

Make confessions admissible as evidence if the trial judge finds they were given voluntarily.

The Senator said that as a result of Supreme Court decisions restricting police questioning, "self-confessed criminals are being released almost daily."

Complaints about courts are voiced by several law-enforcement officials.

District Attorney Henry M. Wade of Dallas County, Texas, said solutions of crimes in Dallas have declined due to recent decisions.

Russell G. Oswald, chairman of the New York State board of parole, said:

"It certainly seems to me that court rulings have made it more difficult to enforce the law. Police officers with whom I speak uniformly believe this."

Cleveland's Police Chief Michael J. Blackwell said: "Recent court decisions encourage crime and are very discouraging for police."

Some officials indicated agreement with this view of Michigan State Police Commissioner Frederick E. Davis:

"Court decisions haven't made law enforcement any easier. But in some ways that is good—it has made for better police officers."

There is criticism of courts for being too lenient toward convicted criminals. U.S. Attorney Hanrahan said:

"Many sentences are way too lenient. They don't teach the defendant a lesson or pose a warning to the rest of the community."

Mayor Louie Welch of Houston criticized lenient bonding of felons, particularly of repeaters, and a generous parole system. He said:

"A great amount of crime is committed by those already out on bond for another offense. Then there is the long delay between apprehension and trial. Then there is usually a parole after a short term of the sentence is served.

"All of this leaves the citizen at the mercy of the criminal—and he has no mercy."

Judge Tim C. Murphy of the General Sessions Court in Washington, D.C., blamed crowded court dockets for much of the leniency. He said:

"There is an attitude that these cases must be moved through. Charges are reduced day after day. . . . What they do on some of these General Sessions cases will make your hair stand on end."

The judge cited cases of criminals with long records, caught red-handed, having their charges reduced and finding themselves quickly on the street again.

A judge in a suburb of Washington complained of "incompetence among the young lawyers in the prosecutor's office and incompetence in the police department." He explained: "This is no reflection on their integrity, but the compensation doesn't attract the best men, and they are not properly trained."

The same complaint—that it is hard to get good law-enforcement officers—is heard almost everywhere.

Needed: 50,000 policemen. Crime-commission studies indicate that in the U.S. as a whole there are 50,000 vacancies on police rosters.

Mayor Arthur Naftalin of Minneapolis told "U.S. News & World Report":

"All over the country, police departments are undermanned.

"There isn't a department that isn't having trouble recruiting. More money will help. But it is more important to have really trained people than additional manpower."

Pay is not the only difficulty. William E. Kirwan, Jr., superintendent of New York State police, said this:

"A second problem is the public attitude toward police. People are not willing to expose themselves to treatment which they consider abusive."

Does crime pay? Among law-enforcement officials there is wide agreement on this: If crime is to be curbed, potential criminals must be convinced that "crime does not pay."

Milton G. Rector of New York, executive director of the National Council on Crime and Delinquency, pointed out that according to studies by the President's crime mission:

"Less than 21 per cent of crimes reported to police are cleared by arrest—and less than 6 per cent result in convictions.

"So it appears that crime does pay."

Mayor Joseph L. Alioto of San Francisco summed up one widely expressed view with this statement:

"Crime must be fought on two fronts: First, by the swift apprehension and vigorous prosecution of offenders. Secondly by attacking the root causes of crime—such as joblessness and poor education."

Another view expressed by many officials was put by Los Angeles District Attorney Younger in these words:

"The President's crime commission took the position that if you eliminate poverty, illiteracy and unemployment, you automatically eliminate crime.

"Well, I believe that while it is important to eliminate these problems, we can't wait for social reforms to take place. We've got to take immediately effective steps to prevent and control crime now."

L. B. J.'S ANTICRIME PLAN

President Johnson has asked Congress for 100 million dollars in the year starting July 1 to help State and local governments curb crime.

In Mr. Johnson's words, the money would be used to:

"Develop State and local master plans to combat crime."

"Provide better training and better pay for police."

"Bring the most advanced technology to the war on crime in every city and every county in America."

The President also called upon Congress to:

Enact a gun-control law in order to "stop the trade in mail-order murder."

"Provide stricter penalties for those who traffic in LSD and other dangerous drugs."

Increase the number of federal drug-and-narcotics-control officials by more than 30 per cent."

Add 100 agents to the Federal Bureau of Investigation.

Authorize hiring 100 more assistant U.S. attorneys to help prosecute criminals in U.S. courts.

This anticrime program was submitted to Congress in the President's address on the state of the union on January 17.

Some of the same proposals were contained in a "Safe Streets and Crime Control Act" that Mr. Johnson sent to Congress early in 1967. It failed to pass in the last session. Said the President:

"There is no more urgent business before this Congress than to pass the Safe Streets Act this year that I proposed last year."

CRIME IN THE UNITED STATES IS UP 88 PERCENT IN 7 YEARS—RISING NEARLY 9 TIMES AS FAST AS POPULATION

	1960	1967[1]	Increase (percent)
All major crimes in United States	2,000,990	3,757,300	88
Population of United States	180,684,000	199,118,000	10
Crime by types:			
Murders	9,000	12,700	41
Forcible rapes	16,860	27,100	61
Robberies	104,730	194,800	86
Aggravated assaults	152,000	252,700	66
Burglaries	886,500	1,589,500	79
Larcenies of $50 or more	506,200	1,028,800	103
Auto thefts	325,700	651,700	100

[1] 1967 crime figures are estimates based on official figures for first 9 months of year.

Source: FBI Uniform Crime Reports.

[From the Washington Star, Feb. 2, 1968]

NEW DISTRICT OF COLUMBIA LAW SEEN BAR TO FREEING THE GUILTY

(By William Basham)

A federal judge dismissed a first-degree murder indictment today against a confessed slayer of the widow of a prominent District physician but said his action would not have been necessary if the city's new crime law had been in effect at the time of the murder.

The only solid evidence against Harry Gross, a handyman, in his U.S. District Court trial was his written confession in which he admitted suffocating Mrs. Madge Mitchell at her Dupont Circle home in January, 1966.

Gross, 56, was convicted on the basis of the confession being admitted to trial. But the guilty verdict was thrown out by the U.S. Court of Appeals because it ruled the confession had been obtained in violation of the Mallory Rule, which voids any confession obtained during an unnecessary delay between arrest and arraignment.

The new D.C. crime law, which police began using this week, permits police to arrest and question a suspect and then either to charge or release him within three hours.

Judge John J. Sirica dismissed the case "with reluctance" after Asst. U.S. Atty. Victor W. Caputy conceded that the appellate decision stripped the government of evidence.

The defense motion for dismissal came after the full bench of the appeals court refused to reconsider the unanimous ruling handed down last November by a three-judge panel of the court.

Title 3—which covers police questioning—was put into the law to overcome the "unnecessary delay" problem imposed by the Mallory Rule, and permits the government to use as evidence information gathered during that time. Such information can include confessions obtained after a suspect is advised of his constitutional rights.

In the Gross case, according to the government, the defendant voluntarily accompanied police to headquarters and had been cooperative while undergoing questioning. It was pointed out that he willingly took three tests on a polygraph or so-called lie detector. Gross confessed after the test.

But the appeals court noted that police should have considered Gross a prime suspect when they became dissatisfied with his answers during the polygraph test. At that point it said, the Mallory Rule came into play.

Sirica made his comment about the new crime bill with respect to the point in time during which Gross became the prime suspect. He said the defendant could have been detained officially and questioned for three hours instead of being rushed to a committing magistrate.

Caputy, who prosecuted the case, said that Gross has been held at the D.C. Jail.

Gross said in his confession that he went to the Mitchell home during the early hours of Jan. 4, 1966, to demand money he said the victim owed him for a house-painting job. Gross said he suffocated Mrs. Mitchell, 64-year-old widow of Dr. James F. Mitchell, a surgeon, in her bed when she began to shout.

Mr. McCLELLAN. Mr. President, I do not see how anyone can read these articles and be complacent about the growing crime menace that is threatening the security of our Nation.

If this debate proceeds, at some other time I shall have a few more remarks to make on this very vital issue that is being neglected by raising a completely fictitious issue, and one that is discriminatory in its concept and would be discriminatory in its administration and operation in the pending bill.

I hope this measure will be defeated.

I yield the floor.

EXHIBIT 1

[From the Washington Post, Feb. 3, 1968]

CONFESSED MURDERER FREED BECAUSE OF MALLORY RULE

(By David A. Jewell)

Harry Gross, a confessed murderer, was set free yesterday because police waited four hours before booking him after he failed a lie detector test.

"If the new crime bill were in effect when this man confessed, then he would not be set free today," said U.S. District Court Judge John J. Sirica.

Gross, 55, a Washington handyman, was indicted for the first degree murder of Madge Mitchell in her Dupont Circle home in January, 1966.

Mrs. Mitchell, the widow of Dr. James F. Mitchell, a prominent physician, was suffocated with bed clothing.

Gross had painted her apartment some two weeks before the murder and was brought to the police station for routine questioning.

He failed a lie detector test and later confessed the murder to police. It was four hours after he failed the test before he was arrested and booked.

Gross was convicted in March, 1967, and sentenced to 20 years to life by Judge Sirica. But the U.S. Court of Appeals set aside the conviction last Nov. 17.

That court ruled the confession—the government's only evidence—was invalid. It cited the Supreme Court's Mallory Rule and said the police should have booked Gross immediately after he failed the lie detector test because at that point, the finger of suspicion pointed at him.

Yesterday, Judge Sirica—"with reluctance"—granted a motion by defense attorney Patrick Hickey to dismiss the indictment against Gross. He added that this could not have happened under the new D.C. crime bill.

Title III of that bill permits police to question suspects for up to three hours before deciding whether to arrest or release them.

The purpose of this is to resolve the question of "unnecessary delay" raised by the Supreme Court's Mallory rule.

Many critics of the new crime bill have stated that they feel Title III will be struck down by the courts as unconstitutional in the light of the Mallory rule.

Last month the Government sought a rehearing of the appeal arguments in the Gross case by a full nine judge panel of the U.S. Court of Appeals. But a majority of the judges voted against granting this request.

Mr. HART. Mr. President, I ask unanimous consent to insert in the RECORD a bipartisan statement of some 36 Senators urging no retreat from the coverage which is provided by the Senate Judiciary Committee version of H.R. 2516.

Mr. President, as this statement indicates, there is ample judicial precedent for employing the 14th amendment to protect from private interference people exercising basic civil rights. Legislation similar to the Senate Judiciary Committee version of H.R. 2516 passed the House of Representatives by better than a 3-to-1 majority.

Mr. President, the Judiciary Committee-approved H.R. 2516 is a modest but essential step forward; to dilute the coverage of this modest measure in even the slightest way would be disastrous.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOINT STATEMENT OF SENATORS ON LEGISLATION TO PROTECT AGAINST VIOLENT INTERFERENCE WITH CIVIL RIGHTS, FEBRUARY 5, 1968

The following statement was issued today by those Senators whose names are listed below:

"We want to reemphasize our strong support of the Senate Judiciary Committee version of H.R. 2516, which is now the pending business before the Senate. We understand that discussions are going on at the present time about the development of an amended version of this legislation, and we therefore think it relevant to call attention to our position at this time.

"The version of the legislation which is before the Senate is a moderate but extremely vital piece of legislation for which there is the strongest of precedent. The constitutional theory upon which it is premised also underlay the protections which the Voting Rights Act of 1965 provided for persons engaged in voting rights activity. And the Supreme Court of the United States has made it clear in recent decisions that the Fourteenth Amendment approach is constitutional.

"Moreover, all that this legislation seeks to do is to provide a concurrent federal jurisdiction to handle the prosecution of crimes which are or should be covered by and punished under State law. Concurrent Federal jurisdiction for the protection of civil rights from violent interference is necessary because state authorities in a great number of cases have not provided adequate protection. In view of this moderate aim, we cannot state too strongly our view that the coverage which is provided by the legislation now pending before the Senate must not be diminished. Whatever constitutional theory or theories are used as the basis for this legislation, we believe firmly that its coverage must not be less than that involved in the Senate Committee version of the bill. Indeed, legislation similar in structure and coverage has already passed the House by the overwhelming vote of 326–93 on August 16, 1967."

BIRCH BAYH, EDWARD W. BROOKE, QUENTIN N. BURDICK, CLIFFORD P. CASE, JOSEPH S. CLARK, THOMAS J. DODD, HIRAM L. FONG, ERNEST GRUENING, FRED R. HARRIS, PHILIP A. HART, VANCE HARTKE, MARK O. HATFIELD, HENRY M. JACKSON, JACOB K. JAVITS, EDWARD M. KENNEDY, ROBERT F. KENNEDY, THOMAS H. KUCHEL, EDWARD V. LONG, WARREN G MAGNUSON, EUGENE J. MCCARTHY, GALE W. MCGEE, GEORGE S. MCGOVERN, THOMAS J. MCINTYRE, LEE METCALF, WALTER F. MONDALE, JOSEPH M. MONTOYA, WAYNE MORSE, GAYLORD NELSON, CLAIBORNE PELL, CHARLES H. PERCY, WILLIAM PROXMIRE, ABRAHAM RIBICOFF, HUGH SCOTT, JOSEPH D. TYDINGS, HARRISON A. WILLIAMS, JR., STEPHEN M. YOUNG.

CERTAIN LANDS HELD IN TRUST FOR THE PAWNEE INDIAN TRIBE OF OKLAHOMA

Mr. BYRD of West Virginia. Mr. President, at the request of the Senator from Washington [Mr. JACKSON], I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 5910.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 5910) to declare that the United States holds certain lands in trust for the Pawnee Indian Tribe of Oklahoma, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BYRD of West Virginia. I move that the Senate insist upon its amendment and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. MCGOVERN, Mr. ANDERSON, and Mr. FANNIN conferees on the part of the Senate.

Mr. HART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LONG of Louisiana in the Chair). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. HART. Mr. President, I move that the Senate stand in adjournment until 12 o'clock meridian tomorrow.

The motion was agreed to; and (at 5 o'clock and 13 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, February 6, 1968, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate February 5, 1968:

MISSISSIPPI RIVER COMMISSION

Brig. Gen. C. Craig Cannon, U.S. Army, to be a member of the Mississippi River Commission, under the provisions of section 2 of an act of Congress approved June 28, 1879 (21 Stat. 37; 33 U.S.C. 642).

EXTENSIONS OF REMARKS

Ninety-nine Years of Volunteer Service With the Cambridge, Md., Rescue Fire Company

HON. JOSEPH D. TYDINGS

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Monday, February 5, 1968

Mr. TYDINGS. Mr. President, we owe a great debt to our volunteer fire companies and rescue squads across the land. In thousands of communities volunteer firemen make the difference between life and death.

The service provided by these volunteers was directly illustrated a few days ago in Cambridge, Md., in Dorchester County. On successive nights, the rescue fire company of Cambridge honored two of its members whose cumulative record of service totals 99 years.

These outstanding citizens honored are Judge John J. Barth, who has served 49 years, and Mr. Howard Robbins, who has given 50 years of service, with the Cambridge Rescue Fire Company. I commend Judge Barth and Mr. Robbins, along with all their associates, for their long and dedicated service to the people of Dorchester County.

Mr. President, I ask unanimous consent that an editorial published in the Cambridge Daily Banner be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Cambridge (Md.) Daily Banner, Dec. 22, 1967]

REMARKABLE RECORDS

Two volunteer firemen with 99 years of service behind them represent a most unusual record. The two are Judge John J. Barth who went on the exempt list two months ago after serving for 49 years with Cambridge Rescue Fire Company. The other is Howard Robbins who has given 50 years to the local fire-fighting unit.

In appreciation of this long service, the firemen marked last week's meeting as Judge Barth Night. Thursday's was Howard Robbins Night. In an unusual move, the members of Rescue Fire Company bestowed on Judge Barth the title of honorary chief. RFC officials say this has never been done before.

The Cambridge Rescue Fire Company displays to those outside of it a most unusual esprit de corps. The members are bound together with a kind of fellowship that no other local organization enjoys. At times that deep attachment to the fire company is baffling. Even the City Council members sometimes shake their heads in amazement when a question concerning the fire company comes to the surface.

Perhaps the rural fire companies scattered throughout Dorchester County enjoy this same kind of togetherness. In many cases, however, they serve as rallying points for the activities of their communities. Often the local fire house is the only building large enough to handle banquets and public meetings.

The pride which members of Rescue Fire Company have in their unit is self-evident to anyone who studies the company's trophy cases. Trophies of all shapes and sizes reflect the success which the Cambridge company has had in parade competition with other Maryland units.

The company at large is in debt to men like Judge Barth and Howard Robbins who volunteer a large slice of their own time to keep the city fire company in business. It is clear that this service has been a labor of love, despite the inconvenience and danger which are often the fireman's lot.

President Johnson Awards Medal of Honor to a Great and Gallant Flier

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. SMITH of Iowa. Mr. Speaker, all Iowans are proud of Maj. Merlyn H. Dethlefsen, our Nation's latest Medal of Honor winner.

In ceremonies at the White House, President Johnson awarded the medal to this brave Air Force officer. As the President said, men like Major Dethlefsen who are now serving in Vietnam "are the bravest and they are the best men that we can produce."

I think we all agree with our President. And I insert into the RECORD the text of the President's remarks at the Medal of Honor ceremony last week:

REMARKS OF THE PRESIDENT AT THE MEDAL OF HONOR CEREMONY FOR MAJ. MERLYN H. DETHLEFSEN

Major and Mrs. Dethlefsen and children, Secretary of the Air Force Brown, General McConnell, distinguished and honorable Members of Congress, ladies and gentlemen:

This is an afternoon when it is good to stand beside a man in uniform. He is a brave man, who has come to claim the honor that his courage has earned. He is also a spokesman for the courage of thousands like him who are protecting you and serving us in Vietnam at this hour.

This is also a very special afternoon for all of them. They are not thinking of medals or ceremonies in the East Room, in face of a desperate enemy offensive. They are thinking of you and of us, and they will not fail us. They will not fail us even if it means dying before another morning comes.

That is as sure as this brave man is standing here. It is he who says the enemy will fail—again—and again—or as long as he threatens the freedom and the peace we Americans will never yield.

So as this Nation waits, let it take heart from the story of one who was there.

Major Dethlefsen had a most vital mission last March. His mission was to knock out a critical missile site in North Vietnam.

On the first pass, his flight leader was disabled and his own aircraft was badly damaged. Still, he made another pass, and pass after pass, at the site, under constant attack by enemy fighters, missiles, and antiaircraft fire combined.

He knocked out that site—he knocked it out maybe on a wing and a prayer—but he knocked it out and he did his job. He cleared the way for a bomber flight that was to follow without deadly fire from the enemy missiles.

This great courage demonstrated by this fearless man spared many American lives. He had plenty of time to think about the danger to himself, to figure the odds, and actually plenty of excuses to even turn away. But his courage was calculated. It came not from desperation, but it came from dedication. He answered a call that was far beyond duty, as others of his comrades are answering for you at this hour.

I stood before some of them at midnight at an air base in Thailand just a few weeks ago. I wanted so much that night to give medals to all of them. Instead, I gave them something just as meaningful—I gave them this Nation's pride in their unequaled bravery and their unexcelled record.

These are the men who have rewritten the rule book and the flight book of aerial warfare. These men are comparatively few in number, but each day they are pinning down from 500,000 to 700,000 North Vietnamese, and they number only a few hundred.

These same men are matching courage with a careful and with a very precise restraint.

We are using our greatest resources—of industry, of technology, of skilled and courageous men—to conduct a limited war at the lowest possible cost in human life.

Let those who would stop the bombing answer this question: "What would the North Vietnamese be doing if we stopped the bombing and let them alone?"

The answer, I think, is clear. The enemy force in the South would be larger. It would be better equipped. The war would be harder. The losses would be greater. The difficulties would be greater. And of one thing you can be sure: It would cost many more American lives.

The men who have met and who have matched the enemy on the ground these past few hours—in I Corps, in the II Corps, in the III Corps, in Saigon, the cities along the entire countryside—have a very special understanding and a very special appreciation, I assure you, of what air power really means. It cannot keep the enemy from ultimately moving into battle position. It cannot keep the sniper from climbing a roof. But it can and it does reduce their momentum. It can keep many of the enemy's men off the backs of our men who are defending our lives.

Until we have some better signs than what these last few days have provided—that I hope any American can see and read loud and clear—that he will not step up his terrorism; and unless we have some sign that he will not accelerate his aggression if we halt bombing, then we shall continue to give our American men the protection America ought to give them, and that is the best America can afford.

Major, as we honor you here in the East Room today, we think of so many who share your burden and who share our pride.

The men on the ships like the Pueblo, who are not with us, but who perform the most perilous missions for their country's sake.

The men who gave their lives to protect our Saigon embassy yesterday, and to protect that staff from terrorism during a supposedly truce period.

The men who will throw back the enemy in the hills of Khesanh.

They are the bravest and they are the best of the men that we can produce. And none, sir, will do better service to their courage or do better service to our cause, our cause of liberty, our cause of freedom, our cause of compassion and understanding—none will do better service to that cause than you, sir.

(The citation was read.)

The PRESIDENT. I know you are curious about what Mrs. Dethlefsen said to me. She said she is glad to have him back.

The American Image Abroad

HON. HOWARD H. BAKER, JR.

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, February 5, 1968

Mr. BAKER. Mr. President, the Republican coordinating committee has produced a significant report entitled "The American Image Abroad." It contains several recommendations on how to improve that image through better use of our information facilities to present a more accurate picture of America to foreign countries. I feel that the report should be brought to the attention of the whole Congress; therefore, I ask unanimous consent that it be printed in the Extensions of Remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE AMERICAN IMAGE ABROAD

I. INTRODUCTION

In this century much has been heard, most of it adverse, about propaganda and psychological warfare.

The Communists and the Nazis raised the Big Lie into a major instrument of international conflicts. The thesis of both tyrannies has been profoundly cynical—that people are so gullible as to believe anything repeated often enough, and the more improbable the story the better.

While this technique was effective for a period in the regime of Adolf Hitler, and while it has been used to advantage by the Communists, it must be rejected by a free nation which is dedicated to truth.

The Republican Party stands on the principle expressed by Abraham Lincoln when he said:

> If you once forfeit the confidence of your fellow citizens, you can never regain their respect and esteem.
>
> It is true that you may fool all the people some of the time; you can even fool some of the people all the time; but you can't fool all of the people all the time.

Republicans believe the United States Government must revert to these precepts. Rather than launching a war to capture men's minds, we should strive to free men's minds with unadorned fact and rational discussion. Our system of self-government has been built upon this mutual trust—by government in citizen competence and by the citizenry in the integrity of government.

The fact that much of mankind has not evolved in this pattern should not inhibit this nation's efforts to speak forthrightly abroad. No one can fault Lincoln's statement, yet America of 100 years ago was far from enlightened in the modern sense. Educational levels have risen sharply since then. Advances in communications and transportation have revolutionized our society. But Lincoln's statement was timely when he made it and since has become timeless.

Republicans were first to realize that modern developments in the informational field have drastically changed not only America, but also the rest of the world. It is our Party that originated this nation's first concerted overseas informational policy and program, and it is Republicans who have consistently called for major improvements in this critical field.

We now call for still greater efforts.

II. RECOMMENDATIONS

A. Political communications should be viewed as a major arm of U.S. foreign policy

The four major thrusts of foreign relations are diplomatic, military, economic and psychological. Two developments in the Twentieth Century elevate psychological operations to the level of the more traditional instruments. First, revolutionary advances in mass communications have made it possible to disseminate ideas and information with great speed not only to national leaders, but also to entire populations, even in the least advanced areas. Second, in most societies formerly concentrated power has been dispersed, thus providing the masses with enhanced influence. This condition, while axiomatic in democratic societies, is true also of modern totalitarian states, which today seek the active support of their populations rather than sullen subservience as in the past. The colossal efforts of modern dictators—from Stalin and Hitler to Nasser and Mao Tse-tung—on propaganda at home and abroad reveal their conviction that public opinion is a powerful force, often to be used and always to be reckoned with.[1]

BROADCASTING HOURS PER WEEK

Country	1960	1967	Percent increase
U.S.S.R	995	1,684	69
Communist China	685	1,326	94
United Arab Republic	675	910	35
Voice of America	615	810	32
BBC	590	698	18
West Germany	(1)	554	--------
Cuba	30	493	1,543
Albania	(2)	330	--------

[1] No figures.
[2] Almost nothing.

While Radio Free Europe, Radio Liberty and other non-governmental facilities might be added to VOA's hours, the point demonstrated above still holds, because these corollary efforts have not significantly increased in the past seven years.

The new dynamism of public opinion imposes a new requirement—that the psychological consequences of traditional diplomatic, economic or military initiatives be weighed with extreme care before they are taken. Moreover, policy makers must realize that aggressive and intelligent use of modern communciations may often be the shortest and most effective route specific overseas objectives.

B. The higher priority required for psychological operations necessitates an increase in the role of USIA and an improved understanding of the potential of political communications

There are numerous historical examples of the value of "propaganda" in international relations, and large advertising budgets have long been accepted as essential in modern marketing. Yet the United States Government acts timid—at times almost apologetic—in "selling" the American story abroad and chronically under-finances the effort. The budget for U.S. informational activities has routinely amounted to less than one percent of expenditures for other civilian and military overseas purposes, and as the total Federal budget has rapidly expanded, the proportion allocated for psychological activities has sharply decreased. Yet, all official studies of our information effort abroad have strongly asserted that psychological operations are often the least costly way to accomplish major purposes overseas. Increased budgets for the orderly expansion of the U.S. information effort have been regularly urged.

Since President Eisenhower left office, the USIA budget has been raised only enough to plod along after inflation and to fund information offices for the new countries of Africa. Worse, there has been great fluctuation in appropriations to the detriment of long-term programs, effective planning and personnel development. The impression that USIA is an "experimental" or "temporary" organization still persists and must be dispelled.

Improved training programs are urgently needed to develop communications specialists able to cope with the linguistic, social, economic and ideological differences which abrade and impede United States relations with other countries. As a first step, a career service—vigorously sought by President Eisenhower in 1956, 1957 and 1959, but each time rejected by a politically hostile Congress—should be created in order to attract and hold competent and dedicated people in USIA. There is also a pressing need for broad training in the informational aspects of policy for officials in other government agencies whose programs impinge upon foreign opinion, but who often have little sensitivity to psychological consequences of their actions. The fact that Communist policymakers have such keen interest and skill in the manipulation of public opinion is hardly accidental. All Party officials, from the Presidium down, are graduates of Agitprop (agitation and propaganda) schools. Without seeking to imitate form or content, we would nevertheless do well to establish psychological training programs of our own for key officials whose activities are likely to affect foreign opinion.

C. The administration should reexamine and implement many previous recommendations for improving psychological operations

Shortly after his 1952 election, President Eisenhower commissioned a blue ribbon committee under the chairmanship of William H. Jackson to study America's overseas information programs. Many important changes resulted from its recommendations in 1953. Once again, just before leaving office, President Eisenhower created a second committee to assess the progress made and to measure future needs. Unfortunately, most of the recommendations made by the Sprague Committee in 1961 have been ignored by the subsequent Democratic Administration.

In addition, the non-partisan U.S. Advisory Commission on Information submits yearly recommendations on America's psychological operations. Though appointed by the President, the Commission's advice has been largely shunted aside by the Johnson-Humphrey Administration. Even a study by a subcommittee of the Democratic-controlled House of Representatives in 1967—a study extremely critical of current efforts and reiterating many Republican recommendations of prior years—seems to disinterest the present Administration.

Many of these past recommendations are still pertinent. They should be put into effect as soon as possible.

D. U.S. information and exchange programs should be merged in a single organization; long-range educational and cultural programs, which need far greater emphasis, should be transferred from the Department of State to USIA

Political communication is often viewed as a mere tactic in current policy, but the real potential of information and exchange programs is strategic. Effects are cumulative and mutually reinforcing over a long period of time.

There are two separate but related aspects of political communication. One is the effort to state our policies in the way best designed to maximize understanding and support and minimize resentment, confusion, or opposition. This "public relations" dimension of foreign policy reflects the bearing of foreign opinion upon the making of policy. Second is the effort to affect the political behavior of individuals, groups and nations through long-range programs designed to influence attitudes through various kinds of educational experience.

---

[1] The only reliable comparison of totalitarian and free world efforts in the psychological field is found in international broadcasting statistics. These are available to all and difficult to disguise or distort. The following data show the mounting Communist emphasis on propaganda broadcasts:

Political communications comprise a wide variety of media, but are functionally interrelated and should be managed as such. The U.S. Advisory Commission on Information, as well as Republicans in Congress led by Senator Karl Mundt, have long urged the removal of artificial organizational boundaries dividing information and cultural programs. Transfer of the Bureau of Educational and Cultural Affairs from the Department of State to USIA would permit a unified psychological operation, facilitate a proper mix of programs in each foreign country, and reduce administrative duplication. Transfer of the Bureau would also relieve the Secretary of State of a serious administrative burden and enable the Director of USIA to concentrate on developing effective long-range programs.

There is a great need for increased emphasis on personal contacts. For example, most international scholarly gatherings are convened outside the United States. Few major international festivals in the fine arts take place in our country. Far too few of the major world prizes for intellectual and creative achievements are American. Such areas should receive greater emphasis, and cultural programs should be upgraded and made the responsibility of USIA.

E. Government informational activities should complement rather than compete with private international media; greater governmental efforts should be made to coordinate and encourage the circulation of useful materials produced by well-established, private American sources

Private media play a dominant role in shaping and communicating America's image abroad. This role is a proper one, even though the penchant of such media for the sensational on occasion conveys impressions not flattering to this nation and detrimental to our foreign policy objectives. Official informational activities should strive to fill voids left by these private media, provide in-depth coverage of significant news, and encourage the dissemination of accurate information on the goals and programs of the United States.

Unavoidably, information disseminated by government is always suspect, but we are obliged to make information circulated by our government as credible as possible. Hence, governmental news reporting must be kept objective and timely. The Voice of America must give a balanced presentation of fact and opinion. Radio Moscow chronically slants and often delays its reports. As a result, it has much lower credibility than British and American stations. Republicans are convinced that in time the worldwide audience will see that the truth-maker bests the lie-maker.

There is also need for greater use of privately-generated material in place of governmental productions. Yet, in the fall of 1967, the Johnson-Humphrey Administration abolished USIA's Office of Private Cooperation. This was a grievous error, symptomatic of the Democrats desire to have Big Government do all things. Republicans believe that there are no finer talents available in the world than there are in the American media, public relations and entertainment industries. These talents are surely available if only the Administration would invite the experts in private business to participate in government programs.

Republicans believe USIA should concern itself more with dissemination than production. For example, news films of major TV networks are less suspect than government films. Other countries, notably Britain and France, employ tax incentives to induce feature film companies to export movies, and film distributors are encouraged to attach pro-government short subjects to features. American books and industrial, scientific and technical journals abound with information of great value to developing countries, but are generally too expensive for local readers. By making a conscious effort to stimulate the distribution of private materials abroad, our government would at once advance its information objectives and generate additional opportunities for U.S. business.

With this goal in mind, the Informational Media Guarantee (IMG) program, through which the U.S. government undertakes to provide dollars to U.S. publishers in return for payment in local counterpart funds in poor countries, should be rehabilitated and expanded instead of being reduced as it has been by Democratic-controlled Congresses. The program provides an excellent return on our investment as recent Congressional testimony indicates:

"IMG has made possible the commercial distribution of books, periodicals, films, recordings, etc., having wholesale value of more than $80,000,000 during its lifetime. I have been told by USIA that this was accomplished at a cost of slightly more than $24,000,000 to the U.S. taxpayers. More importantly, I am informed that during recent years the loss rate on these guaranteed transactions has gone steadily downward, so that last year the cost was about nine cents for each dollar's worth of materials exported." [2]

There is also need to extend the IMG concept to American wire services whose charges exceed the resources of poorer countries. In this situation, Communist news services, which are given away, obtain a near monopoly in areas where audiences are least sophisticated and more impressionable. Our wire services are understandably concerned about any involvement which might compromise freedom of the press, but an acceptable arrangement needs urgently to be developed.

F. USIA field representatives require greater local autonomy in implementing their programs and should be encouraged to make greater use of indigenous media outlets in promoting ideals commonly held by free men

USIA field people are far too dependent upon materials and ideas generated in Washington. Without weakening the requirement for coordination of psychological efforts abroad, greater effort should be made on adjusting themes developed in USIA headquarters to local conditions in the various countries. Ideas are more appealing when attuned to audiences by use of local background and issues. Too often "canned" stories prepared in Washington are distributed locally without any field effort to enliven them. Greater imagination is also required in developing promotional techniques to disseminate such information. It may sometimes be more effective to engage a professional story teller to convey our message in Indian villages than to hand out Washington press releases in the provincial capital.

Moreover, there should be greater effort to involve local individuals, groups, and where practicable foreign governments, in joint activities advancing our common belief in liberty, justice, and free enterprise.

G. Increased emphasis should be placed upon instruction programs and related activities which increase comprehension of the English language

The people of the world have demonstrated great interest in learning the English language, especially young people who are eager to keep abreast of events in their chosen fields and who know that the most advanced materials are in English.

This interest in English gives us a great advantage which is not being adequately exploited. At present the USIA is unable even to handle the large numbers of people who come to U.S. libraries and bi-national centers so eager to learn our language that they willingly pay for lessons. Foreign audiences are also enthusiastic about our simplified English radio broadcasts and our limited vocabulary book programs, using both as vehicles for improving their English. This interest presents us with a valuable opportunity; obviously, people will be more receptive to our messages if they understand our language and our way of thinking.

The Soviets would be quick to exploit a similar advantage if they had it. However, their programs to teach Russian abroad have been such a failure, that in some places they have actually gone over to teaching English. In fact, most foreign governments are now doing more to promote the knowledge of English by making it a required subject in their schools than is the United States Government. We should be far more aggressive in exploiting this special advantage.

III. CONCLUSIONS

The old adage—actions speak louder than words—is critically applicable to United States informational policies.

Words can explain action but cannot substitute for policy. Our actual performance at home and abroad determines the effectiveness of our psychological operations abroad. The sharp decline of confidence in and respect for America in recent years is due far more to a qualitative deterioration of policies than to USIA shortcomings.

The United States, the world's most powerful nation, can hardly expect to be the subject of universal and unalloyed affection. Great power always draws upon itself envy and fear of the less fortunate. Such unavoidable resentments cannot be wholly removed, but can be reduced by prudent exercise of power and by consistency and candor in defining objectives. Affection for mighty America is not our goal, nor is it attainable, but we should be able to make other peoples understand, believe, and respect us.

The rehabilitation of our prestige awaits the restoration of U.S. primacy in military-diplomatic affairs, the cleansing from our foreign policy of glaring ambiguities, and the reinvigoration of our media policies. The informational effort cannot go it alone. The springboard for any effective psychological policy is the credibility of the Administration and thus of our declared national purpose.

Democrats, too, have acknowledged that a lack of decisiveness and consistency in the Executive Branch undermines our psychological operations abroad. The Democrat-controlled House Foreign Affairs Committee, in a 1967 publication entitled Modern Communications and Foreign Policy, placed "indecision about foreign policy goals" first among several factors which are "part of the reason for our Government's frequently undistinguished response to the challenge and opportunity presented by modern communications technology . . ."

It appears evident that, lacking basic changes in the conduct of foreign affairs, our informational efforts may in time have every weapon except the indispensable one, credibility.

ANNEX A: THE TARNISHED AMERICAN IMAGE

While campaigning for the Presidency in 1960, the Democrats assailed the Eisenhower Administration for an alleged erosion of United States prestige abroad. In support of this allegation, they cited the U–2 incident and the missile gap. Less than a year later an Administration spokesman blandly conceded that "there is no missile gap favoring

---

[2] House Report, No. 362, *op. cit.*, p. 108, testimony of Peter H. Neumann, senior Vice President of Addison-Wesley Publishing Co.

Russia at the present time." During the Cuban crisis the President openly acknowledged the critical contribution of U-2 overflights to his estimate of the Soviet missile build-up in Cuba.

DEMOCRATS CONCEAL STATISTICS ON FALLING U.S. PRESTIGE

Also during the 1960 campaign the Democrats demanded public release of USIA polls on U.S. prestige abroad. They covertly obtained and made public parts of a document showing changes in foreign opinion adverse to the United States. On January 30, 1961, ten days after taking office, the Kennedy Administration, professing a zeal to keep the public informed, released an edited version of the same poll. However, a few months later, when reporters asked for statistics on the utter collapse of U.S. prestige in the wake of the Bay of Pigs fiasco, the Administration responded that the release of such information would be injurious to national security.

The Johnson Administration is even more transparent in concealing data on declining U.S. prestige. Mr. Leonard Marks, Director of USIA, advised a House Appropriations subcommittee in September 1966 that he had discontinued worldwide prestige polls, because:

"I did not find they were of any value."

Another USIA Director, Mr. Carl T. Rowan, commented on this statement in his syndicated column after leaving office. He noted that USIA was still taking other opinion samples of U.S. prestige which would be "explosive in a close election." Conveniently, however, the Democratic Chairman of the Information Subcommittee of the House Government Operations Committee still stands behind his "agreement" that USIA needs not declassify and make public their polls until two years after they have been taken. Moreover, now that it has been revealed in the press that the Johnson-Humphrey Administration is not above contriving domestic polls to falsely show increasing prestige, we can only hope that similar techniques will not slip into the Administration's foreign opinion samples.

PRIVATELY SPONSORED POLLS IN EUROPE

Disturbed by the sudden cancellation of USIA polls, Republican Congressional leaders sponsored a prestige poll in Europe in September 1966. Established poll-taking firms, many used regularly by USIA, took a sampling of over 6,000 people in Great Britain, West Germany, France, Belgium and Holland. This five-nation NATO poll showed that only 2% of Europeans thought U.S. prestige had improved. Half of those surveyed thought U.S. foreign policy was moving the world *away* from peace. Nearly 70% felt the world was *no closer* to peace as a result of the Johnson Administration's efforts. Compared with the March 1964 data previously released by USIA criticism of the U.S. had risen one-third in Britain, tripled in West Germany, and doubled in France to a point where 53% of the French public was critical of American policies.

Comparing these attitudes of the 1960's with those of the 1950's is most instructive. During the Eisenhower Presidency, demonstrators in Paris, Milan and Madrid did not burn the American flag. President Eisenhower handed intact to his successor NATO, CENTO, SEATO, a warless Asia, and the unchallenged strategic superiority of the United States. Today the U.S., virtually isolated from major allies of yesteryear, fights the most unpopular war of its history. U.S. strategic superiority, if retained, has lost what matters most in the age of deterrence, much of its credibility.

Anti-Americanism is commonplace in virtually every capital of Europe. The Vice President reflected sorrowfully on this after his Spring 1967 fence-mending trip to Europe; "It broke our hearts," he mourned, to discover the "bad picture" the world has of the United States. It's mostly "bombs dropping, riots taking place, crime, corruption. . . . That's what some people think is news." He was tragically right. What has been happening *is* news—*bad* news—for and about America.

Annex B: A Decent Respect for the Opinions of Mankind—The Republican Record

Our political tradition has always included a sensitivity to the importance of world opinion. The Declaration of Independence begins by saying that we were obliged to explain to the world why we were breaking our bonds with Great Britain. We owed, it said, a "decent respect to the opinions of mankind" to explain why we felt compelled to take action.

Today the power of the United States is so immense that every move has significance to the populations of foreign countries. Today we have a special obzligation to the "opinions of mankind."

The record of recent years demonstrates that Republicans have acted on this belief. It shows as well that the Democrats have dangerously flaunted "the opinions of mankind."

Even during Democratic Administrations, Republicans have led in officially recognizing the importance of world opinion. The "Smith-Mundt Act" of 1948,[3] which first authorized a permanent U.S. overseas information program, was developed by two Republicans, former Senator H. Alexander Smith of New Jersey and Representative (now Senator) Karl Mundt of South Dakota. Among the most notable advocates of the legislation was then Army Chief of Staff, General Dwight D. Eisenhower, who testified before the House Foreign Affairs Committee in 1947. He described the importance of psychological warfare operations during World War II, and vigorously supported all aspects of the proposed legislation for peacetime informational and cultural exchange programs. General Eisenhower also testified before the Senate Foreign Relations Committee in 1950 on behalf of a resolution to strengthen overseas information programs.

As a candidate for the Presidency in 1952, General Eisenhower made the nation's psychological effort a major point in his foreign policy platform. He charged that the Truman Administration had never been able "to grasp the full import of a psychological effort put forth on a national scale." [4]

Soon after his inauguration President Eisenhower established a special committee on International Information Activities, chaired by Mr. William H. Jackson, to evaluate the government's information policies and activities abroad. About the same time a subcommittee of the Senate Foreign Relations Committee, under Republican Senator Bourke B. Hickenlooper of Iowa, completed a year-long review which found that our foreign information programs were suffering from ineffective coordination, duplication, poor administration, and a lack of understanding of fundamental objectives.

Based on the findings of these two committees, the President moved quickly to strengthen what he termed the "voice of truth abroad." He established a new independent agency, the United States Information Agency (USIA), and made it responsible for all overseas information functions. This resulted in improved coordination, the elimination of duplication of effort, significant savings and greater credibility by virtue of the fact that the U.S. now spoke with one official voice abroad.

In a related move another new organization, the Operations Coordinating Board (OCB) of the National Security Council (NSC), was created to improve the planning, coordinating and execution of national security policies, taking into full account "the particular climate of opinion the United States is seeking to achieve in the world." [5]

Throughout his Administration, President Eisenhower evidenced keen personal interest in our psychological programs: he ordered the Director of USIA to report directly to him and insured that he would have ready access to the White House; he placed the USIA chief at the table during OCB and NSC meetings, so the Director could share in policy-making instead of serving only as the official purveyor of information; he gave the new Agency a clear statement of its mission; and he consistently fought for higher budgets necessary for USIA to achieve orderly growth.

However, in 1957, the Democrat-controlled 85th Congress dealt USIA a severe blow. The Senate Appropriations Committee, on the insistence of Senator Lyndon B. Johnson, slashed the Agency's budget to $90 million, a reduction of $23 million from the budget of the previous year. It was widely acknowledged at the time that Senator Johnson slashed this critical program, not only because of a failure to comprehend the importance of psychological activities, but also because he wished to deal a personal political blow to the incumbent Director of USIA. Although a House-Senate compromise increased the final appropriation to $98 million, the USIA budget for salaries and expenses (the item covering most operations and the best indicator of the Agency's current activities) was not thereafter raised to the 1956 level until fiscal year 1963. Thus political malice set the program back some six years.

Prior to leaving office, President Eisenhower commissioned another special committee on Information Activities Abroad, chaired by Mr. Mansfield D. Sprague, to assess actions taken and needs for the future. The non-partisan Committee stated: "In recent years great progress has been made in strengthening the U.S. information system. Staffs have been professionalized, effective media organizations have been built, and arrangements for coordinating information programs with foreign policy have been improved. Such progress must continue, for the demands placed upon the system will increase rapidly in the years ahead.[6]

Unfortunately the Democrats, who fell heir to the Sprague Committee's lengthy report, disregarded or acted counter to its recommendations. For example, one of their first moves was to dissolve the OCB, although the Committee, in cautioning against this, had said in part: "If the OCB did not exist, it would have to be invented; its creation was the logical outgrowth of the increase in U.S. information activities up to 1953, as well as of the growing importance of public opinion and communications in foreign affairs.[7]

The only major recommendation of the Sprague Committee implemented by the Democrats concerned the need for increasing informational activities in Africa and Latin America. This recommendation was made in the context of the overall necessity for expanding the U.S. information program. The Committee warned twice elsewhere in its report against further cutbacks in the Western European program as a means of obtaining funds for other USIA needs. Nevertheless, the Senate, under the instigation of Democratic Senators J. William Fulbright and Allen J. Ellender, slashed appropriations for Western Europe regularly from 1961–64. Our current problems with our NATO allies are not due entirely, or even principally, to this lack of wisdom, but it is clear that USIA appropriations for Western Europe were cut considerably below prudent levels.

---

[3] P.L. 402, "The United States Information and Educational Exchange Act of 1948."

[4] New York Times, October 9, 1952, p. 24.

[5] Executive Order 10483 of September 2, 1953.

[6] *Bulletin*, The Department of State, Vol. XLIV, No. 1128, February 26, 1961, p. 186.

[7] *Ibid.*, p. 194.

In any case, the gradual increase in size and scope of the government's psychological efforts, which all impartial observers have judged to be necessary, has not taken place. No new programs of scope and imagination have been generated under the Johnson-Humphrey Administration, comparable, for instance, to President Eisenhower's People-to-People program, which provided for large scale public participation in foreign relations, and which generated at least five dollars of private spending for every tax dollar of "seed" money invested. It is evident therefore—and, for America, exceedingly unfortunate—that the current Administration is unwilling or incapable of performing responsibly and imaginatively in this as in so many other areas critical to the well-being and security of the United States.

Republican Statement on President's Economic Report

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. CURTIS. Mr. Speaker, this morning the Joint Economic Committee began its annual hearings on the Economic Report of the President. At the opening of those hearings, I presented in behalf of the minority members a statement we prepared in reply to the President's personal "economic" message which covers the first 28 pages in the volume. A fuller minority statement responding to the report of the Council of Economic Advisers which, coupled with the accompanying charts and tables, makes up the other 286 pages of the volume will appear in the annual report of the Joint Economic Committee. This report and the Republican views will be prepared at the conclusion of these public hearings of administration witnesses and nongovernmental experts.

I include the minority preliminary statement in the RECORD at this point:

This nation and its economy are in trouble and the American people know it.

The plain fact is that the Administration has lost the initiative. It is not solving problems; it is stockpiling them. It is failing in the primary task of leadership. It has neither maintained the confidence of the people nor shown the capacity to rally the country behind hard but necessary actions.

The President has tried to reassure us that his policies are moving the nation "toward new and better shores." An anxious and concerned public knows better. The American people are aware that—

The purchasing power of their dollar is dropping at an accelerating rate;

Long-term interest rates are at cruelly high levels;

The Administration has lost the power to control the Federal budget;

The dollar is under attack from abroad;

The stability of the world monetary system itself is threatened;

Our cities are seething with discontent and the possibility of civil strife;

Our rural areas are struggling under the worsening cost-price squeeze on agriculture;

Our so-called "full employment" has been bought by the heavy manpower requirements associated with the Vietnam War and by swollen Federal payrolls; and

The possibility of other military involvements overseas looms large.

Can we take pride in this record? Are these the fruits of wise and prudent leadership? Haven't the American people the right to expect more from an administration that promised creation of a "Great Society"?

The reluctance of the American people to pay higher taxes does not stem from indifference to the needs of our poor, the crisis in our cities and rural areas or the demands for better education and health, clean water and air and improved transportation services. The public lives daily with these problems and, if anything, is eager to get on with the job. And so are we.

But the public is not willing to underwrite vast new Federal expenditures on top of an already swollen, often ineffective and outmoded structure of existing Federal programs. The American people demand more than lip service to the urgent need to establish a new order of priorities in domestic spending.

Nor is the public ready to recognize that the Federal Government is the only or even the best agent of social change in our society. Again, more is demanded than mere lip service to the concept that our private institutions and our State and local governments must be given new incentives and mobilized to play the key role in meeting our public problems.

The Administration has failed to appreciate the depth of feeling which exists on these questions. Its words embrace priorities, private initiative and creative Federalism, but its deeds retain its commitment to the stale solutions of the 1930s.

The President's talk about establishing priorities and making sacrifices is nothing but that—just talk. The 1969 budget, which has already been made obsolete by the rapid pace of events, is a case in point. Contrary to the Administration's pretentions, the budget is neither tight, frugal, nor stringent. It does not reflect a realistic sense of our national priorities.

By what stretch of the imagination does the Administration call this a tight budget?

At existing tax rates and even based upon unrealistically optimistic economic assumptions, the 1969 budget will show a massive minimum deficit of $20 billion for a second year in a row. New obligational authority would increase by nearly $18 billion compared to an increase of $7.4 billion in the current year. Total budget authority would increase by over $15 billion compared to less than $4 billion in the current year. Net obligations incurred would increase by $15.7 billion compared to $10.8 billion in the current year. Employment in the civilian agencies would increase by over 40,000 in fiscal 1969.

A budget is more than a blueprint for a single year; it is a plan for future spending as well. On this basis, the President's new budget is sowing the seeds for yet another spending explosion.

We continue to pay a high price for the Administration's refusal to bring Federal spending under firm control. The reason the Administration has met resistance to its request for higher taxes is that it has not made a real effort to reduce domestic spending and set hard priorities among domestic programs.

Last year it announced with great fanfare budget cuts in the current fiscal year. Yet, even after these "cuts," total Administration budget expenditures will rise by nearly $3 billion above the January 1967 estimate. This was in spite of the fact that the bipartisan majority of the Joint Economic Committee last year recommended a $5 billion cut, not a $3 billion increase. And while it asks for more new taxes, the Administration conveniently overlooks the fact that payroll taxes have already been increased and will yield an additional $3.3 billion in the coming fiscal year.

To back up its plea for higher taxes, the Administration preaches voluntary restraint to labor and business. There has yet to be any recognition of the need for the Federal Government itself to exercise restraint or of the Government's primary responsibility for our present economic problems. If the Administration continues along this route, we would not be surprised if it eventually tries to impose mandatory price, wage and credit controls on the American people. Its balance of payments policies offer an instructive and disquieting parallel.

Its emergency balance of payments program is short-sighted and self-defeating. Its analysis of the problem is completely contradicted by its proposed solutions. With one stroke, the Administration has reversed our post-war policy to free international trade and payments from restrictive and crippling controls. It hopes to buy some immediate gain in our balance of payments while it undermines the value of the U.S. dollar as a fully convertible and stable reserve currency. In the long run, the resort to disguised devaluation will lead to larger gold outflows, reduced confidence in the dollar and a weakening of the entire free world economy.

The Administration apparently regards all overseas travel as mere pleasure-seeking in spite of the fact that much is related to education, essential government activities and business purposes related to the expansion of exports. It is curbing the freedom of our citizens without having made a real effort to increase foreign tourism to the United States. The Administration delayed the appointment of its travel task force for over 11 months and finally acted only a month before it pushed the panic button.

The Administration has yet to come clean with the American people about the economic effects of the Vietnam War. Private studies conducted at the University of Michigan show that the Vietnam build-up between the first quarter of 1965 and the last quarter of 1966 was responsible for a total rise of $32 billion in annual GNP and for roughly 3.2 million additional jobs. According to the study, without Vietnam spending, output in the final quarter of 1966 would have been almost 4 percent below that reported, while unemployment would have risen to a recession level of 7.7 percent of the labor force.

American agriculture is also in serious trouble. Farm parity prices are the lowest since the depression days of the thirties and costs of production are steadily rising under the Administration's inflationary policies. Farm debt has reached the danger point.

There is no disguising the difficulties before our country by a long and weary statistical recital of our economic achievements. The wonder is not that we have made economic gains but that, having made those gains, the Administration has failed so completely to marshal our vast resources effectively to solve our growing agenda of urgent and critical problems.

For our part, whether collectively or individually, we have consistently advocated that at high employment, the avoidance of inflation required a more moderate pace of monetary advance and a Federal budget somewhere near balance. Time has proved has judgment correct.

As long ago as 1963, the minority members of this committee proposed a non-partisan Commission on Federal Expenditure Policy to establish priorities in public spending and to identify those activities which could be better performed and with superior effectiveness by State and local governments and by the private sector. We repeated that recommendation in 1964 only to have it rejected outright by the Administration in both years.

For years we have advocated less reliance on aggregate spending to eliminate hardcore unemployment and more emphasis on manpower training in the private sector through devices such as the Human Investment Act. We have urged the formation of a public-private Economic Opportunity Corporation, new machinery to combat emergency strikes, a plan to promote and assist in providing homeownership among low-income families and better methods to increase the revenue sources of State and local governments.

In 1963, long before the Administration finally acted, the minority foresaw the coming world financial crisis and introduced a resolution calling for reform of the international monetary system and parallel action to drastically reduce our balance of payments deficit. Had the Administration assigned a high priority to the solution of these problems years ago, we would not now be experiencing our staggering balance of payments deficit and gold outflow.

We regret that most of these and other recommendations which we have made through the years were received by the Administration with indifference or outright hostility. This applies as well to our belief that before a tax increase could be of benefit to the economy it would have to be tied to a package of significant reductions in nonessential spending. Only such a package would slow inflation below the 3 percent increase which the Administration appears content to tolerate this year and enable a re-ordering of priorities so necessary to help solve our unmet domestic problems.

Although time is growing short, and our problems are mounting, we are confident that our people still have the will and the capacity to overcome them if given wise, effective and courageous leadership.

A Novel Proposal

HON. WILLIAM B. WIDNALL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. WIDNALL. Mr. Speaker, I thought my colleagues in the House might enjoy reading a letter I have just received. It is a very novel proposal.

The letter follows:

NEW YORK, N.Y.,
January 30, 1968.

Hon. WILLIAM B. WIDNALL,
Congress of the United States,
House of Representatives,
Washington, D.C.

MY DEAR MR. WIDNALL: On a recent visit to Washington, I dropped by the White House to see how the President was bearing up and they wouldn't even let me in the grounds. And mind you I wasn't even protesting any—but just being neighborly. This personal rebuff made me realize that the White House like so many other things in Washington has become too centralized.

If I were President, I would take the White House to the people instead of making them come to it. I would shift the White House to a different state each month so that the people in every region would get to know the President, and he would have a better grasp of their problems. And if people wanted to protest anything they could do it right in their own states without marching all the way to Washington. Every state, I am convinced, would welcome this decentralization of the Executive Mansion which couldn't help but beautify all of our sovereign states. To accomplish this all that would have to be done would be to extend the President's term of office from forty-eight to fifty months so that no state including Rhode Island would be left out in the cold without a White House.

I would appreciate it, if you would help give this letter the widest possible governmental distribution by having it reprinted in the Congressional Record so as to enlist support of all Congressional leaders for my proposal which might be called the Wright Movement for smaller but better White Houses in all of the fifty states.

Respectfully yours,
GEORGE W. WRIGHT.

Swift Bird Job Corps Center Funds Canceled

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. BERRY. Mr. Speaker, the Indian people have again been the last to receive consideration and the first to be cut off when funds are short.

The Missouri River development program provided for a large dam near Pierre, S. Dak., which flooded thousands of acres of Missouri River bottom land on the Cheyenne River Indian Reservation. Cash settlement was to be made, to be sure, for the loss of their land, their timber, and their wildlife, but no cash can compensate them for this loss.

Under the poverty program a Job Corps center was established at Swift Bird on the Missouri River—the purpose of which was not only to provide jobs for young Indians and other young Americans, but was to start a reforestation program along the Oahe Lake shores, which in a few years would restore bank protection, timber protection, and wildlife protection.

When there was a shortage of OEO funds the first project to be canceled was the Swift Bird Job Corps Center. Frank Ducheneaux, chairman of the Cheyenne River Tribal Council has written a very complete letter to the President, setting out the facts, and I include it in the RECORD in order that Congress know how the OEO Director has managed his department to outmanage the Indian people first.

The letter follows:

FEBRUARY 2, 1968.

Hon. LYNDON B. JOHNSON,
The President of the United States,
The White House,
Washington, D.C.

DEAR PRESIDENT JOHNSON: The Cheyenne River Sioux Tribe of Indians have learned through various news media of the closing of several Job Corps Conservation Centers throughout the United States, and one of these is the newly constructed Swift Bird Job Corps Center located in the central part of South Dakota on the Cheyenne River Indian Reservation.

As of the above date the Tribe and the Bureau of Indian Affairs, who is charged with the responsibility of operating this center, have received no official notice of the closing of the Swift Bird Job Corps Center.

The Cheyenne River Sioux Tribe of Indians in the State of South Dakota did ask you through your O.E.O. Director, Sargent Shriver, to consider the building of a Job Corps Center on the Cheyenne River Indian Reservation. After due consideration, the request was granted. My people were very happy and thankful for this approval of such a Center and had high hopes for the training of our young Indian boys and the need for this multiple purpose center.

The purpose of this Job Corps Center was soil conservation, recreation, reforestation hazard control, created by the Oahe Reservoir, and the construction of wild life refuge along the shores of the reservoir.

The Cheyenne River Sioux Tribe gave up over 104,000 acres of its land for the construction of the Oahe Reservoir, 90% of its timber was inundated leaving a barren shore line. The game is gone for the lack of natural habitat. A hazard to livestock has been created by the rise and fall of the waters impounded by the Oahe Dam. The United States Government has in P. L. 776—83rd Congress (68 Stat. 1191), Section VIII, thereof agreed to take such protective measures as may be necessary to minimize the losses to the Indians created by this hazard. The Tribe has spent in the neighborhood of $60,000.00 of its own funds and made available sufficient lands in the promotion and for the construction of this Job Corps Center.

This newly constructed Swift Bird Job Corps Center was built, equipped and fully staffed at a cost of over two million dollars, but has never opened for reasons we do not know. The recruitment by this tribe of Indian youth were some 70 young men who could have benefited, educationally and by vocational training and thereby becoming more responsible, employable and productive citizens.

Along with the training that these enrollees would receive in reforestation along the shore edges, they would do a job that would take Mother Nature two hundred years to do. Not only would it beautify the lake area but would create wild life habitats, recreation areas and deter soil erosion which would be a benefit to the lake as it would help to hold back the silt, which is a detriment to the life of the reservoir; and the fencing of the taking line would establish the boundary lines and would carry out the agreement of the United States Government as to its obligations as set out in Section VIII of P.L. 776–83rd Congress (68 Stat. 1191).

May we ask of you, Mr. President, to intercede and to reconsider the closing of the Swift Bird Job Corps Conservation Center in keeping with your promise to the Indians at the White House Conference that they, the Indians, would be in the forefront in all Federal programs for the general welfare of the people of these United States.

Enclosed for your information is a Resolution passed by the Claims and Legislation Committee of the Cheyenne River Sioux Tribe.

May we thank you for the O.E.O. Programs that are now operating on this Reservation.

Sincerely,
FRANK DUCHENEAUX,
Chairman, Cheyenne River Sioux Tribal Council.

President's Job Creation Program in Los Angeles

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. HAWKINS. Mr. Speaker, last December a meeting was held in Los Angeles to seek the support of the business and industrial community in providing jobs for the hard-core unemployed. This effort was initiated under President Johnson's new test program for job development.

At this time, I am happy to report that 40 employers in the Los Angeles area have expressed strong interest in participating in the test program. Many of them have submitted specific proposals to the U.S. Department of Commerce, and as these proposals come to fruition, more than 3,500 new jobs will be created for the hard-core unemployed in the Los Angeles area. Just last week, officials of the Commerce Department and the Labor Department met once again with businessmen in Los Angeles to advance the job creation program. I am very gratified at the positive and constructive response from the Los Angeles business community to President Johnson's creative proposal for involving the talents and resources of business in finding a solution to one of the most pressing problems that exists in our cities today. The success of this program may well determine the future of our large cities, and we can all be encouraged by the developments in Los Angeles.

George A. Dondero

HON. ELFORD A. CEDERBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. CEDERBERG. Mr. Speaker, it was with a great feeling of personal loss and deep sorrow that, while absent from the country on official business, I learned of the death of my distinguished former colleague, dear friend, and veteran legislator from the State of Michigan, George A. Dondero.

There are so many things that can be said about this great servant of the people. He was a gentleman to the core, a magnificent scholar with an abiding passion in the life and works of Abraham Lincoln, and a tower of strength as both a member and, later, chairman of the Committee on Public Works.

Among the many fine facets of his character was his knowledge of the great traditions of this House and his willingness to counsel us at any time. I doubt seriously if there is anyone of us who, as a newcomer to this body, did not benefit—not once but many times—from this man's consideration and kindness in being always willing to help us out.

Of course we all know of what was undoubtedly his greatest contribution to the welfare of this country, and the State and region which he so ably served. It is not by accident that one of the major sections of the St. Lawrence Seaway is named the Wiley-Dondero ship channel. Without a doubt, absent the influence, persistence, imagination, and dedication of George A. Dondero, as well as that of the late Senator Wiley of Wisconsin, this monumental project would never have been built, much less have become such a significant factor in all our lives.

The St. Lawrence Seaway, and the Interstate Defense Highway System are magnificent examples of this man's leadership and foresight. It would be hard to imagine a greater contribution to the economy and well-being of any country than these two incomparable projects, for which he rightfully receives the thanks of his Nation.

Mrs. Cederberg and I join with my distinguished colleagues in expressing our heartfelt sympathy to his son, Robert Lincoln Dondero, of Royal Oak, Mich., his daughter, Mrs. Marion Wilson, of Grand Blanc, Mich., his nine grandchildren, and three great-grandchildren. We have lost a fine friend and a great American.

Death of the Great Society

HON. WILLIAM HENRY HARRISON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. HARRISON. Mr. Speaker, Mr. James M. Flinchum, the editor of the Cheyenne, Wyo., State Tribune, has taken a long look at the recent state of the Union message, comparing relevant passages with similar speeches in 1966 and 1967 and has come to the conclusion that "there was a great deal of sameness to the message." Editor Flinchum observed further that—

> It was the most conservative address of its kind since Lyndon Johnson became President . . . this is very probably because the grand plans of previous years have so plainly come to naught and the nation is preoccupied with defeats or stalemates both at home and abroad.

And Mr. Flinchum made an observation which I have not observed in other newspapers, that at no time in his lengthy text did President Johnson allude to the catch phrase of his legislative endeavors, "Great Society." Mr. Flinchum said—

> These words were never mentioned once by the man who first broached them to the American people just three short years ago.

I might add in requesting that the editorial from the January 18, 1968, Wyoming State Journal be printed with my remarks in the RECORD, that never before in our history has the Nation at war been assured that we will "persevere" against the "other side."

Somewhere in the White House speechwriting factory, the words "victory" and "enemy" have apparently been misplaced.

The editorial follows:

DEATH OF THE GREAT SOCIETY

President Johnson seemed a little tired of it all last night; the members of Congress applauded perfunctorily except for one occasion, and the millions of Americans who watched the State of the Union message may be excused for being weary of it all, too.

There was a great deal of sameness to the message, perhaps because the author is the same. Nevertheless, it was the most conservative address of its kind since Lyndon Johnson became President; it held out fewer promises, was less sweeping in scope, and tackled fewer problems than the others. This is very probably because the grand plans of previous years have so plainly come to naught and the nation is preoccupied with defeats or stalemates both at home and abroad.

President Johnson, we gathered, is still hopeful of bettering most of America and some of the world although the area has been narrowed and the ambition is not quite so throbbing. The similarity of phraseology in this respect is interesting. In 1966 when the Johnson Administration was at floodtide, the President said in that State of the Union message: "Because of Vietnam, we cannot do all that we would like to do. We will ruthlessly attack waste and inefficiency. We will make sure that every dollar is spent with thrift and with the common sense which recognizes how hard the taxpayer worked in order to earn it."

In 1967 he said: "I wish, of course, that we could do all that should be done—and that we could do it now. But the nation has many commitments and responsibilities which make heavy demands upon our total resources. No administration would more eagerly utilize for these programs all the resources they require than the administration that started them."

In 1968, he said: "I wish—with all my heart—that the expenditures necessary to build and protect our power—could all be devoted to the programs of peace. But until world conditions permit, and until peace is assured, America's might—and America's bravest sons who wear our uniform—must continue to stand guard for all of us—as they gallantly do tonight in Vietnam and other places."

Again on the matter of the national economy, Johnson said in 1966: "I can report to you tonight what you have seen for yourselves already in almost every city and countryside. This nation is flourishing. Workers are making more money than ever . . . more people are working than ever before in our history . . . corporations have greater after-tax earnings than ever in history. . ."

In 1967: "We now have enjoyed six years of unprecedented and rewarding prosperity. . . Last year, 1966, wages were the highest in history and the unemployment rate . . . reached the lowest point in 13 years . . . the total after tax income of the American families rose nearly 5 per cent . . . the corporate profits after taxes rose a little more than 5 per cent. . . ."

In 1968: "Tonight our nation is accomplishing more for its people than has ever been accomplished before. Americans are prosperous as men have never been in recorded history. . . . All about them, most American families can see the evidence of growing abundance. Higher pay checks, humming factories; new cars moving down new highways. More and more families own their own homes, equipped with more than 70 million television sets."

Even in nuclear disarmament there was really nothing new. In 1966 he said: "A second principle of policy is the effort to control, to reduce, and to ultimately reduce the modern engines of destruction. We will vigorously pursue existing proposals—and seek new ones—to control arms and stop the spread of nuclear weapons." In 1967: "We have the solemn duty to slow down the arms race between (the U.S. and the Soviet Union) if that is at all possible, in both conventional and nuclear weapons and defenses." 1968: "Because we believe the nuclear danger must be narrowed, we have worked with the Soviet Union and other nations to reach an agreement that will halt the spread of nuclear weapons."

Crime: 1966—"To attack and overcome the growing crime and lawlessness I think we must have a stepped-up program to help modernize and strengthen our local police forces." 1967—"This is a war (crime) that Washington alone cannot win. The idea of a national police force is repugnant to the American people. Crime must be rooted out in local communities by local authorities. But our policemen must be better trained, and must be better paid, and must be better supported by the local citizens that they try to serve and to protect. The national government can, and expects, to help." 1968—"We, at every level of government in this nation, know that the American people have had enough of rising crime and lawlessness. They recognize that law enforcement is first the duty of local police government. They recognize that the front line headquarters against crime is in the home, the church, the city hall and the state house—not in far-removed Washington. But the people also recognize that the national government can and should help. . . . This does not mean a national police force."

There was only one thing starkly different from this State of the Union Message from all those delivered by President Johnson in the past. In 1968, the words "Great Society" were never mentioned once by the man who first broached them to the American people just three short years ago.

Jim Pierce, Founder of Pierce Management, Inc.

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. McDADE. Mr. Speaker, we are often told that age brings wisdom. Unfortunately, we forget this just as frequently. I had this brought to my attention most dramatically recently when in the city of Scranton a group of friends and admirers got together to celebrate the 80th birthday of one of the really outstanding Americans of this century—Jim Pierce, the founder of Pierce Management Inc., and one of the world's outstanding and distinguished mining engineers.

He is a man who has been an industrial consultant all across the face of this globe. He is a friend of Chiang Kai-shek. He also knew and even worked for Leon Trotsky. In just about every nation of the world the name of Jim Pierce and Pierce Management is known.

On that occasion Jim was called upon to make a few remarks, and I think everyone in this House would be interested in hearing what Jim had to say that day. With permission, Mr. Speaker, I enter it in the RECORD at this point:

JIM PIERCE, FOUNDER OF PIERCE MANAGEMENT, INC.

Mr. Chairman, Dr. Charmbury, Honored Guests and friends in the audience, I wish to express my sincere appreciation to all of you who have come here today for this occasion. Some of you, I know, have come from a long distance at great personal sacrifice from your busy lives. The inscription on the plaque refers to two things: First being the time devoted to local projects and secondly, with reference to my international mining experience.

As to the first, as I look around this room and see all of the people who have given of their time and talent to making this community a better place in which to live, I feel a spirit of great humility.

One hundred and fifty years ago a great British economist, named Adam Smith, published a book entitled "The Wealth of Nations" and in that book he made the statement that no real wealth can come from anywhere except from the ground. As we look around this room we can see the truth of that statement, because everything in this room that I can see had its origin in the ground.

The other part of the citation refers to my work as an international mining engineer and I intend to speak largely on these two subjects, but from the point of view of a mining engineer who has met some of the great personalities in the world both in America and in foreign countries who have had an influence on the things which affect our daily lives.

I first met Dr. Sigmund Rhee when he was in exile from his country during the Japanese occupation of Korea. I visited him at his house and subsequently I visited with him and his family in Seoul, Korea. I also have met the Soong Brothers in China, brothers of Madam Chiang Kai-shek, and the Prime Minister of China, and the Ambassadors of China, Burma, Indonesia, India and Turkey. I have also signed a contract with George Papandreou, former Prime Minister of Greece, who figures so prominently in the news today.

During my stay in Washington, I, of course, met President Roosevelt, Harold Ickes, Madame Perkins and many of the heads of governmental agencies and U.S. industrialists and also the great labor leaders of that time, John L. Lewis, Phil Murray and William Green. I have left to the last of those whom I have met, Leon Trotsky, I signed my first contract in Russia in 1928 with Trotsky.

I mention these people not because I want to establish my acquaintanceship, but from the point of view that they were all decision makers and that the decisions which they made have affected your life and mine. Before signing the contract with Trotsky, I spent six weeks day and night trying to arrive at a suitable contract and I soon discovered that the Russian people think differently than we do here in America. I found also that they all seem to understand Adam Smith's simple analysis of the value of raw material wealth, where our people have never seemed to grasp this simple principle.

The Russians have certain outstanding characteristics and these should be recognized by all Americans because they are largely the basis of our trouble in the world today. First, they and all the others I mentioned understand Adam Smith's principle, but the Russians, in addition to that, have an inferiority complex which causes them to brag and boast about their achievements to the point where our people have come to believe that they are greater than they actually are. The main point I would like to make, however, is that when they are bargaining they always adopt the principle of caveat emptor or as we say, "let the buyer beware." And so, as a result of the misunderstandings on our part of some of these men we seem to be able to win wars and always lost the peace.

They draw lines on a map when the wars are over, such as in Korea where they drew a line starting on the 38th Parallel moving in a northeasterly direction across the 39th Parallel, and it is no accident that on the Communist side of the line are the rich copper mines and coal mines of Korea.

Similarly, at the end of the Second World War, we drew lines on paper and when those lines were studied, it was found that on the Communist side of the line were rich uranium deposits, the vast coal deposits of Germany and Poland, and the huge industrial structures in these territories.

And so after winning these wars, as a result of these mistakes, we are compelled to furnish untold millions of dollars to rehabilitate sections which would have been self sustaining had the line been placed in the proper location.

And so we come to a point where our Nation is rapidly becoming a "have-not" nation. We are importing iron ore from Labrador and Brazil, copper from Peru and Chile. Manganese from the Philippines and oil from Venezuela and other places.

Another characteristic of the Russians which we must not overlook is the fact that you must never place much credence on what they are emphasizing, but must look deeper. Today the Russians are in Vietnam largely for the purpose of inexpensively containing the expansion of China and if possible bankrupt the United States through forcing huge expenditures for the War there.

And while we are so involved, we fail to look closely at Russia's real objective, which is the oil wealth of the Middle East where it is fast gaining control of these deposits.

I am sure if officials of the U.S. Bureau of Mines had been on the committees which drew these lines or which drafted treaties, their knowledge of where the wealth of the world is located would certainly have been helpful to our State Department and we would have had lines so drawn that this wealth would have been in the hands of our friends rather than people who proved to be our enemies.

Now how does all that affect us here and how does it enter into a discussion of our local problems?

We know that we have tremendous problems facing us in the mining industry, such as refuse banks and burning banks, unbackfilled strippings, the requirement for many water treatment plants and various other problems which are going to cost untold millions of dollars. I do not know the figures for the other agencies and the various authorities in Scranton, but I do know that from the mining point of view, these sums are going to be vast and whether the State or the Federal Government has to provide the funds for these agencies is immaterial because in either case they are so large that appropriations must be spread out over many years. And so, what we need is to realize that this is a long-term proposition, covering perhaps several decades.

It is going to be necessary, therefore, on account of the great sums which will be allotted to us over a long period of time to set up an over-all coordinating committee on a county basis and evaluate these projects on a cost-benefit basis so that the money is used wisely and well and that things which are needed most are at the head of the priority list.

Each generation should pass on to coming generations better environmental conditions than the current generation enjoys. We should be sure that we leave to them assets rather than liabilities.

Because of the long-term projects, I am afraid we will pass on to the coming generation most of the taxes required to liquidate these investments and, therefore, we should strive to revert to the philosophy which is embodied in the following poem:

"THE BRIDGE BUILDER

(By Will Allen Dromgoole)

"An old man going a lone highway
Came in the evening cold and gray
To a chasm vast and deep and wide.
The old man crossed in the twilight dim,
The Sullen stream had no fears for him,
But he stopped when safe on the other side
And built a bridge to span the tide.

" 'Old man,' said a fellow pilgrim near,
'You are wasting your strength with building here;
Your journey will end with the ending day,
You never again will pass this way,
You've crossed the chasm deep and wide,
Why build you this bridge at evening tide?'

"The builder lifted his old gray head,
'Good friend, in the path I have come,' he said,
'There followeth after me today
A youth whose feet must pass this way.
This chasm which has been as naught to me
To that fair-haired youth might a pitfall be,
He, too, must cross in the twilight dim,
Good friend, I am building the bridge for him."

Airman of the Year—1967

HON. THOMAS G. MORRIS

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. MORRIS of New Mexico. Mr. Speaker, it is a sincere pleasure for me to join my colleagues in paying tribute to

Chief M. Sgt. Thomas W. "Tony" Anthony, Food Service Superintendent of the 113th Combat Support Squadron, District of Columbia Air National Guard. Sergeant Anthony has been named the Nation's Air National Guard "Airman of the Year—1967."

His contributions to our country's military forces have been outstanding, and I consider it an honor to convey to Sergeant Anthony the appreciation of the Congress and the Nation for his efforts in behalf of our freedom and liberty.

Taft-Hartley Should Be Involved in the Copper Strike

HON. SHERMAN P. LLOYD

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. LLOYD. Mr. Speaker, the crippling copper strike, now in its 7th month, has inflicted devastating injury upon the economy of my State and upon others.

When the national safety is involved, as is clearly evident in this strike in which we are importing more than 60,000 tons of copper monthly, adding to our damaging balance-of-payments deficit, we have existing law—namely, the Taft-Hartley statute—which should be utilized. Admittedly, this statute does not require a solution, but it is the best legislation we have at the moment.

The President has not seen fit to invoke the provisions of that statute. Instead, he has appointed a factfinding special mediation board. The New York Times, on January 26 commented editorially upon the appointment of this board, which I herewith submit:

> COPPER STRIKE IMPROVISATION
>
> The Johnson Administration's appointment of a special mediation board to seek a settlement of the six-month-old copper strike reflects the heavy damage that the strike has inflicted on the economies of five Western states and on the country's balance of payments. It also reflects the inadequacy of Federal labor laws in dealing with disputes in which the concentrated power of giant unions and giant corporations combines to endanger the national interest.
>
> The strike represents a massive test of strength in which all the resources of the A.F.L.-C.I.O. are aligned behind a coalition of 26 international unions, while the National Association of Manufacturers and the United States Chamber of Commerce give equally resolute support to the "Big Four" copper companies. The normal economic issues are secondary to the unions' determination to establish bargaining on a company-wide basis, in place of the localized bargaining system that now prevails in copper.
>
> In intervening, the President has chosen not to get an eighty-day injunction under the national emergency provisions of the Taft-Hartley Act. That law would have restored domestic copper production but would not have provided an approach to settlement of the stubborn basic issue. The present recourse to White House improvisation has the disadvantage of throwing the whole dispute into an industry-wide framework of settlement, thus automatically putting the unions well on their way to winning the central strike goal even before any recommendations are made.
>
> The panel now has the difficult task of demonstrating that its appointment has not, in and of itself, stacked the deck against the companies on an issue of great importance to employers and unions in most major industries. The President, for his part, has the obligation of acting at long last on the pledge he made in his 1966 State of the Union message to recommend emergency strike legislation that would not compel him to extemporize under intense political pressure whenever a crippling strike throttles a key industry.

Jewish Community of Harrisburg, Pa., Salutes Reuben and Virginia Miller—Names Israel Land Project in Their Honor

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. SCHWEIKER. Mr. Speaker, the Jewish Community of Harrisburg, Pa., has shown its generosity and dedication to Israel by its recent decision to adopt a tract of undeveloped, barren land near Jerusalem. This tract, called in Hebrew a "nachla"—heritage—will be redeemed from desolation and made into productive farm and forest land, thanks to the contributions Harrisburg people will make to the Jewish National Fund.

The new nachla will be the second one under Harrisburg sponsorship in the Holy Land, the first one having been established some years ago by the late Charles N. Feller, Harrisburg civic leader and philanthropist.

Such land reclamation projects in Israel, carried on by the Jewish National Fund, are of vital importance to the people of Israel. Moreover, the techniques of land development, irrigation and forestation pioneered by the Jewish National Fund are of great significance to the future progress of the entire Middle East.

For this reason I was honored to address the dinner of the Jewish National Fund Council of Harrisburg on Sunday, January 28, at which the new nachla project was unveiled.

It was a further honor for me because the initial section of the new Nachla will bear the name of the president of the Jewish National Fund council of Harrisburg, Reuben H. Miller, and the secretary of the council, his wife, Virginia. Reuben and Virginia Miller have served capably in those capacities for more than 20 years.

Reuben Miller, I might add, Mr. Speaker, has been an outstanding leader in the Pennsylvania labor movement. A longtime president of the Pennsylvania State Employees Council, AFL-CIO, he now serves this labor group as legislative representative.

As a labor leader working for the betterment of Pennsylvania's State employees "Rube" Miller has made many friends in both the executive and legislative wings of our State government. In fact, on September 13, 1965, he was commended in a bipartisan resolution passed unanimously by the Pennsylvania House of Representatives for his "more than 25 years of service to the Commonwealth and its employees."

This was the first and only time that the State legislature conferred such an honor on a State employee currently in service. It was all the more unusual because it expressed the gratitude of the Pennsylvania House of Representatives toward a man who represented, and continues to represent, the interests of the Pennsylvania State employee.

Among the gains that "Rube" Miller has helped to win for the State employee include a 40-hour workweek, social security coverage for all State employees, and grievance procedures in a number of State departments.

His wife Virginia has worked in a variety of local causes in Harrisburg. She was for 10 years the Harrisburg women's chairman of Bonds for Israel, and has been a leader in Hadassah, the women's Zionist organization. In the wider community she has served the United Fund, the Red Cross and other organizations.

Mr. Speaker, both Reuben Miller and his wife Virginia have served their community and Israel in an active, dedicated way. I am sure that my colleagues join me in extending to this couple their congratulations for the honor which has been accorded them in the naming of the Reuben and Virginia Miller Nachla land project in the Harrisburg Nachla tract near Jerusalem.

Our Nation's Education

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mrs. MINK. Mr. Speaker, President Johnson expresses the sentiments of the entire Nation in his compassionate education message. In continuing his fight against the corrosion of ignorance which can weaken our society, he offers help to many of our citizens permanently victimized by lack of education.

Only through adequate education can every American gain and hold remunerative work. This is not the dream of a crusader, but the sensible goal of a country anticipating its future needs and taking steps to preserve its national integrity and security in the uncertain years ahead.

By ignoring the education of the poor and ignorant, we would not only act without compassion but we would betray our own vital interests, leaving untapped an enormous reservoir of skill and ideas.

But we are doing too little to reach these people; to educate them young so they can leave their substandard housing, wretched jobs, and despairing lives. We are offering them a glimmer of hope which then fades as, without training, they try to keep pace with their rising expectations. We in the Congress and the President have initiated many bold new programs, yet ignorance still threatens. We have not done enough, and I welcome the President's message because it provides us the reasons and the strategy to remedy these educational defects.

Bill of Particulars: Questions We Would Like To Be Answered

HON. WILLIAM LLOYD SCOTT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. SCOTT. Mr. Speaker, the American people who are the stockholders of the United States of America, have many questions about the present management of their corporation.

A weekly newspaper published in the Eighth District of Virginia asked some of these questions in a recent editorial, "Bill of Particulars: Questions We Would Like To Be Answered." The Manassas Journal-Messenger said:

> We turn to you, the Board of Directors, (Congress) for an explanation why you, as representatives of the stockholders, have allowed our company to disintegrate until it has become the laughing-stock of the world."

The editorial is set forth in full and I commend it to you:

[From the Journal Messenger, Jan. 25, 1968]

BILL OF PARTICULARS: QUESTIONS WE WOULD LIKE TO BE ANSWERED

> We, the Stockholders (Citizens) of this corporation, (the United States of America) are extremely concerned with the management afforded by the President and the Executive Committee (the President and his Cabinet) in the conduct of the corporation's affairs. We turn to you, the Board of Directors, (Congress) for an explanation why you, as representatives of the stockholders, have allowed our company to disintegrate until it has become the laughing-stock of the world. We would like answers to the following questions:
>
> 1. Why is it that a country of 200 million cannot defeat a country of 15 million?
>
> Is it because politically motivated civilians instead of military, control military action?
>
> 2. Why do you allow an enemy base ninety miles from our shores and prevent Cubans from returning to their country to recapture it from the enemy?
>
> Is it to appease Castro and friends?
>
> 3. Why are you willing to give up the Panama Canal? Do you wish to create the uncertainty of a Nasser-controlled Suez Canal? Would you give up Alaska if the Russians objected or the Louisiana Purchase if de Gaulle objected?
>
> Is it to appease Central America and friends?
>
> 4. Why was a passport given to Lee Oswald and others to go to Russia to be indoctrinated with Communism and then return to our country?
>
> Is this not an attempt to carry "Life, liberty and the pursuit of happiness" too far?
>
> 5. Why have you let the streets of our cities and small towns become unsafe for the use of law-abiding citizens?
>
> Is it because our laws favor the criminal with little regard for the citizen or law enforcement agents and agencies?
>
> 6. Why are Stokely Carmichael and Rap Brown and others allowed to roam our land inciting riots, preaching insurrection, and of committing acts of sedition with impunity?
>
> Is Freedom of Speech a blank check to encourage violence?
>
> 7. Why do you permit the Supreme Court to make the laws of our land by judicial edict?
>
> Is it because a great many of the decisions are favorable to administration policies?
>
> 8. Why are federal funds used to encourage unwed mothers to bear new children promiscuously to improve their economic status?
>
> Is it an attempt to blanket social disorder with economic aid?
>
> 9. Why do you permit our country, during the most prosperous time in history, to go further and further into debt?
>
> Is it because we have absorbed the Utopian drug of "spending oneself into prosperity?"
>
> 10. Why do you allow hoodlums to burn and loot our cities?
>
> Is it a failure of our laws or insufficient and/or inadequate enforcement?
>
> 11. Why do you give foreign aid to supposedly friendly countries who are giving aid to our enemies?
>
> Is it an attempt to present an image of beneficence that in reality is a military backlash?
>
> 12. Why do you back sanctions against Rhodesia at Great Britain's request when the British have not fully supported us in Vietnam?
>
> Is it to bribe the British to back our International policies plus more than a suspicion of domestic political expediency?
>
> We do not believe the stockholders of any corporation would condone such mismanagement of its affairs by their Board of Directors. We insist that you who are in charge of the management of our corporation desist from yielding to the pressures applied from within and without and perform your duties more efficiently and save our corporation (the United States of America) from bankruptcy and destruction.

A Tribute to the Reverend Lloyd Edward Galloway

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. HAWKINS. Mr. Speaker, on February 10, 1968, religious and civic leaders of Los Angeles will join in paying tribute to the Reverend Lloyd Edward Galloway on the occasion of the 25th anniversary of his service as pastor of the Lincoln Memorial Congregational Church.

Rev. Lloyd Edward Galloway was born August 4, 1913, in Annapolis, Md. Received his early schooling there and graduated from Stanton High School in 1932.

He did his undergraduate work at Morgan State College in Baltimore, Md., and received his bachelor of arts degree from that institution in 1936.

To prepare himself for the ministry, he matriculated at the University of Chicago Theological Seminary and received his doctor of divinity degree in 1940. Additional educational experience includes enrollment at the University of Southern California in 1945 where he did graduate work in the field of psychology and the New Testament.

His latest training experience came about when he was selected to attend a 3-month course at the Urban Training Center for Christian Missions, in Chicago, Ill.

After serving short terms as pastor of Congregational Churches in Athens, Ala., Thomasville, Ga., Greensboro, N.C., and Ashboro, N.C., Reverend Galloway was called to Lincoln Memorial Congregational Church in 1943, where he has served with deep dedication and devotion for 25 years.

Since coming to Los Angeles he has participated in numerous community welfare activities. Listed below are a few:

First. One term as president of the Southeast District Coordinating Council, 1948 to 1949.

Second. Served as member of the Los Angeles County Human Relations Commission from 1945 to 1949.

Third. Served as member of the Green Meadows Boy Scout Council as well as a Boy Scout master from 1944 to 1950.

Fourth. Volunteer pastor for religious services at the Los Angeles County Jail.

Fifth. Currently serving as president of the Crenshaw Inter-Denominational Ministerial Alliance.

Sixth. Currently serving as assistant moderator of the General Council of Congregational Churches.

I am happy to join in this public recognition of the Reverend Galloway's many years of spiritual guidance and dedicated service to his parishioners and our community.

Congressman Horton Notes Undying Spirit of Ukrainian People 50 Years After Birth of Their Independence

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. HORTON. Mr. Speaker, since the enforced union of the Ukraine to Russia's empire in the middle of the 17th century the people of the Ukraine have not known national independence and freedom, except for a brief and agonizing 2-year period in 1918–20. They had suffered more than two and one-half centuries under the oppressive regime of Russia's czars before they had their chance for freedom. During that long time their overlords did all in their power to eradicate and destroy everything that symbolized the free spirit of the Ukraine. But they did not succeed in their evil design, for the spirit of freedom and independence was firmly rooted in the very soul of the Ukrainian people and lived on. Then, toward the end of First World War, they had their chance, seized upon it and proclaimed their national independence on January 22, 1918.

That momentous event gave birth to the Ukrainian Republic. But from the new state thus born was doomed without quick and effective aid from its sympathizers abroad. It was surrounded by foes, and these were bent to put an end to the Ukrainian state. The Red army of the Soviet Union assumed this task of treachery. Early in 1920 the Ukraine was attacked, overwhelmed, its government overthrown, and its independence terminated. Then the country was made part of the Soviet Union, and to this day as such it remains.

The Ukrainians have suffered more under the Soviet dictators than under the czars, and they have sacrificed much in the course of more than four decades. But they still cherish their national independence. On this year's observance of the 50th anniversary of their Independence Day I pray and hope for the attainment of Ukrainian independence.

This continuing longing of the Ukrainians for freedom has not gone unnoticed or unsupported in the United States. Today, 48 years after Red Army terror snuffed out the short-lived independence of the Ukraine, we in America are witnessing a repetition of that terror in another corner of the earth. But unlike the experience in 1920, the Communists are today meeting effective resistance to their attempts to conquer smaller nations—their appetite for extending world communism is being continually frustrated.

I know that my colleagues in this body recognize the zealous support among Americans for freedom in all European Soviet satellite states. This support is led by Americans of Ukrainian, Hungarian, Czechoslovakian, Polish, Lithuanian, Latvian, Estonian, Rumanian, Bulgarian, Albanian, and other nations of origin. These transplanted people, who today lead free and productive lives within the safety of our shores are daily communicating to their fellow Americans the strength and urgency of the cause of freedom in Communist dominated lands.

It is appropriate that we underscore the freedom consciousness of these captive peoples as we mark this 50th birthday of Ukrainian independence.

War Tough on South Vietnam Peasants—Graft Reported To Be Rampant

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. RIEGLE. Mr. Speaker, on Sunday, January 28, 1968, the Flint Journal carried an Associated Press feature story on corruption in South Vietnam. Perhaps the article is best summed up by one direct quote:

> For the elite (in Vietnam), things are going very well indeed. For the peasant, things are going badly.

The full text of the story is presented below:

WAR TOUGH ON SOUTH VIETNAM PEASANTS—GRAFT REPORTED TO BE RAMPANT

(By John Nance)

SAIGON.—As South Vietnam enters another year of the long war, how are things going on the home front?

That depends a lot on whether you're a peasant, a member of the middle class, one of the idle rich, a government official, or somewhere in between.

For the elite, things are going very well indeed. For the peasant, things are going badly.

Corruption in the higher echelons continues as it has in the past.

The cost of living has trebled in two years, making the constant scramble for a fast piaster more frenzied than ever.

Escalation of the U.S. war effort has brought an ever-increasing influx of money. This has worsened inflation and multiplied the opportunities for theft and graft. The Vietnamese have not been slow to seize these opportunities.

DELAYS ARE CITED

A Saigon newspaper estimated recently that 85 per cent of all construction in the city from 1963 to 1966 involved luxury projects—bars, night clubs and plush housing for the Americans and the local rich.

Meanwhile an official in the health section of the U.S. Agency for International Development—AID—complained that he had been balked by bureaucratic delays for more than a year in his attempt to improve facilities in Saigon's 22 medical dispensaries and three public hospitals.

Under construction in downtown Saigon is a $3.4-million building which will have a night club, a skating rink, a supermarket and a shopping arcade. Asked how he could bring his project into being in wartime, the builder said: "If you have the means, there are ways."

One Vietnamese contractor said he took on a government building job and when it was one-third finished filed a request for part payment of his money. The request had to be certified by five different government officers.

"My papers just sat on someone's desk until I slipped them a little money," the contractor related. "I paid off nine times just to get the papers to the ministry that was supposed to pay me. Then I waited months for my payment.

"I finally had to pull my crew off the job—I couldn't afford to wait any longer. That's the last government contract I will ever try."

GRAFT IN POLICE

Graft in South Vietnam comes in all shapes and sizes. Some random examples:

A man was accosted by a policeman who demanded to see his identification card. The man had left it in another pair of pants ("Suddenly I was a Viet Cong suspect"). He handed the cop 200 piasters—$1.74—and went on his way.

A Vietnamese secretary and her American boy friend were bound for a restaurant when a policeman stopped them and threatened to arrest the girl as a prostitute. The boy friend fixed it for 1,000 piasters, $8.70.

A Saigonese wanted the government's public telephone and telegraph department to install a telephone in his home. He says he finally got action by laying out under-the-table payment of 100,000 piasters.

A man who required a bar license for a new saloon greased the way with $4,350 divided among four officials.

A Vietnamese mother who feared her son would be drafted into the army bought him an appointment to the police force for $435.

U.S. observers say there is little they can do to combat the dishonesty which permeates the Vietnamese economic system.

"For the United States to try and tackle that," one commented, "would be like Washington bringing in 5,000 Vietnamese detectives to try and crack the Mafia in America."

An AID economist put it this way:

"Let's face it, there's not much we Americans can do about the social problems—the Vietnamese have to do it. We can push and nudge them a bit, but the real crunch must come from them.

"The new government says it wants to spread wealth and stop corruption, but we shouldn't expect miracles. The power structure of Vietnamese politics is such that a leader just can't cut off a corrupt underling—often it would mean cutting off a key source of power, like cutting off a leg."

Last September the new government of Nguyen Van Thieu retired four generals and fired a military province chief in a purge of officers accused of being corrupt or inefficient.

The province chief was charged with receiving money illegally in a land transaction.

RACES POPULAR

A lot of people seem to have a lot of loose money in Saigon.

Thousands go regularly to the races at the Saigon track, where the war seems far away, even though you often can hear the not-so-distant booming of artillery.

In the countless night clubs the mini-skirted, silk-shirted go-go types cheerfully shell out $2.50 for a soft drink and $2.75 for a beer.

Youthful idlers known as "cowboys" dash around on shiny new motorcycles and nobody seems to know why they aren't in the army.

The black market in American Army goods and Post Exchange items continues despite repeated government threats to choke it off—and assertions by U.S. officials that the diversion of supplies has been reduced dramatically by new computer checks and other controls.

While many in power grow wealthy through theft and bribe-taking, the common people have been driven to frantic expedients to make ends meet.

Civil servants on fixed incomes are among the hardest hit by inflation. Some who used to be honest now want to know, "What's in it for me?"

Salaries are low in Vietnam. Workers such as civil servants and secretaries often receive as little as $43 a month.

Somewhat better off is one graying, 43-year-old official of medium rank in the Ministry of Reconstruction. The family income is $152 a month.

PRICES GO UP

Since November, 1966, the price of pork has shot up 70 per cent, fish 73, chicken 25, aspirin 36, laundry soap 67, bus fare 72, cycle-taxi fare 60 and good grade rice 42.

The attractive daughter of a policeman took a job as a bar girl. She earns up to $170 a month. Her father's base pay is $43 a month and he has six children.

She said being a bar girl isn't respectable and she doesn't care much for the job but "if I were a secretary or worked for the government I'd make only about one-fourth what I do now, and the family needs the extra money."

Thousands of civil servants have left government jobs for higher-paying work in private business or industry.

The base pay of a South Vietnamese army enlisted man, incidentally, is $12 to $45 a month plus modest family allowances.

The prices peasants receive for their crops have risen, in some cases sharply. But much of the gain has been eroded by inflation in the prices of goods the farmers have to buy.

Corruption has seriously impaired the collection of customs duties, which account for nearly half of South Vietnam's tax revenues.

In 1963, customs officials seized $58 million worth of illegal imports. Three years later gross imports had tripled, but seizures had shrunk to $18 million.

"Men who wouldn't take a penny in payoffs five years ago now have new houses and two cars," said one customs supervisor. "They can't do that on the $900 a year the government pays them."

TAXES EVADED

South Vietnam has an income tax and one of the great indoor sports is evading it.

Currently, the income tax yields 17 per cent of government tax revenue. Almost everybody agrees that the take is ridiculously low.

One U.S. expert who came over as an adviser to the tax service declared: "Private businessmen, landowners, the self-employed and professional people simply are not paying anywhere near their appropriate income taxes."

The Ministry of Finance tries to catch tax dodgers by auditing their books, but this doesn't work very well. Many enterprises keep sketchy or doctored accounts, and a ministry official remarked: "From past experience we know that an auditor's small salary makes it extremely difficult for him not to accept a gift from the management and turn his head."

An Associated Press investigating team reported last year that 20 per cent of U.S. civilian aid and Army store supplies were lost to corruption and theft in South Vietnam.

Washington sources insisted this figure was too high, but conceded that such losses might run 5 to 6 per cent.

THEFTS REDUCED

What is the situation now?

U.S. officials on the spot say new checks and controls have brought considerable improvement.

A spokesman for AID said a recent sample audit covering $280 million worth of goods showed that less than 1.2 per cent had been diverted from its intended destination. The total AID outlay for the 1966–67 fiscal year was $673 million.

"You are never going to get an exact figure," one official said. "It's impossible. At best we can only take the loss from a percentage of goods checked and then project that for all goods that come in.

"And remember, if we check one day, the whole equation would be entirely different the next day. Ships and planes may bring in thousands of tons of goods any day at any port."

Officials of the U.S. Post Exchange system, which imports annually about $324 million worth of items for sale to American troops, said losses were down to about 4 per cent.

Vietnamese black marketeers still operate openly in the streets, with hundreds of stalls offering a wide variety of goods illegally obtained from the Post Exchanges or other stocks of supplies originating in America.

Still thriving is the "pirate peninsula" of An Khanh, just across the river for the Saigon dockside, which is stocked with refrigerators, television sets, motor vehicles and vast quantities of stolen or smuggled cigarettes, liquor and beer.

But over all, U.S. authorities claim, it is becoming more difficult for the South Vietnamese underworld to lay hands on supplies coming from America.

A major factor in the pilferage of previous years was port congestion. Average turnaround time for a ship in the port of Saigon in August 1966, was 89 days, which gave the thieves plenty of time to nibble away at cargoes.

Now the U.S.-built Newport Army Terminal about three miles north of the main port of Saigon is open for business and ship turn around time has been cut to less than six days.

WATCH EXPANDED

The AP investigating team found last year that great quantities of U.S. goods were distributed without adequate checks and without keeping complete records.

Since then the U.S. General Accounting Office has set up a watchdog operation with nine permanent staffers in Saigon and as many as 30 more on special temporary assignments.

AID increased its American auditing staff from 18 in June, 1966, to 44 in November, 1967.

One AID official said it was undeniable that leaks still occur. He explained: "Once goods get to the province warehouses the Vietnamese have a strong say in what happens to it. We can't follow it to the hamlets. We wouldn't want to if we could. That would go against our whole policy of acknowledging Vietnamese sovereignty and helping them build their own systems of distribution. Despite our tremendous involvement, it is their country after all."

An officer of the U.S. military police said Vietnamese sovereignty also has to be considered when attempts are made to throttle the black market in Post Exchange and other American goods.

The officer conceded that a role in the black market is played by American soldiers, but pointed out there are only 20 Army criminal investigators in the Saigon-Long Binh area, where 35,000 troops are stationed.

"Frankly, although we catch a few of the boys, we just have not the manpower to really crack down," he said. "And when it comes to the Vietnamese side of things, the black marketeers and the street stalls, we haven't the authority."

Last summer Deputy Mayor Nguyen Van Ngo decreed that the street drifters must go. "These people will be severely dealt with," he declared. "All merchandise will be confiscated."

A few weeks later the Vietnamese police descended on the black marketeers, gathered up a small part of their wares and publicly burned it.

Within days the black marketeers were back at their old stands, offering such U.S. PX wares as liquor, cigarettes, razor blades, beer, toothpaste, transistor radios, cameras, film and canned goods.

SECURITY TIGHTER

Much of the PX merchandise reaches the black market stalls by way of GIs who buy it legally and resell it illegally at a profit.

A lot of other items, including heavy goods such as refrigerators and television sets, vanish from trucks in transit—often a whole truckload at once.

Another big hole in the U.S. taxpayer's pocket used to be wholesale thefts of tools and materials from American-financed construction projects. The contractors say they have finally licked that problem with beefed-up security forces and a computerized inventory control system.

"We built up security so tight that we had men out looking for missing hammers," said Frank S. McGarvey, head of the big RMK-BRJ construction consortium. "We just don't miss things any more."

For all the surface prosperity the South Vietnamese government cannot seem to find the funds or personnel for an effective attack on one of the nation's major and long-standing problems—public health. American efforts in this direction often run afoul of frustrating bureaucratic obstruction.

A team of U.S. medical experts who toured the country last fall declared that "the overriding need in Vietnam is marked expansion of efforts in preventive medicine."

Despite millions in U.S. aid, little has been done to help the two million tubercular South Vietnamese and the 100,000 lepers, or to combat the repeated cholera epidemics.

Col. William Moncrief, associate director of public health for AID, said American health officials were able to spend only $27 million of a budgeted $40 million in 1967 because of Vietnamese government foot-dragging.

Control of most Vietnamese government and foreign aid money spent domestically is in the hands of the Vietnamese Directorate General of the Budget and Foreign Aid—DGBFA.

Vietnamese and AID health officials decided to repair dilapidated toilets and sewage disposal facilities and improve water and electrical supplies at 26 Saigon medical centers.

DGBFA earmarked the money—about $435,000— in December, 1966.

AID TAKES OVER

Then came months of red tape, paper shuffling and discussions over who would control the spending of the money. It was decided that DGBFA would.

But building contractors would not draw plans or bid on a project to be handled by DGBFA, knowing from experience that it would take 10 to 14 months to get paid.

In the spring of 1967, AID officials persuaded a U.S. engineering firm to draft the plans. The plans were completed in three weeks but months passed and the firm did not receive its fee from DGBFA.

AID set out to get control of the money from DGBFA. After four further months of talks and memos, the money was shifted to AID control in November. But the funds were deposited in the wrong bank and found their way back to DGBFA. It was another two weeks before AID could get hold of it, and as of December the contracts had still to be let.

On Nov. 25 records of AID's Contracts Division showed that 17 contracts arranged as long as a year back were being held up awaiting a decision by DGBFA on the method of payment.

DGBFA's end of the deals involved only the portions to be paid in piasters, ranging from $30,000 to $707,000. Counting the portions to be paid in U.S. money the delay was holding up millions of dollars worth of work.

A high-ranking officer of the North Vietnamese army who defected to South Vietnam after three years fighting on the Communist side expressed astonishment at the atmosphere in Saigon when he made his first visit there recently.

"I couldn't believe it—the bars, the cowboys dashing around on their motorbikes, the general lack of concern about the war," he said. "Where's the direction, the leadership, the desire to win?"

One high-level AID official asserted that American hand-wringing about Vietnamese dishonesty is futile.

"We scream about corruption, graft, bribery and so on and how much it's costing us," he said. "But for officials to make money out of their positions has been in the Asian system for centuries. When we pour billions of dollars worth of goods through that system what can we expect?"

Remarks of Ambassador Leonard Unger

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. HUNGATE. Mr. Speaker, I would like to call to the attention of my colleagues the following article by Leonard Unger, American Ambassador to Thailand. The speech was delivered to the Bangkok Chamber of Commerce during my recent visit there:

REMARKS OF AMBASSADOR LEONARD UNGER

I appreciate this opportunity to meet with members of the American Chamber of Commerce in Thailand, and welcome the invitation to carry on the tradition of an annual appearance by the American Ambassador. Much of what I have to say today will relate to our relations, as Americans, with the Thais in whose country we are living as guests. While the record of Thai-American relations speaks for itself, generally, sight tends to be lost from time to time of certain basic realities which I would like to put in better perspective. I should state at the outset, that in addition to speaking as the President's personal representative to Thailand, I am expressing deep, personal convictions based upon experiences over the past ten years—first in Thailand, then in Laos, and more recently in Washington, where I dealt with many Southeast Asian matters, particularly the problem of Vietnam.

I

Vietnam, by almost any standard, is the most absorbing and complex issue in American political life today. The issue is whether the nations of Southeast Asia shall be able to set their own independent course and be free of subversive aggression. Thailand, therefore, also attaches extreme importance to the outcome of the Vietnamese struggle. Its determination equals that of the United

States to bring about a final settlement in Vietnam which assures national freedom and fosters the return of peaceful order to Southeast Asian affairs.

The government of Thailand has made its position unmistakably clear. It has done this through active participation in collective defense arrangements under SEATO. Thailand has also enabled the U.S. to bring its air power to bear against North Vietnam and its infiltration into the South. Thailand has sent troops of its own to help defend South Vietnam, and it has taken firm measures to protect its own people against those assaulting not only South Vietnam and large sectors of Laos today, but Thailand itself.

Communist hostility toward Thailand is but one of many reflections of this nation's strategic importance in the total Southeast Asian picture. Ironic as it may seem, another measure of Thailand's key role in Southeast Asian events is this country's growing prominence in the American controversy over Vietnam.

In the cross fire of political battles over Vietnam, many Americans naturally want to examine our commitments elsewhere in the area, and to assess the dependability of those with whom we have aligned ourselves. I do not quarrel with the usefulness of responsible, free debate. I am seriously troubled, however, when I see certain facts about Thai-U.S. cooperation misread in ways that damage Thai-American interests, and encumber the Vietnam problem with negative and discouraging implications which do not actually exist.

The frequency of late of such distortion and misinformation has provided a new and disturbing experience for the Thai government and people. It is never pleasant to find one's country being criticized or subjected to hostile cross examination by foreigners. It is even less pleasant when they seem to question the validity of national policies, programs and institutions that have been carefully developed over the years for the express purpose of self-preservation. Having governed themselves for over 700 years, the Thai feel no need to adjust their way of doing things to meet foreign concepts of how things should be done. Moreover, having decided that defending Vietnam is in Thailand's own best interests, they do not want their actions interpreted—or misinterpreted—in lights cast by the clash of conflicting views over similar U.S. policies. Neither do they want it assumed that their fundamental policies are merely a response to the wishes of a large power. Understandably, they resent the bland assumption that the pattern of events in a neighboring state inevitably will be repeated in their own.

II

Nevertheless, perhaps largely because Thailand is known to have both communist guerrilla forces and U.S. military units in the country, it seems often to be assumed that American forces have been sent here to deal with the internal threat and are more or less covertly engaged in combat against insurgents in Thailand's rural areas. This of course is not the case. The only combat actions in which U.S. forces here participate are those well-publicized out-of-country operations directed against Vietnamese communist targets. U.S. military units in Thailand, other than those belonging to the Air Force, are neither equipped nor organized for combat assignments. The Thai government has stated repeatedly that in suppression actions against the guerrillas, the only American help it wants or needs is that giving Thai military and security forces their own means of dealing with the problem.

Combat operations by Thai-based units of the U.S. Air Force are carried out against North Vietnam by our fighter-bomber aircraft, and against Viet Cong concentrations in South Vietnam by B–52 bombers, and have entailed the assignment to Thailand of about thirty-three thousand U.S. Air Force personnel. The Air Force units require in turn, from other U.S. military services here, myriad forms of logistical support in which some seven thousand troops are engaged. There are roughly three thousand additional U.S. military personnel in Thailand serving with the military assistance program, working on engineering and military research projects, and in SEATO.

Let me add, if I may, a footnote to what I hope will end misguided speculation about U.S. involvement in guerrilla warfare here. A year ago, Ambassador Martin confirmed for you that unarmed U.S. Air Force helicopters were on assignment in the Northeast. As Ambassador Martin emphasized, this was a temporary, non-combat measure, taken at a time when added mobility was of critical importance to Thai authorities organizing their own resources to blunt an accelerating insurgent threat. Accordingly, in January of 1967, after the Royal Thai Government had completed the transitional training required for field operation of its own newly acquired force of forty-nine troop-carrying helicopters, the U.S. helicopters were withdrawn from Thailand. They were replaced in the field by these Thai helicopters, furnished by the U.S., which Thai authorities are using with increasing effectiveness. Additional helicopters have been provided, including ten to the Thai National Police, and more will become available to the armed forces and police as Thai pilots and mechanics complete training courses and can make use of these aircraft.

The lesson here, I think, is two-fold: First, the nature of American assistance to Thai counter-insurgency programs does not lead toward direct American involvement in those operations. On the other hand, we must not become so transfixed by our Vietnam experiences that we lose our capacity here to take decisive, practical steps in providing the training and equipment with which the Thai government itself can bring the insurgency under control, and in due course eliminate it.

III

We will continue to hear dire predictions, that Thailand inevitably will go the way of Vietnam, and that sooner or later Americans will be fighting communist insurgents here. In fact, Thailand resembles Vietnam only in that it is another intended victim of the same communist effort to expand its domination by using the technique of the "war of national liberation." Violence and killing in Thailand by communist terrorists, most of them trained outside Thailand, does not express grass roots political sentiment.

Thailand's people are united in a rapidly developing nation seeking to work out its political and economic destiny with care and forethought. Land ownership is primarily in the hands of those who work the soil. There is no tendency to split along religious lines, since virtually all Thai are Buddhists. Minorities are for the most part being assimilated and woven into the life of the country. One could cite many other factors working in Thailand's favor—its sense of self-confidence developed over centuries of managing its own affairs—its able leadership, competent civil service, and armed forces showing their mettle today in Vietnam—its economic growth rate running around eight percent per annum—its capacity to organize and carry out rural security and development programs—and the social and economic mobility of Thai life.

Furthermore, Thailand's well-educated, skilled and enterprising young people do not migrate to other countries except in rare instances. Among the hundreds who annually go abread for long periods to further their education or professional experience, all but a few are drawn back by loyalty and family ties and by their country's ample economic opportunities. I think it is fair to say, incidentally, that in large measure these have been created by Thailand's heavy emphasis upon private initiative and enterprise.

Thailand is also unique in that the continuity of its life and institutions has never been broken by colonial experiences. There has never been any need here for a national independence movement aimed at dislodging colonial rulers. Communist bands do not find in Thailand, therefore, as they did in Vietnam, any real opportunity to generate loyalty to a revolutionary struggle, or to identify themselves with compelling patriotic causes.

Above all, there flows from Thai attitudes toward the person of His Majesty the King and the institution of the monarchy a sense of national unity and continuity so strong that it extends into the remotest villages. To the citizens of Thailand, the King's full endorsement of efforts to counter the guerrilla threat is a buttress against subversive attempts to undermine the government's authority. In Thailand, as the communists have discovered even in relatively unprotected rural areas, the task of marshaling popular support for anti-government causes is difficult and unrewarding.

IV

In the Northeast, for example, in a poor area encompassing more than ten million people, where several years of subversive groundwork has been followed by two years of intensive terrorism and recruitment drives, the number of armed insurgents remains below two thousand. Reliable intelligence indicates that considerably more than a thousand of them have been trained outside Thailand in Communist China, in North Vietnam, and Pathet Lao territory.

At present, the mission of the insurgents, almost all of whom are full time fighters, assassins and political activists, is simple. Their mission is to break the links between Thailand's government and villagers, and to then replace the government's authority with their own. While there are isolated villages where this mission has been accomplished for a few hours, there is no point in Thailand upon which the insurgents have thus far been able to impose more than temporary control.

To see the present situation in fair perspective, however, one must look back to 1966. During that year, the level of communist violence increased markedly over 1965, a rise consistent with the insurgent campaign predicted by Peking in 1965. Communist operations reached a high point toward the end of 1966. In January of last year, the number of armed encounters rose as the Thai government's counter actions developed momentum. By March 1967 the insurgents had adopted the tactic of avoiding contact with government forces, and the number of monthly armed encounters dropped by two-thirds. The rate of forced village propaganda meetings has declined even more dramatically during the past year. Assassinations have shown a slight but steady decline and now are at a lower rate than at any time over the past two years.

A prime explanation of these trends, in my opinion, is the combination or armed pressures by Thai military and security forces and the expansion of Thai Government programs for the improvement of the villager's lot. The forces have chased the insurgents from past operational bases and forced them into other areas. This has broken or strained insurgent connections with established sources—often merely their own kinfolk—of food, intelligence and other forms of support. This has raised significantly the rate of defections and desertions, which reflect in general a lack of political motivation among those villagers recruited through intimidation or promise of material gains.

Given the Royal Thai Government's commitment of additional military and police forces to communist suppression work, its program to establish small, permanent security forces in threatened villages, and its growing attention to the aspirations and legitimate grievances of the villagers, I would expect insurgent efforts to organize the Thai countryside to meet with as little success in 1968 as they did in 1967.

They wont quit, however. Those who dominate the guerrilla ranks in Thailand are disciplined, well-trained, fully-indoctrinated insurgents. Thailand's northeast border provinces, where most of them are operating, or some of the other Thai border areas where there have been indications of additional outbreaks of insurgency, are too important to long-range communist plans to create a revolutionary base within this kingdom. More immediate objectives include protection for the flank of communist infiltration routes through Laos into South Vietnam; development of a capability for striking Thai military installations, including those being used to help in Vietnam; inducing the Thai government to question its policy of close alliance with the U.S.; and shaking U.S. faith in the stability of its ally.

V

The Thai government has developed an effective program to contain and compress rural insurgency. It has committed the requisite resources for this as well as for accelerating rural progress to make it increasingly difficult for subversive influences to take root and grow. Our two governments have agreed on how American economic and military assistance can best provide support to such programs. In fostering rural progress, the Thai government plans to continue to emphasize provincial roads and other communications links; expanding agricultural, public health, educational, and other governmental services in rural communities; assisting farmers' organizations; and developing water resources for human consumption and irrigation. Other projects are designed to establish local security forces in more and more of the endangered remote villages, to mobilize military and police forces for quick reaction to the outbreak of insurgent violence, and to modernize Thai military forces for defensive action against larger scale communist penetrations. The U.S. will assist these efforts with substantial levels of economic and military aid which last year totaled more than one hundred ten million dollars.

In all our programs here, however, whether they fall within economic, military, or other categories (the Peace Corps, for example), there is an additional underlying theme, which must not be overlooked to get a true impression of what Americans are doing in Thailand. That theme is education in the broadest sense of the word. The emphasis upon teaching, technical training, and advisory activities in our assistance programs here is in keeping with Thailand's traditional practice of welcoming and importing advanced knowledge and new skills. Historically the Thais have sought to draw generously upon the experience and know-how of others to improve their own techniques so that they will be in a position to manage their own affairs with ever-increasing effectiveness.

In response to Thai requests, the U.S. has undertaken to provide large numbers of technical advisors, training instructors, professional consultants, and other specialists capable of imparting the special knowledge, competence and skills which Thailand wants in greater abundance. Those who can be classed as advisors, trainers, instructors and educators account for more than three quarters of the total USOM staff of Americans. A substantial proportion of U. S. assistance funds are allocated annually to the training and further education of Thai civilian and military specialists. Under the Participant Training Program administered by USOM since 1949, over five thousand Thais have gone abroad, to the U.S. and elsewhere, for advanced training. Additionally, many of the large scale Thai government projects which receive U.S. assistance are directly concerned with training. These include, for example, a program for training twelve thousand new members of the Thai National Police by the end of this year; the training for Accelerated Rural Development programs of technical personnel, over seven hundred of whom have completed basic courses, while fifteen hundred others are receiving on-the-job training in the provinces; the instruction of paramedics for rural public health services; educating village youths in basic vocational skills taught by instructors in mobile training units. These, to be sure, are but some of the ways in which Thailand obtains professional competence and technical skills to meet problems at home and keep pace with the outside world. By the way, as proof of the wisdom of the Thai Government's policy, I have been impressed with the large number of fields in which Americans and others were providing training here some years ago, when I was last in Thailand, but in which I now find Thai carrying on by themselves.

VI

To understand fully why Thailand and the U.S. have undertaken many of the wide range of projects which engage us here, one must first look outside Thailand—toward Vietnam and beyond—at Southeast Asia as a whole. Within this vast, potentially wealthy area live 250 million people. None of them would be beyond the ambitious, domineering embrace of communism if no adequate obstacles existed to Red Chinese and North Vietnamese expansionism. We must add to this reservoir of Asian manpower, a fertile land mass the size of Western Europe, vast hydroelectric, mineral and petroleum resources, and a geographical position astride the air, sea and land routes joining the Pacific and Indian oceans.

U.S. policies toward the area take those strategic considerations into account, and above all the common determination among Southeast Asian states to preserve their national identities while advancing toward a more secure, stable and prosperous existence. U.S. policies in the individual nations of Southeast Asia are consistent with the basic American posture toward the area, but they vary from country to country, depending upon the capacity of each to maintain itself to its own satisfaction without outside help. The U.S. objective in these bilateral relations is an equal, progressive mutually advantageous partnership, such as we have long enjoyed with Thailand. Our partnership with Thailand has proven uniquely productive, both in bilateral terms and in the beneficial, steadying effect it has had elsewhere in the area.

Thailand conducts its affairs on the basis of an independent, well-conceived set of policies which it has developed for itself toward the nations of this and all other areas of the world. On such basic matters, Thai and American positions are basically consistent. The effect of our alignment with each other, and with like-minded nations, is to give each of us greater influence than either nation could expect to exert in the absence of reinforcing policies and actions by the other.

Thailand, like America, is helping Vietnam in its own best interests. The United States is aiding Thailand for the same reason, and because it is our common firm belief that Vietnam is but one aspect of a much larger, potentially more formidable problem. Our efforts to solve and settle that problem depend ultimately upon people, both Thai and Americans, living and working in closer contact and in far greater numbers than ever before. This tests the capacity of Thai-American relations to withstand strains that our easy and cordial associations have not known before. I am fully convinced that the long term results from this period of intimate and broad Thai-American contacts will prove wholly positive.

John W. Gardner

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. STEIGER of Wisconsin. Mr. Speaker, the retirement of John W. Gardner as Secretary of Health, Education, and Welfare is a very real loss. Recent editorials in Wisconsin newspapers express well the sadness which I personally feel as a result of Secretary Gardner's resignation. The need for excellence in government was the call of John Gardner and his departure from the Federal Government will leave a significant gap in leadership. For the information of my colleagues, I include editorials from the Milwaukee Journal and the Paper of Oshkosh, as part of my remarks, as follows:

[From the Milwaukee (Wis.) Journal, Jan. 26, 1968]

A MAN OF EXCELLENCE

Seven years ago, and three years before President Johnson popularized the phrase "great society," John Gardner wrote a thoughtful essay called "Excellence." Americans, he wrote, "long, long ago were committed, as free men, to the arduous task of building a great society—not just a strong one, not just a rich one, but a great society."

Four years later Gardner was the man chosen by the president to head the sprawling Department of Health, Education and Welfare—the federal agency most involved with putting the administration's Great Society concepts into effect. Today the phrase is no longer frequently heard, some of the Great Society goals have not been reached, but a start has been made. Gardner was responsible for much that was accomplished.

The last few years have brought an unprecedented expansion of federal involvement in education, health and welfare. Medicare and the elementary and secondary education aid act, two of the period's major pieces of legislation in these fields, fell to Gardner's department to administer. It was a monumental feat of management, successfully accomplished.

Besides extraordinary administrative abilities, Gardner brought intellect, wit and a sense of purpose to his assignment. He frequently said that preserving a sense of individual dignity and importance was one of the greatest challenges of an era in which, all too often, man is reduced to a serial number.

Gardner's resignation this week deprives government of the services of a wise, farseeing and dedicated man.

GARDNER RESIGNATION A SERIOUS LOSS

John W. Gardner won't say so in public, but his resignation as Secretary of Health, Education, and Welfare is a direct result of the Vietnam war.

Gardner believes that U.S. spending priorities are badly distorted. The vital programs he administered suffered serious budget cuts this year because of the $25 billion which is being poured in Vietnam.

His departure is a serious loss to the nation. No man has been more effective in the difficult HEW cabinet job. And HEW programs touch the lives of all American—food and drug control, education, public health, social security, medicare.

But beyond the obvious bureaucratic task of overseeing a vast array of social welfare programs, John Gardner has been a creative thinker—perhaps the foremost intellectual in government.

He has been deeply concerned with the problems of the cities. And he has triggered administration interest in the long term need to improve the "quality of life"—a phrase we shall hear much more of in years to come.

With the departure of Gardner and Robert McNamara as Defense Secretary, President Johnson has lost his two best cabinet officers. He also has lost a brilliant Budget Director, Charles Schultze. We think the departure of U.N. Ambassador Arthur Goldberg is imminent, and Agriculture Secretary Orville Freeman may also leave this year.

Clark Clifford is a good choice to replace McNamara, but he may be only an interim appointment. If Mr. Johnson is re-elected, we can expect to see almost all new faces in the cabinet.

College Costs Soar

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. ERLENBORN. Mr. Speaker, the Arlington Heights, Ill., Herald on January 24 expressed a perceptive view of the soaring costs of higher education and what could be done to cope with them. They urged enactment of a proposal by the Honorable DONALD RUMSFELD to allow a tax credit for a part of these costs. More than 100 Members of Congress have joined in introducing this measure. I respectfully submit the Herald's editorial for the consideration of our colleagues in the House and Senate:

COLLEGE COSTS SOAR

Suburban parents were warned this week of the increasing burden in financing a college education.

Joseph D. Boyd, executive director of Illinois State Scholarship Commission, said many schools will be charging higher tuitions this fall; it's almost certain that colleges not increasing charges this September will be doing so next year. He said the average tuition increase is about 7 per cent each year, and the outlook is for annual increases of 9 per cent.

In Illinois, the student who in 1958 was paying an average of $155 in tuition and fees for a year at one of the state universities was paying an average of $244 by 1966–67. At the current rate of increase, the entire expense of a four-year education in 1940 will barely cover a year's tuition in 1980.

College costs have more than doubled in the last decade; a 100 per cent increase is expected in the next 10 years. Contributing to escalating operating costs in both public and private institutions are population growth, enrollment growth, increased graduate study, inflation, rising salaries, expensive equipment, and the need to guarantee quality as well as quantity in higher education.

These trends work special hardships on middle-income suburban families, which find it most difficult to meet financial eligibility standards for scholarship grants. With educational expenses far out-pacing any rise in personal income, this group will force a heavy and sacrificial drain on the family budget, severe debt, or the prospect of their youngster being denied a college education.

The soundest, most practical solution to this dilemma has been offered by Cong. Donald M. Rumsfeld, R-13th, who submitted an educational tax credit proposal to the 88th, 89th, and 90th Congresses.

In endorsing the proposal last June, we said it would benefit middle-income parents who are hardest hit by rising college costs as well as soaring tax burdens. Relief on both counts is overdue for this forgotten group of taxpayers.

The college tax credit plan has merit. The need for such relief is urgent. Rumsfeld's bill must command prompt and sympathetic attention in this session of Congress.

A Dedicated Public Servant

HON. WILLIAM M. COLMER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. COLMER. Mr. Speaker, I am sure that all good Americans are aware of and grateful for the splendid services of the U.S. Veterans' Administration. We, in Mississippi, are keenly aware of this because of the three splendid veterans hospitals in my State, two of which are situated on the beautiful Mississippi gulf coast at Biloxi and Gulfport, Miss.

On January 31, last week, Maj. E. A. "Gene" Hiller, director of the two veterans facilities on the coast, retired after some 31 years of dedicated service as director of these institutions. The Veterans' Administration records will disclose that this is the longest period served by a director of any center in the entire country.

Gene Hiller is a beloved friend of all veterans. In his desire to render uniform and impartial service to the veterans of this country it made no difference to him whether the veteran was a former general or simply a former private in the rear ranks. There have never been enough hours nor have the days been long enough for him to listen to and help fulfill, wherever possible, the needs of our ex-servicemen. His record is an outstanding example of man's service to his country, his community, and his fellow man. Certainly, Gene Hiller is dedicated, devoted, understanding, and helpful in whatever service he undertakes.

Throughout his career he continually sought ways to better prepare himself to serve his State and country. In turn he has used his knowledge in developing the VA Center at Biloxi and Gulfport, these being consolidated in 1955.

One particular program he started to make his staff function more efficiently through a program of creative thinking has received nationwide recognition and today is used in VA hospital operations and throughout management and business circles, too.

We in Mississippi have long recognized the ability of this great gentleman. In 1944 Major Hiller, as he is most affectionately known, was honored as Biloxi's outstanding citizen and he has been presented a lifetime membership in the Biloxi Chamber of Commerce—the only such presentation ever made by that chamber.

Hiller Park, now under construction and so named by the city of Biloxi, is located near the VA center and further indicates the great devotion of the citizens of Biloxi and Harrison County for this fine man.

On January 18, 1968, it was my privilege to join with scores of persons in honoring Major Hiller for his contributions to his city, State, and Nation. All the words of praise, admiration and love expressed on this occasion could never fully convey to him our complete feelings of gratefulness for his years of dedication with the Veterans' Administration and particularly as director of the Biloxi center.

Though Gene is retiring from the VA, we in Mississippi feel especially blessed because Gene and his charming wife will make Biloxi their permanent home. So the Mississippi gulf coast and especially the city of Biloxi will have the benfit of the continuation of Major Hiller's most enviable record in the civic affairs of our area of Mississippi to which he has already contributed so much.

I can truthfully say that in all of my years in public life I have never known a more unselfish and dedicated man in public service. I know you, too, will be most interested in knowing about one of the finest men in our country today—a man who is certainly an outstanding example of man's service to his country and his community.

Vietnam Resolution

HON. WILLIAMSON S. STUCKEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. STUCKEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution of Veterans of Foreign Wars Leon Parrish Post No. 4583:

RESOLUTION OF VETERANS OF FOREIGN WARS LEON PARRISH POST NO. 4583

Tonight we propose to honor those men that have fallen in Viet Nam in service of our nation, and prepare to honor those that shall later fall there, realizing that in honoring them, who, no doubt, have already received their reward or shall receive it from our Heavenly Father for their supreme sacrifice, we are really honoring ourselves; and

Realizing that we are living in a new era, as it was bound to become for us, when the United States of America became the strongest and most powerful nation on earth during and after World War II, and realizing that we are not the first world power to become frustrated by giving lip-service to the tenets of the Judeo-Christian religion but while practicing a religion unnamed by man as such but called in the secular jargon *Materialism.*

For the sake of Almighty God, and those men that have fallen in Viet Nam and those that shall fall in Viet Nam, let's go ahead and win the war there, if we have justifiable cause to wage war there; if not, let's apologize to the peoples of the world and get out of there.

Even though we went to war on foreign soil and fought for what we thought was right, let's face it! We fought a good fight and won the War but we lost the peace because we did not keep the faith and as a result thereof, we have become the kind of World Power, with the kind of leadership on every level of government and in our religious and secular life that our youth does not respect, but for the notable exception of a few of our leaders:

Peace is not merely the absence of war but the presence of justice tempered with mercy and the presence of law and order, and this we did not provide for our young after our victory and that of our allies following the end of World War II.

Is it any wonder that our foes have become *even* those of our own household? What an opportunity we had at the termination of hostilities at the end of World War II! How courageously we fought and how miserable we failed in furnishing the leadership for a peaceful world as well as a peaceful nation! Who, among our number who has a son, feels compelled to advise that son to volunteer for service to his country which may lead to combat in Viet Nam as confused as we are about our reasons for being there?

What would you do, you who volunteered for service in World War II and fought the heathen(?) foe on foreign soil if you were now 18 or 21 years of age? Note, the differences now from then!

This we know, as we were told of old: "He that findeth his life shall lose it: and he that loseth his life for my sake shall find it."

We were told tonight by one of our comrades that the County Commissioners of Wayne County, Georgia voted to erect a plaque in front of our Courthouse to honor all those comrades who were killed in combat for our County and who were born in Wayne County or who were residents of Wayne County at the time of their supreme sacrifice; and we listened to that report with emotion as our hearts filled with love and respect for the memory of those fallen comrades;

Now therefore, be it resolved and it is hereby resolved by all of the members present which constitutes a quorum of our 455 members that we prepare to honor those comrades that shall hereafter fall in service of our nation, and, we trust, in service for the Kingdom of God, by requesting the duly authorized officials at the City Hall in Jesup, at the Courthouse and the United States Post Office to fly the American Flag at half-mast during the hours of daylight the flag may be displayed, from the time they learn the body of a fallen comrade has arrived in Wayne County for burial until his body has been interred in respect and appreciation to a fallen comrade, regardless of his race, creed, color, natural origin, and religion or the previous lack of outward profession thereof; and

Be it further resolved that we call upon all business men and all other citizens who display the flag on National Holidays to display their flag during the period we pray the flag will be displayed by the governing bodies of our City and County and the Postmaster of the U.S. Post Office here; and

Be it further resolved that a copy of this resolution be presented to the Postmaster, Jesup, Georgia, the Mayor of the City of Jesup, the Chairman of our Board of County Commissioners, the Senior Senator from Georgia in the U.S. Senate, The Honorable Richard B. Russell, Chairman of the Armed Services Committee of the U.S. Senate, the Congressman in the U.S. House of Representatives, The Honorable William S. (Bill) Stuckey and representative there of the people in our Eight Congressional District of Georgia and to the local press for publication as they deem meet.

This Resolution is hereby passed, unanimously, by all comrades present, and adopted as the spirit of this post of Veterans of Foreign Wars who desire peace on earth and in our homes and at long last realize that we must fight for Peace and a lawful, orderly society with the same vigor we waged war.

This 16th day of January, 1968.

MERRILL E. ODUM,
Commander.
JAMES E. WARREN,
Senior Vice Commander.

Attested.

JOHN D. MATTOX,
Legislative Counsel.

Why Does Prosperity Bypass the Farm?

HON. MASTON O'NEAL

OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 5, 1968

Mr. O'NEAL of Georgia. Mr. Speaker, it is not likely that the farmer would look for sympathy and understanding in the pages of the Wall Street Journal, but there it is, in the issue of January 25, 1968. In an article of great clarity, Mr. Al A. Schock, president of Nordica Co., a processor and distributor of dairy products, shows his great knowledge of the subject.

A friend sent it to me and I commend it to my colleagues.

Just think, Mr. Speaker, we have just harvested the largest crop in history, produced at the highest cost on record, and sold at the lowest price in a decade.

The article referred to follows:

WHY DOES PROSPERITY BYPASS THE FARM?

(By Al A. Schock)

SIOUX FALLS, S. DAK.—There is no prosperity down on the farm.

Nearly every third farm in a broad area of the agricultural midsection of America stands empty, yet the silent migration to the city accelerates. In 1940 America had more than 6 million farms; today the number is about half that.

As a national farm leader recently said, 1967 was not a pleasant year for farmers and ranchers. "We are completing the harvest of the largest crop in history, produced at the highest cost on record and sold at the lowest price in a decade. Parity has dropped to 73% compared with 71% in 1934 in the depths of the depression. The purchasing power of farm products, when adjusted to today's values, is only 40 cents on the dollar, very little more than in the Thirties."

For the past four decades, politicians seeking the farm vote have campaigned on a slogan of "Save the Family Farm." The slogan of the future might well be "Save the American Farm."

Farms are disappearing not because the farmer has not been working hard and efficiently. In most cases his productivity exceeds that of his city cousin. Farm output per man-hour has climbed 61% from 1959. But while the farmer is producing more and better food he is continually being asked to produce it at lower wages for himself. Many farmers are paid less than the Federal minimum wage of $1.40 an hour. In 1965 the average annual net income for 43% of the nation's farmers was $796. This means that the head of many a farm family had to supplement his income by finding a part-time city job.

CONSUMERS SPEND LESS

Of course the farmer's misfortune is a boon to the consumer, who is spending less for food than ever. Expenditures for food represent about 18% of take-home pay, a figure that has been decreasing for years. The decline simply cannot continue.

The farmer's plight has not been helped by politicians who have manipulated his industry to favor consumers. For example, last year the Federal Government urged farmers to increase wheat production sharply, citing the need for adequate domestic reserves and to feed a hungry world. It appeared that the nation was facing an emergency, and wheat farmers responded accordingly, increasing their output 30%.

But even before the harvest was in, the Department of Agriculture began predicting it would be bountiful. Estimate followed estimate, reaching a crescendo at about the time the farmer had to haul his wheat to market to pay off bank loans. The pronouncements of bounty helped cut the prices, and if that weren't enough, the Government also cut back Food-for-Peace shipments. This made the domestic supply appear all the larger, adding a further price-depressant. Secretary Freeman later acknowledged that he had made a mistake, but that brings scant comfort to the man who has already sold his wheat at a low price.

What can be done? What can strengthen the agricultural segment of our economy?

First, the news media should pay more heed to farmers and their problems. The farmer and his family are a minority; farmers are outnumbered 16 to 1 by consumers. The farmer needs the support of a concerned press.

Second, the farmer must obtain a stronger and more direct voice in the operation of the Department of Agriculture. High positions in the Department should go to men with broad farm experience. Reorganization of the department seems absolutely necessary. Although the farm population has dropped 4 million since 1960, Department of Agriculture employees have increased more than 40% to over 120,000.

Even seemingly minor department policies perplex the farmer. For example, farmers cannot understand why the Agricultural Services Division has been renamed the Consumer and Marketing Services. There are plenty of politicians around to plead the consumer's case. Installing the consumer in the Department of Agriculture is akin to allotting a labor union a seat on a corporate board of directors.

Third, to offset ever-increasing urban and factory labor costs, the highest interest rates in history and the increasing costs of all the products the farmer must buy, farmers must organize into large regional bargaining associations. This type of organization must receive the sanction, but not the control, of the Federal Government. The temperament of most of the members of the present farm organizations is such that they will find some common ground permitting them to pursue this course. I believe the advent of stronger bargaining associations can be devoid of violence.

Fourth, the time has come for some restrictions limiting the vertical integration of large business enterprises engaged in the processing and marketing of agricultural commodities. Such restrictions were imposed on the nation's major meat packers by Federal Trade Commission consent decree in 1921, with generally desirable results. Restrictions of this type would help protect local and regional processors so essential in providing local and better paying markets for farmers. In the last decade, for example, 80% of the dairy processing plants in the nation folded or were merged. As a result many local producers were left without a prime market.

Finally, something needs to be said about the whole plethora of Government programs designed to aid the farmer: In retrospect over the past four decades, they have done more harm than good. Had supply and demand been operational it is doubtful that farmers would have suffered so long and in such large numbers. In the long run, supply and demand will work in the best interests of the farmer. It is for this reason that most, if not all, commodities must be released from Governmental control.

For example, the beef industry has been one of the strongest segments of the agricultural enterprise. As an industry group, cattlemen have fought against Government controls. They were getting along quite nicely until the Government became overly active in regulating and manipulating the supply of feed grains against their wishes.

The best way to accomplish this "release" from controls is on a commodity-by-commodity basis. A total and an immediate release could precipitate some drastic, though temporary, price drops that even the most efficient farmers in their weakened condition would be unable to stand.

SENSELESS TRADE POLICY

Inasmuch as the essence of trade should be for a nation to export that which it has in surplus and import that which it is in short supply, it seems rather senseless for our Government to open wide the import gates for subsidized foreign agricultural products. Last year, for example, nearly four billion pounds in milk equivalent of butterfat, sugar mixtures, undefined under the import quotas, were brought into this country, severely depressing prices for milk at a time when demand was working to the advantage of producers for the first time in years. Ironically, this caused a backup of domestically produced supplies, which were then bought up by the Government under the price support program.

Trade between nations is becoming ever more vital in this shrinking world. Out-and-out restrictions should be avoided, but it certainly seems possible that some form of tariff can be established to protect both the importer and the exporter. Tariffs or quotas should never be allowed to be set by administrative edict. When this is done, political expediency is too easily resorted to, resulting in opportunely escalating imports to depress prices for the sake of winning the confidence of the consuming segment of the population.

One of the very great strengths of our nation, many times unrecognized, has been the abundant production of food by American agriculture. It would seem to be a prudent and wise policy for our Government to maintain emergency reserve supplies of all storable food products. These should be isolated supplies, contracted for in a manner similar to that used for the strategic materials (such as copper) now stockpiled by our Federal Government. Purchases by the Government should be made at or near 100% of parity.

Inasmuch as Food-for-Peace and freedom have been strong arms of our nation's foreign policy—in fact, who can think of a better tool for advancing world health and understanding—it should be incumbent upon the Government to dispose of these needed supplies at the best possible advantage of the nation and, hopefully, also to the national treasury. Quite probably, some of these supplies would be donated to needy nations, but if this were done, all Americans would share in the cost of carrying out this phase of foreign policy.

If America is to remain strong, and if the cost of food is not to rise precipitously, then it must be recognized that time is short. Farmers are growing older every year. The average age is now near 50. When they retire, and if the situation is not reversed, their holdings and operations are likely to move into the area of corporate farming.

QUESTIONS ABOUT COMPETITION

Some might argue that there is no harm in this, that larger units will bring increasing competition with lower prices. This is a questionable hypothesis as related to agriculture. There is some doubt that "bigs" really compete with one another. Competition exists primarily because the "bigs" are still competing with small and medium-sized regional competitors operating within the industry group.

Young people do not now have the capital or enthusiasm for farming under present conditions. This forces them to leave the farm, migrating to the cities, where they compete for jobs that add to the over-crowded conditions. As this migration continues, even corporate farms will find an increasing labor shortage. Sociologically, it is not conceivable that this trend is good for the future well-being of America. Industry, now heady with a war-generated boom, might well pause and reflect on the impact a shrinking agricultural market will have after the present conflict is terminated. Farm equipment sales are trending strongly downward. A decline of 10% or more is in prospect for 1968. Another 6% rise in the cost of what farmers will have to buy in 1968 and the low prices that he receives will further repress demand.

Following the big city riots of last summer there was much talk at our nation's capital about building model cities in rural America. It seems senseless and academic that such a dialogue should be continued when one of the finest models of happy existence is being destroyed by policies that are rapidly bankrupting rural America.

New York Veterans Support Our Fighting Men in Vietnam

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. TEAGUE of Texas. Mr. Speaker, from every State in the Union I have received letters supporting the actions of this Nation in our conflict in Vietnam. Here are a few samples of letters that have been flooding my office, all from the State of New York.

From Mr. Anthony Mirarche in Syracuse, N.Y.:

> The members of the Howard Mitchell Coonley Chapter 30 of the Disabled American Veterans congratulate you on your strong, unwavering support of our boys in Viet-Nam. We would like you to know that we support you and President Johnson, without reservation. We believe that the men fighting and dying in Viet-Nam deserve the full support of their government and all its citizens. We are thankful that as our Representative, you have openly and frequently supported President Johnson and our troops in Viet-Nam.

From the DAV chapter in Rochester, N.Y., Commander Lawrence S. Savage writes:

> In this year of 1967, the 50th anniversary of the Russian Revolution, it is hard to believe there are still those who scoff at Communist intent, on the face of the record. That record, all fifty years of it, leaves no doubt as to the Communist objective, which is the destruction of western society as a viable force, and most specifically its principal bastion, these United States. The long trail of broken treaties, genocide, sabotage, subversion and terrorist activities remains a littered road for all to see. The muscles of the Viet Cong are flexed in Russia. The missiles which destroy our aircraft over Viet-Nam are made in Russia . . . Before the funeral bell tolls too loudly and too long, we are urging all patriotic citizens to stand up and be counted among those who approve our country's actions and motives. It is where the DAV now takes its stand and, we know, where you will too.

From Cmdr. John M. Franciose, Sr., of the VFW in Rochester come these comments:

> We are with you one hundred percent. We do know that the President of the U.S.A. cannot hope to win this war without everyone of us backing him up . . . We want the world to know that we are united together behind the President of the U. S. A. We, the members of this Post, will do our best to continue to give the President and your committee the support they need to help win this war.

From Baltazar Sobczak, commander of the VFW Post in Alexander, N.Y., come these encouraging words:

> I am proud to inform you that we support your views and beliefs wholeheartedly. Our Government was set up to allow differences of opinion within our ranks, without any repercussions aftermaths. However, it was not set up to allow dissension, draft card burning, peacenik-ing, draft dodging or any other violation of our statutes. We feel that a more rigid enforcement of penalties due, for these violations, or subversions, is definitely in order.

From Joseph A. LaPore, commander of Post No. 4612 VFW in Little Falls, N.Y., came this letter:

> This is to inform you that the members of his Post are behind our present Administration 100 percent. We, too, feel that every means possible should be used to end this war in Viet-Nam and bring our boys home as soon as possible. Our Veterans of Foreign Wars know that our boys are fighting for a good cause.

President Johnson's Concern of America's Servicemen and Veterans

HON. WILLIAM T. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. MURPHY of Illinois. Mr. Speaker. more than a century ago, Abraham Lincoln charged this Nation to "care for him who shall have borne the battle and for his widow and his orphan."

The record will show, I believe, that since World War II, especially, the U.S. Senate and the Congress have honored this pledge.

As the President has said, however, we still have work to do.

However, the President only modestly mentioned our immediate and recent past accomplishments.

I would cite them now—not to augment the President's brilliant message—but to rechart the direction we have taken, the course we have already set to serve those who have served:

The Veterans' Pension and Readjustment Assistance Act of 1967.

A new GI bill offering education, training, home loans, medical care, Civil Service preference, job counseling, and job placement to veterans.

Military pay raises.

Increase in hostile fire pay.

Military medicare.

Servicemen's Group Life Insurance.

A disability compensation increase.

A cost-of-living increase in veterans and dependents VA pensions.

An increase in the VA's annual budget of nearly $300 million, particularly for medical care and medical research.

The provision—for the first time—of nursing home type care for veterans. This three-dimensional program has established 4,000 nursing care beds in VA hospitals, cared for 18,000 veterans in community nursing homes, and placed the VA in a grant-in-aid partnership with 20 States to provide still more beds.

Increased educational assistance allowances for 63,000 children of deceased or totally disabled veterans.

Higher subsistence payments to 13,000 disabled veterans taking rehabilitation training.

A reopening of GI insurance, permitting 210,000 disabled veterans to acquire insurance with a face value of $1.5 billion.

Clearly, we have, by our past actions, endorsed in advance and in complete unison, the President's dramatic, eloquent plea for additional, essential programs for America's veterans and servicemen.

What remains in this second session of the 90th Congress to complete the basic program of benefits for our Nation's veterans and their dependents should be enacted promptly.

Insurance coverage for our servicemen must be increased from the present maximum of $10,000 to a minimum of $12,000 and a maximum of $30,000. Older veterans should not lose pension benefits because their social security or other income is moderately increased. And all veterans—as the President hopes the U.S. Veterans Advisory Commission will recommend—will have the right to be buried in a national cemetery reasonably near their homes.

Each and all of the President's recommendations and proposals deserve our immediate consideration. I hope that they will also bear the imprint of our prompt approval.

State's Vanishing Oaks Need Definite Program

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. SIKES. Mr. Speaker, one of the Nation's really beautiful trees is the Florida live oak. They endure for many years and legend states that Gen. Andrew Jackson encamped under the spreading branches of trees still living in western Florida in the early 1800's. The Pensacola News recently editorialized on the importance of this species, and I strongly endorse its sentiments. I like to think that my recent proposal for a Gulf Islands National Seashore, which is now before the Congress, would help to preserve these magnificent trees for posterity. I am glad to submit the editorial from the News for reprinting in the RECORD:

STATE'S VANISHING OAKS NEED DEFINITE PROGRAM

In his State of the Union message, with the necessity of discussing many important affairs, President Lyndon B. Johnson still found time to say a passing word on behalf of preservation of giant redwood trees of California.

But who speaks for the giant oak of Florida? They desperately need some support as well.

For as outdoor editor Mike Albertson pointed out Sunday, these trees have virtually vanished from the scene, flourishing only in the deepest swamps or as a lone shade tree for the suburban dweller.

There are reasons for this, of course. Florida's pine tree economy. The necessity of clearing ground for new residential areas.

Nonetheless, they are disappearing. And unless some action is taken, somewhere, the day may come when these giant links to the past may be non-existent. They are not, of course, of the size and the magnificence of the California redwoods, but they are still impressively beautiful.

And we would hate to see them disappear.

Furthermore, as the oaks disappear so does much of the wildlife—the grey squirrel, deer, turkeys, wood ducks and quail.

This latter problem can be alleviated if those firms owning large tracts of tree-bearing acreage would embark definitely upon a program leaving a certain number of oaks scattered throughout the forest to provide food for game, as is done in the national forests.

And every effort should be made by everyone to save as many as possible of the giant oaks still remaining in the state.

Once they are gone, there is little likelihood we will see their like again.

Federal Role in Housing

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. HAWKINS. Mr. Speaker, in a very interesting and informative newspaper article Whitney Young has recounted some of the efforts presently being made by the Federal Government to undo the segregation resulting from past Government housing policies.

Mr. Young points out that through new policies in urban renewal, in public housing, and in mortgage insurance, the Department of Housing and Urban Development is seeking to break up segregated housing patterns.

None of these new policies will go as far or as fast as necessary in breaking housing barriers. None of these policies will take the place of an open housing law. But they are steps in the right direction.

I commend Mr. Young's comments to my colleagues in the House and include them at this point in the RECORD:

[From the Amsterdam (N.Y.) News, Jan. 20, 1968]

FEDERAL ROLE IN HOUSING

(By Whitney M. Young, Jr.)

Past actions by the federal government are responsible for many of our present housing problems. Government policy actually helped to create racial ghettos, and its inaction created a shortage of housing for low and moderate income families.

Now there are signs that the government will take steps to correct some of the errors of the past.

The Urban Renewal Administration, for example, refused to approve 99 applications for renewal projects because they didn't provide for slum dwellers. At the same time, it approved projects for expanding housing for the poor.

And the Cabinet-level Housing and Urban Development, headed by Robert Weaver, announced new rules for low-income projects which will help to break up the ghetto.

Generally, where a city is planning a low income housing project, it picks a site in the ghetto. This insures that the Negro poor will stay out of predominantly white areas. It also lends government support to segregation.

ALTERNATE SITES

Under the new rules, any city planning such a project won't get federal aid unless it submits an alternate site outside the ghetto, or proves that none exist. This will give low income tenants their choice of housing opportunities and will force cities to plan for balanced distribution of housing.

Another new rule relates to tenant selection. Most cities have all-Negro projects and all-white ones. In at least one city, two such projects face each other across a street, whites on one side, Negroes on the other.

Now applicants will be part of a city-wide pool and won't be able to apply to segregated projects. When the applicant's name comes to the top of the list, he'll have to take the project which has a vacancy. If, after three offers of apartments, he still turns them all down, he'll just have to go to the bottom of the list. In that way, HUD plans to break up present patterns of segregation in government-aided projects.

These two steps will go a long way towards breaking up the segregated housing patterns forced on the Negro poor. Past practices created the ghetto and our whole urban economy suffers for it. These new rules are an attempt to make up for yesterday's mistakes and to extend freedom of choice to all Americans.

One of the federal agencies which has done the most to help segregate housing patterns, the Federal Housing Administration, is also moving to help minority groups secure better housing. The FHA once refused mortgages to Negroes moving into white neighborhoods.

FHA SURVEY

The FHA took a survey last summer and found that since 1962 only three percent of new homes in subdivisions insured by federal guarantees had been sold to Negroes. Because of this, the agency has told its offices to make a greater effort to provide housing for minority groups, "or else." A top FHA official said its employees should move in this field, or they should step aside.

Even the Federal Trade Commission is getting into the act. It recently took some Virginia apartment owners to court because they didn't mention in their advertisements that they sold only to whites. If this policy is extended to cover biased landlords it could do a lot to break down housing segregation.

It's good to see federal agencies moving like this. They have the skill and the power to make democracy real for millions who are discriminated against on racial grounds. Quiet for too long, they are finally acting, and they are showing their determination to serve all Americans, not just those with the approved skin color.

This is just a beginning however. The government will have to do a lot more to provide open occupancy for all American citizens, and it will have to undertake the massive construction needed to end the shortage of housing for low and moderate income families.

Annual Report of the Civil Aeronautics Board

HON. HALE BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. BOGGS. Mr. Speaker, for three noteworthy reasons, I would like to call attention to the Annual Report of the Civil Aeronautics Board for fiscal 1967 which has been transmitted to the Congress early this month.

First, this splendid report has been presented in an attractive format, a welcome change from the usual style of such reports we frequently see both in and out of Government. Its cover is an invitation to read the report in full.

Second, the report is very concise, and its clear illustration is pronounced. The story of CAB in fiscal 1967 is told in 81 pages.

Third, and most important, the report was released on December 28, 1967—the same year on which the report is made. This was a "first" for CAB. Its report was one of the first of all Government agency reports to be released, and its publication may also be the first of any agency in the Government.

Mr. Speaker, the timeliness of the report enhances its value to all who must use it and offers an example to follow. I am happy to commend the CAB's effort on its latest annual report.

Guns, Butter, Whipped Cream, Too

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. BERRY. Mr. Speaker, I include in the RECORD the column of Jenkin Lloyd Jones, which was carried in Friday's edition of the Washington Star.

It is exceptionally well done and I think should be made available for wider distribution. The article follows:

GUNS, BUTTER, WHIPPED CREAM, TOO

(By Jenkin Lloyd Jones)

If most of us keep insisting on getting what we want regardless of the consequences, we're all going to get it—in the neck. We can wreck this broad, beautiful and rich country. We have all made a pretty good start at it.

The dollar is in trouble. Washington is at last alarmed at the draining away of our gold reserves. The President has urged Congress to pass legislation that would discourage travel outside the Western Hemisphere, dry up further foreign investments by American corporations and make the profits of subsidiaries abroad immediately taxable. These measures would help—a little.

But almost simultaneously, Vice President Humphrey was making a speech to African nations in Addis Ababa, excoriating American "isolationists" who are trying to cut back foreign aid. Was he saying that private spending abroad is evil and government spending holy? There seems to be a bit of confusion.

Dealers in international currencies—the so-called "gnomes of Zurich"—are cashing dollars for gold for a simple reason. They do not see how the dollar can maintain its value in the face of perpetual annual deficits of staggering proportions. No point in shaking our fists at them. These men are simply realists. They regard the dollar with no more sentiment than they regard the pound, the krone or the yen. They merely abhor baloney money.

Nor does it do to blame the Vietnamese war, colossal as its cost is. America has the resources to conduct a major war and still produce a vast amount of butter. But America cannot produce guns, butter and unprecedented quantities of whipped cream and cavier, too. That is what we are attempting. Our system of priorities has broken down.

Mike Wright, chairman of the board of the Humble Oil and Refining Co., has remarked that the essential difference between business spending and government spending is this: business surveys its resources and then considers "needs"; and only incidentally considers resources.

Business is disciplined. It can't print money. So when outgo begins exceeding income it has to do something. But government can print money. It can sustain deficits for a long time by simply creating its own credit.

Yet both can go broke, and for the same reason: loss of confidence. When business can no longer float loans to make up deficits it goes under. And when the people lose confidence in the currency and bid tangibles up to fantastic prices, you have runaway inflation. Who wins?

Insurance policies, annuities and pensions are paid off in worthless bills. Labor cannot get wage increases as fast as wages depreciate. Government bonds on which the banks depend for their stability join the "securities" of the late Confederacy. Business and agriculture creep along on a barter basis. The economy is ruined.

I was talking recently to a congressman. "Every time I vote against new programs that I know we can't afford," he says, "my opponents shout for joy. 'He's against the poor,' they say. 'He doesn't want you to have good roads. He'd cost local industry contracts and union members jobs.' I like being a congressman. I ask myself if bucking the trend is worth it."

Of course it's worth it. If it's worth putting on your country's uniform and taking your chances in a foreign war, it's worth trying to preserve your country from its own folly.

But it's going to be hard to expect integrity from our lawmakers if we, the people, punish them for it.

We're all guilty. Business loves those government orders and bucks the higher taxes. Labor likes to convince itself that ever-higher wages will mean prosperity for all, regardless of productivity. Farmers dream of riskless agriculture. Many college professors are fascinated with government grants that often relieve them of the irksome business of teaching students and support them in pleasant, if sometimes frivolous, research programs.

Of course the gigantic bureaucracy feeds upon itself. It sees "unmet needs" everywhere. And bigger programs mean larger staffs, faster promotion and higher pay grades.

Let us not point accusing fingers at New Deals, New Frontiers and Great Societies. The immoral business of charging today's apple pie to our unborn grandchildren would not exist without our connivance.

We better begin to have the intelligence to support men in public office who will have the courage to say: "Nope! You can't have it—not all of it, not right now. And you can't put it on the cuff."

Otherwise, we'll all go over the falls.

Muskogee Girls Support Our Vietnam Soldiers

HON. ED EDMONDSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. EDMONDSON. Mr. Speaker, a group of girls at Alice Robertson Junior High School in Muskogee, Okla., have developed a splendid program to do something for our men in Vietnam. I think that they deserve some recognition for this work.

The girls—who are the cheerleaders and officers of their school—have been writing letters to local men who are fighting in Vietnam. With these letters, the girls have been sending homemade cookies, gum, Koolaid, and other small items not readily available on the frontlines.

Having just visited with many of these men, I can personally attest to the morale boost which comes from such gestures. Marine Cpl. Paul Perry expressed a typical reaction when he wrote about the gesture to his parents. He said:

> It really made me feel great just to know that someone besides your immediate family and loved ones cares about what we're doing over here.

I would like to extend my warmest appreciation to the following girls, who comprise this group. They are: Becky Bishop, Linda Caves, Teri Chakin, Linda Doty, Jeanie Finley, Teresa Fream, Susan French, Diana Hager, Deborah Lawson, Laura Miller, Debbie Pack, Carolyn Parham, Peggy Parks, Sue Stinnett, Susie Storts, and Sally White. In addition, this same commendation should go to the sponsor, Miss Barbara Elsky, who has guided the girls in this valuable project.

Desalting Plants for the Middle East

HON. WILLIAM D. HATHAWAY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. HATHAWAY. Mr. Speaker, today I am introducing a House resolution expressing the sense of the House that it would be in the United States highest interest if three gigantic nuclear desalting plants were promptly designed, constructed, and operated in the Middle East. These desalting plants would provide large quantities of fresh water to both Arab and Israel territories. An identical resolution, originally introduced by Senator HOWARD BAKER, of Tennessee, passed the Senate on December 12, 1967. It is my hope that the House will be able to act on this resolution during this session.

Last week, I attended the Ditchley Foundation conference at Ditchley Park, England, on the Middle East. During the lengthy and varied discussion on the Middle East, I had an opportunity to present the idea contained in the House resolution that I am introducing today. I was greatly encouraged by the favorable comments on this idea of many of the British experts on the Middle East attending the conference.

There are now no unsolved scientific or technological problems in the way of achieving very large-scale production of fresh water from sea water. Also this water can be produced at a cost that would be economical for the Middle East.

The United States and the European countries have incurred and are continuing to incur great financial losses because of the Middle East situation.

Secretary of Interior Udall recently stated the economic reasons for consideration of this proposal when he said that—

> If a few hundred million dollars investment in a desalting plant could in any way contribute to the prevention of a future conflict, it may be indeed the wisest investment of our time.

These desalting plants would provide a new source of fresh and abundant water to one of the most arid regions of the world. While lack of water was not the immediate cause of the recent Arab-Israeli conflict, a shortage of water is a fundamental basis of rivalry, hatred, and war in the Middle East. Without an adequate supply of water, any increase in population or economic growth in our country is viewed with suspicion and dread by other Middle East countries.

Also, the desalting plants would provide a means for agricultural and industrial growth. The refugees would be offered meaningful and full employment. The refugee problem must be solved for there to be any hope of peace in the Middle East.

It is anticipated that the desalting plants would be built by an international organization. This international organization would interpose a third party between the belligerent nations and facilitate negotiation and encourage further cooperation.

Any plan that requires the cooperation and planning of all of the belligerent Middle East nations has little hope for success. This plan, however, doesn't require the cooperation of the entire region, and it now seems likely that enough Middle East countries would cooperate to make this plan possible.

For the reasons stated above, I believe that this plan deserves the serious consideration of the House, but it should be understood that the adoption of this resolution should not in any way interfere with projects for desalting plants in the Middle East already under consideration. The resolution which I am introducing today, and my statement prepared for the Ditchley conference, which discusses this plan in greater detail, follow:

RESOLUTION

Whereas the security and national interests of the United States require that there be a stable and durable peace in the Middle East; and

Whereas the greatest bar to a long-term settlement of the differences between the Arab and Israeli people is the chronic shortage of fresh water, useful work, and an adequate food supply; and

Whereas the United States now has available the technology and the resources to alleviate these shortages and to provide a base for peaceful cooperation between the countries involved: Now, therefore, be it

Resolved, That it is the sense of the House that the prompt design, construction, and operation of nuclear desalting plants will provide large quantities of fresh water to both Arab and Israeli territories and, thereby, will result in—

(1) new jobs for the many refugees;

(2) an enormous increase in the agricultural productivity of existing wastelands;

(3) a broad base for cooperation between the Israeli and Arab Governments; and

(4) a further demonstration of the United States efforts to find peaceful solutions to areas of conflict; and be it further

Resolved, That the President is requested to pursue these objectives, as reflecting the sense of the House, within and outside the United Nations and with all nations similarly minded, as being in the highest national interest of the United States.

STATEMENT OF WILLIAM D. HATHAWAY, U.S. REPRESENTATIVE FROM THE SECOND DISTRICT OF MAINE, FOR PRESENTATION AT THE DITCHLEY FOUNDATION CONFERENCE ON THE MIDDLE EAST

DESCRIPTION OF MEND

As to a specific proposal for the economic development of the Middle East, may I bring to your attention and for your consideration, the proposal contained in Senate Resolution 155 passed by the Senate on December 12, 1967.

S. Res. 155 expressed the United States Senate's belief that it would be in the United States' highest interest if nuclear desalting plants were promptly designed, constructed, and operated in the Middle East to provide large quantities of fresh water to both Arab and Israeli territories. This resolution introduced by Senator Baker and co-sponsored by 51 other Senators including Senator Dominick and Senator Spong embodies Senator Baker's concept of Mend—Middle East nuclear desalting—which was suggested—with the advice of Admiral Lewis Strauss—by President Eisenhower.

Mend envisions the construction of three giant nuclear-powered water desalting plants in the Middle East. The first plant would have a 6,600 megawatt therma desalting reactor which would produce 450 million gallons of fresh water per day. Two other plants, one of equal size to the first and one slightly smaller, would also be constructed.

Each plant would produce a quantity of fresh water greater than the combined flow of the major tributaries of the Jordan River.

Of course the basic idea for Mend is not new. In the Middle 1950's, President Eisenhower excited an assembly of the United Nations when he outlined his now famous "Atoms for Peace" program. At that time, he explored the possibility of using nuclear energy to provide fresh water for the thirsty people of the Middle East. What is new, however, has been the rapid and largely unforeseen developments in nuclear energy and the art of desalting.

Nuclear energy, especially in very large reactors, has become competitive with fossil fuel in most of the United States. It is a reasonable presumption that, with the development of so-called advanced breeder reactors, nuclear energy may become the cheapest fossil fuel generated form of energy, especially for off-peak power. In addition nuclear energy, unlike other energy sources, has mobility. A nuclear reactor, unlike an oil and coal fired plant, can be built anywhere without suffering a large fuel cost penalty. For example, I understand that serious consideration is being given to building a nuclear plant for the refining of aluminum in England.

The progress in the art of desalting in the past couple of years has been equally dramatic. This progress is illustrated by the proposed "Bolsa Island" (a metropolitan water district plant in Los Angeles) nuclear power and sea water desalting project. This plant is expected to produce 150 million gallons of water per day at a price of 22 cents per thousand gallons at the plant. As little as three years ago, most people said it would be difficult to get the cost of the water below 50 cents per thousand gallons. It would now appear that there are no unsolved scientific or technological problems in the way of achieving very large-scale production of fresh water from sea water and at a cost which, while of course not competitive with locations where adequate rainfall is provided by a bountiful nature, is nevertheless of immense significance in situations where rainfall is sporadic, minimal, or practically nonexistent.

In 1965, the United States, Mexico, and the International Atomic Energy Agency entered into an agreement for a preliminary assessment of the technical and economic practicability of dual-purpose nuclear power and water desalting plants to produce fresh water and electricity for the States of California and Arizona in the United States and the States of Baja California, and Sonora in Mexico. Although it will be about six months before the U.S.-Mexico study is completed, data developed and studies so far indicated real possibilities of producing fresh water at costs approaching 10 cents per 1,000 gallons if projected and anticipated improvements in desalting processes and plants and nuclear reactors materialize. When one considers the likely additional reduction in cost because of the greater size of the proposed desalting plants coupled with the use of intensive agriculture, it seems clear that we are now able to provide desalted water economically for the Middle East.

Also when one considers the cost of constructing and maintaining such a desalting plant one should recognize that the value of water to the Middle East is not just its cost or price. What is the value of the hope of peace?

It has been roughly estimated that the cost of the recent 6-day war in the Middle East exceeded $2 billion. Considering the disruption of the trade routes and the economic reverberation of the war—which hasn't stopped as yet—the cost of the war to European countries and the United States is undoubtedly higher.

The economic consequences of the Mid-East conflict spread around the world. East African countries and India have also sustained economic losses because of the conflict.

Also when considering cost, the cost of refugee relief should be added. In the present circumstances, the cost of refugee relief expenditures are likely to continue interminably. Expenditures for refugee relief because of the much greater number of refugees will undoubtedly increase substantially.

Secretary of Interior Udall recently stated the economic reasons for consideration of this proposal when he said that "if a few hundred million dollars investment in a desalting plant could in any way contribute to the prevention of a future conflict, it may be indeed the wisest investment of our time."

While this proposal is merely a suggestion, I would like to mention some of the possible details of that suggestion. As for the possible organization and financing, it has been suggested that the desaltization plants be financed by a public-private corporation. It is estimated that the total expenditure would be about a billion dollars. The U.S. Government subscription to capital stock would be in the range of $100 to $200 million. The remainder of the capitalization would come from other governments and private capital. The wealthier Arab countries of Saudi Arabia and Kuwait are already contributing financially to their Arab neighbors. It seems likely that they would be willing to invest in the economic development of these neighbors.

Initially, the corporation would have no indebtedness. The entire financing as visualized by Admiral Strauss would be equity financing along the Comsat formula.

Whatever form the organization finally takes, it should be of an international nature. The corporation having an international structure rather than a structure closely identified with any one nation will encourage the direct negotiation and cooperation of the nations of the Middle East. An international organization will allow negotiation without having the question of formal recognition of one nation or another impede such cooperation.

The nuclear reactors could be built under the auspices of the International Atomic Energy Agency of which the Arab nations and Israel are both members. Once again interposing a neutral third party between combatants who refuse to communicate directly with each other.

The nuclear material would have to be furnished by the United States. There seems to be little likelihood of proliferation of potential weapons material. The core of a conventional reactor to be used in the proposed plants is sufficiently difficult to extract, requires such a high degree of skill and knowledge, and produces such an abrupt discernible and observable effect that it is highly unlikely that there would be any surreptitious removal of the fuel cores from these facilities. Finally the application of International Atomic Energy Agency controls and safeguards will virtually eliminate any potential danger.

The specific location of a particular desaltization plant would be determined by international agreement, ready supply of labor, and other economic considerations. The energy produced by these plants would be used in part to pump water, provide power for existing industries in the particular area, and to attract new industries. The cost of the energy will be very low and there are categories of industries, industries that are expanding to meet the world demand for their products, which flow to cheap power. For example a great dam is being built in Africa for the purpose of producing hydroelectricity, and industries are already planning to move into that area. The major reason for this move by industries is the low cost of power. It seems likely therefore that the aluminum, heavy chemical, and fertilizer industries would be immediately attracted to the large volume of cheap power which these plants will produce. In the United States by such projects as TVA and Grand Coulee Dam, we have proven that industries can be attracted by low power cost to undeveloped area.

Any plan that requires the cooperation and planning of all of the belligerent Middle East Nations has little hope for success. I do not believe that there is any inducement that could cause such full-scale cooperation among the Middle East countries. A more modest proposal requiring the cooperation of only a few of the belligerent, however, would seem to be within the realm of political possibility. The present Arab unity adds to Arab intransigency and hostility to Israel and to the United States and other European countries. It would be in the best interest of the United States and other countries to encourage any plan which would free some of the Arab nations from extremist Arab views.

Abandoning some of the hopelessly intransigent nations such as Syria, certain Arab countries give indications of being more reasonable. To date the difficulty has been that extremists have set the terms for Arab/Israel relationship. The desalting plants with their promise of water, employment and industrialization might offer the incentive for certain Arab countries to break away, in a limited way and for a limited purpose, from this Arab intransigence.

Considering just some of the Arab countries, there seems to be a good likelihood of the necessary cooperation. Of all the Arab countries, Jordan is probably the most likely to engage in some joint economic enterprise which includes, either directly or indirectly, Israel.

From its founding, Jordan's economic existence has been extremely precarious. Jordan's loss of the West bank and the economic benefits of Jerusalem has changed Jordan's economic position from difficult to impossible. The Jordanian West Bank included most of the major towns in the Hashimite Kingdom. In addition to Jerusalem, other cultural and economic centers lost were Hebron, Nablus, Jenin, Jericho, Tulkarm, Ramallah, Kalhilya, and Bethlehem.

The Jerusalem-Bethlehem tourist center provided about 35% of Jordan's foreign currency earnings. Jordan's officials estimated that the West Bank contributed 40% of the country's gross domestic product. At the same time that Jordan lost a third to a half of its economic productivity, it acquired between 150,000 and 220,000 Palestinian refugees who became an additional burden to Jordan's economy. Jordan must shortly create a viable economy or disappear. Jordan also knows that its existence is threatened by certain of her neighboring Arab countries. Jordan must therefore create an economic base that is independent of her Arab neighbors. The desalting plants could offer to Jordan an opportunity to create such an independent economy.

Lebanon, with its far-flung commercial interests and large Christian population is also likely to consider carefully the economic advantages of a regional economic development involving desaltization plants. Lebanon has yet to fully recover from the flight of capital and tourists as a result of the Arab-Israeli war last June. Therefore Lebanon would probably put economic consideration before political consideration and favor any plan that would bring stability to the area.

Saudi Arabia would seem to be a nation where Western influence is still relatively high. Also the rule of Saudi Arabia is, at least at present, economically and politically independent. He has also shown, on occasion, a willingness to oppose the more revolutionary Arab leaders. He must know that his long-term goal is not the same as there revolutionary leaders. Their revolutionary goals are in conflict with the continuation of his rule. It is likely that the continued well-being of the Saudi Arabia people and the economic development of Saudi Arabia is the best way to frustrate the revolutionary aspiration of some of Saudi Arabia neighbors. Not sharing the same ambitions of some of her neighbors and recognizing the inevitable conflict with these neighbors, Saudi Arabia is in a poistion to consider calmly the economic advantages of the desaltization proposal.

Nasser in his desire to be the recognized Arab leader set in motion, last June, events which now greatly threaten his leadership, not only in Egypt but in the Arab world. It is my belief that Nasser's weakened position offers a unique opportunity for the West to lessen the tension in the Middle East and to check Soviet ambition in the Middle East. Nasser's position is threatened not only by the internal consequence of a humiliating and devastating military defeat but by the increasing influence and dominance of Soviet Russia. Nasser, who certainly desires to be a strong nationalistic leader, and not merely a figure head of a Soviet satellite, must be uneasy about this increasing Soviet influence. I believe that he has no desire to become completely dependent on Russia and probably desires to broaden his base of support. At this time, therefore, the West can check the military influence of Russia by offering to Egypt an economic development plan that would allow Nasser to escape the complete domain of Russia. Because of recent events, I believe that Egypt is much more ready to consider a regional economic development plan involving desalting plants.

The successful completion and operation of the Aswan dam should not make this proposal less attractive to Nasser. Despite the increase in electricity and agricultural production achieved or anticipated by the completion of Aswan, it is clear that Egypt will still need further development. The increase in Agricultural production caused by Aswan will soon be offset by the growth of the Egyptian population which is now 31,000,000—and increasing by almost 3% a year. The desalinization plant will also provide fresh water of a purity not matched by the Aswan Dam.

Finally, this proposal, unlike the Aswan Dam project, allows Nasser and Egypt to be completely independent, politically and economically, from not only Russia but from the other major powers.

Without considering the other Arab countries, I believe that the likelihood of limited cooperation necessary for the desalting plan now exists to make the plan politically possible.

The desalting plan offers the prospect of abundant water in one of the most parched regions of the world. Also importantly, these plants provide not just water but a new source of water. This water would not be subject to historical claims of right and ancient rivalry. It should be easier to share and allocate a new supply of water than it would be to make the same decisions about existing sources of water. The importance of new and abundant sources of water for the lessening of tension and any economic development in the region cannot be overstated.

In the Middle East, as the distinguished archeologist Nelson Dlueck stated "Any source of water, however small and brackish, as long as it was drinkable, is accounted precious. . . . Even chance pools collected in hollows or wade beds after the brief winter rains are not neglected. I have seen modern Bedouins pitch their tents by then until nothing was left but a rapidly drying patch of mud . . . and tribes fight bitterly over wells and cisterns." Thus even though not the proximate cause of the recent hostilities, shortage of water is a fundamental basis of rivalry, hatred and war in the Middle East. The sources of water in this region are an occasional rain—for more than half of the year there is no rain—wells, a few streams, and the Jordan River. The Jordan having an average flow of roughly a half million acre-feet is a very small river. In fact its flow is about one percent of that of the Nile. With such a scarcity of water any increase in population or industrial use of water can only cause further hostility and animosity. Israel's population and industrial growth while marvelous to Westerners, can only to Arabs mean a further claim and threat to the limited resources of the area.

While measures can be developed to temporarily alleviate the critical water shortage, any long-term solution must be by the creation of a new source of water. In a statement prepared for the Senate hearings on S. Res. 144, The United States Bureau of Reclamation stated that "It is doubtful that even complete development of the Jordan River and its tributaries can provide sufficient water and land resources to support the needs of Israel and its Arab Neighbors."

What natural water supplies there are in the Middle East are international in character, solution of the problem as to where and how the available water will be used requires a high degree of international cooperation. Such cooperation is extremely unlikely now or in the immediate future. With no prospect of international solution of the use and distribution of natural water supplies, augmentation of supplies would seem to be the best practical way of increasing the water supplies. Such augmentation also offers hope of creating an atmosphere where international cooperation would be possible.

The refugees present the most explosive and difficult problem of the present Middle East situation. Any proposal for lessening of tension in the Middle-East that does not attempt to resolve this problem cannot succeed. The desalting plants offer hope for this cancerous situation. Refugee camps exist in part, because there is little reason for the refugees to leave them. There is little for them to do. The greatly increased number of refugees from the most recent conflict make the problem more desperate, its solution more urgent.

The desalting plans offer permanent employment for the refugees. One or more of the desaltization plants can be located where it would offer employment and economic opportunity to the refugees. The refugees would work not only in the construction of the plant but in the agricultural and industrial development that the desalting plan would make possible.

Republican Balance-of-Payments Seminar

HON. CHARLES E. GOODELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. GOODELL. Mr. Speaker, at no time in its history has the United States confronted a more serious crisis in its international financial relations than it does today. The effect of the British devaluation was to make the dollar—as the key currency in the world monetary system—even more vulnerable than it had been to speculation. Almost $1 billion in gold moved out of this country in the single month of December, bringing our total gold reserves to their lowest point in 30 years.

The speculation against the dollar continues and has been aggravated by the announcement that our balance-of-payments deficit for 1967 will be in the $3.5–$4 billion zone, the largest such deficit since the crisis of 1960–61. These developments have raised grave questions as to whether the existing international monetary system has not become so fragile as to be in danger of collapsing without warning and plunging the world back into the financial chaos and trade restrictionism of the 1930's. President Johnson's response to the crisis was his announcement on New Year's Day of a comprehensive program of controls on movements of American capital abroad, on bank lending abroad, and on tourist travel, primarily to Europe.

Do these measures not already constitute an ominous step backward toward the controls and protectionism of the unlamented 1930's? Are there no other options open to the American people for resolving the crisis and rescuing the dollar? These are issues which are clearly of momentous import to the Nation, not only in terms of today but probably for years ahead.

Mr. Speaker, it was to consider these very questions that the planning and research committee of the House Republican conference, of which I have the honor to be chairman, sponsored a seminar on January 24, 1968, on the balance-of-payments problem and the President's proposals for coping with it. Some of the Nation's most distinguished authorities in the field of international monetary affairs were panelists in our seminar. They included: Mr. Edward Bernstein, Edward Bernstein Consultants, Ltd.; Prof. Robert Triffin, Yale University; Prof. Gottfried Haberler, Harvard University; Prof. Robert A. Mundell, University of Chicago; Dr. Howard Piquet, Library of Congress; and Dr. Patrick M. Boarman, director of research, House Republican conference and professor of economics, Long Island University (C. W. Post College).

In addition, the following distinguished economic journalists and representatives of leading national associations participated in the seminar as observers: Mr. Edwin L. Dale, Jr., the New York Times; Mr. Hobart Rowen, the Washington Post; Mr. Richard Janssen, the Wall Street Journal; Dr. Carl Madden, U.S. Chamber of Commerce; Mr. George Hagedorn, National Association of Manufacturers; Mrs. Elizabeth Jager, AFL–CIO; and Mr. John Petty, Treasury Department.

We were fortunate in having in the audience and as participants in the discussions many Members of the Congress, both Democratic and Republican. The expression of interest in the seminar proceedings has been exceptional on the part of the Members, the press, and the public. In order to make this material available to a wider public, I include in the RECORD the individual supporting papers submitted by the seminar panelists and the transcript of the seminar itself:

THE U.S. BALANCE-OF-PAYMENTS PROBLEM

(Seminar, Planning and Research Committee, the Republican Conference, House of Representatives, Washington, D.C., January 24, 1968)

The Committee met, pursuant to notice, at 9:30 A.M., Honorable Charles E. Goodell, presiding.

PRESENT

Present: Representative Charles E. Goodell, Chairman.

Dr. Patrick M. Boarman, Director of Research, House Republican Conference.

PANELISTS

Mr. Edward Bernstein, Edward Bernstein Consultants, Ltd.

Prof. Robert Triffin, Yale University.

Prof. Gottfried Haberler, Harvard University.

Prof. Robert A. Mundell, University of Chicago.

Dr. Howard Piquet, Library of Congress.

OBSERVERS

Mr. Edwin L. Dale, Jr., the New York Times.

Mr. Hobart Rowen, the Washington Post.

Mr. Richard Janssen, the Wall Street Journal.

Dr. Carl Madden, United States Chamber of Commerce.

Mr. George Hagedorn, National Association of Manufacturers.

Mrs. Elizabeth Jager, AFL–CIO.

Mr. John Petty, Treasury Department.

TRANSCRIPT OF THE SEMINAR PROCEEDINGS

Mr. GOODELL. It is my very great pleasure to welcome to our seminar today the distinguished members of our panel, my colleagues, particularly those in ranking positions on the key committees that are going to be considering this important subject in the weeks and months ahead, representatives of the Chamber of Commerce and the National Association of Manufacturers, the AFL–CIO, and particularly the gentlemen of the press.

This seminar is sponsored by the Republican Planning and Research Committee in the House of Representatives. Our subject is the balance of payments problem and President Johnson's recently announced proposals for dealing with it. As Republicans, as Members of Congress, and as Americans we are deeply concerned by the persistent deficits in our balance of payments, particularly by the record deficit of almost $4 billion in 1967.

We are not meeting here on partisan terms and our participants certainly are not here as Republicans or as Democrats. They are here as experts on a most serious matter which we feel should be debated and discussed to enlighten the Congress and the American people to the fullest extent possible.

We are alarmed at the massive decline in our gold reserves which followed the devaluation of the British pound and, as a consequence of these developments, the threat of imminent international monetary crisis which hangs over this country and the entire world. We are equally concerned, may I add, by some implications of the remedies recently proposed by the President.

On January 1 and again in his State of the Union message on January 17, President Johnson proposed a series of measures of a drastic nature aimed at reducing the balance of payments deficit by $3 billion in 1968.

Misgivings have been expressed on many sides about the possible impact on the world economy and our own long-run international position of the President's announced mandatory restrictions on direct private foreign investment, the proposals to reduce the tourist deficit by a head tax on tourists, or possibly by rationing foreign exchange to tourists, and the suggestions to allow a tax rebate for exports, and to levy new imposts on imports.

Many serious questions have been asked and must be asked concerning the domestic and international implications of the de facto exchange controls proposed by the President. At the same time, I would like to emphasize the fact that in convening this seminar, we have no preconceptions with respect to the substantive issues that may be raised. The issues are, indeed, bipartisan, and are of momentous import not only to the Congress, which must act on certain portions of the President's program, but to all Americans.

For this reason we believe it is imperative to begin at once a public dialogue on the President's proposals. And we regard this seminar as the first step in making available to the Congress and the Nation an impartial evaluation of the President's recommendations and an equally unbiased examination of the feasible alternatives to his program.

To this end we have been most fortunate in assembling here a number of the country's most distinguished authorities in the field of international monetary affairs. I would like to present them briefly to you:

Mr. Edward Bernstein, of Edward Bernstein Consultants, here in Washington; Professor Robert Triffin, of Yale University; Professor Gottfried Haberler, of Harvard University; Professor Robert Mundell, of the University of Chicago; and Dr. Howard Piquet, Senior Specialist in International Economics in the Library of Congress.

Gentlemen, we deeply appreciate your taking the time from your busy schedules to help us, we hope, shed more light on a most complex subject.

In addition to our panelists, we have invited several distinguished representatives of the press who specialize in economic affairs and representatives of leading national organizations to participate in our seminar as observers.

May I introduce Mr. Ed Dale, of The New York Times; Mr. Hobart Rowen, of The Washington Post; Mr. Richard Janssen, of The Wall Street Journal; Dr. Carl Madden, of the United States Chamber of Commerce; Mr. George Hagedorn, of the National Association of Manufacturers; and Mrs. Elizabeth Jager, of the AFL–CIO.

In opening our discussion I would like to suggest the following simple agenda. It seems logical to divide our topic into the following three parts:

1. The problem.
2. The President's proposals for solving it.
3. The other options or alternative courses of action which are open to this country in lieu of the action program requested by the President.

We shall hear first from our distinguished panelists. May I suggest that, in the interest of making optimum use of our time, each participant keep his remarks within a reasonable time of eight to ten minutes. Let me add that our panelists have submitted longer statements of their views and that these are available here to interested members of the press and Congress.

After we have heard from all of the gentlemen on our panel, I propose that we allot a further period of time for an exchange of views among the panelists and that thereafter, until the close of our proceedings around noon, we open the seminar to questions and comments from the members of Congress who are here with us on the dias and from our distinguished observers. I note the presence of a good number of members of Congress of both parties in the audience and I hope they will feel free to submit questions also.

May we begin with a description of the problem? Professor Triffin, would you be kind eough to start us off?

Professor TRIFFIN. Thank you very much, Mr. Chairman.

As you very well said, we cannot really appraise a cure without knowing what the disease is. We cannot solve the problem without knowing what the problem is.

I think the difficulties which we face must be viewed as two problems and not one, two problems which are inextricably linked together: the problem of the balance of payments and the problem of the weaknesses of the international monetary system.

The solution of either one of these problems would have very beneficial effects on the other and would contribute to a solution of the other. I think, however, that neither of these problems can be solved fully in isolation from the other. We cannot expect our own balance of payments problems to disappear and be solved simply by international monetary reform nor can the problem of international monetary reform be fully solved as long as our balance of payments deficits remain as large as they have been.

Let me turn first to the problem of international monetary reform and be extremely brief and unpleasantly blunt about it. I think the basic fact is that the old gold exchange standard on which we have lived for the last fifty years is now dead or at least it is dying.

It rested essentially on two sources of supply for the increase of world reserves which are necessary to sustain international trade and production. These two sources of supply were gold, on the one hand, and, secondly, gold convertible foreign exchange, primarily sterling initially, and since the end of World War II, primarily, the dollar. Both of these sources have dried up.

I need not expand on the drying up of the gold source. Over the last five or ten years it has provided only an ever decreasing fraction of the general increases in world reserves, something of the order of 25 per cent, at most, in the years 1960–64, for instance. And two-thirds of this accretion came from Russian sales in Western markets.

But the problem is even worse today. In the last two years the official gold reserves of all central banks together (who are members of the International Monetary Fund) have been declining. They are no longer increasing. They had been declining by about $200 million previous to the big gold rush of last December. And then they declined dramatically to a point which has not yet fully been disclosed but which probably is well in excess of $1.5 billion, certainly of that order of magnitude.

Therefore, quite obviously, we cannot count on gold unless we adopt the insane solution proposed by Mr. Rueff, the doubling of or a substantial increase in the gold price. I need not, I think, indicate to this kind of audience the reasons which I gave in Paris last week why this is a most irresponsible type of action and contrary, in fact, to the rational long-run evolution of the monetary system.

Moreover, the second major source of increased world reserves after World War II, viz., gold convertible foreign exchange, sterling and dollars, also has dried up.

I think that, essentially, the system is bound to last only for a while. The death of a reserve currency is written in its birth certificate, for the simple reason that it can remain viable only by accumulating larger and larger short-term debt, convertible at any time into scarcer and scarcer gold metal. This cannot last indefinitely. Reserve currencies have never lasted and never will, in that form.

Events are quite clear as far as the two reserve currencies are concerned, the dollar and sterling. Together they still constituted $18 billion of net monetary reserves in 1949. Today this figure has declined to something of the order of minus $10 billion.

During the same period, the reserves of the rest of the world have increased from $18 billion to something approximating $54 or $55 billion. This is an evolution which cannot continue forever and it is bound to kill the reserve currencies that try to support it.

Now, if we do nothing, if the world cannot succeed in solving this problem, I think that the path is very clear. It is traced for us by the path of sterling in the years since 1931.

Somebody said—I think it was General MacArthur—old generals don't die, they fade away. I think that we can apply the same maxim to our reserve currency. It doesn't die, it shrinks.

When Britain found itself unable to continue to support sterling as a worldwide currency, it salvaged what it could by making it a regional currency, the currency of the sterling bloc in the 1930s. At that time, the members of that bloc, other than Britain, would accumulate the largest part of their reserves in sterling and Britain would manage the gold pool which would make settlements for the whole sterling bloc to outside members.

But the difficulties increased for the British. I must say that they were magnified, of course, out of all proportion by the Second World War and in the end the sterling bloc had to be transformed into a sterling area. To slow down leakages of gold from the members of the bloc to outsiders, a preferential system was organized within the area, which involved the institution of various kinds of trade preferences, and joint discrimination against the non-members of the area. This was the fate of the pound sterling.

Gentlemen, if we don't do something about it, the same kind of fate is going to befall the dollar. In fact, we are gradually slipping into a policy, the consequence of which would be to my mind immensely damaging, not only financially and economically but even politically.

There are some isolated voices which consider that a dollar bloc would indeed be a good solution. We are far more powerful than Britain. We could force many more countries than Britain ever did into a dollar area system. What would this mean insofar as it is successful? And I think it has helped us considerably already over the last few years. But what would it mean if you really tried to perpetuate such a system as some people would like to do?

The end result would be this: Total irresponsibility at home and a political blow-up abroad. At home it would be very hard for the Administration or for Congress to follow responsible economic and financial policies if we can incur continuous deficits and have these deficits financed by the accumulation of dollar IOU's by foreigners. This would invite irresponsibility here.

As far as the foreigners are concerned, it would put them on notice that they have entered the dollar area, that they are bound to finance any amount of deficits that the U.S. would incur. It would mean that foreigners would have to finance those deficits regardless of their size and their origins. I think that there would always be people to point out that foreigners would clearly view as irrational a system to have their own printing press work to finance our deficits. I am quite sure that in the end, even if central banks in some countries were inclined to accept this solution for fear of the alternative which would be chaos, these Central Banks would not, in the end, be supported by public opinion or parliament. This would be especially true when, as now, U.S. policies, decided unilaterally here, appear to be contrary either to the interest of the prospective lenders or to their view of international morality or common sense. And this obviously would be the case because of our absurd and immoral venture in Vietnam and in Southeast Asia.

Broad resolutions have already been adopted, many of them unanimous or nearly unanimous, by three parliaments of countries which are very friendly to us, expressing their desire to see the bombing of the North stopped or even withdrawal from Vietnam itself. Will these people accept the financing of policies to which they are deeply opposed? I think this would be an invitation not only to an economic blow-up but to deepening and frightening divisions with our NATO allies.

This being said, gentlemen, I don't think that any responsible person that I know would favor such an awkward situation, but we may be slipping into it gradually without wishing to do so, as has happened to us in Vietnam itself.

To conclude this broad review (I think my time is just about up), I will refer very briefly to remedies proposed by the President on January 1.

I think this program can be interpreted in two different ways. It leaves us an option between long-run policies which could follow two diametrically opposed lines. The first one—and I sincerely hope it is the one which is in the mind of the administration—is to meet the conditions which have been requested by our European partners for honest and fair negotiations within the framework of the International Monetary Fund. They have been clamoring for years for correction of huge and persistent deficits as one of the prerequisites for activation of the new monetary agreement. We are now trying to give them full satisfaction. We are taking a major step to meet that demand.

I hope that this is the preface to a speedy and decisive negotiation of an international agreement which could become effective even before we activate the real machinery which, as you know, still has to be hatched by many congresses and parliaments.

There is, unfortunately, a second interpretation. We have been classifying all the countries of the world into three groups: The paradise or heaven, purgatory, and hell. This is perfectly justified if we look at their relative strengths or weaknesses because we don't want to hurt countries which are already weak or which are poor.

But, on the other hand, we see already the reactions we may expect (witness those of my former countrymen, in Belgium) when countless people are transferred from one classification to another. They will prefer to be in purgatory rather than hell, or in heaven rather than purgatory. One of the things we may be tempted to do would be to say, "All right, you may enter the dollar area as long as you take dollars and don't convert them into gold." We would be slipping, then, into the solution which I consider fatal to us in the long run.

Now—and this was the message which I tried to carry to Paris last week—it is for you to decide because I think that the Administration itself is deeply divided on this. I suspect that it has not fully made up its mind. In any event, we have to have cooperation and a new will to cooperate, more fully than we have had, on both sides of the Atlantic. We cannot do it on one side alone.

I am sorry to say, as of now, being purely an academic without any kind of official responsibility in this matter, I remain myself very much puzzled as to what the ultimate outcome will be.

Thank you.

Mr. GOODELL. Thank you, Professor Triffin

At the outset I indicated to the participants that they could range across the board on any issues that they felt were directly relevant to our problem here. Let me express the hope, however, that while recognizing that Vietnam is relevant in many ways, we have enough issues to divide us without debating the propriety of our involvement in Vietnam and I hope we won't get off on that.

I think we would like to hear from Mr. Bernstein next.

Professor BERNSTEIN. I recognize as Professor Triffin does, that we have two problems here, though I think he does have a third problem that is bothering him and which I shall not discuss.

We have a balance of payments problem. The external evidence of this balance of payments problem is that in the last ten years our gold reserves have dropped over $10 billion.

It is interesting to note that the gold reserves of the United States on January 1, 1958, were slightly larger than they were on December 31, 1950. The real balance of payments problem, therefore, is a ten-year problem. That is long enough.

In the last year we have paid out about $1 billion of gold, nearly all of it in the last two months. Essentially, we have been spending or paying out far more dollars for imports, for services, for government military expenditures, for aid and for private investment, than foreigners have wanted to use in buying goods and services in this country or to add to their liquid investments, their private dollar holdings.

And when the foreigners get too many dollars they convert the dollars into their own currencies by selling them to the central banks. The central banks, in turn, convert the excess dollars into gold.

Now, we must not confuse the problem of our balance of payments with the outflow of gold. The outflow of gold is the symbol of the problem. The problem is that we have been paying out to the world an excessive quantity of dollars, excessive, that is, compared to what the rest of the world wants to use and wants to hold.

Now, the solution to that problem is the most urgent business which exists for our economy, domestic and international, and for our monetary system, for the monetary system of this country and for the international monetary system.

There are other problems of a long-range character. There is a long-range gold problem. That long-range gold problem is the fact that gold, the traditional reserve, is no longer growing. As Professor Triffin has pointed out, total gold reserves have declined in the last few years and have recently dropped sharply as the result of the movement of gold into private hoards and speculative holdings.

Now, there is no way of supplying gold reserves even if we had a strong balance of payments with the rest of the world. There is no way of providing gold to the rest of the world when there is a shrinking aggregate of gold reserves except by their cannibalizing our gold reserves.

Now, mind you, I am not arguing that this is already happening. It may be an element in the persistence of our balance of payments. It is, however, a problem we are going to have to deal with in the future. And, as Professor Triffin has already pointed out, a growing world economy needs a growing volume of reserves. There may be no mechanical link, no precise mathematical relationship between the growth of the world economy—that is international trade and payments and investment—and the quantity of reserves that the world needs. But it is quite clear that you cannot have zero growth of reserves while you have a continually expanding world economy.

Now, this problem of providing the world with adequate reserves is, I think, well on the way to solution through the special drawing rights. I am very hopeful that the lessons of the last three months will stimulate activation of the plan for issuing a new fiduciary reserve in the form of special drawing rights.

The gold problem, in my opinion, will remain and it needs very special treatment.

I come now to the basic problem, the one that ought to concern us most because it is the prerequisite for doing anything else. I said that our real problem is that we are paying out for goods and services, for military expenditures and aid, and for private capital investment far more than the rest of the world wants to use in purchasing goods and services and assets in this country or to hold as liquid dollar investments.

The solution to that problem has to be a reduction in our payments relative to our earnings. It would be wonderful if we could solve this problem by increasing our foreign exchange receipts. But in the short run, this is quite impossible, so the immediate solution must involve a reduction of the outflow of dollars to the rest of the world.

Now, I must warn you that there is no easy way to solve the balance of payments problem. Anybody who tells you that there is a painless, automatic way of reducing the payments of the United States so that we won't feel it and the rest of the world won't feel it is selling you an elixir, a patent medicine that really has no effect on the body economic except to intoxicate it. The truth of the matter is that every solution to a balance of payments problem involves pressures, pressures on the country itself and pressures on the world economy.

The big question is: having allowed ourselves to drift into this difficult position, what is the solution that will have a minimum adverse effect on us and a minimum adverse effect on the world. Without subscribing in detail to everything that is being done now, and I think it would have been well if we had done it sooner, what is being done is designed to have a minimum effect on the United States and a minimum effect on the world.

The most important aspect of the President's action program, is that it does not envisage any reduction in trade in goods and services, with the single exception of a penalty on travel outside the Western Hemisphere.

As Professor Triffin has said, the big part of the program is to reduce the private capital outflow. The reduction in the private capital outflow is to be achieved mainly in respect to the surplus countries of Europe. Presumably, these countries can afford to operate their economies at a high level even if their foreign exchange receipts decline. They can do this because they have strong balances of payments and large reserves.

Now, for the surplus countries of Continental Europe, there is to be no net new funds coming from the United States for direct investment there. With respect to those industrial countries and oil-producing countries on the edge of having some payments difficulty, we will permit the maintenance of a level of direct investment (through new funds transferred to England, Canada, Japan, and Australia) which, together with retained earnings, will be about 65 per cent of the average of what they had in 1965 and 1966. This is, incidentally, a very high historical base.

The poor countries, the less developed countries get very generous treatment. They are in heaven, as Bob Triffin has said. They can have 10 per cent more than the base they had in 1965–1966. In fact, that is more than they would get under normal conditions.

To facilitate adjustment by our own companies, transfers are allowed within each group of countries so that if, say, General Motors needs the money in Belgium instead of in Germany, it can transfer the funds (these may be earnings not required to be repatriated to the United States from Germany). And if United States companies operating in Canada find that they have more than enough money for Canadian investment, they can move money from Canada to England, if they have operations in the latter country. It is easy to exaggerate the impact the President's program will have on the group B countries because there is one big safety valve and that is the freedom of the Canadians to borrow all they want here so that funds can move say, from Canada to England without violating either our regulations or without causing too much hardship.

Nevertheless, I don't want to brush the difficulties away. This program is going to be hard on the countries that are not in surplus (except for the less developed countries).

Now, superimposed on this essential program of direct investment control there is a requirement to bring back about $600 million in loans outstanding to the continental countries of Europe. In 1968, 40 per cent of the American short-term loan portfolio will be liquidated and as many of the long-term loans as mature.

The government itself is undertaking a program to save $500 million on the foreign exchange costs of its enormous operations overseas. Some civilian workers will be brought back. Another $100 million of aid will be tied. It is a wonder there is any more left to tie. And presumably there will be some method of economizing further on the foreign exchange costs of our military operations overseas.

As I said, this is not an easy program. I don't think there is any danger that this will lead to a world deflation. In fact, I think it is the only kind of program that could give us a quick improvement in our balance of payments without generating deflationary forces.

It is a pity that we have a balance of payments problem of this magnitude. It is a pity it wasn't dealt with more effectively before. That doesn't alter the absolute necessity of doing something drastic on a big scale to restore the dollar to a position where it is a currency that countries everywhere feel they want to use and want to hold. And that means that we have to restore equilibrium in our balance of payments.

Thank you.

Mr. GOODELL. Thank you, Mr. Bernstein.

Mr. Haberler?

Professor HABERLER. Mr. Chairman, ladies and gentlemen, I should like to start at the other end from which my friend, Robert Triffin started, namely from the domestic situation. Later, I shall comment on alternatives and the international monetary system.

Looking at the program outlined by the President in his New Year's Message, let me say quite frankly I find it absolutely shocking. It is a big step. It is really a big step in the direction of more and more controls. It is a big step in what used to be called the Schachtian system, the system which was invented by the Nazi economic wizard, Hjalmar Schacht.

Of course, this drifts into more and more controls. That has been going on for quite some time. Our policy has been one of drift to more and more controls. We started by reducing tourist expenditures, you may remember, and later capital controls were imposed. The capital controls were at first mild; then they were made tighter, and now they have been made mandatory. Controls on bank lending are also virtually mandatory.

If you reflect on the details, the President's program is simply horrible. And one very bad aspect about it is the discrimination that Professor Triffin mentioned. I believe Congress should act to counteract discrimination between the Western Hemisphere and the rest of the world, and I see no justification why tourists going to Israel or to Italy should be taxed and those tourists going to Mexico, which they adore, should not be taxed. If the program involves restricting the amount of money the tourist is allowed to take out of the U.S., that is very easily evaded. We shall need a lot of police supervision to reduce such evasions, including censorship of the mail, etc.

If on the other hand the objective is accomplished by putting a head tax on departing tourists, that is outrageously regressive. Rich men can afford the additional cost, the poor cannot. When the details of the program are examined, they add up to what used to be called Nazi methods. I only hope the Congress will not go along with that.

Now the capital controls are not quite so revolutionary because bank investments were previously subject to controls. However, the controls have been made far more stringent. It is interesting that there is a law already on the books—it was passed in 1917—which gives the President the powers to do all sorts of things in case of war, in case of a declared emergency.

Indeed, the President could have put the tourist controls into effect under the terms of this law. I think it covers this thing and much more. But evidently he felt that was going a little too far, and that is just as well.

The controls on direct investments will probably help in the short run. The program includes a moratorium on direct investment in Western Europe (excluding Great Britain, Greece and Turkey). Since Western Europe was the place where most of the direct investment went, this part of the program will doubless be effective. However, direct investment in the long run yields interest and repayments. In fact, investment income from abroad has grown very rapidly—it is now running the rate of $5 billion. The long term impact of these controls on the balance of payments will thus be adverse. In the short run, it probably also means a loss of exports. American affiliates and subsidiaries abroad account for a very large percentage, 25 per cent if I remember correctly, of the manufacturing exports of the United States.

So, in the medium run the program will reduce some of our exports and in the long run it will cut into investment income. Hence, the program will be counterproductive in the long run even in narrow balance of payments terms.

In addition, an enormous amount of supervision will be required. Any investment which exceeds the very narrow limits allowed outside Western Europe will have to be separately investigated. A new office has been established in the Department of Commerce which has already started to issue explanatory amendments closing loopholes and to make exceptions where necessary. It would be very easy to picture how this system will snowball into an enormous bureaucracy.

The other programs mentioned in the Presidential Message are partly things which have been said many times. We are going to stimulate exports. We are going to persuade foreigners to come to the United States. That has been said in every speech and every statement on the balance of payments for the last thirty-five years and it is becoming a little stale. And to stress them so much cannot help but arouse suspicion that nothing decisive will be done.

There is one thing on which I would like to comment, namely the proposal that a tax be levied on imports (the figure I have seen is 3.5 per cent), and a tax rebate on exports to compensate for internal indirect taxes. Now this is a system which other countries have operated. The Germans have it. The French have it. But the reason is that they have a national turnover tax which we have not. We have only local and state taxes of the indirect kind which makes the administration of such a measure rather complicated.

But what I would like to point out is that this is disguised devaluation. If you put a tax of x percent on all exports or imports, and apply a similar refund to all exports, this is a disguised devaluation of that amount. You can even look at the tourist proposals as a disguised devaluation of the tourist dollar. Most of the other restrictions are really disguised kinds of partial devaluation.

The port tax proposal plan—a tax on imports and a tax refund on exports—is a system which comes much closer to real devaluation than the other programs, because it would affect a large segment of the American balance of payments, all exports of commodities and imports of commodities.

Let me make just one further remark on this. For the United States, the proposed tax innovations would be something entirely new. The United States has not so far practiced export subsidies on any extended scale. So if this were not highly restricted, if all exports were subsidized to compensate for domestic taxes, an entirely new dimension for foreign economic policy and for trade policy would be opened up. And I think this is a very serious matter. You would have to set up a new administrative machinery which does not exist. The European countries are in a different situation because they have the requisite machinery in place.

It can be shown quite clearly that such a system, once installed, will be used for other purposes. The tax refund and the border tax on imports would not be uniform. They would be equivalent to a devaluation but would be differentiated according to commodities and according to countries, thus introducing a new kind of discrimination.

So I think the Presidential program is bad; moreover, it is quite inadequate. I should mention in passing that the figure which the President used referring to this year's balance of payments deficit of $3.5 or $4 billion is an understatement. If you allow for all the cosmetic devices which are being used to make the balance of payments look better, you have to add at least $1 billion, probably more.

But I don't want to be exclusively critical. I want to say something about alternatives. Here, I find myself in some disagreement with earlier speakers. It appears to me that the first thing we need to do is to stop or slow down inflation. After all, last year the quantity of money increased at a record rate, something like 7.2 per cent. Everything has gone up much faster than in prior years. By way of contrast, the period 1958 to 1964 was one of fairly stable prices.

Inflation, in short, has to be stopped. A record budget deficit is in the making and I don't see how it will be possible to avoid a tax increase. I am all in favor of reducing expenditures, but I don't see how you can cope with a deficit of $20 billion or more, realistically speaking, in political terms, by reducing expenditures. So a tax increase probably will have to come. The alternatives would be that monetary policy would have to become extremely restrictive, with interest rates rising sky-high, and so on.

Now, may I say a few more words about the things which Professor Triffin discussed. The international monetary system isn't quite what it is supposed to be, but I cannot take quite such a pessimistic view as my friend, Professor Triffin. For instance, the United States started out with a tremendous international reserve so there was really a lot of time and a big margin within which action could have been taken.

Of course, the answer will be that the United States had to have the deficit in the first years after the war in order to supply other countries with international reserves. This of course, is perfectly true. The deficits in the American balance of payments up to 1960 and a little thereafter were necessary because gold production wasn't sufficient to meet the demands of the countries that wanted to accumulate international reserves.

But the situation has now changed. Other countries don't want more dollars, so the deficit in recent years cannot be justified on grounds that it was necessary to supply international reserves.

I agree that the point will come sooner or later, if world trade goes on rising as it has in the post-war period, when larger international reserves will be necessary. But I don't think this point has come. We have a confidence crisis which is rather different from a liquidity crisis. First, confidence in sterling, now confidence in the dollar has been shaken.

But somehow I imagine this problem will be solved. Our present system which has been criticized so much was able after all to surmount a number of confidence crises. The crisis of confidence in the pound was handled. The Italians got into trouble a few years ago. That was handled. Of course, if the dollar gets into still deeper trouble, that is a more serious problem. But I think the present system would be able to cope with that, too. And I would hope that the new scheme about which you heard so much, these special drawing rights which were accepted in principle at the Rio Conference of the IMF last summer, will come into being eventually and provide additional international reserves when they become necessary.

The only difficulty here is the disagreement between the big powers. The French are not willing to cooperate. Now I am not going to speculate on whether such an agreement will be reached. If an agreement cannot be reached, if the French remain adamant and the other Europeans go along with the French, then, of course, we would be in a difficult situation.

And now let me very briefly raise an issue on which I am sure most of the panelists will not agree, namely, flexible exchange rates. If an impasse is reached on the creation of international liquidity, our problem can still be solved by cutting the dollar loose from gold and letting it fluctuate. This might come in any event if inflationary policies are continued and our deficit goes on mounting. The present policy simply calls for controls where the alternative would be to cut the dollar loose from gold and let it float. I hope it won't come to it but I am not sure. If it becomes a floating dollar and if it is done in the proper way, I don't see any reason why that should do a lot of damage to the American economy.

An outright devaluation of the dollar by so many per cent—10 per cent or whatever it would be—would be difficult because we cannot know in advance what amount of devaluation is right. If you devalue a little too much, you get lots of other countries into trouble. If you devalue by too little, you don't solve the problem. So if it comes to the point where the international value of the dollar has to be changed, I think a much better system would be to let the dollar float. I am not optimistic that this will be done. I am afraid if we go on like we have, what we shall get is more and more controls. But one thing I am pretty sure about. People will get so fed up with controls, so disgusted with the petty annoyances they impose and with the supervision they make necessary, that they won't last very long. But to get rid of the controls won't be easy unless we do the right thing. The right thing is to let the dollar float; it will be fairly easy.

If you don't want to do that, then the alternatives are either to go on with the controls or have an outright devaluation where you are never sure whether it is too much or too little. Either route would be bad and it would be sheer luck if we were to hit upon exactly the right rate of devaluation.

Mr. GOODELL. Thank you, Professor Haberler. With you and Professor Triffin, we have set up a pretty good potential competition between Harvard and Yale here.

And I think now we will turn to the senior specialist on economic international economics from the Library of Congress, Dr. Piquet.

Dr. PIQUET. In twenty years of working for you gentlemen in Congress, I have learned that the more expert is the advice you get, the more confused you get.

I should like to approach this problem, not from the point of view of the many trees and shrubbery in the forest, but from the point of view of the forest itself, looking at it as a whole, from above, in fairly simple language.

For thirty-four years the United States has been the leader of the world in urging an open multilaterial trading system and a free and open payments system. It was our initiative that started the reduction of tariffs that culminated in the Kennedy Round. It was our initiative that resulted in the formation of the International Monetary Fund.

And now, in one day, we have cast doubt upon the credibility of the United States in really meaning what it has said in terms of fundamental policy. That is point one, which Gottfried Haberler brought out very well.

Point two, what is the problem? Is it a balance of payments problem or is it something else? There is always danger in economics of ignoring the fundamental on-the-scene forces and relationships and concentrating on the obvious, the superficial and the symptoms rather than the ailments. We have jumped at the conclusion, literally jumped at the conclusion that the only way that the United States can maintain international financial integrity is by having equality between its out-go of dollars or money and the in-flow of money across the national boundary line.

In fact, we have to do with two problem areas here. One is the financial area and the other is the monetary. The balance of payments itself is primarily a matter of financial transactions involving money transfers rather than money creation.

Now, if the United States were just another country, this accumulated balance of payments deficit would not have occurred because it could not have occurred. What would have happened was that the IOU's, the American dollars, would have come home to roost. The only place my IOU is good is with me unless you decide to use it as money among yourselves. Those dollars would have come back in the form of a demand for United States exports. And we would have been in balance. If we had had fluctuating exchange rates, balance would have occurred by way of a depreciation in the foreign exchange value of the dollar.

Now, then, if we analyze the figures in the balance of payments since 1960, we find that the subsidence of the gold rush in the fall of 1960, at which time we had a balance of payments deficit of $3.9 billion, followed upon President Kennedy's declaration that the United States was not going to raise the price of gold. The price of gold subsided in the London market from $41 an ounce back to $35 and our balance of payments deficit declined from $3.9 to $2.4 billion in 1961.

That deficit had been declining steadily through 1966. In 1965 it was down to $1.3 billion and in 1966 it was down to $1.4 billion. Taking the first three quarters of 1967 compared with the first three quarters of 1966, eliminating military expenditures only from the current balance—and they don't really belong in the current balance, in my opinion—but counting the trade balance and the balance on investment earnings and trade and transportation and miscellaneous services, we find an improvement in the first three quarters of 1967 over the first three quarters of 1966 by about $100 to $125 million.

There was, of course, an increase in the deficit on travel, largely explained by Expo '67 in Montreal.

In other words, what I am driving at is that it is possible that there was a big outflow of funds in the fourth quarter, but we don't have the figures on this. They are not yet available, except the global figures which were given by the President, $3.5 to $4 billion. But at least through the first three quarters of 1967, with the exception of the travel account, we were in a better position than we had been previously.

Now this adoption of a restrictionist posture to solve the so-called problem casts doubt upon the credibility of the United States. Also, it will result in the long run, as Dr. Haberler pointed out, in a worsening of the balance of payments rather than a bettering of it. The simple reason is that the income returns on the direct investments which we're trying to curtail, looked at cumulatively for the last thirteen years, are about $16 billion larger than the total outflow.

Thus, even though the proposed program will provide some temporary relief for the balance of payments, there will not be a cure in the long run balance unless we get rid of these controls.

I cannot get away from the feeling that this problem is not a balance of payments problem. It is not a financial problem. It is a monetary problem. It is the question of whether the world wants to continue to use dollars as its fundamental money.

Throughout history the world has used many different things for money. Virginia used tobacco. Old Ben Anderson used to say, "You could use old dodo bones if people would accept them." The sole criteria of the value of money is its acceptability, the confidence that you can accept it and the expectation that you can pass it on to somebody else. Now what has happened?

Other countries decided long ago, because of the shortage of gold, to use dollars, the IOU's of the United States, the only country that hasn't devalued since 1933, at which time there was no reason to do it anyway. The dollar was the soundest currency in the world and they decided to use it as money. And there has been, as far as I can see, no actual loss of confidence in the dollar. If there were a fundamental loss in the credibility of the dollar, do you suppose that the dollars that are now circulating in Europe, dollars used by Europeans, loaned and borrowed and spent by Europeans, without any control by any government whatsoever, would have skyrocketed to the volume of $15 billion as reported in the Wall Street Journal for January 15?

Now, this doesn't mean to say that there won't be loss of confidence in the dollar and it doesn't mean that I disagree with my good friend, Robert Triffin, that there is not a strong need for a rationalized international monetary system. But mark you this, no monetary system will work unless the participants in that system, the leading participants want it to work. The gold standard can be wrecked if anybody wants to wreck it, if they have the power to do it. The dollar system can be wrecked. The IMF system can be wrecked.

Short of a world economy, a world sovereignty, a world government, we have the problem of international cooperation whether we want it or not. Why should we be the banker? Now we have been chosen as banker by the rest of the world and we're dealing in financial intermediation, meaning by that that we are serving as banker, that we are exchanging our short-run liabilities for the long-run liabilities of foreigners.

If I am a banker and you want to borrow to build a house, you give me your mortgage, your deed and your note and you repay me over, say, a period of ten years and I give you the cash. I am a banker.

Our obligations to foreigners now run about $60 billion, over half of which are short-term liabilities to banks, governments, and private people. Our claims against foreigners amounted to $112 billion at the close of 1966. There is no question about the basic financial and economic strength of the United States. That is beyond question. The question is one of liquidity.

Liquidity in this case is the ability of the United States to redeem its dollars, its IOU's in gold at $35 an ounce.

We have now about a 40 per cent reserve of gold if we release the 25 per cent gold cover. A 40 per cent reserve, if the analogy of banking holds, is a pretty good reserve.

So what we need primarily, it seems to me, is confidence in ourselves, confidence in the fact that we are not weak and because the Europeans say we should do something doesn't mean that we should. I will conclude by saying that the President and you Members of Congress have other options. I don't think we are supposed to go into the options right now. We will come to them later.

But there are clearly other options than abandoning the long-run economic posture of the United States. This will start the world off again, as Dr. Haberler said, on a restrictionist path dangerously similar to what it was in the 1930's.

Thank you.

Mr. GOODELL. Thank you, Dr. Piquet.

Now we will move to that center of enlightenment, the University of Chicago, Professor Mundell.

Professor MUNDELL. Thank you, Mr. Chairman.

I hope you won't mind if I don't repeat the points on which I agree with other panelists. I should say first, I—I know I am disappointing Dr. Haberler in this—that I agreed with every word that Mr. Piquet, on my left, has just said. I think coming from outer space, that is Chicago, coming by airplane, it is unavoidable to escape the view when you travel up and look down that the world is round. But each time I come to Washington I see that the world looks flat. And having to present the idea that the world is indeed round is often shocking.

I find that analogy of some importance because had I been in Washington in 1960—I was here in 1961 or 1962—I could say this is where I came in. When I listened to Mr. Bernstein I wondered if his statement would have been changed in any sense had he been speaking ten years ago, in 1958 or 1960, when the balance of payments problem was first raised. Today, we have a particular set of balance of payments figures. We want to cut these figures on paper and so we impose restrictions, some voluntary, some mandatory. We put a little tax on this, a tax on that, in order to make the figures look a little bit better next year. But in fact the figures never look better next year and they won't look better next year and they won't look better ten years from now.

If we stop to think of what the U.S. balance of payments is going to be, not next year or five years from now, but ten years from now or fifteen years from now, we will find that when we examine these accounts in the balance of payments, going back to 1947 and 1950, and up to 1966, the U.S. deficit was larger than it is now. And it is larger than it is now not for spurious reasons but because of the systematic way in which the gold exchange standard operates.

And here I will have to part company with Robert Triffin. I don't think the dollar exchange standard is dead. I think it is going to get in the near future perhaps a new heart; such things are possible.

What has failed, as I think Dr. Piquet has made out, is our understanding of how the system is operating. If we look back over the figures for the past ten years of our balance of payments, we see this number, this magic number, $3.4, $3.9, $3.9, $2.4, $2.8, $2.7, $2.2 billion—all of the same order of magnitude. Why? Why is the balance of payments always $3 billion?

The gross national product increases by $50 billion every year. The gross national product in the United States is $800 billion; it is running at that rate at the present time. World income is of the order of $1.5 or $2 trillion. But the balance of payments of the United States is $2, $3 or $4 billion. It is always the same and this is an implementation of the working of the gold exchange standard itself. This is the way the system is operating. This is not a spurious figure.

This is not a figure that is magic, for instance.

I remember in 1963 and 1964—I expressed the view a number of times that this figure is something that is persistent. It is part of the system. And this has been occasionally laughed at and derided and called a coincidence. But next year the same coincidence comes up and next year and next year. It is a persistent change and it is a persistent change that is related to the rate of world expenditure and of world growth and the world demand for international reserves, and the particular position that the U.S. dollar has come to occupy in the world.

Now, Robert Triffin has brought out the fact that the liquidity position of the U.S. looks bad. We started off back in the postwar period with a very liquid situation, a lot of gold and a few liabilities. Now we have less gold and more liabilities.

But this transition is the transition of the world economy from a system that did not have a dominant currency like the dollar to a system that had a dominant currency like the dollar. And the failure of policy over the past ten years, I would say, has been to not recognize the fact that the old figures that are applicable to an old system do not apply to the present system.

From 1844—the year of the Bank Act—to 1914, Britain ran the gold standard with no change in the gold price. It ran that system—the gold standard—but it was a standard that relied heavily upon sterling. It ran that system by allowing reserves to fluctuate but it never imposed exchange controls whenever a particular set of figures looked bad.

The U.S. has become a bank. It has become the world bank and it is creating dollars. It does this in a whole complex of different ways and I think the view that Charles Kindleberger and that Mr. Despres have expressed in this connection is worthy of note. The U.S. is a savings and loan association, if you like, with respect to the world economy. But the U.S. is more than that. The U.S. also manufactures dollars which are demand deposits which operate as international money, as an international medium of exchange for all private traders, what Robert Roosa calls "vehicle currency." The analog to that in the domestic economy is simply money.

The dollar is, in short, the cement of a great multiproduct financial system. The U.S. is the world's capital market. That is a new element in the picture. All these functions don't have to be concentrated in New York and Washington, but the domination of the U.S. economy in the world has made this necessary. Consequently, these policies of restriction, the interest equalization tax, the voluntary foreign purchases restriction program, the new measures are all operating against a natural evolutionary law in the world at large. They won't work. This would remain true even if one took the maximum steps to undermine confidence in the dollar, and I believe that the U.S. government for ten years, since 1958, has come close to taking the maximum steps to undermine confidence in the dollar.

Even if General de Gaulle has his way and his finance ministers continued to incite speculation against the dollar with the result that the price of gold is changed, or gold is demonetized, the dollar will emerge even more powerfully as the world's currency.

If you follow the advice of my colleague, Milton Friedman, who says get out of the gold market, then the dollar will become more important than it is now. If you don't follow his advice and simply do nothing, then the dollar will become more important than it is now. You cannot fight the basic fundamental evolutionary forces that have been at work in the international system for a decade and that are simply reflections of the fact that it is the dollar and not gold that is the determining factor.

Gold is not even a medium of exchange in the international economy. Gold can be bought and sold. Gold is an asset. It is a commodity that is subject to speculation and people will want to hold it as long as there is speculation that its price is going to rise. But when people say "In the long run gold has to go up in price," when this defeatist attitude toward the U.S. dollar is advanced, what they are really saying is something remarkable. Consider the world gold market: There are 60,000 tons of gold floating around in hoards in the world, $40 billion worth are in the central banks. Annual production is about 1,000 tons. Private demand is usually less than that but in the past couple of years it has been a little more than that. What people are saying is that it is impossible to keep the price of gold down.

Now, if that is true, then you must throw all the laws of economics out the window. They don't apply. If the world economy can maintain the present price of gold, the U.S. dollar can emerge without basic problems connected with the balance of payments deficit, which is simply a set of figures. It is the system which has to be run right. The system hasn't been run right.

The system comprises N countries in the world—the IMF says there are 105, but there are probably 175—and one key currency representing about 40 percent of the free world's production, and that is the United States. Adding up all surpluses of other countries indicates what the rest of the balance of payments deficit is. So it is ludicrous when someone says "we will put a tax on tourists," "we will tell this or that company they can't invest abroad."

What they are saying is that the surpluses of the N minus one countries are going to change by some aggregate amount. Now I don't know of a single economist in Washington who has gone around and calculated and predicted what the surpluses of the N −1 countries in the world are going to be. I know some have tried. Milton Gilbert, in his speech before the American Economic Association in Washington, did go around and try to calculate what the surpluses in the rest of the world would be, but he could not come to any direct answer.

But the current trend, the current movement, the current understanding of the system is simply faulty. The proposed program won't work and in ten years we will have the same kind of problem and perhaps we will have the same kind of panel talking about it the same as we are, and saying the same things.

Of course, as long as we keep talking, there is something to be said for that because talking is better than fighting.

Thank you.

Mr. GOODELL. Thank you, Professor Mundell.

Generalizations are dangerous in this area and we appear to have, however, at least two of our panelists who believe the proposals made by the President are necessary, at least two that think they are bad, and perhaps one who thinks they are necessary as a temporary evil.

I might say at this point that I did invite the President of the United States to send a representative to participate in the panel. The indication from Secretary Fowler was that he felt that it was a very useful thing to have such a discussion but he declined to name a participant for our panel.

Now I saw Mr. Bernstein signaling a few minutes ago and I think we had better turn to him.

Mr. Bernstein?

Professor BERNSTEIN. **Mr. Triffin and I have agreed that Mr. Mundell's very pleasant and reassuring conversation—Mr. Piquet's, too—need a reply. I am speaking for both Mr. Triffin and myself on this. This is one question we agree on thoroughly.**

Let's first be clear about the balance of payments problem. It is quite true that the balance of payments deficit, the balance of payments problem can't be measured, it can only be analyzed. That is to say that there will be big differences of opinion as to the size of the deficit.

Now, I want to indicate that I, too, think that the United States is a different sort of country from others, that there will always be a demand for dollars, normally, to add to working balances, liquid holdings, and to some extent for monetary reserves. I have myself, elsewhere endeavored to make this point clear.

So far as I know, nobody in the world disagrees on this proposition. I had this question directed to me once at a meeting of the International Chamber of Commerce: Why is it that when we don't have a deficit the Europeans complain? And when we do have a deficit they also complain?

I think the reasonable answer is that using the definition of a deficit that the Commerce Department uses, which is the liquidity definition, Europeans would be opposed to a zero U.S. deficit. But if the deficit gets much larger than, say $1 billion by the liquidity definition, they do run into the problem of having unwanted dollars.

I am going to try to explain the limits of this proposition and indicate why the deficit stays at $3 billion and then indicate the fallacy of trying to talk away our balance of payments problem instead of dealing with it. In a 1959 report for a congressional committee, I pointed out that year after year, from 1950 to 1960, the increase in foreign holdings of dollars was $1 billion a year. When the balance of payments gave them more than $1 billion, the tendency was to take gold.

The $3 billion U.S. deficit persists for two reasons. One reason, of course, is that the figure is inflated, even though properly defined. That is to say we could tolerate by that definition, a deficit which would not exceed $1 billion or $1.25 billion a year.

We have been able to go on with a larger deficit primarily because we have used $11 billion of gold to meet that deficit from 1958 on. The reason the figures are never more than $3, $3.5 or $4 billion a year is because when they do get bigger the administration finds another way of selling another kind of paper which it then classifies, you see, as a capital inflow.

But if the figures were taken legitimately without making allowance for fancy paper, you would not get a steady figure of $3 billion. So, one explanation of the steady figure of $3 billion is that part of it is, in fact, not a deficit. That is about $1 or $1.25 billion a year. The rest of it is being operated on by the government to keep it within the $3–4 billion range because that is regarded as a figure which is correctable. Until the deficit moves well above this figure, everybody will say it will be easy for the United States to get back.

Now, let's clarify this business of "we are a great banking country" and it is only the ignorance of the foreigners in not realizing our special position that creates a problem. Of course, we're a banking country. That is why we can have an accumulation of the $1 or $1.5 billion by foreigners, by foreign banks, by foreign business firms, and by foreign central banks. But the notion that because we are a bank in this sense, there is no limit to the amount of dollars that they ought to accept on our initiative, really means that they turn over to us the job of deciding how much inflation there should be in the whole world.

Now, this is a pragmatic question. You can't define away a balance of payments problem. You can define away a deficit but not a balance of payments problem. When a country finds that the dollars it is paying out don't come back for the purchase of goods and services or for the holding of assets in this country, wanted assets, but is being presented for conversion into gold, you have a balance of payments problem.

The proof of it is that you can't go on with a balance of payments problem without changing something. In a few years the gold would be gone. What would you say then? You could say there is no deficit. The foreigners don't understand how to define our balance of payments. But the practical fact is you couldn't go on with that balance of payments.

Now that is the aspect we had better recognize. Whoever heard of bankers operating a good, sound sensible bank for the benefit of the bankers and their customers who have to twist the arm of a depositor when he comes in with a check to cash? That is what we are doing.

Whoever heard of the banker that keeps increasing his loans and investments year after year when the cash goes down and his deposits at the Federal Reserve show not net deposits but more and more debts to the Federal Reserve? Now I think we had better get rid of the notion that because we have 40 per cent of the world's industrial production and because the world did accept dollars in the past, somehow it is only their stupidity that keeps them from understanding that there is no limit to the outflow of dollars from this country which they are morally obligated to acquire and to hold. They won't do it.

Professor Triffin. I don't think that this system is working very well.

But, secondly, and more importantly, what we have now is not the old gold exchange standard. The old gold exchange standard was, in my opinion, killed and for very good reasons. It was killed by Under Secretary of the Treasury, Mr. Roosa, when, in 1960, he had to go around and say that the gold convertible dollars should no longer be converted because this might bring the whole system crashing down. He was right, but at that point the system which previously functioned because foreign central bankers chose freely to accumulate dollars and could at any time decide whether they wanted to change the nature of their investment, ceased to function. That system was changed that day from a monetary system into a political football, as the results of which the United States was exposed to increasing political blackmail. It was, a year or two ago, General de Gaulle who suddenly decided to withdraw his dollars. Tomorrow, it may be the Germans if we run into trouble with them about the stationing of our troops in Germany.

The present system exposes us to gold withdrawal at any moment of time. That system cannot last. What can be substituted for it is, as I indicated, an institutionalization of the system along the lines indicated by Mr. Mundell. This assures that other countries agree and become wise and decide that they will run their printing press in order to finance our deficit and will abstain from converting into gold. That was the main message which I wanted to leave with you.

Mr. Mundell rightly said that the system worked this way for a hundred years for the British, before 1913. I would point out that in 1913, according to the best estimates available, the total amount of sterling balances in foreign central banks (many of which were in fact under the British in terms of political relationships) was of the order of $600 million.

The total amount of our present debts to foreign central banks, I believe, runs around above $16 billion. Secondly, as far as private gold holdings are concerned, I would like at least to correct the record. The total amount of gold produced since Columbus, which is not accounted for by increasing official reserves, is not of the order of $60 billion but of the order of $30 or $31 billion as of last September. It is slightly larger now because of the $1.5 or $2 billion that may have been lost to official monetary reserves since then.

Professor Mundell. I was including the central bank holdings in my figure.

Professor Triffin. In that case, we have $45 billion, plus $30 billion, which would make about $75 billion.

Professor Mundell. The second point, in quoting the Bank of England's figures in 1914, I didn't hear you quote the Bank of England's gold reserves.

Professor Triffin. The gold reserves of the Bank of England, I quote from memory now, were certainly very low, perhaps on the order of $200 or $300 million.

Professor Mundell. The liabilities were in any case very much larger than the gold reserves.

Professor Triffin. I can give you the exact figure later on, but I think there is a supplement to be added there. At that time there was an enormous amount of private gold circulation in England.

Professor Mundell. Yes.

Professor Triffin. And part of the balance of payments problem was met not from the gold of the Bank of England but from the gold in circulation, from the public's gold holdings.

Professor Mundell. You would agree, wouldn't you, that the Bank of England got along and ran the system on an incredibly small gold reserve?

Professor Triffin. This is quite correct.

Professor Mundell. Right.

Professor Triffin. But this was also a period, of course, which was characterized by an extraordinary degree of stability, by the absence of rumors about devaluation, by absence of exchange controls——

Professor Mundell. Yes.

Professor Triffin. A very different world from the one with which we are concerned today.

Professor Mundell. Exactly.

Professor Triffin. If I may turn very briefly, Mr. Chairman, to an appraisal of the measures which have been taken, I have submitted to you a four- or five-page set of comments on a very brief and very simple table indicating the major changes which have appeared in our balance of payments since 1964. Let me say that these figures relate to the period previous to September of last year. It does not include the last deficits for which we don't yet have precise figures.

The major point to my mind is not the fluctuations in the balance of payments deficit, which is calculated differently every year, and which is affected by all kinds of changes which Dr. Bernstein mentioned. The major fact, I think, is that instead of running a current accounts surplus (minus foreign aid) of about $4 billion in 1964, we were running a deficit at an annual rate of about $200 million during the year, i.e., for the first nine months of 1967. That is a reversal of more than $4 billion in our current position.

Now, I will not, in deference to our chairman, make any comments on the reasons which to my mind explain all or practically all of that $4 billion reversal. Let me turn directly to the January 1 measures.

I think that these measures had to be announced. As Dr. Bernstein said, we had to do something spectacular, and we had to do it on January 1 because on January 3 we would have had to announce a loss of gold of nearly $1 billion in a single month. And it was necessary to ward off the speculation which such an announcement would have triggered if it had not been accompanied by a clear indication that we intended to do something about it.

This being said, I think it is essentially a short-run program put together on the basis of various studies which presumably have been in the making for some time at the Treasury. The study which the Treasury has just released on this point is extremely interesting, though I would disagree with several of the interpretations in the document.

Turning now to the program of January 1: this program aims at saving about $3 billion of foreign expenditures by American residents. I am afraid that a substantial portion, perhaps $1 billion of these savings on the expenditures of American residents, including tourists, is likely to be offset for two reasons.

First of all, we must take into account the withdrawal of funds by foreign residents or reduced investments by foreign residents in the American market. Why should they withdraw funds or why should they invest less in New York knowing that such withdrawal of foreign funds will yield the same amount of deficit as the export of American funds?

The reasons are, first, that the new measures are expected to tighten the current markets for gold, to force up interest rates abroad, and to slow down interest rate rises in the United States. It may, therefore, become more profitable to invest funds in the foreign dollar markets, in Euro-dollar markets than in New York. And foreign residents will be free to do this, of course, unless we institute exchange control not only on American nationals but on the foreigners, thus at once killing the New York market itself. I don't think that we could even contemplate such measures.

Secondly, the purchase of U.S. securities abroad rather than here, securities floated by U.S. firms to finance their direct investment programs, allows American firms to continue to invest as long as they borrow the money abroad. But the money, the obligations which they float in Luxembourg or in Amsterdam or in Paris, may be subscribed to a large extent by foreigners who face alternatives of investing in New York or investing abroad. So that this will not mean a net saving of $3 billion. It will mean a somewhat lesser saving.

Secondly, and in a somewhat opposite direction, I would like to suggest that to the extent that these measures are successful, they will have tremendous repercussions on other countries. The United States hopes to improve its balance of payments by $3 billion. The British have taken measures and hope to improve their balance of payments by $1 to $1.5 billion. That means a total of $4 to $4.5 billion.

If we look at the estimates currently available for the total surpluses of the rest of the world for the first nine months of last year, we find that the Continental European countries show surpluses of $700 million and the rest of the world about $350 million. This is all in all, a little more than $1 billion in surpluses.

Now, it would be very nice if our measures affected only countries with a surplus. But even if it succeeded in doing that, it will still leave a gap of roughly $3 billion or $3.5 billion which will have to be met by putting some countries in deficit. And, secondly, I don't believe that, no matter how hard we try, we can simply hit the strong brothers. We are also going to hit the weak sisters. Our program will affect the British. The British program will affect us. And not only that but our joint programs will affect other countries which are already in a somewhat vulnerable position.

Therefore, these countries probably will have to react and when they react, of course, they will cut down our own exports and they will create difficulties for us. I think that we might start again a spiral reminiscent of the past in which the difficulties of one country entail difficulties for the others. It is frightening to contemplate what might happen if some of these countries felt no compulsion about devaluing and thus reopening the speculative moves which we saw in December.

As far as possible solutions are concerned, I would like to underscore the two directions

I indicated. Clearly, we have to do something to improve our own balance of payments.

We shall also have to put into effect immediately measures that will improve the international atmosphere and that will reduce gold speculation. We will have to activate, if you like, the SDR's in order to meet the situation I have just been describing. Since it is impossible to activate those SDR's immediately, we will have to look for substitute methods of achieving the same purpose as soon as possible. In that connection, I have made proposals for the strengthening of the gold pool. This would really amount to an immediate implementation of some of the SDR techniques, avoiding the need to wait for parliamentary ratification of the SDR reform.

Let me again stress that we have two problems here, not one. There is the long-term problem, on which there is not yet full agreement, of how to increase world reserves in the future. This is a difficult problem because it implies that when you increase world reserves by fiat you have to decide who gets them, for what purposes they will be used for, and so on. It gives us lots of difficult questions.

The immediate problem which concerns us is to prevent a sudden contraction of world reserves. At the time of the Rio agreement, I pointed out that we had really for four years discussed essentially the long-run problem of how to increase world reserves in the future, but that we have not discussed the problem of how to prevent their contraction.

We have discussed how many SDR's we should create and how many SDR's other countries should absorb, without saying anything about what would happen to the other two reserve components, gold and foreign exchange. And it is for us very difficult to make national decisions about how you will work one piece of this paper machinery without knowing what happens to the other two. The amount of SDR's that might be needed to solve the liquidity problem would be very difficult to estimate if we continue to succeed in palming off dollars on Germany or Italy or if, on the contrary, they decided tomorrow to convert them into gold. This is a problem that we tried bravely to sweep under the carpet at Rio.

I said at that time that the current crisis of the pound and the dollar might eventually force us to put our nose in that dirt that we tried to sweep under the carpet. I said I hoped that on the occasion of the rescue operations in question, we would be able to indicate how the three reserve assets would be combined, how we would use gold, dollars, and the new reserve assets to make possible an orderly evolution of world reserves.

I think that we should have concentrated first, therefore, on preventing large-scale liquidation of dollar IOU's issued over the past fifty years under the gold exchange standard and accepted by all during those years. We cannot liquidate fifty years overnight. We have made the mistake of not discussing this issue and of trying to rush into the long-run problem without solving the short-term one.

If we could negotiate an agreement along these lines, this would make it easier for us to finance from our own resources and international borrowings from the IMF, the residual deficits that would still remain with us as long as we refuse to look at the real problem facing our current account balance. This would make possible a quick rescue operation without the need to impose mutually disastrous restraints on our capital exports.

But in the end we cannot avoid the need to achieve a current accounts surplus in our balance of payments which is consonant with the position and the responsibilities of the richest and most productive economy in the world. And what we are doing now is not going to solve that problem.

Mr. Goodell. Thank you, Professor Triffin. We would like to get to our distinguished observers as soon as possible. I think, Dr. Piquet, you wanted to make some brief comments?

Dr. Piquet. I certainly wouldn't want to say anything that would indicate, as I said before, that I am opposed to the Triffin plan for a world bank or a reorganization of the international monetary system. However, I think this is a long ways off.

Meanwhile, I tried to make clear that we had a big bulge in our balance of payments deficit in 1960, as we had in 1958 and previously. We made steady improvement through 1966, but now we have another bulge in the deficit in the fourth quarter of 1967.

We don't have the detailed figures but the figures that we do have for the first three quarters of 1967 and 1966 certainly indicate very strongly that the big increase in the outflow of funds in the fourth quarter of 1967 was speculative. There was no change in the fundamental balance; in fact, in the first three quarters of 1967 there was a decline in the outflow of direct investment capital.

People in the Department of Commerce have told me informally that they expected the errors and omissions item will be in the neighborhood of $1 billion, although that is not official, of course. Now, if the problem is speculation against the dollar, isn't that a psychological problem? Isn't it a monetary rather than a financial problem? Then what can we do to eliminate the speculation? The answer is to keep the dollar inviolate, that is, avoid inflation relative to other countries.

This is essential. The President could have announced on January 1 some curtailment of expenditures. We must choose between Vietnam and the moon and agriculture subsidies and all the rest. We can't have guns and butter and Cadillacs and everything else and still not tax the people.

Now, then, if we keep the dollar inviolate in terms of confidence by whatever that procedure might be, and adopt a few other devices to try to take the incentive away from the speculators in gold, that will help us substantially. There are steps that can be taken short of abandoning gold altogether, namely, throwing our entire gold supply into the international breach.

I understand we have gold in Fort Knox. I have never seen it but I am sure it is there. It certainly has no relevancy to the American dollars except as it reflects stability here at home or the lack of it.

Why shouldn't we be good bankers and just keep a straight poker face and pay out the gold as long as we have it. If we don't, other countries are not going to shoot us, and we're not going to commit suicide. They will use dollars as long as the dollar is acceptable. And that means the avoidance of inflation.

The answer the New York bankers would give us is to continue paying out the gold at $35 an ounce as long as we have the gold, $12.5 billion of it. But why in heaven's name should we support the price of gold at $35 an ounce by giving an advance guarantee that we will buy all gold presented to us at that fixed predetermined price?

Keep them guessing. At present, all that the speculator in gold has to do is to buy the gold, pay the interest cost of holding it, and then if we do raise the price of gold, he turns it back and makes a handsome profit, maybe 100 per cent.

If we don't devalue and don't raise the price of gold, all he loses is the interest on his investment. He brings back the gold and gets dollars for it. Why should we put a floor under the price of gold?

In fact, Fritz Machlup of Princeton suggested some time ago that we announce in advance that we're going to lower the price of gold in terms of dollars. He withdrew that because it was too complicated. [Laughter.]

Mr. Goodell. Professor Mundell?

Professor Mundell. I don't want to talk about solutions. I just want to underline my agreement with Dr. Bernstein on the point that we can talk about the U.S. balance of payments deficit or we can talk about the implications of the deficit.

Now, the implications of the deficit are quite clear. This, in fact, is the problem of world inflation. If the U.S. creates too much money, foreigners have to accumulate it and they spend it, and world spending goes up too much.

Here, the United States has a clear responsibility, not just to Americans but to the world economy; namely, to maintain control over total spending and over the manufacturing of dollars. That is one problem.

And the second problem that is related to that is the gold problem, which is the problem of the mechanism we use for currently keeping a lid on the price of gold.

The inflation problem and the gold problem both require solution. The inflation problem requires responsible U.S. financial policies as well as responsible European financial policies. The gold problem requires a management of uncertainties in the world economy. Dr. Piquet mentioned one solution for it. There are other solutions for it. As Dr. Holtrop of the Dutch Central Bank has repeatedly said, we should not nourish speculation about increasing the price of gold. We must manage uncertainty in a better way.

Mr. Goodell. At this point I think before we move to the distinguished observers for any comments or questions to the panel, I would like to introduce our Director of Research, of our Planning and Research Committee, who is an international economist himself and an expert observer in this field, Dr. Patrick Boarman.

Dr. Boarman. Thank you, Mr. Chairman, and guests.

I thought I would at this point simply try to raise some general questions which we might try to cope with in the minutes that remain.

The point has been made several times that the United States has a powerful, rich and productive economy, the mightiest economy in the world. But I think it has also been made clear by a number of our panelists that in spite of this enormous wealth and productivity that backs up the American dollar, what we confront today is a classical liquidity crisis, the crisis that can confront any firm, no matter how rich, no matter how large its assets. If a business firm runs out of cash and can't meet the payroll, it has to close its doors. I think the analogy is applicable to the United States.

We have very large assets abroad, far exceeding our short-term obligations. But the short-term obligations are cash obligations. And the existence of these short-term claims of over $30 billion against our $12 billion in gold, suggest that we do have a most critical situation.

It has sometimes been argued that our problem is not as grave as it might appear in that the balance of payments deficit, which has been running at between $1 and $3 billion for many years, and this year rather larger, is in reality very small compared to the annual gross national product of the United States.

We have to keep in mind that the balance of payments deficit is cumulative, that each year's deficit is added onto the previous year's deficit. So we're riding in a situation here where each year's additional deficit might become the straw that breaks the camel's back.

I would like to suggest that one of the aspects of our problem that has not been treated in the needed depth is the relationship between the domestic economy and the balance of payments problem.

Under the old gold standard system, to which reference was made several times, there was a direct relationship between the movement of reserves and what happened to the domestic economy. If reserves moved out certain things were done domestically to bring the national economy into balance with the international requirements. That was the classic way in which this system operated. There was no talk of international liquidity shortages under that system prior to 1913. There was no concern about balance of payments deficits because they never became a problem.

The constant adjustment of each individual nation to changes in the international economy kept the whole system in equilibrium and what changes there were tended to be microscopic.

This system was scrapped, in the twenties and in the thirties, in favor of a gold exchange standard which, in effect, cut the umbilical cord which connects the domestic economy to the international. This is the source of the problem we face today, which is, basically, that there is no mechanism any more which is able to induce the changes in the domestic economy which are required for international equilibrium.

I think we ought to consider what the options are that we have in our current situation. We have the option of devaluing the dollar. Most of us would not want to do this and we presumably will not do it. We have the option of trying to get other nations to cooperate with us and to increase international liquidity. We may be dealing here with an illusion in that international liquidity, I would suggest, is not related directly to international trade. In the past, international trade has expanded very rapidly without rapid increases in liquidity, and the British experience in the 19th Century, which was referred to here, is an example of that.

The British operated the world's trade and payments system on an absurdly small reserve base. The reason that they could do this was because the individual nations were adjusting their economies to balance of payments requirements.

It seems to me that the other option we have is to adjust our domestic situation to balance of payments necessities. What we confront is the old problem of transfer. Too many dollars have gone out and not enough are coming back to claim our goods and services. And there is no mechanism in operation to bring about adjustment of this sort.

The option we have, therefore, in addition to trying to find more liquidity, devaluing the dollar, and using controls, which is the option that the Administration chose, is that of trying to bring our domestic economy into balance by avoiding the internal fiscal excesses which have caused the dollars to flow out at a faster rate than they can be redeemed for goods and services.

This is an alternative that is available to us in contrast to the controls that have been offered by the Administration and of which there has been considerable criticism here this morning.

Mr. GOODELL. We turn to the observers. Do you have any comments or questions?

Mr. Rowen?

Mr. ROWEN. I would like to raise a practical question about gold reserves. Dr. Piquet suggested that we pay out the gold. Mr. Martin has used the phrase "we have to defend the dollar down to the last bar of gold." And the Administration is now proposing the abandonment of the gold cover to make this possible.

My question is: does any member of the panel think that any national administration or indeed any Congress would sit still for the total diminution of our gold reserves. Or rather wouldn't there arise at some point a kind of a panic in the country as gold reserves dwindled from $12 to $11 to $10 to $5 billion, or some number? If for no other reason than the creation of, say, a military security reserve of gold, would there not be a temptation to stop the outflow despite our insistence that we will let it all go?

Professor BERNSTEIN. I think what Mr. Rowen said is precisely correct. In a system in which, in effect, you say that your currency is equal to gold and you freely offer to convert your currency into gold, you can go on for a considerable time, as we have done, averaging a decline of $1 billion a year.

Now, two things would happen. One of those, the one you mentioned, is that there would be people of responsibility, the Congress, the Administration, the banking and business community who would feel that continued loss of gold beyond some critical point would require a sharp break from previous policy. And that that change would have to be, in fact, suspension of gold payments.

Now, in truth, responsible people ought to be talking about this long before you get down to $5 billion. Perhaps we can count on an average loss of $1 billion a year, especially with the political pressure we can put on our friends to keep accumulating dollars. But as the gold holdings go down, the good fellows who have been standing on line and saying we're going to hold onto these dollars forever, begin to say that those fellows who are pushing up to the window aren't playing fair. We had better get ours before we are stuck.

And I want to tell you something—that those who deal with central bankers ought to know: the central bankers who would be willing to take a chance on the dollar are very numerous. Even those who criticize us the most, really only fear that someone else is going to get the gold and then they will be told that they have failed to protect the interests of their country. You would be astonished at the amount of ingenuity that central bankers are applying right now to the devising of techniques by which they will be able to tell their public, "Look, we protected our interests even if something happens to gold."

In my opinion, we have reached the stage where we must do something now or the movement toward a gold crisis will accelerate.

Mr. GOODELL. Yes, Mr. Hagedorn?

Mr. HAGEDORN. I would like to make a comment on the subject that is up before you people in Congress and that is the subject of the 25 per cent gold cover.

You in Congress are being urged that this has to be removed and you're being told that this is of no significance domestically and that it will strengthen the international position of the dollar.

But I think that you should go slow and reflect on what you're doing. The 25 per cent gold cover requirement is the only external impersonal limitation that exists now on the expansion of our domestic supply of money and credit. Without that the sky is the limit and you are left to the discretion of the people who manage the money supply.

Now, I have no reason to disparage the trustworthiness or the sincerity of our money managers, but do we really want to be in a position where the only limitation on our own domestic money supply is their own judgment?

Now, it may be that as you explore this question you will decide that the immediate arithmetic of the matter leaves you no choice except to remove or lower that 25 per cent gold requirement. But if that is your conclusion, I think that you should also reflect on the fact that the expansion of our domestic money supply is related to the expectation that when presented with this problem, the Congress would in fact remove the 25 per cent requirement or lower it to some degree.

I would suggest in your study of the problem, that you should consider at least some substitute for the impersonal limitation that has been imposed by a 25 per cent gold cover requirement. It seems to me highly desirable that we have some sort of a criterion, some limitation. Now maybe, as a practical matter, the thing to do when faced with the present arithmetic, is to reduce the gold cover to some percentage lower than 25 per cent, but with the indication that we are not going to be talked very easily into lowering it the next time. Or maybe you should think in terms of some other formula that would limit the ability of the managers of the money system to expand the domestic supply of money and credit. Some sort of a statistical formula may be the answer. I don't know.

But at least we have a serious problem here. And I think you are being asked to act very precipitously, in a rush, and the significance of this is being overlooked.

Mr. GOODELL. Mr. Dale, do you want to make a comment?

Mr. DALE. I have a further question for the panel members.

Am I correct that every member here, regardless of their views on other things, favors a sharp reduction in our budget deficit and a tax increase to do it? Does anybody disagree?

Mr. GOODELL. Members of the panel?

Professor TRIFFIN. I would not want to answer that question and I don't want to go into the reasons why.

Mr. GOODELL. You would not want to answer the question?

Professor TRIFFIN. No, because we have been asked not to.

Mr. GOODELL. Oh, I see.

Professor TRIFFIN. But may I make a comment on the previous question, very briefly?

While I sympathize very much with what you have said, quite clearly, removal of the gold cover will not solve the basic problem, that is quite obvious. It doesn't change anything in respect to the basic reasons behind our deficit.

On the other hand, I think that if the question had not been raised maybe we might have lived with it, although I doubt it, really. But once the proposal has been put before Congress, the rejection of that proposal by Congress would put central bankers, many of whom now have become nervous nellies, on notice that we have only $14 billion of gold to meet $16 billion of gold convertible claims.

I think that this would not fail to precipitate the sort of crisis Dr. Bernstein mentioned.

So, therefore, I think it would be completely irresponsible at this stage for Congress to refuse to move in that direction.

Mr. HAGEDORN. What do you think would be the reaction of the international bankers if Congress took the position—now I am not recommending this but I am introducing it for discussion—if Congress took the position that no, by God, we're going to stick to that 25 per cent if we have to deflate our economy to do it. What would be the reaction of the international bankers to that?

Professor TRIFFIN. Yes, but there are $16 billion in claims which politically, at least, and legally are convertible into gold. What would happen if the next day or the next week $3 billion is presented for conversion?

Mr. HAGEDORN. Suppose we said we are going to deflate our own economy so that there will be great bargains to be bought in this country. Maybe nobody would want to take our gold; they would want to take our goods instead.

Mr. GOODELL. Mr. Haberler would like to make a brief comment.

Professor HABERLER. I cannot get so excited about this problem. I think I have a somewhat higher opinion of the intentions of the foreign central bankers. Professor Triffin said they would be put on notice about our liquid liabilities. But they know already what these are and what the gold stock is.

I think they know something else which was not mentioned, namely that the Federal Reserve can at any time waive that provision and, if I remember correctly, Mr. Martin has said on one or two occasions he wouldn't hesitate to do it. And that could be continued indefinitely.

Mr. GOODELL. Now almost everybody wants to be recognized. Dr. Piquet?

Dr. PIQUET. I think we have to correct a misunderstanding here. As far as gold serving as an impersonal regulator of the money outstanding, that died long ago. The 25 per cent gold cover is only against the Federal Reserve notes outstanding, of which there are about $40 billion.

The great bulk of the transactions in the United States—that which is the real engine of inflation—is not the Federal Reserve notes but bank credit. And the cover on that was removed in 1965.

Mr. HAGEDORN. But the currency bears a relationship to the expansion of credit, that is, the choice that the people of the country make in order to hold their liquid assets in the form of currency or in the form of bank credit.

Dr. PIQUET. There is very little currency held.

Mr. HAGEDORN. Yes, but when bank deposits expand you can expect that the currency will expand roughly in proportion.

Dr. PIQUET. Yes, true. Oh, I will grant you that step by step in past years this impersonal restraint has weakened further and further. Congress is being asked to take the final step of destroying it altogether.

Mr. GOODELL. Professor Mundell?

Professor MUNDELL. I would like to comment on both Mr. Hagedorn's and Mr. Dale's question. We have moved to a situation now in which the tying of the $10 billion in gold, which is scarce internationally, directly to domestic monetary circulation, will have a very severe impact on the use of gold throughout the world as an international reserve.

I think it is going to be an extremely heavy-handed weapon to force the Federal Reserve to suspend the gold cover. Congress has, after all, some control over what the Federal Reserve policy is to be. Chairman Martin has to justify his policy.

I would like to make a comment on Mr. Dale's question about the budget increase. That is moving into a different kettle of fish. The whole question of financial responsibility is tied up with the mix of monetary and fiscal policy. With respect to the tax increase: in 1966 I favored a tax increase and I think that in 1967 a tax increase would have been a good thing.

But the problem of predicting what is needed with respect to the tax increase is the problem of predicting how the economy is going to look in seven or eight or ten months from now, and that is a very complicated thing. It is a matter of projection. In my view, the Administration has to have a little flexibility. It may be that in two months or three months' time, a $10 billion tax increase will be far too much. It may be that the economy ten months from now will show signs of a serious downturn. And my own judgment at the present time is that a $10 billion tax increase is too large.

Mr. HAGEDORN. Bob, would you agree that the removal of the gold cover is not getting at the basic imbalance in international equilibrium that we have here? It gives us more time but if we go on doing what we're doing and policies don't change, we could end up in a couple of years with no gold at all.

Professor MUNDELL. Well, I think there is a risk for foreign monetary authorities in holding more gold, as the amount of gold the U.S. has continues to decline. To go back to post-World War I days, the book "The Golden Avalanche," written in the 1930's, points out that the joke in the 1920's was to ship all the gold in Europe to the United States and then leave America holding the bag with all the gold, since Europe might have decided not to bring it back and to use some other standard.

After 1934, Congress raised the price of gold precipitating the golden avalanche that occurred in the late 1935's. One can object to that because it meant that Americans were exporting goods and services abroad and getting in exchange more gold for burial in Ft. Knox. It is a poor investment to ship goods abroad and get back gold.

Currently, world inflation has caught up with the excessive increase in the price of gold in 1934–35 and gold is now coming back into its own as a strong international reserve. If the United States raised the gold price today, we would have another golden avalanche. We would have to import a lot of gold but export goods and services to pay for it. That again would be a very poor bargain for the United States. And that is why the U.S. does have a responsibility to work toward an international solution of the gold problem. I don't think the Rio agreements even begin to touch the problem.

Mr. HAGEDORN. If I might just follow through; isn't the gold problem really simply a reflection of the economic developments of the world? It isn't simply a symptom of the changing relationships between our productivity and world productivity?

Professor MUNDELL. Well, gold has become an attractive commodity because, while world prices of other commodities have gone up in the past thirty years two or three times, the price of gold has not gone up and so gold is becoming an increasingly attractive metal in jewelry, in teeth, and for industrial purposes.

In the past three years there has been a substantial increase in the industrial use of gold. Other prices have risen to the point where industries are beginning to substitute gold metal in airplanes and are using it for a wide variety of other industrial purposes.

Mr. BROCK. But aren't we more concerned with flow than with price? It is the flow. It is where the gold is going that is creating the difficulty, not its price.

Mr. GOODELL. Mr. Bernstein said he had a one-sentence comment.

Professor BERNSTEIN. There is a one-sentence answer to this question. Much as we love the notion that there is an objective measure of the proper quantity of money in the United States and the world as a whole, gold can't be it. This is because there has been a zero increment of gold in recent years. With a zero increment in gold, there could be only a zero increment in domestic money. Do you see what I mean?

If you want an objective measure of the proper quantity of money, you have to find something else.

Mr. GOODELL. Mr. Dale, I don't know whether you got an answer to your question. You had a partial answer from Professor Mundell. Professor Triffin, do you wish to add a clarification?

Professor TRIFFIN. My response is very simple. I do believe that, faced with the present situation, we will have to choose between a cut in expenditure and an increase in taxes. It so happens that I would not want to make easier the avoidance of certain cuts in expenditures which are obviously necessary for other reasons, anyway.

Mr. DALE. But you are for reducing the budget deficit in these circumstances?

Professor TRIFFIN. Yes, in those terms, yes.

Mr. GOODELL. Dr. Madden?

Mr. MADDEN. Yes, thank you.

I would like to ask this question. I find if one interprets various time periods implicit in the remarks here, it is possible to agree with everything that has been said, that is, we have a gold crisis, we have a liquidity crisis, we need a better system, the present program is necessary but it is bad. We've got it but we don't like it. We are powerful and the dollar would probably be strong without doing anything.

But one aspect of this whole question which I would like to see the panel discuss further is the political aspect, in the sense of the struggle of nations to assert their own interests while they are also attempting to cooperate together.

In this connection, someone has said that if we can't manage our own money, why do we expect that the International Monetary Fund can manage the world's money? I think the interesting point in the question is that we have conflicts here in the United States about the amount by which the money supply should increase and the level of the budget deficit or surplus, and so on. And we make errors such as in the present period in which inflation is occurring at a more rapid pace than we want. How then can we be sure that the much more difficult conflicts of interest, seen most vividly in the case of the French under the present circumstances, and the real differences about whether we should or should not be in Vietnam, can be reconciled by the power arrangements in the Fund and the institutional arrangements in the Fund that would accompany the SDR's.

Mr. GOODELL. Professor Triffin?

Professor TRIFFIN. I would like to answer that briefly. I think that you are perfectly right. I am quite sure that nobody trusts fully the management of money by anybody, neither by the United States nor by the Monetary Fund nor by the French. This is true everywhere.

But, as I said once to Rueff, it would be nice if we could escape our responsibilities because we will make mistakes. But it so happens that man cannot avoid managing his own affairs. Neither God nor gold will manage them for him.

To be a little more precise about my answer to your problem: I would say this, really, that the alternative to some effort to reach international agreement about the management of the increases in world reserves which will be required in the future, (and which will be an increasing of credit reserves because there isn't enough gold) would be to leave such a management function to the United States.

If there is not enough gold to increase world reserves, world reserves must increase through credit operations. Those credit operations may be simply credits to the U.S. banks and the U.S. Treasury. But if foreigners take dollars, then they have absolutely no voice in the amounts, in the use to which the credits are put. The alternative is to decide jointly, through the Monetary Fund, how much credit the nations are willing to create together.

There is one feature of the SDR's which is not morally sustainable in the long run. Whenever it is agreed that another billion or two billion dollars should be created, the nations are committed under the present RIO Agreement to give 26 per cent of that to the United States, 11 per cent to Britain (that is 37 per cent of the total) and to let 82 underdeveloped countries divide among themselves about 25 per cent.

This would involve using the power of international money creation for the support of existing national policies, whatever they are. This is not sustainable in the long run. If the lender disagrees with such policies, he will not finance them.

De Gaulle is wrong in asserting (and I am not sure that he has done so) that gold alone is enough. I think that if he had the choice between gold and something in which he would have a voice, he would take the latter. But as long as we don't give him that choice, and he doesn't have it at the moment, it is either gold or dollars or sterling.

I can well understand, for example, why De Gaulle would refuse to finance policies with which he is totally in disagreement, rightly or wrongly. If we want him to finance our policy, we first have to convince him that the policy is right. But we cannot ask him to finance it unless we have done that job first.

Essentially, the problem before us is this: the need to reach agreement on the total amount of reserves to be created and the purposes for which they will be used.

Those central bankers who said one cannot create or use short-term liabilities to make long-term investments of ten or twenty years affirmed, last September, in Rio, that with short-term liabilities one can make gifts, not for ten or twenty years, but forever. This is because 70 per cent of the SDR's will not have to be reconstituted or repaid. Curiously enough, this is exactly the opposite of all that has been said before.

I would like to point out that there have been a lot of contradictions of this sort. In 1962, when Mr. Maulding first suggested that some kind international reserve assets should be created, the Under Secretary of the Treasury said this was absurd; one could never create such a thing in advance of a world government. But one or two years later he was ready to support this new reserve asset very forcefully.

At the beginning of the negotiations of the Group of Ten, the French suggested a collective reserve unit in accordance with the technique, but not the purpose suggested by Dr. Bernstein. We threw up our hands at that point and said no, we want to use the traditional methods of the Fund. The French stuck to their collective reserve unit. Little by little our different point of views merged and then met.

Last March we saw the negotiations nearly break off because by that time the French no longer wanted the reserve unit; they wanted the Fund, and the United States wanted the reserve unit and not the Fund.

I think when you look at all these contradictions you wonder how far ahead the people who have been engaged in the negotiations have been looking.

Thank you very much.

Mr. GOODELL. Dr. Boarman?

Dr. BOARMAN. I would just like to add in connection with the point Professor Triffin has been pursuing, that it seems to me that international liquidity, the SDR's, the International Monetary Fund arrangements, and so on, are needed not to finance trade but to finance balance of payments deficits. I suspect Professor Triffin would agree that all of these arrangements: the Group of Ten, the International Monetary Fund with its new facilities, and the SDR's, if approved, will not be sufficient to handle balance of payments deficits of the magnitude of those incurred by the United States, especially if these continue.

Professor TRIFFIN. Mr. Chairman?

Mr. GOODELL. Professor Triffin.

Professor TRIFFIN. To give an answer in two sentences, and coming back to a point which I had forgotten in my answer to you, I agree fully with what Mr. Boarman has said.

It may very well be that if we reached an international agreement on the functioning of the system, it would preclude a guarantee for the financing of our deficits. What does this mean?

It means that if we continue in deficit and are unable to put our house in order, we would have to sacrifice our remaining resource, our dwindling gold stocks, and borrow from the $6 billion which we still have in the IMF. We have $12 billion in gold but $16 billion of liabilities. Well, those $16 billion of liabilities would be transformed into a long-term debt. We would have $12 billion in gold plus $6 billion in the Fund, or $18 billion to take care of our mistakes. Of course, we might see all that dwindle to the point where we would have to go back to controls or to devaluation of the dollar.

Dr. BOARMAN. If we are going to get our house in order—and I thoroughly agree with you—we are left with the President's proposals and we are left with other options.

One point that occurred to me, as the conversation has been proceeding, is that if we apply generally the exchange controls of the type that the President has suggested, and if we make these more comprehensive, will this not have the effect of seriously restricting the usability of the dollar internationally and, therefore, aggravate the very flight of gold that we're trying to prevent? Don't we have other options here besides the kind of drastic measures that the administration has proposed?

Mr. GOODELL. Mr. Janssen?

Mr. JANSSEN. I wanted to raise one question for the whole panel. It is getting late and I think this could be a quick one, answered best by winking and nodding. There has been a lot of talk of heading into trouble and I wonder if there is anyone on the panel who thinks that if this meeting were reconvened a year from now we would be looking back on some very fundamental changes in the international monetary system?

Professor TRIFFIN. I think there is no doubt of that. The monetary system will not stop dead in its tracks. It will not even evolve in accordance with the mood of the negotiators in Rio in September 1966 and 1967. After all, they did foresee what was going to happen in the following months.

Mr. GOODELL. Dr. Piquet?

Dr. PIQUET. I should predict that if the difficulties in Vietnam come to an end in this interval, it would change the question slightly. What is the situation going to be after Vietnam? We may well be discussing the dollar shortage problem again.

I believe that the problems of liquidity and gold are all going to be settled by international agreement. There is no danger, in my opinion, of a breakdown in the international monetary system in the immediate future.

I think the big problem is the balance of payments of the United States in the coming year. Now there have been conversations around here among the panelists that give you the impression that we can't do anything for our balance of payments.

Some of the arguments that have been used indicate that the balance of payments cannot be solved by any measures because the minute a country cuts down on its outflow of dollars, presumably it brings about an immediate reduction in the inflow. Well, that simply isn't true.

This is an emergency program. This emergency program is designed to save $3 billion in payments. On the liquidity definition, I think it probably will save $3 billion. On the official settlements definition, it will not save $3 billion because of the reduction of bank credit to Europeans.

The reduction of bank credit to Europeans will simply compel some of the New York banks to send their European borrowers to their London branches. The London branches will be told "you have got to take care of that good European customer. We will give you back some of your dollars we took from you." So there will be a reduction of our loans to Europe but also a reduction of our borrowings from the dollar market.

Now, it is my opinion that the President's program will be effective because such programs can be effective for a year, or for a year and a half. There are other reasons for thinking that the repercussions will not be of the order that some people have suggested. The big point is, if we get this saving for a year, how can we make sure that a permanent improvement in our balance of payments will be secured? We need a stronger balance of payments, but not through controls. Controls are only a device to carry us through an emergency.

The longer range thing has to be a domestic policy on credit, a domestic policy that won't give us too much domestic money creation, a domestic fiscal policy which will make sure that we don't spend too much at home and a wage and price policy which assures us that we will remain competitive in world markets.

Now, if we supplement this action program by real economic measures, then I think that in good time, with the end of the war in Vietnam, with the normal growth of world trade, and above all, with a better understanding of how much of a so-called deficit we can carry without disturbing the world's international monetary system, we'll have a good strong balance of payments without controls.

That is the way I look at the problem.

Mr. GOODELL. Dr. Boarman wishes to pose a question to the panel.

Dr. BOARMAN. We are drawing toward the end of our discussion this morning and we have, it seems to me, discussed a number of options. We mentioned briefly devaluation; we're not considering that.

We have the option of trying to get other countries to help us in terms of creating more international liquidity; and I think there has been agreement that this is not a mechanism which in the long run can cope with a chronic on-going imbalance between the United States and the rest of the world.

We have two other options which are left, namely, either the controls which the President has suggested, or the adjustment of domestic policy, in respect to aggregate spending, fiscal restraint, monetary restraint and wage and price restraint. Although I take it that Mr. Bernstein would not understand by that the imposition of wage and price controls on the economy.

Professor BERNSTEIN. I don't want any controls. I want good policies.

Dr. BOARMAN. I agree. Do we have a feeling here, on the panel, that we do have a feasible alternative to the President's program? Is it possible now to cut the spending, to achieve the domestic restraint that would bring the balance of payments around?

Who feels that we can do without these controls by sufficiently restrictive domestic policy which would not precipitate, we hope, deflation and unemployment?

Professor MUNDELL. In my view, I don't think that the restorative measures proposed will in fact improve the balance of payments. It will look as if they are going to improve the balance of payments because when you put a tax on tourists or restrain the export of capital, it will certainly cut into these items. There is no question but that a tax on tourists will mean that fewer tourists will go abroad. It is the effects of the restrictions that create the illusion that they are in fact improving the balance of payments.

In the universities some very serious econometric work has been done in this area. The voluntary foreign credit restrictions program, for example, has been subject to careful analysis, and the upshot of the conclusion of one study, which is coming out in a Brookings book, is that the restrictions had no effect upon the balance of payments. They had the illusory effect, initially, of changing the item to which pressure was applied, but that after taking into account all the items, no effect whatsoever was observable.

I think we greatly exaggerate the impact of these measures. I would say that it is far more preferable to do without these measures than it is to put these measures into effect, and that in the long run (i.e., the next year or two years) the balance of payments will be worse on account of these measures. The effectiveness of aggregate policies, of appropriate monetary and fiscal policies is several times more important than the particular attempts to control one item. I don't need to list the gaps that are involved in these credit restraint programs—the Canada gap, the Panama gap, the substitution effects that work throughout the economy, the effect upon foreign economic policies, etc. When you aggregate these together and combine them with the increased speculation that this leads to with respect to gold, as Professor Haberler pointed out very carefully, we have the beginnings of a concealed devaluation. Once you get to a whole system of controls, what governments typically do—and the British government is the best example of this—is say, "Well, now we need to change the price of gold or we need to change the exchange rate so that we can get rid of all these restrictions that we've built up in the process." This is a policy of 50 or 75 underdeveloped countries with inconvertible currencies and I don't think it is the policy that the United States should follow.

Mr. GOODELL. Gentlemen, we are getting near the end here. It is the normal approach to have ladies go first; in this instance I apologize, Mrs. Jager, you will have the privilege of going last, and maybe that is a good spot to be in.

Mrs. JAGER. I guess it is best that it is last because my question really relates partly to Mr. Madden's comment on the difference between the short-run and the long-run. This is a confusing factor which would seem to preclude the reaching of any policy conclusions by a Congressman, from the advice of the panel.

But even more interesting to me is the combination of psychological and political judgments and also timing judgments on the part of the panel. Does it not seem a matter of some importance that the adjustments that most of the panel seem to find necessary in the domestic economy might fall with rather undue weight on certain sectors of this economy; doesn't this seem to you to be an important aspect in this consideration?

In other words, aren't you letting the tail wag the dog almost entirely in your general attitude, that to take care of a long-run problem you consider measures which would result in a pretty strong deflating of this economy?

Mr. GOODELL. Professor Bernstein?

Professor BERNSTEIN. Well, I want to be the first to say that I don't believe deflating would solve our balance of payments problem. Deflating is the one thing which would make sure that demand abroad falls off as much as demand here. This is why I say some people here practically suggest that there are no solutions.

I would say that what I want to get out of this economy is that part of the demand which is clearly excessive, which is inflationary, which is the cause of the rise in prices, which made our exports less competitive, which pulled in the import goods from abroad to fill up the shortage of supply relative to demand that we have been experiencing.

As Mr. Triffin said, in 1964 we had an enormous surplus on goods and services, on goods particularly. By 1966 we had dissipated more than half of it.

Now our good friend, Mr. Piquet, has shown us that in the first three months of 1967 the balance of payments was a little bit better, excluding the bad items—I mean excluding the items that went up, like military spending which he doesn't regard as in the current account. But he didn't, so far as I am concerned, prove that it was any good before it got better, and that is our problem.

We have had inflation and it is, strictly speaking, along with the war, the principal cause of the deficit. Therefore, we have to solve the problem by getting rid of the inflation, not by deflating.

Mr. GOODELL. A distinction between deflation and disinflation?

Professor BERNSTEIN. If you want to use that old-fashioned term.

Mr. GOODELL. Dr. Piquet?

Dr. PIQUET. One word about using the word "deflation" so fast and loose. There is little emphasis here, but not enough, on the necessities of international adjustment through the forces of the market. We did have, as was pointed out, under the old gold standard a tolerable degree of adjustment via trade without deflation. Adjustments do not occur in aggregates; adjustments occur always at the margin.

Now, this leads us into liberal trade policy philosophy. By increasing imports (or exports), we do not necessarily provoke unemployment. There is a shift, there is an adjustment of workers from one line to another, as the AFL–CIO has itself pointed out.

Mr. GOODELL. Ladies and gentlemen, I think we have drawn to the furthest extent now of our time. And I want to say first of all that we are very privileged to have had such a distinguished group of panelists and observers here.

I want you also to know that you've not been talking to yourselves. At one point this morning, before we got the quorum calls, I counted fifty members of Congress in the audience, so hopefully some of this has been absorbed in places where it can do some good.

And we were also privileged to have here the Deputy Assistant Secretary of the Treasury for International Affairs, Mr. John Petty.

Along with the rest of us, as a listener and a learner, I certainly learned a great deal and I thank all of you for taking the time and the effort to be a part of this panel this morning.

The meeting is adjourned.

(Whereupon, at 12:40 o'clock p.m., the meeting was adjourned.)

AFTER THE POUND: WHAT? OR AN INTERNATIONAL MONETARY STANDARD: NEITHER GOLD NOR THE DOLLAR

(By Robert Triffin, Yale University)

SUCCESS OF FAILURE?

The devaluation of the pound might have opened a new era in monetary cooperation. For the first time in history, *meaningful* international consultations determined the new rate, prevented a spiralling of mutually defeating devaluations by other major countries, and elicited from them large credits in support of the new rate. It could have been a great, an unprecedented success in our groping for a new monetary order.

Instead it unleashed an equally unprecedented wave of speculation, throwing even greater doubts than already existed as to the survival of our international monetary system. Why?

MARKET RIPPLES

Market analysts concentrate their guesswork on the day-to-day ripples that might quiet down tomorrow or be the beginnings of a maelstrom. They note the failure of the devaluation to restore so far full confidence in the pound and bring back to London a substantial portion of the short term funds that flew from it in the preceding weeks, months, or years. They see speculative unrest spreading from the pound to other currencies, and particularly to the dollar. Private gold purchases appear to have risen to record levels of possibly $1 billion, or more, in the month following the pound devaluation. Who is to blame? And how long can this last without forcing an official, or unofficial, increase in the price of gold?

CULPRITS OR SCAPEGOATS?

President de Gaulle kindly offers himself as a convenient scapegoat for what happened. He started his gold purchases several years ago, allowed—or stimulated?—press leaks that alarmed speculators, refused to cooperate fully with others in financing the remedies which we favored ourselves to get us out of the hole. Others blame the British for having waited too long, and for having bungled by not closing the exchange market on the day preceding the devaluation rather than on the following Monday. As for the new wave of speculation which rocked the market from December 11th through December 18th, they ascribe it to the unprecedented gate-crashing of the jealously closed club, or Mecca, of central bankers—the Bank for International Settlements—by our Undersecretary of the Treasury, and to rumored U.S. proposals to seek agreement on various ways to close speculators' access to gold at the present price, thus inducing them to scurry before the door was locked in their face.

The new and drastic U.S. balance-of-payments program unveiled on January 1st was obviously timed to ward off the further speculative wave that might have been expected otherwise from the public announcement of the unprecedented gold drain from Fort Knox in December: $295 million in a single month.

TWO BASIC ISSUES

All this makes fascinating copy indeed for the newspapers, but throws little light on the basic issues that will determine the ultimate outcome of the present crisis: the death-throes of the present gold-exchange standard, aggravated and accelerated by the huge and persistent deficits of the two countries whose national currencies serve as international reserves for others, i.e. the United Kingdom, and primarily today the United States.

THE DEATH OF THE GOLD-EXCHANGE STANDARD

The gold-exchange standard is dead or dying, but nothing else has taken its place yet.

It rested uneasily yesterday on two sources of supply for needed increases in the world reserve pool, essential to sustain desirable and feasible rates of expansion in world trade and production: (1) gold, and (2) gold-convertible foreign exchange. Both have totally dried up in recent years.

Gold used to provide three fourths, or more, of global reserve increases. In spite of increasing USSR sales, its contribution dropped to only one fourth in the quinquennium 1960–1964, and has now become negative. Indeed it was already negative before the recent speculative gold rush. In the last twelve months for which estimates are available (July 1966–June 1967), private purchases by industry, jewelers, dentists, hoarders and speculators ($1.7 billion) exceeded the total supplies coming to the market from new gold production ($1.4 billion), the difference being met by a $300 million contraction in official gold holdings. Last month's events will, of course, dig further—probably by $1 billion or more—into the world pool of monetary gold.

Gold-convertible foreign exchange thus provided the lion's share of new reserve increases: sixty-five percent of the total over the years 1960–1964. These foreign exchange reserves are overwhelmingly made up of dollar IOU's. They were at first accepted—or even eagerly looked for—by other countries, because they carried substantial interest-earnings, unavailable of course on gold metal, and could be converted at will into gold by their holders, without any question or embarrassment whatsoever.

This system was killed, several years ago, by our brilliant Undersecretary of the Treasury, Mr. Roosa, when he was forced—for very good reasons indeed—to appeal to "international cooperation" in order to apply the brakes on gold conversions which might topple the system by raiding the gold cellars of Fort Knox. In 1949, these were overflowing with about $25½ billion of gold and another $1½ billion of net claims on the International Monetary Fund, while our gold-convertible debt to foreign central banks barely exceeded $3 billion. In the following years, our net monetary reserves dropped gradually from their 1949 peak ($22.3 billion) to $10.9 billion in 1959 and minus $3.2 billion in June of this year. The net reserves of both reserve centers together—the United States and the United Kingdom—and of the other countries were about equal (approximately $17 billion) in 1949, but the first had dropped by mid-1967 to minus $9 billion or $10 billion, while the second had risen to well over $50 billion.

Sterling, and even the dollar, no longer looked quite "as good as gold," and foreign countries became increasingly reluctant to pile up further—and less and less easily "gold-convertible"—sterling and dollar IOU's. They were more and more inclined instead to convert them into gold, if they could or dared, or in gold-guaranteed claims on the International Monetary Fund. In the last two and half years—from the end of 1964 through mid-1967—they converted the entirety of their current reserve gains ($4.4 billion) and some ($0.2 billion) of their previously accumulated foreign exchange holdings into gold ($2.4 billion) and claims on the IMF ($2.1 billion). Foreign exchange liquidation by developed countries even reached the huge total of $2.8 billion (of which $0.8 billion by France and $2 billion by other countries), but was nearly offset by unprecedented foreign exchange accumulation by the underdeveloped countries.

THE DEBATE ON MONETARY REFORM

Events have thus confirmed dramatically the reluctant and belated recognition by the official negotiators of the Group of Ten and the IMF that neither gold nor gold-convertible foreign exchange could be safely relied upon to sustain indefinitely the world reserve requirements of expanding levels of world trade and production. Indeed, now that both of these traditional sources of reserve increases have become negative, reliance upon them threaten not only to unleash deflationary pressure or mutually defeating trade restrictions on the world economy, but also to destroy the stability of the two currencies which used to prop up the gold-exchange standard.

Four years of arduous negotiations finally succeeded, at the Rio de Janeiro meeting of the IMF last September, in producing a blueprint for the deliberate creation of a truly international reserve asset, in the amounts necessary to supplement vanishing supplies of gold and foreign exchange reserves. This agreement, however, must still be written out in legal form and hatched—ratified—by scores of Congresses and Parliaments before it can come into operation. And when the new bird finally breaks out of its shell, a special provision will still forbid it to fly, or even to walk until the United States and the United Kingdom have succeeded in diminishing substantially—or even eliminated entirely and durably—their huge and persistent reserve deficits.

I ventured to predict at the time that the Rio Agreement would do little—or nothing—therefore, to solve the more immediate problems raised by the storm already raging around the pound sterling, and by the tidal wave of bearish dollar speculation which a sterling devaluation might unleash upon the world. I added optimistically, however, that these forthcoming crises would impel new international rescue operations which might finally force us to deal realistically with the problem which the negotiators had bravely tried to sweep under the carpet, i.e. the relationship of the proposed new reserve asset to the former ones, the role which gold, dollars and sterling would continue to play in future reserve creation, and particularly the inherent vulnerability of the system to sudden or massive conversions from foreign exchange into gold.

The much heralded opposition of views between the United States and France, which had blocked agreement for so long, revolved indeed on this issue. The U.S. wanted basically to discourage the conversion of dollars into gold, but wished also to preserve as far as possible our chances to finance part, at least, of our future deficits through further dollar accumulation by foreign central banks, up to undetermined amounts. As long as we maintain that position, it will be difficult indeed (1) either to exact from European governments precise commitments for the creation and absorption of new reserve assets which might conceivably add to already excessive and inflationary, levels of dollar accumulation, or (2) to erect jointly appropriate safeguards against sudden or massive liquidation into gold of dollar reserves currently accruing to foreign central banks or already accumulated by them over the long years of functioning of the gold-exchange standard.

THE DOLLAR AREA ALTERNATIVE TO INTERNATIONAL AGREEMENT

These financial disagreements have now been compounded and magnified by the political implications of continued dollar accumulation by foreign central banks. Our Secretary of the Treasury called for such accumulation, particularly by the surplus countries of Continental Europe, as an indispensable cooperation for the financing of our direct investments abroad and of the defense of the "free World" not only in Europe, but also in Vietnam. Negotiations aiming at offsetting the foreign exchange costs of the stationing of our troops in Germany ended up, last March, with a German "declaration of intention" promising apparently broader and unlimited dollar accumulation and retention to avoid undesirable disturbances in the gold markets. Substantial increases of foreign exchange reserves since last March, not only in Germany ($172 million through November), but also in Italy ($845 million), Belgium ($307 million), the Netherlands ($274 million), etc., in sharp contrast to previous reductions, suggest that similar bargaining pressures may have been exercised on these countries to bolster up their flagging interest in dollar accumulation and deter them from excessive gold conversions.

We may be slipping unwittingly indeed, by gradual steps whose ultimate outcome is hardly suspected—as was the case for our Vietnam escalation—toward a most radical solution of our balance-of-payments difficulties. Influential banking voices have recently joined the chorus of academic writers calling for a demonetization of that barbarous relic: gold. We could do this unilaterally, by suspending formally gold purchases as well as gold sales, or, more informally, by raising various forms of restrictions—on capital, and even on current account transactions—against countries which insist on cashing their dollars for gold. Many countries might then prefer—according to this reasoning—to finance our deficits through unlimited dollar accumulation, since their refusal to buy and retain the dollar overflows would either expose their industries to severe U.S. restrictions, or to unbearable competition with U.S. producers whose costs would be slashed by the depreciation of the dollar in terms of their own currency.

Other instruments of persuasion could even be brought into play, if necessary: sharp cuts in our foreign aid to some, in our military supplies to others, etc.

The discriminations established by our new balance-of-payments program between three groups of countries might easily indicate a further and major step along this road, as they may induce countries to escape, or alleviate, our restrictions—shifting their status from "hell" to "purgatory" or "heaven"—by agreeing to limit their dollar conversions, or even to sell us gold against further piling-up of dollar IOU's.

There is little doubt that we could easily repeat in this manner the disastrous experience of Britain with her sterling area. We could force even more countries into a dollar area, large enough to absolve us of any future worries about our balance of payments.

At least, for a while! And at the cost of building up a tidal wave which would be certain to engulf, sooner or later, such "dollar imperialism" into a renewal of the divisive and destructive international monetary and economic chaos of the 1930's. Public opinion would soon awaken—or be awakened—to the political implications of such a system, i.e., the forcible financing by foreign central banks and their nationals of whatever deficits we may incur in pursuing policies unilaterally decided by us, even if these policies entered into conflict with their own views of world interests, or of their own national interests.

It is true that we similarly financed ourselves, in the Marshall plan and early NATO days, the huge deficits of the European countries. These deficits, however, were associated with policies on which we all agreed: the reconstruction of a Europe ruined by the second World War, and left as a tempting prey for Stalinist aggression or subversion. It is abundantly clear that many Europeans do not agree today with the policies of our Administration in Vietnam, and that some of them strongly object to what they regard as an excessive penetration, or take-over, of their industries by American capital. They may be wrong, but it would be highly unrealistic to expect them to finance indefinitely policies on which they have not been consulted and with which they may at times deeply disagree.

The ultimate outcome of such short-sighted U.S. policies could only be to arouse sharp political, as well as economic, divisions between the United States and Europe, as well as many other countries. More and more countries would desert, sooner or later, the dollar area, and erect compensatory barriers against the "foreign-exchange dumping" associated with the downward drift of a floating dollar—no longer supported by central bank purchases—in the exchange market. Economic warfare à la 1930's between a new gold bloc and a shrinking dollar-sterling bloc would replace the economic cooperation that has assured our joint prosperity ever since the end of World War II.

ROUNDING UP THE RIO AGREEMENT

The agreement reached at the Hague between the EEC countries, and later expanded into the Rio Agreement of last September, was largely a sane, last minute reaction to the abyss which was opening before the eyes of the negotiators as a result of the unreasonable and incompatible so-called "negotiating positions" previously adopted by France and the United States. Substantial concessions by the French rallied unanimity within the European Economic Community in favor of solutions acceptable to the United States, and far preferable indeed to the "undermining" of the international monetary system alluded to by Secretary Fowler at Pebble Beach, on March 17th, 1967.

Having agreed, however, on the need for a new reserve asset, we should now try to accelerate—or anticipate—its creation, not so much to expand present levels of world liquidity, but to prevent their contraction through flights into gold by either speculators or central banks or both.

The new reserve asset can be made vastly more attractive to central banks, and more acceptable to their politicians and public opinion, than mere sterling or dollar IOU's. Contrary to widespread opinion, it can also be made as safe for them as gold itself.

As long as it is not available, however, for reserve accumulation, and the practical choice for reserve holders remains constricted to either gold or dollars, President de Gaulle will not be alone in preferring gold, especially as long as our absurd and immoral venture in Vietnam perpetuates deficits of several billion dollars a year in our balance of payments.

The most urgent task confronting us at this juncture is not so much to expand immediately the world reserve pool as it is to arrest the contraction now triggered by wild flights into gold by speculators whom central bankers themselves might imitate tomorrow if they finally lost their nerve. The way to do this is not to close the private gold market, merely transferring its activities thereby to black or grey markets as in the late 1940's and early 1950's. It is to warn speculators that central banks no longer need gold as their ultimate reserve asset, are ready to use instead of a new reserve asset jointly created and managed by them, and are therefore able and willing to dump in free gold markets the billions of dollars of sterile gold which they now hold.

This may well indeed correspond to the ultimate objective of the new gold pool plans rumored to have been proposed at Basle by Undersecretary Deming earlier this month. To make such proposals truly negotiable, however, we must stop overplaying our hand as we have done so often, and at such costs, over the last eight years.

We cannot realistically expect to negotiate any agreement that would enable us to elude indefinitely the correction of our persistent balance-of-payments deficit either through bilateral palming-off of further dollar IOU's on foreign central banks, or through large and automatic earmarking in our favor (26 percent) of the new reserve asset proposed at Rio, but which is unlikely to see the light of day as long as our deficits continue on the present scale. We might be forced, like other countries, to accelerate the re-equilibration of our accounts, and to finance our tapering-off deficits through gold losses and recourse to our still huge drawing rights ($5½ billion) on the International Monetary Fund. We can, on the other hand, reasonably expect to negotiate an agreement protecting us against the danger of massive conversions into gold of the huge indebtedness incurred by us over the last half century of functioning of the absurd Monte-Carlo roulette dignified under the name of "gold-exchange standard."

I am deeply convinced, for my part, that the U.S. national interests, as well as those of the world, will be served far better in this way than by protracted delays and ultimate failure of negotiating aims unacceptable to other countries, or by short-sighted attempts to extract unlimited financing from reluctant partners in any "dollar area" scheme, or by the monetary chaos and economic warfare which either of these techniques would be bound to unleash, in the end, upon a world in which we are condemned, and must learn to live together.

THE JANUARY 1 PROGRAM

The new restrictions announced on January 1st are primarily a hurried response to our immediate concern: plug the dramatically widening gold leak from Fort Knox. They may do so in the short run, even though the *net* "improvement" to be expected from them is likely to remain far short of the $3 billion optimistically aimed at. Direct investments financed abroad are exempt from the ceilings established, but much of this financing will come from foreign funds withdrawn from New York or which would otherwise have been placed in New York. Moreover, our hopes to improve our balance by $3 billion and Britain's hopes to improve its balance by $1.2 billion are unlikely to be matched by an accepted deterioration of $4.2 billion either in Continental Europe, whose surpluses totalled less than $700 million in the first three quarters of last year, or in the rest of the world where they barely reached $350 million. New troubles and spiralling of restrictions are likely to be forced upon other countries by our measures, just as they were forced on us by the aftermath of the British devaluation.

As for our own longer run aims and policies, the new program confirms, but does not resolve, the dilemma highlighted above:

1. It can—and I hope should—be interpreted as a laudable and long overdue attempt to pave the way for a quicker and fuller agreement on a negotiable plan for international monetary reform, by meeting the European objections to our huge and persistent deficits. It even centers our proposed measures on an effort to reduce drastically the splurge of direct investments which some of them have denounced as a "take-over" of their industrial establishment by American capital.

2. The plan could also be interpreted, however, as a further move toward a "dollar area" solution, discriminating in favor of the countries which refrain from converting their dollars into gold—i.e. the underdeveloped countries, the United Kingdom, Canada, Japan, Australia, etc.—and against those, "principally Continental Western Europe," which refuse to finance our deficits in this way.

I suspect that the Administration itself remains deeply divided as to which of these two directions it will take in the forthcoming months. Indeed, it might be forced into the second if the surplus countries of Continental Western Europe failed to respond constructively to the first. An international solution to what is, after all, an international problem will require their cooperation as well as ours. Neither is insured as yet, even though the consequences of the nationalistic alternative favored by some, on both sides of the Atlantic Ocean, would be as disastrous for all in the late 1960's as they proved to be in the early 1930's.

EVOLUTION OF THE U.S. BALANCE OF PAYMENTS, 1964 TO SEPTEMBER 1967

	1964	Yearly rate, January-September 1967	Difference
A. Current account	7.6	4.0	−3.5
B. Minus foreign aid	3.7	4.3	−.6
Change in international "net worth" (A+B)	3.9	−.2	−4.1
A. Net capital assets	7.4	3.7	−3.7
1. U.S. assets	6.5	5.0	−1.5
(a) Direct investment	2.4	2.9	+.5
(b) Portfolio investments	.7	1.2	+.5
(c) U.S. banks' loans	2.5	.7	−1.7
(d) Other	1.0	.3	−.7
2. U.S. liabilities (−)	−.1	−2.3	−2.2
3. Errors and omissions	.9	.9	------
B. Settlements deficit (−)	−3.5	−3.9	−.4
1. Debt prepayments, etc	−.4	−.3	+.1
2. Reserves and liquidity balance	−3.1	−3.6	−.5
(a) Dollar balances abroad	−1.6	−.7	+.8
(b) Net official reserves	−1.5	−2.9	−1.3

EXPLANATION

1. *The change in the U.S. international "net worth"* (exclusive of reinvested earnings and price changes not recorded in balance-of-payments statistics):

(a) reflects the excess of our current account (primarily trade) surplus over our foreign aid expenditures which finance it in part;

(b) is, in turn, reflected in changes in various U.S. assets and liabilities, classified here under:

(i) assets and liabilities other than those regarded as settlements and entering the various measurements of our so-called "overall" deficit;

(ii) our "settlements deficit," defined here in a way approximating the "balance on regular types of transactions" whose publication has been suspended. This includes:

(a) inter-governmental settlements, related to debt prepayments, military exports, etc. primarily designed to reduce our reserve losses;

(b) changes in our net official reserves (gold, foreign exchange and claims on the IMF, *minus* our liabilities to the IMF and to foreign monetary authorities) and in other foreigners' liquid dollar holdings ("dollar balances"). The distinction recorded here—and in the *Survey of Current Business*—between these two very different components is blurred by the inadequate recording of central banks' Euro-dollar claims, and can be extremely misleading at times.

2. Increases in U.S. assets and decreases in U.S. liabilities appear here as positive—and decreases in assets or increases in liabilities as negative—while the opposite convention is used by balance-of-payments bookkeepers.

BRIEF COMMENTS

1. Information about the disastrous fourth quarter of last year is not yet available, and the estimates for 1967 are for the yearly rates of the first three quarters seasonally adjusted.

2. Instead of increasing by $3.9 billion as in 1964, our international "net worth" was *declining* in 1967 at an annual rate of $200 million. This $4.1 billion reversal must, without any doubt, be ascribed primarily to the direct and indirect impact of the Vietnam war on our economy.

Total costs of the war are currently estimated at about $24 billion a year and expected to rise to about $28 billion in the next fiscal year. Direct foreign exchange costs are estimated (conservatively?) at more than $2 billion. Indirect costs—diversion of export capacity to military production, increased imports, inflationary impact diminishing U.S. competitiveness in world trade, etc.—are difficult to estimate, but may be even higher.

3. This $4.1 billion deterioration in our "net worth" balance has been absorbed primarily ($3.7 billion) by a sharp decline in our capital exports ($1.5 billion) and an even larger increase in our capital imports ($2.2 billion). Both were mostly due to steep increases in interest rates here. Only the capital exports of U.S. residents were affected by the interest-equalization tax and the "voluntary" restraints program. While U.S. banks' loans declined by $1.7 billion (or two-thirds) between these two years, direct and portfolio investments continued to rise, by $1 billion.

4. The remainder of the deterioration of our "net worth" balance ($0.4 billion) was absorbed by our "settlements balance." Our deficit on official settlements (net reserve losses) increased far more, however (by $1.3 billion) owing to the reduced accumulation of dollar balances by foreigners other than monetary authorities and the IMF.

5. Our gold losses remained moderate during the first eleven months of this year ($270 million) but reached a record $981 million in December alone, thus totalling $1251 for the year as a whole, and reducing our "free gold" stock to about $1.4 billion, i.e. an amount that could easily be absorbed in less than a year by future deficit settlements combined with normal money supply increases, to say nothing of another speculative gold rush similar to that of last December.

CONCLUSIONS

1. The removal of the remaining gold cover requirement has become a matter of great urgency, but will not, of course, arrest our huge and persistent deficits.

2. The January 1st program aims at "saving" about $3 billion of foreign expenditures by American residents. A substantial portion of these savings, however, is likely to be offset by:

(a) withdrawals of funds by foreign residents, or reduced investments of foreign funds here, because of:

(i) higher interest rates abroad, as a result of the curtailment of U.S. capital exports;

(ii) purchases of U.S. securities abroad—rather than here—floated by U.S. firms desirous to pursue their direct investment programs (such investments being exempted from the new ceilings when financed by foreign borrowings);

(iii) possibly, though not likely, because of fears of a future extension of U.S. controls to non-residents as well as residents.

(b) the unfavorable impact upon our current account of the U.K. austerity program, of the direct deflationary impact of both the U.S. and U.K. programs (aiming at a $4.2 improvement in their combined balance of payments) upon foreign countries, and of the policy measures which some of them may adopt in order to reduce their consequent reserve losses. The combined overall surplus of all other countries in the first nine months of 1967 was estimated at about $1 billion only, and the U.S. and U.K. measures will unavoidably affect some countries already in a weak balance-of-payments position. Their difficulties, and the measures which they would be impelled to take, would in turn spread to others, as in previous spirals of international deflation and restrictions.

3. The problem calls for two complementary lines of attack, neither which can succeed without the other:

(a) internationally agreed measures urgently needed to prevent a further contraction of existing reserve levels through further liquidation of dollar and sterling reserves into gold metal, and indispensable in the longer run to provide an adequate growth in world reserves through concerted reserve creation and their use for internationally agreed policy objectives;

(b) the early correction of our huge and persistent deficits of the last eighteen years (more than $47 billion), and the recognition that residual deficits should be financed from our own reserves and borrowings from the IMF, or through other multilaterally agreed procedures, rather than through further piling up of dollar balances by increasingly reluctant lenders.

4. The first of these two remedies could be implemented through the strengthening of the existing gold pool (see my proposals in this respect in *Contingency Planning for U.S. International Monetary Policy,* Joint Economic Committee, December 1966, pp. 133–144, brought up to date in the accompanying paper), and the later activation of, and amendments to, the September 1967 Rio Agreement (see my testimony, on November 22, 1967, before the Subcommittee on International Exchange and Payments and the Subcommittee's *Report* of December 6, 1967). International agreement on these short-term and long-term reforms of the present reserve system would, by itself, bring quick and rapid improvements in our balance-of-payments situation. It would protect our dwindling reserves against wanton liquidation of IOU's incurred over many years past. It would discourage the gold bulls and the dollar bears, thus improving—or even reversing—short-term capital outflows from the U.S.

5. This should make it easier for us to finance from our own resources and international borrowings our residual deficits, enabling us to eschew quick-acting, but mutually disastrous, restraints on our capital exports.

Final balance in our international transactions imperatively demands the restoration of our current account surplus to a level adequate to the financing of the capital exports to be expected from the richest country, and most productive economy in the world. This is unlikely to be achieved, however, as long as we devote a disproportionate share of our resources to an insane policy in South-East Asia, whose main result so far is to serve the interests of Mao-Tse Tung, and to create deepening divisions not only between us and our Western Allies, but also, tragically, within our own country.

GOLD, DOLLARS, AND THE BALANCE OF PAYMENTS

(By Edward M. Bernstein)

In a new year day message to the nation, President Johnson announced a very severe program to restore the U.S. balance of payments. The new program is urgent because of the threat to the dollar. The strength of the dollar depends on the strength of our payments position.

The United States has had a difficult balance of payments problem for the past ten years. Essentially this means that the earnings from our trade surplus and foreign investments have not been sufficient to pay for our foreign investments and the aid and overseas military expenditures of the Government. Every President since Eisenhower has taken some action to strengthen the balance of payments. Despite this, only a moderate and temporary improvement was achieved. In the past two years the problem has become more acute—partly because of the costs of the Vietnam war, partly because of the inflation of 1965–66.

The devaluation of sterling weakened confidence in currencies generally and in the dollar particularly. Speculation reached fever pitch in the gold markets of London, Zurich and Paris. There was imminent danger of a breakdown of the international monetary system. The speculation was brought to an end through the cooperative action of the countries in the gold pool, but only after several hundred million dollars had come out of our gold reserves.

So long as other countries keep acquiring a surfeit of dollars, there is danger of a renewed flight into gold. Unless we restore the strength of the dollar, which is one of the pillars of the international monetary system, it will be impossible to avoid widespread monetary disorders. The remarkable prosperity of the postwar period might then end in a disastrous world-wide deflation as it did in the 1930's.

These are the facts and the fears that underline the President's action program. The program imposes a reduction of $1 billion in U.S. direct investment abroad. It requires a return of $500 million to this country through a reduction of bank loans to continental Europe. It envisages a reduction of nonessential travel outside the Western Hemisphere. It includes further restraints on Government spending abroad. Finally, it proposes measures to encourage a larger increase in U.S. exports which must be the principal means of restoring our long-run payments position.

The action program will entail hardships for the U.S. economy and for the world economy. There are people who believe that all this is unnecessary. Some of them seem to think that our difficulties are due to wicked foreigners who insist on converting dollars into gold. Others think that the balance of payments can be restored painlessly by letting the dollar depreciate in a free exchange market. Unfortunately, there are no easy remedies for balance of payments problems.

The outflow of gold is a consequence, not a cause of our difficulties. We cannot solve the payments problem by the ingenious device of saying that we will sell gold, but we won't buy it back. No foreign country is selling gold to us now, except as a friendly gesture, and none will sell gold to us in the future unless they run short of dollars. It is true that foreign central banks cannot continue to add indefinitely to their gold reserves except by cannibalizing our gold reserves. This is the real gold problem. The solution is to create new reserve assets, not to force a unilateral demonetization of gold. In the meantime, we can keep our gold if we bring down the dollars we pay out to foreigners to the amount they want to spend and invest here.

The view that it would be painless to restore our balance of payments by letting the dollar depreciate in a free market is an illusion. All that a depreciation of the dollar would do is to allocate the effects of the reduction in U.S. foreign spending in a different way. In this country, it would place the greatest burden of adjustment on the consumers of import goods—through higher prices and smaller supplies. Abroad, it would place the greatest burden of adjustment on the countries that depend on exports to us. Canada, Japan, and the United Kingdom, which have balance of payments problems of their own, would find their position intolerable. They would have no alternative except to let their currencies depreciate too. Even some of the surplus countries of Europe would feel the depressing effects of a reduction of their exports to us. In order to maintain production and employment, they would probably let their currencies go down to the previous dollar rate. In the end, a depreciation of the dollar would bring improvement in the balance of payments in the wrong accounts and from the wrong countries at the cost of serious monetary and economic disruption.

To put it plainly, there will be some hardship from a reduction of U.S. payments by $3 billion no matter how it is done. The action program minimizes the impact on the world economy. Except for the proposed tax on tourist travel, it does not restrict any trade in goods and services. Even the restraints on capital outflow are designed to avoid adverse repercussionary effects on the world economy.

The severest restrictions are on direct investment in continental Europe. Many of these countries have a balance of payments surplus and large reserves. They can absorb the balance of payments effects and they can offset any adverse impact on their economy through expansionary domestic policies. The restriction on direct investment in other developed countries (the United Kingdom, Canada, Japan and Australia) and in the oil-producing countries of the Middle East is relatively moderate. Even so, it will cause difficulties for some of the hard-pressed countries. In the less-developed countries, U.S. direct investment can grow this year by a generous 10 per cent. The restriction on bank credit to foreigners is virtually all on the developed countries of continental Europe. If they adjust their credit policies to offset reduced borrowing from this country, there will be no adverse effect on production and trade.

The action program is an emergency program. It should be a temporary program. Our first job is to see that it succeeds. That requires, above all, avoiding renewed inflation by enacting the temporary tax surcharge. Beyond that, we must strengthen our long-run competitive position by holding down prices and costs. Then, when the Vietnam war is over, we shall be able to balance our payments without controls. The world needs a strong and stable dollar. That means a strong and stable dollar without controls.

The New Action Program on the U.S. Balance of Payments

January 18, 1968

(By Edward M. Bernstein)

SUMMARY AND CONCLUSIONS

In a new year's message to the nation, President Johnson announced a new action program to improve the balance of payments by $3 billion in 1968.

The regulations on direct investment limit capital transfers plus reinvested earnings in the less developed countries to 110 per cent of the 1965–66 average in these countries for each direct investor. For the United Kingdom, Canada, Japan, and Australia, and for the oil-producing countries outside the Western Hemisphere, capital transfers plus reinvested earnings are limited to 65 per cent of the 1965–66 average in these countries for each direct investor. In the other highly developed countries, mainly continental Europe except Finland and Greece, there is a moratorium on capital transfers, but each direct investor may reinvest earnings up to 35 per cent of his 1965–66 direct investment (capital transfers plus reinvested earnings) in these countries, provided this does not reduce remitted earnings below the 1964–66 average.

The limitations on direct investment will not create balance of payments problems for the surplus countries of continental Europe, but will cause difficulty for some others. The limitations will also be burdensome for the United Kingdom, Canada, Japan and Australia. There is no reason to expect the limitations to cause balance of payments difficulties in the less developed countries. On the other hand, there will be problems for U.S. foreign investors and for some foreign countries unless the level of plant and equipment expenditures of U.S. affiliates can be maintained at an appropriate level through funds borrowed in Europe. The limitations on direct investment are expected to result in a reduction of $1 billion in U.S. capital transfers from U.S. companies.

The new Federal Reserve restrictions on bank credit require no relending of long-terms credits repaid by developed countries of continental Europe and a reduction of 40 per cent in outstanding short-term credits to these countries. Nonbank financial institutions must reduce their outstanding foreign credits by 5 per cent. There are additional requirements for the return of liquid assets both by nonbank financial institutions and by direct investors. The return of funds through these restrictions is estimated at $500 million.

The President has called for a reduction in non-essential travel outside the Western Hemisphere designed to reduce the "travel deficit" by $500 million. The target reduction in U.S. Government expenditures abroad is $500 million. The United States is also discussing with the Common Market countries the difficulties caused to U.S. trade by the rebates on exports and border charges on imports equivalent to their value-added tax.

In order to assure the success of the new program, domestic fiscal and credit policy must hold down excessive aggregate expenditure and restore the stability of prices and costs. The President has said that the enactment of a tax surcharge is the first order of business before Congress. He has also called for a new voluntary program to avoid a rise in prices and an excessive rise in wages. New price-wage guideposts are being considered.

DEALING WITH THE PAYMENTS DEFICIT

On January 1st, President Johnson delivered a Message to the Nation on the Balance of Payments. The essence of this message was that the U.S. balance of payments must be restored quickly in order to safeguard the U.S. economy and to prevent a breakdown of the international monetary system. The new action program presented by the President is a severe one. The objective is to achieve an improvement of $3 billion in the balance of payments in 1968.

The need for more effective measures to restore the U.S. payments position has been evident for some time. A more rigorous voluntary program had been instituted prior to the devaluation of sterling. In the first three quarters of 1967, the balance of payments was somewhat worse than it had been in the same period of 1966, omitting special transactions in both years. The modest increase in the trade balance was more than offset by increased military expenditures in Vietnam and by larger capital outflow. The failure of the trade balance to increase by more than $500 million in 1967 was particularly disappointing. Despite the slowdown, the U.S. economy continued on a high plateau, with an increase of imports, while several other leading industrial countries were in a recession, thus holding down the growth of world trade and U.S. exports.

The devaluation of sterling in November 1967 resulted in a sharp change in the payments situation. The United Kingdom had to sell some of its dollar investments to replenish its reserves. Other foreign funds flowed out of the United States to continental Europe. Two bursts of speculation in gold necessitated large support operations by the gold pool, and after the withdrawal of France the U.S. share in the pool increased from 50 to 59 per cent. U.S. net gold sales to foreign countries, which were only $77 million in the first three quarters of 1967, rose substantially and necessitated the withdrawal of about $1 billion from the gold certificate fund in the last quarter. The program is proof that the United States intends to defend the dollar and the $35-an-ounce price of gold.

MANDATORY CONTROL OF DIRECT INVESTMENT

Under emergency financial powers, President Johnson has issued an Executive Order authorizing mandatory controls of direct investment and requiring the repatriation of earnings of U.S. foreign direct investment enterprises. The administration of the order has been delegated to the Secretary of Commerce.[1] The Secretary has issued Foreign Direct Investment Regulations governing direct investment of all enterprises except banks and financial institutions which are subject to the Federal Reserve program of foreign credit restraint.

U.S. direct investment in all countries will be limited on the basis of the 1965–66 average level of each company's direct investment. The regulations divide all countries into three groups with different limitations. The repatriation requirement is the same for all countries. Each direct investor is required to transfer to the United States from its share of the earnings of all its foreign affiliates an amount equal to the greater of (1) the same percentage of its share of total earnings as it repatriated on an average during 1964–66 or (2) so much of its share of earnings as may exceed the limits set for capital transfers in each group. Moreover, short-term financial assets abroad held other than in direct investments are required to be reduced to the average level of 1965 and 1966.

Limitations on schedule C countries

The strictest limitation on direct investment is on Schedule C countries—South Africa and continental Europe, execpt Greece and Finland. The regulations place a "moratorium" on transfers of capital to these countries in the form of new funds from the United States. However, a direct investor may reinvest annually in these countries up to 35 per cent of the average of his total investment (transfers and reinvested earnings) during 1965 and 1966, provided this does not reduce remitted earnings to a smaller percentage of his share of direct investment earnings than the 1964–66 average.

1. CAPITAL TRANSFER FOR DIRECT INVESTMENT, SCHEDULE C, 1965-66

[In millions of dollars]

	1965	1966
Common Market	857	1,140
Belgium and Luxembourg	117	122
France	152	93
Germany	359	614
Italy	158	150
Netherlands	71	161
Other specified countries	293	236
Denmark	22	24
Norway	18	12
Spain	54	109
Sweden	47	58
Switzerland	151	33
Other continental Europe [1]	12	45
South Africa	31	21
Total	1,193	1,442

[1] Includes countries such as Austria, Portugal, and Turkey in schedule C, and other countries such as Finland, Greece, and Ireland not in schedule C.

Source: Survey of Current Business, September 1967, p. 42.

The limitations on direct investment apply separately to each direct investor, although transfers between countries in Schedule C are permitted. Capital outflows for direct investment in this group amounted to nearly $1.2 billion in 1965 and about $1.4 billion in 1966. The 1967 data are not yet available, but the outflow to continental Europe in the first three quarters was $847 million and will probably be somewhat less for the year than in 1966. It should be noted that the figures include funds borrowed by corporations domiciled in the United States through the issue of their securities abroad. The use of such funds for direct investment in all foreign countries was $52 million in 1965, $445 million in 1966, and $225 million in the first three quarters of 1967.

Although U.S. companies will not be able to remit new funds from the United States to continental Europe, except Greece and Finland, they will be able to reinvest part of their earnings to finance direct investment. The earnings of U.S. direct investment enterprises in these countries averaged about $680 million a year in 1964–66. Their reinvested earnings in this period averaged $210 million a year. The income remitted to the United States averaged $445 million a year. In South Africa, earnings averaged about $104 million a year, remitted income about $65 million a year and reinvested earnings about $35 million a year in 1964–66. The difference between the sum of remitted income and reinvested earnings, compared with total earnings, is mainly accounted for by the foreign withholding tax on income remitted to the United States. In some instances, direct investment participation through second and tertiary companies may affect the relationship between earnings, remittances and reinvested earning.

---

[1] *Federal Register*, Vol. 33, No. 1, January 3, 1968, pp. 47–53.

2. EARNINGS, INCOME, AND REINVESTED EARNINGS, SCHEDULE C, 1964-66

[In millions of dollars]

	Earnings			Income			Reinvested earnings		
	1964	1965	1966	1964	1965	1966	1964	1965	1966
Common Market	398	395	435	275	366	316	100	−3	105
Belgium and Luxembourg	53	56	52	34	35	35	14	16	13
France	82	79	88	27	42	36	52	32	50
Germany	211	217	208	178	236	178	18	−42	17
Italy	19	−4	39	23	28	31	−5	−33	9
Netherlands	33	46	48	13	25	35	21	25	16
Other specified countries	195	211	218	76	102	118	124	112	104
Denmark	6	6	5	8	5	7	-----	3	1
Norway	7	6	−1	5	1	−3	3	5	3
Spain	11	27	31	7	10	12	4	17	19
Sweden	20	15	16	16	18	20	4	−4	−4
Switzerland	151	157	167	40	68	82	113	91	85
Other continental Europe [1]	44	67	75	26	31	40	17	36	34
South Africa	87	101	124	46	78	71	38	18	48
Total	724	773	852	424	576	545	279	164	291

[1] Includes countries such as Austria, Portugal, and Turkey in schedule C, and other countries such as Finland, Greece, and Ireland not in schedule C.

Source: Survey of Current Business, September 1966 and September 1967, p. 43.

There are striking differences in the practice of U.S. companies on the retention of earnings in Schedule C countries. In Germany, Italy, and Sweden reinvested earnings were negative in 1964–66. Probably for tax reasons, U.S. enterprises in these countries transferred their entire earnings to the United States and then returned as new funds that part of the earnings they needed for reinvestment. In France, Sweden, and the Netherlands, on the other hand, reinvested earnings were a very large part of the total earnings attributable to U.S. enterprises. In a few countries, notably Switzerland and South Africa, reinvested earnings exceeded 35 per cent of the 1965–66 average of total new investment (reinvested earnings plus transfers for direct investment). In France, reinvested earnings were probably just short of 35 per cent of the 1965–66 average of total new investment. For the group as a whole, reinvested earnings averaged 31 per cent of total earnings in 1964–66 and were less than 35 per cent of total new investment. As some companies will have a greater than average obligation to remit earnings, because of the 35 per cent limitation on new investment, actual remittances will have to be more than 70 per cent of earnings in this group.

Limitations on schedule B countries

Schedule B includes a number of high income countries, such as Australia, Canada, Ireland, Japan, New Zealand and the United Kingdom, as well as most oil-producing countries, such as Iran, Iraq, Kuwait, Libya, Qatar, and Saudi Arabia. Hong Kong, Bermuda and the Bahamas are also in this group. Some of these countries are highly dependent on a capital inflow for economic growth which cannot be adequately met from sources other than the United States. Others depend on U.S. capital inflow in order to avoid serious damage to their balance of payments. The regulations limit the capital inflow for each direct investor in these countries to 65 per cent of the average of his new investment from capital transfers and reinvested earnings in 1965–66.

Direct investment in the Schedule B countries is very large in the aggregate. In Canada alone, capital transfers for direct investment averaged $1 billion a year in 1965–66. In the other Schedule B countries, capital transfers averaged close to $700 million in 1965–66 with half of the total for direct investment in the United Kingdom. In the first three quarters of 1967, capital transfers in Schedule B countries were probably just under $1 billion, mainly because of a sharp decline in direct investment in Canada.

3. CAPITAL TRANSFERS FOR DIRECT INVESTMENT, SCHEDULE B, 1965-66

[In millions of dollars]

	1965	1966
Australia	136	147
Canada	912	1,087
Japan	19	31
United Kingdom	317	384
Middle East and Libya [1]	266	79
Total	1,650	1,728

[1] Includes some countries not in schedule B.

Source: Survey of Current Business, September 1967, p. 42.

A very substantial part of the earnings of direct investment enterprises was retained for reinvestment. The earnings attributable to U.S. direct investment enterprises in Schedule B countries averaged nearly $3 billion a year in 1964–66. Of this amount, $2.1 billion was remitted as income to the United States and $900 million was reinvested. In Canada alone, earnings of U.S. enterprises averaged nearly $1.2 billion a year in 1964–66, remitted income averaged about $700 million a year, and reinvested earnings averaged over $500 million a year. The oil-producing countries averaged nearly $1.1 billion a year in earnings in 1964–66 and remitted almost all of it to the United States. For the group as a whole, remitted income averaged 73 percent of earnings in 1964–66.

4. EARNINGS, INCOME, AND REINVESTED EARNINGS OF U.S. ENTERPRISES, 1964-65

[In million of dollars]

	Earnings			Income			Reinvested earnings		
	1964	1965	1966	1964	1965	1966	1964	1965	1966
Australia	121	126	143	54	52	54	64	72	89
Canada	1,106	1,209	1,240	634	703	766	500	540	539
Japan	54	91	91	31	47	43	35	49	49
United Kingdom	473	504	427	263	270	251	167	242	190
Middle East and Libya [1]	1,071	1,072	1,146	1,088	1,062	1,129	16	63	102
Total	2,825	3,002	3,047	2,070	2,134	2,243	782	966	953

[1] Includes some countries not in schedule B.

Source: Survey of Current Business, September 1966, p. 35 and September 1967, p. 43.

Limitations on schedule A countries

All other countries are grouped together in Schedule A. They include Latin America and the less developed countries of Asia and Africa (excluding the oil-producing countries of the Middle East and Libya). For the countries in this group, allowable transfers of new capital, when added to reinvested earnings, may not exceed in any year 110 per cent of the direct investor's average investment in the Schedule A countries in 1965–66. Capital transfers to all of these countries averaged less than $500 million a year in 1965–66. Except for Latin America and other Western Hemisphere countries, capital transfers to Schedule A countries are usually very small and were only $158 million in 1966, making no deduction for negative investment (Table 5). In 1967, virtually no new capital transfers went into direct investment in the Schedule A countries of Asia and Africa.

The major source of funds for direct investment in the less developed countries, particularly the Latin American Republics, is the reinvested earnings of the subsidiaries and branches of U.S. enterprises in these regions. In 1964–66, the earnings of U.S. affiliates in all Schedule A countries averaged slightly more than $1.5 billion a year. The remitted income averaged about $1,170 million and reinvested earnings averaged about $355 million a year (Table 6). In Venezuela, virtually all of the earnings of U.S. enterprises were remitted as income.

5. CAPITAL TRANSFERS FOR DIRECT INVESTMENT, SCHEDULE A, 1965-66

[In millions of dollars]

	1965	1966
Mexico	99	16
Brazil	−6	85
Venezuela	−93	−48
Other Latin American Republics	176	109
Other Western Hemisphere [1]	95	114
Africa [2]	139	76
India	8	−10
Philippine Republic	30	19
Other Far East [3]	126	44
Total	574	405

[1] Includes Bermuda and the Bahamas in schedule B.
[2] Excludes Libya in schedule B and Republic of South Africa in schedule C.
[3] Includes Hong Kong and excludes Japan which are in schedule B.

Source: Survey of Current Business, September 1967, p. 42.

6. EARNINGS, INCOME, AND REINVESTED EARNINGS, SCHEDULE A, 1964-66

[In millions of dollars]

	Earnings			Income			Reinvested earnings		
	1964	1965	1966	1964	1965	1966	1964	1965	1966
Mexico	92	96	109	61	70	60	34	33	49
Brazil	58	101	122	5	19	33	59	84	85
Venezuela	547	497	456	521	475	438	27	23	20
Other Latin American Republics	398	466	574	301	305	431	96	166	145
Other Western Hemisphere [1]	149	160	158	116	126	148	34	39	41
Africa [2]	1	44	21	3	23	2	−1	25	23
India	23	30	3	12	14	8	7	12	−8
Philippine Republic	47	48	53	28	23	26	14	23	24
Other Far East [3]	84	91	102	77	119	70	7	−27	32
Total	1,399	1,533	1,598	1,124	1,174	1,216	277	378	411

[1] Includes Bermuda and the Bahamas in schedule B.
[2] Excludes Libya in schedule B and Republic of South Africa in schedule C.
[3] Includes Hong Kong and excludes Japan which are in schedule B.

Source: Survey of Current Business, September 1966, p. 35, and September 1967, p. 43.

INCIDENCE OF THE REGULATIONS ON DIRECT INVESTMENT

The impact of the regulations on the balance of payments of individual countries cannot be determined from their historical experience. The regulations apply to each group of countries as a whole, and a direct investor may move funds from one country to another in the same group. Transfers between countries not in the same group are permitted from those in Schedule C to those in Schedules A and B, and from those in Schedule B to those in Schedule A, provided "that the amount of the transfer, taken together with other authorized transfers of such direct investor, does not exceed in any year the limits authorized with respect to such direct investor . . . [in each separate Schedule]." Thus, the regulations on transfers and reinvested earnings set a theoretical limit on direct investment for each Schedule as a whole, but the practical limit may be less, as some direct investors may not be able to invest to the amount of the theoretical limit. This is true of investors with affiliates in only a few countries and particularly those operating in continental Europe with a relatively high repatriation requirement.

7. APPROXIMATE EFFECT OF NEW REGULATIONS ON DIRECT INVESTMENT [1]

[In millions of dollars]

	New funds, 1966	Reinvested earnings, 1966	Total direct investment, 1966	Maximum under regulations [2]	Indicated reduction from 1966 [2]
Schedule A	405	411	816	972	+156
Schedule B	1,728	969	2,697	1,726	−971
Schedule C	1,442	291	1,733	291	−1,442
Funds borrowed abroad	−445		−445		+445
All countries	3,130	1,671	4,801	2,989	−1,812
Allowance for lower direct investment in 1967, approximately					400
Allowance for direct investment not covered by regulations and for special authorizations, approximately					400
Indicated reduction from 1967 level of investment by direct investors					−1,000

[1] Does not include international shipping companies incorporated abroad.
[2] Assumes that 1968 earnings will permit reinvestment at the 1966 level.

The regulations as they stand would require a reduction in direct investment through transfers of new funds and reinvestment of earnings of about $1.8 billion from the 1966 level. Compared with 1967, however, the reduction would be about $1.4 billion because direct investment transfers (new funds) amounted to $2.0 billion in the first three quarters of 1967 compared with $2.4 billion in the same period of 1966. Funds borrowed abroad and included in U.S. transfers, however, were also less in 1967 than in 1966. The reduction in direct investment will be less than shown in Table 7 because allowance must be made for funds borrowed by a foreign affiliate from U.S. financial institutions. This is treated as direct investment but is not a transfer by a direct investor. Allowance must also be made for exclusions from the regulations—banks and financial institutions subject to Federal Reserve guidelines, and direct investment of less than $100,000 a year. Most important, special authorizations can be given for investment in excess of the limits, particularly for work in progress and for legally binding commitments. The estimated 1968 reduction of $1 billion in direct investment, as measured by the 1967 balance of payments, makes allowance for exclusions and special authorizations.

The developed countries of continental Europe would have the greatest reduction in receipts from U.S. direct investment. The moratorium on transfers of new funds would mean a reduction of nearly $1 billion from the 1966 level but considerably less from the 1967 level, assuming that the continental European countries are the sole source of the foreign funds borrowed by U.S. corporations for direct investment. Many of them can absorb the balance of payments effects of the sharp decline in U.S. direct investment without great difficulty.

Direct investment in the Schedule B countries would be reduced by about $1 billion from the 1966 level and by about $550 million from the 1967 level, before other allowances. If the reduction of direct investment were proportionate in all countries, the greatest burden would be on the United Kingdom because of its serious payments problem. In Canada, with easy access to U.S. money and capital markets, the adverse effect on the balance of payments may not be great. The problem created for Australia's balance of payments by the limitation on direct investment is more difficult, but it may be met to some extent by transfers of funds from other countries in Schedules B or C or by special authorizations, particularly for projects already under way. For the less developed countries generally, the regulations on direct investment are generous and cannot create balance of payments difficulties.

8. SOURCES OF FUNDS OF DIRECT INVESTMENT ENTERPRISES, 1965

[Dollar amounts in millions]

	Manufacturing	Mining and smelting	Petroleum	Total
Funds from the United States	$1,369	$124	$997	$2,490
Reinvested earnings	1,174	301	−4	1,471
Direct investment	2,543	425	993	3,961
Depreciation and depletion	1,865	278	1,247	3,390
Funds obtained abroad	2,437	260	881	3,578
Unidentified sources	157	16	145	318
Total	7,002	979	3,266	11,247
Ratio of direct investment (1+2) to total, percent	36.3	43.4	30.4	35.2

Source: Survey of Current Business, January 1967, p. 28

The limitations on direct investment will create investment problems for the U.S. direct investors and for the foreign countries in which they operate. If U.S. affiliates in Schedules C and B countries had to depend solely on the limited amount of new direct investment permitted under the regulations, they might be unable to finance any expansion of their operations. In fact, U.S. affiliates can use their depreciation and depletion allowances and funds obtained abroad. These sources are much larger than transfers from the United States and reinvested earnings. In 1965, for example, U.S. affiliates in all areas obtained 65 per cent of the $11.2 billion they used to acquire plant and equipment, inventories and other assets from depreciation and depletion allowances, credits abroad, and unidentified sources. U.S. affiliates will become even more dependent on foreign financing for the normal expansion of their operations. If U.S. affiliates can borrow long-term through issues of their securities (with the guarantee of parent companies if permitted) and if they have somewhat greater access to local credits, the scale of new investment of U.S. enterprises in Europe, Canada, the United Kingdom, Australia, and Japan need not be seriously curtailed. This would require an accommodating credit policy in Europe.

Investment by the petroleum companies, and to some extent by mining companies, presents a special problem for foreign countries and for U.S. direct investment enterprises. The amount of foreign investment by petroleum and mining companies varies sharply from year to year, depending upon exploration and development of new fields. No formula could take adequate account of the need for new investment funds that could emerge unexpectedly when new oil fields or new mines are opened. Inevitably, such cases will require special authorization.

BANKS AND FINANCIAL INSTITUTIONS

The President has delegated to the Federal Reserve Board standby authority to invoke mandatory controls on transfers by any bank or other financial institution, including authority to require the repatriation of funds held abroad, if the Board should regard this as necessary or desirable. So far, the Federal Reserve Board has decided to regulate the foreign transactions of banks and other financial institutions through voluntary controls. It has, however, issued new guidelines requiring a severe restriction of outstanding foreign credits of banks and of covered foreign assets of other financial institutions.

The November 16, 1967 guideline established a 1968 ceiling for outstanding foreign credits of large banks with considerable foreign claims at 109 per cent of their 1964 base (the amount of foreign credits outstanding at the end of that year). The new ceiling for 1968 is 103 per cent of the 1964 base. For other banks, generally smaller ones with limited foreign credits outstanding, the 1968 ceiling had previously been set at 2 per cent of their total assets at the end of 1966. The new ceiling for 1968 is their 1967 ceiling plus one-third of the addition that had been envisaged in the original guidelines.

More important, banks are asked to reduce outstanding long-term loans to developed countries of continental Western Europe by not renewing such loans at maturity and by not relending repayments to residents of those countries. The guidelines request further that short-term loans to developed countries of continental Western Europe be reduced during 1968 by 40 per cent of the amount outstanding on December 31, 1967 at a rate not less than 10 percentage points in each quarter. The ceiling for outstanding foreign credits for each bank will be reduced by the reduction in its term loans to developed countries of Western Europe and additionally each quarter by 10 per cent of the amount of short-term credits to the developed countries of Western Europe outstanding at the end of 1967.

9. OUTSTANDING CLAIMS ON EUROPE REPORTED BY BANKS IN THE UNITED STATES [1]

[In millions of dollars]

	Oct. 31, 1967, short term	Sept. 30, 1967, long term
Austria	10	15
Belgium	72	74
Denmark	36	18
France	58	46
Germany	198	122
Italy	78	118
Netherlands	31	2
Norway	51	146
Portugal	24	66
Spain	56	53
Sweden	71	47
Switzerland	117	11
Other Europe	86	25
Total	890	745

[1] Does not include United Kingdom, Greece, Finland, or Eastern Europe.

Source. Federal Reserve Bulletin, December 1967, p. 2151; Treasury Bulletin, Nov. 1967, p. 105.

The new guidelines will necessitate a reduction of about $300 million in outstanding short-term credits to continental Western Europe at a regular quarterly rate during 1968. They will also result in a reduction of nearly $300 million in outstanding long-term loans, the amount repaid in 1967. The new guidelines will leave some room for increasing bank credits to other countries in 1968, perhaps by about $150 million. Foreign credits extended within the guidelines will have to give priority to export financing and to loans to less developed countries. The contraction will be especially large in short-term credits for Germany and Switzerland and in long-term loans to Norway, Germany and Italy.

Under the new guidelines, nonbank financial institutions (insurance companies, trust companies, mutual savings banks, etc.) are requested to reduce their end of 1967 holdings of foreign assets covered by the program by 5 per cent during 1968. Holdings of liquid funds abroad will be reduced to zero or the minimum working balance required for their foreign business, even if this entails a decline of more than 5 per cent in foreign assets. The amount involved cannot be large, perhaps a reduction of $50 million in covered assets.

The reduction of bank credits to Europe will result in a great increase of demand for Eurodollar credits and for credit from the banks of continental Europe. Some European customers of American banks may try to secure loans from the American branches of the same banks in Europe; and the head offices in this country may find it necessary to repay Eurodollars previously borrowed from their branches. No doubt some foreign funds will be withdrawn from this country to meet the increased demand for credit in Europe. The improvement in the reserve settlements balance may be much less than the $500 million improvement in the liquidity balance.

The pressure on the Eurodollar market from the reduction of U.S. bank credits to Europe will be intensified by the withdrawal of liquid assets by U.S. firms. The short-term foreign claims on Europe of U.S. nonbanking concerns amounted to $1,157 million at the end of June 1967. About half of the claims were on the United Kingdom, a further indication that they included a considerable amount of liquid assets. Some of these funds are temporary investments of the proceeds of securities issued by U.S. companies for financing their direct investments abroad. It is difficult to see how such funds can be returned to the United States without disrupting plans for financing direct investment that may already be in process. Nevertheless, there will be some liquid assets that will have to be returned to the United States, placing further pressure on the Eurodollar market.

FOREIGN TRAVEL

President Johnson's message on the balance of payments calls for a reduction of $500 million in the "travel deficit" by deferring for the next two years nonessential travel outside the Western Hemisphere. The emphasis on reducing travel expenditures cannot be justified merely by the "travel deficit." The view that no account in the balance of payments should have a large excess of payments contradicts the principles underlying the freer trade and payments policy of the postwar period. The case for a reduction in U.S. travel expenditures rests on the urgency of solving the payments problem and the importance of having the general public share in the sacrifices that must be made for this purpose.

Expenditures of U.S. travellers in foreign countries amounted to $2.4 billion in 1965 and $2.7 billion in 1966. In the first three quarters of 1967, such expenditures amounted to $2.62 billion, about $460 million more than in the same period of 1966, most of which was in Canada. For the year as a whole U.S. foreign travel expenditures were about $3.2 billion in 1967. To this should be added passenger fares paid to foreign carriers which amounted to $720 million in 1965, $755 million in 1966, and about $800 million in 1967. Thus, in the balance of payments, foreign travel accounted for payments of about $4 billion in 1967.

The restriction of travel expenditures is very difficult for the United States because there is no altogether satisfactory means of administering such limitations. With the ready acceptability of dollar notes and dollar checks, it would be very difficult to set a maximum sum that each traveller could spend abroad. The alternative of a graduated expenditure tax would require a far-reaching innovation in the tax system. The simplest device would be to impose a ticket tax on travel outside the Western Hemisphere, although this might not achieve the desired reduction of travel expenditures.

In 1966, U.S. travel expenditures outside the Western Hemisphere amounted to $1,045 million and in 1967 they were over $1.1 billion. Payments to foreign carriers (about $800 million in 1967) must have been very largely to European airlines. Even a precipitous fall in travel to Europe, Africa, and Asia could not reduce foreign travel and passenger transportation payments by $500 million in 1968, as some U.S. travel would be diverted to the Western Hemisphere. The best hope for reducing the "travel deficit" by $500 million in 1968 is to supplement a moderate reduction of U.S. travel in Europe with the return of a normal level of U.S. travel in Canada (now that Expo is over) and a more-than-normal increase in receipts from foreign travel in conjunction with the Olympic Games in Mexico.

10. U.S. EXPENDITURES FOR TRAVEL IN FOREIGN COUNTRIES, 1965-67

[In millions of dollars]

	1965	1966	1st 3 quarters	
			1966	1967
Canada	600	678	571	925
Mexico	540	575	701	740
Other Western Hemisphere	324	360		
United Kingdom	142	167	------	------
France	125	116	------	------
Italy	152	153	------	------
Switzerland	53	60	------	------
Germany	79	86	------	------
Austria	27	36	------	------
Denmark	23	26	------	------
Sweden	14	13	------	------
Norway	16	14	------	------
Netherlands	24	26	------	------
Belgium-Luxembourg	13	13	------	------
Spain	51	53	------	------
Greece	31	34	------	------
Other Europe	56	61	------	------
Total Europe	806	858	735	777
Israel	31	35	------	------
Japan	60	62	------	------
Australia-New Zealand	15	18	------	------
All other	62	71	------	------
Total all other countries	163	186	155	178
Total expenditures in foreign countries	2,438	2,657	2,162	2,620

Source: Survey of Current Business, June 1967, p. 14; March 1967, pp. 26-31; and December 1967, p. 29.

GOVERNMENT EXPENDITURES

The Government's overseas expenditures are very large, reflecting the wide international commitments of the United States. These expenditures have increased rapidly in recent years in response to the intensification of the war in Vietnam. In 1966, the foreign payments on U.S. Government transactions (other than military grants of goods and services) amounted to $8.7 billion. In the first three quarters of 1967, such payments were $7.7 billion, an increase of $1,073 million from the corresponding period of 1966.

U.S. Government payments abroad are not responsive to economic policy in the same way as private transactions. That is because they are mainly designed to achieve military, diplomatic and aid objectives. The policy of the Government has been to minimize the balance of payments effects of such expenditures through the tying of aid and through greater reliance on U.S. goods and services to meet the needs of overseas forces. In the case of military expenditures, the U.S. Government has emphasized burden-sharing through offsetting purchases of military equipment in the United States by foreign countries and through investment in U.S. securities (Government and other) which can be treated as capital inflow in the liquidity definition of the balance of payments.

These measures have held down the payments deficit, although not by as much as is sometimes assumed. The new program contemplates a further saving of $500 million on Government payments. The number of U.S. civilians working overseas will be cut. The foreign exchange impact of personal spending by U.S. forces and their dependents in Europe will be further reduced. Negotiations will be initiated with the NATO allies for offsetting purchases of defense goods and investment in long-term U.S. securities. Similar discussions will be held with other countries in which the United States has armed forces. The tying of aid is already very stringent and the President recently ordered a further reduction of $100 million in the foreign exchange costs of the aid program.

INCREASING U.S. EXPORTS

In the long run, the elimination of the U.S. payments deficit, without depending on restrictions, will require a substantial increase in the trade balance. The achievement of a sufficiently large trade surplus will depend primarily on a high rate of growth of world trade and the strengthening of the U.S. competitive position. At present, however, the value-added tax in the Common Market, with its tax rebates for exports and its border charges on imports, creates serious handicaps for U.S. trade throughout the world.

These tax rebates and border charges are permitted under the GATT rules. Nevertheless, the economic principles underlying such action are open to question. They assume that indirect taxes (excise and sales taxes) are incorporated in prices, while direct taxes (income and profits taxes) do not affect prices. In a country in which a substantial portion of the tax revenue is derived from indirect taxes, it is very unlikely that all of the tax is incorporated in prices. On the other hand, in a country in which tax rates on profits (Federal and state income taxes) are well over 50 per cent, it is very unlikely that none of the tax is passed on in the form of higher prices of goods and services. If this conclusion is correct, the tax rebates for exports and border charges on imports in countries using a value-added tax provide a bounty to exports and place a penalty on imports.

The inequity of such a rule would be apparent if one country used indirect taxes exclusively and another country used direct taxes exclusively. In the first country, exports would be rebated the full amount of the indirect taxes and they would bear no part of the cost of operating the Government, either in the country in which they are produced or in the country in which they are sold. On the other hand, in the second country, exports would pay their full share of the cost of operating the Government in the country in which they are produced and would then be required through border charges to bear a proportionate share of the cost of operating the Government in the country in which they are sold. In the first country export goods would be completely exempt from taxes, while in the second country export goods would be taxed doubly. These questions have been studied by the OECD. Their economists are aware that absolute distinctions cannot be made between the incidence of direct and indirect taxes.

In his balance of payments message, President Johnson said that discussions have been initiated with the Common Market countries which "will examine proposals for prompt cooperative action among all parties to minimize the disadvantages to our trade which arise from differences among national tax systems. We are also preparing legislative measures in this area whose scope and nature will depend upon the outcome of these consultations." Even in the United States there are some indirect taxes on goods, services and property which under the GATT rules would justify tax rebates on U.S. exports and border charges on U.S. imports. If the United States were to follow this policy, other countries would have to do the same in order to avoid an adverse effect on their trade.

The United States is undertaking a program to promote the sale of U.S. goods overseas. One aspect of this program is the formation of joint export associations through which smaller corporations can join together to sell their products abroad. The President will also ask Congress to earmark $500 million of the Export-Import Bank authorization to provide better export insurance, expand guarantees for export financing, and broaden the scope of Government financing of exports. Finally, through a more liberal rediscount system, the Export-Import Bank will encourage commercial banks to provide more generous help to business firms to finance an increase in their exports.

DOMESTIC POLICIES TO STRENGTHEN THE BALANCE OF PAYMENTS

The action program is designed to improve the balance of payments by $3 billion. The impact on other countries of such an enormous shift in the world pattern of payments will be moderated by several factors. In the first place, the improvement is in terms of the liquidity definition, involving in part a simultaneous reduction in U.S. bank liabilities and bank assets. On a reserve transactions basis, the payments deficit would be reduced by somewhat less than $3 billion. Furthermore, there is a once-for-all aspect in some phases of the program, such as the reduction in bank credits to Europe and in the return of liquid assets from abroad. Finally, the incidence of the program will be mainly on high-income countries with a strong balance of payments and with large reserves. The repercussionary effects on the world economy will thus be minimized as far as can reasonably be done.

It must be recognized that any large and sudden change in the U.S. balance of payments must have some restrictive effects on the world economy. That is inherent in the elimination of the U.S. deficit. The restrictive effects would be much greater, and perhaps dangerous, if the same improvement in the U.S. balance of payments were attempted through severe deflation. Because the greater part of the improvement is achieved by reduced capital outflow, the impact on production and employment in other countries will be much less than if there had been a reduction in U.S. imports of goods and services. Nevertheless, even a reduction of capital outflow will to some extent affect the level of economic activity in other countries—particularly those with a balance of payments problem. The repercussionary effects on the world economy can be kept relatively small, if the surplus countries of Europe follow expansionary policies and make available a larger supply of loanable funds without a sharp rise in interest rates.

Now that the program has been announced, it is of the utmost importance that it succeed. Time and again the United States has introduced measures to achieve a substantial reduction of the payments deficit. Despite this, the overall balance of payments showed only modest improvement until 1965 and in the past two years deteriorated further. While there is no difficulty in explaining why this happened, there is the danger that repeated failure will ultimately be interpreted as an inability of the United States to restore its balance of payments. This time there must be no mistake. The action program must succeed. Domestic policies should be designed to assure its success.

The persistence of the deficit is primarily attributable to the Vietnam war, the inflation of 1965–66, and the resultant rise in prices and costs which is still continuing. The best way of avoiding another round of inflation is through a strong fiscal policy. The President has emphasized this in his balance of payments message. "No business before the returning Congress will be more urgent than this: To enact the anti-inflation tax which I have sought for almost year. Coupled with our expenditure controls and appropriate monetary policy, this will help to stem the inflationary pressures which now threaten our economic prosperity and our trade surplus."

Despite the slowdown of the economy in 1967, prices of manufactured goods rose by 3 per cent and labor costs per unit of output in manufacturing rose by 5 per cent, partly because the increase of productivity was held down by the lower level of industrial production. The continued rise of prices in a period of moderate demand is a belated adjustment to the inflation of 1965–66 which disrupted appropriate price, cost and income relationships. This happened in 1967 and it will happen again in 1968. The objective now must be to restore monetary stability by avoiding renewed inflationary pressures this year, by gradually moderating the rise in wages, and by holding down the rise in manufacturing costs through a greater increase of productivity. If the U.S. economy is to operate at a high level of production and employment without inflationary pressures, it is essential to have price-wage restraint. The key to this is voluntary adherence to price-wage guideposts that will keep the wholesale price level of manufactured goods stable and will relate the rise of wages to the increase of average productivity in manufacturing. A country with a balance of payments problem cannot afford to see the prices of its export goods rise to an uncompetitive level. To maintain stable and competitive export prices, it cannot afford a larger rise in wages than the increase of productivity in its export industries.

The President's Balance-of-Payments Proposals

(Letter to New York Times by Prof. Gottfried Haberler, January 9, 1968)

The latest measures to correct the deficit in the balance of payments are a further big step into the morass of specific controls, into what used to be called the "Schachtian" system, named after its inventor, the Nazi economic wizard Hjalmar Schacht.

To prevent American tourists from going outside the Western Hemisphere is not only a shocking infringement on individual rights, but gives the worst possible example. It flagrantly contradicts the often repeated declarations for freer international trade which were solemnly reaffirmed earlier this year in connection with the successful temination of the Kennedy Round negotiations for tariff reductions.

What economic sense does it make to refuse tariff protection to the steel, automobile and other industries when the American tourist industry receives sky-high protection and the airlines and aircraft industries are hard hit in the process? Has tourism a comparative advantage over steel and textiles? Is it more important to have more ski slopes, gambling casinos and other tourist attractions than more steel mills and textile plants?

The worst feature is the arbitrary discrimination between the Western Hemisphere and the rest of the world, which add a strong touch of economic warfare to the proposed measures. What economic sense does it make to tax tourists going to Africa, but not those going to Latin America? Why should Italy and Great Britain be hit and Canada favored?

General nondiscriminatory payments restrictions could perhaps be justified as a temporary measure if something decisive were done at the same time to correct the fundamental disequilibrium. But nothing of this sort has been proposed. On the contrary, the Federal Reserve continues to pump money at a record rate into the economy. Hardly a week passes without the President signing into law new programs costing billions of dollars, criticizing Congress at the same time for not spending more.

If inflation is not stopped and the financial house put in order, a devaluation of the dollar becomes unavoidable. An open devaluation, preferably in the form of a floating rate, would be far better than one disguised in a multitude of haphazard, discriminatory taxes and controls of which the existing and presently proposed batch is only the beginning.

The U.S. Balance-of-Payments Deficit: Ailment or Symptom?

(By Howard S. Piquet) [1]

Most of those who have expressed agreement with the President's action and proposals to narrow the deficit in the U.S. balance of payments have deplored the fact that some such action "had to be taken". All have expressed hope that the limitations on U.S. private foreign investment and on foreign travel will be temporary and will be removed as soon as there is substantial improvement in the international accounts.

Restriction of the outflow of capital and of funds on the part of American tourists has the same kind of effect on the international accounts as would an across-the-board restriction of imports. Ever since 1934 the United States has exercised its leadership to bring about reductions of trade barriers throughout the world and to maintain an unrestricted payments system. The Trade Agreements Acts, commencing in 1934 and culminating in the Trade Expansion Act of 1962 and the Kennedy Round, were accompanied by strong support of the General Agreement on Tariffs and Trade (GATT) and the International Monetary Fund (IMF). Naturally, there is grave concern that the restrictive measures that have just been adopted and proposed are in clear contradiction of this policy and that, once adopted, they will become more permanent than temporary.

Even experts in international economics give the impression of disagreeing, not only with respect to the "balance-of-payments problem," but also with respect to the nature of the problem itslf. Some of the disagreement appears to arise from failure to distinguish betwen financial (including fiscal) and monetary phenomena.

Economic problems often involve unseen, subtle forces and relationships as opposed to the seen and the obvious. There is always danger of concentrating attention on symptoms instead of on fundamental ailments.

Unfortunately, "monetary" and "financial" are not clean-cut, mutually-exclusive categories, one reason being that, although only the State can create "money," once created it serves as the basis for private credit which performs the same functions as money. Furthermore, when Government debt (a financial phenomenon) is monetized, the money supply (a monetary phenomenon) is increased.

If the United States were "just another country" its continuing large balance-of-payments deficits could not be tolerated. They would bring about weakness in the foreign exchange value of the dollar and result in a loss of monetary reserves (gold) which would necessitate restrictionist domestic economic policies. This was the condition of Western Europe at the close of World War II.

However, the United States is not "just another country." Ever since World War II it has been used by other countries as a central banker, performing functions of financial intermediation. Which means that it has been exchanging its short-term liquid liabilities for the long-run liabilities of other countries and their nationals. It is not necessary for a banker, or any one else engaged in the business of lending, to keep his monetary inflows and outflows always in balance. What is essential is that he maintain sufficient reserves to maintain confidence in his ability to meet the demands of his creditors. In the short-hand of the day this is "liquidity."

There can be little doubt about the international financial integrity of the United States. At the end of 1966 the obligations of Americans to foreigners, including governments and central banks, totaled $60 billion, while American claims against foreigners totaled $112 billion. The country's liquid reserve (gold) of some $12.5 billion equals approximately 40 percent of its total outstanding liquid liabilities. If the analogy of central banking is applicable this is a pretty healthy reserve.

There has been easy acceptance by the Administration, by many members of Congress, and by the press of the assertion that the only way to solve the "problem" is to bring the plusses and the minuses in the international accounts into closer balance with each other, at least down to the 1965–1966 deficit level of $1.4 billion. The fact that certain Europeans have been urging that we do this does not mean that the restrictive balance-of-payments measures that have been taken or proposed are the only, or even a logical, solution of the "problem."

We must make sure, before taking major action, that we understand clearly the nature of the problem that we are trying to solve. It is doubtful whether confidence in the dollar depends primarily upon the attainment of balance between the total inflow and the total outflow of funds across our national boundaries. The heart of the problem is maintenance of confidence in the integrity of the dollar, which is a *monetary* problem having heavy psychological overtones.

I find it difficult to admit that there has been any substantial lessening of confidence in the dollar in view of the fact that the short-term liabilities of U.S. banks to foreigners have been increasing rather than decreasing and, even more significant, the fact that Euro-dollars in circulation are estimated to have expanded to $15 billion. These are dollars that circulate freely outside of the United States without any controls by government whatsoever. If foreigners were losing confidence in the U.S. dollar would they be expanding their Euro-dollar holdings and operations? [In this connection see the article in the *Wall Street Journal* of January 15, 1968].

If the problem is one of maintaining confidence in the dollar there is serious doubt as to whether restricting the outflow of U.S. investment capital and limiting foreign travel (which are financial transactions) are on target. We seem to be trying to cure symptoms rather than the ailment giving rise to the symptoms.

On the basis of a comparison of balance-of-payments statistics for the first three quarters of 1967 with the first three quarters of 1966, there is a strong presumption that the large outflow of funds in 1967 [figures for which have not yet been released by the Department of Commerce] was speculative in nature, roughly similar to the dollar outflow during the fourth quarter of 1960. This time, the immediate occasion appears to have been devaluation of the British pound, which induced speculators to anticipate that the dollar was next in line. The President has made it clear that the United States is determined to maintain convertibility of the dollar into gold at the ratio of $1.00 to 1/35th of an ounce of gold, by asking Congress to remove the 25 percent gold backing against Federal Reserve notes, thereby making it clear to the world that the country's entire gold stock, and not only the $2.5 billion of "free gold" over and above the amount presently being maintained as backing for Federal Reserve notes, will be available to redeem dollars.

If confidence in the dollar is in danger of being impaired by speculation would it not be more logical to cure it by direct means rather than to penalize such "normal" financial transactions as foreign investment and tourist expenditures—that have shown no substantial increase (certainly not during the first three quarters of 1967) comparable to the increase in the over-all deficit for 1967?

As long as the United States not only redeems dollars in gold at the rate of 1/35th of an ounce of gold per dollar, but also guarantees that it stands ready, at all times, to purchase all gold presented to it at $35 per ounce, is it not to be expected that speculators, whenever they feel there is a chance of the United States devaluing the dollar in terms of gold, will buy gold and hold it for the rise? If the price of gold is increased they will make a handsome profit. If its price does not increase, all that they lose is the interest cost of holding the gold becasue they can return it at any time to the U.S. Treasury in exchange for dollars. This is not true speculation; it is "one-way street" speculation. The speculators can gain but they cannot lose. Since 1962 proposals have been made that the United States abandon its "guarantee" to buy all gold presented to it at the fixed price of $35 per ounce. Such action would appear to be more pertinent than limiting the outflow of private investment and restricting travel by Americans.

The most important deterrent of all against dollar speculation is avoidance of accelerating inflation. This can be done only by hitting hard at its source. Regardless of cost-push and demand-pull explanations, the truth is that inflation arises from the over-issuance of money by government. The price rises that ensue result from attempts by individuals and groups to catch up with the erosion of the value of the monetary unit that has already occurred by the fact of over-issue. Inflation can be stopped only by putting an end to the continuing monetization of the Federal debt. If the United States will demonstrate its determination to keep its own financial house in order confidence in the dollar will remain unimpaired and speculative drives against the dollar will cease. Under such circumstances there would be reason to believe that the international dollar-exchange standard can continue to function satisfactorily for some time to come, regardless of when, or whether, the newly-devised Special Drawing Rights are activated.

Library of Congress, Legislative Reference Service, Restricting Private Direct Investment Abroad To Narrow the Balance-of-Payments Deficit

(By Howard S. Piquet, senior specialist in international economics, January 8, 1968)

INTRODUCTION

The United States has been incurring deficits in its international accounts every year since 1950, with the sole exception of 1957. During the five-year period 1962–1966 the deficit averaged $2.1 billion a year, compared with $3.4 billion a year during the period 1958–1961. In 1966 it was $1.4 billion.

---

[1] Senior Specialist in International Economics, Legislative Reference Service of the Library of Congress. The views expressed herein are his own and are not to be attributed to the Library of Congress.

During the first three-quarters of 1967 the deficit was running at the annual rate of $2.2 billion. The outflow of gold, however, had declined to $158 million, which was about one-third the 1966 rate.

On the basis of these figures the expectation was that, although the payments balance had deteriorated somewhat since 1966, the deficit was still smaller than it was in 1963 and 1964 and was far removed from the $3.9 billion deficit of 1960.

However, at his press conference on January 1, 1968 the President announced that he was taking extraordinary measures to bring about balance in the international accounts because of the great deterioration in the country's balance of payments position in the fourth quarter of 1967.[1] He said that the deficit for the full year 1967 was between $3.5 and $4.0 billion.

PRESIDENTIAL ANNOUNCEMENT OF JANUARY 1, 1968

A continuing deficit of this magnitude, according to the President, cannot be tolerated because it would endanger the strength of the entire free world economy, thereby threatening our own unprecedented prosperity. The actions that he has taken and proposed are predicated on the assumption that the strength of the dollar abroad depends on Americans earning abroad about as many dollars as they spend abroad. Vigorous action, he said, is necessary to bring the international accounts into equilibrium in 1968.

He announced the imposition of mandatory restrictions on direct investments abroad by American individuals and corporations and requested a series of other programs, legislative and voluntary, to narrow the payments gap.

Those who support the President's position maintain that, had the balance-of-payments statistics for the 4th quarter of 1967 been released without an accompanying announcement of corrective action, the result would have been to precipitate speculation against the dollar and to expose it to the risk of loss of confidence.

In introducing his new program the President made it clear that "the first line of defense of the dollar is the strength of the American economy". He went on to stress the importance of Congressional enactment of an anti-inflation tax and of the exercise of the utmost responsibility on the part of business and labor in reaching wage-price decisions. He directed the Secretaries of Commerce and Labor and the Chairman of the Council of Economic Advisers to work with leaders of business and labor in an endeavor to make more effective the voluntary program of wage-price restraint.

The Administration's new program consists of four temporary measures and three permanent, or long-term, measures.

The temporary measures affect American direct investments abroad, foreign lending by American financial institutions, travel abroad by Americans, and U.S. Government expenditures overseas. The measures affecting direct investments are mandatory and become effective immediately, whereas the others require enabling action, either by Congress or by governmental agencies.

The long-term measures are aimed at increasing U.S. merchandise exports, at modifying non-tariff trade barriers, and at stimulating investment and travel by foreigners in the United States.

TEMPORARY MEASURES

1. *Direct foreign investment*. The President stated that, although the existing voluntary program to moderate the outward flow of direct long-term capital has been reasonably successful, the curtailment that is now necessary is beyond the reach of any voluntary program. He therefore invoked his authority, under Section 95A of the Banking Act, to establish a mandatory program to restrain new direct investments abroad.

The objective of this mandatory program is to reduce the balance-of-payments deficit by at least $1 billion in 1968.

2. *Lending by financial institutions*. The President announced that he had requested the Federal Reserve Board to tighten its program for restraining foreign lending by banks and other financial institutions, with the objective of reducing the balance-of-payments deficit by another $500 million. It is anticipated that the reduction can be achieved without harming the financing of U.S. exports and without jeopardizing the availability of funds to the less-developed countries.

He announced that he has given the Federal Reserve Board stand-by authority to invoke mandatory controls should such action become necessary.

3. *Curtailment of foreign travel by Americans*. The American people are asked to defer for two years all non-essential travel outside the Western Hemisphere for the purpose of reducing the net travel deficit to $500 million (from its $2 billion level in 1967). The President has asked the Secretary of the Treasury to explore with the appropriate Congressional committees legislation to achieve this objective.

4. *Government expenditures overseas*. Although the United States cannot forego its essential commitments abroad, the President went on to say that every step must be taken to reduce their impact on the balance of payments without endangering the Nation's security. He has directed the Secretary of State to initiate negotiations with our NATO allies to minimize the foreign exchange costs of keeping American troops in Europe, through purchase in the United States of more defense needs and by increased investment on the part of our NATO allies in long-term U.S. securities. He also instructed the Director of the Budget to find ways for reducing the number of American civilians working overseas. The Secretary of Defense is asked to find ways to reduce the foreign exchange impact of personal spending by U.S. troops and their dependents in Europe.

LONG-TERM MEASURES

1. *Increase U.S. exports*. The President announced his intention to ask Congress (a) to support an intensified 5-year, $200 million Commerce Department program to promote the sale of American goods overseas and (b) to earmark $500 million of the Export-Import Bank authorization to provide more adequate export insurance, to expand guarantees for export-financing, and to broaden the scope of Government financing of exports.

2. *Non-tariff trade barriers*. He announced the initiation of negotiations with foreign countries, particularly those having balance-of-payments surpluses, with the objective of inducing them to minimize the disadvantages to U.S. exports which arise from differences between national tax systems and other types of non-tariff trade barriers. His expectation is that an improvement of $500 million in the balance of payments can be realized.

3. *Foreign investment and foreign travel in the U.S.* The flow of foreign funds into the United States, he says, can be achieved by an intensified program to attract larger investment by foreigners in U.S. corporate securities and by a program designed to attract more foreign visitors to the United States. A special task force is already at work on this problem.

The remainder of this memorandum is devoted to the mandatory program for curtailing direct private U.S. investments abroad.

REGULATIONS WITH RESPECT TO DIRECT FOREIGN INVESTMENT

The new regulations provide three basic limitations on new direct foreign investment by American individuals and corporations which own, or acquire, an interest of 10 percent or more of the voting power, or capital, of a foreign business venture. The limitations are imposed on the direct investor's dealings with *each* of the ventures in which it has such an interest. The regulations provide for the following:

1. *Annual limits on the amounts of new direct investment*, which vary according to country, as follows—

In the less-developed countries transfers of new capital, when added to re-invested earnings, may not exceed in any year 110 percent of the direct investor's average investments in these countries in 1965–66.

With respect to Canada, Japan, Australia, the United Kingdom, and the oil-producing countries (countries in which a high level of capital inflow is essential for the maintenance of economic growth and financial stability) new direct investments, together with re-invested earnings, may not exceed 65 percent of the average of investments in these countries in 1965–1966.

With respect to all other countries (including continental western Europe except Greece and Finland) there is to be a moratorium on new direct investment. However, an investor may re-invest annually into his ventures in these countries up to 35 percent of the average of his total investment during 1965 and 1966.

2. *Repatriation requirements*. It is required that each investor repatriate from his share of the earnings of all his foreign business ventures amounts equal to the greater of: (a) the same percentage of his share of total earnings from these three groups as he repatriated during 1964–65, or (b) so much of his share of earnings as may exceed the limits of capital transfers in each group.

With respect to the continental European countries, where there is to be a moratorium on capital transfers, earnings in excess of 35 percent of historical investment in 1965 and 1966 must be repatriated.

Furthermore, short-term financial assets abroad held other than in direct investments are required to be reduced to the average level of 1965 and 1966.

3. *Authorization*. Specific authorizations will be required for any transactions subject to regulations and not falling within the targets indicated. An Office of Foreign Direct Investments is being created within the U.S. Department of Commerce to administer the new regulations. It will have power to issue specific authorizations. A special staff is being assembled for the purpose.

SIGNIFICANCE OF THE NEW DIRECT INVESTMENT CONTROLS

Although the short-run effect of curtailing the outflow of new U.S. direct investment abroad will be to narrow the overall U.S. balance-of-payments deficit, the longer-run effect will be to increase it. The outflow of U.S. funds for investment abroad, the inflow of earnings on existing investments, and U.S. merchandise exports are all structurally interrelated. It is almost impossible to take action with respect to any single variable for the purpose of diminishing the balance-of-payments deficit without affecting one or more other variables.

The immediate effect of new long-term capital investment by Americans abroad on the balance of payments is similar to an increase of merchandise imports. The intermediate and longer-run effects, however, are of greater significance than the short-run effects, because foreign investments yield continuing income to Americans.

Shortly after investment funds flow abroad there is a tendency for some of them to return to the United States as foreign affiliates of U.S. firms import equipment and supplies from the United States for their own use. According to the U.S. Department of Commerce, exports to such affiliates in 1964 amounted to $6.3 billion and accounted for 25 percent of total U.S. exports.

---

[1] Official figures for the fourth quarter of 1967 have not yet been released.

In the longer run there is a tendency for funds to flow back to the investing country in the form of earnings on investment. This inward flow of funds has an effect on the balance of payments similar to that of increased exports and, if continued over a considerable period of time, will result in increased outward payments (as would a steady increase of exports) usually in the form of increased imports. A country that engages in large-scale foreign investment over a considerable period of time can expect that eventually its merchandise imports will tend to increase, relative to its merchandise exports. This is because the investing country receives returns on its investments, the anticipation of which was the reason for investing in the first place. This was the position of the United Kingdom during the latter part of the nineteenth century. Current earnings on the large British foreign investments that had been made throughout the earlier part of the century enabled Britons to pay for the country's substantial excess of merchandise imports over merchandise exports.

Foreign investment is also advantageous to borrowers because it facilitates economic development and expansion. Economic development of the less-developed areas of the world for some time has been an important objective of U.S. foreign policy.

The outflow of funds for direct investment between 1954 and 1966 was approximately $1.9 billion a year, while returns on existing investment, in the form of dividends, branch profits, interest, etc., averaged $3.2 billion a year. Expressed as cumulative totals, the outflow of funds for new direct investment over the 13-year period amounted to $24.8 billion, while earnings on outstanding direct foreign investments over the same period amounted to $41.7 billion (see table).

NEW DIRECT PRIVATE FOREIGN INVESTMENT AND INCOME FROM OUTSTANDING DIRECT FOREIGN INVESTMENTS, 1954-66

[In billions]

Year	New U.S. direct investment abroad	Earnings received on direct investments abroad	Net effect on balance of payments
1954	−$0.7	+$1.9	+$1.2
1955	−.8	+2.1	+1.3
1956	−2.0	+2.4	+.4
1957	−2.4	+2.5	+.1
1958	−1.2	+2.4	+1.2
1959	−1.4	+2.6	+1.2
1960	−1.7	+2.8	+1.1
1961	−1.6	+3.2	+1.6
1962	−1.7	+3.6	+1.9
1963	−2.0	+3.8	+1.8
1964	−2.4	+4.4	+2.0
1965	−3.4	+4.9	+1.5
1966	−3.5	+5.1	+1.6
Total	−24.8	+41.7	+16.9

Source: Department of Commerce, Survey of Current Business.

These figures do not include undistributed earnings of subsidiaries, which do not affect the balance of payments because they are not transferred internationally.

Total earnings on U.S. direct investments abroad amounted to $5.1 billion in 1966 and were second in importance, on the receipts side of the balance of international payments, only to the favorable balance on merchandise trade.

It is estimated that the book value of all U.S. direct investments abroad amounted to $54.6 billion at the end of 1966, which was more than 4½ times larger than in 1950. Such investments are much larger than total direct investments by foreigners in the United States, which are estimated at about $9 billion.

There can be little doubt that the new policy will succeed in narrowing the country's balance-of-payments deficit. There is considerable difference of opinion, however, regarding the long-run desirability and effectiveness of such a policy. Private capital investments constitutes a net plus, rather than a net minus, in the country's balance of payments because, in due course, it returns more funds in the form of current income than the total of funds paid out currently in the form of new investment.

INTERNATIONAL INVESTMENT POSITION OF THE UNITED STATES

The excess of American investments abroad over foreign investments in the United States is large and has been increasing. In 1950 U.S. foreign investments and claims on foreigners totaled $31.5 billion, while foreign investments and claims on the United States totaled $17.6 billion, an excess of almost $14 billion on the plus side. By 1966 American foreign investments and claims on foreigners had increased to $111.9 billion while foreign investments in the United States increased to $60.4 billion, a favorable balance of $51.5 billion. In the 16 years period 1950–66 the excess of American claims against foreigners over foreign claims against Americans increased by 270 percent.

INTERNATIONAL INVESTMENT POSITION OF THE UNITED STATES, 1950, 1963, AND 1966 (END OF YEAR)

[In billions of dollars]

Types of investment	1950	1963	1966
U.S. investments and claims on foreigners [1]	31.5	88.2	111.9
Private investments and claims	19.0	66.4	86.2
Long term	17.5	58.3	75.6
Direct	(11.8)	(40.6)	(54.6)
Short-term assets and claims	1.5	8.1	10.7
U.S. Government credits and claims	12.5	21.8	25.6
Long-term credits and claims	10.8	17.1	21.2
Foreign currencies and short-term claims	.3	3.4	2.8
IMF gold tranche position and convertible foreign currencies	1.4	1.2	1.6
Foreign assets and investments in the United States	17.6	51.5	60.4
Long term	8.0	22.8	27.0
(Direct)	(3.4)	(7.9)	(9.1)
Short-term assets and U.S. Government obligations	9.6	28.7	33.4
Private obligations	(6.5)	(14.9)	(20.8)
U.S. Government obligations	(3.2)	(13.8)	(12.6)
Excess, U.S. investments abroad over foreign investments in the United States	+13.9	+36.7	+51.5

[1] Not including gold holdings.

Source: U.S. Department of Commerce, Survey of Current Business, September 1967.

Whereas over 85 percent of American claims against foreigners are long term in nature, over 55 percent of all foreign claims against Americans are short term (see table).

It remains to be seen whether the United States is entering a new phase in its long-term international financial position. If there is a substantial and prolonged increase in the movement of American capital abroad, relative to foreign capital invested in the United States, it is to be expected that eventually there will be a changed relationship between merchandise exports and merchandise imports, with the latter expanding in relation to the former as the income from existing investments abroad comes to exceed new capital outflow, allowing for payments in the form of military expenditures and foreign aid.

DEVALUATION OF THE BRITISH POUND AND ITS LIKELY EFFECTS ON BRITISH AND AMERICAN CONSUMERS

(By **Howard S. Piquet**, senior specialist in international economics, the Library of Congress, Legislative Reference Service, December 8, 1967)

MEANING OF "DEVALUATION"

In years past sovereigns used to enhance their revenues by debasing the coinage of the realm, either by clipping coins or by melting them down and re-issuing them in lighter weight. Today, when gold coins no longer circulate, a country devalues its money standard when it equates it to a smaller quantity of gold.

When the United Kingdom devalued the pound on November 18, 1967 it changed its nominal weight from 0.08 ounces of gold to 0.06857 ounces. Since the pound is not freely convertible into gold this meant only that the par value of the pound sterling, relative to the U.S. dollar (which on the books of the International Monetary Fund is equal to gold at the fixed price of $35 per ounce) was reduced from $2.80 to $2.40. This change in par value was accomplished after consultation with the United States and other countries and with the concurrence of the International Monetary Fund.

This was not the first time in recent years that the British pound had been devalued. From 1821 to 1931 its par value was $4.8667 and throughout most of this period the pound was freely convertible into gold. In 1931 the United Kingdom abandoned the gold standard and allowed the pound to fluctuate freely. It finally found its level at $4.03 (a 17 percent devaluation) where it remained until 1949 when it was devalued to $2.80 (a 30 percent devaluation). The devaluation of November 1967 from $2.80 to $2.40 was by 14.3 percent.

Prior to World War I when the United Kingdom, the United States and other important countries were on a free gold standard, the par values of their monetary units reflected their relative weights in pure gold. Thus, the fact that the par value of the pound was $4.8667 meant that the pound was 4.8667 times as heavy as the U.S. dollar. At that time gold was valued at $20.67 per ounce.

The United States devalued the dollar in 1934, thereby raising the price of gold from $20.67 per ounce to $35 per ounce, a devaluation of 41 percent. The dollar has remained at 1/35th per ounce since that time.

France devalued its franc four times in recent years from 19.3 cents (US) to 4 cents (US) in 1926, when she went off the gold standard. In 1928 she returned to the gold standard with the franc valued at 3.92 cents (US).

In 1936 France again devalued to about 4.6 cents (US)—higher in terms of cents than in 1928 because, meanwhile, the U.S. had devalued the dollar. In the 1949 devaluations the franc was devalued by about 30 percent.

The next French devaluation was in 1958 when the franc was reduced 15 percent relative to U.S. dollars. In 1960 the Government introduced the "heavy franc", equal to 100 of the old francs and thus worth about 20 cents (US), close to the historic value of the franc prior to World War I.

EXCHANGE RATES AND INTERNATIONAL FINANCIAL EQUILIBRIUM

Under the free gold standard, which prevailed prior to 1914, the money of a country could remain at parity only as long as the external demand for it equaled its external supply. Thus, if Britons continued over an extended period of time to spend more funds abroad than they received from other countries the value of the pound would fall relative to other currencies. The extent to which pounds (or any other gold currency) could depreciate was limited by the cost of shipping gold between countries (about 2 cents per pound sterling). The pound could not fall by more than two cents, however, because as soon as it reached $4.8467 it became more advantageous for the British to ship gold than to suffer a foreign exchange loss.

Conversely, if Britons were selling more goods abroad than they were buying in other countries, there would be a shortage of pounds in the foreign exchange market, and the exchange value of the pound would rise. If the rise exceeded 2 cents (i.e. if it rose to $4.8867) gold would be shipped into Britain.

Because gold served as the basis for credit expansion, a loss of gold by Britain would cause prices in that country to decline, while its acquisition by other countries would cause prices therein to rise. Because it is more advantageous to sell in a market where prices are high than in a country where they are low, British exports would increase relative to its imports. There was a tendency, therefore, for earnings from abroad and payments to foreigners to come into balance with each other and for foreign exchange rates to remain close to parity (the physical weight of the gold pound measured in terms of the weight of the gold dollar, *viz:* 4.8667).

The exchange rate mechanism, under the free gold standard, was the most important bridge between national economies. Abandonment of the gold standard by all countries, including the United States, together with the adoption my most countries of policies to insulate national economies against each other, made it possible for exchange rates to vary much more widely than was possible under the free gold standard.

Theoretically, even without gold, freely fluctuating (flexible) foreign exchange rates can bring about increases in exports or imports, as the prices of imports change in relation to other prices. Thus, if imports into the United Kingdom increase, relative to its exports, the supply of pounds will increase in the foreign exchange market, and the value of the pound, in terms of other currencies, will fall. As the pound cheapens it becomes profitable for Britons to export certain goods to the United States which it had not been profitable for them to export before because foreigners can now obtain more sterling for their own currency than before. The two currencies (pounds and dollars) would be brought into line with each other as prices in the two countries (including not only prices of merchandise, but also the price of labor and the price of capital, i.e. wages and interest rates) adapt to each other.

Since the close of World War II there has been no disposition on the part of any major country to allow its economy to adapt, in this manner, to the economies of other countries. Under the terms of the International Monetary Fund Agreement of 1944, par values of currencies are maintained at fixed parities, stated in terms of gold but, in practice, in terms of the U.S. dollar.

Although some flexibility is allowed whereby exchange rates can vary within a few cents each side of parity, the breaking of the direct connection between gold and prices in all countries has rendered these slight variations in exchange rates insufficient to bring about the adjustment of national economies to each other. Furthermore, practically all countries now pursue policies of full employment, controlled interest rates, and other restrictions designed to insulate them against competitive merchandise imports and against the outflow of too much capital.

For these reasons, a persistent excess of the international supply of a country's money, in terms of the money of other countries, gives rise to policies on the part of that country to support its value by financial operations and other controls. If the country is not successful in doing this it will lose its monetary reserves (gold, if it has any, and its holding of other convertible currencies) and find itself in a position where it can no longer import goods from other countries. To the extent that imports are necessary for the continued survival of the economy of the country, a persistently adverse movement in its foreign exchange rate can result in severe economic depression.

WHY DID BRITAIN DEVALUE?

Since the close of World War II Britain has found it increasingly difficult to keep its commodity exports and other foreign earnings at a level sufficiently high to enable it to earn the foreign currencies needed to purchase the imports that are essential to the continued health of its economy. Notwithstanding the success of the Marshall Plan, Britain and a number of other countries found it necessary to devalue their currencies, relative to the U.S. dollar, in the fall of 1949.

Since 1949 it has been necessary, from time to time, for other countries to come to Britain's assistance by making sizeable loans to enable the British to maintain the pound at its $2.80 parity. Britain's problem is one of fundamental economic weakness. Whatever the causes—loss of Empire, failure of industry to modernize, a too-ready willingness to adopt social security and welfare measures that are not supportable by the country's productivity, or too rapidly rising wages—the British economy has not been producing enough goods at costs low enough to enable it to export enough to pay for its imports.

Finally, in November 1967 the British Government decided that it would be to no avail to try to shore up the pound any longer, at $2.80, through borrowing operations. After consultation with other countries and with the International Monetary Fund, it was decided that a 14.3 percent devaluation would be sufficient to enable Britain to increase production and exports. If prices and wages are allowed to rise, however, to an extent that will interfere with exports, even the devalued pound of $2.40 will not be sustainable. It is this uncertainty regarding the future that has been inducing speculators to sell pounds short, in the expectation that there will be further devaluation. Although some of the countries whose economies are most intimately tied to that of the United Kingdom (Ireland, Denmark, Israel, New Zealand, Hong Kong, Spain and Bermuda) also devalued, the United States, Canada, and the EEC countries have stated that they will not devalue their currencies. If all countries were to devalue to the same degree, of course, the relationships among their currencies would be restored to what they were before the original devaluation.

WILL THE UNITED STATES DEVALUE THE DOLLAR?

The United States is in the unique position of being the only country whose currency is convertible (by foreigners) into gold. It is also in the unique position of being the world's international banker, with its dollar serving both as the world's principal vehicle currency and its principal reserve currency.

The fact that the United States continues to incur a deficit in its balance of international payments is a by-product of that fact that it is serving the world as financial intermediary. It can do this because of the great size of its economy and its unprecedented economic strength. The fact that the United States owes approximately $30 billion to foreigners, in terms of short-term liabilities, and has about $13 billion in gold that can be used to pay those who wish to convert their dollar claims into gold,[1] does not mean that the United States is threatened by bankruptcy. Its claims against foreigners—mostly long-term claims to be sure—total well over $100 billion. Like any bank, the United States is engaged in the business of exchanging its own short-term liabilities for the long-term liabilities of its clients. The United States did not seek this position. Other countries themselves decided to use the dollar in place of gold because the dollar is not only as good as gold, but is better than gold, inasmuch as those who have dollars on deposit receive interest thereon, while the gold that they hold is non-interest bearing.

The world today is on a gold-exchange standard, the foreign exchange being the U.S. dollar. As long as confidence in the dollar is maintained there is no reason to expect that there will be a financial collapse. In final analysis, the value of the dollar—internationally as well as domestically—rests upon its purchasing power. As long as the United States succeeds in avoiding run-away inflation there is no reason why the dollar-exchange standard cannot continue in successful operation for many years to come. This is not to say, however, that the United States should be unwilling to cooperate with other countries when, and if, they desire to create some form of international monetary standard to take the place of the dollar.

It is conceivable, of course, that other countries might, by concerted effort, convert their short-term deposits in American banks into gold and drain the United States of its entire gold stock. The effect of this would be to diminish foreign reserves to the extent that they use dollars rather than gold. It is unlikely that other countries will do this, but if they should, the chances are pretty good that, as long as the purchasing power of the dollar is maintained, the world would continue to use dollars. It is conceivable that gold would decline drastically in value and that dollars, unredeemable in gold, would become the world's standard currency. Economists and bankers do not all agree on this point, although an increasing number of economists maintain that the world is no longer on a gold standard, but rather on a U.S. dollar standard.

Because the U.S. dollar is the only currency that is directly convertible into gold, and because it is the currency which is equated to gold in the International Monetary Fund Agreement, the only meaning that attaches to "devaluation", in the case of the United States, would be a decrease in the value of the dollar relative to gold, that is, an increase in the price of gold.

There is no reason why the United States should devalue the dollar. If it were to devalue it by one-half (that is, raise the buying price of gold from $35 per ounce to $70 per ounce) the action would be followed by similar devaluations on the part of other countries by an equivalent amount so that, as indicated above, the value of the dollar, relative to the values of other currencies, would remain the same. In consequence, dollar devaluation would not increase U.S. exports relative to U.S. imports, and would have little, if any, effect on the U.S. balance of international payments. The only beneficiaries would be the world's principal gold producers (South Africa, the Soviet Union, Canada) and countries that have a propensity to hoard gold (such as France).

Although an increase in the price of gold would increase the liquidity of the international payments system temporarily, there is nothing inherent in the process that would cure the basic difficulties of the system. It would not be long before the problem of persistent deficits and surpluses reappeared and the world would again be confronted by the problem of having to create still more liquidity and compelled to devalue again. Moreover, division of the gold stock into a larger number of currency units than before would increase the supply of money and be inflationary.

If the United States were to decrease the quantity of gold that it is willing to give in exchange for its present I.O.U.'s (dollars), notwithstanding previous assurances that it would pay at the rate of $35 per ounce, there would be no assurance that it might not repeat the process again and again. To introduce such uncertainty into the world's credit system would be a sure way to wreck it.

---

[1] About $10 billion of this gold is presently held as a 25 percent legal reserve against outstanding Federal Reserve notes, a requirement that can be suspended for temporary periods.

EFFECT OF THE BRITISH DEVALUATION

(a) *On the British economy*

1. Since the pound is now slightly cheaper, relative to most other currencies, there will be an increase in British exports to countries that have not devalued. The result will be to enable Britain to secure an improvement in its balance of payments position of at least 500 million pounds annually ($1.2 billion at the new parity).

2. For the same reason, there will be a curtailment of British imports since it will require more pounds than before to purchase a given quantity of imported merchandise. The price of imports is important to Britain which depends heavily upon them for its economic life. The British Government has stated its determination to limit price increases and to ensure that, where higher import costs make price increases inevitable, they do not lead to larger wage claims.

3. One of the domestic measures taken to support the devaluation of the pound is an increase in the Bank Rate (roughly the British equivalent of the U.S. rediscount rate) from 6½ percent to 8 percent, its highest level since World War I. Banks are to limit their advances to borrowers which, together with other domestic supporting measures, is intended to reduce demand at home and to meet the threat of inflation.

4. Government expenditures are to be cut by the equivalent of $960 million, including defense spending and capital investment in nationalized industries.

5. The corporation tax is to be increased from 40 percent to 42½ percent.

(b) *On British consumers*

1. In the absence of devaluation it is estimated that personal consumption in Britain would have increased by 3 percent a year, thereby stimulating imports and aggravating the country's balance-of-payments deficit. It is expected that devaluation and supporting policies will divert this 3 percent increase from domestic consumption into increased exports.

2. Because of the increased bank rate, other rates of interest will also rise, thereby making it more difficult for British consumers to borrow.

3. For the same reason, British savers will be in a position to demand higher returns on their personal institutional savings.

4. The down payment on automobiles is increased to 33⅓ percent and the repayment period reduced to 27 months.

5. There will be a stricter "incomes policy," which means that there will be greater resistance to rising wages. Such efforts at restructuring British industry are deemed to be necessary to enable Britain to exploit the opportunity she now has to eliminate her persistent balance-of-payments deficit. The Government hopes for an export-led economic growth that will not be deflationary and that will not retard production.

6. As exports increase it is hoped that industry will need more labor and that unemployment will fall.

7. It will be more difficult for Britons to travel abroad than before the devaluation. Hotel accommodations abroad in countries that have not devalued their currencies will cost more in terms of pounds, and the money left over for spending will be worth less abroad because of the devaluation. It is likely that, before long, there will be an increase in international air fares. For the immediate present, however, air tickets may be purchased in Britain at the old prices.

(c) *On the U.S. economy*

1. It is to be expected that there will be a decrease in U.S. exports to the United Kingdom and other countries that have devalued their currencies. This does not mean, however, that all U.S. exports will be directly affected. In 1966 U.S. exports to the United Kingdom totaled $1.7 billion and to all the countries that have devalued (as of Nov. 30) a little over $3.1 billion, which represents only slightly more than 10 percent of total U.S. exports.

The U.S. exports to the United Kingdom that will be most directly affected are machinery and transport equipment, other manufactured goods, and food (including grains).

2. It is to be expected that there will be an increase in imports into the United States from the United Kingdom and other countries that have devalued their currencies. Here, too, the effect will not bear directly on all U.S. imports. Imports from the United Kingdom in 1966 totaled $1.8 billion and from all the countries devaluing slightly less than $3 billion, or about 11½ percent of total U.S. imports. The imports from the United Kingdom that will be most directly affected are machinery and transport equipment, alcoholic beverages (mostly Scotch whiskey) and such manufactured goods as iron and steel, textiles, clothing, and musical instruments.

3. To prevent an outflow of U.S. funds to Britain to take advantage of increased rates of interest there, the Federal Reserve System has increased the U.S. rediscount rate to 4½ percent. This will be followed by an upping of other interest rates.

4. The dollar value of U.S. foreign investments in Britain will suffer not only from the devaluation but also from higher tax rates on profits and other new austerity measures. It is probable that industries in the United Kingdom producing for export will be favored over those producing for the domestic British market. Producers of automobiles and machinery probably will be favored over retailers and service organizations.

(d) *On U.S. consumers*

1. Many imported goods from the United Kingdom, such as automobiles and woolens, should be somewhat cheaper than before.[2] For example, a woolen sweater priced at 10 pounds could cost $24 instead of $28, and a British automobile priced at 1,000 pounds could cost $2,400 instead of $2,800 (on a net basis).

2. Higher interest rates will increase the cost of home mortgages and other installment purchases, such as automobiles and consumer hardware items.

3. For the same reason, savers should receive higher rates of return on their savings in Savings and Loan Associations and other savings institutions as the increased rediscount rate is reflected throughout the interest rate structure.

4. Increased taxes and cuts in Government spending would demonstrate to world central banks that the United States is determined to get its domestic budget under control. If this reasoning prevails, it is likely that there will be increases in taxes.

5. Travel for Americans in Britain and other countries that have devalued will be cheaper than before the devaluation because holders of dollars will get more in foreign currency for their travelers cheques.

6. Air fares for Americans will remain constant for a time, but may be increased after the "standstill agreement" among the airlines expires. However, Americans in Britain will be able to purchase air transportation, for a time at least, with sterling. In the United States, however, tickets must be purchased with dollars.

Summary Statement of Remarks to the House Republican Conference on the President's Balance-of-Payments Program, January 24, 1968

(By Robert A. Mundell)

THE GOLD CRISIS

My position on the recent measures advanced by the Administration to improve the balance of payments can be summarized as follows:

1. They will not improve the U.S. balance of payments.

2. They will weaken the dollar in the long run and seriously undermine U.S. financial leadership.

3. There are better alternatives.

1. The measures are expected to improve the U.S. balance of payments. However, they could improve, worsen, or leave unchanged the balance of payments, depending on (a) the definition of the balance of payments used and (b) the monetary-fiscal measures with which they are combined. They can improve the tourist account and the direct investment account, but this is not the same as the aggregative accounts as a whole.

2. Whatever the initial effects on the foreign investment and travel accounts, the impact on the remainder of the total balance will be negative. This is because of (a) evasion of the restrictions through loopholes, (b) substitution of other forms of foreign assets affected by the measures, (c) reduction in the inflow of foreign capital, (d) reduction in the trade balance surplus, (e) disguised capital exports through the under-invoicing of exports and the over-invoicing of imports, and (f) reduction of export supply because of the full-capacity state of the U.S. economy. All these effects can be predicted on the basis of economic theory and empirical studies of similar measures like the IET and the VFCRP.

3. The long-run effects are certain to be negative. To the extent that demand for foreign goods and assets is reduced, foreign central banks will take action to protect their own balance of payments. Correction of the U.S. balance of payments is contingent upon worsening foreign balances, and the U.S. does not have direct control over foreign balances.

At best, the U.S. can bring deflationary pressure to bear on the world economy, but this is an extremely risky course at the present time.

4. The measures would bear heavily on Canada and Japan, despite the asserted attempt to exempt these countries from the controls; they may even contribute to devaluation of these currencies even though no fundamental disequilibrium exists in the case of either the dollar or the yen.

5. Control measures that are partial will not be successful. The experience of countries with inconvertible currencies in the past has been that controls have to be progressively tightened and ultimately lead to de facto, followed by de jure, devaluation. This has been a common syndrome throughout Latin America, post-war Europe, and the Communist countries. But controls for the U.S. are even more difficult; first, because the U.S. does not have the experienced bureaucracy and police force trained to implement them, and second, because of the loopholes connected with the Canadian and Mexican borders and the huge flow of air and sea travelers.

6. Controls have other grave risks, and involve a flight from recorded to unrecorded transactions and from bank deposits to cash. They are inequitable because they penalize the honest.

7. The measures will accelerate the withdrawal of foreign-owned capital in the U.S. For the first time in recent U.S. history, there has arisen fear of potential blocking of accounts, especially in the event of a crisis. This negative effect on the accounts could

---

[2] In some cases it may be possible for producers of certain British exports to increase their selling prices, in terms of pounds, thereby negating this effect of the devaluation.

alone be sufficient to cancel any positive effects on the accounts directly affected.

8. The argument that the restrictions on capital exports would reduce U.S. competition for European assets and thereby lower their price has a measure of validity. In this sense the measures could be looked upon as a means, like optimum tariffs, of exploiting the national monopoly power of the U.S. financial community over other countries. By preventing competitve bidding, the U.S. can lower the price of European assets, but if this is the subtle reasoning behind the measures, it is a shabby example of hypocrisy for the world's leading power.

9. It would be a mistake to infer by its silence that the U.S. business community supports these measures. Any acquiescence to the controls is based on the special interests of lobbies hoping for special exemptions and fearful of reprisals if they do react publicly against the government's policy.

10. The measures would weaken the U.S. dollar by reducing its usefulness as a world currency. Both private holders and central banks will withdraw balances they fear may be blocked. Central banks may attempt to "get gold while it lasts." The measures create a "sauve que peut" attitude.

11. The controls will have pernicious effects. They are offensive to the U.S. system of free enterprise. They were advanced in the mistaken belief that the U.S. has no better alternative to confront the crisis which confronts it. If that is so, it would involve an open admission that the French have taken the initiative out of U.S. hands. But this is a mistake. The crisis is partly the making of the U.S. authorities themselves. The U.S. has followed the wrong course in its balance of payments policy and needs to alter direction. The U.S. should abandon its defeatist attitude and take positive steps to reassert its financial leadership.

To this end, I would recommend that the U.S. take into account the following principles:

(a) The way to increase demand for dollars is to make dollars more desirable. Thus (i) eliminate the interest equalization tax, (ii) eliminate the "voluntary" foreign credit restraint program, (iii) reject the current measures, (iv) abandon all other measures that have mistakenly been imposed for "balance of payments" reasons, and (v) restrain inflation in the U.S. even if it means an increase in taxes or higher interest rates. A more restrictive financial policy is needed in the U.S. even for domestic reasons.

(b) Solve the gold problem directly, instead of worsening it by weakening the dollar as a freely usable world currency.

The first recommendations speak for themselves. The second requires a decision, which must be made very soon, between (i) cooperative solutions and (ii) a unilateral solution.

There are two cooperative solutions. One is for the major central banks to commit their gold stocks to stabilize the free market price of gold. With over 25,000 tons of it among them and yearly private supply (and demand) in the neighborhood of 1,000 tons, this involves no risk whatsoever for the next five or ten years. The formula I suggest (as I did in 1965) is for the gold pool to issue gold-pocl certificates in exchange for the gold of the major powers. The major countries would then use gold-pool certificates for reserves instead of gold. When gold is fed to the market from stocks, (interest-bearing) dollars (or other convertible currencies) would be received in exchange; when gold is taken from the market, the dollars or other convertible currencies are given back to it. The certificates would initially have 100 per cent gold reserves behind them, but there would be no harm in letting the reserve ratio drop to 70 or 80 per cent over the years. Over time the certificates would acquire the status of international money. The lower the reserve ratio, the more interest the certificates could pay.

The other cooperative solution is a uniform reduction in the par value of all currencies (an increase in the price of gold). This would be a wasteful solution, and it would involve inequitable transfers to Russia and France. I would prefer this to the proposed controls, but regard it as definitely worse than the gold-pool certificate plan, and worse than the unilateral solution.

The unilateral solution is for the U.S. to get out of the gold market, at least over the next two years. The commitment to keep dollars convertible into gold for the monetary purposes of foreigners is no longer necessary for the U.S., nor is it in the national interest. It is a service the U.S. provides to other financial nations so that they can justify internally, their policies of keeping their currencies fixed to the dollar and holding international reserves in the form of dollars. It is in the U.S. interest to provide this service only as long as other nations want to use it and enable the U.S. to perform it. If that is the case, the other nations will agree to a cooperative solution. If it is not the case, the U.S. should get out of the gold market and stop paying a very high cost for the sake of providing a service other nations no longer want. (Despite the fact that France has attempted to wreck the present system, she still uses the service by pegging her currency to the U.S. dollar.)

Freeing the gold price does not mean abandoning the role of the U.S. dollar as a world currency. On the contrary, it would enhance this role if combined with the elimination of restrictive balance of payments measures. It is doubtful that the world shares the discontent of the Continenal Powers with the way the U.S. has run the dollar exchange standard. There is simply no viable alternative to it at the present time. The question of compensation may not even arise. But it would not be hard to handle; my suggestion would be to compensate those countries who no longer intend to hold dollars or peg their currencies to the dollar.

THE DOLLAR AND GOLD

(By Prof. Robert A. Mundell, University of Chicago, taken from "Man and Economics," by Robert A. Mundell, McGraw-Hill Book Co., New York, 1968)

The international monetary system has been in trouble in one way or another for half a century. Prior to 1914 the major nations alternated between gold and silver and bimetallic standards, but since 1870 gold had ruled the roost. Gold was the anonymous monarch in a world of creative nationalism, and it counted for more than a mere medium of exchange and contract; it symbolized internationalism and the rule of international law. Like any sovereign it had its detractors, but these were inconsequential as long as sterling, the power behind the throne, was accorded the respect due the currency of the greatest financial power. National currencies were equal, but sterling was more equal than the others.

The use of a national money as an international reserve asset is not, of course, a new phenomenon; it goes back to Biblical times and was widespread during the Renaissance and the eighteenth cenutry. During the nineteenth century, when the pound sterling was fixed to gold, many central banks outside as well as inside the British Empire held sterling balances in London banks, usually at the Bank of England, to provide a national reserve. The Bank of England, "the Old Lady of Threadneedle Street," managed the system so that when it lost gold, bank rate (the rate charged by the Bank of England on loans) would be raised and a tightness would develop in the London money market, spreading into a general scarcity of liquidity for all those who had stakes in the London capital market.

The London capital market was a world market, with borrowers and lenders placing and taking up loans and capital-market issues through the facilities that the financial center of the empire had developed. When money was scarce in London, it would tend to become scarce all over the world, and a general reduction in world expenditures would take place; when money was easy in London, interest rates all over the world tended to be low. The Bank of England, through its use of bank rate, was the "price leader" in the world monetary system. For a century the bank managed to keep sterling convertible into gold on the basis of an incredibly small gold reserve, by today's standards, relying on confidence in the stability of sterling and the power of London to attract gold through the use of bank rate when it was needed. As Walter Bagehot, the English economist and journalist who wrote *Lombard Street*, said, "8 per cent will bring gold from the moon."

In rough outline, here is how what should probably be called the gold-sterling-exchange standard worked in the world as a whole. Whenever a peripheral country ran short of gold (that is, whenever it had a balance-of-payments deficit), it would allow money-market conditions to tighten (as they would automatically unless the monetary effect of the gold loss were offset by an expansion of domestic credit), thereby attracting capital and curtailing expenditure; and when it had excess gold, it would allow money-market conditions to ease, with the opposite effect. As we have seen, the Bank of England followed the same policy, but since the London capital market was huge in relation to other centers, the Bank of England in effect dominated all others and affected world interest rates and expenditures. Thus whenever the Bank of England was short of gold, world interest rates would be high, and whenever the Bank of England had excess gold, world interest rates would be low. London was the channel through which gold production and hoarding was fed into the world financial system and determined, along with banking operations in the London market, the world price level.

The First World War changed all that. Besides shattering the illusions of a generation brought up to expect continuity and progress as the patrimony of the greatest organized culture the world has ever known, the European "civil war" destroyed the fabric of the international order—an order that was symbolized, in the economic sphere, by the mutual harmony of interests binding trading nations together. The international gold standard broke down completely at the outbreak of war all over the world except the United States, while the agony of the prolonged war and the bitterness it had stamped on an entire generation set the stage for the ill-conceived Treaty of Versailles.

Neither political nor monetary order could be restored on the old basis. America had remained on gold during the war, and on America was laid the heavy responsibility of picking up the pieces. After the war ended, Benjamin Strong, the Governor of the New York Federal Reserve Bank, and Montague Norman, the Governor of the Bank of England (the so-called mystery man of high finance), made valiant attempts to reinstate the old system and spent many fateful hours together reorganizing the currencies of Europe, later joined by Moreau, the Governor of the Bank of France. This team did in the middle twenties what the IMF was to do after the Second World War.

Alas for the welfare of the world, the system had been rebuilt upon sand. Currencies had depreciated in terms of goods, and Britain's fatal error of 1925 (when Churchill was Chancellor of the Exchequer) in going back to the old prewar parity left not only the pound but also the gold base of the international monetary system in jeopardy. The weakness might have been revealed in any event, but the undervaluation of the franc after 1926 sealed the fate of the pound and the international system. The system collapsed in 1931 when Britain, whose balance-of-payments position had been undermined by deflation in the United States, abandoned gold in the wake of the chain reaction initiated by the failure of the big Viennese bank, the Credit Anstalt. All the king's horses could not put the system together again. Some hope for the system was rekindled after United States devaluation in 1934, when the price of gold was raised to $35 an ounce, but by that time the world depression had become deep, economic nationalism was on the march, and the disease of totalitarianism had spread all over the southern, middle, and eastern parts of the European Continent.

The post-Second World War system built up at Bretton Woods, where the United Nations set up the International Monetary Fund and the World Bank, was an attempt to correct the mistakes of the interwar period by "humanizing" the gold standard. But the IMF was not strong enough in experience, reputation, or resources to replace the authority of the major financial countries, especially, now, the United States. The real power behind the IMF system became the United States, and its instrument was the dollar.

In a technical sense and in fact, the United States became the center of the international monetary system. First, the United States became the sole country pegging its currency to gold; in this sense the dollar became the *key currency*. Second, and partly because of the first event, other countries pegged their currencies to the dollar, either directly or through the pound, franc, or escudo; in this sense the dollar became the primary *intervention currency*. Third, dollars became increasingly used as an international asset for central banks; in this sense the dollar became the primary *reserve currency*. Fourth, the dollar became increasingly used for trading operations as a currency of contract; in this sense the dollar became the primary *vehicle currency* (along with the pound). Fifth, and finally, the dollar was increasingly used as the *currency of quotation;* in this sense the dollar became the main currency used as *unit of account*. In these five roles the dollar became the currency that was more equal than any other just as sterling was in the nineteenth century.

After the war no one doubted the strength of the dollar, and dollars were accumulated by central banks as being more useful than gold because of the interest that could be earned and because the dollar was the currency of intervention in the exchange market. As postwar recovery proceeded, the European countries developed the balance-of-payments surpluses needed to rebuild their reserves. The surpluses were taken out in both dollars and gold as no one doubted the ability of the United States to convert dollars into gold. But in 1958, after the European currencies had become convertible and much stronger, the United States balance-of-payments deficit, which in the early fifties had averaged $1 billion, jumped to $3 billion. Awareness of the implications for convertibility of the dollar became apparent, and central banks took a closer look at their portfolios. Since 1958 the United States has run a deficit of over $2 billion of which, on the average, about half was taken in gold and half in dollars. But many central banks held dollars merely because they did not want to embarrass the United States. Involuntary dollar holdings mounted until France led the way to a "declaration of independence." After the spring of 1965 France began converting its entire surplus into gold, and other countries became increasingly reluctant to expand their holdings of United States dollars. In effect, the world monetary system appeared to be moving back to the gold standard.

Thus we see that since the Second World War the world economy has been moving toward a system which, in some respects, is similar to that of the nineteenth-century gold-standard system, with the dollar, New York, and the Federal Reserve System replacing sterling, London, and the Bank of England. However, the present system is complicated by a Federal Reserve policy that is more ambiguous than the Bank of England used to have. The present system makes use of numerous restrictions and prohibitions, and there is a greater self-consciousness on the part of foreign central banks about the advantages to be gained from a system which relies heavily on the dollar and United States monetary policy.

Let us put these complications aside for a moment, however, and concentrate on some of the institutional features through which the system works. First of all, the United States government forbids its own citizens to hold gold, so that there is no legal gold market in the United States; the center of the world's gold market is London (which, however, is not open to the British public, since the British government also forbids its citizens from holding gold). But the United States is still the main determinant of the market price of gold, since the United States Treasury will sell or buy gold for dollars at $35 an ounce for monetary purposes to foreign central banks. This means, in effect, that the London private-market gold price cannot differ from $35 an ounce by much more than the cost of shipping gold from the United States to London.

Let us see how the gold market works. New gold production, of somewhat more than $1 billion worth a year (the main producer is South Africa, with Russia and Canada of considerably less importance) is marketed through London. Producers sell gold in London. Consumers buy it. Usually the supply exceeds the demand, and the Bank of England takes up the excess gold, paying for it with dollars; it then replenishes its dollar holdings by selling the gold to the United States Treasury or to other central banks. (The Bank of England manages the recently developed "gold pool," by which demand for new gold by other major central banks is managed collectively.) But when the private demand for gold exceeds the supply, the Bank of England sells gold from its own reserve in exchange for dollars and then presents the dollars for conversion to gold at the United States Treasury. Thus United States gold losses or gains are directly dependent on whether there is an excess demand or excess supply of gold in the London market. They also depend on whether other central banks want to keep less or more of their reserves in dollars or gold. United States gold losses over any period of time are thus composed of the excess of private demand for gold over its supply in the private gold market and the excess of dollar holdings of foreign central banks. Russian sales or purchases have to be included in private demands or supplies.

The most important causes of fluctuations in the United States gold stocks, apart from changes in the flow of gold from the mines, are the following:

1. *Russian gold sales*. When the Russians have a poor wheat harvest, they ship gold to London to get dollars to pay for wheat imports, but when their harvest is good, they prefer to add their domestic production of gold to their gold stocks. Thus the United States gold stock goes up when the Russian wheat crop is bad, and down (or up by less) when it is good.

2. *Private hoarding*. When there is an increase or decrease in the speculative demand for gold or in the demand for its use in industry and the arts, the United States gold stock goes correspondingly down or up.

3. *Central bank conversions*. When the other central banks want to alter the composition of their reserves and shift from dollars into gold, the United States suffers a gold loss; and when they want to increase their holdings of dollars at the expense of gold, the United States has a gold gain.

4. *A deficit in the United States balance of payments*. When the United States monetary system creates more money than Americans or private foreign residents want to hold, the flow of dollars offered on foreign-exchange markets abroad expands either directly or indirectly after first raising United States prices or lowering United States interest rates. Since foreign central banks keep their exchange rates fixed to the dollar, they have to buy up the excess dollars on the exchange markets, dollars which they convert into gold at the United States Treasury. A lax United States monetary policy therefore induces gold losses, while a restrictive (or not excessively expansive) one induces gold gains.

The first three factors affecting the United States gold stock tend to be rather volatile and suggest that the Federal Reserve System cannot follow as simple or convenient a set of rules for monetary policy as those adopted by the Bank of England in the nineteenth century, tightening the monetary policy when there is a gold loss and easing it when there is a gold gain. If the Federal Reserve followed such a rule uncritically, United States monetary policy would be dictated in part by the whims of foreign central banks and private gold hoarders and by Russian wheat harvests. Such a policy on the part of the Federal Reserve System would not be in the interests of the United States or indeed in the interests of the world community as a whole.

This is the justification, in part, for the United States practice of sterilizing gold movements, preventing them, in the first instance, from having an impact on outstanding dollar liabilities. But the process of sterilization is, in fact, probably carried too far. As noted above, gold losses may be due to a deficit in the United States balance of payments arising from excessive credit expansion in the United States. If gold losses arising from excess credit creation in the United States are sterilized, the disequilibrium is perpetuated with no compensating gains.

If the United States authorities did not sterilize the initial gold outflow, gold would eventually come back to the United States in the process of transferring in goods, through a balance-of-payments surplus, the financial transfer implied by the capital movement. It is sometimes argued, however, that unless the authorities sterilize the gold outflow, deflation or unemployment in the United States will result. But there is no reason for deflation or unemployment to result from the transfer process. If no sterilization took place in either the United States or Britain, the British would spend more on all goods, including American goods, while the Americans would spend less on all goods, including British goods. The change in *spending* is not the same as a change in income or employment, and indeed the shift in the international pattern of expenditure could induce inflationary pressure in the United States rather than deflationary pressure.

It is sometimes argued that because the United States is a large country, with only a small proportion of internationally traded goods, the decrease in United States spending on American goods will be large, causing a net fall in spending on American goods and bringing about recession. But the conclusion does not follow because, for precisely the reason the decrease in United States spending on home goods will be high, the increase in foreign spending on United States goods will be high also.

It may next be argued that in all countries, including the United States, many goods are not traded at all, so that there will be a large drop in United States spending on domestic goods and export goods without any corresponding increase in spending by foreigners on United States domestic goods. But because the United States is large, a given change in spending, spread over a wide range of goods, needs to reduce demand only a little in any one sector of the economy, so that price changes also need only be minor. Price changes undoubtedly occur after any disturbance, but international disturbances in a large country with a small international sector are likely to be correspondingly small.

It is partly because of the adoption of this faulty technique of automatic sterilization, based on unsound theory as well as practice, that Britain, the United States, and a few other countries that have followed their bad example have managed to maintain and perpetuate balance-of-payments disequilibriums over a long period of time, to the discomfort of the inhabitants of these countries and at the social cost of the remainder of the world community. The harm is not restricted to a persistent weakness of the pound sterling, and an incipient weakness of the dollar, but extends to the measures adopted in their defense. These measures have included prohibitions on imports, hidden export bounties, altered military-procurement plans, taxes on capital exports, new laws forbidding private gold purchases, and arm-twisting "gentlemen's agreements" with banks. In the case of America these measures have created in the minds of many observers the sorry spectacle of a superpower, a democracy, creating on the basis of a wrong theory and faulty practice, an artificially weak currency, imitating measures invented in Nazi Germany and perpetuated all over Europe in the years following the end of the Second World War. The situation is made more ironic by the fact that America led the battle against those very measures when they were imposed in Europe where to a large extent they have now been abandoned.

Until recently the continental European position has been that the United States should correct its deficit and then make an agreement on international monetary reforms, probably through creating a new reserve asset, while the United States position has been to talk about reform before correcting the deficit. In a formal sense the major countries including the United States have now decided to go ahead with reform, but it is of the kind likely to paper over the cracks in the wallpaper rather than undertake any real replastering.

The case for reform of the system is a strong one, if the rest of the world is unwilling to continue to use the dollar to the extent it formerly did, but it is not clear that the central banks can or will agree on the ingredients constituting an improvement in the world monetary system. Many Europeans have become bitter about the intrusion of American capital into Europe and its buying up European factories—purchases which the Europeans themselves have financed by holding on to dollars needed to lubricate the flow of trade. In another vein they argue that the dollar holdings of the European countries have helped finance the Vietnam war, of which they disapprove. Against this some American economists have insisted that the inadequate capital markets in Europe—inadequate because of Europe's own restrictions—have left European companies no recourse but to use the dollar as a financial intermediary between lenders and borrowers. The dollar is so entrenched, so strong, and so useful that its use will, like the English language, spread over the world—not a very comforting thought to the new nationalism developing on the Continent of Europe.

[The] resentment of American financial expansion is not shared by all Europeans, many of whom see great advantages in American capital investments as a medium by which the technology gap between Europe and America can be reduced. But from the standpoint of the world's monetary system, the United States answer to the bitterness is a simple one:

> "The error in such thinking
> Ignores the common ground
> That the dollar is a cancer
> No cure yet found."

It is in this antagonistic milieu that the managers of the system—the central bankers and the finance ministers—have reached an impasse on the fundamental reform that is necessary. The stability of the system depends entirely on their ability to agree, yet the ingredients for agreement are not present.

The weak link in the present system is the threatened instability in the price of gold, since the United States cannot continue to sell gold and at the same time preserve confidence in the dollar. At present, events are moving on a collision course, which in the absence of cooperation will result in a sporadic and uncontrolled increase in the price of gold. It would be far better to raise the price of gold by agreement than to have this decision forced on the world through the inability of the major powers to cooperate.

Yet it is surely clear that an increase in the price of gold is at best a second best course. The way out, the path of stability, lies in agreement among the main European countries, Japan, and the United States that they need to preserve the present dollar price of gold and will commit their gold reserves to that end. After all, if there can be no agreement on a new system, it is better to make do with the one we now have than to allow the forces of instability to disrupt the unprecedented expansion of industry and trade that has been the outstanding feature of the postwar world economy.

Were the central banks to agree on this, there would have to be a balance of responsibility between the United States, at the center of the system, and the other major countries. A gentlemen's agreement is really necessary while basic reform is being worked out—or at least talked about. Europe and Japan must be willing to alter the composition of their reserves to the extent necessary to preserve the present dollar price of gold. To make Europe's commitment worthwhile, the United States, on its part, would have to be willing and able to preserve the stability of its economy and take international interests into account.

THE BALANCE OF PAYMENTS AND INTERNATIONAL MONETARY REFORM

(By Dr. Patrick M. Boarman)

For the past decade and a half, American payments to other countries have regularly, exceeded other countries' payments to us, except in 1957 when the Suez crisis raised demand for American exports and produced a small surplus (of about $500 million). From 1951 to 1958, U.S. balance of payments deficits were moderate, averaging about $1 billion a year, and were considered desirable as contributing needed reserves to the rest of the world then suffering from a "dollar shortage".

After 1958, the deficits became a cause of concern as they increased in size, assumed a chronic character, and were accompanied by substantial declines in the monetary gold reserves of the U.S. The cumulative total of such deficits between the end of 1960 and the end of 1967 was $17.2 billion. In the same period, the gold reserves of the U.S. fell by some $6 billion to an historic low of approximately $12 billion (they were about $23 billion in 1957). This represents a drain of national monetary reserves of a magnitude and speed which is unique in the annals of the international monetary system.

COMPLACENCY OF THE ADMINISTRATION

The ongoing payments deficits and gold hemorrhaging of the United States have placed in serious jeopardy the country's ability to meet its political, military, and economic commitments as leader of the Free World. The Republican Party attaches the highest priority to the task of bringing our international accounts into equilibrium. This can be accomplished only when we recognize that the radical changes which have occurred in the rest of the developed world since 1950—increased competitiveness, technological progress, and effective policies of stabilization—require compensating internal adjustments in our economy. What is required before all else both for our internal and our external health is a return to fiscal and monetary discipline.

Complacency has marked the Administration's attitude toward the balance of payments crisis and the impression has been created that balance of payments equilibrium cannot be expected as long as the Vietnam war continues. This is an extremely dangerous course and will tend to erode whatever international confidence in the dollar still remains. Continued doubts about its ability to serve as the keystone of the existing international monetary system could lead to a collapse of the system. Indeed, the possibility of such a worldwide monetary disaster has figured prominently in many objective studies of the current situation by leading experts.

SHORT-TERM LIABILITIES EXCEED RESERVES

The elements of crisis are present in these facts: against the U.S. reserve of about $12 billion in gold stands a grand total of approximately $30 billion in short-term liabilities to foreigners—$14.5 billion of them convertible at once on demand into gold by foreign official agencies. In effect, such demands, if presented simultaneously, would render the U.S. internationally bankrupt. Hopefully, this catastrophe will not occur. But the actual deterioration of the international economic position of the U.S. is disturbing enough.

The American reserve position is further aggravated by the existing requirement that at least 25 percent of the Federal Reserve notes outstanding be backed by gold. When allowance is made for this reserve requirement amounting to about $10 billion, only $2 billion in free gold is available to meet the vastly greater sum of our international liabilities.

THE ROLE OF GOLD

It is true that the gold cover for domestic currency can be abrogated as it was in 1965 in respect to the deposits of the Federal Reserve System. Then as now, however, such a step serves merely as a palliative and has no real effect on the basic causes of the balance of payments difficulties of the nation. Indeed, by removing the immediate pressure on the reserve position, it tends to prolong the fundamental disequilibrium in the nation's international economic relationships. The alleged purpose of abandoning the gold backing requirement is to forestall a run on our gold by making the whole gold stock available now. But foreigners are certain to be more impressed by the ability of the U.S. to hold the line against inflationary pressures at home, thus making gold outflows unnecessary, than by its willingness to pay out its entire gold reserve to back up an internationally depreciating dollar.

Because the dollar serves, together with gold, as a principal component of the international reserves of the rest of the world, doubts about its future have measurably increased the fragility of existing monetary arrangements. World reserves are normally increased each year by additions to monetary gold stocks from new production. In the last few years, however, virtually the entire world output of gold has been absorbed privately, with one-third of the total being purchased by industry and two-thirds by hoarders. The private absorption of gold was $1.5 billion in 1966, of which $1 billion was purchased by hoarders speculating on a devaluation of the dollar in terms of gold. New gold production, including sales from the USSR, was $90 million *less* than the amount privately absorbed with the result that the monetary gold stocks of the world actually declined in 1966, the first such decline in modern monetary history.

DECLINE OF U.S. TRADE SURPLUS

A particular cause of concern in view of the developments here described has been the significant deterioration of the United States balance of trade. The U.S. has traditionally counted on its large surplus on trade to offset the large outflows of capital from this country, both on private and governmental account. But the trade surplus fell from its high of almost $7 billion at the close of 1964 to less than $4 billion in 1966. The worsening of the trade balance was due not only to Vietnam-caused increases in imports (which increased 10 percent more rapidly than exports) but to inflationary pressures in the domestic economy which raised private demands for resources which normally would have been exported. The weakness of the trade balance raises the possibility of a larger balance of payments deficit in the immediate future and therewith of the emergence of a new and more critical turn in the U.S. position in the world economy.

VOLUNTARY RESTRAINT OF CAPITAL OUTFLOWS

The essence of the U.S. problem is that the imperatives of the balance of payments—the need to bring domestic costs, prices, and incomes into harmonious relationships with those prevailing in the countries with which we trade—are not permitted to interfere with the ideological and political imperatives of easy money policies, expanded spending programs, and chronic budget deficits. The official U.S. position appears to be: it is not our policies which should adjust to the needs of the balance of payments, but the balance of payments which should adjust to our policies. Accordingly, the major response of the Administration to the balance of payments crisis has not been to reduce domestic inflationary pressures but rather to clamp controls on the movement of private capital out of the United States.

The so-called "guidelines" promulgated by the Administration for capital lending abroad are the counterpart in our international affairs of the "guideposts" concept in the domestic economy. Both substitute government fiat for the forces of the market; both conflict violently with the principles of freedom of enterprise and efficient allocation of economic resources.

The techniques the Administration proposes for overcoming international disequilibrium are but a throwback to the solutions used in the 1930's—the era of "international laissez-faire." The nations simply retreated from the international economy so that they could pursue autonomous domestic policies and they secured this retreat with the armor of exchange controls, quotas, and bilateral trade agreements. Balance of payments crises were avoided but at the heavy cost of almost total disintegration of the international economy.

A RETREAT FROM PRINCIPLE

The United States, which led the way after World War II in freeing the international economy of its shackles, is now perversely retreating from its own principles. It enthusiastically supports tariff cutting under "Kennedy rounds" while adamantly resisting the internal discipline—in monetary and fiscal matters—that international trade requires.

It couples demands for "liberalization" of trade in goods and services, hypocritically, with programs to deliberalize capital movements. The restrictions on capital outflows are, in effect, a form of exchange control, while the interest equalization tax on the sale of a foreign securities in the U.S. is a disguised form of selective devaluation of the dollar. These are exceedingly drastic and, in the end, self-defeating interferences with the fundamental freedoms of Americans to carry on legitimate business activity wherever they may choose. But they are the predictable response of an Administration which seeks to avoid at all costs the modification of domestic objectives in the interest of achieving international equilibrium.

SELF-DEFEATING CONTROLS

In spite of the Administration's imposition of controls on capital movements, the deficit in the balance of payments has persisted. It amounted to $1.3 billion in 1965, $1.4 billion in 1966, and the estimated deficit for 1967 is in the $4 billion zone. It now is clear that preoccupation with the attainment of short-run balance between receipts and payments by arbitrarily restricting activity in specific sectors, e.g., cutting back on capital outflows, can actually provoke new disequilibrium. This is because items in the balance of payments are closely interrelated; "corrections" in one item cannot be made without producing counterbalancing changes in other items.

To illustrate, exports of money capital by American corporations to their foreign subsidiaries tend to increase U.S. merchandise exports because foreign affiliates of American firms import large quantities of merchandise and services from the U.S. for their own use. The U.S. Department of Commerce has estimated that merchandise exports by American firms to their foreign affiliates in 1964 amounted to 25 percent of total U.S. exports in that year. Moreover, there is evidence that current cutbacks in U.S. long-term investment abroad will sacrifice future net inflows on such investments. Total U.S. direct investments abroad are already so large that the return of funds to the United States in the form of dividends and profits exceed the outflow of new investment. In 1966 the return on existing direct foreign investments was $4.1 billion compared with new direct investment abroad in that year of $3.4 billion.

Similarly, the cutbacks in U.S. bank lending abroad—which were significant contributions to the reduction in the balance of payments deficit at the time they occurred—have been largely offset by declines in foreign deposits in the U.S. Denied credit facilities in the U.S., foreign holders of dollar deposits in American banks have drawn them down instead. Again, "voluntary" prohibitions on U.S. industrial investment abroad have caused American firms to borrow abroad; this has helped measurably to push up interest rates abroad relative to the U.S., thus cancelling out in part efforts to stem capital outflows by raising interest rates here.

In sum, restrictions of investment outflows, while of help in the short run, may be moving the economy of the U.S. even farther away from balance of payments equilibrium in the long run. Instead of narrowing the deficit, they tend to widen it. This is because none of these measures is a substitute for removing a chief cause of the deficits, viz., the absence of fiscal restraint and monetary discipline within the U.S. It is, moreover, certain that the continued reliance on guidelines and similar controls will seriously prejudice the role of the U.S. as world banker, provoke retaliatory measures in other countries, and thus ultimately force a return to the economic nationalism of the unlamented 1930s.

LONDON MONETARY AGREEMENT—AN ILLUSION OF STRENGTH

Spokesmen of the Administration would have it believed that the balance of payments difficulties of the United States are the outgrowth of deficiencies in the international monetary system. Statements adverting to the seriousness of the U.S. position have been coupled with emphasis on the need for reform of the international monetary system. The widely hailed London Monetary Agreement of 1967 providing for the creation of a new form of international reserve to supplement gold and dollars is expected to resolve our difficulties. In fact, these "special drawing rights or SDR's—which are simple bookkeeping entries supported by the prestige of the International Monetary Fund—are additional lines of credit extended by the surplus countries to the deficit countries.

The power to apply the provisions of the new agreement lies in the hands of the Common Market countries who are in surplus and who represent only 18 percent of the votes in the IMF. The other 82 percent are deficit countries, including chiefly the U.S., Great Britain, and the underdeveloped countries. It is clear that the deficit countries—the only ones in need of more "international liquidity"—would like to see early creation of substantial amounts of SDRs. The steady decline in U.S. gold stocks has moved the Administration to engage in desperate maneuvering to discover new means of covering its chronic payments deficits.

But the surplus countries are understandably determined not to supply resources for that purpose. Neither the amount of new reserves to be created nor when they are to be paid have been agreed upon, nor is any decision on these matters likely to be forthcoming until the U.S. has ended its deficit.

THE KEY ROLE OF THE DOLLAR

The claims made by the Administration that the London accord represents "one of the great days in the history of international financial cooperation" appear vastly exaggerated. The evidence suggests that it is not the international monetary system that is in need of reform so much as the U.S. dollar, and that it is the shaky position of the dollar which puts the international monetary system in a precarious position.

If the U.S. fails to bring its international accounts into balance and if, as a result, a devaluation of the dollar in terms of gold becomes necessary, the consequence may well be a world-wide liquidity panic as all nations rush to acquire gold or attempt to prevent loss of their own gold. Naive hopes that gold can be eliminated as a component of internaional reserves founder on the ages-old and universal preference for the metal as the one medium of international exchange which is beyond the control of any single nation or group of nations.

The continued primacy of gold as international money makes it unlikely that the International Monetary Fund, even with the potential new resources established under the London agreement, would be able to prevent a crisis precipitated by collapse of confidence in the dollar. The IMF was designed to provide stop-gap aid to countries with temporary short-falls in their balances of payments. It was not designed and it is not able to cope with the prolonged cumulative deficits of the sort the U.S. has been experiencing. When it is recalled that a prior devaluation of a key currency—the devaluation of the British pound in 1931—triggered an international liquidity crisis and brought on world-wide deflation and depression, the ominous character of the ongoing international deficits of the U.S. is revealed.

INTERNATIONAL LIQUIDITY AND TRADE

As long as the U.S. continues in the deficit position its plea for the establishment of a mechanism to produce "paper gold" must remain suspect; in fact, its motives in this respect have been all too transparent. But the urgency of the case for an increase in "international liquidity" remains dubious for more fundamental reasons. The historical record shows that there is no necessary relationship between the growth of world trade and the growth of world monetary reserves. On the contrary, both magnitudes would appear to develop in a completely unrelated way. In past periods, world trade has decreased substantially in value while world reserves have rapidly increased. At other times, for example in the post World War II period, world trade has advanced far more rapidly than the growth in reserves.

It is significant that prior to 1914 when nations allowed their internal economies to adjust to changes in the international economy, the term "shortage of international liquidity" was unheard of. It is a fact that Great Britain, the leading trading nation of the nineteenth century, supported a vast network of trade and payments on a miniscule reserve; nor did the relatively small size of the British reserve prevent her trade and that of the whole world from undergoing extremely rapid growth in this period. The equilibrating forces at work under the gold standard reduced the need for reserves to a minimum.

THE PHANTOM OF "WORLD LIQUIDITY"

The basic error of the "liquidity shortage" thesis is its confusion of internal with external liquidity. But the two are quite different in origin and in effect. An internal contraction or expansion of liquidity relative to physical product can normally be expected to induce a contraction or expansion of demand and of economic activity generally. Conversely, an increasing volume of business and trade cannot be supported without an increasing volume of credit and cash.

The function of *international reserves,* however, is *not* to consummate international transactions. These are, on the contrary, financed by ordinary commercial credit supplied by exporters or importers, or in some cases by international institutions. Of such commercial credit, there is in individual countries normally no shortage, or internal credit policy can be adjusted to make up for any untoward tightness of funds. In contrast, international reserves are required to finance only the inevitable differences between the value of a country's total imports and its total exports; their purpose is not to finance trade itself but net trade imbalances.

The alleged shortage of liquidity is not a general illness afflicting the world because of the failure of growth in gold stocks and dollar reserves to keep pace with the growth in world trade; it is a surfeit of dollars, indeed, which is the contemporary international malaise. Since the exchange reserves of one country are always the exchange deficiencies of another country, a liquidity problem emerges only in respect to some countries, viz., those with chronically unbalanced balances of payments. If all nations' imports and exports on current and capital account exactly balanced, no international movement of cash would be required at all. While this hypothetical situation is hardly likely to be realized, the principle is clear: surpluses and deficits (excesses or deficiencies of "international liquidity") arise in specific countries as the product of their individual policies and not in the world at large. No "world state" exists of which it could be said that it is short of "world liquidity."

DANGERS OF "PAPER GOLD"

Thus, the problematical aspects of Administration supported schemes to overcome the alleged illiquidity of the world by creating a new reserve unit is seen to lie in the fact that the deficit countries—the only ones who would require such artificial reserves—would in effect be allowed to obtain *carte blanche* for further deficits. It would be the surplus countries which would be required to exchange real goods for "paper gold" and hence to bear the burden of the continuous import of inflation to which such a perpetual motion machine would give rise.

It is conceded that there must be enough international liquidity to provide the time required for nations to make the internal adjustments called for by their balance of payments situation. But there must not be an endless supply of liquidity; liquidity must be permitted to run out for only this ultimate restraint is capable of inducing the domestic economic and fiscal discipline which is the necessary condition of continued participation by each country in the international division of labor.

Under the guise of a noble and seemingly disinterested appeal for more international liquidity for a liquidity-starved world, the incumbent Administration is in reality seeking to continue adamantly with the economic status quo at home, come what may in the shape of balance of payments difficulties. The plea in truth is not for more liquidity for "the world", but for the United States; it is a plea for more cash with which the Administration can continue in its "guns and butter" policies.

Under the circumstances, it is not surprising that the surplus countries are resisting American attempts to have them accept "paper gold" in exchange for their real goods and services. The surplus countries see no reason for admitting the inflations being exported to them—via the balance of payments—by the deficit countries as long as the deficit countries refuse to admit some deflation or even to moderate their own internal inflationary processes.

THE NEED FOR DISCIPLINE AT HOME

Neither paper gold, nor "Special Drawing Rights," nor flexible rates of exchange, nor any other devices no matter how sophisticated, can dispense a deficit nation such as the United States from the adjustments of its internal economy needed to achieve external equilibrium. Chronic deficits in the balance of payments, or a continuously depreciating currency, are the result of a country's attempt to live beyond its means at home while seeking, through trade, to induce other countries to pick up the tab for the difference. This is a situation which will yield a shortage of international liquidity for the deficit country under any international monetary system.

The times are over in which the prestige and power of the dollar could compel the surplus nations to give up their own vital interests—in particular, their concern for the avoidance of inflation—against their own better judgment. In international monetary affairs, the power of decision has passed humiliatingly from our hands. We can regain it only by returning to monetary discipline and fiscal sanity at home.

The Weak Factual Basis of the Johnson Travel Restriction Proposals Are Revealed by a Johnson Task Force

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. CURTIS. Mr. Speaker, I have recently obtained the report of Working Party One of the President's Industry-Government Special Task Force on Travel. The President's special task force was appointed on January 1 to propose means of reducing the so-called travel gap by $500 million.

We are extremely fortunate to have this document, which, dated January 15, has not been made available to the Congress, for Working Party One's report on statistics and analysis shows the extremely weak factual basis used in calculating the travel gap and used in proposing Government programs that would materially interfere with U.S. foreign travel. In its 11 pages of text, in appendixes 24 and 25, and in the statistical tables presented, will be found pointed criticisms of the proposed travel restrictive measures.

I will summarize several important aspects of the report below:

First. President Johnson's $500 million objective will be difficult indeed to realize, the report points out, because there is only "an estimated balance of $414 million—of deficit—in nonessential or pleasure travel from which the proposed savings must be wrung."

Second. Three private calculations of future travel by Americans show that travel as a percent of U.S. disposable personal income has remained constant at least since 1960. This means that the economic force behind travel will continue to expand, the report indicates. At the same time, foreign tourists will be spending more in the United States, and in fact there will be a reduction of our present travel gaps with Canada and Mexico, so that "1967's travel deficit of $2.085 billion will be reduced to $1.693 billion in 1970 and will only be $1.923 billion in 1975."

Third. While the report recommends an increase in the expenditures of the U.S. Travel Service—which some consider a dubious expenditure of money—the report quite candidly indicated that the potential market for travel in the United States is really quite limited:

> Various marketing studies suggest there are perhaps five million households abroad with adequate income, education, leisure and interest to seriously contemplate a trip to the United States.

And the report has the courage to conclude that—

> Your working party could only estimate that an increase of 10 per cent or 500,000 foreign visitors could be achieved with reasonable certainty if the positive and negative factors were skillfully and vigorously handled.

We must then ask the question: How much will President Johnson ask us to increase our foreign spending in order to obtain an increase in tourism of only 10 percent of the present level? Already, we must remember, the United States is the world's No. 1 host country, a fact the report does indeed point out at the outset.

Fourth. The report's statement on the factual basis for the proposed Government decisions is startling:

> . . . it was the consensus of members working on (statistical) material that statistics in the travel field, especially from the U.S. government, leave a great deal to be desired. Major decisions of national policy are being made on the basis of statistics on the national travel gap, etc. that expert observers believe have a high degree of error.

The samples taken by the Office of Business Economics, Department of Commerce, for calculating the inbound and outbound volume of travel expenditures from which the so-called travel deficit is derived are regarded by your Working Party as inadequate, neither well balanced nor large enough, not taken frequently enough, suffering from undue time lag, and using antiquated sampling and tabulating methods.

Fifth. The travel data presented officially omit associated expenditures in the United States that may result directly from present foreign travel levels:

Last year, all foreign airlines bought $921 million worth of U.S. aviation equipment. The travel deficit in the excess of air fares paid by U.S. tourists to foreign-flag carriers over the fares paid to U.S. flag carriers for foreign travel was $580 million last year. Thus the actual balance of these items was $341 million in favor of the United States.

There are other interesting and relevant comments in the report of Working Party One. I commend it to your attention as follows:

INTERIM REPORT: WORKING PARTY ONE, STATISTICS AND ANALYSIS, JANUARY 15, 1968

To: Chairman, Industry-Government Special Task Force on Travel.

The purpose of this interim report is to present a summary of current travel statistics relevant to the mission of the Special Task Force and a brief analysis of trends and forecasts for the travel years 1970 and 1975.

Because of the foreshortened time pressure in preparing this report neither the statistics nor analysis will be as extensive or extrapolated as desirable, but adequate to establish the parameters of the problem.

International travel is the No. 1 single largest item in world trade, totaling about $16.6 billion last year, including both the visitor expenditures and transportation of about 90 million individual travelers.

The United States was the No. 1 generator of foreign travel last year. 18,850,000 U.S. citizens spent a record $4.615 billion on travel abroad. This total covers $3.140 billion of ground expenditures and $1.475 billion on transportation. Of the transportation total, $800 million was spent on foreign-flag carriers and $675 million on U.S.-flag carriers.

The United States was the globe's No. 1 host country for foreign visitors last year, earning $1.635 billion from their expenditures in this country plus $220 million for transportation on U.S.-flag carriers. The total receipts of $1.855 billion were a new record.

The United States also had the No. 1 travel deficit of any country in the world: $2.085 billion; and therein lies the heart of the U.S. travel problem in relation to the current gold-flow pressure on the dollar and to the continuing U.S. balance of payments deficit, estimated to be in the neighborhood of $3.75 billion last year.

(See Table No. 1 for breakdown of U.S. Travel Deficit 1960–67.)

THE TRAVEL DEFICIT

It should be noted that the U.S. travel deficit with Canada last year was $458 million, an all-time record attributable to Canada's Centennial Year celebration and the outstanding success of Expo '67, both nonrecurring factors. The deficit with Canada for 1966 was a much more normal $92 million.

At the same time the total overseas travel deficit was $898 million. Of this deficit Western Europe accounted for $672 million and Eastern Europe for $15 million.

Last year the U.S. had a favorable trade balance of $4.3 billion, based on exports of $31 billion and imports of $26.7 billion in goods and services, including travel.

* * * * *

Thus, Western Europe had a total trade deficit with the United States of $1.4 billion, even though Western Europe earned a surplus of $672 million from U.S. tourists. The U.S. travel deficit of $672 million with Western Europe, in other words, was more than offset by our total trade surplus with the Continent of $1.4 billion, a favorable balance paid for in great part by Europe's earnings from U.S. visitor traffic.

The hard-pressed British economy imported $125 million more from the United States than the British were able to sell to the U.S. This was undoubtedly made possible in part by the favorable travel balance of $160 million Britain had with the United States.

THE U.S. AIRCRAFT INDUSTRY

Furthermore, one major item in the favorable U.S. trade balance not included in the travel account is the sale of U.S. planes, engines and spare-parts to foreign airlines.

For example, the total net passenger sales in the United States of 17 European airlines during the period 1946–66 was $2.079 billion. In this same period these airlines purchased $2.572 billion in aircraft, engines and spare-parts, for a favorable trade balance to the United States of $493 million.

Last year, all foreign airlines bought $921 million worth of U.S. aviation equipment. The travel deficit in the excess of air fares paid by U.S. tourists to foreign-flag carriers over the fares paid to U.S.-flag carriers for foreign travel was $580 million last year. Thus the actual balance of these items was $341 million in favor of the United States.

It should also be noted at this point the Boeing Company estimates that the projected two-year reduction of U.S. travel overseas will lead to a loss of $391 million in aircraft sales to foreign-flag carriers and $205 million to U.S.-flag carriers for a total loss to the U.S. airframe industry of $596 million in sales.

* * * * *

THE COUNTRIES TO AIM AT

With the goal of saving $500 million this year and next in its overseas travel account, the United States will have to save this amount chiefly from Western Europe, Japan, and foreign-flag fares, since Canada, Mexico, and the Western Hemisphere have been exempted from the proposed travel restraints.

It seems reasonable to suggest that a saving of this dimension should be extremely difficult to achieve since about 54 per cent of the $898 million overseas deficit is accounted for by business, educational or other essential traffic. This is about $484 million for essential overseas travel, leaving an estimated balance of $414 million in non-essential or pleasure travel from which the proposed savings must be wrung.

* * * * *

Furthermore, the current U.S. Passport Office forecasts on the issuance of passports in the years ahead give some clue to the present trend toward expanded travel among U.S. citizens.

The estimate for the current 1968 calendar year is that 2,100,000 passports will be issued or renewed, an increase of 415,000 over the 1,685,000 issued last year. The estimate for 1970 is 2,634,000; for 1975, it is 4,641,000; and for 1980 it is 8,175,000. (See Table No. 6.)

Foreign travel has always been a consistent factor of Disposable Personal Income (DPI) in the U.S. It has averaged about .75 of one per cent. For example, the DPI for 1966 in the U.S. was $508.8 billion, of which 0.795 per cent or $4.047 billion was expended on foreign travel.

The relationship runs dependable from 1960 through 1967 when $4.6 billion was spent on foreign travel by U.S. citizens out of a total disposable personal income of $529.15 billion. The estimated DPI for 1970 is $595.2 billion and for 1975 it is $724.2 billion. These DPI projections would lead to forecasts of a 1970 volume of foreign travel of $4.76 billion and of $5.89 billion for 1975.

These projections suggest that U.S. foreign travel will continue to grow and that therefore foreign travel to the United States must be tirelessly and ingeniously encouraged. (If you insist on achieving "balance" in this account which is much too narrowly defined, at a Bernstein Report.)

A projection of foreign travel to and from the United States and of the travel gap for the years 1970 and 1975 has been carefully worked out by the American Express Company. It shows that 1967's travel deficit of $2.085 billion will be reduced to $1.693 billion in 1970 and will only be $1.923 billion in 1975. (See Table No. 7.)

A more detailed trend in the actual number of visitors between the United States and Western Europe and the Mediterranean area is projected by American Express in Table No. 8.

In addition Pan American World Airways has made a forecast of ground expenditures by U.S. visitors abroad and by foreign visitors to the U.S. for the years 1970 and 1975. This study does not include transportation expenditures, but it is remarkably close to the American Express projections otherwise. (See Table No. 9.)

The Boeing Company also made a study of broad trends in travel between the United States and the rest of the world for the years 1970 and 1975.

This study showed U.S. tourists spending $3.555 billion abroad in 1970 and $5.270 billion in 1975. These totals do not include fare charges. Conversely, foreign visitors to the United States, Boeing estimated, would spend $2.340 billion here in 1970 and $4.100 in 1975. The resulting travel gaps would be $1.215 billion for the U.S. in 1970 and $1.170 for 1975. These projections also were quite close to those made independently by Pan American and American Express so that it seems these three major projections offer reasonably dependable guidance to the Task Force.

Also as guidance to the Task Force in what can be achieved in increasing foreign tourism to the United States when a careful promotional program is mounted by the federal government through the U.S. Travel Service and in cooperation with private industry, a series of tables are attached—10 through 19—which will reward careful study.

These tables were prepared by the U.S. Travel Service, but the interpretation of them is the responsibility of your Working Party One.

These tables seem to demonstrate that the U.S. government has promoted foreign travel efficiently and profitably to the United States, and should continue to do so, but on a much expanded scale.

THE U.S. TRAVEL SERVICE

"The promotional competition the U.S. Travel Service confronts in trying to narrow the U.S. travel gap is formidable. USTS has about $1.4 million to spend on its entire world-wide promotional program.

"In contrast, foreign governments are spending more than ten times as much in the United States alone to woo Americans abroad. The estimate for 1967 promotion by foreign tourist offices in U.S. media—magazines, newspapers, television and radio—was $14,700,000. In addition, U.S. and foreign airlines spent about $35 million in the same media to urge U.S. citizens to take a trip abroad.

"On the other hand it was agreed among the members of your working party that the most promising markets abroad for developing more travel to the United States through increased promotion by the U.S. Travel Service and by private industry were the following: Canada, Japan, Mexico and Western Europe."

* * * * *

Various marketing studies suggest there are perhaps five million households abroad with adequate income, education, leisure and interest to seriously contemplate a trip to the United States. The bulk of these are in the above markets.

There are so many imponderables and possible combinations in the various impediments and stimuli to travel to the United States from foreign travel markets shown in tables 20, 21 and 22 that your working party could only estimate that an increase of 10 per cent or 500,000 foreign visitors could be achieved with reasonable certainty if the positive and negative factors were skillfully and vigorously handled.

In contrast, a special study by the Air Transport Association indicates how outbound travel from the United States would be reduced if currency allowances were imposed.

For example, ATA estimates that in one year alone $528 million could be saved in the overseas travel account if a currency allowance of $250 were enforced only for visitors to Europe and the Mediterranean. Canada and Mexico were not included in this analysis. (See Table No. 23.)

THE MILITARY AND GOVERNMENT EMPLOYES

There is another source of travel earnings abroad for the United States. This is the huge pool of U.S. citizens in military or civilian status resident abroad.

Normally, when returning to the U.S. or journeying to other countries on leave or business or official assignments they are expected to travel on U.S.-flag carriers, but it has been estimated that about 65 per cent of their trips actually are on foreign-flag carriers.

* * * * *

Perhaps a more careful analysis of this traffic should be undertaken in order to prevent this leakage of dollars abroad.

1. *U.S. Civilian Population.* As of April 1967, there were 916,000 American citizens resident in foreign countries. Canada and Mexico account for 286,000 leaving the total in overseas countries at 630,000. This figure includes 290,000 civilian employees of the Department of Defense.

2. *Military personnel* outside the United States amounted to slightly over 1 million as of October 1967. If we estimate 600,000 of this is either in Vietnam or in Canada, this would leave approximately 400,000, in overseas countries not under conditions of combat.

3. *Military dependents* not included in the above figures amount to another 400,000, practically all of whom would be resident in overseas countries.

The total of the above categories is 1,430,000.

4. In addition there are another 400,000 military personnel afloat or mobile, moving to and from assignments, etc.

5. In Europe and the Mediterranean area there are 352,000 U.S. troops, not counting naval personnel.

Obviously these substantial numbers of U.S. citizens stationed abroad represent an important source of travel dollars and should be so advised at a time when we are seeking to reduce the travel gap.

THE STATISTICS AVAILABLE

A substantial array of statistics has been assembled for this Interim Report of Working Party One.

However, it was the consensus of the members working on this material that statistics in the travel field, especially from the U.S. government, leave a great deal to be desired.

Major decisions of national policy are being made on the basis of statistics on the national travel gap, etc. that expert observers believe have a high degree of error.

* * * * *

These criticisms can be summarized briefly, but warrant thorough consideration at some point by the Task Force.

The samples taken by the Office of Business Economics, Department of Commerce, for calculating the inbound and outbound volume of travel expenditures from which the so-called travel deficit is derived are regarded by your Working Party as inadequate, neither well balanced nor large enough, not taken frequently enough, suffering from an undue time lag, and using antiquated sampling and tabulating methods. (See Addenda Nos. 24 and 25.)

In concluding this Interim Report the members of Working Party One wish to emphasize the amount of work that needs to be done in order to refine, expand and better focus their Final Report for the Task Force in the field of statistics and analysis.

We shall undertake to do this. But meanwhile we do hope this report will help the members of the eleven other Working Parties better grasp the general scope and dimensions of the constructive travel assignment on which we are all working together for the President.

Respectfully submitted for Working Party One.

WILLIAM D. PATTERSON,
Chairman.

JANUARY 15, 1968.

TABLE 1.—DEVELOPMENT OF THE TRAVEL DEFICIT WITH CANADA, MEXICO, AND OVERSEAS COUNTRIES

[In millions of dollars]

Calendar year	Receipts				Payments				Travel surplus (+) or deficit (−)				Foreign payments to U.S. carriers	U.S. payments to foreign carriers	Carrier payments deficit	Total travel deficit
	Canada	Mexico	Overseas	Total	Canada	Mexico	Overseas	Total	Canada	Mexico	Overseas	Total				
1960	469	226	224	919	380	383	987	1,750	+89	−157	−763	−831	106	505	−399	−1,230
1961	449	262	236	947	425	420	940	1,785	+24	−158	−704	−838	110	507	−397	−1,235
1962	392	296	269	957	479	449	1,011	1,939	−87	−153	−742	−982	113	575	−462	−1,444
1963	372	313	330	1,015	522	472	1,120	2,114	−150	−159	−790	−1,099	118	615	−497	−1,596
1964	448	342	417	1,207	550	490	1,171	2,211	−102	−148	−754	−1,004	150	645	−495	−1,499
1965	490	390	500	1,380	600	540	1,298	2,438	−110	−150	−798	−1,058	165	720	−555	−1,613
1966	586	436	551	1,573	678	575	1,404	2,657	−92	−139	−853	−1,084	195	755	−560	−1,644
1967 [1]	577	454	604	1,635	1,035	603	1,502	3,140	−458	−149	−898	−1,505	220	800	−580	−2,085

[1] Preliminary estimate.

TABLE 2.—U.S. TRAVEL PAYMENTS AND RECEIPTS, 1966–67

[In millions of dollars]

	1966			1967		
	Payments	Receipts	Balance	Payments	Receipts	Balance
Western Europe	846	210	−636	895	223	−672
Eastern Europe	12	--------	−12	15	-------	−15
Canada	678	586	−92	1,035	577	−458
Mexico	575	436	−139	603	454	−149
Other Western Hemisphere	325	226	−99	352	260	−92
Japan	62	34	−28	75	40	−35
Australia, New Zealand, and South Africa	21	33	+12	25	32	+7
Other Asia and Africa	138	48	−90	138	48	−90
Included above:						
United Kingdom	167	68	−99	185	25	−160
France	116	25	−91	100	30	−70
Germany	86	33	−53	95	38	−57
Spain	53	5	−48	60	6	−54
Italy	153	15	−138	150	17	−133
Passenger fares	755	195	−560	800	220	−580

TABLE 3.—U.S. EXPORTS AND IMPORTS, 1966–67

[In millions of dollars]

	1966			1967		
	Imports	Exports	Balance	Imports	Exports	Balance
Western Europe	7,647	9,585	+1,938	8,050	9,450	+1,400
Eastern Europe	206	200	−6	225	215	−10
Canada	6,043	6,537	+494	6,900	7,125	+225
Other Western Hemisphere [1]	4,679	4,718	+39	4,670	4,780	+110
Japan	2,966	2,341	−625	2,900	2,670	−230
Australia, New Zealand, South Africa	806	1,149	+343	775	1,270	+495
Other Asia and Africa	3,052	4,638	+1,586	2,975	5,000	+2,025
Unallocated	140	—	−140	140	—	−140
United Kingdom (included above)	1,776	1,754	-------	1,850	1,725	-------

[1] Includes Mexico.

TABLE 4.—U.S. JET AIRCRAFT SALES TO FOREIGN AIRLINES

[In millions of dollars]

	1960	1961	1962	1963	1964	1965	1966	1967
Boeing	725	99	133	52	101	236	251	------
Douglas	215	144	72	78	67	91	169	------
Convair	------	16	47	48	18	5	------	------
Total	490	259	252	178	186	332	420	772
Spares	60	45	50	48	53	75	95	149
Total	550	304	302	226	239	407	515	921
Net carrier deficit payments to foreign-flag carriers	−399	−397	−362	−497	−495	−555	−560	−580

Note: Total net deficit 1960–67, $381,000,000. Source: The Boeing Co.

TABLE 5.—ESTIMATED U.S. AIRCRAFT SALES LOSS, 1968–69[1]

[Dollar amounts in millions]

	Aircraft	Price	Total	Spares (20 percent)	Grand total
United States	21	$8.15	$171	$34	$205
Foreign	40	8.15	326	65	391
Total	61	......	497	99	596

[1] Assuming U.S. travel restrictions.

Source: The Boeing Co.

TABLE 6.—*Number of passports issued and renewed*

1966	1,547,725
1967	1,685,512

Forecast: Estimated number of passports issued and renewed:

1968	2,100,000
1969	2,350,000
1970	2,634,000
1971	2,950,000
1972	3,304,000
1973	3,700,000
1974	4,144,000
1975	4,641,000
1976	5,197,000
1977	5,820,000
1978	6,518,000
1979	7,300,000
1980	8,175,000

SOURCE.—U.S. Passport Office.

TABLE 7.—U.S. BALANCE OF PAYMENTS—TRAVEL ACCOUNT SUMMARY

[In millions of dollars]

	1966	1970	1975
Canada:			
U.S. expenditures	678	956	1,477
U.S. receipts	586	872	1,442
Deficit	92	84	35
Mexico:			
U.S. expenditures	575	733	999
U.S. receipts	436	642	943
Deficit	139	91	56
Total deficit, Canada and Mexico	231	175	91
Overseas areas:			
U.S. expenditures	1,404	1,943	3,200
U.S. receipts	551	1,050	2,068
Deficit	853	893	1,132
Europe and Mediterranean:			
U.S. expenditures	920	1,283	2,177
U.S. receipts	215	420	931
Deficit	705	863	1,246
Transportation deficit	560	625	700
Total U.S. deficit	1,644	1,693	1,923

Source: American Express Co.

TABLE 8.—TRAVEL FORECASTS, 1967–75

	U.S. residents to Europe and Mediterranean area	Residents of Europe and Mediterranean area to United States
1966 actual	1,570	658
1967	1,760	780
1968	1,960	900
1969	2,185	1,040
1970	2,430	1,200
1971	2,750	1,400
1972	3,120	1,645
1973	3,535	1,930
1974	4,000	2,265
1975	4,535	2,660

TABLE 9.—U.S. BALANCE OF PAYMENTS ON TRAVEL ACCOUNT GROUND EXPENDITURES FOR 1966 AND FORECASTS FOR YEARS 1970 AND 1975

[In millions]

	Ground expenditures						United States (deficit) or surplus		
	1966		1970		1975				
	United States	Foreign	United States	Foreign	United States	Foreign	1966	1970	1975
Europe/Mediterranean	$920	$215	$1,286	$411	$2,048	$837	($705)	($875)	($1,211)
West Indies, C.A-S.A	324	226	477	407	721	766	(98)	(70)	45
Other overseas	160	110	226	192	394	408	(50)	(34)	14
Total, overseas	1,404	551	1,989	1,010	3,163	2,011	(853)	(979)	(1,152)
Canada	678	586	957	874	1,472	1,440	(92)	(83)	(32)
Mexico	575	436	734	641	996	942	(139)	(93)	(54)
Total, abroad	2,657	1,573	3,680	2,525	5,631	4,393	(1,084)	(1,155)	(1,238)

Source: Pan American World Airways.

FORECAST OF GROUND EXPENDITURES BALANCE OF PAYMENTS FOR 1970 AND 1975

The attached table presents the 1970 and 1975 forecasts of U.S. ground expenditures in foreign countries and foreign ground expenditures in the U.S. for the years 1970 and 1975. The U.S. deficit and surplus for these years is also shown.

The forecast has been done as follows:

1. For overseas countries separate projections were made of overseas visitors for Europe, Caribbean and Latin America and other overseas destinations. The projections were based on 1961–1966 trends and checked for consistency against overall traffic forecasts prepared for these major market areas.

2. The projections of visitor travel were multiplied by average per capita expenditures for 1970 and 1975.

3. Average expenditures for U.S. visitors were computed as follows:

a. For Europe and other overseas areas, expenditures per head were reduced by 4½% a year for 1970 and 2% a year thereafter. This reduction is partly based on past trends and takes into account the continually growing proportion of short-stay travelers in the U.S. overseas travel market.

b. For Caribbean and Latin America, the reductions are 3% a year through 1970 and 1.0% a year thereafter to 1975. This takes into account that current expenditures in the Caribbean are already very low and the reduction would be drawn primarily from travel to South America.

TABLE 10.—GROWTH OF OVERSEAS VISITORS, TRAVEL RECEIPTS, EXPORTS

[Index: 1961=100]

	Total overseas visitors, business, pleasure, transit, students	Total U.S. travel receipts	Total exports, nonmilitary, nonagricultural
		Index	
1957	72	88	95
1958	76	93	77
1959	87	102	75
1960	97	99	96
1961	100	100	100
1962	114	99	106
1963	136	106	112
1964	177	127	126
1965	193	142	128
1966	218	162	137

4. Average expenditures for foreign visitors were assumed unchanged at the average 1964–1966 level. This assumption was used because of the severe fluctuations in per capita foreign expenditures in the U.S. It would have been more realistic to assume that these expenditures would increase. This is because a substantial proportion of current travelers visit friends and relatives and consequently spend relatively little foreign currency. Future travel is likely to include more visitors for sightseeing purposes who will have to utilize public facilities more extensively and pay for them in foreign currency.

5. Projections for Canada and Mexico were related entirely to the overall expenditure

totals and in each case assumed a continuation of the 1962–1966 trends with a slight decline in growth rates for the 1970–1975 period.

It will be noted that the results of these projections indicate a fractional increase in the ground expenditures deficit from 1.1 billion in 1966 to 1.2 billion in 1975. This development is well in line with past trends which have indicated a reasonable level of stability in this item despite substantial growth in both receipts and expenditures.

TABLE 11.—FOREIGN TRAVEL BY SELECTED GROUPS OF NATIONALS

Nationality of travelers	Distant international travel (non-U.S.)			Visits to United States		
	1964	1965	Percent change	1964	1965	Percent change
European:[1]						
Belgian	18,609	23,769	27.7	10,241	9,551	(−7.6)
Danish	9,665	14,116	47.1	8,303	8,433	1.6
French	178,661	198,758	11.2	48,591	53,539	10.2
German	118,031	166,889	41.4	76,910	84,046	9.3
Italian	57,636	65,806	14.2	30,929	36,481	18.0
Dutch	32,608	41,642	27.7	21,959	24,849	13.2
Norwegian	3,833	4,739	23.6	6,478	7,203	11.2
Swiss	33,113	44,596	34.7	17,133	19,769	15.4
Swedish	14,101	25,131	78.2	17,220	17,457	1.4
British	327,993	368,613	12.4	162,497	174,934	7.7
Non-European:						
Canadian	673,698	729,668	8.3	5,148,000	5,800,000	12.7
Mexican	35,084	35,368	.8	324,693	383,771	18.2
Argentine	191,445	194,319	1.5	23,028	27,697	20.3
Brazilian	103,786	103,169	(−.6)	16,696	18,990	13.7
Australian	88,457	108,206	22.3	27,904	30,864	10.6
Japanese	165,266	167,795	1.5	36,874	39,953	8.3

[1] Non-European visits.

Source: IUOTO and OECD.

TABLE 12.—EXPENDITURES OF U.S. TRAVEL SERVICE TO ATTRACT FOREIGN VISITORS

[Breakdown by USTS foreign offices

Area	Number of visitors	Expenditures	Amount spent to attract each visitor
London office	208,640	$390,000	$1.87
Stockholm office	46,139	132,000	2.86
Frankfurt office [1]	119,219	366,000	3.07
Paris office [1]	76,139	343,000	4.50
Amsterdam office	38,248	108,000	2.82
Rome office [1]	37,144	150,000	4.04
Sao Paulo office	69,952	124,000	1.77
Bogota office	324,624	153,000	.47
Mexico City office	462,700	$231,000	$0.50
Sydney office	52,174	186,000	3.56
Tokyo office	60,730	188,000	3.10
Total areas covered by USTS	1,495,709	2,371,000	1.59
Grand total	1,573,038	2,371,000	1.51

[1] Expenditures for Switzerland changed to Frankfurt office and subtracted from the total expenditures of the Rome and Paris offices.

TABLE 13.—*Business and pleasure visitors from Europe*

1950	64,000
1951	66,000
1952	75,000
1953	74,000
1954	83,000
1955	103,000
1956	114,000
1957	131,000
1958	150,000
1959	178,000
1960	221,000
1961	248,000
1962	300,000
1963	341,000
1964	458,000
1965	494,000
1966	547,000

TABLE 14.—*Business and pleasure visitors from Latin America*[1]

1951	58,000
1952	62,000
1953	77,000
1954	87,000
1955	90,000
1956	97,000
1957	110,000
1958	123,000
1959	145,000
1960	158,000
1961	171,000
1962	216,000
1963	287,000
1964	362,000
1965	392,000
1966	447,000

[1] Excludes Mexico.

TABLE 15.—*Pleasure visitors from Japan*

1960	4,521
1961	6,486
1962	6,687
1963	11,539
1964	[1] 15,666
1965	18,660

[1] April 1, 1964—$500 Allowance.

NOTE.—Tight restrictions on outbound travel for all purposes imposed October 20, 1961.

Reasons for visit, 1961 survey: Business, 69%; study, 38; pleasure, 9; other, 5.

POINT.—During restrictive years, any Japanese could travel to U.S. if he had a "sponsor" here and had this information (such as an invitation to visit) in writing. Include a guarantee of financial assistance.

SOURCE.—Japanese Desk of Commerce & State, Messrs. Miyakawa & Hart.

TABLE 16.—*Visitors from Canada*

1951	[1] 2,321,000
1952	2,636,000
1953	2,760,000
1954	2,708,000
1955	4,051,000
1956	4,277,000
1957	4,452,000
1958	4,436,000
1959	4,676,000
1960	4,775,000
1961	5,471,000
1962	[2] 4,938,000
1963	4,977,000
1964	5,148,000
1965	5,800,000
1966	6,400,000

[1] 1951–1960 Visits of 48 hours or more; after 1961, visits of overnight or longer.

[2] Drop in 1962 reflects devaluation of Canadian dollar and reduction of duty-free allowance from $100 to $25.

TABLE 17.—*Amount spent to attract each visitor*

India	$25.27
Argentina	23.82
Greece	5.66
Mexico	5.54
Poland	3.87
Ireland	3.62
United Kingdom	2.61
Canada	.83
Spain	.75
France	.54
Italy	.39
United States	.39

TABLE 18.—*Per capita expenditures on travel promotion*

[Cents per capita]

Ireland	2.34
New Zealand	1.14
Greece	.56
Canada	.50
Argentina	.32
Spain	.32
Mexico	.16
United Kingdom	.13
Poland	.13
France	.12
Italy	.07
United States	.02

TABLE 19

	Budget	Size of staff
Spain	$10,000,000	433
Canada	9,825,000	250
United Kingdom	7,247,000	425
Argentina	7,145,000	([1])
Ireland	6,720,000	297
Mexico	6,640,000	860
France	6,000,000	296
Greece	4,790,000	369
India	3,470,000	418
Italy	3,440,000	526
United States	3,000,000	82

[1] Not available.

TABLE No. 20. FACTORS STIMULATING OR IMPEDING TRAVEL TO THE UNITED STATES

IMPEDING

Prejudices about U.S. (i.e. press, crime, riots, etc.).

Lack of key incentive.

Lack of General U.S. Public & Private interest.

Economic Resources Abroad.

Foreign currency & customs control.

Lack of understanding of U.S. costs.

Total cost of trip.

U.S. Visitor Visas.

U.S. Frontier Formalities.

Lack of U.S. Government Promotion.

Lack of Facilities and services tailored to foreign tastes.

Lack of good U.S. Tour programs.

Potential retaliation to U.S. restrictions.

STIMULATING

Overall wide interest in U.S.

New U.S. attitudes.

Ease of movement within U.S.

Variety of U.S. tourist attractions.

Lowering air fares.

New transportation service.

More U.S.T.S. promotion.

More private industry promotion.

SOURCE.—ATA.

TABLE 21. ALLOCATION OF CURRENCY CONTROLS, JANUARY 1, 1967 (SAMPLINGS)

EUROPE

Unlimited: Germany, Belgium, Denmark, France, Luxembourg, Portugal and Switzerland.

Over $500 Minimum: Austria, Ireland, Italy, Norway, Holland, Sweden and Spain.

Under $500 Minimum: Finland, Greece, Hungary, Yugoslavia, and U.K.

No Set Amount: Bulgaria, Poland, Rumania, Czechoslovakia and USSR.

EAST ASIA AND PACIFIC

Unlimited: Hong Kong, Laos, Philippines.

Over $500: Australia, Malaysia, New Zealand, Singapore and Thailand.

Exactly $500: Japan.

Under $500: Taiwan, Indonesia, Vietnam.

No Set Amount: Cambodia and Korea.

SOUTHERN ASIA

Eactly $500: Iran.

No Set Amount: Ceylon, India and Pakistan.

MIDDLE EAST

Unlimited: Lebanon.

Over $500: Iraq and Kuwait.

NEAR EAST

Over $500: Cyprus.

Eactly $500: Israel.

Under $500: Turkey.

AMERICAS

Unlimited: Bolivia, Brazil, Canada, Costa Rica, Ecuador, Mexico, Peru, Puerto Rico, U.S.A., Uruguay, Venezuela and Panama.

Over $500: Chile, Trinidad and Colombia.

Under $500: Argentina.

TABLE 22.—AIRPORT TOURIST TAXES, JANUARY 1, 1967 (INTERNATIONAL PASSENGERS)

EUROPE

Austria: 30 Schillings.

Belgium: 50 Francs.

Czechoslovakia: 5 Kopecs.

France: 25 Francs (Non-European destinations).

Greece: 30 Drachmae.

Ireland: 7½ Shillings.

Italy: 1,000 Lira.

Netherlands: 6 Florins (Non-European destinations).

Portugal: 240 Escudos (On tickets over 12,000 escudos).

Spain: 50 Pesetas.

Sweden: 15 Kroner.

Switzerland: 5 Francs.

Turkey: 10 Lira.

U.K.: 7½ Shillings.

Yugoslavia: 500 Dinars.

EAST ASIA AND AFRICA

Cambodia: 5 Rials.

Hong Kong: $5 Hong Kong.

Indonesia: 150 Rupees (On Arrivals).

Korea: 250 Hwan.

Philippines: 25 Pesos (On Arrivals). 5 Pesos (On Departures).

Thailand: 20 Baht.

Vietnam: 150 Piasters.

SOUTHERN ASIA

Burma: 2 Kyats (On Arrivals).

Ceylon: 2½ Rupees.

Pakistan: 5 Rupees.

MIDDLE EAST

U.A.R.: 50 Piasters.

Jordan: 500 Fils.

Iran: 250 Rials.

NEAR EAST

Israel: 5 Israel Pounds.

AMERICAS

Argentina: 200 Pesos (Non-Neighboring Countries).

Bahamas: 14 Shillings (Adults).

Bermuda: 1 Bermuda pound.

Chile: 2 Escudos (At Santiago).

Colombia: 75 Pesos.

Panama: $2.

Paraguay: 100 Guaranies.

Peru: 180 Soles (For Jet Aircraft).

Trinidad: $1 West Indies.

Uruguay: $2 Uruguayan (On Arrivals). $10 Uruguayan (On tickets over $900).

Venezuela: 80 Bolivares (Except Holders of Tourist Cards or Visas).

TABLE 23.—BALANCE OF PAYMENTS—POTENTIAL SAVINGS BY RESTRICTIONS UPON MAXIMUM TRAVEL EXPENDITURES, EXCLUDING TRANSPORTATION

[Based upon 1966 statistics] [2]

	Travel expenditures (millions)	Number of travelers (thousands)	Average expenditure	Alternative No. 1		Alternative No. 2		Alternative No. 3	
				Restriction	Total expenditure (millions)	Restriction	Total expenditure (millions)	Restriction	Total expenditure [3] (millions)
Europe and Mediterranean	$920	1,570	$586	$250	$392	$300	$471	$450	$705
West Indies and Central America	259	1,050	247	None	259	300	[4] 259	200	215
South America	65	130	500	None	65	300	39	375	45
Other	160	225	711	None	160	300	68	525	115
Total, overseas areas	1,404	2,975	472		876		837		1,080
Annual savings					528		567		320

[1] U.S. travelers by sea and air.

[2] Source: Survey of Current Business, June 1967, published by U.S. Department of Commerce, Office of Business Economics.

[3] Approximate figures.

[4] Actual expenditure under minimum.

ADDENDUM No. 24. PARAGRAPHS ON SIGNIFICANCE OF TRAVEL DEFICIT

In 1965, the Bernstein committee on the Balance of Payment statistics expressed the view that "concern with the travel gap reflects an unwise tendency to balance receipts and payments for types of transactions so narrowly defined as to lack significance." This Working Group is wholeheartedly in agreement with this point of view, since it believes that a significant proportion of international travel is closely linked with the short and long run development of international commerce and that a restrictive approach to travel is likely to lead to some repercussions on the volume of international trade. More specifically, there are certain international transactions included elsewhere in the Balance of Payments which should probably be considered as closely related to the travel deficit. It is impossible to reconstruct the travel balance on the basis of this wider concept but it is possible to list the significant items which go into it. Among such items are:

1. Current Expenditure by foreign transportation companies in the United States and United States transportation companies overseas. Such expenses which involve the servicing of transportation equipment and traffic include items such as purchasing of fuel and lubricants, station and office costs, advertising and sales promotion, landing fees, taxes and payroll expenditures. Travel agents' commissions are also included. It is probable that total transactions involved under this item approximate $500 million.

2. Purchases of aircraft represent a major expense of foreign carriers in the United States amounting to approximately $250 million in 1966. This item should be taken into account when the overall accounts is measured.

3. Foreign exchange earnings of U.S. carriers derived from the carriage of 5th freedom traffic.

4. Travel by U.S. military and government personnel stationed overseas.

5. Imports and exports of commodities purchased by travelers during their international visits and subsequently shipped back to their country of residence.

SOURCE.—Working Party Staff Advisers.

ADDENDUM No. 25. IMPROVEMENTS IN TRAVEL STATISTICS

The above analysis of the travel deficit has been conducted on the basis of the statistics developed by the Department of Commerce and evaluated and projected by the Working Group. These figures have been used because they are the only ones available. Throughout its meeting the Group has been conscious of the shortcomings of the figures and regretful that more adequate statistics were not available so that the conclusions derived could be more firmly grounded in fact.

It appears that the current travel items in the Balance of Payments gave a reasonable indication of the approximate size of both expenditures and payments. We do regret, however, that the figures cannot be firmly tied in with published traffic statistics from industry and Government sources and that so much of the estimates of dollar values has been done through the application of judgment to inadequate sample reports. We are in full sympathy with the Government officials responsible for developing the figures who are undoubtedly doing the best they can with the limited information at their disposal. However, in view of the fact that Government action to reduce the travel deficit is about to be taken on the basis of these approximate figures, it is our opinion that every effort should be made to develop more reliable measures of the travel deficit. This involves not only an expansion in improved reliability of existing sampling procedures but also requires that results obtained from such methods should bear a reasonable relationship to estimates developed from travel industry studies and sample traffic statistics.

We further recognize that for Balance of Payments purposes not all travel is considered relevant. However, Government reports on the subject should identify and measure the traffic flows excluded from the travel account and to make this information accessible to the travel industry.

We urge, therefore, that prompt attention be given to improving the quality of statistics and that appropriate priority be given to the item by the Government Departments concerned. Representatives of the travel industry will undoubtedly be glad to contribute their resources towards the development of more precise results which can be adequately related to measurable traffic flows.

SOURCE.—Working Party Staff Advisers.

The President Urges Flexible Economic Policy

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. MOORHEAD. Mr. Speaker, I am delighted to have this opportunity to offer a brief, personal reaction to the President's Economic Report. This year's report—along with the fine in-depth analyses offered by the Council of Economic Advisers—lives up to the high standards which have come to characterize this annual reckoning of our economic position and prospects.

I believe that there is an important lesson to be drawn from the President's review of our domestic economy during the past year.

The President called 1967 "a year of readjustment." The economy moved from a real growth rate of barely more than 1 percent a year in the first half of 1967 to 4½ percent a year in the second half. During the year we successfully weathered a slump in production as businessmen tried to get their inventories into better balance with sales. We made great headway in recovering from a massive decline in homebuilding and we are now building and modernizing homes at a rate that makes much more sense in terms of the needs and desires of our people.

We made great gains in 1967 despite a problem of correcting serious imbalances in our economy. We held our unemployment rate at a satisfactory level and we can be proud of this. But it was not an accident, and there is a great lesson that we must learn from this experience.

As the President stated, the readjustment was inevitable—but it was not a surprise. Despite rapid growth in 1966, the economic forecasters foresaw the uneven pattern of development that would occur in 1967. The President's economic advisers remained firm in their prognosis during the spring and summer despite the false weaknesses being played up by some.

I commend the President.

I hope that we will respond promptly and favorably to the President's forthright assessment of our economic needs.

Antiballistic Missile

HON. JEFFERY COHELAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. COHELAN. Mr. Speaker, nuclear war is still the greatest threat to man's continued existence.

We are now on the threshold, or perhaps even across the threshold, of an important development in our efforts to prevent a nuclear war. On September 18, 1967, Secretary McNamara announced the decision of the administration to deploy a "thin" anti-ballistic-missile defense. Over $1 billion has been made available to fund the initial phases of this deployment.

However, the Congress and the people have not yet concerned themselves, earnestly, with this issue.

The consequences of the ABM deployment are enormous.

It may save us all, or it may, after astronomical expenditures, afford us less protection than we now have.

In its largest version ABM will cost more than twice the annual expenditures in Vietnam, and more than 30 times the yearly economic opportunity program.

The ABM constitutes a very large gamble. In deploying it we are betting billions that it will bring us more rather than less protection from nuclear war.

In wagering billions of dollars and ultimately millions of lives we must be as sure and as informed as possible. The Congress and the people should debate the ABM question.

The issues are complex and not all the facts are available, but no matter is more important and thus we should make the effort to understand.

In the interest of better understanding and informed debate on the ABM, I insert in the RECORD, and commend the attention of my colleagues to an excellent article by Mr. Allan M. Parrent, which has been published by the National Council of the Churches of Christ:

THE PROBLEM OF THE ANTIBALLISTIC MISSILE

(NOTE.—Allan Mitchell Parrent is Director of Program in Washington, for the Department of International Affairs, National Council of Churches. A graduate of Georgetown College, Dr. Parrent holds graduate degrees from Vanderbilt University in both political science and theology, and he has completed work for the Doctor of Philosophy degree in Christian ethics at Duke University. He served from 1962–1964 with the U.S. Department of State in the Arms Control and Disarmament Agency and as a member of the U.S. Delegation to the Eighteen-Nation Disarmament Conference in Geneva. He has also served as a naval air intelligence officer and with the administration at Duke University.)

INTRODUCTION

In a speech given in San Francisco on September 18, 1967, Secretary of Defense Robert McNamara announced the decision of the Administration to proceed with the deployment of an anti-ballistic missile defense system in the United States. The speech was generally acknowledged as a major, but carefully guarded, pronouncement on U.S. military policy. McNamara declared that a U.S. anti-ballistic missile system (ABM), will be deployed in a limited or "thin" deployment to guard primarily against the possibility of a Chinese attack in the 1970's, at a cost of about $5 billion.[1] The announcement came after several years of quiet, technically-oriented debate within the government on the feasibility of an ABM defense and several months of more intense debate, instigated evidently by Soviet plans to deploy a "thin" ABM defense around Moscow. The decision brought to a close at least the first phase of a short but major policy debate.

In spite of its "limited" nature, the decision is considered by many to be a "watershed" decision which can have profound effects upon each individual American and upon U.S. foreign policy for years to come. The possible implications of and repercussions from this major policy decision, to be discussed later, would seem to give support to this view. Yet the average citizen is hardly aware of the problems involved, and the public debate, at least prior to the decision, was limited to a relatively small number of decision-makers. With few exceptions even that debate rarely progressed beyond the technical and strategic realms.

Various factors suggest the need for informed and widespread debate concerning ABM deployment. First is the potentially enormous expense of an ABM system, both financially and socially. Although the announcement of the initial decision made it emphatically clear that this was a decision for a limited deployment, pressures are already growing for a "heavy" deployment. Second, the decision has an immediate, and far reaching, effect upon the strategic environment and upon the international milieu of the future. Third, the decision seems to perpetuate the U.S. tendency to be unrestrained and unreflective in expenditures of human and economic resources on defense. There is little doubt but that the ABM decision is more than a technical question to be decided by the defense strategists.

Because the ABM decision thus contains vital moral dimensions, Christians especially should be informed concerning the problem, and should seek to evaluate it in the light of Christian concern for justice, reconciliation, and community. Resulting views should be presented publicly. The initial decision should not be allowed to escalate for want of adequate discussion on the fundamental human, political, economic, social, and moral issues involved. To that end, the following information and analysis are presented.

PRELUDE TO DECISION

While a United States anti-ballistic missile system has been in the process of development since 1955, it is only recently that such a system has seemed to have much prospect of being effective. Successive Secretaries of Defense have opposed it not only for cost reasons but also because various defense penetration aids, such as chaff, decoys, and nose cones not easily identifiable by radar, made adequate missile defense almost impossible. Nor was there any defense against low-altitude nuclear detonations away from but upwind of potential targets. Recently it has become technically possible to destroy incoming warheads beyond the atmosphere by long-range interceptors. It has also become possible, by the development of very high acceleration interceptors, to have a second chance to destroy incoming warheads after they reenter the atmosphere and are more easily distinguished from the decelerating penetration aids. This means that missiles can theoretically be hit both sooner and, if necessary, later than before.

---

[1] Footnotes at end of article.

The new technical capability was soon combined with two political-military developments which seemed to some minds not only to justify but to demand the immediate utilization of the new possibilities for missile defense.

The first of these developments was the announcement in November 1966, that the Soviet Union was planning to deploy a limited ABM system around Moscow. In addition, there is evidence elsewhere in the USSR of what our intelligence calls the "Tallinn System." The CIA and most defense officials believe this is to be a defense against low-flying bombers and missiles but some military men insist it is a full-fledged ABM system.

The second development was the more-rapid-than-expected increase in Chinese nuclear capability. In less than three years the Chinese have conducted six nuclear tests with the most recent test of June 17, 1967, in the megaton range.[3] They are reportedly making rapid progress in thermonuclear design and in the development of delivery vehicles. China is expected to have medium-range missiles within a year, an initial ICBM capability in the early 1970's, and a modest ICBM force (50–150 missiles) by the mid-1970's.

The combined effect of these developments resulted in a growing demand from various sources for immediate U.S. deployment of some kind of ABM system to overcome what was seen as a growing and ominous "missile defense gap." There was never, and still is not, full agreement on either the purpose of such deployment or the type of deployment desired. At one time or another ABM proponents saw the primary purpose as (1) city protection against Soviet missiles, (2) city protection against Chinese missiles up to the mid-1970's, and (3) protection of our land-based strategic offensive missiles against Chinese and/or Soviet missiles. To accomplish one or more of these objectives some ABM supporters advocated a "thin" deployment while others advocated a "heavy" deployment. (These terms will be discussed below.) To add to the complexity, some of those opposed to the ABM indicated a willingness to go along with a thin deployment while others were opposed to *any* deployment because they were convinced that once begun there would be an inevitable escalation to a heavy deployment with all its implications. Indeed, the validity or in validity of this argument is now crucial in the light of the decision already made.

THE TWO SIDES

The major pressures for some form of ABM deployment came from the Joint Chiefs of Staff, the congressional armed services committees and other committees dealing with national security problems, some influential senators such as Stennis, Russell, Pastore, and Jackson, what can be loosely called the military-industrial complex, and that significant minority of the scientific community referred to as the "California group" and including Harold Agnew, Edward Teller, and Commissioner James Ramey of the AEC. The opposition, though not total in every case, included primarily Secretary McNamara supported quietly by the President, and most of their advisors, the staff of the Arms Control and Disarmament Agency, a few senators led by Joseph Clark, and the majority of the scientific community including Jerome Wiesner, presidential advisor Donald Hornig, and other of the so-called "Cambridge group."

At the risk of oversimplification the two opposing positions, excluding for the moment the concurrent debate over "thin" vs. "heavy" deployment, can be briefly summarized as follows. The proponents argued that Soviet deployment without similar U.S. action would downgrade our current favorable strategic nuclear balance to the point where it would no longer deter attack. If the Soviets believed that their own improved defense capability, coupled with its increase in ICBMs, would enable them to launch a nuclear attack on the U.S. while limiting their own damage to an "acceptable" level, so the reasoning went, they would no longer be dissuaded from such a course of action. The first principle of our security policy, a believable nuclear deterrent, would consequently be nullified.

At the same time some proponents also expressed fear that the supposedly irrational Chinese may be tempted to launch a nuclear attack with their few and relatively elementary weapons, though it would be obviously suicidal for them to do so, and that an ABM defense was necessary to guard against this possibility. Support for the ABM was also secondarily based on the belief that it would protect our own offensive missile sites and thereby add insurance to our capacity for "assured destruction."

Opponents of ABM deployment based their opposition primarily on three grounds. First they saw, and still see, no necessary relationship between Soviet deployment and the question of U.S. deployment. To deploy simply because the Soviets deploy is not seen as a valid reason for a major strategic decision. If a Soviet ABM defense should downgrade the U.S. ability to penetrate the USSR with nuclear retaliation, it was argued that the most logical and effective response would be to upgrade the U.S. offensive capability and thereby to maintain our relative deterrent strength. In reference to a possible Chinese threat, it was argued simply that the lead time necessary to deploy an ABM defense against Chinese missiles was less than the time the Chinese would need to develop weapons of sufficient sophistication to be a threat to the United States, and that therefore no decision was necessary at this time concerning China. Second, and related to the first, was the point that an upgraded offense would cost only a fraction of what an ABM system would cost.

Third, and most important, was the conviction of the opponents that ABM deployment would undoubtedly force the USSR to increase its offensive nuclear force to offset the new U.S. defensive capability, thereby beginning a series of escalatory countermoves and a new arms race, resulting in greatly increased defense expenditures with no increase in security for anyone. These points were defended by Secretary McNamara in his testimony on the 1968 Defense Appropriations bill in January, 1967. Some other opponents even made the case that such a defensive system would in the long run leave us in greater peril than before because of a nation's tendency to overcompensate in upgrading its offensive capability against an opposing but unknown and untested defense system.

"THIN" VERSUS "HEAVY" DEPLOYMENT

Reference has been made to a "thin" and a "heavy" ABM system, the former being the type the U.S. is now committed to build. The distinction is crucial for an adequate understanding of the ABM problem. These terms can best be explained by a brief description of the system itself. The ABM system, the current version being the Nike-X, is a two-missile system for defense against enemy ballistic missiles. One missile, the Spartan, with a range of about four hundred miles, is a three-stage missile designed for long-range defense of broad areas, and is theoretically capable of destroying enemy missiles before they re-enter the atmosphere. The second missile, the Sprint, is a backup missile with a much shorter range of about thirty miles but with a capability for very rapid acceleration. It is designed for close-in or "point" defense of cities and installations against enemy missiles which penetrate the area defense. The ABM also has three separate radar systems controlled by a very complex computer system, with the capability of scanning in all directions simultaneously.

Prior to the McNamara announcement, the number of deployment schemes under consideration made the terms "thin" and "heavy" rather imprecise, depending upon what was to be protected against what enemy. For example, a thin deployment aimed primarily at area defense against a potential Soviet threat, but which attempted in any degree to protect United States cities, would be much more extensive than simple area defense against a possible Chinese attack. The plan originally backed by the Joint Chiefs of Staff was an ABM deployment against Soviet missiles which would provide an area defense (i.e. Spartans) of the entire country, with overlapping coverage of key target areas, plus point defense (i.e. Sprints) for a number of U.S. cities. There were two versions of the JCS-supported plan, one providing low-density Sprint defense of about 25 cities at a cost of $10–20 billion over a ten-year period, and another providing high-density Sprint defense of about 50 cities at a cost of $20–40 billion. The latter was, of course, the heavy deployment scheme. In both cases the higher figure was almost certainly the more accurate one, with some estimates for the heavy system going as high as $70 billion. At the other extreme among ABM proponents were those who favored an austere or "bargain basement" ABM giving only area defense against the Chinese in the 1970's for a cost of $3.5 billion.

Hanging over the whole debate, however, was the contention of some that any deployment would eventually and inevitably expand into a "heavy" system as the arms race escalated. This, it was argued, would be true whether the initial deployment was said to be against China or the USSR. The problems, financial and otherwise, would ultimately be the same for a thin or a heavy deployment. In addition, the deployment of an ABM system, thin or heavy, seemed in the view of some to require simultaneous improvement in our defense against a manned bomber attack, to preclude the undercutting of the ABM which cannot defend against low-flying objects such as aircraft and missiles launched from submarines. To plug this loophole, another defense system, estimated at $1.5–3 billion, is in fact under development. Moreover, it was argued that deployment would require a large expansion of our fallout and blast shelter programs because of the less-than-perfect effectiveness of area defense missiles and the probability that some enemy missiles would be detonated at least in the atmosphere if not on target. The cost of such a program has been estimated at anywhere from $10 to $50 billion, in addition to the actual ABM costs.

In general, a thin deployment has been defended as a way to neutralize the growing but still relatively primitive Chinese nuclear capability insofar as that capability is a potential threat to U.S. territory. It has also been defended as a means of protecting a portion of the U.S. strategic offensive missile force against Soviet attack and therefore as a way to increase our "assured destruction" capability. Thin deployment has been opposed chiefly on the grounds that it would inevitably lead to a new arms race and the staggering costs of a heavy deployment, with no real gain in security.

With particular reference to China, thin deployment has been opposed on the grounds

---

Footnotes at end of article.

that the lead time for deployment of our Nike-X against the Chinese threat was sufficiently small so that the decision to deploy could be postponed. This, until recently, was McNamara's position. It has also been argued by others that the most likely threat from China at present is submarine-launched missiles near our coast, something with which the ABM cannot cope, and that as their capacity develops our defense needs against them will be no different than our defense needs against the USSR. Furthermore, any ABM deployed against China would by its very existence also downgrade the Soviet offense, thereby creating the same arms race potential as before. Finally, it was argued that the spectacle of the U.S. rushing to deploy against China would only enhance Chinese prestige in Asia and increase Indian and Japanese concerns.

Those supporting a heavy deployment claimed that it could reduce the number of American deaths in a nuclear war by several tens of millions, that it was necessary lest the Soviets ever feel they could survive a nuclear war better than we and thus launch a missile attack, and that no cost was too high to protect our own people, particularly in view of our declared policy of not striking first. It is false security, they argued, to rely entirely on one method to provent war, i.e. fear of U.S. retaliatory power. Opponents of heavy deployment based their arguments on the enormous cost, the increase in Cold War tensions which would result, the "Fortress America" atmosphere it would create, the catastrophic effect on arms control agreements, and the claim that the effort would be for either no gain in or even an actual erosion of our national security.

CONGRESS AND THE ABM

The 1967 Defense Appropriations Bill included a request for $417 million for continuing research and development on the anti-missile missile. Not only was this authorized, but the Senate Armed Services Committee added an additional, unrequested, $168 million to the defense procurement authorization specifically for ABM procurement. Fourteen senators opposed this action, unsuccessfully, but the money was never used by the Administration. This year President Johnson actually requested $377 million for fiscal 1968 to begin procurement if our efforts at private diplomatic talks with the Russians, seeking agreement against ABM deployment, bore no fruit.

This money, plus a requested $421 million for research and development was authorized, this time with a specific request from the Senate Armed Services Committee to begin procurement within a reasonable time. The $70 billion Defense Appropriations Bill of 1968, signed September 29 and which, incidentally, was the largest single appropriation bill in our history, retains most of the ABM authorization money. This includes a total of $730 million for the Nike-X ABM system, $309 million for initial deployment and $421 million for research and development. The $168 million from last year, plus $88 million to come from the military construction bill, make a total of nearly $1 billion now available for the ABM this year. Through fiscal 1967 about $4 billion had already been spent on ABM research and development.

In reporting out the bill, the Senate Appropriations Committee after pointedly remarking that it was unaware of any successes in the proposed negotiations with the USSR to limit ABM deployment, said: "The Congress has met its constitutional responsibilities in this matter, and the responsibility for further delaying this system clearly rests with the executive branch of the Government—the deployment of the Nike-X antiballistic missile system should be initiated immediately—." This coincided with a Joint Atomic Energy Committee Report of August 3 pointing to the growing Chinese nuclear capability and deploring the fact that "we do not have an effective antiballistic missile system which could repel such a suicidal (for the Chinese) but nevertheless possible strike."

Only Senator Joseph Clark (D., Pa.), seconded by Senators Jacob Javits (R., N.Y.), and Stephen Young (D., Ohio), made a determined effort to challenge the Appropriations Committee recommendation. What is needed, Clark said, is "an informed national debate on the ABM issue." He had previously made an impassioned speech on July 27 against ABM deployment. In his earlier speech he had suggested a new independent, blue-ribbon commission, appointed by the President, to give a careful and objective evaluation of the course the U.S. should follow concerning "the momentous question" of ABM deployment. The suggestion was never acknowledged by the Administration.[3]

Clark feels, along with some others, that next to Vietnam, this is the most pressing issue before us. If this is even partly true, the question certainly deserves wider discussion and debate, especially on the part of those sensitive to the broader political, social, and moral implications of public policies, before such debate becomes completely outmoded by developments. The initial decision in favor of a limited deployment, of course, is one such development. The ABM is, in part at least, now a *fait accompli*. Still there is a need for a full airing of the issues involved, particularly in the light of McNamara's warnings against the futility and counter-productive nature of a heavy ABM system on the one hand, and the post-announcement demands of some senators for precisely such a system on the other.

THE DECISION

The decision as announced by McNamara on September 18 was evidently as much a decision *against* a Soviet-oriented heavy deployment as it was a decision *for* a Chinese-oriented thin deployment. Basically it was announced that an ABM system, reportedly consisting of 15–20 anti-missile batteries on U.S. territory, would be built at a cost of about $5 billion. Production will be underway by the end of 1967 and the limited network can be fully deployed in five years. This system, it is contemplated, will do two things. It will provide an area defense of the United States against a Chinese attack, at least until the mid-1970's. Second, it will provide a defense against Soviet missile attack upon our own ICBM "Minuteman" bases in the Pacific northwest, and upon the ABM radar system, the so-called "eyes" of the defense system. Sprints will not be deployed around cities, as recommended by the JCS, under this plan. Exact sites for the missiles will not be known until construction begins.

The announcement came amid rumors that Secretary McNamara was under intense pressures, contrary to his own conviction, to deploy some kind of ABM system. While the whole tone of the speech and other evidence indicate that McNamara was very reluctant to agree to the decision, it is not fully accurate to conclude that he "gave in" to something to which he was fully opposed in all circumtsances. He had always made the distinction between Soviet-oriented and Chinese-oriented deployments. While he was and still is convinced of the futility of the former, he always left open the possibility of the latter. 'His real fear seems to be that once begun, the deployment of the ABM will escalate. Thus the bulk of his September 18 address was devoted to explaining why an ABM system could not possibly defend our population against a sophisticated missile attack such as the USSR could launch. A heavy ABM defense aimed at protecting our cities, he emphasized, would be less than useless.

With this conviction, plus the fear of touching off a new arms race, Secretary McNamara could therefore finally offer no better rationale than a statement that "there are marginal grounds for concluding that a light deployment of U.S. ABMs—is prudent." Even this conclusion was based on the claim that strategic planners, having always to assume the worst plausible case, must take into consideration "even the possible irrational behavior of potential adversaries." i.e. China. Of course, under such a rubric anything could be justified. Yet on such "marginal grounds" a major strategic decision with vast potential implications has been made.

SOME MAJOR ISSUES

Given the decision announced by Secretary McNamara, the carefully hedged nature of the announcement, the background to the decision, and the responsible oppositon to the decision by qualified persons both within and outside the government, several major questions seem to be suggested which require full public discussion. Some of these have already been mentioned. More specifically, these and other questions are set forth below. Before the funds are appropriated for the announced deployment, and certainly before there is any escalation in U.S. plans for deployment, the issues raised by these questions must be taken into account.

1. *The Validity of the Rationale for the Decision*. What is the validity of the basic ground on which the decision was made, namely, that it was necessary as a defense against a Chinese nuclear capability in the 1970's, a capability which is improving more rapidly than expected? This is a question of motivation, and has several facets. It is now estimated by the Department of Defense (DOD) that China will have MRBMs in a year or two and an initial ICBM capability in the early 1970's. Thus, in view of the oft-declared necessity to make estimates of enemy capabilities and intentions on the conservative side, the U.S. felt compelled, according to McNamara, to deploy a thin ABM defense against China. Even this, however, was tempered by McNamara's statement that we have ample evidence of China's appreciation of our power, and that China has been cautious to avoid any action that might end in a nuclear war with the U.S.

The whole decision, then, according to an analysis of the speech seems to have been based largely on the fact that one could "conceive conditions under which China might miscalculate." These were the "marginal grounds" which made the decision seem prudent. McNamara does add that there would also be some secondary benefits, including the additional assurance it would give to Asians that the U.S. would deter China from nuclear blackmail, the discouragement it would offer to nuclear proliferation, the additional defense of our ICBMs against the USSR which is would make possible, and the defense it would offer against an accidental missile launching. But the basic point, which seemingly outweighed all the arguments against deployment, was ostensibly the conceivable possibility of a Chinese miscalculation. In an objective weighing of the pros and cons of such an important decision, should such admittedly remote possibilities be given more weight than what many qualified opponents saw as clear and present dangers on the other side of the argument?

This raises several related questions. First, why was the decision made in terms of defense against *Chinese* attack? Prior to the decision, the debate was primarily concerned with U.S. response to Soviet limited ABM deployment. Decision on the matter had been temporarily postponed because of the administration's efforts, not yet successful, to negotiate the ABM question with the Soviets. The 1968 budget request was for contingency funds for ABM if those negotiations

---

Footnotes at end of article.

failed. In general, the ABM debate coincided with the concern of the Defense Department that the recent increase in Soviet missile strength had decreased our nuclear superiority to a 3–1 ratio. Yet when the decision was announced, it was put in terms of the Chinese threat. The rationale for the decision, in short, does not seem to follow directly from the concerns which produced the debate from which that decision came.

A second related question stems from the charge, made by James Reston and others, that the anti-ballistic missile is really aimed not at the Chinese but at the military-industrial complex and its congressional spokesman. The decision, it is charged, was made in an attempt to deprive political opponents of the claim that the Administration was indifferent to the defense of the American people and to "appease" the defense industries which are anticipating the lucrative contracts associated with a $40 billion heavy ABM system. Is there any validity to this charge? Such a charge is difficult to prove and cannot be competently evaluated here. Yet it is one possible explanation which cannot be ignored in evaluating the hidden dynamics of a decision of such consequence as this.

A third question related to the basic rationale of the decision is whether the decision is contrary to the very strategic doctrines which produced it. McNamara admits in his speech that "our current numerical superiority over the Soviet Union in reliable, accurate, and effective warheads is both greater than we had originally planned, and is in fact more than we require." In the course of guarding against a theoretically possible Soviet missile buildup in the early 1960's, he claimed, the United States created its current missile superiority, a superiority which, had we had accurate information on Soviet intentions and capabilities, we would not have needed to build. This naturally affected Soviet strategic nuclear plans because, whatever the intentions may be, the U.S. and USSR mutually influence the other's strategic plans, each triggering reactions on the other side. This is true in both offensive and defensive weapons. "It is precisely this action-reaction phenomenon that fuels the arms race." The arsenal of each nation is now in excess of a credible assured-destruction capability, McNamara claims, in both cases because of a reaction to the other's buildup in which the most conservative calculations were made in an attempt to cope with the "worst plausible case." Does not the decision to deploy a thin ABM system against China, based admittedly on the "worst plausible case," simply perpetuate this phenomenon, this time in defensive weapons? Since our China-oriented ABM by its very existence also has an effect on Soviet capabilities vis-a-vis the U.S., will it not have the same action-reaction effect upon the USSR?

A fourth related question is, why should the U.S. not continue to rely on its offensive nuclear deterrent against the nuclear-weak Chinese as it does against the nuclear powerful USSR? McNamara continues to maintain that the best defense against enemy missiles and the best answer to an enemy ABM system is in both cases an overpowering nuclear offense. Our whole defense policy is based on a credible nuclear deterrent. Why assume the worst from the Chinese, with their unsophisticated weapons and their acknowledged caution against actions that might get them into a nuclear war with U.S., and assume the best from the Russians, with their enormous nuclear power? Why would not the Chinese be at least as effectively deterred by our offensive nuclear deterrent as the Soviets?

Finally, is it true that the most likely threat from China for the foreseeable future is missiles launched from low-flying aircraft or submarines, against which the ABM is useless? If so, is it not true that a Chinese attack, suicidal as it would be, would be more likely to come from this source, and that our offensive nuclear power would still be the deterrent which would prevent such an attack if anything would? In such a case, the ABM would seem to be as unnecessary against China as it is admittedly useless against the USSR. Even if a Chinese attack should come from the more long-range missiles with which an ABM system is designed to contend, it would seem that the claim made by one DOD official that our proposed thin defense would be 100 per cent effective is somewhat optimistic in view of the fact that both the offensive capabilities of the Chinese in the 1970's and the defensive capabilities of our untested and incomplete ABM system are equally unknown.

2. *The Impact on the International Political Atmosphere.* What effect will our decision to deploy an ABM system have upon international relations in general and on the Cold War in particular? At least one criterion for a responsible use of power is to determine as carefully as possible the extent to which a given course of action, as it seeks to promote legitimate national interests, is also oriented toward improving the quality of the international milieu, i.e., toward creating conditions for reconciliation in the international community. (In the broader context this is, of course, part of the national interest.) Given the current Chinese world view, the U.S. decision will probably make little difference in the headlong effort of the Chinese to become a nuclear power. If anything it will tend to spur their efforts and at the same time to increase the concern of her neighbors and to enhance her prestige as that Asian nation which put fear in the heart of the mighty United States.

More seriously, however, American ABM deployment will almost certainly touch off an increase in the Soviet offensive nuclear capability as they seek to overcome or neutralize our upgraded defense. While our system is to be Chinese-oriented, according to public announcement, it will by its very existence tend to downgrade Soviet nuclear capabilities vis-a-vis the United States, a fact of which the Kremlin is certainly aware. In addition, there is not the certainty in the Kremlin which exists in Washington that the declared intentions and the real intentions of the U.S. are always identical. If Soviet strategic planners, like their American counterparts, calculate for the "worst plausible case," as they undoubtedly do, this would have to have an effect on their planning. Indeed, McNamara's speech was in part devoted to assuring us that this was of necessity the way planners operate. Also, as an added incentive to Soviet planners, several influential American senators and politicians have already declared their desire for a full-city-protecting, Soviet-oriented ABM system. The thin ABM, they say, is only a starter.

Even if the Soviet reaction is not an immediate development, its likelihood will increase as our thin "Chinese-oriented" system expands to keep up with the inevitable increase in Chinese nuclear capabilities, capabilities which in a very few years will, according to all the experts, be capable of overwhelming a $5 billion thin ABM defense. In fact, if we are to accept the informed opinions of McNamara and most of his advisors, any defense system against nuclear weapons can be overcome by the upgrading of offensive nuclear weapons at a fraction of the cost.

This built-in tendency to escalate a weapon system, once it has begun and the adversary has begun to react to it, what Secretary McNamara has referred to as the "mad momentum intrinsic to the development of all new nuclear weaponry," is at the heart of the whole ABM problem. This was why McNamara has consistently opposed a heavy, Soviet-oriented ABM to protect our cities. It would be a useless effort, he said, because of the virtual certainty that the Soviets would act to maintain their deterrent. This would touch off a nuclear escalation on both sides, with each side tending to overcompensate for the uncertain capabilities of the enemy ABM. The conservative strategy of evaluation, which McNamara himself declared was used in making the deployment decision, would make such overcompensation almost inevitable. The result would be a multi-billion dollar expenditure with no increase in security for anyone.

The tensions growing from such a development could easily bring on new rivalries at potential friction points all over the world, a revival of the slowly dying, rigid Cold War mentality of the early 1950's, and the end of the somewhat eased relations of the post-Cuba Crisis detente. The ensuing arms race would be carried on not only in nuclear weapons, both offensive and defensive, but also in such categories as anti-submarine forces and fallout shelters. A "Fortress America" could easily result, and the likelihood of war would increase. In such an atmosphere reconciliation and international community are the first victims.

McNamara predicted these dire consequences only in the case of a heavy, Soviet-oriented ABM system. There are many, however, who would say that the orientation, being a matter of forensics only, makes little difference to potential adversaries. They would say, in short, that the same sequence of events leading to a new arms race is just as likely to occur, on a longer time scale, as a result of the recent "limited" decision. Senator Fulbright, for example, said the announced plan could touch off "very dangerous counter-measures by the Soviet Union." Once it is started, he warned, "there will be no stopping it, and its cost will be astronomical."

Fulbright was supported on the first charge by Victor Zorza, in *The Washington Post,* who has written that the major effect of our ABM in the Kremlin will be to strengthen those seeking large increases in military spending for a major rearmament program. Fulbright was vindicated on his second prediction by statements from some of his fellow senators. Senator Russell, for example, said he was satisfied with the thin ABM "only as a beginning." Senator Pastore called the thing ABM "a starter toward an overall effective anti-ballistic system—(effective) not only against China but against Russia as well."

Thus it was only a matter of hours before the fears expressed by McNamara in his speech were shown to have some justification. "The danger in deploying this relatively light and reliable Chinese-oriented ABM system," he had predicted, "is going to be that pressures will develop to expand it into a heavy Soviet-oriented ABM system." The question now is whether these pressures can really be resisted or whether, ironically, the decision will serve only to perpetuate the "action-reaction phenomenon that fuels the arms race" against which McNamara's speech was directed.

A final potential effect on the international scene concerns the effect of the ABM on our own allies. The failure to consult them in advance of the decision alone caused some consternation. More importantly, however, there are genuine fears among the allies that, first, it will begin a new round in the arms race and, second, that it is really a first step to a full ABM system which will tend to make undefended Europe a relatively more desirable target and thus even more vulnerable to attack in case of war. These fears are coupled with allied suspicions that the American "military-industrial complex" is behind the U.S. decision, a suspicion which is further nourished by talk of selling our ABM defense to our NATO allies, as well as by suspicions that the system is in any case ineffective. Rather than arm themselves with a system which is useless against the USSR (China poses little nuclear threat to Europe), our European allies may only be pushed closer to a decision to develop their own independent offensive nuclear capabilities.

3. *The Effect on Arms Control Efforts.* What will be the effect of the ABM decision on our efforts to secure meaningful agreements on arms control measures? The most promising current effort is the nonproliferation treaty, a joint US-USSR draft of which has already been presented at the Geneva disarmament conference. Can we really expect the nations of the world to join us in such a treaty just when the two nuclear giants begin a new arms race? This question is doubly important in view of the fact that some nations already have reservations about the treaty because of its failure to require action on the part of nuclear powers to limit or curtail their nuclear arsenals or production.

The Arms Control and Disarmament Agency was privately, at least, opposed to the ABM decision on precisely these grounds. Subsequent to the decision, however, efforts have been made by ACDA to show that a Chinese-oriented ABM deployment would make it easier for countries, especially Asian countries, to sign the treaty. Speculation, of course, can be offered to show that the opposite could just as well be true. For example, a missile barrier around the U.S. might make the non-nuclear Asian states more desirable prey for the Chinese, thereby instigating Asian development of their own nuclear weapons and increasing the value of nuclear independence. In any case, it seems clear that in many European eyes, the ABM decision has hurt the chances of the treaty considerably.

A related question concerns the effect of the decision on the 1963 partial test ban treaty and any future comprehensive treaty. The ABM system is still very much in the development stage and is thus untested. Are we prepared to develop, and then to depend for our defense upon, a system that has never been tested, has never been proved to be capable of doing what it is designed to do? It seems that some testing will be essential. If this is so, it seems that at best it will make a comprehensive test ban impossible and may possibly even necessitate, eventually, the violation of the 1963 treaty by either or both the U.S. and USSR if the capabilities of ABM are to be more than rather risky theoretical assumptions.

Finally, the decision quite obviously negates some of our own proposals to place a freeze on various aspects of nuclear weapons production.

4. *The Cost of the ABM.* What will be the real cost of U.S. deployment of the ABM? The announced cost of the thin system is $5 billion. While it is difficult to be precise, because of the multiplicity of factors, it seems quite likely that the eventual cost will be considerably higher. Prior to the decision, a thin system was estimated at $10–$20 billion and a heavy system at $20–40 billion, with the higher figure being probably the more accurate in both cases. McNamara himself said that a Soviet-oriented heavy system, the admitted goal of some influential officials, would cost $40 billion, and this did not include a shelter program, certainly a necessity in a city-defense strategy.

Any true consideration of the cost question must take several other factors into account. First is the cost of the supplemental defense against low-flying bombers and submarine-launched missiles. This program is already being developed and is estimated at $1.5–$3 billion. Second is the already-mentioned enormous cost of an adequate fallout and blast shelter program, estimated at anywhere from $10–$15 billion. While the light deployment does not include such a program, the Pentagon has said that it would be a necessary part of a heavy defense program against Soviet missiles. Third, there is the cost of making the periodic technological changes necessary to keep the system updated and operational. It has been estimated by a former Assistant Secretary of Defense that this cost alone would mean a permanent annual inflation of the defense budget of $5 billion in the case of a heavy system. It is conceded that even the planned light deployment will cost $500 million a year to operate.

Finally, one must consider the pressures for expansion of the ABM system which are likely to develop once it has been started. Pressures will quite likely be forthcoming from those areas of the U.S. which are unprotected by a limited ABM. Others will result from the fully-expected continuation of Chinese nuclear development beyond the stage against which a thin ABM is even claimed to be effective. There will also very likely be pressures stemming from the tendency of nations to protect themselves against the possible and not just the probable enemy threat. Finally there is always the independent momentum which arms races of all kinds seem to gather. Some of these pressures, it has been shown, are already operative. Such pressures tend to push the cost of any given system up to and beyond the highest estimated figures for that particular system, and more importantly, to push the system itself and the strategy behind it to the next highest level. This is part of the "mad momentum" to which Secretary McNamara referred.

Given these considerations, plus the not unlikely expansion of the announced thin system as a result of the various pressures indicated, a possible figure of $70–100 billion over several years does not seem to be an exaggeration. In view of the recently signed $70 billion defense appropriations bill, the largest single appropriations bill in history, and, conversely, of the serious erosion in support of the foreign aid bill which resulted in the smallest authorization in the history of the program (about $2.6 billion), basic questions of national priorities and national purpose seem to be most appropriate at this point.

5. *The Implications for the Quality of American Society.* What are the possible implications of the ABM decision for the quality of life in the United States? The sheer fact of financial cost, particularly when this is added to an already unprecedented defense budget, at some point becomes a qualitative as well as a quantitative factor.[4]

The $5 billion for the light defense is no small addition to defense expenditures, especially when compared to the foreign aid appropriation and some of the greatly curtailed Great Society programs. But if, as seems possible if not probable, this is only a first step, the ensuing extensive ABM deployment could easily lead to what Ralph Lapp has called "the total imprisonment of a weapons culture" i.e. a "Fortress America" with a society dedicated to weaponry. In such a culture, with the philistinization and brutalization that would inevitably accompany it, the "traditions of civility" would be among the first victims. The excessive security-mindedness it would tend to foster in the populace would endanger the very liberties we wish to make secure. Even more basically, it would seriously weaken the sense of community, both national and international, upon which is built that reconciliation among men which is a basic imperative of the Christian faith.

One of the reasons we don't seem to be able to have "both guns and butter" is that there never seem to be enough guns. It is this very characteristic of insatiability of which we need to be constantly aware lest, posing in the garment of national security, it be allowed to blur the true perspective of the world situation. Gunnar Myrdal has recently called it "shocking to see how much easier it is to get appropriations for war and war preparations than to make a modest start on the development of a more wholesome urban life." Even Senator Richard Russell, who ironically is one of those calling for a full ABM deployment against the USSR, has said: "There is something about preparing for destruction that causes men to be more careless in spending money than they would be if they were building for constructive purposes. Why that is, I do not know; but I have observed, over a period of almost thirty years in the Senate, that there is something about buying arms with which to kill, to destroy, to wipe out cities, and to obliterate great transportation systems which causes men not to reckon the dollar cost as closely as they do when they think about proper housing and the care of the health of human beings." Possibly a deeper understanding of the Christian view of man could help explain "why that is." It might also help both to make us aware of when this is happening and to impel us to act in an effort to restore perspective and reality in such cases.

There are other implications of this decision for the American social fabric. Already implied is the fact that even greater defense expenditures mean even less money for the extremely serious domestic problems with which the "Great Society" programs were meant to contend. These already curtailed programs can only be cut further as defense expenditures rise, especially in view of the already critical budgetary outlook for 1968. Inadequate attention to these domestic problems could very soon lead to a rending of our social fabric which would leave little for an ABM defense to defend.

Secondly, an expansion to a city-defending, Soviet-oriented ABM system, as originally advocated by the Joint Chiefs and as now sought by others as well, would raise the question of who is to be defended.[5] Whether 25 or 50 cities were chosen, there would still be many others who would ask, "Why should my taxes protect them and not us?" Further rifts within the country would be inevitable, not to speak of the effect of allowing a "nuclear elite" to decide who is to be saved and who is expendable, a practice contrary to our whole history and tradition.

Finally, the large fallout and blast shelter program which would of necessity be a part of any expanded ABM system would lead to the same ugly survival ethics which appeared briefly in the 1961 shelter debate. Alienation among neighbors would then be able to keep step with the alienation among nations which the ABM arms race would nurture.

6. *The Effect on Our National Security.* A final question which must be asked is, what will be the effect of ABM deployment on American national security? At first glance this would seem to have an obvious answer, since the whole rationale for the ABM is to defend the U.S. and make it more secure against potential enemies. Even if there are serious political, social, and economic problems involved, it could possibly be justified if our physical security really demanded it. Yet a case can be made that even in the strict "realistic" terms of national security and nuclear strategy, the ABM is unwise.

As was shown earlier, the decision for even a light ABM was made only on very marginal grounds, grounds which an objective weighing of the pros and cons brings into real question. But beyond that, both the President and the Secretary of Defense have warned that the end result of an expanded ABM, something being pushed by influential men as well as by events themselves, would be the same balance of destructive capability on both sides, but at an enormously higher cost. There would be no increase in security on either side.

But even this is possibly an overly optimistic evaluation. There has been already a mention of the tendency of nations to overestimate their offensive needs, especially in the

---

Footnotes at end of article.

face of an enemy defense of unknown capabilities and, indeed, of the not-fully known capabilities of their own inadequately-tested defensive system. The result is a mutual overcompensation in their offensive deterrent. In the case of the U.S. ABM and its probable eventual effect on the USSR, the result could easily be a situation in which the U.S. ABM would result in more rather than less damage to the nation in the event of war. Soviet overcompensation for our unknown ABM capabilities could cause them to oversaturate prime U.S. targets and thereby more than overcome the damage-limiting effect of our ABMs. Barring a 100 per cent effective ABM, which is an impossibility, our ABM deployment could actually mean a decrease in our security as a result of the net increase in the Soviet "assured destruction" capability.

Strictly on technical grounds, then, a hard look should be given to the following rather basic questions relating to our security.

(a) Can we, by installing an ABM defense system, substantially reduce fatalities? At best, the only affirmative answer here would have to be limited, at first, to a possible Chinese attack and, second, to that period of time between the actual installation of our thin defense, five years hence, and the development of Chinese capabilities beyond what is necessary to overcome a thin defense. This latter time period is not likely to exceed ten years and could not be much more than five.

(b) Is the Soviet thin ABM, which to some extent touched off the demands for immediate U.S. deployment, an effective system, or is it, as some charge and as some Soviet generals have in fact admitted, ineffective, a concession to the demands of the Soviet military and to historical Russian defense-mindedness?

(c) It is true that damage-limiting measures can be offset by offensive means to overcome them at a fraction of the cost, and that even a heavy deployment cannot protect against an all-out nuclear attack by sophisticated nuclear weapons?

CONCLUSION: QUESTIONS FOR CHRISTIANS

Many of the problems pointed out above are admittedly associated chiefly with heavy deployment rather than with the thin deployment planned by the United States for the near future. But these are problems which take on a momentum of their own as they become more and more acute, and which thus become less and less subject to rational control. For this reason they are problems which must be resolved or avoided in the early stages if they are to have much chance of being resolved or avoided at all. Any decision which runs the eventual danger of increasing world tensions, beginning a new arms race, nullifying meaningful arms control agreements and encouraging nuclear proliferation, wasting billions and straining the economy, brutalizing American society, and increasing the likelihood as well as the harmful consequences of war, all in order to achieve no gain or possibly even a decrease in national security, seems to be in great need of some reevaluation.

In addition to all these real risks stands the possibility that neither the planned Soviet deployment nor any that the U.S. can develop with known technology is or can be effective. The ABM may be, as one senator has characterized it, "a leaky sieve masquerading as a shield." The contention that technology has overtaken the ABM is only given added support by the development of the hitherto-secret Multiple Independent Reentry Vehicles (MIRV). This refers to the latest American advance in nuclear weaponry, multiple warheads for the new U.S. offensive missiles which can separate in flight and fly to several widely dispersed targets simultaneously. This weapon enables the offense to penetrate any defense now foreseeable. The USSR should have it in 5–7 years.

The decision to deploy a thin ABM defense has been made. About one billion dollars is already available to begin procurement. However, the bulk of the $5 billion has not yet been authorized. It is anticipated that this will be requested over the next few years, beginning with a modest amount for fiscal 1969 in view of the already available funds and the desire not to stir up the opposition by a large and obvious request. Before this money is authorized, however, and before there is any escalation in U.S. plans for the ABM, the issues raised here should receive a full hearing before the public and, hopefully, some adequate answers.

Many of the issues involved can be evaluated by Christians if certain fundamental questions are asked. The central issue is the way in which fundamental moral claims are allowed to define the national interest. That is to say, measures for defense are morally justified in so far as they adequately provide for the defense of the United States' national interests. But what is the fundamental national interest of the U.S.A.? Can that legitimately be defined without reference to justice, reconciliation, and the values of community? Most would answer that a U.S.A. which does not care about justice or reconciliation or community, is a U.S.A. which has departed from its best foundations and traditions. The question, therefore, is: What are the implications of the ABM decision and its implications for the U.S.A. national interest? Do justice, reconciliation and community support, or seriously qualify, the concept of national interest suggested by the ABM decision? If it is true that a major part of morality is awareness, then a good part of the task of those concerned with the moral implications of governmental decisions and policies is to make people aware of the deeper politico-ethical issues involved in those decisions and policies. The recent ABM decision is one in which this awareness is vital. Else it may be proven true that great nations, like great minds, "against themselves conspire, and shun the cure they most desire."

SELECTED BIBLIOGRAPHY

Baldwin Hanson, "The Great Missile Debate", *The Reporter*, vol. 36 no. 13, pp. 23–26 (see subsequent letters in issues of August 10 and September 7, 1967), June 29, 1967.

Bergman, Jules, "If Zeus Fails, Can Sprint Save Us?", *New York Times Magazine*, March 20, 1966.

Bottome, Edgar M., "Mythology of the ABM", *Commonweal*, vol. LXXXVII 3, pp. 74–76, October 20, 1967.

Brennan, D. G., "New Thoughts on Missile Defense", *Bulletin of the Atomic Scientists*, vol. XXIII, no. 6, pp. 10–15, June 1967.

Clark, Senator Joseph, "Anti-Ballistic Missiles and the Military Industrial Complex", Congressional Record, vol. 113, pt. 15, pp. 20415–20422.

Clark, Senator Joseph, "The ABM Decision—A $5 Billion investment in an ineffective System"; Congressional Record, vol. 113, pt. 21, pp. 28213–28227.

Coffey, J. I., "The Anti-Ballistic Missile Debate", *Foreign Affairs*, vol. 45 no. 3, pp. 403–413, April 1967.

Coffey, J. I., "China and BMD", *Survival*, March 1966.

Diamond, Edwin, "The Grand Illusion", *Newsweek*, October 2, 1967.

"Department of Defense Appropriations for 1968", *Hearings before a Subcommittee of the Committee on Appropriations*, House of Representatives, 90th Congress, 1st session, parts 2, 3, Washington; U.S. Government Printing Office, 1967.

Dyson, Freeman, "Defense Against Ballistic Missiles", *Bulletin of the Atomic Scientists*, June 1964.

Feld, Barnard T., "A Pledge: No First Use", *Bulletin of the Atomic Scientists*, vol. XXIII, no. 5, pp 46–48, May 1967.

Hahn, Walter F. and Cottrell, Alvin, "Ballistic Missile Defense and Soviet Strategy, *Arbis*, Summer 1967.

Herzfeld, Charles M., "BMD and National Security", *Survival*, March 1966.

"Impact of Chinese Communist Nuclear Weapons Progress on United States National Security," *Report of Joint Committee on Atomic Energy, Congress of the United States*, Washington: U.S. Government Printing Office, July 1967.

Inglis, David R., "Missile Defense, Nuclear Spread, and Vietnam", *Bulletin of the Atomic Scientists*, vol. XXIII, no. 5, pp. 49–52, May 1967.

Jackson, William E., "The Missile Nobody Needs", *The New Republic*, vol. 157, no. 118, pp. 13–16, October 28, 1967.

Lapp, Ralph, "The Weapons Culture", Speech delivered at the Midwest Conference of Political Science, Purdue University, Lafayette, Ind. Reprinted in Congressional Record, vol. 113, pt. 17, pp. 23438–23442.

McNamara, Robert S., "The Dynamics of Nuclear Strategy", (address to UPI editors and publishers, San Francisco, September 18, 1967), *The Department of State Bulletin*, vol. LVII, no. 1476, October 9, 1967. Also reprinted in the *New York Times*, pp. 18–19, September 19, 1967.

McNamara, Robert S., "U.S. Secretary of Defense Testifies", *Bulletin of the Atomic Scientists*, vol. XXIII, no. 6, pp. 21–24, June 1967.

Martin, Laurence W., "Ballistics Missile Defense and Europe", *Bulletin of the Atomic Scientists*, vol. XXIII, no. 5, pp. 42–46, May 1967.

"Military Procurement Authorizations for Fiscal Year 1968", *Hearings before the Committee on Armed Services and the Subcommittee on Department of Defense of the Committee on Appropriations*, United States Senate, 90th Congress, 1st Session on S. 666, Washington, US Government Printing Office, January 25, 26, 27, 30, 31, February 1, 2, 1967.

Parrent, Allan M., "The Anti-Ballistic Missile", *MEMO* (NCC, Washington, D.C.), vol. 14, no. 10, pp. 1–4, October 15, 1967.

Rodberg, Leonard S. "ABM: Some Arms Control Issues", *Bulletin of the Atomic Scientists*, vol. XXIII, no. 6, pp. 16–20, June 1967.

Silard, John, "ABM—The Perilous Missile Defense Race", unpublished manuscript.

Stolley, Richard B., "Defense Fantasy Comes True", (interview with Secretary McNamara) *Life Magazine*, pp. 28 A–28 C, September 29, 1967.

"The $30 Billion Nike-X Debate", *Business Week*, January 14, 1967.

"United States Armament and Disarmament Problem", *Hearings before the Subcommittee on Disarmament of the Committee on Foreign Relations, United States Senate*, Washington: U.S. Government Printing Office, February 3, 6, 7, 28 and March 1, 2, 3, 1967.

Walker, Jack, "The Nuclear Obsession: V. The 'Stately Minuet' of the A.B.M. Debate", *Worldview*, vol. 10, no. 4, April 1967.

Warnke, Paul C., Assistant Secretary of Defense for International Security Affairs, "Address to Advocates Club", Detroit, Michigan, Friday, October 6, 1967. Reprinted in Congressional Record, vol. 113, pt. 22, pp. 30289–30291.

Wiesner, Jerome B., "The Cold War is Dead, But the Arms Race Rumbles On", *Bulletin of the Atomic Scientists*, vol. XXIII, no. 6, pp. 6–9, June 1967.

Wiesner, Jerome B., "The Case Against An Anti-Ballistic Missile System," *Look*, vol. 31, no. 24, pp. 25–17, November 28, 1967.

Young, Elizabeth, "ABM: No Alternative to Politics", *Bulletin of the Atomic Scientists*, vol. XXIII, no. 6, pp. 47–49, June 1967.

Young, Oran R., "Active Defense and International Order", *Bulletin of the Atomic*

Scientists, vol. XXIII, no. 5, pp. 35–42, May 1967.

FOOTNOTES

---

[1] The current American version of the ABM is the Nike-X, a two-missile system designed for both long-range and short-range defense against incoming enemy missiles.

[2] U.S. intelligence expected another Chinese nuclear test in late 1967 or early 1968.

[3] On October 9, after the decision was announced, Clark made another Senate speech deploring the decision as unwise militarily, economically, and diplomatically. This time he was joined by five additional senators, McGovern, Hart, Nelson, Church, and Morse.

[4] The US already has by far the largest per capita expenditure for defense in the world. US—$346, Israel—$169, USSR—$129, UK—$120.

[5] At present writing, some of the most prominent advocates are Senators Jackson, Thurmond, Russell, Pastore, and Richard Nixon.

How To Balance Order, Freedom?

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. DERWINSKI. Mr. Speaker, a very basic question of the thin line between Government interference and legitimate Government jurisdiction is taking place in the Food and Drug Administration's interest in certain drug preparations. Columnist James J. Kilpatrick writing in the January 25 edition of the Washington Evening Star very thoughtfully and objectively studies this question.

I believe his timely remarks merit widespread attention, and the article follows:

HOW TO BALANCE ORDER, FREEDOM?

(By James J. Kilpatrick)

Some time within the next few weeks or months, Dr. James Goddard will summon a press conference. We ink-stained wretches will turn out, pencils poised.

"Gentlemen," Dr. Goddard will say, in effect, speaking to the American people, "from this moment henceforward, it will be unlawful for your family doctor to prescribe for you any one of 300 drugs you may have been taking in the past. You may imagine these drugs have been good for you. We know better. We have now ordered them off the shelf. Sorry 'bout that."

And thank you, Dr. Goddard. The "efficacy" provisions of the 1962 drug act will have come into full operation; and one more chapter will have been written in the ancient conflict between liberty and order. Our physicians will have a little less liberty; the country will have a little more order. The theory is that this is good for us. The law will be fulfilled.

How good is the theory? How sound is the law? I write obsessively about this conflict between liberty and order, and I do not mean to be a bore. But if the great dichotomy between liberty and compulsion is not comprehended, the whole thing is lost. These are not simple issues, capable of being reduced to crisp blacks and whites; they are fearfully complex issues. Color them dull grey.

The drug act of 1962 directed Dr. Goddard's Food and Drug Administration, for the first time, to make binding decisions as to the "effectiveness" of drugs. Up until that time, the FDA's sole obligation had been to pass on the "safety" of drugs, and there was no great quarrel about this. It has long been established, under the Commerce Clause, that Congress may prohibit interstate traffic in dangerous commodities—contaminated meat, infested grain, adulterated food. The regulation of public safety is unquestioned.

But "effectiveness"? The FDA is now engaged in an enormous undertaking. In June of 1966, Dr. Goddard's agency entered into a contract with the division of medical sciences of the National Academy of Sciences and the National Research Council. Twenty-nine panels, composed of 162 medical scientists, have been engaged. They are to review 3,637 drug preparations that were approved for marketing between 1938 and 1962. They are to consider every claim ever advanced for these preparations; and they are to classify the drugs as effective, probably effective, possibly effective, and ineffective.

Mind you, there will be no clinical tests. No country doctors will be summoned to testify. No patients will be called in to answer the ultimate question: Did the drug work for you? The experts will conduct not a single laboratory experiment. They will review the literature. That is all. Then the panels will make their recommendations to Dr. Goddard, and Dr. Goddard, exercising the power vested in him by the 1962 act, will say:

"Those drugs that are found to be ineffective will be taken off the shelf—they cannot be marketed."

That was what Dr. Goddard said in a press conference on Dec. 30, just after he addressed the American Association for the Advancement of Science in New York. He had been on his best behavior in his speech. He had dwelled upon the awful complexities of prescribing drugs for Americans generally. More and more, he said, a doctor must ask: What does the patient eat? Where does he work? Where does he live? What is his total chemical environment? Dr. Goddard's point was that patients are different.

But when he got to describing the efficacy study, these niceties went by the board. This was his concern: "How does the drug really work in the population as a whole"? Efficacy may be a relative matter. The FDA's experts do not profess to be infallible. Nevertheless, compulsory orders will be issued on "the opinion of the Academy's eminent evaluators." And even though a "generation of doctors" and their patients may attest the effectiveness of a particular medication, out it goes. The incredulous doctor, or the outraged patient, can "take it to the courts."

If the opinions of these eminent evaluators were merely advisory, or recommendatory, or cautionary, no objection could be taken. But these opinions are about to be written into binding rules and regulations, having the force and effect of law. A drug may have worked for you. Your doctor no longer can prescribe it. This is compulsion. Is it wise, is it wise, is it wise? I ask the question at the top of my lungs. Where should freedom end? Where should order begin?

Support for President Johnson's Balance-of-Payments Program

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. MOORHEAD. Mr. Speaker, on January 1, President Johnson announced a number of steps designed to improve this country's international balance-of-payments position, and thereby strengthen the dollar as the bulwark of the international monetary system. The President's proposals have received widespread support throughout the country. No one claims that these steps are popular. In fact, some of the proposals will probably cause hardship in certain quarters. But it is clear that these moves are vitally necessary. As the Christian Science Monitor pointed out:

> These are responsible moves. They should be greeted by responsible support from the entire community.

To illustrate the wide range of editorial support for the President's actions, I insert in the RECORD the following editorials:

From the Christian Science Monitor, January 4, 1968, "Right Moves on the Dollar Front";

The Milwaukee Journal, January 4, 1968, "Bulwarking the Dollar";

The Wyoming Eagle, January 4, 1968, "Drastic Actions";

The State Journal, Lansing, Mich., January 3, 1968, "Protection of Dollar Needs Public Support";

The Minneapolis Star, January 3, 1968, "In Defense of the Dollar";

The Denver Post, January 3, 1968, "L. B. J. Seeks To Save Dollars and Gold";

The New York Times, January 9, 1968, "Freedom and the Dollar"; and

The Des Moines Register, January 3, 1968, "Shoring Up the Dollar".

The editorials follow:

[From the Christian Science Monitor, Jan. 4, 1968]

RIGHT MOVES ON THE DOLLAR FRONT

President Johnson's vigorous moves to reduce, and finally eliminate, America's balance of payments deficit deserve the widest possible support. Government prohibitions are never popular. But the gap between America's world income and outgo has been causing a steady gold drain since 1958—for 10 long years—and the deficit markedly worsened in the fourth quarter of 1967.

Something had to be done. The President had evidently hoped that, with the subsiding of two waves of spectacular assault on the dollar, a proud and potent nation could announce that the dollar was not going to be devalued, and the crisis would end. But it was eminently wise that the year-end announcement of a payments deficit of between $3.5 and $4 billion should not stand by itself.

A new flight from the dollar into gold could have threatened not only the United States' dwindling gold reserves, but those basic and essential strands of confidence which bulwark the Western world and the world trading community.

So the President has announced mandatory restrictions on most direct investment by American corporations abroad. And there will be further steps, through legislation or cooperative action, to reduce bank lending abroad, restrain travel by Americans outside the Western Hemisphere, stimulate foreign investment and tourism in the United States, cut military expenditures abroad (without reducing the total of troops overseas), and promote world sales of American goods generally.

Bankers won't like the lending restrictions. Europeans won't relish the tourist hold-down. We aren't told yet what form some restrictions will take. They may not be adequate, though voluntary programs, over the past three years, have moderated the American dollar flow into foreign investments.

The President has said: "We cannot tolerate a deficit that would endanger the strength of the entire free world economy, and thereby threaten our unprecedented prosperity at home."

This reference to "unprecedented prosperity" points up the curious factor. Here is a surgingly prosperous nation, exporting more than it imports, its corporations moving competitively into Europe's prosperity. Yet, because of its foreign-aid program, its free-spending tourists (the annual travel deficit exceeds $2 billion), its defense commitments around the earth and, above all, because of the sharp drain of the Vietnam war, the foreign account is in the red.

The basic American position is one of massive economic strength. Yet there has been mounting concern, in the international marts, at the apparent lack of American policies to head off inflation, to curb excesses, to apply financial disciplines.

Now the administration has acted. And the President has again asked Congress for an income surtax, and asked business and labor to curb wages and prices. These are responsible moves. They should be greeted by responsible support from the entire community.

[From the Milwaukee Journal, Jan. 4, 1968]

BULWARKING THE DOLLAR

The actions by President Johnson to improve the American balance of payments position and stem the dollar outflow are necessary, even if distasteful and contrary to our tradition as free traders and travelers.

One irony is that additional curbs on investment abroad come at a time when such investments are returning more than we are putting into foreign enterprises. And the call for Americans to sharply curb foreign travel comes as our own government increases efforts to lure European travelers here.

The real cause of our international balance of payments trouble is not trade or investment or travel. It is the cost of our military budget and an escalating war in Vietnam.

Yet without such action as the president calls for we could expect a real financial crisis within a year. Nobody expects us to suddenly withdraw from Vietnam, so the other alternatives must carry the load.

The investment curbs come on top of voluntary curbs that most American businesses have observed recently. The rate of investment abroad did slow at the president's request. The 700 or so companies investing heavily in Europe will not like extending curbs and some may even challenge the president's powers to impose them and take the case into the courts on the ground that they are economically unsound. And the loss of American dollars by some European countries may induce them to cut back on spending here—for international business is a two way street.

Ideally the president's program would be accompanied by wage-price controls—and they could be in the offing if labor and producers fail to co-operate in holding reasonable wage-price lines.

The end goal, of course, is to prevent inflation and insure the stability of the dollar—to keep this country in time from having to devalue and tighten belts as the British had to do. The dollar is the bulwark of the international monetary system. It is in almost everyone's interest to keep it sound. It certainly is to our interest.

Until Vietnam can be settled other areas of monetary outflow will have to bear the burden of restraints. Nobody much is going to like it, but there seems little else that can be done.

[From the Cheyenne (Wyo.) Eagle, Jan. 4 1968]

DRASTIC ACTIONS

President Johnson has ordered curbs on all new investments abroad and appealed to Americans to limit overseas travel in moves to reduce this nation's balance of payments deficit and bolster the dollar.

The balance of payments deficit for 1967 soared to $3.5 billion to $4 billion.

That means simply that we spent that much more money abroad than we brought in from abroad. And, to aggravate the situation, French President Charles de Gaulle and a few others have been putting on the pressure for conversion of dollars into gold, thus threatening our gold reserves, and the stability of the dollar.

The President expressed the hope that a series of actions he was taking would improve the U.S. balance of payments position by $3 billion in 1968.

His proposals and the amounts he hopes will be saved in 1968 are:

$1 billion by mandatory curbs on all new overseas investments. He signed an executive order that bans in 1968 all new direct investment to continental Western Europe and other developed nations. For newly developing countries the new investments will be limited to 110 per cent of the 1965–66 average.

$500 million from his appeal for restricted travel by Americans coupled with legislation that will be proposed later. "I am asking the American people to defer for the next two years all non-essential travel outside the Western Hemisphere," the President said.

$500 million because Johnson has convinced the Federal Reserve board to tighten its program of restraining U.S. banks from lending money overseas. He also gave Federal Reserve Board Chairman William McChesney Martin standby authority to invoke mandatory controls on foreign lending if "such controls become desirable or necessary."

$500 million by directing all his cabinet officers to find ways of reducing federal government spending overseas.

$500 million by sending special representatives to various countries to discuss the trade situation, particularly with countries enjoying a trade surplus.

President Johnson's drastic actions undoubtedly will bring complaints, both at home and abroad.

Some countries, including France, may suffer from the loss of income from free-spending American travelers. (It has been estimated the vast numbers of Americans traveling abroad contributed about $2 billion to the balance of payments deficit.)

But there is no doubt that some drastic action is absolutely necessary to protect the value of the American dollar, and to protect our supply of gold. Should pressure on the gold supply force devaluation of the dollar, everybody would be hurt—including each of us as individuals.

In the meantime, we find it difficult to understand why anyone would want to travel abroad, anyway—at least until after they have explored the cultural, recreational and scenic wonders of these United States.

For instance, where, in all the world, could anyone find more spectacular scenic beauty than right here in Wyoming?

[From the Lansing State Journal, Jan. 3, 1968]

PROTECTION OF DOLLAR NEEDS PUBLIC SUPPORT

In defense of the American dollar, President Johnson has called the nation's attention to a plan of action designed to reduce the gap in the balance of payments deficit. It is a matter that both requires and merits the support of the people.

The balance of payments represents the difference in the amount of American dollars spent outside this country by the United States government and the American people and the amount of American dollars returned by foreigners for goods and services purchased in this country.

President Johnson revealed that the balance of payments deficit would reach $3.5 to $4 billion in 1968, the highest total in seven years. It also comes at a time when the American dollar is under extremely heavy pressure because of the devaluation of the British pound and attempts by the French government to weaken the dollar.

It is imperative that every effort that can possibly be made to protect the American dollar be put forth by our government and by the American people. It will require some drastic changes, even if only temporarily.

The President has urged, among other proposals, that Americans greatly curtail foreign travel. It appears likely that congressional assistance will be forthcoming in this area through the placing of specific limits on the amount of money that travelers may take abroad. Another suggestion under consideration is the enactment of a tax on foreign travel tickets as a means of discouraging the flow of American money to other countries.

Greater emphasis also will be made on voluntary support by Americans for domestic travel rather than foreign travel. The beauty and variety of the American landscape from coast to coast makes the choice of a homeland vacation instead of a European vacation particularly attractive.

Congress can help, too, by placing similar travel restrictions on junketing lawmakers, whether they travel on so-called counterpart funds or not. Congressmen can hardly expect constituents to heed the plea of their government to "See America First" while they travel from one end of the globe to the other at taxpayer expense and often on missions of questionable merit.

Hopefully, some serious thought may also be given to reducing the flow of dollars abroad as a result of American aid to foreign countries. Certainly the best help that we can give our foreign friends is to maintain strength in the American dollar so that we will have the economic means to provide assistance, if necessary, at a later date. A weakened dollar would hurt these countries in the long run as much as it would hurt our own nation.

Other proposals advanced by the President in the campaign to cut the balance of payments deficit include tightening of controls on bank lending abroad and on American investments in foreign lands.

These, and perhaps still other measures to be offered later if the need persists, should get the support of a majority of Americans.

Failure to respond positively to the need for protecting the American dollar can lead only to more troubles for the American people.

[From the Minneapolis Star, Jan. 3, 1968]

IN DEFENSE OF THE DOLLAR

President Johnson jolted businessmen, bankers and the tourist industry New Year's day with his prescription for curing the ills of the dollar. The jolt was a severe one, but the alternatives could be even more severe.

At the heart of the trouble is a balance of payments deficit that has persisted, despite sporadic attempts to stem the flow of dollars abroad, for 17 out of the past 18 years. Preliminary figures for 1967 give additional cause for alarm: the deficit for the year swelled to a range of $3.5 billion to $4 billion. The continuing deficit has brought sharp criticism from foreign bankers and governments, and speculative attacks on the dollar by those who "bet" that the United States would have to devalue the currency by raising the price of gold from $35 an ounce.

To restore faith in the dollar, the President had to do "something." That "something" turned out to be restrictions—to replace voluntary curbs—on private investment and lending abroad, and a proposal for legislation to discourage Americans from traveling abroad.

There are drawbacks to this kind of cure for the deficit disease. Restrictions in investment abroad could injure the competitive position of U.S. companies overseas, and in the long run cut back the income received in this country from those investments. The travel restrictions could be especially painful to many Americans who spend their vacations abroad.

This is bitter medicine, but if the President had not moved now, he would have to move later with sever deflationary measures, involving rigid wage and price controls, quotas on imports, etc. There is more that needs to be done now, however, to restore confidence in the dollar. Topping this priority list is a tax increase to curb inflation and prevent our exports from being priced out of world markets.

[From the Denver Post, Jan. 3, 1968]

L. B. J. Seeks To Save Dollars and Gold

When President Johnson says that the United States has had a balance of payments deficit in 17 of the last 18 years, what he means is this:

In each of those years, Americans and their government have spent, given, lent and invested more money in other countries than people and governments in those countries have spent, given, lent and invested in the United States.

Foreigners and foreign governments have spent more money to buy our goods and services in each of those years than we have to buy theirs. But our foreign giving, lending and investing—and in recent years our war spending in Vietnam—have more than offset our advantage in trade.

As a result, there has been a net outflow of dollars from the United States to other countries in every year since 1950, except the year 1957, when the closing of the Suez Canal brought a sharp increase in our exports of oil.

The dollars that have been flowing into foreign hands are ultimately redeemable in gold. They constitute claims against the dwindling U.S. gold supply. Although that supply is now around $12 billion, our law requires that $10.6 billion be retained to cover 25 per cent of the money—or Federal Reserve notes—now in circulation.

Our net loss of dollars in 1967—our balance of payments deficit in that one year—was more than twice the amount that would be required to wipe out our gold margin above the $10.6 billion cover.

This has not brought a gold crisis because most foreign holders of dollars would rather exchange them for goods and services or draw interest on them than exchange them for gold. If they did exchange them for gold in large volume, the United States could abolish or lower its 25 per cent gold cover without any serious consequences.

But the best approach is not to free more gold but to protect the gold we have by stopping the outflow of dollars that can be redeemed in gold.

That is what President Johnson is seeking to do through the measures he announced at his press conference on New Year's Day in Texas.

He ordered curbs on the amounts of dollars that can flow out into foreign investments.

He asked the Federal Reserve Board to tighten existing restraints on the outflow of dollars into foreign loans.

He proposed restraints on travel outside the Western Hemisphere for the next two years so that fewer dollars will be carried abroad by tourists.

He proposed negotiations and legislation to relieve some of the disadvantages American exports suffer abroad and bring in more trade dollars to offset other dollar losses.

He ordered his Cabinet to try to stop $500 million of the dollar outflow by curbing aid and defense expenditures abroad.

The complete program is designed to reduce the net outflow of dollars by $3 billion a year. It is an unpleasant program—and it will encounter difficulties—but it is probably the best thing the President can do under the circumstances.

One of the problems is that to the extent the program succeeds in solving the U.S. balance of payments problem, it will intensitfy the balance of payments problems of other countries.

The devaluation of the pound, for example, will prove less helpful to Britain than it would have proved if the United States were not taking steps to curb the flow of dollars to Britain and other countries.

One British official said privately: "We appreciate that any country with balance of payments troubles must in the end take steps that hurt others. That's the price we pay for a working international monetary system."

The new U.S. curb on foreign investments, in the long run, could intensify rather than ease our balance of payments deficit. Our return from previous foreign investments exceeds our current dollar outflow for new investments by about $1.5 billion.

In the short run, however, while the return from past investment is still coming in strong, it will be helpful to curb the outflow of dollars for new investment.

The answer to the balance of payments problems, in the long run, must lie in a new international monetary arrangement, rather than in unilateral national action. But the President must protect the United States in the present situation, and his New Year's proposal seems a sensible way of doing it.

[From the New York Times, Jan. 9, 1968]

Freedom and the Dollar

The loss of more than $1 billion in gold from the Treasury's dwindling stocks is a clear indication that President Johnson delayed unduly long in announcing his proposals for reducing the deficit in the nation's balance of payments.

Given the nature of the program, however, delay was understandable. The United States has traditionally championed free movement for private capital and for private tourism. Now restrictions are being imposed both on people and on funds in a belated effort to cut down on the outflow of dollars abroad.

These harsh and uncharacteristic measures have been imposed in the past only in critical wartime situations. But a wartime crisis is here again; and even if President Johnson presented his proposals without emphasizing Vietnam, it is the impact of that conflict that alone can justify such drastic controls over freedom of movement and of investment.

The system of linking the dollar to gold at a fixed rate of exchange is not perfect. We have frequently criticized its working and pointed out its weaknesses. Yet for all its faults, it has furnished the framework for an unprecedented expansion in world trade and investment and for the promotion of greater monetary cooperation between governments and central banks around the world than has ever before been known. It is this monetary framework, which the United States took so large a part in designing, that would be shattered by any sudden departure of the United States from the present international system. The latter needs to be reformed through international cooperation, not wrecked by unilateral action.

The United States would pay a very heavy price if it scrapped the rules that it helped to formulate, and that other countries have observed, simply because it now finds it inconvenient to abide by them. Under present conditions, a floating exchange rate would more likely be a sinking exchange rate and a backdoor devaluation, while revaluation of the price of gold would do nothing by itself to repair the basic weaknesses in the existing machinery. On the contrary, unilateral change in the rules would shatter confidence altogether, threatening a drastic shrinkage in world trade.

The President's program is a reasonable response to foreign complaints about American payments policies. It should hold down corporate investment abroad, whose magnitude has been disturbing some of America's closest allies. It should check the recurrent attacks of gold fever, which are far more unsettling to financial markets than the temporary adjustments that will now be required.

If Mr. Johnson's program proves successful in strengthening the position of the dollar, reform will be possible. By cutting down on the glut of dollars abroad, the United States will be restoring faith in its leadership and in the prospects for cooperative reform.

Yet the drive to reduce the payments deficit must not be shouldered completely by the private sector. Sacrifice should be shared. The Federal Government has to exercise restraint in its own spending, and there are certain areas where this can be done without harm to basically necessary socio-economic domestic programs. Indeed, the Administration's own efforts will be the key to the dollar's fortunes. The faster it regains control over the deficit, the faster can freedom of private movement be restored.

[From the Des Moines Register, Jan. 3, 1968]

Shoring Up the Dollar

While most Americans spent New Year's Day following the bouncing football, President Johnson tried to recover a fumbled economic policy. In a major message, the President outlined a tough program for staunching the dollar drain and bringing about a balance in America's foreign payments and receipts.

"The health of the international economic system rests on a sound international money in the same way as the health of our domestic economy rests on a sound domestic money," he said. "Today, our domestic money—the U.S. dollar—is also the money most used in international transactions. That money can be sound at home—as it surely is—yet can be in trouble abroad—as it now threatens to become."

The balance sheets of money flowing into and out of the United States trace the origin of this threat. They show deficits in 17 of the last 18 years. A 1960 deficit of $3.9 billion was squeezed down to $1.3 billion in 1965 and 1966 but rose sharply in 1967 to some $3.5 to $4 billion.

The President's program for slowing the dollar outflow includes mandatory limits on direct foreign investments by U.S. firms, voluntary or mandatory restrictions on the volume of foreign loans by U.S. banks, a call to the American people to defer for two years nonessential travel outside the Western Hemisphere, pressure on NATO allies to help offset the U.S. payments deficit, plans for stimulating U.S. exports and for encouraging foreign investment and travel in the United States.

"The first line of defense of the dollar is the strength of the American economy," the President said. He placed new pressure on Congress to enact his year-old anti-inflation surtax proposal, promised spending restrictions and outlined plans to work with business and labor leaders to encourage wage-price restraint.

The tax increase is most important, psychologically. The dollar deficit in itself would not be dangerous if inflation and fear abroad that the U.S. will not control it did not cause a flight from the dollar and an outflow of gold. Congress must act soon to strengthen the President's program by giving him his tax increase.

Some corporation leaders probably will yowl at the post-holiday headache the President has given them. For two years, they have voluntarily reduced overseas investments. They can assert, accurately, that in the long run foreign investments return profits which improve the balance of payments. Tourists, we suspect, won't worry about international high finance—they will just go where they please.

Yet, after making these reservations, it is difficult to improve on the President's signal calling. With the aid of Congress, he finds himself in the position of a quarterback with third down and long yardage to be gained. He has to scramble.

Johnson's message recognizes increased international trade as the most promising long-term solution to the payments gap. U.S. export sales last year total $45 billion, $5.5 billion more than imports, and are, as he said, "the cornerstone of our balance of payments position." He called for a $200 million program to promote the sale of U.S. goods overseas and $500 million to improve the operations of the Export-Import Bank.

The President commendably did not take the illusory way out of recommending higher tariffs or import quotas, now being urged by protectionist groups, to reduce the payments deficit. That would be a self-defeating remedy, which soon would result in an equal or greater reduction in exports.

The President's investment restrictions recognize the ability of Western European nations, which America helped rebuild and defend, to aid in leveling the balance of payments. They recognize the special need for American capital of the lesser developed countries.

The program outlined by the President will answer the doubters who have been predicting the devaluation of the dollar. One speech, however, doesn't win a ballgame. To do that, Congress and others will have to help.

Congressman Blatnik Emphasizes the Tremendous Importance of the Great Lakes

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. **REUSS**. Mr. Speaker, a mere glance at the map suggests the importance of the Great Lakes to both the United States and our Canadian neighbors.

But one gets a full appreciation of the tremendous value of these lakes—the largest body of fresh water in the world—only by considering their relation to the mighty economy which has grown up around them.

This was set forth comprehensively and clearly in a recent speech by our distinguished colleague JOHN BLATNIK.

I include hereafter the text of Congressman BLATNIK's speech to the joint conference of the Lake Carriers' Association and the Dominion Marine Association on January 23, 1968, at Sea Island, Ga.:

THE WORLD LOOKS AT ITS LARGEST BODY OF FRESH WATER

(By Congressman JOHN A. BLATNIK before the joint conference of the Lake Carriers' Association and Dominion Marine Association, Sea Island, Ga., January 23, 1968)

It's a pleasure to join with you, the lake shipping pros of both Canada and the United States as you zero in on the problems and progress of our Great Lakes. As you know, it is an area that I have long been interested in and feel very close to. We assemble today to discuss the largest body of fresh water in the world. The meaning of water to modern America is the concern of the century. It can be one of our finest assets or one of our worst liabilities. We, on the Great Lakes, have come to respect it. We have learned that largely thru the benefits of this valuable, versatile natural resource, we, in the eight Great Lakes states, contribute 40% to 50% of all the taxes collected in the United States by the Federal Government. Over 55 million people in the United States and Canada live and look to the Great Lakes to support one of the world's great concentrations of industry, mines, forests, ports, farms and recreational facilities. With this immense concentration of capital and population, the whole world benefits from the great scientists our universities produce—i.e., our own Minnesota-trained, Dr. Barnard, left the Great Lakes area and is making world-wide news with the heart transplant. The world looks to the Great Lakes for the vast iron and steel production and to you lake carriers to distribute these sought after goods that have been produced by and are carried to their destiny via Great Lakes waters. The once small port towns of the Great Lakes like Chicago, Duluth-Superior, Detroit, Cleveland, Milwaukee, Buffalo, and Toledo are now truly world ports. The world now receives over $10 billion or over ⅓ of all export products from the Great Lakes area.

GENERATES LOCAL AND STATE FUNDS

With the opening of the seaway, our proportion of world shipping greatly increased and our Great Lakes ports spent hundreds of millions of dollars of local and state funds for new facilities. This involves construction of many new general cargo warehouses, raillines, heavy-lift cranes, new docks, and numerous other port oriented facilities such as tank farms for storage of liquid fats and oils and grain elevators.

SAINT LAWRENCE SEAWAY DUE FOR 10TH BIRTHDAY

With these new and improved parts plus the St. Lawrence Seaway, all portions of the globe become a neighbor user of our Great Lakes' agriculture, mining, and industrial products. Next year will be the Tenth Anniversary for this great traffic artery that has meant so much to the Great Lakes area and to the world.

INTER-LAKE COMMERCE

The Great Lakes as a traffic route continues to climb in importance and continues to attract enormous capital investment. The world's largest brand new steel center is at Burns Harbor at Gary, Indiana. This is but another landmark that reflects the starring role of water transportation in the growth and expansion of industry in the Great Lakes area.

When you look at the water map of the United States and pick out the heaviest water users, you pick out the Great Lakes states. This is but another barometer of the huge industrial complex being supported by the waters of the Great Lakes.

NEED FOR MORE U.S. SHIPS

This increase in industrial and agricultural productions calls for increased shipping. We need more U.S. vessels carrying cargoes in the Great Lakes region. Our Canadian neighbor's fleet is expanding, but, generally ours is declining. With the new lock scheduled to open in mid-June, things should look up for the U.S. Lake fleet. The two shipbuilding facilities being constructed on Lake Erie to handle one thousand foot vessels—one all new (Erie, Pa.) and one a major expansion (Lorain, Ohio)—provide the means for the U.S. lake shippers to fully utilize the new aid to great economy in the Great Lakes commerce.

NAVIGATION SEASON EXTENSION

To improve the health of our lake carriers is to increase the economic vitality of our Lake region. One of the crippling factors in the overall health of lake traffic is the short season. A comprehensive study of winter navigation is underway and is being chaired by Professor John Hazzard of Michigan State University. He has enlisted the resources of most of the major and distinguished universities within the mid-continent. Scientists from these great institutions of learning have offered to participate. I am glad these fine minds are being directed to this most worthwhile study.

ECONOMIC UNITY

Just as the extended season benefits not only our Lake area but also the world so would other research such as developing new markets for our products. Transportation can be the real key to our economic unity. We have a great region with natural resources and human talent. We are joining hands in many areas to improve and to think not of county or municipal boundaries but of the whole area. The region has no limits when we unify. Look at what they have done with processed animal feeds. Water-borne traffic carried nearly $6 million or about four times the value of the trade in this area only five years earlier.

THE POWER OF THE PELLET

Think of the impact of the taconite pellet on the Great Lakes and the world. Where would we be if we could not market this fantastic product by bulk movement by water? I don't have to tell you about this giant—the taconite pellet. Just imagine in ten years, taconite production in North American has jumped to 40 million tons a year. Ten years ago it was just one million tons. Just imagine what this basic material has done for our civilization. This is another example of what research has created and the world is now the beneficiary. But, even research is of no value if we could not depend on our lakers' bulk movement to get metal to the consumer.

NOTEWORTHY GREAT LAKES DEVELOPMENTS IN 1967

The world can be proud of the surges forward made by its largest body of fresh water. Like the pellet, our region is being modernized to meet the challenges of changing needs—let's look at a few of them:

New bulk cargo loading facilities using conveyor belts and stockpiles.

Superior, Wisconsin, opened a facility last year and by the end of the season had loaded over 1.9 million tons of iron ore pellets. Duluth inaugurated a similar facility in 1966.

Sandusky, Ohio, opened a facility to load coal in 1967 and shipments last year hit 5.6 million tons, 50% more than in 1966.

Conneaut, Ohio, added a second coal loader in 1967 and shipments hit a record of nearly 6.5 million tons.

At Ashtabula, Ohio, a large development is underway to handle stockpiled coal and at Escanaba, Michigan, construction of a conveyor belt-type ore loading dock will start early this year. In 1967, nearly 4.5 million tons of iron ore pellets were shipped from Escanaba—over two-thirds of the total ore tonnage of the port.

(NOTE.—These new facilities will expedite loading and will permit the year round receipts of coal and pelletized ore.)

Canadian firms launched four maximum-sized (730-ft) bulk carriers in 1967—*Canadian Century, Feux-Follets, Senneville* and *Frontenac.*

The *Canadian Century* in its initial year of operations set a new single-cargo record for coal, loading 28,282 tons at Conneaut, Ohio, for Ontario Hydro's new power plant near Toronto. During the season this big boat (sticking to Great Lakes parlance) carried over 1.7 million tons of coal, which I believe is also a record.

Federal appropriations for Public Works projects handled by the Corps of Engineers totals over $18.5 million for the current fiscal year. For navigation, ten construction projects account for about $9.9 million, three advance planning projects amount to $850,000 and fourteen studies or surveys have funds totaling $361,000. Another $1 million has been designated for the improvement of facilities at five Great Lakes harbors.

POLLUTION FIGHT CONTINUES

With the above mentioned noteworthy developments, we still are confronted with two pressing problems on the lakes which are of international significance—Great Lakes water levels and Great Lakes pollution. We can talk with pride about our 60 year old United States-Canadian Boundary Waters Treaty that recognizes the multiplicity of use of the lake waters. This treaty outlines the precedence of use as:

1. Domestic and Sanitary Purpose;
2. Navigation;
3. Power and Irrigation.

Changes in conditions such as the surge of science coupled with the population and industrial explosion during the last six decades since the Treaty forces us to reconsider with these two basic problems of pollution and water levels. Most of the uses of water today—be it for navigation, industrial, recreation, power, fish and wildlife or whatever the use—must be relatively free of pollution.

We have not yet aimed ourselves to full strength in the battle for clean water. We have made some strides forward but we are talking about inches when we should be talking in miles. You people don't have to be told the devastating effects of pollution. You are on the lakes and you see first hand that we have too long abused our lifeblood and precious gift of clean water.

We are moving forward to roll back pollution but the backlog is so massive that we can't afford to waste time. People are demanding clean water by their overwhelming support of bond issues. Industry is putting it on the line and committing vast sums for pollution control equipment. Civic groups like the League of Women Voters are sponsoring seminars, publishing material, and backing local ads or commercials that bring the clean water message to great segments of our population.

The case of Congress for clean water is absolutely clear. An unanimous mandate in record votes passed the pacesetting Water Quality Act and the Clean Rivers Restoration Act. There is no question where we stand. We stand ready to see that this legislation does not just stand as a paper entry in the law books. Like you, we want it implemented and we will work and cooperate anytime towards that end. There is a lot of hard work yet to be done before we get clean water. We just opened the National Water Quality Lab on the shores of Lake Superior at Duluth last year. We need many more such breakthroughs. With your continued support and cooperation, we will get the answers to this devastating complex problem of pollution.

CONCLUSION

So we boast of our claim to the world's largest body of fresh water. Let's continue to join hands and make the most of the ingredients of progress like our raw materials, our industrial water, our skilled and unskilled labor markets, our blossoming scientists, our network of transportation. We have all this going for us. So what is bad weather, funding problems or pollution for that matter. We have solved worse problems. Only recently a scientist in Pasadena, California, pressed a button which successfully moved the Surveyor Mooncraft ten feet to a new position on the moon. This demonstrates to the world our enormous capabilities as we start 1968. We, in the Great Lakes area, share that capability. We owe it to ourselves and to the world to see that all systems go full speed ahead on the Great Lakes.

The President's Message on Education

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. BRADEMAS. Mr. Speaker, President Johnson's message on education delivered to Congress today demonstrates his continuing concern for the improvement of our schools and colleges and the extension of educational opportunity to all Americans.

In his message the President calls for action on a wide range of measures aimed at strengthening our educational system at every level, from preschool programs through graduate training and adult basic education.

In the past several years, with the leadership of Presidents Kennedy and Johnson, Congress has established an outstanding record of legislative achievement in the field of education. The new education programs enacted in recent years have expanded the resources and capabilities of schools, colleges, and universities all across the country.

Mr. Speaker, our responsibility in Congress this year is to build upon the commitment we have already made to education and to improve the programs now in operation. I hope that all Members of Congress will study the President's message on education and give careful consideration to the new measures he proposes.

I include the text of the President's message at this point in the RECORD:

THE FIFTH FREEDOM

In two centuries, America has achieved—through great effort and struggle—one major educational advance after another: free public schooling; the Land Grant Colleges; the extension of the universities into the Nation's farms and homes; the unique venture that has placed a high school education within the reach of every young person.

I believe that our time—the mid-1960's—will be remembered as a time of unprecedented achievement in American education.

The past four years have been a time of unparalleled action:

The Congress has approved more than 40 laws to support education from the preschool project to the postgraduate laboratory;

The Federal Government has raised its investment in education to nearly $12 billion annually, almost triple the level four years ago.

The real significance of what we have done is reflected, not in statistics, but in the experiences of individual Americans, young and old, whose lives are being shaped by new educational programs.

Through Head Start, a four-year-old encounters a new world of learning.

Through Title I of the Elementary and Secondary Education Act, a disadvantaged youngster finds essential extra help—and school becomes a more rewarding place.

Through the Teacher Corps, a bright and eager college graduate is attracted to teaching and his talents are focused where the need is greatest.

These programs—all of them new—are enriching life for millions of young Americans.

In our high schools, students find that once-empty library shelves are filled; the most up-to-date laboratory equipment is available; new courses, new methods of teaching and learning are being tested in the classroom.

A student who sets his sight on college is more likely than ever before to find help through Federal loans, scholarships and work-study grants.

Today's college student is more likely than ever to live and learn in new dormitories, new classrooms, new libraries and laboratories.

Today, thousands of parents who in their youth had no chance for higher education can say with certainty, "My child can go to college."

Above all, we can see a new spirit stirring in America, moving us to stress anew the central importance of education; to seek ways to make education more vital and more widely available.

That new spirit cannot be fully measured in dollars or enrollment figures. But it is there nonetheless. The achievements of the past four years have sustained and nourished it.

Yet for all our progress, we still face enormous problems in education: stubborn, lingering, unyielding problems.

The phrase, "equal educational opportunity," to the poor family in Appalachia and to the Negro family in the city, is a promise—not a reality.

Our schools are turning out too many young men and women whose years in the classroom have not equipped them for useful work.

Growing enrollments and rising expenses are straining the resources of our colleges—and the strain is being felt by families across America.

Each of these problems will be difficult to solve. Their solution may take years—and almost certainly will bring new problems. But the challenge of our generation is to lead the way.

And in leading the way, we must carefully set our priorities. To meet our urgent needs within a stringent overall budget, several programs must be reduced or deferred. We can reduce expenditures on construction of facilities and the purchase of equipment. But, many of our urgent educational programs which directly affect the young people of America cannot be deferred. For the cost—the human cost—of delay is intolerable.

These principles underlie my 1969 budgetary recommendations and the proposals in this message. My recommendations are tailored to enable us to meet our most urgent needs, while deferring less important programs and expenditures.

ELEMENTARY AND SECONDARY EDUCATION

It took almost a century of effort and controversy and debate to pass the Elementary and Secondary Education Act.

The great question was this: Can there be a system of large-scale aid to education which does not diminish the independence of our local schools and which safeguards the rich diversity of American education?

In 1965 such a law was passed. Today it is at work in nearly 20,000 school districts: strengthening State and local school boards, local school officials and classroom teachers, and improving the quality of education for millions of children.

It may take a decade or more to measure the full benefits of the Elementary and Secondary Education Act. But already evidence is mounting to support my belief that this is the most significant education measure in our history.

Last year, Congress extended this law, the bedrock of all our efforts to help America's schools.

This year we have an opportunity to make that law a more efficient instrument of aid to education; to make it more responsive to the needs of the States and communities throughout the country.

I urge the Congress to fund Title I of the Elementary and Secondary Education Act well in advance of the school year, so that State and local school officials can make their plans with a clear idea of the resources that will be available.

Our resources are not unlimited—and never will be. So it is all the more important that in assigning priorities, we focus our aid where the need is greatest.

That firm principle underlies a six-point program which I am proposing to Congress under the Elementary and Secondary Education Act and other authorities:

1. Two innovative programs to help America's youngest and poorest children have been proven in practice. *I propose that funding for the Head Start and Head Start Follow Through programs be stepped-up from $340 million to $380 million.*

2. Last year, Congress authorized a special program to help Mexican-American, Puerto Rican and other children who are separated by a language barrier from good education. *I propose that we launch this bilingual education program with a $5 million appropriation.*

3. We are still doing less than we should do to prepare mentally retarded and physically handicapped children for useful lives. *I propose that our special programs for the handicapped be increased from $53 million to $85 million.*

4. We must rescue troubled boys and girls before they drop out of school. *I propose full funding—$30 million—for a new Stay in School program, which will help schools tailor their own programs, from new and exciting methods of instruction to family counseling and special tutoring, to turn potential drop-outs into high school graduates.*

5. Upward Bound, a program for poor but talented students, has directed thousands of young Americans into college who might otherwise never have had a chance. *I propose that Congress increase funds for Upward Bound to serve 30,000 young Americans this year.*

6. Adult basic education classes last year gave about 300,000 men and women an opportunity to gain new earning power, new self-respect, a new sense of achievement. *I propose that Congress provide $50 million for this vital program.*

If we can invest vast sums for education, we must also be able to plan and evaluate our education programs; to undertake basic research in teaching and learning and to apply that research to the classroom. For these efforts, *I propose appropriations of $177 million next year.*

NEW STRENGTH FOR VOCATIONAL EDUCATION

Whatever else we expect of the local school, we demand that it prepare each student for a productive life. The high school graduate who does not enter college needs not only knowledge enough to be a responsible citizen, but skills enough to get and keep a good job.

One and a half million young men and women will leave high school and enter the labor force this year—in a time of high employment, when skills are at a premium.

Too many of them will find that they have no job skills—or only marginal skills, or skills which are not really needed in their communities.

A high school diploma should not be a ticket to frustration.

We must do more to improve vocational education programs. We must help high schools, vocational schools, technical institutes, and community colleges to modernize their programs, to experiment with new approaches to job training. Above all, we must build stronger links between the schools and their students, and local industries and employment services, so that education will have a direct relationship to the world the graduating student enters.

I recommend that Congress enact the Partnership for Learning and Earning Act of 1968.

This new program—streamlining and strengthening our vocational education laws—will—

Give new flexibility to our system of matching grants, so the States can concentrate their funds where the need is greatest;

Provide $15 million for special experimental programs to bridge the gap between education and work for alliances between schools, employment services and private employers; for new summer training programs combining work and education;

Totally revise and consolidate our existing vocational education laws, reducing paperwork for the States, the schools and other training centers;

Encourage the States to plan a long-range strategy in vocational education.

TRAINED PROFESSIONALS FOR OUR SCHOOLS

The value of all these measures—and indeed, the effectiveness of our entire school system—depends on educators; teachers, teacher aides, administrators and many others.

It would profit us little to enact the most enlightened laws to authorize great sums of money—unless we guarantee a continuing supply of trained, dedicated, enthusiastic men and women for the education professions.

To advance this essential purpose, I propose—

That Congress provide the funds needed to train nearly 45,000 teachers, administrators and other professionals under the Education Professions Development Act of 1967.

That Congress authorize and appropriate the necessary funds so that 4,000 of our best and most dedicated young men and women can serve our neediest children in the Teacher Corps.

HIGHER EDUCATION

The prosperity and well-being of the United States—and thus our national interest—are vitally affected by America's colleges and universities, junior colleges and technical institutes.

Their problems are not theirs alone, but the Nation's.

This is true today more than ever. For now we call upon higher education to play a new and more ambitious role in our social progress, our economic development, our efforts to help other countries.

We depend upon the universities—their training, research and extension services—for the knowledge which undergirds agricultural and industrial production.

Increasingly, we look to higher education to provide the key to better employment opportunities and a more rewarding life for our citizens.

As never before, we look to the colleges and universities—to their faculties, laboratories, research institutes and study centers—for help with every problem in our society and with the efforts we are making toward peace in the world.

STUDENT AID

It is one of the triumphs of American democracy that college is no longer a privilege for the few. Last fall, more than 50 percent of our high school graduates went on to college. It is our goal by 1976 to increase that number to two-thirds.

In the past four years, we have significantly eased the financial burden which college imposes on so many families. Last year, more than one student in five attended college with the help of Federal loans, scholarships, grants and work-study programs.

But for millions of capable Americans students and their families, college is still out of reach. In a nation that honors individual achievement, financial obstacles to full educational opportunity must be overcome.

I propose the Educational Opportunity Act of 1968—

To set a new and sweeping national goal: that in America there must be no economic or racial barrier to higher education; that every qualified young person must have all the education he wants and can absorb.

To help a million and a half students attend college next year through the full range of our student aid programs, including guaranteed loans.

To strengthen the Guaranteed Loan Program by meeting the administrative costs of the banks who make these loans. With a service fee of up to $35 for each loan, this program can aid an additional 200,000 students next year, bringing the total to 750,000.

To provide $15 million for new programs of tutoring, counseling and special services so that the neediest students can succeed in college.

To unify and simplify several student aid programs—College Work-Study, Educational Opportunity Grants and National Defense Education Act Loans—so that each college can devise a flexible plan of aid tailored to the needs of each student.

AID TO INSTITUTIONS OF HIGHER LEARNING

Today, higher education needs help.

American colleges and universities face growing enrollments, rising costs, and increasing demands for services of all kinds.

In 10 years, the number of young people attending college will increase more than 50 percent; graduate enrollments will probably double.

Our first order of business must be to continue existing Federal support for higher education.

I urge the Congress to extend and strengthen three vital laws which have served this nation well:

The National Defense Education Act of 1968, which has helped nearly two million students go to college and graduate school.

The Higher Education Facilities Act of 1963, which has helped nearly 1,400 colleges and universities meet growing enrollments with new classrooms, laboratories and dormitories.

The Higher Education Act of 1965, which, in addition to its student aid programs, has strengthened college libraries, involved our universities in community service, and given new vitality to 450 developing colleges.

I also urge the Congress to fulfill the commitment it made two years ago, and appropriate funds needed for the International Education Act. This Act will strengthen our universities in their international programs—and ultimately strengthen the quality of the men and women who serve this country abroad.

We must apply more effectively the educational resources we have. We must encourage better cooperation between the Nation's colleges and universities; and we should move to increase each institution's efficiency by exploiting the most advanced technology.

To serve these purposes, *I recommend the Networks for Knowledge Act of 1968.*

This pilot program will provide new financial incentives to encourage college and universities to pool their resources by sharing faculties, facilities, equipment, library and educational television services. It will supplement the effort launched last year by the National Science Foundation to explore the potential of computers in education.

I also recommend three new measures to strengthen graduate education in America.

First, we should increase the Federal payment available to help graduate schools meet the cost of educating a student who has earned a Federal Fellowship. At present, Federal Fellowship programs are actually deepening the debt of the graduate schools because this payment is too low.

Second, we should launch a new program to strengthen those graduate schools with clear potential for higher quality. With enrollments growing, we must begin to enlarge the capacity of graduate schools. This program will underwrite efforts to strengthen faculties, improve courses and foster excellence in a wide range of fields.

Third, I urge the Congress to increase government sponsored research in our universities. The knowledge gained through this research truly is power—power to heal the sick, educate the young, defend the nation, and improve the quality of life for our citizens.

A STRATEGY FOR HIGHER EDUCATION

The programs I am presenting to the Congress today are aimed at solving some of the problems faced by our colleges and universities and their students in the years ahead. But accomplishing all these things will by no means solve the problems of higher education in America.

To do that, we must shape a long-term strategy of Federal aid to higher education: a comprehensive set of goals and a precise plan of action.

I am directing the Secretary of Health, Education, and Welfare to begin preparing a long-range plan for the support of higher education in America.

Our strategy must—

Eliminate race and income as bars to higher learning.

Guard the independence of private and public institutions.

Ensure that State and private contributors will bear their fair share of support for higher education.

Encourage the efficient and effective use of educational resources by our colleges and universities.

Promote continuing improvement in the quality of American education.

Effectively blend support to students with support for institutions.

Such a strategy will not be easy to device. But we must begin now. For at stake is a decision of vital importance to all Americans.

EDUCATION AND THE QUALITY OF LIFE

Every educational program contributes vitally to the enrichment of life in America. But some have that enrichment as their first goal. They are designed not to serve special groups or institutions, but to serve all the American people.

We have tested in the past three years a new idea in government: The National Foundation on the Arts and Humanities.

That experiment has been an impressive success. It has proved that government can indeed enhance the Nation's cultural life and deepen the understanding of our people.

With modest amounts of money, The Humanities Endowment has promoted scholarship in a wide range of fields and quickened public interest in the humanities.

The Arts Endowment has brought new energy and life to music, drama, and the arts in communities all over America.

I believe the Foundation has earned a vote of confidence. *I urge that the National Foundation on the Arts and Humanities authorization be extended.*

We have acted also to launch an historic educational force in American life: public broadcasting—non-commercial radio and television service devoted first and foremost to excellence.

Last year the Congress authorized the Corporation for Public Broadcasting. This year we must give it life.

I recommend that the Congress appropriate the funds needed in fiscal 1968 and fiscal 1969 to support the initial activities of the Corporation for Public Broadcasting.

Last year I stressed the importance of a long-range financing plan which would ensure that public broadcasting would be vigorous, independent and free from political interference or control. The problem involved is complex. It concerns the use of the most powerful communications medium in the world today. It should not be resolved without the most thorough study and consultation.

I am asking the Secretary of Health, Education, and Welfare, the Secretary of the Treasury and the Director of the Bureau of the Budget—who have been studying this problem since the law was enacted—to work with the Board of Directors of the Corporation for Public Broadcasting and the appropriate Committees of the Congress to formulate a long-range financing plan that will promote and protect this vital new force in American life.

THE FIFTH FREEDOM

On January 6, 1941, President Franklin D. Roosevelt set forth to Congress and the people "four essential human freedoms" for which America stands.

In the years since then, those four freedoms—freedom of speech, freedom of worship, freedom from want, and freedom from fear—have stood as a summary of our aspirations for the American Republic and for the world.

And Americans have always stood ready to pay the cost in energy and treasure which are needed to make those great goals a reality.

Today—wealthier, more powerful and more able than ever before in our history—our Nation can declare another essential human freedom.

The fifth freedom is freedom from ignorance.

It means that every man, everywhere, should be free to develop his talents to their full potential—unhampered by arbitrary barriers of race or birth or income.

We have already begun the work of guaranteeing that fifth freedom.

The job, of course, will never be finished. For a nation, as for an individual, education is a perpetually unfinished journey, a continuing process of discovery.

But the work we started when this Nation began, which has flourished for nearly two centuries, and which gained new momentum in the past two Congresses—is ours to continue—yours and mine.

LYNDON B. JOHNSON.

Compensate Volunteer and Paid Firefighters

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. LONG of Maryland. Mr. Speaker, the Maryland Municipal League, a nonprofit association of the municipal officials of the State of Maryland, adopted at its 20th annual convention in Baltimore last December a resolution requesting Maryland Congressmen to include both volunteer and paid firemen in legislation to compensate totally disabled local firemen or survivors of local firemen killed or disabled while performing their duties in an area of civil disorder. H.R. 14642, a bill I introduced on January 16, to recognize and compensate the extraordinary services of firefighters during civil disorders, includes in its coverage both fulltime firemen employed by a State or political subdivision of a State, and volunteer firemen as defined by the Attorney General. This legislation is now pending before the House Judiciary Committee.

I would like to place in the RECORD the full text of the Maryland Municipal League's resolution.

The resolution follows:

Whereas, there is in the 90th Congress of the United States, First Session, two bills, HR-13063 and S-2421, entitled "Provide Compensation for Totally Disabled Local Firemen or Survivors of Local Firemen Killed or Disabled While Performing Their Duties in an area of Civil Disorder," and

Whereas, the term "Firemen" in these two bills has been construed to mean "paid firemen," and

Whereas, the majority of the firemen in the suburban areas and rural areas are "Volunteer Firemen," and

Whereas, a civil disturbance occurring in a metropolitan area could spread to suburban areas of that metropolitan area, in which event the Volunteer Firemen and Rescue Squadmen and women would be involved in quelling the disorder and rendering first aid.

Now therefore be it resolved that the Maryland League request Maryland Congressional representatives to co-sponsor an amendment to HR-13063 and S-2421 that wherever the word "Firemen" appears in the two bills, that the words "and Volunteer Firemen, Volunteer Rescue Squadron and Rescue Squad Women" be inserted.

Mother Bradford's Boys in Vietnam

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. WINN. Mr. Speaker, whether or not this country has overcommitted itself to a war in one tiny, far-off corner of the world is a question being asked by Americans everywhere as well as Members of this Congress. Such difficult questions, it seems, overshadow the fact that we have asked more than half a million of our finest young men to defend, and if need be, to lay down their lives in the names of duty, honor, and country.

To those who have no loved ones defending freedom in the jungles of Vietnam, the war there is indeed remote. But to others, its nearness is felt in a war hero returned safely home or a posthumous medal for gallantry "above and beyond the call of duty." It is such service "above and beyond the call of duty" that I would like to bring to your attention today—service of a dear woman from Kansas known to hundreds of men in Vietnam as "Mother Bradford":

The Merriam Lane Sertoma Club, Inc., of Kansas City, Kansas was proud to honor Mrs. Dorothy Bradford, 4523 Strong, Kansas City, Kansas, as recipient of its 1967-68 "Service to Mankind Award".

At 42, Mrs. Bradford has had her share of happiness. Her children, a daughter and son, are raised—and for 17 years she has provided a temporary home for children from broken homes—until permanent arrangements are found for them. But—she has had her share of sorrow, too. Mrs. Bradford's first husband gave his life during World War II, as did a nephew in Vietnam. She has a brother overseas now and her son is at Fort Benning. Most would agree she has earned the right to relax—but not Dorothy Bradford.

Two years ago she started corresponding to some servicemen and by Christmas of 1966, she was regularly corresponding with 21 men. At this time she decided that they should receive gifts as well—whereupon she secured 21 boxes and started rummage sales to earn the money for gifts to fill them and to pay the postage. This was not enough for "Mother" Bradford, however, and by September, 1967, she had corresponded with over 850 servicemen, in addition she furnished many more names to organizations and individuals who indicated a desire to write letters—and was herself actively corresponding with 550 of "her boys" at that time.

Again, Mrs. Bradford decided to see that *all* received gifts at Christmas and once more started making boxes for shipment. One of her little "house guests" asked, "Mommie, what are you going to put in all those boxes?" She replied, "The Lord will see to it they are filled, and we won't have to do without either." She then proceeded to send approximately 350 hand-written letters to business firms, manufacturers and affluent individuals, asking for samples or anything that would make a gift. Her faith was rewarded, when gifts started arriving by the case until all her boxes were filled and then some. In fact, she had approximately 3,500 pounds which had to be mailed out—in 5 pound limit packages at $1.50 each.

By then it was November and all had to be mailed by December 1st. The youngsters staying with her, formed assembly lines and earned titles of "Lickem", "Stickem" and "Stampem". Postage was the big problem and one morning while pacing the floor wondering what to do next, her understanding husband (a World War II veteran), told her to get hold of her usual faith—a way would be provided—and it was, with a little help from her. The local newspapers and TV stations carried features on what Mrs. Bradford was trying to do, but without appeals for assistance. Soon funds started to arrive, including donations from union girls, girl scout troops, individuals and clubs anxious to help—until over $650.00 was received.

But, postage receipts meticulously kept, showed the total postage was over $900.00. When asked how the difference was made up, she said, "Oh, we missed a couple of car payments and borrowed a little here and there, but the boys over there need their gifts more than the bank needs my payments."

Mother Bradford—some of her guys call her "Mother", one calls her "Aunt," and many call her "Dorothy"—writes about 30 letters, by hand, each day. They are newsy letters, telling the boys of "goings on" at home, about phone calls she receives from people who are interested, and conveying the thought that people over here do care what's going on and that the boys are not forgotten.

One particular boy was in for a pleasant surprise. Mrs. Bradford suggested to all with whom she talked, that they should try to cheer this "little fellow" up. Soon she received a letter from the boy saying that he had just returned to base camp and found a stack of 30 letters from people that said they did care. He admitted that up until then he didn't know 3 people, besides his parents, who cared for him—and that night he cried for happiness.

Over 30 of the boys, who have returned home, have come to see her and all ask to see "their room." It's a bedroom set aside in this modest home, the walls are covered with envelopes and pictures of "her boys." There is a fireplace with a large American flag beside it. On the mantle rests pictures of her boys.

She admits that the 200 weekly letters she writes to the boys isn't all, as she regularly corresponds with many wives and mothers, including several families of servicemen who have been killed or wounded.

When asked about plans for the coming year, she replied, she was praying that the war would be over—but she was going to keep right on writing to any and all who needed her letters. But if they are still over there next Christmas, she'll see that they all receive a Christmas gift.

She draws no lines, saying, "My boys write me there is no difference over there—*all* wear the same uniform—have the same problems—bleed the same color—and fight for each other.

Richard Dennis Gardner: Report to the Nation Representative

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. QUILLEN. Mr. Speaker, February 7–13 marks the annual observance of National Boy Scout Week, and it is with extreme pride that I anticipate this particular observance.

A fine young man from my hometown has been selected as one of 13 Boy Scouts from across the country who will serve as Report to the Nation representatives during Boy Scout Week.

Richard Dennis Gardner, son of Mr. and Mrs. Petie H. Gardner, of Kingsport, Tenn., was selected by the Boy Scouts of America because of his outstanding record in school, church, Scouting and community service. An Eagle Scout, Dick is in the upper 1 percent of his senior class at Dobyns-Bennett High School.

During Boy Scout Week, Dick will join 12 other boys for visits to Washington and New York to carry out the Report to the Nation phase of Scouting's annual birthday celebration.

In each city, the group will be honored at various functions and will make personal reports on the achievements of the Scouting movement during 1967. Many of us will have the opportunity to meet with these young men on Wednesday morning, and I urge all of my colleagues who possibly can, to take advantage of this opportunity to visit with the Report to the Nation representatives.

Dick Gardner is a very special boy who has shown outstanding leadership, persistence, and a desire to move ahead. Since he joined the program as a Cub Scout 7 years ago, Dick has been honored extensively for his achievements in Scouting. Currently he is a member of Explorer Post 250 sponsored by the Mafair Methodist Church. His Eagle rank was awarded in 1965. While a member of the Mafair Church's Scout troop, he served as senior patrol leader and junior assistant Scoutmaster. He led Troop 36 at the recent XII World Jamboree and was voted its most outstanding member. Other Scouting activities include Order of the Arrow, 50-Miler Award, Historic Trails Award, Davy Crockett Hike Medal, and camp staff duties.

Dick's high school principal, William L. Neal, says that Dick is number one in his class of 477 students and that he hopes to become a doctor of medicine. Dick is an excellent swimmer and runs on the cross-country team. His extracurricular activities include student council, humanities seminar, science club, and chorus.

He is a member of St. Matthew's Methodist Church and is active in youth work, the choir, and service as an acolyte. His church awarded him the God and Country emblem for his dedication and service to religious work.

Dick's community service projects include assisting in the get-out-the-vote campaign and Civitan Club's Citizenship Award.

His selection as a Report to the Nation representative is certainly a well-deserved honor, and I am proud to have the opportunity to tell my colleagues and the readers of the RECORD about Dick Gardner, a truly outstanding young American.

Our Nation's Test Pilots

HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent to insert into the CONGRESSIONAL RECORD a speech which I find to be an excellent tribute to those remarkable men who have contributed so much to the advancement of aviation—our Nation's test pilots.

Although the progress of aviation has been spurred on by our increasing scientific and technical competence, perhaps the true pacemakers have been our test pilots, who have pushed forward into new and sometimes hostile regions where theoretical knowledge has to be tested and proven before progress is assured. This has always been the case, but in the early days, the engineer, the builder, and the test pilot were many times only one pioneering individual.

Today the test pilot is a member of an exclusive fraternity and he is more than a superbly trained and competent pilot. He now possesses a theoretical background in aeronautical engineering as well as practical and specialized training in flight testing techniques. But in addition to all the technical qualifications of the test pilot, he must possess that rare courage that causes a man to challenge the unknown dangers daily and almost routinely. Symbols of their courage are the nine Air Force bases which have been named for pilots who have lost their lives testing aircraft. Gen. Bruce K. Holloway, Vice Chief of Staff of the U.S. Air Force, has dramatically portrayed the key role of our Nation's test pilots in his recent address to the Wing Club of New York on January 17, 1968.

With the consent of the House, I should like to make these informative remarks available to the public record, as follows:

REMARKS BY GEN. BRUCE K. HOLLOWAY, VICE CHIEF OF STAFF, U.S. AIR FORCE BEFORE THE WING CLUB OF NEW YORK, N.Y., JANUARY 17, 1968

During the fall of 1940, fighter pilots of the Royal Air Force won the Battle of Britain in the skies over England and the Channel. That battle, and Winston Churchill's tribute to the RAF—"Never in the field of human conflict was so much owed by so many to so few" will be remembered as long as men prize gallantry and skill in the fight for freedom.

In a different context—that of technical development—Churchill's words might be applied to another group of men, small in numbers but great in their influence on human affairs—the test pilots. Without them, man never would have left the ground in powered flight, or crossed oceans and continents in hours rather than days, or circled the globe in space. Today I want to pay tribute to these remarkable men who have contributed so much to the advancement of aviation.

The test pilots have no true counterpart in history. They are both the product and the producers of the age of technical miracles in which we live. In the last 65 years, since the first powered flight, the world has seen more change, much of it for the good, than in the preceding 65 hundred years. A very great deal of that change has come about because of the development of aviation. The test pilots opened a frontier that had been closed to man since the beginning of time. They have never ceased pushing that frontier forward into new regions where theoretical knowledge has to be tested and proven before it is of practical value to all men.

I don't mean to imply that aviation has been developed by the test pilots alone. Obviously, the progress of aviation has been a result of the teamwork of scientists, engineers and many others. Among the "many others" are organizations like the Wings Club which have done so much to encourage the growth of aviation.

But of all these groups with special knowledge or interests, probably the smallest and certainly the most exclusive is the test pilots. Today there are about 600,000 military and civilian pilots in the United States. The Society of Experimental Test Pilots, to which almost all test pilots belong, numbers about 1,000 members, or one out of every 600 pilots. Not everyone has the ability or the inclination to become a pilot—just a plain pilot. But of those who do, only a very few could qualify as test pilots today.

It wasn't always so, of course. In the earliest days of aviation, *every* pilot was a test pilot—often an engineer, builder and test pilot rolled into one. The Wright Brothers, Glenn Curtiss, Santos-Dumont, Glenn Martin, and other early fliers fitted this pattern. They studied what little theory had evolved since Galileo, made and flew models from which they designed and built the early airplanes. Then they tested them in the air and cranked their observations and experience back into better design and better construction.

In a sense, the early airmen were more like today's test pilots than were the men who tested airplanes between, say, the 1920's and about 1950. Much of what the early pilots did was done for the first time with no background of actual experience and very little theoretical knowledge behind them. In the interim years, up to the jet age, the experiences of the test pilots were pretty much an extension of what the Wrights and their contemporaries had learned. The differences were largely differences of degree and of application.

But during the last 20 years, military and civilian test pilots, like the early fliers, have been probing constantly into the unknown. First it was the sonic barrier, then extreme altitudes, then rocket-propelled flight, then the heat barrier, then into space. Along this route they encountered and conquered a great many phenomena of flight that previously were unknown. To take one example, Chuck Yeager, the first man to fly at supersonic speed, was also one of the first to meet the phenomenon known as inertial coupling—a complete loss of control during high roll rates. Other pilots deliberately flew into that condition to find out what happened and how it could be corrected by design changes. Not all of them survived. Captain Milburn Apt was killed when inertial coupling induced uncontrollable flight while he was making a turn at Mach 3.2 or more than 2,000 miles an hour. But with the knowledge gained from these tests, the problem has been solved on high speed fighters by new designs of the vertical stabilizer and the addition of stability augmentation systems—more black boxes.

I don't want to take anything away from the test pilots of the '20s, '30s and '40s. Perhaps they didn't deal as much with unknown phenomena as did the earliest pilots, or as those of the jet age do, but they brought aviation from a precarious skill to a refined science. They made it safe and fast and commercially useful. They made it a swift and powerful tool of defense. They built a firm foundation for the age of supersonic flight and space exploration.

Some of this test flying was done by military pilots like Lt. Jimmy Doolittle, who worked with Paul Kollsman and Elmer Sperry in developing and testing precise flight instruments and blind landing equipment. On September 24, 1929, after many months of testing, Doolittle made the first blind take-off and landing in history. He left Mitchel Field in a pea-soup fog, flew in it for ten minutes, and came in for a perfect landing. Imagine his surprise when he pulled back the canvas hood over his cockpit and saw that the fog had rolled away while he was in the air.

More than the fog rolled back that day. The instruments and techniques developed by the team and tested by Jimmy Doolittle proved that weather need not be a limiting factor to the advancement of aviation.

During aviation's lean years, between World Wars, much of the testing was done by civilian racing pilots like Roscoe Turner and Art Chesters, who were constantly trying out new equipment and techniques for the aviation industry.

Then there were the free lance test pilots who specialized in terminal velocity dives of new aircraft when the manufacturers didn't want to risk members of their own staffs. A lot of Class-B movies were built around that theme. The public image of the test pilot became that of a harum-scarum daredevil with white scarf streaming in the slipstream as he flexed his jaw muscles and tried desperately to pull a fabric covered bi-plane out of the dive. As I recall those old flicks, acting ability was definitely secondary to prominant jaw muscles.

Well, there were some of that kind, the fatalistic daredevils with little, if any, technical training—and they did have a part in aviation's progress, but they were a small minority. And the part-time military or civilian test pilot also gave way to the engineer-test pilot by the late 1930s. Eddie Allen was one of the best known of this new breed. Allen joined Boeing in 1939 as head of its Research Division. He became chief test pilot for the bombers produced by that company and lost his life testing the B–29. General Ben Chidlaw presented the Air Medal posthumously to Eddie Allen's daughter with these words: "It is impossible to measure accurately his contributions to air supremacy or to do it justice. It is written in the accomplishments of heavy bombardment in every theater of operations in which the Air Force operated."

The outlines of test piloting as a highly specialized profession were growing clear by the time of World War II. Techniques of flight testing were becoming quite different from earlier days when pilot judgment, based on flying experience, was the prime factor. That evolution not only has continued, it has accelerated. Today's test pilot is more than a superbly trained and exceptionally competent pilot. He also has to have a sound background in aeronautical engineering, and specialized training in flight testing techniques.

The professionalization of flight testing is a result of several factors, foremost among them the complexity of modern aircraft. In 1943, the Air Force recognized that flight testing of high performance aircraft called for special training that even the best line pilots didn't have. A school for test pilots was set up under the old Air Service Command at Wright-Patterson Air Force Base. From this modest beginning has come the Aerospace Research Pilot School at Edwards Air Force Base. It offers two courses: one for experimental test pilots, and the Research Pilot Course for the group of test pilots we call astronauts. The Experimental Test Pilot Course has but three counterparts in the Free World: the Navy Test Pilot School at Patuxent River, Maryland; England's Empire Test Pilot School; and the French center at Bretigny.

The School at Edwards trains not only Air Force test pilots but also a few pilots from the other military services, government agencies like FAA, aircraft companies and foreign air forces. A former commander of the Flight Test Center described the kind of student we'd like to have as a 21-year old military or civilian pilot with 2,500 hours jet time and a doctorate in one of the physical sciences. But as George Gobel used to say, "You can't hardly find that kind any more," at least not at age 21. The school will settle for a bachelor's degree in engineering, a few less flying hours, and a few more years. Its faculty is made up largely of veteran Air Force test pilots who hold advanced engineering degrees, several of them with doctorates in aeronautical engineering. Training includes both classroom work and actual test flying.

Edwards Air Force Base also is the home of the Air Force Flight Test Center where the Air Force, NASA and civilian contractors carry out testing programs. Almost every major aircraft design of the past 15 years has come from or been tested at Edwards.

Today, every experimental test flight by military or civilian pilots is practiced on the ground in simulators before it's actually flown in the air. It's a very scientific business where technical training is just as important as courage and skill. But despite all the precautions that are taken, flight testing still is a hazardous profession. It always will be while men are operating frequently on the edge of the unknown at speeds as high as 4,500 miles an hour and altitudes up to 350,000 feet or more.

Consider the factor of altitude alone, and the physiological problems it can create. At sea level the boiling point of water is 212°; at 63,000 feet it's reduced to 98.6°, which happens to be the temperature of the human body. At that altitude, a man's blood will boil—literally—unless he's wearing a pressure suit. As the test pilots say, "A leak in your suit can spoil your whole day."

That kind of ironic humor is a distinct asset in flight testing. There are a lot of good stories about the profession, many of them reflecting the understated humor that is characteristic of men who accept carefully calculated risks as an inherent part of their job.

Some of you may remember an experimental cargo aircraft, the XC–125, which was tested at Edwards in the late forties. It was a three engine aircraft similar in appearance to the old Ford Tri-Motor. During one of the tests, the pilot put the airplane through some pretty violent maneuvers. At the completion of one of these, he radioed his flight test engineer, who was following the tests from the ground, and reported that the number two engine was missing.

The engineer asked, "How bad is it missing?" "How bad?" came back the reply, "Completely!" The center engine had torn out of its mounts and fallen to the desert below.

Another time at Edwards, an Air Force test pilot was investigating the stall characteristics of a new jet fighter. All had gone well, with relaxed conversation between the test pilot and chase pilot who was observing the testing maneuvers from another aircraft. Suddenly, one of the maneuvers ended in a vicious spin. The fighter test pilot reported on the radio in a less than relaxed voice, "I'm spinning to the right and the rotation is increasing!"

"You've got the Distinguished Flying Cross, son," the chase pilot came back, "Let's see you do some distinguished flying!" The test pilot did, and another misison was completed successfully, if not routinely.

Scott Crossfield, one of the best known civilian test pilots who did a lot of early X–15 flying, tells this one concerning a hazard dreaded by test pilots—the frequent and thorough medical examinations they have to endure. While Crossfield was undergoing one of these necessary but unpleasant affairs, the doctor turned to Crossfield's companion in the examination room and said: "This man is a test pilot. Would you like to be a test pilot?"

"Heck no," replied the other subject. "It's bad enough being a chimpanzee."

What impels a man to become a test pilot? I suppose the answers to that question would be as different as the men themselves: the satisfaction of doing something no one has done before, the distinction of belonging to one of the most exclusive groups in the world, the curiosity of the scientist or engineer, a desire to have an important part in the development of aviation. I think most test pilots understand that the future of this country depends on the future of its airpower. They're determined, as all of us are, that American airpower will be second to none.

Whatever their motives, these men—the test pilots—lay their lives on the line each time they fly a test mission. Despite all the precautions and the years of training behind them, they don't always win. Nine Air Force bases are named for pilots who lost their lives testing aircraft. And there have been others, both military and civilian, whose heroic, self-sacrificing feats will always live in the annals of a unique profession.

Today, we honor two test pilots for their contributions to the development of vertical take-off aircraft. To one of them, this honor comes posthumously—Major Robert L. Baldwin, who was lost in combat in Vietnam. The other, Mr. John P. Reeder, is with us today.

In honoring these two courageous men, Major Baldwin and Jack Reeder, we honor all test pilots. We recognize that but for the test pilots, there would be no aviation today, and we would live in a different and far poorer world.

Nowhere is the American pioneering spirit better exemplified than in our test pilots. With disciplined curiosity and unexcelled courage they have charted the unknown from Kittyhawk to the threshold of space travel.

When the first American sets foot on the moon, he will be a test pilot. That great achievement is not far off. It may change the course of human events even more dramatically than did the flight of our first test pilots—the Wright brothers.

Where this expanding conquest of the air and the space around us will lead, no man is privileged to know. But we do know with certainty that as our frontiers of knowledge advance, the first steps into the still great unknown will be taken by the test pilots.

They have been the vanguard of man's progress beyond the surface of a globe to which he was bound for countless generations. They are still the leaders—the pioneers—today, and they will continue to be in a future which we perhaps can imagine but dimly today.

Freight Forwarder Industry Should Help Small Business Get Into Overseas Markets

---

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. MURPHY of New York. Mr. Speaker, on January 25 of this year, Vice Chairman George H. Hearn of the Federal Maritime Commission addressed the 51st annual dinner of the New York Foreign Freight Forwarders and Brokers Association at the Americana Hotel in New York City. Mr. Hearn proposed that the freight forwarder industry take steps to help small businesses get into the overseas markets, not only to benefit both the small businesses and forwarders, but to stimulate our foreign trade and improve our balance of payments situation. At a time when the Congress is closely examining our balance of payments problem, Mr. Hearn's remarks should be of considerable interest to every member. Under leave to extend my remarks in the RECORD, I include the complete text of Mr. Hearn's address:

REMARKS OF VICE CHAIRMAN GEORGE H. HEARN, FEDERAL MARITIME COMMISSION, AT THE 51ST ANNUAL DINNER OF THE NEW YORK FOREIGN FREIGHT FORWARDERS AND BROKERS ASSOCIATION, INC., NEW YORK, N.Y., JANUARY 25, 1968

Independent ocean freight forwarders have been recognized as providing an important link in our domestic and foreign export commerce. The foreign freight forwarding business is a medium used by almost all export shippers and, when these services are rendered with efficiency, they assist in the promotion of our foreign trade.

On September 19, 1961, Congress enacted Public Law 87–254, providing for the licensing of independent ocean freight forwarders and the regulation of licensees by the Federal Maritime Commission. The legislation was intended to eliminate certain undesirable practices in the industry. It was hoped that the combination of legislative action and agency regulation would increase the efficiency of the freight forwarding aspect of the maritime industry.

Since enactment of the licensing statute, 985 firms have been licensed; and less than a dozen claims have been made against forwarders' surety undertakings. These facts more than indicate that the statute has gone far toward achieving its purpose. The licensing requirement has increased the efficiency of the forwarding industry and enabled it to increase its contribution to our foreign trade development. It cannot, in fact, be denied that the federally licensed freight forwarders serve the essential trade and commerce of the Free World with distinction and honor.

Although the licensing statute has enhanced the industry's development, and insured its very existence, the industry should not and cannot become complacent. The forwarders indeed have shown that, when their existence was threatened, they could organize, solidify and become formidable fighters. Much has been said about containerization reducing the scope of independent ocean freight forwarders' needed functions and even threatening their existence. Door-to-door full container shipments and container consolidation at inland points are real threats to the foreign freight forwarding industry.

If this is so, and undoubtedly containerization will be a great challenge to the industry, this fact alone should justify the forwarders' seeking new channels for their efforts and developing new areas where their services can best be utilized. New technologies require new thinking in the service fields. The forwarder industry will not, I am sure, falter at such a challenge. It has, in fact, responded already by entering into new business associations such as the Intermodal Container Corporation and Confreight, Inc.

Tonight I ask the forwarding industry to join with the Administration in another struggle which is at the forefront of President Johnson's programs. Your forwarding industry ought to exert every effort to help increase this country's exports and expand our foreign markets.

As trade experts, you forwarders are in a position to contribute much to the stimulation of foreign trade. Trade development is a costly expense especially to small businesses and they usually cannot alone obtain entree into overseas markets. I believe that the forwarders should join with government agencies such as the Federal Maritime Commission in efforts to help bridge the frontiers for our industries and would-be exporters. The Federal Maritime Commission and other agencies should provide incentive to the forwarders as far as possible in this regard.

I believe the Federal Maritime Commission should be sympathetic to permitting forwarders to finance exports. This issue was considered by the Commission last year in Docket 66–31, the most recent Commission review of freight forwarder rules.

A majority of the Commission concluded that legislation was required to change the existing definition of "beneficial interest" so as to permit the financing of exports by forwarders. The term "beneficial interest" has been, I think, misunderstood and confused with "lien interest." The rules of the Commission can be changed, I believe, without legislative action. The crux of the problem is the prevention of rebating and maintenance of the independence of forwarders and shippers. This end can be achieved, and our export posture enhanced, by rules of reason which the Federal Maritime Commission has the expertise to formulate.

The present rules constitute a needless impediment to the flow of our export commerce. Foreign freight forwarders are hindered from expanding the scope of their operations at a time when modern technology is encroaching upon the value of forwarder services. Thus while United States exporters are meeting even stiffer competition from foreign producers, it seems that the restriction on financing exports is at cross purposes with our national trade policy. I firmly believe that forwarder rules can be so written as to give purposeful implementation to the "forwarding" amendment to the Shipping Act and also give meaningful assistance to the national undertaking to increase exports.

If, however, legislation is needed, the Federal Maritime Commission should cooperate with the forwarder industry in urging such action on Congress.

I think it would be beneficial, also, for export commerce if the New York Foreign Freight Forwarders and Brokers Association could have a forwarder representative present at the Trade Fair sponsored by the United States Department of Commerce. The forwarders could explain to potential shippers and consignees the advantages of purchasing in United States markets and the ease and simplicity of shipping overseas when an independent ocean freight forwarder is used to dispatch the merchandise.

In further meeting the challenge to it, the forwarding industry might direct its attention at coping with the problems and opportunities presented by the markets in the developing areas of the world. Parts of Africa, Asia and Latin America offer burgeoning market opportunities. It is, I believe, within the capacity of forwarders to help ensure the United States an opportunity to participate importantly in these trade expansion areas. Working hand in hand, the forwarders and the government should be able to take long strides toward their common goals. The common good of our nation in foreign commerce coincides with the commercial and pecuniary best interests of you the New York Foreign Freight Forwarders and Brokers Association, and your concerted efforts can result in a patriotic benefit for all.

Thank you.

U.S. Ambassador Leonard Unger Speaks on Thai-American Relations

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. MOORHEAD. Mr. Speaker, during my recent trip to Southeast Asia as a member of the Military Operations Subcommittee, it was my privilege to visit and talk with our distinguished Ambassador to Thailand, the Honorable Leonard Unger. He is an able and perceptive man, and the United States is fortunate to have him in the increasingly vital Bangkok post.

In a January 17 speech to the American Chamber of Commerce in Bangkok, Ambassador Unger outlined the importance of good Thai-American relations and the significance of Thailand in Southeast Asia. Under leave to extend my remarks, I insert the text of Ambassador Unger's speech at this point in the RECORD and commend it to the attention of my colleagues:

ADDRESS BY U.S. AMBASSADOR LEONARD UNGER AT THE AMERICAN CHAMBER OF COMMERCE LUNCHEON, BANGKOK, THAILAND, JANUARY 17, 1968

I appreciate this opportunity to meet with members of the American Chamber of Commerce in Thailand, and welcome the invitation to carry on the tradition of an annual appearance by the American Ambassador. Much of what I have to say today will relate to our relations, as Americans, with the Thais in whose country we are living as guests. While the record of Thai-American relations speaks for itself, generally, sight tends to be lost from time to time of certain basic realities which I would like to put in better perspective. I should state at the outset, that in addition to speaking as the President's personal representative to Thailand, I am expressing deep, personal convictions based upon experiences over the past ten years—first in Thailand, then in Laos, and more recently in Washington, where I dealt with many Southeast Asian matters, particularly the problem of Vietnam.

Vietnam, by almost any standard, is the most absorbing and complex issue in American political life today. The issue is whether the nations of Southeast Asia shall be able to set their own independent course and be free of subversive aggression. Thailand, therefore, also attaches extreme importance to the outcome of the Vietnamese struggle. Its determination equals that of the United States to bring about a final settlement in Vietnam which assures national freedom and fosters the return of peaceful order to Southeast Asian affairs.

The government of Thailand has made its position unmistakably clear. It has done this through active participation in collective defense arrangements under SEATO. Thailand has also enabled the U.S. to bring its air power to bear against North Vietnam and its infiltration into the South. Thailand has sent troops of its own to help defend South Vietnam, and it has taken firm measures to protect its own people against those assaulting not only South Vietnam and large sectors of Laos today, but Thailand itself.

Communist hostility toward Thailand is but one of many reflections of this nation's strategic importance in the total Southeast Asian picture. Ironic as it may seem, another measure of Thailand's key role in Southeast Asian events is this country's growing prominence in the American controversy over Vietnam.

In the cross-fire of political battles over Vietnam, many Americans naturally want to examine our commitments elsewhere in the area, and to assess the dependability of those with whom we have aligned ourselves. I do not quarrel with the usefulness of responsible, free debate. I am seriously troubled, however, when I see certain facts about Thai-U.S. cooperation misread in ways that damage Thai-American interests, and encumber the Vietnam problem with negative and discouraging implications which do not actually exist.

The frequency of late of such distortion and misinformation has provided a new and disturbing experience for the Thai government and people. It is never pleasant to find one's country being criticized or subjected to hostile cross examination by foreigners. It is even less pleasant when they seem to question the validity of national policies, programs and institutions that have been carefully developed over the years for the express purpose of self-preservation. Having governed themselves for over 700 years, the Thai feel no need to adjust their way of doing things to meet foreign concepts of how things should be done. Moreover, having decided that defending Vietnam is in Thailand's own best interests, they do not want their actions interpreted—or misinterpreted—in lights cast by the clash of conflicting views over similar U.S. policies. Neither do they want it assumed that their fundamental policies are merely a response to the wishes of a large power. Understandably, they resent the bland assumption that the pattern of events in a neighboring state inevitably will be repeated in their own.

Nevertheless, perhaps largely because Thailand is known to have both communist guerilla forces and U.S. military units in the country, it seems often to be assumed that American forces have been sent here to deal with the internal threat and are more or less covertly engaged in combat against insurgents in Thailand's rural areas. This of course is not the case. The only combat actions in which U.S. forces here participate are those well-publicized out-of-country operations directed against Vietnamese communist targets. U.S. military units in Thailand, other than those belonging to the Air Force, are neither equipped nor organized for combat assignments. The Thai government has stated repeatedly that in suppression actions against the guerillas, the only American help it wants or needs is that giving Thai military and security forces their own means of dealing with the problem.

Combat operations by Thai-based units of the U.S. Air Force are carried out against North Vietnam by our fighter-bomber aircraft, and against Viet Cong concentrations in South Vietnam by B-52 bombers, and have entailed the assignment to Thailand of about thirty-three thousand U.S. Air Force personnel. The Air Force units require in turn, from other U.S. military services here, myriad forms of logistical support in which some seven thousand troops are engaged. There are roughly three thousand additional U.S. military personnel in Thailand serving with the military assistance program, working on engineering and military research projects, and in SEATO.

Let me add, if I may, a footnote to what I hope will end misguided speculation about U.S. involvement in guerrilla warfare here. A year ago, Ambassador Martin confirmed for you that unarmed U.S. Air Force helicopters were on assignment in the Northeast. As Ambassador Martin emphasized, this was a temporary, non-combat measure, taken at a time when added mobility was of critical importance to Thai authorities organizing their own resources to blunt an escalating insurgent threat. Accordingly, in January of 1967, after the Royal Thai Government had completed the transitional training required for field operation of its own newly acquired force of forty-nine troop-carrying helicopters, the U.S. helicopters were withdrawn from Thailand. They were replaced in the field by these Thai helicopters, furnished by the U.S., which Thai authorities are using with increasing effectiveness. Additional helicopters have been provided, including ten to the Thai National Police, and more will become available to the armed forces and police as Thai pilots and mechanics complete training courses and can make use of these aircraft.

The lesson here, I think, is two-fold: First, the nature of American assistance to Thai counter-insurgency programs does not lead toward direct American involvement in those operations. On the other hand, we must not become so transfixed by our Vietnam experiences that we lose our capacity here to take decisive, practical steps in providing the training and equipment with which the Thai government itself can bring the insurgency under control, and in due course eliminate it.

We will continue to hear dire predictions, that Thailand inevitably will go the way of Vietnam, and that sooner or later Americans will be fighting communist insurgents here. In fact, Thailand resembles Vietnam only in that it is another intended victim of the same communist effort to expand its domination by using the technique of the "war of national liberation." Violence and killing in Thailand by communist terrorists, most of them trained outside Thailand, does not express grass roots political sentiment.

Thailand's people are united in a rapidly developing nation seeking to work out its political and economic destiny with care and forethought. Land ownership is primarily in the hands of those who work the soil. There is no tendency to split along religious lines, since virtually all Thai are Buddhists. Minorities are for the most part being assimilated and woven into the life of the country. One could cite many other factors working in Thailand's favor—its sense of self confidence developed over centuries of managing its own affairs—its able leadership, competent civil service, and armed forces showing their mettle today in Vietnam—its economic growth rate running around eight percent per annum—its capacity to organize and carry out rural security and development programs—and the social and economic mobility of Thai life.

Furthermore, Thailand's well-educated, skilled and enterprising young people do not migrate to other countries except in rare instances. Among the hundreds who annually go abroad for long periods to further their education or professional experience, all but a few are drawn back by loyalty and family ties and by their country's ample economic opportunities. I think it is fair to say, incidentally, that in large measure these have been created by Thailand's heavy emphasis upon private initiative and enterprise.

Thailand is also unique in that the continuity of its life and institutions has never been broken by colonial experiences. There has never been any need here for a national independence movement aimed at dislodging colonial rulers. Communist bands do not find in Thailand, therefore, as they did in Vietnam, any real opportunity to generate loyalty to a revolutionary struggle, or to identify themselves with compelling patriotic causes.

Above all, there flows from Thai attitudes toward the person of His Majesty the King and the institution of the monarchy a sense of national unity and continuity so strong that it extends into the remotest villages. To the citizens of Thailand, the King's full endorsement of efforts to counter the guerrilla threat is a buttress against subversive attempts to undermine the government's authority. In Thailand, as the communists have discovered even in relatively unprotected rural areas, the task of marshaling popular support for anti-government causes is difficult and unrewarding.

In the Northeast, for example, in a poor area encompassing more than ten million people, where several years of subversive groundwork has been followed by two years of intensive terrorist and recruitment drives, the number of armed insurgents remains below two thousand. Reliable intelligence indicates that considerably more than a thousand of them have been trained outside Thailand in Communist China, in North Vietnam, and Pathet Lao territory.

At present, the mission of the insurgents, almost all of whom are full time fighters, assassins and political activists, is simple. Their mission is to break the links between Thailand's government and villagers, and to then replace the government's authority with their own. While there are isolated villages where this mission has been accomplished for a few hours, there is no point in Thailand upon which the insurgents have thus far been able to impose more than temporary control.

To see the present situation in fair perspective, however, one must look back to 1966. During that year, the level of communist violence increased markedly over 1965, a rise consistent with the insurgent campaign predicted by Peking in 1965. Communist operations reached a high point toward the end of 1966. In January of last year, the number of armed encounters rose as the Thai government's counter actions developed momentum. By March 1967 the insurgents had adopted the tactic of avoiding contact with government forces, and the number of monthly armed encounters dropped by two-thirds. The rate of forced village propaganda meetings has declined even more dramatically during the past year. Assassinations have shown a slight but steady decline and now are at a lower rate than at any time over the past two years.

A prime explanation of these trends, in my opinion, is the combination of armed pressures by Thai military and security forces and the expansion of Thai Government programs for the improvement of the villager's lot. The forces have chased the insurgents from past operational bases and forced them into other areas. This has broken or strained insurgent connections with established sources—often merely their own kinfolk—of food, intelligence and other forms of support. This has raised significantly the rate of defections and desertions, which reflect in general a lack of political motivation among those villagers recruited through intimidation or promise of material gains.

Given the Royal Thai Government's commitment of additional military and police forces to communist suppression work, its program to establish small, permanent security forces in threatened villages, and its growing attention to the aspirations and legitimate grievances of the villagers. I would expect insurgent efforts to organize the Thai countryside to meet with as little success in 1968 as they did in 1967.

They won't quit, however. Those who dominate the guerrilla ranks in Thailand are disciplined, well-trained, fully-indoctrinated insurgents. Thailand's northeast border provinces, where most of them are operating, or some of the other Thai border areas where there have been indications of additional outbreaks of insurgency, are too important to long-range communist plans to create a revolutionary base within this kingdom. More immediate objectives include protection for the flank of communist infiltration routes through Laos into South Vietnam; development of a capability for striking Thai military installations, including those being used to help in Veitnam; inducing the Thai government to question its policy of close alliance with the U.S.; and shaking U.S. faith in the stability of its ally.

The Thai government has developed an effective program to contain and compress rural insurgency. It has committed the requisite resources for this as well as for accelerating rural progress, to make it increasingly difficult for subversive influences to take root and grow. Our two governments have agreed on how American economic and military assistance can best provide support to such programs. In fostering rural progress, the Thai government plans to continue to emphasize provincial roads and other communications links; expanding agricultural, public health, educational, and other governmental services in rural communities; assisting farmers' organizations; and developing water resources for human consumption and irrigation. Other projects are designed to establish local security forces in more and more of the endangered remote villages, to mobilize military and police forces for quick reaction to the outbreak of insurgent violence, and to modernize Thai military forces for defensive action against larger scale communist penetrations. The U.S. will assist these efforts with substantial levels of economic and military aid which last year totalled more than one hundred-ten million dollars.

In all our programs here, however, whether they fall within economic, military, or other categories (the Peace Corps, for example), there is an additional underlying theme, which must not be overlooked to get a true impression of what Americans are doing in Thailand. That theme is education in the broadest sense of the word. The emphasis upon teaching, technical training, and advisory activities in our assistance programs here is in keeping with Thailand's traditional practice of welcoming and importing advanced knowledge and new skills. Historically the Thais have sought to draw generously upon the experience and know-how of others to improve their own techniques so that they will be in a position to manage their own affairs with ever-increasing effectiveness.

In response to Thai requests, the U.S. has undertaken to provide large numbers of technical advisors, training instructors, professional consultants, and other specialists capable of imparting the special knowledge, competence and skills which Thailand wants in greater abundance. Those who can be classed as advisors, trainers, instructors and educators account for more than three quarters of the total USOM staff of Americans. A substantial proportion of U.S. assistance funds are allocated annually to the training and further education of Thai civilian and military specialists. Under the Participant Training Program administered by USOM since 1949, over five thousand Thais have gone abroad, to the U.S. and elsewhere, for advanced training. Additionally, many of the large scale Thai government projects which receive U.S. assistance are directly concerned with training. These include, for example, a program for training twelve thousand new members of the Thai National Police by the end of this year; the training for Accelerated Rural Development programs of technical personnel, over seven hundred of whom have completed basic courses, while fifteen hundred others are receiving on-the-job training in the provinces; the instruction of paramedics for rural public health services; educating village youths in basic vocational skills taught by instructors in mobile training units. These, to be sure, are but some of the ways in which Thailand obtains professional competence and technical skills to meet problems at home and keep pace with the outside world. By the way, as proof of the wisdom of the Thai Government's policy, I have been impressed with the large number of fields in which Americans and others were providing training here some years ago, when I was last in Thailand, but in which I now find Thai carrying on by themselves.

To understand fully why Thailand and the U.S. have undertaken many of the wide range of projects which engage us here, one must first look outside Thailand—toward Vietnam and beyond—at Southeast Asia as a whole. Within this vast, potentially wealthy area live 250 million people. None of them would be beyond the ambitious, domineering embrace of communism if no adequate obstacles existed to Red Chinese and North Vietnamese expansionism. We must add to this reservoir of Asian manpower, a fertile land mass the size of Western Europe, vast hydroelectric, mineral and petroleum resources, and a geographical position astride the air, sea and land routes joining the Pacific and Indian oceans.

U.S. policies toward the area take those strategic considerations into account, and above all the common determination among southeast Asian states to preserve their national identities while advancing toward a more secure, stable and prosperous existence. U.S. policies in the individual nations of Southeast Asia are consistent with the basic American posture toward the area, but they vary from country to country, depending upon the capacity of each to maintain itself to its own satisfaction without outside help. The U.S. objective in these bilateral relations is an equal, progressive, mutually advantageous partnership, such as we have long enjoyed with Thailand. Our partnership with Thailand has proven uniquely productive, both in bilateral terms and in the beneficial steadying affect it has had elsewhere in the area.

Thailand conducts its affairs on the basis of an independent, well-conceived set of policies which it has developed for itself toward the nations of this and all other areas of the world. On such basic matters, Thai and American positions are basically consistent. The effect of our alignment with each other, and with like-minded nations, is to give each of us greater influence than either nation could expect to exert in the absence of reinforcing policies and actions by the other.

Thailand, like America, is helping Vietnam in its own best interests. The United States is aiding Thailand for the same reason, and because it is our common firm belief that Vietnam is but one aspect of a much larger, potentially more formidable problem. Our efforts to solve and settle that problem depend ultimately upon people, both Thai and Americans, living and working in closer contact and in far greater numbers than ever before. This tests the capacity of Thai-American relations to withstand strains that our easy and cordial associations have not known before. I am fully convinced that the long term results from this period of intimate and broad Thai-American contacts will prove wholly positive.

Two State Airmen Die in Viet Raid

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. LONG of Maryland. Mr. Speaker, Sgt. Roger B. Mills, and Sgt. William J.

Cyr, two air policemen from Maryland, were recently killed in Vietnam. I wish to commend the courage of these young men and to honor their memory by including the following article in the RECORD:

TWO STATE AIRMEN DIE IN VIET RAID: R. B. MILLS, W. J. CYR KILLED IN TAN SON NHUT ATTACK

Two air policemen, one from Havre de Grace and the other from Baltimore county were killed Wednesday during a Viet Cong attack on Tan Son Nhut airport in Saigon, the Defense Department reported yesterday.

Killed were Sgt. Roger B. Mills, 21, son of Mrs. Bertha L. Mills of the B. and J. Trailer Park in Havre de Grace, and Sgt. William J. Cyr, 22, son of Mrs. Josephine Wagner, of 707 Stemmers Run road, Essex.

REQUESTED EXTENSION

Sergeant Mills had been in Vietnam on his second year of duty since the end of December after serving his first tour in 1966. He was stationed in Saigon on both tours of duty.

To complete his second year there, Mrs. Mills said her son requested a six-month extension of his Air Force duty. His original four-year enlistment would have ended in July, Mrs. Mills said.

He felt he wanted to go back to Vietnam to do "what he could for the cause," Mrs. Mills said.

She said her son planned to join the Washington (D.C.) police force after completing his second year in Vietnam.

GREW UP IN HAVRE DE GRACE

Although born in the Brooklyn section of Baltimore, Sergeant Mills grew up in the Havre de Grace area, graduating in 1964 from Aberdeen High School.

He was a football halfback in high school and he also wrestled there. Between his Vietnam tours, Sergeant Mills was stationed at Fort Myer near Washington. He also played football there.

He enlisted in the Air Force after graduating from high school.

Besides his mother, he is survived by a brother, Ralph Mills, and a sister, Hazel Mills, both of Havre de Grace.

Sergeant Cyr had been in Vietnam since last November after enlisting in the Air Force in 1965.

STUDIED ENGINEERING

He was a native of Webster, Mass., and graduated from Bartlett High School there. Before entering the Air Force, he studied engineering at a vocational school there.

His mother moved to Baltimore about six years ago.

One of the sergeant's stepbrothers, Army Pfc. John Wagner, left for a tour of duty in Vietnam on January 23, Mrs. Wagner said.

Besides his mother and Private Wagner, Sergeant Cyr is survived by his father, Paul Cyr, of Webster, Mass., his stepfather, Marlin Wagner, of Essex; two brothers, Paul Cyr, who is in the Army at Fort Bragg, N.C., and Kenneth Cyr, of Webster; a sister, Mrs. Sandra Bressler, of Baltimore; three other stepbrothers, Henry, Marlin, Jr., and Robert Wagner, and a stepsister, Bonnie Ann Wagner, all of Essex.

A Plan for Flexible Territorial Limits

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. BROOMFIELD. Mr. Speaker, the seizure of the U.S.S. *Pueblo* has left many unanswered questions. They are questions about our fundamental ability to react in a moment of crisis, about our apparent lack of contingency planning in the event of such an incident, about why the *Pueblo* did not attempt to defend itself, and many others.

The asking of those questions and their answers must be deferred until the *Pueblo* and her crew have been returned to safety.

But there is, in my opinion, one area of glaring inadequacy in our policy which needs our immediate attention. Simply, that is the fact that we have for years extended to the Communist-bloc nations an open invitation to espionage by our traditional observance of a 3-mile territorial limit.

We have continued this practice despite enforcement of a 12-mile limit by nations such as North Korea and the Soviet Union and in the face of the fact that only 29 of the 98 martime nations of the world observe a 3-mile limit.

My distinguished colleague from Michigan in the other body, ROBERT P. GRIFFIN, has most ably identified the problem with a resolution urging an extension of our territorial limits to match those claimed by other nations.

The resolution which I am offering today provides that we restrict our traditional 3-mile limit only to those nations which reciprocate.

Our territorial boundary would be extended up to 12 miles to nations such as North Korea and the Soviet Union which claim similar outer limits. The resolution calls on the President of the United States to convene an international conference, possibly through the United Nations, to seek agreement among the countries of the world on a uniform territorial limit.

As a member of the U.S. delegation to the United Nations, it seems to me this latter proposal is most appropriate since there is a wide variance in practice among the 98 maritime nations of the world.

The resolution leaves to the President of the United States discretion in modifying this policy in cases where such an extension of our territorial limits might conflict with the territorial sea of another nation.

Mr. Speaker, I commend this resolution to the attention of all Members of this distinguished body and strongly urge its passage.

De Gaulle and the Jews

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. DERWINSKI. Mr. Speaker, the furor over General de Gaulle's anti-Americanism and his anti-Israel position continue to draw pertinent comment. Since he is a benevolent despot his personal views become the official policy of the French Government. The question of General de Gaulle's antagonism of the Jewish people was covered by the following very thoughtful editorial commentary which appeared in the January 13 edition of the Polish American, a Chicago publication serving the Polish community of that city:

DE GAULLE AND THE JEWS

At his November 27 press conference, French President Charles De Gaulle had some unpleasant things to say about some of France's traditionally closest allies: the United States, Britain, Canada—and the state of Israel.

Since De Gaulle's defilement of the United States has become standard fare in his repertoire of demagogy that appears as a twice-yearly "press conference," and his dislike of Britain and Canada has also become well known by now, it was his newly displayed attitude toward Israel—and the Jews as a whole—that produced a wave of shock throughout the Western world that has yet to recede.

And for good reason. For whether De Gaulle's increasingly erratic statements should be attributed to senility—as many observers now assume—is a matter of speculation; but of one thing we may be certain: in some of those statements he gives sign of flirting with that old and discredited phantom of anti-Semitism.

Besides denouncing Israel as militaristic and aggressive, and demanding that Israel give up the occupied territories even without the guarantee of a peaceful settlement with its Arab neighbors, at his press conference De Gaulle went on to express concern about Israel's population increase and—in leaping from the strictly political to the sociological—referred to the Jewish people as being "an elite sure of itself and domineering."

It is unlikely that many anti-Semites, even the most rabid, would disagree with the accuracy of this ancient ethnic cliche which assumes that the Jews are an unusually compact and aggressive community.

According to recent press reports De Gaulle, in attempting to counter the continuing criticism of such statements, has told Joseph Kaplan, grand rabbi of France, that he had been misinterpreted in his attempted "justified praise of the worth of the Jews."

Perhaps the outcry of public opinion has taught De Gaulle that, in the West at least, anti-Semitism will no longer serve a public leader who attempts to use it—for whatever purpose. Perhaps the outcry has likewise taught him that civilized men have not yet forgotten an important lesson of World War II: the lesson that anti-Semitism is but one step on the ladder leading to genocide.

The Public Trust

HON. HERBERT TENZER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. TENZER. Mr. Speaker last year when I testified before the House Committee on Rules in support of legislation to establish a Select Committee on Standards of Conduct to draft a proposed code of ethics for Members of the legislative branch. I expressed my concern over a growing confidence gap in the Congress.

It is for that reason that I have sponsored legislation (H.R. 2585) to create a permanent Joint Committee on Ethics to advise Members of Congress on proposed conduct as well as to administer a meaningful code of ethics.

Recent scandals in the New York metropolitan area have caused a greater loss of confidence in elected officials. Those who have been elected to public office—whether at the Federal, State, or local level—have a responsibility to erase this "confidence gap" by providing adequate checks and balances on our conduct in office so that the public can be assured that the overwhelming majority of public officials are dedicated and honest.

The Merrick Life, a weekly newspaper on Long Island, has discussed this subject in an editorial entitled "The Public Trust," which appeared in the January 25, 1968, edition of the paper. I commend the editorial staff of the Merrick Life for their discussion and comment on this most important subject. I insert the full text of the editorial at this point in the RECORD for the attention of my colleagues:

THE PUBLIC TRUST

Our times frequently give cause to reflect upon the status of morality in contemporary society. There are plenty of areas to point to. Common criminality is one. The increasing incidents of house burglaries, car thefts, bank robberies and acts of violence are a constant worry to ordinary citizens as well as authorities charged with the task of combating the wave of lawlessness.

But, in a way it is even more disturbing to note the number of public officials who betray the trust placed in them in order to obtain a sometimes small, sometimes big personal gain. Neighboring Suffolk County has had disturbing scandals. The New York City administration recently has been badly tainted. The State administration has had its share.

Some may say that a moral crusade, an uplifting of our moral standards is needed. Very well, but the trouble is that moral pronouncements may reach the large majority that was always honest, but will be shrugged off by those who need them the most.

Higher pay is sometimes advanced as a cure. It may be called for in some cases, but it would hardly be of much help in this regard because the scandals that are of any consequence occur among the already well paid officials, to whom a slightly higher pay would not make any difference. They are after bigger game.

Is it that our society is too money-minded, and individuals too greedy? Is money and what money can buy too important in comparison with the honors that come with long and dedicated and imaginative public service? Is it wrong to have the top appointive officials change when a new administration is voted into office? Should we have a professional corps of top officials who serve regardless of what party is in power? Should we develop a tradition of lifetime service, rather than have people serve for a few years and then go back to private life? Should political appointments and patronage be liimted to a minimum, say, the personal secretary to elected officials?

There is, of course, no easy answer. Each new revelation or scandal serves to remind the elected official to be doubly careful in his selections of personnel, to look not only for qualifications and glamor, but also for moral fibre in prospective appointees. The voters rightly hold the elected official responsible for his choices, as they clearly showed in Suffolk where they voted against incumbents, apparently because of the scandals.

This country has had outstanding service from innumerable private citizens who went back to private life after a well-performed task. Few were so rich that they had no use for more money, but they placed the interests of the public above petty personal gain. They had morals and backbone.

But, there are some rotten apples, who cannot resist a personal gain, although it causes the public a much greater loss. Probably the only real weapon and deterrent is public vigilance, complete alertness on the part of individual citizens as well as official and unofficial watchdogs.

Mr. Speaker, the Merrick Life editorial correctly states that there is no easy answer to this problem but calls for "public vigilance, complete alertness on the part of individual citizens as well as official and unofficial watchdogs" over the public trust.

I believe we in the Congress must devote more attention to this problem and make a significant start by passing a meaningful code of ethics for the legislative branch.

We owe this to our constituents. They are entitled to the best in public service.

Coalition of Banking and Agribusiness a Key in War on World Hunger

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. HANNA. Mr. Speaker, I would like to call to the attention of my colleagues recent remarks made by Mr. Louis B. Lundborg, chairman of the board, Bank of America, before the board's convocation on world hunger. World hunger is a growing problem. Unprecedented measures must be immediately undertaken if a world food crisis of the enormous proportions forecast by experts to begin in the mid-1980's is to be avoided. Every effort must be made by the more advanced nations to aid the underdeveloped nations if we are to avoid the calamity of mass starvation with its accompanying instability.

Mr. Lundborg's views on the impending food crisis throughout the world are some of the most significant and constructive that I have heard on this subject. His is, I believe, a realistic approach, a blending of private capital, technology, and agribusiness know-how with the cooperation of U.S. and foreign governments.

I insert in the RECORD at this point, the text of Mr. Lundborg's remarks:

COALITION OF BANKING AND AGRIBUSINESS A KEY IN WAR ON WORLD HUNGER

A profit-oriented approach to increasing food production in less developed countries provides the only mechanism for real progress and decisive action in the war on world hunger. Such an approach must wed indigenous land ownership and credit in these countries with the best expertise in technology, credit and management that American banking and agribusiness can bring to bear.

The U.S. Government has been working for many years to alleviate the problem of hunger. But pure philanthropy—the dole—does not work. It's but a temporary solution, and when attempted on a long-range basis, simply further discourages local production by depressing prices and eliminating incentives.

THE OBSTACLES

There is no *easy* way to improve the quality and quantity of food production in less developed parts of the world. There are many roadblocks—economic and political instability, governmental rigidity or hostility, dietary taboos, lack of capital, poor distribution facilities, weak economic institutions, and general lack of detailed information on opportunities and obstacles, country by country.

Private enterprise cannot and should not try to overcome these obstacles alone. Even the miracle of American agriculture has not been attained by private enterprise alone. Government has played an important role. To be sure, government has made mistakes in its farm program but its efforts in such areas as agricultural research, education, credit and crop insurance have played an essential role. To assure the success of agribusiness in less developed countries, the risks that government has shared with American agribusiness investors must be similarly shared abroad.

The task of private enterprise must be to provide less developed countries with modern farm management and finance for full cycle production, from planting to harvest and distribution. At the same time, farmers in host countries must be allowed to retain ownership of their land.

Given the proper conditions, there is money to be made in agribusiness around the world—profits for both U.S. and host country agribusiness enterprises, for indigenous farmers and entrepreneurs.

SOME EXAMPLES

In the state of Jalisco, Mexico, a prototype agricultural investment technique which may have universal application is being developed by Mexican and U.S. industrial, commercial and financial institutions.

Research in Jalisco indicates corn yields can be boosted three to six fold with application of a prescribed combination of available fertilizers, pesticides and farm implements. With capital and management, it is believed that up to half of the idle land in some areas can be brought into profitable and more diversified production.

A stock corporation is being formed wherein all equity and working capital will be invested by off-farm sources. The profit on equity is expected to be 20% per year. The corporation will not own land but will manage, process and market the crops. All credit needed for introduction of new practices will be supplied to the small farmer-contractors.

Within three years from start-up, 3,000 to 5,000 hectares and as many as 1,000 farmers are expected to be under the corporation's management. By this time, 60% of the stock value would be vested in the small farmers holding contracts, and 60% of the gross profit of the corporation would pass as a cash dividend yearly to the farmers, thus maximizing their incomes. Off-farm investors pay normal corporate tax on the remaining 40% gross income.

After 10 years, the plan calls for the ratio to change to 70–30. At the end of 20 years, full ownership of stock reverts to the farmers and off-farm investors withdraw. This novel part of the program may be vital in gaining host country acceptance of this type of capitalistic enterprise among rural people.

A second example is a private enterprise project in Thailand organized by an American food grain trading company which has a 51% ($500,000) equity interest in a supervised agricultural credit and marketing company. Basic objective: to help Thai farmers increase corn production.

The company will provide education to Thai farmers on production techniques, will provide financing and credit supervision, technical services and quality control, and will purchase the crops at prevailing prices. The company will own and operate grain processing and storage facilities and some experimental farms, but will own no land.

The U.S. company's equity is insured through an AID investment guarantee. Its sources of funds for credit extensions to farmers are American and Thai commercial banks. It's anticipated the program will benefit some 5,000 to 10,000 Thai farmers the first year with production for world marketing expected to approximate 200,000 tons of corn.

These are but two instances of what can be done with sufficient cooperation, coordination and full acknowledgement of problems. There is a reservoir of knowledge, talent and capabilities at hand. For example, the International Finance Corporation—a subsidiary of the World Bank—has gathered a wealth of information for assessing development potential of particular countries. What is needed is mobilization and direction for all the expertise. A coalition of agribusiness and banking might well provide this direction.

WHAT SHOULD THE UNITED STATES DO?

First, continue short-term emergency food aid to needy countries to "buy time", provided these countries take positive and tangible steps to increase their own productivity. Second, share on an expanded scale the abnormal noncommercial or catastrophic risks peculiar to agriculture which inhibit investment of American private capital in these countries. Third, grant tax concessions on income earned by U.S. business investments in these countries, stipulate that U.S. AID loans be used as low-cost agricultural credit; and assist the host country in establishing their own education, research, credit and insurance programs.

For the desired climate to exist, the host government must gain popular recognition of the food problem as one of national urgency. It must organize the necessary institutions to properly support a developing agribusiness program; it should either rescind, suspend or amend laws that now make private investment unattractive and then extend the appropriate incentives and guarantees to potential agribusiness investors.

In the host countries, private enterprise too has responsibilities. It must encourage its own government and public institutions to support the development needs of the agricultural sector. They should join in creating local agricultural credit institutions, assign key personnel to work with and learn from the management of U.S. agribusiness investors, and perhaps supply members of their top management to serve on the boards of new local public and private agribusiness institutions.

Obviously, for maximum effectiveness, the U.S. private sector must concentrate on areas where the opportunity for success is greatest, where the returns to the farmer and his nation can be immediate and conspicuous. The U.S. and other developed countries simply cannot supply all things to all areas at one time. To dissipate resource efforts throughout the world invites failures that discourage further effort.

STARTING POINTS

Assuming our efforts at mobilization are successful, that increased productivity on farms of the small and large landholders in lesser developed countries is the target and assuming profit and maximum impact as the basic criteria for action . . . how can we zero in and get started?

First, we must select areas where the potential productivity of the land is relatively high. This eliminates, at the outset, areas of the world where reliable research has not yet demonstrated such potential. But, there remain vast regions where increases in yields ranging from two to twenty times have been predicted.

Second, prototype business organizations need to be built, and technical and financial programs need to be tested. Legal, cultural and political factors must be faced and balanced in any new system of production and marketing.

Third, we must win support for the basic character of the organization structure we envision, in which many small units of land are to be organized under the supervision of sound farm management. Profit must be maximized from increased yields and shared equitably, a major portion going to producers so as to build a sound local economy.

A ROLE FOR BANKERS

In my judgement, the time has come for American private banking to discover ways to extend credit to underdeveloped countries that understand its importance and are willing to learn its most efficacious use. American private banking can act as a massive catalyst and can do much within the scope of the Federal Reserve Edge Act provisions. In consort with U.S. and foreign agribusiness firms and with banks in host countries, U.S. banks can establish overseas finance companies to make available supervised farm credit and professional skills required by agriculture.

Bank of America is prepared to assume a catalyst role in launching a U.S. effort to help increase food production abroad. We invite agribusiness firms and other banks to explore with us the possibilities of establishing groupings to bring profitable self-help to lesser developed nations willing and ready to move forward.

We believe the profit motive will prove as much of an incentive to small farmers around the world as it has to American farmers. Indeed, we believe it is the only inducement that can get the job of feeding the world done in the shortest period of time.

Warm Praise for President Johnson's Plan for Price Stability Committee

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. CELLER. Mr. Speaker, President Johnson's Economic Report has presented a frank and valuable assessment of the Nation's industrial growth and vitality. I am pleased to see that the President has focused on the dangers that threaten the economy in the coming year, especially the danger of inflation.

The President's recommendations for dealing with this problem bear, first, on the enactment of the tax surcharge; and, second, on the need for restraint on the part of labor and management. These recommendations are not new, but they are desperately needed. What is new is his decision to set up a Cabinet Committee on Price Stability which will intensify, supervise, and coordinate the administration's efforts to deal with longer term causes of rising prices.

This decision shows a commendable awareness of the need to involve a greater part of the administration in the fight against inflation. The Council of Economic Advisers has so far had to deal with this problem almost singlehandedly, and it is appropriate that its chairman should coordinate the new Committee's work. But the broad range of topics covered in the annual report of the Council reminds us of the many other responsibilities with which it is charged. The Council and its small staff are already spread very thin. Only a separate body, with its own staff, can be effective in this field, and that is what the President's decision provides.

The membership of the Committee is restricted to the Secretaries of the Treasury, of Commerce and of Labor, the Director of the Budget, and the Chairman of the Council, but other heads of agencies will participate in the Committee's work when they are needed. I hope that this arrangement will enable the Committee to look into various Government policies whose contribution to the goal of price stability is not always obvious—defense procurement is an area that immediately comes to mind.

But perhaps the most important role that the Cabinet Committee can fulfill is to draw public attention to the need for responsible behavior in the formation of wages and prices. The Congress itself, through the Joint Economic Committee, has already done much in this direction, but it is clear that more is required.

By this three-fold approach the President hopes to bring the problems of rising prices gradually under control without interfering in the beneficial workings of our free economy. If we are to reap the blessings of full employment we have to learn to avoid the inflation that has so often accompanied it. To meet this challenge calls for the serious consideration of the public interest by both labor and business.

I am sure that President Johnson's proposals on this vital matter will receive prompt and positive support in the 90th Congress.

Impact of U.S. Military Aid Program on Latin America

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. LONG of Maryland. Mr. Speaker, in the first of a perceptive series of articles in the Washington Post on the impact of the U.S. military aid program on Latin America, John Goshko points out that 13 Latin American governments have been overthrown by the armed forces since the Alliance for Progress began in 1961—nine of the victims were elected, constitutional, civilian presidents.

Many Latin military coup leaders, Mr. Goshko notes, were trained in their dubious skills by the United States at its School of the Americas in the Canal Zone, a school with the reputed nickname of "escuela de golpes" or coup school. It is a well established part of Latin political folklore, Mr. Goshko reports, that U.S. military attachés were deeply involved in the revolutions in Brazil and Bolivia.

The United States helped launch the Alliance for Progress, with its goals of economic growth, social reform and democratic development. But we are also Latin America's chief arms supplier and the most influential teacher of its soldiers. This involves a profound contradiction because, as Mr. Goshko points out, the Latin military inhibits social change and suppresses political activity. Prof. Edwin Lieuwen, the noted expert on Latin military affairs, has said:

The principal threat to internal security in Latin America comes from suppressed populist forces and the U.S. military assistance program is contributing to that threat.

These articles highlight the importance of the amendments to the foreign aid appropriations bill which I cosponsored last year. These amendments are designed to end the U.S. role in providing luxury weapons which the Latin American military use to overthrow constitutional governments, keep authoritarian regimes in power, intimidate neighbors, and show off as status symbols.

The amendments:

First. Bar the direct or indirect use of American aid funds for purchase of missile systems, jets and other sophisticated weapons by underdeveloped nations.

Second. Direct the President to withhold economic aid from such nations if they use their own money to buy sophisticated military equipment.

Third. Prohibit the allocation of U.S. military aid funds to a nation or a program in a greater amount than that justified to Congress during the appropriations process.

I insert the first two articles in this series, which appeared on February 4 and 5, in the RECORD for the information of my colleagues:

[From the Washington (D.C.) Post, Feb. 4, 1968]

LATIN ARMS BOOMERANG

(First of a series)

(By John M. Goshko)

LIMA.—Since the founding of the Alliance for Progress in 1961, the armed forces of Latin America have beaten back five Communist attempts to inflame the hemisphere with guerrilla warfare.

During the period, however, these same armed forces have participated in the overthrow of 13 Latin governments. Nine of the coup victims were elected, constitutional, civilian presidents.

These statistics illustrate one of the most vexing problems confronting the framers of United States policy toward Latin America: how to deal with the Latin military, an institution that is at once the region's chief shield against internal subversion and the frequent disrupter of its democratic development.

Deeply involved in this contradiction is the American program of military assistance, which has made the United States the major supplier of Latin America's arms and the most influential teacher of its soldiers.

This program—including grants of equipment, training by U.S. advisory missions and schooling for Latin officers at bases in the United States and the Panama Canal Zone—cost U.S. taxpayers $56 million last year. When U.S. arms sales to Latin America are added in, the program's cost climbs to $98 million.

Americans who forget there are U.S. military activities to the south received a shocking reminder recently with the machinegun murder of two U.S. officers in Guatemala.

From Washington's point of view, the military investment has paid off in Latin armies' increased ability to defeat Castro-inspired guerrillas. Before the arrival of U.S. advisers, for example, few people familiar with the Bolivian army's history would have believed it capable of chewing up an insurgent movement directed by Che Guevara.

But U.S. influence has been less successful in promoting the respect for civilian authority and constitutional processes called for in the Alliance for Progress. The military is quite willing to accept U.S. hardware and training, but it resists suggestions that it has no business flexing this muscle in politics.

In the view of an increasingly vocal body of critics, this represents a greater damper to Latin America's democratic evolution than a regiment of Che Guevaras.

HALF THE PEOPLE

Critics point out that after almost seven years of the Alliance for Progress, more than half the people and two-thirds of the land in Latin America are still under the thumb of military dictatorships. They point out that even where governments are civilian, the military retains the power to divert badly needed development funds to purchase such showpiece weapons as supersonic jets.

Increasingly, the charge is heard that U.S. military activities run counter to the spirit of the Alliance and make U.S. policy appear hypocritical in Latin eyes. One long-time student of the Latin military, the University of New Mexico's Edwin Lieuwen, says:

"The principal threat to internal security in Latin America comes from suppressed populist forces and the U.S. military assistance program is contributing to that threat."

Herbert Klein, a University of Chicago professor, is even more blunt:

"My impression is that in Bolivia, for example, we train Bolivian special forces to fight insurgents, but they use their training to massacre mine workers or to put down student disorders."

U.S. policymakers reply that while it is not Washington's aim to perpetuate a military status quo, it would be foolish to ignore the immediate threat of Castroite subversion.

Besides, the Latin military's power would exist with or without U.S. assistance. Therefore, the policymakers contend, continued U.S. influence is important in helping wean Latin armed forces from politics and involving them in development.

Some fundamental changes have taken place in Latin military dictatorship. Only a decade ago, the typical caudillo or strongman was someone like Cuba's Fulgencio Batista or the Dominican Republic's Rafael Trujillo—brutal political gangsters who used their control of the armed forces to enrich themselves and their cronies.

Today, these adventurers have been replaced by a less colorful, more complex breed typified by Juan Carlos Ongania of Argentina and the late Humberto Castello Branco of Brazil, who led coups for reasons that they conceived of as patriotic rather than ambitious.

The old-time dictators ruled by combining charisma with an alley brawler's ability to stay atop the undisciplined factions that used to pass for an army in Latin America. Today's military leader is essentially an organization man whose powers and policies represent a consensus of his officer corps.

In most armies, the corps agrees on its collective position through an informal consultative process that, with proper allowance for rank and discipline, gives a say to everyone from the chief of staff to second lieutenants. "The Argentine officers' corps scrupulously practices within itself the democracy that it denies to the rest of the country," one observer says.

Occasionally, the concensus breaks down in interservice rivalries (the army usually is able to force its decisions on the much smaller navy and air force) or factionalism within the army. When that happens, the result can be civil war like the short-lived struggle in Argentina in 1963 or the bloodier explosion that caused the 1965 intervention of U.S. troops in the Dominican Republic.

Usually, though, disputes are kept within the family. Dissident officers are "exiled" to distant posts or retired.

The officer corps is motivated by what it regards as its traditions, prerogatives and duty to its country. Although this has sometimes led it to sympathize with liberal movements, the tendency in recent years has been to favor stability over reform and change.

POPULAR PRIDE

The military, surprisingly, has retained the good will of the masses in most parts of Latin America. Reformers and intellectuals may deplore the conservatism of the officer corps, but most Latin Americans regard their armed forces with pride and awe.

In part, this is because of the nationalist and romantic heritage of 19th century struggles for independence. Latin cities overflow with monuments to battles and generals that long have been forgotten by the rest of the world. The servicemen of today, streaking by in modern jets or parading in Napoleonic era uniforms, form the link with an idealized past.

Another factor conditions the public attitude: The officer corps offers a poor boy a chance to get ahead. Although the small Latin navies traditionally have been a haven for younger sons of the oligarchy, the other services take a large percentage of cadets from the lower middle class.

Castello Branco and Ongania both followed this route. So did Brazil's current president, Arthur da Costa e Silva, Paraguay's Alfredo Stroessner and most military leaders of the present generation. Many a family finds the sum of its ambition in a son bright enough to win appointment to the military academy.

This social mobility has distinct limits. In Argentina, the only Latin nation with a sizable Jewish population, one would have to look very hard to find any Jewish names in the officer corps. In those countries with large Indian or Negro minorities, the officer corps maintain a color line, although one man who annually attends the graduation ceremonies of the military academy in Peru contends that "each year the faces of the new lieutenants get a little bit darker."

Recently, the military career has run into competition from business and the professions. In fact, one of the chief spurs to the military's current hunger for supersonic jets and other sophisticated hardware is its conviction that it will be unable to recruit bright prospects unless it can offer them the trappings of a jet age army.

But for the present, military officers continue to excite respect and envy. Salaries, if not opulent (a general in one of the larger armies earns about $10,000 a year), are respectable. Blatant corruption has been subdued, but the officer corps still maintains special privileges.

WARY OF REFORM

In almost every country, the best medical care is found in the military hospitals.

Such capitals as Caracas, Buenos Aires and Asuncion boast officers' clubs of eye-dazzling luxury—though the public can now visit the club that Perez Jimenez built in Caracas. Some nations even give their officers special import privileges that allow them to possess cars and other luxury goods at a fraction of the normal price. In a carryover from the old days, the military in many areas thus trades in contraband.

In Buenos Aires, women push their way to the front of a supermarket or bank line brandishing cards identifying them as the wives of officers. In Lima, a request from a general can quickly erase the two or four years that most citizens must wait for a telephone.

Their comfortable niche makes the armed forces suspicious of reform that could erode their power.

This does not mean that the military is reactionary in the same sense as the big business and landholding oligarchies with which it often finds itself allied. Actually, the officer corps' innate nationalism makes them acutely aware of Latin America's wretched underdevelopment.

But while the armed forces are increasingly willing to take part in the modernization process, they see their role primarily in physical development—the building of roads and dams. In the more basic area of social reform, the military seems haunted by the fear that any radical change will lead to communism, as it did in Cuba.

In fact, many observers think the militarism that parallels the Alliance for Progress is largely a reaction to Fidel Castro. Latin military leaders recall how Castro lined Cuba's senior officers up against the executioner's wall. They recall also that Castro began as a moderate reformer and as a result they view all reform movements as a potential threat to their lives and institutions.

During the early 1960s, the military in most Latin countries forced hesitant or reluctant civilian governments to make the diplomatic break with Cuba. In all nine countries where a civilian government was recently ousted by coup, the armed forces gave the need to save the countries from communism as one of their main justifications.

The military does not seem in any hurry to relax this attitude. In only five countries—Mexico, Chile, Uruguay, Costa Rica and Panama—do armed forces have a tradition of submitting to civilian authority. Colombia, which a decade ago suffered under an oppressive military regime, also has shown signs of moving in the direction of constitutionalism.

Eight countries are ruled by outright military dictatorships. These range from such tiny political backwaters as Paraguay, Nicaragua, El Salvador, Honduras and Haiti to the two largest countries of South America, Brazil and Argentina.

In the smaller countries, where there is little or no democratic tradition, the military rules pretty much in the "banana republic" style of past generations.

In Argentina and Brazil, and to a lesser extent in Bolivia, the armed forces have decided that civilian leadership is corrupt and incompetent and that the military is the only institution capable of prodding the country toward industrial modernity. The result has been a combination of capitalism and social conservationism reminiscent of pre-World War II Germany, Japan and Italy.

As Prof. Lieuwen points out, these armed forces are "attempting revolutions from above" with the emphasis on economic change.

In Argentina and Brazil, they favor the business and landholding interests and put the burden of sacrifice on such low-income groups as trade unions and small farmers. The justification is that if the economic reforms are successful, the entire country ultimately will benefit.

While it will be a long time before the final returns are in, all three countries have shown some tentative success in combating deep-seated economic maladies.

Although these experiments, particularly in Brazil and Bolivia, have enjoyed the enthusiastic backing of Washington, the military leaders of all three countries have made only token efforts to implement the social reforms envisioned by the Alliance for Progress. They have been increasingly dictatorial, with political activity and dissent either suppressed outright, as in Argentina, or kept under tight control, as in Brazil and Bolivia.

Finally, there are five countries—Peru, Venezuela, Ecuador, Guatemala and the Dominican Republic—where a civilian sits in the president's chair but where the military has the power to pull it out from under him. Here, the collisions between military attitudes and Alliance ideals are not as obvious, but they exist.

THE MODEL OF PERU

A typical example is offered by Peru, whose armed forces are frequently cited by U.S. advisers as a model for other Latin armies. At first glance, there seems to be much to emulate.

The Peruvian army is a lean, tough force that fought and won the last war on the South American continent (a 1942 dustup in which Peru decisively whipped Ecuador). More recently, the Peruvian armed forces have faced a challenge from Castroite guerrillas and wiped it out with a speed and precision unmatched by any of the other countries with an insurgent problem.

At the same time, the armed forces here have participated in an extensive and sophisticated nation-building program. Until recently, the army was the only active road-building agency in Peru. Its vocational training schools offer many young Peruvians their only chance to learn such trades as bricklaying or shoemaking. It runs literacy campaigns for the peasants.

In the jungles of Peru's Amazon interior, a squadron of gunboats (facetiously called "the Atlantic fleet") cruises the river tributaries bringing medical and dental care to remote outposts. The air force operates an airlift whose pontoon planes swoop down on the rivers to transport the sick.

The Peruvian military takes justifiable pride in these services. The result of this pride, however, is to bolster the military's image of itself as a sort of supreme court with the duty to act as arbiter between civilian politicians and, if necessary, to cast them aside and take over.

Twice within the last 20 years (from 1948 to 1956 and from 1962 to 1963), it has done so. The memory of those times causes every politician in Peru from President Fernando Belaunde Terry on down to regard the good will of the generals as their first rule of survival.

Thus, when the air force decided recently that it wanted to acquire a squadron of French supersonic Mirage jets, neither the vehement objections of the United States nor the shaky state of Peru's finances were able to prevent it from having its way.

Not a single voice was raised publicly to question the wisdom of the move or point out the problems it would create for Belaunde's efforts to bolster the sagging economy, even though the jet purchase probably will cost Peru a badly needed U.S. loan.

Instead, Belaunde, who is regarded as one of the region's most articulate advocates of reform, led the bipartisan chorus applauding the purchase of the jets. The planes were needed, he explained with a straight face, to help further the armed forces' development work.

No one familiar with Latin American affairs is under any illusions about what happened in Peru. There are those who argue that this is the price that must be paid to protect Latin America from Castroism and give the Alliance for Progress time to work. But others wonder how much protection of this sort the Alliance can stand.

LATINS BLAME THE UNITED STATES FOR MILITARY COUPS—AID IS SUSPECT

(Second in a series)

(By John M. Goshko)

LIMA.—Brig. Gen. Vernon D. Walters is an affable, urbane man whose many talents include a remarkable facility with languages. At one time, he was well-known in Washington as President Eisenhower's favorite interpreter.

More recently, "Dick" Walters has had a reputation of a different sort. In Brazil, where he served as U.S. military attaché, political circles still whisper about how he allegedly prodded his old World War II comrade, the late Marshal Humberto Castello Branco, into leading the 1964 coup that brought Brazil under military rule.

Half a continent away, in the Bolivian capital of La Paz, similar stories are told about another former U.S. attaché, Air Force Col. Ed Fox. A flying instructor and drinking companion of Gen. Rene Barrientos Ortuno, he was regarded as one of the Air Force leader's intimates in the days before the coup that catapulted him into the Bolivian presidency.

The victim of that coup, exiled former President Victor Paz Estenssoro, still insists that Fox was behind his ouster. Among Bolivians with an awareness of politics, it is hard to find anyone who disagrees.

These stories are now part of Latin political folklore. Spokesmen for the U.S. Embassies in La Paz and Rio de Janeiro have grown hoarse in their denials.

Washington, while conceding that it was not unhappy to be rid of Brazil's leftist President Joao Goulart, insists that it gave no comfort to the forces that toppled him. Lincoln Gordon, U.S. Ambassador in Rio at the time, later told the Senate Foreign Relations Committee: "Neither I nor other officials of the U.S. Government nor the Government in any way, shape or manner was involved . . ."

Still, U.S. officials admit that Walters did drop around to have breakfast with Castello Branco the morning after the coup and urged him to assume the presidency. During the ensuing three years, Walters, with his links to the Brazilian military leadership, was known to be one of the most important behind-the-scenes figures in the Embassy.

BOLIVIAN SITUATION

Denials of U.S. involvement in the Bolivian coup follow the same pattern—with the additional point that U.S. policy in 1964 aimed at keeping Paz Estenssoro in office. Yet there are former members of the U.S. mission in Bolivia, who, in private, hint at "contradictions" among the Embassy personnel at the time of the coup.

Both Walters and Fox are gone from the Latin scene. Argument about what they did or didn't do would now be academic—except for one thing. To most Latin Americans, the stories of their alleged extracurricular activities have the ring of truth.

So do the rumor-clouded reports of other U.S. military activities in such places as the Dominican Republic, Guatemala and Honduras. More than six years of U.S. investment in the Alliance for Progress have been unable to rid Latins of their conviction that U.S. policy is made in the Pentagon.

For they are aware of the close collaboration between the U.S. and the powerful Latin armed forces, including those in most of the eight countries that live under military dictatorships. Why is there such collaboration?

SEE FEAR OF CASTRO

Latins believe the answer is fear of Fidel Castro. They feel U.S. policy is aimed less at furthering the Alliance than at keeping the Latin military establishment pro-U.S. anti-Communist.

U.S. officials insist that military and civilian goals are really two chips from the same block. A recent State Department pronouncement puts it this way:

"Basically we support the Alliance for Progress. But you can't separate the military from the far-larger area of economic and social change and improvement. The economy of a nation and the welfare of the people cannot progress in a climate of civil disturbance."

Gen. Robert W. Porter, head of the U.S. Southern Command, praises the Latin armed forces as an instrument for "change through evolutionary rather than revolutionary means."

In a recent Washington speech, Porter said Latin America threatens to become another Vietnam unless the U.S. helps armed forces there provide a shield against insurgency while the governments build a stable society.

This is the rationale on which officials base the equipment sales and training programs that make the U.S. the chief outside influence on the Latin armed forces. Grants and sales have been running at about $98 million annually, although congressional action will reduce this year's total.

As the program's backers point out, military aid is only 7 per cent of all U.S. aid to Latin America. It also accounts for only 7 per cent of Latin America's total annual expenditures for defense purposes.

Three-fourths of U.S. military aid is for acquiring arms and equipment. This is subject to a statutory ceiling in foreign-aid legislation. The ceiling recently was cut by Congress from $85 million to $75 million.

Transfers of military hardware come through cash and credit sales and grants. The grant program covers transport vehicles, helicopters, spare parts and communications equipment, but no tanks, fighter planes, artillery or combat vessels.

The remaining aid funds are used for training and miscellaneous functions. A small portion (about $4 million a year) provides support for Civic Action—the highly publicized program of military participation in such national development projects as building roads and rural schools.

EMPHASIS ON SECURITY

The overwhelming emphasis in equipment grants and training is on internal security. Less than a decade ago the Defense Department insisted that the greatest danger came from "submarine action in the Caribbean Sea and along the coast of Latin America." Since 1961, however, U.S. strategic thinking about Latin America has focused on guerrilla warfare.

The nerve center of U.S. military activity in Latin America is Gen. Porter's Southern Command, headquartered in the Panama Canal Zone.

Its functions include supervising the 43 military advisory groups scattered through 17 Latin countries (all but Mexico and Haiti). These missions, separate from the military attachés on each embassy staff, have a total strength of about 800 officers and enlisted men from all four services. They range in size from five men in Panama to well over 100 in Brazil, and they train soldiers in everything from driver education to riot control.

They are extremely well-heeled in comparison with their sister civilian agencies. In Brazil the military mission's representation allowance for entertaining is $17,900 a year. The Agency for International Development people in Brazil, who administer the largest single U.S. aid program in Latin America, have a total representation allowance of $7000. The U.S. Ambassador's similar allowance is about $6000.

The Southern Command also oversees a more advanced training program. Each year it enrolls more than 2000 Latin officers in U.S. military courses at levels going all the way up to the Command and General Staff School at Fort Leavenworth and the Inter-American Defense College in Washington.

The focal point of this program is the School of the Americas at Fort Gulick in the Canal Zone. (The school's location apparently contradicts the 1903 treaty with Panama, which says U.S. troops should be stationed in the Zone solely to defend the Canal.)

FORTY-WEEK COURSES

Although the school's stress is on counter insurgency, its curriculum includes 23 different courses, some running for 40 weeks. All are taught in Spanish or Portuguese by U.S. military instructors. The faculty is heavily weighted with Puerto Ricans, Mexican-Americans and Cuban exiles.

More than 20,000 Latin military men have studied at the school, and a graduate normally commands respect among his fellow officers back home. The school counts so many important Latin officers as alumni (including the current Defense Ministers of Colombia and Bolivia) that it is known throughout Latin America as the *"escuela de golpes"* or coup school.

During the Dominican Republic civil war in 1965, School of the Americas graduates turned up in leadership spots on both sides. When the Argentine army took over the government in 1966, the colonel acting as spokesman for the coup leaders greeted American correspondents by remarking how much he had enjoyed his "year in Panama."

GREEN BERET UNIT

The image of glamor—and lightning rod of controversy—in the military assistance program is another organization at Fort Gulick. A neat row of barracks is headquarters for the 8th Special Forces-Special Action Force for Latin America, a unit of 800 Green Beret specialists in the art of guerrilla warfare.

The unit consists of 17 training teams that travel through Latin America at the request of Latin governments, supplementing the work of resident U.S. missions by offering special instruction in counterinsurgency. Since the unit was established in 1962, the Green Berets have operated in all 17 countries where the U.S. has advisory groups.

It was one of these teams—its 16 members making it the largest force ever sent into the field in Latin America—that trained the Bolivian troops who bagged the master guerrilla, Ernesto Che Guevara. In Venezuela, Colombia and Guatemala, Green Beret advisers are given much of the credit for helping local military forces crush guerrilla movements.

Despite the successes attributed to the Special Forces, many U.S. diplomats view their presence in Latin America as a mixed blessing. They believe that the increasing publicity they get draws too much attention to U.S. relations with the Latin military and hardens the image of the U.S. as a partner of repressive forces.

COMPARED TO VIETNAM

Anti-American propaganda increasingly focuses on the Green Beret rather than its old standby, the less easily identifiable CIA agent, as the symbol of Washington's behind-the-scenes domination of Latin America. Even in the U.S., there are people who recall that the Vietnam war started out with Special Forces troops in an advisory role, and who are uneasy about their prominence on the Latin scene.

During the Bolivian guerrilla campaign last summer, the air was filled with vague reports of "thousands of Green Berets" flooding into the Andes. Actually, in the past year the number of U.S. troops in Bolivia has never exceeded 150, and these men never got anywhere near the fighting. Their activities were carefully confined to training and helping the Bolivians unsnarl their supply, communications and intelligence problems.

Similar roles hold in all the other Latin countries where the Special Forces operate. Because U.S. officials suspect the guerrillas want to force the U.S. into combat by killing some American advisers, U.S. troops are forbidden to accompany Latin army units on patrol in countries with insurgency problems.

In Guatemala City recently, Communist guerrillas did kill two U.S. officers in an evident attempt to stir up political trouble. The U.S. scrupulously avoided any direct response to the provocation.

IS SUPPRESSION ENCOURAGED?

Critics on both sides of the U.S. border argue that military assistance cannot avoid the danger of encouraging Latin armed forces to suppress all dissent in the name of internal security.

Nor are they reassured by the official Washington doctrine that everyone is on the same team and working toward the same goals. They point out that many military advisers view the U.S. role in Latin America in the simple terms expressed by one high-ranking officer: "Our job down here is to see that the Commies don't take over."

From there, it is but a short step to the idea, long dominant in right-wing Latin circles, that Latin America is not yet ready for democracy and needs guiding by a strong hand like the armed forces.

Anyone who has much contact with U.S. military personnel in Latin America becomes accustomed to remarks about how "Washington is awfully naive if it thinks it can make the Latins over in our image."

YOUNG OFFICERS

But the assistance program also includes a fair sprinkling of younger officers who recognize that the day is passed when the U.S. could maintain Latin America as a sphere of influence through its friendship with regional military chieftains.

Unlike those liberals who regard Latin military as an institution to be destroyed, these officers think the armed forces can make a real contribution to the region's future progress.

They support Civic Action and other plans to rechannel the military's power from politics to national development. By greatly expanding and accelerating this side of the assistance program, they think, the Latin armed forces gradually can be brought to accept the idea of civilian dominance.

GENERATION GAP

"There's no denying that the top layer of the Latin officer corps is set in its ways," says an officer with long Civic Action experience. "But that's less an institutional problem than the result of the generation gap.

"What must be done is to become much more selective in deciding who we're going to make an effort with—who we pick for the openings in our schools. We've got to concentrate on the younger, idealistic men who haven't had their thinking cast in concrete. And if we do, we could revolutionize the Latin military in a single generation."

There are signs that this sort of thinking may eventually bring about big changes in the military assistance program. The program's supporters talk less about the dangers of communism now and more about the democratizing influence of U.S. advisers on their Latin counterparts.

But emphasis on internal security continues to be a very real and conspicuous first principle of U.S. Latin American policy. As long as it does, Washington's close ties with the Latin military will continue to strike most Latins as looking suspiciously like the tail that wags the dog of U.S. devotion to the Alliance for Progress.

Marketing Committee Serves Public Interest

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. DINGELL. Mr. Speaker, last year Secretary of Commerce Alexander B. Trowbridge established a National Marketing Advisory Committee. One objective was to help bring to bear upon the Nation's social and economic problems the best thinking and the full resources of this important private sector of national life. The first meeting of the Committee was held in Washington last month, and it is already apparent that we stand at the threshold of a new and productive era in Government-business-academic relations. This type of partnership approach is constantly stressed by President Johnson.

The National Marketing Advisory Committee has established a task force to work with the Commerce Department in finding ways to improve commercial services in our central cities. The Committee has decided to involve itself in the problems of consumers, and plans to look into the question of marketing practices as they affect the entry of new products into the marketplace. The Committee will look into the interaction between marketing and regulatory procedures, and also encourage academic research in the field of marketing.

But perhaps more important than the specific goals of the Marketing Committee is the new spirit of partnership and cooperation between Government and the marketing community. This new spirit rules out name-calling and finger-pointing. This new spirit rules out sterile philosophical arguments. This new spirit rules out impugning the motives and actions of one side or the other. Instead, there is broad agreement that creative marketing can make a vital contribution to the solution of the urgent social problems facing the Nation today. It was in this spirit that the National Marketing Advisory Committee was formed and it was in this spirit that the December meeting took place.

The best evidence of a change in attitudes can be seen in newspaper articles and editorials appearing since the National Marketing Advisory Committee was established. I insert in the RECORD a selection of these newspaper stories from Advertising Age, Sales Management, and Home Furnishings Daily:

[From Advertising Age, Dec. 25, 1967]

Marketing Advisory Body: It's New Business-Government Relations Step

(By Stanley E. Cohen)

WASHINGTON, December 21.—The Commerce Department's new National Marketing Advisory Committee, which had its first meeting last week, typifies a trend in government-business relations. Business men have been looking for ways to improve their relationships with government, and government is looking for friends in business. So they create a committee of this kind in order to share their burdens.

By the time the Commerce Department proposed the creation of a marketing advisory committee early this year, many leaders in the marketing world were eager to try the experiment. They have smarted under criticism from members of Congress and the executive branch, and they have watched with envy the rising concern for the consumer's needs. In one legislative battle after another they have discovered the futility of standing on the sidelines and tossing rocks at consumer protection proposals; so they were eager to find a more effective way of influencing the policy making process.

Government, in turn, is looking for help, too. Many of the nation's domestic problems are taking on overwhelming dimensions. Washington has long sensed what President Johnson emphasized during this appearance on the three tv networks this week—if cities are to be rebuilt and the concentrated pools of unskilled unemployed workers trained for productive jobs, business men are going to have to shoulder a considerable portion of the job.

The effort to develop some kind of working relationship between government and marketing has been late in developing. In many other areas of conflict, the quality of communications between business and government has improved in recent years. This has been particularly true where stakes are high—tax and economic policy, overseas investment * * *.

Many leaders in marketing recognized there was something wrong in their approach to Washington problems. In recent years they have spent more effort and time meeting Washington's challenges. But they have done little more than try to put out legislative fires after they broke out.

Sponsors of the marketing advisory committee approach have tried to put relationships into a new context. Marketeers need help in fighting the legislative fires. But the stakes are higher. In the broadest sense, there is no security for marketers if government fails to provide a safe and stable marketplace. Like President John F. Kennedy, who said, "Ask not what your country can do for you; ask what you can do for your country," the sponsors of the National Marketing Advisory Committee were issuing a call for advice—and for help.

More than a year has passed since a representative group of industry leaders were sounded out on the proposal at a national marketing conference staged by the Commerce Department. Much of the basic planning for the advisory committee has been handled by a steering committee with about a dozen members. In order to tap as much talent as possible, the full advisory committee has more than 50 members, reaching into agencies, media, companies and schools of business. It is expected to dig even deeper, for many of the projects will be handled by panels which will be staffed without regard to membership on the advisory committee itself.

At its meeting last week, the committee talked about some of the issues which worry marketers. Among them: (1) The attacks on advertising typified by the kind of questions which have been raised by anti-trust chief Donald Turner; (2) the marketing world's recruiting problems among the high quality people on college campuses; and (3) consumer problems—including pending and prospective legislation.

Government people willingly encouraged the committee to move ahead with economic studies related to the effect of advertising on competition. Signifying the department's support, Assistant Secretary of Commerce, Lawrence McQuade, said: "The basic idea is that many people have been drawing conclusions and making policy decisions in the dark."

There was little or no discussion of a subject which—in easier times—might have been a priority item on the agenda: The kind of services which the marketing world wants from government. Instead, there was considerable thought about the kind of service which marketers can perform for government.

One panel was concerned with developing plans for studies which will examine the special problems of low income consumers.

In an unanticipated turn of events, Betty Furness, the President's adviser on consumer affairs, suggested it might be good for everyone if Dr. Wendell Smith, the chairman of the National Marketing Advisory Committee, and Bronson LaFollette, the chairman of her Consumer Advisory Council, sat down over a cup of coffee to see how the two committees could cooperate with each other.

The initial meeting of the marketing advisory group produced some ambitious proposals. But, at best, its sponsors recognize it is promise, rather than achievement. Many of these proposals will call for hard work, and money.

Hopefully the Commerce Department has opened a way for marketers to learn more about what goes on in government, so they can contribute to the problem-solving process. Whether the door stays open depends, in part, on whether the Department of Commerce encourages the relationship. This in turn will depend on whether the committee meeting leads to something more tangible than self serving talk.

[From Sales Management, June 1, 1967]

Marketing's New Voice in Washington

The Commerce Department's newly created National Marketing Advisory Committee gives marketing a bigger role in government decision-making. Already in the wind: marketing scholarships, new research in distribution, an antitrust review, and other projects that will give added muscle to marketing's contribution to a healthy economy.

In Washington, where committees are prescribed for headaches more frequently than aspirin, the emergence of another august body seldom rates a nod. But when the Commerce Dept. announced formation of a 56-member National Marketing Advisory Committee on May 16, bureaucrats and businessmen alike sat up and took note.

The fact that such an organization exists at all is significant in itself. For marketing people, deluged by criticism from militant consumer groups and showered by proposed legislation from Capitol Hill, the offer of an umbrella from a Cabinet-level federal agency couldn't come at a better time. For the Commerce Dept., it signifies, in the words of Acting Secretary Alexander B. Trowbridge, "that there is an inadequate understanding of the role of marketing in our economy" and a recognition that the traditionally production-oriented department "has tended . . . to devote insufficient effort to the marketing of products." Says Jacob (Bud) Katz, whose Office of Marketing and Service will maintain official liaison with the committee, "Our role is to make sure that marketing's viewpoint is heard at the highest levels of the federal government."

Chairman of the committee is 56-year-old Dr. Wendell R. Smith, president of the Marketing Science Institute, in Philadelphia, who sees as the primary task "to establish clear channels of communication." It was Dr. Smith, former marketing vice president for the Radio Corporation of America, and, before that, head of the University of Iowa's marketing department, who chaired the trail-blazing National Marketing Conference at the Commerce Dept. last November. The recommendations of Dr. Smith and the 90 or so marketing leaders in attendance at that meeting led to the formation of this committee.

Chairman Smith says he'll really get down to work when the 12-member executive committee meets for the first time in Washington later this month. One thing is certain: as many marketing specialists will be brought into work as possible. One way of course, is to keep committee membership on a rotating basis (one-third of the memberships will expire every two years) to ensure an infusion of new ideas. A second means will be to rely heavily on special task forces (not necessarily made up of committee members) which will be asked to pit their special expertise against certain problems.

One of the most likely subjects slated for early committee attention is the promotion of graduate education in marketing. One such project has already been hatched under the department's own initiative and now needs to be put on its feet. Called the Secretary's Doctoral Dissertation Awards Program, it envisions sponsorship of pertinent marketing projects by doctoral candidates, presentation of "honor awards" for outstanding dissertations, and publication of top-notch papers in some sort of official compendium.

Another area which appears headed for top priority is a major review of federal laws and regulations affecting marketing. Secretary Trowbridge raised a few eyebrows in the Federal Trade Commission by listing an analysis of the Robinson-Patman Act as one of the most potentially important services the committee could perform—a statement prompted by the almost unanimous recommendation to that effect by those who attended the National Marketing Conference last November. As summed up by Alfred Eisenpreis, an Allied Stores vice president and one of the 12 executive-committee members, "Regulatory barriers are not necessarily meant to last forever. They have their place in a certain time, but they are also subject to review as industries and forms of communications change. There has been strong feeling that Robinson-Patman is one of those areas which should be given a sober and comprehensive study."

Perhaps the most fertile field for committee action is the current need for research, statistics, and publications on marketing—both by industry and the general public. "The Commerce Dept.," said the leaders of last November's conference in a confidential report to the Secretary of Commerce, "should be *the* source, *the* government authority on marketing." They urged the department to publish new educational materials for consumers and spend some research money finding out how its present publications could be utilized more fully.

As for services to marketers, the advice was even more plentiful, calling for such studies as "the changing character and needs of competition in the nation's economy," the role of price in consumer buying decisions, and "market opportunities likely to develop from new or intensified federal programs" (such as air pollution). If any one need for expanded government services stood out, it was probably distribution of products. Besides recommending a major task-force study on how the physical handling of goods can be made more efficient, the committee will undoubtedly push for a revision of the 1972 Census of Business to include more marketing data. Secretary Trowbridge has already smoothed the way by suggesting to the Census Bureau that it expand the once-every-five-years survey into a "full-scale Census of Marketing and Distribution."

Even more intriguing (and more controversial) is the role many of the committee's members envision for marketing in solving social problems, particularly the problem of poverty, which is no overnight development. One of the National Marketing Conference's recommendations to the Secretary of Commerce called for a government-business-academic task force "to determine ways in which to improve or make available distribution services in slum areas." The report went on to suggest that such joint cooperation might lead to "a new kind of multi-classification store with major retail firms operating on a leased basis." It added that if the demonstration project proved successful, it "might serve as the model for other business centers in slum areas."

One of the committee's most original thinkers in social development is William J. Colihan, Jr., executive vice president of Young & Rubicam, Inc., who advocates a massive government-business-consumer education program designed to extend the benefits of marketing to the economy's underprivileged 20%. "The free enterprise system has been criticized for many of our social and economic problems," Colihan told SM, "but the fact is that business has done little if anything to criticize. People shouldn't criticize the system, it's a success. The only trouble is that it hasn't been applied to social problems." The role Colihan envisions for marketing in social development includes such steps as beaming nationwide educational television shows at lower income groups, marketing products especially tailored to limited budgets, and "making sure retail products in low income areas don't carry excessive markups."

Far out? Colihan's ideas may sound a little fuzzy in terms of specifics, but they have received Secretary Trowbridge's decided "support and interest." Trowbridge adds that the "Commerce Dept., particularly with its census capability to help identify such problem areas, might well be able to work with business and other government agencies to improve distribution services and general living standards in poor areas."

With such problems to study—and even solve?—the National Marketing Advisory Committee will undoubtedly rank as one of Washington's busiest and most exciting organizations.

[From Home Furnishings Daily, Sept. 1, 1967]

Marketing Men Urged To Widen Scope of Activity

(By Earl Lifshey)

"I challenge the American Marketing Association to come out of its luncheon speaker era and to immerse itself deeply and totally in the marketing issues of our day," Jacob E. Katz, director of the Office of Marketing and Services of the Business and Defense Services Administration of the U.S. Department of Commerce, said to the members of that organization not long ago.

"Your unique talents are sorely needed by the nation and you are falling far short of your professional responsibilities if you do not participate fully in the marketing issues of our day. Robinson-Patman . . . improved distribution service in slum areas . . . expanded foreign trade . . . basic research into consumer satisfactions . . . pick any one of these—or others . . . Help to educate this nation on what marketing is about," he continued, adding:

"What I have said to the association as a group, I also say to each of you individually as businessmen and educators. Whatever may be your viewpoint on an issue, participate in the policy formulation process. Research your case thoroughly; be objective, not emotional, in your approach. Work hard to see that those who make decisions on policy are thoroughly briefed."

That, of course, is very sound and timely counsel which cannot be reiterated too often. Human nature being what it is, it will require much reiteration to generate the degree of action—both on the part of government as well as business—in this whole area that is so urgently necessary.

Increased voluntary dialog designed to create greater understanding between government and business has always been highly desirable. But today in this increasingly complex economic and political world it is not merely desirable, it is absolutely essential, for only by a direct, personal exchange of views can a full understanding be achieved in most instances. As Chairman Paul Rand Dixon of the Federal Trade Commission commented in an interview in this column the other day, very often a frank two-hour personal discussion can achieve results that might take 10 years without such confrontation.

The meeting in Washington last week called by Secretary of Commerce Alexander Trowbridge with the top appliance industry executives—one of the first to be held in a long time, if not the first—is a good example of such dialog. While there apparently were no immediate direct results (none were anticipated), it initiated other moves—like the upcoming meeting on voluntary safety standards for appliances—and at least established that all-important personal contact. "I think we are all agreed that the meeting was excellent," A. B. Kight, president of Norge division, Borg-Warner Corp., commented. "It was very helpful and there should be more of them."

At any rate a beginning has been made, and that in itself is an accomplishment. Meanwhile, it is gratifying to see that, seemingly at long last, the Department of Commerce is trying to move toward establishing a much closer, more mutually advantageous active working liaison with the marketplace than has been the case heretofore, even though such relationship has always existed in theory.

Probably the most effective move it has made in that direction was the establishment, earlier this year, of a 56-member National Marketing Advisory Committee. This, as noted, grew out of a trail-blazing National Marketing Conference held by the department last November.

"The Commerce Department," said the leaders of that November meeting in a special report to the Secretary of Commerce, "should be the source the government authority on marketing." Of course it should; and its failure to be more widely recognized, both in and out of government, as such an authority is a reflection on its failure over the years to fulfill its obvious function. Happily that seems to have changed.

Meanwhile, it is worth noting that the executive committee of the National Marketing Advisory Committee is scheduled to meet in Washington on the 27th of this month to set up the program for a meeting of the full committee here on Dec. 12 and 13. The program, it is understood, will be developed largely around four "study papers" that have been under consideration: "Inter-relationship of Consumer and Business Interests"; "Public Policy Affecting Marketing"; "Modernization of the Distribution Process," and "Expanded Marketing Services to Business."

"But there is only so much the Department of Commerce can do to bring about an effective dialog with the marketing community," as Director Katz said in his speech. "We are, after all, only what our constituents want us to be. If you want the Department of Commerce to be a strong voice in Government-business relations then you'll have to do your homework well."

[From Advertising Age, Jan. 1, 1968]

Consumerism Gains in 1967—Portents Indicate It May Expand More in 1968

(By Stanley E. Cohen)

Washington, December 28.—"Betty Furness' program will give you more for less expenditure."

This exhortation to members of Congress by President Johnson as he signed the amended Flammable Fabrics Act earlier this month tells a lot about the course of events for marketers in Washington in 1967—and what is likely to happen in 1968.

In a wartime budget squeeze, urgent programs like the war on poverty which normally command the attention of top policymakers have been stymied. Consumer legislation became the important business of the 1967 session.

There is every indication Cinderella's ball will run through 1968. Consumer legislation has become particularly attractive at this time, because it has little or no budget impact. Yet it provides a string of "accomplishments."

The White House has entered into the game enthusiastically. The signing of the Wholesome Meat Act made the front pages when President Johnson was photographed with Upton Sinclair, whose book "The Jungle" led to the original 1906 meat inspection law. Now a frail 89, Mr. Sinclair was wheeled into The White House East Room for the occasion.

At the signing of the Flammable Fabrics Act the President described his "count down" on consumer bills. Of the 12 proposed in his consumer messages, four reached his desk this year (commission on product safety, performance standard for clinical laboratories, flammable fabrics, meat inspection), and two were well on their way ("truth in lending," pipeline safety). Leaving no doubt about his own intentions in these matters, he advised members of Congress, "You better get with it, because women are tired of meat with worms in it, blouses that burn, and pipelines that blow up under their homes."

Despite the administration's intensive effort to identify itself with the consumer cause, 1967 may have been a landmark year in government-marketer relations. New avenues of communications—including the National Marketing Advisory Committee set up in the Department of Commerce—have opened up. The frenzied debates which have surrounded the government's effort to expand its influence over the marketplace—typified in 1966 by the acrimonious confrontation over "truth in packaging" legislation—gave way to consultation and cooperation.

Tailored primarily to areas of health, safety and truthfulness which have traditionally concerned government, the administration's proposals touching on marketing were militant—yet they permitted a de-escalation of hostilities. With marketers junketing to Washington to consult policymakers on regulations and prospective legislation, even the old issues—including such explosive subjects as Assistant Attorney General Donald Turner's attacks on advertising as a potential antitrust hazard—seemed less ominous.

Here are some of the significant trends evident in 1967, which will continue to occupy attention in 1968:

1. New channels of communications. Marketers displayed more sophistication about Washington, and more skill in looking after their interests. Less effort was spent on futile indignation, more on providing counseling and information. Commerce Department's National Marketing Advisory Committee was a major 1967 innovation.

Nurtured to its full potential, it is expected to provide an orderly procedure for mutually beneficial contacts between government and marketers.

2. Plugging the loopholes. The meat inspection fight dramatized the fact that many consumer laws are far less effective than the public assumes, largely because states fail to fill their assigned role.

Now, in meat inspection, Congress has told states to measure up to federal standards . . . or get out of the way. Other health and safety issues—such as poultry inspection—will be met this way in 1968.

The debate is expected to spread to pocketbook issues, too, as Congress reexamines state performance in such matters as "truth in lending," automobile and credit insurance, and consumer fraud.

3. Manufacturer's liability. In 1967, Congress spotlighted injuries and deaths from unsafe products freely available in the marketplace, from flammable clothing (responsible for 3,000 deaths annually) to color tv sets which emit x-rays.

A commission on product safety was created to look at product testing procedures—and manufacturer liability. In 1968, the spotlight is likely to shift to sales and servicing.

At a meeting with appliance industry representatives organized by the Commerce Department, Miss Furness called for some fresh thinking on the servicing of appliances and other durables. During the coming year this issue will take on fresh urgency.

Charles Sweeny, director of FTC's Bureau of Deceptive Practices, has warned that the time is approaching when ad claims may, in themselves, represent a warranty.

Having helped organize a commission on product safety this year, Sen. Warren Magnuson (D., Wash.) will seek approval of a similar committee next year to study manufacturer performance—and legal obligations—in the servicing of warranties and guarantees.

4. Protecting the consumer's pocketbook. Truth in lending was the only major legislation concerned with "pocketbook" issues to get priority in 1967. It is expected to reach the White House early in the new session. There has been a hiatus on the food package issue while regulatory agencies draft regulations to carry out the 1966 Truth in Packaging Act.

New labels will be appearing in supermarkets during 1968, and the debates are likely to resume. Proliferation of odd-size packages remains a touchy subject. Commerce Department officials warn potato chip producers and others to act soon, or risk a tougher law.

New pocketbook issues will be emerging in 1968. Among them: A proposed federal law requiring a "cooling off" period for door-to-door sales contracts.

Another fertile field of action: Legislation to expand the federal role in regulating automobile insurance. Government's structure for administering consumer laws is also being reexamined. One idea: An assistant attorney general to look after consumer legislation and litigation.

5. Checking deceptive ads. Some significant new laws and procedures will be in the news in 1968.

* * * * *

Meanwhile there is fresh interest in legislation enabling FTC to stop ad campaigns while truthfulness is litigated. Home improvement industry sales abuses provide a jumping off point.

There's talk of a law letting FTC get court injunctions to stop home improvement promotions which border on fraud. If it works for home improvement, the procedure might eventually be extended to other products. Postal fraud laws are also being revamped as important tools in policing sales practices.

Legislation now awaiting final clearance by a House-Senate conference committee would relieve postal authorities of the need to prove "intent", greatly expanding the potential role of civil fraud laws in curbing mail order sellers who make questionable offers.

6. Media: Broadcasters had relatively little trouble with the FCC. Proposals to curtail group ownership of tv stations and network ownership of stations were "on ice" in 1967, and are likely to go into the "deep freeze" in 1968.

During 1967, the FCC continued its effort to keep CATV from competing with broadcasters in the top 100 markets, but the Supreme Court agreed to take a look.

FCC studied demands of industrial and other specialized radio services which are trying to get some of the vacant channels reserved for uhf television. Congress and courts also struggled to unravel conflicting copyright claims of broadcasters and CATV operators. The FCC proposed to move ahead with nationwide pay tv, but drew back after the House commerce committee blew the whistle, and competition for the tv audience was anticipated, however, as Congress approved a proposal to create "public television."

In 1968, the "public tv" debate will reopen, as Congress tries to find a formula to finance it.

During 1967, two government agencies opposed each other in court as the Justice Department tried to block FCC's decision authorizing merger of ABC and ITT. Newspaper publishers waged intra-industry civil war over a bill giving antitrust immunity to "failing newspapers" which combine printing sales operations.

Industry friction was skillfully exploited when an antitrust subcommittee under Sen. Philip Hart (D., Mich.) considered the bill. FTC investigators continued their probe of media discounts to advertisers. New tax regulations and postal rates tapped ad revenues of publications owned by non-profit organizations.

A bruising battle over postage rates produced a bill involving particularly sharp increases for direct mail advertising. With more fiscal trouble ahead for the post office, publishers and other users are expected to be in a receptive mood when the administration moves in 1968 to carry out Postmaster General Lawrence O'Brien's plan to cut costs by taking the post office out of the executive branch of the government so it can operate as a "corporation."

As 1967 opened, there were signs the administration was determined to make some fresh starts on government-marketer consumer relationships. While the White House was eager to achieve its consumer goals, it had little desire for a series of battles like the bruising fight it had encountered over truth in packaging legislation in 1966.

Some White House sources felt the consumer program was a political liability, if it resulted in the kind of hostility from marketers which was generated by the truth in packaging drive.

Early in the year, there were indications that the consumer outpost might be shifted from the White House to the Department of Health, Education and Welfare.

Instead, the structure was retained. But the program and personalities were changed.

The administration was prepared to take on selected industries, such as meat packers. But by confining itself largely to health and safety, it minimized the possibility of a showdown on issues which go beyond the industry immediately involved.

Even the "truth in lending" cause was relatively safe. After years of contention, compromise was in the air.

The arrival of Miss Furness helped clear the air. Skeptics who opposed consumer legislation were confident it was a sign that the White House didn't really care. This confidence prevailed during a long period of quiet while she prepared for the job.

Miss Furness, conceding she knew very little about shopping, warned cynics they were deluding themselves.

"If the President intended to bury the consumer program," she observed, "I doubt that he would have picked someone with so much visibility," she said.

The cynics mistakenly assumed control of consumer programs rests in the office of consumer advisor. Actually the negotiations on legislation are handled by staffers in the White House inner circle. If Miss Furness did nothing more than read the commercials—as she had for Westinghouse—she would earn her keep.

Increasingly, however, it became evident that she intended to be more than a "pitchman."

As Congress maneuvered on meat inspection legislation, she publicly disowned the administration proposals. Because she had "visibility," she was able to move the administration to a tougher bill.

While the program was being revamped and Miss Furness was learning her job, the administration was making advances to marketers. For a time, it appeared marketers might even be represented on the rejuvenated consumer advisory council.

Ultimately, consumer organizations kept their advisory council to themselves. Marketers were given an advisory council at the Department of Commerce.

Some interesting cross-pollinization developed. As executive director for her staff, Miss Furness hired William G. Kaye, formerly a staffer in the Commerce Department's marketing division. Miss Furness, in turn, participated in meetings between the Commerce Department and business groups.

During an appearance before the National Marketing Advisory Committee, she proposed that the marketers collaborate with her consumer advisory council to determine the problems which they have in common.

The absence of explosive new antitrust issues helped soothe the 1967 climate. A private antitrust case (Utah pie) may prove to be among the most far reaching developments of the year, since it appears to greatly restrict the ability of national marketers to engage in geographic pricing.

Assistant Attorney General Turner continued to expound his conviction that advertising can be an instrument of monopoly. But his antitrust division did not bring any test cases.

Essentially the same issue was established without generating additional controversy when the Supreme Court upheld FTC's Clorox decision, citing advertising and merchandising power as a factor precluding product extension mergers by big food conglomerates.

Mr. Turner also continued to talk about the need for new forms of consumer information, and consumer leaders in Congress, particularly Rep. Benjamin Rosenthal (D., N.Y.) and Sen. Philip Hart, suggested something akin to the Teltag system which has been introduced in Britain.

They joined the issue by submitting legislation putting government in the "Teltag" business; but in 1967 the administration refused to commit itself.

Here are some highlights from other important areas of business-marketer interest:

Food: FTC's success in the Clorox case flashed a danger signal for the expanding food conglomerates. P&G negotiated a consent settlement enabling it to keep Folger coffee. But it promised to confine its future expansions to product areas not normally stocked by supermarkets. Much of the food industry's effort shifted from Congress to FDA and FTC.

In 1968, regulatory agencies will begin pondering the "optional" sections of the Truth in Packaging Act, including the restrictions on "cents off" sales.

FDA remained tangled in its proposed regulation limiting the promotional claims for vitamin products and diet foods. But it finally came up with some fresh proposals on peanut butter standards.

Drugs: Among the "over-the-counter" products, it was a nervous year for headache remedies. New FDA "guides" restricted the labeling claims for analgesics, and the warfare spread, as FTC incorporated the same rules in a regulation restricting advertising claims for analgesic products. FDA challenged claims for long acting headache products. In a surprise result it offered to permit marketing of aspirin with double the existing permissible recommended dose.

Hemorrhoid remedies were hit by FTC decisions imposing severe restrictions on claims. Under a novel tactic, FTC made major portions of the decisions binding immediately, though some aspects are being reviewed by appeals courts.

The prescription drug industry received no peace. A Senate small business subcommittee under Sen. Gaylord Nelson (D., Wis.) piled up evidence implying excessively high prices. A cost conscious Senate uneasily voted approval of a plan by Sen. Russell Long (D., La.), majority whip, calling for prescription of drugs for welfare cases by price rather than brand name. (Long ultimately lost in a House-Senate conference, but promises to renew the fight).

In 1968, FDA will be ready to start a job it was permitted to postpone under the 1962 drug law—formal review of claims for pre-1962 prescription drugs. Preliminary studies conducted for FDA by the National Academy of Science have pinpointed the drugs which will be challenged first. A lot of the heat seems to have gone out of the fight over regulations specifying the kind of side effect information which must appear in medical journal ads.

Cigarets: As cigaret sales mounted, Washington's conscience stirred. Sen. Robert Kennedy (D., N.Y.) entered the lists, demanding that cigaret companies curtail their tv advertising. Among his goals: Withdrawal from sports programs.

The Federal Communications Commission stunned broadcasters by ruling that stations which carry tobacco ads are obliged to provide a "substantial" amount of time for anti-cigaret information, and public health officials denounced the introduction of longer cigarets as "irresponsible."

Meanwhile, 1968 will bring the "moment of truth" for another group of officials who believe that government's most practical contribution right now rests in pressure for "safer" cigarets. Sen. Magnuson, among others, has argued that most smokers are going to continue smoking. He backs legislation aimed at channeling smokers to low yield brands.

People: Miss Furness was the most-discussed newcomer, for persons concerned with business-marketing relationships. Her influence in 1968 is likely to increase substantially.

A Travel Incentive Program Can Produce U.S. Balance-of-Payments Improvement This Year

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. REUSS. Mr. Speaker, curing our "travel deficit" by stimulating increased European tourism in the United States is not only the correct long-term solution. It can produce a major effect on our balance of payments in 1968—when we urgently need a good showing—if the administration and Congress act promptly.

The Industry-Government Special Travel Task Force is considering this possibility and is expected to make its recommendations by February 19.

What I hope the task force will recommend and the Government adopt is a program for travel incentive certificates which would provide Europeans with a cost break of approximately $250 on a trip to the United States which would normally cost $750.

Such savings, properly advertised and promoted, should produce a sharp increase in European tourism to the United States since many Europeans have a strong desire to visit the United States, but are deterred primarily by fears of high living costs; and the European travel market is huge, with some 40 million Europeans being affluent enough to travel each year, although at present only 600,000 to 700,000 of them are coming to this country.

If a vigorous travel incentive program is put into effect early enough, it would be capable of producing a balance-of-payments improvement roughly equal to that expected from the proposed tax on overseas expenditures by Americans.

The travel incentive program would be the product of joint industry-government cooperation. Travel-oriented industries themselves are willing and anxious to supply the bulk of the price reductions. Some Government subsidy will be necessary—either to match private cost reductions or, in the event that private industry will make up the value of the certificates themselves, to carry out promotional and advertising activities overseas through the existing U.S. Travel Service offices in major capitals.

The travel incentive program would work this way: U.S. Travel Service offices would advertise the once-in-a-lifetime opportunity to obtain substantial reductions on expenses of European tourists within the United States. They would issue certificates worth $250 on the average, to be presented to participating U.S. airlines, car rental companies, hotels-motels, and possibly other firms.

Based on tentative expressions from industry to date, this would result in a $150 saving on $300 worth of domestic air travel, $50 on $100 of car rental, $30 on $200 of hotel-motel charges, and a $30 saving on entrance fees to national parks and other public and private attractions.

Assuming an expenditure of about $125 for meals and $25 for other miscellaneous outlays, the incentive plan would provide a $250 saving on a trip which would normally involve $750 in costs within the United States.

For tourists who would otherwise be spending more or less than $750 the saving would be increased or reduced more or less proportionately.

I have introduced legislation (H.R. 14607) which would establish the framework for a travel incentive plan. Twenty Members have joined in sponsoring identical or similar legislation. They include Messrs. HECHLER of West Virginia, BINGHAM, CONYERS, EDWARDS of California, FARBSTEIN, FINDLEY, GIBBONS, Mrs. GREEN of Oregon, Messrs. HALPERN, HANNA, HORTON, HATHAWAY, MCCARTHY, MATHIAS of Maryland, NEDZI, THOMPSON of New Jersey, WHALEN, UDALL, SCHWENGEL, and LEGGETT.

Last month I discussed my views on closing the "travel gap" in an interview of economic columnist Eliot Janeway. I include excerpts from his report on this interview:

[From the Chicago Tribune, Jan. 25, 1968]

REUSS BILL WOULD AID VISITORS FROM EUROPE

(By Eliot Janeway)

NEW YORK, January 24.—In his economic report to Congress a year ago, President Johnson expressed his thinking then on foreign tourism by Americans and the tourist dollar deficit: "The most satisfactory way to arrest the increasing gap between American travel abroad and foreign travel here," he said, "is not to limit the former but to stimulate the latter."

The President also stated then that he would "in the near future" appoint a special task force "to make specific recommendations by May 1, 1967" on how this objective could be achieved. But it was not until Nov. 16, 1967, that the task force finally was appointed.

Whatever effects any task force report now might have would seem largely to be controverted by the President's 1968 New Year's day balance-of-payments announcement. Rep. Henry S. Reuss (D., Wis.), however, recently has introduced a bill that seems more in line with the President's original statement of intent than the emergency programming announced this New Year's day. This columnist has asked him to summarize it.

JANEWAY. How would you comment on the President's proposal to restrict American tourist dollar outflows?

REUSS. As the President has said, 1968 is the year in which we must achieve dramatic improvement in our balance of payments, and I agree that improving our tourism account is one way of accomplishing this. But in order to save the 500 million dollars which the President requested would require a reduction in the number of American tourists to Europe of about one million a year.

Any proposals for achieving this by limiting the amount the American traveler can spend abroad seem administratively so complex as to be unfeasible. Moreover, any ceiling actually might increase tourist expenditures, because people would be tempted, or induced, to spend the full ceiling amount. Another suggestion is to impose a head tax, either as a lump sum or on a per diem basis. But the first persons to be hurt by a head tax would be students, teachers, secretaries and the like; the affluent traveler certainly would be the last to suffer. Further, the loss of American tourist dollars to European countries might invite retaliatory restrictions on their part. Aside from the economic effects, however, any legal restriction of our citizens' freedom of travel is an odious concept in a democracy.

JANEWAY. In what respects do the provisions of your bill differ from the President's proposals?

REUSS. Instead of cutting American tourist expenditures abroad, my bill provides for increasing European tourist expenditures here. It authorizes the secretary of commerce to make available to Europeans visiting the United States for the first time, travel incentive stamps in a substantial amount, probably around $100, valid for payments to United States air lines, railroads, bus lines, car rental companies, and hotels and motels. The idea is to provide an incentive to Europeans to travel here similar to what the Eurail pass offers to foreign tourists in Europe. Such an incentive could attract 500,000 additional European visitors in 1968, and could yield more improvement in our balance of payments than a head tax on Americans.

JANEWAY. In short, then, what you propose is a positive, instead of a negative, approach to the problem of the tourist gap?

REUSS. Yes. I would urge that we improve our payments position by emphasizing freedom of travel on both sides, rather than by embarking on a dreary cycle of restriction and counter-restriction. By leveling up rather than leveling down, we can achieve improvement in our balance of payments, and without tears.

The Vulnerable Russians

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. DERWINSKI. Mr. Speaker, now with the *Pueblo* incident, it is interesting to observe how the Red syndicate has exploited the partitioned captive nations for all types of harassment and aggression against free world states, particularly our own country. Placed in perspective, this and previous, premeditated incidents are calculated extensions of the unending cold war.

The new book on "The Vulnerable Russians" provides this solid perspective with its guiding captive nations thesis. Authored by Dr. Lev E. Dobriansky of Georgetown University, the book is easy reading, revealing and well documented. The structure of thought developed in this work will doubtlessly prepare us for many more of such incidents in the future.

"The Vulnerable Russians" is now available at the Georgetown University Bookstore, White Gravenor, Georgetown University, Washington, D.C. However, some excerpts from the book will give the reader an indication of the novel nature of the work.

The excerpts follow:

NIXON'S TESTIMONY OF AMERICAN BEWILDERMENT

"The Captive Nations Resolution was the major Soviet irritant throughout my tour." —Richard M. Nixon

Conflicting stories about former Vice President Richard M. Nixon and the Captive Nations Week Resolution will undoubtedly be told for many years to come. Since 1959, when the Vice President made his famous tour to the Soviet Union, numerous versions of his negative attitude toward the resolution have been given. In the 1960 Presidential campaign, for example, Senator J. W. Fulbright demanded the release of the official text of the Nixon-Khrushchev conversations on the historic resolution which Congress had passed in July, 1959. It was rumored then that the disclosure would have been devastating to Nixon. Many wonder today why this text has not been disclosed.

* * * * *

Richard Nixon did not know what struck him when he arrived in Moscow for the American Cultural Exhibition in July, 1959. As his book, *Six Crises*, attests, he still does not understand what happened when Khrushchev unleashed his attack against the Captive Nations Week Resolution.

* * * * *

The chapter on Khrushchev in Nixon's book demonstrates clearly the limitations and flaws in the understanding of too many of our leaders with regard to the Soviet Union and the nature of the threat facing us. The concepts and conceptions shown by Nixon reveal only too plainly some of the reasons why the United States has been losing the Cold War since World War II.

* * * * *

As to ideology and reality, Nixon exudes similar confusion. He reveals to us that "the most important single purpose" of his mission was to convince Khrushchev that "he could not hope to convert the United States to Communism. . . ." This is a rather fantastic conception of the problem. The Soviet Russian totalitarians have failed to convert any nation to "Communism," including the entire Russian nation. So why place the United States as an unwary, lamb-like object of mythical conversion?

If, instead of concentrating on the myths of Communism and conversion, Nixon had viewed the problem in its true light, he would have regarded as his most important single purpose the conveyance of our knowledge to Khrushchev about Soviet Russian imperio-colonialism and also our determination to beat it in its tracks.

* * * * *

Nixon at a disadvantage

In the course of this first meeting how did the Vice President present our case? First, from his account, he was apparently misinformed on the time Congress passed the resolution. It was not passed on July 6—the day it passed the Senate—but on July 9. Second, Nixon again was taken aback by Khrushchev's fury over the resolution. He did not expect him to bring it up during this "pure protocol courtesy visit." As he puts it, "I had to make a quick decision of how to react to his attack."

* * * * *

Worse still is Nixon's admission of the two points he emphasized to Khrushchev. One point is that the resolution "was a decision made by the Congress over which Eisenhower had no control." The other point reads, "The resolution did not call for our intervention, or even for our support of a revolution in the satellite nations. . . ." Here are perfect examples of how not to approach a Soviet Russian totalitarian, even in the rarefied realm of diplomacy.

* * * * *

Again by Nixon's testimony, Khrushchev opened himself wide for some pointed retorts. The fiction about U.S. intervention in 1919–21 was a topic which could have been chewed on with particular reference to the re-establishment of the Russian prison house of nations. The jailer's ears could have been pinned back on this one.

* * * * *

To be sure, as Nixon attests, Khrushchev kept clawing in the first meeting. He shook his finger at the Vice President, he threatened that Nixon would hear about the resolution for the duration of his stay, he shouted and pounded, he dubbed the resolution, and then "he spelled out what he meant in some earthy four-letter words. . . ."

* * * * *

Khrushchev also kept his word on Nixon hearing about the resolution during his tour. The frightened sought to frighten the innocent. To take a few instances, at the American Exhibition in Sokolniki Park, where the superficial "kitchen debate" occurred, the Russian leader again denounced the resolution. He embraced a workman nearby and declared for all to hear, "Does this man look like a slave laborer?"

* * * * *

The Russian jailer Potemkinizes

Later, at Khrushchev's *dacha*, the resolution came up again. The native Russian (Khrushchev is not a Ukrainian; nor is he, like Stalin, an adopted Russian) suggested a boat trip for the Vice President and his party "to see how the slaves live." The two-hour trip turned into a trip about captives. Mikoyan, according to Nixon, characterized it as "fine river rallies." On eight occasions Khrushchev ordered the boat to be stopped so that he could shake hands with the bathers in the Moskva River and ask them, "Are you captives? Are you slaves?" Naturally the shouted reply was, *"Nyet, nyet."*

* * * * *

The typical Potemkin Village tactics of fraud and fear, as shown here by Khrushchev, are modes of Russian political behavior which we shall observe time and time again in other contexts. The Potemkin Village characterization goes back to the time of Catherine the Great in the eighteenth century, and is synonymous with false appearances. The sorry aspect of all this is Nixon's almost naive interpretations of the clawing he received from the bear.

* * * * *

When Nixon repeatedly speaks of the USSR as a nation and groups the different national entities of this imperium into the mythical category of "Soviet people," the Russian totalitarian cannot but instantly scent his prey. When Nixon regards Khrushchev as a "cold, hardheaded Marxist," the prime jailer cannot but recognize the solid effects of his smoke-screening propaganda. And when Nixon publicly testifies that he was bewildered by Khrushchev's reaction to the Captive Nations Week Resolution, we have a fair measure of validity as well as the gravity of Marx's wisdom about the Russian bear and its victims.

* * * * *

At the request of Herbert Klein, who was then Nixon's press secretary, I submitted a memorandum citing several of these errors. Nixon's exclusive concentration on Russia as against the non-Russian countries in the USSR, his mythical, monolithic terms such as "Soviet nation" and "Soviet people," his reference to Ukraine as the Texas of this "nation," his comparison of Novosibirsk—long the hub of slave labor in Moscow's empire—with our free Western frontier towns, and his rags-to-riches attribution to Khrushchev's rise to power, which was actually accelerated by genocide and other crimes in the 30's and 40's, were some of the inexcusable errors pointed out.

* * * * *

The Nixon testimony of American bewilderment is only a meager parcel of the misunderstanding and misconceptions held in this country with regard to the Captive Nations Week Resolution. As emphasized earlier, Nixon simply gave high-level expression to this misunderstanding or lack of understanding. Innumerable examples can be cited from other spheres of our society. To mention one, in 1961 Stewart Alsop wrote an article in *The Saturday Evening Post* in which the stated: "When I was in Moscow during the October Party Congress, Khrushchev once again violently denounced the innocuous Captive Nations Week Resolution, which Congress passes every year to attract minority votes."

* * * * *

Evidently there is considerable room in this area for proper information and some education. The Nixon case is an excellent starting point for lessons to be learned. No area of our society is exempt in this regard.

* * * * *

THE STORY BEHIND THE CAPTIVE NATIONS WEEK RESOLUTION

"This resolution stinks."—Nikita Khrushchev.

The story behind the Captive Nations Week Resolution is no mystery. The thinking, the ideas, and the research which are crystallized in this document have been present on our terrain for well over a decade. The resolution points directly and unerringly at the most essential and predominant cracks in the Soviet Russian imperium.

* * * * *

The Captive Nations Week Resolution, passed by the U.S. Congress in July, 1959, is now a vibrant part of living history. Its impact on international events has been unmistakably shown by the reactions it has consistently produced in Moscow.

* * * * *

When it was passed, the resolution and the Presidential Proclamation based upon it were immediately subjected to all sorts of analyses. Some held they were "bad," a number favored them but contended that the timing was poor, and many hailed the event in every respect. Most commentators, analysts, and newsmen in this country never really grasped the full meaning and significance of these documents.

* * * * *

In the judgment of many close observers the world has not heard the last of these documents. Their deep importance has yet to be revealed in thought and action. Their influence will still be felt in many quarters of the world. Vested in them are possibilities and prospects which time itself will unravel and cause to be realized. Particularly here in the United States, the potential developments suggested by these documents are so immense and promising that at this point a methodical exposition of all aspects surrounding the resolution is clearly necessary.

* * * * *

Concerning the time coincidence with the Nixon visit, Senator Douglas was perfectly correct in stating that this has been unpremeditated. However, as far as I was concerned, it really made no difference whether the Week would be proclaimed immediately after the Fourth or in the third week. Due to the new elements contained in the resolution, Khrushchev would have exploded before Nixon's visit as well as during it.

* * * * *

Senator Eastland, the chairman of the Judiciary Committee, was in large measure responsible for this expedition. He cannot be thanked enough for his foresight and solid support. On this, the vicious and unbecoming comments on the Senator's role by Walter Lippmann were not taken too seriously. Curiously, Lippmann on one day had written favorably about the resolution and strongly opposed it.

* * * * *

As indicated above, President Eisenhower issued his proclamation on July 17. Events moved swiftly the following week. Church ceremonies were held in many cities. And on July 23, Mr. George Meany, president of the AFL–CIO, stated: "The observance of 'Captive Nations Week' by the American people has provoked Mr. Khrushchev to more bluster and to still louder threats. This outburst by the Soviet dictator is only a demonstration of the inherent weakness of his sprawling slave empire."

* * * * *

This telegram was quoted in part in a column by Mr. David Lawrence, in which he lauded both the resolution and the proclamation. It should be observed that Mr. Lawrence was one of the few commentators who understood the full import of the resolution, and his articles made for worthwhile reading on the subject. Later, there were others, too, who developed its significance. For example, the following month Mr. George E. Sokolsky devoted an article to the captive nations in which he said: "Nevertheless, it has been characteristic of Russian history that what the Russians take, they never give up willingly. Russia has been like a rolling snowball, gathering size as it rolled on and on." He observed further that "all Russians smile when they see Americans. It looks more like a belly-laugh watching the fools part with their money."

Medicare and Its Aftermath

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. CURTIS. Mr. Speaker, on Thursday, January 25, I had the pleasure of speaking before a joint meeting of the members of the Washington chapters of the American Statistical Association and the American Marketing Association. I insert at this point in the RECORD the text of my speech, "Medicare and Its Aftermath":

MEDICARE AND ITS AFTERMATH

(Remarks of Hon. THOMAS B. CURTIS, senior Republican on the Joint House-Senate Economic Committee and second ranking Republican on House Ways and Means Committee, before the American Marketing Association, Washington, D.C., Thursday, January 25, 1968)

It is very much a pleasure for me to be back to visit with you, the members of the Washington chapters of the American Statistical Association and the American Marketing Association. The remarks which I have prepared are somewhat more wide ranging than the title "Medicare and Its Aftermath" would perhaps imply, but this is necessary I believe for an adequate discussion of the topic. They draw in large part upon other remarks I made last December in a telephone speech I gave to the National Symposium on Pensions and Profit Sharing Funds then meeting in Chicago.

Our society began emerging from an economy based upon scarcity to an economy based upon plenty sometime in the early twentieth century. We are still in the process of emerging, but we have advanced sufficiently into this new economic climate to start re-calculating our basic concept of economic cause and effect to allow for this new and fundamental change. What I am trying to say cannot be passed over lightly. For if it is true, then the economic workings in history will not serve readily as guideposts for action to be taken in the future, that is not without making basic adjustments. No society in history has ever reached the plateau of plenty before. We are breaking new trails.

An economic indicator developed just within the past decade, I think by the National Industrial Conference Board, illustrates some of what I am talking about. I refer to Discretionary Purchasing Power. Let me quote from Finance Facts, November, 1967, a monthly publication of the National Consumer Finance Association:

"American Consumers had $233 Billion in discretionary purchasing power in second quarter of 1967 (seasonally adjusted at an annual rate). Discretionary Purchasing Power as estimated by the National Industrial Conference Board is dollar amount that measures the American Consumers' ability to exercise independent choice as to spending or saving. From aggregate consumer purchasing power (income plus credit) deductions are made for contractual savings (payments to insurance and pension funds), essential outlays (for example, food, clothing, transportation and medical expenses), and fixed commitments (for example, home mortgage or rent payments and interest payments) to arrive at discretionary purchasing power.

"Aggregate consumer purchasing power in second quarter 1967 was at annual rate of $567 Billion. Of this amount, discretionary purchasing power was estimated at $233 Billion (41%) of which discretionary saving comprised $35 Billion and discretionary spending $198 Billion."

Another indicator or I should say sets of statistics . . . they constitute an indicator because I use them as such . . . which illustrates the new climate . . . are average age of entry into the work force, average age of retirement from the work force and percent of leisure time during the period when in the work force.

Age of entry into the work force continues to rise . . . it is now 19 years and 7 months, I believe. And it will continue to rise as increased percentages of our youth finish high school . . . go on to college and thence to graduate school.

The average age of retirement from the work force continues to decline. I think it is now 67 years and 5 months. When I first began following these statistics the average age of retirement was over 70 years.

The forty hour week and the eight hour day are only one aspect of the decline in hours of work during the years men are in the work force. I won't attempt to measure the increasing incidence of coffee breaks and "refresher education courses", but I would point out that they, too, are part of the measure of decline in actual hours worked. Or, to turn it around, they are a measure of the increased hours of discretionary time comparable to discretionary purchasing power, both basic indicators in this economy based upon plenty.

Although I am not now passing judgment on these changing circumstances, I must say that I view all of this movement with high approval. . . . These trends all spell out increased productivity . . . of the individual human being as an economic producer . . . because the human being still responds well to increased freedoms. Perhaps there is a point of diminishing returns where the individual has too much freedom but we are far from reaching this point as a society and observing the manner in which self-discipline develops in a human being born, reared and living in even our relative freedom it is hard to visualize this point as coming about soon. Indeed, this point of diminishing returns, if it exists, seems light years away.

Discretionary purchasing power and discretionary time are merely components of aggregate purchasing power and aggregate time available. The very fact that we are now dealing with discretionary purchasing power and discretionary time on an annual basis using the aggregate numbers in the society who are in the labor market has meant that we have had to deal with them on a decadal basis, a long-range basis as well.

When applying these statistics to the individual human being . . . which constitutes one of the arts of government . . . one very important point emerges namely that purchasing power must be spread over the lifetime of the individual and if discretionary purchasing power is an important goal much of that spread purchasing power should be discretionary.

If the average human life span is 75 years and twenty years are spent in education and ten years in retirement, then there is only 45 years available to work and to earn purchasing power. If the purchasing power is to be discretionary at all, mechanisms must be developed in the society to permit income to be spread from the earning years both forward in anticipation of earning to the early years of need for expenses, including education, and to be spread backward into the later years of retirement.

And, indeed, these mechanisms have been developing in our society. The mechanisms for income spreading from years of earning to years of retirement and to protect against the risks of disability and untimely death which impair family income, have been with us much longer and, therefore, are more developed than the devices to spread forward.

Mechanisms for income spreading forward . . . consumer credit . . . home mortgage debt, consumer durable mortgage debt, debt for education, etc. . . . have been the last to start to develop in this new society of plenty. But these have been developing rapidly since World War II.

Now income spreading has an aspect of saving, whether it is to protect against risk to earning abilities, to spread forward through debt to acquire a capital asset . . . a tangible one like a home or a consumer durable . . . or one intangible but quite real like education . . . or to spread to the years of retirement and savings, all these mechanisms to spread income are important to maintain a stable economy and to finance innovation, research and development from whence comes future advancement.

All of this ties in directly with what I want to say about social security and medicare. The old age and survivorship provisions of social security are one of the basic means of spreading income from earning years to years of retirement. It is also a means of transferring earnings from the working to by far the greatest segments of the non-working population—the retired and the disabled.

Congress has just finished making major revisions in the OASDI program based upon the studies of the Ways and Means Committee, which consumed over five full months last year. Benefits were raised 12½% across the board for all persons currently on the rolls and the minimum benefit was increased from $44 per month to $50 per month. At the same time the taxable wage base was raised from $6600 to $7800. The combined employer employee tax rate remained 7.8% but will go up to 8.4% in 1969 and to 10% in 1973.

Expansion of the social security program on its present basis to these levels concerns me greatly. I believe there are some serious dangers inherent in raising it to levels which have been suggested by some of our national leaders.

Social security is certainly an important part of the retirement plans of most Americans. But it is only a part and when it was initiated it was never proposed as the sole source of retirement income for our people. The discussion today should be around how much of a part it should be.

Now that over 90% of all Americans are covered by social security as their standard of living increases with additional discretionary income available to them, should they and their employers put that money into increasing social security benefits or increasing the benefits they might obtain through private savings plans and the employer-employee pension systems?

I argue that there are three basic reasons today that the increase of retirement benefits for our people should come from further emphasis on funded retirement programs rather than pay-as-you-go retirement systems such as governmental social security.

Funded retirement programs can pay larger benefits than a pay-as-you-go system because over 50 percent of the benefits paid out to the retiree come from the earnings on the investment of the fund. Our private pension plans today have over $90 billion in their funds. The annual earnings run over $4.5 billion. These funded plans are being extended to cover more and more people. About 25 million workers are presently covered in a program which was effectively started almost 10 years after social security. It wasn't until 1966 that the Congress effectively extended the tax treatment for corporate pension plans to self-employed and their employees. In a few years 50 million or 75 percent of the workers should be covered and the funds should be well over $200 billion.

The social security system, on the other hand, is a pay-as-you-go system which does not contemplate paying benefits out of the earnings of the trust fund. The social security trust consists of only $22 billion and is called a contingent fund—to protect the system against unanticipated contingencies, such as a serious recession. It equals only a little more than the benefits paid out in 1 year, yet it covers over 65 million workers. If the social security system were funded in the same sense that corporate and other private pension plans are required to be funded by our tax and insurance laws, the fund would have to contain $350 billion.

One brief example will emphasize the point. During the Ways and Means Committee hearings last spring I asked the National Association of Life Underwriters to prepare for the Committee a comparison of the additional cash benefits available at the maximum benefit level for social security beneficiaries under the terms of H.R. 5710, which contained the Administration's 1967 social security proposals, with retirement benefits provided for the equivalent premium by private insurers. The figures are most enlightening.

In 1974 under the provisions of the President's social security proposals, an individual would have been entitled to an increase of $120 per month over the maximum benefit scheduled for 1974 under present law. The increase in the combined employer-employee tax was to have been $439.80. Deducting the amount of the tax which finances disability and survivorship protection prior to age 65 (28.2 percent), the combined employer-employee tax which was to have financed the proposed $120 per month social security benefit increase was approximately $315. This $315, if invested in a private policy issued at age 21, would finance an increased retirement benefit of $278 per month. The increase in benefits available under a typical private program is more than twice as great as that available through the unfunded payroll tax system.

The second reason which requires us to be cautious about increasing the social security system by having it compete for the same funds which finance private retirement plans is the economic limitations of the payroll tax, which is the method of financing not only social security but unemployment insurance and, in reality, workmen's compensation. Many economists have argued that getting the social security tax above 10 percent of payroll endangers the basic system. It is certainly true that all taxes have a point of diminishing returns. We are scheduled to reach the point at which the tax will reach 10% of payroll in 1970.

The third reason for increasing the retirement benefits for our people through the funded systems rather than through pay-as-you-go systems lies in the need of any society for capital to finance its economic growth and increased standard of living. The Western European countries, particularly the ones that have been acclaimed for paying higher social security benefits than does the U.S. social security system, constantly look with envious eyes to the great U.S. capital market, because they do not have the capital to finance their growth. Americans through their tripartite retirement systems have much greater retirement benefits per person than these same countries because Americans do rely heavily on funded retirement systems in addition to social security. In the process, Americans have created great savings which are available through the savings and loan institutions ($150 billion), through the pension plans ($90 billion), through the insurance companies ($200 billion) and savings in banks ($100 billion) to finance the expansion of industry and their own living standards. If a society does not finance a large part of the retirement of its people through savings, it creates serious difficulties for itself.

Let me conclude now and open up the discussion with a few words about medicare—and its aftermath. As many of you may know, I opposed medicare in the form in which it was passed by the Congress in 1965. While not unmindful of the increased cost of private health insurance for those over 65, I felt that the reliance on a payroll tax to finance a hospitalization program would jeopardize the cash benefit program under the social security system by imposing upon the system a liability to finance undetermined future service benefits. The fact that benefits are paid in kind—that is pays for the services themselves means that the future strength and security of the program will be assured only if the country's fiscal house is kept in order, and makes all the more serious our current financial situation. The effects of inflation in medicare are borne by the government with the result that severe strains are being placed on the entire social security system at the present time.

The problems and inequities which were forecast by myself and the other Republican members of the Ways and Means Committee in our "Separate Views" which accompanied the 1965 Social Security bill have developed, in fact, in the last two years. These include a much higher cost than necessary for the services provided, less services than would have been provided by the Republican bill, but a greater cost, the eligibility requirements which are highly discriminatory in both principle and in fact, a hospital program which is a real threat to the integrity of the OASDI benefits, a hospital insurance tax which is regressive and no measure of a person's ability to pay and an inadequate hospital reimbursement formula which is not reimbursing the providers of medical services at full cost and is therefore actually weakening their ability to provide high quality medical services.

There is a further aftermath of medicare which concerns me greatly—its continuing failure to insure against the catastrophic illness.

There is great misunderstanding throughout the nation with respect to health costs of the lower income groups . . . or the health costs of any group for that matter. There are two types of medical bills . . . just as distinct as are apples and oranges. One is the routine type medical bill for the healthy person or healthy family. This type of medical expense is no greater problem to the low income group than other item in their budget, indeed it is a less problem because the amount is so much less than for other needs. The second type, the orange, is the serious type; the unusual type of medical bill which is often referred to as the catastrophic type . . . the prolonged illness or the serious accident type. This kind of medical bill is difficult for two reasons. One, it is unexpected and therefore is frequently unbudgeted or unplanned for. Two, it is usually a very large bill compared to the person's annual income. There is a third reason which makes this kind of medical bill difficult. It may be accompanied by a serious decline in income as the accident or illness frequently involves the breadwinner in the family.

The catastrophic medical bill fortunately does not occur with great frequency. However, it can happen to anyone or any family and when it does it is frequently shattering. It has been the fear of the catastrophic health bill which has been used as argument to force through government health programs, but regrettably the government health programs which have most often emerged are designed to treat routine medical bills and do nothing about the catastrophic cases. Apples have been mixed with oranges.

To conclude then, these are some of the problems—and opportunities—which I see ahead, as we attempt in a land of plenty to deal with the retirement and medical needs of our people. We are doing some good things but can and must be improved upon. And we must remember too that there are many who have not shared in the plenty enjoyed by most Americans. That this is true is in some sense a failure of the system. But if 5% of our people are poor, then 95% are not; and the way to improve the lot of those 5% is to build upon those basic institutions which have taken us this far and rely on government only when it is the most sure and efficient means to a desirable end.

The Late Honorable George A. Dondero

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. BROOMFIELD. Mr. Speaker, in further tribute to the late Honorable George A. Dondero, who passed away January 29 at his home in Royal Oak, Mich., I would like to include in the RECORD at this point a fine eulogy which appeared in the Daily Tribune newspaper in Mr. Dondero's native Royal Oak. The article, written by Reporter James Ritz, offers still another insight into a great man many of us knew and admired.

The article follows:

REPORTER'S RECOLLECTION OF MR. DONDERO—"THE OLD OAK IS DYING"

(Daily Tribune political reporter James Ritz had two lengthy interviews with former Congressman George A. Dondero, including a memorable one in 1965. Here are his recollections of a man now gone.)

(By James Ritz)

Whether 20 or 80 years of age, George A. Dondero was the type of man who made the world around him come alive.

In old Big Beaver, in the Village of Royal Oak, later the City of Royal Oak and later than that, in the halls of Congress, Mr. Dondero was one who had great power at his fingertips. But he was a man who appreciated little things.

SALTED PEANUTS

He enjoyed a chat over a dish of salted peanuts, he always liked to talk about old times with life-long friends and he made you appreciate the meaning of the term, "presence."

He had it, and he projected it.

As a reporter, I came onto the Royal Oak scene long after the end of the Dondero era. Although he was still practicing law in his Washington Square Plaza offices and still cast a giant shadow. It was the last few pages in an illustrious book.

But he could still take you back to the beginning, with animation, like on a sunny day in September of 1965 when we drove the length of Oakland County from the southern suburbs to the northern farms to visit a place where Mr. Dondero's star began rising, a little red school house on a hill in Oxford.

TAUGHT SCHOOL

As a young man of 23, he had taught school there in 1903, before he was to begin his job of building Royal Oak, and now he was back at age 81.

The memory was crisp, the Oakland County of yesterday came alive.

After 62 years, what do you recall of the scene of your youth?

Mr. Dondero looked at a small plot to the south of the little red schoolhouse, now given way to consolidation, and uttered a phrase that stuck.

STOPPED AT TREE

His gaze stopped at a tree. It was an old oak tree, the kind for which Oakland County and Royal Oak is named, and it was on its last legs. Its branches hung limply at its sides. Only the anchored roots held it up, like a once-great giant still propped by the earth that spawned him.

"The old oak tree is dying," he said.

Later, he played with the children, watched them on the slide, visited the classroom where he taught, told of early 20th century picnics that took place on that rustic countryside.

But the simple oath about the old oak tree stuck.

SENSED MEANING

You sort of knew that it was really Mr. Dondero, not the oak tree, that was symbolized by that statement, and that he would hang in there proudly until the end.

Which he did.

He had lunch with J. J. (Jake) Levy, his friend from boyhood and through all those empire-building years here and in Washington, Saturday at the Red Run Golf Club, and Sunday with Jake and Dondero's son, Robert, and Robert's family.

Sunday night, he coaxed Jake into coming over, and the two talked about oldtime Royal Oak. When Mr. Dondero was weighmaster at the old weighing farmer's station at what is now Fourth and Main, his tending bar at his brother's tavern, about the grade-school and high school classmates at Big Beaver which included Jake's wife, now gone.

IRONIC

It was ironic that Mr. Dondero—a teetotaler—would work in his brother's tavern as a bartender, but it was a tribute of his drive for success. He needed the pennies to get through law school.

Mrs. Irma Dondero, his daughter-in-law and widow of his son, former Circuit Judge Stanton Dondero who died two years ago, holds such memories of Mr. Dondero.

She remembered visiting him during the Christmas holidays, enjoying a pleasant chat, and how he enjoyed dipping into the dish of salted peanuts.

PUNCTUAL

Mrs. Dondero loved her visits to Washington because of his personality, not merely because she was the daughter-in-law of a Congressman and could expect VIP treatment. She said, "He was always so cordial there. He made it come alive. He used to make you feel so at home. It was always comfortable."

She also remembered that he was a bug for punctuality, and that if you were late for a date with George A. Dondero, you knew it.

Levy also remembers Mr. Dondero as a "great American" who "did a great job for all of us," but more than that, he remembers him as "a friend I knew over 60 years."

Remembering hauling hay in your youth and weighing in at the weighmaster's station, the man being one of your closest friends, is more graphic, somehow, than thinking of the man as a Congressman, Levy confesses.

Especially when you remember him as a spry, rising young fellow teaching school for $40 per month to get ahead.

SEE THE PAST

It all fits in with the George A. Dondero a Daily Tribune reporter saw on a drive out to Oxford on that sunny day in 1965 to do a story on his old little red schoolhouse.

The route has been driven many times. You see expressways, road signs, and old country roads.

But when you drive through it with George A. Dondero, it's different.

You see old hay carts hauling their big loads of grass to town, you see people in high-boy, snap-on collars responding to the clang of school bells or going to township court, you see a pre-World War I countryside.

And now it's all over. The "old oak tree" has dropped its branches for the last time and given way to a big new metropolis.

"The City at Bay"—An Address by Andrew Heiskell, Chairman of the Board of Directors, Time, Inc.

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. BRADEMAS. Mr. Speaker, one of the leading figures in the growing movement of American business and industry to take a more active part in solving the problems of our cities is Andrew Heiskell, chairman of the board of directors of Time, Inc.

I insert at this point in the RECORD the text of a recent address delivered by Mr. Heiskell, "The City at Bay," which was published in the December 1967 issue of Magazine Day.

The article follows:

THE CITY AT BAY

(By Andrew Heiskell)

I was reflecting on what I should say here today and came up with two rather discouraging conclusions. My first thought was that you know a lot about the cities and their problems and, therefore, why should someone tell you about what you already know? However, if it is true that you know it, then I may well have the right to ask you why are the cities in such bad shape?

My second discouraging conclusion was that you didn't know very much about the cities, and, if this is true, then we've got a severe problem because it's later than you think. We need to know and we don't have much time.

Suddenly all of us have an uncomfortable feeling about the cities that, I guess, many of us are living in, except for those who live in the suburbs and think they have escaped the cities. Escaped, but not for long, though. Suddenly we realize that something must be done, and we don't know what it is nor how to do it.

WHY CITIES HAVE BECOME UNMANAGEABLE

And indeed we are right, because the cities have become unmanageable, and it's up to all of us to figure out how we can get the cities under control again. You know the reasons they're unmanageable. By and large the very management structure of the cities is obsolete, the communications are poor. Just think of New York City! Until you've been raped, or your house is burning down, you don't know where to go. The only place you can turn to is City Hall. Who in Bedford-Stuyvesant or Harlem is going to go to City Hall? Its farther than San Francisco for them.

The cities are unmanageable because many of us over the course of the years have decided that the managing of the city was none of our responsibility. In the old days, in the small towns, every individual had a concern for his town, had an understanding for his town and, indeed, most people saw the problem from the same vantage point. But today we live in the age of specialization—and specialization is not just something for scientists, or that you can attribute to artists, or to editors, or to advertising salesmen. Specialization has gone all the way to the top.

Most corporation presidents—as well as labor leaders and mayors too—think of themselves as being quite broad in their views. The plain fact is that while they may be generalists in their particular line, they are specialists when it comes to dealing with our urban civilization. They look at it from their vantage point and don't understand the other fellow's perspective. This, again, is something that cannot continue.

The other, most obvious, reason why cities have become unmanageable is, to put it bluntly, that in the last fifteen years five million underprivileged—mostly Negroes—have been driven out of the South and into our cities. I must say it has been a great revenge for the South. To the five million you should add four million of Spanish descent who have also moved into our big cities, all into the cores. But how can the mayor be held responsible for this problem? Is he supposed to be the one and only man who can take care of it? Are the city finances going to be equal to a problem that far exceeds the size and grasp of the city's management and of its finances?

I've been in the field for quite a few years. Until recently I took the attitude that if we all worked very hard, in 25 years we could change the tide. I was expressing this view a month or so ago to our editor-in-chief, Hedley Donovan, as we were talking about what had happened in the cities. Donovan said, "What do you mean, 25 years?"

I looked a little baffled. He said, "Society will not take it for more than three to five years." I reflected on this, and it's true. You cannot have rioting in city after city every summer without very shortly finding that the entire machinery of government starts to erode.

It has started to erode. Small example: When telephone repairmen refuse to go into certain areas without guards—in effect, other repairmen, but they're still guards. You've seen firemen in many of the cities this summer having to be protected by the police. This is not something that can go on, for you know what the alternatives are. Either we solve the problem, or a wave of repression will start that all of us here will live to regret.

But, obviously, you can't do the whole job in three to five years. Well, what can we do? I believe most importantly that we can try to achieve a degree of credibility that is now nonexistent. They—the underprivileged—do not believe that we're serious. Until they do believe in our sincerity, we're going to have trouble. We obviously can't rebuild the cities in the short haul, but we can, by being serious, establish a degree of credibility that will give us the time to do the other jobs.

NEED FOR COMMUNICATION WITH THE UNDERPRIVILEGED

First in terms of credibility is to achieve a degree of communication. By and large the gap between the underprivileged and those of us here, and others like us, has broadened, just as the gap between the underprivileged nations and the developed nations has broadened. Nevertheless, honest communication can be achieved. We've seen the examples.

The other day I visited the Dirty Dozen—that's what they call themselves. They work three blocks, 110th to 112th Streets in Harlem. Through some free money we collected from corporations this year for the Summer Youth Program in New York, we were able to set up several Youth Councils. This Youth Council, the Dirty Dozen—very few of them have graduated from high school, several were dope addicts, most have juvenile or jail records—have done such a remarkable job in those three blocks, that you are confident there will not be trouble there. They have learned to deal with the police and the police with them. The police in that area no longer haul in juvenile delinquents to the precinct or the courthouse where they'll get a record. They take them to a storefront where the Dirty Dozen work them over a bit, get their parents in, and talk to them in their terms.

And one of the things we've got to learn is to talk in their terms. Their values are different. They aren't going to adapt to ours overnight; we're going to have to adapt to theirs. We must learn to talk the right language.

We have to learn to understand, and to rid ourselves of the many prejudices that we don't even know we have within us. Let me quote from Whitney Young, from what he said at the meeting of the Urban Coalition.

"The task that you take on will not be easy, the numbers of the oppressors continue to mount strangely enough among those who themselves are but one generation removed from welfare, who are the most callous, the most indifferent, the most unsympathetic to the plight of those who have been left behind. What is needed here is leadership. Our big enemy is still silence and indifference and apathy.

"As one of my colleagues in the Urban League, Bill Berry, said, 'Maybe we need a new cliche.' Law and order may not be what we are talking about at all and may be a completely unrealistic concept. Hitler managed to bring about the greatest order known to men with his Storm Troopers and his Gestapo. After having accomplished the feat in bringing about order, he proceeded to use it to exterminate six million Jews. We are not after order; we are after justice. It is law and justice. Without justice we neither will have nor do we deserve order. If we can but bring ourselves to be as aroused about the inciting material and climate found in our community as we are with the incitors, then we need not worry about the incitors."

Mr. Young continues: "Rap Brown did not cause unemployment in the country. Rap Brown did not put Negroes in ghettoes. Rap Brown did not perpetuate upon Negroes inferior education. This was done by other people in the society, and it is to the other people that we must look rather than seek the excuses of the excesses of a handful of people found among Negroes.

"If white America with all of its power—Army, Navy, Air Force and all the important offices in the country—have not been able to suppress the crackpots among the white society—the Klan, and all of the other people—how do you expect us with limited power and no resources to eliminate any crackpots from our midst?"

Says Whitney Young: "I insist that the Negro has as much right to have his extremists as anybody else. If some of you are getting upset looking at Negroes who are acting ugly, I submit to you I have been long upset looking at white people acting ugly. It is criminal to loot, to snipe. It is criminal to riot. But it is equally criminal not to hire a man because of his color, not to let him live in your neighborhood."

A MATTER OF WILL, NOT OF MEANS

Can we do it? We have the means. The only question is whether we have the will. And on that, I'd like to give you one more quote. U Thant in a speech recently said: "The truth, the central, stupendous truth about developed countries today is that they can have, in anything but the shortest run, the kind and scale of resources they decide to have. It is no longer resources that limit decisions. It is the decision that makes the resources. This is a fundamental revolutionary change, perhaps the most revolutionary mankind has ever known."

The will, the decision. That's what we must achieve.

Now let's talk a minute about priorities. We spent a lot of time thinking about it and it's become perfectly clear that the first priority is jobs, jobs for those that most of us would say are not capable of working for our companies. That's a pretty tough order. But we have to break down the rules that we have about jobs, break down the jobs so that we can hire those who desperately have to have jobs.

The second priority is education. I mentioned the difference in values. One of the boys in the Dirty Dozen told me this the other day: "Up here, they show a 5-year-old a picture and they say, 'All right, point out Daddy,' and the child says, "There's no Daddy.'" Well, what there is, is a man in nicely creased pants, jacket, tie, hat, carrying a briefcase. To those children this is not Daddy. We have to learn to adapt to the values that exist.

Finally, we must improve housing conditions, but that's a long, long way ahead. We can do it but it will take many years.

PRACTICAL STEPS FOR CORPORATIONS, FOUNDATIONS, AND UNIONS

Let me just address myself for a moment to the practical steps. I would urgently suggest that every corporation would consider hiring for every 100 men on its force one man who clearly meets none of the qualifications, none of the usual standards. Obviously, most companies are going to be hiring more than one individual.

I would suggest that after having done this for a year, the corporations report on any problems that may have arisen, how this kind of employment may work, what kind of subsidies may be required to make it work on a nation-wide basis.

I would suggest to the unions that they must open their ranks. Many of them do so, many of them do not. The unions, too, should see what they can accomplish with the 1-to-100-ratio in bringing people in who clearly do not fit their standards. I would suggest to the unions that they have a great opportunity in terms of communicating with many of the people whose prejudices are strong. After all, through no fault of the unions, they do have within their membership those who last climbed the ladder out of the depth and unfortunately, it is those who most resist the next group that wants to climb the ladder.

I would suggest to foundations—because money will be needed, not just governmental money; there's need for much free money—that perhaps for the next three years they should set aside one-third of their available money for short-term programs in this field.

EVERY CITY SHOULD FORM AN URBAN COALITION

Lastly, and most importantly, I would suggest that every city form its own Urban Coalition, because only when all the social, business, and governmental forces cooperate can these problems be licked. Working separately, individuals and groups, in and out of the ghetto, will not solve the problems of urban America.

Working together will be very hard for the

reason I mentioned earlier—we don't understand each other. But we simply must learn to understand each other, and work together to solve these problems. And that means many of you.

What can you do here? Well, mostly what can your editors do? After all, the magazines have spearheaded every major change that has taken place in the country. It is magazines that have dealt with the problems, that have fought them out, that have promoted the causes. So I suggest here that the magazines take this on as they've taken on so many other problems, and see what they can do.

Eulogy to Lt. Gen. Cornelius W. Wickersham

HON. HERBERT TENZER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. TENZER. Mr. Speaker, the Nation has lost a distinguished and dedicated servant with the passing of Lt. Gen. Cornelius W. Wickersham.

As a neighbor of General Wickersham I extend my personal sympathy to the members of this distinguished family and in order to pay my respects I call the attention of my colleagues to the following obituary in the New York Times, February 5, 1958:

GEN. CORNELIUS WICKERSHAM, 83, LAWYER AND GUARD LEADER, DIES—PRIVATE IN 1916 MEXICAN BORDER WAR; LATER LED 42D DIVISION—WITH WALL STREET FIRM

Lt. Gen. Cornelius W. Wickersham, New York National Guard, retired, senior partner of the law firm of Cadwalader, Wickersham & Taft, 1 Wall Street, died yesterday at the Nassau Hospital in Mineola, L.I. He was 83 years old and had been in declining health. He lived at 235 Briarwood Crossing, Cedarhurst, L.I.

General Wickersham had a long career as a member of the bar and as a soldier whose service in the army extended from the Mexican border campaign through World War II.

After he retired in 1945 as assistant deputy military governor for the United States Zone in Germany with the rank of brigadier general he was commissioned a major general in the New York Guard and commanded its First Division and the 42d Division of the New York National Guard beginning in 1946.

He retired from his command in 1948 and was promoted to lieutenant general in the state reserve list.

General Wickersham was a tall, erect man of strong military bearing. A friend described him yesterday as of stern demeanor, strict in his dealings with others but not without a sense of humor. Outside of his principal interests in the military and the law, the general was an enthusiastic hunter and fisher and an avid stamp collector.

FATHER WAS ATTORNEY GENERAL

Cornelius Wendal Wickersham was born in Greenwich, Conn., on June 25, 1884. His father was George Woodward Wickersham, who served as Attorney General under President William Howard Taft. A son, Cornelius W. Wickersham, Jr., who died in 1966, was a former United States Attorney for the Eastern District of New York.

Mr. Wickersham was graduated from Harvard College in 1906 and received his law degree, cum laude, from Harvard Law School three years later. He was editor of the Law Review in 1907–1909. He held the honorary degree of Doctor of Laws from St. John's University.

In 1908 he was admitted to the New York bar and in 1912 to the bar of the United States Supreme Court. He practiced law with the firms of Strong & Cadwalader and Everett, Clarks & Benedict until he joined the firm of Cadwalader, Wickersham & Taft in 1914. Since that time, except when absent for military duty, he was in the general practice of law. He represented many individuals, trusts, estates and corporations, including reorganization and recapitalization of railroads and industrial concerns.

He was president of the Joint Conference on Legal Education in the State of New York from 1932 to 1940 and from 1954 to 1958. He was counsel for the Grand Jury Association of New York County and member emeritus of the American Law Institute.

Another of General Wickersham's interests was education, and in February, 1953, the State Legislation elected him to the Board of Regents, which supervises the state education system. Although his term was to have expired in 1966, he resigned in 1955 because of the statutory age limit of 70 years for board membership.

In 1915 he enlisted in Squadron A, New York Cavalry and in 1916–1917 served on the Mexican border in the Federal service, first as a private and later as a lieutenant with the 12th New York Infantry.

ACTIVE IN 77TH DIVISION

In World War I he served overseas and rose to the rank of lieutenant colonel. Between the two World Wars he retained his commissioned reserve status as a colonel and was active in the affairs of the 77th Division, which was commended by Maj. Gen. Julius Ochs Adler. General Adler, who had been first vice president and general manager of The New York Times, died in 1955.

General Wickersham's World War II service extended from 1940 to 1945. In 1942 he was promoted to brigadier general and organized and commanded the Army School of Military Government at Charlottesville, Va. He also saw service in Africa, Sicily and Italy.

General Wickersham was chief of the European Allied Contact Section at the headquarters of General Dwight D. Eisenhower in 1944 and later was acting deputy and commanding general of the United States Group Control Council for Germany under General Eisenhower.

Among his many decorations were the Distinguished Service Medal, the Legion of Merit, the French Legion of Honor, Commander of the Order of the British Empire and the Medal of Verdun.

He was a founder of the American Legion and was its first department commander for New York.

General Wickersham was a frequent speaker and writer on subjects dealing with the law and military matters.

Two years after the end of World War II, he called for the reorganization of National Guard units throughout the nation "in a realistic way" to insure national defense against modern weapons of war, particularly nuclear bombs.

General Wickersham leaves his wife, the former Rosalie Neilson Hinckley; a son, the Rev. George W. Wickersham 2d; a daughter, Mrs. Rosalie W. Wolff, and nine grandchildren.

A funeral service will be held tomorrow at 11 A.M. at St. John's Protestant Episcopal Church, Far Rockaway, Queens. Burial will be private.

Mr. Speaker, Lieutenant General Wickersham was a prominent citizen of the Fifth Congressional District, but much more than that he was a distinguished American who served his country with honor and his clients and friends with dedication.

SENATE—*Tuesday, February 6, 1968*

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our father God, we would bring our drained and driven souls that the benediction of Thy peace may fall upon our restless lives.

Thou art the center and soul of every sphere, yet to each loving heart how near; nearer than the hands and feet that serve us, nearer than the problems that front us, nearer even than the comrades who walk beside us.

We would pause at this wayside altar long enough to be reminded that what supremely counts has nothing to do with the appraisals of men or with honors and recognitions for which men contend, but has to do with what causes use us, what powers surge through us, what ideas master us before daylight fades and our little day is over.

In confused and confusing days—

Take from our souls the strain and stress
And let our ordered lives confess
The beauty of Thy peace.

In the dear Redeemer's name. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, February 5, 1968, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Jones, one of his secretaries.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ATTENDANCE OF SENATORS

The following additional Senators attended the session of the Senate today: Hon. EDWARD W. BROOKE and Hon. QUENTIN N. BURDICK.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COUNCIL OF ECONOMIC ADVISERS

The bill clerk read the nomination of Merton J. Peck, of Connecticut, to be a member of the Council of Economic Advisers.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE MESSAGES REFERERD

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Post Office and Civil Service.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By **Mr. ANDERSON**, from the Committee on Aeronautical and Space Sciences:

Thomas O. Paine, of California, to be Deputy Administrator of the National Aeronautics and Space Administration.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Reports on Settlement of Claims of Certain Indians

A letter from the Commissioner, Indian Claims Commission, Washington, D.C., reporting, pursuant to law, that proceedings have been finally concluded with respect to the claim of the *Sac and Fox Tribe of Oklahoma, et al.* v. *The United States of America*, Docket No. 220 (with accompanying papers); to the Committee on Appropriations.

A letter from the Commissioner, Indian Claims Commission, Washington, D.C., reporting, pursuant to law, that proceedings have been finally concluded with respect to the claim of the Peoria Tribe of Indians of Oklahoma and Amos Robinson Skye, on behalf of the *Wea Nation* v. *The United States of America*, Docket No. 314–E (with accompanying papers); to the Committee on Appropriations.

Federal Plan for Meteorological Services and Supporting Research

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, a document entitled "The Federal Plan for Meteorological Services and Supporting Research" for the fiscal year 1969 (with an accompanying document); to the Committee on Appropriations.

Reports of the Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of financial statements, low-rent public housing program fund, fiscal year 1967, Department of Housing and Urban Development, dated February 5, 1968 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report of a review of the establishment and operation of St. Petersburg Job Corps Center for Women, St. Petersburg, Fla., Office of Economic Opportunity, dated February 5, 1968 (with an accompanying report); to the Committee on Government Operations.

Third Preference and Sixth Preference Classifications for Certain Aliens

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports relating to third preference and sixth preference classifications for certain aliens (with accompanying papers); to the Committee on the Judiciary.

Higher Education Amendments of 1968 and Partnership for Earning and Learning Act of 1968

A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Higher Education Act of 1965, the National Defense Education Act of 1958, the National Vocational Student Loan Insurance Act of 1965, the Higher Education Facilities Act of 1963, and related acts; also a draft of proposed legislation to amend the Vocational Education Act of 1963, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

Report of Civil Service Commission on Positions in Grades GS–16, GS–17, and GS–18

A letter from the Chairman, U.S. Civil Service Commission, transmitting, pursuant to law, a report with respect to positions in grades GS–16, GS–17, and GS–18 during the calendar year 1967 (with an accompanying report); to the Committee on Post Office and Civil Service.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By **Mr. YOUNG** of Ohio (for himself and Mr. Gruening):

S. 2929. A bill to amend the Renegotiation Act of 1951, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. Young of Ohio when he introduced the above bill, which appear under a separate heading.)

By **Mr. CLARK**:

S. 2930. A bill for the relief of refugees from Sicily, Italy, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. Clark when he introduced the above bill, which appear under a separate heading.)

By **Mr. MORSE**:

S. 2931. A bill for the relief of the estate of William E. Jones; to the Committee on the Judiciary.

By **Mr. ELLENDER** (for himself and Mr. Montoya) (by request):

S. 2932. A bill to clarify and otherwise amend the Poultry Products Inspection Act, to provide for cooperation with appropriate State agencies with respect to State poultry products inspection programs, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. Ellender when he introduced the above bill, which appear under a separate heading.)

By **Mr. METCALF**:

S. 2933. A bill to establish an independent agency to be known as the U.S. Office of Utility Consumers' Counsel to represent the interests of the Federal Government and the consumers of the Nation before Federal and State regulatory agencies with respect to matters pertaining to certain electric, gas, telephone, and telegraph utilities; to amend section 201 of the Federal Property and Administrative Services Act pertaining to proceedings before Federal and State regulatory agencies; to provide grants and other Federal assistance to State and local governments for the establishment and operation of utility consumers' counsels; to provide Federal grants to universities and other nonprofit organizations for the study and collection of information relating to utility consumer matters; to improve methods for obtaining and disseminating information with respect to the operations of utility companies of interest to the Federal Government and other consumers; and for other purposes; to the Committee on Government Operations.

S. 2934. A bill to assist the States in raising revenues by making more uniform the incidence and rate of tax imposed by States on the severance of minerals; to the Committee on Finance.

(See the remarks of Mr. Metcalf when he introduced the above bills, which appear under separate headings.)

By **Mr. METCALF** (for himself, Mr. Brooke, Mr. Burdick, Mr. Byrd of West Virginia, Mr. Case, Mr. Church, Mr. Clark, Mr. Gruening, Mr. Harris, Mr. Hart, Mr. Hatfield, Mr. Hill, Mr. Javits, Mr. Kennedy of Massachusetts, Mr. Kennedy of New York, Mr. Long of Missouri, Mr. McCarthy, Mr. McGee, Mr. McGovern, Mr. Mansfield, Mr. Mondale, Mr. Montoya, Mr. Morse, Mr. Muskie, Mr. Nelson, Mr. Pell, Mr. Prouty, Mr. Proxmire, Mr. Randolph, Mr. Ribicoff, Mr. Sparkman, Mr. Spong, Mr. Tydings, Mr. Williams of New Jersey, Mr. Yarborough, and Mr. Young of Ohio):

S. 2935. A bill to amend title II of the Social Security Act so as to provide that the definition of the term disability, as employed therein, shall be the same as that in effect prior to the enactment of the Social Security Amendments of 1967; to the Committee on Finance.

(See the remarks of Mr. Metcalf when he introduced the above bill, which appear under a separate heading.)

By **Mr. MONTOYA** (for himself, Mr. Anderson, Mr. Bartlett, Mr. Brewster, Mr. Brooke, Mr. Burdick, Mr. Byrd of West Virginia, Mr. Clark, Mr. Eastland, Mr. Gruening, Mr. Hart, Mr. Inouye, Mr. Jackson, Mr. Javits, Mr. Kennedy of Massachusetts, Mr. Kennedy of New York, Mr. Long of Louisiana, Mr. Long of Missouri, Mr. McGee, Mr. McGovern, Mr. McIntyre, Mr. Magnuson, Mr. Mansfield, Mr. Metcalf, Mr. Mondale, Mr. Morse, Mr. Muskie, Mr. Nelson, Mr. Pell, Mr. Randolph, Mr. Tydings, Mr. Yarborough, and Mr. Young of Ohio):

S. 2936. A bill to amend title XVIII of the Social Security Act so as to include, among the health insurance benefits covered under part B thereof, coverage of certain drugs; to the Committee on Finance.

(See the remarks of Mr. Montoya when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY of Massachusetts (for himself and Mr. Yarborough) (by request):

S. 2937. A bill to amend title 38 of the United States Code to increase the amount of home loan guarantee entitlement from $7,500 to $10,000, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. Kennedy of Massachusetts when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY of Massachusetts (for himself and Mr. Yarborough):

S.J. Res. 137. A joint resolution to assist veterans of the Armed Forces of the United States who have served in Vietnam or elsewhere in obtaining suitable employment; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. Kennedy of Massachusetts when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTIONS

REFERENCE OF SENATE BILL 2931 TO THE COURT OF CLAIMS

Mr. MORSE submitted the following resolution (S. Res. 253); which was referred to the Committee on the Judiciary:

S. Res. 253

Resolved, That the bill (S. 2931) entitled "A bill for the relief of the estate of William E. Jones", now pending in the Senate, together with all the accompanying papers, is hereby referred to the chief commissioner of the Court of Claims; and the chief commissioner of the Court of Claims shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

TO PRINT AS A SENATE DOCUMENT THE REPORT OF THE NEW ENGLAND REGIONAL COMMISSION, FISCAL YEAR 1967

Mr. RANDOLPH submitted the following resolution (S. Res. 254); which was referred to the Committee on Rules and Administration:

S. Res. 254

Resolved, That there be printed as a Senate document the first annual report of the New England Regional Commission, for fiscal year 1967, pursuant to the provisions of section 509, of the Public Works and Economic Development Act of 1965 (Public Law 89–136); and that there be printed for the use of the Committee on Public Works one thousand additional copies of such document.

TO PRINT AS A SENATE DOCUMENT THE REPORT OF THE OZARKS REGIONAL COMMISSION, FOR THE PERIOD SEPTEMBER 7, 1966, TO DECEMBER 31, 1967

Mr. RANDOLPH submitted the following resolution (S. Res. 255); which was referred to the Committee on Rules and Administration:

S. Res. 255

Resolved, That there be printed as a Senate document the first annual report of the Ozarks Regional Commission, for the period from September 7, 1966, to December 31, 1967, pursuant to section 510 of the Public Works and Economic Development Act of 1965 (Public Law 89–136); and that there be printed for the use of the Committee on Public Works one thousand additional copies of such document.

RELIEF OF REFUGEES FROM SICILY, ITALY

Mr. CLARK. Mr. President, I introduce for appropriate referral a bill for the relief of refugees from Sicily, Italy, and for other purposes.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2930) for the relief of refugees from Sicily, Italy, and for other purposes, introduced by Mr. Clark, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. CLARK. Mr. President, last month a series of shattering earthquakes brought havoc and destruction to the island of Sicily. In a single night hundreds were killed, thousands were injured, and tens of thousands were left homeless.

The American people responded as they always have in such crises—promptly and generously. On the day of the earthquake U.S. Air Force transport planes, U.S. Navy cargo planes, U.S. Army trucks, tents, blankets, rations, and other emergency equipment were flown to the disaster area together with an American Army medical team. Since then, more than a score of voluntary organizations in America such as the American Red Cross, the Catholic Relief Services, and the Church World Service have been forwarding aid to the stricken area.

But in spite of this help, there are still many thousands of Sicilians without a, home, work, or hope at this moment. The ties that bind this stricken island and the United States are intimate and strong. More than 25 million Americans claim Italy as the land of their descent, and many of them are of Sicilian lineage. That is why, in a very real way, Sicily's tragedy is our tragedy too.

To help the victims of this disaster I am introducing a bill today to permit 5,000 of the earthquakes' refugees to be brought to this country as refugee-immigrants. I urge Congress to act promptly on this legislation. Our spirit of fraternity with the people of Italy requires it. Our sense of humanity demands it.

WHOLESALE POULTRY PRODUCTS ACT

Mr. ELLENDER. Mr. President, on behalf of myself and the Senator from New Mexico [Mr. Montoya], and by request of the Department of Agriculture, I introduce, for appropriate reference, a bill to clarify and otherwise amend the Poultry Products Inspection Act, to provide for cooperation with appropriate State agencies with respect to State poultry products inspection programs, and for other purposes. I ask unanimous consent to have printed in the Record a letter from the Secretary of Agriculture, requesting the proposed legislation, together with an analysis of the proposed bill.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter and analysis will be printed in the Record.

The bill (S. 2932) to clarify and otherwise amend the Poultry Products Inspection Act, to provide for cooperation with appropriate State agencies with respect to State poultry products inspection programs, and for other purposes, introduced by Mr. Ellender (for himself and Mr. Montoya), by request, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The letter and analysis, presented by Mr. Ellender, are as follows:

Department of Agriculture,
Washington, D.C.

Hon. John W. McCormack,
Speaker of the House of Representatives,
Washington, D.C.

Dear Mr. Speaker: In his message of February 7, 1968, the President recommended prompt enactment of a Wholesome Poultry Products Act. Accordingly, I am submitting a bill to carry out the President's recommendation, and I urge its early and favorable consideration by the Congress.

The Poultry Products Inspection Act was enacted on August 28, 1957. The act provides for inspection of processing of poultry or poultry products for "commerce" as defined in the act. Section 5 of the act provides that under certain conditions major consuming areas could be designated and all poultry products processed or sold in such areas could be required to be inspected. However, section 5 has proven to be ineffective and no areas have been designated. There are two primary reasons why this section has not been effective in extending inspection to intrastate plants. (1) The Secretary may not himself initiate action for designation; it has to originate with a State or local official or agency or a local poultry industry group. (2) The Secretary must find, inter alia, that the volume of noninspected poultry or poultry products is such as to burden the movement of inspected poultry products in "commerce." There are plants of significant size which process without inspection and sell poultry in intrastate commerce, some of which is unwholesome and not properly processed.

Experience has shown that additional legislation is urgently needed for the truly adequate protection of consumers, the legitimate operators in the affected industries, and others associated therewith.

About 13 percent of the poultry sold off farms is not prepared for distribution in "commerce" as defined in the act, and under present law is not subject to Federal inspection. Since only four States have active mandatory poultry inspection programs, the majority of these poultry products receive no inspection. These products are permitted to be intermingled in the retailing process with federally inspected products for sale to the unsuspecting public.

The object of the proposed bill is to eliminate the sale of unwholesome, adulterated, improperly processed, mislabeled, or deceptively packaged poultry products and to assure consumers that poultry products they buy are wholesome, unadulterated, and honestly packaged and labeled.

The proposed bill is very similar to the recently enacted Wholesome Meat Act. It would meet a need for establishing new authorities with respect to certain operators related to the poultry processing industry whose activities have a significant part in the marketing of poultry carcasses, parts thereof, and other poultry food products. This group includes renderers, animal food manufacturers, poultry products brokers, wholesalers, transporters, and cold storage warehousemen engaged in business in or for "commerce" and importers. Adequate and appropriate controls are necessary to protect consumers. The bill would authorize registration requirements and impose recordkeeping requirements with respect to such operators and would further require them to give access to representatives of the Secretary to their places of business for the purpose of examining records, inventories, and facilities and for taking samples upon payment therefor. These provisions would aid in preventing substitution of noninspected products for inspected products and otherwise deter buying, selling, and importation of noninspected or adulterated or misbranded poultry products. These new authorities would also be conferred on the Secretary with respect to persons that conduct the kinds of business specified in the bill but not in or for commerce whenever the Secretary determines after consultation with an advisory committee that the State or other jurisdiction concerned does not have or is not adequately exercising at least equal authority under its laws.

The bill would provide authority for the Secretary to cooperate with the appropriate agency in any State in developing and administering State laws with respect to poultry inspection and other matters covered by the bill. Cooperation with the States could include furnishing advisory program planning assistance and technical and laboratory assistance training State inspection employees and financial aid. The Federal contribution could not exceed 50 per centum of the estimated total cost of the cooperative program. The bill also provides for the Secretary to appoint advisory committees consisting of appropriate State agency representatives for purposes of consultations with him on such matters as State program evaluation and establishing better coordination and more uniformity among State programs and between Federal and State systems. The authority for such cooperation would also extend to the organized Territories.

Auxiliary provisions of the proposed bill would provide detention, seizure and injunction authority needed to prevent distribution of products that are unfit for human food or otherwise in violation of the act. The bill would also clarify various authorities and make numerous technical changes to facilitate enforcement of the Act.

The additional Federal costs that would be incurred if the proposed legislation is enacted would be approximately $5,000,000 for the first full year of operation and would be about $10,000,000 when all 50 States are cooperating. These costs are based on the assumption that States will cooperate and pay 50 percentum of the estimated total costs for their inspection programs. If States do not wish to cooperate and the Federal Government is responsible for the entire inspection program, the Federal cost estimates will double for those States that fail to cooperate. Financial assistance to States in the development of their inspection programs is estimated to be $4,400,000 in the first year, and technical assistance to States is expected to cost $450,000. Training of State employees in use of Federal standards and methods and Advisory Committee costs will be about $150,000.

The estimated first-year costs are based on the assumption that 24 States will enter the cooperative program during the first 12 months. Seventeen States now have some type of poultry inspection legislation. We assume that any of these that could qualify under the proposed legislation would enter a cooperative program immediately. The remaining States could enter the program as soon as they are able to enact legislation or take other steps necessary to qualify. However, there are no precise means of determining the number of States which would enter into cooperative agreements.

There are no means of accurately forecasting the number of plants which will elect to shift from their present intrastate status to interstate operations. Such a shift would reduce the cost of the cooperative program while significantly increasing Federal costs.

The proposed amendments would not derogate from authorities vested in the Department of Health, Education and Welfare under the Federal Food, Drug and Cosmetic Act. Provisions are included in the Bill to enhance the already established coordination between the two Departments in the administration of applicable food laws.

In addition to the draft bill, there is enclosed a section-by-section analysis of the bill with further comments as necessary to explain the effect of the provisions.

We believe that the enactment of the bill would not significantly affect consumer prices of poultry and poultry food products and that the bill is urgently needed in the interest of more adequate protection of consumers and other members of the public.

The Bureau of the Budget advises that enactment of this proposed legislation would be in accord with the President's program.

Sincerely yours,

Orville L. Freeman.

Analysis of Proposed Bill To Amend the Poultry Products Inspection Act

Sec. 1. This section entitles the Bill as the Wholesome Poultry Products Act.

Sec. 2. Section 2 amends the legislative finding now in section 2 of the Poultry Products Inspection Act (PPIA) to conform to that in the Federal Meat Inspection Act (FMIA), including language to support the provisions of the Bill which affect intrastate commerce.

Sec. 3. Section 3 amends the policy statement in section 3 of the Act to coordinate it with other amendments made by the Bill, e.g. to refer to misbranded poultry products and delete reference to designated major consuming areas.

Sec. 4. Section 4 amends section 4 of the Act to revise the definitions of "commerce", "Secretary", "poultry product", "adulterated", "inspector", and "label", to delete the definitions of "official inspection mark", "wholesome" and "unwholesome", and to add numerous new definitions including definitions of "processed" and "misbranded". The amended or new definitions of terms conform closely to the definitions of those terms in the FMIA.

(a) In the present Act "commerce" means commerce between any State (including the Commonwealth of Puerto Rico and the Virgin Islands) or the District of Columbia and any place outside thereof; or between points within the same State or the District of Columbia but through any place outside thereof; or within the District of Columbia. The bill defines "commerce" to mean commerce between any State, any Territory (i.e. any territory or possession of the United States excluding the Canal Zone) or the District of Columbia and any place outside thereof; or within any unorganized Territory or the District of Columbia.

(b) A definition of "State" (including the Commonwealth of Puerto Rico) is added.

(c) A definition of "Territory" (including any territory or possession of the United States, excluding the Canal Zone) is added.

(d) A definition of "United States" is added. It covers all the States and Territories and the District of Columbia. The legislative history of the present Act indicates that the term now covers only those areas included in the definition of "United States" in 19 U.S.C. 1401, which formerly applied for purposes of the import meat provisions of section 306 of the Tariff Act of 1930 (19 U.S.C. 1306), repealed by the Wholesome Meat Act (Pub. Law 90–201).

(e) The definition of "poultry" is extended to include domesticated birds that died otherwise than by slaughter.

(f) The definition of "poultry product" is clarified and extended to include New York dressed poultry so as to make applicable thereto provisions of the Act relating to poultry products. The definition insofar as it relates to articles made from poultry carcasses or parts thereof, conforms to the definition of meat food product in the FMIA, although it does not include the phrase "capable of use as human food". The quoted phrase is added as appropriate elsewhere in the Act.

(g) The definition of "adulterated" is amended to conform to that in the FMIA with a nonsubstantive change in the proviso in subparagraph (g)(2) and with other changes necessary to make it applicable to poultry products. A paragraph relating to margarine is omitted as not applicable to poultry.

(h) The definition of "misbranded" is like that in the FMIA except for changes needed to make it apply to poultry products and except as follows:

Subparagraph (5) requires a label showing specified information whether the article is in a container or not; and authority would be given to the Secretary to exempt articles not in containers from labeling as to quantity.

In Subparagraph (12), the official establishment number is required, as well as the official inspection legend and other information. Also the prescribed information is required to appear on the article "and" on its containers as prescribed by regulations of the Secretary. This clarifies wording used in the FMIA with the same intent.

(i) "Secretary" is redefined to include the delegates of the Secretary in accord with Reorganization Plan 2 of 1953.

(j) Only a grammatical change is made in the definition of "person".

(k) The definition of "inspector" is changed to include reference to employees or officials of a Territory or the District of Columbia, as well as of a State, or the United States.

(l) The term "official mark" is added. It is a broader term than "official inspection legend".

(m) The term "official inspection legend" is substituted for "official inspection mark" in conformity with the FMIA, except that provisions are added to include the combined State-Federal official inspection legend to be prescribed for use on poultry products processed under a State inspection system which the Secretary determines, imposes requirements at least equal to those under this act, as provided in subparagraph 5(c)(5) of this act.

(n) and (o) The terms "official certificate" and "official device" are added to conform to the FMIA.

(p) and (q) There is no change in the definitions of "official establishment" or "inspection service".

(r) Only a grammatical change is made in the definition of "container" or "package".

(s) "Label" is redefined and a definition of "labeling" is added in conformity with the

FMIA. However the term "label" is changed to include written, printed or graphic matter *upon any article* as well as such matter upon the immediate container.

(t) and (u) No change is made in the definition of "shipping container" and "immediate container".

(v) A definition of "capable of use as human food" is added in conformity with the FMIA.

(w) A definition of "processed" is added, adapted from the definition of "prepared" in the FMIA.

(x) and (y) These paragraphs add definitions of "Federal Food, Drug, and Cosmetic Act"; and "pesticide chemical" and related terms identical with the definitions in FMIA.

(z), (aa) and (bb). These paragraphs add definitions of "poultry products broker"; "renderer"; and "animal food manufacturer" which are adapted from corresponding terms in the FMIA with only such changes as are needed to apply them to poultry or poultry products.

Sec. 5. This section deletes the present provisions in section 5 of the Act for designation of major consuming areas with respect to which the requirements of the Act would be applicable to intrastate activities, and it substitutes therefor provisions for Federal-State cooperation similar to those contained in Title III of the FMIA.

(a) (1) The Secretary would be authorized to cooperate with appropriate State agencies in developing and administering State poultry product inspection programs in any "State" (as defined to mean any State, the Commonwealth of Puerto Rico, or any organized Territory) which has enacted a State poultry products inspection law imposing ante-mortem and post-mortem inspection, reinspection and sanitation requirements, at least equal to those under the Federal Act for all or certain classes of intrastate operators.

(a) (2) The Secretary would be authorized to cooperate with appropriate State agencies in developing and administering State programs under State laws containing authorities at least equal to those provided in revised section 11 of the Act (records, registration and handling of dead, dying, disabled, or diseased poultry and other matters) and to cooperate with other agencies of the United States in carrying out the provisions of the Federal Act. Authority now in section 18(b) of the Act to conduct inspections, etc., under the Act through State employees is also incorporated and extended in revised section 5.

(a) (3) The cooperation with the States may include advisory assistance, technical and laboratory assistance and training, financial and other aid. The Federal contribution may not exceed 50 percent of the total cost of the program.

(a) (4) The Secretary would be authorized to appoint advisory committees of State personnel to consult with him on poultry products inspection and other matters within the scope of the Act.

(b) The term "appropriate State agency" is defined in conformity with the FMIA.

(c) (1). Subparagraph (c) (1) provides for extending Federal inspection and certain other requirements of the Act to intrastate activities, including operations at establishments slaughtering poultry or preparing poultry products solely for intrastate commerce. It would authorize the Secretary after specified periods to designate any State as one in which such requirements would apply to wholly intrastate operations and transactions upon his determination, in accordance with specified procedure, that the State requirements are not at least equal to the Federal requirements. This subparagraph also provides for extension of the Federal requirements to specific plants designated by the Secretary upon his determination that they produce adulterated poultry products, for intrastate distribution, which clearly endanger the public health.

(c) (2) Subparagraph (c) (2) would include limited exemption from inspection for traditional and usual types of operations at retail stores or restaurants or similar retail-type establishments otherwise subject to inspection only under paragraph (c).

(c) (3) Subparagraph (c) (3) provides for terminating the designation of States under paragraph (c), and also redesignating such States.

(c) (4) Under subparagraph (c) (4) the Secretary would be required to review the requirements of the several States not designated under paragraph (c) with respect to slaughter, processing, storage, handling, and distribution of poultry products, and inspection of such operations.

(c) (5) This subparagraph would authorize the distribution in commerce of poultry products processed under State inspection in accordance with requirements which the Secretary has determined are at least equal to the Federal requirements, when such products are marked with a combined State-Federal inspection legend under conditions prescribed by the Secretary. This provision would also relieve the Secretary of the obligation of providing regular Federal inspection at an establishment which initially processes products solely for intrastate commerce under a State inspection program and then desires to distribute some of its products in "commerce," if the State program is found to be at least equal to the Federal program and the establishment operator elects to continue under State rather than Federal inspection.

(d) Paragraph (d) defines "State" to conform to the definition in the FMIA.

Sec. 6. Section 6 amends section 6 of the Act by making editorial changes to conform the language to other amendments made by the Bill, including adding the phrase "capable of use as human food" to qualify "poultry products" in the provisions for quarantine, segregation and reinspection.

Sec. 7. This section also makes editorial changes to conform to other amendments.

Sec. 8. This section deletes the present labeling provisions in section 8 of the Act and substitutes provisions identical with those in the FMIA except for necessary editorial changes (e.g. references to poultry products rather than meat and meat food products) and except that the requirement in the latter Act that certain information appear on the products "or" their containers, as the Secretary may require, is here clarified to require it on the products "and" their containers.

(a) The principal change made by this paragraph is in the label information to be required. The present Act specifies certain items required to appear on the shipping container and more extensive information for the immediate container. Under the revised section all the information necessary under the definition of "misbranded" would have to appear on the poultry product itself and on the shipping containers and immediate containers as the Secretary may require.

(b) This paragraph would confer specific authority on the Secretary to prescribe styles and sizes of type of required label information and to prescribe standards of identity or composition, or fill of container.

(c) This provision would prohibit sale in commerce of any article subject to the Act under a false or misleading name or in containers of a false or misleading form or size but allow the use of approved labeling and containers. Similar provisions are in present paragraph 8(b).

(d) This paragraph would authorize the Secretary to order labeling or containers to be withheld from use if there is reason to believe they are false or misleading and provide for administrative hearing and judicial review. This provision is essentially the same as in paragraph 8(b) of the present Act except that it includes authority to prevent use of containers of a false or misleading form or size.

Sec. 9. This section deletes the principal prohibition now in the Act and substitutes prohibitions like those in the FMIA plus others adapted from the present PPIA, and makes necessary editorial changes as well. Under the revised section it would be unlawful to:

(a) (1) slaughter poultry or process poultry products capable of use as human food at establishments processing such articles for commerce, except in compliance with the requirements of the Act. (This clarifies a prohibition now in paragraph 9(a) of the Act with respect to processing.)

(a) (2) sell, transport, offer for sale or transportation, or receive for transportation, in commerce (A) adulterated or misbranded poultry products capable of use as human food or (B) poultry products required to be inspected unless they have been inspected and passed.

(a) (3) adulterate or misbrand poultry products capable of use as human food while they are being transported in commerce or held for sale after such transportation.

Clause (9) (a) (2) (A) replaces comparable prohibitions in paragraphs 9(a), (b) and (d) and section 16 of the present Act with respect to mislabeled or unwholesome or adulterated articles and extends coverage into areas now covered only by the Federal Food, Drug and Cosmetic Act. This is also true of subparagraph 9(a) (3). Clause (B) of revised subparagraph 9(a) (2) preserves prohibitions now in paragraph 9(a) with respect to distribution of poultry products that have not been inspected.

(a) (4) This provision clarifies and replaces the prohibition now in paragraph 9(i) with respect to the distribution of articles not qualifying under the present definition of "poultry product", principally "New York dressed poultry".

(a) (5) This paragraph clarifies and slightly relieves the present prohibition in paragraph 9(h) of the Act against use or revealing of information acquired under the Act.

(b) This paragraph clarifies and preserves prohibitions now in paragraph 9(c) against counterfeiting or simulating official identifications and related offenses, especially as to brand manufacturers and printers.

(c) This paragraph prohibits forgery, unauthorized use or destruction, or prohibited failure to use or to destroy, official devices, marks or certificates; knowing possession (without notifying the Secretary) of counterfeit "official" certificates, devices, or labels, or poultry carcasses, parts thereof or products bearing counterfeit "official" marks; and similar offenses. It also prohibits false statements in certificates prescribed under the Act and false representation of poultry products as inspected or exempted under the Act. Similar prohibitions are now contained in paragraphs 9 (c) and (e) of the Act, except as to false statements in certificates.

Sec. 10. This section makes editorial changes in section 10 of the Act relating to complete coverage of official establishments for conformity with other amendments.

Sec. 11. This section deletes the present record requirements in section 11 of the Act and substitutes the record and other provisions of Title II of the FMIA.

New paragraph 11(a) of the Act limits inspection under the Act to inspection of the slaughter of poultry and the preparation of poultry carcasses etc. intended for use as human food and requires denaturing or other identification, as prescribed by the Secretary, of poultry carcasses etc. not intended for such use before their distribution in commerce or importation.

New paragraph 11(b) of the Act would require keeping of records fully and correctly disclosing all business transactions by:

(1) persons engaged (for commerce) in the business of slaughtering poultry or processing, freezing, packaging or labeling carcasses, etc. of poultry for use as human food or animal food;

(2) persons engaged in the business of

buying or selling in any capacity, transporting, or storing, in or for commerce, or importing any carcasses, etc. of poultry; and

(3) persons engaged in business, in or for commerce, as renderers, or in the business of buying, selling, or transporting in commerce, or importing any dead, dying, disabled or diseased poultry (hereinafter called "4–D poultry") or parts of the carcasses of any poultry that died otherwise than by slaughter, e.g. from natural causes.

Paragraph 11(b) also would require such operators to give representatives of the Secretary access to their places of business, and opportunity to examine records, facilities, and inventories and to take samples of their inventories upon payment therefor.

New paragraph 11(c) of the Act would authorize the Secretary to require registration of persons engaged in business, in or for commerce, as poultry products brokers, renderers, animal food manufacturers, wholesalers or public warehousemen of poultry carcasses, etc., and persons engaged in the business of buying, selling or transporting, in commerce, or importing, any 4–D poultry, or parts of the carcasses of any poultry that died otherwise than by slaughter.

New paragraph 11(d) would prohibit 4–D poultry or carcass handlers from buying, selling, or transporting, etc. in commerce or importing, any 4–D poultry, or parts of carcasses of any poultry that died otherwise than by slaughter, unless such transactions, etc. are made in accordance with the Secretary's regulations.

(2) persons engaged in the business of buying or selling in any capacity, transporting, or storing, in or for commerce, or importing any carcasses, etc. of poultry; and

(3) persons engaged in business, in or for commerce, as renderers, or in the business of buying, selling, or transporting in commerce, or importing any dead, dying, disabled or diseased poultry (hereinafter called "4–D poultry") or parts of the carcasses of any poultry that died otherwise than by slaughter, e.g. from natural causes.

Paragraph 11(b) also would require such operators to give representatives of the Secretary access to their places of business, and opportunity to examine records, facilities, and inventories and to take samples of their inventories upon payment therefor.

New paragraph 11(c) of the Act would authorize the Secretary to require registration of persons engaged in business, in or for commerce, as poultry products brokers, renderers, animal food manufacturers, wholesalers or public warehousemen of poultry carcasses, etc., and persons engaged in the business of buying, selling or transporting, in commerce or importing, any 4–D poultry, or parts of the carcasses of any poultry that died otherwise than by slaughter.

New paragraph 11(d) would prohibit 4–D poultry or carcass handlers from buying, selling, or transporting, etc. in commerce or importing, any 4–D poultry, or parts of carcasses of any poultry that died otherwise than by slaughter unless such transactions, etc. are made in accordance with the Secretary's regulations.

New paragraph 11(e) would provide that the authority conferred on the Secretary by paragraph (b), (c), or (d) with respect to persons engaged in the specified kinds of business in or for commerce, may be exercised by him with respect to persons engaged in such business but not in or for commerce, and with respect to their transactions, when he determines, after consultation with an appropriate advisory committee provided for in section 5 of the Act that the State or Territory involved does not have or is not adequately exercising at least equal authority, including the State or Territory providing for the Secretary or his representative being afforded access to such places of business.

Sec. 12. This section would amend section 12 of the Act relating to penalties by substituting provisions adapted from section 406 of the FMIA, by making editorial changes in paragraph 12(b), and by adding as paragraph 12(c) prohibitions and penalties like those in section 405 of the FMIA with respect to forcible assaults, etc. against persons performing official duties under the PPIA.

Sec. 13. This section adds, to section 14 of the Act as paragraph (a), authority for the Secretary to regulate conditions of storage and handling of poultry products capable of use as human food by any person engaged in handling in commerce or importing such articles. It is the same as section 24 of the FMIA except for necessary editorial changes.

Sec. 14. This section amends the exemption provisions now in section 15 of the Act by:

(a) deleting the poultry producer exemption authority now contained in paragraph 15(a)(1) (a more restricted exemption is provided in new paragraph 15(c)); and preserving and redesignating as paragraph (a)(1) the exemption authority as to retail dealers now contained in paragraph 15(a)(2); redesignating as paragraph 15(a)(2) the provisions now contained in paragraph 15(a)(3) for exemption from inspection in cases of impracticability to provide it; and redesignating as paragraph 15(a)(3) the religious exemption provisions now contained in paragraph 15(a)(4).

(b) extending until January 1, 1970 the expired authority of the Secretary under redesignated paragraph 15(a)(2) to exempt processors of poultry and poultry products for commerce from inspection when he finds it is impracticable to provide such inspection;

(c) redesignating as (e) present paragraph (b) relating to suspension or termination of exemptions and adding new paragraphs (b), (c) and (d) to the Act, as follows:

"(b)" Authorizing the Secretary to exempt from inspection the slaughter of poultry and processing of poultry products in any unorganized Territory solely for distribution therein when he finds it is impracticable to provide such inspection for lack of funds. (This is the same as paragraph 23(b) of the FMIA except for editorial changes.)

"(c)" Excluding from the inspection requirements of the Act, the slaughter by any person of poultry of his own raising and the processing by him of the poultry products thereof exclusively for use by him and members of his household and nonpaying guests and employees; and the custom slaughter and processing of such poultry, for such use, by custom slaughterers who do not engage in the business of buying or selling poultry products capable of use as human food.

(This is the same as paragraph 23(a) of the FMIA except for editorial changes.)

"(d)" Affirming the application of the adulteration and misbranding provisions generally to articles exempted or excluded from the inspection requirements.

Sec. 15. This section deletes the present provisions in section 16 relating to distribution of unwholesome or adulterated exempted poultry or poultry products since they are included in new subparagraph 9(a)(2)(A).

Section 15 of the Bill substitutes provisions clarifying the authority to limit the entry into official establishments of poultry products and other materials.

Sec. 16. This section amends the import provisions of section 17 of the Act to conform to the provisions in section 20 of the FMIA.

(a) It prohibits importation of poultry products capable of use as human food if they are adulterated or misbranded and unless they comply with all the inspection, building construction standards and other provisions of the Act and regulations thereunder applicable to such articles in domestic commerce. An exception is made for imports not in excess of 50 pounds by any person for his own consumption.

(b) This provision extends the authority of the Secretary to provide for destruction of articles imported contrary to the Act unless exported and in the case of merely misbranded articles allows them to be brought into compliance with the Act under official supervision, instead of being exported.

(c) This paragraph preserves and extends authority now contained in paragraph 17(c) of the Act for assessment of storage, cartage and labor charges against the owner or consignee of products refused admission.

Sec. 17. This section deletes the present provisions in section 18 relating to jurisdiction of the Secretary and cooperation with other branches of Government and State agencies in carrying out the provisions of the Act and substitutes provisions for refusal or withdrawal of inspection service under the Act. (Deleted matter is covered by sections 5 and 18 of the Bill.)

The new provisions in paragraph 18(a) would authorize withdrawal or refusal of inspection service under the Act for any establishment if the applicant for, or recipient of, the service is determined, in a formal administrative proceeding, to be unfit to engage in a business requiring such inspection because he, or anyone responsibly connected with him, has been convicted within the previous ten years, in any Federal or State court of any felony or more than one misdemeanor under any law based upon acquiring, handling or distributing of adulterated, mislabeled, or deceptively packaged food or upon fraud in connection with transaction in food; or any felony involving any act which indicates a lack of the integrity needed for the conduct of operations affecting the public health.

New paragraph 18(b) would provide opportunity for hearing, upon request by the adversely affected processor, in cases in which inspection service has been withdrawn or refused because of failure to destroy condemned poultry products or otherwise comply with the requirements under section 7 of the Act. Provision would be made, however, for the withdrawal or refusal to continue unless otherwise ordered by the Secretary.

In paragraph 18(c), provision would be made for judicial review of orders in proceedings within paragraphs (a) and (b).

Sec. 18. This section redesignates present sections 19 (Cost of Inspection), 20 (Appropriations), 21 (Separability of Provisions), and 22 (Effective Date of the Original PPIA) as sections 25, 26, 27, and 28, and adds to the Act new sections 19 through 24 which correspond, respectively, to provisions in sections 402, 403, 404, 407, 408, and 409 of the FMIA.

New section 19 would authorize administrative detention by the Secretary of Agriculture's representatives of poultry products and other articles and 4-D poultry if found on any premises where held for purposes of, or during or after, distribution in commerce or otherwise subject to the Act and there is reason to believe that they are adulterated or misbranded and capable of use as human food, or that they have not been inspected, in violation of Federal or other laws or have been or are intended to be distributed in violation of such laws.

New section 20 would authorize judicial proceedings for seizure and condemnation of poultry products and 4–D poultry that are being transported in commerce or that are otherwise subject to the Act, or that are held for sale after such transportation, if they are or have been processed or distributed or offered or received for distribution in violation of the Act, or are capable of use as human food and are adulterated or misbranded, or are otherwise in violation of the Act.

New section 21 would give specified courts jurisdiction of actions to enjoin violations of the Act, and certain other cases under the Act.

New section 22 would incorporate by reference, provisions (including penalties) of the Federal Trade Commission Act and the Communications Act of 1934, as amended, authorizing requirement of reports, authorizing administrative subpoenas, and conferring other investigative and hearing powers.

New section 23 would exclude States, Territories, and the District of Columbia from regulating operations at plants inspected under the PPIA or from imposing marking, labeling, packaging or ingredient requirements in addition to or different than those under the Act for poultry products processed at official establishments in accordance with the Act, but would permit them to impose record-keeping and related requirements with respect to such plants if consistent with the Federal requirements and to impose requirements consistent with the Federal provisions as to other matters regulated under the Act.

New section 24 would coordinate the Poultry Products Inspection Act with the Federal Food, Drug, and Cosmetic Act by continuing the present exemption from the latter Act for poultry and poultry products to the extent of the application or extension thereto of the Poultry Products Inspection Act but providing that the provisions of the Poultry Products Inspection Act shall not derogate from any authority conferred by the Federal Food, Drug, and Cosmetic Act prior to enactment of the Bill. This parallels provisions in subsection 902(b) of the latter Act and section 409 of the FMIA with respect to meat and meat food products. Section 24 also would extend the detention authority of section 19 to representatives of the Secretary of Health, Education and Welfare for purposes of enforcement of the latter Act with respect to poultry carcasses, and parts and products thereof.

Sec. 19. This section of the Bill would change the headings preceding specified sections of the statute to reflect other changes made by the Bill.

Sec. 20. This section contains the usual savings provision to apply in case of partial invalidity of the Bill.

Sec. 21. This section provides that the Bill shall become effective upon enactment except for the adulteration and misbranding provisions, import provisions, amendments of exemption provisions, and provisions relating to 4-D poultry which would become effective upon the expiration of 60 days after enactment.

THE INTERGOVERNMENTAL UTILITY CONSUMERS' COUNSEL ACT OF 1968

Mr. METCALF. Mr. President, I introduce for appropriate reference the Intergovernmental Utility Consumers' Counsel Act of 1968, a bill to modernize regulation of the major electric, gas, telephone, and telegraph utilities.

The bill has four principal objectives:

First. To require the utilities to report to regulatory bodies certain additional information which is pertinent to regulation and to public understanding of utility rates and procedures;

Second. To require the Federal Power Commission and Federal Communications Commission to report this and other information to Congress and the public in a timely and convenient manner, using automatic data processing to the fullest possible extent;

Third. To establish, at the Federal, State, and local levels, offices of Utility Consumers' Counsel, to represent the interests of utility consumers before regulatory commissions; and

Fourth. To establish a grant program to finance study of regulatory matters.

Mr. President, this bill is designed to help regulators carry out the large tasks assigned them by legislators. It is designed to provide the public with competent representation before regulators. It is designed to realize, in the utility area, the rights of consumers enunciated by President Kennedy in 1962 and reaffirmed by President Johnson in 1964 the right to be informed, the right to choose, the right to safety, the right to be heard.

The bill will not work hardship on any utility. It is designed to provide utility consumers the tools to obtain fair rates.

This bill provides an opportunity for substantial savings by the Federal Government. The Federal Government is the largest consumer of utility services in the country. It annually pays a utility bill of some $4 billion. That is roughly one-tenth of the utilities' revenue.

The bill would authorize—in addition to whatever relatively small additional sums would be needed by the FPC and FCC—an annual appropriation equal to one-tenth of 1 percent—0.001—of the aggregate annual gross operating revenue of the major electric, gas, telephone and telegraph utilities. Their revenue approximates $40 billion annually. Therefore, the current appropriation ceiling in the bill would be about $40 million.

As can readily be seen, a mere 1-percent reduction of the Federal Government's annual utility bill would save an amount equal to the authorized appropriation of $40 million.

The principal beneficiaries of the bill, however, would be the businesses and residential consumers who often have had no voice before the ratemaking commissions.

The bill would not apply to utilities that are owned and controlled by the customers they serve or by the public. Nor would it apply to small private utilities. It would apply only to those investor-owned utilities with annual gross operating revenues of $1 million or more.

Mr. President, some students of utilities have despaired of ever developing a fair and effective regulatory system. They point to the fact that utilities themselves devised many of the regulatory laws, which give the shadow but not the substance of regulation, that utility officials are also in some instances public officials. They point to the fact that the public generally has little understanding of regulation, because of utility influence in schools and universities, that the public often has a misunderstanding of utilities, created by their sometimes misleading advertising and public relations programs. They point to the fact that the public pays, through the rate structure, for expensive representation of the utilities' viewpoint, before regulatory commissions, but that the public does not provide, through either taxes or rates, for adequate representation of its own interests before these rate-setting commissions.

A few critics have suggested nationalization of utilities such as electric power. I am not of that school. To the contrary, I believe that service is improved, rates are reduced, and sales are increased through more competition among investor-owned, customer-owned, city- and district-owned systems.

In addition, and pertinent to the bill I today introduce, the computers and information storage and retrieval systems developed during recent years can vastly simplify and speed up what once were costly, time-consuming and cumbersome regulatory proceedings. I shall return to that aspect later. At this time, Mr. President, I would like to elaborate briefly on the four major points covered by this legislation.

1. UTILITY REPORTING

It is presently impossible, in most cases, to determine from public records who owns utilities, who works for them, and where some of their money goes.

It is difficult to compare the performance of one utility with that of another. Utility accounting practices are "completely inadequate" and show "a greater lack of comparability than at any time since 1933," according to a committee of the Investment Bankers Association.

It is difficult, if not impossible, to evaluate the degree to which power company stock option plans dilute equity of ordinary stockholders and result in loss of capital available to the utility.

It is difficult, in some cases impossible, to find out the size and makeup of a utility's rate base, upon which earnings and thus rates are based. This situation is analogous to that of a taxpayer who could not find out the assessed value of his property. He would be indignant, and properly so.

Mr. President, the electric utility industry portrays itself as strictly regulated and closely watched. "Big Brother—the Federal Government—keeps a steady eye on the fishbowl called the electric utility industry," according to the January 22, 1968, issue of Electrical World. The Southern Co., an electric utility holding company, stated in its 1966 annual report that it and its subsidiaries "Are compelled to operate in a 'fish-bowl' with their every corporate activity subject to scrutiny by regulatory authorities." Industrial News Review, a canned editorial service financed in part by power companies, recently sent thousands of newspapers a free editorial stating that "A power company lives in a gigantic goldfish bowl, the size of the territory it serves." A power company's every act, continued the editorial "is subject to public observation and local, State, or Federal regulation." The electric utilities have claimed, in national advertisements, that they "answer any question you may have quickly, without making a Federal case of it." I wish that were true. It is not true. There is no truth-in-utility-advertising law and none is here proposed, although a case could be made for such legislation.

Utilities are public service corporations. They have been given special power and privilege by government. Indeed, they have many of the characteristics of government. They should be subject to public observation. This is not now the situation, statements by the electric utilities to the contrary notwithstanding.

My bill would correct at least some of the deficiencies in the utility reporting system, remove some of the opaque covering on the fishbowls. It would, in sum, simply require that the utilities do what they say they do about informing the public and regulatory bodies about themselves.

2. FEDERAL COMMISSION REPORTING

The bill would require the Federal Power Commission and Federal Communications Commission to make readily available to the public, on at least an annual basis, various information about each electric, gas, telephone, and telegraph utility. Some of the information is already reported by the utilities, but is not conveniently available to the public. Under this bill the Commissions would be authorized to prescribe regulations necessary to obtain the additional data.

The FPC has taken some good beginning steps in this regard. The 1965 and 1966 editions of "Statistics of Electric Utilities in the United States, Privately Owned" have included the return on common stock equity of each major electric utility. The average return on common stock equity in 1966 was 12.8 percent, having risen from about 7 percent prior to World War II, to 10 percent in the postwar period, to 11 percent in 1960, and exceeding 12 percent, for the first time, in 1965.

The FPC recently proposed a change in regulations to require utilities to report all payments for professional services. This would include payments for legal services, public relations, advertising, and other items. This proposed reporting requirement needs a statute to back it up. Some years ago regulations required reporting such information. Utilities quietly went before the FPC on two occasions and obtained changes in the regulations. Those changed regulations now permit large utilities to make an unlimited number of payments of up to $25,000 each for professional services without having to report them. Some electric utilities have declined requests for details on such expenditures, on the grounds that revelation would constitute an invasion of privacy—this despite the industry's advertised claim to "answer any question you may have quickly, without making a Federal case of it."

The Senate Judiciary Subcommittee on Antitrust and Monopoly found—the last time a congressional committee looked into this matter, 14 years ago—that utility professional fees financed a whole range of political and public relations activities, including retaining of local lawyers in communities throughout the power company service areas and at the State capital, distribution of contracts and supplies, with the understanding that helpful political activity is expected. Reporting payments for bona fide professional services will in no way prevent a utility from hiring whatever legal, public relations, and other professional advice it needs. The reporting requirement will, however, assist regulators in determining what costs are properly borne by the utility's customers and which should be borne by the stockholders.

The bill would require reporting of information on the components of each utility's rate base. The components of a rate base are all important. Revenue, and thus rates, are based on the value assigned the rate base.

In a majority of the States the method of rate base valuation is the depreciated original cost of the plant. In about a dozen States the fair value of the rate base is used. In addition, in some States various other items are included in the rate base—accumulated tax deferrals, allowance for working capital, construction work in progress, contributions in aid of construction, customer's advances, materials and supplies, plant acquisition, adjustments and plant held for future use.

In Vermont and Nevada, for example, the State commissions use the depreciated original cost rate base. The only other item included is an allowance for working capital, according to Senate Document 56, "State Utility Commissions," issued last fall by the Senate Subcommittee on Intergovernmental Relations.

In contrast, Mississippi, which uses the fair value rate base, permits allowance for working capital, construction work in progress, contributions in aid of construction, customers' advances and material and supplies—although these amounts are reduced by accruals flowing from customers' payments—and appears to have included accumulated tax deferrals in the rate base as well.

Obviously, any given rate of return on a Mississippi-style rate base is going to produce substantially more revenue than the same rate of return would produce on a Vermont or Nevada rate base.

In some States regulators themselves, as well as the public, have difficulty finding out the actual value of the rate base. My bill would require that the major components of the rate base, and their dollar value, be reported. The bill would in no way diminish regulatory responsibilities of the State commissions or increase regulatory responsibilities of Federal commissions in respect to rate base or any other matter. It would spread on the public record some basic information on which intelligent regulatory judgments can be based. As Commissioner Carver of the Federal Power Commission observed last year:

> Firm regulation can succeed as well by concentration on the components of the rate base as on control of profits.

The make-up of a utility rate base is especially important in that whenever an additional item is included in it, the rate of return is decreased. If, for example, a utility has a $1 billion rate base and $96 million in net operating revenue annually, the rate of return would be 9.6 percent. If a regulatory commission can be persuaded that an additional $200 million should be included in the rate base, bringing the total to $1.2 billion, the $96 million in net operating revenue would represent a rate of return of only 8 percent.

When a utility can get the rate base increased, and the rate of return therefore decreased, it can better argue that its rates should not be decreased but, indeed, perhaps should be higher.

The economic importance of rate base components was illustrated by the FCC's September 14, 1967 modification of its July 5, 1967 decision in the American Telephone & Telegraph rate case. In its July decision the FCC found that a rate of return in the 7 to 7.5 percent range was reasonable for Bell's interstate operations. In its September modification the FCC reaffirmed its finding that a rate of return of 7 to 7.5 percent was reasonable. However, the Commission decided that construction work in progress—amounting to $544 million—should be included in the rate base. This modification permits Bell to earn annually an additional $40 million.

I will cite one other example, from my own State of Montana. The State regulatory commission, which is bound by statute to the fair value rate base concept, reported to the Senate Intergovernmental Relations Subcommittee that Montana Power Co. had an allowed rate of return of 5.33 percent. Montana Power actually has a rate of return of 11.33 percent, on a depreciated original cost rate base, and a return on common stock equity of 17.7 percent, according to the Federal Power Commission.

The bill would require annual publication of the difference between what each utility earns and what it would have earned at a 6-percent rate of return on a depreciated original cost rate base. The purpose of this requirement is to permit the Congress, regulators, and the public to make meaningful comparisons on a standard basis.

I understand that some utilities object to having their earnings compared to a 6-percent rate of return standard. They point out that money costs are high now, that some of their new bonds carry an interest rate of more than 6 percent. That is true. It is also true that the average rate of interest on long-term utility debt is only 3.9 percent. Because of the low average debt cost, the average utility with a 6-percent rate of return will today realize a return on common stock equity of 9.5 percent.

The rate of return allowed by State utility commissions averages about 6 percent—6.14 percent in the case of electric utilities, 6.32 percent in the case of gas utilities, 6.25 percent in the case of telephone and water utilities, according to the State commissions' reports to the Subcommittee on Intergovernmental Relations that are summarized in Senate Document 56, 90th Congress, first session. Some of those State commissions compute that rate of return on a fair value rate base and include various items in the rate base. But the majority of those commissions use a depreciated original cost rate base, as the Federal commissions do.

It is also pertinent here to point out that the Federal Power Commission, in granting hydroelectric power licenses, has long used a standard of 6 percent return on net investment. Although net investment and depreciated original cost rate base are not identical they are not far apart. In a current proceeding, Docket R–297, the FPC has tentatively concluded that the fair return on net investment should be one and one-half times the weighted average embedded cost of long-term debt, or 6 percent, whichever is higher. This proposed formula adds a flexibility that would benefit a utility whose long-term debt costs are above the 3.9 percent average.

Mr. President, I believe it is safe to assume that most utilities will object to comparison of their annual earnings with a 6 percent rate of return yardstick, because most are making considerably more than that. The median rate of return of electric utilities in 1966 was 7.44 percent, a rate which, because of the low average cost of utility debt, permitted an average return on common stock of 12.8 percent in 1966. Utility earnings in many instances have risen above the levels theoretically allowed by the State commissions.

I would here again emphasize that my bill would in no way change the earnings structure or the regulatory responsibilities. It would simply make conveniently available information upon which sound regulatory judgments can be based.

Officers and directors of utilities who are officers and directors of other corporations would have their corporate connections published annually, under the terms of the bill. In this connection I am reminded of a newspaper advertisement a few years ago by Guaranty Trust Co., of New York, on behalf of the investor-owned electric utilities and attacking consumers of public power. (The ad did not mention that investor-owned companies are among the principal consumers of publicly generated power.) The chairman of the board of Guaranty Trust was also board chairman of Duke Power Co. The bank's trustees included four officials of Consolidated Edison. One of the bank's directors was an official of Public Service Electric and Gas.

I believe information on such tieups should be readily available. I believe it would help the Federal Power Commission enforce section 305(b) of the Federal Power Act, which reads:

> . . . It shall be unlawful for any person to hold the position of officer or director of more than one public utility or to hold the position of officer or director of a public utility and the position of officer or director of any bank, trust company, banking association, or firm that is authorized by law to underwrite or participate in the marketing of securities of a public utility, or officer or director of any company supplying electrical equipment to such public utility, unless the holding of such positions shall have been authorized by order of the Commission, upon due showing in form and manner prescribed by the Commission, that neither public nor private interests will be adversely affected thereby.

The bill would require publication of information on utility stock option plans. Regulators and parties to rate cases could thus receive some indication of the amount of compensation realized by option beneficiaries. They could also determine the extent to which additional capital would have to be raised in order to compensate for capital foregone through sale of stock to optionees at below-market prices. The information would be sufficient also for ordinary stockholders to estimate how much their equity has been diluted through exercise of options by insiders.

The bill would provide for publication of the name and address of the beneficial owners of 1 percent or more of the stock in each utility. At present most utility stock is listed by street names; that is, investment firms. In the majority of electric utilities every single vote at the annual meetings and elections is cast by management, by proxy. If a stockholder or group of stockholders want to solicit votes for a nonmanagement candidate for the board of directors, or against a stock option plan, they are stymied. They cannot find out who the real owners are.

Certainly the real owners are not the home State folks whose pictures adorn utility advertisements, and whose total holdings are a tiny fraction of the total outstanding stock.

Nor can a city or small company find out who controls a big utility which seeks to purchase their local powerplant. The experience of the city fathers of Holyoke, Mass., in 1964, illustrates the problem. Holyoke Water Power Co., was trying to buy their municipal electric plant. City officials wanted to know who they were dealing with. One investment firm said it held Holyoke Water Power stock for 12 clients, including one in Switzerland, one in France, and a foreign bank. The firm would not provide further details. Merrill Lynch, Pierce, Fenner, & Smith, Inc., was less informative but more specific:

> Firm policy prevents us from divulging the names and addresses of clients for whom we are holding securities.

Said Merrill Lynch:

> The only way we may provide such information is upon receipt of a duly authorized and executed court order, spelling out the terms of the request.

This provision of the bill is sharply limited but of considerable importance. It will provide, in addition to the benefits previously mentioned, an opportunity to determine the extent to which control of the energy and communications industries are concentrated or diffused.

Mr. President, the entire regulatory system rests on the accounts. Our technology is now such that the data on which utility regulation is based, including the information which would be obtained under this bill, can be stored in data banks and readily printed out for regulators, the Congress, the public. Development of comprehensive computerized information systems are underway among utilities, the Federal Power Commission and the Federal Communications Commission. Only two State commissions, California and Wisconsin, make significant use of automatic data processing in the regulatory process. Were the FPC and FCC truly to become data banks their information could be of considerable value to understaffed inadequately-equipped State commissions.

I gather from the literature of the utility industries that the cost of developing comprehensive utility information systems is surprisingly small, providing the systems are properly planned. I believe the Federal commissions should move ahead faster in development of their computerized systems. The bill would authorize and direct the two commissions to make full use of automatic data processing, to the end that the information upon which rate adjustments can be made would be received in a timely and understandable manner.

Essential of course to sound regulation in this era is an integrated information program in which the utility can readily respond to what the regulatory commission asks, rather than simply report what the utility wants told. In line with announced industry policy to answer any question quickly a utility computer tape ought not to stutter if asked by a commission machine to print out the company's owners, optionees or overcharge.

3. UTILITY CONSUMER COUNSEL

The bill establishes as an independent agency a U.S. Office of Utility Consumers' Counsel. He and his staff would be empowered to represent the Federal Government and the public before Federal and State commissions and courts. The bill would transfer from the General Services Administration to the Office of Utility Consumers' Counsel responsibility for procurement of electric, gas, telephone and telegraph service from investor-owned corporations whose annual revenues exceed $1 million.

The bill would make available to the States grants of up to 75 percent of the cost of State Officers of Utility Consumers' Counsel. This grant-in-aid program would also be available to local jurisdictions or combinations of jurisdictions with a total population of at least 100,000 persons.

Mr. President, most of us are familiar with the formidable presentations which utility companies can make before regulatory commissions, with their batteries of experts who are paid for by the customers through the rate structure. We are familiar too with the fact that the public viewpoint, the consumers' viewpoint, is not adequately presented.

I have been impressed by the editorials on this point, in State after State, during the past year. Here are excerpts from some of them:

Said the Providence Journal:

> Time and again, Rhode Island consumers have seen how impressively the utility interests can mobilize its economists, engineers and accountants in a massive presentation of data to support a rate case. Too frequently, the public utilities administrator has all he can do simply to understand a case, let alone to act as arbiter between company and public interests. Too frequently, State administrators, knowing that company versions of its investment, income, depreciation, and expenses as rate base elements *should* be items of controversy, simply must pass over these items for lack of experts who can challenge the company.

I would add here that the Rhode Island regulatory body consists of one administrator who is paid $10,000 annually, one engineer, who receives $9,200, two accountants, at $8,200, two inspectors at $4,700, two executive secretaries at $4,100, one other professional employee at $10,200, and three secretaries.

The Oklahoma Corporation Commission has been under investigation by a State senate committee, following revelation of cash gifts by a gas utility to members and staff of the commission. The Tulsa Tribune, commenting on the State investigation, noted a disturbing paradox:

> The commission has awesome powers to regulate transportation and utility rates, oil and gas production; but it has extremely limited means to obtain the information re-

> quired for the just and equitable discharge of these powers.
>
> Confronted with batteries of corporation attorneys arguing for rate increases, the commission has had only the services of its underpaid, political-patronage staff.
>
> Ostensibly elected by the people—although the voters rarely have shown any interest in their selection—members of the commission have had to rely for campaign funds on those who have vested interests in decisions made by the commission. Yet this commission is cast in the role of prosecutor, judge and jury in cases vitally affecting the life of every Oklahoman.

In New York a "veil of secrecy"—in the words of the New York Times—was placed around the report on the Consolidated Edison Co. that was made for the city by a private consultant.

Said the Times:

> The long, dismal record of confrontations between the city and Con Ed shows that the company has invariably been able to persuade the (New York Public Service) Commission that its position is the right one.
>
> The P.S.C. has gone along with Con Ed mainly because it lacks the qualifications or the disposition to do anything else. Its four members—all Republicans—are undistinguished politicians who have been rewarded for their loyalty and long years of party service. They have no special expertise in the field of rate regulation and they cannot cope with the formidable and sophisticated appeals for increases made by Con Ed. On a few occasions they have found it politic to delay action, but in the long run they have always yielded.

A similar situation prevails in Arkansas, according to the Blytheville Courier News. Noting that the Arkansas Public Service Commission has not had a rate case before it in over 10 years, it said:

> This has been the old Arkansas way of doing things in relation to business in the state: the industry to be regulated (and it does not begin and end with utilities) has the strongest hand in regulation.
>
> In short, the consumer in Arkansas has not had the benefit of the protection due him under the law because of the obvious political influence brought to bear in state government, as such government relates to regulation.

In Massachusetts, a probe of utility rates, suggested by the distinguished junior Senator from Massachusetts, Mr. Edward Kennedy, and the Massachusetts Consumer Council, has been heartily endorsed by the Boston Herald-Traveler, the Boston Morning Globe, the North Adam Transcript, and the Malden News.

The Transcript noted that the Massachusetts Department of Public Utilities did not seem interested in the investigation. The Herald-Traveler observed that a full rate case would be out of the question with the DPU's present staff, which included but three accountants assigned to checking the accuracy of financial statements filed by all the electric, gas, railway, bus, telephone, and telegraph companies in the State.

The common thread of editorial comment, except for that flowing from canned editorial factories financed by the utilities themselves, is that most State utility commissions are not doing their assigned job of protecting the public interest. In some cases they do not appear enthusiastic about doing their job. In other cases, they are simply not equipped to do it, having been given much to do by the State legislatures, and little to do with.

To my knowledge, the only State that now has a utility consumers' counsel is Maryland. There, in 1963, the counsel to the public service commission resigned, after trying to regulate more than 200 utilities with a small budget and a staff dwarfed by row upon row of experts retained by the utilities. I note, however, that last year the chairman of the Maryland Public Service Commission termed the office of people's counsel, which is what the office is called there, "absolutely indispensible to the successful operation of the public service commission law."

Under the terms of my bill a grant for an Office of Utility Consumers' Counsel could go to a State regulatory commission such as Maryland's. If, for some reason, the regulatory commission in a State did not want to be associated with the Utility Consumers' Counsel, another agency of the State, perhaps the attorney general's office, could apply for the grant. If State officials decided not to participate in the program, or if there was interest in action before the legislature next convenes, local government or governments could apply for a grant, as long as the applicant represented at least 100,000 persons. And in any event, the U.S. Office of Utility Consumers' Counsel would be authorized to appear before commissions and courts, Federal and State, on behalf of the public as well as the Federal Government.

4. GRANTS FOR STUDIES OF UTILITY REGULATION

The bill authorizes grants to universities and nonprofit organizations for studies of utility regulation. The bill directs the Utility Consumers' Counsel to prepare model utility laws. Studies of regulatory laws leading to preparation of the model laws could be made through the grants to universities and nonprofit organizations.

These sections of the bill are designed to provide funds with no strings attached for needed studies of regulatory matters. From the time that Samuel Insull helped the Illinois Legislature write utility laws early in this century until modern-day utilities helped the Iowa Legislature write utility laws in 1963, the regulated industries have been much more concerned with utility legislation than the public has. No major foundation, and to the best of my knowledge no minor foundation, supports studies of utility regulation. What little academic attention is paid to regulation is all too frequently endowed by the utilities themselves, whether at the summer seminars for professors at the Foundation for Economic Education at Irvington-on-Hudson in New York, or at the Institute of Public Utilities at Michigan State University.

The Federal Government has all kinds of pamphlets and booklets designed to inform consumers about everything except of their largest expenses of all, utility bills. Consumer Information, published by the Superintendent of Documents, lists hundreds of publications available to the wise consumer. Only one—Typical Electric Bills—lists any utility charges, and it includes nothing at all about how the regulatory system works. Uncle Sam's consumer information program is as devoid of practical assistance for utility consumers as was the otherwise admirable Department of Agriculture Yearbook in 1965, Consumers All.

I have seen a rather chilling movie, prepared by the power companies and financed unknowingly by their customers, which purports to show how we in Congress are stifling the utilities by voting a little money for Rural Electrification Administration loans. I have never seen or heard, though, of any movie or visual presentation which explains how the regulatory system actually works.

Therefore, it is my hope that through this bill universities and scholars can be encouraged to inquire into the state of the art of regulation. Remarkable changes are underway in both the communications and energy fields. The cost of moving a telephone message by high-capacity microwave relay towers is 1 percent of the cost, 30 years ago, of moving the message by conventional telephone line. Average costs of electricity per kilowatt-hour are trending steadily downward. During the past 10 years electric utilities, despite increasing profits, have had to collect less and less, in proportion to their earnings, for the Federal Government. As a percentage of revenue, Federal tax collections by power companies decreased from 14.7 percent in 1955 to 11.7 percent in 1965. The field for fruitful and needed research and study is broad.

Mr. President, I read recently that a Republican Governor of a major Eastern State is circulating among other Republican leaders a statement on consumer issues. It points out that utilities "are not compelled to refund overcharges as is required of ordinary cost-plus operators," that "strangely enough, these cost savings have been very slow in reaching the consumer," and that "the total overcharge imposed on the public by 165 power companies in 1965 is claimed to amount to a staggering $618 million."

I am pleased that utility overcharges are in the national political arena. Large utility companies have more political power than the Governor and legislature together in some States. The overcharges will continue, and will grow, unless national attention is focused on the problem and unless a program for removal of the overcharges is developed.

In my view the Intergovernmental Utility Consumers' Act provides a logical framework for removing overcharges and modernizing regulation. I commend a study of the bill to my colleagues on both sides of the aisle, to my former colleagues in the House of Representatives and to the administration. I hope we will act on the bill in the 90th Congress.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the Record.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the Record.

The bill (S. 2933) to establish an indedependent agency to be known as the United States Office of Utility Consumers' Counsel to represent the interests of the Federal Government and the consumers of the Nation before Federal

and State regulatory agencies with respect to matters pertaining to certain electric, gas, telephone and telegraph utilities; to amend section 201 of the Federal Property and Administrative Services Act pertaining to proceedings before Federal and State regulatory agencies; to provide grants and other Federal assistance to State and local governments for the establishment and operation of utility consumers' counsels; to provide Federal grants to universities and other nonprofit organizations for the study and collection of information relating to utility consumer matters; to improve methods for obtaining and disseminating information with respect to the operations of utility companies of interest to the Federal Government and other consumers introduced by Mr. Metcalf, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the Record, as follows:

S. 2933

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intergovernmental Utility Consumers' Counsel Act of 1968."

DEFINITIONS

Sec. 2. As used in this Act—

(a) The term "Federal agency" means any department, agency or instrumentality, including any wholly-owned Government corporation, of the executive branch of government.

(b) The term "State" means any State of the United States, any territory or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico or political subdivision, department, agency or instrumentality of any of them, but does not include the Panama Canal Zone.

(c) The term "utility" means any privately owned corporation (other than a cooperative) which (1) provides electric, gas, telephone, or telegraph service to the public, (2) has an annual gross operating revenue in excess of one million dollars, and (3) is a public utility as defined in part II of the Federal Power Act, a natural gas company as defined in the Natural Gas Act, or a common carrier as defined in the Communications Act of 1934.

(d) The term "utility service" means any service provided for the public by a utility.

TITLE I—UTILITY CONSUMERS' COUNSEL

ESTABLISHMENT OF OFFICE

Sec. 101. (a) There is hereby established within the executive branch of the Government an independent agency to be known as the United States Office of Utility Consumers' Counsel (referred to hereinafter as the "Office"). The Office shall be headed by a Consumers' Counsel (referred to hereinafter as the "Counsel"), who shall be appointed for a term of five years by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate provided for level two of the Executive Schedule.

(b) The Counsel may—

(1) promulgate such rules and regulations as may be required to carry out the functions of the Office; and

(2) delegate to any other officer or employee of the Office authority for the performance of any duty imposed, or the exercise of any power conferred, upon the Counsel by this Act, and any reference herein to the Counsel shall include his duly-authorized delegate or delegates.

PERSONNEL AND POWERS OF THE OFFICE

Sec. 102. (a) The counsel shall appoint and fix the compensation of such personnel as he determines to be required for the performance of the functions of the Office.

(b) In the performance of the functions of the Office, the Counsel is authorized—

(1) to obtain the service of experts and consultants in accordance with section 3109 of title 5 of the United States Code;

(2) to appoint such advisory committees as the Counsel may determine to be necessary or desirable for the effective performance of the functions of the Office;

(3) to designate representatives to serve on such committees as the Counsel may determine to be necessary or desirable to maintain effective liaison with Federal agencies and with departments, agencies, and instrumentalities of the States which are engaged in activities related to the functions of the Office; and

(4) to use the services, personnel, and facilities of Federal and State agencies, with their consent, with or without reimbursement therefor as determined by them.

(c) Upon request made by the Counsel, each Federal agency is authorized and directed—

(1) to make its services, personnel, and facilities available to the greatest practicable extent to the Office in the performance of its functions; and

(2) subject to provisions of law and regulations relating to the classification of information in the interest of national defense, to furnish to the Office such information, suggestions, estimates and statistics as the Counsel may determine to be necessary or desirable for the performance of the functions of the Office.

REPRESENTATION OF PUBLIC INTEREST

Sec. 103. (a) Whenever there is pending in or before any Federal or State agency or court any investigation, hearing, or other proceeding which may, in the opinion of the Counsel, affect the economic interests of consumers of utility services within the United States, the Counsel may intervene and, pursuant to that agency's or court's rules of practice and procedure, may enter an appearance in that proceeding for the purpose of representing the interests of such consumers.

(b) Upon any such intervention, the Counsel shall present to the agency or court, subject to the rules of practice and procedure thereof, such evidence, briefs, and arguments as he shall determine to be necessary for the effective representation of the economic interests of such consumers. The Counsel or any other officer or employee of the office designated by the Counsel for such purpose, shall be entitled to enter an appearance before any Federal agency without other compliance with any requirement for admission to practice before such agency for the purpose of representing the Office in any proceeding.

REPRESENTATION OF FEDERAL GOVERNMENT INTERESTS

Sec. 104. (a) The Counsel shall represent the interests of Federal agencies in proceedings before Federal and State regulatory agencies and courts relating to rates and tariffs, and in negotiations with utilities, for the procurement of utility services, except that the Secretary of Defense may from time to time, and unless the President shall otherwise direct, exempt the National Military Establishment from the provisions of this section whenever he determines such exemptions to be in the best interests of national security.

(b) The Counsel shall provide the services described in subsection (a) to agencies of any other branch of the Federal Government, mixed ownership corporations (as defined in the Government Corporation Control Act), or the District of Columbia, upon its request.

(c) The functions of the Administrator of General Services under section 201(a)(4) of the Federal Property and Administrative Services Act of 1949, relating to representing Federal agencies in proceedings before Federal and State regulatory agencies, are transferred to the Counsel, insofar as such functions involve utilities as defined in this Act.

(d) All officers, employees, property, obligations, commitments, records and unexpended balances of appropriations, allocations, and other funds (available or to be made available) which are determined by the Director of the Bureau of the Budget to relate primarily to the functions transferred pursuant to paragraph (c) are transferred to the Office.

(e) Section 201(a)(4) of the Federal Property and Administrative Services Act of 1949 is amended by inserting before the semicolon at the end thereof a comma and the following: "except as provided in the Intergovernmental Utility Consumers' Counsel Act of 1968."

(f) Any action being carried out by the Administrator of General Services prior to the effective date of this section as part of the functions transferred to the Counsel under subsection (c) may be continued by the Counsel.

(g) This section shall become effective on the ninetieth day following the date of enactment of this Act.

PUBLIC INFORMATION AND REPORTS

Sec. 105. (a) The Counsel from time to time shall compile and disseminate to the public, through such publications and other means as he determines to be appropriate, such information as he considers to be necessary or desirable for the protection of the economic interests of consumers of utility services.

(b) In January of each year, the Counsel shall transmit to the Congress a report containing (1) a full and complete description of the activities of the Office during the preceding calendar year, (2) a discussion of matters currently affecting the economic interests of such consumers, and (3) his recommendations for the solution of any problems adversely affecting those interests.

(c) The Counsel shall transmit to the President from time to time such recommendations for proposed legislation as the Counsel may consider to be necessary or desirable for the adequate protection of the economic interests of such consumers.

GRANTS TO STATE AND LOCAL GOVERNMENTS

Sec. 106. (a) The Counsel is authorized to make grants to any State or local government, or combination of such governments, that serve a population of one hundred thousand or more persons, for up to 75 per centum of the cost of establishing and carrying out the functions of an office of utility consumers' counsel, providing such consumers' counsel is invested with essentially the same general powers and functions set forth in sections 101, 102 and 103 of this Act, except as such requirements may be waived by the Counsel.

(b) A grant authorized by subsection (a) of this section may be made on application to the Counsel at such time or times and containing such information as the Counsel may prescribe.

GRANTS TO NON-PROFIT ORGANIZATIONS AND UNIVERSITIES

Sec. 107. The Counsel is authorized to make grants to colleges, universities and other non-profit organizations for the purpose of making studies and reports, and the collecting and dissemination of information, relating to Federal and State laws, regulations and decisions affecting consumers in the fields of energy and communications.

TECHNICAL ASSISTANCE TO STATE AND LOCAL GOVERNMENT

Sec. 108. The Counsel may furnish technical advice and assistance, including information, on request to any State or local government, college, university or other nonprofit organization for the purpose of establishing and carrying out any program of utility consumer interest within the general purposes of this Act. The Counsel may accept payments, in whole or in part, for the costs of furnishing such assistance. All such payments shall be credited to the appropriation made for the purposes of this section.

REPORTING REQUIREMENTS

Sec. 109. A State, or local government office, college, university or other non-profit organization receiving a grant under this Act shall make reports and evaluations in such form, at such times, and containing such information concerning the status and application of Federal funds, and the operation of the approved program or project as the Counsel may require, and shall keep and make available such records as may be required by the Counsel for the verification of such reports and evaluations.

REVIEW AND AUDIT

Sec. 110. The Counsel and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of a grant recipient that are pertinent to the grant received.

TERMINATION OF GRANTS

Sec. 111. Whenever the Counsel after giving reasonable notice and opportunity for hearing to a grant recipient under this Act finds—

(1) that the program or project for which such grant was made has been so changed that it no longer complies with the provisions of this Act; or

(2) that in the operation of the program or project there is failure to comply substantially with any such provision:

the Counsel shall notify such recipient of his findings and no further payments may be made to such recipient by the Counsel until he is satisfied that such noncompliance has been, or will promptly be, corrected. However, the Counsel may authorize the continuance of payments with respect to any projects pursuant to this Act which are being carried out by such recipient and which are not involved in the noncompliance.

MODEL LAWS

Sec. 112. The Counsel shall make a full and complete investigation and study for the purpose of—

(1) preparing a comparison and analysis of State and Federal laws regulating utilities; and

(2) preparing model laws and recommendations for regulation of such utilities.

The results of such investigation and study shall be reported to the President, the Congress, and the Governor of each State as soon as practicable.

APPROPRIATIONS AUTHORIZED

Sec. 113. There are authorized to be appropriated annually for the purposes of this title an amount equal to one-tenth of 1 percent of the aggregate annual gross operating revenues of all utilities.

SAVING PROVISION

Sec. 114. Nothing contained in the Act shall be construed to alter, modify, or impair any other provision of law, or to prevent or impair the administration or enforcement of any other provision of law, except as specifically amended or to the extent that it is inconsistent with this Act.

TITLE II—PUBLIC INFORMATION WITH RESPECT TO CERTAIN UTILITIES

Sec. 201. (a) The Federal Power Commission with respect to utilities subject to its jurisdiction and the Federal Communications Commission with respect to utilities subject to its jurisdiction shall determine the information required pursuant to subsection (b) with respect to each such utility and shall publish such information at least annually in reports prepared for and made readily available to the public, especially in the service area of each such utility.

(b) The information to be made available pursuant to this section with respect to each such utility shall include, insofar as practicable, comparable data for previous years and national averages and shall include—

(1) annual earnings stated as a rate of return on a depreciated average original cost rate base and pursuant to other accounting principles and practices of the relevant Federal commission;

(2) annual earnings in dollars as determined pursuant to clause (1);

(3) the dollar difference between amounts determined pursuant to clause (2) and the annual earnings if the utility earned 6 per centum rate of return on the rate base determined pursuant to clause (1);

(4) capital structure stated as percentage of capitalization obtained from long-term debt, preferred stock, common stock and earned surplus;

(5) average rate of interest on long-term debt;

(6) rate of return on average common stock equity;

(7) yearend yield on common stock (annual common dividend divided by yearend market price);

(8) dividend on preferred stock;

(9) yearend preferred dividend yield (annual preferred dividend divided by yearend market price of preferred stock);

(10) year-end earnings price ratio (earnings per share divided by yearend price per share);

(11) the names and addresses of the one hundred principal stockholders including, in those cases where voting stock is held by a party other than the beneficial owner, the name and address of each beneficial owner of 1 per centum or more of the voting stock in the corporation;

(12) the name and address of each officer and director;

(13) the names and addresses of other corporations of which such officers and directors are also officers or directors.

(14) the names of directors, if any, who were not nominated by the management of the utility;

(15) terms of restricted stock option plans available to officers, directors and employees (not to include plans available to all employees on equal terms) and including name, title, salary and retirement benefits of each person to whom stock options have been granted, number of options each has exercised, date on which options were exercised, option price of the stock and market price of the stock when option was exercised;

(16) all payments included in any account for rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, public relations, professional and other consultative services rendered under written or oral arrangements by any corporation, partnership, individual (other than for services as an employee) or organization of any kind, including legislative services;

(17) policy with respect to deposits of customers;

(18) rate of interest charged customers by the utility, stated as simple annual interest;

(19) rate base valuation and components of the utility's rate base, as determined by the State commission having jurisdiction, expressed in dollar amounts, and including amount permitted in rate base in each of the following categories: accumulated tax deferrals, allowance for working capital, construction work in progress, customers' advances, materials and supplies, plant acquisition adjustment and plant held for future use;

(20) rate base valuation and components of the utility's rate base, as determined by the Federal commission having jurisdiction, expressed in dollar amounts;

(21) dollar difference in each category and in sum, between the rate base as computed pursuant to clause (19) and (20);

(22) terms of franchises or certificates of convenience and necessity; and

(23) such other information as the appropriate Federal commission determines to be in the public interest.

Such information shall be determined on a fiscal or calendar year basis as may be appropriate and shall be reported as soon as practicable after the termination of such year.

(c) The Federal Power Commission and the Federal Communications Commission are each authorized to establish such regulations as may be necessary to obtain information needed for the purposes of this section and the violation of such regulations shall be deemed to be a violation of regulations pursuant to the Federal Power Act, with respect to the utilities subject to such Act, the Natural Gas Act, with respect to utilities subject to such Act, or the Communications Act of 1934, with respect to utilities subject to such Act, respectively.

AUTOMATIC DATA PROCESSING

Sec. 202. The Federal Power Commission and Federal Communications Commission are hereby authorized and directed to make full use of automatic data processing in preparing the information required under this Act and other acts to which they are subject, to the end that Federal and State regulatory bodies, the Congress, the United States Office of Utility Consumers' Counsel, such state and local Offices of Consumers' Counsel as may be established with assistance under this Act, and the public shall receive in a timely and understandable manner information upon which rate adjustments can be made. Such Federal Commissions are hereby directed to include in their annual reports accounts of their progress toward full use of automatic data processing.

APPROPRIATIONS AUTHORIZED

Sec. 203. There are authorized to be appropriated such amounts as may be necessary for the purposes of this title.

A FEDERAL SEVERANCE TAX TO ASSIST THE STATES

Mr. METCALF. Mr. President, we are all only too well aware of the need of the States and localities for more revenues to finance necessary expenditures. Within recent years a rapid increase in the school-age population, steady demands for improving public services and, more recently, rising prices, have placed severe strains on the traditional revenue sources of State and local governments. Tax rates under existing State sales, local property, and State and local income taxes have been raised to such high levels that many are beginning to wonder if the limit has not been reached.

Those who seek a solution to the problem have naturally turned to the Federal Government. The solutions usually suggested involve the transfer of funds collected through Federal taxes to the other jurisdictions. However, the various grant programs of the Federal Government are already quite large. The budget just out estimates that Federal aid to the State and local governments will total $20.3 billion in the coming fiscal year. It is difficult to see how this total can be enlarged significantly under present budgetary circumstances.

The bill I introduce today offers an alternative approach. Under this bill, the Federal Government would assist the States to raise additional revenue by enabling them to utilize a tax source which cannot now be fully exploited by the States.

The bill imposes a Federal severance tax of 5 percent of the gross income from all domestic mineral properties. Full credit is to be allowed against the Federal tax, however, for any State or local severance taxes paid with respect to these properties.

The credit for State and local severance taxes is the heart of this bill. If it becomes law, the States that do not now have severance taxes will speedily impose them. Furthermore, States that have severance taxes on only selected minerals will broaden the coverage of existing taxes and States that tax at lower rates than 5 percent will increase their tax rates. Thus, once the States adjust to the new tax, the Federal Treasury will derive no revenue from it. But that is the purpose of the bill. The important thing is that the tax receipts of most States will be increased significantly.

States find it difficult to impose severance taxes today because a State acting alone runs the risk of placing some mining companies operating within the State at a competitive disadvantage relative to companies operating where there are no severance taxes. They are afraid the enactment of such a tax would reduce mining activities in the State. Interstate competition, in other words, acts to keep severance taxes low. The problem was illustrated by the experience of the Governor of West Virginia in 1953, Governor Marland. The severance tax he proposed was defeated in the State legislature despite the fact that it had won the support of many interested parties.

A severance tax at the rate of 5 percent as proposed in this bill would not place a severe burden on the mining industry. Some States already impose severance taxes of this size on certain mineral products. In the State of Louisiana, for example, the petroleum industry continues to flourish despite the fact that the State's severance tax amounts to more than the 5 percent recommended in this bill.

The principle behind this bill is the same as that adopted by the Congress 42 years ago. At that time, an 80-percent credit was allowed against the Federal estate tax for any State death taxes paid. The credit was granted in an effort to neutralize the interstate competition for wealthy residents that was preventing the States from utilizing estate and inheritance taxes.

The remedy supplied then is needed now. Once this bill is enacted, States need have no fear that a severance tax they enact will place mineral producers in their State at a disadvantage relative to producers in other States.

This bill would be a benefit to all the States. At my request, the staff of the Joint Committee on Internal Revenue Taxation has estimated the severance tax collections which would result from this bill. The table gives a good idea of the general magnitude of the revenue the States could derive by imposing similar taxes.

The table indicates that some $683 million in increased severance tax receipts could be raised under this bill, all of which could be absorbed by the States if they enact complementary statutes. The table shows that in only one State there is more being collected by severance taxes today than would be collected under this bill. That State is Louisiana. Even in Louisiana, however, this bill would facilitate an increase in State tax receipts. As I understand it, Louisiana does not impose severance taxes on all the minerals mined in the State which would be covered under this bill. Coverage of these additional minerals would permit an increase in tax receipts. Furthermore, an increase in severance taxes paid in other States would place taxed mineral producers in Louisiana on more nearly the same basis as producers in other States.

While the increase in tax receipts which would be permited under this bill is relatively minor in comparison with the yield of existing State taxes, in some States it might be of strategic importance. In the poor but mineral rich States of Appalachia, for example, interstate competition has prevented the States from deriving tax revenues from mineral operations. This has been true even though the profits from these operations have often been a principal benefit to the residents of other States. Under this bill these States would be able to derive greater benefit from the mineral wealth within their borders.

I would not expect all the States to take immediate action to impose their own severance tax once this bill became law. In some cases their reaction would be delayed a few years, so that the Federal Government would derive some revenue from the tax. These amounts would be enough, I believe, to defray any administrative costs. For this reason it is reasonable to permit the entire amount of the tax to be offset by a credit for State tax. Under the bill, a mineral property would be defined to include the same properties as those eligible for percentage depletion deductions under the Federal income tax.

The 5-percent severance tax would apply to the gross income received by the owner of the working interest in a mineral property. That is, gross income would be the same for the purposes of this tax as the figure which forms the basis for computing Federal percentage depletion deductions in cases in which there were no royalty payments or production payments. Gross income would be defined differently when there was a royalty or a production payment: There would be no exclusion for rent or royalties or bonuses paid with respect to the property; any amount paid to the holder of a production payment would be included in computing the gross income of the owner of the working interest; finally, any amount received from the sale of a production payment would be excluded in computing gross income.

The State severance taxes which could be credited against the tax imposed by this bill would have to be based on the gross income derived from the property located within the State. The credit could not be taken for taxes paid with respect to crops or timber grown on the surface of a mineral property and no credit could be taken for taxes paid with respect to minerals that are not eligible for a Federal percentage depletion allowance. Finally, the tax would have to be a severance tax, it could not be a general sales tax or an income tax applied generally to the income from most sources. Any severance tax paid by a holder of a royalty or other nonoperating interest would be treated as if it had been paid by the holder of the working interest.

The bill provides for the exchange of information between the States and the Federal Government. That is, upon request, the Internal Revenue Service would inform a State of the amount claimed by the taxpayer as his gross income from a mineral property located within the State.

Mr. President, this bill would permit the States to utilize an important source of tax revenue which they now are inhibited from using because of interstate competition. The bill, at little or no cost to the Federal Government, would provide much needed assistance to the States. I hope my colleagues in the Senate will give it their support. I ask unanimous consent that the table previously referred to and the bill be printed at this point in the Record.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and table will be printed in the Record.

The bill (S. 2934) to assist the States in raising revenues by making more uniform the incidence and rate of tax imposed by States on the severance of minerals introduced by Mr. Metcalf, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the Record, as follows:

S. 2934

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subtitle D of the Internal Revenue Code of 1954 (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"CHAPTER 42—SEVERANCE TAX

"Sec. 4941. Imposition of Severance Tax on Minerals.

"(a) Imposition.—There is hereby imposed on the severance of minerals from a mineral property located within the United States an excise tax equal to 5 percent of the gross income from the property during the taxable period.

"(b) Liability for Tax.—The tax imposed by this section shall be paid by the person who holds the working interest in the mineral property.

"Sec. 4942. Definition and Rules.

"For purposes of this chapter—

"(a) Mineral Property.—The term 'mineral property' has the same meaning as the term 'property' has for the purposes of section 613 (relating to the allowance for percentage depletion), and any election made under section 614 to treat several mineral properties as a single property, or to divide one mineral property into separate properties, shall be effective for purposes of this chapter.

"(b) Gross Income from the Property.—The term 'gross income from the property' means the gross income from the property derived by the holder of the working interest during his taxable period, computed in accordance with the provisions of section 613 subject to the following modifications:

"(1) There shall not be excluded any amount on account of rent or royalties or bonuses paid in respect of the property.

"(2) There shall be included in computing such gross income from the property an amount equal to any amount paid to the holder of a production payment in satisfaction or reduction of the production payment.

"(3) There shall be excluded in computing such gross income from the property any amount received from the sales of a production payment.

The provisions of paragraphs (1) and (2) shall not apply with respect to any amount paid to the United States, or to any State or political subdivision thereof.

"(c) Working Interest.—The term 'working interest' in a mineral property includes only an interest which is an operating mineral interest as defined in section 614(d).

"(d) Taxable Period.—The term 'taxable period' means, with respect to any mineral property, the taxable year (as defined in section 7701(a)(23)) of the person who holds the working interest in such property.

"(e) Person.—The term 'person' includes a trust, an estate, and a partnership (including a joint venture whose members have made the election provided for in section 761(a))."

(b) State.—The term "State" includes the District of Columbia.

"Sec. 4943. Credit Against Tax.

"(a) Severance Taxes Paid to a State or Political Subdivision.—

"(1) The taxpayer may, to the extent provided in this section, credit against the tax imposed by section 4941 with respect to any mineral property the amount of severance taxes paid by him to any State or political subdivision as severance taxes with respect to such mineral property.

"(2) The credit shall be permitted against the tax for the taxable period only for the amount of severance taxes paid with respect to such period. The tax imposed by section 4941 on the gross income from one mineral property shall in no case be credited with severance taxes paid with respect to another mineral property.

"(3) The credit against the tax for any taxable period shall be permitted only for severance taxes paid on or before the last day upon which the taxpayer is required under section 6071 to file a return for such period; except that credits shall be permitted for severance taxes paid after such last day, but such credit shall not exceed 90 percent of the amount which would have been allowable as a credit on account of such severance taxes had they been paid on or before such last day.

"(4) For purposes of this section the term 'severance tax' includes a tax based on the gross income from the property (as defined in section 4942(b)) derived by the holder of the working interest in such property, but such term does not include—

"(A) any tax based on the severance of minerals from a mineral property located outside the territorial boundaries of the State or political subdivision imposing the tax,

"(B) any tax imposed on the severance of timber, or of any crop grown on the surface of the mineral property, or of any mineral with respect to which an allowance for percentage depletion is not allowable under section 613,

"(C) any tax imposed generally on gross sales or gross receipts, or

"(D) an income tax applied generally to income from all or most sources.

"(5) Any severance tax paid by the holder of a royalty or other nonoperating mineral interest with respect to production from a mineral property shall be treated, for the purposes of paragraph (1), as having been paid by the holder of the working interest.

"Sec. 4944. Information to States.

"The Secretary or his delegate shall, upon the request of any official of a State or political subdivision thereof lawfully charged with the administration of a severance tax imposed by such State or political subdivision, furnish to such official a copy of any schedule or statement filed by any taxpayer, with respect to the taxes imposed by chapter 1, which discloses the amount claimed by the taxpayer under section 613 as his gross income from a mineral property located within such State. The information so obtained may be used only for the administration of the severance tax imposed by such State or political subdivision."

Sec. 2. The amendment made by this Act shall apply only to the severance of minerals after December 31, 1968.

The table, presented by Mr. Metcalf, is as follows:

DATA FOR 1966 ON VALUE OF MINERAL PRODUCTION BY STATES AND STATE COLLECTIONS OF SEVERANCE TAXES ON MINERALS

[In thousands of dollars]

	Value of mineral production (1)	Proposed 5-percent tax (2)	State collections of severance taxes on minerals (3)	Proposed 5-percent tax minus State collections (4)
Alabama	249, 778	12, 489	1, 362	11, 127
Alaska	82, 683	4, 134	3, 535	599
Arizona	620, 565	31, 028		31, 028
Arkansas	190, 127	9, 506	3, 880	5, 626
California	1, 699, 359	84, 968	1, 366	83, 602
Colorado	352, 005	17, 600	1, 027	16, 573
Connecticut	21, 346	1, 067		1, 067
Delaware	1, 980	99		99
Florida	295, 447	14, 772	195	14, 577
Georgia	148, 597	7, 430		7, 430
Hawaii	21, 253	1, 063		1, 063
Idaho	114, 914	5, 746	236	5, 510
Illinois	618, 313	30, 916		30, 916
Indiana	230, 010	11, 500	353	11, 147
Iowa	119, 313	5, 966		5, 966
Kansas	568, 392	28, 420	503	27, 917
Kentucky	498, 364	24, 918	273	24, 645
Louisiana	3, 430, 140	171, 507	205, 313	−33, 806
Maine	16, 734	837		837
Maryland	74, 161	3, 708		3, 708
Massachusetts	38, 473	1, 924		1, 924
Michigan	602, 127	30, 106	993	29, 113
Minnesota	550, 277	27, 514	20, 647	6, 867
Mississippi	211, 360	10, 568	10, 549	19
Missouri	227, 950	11, 398	13	11, 385
Montana	245, 268	12, 263	3, 332	8, 931
Nebraska	78, 521	3, 926	850	3, 076
Nevada	112, 632	5, 632	48	5, 584
New Hampshire	7, 000	350		350
New Jersey	75, 595	3, 780		3, 780
New Mexico	820, 327	41, 016	28, 609	12, 407
New York	301, 264	15, 063		15, 063
North Carolina	71, 878	3, 594		3, 594
North Dakota	101, 807	5, 090	3, 453	1, 637
Ohio	488, 040	24, 402		24, 402
Oklahoma	997, 391	49, 870	39, 921	9, 949
Oregon	107, 484	5, 374	225	5, 149
Pennsylvania	903, 408	45, 170		45, 170
Rhode Island	3, 947	197		197
South Carolina	45, 593	2, 280		2, 280
South Dakota	52, 707	2, 635	210	2, 425
Tennessee	182, 584	9, 129		9, 129
Texas	5, 019, 750	250, 988	131, 217	119, 771
Utah	444, 262	22, 213	3, 390	18, 823
Vermont	25, 910	1, 296		1, 296
Virginia	274, 297	13, 715		13, 715
Washington	89, 092	4, 455		4, 455
West Virginia	891, 800	44, 590		44, 590
Wisconsin	76, 010	3, 800		3, 800
Wyoming	505, 806	25, 290	109	25, 181
Total	22, 906, 051	1, 145, 302	461, 609	683, 693

Sources: Column 1 from statistical summary (table 5), Bureau of Mines Mineral Yearbook, 1966; column 2 computed from column 1; column 3 from State Tax Collections in 1967 (tables 1 and 9), U.S. Department of Commerce, Bureau of the Census.

AMENDMENT OF TITLE II OF SOCIAL SECURITY ACT, RELATING TO THE DEFINITION OF THE TERM "DISABILITY"

Mr. METCALF. Mr. President, I introduce, for appropriate reference, a bill amending the Social Security Act of 1967.

Mr. President, prior to the 1967 amendments to the Social Security Act, disability—except for certain cases of blindness—was defined as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which could be expected to result in death or which had lasted or could be expected to last for a continuous period of not less than 12 months.

On August 18, the House referred to the Committee on Finance H.R. 12080, the Social Security Amendments of 1967. Section 156 of that bill redefined the definition of disability contained in section 223 of the Social Security Act so that in applying the basic definition—except for the spcial definition for the blind, and except for purposes of widow's or widower's insurance benefits on the basis of disability—an individual could be determined to be under a disability only if his impairment or impairments were so severe that he is not only unable to do his previous work but could not, considering his age, education and work experience, engage in any other kind of substantial gainful work which exists in the national economy, regardless of whether such work exists in the general area in which he lives, or whether a specific job vacancy exists for him, or whether he would be hired if he applied for work.

On November 17, I offered an amendment to the Social Security Amendments of 1967. It was simply a request to return to existing law and remove the restrictive definition of disability contained in the House passed bill. I offered that amendment after having listened to an impressive list of witnesses who appeared before the Finance Committee and testified in opposition to the definition sent over to us by the House. Once again I ask unanimous consent that the pertinent excerpts from the evidence submitted to the Finance Committee be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

DEFINITION OF DISABILITY

(AFL–CIO, statement of George Meany, hearings, p. 1434–35)

The House included a more restrictive definition of disability than now in the law by providing that a disabled worker is not eligible for disability benefits if he can engage in any kind of substantial gainful work which exists anywhere in the national economy.

The large majority of the seriously disabled are over 50. We all know that once an older, disabled person loses his job, his chances of obtaining a similar position are about zero. It is unrealistic and unfair to say to this severely disabled worker that he is not disabled because there may be employment someplace in the national economy which he might be able to handle even though he has no way of reaching that place and it is very unlikely he would be hired if he did apply. A major complaint of disabled workers has been the stringent administration of the disability provisions. Greater liberalization, not restriction, is needed.

The problems of disability, age and unemployment are all interrelated and what is needed is a comprehensive and broad program to deal with them as a group. Many people suffer chronic ill health during their later working life. Unless they are so totally disabled that they can meet the stringent definition of disability in the Social Security Act, they are in an economic no-man's-land. They are unable to work but are not yet eligible for their regular retirement benefits.

There are a number of changes that could be made in the Social Security Act that would help alleviate this problem.

First, we feel there should be an occupational definition of disability that would permit older workers after age 50 or 55 to receive disability benefits if their disability prevents them from doing their usual occupation.

Second, an increase in the number of dropout years in the benefit formula would also help. At the present time the social security law permits the dropping out of 5 years of low or no earnings in computing a worker's benefit which does provide some limited protection against unemployment, illness and low earnings. Because of the low wage bases in the earlier years of the system, which must be used in computing the average wage on which benefits are based, the typical worker receives a low percentage of his wages earned shortly before retirement. The problem is compounded for older workers who are laid off by plant closings, technological changes, ill health, etc. who must include these years of low or zero earnings in determining their average wage. Additional dropout years would be of great help to them.

Third, the AFL–CIO also advocates a flexible zone of retirement between 60 and 65 that would permit retirement at age 60 with less than full actuarial reduction. In general, as workers grow older, they often find the pace of their work is beyond their physical ability. A flexible zone of retirement, if coupled with a substantial increase in benefits, would permit the individual to make a retirement decision during a period of years based on his financial resources, age, health and the nature of his occupation.

Though the social security program can be of considerable value to unemployed older workers, we know that it cannot solve what is essentially an unemployment problem. We are also advocating changes in other programs so that efforts in these various programs may dovetail to solve this social problem. It may not be possible to include all or most of our proposals for changing the Social Security law in this respect in the present legislation, but at the very least, Congress should refrain from making the problem of older workers more difficult by a more restrictive definition of disability.

DEFINITION OF DISABILITY

(American Foundation for the Blind, Inc., A. 168)

We are also pleased that H.R. 12080 has included disabled surviving divorced wives and disabled widowers for cash benefits. However, we believe that the requirement of attainment of age 50 for eligibility would work an undue hardship on otherwise eligible disabled widows, surviving divorced wives, and widowers. *Similarly, we believe that the definition of disability for these individuals is unduly harsh and should be made the same as the definition of disability for beneficiaries of the disability insurance program.* We also would strongly recommend that the cash benefits be 82½% of the primary insurance amount immediately upon eligibility for benefits rather than graduated from 50% to 82½%. The American Foundation for the Blind welcomes the extension of the provision covering blind persons between the age of 21 and 31 for cash disability insurance benefits to all types of disabled persons who meet the definition of disability in the law. *However, we believe that the guidelines in the new Section 223(d)(2)(A) concerning the definition of disability are unduly harsh. The individuals covered for cash benefits are severely disabled under the definition in the existing law, and this definition should not be made any stricter than it already is.*

DEFINITION OF DISABILITY

(Georgia Federation of the Blind, Conyers, Ga., A22)

CONYERS, GA.,
August 24, 1967.

Hon. RUSSELL B. LONG,
Chairman, Senate Committee on Finance,
Senate Office Building,
Washington, D.C.

MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: You now have before you, for consideration, H.R. 12080 as adopted by the House. This bill contains many excellent and progressive amendments to the social security act and in general, the Georgia Federation of the Blind supports this bill.

However, Section 156 contains the most regressive and punitive definition of disability ever to be included in a public assistance law since the days of the Elizabethan "poor laws". This provision makes the existence of a theoretically possible employment for a disabled person sufficient grounds for denying public assistance payments, whether or not such employment opportunities actually exist for him. It is our belief that public assistance in all categories should be granted on the basis of definite, objective criteria and not be made subject to the whim of Federal and State officials. The great majority of the severely disabled earnestly desire to become self sufficient and contributing members of society. They should be encouraged and assisted to reach this goal. This certainly would not be the effect of the provision written into this bill by the House Committee.

We would like to see the present criterion for assistance to the "totally and permanently disabled", which admittedly is severely restrictive, modified so that the criteria used for eligibility for benefit payments to the disabled under Title II of the social security act would also apply to applicants for assistance to the disabled under Title XIV. This would require the elimination of the word "permanently" in this Title and the substitution in the definition of disabled, wording similar to that now contained in Title II.

We respectfully request that the Senate Finance Committee eliminate the phraseology to which objection has been voiced herein, and the inclusion in the Senate version provisions which will allow the totally disabled, whose disability has lasted or is expected to last for at least twelve (12) months, eligible for public assistance payments under Title IV of the Act.

Respectfully submitted.

NED FREEMAN,
President,
Georgia Federation of the Blind.

DEFINITION OF DISABILITY

(Gov. Philip H. Hoff, Vermont, A109; excerpt from September 8, 1967, letter to LONG)

(5) Social Security Disability Program: The bill sets a tighter definition of disability than presently exists in the law. The effect of this on the states will be to require denied applicants to seek public welfare under our State-Federal Aid to the Permanently and Totally Disabled Program. This simply amounts to an abrogation of responsibility on the part of the Federal Government and a pass on of the financial burden to the States.

DEFINITION OF DISABILITY

(Blinded Veterans Association, American Association of Workers for the Blind; excerpt from statement of Irvin P. Schloss, national president of Blinded Veterans Association, A160)

BVA and AAWB endorse the provisions of H.R. 12080, which would make disabled widows, surviving divorced wives, and widowers eligible for benefits under age 62, even if they do not have minor children in their care. However, we believe that the requirement of attainment of age 50 for eligibility would work an undue hardship on these individuals. Similarly, we believe that the definition of disability for these individuals is unduly harsh and should be made the same as the definition of disability for beneficiaries of the disability insurance program. We also would strongly recommend that the cash benefits of 82½% of the primary insurance amount become available immediately upon eligibility for benefits rather than graduated from 50% to 82½%.

DEFINITION OF DISABILITY

(National Council of Senior Citizens; excerpt from statement of John F. Edelman, president, National Council of Senior Citizens, p. 1076–1077)

The House-passed bill contains a harshly restrictive definition of disability, forbids for widows without dependent children benefits below age 50, limits the primary benefit for widows at age 50 to half of the regular benefit with a gradual step-up in benefits determined by the age benefits begin.

DEFINITION OF DISABILITY

(Physicians Forum; excerpts from statement of Malcolm L. Peterson, M.D., chairman of the Physicians Forum, New York, N.Y., A242)

E. We regret the more restrictive definition of disability in H.R. 12080 as compared with the present law, and we regret the failure to include disabled beneficiaries under Medicare as recommended by the administration.

DEFINITION OF DISABILITY

(Excerpt from statement of Robert M. Gettings, assistant for governmental affairs, on behalf of the National Association for Retarded Children, p. 1935)

The House Ways and Means Committee expressed concern over several recent court decisions reversing departmental determinations of eligibility for disability payments. In these cases, HEW found that the individual was not absolutely disabled but only disabled relative to the local job market. In an effort to correct this situation, H.R. 12080 revises the definition of disability to provide that if the client can do appropriate work which is significantly available in any part of the economy he will not be considered disabled. This language has two drawbacks from the point of view of the retarded. First, a retarded individual may be able to live and work in the community if he is residing with his family but not if he must venture forth on his own without proper social shelter. Second, the definition of feasibility for purposes of vocational rehabilitation depends on the availability of suitable work opportunities locally or at least within the State. The House language would tend to hinder proper coordination between welfare and rehabilitation programs immediately after these two activities had been combined for administrative purposes in the new social and rehabilitation service. We respectfully suggest that this committee include clarifying language in its report to insure that the new House definition of disability does not work to the disadvantage of retarded citizens.

Mr. METCALF. Only one witness testified in support of the House bill. So that my colleagues will have the full benefit of all the testimony offered to the Finance Committee on this provision, I again ask that the statement of Paul P. Henkel, chairman of the Social Security Committee of the Council of State Chambers of Commerce be printed in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

We do not oppose the disability insurance amendments proposed in H.R. 12080. We support the concern of the House Ways and Means Committee over the extension by judicial decisions of the definition of disability. We agree there is a need for a stricter definition.

Mr. METCALF. Mr. President, I also ask that excerpts from my remarks for the Record on November 17 be printed in the Record at this point.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Mr. President, in this whole record, the only justification for taking this backward step and abandoning the position we took on the Social Security Amendments of 1965 is the testimony by Mr. Henkel of the Council of Chambers of Commerce.

Actually, what has happened is that the social security system and the Department of Health, Education, and Welfare have lost a lawsuit. The courts have defined disability using definitions out of the Veterans' Act, out of the precedents of the Workmen's Compensation Act, and held against the present definition we have in the present bill.

Thus, all I am asking is to return to present law and remove this restrictive definition.

Going back to what the court has already defined, let me tell the Senate what it objects to. For instance, the administration is objecting to the case of Leftwich against Gardner.

Mr. President, the recent decision of the Court of Appeals for the Fourth Circuit in *Leftwich* v. *Gardner*, 377 F. 2d 287 (1967), has been criticized by the Social Security Administration and that criticism has been adopted in the committee report. I do not share in the criticism of that opinion. Because of the significance of that decision which centered on a disabled father of nine children and so that my colleagues may nave the full benefit of the court's thinking. I ask unanimous consent to have the opinion printed in the Record.

There being no objection, the opinion was ordered to be printed in the Record, as follows:

"John L. Leftwich, Appellee, *v.* John W. Gardner, Secretary of Health, Education, and Welfare, Appellant. No. 11015, United States Court of Appeals, Fourth Circuit. Argued March 7, 1967. Decided May 1, 1967.

"Social Security case. The United States District Court for the Southern District of West Virginia at Beckley, John A. Field, Jr., Chief Judge, granted claimant a period of disability and disability insurance benefits and Secretary of Health, Education, and Welfare appealed. The Court of Appeals, Craven, Circuit Judge, held that where 52-year-old manual laborer suffered from spondylolisthesis and had congenital marked curvature of spine so that he could not stoop, bend or lift and suffered pain when he sat more than 10 minutes and all of the time while he was standing, he was totally and permanently disabled for purposes of disability benefits under the Social Security Act and fact that he chose to work every day as a dishwasher to support his family did not preclude him from recovering disability benefits.

"Affirmed.

"Before Sobeloff and Craven, Circuit Judges, and Harvey, District Judge.

"Craven, Circuit Judge.

"In this unusual social security case, claimant Leftwich was denied disability benefits at the administrative level largely because he has the admirable motivation to insist upon working for the support of his family despite physical inability to do so. There is more logic than common sense in such a result, and there is irony not intended, we think, by the Congress. We affirm the decision of the district court granting Leftwich a period of disability and disability insurance benefits.

"[1] We have carefully reexamined the record as a whole before deciding that the decision of the Hearing Examiner and the Appeals Council is not supported by substantial evidence. 'The substantiality of the evidence to support the Secretary's findings is the issue before each court.' Thomas v. Celebrezze, 331 F.2d 541 (4th Cir. 1964), citing Farley v. Celebrezze, 315 F.2d 704 (3d Cir. 1963), and Ward v. Celebrezze, 311 F.2d 115 (5th Cir. 1962).

"[2] Although we review the same record and make the same determination as made in the district court, '[i]t should hardly require articulation to note that an appellate court gives great weight both to the reasoning and conclusions of the district courts.' Farley v. Celebrezze, supra, 315 F.2d at 705 n. 3. There is here no inconsistency: we are influenced by the decision of the district court, but we are not bound by it. See Roberson v. Ribicoff, 299 F.2d 761, 763 (6th Cir. 1962); Flemming v. Booker, 283 F.2d 321, 322 n. 4 (5th Cir. 1960).

"In the Hearing Examiner's decision appears the following:

" 'The Hearing Examiner will not attempt to describe in detail each of the medical reports relative to the claimant or to describe the two hearings previously referred to,[1] since the Hearing Examiner feels that the primary issue to be resolved herein is whether or not the claimant's present job as a dishwasher at the Pinecrest Sanitarium, which he has been doing since around June 1960 to the present, constitutes the ability to engage in substantial gainful activity within the meaning of the disability provisions of the Social Security Act and the regulations implementing such provisions.' Consistent with that position, the hearing held at Beckley, West Virginia, on September 7, 1965, lasted exactly fifteen minutes. At that hearing, the Hearing Examiner said:

" 'It would appear to the Hearing Examiner that the reason the claimant's application was denied was because of his work at the Pinecrest Sanitarium as a dishwasher and they apparently considered this as the ability to engage in substantial gainful activity.'

"We agree with the Hearing Examiner that it is unnecessary to narrate in great detail the medical history of claimant. Only a small part of it will make it crystal clear that but for the question posed by his minimal employment he would unquestionably have been found unable to engage in substantial gainful employment.

"WORK HISTORY AND DISABILITIES

"[3] Letwich is now fifty-two years old. Although he has a high school education, his entire work history consisted of manual labor in the coal mines, where he suffered two severe back injuries, one in 1951 and another in 1953. In the first accident he suffered a fractured right clavicle, fractures of the ribs, and injuries to the lower back. In the later accident he suffered a ruptured disc, which was removed by surgery in 1954.[2] Since that year, he has suffered from spondylolisthesis. He also has a congenital marked scoliosis (curvature) of the spine. Flexion of the spine is limited to two-thirds and side bending and extension nil. As of 1963, Dr. Stallard reported that claimant's condition had grown progressively worse and that claimant could not stoop, bend, or lift. In a 1964 report, Dr. Raub concluded that the claimant was 'quite disabled' and could not return to the mines.

"The Hearing Examiner noted in his decision that one doctor 'further commented that under modern screening processes and pre-employment examinations the claimant is barred from securing employment * * *.'

"Typical of medical opinion in the file is that of Dr. C. W. Stallard, who concluded as of May 12, 1961, 'this patient is totally and permanently disabled from work.'

"In addition to the extremely limiting physical disability, Leftwich suffers from psychoneurotic symptoms which the neuropsychiatrist has predicted will continue 'unabated.' This condition was described as 'moderately severe' and sufficient to make him a poor candidate for rehabilitative retraining.

"Despite the foregoing and much more, the Hearing Examiner concluded 'that the objective medical evidence of record establishes that the claimant has suffered moderate impairments to his musculoskeltal [sic] system that would preclude him from engaging in any work requiring heavy manual labor or lifting, bending, stooping, etc. But the Hearing Examiner does not feel the objective medical evidence of record establishes that the residuals of the claimant's impairments to his musculoskeltal [sic] system would preclude him from engaging in all substantial gainful activity, particularly of a light or moderate type, and he so finds.' We think it apparent that the Hearing Examiner and the Appeals Council accorded too much weight to

---

[1] These were Workmen's Compensation hearings.

[2] Despite his serious injuries, claimant worked in the mines (after periods of recuperation) until in 1959 he was rejected by the company doctor.

"THE DISHWASHING JOB

"Much of the record and the Hearing Examiner's decision is devoted to consideration of claimant's having worked for approximately the past five years as a dishwasher at Pinecrest Sanitarium. Claimant says in explanation of his employment that his job is rather easy and that he is not pushed by his supervisor. He also says, and it rings true when read with the rest of the record, that he works days when he does not feel like it for the sake of his family. He has nine children dependent upon him. By way of corroboration, claimant has repeatedly advised doctors who examined him that he endures pain while he works for the sake of making a living for his family, that he has pain if he sits more than ten minutes, and that his back hurts all the time while he is standing.

"Claimant started his dishwashing job on May 25, 1960. He put in ten hours a day at first, 240 hours a month and earned $130.00 a month. As of 1965, his work day was eight hours, totaling 184 hours per month, for which he was paid $150.00. Although he is present at the place of work for an eight-hour day, he actually works only four to five hours per day. He washes dishes by the use of a dishwashing machine and scrubs aluminum pots by hand. He does no lifting. Claimant's supervisor testified that he was not capable of doing anything but dishwashing and pot washing, and that if he were, she would have assigned other duties to him. She disclosed that he could not have obtained his job without political influence and stated that a lot of employees at the sanitarium are persons who could not handle jobs in private industry.

"The Hearing Examiner conceded that claimant 'may well have gotten his job on the basis of politics,' but he felt that claimant's position was not a 'made' job involving minimal or trifling tasks which make little or no demand on the individual and are of little or no utility to his employer or to the operation of a business, and refused to apply the exclusion in the Regulations.[3] In making this determination, the Hearing Examiner adverted to Hanes v. Celebrezze, 337 F.2d 209 (4th Cir. 1964), and acknowledged that counsel for claimant urged its similarity to the instant case. The Hearing Examiner rejected the analogy in these words:

" 'The Hearing Examiner also invites attention to the fact that the Administration does not acquiesce in either the results or the opinions expressed by the Fourth Circuit Court of Appeals in the *Hanes* case, and that it does not feel that the decision in the *Hanes* case is binding on it with respect to any other disability case.'

"We recognize that we are neither final nor infallible. However, we respectfully suggest that Hearing Examiners in this circuit may with some profit consider our prior decisions to see whether or not they have value as precedents.

"In *Hanes*, supra, this court held that evidence of claimant's earnings of $125.00 per month as a building custodian did not by itself and in view of other evidence constitute substantial evidence to support the Secretary's decision that claimant was disqualified for benefits due to ability to engage in substantial gainful activity. Judge Boreman, writing for the court, expressed the view that 'the court below erred in ascribing controlling significance to the evidence of claimant's earnings.' The decision of the district court affirming denial of benefits by the Secretary was reversed.

"In Flemming v. Booker, 283 F. 2d 321 (5th Cir. 1960), despite evidence that the claimant averaged five days a week work at a used car lot for which he was paid $15.00 or $20.00 a week, it was held that, nevertheless, the claimant had established his inability to engage in any *substantial* gainful activity. Judge Rives, speaking for the court, thought it not inappropriate to borrow tests of disability from other areas of the law. The quotations relied upon by the Fifth Circuit are worthy of reproduction here:

" 'In Berry v. United States, 1941, 312 U.S. 450, 455, 456, 61 S. Ct. 637, 639, 85 L. Ed. 945, Mr. Justice Black, speaking for a unanimous Court, said:

" ' "It was not necessary that petitioner be bedridden, wholly helpless, or that he should abandon every possible effort to work in order for the jury to find that he was totally and permanently disabled. It cannot be doubted that if petitioner had refrained from trying to do any work at all, and the same evidence of physical impairment which appears in this record had been offered, a jury could have properly found him totally and permanently disabled. And the jury could have found that his efforts to work—all of which sooner or later resulted in failure—were made not because of his ability to work but because of his unwillingness to live a life of idleness, even though totally and permanently disabled within the meaning of his policies." '

" 'In Mabry v. Travelers Ins. Co., 5 Cir., 1952, 193 F. 2d 497, 498, Judge Holmes, for [the Fifth] Circuit, said:

" ' "Pinched by poverty, beset by adversity, driven by necessity, one may work to keep the wolf away from the door though not physically able to work; and, under the law in this case, the fact that the woman worked to earn her living did not prevent a jury from finding, from the evidence before it, that she was totally and permanently disabled even while working." ' 283 F. 2d at 324.

"The similarity of Leftwich's situation to those of claimants in *Hanes* and *Booker* is apparent.[4] No two cases are, of course, exactly alike. But Hearing Examiners may not quit thinking when a claimant's earnings reach a magic mark.[5] The test is not whether Leftwich by will power can stay on his feet yet another day—but whether objectively and in the totality of circumstances, including especially his afflictions, he is disabled within the meaning of the Social Security Act. Substantial medical evidence establishes that claimant was totally and permanently disabled. In spite of such disablement, he chose to work every day to support his family. The statute defines disability as an 'inability to engage in any substantial gainful activity.' In this case, the emphasis properly is on *inability*. We think the Congress did not intend to exclude from the benefits of the Act those disabled persons who because of character and a sense of responsibility for their depndents are most deserving.

"Affirmed."

Mr. METCALF. Mr. President, the appropriate part of the report begins on page 46, where it discusses the definition of disability and continues on through pages 47, 48, and 49.

The only justification given in the report for changing the definition is this:

"The Social Security Administration has indicated that in large part the reasons why a larger number of people than anticipated have become entitled to disability benefits are:

"(1) Greater knowledge of the protection available under the program leading to increased numbers of qualified people applying for benefits"—

They are complaining about the fact that more people know about the basic rights that we have given them, and thus more qualified people are getting some benefits.

"(2) Improved methods of developing evidence of disability."

That means that they have learned about the case in court, the Leftwich against Gardner case, which the administration is complaining about, demonstrating that their disability makes them qualify under the law.

"(3) More effective ways to assess the total impact of an individual's impairment on his ability to work."

In a veteran's case, the Supreme Court unanimously declared, and in a case quoted in the HEW case, that a person does not have to be completely or totally disabled. They said:

"It was not necessary that petitioner be bedridden, wholly helpless, or that he should abandon every possible effort to work in order for the jury to find that he was totally and permanently disabled."

What is wrong with that?

That is basic law. That is in the basic Workmen's Compensation law in most States.

Continuing to read:

"It cannot be doubted that if petitioner had refrained from trying to do any work at all, and the same evidence of physical impairment which appears in this record had been offered, a jury could have properly found him totally and permanently disabled. And the jury could have found that his efforts to work—all of which sooner or later resulted in failure—were made not because of his ability to work but because of his unwillingness to live a life of idleness, even though totally and permanently disabled within the meaning of his policies."

Continuing to read:

"Pinched by poverty, beset by adversity, driven by necessity, one may work to keep the wolf away from the door though not physically able to work; and, under the law in this case, the fact that the woman worked to earn her living did not prevent a jury from finding, from the evidence before it, that she was totally and permanently disabled even while working."

Mr. President, the law now, as written by the committee, states that his physical or mental impairments are of such severity that not only was he unable to do his previous work but he cannot, considering his age, education, and work experience, engage in any other kind of substantial gainful work which exists in the national economy, regardless of whether such work exists in the general area where he lives, or whether a specific job vacancy exists for him, or whether he would be hired if he applied for one.

There is an exceptional case of a man disabled in the mines, as in the case of Leftwich against Gardner, in Montana.

They say, well, he cannot work in the mines any more, but he could answer the telephone for Arthur Murray, who teaches dancing back in New York, that since he could solicit people on the telephone for dancing lessons, as part of the national economy, he would have to leave his State and go to New York and participate in such an activity.

---

[3] The exclusion reads as follows: "Made work", that is, worth involving the performance of minimal or trifling duties which make little or no demand on the individual and are of little or no utility to his employer, or to the operation of a business, if self-employed, does not demonstrate ability to engage in substantial gainful activity.

[4] But cf. Canady v. Celebrezze, 367 F.2d 486 (4th Cir. 1966); Simmons v. Celebrezze, 362 F.2d 753 (4th Cir. 1966); Brown v. Celebrezze, 347 F.2d 227 (4th Cir. 1965).

[5] 20 C.F.R. § 404.1534 provides in pertinent part:

"(b) *Earnings at a monthly rate in excess of $100.* An individual's earnings from work activities averaging in excess of $100 a month shall be deemed to demonstrate his ability to engage in substantial gainful activity in the absence of evidence to the contrary."

Of course, that is probably beyond—coming up under the definition—even what the Secretary would apply.

Actually, what the Secretary could apply under this conclusion is that a man would have to leave the geographic area in which he lived and he would have to engage in work in which he had no experience either by age, education, or training, and if such work were available in the national economy, whether he could get it or not, whether he would be available or not, whether a vacancy existed, he would still be disqualified because of disability.

Yet, when we made the change in 1965, and changed the definition of disability, we broadened and liberalized this portion of the act because those who are disabled needed this sort of liberalization.

For instance, the courts have applied this precedent in other areas—veterans, workmen's compensation—to the detriment of the definition laid down by the Secretary or the Hearing Examiner.

The reason stated to take this severe backward step, to broaden the bill, as the chairman has stated, to broaden the scope of social security, makes this the most important financial bill that has ever come before the Senate so far as increasing and broadening social security is concerned.

But, so far as those who are, unfortunately, disabled, are concerned, we are going back to make this a more limited bill than we have ever had before.

I submit, Mr. President, that these people want to come in and win their lawsuits. They should, therefore, at least appeal some of the cases to the Supreme Court and get some legal definition before they come out to the Senate and try to have us pull their irons out of the fire.

I submit that we should go back to existing law. We should return to the law we passed in 1965.

Mr. President, I ask unanimous consent that, as a part of my remarks, an excerpt from the Senate committee report be included in the Record.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

"4. AMENDMENTS OF DISABILITY PROGRAM

"The Social Security Amendments of 1956 extended the insurance protection of the social security program to provide monthly benefits for persons with disabilities of long-continued and indefinite duration and of sufficient severity to prevent a return to any substantial gainful work. In providing this protection against loss of earnings resulting from extended total disability, the Congress designed a conservative program. Amendments enacted in 1958 and 1960 liberalized the disability program, among other changes, extended benefits to wives and children of the disabled, and provided for the payment of benefits to disabled workers under age 50, who had previously been excluded. All the recommended changes in the disability provisions of the program would be adequately financed from the contributions the committee is recommending be earmarked for the disability insurance trust fund.

"(a) *Elimination of the long-continued and indefinite duration requirement from the definition of disability.*

"Under present law, disability insurance benefits are payable only if the worker's disability is expected to result in death or to be of long-continued and indefinite duration. The House bill would broaden the disability protection afforded by the social security program by providing disability insurance benefits for an insured worker who has been totally disabled throughout a continuous period of 6 calendar months. The committee believes that the House provision could result in the payment of disability benefits in cases of short-term, temporary disability. Under the House provision, for example, benefits could be paid for several months in cases of temporary disability resulting from accidents or illnesses requiring a limited period of immobility. The committee believes, therefore, that it is necessary to require that a worker be under a disability for a somewhat longer period than 6 months in order to qualify for disability benefits. As a result, the committee's bill modifies the House bill to provide for the payment of disability benefits for an insured worker who has been or can be expected to be totally disabled throughout a continuous period of 12 calendar months. (Disability insurance benefits would also be payable if disability ends in death during this 12-month period, provided the worker has been disabled throughout a waiting period of 6 calendar months prior to death.) The effect of the provision the committee is recommending is to provide disability benefits for a totally disabled worker even though his condition may be expected to improve after a year. As experience under the disability program has demonstrated, in the great majority of cases in which total disability continues for at least a year the disability is essentially permanent. Thus, where disability has existed for 12 calendar months or more, no prognosis would be required. Where a worker has been under a disability which has lasted for less than 12 calendar months, the bill would require only a prediction that the worker's disability will continue for a total of at least 12 calendar months after onset of the disability.

"The House bill modifies the provision of present law under which the waiting period is waived in subsequent disability so as to make this provision more restrictive when applied to short-term disabilities. Since, under the definition the committee is recommending, disability protection would be limited to workers with extended total disabilities the same test of disability initially applied should also be applicable in second and subsequent disabilities. Under the provision in the committee bill, benefits would be paid beginning with the first month of onset of the second or subsequent disability and without regard to the waiting period requirement if the individual is under a disability which occurred within 5 years of the termination of his previous disability and which can be expected to result in death or has lasted, or can be expected to last, for a continuous period of not less than 12 calendar months.

"The modification in the definition of disability recommended by the committee does not change the requirement in existing law that an individual must by reason of his impairment be unable to 'engage in any substantial gainful activity.'

"An individual with a disabling impairment which is amendable to treatment that could be expected to restore his ability to work would meet the revised definition if he is undergoing therapy prescribed by his treatment sources, but his disability nevertheless has lasted, or can be expected to last, for at least 12 calendar months. However, an individual who willfully fails to follow such prescribed treatment could not by virtue of such failure qualify for benefits.

"The committee expects that, as now, procedures will be utilized to assure that the workers' condition will be reviewed periodically and reports of medical examinations and work aotivity will be obtained where appropriate so that benefits may be terminated promptly where the worker ceases to be disabled.

"The committee retains the provision in present law under which payment of disability benefits is first made for the seventh full month of disability. The House bill would have authorized payments beginning with the sixth full month of disability.

"It is estimated that if benefits were payable for disabilities that are total and last more than 12 calendar months but are not necessarily expected to last indefinitely, about 60,000 additional people—workers and their dependents—would become immediately eligible for benefits. Benefit payments under the provision in 1966 would total $40 million."

Mr. Curtis. Mr. President, I am not out of sympathy with the individual cases in which the Senator from Montana is interested. We have, however, a far broader question before us. When it was undertaken to pay benefits to a disabled person just as though he were retired because of age, the decision was arrived at to make it a narrow definition.

Those who are interested might turn to the committee report beginning near the bottom of page 46, which reads:

The present law defines disability (except for certain cases of blindness) as the "inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months."

We have this strange situation. This narrow definition has been enlarged by interpretation of the courts. It is quite unlikely that any of those decisions will ever get to the Supreme Court. Consequently, courts all over the land have proceeded in various ways. The result is that the cost of disability retirement pay has gone up and up.

The allocation to the disability trust fund has increased from 0.50 percent of payroll in 1956 to 0.70 percent today, and will be increased to 0.95 percent by the committee's bill. In 1965 the Congress adopted an increase in the social security taxes allocated to the disability insurance trust fund; a large part of which was needed to meet an actuarial deficiency of 0.13 percent in the system. Again this year the administration has come to the Congress asking for an increase in the taxes allocated to that fund to meet an even larger actuarial deficiency, which has reduced the 0.03-percent surplus, estimated after the 1965 amendments, to a 0.15-percent deficiency.

What has happened is that even though the percentage of people in the total economy has not increased, the number of people who are now on disability retirement has increased. Because the Ways and Means Committee felt that the definition of disability as originally written by the Congress was not being adhered to, it inserted this language and put further guidelines in it, as appears on page 48 of the committee report, where Senators will find the following interesting comments:

"When asked about the court decisions, the Social Security Administration summarized developments in the courts in some jurisdictions as—

"(1) An increasing tendency to put the burden of proof on the Government to identify jobs for which the individual might have a reasonable opportunity to be hired, rather than ascertaining whether jobs exist in the economy which he can do. Claims are sometimes allowed by the courts where the reason a claimant has not been able to get a job is that employers having jobs he can do, prefer to avoid what they view as a risk in hiring a person having an impairment even though the impairment is not such as to render the person incapable of doing the job available.

"(2) A narrowing of the geographic area in which the jobs the person can do must exist, by reversing the Department's denial in cases in which it has not been shown that jobs the claimant can do exist within a reasonable commuting distance of his home, rather than in the economy in general.

"(3) The question of the kind of medical evidence necessary to establish the existence and severity of an impairment, and how conflicting medical opinions and evidence are to be resolved.

"(4) While there have heretofore been no major differences by or among the courts on the issue of disability when the claimant was performing work at a level which the Secretary under the regulations had determined to be substantial gainful activity, this issue was recently highlighted and publicized in the case of *Leftwich* v. *Gardner*. The Fourth Circuit Court of Appeals in this case held that the claimant was under a disability despite his demonstrated work performance considered by the Secretary to be substantial gainful activity."

Then the Finance Committee said this:

"The committee concurs with the statement of the Committee on Ways and Means instructing the Social Security Administration to report immediately to the Congress on future trends of judicial interpretation of this nature. As a remedy for the situation which has developed, the committee's bill would provide guidelines to reemphasize the predominant importance of medical factors in the disability determination."

In summary, it amounts to just about this: Congress provided for the disability program. It provided for the degree of disability. The Ways and Means Committee of the House and the Finance Committee of the Senate found that that definition of disability was being exceeded and they placed in this bill some guidelines. I believe they should be left in there. I think to depart from a rather strict and narrow definition of disability in the social security program would be a mistake. That is not to say that some people should not have consideration in other programs. I regretfully express the hope that the amendment will not be adopted.

Mr. METCALF. Mr. President, I shall take only a few minutes.

I have a memorandum from Robert J. Myers, Chief Actuary of the Social Security Administration, which reads:

"H.R. 12080, both as passed by the House and as reported by the Finance Committee, would provide a more detailed definition of 'disability' as used in determining eligibility for disability benefits under Social Security. It has been proposed"—

That is my amendment—

"that this detailed definition would then be eliminated, so that the definition would then be that in present law.

"In my opinion, such a change would not necessitate any increase in my estimate of the cost of the program, since I did not reduce the cost estimate when the more detailed definition was added to the bill. But, in the absence of the more detailed definition, there is a much greater likelihood that the costs actually developing will exceed my intermediate-cost estimate."

So we do not need to add any further taxes; we do not need to add any further increases; this amendment goes back to existing law.

I point out that in the Leftwich case, which I mentioned and which the Senator from Nebraska [Mr. CURTIS] mentioned, Mr. Leftwich was denied disability benefits by the hearing examiner and Secretary. Mr. Leftwich could not stoop, bend, or sit down for more than 10 minutes. Yet he was required to take a job as a dishwasher at $130 a month to support himself and nine children. The Circuit Court of Appeals for the Fourth Circuit, quite properly, I think, held that, under that definition, a man who could not bend, stoop, or sit for very long did not have to take a job at $130 a month while he was under physical pain at all times, but was entitled to disability benefits.

That is all I seek: To go back to that kind of definition, to return to the kind of language that we had in the bill in the 1965 act, which to my mind actually protects all the people who need to be protected, protects the financial integrity of the act, and will prevent us from taking the backward step we would be taking should we adopt the definition that is now in the bill.

Mr. METCALF. On November 17 the restrictive definition of disability contained in the House bill was put to a rollcall vote on the floor of the Senate and by a substantial margin my colleagues voted to delete the House definition of disability. However, in conference, with one minor change the Senate conferees receded on this amendment as they did on just about everything else that the Senate passed both in committee and on the floor.

Today I am reintroducing my amendment in the form of a Senate bill in which I am joined by 35 of my colleagues as cosponsors. Those of my colleagues who have joined with me in seeking again to return the definition of disability to the way it was after the 1965 amendments to the Social Security Act are Senators BROOKE, BURDICK, BYRD of West Virginia, CASE, CHURCH, CLARK, GRUENING, HARRIS, HART, HATFIELD, HILL, JAVITS, KENNEDY of Massachusetts, KENNEDY of New York, LONG of Missouri, MCCARTHY, MCGEE, MCGOVERN, MANSFIELD, MONDALE, MONTOYA, MORSE, MUSKIE, NELSON, PELL, PROUTY, PROXMIRE, RANDOLPH, RIBICOFF, SPARKMAN, SPONG, TYDINGS, WILLIAMS of New Jersey, YARBOROUGH, and YOUNG of Ohio.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and without objection, the bill will be printed in the RECORD.

The bill (S. 2935) to amend title II of the Social Security Act so as to provide that the definition of the term disability, as employed therein, shall be the same as that in effect prior to the enactment of the Social Security Amendments of 1967, introduced by Mr. METCALF (for himself and other Senators), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 2935

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 223(d) of the Social Security Act is amended (1) by striking out paragraphs (2) through (4) thereof and (2) by redesignating paragraph (5) thereof as paragraph (2).

(b) The third sentence of section 216(i) (1) of such Act is amended by striking out "paragraphs (2)(A), (3), (4), and (5)" and inserting in lieu thereof "paragraph (2)".

SEC. 2. The amendments made by this Act shall be effective with respect to applications for disability insurance benefits under section 223 of the Social Security Act, and for disability determinations under section 216(i) of such Act, filed—

(a) in or after the month in which this Act is enacted, or

(b) before the month in which this Act is enacted if the applicant has not died before such month and if—

(1) notice of the final decision of the Secretary of Health, Education, and Welfare has not been given to the applicant before such month, or

(2) the notice referred to in paragraph (1) has been so given before such month but a civil action with respect to such final decision is commenced under section 205(g) of the Social Security Act (whether before, in, or after such month) and the decision in such civil action has not become final before such month.

LEGISLATION TO DEAL WITH THE CATASTROPHIC PRESCRIPTION DRUG EXPENSES OF THE AGED

Mr. MONTOYA. Mr. President, I introduce today, for myself and the following Senators, a bill to provide our aged of this country a measure of assistance toward meeting their catastrophic prescription drug expenses: Mr. ANDERSON, Mr. BARTLETT, Mr. BREWSTER, Mr. BROOKE, Mr. BURDICK, Mr. BYRD of West Virginia, Mr. CLARK, Mr. EASTLAND, Mr. GRUENING, Mr. HART, Mr. INOUYE, Mr. JACKSON, Mr. JAVITS, Mr. KENNEDY of Massachusetts, Mr. KENNEDY of New York, Mr. LONG of Louisiana, Mr. LONG of Missouri, Mr. MCGEE, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MAGNUSON, Mr. MANSFIELD, Mr. METCALF, Mr. MONDALE, Mr. MORSE, Mr. MUSKIE, Mr. NELSON, Mr. PELL, Mr. RANDOLPH, Mr. TYDINGS, Mr. YARBOROUGH, and Mr. YOUNG of Ohio.

Mr. President, a week ago last Friday, I announced my intention to reintroduce legislation to help deal with catastrophic prescription drug expenses of the aged. The bill I am now introducing, S. 2936, is designed to achieve this objective. The bill amends title XVIII of the Social Security Act to include, among the health insurance benefits under the part B program of medicare, the coverage of certain drugs.

Efforts to enact a drug benefit for the aged under medicare are not new to the Senate. When we deliberated the merits of the medicare legislation in 1965, it was pointed out that, although the program under consideration would bring much relief to the elderly insofar as many of the economic consequences of illness were concerned, a failure to help the older American meet part of the costs of prescription medicines would leave a critical gap in comprehensive health insurance protection. And, while we did enact a program to protect old folks against the costs of hospitalization and other services, we did not help them pay for the very prescription drug items which often keep them ambulatory and outside of these expensive institutions.

A number of Senators sponsored legislation in 1965 to help the aged with catastrophic prescription drug costs. In the end, however, we did not enact such a program, and instead adopted an amendment introduced by the senior Senator from New York [Mr. JAVITS] calling upon the Department of Health, Education, and Welfare to study the problem. I seem to recall that the distinguished sponsor of the amendment and the chairman of the Committee on Finance [Mr. LONG of Louisiana] stated that they had been persuaded by HEW about the need to provide additional study. The Senators supported the amendment of the Senator from New York, and in good faith, we expected that the Department would promptly come to grips with the problems they forsaw in drug benefit legislation.

As we all know, the amendment failed to clear conference committee with the other body, and, thus, HEW did not carry on an intensive study of a drug benefit proposal. So the same Senate which passed the milestone medicare legislation in 1965 again seized the initiative in 1966, and passed a drug benefit program as part of the supplementary medical insurance portion of medicare. The program unanimously passed by the Senate afforded a reasoned and economical approach to helping older people deal with catastrophic prescription drug expenses. Regrettably, we did not succeed in getting the House to agree with the program, they presumably being influenced by pleas for further studies.

Once again, however, Mr. President, older Americans knew that the Senate of the United States had gone firmly on record for a program to help them bear the heavy burden of catastrophic drug expense.

On the first day of the 90th Congress, I introduced a bill, which I believed then and still believe, offered a modest, but important program of protection against major drug expenses. None of the sponsors of that legislation believed that we can or should pay for all of the drug expenses of every older person. But we did hope to provide some protection for those elderly persons whose annual drug expenses represented a real economic threat to their security and well-being. Despite improvements in our income maintenance programs, the resources of the average older American remain so marginal that those faced with overwhelming expenses for needed medicines can quickly be confronted with economic disaster.

There is no satisfactory reason for permitting this situation to continue, particularly when we have in the supplementary insurance program a method of allowing the elderly to insure themselves against the risk of overwhelming drug costs. The program contained in S. 2936, represents a workable and sound solution to this very problem.

As the Senators know, the drug benefit bill which I introduced last session was offered as amendment to the 1967 social security bill. We believed that the Senate could again take the lead by acting to meet the problem of catastrophic drug expense among the aged. No Senator challenged the fact that the elderly need assistance. No Senator could ignore the enormous prescription drug requirements of older people, in contrast to the drug requirements of younger persons. No one scoffed at the idea that annual expenses of $100, $200 or $300 for prescription medicines is a fact of life for millions of older people. No one challenged the workability of the program, whose design was based on a number of drug benefit and payment programs now in use across the United States. But, despite this overwhelming weight of evidence, the amendment was narrowly turned down—although not on its merits.

From all across the country, Mr. President, letter after letter, from old folks and others, asked why did the Senate reject a proposal it had adopted just 1 year before? For nearly 3 years now, some old people noted, they had heard the same phrase over and over—"Let's study the problem," and after we have done that, "let's study it again." The time for study is past. This Senate is fully capable of producing a workable and economical program to insure the aged against catastrophic prescription drug expenses. The program contained in S. 2936 is not a new program, something which is the result of thin-air speculation. It is based on principles for which there is solid experience to show that it is a reasoned and economical approach to this problem.

Last November, 33 Senators supported this amendment—supported it despite the same claim for the need to study it. These Senators reached the conclusion that the Nation's 19 million older people need catastrophic drug insurance and need it at the earliest possible moment. I do not believe the Senators who voted against the bill last year did so because they fail to recognize the plight of our senior citizens. But I do believe that some of them were persuaded to vote "no," not because they believed the program required additional study, but because of the weight of a cost estimate supplied by the chief actuary of the Social Security Administration which has since been revised downward considerably.

I can report that in an estimate provided me by the chief actuary in less than 2 weeks after the floor debate on the bill, the estimate of benefit cost was substantially reduced. However, I do not believe that this reduced estimate gave sufficient weight to one of the major cost limiting provisions in the measure—the provision which limits benefit liability to the pricing of lower, alternative cost products on the market where these products exist. Since November, I have conducted extensive research into the cost considerations involved in a formulary mechanism used to establish limits of liability, and intend to meet with Administration actuaries in order to convince them to further reduce their cost estimate below that which they stated in our last communication.

The bill I have just introduced also incorporates a number of other cost-control features along lines suggested by Administration officials and should achieve further reductions of their estimate. I have, for example, written into the program, the assurance that beneficiaries will bear at least 20 percent of the costs of prescriptions beyond the deductible amounts. On the basis of a $25 deductible and a 20-percent coinsurance, the chief actuary of the Social Security Administration stated:

> An estimate of $2.00 per capita per month is perhaps the best estimate that can be made in the circumstances.

I sincerely believe this evaluation fails to give sufficient weight to formulary provisions written into the bill and I plan to discuss this further with the chief actuary. My conclusions are substantiated with evidence from public and private programs which I have studied and which have been supplied to me by a number of administrators of programs which use liability-limiting mechanisms much like those envisioned in the new bill.

I have also incorporated into the bill a number of provisions which allow for wide administrative latitude in processing benefit claims, and should achieve meaningful cost reductions in my program. Many of these administrative measures were suggested by the actuaries as ways in which administrative cost could effectively be cut.

All in all, Mr. President, the new bill should entail costs which will neither constitute a major burden upon beneficiaries, or the Government, and will still afford a measure of protection against catastrophic prescription drug costs.

I suspect, Mr. President, that there will again be attempts to confuse my drug benefit proposal with drug cost-control proposals relating to the Nation's public assistance programs. So that the record will be set straight, I want to here and now explain what my bill will not do as much as explain what it can accomplish.

First, the bill is designed to provide benefits for the elderly who face major prescription drug expenses during the year. It has nothing to do with price controls or with the interference of medicine. Section 1 of the bill clearly and once and for all sets this straight. The social security beneficiary who elects to enroll in the supplementary medical insurance program will have to incur $25 of prescription drug expense, before the program will begin to pay benefits. In addition to meeting the deductible, the patient will share in the costs of the benefits at least in the amount of 20 percent of such costs.

As I have said, the bill in no way involves with the Government either the physician or the pharmacist. It neither interferes with the privileges of the doctor to prescribe any products he chooses by any product name he chooses, nor does it change the way in which the pharmacist fills or charges for the prescription. Under the benefit mechanism provided for in the bill, the program will pay benefits equal to the acquisition costs of the lowest price products consistent with quality available in the marketplace plus an amount representing professional services, to include the overhead, to return on capital and investment, and other factors attributable to the services necessary to fill prescriptions. These factors limit only the amount of benefits payable by the program—they do not prescribe what the pharmacist wishes to charge, nor do they influence the physician's choice of drug he prescribes.

Consider, for a moment, that a beneficiary has written for him by his doctor a prescription for a sole-source drug product—that is, a drug for which there is, let us say, only one manufacturer and price. The patient can go to any drugstore of his choice to have the prescription filled and the pharmacist will charge his usual price—the same price he now charges. The patient will pay this full charge, just as we all now do. Assuming that the beneficiary has met the deductible, he can apply for reimbursement under the program.

Since there is but one product at one price, the acquisition cost of this product, together with an amount representing the services of the pharmacist will be paid in benefits, except that this amount shall not equal more than 80 percent of the full charge for the prescription. Hence, the patient can look forward to about 80 percent reimbursement for the costs of sole-source items.

Where a drug is available at varied prices—to include prices of qualified products marketed under trade or other names by other than major brand producers—the amount of liability assumed by the program will not exceed the acquisition cost of the lowest cost product plus an amount for the services involved in filling the prescription, or 80 percent of the actual charges, whichever is less. In these cases, patients may expect to bear more than 20 percent of the costs of such prescriptions. Regardless of what the patient gets, the pharmacist has already received full charge for the exact item prescribd by the physician. Physicians, however, must ultimately judge what is best for their patients, so that to the extent that physicians can and do prescribe cheaper products which in their professional judgment are of equal quality, beneficiaries will have to pay a smaller portion of the total charges involved in filling the prescription. My bill endorses the medical judgment of the physician, and assures that the pharmacist who fills the prescription suffers no financial loss whatsoever.

It is my intention to work for the prompt enactment of this program and urge the support of every Senator in helping the elderly of this country free themselves from the mantle and fear of catastrophic drug expenses. I welcome others of our colleagues who may wish to join in cosponsoring this measure.

Mr. President, I am encouraged by the support which I have been offered since my intention to reintroduce this measure. I have been contacted, and have been assured of the support of our leading senior citizens organizations, of veterans organizations, and others who, like myself, are concerned with and interested in the welfare of the aged of this country.

Mr. President, I ask unanimous consent that the entire text of my bill be printed at this point in the RECORD.

The **PRESIDENT** pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2936) to amend title XVIII of the Social Security Act so as to include, among the health insurance benefits covered under part B thereof, coverage of certain drugs, introduced by Mr. MONTOYA (for himself and other Senators), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 2936

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. It is the policy of the Congress that individuals insured under the supplementary medical insurance program established under part B of title XVIII of the Social Security Act shall have complete freedom of choice in the selection of the community pharmacy from which they purchase drugs the expenses of which are covered under such program by reason of the amendments made by the succeeding provisions of this Act; and nothing in title XVIII of the Social Security Act or in the amendments to the Social Security Act made by this Act shall be construed to interfere with, restrict, or curtail such freedom of choice. It is further the policy of the Congress that nothing contained in the amendments to the Social Security Act made by the succeeding provisions of this Act, shall be construed in anywise to limit or restrict the complete freedom of choice of any insured individual in the selection of his physician, limit or restrict any physician treating such individual in prescribing drugs for such individual's use, or limit or restrict any pharmacist in filling any prescription of drugs for the use of such individual.

SEC. 2. (a) Section 1832 (a) of the Social Security Act is amended (1) by striking out "and" at the end of paragraph (1), (2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and" and (3) by adding at the end thereof the following new paragraph:

"(3) entitlement to have payment made to him (pursuant to sections 1833(a)(3) and 1845(a)(2)) toward expenses incurred in the purchase of qualified drugs."

(b) Section 1833(a) of such Act is amended (1) by inserting "or qualified drugs" after "incurs expenses for services", (2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and", and (3) by adding at the end thereof the following new paragraph:

"(3) in the case of benefits covered under section 1832(a)(3), the allowable benefit (as defined in section 1845(a)(2)), or if lower, 80 percent of actual expenses incurred, for the purchase of qualified drugs."

(c) Section 1833(b) of such Act is amended—

(1) by inserting "(insofar as subsection (a) relates to expenses incurred with respect to services referred to in paragraphs (1) and (2) thereof)" after "Before applying subsection (a)";

(2) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively;

(3) by inserting "(1)" immediately after "(b)", and

(4) by adding at the end thereof the following new subparagraph (2):

"(2) Before applying subsection (a) (insofar as subsection (a) relates to expenses incurred with respect to qualified drugs, as referred to in paragraph (3) thereof) with respect to expenses incurred by an individual during any calendar year, the total amount of the expenses incurred by such individual during such year (which would, except for this subsection, constitute incurred expenses from which benefits under subsection (a) are determinable) shall be reduced by a deductible of $25; except that (A) the amount of the deductible for such calendar year as so determined shall first be reduced by the amount of any expenses incurred by such individual in the last three months of the preceding calendar year, and (B) for purposes of determining amounts to be counted toward meeting the $25 deductible imposed by this paragraph, 100 per centum of the actual expenses incurred by an individual with respect to all drugs requiring prescription under Federal law shall be used instead of the amount referred to in section 1832(a)(3)."

(d) Part B of title XVIII of such Act is amended by adding at the end thereof the following new sections:

"ALLOWABLE BENEFITS FOR QUALIFIED DRUGS

"SEC. 1845. (a) For purposes of this part—

"(1) The term 'qualified drug' means a drug or biological which is included among the items approved by the Formulary Committee (established pursuant to section 1846 (a)).

"(2) The term 'allowable benefit' when used in connection with any quantity of a qualified drug or dosage form thereof, means the amount established with regard to such quantity of such drug or dosage form thereof by the Formulary Committee and approved by the Secretary.

"(b) Notwithstanding the provisions of section 1842 (b)(3) (B)(ii), amounts to which an individual is entitled by reason of the provisions of section 1832 (a)(3) shall be paid directly to such individual in accordance with regulations of the Secretary prescribed pursuant to this subsection. No individual shall be paid any amount by reason of the provisions of section 1832 (a)(3) prior to the presentation by him (or by another on his behalf) of documentary or other proof satisfactory to the Secretary establishing his entitlement thereto. Regulations referred to in the first sentence of this subsection shall provide that claims for amounts to which an individual is entitled by reason of section 1832 (a)(3) shall be accepted by the Secretary only (i) in the case of a claim which is the first claim submitted in any calendar year with respect to expenses for qualified drugs incurred in such year, if the actual expenses for qualified drugs submitted with such claim and upon which such claim is based exceeds the amount of the deductible for such year (as determined under section 1833 (b)(2)), (ii) in the case of a claim which, in any calendar year, is subsequent to the first claim submitted in such calendar year with respect to expenses for qualified drugs incurred in such year, if the actual expenses for qualified drugs upon which such claim is based is not less than $10, and (iii) in the case of a claim which is submitted in a calendar year subsequent to the calendar year with respect to which were incurred the expenses for qualified drugs upon which such claim is based, if the actual expenses for qualified drugs upon which such claim is based (when added to all claims eligible to be filed during the calendar year with respect to such expenses were incurred) exceeds the amount of the deductible for such year (as so determined).

"(c) The benefits provided by reason of section 1832(a)(3) may be paid by the Secretary or the Secretary may utilize the service of carriers or other qualified agencies for the administration of such benefits under contracts entered into between the Secretary and such carriers for such purpose. To the extent determined by the Secretary to be appropriate, the provisions relating to contracts entered into pursuant to section 1842 shall be applicable to contracts entered into pursuant to this subsection.

"FORMULARY COMMITTEE

"SEC. 1846. (a) There is hereby established a Formulary Committee to consist of three officials, within the Department of Health, Education and Welfare, who are of appropriate professional background and who are designated by the Secretary. At least two of such officials shall be physicians. The chairman of such committee shall be designated by the Secretary and shall serve for such period of time as the Secretary deems appropriate.

"(b)(1) It shall be the duty of the Formulary Committee, with the advice of the Formulary advisory group (established pursuant to section 1847), to—

"(A) determine which drugs and biologicals shall constitute qualified drugs for purposes of the benefits provided under section 1832(a); and

"(B) determine, with the approval of the Secretary, the allowable amount, for purposes of such benefits, of the various quantities or dosage forms of any drug determined by the Committee to constitute a qualified drug; and

"(C) publish and disseminate at least once each calendar year among individuals insured under this part, physicians, pharmacists, and other interested persons, in accordance with directives of the Secretary, an alphabetical list naming each drug or biological by its established name as defined in the Federal Food, Drug, and Cosmetic Act, as amended, and by a representative listing of such other names by which it is commonly known, which is a qualified drug, together with the benefit allowable for various quantities or dosage forms thereof, and if any such drug or biological is known by a trade name, the established name shall also appear with such trade name.

"(2) (A) Any drug or biological included on the list of qualified drugs shall, if listed by established name, also be listed by its trade name or a representative listing of trade or other names by which it is commonly known, if any.

"(B) Drugs and biologicals shall be determined to be qualified drugs if they can legally be obtained by the user only pursuant to a prescription of a lawful prescriber; except that the Formulary Committee may include certain drugs and biologicals not requiring such a prescription if it determines such drugs or biologicals to be of a lifesaving nature.

"(C) In the interest of orderly, economical, and equitable administration of the benefits provided under section 1832(a)(3), the Formulary Committee may, by regulation, provide that a drug or biological otherwise regarded as being a qualified drug shall not be so regarded when prescribed in unusual quantities.

"(3) In determining the allowable benefit for any quantity or dosage form of any qualified drug, the Formulary Committee shall be guided by the acquisition cost to the ultimate dispenser for the quantities most frequently prescribed plus a reasonable fee component in consideration of costs of overhead, professional services, and a fair profit for dispensing a prescription for such drug or other authorized lifesaving drugs, or biologicals not requiring a prescription, with a view to determining with respect to each qualified drug a schedule of benefit allowances for various quantities thereof. In any case in which a drug or biological is available by established name as defined in the Federal Food, Drug, and Cosmetic Act, as amended, and one or more trade names any one of which is different from such established name, the cost of such drug or biological, for purposes of the preceding sentence, shall be deemed to be the lowest cost of such drug, however named, which meets the standards of quality for such drug required under the Federal Food, Drug, and Cosmetic Act, as amended. Whenever the lowest cost (to the ultimate dispensers thereof) of a particular drug or biological differs significantly in the various regions of the United States, the Formulary Committee may establish, for the various regions of the United States, separate schedules of allowable benefits with respect to such drug or biological so as to reflect the lowest cost at which such drug or biological is generally available to the ultimate dispensers thereof in each such region.

"ADVISORY GROUP TO FORMULARY COMMITTEE

"Sec. 1847. (a) For the purpose of providing professional, technical, and scientific advice to the Formulary Committee with respect to its duties and functions, the Secretary shall appoint an advisory group to the Formulary Committee (hereafter in this section referred to as the 'advisory group'). The advisory group shall consist of seven members to be appointed by the Secretary. From time to time, the Secretary shall designate one of the members of the advisory group to serve as chairman thereof. The members shall be so selected that each represents one or more of the following national professional health organizations: An organization of physicians, an organization of pharmacists, an organization of persons concerned with public health, an organization of colleges of medicine, and an organization of colleges of pharmacy. Each member shall hold office for a term of three years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and except that the terms of office of six of the members first taking office shall expire, as designated by the Secretary at the time of appointment, two at the end of the first year, and two at the end of the second year, and two at the end of the third year, after the date of appointment. A member shall not be eligible to serve continuously for more than two terms.

"(b) Members of the advisory group, while attending meetings or conferences thereof or otherwise serving on business of the advisory group, shall be entitled to receive compensation at rates to be fixed by the Secretary, but not exceeding $75 per day, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(c) The advisory group is authorized to engage such technical assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the advisory group such secretarial, clerical, and other assistance and such pertinent data obtained and prepared by the Department of Health, Education, and Welfare as the advisory group may require to carry out its functions."

(e) The amendments made by this section shall become effective on July 1, 1969.

VETERANS HOME LOAN GUARANTEE

Mr. KENNEDY of Massachusetts. Mr. President, I introduce, for appropriate reference, a bill to increase the amount of GI home loan guarantee entitlement from $7,500 to $10,000. This increase was recommended by the President in his message on January 30, 1968, on America's servicemen and veterans. In making this recommendation, the President stated:

> The increase I am recommending will help the veteran to purchase a decent home and get the financing protection which the law promises him.

One of the major benefits this grateful Nation has afforded to its veterans since World War II has been the GI loan, which has made it possible for nearly 7 million veterans to become homeowners in their communities. This has been accomplished at small cost to the Federal Treasury because of the low default rate, while concurrently providing stimulus and strength to the national economy.

Since 1950, the home loans financed with the Federal assistance of this Veterans' Administration program have been guaranteed up to 60 percent of the amount of the loan, but the guarantee is limited to a maximum of $7,500. We are all very much aware that the cost of a home has risen markedly since 1950. Consequently, the percentage of the loan which the Veterans' Administration can cover under that formula has been steadily declining. This has reached such proportions that the private investment sector cannot, consistent with sound financial practice, participate in making loans to veteran purchasers to the extent which otherwise might be possible.

The benefit which the Congress provided for our deserving veterans has been gradually but steadily eroding in the practical world of finance. What was a realistic and adequate figure 18 years ago is no longer so in today's market.

The situation has become even more critical with the increasing number of veterans completing their service in Vietnam. Our continuing pledge to assure every means for homeownership to these younger men and their families must be meaningful.

An increase in the maximum guarantee to $10,000 would make GI loans a more attractive investment for lenders, from a risk of loss standpoint. Investors generally have adopted loan policies, concerning the percentage of guarantee which they will require, in order to make or purchase a loan. These policies change from time to time, depending upon the condition of the mortgage money market and other factors. At present, many investors require a guarantee of at least 33 percent. By increasing the amount of the guarantee to $10,000, we would make it possible for more loans to meet the guarantee requirements of the lending institutions and, thus, more veterans would be able to obtain GI loans to purchase housing suitable to their present and prospective needs.

On February 1, I joined with the distinguished Senator from Texas [Mr. Yarborough] in sponsoring two bills—S. 2910 and S. 2911—which would implement other Presidential recommendations in the field of veterans' affairs. One of these is the proposed Veterans in Public Service Act of 1968 and the other would improve the existing program of vocational rehabilitation for disabled veterans. At the time of the introduction of these bills, I made this observation:

> There may be other areas in which the existing legislation providing aid and assistance to this country's veterans needs revision. As chairman of the Veterans' Affairs Subcommittee, I will look at this legislation. Where it is inadequate, or where it is out of date, I will try to make it realistic.

This bill qualifies on all counts. I trust my fellow Members of the Senate will give this matter favorable consideration.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the Record.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the Record.

The bill (S. 2937) to amend title 38 of the United States Code to increase the amount of home loan guarantee entitlement from $7,500 to $10,000, and for other purposes, introduced by Mr. Kennedy of Massachusetts (for himself and Mr. Yarborough), by request, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the Record, as follows:

S. 2937

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1810(c) of title 38, United States Code, is amended by striking out "$7,500" and inserting in lieu thereof "$10,000".

Sec. 2. Paragraph (2) of section 1811(d) of title 38, United States Code, is amended by striking out "$7,500" each place where it appears and inserting in lieu thereof "$10,000".

EMPLOYMENT ASSISTANCE FOR VETERANS

Mr. KENNEDY of Massachusetts. Mr. President, each month some 70,000 servicemen move through our Armed Forces separation centers, and rejoin their families and friends to take up civilian life once more.

These men are a challenge to the conscience of America. Our Nation has always prided itself on the care it has given its veterans, on the benefits it has been willing to pay for, and on the opportunities it has provided for men newly returned from service.

The men coming home today are becoming civilians again in a complicated and trying period of our history. Our society is more demanding of its members; skills and education are more highly prized and more generally required; and caring for a family is more expensive and more exacting as the hopes and ambitions of our people grow.

The simple fact is that veterans' programs of past years are not adequate to the needs of today's veterans.

We have before us the President's recommendations for extensive new legislation that would provide new assistance for veterans in a wide range of new and expanded activities. They are creative recommendations that would help the veteran to become better educated, get better housing, land a better job, protect his family better and enjoy better health. They build on measures we in the Congress have worked on and polished over the years.

The President, while calling for programs that are the obligation of the Government to provide and pay for, made the point that private industry has a great and unprecedented opportunity to assist returning servicemen by giving them priority on jobs for which they are qualified and available.

We have before us Senate Joint Resolution 134, which calls on private employers to give veterans such job preference, introduced by the distinguished Senator from Louisiana [Mr. LONG].

The joint resolution also calls on every department and agency of the Federal Government to assist in hiring Vietnam veterans, and to urge Government suppliers to give veterans priority in hiring.

The employment policy called for in this resolution would give newly separated servicemen job priorities in private industry comparable to those being provided by Government. The policy is a logical extension of other benefits and assistance provided to our veterans.

But while we owe our new veterans this attention and this opportunity to catch up for lost months and years of service, I think those in the private sector of our economy should realize that they are not simply being asked to do something for the veteran.

The men we ask them to give special consideration to are men of training and experience. They are men who are assured a chance to extend their education during off hours by the GI benefits they have earned. They are men who have acquired judgment and wisdom by having had responsibility. They are men who are ready to get started in a career, to establish households and take on civilian duties. They are men who have their military service behind them.

They are, in short, among the most stable and promising employee prospects coming into the labor market today—a resource that both Government and industry should look to first for their own gain and benefit.

Leaving undone anything that can be done to help these men obtain employment—to help them get reestablished in the abundant and promising, but often baffling and difficult, society we live in today would be both an affront to them and an abandonment of duty to our Nation.

For these reasons, I am today introducing a revision of Senate Joint Resolution 134. This revision is identical to one being introduced today by the chairman of the House Committee on Veterans' Affairs, Mr. TEAGUE of Texas, and by the chairman of its Subcommittee on Education and Training, Mr. DULSKI. We have worked on this revision together, and I am hopeful that we can move swiftly to consider it.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed at this point in the RECORD.

The **PRESIDENT** pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 137) to assist veterans of the Armed Forces of the United States who have served in Vietnam or elsewhere in obtaining suitable employment, introduced by Mr. KENNEDY of Massachusetts (for himself and Mr. YARBOROUGH), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

S.J. RES. 137

Whereas the members of the Armed Forces of the United States are and have been making great personal sacrifices to defend freedom and bring justice and peace to the world; and

Whereas the veterans of the Armed Forces who have served in Vietnam or elsewhere are deserving of the gratitude and respect of the Government and people of the United States and deserving of assistance from such Government and people in connection with the major problems of transition to civilian life; and

Whereas one of the most immediate and acute needs of members of the Armed Forces upon discharge from the service is to obtain early and suitable employment in positions which will enable them to be self-reliant, which will provide meaning, purpose, and fulfillment in their lives, and which will assist the United States in the solution of its pressing problems and in providing a better foundation for its continued growth: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is hereby declared to be the sense of the Congress that each department and agency of the United States—

(1) shall endeavor, to the maximum practicable extent, to provide employment with the United States Government for veterans of the Armed Forces of the United States who have served in Vietnam or elsewhere during the Vietnam era;

(2) shall give preference, in accordance with law, to such veterans in the selection of persons for employment with the Government; and

(3) shall follow such policy and take such action, through the process of procurement for the Government of material, supplies, services, and equipment from private industry and through other means, as may be appropriate to secure from private industry for such veterans a priority in employment in positions in private industry as soon as possible following the reentry of such veterans into the labor market.

SEC. 2. It is further declared to be the sense of the Congress that employers in private industry should exert every effort to carry out the objects and purposes of this joint resolution with respect to reemployment of veterans in positions in private industry and should consult, advise, and cooperate with the United States Government to the extent appropriate to carry out such objects and purposes.

SEC. 3. The provisions of this joint resolution shall be held and considered to be in effect until the President by proclamation, or the Congress by concurrent resolution, declares that the provisions of this joint resolution are no longer essential to the public interest, whichever first occurs.

RELIEF OF MRS. CHARLOTTE V. WILLIAMS—AMENDMENT

AMENDMENT NO. 522

Mr. **MORSE** submitted an amendment, intended to be proposed by him, to the bill (S. 2558) for the relief of Mrs. Charlotte V. Williams, which was referred to the Committee on the Judiciary and ordered to be printed.

SELECTIVE SERVICE OMBUDSMAN—AMENDMENT TO ADMINISTRATIVE OMBUDSMAN BILL (S. 1195)

AMENDMENT NO. 523

Mr. **LONG** of Missouri. Mr. President, on March 7, 1967, I introduced S. 1195, a bill to establish an Office of Administrative Ombudsman which would have jurisdiction over the Social Security Administration, Veterans' Administration, Internal Revenue Service, and Bureau of Prisons.

This ombudsman would be independent of the executive branch, and would have authority to investigate and examine all complaints directed against the above-named agencies.

Since I introduced S. 1195 last year, I have been hearing more and more complaints about the operation of the Selective Service System. To date, it does not appear that the System is altogether responsive to them. For this reason, I am proposing an amendment to my administrative ombudsman bill so as to include the Selective Service System within its jurisdiction.

There are those who feel that the Selective Service System is curtailing free speech; others believe that it is too lenient in not drafting the "peaceniks." The ombudsman which I am proposing would be authorized to investigate and examine all these complaints and report back to the Congress, the press, and the general public. Through this process, all responsible and legitimate grievances will at least receive a fair hearing.

Therefore, I today submit for appropriate reference an amendment to S. 1195 to add the Selective Service System as an agency over which the administrative ombudsman would have jurisdiction.

The PRESIDENT pro tempore. The amendment will be received, printed, and appropriately referred.

The amendment (No. 523) was referred to the Committee on the Judiciary and ordered to be printed.

PENALTIES FOR CERTAIN ACTS OF VIOLENCE OR INTIMIDATION—AMENDMENT

AMENDMENT NO. 524

Mr. MONDALE (for himself and other Senators) proposed an amendment to the bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes, which was ordered to be printed.

(See reference to the above amendment when proposed by Mr. MONDALE, which appears under a separate heading.)

ESTABLISHMENT AND MAINTENANCE OF RESERVE STOCKS OF AGRICULTURAL COMMODITIES—AMENDMENT

AMENDMENT NO. 525

Mr. MONRONEY. Mr. President, I submit amendments by way of a substitution, intended to be proposed by me, to the bill, S. 2743, a bill to provide for the establishment and maintenance of reserve stocks of agricultural commodities by producers in the Commodity Credit Corporation for national security, public protection, international commitments, and for other purposes.

The PRESIDENT pro tempore. The amendment will be received, printed, and appropriately referred.

The amendment (No. 525) was referred to the Committee on Agriculture and Forestry and ordered to be printed.

ADDITIONAL COSPONSORS OF BILLS

Mr. METCALF. Mr. President, on January 31, the junior Senator from Oklahoma [Mr. HARRIS] and the junior Senator from New York [Mr. KENNEDY] introduced two bills that would amend the Social Security Act, S. 2892 and S. 2893. Senator HARRIS' bill, S. 2892, contains progressive provisions which were reported out by the Committee on Finance and passed by the Senate on November 22 last year, but were deleted in conference. Senator KENNEDY's bill, S. 2893, incorporates certain floor amendments adopted last year.

At the time these bills were introduced, I was absent on official business. Had I been here, I would have requested that my name be added to the already impressive list of cosponsors of these two bills. Mr. President, at this time I ask unanimous consent that my name be added to the list of sponsors of both S. 2392 and S. 2893.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. METCALF. Mr. President, I ask also unanimous consent that, at its next printing, the name of the Senator from Wyoming [Mr. McGEE] be added as a cosponsor of the bill (S. 2613) to amend the Internal Revenue Code of 1954 to provide that farming losses incurred by persons who are not bona fide farmers may not be used to offset nonfarm income.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LONG of Louisiana. Mr. President, on behalf of the Senator from Washington [Mr. Jackson] I ask unanimous consent that, at its next printing, the name of the Senator from Pennsylvania [Mr. Clark] be added as a cosponsor of the bill (S. 1401) to amend title I of the Land and Water Conservation Fund Act of 1965, and for other purposes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, February 6, 1968, he presented to the President of the United States the enrolled bill (S. 491) to determine the rights and interests of the Navajo Tribe of the Ute Mountain Tribe of the Ute Mountain Reservation in and to certain lands in the State of New Mexico, and for other purposes.

NOTICE OF HEARINGS

Mr. YARBOROUGH. Mr. President, I wish to announce the following schedule of hearings of the Labor Subcommittee of the Committee on Labor and Public Welfare. On February 15, 1968, we will begin hearings on S. 2864, the Occupational Safety and Health Act, and hear from Secretary of Labor Wirtz. Future hearings on this bill will be scheduled later.

On February 16, 1968, we will hold hearings on S. 2704 a bill to permit employer contributions to trust funds to provide employees with scholarships.

On February 19 and 20, 1968, hearings on S. 2485, to amend the Longshoremen's and Harbor Workers Compensation Act will be held. Each of these hearings will begin at 10 a.m. in room 4232, New Senate Office Building.

NOTICE OF POSTPONEMENT OF HEARING

Mr. JACKSON. Mr. President, in the CONGRESSIONAL RECORD for February 5, I announced that the Subcommittee on Indian Affairs would hold a hearing on Senate Concurrent Resolution 11, national American Indian and Alaska natives policy resolution, on February 20. I wish to advise that it has been necessary to postpone the hearing, probably until sometime in March. As soon as a new hearing date is set, notice will be given.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from Vermont [Mr. AIKEN] be permitted to proceed for 7 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RESOURCE CONSERVATION AND DEVELOPMENT IN THE WHITE RIVER VALLEY, VT.

Mr. AIKEN. Mr. President, there is still a chance to keep New England from becoming just part of a megalopolis.

It is not necessary to lose the centuries-old identification with the town idea, where a pleasant cluster of homes and businesses meshes with farm and forest land to make a community to which people can belong.

Vermont is increasingly active in town planning to assure orderly expansion of built-up areas so that it can provide for more people—and more jobs and services for the people it has.

The step-up in this kind of planning is especially keen in the White River Valley in my State, where local citizens and several government groups are carrying out a resource conservation and development project—the first of its kind in New England, and one of the first 10 in the Nation.

This project, like the 40 others in operation or being planned around the United States, is a broad activity aimed at making best use of a region's natural-resource base to provide an economic boost—to halt erosion and flooding damage, make more stable and productive farming enterprises, attract new industry, increase community facilities, and so forth. The Department of Agriculture's Soil Conservation Service provides overall coordination for the many agencies and groups at all levels who can help local citizens work toward these aims.

In the 635,200-acre White River resource conservation and development project area, small dairy farmers had been rapidly going out of business because they could not cope with a tough, competitive market, increased capital costs, and mechanized equipment needs. Water resources of the area were largely undeveloped, as was the substantial acreage of woodland. Low income and opportunity existed in the midst of abundant rainfall and good land in an area of rolling scenic beauty.

Now the people are putting these same resources to work in more than 50 active project measures. The USDA Soil Conservation Service has mapped the soils on more than 100,000 acres for use in town resource inventories and land-use planning, and at least 10 such inventories are underway.

Assistance to woodland owners has already resulted in an increase in gross returns of woodland products worth $25,000. USDA's Forest Service has doubled annual timber sales in the Green Mountain National Forest inside the project boundaries. Ten area sawmills have invested more than $180,000 in new equipment to make better use of material that formerly was wasted in the sawing process. Several new wood-using industries have located in the area since the project began in 1964.

Several lakes and ponds, hunting preserves, ski areas, and other recreation developments—both on public and private land—are bringing much new recreation opportunity to the area, both for residents and for visitors. There is a growing trend toward use of the White River area for holiday homes.

Efforts of the project's sponsors, the White River Soil Conservation District and the White River Development Corp., are deeply appreciated; they, and the 23 town governments and several civic groups who work with them, are bringing a brighter outlook for east central Vermont. When all project measures are completed, they are expected to create 75 man-years of continuing annual employment, and bring more than half a million dollars additional income to the area each year.

Then the project area will have healthy towns in the valley, with all of the services and opportunities a community needs but with none of the clutter, waste, and crowding that too many have to put up with.

Mr. President, I ask unanimous consent that an article, published in the White River Valley Herald of February 1, which describes in some detail the progress now being made on this important resource conservation and development project, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RESOURCE CONSERVATION AND DEVELOPMENT GROUP GIVES OK TO FIVE NEW PROJECTS

Approval of five new projects to develop natural resources in the area highlighted a meeting of the White River Resource Conservation & Development Project Coordinating Committee meeting, according to chairman Sheldon Dimick of Randolph.

The resource development projects are located in the towns of Corinth, Topsham, Bradford, and Strafford. Information on the project proposals was presented by Jock Smith of Newbury and Frank O'Brien of Fairlee.

The measures include: a proposed 20-acre lake to be created for a summer home type development in the town of Topsham; road bank erosion control and beautification projects in the towns of Bradford and Corinth; a community water-based recreation area near East Corinth that could be used by both Topsham and Corinth and a water-based recreation area on the Vermont Baptist Church Camp grounds in Strafford.

Smith and O'Brien pointed out the community benefits that would be derived from the completion of these project measures. Improving the areas' appearance, broadening the tax base, and improving economic conditions were the major benefits pointed out.

Chairman Dimick led a long discussion on the progress of establishing a regional planning commission in the RC&D project area. He said two meetings have been held by the White River Valley Association for town selectmen in that area. Another one is scheduled in the near future.

The Central Connecticut Valley Association has held similar meetings in that area. Extension Service representative Warner Shedd pointed out the need of working closely with towns to get the regional planning proposal in the warning or town meeting.

David Coburn and Lynn Grayburn of the Vermont Central Planning Office pointed out the need for towns to form regionally into a contiguous area for planning. Coburn pointed out that towns voting to join a regional planning commission, but separated by nonmember towns, may have problems obtaining federal funding.

RC&D forester Ed Killian reported on progress of the forestry phase of the project. He said the Forest Advisory Committee is functioning and will be working on problems relating to the forest aspects of the RC&D Project. Sid Gilman and Henry Chase of this committee were present at the meeting.

PROJECT EXPANDS

The application to expand the present RC&D Project to include the remainder of Windsor County is now being prepared by the local sponsors from that area, according to project coordinator Jack Davis, of the Soil Conservation Service in Randolph. Davis said the Ottauquechee Soil & Water Conservation District, the Southern Windsor County Regional Planning Commission, and the Ottauquechee Valley Regional Planning Commission are spearheading the drive to expand the project in that area.

LAKE ANSEL

Coordinator Committeeman June Hunt reported that progress is being made on the Lake Ansel project measure in Bethel. He said engineers of the Vermont Department of Fish & Game and the Soil Conservation Service are working on plans to get that project under way. Hunt said the Vt. Department of Fish & Game is considering carrying out this measure if a reasonable cost for construction is possible.

Chairman Dimick reported that the Vermont Extension Service is in the process of hiring an agriculture resource specialist who will work full time in the RC&D Project area. Dimick said Extension Service director Robert Davison is making final plans for filling this position to give accelerated assistance to the sponsors with the agricultural aspects of the RC&D Project.

A STUDY IN GOVERNMENTAL BRAINWASHING: THE NONSTATISTICAL METHODS USED TO BACK UP THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE'S SCARE TACTICS AGAINST SMOKING

Mr. ERVIN. Mr. President, last week I was very disturbed to learn that the Department of Health, Education, and Welfare will soon utilize space provided it by the Post Office Department on its motor vehicle to allege that smoking constitutes a health hazard. The Department of Health, Education, and Welfare poster which it will display on Post Office vehicles states:

> 100,000 Doctors Have Quit Smoking (Maybe They Know Something You Don't.)

I have long been concerned about the use of Government propaganda to attempt to dictate to and brainwash the American people concerning their personal habits with regard to smoking or anything else. However, the allegation that "100,000 doctors have quit smoking" is based on data so defective and inconclusive that if the statement were made by anyone except an agency of the Government it would constitute a false pretense. If made in an advertisement it would be prohibited by the Federal Trade Commission as plainly false and misleading.

The National Opinion Research Center working for the Department of Health, Education, and Welfare, sent questionnaires to 5,000 "selected" names out of the 242,569 practicing physicians in the country. How the 5,000 were "selected" has not been revealed. Any doctor who answered that he had ever smoked cigarettes, no matter how long ago or how infrequently, and had stopped, no matter what his reason, was classified as a doctor who had quit smoking.

Of the 5,000 doctors polled, only 1,867 had responded after three mailings were sent to all of them. The nonresponse rate—over 64 percent—was so high that on sound statistical principles the survey should have been abandoned at that point. A high nonresponse rate is a classic source of bias in a survey. How can one draw a valid conclusion when 64 percent—more than half—did not bother to answer?

Instead, an attempt was made to reach by telephone 482 of the 3,133 nonrespondents. Only 275 were in fact interviewed. Thus, even in this sample of a sample the nonresponse rate was 43 percent—hopelessly high for serious statistical purposes. Moreover, a sample of a sample is in itself recognized to be virtually worthless for such purposes.

In both the mail and telephone interviews combined, a total of exactly 828 doctors said they had stopped smoking at whatever time and for whatever reason. This is the source of the bold declaration that "100,000 doctors have quit smoking," with the sly innuendo that all of them did so for health reasons—"Maybe they know something you don't."

On the dubious assumption that the 828 doctors were representative of the ex-smokers among all the 242,569 practicing physicians in the country, it was concluded that 81,018 or more doctors had quit smoking. This figure was then blown up to reach the magic 100,000 figure by assuming, without any evidence whatever, that retired and other nonpracticing physicians had given up smoking at the same rate as practicing physicians, and by adding a figure for residents and interns alleged to be based on an unidentified poll of graduating medical students taken from years ago.

With full knowledge of these foregoing facts, the Public Health Service thinks this poster is "a significant piece of educational material, containing accurate information."

I am told this survey was financed by the Public Health Service at a cost of more than $140,000. If this is an example of Public Health Service efficiency—paying for such a sham statistical job—I think we deserve some answers.

Additionally, if these figures are a sample of the kind of statisticians the Public Health Service relies on, how can we believe that the other statistics they love to throw about over in Public Health Service are not just as shaky.

Once again, it is interesting to me that of the original sample of 5,000 doctors, only 1,867 of them responded and the surveying group had to go back three times to get them. I imagine that some of the doctors did not answer because they were too busy. But how many of them did not bother because they do not give a hoot about all this smoking and health business?

Figures that are missing on the Post Office truck posters: How long a period is it in which these doctors have quit? How many of them have started smoking again? And quite important, how many doctors have taken up smoking during the indefinite time period for which the Public Health Service allowed on its poll.

I would suggest that the Post Office and Public Health Service, which should be impartial and give all the facts pertinent to any situation, consider a poster for all mail trucks which would read something like this: "x thousand doctors are still smoking cigarettes. Do they know something the nonsmoking doctors don't?"

A very interesting facet of the Health Service's statistical expertise was brought out in a recent editorial in the Raleigh News & Observer entitled "Alice in Tobaccoland." The editorial reasoning went like this:

First. The "Statistical Abstract of the United States" said in 1960 that there were a total of 243,062 physicians in the United States;

Second. The same publication said that 21.1 percent of the males in the United States have never smoked;

Third. This would leave us with just 192,000 physicians in the United States who had ever smoked;

Fourth. Also, the "Statistical Abstract" said that 40.1 percent of males in the United States were current regular cigarette smokers;

Fifth. And so, this would leave us with only 97,225 doctors who were current regular smokers then before the Public Health Service issued its formal warning. Of course, one would assume that it would be even less after the warning.

Sixth. Now, if we deduct the 100,000 on the Post Office truck placards from those doctors who were smoking before the Public Health Service warning, then to quote the Raleigh News & Observer—

> *There is not a single smoking doctor in the United States. Indeed, by some statistical wonder there are 2,775 less than one cigarette smoking doctor in the country.*

Looking beyond the Department of Health, Education, and Welfare project against cigarettes, in what direction will they next crusade? To what extreme will this Orwellian horror travel? Are we laying the groundwork for Government propaganda to control other personal habits of the American people? Are we approaching the point at which the kindly benevolent face on the omnipotent television screen, as in the book "1984" looks upon us and gently guides our thoughts down every conceivable avenue that the friendly, benevolent and despotic government wishes us to go? Or, can we assume this trend will stop with the nice little message on all of our Post Office trucks?

The significance of the statistics used by the Department of Health, Education, and Welfare in this area loom much larger than in the tobacco situation. As the Raleigh News & Observer editorial concluded:

> Certainly on the basis of this statistical showing we all ought to be terrified—but perhaps less at cigarette smoking than at the manner in which the government distorts its own statistics.

This entire fiasco reminds me of the story about the old mountaineer who had been buying his groceries on credit. When he went to pay his bill, the grocery store operator presented him one which was much larger than he had anticipated.

After the mountaineer objected, the grocery store operator got out his account books and pointed them out to the mountaineer saying, "here are the figures; you know figures don't lie."

The mountaineer replied, "I know figures don't lie but liars sure do figure."

If the mountaineer had been dealing with the figures manufactured by the National Opinion Research Center, which were adopted by the Public Health Service in this case, I have a feeling that he would have observed not only that liars figure but sometimes the figures they use also lie.

Mr. President, I ask unanimous consent to have printed in the RECORD the editorial from the Raleigh News & Observer, entitled "Alice in Tobaccoland," and an editorial which appeared on February 3, 1968, in the New York Daily News, entitled "Tobacco-Tripe Trucks."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the News & Observer, Feb. 1, 1968]

ALICE IN TOBACCOLAND

The smoking danger assumptions of the U.S. Public Health Service are based only upon statistics which seem to indicate that cigarette smoking may be hazardous to health. Many qualified persons have questioned the reliability of this proof. Certainly the government shows a careless use of statistical methods when it proposes to display on Post Office vehicles a sign: "100,000 Doctors Have Quit Smoking (Maybe They Know Something You Don't.)"

Who counted the doctors who have quit smoking? Have any of them started smoking again? Why did they quit? When?

The Statistical Abstract of the United States, published by the U.S. Government Printing Office, states that in the last census there was a total of 243,062 physicians in the United States. It could hardly be presumed that all of them were or had been smokers. Indeed, the same book of government statistics contained a survey of persons over 30 indicating that in 1960, before the U.S. Health Service issued its formal warning, 21.1 of the males and 66.3 of the females in America had never smoked. Only 40.1 of the males and 27.3 of the females then were regular cigarette smokers.

These figures, of course, apply to the whole population, not physicians alone. But physicians are people, having in general the same habits as other folks. So presuming similar percentages in 1960, at least 21.1 per cent of the doctors male and female had never smoked. And only something in the neighborhood of 40 per cent of the doctors were then cigarette smokers. Deducting the number of doctors who had never smoked, there were then around 51,000 doctors who had never smoked which would mean only 192,000 who ever had. And if only 40 per cent of the doctors were current regular smokers of cigarettes in 1960, that would mean that only 97,225 doctors were current regular cigarette smokers then. So if we deduct the 100,000 of the Post Office truck banner from those doctors who were smoking before the Health Service warning, there is not a single smoking doctor in the United States. Indeed, by some statistical wonder there are 2,776 less than one cigarette smoking doctor in the country.

Certainly on the basis of this statistical showing we all ought to be terrified—but perhaps less at cigarette smoking than at the manner in which the government distorts its own statistics.

[From the New York Daily News, Feb. 3, 1968]

TOBACCO-TRIPE TRUCKS

Post office and U.S. health officials are planning to have mail trucks carry posters loaded with propaganda against using cigarets and other tobacco products.

We say such propaganda is tripe, we say the hell with it, and, ever helpful, we offer some suggestions; to wit:

The tobacco companies should demand equal space on the mail trucks' sides for pro-tobacco arguments. These companies pay enormous taxes. They have a right to defend their ability to go on doing so.

Post office truck drivers in such tobacco states as Connecticut, North Carolina and Kentucky should demand big, fat bonuses for running the tripe trucks through areas inhabited mainly by people who make their livings from growing or processing tobacco. These drivers also should demand big government-financed life insurance policies.

The government could save itself a barrel of grief by simply dropping this plan right now. Why peddle antitobacco or any other propaganda based purely on statistics, with no laboratory proof to back it up? Why increase heavily the already considerable number of people who believe nothing the government says?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ELLENDER in the chair). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HART in the chair). Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time allotted to the distinguished Senator from Arizona [Mr. FANNIN] at the conclusion of the morning business be allotted to him now.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

Mr. FANNIN. Mr. President, I thank the majority leader.

COPPER PROBLEMS

Mr. FANNIN. Mr. President, once again I think it necessary to call the attention of the Senate to the critical situation existing in the copper-producing States. I have spoken on this subject so often here in the Senate that I may begin to sound redundant.

But, Mr. President, my repetition—or my perseverance—in this situation stems from a deep concern for the lives affected at this very moment by the lack of agreement in this labor dispute.

May I share with the Senate a story repeated to me by the editor of a weekly newspaper in a small mining community in southern Arizona. I have been trying to keep in close contact with these communities and their problems and the editor brought this case to light.

He told me of a small Mexican American schoolboy whose family employment comes from one of the businesses supplying services to the copper mining community. This boy's father is out of work because the mine is shut down. The family gets no contribution from the much-publicized strike fund to which other unions are contributing. This little boy's father cannot get credit extended at the company-owned store which is allowing copper mining families to charge about $30 a week in groceries. His utility bill is not being paid by the union, as they are doing for some copper miners. Nor is he living in industry-owned housing in which in many cases the rent has been reduced or suspended for the duration of the strike.

All these benefits, meager as they may be, enable the mining families at least to "exist" while the dispute goes on between labor union bosses and the mining companies. But none of these benefits are available to the Mexican American family of which I am speaking. They are without help.

The journalist spoke of the little boy who brings 3 cents, wrapped in a piece of tinfoil, to school. He brings the extra 3 cents because his family does not have the money to buy milk and he is buying an extra half pint out of the school lunch program to take home to his little brother.

Mr. President, I am sure this type of story can be repeated hundreds, if not thousands of times in my own State of Arizona. I am sure the Senators from other States, hard hit by this strike, know of similar hardship cases. My point in bringing this to your attention is not just to occasion hand wringing or to make sentimental emotional appeal. I think it is high time we insisted that something effective be done by the President to end this tragedy of human suffering.

The President has made much of his concern for people and their problems. As an outgrowth, we see—even under a so-called tight budget—a proliferation of new welfare programs designed to appeal to this or that special interest group.

Let me speak plainly. The President has it within his authority to end the anguish and hardship of the 60,000 people directly affected by this strike, and he can do it with the stroke of a pen. It does not require the Congress to pass new legislation. It does not have to have authorization or appropriation. All we need is a President with the courage to look beyond the tempting snares of partisan politics—with the courage to ignore the demands of those who would gorge themselves with greater accumulations of economic power—with the courage to rise above the pettiness of repaying political I.O.U.'s and take the action that needs to be taken. We need a President who is not afraid to act.

If the people of Arizona convey one thing to me in the daily intercourse of representing them here in the Capitol it is this:

They, and I think there are many other Americans who share their feeling, are tired of equivocation. They are tired of pacification. They are tired of negotiation. They want action.

It is my feeling that this attitude is not limited to the present situation in the copper mines. It extends to the international situation, as well as to our tremendous domestic problems.

Speaking for the people of Arizona, they feel nothing is being accomplished by naming a fact-finding board to rehash the problems of union and management. The Nation is becoming aware of the nature of this dispute. When they fully realize the balance-of-payments problem created by the President's inaction that they will ultimately have to pay, they will demand an accounting.

When the American people realize the increased prices they pay for copper-related products is a result of White House dilly-dallying, they will demand an accounting.

When they awaken to the peril imposed on our fighting men because of the length of this dispute and see that the President had the authority to remove that peril but did not choose to use it, they will demand an accounting.

When the bill for all these accounts comes in, Mr. President, it must be laid at the White House door.

The forgotten man in this dispute seems to be the small businessman. For while those directly employed by the companies are getting some benefits from both the companies and the unions, the small businessman—the retailer, gas station operator—these people are going under. And there is no one to help them.

People who have a continuing interest in the mining communities of Arizona tell me that small businessmen have borrowed, and are still having to borrow, in order to extend credit to their customers. How long the economic clouds of debt will continue to hang over the mining families and mining comunities no one is able to say.

The strike is now about to enter its eighth month. Many families have had their life savings wiped out during this strike. Many business establishments have had to close their doors. Families have packed up completely and moved to other areas.

These losses, Mr. President, can never be recovered.

Making conservative asumptions about the wage settlement, the average miner will have to work almost 35 years to repay the money he has lost during the strike out of his increased wages. But other real losses are not so easily measured.

How can we estimate the value of milk at this time to the Mexican-American schoolboy's little brother? How can we count the value of a college education lost to the son or daughter of a mining family because there simply will be no money to send them to school? How can we total up the tremendous cost of a town that must close down because the problems of copper supply, the competition from other products, and wage settlements that outstrip productivity have cost copper its competitive position in some markets? These are costs I say, Mr. President, that are too great to pay. These are costs that must be terminated by prompt and effective action on the part of the administration to end this dispute.

What is happening now, at this moment, to bring an end to the strike?

On January 25, 1968, the Secretaries of Labor and Commerce named a three-member special panel to help in reaching an equitable solution to the 6-month-old copper dispute. The members are Dr. George W. Taylor, of the University of Pennsylvania, the Right Reverend Monsignor George G. Higgins, director of the Social Action Department of the National Catholic Conference, and George Reedy, former press secretary to President Johnson.

With all due deference to its members, I regard this panel as a kangaroo court. The panel is holding public hearings at present, bringing before it representatives of management and labor.

It is clearly apparent that this panel was set up to help the steelworkers union, which finds itself in trouble. This is so apparent that there is a brazen cynicism about the action in the first place.

The administration has refused to use the machinery established by the Congress, the Taft-Hartley Act, to handle the situation. We are told with a straight face that there would be difficulty in proving that there are legal grounds for the use of existing labor law.

This is absolutely ridiculous and the administration knows it. The press statement announcing the creation of the special panel details the crisis brought about by the strike. Listen to this. I am quoting the Secretaries of Labor and Commerce:

> The strike is creating severe economic hardship.
>
> It is also resulting in a serious increase of government contract costs due to the necessity of fabricators purchasing copper abroad at prices far in excess of the United States domstic price.
>
> This strike is adversely affecting our international trade situation.
>
> The copper strike is seriously thwarting our efforts to reduce our adverse balance of payments. Under normal circumstances the monthly adverse balance in copper is approximately $18 million. Because of the strike, this figure is now running in excess of $60 million a month.
>
> *The national interest will not permit the continuation of this situation.* (Italic supplied.)

Mr. President, it seems to me that the administration itself has stated, in its own words, the strongest possible reasons for using the emergency provisions of existing labor law and allowing the copper workers to get back to work. But instead of going ahead and doing the right thing—the courageous thing—the administration has taken a half-hearted course and tried to appear to be solving the problem while actually playing along with the big union leaders.

I have said that I regard the special panel as a Kangaroo court and that any verdict it hands down will be rigged. This is a most serious charge but let us take a look at the real facts in the case.

Almost all these extra-legal boards named by an administration to settle a major labor dispute have come up with verdicts that pleased the unions and displeased management. But such is the power of big labor, politically and otherwise, that management almost always goes along and the wage increases and other costs are passed along to the consumers.

I am not impugning the motives of Dr. Taylor, Monsignor Higgins and Mr. Reedy. The record of Dr. Taylor and Monsignor Higgins indicates they are prounion to begin with. Dr. Taylor has been a mediator on many occasions but I cannot recall of any instance where his recommendations displeased the chieftains of labor.

In 1961, Dr. Taylor was a member of the Advisory Committee on Labor-Management Policy set up by President Kennedy. The U.S. News, a magazine with a national reputation for accurate reporting, said of Dr. Taylor:

> He was criticized in some cases for approving "excessive" wage increases.

Dr. Taylor, a professor at the University of Pennsylvania, has written extensively on labor matters. He is regarded as a strong supporter of the union shop, which means that he favors compulsory unionism. Writing in the Monthly Labor Review in 1960:

> I have long believed that what is called the union security issue might better be specified as the employee responsibility issue. Although they are often not exercised, an employee does have important rights to participate in union affairs. As these rights become protected by legislation, the reasons for supporting the individual's right to withdraw from a union, or to refrain from joining, have been lessened.

If I interpret Dr. Taylor's statements correctly, he thinks a worker should be made to join a union, and once in, should be prevented from getting out. This is in line with the views of the leaders of big labor, one of their most passionate desires being the repeal of section 14(b) of the Taft-Hartley which permits the States to enact legislation banning compulsory unionism.

As for Monsignor Higgins, he is chairman of the Public Review Board of the United Automobile Workers, AFL–CIO. This record speaks for itself. He also is an ardent supporter of compulsory unionism and has said so in his column, the Yardstick, widely printed in Catholic papers.

I know nothing of the attitude of Mr. Reedy on labor matters, but, keeping in mind his close connections with the White House and the close connections of the White House with Mr. Meany and others, I would be amazed if he took a strong position against the unions demands in this copper strike.

I bring up these background matters, Mr. President, to show the political nature of the action. In naming such an obviously biased special panel, the President has done nothing to effectively bring this dispute to a satisfactory conclusion.

Instead, we have more talk.

The special panel has been meeting for more than a week now. So far as I can see, nothing has been accomplished.

Back in Arizona the little schoolboy still buys his half pint of school lunch milk to take home to his little brother—and who knows how long the family will be able to send the pitifully small 3 cents each day to buy even this wee bit of essential nourishment?

It is clear to even the most superficial observer that this labor dispute is not over economic matters. Editors of newspapers in the mining towns of Arizona have told me that the miners are willing to go back to work with any reasonable settlement. If left to local bargaining, they say, the strike would have been settled 3 months ago.

The harsh facts boil down to this: the steel union of 1.1 million members wants to use the relatively small 60,000 copper workers and their plight to bludgeon management into an industrywide bargaining pattern that would benefit no one but big union leaders.

Examining the facts of industrywide bargaining, where it exists now, show that the big union settlements do not produce more benefits for individual union members than they could get by bargaining through their local units. In many cases local union interests and those of its members are sacrificed by big labor bosses in making their "deals." I will have more to say about this matter at another time.

Right now the critical problem facing the President is will he willingly sacrifice the copper workers and their families upon the altar of union leadership ambitions; or will he remove them from the threat of violence, roll back economic ruin that threatens them, and snatch them from the viselike jaws of a dispute in which they have had precious little voice in making.

The choice is his.

Last Thursday I dispatched a letter to the White House outlining this problem. Thus far I have had only token acknowledgement.

The President cannot remain aloof from this problem.

Mr. President, in my letter to the White House I asked President Johnson, at the request of these editors and community leaders in Arizona, to set a deadline for a solution to this strike. That deadline should be soon.

If the deadline is passed, I asked the President to invoke the emergency provisions pertaining to strikes threatening the national security and allow the miners to go back to work. Then he could say: "Either settle this during the 80-day period under the law or we will arbitrate it to a final conclusion."

The President talks of wanting to fight inflation. Let him put action to the words.

Listen to these aims voiced by the United Steelworkers of America's wage policy committee. They gave "priority status to a substantial wage increase," according to the New York Times, quoting Steelworkers' President I. W. Abel:

> The Abel administration is under strong pressure to win large settlements because other big unions lately have been winning contracts that give 6 percent over-all increases in wages and benefits . . .

It seems clear to me that if the Steelworkers force copper into an inflationary settlement and industrywide bargaining, they are hardly going to ask for less when they begin to bargain with steel, and aluminum, and the can industry. In other words, if the President is serious about stopping inflation—and doing something for the Nation's betterment—let him begin here.

Mr. President, I ask unanimous consent that my letter to the President of the United States of February 1, 1968, and an article from the New York Times of January 29, 1968, concerning steel union goals, be printed in the RECORD.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follow:

FEBRUARY 1, 1968.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: During the past week I have had the opportunity to converse with several newspaper editors in our mining communities of Arizona. I have been checking with them on the effects of the shutdown of the copper industry as ordered by the steelworkers union.

The dozen or so small communities represented by these editors are suffering, and suffering badly, under the economic hardship imposed on them by union leaders in far away Pittsburgh. These editors told me, and I am conveying the information to you at their request, that retail sales in their communities are down by 30–40 percent. They note that it is not just the miner and his family that are troubled by this massive labor stoppage, but in many cases the small businessman—the dry cleaner, filling station operator and the like—bears the brunt of economic hardship.

The miners themselves are, in many cases, living in houses owned by the mining companies; the rent has been suspended while the strike goes on; mining families get $30.00 per week credit from many company stores for groceries; and miners are collecting money out of the union strike funds. So in many instances the miners are "existing" at least, even though the power ambitions of union bosses pile up massive debts that will hang an economic cloud over copper mining families and communities for years to come.

But the small businessman—the grocer, clothier and the pharmacist—has been forced to borrow and borrow again in order to sustain his customers. Many editors reported businesses in their communities that have gone under; more are on the brink of doing so.

Mr. President, these editors expressed to me their deep concern for their communities and the people living in them. They point out that because of the long strike duration, many families have already moved to other jobs in other states and are thus lost to the community. They point out that as copper loses its market position to competitive products, because of the long strike, to that degree the whole industry and the communities related to that industry may never fully recover.

One case, I feel, should be brought to your personal attention:

One of the editors told of a small Mexican-American school boy whose family employment comes from a business supplying services to the copper community. This family doesn't have enough money to buy milk. The little boy brings three cents to school, wrapped in tinfoil, so he can buy an extra half-pint of school lunch milk for his little brother at home.

Mr. President, such suffering cannot be allowed to continue. You have the power to put the miners back to work under emergency provisions of existing labor law. You have the power to breathe economic life back into these communities. I appeal to you to use it.

Practically every one of these newspapermen, who have close and continuing relationships to their communities, says the miners are willing to go back to work with a reasonable settlement. They almost unanimously feel that if bargaining had been left to the local unions and the local companies the strike would have been settled three months ago instead of dragging on almost into its eighth month.

These men and women spoke out for setting a deadline. (Presently your factfinding board has no timetable at all.) They feel that if the deadline is passed with no agreement then you should use the emergency power you have and put the miners back to work. Then they feel you can say to the unions and the companies. "Either settle this during the 80-day period under the law or we will arbitrate it to a final conclusion."

Once again, Mr. President, I urge you to give the consideration of a statesman to this most urgent problem and heed the requests of these Arizona citizens. Surely the ambitions of power-hungry union officials must weigh lightly in a scale balanced by human suffering, anguish and affliction.

Sincerely yours,

PAUL FANNIN,
U.S. Senator.

[From the New York Times, Jan. 30, 1968]

STEEL UNION CALLS BIG RISE IN WAGES KEY GOAL IN TALKS

(By David R. Jones)

WASHINGTON, January 29.—The United Steelworkers of America placed major emphasis today on winning "a substantial wage increase" in forthcoming labor negotiations with big aluminum and steel producers.

The union's 163-member wage policy committee gave "priority status" to wage needs in a broad policy statement. The panel set forth a long list of demands, including improved pensions and an expansion of layoff benefits "so that we may reach our goal of a guaranteed annual income."

As justification for its wage and related demands, the committee cited "greatly increased living costs" since the aluminum and steel contracts of 1965 were achieved, sustained economic growth, the profitability of the companies and recent labor agreements in other major industries.

The union's policy statement is traditionally kept vague to give the union leadership maximum flexibility in dealing with the aluminum and steel companies. The specific demands to be made on those two industries will be refined from the broad document at two conferences due to be held around March 21.

I. W. Abel, the union president, declined after today's meeting at the Shoreham Hotel to be specific about the demands that would be made. But other informed union sources said privately that the biggest emphasis in the steel talks this year would be on a major wage increase.

The statement said the union would seek to achieve a "guaranteed annual income" by expanding supplemental unemployment benefits. But it did not appear to give that matter as much as a wage increase.

These benefits pay steel workers about 65 per cent of normal weekly pay during layoff. But the United Automobile Workers last year increased its benefit to nearly 90 per cent of normal weekly pay.

The Abel administration is under strong pressure to win large settlements because other big unions lately have been winning contracts that give 6 per cent over-all increases in wages and benefits, and construction laborers now start work in some big cities at higher pay than the $3.63 average hourly earnings in steel. The steel union got a contract in 1965 that gave a 3.5 per cent over-all increase in wages and benefits.

The steel union also is under pressure to achieve higher wages because it has no cost-of-living escalator in its contract. This means it has lost ground badly since 1965 because of sharply rising prices.

The statement did not call flatly for restoration of a cost-of-living escalator, which was effectively dropped in the 1959 contract. Union sources said such a demand probably would be made, but there appears to be little serious hope among union leaders that it can be achieved.

The committee statement placed heavy emphasis on altering job classifications and incentive payments to correct alleged wage inequities among workers.

The statement also called for full retirement sooner than the present 30-year minimum, improved insurance coverage, longer vacations, added holidays, an extra premium for overtime work and other steps to reduce the work year without a cut in earnings.

The steel union faces a June 1 contract deadline with the major aluminum producers and an Aug. 1 deadline with the big steel companies.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. FANNIN. I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Is it not a fact that the delay by the administration in taking some effective steps in connection with the copper strike has resulted in a substantial impact on our balance-of-payments problem, in that we are having to purchase the copper from abroad now?

Mr. FANNIN. Yes; that is a great problem; the magnitude of which is almost impossible to imagine. If imports continue at the present rate a loss in the balance of payments on an annual basis of between $500 million and $750 million would result.

Mr. WILLIAMS of Delaware. The administration is testifying on one side of the Capitol about the need to stop some of the drain of our gold; at the same time, they are leaving the spigot wide open by taking no action in this matter, even though there are adequate laws to cope with the problem.

Mr. FANNIN. Yes. I commend the Senator for bringing this matter to the attention of the Senate because it is most important. The President is inconsistent in talking about the smaller matters involved in our balance-of-payments problem, such as a tax or an assessment on people who travel abroad, and yet failing to take action in this vital matter, which is costing millions and millions of dollars each day. Moreover it is causing trouble not only throughout the copper industry in the United States which is of course directly affected, but also in many other industries. For example, there is a great problem involved in getting the kind and quality of copper needed for certain industries, with particular reference to industries engaged in defense.

Mr. WILLIAMS of Delaware. In addition, the reduction in the availability of copper from the struck mines has resulted in a tremendous windfall to speculators who had accumulated copper prior to the strike. They are apparently being supported by the administration in allowing this strike to be continued.

Mr. FANNIN. I would also like to mention that a penalty is being imposed, in the neighborhood of 50 percent, in the price being paid for copper being brought into the United States. This will affect us immediately, but equally important, we must realize that many foreign countries are taking advantage of this situation to build up their production capacity for copper, so they will be able to better compete with our domestic copper industry, perhaps to a much greater extent than ever before.

Mr. WILLIAMS of Delaware. It is another instance of the administration talking but not backing up its statements with action.

Mr. FANNIN. That is correct. I thank the Senator from Delaware for bringing out these matters.

Mr. President, I yield the floor.

ORDER OF BUSINESS

Mr. YOUNG of Ohio obtained the floor.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. I yield to the distinguished acting majority leader.

Mr. BYRD of West Virginia. I thank the Senator from Ohio for yielding.

Mr. President, I ask unanimous consent, seeing that no other Senator is seeking recognition during the transaction of morning business, that the Senator from Ohio be recognized for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE AMERICAN CONSUMER—MESSAGE FROM THE PRESIDENT—REFERRAL OF PRESIDENT'S MESSAGE JOINTLY TO THE COMMITTEE ON COMMERCE AND THE COMMITTEE ON AGRICULTURE AND FORESTRY (H. DOC. NO. 248)

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the President's message on the American consumer be jointly referred to the Committee on Commerce and the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message from the President is as follows:

To the Congress of the United States:

Speaking for every American, I present to the Congress my fourth Message on the American Consumer.

President Truman once observed that while some Americans have their interests protected in Washington by special lobbying groups, most of the people depend on the President of the United States to represent their interests.

In the case of consumer protection, however, the President—and the Congress—speak for every citizen.

A hundred years ago, consumer protection was largely unnecessary. We were a rural nation then: a nation of farms and small towns. Even in the growing cities, neighborhoods were closely knit.

Most products were locally produced and there was a personal relationship between the seller and the buyer. If the buyer had a complaint, he went straight to the miller, the blacksmith, the tailor, the corner grocer. Products were less complicated. It was easy to tell the excellent from the inferior.

Today all this is changed. A manufacturer may be thousands of miles away from his customer—and even further removed by distributors, wholesalers and retailers. His products may be so complicated that only an expert can pass judgment on their quality.

We are able to sustain this vast and impersonal system of commerce because of the ingenuity of our technology and the honesty of our businessmen.

But this same vast network of commerce, this same complexity, also presents opportunities for the unscrupulous and the negligent.

It is the government's role to protect the consumer—and the honest businessman alike—against fraud and indifference. Our goal must be to assure every American consumer, a fair and honest exchange for his hard-earned dollar.

THE RECORD OF PROGRESS

Thanks to the work of the last two Congresses, we are now much closer to that goal than ever before. In three years, we have taken historic steps to protect the consumer against:

- Impure and unwholesome meat.
- Death and destruction on our highways.
- Misleading labels and packages.
- Clothing and blankets that are fireprone, rather than fire-proof.
- Hazardous appliances and products around the house.
- Toys that endanger our children.
- Substandard clinical laboratories.
- Unsafe tires.

In addition to these, the first session of this Congress took important steps toward passage of other consumer proposals we recommended last year, including the Truth-in-Lending, Fire Safety and Pipeline Safety bills which passed the Senate, and the fraudulent land sales, mutual funds and electric power reliability measures.

This session of the Congress should complete action on these vitally needed proposals to protect the public. It has already begun to do so.

In passing the Truth-in-Lending Bill last week, the House of Representatives brought every American consumer another step closer to knowing the cost of money he borrows. I urge the House and Senate to resolve their differences promptly and to give the consumer a strong Truth-in-Lending law.

A NEW PROGRAM FOR 1968

But that record alone, as comprehensive as it is, will not complete our responsibility. The needs of the consumer change as our Society changes, and legislation must keep pace.

For 1968, I propose a new eight-point program to:

- Crack down on fraud and deception in sales.
- Launch a major study of automobile insurance.
- Protect Americans against hazardous radiation from television sets and other electronic equipment.
- Close the gaps in our system of poultry inspection.
- Guard the consumer's health against unwholesome fish.
- Move now to prevent death and accidents on our waterways.
- Add new meaning to warranties and guarantees, and seek ways to improve repair work and servicing.
- Appoint a government lawyer to represent the consumer.

SALES RACKETS

Every Spring, when families turn their thoughts to household improvements, the shady operator goes to work.

His office may be a telephone booth, a briefcase which he carries from door to door, or a car which he drives from State to State. His sales brochure may be a catchy newspaper advertisement.

With false and deceptive offers of attractive home repairs or items that are more promise than product, he preys most of all on those who are least able to protect themselves: the poor, the elderly, the ignorant.

Too often—and too late—the victim discovers that he has been swindled: that he has paid too much, that he has received inferior work, and that he has mortgaged himself into long-term debt. Some even lose their homes. A recent Report of the National Better Business Bureau estimates that deceptive practices in the home improvement field alone cost the consumer between $500 million and $1 billion yearly.

Sales rackets are not limited to home improvements. And sales rackets of all types are on the increase.

As the law now stands, there is no effective way to stop these unscrupulous practices when they are discovered. The legal machinery may drag on for two or three years before the violator can be ordered to cease and desist. In the meantime, countless more Americans are cheated.

In matters so flagrantly deceptive, the consumer and the honest businessman deserve greater—and speedier—protection.

I recommend that the Congress enact the Deceptive Sales Act of 1968 to give new powers to the Federal Trade Commission.

Under this Act, the FTC would be able to obtain Federal court orders to stop fraudulent and deceptive practices immediately while the case is before the Commission or the courts.

With this measure we can complete the cycle of protection for the consumer in fraud cases—by adding Federal court injunctions to the administrative and criminal processes which now exist.

AUTOMOBILE INSURANCE

One area of major concern to the consumer is automobile insurance. Every motorist, every passenger, and every pedestrian is affected by it—yet the system is overburdened and unsatisfactory.

Premiums are rising—in some parts of the country they have increased by as much as 30 percent over the past 6 years.

Arbitrary coverage and policy cancellations are the cause of frequent complaint—particularly from the elderly, the young, the serviceman, and the Negro and Mexican-American.

A number of "high risk" insurance companies have gone into bankruptcy—leaving policyholders and accident victims unprotected and helpless.

Accident compensation is often unfair: Some victims get too much, some get too little, some get nothing at all.

Lawsuits have clogged our courts. The average claim takes about two and one-half years just to get to trial.

This is a national problem. It will become even more of a problem as we license more drivers, produce more automobiles and build more roads.

With more than 100 million drivers and 96 million motor vehicles in the United States, the insurance system is severely strained today.

While many proposals have been made to improve the system, many questions remain unanswered. The search for solutions must be pressed.

I propose legislation to authorize the Secretary of Transportation to conduct the first comprehensive study of the automobile insurance system. He will undertake this review with the full cooperation of the Federal Trade Commission and other appropriate agencies of the Executive Branch.

In recent months we have acted to make our cars and our highways safer. Now we must move to streamline the automobile insurance system—to make it fair, to make it simple, and to make it efficient.

HAZARDOUS RADIATION

It has been said that each civilization creates its own hazards. Ours is no exception. While modern technology has enriched our daily lives, it has sometimes yielded unexpected and unfortunate side effects.

Recently it was discovered that certain color television sets emit radiation which exceeds accepted safety limits.

We also know that poorly designed X-ray equipment is unnecessarily exposing some patients to the danger of radiation.

Such defects have introduced a new element into the problem of radiation hazards.

Intensive research has already probed this area. But those efforts have dealt primarily with radiation from medical equipment, isotopes, and nuclear devices.

We have long known that large doses of radiation can be fatal. But we have much more to learn about the harmful effects of lesser doses—effects which may not show up for many years.

Now modern science must be put to work on these hazards—particularly the hazards which confront the consumer.

I recommend enactment of the Hazardous Radiation Act of 1968. This measure will give the Secretary of Health, Education, and Welfare authority to:

- Conduct intensive studies of the hazards and set and enforce standards to control them.
- Require manufacturers to recall defective equipment and devices.

The proposed legislation sets penalties for those who ignore the standards established by the Secretary of Health, Education, and Welfare.

WHOLESOME POULTRY

Last year, the Congress enacted the Wholesome Meat Act to insure the quality and safety of the food that American housewives put on their tables.

This year, the scope of that protection must be extended.

In 1967, Americans consumed over 12 billion pounds of poultry, most of it inspected under Federal law. But the 1.6 billion pounds which did not cross State lines received no Federal inspection. And State inspection is minimal at best. Thirty-one States have no poultry inspection laws. Of the remaining 19, only four have effective laws in operation.

The American consumer is paying for this neglect. He pays for it in poor quality, and in potential danger to his health.

In poultry processing plants that are Federally inspected, four percent—over 400 million pounds—of the poultry is rejected because it is diseased and contaminated. There is every reason to believe that the percentage of rejection would be even higher in uninspected plants.

There is no way of knowing how much unwholesome poultry is processed by these plants and passed on to the unsuspecting buyer. But we do know that:

—Conditions in many of these plants are poor and that quality control is far below Federal standards.

—Poultry can be seriously adulterated by impure water and unsanitary processing conditions.

—There is a practice among some poultry producers of sending to uninspected plants inferior poultry flocks which, under Federal inspection, would face rejection.

The housewife receives protection for the poultry that comes from a neighboring State. Why should she not receive the same protection when the poultry is processed and sold in the State where she lives?

I recommend the Wholesome Poultry Products Act of 1968.

This legislation follows the pattern of the Wholesome Meat Act. It will help the States develop their own programs and train inspectors.

At the end of two years, if the States do not have inspection programs at least equal to Federal standards, the Federal inspection requirements will prevail.

In the meantime, the act will require those intrastate plants which pose a health hazard to clean up or close down.

WHOLESOME FISH

If poultry inspection is spotty today, fish inspection is virtually non-existent.

Each year, Americans consume about two billion pounds of fish—nearly 11 pounds per person. A common item in every family's diet, fish can also be an all-too common carrier of disease if improperly processed and shipped.

Last summer, the Senate Sub-committee on Consumer Affairs heard testimony which disclosed that a substantial amount of the fish sold in this country exposes the consumer to unknown and unnecessary dangers to his health.

It is impossible to show every link between contaminated fish and illness. Yet these links do exist: links to botulism, hepatitis, and other diseases. About 400 cases of food poisoning, reported on a single weekend in 1966, were traced to fish processed in dirty plants.

Despite these facts, the Nation has no adequate program for continuous fish inspection—either at the Federal or State level. Nor is there any systematic program for inspecting imported fish and fish products, which account for more than 50 percent of our annual consumption.

I propose the Wholesome Fish and Fishery Products Act of 1968.

The bill would authorize the Secretary of Health, Education, and Welfare to:

—Develop a comprehensive Federal program for consumer protection against the health hazards and mislabeling of fish, shellfish and seafood products.

—Set standards and develop continuous inspection and enforcement.

—Support research, training, and inspection programs.

—Help the States develop their own fish inspection programs.

—Assure that imported fish products are wholesome.

RECREATIONAL BOAT SAFETY

Until recently, boats were reserved for commerce, or were owned by the very wealthy. But in our changing pattern of leisure, more and more Americans are taking to the water.

Today, boating has become a major form of recreation, with more than eight million small boats now in operation. Everywhere we see them: on our shores, in our bays, in our lakes, and on our rivers.

In these waters, Americans find rest and relaxation. But some find unexpected tragedy as well.

Last year, boating accidents claimed more than 1,300 lives—about as many as were lost in aircraft accidents.

This problem, as tragic as it is, has not yet reached major national proportions. It has not yet reached the level of automobile accidents, which cost us 53,000 lives annually. But if the Nation had begun its highway safety campaign years ago, there is no way of knowing how many American lives could have been saved. That is all the more reason why we should start now.

I propose the Recreational Boat Safety Act of 1968:

—To help the States establish and improve their own boat safety programs. These programs could include the removal of hazardous debris from our lakes and rivers, boat operator education and licensing, safety patrols and inspections, testing of boats, and accident investigations.

—To authorize the Secretary of Transportation to set and enforce safety standards for boats and equipment.

This program would be directed by the Secretary of Transportation. But its ultimate success will depend on the cooperation of industry, State and local governments, and boat owners themselves.

REPAIRS, WARRANTIES AND GUARANTEES

"I wish I could buy an appliance that would last until I've finished paying for it."

That complaint, familiar to every American housewife, was recently passed on to my Special Assistant for Consumer Affairs. It is a complaint that cannot be ignored.

The products of American industry save us hours of work, and provide unmatched convenience and comfort.

But they can be a source of annoyance and frustration.

Consumers have no way of knowing how long these products are built to last.

Guarantees and warranties are often meaningless—written in vague and complex language.

Repair work is sometimes excellent, sometimes shoddy, and always a gamble.

These are not problems that can be solved by legislation at this time. But they are problems that need attention now.

The Special Assistant to the President for Consumer Affairs, the Chairman of the Federal Trade Commission, the Secretary of Commerce and the Secretary of Labor will begin work immediately with the industry to:

—Encourage improvements in the quality of service and repairs.

—Assure that warranties and guarantees say what they mean and mean what they say.

—Let the consumer know how long he may expect a product to last if properly used.

—Determine whether federal legislation is needed.

A CONSUMER'S LAWYER

Less than two months after assuming office, I reaffirmed these basic rights of the American consumer:

—The right to safety.

—The right to be fully informed.

—The right to choose.

—The right to be heard.

To give added meaning to these rights, the first Special Presidential Assistant on Consumer Affairs and a Presidential Committee on Consumer Interests were appointed.

I said at the time that the voice of the consumer must be "loud, clear, uncompromising, and effective" in the highest councils of Government.

Now it is time to move closer to that goal. It is time to apppoint a lawyer for the consumers.

I plan to appoint a Consumer Counsel at the Justice Department to work directly under the Attorney General and to serve the Special Assistant to the President for Consumer Affairs.

But most important, he will act in the interest of every American consumer.

He will seek better representation for consumer interests before administrative agencies and courts. He will be concerned with the widest range of consumer matters—from quality standards to frauds.

TO PROTECT THE CONSUMER'S DOLLAR

One thing, above all, should be clear to us today. We *can* encourage safety and wholesomeness by law. We *can* curb abuses and fraud.

But all our actions will be in vain if we fail to protect the buying power of every American consumer.

The Nation is now in its 84th month of historic economic growth. More Americans are at work than ever before—earning more, and buying more.

But in the midst of prosperity there are signs of danger: clear and unmistakable signs. Prices are rising faster than they should. Interest rates are climbing—and indeed have passed their peaks of 1966.

A year ago, we asked the Congress for a modest but urgently needed tax increase to curb inflation. That request was repeated last August in a Special Message calling for an average tax of about a penny on a dollar of income.

This is a fair request. Your Government is asking for only about half of what it returned to the taxpayer in the tax reduction of 1964. A penny on the dollar tax now will be much less painful than the far more burdensome tax of accelerating inflation in the months ahead.

And so today—as part of this consumer message—I again call for action on the tax request.

Business and labor leaders, consumers all, must respond to this Nation's call for restraint and responsibility in their wage-price decisions.

TO ADVANCE THE CONSUMER INTEREST

For 1968, this message proposes eight new steps to advance the consumer interest.

This is not a partisan program or a business program or a labor program. It is a program for *all* of us—all 200 million Americans.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 6, 1968.*

THE PRESIDENT EXTENDS THE UMBRELLA OF FEDERAL PROTECTION TO THE AMERICAN CONSUMER

Mr. LONG of Louisiana. Mr. President, in his hard-hitting message on consumer affairs, the President recommended that the umbrella of Federal protection be extended to the American consumer. I agree with him wholeheartedly, in spite of the already excellent record in consumer protection thus far compiled.

President Johnson knows that American technology is the finest in the world. He knows that American craftsmanship is among the best. He knows that the American citizen is the best fed, best clothed, best cared for citizen in the world. Yet, he also knows that with a booming economy and hosts of new products, with more people wanting a better standard of living, there is much for government to do.

Government cannot be timid in protecting the health or livelihood or home life of the American citizen—and that is exactly what the President's new consumer package is aimed at.

The President asks that we do our duty in outlawing fraudulent or sharp sales and repair practices—especially in the home repair area.

Congress certainly should approve recommendations to give us safer fish and more wholesome poultry. We owe the housewife that, and much more.

We should join in commending the President for wanting to appoint a kind of Consumer General, who would act as the legal guardian of consumer rights.

I am proud to support the President in his efforts to protect and help the American consumer. In the last analysis, all of us are consumers in one respect or another.

RENEGOTIATION BOARD SHOULD BE STRENGTHENED TO PREVENT WAR PROFITEERING

Mr. YOUNG of Ohio. Mr. President, while in Southeast Asia most of the time from January 5 to 21, I was in South Vietnam, Thailand, and Laos for approximately 13 days. By military planes and helicopters I visited practically every American base in Vietnam and Thailand. I spent an important day with our marines in the northern highlands of South Vietnam. I reviewed the ROK Tiger Division and spent time with South Korean general officers.

I conferred with a number of our generals, and at the Tan Son Nhut Air Base in Saigon, Gen. William C. Westmoreland briefed me regarding the situation. The buildup in the marine front was mentioned by him, but no reference by General Westmoreland was made to the VC buildup in Saigon which exploded there just recently. Gen. Creighton Abrams, deputy commander, and Gen. Robert E. Cushman, Jr., impressed me mightily and appeared most knowledgeable. I regard both of them as being very superior general officers.

Without a doubt, the cream of the crop of our soldiers and marines are fighting in the swamps of Vietnam, in the dirty, decaying cities, and in the northern highlands. This, my second study mission to Vietnam and Thailand, enabled me to behold at close range the high competence, tremendously high morale, and the bravery of young Americans who by action of our President are involved in an ugly civil war in Vietnam. It is a war unlike other wars, where there is really no frontline and where those of our men stationed in Saigon or farther south in the Mekong Delta are just as likely to be shot at as those in the field in the central highlands or those stationed close to the border of Laos and Cambodia or those just south of the demilitarized zone.

I observed that, without a doubt, our soldiers and marines are the most intelligent and the best equipped fighting men ever fielded by any nation in the history of the world. Obviously, they are in Vietnam for reasons which are not of their own making. Obviously, they are not responsible for policies which have caused them to be fighting in an ugly Vietnamese civil war. In fact, the Armed Forces of the United States have converted what was a civil war between the forces of the National Liberation Front of South Vietnam, or VC, and some forces from north of the temporary demarcation line, the 17th parallel, against the armed forces of the Saigon regime into an American ground war in Southeast Asia in a little country of no economic or strategic importance whatever to the defense of the United States. Regarding our airmen, soldiers, and marines: theirs not to reason why. Theirs but to do or die.

However, regardless of their and my personal views and disregarding my own opinion of our President's policy in sending 600,000 officers and men of our Air Force, Army, and Navy, converting a civil war in Vietnam into an American ground, air, and sea war in an area outside of our sphere of influence and in Southeast Asia, I salute the officers and men of our Armed Forces who have been summoned to serve over there and are serving in the highest American tradition.

Unfortunately, this is the most unpopular war in the history of the United States. It is the wrong American war in the wrong place at the wrong time, and this war, waged under orders of our Chief Executive, is far more unpopular than was that unpopular Mexican War a century and a quarter ago, against the declaration of which Congressman Abraham Lincoln, of Illinois, voted and denounced in numerous speeches. It is well known that our soldiers, sailors, and marines are performing their duties in the highest tradition of our Nation. More than 18,000 have paid with their lives, and more than 100,000 have been wounded, many of whom will suffer from these wounds for the remainder of their lives. If courage, skill, and a willingness and readiness to fight could win this war, these young men would have won it long ago.

Daily, thousands of them face mortal danger and daily they respond with loyalty to their country and comrades in arms. We in the Congress have passed legislation increasing salaries of servicemen to enable them and their families to maintain a decent standard of living. This military pay is certainly not commensurate with the dangers constantly facing these thousands of GI's actually engaged in the fighting in Vietnam. Of course, our servicemen do not negotiate their pay, and there is no such as renegotiation of their salaries.

Mr. President, there are in this Nation people and business firms and corporations who do negotiate the worth of their wartime services to their country. I am speaking, for example, of defense contractors—the corporate officers from whom the Defense Department purchases the weapons and war materials necessary for the prosecution of this war. These contractors are entitled to a reasonable profit. But while such profits are perfectly legitimate within the framework of our free enterprise system, excessive profits, the earning of a return far beyond the value of what is supplied—war profiteering, to put it bluntly—is patently un-American and constitutes a betrayal of our men bearing arms in Vietnam and elsewhere throughout the world.

The U.S. Supreme Court, in upholding the constitutionality of the World War II Renegotiation Act, stated it this way:

> The conscription of manpower is a more vital interference with the life, liberty, and property of the individual than is the conscription of his property or his profits . . .
>
> For his hazardous service . . . a soldier is paid whatever the government deems to be a fair and modest compensation. Comparatively speaking, the manufacturer of war goods undergoes no such hazard to his personal safety as does a frontline soldier and yet the Renegotiation Act gives him far better assurance of a reasonable return for his wartime services than the Selective Service act . . . (gives) to the men in the armed forces.

Mr. President, shortly after I returned from Vietnam I was appalled by the exposures in a series of articles in the Plain Dealer of Cleveland, a great nationally known newspaper in my State. These articles by Sanford Watzman, Washington investigative reporter for the Plain Dealer, carefully documented the fact that the Renegotiation Board—supposedly a Government sentry against war profiteering—has been withering away since the Korean war, even though we are now spending more taxpayers' money on military procurement than we were then.

Last year, for example, the Defense Department appropriation bill, in the amount of $70.1 billion, was the largest

million in the process. I do not want to see it destroy what money cannot buy, let alone the very much higher monetary amounts which are involved in the positive aspects of American travel.

So I hope that the administration—with which I desire to cooperate fully—will give this matter its urgent attention on the constructive side, rather than immediately proceeding to restriction and limitation, very much against, in my judgment, the interests of our Nation.

Mr. President, I ask unanimous consent that an editorial that appeared in the Washington Post of February 3, 1968, and an article published in the February 4 issue of the New York Times, entitled "Discover America To Hard-Sell the United States Abroad," be printed at this point in the Record.

There being no objection, the editorial and the article were ordered to be printed in the Record, as follows:

[From the Washington Post, Feb. 3, 1968]

MORE TRAVEL, NOT LESS

Senator Javits and 11 of his colleagues are offering a constructive alternative to the Administration's talk of restricting travel outside the Western Hemisphere. Instead of trying to balance the United States deficit in travel spending by reducing the number of Americans going abroad, they say in effect, accomplish the result by increasing the European and Asian tourist traffic to this country. They would do so by giving new responsibilities to the U.S. Travel Service and by substantially increasing its budget.

To date the USTS, created in 1961, has never had an appropriation up to the pitifully meager authorized level of $4.7 million per year. With only a pittance for making known the tourist attractions here, it is not surprising that most of the traffic is in the other direction. Senator Javits and the cosponsors of his bill would give the agency $10 million to promote foreign travel to the United States and $5 million to start a domestic travel program.

Certainly there is a strong argument for making a positive approach before threatening the country with restrictions on travel. Like the levying of protective tariffs and embargoes, restrictions on travel to other countries would provoke retaliations from countries which rely upon income from American tourists. The net result could well be a larger travel deficit for the United States than it now has.

It is to be hoped that other useful suggestions will be forthcoming from the industry-Government task force set up to study ways and means of increasing foreign travel to this country. The first report from this group is due on February 16. Its work plus the Javits bill would give the Administration ample reason to postpone or abandon the negative idea of travel taxes or restrictions until a positive approach has been tried.

[From the New York Times, Feb. 4, 1968]

DISCOVER AMERICA TO HARD-SELL THE UNITED STATES ABROAD

(By Paul J. C. Friedlander)

Charlotte Amalie, St. Thomas, V.I.—The directors of Discover America, Inc., met for one day in San Juan, P.R., where they voted their firm opposition to the travel tax and restrictions on Americans traveling abroad, as proposed by the Johnson Administration.

Then they moved over here to the American Virgin Islands for their second day of meetings, and decided to do something practical about their suggestions that what the United States needed to correct its imbalance in tourist traffic and spending was a solid, professional hard-sell job to persuade foreign tourists to visit the United States.

After dispatching a resolution to President Johnson, declaring their reasons for opposing his proposed travel limitations, the Discover America directors voted to sponsor a joint one-shot, blitz-type selling effort abroad in cooperation with the United States Travel Service.

HELP OFFERED

Robert E. Short, national chairman of Discover America, was directed to sound out the Travel Service and offer the leadership, professional assistance, comfort and money of Discover America to finance the blitz demonstration on how to sell America abroad.

Whether the sales program will be mounted in Europe or Asia is still to be determined. Wherever it is put on, it will seek to prove the directors' argument that what this country needs is not to keep its citizens at home, but to mount an American-type selling campaign that will move foreign travelers to come to the United States to do their spending.

Since Discover America believes that all travel should be free and highly competitive, Mr. Short repeatedly endorsed a broad expansion of the Government's efforts to promote tourism to the United States from abroad.

PROPER MERCHANDISING

Mr. Short said the directors favored a substantial increase in the $3-million budget of the United States Travel Service, which now functions as a part of the Commerce Department. He noted that the Travel Service needed the "kind of staff that it takes to sell this country properly abroad, and the budget to merchandise it."

Mr. Short pointed out that budgets and sales campaigns like those mounted by Puerto Rico and the state of Florida were good examples of how the job can be done with adequate budgets. He then offered the New York Convention and Visitors Bureau as an example of how professional, business-type hard selling on even a limited budget was able to do the job when properly organized and administered.

VIEWS CARRY WEIGHT

The resolution adopted by Discover America is expected to carry considerable weight in Washington, since the private enterprise, nonprofit corporation, was established two and one-half years ago at the direction of Congress, and of President Johnson, when the dollar was in one of its recurring periods of stress.

With a budget of $500,000 raised by membership subscriptions from hotels, car rental companies, automobile and aircraft manufacturers, airlines, railroads and all branches of the domestic and overseas travel industry, Discover America functions as a catalyst to lead, direct and inspire promotion of travel within and into the United States. While it has concentrated until recently on persuading Americans to tour their own country, but never urging them not to travel abroad, the organization voted to extend its horizons overseas.

The letter to President Johnson, signed by Mr. Short, read:

"I am forwarding a policy statement passed today by our Discover America board of directors concerning present and contemplated measures to reduce the 'travel gap' in our balance of payments.

"SUPPORT ASKED

"As you know, we have devoted—and will continue to devote—our wholehearted efforts to reduction of that deficit. We support your efforts to keep the dollar strong.

"We believe that the present voluntary approach, coupled with increased American promotion and salesmanship both here and overseas, is the best way to close the travel gap.

"In this regard, the Discover America board has set forth in our statement our readiness to expand our private industry promotional activities—heretofore mostly domestic—to foreign markets as well.

"I have taken the liberty of sharing this and the attached statement with Vice President Humphrey, Secretary [of the Treasury] Fowler, Chairman Wilbur Mills [of the House Ways and Means Committee] and Robert M. McKinney [head of the President's current Task Force on ways to promote travel to the United States]."

The full policy statement on travel by Discover America, Inc., follows:

"Discover America, Inc., recognizes that the integrity and stability of the United States dollar will be adversely affected by continuing deficits in the United States balance of payments, and that international travel is an important factor in our nation's total balance of payments position.

"Discover America, Inc., further recognizes that the Administration considers the balance-of-payments deficit to be of such serious proportions as to require immediate corrective measures. In this connection, the President has requested that Americans temporarily defer nonessential travel outside the Western Hemisphere and has appointed a special task force, chaired by Robert McKinney, to examine new ways to increase travel to the United States by citizens of other countries.

"SPUR TO PROGRESS

"Since its inception in 1965, Discover America, Inc., has supported a policy of travel freedom for all citizens. It still adheres to the belief that travel makes its greatest contribution to social and economic progress when there is complete freedom of travel with a minimum restraint on the choice of destination.

"Improving our nation's balance of payments position requires vigorous efforts to increase our earnings from the sale abroad of goods and services, including travel to the United States by foreign visitors.

"Travel to the United States cannot be increased while United States travel abroad is being restricted any more than exports can be expanded while imports are being restricted. An expanded and sustained growth of foreign visitor travel to the United States can be achieved as long as the philosophy of travel freedom is honored.

"The board of directors of Discover America, Inc., pledges to accelerate and expand its efforts to encourage travel within the United States and to give its full support and cooperation to other interests, both private and Governmental, to help increase travel to the United States from foreign countries.

"STRONGER EFFORTS

"The primary emphasis of the Discover America program to date has been to stimulate and increase domestic travel. However, various members of Discover America have actively promoted travel to the United States. Discover America members have agreed to strengthen these efforts and, at the same time, a specific Discover America program will be undertaken. Through these combined efforts, we believe that a significant increase of travel to the United States can be achieved.

"To aid in the total efforts required to expand travel to the United States, *the board of directors of Discover America, Inc., respectfully requests that the United States Government give full consideration to the following recommendations:*

"(1) *That the long tradition of travel freedom be reaffirmed.*

"(2) *That a substantial expansion of the United States Travel Service program be undertaken immediately to* enable the United States to complete adequately and more effectively with the successful programs of other governments.

"(3) That the scope and accuracy of data utilized in the travel account be re-examined and re-evaluated to give full weight to other factors in the goods and services account that directly relate to travel.

"The industries supporting the Discover America program do so in their own economic self-interest and because of patriotic responsibility. They recognize that travel has major economic significance and that it fosters enlightened citizenship and international understanding.

"To the extent that United States citizens travel in their own country, and residents of foreign countries travel to the United States, our international payments position will be improved. Discover America dedicates itself to this objective."

In announcing the directors' vote against the proposed travel tax, Mr. Short said: "We know President Johnson will understand our position; it was his position when he appointed me chairman of Discover America, and I know it is still his position."

President Johnson sent the Discover America board a telegram, which was read to the opening session. Text of the telegram is as follows:

"May I take the opportunity of your first 1968 meeting to congratulate you and your many private industry members for the vital and positive role all of you have played in encouraging greater tourism to and within the United States.

"EFFORTS PRAISED

"Your traditionally American voluntary efforts have not only benefited the American travel industry and the American economy, but also have helped us in our efforts to keep the dollar strong.

"Now, as we move to reduce our balance of payments deficit, I know that the American people will be able to count, as before, on your constructive program. I know that Vice President Humphrey, the members of the Cabinet Task Force on travel and Ambassador McKinney's special Government-industry travel task force share my gratitude for your job well done. We look to you for continued leadership."

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Is there further morning business?

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE MEETING DURING SENATE SESSION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Subcommittee on Air and Water Pollution of the Committee on Public Works be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 13094) to amend the Commodity Exchange Act, as amended.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 6157. An act to permit Federal employees to purchase shares of Federal- or State-chartered credit unions through voluntary payroll allotment; and

H.R. 10277. An act authorizing the Administrator of Veterans' Affairs to convey certain property to the State of Mississippi.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 491) to determine the rights and interests of the Navajo Tribe and the Ute Mountain Tribe of the Ute Mountain Reservation in and to certain lands in the State of New Mexico, and for other purposes, and it was signed by the Vice President.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred, as indicated:

H.R. 6157. An act to permit Federal employees to purchase shares of Federal- or State-chartered credit unions through voluntary payroll allotment; to the Committee on Banking and Currency.

H.R. 10277. An act authorizing the Administrator of Veterans' Affairs to convey certain property to the State of Mississippi; to the Committee on Labor and Public Welfare.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE PRESIDENT'S CONSUMER MESSAGE

Mr. HART. Mr. President, today the President sent to the Congress his fourth consumer message.

Life involves so many problems for all of us that our reading time, necessarily, is subject to some priorities. The same is true for all the people of this country. I would hope very much, however, that each of us as Senators and the people of the country, too, will assign a sufficiently high priority to the President's consumer message, so that within the next several days each of us as Senators will have read it, and within another few days, most of the people of this country will have read it.

The flash bulletins which come out of Washington offices report on Presidential suggestions as though they were made only to affect various trade groups, veterans' organizations, trade unions, associations of bankers or mortgage houses. That is the way we organize in America. Each of us happens to be a consumer, but that is not the way we organize. We organize as lawyers or something else. Thus, the flash bulletins coming out of Washington from these special groups are a reflection and a reaction of the interest of those groups to a Presidential suggestion on a legislative bill.

Here is a message which affects literally the lives of every one of us as Americans, as consumers, in that the President highlights some progress of the recent past.

He reminds us that in 3 years' time we have acted to keep impure and unwholesome meat away from our tables.

We have done something to reduce death and destruction on the highways.

We have passed a packaging and labeling bill.

We have moved in the area of clothing in order to reduce the danger and hazard of fire to the wearer.

We have done the same with respect to toys.

We have moved to protect against substandard clinical laboratories operating in this country—a very great health hazard to all of us.

We have attempted to remove unsafe tires from the highways.

The President reminded us that although progress in the past 3 years has been great, there is still much to be done. He makes eight specific recommendations.

He proposes that we enact a deceptive sales act of 1968 to crack down on fraud and deception in sales.

He recommends a major study of automobile insurance.

He seeks to protect by law against hazardous radiation from television sets and other electronic equipment.

He urges us to adapt wholesome poultry inspection law.

He urges us to do the same thing with respect to fish and fishery products. That was a subject on which I was honored to testify this morning before the House Committee on Merchant Marine and Fisheries.

He urges us to pass a recreational boat safety act.

He further urges that we add new meaning to warranties and guarantees and to seek ways to improve repair services.

Finally, he makes a specific recommendation for a consumer lawyer to represent more effectively the interests of the American consumer, this being the appointment of a consumer counsel in the Justice Department to work directly under the Attorney General.

Mr. President, I hope that in all these areas we will act, and act favorably. On several, I would hope that we would go further than the recommendations of the President. But, surely, we should do no less.

I repeat, in the coming months we will be lobbied—and that is quite all right, that is the way it should be, because lobbying in its finer sense is a constructive contribution to the legislative process—by a great many of the specific interest groups to put through some legislation or to block some that they do not like.

Mr. President, unhappily, a fact of legislative life is that there is really no consumer lobby. As I say, we just do not organize ourselves in that way. Let each of us, then, assume again the responsibility of being a spokesman for the consumer lobby.

In this effort, to the extent that it succeeds, we will protect not alone the consumers of America, but we will also assist the quality merchandiser, the producer who seeks to market a worthwhile product, intelligently labeled and honestly presented. This is what we do when we adopt consumer legislation; and I hope this Congress, as each in the recent past has been, will be labeled a consumer Congress.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The absence of a quorum is suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **HART**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

THE PRESIDENT AND THE CONGRESS STRIKE A NEW BLOW AGAINST JOB DISCRIMINATION BASED ON AGE

Mr. **LONG** of Missouri. Mr. President, no administration in history has compiled an equal opportunity record which can compare with that of Lyndon Johnson and this equal rights administration.

The President has placed the entire weight and prestige of his administration behind one of the most comprehensive equal rights efforts we have ever seen—and the results have been tremendously beneficial to minority groups, to women, and to the older citizen.

On December 16, the President signed the newest in a series of equal opportunity laws, a measure which prohibits discrimination in employment because of age.

The Age Discrimination in Employment Act of 1967 gives the vital part of our labor force between 40 and 65 a better chance to go on working productively and gainfully. It will give to the country a larger pool of trained, experienced, and talented people.

As the President said:

> This measure joins more than 50 other humane legislative proposals written into law during the first session of the 90th Congress.

The equal opportunity record of the President and his administration is public knowledge:

The 1963 Equal Pay Act which prohibited wage discrimination based on sex;

The historic Civil Rights Act of 1964;

The Voting Rights Act of 1965;

The Older Citizens Act;

And many others.

This administration believes—as we do in the Congress—that the job of securing equal opportunity is a never-ending effort. Equality, justice, the chance to work and live where one wants, to educate one's family to the best of one's abilities—these now stand as part of the Bill of Rights for all citizens.

The older citizen in America has, I believe, a special feeling for the stewardship of Lyndon B. Johnson. Under his administration more attention has been paid to the needs and wants and living conditions of senior citizens than under any previous President.

This newest law prohibiting job discrimination because of age is another milestone in the great equality program we have carried out in the last 4 years.

I applaud the President for his efforts. I congratulate all those who shared in the passage of the act which I had the honor to cosponsor.

I ask unanimous consent to have printed in the RECORD the statement by the President when he signed the new law against age discrimination in employment at the White House in mid-December.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE PRESIDENT UPON SIGNING S. 830, AN ACT PROHIBITING AGE DISCRIMINATION IN EMPLOYMENT, DECEMBER 16, 1967

During my four years in the Presidency, I have fought discrimination in employment in all of its ugly forms with every power of my office.

In 1963, Congress passed the Equal Pay Act, prohibiting wage discrimination on the basis of sex for workers covered by federal minimum wage standards.

A year later, the Civil Rights Act of 1964 outlawed job discrimination because of race, color, religion, sex or national origin.

That historic act also directed the Secretary of Labor to study another problem of employment discrimination—one which had long been ignored, and about which little was known. It was the noxious practice of discrimination because of age.

The report of Secretary of Labor showed that, although there are now 52 million Americans between the ages of 40 and 64, half of all jobs were closed to workers over 55, and one-fourth of all jobs were closed to workers over 45.

It showed that workers 45 years old and older made up half of this country's long term unemployed, and over one-fourth of all the unemployed.

It showed that, of the billion dollars in unemployment insurance paid out each year, three-fourths went to workers 45 or over.

It showed that, although Americans are now living longer and enjoying better health than ever before, older workers were often barred from jobs that could be performed efficiently by workers of any age.

Those figures added up to a senseless and costly waste of human talents and energy. They showed that men and women who needed to work—who wanted to work—and who are able to work, were not being given a fair chance to work.

The need for national action was clear. In my message to Congress in January of this very year, I recommended the Age Discrimination in Employment Act of 1967. Yesterday I signed that Act.

Its basic purpose is to outlaw discrimination in employment against persons 40 to 65 years of age. It makes proper allowance for cases where age is a bona fide qualification for employment.

This act does not compel employers and labor unions and employment agencies to choose a person aged 40 to 65 over another person. It does require that one simple question be answered fairly:

Who has the best qualifications for the job?

When improper age discrimination does occur, the act requires conciliation and persuasion. If voluntary compliance cannot be arranged, it permits court action. The act also calls for research and education to melt the misinformation and unconscious bias toward older workers that still exist today.

The Age Discrimination in Employment Act of 1967 gives the vital part of our labor force between 40 and 65 a better chance to go on working productively and gainfully. The country will gain as well—from making better use of their skills and experience.

This is humane and practical legislation. The Congress acted wisely in passing it and I am proud to sign it.

This measure joins more than 50 other humane legislative proposals written into law during the first session of the 90th Congress.

THE FORTHCOMING PRESIDENTIAL MESSAGE ON HOUSING AND URBAN DEVELOPMENT

Mr. **SPARKMAN**. Mr. President, present indications are that the President will send his housing and urban development message to the Congress shortly after the Lincoln day recess.

Should this be the case it would be my hope that the Subcommitee on Housing and Urban Affairs of the Committee on Banking and Currency could start hearings on the legislation proposed in the President's message on March 5.

While this is not to be interpreted as an official announcement of hearings—as we will wait until we have the President's message to make an official announcement—I did want to indicate our plans so that all of those interested in this matter would know that we plan early hearings on housing and urban development legislation this year.

NEW LEGISLATION FOR SERVICEMEN AND VETERANS

Mr. **DODD**. Mr. President, it was with the utmost satisfaction and approval that I read President Johnson's message urging new legislation on behalf of the servicemen and veterans of the United States. It recommends the correction of inequities in existing laws and it proposes in dramatic yet carefully considered fashion an entirely new field of endeavor in which returning veterans can continue to serve our great Nation.

I refer, of course, to the proposition that we create a corps of veterans in the public service, bringing their experience, their maturity, and their patriotic zeal to the service of those who have been neglected and passed over in the complexities of our modern life.

This proposition, and I see this in

full understanding of the deep, inner meaning of the words, is statesmanship of the highest, most enduring type.

The President also directed our attention to an existing problem of the most personal nature to our veterans and their families. I refer to the urgent need to revamp the national cemetery system. I sincerely believe that nothing is more basic than a veteran's right to burial in a national cemetery if that be his wish. It is our sacred obligation to provide this choice. We are committed to find the most expedient method of correcting this situation. I have considered the matter and it is my conclusion that the national cemetery system should be placed under the direction of the Administrator of Veterans' Affairs. His agency is geared to meet the veterans' needs and it certainly has the facilities to solve the dilemma in a minimum amount of time. Therefore, I strongly recommend that we take the action necessary to accomplish this.

I will feel proud to endorse heartedly and without hesitation each of the President's proposals. In fact, I feel that we can do no less than to bring into speedy actuality the complete program offered by the President.

Not only will our veterans and those still in service be benefited by our action but the entire Nation will reap the rich reward of worthwhile endeavor in this brave attempt to solve, while facing a foe abroad, the problems that beset us at home.

GOVERNMENT'S RESPONSIBILITY FOR THE PURITY OF FISH PRODUCTS

Mr. METCALF. Mr. President, in his consumer message, President Johnson reminds us that the Federal Government only recently has assumed broad responsibility for the safety and purity of goods consumed by our citizens.

Just last year, the Congress emphasized its growing concern in consumer affairs by passing the Wholesome Meat Act to provide adequate safeguards against adulterated meat.

But until today, too little attention has been devoted to serious problems in the fish and fish products industry—problems resulting too often in fatalities.

Of the approximately 4 billion pounds of fish consumed in this country in 1965, less than 5 percent of the lots of imported fish, and 1 percent of the volume of domestically caught and processed fish were adequately inspected.

Fish and fish products, contaminated by inferior methods of processing or storing, have caused highly publicized outbreaks of botulism and typhoid. Inadequate processing or storage are often responsible for innumerable, but little noticed, cases of hepatitis and salmonellosis.

The Food and Drug Administration reports increasing problems with carelessly processed convenience foods. And some experts predict grimly that further disease and death from contaminated fish and fish products are almost inevitable without coordinated, nationwide regulation and inspection.

The Wholesome Fish and Fish Products Act of 1968 would establish a much-needed code of great benefit to consumers and the fish industry. I believe the Congress should respond quickly and favorably to the President's request.

President Johnson has again demonstrated a deep understanding of the needs of the ordinary citizen. He has become the people's spokesman on this and other vital consumer programs.

CLOSE INDUSTRIAL BOND LOOPHOLE

Mr. PROXMIRE. Mr. President, I commend to the attention of Senators an editorial recently published in the Cleveland, Ohio, Plain Dealer on the subject of the Federal income tax exemption on municipal bonds for industrial development. The editorial exhorted Congress to close this tax loophole.

The Plain Dealer stated:

> Although the Federal Government cannot make states stop industrial bond financing, attraction of such bonds would disappear quietly if prospective buyers knew they had to pay full Federal income tax on the profits.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CLOSE INDUSTRIAL BOND LOOPHOLE

Congress should close the federal income tax exemption loophole in municipal bonds for industrial development.

Ohio is one of 40 states encouraging this practice. This state had to get into the business because of competitive reasons. Otherwise it would have lost new and expanded industries to other states.

But the practice is wrong for all states and it should be halted.

Although the federal government cannot make states stop industrial bond financing, attraction of such bonds would disappear quickly if prospective buyers knew they had to pay full federal income tax on the profits.

The practice is wrong because:

It permits one city to steal industry from another, even within the same state, and also opens the door to charges of favoritism as well as cutting out one more source of income tax revenue.

The practice doesn't fit into the nation's graduated income tax theory of economics.

It endangers the status of necessary tax-free municipal financing for essential capital improvements.

Ultimately it could increase the cost of borrowing.

As revealed in reporter Robert J. Havel's Plain Dealer story, Congress is expressing dismay at the extent to which states, Ohio included, are engaging in such financing. It has been pushed enthusiastically by Gov. James A. Rhodes to meet competition from other states for new industry and plant expansion.

A joint congressional subcommittee is reviewing the whole picture of municipal financing. Congress has before it several porposals involving tax-revenue sharing by the federal government with states and municipalities. It is necessary, therefore, that the tax-free industrial bond loophole be closed before any real progress can be made on giving back to states and cities more of the tax money they send to Washington.

THE 150TH ANNIVERSARY OF FIRST HAWAIIAN CHRISTIAN'S DEATH

Mr. FONG. Mr. President, on Sunday, February 18 this year, a memorable chapter in Hawaii's history will be commemorated in Hawaii and at Cornwall, Conn. The occasion will mark the 150th anniversary of the death of Henry Opukahaia "Obookiah" the first Hawaiian Christian, whose religious zeal and death in Cornwall in February 1818, inspired the sending of the first American Board of Missions to the then Sandwich Islands.

"Obookiah Day" on February 18 will be observed by simultaneous ceremonies at Cornwall and in two places in Hawaii—Honolulu and Kealakekua. A delegation from Hawaii, the "Cornwall Pilgrims," will participate in services at the First Congregational Church at Cornwall, placing leis from Hawaii on Obookiah's grave there.

At Napoopoo, on the shores of Kealakekua Bay, Island of Hawaii, a ceremony will commemorate the departure of Obookiah on the ship *Triumph* to New England.

At historic Kawaiahao church in Honolulu, services will celebrate the fulfillment of Obookiah's prayers that the Gospel might be brought to Hawaii.

Copies of the 150th anniversary edition of the "Memoirs of Henry Obookiah," edited by the Reverend Edith Wolfe, executive secretary of the Woman's Board of Missions for the Pacific Islands, will be released on February 18. The memoirs related the stirring story of an illiterate Polynesian youth who sailed from his native islands to New Haven, Conn., where his yearning to learn the English language and later, his conversion to Christianity and his poignant appeals to take the Gospel to Hawaii, sparked the first New England mission to the Hawaiian Islands.

Although Obookiah died of typhus fever, at the age of 26, before he could return to his island people, the American Board of Commissioners for Foreign Missions of Boston, inspired by his spiritual fervor, soon thereafter sent the first Christian missionaries to Hawaii.

The remarkable life of Obookiah is chronicled in an article by Mary Cooke in the January 28, 1968, issue of the Sunday Star-Bulletin and Advertiser. I ask unanimous consent that the article and a newsstory entitled "Islanders Plan Trek to Cornwall" be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

FIRST MESSENGER OF ALOHA: OBOOKIAH STORY RETOLD

(By Mary Cooke)

Stories by the hundreds have been told about the strangely moving, beautiful spirit of aloha. But the greatest of them all is the early 19th century narrative that moved 84 men and 100 women to leave their New England homes and dedicate their lives to an unknown Polynesian race half way around the world.

Long out of print and seldom seen in contemporary libraries, the story is now known to few except historians and long-time kamaainas.

Next month, on the 150th anniversary of the death of its gentle Hawaiian hero, "The Memoirs of Henry Obookiah" will be republished by the Woman's Board of Missions for the Pacific Islands.

It will be released Feb. 18 here and on the Mainland. On that day, the memory of Obookiah will be honored in three ceremonies—one at Napoopoo, Hawaii, where he was trained as a kahuna (native priest); another in Cornwall, Conn., where he died a Christian, and a third at Kawaiahao Church which was built by the New England missionaries he inspired.

Modern historians acknowledge Obookiah's story as the catalyst that was to shape Hawaii's future when, in 1818, the first slender edition was published in New England. It was written in English and later translations were published in the Hawaiian and Choctaw Indian languages

In any language, the book has long since become a rarity. Libraries fortunate enough to own a copy do not allow it to circulate. It is seen only by visitors to the rare book rooms.

The forthcoming anniversary edition is edited by the Rev. Edith Wolfe, executive secretary of the Woman's Board of Missions for the Pacific Islands, and the introduction is by Albertine Loomis, author of "Grapes of Canaan: Hawaii 1820." It is illustrated with 12 photographs.

SLAUGHTER

Obookiah's story begins in the midst of a battle between rival chiefs on Hawaii in the first decade of the 19th century. As a child of 12, he witnessed the slaughter of his parents by enemy warriors. Terrified, the boy fled with his infant brother tied to his back. But swift spears, hurled by the mighty arms of native fighters, pierced the baby through and Obookiah was captured alive.

With childish cunning, he eluded his captors and took refuge with an uncle, a native priest at the heiau (native temple) at Napoopoo on the south Kona coast. There he was prepared for the heathen priesthood, and for many months he endured the lonely, rigid training of a kahuna.

During this period of isolation, Obookiah gazed out to sea one day and saw a full-rigged American sailing vessel beating up the coast. He watched it drop anchor about a mile off shore, and then he moved on impulse . . . "a boy's notion," as he later termed it . . . and swam out to the ship.

It was the "Triumph" of New Haven, Conn., which had arrived from the Pacific Northwest with a cargo of sealskins bound for the Canton market. She was calling at the Sandwich Islands to take on fresh water and supplies and additional cargo of sandalwood for the China trade.

When she sailed, the "Triumph" also took Obookiah who agreed to work his passage to America as a sailor, "to see what I can find," he said.

KINDNESS

Unlike other Hawaiian boys who had sailed earlier with cruel ship's masters, Obookiah found his captain to be extremely kind. Indeed, when they reached the "Triumph's" home port at New Haven, Captain Britnall, the ship's master, took the lad home to live with his family there.

To the townspeople of New Haven, the native boy appeared "considerably above ordinary size, but little less than six feet in height."

His form, they said, was graceful and dignified. They noted that he had a piercing eye, a prominent Roman nose and a projecting chin. They found his countenance "in an unusual degree, sprightly and intelligent . . . his features strongly marked, expressive of a sound and penetrating mind."

Often, they found him in the vicinity of Yale.

LEARNING

One evening, at the end of a long day of watching the students, the homesick Island boy sat alone on the college steps and wept. A student passed, then stopped and returned to speak to Obookiah.

The native boy was sad. Why?

"It is because nobody gives me learning," replied Obookiah.

"Do you want to learn?" asked his friend.

The erstwhile kahuna's apprentice yearned for academic knowledge more than anything in the world.

The American student who found Obookiah on the steps at Yale was Edwin W. Dwight, first of the college boys to befriend him and the man who later was credited with producing the first edition of "The Memoirs of Henry Obookiah."

Moved by the poignant appeal of the young Sandwich Islander, Edwin Dwight and his fellow students made it their project to teach Obookiah to read and write. The Rev. Dr. Timothy Dwight, president of Yale, took notice, marked the promise and the eagerness of Obookiah and invited him to live with his family in New Haven "for a season."

It was in this home that he was taught the first principles of Christianity.

RELIGION

For the next six years, the young stranger in a strange land was passed from family to family . . . "kind and pious people of Connecticut" . . . and the heads of households in which he lived and learned were seafaring men, farmers, ministers and teachers.

He studied and inquired and pondered the things he was taught, and one day he declared himself a Christian. He was baptized, and soon the Connecticut folk were pleased to report:

"Henry is bent upon going back to his countrymen with the glad tidings of salvation. This seems to be his great object."

Then one of his mentors, the Rev. S. J. Mills, voiced a serious challenge to the clergymen.

"Shall he be sent back unsupported to attempt to reclaim his countrymen?" he asked. "Shall we not rather consider those southern islands a proper place for the establishment of a mission?"

And if young Obookiah was to assume the arduous calling of the first missionary to Hawaii, must he not have more specialized training?

So ran the thinking of the Connecticut clergymen who had brought the lad to the threshold of evangelism.

MISSION SCHOOL

They knew of other Hawaiian youths in New England, some of whom had wandered about the Atlantic seaboard for years. Like Obookiah, they had shipped there as sailors, but some had fared badly and needed assistance. With proper training, might they not equal the brilliant record of Obookiah?

The answer to all these questions was the establishing of a school which had as its object "the education in our own country of heathen youths in such manner as, with subsequent professional instruction, will qualify them to become useful missionaries, physicians, surgeons, schoolmasters or interpreters; and to communicate to the heathen nations such knowledge in agriculture and the arts as may prove the means of promoting Christianity and civilization."

For the school, the people of Cornwall gave a building and 85 acres for a training farm.

In May, 1817, the Foreign Mission School was opened. Its first 12 pupils included six Hawaiians besides Obookiah, one Bengalese, one Hindu, one Indian and two Anglo-Americans. In its 10 years of existence, it also trained Tahitian, Chinese, Marquesan, Cherokee and Oneida Indian, Malay, Scottish and Portuguese youths.

But Obookiah, who had inspired the founding of the institution, was dead before the first school year was out.

DEATH

In the winter of 1817–1818, typhus fever attacked the stalwart Polynesian physique which had never before been exposed to such a severe disease. In a Cornwall home, overlooking a frozen pond, he lay ill with the raging fever. Kind friends nursed him, and the other Hawaiian boys sat with him day and night.

Exhausted at last, he told them, "I think I shall never live to see Hawaii." Then he made a touching, earnest plea that, in his stead, other Christian teachers be sent to the Islands.

Unabashed, his fellow Islanders gave vent to their grief and tears streamed down their cheeks. Their friend then spoke his last words, uttering that profound and affectionate farewell, "Aloha oe."

Obookiah was gone.

At his funeral in Cornwall, Lyman Beecher made the sad pronouncement, "We thought surely this is he who shall comfort Owhyee . . . We bury with his dust in the grave all our high-raised hopes of his future activity in the cause of Christ."

HIS WISH

But what of Obookiah's wish that other Christian teachers should go to the Sandwich Islands in his stead?

The Hawaiian pupils at the Foreign Mission School had not yet been sufficiently trained to lead a mission. Would others come forth? Would young New Englanders leave home and family and all they held dear? Would they offer themselves to spend and be spent for the sake of an unknown race, with no probability that they would ever see their own homeland again?

In the minds of some, there was hope that such young people would be found.

Then, in 1818, "The Memoirs of Henry Obookiah" was published. Readers were excited by the remarkable story of his accomplishment of bridging the chasm between stone age heathenism and educated Christianity in less than 10 years. But more, their hearts were touched by his impassioned yearning that his people, too, should receive the knowledge he had found in New England.

Farmers and townspeople read the story and sent contributions to the American Board of Commissions for Foreign Missions to help finance the proposed mission to the Sandwich Islands.

Hiram Bingham and Asa Thurston, theological students at Andover, read the book; printer's apprentice Elisha Loomis read it; Yale sophomore Samuel Whitney, and Samuel Ruggles who had been a classmate of Obookiah, and Dr. Thomas Holman read it. All stepped forward and offered themselves for the mission. Daniel Chamberlain, prosperous farmer and veteran of the War of 1812, read it, sold his property in favor of the mission and volunteered to go with his wife and five children.

These men, with their wives, and four Hawaiian students of the Foreign Mission School comprised the first company of missionaries to sail for the Sandwich Islands.

Outfitted and financed by funds donated by others who were moved by the story of Obookiah, they boarded the brig Thaddeus in Boston harbor Oct. 23, 1819, and arrived at Honolulu April 19, 1820.

Beneath the snow-covered sod of Cornwall, Obookiah remained in his final resting place. Over his tomb, the people who had welcomed him as a stranger, and buried him as a beloved friend, placed a marker. Their words, spelled here as they spelled them then, more than fulfill the purpose of a grave marker. They are the first paean of the bond of aloha which gave rise to the mission in Hawaii, a bond which has continued uninterrupted for 150 years.

IN MEMORY OF HENRY OBOOKIAH, A NATIVE OF OWHYHEE

His arrival in this country gave rise to the Foreign mission school, of which he was a worthy member. He was once an Idolater, and was designed for a Pagan Priest; but by the grace of God and by the prayers and instructions of pious friends, he became a Christian.

He was eminent for piety and missionary zeal. When almost prepared to return to his native Islet preach the Gospel, God took to himself. In his last sickness, he wept and prayed for Owhyhee, but was submissive. He died without fear, with a heavenly smile on his countenance and glory in his soul.

ISLANDERS PLAN TREK TO CORNWALL

To honor the memory of Obookiah, the first Hawaiian Christian, representatives of Hawaii and Oahu churches will attend ceremonies at his graveside in Cornwall, Conn., Feb. 18.

They will place fresh flower leis from each of the islands on his tomb, marking the 150th anniversary of his death.

Robert Lindsey, 19, who is the youngest deacon and lay preacher of Imiola Church on Hawaii, will attend. Also, Mrs. Alfred Andrade and Mrs. Harry Kawai of Kamuela, Mrs. Francis Kanahele of Honolulu, Charles M. Black, a descendent of Hiram Bingham who led the first company of missionaries to Hawaii, and the Rev. Edith Wolfe who edited the forthcoming anniversary edition of "The Memoirs of Henry Obookiah."

Members of the Hawaii pilgrimage also will carry leis to ministers and parishioners in Cornwall. They are sent by church women of Hawaii to church men and women of New England "to show our aloha to those who, so many years ago, showed their aloha to an Island boy far from home."

Besides the Cornwall church people and members of the Hawaii pilgrimage, others attending will include representatives of Yale University, Andover Seminary and other churches of New England.

A morning service is planned at the First Congregational Church in Cornwall, at which the Rev. Wolfe will preach.

At Napoopoo, Hawaii, commemorative services will be held on the same day at 4 p.m. The site will be the seaside monument which marks the spot from which Obookiah swam out to board the ship which took him to America.

In Honolulu, a memorial service for Obookiah is planned at Kawaiahao Church at 10:30 a.m. Feb. 18.

SUPPORT FOR PRESIDENT JOHNSON'S CONSUMER COUNSEL

Mr. DODD. Mr. President, I commend the President on a courageous and imaginative consumer message. Although Congress has in the last 2 years compiled a record of consumer protective legislation unparalleled in recent history, and one which will be still better after the enactment of the truth-in-lending bill, the President has reminded us that much remains to be done.

One of the most interesting items in the message is the announcement of the creation of the position of Consumer Counsel. This official in the Department of Justice would serve as a legal adviser on consumer affairs, reporting to both the Attorney General and the President's Special Assistant for Consumer Affairs.

The exact range of his responsibilities is still unclear and perhaps can only be determined through experience. Many agencies presently have responsibilities in the area of consumer protection, and I assume that the Consumer Counsel cannot and is not expected to duplicate their functions. Nor should he be limited to the somewhat passive function of "coordination." Perhaps it would better if he were not fitted too neatly into a departmental organizational chart, so that he can operate as a goad in somes areas, as an innovator in others, and as a point of contact with consumer groups and with Congress.

I think it must be recognized that consumer interests often tend to be overlooked in the governmental process—frequently for lack of informed expression. President Johnson has tried to remedy this lack, first by creating the position of Special Assistant for Consumer Affairs, and now by establishing the Consumer Counsel. This is another step in the right direction, and I await the appointment of the Counsel with interest.

MILWAUKEE JOURNAL PLEADS FOR NEGOTIATIONS IN VIETNAM

Mr. PROXMIRE. Mr. President, the Milwaukee Journal has recently expressed one of the most logical and forceful pleas for a negotiated peace with guarantees for self-determination in Vietnam that I have read anywhere.

As the Journal says:

> The need to keep seeking that peace becomes more apparent the deeper we get into the morass.

This country needs to use more imagination, ingenuity, and effort than ever to find a way to negotiate.

I ask unanimous consent that this editorial from the Milwaukee Journal be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

McNAMARA ON VIETNAM

Less than two months ago, Admiral Sharp, among others, was saying that we were "winning" in Vietnam. Gen. Westmoreland was saying that the enemy was on the road to defeat and foresaw the day when our troops could start withdrawing.

Now we are involved in the worst fighting of the war. Guerrillas and North Vietnamese troops have swept over village after village, penetrated and captured parts of major cities, including Saigon itself. And a huge force is poised, according to Gen. Westmoreland, near the demilitarized zone, prepared to launch the biggest battle of the war.

It may turn out that this is a final desperate Communist effort to inflict as much damage as possible and force negotiations on more favorable terms for themselves. It may also be that increased pressures in Burma, Thailand, Laos and Korea are part of the current explosive effort to spread the war and weaken American will.

But it is significant that outgoing Secretary of Defense McNamara has just given a most somber report on Vietnam to the senate armed forces committee—a report many months in the making and prepared before the present crisis.

In it McNamara made two important predictions. One was that Hanoi in the months ahead will greatly increase its fighting forces and that the Soviet Union and Communist China will greatly step up their economic and military help for North Vietnam. The other was that unless the South Vietnamese themselves act to save their country economically, militarily and politically the whole cause will be lost—"no matter how great the resources we commit to the struggle, we cannot provide the South Vietnamese the will to survive as an independent nation . . . or with the ability and self-discipline a people must have to govern themselves."

The Communists have shown surprising ability to inflict damage on even our most secure bases. They have, as McNamara told the Senate committee, managed to slow down dangerously the entire pacification program upon which the security of the countryside was to depend. They have shown a will to fight and take risks that certainly does not indicate a people resigned to defeat.

Obviously the Communists have not so far proved a match for our main forces, as McNamara has pointed out. But neither have we and the South Vietnamese managed to keep their forces contained, nor have we been able to prevent their being supplied and increased. It seems ever clearer that no one will "win" in Vietnam. The best hope is a negotiated peace with guarantees of self-determination. The need to keep seeking that peace becomes more apparent the deeper we get into the morass.

Mr. PROXMIRE. Mr. President, in the same vein, this morning's editorial in the Wall Street Journal hits very hard indeed at the necessity for some tough, honest reconsideration of our position in Vietnam.

We are there to give the South Vietnamese an opportunity to determine their own future course. We want nothing for ourselves in Vietnam. So if the South Vietnamese are incapable of ending the corruption, of drafting their own 18- and 19-year-olds, if they are so apathetic or so disaffected that they permit the kind of Vietcong infiltration that occurred successfully last week, then, as the Wall Street Journal writes:

> It raises in the starkest form not only the question of weakness in Saigon but of whether the U.S. effort is reaching a point of diminishing returns.

Mr. President I also ask unanimous consent that this remarkable editorial from the Wall Street Journal be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Feb. 6, 1968]

VIETNAM: THE AMERICAN DILEMMA

The savage Communist attacks on Saigon and the provincial capitals underscore what has always been a fundamental question about the American involvement: The quality of the determination of the South Vietnamese government and people. In turn, the question poses a warning for the U.S.

It may be true, as Secretaries Rusk and McNamara were maintaining Sunday on "Meet the Press," that the enemy failed to win a military victory or take any city, although fighting was still going on in Saigon yesterday and the Reds held large sections of Hue. True also that, in this type of war, neither the South Vietnamese nor the U.S. forces can wholly protect the cities and the populace from terrorist assaults.

Granted, further, that the politically conscious elements of the population are at least vocally anti-Communist. The peasantry may be largely apathetic or understandably eager for peace at almost any price, but the government officials, the political parties and the religious sects sound firm in refusing to submit to Hanoi's domination.

None of this, however, exorcises the grim doubts about the viability and will of South Vietnam as a nation we are trying to help. Something, our Mr. Keatley writes elsewhere on this page today, must be awfully wrong.

The fact that the Communists were able to infiltrate on such a scale and do so much damage is strong ground for suspecting that they had the covert support of some nominally anti-Communist South Vietnamese, perhaps even within the government. No one knows that the Vietcong-North Vietnamese objective actually was to capture cities or overthrow the government; the aim may have been that which has been accomplished—a terrible demoralization, showing up, for all the South Vietnamese (and the U.S.) to see, the frailty of the government and its military forces.

Mr. Rusk and Mr. McNamara, while claiming the Communists had failed militarily, had to concede that they had inflicted severe psychological blows. In the thoughtful words of Max Frankel of the New York Times, increasingly the name of the game out there is who can protect whom from whom. The South Vietnamese government, with all the vast aid of the U.S., has revealed its inability to provide security for large masses of people in countryside and city.

The U.S., of course, has all along been haunted by the specter of the South Vietnamese nation dissolving, as it were, before its eyes. For our part, we have said from the beginning that the outcome of the U.S. effort would be in doubt unless the government and people were fully committed. It may be a cliche, but in the long run the U.S. cannot effectively give military aid to another country unless that country is determined to help itself stay out of the Communist grip.

Now we suppose the Saigon government will manage to stay in power, or if it goes there will be another, as there have been so many. But if it doesn't really have the support of most of the people or the ability to save them from nation-wide terror and murder, how good is it? What, indeed, is the U.S. trying to save?

This same South Vietnamese government, moreover, is showing something of an anti-American bias. It will not take the steps our authorities consider essential: Make a full war effort, get the South Vietnamese army in fighting shape, crack down on the unspeakable corruption and inexcusable misallocation of U.S. aid. And it tells Washington in no uncertain terms that the Saigon regime is running the show, including the search for peace; it doesn't want bilateral U.S.-Hanoi negotiating.

The temptation therefore may grow for the U.S., out of frustration with the Saigon generals and the slow progress of the war, to take over the nation, keeping a facade government but in fact finally waging the war the way our military leaders believe it should be waged.

Any idea of that sort of escalation, it seems to us, is a counsel of desperation. It would probably mean fighting, for a while, the South Vietnamese military as well as the Communists. More important, it would undermine our case for being there. We are mired down badly enough as it is; let's not make it worse.

One can strive to be optimistic, hoping that the attacks of the past week are the enemy's last big drive before agreeing to peace talks. One can still figure that the dangers of pulling out—in terms of Communist aggression throughout Southeast Asia and maybe beyond—are greater than the dangers of staying in.

Yet it is hard to escape the conclusion that the Communist onslaught has gravely deepened the American dilemma. It raises in the starkest form not only the question of weakness in Saigon but of whether the U.S. effort is reaching a point of diminishing returns.

LITTLE BIG HORN, 1876—SAIGON, 1968

Mr. GRUENING. Mr. President, the spate of optimistic statements issued by the administration in recent weeks when compared with the events in South Vietnam in recent days has led noted columnist Art Buchwald to write a humorous column on an imaginary interview with Gen. George Armstrong Custer at the Battle of the Little Big Horn.

The column does not try to make light of the tragic loss of life in South Vietnam. It does, however, serve to point up the ever-widening credibility gap between the reality of the situation as it actually exists in Vietnam and the continuous stream of optimistic statements issued by the administration.

I ask unanimous consent that the column entitled " 'We Have Enemy on the Run,' Says General Custer at Big Horn," written by Art Buchwald, and published in the Washington Post of February 6, 1968, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 6, 1968]

"WE HAVE ENEMY ON THE RUN," SAYS GENERAL CUSTER AT BIG HORN

(By Art Buchwald)

LITTLE BIG HORN, DAKOTA, June 27, 1876.—Gen. George Armstrong Custer said today in an exclusive interview with this correspondent that the battle of Little Big Horn had just turned the corner and he could now see the light at the end of the tunnel.

"We have the Sioux on the run," Gen. Custer told me. "Of course, we still have some cleaning up to do, but the Redskins are hurting badly and it will only be a matter of time before they give in."

"That's good news, General. Of course, there are people who are skeptical about the military briefings on this war and they question if we're getting the entire truth as to what is really happening here."

"I just would like to refer you to these latest body counts. The Sioux lost 5000 men to our 100. They can't hope to keep up this attrition much longer. We know for a fact Sioux morale is low, and they are ready to throw in the towel."

"Well, if they're hurting so badly, Gen. Custer, how do you explain this massive attack?"

"It's a desperation move on the part of Sitting Bull and his last death rattle. I have here captured documents which show that this is Phase II of Sitting Bull's plan to wrest the Black Hills from the Americans. All he's going for is a psychological victory, but the truth is that we expected this all the time and we're not surprised by it."

"What about the fact that 19 Indians managed to penetrate your headquarters? doesn't that look bad?"

"We knew all along they planned to penetrate my headquarters at the Indian lunar new year. The fact that we repulsed them after they held on for only six hours is another example of how badly the Sioux are fighting. Besides, they never did get into the sleeping quarters of my tent, so I don't really think they should be credited with penetrating my headquarters."

"You seem to be surrounded at the moment, General."

"Obviously the enemy plans have gone afoul," Gen. Custer said. "The Sioux are hoping to win a big victory so they'll be able to have something to talk about at the conference table. Look at this latest body count. We've just killed 3000 more Indians and lost 50 of our men."

"Then, according to my figuring, General, you have only 50 men left."

"Exactly. They can't keep up this pressure much longer. The truth of the matter is that their hit-and-run guerrilla tactics haven't worked, so they're now resorting to mass attacks against our positions. Thanks to our interdiction of their supply lines, they are not only short of bows and arrows, but gunpowder as well."

An aide came in and handed Gen. Custer a sheet of paper. "I knew it," the General said. "The latest body count shows they've lost 2000 more injuns in the last hour. They should be suing for peace at any time."

"How many did we lose, General?"

"Our losses were light. We only lost 45 men."

"But general, that means you have only five men left, including yourself."

"Look, we have to lose some men, but we're taking all precautions to keep our losses to a minimum. Besides, we can always count on the friendly Indians in these hills to turn against the Sioux for starting hostilities during the Indian lunar new year."

The aide staggered back in, an arrow in his chest. He handed Gen. Custer the slip of paper and then dropped at his feet.

"Well, they just lost 500 more. And we only lost four. It looks as if they've had it."

"But, General, that means you're the only one left.'

"Boy," said the General, "would I hate to be in Sioux shoes right now."

THE SELECTIVE SERVICE SYSTEM AND THE OBLIGATIONS OF CITIZENSHIP

Mr. SPARKMAN. Mr. President, at a time when many students reportedly are questioning the Selective Service Act and seeking ways to avoid any military obligations to their country, I was interested in reading an article written for his high school newspaper, Em Vee Hi, by George Stewart, a student at Mount Vernon High School in Fairfax County, Va., concerning the Selective Service System and the obligations of citizenship.

George is the grandson of Ellis and Vannie Stewart, of Montgomery, Ala. His father, Maj. Cameron Stewart, is a native Alabamian, and his mother, Mildred, is a native of our neighboring State of Tennessee. I am happy to say that George's grandfather is serving on my staff as my executive secretary.

The article was written last fall, shortly before George's 18th birthday, and published in Em Vee Hi on January 31, 1968. The article is evidence that patriotism and a sense of duty are not dead virtues among our young people. I ask unanimous consent that the article may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ONE STUDENT FAVORS UNITED STATES MILITARY DRAFT

(By George Stewart)

We hear talk these days about the rights of American citizenship, but we should remember that rights carry with them certain obligations and responsibilities. One such obligation for male Americans is military service.

During America's history there have been periods when her military commitments were greater than volunteer manpower. As America's role as a world leader has increased, her military commitments have increased. These greater commitments mean more manpower. Because of the shortage, however, a system calling Americans to serve their nation—the Selective Service System—has been established.

Americans of all types, from revolutionaries, motorcycle gangsters, and Black Nationalists, to college professors, ministers, and authors, have opposed the idea of being called to serve in the United States Armed Forces. They appear to ignore the fact that the system they protest and those who serve willingly under that system are protecting them and their rights and liberties.

A question asked by many people is "Why does the Defense Department draft young men with no military training, in lieu of calling up the National Guard?" The Sec. of Defense and other defense officials have stated that the National Guard and various other reserve components are held in readiness as a "strategic reserve" to meet additional contingencies which may arise. In the Air National Guard and the Air Force Reserve, certain units have brought up manning and combat readiness so high that they are considered by military planners equivalent to active military units in capability.

If the reserve components are ordered into Federal service and sent into battle, it is still necessary to replace them with a new strategic reserve and additional manpower required for this purpose. Also, it takes time to make untrained manpower into usable military units.

Many criticize the draft system because they feel it is unfair that they be called to duty while others aren't. The number drafted each year depends on our military commitments and the manpower needed to meet them. The National Advisory Commission on Selective Service looked into eliminating the draft altogether and creating an all volunteer military force, but found that there were not enough volunteers to supply the need. Random selection appears to be the fairest way for the draftees to be chosen.

When a student reaches the age of eighteen and receives his draft card, he realizes he probably will not be able to complete his education before being drafted. Most students strongly opposed to the draft fail to consider the advantages and opportunities offered to a young man while in the service. There is an unlimited number of fields he may choose to serve in, most help prepare him for civilian jobs. During his service he may take courses paid for by the government, and work toward a college degree. He may wish to pursue a military career to retirement. If he decides not to make the military a career, he serves long enough to complete his obligation. In either case, he returns to civilian life a more valuable citizen.

Military service can transform an immature youth into a self-reliant individual. It teaches to accept responsibilities and make sure they are carried out. An individual can gain valuable training in leadership, and experiences with people of all types, that he could not otherwise achieve.

Those criticizing the military forces and Selective Service System do not give much thought to their purpose. If they would stop being critical of their government and think about the freedom and protection it provides, they would realize the soldier, sailor, or airman is risking his life to insure the existence of freedom and democracy in his nation and the world.

Protest is a part of the American tradition, but so is "duty, honor, and country." Those who are called to serve in the armed forces should be proud to have a part in protecting the interests of their nation and all mankind.

COMPLETION OF THE RAMA ROAD IN NICARAGUA

Mr. HOLLAND. Mr. President, I am happy to report to the Senate the fact that the United States has completed its longstanding commitment for the construction of the Rama Road in Nicaragua. The last and largest single structure on that road—the bridge over the Siquia River—near the city of Rama, the eastern terminus of the road, was dedicated in a colorful inaugural ceremony at the bridge on Sunday, January 21, 1968, at which President Anastasio Somoza-Debayle was the principal speaker. It was my very great pleasure to attend that ceremony as a guest of Nicaragua. Because of the longstanding nature of our commitment on this matter, and the fact that I have had some connection with it since 1952, I felt that it would be appropriate to have my report of the affair become a part of the permanent CONGRESSIONAL RECORD.

Early in World War II, President Anastasio Somoza, the father of the present President of Nicaragua, came to the United States for a visit with President Franklin D. Roosevelt in connection with the war in which Nicaragua had joined the United States by declaring war a few hours following our own declaration. In the course of that visit, the two Presidents entered into an agreement for the construction by our country of a road from the Inter-American Highway at San Benito to Rama and for surveying a practical route for a highway between Rama and El Bluff on the Caribbean coast. President Roosevelt entered into this agreement under the War Powers Act; and under date of August 18, 1942, he authorized the allotment of the sum of $4,000,000 from the appropriation entitled "Emergency Fund for the President, National Defense 1942 and 1943" to be expended through the Bureau of Public Roads.

I should add that Nicaragua, as consideration for our agreement to build the Rama Road, made available to us certain ports on the Pacific Ocean which were needed by our Navy. It also agreed to drop its contention that our longtime arrangement with Nicaragua relative to our right to build a second interoceanic canal passing through Lake Nicaragua was a binding obligation to build such a canal. Our country had always understood and contended that we had acquired nothing but an option to build such a canal.

By the agreement above mentioned between the two Presidents, it was mutually agreed by the two countries that the arrangement for building the said canal was simply an option, as long contended by us. Subsequent to the original agreement between the two countries, an amendment was approved deleting the surveying of a practical route between Rama and El Bluff.

The Rama Road begins at San Benito, 36 kilometers north of Managua, on the Inter-American Highway—which supplies a highway connection to the Pacific—and thence extends in an easterly direction through rough, rolling country rising to an elevation of 400 meters at Santo Tomas. From thence it gradually descends into the Atlantic coastal plain and rain forest to the town of Rama at an elevation of 5 to 10 meters above sea level. The town of Rama is at the head of deepwater navigation on the Escondido River which accommodates LSM type and other shallow draft vessels. Hence, the Rama Road, as completed, allows highway access from the Pacific to deep water on the Atlantic, constituting the first highway interoceanic connection across Nicaragua.

From 1943 until 1955, all work was performed by force account, with the Nicaragua Highway Department personnel performing the work under the direction of our Bureau of Public Roads. In 1952, after a vigorous fight in Congress, the Rama Road was authorized as a civil project; and appropriations have been made periodically from that time under which the work has been completed by a series of contracts. The total cost to our country of the completed project was $16,850,000, including the $4,000,000 which was spent under the original allotment made by President Roosevelt. Frankly, I do not see how our highway engineers could have done so much with so little under the difficult conditions prevailing.

The road is a graded, drained, gravel packed, all-weather road, 160 miles long with 35 bridges. The longest bridge, that over the Siquia River, near Rama, is a 765-foot cantilevered truss bridge spanning a navigable tributary of the Rio Escondido quite near the town of Rama. This bridge is a major landmark on the new highway and, as I have already stated, was the picturesque site of the dedication ceremony. Up to the present, the Nicaraguan Government has paved about one-third of the roadway, and I understand it will continue the surfacing process until the paving is fully completed.

Since I served on the committee which conducted the hearings in 1952, took part in the debate at that time, and served on the conference committee where the authorization was finally worked out, and since I handled for some years, for our Senate Appropriations Committee, periodic inspections of the Inter-American Highway from which the Rama Road branches off at San Benito, I have always had a lively interest in this road and have twice before been over most of the road prior to the dedication ceremony which I have already mentioned.

On that day, Sunday, January 21, I was happy to be in Nicaragua at the invitation and as the guest of the President and of the Ambassador of Nicaragua, the Honorable Guillermo Sevilla Sacasa, the dean of our diplomatic corps. I left Washington on Friday evening, January 19, arrived at Managua at noon Saturday, January 20, and was entertained at the Presidential Palace Saturday night and Sunday night, coming back to Washington on Monday, January 22. I should add that our Assistant Secretary of State for Inter-American Affairs and U.S. Coordinator for the Alliance for Progress, Hon. Covey T. Oliver, was in Nicaragua with a party which was meeting with the President, his Cabinet, and other officials of Nicaragua to discuss various programs in which the two countries have a common interest. Our able Ambassador, Hon. Kennedy M. Crockett, and Mrs. Crockett, entertained President Somoza, Secretary Oliver, Representative JOHN M. MURPHY, of New York, representing the House of Representatives, who was a classmate of President Somoza at West Point, and other members of the Washington party at our Embassy at noon Saturday. That night President Somoza and his lovely wife were hosts at a most delightful reception at the Presidential Palace.

On Sunday the men in our party, including representatives of the Bureau of Public Roads and ambassadors of several other nations, took the trip to the point of the dedication, later having luncheon with President Somoza at Rama.

The dedication ceremony was a most colorful one, attended by several thousand cheering citizens and eloquently addressed by President Somoza, Secretary Oliver, and others.

I was tremendously impressed with the whole affair and with the spirit of friendship between our two nations which was so clearly evident. I was also greatly pleased to see the amount of development already occurring along the Rama Road. During my three visits along the road the amount of increasing, substantial development has been quite noticeable; and at this visit it was clear, indeed, that the road is going to be a tremendous help in the development of the interior part of Nicaragua and also in better communications between the Pacific and Atlantic areas of that friendly nation. Where there were miles of forest on my first visit some years ago, there are now many villages and country homes, numbers of developed ranches, and quite a number of farms which are already producing. One of the clearest evidences of the greater development which will surely come in the future was the fact that a new branch of the National Bank of Nicaragua was dedicated by President Somoza at Rama immediately after our luncheon there. I predict that Rama will soon become a much larger and more prosperous city and the Atlantic port for Nicaragua, with great business potentialities.

All in all, I was delighted to be present at this most inspiring occasion and to enjoy the warm friendship which was extended to all visitors from our country and to our country as a whole by the Nicaraguans, from the President to the most humble citizen. I am sure that we have no better friends in the hemisphere than President Somoza and Ambassador Sevilla Sacasa, and that the same is true as to most of their compatriots.

The more I see of the Rama Road and the Inter-American Highway as a whole, in whose construction we have played a major part in the six Central American countries—though Mexico has built with her own resources the 1,600 miles of that highway extending across Mexico—the more I am sure that mutual undertakings of this kind are the very finest sort of assistance we can give to our friendly neighbors and that they will become channels of trade and tourism which will be of mutual advantage to our neighbors and to ourselves.

I should say in closing that I am deeply indebted to President Somoza, Ambassador Sevilla Sacasa, and to Col. Heberto Sanchez of the Nicaraguan Air Force, who was assigned to me as a most helpful and friendly aide, for all of the acts of warm hospitality and friendship which they bestowed upon me and which I regarded as evidence of their feeling toward our country as a whole, for whom I was one of the representatives on this historic occasion.

Mr. President, the English translation of the eloquent speech of President Anastasio Somoza-Debayle, delivered by him on Sunday, January 21, at the inaugural ceremony, which I have already mentioned, will be placed in the RECORD of the House of Representatives today by Representative JOHN M. MURPHY, of New York, the representative of that body at the ceremony. This seems most appropriate in view of the fact that the President was a classmate of Representative MURPHY at West Point and also in high school, and they have thus been warm, personal friends for many years. I hope that all Senators will avail themselves of the privilege of reading the President's able speech, since it gives so much light on the Rama Road, the spirit of the inaugural occasion, and the attitude of Nicaragua toward our country. For myself, I am happy to offer for the RECORD an English translation of the brilliant speech made in Spanish on that occasion for our country by the Honorable Covey T. Oliver, Assistant Secretary of State for Inter-American Affairs. I ask unanimous consent to have printed at this point in the RECORD the text of Secretary Oliver's speech.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY COVEY T. OLIVER, ASSISTANT SECRETARY OF STATE FOR INTER-AMERICAN AFFAIRS AND U.S. COORDINATOR FOR THE ALLIANCE FOR PROGRESS, ON OCCASION OF THE INAUGURATION OF A BRIDGE ON THE NEW RAMA ROAD, NICARAGUA, JANUARY 21, 1968

As a United States citizen, as a special United States Delegate to various conferences, as Ambassador, and now as Assistant Secretary of State, I have had the honor of attending many dedication ceremonies in Latin America in the past 20 years. However, I believe that none has been more significant than this one today, because the dedication of this great bridge and highway represents nothing less than the unification and integration of a country, a successful step in its development, providing access to both the Atlantic and the Pacific and opening up the boundary region in the eastern part of the country.

This project began in 1942 as a result of talks between former President Anastasio Somoza Garcia and former President Franklin D. Roosevelt. At that time, our countries were Good Neighbors and also comrades in World War II. Today, 25 years later and after an expenditure by us of more than 16 million dollars and a large contribution by you, the highway has come to Rama, and what a success it is! The highway is in service throughout its length. A highway 256 kilometers long that can be used for all kinds of transport, including heavy transport, is in full operation. This bridge, 233 meters long, the largest, the longest, of all Nicaraguan bridges, is finished; and lastly, the final section of the highway to Rama.

Furthermore, your country's national program, of which the Rama highway is a splendid example, has achieved a great deal in the past 25 years. I understand that in 1943, there were in Nicaragua slightly less than 600 kilometers of roads, and fewer than 500 employees in the Ministry of Public Works, as compared with more than 8,000 kilometers of roads and a very experienced staff of more than 4,000 employees at the end of 1966.

And, as an example of this effort by our two countries and as a graphic demonstration of the cooperation and friendship uniting us in behalf of the welfare and progress of Nicaragua, we see here the work of a quarter of a century, the culmination of our joint efforts. And my hope for this bridge and this highway is that they may serve this country for all time to come as a link between its two principal regions; that they may open up new opportunities for all Nicaraguans; and that they may serve as an eternal symbol of the friendship between our two nations.

FAILURE OF COMMUNIST BLOC COUNTRIES TO RATIFY FORCED LABOR CONVENTION OPENS THEM TO SUSPICION—HOW ABOUT UNITED STATES?

Mr. PROXMIRE. Mr. President, only Poland, of all the Communist block countries of Europe, has ratified the Human Rights Convention on Forced Labor. Albania has not ratified this convention; Bulgaria has not ratified; Byelorussia has not ratified; Czechoslovakia has not ratified; Hungary has not ratified; Yugoslavia has not ratified; the Ukraine has not ratified; and finally the U.S.S.R. has not ratified the Human Rights Convention on Forced Labor.

Mr. President, the conclusion we have drawn from these countries' failure to ratify is that they must be practicing forced labor, otherwise what do they fear from ratification? However, the United States has failed to ratify not only the Convention on Forced Labor but in addition, the Convention of Genocide, Political Rights of Women, and Freedom of Association. Cannot the same inference be drawn from our inaction as we are so prone to draw from the Communist bloc countries' reluctance to ratify the Forced Labor Convention? We cannot have it both ways. If other countries' failure to ratify any human rights conventions is strong evidence to us of their having something to hide, then our failure can represent the same to them. In order to clear up any lingering misconceptions about the United States, I urge Senate ratification of these human rights conventions during this International Human Rights Year.

MORE TYRANNY IN THE INTERNAL REVENUE SERVICE

Mr. LONG of Missouri. Mr. President, recently, I received a letter from a retired professor in California complaining about harassment by the Internal Revenue Service. The professor apparently successfully avoided the activities of local IRS agents, but only as a result of his fighting back, and his threats to take the entire situation to Washington.

Unfortunately, not too many of us are either knowledgeable or able to fight back, especially when the IRS agent is knocking at the front door.

I ask unanimous consent that the entire correspondence be printed in the RECORD, for I believe that Senators should be aware of these situations.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

PALO ALTO, CALIF.,
October 12, 1967.

SENATE JUDICIARY SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURES,
New Senate Office Building,
Washington, D.C.

GENTLEMEN: I have been informed that your Committee is interested in correcting Federal abuses detrimental to public interest such as I believe are being practiced by the Internal Revenue Service. My major purpose in writing is to call to your attention certain highly questionable practices of the IRS that are harmful and unfair to your constituents and bring disrepute upon the IRS agency.

One of these objectionable practices falls upon retired land owners, principally retired farmers who rent their lands upon a crop share basis. A second widespread practice affecting every class of tax-payer is that of billing tax-payers on snap judgment for assumed tax "deficiencies" or "assessments" which have no legal foundation, yet by the use of the U.S. Mail and IRS "form" notices containing threatening paragraphs and innuendo, usually unsigned, the IRS Tax Examiners try to bluff, intimidate and harass citizens into paying additional fees over items any competent Examiner knows is not justified. The writer can illustrate these practices from his own experience here in California, and which is further well corroborated by a well documented article titled "Tyranny in the Internal Revenue Service" appearing in the August issue of Reader's Digest, written by one of the editors who investigated practices throughout the United States.

The writer farmed in the Sacramento Valley of California until 35 years of age, then responding to a boyhood ambition, went to the University of California, obtained his Ph. D., and spent his professional life in college teaching and research. Upon retirement the rental from our farmland became our principal income. It is clearly pointed out in IRS Instructions that Farmers and Fishermen are exempted from filing a "Declaration of Estimated Income" and the payment of quarterly taxes provided they pay the total income tax by February 15 of the following year. What is not made clear is that the land owner who obtains his rental as a share of the farm products also qualifies as a farmer for Income Tax purposes if his farm income constitutes at least two-thirds of his income. This fact is stated in Farmer's Tax Guide, IRS Publication #225, page 54, but the IRS Examiners attempt to require everyone who collects rent to file a "Declaration of Estimated Income" and pay quarterly or be assessed interest thereon. All instructions issued by IRS suggest that if the taxpayer has any questions he should write or call his nearest IRS Office. In practice the IRS pays no heed to questions or explanations written to them and their verbal information is often unreliable. The IRS just continues sending the victim demand "forms" bearing various threatening, intimidating statements. However, the IRS suddenly becomes "alive" when they are threatened with investigation.

In spite of the fact our Income Tax was received in San Francisco Jan. 15 a month in advance of the dead-line for 1964 the IRS filed an "assessment" for interest on unpaid quarterly payments. I wrote an explanation pointing out their error, requesting a reply which did not come. Instead the San Francisco IRS transferred the claim to San Jose Office which again sent a threatening form. I wrote an explanation to San Jose, then later telephoned the San Jose Office and was assured that I would have to pay the assessment. I then went to San Jose and explained the situation in detail and was informed that it was impossible for me to be classed as a "farmer" unless I took an active part in the operation, and in such a case my income would be subject to a Social Security Tax. *All that advice was absolutely incorrect* as any IRS agent should know. I then wrote the District Director at San Francisco personally and he grudgingly admitted I was right and eventually an "Adjustment" form was received closing that claim. Mr. Cullen (via rubber stamp) advised that hereafter I note on the 1040 Form that the rental was "based on Farm Production", which I did. Again the San Francisco Examiner filed an assessment on our 1965 Income Tax Report for the same reason. Again I wrote an explanation, and again the San Francisco IRS transferred the claim to San Jose which in turn sent a threatening notice. I advised them I was fed up with the matter and would take it up with Washington. I was immediately informed that would not be necessary, another "Adjustment" form was received and the matter closed. It appears that clearly the IRS knew from the outset that such claims are illegal.

One of the most flagrant abuses that I have experienced was about a Tax Return I prepared for an aged relative eleven years ago. Her 1040 Return Form showed she was over 65, blind, widowed, had no Social Security number (which indicated she did not operate the farm). Her income was from rental of a ranch just as had been reported for the previous 16 years, her deductions showed she did not owe any tax. Her mailing address was 125 miles from the location of her income. An "eager beaver" Examiner filed an assessment for Social Security Tax on her income. I personally wrote the San Francisco IRS explaining the situation, giving my S.F. Office phone number for any further explanation desired, and asked for a reply which I did not receive. The San Francisco IRS transferred the matter to San Jose Office which sent a Form threatening to attach her bank account unless paid in 7 days. I informed San Jose that if she were disturbed any further I would initiate an investigation, and promptly received a telephone call to disregard the notices. Eventually an "Adjustment" form was received closing the claim.

I have written in detail to illustrate how an important governmental agency paid for its services by taxpayers, is using its prestige and power to ends far removed from its legitimate functions, simultaneously wasting time and expense for the IRS as well as the taxpayer. I have all the correspondence to support my statements and shall be glad to supply copies if desired. That similar practices by IRS are widespread are indicated by the article in the August issue of Reader's Digest.

Apparently the IRS has been given wide powers to initiate regulations to collect legitimate taxes and some officials use these powers and the U.S. Mail to have a "lark" collecting tax by any means possible. I have a collection of thirteen different Forms. I received one personal letter (rubber stamp signature) admitting I was right (evidently there is no form for such an eventuality), blaming me for not making myself clear earlier, which I actually had done. Most of the forms have threatening paragraphs, few of them bear any signature, four bore rubber stamp signatures, two bore legal signatures. Often the forms are more confusing than informative as to just what the claim refers. Naturally one wonders why the IRS assiduously avoids answering questions and explanations as the instructions promise, then persistently use the U.S. Mail to harass the taxpayer when that Office is fully aware he does not owe the claim. Is there a reward in money or prestige for fleecing the public? The taxpayer should be protected by adequate Federal laws from such treatment and the IRS cleared of agents that follow such practices.

Following the unsuccessful attempt to collect one Illegal assessment against our 1965 Return the IRS began questioning our Deduction for repair of the roof of our home. Inasmuch as this was wholly an expense to maintain the house in a state of repair but not a capital investment we consider it deductible. I have four times requested answers to the following questions: 1) On what *legal grounds* can Income Tax be assessed for maintenance due solely to natural depreciation? 2) Considering the fact that expenses which arise due to natural depreciation occur in many instances at intervals of a few to several years, is it permissible to estimate and report deductions annually based on experience?

I received either no answer or an evasive statement and a Form 1902E suggesting I "consent" to the assessment. On August 30 I advised that unless an answer were forthcoming promptly I should take up the matter with Washington agencies and received a reply by return mail that the matter was being given attention and a reply expected within 3 weeks.

We have no objection to paying *legal* taxes but in view of the previous illegal attempts to collect unjust taxes we wish to know upon what grounds an assessment is made on items we consider as deductible. This question is essentially the same as we believe a proposed bill is designed to correct. We are seeking answers to the two above questions and will highly appreciate any opinions or comments you may offer. We fail to see how money spent strictly for maintenance for the home, upon which taxes and interest are deductible, differs from maintenance costs for other property, and question the right of the IRS to make a distinction.

Summarizing:

(1) The IRS files claims or "assessments" having no legal basis.

(2) It issues IRS "forms" containing intimidating statements often without any legal signature.

(3) It uses the U.S. Mail in attempts to collect "assessments" that the Office knows are unjust.

(4) It does not answer inquiries directed to it as the IRS Directions indicate it will.

(5) It issues "forms" that are confusing to the general public.

(6) It does not define the term "Farmer" clearly.

(7) It employs Tax Examiners and agents that appear to be wholly incompetent.

In view of the foregoing facts which affect a vast cross-section of U.S. citizens it seems necessary that Federal laws should be enacted to prevent such practices and the following suggestions are respectfully offered:

(1) All Income Tax Directions shall point out the conditions under which land owners qualify as "farmer" for Income Tax purposes.

(2) Any statement or assessment issued by the IRS questioning the accuracy of a Tax Report shall *clearly* indicate for what the claim is made and shall be *legally signed* by a responsible official.

(3) Questions and explanations made by tax-payers seeking information shall be answered as indicated by IRS Instructions.

(4) The U.S. Mail shall not be used to collect assessments that have no legal basis.

(5) Any Person who uses the U.S. Mail to collect an assessment that has been shown to be unjust becomes guilty of obtaining money under false pretenses and is punishable by Federal law just as ordinary citizens are under State laws.

Having been a research chemist for the Federal government for more than ten years previous to retirement I cannot conceive how an important segment of our government can be permitted to follow such policies. I shall appreciate any aid or clarification you may give in the correction of these practices.

Respectfully yours,

Ray C. Chandler.

Senate Subcommittee on Administrative Practice and Procedure, Committee on the Judiciary,

October 20, 1967.

Mr. Ray C. Chandler,
Palo Alto, Calif.

Dear Mr. Chandler: Thanks very much for your recent letter. You offer some excellent suggestions.

Would like your permission to place your letter in the *Congressional Record* so all of my colleagues could have the benefit of your views.

Kind regards.

Sincerely,

EDWARD V. LONG,
Chairman.

PALO ALTO, CALIF.,
October 31, 1967.

Hon. EDWARD V. LONG,
Chairman, Subcommittee on Administrative Practice and Procedure, New Senate Office Building, Washington, D.C.

DEAR SENATOR LONG: Thank you for your letter of October 20. This letter is to grant permission for the use of my letter of October 12, 1967 in the Congressional Record. A copy of the entire correspondence respecting the three cases of proven errors will be furnished if you wish.

Very truly yours,

RAY C. CHANDLER.

A TRIBUTE TO A DISTINGUISHED HAWAIIAN, FLORA K. HAYES

Mr. FONG. Mr. President, it was with profound sorrow and a sense of deep personal loss that I learned of the death of a long and dear friend, Mrs. Flora Kaai Hayes. Her passing last Saturday night in Honolulu came as a shock to her many friends because she had been active until shortly before she was stricken and died a few hours later in a hospital.

All Hawaii mourns the loss of an able and dedicated public servant, a supporter of a strong public school system, and a scholar of Hawaiian lore.

Her zeal for public service was illustrated by the fact that she was an announced candidate for a seat in this year's convention that would consider modifications to the Hawaii State constitution drafted in 1950. Mrs. Hayes was an elected delegate to that first, historic convention.

A former member of the territorial house of representatives, Mrs. Hayes served in that body from 1939 to 1959. She was chairman of the house education committee for five terms and a member of the house land and institutions committee. She considered her greatest political achievement to be the passage of a bill establishing kindergartens in public schools.

During her long tenure in the house of representatives, I was a colleague and admirer of her devotion to the cause of public education and the welfare of the Hawaiian people. In both the legislature and in the 1950 constitutional convention, in which I also served, she was most concerned with the preservation of Kamehameha Schools and the Hawaiian Homes Commission. Her public service in these causes will long be remembered by those whom she championed.

Mrs. Hayes was born in a grass house in Hana, Maui, 74 years ago. Her mother was English-Hawaiian, a descendant of Keoua, high chief of Maui. Her father, a Hawaiian, was a descendant of Kaiana, chief of Kauai, who was Kamehameha's most formidable adversary and who was killed in the Nuuanu battle of 1795.

In 1913, she married Dr. Henry Homer Hayes, who died in 1957. He was one of Hawaii's first government physicians.

An avid scholar of Hawaiiana, she translated from Hawaiian the letters of King Kalakaua, Queen Kapiolani, and Prince Kuhio for the Bishop Museum.

One of her fondest memories was riding as a child in Prince Kuhio's campaign caravan.

Her father, Samuel Kaai, was the district judge at Hana. He also served in the legislature and was vice speaker of the house for one term.

Flora Hayes' active concern for the betterment of Hawaii's schools was demonstrated by her active leadership of the Hawaii Congress of Parents and Teachers and the Kamehameha Alumnae Association, having served as president of both organizations. She was also a past president of the Hawaiian Civic Club.

She was also associated, at various times, with the Hawaii Statehood Commission, the territory welfare board, and the Kaahumanu Society.

She was awarded the Ke Alii Pauahi Award by the Kamehameha Schools, and the David Malo Award by the Rotary Club of West Honolulu. She also received the annual award of the National Society of Arts and Letters.

Mrs. Hayes was a member of St. Clement's Episcopal Church and a former president of the St. Andrew's Cathedral Hawaiian congregation.

Flora Hayes will be sorely missed not only as a community and political figure but as a gracious individual—a vivacious personality, a generous and kind individual, a charming personification of the true aloha spirit of Hawaii.

Ellyn and I join the people of Hawaii in extending our heartfelt sympathy to the family in their bereavement. Our sorrowful aloha is expressed for the loss of a great woman and a distinguished Hawaiian.

THE ADMINISTRATION'S WAR ON CRIME

Mr. DODD. Mr. President, on the occasion of the first anniversary of the introduction of President Johnson's Safe Streets Act, Deputy Attorney General Warren Christopher, speaking February 2d to the Commonwealth Club of California in San Francisco, once again appealed for public support for a total war against crime.

Mr. Christopher said:

> The tradition of local responsibility for general crimes does not mean there is no Federal role. On the contrary, we believe the Federal Government must join with cities to build excellence in the local police as the first priority in the fight against crime. More broadly, we believe that the time has come for massive Federal assistance to the whole system of law enforcement and criminal justice. As President Johnson said in the State of the Union Message, the national government should help cities and states in their war on crime to the full extent of its resources and Constitutional authority.

I concur. Help is needed. New ideas, new money and a new will to succeed in containing crime and the criminal.

We are living in the last half of the 20th century while virtually your whole crime control system is floundering in the last half of the 19th century.

All levels of government have failed in the mission to provide a safe and secure society where our people can reasonably undertake the pursuit of happiness. Crime, criminality of all types, and violence in our streets have upset the balance. Our domestic tranquillity is now only a sometime thing.

And Mr. Christopher once again asserted the administration's determination to secure the passage of a law to control the now free and easy sale of firearms to criminals, addicts, juveniles and others who should not have them—S. 1, amendment No. 90.

It is encouraging to see that President Johnson, his legislation beset by eroding attacks of wealthy lobbies and by legitimate sportsmen misinformed by those lobbies on what the law would do, is continuing to seek effective gun controls.

Mr. Christopher said:

> The President and the Department of Justice strongly believe that the Federal Gun Control Bill—and nothing less effective—should be enacted without further delay.

Mr. President, I ask unanimous consent that Mr. Christopher's remarks be printed in the RECORD. I believe that Senators will find them valuable as they consider the crime legislation to be debated in the Senate in the near future.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

ADDRESS BY DEPUTY ATTORNEY GENERAL WARREN CHRISTOPHER, THE COMMONWEALTH CLUB OF CALIFORNIA, SAN FRANCISCO, CALIF., FEBRUARY 2, 1968

Crime in America has many faces and many masks. It is a bank robber putting the torch to a safe and a housebreaker cutting a screen; it is an addict stealing to support his habit and a loan shark putting the strong arm on a debtor; it is a teenager going for a joy ride in a stolen car, and a rioter throwing a fire bomb; it is an executive conspiring to fix prices, and it is the Cosa Nostra lieutenant bribing a public official.

There is crime in the streets, but there is also crime in homes and hotels, in banks and barber shops, in public offices and in private offices, too. Crime comes in all ages, sizes, colors, sexes, and from both sides of the tracks. No group is immune and none has a monopoly.

One thing we know for sure about crime is that there is too much of it. Most of the data on the growing level of criminal activity comes from the FBI's Uniform Crime Reports. These reports deal with crimes of violence such as murder, rape, robbery, and assault and crimes against property such as burglary, larceny and auto theft. Between 1960 and 1967, reported violent crimes increased 72 percent, and crimes against property rose 90 percent.

In the main, the crimes reflected by these statistics are local in nature. They are violations of state law, and they take their toll against local citizens and local property. Tradition and logic have combined to lodge responsibility for coping with such crimes in the local and state authorities.

The documents and debates surrounding the drafting of our Federal Constitution leave doubt about the views of our founding fathers. They firmly intended that administration of criminal laws should rest primarily with local and state units. In the Constitution, the absence of a federal police agency was a deliberate reflection of the framers' repugnance for the monarchies of Europe.

This is no antiquated or outdated view. One of the architects of the new federalism, Mr. Justice Frankfurter put it plainly when he said: "In our Federal system, the administration of criminal justice is predominantly committed to the care of the states." (*Rochin* v. *California*, 342 U.S. 165, 168). In the same vein, Mr. Justice Black stated: "Extortion, robbery, embezzlement, and offenses of that nature are traditionally matters of local concern. Federal assumption of the job of enforcing these laws must of necessity tend to free the states from a sense of responsibility for their own local conditions." In emphasizing the primacy of state responsibility, Mr. Justice Black noted that "Here, as elsewhere, too many cooks may spoil the broth." (*Rutkin* v. *United States*, 343 U.S. 130, 142–143, 1951).

There are deep underlying reasons for these views:

First, we are a free people intent on maintaining an open society. The Constitutional fathers knew and abhorred the heavy boot of a national police. In our own time, this abhorrence has been reinforced by our observation of the oppressive national police in Hitler's Germany and Stalin's Russia.

Second, no governmental activity is more sensitive, and none has greater need to be responsive to the people, than the administration of the criminal laws. The shorter the distance between the policy maker and the citizens, the more likely there will be quick and accurate responses to the needs of the people.

Finally, successful crime fighting often requires that decisions be made quickly by those on the scene. This required speed and flexibility can only be achieved through local law enforcement.

The tradition of local responsibility for general crimes does not mean there is no Federal role. On the contrary, we believe the Federal Government must join with cities to build excellence in the local police as the first priority in the fight against crime. More broadly, we believe that the time has come for massive Federal assistance to the whole system of law enforcement and criminal justice. As President Johnson said in the State of the Union Message, the national government should help cities and states in their war on crime to the full extent of its resources and Constitutional authority.

For decades we have neglected law enforcement and criminal justice. According to the National Crime Commission, our nation spends only about $4 billion a year on the entire system of criminal justice—courts, corrections and all our Federal, state, and local police. We spend twice that much for tobacco, and three times that much for whiskey. Do you have any doubt that we need a re-ordering of our priorities?

We need to pay policemen a salary that will attract the finest among us and keep them on the force. At the present time, the median salary for a policeman is $5,300 a year. That kind of a salary means that those who would engage in the public service of police work are forced to moonlight—to work nights to support their family.

There is no deep mystery why police work is not attractive to our young men. The answer is in the pay scale. Under the present scheme of things, many perhaps most police departments are not able to maintain their authorized strength. Until we pay our police adequately, we cannot expect the excellence which is essential to control crime and lawlessness.

While improving salaries is the single most important step, it is only a beginning. If we are to achieve excellence in law enforcement, there must be improvements in training and police administration, in the quantity and quality of equipment, and there must be a concentrated effort to bring new techniques and technologies to police work. In short, we must develop 20th Century police forces to stop 20th Century crime.

Moreover, law enforcement is only one element in the system of criminal justice. This whole system—courts, prisons, probation, and parole as well as police—requires an infusion of additional resources if it is to fulfill the heavy burden society has placed on its shoulders.

A year ago this month, President Johnson sent to the Congress pioneering legislation to help meet these requirements. Known as the Safe Streets and Crime Control Act, this proposed legislation would provide massive Federal aid to local and state law agencies. It would provide direct grants of Federal funds to local and state law enforcement agencies for salaries, equipment, training and research as well as for support of all agencies involved in this whole system of criminal justice.

President Johnson has proposed $100 million in the new budget for grants during the first year under this Act. As experience is gained in making such grants, we can look forward to annual Federal grants several times larger than those of the initial year.

One version of the Safe Streets Act has passed the House of Representatives. However, the legislation has been stymied in Senate Committee for more than six months. The principal source of the delay is not a debate over the merits of the bill itself, but rather it involves the desirability of several highly controversial additions or amendments to the basic legislation. One of these is a proposal to "reverse" the constitutionally-based rule of the Supreme Court on confessions. Another would drastically limit the jurisdiction of Federal courts in habeas corpus and other cases. Still another would add long and highly complex provisions authorizing wire-tapping and bugging under judicial supervision.

Each of the amendments involves deeply held beliefs and emotions, and each has its strong supporters and strong opponents. Generally speaking, the Department of Justice is in the latter category, but that is not the point. The point *is* that the resolution of these closely divided issues should not impede enactment of the Safe Streets Act which I believe will command overwhelming support if only it can be brought to a vote.

The delay in the enactment of this legislation aggravates the long-standing neglect of law enforcement. In the strongest terms, with the greatest urgency, we ask Congress to act upon the Safe Streets Act and take the pioneering step of providing massive Federal grants to assist local law enforcement and criminal justice agencies. When this is done, Congress can work its will on the other questions which present quite different issues.

A second bill, now pending before the Congress, also has a tremendous potential for assisting state and local government in the fight against crime. Known as the Gun Control Bill, its purpose is to strengthen local gun control laws by restricting mail order sales and out-of-state purchases. Its aim is to keep firearms out of the hands of criminals, mental defectives, drug addicts and children.

The need for this bill is plain. In 1966 guns were involved in more than 6,500 murders and 43,500 aggravated assaults. Firearms have been used in 96 percent of all killings of police officers since 1960. More than two-thirds of the persons committing this vicious crime would not be able to purchase a hand gun in California because of their criminal records. But in the absence of Federal gun control legislation, they could easily subvert California laws by travelling to another state with lenient laws or by ordering a gun through the mails.

In California, even those who may lawfully purchase hand guns cannot do so without having a record of the purchase filed with the California Bureau of Criminal Identification and Investigation and with their local law enforcement agency. But a criminal or mental defective can easily circumvent this reporting requirement by making the purchase out of state or through the mails.

Opponents of the Federal Gun Control bill have suggested that there is little connection between crime and weak firearms control. This is not true. FBI statistics demonstrate that a higher proportion of homicides are committed with firearms in those areas where firearms regulations are weak. Even more germane to the Federal bill is a study by the Massachusetts State Police showing that 87 percent of concealable firearms used in Massachusetts crimes in recent years were obtained outside the state. So long as potential criminals can so easily evade state gun control laws, there is a grave and unnecessary threat to safety. The President and the Department of Justice strongly believe that the Federal Gun Control Bill—and nothing less effective—should be enacted without further delay.

Crime in the form of riots and civil disorder have scarred our landscape for the last four years. Last summer alone 85 died, 3,200 were injured, and property damage exceeded a hundred million dollars. The legacy of hate and bitterness which follows in the wake of this violence cannot be measured in dollars, but it represents a severe impediment, sometimes fatal obstruction, to progress in education, employment, in housing and other areas where remedial action is long overdue. Surely this is the kind of cost America can least afford.

The Federal Government's twin goals are to prevent riots and, when disorder does occur, to control it with minimum loss of human and material resources.

The President's National Advisory Commission on Civil Disorders will soon have a statement on the underlying causes of riots. At the moment, our attention is focused on preventive measures which will yield immediate results. Several weeks ago President Johnson directed the Attorney General to initiate a series of conferences for municipal leaders to make, as he said, "maximum use of the skills and experience . . . of local officials who have been successful in preventing and controlling disorders." In cooperation with the International Association of Chiefs of Police, the Department of Justice has designed a series of conferences to make the fullest use of the practical and transferable methods of riot prevention and control. This series, which is already underway, will consist of four week long general conferences in Washington, D.C., followed by 10 special conferences at locations throughout the United States.

The basic premise and belief of these conferences is that riots can be prevented. At these conferences the Chiefs of Police and mayors of 120 major American cities are having the opportunity, in a quiet environment and away from the pressures of their daily existence, to think through the avenues for prevention in their own city.

In addition to prevention, the conference is dealing with riot control. Here the premise and belief is that riots, when they occur, can be controlled by a balanced approach in which the police are fully cognizant of the dangers of either underacting or overacting. We find that the keynote of these discussions is planning—intensive planning and intensive efforts at implementation from now on.

Another area of deep Federal concern is organized crime. Organized criminal activity began in this country before the turn of the century. It matured during the era of prohibition, but it has grown in both wealth and influence since the 1930s.

The most powerful criminal group operating today is La Cosa Nostra. It operates through 24 highly organized subunits called families. These 24 families have more than 5,000 members, and their control of criminal activities extends far beyond this hard-core membership.

The pervasiveness of organized crime cannot be measured with precision or certainty. It is known that its most profitable operation is gambling. Estimates of the yearly gross take on gambling operations alone range to $50 billion with potential profits as high as $15 billion. It is the profits from the gambling operations which provide the funds for loan sharking, narcotics, and infiltration of legitimate businesses.

Organized crime corrupts politicians, police, and citizens. Too many people do not think twice about placing an illegal bet. If they can afford to lose the money, they think there is no harm. Yet the odds are that the citizen who makes an illegal wager in supporting the organization which supplies narcotics to young people; he is supplying funds which may be used to corrupt our public officials; he is making a contribution to the power of the most corrosive crime force in America.

La Cosa Nostra is a nationwide conspiracy whose criminal activities span the continent. A crime in California may be planned in New York and staffed by family members from Nevada, New Jersey, and Michigan. Because the Cosa Nostra is a highly disciplined, closely knit nationwide syndicate, we must combat it with national as well as local resources.

Prior to 1960 the Federal effort against organized crime was at best sporadic. In 1960, the Organized Crime and Racketeering Section of the Department of Justice handled only 19 indictments. Since 1960, the Department of Justice has given top priority to its operations against organized crime. By last year, the number of racketeers indicted by the Organized Crime and Racketeering Section had grown to an annual rate of more than 1,100. Convictions last year included three "bosses" or Cosa Nostra family heads and two "underbosses", the second ranking member of the family. J. Edgar Hoover, Director of the FBI, said recently that 1967 "marked one of the most effective all-out drives against organized crime in the history of law enforcement".

The Department of Justice efforts in fighting organized crime are being further intensified during 1968. Last year the Department tested and found highly effective a new technique—the "Strike Force" technique. These Strike Forces are composed of attorneys from the Organized Crime and Racketeering Section and investigators from other Federal agencies who devote their full time to the organized crime activities in a given city or area. Working closely with state and local law officers, these Strike Forces coordinate law enforcement and pool intelligence data relating to the structure, intentions, and, most important, the vulnerabilities of organized crime groups. Strike Force Number One, centered in a large Northeastern City, has already been responsible for 33 indictments.

These, then, are some of the federal activities which we believe will go a long way toward meeting the challenge of crime in a free society. But they do not purport to the ultimate solution. For they are all deeply rooted in the Constitutional principle of local law enforcement. And a community's success or failure in controlling crime will, in the final analysis, be determined by the people of the community.

Let me assure you that the Federal government will help to the full extent of its resources and its constitutional authority. We will press for the control of guns, for the planning and training needed to prevent and control riots, for a nationwide attack on organized crime and—most importantly—for the renaissance in criminal justice proposed in the Safe Streets and Crime Control Act. We believe that, by working together, America can control crime.

FARMERS HOME ADMINISTRATION MEANS PROGRESS FOR TEXAS

Mr. YARBOROUGH. Mr. President, recently Secretary of Agriculture Orville L. Freeman was quoted as saying that the Farmers Home Administration is one of the "unsung heroes of the Federal Government." As one who has worked closely with the agency for many years and has observed what it has accomplished in my own State of Texas, I quite agree with Secretary Freeman.

Quietly and without fanfare, the Farmers Home Administration goes about its job of helping small farmers with supervised credit, helping rural people to improve their housing, and assisting thousands of rural communities to construct basic community facilities.

The progress FHA has made under this administration since 1961 with the cooperation and support of Congress is nothing short of amazing.

In Texas, for example, the number of people now being served by FHA credit has increased nearly fivefold since 1960. The total amount of credit advanced to rural people in my State in fiscal 1967 was $129,719,947 as compared to $34.3 million in 1960.

In 1960, only two rural communities in Texas received financing from the agency to build water systems. The loans totaled only $104,100. Last year, by comparison, 156 small towns in my State received a total of $18.5 million to build community water and waste disposal systems.

Since all these loans go to borrowers who are unable to get credit elsewhere, the repayment record on these loans is remarkable.

Our Texas State director, Lester "Cap" Cappleman, and his dedicated staff deserve much of the credit for the fine achievements being made in rural Texas by this agency.

Mr. President, I ask unanimous consent that a table showing the progress of this agency in my State since 1960 be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

SELECTED ACTIVITIES DURING 1960 AND 1967 FISCAL YEARS IN THE STATE OF TEXAS

	Fiscal year 1960		Fiscal year 1967	
	Number	Amount	Number	Amount
I. Loans and grants made by type of assistance:				
Operating loans	7,307	$22,699,251	4,885	$32,305,612
Economic opportunity loans	--------	-----------	811	1,709,329
Emergency and special livestock loans	2,278	7,566,405	4,107	27,142,888
Farmownership loans	104	1,758,917	575	13,839,251
Soil and water loans	21	86,202	52	291,970
Rural housing loans	241	2,184,216	3,695	27,058,727
Rural rental housing loans	--------	-----------	4	178,400
Farm labor housing loans and grants	--------	-----------	3	969,380
Assistance to associations:				
For domestic water or sewer projects:				
Loans	2	104,100	141	17,568,570
Development grants in connection with loans	--------	-----------	15	976,770
Total, water or sewer	2	104,100	156	18,545,340
For recreation projects (loans)	--------	-----------	22	4,871,110
For grazing associations (loans)	--------	-----------	2	2,200,060
Total, all types of associations	2	104,100	180	25,616,510
Comprehensive area water and sewer planning grants to organizations	--------	-----------	19	142,880
Watershed protection loans	0	0	2	465,000
Grand total, all types of loans and grants	9,953	34,399,091	14,333	129,719,947
Percent change in amount 1960 and 1967	--------	-----------	--------	277
II. Number of people using FHA credit during year	73,500	-----------	360,000	-------------
III. Amount of loans written off as percent of total cumulative loan advances as of June 30 (current loan programs):				
Loan advances	--------	$463,326,958	--------	$1,010,287,613
Principal writeoffs	--------	$3,108,909	--------	$14,112,145
As percent of loan advances	--------	0.67	--------	1.40

PROGRAM ON ENVIRONMENTAL QUALITY CONTROL

Mr. JACKSON. Mr. President, in the last session of the 90th Congress, I introduced, along with the senior Senator from California, S. 2805 to provide for a Council on Environmental Quality in the Executive Office of the President, and also an expanded program of research on environmental problems. This bill was referred to the Senate Interior and Insular Affairs Committee, of which I am chairman.

In gathering background information for hearings to be scheduled later this year, the committee's professional staff noted that a growing body of literature and informed opinion is being addressed to the environmental theme as an important area of Federal and scientific responsibility. Citing the rapidity of environmental change in our country, strong pleas have been made in many technical writings for consideration of the total biophysical environment as an integrated resources system. Administrative and policy issues relating to this proposition have been studied and discussed from several points of view, including those of natural resource management, landscape protection and beautification, urban design, public health, economic growth, and the assessment of technological innovations.

A growing consensus among many scientists supports the view that existing natural resource programs, highly fractionized at the Federal and State levels, are inadequate to the task of mounting an effective and flexible attack on the overall problem of environmental deterioration. Carefully documented studies have concluded that it is now feasible and desirable to establish a high level body, representing both the social and natural scientists, which would assist the President in formulating sounder policies and coordinated programs to maintain the quality of our natural resources endowment.

I believe that the benefits such a body could bring to the conservation field, and thus to the welfare of this Nation, make its establishment urgently important.

Mr. President, with the assistance of the Legislative Reference Service the Interior Committee's staff has compiled a few extracts from selected writings and reports which describe various needs and ongoing programs and also propose several new solutions for achieving better controls over environmental change. I request unanimous consent to have printed in the Record the text of this short report in the hope that it will receive wide attention from all groups and individuals who may be interested in presenting testimony or otherwise expressing their views on S. 2805.

There being no objection, the material was ordered to be printed in the Record, as follows:

Selected Excerpts on Environmental Management Policy

(Compiled by Wallace D. Bowman, Specialist in Conservation and Natural Resources, Legislative Reference Service)

However plentiful our natural resources may be they are inadequate to satisfy all the demands placed upon them. An increasing number of scientists are becoming concerned about the declining quality of our total resources environment. Many who have written on the subject of environmental deterioration have discussed the increasing difficulties of anticipating the harmful side-effects of rapidly applied technology. Another concern running through many writings is the inadequacy of existing institutional machinery, both in the Federal structure and the scientific community-at-large, to appraise the overall needs of environmental quality control and to formulate sound national policies. Several possibilities for encouraging environmental surveillance and elaborating national environmental policy are set forth in the excerpts below.

"1. *Natural Resources, A Summary Report to the President of the United States*, National Academy of Sciences–National Research Council, Committee on Natural Resources (NAS–NRC Pub. No. 1000, 1962, pp. 18–19)

"Perhaps the most critical and most often ignored resource is man's total environment. Increasing awareness of the importance of understanding the balances of nature is reflected in the gradual development of interest in ecological studies. The study of the interaction of all biologic species, among themselves and with the inanimate forces of nature, requires coordination of the contributions of all the sciences, natural and social.

"The wisdom of examining environment in the totality of its interaction with man becomes increasingly apparent in view of the rapidity of environmental change in our country. We live in a period of social and technological revolution, in which man's ability to manipulate the processes of nature for his own economic and social purposes is increasing at a rate which his forebears would find frightening.

"Man is altering the balance of a relatively stable system by his pollution of the atmosphere with smoke, fumes, and particles from fossil fuels, industrial chemicals, and radioactive material; by his alteration of the energy and water balance at the earth's surface by deforestation, afforestation, cultivation of land, shading, mulching, over-grazing grasslands, reduction of evapotranspiration, irrigation, drainage of large swamp lands, and the building of cities and highways; by his clearing forests and alterations of plant surface cover, changing the reflectivity of the earth's surface and soil structures; by his land-filling, construction of buildings and seawalls, and pollution, bringing about radical changes in the ecology of estuarine areas; by the changes he effects in the biologic balance and the physical relocation of water basins through the erection of dams and channel works; and by the increasing quantities of carbon dioxide an industrial society releases to the atmosphere.

"There is a continuing worldwide movement of population to the cities. The patterns of society are being rapidly rearranged, and new sets of aspirations, new evaluations of what constitutes a resource, and new requirements in both type and quantity of resources are resulting. * * *

"In summary, it is apparent that man must concern himself with a variety of changes in the environment, both those caused by human beings and those reflecting man's responses. Some are good; some may be very harmful. That we often do not have any clear-cut idea of their impact on man, or of man's response, is cause for concern. It would seem unwise to continue to tamper with environment without, concurrently, striving to determine the real and lasting effects of our actions."

"2. Weiss, Paul, *Renewable Resources, A Report to the Committee on Natural Resources of the National Academy of Sciences-National Research Council* (NAS-NRC Publ. No. 1000A, 1962; pp. 2, 4, 15)

"The problems of renewable natural resources have been approached by two essentially different types of operations, one going on continuously, the other occurring in sporadic episodes. The former is carried on systematically as part of the mission of government departments or agencies (e.g., Department of Agriculture, Fish and Wildlife Service, Forest Service), certain foundations (e.g., Resources For the Future, Inc., Conservation Foundation, Nature Conservancy), and a few academic institutions. The latter is represented by individual conferences, surveys, and reports. These are mutually supplementary. The former suffers from preoccupation with narrow, segmental views of the total problem, but has the advantage of continuity and operational effectiveness in action programs; while the latter is essentially confined to evaluating and advisory functions, without power of implementation, but giving more balanced attention to the total perspective. Many of the current practices and the underlying guiding policies in the various sectors of the field have proved themselves by their past successes and, therefore, are becoming rather firmly established, formalized, and institutionalized. But their tested adequacy pertains to current conditions only. If these patterns were to be frozen and mechanically continued into the future, the whole system would lose its flexibility and become unfit to respond and adapt itself to the unpredictable evolutionary changes which the current conditions will undergo. Today's successes can thus become the very sources of the failures of tomorrow The risks become even greater where the rigidity of established patterns is not only based on usage but incorporated in law. * * *

"In view of the irreversibility of many actions that will be taken in our time (for instance, in the reallocation of land from forest to agriculture or from agriculture to industrial uses), it seems vital to establish without delay a broad-gauged agency charged with the continuing examination, identification, and assessment of changes in the natural resources picture, and of their potential effects upon each other and on the material and spiritual welfare of man in a free society. * * *

"Such a body would function in essence as an intelligence agency in matters of human ecology. It should keep itself constantly informed of all physical, biological, sociological, geographic, and economic events and developments of potential bearing on man's optimal adjustment to his environment, and attempt to evaluate in scientific terms the probable net effect of their mutual interactions on man's future—short-range and long-range—in national, regional, and global respects. In this pursuit, it should avail itself of the cooperation of the best talent of the country in the natural sciences and relevant branches of the social sciences. It should determine for any single alteration in the total scene—man-made or beyond man's control—the net balance between risk and benefit, not in absolute terms of the intrinsic properties of that particular change, but in relative terms of its putative consequences for the whole fabric of human affairs. In view of the ever-increasing rate of man-made alterations, with their ever-widening circle of sequelae, such an intelligence agency of broad scope would have to cultivate the highest degrees of perceptiveness and sensitivity so as to be able to feel the pulse of the ecosystem, as it were, and to register and assess incipient developments before they have reached critical dimensions. These diagnoses would then serve as guides for action programs, precautionary measures and the exploration of alternative courses. By its cultivation of a total integrative overview, such an organization would be in the most favorable position to detect signal gaps and incongruities in the map of existing knowledge in need of filling or reconciling by further research. And by its anticipatory point of view, it would be singularly qualified to identify what kinds of research might be undertaken or intensified in order to forestall, counteract or rectify predictable *future* disruptions and imbalances of the human ecosystem. The contemplated agency should not, however, be given powers of decision or enforcement and it should steer clear of the political arena."

"3. Commoner, Barry, *Science and Survival* (Viking Press, 1963, pp. 122–23)

"As a biologist, I have reached this conclusion: we have come to a turning point in the human habitation of the earth. The environment is a complex, subtly balanced system, and it is this integrated whole which receives the impact of all the separate insults inflicted by pollutants. Never before in the history of this planet has its thin life-supporting surface been subjected to such diverse, novel, and potent agents. I believe that the cumulative effects of these pollutants, their interactions and amplification, can be fatal to the complex fabric of the biosphere. And, because man is, after all, a dependent part of this system, I believe that continued pollution of the earth, if unchecked, will eventually destroy the fitness of this planet as a place for human life.

"My judgment of the possible effects of the most extreme assault on the biosphere—nuclear war—has already been expressed. Nuclear war would, I believe, inevitably destroy the economic, social, and political structure of the combatant nations; it would reduce their populations, industry and agriculture to chaotic remnants, incapable of supporting an organized effort for recovery. I believe that world-wide radio-active contamination, epidemics, ecological disasters, and possibly climatic changes would so gravely affect the stability of the biosphere as to threaten human survival everywhere on the earth.

"If we are to survive, we need to become aware of the damaging effects of technological innovations, determine their economic and social costs, balance these against the expected benefits, make the facts broadly available to the public, and take the action needed to achieve an acceptable balance of benefits and hazards. Obviously, all this should be done *before* we become massively committed to a new technology. One of our most urgent needs is to establish within the scientific community some means of estimating and reporting on the expected benefits and hazards of proposed environmental

interventions *in advance*. Such advance consideration could have averted many of our present difficulties with detergents, insecticides, and radioactive contaminants. It could have warned us of the tragic futility of attempting to defend the nation's security by a means that can only lead to the nation's destruction."

"4. Brooks, Douglas 1, 'Environmental Quality Control' *Bioscience*, 17:12, Dec. 1967, pp. 873–877.

"Views of what we mean by the complex term 'environment' vary from person to person, group to group, and time to time, as do preferences regarding the meaning of quality control and methods for achieving it * * *

"First is the decay represented by the impoverishment of our resources. Two kinds of resources are involved here: essential resources such as food, minerals, water, and living space; and desirable resources such as wildlife, play space, walking space. * * *

"A second kind of decay is represented by the increasing level of pollution, noise, and ugliness within which we are being immersed. The evidence here is too well known to need elaboration.

"A third involves increasing crowding, congestion and hence conflict over incompatible uses of the environment. Let me mention only one, the competition for space between men and their cars. * * *

"The fourth variety of environmental decay manifests itself in the increasing depersonalization or 'thingification' of life, due to growth in size complexity, and ubiquity of cities, traffic, and mass communication media.

"Fifth, and finally, there is the environmental decay of potentially Wagnerian proportions, in which inadvertent and perhaps irreversible modification of the earth's weather and climate caused by man's activities could make all the other kinds of decay of only academic concern. The production of carbon dioxide by world-wide burning of fossil fuels promises, according to some, to so increase the 'greenhouse effect' of the heat absorbing constituents of the atmosphere that a worldwide climatic warming may take place, perhaps melting the Antarctic and Greenland icecaps and raising the sea level by a couple of hundred feet. Whether this will be in part counter-balanced or perhaps overbalanced by the solar radiation-reflecting effect of the increased cloudiness expected from air pollution is a moot question. * * * I believe the time has come to recognize environmental decay as an ubiquitous problem of unprecedented complexity and seriousness. We need to recognize environmental quality control as a vital social objective and take steps to establish the field of Environmental Management as a new cross-disciplinary applied science professional activity of extraordinary challenge and importance.

"In doing so, we can and should take advantage of the analogy provided by such precedents as military operations research and systems analysis. Five features of these precedents are especially important when taken in combination. They are:

"(1) The methodological and philosophical advances in the physical and mathematical sciences, begun by Bolzman and Gibbs and culminating in the work of Wiener, Shannon, and the cyberneticists, which permit the modeling of complex systems with inherent randomness and uncertainty and, in particular, the purposeful 'open systems' characterizing the human social half of the man-environment system,

"(2) The systems approach of operations research and systems analysis with its emphasis on rational decision-making models and techniques,

"(3) The new technology, particularly the new information system technology, based on the computer, which has already permitted spectacular advances in modeling one highly complex component of the environment, the atmosphere and its weather, and the application of this technology to observational or environmental monitoring systems,

"(4) The establishment and linking together with the action agencies of government of three types of R&D institutions:

"(a) innovative, technology, or science-oriented laboratories, pushing the 'state-of-the-art.'

"(b) advisory 'think-tanks' of two sorts, one closely linked to the day-to-day or tactical decision problems of agencies, the other broadly chartered to study and advise on the long-term or strategic problems of Environmental Management.

"(5) The development and cultivation of an outlook which can best be described as ecological, or ecosystems oriented, an outlook which asks what stable and reciprocally-fit man/environment configurations are there and how are the consequences and side effects of actions and events at various levels, personal and social, industrial and governmental, likely to affect the prospects of achieving one or another of these configurations in the future?"

"5. Caldwell, Lynton K. 'Administrative Possibilities for Environmental Control', In *The Future Environments of North America* (Garden City, 1966, pp. 648–671)

". . . [The] functional divisions of public administration impose formidable barriers to effective environmental policy. At the federal level, coordination of natural resources policies and their administration has long been a matter for study and concern. The National Resources Planning Board represented the closest approach to comprehensive environmental planning attempted for the nation as a whole. The Tennessee Valley Authority is, of course, an instructive example of comprehensive public environmental planning in action. But federal organization generally reflects the interests or needs of special resource users—in forestry, grazing, mining, navigation, irrigation, and outdoor recreation, for example.

"The principal but only partially effective coordinating agency in relation to these user interests has been the Bureau of the Budget. Its concerns, however, are primarily fiscal and secondarily economic (cost-benefit justification, for example). The Bureau is assumed to apply the over-all policy guidelines laid down by the President. In actual fact, presidential policy must often be a product of bargaining, maneuvering, and compromise among the federal administrative agencies. The Bureau's functions are largely political and, in a narrow sense, technical. It is seldom in position to provide the analysis and integration of substantive policy that environmental issues require. At best it may require the administrative agencies to iron out their differences and coordinate their efforts. Meanwhile the basic environmental issues at stake may never be posed; the questions that matter most may never be asked.

"The fact is that the federal government is not structured for the effective administration of complex environmental issues. Compensatory measures have been sought through legislation requiring joint consultation and planning in specified cases of natural resources administration. The effectiveness of these measures is difficult to assess. They represent an improvement in environmental policy making over the earlier exclusiveness and competitive behavior of the natural resource agencies. But they are palliatives rather than basic reforms, and their accomplishments are largely at the technical rather than policy level. Nevertheless these legislative requirements for interagency consultation evidence recognition of the need for coordintaion in environmental policies. These measures may prove to be transitional stages toward future and more fundamental reforms, but they do not answer the need for high-level-policy leadership * * *

"Before government can become generally responsible for safeguarding the quality of the biophysical environment, at least three prerequisites must be met. These can be identified and described under the headings:

"*a*. vision and leadership,

"*b*. minimal consensus, and

"*c*. instrumental means.

"*Vision and Leadership*. The first of these prerequisites may be divided for discussion, but must be united for action. Someone must be able to visualize how society can deal comprehensively with its environment before the other prerequisites can acquire a practical relevance. This vision is less an act of individual inspiration than the slow and random accumulation of concepts and ideas from many sources that one day fall into place as a coherent and persuasive doctrine of social responsibility. To make this vision meaningful and to catalyze consensus is the function of leadership. This function is not only one of interpretation; it is also one of integration. The diversity of interests and values of people in relation to the biophysical environment are major factors in the fractionalizing of public responsibility. Comprehensive environmental policy becomes possible only when a sufficient number of these diversities and resulting conflicts are reconciled, adjusted, or transcended to permit the degree of consensus needed for public action.

"*Minimal Consensus*. The level of consensus necessary for public action will of course vary with the character of society, with the political situation, and with the issue upon which consensus is sought. Under effective authoritarian rule, minimal consensus may be very minimal indeed. In open, democratic, politically active societies, a large percentage of the population—perhaps a strong majority—must be agreed on basic legislative concepts. However, on specific issues, such as those affecting environments, agreement among small but relatively influential minorities may be sufficient for public action. The history of rivers, harbors, and reclamation projects illustrates the way in which the machinery of government can be mobilized on behalf of relatively local, minor, and short-term interests. It is also true that public action on behalf of unique habitats or specific natural areas and wildlife has often been the work of dedicated minorities. But for comprehensive public policies some breadth of popular consensus must be won. The efforts to enact the federal Wilderness Bill illustrate the ways in which a necessary minimal consensus is developed.

"Public action on behalf of these projects (good, bad, or indifferent) is possible because of a vague, inarticulate consensus that public "improvements" or conservation of resources are in the public interest. Lacking an adequate comprehension of ecological cause-and-effect relationships and of a strong or clearly defined concept of environmental values, Americans generally tend to be apathetic and uncritical in matters of environmental change. To arouse public interest, environmental issues have to be posed in most dramatic form, as in Rachel Carson's *Silent Spring*. Efforts to institute more comprehensive environmental policies and controls in government characteristically meet the concerted opposition of natural resource users whose economic interests are threatened, without gaining support from the public-at-large that is the intended beneficiary.

"Absence of consensus for comprehensive environmental policy is no more inherent in our social or political system than formerly was absence of consensus for old-age insurance, employment security, or space exploration. Prior to the forming of a minimal public consensus on these matters, their realization through public action seemed quite as hopeless as comprehensive environmental administration seems today. Crisis is often a creator of consensus, and ideas widely viewed as utopian may, under compelling conditions, become public demands. The economic debacle of the early 1930s wrought changes in public opinion that made possible sweeping innovations in public law and policy for which only a few years earlier no popular consensus could be found.

"The crises of environmental change, however, tend to be 'quiet crises.' The more violent environmental catastrophes (fires, floods, drouths, and earthquakes) tend to be viewed as discrete events or 'acts of God,' and the remedies sought are characteristically directed to the event itself with little regard to the combination of circumstances which made the event, in man's view, a catastrophe. Thus, millions are spent in an ultimately futile effort to contain floods rather than to follow the less costly and more dependable course of environmental planning. But the more widespread and ultimately more disastrous environmental changes are those occurring so slowly and steadily as to escape attention until possibly irremedial harm is done. Cumulative environmental poisoning by wastes, pesticides, or radioactive materials proceeds in this unobtrusive manner. Soil erosion and depletion, disappearance of wildlife habitat, breakup of open space, spreading deterioration of settled areas both urban and rural are other examples of progressive environmental decline with which government, as now constituted, is poorly equipped to cope.

"*Instrumental Means*. The machinery of government may have been adequate to do what it was originally intended to do. But it falls short of adequacy in the performance of many of the tasks that confront it today. It has not, for example, been intended for the coordinated public management of the biophysical environment. Law and the weight of judicial precedent tend to favor particularist interests—ecological concepts and the public interest in its environment are as yet inadequately developed in American legal doctrine."

"6. Brewer, Michael, 'Resource Quality: New Dimensions and Problems for Public Policy,' In *Natural Resources: Quality and Quantity* (University of California, 1967, pp. 197–212)

"If natural resources are to be managed in conjunction with plans for economic growth or broad qualitative objectives, the programs and policies of the various action agencies must be coordinated. To achieve this, planning must be comprehensive enough to incorporate the programs of all the agencies concerned. Planning on a broad scope can best be accomplished in a single, central unit, which would provide guidelines for the policies and programs of the operational agencies.

"The functions of this resource analysis unit may be considered in two major categories. The first includes the following functions: (a) the identification of relevant problems for analysis; (b) the acquisition of adequate and timely data; (c) the competent performance of the research and analysis these problems involve; (d) the development of analytical methods and procedures that are relevant for the analysis of resource policies.

"A second category of functions is needed if the results of the analytical unit are to provide a basis for resource policy: (a) the assessment of the implications of such analysis for existing programs and policies; (b) the making of this information available to resource agencies and to the public; (c) the utilization of the information within the decision-making process.

"Performance of these functions requires certain properties or conditions within the analysis unit:

"1. A broad perspective must be established and maintained. The scope of concern must include all natural resources so that their interrelationships may be considered in the formulation and analysis of relevant problems. Such a scope has been approached at the regional level in the development of plans for river-basin development, but it is not broad enough, in terms of the resources or the geographical areas considered, for the functions identified above.

"2. Long-run shifts in resource supply and demand and their relation to economic growth must be considered if federal research, development, and management are to elicit the greatest contribution from our natural resources. More research is needed on the timing of resource planning and management.

"3. Multidisciplinary skills are needed in the formulation of policies, and the interrelation among the physical, biological, and social sciences must be more clearly understood.

"4. There should be access to both governmental and nongovernmental analytical skills, facilities, and data.

"5. Specification of the research problem, selection of data, and interpretation of the analytical results should be objective and free from bias.

"One of the obstacles in achieving a research analysis unit is the unwillingness of the resource agencies to create a superauthority for planning, whether it be a department or an office under an independent authority. Another obstacle is the unwillingness of Congress to relinquish its traditional political role in specifying the alternatives for resource programs.

"The first obstacle may be likened to the difficulties encountered in proceeding from an oligopoly to a monopoly. The executive agencies have proceeded in a *quid pro quo* pattern in the past. Their relationships and alliances within the executive branch and with Congress have been predicated on this *modus operandi*. A new pattern of deciding what needs to be done and who will do it holds the threat of uncertainty for individual agencies. New lines of communication, bargaining, and mutual reinforcements would be required to protect and perpetuate agency interests.

"Similarly, Congressional objection stems from the threat of losing a historical position as initiator of policies for federal resource development. With the important exception of agriculture, legislative committees, including the substantive and appropriation bodies in both houses, have initiated federal policies on natural resources, thus reversing the traditional 'proposing' and 'disposing' functions of the executive and legislative branches.

"One significant distinction between the executive resource agencies dealing with resources and the Department of Agriculture has been the strong research tradition of the latter. Even before the organization of the Bureau of Agricultural Economics, the Department fulfilled research functions greater in scope and with a more adequate technical staff than was true of the Department of Interior or other resource agencies. This strong research arm led to an intradepartmental analysis of problems and possible solutions that culminated in strong proposals for national policy. Other resource agencies, lacking the tradition, the proficiency, and the reputation for research of high professional quality, were handicapped in this regard.

"Furthermore, there was greater legislative interest in resource development programs than in agriculture. These programs meant brick-and-motar projects with their immediate impact on local employment and prospects for tangible monuments to the beneficence of local representatives. This strong motivation for control over programs and policy initiatives by the legislative branch and the increasing competitiveness among the executive resource agencies led to an accumulation of power in the legislative domain. Paralleling this shift, the office of Secretary of the Interior has become less effective in executive branch coordination for national resource policies. Indeed, since the 1930's this function has been increasingly taken over by the Budget Bureau. This unit, however, in the capacity of 'broker' for all administration policies, is not structured or staffed to perform this task for the natural resources sector.

"The inevitable result has been alliances between the individual resource bureaus and agencies and the legislative committees. The resulting proposals have often been initiated by the legislative bodies, fitted into the mission-oriented rationale of the resource agencies, and forwarded to the Budget Bureau. At this juncture the Budget Bureau attempts to transform the Administration's proposals into legislation. In the process there is substantial *quid pro quo* 'trading,' during which many of the original proposals may be scrapped. The important point, however, is that no coordinated set of proposals is considered and, of even greater importance, no overall guide for integrated development of resources emerges.

"While there are no indications that a central analysis unit will be established in the immediate future, several concrete steps recently taken show an awareness of the need for comprehensive, coordinated planning to deal with the problems of natural resources quality. These changes effectively broaden the scope of research in two important areas.

"Evidence of the first type of change may be found in the Bureau of Outdoor Recreation, initially established in 1961 to provide a 'secretariat' for the President's Recreational Resources Council. This Council, parallel in structure to the Water Resources Council, was comprised of the secretaries of the four resource departments and reported directly to the President. Staff for the agency was to be provided by the Bureau of Outdoor Recreation, housed in the Department of the Interior, but staffed by all departments represented on the President's Recreational Resources Council. Ambiguity in the wording of the executive order establishing the office made it uncertain whether the Bureau was to become an integral organ of the Interior Department, a multidepartmental entity reporting to the Council, with secondary responsibilities to all participating departments.

"Some of the original ambiguity has been clarified. The Bureau's budget became a separate item in the 1965 budget, and its staffing has proceeded independently of the Department of Agriculture, the Corps of Army Engineers, and the Department of Health, Education, and Welfare. The Bureau of Outdoor Recreation seems to be evolving into an integral part of the Department of the Interior. Having no physical programs, the Bureau has been oriented toward the Office of the Secretary. Thus in its research function it will deal with problems relevant to the entire Department of the Interior. It remains to be seen whether it will make recommendations on the management of individual resources, such as water or grazing, which would unify the impact of various resources on recreation.

"A parallel development is the recent passage in the House of the Watershed Planning Act, which legitimizes the *ad hoc* Water Resources Council and provides a basis for the Council to assemble its own staff. Here again is the possibility of establishing research competence adequate to promulgate policies and guidelines for problems of resource quality.

"If this trend is continued, the executive branch should be able to initiate resource policies and programs that take explicit account of quality objectives. Federal policies for natural resources would then be more closely in line with those for agriculture, restoring the traditional function to the executive branch of the federal government.

"Simply to criticize existing policies and programs for their failure to stress the quality of natural resources is neither meaningful nor constructive. The present resource agencies are not well constituted to perform the research and planning needed to achieve a comprehensive program. The Administration appears to be building up research and planning competence in several interagency organizations. While this approach will help the federal establishment deal with qualitative problems, it does not seem fully adequate for coping with problems involving key programs in competitive departments. Problems of this type require an authority with super-cabinet status. Although other demands prevent the President from giving these issues more than a small percentage of his time, their political leverage is high—perhaps sufficiently so that these decisions will always remain a Presidential function."

"7. Long, Norton E. 'New Tasks for All Levels of Government' in *Environmental Quality in a Growing Economy* (Johns Hopkins Press, 1966, pp. 141–155)

"There is some evidence that the President is aware of the highly limited range of the indicators that are at present included in his reports to the Congress and the public. The statistics are narrowly economic and even narrow within economics. A State of the Union message that deals with a more inclusive and more broadly relevant body of data representing the human condition is badly needed. The philistinism that has concerned itself more with statistical accuracy than relevance, and that has eschewed the qualitatively significant for the quantitively measurable, distorts the public definitions of the situations that confront us. We are in important ways the prisoners of the measures that now determine the facts we collect and hence the limited and peculiar range of facts to which we attend.

"Indicators of environmental quality need to be built into the national public reporting system at the Presidential level. This would be a major policy and institutional change, for it would place front and center a definition of what the situation is and what it is becoming. The fact that measurements cannot be precisely made is no excuse for not making them, especially if what is possible is vastly better than doing nothing. We need to realize that standards are tools that serve our purposes and are created out of human efforts. They do not emerge fully accredited from nature. To await such a miracle is to avoid the necessary political task of hammering out agreement on purposes and the necessarily imperfect, but improvable, means of their attainment."

"8. Beuscher, Jacob H. 'Some New Machinery to Help Do the Job' In *Environmental Quality in a Growing Economy* (Johns Hopkins Press, 1966, pp. 156–163)

[Commentary on Norton Long, see 7 above]

"We * * * need within the Office of the President a Council of Environmental Advisers. As Professor Long indicates, the Office of the President is a logical center for a coordinated national reporting system on environmental quality. In the absence of such a co-ordinating mechanism, there will be separate caches of pertinent scientific, engineering economic, and other data in a number of agencies. Besides, as Professor Long also points out, standards and indicators of danger need to be evolved. As he says, they will not emerge fully accredited from nature. Where the environmental problem involves more than one bureau, as it often does, we cannot rely on separate agencies to cross bureaucratic lines. As technology constantly changes, we need to bring together related facts and set integrated standards. When line responsibilities are assigned to public agencies in the resource or environmental field the agencies become myopic to problems. They also are prone rather quickly to fill up the assigned regulatory field with lots of rules and regulations, and then to be rather unresponsive to change indicated by new technological knowledge.

"So it would be well to have in the Office of the President a small group of highly trained scientists, economists, and public administration experts as technical integrators constantly checking with the data collectors, the analyzers, the certifiers, the standard makers and the regulators in the various federal agencies. They would keep a centralized bank of selected .data, check out interrelationships that might escape the individual agencies and report to the President, thus making his pulpit more effective. They would also recommend to the President, as needed, the appointment of special task forces for particular environmental evaluations.

"Also needed at the national level, but outside government, is a foundation-financed Environmental Action Clearing House. Its library on environmental quality would be complete and current. Its reports would present in laymen's oversimplified terms central issues and problems in the field. It would be a source of up-to-date information about institutional experimentation and innovation in the field, including new administrative and legal techniques. For example, the latest information on open space easements, affluent charges, flood plain regulation, and scenic zoning would be available here."

"9. *Report of the American Association for the Advancement of Science Committee to advise the board of directors concerning studies of chemical and biological agents that alter the environment, 1967*

"For three billion years, life has developed in intimate relationship with its environment. The effectiveness of environment in sustaining abundant life has been based on its tendency to approximate an open thermodynamic steady state, using solar energy in the elaboration and recycling of nutrient materials. This pattern, essential to the future continuance and well-being of life, is vulnerable to human interference, whether for good or ill.

"In 1859, Darwin demonstrated that environmental conditions have exerted a selective influence on survival and reproduction. In 1863, Marsh produced evidence that man had become a major 'natural' force capable of profoundly modifying his environment and of lowering or destroying its potential. Man does modify the environment; he has to use it. But it is the only environment man has, and the long-term consequences of what man does are not always predictable. The accelerating and highly visible effects of human activity upon terrestrial space, soil, air, and water have now become matters of grave import.

"Man's relation to the environment is surely one of the most important problems facing society today. Yet these changes are still of limited public concern and have been given insufficient attention, especially by natural and social scientists.

"Constructive action will require a deeper understanding of cultural values and their change over time, motivational changes, and new institutions, for little can be effected through uncoordinated individual enterprise. Fortunately, the world's fundamental ecological system is sufficiently open and flexible to permit a range of choice in planning and policy making. Wise choices and social arrangements that assure their widespread adoption must rely upon sound and ample information from the natural and social sciences, widely disseminated.

"We therefore recommend the establishment by the AAAS of a continuing Commission on the Consequences of Environmental Alteration.

"One objective of the Commission on the Consequences of Environmental Alteration would be to facilitate the development of disciplined means of collecting information, planning, studying, and controlling large-scale technological interventions into natural systems. For example, the Commission might establish committees of specialists to anticipate large-scale interventions or to detect them at an early stage, and might also consider the establishment of agencies for early recognition of unexpected effects. The Commission might thereupon undertake an inquiry into the proposed technological process to determine what information would be required to evaluate, in advance of enactment, the full range of effects of the proposed intervention.

"Another objective would be the development of suitable procedures to regulate large-scale experimentation that is likely to produce changes in the biosphere and atmosphere that would adversely affect other types of scientific research.

"In cases of technological intervention or large-scale scientific experimentation in which it is not possible to anticipate all of the consequences that might turn out to be harmful, suitable procedure would call for designing into the plan means of stopping the intervention or the experiment if damaging consequences begin to appear.

"A third objective of the Commission would be to foster increased understanding of and improved education about the environment and man's relation to it. Better understanding and education are desirable at several levels.

"Improved public understanding is essential, for successful methods of preventing great and perhaps irreversible damage to the environment will often require public financing and public acceptance, and may require changes in law or in social customs or institutions.

"At neither undergraduate nor graduate level are there now adequate opportunities for the study of the kind of problems with which the Commission would be concerned. In most cases, these problems do not fit into the confines of single disciplines. They are not currently 'fashionable' in science. Some are complicated and difficult. Sometimes it takes a long time to get answers to research questions. But the importance of the problems mentioned above is beyond question. One of the functions of the Commission will be to encourage colleges and universities to develop training opportunities and research arrangements appropriate for students who wish to work in this challenging area.

"Communication of information, research findings, and the analysis of problems to scientists will also be an objective of the Commission.

"One of the tasks of the Commission would be to review, keep informed about, and sometimes to help publicize or disseminate reports of studies conducted by the National Academy of Sciences, the Ecological Society of America, the Conservation Foundation, the National Audubon Society, the National Center for Atmospheric Research, the Environmental Science Services Administration, the U.S. Public Health Service, the U.S. Department of Agriculture, industrial laboratories, and other agencies that may be concerned.

"The Commission, perhaps itself or perhaps through specially appointed committees or panels, would conduct studies of particular problems.

"On occasion, it may be desirable for the Commission to make arrangements to have studies conducted by others. We recommend that the Board of Directors consider requesting the National Academy of Sciences to arrange a continuing study and scientific record of the effects of chemical and biological warfare agents on soil, biota, and human health.

"If the Commission is to be effective, it is essential that the Association provide a staff aide who is professionally qualified.

"Membership of the Commission should be broadly representative, for the problems it takes up should be considered from social and esthetic as well as scientific and technical points of view.

"Both continuing financial support for the Commission and its staff and special financing for particular studies will be required.

"The Commission should be able to call upon the other resources of the Association. One means of communication to scientists would be through symposia at the Association's meetings. One possibility would be to organize symposia that would bring together the interests and resources of several disciplines in the analysis of the manifold effects the automobile is having on the environment. Similarly, other products or developments that have brought about widespread changes in the environment could be analyzed in public symposia."

"10. *Special Analyses, Budget of the United States 1969:* Analysis J—"Federal Research, Development, and Related Programs", p. 141 (U.S. Government Printing Office, 1968)

"ENVIRONMENTAL QUALITY

"Increased attention is being given to the review and evaluation of the total Federal effort related to control and abatement of pollution. The ongoing Federal effort in 10 agencies involves approximately $250 million for research, development, and demonstration work relating to the control of pollution. In April 1967 a Committee on Environmental Quality was established by the Federal Council for Science and Technology. The Office of Science and Technology, with the assistance of this Committee, will give additional attention to balance and priorities in scientific and technical aspects of Federal programs. Also advice will be provided by a continuing Panel on the Environment which is being established by the President's Science Advisory Committee."

EDUCATIONAL TELEVISION

Mr. BURDICK. Mr. President, KFME, an educational television station operating on channel 13 serving a large area of eastern North Dakota, is celebrating 4 years of great service to this area. Through the schools, colleges, as well as television sets in the home of citizens in this broad area, KFME has been a dynamic force for the education of our people.

Information, education and improvement have been the stock in trade which this television service has offered to our people while operating on a budget that is pale in comparison to other efforts in this area. To those who have donated so much of themselves to make this station a reality at its inception as well as continually improving in its development, we should take the time to pay special tribute.

MILITARY GRANT AND SALES POLICIES IN LATIN AMERICA

Mr. FULBRIGHT. Mr. President, yesterday I inserted in the RECORD two excellent articles on U.S. military grant and sales policies in Latin America. The articles appeared in the Washington Post over the byline of John M. Goshko.

Mr. Goshko's third and last article is up to the high standard of his first two articles.

I ask unanimous consent that this article in the Washington Post of February 6, 1968, be inserted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 6, 1968]

SHIFT BY UNITED STATES IS CRITICIZED—JET DEALS SNARL LATIN POLICY

(By John M. Goshko)

LIMA.—Defense Secretary Robert S. McNamara had some soothing words not long ago for Congressmen who feared the Alliance for Progress might fall victim to a Latin American arms race.

Testifying before the House Appropriations Committee last April, he said: "We have sought, with considerable success, to avoid diversion of Latin American resources to the creation or support of unnecessarily large or sophisticated military forces."

A Defense Department "fact sheet" issued later said: "The Latin American nations have not been acquiring large amounts of heavy equipment. In contrast to most other areas of the world, there are no supersonic aircraft in Latin America."

Now, less than a year later, these reassurances echo mockingly over the shambles of U.S. arms policy toward Latin America. At home and abroad, it has been charged that this policy is inconsistent, hypocritical and at cross-purposes with professed U.S. support of the Alliance.

In Congress, the controversy became so heated that it threatened to scuttle the whole foreign aid bill. The legislation that finally emerged is so imprecise about future arms shipments to Latin America that aid and policy administrators say they don't understand what it means.

LATINS TO GET JETS

The blowup was triggered by the news that Peru plans to buy 12 to 16 supersonic French Mirage jets, that Brazil is almost certain to do the same and that Argentina is negotiating for modern French AMX-30 tanks.

In reacting to the challenge of the French arms industry, the Johnson Administration has seemed to critics to be abandoning past U.S. efforts to keep sophisticated weaponry out of Latin America.

Suddenly, Washington reversed a longstanding ban on the sale of the Northrop supersonic F-5 Freedom Fighter to Latin air forces. While Administration spokesmen deny that this signaled a switch in policy, they concede that the F-5 embargo was lifted in hopes of blocking France's invasion of the Latin arms field.

They see a danger of Latin armed forces' turning increasingly to France and other European arms vendors. And this, they warn, would shatter the monopoly that the U.S. has held since World War II over the training and advising of Latin military forces.

PRICE FOR COLLABORATION

Their argument amounts to an acknowledgment that the U.S. must pay the price of military assistance for the political collaboration of the Latin armed forces. In the eight years since Fidel Castro came to power in Cuba, Washington has given high priority to maintaining the Latin military as a force capable of checking Castroite subversion in the Hemisphere.

Opponents of this thesis say that if the purpose of close ties with the Latin military is to strengthen its capacity to fight guerrillas, the Latins should be equipping themselves primarily with such counterinsurgency weapons as small arms, grenades, jeeps and helicopters.

SEE SELVES AS DEFENDERS

There has not been a war between two Latin American countries since 1942, and observers discount the probability of another. But this has not stopped most Latin military leaders from nourishing the fiction of the danger of invasion by hostile neighbors. Thus they emphasize buying planes, tanks and warships—things that gratify their pride.

U.S. policy-makers have long anticipated that some modernization of the Latin arsenal would become inevitable as old equipment requires replacement. The question is whether U.S. efforts to be accommodating can be kept to reasonable levels.

State Department and Pentagon officials quote statistics to show that the Latin arms race is really an "arms crawl." They note that the region's combined defense expenditures currently average only 12.7 per cent of total government expenditures. Of the combined Latin defense budgets, only 10 per cent—about $200 million—goes for military hardware.

U.S. RESTRICTIONS

The U.S. Congress has set a ceiling on the total value of military assistance and sales, exclusive of training. Including training activities, the U.S. military assistance package in Latin America is now running about $98 million annually. This figure will drop during the coming year because the current aid bill cuts the statutory ceiling from $85 million to $75 million.

This, officials point out, is only about 7 per cent of all U.S. foreign military assistance and only 7 per cent of total U.S. aid to Latin America. The statistics, they say, hardly support the conclusion that the U.S. is unduly abetting an arms race.

A reply might be that Latin America's social and economic ills are as large as the amount of money available to cure them is small and that siphoning millions of dollars away from urgent social problems into arms buying makes the Alliance for Progress meaningless.

BROTHER OFFICERS

Most U.S. military advisers have a "brother" officers sympathy with the Latins' desire for advanced equipment—regardless of its utility.

Since the French began flirting with the Latin military, many U.S. advisers have also argued that the U.S. stands to lose the financial benefits of Latin arms sales. The reaction in Latin America has been to decry the "hypocrisy" of the United States in rushing forward with supersonic planes when it appears the money will go to Paris rather than Washington.

All this has increased the number of critics, especially in Congress, who believe that the attempt to stay out in front of competing arms merchants can only increase the Latin military's power at the expense of the Alliance for Progress. Many think the U.S. should refuse to sell Latin America anything but internal-security weapons. Some even want to discourage Latin countries that persist in buying planes, ships and tanks by refusing them credit assistance and by making reductions in nonmilitary aid.

A watered-down version of this idea, directing President Johnson to cut aid to countries whose arms purchases he deems "excessive," is written into the current foreign aid bill. But because it fails to spell out standards for excessiveness, its main effect seems to have been to cause confusion in policy-making circles.

Most U.S. officials look with dismay at the use of aid as a lever for holding down the arms race. They think it would cause the proud Latin military to become more stubborn and accelerate its movement away from U.S. influence.

DISSENTING VIEW

Advocates of a tough line concede that punitive aid reductions would cause some hard feelings, and that civilian government programs would be penalized by disciplinary moves aimed at the military.

But, in the long run, they believe the military would also feel the pinch. Until the armed forces are willing to accept a reduction of their powers, they say, chances of making real progress in Latin America will be minimal, anyhow.

These critics are not disturbed by fears that France or other nations might replace the U.S. as mentor of Latin armed forces.

France's basic interests lie elsewhere, they point out, and the de Gaulle government has neither the resources nor the ability to do much in Latin America.

It is unlikely that the Johnson Administration would test a tougher line over the long haul that would be necessary for it to show results. But U.S. policymakers concede privately that arms policy toward Latin America has run off the rails.

NEW APPROACH URGED

No one seriously believes the wreckage can be put together again simply by deciding to sell the F-5. Everyone agrees a new approach is needed. But so far there is no consensus on what it should be.

Some favor a modified get-tough line using the carrot as well as the stick. Others would attempt to win agreement from all arms-producing countries not to exploit the Latin market. Still others hope the Latins themselves can be induced to get together and agree on voluntary arms limitations.

But it is doubtful that any of these ideas can be realized in the foreseeable future. The Latin armed forces will probably continue in their present course, and the U.S. is likely to find justifications for giving them what they want.

PROFILE OF LATIN MILITARY

Country	Armed forces personnel (in thousands)	Population (percent)	Defense budget as percent of gross national product	Number of fighters	Total air force planes
Argentina	137	0.6	2.1	70	375
Bolivia	15	.4	2.0	4	70
Brazil	194	.2	3.2	40	625
Chile	60	.6	2.5	41	221
Colombia	48	.3	1.3	6	150
Costa Rica	1	.1	.4	....	....
Dominican Republic	19	.5	3.9	40	110
Ecuador	20	.4	2.0	18	60
El Salvador	5	.2	1.2	6	40
Guatemala	9	.2	.9	15	40
Haiti	5	.1	2.1	4	25
Honduras	4	.2	1.2	20	50
Mexico	68	.2	.8	30	200
Nicaragua	7	.4	1.6	19	60
Panama	3	.3	.1	....	....
Paraguay	20	1.0	2.1	....	35
Peru	54	.5	3.1	70	250
Uruguay	15	.6	1.5	10	60
Venezuela	30	.3	2.2	60	240
Total	720	.3	2.4	453	2,611
United States	3,387	1.7	9.2	....	20,658

From tables accompanying "The Latin American Military," published by a subcommittee of Senate Foreign Relations Committee. Most figures are for 1966. U.S. Government figures are for last year.

VIETNAM: THE AMERICAN DILEMMA

Mr. SYMINGTON. Mr. President, in the Wall Street Journal today there is a thought-provoking lead editorial "Vietnam: The American Dilemma."

In that this editorial emphasizes that aspect of the conflict which has long given me apprehension, I ask unanimous consent that it be inserted at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

VIETNAM: THE AMERICAN DILEMMA

The savage Communist attacks on Saigon and the provincial capitals underscore what has always been a fundamental question about the American involvement: The quality of the determination of the South Vietnamese government and people. In turn, the question poses a warning for the U.S.

It may be true, as Secretaries Rusk and McNamara were maintaining Sunday on "Meet the Press," that the enemy failed to win a military victory or take any city, although fighting was still going on in Saigon yesterday and the Reds held large sections of Hue. True also that, in this type of war, neither the South Vietnamese nor the U.S. forces can wholly protect the cities and the populace from terrorist assaults.

Granted, further, that the politically conscious elements of the population are at least vocally anti-Communist. The peasantry may be largely apathetic or understandably eager for peace at almost any price, but the government officials, the political parties and the religious sects sound firm in refusing to submit to Hanoi's domination.

None of this, however, exercises the grim doubts about the viability and will of South Vietnam as a nation we are trying to help. Something, our Mr. Keatley writes elsewhere on this page today, must be awfully wrong.

The fact that the Communists were able to infiltrate on such a scale and do so much damage is strong ground for suspecting that they had the covert support of some nominally anti-Communist South Vietnamese, perhaps even within the government. No one knows that the Vietcong-North Vietnamese objective actually was to capture cities or overthrow the government; the aim may have been that which has been accomplished—a terrible demoralization, showing up, for all the South Vietnamese (and the U.S.) to see, the frailty of the government and its military forces.

Mr. Rusk and Mr. McNamara, while claiming the Communists had failed militarily, had to concede that they had inflicted severe psychological blows. In the thoughtful words of Max Frankel of the New York Times, increasingly the name of the game out there is who can protect whom from whom. The South Vietnamese government, with all the vast aid of the U.S., has revealed its inability to provide security for large masses of people in countryside and city.

The U.S., of course, has all along been haunted by the specter of the South Vietnamese nation dissolving, as it were, before its eyes. For our part, we have said from the beginning that the outcome of the U.S. efforts would be in doubt unless the government and people were fully committed. It may be a cliche, but in the long run the U.S. cannot effectively give military aid to another country unless that country is determined to help itself stay out of the Communist grip.

Now we suppose the Saigon government will manage to stay in power, or if it goes there will be another, as there have been so many. But if it doesn't really have the support of most of the people or the ability to save them from nation-wide terror and murder, how good is it? What, indeed, is the U.S. trying to save?

This same South Vietnamese government, moreover, is showing something of an anti-American bias. It will not take the steps our authorities consider essential: Make a full war effort, get the South Vietnamese army in fighting shape, crack down on the unspeakable corruption and inexcusable misallocation of U.S. aid. And it tells Washington in no uncertain terms that the Saigon regime is running the show, including the search for peace; it doesn't want bilateral U.S.-Hanoi negotiating.

The temptation therefore may grow for the U.S., out of frustration with the Saigon generals and the slow progress of the war, to take over the nation, keeping a facade government but in fact finally waging a war the way our military leaders believe it should be waged.

Any idea of that sort of escalation, it seems to us, is a counsel of desperation. It would probably mean fighting, for a while, the South Vietnamese military as well as the Communists. More important, it would undermine our case for being there. We are mired down badly enough as it is; let's not make it worse.

One can strive to be optimistic, hoping that the attacks of the past week are the enemy's last big drive before agreeing to peace talks. One can still figure that the dangers of pulling out—in terms of Communist aggression throughout Southeast Asia and maybe beyond—are greater than the dangers of staying in.

Yet it is hard to escape the conclusion that the Communist onslaught has gravely deepened the American dilemma. It raises in the starkest form not only the question of weakness in Saigon but of whether the U.S. effort is reaching a point of diminishing returns.

GUADALUPE MOUNTAINS NATIONAL PARK STILL UNFUNDED—WEST TEXAS CHAMBER OF COMMERCE REQUESTS FUNDING

Mr. YARBOROUGH. Mr. President, in west Texas one of the great sights of our Nation rises above the plains—the Guadalupe Mountains, declared a national park in 1966 by congressional action. These beautiful, rugged mountains will provide an attraction for Americans on vacation for years to come, thanks to this concerted action by Congress. I hope that every Member of Congress who acted on that bill will have the chance to visit this magnificent range, and to view the craggy, colorful scenery which remains one of the great attractions of the wild west.

However, it will be some time now before anyone, Member of Congress or private citizen, will be able to visit the Guadalupe Mountains National Park. The park, although created in 1966 by act of Congress, has not yet been completed; in fact, development of the park cannot yet even be begun. For only one-third of the funds needed to make this area public property, open to all Americans, was appropriated during the last Congress.

The people of west Texas were jubilant in 1966, when they heard that the magnificent range which had so long towered over their western horizon had been declared a national park. Since that time, they have been waiting for it to open, so that they and all Americans could enjoy the country which forms an impressive part of the American West. They are still waiting, puzzled, while reports pour in of overcrowding in our national parks and of insufficient room for the people of America.

Recently, the West Texas Chamber of Commerce, headed by Jack G. Springer and Don Wooten, expressed its concern in a resolution passed at a meeting of the board of directors. West Texas, represented by this concerned body, has long known the beauty which lay in this corner of their State. They urge that Congress act now, that development be begun, that the land be acquired, and the park be opened to the Nation.

Mr. President, I ask unanimous consent that the resolution by West Texas' Chamber of Commerce be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

West Texas Chamber of Commerce, Abilene, Tex.

Resolved, that upon the recommendation of its Special Park Committee, the Board of Directors of the West Texas Chamber of Commerce, in Fall Meeting in Fort Worth, November 30, 1967, respectfully requests and urges the Members of the West Texas Delegation in Congress and Texas' two United States Senators to continue support for funds to acquire the necessary additional land and immediate development of the newly designated Guadalupe Mountains National Park in West Texas;

Be it further resolved, that we again express our appreciation to the above named for their past support and work for the creation of this great new scenic, recreational and historic attraction; and

Resolved further, that a copy of this Resolution—together with our sincere thanks for the leadership shown in this worthwhile project—be sent to Secretary of the Interior Stewart Udall.

JOINT STATEMENT BY SENATORS ON CIVIL RIGHTS BILL

Mr. TYDINGS. Mr. President, yesterday afternoon a joint statement was issued by 35 Senators expressing in unequivocal terms a determination to insist upon protecting all of the activities which would be protected by the Committee on the Judiciary version of H.R. 2516, now pending before the Senate. I am proud to be one of the signers of that statement.

I believe the statement accurately mirrors the mood of the Senate today. When all the talking is done, I believe that we will follow the course staked out by the House of Representatives, which approved a basically similar bill by overwhelming vote last August.

In view of the importance of this statement, I ask unanimous consent that it be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Joint Statement of Senators on Legislation To Protect Against Violent Interference With Civil Rights, February 5, 1968

The following statement was issued today by those Senators whose names are listed below:

"We want to reemphasize our strong support of the Senate Judiciary Committee version of H.R. 2516, which is now the pending business before the Senate. We understand that discussions are going on at the present time about the development of an amended version of this legislation, and we therefore think it relevant to call attention to our position at this time.

"The version of the legislation which is before the Senate is a moderate but extremely vital piece of legislation for which there is the strongest of precedent. The constitutional theory upon which it is premised also underlay the protections which the Voting Rights Act of 1965 provided for persons engaged in voting rights activity. And the Supreme Court of the United States has made it clear in recent decisions that the Fourteenth Amendment approach is constitutional.

"Moreover, all that this legislation seeks to do is to provide a concurrent federal jurisdiction to handle the prosecution of crimes which are or should be covered by and punished under State law. Concurrent federal jurisdiction for the protection of civil rights from violent interference is necessary because state authorities in a great number of cases have not provided adequate protection. In view of this moderate aim, we cannot state too strongly our view that the coverage which is provided by the legislation now pending before the Senate must not be diminished. Whatever constitutional theory or theories are used as the basis for this legislation, we believe firmly that its coverage must not be less than that involved in the Senate Committee version of the bill. Indeed, legislation similar in structure and coverage has already passed the House—by the overwhelming vote of 326–93 on August 16, 1967."

Birch Bayh, Edward W. Brooke, Quentin N. Burdick, Clifford P. Case, Joseph S. Clark, Thomas J. Dodd, Hiram L. Fong, Ernest Gruening, Fred R. Harris, Philip A. Hart, Vance Hartke, Mark O. Hatfield, Henry M. Jackson, Jacob K. Javits, Edward M. Kennedy, Robert F. Kennedy, Thomas H. Kuchel, Edward V. Long, Warren G. Magnuson, Eugene J. McCarthy, Gale W. McGee, George S. McGovern, Thomas J. McIntyre, Lee Metcalf, Walter F. Mondale, Joseph M. Montoya, Wayne Morse, Claiborne Pell, Charles H. Percy, William Proxmire, Abraham Ribicoff, Hugh Scott, Joseph D. Tydings, Harrison A. Williams, Jr., Stephen M. Young.

GOLDEN ANNIVERSARY OF THE UKRAINIAN NATIONAL REPUBLIC

Mr. BURDICK. Mr. President, every day of the year is an appropriate day for us to remember the benefits of freedom and liberty which we enjoy as U.S. citizens. Liberty, justice and equality are things that we should cherish by appropriate moments of remembrance for sacrifices which have been made to guarantee them for us. I have just returned from one of the frontiers of this freedom, from places such as Saipan and Kwajalein where so many Americans have given of themselves during World War II to assure us today of these freedoms.

I think it is also appropriate that we stop for a few moments to remember the sacrifices that have been made by the freedom loving people of the Ukraine who have given of themselves in their efforts to obtain peace and freedom for their people. The golden anniversary of the Ukrainian National Republic is this year, and I feel strongly that this anniversary of the proclamation of Ukrainian independence should be remembered by all people who cherish individual liberty.

It is my further hope that through its inclusion in the Record that the Congress of the United States can make appropriate recognition of the proclamation of Ukrainian Independence Day in North Dakota.

I ask unanimous consent that the proclamation signed by the Honorable Wielean L. Gery, dated January 15, 1968, be printed in the Record.

There being no objection, the proclamation was ordered to be printed in the Record, as follows:

Proclamation

Whereas, On January 22, 1968, Ukrainians in North Dakota and throughout the free world will solemnly observe the 50th anniversary of the proclamation of a free Ukrainian state, and

Whereas, After a defensive war lasting 4 years, the Ukrainian state was destroyed in 1920 and a puppet regime of the Ukrainian Soviet Socialist Republic was installed, later becoming a member state of the Soviet Union, and

Whereas, The once free Ukraine is now no more than a colony of Communist Russia and its vast human and economic resources are being exploited for the purpose of spreading communism, and

Whereas, The United States Congress and the President of the United States of America have recognized the legitimate right of the Ukrainian people to freedom and national independence by respectively enacting and signing the "Captive Nations Week Resolutions" in July, 1959, which enumerated Ukraine as one of the captive nations enslaved and dominated by Communist Russia, and

Whereas, Some 25,000 Americans of Ukrainian descent now living in North Dakota have made significant contributions to both state and nation,

Now therefore, I, William L. Guy, Governor of the State of North Dakota, do hereby proclaim Monday, January 22, 1968, as "Ukrainian Independence Day in North Dakota," and urge all citizens to demonstrate their sympathy with an understanding of the aspirations of the Ukrainian nation to again achieve its rightful inheritance of freedom and independence.

In witness whereof, I have set my hand and caused the Seal of the Great State of North Dakota to be affixed the 15th day of January, 1968.

William L. Guy,
Governor.

EDUCATION IN CONGRESS IN 1968

Mr. YARBOROUGH. Mr. President, "Education, the Fifth Freedom"—President Johnson's message on education—is at once a document of inspiration and disappointment.

It is inspirational because it eloquently invokes the highest aspirations and ideals of this Nation and directs them toward improving the process whereby we impart knowledge to our children. It ranges from preschool to postgraduate education and addresses itself to improving equality of educational opportunity, to bridging the gap between education and work, and to eliminating both economic and racial barriers to higher education.

These are lofty and admirable goals—of that there can be no doubt. But when placed in the context of the funding requested in the budget, these lofty and admirable goals, this inspiration, result in disappointment—in an awareness that perhaps T. S. Eliot was right when in "The Hollow Men" he wrote:

Between the idea
And the reality
Between the motion
And the act
Falls the Shadow

During the last session, Congress passed into law the Bilingual Education Act which I introduced and worked for. Authorization for this vitally needed legislative item was set by Congress at $30 million for fiscal 1969, yet the budget request is for only $5 million. This sort of tokenism will not do for the nearly 2 million Mexican-Americans of our Nation who are cut off from full participation in the educational process by a barrier of language.

BETWEEN THE IDEA AND THE REALITY

In his message the President urged us "to extend and strengthen the Higher Education Facilities Act of 1963." Under this act, Congress last year authorized appropriations of $936 million for construction of undergraduate facilities, yet the appropriation requested in the budget amounts to only $67 million. And under this act, we authorized last year the appropriation of $120 million for the construction of graduate school facilities, yet this has been cut back to only $8 million. I have received a tremendous number of letters from institutions of higher education all over the State of Texas who already are suffering because of the decision to cut back on construction of college facilities.

BETWEEN THE MOTION AND THE ACT

In his message the President announced that he is directing the Secretary of Health, Education, and Welfare to begin preparing a long-range plan for the support of higher education in America. I endorse and embrace this proposal, and last fall introduced legislation—the Universal Postsecondary Educational Opportunity Act—which would accomplish substantially the same purpose.

In proposing the Educational Opportunity Act of 1968 the President urges us to "unify and simplify several student aid programs—college work-study, educational opportunity grants, and National Defense Education Act loans—so that each college can devise a flexible plan of aid tailored to the needs of each student."

The goal of providing flexible aid tailored to each student is admirable, but until the Secretary of Health, Education, and Welfare returns to Congress with an acceptable plan of aid to postsecondary education I urge caution on the Members of Congress in tampering with the loan program set forth in the National Defense Education Act. I pledge myself to scrutinize this section of the Educational Opportunity Act of 1968 with great care to see to it that no erosion is made of the NDEA loan provision.

In declaring another essential human freedom, the fifth freedom—freedom from ignorance—the President has challenged the Congress. He states that—

> We can see a new spirit stirring in America, moving us to stress anew the central importance of education.

But he concludes that—

> That new spirit cannot be fully measured in dollars or enrollment figures.

That "spirit" invoked by the President is the "idea" and the "motion" invoked by T. S. Eliot. And the lack of dollars is Eliot's "shadow." Working within the framework of a limited budget and the need to establish priorities let us strive to prove Eliot wrong; let us keep the shadow from falling.

A CRUMBLING POLICY

Mr. GRUENING. Mr. President, a realistic appraisal which fully confirms everything I have been saying on the floor of the Senate for nearly 4 years, in protest against our military intervention in Southeast Asia, is validated by a full-page editorial comment by Walter Lippmann in the current—February 12—issue of Newsweek magazine.

The administration should take this solemn warning and penetrating analysis by the most knowledgeable of our public commentators to heart and start reorienting, or rather deorienting, itself with the purpose of developing an effective means of withdrawing from our overbloated and overextended position in Asia.

I ask unanimous consent that the article by Walter Lippmann, entitled "A Crumbling Policy," be inserted in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A CRUMBLING POLICY

(By Walter Lippmann)

The seizure of the Pueblo has brought home to us that in the coastal waters of Asia lie the outer limits of our conventional military power. It has been a humiliating affair. But it is only an incident in a chain of events which teaches the same lesson, that the Johnson-Rusk Asian policy is a miscalculation of our own power in relation to the power that can be arrayed against us.

The Pueblo affair has made all but the most irresponsible realize that we cannot afford to have a second land war in Asia. This realization has come to us a few weeks after Great Britain, our only important and independent ally in the world, has announced that she will abandon her role as a military power in South Asia—from Suez to Singapore. This leaves us without the support of a single large power anywhere in the world. The withdrawal of Britain from Asia confirms the total isolation of the United States.

The financial crisis which caused the British decision to withdraw left the dollar exposed and vulnerable. By various devices at home and abroad a crisis has been averted. But if the war in Asia spreads and intensifies, there can be little doubt that these financial devices and palliatives will break down. This may well cause a worldwide financial crisis.

Our international financial troubles have now been capped by the domestic budget. Because it is impossible to foresee the course of the war, it is a mystifying budget. The only certain thing about it is that it marks the end of the great "war" on poverty and the promises of a "Great Society."

Amidst all these troubles we are facing the biggest battle of the war in Vietnam. In this battle, General Westmoreland does not have the initiative.

ATTEMPTING THE IMPOSSIBLE

The series of setbacks would seem to indicate that the Johnson-Rusk policy in Asia is crumbling. What is crumbling is the notion that the United States can by military force determine the order of things on the continent of Asia.

We have had plenty of warning from American soldiers and American experts not to attempt the impossible in Asia. They have told us that we cannot invade and conquer, that we cannot "contain" by surrounding, the masses of Asian peasants.

It is not necessary to read Chinese and Sanskrit in order to understand the essential facts of the strategic and military relationship between America and Asia. It is necessary only to look at a map and to study the statistics. The Johnson-Rusk policy in Asia is based on the assumption that 200 million Americans, because they have a superior technology, can lead and direct the two-thirds of the human race which inhabits the continent of Asia. It cannot be done.

The size of Asia is too great. The distance from America is too great. The distrust of the Western white man's rule is too great. The reluctance of the Western white man to go bankrupt and die is too great. The foundations of the policy are rotten, and they were bound to crumble.

The Pueblo reminds us that in making the strategic mistake of engaging the bulk of our military power at one point, like Vietnam, the response can and will break out at other points. The war is already spreading into Laos, Thailand, Cambodia and Korea. Perhaps it will spread to Quemoy and Matsu, perhaps to the Middle East. The Johnson-Rusk policy of "containment" is like trying to squeeze a gallon of water into a pint-size bottle.

NO VICTORY IN ASIA

The cardinal mistake in Washington has, however, been the failure to realize that the Soviet Union could not and would not allow us to win the war in Asia. This quite self-evident truth has now been reaffirmed by Chairman Kosygin in his interview with Life magazine: "The United States cannot defeat Vietnam. And we, for our part, will do all we can so that the United States does not defeat Vietnam."

Despite the Communist habit of making big threats, this is a very serious statement. For in this case the Soviet Union not only has real reasons for helping Vietnam but it has the practical ability to do what it says it will do. We cannot prevent the Soviet Union from supplying North Vietnam, and we may be sure that China will not interfere.

But besides supplying Hanoi, the Soviet Union can unleash or foment outbreaks at a dozen places from Korea to the Mediterranean. Even the blindest among us can see that the United States, which has no effective ally in the world, cannot have military superiority all over the globe.

Until the miscalculations of our present policy are understood, the formation of a constructive policy in the emerging and awakened Asian continent will not be possible. We are witnessing the frustration of a military policy. Until we have learned the lesson of the mistake which has caused it, we shall have little political influence in Asian affairs.

"PUEBLO" INCIDENT

Mr. BENNETT. Mr. President, I am sure that in dealing with the *Pueblo* crisis the President has heard a great deal from the people back home. I think the same can be said for each Senator and Member of Congress. The American people are very much concerned about the *Pueblo* and have been insulted and offended by the actions of the Korean Communists.

We must accept the fact that the ship was in international waters; consequently this is a very serious act against not only our Navy or the Government, but the American people.

Most of the letters being written to me reflect the grave concern of the people of Utah. Such a letter is one I have received from Mr. Harry J. Glick, who has clearly and lucidly outlined his views on the subject. I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SALT LAKE CITY, UTAH,
January 25, 1968.

DEAR SENATOR BENNETT: This is the first time I have ever expressed my feelings to either a Senator or a Congressman; but this latest Communist provocation regarding the "Pueblo" is enough to move even the most lethargic of citizens off "dead-center."

My father served in World War I and he understood why. I served in World War II and I understood why. My oldest son is a Marine in Viet Nam, and is equally convinced he understands why. Summed up, our family loves the hopes, the promises, the simple secure dreams of being American.

We do not enjoy war; we hate it. We do not revel in militarism: we detest it. We do not gloat over the terrors of nuclear destruction; it frightens and appalls us. Nevertheless, if this be the price of our freedom, our dignity as human beings, our right to exist without a thread-held sword dangling constantly over our heads; then as for me and mine, we'll pay it!

Sincerely,
HARRY J. GLICK.

DAVID SCULL

Mr. BREWSTER. Mr. President, recently I informed the Senate of the untimely passing of David Scull, a dedicated public servant and a personal friend.

At the memorial service for David Scull, his brother-in-law, Blair Lee III, delivered on behalf of the family a statement which illustrated the depth of David Scull's commitment to his fellow man.

I ask unanimous consent that the statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS OF BLAIR LEE III, AT SCULL MEMORIAL SERVICE

DEAR FRIENDS AND RELATIVES: If this were a funeral service, which it is not, it would be a very sad occasion, because we have sustained a great and sudden loss—we in Montgomery County and we in the State of Maryland—we in Metropolitan Washington and we in David Scull's family.

But this is a memorial service. It is a time for remembrance and gratitude—a time to remember what a great and good man this was and a time to be thankful that we had the pleasure of his company—and to be grateful that he left his imprint on the body politic here and on our personal lives.

In a period of time that seemed to spawn angry men on all sides, Dave Scull was a uniformly and consistently happy man. He went about his work with a zest that communicated itself to everyone around him and made the undertaking—whatever it might be—seem so much easier.

Dave had his ups and downs like all the rest of us. He won some elections and he lost some. He negotiated some very successful real estate leases and he had some blow up in his face. He gave the Republican Party a couple of good shakings, and it gave him a couple in return.

Like most of us, he enjoyed the successes, but, unlike most of us, he never let the reverses get him down. He just went on—philosophically and quite happily—to the next order of business.

The fact that Dave was such a happy man adds an interesting dimension to the private social work that occupied so much of his time. This was not the result of some neurosis that needed therapy, nor was it a coldly intellectual response to books and learned papers.

No, the simple fact is that Dave always had a deep and wonderful feeling for people—individually and collectively—and an absolute commitment to the idea of the brotherhood of man. If somebody else was in trouble, Dave was concerned, and "concern" did not mean merely a wringing of hands; it meant doing something about it. The creation and development of Emergency Homes, Inc., is perhaps the classic example of what I'm talking about.

There is no doubt in my mind that this wonderful attitude had a strong religious orientation and that it tapped some wellspring deep in the Philadelphia Quaker heritage that was his.

Dave enjoyed working for people and he also enjoyed organizing them for useful purposes. This brought him first to the United Givers Fund and then—inevitably—to party political activity. His organizational talent was matched by an utter disinterest in the old doctrine of party regularity. This led him into some extraordinary situations which have been amply recounted in the press.

He hewed to a very straight line, and there were chips all over the landscape.

In public affairs, as distinguished from party affairs, Dave's career was as brilliant as it was short.

It seems incredible that he actually held public office little more than two years—briefly on the Park Planning Commission, briefly as President of the County Council and very, very briefly as President of the Council of Governments of Metropolitan Washington—because in that brief span he set in motion so many things and brought so many of them to actual fruition.

In his public career Dave Scull embodied a fascinating blend of idealism and pragmatism—which is, I suppose, another way of saying that he was a practical and a very effective do-gooder.

Great leadership cannot be found in the idealist who is divorced from reality to the point that he never accomplishes anything—nor in the pragmatist who gets so involved in technique that he loses sight of his objective.

Dave steered a sure course between those two hazards. He figured out the right direction to go and he knew how to get there. He was a real leader.

Like many another good leader, he was thoroughly impatient of delay—of legal complication and administrative detail—a characteristic which perhaps ought to be in greater supply in a world which seems bent on strangling itself in its own red tape.

But Dave's real genius was his ability to see the big picture clearly . . . to figure out the right answer to the tough problem . . . and then to attack it with skill and courage.

I should like to conclude by addressing a word of advice to the baker's dozen of Dave Scull's young nephews and nieces—my brother Brooke's children and my own—who are here today. And I shan't object if it is heeded by others as well.

You loved and admired your Uncle Dave. That I know. If you want to erect a memorial to him, build not a tangible structure, not a stone monument. Build your memorial in your hearts and in your minds. Mark well the example of this man. Recall the grace, the compassion, the courage, the commitment to mankind.

When your time comes to go out into the world, remember the way Uncle Dave did it—and go thou and do likewise.

PRESIDENT JOHNSON'S CONSUMER PROPOSALS DESERVE SPEEDY ENACTMENT

Mr. LONG of Missouri. Mr. President, President Johnson's eight-point program for consumers submitted today to Congress proves again his determination to be the consumer President. I would like to see the 90th Congress become the consumer's Congress, and I think we are well on our way to earning that designation.

In the last session, we enacted four important consumer bills, among them a very progressive Meat Inspection Act. We now have before us eight more bills included under the administration's consumer program. The new bills the President proposes in his 1968 message will help round out a very solid and lasting consumer program.

I am particularly pleased that the President is calling for an expansion of the Federal Trade Commission's power to protect consumers from home improvement flimflamming. Summertime sales and autumn defaults have become a nationwide problem and something must be done about it.

Too many people—particularly the old and the poor—are being swindled out of their savings or their homes by fraudulent promises of home improvement and other sales rackets.

The Deceptive Sales Act, which President Johnson has proposed, would merely empower the FTC to obtain injunctions against frauds while the practices are tried before courts or are being heard by the Commission. This is no minor matter, however, for frequently even the most blatant swindles can keep their legal battles running for years while more and more Americans are being ruined by them.

I think we should move swiftly and assuredly to give the FTC the powers it needs to turn back the tide of fraud that could easily flood the American marketplace.

President Johnson has reminded us on many occasions that no laws are more basic to the people's welfare than is consumer legislation.

The President is determined to promulgate a new Consumer Bill of Rights built upon the foundation of new laws and protections.

I believe the 90th Congress will join with the Johnson administration in making these rights a reality for all.

THE PRESIDENT'S CONSUMER MESSAGE

Mr. BREWSTER. Mr. President, President Johnson's comprehensive consumer message cannot help but impress us all with its scope and aggressiveness.

Each of the items proposed deserves to be acted upon early in this session of Congress.

A few months ago the Washington Post shocked the Washington community with stories about abuses in the home improvements field. Such abuses should not be allowed to continue, and I welcome the President's proposal to expand the powers of the Federal Trade Commission to stop fraudulent and deceptive practices by obtaining a Federal court injunction. The Federal Trade Commission needs the power to go after the problem as soon as the abuse is discovered.

In addition to this new administration proposal, there is another measure which, if passed, will provide further protection against sales abuses. S. 1599, introduced in April 1967, by the Senator from Washington [Mr. MAGNUSON], with myself as cosponsor, gives the buyer a "cooling-off period" in which he can cancel a sales contract entered into in his home. Hearings on this bill will begin March 4, and I expect the Consumer Subcommittee will hear ample testimony on the need for protection of this sort.

I should like also to draw attention to the portion of the consumer message devoted to automobile insurance, long an area of major concern to those interested in consumer protection.

Proposed legislation is pending in Congress today to authorize the Department of Transportation to undertake a detailed study of the automobile insurance industry, and the President's proposal in this area underlines the obligation of Congress to act quickly to get the study started. I applaud the recognition the President has given to the seriousness of the difficulties the American consumer faces in obtaining sufficient automobile liability coverage at reasonable rates.

RETURN TO HARVEST OF SHAME

Mr. WILLIAMS of New Jersey. Mr. President, the Subcommittee on Migratory Labor, continues its work of bringing the realities of the migrant labor situation to the attention of Congress. Each Congress, legislation reported by the subcommittee has been enacted with the hope that the tragic situation could be alleviated.

Last night, the National Educational Television Network pictorially and movingly confirmed the economic plight of the migrant farmworker, and demonstrated in pragmatic fashion the enormity of the job remaining to be done. The National Educational Television Journal documentary, "No Harvest for the Reaper?" was an excellent production similar in quality, but little different in subject matter or message, to Edward R. Murrow's "Harvest of Shame" which was first shown 8 years ago. The program has received high praise in the reviews, as evidenced by the New York Times article of February 6, 1968, which I ask unanimous consent to be printed in the RECORD after my remarks.

Although the documentary presented scenes depicting only Arkansas Negroes transported to New York State farms, the same pattern of life is repeated each year throughout the country, and includes over 1 million citizens that are paid miserably low wage rates, and left to the mercy of unscrupulous crew chiefs. Health care is inadequate or totally lacking, and housing is unsanitary and unsafe. Unrestricted child labor is prevalent, and migrant children have little or no opportunities for education. Compounding these shocking conditions is the fact that migrants are excluded from enjoying social and economic benefits available to all other American citizens, such as unemployment, social security, and workmen's compensation insurance; and, farmworkers are excluded from the protections of the National Labor Relations Act. The television program graphically showed living conditions akin to those present in the slave days of involuntary servitude.

The National Educational Television documentary confirmed in all major respects the urgent need for this Nation to meet the goals for which the subcommittee has been working. For example, the film clearly depicted the impact of the low wages received by the migrants for their long hours of work, and confirmed our contentions that coverage of minimum wage legislation should not only be extended to include more workers, but that the minimum rate must be increased.

The need to extend and expand the migrant health program as provided in S. 2688, which I introduced, was also emphasized by the documentary. This legislation, enacted 6 years ago, extended in 1965, but due to expire June 30, 1968, has been a very successful health program for the 23 percent of the migrant families actually reached. The continuing need is indicated by a comparison of the Nation's per capita expenditures for health care: For all citizens—over $200 annually; for Indians—over $320; yet, for migrants—only $8, except for the areas where the program is in effect, then annual per capita expenditure is only $36. The subcommittee has completed hearings on S. 2688, and has reported the bill to the full Committee on Labor and Public Welfare. It is urgent not only that Congress enact this legislation soon in order to keep the program alive, but it is self-evident that an increase in the authorized appropriation of last year is necessary.

The partnership of the farmer with the unscrupulous crew leader was also emphasized and the documentary showed the mechanics and effects of the crew leader's exploitation of workers. Although the need to protect the migrant was partially met in 1965 when Congress passed the Farm Labor Contractor's Registration Act, the problem still deserves continued and special attention, for most crew leaders are still not registered and enforcement of the act is limited by insufficient Labor Department personnel authorizations. Furthermore, as often discussed in the subcommittee's annual reports, the problem will continue to exist until such time as we enact programs to deal with the broader problems of underemployment and unemployment and recruitment of sufficient workers to meet the seasonal labor demands of the industry.

Finally, the film graphically portrayed the urgent need to provide the agriculture industry with the advantages and protections of the NLRA. We must guarantee farmworkers the freedom to organize, and to choose a union to represent them in presenting grievances and in collective bargaining. The NLRA should be made available to provide needed stability in the industry, and to protect the employee, the employer, and unions against unfair practices by providing them with the procedures and processes of the NLRB. Extension of NLRA coverage to the agriculture industry is incorporated in S. 8, which I introduced at this session.

For Senators who did not see the program I urge them to view a repeat telecast on Sunday, February 11, 1968, at 5 p.m.

Furthermore, on February 12, 1968, the National Education Television Network will present yet another migrant worker documentary on the struggle of migrants to gain union recognition entitled "Huelga." I strongly commend this program to them. I ask unanimous consent that the documentary be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

[From the New York Times, Feb. 6, 1968]

TV: EXPLOITATION, 1968—RECRUITMENT OF MIGRATORY WORKERS FOR LONG ISLAND HARVESTS RESULTS IN NEW SLAVERY

(By Jack Gould)

Eight years ago the late Edward R. Murrow cast the spotlight of television on the nation's "Harvest of Shame," the plight of the exploited migratory worker who picks the food that is taken for granted in supermarkets and swank restaurants. Last night Morton Silverstein of National Educational Television did a superb sequel. Nothing has changed.

Under the title of "What Harvest for the Reaper?", Mr. Silverstein studied the cynical recruitment of Negro workers in the small towns of Arkansas and their transportation to a decrepit labor camp in Cutchogue, L. I. In Suffolk County they learn of slavery in the North, their continuing indebtedness to a sophisticated Negro crew chief, who leases the camp from the former membership of the Eastern Suffolk Cooperative.

"What Harvest for the Reaper?", which was seen locally over Channel 13, was the recurringly depressing chronicle of the many elements of society that turn their heads when exploitation of a human being is profitable.

The farmers complained of depressed prices for their produce, the unreliability of imported labor and smugly shifted responsibility for the camp's operation to the crew chief. The crew chief, in turn, argued that he hadn't cheated anyone: out of the worker's weekly wage averaging $47 for 40 hours of toil—he deducted food, lodging, transportation and other expenses, which devoured the weekly pay check or more.

The economic arguments notwithstanding, the N.E.T. Journal, narrated by Philip Sterling, spoke for itself. The camp, described as not the worst of barracks for migrant laborers in New York State, resembled a primitive prison. A single bathroom was used by 38 men, and the living quarters lacked even rudimentary privacy or relaxation. And the testimony of the migrants was that over the years the scene shifted monotonously from Long Island to Florida and back again.

In some respects the most interesting aspect of "What Harvest for the Reaper?" was that such exploitation knows no color bars. The emphasis on the crew chief showed that he had qualms in making an estimated total of $40,000 a year for imposing economic bondage on the young Arkansas Negroes. And Mr. Silverstein documented the fact that a contract between potato processors and Local 202 of the Teamsters Union was nonexistent for practical purposes. A bottle of cheap wine to blot out the tedium sold for $1 in camp as compared with 51 cents in town, according to Mr. Silverstein.

A spokesman for the Suffolk County Department of Health spoke of the Cutchogue camp as meeting minimum standards and then in the next breath conceded there has been inadequate maintenance, inadequate cleanliness and inadequate supervision. Some of the farmers blamed the migrants for camp conditions and overlooked the built-in frustration of the chilling environment.

Next week on N.E.T. Journal there will be a documentary on the struggle of California migrants to gain union recognition. Last night's hour, for which A. H. Perlmutter was the executive producer, left no doubt that correction of the migratory worker's social and economic disenfranchisement still has a long way to go.

Mr. Murrow would be the first to be pleased that a new generation of sensitive TV craftsmen has renewed his battle in unsparing word and haunting photography. The wanderers who feed us all remain among the forgotten.

THE ADMINISTRATION UNDERESTIMATES EFFECTS OF RECENT EVENTS IN SOUTH VIETNAM

Mr. GRUENING. Mr. President, the recent Vietnam eruptions in many populated centers of South Vietnam show a high degree of intricate planning and split-second timing.

Various explanations have been put forward by administration spokesmen to account for these actions. From these explanations it is evident that the administration is still misreading events in South Vietnam.

One point which should be brought home to the administration most forcefully is that the Vietcong strength among the people of South Vietnam living in the populous centers is much greater—very much greater—than the administration has led the American people to believe. How else to explain that the Vietcong fighters were able to penetrate deep into many South Vietnamese cities without being given away by the population? How else to explain the vanishing Saigonese police force when the penetration surfaced? How else to explain the inability of the South Vietnamese armed services to cope with the Vietcong attacks?

The United States can rig as many elections as it wants to but the sad fact will remain that the vast majority of the people of South Vietnam—those who are not benefitting from the war financially—do not support the Thieu-Ky corrupt government.

Another sad truth to be learned from last week's events in South Vietnam is that the much vaunted pacification program—the "other war"—the war to win the "hearts and minds" of the South Vietnamese people—is dead.

As Ward Just, writing in the Washington Post for February 4, 1968, stated:

> When the Vietcong flags are finally taken down from the score or more cities where they flew (including for three days the ancient Citadel of Hue, the capital of central Vietnam—its American analogy would be Boston), the bodies counted, the damaged buildings reoccupied and the constitution unsuspended, it will come time for the assessment, for the after-action reports and the "lessons learned."
>
> This will almost certainly be that the raids, audaciously conceived and executed with extraordinary ferocity, have as a practical matter killed dead the pacification program—and most of the assumptions that went with it.

According to the leading editorial in the Washington Daily News for February 3, 1968, the Vietcong attacks accomplished the following:

> . . . dealt damaging blows to many Allied positions thru the country, proved even urban strongpoints are no more secure than admittedly vulnerable lesser towns and villages, reduced civilians' faith in their government's ability to protect them, caused redeployment of allied forces to handle the offensive (thus weakening security in pacification areas), strengthened the morale of their own forces, supporters and the North Vietnamese behind them, and upped their price in negotiations, if they occur.

But the basic fact that the administration must learn from the events in South Vietnam last week is that try as it will—as it has for years—to pervert what is going on there into "aggression from the North" the real fact remains that the United States, to subvert the plain intent of the Geneva accords, barged into a civil war which it largely precipitated in South Vietnam, aggravated the situation there, and supported as puppet rulers one corrupt military junta after another.

Must American boys be sent 10,000 miles away to die or be wounded to keep in power in South Vietnam a corrupt, venal military junta in Saigon which is more interested in lining its own pockets than in establishing democratic institutions and defending them?

I ask unanimous consent that there be printed in the RECORD the editorial from the Washington Daily News; the editorial printed on February 3, 1968, entitled "The President Explains"; and the article entitled "Guerrillas Wreck Pacification Plan," written by Ward Just, and published in the Washington Post of February 4, 1968.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Daily News,
Feb. 3, 1968]

THE PRESIDENT EXPLAINS

With the next Presidential election just nine months away, President Johnson could be expected to put a rosy explanation on the week-long communist offensive. But even allowing for politics, the President's analysis of the communist attacks as a "complete failure" from a military standpoint constitute either a grave misreading of the facts or an insufficient regard for the level of frankness required by the American people at this moment.

The President duly cited allied casualties at his news conference Friday, ther emphasized that only 15 U.S. planes and 23 helicopters were destroyed—giving it the silver-lining twist that this was "a very small proportion" of our total.

While many thousands of civilians buried their dead or lay wounded in hospitals—if indeed they could get coffins or a hospital bed—and while fighting continued in Saigon and three provincial capitals, LBJ spoke of the "disruption of public services" the attackers had caused—the kind of thing, he said, "a few bandits" can do in any city.

The President said he had known "for several months" the communists planned a major offensive—then failed to explain how, if so, thousands of communist troops could penetrate the heart of half the nation's 44 provincial capitals plus lesser towns, and storm scores of bases and the American Embassy itself.

Mr. Johnson also took satisfaction that the communists found little popular support for their offensive—tho battalion after battalion entered "secure" cities without a single reported instance of townspeople showing sufficient devotion to the government to sound a warning to sieve-like security troops deployed to provide protection.

It does no good if generals, ambassadors, Cabinet officials or the President himself ignores the seriousness of what the communists have done—and adds this to the months of underestimating the costs and casualties of the war.

Let's face it. In suicide attacks, rampant terrorism and sustained attacks in force, the Communists have accomplished these results: dealt damaging blows to many Allied positions thru the country, proved even urban strong-points are no more secure than admittedly vulnerable lesser towns and villages, reduced civilians' faith in their government's ability to protect them, caused redeployment or allied forces to handle the offensive (thus weakening security in pacification areas), strengthened the morale of their own forces, supporters and the North Vietnamese behind them, and upped their price in negotiations, if they occur.

President Johnson said the communists lost more than 10,000 killed this week. The figure is bound to be greeted with skepticism, but even if it is accurate, the cost by standard communist measurement was well worth the sacrifice. Their gains—military, political, psychological—are major.

The President ended his explanation by saying he didn't want to seem unduly optimistic or give false assurances. He wound up doing both.

[From the Washington (D.C.) Post,
Feb. 4, 1968]

GUERRILLAS WRECK PACIFICATION PLAN

(By Ward Just)

Most officials in Washington who know anything about South Vietnam and the war—officials who have served there, or visited regularly, who have spent time on the ground *in the countryside*—view the past week as a political disaster for the Allies. These views vary only in their estimate of the extent of the damage. That they are voiced privately rather than publicly is testimony to the atmosphere here, not there.

It was a week in which the Johnson Administration more than ever resembled a Chinese court, with the mandarins assembled to tell the leadership what it wanted to hear. A major general remarked on Wednesday that he wished people understood that a military commander in the field had to voice optimism, was obligated to give reassurances of progress. But of course people do not understand that.

PACIFICATION IS DEAD

When the Vietcong flags are finally taken down from the score or more cities where they flew (including for three days the ancient Citadel of Hue, the capital of central Vietnam—its American analogy would be Boston), the bodies counted, the damaged buildings reoccupied and the constitution unsuspended, it will come time for the assessment, for the afteraction reports and the "lessons learned."

This will almost certainly be that the raids, audaciously conceived and executed with extraordinary ferocity, have as a practical matter killed dead the pacification program—and most of the assumptions that went with it.

These assumptions were that the people were tired of the war and sought only protection; that the Vietcong, though strong, could mount only limited offensives; that the capacities of the South Vietnamese government were growing; that soft words and good works in the villages and hamlets would produce a population confident enough of Allied intentions to drop off the fence and declare allegiance.

Or, alternatively, it was assumed that the enemy would become so demoralized that, in Henry Cabot Lodge's phrase, "one day the guy with the gun in the paddy would look up and say, 'The h—— with it; I'm going home; I'm giving up.' "

DEGREE OF TRANQUILITY

All of these assumptions are now called into question. It is obvious, or would seem so, that to think in terms of "pacification" in a country where the revolutionaries can hold the Citadel of Hue for three days and where North Vietnamese regulars can penetrate Saigon is to misunderstand the degree of tranquility in the country. Which of the 59-man cadre teams will now want to venture into the countryside when even Saigon and the provincial capitals are not safe from rampaging guerrillas?

They control—whether by intimidation or persuasion is not the point—more than we think they did: more people, more land, more resources. There was apparently no solid intelligence on the nature of the attacks. "We had intelligence that an attack was coming," said one official. "But h——, we have advance intelligence on everything. Even, sometimes, on things that don't happen."

The peasants didn't squeal, and that is the central fact. The Vietcong, with their reputation for meticulous planning, had to have thought out the raids many weeks in advance.

There were many rumors in Saigon, but few hard facts. Only three Marines were guarding the American Embassy when the assault started. One official here remarked bitterly Friday that protection of the Embassy was "the responsibility of the host country," that is, the responsibility of the Army of the Republic of Vietnam.

Much of the Vietnam population is (in Sen. Edward Kennedy's words) "a disenchanted people." They appear to have little stomach for the fight, and the government of Nguyen Van Thieu shows little talent for inspiration. The revolutionary atmosphere, and the vigor that goes with it, is still the property of the Communists.

Officials here who have experience in Vietnam do not think it is especially useful to speak, as Sen. John Tower (R.-Tex.) did last week of the raids being an indication of "the death rattle" of the Vietcong. Nor do they think, as Lt. Gen. Victor G. Krulak told a meeting of newspaper publishers in Beverly Hills, that the raids were "acts of desperation" aimed at getting into "the newspapers."

Nor is the body count of enemy dead regarded as a useful index of victory or defeat. (Is it plausible to imagine that body counts were taken as troops fought house to house, and in provincial capitals whose *hotels de ville* flew Vietcong flags?)

FAMILIES MURDERED

It would seem the only rational conclusion to reach at the end of last week was that Vietcong strength and determination is far, far greater than had been thought. The task of bringing the population to the side of the Saigon government—where the contest, by common agreement, will be won by the side that can offer consistent protection—now seems more difficult than ever.

Some South Vietnamese regular army officers returned to their homes in Saigon after the battles Wednesday to find that the Vietcong had assassinated their wives and children. In the center of Saigon, the Vietcong occupied the grounds of the American embassy for five hours. Is it therefore believable when the government says it can protect the population? If it cannot protect Saigon, how can it protect a hamlet or a village with a 59-man cadre team and a Ranger company five miles away?

It seems reasonable to suppose as well that the carnage will engender among South Vietnamese not hatred of the Vietcong, but renewed hatred of the war. The scenes on American television are horrifying; in real life they must be unbearable. Perhaps the compulsion will be to seek accommodation. Even the Vietnamese, whose resilence is nothing short of unbelievable, must have a breaking point. Is that now being reached?

And for the Communists, who would not calculate in emotion but in hard fact, what are the debits? How much, in men and materiel, have they spent? Could they order new assaults? Or will it take months to reconstitute the sapper companies and combat battalions? Have they, for the moment, exhausted the arsenal?

These are the questions that the Americans and the Vietnamese will be asking, after they find and bury their dead. After martial law in Saigon is suspended. After the estimates are in, when it is calculated what has been gained and how much has been lost American officials, as always, are entitled to some sympathy. What is there really to say?

THE PRESIDENT'S MESSAGE ON EDUCATION

Mr. PELL. Mr. President, it was with great pleasure that I read President Johnson's message on American education. Truly the last 4 years have been the education years here in the Senate. It is my hope that using the Presidential message as a guideline, we will continue to authorize programs which will invest much of our Nation's wealth in the education of our children. For of all Government expenditures, those funds spent on knowledge are in effect an investment in the future well-being of our country.

I was greatly interested in the broadened scope of those programs which enable students to go on to higher education. It is my hope, however, that as we study the proposed Educational Opportunity Act of 1968, we also think of the complete philosophical thought underlying our present student aid programs. Today there is a large structure of loans, scholarships, grants, and work-study programs. Much of this aid is dependent upon the availability of money on the open market. Other programs are dependent upon family income and high class ranking.

To my mind, it is unthinkable that youngsters in our country should not be able to attend college because of a lack of funds. The programs I mentioned, while helpful, do not insure that each student will be able to go on to a higher educational experience. I have introduced S. 366, the Higher Education Scholarship Act. Upon enactment, this bill would provide for a scholarship of up to $1,000 per year for the first 2 years of higher education, as a matter of right. In effect I am calling for public education of 14 rather than 12 years. Only with an approach such as this can we say that our educational system is free and open to all.

And, in advancing this view, I wish to emphasize that I am in no way seeking to force education on anybody. What I am saying—and have been saying—is that at least 2 years of college should be available as a matter of right to any young person desirous of it and fully capable of absorbing it.

It was also most gratifying to read the President's call for extension of the national arts and humanities endowments. As principal Senate sponsor of the enabling legislation, I could not agree with the President more fully on this point. It is my hope that the Senate Committee on Labor and Public Welfare will soon report to the full Senate, S. 2061. This bill extends the life of the endowments on the arts and the humanities. A start has been made on bringing a new facet to the life of our country. Government support of esthetic endeavors is not only laudable, but workable.

Mr. President, I should like to commend President Johnson on his far-reaching program for education, and express the wish that its many constituent parts will soon be enacted into law.

ARLINGTON OPEN HOUSING

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to insert in the Record letters to the editor which appeared in the Washington Star of February 2, 1968. The letters are with reference to the subject of open housing in Arlington, Va.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Arlington Open Housing

Sir: Some people have been led to believe that the two meetings held by the Arlington County Board indicated that the majority of Arlington residents were for immediate "enforced open housing." This is far from the truth.

At the first meeting on Jan. 15, which was somewhat of a surprise to those opposed to open housing, it was predominately "for." A very liberal group who had evidently been forewarned, and were ready. Though many present tried to speak, it had been too well organized, for there was no room on the agenda for opposition.

At the second meeting on Jan. 17, many opposing tried to get on the agenda by phoning in to the Board, but were told that there were fourteen left over from the first meeting who had to be heard first. However, one resolution read in opposition represented a group of nearly 300 women, but nothing was mentioned in the papers about that.

We have been appalled at the conduct of these two meetings, as speaker after speaker represented departments in the United States Government. At the last meeting, Jan. 17, there was a speaker from Neighbors', Inc., in Washington, who integrated their lives completely some years ago. What right had those people to so monopolize a meeting in Arlington, thereby depriving our citizens a voice?

The next meeting is to be held on Feb. 5, and is also a held-over meeting for those who have already been scheduled to speak. I know there will be some opposition heard, and there would be more had they been able to get on the speakers' list.

I have contacted many people who have been residents here for years, some born in Arlington. I do not know anyone who is for enforced open housing, and my acquaintance is very large, having lived here for over forty years.

My husband and I vigorously oppose "enforced open housing" as un-American and unconstitutional; certainly an infringement on the rights of a taxpayer and homeowner.

Mrs. Fred N. Windridge, Sr.

Sir: Since it was obvious that the speaking agenda at the "open" housing hearing on Jan. 17 at Williamsburg School was packed in advance by those who would advocate an "open" housing ordinance, I am forced to take this means of making my opinion known.

Inasmuch as I am convinced that not even a majority has the right to legislate against anyone's property or civil rights, consider then how offensive I find the suggestion that the Arlington County Board, a minority, should entertain for even one moment the thought of passing this subversive ordinance.

Particularly disturbing to me was the Board's permitting non-Arlingtonians to capture and keep the floor to the exclusion of bona fide Arlington residents. I am herewith requesting that, at the next hearing, it correct this injustice. There is no valid reason why we Arlingtonians should be a captive audience at our own county board meetings, while residents of Richmond, the District, Fairfax and Maryland drone on and on. And I especially resent these same "ringers" being referred to by the news media as responsible Arlington citizens.

Jane B. Hix.

Sir: I am opposed to open housing laws such as the one being proposed for Arlington. In a county in which the individual has traditionally had the right to own and dispose of property I question the right of the state to specify to whom a property-owner must sell. Only in the past decade has there been discovered a civil right of a buyer to purchase what the seller/owner does not wish to sell him.

Proponents of open housing argue that legislation is needed to attain a desirable social end. Is it necessarily true that this end can be achieved only through legislation or judicial fiat? We read in the newspapers that many of the people who support open housing legislation are well-educated and are homeowners. In today's society it is this type of person who moves every three to five years in the course of his career development. We also read that many Negroes can afford to purchase $17,000 to $50,000 homes but cannot find them for sale in desirable areas. We read too that proponents of open housing legislation argue that voluntary open housing does not work hence the need for a law.

All this leads me to wonder why those who favor open housing don't attempt to sell their homes to persons of other races and creeds when they move? Can't they find any such purchasers, are they in such a minority that their voluntary contribution to open housing would be de minimis, or do they lack the courage of their convictions?

Arlingtonian.

SUMMER RIOTS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to insert in the Record an article which appeared in the New York Times on February 3, 1968, entitled "Alinsky, 'Professional Agitator,' Warns of Chicago Summer Riots."

There being no objection, the article was ordered to be printed in the Record as follows:

Alinsky, "Professional Agitator," Warns of Chicago Summer Riots

(By Donald Janson)

Chicago, February 2.—Saul D. Alinsky, the "professional agitator," believes his home town is ripe for violence this summer.

Chicago's overcrowded slums, he said in an interview yesterday, have become "one mass ulcer of discontent." He said antiwar demonstrations would focus on the Democratic National Convention in August, and Negro pressure for better jobs, housing and education opportunitities might explode before that.

Unless Mayor Richard J. Daley shifts from talk of forceful repression to negotiation, he said, Chicago will explode in violence.

"If this town blows," the 59-year-old organizer asserted, "It's going to make Detroit look like a sideshow."

Mr. Alinsky, who has organized the poor in the slums of many cities, said "hatred" of Mayor Daley as a symbol of an "oppressive white power structure" existed throughout the West and Southside Negro areas.

As a consequence, he said, rioting cannot be confined to a limited geographical area as it was in Detroit.

LIVES IN CALIFORNIA

Mr. Alinsky has lived in Carmel Highlands, Calif., for several years. Except to visit the headquarters office of his Industrial Areas Foundation, he has been away from Chicago altogether for a year and a half.

He returned last week and plans to be here through the summer. He said he had come in response to entreaties from friends, priests, ministers and community leaders who hope he can help find an alternative to the summer violence they fear is in store for Chicago.

Black power, antiwar, anti-Johnson and anti-Daley spokesmen in Chicago, New York, St. Louis and elsewhere have threatened massive demonstrations at the convention. Mr. Alinsky said the Mayor's response had stressed repression by force.

"Nothing will induce violence more surely," he said. "In effect, he is saying, 'you stay in your rat holes like good second-class Negroes should'. Like a little kid, he is drawing a line and saying, 'you cross this line and we fight'. The result is a fight."

Mr. Alinsky said "picketing, open dissent and a lot of hell blowing around the convention hall is the essence of a democratic society." But he said he drew the line at violence.

Mayor Daley can solve the crisis peacefully, Mr. Alinsky said, by meeting with representatives of slum neighborhood groups. There are many in Chicago, including four originally organized by Mr. Alinsky's foundation. They have been unaligned since the Rev. Dr. Martin Luther King, Jr., pulled out of Chicago in 1966 and the Coordinating Council of Community Organizations lapsed into dormancy. Mr. Alinsky envisions a "coalition of fragments" to confront Mayor Daley.

To avert upheaval, Mr. Alinsky said, "the Mayor must deliver on substantial issues that affect black life, so black people will have confidence that he's finally on the level."

Lack of jobs is the most important problem, the outspoken Chicagoan said. Unemployment among the million Negroes here is three times the rate for whites.

"What we need is public works projects," Mr. Alinsky said.

He said the poor should meet with Mayor Daley and demand them.

"Put Johnson on the spot," he said. "Let us get some of the swag instead of Vietnam. Nobody there is on our side except Thieu and the people who profit from the war. The South Vietnamese people hate our guts."

ACTIVITIES OF SUBCOMMITTEE ON MONOPOLY OF THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. LONG of Louisiana. Mr. President, for many years it was my privilege to serve as chairman of the Monopoly Subcommittee of the Committee on Small Business and devote a great deal of my time to it.

When I became assistant majority leader of the Senate and chairman of the Senate Committee on Finance, I felt that I should relinquish my former post to a dedicated Senator who might be able to devote more attention to the duties of that important subcommittee. The senior Senator from Oregon [Mr. Morse], who has made a magnificent record in the area of monopoly and antitrust matters, joined with me in recommending that the junior Senator from Wisconsin [Mr. Gaylord Nelson] should be made chairman of the Monopoly Subcommittee, and the chairman of the Small Business Committee. The Senator from Florida [Mr. Smathers] heartily agreed with our recommendation.

During the year that has transpired since that time, Senator Gaylord Nelson has courageously and fearlessly conducted an investigation in depth of the outrageously high prices of certain prescription drugs. It was in considerable measure because of Senator Nelson's exposures of price gouging by certain drug manufacturers that I was able to attach an amendment to the social security bill of last year which sought to protect the public from unreasonably high prices. Much remains to be done in this area, and I am sure that much more good will be accomplished due, in large measure, to the tireless and diligent efforts of Senator Gaylord Nelson.

As one who has labored in the same vineyard in prior years, I am sure that Senator Nelson's staff assistant, Ben Gordon, performed devoted work in helping Senator Nelson to be as effective as he has proved to be.

Every public official and, indeed, every American, would do well to study the disclosures that Senator Nelson makes in one of his recent speeches. While the revelations are shocking, they seem to be rather typical of abuses that have been occurring for years and continue to occur in every city, town, and hamlet in America.

I would like to particularly draw attention to the fact that nothing in Senator Nelson's speech reflects in any measure upon the community drugstore nor the hometown pharmacists of America. In fact, the largest organization of American druggists, the American Pharmaceutical Association, speaking for more than 45,000 members, has actively supported some of the measures which Senator Nelson and I have been advocating to assure the public better quality of drugs at reasonable prices.

In his speech before a consumer's group in Milwaukee, Senator Nelson reviewed some of the highlights of the Nelson committee hearings, and some of the results so far.

I believe my colleagues and the public will benefit by a reading of his remarks.

I ask unanimous consent that the complete text of his speech be printed in the Record at this point.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Highlights of the 1967 Prescription Drug Price Hearings

Eight months ago, as chairman of the Senate Monopoly Subcommittee, I began hearings to explore the pricing structure of the prescription drug industry.

Involved in the inquiry would be studies of patent policy, government buying for health and welfare programs, the nature and quality of drug advertising, and the airing of the generic versus trade name controversy.

Yet after eight months, we have only really begun. We have a long way to go, and most of the anticipated subjects have not yet been touched.

However, the hearings have uncovered the essential fact that chaotic and quixotic price structure exists which defies logical explanation.

Many prices simple cannot be justified.

Discriminatory pricing practices are found in the industry which penalize the American consumer and the American pharmacist.

One example is a drug used for hypertension and high blood pressure. The generic name is reserpine. CIBA, a Swiss American pharmaceutical company manufactures and sells the drug under their trade name of "Serpasil."

CIBA sells this drug to the American community pharmacist for $39.50 for 1,000 0.25 milligram tablets.

Yet during the same period, CIBA sold the drug to German pharmacists for $10.53, to Swiss druggists for $11.09, and to British druggists for $11.20. The American community pharmacist, therefore, was paying three times as much.

While CIBA was selling reserpine for $39.50 to your neighborhood druggist, they offered to sell it to the Defense Supply Agency, who buys for all the Armed Forces, for $3.95 for 1,000 tablets. But another company won the bid at $.89.

The Committee discovered that during this same period, CIBA sold the drug to the Veterans Administration for $1.10 per 1,000 tablets.

But, when CIBA submitted a sealed bid of $1.10 per thousand to New York City for use in their vast hospital and welfare programs, they were beaten by the American Pharmaceutical Company, a good but smaller company, who bid $.72 per 1,000 tablets.

The difference between $39.50 and $.72 is about 5,500%.

Another dramatic example occurs with a drug whose generic name is prednisone.

This is a very effective medicine essential in the treatment of arthritis and certain kinds of allergies and asthmatic conditions.

The Medical Letter, a distinguished and unbiased authoritative journal in the field of drugs, recently presented the results of a study of 22 brands of prednisone.

The editorial board of the "Medical Letter," consisting of noted and distinguished doctors and pharmacologists, concluded that all 22 brands tested could be used with confidence in the clinic. Moreover, the "Letter" said, "The great price spread among tablets purchased from different pharmaceutical companies suggests the desirability of prescribing by generic name and specifying—at least for patients of limited means—that the prescription be filled with low-priced prednisone tablets."

In other words, all 22 brands were equivalent—except in price.

Schering, the company which controlled a substantial share of the retail market, sold its prednisone under the name of Meticorten—and charged $17.90 per 100 tablets.

Parke, Davis, which sold much less than its competitor, marketed its prednisone under the name Paracort at $17.88 for 100 tablets.

And then the prices ranged downward precipitously to a low of 59¢ per 100 tablets from a reputable generic company. Other brand name companies, such as Upjohn and Merck sold their prednisones for $2.20 and $2.25 for 100 pills.

On July 24, 1967, I asked Mr. Burrows, the President of Parke, Davis (who was testifying): "Is there any difference, so far as you know, between your brand name and any other prednisone that meets USP standards?"

President Burrows' reply on page 606 of the hearings record states: "I don't know of any significant difference."

I then asked why a physician would prescribe a version of prednisone which costs $17.88 rather than one which costs 59¢ or $2.20.

President Burrows replied: "I cannot explain it, except I am sure that the physician is doing what he thinks is in the best interests of his patient, all things considered, including the reputation of the company that supplies the drug that he is prescribing . . . Physicians apparently feel that the product at $17.88 for their particular patients is worth the difference."

That answer by the witness pays tribute to the advertising campaign on which the drug companies spend $800 million every year to influence the doctors into prescribing their particular brands of drugs.

That amounts to about $3,000 per doctor per year in advertising—not to the general public, but only to the medical doctors.

Later the same day, I questioned Mr. Conzen, the President of the Schering Company about his prednisone.

According to the hearing record, on page 638, I stated: "What I am asking is, does the Schering Corporation have any double-blind clinical test to prove that the therapeutic efficacy of its prednisone is better than any other one of the 22 prednisones listed in the Medical Letter?"

Mr. Conzen: "No, sir."

Senator Nelson: "Is there any evidence at all that it is better than Upjohn's Deltasone (selling for $2.25) in terms of its therapeutic efficacy?"

Mr. Conzen: "We have no such comparative clinical studies."

Further on, I again asked for proof Meticorten was a better drug.

Conzen replied, "We have no proof it is better."

Finally, on page 639 of the Record, I said, "What we are really concluding here is that there is no clinical evidence to prove that any one of these 22 is any better or any less effective, including Schering's?"

Mr. Conzen: "That is right."

Senator Nelson: "Isn't that correct?"

Mr. Conzen: "Yes."

During the interchange that day, the Committee was informed by Mr. Burrows that Parke, Davis' cost to manufacture 100 tablets of Paracort—their prednisone—was 50 cents. The markup, therefore, was roughly 3,600%.

The inconsistent pricing structure can be further demonstrated by citing a few examples which resulted from a survey which I asked my staff to conduct last summer.

I wrote 77 countries and cities to inquire about the drugs they were buying and the prices they were paying for their health and welfare programs.

Twenty-nine answers were received, and they clearly demonstrated that there is no rationale which can explain the wide differences.

Quantities sold were completely unrelated to prices.

For example, Grand Rapids, Michigan paid $160.00 for 5,000 reserpine tablets while Chicago paid only $2.09, even though both bought about the same quantities.

Des Moines, Iowa, and Newark, New Jersey, paid $22.60 for 1,000 dextrocamphetamine tablets while Los Angeles paid 53 cents for like quantities.

Every city surveyed paid about $32.91 for tolbutamide tablets used for diabetes even though quantities ranged from $60,000 worth purchased in a single year by Chicago down to communities which bought only one or two hundred dollars a year.

The patent on these tablets, which do away with the need for insulin taken by injection in some cases of diabetes, is owned by Upjohn. That company is the sole supplier throughout the country, so there is no generic equivalent and, therefore, no competition.

Almost a half dozen drug companies have appeared to testify on their own behalf, and hours upon hours of testimony had been delivered by the representatives of the Pharmaceutical Manufacturers Association before a respected and revered name in the industry volunteered to give a most courageous and clear statement about drug company prices.

Mr. George S. Squibb, the fourth generation of the distinguished family to bear that name involved in the drug business, testified before our committee in November.

Mr. Squibb told the public what no other drug company executive had dared to do.

He said that if the drug industry does not settle for "ordinary profits" rather than "windfalls" in future, it will invite regulation like a public utility.

Squibb said: "This may come as a shocking idea to those who set the prices . . . but it is an idea which must be accepted or it will be imposed by regulation.

"*It is clearly false and stupid to say that prescription drug prices cannot be reduced,*" Squibb told the Committee. "It is to be hoped that industry will take the leadership to do it. If not, others will."

"The concept of more and mode profits from the miseries of the sick, the aged, and the malnourished . . . seems to run counter to the swelling trend towards state-supported medicine," he said.

"Exploitation . . . of medicines used in life-preserving and life-saving situations, by setting prices far above the cost must be deliberately and conscientiously avoided," he stated.

On the day he testified, the Federal Trade Commission revealed that the drug industry had now moved into first place in average profits earned by all industry groups. The fact is that drug companies earn an average of 21.1% profit on investment—after taxes.

A single company reports a year-after-year profit of over 30%—sometimes as high as 40%—after taxes. And a major drug company, which has been purchased by a group of speculators in the early 1950's—was bought and paid for in less than five years.

When I asked George Squibb to comment on these figures, he said, "Because the government now is preparing to pay so much of the medical bill of the public, the drug industry cannot expect its return on sales after taxes to increase from 10% to 12% and then 15% and even 18% over a five or ten year plan."

He agreed that about "12% profit" would be adequate and would still support "good" research and development, a position that nobody else in the industry has yet had the courage to support.

George Squibb's testimony may have been the most significant breakthrough we have yet made in the course of these hearings.

Another matter was explored by the Committee which does not relate directly to drug prices, but does indicate the attitudes of at least one company.

Chloramphenicol is a potent antibiotic, and is sold by Parke, Davis under the trade name Chloromycetin.

The Physicians Desk Reference, a catalogue of drugs, says that chloramphenicol is the drug of choice in typhoid fever. It is also indicated in certain kinds of meningitis and rickettsia diseases such as Rocky Mountain spotted fever.

Since 1952, the AMA and its Journal have carried many warnings against prescribing chloromycetin in minor infections such as colds, influenza, throat infections, or where other less potentially dangerous agents will be effective.

A Boston blood specialist, Dr. William Damashek, said in 1960: "By some means, whether by regulation or by self-discipline, promiscuous use of the drug should be avoided and its use restricted to impelling circumstances, i.e., for conditions in which no other antibiotic is currently effective." Among 30 cases of aplastic anemia seen

within the previous three years, he said, eight had received Chloromycetin, "almost invariably for minor infections. Of the 10 most recent cases . . . five had followed therapy with chloramphenicol. The tragic thing about all these seriously ill cases, most of whom died, is that the drug need never have been given."

Dr. William P. Creger, addressing the San Diego Academy of General Practice, said that the drug "is the leading cause of" the often fatal aplastic anemia and that physicians "are using it far too much."

He attributed 350 aplastic anemia deaths to its use in the past 10 years.

In 1960, the President of Parke, Davis testified before the Kefauver Committee that the drug had caused the company to be involved in 25 damage suits. Most were settled out of court on undisclosed terms.

However, in 1962 a record judgment of $334,000 was awarded to a California woman because the jury found that the doctor who prescribed the drug and the company which manufactured it were liable for damages.

On February 20, 1967 a two-page advertisement appeared in the Journal of the American Medical Association, which described the use of Chloromycetin to the doctor. In *1300* words of warning, and in a large, black bordered box, the ad warned the physician that: "serious and even fatal blood dyferaslas (aplastic anemia, hypoplastic anemia . . .) are known to occur . . . chloramphenicol should be used only for serious infections caused by organisms which are susceptible to its antibacterial effects," and it went on to warn against use for minor infections.

I asked the quality control director of the Parke, Davis Company if he agreed that the warning was necessary and appropriate.

He concurred that the the warning was important and had to be an integral part of the ad; that the drug had dangerous side effects; that deaths had occurred which were directly attributable to the use of the drug.

Then I produced an advertisement for Chloromycetin, run by Parke, Davis in the British Medical Journal on February 11, 1967—nine days prior to the American ad.

Not a single word of warning appeared in the British ad. No mention was made of the drug's potentially fatal side effects, to at least alert the British physicians.

I asked the drug company representative why there was no warning.

His counsel replied that the company complies with the law of the country where it advertises, and the British don't require the warning.

I asked him whether he cared what happened to the British patient.

And what about the underdeveloped countries where the buyers were even less sophisticated and doctors were few and far between?

Didn't the company care about those people, I asked?

He again replied that the company obeyed the laws in whatever form they found them.

I was shocked, and I told them I didn't know how they could sleep nights, taking that kind of an attitude.

Another example exists which demonstrates the attitude of the Pharmaceutical Manufacturers Association. Some of you probably have seen an eight-page section in a recent issue of the Reader's Digest magazine which extolls the virtues of trade name drugs.

Under the sponsorship of the Pharmaceutical Manufacturers Association, several articles appeared in a form which were made to look as if they were a part of the regular run of articles which ordinarily appear in the magazine. The casual reader looking at these pages easily can be misled by this calculated deception into believing that generic drugs are inferior, and perhaps even harmful, compared with the brand name drug.

The articles were identical in type and layout to other Reader's Digest articles, and were identified only at the top of the first page, in small print, as advertising matter. The back page stated that the articles appeared as a "public service" by the Pharmaceutical Manufacturers Association.

Opposite the first page, a small box with an arrow pointing to the articles—which were perforated for easy removal—said that one could obtain another section by writing to "Health," in care of a numbered box in Washington, D.C. The fraud was compounded at this point by again leading one to believe that an altruistic organization connected with "health" had sponsored the articles.

Reader's Digest printed and circulated over 17 million issues of that magazine carrying this deceptive advertising. In addition, the PMA bought and sent to its constituents all over the country another one million reprints on which the words "Special Advertising Section" had been removed.

The cost to PMA for this was over $250,000 for the initial issue. And they plan to advertise in three more issues, at a total cost of over $1 million.

Meanwhile, Pharmaceutical Manufacturers Association admitted to our Committee that they made a grave error. The Post Office Department also has notified me that PMA has broken the Federal statutes by mailing the unmarked advertisements through the mail.

It is obvious that the stakes are high to the drug companies, but they are even higher to the prescription drug buying public.

Early in the hearings, it appeared clear that the drug prices could be reduced and that the companies could still make a decent profit.

As a consequence of exposing some of these prices thus far, in November the Schering Company announced that it was cutting the price of Meticorten, their brand of prednisone, from $17.90 to $10.80 per 100 tablets—a 40% decrease.

I then wrote to Parke, Davis. In response to my inquiry, President Burrows notified me that he had substantially lowered the price of Paracort—again prednisone—by 80%. The price for 1,000 tablets had been reduced from $169.98 to $34.50. (The Company has decided to discontinue its smaller 100 tablet packages selling for $17.88.)

Sometimes prices can be raised beyond the point of what the traffic will ordinarily bear.

On December 29, 1967, in Federal District Court, three major pharmaceutical manufacturers, Chas. Pfizer & Company, American Cyanamid Co., and Bristol-Myers Co., were found guilty of a criminal conspiracy to fix prices on the "wonder" antibiotic drugs which a great many of us have or will use sometimes during our lives.

During the trial, the anti-trust division of the Department of Justice produced confidential company papers which showed extraordinary profits on antibiotics.

In the six years ending in 1955, for example, gross profits of $342 million were realized by American Cyanamid's Lederle Laboratories Division on sales of $407 million, or between 82.6 and 85.7% profit a year.

There are other figures just as startling, but they all exhibit one of the single, most important reasons why the drug industry is so fantastically profitable.

I believe the Monopoly Committee can render a service to the country by publicly airing the circumstances of these situations, and others, as they present themselves.

Continued progress in drug price reductions remains a hopeful promise for the future.

ASSAULT ON PRAYER

Mr. BYRD of West Virginia. Mr. President, the founders of the United States, having noted the corruption of governments by the church in other countries and the corruption of the church by governments, wisely decreed a separation of church and state for this Nation. People would be free to worship as they pleased, or not to worship—free of government coercion in either direction.

American customs and institutions developed within this sound concept and strong framework for more than 170 years until the Supreme Court began to meddle with it in the 1962 New York school prayer case that banned religious observances in the public schools.

That and subsequent decisions of a similar nature, in my opinion, Mr. President, have gone beyond and have distorted the intent of the Constitution as I understand it, for the Bill of Rights says only that—

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof.

These Court rulings, Mr. President, have had the unfortunate effect of making it appear that the Federal Government is throwing its weight against religion, despite the fact that evidences of our religious faith as a Nation are apparent at all levels of government from the opening prayers in legislative halls to the affirmation of our belief in God that appears on our coins.

This thesis, Mr. President, is well developed in an editorial appearing in the Wheeling, W. Va., News-Register for January 27, dealing with the latest Supreme Court action affecting prayer in the schools. I ask unanimous consent that this editorial by Mr. Harry Hamm, the editor of the News-Register, be inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ASSAULT ON PRAYER IN OUR AMERICA

All of the great Presidents of the United States who have guided this country through happy and perilous times returned pious gratitude to what George Washington called the "Invisible Hand" or the "Providential Agency" which blessed the Nation and helped establish its character.

Our leaders never hesitated to admit the existence of a Supreme Being and the inaugural addresses of our Presidents are liberally sprinkled with humble prayers. Thus it is most disappointing to see the continuing assault today on the religious traditions of our country.

Last week while the Nation was locked in grave crisis there came word that the United States Supreme Court had let stand an earlier ban on recitation of grace-type verse in public school kindergartens. The little verse which has stirred up so much travail simply reads:

"We thank you for the flowers so sweet:
"We thank you for the food we eat;
"We thank you for the birds that sing;
"We thank you for everything."

And so it is wrong now for youngsters to utter these words in the schoolhouses of a land so abundantly blessed by the Almighty! What a pity.

It had been an historical practice at many schools to open the day with a short prayer in much the same manner that both Houses of Congress now begin each day's session with a prayer.

Other schools chose not to have prayers, but the important point is that each State or local school was free to decide that question for itself.

Since the Supreme Court first ruled on the question of prayers in the public schools in

1962, freedom is a one-way street. The children in the public schools are free not to pray, but they are not free to pray even if they want to. This really is freedom from religion, and not freedom of religion.

Once again we have seen a cruel distortion of the Constitution. Any objective student of American history cannot deny the clear and simple purpose of the First Amendment. The writers of this part of the Constitution did not want a state church. Our Founding Fathers did not want any church—whether it be Presbyterian, Methodist, Episcopalian, Catholic, Baptist, or any other denomination—to be maintained by tax funds. That was it. There is no evidence that any of the Founding Fathers had any idea of driving a belief in God out of our National life. They just did not want a tax-supported church.

The history of the Constitution clearly shows that the drafters intended no hostility toward religion. The excesses of the church in old Virginia prompted political hostility and thus the First Amendment was drafted to put an end to tax-supported churches. There was no intention to create a society acceptable only to unbelievers.

One wonders where the godless minority will strike next in our country. Shall we be forced to do away with chaplains in our armed forces and the chapels in our military academies? Shall we no longer hear school children lift their voices in the inspiring song, "God Bless America"? Pray tell what is next?

Dean Erwin Griswold of the Harvard Law School has stated it well: "In a country which has a great tradition of tolerance, is it not important that minorities, who have benefited so greatly from that tolerance, should be tolerant, too, as long as they are not compelled to take affirmative action themselves, and nothing is done which they cannot wait out, or pass respectfully by, without their own personal participation, if they do not want to give it?"

Our system of government which emphasizes the freedom of the individual, is connected with religious faith. It would be a sad day in the history of our country if it should cease to be so. But there is fear this day that we are drifting ever closer to a time when all of the religious traditions of our country will be destroyed.

It shall be tragic indeed for our beloved America if her people turn to God only in times of great danger as suggested by the little card posted in one school which reads, "In case of atomic attack the Federal rule against praying in this school will be temporarily suspended."

CONCLUSION OF MORNING BUSINESS

The **PRESIDING OFFICER**. Is there further morning business? If not, mornbusiness is terminated.

INTERFERENCE WITH CIVIL RIGHTS

Mr. **HART**. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The **PRESIDING OFFICER**. The clerk will state the bill by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (H.R. 2516) to prescribe penalties for certain acts of violence or intimidation, and for other purposes.

The **PRESIDING OFFICER**. Without objection, the Senate will proceed to the consideration of the unfinished business.

The Senate resumed consideration of the bill.

Mr. **STENNIS**. Mr. President, I do not intend to detain the Senate for any great length of time on the pending matter, but I have been concerned for several years with the general subject matter of law enforcement, the attitude of a great number of people about observance of the law, the attitude and sentiment that has crept in gradually, a feeling described as civil disobedience, the actual preaching by a number of people in high, responsible positions, even in church life, of civil disobedience being justified under some conditions.

My growing concern with respect to law enforcement and the attitude toward obedience of the law throughout the country is based partly upon my experience as a practicing lawyer for a good number of years. Part of that time I was a district attorney and dealt with a great number of serious cases, as well as minor ones. I was also privileged to be a trial judge for some 10 years.

I really wanted to get together what might be called a specially prepared speech on this subject. I am going to discuss part of it briefly today, even though the speech is not complete.

Mr. President, my basic belief is that the matter of law enforcement is not one of just added criminal laws of any kind. The lack of criminal laws is not where the trouble lies. I think the basic need is to restore to the minds and hearts of the people of this country a wholesome respect for law and order, a demand for law and order, rather than tolerating organized resistance or violation of the law, minor or major.

I think there must be generated again in the communities of this great Nation, down at the community level, a wholesome atmosphere for obedience of the law. Also we must emphasize again, rather than talk all the time about rights for this and rights for that, the basic need for responsibility and duty that lie at the very threshold of citizenship and the very threshold of the training of our youth—any youth—for a position in society. Those ideas have not been altogether abandoned, but they certainly have been neglected.

I am certainly not critical of the home and the school, but I do not see in the home and the school anywhere the good, solid, stern training that I think is necessary for the good of our youth during their formative years, the right attitude toward those duties and responsibilities, and the feeling of how dependent they are on respect for law, and how dependent all of us are on discipline and self-control in the first place, discipline of mind and body, and the need for discipline in society.

I think we have wandered off somewhere on the idea that all the trouble is with the police department; that all the trouble is with the Congress for failing to pass laws or appropriate money; that all the trouble is somewhere else. Then these people go out and organize and get the sympathy of some well-meaning people, and before we know it, there is a movement. All of these matters have culminated in the wrong emphasis with reference to obedience of the law and law and order.

I think that I speak with all due deference to the court. I do not wish to attack the court as an institution—never. And I have no attack to make on any individual member of the court.

But as a practicing lawyer of considerable experience, having dealt in the problems of public life for a long time, there is no doubt in my mind that this series of cases, beginning with the Mallory case about 10 years ago, and coming on down to the present, to which there have been many very respectable dissents, has only served to handcuff the law-enforcement officials, particularly with respect to the admissibility of evidence.

Mr. **TALMADGE**. Mr. President, will the Senator yield at that point?

Mr. **STENNIS**. I am happy to yield to the Senator from Georgia. He is a very competent man in this field, with vast experience, not only as a lawyer, but as chief executive of his State.

Mr. **TALMADGE**. I appreciate the generosity of my distinguished friend from Mississippi.

Did the Senator from Mississippi see the article in the Washington newspapers that I saw last week, reporting that a confessed murderer had been discharged by a court here in the District of Columbia, under the so-called Mallory rule, because he allegedly had been held for a certain period of time before they had arraigned him?

Mr. **STENNIS**. Yes. As a matter of fact, I have that article here in my hand, since the Senator has mentioned it. It was not the article that prompted my remarks on this subject, but I did bring it with me.

Mr. **TALMADGE**. Does not the distinguished Senator agree that court-made law such as that helps to account for the enormous increase in crime we have experienced? If my memory serves me correctly, I think there was an increase of some 16 percent in the first 9 months of last year.

Mr. **STENNIS**. I think the Senator has stated the matter well and truthfully. I can answer it further in this way: I believe it is up to Congress, now, to get some measures passed that will offset the trends of these decisions, and get it over to the people some way, through constitutional amendment or otherwise, that we have to begin to put the proper emphasis on the protection of the people, the masses of the people, the great body of the people, rather than continuing to lean over backwards to protect the few who may be charged with crime, or other special groups.

We have to get laws that will force the courts—in a constitutional way, of course—to do more in terms of protecting the people, the body of the people, the public, and to counteract this trend of strained interpretations of the Constitution, never heard of until a few years ago.

Mr. **TALMADGE**. Will the Senator yield further?

Mr. **STENNIS**. I yield.

Mr. **TALMADGE**. Does not the Senator feel that the rights of law-abiding, God-fearing, honorable citizens, who work for a living and pay taxes, are equal to the rights of some murderer or some rapist who runs rampant on society?

Mr. **STENNIS**. The Senator's question, of course, is well stated and answers itself. They are not only of equal importance, but more important, are necessary to the preservation of society.

Mr. TALMADGE. It is necessary to protect the rights of the masses of the people, is it not?

Mr. STENNIS. Yes. That is the whole basis of the law.

Mr. TALMADGE. Does not the Senator feel also that some of these people who run around the country preaching that it is all right to violate laws you feel are unjust, unwise, and immoral contribute to the breakdown of law and order in our society, as we see it occurring today?

Mr. STENNIS. I do not think there is any doubt that that is the way these things start and grow, and grow until there is an avalanche, and we are in the avalanche period now to a degree, although that spirit does not yet represent the thinking of the majority of the people.

I believe people are standing speechless in amazement that such a thing could happen and is happening, and that we seem unable to do more about it.

Mr. TALMADGE. I agree with the able Senator. I think that a majority of the people of America today regard the breakdown of law and order, the spirit of anarchy that is running rampant in this land, the violence that we see from day to day and from night to night, that the crime problem is equal in importance to the war in Southeast Asia itself; does not the Senator agree?

Mr. STENNIS. Yes, I think so; and the Senator from Georgia and I both put great emphasis on the suffering and loss of life of our boys in Southeast Asia, and are deeply concerned about it.

This situation we face at home is of equal importance, and could develop more and more into a situation that would be a more serious challenge to our national security, even, than a war.

Mr. TALMADGE. The District of Columbia, which is the Capital City of our Nation, should be the model city of our Nation—yes, even the model city of the free world; yet almost every morning we read of heinous crimes being committed here on the streets and in the public parks of our Capital City; is that not true?

Mr. STENNIS. It is true, and it has been true now for several years, increasing without interruption and seemingly without end. It shows all too clearly where the emphasis has been: "Leave them alone, do not harass them, do not question them, you cannot do anything to them."

As the Senator pointed out, this article refers to just one instance where the court officially turned one loose because of the Mallory rule. The police, of course, have turned loose hundreds that never get to court because of these same restrictions, that had never been heard of until a few years ago.

Mr. TALMADGE. Is it not a fact that grown, able-bodied men are apprehensive about walking the streets of the District of Columbia at night, not to mention the fear that females must fear?

Mr. STENNIS. It has come to that, yes. In fact, one is apprehensive about leaving home early in the morning, too, as to what might happen, even after the day has already come, to those we leave behind at home, even right here in the city of Washington, on Connecticut Avenue where I live. I know that from personal experience.

Mr. TALMADGE. Is it not a sad commentary on the law of our land when that can take place in the Nation's Capital?

Mr. STENNIS. It is not only sad, but alarming; and this trend must be stopped. My point at the beginning, before the Senator came into the Chamber, was that we are not going to be able to do it just by passing more laws.

Mr. TALMADGE. I agree.

Mr. STENNIS. We have to put the emphasis where it belongs.

Mr. TALMADGE. Does the Senator view with alarm, as I do, the articles that we frequently see in the news media, reporting that when a law enforcement officer goes out and makes an arrest, mobs will form, not to aid the law enforcement officer, but to go to the aid of the criminal?

Mr. STENNIS. That is right. As someone expresesd it, you get assaulted on the street, and before they get you to the hospital, they have already turned loose the man who assaulted you, under some of these rules that have been put out by the courts; and if a trial does occur, they come nearer trying the victim and the police than the man who made the assault. It is almost that bad.

Mr. TALMADGE. If they do not try the victim, they at least attempt to try the arresting officer, and find some alleged violation of the law he committed. They yell "police brutality" and bring him before some magistrate somewhere; do they not?

Mr. STENNIS. The Senator has correctly stated the situation.

I wish to emphasize, now, that while our discussion of these matters may be regarded by some as just an attempt to kill time or to filibuster, I say that we are bringing up here fundamental issues that are being neglected in this country; and while other Senators are taking time, speaking of them with all deference, to urge the passage of a law already on the books, and already largely enforced, we feel it is imperative that this situation be reversed; and a bill that would help toward dealing with these riots that are feared—I hope unnecessarily—for next summer, is tied up in the same committee that approved this bill now under debate.

That is the bill that is needed. This is a bill that is not needed. I think that is the most convincing thing involved. The same committee passed on these two bills.

Mr. President, I will not develop the Mallory rule here. I said that case was the beginning of the series of shocking decisions about which nothing has been done yet. However, I predict that this Congress will have to do something about these decisions because at some time the people will realize more fully what they mean. The proof of the lack of law enforcement will grow, and the people will then rise up and demand some kind of corrective action.

Another one of those cases is the case of *Massiah* v. *The United States*, 377 U.S. 201 (1964).

The defendant and another were jointly indicted on a narcotics charge and released on bail. Unknown to the defendant, the codefendant decided to cooperate with the Federal agents in a continuing investigation of the case. If they are going to solve all these matters, they have to investigate, of course.

The codefendant was provided with a concealed radio and engaged the defendant in an incriminating conversation which was recorded by Federal agents removed from the scene. The statement was admitted into evidence over the objection of the defendant, and the defendant was convicted. The conviction was affirmed by the Second Circuit Court of Appeals.

The Supreme Court reversed that case and held:

> The petitioner—

Meaning the defendant—

> was denied the basic protections (of the Sixth Amendment) when there were used against him at his trial evidence of his own incriminating words, which Federal agents had deliberately elicited from him after he had been indicted and in the absence of his counsel.

There were three dissenting Justices. They were Justices White, Clark, and Harlan. Without going into detail, the substance of their dissent was that this was a new rule that the Supreme Court had evolved. Those three Justices said they considered the rule to be an unnecessary and unwarranted departure from precedent.

Those Justices were merely saying in nice words that the Supreme Court majority went on and legislated on the subject, in effect. And that is not the Senator from Mississippi speaking now. This is what three justices of the Court said about the ruling that they handed down in that case. They said that the ruling was an unnecessary and unwarranted departure from precedent with grave implications for the continued use of out-of-court statements in law enforcement.

That is an exact summary of what has been happening here now for years and years. These are unnecessary and unwarranted departures.

Those Justices said that it was not necessary to evolve that rule in order to protect society or the individual. They further said that it was an unwarranted action by the Court to get up that rule, that it was beyond their authority. That is the way I interpret it. The Justices said that the rule moved away from the precedent and had grave implications.

That case was decided in 1964. This is 1968. We have already seen what some of those implications were and are.

Mr. President, every person who has had much experience in these matters, merely from the use of commonsense and observation, knows that law violations are largely solved not by the assistance of eyewitnesses that have seen the crime, but by continued investigations. Nobody wants any star chamber methods used or any so-called brutality or anything else. However, if we cannot use commonsense activity and ingenuity, certainly to the extent that these officers were doing here, our hands are tide. The authorities are whipped before they ever start.

Who suffers from that? It is the general public. The Court said in that case:

> The requirement of rule 5(a) is a part of the procedure devised by Congress for safeguarding individual rights without hampering effective and intelligent law enforcement.
>
> The scheme for initiating a federal prosecution is plainly defined. The police may not arrest upon mere suspicion, but only on "probable cause." The next step is to arraign the arrested person before a judicial officer as quickly as possible so that he may be advised of his rights, and so that the issue of probable cause may be promptly determined. The arrested person may, of course, be booked by the police. But he is not to be taken to police headquarters in order to carry out a process of inquiry that lends itself, even if not so designed, to eliciting damaging statements to support the arrest and ultimately his guilt.

Mr. President, I have included that quotation because I had commented on the matter and I thought that it would be fair to the majority of the Court to give their reasons. I had commented on what I think is the substance of the dissenting remarks made by Justices White, Clark, and Harlan.

That case is a landmark case in this series of cases, to which I referred back in the beginning of my remarks, that started with the Mallory case.

The Senator from Georgia [Mr. TALMADGE] brought up a matter that happened here in a Washington court a few days ago.

The newspaper headline reads: "Confessed Murderer Freed Because of Mallory Rule." This article is from a Washington Post of 2 or 3 days ago.

It reads in part as follows:

> Harry Gross, a confessed murderer, was set free yesterday because police waited four hours before booking him after he failed a lie detector test.

I must think about the life of the person who was killed. I do not know the merits of the altercation that was had. There may not have been an altercation. It might have been a case that involved waylaying. I do not know the facts. However, I must think of the other person, the person whose life was snuffed out and cannot be recovered.

Merely because the police officer waited 4 hours before booking him after a lie detector test indicated to them that this man might be guilty, he was set scott free. The article did not say that the conviction was reversed. The man was just turned loose under the Mallory rule.

The article reads in part as follows:

> "If the new crime bill were in effect when this man confessed, then he would not be set free today," United States District Judge John J. Sirrica said.

The judge was referring to the new crime bill which we passed last fall solely for the District of Columbia.

The article to which I have referred confirms the fact that we need some legislation that will modify and restrict the application of these series of decisions to which I have referred as the Mallory rule.

Mr. HART. Mr. President, earlier today I advised the majority leadership and others of our desire to attempt to move forward in our effort to dispose of what we believe to be a most important and compelling piece of legislation.

It is our intention to move to table the pending Ervin amendment. In order that that may be advanced, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER (Mr. PELL in the chair). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HART. Mr. President, we have now obtained the yeas and nays on the amendment. We have not made a motion to table.

Mr. JAVITS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Michigan has the floor.

Mr. HART. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I would like to ask the Senator some questions on this procedure which he, as manager of the bill, indicates may be adopted.

Is it not a fact that if the motion to table were ultimately made, which is obviously not debatable, and it should carry, the committee bill would then be open to any amendment, either direct to any portion of the bill or in the nature of a substitute?

Mr. HART. The Senator from New York has stated the situation correctly.

Mr. JAVITS. Is it not also a fact that probably, unless some bill is designed, which does not seem to be within sight right now, which would be suitable to those who have been debating the matter at some length—and I am not taking any position with respect to that because they have that solemn right and privilege; but if that situation persists—the only way we will ever be able in any reasonable time to consider the business of the country and the Senate, and get a vote, after refinement, amendment, and so forth, would be by cloture?

Mr. HART. The Senator has stated the situation correctly.

Mr. JAVITS. So this is an interim procedure. Does the Senator agree with that statement? Under those circumstances this is an interim action which sort of clears the decks for whatever else others in the Senate may have in mind to suggest or offer with respect to this measure.

I think it is fair to say that expresses itself as the eight or nine members, or whatever the number was, on the Committee on the Judiciary expressed themselves that this particular concept, this idea, as a framework upon which to hang a bill is not acceptable, and that the committee frame seems better adapted as a frame on which to hang a bill. That does not mean any amendment would prevail but only that this is a frame upon which to put a bill.

Mr. HART. The Senator from New York has analyzed the situation as I see it also.

We must remember that there are some 25 to 30 amendments that have been filed. We are in the 14th or 15th day of discussion. I think orderly procedure requires us, with a measure of responsibility on the bill, to take the action suggested.

Mr. JAVITS. Does it have some substantive importance indicating the framework within which a majority, if it should carry, wishes to work, is the framework of the bill as reported by the majority of the committee?

Mr. HART. Most certainly that would be the interpretation that should be given to our action if the Senate should favorably support the motion to table.

Mr. JAVITS. Would the Senator expect that is the concept which would then go out to the country; that that is all we have done? Would the Senator, as the manager of the bill, agree with me that this does not mean we have rejected all efforts to change the committee bill or compromise upon some phases of it, just as it would not mean necessarily we exclude any amendment, but only that we have chosen, as the framework within which to work, in an effort to perfect a bill, the bill as reported by the committee?

Mr. HART. As I see it, that is all that would be implied, and that would certainly be demonstrated.

Mr. JAVITS. I wonder if the Senator agrees with me that this represents a test of the action which the manager of the bill is proposing to take in due course, in which I hope to have the privilege of joining with him and standing with him, in that it will at least settle that question. Thereby, in a sense, it would liberate the time from the doctrine argument and free that group in the Senate—if it is a majority, and in my judgment, it is a heavy majority and much more than two-thirds—which does not adopt an approach toward this kind of social question but would be free to deal with it without that approach that there is anything right in a system which does differentiate between different elements of our population, and that we can all work our will on this measure.

Mr. HART. The Senator is correct in his statement. That would be the consequence of favorable action.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. DIRKSEN. Mr. President, if there is any doubt, and if it makes any difference as to my own attitude on this matter, I propose to vote against the motion to table.

We have had innumerable meetings in the majority leader's office, and in my office. We have also had the Attorney General, our staffs, the distinguished Senator from North Carolina, the distinguished Senator from Nebraska at our meetings, and we have done our best to come up with three or four different versions.

I thought, as late as yesterday, that probably we had reached the point of agreement where I thought we could go to the distinguished Senator from Michigan and say we hope he probably can take it because I was opposed in committee to the committee bill. But the Senator from Michigan is the Senator in charge of the bill now. It came out of committee by one vote.

As long as the door is open we can continue to talk, we can continue to explore, and we can continue to examine every objection and find out whether we can come reasonably close to a common denominator.

If I had no other reason for so doing, I believe that would be adequate to vote against the motion to table. I should be only too glad to give myself to this problem, as I have done before, and try to exercise a maximum of restraint and patience in so doing.

Frankly, all these meetings were held in good grace and in good spirit. There was no acrimony whatever. We all came in with searching hearts and minds. I can continue to hope that we will continue to do exactly that, because I should like to see a bill before we have to resort to some kind of extreme action, either in the form of cloture or in the form of withdrawing the bill.

If there can be a bill to meet, in large part, the areas that should be served, then I am ready to do so.

Mr. HART. The Senator from Illinois, as always, explains clearly and eloquently the position he is taking and the reason for it.

I hope that the action I propose we take will assist and accelerate the development of an effective worker protection bill. The motion is made in the belief that it will make a contribution to it.

I respect, of course, the feeling of the Senator from Illinois and I make plain that the discussions that he has described have been developed over a period of days and I have never doubted that they were in good faith and in good spirit.

Mr. HOLLAND. Mr. President, will the Senator from Michigan yield?

Mr. HART. I yield for a question.

Mr. HOLLAND. This is a little more than a question. It enlarges the point I made on yesterday and completes that point.

Mr. HART. There are several Senators who are under a time problem here. I would not want the discussion to go to an extent that we would not be able to put the question before about a quarter to 3.

Mr. HOLLAND. The point I make will not go to any length. I thank the Senator for yielding.

Mr. President, yesterday, I called attention, in my brief remarks, to the dangerous and destructive leadership which was being exercised by several of the so-called civil rights leaders, notably—and I name them:

Sammy Davis. Stokely Carmichael. Rap Brown. Dick Gregory. Martin Luther King.

I notice in the Washington Post this morning an article which I believe adds further to this point. It is entitled "King Says 'No' to L. B. J. on March." I ask unanimous consent to have this article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KING SAYS "NO" TO L. B. J. ON MARCH

CHICAGO, February 5.—Civil rights leader the Rev. Martin Luther King today rejected an appeal from President Johnson to abandon a planned poverty protest march on Washington in April.

He told a press conference he wished the President would remember that nothing had been achieved in civil rights "without putting real pressure on."

"I will only say to the President," King said today, "that if he will only remember that in December 1964 he told me in his office that he could not get a voting rights bill in 1965 but that same President must face the fact that we went to Selma (Alabama) two weeks later and started a movement," he said.

Dr. King came to Chicago to join other civil rights leaders in backing a planned march by one million mothers in American cities May 12—Mothers Day—to protest against provisions of the new "anti-welfare" Social Security amendments.

Organizers of the Mothers' March—the national welfare rights organization, a Nationwide group of welfare recipients—announced it would be followed by Nationwide demonstrations June 30 and July 1, when the welfare measure begins operating.

Dr. King also announced he would "probably join" planned protest demonstrations during the Democratic National Convention in Chicago in August.

Mr. HOLLAND. Mr. President, I read briefly from the article as follows:

> CHICAGO, February 5.—Civil rights leader the Rev. Martin Luther King today rejected an appeal from President Johnson to abandon a planned poverty protest march on Washington in April.

The last sentence reads:

> Dr. King also announced he would "probably join" planned protest demonstrations during the Democratic National Convention in Chicago in August.

Mr. President, I merely reiterate the point I made yesterday, that so long as we have these dangerous and destructive tactics by the leadership of a member of a race who has been shown honor, and has been allowed, in some instances, to attain distinction in this country under our democratic process, so long as we allow his fellow racists to exercise this dangerous, destructive, and false leadership, we can look forward to further trouble in the future. That is what I am sure every Senator in this body seeks ardently to avoid rather than to bring about.

Mr. SCOTT. Mr. President, will the Senator from Michigan yield?

Mr. HART. I yield for a question.

Mr. SCOTT. Will the Senator from Michigan not agree that on all great issues, including the civil rights issue, there is, at times, a tendency on the part of advocates on both sides to go beyond the normally defined limits of responsibility. I am sure that the Senator from Michigan does not excuse anyone who does that any more than I do.

I am sure that the Senator from Michigan would agree that in the Senate we do not equate those things which we cannot accept as responsible with our responsibility.

On that note, yes, I am very glad to say, loud and clear, in this Chamber, that the bill came out of committee because of my affirmative vote. I support it and I hope that the Senator's motion to table will carry.

Mr. HART. The vote of the Senator from Pennsylvania, as we all know, was most significant and most dramatic.

Mr. HRUSKA. Mr. President, will the Senator from Michigan yield?

Mr. HART. I yield for a question.

Mr. HRUSKA. I have just one brief comment. I join the minority leader in suggesting that it would be wise to reject any motion to lay the pending Ervin amendment on the table. I have been actively searching for a compromise position between the Ervin amendment and the committee bill.

There have been diligent, good-faith efforts to compose such a compromise and I think those efforts should continue. However, should the motion to lay the amendment on the table prevail, the area in which any Senator is interested in composing a compromise will be severely restricted. That should not be allowed to happen. I believe that with a little more time, we can determine either that there is no possibility of compromise or that there is a sufficiently strong likelihood of agreement.

But I should very much dislike—and I think that any Senator who is interested in securing the enactment of legislation on this point would dislike—to see the possibility of a compromise thrown away or limited so much as to make it impossible.

I hope that the substitute will not be tabled, but that the Senate will allow us to function a little more freely in searching for a solution to this problem.

I thank the Senator from Michigan for yielding to me.

Mr. HART. The Senator from Nebraska states his case very well. If I shared his point of view, I would not, of course, make the motion I shall now make. I believe it will clarify the situation for all Members of the Senate.

Mr. President, I now move——

Mr. MILLER. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. MILLER. The Senator from Nebraska [Mr. HRUSKA] has expressed my sentiments very well. I certainly want it understood that I am not sold on the Ervin amendment. If the motion should not prevail, it would be my full intention to join with other Senators in seeking to perfect the amendment.

I know that the leadership has worked hard to try to devise a compromise. I have the uneasy feeling that if the motion should prevail, the work of the leadership will have gone down the drain. At least, the leadership will be much more inhibited than it otherwise would be.

I think that most of us have the feeling that if the motion to table prevails, that will not necessarily mean that the bill will not be amended; and that if the motion does not prevail, we who voted against the motion to table will be overjoyed and excited about the Ervin amendment.

The Ervin amendment contains many good points. But there are some points to which I do not subscribe. So when I cast my vote, it will be with the understanding that we will continue to try to perfect the proposed legislation without regard to what has happened.

Mr. KENNEDY of Massachusetts. Mr. President, I have given a great deal of thought to the arguments presented these past days by those Senators who oppose the enactment of H.R. 2516. I think it can be fairly said that most of their stated objections fall into one of these general categories:

Most insistently of all, we have heard that this bill would protect rioters, looters, and criminals generally and, correspondingly, would hamper and harass law enforcement officers, particularly in dealing with urban riot situations.

The opponents to this bill claim, further, that it somehow violates the spirit of the equal protection clause of the 14th amendment, by giving special benefits to one class of persons. Thus, it has been argued that the proposed statute would, in effect, discriminate against the majority—in particular, against those white persons from our southern States.

We have also heard that H.R. 2516 would be an unconstitutional invasion of State authority. Opponents have claimed that the enactment of the bill would flood the Federal courts with cases heretofore solely within local jurisdiction, and that many innocent persons would be necessarily swept into the net of Federal criminal sanctions.

Strangely enough, we have also heard, on the other hand, that this statute would be impossible to enforce, since the required intent would rarely be capable of proof.

These, then, are the basic criticisms of H.R. 2516 made by the opposition. I strongly believe that each is based on incorrect views of the actual scope of the bill itself, of the law in this area, and of the factual circumstances which the statute seeks to meet. I should like to deal with each of these criticisms, and to reiterate in the process some of the many aspects of the committee bill which render it not only desirable but necessary.

RELATION TO LAW ENFORCEMENT

First, I should have thought it would be clear to any objective student of this bill and its history thus far, that it is not intended to and would not condone or protect rioters or other violators of local criminal law. The present widespread concern over mass violence in our cities, as well as with the rising national crime rate, does indeed indicate the need for urgent congressional action on such measures as safe streets and the gun bill. However, this distressing situation does not diminish or overshadow the need for a Federal bill to punish interference with the lawful exercise of Federal rights.

We have heard many times during this debate that, because of its application to anyone, "whether or not acting under color of law," H.R. 2516 would harass and inhibit law enforcement officers in attempts to suppress riot activities or in everyday enforcement of local criminal laws. Nothing could be further from the truth.

Section 242 of the Federal criminal code, which authorizes prosecution of those interfering with Federal rights under color of law, has proven to be a more usable, effective, and comprehensive tool than section 241, which proscribes private conspiracies. Although the new section 245 could facilitate prosecutions of errant law enforcement officers insofar as it would obviate proof of action under color of law in the commission of the crime, the main thrust of the proposed bill has always been viewed by its proponents as the extended coverage of violence by private individuals.

Today, excessive force to effect an arrest, or official coercion of a confession would subject a law enforcement officer to Federal sanctions under section 242, as well as to State criminal penalties or departmental disciplinary action. Police officers may also be subject to civil liability for such excesses. And, of course, the case against an accused may be lost because of an officer's invasion of his rights.

Some people believe that local law enforcement is inhibited by these existing sanctions, although it seems to me that a policeman who tries to perform his duties fairly with respect to all citizens would be most unlikely to breach the bounds of legality. Whatever the merits of existing restrictions, however, I cannot see how any law enforcement officer who approaches his duties and responsibilities seriously, could feel constrained by a statute which prohibits him from using threats and force to deprive people of their federally guaranteed rights, a prohibition to which he is already largely subject under Federal and State laws.

This new law would provide that when a law enforcement officer totally abandons his duty in order to violently intimidate individuals seeking lawfully to exercise certain enumerated Federal rights, he will be punished like any other citizen. The actions upon which a conviction could be based would not be those of an officer doing his duty; I can conceive of no justification for excluding such acts from coverage merely because the agent of violence wears a uniform.

Along these lines, much has been made of the absence of the word "willfully" from the committee bill's description of prohibited acts. It has been claimed, for example, that a policeman who uses force to arrest a man under a local penal law, which is later invalidated as unconstitutional, could be convicted under section 245, since, as determined retroactively, the victim acted lawfully and the officer thereby interfered with his rights.

This line of criticism, however, ignores the clear requirement of an intention to invade the rights of a person because of his race or ethnic affiliation, or because of his advocacy of equality in the areas enumerated in section 245(a). So long as it appears that an officer reasonably believed he was doing his duty, that is, that the arrest took place because of a perceived violation of a then-valid law, no case of knowing interference with civil rights could be made against him.

VICTIMS OF VIOLENCE

I turn now to the potential victims of racially motivated violence. During this debate, we all have tended to speak rather loosely of the "protection" offered to various persons by this bill. It is true that any penal statute "protects" members of society insofar as it deters criminal acts against them. But criminal legislation does not confer new rights on prospective victims; nor does it relieve any persons from pre-existing duties and prohibitions.

Thus, with respect to the committee bill before us, it can be said that all persons would indeed be "protected" from violence, insofar as such violence would be deterred. But this would not render any person immune from prosecution for crimes he commits. Nor would the enactment of this bill imply any condonation of their crimes by the Federal Government. A citizen would, for example, be protected from being shot because he supported equal voting rights, but if he chose to express his support by illegally interfering with someone else's rights or property, he would be subject to the full penalties of the law.

Contrary to the frequent cries of opponents, this bill does not in any way rest upon a jurisdictional basis of "diversity of race." The race, religion, or national origin of the defendant and the victim would be merely incidental facts. The central element in the establishment of an offense, in addition to the act or threat of force, would be the defendant's motive.

The prohibited acts or threats of violence would be those motivated by a desire to interfere with the activities enumerated in section 245(a) because of the race, religion, or national origin of those who would otherwise enjoy them. The criticisms hypothesized on the basis of the difficulty of determining whether a given victim was in fact Negro, or on some supposed disparity of coverage when a group of victims or assailants consists of members of more than one racial or religious group, do not withstand a close reading of all three subsections of the proposed statute.

The potential victims under this bill could be members of any group, minority or majority. Subsection (c) would protect all officials or private employers or owners of public accommodations who seek to afford nondiscriminatory benefits. Subsection (b) would also protect persons of any race or religion urging such equality. Even under subsection (a), coverage would be provided no matter what the race or religion of the victim, as long as the intimidation is racially motivated and many situations can be foreseen where the victim would be white.

Consider, for example, the voting district comprised predominantly of members of one racial or ethnic minority group. Punishment of violence to intimidate voters of another race or religion, even though it predominates nationwide, is surely contemplated by subsection (a).

CONSTITUTIONALITY

Our power to enact H.R. 2516 derives from several sources, depending upon the victim's activity. It has long been settled that Congress may make it a crime for any person to interfere with the exercise of rights arising out of a relationship with the Federal Government or rights created by legislation enacted under article I, section 8, of the Constitution, which enumerates congressional powers. Thus this bill is plainly not subject to objection insofar as the activity interfered with is in the areas of Federal elections, employment, Federal jury service, common carriers, public accommodations, or federally administered or funded programs, facilities, or services.

Opponents to enactment concede all this, but would limit coverage with respect to employment, public accommodations, and common carriers to the scope of the substantive civil rights legislation we have enacted under the commerce clause. However, Congress is not

constitutionally bound by the lines of coverage announced in the 1964 Civil Rights Act. These limits were based primarily on other considerations relevant to that measure, and were not compelled by the Constitution. But if the enjoyment of the rights affirmed in these existing substantive laws is to be secured, we must prohibit all racial violence which is likely to inhibit such enjoyment. If racial violence directed against activities closely related to those protected by the 1964 act is permitted to go unpunished, the exercise of the protected activities will also be discouraged.

H.R. 2516 also would vindicate the right to the equal enjoyment of State facilities or programs, including, specifically, participation in purely State elections, in public education unassisted by the Federal Government, in employment by State and local agencies, and in State jury service.

There is no question that Congress has the power under the enabling clauses of the 14th and 15th amendments to punish criminally State officials who forcibly seek to deny these rights.

But perhaps most significantly, the measure before us would also reach purely private interference with the enjoyment of these 14th and 15th amendment rights. The opponents of this bill have quoted many judicial statements which appear to question Congress ability to enter this area. In fact, however, many of these decisions have dealt with the unconstitutionality of a State statute or other official action as determined directly by the equal protection clause. These cases did not deal with the question of whether the enabling clauses of the 14th and 15th amendments grant Congress the power to legislate with respect to private interference with rights which the State must affirmatively grant.

I am convinced that we have the power to reach private acts of racial violence intended to interfere with the exercise of 14th amendment rights. We have already made such a judgment, in enacting the criminal provisions of the 1965 Voting Rights Act, under the enabling clause of the 15th amendment. And six of the nine Justices of the Supreme Court, in the 1966 case of United States against Guest, have announced agreement with that judgment as applied to 14th amendment rights.

I have already met much of the argument that this bill violates the spirit of the equal protection clause. We have heard that cry of "reverse discrimination" before in our consideration of other civil rights statutes. Presumably opponents of such legislation believe that any bill which seeks to deal honestly and directly with the problems created by centuries of persecution of Negroes—and thus explicitly mentions the word "race"—is somehow granting Negro citizens special privileges.

As I pointed out earlier, this claim is particularly baseless with respect to criminal legislation, which grants no new rights at all, but is aimed at penalizing invasions of preexisting rights. And, looking for a moment at the whole spectrum of civil rights laws which have been, and, I hope, will be, enacted, we see only an attempt to counteract the effects of previous violations of our Nation's basic premise of the equality of all men before the law.

COVERAGE AND PROOF

It is strange that the opposition criticizes H.R. 2516 as an infringement upon State criminal jurisdiction, yet supports an amendment which would punish acts as to which no need for Federal intervention has been indicated. The committee bill limits its coverage to violence motivated by issues of race, color, religion, or national origin—violence which prevents the full implementation of Federal civil rights legislation and has often met no local sanctions.

Yet it is unlikely that a conviction could ever be obtained under this statute for actions which would not also be punishable by adequate State laws rigorously and evenhandedly applied. Thus, the argument we have heard that innocent persons would be harassed by Federal prosecutions has no more application to this statute than to any other penal law. Innocent persons could not fear conviction under this law—that is the crucial fact.

As other proponents of this bill have already pointed out in greater detail, this bill would clearly be far more effective, both as a deterrent and as a basis for prosecution, than existing legislation or any suggested substitute. In conclusion, I wish to express my hope that H.R. 2516 will be promptly enacted.

Mr. HART. Mr. President, I now move to table the Ervin amendment, which is pending. On the motion, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask that the Chamber be cleared, in accordance with the recently adopted regulations. The doors are being blocked.

The PRESIDING OFFICER. All persons not authorized to be in the Chamber will withdraw. The clerk will desist from the rollcall until they have withdrawn. The Sergeant at Arms is instructed to carry out the order.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Michigan to table the amendment (No. 505) of the Senator from North Carolina [Mr. ERVIN]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the affirmative). Mr. President, on this vote I have a pair with the distinguished senior Senator from Georgia [Mr. RUSSELL]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. BYRD of West Virginia (after having voted in the negative). Mr. President, on this vote I have a live pair with the distinguished senior Senator from Rhode Island [Mr. PASTORE]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I withdraw my vote.

Mr. DIRKSEN (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished Senator from California [Mr. KUCHEL]. He is unavoidably absent. If he were present and voting, he would vote "yea." If I were free to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Mississippi [Mr. EASTLAND], the Senator from Indiana [Mr. HARTKE], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Hawaii [Mr. INOUYE], the Senator from New York [Mr. KENNEDY], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Utah [Mr. MOSS], the Senator from Rhode Island [Mr. PASTORE], the Senator from Connecticut [Mr. RIBICOFF], and the Senator from Georgia [Mr. RUSSELL], are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Indiana [Mr. HARTKE], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Utah [Mr. MOSS], would each vote "yea."

On this vote, the Senator from Connecticut [Mr. RIBICOFF], is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from Connecticut would vote "yea" and the Senator from Mississippi would vote "nay."

On this vote, the Senator from New York [Mr. KENNEDY], is paired with the Senator from South Carolina [Mr. HOLLINGS]. If present and voting, the Senator from New York would vote "yea" and the Senator from South Carolina would vote "nay."

On the vote, the Senator from Hawaii [Mr. INOUYE], is paired with the Senator from California [Mr. MURPHY]. If present and voting the Senator from Hawaii would vote "yea" and the Senator from California would vote "nay."

Mr. DIRKSEN. I announce that the Senators from California [Mr. KUCHEL and Mr. MURPHY] are necessarily absent.

The Senator from Tennessee [Mr. BAKER] is detained on official business, and, if present and voting, would vote "yea."

The pair of the Senator from California [Mr. KUCHEL] has been previously announced.

On this vote, the Senator from California [Mr. MURPHY] is paired with the Senator from Hawaii [Mr. INOUYE]. If present and voting, the Senator from California would vote "nay" and the Senator from Hawaii would vote "yea."

The result was announced—yeas 54, nays 29, as follows:

[No. 5 Leg.]

YEAS—54

Aiken
Allott
Anderson
Bayh
Bible
Boggs
Brewster
Brooke
Burdick
Cannon
Case
Church
Clark
Cooper
Cotton
Dodd
Dominick
Fong
Griffin
Gruening
Harris
Hart
Hatfield
Jackson
Javits
Jordan, Idaho
Kennedy, Mass.
Lausche
Long, Mo.
Magnuson
McGee
McGovern
McIntyre
Metcalf
Mondale
Monroney
Montoya
Morse
Morton
Muskie
Nelson
Pearson
Pell
Percy
Prouty
Proxmire
Randolph
Scott
Smith
Symington
Tydings
Williams, N.J.
Yarborough
Young, Ohio

NAYS—29

Bennett
Byrd, Va.
Carlson
Curtis
Ellender
Ervin
Fannin
Fulbright
Gore
Hansen
Hayden
Hickenlooper
Hill
Holland
Hruska
Jordan, N.C.
Long, La.
McClellan
Miller
Mundt
Smathers
Sparkman
Spong
Stennis
Talmadge
Thurmond
Tower
Williams, Del.
Young, N. Dak.

NOT VOTING—17

Baker
Bartlett
Byrd, W. Va.
Dirksen
Eastland
Hartke
Hollings
Inouye
Kennedy, N.Y.
Kuchel
Mansfield
McCarthy
Moss
Murphy
Pastore
Ribicoff
Russell

So Mr. HART's motion to lay Mr. ERVIN's amendment on the table was agreed to.

FAIR HOUSING

Mr. MONDALE. Mr. President, I submit an amendment which I send to the desk, and ask that the reading of the amendment be waived and that it be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MONDALE's amendment is as follows:

AMENDMENT NO. 524

On page 11, line 5, insert the following:

"TITLE II

"POLICY

"It is the policy of the United States to prevent discrimination on account of race, color, religion, or national origin in the purchase, rental, financing, and occupancy of housing throughout the United States.

"DEFINITIONS

"SEC. 2. As used in this Act—

"(a) 'Secretary' means the Secretary of Housing and Urban Development.

"(b) 'Dwelling' means any building, structure or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one or more families, and any vacant land which is offered for sale or lease for the construction or location thereon of any such building, structure or portion thereof.

"(c) 'Family' includes a single individual.

"(d) 'To rent' includes to lease, to sublease, to let and otherwise to grant for a consideration the right to occupy premises not owned by the occupant.

"(e) 'Discriminatory housing practice' means an act that is unlawful under section 4, 5, 6, or 7.

"(f) 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or any of the territories and possessions of the United States.

"EFFECTIVE DATES OF CERTAIN PROHIBITIONS

"SEC. 3. Except as exempted by section 8, the prohibitions against discrimination in the sale or rental of housing set forth in section 4 shall apply—

"(a) Upon enactment of this Act, to—

"(1) dwellings owned or operated by the Federal Government;

"(2) dwellings provided in whole or in part with the aid of loans, advances, grants or contributions made by the Federal Government, under agreements entered into after November 20, 1962;

"(3) dwellings provided in whole or in part by loans insured, guaranteed or otherwise secured by the credit of the Federal Government, under agreements entered into after November 20, 1962; and

"(4) dwellings provided by the development or the redevelopment of real property purchased, rented or otherwise obtained from a State or local public agency receiving Federal financial assistance for slum clearance or urban renewal with respect to such real property under loan or grant contracts entered into after November 20, 1962.

"(b) After December 31, 1968, to—

"(1) dwellings included within subsection (a);

"(2) dwellings no parts of which are occupied by their owners as residences prior to the particular sales or rentals involved; and

(3) dwellings designed or intended for occupancy by, or occupied by, five or more families.

"(c) After December 31, 1969, to all dwellings.

"DISCRIMINATION IN THE SALE OR RENTAL OF HOUSING

"SEC. 4. As made applicable by section 3 and except as exempted by section 8, it shall be unlawful—

"(a) To refuse to sell or rent, to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, or national origin.

"(b) To discriminate against any person in the terms, conditions or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, or national origin.

"(c) To make, print, or publish, or cause to be made, printed, or published any oral or written notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, or national origin, or an intention to make any such preference, limitation, or discrimination.

"(d) To represent to any person because of race, color, religion, or national origin that any dwelling is not available for inspection, sale, or rental when such dwelling is in fact so available.

"(e) For profit, to induce or attempt to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, color, religion, or national origin.

"(f) Nothing in this section shall apply to an owner with respect to the sale, lease, or rental by him of a portion of a building or structure which contains living quarters occupied or intended to be occupied by no more than four families living independently of each other if such owner actually occupies one of such living quarters as his residence.

"DISCRIMINATION IN THE FINANCING OF HOUSING

"SEC. 5. After December 31, 1968, it shall be unlawful to deny a loan to a person applying therefor for the purpose of purchasing, constructing, improving, repairing, or maintaining a dwelling, or to discriminate against him in the fixing of the amount, interest rate, duration, or other terms or conditions of such a loan, because of the race, color, religion, or national origin of such person or of any person associated with him in connection with such a loan or the purposes of such a loan, or of the present or prospective owners, lessees, tenants, or occupants of the dwelling or dwellings in relation to which such a loan is to be made.

"DISCRIMINATION IN THE PROVISION OF BROKERAGE SERVICES

"SEC. 6. After December 31, 1968, it shall be unlawful to deny any person access to or membership or participation in any multiple-listing service, real estate brokers' organization or other service, organization or facility relating to the business of selling or renting dwellings, or to discriminate against him in the terms or conditions of such access, membership, or participation, on account of race, color, religion, or national origin.

"INTERFERENCE, COERCION, OR INTIMIDATION

"SEC. 7. It shall be unlawful to coerce, intimidate, threaten, or interfere with any person in the exercise or enjoyment of, or on account of his having exercised or enjoyed, or on account of his having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by section 4, 5, or 6.

"EXEMPTION

"SEC. 8. Nothing in this Act shall prohibit a religious organization, association, or society, or any nonprofit institution or organization operated, supervised or controlled by or in conjunction with a religious organization, association, or society, from limiting the sale, rental or occupancy of dwellings which it owns or operates for other than a commercial purpose to persons of the same religion, or from giving preference to such persons, unless membership in such religion is restricted on account of race, color, or national origin.

"ADMINISTRATION

"SEC. 9. (a) The authority and responsibility for administering this Act shall be in the Secretary of Housing and Urban Development.

"(b) The Department of Housing and Urban Development shall be provided an additional Assistant Secretary. The Department of Housing and Urban Development Act (Public Law 89–174, 79 Stat. 667) is hereby amended by—

"(1) striking the word 'four,' in section 4(a) of said Act (79 Stat. 668; 5 U.S.C. 624b (a)) and substituting therefor 'five,'; and

"(2) striking the word 'six,' in section 7 of said Act (79 Stat. 669; 5 U.S.C. 624d(c)) and substituting therefor 'seven.'

"(c) The Secretary may delegate any of his functions, duties, and powers to employees of the Department of Housing and Urban Development or to boards of such employees, including functions, duties, and powers with respect to investigating, conciliating, hearing, determining, ordering, certifying, reporting, or otherwise acting as to any work, business, or matter under this Act. The persons to whom such delegations are made with respect to hearing functions, duties, and powers shall be appointed and shall serve in the Department of Housing and Urban Development in compliance with sections 3105, 3344, 5362, and 7521 of title 5 of the United States Code. Insofar as possible, initial hearings shall be held in the cities or other localities where the discriminatory housing practices allegedly occurred. The Secretary shall by rule prescribe such rights of appeal from the decisions of his hearing examiners to other hearing examiners or to other officers in the Department, to boards of officers or to himself, as shall be appropriate and in accordance with law.

"(d) All executive departments and agencies shall administer their programs and activities relating to housing and urban development in a manner affirmatively to further the purposes of this Act and shall cooperate with the Secretary to further such purposes.

"(e) The Secretary shall conduct such investigations, make such surveys and studies, issue such reports, establish such policies, standards, criteria, and procedures, and prescribe such rules, regulations, and forms as in his judgment are necessary or appropriate to further the purposes of this Act.

"EDUCATION AND CONCILIATION

"SEC. 10. (a) Immediately after the enactment of this Act the Secretary shall commence such educational and conciliatory activities as in his judgment will further the purposes of this Act. He shall call conferences of persons in the housing industry and other interested parties to acquaint them with the provisions of this Act and his suggested means of implementing it, and shall endeavor with their advice to work out programs of voluntary compliance and of enforcement. He may pay per diem, travel and transportation expenses for persons attending such conferences as provided in section 5703 of title 5 of the United States Code. He shall consult with State and local officials and other interested parties to learn the extent, if any, to which housing discrimination exists in their State or locality, and whether and how State or local enforcement programs might be utilized to combat such discrimination in connection with, or in place of, the Secretary's enforcement of this Act. The Secretary shall issue reports on such conferences and consultations as he deems appropriate.

"(b) In any case in which he holds hearings and issues orders, or in which he contemplates doing so, the Secretary shall first endeavor to eliminate the alleged discriminatory housing practices by informal methods of conference (conciliation and persuasion. Nothing said or done in the course of such informal endeavors may be made public or used as evidence in a subsequent proceeding under this Act, without the written consent of the persons concerned. Any employee of the Secretary who shall make public any information in violation of this provision shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned not more than one year.

"ENFORCEMENT

"SEC. 11. (a) The Secretary is empowered, as hereinafter provided, to prevent any person from engaging in any discriminatory housing practice. Any person who claims to have been injured by a discriminatory housing practice or who believes that he will be irrevocably injured by a discriminatory housing practice that is about to occur (hereafter, 'person aggrieved') may file a charge with the Secretary. Charges shall be in writing and shall contain such information and be in such form as the Secretary requires. Within thirty days after receiving a charge the Secretary shall investigate it and give notice in writing to the person aggrieved whether he intends to resolve it. If the Secretary decides to resolve the charge, he shall proceed to try to eliminate or correct the alleged unfair housing practice by informal methods of conference, conciliation, and persuasion. If the Secretary declines to resolve a charge, or if he fails to give notice of whether he intends to resolve it within thirty days as prescribed, or if he is able to settle a charge by informal methods of conference, conciliation, and persuasion but the person aggrieved does not consent in writing to the terms of such settlement, the person aggrieved may commence an action in any United States district court or State or local court of competent jurisdiction to enforce the rights granted or protected by this Act, insofar as such rights relate to the subject of the charge. Such actions may be brought in United States district courts without regard to the amount in controversy. Courts shall decide such actions without regard to the fact that the Secretary may have declined to resolve the charges to which they relate or failed to give timely notice of his intent to resolve them, or that he may have settled a charge with the respondent but failed to obtain the written consent of the person aggrieved.

"(b) If the Secretary determines after trying to settle a charge by informal methods of conference, conciliation, and persuasion that further efforts are unwarranted, which determination shall not be reviewable in any court, he shall issue a complaint and promptly serve a copy of the complaint on the person or persons who allegedly committed or are about to commit the discriminatory housing practices concerned (hereinafter, 'the respondents') and shall also furnish a copy to the person or persons aggrieved. The Secretary may also issue complaints without a charge having been filed, if from his own investigation he has reason to believe that a discriminatory housing practice has occurred or is about to occur. No alleged discriminatory housing practice shall be made the subject of a complaint or of a civil action issued or commenced under this subsection more than 180 days after the alleged practice has occurred, except that a civil action may be commenced with respect to the subject of an informally settled charge to which the person aggrieved did not consent in writing within sixty days of such person having received notice of the terms of such settlement.

"(c) Complaints shall be in writing and shall state the facts upon which the allegations of a discriminatory housing practice or practices are based and when and where a hearing on such allegations is scheduled to take place. Related proceedings may be consolidated for hearing. Complaints may be reasonably and fairly amended at any time. After the respondents have been given reasonable notice and an opportunity to be heard, the Secretary shall state his findings of fact and, if he finds that no discriminatory housing practices have occurred, shall issue an order dismissing the complaint, or if he finds that discriminatory housing practices have occurred or are about to occur, shall issue an order requiring the respondent to cease and desist such practices and to take such affirmative action as will effectuate the policies of this Act. Such orders may require a respondent to make reports from time to time showing the extent to which he has complied with an order. Findings of fact and orders made or issued under this subsection shall be determined on the record.

"(d) At any time after a complaint is issued the Secretary may issue a temporary order restraining the respondent from doing any act that would tend to render ineffectual a final order that the Secretary might issue. Temporary orders may extend beyond ten days only if the respondent is first given reasonable notice and an opportunity to be heard. The Secretary may condition the issuance of a temporary order upon the posting of a bond by the person or persons seeking protection from discrimination, with such sureties, if any, as the Secretary considers necessary.

"(e) A respondent may file an answer to the complaint against him and with the leave of the Secretary, which shall be granted whenever it would be reasonable and fair to do so, may amend his answer at any time. Respondents shall be parties and may appear at any stage of the proceedings, with or without counsel. Persons aggrieved may submit briefs or other written submissions on each occasion when such are permitted or directed, may be present to observe at any stage of the proceedings, with or without counsel, and may appeal or petition for review to the same extent as a party, but without the permission of the Secretary persons aggrieved may not otherwise participate in the proceedings. The Secretary may grant such other persons a right to intervene as respondents or persons aggrieved or to file briefs or make oral arguments as amicus curiae or for other purposes, as he considers appropriate.

"(f) Hearings shall be on the record. All testimony shall be taken under oath. Hearings shall be open to the public unless the respondent and the Secretary agree that they be private.

"INVESTIGATIONS; SUBPENAS; GIVING OF EVIDENCE

"SEC. 12. (a) In conducting an investigation the Secretary shall have access at all reasonable times to premises, records, documents, individuals and other evidence or possible sources of evidence and may examine record, and copy such materials and take and record the testimony or statements of such persons as are reasonably necessary for the furtherance of the investigation. The Secretary may issue subpenas to compel his access to or the production of such materials, or the appearance of such persons, and may issue interrogatories to a respondent, to the same extent and subject to the same limitations as would apply if the subpenas or interrogatories were issued or served in aid of a civil action in the United States district court for the district in which the investigation is taking place. The Secretary may administer oaths.

"(b) Upon written application to the Secretary, a respondent shall be entitled to the issuance of a reasonable number of subpenas by and in the name of the Secretary to the same extent and subject to the same limitations as subpenas issued by the Secretary himself. Subpenas issued at the request of a respondent shall show on their face the name and address of such respondent and shall state that they were issued at his request.

"(c) Witnesses summoned by subpena of the Secretary shall be entitled to the same witness and mileage fees as are witnesses in proceedings in United States district courts. Fees payable to a witness summoned by a subpena issued at the request of a respondent shall be paid by him.

"(d) Within five days after service of a subpena upon any person, such person may petition the Secretary to revoke or modify the subpena. The Secretary shall grant the petition if he finds that the subpena requires appearance or attendance at an unreasonable time or place, that it requires production of evidence which does not relate to any matter under investigation, that it does not describe with sufficient particularity the evidence to be produced, that compliance would be unduly onerous, or for other good reason.

"(e) In case of contumacy or refusal to obey a subpena, the Secretary or other person at whose request it was issued may petition for its enforcement in the United States district court for the district in which the person to whom the subpena was addressed resides, was served, or transacts business.

"(f) Any person who wilfully fails or neglects to attend and testify or to answer any lawful inquiry or to produce records, documents, or other evidence, if in his power to do so, in obedience to the subpena or lawful order of the Secretary, shall be fined not more than $5,000 or imprisoned not more than one year, or both. Any person who, with intent thereby to mislead the Secretary, shall make or cause to be made any false entry or statement of fact in any report, account, record or other document submitted to the Secretary pursuant to his subpena or other order, or shall wilfully neglect or fail to make or cause to be made full, true and correct entries in such reports, accounts, records, or other documents, or shall wilfully mutilate, alter, or by any other means falsify any documentary evidence, shall be fined not more than $5,000 or imprisoned not more than one year, or both.

"PATTERN OR PRACTICE ACTIONS

"SEC. 13. Whenever the Attorney General has reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of resistance to the full enjoyment of any of the rights granted or protected by this Act he may bring a civil action in any appropriate United States district court by filing with it a complaint setting forth the facts pertaining to such pattern or practice and requesting such preventive relief, including an application for a permanent or temporary injunction, restraining order or other order against the person or persons responsible for such pattern or practice, as he deems necessary to insure the full enjoyment of the rights granted or protected by this Act.

"DISOBEDIENCE OF ORDERS; JUDICIAL REVIEW

"SEC. 14. (a) It shall be unlawful to fail to comply with an order that has not been stayed or set aside by the Secretary or by a court as provided in subsection (b) of this section. After having first given the respondent or other person allegedly in disobedience of an order reasonable notice and an opportunity to be heard, the Secretary, if he determines that it has been disobeyed, may issue such supplemental orders as he considers appropriate to encourage compliance with such order. Supplemental orders may include an order to forfeit not more than $50 for each day during which the person found to have disobeyed an order continues to disobey it. Moneys so forfeited shall be paid into the Treasury of the United States.

"(b) At any time after he has issued an order the Secretary may petition a court for its enforcement. Within thirty days after the Secretary has given notice to all respondents and persons aggrieved of his decision on the last appeal to him which is available with respect to a final order isued under subsection (c) of section 11, or within five days after he has given such notice with respect to a temporary order issued under subsection (d) of section 11 or a supplemental order issued under subsection (a) of this section, a respondent or person aggrieved may petition a court for review of any such order. The filing of a petition for enforcement or review shall not in itself operate to stay an order. Petitions for enforcement or review of final orders, other than final orders based on voluntary settlements, shall be to the United States court of appeals for the circuit in which the discriminatory housing practice occurred or in which the respondent resides or transacts business. Petitions for enforcement or review of voluntary settlements, of temporary orders issued under subsection (d) of section 11 or of supplemental orders issued under subsection (a) of this section shall be to the United States district court for the district in which the discriminatory housing practice occurred or in which the respondent resides or transacts business; except that when enforcement or review is sought concurrently both for orders that should be brought before a district court and for orders that should be brought before a court of appeals, the petition with respect to all such orders shall be to the appropriate court of appeals.

"(c) Promptly after he petitions for enforcement or after he receives notice that a petition for review has been filed, the Secretary shall file in the court a copy or the original of the portions of the record which are material to the petition for enforcement or review. Upon the filing of a petition the court shall conduct further proceedings in conformity with sections 701 to 706 of title 5 of the United States Code, shall cause notice of the filing to be served upon all parties and persons aggrieved and shall thereupon have exclusive jurisdiction of the proceedings. It shall have power to grant such stays, temporary relief or restraining orders as it deems proper, to affirm, modify, or set aside the findings or orders of the Secretary in whole or in part, or to remand the case to the Secretary for further proceedings. The findings of fact of the Secretary shall be conclusive if supported by substantial evidence. Enforcement or review shall be upon the record which the order was based, except that the court may, in its discretion, take additional evidence upon a showing that it was offered to and improperly excluded by the Secretary or could not reasonably have been produced before him or was not available.

"(d) The Attorney General shall conduct all litigation to which the Secretary is a party pursuant to this Act.

"EFFECT ON STATE LAWS

"SEC. 15. Nothing in this Act shall be construed to invalidate or limit any law of a State or political subdivision of a State, or of any other jurisdiction in which this Act shall be effective, that grants, guarantees, or protects the same rights as are granted by this Act; but any law of a State, a political subdivision, or other such jurisdiction that purports to require or permit any action that would be a discriminatory housing practice under this Act shall to that extent be invalid.

"COOPERATION WITH STATE AND LOCAL AGENCIES ADMINISTERING FAIR HOUSING LAWS

"SEC. 16. The Secretary may cooperate with State and local agencies charged with the administration of State and local fair housing laws and, with the consent of such agencies, utilize the services of such agencies and their employees and, notwithstanding any other provision of law, may reimburse such agencies and their employees for services rendered to assist him in carrying out this Act. In furtherance of such cooperative efforts, the Secretary may enter into written agreements with such State or local agencies, and such agreements may include provisions under which the Secretary shall refrain from issuing complaints in any class of cases specified in such agreements. The Secretary shall terminate any such agreement whenever he determines that it no longer serves the interest of effective enforcement of this Act. All agreements and terminations thereof shall be published in the Federal Register.

"APPROPRIATIONS

"SEC. 17. There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act.

"SEPARABILITY OF PROVISIONS

"SEC. 18. If any provisions of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act and the application of the provision to other persons not similarly situated or to other circumstances shall not be affected thereby."

Mr. MONDALE. Mr. President, the Senator from Massachusetts [Mr. BROOKE] and I jointly submit this amendment for ourselves, Mr. PROXMIRE——

Mr. STENNIS. Mr. President, may we have order so that Senators may hear?

The VICE PRESIDENT. The Senate will be in order. Attachés will please take their seats. The Senator will withhold until order is restored.

The Senator from Minnesota may proceed.

Mr. MONDALE. Mr. President, the Senator from Massachusetts [Mr. BROOKE] and I jointly submit this amendment for ourselves, Mr. CASE, Mr. PROXMIRE, Mr. MUSKIE, Mr. WILLIAMS of New Jersey, Mr. LONG of Missouri, Mr. MCGEE, Mr. NELSON, and possibly other members of the Committee on Banking and Currency.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary of the proposed amendment, questions and answers describing the proposed fair housing amendment, with the exception of the Mrs. Murphy exception, and a summary of the constitutional arguments which establish, in my opinion beyond doubt, the constitutionality of the Fair Housing Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. I thank the Presiding Officer.

There being no objection, the items requested ordered to be printed in the RECORD, as follows:

THE PROPOSED FAIR HOUSING ACT OF 1967: SUMMARY

The Act would gradually prohibit discrimination on account of race, color, religion or national origin in the sale or rental of housing. Housing already subject to the President's Order on Equal Opportunity in Housing would be covered immediately. Housing held for sale or rent by someone other than its occupant and housing for five or more families would be covered from and after January 1, 1968. All housing other than exempted housing of religious institutions would be covered from and after January 1, 1969, with the exception of the "Mrs. Murphy" provision.

The Act would also prohibit "blockbusting," discrimination in the financing of housing, discrimination in the provision of services or admission to membership by real estate organizations, and interference with or threats against persons enjoying or attempting to enjoy any of the rights which the Act grants or protects.

Responsibility for administration and enforcement would rest with the Secretary of Housing and Urban Development. He would use the time during which the enforcement provisions gradually went into effect to consult with housing industry leaders and state and local officials and otherwise carry on educational and consultation activities.

The Secretary would be required to seek a voluntary solution in every case. If his attempt was unsuccessful, he would be authorized to issue a complaint, hold hearings and, if the evidence disclosed that discriminatory acts had occurred, issue orders granting appropriate relief. All orders of the Secretary would be subject to judicial review.

A person who believed that he had been injured by a discriminatory housing practice could file a charge with the Secretary. The Secretary would not be required to conciliate or to issue a complaint on the basis of every charge so filed, but if he did not, the person filing the charge could commence an action himself in any court of competent jurisdiction.

The Attorney General would be empowered to initiate suits in United States district courts to eliminate patterns or practices of housing discrimination. The Secretary could cede his jurisdiction to state or local fair housing agencies in appropriate cases or cooperate with them without ceding his jurisdiction.

QUESTIONS AND ANSWERS ON THE PROPOSED FAIR HOUSING ACT OF 1967

1. *Who will be covered?*

The Act will cover brokers, property owners, managers and anyone else who participates in the sale, rental or financing of housing.

2. *What are the stages of coverage?*

The first stage is federally assisted housing—essentially, housing with FHA or VA-guaranteed mortgages or public housing. This is the same housing which is already covered by the President's Order on Equal Opportunity in Housing of November 20, 1962 (Exec. Ord. 11063). (The implementation of that Order by federal agencies, however, has not been quite as broad as the Order itself. In particular, because they lacked sufficient enforcement personnel, the agencies exempted owner-occupied one- and two-family homes.)

The second stage, from and after January 1, 1968, is housing held for sale or rent by someone other than its occupant and housing for five or more families, whether or not one of its occupants is its owner.

The third stage, from and after January 1, 1969, is all housing. (But religious institutions could continue to give preference in housing to persons of their own religion.)

The Act's prohibitions against discrimination in the financing of housing, and in membership in, or obtaining the services of, real estate organizations will *not* become effective in stages. They go completely into effect on and after January 1, 1968. To have put them into effect in stages would not have made sense. For example, how can a real estate organization not discriminate as to membership only with respect to five-family homes?

The Act's provision against threats or coercion of persons who exercise the rights it grants or protects becomes effective immediately. Thus, as the previous rights become effective, in stages or from and after January 1, 1968, this provision will come into effect to protect persons in their exercise of them.

3. *Why does the Act go into effect only gradually?*

Responsibility for enforcement of the Act will rest with the Department of Housing and Urban Development, which already has the responsibility for enforcing the President's Order on Equal Opportunity in Housing. Thus, the Department can begin the first stage of enforcement with very little "tooling up," because the first stage of coverage is identical to the coverage of the President's Order. The next two stages of coverage are timed to coincide, roughly, with the time it will take the Department to hire and train its new personnel and establish its operational procedures.

The delay will also permit the Department of Housing and Urban Development to carry on educational and consultation activities, to acquaint the housing industry and the country generally with the provisions of the Act before it goes into effect.

4. *What exemptions does the Act have?*

There is an exemption to permit religious institutions or schools, etc., affiliated with them, to give preference in housing to persons of their own religion despite the Act. But religions whose membership is limited to persons of particular races, colors or national origin are not permitted to make use of this exemption.

There is a "Mrs. Murphy" exemption. And, insofar as a homeowner honestly chooses a roomer on the basis of personal friendship, or because he is a relative, for example, he would not violate the Act. The act forbids refusals only on the basis of "race, color, religion or national origin."

5. *How will the Act be enforced?*

Primary responsibility for enforcement is vested in the Department of Housing and Urban Development. It will establish local offices throughout the country for this purpose as needed. The Department will employ hearing examiners, who will be appointed and will serve in accordance with the Administrative Procedure Act.

Persons who believe they have been discriminated against may file a charge with the Department. If the Department decides to process the charge, it will so notify the person. If it decides not to, or fails to give notice within 30 days, the person can bring his own action in any court of competent jurisdiction.

The Department must always first try to settle a charge voluntarily, by conciliation and agreement. Only if that fails can it issue a complaint and hold hearings.

The Attorney General will also be empowered to enforce the Act, but only when a "pattern or practice" of resistance to its provisions is found to exist.

6. *Will persons who disagree with the Department of Housing and Urban Development's interpretation of the Act have any recourse?*

All orders of the Department will be subject to review by the Federal courts. In addition, the Department will be subject to the provisions of the Administrative Procedure Act in all its operations under the Fair Housing Act.

7. *What effect will the Act have on State or local fair housing laws?*

None. It will leave them in effect. In appropriate cases, the Department of Housing and Urban Development may even cede its jurisdiction to State or local agencies, or cooperate with them in joint operations.

8. *What effect would the Act have on the President's Order on Equal Opportunity in Housing (Exec. Ord. 11063)?*

None. It will leave it in effect. However, once the Act becomes fully effective, the Order will no longer be necessary, because the Act will cover everything which it covers, and more. The President will then presumably rescind the Order.

9. *Does Congress have the constitutional power to prohibit discrimination in housing?*

Yes. Supreme Court decisions clearly state that Congress has this power both under the Fourteenth Amendment and the Commerce Clause. A summary of these decisions has been prepared and is available.

10. *Will the Act prohibit "blockbusting"?*

Yes. Section 4(e) prohibits blockbusting.

11. *Will the Act make it a crime to discriminate in housing?*

No. All its enforcement provisions are civil in nature. An individual who disobeys the Act and refuses voluntarily to correct the harm he has done may be ordered by the Department of Urban Development (or, if necessary, by a court) to take appropriate action, but such orders cannot include fines, imprisonment or other criminal punishment.

12. *Why does the Act cover religious as well as racial, color, and national-origin discrimination?*

Although discrimination on religious grounds is not a major problem in housing, it nevertheless exists and is appropriately dealt with along with the other forms of discrimination.

13. *Will not the passage of a Fair Housing Act lower property values?*

No. Careful, well documented studies have shown that in the overwhelming majority of cases property values in unsegregated neighborhoods actually rise slightly faster than property values in all-white neighborhoods. The only general exception is when panic selling occurs, and even then the drop is temporary. The Act deals with this exception, too, by prohibiting "blockbusting"—the practice of frightening homeowners into selling at a low price by telling them that their neighborhood is, or is about to be, integrated.

State and local fair housing laws have been in existence for several years, and in no area have there been reports that property values have fallen on that account.

14. *Would the Act prohibit a person from refusing to sell or rent for any reason other than race, color, religion or national origin?*

No. Other reasons for refusing would continue to be as valid as they are now. For example, property owners will continue to be free to refuse to sell or rent to people who cannot meet the price, who have bad credit ratings, who fail to provide adequate character or financial references, etc.

15. *Will a person against whom a complaint of discrimination is issued have to prove that he did not discriminate?*

No. The burden of proof rests on the Department of Housing and Urban Development, or the complaining person, to prove that the defending person *did* discriminate on the basis of race, color, religion or national origin.

FAIR HOUSING ACT OF 1967

SUMMARY OF CONSTITUTIONAL BASES

The Constitution provides two independent bases of support for Federal fair-housing legislation: the Fourteenth Amendment and the Commerce Clause.

THE 14TH AMENDMENT

Section 1 of the Fourteenth Amendment includes the Equal Protection Clause, which forbids a State to deny to any person within its jurisdiction the equal protection of the laws, and Section 5 of the Amendment reads:

"The Congress shall have power to enforce, by appropriate legislation, the provisions of this article [*i.e.*, of this Amendment.]"

One kind of law which Congress may validly enact to enforce the Equal Protection Clause is a law to remove obstacles in the way of persons' securing the equal benefits of government—benefits which a State could not discriminatorily deny them without violating the Clause itself. *Katzenbach* v. *Morgan*, 384 U.S. 641. A law prohibiting discrimination in housing on account of race, color, religion or national origin is such a law because discrimination in housing forces its victims to live in segregated areas, or "ghettoes," and the benefits of government are less available in ghettoes.

That the benefits of government are less available in ghettoes can be amply documented. The ghetto child is more likely to go to an inferior school. His parents are more likely to lack adequate public transportation facilities to commute to and from places of work, and so will miss employment opportunities. Local building and housing laws are not, or cannot be, effectively enforced in ghettoes. Federal subsidies for private housing bypass the ghetto and flow instead to the suburbs. Freeways are typically routed through ghettoes, because land there is cheaper and their inhabitants less able to organize politically to oppose them. Most significantly of all, law enforcement is least effective in the ghetto, although it is there that it is needed most. The slum inhabitant must take for granted that he and his children live in continual danger of physical attack.

It is no objection to its validity that Federal fair housing legislation would prohibit private acts of discrimination in housing as well as discrimination by State or local governments. The objection arises from a false analogy between judicial enforcement and congressional enforcement of the Equal Protection Clause. The power of a court to enforce the Clause arises directly from the Clause itself, which speaks only of what States are forbidden to do. Hence, the courts can only forbid action by States (or their local subdivisions). But the power of Congress to enforce the Clause arises from Section 5 of the Fourteenth Amendment (quoted *supra*), from which grants a legislative power, and legislative powers are exercisable in accordance with the Necessary and Proper Clause. That Clause grants Congress the power, "To make all Laws which shall be necessary and proper for carrying into Execution . . . all . . . Powers vested by this Constitution in the Government of the United States, . . ." (The Constitution, Article I, Section 8, Clause 18.)

The scope of the Necessary and Proper Clause has been settled at least since Chief Justice Marshall formulated it in 1819 (***McCulloch* v. *Maryland***, 4 Wheat. 316). It is amply broad enough to include laws affecting private conduct as well as laws forbidding actions by State or local governments. ***Katzenbach*** v. ***Morgan***, ***supra***, 384 U.S. at 648–51; ***United States*** v. ***Guest***, 383 U.S. 745, 762, 782–84.

THE COMMERCE CLAUSE

Housing is one of America's principal industries. In 1965, it added $27.6 billion of new investment to the economy—more, for example, than the $22.9 billion contributed that same year by all American agriculture. And a large part of the housing industry is interstate. Forty-one million tons of lumber and finished wood stock were shipped in the United States in 1963, and forty-three per cent of it was shipped 500 miles or more. About one out of six residential mortgages are on property located in a different state from that of the mortgage lender. Every year more than two million people move their place of residence from one state to another.

The meaning of these statistics was illustrated by the testimony last year of Mr. William J. Levitt to Subcommittee No. 5 of the House Judiciary Committee. Mr. Levitt is the President of Levitt & Sons, Inc., a major builder of homes, and is a supporter of fair housing legislation. He testified:

"Perhaps 80 per cent of the materials that go into our houses come from across state lines."

"With the possible exception of the New York Community that we are building now, every other community in which we build receives its financing from a state other than the one in which it is located."

"75 to 80 per cent" of Levitt & Sons' advertising is interstate.

"Out-of-state purchasers run from about 35 to 40 per cent, on the low side, to some 70 per cent, on the high side."

Discrimination in housing affects this commerce in several ways. The confinement of Negroes and other minority groups to older homes in ghettoes restricts the number of new homes which are built and consequently reduces the amount of building materials and residential financing which moves across state lines. Negroes, especially those in the professions or in business, are less likely to change their place of residence to another state in order to obtain better employment positions when housing discrimination would force them to move their families into ghettoes. The result is both to reduce the interstate movement of individuals and to hinder the efficient allocation of labor among the interstate components of the economy.

The Commerce Clause grants Congress the power to protect interstate commerce from adverse effects such as these. *Katzenbach* v. *McClung*, 379 U.S. 294. Its power to do so is not restricted to goods actually in transit. *Labor Board* v. *Jones & Laughlin Steel Corp.*, 301 U.S. 1, 36–37. Nor does it matter that when Congress exercises its powers, its motive is not solely to protect commerce. It can as validly act for moral reasons. *Heart of Atlanta Motel* v. *United States*, 379 U.S. 241, 257. And it does not matter that the effects against which Congress legislates may be minor or that, taken individually, they are insignificant. The constitutional basis is present so long as the effects on commerce, taken as a whole, are present in measurable amounts. *Wickard* v. *Filburn*, 317 U.S. 111, 125 (Agricultural Adjustment Act of 1938 applied to a farmer who sowed only 23 acres of wheat and sold none of it in interstate commerce, because it nevertheless affected how much other wheat would be shipped in interstate commerce.) *Mabee* v. *White Plains Publishing Co.*, 327 U.S. 178. (Fair Labor Standards Act applied to a newspaper whose circulation of 9000 copies included only 45 copies mailed to another state.)

Mr. MONDALE. Mr. President, we submit it as an amendment to H.R. 2516, the pending bill, to protect civil rights workers. The amendment is title IV of the Civil Rights Act. It would extend the principle of fair housing to the sale and rental of real estate in our country.

It is very clear at this point that this will be our only opportunity for Senate consideration of civil rights legislation in this session. It is also clear that there simply will not be time for the Senate Banking and Currency Committee to act on S. 1358, the proposed Fair Housing Act, so that it might be considered and acted upon during this debate.

Senator BROOKE and I have therefore prepared S. 1358 as an amendment to H.R. 2516, and offer it with but one change. We have included the so-called Mrs. Murphy amendment which was contained in the Civil Rights Act of 1966, as passed by the House in 1966. This would exempt from coverage the sale or rental of owner-occupied dwellings of up to four units—approximately 2.3 million dwellings in our country. In doing so, we are aware that the Banking and Currency Committee has not had executive sessions on the bill, but I am pleased to announce that a majority of the members of that committee support the proposal.

The Banking Committee sponsors of the amendment are myself, the Senator from Massachusetts [Mr. BROOKE], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Maine [Mr. MUSKIE], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Missouri [Mr. LONG], the Senator from Wyoming [Mr. McGEE], and the Senator from Illinois [Mr. PERCY].

It is a clear majority of the membership of the Banking and Currency Committee that joins me in sponsoring a fair housing amendment.

Mr. SYMINGTON. Mr. President, I cannot hear the speaker.

The PRESIDING OFFICER. (Mr. YOUNG of Ohio in the chair). Let there be order in the Chamber.

Mr. MONDALE. Mr. President, we are most hopeful that the Senate will give careful and thorough consideration to this fair housing amendment, because in our judgment the case for it is compelling.

There is no doubt that national fair housing legislation is a controversial issue, but the grave urgency of the urban crisis requires immediate congressional action. The barriers of housing discrimination stifle hope and achievement, and promote rage and despair; they tell the Negro citizen trapped in an urban slum there is no escape, that even were he able to get a decent education and a good job, he would still not have the freedom other Americans enjoy to choose where he and his family will live.

Outlawing discrimination in the sale or rental of housing will not free those trapped in ghetto squalor, but it is an absolutely essential first step which must be taken—and taken soon. For fair housing legislation is a basic keystone to any solution of our present urban crisis. Forced ghetto housing, which amounts to the confinement of minority group Americans to "ghetto jails" condemns to failure every single program designed to relieve the fantastic pressures on our cities. No amount of education aid will repair the inherent weakness of segregated schools, whether de jure or de facto. No amount of money spent on manpower training or jobs will eliminate ghetto unemployment when the jobs are moving to the suburbs. Declining tax base, poor sanitation, loss of jobs, inadequate educational opportunity, and urban squalor will persist as long as discrimination forces millions to live in the rotting cores of central cities.

Even more important, our failure to abolish the ghetto will reinforce the growing alienation of white and black America. It will insure two separate Americas constantly at war with one another, increasingly unable to come to terms on any issue.

There is a critical debate now underway in the ghetto. The issue is quite simple—whether there is any basic decency in white America and whether white America ever really intends to permit equality and full opportunity to black Americans, with all that that equality and opportunity involves. We believe that our continuing failure to put an end to segregated housing lends a powerful argument to the black separatists and black racists, and can only speed the process of separation and alienation.

Finally, there are two new and hopeful trends which are worthy of special attention. There is growing evidence of changing attitudes on the part of both the public and the real estate industry. Twenty-two States have adopted fair housing laws, five of them during 1967. In addition, 84 cities, villages, and counties, together with the District of Columbia, have adopted fair housing ordinances. Forty-three of these were adopted during 1967. Most of these laws and ordinances have serious shortcomings in coverage and enforcement, and may even be tokenistic frauds, they are important in informing the Congress that local communities recognize the need and desirability of taking a stand on fair housing.

This community acceptance does affect housing policies. The Department of Defense testified, in respect to its efforts to promote desegregated off-base housing, that the existence of a State law or local ordinance created a better climate of cooperation on the part of the local community and landlords in the community. With this important shift in public understanding of the issue, the Congress should proceed to pass an adequate, comprehensive law which provides equal coverage for all areas of the country.

Representatives of significant segments of the real estate industry indicated during hearings last summer that the viewpoint of the industry may be changing, and that many realtors no longer accept the myths about fair housing, and are arguing for a change in national policy. They emphasized with equal vigor that fair housing legislation must be national and uniform in coverage.

It is our hope that we will be able to discuss this amendment fully and completely, and after that time, proceed to a vote on its merits. In 1966, a majority of the Senate voted for cloture on a bill containing fair housing legislation, and we believe that a majority of the Senate would approve this measure in a vote on its merits.

Mr. President, while it is true that the Banking and Currency Committee has not had an opportunity to act formally on the proposal which I offer with the sponsorship of the Senator from Massachusetts [Mr. BROOKE] and others—a majority of that committee—to the Senate today, we did have sweeping, impressive, and thorough hearings before that committee.

Those hearings have been printed and are available to the Members of the Senate. The hearings were held on August 21, 22, and 23, of last year.

The record made at those hearings, in my opinion, represents the final and complete argument in favor of the adoption of the amendment which we propose today. The hearings brought together, under one cover, a host of new evidence and information that showed the importance of this proposal, its necessity, and its workability.

The hearings established several points.

The first point established is that fair housing is an essential and indispensable ingredient if we are going to solve the problems of American cities.

Witness after witness, from Roy Wilkings to leaders in the real estate industry, leaders of the clergy, and witnesses from every other walk of life, testified that the insult of racially segregated housing patterns creates a sense of rage and frustration and a crisis which contributes enormously to the explosiveness of these communities. Some have said that fair housing is a formalistic ritual, traditionally carried out by civil rights leadership.

But one of the key issues established beyond doubt by the hearings to which I have referred is that fair housing is a key and indispensable part of any solution of the interracial problems of our country.

The record also established that property values do not in fact fall, as is the myth, when Negroes move into previously all-white neighborhoods. Almost every study confirms this fact. In fact, the very practice of blockbusting is based on the opposite theory—that prices in fact will rise.

The most well-known study was done by Mr. Luigi Laurenti, in 1960, in which he analyzed 10,000 property transfers in seven cities. The data showed that the entry of nonwhites into formerly all-white neighborhoods does not necessarily send real estate prices plunging downward. In 85 percent of the cases involved, the property values increased, and in only 15 percent did the prices decrease.

The next point of a fundamental nature that was clearly established in these hearings is that the old monolithic opposition of the real estate industry to fair housing proposals has been broken, and we begin to see a change, a fundamental change, in the attitude of the real estate industry. Many responsible, substantial, and experienced realtors from across the country appeared to testify in the most urgent terms on behalf of a sweeping fair housing proposal. The testimony to which I have referred, which appears in the record, shows that the old notion that all realtors are opposed to fair housing is no longer a fact. I would say that the more responsible leadership in the real estate industry now predominantly favors a resolution of this dispute through fair housing legislation.

This certainly has been the experience in my own State, where initially the real estate industry opposed fair housing legislation; but now that they have experienced it, many now stand in its support, and most of the opposition has disappeared.

Third, the hearings destroyed the constitutional issue. In the period from the time fair housing was first introduced and the time when we will consider it in voting, the U.S. Supreme Court has issued many rulings which clearly develop, without any doubt, the validity of this proposal on constitutional grounds.

During the course of these hearings we heard from the distinguished Attorney General of the United States, Mr. Clark, who testified that he had "no doubt whatsoever" about the constitutionality of this measure. We heard from the distinguished deans of law schools throughout the country—Dean Robert F. Drinan, Dean Jefferson Fordham, and Dean Louis Pollak, of three nationally respected law schools—all of whom testified that in their judgment such legislation is constitutional and would be upheld by the U.S. Supreme Court.

In addition, a committee of distinguished constitutional experts and lawyers, headed by the impressive Mr. Sol Rabkin, of the Legal Committee of the National Commission Against Discrimination in Housing, testified that the legislation was absolutely and unqualifiedly constitutional.

The law school deans also testified that the privacy or inviolability of personal property rights is a nonexistent right, because the possession or the use of property has always been subject to regulation by the State.

Dean Fordham said it this way:

> The familiar insistence that an owner be protected is a freedom to dispose of his property as he pleases, especially his residence, is not compelling. It is elementary that property rights are not absolute. They are subject to all sorts of restraints in the public interest. I suggest that from the standpoint of human need and fulfillment, freedom to acquire and enjoy is more important than freedom of disposition. And I lay particular stress upon this point.

We could explore the constitutional issue at great length, but the hearings to which I have referred amassed overwhelming and irrefutable authority establishing without doubt the constitutionality of the amendment I have presented to the Senate.

The next point that the hearings established was that such legislation, while exceedingly important, is actually a fairly modest proposal.

Finally, the laws of economics will determine who can buy a house. All that legislation such as this would do would be to eliminate the discriminatory business practices which might prevent a person economically able to do so from purchasing a house regardless of his race.

The next point which the hearings established—I believe a very significant point—is that States which have fair housing laws have not experienced mass migration of Negroes into white neighborhoods. Indeed, one of the standard arguments traditionally against fair housing, which we have heard from the real estate industry and from others, is a host of nightmares which they have conjured up about the disarray and tensions which would develop if housing were available without discrimination, and the horror stories that have been told to the American people about what would happen if fair housing laws were in fact adopted.

Mr. President, we have had an opportunity to test those theories. It is no longer a question of what might happen in the abstract. Several States have sound fair housing laws. Many more communities have had them and have dealt with them for some years.

Those horror stories have been proved to be only nightmares, and, in fact, in every instance the fair housing statutes and fair housing ordinances have worked exceedingly well, without disruption. Many communities that have fought bitterly over this measure have wondered, after the fact, what the basis was for all the consternation.

Next, these hearings established that this bill is an absolute and necessary part of any solution to the urban crisis. It is equally as important psychologically to the decent Negro, and will disarm some of the black racists.

One of the real issues that this Congress cannot avoid is the fact that the moderate civil rights leader in the ghetto is under siege. He is being attacked by his black racist competitor on the ground that there is not a decent America; that white America does not intend, in fact, to permit all persons, regardless of color, to enjoy the fullness of American life; that there is a basic indecency in white America that is incorrigible through lawful processes; and that, therefore, the only way the Negro in our Nation can receive his fair share of the fullness of American life is through violence, through threats, through resort to illegal tactics, through hatred, and through intimidation.

Our friends in the ghetto who believe in due process—thankfully, they are by far in the majority—have not abandoned their hope that lawful processes can adjust these outrageous wrongs. But we have provided little by way of example from which they can argue. We have not shown in a substantial way that white America in fact is a decent white America, that those who argue for moderation and lawful processes are correct in that strategy.

As Whitney Young said with respect to another issue, but it is relevant here:

> I do not need your compliments, but I must have something in my hand.

Moderate leaders have continued to fight, but we must strengthen them against the forces of violence. We can strengthen them not through rhetoric but acts of solemn commitment; not through good will, but through measures that have teeth and meaning, in the eyes of every American, black or white, measures that cannot be argued with.

Mr. President, next this hearing clearly established the value and effect of law as a teacher, as an influence in changing community attitudes and viewpoints. Several of the State and local officials stressed this point. That was the experience under the Civil Rights Act of 1964 in the desegregation of public accommodations.

Next this hearing gave us hope for the future of this legislation. Primarily it appears that the attitude of the country is changing. We see increasing growth of voluntary citizens' committees throughout the country urging decency in the sale and rental of housing. We see dramatic growth in the number of laws on a State and local level which demonstrates the desire of decent Americans for the solution of this problem. We see a growing number of public officials who support fair housing and who have, through intelligent discussion of that issue, shown that Americans will respond affirmatively when they understand.

We are seeing that a growing number of Negro Americans are increasingly insisting that this outrageous insult of segregated racial living patterns be removed from American society.

The next point that this hearing disclosed is that one of the biggest problems we face is the lack of experience in actually living next to Negroes. In areas where there is integration there is generally good harmony and this underscores a point that is fundamental to a healthy America. If we are going to live separately in white ghettos and Negro ghettos, if all we are going to know about each other is not who we are, what our abilities might be, what are our strong and weak points, then all we will ever learn about each other is what we see through caricature, through indirection, through distance, and through lack of human understanding. In that case, I see little or no hope for a truly United States.

This issue is, again, not one of theory. It is one of fact. There are many, many integrated living areas in this country. The experience in them has been far more enriching and fulfilling than one might initially believe. Therefore one wonders whether the understanding which this Nation needs and the people need of each other can be accomplished unless we decide we will live together and not separately.

The next point that this hearing established without any doubt is that housing discrimination has a serious effect on Negro employment and an adverse effect, because industries are increasingly locating in the suburbs.

We have heard of the experience of the plant which Aero-Jet General established in Watts following that tragic riot. I think my figures are correct. They advertised for 75 employees to work in this military tent factory and 5,500 residents applied for those 75 jobs. The truth is that more and more jobs are fleeing the rotting core of American cities. They are, as Secretary Weaver pointed out, going "horizontal" into cheaper land areas of our suburbs. The Negro finds himself, not alone in substandard housing, but in a predicament where jobs he once held have left his area and are beyond his reach.

Secretary Robert Weaver testified regarding the effect of segregation on employment as follows: Between 1960 and 1965 from one-half to two-thirds of all new factories, stores, and other mercantile buildings in all sections of the country, except in the South were located outside the central cities of metropolitan areas. This indicates that expanding job opportunities are going to be in or near suburbia rather than in the core cities. Since 80 percent of the nonwhite population of the metropolitan areas in 1967 lives in central cities, the handicaps of nonwhite jobseekers are apparent. Unless they are going to be able to move in the suburban communities through the elimination of housing discrimination and the provision of low- and moderate-cost housing, they are going to be deprived of many jobs because they will be unable to live in the central city and work in the suburbs—simply because they cannot afford the high cost of transportation.

One of our witnesses testified to the relocation of one of these plants from a central city location to the suburbs. This Negro witness pointed out that his white fellow employees simply purchased housing near the new site of the plant, but that he was unable to do so because of discrimination in the sale of housing and he had to commute many miles every day, a great disadvantage, to work in the plant that previously had been but a few blocks from his home.

Representatives from the National Committee Against Discrimination in Housing testified regarding recent U.S. Department of Labor reports relating to subemployment in slum ghettos in large cities. These reports show that unemployment is so much worse in the slum ghettos than in the country as a whole. The national unemployment rates are utterly irrelevant in considering the problems of minority workers. Any thinking about unemployment in terms of 3.7 or 4 percent completely ignores the slum. In the slum in contrast to the national unemployment rates, a few persons have a decent job, up to one-half are unable to earn better than a poverty-level income, and between 10 to 20 percent of those who should be working are not working at all. Thus, it is not an issue of jobs alone or an issue of housing alone.

The next point these hearings clearly establish is that housing discrimination has a serious adverse effect on education in the ghettos.

Rabbi Rudin testified that it is virtually impossible to provide high quality education to disadvantaged minorities as long as they are restricted to living in older congested sections of cities. The opportunity to go to school with members of other racial and ethnic and economic groups tends to improve the educational achievement of disadvantaged children, according to findings of educational research on the subject. De facto segregation in schools and education is directly traceable to the existing patterns of racially segregated housing. This Nation simply cannot afford to allow its efforts to provide the best education possible to all its people to be thwarted by actions of private persons, actions which are at least antisocial and immoral and ultimately amount to a covert contravention of our public policy in favor of equal educational opportunity. Fair housing is, therefore, more than merely housing. It is part of an educational bill of rights for all citizens.

George Meany testified that it is not an exaggeration to say that open housing is absolutely essential to the realistic achievement of such accepted goals as desegregated schools and equal opportunity. Schools are the most obvious example that much of the statutory civil rights progress of recent years will be little more than theoretical until open housing becomes a reality. The typical public grammar schools and neighborhood operation, the composition of the study body, is therefore determined by that of the residents. In the long run the soundest way to attack segregated education is to attack the segregated neighborhood.

The U.S. Commission on Civil Rights has recently published a study entitled "Racial Isolation in the Public Schools." This report demonstrated that there is a relationship between the confinement of Negroes to central city ghettos and inferior educational opportunity. For this reason, since housing discrimination produces inequality of educational opportunity, the Commission recommended in that report a Federal fair housing law in order to minimize the impact of housing segregation on education.

Mr. President, in the 1967 report of the U.S. Commission on Civil Rights, there is a separate chapter which deals with heartbreaking conditions in education in the ghettos of our country.

As they put it:

> You just can't make it. They want in on the American dream that they see on their broken-down television screens in living rooms with the sofa that has half broken down.
>
> Past generations of Americans have escaped from the economic insecurity and meanness of ghetto life by bettering their economic circumstances, obtaining for themselves or their children a good education, and moving outside the ghetto. For many reasons these avenues are closed to most Negroes.

One of the most significant barriers impeding progress and opportunity for Negroes is in the ghetto schools which provide inadequate education for Negroes and has failed to equip Negroes with the skills needed for competition in the job market.

> Negroes are less likely to finish public school than whites and they are much more likely to attend schools with high dropout rates. In Cleveland, John Stafford, principal of the almost all-Negro Glenville High School, testified that almost 30 percent of his students dropped out of school between 10th grade and graduation.
>
> As early as the third grade, the average Negro student in the United States is one year behind the average white student in verbal achievement. And by the 12th grade, the average Negro student is nearly three years behind the average white student.
>
> John Solar, Executive Director of the Harlem Neighborhood Association and a resident of Harlem, told the New York State Advisory Committee:
>
> *"[N]ow it really isn't . . . necessary to say to a person, I am sorry, you can't have the job because you are Negro. What happens more frequently now is that they say, you can't have the job because you are not properly educated, you are not motivated, you are not prepared.*
>
> *"This is quite damning, because you see how this prejudice has operated for so long that now it's no longer necessary to say, I don't want you because you are black. I don't want you because you are just not prepared, and it has been an educational system that has worked to create this condition."*

Mr. President, recently I completed reading a new book, entitled "Death at an Early Age," the story of the experience of one teacher trying to teach the culturally deprived, predominantly Negro students, in the ghettos of Boston.

I defy any American to read the experience of this young, committed teacher to see the destruction of the feelings, of the hopes, of the aspirations of these children in this Boston ghetto school, and stand up and say that we are dealing fairly with all Americans in our country.

At the heart of the educational problem is the deeply seated and growing pattern of racially segregated housing throughout the land.

The next point that the hearings develop is that State and local laws, while experience has been generally good, just have not been in existence long enough to change the complexion of the ghetto.

In failing to come to grips with the

problem of residential segregation and its attendant evils, Congress appears to be oblivious to what has been happening throughout the country. At this moment, 22 States have adopted fair housing laws, five of them during 1967. The laws of four other States, Connecticut, Indiana, Massachusetts, and, I am proud to say, my own State of Minnesota, were amended this past year in order to strengthen them. Minnesota's law is now one of the strongest in the Nation and covers most of the housing market.

In addition to the States, 84 cities, villages, and counties, together with the District of Columbia, have adopted fair housing ordinances. And for those of us who live in the Metropolitan Washington area and believe housing discrimination is a national disgrace, it has been a source of local pride to have Maryland this year become the first border State to adopt a fair housing law and both Montgomery County and Prince Georges County adopt separate ordinances that improve upon the statewide law.

It is some measure of the rate at which such laws are being passed that of the 84 local ordinances, 43 were adopted in 1967, the great majority since midsummer.

And even these figures are becoming outdated almost as I speak. For example, Detroit, Mich., adopted a fair housing law only last week. In Alexandria, Va., just across the Potomac River, the city council is establishing a new department to carry out a voluntary open housing policy. And within the past few days, open housing laws have been enacted in Louisville, Ky., by a newly elected Democratic city council which reversed the decision of the previous Republican-controlled council, and in Milwaukee, Wis., where a white Catholic priest, Father James Groppi, has led more than 100 marches demanding enactment of a strong open housing law.

Perhaps at this point some Members of this body will feel that if progress is being made in open housing, there is no need for Congress to act. I do not believe so. These scattered and local developments, far from absolving us from action, make it even more important than before that Congress enact a national fair housing law that will place all States and all localities upon an equal footing.

The local and State open housing laws being enacted represent a hodgepodge of good and bad. Some are good laws, but most are ineffective at best, and a few are tokenistic frauds. Too many of them have glaring loopholes in coverage and totally inadequate enforcement.

But they all represent progress for their mere adoption is an official recognition by the community that housing discrimination does in fact exist, that it is undesirable, and that laws are needed to eliminate it.

As the Milwaukee Journal noted in an editorial following approval of that city's limited open housing law:

> Local enforcement of the open housing right within the narrow coverage limits of the state law . . . has finally become the official policy of the city of Milwaukee. It is no great thing, but at least the council did move. It is a beginning.

And, Members of the Senate, it is time Congress made its beginning. This is a case where it is manifestly clear that, rather than leading in the fight for open housing throughout this land, the Federal Congress in fact is one of the slowest institutions to respond to what is known concerning the need for this kind of activity.

There is no longer any economic, political, moral, or other justification for segregated housing. On this one issue alone, liberals and conservatives alike can be condemned, and we all know that justice, morality and the national interest demand that the Congress act.

As the chief author of the Federal fair housing bill, I have found nothing more frustrating than trying to make real progress on this issue—which for the first time involves northerners as well as southerners—and call upon this Nation to declare the principle that we are going to live together and not separately.

The charge is made against those of us who have participated in the past civil rights debates in this body that we find it very easy to point the finger at the South, but that we find it difficult to point our finger at the North where racial patterns exist.

I accept the challenge. I think all representatives of the Northern, Western, and Southwestern States of this Union ought to realize that one of the reasons why we resent that charge is that there is some truth to it.

This issue raises the question whether those of us who have northern and western constituencies favor civil rights measures which are manifestly needed when they affect, not just Georgia or Alabama, but Minnesota, Montana, and every State in the Union. Each of us will have to leave this Chamber with a red face if we insist that civil rights measures are only for the South, and not for matters which we know exist just as fully throughout the northern and western communities of this Nation.

The next point is that there is a pent-up demand for more housing among ghetto residents. For example, an HHFA study in 1963, based on 1950 and 1960 censuses, found that in the 21 areas analyzed, the total number of nonwhites earning more than $4,000 a year increased nearly 15 times from 1949 to 1959—from 59,000 to 940,000 persons.

In the Commission on Civil Rights Report for 1967, on page 60, these remarks are found:

> Asked at an open meeting what she would do if she had a better income, Mrs. Charlotte Gordon, a resident of a Gary slum, replied: "The first thing I would do myself is to move out of the neighborhood."
>
> Another resident of the same area, Mrs. Friels, in reply to the identical question, said she would like to move to "someplace where we could have a lawn, you know, and just breathe free air for a change."
>
> To many slum residents, just as to other Americans, moving to a better neighborhood may mean more than obtaining better housing. For one thing, it may give their children the opportunity to grow up in a healthier atmosphere. Mrs. Gordon explained why she wanted to move:
>
> *"I feel this is a slum, and if your children grow up in this kind of thing, never seeing anything else, what are they to know about it? You tell them about it, but how can you tell them about it?"*
>
> The opportunity to move outside the ghetto also may mean the opportunity to send children to better schools. And it may bring one closer to job opportunities; the flight of jobs from central cities would not present a barrier to employment opportunity for Negroes if they were able to live in the areas where the jobs were being relocated.
>
> Negroes who live in slum ghettos, however, have been unable to move to suburban communities and other exclusively white areas.
>
> In part, this inability stems from a refusal by suburbs and other communities to accept low-income housing. Even Negroes who can afford the housing available in these areas, however, have been excluded by the racially discriminatory practices not only of property owners themselves, but also of real estate brokers, builders and the home finance industry. An important factor contributing to exclusion of Negroes from such areas, moreover, has been the policies and practices of agencies of government at all levels.
>
> *Owners and Realtors.* Walter Sowell, a Negro who was Superintendent Engineer with the Cleveland Metropolitan Housing Authority, testified at the Cleveland hearing that he had "looked over the entire Cuyahoga County" for a home and a neighborhood within his means. He was told on the phone that he could not buy a house because he was Negro, "but never face to face . . . there were a lot of excuses given. . . . [T]he second call or third call, usually the house was sold or something happened and it was transferred to another real estate company."

We had several witnesses before our subcommittee who were Negro, who testified that they had the financial ability to buy decent housing in all-white neighborhoods, but despite repeated good-faith attempts, were unable to do so. The pattern of frustration, the pattern of misleading statements, the lies and deceits were found in each of their experiences. Never, or rarely, was race given as a reason, but always it was absolutely obvious that no other good reason could be given.

I cite to the Senate an example which shows this problem in its most extreme and outrageous and indefensible terms, for in this record is the testimony of a Negro naval officer, a lieutenant in the U.S. Navy. At page 193, this testimony of Lt. Carlos Campbell is recited. I was chairing the subcommittee at the time he testified. He is a young, handsome, intelligent, magnificent example of the finest that American youth is contributing to the defense of our Nation. He has served this country for 8 years. He has gone wherever this Nation has asked him to go. He has pledged himself to risk even his life for the defense of this Nation. What have we done in exchange?

In March of 1966 he was ordered to report for duty with the Defense Intelligence Agency at Arlington, Va. The story he told as he tried time and time again to find decent housing, which he was able to pay for, within reasonable distance of the post to which he was assigned by the U.S. Government, is a story of shame, of unconscionable racist abuse that should be a burden on the conscience of every decent American. Lieutenant Campbell went to over 39 separate homes, many of which had been listed with the Department of Defense Housing Office as available on a nonsegregated basis. Time and time again he was met with excuses, lies, and deceit, and it was only through the intercession of a friend that he was finally able to find decent housing for his family.

I think this experience by any American is an outrage, but the fact that it happened to someone whom we thought was good enough to defend our country, who had accepted the challenge to help defend this Nation, and yet one whom we apparently would not permit to live amongst us only because of his color, is shameful.

We had another example, that of Gerard A. Ferere, professor of French and Spanish, St. Joseph's College, Philadelphia, Pa. It was my privilege once again to be present when he testified. He was not merely bright, Mr. President; he was brilliant. He has had a remarkable and distinguished career in the academic field. He earns an income, as I recall, in excess of $11,000 a year; to be exact, $11,056. That would place him in the upper half of Americans in terms of income. He spent more than half a year trying to find housing in a nonsegregated community.

We could state figures, which are also available in this record, showing the growing number of Negroes economically capable of buying decent housing outside the ghetto, but the percentage who succeed is so infinitesimally small as to decisively pin down the point that there is a substantial market of financially able Negroes prevented from buying housing of their choice because of deeply entrenched patterns of discrimination in the sale and rental of housing in our country.

How insane can this policy be, when a lieutenant in the U.S. Navy, an attractive, decent, impressive young man, has to go to 39 different places—not because he wanted to live there, but because the Nation required him to serve at that base—only to find that while he was good enough to protect this Nation, he was not good enough to live with us?

How absurd can this policy be, when a distinguished professor in one of our great colleges in this country, financially able to buy decent housing, spends more than half a year and cannot find one single suitable alternative available to him in a nonsegregated community?

Those who are interested will find in this record detailed information on the growing capacity of Negroes to afford decent housing. How many of them today, how many thousand, how many millions of Negro Americans, are asking questions about the decency of our country when they have a capacity to break free from the ghetto, but we will not permit them to do so? What kind of hatred, what kind of rage must be just below the surface when they face this hideous alienation, this total insult which too often faces them?

Mr. President, this measure, as I have stated earlier, is a modest one. It would implement the principles of fair housing in three stages. First, upon adoption, it would prohibit discrimination in the sale or rental of housing now covered under the Executive order of 1962. In December of 1968, its coverage would extend to all nonowner occupied dwellings, and dwellings with five or more units; and in December 1969 it would cover all housing, except for the famous "Mrs. Murphy" exception which is described in the legislation.

I repeatedly asked the witnesses on what point of the scale of importance they would place the need for the adoption of fair housing legislation. Without exception, these top leaders, who know better than any of us—because they are in the frontlines of this problem—testified that this was the No. 1 issue in our country today, if we are going to deal with the question of fairness in our country.

Mr. President, this testimony came not alone from the traditional leaders of the civil rights movement, but it came from substantial, widely respected leaders of the business community of both political parties, of all walks of life—a distinguished panel of clergy; a distinguished panel of deans of law schools; a highly impressive panel of established, experienced realtors—who testified perhaps with more urgency than any of the rest of us what the need for fair housing will be.

Mr. President, I referred to the impressive testimony of business leaders and leaders from other walks of life on behalf of this legislation.

It impressed me, for example, that Mr. James W. Cook, president of the Leadership Council for Metropolitan Open Communities, Chicago, Ill., came to Washington and testified in a brilliant and experienced fashion because he had dealt with this problem for many years. He urgently pleaded with Congress to do its duty in this field.

He was not merely a professional civil rights leader, as important and indispensable to the health of American life as is that profession, but he is also the president of the Illinois Bell Telephone Co.

Mr. Cook came to Washington representing a committee which included many of the top business leaders of the Chicago community. And in testimony as urgent and as compelling as anything that we have heard, this established leader of American business pleaded with us to do our duty.

Other witnesses, similarly situated, testified. These witnesses represented significant portions of American business leadership.

The testimony of Mr. Andrew Heiskell appears on page 423 of the transcript of hearings. Mr. Heiskell, in addition to being a key member and chairman of the board of directors of Urban America, is a top official of Time-Life Corp. He came to Washington at his own expense. He came here to say that the time had come for this country to be true to its ideals and to enact the measure which has now been presented to the Senate.

He said this:

> If I may, I would like first to speak personally as a citizen. As such, it is my conviction that true democracy in this country requires, in addition to many other conditions, that every citizen have an equal opportunity to buy or rent housing without regard to racial or religious origin. However, far more is at stake today than personal theory or ideology.
>
> It is no exaggeration to say that we are now at the point where the social, economic, and physical future of our metropolitan complexes is dependent on the elimination of racial segregation.
>
> As this committee well knows, many, if not most of our metropolitan areas, are well on their way to becoming central cores inhabited by Negroes, surrounded by suburbs that are almost exclusively white. The core ghettos have become the centers of economic, social, educational, and health problems. The white ring is more and more disavowing any concern for the cities without which these very suburbs would be meaningless.
>
> This summer we have seen the tragic results of this polarization. It is regretted but it must be admitted that Government policy and private enterprise have jointly contributed to this result. Heavy migration to the cities, combined with lack of construction during the depression and World War II built up an enormous pressure in terms of housing needs. The most obvious immediate answer was to construct millions of units on an open suburban land.
>
> With the help of the Federal Housing Administration and the Veterans' Administration, the home-building industry was able to bring about a seemingly quantitative answer to these needs.
>
> In an expanding economy, new housing was built for those who could pay the full price but thereby relegating the Negro to the central city, because of his generally low income. Furthermore, FHA's conservative mortgage appraising policies, by stressing stability within a social and racial context, reinforced the division between the black core and white suburbia.

I am pleased to say that FHA has long since changed its policy in this regard under the leadership of Secretary Weaver and Under Secretary Wood and is prodding FHA administrators more effectively than ever before to bring responsible credit back into the ghettos.

A sordid story of which all Americans should be ashamed developed by this country in the immediate post World War II era, during which the FHA, the VA, and other Federal agencies encouraged, assisted, and made easy the flight of white people from the central cities of white America, leaving behind only the Negroes and others unable to take advantage of these liberalized extensions of credits and credit guarantees.

Traditionally the American Government has been more than neutral on this issue. The record of the U.S. Government in that period is one, at best, of covert collaborator in policies which established the present outrageous and heartbreaking racial living patterns which lie at the core of the tragedy of the American city and the alienation of good people from good people because of the utter irrelevancy of color.

I commend this hearing record to my colleagues because it brings up to date the total available information bearing upon this issue. It shows the breadth of support which Americans from every sector bring to bear in urging the adoption of this proposal.

It underscores the urgency that our country take this long overdue step to a rendezvous with its conscience. It asks through one spokesman after another that this country once and for all declare that we intend to live together and not apart, that we intend to be a truly United States, that there is no place in this Nation any longer for the morally indefensible practice by which housing is leased or sold on the basis of racial principle.

I hope that the Senate will agree to this amendment.

I know of no single action we could take that would contribute more to understanding, to compassion, to the commitment of this country, than the simple matter of Congress declaring that we have had the last of segregation in the sale and rental of living quarters in our country.

Some say that this is not a popular measure. I do not believe it. I have always spoken up for fair housing, and I have done so in circumstances and under conditions in which the public knew where I stood, in which those who have opposed fair housing have had due notice and plenty of political remedies, and they have tried.

I believe that fair housing is a difficult issue only if it is not explained. I believe in the decency of our country and our people, and I do not believe that if they are presented with this issue, there would be any result other than a resounding and unquestioned decision in favor of decency and fairness.

We have heard the same argument in opposition to fair employment. We have heard the same argument in opposition to the Civil Rights Act of 1964. We have heard the same argument in opposition to the Public Accommodations Act.

Time and time and time again, we have been told these are unconstitutional, only to have the U.S. Supreme Court unanimously show its constitutionality. And the same will be true if we adopted fair housing.

Time and time again, we have been told it is politically impossible for this Nation to work its conscience and do what is right on this issue of humanity, only to find that where it has become a political issue, the American people almost invariably have decided the issue in favor of decency and humanity.

In Minnesota we have one of the strongest, if not the strongest, fair housing laws in the country. I have yet to see one proponent of that measure be hurt politically because of his support.

This is an issue of decency. This is an issue in which men of good will, regardless of political party, will, when they understand it, rise to support those who have discharged their responsibility to their fellow men, to their religious principles, and to the concept that, in final analysis, every man is a child of God. That is the issue we have before us today.

I hope we will act with responsibility, without emotion, and yet with proper human concern for the enormous ramifications of the principle involved.

How do you tell someone who believes in this country, who happens to be black, who speaks up for moderation in our Nation, that a Congress can refuse to adopt such a measure and yet claim to be committed to the principle of living together? I say that the charge in that case would be unanswerable. Now is the time to do our duty.

Mr. President, I call up my amendment.

The **PRESIDING OFFICER**. The amendment offered by the Senator from Minnesota will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. **MONDALE**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with. It has already been printed in the RECORD.

The **PRESIDING OFFICER**. Without objection it is so ordered.

Mr. **BROOKE**. Mr. President, the introduction of this amendment brings before the Senate what must be considered, of all issues affecting civil rights, one of the most urgent matters of our day. In considering the proposed legislation, we will be entering an area too long neglected by the Senate, an area whose neglect by public authority has contributed more than most people realize to the strife and tension which so sorely try American society in our time.

Fair housing is not a political issue, except as we make it one by the nature of our debate. It is purely and simply a matter of equal justice for all Americans.

If we but look beyond the petty fears and hostilities which have too often marred our national life, we would have no difficulty in seeing that legislation of this kind is clearly required by the ideals and principles on which this Nation has been built. Who among you would say that the cherished dream of a decent home for every American should be abandoned to the ignoble dictates of prejudice and avarice? Yet, in effect, this is the practical result of the outdated customs which have persisted in many communities in this country.

Every argument of principle and pragmatism tells us that the time has come to take action to liberate all Americans from these unhappy practices. The issue is often posed in terms of a contest between human rights and property rights. Even in those terms, I cannot believe that a majority of this body, nor a majority of all Americans, would cast their vote for things instead of people. In the hierarchy of American values there can be no higher standard than equal justice for each individual. By that standard, who could question the right of every American to compete on equal terms for adequate housing for his family? But we know that in 1968 the competition remains less than equal.

Congress and the American people have come far in recent years toward recognizing the awful reality which we have tried to hide from ourselves. We can now see that discrimination is a powerful and ugly force eroding our efforts to achieve the fundamental goals of the Declaration of Independence and the Constitution. We can recognize the manifold and insidious ways in which discrimination works its terrible effects on many of our fellow citizens.

But to recognize an evil is not to eradicate it, and we have been content too long with exhortation rather than action in this field. Millions of Americans have been denied fair access to decent housing because of their race or color. If we perceive this reality, on what possible grounds can we delay the evident remedy?

In this confused and painful period of our national history, we may take some hope from our postwar progress in other questions of civil rights. There have been earnest attempts to alleviate the injustices which kept many Americans from the voting booth. There have been respectable achievements in opening public accommodations to all of our citizens.

But in the critical areas of housing, education, and employment, change has been intolerably slow. It is in these realms that one finds the basic explanation for the malaise which disturbs America. It is in these realms that one finds discrimination still in the saddle and justice trampled underfoot. It is in these realms that our country must achieve its professed ambitions of equal justice under the law, or fail in the most noble aspects of the American experience.

It is in these realms that the Senate must provide the leadership to which the vast majority of concerned and well-intentioned Americans can rally. Without such leadership, without the voice of the Senate proclaiming the true and better spirit of the American citizenry, we must reckon with the danger that baser instincts will continue to prevail in too many sections of our country.

I have stressed that our ideals call us to act on this subject. I cannot fail to add, however, that other less lofty considerations also compel attention to these issues. It is my sober judgment that the issue of fair housing has become nothing less than the first priority in any approach to dealing with the urban crisis in which we are embroiled.

This in no way implies that fair housing is a panacea or anything approaching it. It is to argue that, to the extent we make progress in this area, we may be able to moderate our difficulties in the other critical areas to which I have referred, education and employment.

Fair housing does not promise to end the ghetto; it promises only to demonstrate that the ghetto is not an immutable institution in America. It will scarcely lead to a mass dispersal of the ghetto population to the suburbs; but it will make it possible for those who have the resources to escape the stranglehold now suffocating the inner cities of America. It will make possible renewed hope for ghetto residents who have begun to believe that escape from their demeaning circumstance is impossible.

Most important, in my judgment, this legislation on so vital a matter will offer desperately needed evidence that the American political process remains the most viable and responsive institution yet conceived by man. When the relevance and potency of our institutions come into question, as they have in many quarters, there is no other way to restore public confidence than by demonstrating the capacity and willingness of political leaders to act. What stands between us and action are myths and ghosts, the ancient hobgoblins that opponents of fair housing always invoke.

Most of these myths are unworthy of comment, but we do best to confront even unworthy demons in the light of day. There are those who raise the specter of economic loss if fair housing laws open white communities to Negro families. In one study of 20 neighborhoods in San Francisco, Oakland, and Philadelphia, covering a period of 12 years, property values either remained stable or increased in 85 percent of the relevant cases. If there is any truth to this myth at all, it is rooted in the unequal access which Negroes have had to housing; this inequality has made possible the worst forms of price gouging on the one hand and blockbusting on the other. Where the entire housing stock is open to all Americans, it is wholly reasonable to expect a neutral impact on housing prices.

There are also some few who raise the claim that the Government is already moving rapidly enough in this field. True enough, between 1950 and today the Federal Government has completely reversed its racial policy, moving from officially sanctioned housing discrimination to a Presidential order in 1962 nominally eliminating discrimination in federally assisted housing. Yet the effect of these moves has been minimal. In 1962 nearly 80 percent of federally subsidized housing remained occupied by one race. And today the Executive order covers only a fraction of the total housing stock. Secretary Weaver estimates that only 40 percent of the stock has been subjected to Federal nondiscrimination rules. We are all familiar with the dreary cycle of the middle-class exodus to the suburbs and the rapid deterioration of the central city. I firmly believe that nothing is so essential to breaking this cycle than prompt action on fair housing legislation.

As the exodus has progressed, more and more jobs and businesses have followed the middle class to the suburbs. The tax base on which adequate public services, and especially adequate public education, subsists has fled the city, leaving poverty and despair as the general condition of the ghetto dwellers. We cannot immediately recreate adequate services in the central city, but we must move toward that goal. At the same time we can and should make it possible for those who can to move to where the better schools and services, the decent homes and jobs are most plentiful. That is the simple purpose of this bill.

Fair housing legislation has been labeled "forced" housing. I believe that the true "forced" housing is exactly that situation in which the ghetto dwellers find themselves—trapped in the slums because they can go nowhere else. The States are concerned that the Federal Government is attempting a further usurpation of their power. But if the States are not inclined to follow the doctrine of the 14th amendment surely the Federal Government has the duty to insure that they can no longer ignore it.

Mr. President, finally, some are worried that this legislation will both invade their privacy and tamper with their right to sell their homes to whom they please. On the contrary, this bill is aimed not at privacy but at commercial transactions. It will prevent no one from selling his house to whomever he chooses so long as it is personal choice and not discrimination which affects his action.

With the enactment of the Civil Rights Act of 1964 there came a gradual but basic shift in attitude toward discrimination in public accommodations. It is my hope and my prayer that the American people will respond to the passage of open housing legislation in the same spirit. The job that faces us is one that must be done.

Mr. President, Negroes in big cities usually pay rent just as high as most whites, but receive much less for their money. Moreover, since they have lower income, paying equal rents works a greater hardship on them. These conclusions can be demonstrated by data from the 1960 census for Chicago.

There both whites and nonwhites paid median rents of $88, and proportions paying rents below that median were almost identical. However, units rented by nonwhites were typically smaller and in worse condition; 30.7 percent of all nonwhite units were in deteriorated or dilapidated areas as against 11.6 percent for whites. They contained more people.

The median household size was 3.53 for nonwhites against 2.88 for whites.

Authoritative figures prove conclusively that Negroes paid significant extra housing costs in 1960 as a result of racial discrimination against them by whites.

The major mechanism through which this took was housing. Prior to 1948, direct exclusion of Negroes from white residential areas was legally enforceable by means of restrictive covenants incorporated in property deeds. After the Supreme Court declared this unconstitutional there was a shift to other means of discrimination. The two principal means are a conspiracy by white realtors to refuse to sell or rent to Negroes in all-white areas, and withdrawal of whites in areas where Negroes begin to live in sizable numbers.

Many States have now outlawed racial discrimination by realtors in the sale or rental of housing, though such laws do not always cover all forms of housing. These laws have, as yet, had no measurable effect in breaking down patterns of racial segregation.

A recent exhaustive study of such segregation reveals its presence to a very high degree in every single large city in America. Minor variations exist between North and South, suburbs and central cities, and cities with large and small Negro populations. But in every case Negroes are highly segregated, more so than Puerto Ricans, orientals, Mexican Americans, or any specific nationality group. In fact, Negroes are by far the most residentially segregated group in recent American history.

The authors of one study devised an index to measure overall segregation. The values indicate the percentage of nonwhites who would have to shift from the block where they live to some other block in order to provde a perfectly proportional, unsegregated distribution of population by block in that city. The mean segregation index for 207 of the largest U.S. cities was 86.2 in 1960. Index values were somewhat high in the South, a mean of 90.9, than in the Northeast, with a mean of 79.2, the North-Central, with a mean of 87.7, or in the West, with a mean of 79.3. But only eight cities have values below 70, whereas over 50 have values above 91.7.

Two additional findings from that study are extremely significant.

First, this nearly universal pattern of residential segregation cannot be explained as resulting from economic discrimination against all low-income groups. Careful analysis of 15 cities indicates that white upper and middle-income households are far more segregated from Negro upper- and middle-income households than some white lower-income households.

Thus, racial discrimination appears to be the key factor underlying housing segregation patterns.

Second, the degree of racial segregation rose significantly in all parts of the country from 1940 to 1950, but declined slightly in all parts, except the South, from 1950 to 1960.

The average segregation index value for all 207 cities was 85.2 in 1940; 87.3 in 1950, and 86.2 in 1960.

From 1950 to 1960, only 15.6 percent of all cities in the North and West experienced segregation index increases as compared to 77.8 percent in the South. This shift in the North and West was undoubtedly affected by the outlawing of racially restrictive covenants in 1948, plus the end of the general U.S. housing shortage in the mid-1950's.

Nevertheless, the decline in segregation even in the North and West was relatively small. From 1950 to 1960, regional average index scores dropped 4.7 points in the Northeast, 1.5 percent in the North Central, and 6.5 points in the West.

These figures indicate that any really large reduction of residential segregation through "natural" developments in the near future is extremely unlikely.

Mr. President, many expect a ruling from the Supreme Court on the Jones against Mayer case to take some action on fair housing. But are we to wait until the Court acts? If Congress waited in the area of segregated education, surely Congress should speak forthrightly on this matter and not wait for the Court to lead where the elected representatives should be in the vanguard.

Mr. President, already we can see that the fair housing principles are being accepted in many States and localities. The National Committee to End Discrimination in Housing estimates that 60 percent of the American population is already covered by some form of fair housing legislation. These statutes are far from uniform and are very uneven in coverage and enforcement. But they reflect, in my opinion, receptivity to action in this field which should end congressional timidity once and for all.

Mr. President, I now refer to a statement concerning the Fair Housing Act of 1967, in the hearings before the Subcommittee on Housing and Urban Affairs of the Committee on Banking and Currency, U.S. Senate, 90th Congress, first session, under the paragraph heading "The Ghetto and the Master Builder."

The words are these:

> We make two general assertions: (1) that American cities and suburbs suffer from galloping segregation, a malady so widespread and so deeply imbedded in the national psyche that many Americans, Negroes as well as whites, have come to regard it as a natural condition; and (2) that the prime carrier of galloping segregation has been the Federal Government. First it built the ghettos; then it locked the gates; now it appears to be fumbling for the key.
>
> Nearly everything the Government touches turns to segregation, and the Government touches nearly everything. The billions of dollars it spends on housing, highways, hos-

> pitals and other community facilities are dollars that buy ghettos. Ditto for the billions the Government has given to American cities and suburbs in the name of community planning—money which made it simple for planners to draw their two-color maps and to plot the precise locations of Watts, Hough, Hunter's Point and ten-thousand other ghettos across the land.
>
> * * * * *
>
> At present the Federal example is murky; it has an Alice-in-Wonderland quality that defies easy summation. On the one hand, the Government is officially committed to fighting segregation on all relevant fronts; on the other, it seems temperamentally committed to doing business as usual—which, given our current social climate, means more segregation. It hires many intergroup relations specialists—HUD has forty-seven—but deprives them of the power and prestige to achieve meaningful integration. Similarly, it cranks out hundreds of inter-office memoranda on how best to promote open occupancy, but it fails to develop follow-up procedures tough enough to persuade bureaucrats to take these missives seriously. The Federal files are bulging with such memoranda—and our racial ghettos are expanding almost as quickly.
>
> The road to segregation is paved with weak intentions—which is a reasonably accurate description of the Federal establishment today. Its sin is not bigotry (though there are still cases of bald discrimination by Federal officials) but blandness; not a lack of goodwill, but a lack of will. The Federal failure to come to grips with segregation manifests itself in all kinds of oversights. For example, a recent FHA pamphlet for house-buyers includes an italicized explanation of Federal antidiscrimination rules and regulations. Good. It also includes a photograph of a house in a suburban subdivision which had won an FHA "Award of Merit" for community development. Bad—because the subdivision was all-white, and its builders, according to a state human relations official, "discouraged Negro families from buying." Nobody checked this out before publishing the pamphlet because nobody cared enough to ask the right questions.
>
> What adds to the murk is officialdom's apparent belief in its own sincerity. Today's Federal housing official commonly inveighs against the evils of ghetto life even as he pushes buttons that ratify their triumph—even as he ok's public housing sites in the heart of Negro slums, releases planning and urban renewal funds to cities dead-set against integration, and approves the financing of suburban subdivisions from which Negroes will be barred. These and similar acts are committed daily by officials who say they are unalterably opposed to segregation, and have the memos to prove it.
>
> The words have lost their meaning. Many housing administrators in Washington have on their office wall a framed reproduction of a statement President Johnson made to his Cabinet on April 25, 1965: "The Federal service must never be either the active or passive ally of any who flout the Constitution of the United States. Regional custom, local traditions, personal prejudices or predilection are no excuses, no justification, no defense in this regard." But when you ask one of these gentlemen why, despite the 1962 fair housing Order, most public housing is still segregated, he invariably blames it on regional custom, local traditions, personal prejudices of municipal housing officials.
>
> The upshot of all this is a Federal attitude of amiable apartheid, in which there are no villains, only "good guys"; a world in which everyone possesses "the truth" (in the files on the walls), but nearly everyone seems to lack a sense of consequences. In such a milieu, the first steps toward a genuinely affirmative policy of desegregation in housing are endlessly delayed, because no one is prepared to admit they have not already been taken.
>
> "The rule is," said the Queen to Alice, "jam tomorrow, and jam yesterday—but never jam today."

In other words, our Government, unfortunately, has been sanctioning discrimiation in housing throughout this Nation. The purpose of this bill, as well stated by my able colleague from Minnesota, is not to force Negroes upon whites. It is to give black Americans an opportunity to live in decent housing in this country.

In the summer of 1966 and the summer of 1967 our Nation witnessed its greatest shame. If we are to avoid a recurrence of this unsightly, unconscionable bitterness between white and black Americans, it is encumbent upon our Government to act, and to act now. The most important action that we can take is to enable black Americans to live in decent housing; and this amendment is intended to do exactly that.

The fears and myths I have spoken about have been aired time and time again. Whenever there was a debate on open occupancy, whenever there was an attempt by the Federal Government to move against discrimination and segregation, these same myths, these same fears, have been argued in debate.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. **BROOKE**. Yes; I yield to the Senator from Minnesota.

Mr. MONDALE. First, I would like to express my personal appreciation to the distinguished Senator from Massachusetts for his characteristic courage and strength of leadership on this issue. The Senator from Massachusetts terminated a very important study trip through Africa and flew several thousand miles to assist me as cosponsor of this measure and be ready this afternoon with his proposal. In addition to that, he prepared the most impressive remarks by which we have just been benefited.

In each of our comments, we emphasized many of the material aspects of this problem, whether it is the quality of housing or the quality of education, the availability of decent employment, the environment in terms of water, air, and transportaiton, law enforcement, playgrounds, and all the other aspects of a desirable community; but I wonder if perhaps more important than any of those is the psychological insult and the impact of that insult upon the ghetto dweller.

I asked these questions of Mr. Algernon Black, who testified on behalf of the American Civil Liberties Union. The questions and answers appear on page 178 and 179 of the hearings. I think this is one of the most brilliant expressions of this aspect of the problem. I said to Mr. Black: .

> I particularly liked the sentence in your testimony that goes as follows:
>
> "Deeper than the material and physical deprivation is the humilitation and rejection and what this does to human beings.".
>
> This past Sunday in the New York Times supplement there was an article by a Negro sociologist talking about the impact of conditions of oppression on the mental outlook of the Negro male. And it points out in effect we have given traditionally in the United States the Negro the option of risking his life or losing his manhood.
>
> And while that ancient option that was once true in the South is no longer as much true as it was, in the North we have this kind of repression in housing and living conditions by which we crowd Negro America into the rotting cores of our central cities. And it is today's grace from a material standpoint, but its cost in terms of the impact that flows from the humilitation and the insult of segregation is an incalculable cost that perhaps is even greater.

This was his response. He said:

> I am also former chairman of the New York State Committee Against Discrimination in Housing, the first State committee of its kind to pioneer with State legislation and from which was born the National Committee Against Discrimination, whose representatives and officers you will hear this afternoon. I am chairman of its board of directors.

This is the point he made, which I thought was powerful and unanswerable. He said:

> The real evil in the ghetto effects is the rejection and humiliation of human beings. As former chairman of the Police Complaint Review Board of New York City, I found that the most humiliating and injurious thing that police can do is not physical but psychological and spiritual, when they humiliate a man in the presence of his wife or his children. This is the enraging and destructive thing to a man's soul—and the injury it does to a child's psyche—because the man, who is supposed to protect the family, to make the home, and is made to feel that he is nothing by one who represents the authority of society.
>
> This sense of humiliation goes all through the ghetto. It is the primary cause of the frustration and rage in the youth which has acted with such violence in the recent riots. In the ghetto no matter what they do, what they become, they don't get anywhere. They feel they are in a cage. And this is why this bill is of crucial importance now.

I think that is one of the most remarkable and unanswerable arguments I have heard for the importance and the immediacy of this measure. It is hard to quantify and make tangible this psychological problem; and yet, when I go into the ghettos, as I have, and talk to ghetto residents, they seem to be trying to express something different from the physical problem, although that is important, and I believe that Mr. Black expressed the result of the humiliation of segregation better than I have heard it expressed by anyone else.

Mr. BROOKE. I certainly concur in the statement of the distinguished Senator from Minnesota, and I am very grateful for his generous remarks. I assure him that I am deeply proud to be associated with him in the sponsorship of this important amendment.

I wholeheartedly agree with what Mr. Black said in testimony before the Senator's committee. The psychological impact is a great impact. It is a profound one. I can testify from personal experience, having lived in the ghetto, what it does to the inside of a man to live in such shameful conditions, to be in an area which has been marked for second-class citizens, in an area which few are able to escape.

Oh, I must confess that I was one of the lucky ones, that I did escape from the ghetto, that my parents were able to educate me and we were able to move out into a better neighborhood. But there are millions of my brothers who have not been able to escape, who still live in ghettos, who still live in indecent housing, who still lack a quality education, who still are unemployed or underemployed. So I know the psychological impact of which Mr. Black speaks.

This year, I have served on the President's Advisory Commission on Civil Disorders, with the opportunity to go to Detroit, to Newark, to Roxbury, and to other places around the country, and to talk with people who live in the ghettos, who every day experience the shame and the ignominy, who find it impossible to move out of those areas of squalor, and who feel so strongly that they are being denied their rights. I have seen the impact upon them, and I know very well what they mean when they say, "It is not just the fact that I am the last hired and the first fired; it is not even the bad conditions under which I am forced to live; but it is that I do not feel like a man, that I am denied the right to feel, to act, and to stand as a man, to live with human dignity. That is what is most important to me. I want to feel like a man. I want to act like a man. I want to live in dignity."

Time after time, I heard this testimony from the lips of those who lived in the very areas—the real areas—that have plagued our country with violence and bloodshed this year.

They told me that when a policeman approaches them, it is not so much that he makes an arrest, but that he treats them like dogs.

What they are really asking for is respect as individuals. They do not want to be denied it merely because their skin happens to be black.

This is what Mr. Black was talking about when he appeared before the Senator's committee. I think the material things are important, and quite rightly, but they are only secondary to that psychological lift that could be given to black America if it could only be given the opportunity to live where it pleased.

Mr. MONDALE. Mr. President, I said earlier that the statement of Dr. Black was the best on the subject I had ever heard. I have just heard a better one, on the psychological and spiritual aspects of this problem, from the lips of the distinguished Senator from Massachusetts.

I think his words should be engraved in gold and brought to the attention of every American. I think if they were, the response of Congress would be immediate, swift, and favorable on this issue.

One of the questions we faced during the hearings, as the Senator from Massachusetts knows, was: How important is fair housing as a part of the total spectrum of needs in the American ghetto?

The Senator from Massachusetts is well aware, both from his experience on the riot commission and from his other experiences, that there are those who say that this is a sort of nominal, vestigial, relatively meaningless aspect of the total spectrum of answers to the problems in our ghettos.

One of the things that impressed me during the hearings was the number of times and the number of sources which stated that that was not the case, that this is not only an important aspect of the solution, but an indispensible feature of any adequate solution.

I asked Mr. Wilkins—who, incidentally, is from Minnesota; you will find most of the key leadership of any decent organization originated in that State: Mr. Wilkins, who was born there, Clarence Mitchell, who learned everything he knows there; Whitney Young, who would not have gained leadership without his experience there; and the same is true. of many others—whether that was true.

Mr. BROOKE. Will the Senator yield, and say all those who were not born in Massachusetts?

Mr. MONDALE. I decline to yield to say that.

Mr. Wilkins' answer to that question, which appears at pages 119 and 120 of the record of the hearings, was as follows:

> I might say as sort of a confession that while I have always believed that housing and employment and schools are the inseparable trio that must be dealt with as far as the ghetto living is concerned, I have been a little astonished to discover in recent years the tremendous feeling about housing, and even more so than unemployment. Ordinarily we would say unemployment is No. 1. I personally say schools are No. 1, but I think unemployment is only about a nostril behind, you might say, but I have been astonished to find the number of persons who consider housing. The refusal of housing as a crushing rebuttal of their human—the position as human beings as citizens. There is nothing more humiliating to a father and a mother and two small children when he is on the threshold of a successful career or looking forward to it, and he wants to purchase a home, and somebody tells him you can't do it because you are black. This hurts his wife, it hurts his children. It is a crushing thing. He would say, "Well, I would rather almost work as a day laborer if I could be free to pick my house, and I would rather not be what I am, a college graduate, and so on, if I could choose." So in that sense, I guess it is the No. 1 consideration. As you said, an important part, I would say almost that it is almost No. 1 if not No. 1.

Mr. President, this is one of the most distinguished, experienced, and committed Americans in this field, and he says, in a reasoned answer, that this may very well be the single most important issue that we face and must successfully deal with, if we are to solve this problem.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. MONDALE. I yield.

Mr. BROOKE. Mr. President, I am very pleased to hear the distinguished Senator from Minnesota speak so highly of Mr. Roy Wilkins of the National Association for the Advancement of Colored People.

Roy Wilkins is truly one of the greatest leaders in the fight for civil rights the Nation has ever known. He is well respected and able. And he is a man who thinks well and acts with conviction.

I think it is very appropriate that the Senator from Minnesota has cited Mr. Wilkins' testimony before his committee. I know that Mr. Wilkins has given his entire life to this subject and is certainly an expert on these matters.

Mr. Wilkins states, as the Senator pointed out, that housing is almost the number one priority. He gives his reason, as he always does.

I think that we should take heed of this.

As I said, I served on the President's Commission for Civil Disorder. Mr. Wilkins is also a member of that commission. I think that if he were to testify before us now, after his service on the Commission, he would be even stronger in his convictions concerning the importance of housing. We have seen what has happened in the ghettos as the whites have moved out of the inner city into suburbia. We not only find decay and deterioration in the central city, but we find also that business has moved out of the ghettos into suburbia with the white population.

On the floor of the Senate in the last session of Congress, we debated the question of whether Federal funds should be spent for the location of certain industries out in suburbia where Negroes are unable to live and be near their jobs.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. MONDALE. Mr. President, the Senator will recall that when we had the matter of the Weston, Ill., 200-Bev. appropriation before us last year, the testimony was that if a Negro obtained a job in that Federal facility—the largest perhaps that we have ever created to this time—he would have to commute on an average of 74 miles a day because he would have to come from the ghettos of Chicago.

Mr. BROOKE. The Senator is correct. That is one of the examples that we gave. I think it is a very flagrant and startling one. I am sure that we could give other examples that would certainly point to the need—the very great need—to open up housing. Obviously any Negro that has to travel 74 miles a day cannot hold the job. He would not only be denied housing, but he would also be denied employment by reason of that fact.

Where are the schools the worst? They are worst in the central cities where the Negroes are living today, and from which they cannot escape. So, we have education and employment affected by housing.

I would certainly place housing as the top priority. I think it is very important, because if Negroes are able to live where they want, then they will be able to get these jobs.

Again, in the last session of the Congress, we had legislation proposed for government incentives to be offered for the location of industry in areas where Negroes were living. If Negroes could live anywhere, we would not have to relocate industry all over the country.

We are trying to keep Negroes living in segregated ghettos in the Nation, and what we need to do is to destroy these ghettos.

That will not happen overnight. It will take time. However, I think, as the able Senator from Minnesota well set forth in his opening statement, there will not be this great rush to the suburbs. There never has been. As people are educated and have the opportunity and the wherewithal to move, they ought to be able to move. That is all that the amendment would provide.

Mr. MONDALE. Mr. President, I am glad that the Senator from Massachusetts pointed that out.

I included before an observation to the effect that all of the horror stories of the real estate lobby have proven to be untrue. They have not proven to be true in those States which adopted reasonable and meaningful fair housing laws.

I speak from personal understanding because my State has one of the strongest fair housing statutes in the country. We have had it for some years. We strengthened it again in 1967.

One of the witnesses before our committee was Kennon Rothchild, one of the remarkable citizens from my State, president of the mortgage bankers of the State at the time he testified, and a former chairman of the State commission against discrimination, and a common realtor in his own right. Mr. Rothchild pointed out what had happened in Minnesota when we passed the law.

If we were to believe the real estate lobby, disasters and holocausts were shortly to be the standard diet for Minnesota, and we would have anarchy. In fact, all of these horror predictions proved to be totally false. The effect has been that slowly and responsibly, without any fanfare, several hundred families have been permitted to move into those homes that they could afford.

There has been not a single instance of violence, virtually no instances of deep and serious community problems. It has worked out beautifully. And while it has not worked perfectly, it has been a definite, encouraging, exciting, and inspiring experience.

It is hard to find a person in Minnesota who is opposed to fair housing. During the days when the real estate lobby was predicting what would happen, I would say that most Minnesotans were opposed to and fearful of what would happen.

I am reminded of an experience I had as a student when we were making a survey of a community in a wealthy part of South Minneapolis. One of the persons who lived there was a man who later became famous. He is a man by the name of Carl Rowan, a good friend of mine.

A questionnaire had been prepared by the department of sociology. The first question was, "Did you know that a Negro lived in the community?"

The first housewife whom I asked the question said, "No. Is that true?"

The second question was, "Has it affected the real estate values?"

She said, "It certainly has."

And I think this shows the groundless fear and suspicion that we have.

This was the case of a Negro family that lived in a house because it could afford to do so and was permitted to do so because some realtor—thank God—was not a segregationist. That family lived there with no difficulty whatever. Indeed, most of the people in the community did not know it. And the only time any of the citizens became concerned was when they learned about it long after the fact. The fears simply were not realized. It is not a problem. It is something that we think is a problem because we are ignorant. We live in separate, segregated communities, and we have to go on what is not truth but caricatures, not friendship, but the fears of a people alienated from each other.

I am distressed that there are still so many in American society who still harbor these fears which are so groundless.

Mr. BROOKE. Will the Senator yield?

Mr. MONDALE. I yield.

Mr. BROOKE. Mr. President, I am very proud that I come from a State that also has fair housing legislation. I certainly agree with my colleague, the Senator from Minnesota, that the fears that were voiced when this legislation was proposed were groundless.

People are now living in integrated cities and towns in the Commonwealth of Massachusetts.

Giving a personal reference again, I now live in an integrated district in Massachusetts, in Newton Centre. Many other Negroes live there as well. People of the Jewish faith, protestants, Catholics, all live together, without incident, and they do well. In Washington, I live in Tiber Island, which is integrated, again without incident.

It is difficult for me to comprehend how fears, as my colleague from Minnesota has stated, still persist so widely, when actually there has been more integration in housing in the South than in the North. When one goes down South, he will find Negroes and whites living side by side to a greater extent, I believe, than he will find in the urban centers of the North. This has gone on for generations and generations, and whites have not moved out necessarily because there was a Negro living beside them. I believe that is just a myth. It is one of those myths that was dragged out to scare people about the problems they will encounter if there is integrated housing.

For a moment, let us explore the reverse of such legislation. Suppose all the Negroes lived in all the cities of the Nation and all the whites lived in all the suburbs. That is the trend as it is presently going, because there has been great migration to the great urban centers of the North, particularly. But even in the South more Negroes have left the farms and have gone into the central cities of the South, and the whites have escaped and gone to suburbs in the South, as well as in the North. They are finding that the cities are breaking down behind them: great leadership, competition in schools, the tax base—all go down, as property devaluates in the urban ghettos. The problems of the central cities magnify to the point of explosion, as they did in 1966 and 1967.

Do we want a nation in which all the blacks live in the city and all the whites live in the country? I do not believe we do. I do not believe it would be helpful for this Nation. I do not believe this Nation will exist with an urban black population and a suburban white population.

I believe that all we are saying in this amendment is that we are giving the opportunity for people to live where they want to live and where they can live. I believe it has well been pointed out that nothing is being forced upon anyone. A person can sell his property to anyone he chooses, as long as it is by personal choice and not because of motivations of discrimination.

This is sound legislation. It is good legislation. What is more important, it is needed legislation. It is almost what I would like to call essential legislation. In fact, I will call it essential legislation.

I do not want to say what our Commission on Civil Disorders will report. We hope to report on or before March 1 of this year. We have been studying this very problem—among other problems, to be sure. The problem of housing certainly has been one of the great priorities in that Commission in finding the causes for the explosions of 1966 and 1967, so that we can prevent them in the future.

So I am indeed very grateful to my colleague, the Senator from Minnesota, for his able presentation of the amendment and for the opportunity to work with him in the proposal of this essential legislation.

Mr. MONDALE. I thank the Senator from Massachusetts for his most useful and important contribution to this discussion.

I believe his experience on the Commission on Civil Disorders uniquely qualifies him to speak as an authority on the relationship between this measure and the problems with which that Commission deals.

Mr. President, I ask unanimous consent that the amendment which has previously been called up be considered as having been read for all purposes under rule XXII.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, will the Senator yield further?

Mr. MONDALE. I am glad to yield further to the Senator from Massachusetts.

Mr. BROOKE. As I have previously mentioned, Massachusetts has been a leader in fair housing. As attorney general of my native Commonwealth, this legislation is of special concern to me.

I recall that my distinguished colleague from Minnesota was also the attorney general of his great State. We served together, as he will recall, in committees of the attorneys general of the Nation.

I know that the fair housing principle has the strong support of my constituency. I believe that most Americans are prepared to support the same principle. Someone once said that most Members of Congress—and I would say most members of our society—usually want to do the right thing; they just need a good excuse to do it. I believe that that truth was never more relevant than in respect to fair housing. The Members of Congress must know what is the right thing to do in this field.

What better excuse for action could there be than the imperative pressure to relieve the unbearable tensions in the ghetto, to make it possible for ghetto residents, by dint of their honest labor, to earn and acquire a better home for themselves and their families? What higher purpose could any legislation serve than to restore the faith of all Americans in the possibility of realizing the constitutional promises of equal opportunity for all citizens?

That, Mr. President, is the purpose of this proposal. In my opinion, the Senate should not miss this precious opportunity to vindicate the aspirations of those who have, for so long, been denied a fair chance to acquire decent housing.

Mr. MONDALE. I thank the Senator from Massachusetts.

We have had similar experiences, having served as the chief lawyers of our respective States. Both of us have been active on this issue on the State level as well. I was pleased to be one of those who helped frame our fair housing law and to be active in that movement from the beginning, and to have been the law enforcement officer first vested with the responsibility of the enforcement of that measure. The belief I have always had in the elimination of discrimination has been strengthened by that experience. Not only am I more persuaded that the objective is right, but also that it is achievable in a reasonable and responsible way. The experience of the Senator from Massachusetts is obviously similar, and I am grateful to him for having mentioned that aspect as part of this discussion.

STRIKE BY SEABOARD COAST LINE TRAINMEN

Mr. HOLLAND. Mr. President, I have been shocked to learn this afternoon that without any notice at all the operating trainmen and other employees of the Coast Line Railroad have gone on strike. I do not know anything about the merits of the controversy. I do know something about the cruel imposition which has been caused by having a strike on this important railroad at this very time when our perishable commodities, both citrus and vegetable, are moving at their greatest volume.

I am not surprised to have received within the last few minutes wires which I shall place in the RECORD. The first telegram I have is from James S. Wood, chairman, Tampa Port Authority, which reads as follows:

TAMPA PORT AUTHORITY,
Tampa, Fla.

Hon. SPESSARD L. HOLLAND,
The Capitol,
Washington, D.C.:

Urge immediate action to settle strike of Seaboard Coast Line trainmen. Work stoppage affecting economy of Tampa area in peak shipping season. If prolonged will result in prohibitive demurrage because of ships waiting to load in port.

JAMES S. WOOD,
Chairman.

Mr. President, another telegram is from Dade County, the county where Miami is situated, which is very much to the point. That telegram is signed by the Dade County Growers Exchange, Inc., Princeton, Fla., and reads as follows:

PRINCETON, FLA.,
February 6, 1968.

Hon. SPESSARD HOLLAND,
U.S. Senate,
Washington, D.C.:

Regards Seaboard Coast Line strike, request all possible speed settlement due to volume perishables moving from South Florida area at this time.

DADE COUNTY GROWERS EXCHANGE, INC.
C. & C. PACKING CO.
C. C. CARPENTER FARMS.

Mr. President, a third telegram is from the Superior Fertilizer & Chemical Co. in Tampa, Fla., in which they state they have enough materials for only 2 days, at the peak of their fertilizer output season. This is the season for the fertilization of citrus groves. That telegram reads as follows:

SUPERIOR FERTILIZER & CHEMICAL CO.,
Tampa, Fla., February 6, 1968.

Senator SPESSARD L. HOLLAND,
Senate Office Building,
Washington, D.C.:

I was shocked to learn of the rail strike this morning. We are in the middle of our busy season and have less than two days supply of various materials in storage. We cannot truck sufficient materials to handle our business although we can gain partial relief. Our entire business is 75 percent dependent on prompt rail service at this time of year. We are not a large company and therefore cannot afford to absorb the substantial losses that can result if this strike is allowed to continue.

I hope you do not view this telegram as just another businessman bringing his point of view to your attention. I cannot think of anything that will injure our business more than a rail strike. Isn't there some way that service can be restored while issues are being negotiated?

We had no warning of this strike, therefore have not been able to build up any inventory. I urge you to give this matter your immediate attention.

JAMES S. WOOD,
President.

Mr. President, a fourth telegram is from J. H. Williams, Jr., president of the Greater Tampa Chamber of Commerce stressing the untold economic damage this strike will have on industry—small businesses that will shortly be out of business as they maintain small inventories and will be unable to meet delivery commitments. This telegram reads as follows:

GREATER TAMPA CHAMBER OF COMMERCE,
Tampa, Fla., February 6, 1968.

Hon. SPESSARD L. HOLLAND,
Senate Office Building,
Washington, D.C.:

Even in early hours of strike of trained crewmen, the telephone is ringing—industry urgently calling for help. Companies with low inventory unable to meet delivery commitments and will shortly be out of business for the duration of strike. Others will soon feel the pinch and results will be layoffs of personnel and untold economic damages. Port will suffer severely. Respectfully and strongly urge that everything possible be done to halt strike, thereby avoiding serious injury to commerce and economic stagnation.

J. H. WILLIAMS, Jr.,
President.

Mr. President, this is the kind of thing which completely alienates the confidence and respect of great numbers of our people in the railroad unions.

I have called the White House. I am told that they are immediately considering the matter. The Florida delegation in a letter signed by all of us, is requesting the immediate action of the President in the appointment of a fact finding board and assistance in getting the line running again.

I am told that the workmen of nine lines take this position. I am not acquainted with the other lines involved.

I cannot say too forcefully that no action at this time of the year means utter confusion in the handling of perishable crops worth many millions of dollars and is a direct blow at the economy of my State, and could be perhaps ruinous at this time to hundreds, and perhaps thousands of growers.

The Florida delegation as a whole requests President Johnson to take immediate action to resolve this emergency. We expect the unions to realize the enormity of their actions, coming as this does without any warning or opportunity for industries to be protected, and at the height of our production season of highly perishable fruit and vegetable crops.

Mr. President, I shall not say more at this time but I do want the RECORD to reflect the tremendous concern of the entire Florida delegation, both Democrats and Republicans, and the fact that we expect the Chief Executive to move with all speed to bring the railroad back into operation.

We have also received some telephone calls of the same nature as the telegrams. I have not had the chance to reduce them to a written brief.

This is a calamity if it is allowed to continue. It is a manmade calamity against the good people of our State who are in the business of producing these highly perishable crops.

TRIBUTE TO TV STATION KVOO-TV IN TULSA, OKLA.

Mr. MONRONEY. Mr. President, in view of some of the irresponsible activities by certain segments of the news media—particularly TV—during the riots which occurred last summer, and the sit-ins and protest marches which have taken place recently in various parts of the country, I would like to take this opportunity to commend the policy of a great TV station from my own State of Oklahoma—station KVOO-TV in Tulsa.

Mr. Harold Stuart, president of Central Plains Enterprises, KVOO-TV's operating company, is personally responsible for this policy. Mr. Stuart has rendered much valuable service to his community and his Nation over a long period of years. He fully appreciates the responsibility that television has to report the news honestly and objectively, and at the same time his experience as an attorney and public servant provides him with a deep understanding of his responsibility for law and order.

Mr. Stuart tells me that he has discussed the problem of news coverage of riots and civil unrest with many of his colleagues in the television industry. I know that his views carry great weight, because of Mr. Stuart's outstanding service to the Nation as Assistant Secretary of the Air Force from 1949 to 1951, his service on the Board of Visitors of the Air Force Academy, and his far-reaching activities in the fields of education, transportation, petroleum and in the civic affairs of his community.

This policy problem is of growing significance to all television executives. My respect for Mr. Stuart's judgment in matters of serious public concern dates back to his early years as a common pleas judge in Tulsa, before his magnificent military service in World War II.

I have had some correspondence with Mr. John Devine, who is executive vice president and general manager of this NBC station, regarding their stand on these matters, and I ask unanimous consent that his letter be printed in its entirety at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONRONEY. Mr. President, I should like to laud Mr. Stuart and Mr. Devine and KVOO–TV for this policy. The station has recognized the influence it wields in the news field, and its entire staff has made an exceptionally intelligent effort, and a successful one, I might add, to accept its community responsibilities in this area of reportorial activity.

I share Mr. Stuart's and Mr. Devine's opinion that this is certainly no time for "yellow" journalism. The stated policy of KVOO–TV certainly reflects the mature and intelligent approach to a situation which carries a high potential for widespread trouble.

I am concerned about these things that are happening, and I know that all Americans share my concern. It is my earnest hope that this sound, reasonable policy which governs KVOO–TV of Tulsa, Okla., will be, as time progresses, the only one that is universally accepted.

Mr. President, many TV stations in my State have observed a policy of self-censorship or the postponent of carrying live pictures of riots or pictures of violence in the streets on television. I think that they deserve recognition. I would welcome the opportunity to give them such recognition, if such be their policy.

It is my earnest hope that a sound and reasonable policy will be adopted by all television stations, including even the large networks, as being one which will add to the tranquility and the feeling of friendly relations among all citizens of this great land of ours.

EXHIBIT 1

KVOO–TV,
CHANNEL 2,
Tulsa, Okla., January 11, 1968.

Hon. A. S. "MIKE" MONRONEY,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: This is in answer to your letter concerning our policy on racial coverage and/or matters of violence.

We work very closely with the local officials on matters such as this, and check with them before releasing any news concerning a possible emergency or "riot" scare. We do not show any films of people being pushed around or carried in or out of places, regardless of whether it would feature a colored person or a white man. When emotions are running high, it is our opinion that there is certainly no need to add fuel to the fire.

We have been accused by a few people of blacking out so-called civil rights news. This is absolutely untrue. We will report it verbally, and by reporting I mean give the facts, making every effort not to over-dramatize the situation. All facts are checked first with the police department and any other responsible party involved in the situation.

As a matter of fact, the police department in the past has requested our cooperation in releasing news items pertaining to potentially dangerous situations. I am happy to say that we have cooperated with them 100%.

We are in no way trying to bury our head in the sand with the idea that the bad part will go away, but I repeat, we do not overdramatize any unfortunate happenings that may occur. This is a time when the essential facts are sufficient and we want no part of "yellow" journalism. Last summer there were some rumbles in Tulsa about possible racial strife. We went so far as to rent two cars for our news department. We thought it would be unwise to use marked cars—in other words, ones with our call letters on the side. As you well know, the appearance of broadcasting persons could trigger some premature action. We will continue with our policy of using unmarked cars to cruise areas where there may be some trouble.

Should you desire any further information along this line, I will be happy to answer your questions.

Hope all is going well with you, and give us a visit whenever you are in town.

Warmest personal regards.

Sincerely,

JOHN DEVINE,
Executive Vice President, General Manager.

PRESIDENT TURNS THE NATIONAL SPOTLIGHT ON AUTOMOBILE INSURANCE

Mr. MONRONEY. Mr. President, each and every citizen who owns an automobile, or hopes one day to buy one, owes a debt of thanks to the President for turning the national spotlight on serious problems in the automobile insurance industry.

The statistics are staggering. There were 13.6 million accidents in 1966 in which 53,000 persons were killed, 3.7 million injured and 24.3 million cars damaged.

The automobile insurance industry today involves $9.2 billion in annual premiums, 78 million cars, 98 million licensed drivers, and $12.3 billion in annual accident losses. Since 1960, there have been 78 known failures of companies writing auto insurance, leaving over a million policyholders without protection.

Couple these figures with the phenomenal rise in the cost of insurance, and it should be unnecessary to say that something has to be done.

I am sure that most of us have received letters from constituents complaining of high-handed methods, price increases, arbitrary canceling of policies, and tremendous time lapses from the date of an accident to final receipt of compensation. But there is also concern within the industry itself. The Insurance Information Institute expressed gratification that President Johnson himself had taken an interest in automobile insurance in his state of the Union message. And Bradford Smith, Jr., chairman of the Insurance Company of North America, placed a full-page advertisement in Newsweek magazine last October 30 to point out the problems and to call for a solution. He summed up his concern as follows:

> As strong supporters of the free enterprise system since our founding in 1792, Insurance Company of North America is deeply concerned with the need to satisfy the public interest by finding an insurance solution to these problems. That interest now calls for changes, even radical changes, in the law and in the present American system of automobile insurance. INA, with 175 years of insurance leadership, stands ready to work with the insurance industry and government officials to accomplish that change.

It is our job here in Congress to lay the foundation from which Government and the industry can work to bring this wish to fruition. The President has given us fresh impetus for a new look at the industry and the problem. This is consumer consciousness at its best.

Mr. President, I ask unanimous consent to have printed in the RECORD the excerpt from the President's message concerning automobile insurance.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

AUTOMOBILE INSURANCE

One area of major concern to the consumer is automobile insurance. Every motorist, every passenger, and every pedestrian is affected by it—yet the system is overburdened and unsatisfactory.

Premiums are rising—in some parts of the country they have increased by as much as 30 percent over the past six years.

Arbitrary coverage and policy cancellations are the cause of frequent complaint—particularly from the elderly, the young, the serviceman, and the Negro and Mexican-American.

A number of "high risk" insurance companies have gone into bankruptcy—leaving policyholders and accident victims unprotected and helpless.

Accident compensation is often unfair: Some victims get too much, some get too little, some get nothing at all.

Lawsuits have clogged our courts. The average claim takes about two and one-half years just to get to trial.

This is a national problem. It will become even more of a problem as we license more drivers, produce more automobiles and build more roads.

With more than 100 million drivers and 96 million motor vehicles in the United States, the insurance system is severely strained today.

While many proposals have been made to improve the system, many questions remain unanswered. The search for solutions must be pressed.

I propose legislation to authorize the Secretary of Transportation to conduct the first comprehensive study of the automobile insurance system. He will undertake this review with the full cooperation of the Federal Trade Commission and other appropriate agencies of the Executive Branch.

In recent months we have acted to make our cars and our highways safer. Now we must move to streamline the automobile insurance system—to make it fair, to make it simple, and to make it efficient.

LYNDON B. JOHNSON HELPS AMERICA'S WHEATGROWERS

Mr. MONRONEY. Mr. President, I am pleased to support the International Grains Arrangement which President Johnson sent to the Senate today. The International Wheat Agreement expired last July 31. World wheat prices have weakened since then but fortunately have remained fairly stable.

Wheat farmers in the Plains, the Northwest, and in the Corn Belt have benefited from the supported past wheat agreements.

I hope that the Foreign Relations Committee will hold early hearings and that the Senate will promptly approve the arrangement.

This arrangement continues our successful efforts of international cooperation in wheat marketing which goes back 20 years.

The higher minimum prices will bring better returns to our farmers. I am assured that provisions of the arrangement and the policy of the Department of Agriculture will keep U.S. wheats competitive in world markets and will keep our exports expanding.

This is an important development for American wheatgrowers. The arrangement will greatly enhance their economic security. And the President can be assured that his efforts to bring this arrangement to fruition have not gone unnoticed in America's wheat-producing States.

I am proud to support the President's excellent arrangement.

Mr. President, I ask unanimous consent to have printed in the RECORD the President's message to Congress with reference to the International Grains Arrangement.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

To the Senate of the United States:

Today I submit to the Senate for its advice and consent the International Grains Arrangement of 1967.

This Arrangement is another step forward in our overall effort to strengthen and stabilize our farm economy, to improve our balance of payments, and to share our abundance with those in need.

The Arrangement is an outgrowth of the Kennedy round of trade negotiations. It was agreed to last August at the International Wheat Conference in Rome. It has already been signed by most of the countries that are major exporters and importers of grain.

The Arrangement is in two parts: the Wheat Trade Convention, which will provide new insurance against falling prices in the wheat export trade, and the Food Aid Convention, which will bring wheat exporting and wheat importing nations into partnership in the War on Hunger.

THE WHEAT TRADE CONVENTION

The Wheat Trade Convention will help to stabilize prices in world commercial trade.

It sets minimum and maximum prices for wheat moving in international trade at levels substantially higher than those specified in the International Wheat Agreement of 1962. This will give our farmers additional protection against price cutting in world markets.

At the same time, the Arrangement includes provisions to insure that our wheat will be priced competitively in world markets; and that no exporting member country is placed at a disadvantage because of changes in market conditions.

Importing countries also receive protection and benefits under the Convention. In periods of shortage importing member countries will be able to purchase their normal commercial requirements at the established maximum price. After this requirement has been met, exporting member countries will be free to sell above the maximum price.

America's wheat farmers have supported the pricing provisions of previous wheat agreements. I am confident they will welcome the stronger price assurances of this Arrangement.

THE FOOD AID CONVENTION

The Food Aid Convention marks an important new international initiative in the assault on hunger throughout the world.

The countries participating in this Convention—both exporting and importing nations—undertake to establish a regular program of food aid over the next three years.

The program calls for 4.5 million tons of grain to be supplied each year; 4.2 million tons are already subscribed.

The U.S. will supply 1.9 million tons in grains—under the authority of the Food for Freedom program.

Other countries will supply 2.6 million tons—either in the form of grain or its cash equivalent.

This new program is a major joint effort to supply wheat and other food grains to needy nations on a continuing basis. It will help the developing nations of the world meet their food deficits while they work to expand their own food production. As these countries prosper and grow, many will become cash customers for agricultural products.

I enclose, for the information of the Senate, the report of the Secretary of State on the International Grains Arrangement.

I urge the Senate to give it early consideration.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 25, 1968.*

ADJOURNMENT

Mr. LONG of Louisiana. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 29 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, February 7, 1968, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 6, 1968:

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Della Mae Warren, Bear Creek, Ala., in place of Nola Bull, retired.

ARKANSAS

Jesse Doyne, Jr., Genevia, Ark., in place of F. M. Pearson, retired.

CALIFORNIA

Robert J. Nicklas, Paso Robles, Calif., in place of Teddy Chiappari, retired.

CONNECTICUT

Anthony S. Facas, New London, Conn., in place of T. J. Sullivan, retired.

GEORGIA

Hazel T. Bradley, Adairsville, Ga., in place of E. C. Brock, retired.

Ira M. Maples, Cohutta, Ga., in place of Beatrice McDonald, retired.

HAWAII

Taishi Tomono, Hawaii National Park, Hawaii, in place of F. S. Abe, retired.

IDAHO

Lyman W. Merrill, Weston, Idaho, in place of A. V. Lott, retired.

ILLINOIS

Joe Skender, Canton, Ill., in place of L. F. Weller, deceased.

Helen C. Gast, Gilberts, Ill., in place of H. A. Stumpf, deceased.

Glen E. Bettis, Palmyra, Ill., in place of H. H. Cox, retired.

INDIANA

Robert L. Puncheon, Lafayette, Ind., in place of A. L. Pyke, retired.

MINNESOTA

Basil D. Walker, Moorhead, Minn., in place of J. E. Ruddy, transferred.

MONTANA

Kenneth E. Lizotte, Bonner, Mont., in place of L. L. Fleming, retired.

NEBRASKA

John F. Ahlers, Belgrade, Nebr., in place of M. H. Andersen, retired.

David V. Fuchs, Humphrey, Nebr., in place of J. J. Weidner, retired.

Kenneth W. Rees, Liberty, Nebr., in place of O. M. Moore, retired.

Raleigh R. Robertson, Morse Bluff, Nebr., in place of James Vopalensky, retired.

NEW HAMPSHIRE

John F. Waterhouse, Raymond, N.H., in place of W. H. Roberts, retired.

NEW JERSEY

Frederick H. Martin, Camden, N.J., in place of Edward Praiss, retired.

NEW YORK

William Rosenberger, Hortonville, N.Y., in place of M. E. Miller, retired.

Henry W. Dicker, Millbrook, N.Y., in place of R. T. Stanton, retired.

Margaret E. Doherty, Rocky Point, N.Y., in place of Gladys Behr, retired.

Joseph D. Bergen, Valley Stream, N.Y., in place of W. A. Todd, retired.

Walter J. Krein, West Camp, N.Y., in place of O. L. Schlenker, retired.

NORTH CAROLINA

Harold B. Humphrey, Farmville, N.C., in place of H. D. Johnson, deceased.

Joseph H. Coe, Pilot Mountain, N.C., in place of A. G. Badgett, retired.

Dwight M. Tallent, Vale, N.C., in place of J. V. Leatherman, transferred.

OHIO

Grant J. Cook, Celina, Ohio, in place of J. R. Murlin, retired.

William E. Lehart, Tipp City, Ohio, in place of T. A. Brayshaw, retired.

OKLAHOMA

Glen W. Jones, Bixby, Okla., in place of B. E. McClendon, retired.

OREGON

David C. Fuiten, Forest Grove, Oreg., in place of R. A. King, retired.

Irma M. Johnson, Moro, Oreg., in place of L. R. Johnson, deceased.

PENNSYLVANIA

Joseph L. Bosak, Bendersville, Pa., in place of D. F. Kennedy, deceased.

Alfonzo Fanella, Indiana, Pa., in place of M. E. Martin, retired.

Robert B. Robinson, Orrtanna, Pa., in place of D. O. Deardorff, retired.

PUERTO RICO

Pedro N. Peterson-Matta, Dorado, P.R., in place of C. A. de Torrens, retired.

RHODE ISLAND

Robert E. Benoit, East Greenwich, R.I., in place of J. R. Brennan, retired.

SOUTH CAROLINA

Ryan J. Baker, Cades, S.C., in place of P. J. Sauls, retired.

Dallas L. Nelson, Jonesville, S.C., in place of O. H. Garner, deceased.

TENNESSEE

Arzo Hale, Caryville, Tenn., in place of M. S. Asbury, retired.

CONFIRMATION

Executive nomination confirmed by the Senate, February 6, 1968:

COUNCIL OF ECONOMIC ADVISORS

Merton J. Peck, of Connecticut, to be a member of the Council of Economic Advisers.

HOUSE OF REPRESENTATIVES—*Tuesday, February 6, 1968*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Cast thy burden upon the Lord and He shall sustain thee.—Psalm 55: 22.

Almighty and everliving God, source of all true wisdom and the fountain of flowing love, in the quiet of this moment we pledge our lives anew to Thee and to the cause of freedom in our world.

Help us to overcome the tyrannical spirit which oppresses free men, opposes free nations, and would enslave the world.

Grant unto us and to free men everywhere the common faith that promotes justice by all, produces understanding among all, provides equality of opportunity for all, and proclaims the fruits of freedom to all.

Strengthen us that with humble spirit and honorable service we may keep our Nation strong in her devotion to Thee, wise in her relationship with other nations, and great in her desire for peace.

In the spirit of the Master we offer this our morning prayer. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Geisler, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 5910) entitled "An act to declare that the United States holds certain lands in trust for the Pawnee Indian Tribe of Oklahoma," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McGOVERN, Mr. ANDERSON, and Mr. FANNIN to be the conferees on the part of the Senate.

PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO SIT DURING GENERAL DEBATE TODAY

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Standards of Official Conduct be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE ADMINISTRATION USING TAX MONEY TO PURCHASE FOREIGN-MADE BUSES FOR OVERSEAS INSTALLATIONS

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, yesterday the administration urgently asked Congress to impose a new tax on overseas spending by U.S. tourists and to levy another excise tax on airplane and steamship tickets in order to reduce the "intolerable" balance-of-payments deficit.

I am glad the administration has finally recognized that a serious situation does exist and that perhaps something should, at last, be done. But, Mr. Speaker, I resent the implication that the individual citizen and the businessman are responsible for the predicament in which we find ourselves and that our Government itself is without blame.

Since the President is so anxious to trim our balance-of-payments deficit, I would like to suggest an area of reform that could be undertaken immediately.

I have just returned from a trip to Southeast Asia with a subcommittee of the House Armed Services Committee headed by our distinguished colleague from Illinois, the Honorable MELVIN PRICE, and I would like to report to the House that at Cam Ranh Bay, at Da Nang, and at Sattahip, Thailand, our subcommittee was met and taken about our U.S. installations in new Isuzu Japanese buses.

So, Mr. Speaker, at a time when the administration is urging more taxes for our citizens, I think the President and those who may be responsible, owe an explanation to our people. I ask how in good conscience can we vote such a tax when the administration uses the tax money it is exacting from our citizens to purchase foreign-made buses for our overseas installations. Until this can be satisfactorily explained, I will remain cool to this new tax proposal.

PRESIDENT JOHNSON PROPOSES WHOLESOME POULTRY ACT

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, President Johnson has proposed vital consumer legislation that is indispensable to the health and welfare of the American people.

President Johnson has asked Congress for a law—a Wholesome Poultry Act—that will assure consumers that all poultry produced commercially in the United States meets the same minimum standards for wholesomeness whether inspected under a Federal or State inspection system.

In 1967, American consumers purchased more than 12 billion pounds of poultry and poultry products. Most of those consumers took for granted that the poultry was clean, safe, and wholesome—and most of it was.

The Federal Government inspected approximately 87 percent—10.9 billion pounds—under provisions of the Poultry Products Inspection Act. The other 13 percent—or about 1.6 billion pounds—was not sold across State lines, and therefore was only subject to such State regulation as exists.

While some States have taken specific steps to meet their responsibilities of insuring their citizens of a safe and wholesale poultry supply, others rely almost entirely on general food and health laws to assure the sanitation of poultry plants and the cleanliness and safety of poultry and poultry products.

The law would leave with those States that meet their responsibilities the authority for inspecting all poultry processed for sale within their State boundaries, and would provide them with financial and technical assistance in establishing inspection programs to meet their responsibilities. The law would also provide for the assumption of inspection responsibilities by USDA in those States that fail to establish adequate inspection programs.

Last year, this Congress took the necessary action to assure the adequate inspection of the Nation's meat supply; I believe we owe the American consumer no less assurance of the safety and wholesomeness of the Nation's poultry.

I commend President Johnson for proposing this added insurance for the Nation's health, and I am certain Congress will promptly enact this vital legislation.

PERMISSION FOR SUBCOMMITTEE ON NATIONAL PARKS AND RECREATION, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO SIT DURING GENERAL DEBATE TODAY

Mr. TAYLOR. Mr. Speaker, I ask unanimous consent that the Subcommittee on National Parks and Recreation of the House Committee on Interior and Insular Affairs be permitted to meet during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

REQUEST FOR PERMISSION FOR SUBCOMMITTEE ON ACCOUNTS, COMMITTEE ON HOUSE ADMINISTRATION, TO SIT TODAY

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Accounts of the Committee on House Administration be permitted to sit this afternoon while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. HALL. Mr. Speaker, reserving the right to object, and I hope I will not have to object, I would like to ask the gentleman if this has been cleared with the ranking minority member. If it has not, I would respectfully request the gentleman to withhold his request for the time being.

Mr. **FRIEDEL**. I have not, but they all know of the meeting this afternoon. They have all been notified.

Mr. **HALL**. Withdraw your request, or I will be constrained to object.

Mr. **FRIEDEL**. Mr. Speaker, I withdraw my request for the time being.

TO PROTECT THE CONSUMER INTEREST—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER**. The Chair lays before the House a message from the President of the United States.

CALL OF THE HOUSE

Mr. **HALL**. Mr. Speaker, I make the point of order that a quorum is not present to hear the message from the President of the United States.

The **SPEAKER**. Evidently a quorum is not present.

Mr. **ALBERT**. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 17]

Anderson, Tenn.
Ashley
Blackburn
Brademas
Burleson
Celler
Clark
Clausen, Don H.
Cleveland
Cramer
Diggs
Dorn
Edwards, Calif.
Evans, Colo.
Everett
Fallon
Ford, William D.
Fulton, Tenn.
Gurney
Hansen, Idaho
Hansen, Wash.
Harvey
Hébert
Howard
Jones, Ala.
Kornegay
Long, Md.
McCloskey
Monagan
Moorhead
Moss
Purcell
Rarick
Rees
Reinecke
Resnick
Rivers
Rosenthal
Rostenkowski
Rumsfeld
St. Onge
Smith, Okla.
Taft
Tuck
Vanik
Wilson, Charles H.
Wright

The **SPEAKER**. On this rollcall 382 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE STRANGE POLICY OF TRADING WITH COMMUNIST COUNTRIES

Mr. **POOL**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. **POOL**. Mr. Speaker, one of the bitterest foreign policy fights in the history of the United States is to be debated on the floor of the House of Representatives this week. What is it all about? Whether or not we should increase trade and give credits to the Soviet Union and its satellite puppets.

Too many people who should know better are supporting this strange policy of trading with Communist countries. They support it on the grounds that it makes economic sense—more dollars and more profits, as well as an improvement in our balance-of-payments deficit.

But what a sacrifice. Such an economic approach to the issue of trading with Communist countries leaves out the most important aspect: our Nation's security and the survival of freedom.

Last year, a spokesman for the Veterans of Foreign Wars stated:

> It is sheer nonsense to say that we will let the Communists buy only "nonstrategic" goods. In modern warfare, there isn't any such thing. Everything that a nation contributes to another nation's strength increases its warmaking ability.

It is well known that the Soviet Union, in addition to the assistance provided by her satellites, has been contributing millions of dollars each year in war materiel to North Vietnam—materiel that aids in the killing of our American fighting men and allies.

If we Members of the Congress do not take action against this foolish and delusory policy, the dire Communists prediction of "we shall bury you" will come true; and we shall have had one hand on the shovel.

PERMISSION FOR SUBCOMMITTEE ON ACCOUNTS OF THE COMMITTEE ON HOUSE ADMINISTRATION TO SIT TODAY

Mr. **FRIEDEL**. Mr. Speaker, I ask unanimous consent that the Subcommittee on Accounts of the Committee on House Administration be permitted to sit while the House is in session today.

The **SPEAKER**. Is there objection to the request of the gentleman from Maryland?

Mr. **HALL**. Mr. Speaker, reserving the right to object, I ask the distinguished gentleman if this has been cleared with the minority?

Mr. **FRIEDEL**. It has been cleared with the minority.

Mr. **HALL**. Mr. Speaker, I withdraw my reservation.

The **SPEAKER**. Is there objection to the request of the gentleman from Maryland?

There was no objection.

THREE HUNDRED AND FIFTY-SEVEN U.S. REPRESENTATIVES CONDEMN PLIGHT OF RUSSIAN JEWS

Mr. **FEIGHAN**. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. **FEIGHAN**. Mr. Speaker, Rabbi Israel Miller, chairman of the American Jewish Conference on Soviet Jewry, has brought to my attention a statement which was published in the New York Times on Human Rights Day, December 10, 1967. The rabbi has stated that he and members of American Jewish Conference on Soviet Jewry are heartened that so many Members of this body joined together in publicly expressing our outrage about the plight of Soviet Jewry. I am proud that I am one of 16 Ohio Members who signed this statement. Rabbi Miller feels that through such statements of Members of Congress the conscience of the world will be stirred, and then, hopefully, the Soviet Union will be moved to grant its Jewish citizens what is permitted other Soviet religious and nationality groups.

Under leave granted, I am including the statement which appeared in the New York Times on December 10, 1967, and commend it to the reading of all Members of Congress:

> The undersigned Members of the House of Representatives of the Congress of the United States associate themselves with their fellow citizens and people of good will throughout the world in condemning the suppression of Jewish spiritual and cultural life in the U.S.S.R. The evidence presented by the American Jewish Conference on Soviet Jewry leaves no room for reasonable men to doubt that the government of the U.S.S.R. continues to pursue a program calculated to destroy the means of Jewish cultural and spiritual survival and to break the will of Soviet Jewry to live as Jews. Such a practice not only violates fundamental human rights, it is contrary to the guarantees of Soviet law and asserted policy.
>
> Alone among Soviet nationality groups, Jews are forbidden the schools and other institutions of Jewish learning, teaching and publishing that are required if the heritage of Jews is to be perpetuated. Alone among major religious groups in the Soviet Union, Jews are forbidden the right to have any form of nationwide federation of congregations or of clergy. Alone among major religious groups in the Soviet Union, Jews have no formal and official contacts between Soviet Jews and their co-religionists abroad. A systematic campaign of intimidation inhibits them from openly protesting these inequities.
>
> Premier Alexei N. Kosygin declared that all citizens, including Jews, are free to leave the Soviet Union to join their relatives abroad. We await translation of those words into deeds.
>
> These inequities imposed on Soviet Jews must be protested by everyone who values human rights of individuals and groups everywhere.
>
> *On this 19th anniversary of Human Rights Day, the 25 national Jewish organizations in the American Jewish Conference on Soviet Jewry, working to secure the rights of Soviet Jews, the second largest Jewish community in the world, are mindful that we enjoy those universally accepted rights which permit the free exercise of our ancient traditions. We recall, too, Premier Alexei N. Kosygin's unfulfilled promise, on December 3, 1966, that there would be no difficulties for those Jews and others in the Soviet Union who wished to join families abroad, in accordance with United Nations principles stated in the Universal Declaration of Human Rights. We present this statement of members of the United States House of Representatives as a reminder that 3,000,000 of our brothers in the Soviet Union do not yet enjoy elementary human rights.*

TO PROTECT THE CONSUMER INTEREST—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC NO. 248)

The **SPEAKER** laid before the House the following message from the President of the United States; which was read and referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

Speaking for every American, I present to the Congress my fourth Message on the American Consumer.

President Truman once observed that while some Americans have their interests protected in Washington by special lobbying groups, most of the people depend on the President of the United States to represent their interests.

In the case of consumer protection, however, the President—and the Congress—speak for every citizen.

A hundred years ago, consumer protection was largely unnecessary. We were a rural nation then: a nation of farms and small towns. Even in the growing cities, neighborhoods were closely knit.

Most products were locally produced and there was a personal relationship between the seller and the buyer. If the buyer had a complaint, he went straight to the miller, the blacksmith, the tailor, the corner grocery. Products were less complicated. It was easy to tell the excellent from the inferior.

Today all this is changed. A manufacturer may be thousands of miles away from his customer—and even further removed by distributors, wholesalers and retailers. His products may be so complicated that only an expert can pass judgment on their quality.

We are able to sustain this vast and impersonal system of commerce because of the ingenuity of our technology and the honesty of our businessmen.

But this same vast network of commerce, this same complexity, also presents opportunities for the unscrupulous and the negligent.

It is the government's role to protect the consumer—and the honest businessman alike—against fraud and indifference. Our goal must be to assure every American consumer a fair and honest exchange for his hard-earned dollar.

THE RECORD OF PROGRESS

Thanks to the work of the last two Congresses, we are now much closer to that goal than ever before. In three years, we have taken historic steps to protect the consumer against:

—Impure and unwholesome meat.

—Death and destruction on our highways.

—Misleading labels and packages.

—Clothing and blankets that are fire-prone, rather than fire-proof.

—Hazardous appliances and products around the house.

—Toys that endanger our children.

—Substandard clinical laboratories.

—Unsafe tires.

In addition to these, the first session of this Congress took important steps toward passage of other consumer proposals we recommended last year, including the Truth-in-Lending, Fire Safety and Pipeline Safety bills which passed the Senate, and the fraudulent land sales, mutual funds and electric power reliability measures.

This session of the Congress should complete action on these vitally needed proposals to protect the public. It has already begun to do so.

In passing the Truth-in-Lending Bill last week, the House of Representatives brought every American consumer another step closer to knowing the cost of money he borrows. I urge the House and Senate to resolve their differences promptly and to give the consumer a strong Truth-in-Lending law.

A NEW PROGRAM FOR 1968

But that record alone, as comprehensive as it is, will not complete our responsibility. The needs of the consumer change as our Society changes, and legislation must keep pace.

For 1968, I propose a new eight-point program to:

—Crack down on fraud and deception in sales.

—Launch a major study of automobile insurance.

—Protect Americans against hazardous radiation from television sets and other electronic equipment.

—Close the gaps in our system of poultry inspection.

—Guard the consumer's health against unwholesome fish.

—Move now to prevent death and accidents on our waterways.

—Add new meaning to warranties and guarantees, and seek ways to improve repair work and servicing.

—Appoint a government lawyer to represent the consumer.

SALES RACKETS

Every Spring, when families turn their thoughts to household improvements, the shady operator goes to work.

His office may be a telephone booth, a briefcase which he carries from door to door, or a car which he drives from state to state. His sales brochure may be a catchy newspaper advertisement.

With false and deceptive offers of attractive home repairs or items that are more promise than product, he preys most of all on those who are least able to protect themselves: the poor, the elderly, the ignorant.

Too often—and too late—the victim discovers that he has been swindled: that he has paid too much, that he has received inferior work, and that he has mortgaged himself into long-term debt. Some even lose their homes. A recent Report of the National Better Business Bureau estimates that deceptive practices in the home improvement field alone cost the consumer between $500 million and $1 billion yearly.

Sales rackets are not limited to home improvements. And sales rackets of all types are on the increase.

As the law now stands, there is no effective way to stop these unscrupulous practices when they are discovered. The legal machinery may drag on for two or three years before the violator can be ordered to cease and desist. In the meantime, countless more Americans are cheated.

In matters so flagrantly deceptive, the consumer and the honest businessman deserve greater—and speedier—protection.

I recommend that the Congress enact the Deceptive Sales Act of 1968 to give new powers to the Federal Trade Commission.

Under this Act, the FTC would be able to obtain Federal court orders to stop fraudulent and deceptive practices immediately while the case is before the Commission or the courts.

With this measure we can complete the cycle of protection for the consumer in fraud cases—by adding Federal court injunctions to the administrative and criminal processes which now exist.

AUTOMOBILE INSURANCE

One area of major concern to the consumer is automobile insurance. Every motorist, every passenger, and every pedestrian is affected by it—yet the system is overburdened and unsatisfactory.

Premiums are rising—in some parts of the country they have increased by as much as 30 percent over the past six years.

Arbitrary coverage and policy cancellations are the cause of frequent complaint—particularly from the elderly, the young, the serviceman, and the Negro and Mexican-American.

A number of "high risk" insurance companies have gone into bankruptcy—leaving policyholders and accident victims unprotected and helpless.

Accident compensation is often unfair: Some victims get too much, some get too little, some get nothing at all.

Lawsuits have clogged our courts. The average claim takes about two and one-half years just to get to trial.

This is a national problem. It will become even more of a problem as we license more drivers, produce more automobiles and build more roads.

With more than 100 million drivers and 96 million motor vehicles in the United States, the insurance system is severely strained today.

While many proposals have been made to improve the system, many questions remain unanswered. The search for solutions must be pressed.

I propose legislation to authorize the Secretary of Transportation to conduct the first comprehensive study of the automobile insurance system. He will undertake this review with the full cooperation of the Federal Trade Commission and other appropriate agencies of the Executive Branch.

In recent months we have acted to make our cars and our highways safer. Now we must move to streamline the automobile insurance system—to make it fair, to make it simple, and to make it efficient.

HAZARDOUS RADIATION

It has been said that each civilization creates its own hazards. Ours is no exception. While modern technology has enriched our daily lives, it has sometimes yielded unexpected and unfortunate side effects.

Recently it was discovered that certain color television sets emit radiation which exceeds accepted safety limits.

We also know that poorly designed X-ray equipment is unnecessarily exposing some patients to the danger of radiation.

Such defects have introduced a new element into the problem of radiation hazards.

Intensive research has already probed this area. But those efforts have dealt primarily with radiation from medical equipment, isotopes, and nuclear devices.

We have long known that large doses

of radiation can be fatal. But we have much more to learn about the harmful effects of lesser doses—effects which may not show up for many years.

Now modern science must be put to work on these hazards—particularly the hazards which confront the consumer.

I recommend enactment of the Hazardous Radiation Act of 1968. This measure will give the Secretary of Health, Education, and Welfare authority to

—Conduct intensive studies of the hazards and set and enforce standards to control them.

—Require manufacturers to recall defective equipment and devices.

The proposed legislation sets penalties for those who ignore the standards established by the Secretary of Health, Education, and Welfare.

WHOLESOME POULTRY

Last year, the Congress enacted the Wholesome Meat Act to insure the quality and safety of the food that American housewives put on their tables.

This year, the scope of that protection must be extended.

In 1967, Americans consumed over 12 billion pounds of poultry, most of it inspected under Federal law. But the 1.6 billion pounds which did not cross state lines received no Federal inspection. And State inspection is minimal at best. Thirty-one States have no poultry inspection laws. Of the remaining 19, only four have effective laws in operation.

The American consumer is paying for this neglect. He pays for it in poor quality, and in potential danger to his health.

In poultry processing plants that are Federally inspected, four percent—over 400 million pounds—of the poultry is rejected because it is diseased and contaminated. There is every reason to believe that the percentage of rejection would be even higher in uninspected plants.

There is no way of knowing how much unwholesome poultry is processed by these plants and passed on to the unsuspecting buyer. But we do know that:

—Conditions in many of these plants are poor and that quality control is far below Federal standards.

—Poultry can be seriously adulterated by impure water and unsanitary processing conditions.

—There is a practice among some poultry producers of sending to uninspected plants inferior poultry flocks which, under Federal inspection, would face rejection.

The housewife receives protection for the poultry that comes from a neighboring state. Why should she not receive the same protection when the poultry is processed and sold in the state where she lives?

I recommend the Wholesome Poultry Products Act of 1968.

This legislation follows the pattern of the Wholesome Meat Act. It will help the States develop their own programs and train inspectors.

At the end of two years, if the States do not have inspection programs at least equal to Federal standards, the Federal inspection requirements will prevail.

In the meantime, the Act will require those intrastate plants which pose a health hazard to clean up or close down.

WHOLESOME FISH

If poultry inspection is spotty today, fish inspection is virtually non-existent.

Each year, Americans consume about two billion pounds of fish—nearly 11 pounds per person. A common item in every family's diet, fish can also be an all-too common carrier of disease if improperly processed and shipped.

Last summer, the Senate Sub-committee on Consumer Affairs heard testimony which disclosed that a substantial amount of the fish sold in this country exposes the consumer to unknown and unnecessary dangers to his health.

It is impossible to show every link between contaminated fish and illness. Yet these links do exist: links to botulism, hepatitis, and other diseases. About 400 cases of food poisoning, reported on a single weekend in 1966, were traced to fish processed in dirty plants.

Despite these facts, the Nation has no adequate program for continuous fish inspection—either at the Federal or State level. Nor is there any systematic program for inspecting imported fish and fish products, which account for more than 50 percent of our annual consumption.

I propose the Wholesome Fish and Fishery Products Act of 1968.

The bill would authorize the Secretary of Health, Education, and Welfare to:

—Develop a comprehensive Federal program for consumer protection against the health hazards and mislabeling of fish, shellfish and seafood products.

—Set standards and develop continuous inspection and enforcement.

—Support research, training, and inspection programs.

—Help the states develop their own fish inspection programs.

—Assure that imported fish products are wholesome.

RECREATIONAL BOAT SAFETY

Until recently, boats were reserved for commerce, or were owned by the very wealthy. But in our changing pattern of leisure, more and more Americans are taking to the water.

Today, boating has become a major form of recreation, with more than eight million small boats now in operation. Everywhere we see them: on our shores, in our bays, in our lakes, and on our rivers.

In these waters, Americans find rest and relaxation. But some find unexpected tragedy as well.

Last year, boating accidents claimed more than 1,300 lives—about as many as were lost in aircraft accidents.

This problem, as tragic as it is, has not yet reached major national proportions. It has not yet reached the level of automobile accidents, which cost us 53,000 lives annually. But if the Nation had begun its highway safety campaign years ago, there is no way of knowing how many American lives could have been saved. That is all the more reason why we should start now.

I propose the Recreational Boat Safety Act of 1968:

—To help the states establish and improve their own boat safety programs. These programs could include the removal of hazardous debris from our lakes and rivers, boat operators education and licensing, safety patrols and inspections, testing of boats, and accident investigations.

—To authorize the Secretary of Transportation to set and enforce safety standards for boats and equipment.

This program would be directed by the Secretary of Transportation. But its ultimate success will depend on the cooperation of industry, State and local governments, and boat owners themselves.

REPAIRS, WARRANTIES AND GUARANTEES

"I wish I could buy an appliance that would last until I've finished paying for it."

That complaint, familiar to every American housewife, was recently passed on to my Special Assistant for Consumer Affairs. It is a complaint that cannot be ignored.

The products of American industry save us hours of work, and provide unmatched convenience and comfort.

But they can be a source of annoyance and frustration.

Consumers have no way of knowing how long these products are built to last.

Guarantees and warranties are often meaningless—written in vague and complex language.

Repair work is sometimes excellent, sometimes shoddy, and always a gamble.

These are not problems that can be solved by legislation at his time. But they are problems that need attention now.

The Special Assistant to the President for Consumer Affairs, the Chairman of the Federal Trade Commission, the Secretary of Commerce and the Secretary of Labor will begin work immediately with the industry to:

—Encourage improvements in the quality of service and repairs.

—Assure that warranties and guarantees say what they mean and mean what they say.

—Let the consumer know how long he may expect a product to last if properly used.

—Determine whether federal legislation is needed.

A CONSUMER'S LAWYER

Less than two months after assuming office, I reaffirmed these basic rights of the American consumer:

—The right to safety.

—The right to be fully informed.

—The right to choose.

—The right to be heard.

To give added meaning to these rights, the first Special Presidential Assistant on Consumer Affairs and a Presidential Committee on Consumer Interests were appointed.

I said at the time that the voice of the consumer must be "loud, clear, uncompromising, and effective" in the highest councils of Government.

Now it is time to move closer to that goal. It is time to appoint a lawyer for the consumers.

I plan to appoint a Consumer Counsel

at the Justice Department to work directly under the Attorney General and to serve the Special Assistant to the President for Consumer Affairs.

But most important, he will act in the interest of every American consumer.

He will seek better representation for consumer interests before administrative agencies and courts. He will be concerned with the widest range of consumer matters—from quality standards to frauds.

TO PROTECT THE CONSUMER'S DOLLAR

One thing, above all, should be clear to us today. We *can* encourage safety and wholesomeness by law. We *can* curb abuses and fraud.

But all our actions will be in vain if we fail to protect the buying power of every American consumer.

The Nation is now in its 84th month of historic economic growth. More Americans are at work than ever before—earning more, and buying more.

But in the midst of prosperity there are signs of danger: clear and unmistakable signs. Prices are rising faster than they should. Interest rates are climbing—and indeed have passed their peaks of 1966.

A year ago, we asked the Congress for a modest but urgently needed tax increase to curb inflation. That request was repeated last August in a Special Message calling for an average tax of about a penny on a dollar of income.

This is a fair request. Your Government is asking for only about half of what it returned to the taxpayer in the tax reduction of 1964. A penny on the dollar tax now will be much less painful than the far more burdensome tax of accelerating inflation in the months ahead.

And so today—as part of this consumer message—I again call for action on the tax request.

Business and labor leaders, consumers all, must respond to this Nation's call for restraint and responsibility in their wage-price decisions.

TO ADVANCE THE CONSUMER INTEREST

For 1968, this message proposes eight new steps to advance the consumer interest.

This is not a partisan program or a business program or a labor program. It is a program for *all* of us—all 200 million Americans.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 6, 1968.*

PRESIDENT JOHNSON PROPOSES A BOLD AND IMAGINATIVE PROGRAM TO PROTECT THE WELFARE OF THE AMERICAN CONSUMER

Mr. ALBERT. Mr. Speaker, President Johnson's consumer proposals amount to nothing less than a new era of safeguards to make this generation of Americans the best protected in our history.

These safeguards—against hazardous radiation, unwholesome fish and poultry, and fraud and deception, among others—add a new dimension to the consumer's bill of rights.

As the President declared today:

> It is the government's role to protect the consumer—and the honest businessman alike—against fraud and indifference. Our goal must be: for every American consumer, a fair and honest exchange for his hard-earned dollar.

The majority of Americans share the President's view. Our people want nothing more, and nothing less, than to be protected against bilking and dishonest practices, and against impure foods or dangerous and imperfect machines.

The President's program contains the most significant areas of consumer interest that remain in need of protective legislation.

This Congress must stand firmly with President Johnson in supplying our buying public with the best possible protection of their spending dollar.

I commend the President for a bold and imaginative program to continue the progress we have achieved for the American consumer.

Mr. BOGGS. Mr. Speaker, as an elected official, there is nothing more important to me than the protection of the rights of the American consumer.

Individual citizens look to Congress to adopt regulatory measures when, from time to time, conditions warrant it.

As new conditions develop, we must meet them.

We must help the consumer protect himself against dishonest people who deal in fraud and deception.

We must establish better laws and procedures—in cooperation with the States—to assure clean, healthy fish and poultry products—as we did in the Wholesome Meat Act.

The House has already adopted a most significant consumer measure, the truth-in-lending bill now in conference.

Mrs. GRIFFITHS. Mr. Speaker, the legislative program outlined in President Johnson's consumer message will help protect the consumer against deception in the marketplace.

Today's complex products and impersonal commercial network leave the consumer helpless against the bilking of unscrupulous merchandisers. Our pledge today can be nothing short of assuring every American consumer an honest deal for his dollar.

In the last 3 years, under the Johnson administration, Congress has given consumer interests priority attention by passing a Wholesome Meat Act, a truth-in-packaging bill, a more inclusive fire-prevention law for clothes, and a clinical laboratory control measure. In addition, we are now close to agreement on a historic truth-in-lending bill—which has been denied the public for years.

But this impressive record does not end our responsibility. It is a call to further action. President Johnson has heeded that call by proposing sweeping proposals to keep pace with the consumers changing needs.

Among numerous new proposals, the President has proposed to crack down on fraud in home improvement and other sales rackets; to streamline an archaic automobile insurance system with which no one is satisfied; to protect Americans against hazardous radiation from household electronic items; to guard the consumer's health against unwholesome fish and poultry; and to appoint a lawyer for the consumer to represent his interest in courts and agencies.

The President's consumer protection proposals are eloquent testimony to the Johnson administrations interest in the welfare of the American consumer. The consumer need go without a champion no longer—it has one in this administration and this Congress.

By approving the President's programs, Congress can write its name into the pages of history as America's most consumer-conscious Congress.

Mr. HATHAWAY. Mr. Speaker, in his consumer message, President Johnson calls our attention to hazards of radiation from electronic products.

Members will recall that this problem first came to our attention when certain makes of color television were found to be emitting radiation far above the accepted safety standards.

Exposure to radiation clearly can be dangerous. Depending on dosage, acute effects may vary from temporary reddening of the skin to more serious types of damage, such as interference with the blood-forming functions of the bone marrow.

There can also be delayed or chronic effects. Among these can be abnormalities in children because of changes in genetic substance, or eye cataracts which may not occur until years after exposure.

Available data indicate that 25 percent or more of the unnecessary exposure of patients being X-rayed for diagnosis may be attributed to poor equipment design. And I remind my colleagues that about one-half of our population undergoes diagnostic X-rays each year.

I support the President's request and I associate myself with those Members who agree that there is urgent need for Federal research and standards relating to radiation hazards from electronic products.

Mr. TENZER. Mr. Speaker, the President has courageously asked the Congress to expand the authority of the Federal Trade Commission to deal with the pressing public problem of sales rackets. Certainly, there are few areas of consumer abuse more deserving of attention than the home improvements field.

Anyone who has read the 1966 report of the President's Consumer Advisory Council cannot help but be appalled at the abuses recounted in its chapter on "Home Maintenance and Repair."

To give my colleagues an idea of what abuses can take place in the home improvements field, let me read you the section from that chapter in "Consumer Issues, 1966" on the infamous Holland Furnace Co.'s activities:

> Recent cases involving the Holland Furnace Company illustrate how these schemes operate in practice. Holland salesmen would often gain entrance into a home by saying they were government agents, gas or utility company inspectors, or heating engineers. They would tear down or dismantle the owner's furnace, often without his permission, on the pretext of inspecting it or cleaning it, then refuse to reassemble the furnace in order to pressure the owner into purchasing a Holland furnace or to coerce him into signing a release absolving Holland of liability. The salesmen also used scare tactics in selling, such as falsely representing that the old furnace would asphyxiate the customers' family, burn up, or blow up.
>
> Holland Furnace Company did business in 44 States, had 475 branch and sub-branch offices and had gross annual sales totaling at

> least $30 million. The Federal Trade Commission conducted hearings for nearly two years before a cease and desist order was rendered against Holland in 1958. This order was then appealed to the Commission and thereafter twice to the United States Circuit Court of Appeals and once to the United States Supreme Court. However, the company still failed to discontinue its fraudulent practices. This resulted in further litigation and imposition of heavy fines on company officials for noncompliance with the 1958 order. At least five States (Illinois, Michigan, Minnesota, Washington and Wisconsin) also obtained orders preventing Holland Furnace Company from continuing their fraudulent practices.
>
> The total waste of money stemming from the Holland Furnace Company operation and the resulting litigation surrounding it is inestimable. It shows also that action after the fact is an unwieldy and largely ineffective method of controlling home improvement fraud. Yet, under present law, action usually must be postponed until consumers have filed a substantial number of complaints.

This case illustrates graphically why the Congress must move quickly to expand the authority of the Federal Trade Commission to deal with sales and repair abuses. The FTC must be authorized to obtain injunctions against abusive trade practices as soon as they are detected. This will provide protection to the legitimate small businessman, the legitimate small community service man, and all local merchants who sell household equipment and service such equipment.

Consumers will benefit; legitimate businessmen will benefit. Once and for all, let it be the fast buck artist and not the customer who must beware.

I commend the President for this recommendation which strikes out against consumer abuse. I know the Congress joins him in supporting yet another great consumer protection measure.

Mr. McFALL. Mr. Speaker, President Johnson's consumer message offers the most inclusive consumer protections ever placed before an American Congress. The President's goal is nothing less than achieving vital safeguards that directly affect the health and welfare of virtually every American.

Congress has made a promising start in meeting the needs of the consumer. We have already acted to protect consumers against unwholesome meat, unsafe automobiles, deceptive packaging, hazardous home products and clothing, and substandard clinical laboratories.

But, as President Johnson recognized, as much as has already been accomplished—still more remains to be done. There can be no respite in the effort to guard against inferior or hazardous products or against unscrupulous merchandisers.

The President has offered a sweeping program of reform.

To end the profit in sales rackets he has proposed to strengthen the power of the Federal Trade Commission to stop fraudulent practices.

To protect the housewives of America from unwholesome poultry and fish, the President proposes to greatly strengthen inspection and health programs.

The President has also proposed to streamline auto insurance into an equitable, simple, and efficient system; to protect Americans from hazardous radiation emitted by household products; and to provide the American consumer with his own lawyer—a Consumer Counsel—to better represent the consumer in the courts and agencies and in the highest councils of government.

All of us—200 million strong—are consumers. We have no special organized lobby to represent us—but we now have an administration committed to our best interests.

The President's proposals present Congress with a challenge to our dedication to the rights of American consumers. Their enactment should—and must—be our first order of business.

Mr. VAN DEERLIN. Mr. Speaker, in pointing up the need for a review of the high cost of automobile insurance, along with its many inequities, President Johnson has focused public attention on an extremely important social problem.

His concern over rapidly escalating rates, seemingly arbitrary cancellations of automobile policies and failures to renew—and the cumbersome methods of compensating accident victims—is obvious.

Several of the country's outstanding newspapers and magazines have written on this subject in an attempt to get more public understanding of the problems. One such article, a comprehensive and highly informative report on the unhappy state of automobile insurance, appeared in last November's Fortune magazine.

Robert Sheehan, the author, points out, in his article entitled "A New Road for Auto Safety," that everybody is unhappy with the present system—the car owner who has to pay such high charges, the accident victim who often has to wait several years for a settlement, and the insurance companies themselves who claim to be losing money.

Articles such as this help to emphasize the necessity for basic reforms in the entire system in order to provide a more equitable arrangement both for the consuming public and the insurance industry itself.

Mr. RODINO. Mr. Speaker, the President today disclosed his proposed legislation to authorize the Secretary of Transportation to conduct a major study of the automobile insurance system.

He has done this within the context of his message to the Congress to protect the consumer interest. This approach is correct and most appropriate since auto insurance has become a preeminent consumer product. It is today more than a privilege to be able to purchase auto insurance—it is rather a dire necessity, and a necessity that is rapidly becoming more difficult and burdensome to the entire driving public.

Premiums have soared in recent years—increasing in some areas by as much as 30 percent over the past 6 years. Arbitrary cancellations and complete refusal to insure have been all too common—especially for the young, the old, the serviceman, and minority groups. Moreover, a disproportionate amount of consumer premiums go into administrative expenses and maintenance of the system rather than claim settlement. Accident compensation is often grossly unfair and agonizingly slow. Less severe injuries are frequently overcompensated while more severe injuries are undercompensated. In fact, in many areas 25 percent of all those injured receive no compensation at all. And accident suits now take an average of 2½ years to come to trial. The fault concept seems no longer adequate to equitably and speedily guarantee claim settlement to those insured who suffer damages. Federal versus State regulation must again be studied in the light of the acknowledged failure of the present system.

The President has shown his awareness of these problems and his desire to begin the long but necessary task of reform. However, Mr. Speaker, while I am highly pleased that auto insurance reform now enjoys official administration backing—and only some 8 months after Congressman CAHILL and myself called upon our own Judiciary Committee to study and report on the problem—I, nonetheless, do have some strong doubts and major reservations about the proposed course of action.

I am not certain, for example, of the wisdom of the executive branch conducting a major and prolonged "study" when, in fact, Congress can do the job—as it will have to do eventually anyway—at far greater budgetary savings and, most importantly, in less than half the time it will take the executive. I fear that once the administration's study is completed, it will be long out of date and we will look back in hindsight and conclude that it was a waste of time—and money. Who knows what will happen to this study once it is lodged in the recesses of the Department of Transportation?

Even if all goes relatively smoothly and the Congress is eventually presented with a document and a legislative proposal, then what? The Congress must, of course, work its own will which will undoubtedly absorb the energies of perhaps not only the 91st or 92d Congresses, but on into the 93d and 94th Congresses. In other words, I fear that my 1-year-old granddaughter may be behind the wheel before we are in the position of coming to the aid of the 103 million unsatisfied auto insurance customers of today.

I do not wonder that spokesmen for major auto insurance firms have lauded the Department of Transportation "study" approach. It gives them years of additional time before any meaningful reform can be implemented. And likewise the driving public can expect to lose millions more in increased premiums while Transportation studies and Congress waits. What we need in this second session of the 90th Congress are congressional hearings—and not just in the Senate—to build the public's case for appropriate reform. For a number of months I have been pressing for just such a course of action, and now I am more convinced than ever that the auto insurance industry should be required to deal with Congress directly.

Mr. Speaker, when the President's specific legislative proposal authorizing the auto insurance study comes before the House for consideration I intend to look it over very closely, and to do everything within my power to see to it that Congress watchdog role is protected and emphasized at every stage of the investigation. If we in this House fail to exercise this responsibility we have no one to blame but ourselves. And those 103 million unsatisfied auto insurance customers will surely not let us forget it.

Mr. MURPHY of New York. Mr. Speaker, President Johnson's request for passage of the Wholesome Fish and Fish Products Act of 1968 would apply to fish and fish products many of the standards already judged essential for pure meat.

The existing programs setting quality standards for fish and fish products are inadequate and they preclude regular, well-coordinated surveillance. Because the fish industry is seasonal, present personnel cannot handle the peak volume of inspection and enforcement.

These employees are unable to visit processing plants often enough, and they cannot visit fishing vessels at all. What is more and perhaps worse, the penalties for repeated noncompliance are minimal.

Even when inspection has occurred, unsafe lots of fish and fish products have been released for distribution and sale, simply because facilities have been inadequate for thorough testing, and inspectors have had little real authority to confiscate shipments.

The new legislation proposed by the President would encourage the fishing industry to serve its own best interests; removing any stigma resulting from inferior preservation or processing. Standards of quality and means of enforcement would specify clearly the Government's role.

The President's proposal also would provide inspection of fishing vessels and domestic and foreign fish products. Penalties for violation would be meaningful, not minimal. I believe nothing less than this kind of protection should be provided for American consumers of fish and fish products.

Mr. PEPPER. Mr. Speaker, I highly commend President Johnson for his eight-point message on Consumer Affairs, which he submitted to the Congress today. By so doing, he has added the powerful voice of his office to areas which should have been corrected long ago.

The House Committee on Merchant Marine and Fisheries, today, took the lead in one of these areas by conducting hearings on legislation to protect the consumer from unwholesome fish. I highly commend the action taken by this distinguished committee and I know their deliberation of this subject will lead to constructive consumer protection legislation.

I was honored to be, with my colleague from the other body, Senator HART, the leadoff witness in support of my bill, H.R. 14560. After I introduced this bill in December of 1967, and upon further study, I found that there were some weaknesses and certain loopholes in this legislation. Because of this, I suggested to the committee, during today's hearings, that strengthening amendments should and must be considered. I would like, at this time, to insert in the RECORD my testimony before the House Committee on Merchant Marine and Fisheries relating to this legislation. I know that many of my colleagues are extremely interested in this legislation and hope they will find this statement of interest.

The committee has scheduled one more day of hearings on this important matter and I know that every consideration will be given to this legislation, by this committee, and I urge prompt action.

The testimony follows:

THE FISHERY PRODUCTS PROTECTION ACT, H.R. 14560

(Statement of the Honorable CLAUDE PEPPER before the Subcommittee on Fisheries and Wildlife Conservation of the House Merchant Marine and Fisheries Committee, February 6, 1968)

Mr. Chairman, thank you for allowing me to appear before this Committee today and, more importantly, thank you for your prompt scheduling of this hearing on H.R. 14560, which I was privileged to introduce in December of last year.

Those accustomed to viewing the Congress as an institution with the speed of a glacier have suggested that there might be something "fishy" about such prompt action. As you know, of course, hearings have already been held in the Senate on the counterpart bill, S. 1472, introduced by Senator Hart. There is no reason for the House to delay on a subject which clearly has become a matter of serious concern to many Americans.

I am not distressed, however, by the easy pun which is made in this instance on the word "fishy." It points up the unpleasant connotation which we hope to remove from fish and the fishing industry. As you know, there is nothing unpleasant about the smell of the live or freshly-caught fish, and I am sure you and all of the members of this fine committee share my hope that we can establish a reputation for fishery products which will make this unfavorable connotation obsolete in the dictionaries of the future.

Mr. Chairman, I would like, first, to commend you personally for the leadership you have given to this subcommittee and in the full committee to the cause of a stronger American merchant marine and a more robust fishing industry.

The fishing industry of this country has been threatened by a number of serious problems—overfishing, pollution, foreign exploitation of our near-shore stocks of fish, and the rising investment needed to bring the most modern technology to bear on our commercial fishing operations. You have helped us in the Congress as a whole to meet our responsibilities to the fishing industry and to the national need for an assured supply of good quality fish products. This has not been an easy task and I think no one would claim that there have not been deficiencies and mistakes.

Disputes over fishing rights go deep into our history. The industry began, perhaps, with the early Vikings, and certainly the encounters of the Cabots and Columbuses with the abundant fisheries of the New World spurred the desires of Europeans to colonize this continent. The industry and the disputes flourished. Disputes over fishing rights between the colonists and British authorities were a source of great irritation which contributed to our Revolution.

These conflicts carried forward to the peace tables. John Adams was proud, as one of our negotiators, to be able to confirm the right of Americans to fish the waters off eastern Canada, and to be able to report that "our Tom Cod are safe in spite of the malice of enemies, the finesse of allies (France), and the mistakes of Congress."

Our gravest mistake as far as the industry and the consumer are concerned, I think, has been to fail to provide for the industry to keep pace with the American consumer's rising quality expectations.

American consumers have become increasingly demanding as to the quality and safety of the products—especially the food products—they buy. It is a measure of their respect for American industry, I think, that they see no reason why they cannot be assured that the products offered for sale are safe and of good quality. They do not expect to have to check the kitchens of restaurants or the worktables of meat-packing and fish-canning plants. They are shocked, therefore, when they hear and read of cases such as these from case histories compiled by the Food and Drug Administration:

"The fish were hung on wooden sticks for the processing operation. The sticks and nails were encrusted with rotten fish scales and particles from previous batches. The top of the table, on which the raw fish were scraped and gutted, was pitted. Debris from previous batches of fish were trapped in the knicked table top since no attempt was made to clean and sanitize the table between operations. These residues served to contaminate all batches of fish that passed over the table. No attempt was made to clean the rusty wire dip nets that were used to remove the fish from the thawing and brining casks. The nets had buildups of bits of rotten fish flesh and entrails."

* * * * *

"A follow up to the reprehensible conditions noted at the previous inspection . . . found little or no change in the firm's practices except that they had installed a hand washing sink in the wet work area. However, no soap or towels were provided for the employees.

"Found the place swarming with flies. The flies were crawling on the garbage, work areas, and on the fish themselves.

"The floors of the plant were filthy with rotten fish particles. Through this filth, the firm drags its rubber hose which they later inserted into their splintered wooden brine tanks. After the thawing and brining operations, the filthy water was dumped on the floor. This water splashed over the walls, tables, and on two occasions on the lots of fish in process.

"Personnel practices were poor. Employees were observed rinsing their hands in either the thawing tanks or rinse tanks or anything that was available. The employees touched equipment, went to the toilet, handled the raw fish without ever washing their hands. The wire racks used for cold smoking salmon were noticed to have oily residues and rotten fish adhering to the surface. The inspector also noticed an incoming shipment of frozen salmon which was emptied into a cask containing filthy bloody water which had been previously used for thawing another batch of fish.

"The shovel used to mix the different batches of brine in the casks, were left on the filthy floor between uses.

"Fish were dropped on the floor, picked up and reintroduced into the lot in process.

"Two employees had open wounds on their hands. These employees were observed handling raw fish, entering the plant. Another employee was observed to have a cough or respiratory disorder. This employee was observed handling fish and other items throughout the manufacturing area.

"One employee was observed spitting on his hand prior to picking up a piece of paper to line a packing box during the packing operation. Both . . . were seen handling fish in the production area without sanitizing their hands.

"The dumping of thaw water and brine on the floor caused it to splash against the fish in process. This filthy water carried residues and filth from the floor onto and into the ends of hoses that were lying on the floor. These same hoses were later inserted into the casks of fish thus contaminating the raw fish with filth.

"Mildew and mold were growing in and on the refrigerators. The wood comprising the ceiling of these refrigerators was quite soft and appeared to be rotting. The refrigerators smelled badly, suggesting organic decomposition.

"The floor area immediately outside of the refrigerators is covered with heavy metal plates. Examination of the edges, and under one corner of this plate revealed bits of rotten fish tissues, stagnant water, and slime. This area also had a noxious odor.

"The interior wall surface of the establishment has several layers of paints over the cement block. In several places the paint was peeling from the wall and revealed fish scales and minute deposits of other debris between the layers of paint. . . .

"During processing, the smaller particles of raw fish residues from the work table are scraped onto the floor. This residue is subsequently washed down the floor drains by the emptying of thawing water and brine on the floor of the establishment. Occasionally this material clogs the drains, causing the water to back up in the manufacturing area, thus coming into contact with smoke sticks, fish handling nets, the brine scoop, a metal pail, and the casks.

"Employee practices are such that they show little understanding of the basic principles of good sanitation. For example, one employee was seen reaching into the sewer drain and extracting two or three handfuls of garbage that were blocking the drain. He placed the garbage on the wooden work surface of the cleaning table, washed his hands thoroughly, returned to the table, removed the garbage from the table and threw it into a garbage container. He then proceeded to clean fish on the same spot where the garbage had lain, without again washing his hands.

"Clean uniforms are provided by the firm for the employees, however, they usually wear the dirty uniform over the clean uniform in order to protect the clean uniform.

"Since . . . we have made a total of six inspections of the firm's premises. At each and every inspection, the Inspectors left a comprehensive list of all of the insanitary conditions that were noted on the premises. Despite these lengthy reports and the oral conversations the Inspectors had with management, the firm continues to operate without any regard for the public welfare."

I would also like to offer as evidence a picture which appeared on the front page of Section B of the *St. Petersburg Times*, December 22, 1967. The picture is captioned "Bay Fishers at Work" and depicts the unsanitary conditions in which shrimp are prepared.

By many, this picture and its caption will be taken for granted and only considered on its newsworthy value to the area, because of its economic aspects. However, it graphically points out a very unwholesome and unsanitary process of cleaning and sorting shrimp.

Such noxious and shocking conditions readily explain the deaths of two persons from eating botulism-infected tuna and seven persons from smoked white fish in 1963, and the mass illness of 400 persons stricken in one instance in 1966 from salmonella-contaminated smoked fish. The wonder is that the toll has not been much greater.

These tragedies can be prevented and they must be prevented. There is no place in the fish industry for merchants of death. There is no place for those who would contaminate the confidence of the American consumer by their callous indifference to even the most elemental requirements of modern sanitation. The industry cannot afford to let a few undermine confidence in this superlative food product, and I am certain that an awakening American consumer public will not tolerate the continuation of these conditions.

There is no economic necessity which requires that we blink at these oases of filth. There are some 40 processors of frozen fish who now submit to voluntary inspection of the U.S. Department of the Interior, four of which in Florida, and, I am very proud to say, there is in my congressional district a fish cannery—Florida Finest Seafood, Inc.—which voluntarily submits to continuous Interior Department inspection, paying the cost of this inspection because it believes inspection is necessary for a quality canning operation.

I regret to say that my pride in this company is tempered by my deep regret that it is the only fish cannery in this entire country under such continuous Federal inspection.

This situation must end and I believe it will end soon. There has been much progress in the relatively short time since I determined to introduce the legislation which is the subject of these hearings.

The communications media have been alerted to this disgraceful situation in the fish industry. And the expectation of congressional action to remedy the situation is high because of the positive action which we took with regard to the meat-packing industry last year.

In my own State, the Florida Fish Quality Control Board has recommended and the Florida State Cabinet has agreed that no fishery products will be bought in the future by any state agency unless the canneries and processors are under continuous Interior Department inspection.

In his State of the Union message, the President added his powerful voice to the cause by declaring that he would recommend "new safeguards to insure the quality of fish and poultry." I understand that the President is sending his message to the Congress today.

Mr. Chairman, this committee's hearings are, therefore, very timely and appropriate. I believe that H.R. 14560 can serve as the basis for providing "new safeguards" for the consumers of fishery products. I think, however, that there are a wide range of possibilities for improving the bill in the light of recent developments and, I am sure, in the light that will be shed upon this problem in these hearings. I have several suggestions for changes myself.

It was my hope that the Department of the Interior, which has a program of voluntary inspection, would undertake the administration of an effective mandatory program—which I believe the Congress will authorize this session. I understand, however, that the Interior Department does not feel equipped to undertake the administration of such a program without a lengthy period of study of the problem. The Food and Drug Administration, on the other hand, stands ready to build upon its existing knowledge of the problem and move forward rapidly with a program of mandatory inspection, if it should be authorized by the Congress.

I believe we should give this responsibility to the Food and Drug Administration. We cannot afford to miss the opportunity to bring fish product safety in line with consumer expectations as quickly as may be practicable. The problem is serious and the people are ready to give their support to an effective inspection program.

I think the industry will benefit also by having consumer confidence in their products strengthened at the earliest feasible date. I am confident that this legislation will not only assure product safety, but will also inspire greater use of the safer product. I believe more Americans will eat fish when they have the experience of eating good fish and of eating it with confidence.

For these same reasons, I believe it would be wise to consider a shorter period of transition than the six years contemplated in the measure Senator Hart and I have introduced. If we strive to do this job with reasonable haste, we can make the transition in one or two years after enactment and funding of the program.

Our timetable will be influenced by the breadth of coverage of the inspection program. I believe we should give serious consideration to getting as much intra-state inspection as we can, since I have learned that nearly half of our fish product consumption result from intra-state processing and movement. Appropriate features for this kind of coverage should be devised and added to the inter-state provisions set forth in H.R. 14560.

Similarly, I think we should make whatever provisions may be necessary to assure that fish products from foreign sources be safe for American consumption. I think we should guarantee that imported fish and fish products be subjected in the exporting country to continuous inspection at least as effective as that which will be prescribed in our own country.

I think we will owe this to our fish industry, which will bear the added cost of this mandatory inspection, and to the consumers whom we seek to protect in adding this necessary extra burden to our domestic producers.

For consistency, it would also seem appropriate to delete the provisions of H.R. 14560 which require that the Federal program depend upon the States to establish standards and procedures. The meat inspection law which we enacted last year abandoned this approach and I think the fish inspection program might well be made consistent with the program for meat inspection. Consistency would also require that wholesalers as well as retailers be brought under the fish inspection program, as is the case for meat inspection.

Mr. Chairman, I want to thank you and the distinguished members of the committee again for allowing me to appear before you. I do not envy you the graphic descriptions of rotted flesh and filth which will be presented many times in these hearings. I am confident, however, that this is being done in a good cause, and I am confident that the Congress will rally to the need to assure our people of the finest and safest fish products that modern sanitation can provide.

The stomach-wrenching conditions which were disclosed in the meat industry last summer have their parallel in the fishery products industry. I am sure that the Congress will want to debate and act upon parallel legislation to provide protection to the consumer of fishery products.

Mr. EILBERG. Mr. Speaker, the President's consumer message demonstrates again the high priority which he has placed, and which is being placed throughout the Executive Branch, on the protection of consumer interests. The message contains many fruitful legislative proposals which are worthy of our most serious consideration.

I would like to call attention, however, to an item in the message which does not call for legislative action. We are all aware that the major interest groups—business, labor, farmers—are well represented in Washington, not only by their own organizations, unions, or trade associations, but by Government departments and agencies whose responsibilities include a special concern for the problems of such groups. This is as it should be.

But consumers, the largest interest group of all, have lacked such representation. The voice of the consumer has for too long been a still voice in the councils of government. President Johnson has sought to remedy this situation, first by creating the position of Special

Assistant to the President for Consumer Affairs, a post filled with charm and effectiveness by Miss Betty Furness, and now by creating within the Department of Justice a new post of Consumer Counsel.

The Consumer Counsel will be a legal representative for the consumer. He will undertake the massive task of seeing to it that the consumer interest is given its proper weight in governmental decisions at every level. He will, of course, not seek to duplicate the work performed by agency staffs; rather it seems intended that he be a coordinator, a "troubleshooter," and an adviser. He would also be a point of contact for consumer representatives in their dealings with the Federal Government. To a considerable extent the specifications of the job are yet to be drawn, and will, indeed, be drawn by experience. But the creation of this post is an imaginative and promising innovation, and we will watch the performance of the Consumer Counsel with interest and high expectation.

Mr. O'HARA of Michigan. Mr. Speaker, the consumer message sent up by President Johnson calls for legislation to protect our people from the hazards of radiation from the products of modern technology.

I want to point out that the President is talking about more than the radiation from color television sets. There are other types of radiation emitted by some other electronic devices which cause just as much concern.

For example, magnetic radiation of high frequency has been shown capable of inducing temperature change, changes in the eye, and interference with the nervous system. How much change and how much damage, we do not know. The experimental data on animals are incomplete.

Again, some electronic devices may produce sound frequencies beyond the normal hearing range of the human ear. The possible effects, in my opinion, merit a thorough study.

I think there is a need for Federal research and investigations relating to the health hazards from electronic products—and for the development of standards to control these hazards. I support the President's request, and I urge the House to take prompt and favorable action.

Mr. MINISH. Mr. Speaker, President Johnson's consumer message speaks for every American citizen in demanding greater justice for the American wage earner and his family.

Our sprawling and complex commercial network is a haven for the unscrupulous—and a constant threat to the honest buyer. The day has long since past when we could view with equanimity the problems faced by the consumer in the marketplace.

This administration and the last two Congresses have struck great blows for the consumer. In the past three years no less than eight major consumer protection items have been passed—from wholesome meat to truth in packaging.

Yet, as the President has recognized, the consumer still finds himself besieged by the shady dealer, the negligent operator and the vague promise.

The American consumer has no way of knowing whether the fish and poultry he buys will endanger his family's health; he must rely on product warranties which often contain fullsome but empty promises; he might take out car insurance—only to find it costly, to find his claims delayed, or to discover his coverage completely cancelled.

The American consumer may pay for an expensive color television—to learn it may emit hazardous radiation; or be defrauded by slick sales rackets which betray his confidence.

The message sets forth many admirable legislative goals for the 90th Congress. It proposes wholesome poultry and fish acts; asks for a study to streamline and modernize our automobile insurance system; and moves to crack down on radiation hazards from common consumer items.

Moreover, the message requests increased powers for the Federal Trade Commission to end sales deception; and announces a plan to establish a Counsel for the Consumer to plead the consumer's case in the courts, agencies, and halls of government.

The President's consumer message presents many sweeping reforms—but they are all necessary to sweep the years of neglect and apathy.

The American consumer is aroused and angry over mistreatment. Congress can help this mightily by acting rapidly—and favorably—on these proposals. Congress must rise to the challenge—I am confident it will.

Mr. FOLEY. Mr. Speaker, President Johnson is to be commended for proposing additional legislation to help insure the purity of food Americans eat.

The first session of the 90th Congress provided the American consumer with what the President termed a "landmark" in consumer protection—a Wholesome Meat Act to insure that all of the Nation's meat supply meets the high standards of Federal inspection which is a model for the world.

This session of Congress faces the responsibility of providing the same standards of wholesomeness for our Nation's poultry supply.

The Wholesome Poultry Act, proposed Tuesday by President Johnson, provides for Federal technical and finanical assistance to States setting up adequate poultry-inspection systems, and provides authority for the Federal Government to assume inspection responsibilities in those States which do not establish adequate inspection. It would also provide additional control and authority over marketing channels through which unsafe poultry may reach the American consumer.

I am pleased to be a cosponsor of the Wholesome Poultry Act in the version proposed by the administration—which is a major step forward. By scrutinizing the facts developed through hearings on the Wholesome Poultry Act, it may appear that certain refinements of the administration proposals are appropriate.

Again, the President's efforts in encouraging the Congress to enact this important new consumer safeguard merits the gratitude of every American.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the private calendar.

E. F. FORT, CORA LEE FORT CORBETT, AND W. R. FORT

The clerk called the bill (H.R. 2661) for the relief of E. F. Fort, Cora Lee Fort Corbett, and W. R. Fort.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TALCOTT, Mr. HALL, and Mr. MOORE objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

CHARLES WAVERLY WATSON, JR.

The Clerk called the bill (H.R. 8091) for the relief of Charles Waverly Watson, Jr.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

SECOND LT. ALLAN L. SCHOOLER

The Clerk called the bill (H.R. 6325) for the relief of 2d Lt. Allan L. Schooler.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TALCOTT and Mr. GROSS objected, and, under the rule the bill was recommitted to the Committee on the Judiciary.

DR. ANGEL REAUD, ALSO KNOWN AS ANGEL REAUD RAMOS IZQUIERDO

The Clerk called the bill (S. 503) for the relief of Dr. Angel Reaud, also known as Angel Reaud Ramos Izquierdo.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

VISITACION ENRIQUEZ MAYPA

The Clerk called the bill (H.R. 4386) for the relief of Visitacion Enriquez Maypa.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

JOSE BERNARDO GARCIA, M.D.

The Clerk called the bill (H.R. 8257) for the relief of Jose Bernardo Garcia, doctor of medicine.

Mr. MOORE. Mr. Speaker, I ask unanimous consent that the bill, H.R. 8257, Calendar No. 266, be recommitted to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

ARTHUR JEROME OLINGER, A MINOR

The Clerk called the bill (S. 155) for the relief of Arthur Jerome Olinger, a minor, by his next friend, his father, George Henry Olinger, and George Henry Olinger, individually.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CHESTER E. DAVIS

The Clerk called the bill (S. 233) for the relief of Chester E. Davis.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

JOHN W. ROGERS

The Clerk called the bill (S. 1580) for the relief of John W. Rogers.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

DWAYNE C. COX AND WILLIAM D. MARTIN

The Clerk called the bill (H.R. 2281) for the relief of Dwayne C. Cox and William D. Martin.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CHARLES B. FRANKLIN

The Clerk called the bill (H.R. 2288) for the relief of Charles B. Franklin.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

MR. AND MRS. JOHN F. FUENTES

The Clerk called the bill (H.R. 4936) for the relief of Mr. and Mrs. John F. Fuentes.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

E. L. TOWNLEY

The Clerk called the bill (H.R. 11381) for the relief of E. L. Townley.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

JOSEPH M. HEPWORTH

The Clerk called the bill (H.R. 12119) for the relief of Joseph M. Hepworth.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ROCHESTER IRON & METAL CO.

The Clerk called the bill (H.R. 7210) for the relief of the Rochester Iron & Metal Co.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

JE-IL BRICK CO.

The Clerk called the bill (H.R. 4058) for the relief of the JE-IL Brick Co.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the further call of the Private Calendar be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXPORT-IMPORT BANK ACT EXTENSION

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 993 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 993

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6649) to amend the Export-Import Bank Act of 1945, as amended, to shorten the name of the Bank, to extend for five years the period within which the Bank is authorized to exercise its functions, to increase the Bank's lending authority and its authority to issue, against fractional reserves, export credit insurance and guarantees, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, it be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment that may have been adopted in the Committee of the Whole to any amendment in the nature of a substitute for the bill reported from the Committee of the Whole. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 6649, it shall be in order in the House to take from the Speaker's table the bill S. 1155 and to move to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the provisions contained in H.R. 6649 as passed by the House.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH]. Pending that, I yield myself such time as I may consume.

Mr. Speaker, I favor the adoption of this rule. I believe that the House should adopt it, making the consideration of the bill H.R. 6649 in order. But I should advise the Members of the House that the circumstances are somewhat unusual.

The original action of the Committee on Banking and Currency occurred in May of last year. No request was made for a rule until the fall. Initially the Rules Committee refused to grant a rule, and then because of the obvious potential impact on foreign affairs, the Rules Committee agreed to reconsider its negative vote on the subject, with the understanding that the matter would not come up last year but would come up this year if a rule were granted.

In the interim, as I understand, the Committee on Banking and Currency met and agreed to offer a substitute for the language that is contained in the bill which will be before us when this rule is adopted, I hope.

There is one other thing that should be made clear, and that is this is the most open rule in my experience. It provides not only for the usual parliamentary situation where an amendment to the bill would be subject to a separate vote when we would move from the Committee of the Whole to the House, but it also provides that if a substitute is offered and that substitute is then amended, those amendments which are in the nature of amendments to the substitute will be subject to separate votes in the House. This, as I understand, is made necessary by the unusual circumstances.

I should further say, as I understand, the situation may have changed. It seems to have changed rather rapidly on this matter. There is probably going to be some kind of conflict between this body and another body over the final result, and I understand that there is still some conflict within the House of Representatives on the question.

I believe that the rule should be adopted. I believe that the issue should be debated. But I think it only fair to describe in more detail than I usually do the consequences of the adoption of the rule. I reserve the balance of my time.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first may I commend the distinguished gentleman from Missouri on the extremely able presentation he has made of this complicated rule. Frankly, I do not know that I need to say anything else, but I did wish to follow through with this statement. The rule, House Resolution 993, provides for an open rule with 2 hours of general debate to consider the bill H.R. 6649, entitled "The Export-Import Bank Extension Act."

The bill and the report which you have in front of you were reported out of the Committee on Banking and Currency last May 11, 1967. So if you read the various minority and additional views in that particular report, in my judgment they will not apply to what we are going to consider later on in the Committee of the Whole.

After the bill was reported out you will recall that some objection arose over a contemplated $50 million loan in connection with the Fiat plant and U.S. machine tools which were to be used, I believe, by the Fiat plant in Russia. Some objection arose with the result that it went back to the committee and they gave it further consideration later on, and then reported on November 2, 1967, a draft of amendments to H.R. 6649. This draft of amendments has been presented here in this form which you all have.

As I understand, once we get into the Committee of the Whole House, this will be offered as an amendment.

Normally a rule provides that this is a substitute because it has been reprinted in the bill itself and the original language stricken out, and this is in as a substitute, and we then make that in order. But in this instance the substitute is not in as yet, and it will be offered as an amendment, and amendments can be offered to that particular amendment if it is adopted.

I think one of the problems, or one of the additional matters that ought to be called to the attention of the Members is this. In the first place, now, this particular bill will extend for 5 years the period in which the Bank will operate, and it will increase the additional funds from $9.5 billion to approximately $13 billion, and then the language sets forth certain prohibitions against extending the credit in connection—

> With the purchase of any product by a national or agency of any nation
>
> (A) which engages in armed conflict, declared or otherwise, with Armed Forces of the United States; or
>
> (B) which furnishes by direct governmental action (not including chartering, licensing, or sales by nonwholly owned business enterprises) goods, supplies, military assistance, or advisers to a nation described in subparagraph (A);
>
> nor shall the Bank guarantee, insure, or extend credit, or participate in the extension of credit in connection with the purchase by any nation (or national or agency thereof) of any product which is to be used principally by or in a nation described in subparagraph (A) or (B)—

This is what I particularly want to call to the attention of Members—

> except that if the appropriate committees of the Senate and House of Representatives have reported to their respective Houses their determination that any transaction would be in the national interest then after thirty days after the filing of the last of such reports the prohibitions of this paragraph shall not apply to that transaction.

This causes me a little concern, because in the first place I do not know how they are going to report. I do not know what a report to the Senate or the House means. I simply would like it as tied down. Does this mean the distinguished chairman of the committee, the gentleman from Texas [Mr. PATMAN], can simply make a 1-minute speech on the floor of the House and can say, "I do hereby report to the House of Representatives a certain proposed loan by the Export-Import Bank is in the national interest," and that means 30 days after that—what action do we take?

My thought is if we are to have a report, we ought to have an official report filed with the official committe—maybe the Rules Committee—and have it come down one way or another. That is not spelled out.

I think in most cases it has been left to the President to determine whether or not it is in the national interest. I do not see the gentleman from Wisconsin here, and I do not want to make a misstatement, but I believe an effort will be made to change that particular language in the substitute that will be offered as an amendment.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Speaker, how does the gentleman feel about changing that? If we leave it up to the appropriate congressional committees, there is no good way to pin down responsibility. We are leaving it to too many people. However if we leave it to the President of the United States, who is elected by the people just as we are, he has the responsibility. Does the gentleman not think we ought to give consideration to changing this provision as I indicate, leaving it up to the President and charging him with full responsibility, and then we will know where the responsibility is?

Mr. SMITH of California. Mr. Speaker, I would much rather leave it as the intent is, so that the House and Senate can act on it. I am simply suggesting the language ought to be clarified, so everybody will know what happens from a report. If the committee of the gentleman decides to take action and report by a majority vote that in this instance, in the opinion of the Committee on Banking and Currency, in the opinion of the gentleman, it is in the interest of the United States, and they bring it in and present it here and put it in the RECORD. Then we see it in the CONGRESSIONAL RECORD, and, unless some action is taken within 30 days, that will prevail.

I am not sure just what action should be taken. If there is a report, how are we going to get a vote on it? That is what I am trying to find out, so no Member is misled.

Mr. PATMAN. I agree with the gentleman that it needs clarification. It is not completely clear as it is.

I agree it should be clarified.

Mr. SMITH of California. Mr. Speaker, I say in conclusion that this is the first time I have ever seen a rule like this. I would hope that the Members will be on the floor and will pay attention, because we get into this East-West trade, as to which resolutions have been pending before the Rules Committee. Some of us believe we ought to have a select committee. Some of us believe we ought to do something about it. We do not want to let this bill go through to in any way defeat the purposes of the United States as to the many problems we have internationally today throughout the world.

With this unique procedure, I hope we can all follow the debate.

I have no objection to the rule being adopted, and I reserve the remainder of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6649), to amend the Export-Import Bank Act of 1945, as amended, to shorten the name of the Bank, to extend for 5 years the period within which the Bank is authorized to exercise its functions, to increase the Bank's lending authority and its authority to issue, against fractional reserves, export credit insurance and guarantees, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6649, with Mr. LANDRUM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. PATMAN] will be recognized for 1 hour, and the gentleman from New Jersey [Mr. WIDNALL] will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, the substitute for the bill which will be offered for the committee was considered by the Committee on Banking and Currency when we had 32 members, one short of the 33 we should have on the committee. The vote was 26 for the substitute and only two against.

We have for consideration H.R. 6649, a bill to amend the Export-Import Bank Act of 1945, as amended. The Committee on Banking and Currency held hearings on this bill in April of 1967, when we heard extensive testimony from Harold F. Linder, President and Chairman of the Bank, as well as representatives of other agencies. The committee reported favorably upon the bill, with a minor amendment, on May 11, 1967.

Subsequent to that date, the committee twice resumed hearings on the bill, first in July to consider Eximbank's financing of exports of defense articles and services, and again in September to consider the effect of certain amendments which had been adopted by the other body in passing the companion bill in August. These relate to Eximbank support of exports to Communist countries and to countries whose governments furnish goods and supplies to countries with which we are engaged in armed conflict. Following these supplementary hearings, the committee adopted its own amendments to H.R. 6649 which took into consideration the testimony gathered at the hearings. The rule granted by the Rules Committee in late November to H.R. 6649 provides that the committee amendments, together with the bill originally reported, are to be considered in the nature of a substitute for the original bill. On January 15, 1968, I inserted in the RECORD the full text of the bill plus committee amendments, in the nature of a substitute.

Mr. HALEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Thirty-eight Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 18]

Anderson, Tenn.
Blatnik
Burleson
Celler
Clark
Clausen, Don H.
Cleveland
Cramer
Davis, Wis.
Diggs
Dorn
Edwards, Calif.
Everett
Fallon
Fisher
Flood
Ford, William D.
Fulton, Tenn.
Gurney
Hansen, Idaho
Harsha
Hawkins
Hébert
Howard
Hungate
Jones, Ala.
Kleppe
Kornegay
Long, Md.
Mailliard
Monagan
Moss
Pike
Rees
Reinecke
Resnick
Rosenthal
Rostenkowski
Rumsfeld
St. Onge
Sikes
Smith, Okla.
Taft
Tuck
Ullman
Vanik
Wilson, Charles H.
Wright

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANDRUM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6649, and finding itself without a quorum, he had directed the roll to be called, when 383 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. When the Committee rose the gentleman from Texas had the floor, and had consumed 2½ minutes. The Chair recognizes the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, the principal provisions of the bill are these:

First, the bill would provide for a 5-year extension of Eximbank's life. The present authority of the Bank to enter into new commitments expires June 30, 1968. This would be extended to June 30, 1973.

Second, the bill would increase the amount of loans, guarantees, and insurance which the Bank may have outstanding at any one time. Under present law, Eximbank is authorized to have total commitments outstanding of up to $9 billion. The proposed amendment would increase this ceiling by $4.5 billion, to $13.5 billion.

Third, the bill would increase the amount of guarantees and insurance which the Bank may have outstanding on a fractionally reserved basis. The present law provides that up to $2 billion of guarantees and insurance may be charged on a 25-percent fractional reserve basis against the overall ceiling on outstanding commitments to which I referred a moment ago. The bill would raise the $2 billion limitation by $1.5 billion, to a total of $3.5 billion.

The first of the two amendments which the committee later approved after H.R. 6649 was originally reported would prohibit the Bank from extending loans, guarantees or insurance in connection with exports to, or exports principally for use by or in, a nation with which we are engaged in armed conflict, declared or otherwise, or a nation which furnishes, by direct governmental action goods, supplies, military assistance, or advisers to a nation with which we are engaged in armed conflict. As discussed during committee consideration, this amendment would only affect trade with Communist countries which continue to trade with North Vietnam after this bill becomes law. Since the Soviet Union is furnishing goods or supplies to North Vietnam, the prohibition would preclude any Eximbank financing of U.S. exports for installation by the Fiat company of Italy in the automobile manufacturing plant which Fiat is constructing in the Soviet Union. The amendment provides, however, that if the appropriate committees of the House and Senate report to their respective bodies that any proposed transaction covered by prohibitions would be in the national interest, then after 30 days have elapsed after the last of such reports is filed, the prohibitions shall not apply to that transaction.

The second major committee amendment would prohibit the Bank from participating in the credit sale of defense articles and defense services to any economically less-developed country, unless the President determines—taking into account certain specified considerations—that a transaction would be in the national interest and so reports to the Congress within 30 days. The amendment goes on to limit to 7½ percent of the Bank's lending ceiling the total amount of loans, guarantees, and insurance which it can have outstanding at any time in support of such military sales to less-developed countries.

That is the principal substance of the bill now before us. Let me put it in its proper perspective by reviewing briefly the history and operation of the Export-Import Bank.

The Export-Import Bank, originally created by an Executive order in 1934, will begin its 35th year of continuous operation next week. Its purpose is, and always has been, to finance the export trade of the United States. In 1945 the Bank was reorganized as an independent agency of the Government and chartered by an act of Congress—the act we now propose to amend. Congress at that time authorized the Bank to have commitments outstanding of $3.5 billion, but placed no limitation on the period during which it could do business. In 1947 the Bank's act was amended to provide a terminal date of June 30, 1953. Since that time Eximbank has operated with periodic 5-year extensions granted by the Congress, the last of which was enacted in August 1963. The Bank's lending authority has also been increased at intervals to its current ceiling of $9 billion.

In 1961 Eximbank was authorized to issue export credit insurance and guarantees, in an aggregate amount not to exceed $1 billion, on a 25-percent fractional reserve basis. This authority was increased by amendment in 1963 to the present level of $2 billion.

As I have indicated, Eximbank exists to assist in financing U.S. exports. It has several programs to carry out this congressional mandate. The Bank makes loans directly to overseas buyers of American goods and services; it both guarantees and insures medium-term export credit transactions, and insures short-term transactions; and it makes discount loans against export debt obligations held by commercial banks. Eximbank's direct lending operations are not unlike those of the multinational institutions engaged in international lending; they differ, however, in that Eximbank's activities are designed solely to serve the interests of the United States by promoting U.S. exports. In its insurance and guarantee programs, Eximbank is the U.S. counterpart of those institutions in other industrial countries which provide guarantees and insurance to their exporters against the commercial and political risks of overseas sales. Since success in today's highly competitive export market depends more now on the availability of credit than has been the case in the past, Eximbank constantly endeavors to provide credit assistance for U.S. exporters on terms that are fully competitive with those made available by other governments.

A few figures will give you some idea of the scope of Eximbank's assistance to our exporters and our balance of payments. They will also show that the Bank has been operated both prudently and profitably, without cost to the taxpayer.

During the 4 fiscal years—1964 through 1967—since the Bank's life was last extended, Eximbank has authorized loans, guarantees, and insurance totaling $9.4 billion. Repayments of principal on loans during that period amounted to some $1.9 billion, and gross earnings from interest, fees, and premiums aggregated $744 million. Eximbank incurred $269 million in interest and financial expense and $19 million in operating and other expense, leaving $456 million of net income available for reserves and dividends. Of this amount, $256 million was added to the Bank's reserve for possible losses, which now amounts to $1.1 billion, and $200 million was paid in dividends to the U.S. Treasury—in other words, to the taxpayers. The Bank's earnings, after payment of interest and other operating expenses, have been running in excess of $100 million annually, and it is paying yearly dividends of $50 million to the U.S. Treasury.

The Bank finances its operations with its capital stock of $1 billion, which is held by the Treasury, and with its retained earnings, borrowings from the U.S. Treasury, and the sale of participations in loans held by the Bank.

In its assistance to the U.S. export trade. Eximbank has benefited all parties to such trade. The Bank's long-term direct loans for industrial and other projects often constitute a significant part of a developing country's economic program. On the U.S. side, the Bank has enabled thousands of American manufacturers and suppliers, both large and small, to make export sales that otherwise might have been lost to foreign competition. The obvious results of winning such sales are more employment for American workers and more revenue for American firms.

Of special significance today, however, is the contribution that Eximbank-financed exports make to the U.S. balance of payments. The Bank's loans are repayable in dollars and are utilized, almost without exception, to purchase U.S. goods and services. As repayments are received under the loans, the receipts of both principal and interest are recorded as favorable entries in the balance of payments account. These receipts are sizable. Last year, for example, Eximbank estimates that repayments and interest on loans made, guaranteed, or insured by the Bank contributed about a billion and a half dollars to the credit side of the U.S. balance of payments.

The Bank's record is excellent and its management deserves praise not only for its prudence, but for its efficiency as well. Although Eximbank's operations involve billions of dollars annually they have been conducted with a staff which now numbers only slightly over 300 persons. The losses written off against the Bank's loans and net claims under its guarantee and insurance programs have aggregated only $7.3 million in 34 years. Although the Bank has other protracted defaults and delinquencies, the aggregate amount of these appears to be adequately covered by the reserves accumulated from the Bank's earnings to which I referred earlier.

The committee believes that this record clearly indicates that the life of the Export-Import Bank should be extended, and that it should be provided the lending authority which it will need over the next 5 years to continue its support of U.S. exports.

In detail, the amendments to the Export-Import Bank Act adopted by the committee in H.R. 6649, and a brief justification for each, are these:

First, 5-year extension of the Bank's life: The proposed amendment to extend the date through which Eximbank may continue to exercise its functions from June 30, 1968, to June 30, 1973, is in accord with the past practice of extensions in 5-year increments. In 1963, when the Bank's authority was last extended, Congress and the President did not complete action on the legislation until almost 2 months after the statutory life of the Bank had expired. This proved disruptive both to Eximbank's operations and the Nation's exports. We should not let that happen again. The committee believes the Congress should act now on this bill to avoid any interruptions, such as occurred before, in the Bank's normal operation.

Second, increase in the Bank's lending authority: The present ceiling on the amount of loans, guarantees, and insurance which Eximbank may have outstanding at any one time is $9 billion. The bill would increase this to $13.5 billion. During the past year the Bank has experienced a very substantial increase in its business, which the Bank believes will continue. During fiscal year 1967 Eximbank gross authorizations of loans, guarantees, and insurance were over $3.6 billion, an increase of 68 percent over fiscal 1966 and by far the greatest amount of business the Bank has ever done in 1 year. The Bank closed the fiscal year with total charges of close to $7.4 billion against the $9 billion ceiling, leaving an uncommitted lending authority of only $1.6 billion which has since been further depleted.

The committee has provided the requested increase of $4.5 billion in the Bank's lending authority to a total of $13.5 billion.

In arriving at the requested $4.5 billion figure, which the committee has allowed, Eximbank studied the export potential in certain key industries where its financing has been and promises to be especially useful and has concluded that significant export increases in the years ahead may be reasonably expected in industries where U.S. technology gives us leadership. The aircraft industry is today's outstanding example, but nuclear electric power and telecommunications also provide outstanding growth potential for which the increased authority will be needed.

I wish to point out also that testimony before the committee made clear that in calculating the $4.5 billion figure the Bank did not give special consideration to exports to Eastern Europe since this category of exports has represented such a very small portion—less than 2 percent—of the Bank's annual authorizations. Mr. Linder has also testified that the $4.5 billion increase will be needed over the next 5 years even if the Bank should authorize no more credits to finance military exports.

Third, increase in the Bank's authority to issue guarantees and insurance against fractional reserves: The Bank's act authorizes it to charge guarantees and insurance, in an aggregate amount not to exceed $2 billion outstanding at any one time, on a 25-percent fractional reserve basis against the Bank's overall lending authority. The proposed amendment to this section of the act would increase the $2 billion limitation by $1.5 billion, to $3.5 billion.

At the end of fiscal 1967 the amount of guarantees and insurance under this provision was approximately $1.6 billion, not far from the statutory $2 billion ceiling. The requested increase is not in addition to, but rather is included in, the total $4.5 billion increase requested in the Bank's lending authority.

Fourth, change in the name of the Bank: The original bill proposed that the name of the Bank be altered from the present "Export-Import Bank of Washington" to the simpler title of "Export-Import Bank." The words "of Washington" were initially part of the Bank's title when the Bank was incorporated under the laws of the District of Columbia in 1934. When the Export-Import Bank Act of 1945 was enacted such incorporation ceased but the title was left unchanged.

The committee amendment changes the name of the Bank to the "Export-Import Bank of the United States." The committee felt that the Bank's name should serve to distinguish it from similarly named institutions in other nations. The bill passed by the other body is in agreement with the committee's position.

Increase in payments for members of the Bank's Advisory Committee: The bill would also amend the Bank's act to bring payments to members of its Advisory Committee into line with payments to other consultants. The act calls for an Advisory Committee comprised of nine members broadly representative of production, commerce, finance, agriculture, and labor, who are to be paid a per diem allowance and travel expenses while attending meetings of the Committee. These are usually 1-day meetings, held twice a year. Although the members are eminent in their respective fields, they are paid per diem at rates fixed in 1954 that are well below what the Bank is authorized to pay ordinary consultants.

Under the proposed amendment the Bank will be authorized to pay Advisory Committee members such amounts as Civil Service laws and regulations may permit from time to time. As of today, the compensation for Advisory Committee members would be $100 a day plus $16 for subsistence and related expenses, instead of $50 and $10, respectively, as now provided.

Sixth, restrictions on Eximbank financing of exports to or for use in countries whose governments furnish supplies to other countries with which we are in conflict: As I mentioned earlier, the committee has amended the bill to prohibit Eximbank from assisting exports to, or principally for use by or in, countries with which the United States is engaged in armed conflict, or countries which furnish, and I quote, "by direct governmental action—not including chartering licensing or sales by nonwholly owned business enterprises—goods, supplies, military assistance or advisers," to a nation with which we are in armed conflict. At the present moment, of course, the country with which we are engaged in armed conflict is North Vietnam.

This amendment covers the same ground as amendments now contained in S. 1155. The committee amendment, however, attempts to answer questions which have been raised as to what constitutes and is covered by "government action" in the Senate bill. Our amendment requires "direct governmental action" and excludes such activities as the issuance of export licenses or export guarantees and insurance, sales by business enterprises not wholly owned by the Government, and the use of vessels and aircraft registered under the laws of a particular country to transport nongovernment cargoes. The desire here was, in effect, to cover only Communist countries which continue to trade with North Vietnam, and to leave untouched current extensive U.S. trade relations with non-Communist countries, as well as communist countries not trading with North Vietnam. The amendment provides further, however, that if the appropriate committees of the House and Senate determine that a particular transaction subject to the prohibition would be in the national interest and report such finding to their respective bodies, Eximbank may consummate the transaction 30 days after such reports have been filed.

Seventh, restriction on financing arms sales to developing countries: The committee amendment prohibits Eximbank from participating in financing credit sales of defense articles and services to economically less-developed countries, as defined for purposes of the Interest Equalization Tax, unless the President determines that such participation would be in the national interest and reports such determination within 30 days to the Senate and House of Representatives. The amendment specifies that in making such determination the President shall take into account, among other considerations, the national interest in avoiding arms races among countries not directly menaced by the Soviet Union or by Communist China; in avoiding arming military dictators who are denying social progress to their own peoples; and in avoiding expenditures by developing countries of scarce foreign exchange needed for peaceful economic progress. It further provides that in no event shall the Bank have outstanding at any one time more than 7½ percent of its total lending authority in the form of loans, guarantees, or insurance relating to arms sales to countries which the Bank's Board of Directors determines are less developed.

I shall not detail in this summary the history of Eximbank participation with the Department of Defense in financing credit sales of military equipment to the less-developed countries because I believe that the matter was fully covered and debated in this body last year during consideration of both the 1967 Foreign Aid Authorization Act and the fiscal 1968 Foreign Aid Appropriations Act.

Since 1962 the Export-Import Bank has been financing arms sales to the industrialized countries under its regular lending program. The Bank has authorized some $1.326 billion of such credits to creditworthy countries in Europe and Oceania. Since 1965 the Bank has also provided some $604 million in credit for arms sales to less-developed countries under DOD guarantees. The Foreign Assistance Act of 1967 provides for the termination as of June 30, 1968, of the DOD guarantee authority and the DOD revolving fund which supports the guarantees. The committee amendment would permit Eximbank to continue to finance arms sales to the less-developed countries under their regular lending programs only when the President determines that it would be in the national interest for the Bank to do so. While the Committee has thus provided some flexibility in the Bank's legislation for such future arms sales financing, we must presume, of course, that without a Defense Department guarantee any such loans would have to meet the general criteria appropriate for all Eximbank credit transactions.

The Committee has received statements in support of the Export-Import Bank programs and its request for an extension of life and increase in lending authority from a number of agencies, businesses, and trade associations representing an impressive portion of the business community.

I would stress again that the Bank's existing programs contributed significantly to the favorable side of our balance of payments. I, therefore, urge prompt action on your Committee's recommendations as contained in H.R. 6649 in order that the Bank may be able to continue to conduct its operations in an orderly manner. The Bank is now getting uncomfortably close to the statutory dollar ceiling on its commitments. If we do not act now the Bank will be forced to slow down to such a degree that they will be unable to authorize the credits essential for U.S. exports during the remainder of this fiscal year and for the 5 years ahead.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. GROSS. Are there copies of the gentleman's proposed substitute available?

Mr. PATMAN. That is in the RECORD for January 15. Here is a copy the gentleman may have, if he wants one now.

Mr. WIDNALL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition both to the bill originally reported out by our committee last May and to the committee substitute to be offered at the conclusion of general debate. I do so reluctantly because I have been a consistent and vigorous supporter of the Export-Import Bank ever since I have been in Congress.

The history of H.R. 6649 is an interesting one and one that Members of the House should be acquainted with. You will notice that the bill before you was originally reported favorably by the Banking and Currency Committee in exactly the form requested by the administration. A majority of the committee last May voted by an 18 to 14 margin against the Fino amendment and thereby endorsed the Johnson administration's aggressive endorsement of Exim credits to Communist countries.

Shortly after the bill was favorably reported, the minority learned that the Eximbank has been for many years secretly in the business of supplying credits for arms sales both to developed and underdeveloped countries. As a result of these revelations, the committee held further hearings and reported out a substitute amendment to be considered as an original bill.

The minority will have three amendments, all of which I urgently hope the House will overwhelmingly support. All three are reasonable amendments and would restore to the Export-Import Bank some measure of the scope of operations for which it was originally intended.

On the question of arms credit sales, there seems to be general agreement on both sides of the aisle that the Eximbank flagrantly violated section 9 of the Export-Import Bank Act of 1945 which states:

> The Export-Import Bank of Washington shall transmit to the Congress annually a complete and detailed report of its operations.

In its 1966 annual report, the Export-Import Bank failed to disclose the extent to which it was underwriting arms sales throughout the world. As a matter of fact, since 1962 the Eximbank had authorized loans totaling nearly $2 billion to assist in financing military exports and approximately 30 percent of these credits, or more than $600 million were for secret "Country X" loans to underdeveloped countries. In our original hearings early last year, the President of the Export-Import Bank made absolutely no mention of the extent to which the Eximbank was involved in arms sales. At our subsequent hearings in July, when confronted with this fact, the President of the Bank said that he previously had not mentioned this but would have "had the question arisen." Can you imagine that? When hardly a Member of Congress knew the extent to which the Eximbank was involved in secret arms deals, members of our committee were expected to ask a question on something that had been concealed from them for many years.

Can you imagine, Mr. Chairman, what would happen to a private bank in this country if a very large percentage of its total lending activity were hidden in annual reports under the category of "miscellaneous items"? Some members of our committee considered past Eximbank annual reports as bordering on fraud and I am not going to argue very vigorously against such a term.

We should also recall that weapons financed by Eximbank credits went to both sides of the Middle East conflict of last June and it would probably be a certainty that a good deal of the arms supported by Eximbank credits lies rusting on the Sinai Desert this very day. Eximbank credits also financed arms shipments to African and Latin American nations. If Members of this House are apprehensive of the possibilities of the United States being dragged into another conflict similar to Vietnam, we should begin to wonder as to the extent of U.S. arms exports to an area such as Latin America where one nation has not fought another for more than 30 years. We were told at our hearings that such sophisticated weapons as late model tanks and supersonic jet aircraft were needed to support the military effort against Castro subversion. That is a little difficult to believe if one is to take stock in our State Department reports that Castro does not represent a threat to hemispheric security.

The committee substitute proposes that the prohibition against Eximbank credits to Communist nations can be waived if the appropriate committee of Congress so determines. To say the least, this is unique language and as far as I know would create a precedent never before even attempted. To me it is completely unsatisfactory and should be eliminated from the substitute bill. The House should take a forthright position either for or against Eximbank credits to nations supplying North Vietnam. To straddle the fence with a "maybe" clause whereby some unnamed committee of the House could waive the prohibition would be a serious mistake.

At the appropriate time, I shall also offer an amendment to reduce $1 billion from the proposed increased authorization to the Export-Import Bank. Such a reduction can be easily justified on the basis of the F-111 contract cancellation for the proposed $500 million and the proposed Eximbank subsidy arrangement to be considered by Congress later on in the session in response to the President's balance-of-payments program.

Mr. Chairman, the history of this bill is a sorry one. Never before in its history has the Export-Import Bank encountered such difficulty and controversy in connection with its legislation. Nevertheless, I think those who administer the Eximbank deserve our criticism for having rather arrogantly taken for granted the role of Congress in overseeing its day-to-day operations.

I hope Members of the House will listen very carefully to the debate on the various amendments to be offered.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Texas.

Mr. PATMAN. I know that the distinguished gentleman from New Jersey is sincerely interested in the balance-of-payments problem because of the fact that he mentioned that problem a number of times, and I am for what can be done about it. However, I cannot reconcile the interest of the gentleman in the balance-of-payments problem and his desire to reduce by $1 billion the amount of funds available to the Export-Import Bank. The reasons for his espousal of these reductions would result in the inability of the Bank to help out in our balance-of-payments problem.

Mr. Chairman, the gentleman from New Jersey must remember that all of the money which is lent by the Export-Import Bank is spent here in the United States of America, every bit of it goes here to make jobs and thus adds in general to its financial power and thus helps the United States in this field of operation. This helps the United States with reference to our balance-of-payments problem. Since the gentleman from New Jersey is interested in helping with reference to the balance-of-payments problem, I cannot reconcile that theory with the gentleman's desire to reduce that potential.

Would the distinguished gentleman from New Jersey care to comment on that?

Mr. WIDNALL. I shall be very happy to explain my own position on that matter.

Mr. Chairman, it is my opinion that circumstances have changed since the original authorization was sought for $4.5 billion. A great deal of that need has been reduced or released since the time of the application therefor, because of the withdrawal of the F-111 contract with Great Britain.

This coming year repayments to the Export-Import Bank will be unusually high. It seems to me that in the future certainly we can afford to reduce this request by $1 billion—the authorization sought at this time.

Mr. EVINS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. Of course I yield to the gentleman from Tennessee.

Mr. EVINS of Tennessee. Will the gentleman inform the House as to the number of times this authority of the Export-Import Bank has been extended by the Congress?

Mr. WIDNALL. I believe—and I do not have the exact figures on that—but three or four times.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I believe I am correct in saying that since the Bank was established in 1934, its life has been extended for a period of 5 years.

Mr. EVINS of Tennessee. It has been extended according to my understanding five different times by the Congress of the United States.

Can the gentleman tell us how often the Congress obtains a review of the operations of the Export-Import Bank?

I understand this bill provides for the period of 4 years. In other words, we will not get another look at it for the period of 4 years. This is a 4-year extension.

Will we get another look at it before the next 4 years?

Mr. ASHLEY. Mr. Chairman, if the gentleman from New Jersey will yield further, I believe the distinguished gentleman from New Jersey will agree with me on the fact that during each Congress the House Committee on Banking and Currency reviews the activities of the Export-Import Bank, and to that extent, it is impossible for the Bank to fund its operations through Treasury borrowing. It is my further understanding that representatives of the Export-Import Bank have to appear before the Committee on Appropriations and justify these operations.

Mr. WIDNALL. There is no requirement that they have to come in with this report.

Mr. EVINS of Tennessee. Mr. Chairman, will the gentleman yield further?

Mr. WIDNALL. I yield further to the gentleman from Tennessee.

Mr. EVINS of Tennessee. Mr. Chairman, when we have extended the authority of the Export-Import Bank have we not extended it upon the basis of the period of 1 year, and does not this represent the first time that a request has been made that it be extended for the period of 4 years?

Mr. WIDNALL. No, for the period of 5 years.

Mr. PATMAN. The Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Texas.

Mr. PATMAN. It is for the period of 5 years.

Mr. WIDNALL. That is correct.

Mr. PATMAN. Traditionally, it is extended every time for the period of 5 years and has been so extended for the period of 5 years since 1934. In other words, that is par for the course.

Mr. WIDNALL. I did not check the record back in the 1930's, but I do know that in recent years the extension of the operations of the Export-Import Bank have been for the period of 5 years.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield further?

Mr. WIDNALL. I yield to the gentleman from Ohio.

Mr. ASHLEY. I thank the gentleman for yielding.

In response to the inquiry made by the gentleman from Tennessee, it might be noted that each year the Export-Import Bank does submit to Congress a very detailed statement of its operations and current situation.

Mr. WIDNALL. I do believe that what the questioner has in mind is the opportunity in committee for Congress to review the actions of the Export-Import Bank. It is absolutely true they do submit a yearly report to the Congress.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

The point is that the House as a whole gets no opportunity to review this, except once in 5 years; is that not true?

Mr. WIDNALL. That is true.

Mr. GROSS. And this is not the main funnel through which money goes out to finance the sale of arms around the world by the United States?

Mr. WIDNALL. That is just in the last few years; prior to that time the Export-Import Bank confined itself to the commercial activities in support of trade overseas.

Mr. GROSS. Does the report that is made to the Congress go into detail as to the billions, or at least hundreds of millions of dollars that go out by way of financing the sale of arms around the world?

Mr. WIDNALL. No; it has not. They have been listed as *x* countries in connection with them; that is what caused the blow-up last year when we found out the extent to which they were indulging in the arms race through the use of Export-Import Bank credit facilities.

Mr. GROSS. I am pleased to have the gentleman make that comment, because I believe it badly needs to be made, because we need to know what this institution is doing by way of funneling money throughout the world in order to sell arms of the U.S. Government.

Mr. PATMAN. Mr. Chairman, will the gentleman yield now to me?

Mr. WIDNALL. I yield to the gentleman from Texas.

Mr. PATMAN. I now have before me the Export-Import Bank fiscal 1967 report; it is 190 pages long, and it goes into these loans country by country, and they are not listed as country *x*, as some of them had been listed before this.

This is a full and complete report, furnished, I believe, to every Member of the Congress. I know it is furnished to all members of the Committee on Banking and Currency, and notice was in the CONGRESSIONAL RECORD that it has been filed with the Clerk of the House, and that meant that any Member of the House or Senate could get a copy of it upon request if he did not receive one through the mail.

Mr. WYLIE. If the gentleman will yield further, the copy of the report of the Export-Import Bank that I was furnished is the report of the period ending June 30, 1966, which I received in November, and there was no reference in the report——

Mr. PATMAN. That is the old report.

Mr. WYLIE. They said it was for the last year.

Mr. PATMAN. I am talking about the very latest copy of the fiscal report.

Mr. WYLIE. Is it not true that this was included in the report only after it was discovered, I understand by accident by the committee, that such loans were being made?

Mr. WIDNALL. That is true.

Mr. WYLIE. Will the gentleman yield further for one other question?

Mr. WIDNALL. I yield further to the gentleman.

Mr. WYLIE. There was some question brought up about the balance of payments a little earlier, and as I understand it from this report, there is some $1,000,300,000 existing in authority now by the Export-Import Bank for loans, and I cannot see or sense that if the amount of their authority is reduced by $1 billion, which the gentleman suggested, that this would have anything to do with the balance of payments since there is already this billion available, and since an additional $4 billion as the gentleman is talking about, would be made available, and this is over the life or the period of 5 years that we are talking about. So there would not be any immediate impact on the balance of payments, as I understand.

Mr. ASHLEY. Will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman.

Mr. ASHLEY. In response to the statement made by the gentleman from Ohio, I believe the gentleman overlooks an important point, if I may say so. The existing unused authority that the Bank has available to it at the present time is less than the average increase in the Bank's transactions on a yearly basis.

What we are saying is that American export activity cannot stay at the present level without significantly impairing our balance-of-payments situation. It has got to increase. That is the reason, of course, that the additional authority is being sought.

Mr. WYLIE. If the gentleman will yield further, I suppose on the basis of that statement there is an additional year's lending authority, and we are going to extend it for an additional 4 or 5 years, so I do not sense the purpose.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. ASHLEY].

Mr. ASHLEY. Mr. Chairman, the Export-Import Bank represents a unique success story. Since its founding in 1934 it has won the confidence and the respect of American business, American labor, and of the Congress and the respect of the nearly 100 countries that have received American goods and services through the Bank's credit operations, the banking being directly responsible for hundreds of thousands of American jobs and for profitable American business opportunities.

The Bank's earnings have totaled more than $2.4 billion and it has returned to the Treasury dividends of more than $550 million on its $1 billion of capital stock.

This, in my judgment, is just the beginning of this success story. The Bank continues to achieve its central purpose of facilitating U.S. exports that are in competition—and in tough competition—with other industrialized nations. This can be seen clearly from the fact that last year repayments on interest loans made, guaranteed or insured by the Bank contributed nearly $1.5 billion to the credit side of the American balance of payments.

These are spectacular accomplishments but as I suggested to my friend, the gentleman from Ohio, we must expect more and not less from the Bank in the years ahead, if the United States is to continue to be successful in the world markets.

Basically, the bill before us extends the life of the Bank for 5 years and increases its authority to grant loans, guarantees, and credit insurance by an additional $4.5 billion.

Obviously, we want the Bank to continue to function and there is no real dispute with respect to the 5-year extension.

The committee was convinced of the need for the $4.5 billion increase in the Bank's authority. I believe this is critical. American exports must increase from year to year and we must have the growing means of financing these exports. It is just as simple as that.

The Bank's president, Mr. Harold Linder, has pointed out that presently the $1.3 billion in reserve lending authority is less than 1 year's anticipated net increase in authorizations. Not only is the $4.5 billion thoroughly justified on the basis of the necessity to finance growing American exports, but it also should be noted and understood that the Bank in recent years has raised money, not from Treasury borrowing but through private financing—I repeat the Bank sees no need in the foreseeable future to request any increase in existing authority to borrow from the Treasury—nor does it intend to use a substantial portion of this existing $6 billion of authority unless private financing and funding becomes unavailable.

Perhaps unavoidably, Mr. Chairman, the issue of East-West trade has been raised with respect to the Bank's lending operations. My personal view is that there is ample law on the statute books at the present time—notably the Export Control Act, the Foreign Assistance Act of 1961, the Mutual Security Act of 1951, and the Foreign Assistance Act and Related Agencies Act of 1967, which adequately define the types of strategic goods and services which cannot be exported to the Communist countries.

Our security must be protected, and it is being protected. I see no need for the Congress to impose restrictions or prohibitions upon the Bank with respect to its credit and other transactions. However, it was the view of the committee that in transactions with various Communist countries there must first be congressional approval of such transactions. I think this is unnecessary and ill advised. But at least at the present time I support the committee position in this matter, and I most seriously urge that we refrain from amendments which are clearly unnecessary, in view of the existing statutes which adequately protect our national security.

Mr. Chairman, the Export-Import Bank, without any question, is playing a vital role in our American life and economy, and it must continue to do so. It can do so if we pass the bill that is before us without crippling amendment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Iowa.

Mr. GROSS. What has been our experience with our loans on credit to Egypt through the Export-Import Bank?

Mr. ASHLEY. If the gentleman will give me some time, I will be happy to furnish that answer. What is he alluding to specifically?

Mr. GROSS. Is Egypt in default? Has she repudiated her debt? As I understand it, the collateral is rusting in the Sinai Desert, if you can call it collateral.

Mr. ASHLEY. The gentleman might possibly be interested, inasmuch as he has raised the question of defaults, that from its inception through 1966 the Bank has charged off $3.7 million in losses and paid claims on guarantees and insurance of about $2.3 million. This is on the basis, I believe, of about $18 billion in total transactions.

I will say frankly to the gentleman that this does not include about $28 million both to Cuba and mainland China. These are in default or are certainly delinquent.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, I rise in support of H.R. 6649, the bill to extend the life and increase the lending authority of the Export-Import Bank. In a sense a vote for this bill is a vote of confidence in the sound and prudent management of Eximbank over the years. I believe it is accurate to say that not one member of the Banking and Currency Committee to my knowledge at any time has attacked the Eximbank on this basis at all and its clear record of prudent and sound management.

A look at the Eximbank's profits, losses, potential bad debts, and reserves will indicate what I am talking about, and it underlies the point made just a minute ago. Since 1934 Eximbank has supported U.S. exports by authorizing $25 billion in loans, guarantees, and insurance. Not only has the Bank helped our exporters and thereby our balance of payments, it has also helped our taxpayers and our Federal budget by operating at a profit, a profit large enough to permit the Bank to build up a billion-dollar retained income reserve as a protection against possible losses, with enough left over to pay to the U.S. Treasury a sizable dividend each year on the Bank's capital stock.

Over the years Eximbank's gross income has totaled more than $2.4 billion. The Bank has paid $742 million of this amount as interest on borrowed funds—most of it to the Treasury. Its operating expenses—for salaries, travel, rent, and so forth—have amounted to only $44 million in 34 years. In that time losses written off and claims paid less recoveries totaled only $7.3 million. Deducting these expenses of just under $800 million from total gross income of $2.4 billion leaves net income of some $1.6 billion. About two-thirds of this has been allocated to the reserve, and the remainder—$556 million—has been paid in dividends to Treasury. In recent years this dividend has been at the rate of $50 million per year.

I mentioned that the actual writeoffs by the Bank in 34 years amounted to only $7.3 million—which underwrites what our distinguished colleague from Ohio [Mr. ASHLEY] has said—which is certainly not a very substantial figure when compared with either the magnitude of the Bank's support for our export trade or the $1 billion-plus in its reserves.

It is clear that the aggressive pursuit of foreign markets for U.S. goods and services will sometimes result in delinquent installments and less frequently in loans that will have to be written off. In any case, a relatively large reserve is required to insure adequate backing for Eximbank's operations. Exercising prudent judgment and management, the Bank has been able to amass such a reserve and pay dividends to the Treasury, while at the same time carrying out its fundamental mandate to provide adequate financing for our exports—and I can think of nothing which is more important to us and our destiny than this is today.

In support of the foregoing, I offer for the RECORD the following telegram I received today:

BURBANK, CALIF.,
February 5, 1968.

Hon. HENRY B. GONZALEZ,
House Office Building,
Washington, D.C.:

The Export-Import Bank bill (H.R. 6649), we understand, is going to the House floor in the near future. As you know, Eximbank has played an essential role in the financing of commercial jet aircraft and other U.S. products in the past, and a continuation of this role is necessary for the achievement of a potential future export market. Achievement of this export growth is, in turn, essential to the solution of this country's balance-of-payments problems.

I am sure I do not need to point out to you the extreme importance which the manufacture of aircraft, and the myriad business activity associated with this manufacture, has to the economy of Texas. We are only one of many subcontractors to the airframe industry and yet our work force exceeds 800 and our annual payroll is approximately $7 million. There are many more thousands of firms directly dependent upon the prime and subcontractors for their existence.

Any curtailment of aircraft exports would seriously affect the business and people of Texas.

Therefore, we endorse the passage of the House Export-Import Bank bill, as have a majority of the major aircraft manufacturers, and subcontractors.

During debate on this bill, amendments have been proposed which have the effect of restricting Eximbank financing of exports to those countries whose governments are supporting hostile nations such as North Vietnam. We heartily endorse the objective of eliminating aid in any form to nations such as North Vietnam. Because of more precise wording and provision for congressional approval of exceptions, we believe the House Banking and Currency Committee bill, as amended, provides the safeguards desired without allowing room for interpretations which might unreasonably restrict our essential exports to friendly nations. Thus, we strongly favor the House Banking and Currency Committee bill, as amended, which was adopted after extensive committee hearings, over the Senate bill, which was amended without the benefit of committee consideration.

We would personally appreciate your support of this bill when it reaches the floor of the House.

Sincerely,

GERALD J. LYNCH,
President and Chairman of the Board,
Menasco Manufacturing Co.

Mr. WIDNALL. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. FINO].

Mr. FINO. Mr. Chairman, at the very outset, let me say that I am not opposed to the Export-Import Bank per se. Nor am I opposed to an extension of its charter or to an increase in the Bank's loan-making and guarantee authority. I do, however, object to the use of this Bank as an instrumentality for subsidizing and expanding trade with the Soviet bloc. I am strongly opposed to the use of this Bank to build dubious bridges to the enemy.

The crux of the opposition to this bill is the proposed bank loan of $50 million to the Fiat Automobile Co. of Italy to help buy top quality U.S. machine tools for an automobile plant to be built by Fiat in Russia.

It might be interesting to point out that the Bank was also slated to get involved in making additional loans on dubious terms to finance agricultural commodity exports to Eastern Europe.

When hearings began on this legislation last April, we heard loud denials from the administration to the effect that this bill had nothing to do with East-West trade. The administration witnesses denied—vigorously denied—that the Bank was being used as a vehicle for building bridges to the East. But when the overwhelming evidence of the Fiat and other deals proved the contrary, then the administration changed its tune. They then argued that if Fiat and the Russians could not buy the tools from us, then they would get them from Western Europe and this would unnecessarily harm our American factories. This is not true, as you all know, because Fiat now admits that many of the tools have to be bought here with or without the loan.

Mr. Chairman, the issue before us is sharp and it is clear. The question is not whether the machine tools which were to have been bought with this loan have strategic value—they obviously do if the Communists cannot make them in their own factories. The real issue before us is this—do we want to help the Soviet Union, while it is the principal supplier of war material to North Vietnam by allowing the Export-Import Bank to finance and subsidize strategic East-West trade? The administration's trading with the enemy policy shows more concern with cash than with American lives being lost in Vietnam. Not only should we deny this loan but we should deny export licenses to the strategic material Fiat and Russia are seeking.

At the appropriate time, an amendment in the nature of a substitute will be offered by the chairman of our committee which will specifically prohibit the Bank from financing trade with those nations trafficking with Hanoi.

I would like to explain the background and meaning of this substitute amendment, more particularly the part that relates to the prohibition from financing exports to, or for use by, any nation trading with the enemy.

First, we must remember that the Export-Import Bank was established as an independent agency of the U.S. Government with the function of providing assistance in financing U.S. export trade. In other words, the Bank's purpose is to make loans and guarantees to facilitate foreign purchases of American goods and services. I am certain that the Congress and the people of America never intended that the Export-Import Bank use its credit facilities to promote trade with an enemy whose bullets, weapons, and rockets are killing American soldiers in Vietnam.

After weeks of hearings, I offered my amendment to block the Bank from financing trade with nations doing business with Hanoi—an amendment which also would have blocked the Fiat deal.

My amendment was defeated by a close vote of 18 to 15 and the Eximbank bill was reported.

Because of the closeness of the committee vote and because of the administration's fear that my amendment would win wide approval on the House floor, the administration felt that it would be a good idea to have the Senate act on this bill and, if necessary, get a much weaker amendment which would include Presidential power to waive any prohibition where the transaction was—and I quote—"in the national interest." Since the administration had already made up its mind, the Presidential waiver clause was practically meaningless.

Although the Senate Banking Committee decided to adopt the trade-with-the-enemy prohibition with the escape hatch of a Presidential waiver clause, the full Senate did not agree and attached the Byrd and Mundt amendments to the Export-Import Bank extension bill in passing the legislation in September.

The Byrd amendment, which was substantially similar to my original amendment, prohibits the Bank from financing trade with Hanoi and nations trafficking with Hanoi. However, this amendment does not affect the Fiat deal, which pivots on a credit to Italy. Thus, a separate amendment—the Mundt amendment—was offered and accepted to prohibit the Fiat deal.

Because of the Senate action, the House Banking and Currency Committee decided to reconsider the question of an antitrade with the enemy amendment. On November 2, the committee voted to adopt my amendment by a vote of 17 to 14. This amendment, before us today, is not the same as the Byrd amendment, although it has a similar thrust. I would like to briefly describe it.

Basically, my amendment can be broken down into three parts—

First, the Eximbank is prohibited from financing trade with any nation which is fighting us, which means North Vietnam.

Second, the Bank is prohibited from financing trade with any nation the government of which is supplying North Vietnam, which means the Soviet bloc.

Third, the Bank is prohibited from financing any trade transaction where the product is going to wind up in North Vietnam or a nation aiding North Vietnam.

I do not think that anybody will quarrel with the first part of the amendment—prohibition of Eximbank dealings with any nation fighting us.

The second part of the amendment prohibits the Bank from financing trade with nations the government of which is aiding a nation fighting us. This means the Soviet bloc nations which are aiding Hanoi. It is that simple. My amendment provides that only positive government action counts as aid. Therefore, no nation would be affected because a ship locally chartered trades with Vietnam, or because a local Red Cross agency helps the North Vietnamese, or because a corporation in which the government owns share trades with Vietnam. The aid to the enemy has to be open government aid, and the Soviet bloc nations are the only ones doing this.

Furthermore, my amendment prohibits the Bank from financing trade with the Soviet bloc only so long as the war in Vietnam lasts or so long as the Soviet bloc continues to aid North Vietnam. There is no time limit here. If a Soviet bloc nation stops aiding North Vietnam, it becomes eligible for Eximbank dealings. Likewise, if the war in Vietnam ends, the prohibition becomes meaningless. I might add that Yugoslavia is not affected by this amendment because the Yugoslav Government does not directly aid North Vietnam. Thus, the Export-Import Bank can continue to finance trade with Yugoslavia.

The third part of my amendment prohibits the Bank from financing any transaction whereby goods are to be used by or in North Vietnam or the Soviet bloc—at least until the Vietnamese war is over. This indirect approach is needed to prohibit the Bank from making a loan to Italy so Fiat can purchase tools to help build an automobile plant in the Soviet Union.

The first two sections of my amendment include the subject matter of the Byrd amendment, while my third section includes the thrust of the Mundt amendment, even though my prohibition is broader than the mere disapproval of building automobile plants for the Soviets. Both Senator Byrd and Senator Mundt have endorsed my amendment.

I hope that my amendment which is included in the committee substitute is clear. It does not affect trade except that with the Communist bloc of nations. It will not even affect Communist nations which stop supplying North Vietnam, nor will it affect any nation once the Vietnam war is over. I urge you to read the amendment carefully so that you will not credit any red herring arguments which may be raised. My amendment simply says that the Export-Import Bank should not finance trade with our enemy or his supporters and suppliers while we are fighting and our soldiers are dying. It is that simple. I hope that this House will endorse this principle by a large vote.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Wisconsin [Mr. Reuss].

Mr. REUSS. Mr. Chairman, I shall be very brief.

I should like to make just two points today; the first of which is that this bill is really essential if we are serious in our efforts to bring our balance-of-payments problem under control.

Mr. Chairman, the easiest and the most salubrious methods which have recently been proposed of improving our balance of payments is by increasing our exports.

If we start cutting down on the authority of the Bank, if we start making ostensible savings that are not really savings at all—because the Export-Import Bank operates by guarantees rather than actually putting out the money—if we start employing a philosophy of "pennywise and pound foolish", we will harm our balance-of-payments posture.

And, Mr. Chairman, who can say in this world situation, that we are not putting ourselves into very serious trouble by telling the Export-Import Bank that it must limit its loans and guarantees.

Jet aircraft, nuclear reactors, agricultural equipment, earth-moving equipment, machine tools, and the whole range of American technology can with Export-Import Bank help, greatly add to our exports.

Now, my second point.

It was discovered by a most alert member of the Committee on Banking and Currency—the distinguished gentleman from New Jersey [Mr. Widnall]—discovered that the Export-Import Bank had been engaged in loans and commitments for substantial loans and guarantees, and for sales of arms.

We were not pleased with the record of the Export-Import Bank when this matter came to light.

But, Mr. Chairman, in my opinion the committee amendment which will shortly be pending before us this afternoon, will bring arms sales, with reference to the operations of the Export-Import Bank, under control.

Specifically, we have ruled out the underwriting of arms sales on the part of the Export-Import Bank to developing countries, except where the President finds that the particular arms sales will not contribute to an arms race, or help a military dictatorship, or divert scarce foreign exchange that the country needs for its peaceful economic development.

The Bank, moreover, has agreed to keep the Committee on Banking and Currency currently and fully informed of all unrestricted arms sales to developed as well as to developing countries.

These are very meaningful criteria. I would hope that we could retain the very small amount of Presidential discretion that is left, because there may be occasions for a guaranteed credit sale of arms to a developing country, where it will not hurt its peaceful development, where it has a democratic government, and where it is not engaged in an arms race. There are cases of such a credit sale where it will be, I believe, in the public interest. That is the only loophole that is left.

I therefore hope that this House will give the full extension and the full amount to the Export-Import Bank, and that we will retain what I consider to be a very meaningful restriction on the arms sales activities of the Export-Import Bank.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I will be glad to yield to the gentleman from New Jersey.

Mr. WIDNALL. Is it not true that with the committee amendment the limit of 7.5 percent of the Export-Import Bank authorization would permit the country X loans to rise from the present level of $640 million to more than $1.1 billion?

Mr. REUSS. That is correct, and that is the reason why I place no great store by that 7.5-percent language which came over to us from the other body. And that is why I insisted on the very restrictive language which is contained in the so-called Reuss amendment.

I hope to have the support of the gentleman on that amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. Hanna].

Mr. HANNA. Mr. Chairman, I rise in support of the bill H.R. 6649, to extend the life of the Export-Import Bank, and to increase its lending authority.

Before addressing myself to the major points that support this contention, I should like for just a few minutes to bring the fresh breath of, I believe, strong reality to the House, as to what we are concerned with.

First of all, I believe that there is appropriate reaction for the consideration of trading with the enemy, or to be extending credit to people who might utilize that credit to bring it to bear to our disadvantage in the areas of conflict in which we are engaged. But I suggest that the Members remember that we are talking here about bank legislation. We are talking about a bank which has had a great history of over 30 years of serving the national interest, and it should operate like a bank, and it is not a policy-deciding body in foreign relations or foreign policies.

The Bank, if I understand the testimony I heard in committee correctly, cannot make a loan that would be not appropriate under the Export Control Act.

Gentlemen, if there are areas of law that are not sufficiently strong to protect our interests in the international field, then we ought to be directing our attention to those areas of the law, and not making a bank a policy-deciding body in such intricate matters, nor should we be taking the chance of fouling up the flow of good business because of a misinterpretation of rather intricate language that is going to be written into this bill. If export controls need strengthening, strengthen them in the legislation which deals with that matter, the Export Control Act.

I suggest that the Members think very seriously about that. The one thought that I want to bring to this body is that we are talking about the lifeblood of our economy, and I do not care whether you live in the United States, or whether you live in Japan, or under what government you live, if you have no concern about the economy under which you live then I suggest you are losing the basic concern of your country.

Export problems are very intricate and very sophisticated. Let me give you an example. I recently visited Japan. Since this body has seen fit that I should serve on the Committee on Merchant Marine and Fisheries, I was concerned about their merchant marine potential in Japan. And let me tell you what I found, because it bears on this question of whether or not we are going to be sophisticated in the approach of the sale of credit along with sale of our products.

The Japanese have been enormously successful in building ships.

Do you know why they have been so successful? Because of a sophisticated understanding and the responsibility within their Government and the private sector.

This is what I found. Not only have the Japanese shipbuilding institutions been successful because they had their shipbuilding facilities blown apart and now rebuilt new with the latest technology—that is only part of the picture. The other thing is they have a very understandable relationship between the steel industry and the shipbuilding industry. The steel industry is willing to sell to the shipbuilding industry the plates of steel below cost—why? For the very long-term and sensible service of their interest. The steelmaker knows that if he does not have shipbuilding, he is not going to be able to sell his other products—those products that have steel in them like automobiles and refrigerators. You know that they are not the only articles that have steel in them—but without the shipbuilding there is no possibility of getting the others to the market and Japan has to get the market.

So what have they thought out? If there is more demand for ships than there are bottoms available then shipping prices will go up and Japan will suffer. But if there are plenty of ships for available cargo shipping costs will be reduced and Japan will prosper.

The Japanese are sensible enough to know that.

So here is the interrelationship. So they are supporting in many other ways this shipbuilding, ship-selling part of their economy. That is the sophistication of the servicing of credit and other considerations that supports exports—the important element of the economy that sustains the country.

If we think we are going to be able to compete simply because we have first-class goods—we are wrong.

If you are going to buy an automobile now, you will look at a Chrysler or a Buick or a Ford or a Chevrolet. But you will also look at the kind of financing that you are going to get on that purchase and you buy the financing just as surely as you buy the car.

So it is with foreign nations—they want quality goods and they want favorable terms.

Financing in these very countries with which we compete are involved in their exports in a very complicated and intricate way.

The Export-Import Bank is almost the sole source of support for our industries which are selling products from America abroad.

If we disturb the Bank or injure the Bank with unreasonable restrictions, then we certainly will not have done our country a service.

Eximbank has a single purpose: To assist in financing the sale of U.S. goods and services abroad. But in pursuing this single goal the Bank makes a double contribution: it attracts dollars from abroad which add to the positive side of our balance of payments, and it bolsters our domestic industries which export goods and services.

The Bank's loan, guarantee, and insurance programs allow U.S. industries to make many sales to foreign buyers which could not be made without adequate financing. The guarantee and insurance programs enable private commercial banks and exporters to extend credit on foreign sales with the backing of the U.S. Government on a portion of the credit. Although Eximbank must, under its congressional charter, find that the export credit transactions it supports offer reasonable assurance of repayment, nevertheless they are transactions for which private financing would not be available without Government backing because of the political risks, extended terms required, or other factors.

The greatest potential for expansion of U.S. exports lies in those fields where this country still holds technological superiority. With an increased lending authority of $13.5 billion, Eximbank will be able to take greater advantage of the growing market abroad for commerical jet aircraft—important not only to the developed countries for passenger service but also to the developing countries for fast cargo transport over difficult terrain; the market for nuclear power plants—both for electricity and for desalinization; and the market for satellite tracking stations, now being built to provide a worldwide communications system—computers for government and business.

Eximbank not only provides vital support to our country's exports, these same exports contribute much to the growth of the developing economies. As the economies of these countries grow larger and more stable, they are able to increase their level of trade with the United States.

The Bank has also made a significant contribution to our balance of payments in past years and certainly should continue to play an important role in the future. In fiscal 1967 alone, Eximbank accounted for a total contribution of more than $1.5 billion to the credit side of the U.S. balance of payments. The enactment of this bill is an integral part of our effort to stem the gold outflow.

Ten years ago this country had a gold stock of over $22 billion. At the end of last year, our holding of gold had dwindled to less than $13 billion. Foreigners can buy our gold only if they hold U.S. dollars. Ten years ago, dollars held in the hands of foreigners amounted to about half our gold stock. Now, U.S. dollars owned by foreigners are over twice the amount of gold we have on hand.

Clearly this is a serious problem. Some foreign governments have demonstrated their unwillingness to stockpile more U.S. dollars. Foreign bankers and businessmen have publicly cast doubt upon the viability of the dollar. This problem has caused the administration to call upon American businessmen and bankers to assume obligations that they otherwise would not have to bear.

The gold outflow problem is complex and abstract. Few people claim any real expertise in it. There are no easy solutions. But until it is solved, the economic and financial underpinnings of the free world are uncertain. The prestige of the U.S. dollar, and of the United States itself, is at stake.

This is the context in which we must view the bill to renew the life of the Export-Import Bank and to grant it increased authority. The Bank is a major instrument of our policy to counter the gold outflow. In the 1966 fiscal year, foreigners repaid over $721 million from past loans, including interest. In addition, the Bank assisted U.S. businessmen to earn an estimated $750 million in exports. Altogether, these contributions to the overall U.S. balance of payments total about $1.5 billion. This amount is greater than the total deficit in our international balance of payments of about $1.4 billion.

Mr. Chairman, these figures clearly demonstrate the vital role played by the Bank in helping to solve our balance-of-payments problem.

Mr. PATMAN. Mr. Chairman, I think we have more time remaining for debate than the other side, so if it is agreeable, I would like to yield time on my side.

Mr. WIDNALL. The gentleman may do so.

Mr. PATMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Chairman, the important thing to know about this legislation and about this Export-Import Bank is that this is not a foreign aid program.

This is a program designed to aid American businessmen and the American balance of payments.

Therefore, the more we restrict and the more we limit the activities of this Bank, the more we restrict and penalize the activities of American businessmen who are doing so much to help us and to offset the balance-of-payments deficit.

Some indication of this comes from the fact of the endorsement of this legislation by the National Export Expansion Council, a group of 72 men, businessmen, including some labor leaders and three university deans.

They examined this legislation and have written the following:

> The National Export Expansion Council at its meeting in Washington on February 2, 1968, adopted in its advisory capacity to the Secretary of Commerce a resolution favoring the following measures which concern the bills now pending in the Congress—H.R. 6649 and S. 1155—namely, of the Export-Import Bank.
>
> 1. Extension of the life of the Bank to June 30, 1973.

I believe there is no opposition to this.

> 2. Increase of the Bank's lending authority by $4.5 billion to $13.5 billion.
>
> 3. Financial support for East-West trade when determined by the President to be in the national interest.

There are the businessmen who are backing this legislation. They want to have the waiver to be determined by the President when it is in the national interest.

> 4. Financial support for exports of military equipment to developed countries and developing countries when determined by the President to be in the national interest.

The committee will recommend an amendment which will be more restrictive than that which will allow some flexibility which is in our national interest and which the Committee of the Whole should support.

Finally, the Export Expansion Council concludes—

> In behalf of the National Export Expansion Council, I am pleased to indicate our continued support of Eximbank efforts in the field of export financing.

And I believe that this Congress should give a resounding vote of confidence in the actions of the Export-Import Bank.

Mr. PATMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. ANNUNZIO].

Mr. ANNUNZIO. Mr. Chairman, I rise in support of H.R. 6649. The proposed Fiat loan by Eximbank has been injected into the debate today. I wanted to make a point I discussed when this bill was in committee. When this particular plant was talked about by the Russian Government, where the plant is to be built, bids were taken. The Government of England, the Government of France, and the Government of Italy bid on this plant. Italy was the lowest bidder, and she got the plant for a bid of $800 million.

When we talk about the $50 million tool business which Italy offered to the United States, I would like to remind my colleagues that the U.S. Government has spent millions and millions of dollars through the Marshall plan rebuilding the economy fo Italy. Italy is on our side. She is not a Communist country. Italy is a great friend of the Government of the United States. When we talk of not doing business as far as the $50 million in tools is concerned on this plant I would like my colleagues to know that the head of the Fiat plant, the president of that company, was willing to buy these American machine tools with American dollars, so that it would favorably affect our balance-of-payments deficit.

I would also like for my colleagues to know, since all of this conversation has been going on, that Italy has already placed $35 million in orders with the Government of Germany and the Government of Japan, and that this retooling business in effect means we just lost $35 million in exports.

Finally, I want also to remind my colleagues that it is a happy day for America when Russia can divert its steel and oil into automobiles for its bureaucracy instead of the Communist war machine.

I ask that my colleagues in the House support H.R. 6649.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Chairman, I am sure that most Members of the House know the background of the Export-Import Bank. Some of us did not know this background until hearings were held on this bill, and I am sure there are some who do not now know the background of the Export-Import Bank. When hearings were held on this bill I learned that the Export-Import Bank was originally created in 1934 by an Executive order of President Franklin D. Roosevelt. It has been operating continuously for 33 years since then. In 1945 the Bank was reorganized as an independent agency and chartered by an act of Congress. Since that time it has operated with periodic 5-year extensions granted by Congress. It is a creature of Congress, and is supervised by Congress, as it should be, in my judgment.

I would have to say I was much impressed with the testimony of Mr. Harold F. Linder, President and Chairman of the Board of the Export-Import Bank, Under Secretary Barr, Secretary of Commerce Trowbridge, and others.

I would say that I had the feeling that the Bank has performed a great service and indeed has increased export trade. I learned that it is one of the few Government agencies that has consistently made money since its inception. After hearing testimony back in April, the Banking and Currency Committee was quick to extend the authority of the Bank for an additional 5 years, until June 30, 1973, and to extend their lending authority from $9 billion to $13.5 billion.

Then things started to happen. We have heard about some of them today. It was discovered that a loan was in the making which would finance construction of a Fiat plant in Russia. Another loan was in the making which would finance a cold rolling steel mill in Yugoslavia. These developments caused second thoughts, and the bill was returned to the Banking and Currency Committee for further hearings.

It was discovered the Export-Import Bank, as has been suggested, was engaged in the world arms race. It might be interesting to note that in the original purpose clause of the Export-Import Bank legislation, its original purpose was to facilitate trade with Russia. Yet the Bank has never arranged a transaction with Russia which, in my judgment, is to the credit of the Bank. Its overall purpose at the present time, and since 1944, or 1945, when it became a creature of Congress, is to facilitate the international trade of the United States.

On rehearing, as I have suggested, it was learned that the Export-Import Bank was making loans for arms sales. It was learned loans were being made with countries which do business at a profit with the North Vietnamese Government. During the hearings I asked the question:

> How can we justify loaning money to buy arms for developing nations, if the bank's purpose is to facilitate international trade?

I had this answer to the question—and I said it was my understanding that we did use this lending authority to extend credit to buy arms to developing nations to protect our own investments. Mr. Linder said:

> From the bank's point of view it is, I think, a perfectly simple proposition. We do not believe that the credit of a country, which we will call a developing country, is good enough to warrant our extending the additional amount for arms that may be needed in the opinion of State and Defense—

That is the Departments of State and Defense. Mr. Linder continued:

> Thus we ask for a guarantee which the Congress has authorized the Defense Department to issue to us. And we get the guarantee from the Defense Department, and it has the reserve setup which the Congress has appropriated for the purpose of guaranteeing credit sales.

I then stated:

> In the amendment which came from the Senate, which you say you think is all right—it is the President who determines who our friends are and advises the Eximbank whether to participate in the purchase of arms. That puts a great burden on him, it seems to me.

Mr. Linder's reply was:

> The office is a very burdensome office. The sale must be to a friendly country, and obviously I know of no one else who can take that responsibility.

It seems to me that the purpose of the Export-Import Bank, which is to facilitate the international trade of the United States, is valid. It seems to me that the Export-Import Bank has done a creditable job over the years in this endeavor. I therefore support the extension of the Bank and the expansion of the credit which the Bank can extend. However, it seems to me that the legitimate function of the Export-Import Bank is jeopardized when it becomes involved in participation in the arms race. It seems to me that the legitimate function is further jeopardized when we find that countries are trading with a nation with which we are in armed conflict.

Since this Bank is a creature of Congress, I think we as Members of Congress should say that we do not want the Bank to participate in arms sales. We do not want the Bank to participate in loans which would aid and abet the Communists or our enemies in North Vietnam. Amendments have been adopted in committee which seem to accomplish this purpose. The gentleman from New York [Mr. FINO] has talked about his amendment, and I will not refer to it further except to say there is an exception to this which says:

> . . . except that if the appropriate committees of the Senate and House of Representatives have reported to their respective Houses their determination that any transaction would be in the national interest, then after 30 days after the filing of the last of such reports, the prohibitions of this paragraph shall not apply to that transaction.

As has been pointed out by the gentleman from California [Mr. SMITH], there is serious doubt as to what this means. There is serious doubt as to the constitutionality of it. I do not believe this exception should be in the law.

Congress is almost continuously in session now, and could act immediately if there were an urgency about the problem.

Further, I do not feel that Congress can constitutionally delegate its authority to an unnamed committee. I will ask that this part of the committee amendment be excluded from the bill at the appropriate time.

Mr. PATMAN. Mr. Chairman, may I inquire if the gentleman from New Jersey has more time to use? Would the gentleman indicate how much more time he will need?

Mr. WIDNALL. About 5 minutes.

Mr. PATMAN. Then, Mr. Chairman, we will close debate in 5 minutes.

Mr. WIDNALL. Mr. Chairman, I yield to the gentleman from Indiana [Mr. ADAIR] such time as he may consume.

Mr. ADAIR. Mr. Chairman, I rise in support of the Fino amendment embodied in the committee amendment to H.R. 6649. In my view, it is a very salutary thing to limit the role of the Export-Import Bank in financing any expansion of East-West trade via the back door, as it were. In taking this action, it is my feeling that we are representing the majority view of the Nation as a whole.

Now, I have nothing personal against either Italy or the Fiat plant. The contrary is the case. It was recently my pleasure to visit both Italy and the Fiat plant, and I hold that nation and its people in the highest regard, and value their friendship for the United States. The Fiat plant is a great one, and its managers fine, able people. That is not questioned here. The only desire is to deny assistance to those countries which are aiding our enemies.

But it should be said here and now that the Soviet Union is not a "developing" nation. She is one of the world's industrial powers. If she needs an automobile plant so badly, and if she wishes actually to provide more automobiles for her people, she can easily manage this by reducing her swollen arms budget.

Finally, the conflict in Vietnam is imposing a severe burden on the Soviet economy as it struggles to keep Ho Chi Minh in the field to the last North Vietnamese. Why should we, at this time, with our own growing casualty list, do anything, however small, to ease this burden for Mr. Kosygin? Let us hope that the Russian people will ask more and more why their standard of living remains so low, while their government continues to finance Castro at the rate of $1 million a day, and while it spends more millions replacing the arms junk heap that has twice been piled high in the Sinai desert, and continues to finance a large conflict in Vietnam.

Therefore, it is my hope that the Fino amendment will be accepted.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Chairman, I thank the gentleman very much for this opportunity. I take it to explain an amendment I hope to have the opportunity to offer at the proper time. The amendment reads as follows:

> The Bank may not insure, guarantee, make loans in support of, or otherwise finance exports to, or for use by, or in any country, unless the government thereof is a signatory to binding international conventions guaranteeing impartial third-party arbitration of commercial disputes and protecting patent rights, or the commercial contract involved contains such guarantee and protection.

In all frankness, the countries I have in mind by presenting this amendment are those of the Warsaw Pact. Admittedly, under the very good amendments which I am sure will be a part of this bill when it is finally reported, I assume there will be no trade guaranteed by the Export-Import Bank with such countries so long as the Vietnam war is in progress, or at least so long as our forces are involved there.

The amendment I would offer would go beyond that period of time. The bill would extend the Bank for 5 years. Hopefully the Vietnam war will be past history long before the 5 years are up. Certainly we all hope so.

What will obtain in the way of guidelines and principles for the operation of the Bank subsequent to the end of the Vietnam war? I would hope at that time we would have as a part of the basic law—and this could be achieved by my amendment—these guidelines, which would require transactions involving any country, and especially those of the Warsaw Pact, to provide for impartial third party arbitration of any commercial disputes and also to provide for the guarantee of the protection of patent rights in such disputes.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I am glad to yield to the gentleman from Texas.

Mr. PATMAN. The gentleman was kind enough to give me a copy of his amendment. I have been studying it and have talked with other Members about it.

There is one thing which bothers us. This goes off on a different tangent. We are talking about doing business with people doing business with our enemies, and this does not relate to our enemies. It only relates to signatories to binding international conventions concerning and protecting patent rights and other rights.

Of course, I am sure it must be a very worthy objective the gentleman has, but it occurs to me it is off on a tangent from what we are considering.

There is one thing in particular I would like to ask: How many countries are not signatories to binding international conventions, that the gentleman has in mind, and would the gentleman name them?

Mr. FINDLEY. I have with me documents which set forth the names of countries which are signatories to international conventions for impartial third-party adjudication of disputes. The list is extremely long. I think it is fair and honest for me to state that these conventions are accepted throughout the free world. The exceptions are Communist-state trading countries, principally the Warsaw Pact countries.

I could have specified in my amendment that this would apply only to Warsaw Pact countries, but I think it is a worthwhile principle that ought to be applied universally. It applies not only to patent rights—they are just one consideration—but it applies to disputes concerning quality and quantity of goods actually shipped. It is true we have had many transactions with Communist countries and we will indeed in the future. I am sure that this will be the trend of our times. However, by their very basic philosophy the Communist countries do not recognize property rights. Therefore it poses a serious problem for any Western country dealing with such state trading countries.

My amendment would require that they accept the practices of the marketplace system. These are practices which are universally accepted in the Western World, and they should be accepted as a condition for participating in transactions guaranteed by the Export-Import Bank. We have very few peaceful tools which we can use to bring about any modifications in the Communist state trading principles. Here we have an opportunity to establish an effective tool, and I appreciate your inquiry. If I have not responded completely, I hope you will pursue the matter.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman.

Mr. ASHLEY. I am sympathetic with the purpose of the amendment, but I do wonder if this is the proper vehicle to accomplish a worthy motive. It occurs to me that the Export-Import Bank came into existence and serves a basic purpose, which is to assist the American businessman in arranging credit for transactions abroad.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DEL CLAWSON. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FINDLEY. I yield to the gentleman.

Mr. ASHLEY. I appreciate the gentleman yielding further.

It occurs to me that in some of our efforts to bring about better conditions, better trading conditions, we sometimes use a vehicle that is extremely important to accomplish a fundamental purpose and solve a problem; namely, that the United States has to be able to continue to arrange credit for its overseas transactions. Frankly, I am reluctant to entertain or to support the gentleman's amendment, because it does seem to me that we are jeopardizing the use of a facility which we all acknowledge is very important.

Mr. FINDLEY. May I respond first of all by saying that even the Soviet Union has not always been averse to accepting impartial third-party arbitration. It prefers to have arbitration in its own capital, Moscow, for natural reasons, but it does not always insist on it. I do not think we can assume that my amendment will be an impairment to trade, but in fact it will facilitate trade in the long run.

In any case, it will be a valuable protection to any firm engaged in trade with these countries in that it will provide patent protection and also assure that in the event a dispute did arise subsequent to the completion of the commercial contract this dispute would be settled not in Moscow, for example, by Communists on the tribunal there, but, rather, in a third-party location by disinterested parties.

Mr. ASHLEY. I think that the gentleman's amendment has much to recommend it, but I must say I would have preferred if the committee had an opportunity to explore it and to question the Bank officials and the Commerce Department officials and others who testified on the bill before us. It would seem to me the amendment would be somewhat inappropriate and perhaps dangerous.

Mr. FINDLEY. The trouble is that this is the one time within the span of 5 years during which we will likely have an opportunity to do something of this sort.

I might say——

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WIDNALL. Mr. Chairman, I yield 2 additional minutes to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Chairman, I appreciate the distinguished gentleman from New Jersey yielding this additional time to me.

This is a matter which has been explored rather thoroughly by very prestigious committees and commissions, and each of them has recognized the importance of establishing the marketplace principles throughout world trade.

So, Mr. Chairman, I hope the distinguished gentleman from Texas will see fit to support me in this amendment.

Mr. PATMAN. Mr. Chairman, if the gentleman will yield further, the gentleman does not have a bill pending concerning this, I assume.

I know that the gentleman from Illinois is most sincere about this problem, and that he wants to do something in the public interest about it. However, I am not saying that it is in the public interest, because I do not know enough about it.

Mr. FINDLEY. I appreciate the attitude which has been expressed by the gentleman from Texas, but I hope that we will take this opportunity to take this step forward today in the Committee of the Whole House on the State of the Union.

Mr. PATMAN. Mr. Chairman, we had tentatively agreed to read the bill.

I have no further requests for time. Therefore, I ask that the Clerk read.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Export-Import Bank Act of 1945, as amended (12 U.S.C. 635), be and the same is hereby further amended as follows:

(a) By striking from the name of the Export-Import Bank of Washington the words "of Washington" wherever the same appears in said Act.

(b) By striking from section 2(c) of said Act "$2,000,000,000" and substituting in lieu thereof "$3,500,000,000".

(c) By striking the last sentence from section 3(d) of said Act and substituting in lieu thereof: "Members, not otherwise in the regular full-time employ of the United States, may be compensated at rates not exceeding the per diem equivalent of the rate for grade 18 of the General Schedule (5 U.S.C. 5332) for each day spent in travel or attendance at meetings of the Committee, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government service employed intermittently."

(d) By striking from section 7 of said Act "$9,000,000,000" and substituting in lieu thereof "$13,500,000,000".

(e) By striking from section 8 of said Act the date "June 30, 1968" and substituting in lieu thereof the date "June 30, 1973".

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

On Page 1, strike line 6, and page 2, strike lines 1 and 2 and insert: "(a) By changing 'Export-Import Bank of Washington', wherever that name refers to the legal entity created by the Export-Import Bank of 1945, to 'Export-Import Bank of the United States.' "

The committee amendment was agreed to.

SUBSTITUTE AMENDMENT OFFERED BY MR. PATMAN

Mr. PATMAN. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. PATMAN in the nature of a substitute: Strike out all after the enacting clause and insert in lieu thereof the following:

"SECTION 1. The Export-Import Bank Act of 1945 is amended—

"(a) By changing 'Export-Import Bank of Washington', wherever that name refers to the legal entity created by the Export-Import Bank Act of 1954, to 'Export-Import Bank of the United States'.

"(b) by inserting '(1)' immediately after '(b)' in section 2(b) of that Act, and by adding the following at the end of section 2(b):

" '(2) The Bank shall not guarantee, insure, or extend credit, or participate in the extension of credit in connection with the purchase of any product by a national or agency of any nation

" '(A) which engages in armed conflict, declared or otherwise, with armed forces of the United States; or

" '(B) which furnishes by direct governmental action (not including chartering, licensing, or sales by non wholly owned business enterprises) goods, supplies, military assistance, or advisers to a nation described in subparagraph (A);

nor shall the Bank guarantee, insure, or extend credit, or participate in the extension of credit in connection with the purchase by any nation (or national or agency thereof) of any product which is to be used principally by or in a nation described in subparagraph (A) or (B); except that if the appropriate committees of the Senate and House of Representatives have reported to their respective Houses their determination that any transaction would be in the national interest then after thirty days after the filing of the last of such reports the prohibitions of this paragraph shall not apply to that transaction.

" '(3) The Bank shall not guarantee, insure, or extend credit, or participate in an extension of credit in connection with any credit sale or defense articles and defense services to any country designated under section 4916 of the Internal Revenue Code of 1954 as an economically less developed country for purposes of the tax imposed by section 4911 of that Code. The prohibitions set forth in this paragraph shall not apply with respect to any transaction the consummation of which the President determines would be in the national interest and reports such determination (within thirty days after making the same) to the Senate and House of Representatives. In making any such determination the President shall take into account, among other considerations, the national interest in avoiding arms races among countries not directly menaced by the Soviet Union or by Communist China; in avoiding arming military dictators who are denying social progress to their own peoples; and in avoiding expenditures by developing countries of scarce foreign exchange needed for peaceful economic progress.

" '(4) In no event shall the Bank have outstanding at any time in excess of 7½ per centum of the limitation imposed by section 7 of this Act for such guarantees, insurance credits or participation in credits with respect to exports of defense articles and services to countries which, in the judgment of the Board of Directors of the Bank, are less developed.'

"(c) By changing in section 2(c) of that Act. '$2,000,000,000' to read '$3,500,000,000'.

"(d) By changing the last sentence in section 3(d) of that Act to read: 'Members, not otherwise in the regular full-time employ of the United States, may be compensated at rates not exceeding the per diem equivalent of the rate for grade 18 of the General Schedule (5 U.S.C. 5332) for each day spent in travel or attendance at meetings of the Committee, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government service employed intermittently.'

"(e) By changing, in section 7 of that Act, '$9,000,000,000' to read '$13,500,000,000'.

"(f) By changing, in section 8 of that Act, 'June 30, 1968' to read 'June 30, 1973'."

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Sixty-two Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 19]

Anderson, Tenn.
Ayres
Blatnik
Burleson
Clark
Clausen, Don H.
Cleveland
Cramer
Culver
Diggs
Edwards, Calif.
Everett
Fraser
Fulton, Tenn.
Green, Oreg.
Gurney
Hansen, Idaho
Hébert
Holifield
Howard
Irwin
Jones, Ala.
Monagan
Moss
Pool
Pucinski
Rees
Reinecke
Resnick
Rosenthal
Rostenkowski
Rumsfeld
St. Onge
Smith, Okla.
Taft
Tuck
Vanik
Wilson, Charles H.
Wright

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Landrum, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6649, and finding itself without a quorum, he had directed the roll to be called, when 392 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. Does the gentleman from Texas desire to be heard in support of the amendment?

Mr. PATMAN. Not at this time, Mr. Chairman.

AMENDMENT OFFERED BY MR. WYLIE TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. PATMAN

Mr. WYLIE. Mr. Chairman, I offer an amendment to the substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. Wylie to the substitute amendment offered by Mr. Patman: On page 2, line 14, strike the semicolon and all that follows down to but not including the period in line 20, page 2.

Mr. WYLIE. Mr. Chairman, this is an amendment which would strike the exception clause from the language which was offered by the gentleman from New York [Mr. Fino] in committee, and which was adopted by the committee.

The language offered by the gentleman from New York [Mr. Fino] would simply say that the Export-Import Bank cannot guarantee a loan to any nation which is engaged in armed conflict, declared or otherwise, with the Armed Forces of the United States.

This is designed, of course, to restrict trade with North Vietnam.

There is a second part to it which would apply to any nation which furnishes by direct governmental action any goods, supplies, military assistance, or advisers to any nation engaged in armed conflict, declared or otherwise, with the United States.

Then there is an exception to that language, and it is to this exception that I direct my attention, and would ask the attention of the Members. The exception to the trading-with-the-enemy clause is as follows: It says that except that if any appropriate committees of the Senate and House of Representatives have reported to their respective Houses their determination that any transaction would be in the national interest, then after 30 days after filing of the last such reports the prohibition of this paragraph shall not apply to that transaction.

Now, there are three or four good reasons why this amendment should be adopted. First of all, in an act passed on October 8, 1964, Public Law 88-638, which had to do with the Agricultural Extension Act, there was an advisory committee set up which was to advise, Congress as to interest rates. This act known as Public Law 480 would approve grants after transmittal for a committee of the Congress was to approve within 30 days of filing a report with a committee of Congress. The language was almost identical to this language here.

The President of the United States in signing the bill said this provision was unconstitutional, and that he would not adhere to its provisions.

We find the same language in this bill today which the President has already said he will not adhere to, and with which he would not comply.

The gentleman from California [Mr. Smith], of the Committee on Rules, stated he thought this language was unconstitutional, was bad language, and should not be in the bill, and the gentleman from Texas, the chairman of the Committee on Banking and Currency [Mr. Patman] agreed that it was bad language and hoped that it would not stay in the bill.

Now the language of the committee amendment, which I seek to delete, with regard to the prohibition of the Export-Import Bank credits to nations supplying North Vietnam provides for a unique and unprecedented waiver clause.

For one thing—which committee of the Congress are we talking about? Does the report from the chairman of the committee—whichever committee it might be—is that sufficient to say that this is compliance with this section? Who is going to enforce this provision of the committee amendment?

Now the committee amendment was adopted, and as I say it was an effort to compromise language which the gentleman from New York [Mr. Fino] had offered, and language which was found in the Senate bill which provides for a Presidential waiver.

I think frankly the language was messed up in committee. I voted against the bill in the committee and one reason was because I feel this language is unconstitutional. Even if it were not otherwise, it is an unconstitutional delegation of authority which in no way can be administered. There is no indication of who or what would administer this provision.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman.

Mr. FINDLEY. I thank the gentleman for yielding.

The first thing that comes to my mind is an amendment to Public Law 480 which was before the Committee on Agriculture, I believe, in 1964.

Mr. WYLIE. That is right.

Mr. FINDLEY. It provided almost identical language such as that set forth in the bill now before us. It was enacted into law. The President signed the bill but simply announced that he would not observe this provision because in his view it was unconstitutional. I dare say that the same fate lies ahead for the language now before us.

Mr. WYLIE. I thank the gentleman.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment to the amendment.

Mr. Chairman, I know that the gentleman, a member of our committee, is very sincere in his efforts to change the committee amendment.

But may I suggest that it would be a mistake to take this language out at this point. If the gentleman is correct in his statements that the language is unconstitutional, it will go out, anyway, in conference. Because, certainly, the conferees will not agree to anything that they are not convinced is constitutional.

This language was brought about by reason of the fact that a number of countries do a little business with the countries that we are at war with—or aiding our enemies. But sometimes the amount of business they are doing is insignificant. Someone should be qualified to pass on whether or not it is in the public interest to just ignore the little bit of business that is being done with our enemies by countries friendly with the United States—and do some valuable business and, perhaps, obtain even critical and strategic materials from these countries. Maybe it is in our interest. Maybe we need it in the war effort.

We cannot slow down the war or fail to do everything that we can to win the war just because a few toys or things like that are sold to a country that is in opposition to us. Somebody should pass on it. Our committee did not follow the other body. Our committee decided we would put in the "committees." I will agree that in conference, if we keep this amendment, we should write in it specifically the committees in the House and Senate to which such a proposed exception should be referred and we should write specifically the reports to be made—how, when, where, and so forth.

There is nothing wrong with this particular amendment, if it can be saved at all. I do not know whether or not it can be cured by some amendments or clarifying language that would make it very plain.

So all I am asking is that we leave this bill like it is. We are accepting it. We are not crying about it. We do not like it, but we were outvoted and we are accepting defeat on these amendments. But let us not try to change it entirely after it has already been prepared as practically as possible.

So I ask the Members of the Congress of the House to vote against this amendment, with the understanding that if it cannot be improved so as to make it constitutional without doubt, it will be left out anyway. But give us a chance to try, as conferees. That is all I ask.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. JONAS. I thank the gentleman for yielding. He has just confirmed what I thought he said before and which I had hoped I misunderstood. Does the gentleman from Texas mean to tell the Members of this body that we ought not to be concerned about the constitutionality of the legislation in the hope that conferees will have more concern and more knowledge and more understanding of the Constitution than we have and correct our mistakes for us?

Mr. PATMAN. The gentleman is mistaken. I did not raise the constitutional question. The gentleman who is the author of the amendment raised the question.

Mr. JONAS. But the gentleman from Texas said that if it is not constitutional we can count on the conferees taking it out.

Mr. PATMAN. I think I said that if it is unconstitutional, then you can depend upon them taking it out. Then it would be out anyway.

Mr. BROCK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Tennessee.

Mr. BROCK. May I ask this question of the Chairman: Which is preferable, a Presidential waiver or a congressional waiver?

Mr. PATMAN. That question is not before us. The provision is in this bill, and if we can get along, I will tell the Members that we have only two other amendments and then the bill will be over. We can get this bill passed. There cannot be any harm in letting this provision remain as it is, and then if it is a bad provision, it will not be left in by the conferees anyway. It can be improved and made constitutional. That question can be considered. So I ask for a vote, Mr. Chairman.

Mr. FINO. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. FINO. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio to strike out the clause by which the congressional committee may waive the provisions of my amendment against the Export-Import Bank financing trade with the enemy. In my opinion, this clause is unwise for three very good reasons:

First, it is without effective precedent. There is good reason to doubt that Congress can give its committee or committees power to make day-to-day foreign affairs decisions.

Second, the congressional waiver clause which the gentleman from Ohio is trying to eliminate from this bill is unclear. It says that the appropriate congressional committees may waive the prohibition against trading with the enemy. But it does not say, as the gentleman from Ohio indicated, which are the appropriate congressional committees. I believe that this is a jurisdictional mess that we should not get ourselves involved with.

Lastly, I do not believe that this is an issue which we should straddle. The Russians and the other Communist nations are united in support of North Korea and North Vietnam. Under these circumstances I do not see how anyone even wants to debate the pros and cons of allowing the Export-Import Bank to finance trade with the enemy. We should not use or attempt to use the taxpayers' dollars to subsidize trade with nations that are supplying the bullets that are killing our sons. And it is just that simple.

President Johnson's bridges to the East, in my opinion, are foolish and bloody bridges, and it is time for firmness on the part of this Congress, and more particularly on the part of this body, to take that firm position without any ands, ifs, or buts.

If this waiver remains in the bill, I am very much afraid of what might happen in the conference, notwithstanding what the gentleman from Texas has said. I am afraid the long arm of the White House might reach into the conference and put a Presidential waiver back into the bill. And, if this happens, then we will see trade with the enemy break out like poison ivy in July.

I urge this House to reject any waiver and to support the gentleman from Ohio in striking out this waiver provision which might give the President a chance to trade with the enemy and make further attempts to build these absurd "bridges" to the East. We have seen what to expect from the Russians. They laugh at our complaints about their military shipments to Vietnam; they laugh at our requests to help get back the ship *Pueblo*; and, most of all, I am sure that they laugh at the foolishness of this administration in thinking that trade subsidies are going to buy off Soviet international ambitions.

As I indicated earlier, this is the time for firmness. It is not a time for wavering and it is not a time for waivers. Let us make our voice in this body loud and clear. I urge the Members of this House to support the Wylie amendment and to remove the waiver clause and restore the full force of my amendment to the prohibition for financing trade with the enemy.

I cannot resist the temptation to repeat again here what has been stated twice—once by the gentleman from Ohio in supporting his amendment to strike the waiver clause, and then by the gentleman from Illinois [Mr. FINDLEY]—when there was brought to the attention of the House Members what happened in 1964.

(By unanimous consent, Mr. FINO was allowed to proceed for 1 additional minute.)

Mr. FINO. Mr. Chairman, in 1964, on October 8 to be exact, the President of the United States said he considered that the key proviso, which was included in the Public Law 480 Act, which was similar to the waiver we have under consideration here and now, was unconstitutional. In addition to that, not only did he say it was unconstitutional, but he said he would not permit it to affect the executive departments in the enforcement of that waiver. Then, as we all know, the very waiver we are trying to put in this bill has since been repealed.

Mr. LIPSCOMB. Mr. Chairman, I rise to support the amendment offered by the gentleman from Ohio. The amendment proposes to delete language which would in effect provide for a type of congressional waiver to the prohibition against the Export-Import Bank's assisting in the financing of exports to countries engaged in armed conflict with the United States or to nations which assist those engaged in armed conflict with us.

The most important reason for this amendment, in my view, is that there is no justification or need for a waiver of these prohibitions. We are talking about refusing to allow an agency of the U.S. Government to assist in the financing of exports which could be used against us directly or indirectly in armed conflict. I do not believe the prohibition should be made potentially ineffectual through providing for a waiver of any kind.

Additionally, as the waiver is drawn, a number of questions are raised. The language says that if the "appropriate committees of the Senate and the House of Representatives" have reported to their respective Houses their determination that any transaction would be in the national interest, then 30 days after the filing of the last of such reports the prohibitions would not apply to that transaction. What committees, for example, are the "appropriate committees"? Who determines whether they are the appropriate committees? Or do the committees become so by proclaiming themselves appropriate? How do the committees find out about the particular transactions in which they might be interested? What length of time do they have to report? These are only some of the questions that could arise from a waiver of this type.

Mr. Chairman, I urge the approval of this amendment to take this waiver out of the bill.

Mr. GROSS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the debate this afternoon reminds me of an amendment I offered a few short months ago to the foreign aid bill, an amendment which was once adopted in the House and then defeated on a rollcall by four votes. Some of the Members, who voted against my amendment which, broadly put, would have penalized anyone doing business with the Communists of North Vietnam—by denying any loans, credits, or anything else from this Government—some Members then raised a hue and cry on the floor of the House, and I heard something along that line from the gentleman from Texas [Mr. PATMAN] a few moments ago. Some Members said then, "If you do this, the British will refuse to buy $700 million worth of F-111 planes from the United States."

Remember how they raised that cry on the floor of the House, "We are going to lose the sale of those planes to the British if we penalize the British for trading with and supplying the enemy in North Vietnam."

The perfidious British sent no less than 68 ships with their cargoes into Communist North Vietnam last year.

So what happened? Without any amendment, without any restriction on the British continuing to collect their blood money by trading with North Vietnam, what happened? Why, they just simply stepped up to the platter the other day and struck out, and said, "Keep your planes. We are not going to buy them."

Remember?

Some of you who voted against my amendment and raised the issue that we were not going to be able to sell the planes, can now stick it in your pipes and smoke it.

The gentleman from Texas earlier this afternoon, at the start of general debate, said this waiver was vague and that he would accept some kind of an amendment to put the discretionary power some place else.

Now he says it is a good waiver.

He cannot have it both ways. He either misspoke himself earlier this afternoon or he is not dealing off the top of the table right now.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Of course. I used the gentleman's name, and I always yield when I do.

Mr. PATMAN. I said the amendment would have to be improved upon. We would have to say which committees. The conferees could do this. It will have to be improved upon, or otherwise it will go out.

Mr. GROSS. And whether they are going to throw out a contract here or a contract there, or how many of these contracts or lines of credit they are going to throw out.

The gentleman well knows that this waiver is vague and uncertain, and does not belong in the bill. He was right the first time. Now he is trying to have it both ways.

Mr. Chairman, here is the time to meet this issue head on. Here is the time to support the gentleman from Ohio in striking out this waiver.

Of all times to refuse to do anything to stop the flow of supplies into North Vietnam to people who are killing Americans.

It was bad enough last fall to look the other way and refuse to penalize those who are supplying the enemy, but, considering what has transpired in recent weeks in North Vietnam and in Korea—but particularly in North Vietnam—the situation at this hour demands adoption of this amendment and the strictest penalties we can impose upon any country that supplies the Communists of North Vietnam. Anything else is a clear demonstration of a callous disregard for our fighting men.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. WYLIE] to the substitute amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 74, noes 52.

Mr. PATMAN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WYLIE and Mr. PATMAN.

The Committee again divided, and the tellers reported that there were—ayes 99, noes 71.

So the amendment to the substitute amendment was agreed to.

AMENDMENT OFFERED BY MR. ASHLEY TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. PATMAN

Mr. ASHLEY. Mr. Chairman, I offer an amendment to the substitute amendment offered by the gentleman from Texas, Mr. PATMAN.

The Clerk read as follows:

> Amendment offered by Mr. ASHLEY to the substitute amendment offered by Mr. PATMAN: On page 2, line 14, immediately after "(B)", insert the following: "; except that if the President determines that any transaction would be in the national interest and reports his determination (within thirty days after making the same) to the Senate and House of Representatives, then the prohibitions contained in this paragraph shall not apply to that transaction".

Mr. ASHLEY. Mr. Chairman, the distinguished gentleman from New Jersey [Mr. WIDNALL] has said that the congressional waiver provision which has just been stricken is unique and without precedent. This may be so. However, I do not feel that the striking the waiver provision in its entirety is the remedy.

Mr. Chairman, I suggest in my amendment that we provide for a Presidential waiver rather than a congressional waiver. The bill as reported states that the Bank is prohibited from extending credit for the purchase of any product by a country with which we are at war, or furnishes goods or services to any country with which we are in conflict, except and unless the appropriate committees of the Congress determine that such transaction is in the national interest.

Mr. Chairman, if we strike the waiver provision, entirely as has been previously proposed, the bill would contain an inflexible prohibition against any transaction by the Bank in connection with the sale of any product, regardless of what it might be, to any country whose government furnishes goods, military or otherwise, to a nation with whom we are in conflict.

If my amendment is adopted, the Congress would impose the prohibition, but it would provide for an exception where the President of the United States determines that a particular credit transaction by the Bank is in the interest of our Nation, and reports this to the Congress for congressional action.

So this amendment, I submit, seeks to provide a degree of flexibility in the conduct of foreign policy for which the President of the United States is responsible, and it gives, and I hope I can underscore and emphasize, the Congress 30 days to act after the Presidential determination.

Mr. Chairman, the inclusion of a Presidential waiver is, as I say, not without precedent. Appropriation acts enacted by this and previous Congresses allow the President this kind of authority, and as a matter of fact, with respect to the Export-Import Bank itself the President has not acted contrary to the national interest in exercising this discretionary authority. But if he should—if he should attempt to act contrary to the national interest in the judgment of Congress—we would have, if my amendment is adopted, the opportunity to void the transaction before it is consummated.

It seems to me, Mr. Chairman, that this is the best kind of protection; that it answers the points that have been raised on both sides; and I would urge, Mr. Chairman, the adoption of this amendment.

Mr. WYLIE. Mr. Chairman, I rise in opposition to the amendment.

I believe we are in the process of trying to undo what we just did with this amendment.

The purpose of my amendment which would strike the exception clause as far as trading with the enemy is concerned, was to make it unmistakably clear that we do not want the Export-Import Bank to make loans with North Vietnam, or any country which is engaged in armed conflict with the United States, either declared or undeclared. We do not want the Export-Import Bank to make loans which are dealings either directly or indirectly with any country which is engaged in armed conflict with the United States.

This amendment would simply say that the President can determine if the Export-Import Bank should make a loan to a country engaged in armed conflict with the United States or any country doing business with a country which is engaged in armed conflict with the United States. I believe this determination should be left to Congress. I believe right now is not the time for Congress to give anyone the authority, most especially the Executive, to make exceptions in this area. I do not believe this is the time to make an exception to the rule which we have just now adopted that there should be an absolute prohibition against trading with the enemy.

I believe the President, if he decides that there should be an exception to the restrictions placed on the Export-Import Bank, can ask, come to Congress and ask Congress to change the rules which we have now adopted. But I do not believe that we want today to make exceptions to this in view of the conflict which we have, in view of the emergency situation that we have all over the world. And we want to tell every nation in the world that if you engage in business with our enemies, if you make loans or take loans from the Export-Import Bank that you cannot buy goods that you can resell to the North Vietnamese nation. And I would ask that this amendment be not supported, and that it be defeated.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman.

Mr. ASHLEY. The gentleman does acknowledge, does he not, that the prohibition ban against this type of transaction would remain in the bill. I do not mean, nor does my amendment strike that out, nor do I intend to remove from the Congress the final decisionmaking with reference to these transactions.

If the gentleman's point is that the Congress must act in this manner, I submit that this is exactly what is allowed by my amendment.

Mr. WYLIE. In response to that, I would point out that the President has already made some speeches to the effect that trade with certain nations that are doing business either directly or indirectly with the North Vietnamese nation may or may not be in our national interest.

The point I am making is that I want the Congress of the United States to have the first say whether it is or it is not in the national interest. I do not want the President to take action subject to its being voided by this body.

I think we have made it unmistakably clear here today that we do not want the Export-Import Bank dealing with our enemies and I think we should leave it that way.

Mr. JONAS. If the gentleman will yield, the amendment as I read it, does not give the Congress any veto power. It says that it becomes effective upon a determination by the President.

Mr. WYLIE. That is within 30 days unless the Congress—and so forth.

Mr. JONAS. No, it does not say "unless the Congress." It does not give the Congress any authority at all.

Mr. WYLIE. Then I object to it, a fortiori, all the more.

Mr. BINGHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to compliment the gentleman from Ohio on his amendment. It seems to me that this is the right way to provide some flexibility in this situation.

I understand the feelings of gentlemen who want an inflexible provision—they want to stop countries furnishing assistance to North Vietnam. I understand that. We all feel that way. But the question is: Will this inflexible provision accomplish that purpose? I submit to you that it will not. We would be denying to ourselves what is a fact: that the opportunity of some Communist countries to get certain exports is not going to influence them in their decision of whether or not to provide assistance to North Vietnam.

The effect of a rigid prohibition would hurt American business in its desire to compete with other businesses for transactions of the kind that might be affected.

What is the purpose of flexibility? The purpose of flexibility is to be able to provide some exceptions where the national interest so requires. Are there such cases? Certainly, there are such cases.

I would like to submit to the committee that the Fiat situation was such a case. I understand now that that business has been lost to the American exporters who were interested in it, and that because of the troubles involved in providing financing that business has gone elsewhere in the world.

Let me tell you just a little bit about that transaction. This was a case where an Italian firm undertook to provide a large assembly plant for light Fiat automobiles in the Soviet Union. They came to us for some assistance in financing. That was not because we were the only ones able to give that assistance. There were others, countries and individuals, who were capable of supplying the $50 million of machinery that we could have supplied. But now we have lost that business.

However, the transaction has not been stopped and, what is more, the transaction itself was not one that would do any harm to our national interest. On the contrary, the witnesses from all the Government agencies testified that it was in our national interest; that the Soviet Union embarking upon a light automobile production facility would involve it in consumer transactions all the more and would turn its attention more to the consumer side of the economy.

Such an expert on communism as Averell Harriman said that this transaction was the most subversive of communism that he could imagine because of the interest it would create among the people of the Soviet Union in acquiring small cars and building service stations and radios and all that goes with it. Here was an opportunity to do something for the United States and for our security.

We have lost this opportunity because of the inflexible attitude that we find as to this type of transaction. I would say that such an exception would be in the national interest. We lost that one—let us not lose all the others.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I am glad to yield to the gentleman from Ohio.

Mr. ASHLEY. In my view, the gentleman is entirely correct about the Fiat transaction. The irony is that, of the $50 million in equipment that the Italian firm sought to purchase from the United States through the financing of the Export-Import Bank, half of it was lost to other countries, but half of it is going to be manufactured by American concerns and sent to Italy for transshipment to the Soviet Union. No action taken with respect to the Export-Import Bank is going to ban American business to the Communist countries.

What happened is that instead of financing half the transaction through the Export-Import Bank, the private commercial banks of this country extended the credit to the private American businessmen who are manufacturing the machinery at this very moment. So what are we doing?

Mr. BINGHAM. I would like to ask the gentleman this question: Did not a committee of this Congress investigate that transaction on the spot and conclude that it would be in the interest of the United States to make the loan?

Mr. ASHLEY. I agree with that statement, and I will say that I headed that subcommittee and we came back with a unanimous report.

Mr. BINGHAM. I thank the gentleman.

Mr. FINO. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio.

I do not intend to use the 5 minutes. I would just like to make one or two observations. One is in the form of a question, a question that I posed in the committee, and I again pose it here to the Members of this House:

What good does it do to prevent the Export-Import Bank from financing trade with the enemy in one breath and then allow the President to ignore this language because of a waiver clause which the gentleman from Ohio is proposing? As has been indicated earlier, the President has already said that he wants to do what the language of the bill would purport to prohibit. So we know how he stands. And we know what will happen if there is a waiver clause or a Presidential national interest clause in the bill.

If we are seriously concerned with preventing the Export-Import Bank from underwriting trade with nations that are supplying materials to North Vietnam, then we should be honest with ourselves and adopt a strong prohibition, which we have, without any restrictions, without any clauses, and without any waivers.

Mr. BLACKBURN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I wish to bring to your attention part of the testimony received in support of the proposal to give the President discretionary authority when the bill was pending before the Committee on Banking and Currency. I recall that the testimony favoring this type language—that is, language which would permit a Presidential finding of national interest in making loans with Communist countries as the ultimate beneficiary—was received from spokesmen for the administration. But in questioning those witnesses we determined the following things:

First, the transportation facilities of a nation are a vital part of that nation's capital base. We determined that one of the strengths of our financial system is the mobility of our population—that is, the ability of our factory workers to transport themselves to and from their homes and work in private automobiles.

We determined further, that if a nation's people were immobilized to the point that they did not even have bicycles, their ability to wage war and their ability to manufacture the goods of war would be seriously impeded.

To the extent that the manufacture of a small automobile, such as the Fiat, would increase the mobility of the working population of the Soviet Union, it would also serve to increase the war-making capacity of that nation, which we all know is working against the interests of this country in South Vietnam today.

One of the most telling admissions by the administration's spokesmen was the admission that we could use the same logic used in justifying the Fiat loan to justify the same type loan for the benefit of North Vietnam today. They admitted that the same logic would justify the same loan to North Vietnam for the financing of automotive manufacturing equipment for our enemies in time of war. Logic which arrives at absurd conclusions is obviously defective.

Mr. Chairman, I remind you, in the light of the President's commitment to encourage and increase trade with Communist countries, a vote for this amendment is a vote for trade with those countries aiding our enemies in a time of national combat. I say "No."

The **CHAIRMAN.** The question is on

the amendment offered by the gentleman from Ohio [Mr. Ashley] to the substitute amendment offered by the gentleman from Texas [Mr. Patman].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ASHLEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Ashley and Mr. Widnall.

The Committee divided, and the tellers reported that there were—ayes 77, noes 115.

So the amendment to the substitute amendment was rejected.

AMENDMENT OFFERED BY MR. WIDNALL TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. PATMAN

Mr. WIDNALL. Mr. Chairman, I offer an amendment to the substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. Widnall to the substitute amendment offered by Mr. Patman: On page 2, strike line 21 and all that follows through page 3, line 20, and insert:

"(3) The Bank shall not, in the exercise of its functions under this Act or any other law, issue guarantees, insurance, coinsurance, or reinsurance, make loans, or in any other way extend or participate in an extension of credit, in connection with the purchase of any defense article (as defined in section 644(d) of the Foreign Assistance Act of 1961, as amended)—

"(A) by any nation (or agency or national thereof), other than a country which the President has designated under section 4916(b) of the Internal Revenue Code of 1954 by Executive order as an economically less developed country for the purposes of section 4911 of that Code, until after a report has been submitted to the Congress (or, when Congress is in recess or has adjourned, to the Speaker of the House of Representatives and the president pro tempore of the Senate) specifying the purchaser, the amount, and the terms, together with a detailed listing of the defense articles to be purchased.

"(B) after June 30, 1968, by any nation (or agency or national thereof) which the President has designated under section 4916(b) of the Internal Revenue Code of 1954 by Executive order as an economically less developed country for the purposes of section 4911 of that Code."

Mr. WIDNALL. Mr. Chairman, the proposed committee substitute solves absolutely nothing and, in fact, retreats from a position taken by Congress last year. After a long and bitter struggle in conference on the foreign aid authorization bill, it was decided that the Pentagon revolving fund be terminated as of June 30, 1968, thereby effectively removing the Eximbank from any further involvement in secret arms deals with underdeveloped countries. The House conferees, in a statement of its managers, made clear that the status of the Pentagon revolving fund in the period beyond June 30, 1968, was to be considered at a later date—presumably in this year's authorization bill. In any case, for the House of Representatives today to reverse its position and permit the Export-Import Bank to continue to underwrite secret arms deals for the next 5 years would be a distinct reversal of a position taken just a few months ago.

The committee substitute language purports to prohibit Eximbank arms credit arrangements for less developed countries but permits the President to waive this prohibition under a series of curious statutory considerations. Section B(4) places a limit over the amounts the President may waive of 7½ percent of the total authorization of the Bank. Let me remind the House that a 7½-percent limit on secret arms deals would permit continuation of "country X" arrangements at a level of some $250 million per year for an indefinite period of time in the future.

Let me indicate to you how ridiculous the Presidential waiver is. The committee substitute language says that in making such a waiver determination the President "shall take into account among other considerations the national interest in avoiding arms races among countries not directly menaced by the Soviet Union or by Communist China; in avoiding arming military dictators who are denying social progress to their own people; and in avoiding expenditures by developing countries of scarce foreign exchange needed for peaceful economic progress." All I can say for that fuzzy language is that the President of the United States and the Pentagon has for several years made a determination that it was in the national interest to supply sophisticated weaponry to the Middle East, Africa, and Latin America, notwithstanding such obvious considerations to the contrary. Moreover, in a recent article within the last 2 weeks in the Washington Evening Star, the Defense Department made clear that it was going to make every effort to restore country X secret arms deal authority to the Eximbank during the second session of the 90th Congress. Obviously, the Pentagon speaks for the administration and has already made a determination that if waiver language is included in the Export-Import Bank bill before us this afternoon, that it will be vigorously implemented so as to permit such proposed deals as the sale of jet aircraft to Peru.

My amendment will reconfirm the action taken by Congress last year by permitting country X arms deals through June 30, of this year. Thereafter, if the Pentagon wants to underwrite credits for sophisticated weaponry to underdeveloped countries, it will have to do so from its own funds after being authorized to do so by the Congress. All I seek to do is to take the Export-Import Bank out of the arms business with regard to underdeveloped countries so that we can hope to restore some of the international prestige which the Bank has lost as a result of last year's disclosures.

Another aspect of the Eximbank arms credit sales business deserves brief comment. That is the extent to which the Eximbank has been providing credits for sale of weapons to developed nations. Here again, this agreement was concealed from Congress and it represented a very large share of total Eximbank credit activity. The recently canceled sale of F-111's to the United Kingdom brought forth some interesting figures. The proposed credits were to be provided at an interest rate of 4¾ percent per annum, repayable in 14 equal semiannual installments beginning December 31, 1968. There can be no question that an extremely low interest rate such as this would have cost the Export-Import Bank between $40 and $50 million. In a letter to me of September 22, 1967, the Eximbank admitted that "the decision—by the United Kingdom—to buy the F-111's was facilitated by the terms of financing offered by the Bank."

Mr. Chairman, the Export-Import Bank was never in the business to lose money and the recently canceled F-111 sale would have caused a substantial loss to the Bank. My amendment would provide that in all arms sales to developed countries, that the involvement of the Eximbank be revealed to the appropriate committees of Congress at some point prior to delivery of the weapons. Had the Banking and Currency Committee been advised in advance of the terms of the recently canceled F-111 sale to the United Kingdom, I can assure you some serious questions would have been raised as to whether or not the 4¾-percent rate offered would have insured a substantial loss to the Bank.

Mr. REUSS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we should first look at the amendment which seeks to displace the committee amendment. The latter is a good, strong provision prohibiting credit sales of arms to developing countries, except in very special circumstances. Specifically, credit sales are ruled out where such sales would subtract from the peaceful, economic development of the country, or where it would result in arming a military dictator, or cause an arms race.

If this amendment is adopted, it would absolutely prohibit credit sales of arms to developing countries.

In the case of a peaceful country like, let us say, Costa Rica, which is making heroic efforts in developing itself and is conserving its foreign exchange, it might be very much in our national interest to see that a credit sale could be made to that country. In a such a case, why should we seek to prohibit such a sale?

So, Mr. Chairman, I hope that the amendment which has been offered by the gentleman from New Jersey [Mr. Widnall] is voted down, and that the committee amendment is retained.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the distinguished gentleman from New Jersey.

Mr. WIDNALL. Mr. Chairman, I think that I tried to make clear the import as to what the amendment would do, if adopted, with respect to the developing countries, and that is to provide that the involvement of the Export-Import Bank be revealed to the appropriate committees of the Congress at some point prior to the delivery of weapons. I do not say at any point in the amendment which I have offered that it in any way prohibits sales to developing countries.

Mr. REUSS. I said nothing about developed countries. What I do not like about the amendment which has been offered by the gentleman from New Jersey is that it absolutely precludes any sales to the developing countries, however worthy they may be.

Mr. WIDNALL. Mr. Chairman, if the gentleman will yield further, in reply to what the gentleman has just said, if we are to go back to past history——

Mr. REUSS. The past history is indeed unedifying. That is why we have offered this language in the very strong committee amendment. We should let it go at that.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, is it true that, under the language as contained in the bill, there is considerable administrative discretion and leeway involved therein?

Mr. REUSS. No. In my opinion this buttons it up very tightly. Far from granting unwarranted leeway, the committee amendment requires the executive branch to closely follow the congressional criteria. Three very specific criteria which are designed to do the job the Congress wants done. I do not believe it is necessary or desirable to prohibit the sale of all arms to every developing country, however frugal it may be in preserving its economic resources.

Mr. OTTINGER. Mr. Chairman, if the gentleman will yield further, does the President have to make an appropriate finding in those three respects with reference to any anticipated credit sales?

Mr. REUSS. He must take into account those criteria; that is correct. I have every confidence that the President will make a bona fide determination.

Mr. WYLIE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the Export-Import Bank, as I have stated before, was organized to facilitate international trade on the part of the U.S. Government.

Now, everyone thought they were doing just that, and the exception was limited to that until it was discovered that they were making these so-called country X loans which were being approved in advance by the Department of Defense to purchase arms. We found that opposing countries in the Middle East, for instance, had received loans from the Export-Import Bank from which they purchased arms to engage each other in armed conflict.

Now, I do not believe the Export-Import Bank should be in the arms race at all. As a matter of fact, I believe the Export-Import Bank ought to be out of the arms race. I do not believe there is any justification to the arms race now for developed or undeveloped countries, or for anyone else. I believe these country X loans were wrong, and I do not believe that we should, here in this Congress, say that it is all right if you tell us in advance that you are going to make a loan, or if you tell some committee in Congress that it is all right that you are going to make a loan to purchase arms.

The Senate put in an amendment which is identical, almost to the amendment in this bill, and it was ostensibly an amendment to limit the amount of money which could be loaned to purchase arms. But as was pointed out in an editorial in the Washington Post, if this 7.5-percent limitation stays in this bill or stays in the Senate bill or stays in any bill which goes to the desk of the President, and is signed, it will actually increase the authorization of country X loans from the present level of $6.4 million to $1.1 billion.

Seven and one-half percent of $13.5 billion is $1.1 billion. So instead of taking the Export-Import Bank out of the arms race, or out of this business of exporting arms, it says we are authorizing the Export-Import Bank to go ahead with these country X loans. I believe it is wrong. I believe it was wrong when it was first done. And I was as indignant as the gentleman from Wisconsin [Mr. REUSS] was when he discovered it, and he was definitely indignant in the committee, and I do not think we should make exceptions to it. I believe the Widnall amendment has merit, and it should be adopted.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have before me the list of those countries that I believe are referred to in the Widnall amendment as being less developed, and therefore coming within the terms of the absolute prohibition of any credit by the Export-Import Bank for arms transactions.

Now, I am very disturbed by the list, as I see it. One country that appears on that list—and I wonder if the gentleman is aware of this—is the country of Israel, which is classified as less developed.

Mr. WIDNALL. Mr. Chairman, would the gentleman yield?

Mr. BINGHAM. I yield to the gentleman.

Mr. WIDNALL. The President, by the stroke of a pen, can make Israel a developed country.

Mr. BINGHAM. Is the gentleman suggesting that that should be the way that the President should make a determination?

Mr. WIDNALL. Why not?

Mr. BINGHAM. Because the gentleman is suggesting that the President can make the exception that we are trying to include in the committee bill by using a dishonest technique?

Mr. WIDNALL. It is already in the law.

Mr. BINGHAM. But it does not follow that Israel is a developed country just because he decides that he wants to make a dishonest determination with regard to Israel. I am surprised at the gentleman suggesting that that is the way to make an exception to this absolute prohibition. He comes in here, and he seeks to make an absolute prohibition. Then he says that the President, without saying a transaction is in the national interest, or anything else, can evade the prohibition by simply saying that Israel is simply a developed country.

Mr. WIDNALL. Would the gentleman yield further?

Mr. BINGHAM. I yield further to the gentleman.

Mr. WIDNALL. The President already has that discretion.

Mr. BINGHAM. I understand that he has that discretion, but I am surprised that the gentleman would suggest that the President make a finding of fact which is contrary to the facts, and seek to flout the will of the Congress as the gentleman is suggesting. The same is true for the Republic of China. The same is true of South Korea. I believe the gentleman will recall in the AID program in the bill we passed last year, we tried to put such a provision in the bill on the limitation of arms aid so that today we can give aid to Israel or South Korea, or the Republic of China. But you are saying we cannot now loan through the Export-Import Bank to these same countries.

Mr. WIDNALL. Is it not true that the Pentagon could sell the arms it wants to Israel on its own terms?

Mr. BINGHAM. I do not know that that is true. And I do not know why we should take this authority away. This law has been used. I am very, very much concerned about this.

Here is the country of Israel, which is subjected to a buildup of arms in opposition to it by the Soviet Union. I would just like to call the attention of the members of the Committee to the seriousness of this situation. The Soviet Union is engaged in a tremendous buildup of arms to the Arab States and Israel has to look to us to maintain the balance in the Middle East.

Here is a technique that is available for making arms available to Israel. The gentleman's proposal would eliminate the possibility that the President could come in honestly and say that this is in the national interest to sell arms to Israel under the Export-Import Bank transactions. The gentleman is suggesting that, instead of doing that, the President should come in and declare that Israel is a developed country—which it is not—and thus would fall within the terms of this act.

Mr. WIDNALL. I think the gentleman knows the Congress has stood behind Israel at every step of the road long before the Export-Import Bank business started with Israel. This certainly is the will of the people and the Congress will attempt to carry it out, but I do not think it is necessary in connection with this bill to change it.

Mr. BINGHAM. I know the gentleman is interested in Israel. I know of his past actions in that regard. But I am surprised that he would come here and suggest that the President can honestly go that route, by a finding of fact which is contrary to fact.

Mr. MOORHEAD. Mr. Chairman, I move to strike out the last word and rise in opposition to the Widnall amendment.

Mr. Chairman, this situation involves two types of sales—the first to developed countries—and there has been no trouble about this in the past. We have been making these sales since 1962. The sales are clearly revealed in the reports of the Bank submitted to the Congress and under the committee amendment it will continue to do so.

These sales are clearly to the advantage of the United States. It is to our advantage when an ally decides to buy arms, thus making it less likely that that ally will be attacked.

Take the case of West Germany, for

example. If they have arms, there may be less need for U.S. troops to be stationed there.

In addition, it is of economic advantage to us because it helps in our balance of payments as far as anything we sell abroad is concerned.

Second, the more arms that we sell to a country like West Germany, the lower the per unit cost to our army is in buying such arms.

So I submit the committee amendment is a proper one in this case.

The second situation is that in sales to developed countries, there would be places where it would be of obvious advantage to the United States to promote sales in particular situations.

The gentleman from New York mentioned the less developed country of Israel. Clearly, it is to our advantage to have Israel armed, so there will be a balance of armaments in the Middle East.

Take another country that is less developed—South Korea. It seems to me it is manifestly to our advantage if the situation were right and the President made the determination that we sell on credit some arms to South Korea.

Under the Widnall amendment this would not be done. It seems to me to be clearly in the interest of the United States that the President be able to make a determination limiting it as the committee amendment does, limiting it in amount and limiting it in cost and in the criteria when he deems that it is for the benefit of the United States and in the interest of our security.

Mr. CURTIS. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I believe the last two speeches have gotten the debate off of the issue. Whether or not arms are sold to a country like Israel is an important issue in itself but not the issue here at all. The gentleman from New Jersey [Mr. WIDNALL] has been pointing out that we have ample means for doing this without utilizing the Eximbank.

The issue before us is whether we are going to have the Export-Import Bank which is primarily created to help in the commercial end of international trade involved in these kind of transactions.

This is the Government of the United States selling, not a private seller. I will say very frankly if this amendment is not adopted, as far as I am concerned, I will vote against the bill although I think there is nothing as important in moving forward in our export trade as to have the Export-Import Bank capable of fulfilling its proper mission.

To me it was shocking to find that the Bank had been so corrupted in this sense, that it was engaged in this kind of financing.

Let me say so far as our problems on aid and the balance of payments is concerned that this business of selling sophisticated arms as a status symbol, undermines the economy of many of these countries. Some of these countries cannot afford this kind of equipment or use it intelligently. It is just a status symbol with most of them, and purchasing it makes these countries go more in the hole economically. From the balance-of-payments standpoint loans for unproductive usages are not apt to be good loans and making poor loans to enable countries to buy our products undermines rather than helps in our balance of international payments.

This is what has been happening all too often in our foreign aid programs. Instead of helping nations get on their economic feet, it has been putting them more and more in the hole. And this kind of business of engaging in arms traffic of this nature, certainly if it is going on, let it go on in another section of Government, in the Department of Defense, and the State Department, but let us keep the Eximbank for what it is supposed to be in the commercial area.

Let us also eliminate this red herring that has been dragged into the debate about whether we are for helping Israel. Of course, I happen to be, and so is most everyone else. That is not the issue here. I charge it is a red herring that it has even been brought in.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. If I understood the gentleman correctly, he apparently believes it is in line and in keeping with the intent of the Eximbank to have loans made for arms purchases by developed countries?

Mr. CURTIS. No, I do not believe the Eximbank should be in this business at all. I said that it was conceived as a commercial bank.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield further?

Mr. CURTIS. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. If I understand correctly, the Widnall amendment would forbid loans, credits or sales to undeveloped countries but not to developed countries.

Mr. CURTIS. The reason for that is the Widnall amendment is directed toward correcting an abuse. Frankly, I never even knew the Eximbank was used for that purpose. If you wanted to extend the amendment to exclude all countries, I would be happy to accept it. But I do not think you would necessarily offer an amendment to correct something that had not been abused. I am frankly shocked that the Democratic side of the aisle will not accept this amendment and go along with it.

Mr. EDMONDSON. Mr. Chairman, I rise in opposition to the amendment. I have not been taking part in this debate so far, but I find it very, very difficult to follow the reasoning of my good friend, the gentleman from New Jersey [Mr. WIDNALL] in this particular amendment. I do not think anybody will question the fact that right now, all over this world of ours, we are in a showdown struggle with the forces of totalitarian powers that are advancing doctrines alien to ours. I do not think anyone would question the fact that credit and the facilities that we have for credit are devices or instruments that are very, very useful to us in connection with that struggle.

I do not think that anyone who has studied the map and looked at the efforts of the Communist world to start so-called liberation efforts and conflicts and to stir up difficulty for our side in connection with this cold war could say that the undeveloped countries in Africa and Latin America and in Asia are not the centers of Communist efforts in this particular direction.

Does it make sense if we really want to stop Communist aggression to say that we are not going to let this important mechanism for credit be used to strengthen an undeveloped country?

If you are really serious about wanting to use the arsenal of democracy for democracy, why in the world cut off Export-Import credits and loans to undeveloped countries? I cannot see any rhyme or reason to it myself, and I find it very strange that some of the gentlemen on the other side who say they want to fight communism and to check communism are now saying they do not want to use the credits of the Export-Import Bank to do that job in undeveloped countries. What is virtuous, may I ask, about making loans available to purchase arms and equipment in a developed country and then turning around and in an undeveloped country, where the needs may be much more urgent, where the ability to purchase defense equipment may be much less, and say, "You, however, cannot have these credits. We will not make them available to you. You may be having a desperate crisis on your borders and be very much limited in your capacity to fight it. But you cannot have the credits of the Export-Import Bank." What kind of sense does that make?

I say, if we are serious about wanting to win the cold war and checking Communist aggression, we will not tie the hands of the Government of the United States in this way. This amendment should be defeated.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Missouri.

Mr. CURTIS. Does the gentleman think the Export-Import Bank is the only method for extending credit?

Mr. EDMONDSON. Certainly not.

Mr. CURTIS. The Government has other means and uses them. All I am saying is, keep this Bank in the commercial area and put the other in the other areas. This is not the only means.

Mr. EDMONDSON. Certainly it is not the only means, but the gentleman will not deny it is an important means involving millions of dollars. The gentleman says we should tie the hands of this important facility, and yet we should go ahead and make similar loans to developed countries whose needs may be much less. That does not make sense to me. I hope the amendment will be defeated.

Mr. WAGGONNER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think we can be pennywise and pound foolish by accepting this amendment. The gentleman from Missouri says he is shocked at the Democratic Members of this House who are opposing the Widnall amendment. I am going to shock the gentleman a little more, because I am going to oppose it myself.

The Export-Import Bank was created to finance the sale of exports and strengthen the commercial establishment here in the United States. This bank was created as a means of financing the exports which could not be financed by the commercial banks in this country in international trade.

As I understand the Widnall amendment, it precludes and places a total ban on the financing of the sale of arms to developing nations, but allows the financing of arms sold to already developed nations.

Let me tell the Members, some of these developing nations are a good bit more able to pay for what they buy than some of these defunct, already developed nations, like Britain, for example.

Let us face up to the facts of life. The United States is by and large a have-not nation. The industrialists and the military people tell me there are 77 critical materials vitally important to the economic and military survival of this country, and we are totally sufficient in only 11 of those items, and in part or in whole we must import the other 66 items critical to our industrial economy and to our military. I find that some of those critical materials—such as copper, mica, and antimony, for example—come from where? They come from Southeast Asia and Africa. Two-thirds of the free world's known reserves in iron ore are not in the United States and not on the North American continent, but where? They are where some more developing nations are to be found, in South America. We had better look a little further than our noses and give some consideration to the fact that if we do not meet some of the needs of these emerging nations, the French and the Russians will do it.

I get tired of cursing Charles de Gaulle, although he deserves it and I enjoy doing it, but I am not going to sit idly by and let him have another crack at the United States. I am opposed to this amendment, Mr. Chairman, because I think we can better serve the United States, when we find somebody deserving, by financing the sale of arms to some of the developing nations.

Mr. FINO. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I would like to bring to the attention of the members of this Committee, and more particularly to the members who have expressed some unwillingness to support the Widnall amendment, just a part of an editorial written in the Journal of Commerce, on Thursday, August 3, 1967. Most of the gentlemen here know this is the "Bible" of industry and the financial community throughout the world. I will not read the whole editorial but just the part which I think is very pertinent to this discussion this afternoon:

> This is the whole point. Why, to begin with, was it considered necessary to drag the Export-Import Bank into a series of politico-military deals which, if discovered, would inevitably compromise the bank's stature as a purely business affair?
>
> Why could not the Department of Defense have handled the entire financing on its own? After all, it has the funds or has access to them; otherwise it couldn't guarantee repayment. Or why couldn't it have been handled through the Treasury? Or perhaps by a totally new (and quite unpublicized) entity responsible to both? Costs would not necessarily have been appreciably higher and if and when the whole mechanism was exposed to public view, an institution as useful and respected as the Export-Import Bank would not suddenly find itself the target of those who disapprove of the whole business.
>
> As matters stand, the Export-Import Bank is now likely to find itself on a rather hot Congressional griddle. Its requests are being questioned and its whole purpose in life is being questioned, too. It will be some time yet before its nonpolitical status can be restored in the eyes of foreigners as well as Americans. The more the pity because the whole thing—no matter how convenient for the Pentagon—was unnecessary.

Mr. McCORMACK. Mr. Chairman, I move to strike the last three words.

Mr. Chairman, we are living in a very trying period of the world's history, a very challenging period of the world's history. We must keep uppermost in our minds the national interest of our country.

Addressing myself to the Widnall amendment—and I have profound respect for my friend from New Jersey—let us see what the amendment would do.

The amendment, of course, would permit the extension of credit or loans on credit for the sale of arms to developed countries. But it would prohibit the extension of credit for the sale of arms to underdeveloped countries.

Let us see what some of the underdeveloped countries are, in the light of the national interest of the United States and in the light of their friendship to us. We need friends in the world today.

One of them is the Republic of China.

Another one is the Republic of Korea.

These will be barred, as I understand it, by the Widnall amendment. Does my friend from New Jersey admit that his amendment, if adopted, would prohibit the sale of arms to those countries on credit, to the Republic of China and the Republic of Korea?

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New Jersey.

Mr. WIDNALL. This in no way would prohibit the sale of arms. It would only affect the transactions they want to put through the Export-Import Bank.

Mr. McCORMACK. I understand that. Would it prevent the Export-Import Bank from making credits available to those two countries?

Mr. WIDNALL. It certainly would.

Mr. McCORMACK. It certainly would.

Mr. WIDNALL. And we are particularly aggravated—I know many of us are—over the use of secret credit transactions.

Mr. McCORMACK. I should like to ask the gentleman from New Jersey if it would prevent transactions with Israel?

Mr. WIDNALL. Only through the Export-Import Bank.

Mr. McCORMACK. I understand that. We know what is before the House. The Export-Import Bank bill is before the House, with its extension and the increase of its authorization facilities.

Would this prohibit sales to Israel on credit?

Mr. WIDNALL. Just through the Export-Import Bank.

Mr. McCORMACK. Yes. Would it?

Mr. WIDNALL. And the President could immediately cure that situation.

Mr. McCORMACK. Oh, that is a very poor answer, that we can immediately cure that situation.

Would it also prevent the sale of arms to Turkey and Panama through the Export-Import Bank?

Mr. WIDNALL. Only through the Export-Import Bank.

Mr. McCORMACK. And that is what the gentleman wants?

Mr. WIDNALL. It was never set up to be a——

Mr. McCORMACK. Is that what the gentleman wants to do?

Mr. WIDNALL. Yes.

Mr. McCORMACK. I see. I am amazed, and I wondered if my Republican friends and the Republican leadership want that to be done, that is, to have it known to the world that we are adopting an amendment today—and this is for the record—that would prohibit the sale of arms on credit to Israel, to the Republic of Korea, to the Republic of China, to the Republic of Vietnam, to Turkey, Panama, and many other countries that are friends of ours, and yet you can extend credit to other countries on the theory that they are developing countries. I am amazed that my friend from New Jersey would offer this amendment, and I assume it is backed up by the Republican leadership, prohibiting loans to these countries, to countries like these, when they need it and when it is to be the advantage of our country to make such loans.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes. I will yield to the gentleman.

Mr. WIDNALL. It only applies to transactions conducted through the Export-Import Bank.

Mr. McCORMACK. That is the apology.

Mr. WIDNALL. Last year the House adopted similar language.

Mr. McCORMACK. Yes. And it was wrong then. There is no reason why, if it was wrong then, to try to justify it being right now. The gentleman admits his amendment, if adopted, will prohibit loans on credit for the sale of arms to the Republic of China, to Israel, to the Republic of Korea, to the Republic of Vietnam, and to Panama and to many other friendly countries we have throughout the world.

If ever an amendment was against the national interests of our country, it is this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. WIDNALL] to the substitute amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and on a division (demanded by Mr. WIDNALL) there were—ayes 63, noes 93.

So the amendment to the substitute amendment was rejected.

AMENDMENT OFFERED BY MR. LIPSCOMB TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. PATMAN

Mr. LIPSCOMB. Mr. Chairman, I offer an amendment to the substitute amendment offered by the gentleman from Texas [Mr. PATMAN].

The Clerk read as follows:

Amendment offered by Mr. LIPSCOMB to the substitute amendment offered by Mr. PATMAN: On page 2, line 13, after "product," insert ", technical data or other information".

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. LIPSCOMB. I shall be happy to yield to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, the gentleman from California was kind enough to furnish to me and other Members on our side of the aisle a copy of his proposed amendment. We have considered it and it is my understanding that those on the minority side of the aisle are willing to accept it. Therefore, on the part of the majority and in the interest of conserving time, we are willing to accept it.

Mr. LIPSCOMB. I thank the gentleman from Texas.

Mr. Chairman, this amendment makes it clear that the prohibition against the Export-Import Bank helping to finance exports to countries engaged in armed conflict with the United States or which aids such governments shall apply also in the case of exports of technical data and other information and not just products.

One of the most important aspects of the trade efforts of the U.S.S.R. and other Communist nations with the West is to obtain technical data and information to help strengthen or bring up to date their industrial potential.

As evidence of this, consider some of the items for which licenses were granted by the Commerce Department authorizing shipment of technical data to the U.S.S.R. and other Communist countries during the past year: Technical data to Bulgaria relating to a cement plant; technical data to East Germany relating to production of terephthalic acid; technical data to Czechoslovakia for the production of carbon disulfide; technical data reexported from Yugoslavia to Czechoslovakia for a polystyrene plant; technical data to Czechoslovakia for the production of epichlorohydrin, which is an industrial chemical compound; technical data to Czechoslovakia relating to materials handling equipment; technical data to Rumania valued at $6,500,000, stated to be for the production of television tubes; technical data to Poland for an acrylonitrile plant; technical data to Bulgaria for a linear alkylbenzene plant; technical data to Czechoslovakia for an electrical crude desalting plant; technical data to Poland for manufacture of control valves; technical data to Czechoslovakia for the manufacture of steel strip or sheet; technical data consisting of drawings to the U.S.S.R. for electrostatic precipitators mechanical dust collectors; technical data reexported from Italy to U.S.S.R. for manufacture of parts of Fiat automobiles; technical data to the U.S.S.R. for a benzene plant.

This is only a portion of the licenses granted last year for shipment from the United States of technical data to Communist nations. The pattern has been the same over recent years. Obtaining technical data from us and other countries is vital to the Communist regimes to strengthen their economic and industrial potential. Certainly the prohibitions in the bill should apply also against technical data and other information, and this should be clearly set forth in the bill. I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LIPSCOMB] to the substitute amendment offered by the gentleman from Texas [Mr. PATMAN].

The amendment to the substitute amendment was agreed to.

Mr. PATMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANDRUM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6649) to amend the Export-Import Bank Act of 1945, as amended, to shorten the name of the Bank, to extend for 5 years the period within which the Bank is authorized to exercise its functions, to increase the Bank's lending authority and its authority to issue, against fractional reserves, export credit insurance and guarantees, and for other purposes, had come to no resolution thereon.

THE PRESIDENT'S CORRECT STEP

Mr. ICHORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ICHORD. Mr. Speaker, the Reserve callup by the Commander in Chief following the *Pueblo* incident has been accepted by Americans, and the world as well, as confirmation of a pledge that our country intends to fulfill a commitment in Southeast Asia.

Surely, this action was not good news to the enemy, but rather is another reversal to the Communists in Southeast Asia to be added to the many they have already experienced the past several days in their winter offensive.

A recent editorial in the St. Louis Globe-Democrat adequately evaluates the reserve callup and its effect on the American people. I am sure the editorial portrays the thinking of a great number of loyal Americans and I include the text of the article in the RECORD, as follows:

PRESIDENT'S CORRECT STEP

President Johnson's call-up of 14,600 air reservists follows 48 hours of waiting for North Korea to return our captured ship Pueblo—48 hours during which the Reds responded with an attack against Americans on the Korean border.

The President's order is no shot from the hip.

It is the cool, collected action of a commander-in-chief who has the supreme responsibility of defending the United States.

The Communists—whether Russian, Chinese, Vietnamese or Korean—must be met effectively, with clear determination, in their gun-slinging power ploys.

We cannot tolerate such aggression or piracy anywhere.

The President has not called 14,600 men to retake one ship. He has taken this step and is weighing others, including the mobilization of ground reserves, because of a worsening world situation.

Our defenses regrettably are spread thin, but American resolve is strong. If Communists think they can make us back down, they are deluding themselves.

It is the Communists who have been made to back down from aggression at Berlin and Cuba, and in other recent crises when reservists were called.

There is, of course, the danger that the Korean provocations are a diversion to distract attention from a Communist thrust in the Middle East.

That is precisely why the reserves must be ready, and why President Johnson must take whatever steps he deems necessary in the national interest.

CREDIT-CARD SHARKS

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, at the beginning of this Congress I reintroduced my bill to amend title 18 of the United States Code to prohibit the transportation or use in interstate or foreign commerce, with unlawful or fraudulent intent, of counterfeit, fictitious, altered, lost, stolen, wrongfully appropriated, unauthorized, revoked or canceled credit cards. My bill is H.R. 307.

Although there has been much interest in this subject, so far the House Judiciary Committee has taken no action on my bill or the other bills which have been introduced to strengthen Federal laws dealing with crimes involving the use of credit cards. It is my hope that such action will be taken in the near future.

As part of my remarks I include an editorial from the Christian Science Monitor which points out:

There should be a Federal law applying strong penalties to credit card thievery. It is simple wisdom to be as careful with these plastic payment-deferrers as one is with jingling cash or crisp currency.

The editorial follows:

CREDIT CARD SHARKS

It is gradually being realized that today's credit card society is by no means theftproof. Both the organized underworld and the petty forger are preying on the cashless transactions by which so many modern people pay (or defer paying) for their purchases.

This is a bad area in which to be careless. The individual should remember that credit cards can be used by almost anyone who holds them, providing he or she can establish sufficient identification.

The criminal aim is, first of all, to obtain credit cards—from stolen wallets, from mailboxes, from the carelessness of those who leave their credit card at the gas station, and the store or on the hotel bureau, or from mass mailings of unsolicited cards.

But to cash in on his purloining, the criminal must acquire plausible identification credentials. These can be stolen or forged. Such as Social Security cards, out-of-state drivers' licenses (widely accepted, but what shop clerk could judge their genuineness?), military ID cards, employee cards. Remember that a lamination, easily done, can make a forged document look very official.

There are a few simple rules to follow, if you'd discourage those who prey upon the cashless society—upon you as a member of that society. As follows:

Obviously, you shouldn't lose your credit cards. But if you do, telephone this fact to the issuers immediately, so that you are no longer liable. If you wait to write, someone may be running up a big bill, chargeable to you, before the notification arrives. Don't leave credit cards lying about—in the auto glove compartment or the club locker. Destroy out-of-date cards, and unsolicited cards that you don't want. Don't just toss them into the trash, where they can be retrieved. Too many criminals are on the prowl for them.

Protect your identification data too. If you expect checks in the mail, (especially easily-identifiable government checks), pick the mail up early. Keep mailboxes locked. Don't leave books of blank checks around (even if you've changed banks), for they can be filled out and, with false identification, easily cashed. Don't cash checks for others unless you know them, or unless the identification is airtight. Don't be fooled by a lamination alone. Keep track of your Social Security card, your driver's license, other identification documents.

There should be a federal law applying strong penalties to credit card thievery. It is simple wisdom to be as careful with these plastic payment-deferrers as one is with jingling cash or crisp currency.

RESOLUTION TO PROMOTE JOB OPPORTUNITIES FOR RETURNING VETERANS

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, today I have introduced a House joint resolution directed to one of the most critical needs of our times—the providing of prompt and meaningful employment opportunities for veterans who return from the Armed Forces to civilian life.

The sacrifices being made by members of our Armed Forces in Vietnam and other duty posts encircling the world, surely place them in a place of honor in this Nation. Words of eulogy, however, cannot replace hard, tangible facts when these men and women return to civilian life in this country. They must find that we have kept our trust with them, and that their homeland is still the land of opportunity.

The resolution I have introduced reaffirms the traditional policy of the Congress to recognize the debt of gratitude the Nation owes its veterans.

It sets forth the sense of the Congress that every arm of the Government shall exert its best efforts to provide Federal employment for these returning veterans, giving preference to them in the selection of employees.

It further provides that all departments and agencies shall urge all private parties contracting with the Government to give the returning veterans priority in private enterprise employment as soon as they return to the labor market.

The resolution also calls on all other sectors of private industry and commerce to carry out the same objectives and purposes, and to consult, advise, and cooperate with the Government in furtherance of this policy.

The Committee on Post Office and Civil Service will meet in a special executive session tomorrow morning, at 9:30 a.m., to act on this resolution. I am confident it will be reported promptly to the House.

I also announce that I intend to ask recognition when the House meets on Thursday next, to call up the resolution under unanimous consent, and urge its speedy and unanimous approval.

Mr. Speaker, it is my privilege to introduce this resolution.

I know it expresses the desire and the deepest sentiments of all Americans, that we welcome back returning veterans with more than words alone.

VETERANS' ADMINISTRATION HOSPITAL IN JACKSON, MISS.

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BINGHAM. Mr. Speaker, when H.R. 150 comes to the floor, I shall offer an amendment to provide that the Veterans' Administration hospital in Jackson, Miss., be named for Medgar Evers. I think it entirely appropriate that his work be commemorated in this manner; as appropriate as it would be inappropriate to name this facility for the late John Elliott Rankin. In these days when the fires of race hate are being set by many hands—black and white—we should cherish and honor those people devoted to extinguishing the flames.

Medgar Evers was martyred for his work and his faith in the democratic principles for which this Nation stands. He devoted his life to the struggle to end discrimination based on race, for elimination of race hate.

It is symbolic that the American Veterans Committee chapter in Jackson, Miss., is named the Medgar Evers Chapter. It is equally symbolic that the volunteers from this chapter have won special commendation from the Veterans' Administration for the help that they have given patients at the Jackson, Miss., Veterans' Hospital.

I am a great admirer of the National Association for the Advancement of Colored People whose Mississippi affiliate Medgar Evers served so long and so well. True to the continuing principles of the NAACP, Evers fought race hate whether the culprit was black or white. We who believe in racial harmony and mutual respect owe a very special debt to the NAACP which has fought against the tide of racism even when the effort is a lonely one.

Just last week, Roy Wilkins, executive secretary of the NAACP, had a column in the New York Post critical of violence and vandalism in the schools. It reflects the NAACP's consistently affirmative appeal, seeking to build rather than justify destruction; working to combat hysteria when others are too ready either to ignore or convert it to their own purpose. I insert a copy of this column at the end of my statement.

In contrast to the work and the legacy of Medgar Evers is the legacy of John Elliott Rankin. I would not burden this House with a recital of the anti-Negro and anti-Semitic epithets Mr. Rankin uttered in this very Chamber. Suffice it to say, his name is linked with racial and religious intolerance and hostility. It would be a gross insult to the Negroes and many of the whites who reject racism in Mississippi to name this facility for Mr. Rankin.

The brave men who use this hospital have all served their Nation and its cause in time of need. They were called upon to maintain the integrity of freedom's principles. Medgar Evers' name is identified with those principles; John Rankin's is not.

In this period of rising tensions and in a nation beset by those setting race against race, I think we would poorly serve the cause of racial harmony by naming this hospital for the late Mr. Rankin; we could well serve it by honoring Medgar Evers.

The column referred to follows:

THE VIOLENT STEREOTYPE

(By Roy Wilkins)

The violent approaches to race relations which some groups, local and national, have been preaching are hitting and hurting Negro children in the public schools.

In addition, the path of the race as a whole is being made more difficult. Twenty million Negro Americans are being painted daily as the ones who preach, excuse and defend unruly, disruptive and frequently bloody episodes.

The youngsters are being shaped by this policy into dropouts, hoodlums and assault and battery exponents, to say nothing of knife and gun fighters. Tearing up a school disrupts the school, of course, but it also sets back the pupils.

It is no good arguing that the teachers and the systems in the past have hurt the children. So they have. But clearly, from the point where violence is injected and then defended, the community becomes at fault.

In effect, the Negro communities are letting the poor teachers, poor supervisors, poor administrators and poor boards of education off the hook. When a principal is beaten or a pupil is stabbed or outside roughnecks terrorized a schoolyard, no one remembers the bad record of the teaching staff. Everyone remembers what the Negroes themselves did at the school and how, later, some Negroes defended the violence.

In St. Louis guards have had to be hired by the school board for some high schools and elementary schools. Conditions at one elementary school are so bad its guards carry guns.

In Brooklyn a junior high school principal and a teacher were beaten by four non-students. The school denied their charge that children had had to wait in sub-freezing temperature for the doors to open. The superintendent of schools immediately requisitioned $1,250,000 to employ school guards.

As is becoming more and more the pattern, an official of a Negro parents group defended the beating of the school officials. Some elements in the Negro communities have adopted rough talk and violence as tactics. Whatever other talents they may have to offer in the tragic situation in ghetto education they are lost in violence.

Desperately needed are ideas to improve the education of ghetto children. Rabble-rousers need not apply. Since we already know, to our sorrow, that there is no special virtue in whiteness, it must follow, for thoughtful people, that there is no special virtue in blackness. Those, then, who offer merely blackness or what they call "black control" are not offering children an education, but deadly racism. The so-called soul brothers of the youngsters, greedy for power and intoxicated with rough talk, are leading them to a dead-end.

Order is order and crime is crime, whether they be in a white or black society. There is simply no way in which millions of people can live together except through the rule of law. If the law is bad or is unfairly administered, there must be changes, not anarchy.

Slowly but surely, the handful of militant black extremists is gutting the Negro child and unfitting him, in these 1960s, for adulthood in the 1980s. In passing, these few are side-smearing the present-day Negro adult by fastening the violent label upon him. Not a manly label, as is claimed, but a criminally violent one.

And that will take a lot of living down even if, by some as yet unprayed-for miracle, there should evolve a separate black society. In such a society a computer could not be run by diatribes and profanities nor could the course of a plane or ship be set by a knife thrust.

THE RAILROADS ARE DELIBERATELY DISCOURAGING PASSENGERS BY DOWNGRADING SERVICE

The SPEAKER. Under a previous order of the House, the gentleman from West Virginia [Mr. HECHLER] is recognized for 30 minutes.

Mr. HECHLER of West Virginia. Mr. Speaker, there have been a number of evidences in the past few years where the railroads of this Nation have deliberately downgraded service for passengers, which has driven passengers away in some cases. This then gives railroad management an excuse to ask for discontinuance of passenger trains. I believe that the action on the part of the railroads in deliberately discouraging passenger service is not in the public interest, and I would certainly hope that the Interstate Commerce Commission would take more aggressive action to protect the public. Frequently the railroads hypocritically claim that they have tried to improve service through half-hearted methods which have not succeeded, at the same time as they are deliberately driving passengers away.

On the front of the C. & O.-B. & O. passenger timetable, effective November 27, 1967, the familiar comfortably dozing feline trademark of the Chesapeake & Ohio Railway appears with the attractive slogan in red italic: "Chessie Welcomes Passengers."

There is an enthusiastic exclamation point after this statement. It would be more factually correct to substitute a question mark instead.

In August 1967, when C. & O.-B. & O. launched what the railroad termed a "sales blitz" to attract customers, a new slogan was launched which goes one step farther than the slogan on the timetable. The new slogan was "Chessie Loves Passengers—and needs a lot more of them."

Does the C. & O.-B. & O. really welcome passengers? Does the C. & C.-B. & O. really love passengers? Let us look at some hard, cold facts on what the real object of the affection—the passengers themselves—actually say.

LETTERS FROM PASSENGERS

Mary Lee Talbot, 217 Eighth Street, Huntington, W. Va.:

> I made a number of trips to Cincinnati in 1965 and 1966 but found the service so poor that I went on the Greyhound Bus most of the time, although the bus takes longer than the train.

Mrs. R. E. Presley, 224 Vine Street, Beckley, W. Va.:

> I have ridden the C&O several times in the past few years between Prince, W. Va., and Washington, D.C., and often had to stand until the train gets to Hinton where some passengers usually get off. This is not always wintertime travel either.

Mr. and Mrs. Walter Synder, Route 3, Box 73, Beckley, W. Va.:

> It seems that a number of things occur to discourage passengers from riding the trains. You either have to travel early in the morning or late at night and often you are forced into the dining car which isn't too comfortable for several hours at a time.
>
> I travel quite often on the train and certainly would not like to see the trains discontinued. We have talked with numerous others who feel the same way.

W. F. Ackerman, 1355 Kanawha Terrace, St. Albans, W. Va.:

> The C&O makes millions of dollars annually hauling coal and chemicals out of this immediate area and should provide adequate passenger service to this area.

Mrs. L. C. Thrasher, 310 Frankford Road, Ronceverte, W. Va.:

> When a railroad is given the privilege of making millions hauling freight, it seems reasonable that they serve the people along that road.

Mrs. Ruth C. Johnson, 2617 Kanawha Avenue, SE., Charleston, W. Va.:

> As a minor stockholder in the C&O R.R., I am objecting to the possibility of the discontinuance of the six passenger trains serving this area. The C&O owes this state—because of freight hauling profits—not only this service but an improvement in this service so that people are treated as humans, not animals being carted here and there.

TERRIBLE CONDITIONS ON PASSENGER TRAINS

Robert E. Kruthoffer, Jr., Huntington, W. Va.:

> The passenger service is lousy for the most part, the cars are filthy, the bathrooms are filthy, the menus on the diners have deteriorated also, as has the service.
>
> Have you ever got into a coach and hit your hand or fist against the seat and watch the dust and dirt fly? Or, have you ever had to take a long train ride in the hot summer when the air conditioning has gone out? The general deterioration of the service which is available on these lines stinks.

Attorney Taylor Vinson, Huntington, W. Va., describes the experiences of he and his wife on a trip from Philadelphia to Huntington aboard a C. & O. train this way:

> When we boarded the train at Philadelphia, it was so crowded that it was practically impossible to walk from one coach to another due to people standing and sitting in the aisles. After the train left Washington, it was still pretty well filled.
>
> They have taken the diner off the FFV-No. 2—and at breakfast the next morning you have a snack bar type setup. They were out of milk (for children and children's cereal), out of all types of cereal but one and no hot food. To my way of thinking, this does not encourage passengers.
>
> The railroad is not in financial straits, is making money and paying dividends of $4 per share per year to its shareholders and I, and many others, feel that the duty they owe the public, particularly in West Virginia, far outweighs the relatively small loss engendered by the continuous operation of the present two trains (No. 3 & 4) each day each way.

PASSENGER SERVICE GETTING WORSE

Merrill R. Atkinson, Post Office Box 38, Logan, W. Va., wrote me:

> Thus far in 1967, I have not been on a train, the first time since 1901 I have not been on the C&O. Last year I have traveled over 8,500 miles on passenger trains and have averaged over 5,000 miles a year for many years. Service has been getting worse every year on the Eastern rails and my experience on the C&O since 1964 has been particularly bad.
>
> In June 1964, I took the George Washington at Ashland en route to Los Angeles via Cincinnati and Kansas City. Expected to get breakfast going into Cincinnati but diner was full of passengers who couldn't find seats elsewhere.
>
> In 1966 we again took the George Washington in Huntington to Cincinnati with the same Kansas City connection and the dining car was again full of outcast passengers from the coaches so no breakfast.
>
> Whether intentional or not, the management of the C&O is doing an excellent job of running business away from the trains in spite of the big sales promotions they advertise.

Mrs. L. E. Barton, 2701 First Avenue, Huntington, W. Va., wrote me:

> I ride them quite frequently and it will inconvenience me terribly. It will mean that I will have to wait from 11 p.m. in Cincinnati until 6:00 the next p.m. to get a train out to Huntington. Now that is lousy service. Their trains are always quite crowded.
>
> And if they would show just a little more courtesy to the passengers, I'm sure they would get all the business they could handle.

A. J. Houvouras, Jr., Huntington, W. Va., businessman, wrote me:

> I have often traveled to Washington by train and actually prefer to do so. It's the surest way of getting there, the cheapest, and at times, the most convenient.
>
> I have found the trains unbelievably dirty, uncomfortable, overcrowded, and the personnel rude. They are discouraging train travel and go out of their way to do so.
>
> It would seem to me that they could operate at a profit if they made the effort to attract business, not let it *fly* away.

H. L. Bias, 1703 12th Avenue, Huntington, W. Va., wrote me:

> I travel between Huntington and Washington, Baltimore and New York several times a year and am lucky to get Pullman space

one time in 10 trips. I have asked for reservations two weeks in advance and they claim they are sold out.

It is very common for people to stand for hours because they don't have enough coaches on the train to take care of the passengers.

I assume they make more money hauling hogs and intend to completely eliminate all passenger service.

H. J. Cavendish, Hinton, W. Va., wrote me:

I work for the C&O and am ashamed to tell people I meet on the trains that I am a part of such lousy services.

TRAINS ARE ALWAYS CROWDED

Mr. and Mrs. Olin McClung, St. Albans, W. Va.:

On our return trip from Washington, Dec. 26, 1967 it was so crowded from Alexandria, Va., we rode the dining car to Charlottesville. Some passengers sat on their luggage, some in the restrooms. They put on two coaches at Charlottesville, and shortly they lost the heat. No breakfast or coffee. Near Charleston we got hot coffee.

Mrs. Jessie Howard of Worthington, Ky., wrote me on January 1, 1968:

I ride those trains from Ashland, Ky. to Washington, D.C. No wonder people are discouraged with those trains. They are dirty, with broken seats. There are plenty of people riding them. I made a trip with my family this Thanksgiving and had to stand up all night. Does that sound like no one is riding them?

S. L. Guinn, 1023 Red Oak Street, Charleston, W. Va., wrote me on January 12, 1968:

I rode out of Washington, D.C., on Nov. 10, 1967 and there were no seats available. There were not even enough straight chairs in the dining car.

C. & O. TRYING TO DISCOURAGE PASSENGERS

Mrs. Gene E. Knapp, 1103 Park Avenue, Nitro, W. Va., wrote me on January 13, 1968:

It is my opinion that the C&O is trying to discourage passengers. On our December 12th and 13th trips from Charleston to Wilmington, we found the conductors to be rude, the coach dirty from absence of sufficient receptacles, insufficient heating and poor porter service. On the December trip, we were informed that all the pullmans were taken and they weren't interested apparently in putting more on.

Mrs. Earl F. Brown of 6103 Bobolink Lane, Charleston, asked me to relay to you her experiences returning New Year's night from visiting her daughter in Washington. The coach was old—B&O—no porter service (a passenger helped her), coaches especially cold and dirty.

Edgar Harr writes me:

My home is about fifty-eight miles from Huntington in Kentucky.

My wife and I went on a trip to Detroit Dec. 27, 1967. On the C&O train to Detroit, out of Ashland (one of the trains the railroad is trying to take off), they put us on an old B&O coach, it was so dirty it was not fit for a human being, it was also so rusted out around the windows it looked like a scrap heap. My wife ruined her coat it was so filthy.

On our return trip (Dec. 29, 1967) from Detroit, we got a seat. By the time the train got to Plymouth there were no more seats. The train had around seven coaches and a diner. The train was so crowded they closed down the diner and let passengers in there (the diner) to sit. People were sitting on and lying on tables.

Twenty-six miles out of Columbus, Ohio, the train hit a car. We sat there three hours in the cold. I know they could have put on another coach for those people. After all they knew it was a holiday weekend.

There are a lot of people in W. Va. and Ky. who work in Detroit, Michigan.

What will these poor people do if they take off trains 46 and 47?

REST ROOMS DISGRACEFULLY DIRTY

Mrs. E. R. Cresap of 238 Crawford Street, Beckley, W. Va., wrote me on January 9, 1968:

Our chief objection to present train service is the long lay-over on sidings, making every trip over-long and exhausting. Normally we have always been able to obtain seats, but the rest rooms are disgracefully dirty.

Robert Cunningham, 3130 Virginia Avenue, Hurricane, W. Va., wrote me on December 29, 1967:

It's a shame the best means of transportation we have is going right out the window. Try to call the Depot in Huntington for information if you can get it. One time they just let the phone hang on the hook and never did come back. The conductors on the trains are so old they are like a bunch of grouchy bears.

I didn't attend the public hearing they held in Huntington because I had to work. I work for the Ohio River Co., and boatmen ride the trains a lot. I got off the boat in Cincinnati and went to the depot to catch the Sportsman. I asked about whether it stopped at Hurricane, and they said no. So I said I guess I will get a bus. They said: "Get a kiddie car for all we care." That was a good answer. I think if they improved the service more people would ride the trains.

Mrs. George Doss of MacArthur, W. Va., wrote me on December 28, 1967:

I have two daughters, one lives in Toledo, Ohio, and the other in Maryland. The only way I get to visit them is by the George Washington or Sportsman. In the years I have travelled these trains, it is hard to find a seat, they are always crowded, and I can't understand why they want to discard them.

George A. Grimm of Eleanor, W. Va., wrote me on January 2, 1968:

The discontinuing of these trains would leave West Virginia without connecting train service to other states. It seems to me that the railroads have been trying to discourage passenger service for the last four or five years. The railroad dining car employees as well as the other employees are very discourteous to the passengers.

NO HELP FOR PASSENGERS WITH LUGGAGE

From Cowen, W. Va., Leslie E. Bobbitt wrote me on December 11, 1967, as follows:

I would like to relate the experience my wife and I had on a recent trip to Florida.

We boarded the early morning train in Charleston, W. Va., and on our arrival at Hinton I noticed a colored lady boarding the train carrying two bags, one of which was large. There was no one to assist her so I asked if I might help her put her bags on the rack. She said she would be very glad to have me do it and thanked me.

As we traveled on South another lady, very refined looking and elderly, got on with two large bags. I noticed when she entered the door she walked with a limp and was having difficulty getting her bags in. I asked if I might help her. She was most appreciative. As we journeyed along we learned she lived in Canada and was going to Richmond, Va., to visit friends. On our arrival in Richmond I carried her bags into the vestibule to the steps and returned to get my own. She had to ask a bystander down on the platform to help her off, and a porter standing within six feet of her.

Now as to the colored lady, she started to step down with her bags and fell to the platform, dropping them, tearing her hose and cutting her knee. An engineer with the Lackawanna Railroad from Cleveland, Ohio, whom I met on the trip, helped her up and into the station. When he requested her to report the accident, she replied, "There's no use for I am colored."

Not one time did the trainman on duty offer to help in any way either of these two ladies. Incidentally, I might add, the top fell off the footstool to the platform when I stepped off.

I heartily agree with you when you say the railroad company is discouraging passenger service.

DETERIORATING SERVICE

E. E. Spencer of 1370 13th Street, Huntington, W. Va., wrote me on January 14, 1968:

For a few years, I have been traveling between Detroit and Huntington at least four times per year, and sometimes more. Usually I use pullman, but on very short stays I have traveled coach. Both have deteriorated to a disgusting degree.

On Thanksgiving, although I had had an impossible trip last year, I went home again. Train late—standing room to Ashland—Then upon asking about the Detroit coach, I was subjected to a complete "bawling out" for being in the wrong car, but was backed by another passenger who had also been put into the same coach. We were placed in a most uncomfortable and dirty coach at Ashland. The train was held up there for almost an hour, and the explanation was that there were three private cars that had to leave before we were permitted to go. As usual, we arrived in Detroit one hour late. The trains I have ridden have never been empty (coach or pullman) and have never arrived in Detroit on time.

On my trip over the New Year, the train was late arriving, the last Red Cap in the local station was now loading trains, and we arrived in Detroit fifty minutes late. On the return trip, both coaches and pullman (which I occupied) had no heat until we reached Plymouth, Michigan. In addition, the menu in the trains have been arranged to suit the company, and in complete disregard of the passengers' desires, but believe me, the prices are just as high as ever. When you consider that ordering is like asking for a big favor, and what you get in regard to what you order is a great big guessing game, it all becomes rather rotten.

These are a few facts, that I sincerely hope will put more power in your fight to retain even this so called "token form" of transportation.

NO REAL ATTEMPT TO INCREASE PASSENGER SERVICE

Mr. Luther Scragg of 1316 Jackson Avenue, Huntington, writes:

No real attempt has been made on the part of the C&O to increase their passenger service here despite their claims of advertising, fare incentives, etc. I have with my family of three rode the Detroit section from Huntington, W. Va., to Columbus, Ohio, and we all had to stand from Huntington to Ashland, Ky., where the train was split into 3 sections before proceeding on their way. The trains were untidy, even dirty, and the employees were at the best disinterested in our well being and when my sister bought a cup of coffee one employee of the C&O was very rude. The C&O actually discouraged us as passengers despite their claims of diplomacy. We are entitled to better, cleaner and frequent trains. With more consideration for comfort, and better scheduling. Then they can and will make money.

Mr. and Mrs. Meredith E. Williams of 1001 Fourth Avenue, Montgomery, W. Va., wrote me on January 8, 1968:

We live in Montgomery, W. Va. We made a trip to Dearborn Heights, Michigan, by train October 67. My sisters drove from Summersville to Montgomery to make the trip with us. We rode a coach.

We went to the depot to get tickets to Plymouth, Michigan, at 11 p.m. We, also, checked our luggage while there, to Plymouth we thought. We left Montgomery at 1:45 a.m. and arrived in Plymouth around 11 a.m. When we got off the train we looked for our luggage, but couldn't find it. We went in the depot and asked about it. The ticket agent informed us they didn't take luggage off nor put it on, as they didn't have a man there to do it, and that our luggage had gone to Detroit. So we had to drive from Plymouth into Detroit approximately thirty miles. The party that met us drove about fifteen miles from Dearborn Heights to Plymouth, then the thirty miles into Detroit from Plymouth for luggage, then back to Dearborn Heights, which is about fifteen miles from Detroit. That was a lot of traveling and time uncalled for. Had we been informed when purchasing tickets our luggage was going to Detroit we could have bought tickets to Detroit.

While at the Detroit depot the ticket agent informed us that returning to West Virginia departure time from Plymouth had been changed. It was an hour later than ticket agent in Montgomery had told us.

Returning to Montgomery we got on train around 7 p.m. We had our hands full as they would not check luggage at Plymouth. We had a hard time getting aboard train, but a couple getting aboard a pullman had the ticket agent helping them with their luggage.

After getting our luggage situated and finding seats, we decided to go to the dining car for coffee. The cook met us before we were seated at a table and asked us what we wanted. We told him we would like a cup of coffee. He said "I don't have time for coffee drinkers." Then he said "Don't get mad at me that's the company's orders." There is no reason we should not have been served, because there were several tables vacant and we were well dressed. We each ate a full breakfast in the dining car on the way to Michigan ($10.00 for 4). While we were eating breakfast there were several people eating toast and drinking coffee.

HOW TO DISCOURAGE GROUPS FROM TRAVELING

Marshall University Special Education Professor Offa Lou Jenkins wrote me on December 20, 1967:

Within the past twelve month period I have had occasion to go with our university students to several out-of-state meetings that required transportation for 8–25 persons. When I called (several months in advance) to make arrangements, I was told that there would be space available but no seats could be guaranteed. The morning we boarded the train we were "herded" into a World War I type care for a trip from Huntington to St. Louis, Missouri. The car was very uncomfortable (two students became ill); therefore, I complained to the conductor and asked that we be allowed to move to a newer car which had plenty of seats. I was told that this could not be done. When I asked what steps could be taken, I was told to get in touch with the Train Master in Cincinnati. I asked the conductor to please arrange for me to speak with him, that better arrangements would have to be made or we would leave the train and take other transportation.

Upon arrival in Cincinnati, the Train Master met us and he was most cordial, allowed us to move to the near empty car and promised that arrangements would be made for comfortable seating on our return trip on Saturday. [We had asked to be served breakfast more than an hour out of Cincinnati and were refused.]

Recently, a group of us went to West Lafayette, Indiana. The seating was not so bad; however, we remembered previous inconveniences in eating and waited until 6:30, when breakfast had not been called, we went to the diner and were refused on the basis that we were too close to Cincinnati where the diner is removed. One hour and ten minutes later the call was made for Cincinnati. However, it was not the lack of service that was so uncalled for, but the general attitude of some of the persons involved—for example, in the diner we were told that breakfast had been called—fifteen of us in one car knew it hadn't been and said so—but were told "that is your word against ours" in a most uncalled for manner.

These are only two of several instances. It appears that, generally the C&O and B&O prefer cargo and baggage or freight that can be pushed around, left on the siding and doesn't talk back. I must say that several of the persons locally, among them Mr. R. B. Harris, have done everything possible to make arrangements for us. The food server on the return trip from Cincinnati apologized for the inconvenience, but then he was the same one who later was "less than hospitable" on our trip to Indiana.

Why are other countries, who really may not have some of our transportation problems, working to provide improved rail service and some of our railroads appear determined to phase out passenger travei? Is it too difficult to plan for the future? Has complacency permeated so deeply?

Mrs. Wendell Cremeans wrote me on January 9, 1968:

Recently my husband and I went by train through Washington and on to Baltimore, Md. The trip up there from Huntington was very nice. The conductor or ticket agent was good to us and so were all the other personnel. However, when we came back we were treated terrible. It really hurt my feelings and we really thought we had done something wrong. The conductor was the hatefullest man I ever saw, if I may put it that way. The cars were terribly dirty and run down, and we went to the dining car twice and couldn't get anything to eat, and the conductor come back there and talked so mean to us, that we went back to our seat and didn't try any more.

I think they can make more money hauling freight and want to discourage passenger service. I think it would be tragic to let them discontinue the trains. I thought we were trying to progress instead of going backward. The C&O doesn't stick to their motto: 'C&O for Progress.' Also my mother-in-law has made several trips to Baltimore this summer with her little girl who had heart surgery. She said they were treated bad and had to sit crowded 4 in a seat.

MOST PASSENGER TRAINS DO A THRIVING BUSINESS

Thomas W. Dixon of Alderson, W. Va., wrote me on January 15, 1968:

I have ridden on the C&O's Trains 3 & 4 on 15 different occasions in the past year's time. During all these trips, I was unable at any time to see or observe any lack of passenger business at most stations. However, I did observe that passenger business seems to be best in West Virginia, followed by Virginia, and Kentucky seemingly contributing least. On August 20, 1967, I rode No. 3 from Alderson, W. Va., to Cincinnati, Ohio. When I boarded I walked through the train and was able to observe that there was only one double seat available in any coach and that many seats were occupied by two persons. As the train traveled it deposited several passengers, but took on as many, or more, so that by the time my coach had reached Cincinnati there were only two seats left vacant. At Huntington, W. Va., I was able to observe no less than 50 persons disembark from the train, but I was unable to see how many boarded, but there were a number.

On a later occasion, on Jan. 1, 1968, I had the pleasure to take C&O No. 4 & 46 to Richmond, Va. When I boarded this train at Alderson there were two Richmond coaches on, each one almost full. The Washington coaches forward were also crowded. This condition persisted, with brisk business at Covington, White Sulphur, Clifton Forge and Staunton. At Charlottesville No. 46 picked up about 30 people in addition to those who had come in on No. 4—These shorter distance passengers were crammed in an old heavy-weight day coach, and I suspect their ride was none too comfortable.

On my return to Alderson, via Washington, D.C., I rode No. 3—THE FFV. At Washington this train received a DROVE of passengers which must have numbered more than a hundred, and so frenzied was the race for the cars that some broke out in a dead run, hoping to get better seats. In the end all ended up in two old heavy-weight day coaches which took some time to warm up. So we joggled on along through the night.

I personally have no complaints of a serious nature against the train personnel themselves, but I do find that the C&O is certainly giving every evidence of trying its best to discourage passenger business all it can. The Diners have been taken off 3 & 4 now, and replaced with the food-bar coach, where only sandwiches are served. This service (?) is a far cry from the fine diner which ran on these trains until about last September! Depots are not kept up, and waiting rooms usually present a *mess* (with some notable exceptions). On my ride Jan. 1 & 2, 1968, I noted that at every depot people were forced to walk down icy and unswept platforms long distances, while baggage and express cars stopped in front of the depot. There is little enough excuse for this.

The C&O claims that it has tried an Advertising Blitz. In my humble opinion if this really was a serious effort to publicize train travel it was a poorly conducted and completely muddled job. "Good-guys" in white hats in a few large cities cannot stir up the needed public travel by trains, only a concerted campaign telling the public about the true pleasures of train travel can help, and by running truly good, first class service, instead of the present disconnected, poorly co-ordinated service.

It is my hope that the ICC will retain the [illegible] trains, as they are certainly needed, and it is also my hope that the C&O will come to its senses and start trying to attract and please its passengers instead of discouraging them. Maybe then Chessie would get those passengers she needs!"

CANNOT VIEW SCENERY BECAUSE OF DIRTY WINDOWS

Dennis J. Lyons of Lavalette, W. Va., wrote me on January 3, 1968:

On leaving Washington on No. 3 Tuesday evening every seat was taken in our coach and a large number of later passengers passed back and forth through our coach looking for seats. Upon arrival at Alexandria, another large group of passengers were waiting for the train. This train still contained almost a capacity load of passengers when we left it at Huntington—and this is supposedly the time of week when train travel is lightest.

On the basis of this and shorter trips we have taken, I would like to make these comments—

The equipment on these trains was in poor condition as to maintenance and cleanliness, and though the traveling through some of the most beautiful scenery in the eastern United States, the condition of the windows made it almost impossible to view. Seats were broken, upholstery dirty and torn, floors dirty, lighting bad.

The attitude of the train crews were in general, good, with only several exceptions.

Dining car service was good in two instances, terrible in two others, being so slow on one train we gave up. This was due mostly to understaffing of the diner.

The schedule could be improved greatly as to actual time, there being long waits at a number of stations, obviously due to traveling per schedule. As example, No. 3, by actual time stayed in Charlottesville fifty-five minutes, but all switching and mail handling was completed within twenty minutes after arriving.

The C&O has an obligation to the area it serves to provide the best of all types of service, not just the ones it sees as necessary and profitable. If their attitude toward the freight business had been the same as directed at their passenger traffic, they could now be totally out of business.

There is a need by the railroads to coordinate their passenger train schedules to reduce layovers at major terminals, and for a far greater amount of interchange of passenger equipment between railroads at these gateways to avoid changing by passengers. The reluctance of railroads to offer through service would make one think that their track gauges were different.

There is a need in our national transportation system for railroad passenger trains and if the railroads cannot manage this portion of their business, then the federal government should do it for them.

DECLINE IN SERVICE ON PASSENGER TRAINS

Mrs. Robert Redd of 120½ Grant Street, Beckley, W. Va., wrote on December 6, 1967:

I have lived in West Virginia for 23 years and in the course of that time have had many occasions to travel between Prince and New York. I have watched the gradual decline in the coach passenger service.

Once, during mid-July, the heat came on instead of the air conditioning. We were told there was no way to cut it off. The coach was filled with people including a number of babies, and it was a living mess.

The rest room never gets cleaned on the entire 14-hour trip. The waste containers get so chock full finally the passengers just give up and drop paper towels (before they give out) on the floor. By the time morning arrives, the bathroom is so filthy I don't even try to wash my face or put on make-up in there. I just ride dirty until I get to the Pennsylvania Station.

During the peak vacation and holiday periods, there is one coach for New York-bound passengers and it is packed and jammed . . . full of school kids, servicemen, wives of servicemen, with children, etc.

REMOVAL OF TRAINS WOULD ISOLATE COMMUNITIES

Iva S. Nowlan of 1620 Buena Vista Drive, Huntington, wrote me on January 17, 1968:

I am a retired employee of the Appalachian Power Co. My home is in Huntington, my home town is Alderson.

I make many trips between these two points during the year and these two trains are my only mode of travel. I feel that there are many more people who live in the smaller towns along the C&O lines between Cincinnati, Ohio, and Washington, D.C., who depend on those two trains the same as I.

I am not complaining as to accommodations on the trains, my desire and need is for transportation. Many communities will be virtually isolated so far as travel is concerned with the removal of these trains.

HOW NOT TO DO A GOOD TURN

Mrs. R. S. Barr of Charleston, W. Va., wrote me on January 5, 1968:

One of the most reprehensible instances of C&O railroad inefficiency of which I am aware occurred in June of 1966. The Buckskin Council of the Boy Scouts were arranging for 51 boy scouts and 5 leaders, a total of 56 persons, to board the train here at Charleston for the first lap on their journey to Philmont Ranch in New Mexico. A special coach was to be added to the train in Washington, or at least prior to its arrival in Charleston at 2:30 a.m. to provide accommodations for these 56 persons. Arrangements were made by the Buckskin Council much in advance of the appointed date, but when the train arrived in Charleston no special coach had been provided and the 56 persons were herded into the dining car. There they were seated on what dining seats were available, the tables, and their luggage. Can you imagine a more unhappy sight for the many parents who had entrusted their young boys for such a long journey, to say nothing of the discomfort to the travellers beginning this long journey! These were the accommodations provided until the train reached Ashland, Kentucky, around day break when the special coach was added. As you know lights on trains are dim at night, and the only lighting in the coach was the small night light at each end thereof. Our local reporter, Adrian Gwin, was one of the five leaders on this trip and spoke vehemently of the crowded conditions from Charleston to Ashland. This episode speaks tellingly of "planned discomfort", for such a boner as this was not created by a local agent.

Mrs. H. T. Caldwell of 219 Carper Avenue, Barboursville, W. Va., wrote me on January 5, 1968:

Your experience regarding an attempt to board the C&O train out of Washington, D. C., for Huntington, W. Va., describes the situation much better than I could do and it is the same in Huntington, W. Va., when taking the train to Detroit, Mich., or any cities between Huntington, W. Va., to Detroit, Mich.

The train is late in arriving and always overcrowded and usually sits in Ashland, Ky., for an indefinite time.

I make the trip often, usually taking my mother who is 82 years of age and cannot fly—if you could get a plane out of here for Detroit, Mich. We often have to stand to Ashland, Ky., and have stood up as far as Columbus, Ohio. More coaches are needed badly.

I believe that many more people would travel by train if better service was available.

FORCING PEOPLE OFF THE TRAINS

Mrs. C. H. Chase of Charleston, W. Va., wrote me on January 7, 1968:

I wish I could write and tell you of my experiences with that darn C&O railroad. There is not paper enough, no words that can explain to you what they are doing and how they are forcing people off the passenger trains.

If you hold a meeting in Charleston, please notify me and I'll tell your committee my personal experiences with great pleasure. I'll put their lies right down their cheating throat.

G. S. Alderson of Hinton, W. Va., wrote me on December 28, 1967:

If they would try as hard to get passenger business as they are to get rid of it, there would be no trouble.

Mrs. J. A. Johnson of 404 Park Street, Beckley, wrote me on January 9, 1968:

Not everyone can travel by car or plane. I prefer trains for many reasons. Whenever and wherever I go I find crowded conditions.

Dr. Albert C. Esposito, 1206 First Huntington National Bank Bldg., Huntington, W. Va., wrote me on January 3, 1968:

I notice with much concern the attempt of the Chesapeake & Ohio Railroad to once again curtail train service into our area.

It hardly seems logical that a company that is doing business at a profit in our area would seek to cut vital transportation service and push the area further back from progress and communications with other vital centers in our nation.

That there is a need for this service must be obvious to all. That the service is being allowed to willfully deteriorate is also obvious to all those who use this most important means of transportation.

NOT ENOUGH COACHES FOR HOLIDAY TRAFFIC

Mrs. Adele Strauss of 943 12th Ave., Huntington, wrote me on January 8, 1968:

The C&O seems to be deliberately trying to discourage passengers from traveling on it.

On a recent trip to Detroit, I had to go through 3 or 4 almost empty cars to get to the diner. Some of these coaches were old. Since I was not traveling by coach, I do not know whether they had everyone crowded into two cars and the others empty or nearly so. That has been done on the run between Cincinnati and Washington. There were several people in the slumber coach.

It seems they do not put enough coaches on for holiday traffic, then put extra coaches on for ordinary traffic. Does it not cost more to haul a long train than a shorter one? This putting on of more cars than they have expectations of using is a fraudulent effort to bolster their case.

Also the statistics published in our local paper show that the C&O passenger traffic has been increasing steadily over the past three years, in spite of their efforts to discourage passenger service, and also their profits have also increased.

They have let their rest rooms remain dirty and in disrepair. Also, their tracks need fixing for the C&O gives a rough ride whichever direction you go.

MILD INDIFFERENCE TO INSULTING NEGLECT

Paul E. Maxwell of 5626 Virginia Ave., S.E., Charleston, wrote me on January 3, 1968:

I can attest to the fact that the C&O has deliberately discouraged the public from traveling by rail. In general, for more than ten years equipment has been growing increasingly shabby and inadequate. Railroad personnel's attitude toward passenger needs range from mild indifference to insulting neglect.

Miss Dolores I. Dowling of 1521 Enslow Blvd., Huntington, wrote me on January 9, 1968:

On the morning of Saturday, December 30th, my two sisters and I waited at the C&O Station for the arrival of the C&O train from Detroit which was due in at 3:57 A.M., and it was 6:15 A.M., before it did arrive. They were so cold and tired from the trip (the train hit an automobile outside Chillicothe, Ohio—the train could not move until an acetylene torch could be obtained from Columbus in order to remove the automobile from the Engine) and the heating system was put out of order. This is understandable for this delay and we were all thankful that no one was injured or killed and that the three hours delay was excusable. But on the return, we called the station at 3:00 A.M. to see if it was on time and would leave at the scheduled 3:30 A.M. and was told that it was on time. You can see by this letter that it too was late (I don't know the excuse this time) and that our guests (four adults) had a terrible trip back to Detroit. They had tried to get Pullman accommodations long before December 28th but none were available. My sister worked for the Pullman Company during World War II so she is familiar with the trains and rides them during her travels.

I don't doubt that they will show a loss in their profits but they have moved so many families, disrupting their lives, into and out of Huntington, absorbed real estate,

> etc., so they will recoup their losses in earned income, I am sure. When you become a dynasty—something has to give—but why the poor people who can't afford automobile travel, those who haven't advanced to the jet age, those who like to travel leisurely and those who have to travel the *train way* for sake of a time element.
>
> As long back as five years ago, a good friend of mine said the C&O did not want passenger service, they were discouraging it, that their freight and "piggy back service" was their ultimate goal—and I believe he's right.
>
> I do hope that through your efforts, the trains will be retained in service. But, if they are, are they going to be allowed to be a health hazard???? Where are the sanitation officers? Where is the Health Department? Don't they have to meet cleanliness standards? Don't they know how many tickets they have sold and the number of passengers they can accommodate?

MANY STUDENTS USE THE TRAINS

Mrs. Bernadine W. Anderson, 3011 Wallace Circle, Huntington, wrote me on December 21, 1967:

> At the present time we have a daughter who is attending a school in Toledo. While the schedule of the train is far from desirable at least she can look forward to an occasional trip home when an opportunity presents itself. Bus travel takes from 11 to 12 hours, which is not logical when one only has a weekend. We know many students in this area who will be affected by the removal of these trains and who are at the present time experiencing considerable frustration at the prospect. We hope these young people will return to West Virginia and become leaders in the community. It is bad enough they see the lack of progress in the State without being discouraged to the point that they do not wish to return to it.
>
> We did not appear at the hearing last year because we felt we were such a small cog in the wheel and that our problems were insignificant by comparison with those of others.

Samuel J. Boldrick of 116 West Walnut Street, Lebanon, Ky., who attends Spring Hill College in Mobile, Ala., writes me:

> I ride trains home from school to Kentucky making at least 3 round trips each year. Four trains that I have ridden no longer run. The problem is magnified by recent Post Office curtailment of its use of passenger trains, with the result that still more trains are up for discontinuance. I am enclosing some information on the National Association of Railroad Passengers. The dues are as low as $1 per year. I hope that you will consider it. Also enclosed is a report by the association and also a speech by Senator Allott of Colorado. If the railroads are not going to do anything about the passenger train, then the government, in the interest of the welfare of those citizens which use this means of transportation, should step in and regulate passenger trains, especially their discontinuances, more closely. A strong basic system of mass transit which cannot be blocked by bad weather, etc. is a necessity in the National defense setup. You learn about this in the most basic courses in ROTC. Why then has the government neglected the traveling public?

HANDICAPPING THE PROFESSIONAL PEOPLE OF WEST VIRGINIA

Dr. Werner A. Laqueur, chief, division of pathology, Beckley Appalachian Regional Hospital, Beckley, W. Va., wrote me on January 4, 1968:

> West Virginia cannot afford to relinquish another link with the industrial, technical, and cultural centers of our country. Quite on the contrary, access to these ought to be made easier. These points, I should think, would militate strongly against curtailment of Chesapeake and Ohio service.
>
> More specifically, however, the professional community of the state would be handicapped by reduced access to cities served by the Chesapeake and Ohio (or connecting railroads). I find it necessary—and I am sure I speak for a number of my colleagues—to travel to such cities in the course of my work for meetings, consultations or other discussions. Furthermore, access to West Virginia by outside professional people would be limited by reduced service. Surely we should offer them more than one train to our state.
>
> May I repeat then that I am strongly opposed to the proposed reduction of Chesapeake and Ohio service and that I support any efforts you might make to retain, or even expand, the present service.

DIRTY SEATS, BROKEN-DOWN CARS

Hugh Dillon of Huntington, W. Va., wrote me on December 8, 1967:

> My wife and myself ride the C&O trains out of Huntington, W. Va., going to Cincinnati and to Washington, D.C. on into New York City.
>
> My wife last week waited as usual at the Huntington Station for the George Washington to go to New York City. Late as usual was the train coming in from Cincinnati, Ohio. I could not get a red cap to help my wife with her luggage because there wasn't any. I talked to the train agent at the Station. He said he would get a porter when the train arrived to help my wife. So I left to go back home. When finally the George Washington arrived late, no one came to help with my wife's luggage as I was told there would be.
>
> My wife got onto train and did find a seat, which other people behind her did not. Sitting on suit cases in the aisle and sitting on arms of coach seats and standing up all over the car. No dining car. A snack bar was available but people leaning upon snack bar trying to rest and sleep. So crowded you couldn't get something to eat even if you was hungry. Myself, Ken, the dirty seats and the smell of the smoke filled car is enough to discourage anyone from riding the C&O trains. My wife was put into an old broken down dirty car at Huntington, later was put into a car going to New York City. The C&O is doing everything they possibly can do to discourage and ruin passenger service on their trains so they can petition the I.C.C. to discontinue train service.

DOES C. & O. REALLY LOVE PASSENGERS?

One of the reasons why I have quoted at length from these letters is that they show very clearly that if the C. & O./B. & O. truly loves passengers, it may be likened to the character in Philip Barry's play, who said:

> You may look on love as a sort of captivating robber, who chatted so sweetly as he plucked your destiny out of your pocket.

Or, in the words of Shakespeare:

> The course of true love never did run smooth.

But in view of the contention that passenger trains are losing such monumental sums, it took an obscure poet by the name of Francis Thompson best to define the C. & O./B. & O. feeling when he wrote:

> Love is the ambassador of loss.

ROACHES IN THE COACHES

Now I would like to come to a very delicate subject which I would not bring up except that a number of passengers have written me about it. This is something I have noticed personally, and it is clearly a condition which will drive passengers away if nothing else will. It is a condition which is horrifying. There are roaches in the coaches.

Mrs. Peter Godfrey, Meadowcrest Lane, Charleston, W. Va., wrote me on January 9, 1968:

> Last year when I rode the coach from New York to Charleston, roaches were crawling over the window next to my seat. There assuredly is a need for more and better train service. Buying a ticket is a major enterprise in itself. If the service were improved all around, many of us would be glad to use the train instead of traveling by other means.

I might remark that this lady was shocked, but she will come back to the passenger trains if the conditions are improved.

Mrs. Frank Rodriguez, 1663 Washington Boulevard, Huntington, wrote me on January 2, 1968:

> On December 16, 1967, I traveled by C&O. I hadn't been on a train for some time and I was amazed at the change. The train was late and didn't leave until 10:30 or so. It was cold and the "Snack Bar" was a joke. A cup of coffee in a plastic or paper cup and doughnuts from a box. The coach that had the snack bar had the worst stained and dirty seats I have ever seen. Coming back December 31, the window of the coach I rode in had been broken, and had paper strips to seal it. Naturally, not many people stayed in that seat because of cold air. The rest room was "lovely." The handles were broken and both rooms were not desirable. Then I was again surprised to find a roach going up the wall! Of course, we know that roaches love filth and dirt and it was there. I only hope this letter will help a little, because it is the truth.

CRAWLING CREATURES ARE TERRIFYING

Miss Lois E. Cunningham, who often rides between Huntington, W. Va., and Washington, D.C., wrote on January 30, 1968:

> I noticed a deterioration in the service as well as the condition of the passenger cars. The cars were usually very dirty, one time there were no pillows available, and New Years' of 1967 on my return trip to Baltimore many people were sitting on their luggage and others were crowded into the rest rooms.
>
> Of all the many bad experiences I have had in the past on a C&O train, I consider the experience I had over Labor Day weekend of last year to be my worst experience.
>
> After boarding the train in Washington, I moved from an older and very dirty coach to a newer and seemingly cleaner-looking one. Some time after the lights had dimmed, I heard the woman across from me complaining to another passenger about the many roaches that were crawling all over the car. I hadn't seen any until that time, but all of a sudden I became very aware of them. I personally saw four, and the woman across from me said she had exterminated seven of them. Needless to say, I spent the rest of the night wide-eyed and in defense of these crawling creatures, which by the way terrify me, and I was assisted by the man who was sitting in front of me who was nice enough to exterminate them for me.

COACHES ARE DIRTY

Mrs. Florence Hammett, 720 Washington Street, Ironton, Ohio, wrote me on December 21, 1967:

> The coaches are dirty, and last year coming from Williamsburg, even roaches were on the windowsills and in the rest rooms. This should be corrected for the sake of health of humans who need to use these coaches. In November I returned from a couple months in California. As far as Chicago everything was clean, comfortable, food excellent and the dining and coach assistants were more

> than necessarily courteous. Arriving in Chicago no one wanted to give any information as to my transfer to NYC then to C&O and arriving in Cincinnati it was even worse. The train was extremely crowded and as usual very dirty. No one called the next stop and people were floundering around wondering where we were and if this were their station. I am going to Williamsburg again this weekend, and hope against hope that the train will hold all the passengers who have bought tickets to the east. I have no idea that my friend and I will find two seats together, she may even be in another coach.

PASSENGER TRAVEL COULD BE MADE MORE APPEALING

Mrs. Glen A. Messer, 1406 Fourth Avenue, Huntington, W. Va., wrote me on January 9, 1968:

> My husband is an employee of Marshall University and I am a senior at the same institution. We have been residents of Huntington, W. Va., for 3½ years (my husband is a native Logan Countian) and as my family lives in Michigan, we make use of the B&O–C&O twice a year to visit my parents. Our trip is at Christmas and the other is usually during the latter part of the summer, usually in August.
>
> We do not wish to discredit all C&O–B&O train personnel as we have encountered some very pleasant, conscientious persons. Nonetheless, we have also encountered too large a number of those who have been and are rude and unconcerned with the welfare of their passengers.
>
> A brief account of our last train trip over the Christmas holidays may give you a clearer picture of existing conditions on the trains.
>
> Our train, whose final destination is Detroit, Michigan, was scheduled to leave the Huntington station at 3:40 A.M. on December 26, 1967. We left Huntington at 5:10 A.M., arrived in Columbus at 8:00 A.M. and finally arrived in Plymouth, Michigan (our destination) at 1:30 P.M.—two hours behind schedule. The scheduled arrival time into Plymouth, Michigan is 11:30 A.M. I'm sure the train people would justify this particular instance by saying it was due to the heaviness of traffic over the holidays. Two weeks before our trip I had called the ticket office to confirm our train schedule and to gain other information. At this time I was informed that extra equipment would be added to accommodate the heavier flow of traffic. My question is, where was it? If the C&O–B&O knows in advance that there will be a heavier flow of traffic, they should be prepared to accommodate it.
>
> My husband and I were among the luckier ones on this trip. We did get seats. Others stood, or sat in Ladies' and Men's Restrooms all the way to Columbus, Ohio. The cleanliness of these rooms leaves much to be desired on most occasions, by the way. My husband had a seat toward the front of our car while I sat toward the rear of the car with our three-year-old son on my lap. One lady had to share her seat with two small children, probably 4 and 6 years old.
>
> We made our return trip by train on New Year's Eve. This trip went smoothly and according to schedule but I must say we were astonished to see roaches crawling up the walls of our car!!!
>
> My husband and I agree with those who believe that if the railroad should manage to pull out of the state, West Virginia will be much the worse off communications-wise.
>
> We believe very firmly that should the B&O-C&O Railroad make train travel more attractive, comfortable and appealing more of the public would take advantage of it.

PASSENGERS THEMSELVES HAVE REBUTTED C. & O.'S FALSE CLAIMS

I find these comments by passengers fairly conclusive rebuttal to the statements made in the brief filed by the Chesapeake & Ohio Railway before the Interstate Commerce Commission on December 5, 1967. On page 14 of this December 5, 1967, brief, the C. & O. makes the incredible statement:

> Throughout the years and to date the Chesapeake and Ohio has maintained its passenger equipment and service at a high level of comfort, quality and efficiency in the face of declining passenger train use.

How can such an incredible statement be made in the face of the repeated personal experiences of passengers which I have quoted?

The C. & O. has shed many tears about competing modes of transportation, and has taken a distinctly defeatist attitude about the greater use of private automobiles. Yet what do you see in Washington's Union Station, in Philadelphia, in any big railroad station sitting in the middle of the station floor? Big, shiny new automobiles, the latest models. The railroads seem to be doing their utmost to make conditions on the passenger trains so bad that even the most determined passengers will go away. And then when they still come to the station, the first thing that stares them in the face is a new model automobile, turning and preening itself as though the railroad is asking: "Isn't this cleaner, neater and more convenient?"

THE QUALITY OF PASSENGER SERVICE

Now on page 28 of the December 5, 1967 statement, C. & O. says:

> A reduction in Chesapeake and Ohio passenger deficit of nearly $2.2 million is clearly in the public interest for a substantial reduction in passenger deficit will permit it to retain the quality of its remaining passenger train service between Portsmouth, Washington, D.C. and Cincinnati.

Now just what do they mean by that phrase "retain the quality of its remaining passenger service?" I submit that the evidence shows there is no quality, there is no attempt to achieve quality, and there seems to be a deliberate effort to downgrade quality.

ADEQUACY OF PERSONAL TESTIMONY

When I appeared before the Commission last year, I cited numerous cases reported to me by passengers who told of their personal experiences with deteriorating service on passenger trains. Counsel for the C. & O., on page 27 of a brief filed with the Commission on April 25, 1967, blithely dismissed my testimony on the grounds that I was only one of three public witnesses appearing in Washington, D.C., and had flown 40 times as against six roundtrips by rail. I was also asked how many of the passengers writing letters were employees of the railroad. Acting on this tip, I have screened out of this year's presentation all of those letters save a very few who are railroad employees. However, I challenge both the Commission and the C. & O. Railway for the backhanded treatment they give to railroad employees who protest the downgrading of service. After all, who knows more about the quality of service than those who are directly responsible for the day-to-day service on the railroads, the employees? Who listens to the daily comments of the passengers, and can compare those comments with those of former years? Why shouldn't a railroad employee who has pride in his work and pride in superior railroad service be given just as much credence as a top-management man who does not rub elbows with the passengers day by day? Why should this Commission, charged by the Congress with the protection of "public convenience and necessity" give so much more weight to the testimony of railroad management than to railroad labor? I suppose the theory is that the workers on the railroad want to keep their jobs, so their testimony must be suspect, but is not it equally true that the top management want to keep their jobs, too?

Furthermore, I wish to challenge the wholly false assumptions in the briefs annually filed by the C. & O. Railway which purport to demonstrate that the measure of public protest against train discontinuance may be absolutely measured by the precise number of individuals who appear at a public hearing. I submit that we shall have many more who protest this year, but some of those who ride the coaches have to work during the day and have to depend on their Congressman to be their spokesman.

FINANCIAL DATA AND THE PUBLIC INTEREST

The battery of high-paid lawyers and accountants who have pored over these statistics, carefully constructed to prove how much passenger trains are losing money, will present an impressive case to the Commission. Down through the years, they have successfully built up and achieved absolute mastery over a system of figures which can be used for the benefit of proving the necessary conclusions. A courageous member of this Commission, now the Vice Chairman of the Commission, went to the heart of the matter when she observed:

> The public convenience and necessity cannot be "hamstrung" by any tyranny of figures. The computation of "savings" and "deficits" always is within the control of the railroad. Too often expenses are allocated in such a manner that passenger service could never show a profit irrespective of the number of fare-paying passengers.

The C. & O. lawyers invariably try to tear down the credibility of those offering testimony to the Interstate Commerce Commission, and during cross-examination will ask: "Precisely what statistics on passenger deficit are you challenging, Mr. Congressman?" The counsel in his cross-examination will try to prove a Congressman has little expertise in accounting. This will enable counsel in a subsequent brief to observe very smugly that the Congressman was unable to challenge any of the figures presented, ergo the mumbo-jumbo of financial data must be accurate.

This is a crucial point for the Commission to consider. Many Members of Congress are deeply disturbed that the Commission is not providing adequate protection for the public convenience and necessity. Congress, which writes the charter of the Interstate Commerce Commission, expects that independent regulatory commission to be a genuine protector of the public interest, and not simply a tail wagged by the railroad management dog. In short, the full power of the expertise of the Commission and its staff must seize the initiative and tackle such questions as are raised by the financial data offered here by the C. & O. The Commission must weigh these financial data carefully in the scales of the public interest. Anything short of such a procedure will raise a storm of protest, and remedial legislative action by the Congress.

FURTHER EFFORTS TO DISCOURAGE PASSENGERS

The logic of a great and proud railroad wishing to discourage passengers is a very clear one. It is a command decision dictated because of the rich income to be derived from freight operations, the fact that freight cannot talk back and write protest letters to Congressmen or be bothered by roaches in the coaches, the repeated interference of too-frequent passenger trains with fast freight shipments, and the embarrassing increase in the actual number of passengers between 1964 and 1966. Some passenger statistics have been submitted for the first 8 months of 1966 and a comparable period of 1967, purporting to show a downtrend in passengers for the latter period. I suggest that these figures be related to the airplane strike of 1966 and the threatened railroad strike of 1967, which might explain the fact that there were more railroad passengers in certain months of 1966 than in 1967.

However, regardless of what the figures show, they do not excuse the continuation and spread of deliberate efforts to reduce passenger travel.

Howard F. Skidmore, who really earns and richly deserves his annual salary of $47,508 as vice president of C. & O./B. & O., spoke before the Railroad Community Service Committee at Huntington, W. Va., on January 23, 1968. The text of his address was reprinted in the Chessie/B. & O. News dated January 19, 1968—which in itself shows remarkable speed and efficiency for any form of transportation. In refuting some adverse comments I had made about C. & O. service, Mr. Skidmore quite properly pointed out that there had been a snowstorm the night I had tried to take a train from Washington. I would take mild exception to his observation that the overflow passengers could sit in the diner "where the seats are quite comfortable," since I have tried to sit up all night in these straight-backed chairs and they simply are not as comfortable as he thinks.

But what disturbed me was Vice President Skidmore's comment:

> Speaking for C. & O./B. & O.'s management and C. & O./B. & O.'s men and women, I repudiate any suggestion of a deliberate effort to downgrade passenger service.

I believe the excerpts from personal letters I have quoted are eloquent evidence to the contrary. But there are even more startling examples of how to harass a potential passenger until he gets discouraged or gets lost.

HOW TO DRIVE PASSENGERS WILD

Just before Christmas in 1967, I telephoned the C. & O. ticket office in Huntington, W. Va., to get a reservation for one of my many trips which I make on the old reliable passenger service of the C. & O. I was informed that the telephone had been disconnected, and the telephone operator cut in with a recording to call the main number of the C. & O. instead. Of course, this switch was done quietly without any public announcement. In Huntington, several people have told me that since December they have had trouble, especially on weekends when there are apparently fewer operators on duty, in getting train information and reservations.

Something more serious is happening up and down the C. & O. line which is nothing more nor less than harassment of passengers and deliberate downgrading of service.

Here is a memorandum dated December 20, 1967, written from Clifton Forge, Va., on the stationery of the Chesapeake & Ohio Railway Co. It is addressed to the ticket agents at Charlottesville, Staunton, and Waynesboro. The memorandum reads as follows:

> Please take necessary steps to see that the ticket clerks at your respective stations refrain from inquiring of each other concerning movement of passenger trains at adjacent stations.
>
> Please be sure that this is understood by all concerned.

Now why do you suppose that the ticket agents were instructed not to inquire about the movement of passenger trains? Could it be that there was a top secret troop movement which was occurring along the C. & O. lines? You will note that there is absolutely no restriction on inquiring about freight movements from station to station. But no questions may be asked about passenger trains.

YOU CAN'T FIND OUT IF TRAIN IS LATE

The reason for the order is obvious. Any passenger who wants to avoid a long wait at the station, particularly if he lives a few miles away from the station, will telephone in to ask whether train 3 or 4 or whatever it is might be on time or how late it will be. Most customers when they inquire will meekly accept an evasive answer on the time of train arrivals. But there are hardly a handful of incredulous travelers who have irately pounded at the ticket window and demanded to know why they cannot find out whether their train is going to be on time. This tests the good humor of the happiest and best-adjusted ticket agents, not to mention the composure of the prospective passenger.

I am proud to report that the ticket agents themselves are regrouping and taking the new orders in stride and with a new aplomb. Testing the system myself, I telephoned these ticket agents to ask them whether several trains would be on time, and after a pause they answered smoothly and truthfully:

> It is posted on the bulletin board that the train is expected to be on time.

In the light of the above, I hope that Commissioners Tuggle and Deason will review the statement which they made in their decision of June 5, 1967, when they said:

> We are convinced that the carrier has a genuine intent and wish to provide adequate passenger service for the public along the routes of these trains and recognizes its obligation to meet the requirements of the public convenience and necessity.

I trust, too, that Vice President Skidmore will also review the statement which he made on January 23.

KING COAL AND THE C. & O.

Beneath the rugged topography of my great State of West Virginia which poses obstacles for first-class airports and first-class highways, lies the source of rich profits for the C. & O. That is bituminous coal which accounts for nearly 60 percent of the freight tonnage and close to 50 percent of the freight revenues for the C. & O. Standard & Poor's Corp. Descriptions, August–September, 1967, pages 6888–6889:

> Bituminous coal hauled accounted for 59.7 per cent of 1966 total tonnage and 46.3 per cent of freight revenues.

In addition, the C. & O.'s wholly owned subsidiary, Western Pocahontas Land Corp., owns 152,651 acres of land in West Virginia and Kentucky, tributary to C. & O. lines, containing more than 400 million tons of mineable coal. Of this land, 73,818 acres containing 188,729,000 tons of mineable coal are leased to mine operators. So you can see, the C. & O. collects two ways—leasing the valuable coal land to the mine operators and then hauling their coal. Western also owns a half undivided interest in 2,924 acres in West Virginia, estimated to contain 405,000 net tons of coal.

The C. & O.'s annual dividend of $4 was paid for the 11th consecutive year and net income was $52.3 million for 1967—less than in 1966 and 1965 but higher than in any of the years 1960 through 1964. Coal revenues rose $4 million, however, the C. & O. said in its annual report—1967 flash annual report, the C. & O./B. & O. Railroads, January 2, 1968.

Many West Virginians feel that because the C. & O.'s strong financial position is due in a large part to its revenues from hauling West Virginia coal and to its holdings of West Virginia property, the railroad as a matter of public interest should provide passenger train service. The loss can be absorbed by its sizable coal and freight profits.

I recall that back in 1962, the C. & O. came before the ICC and appealed for authority to cut off train Nos. 5 and 6, running between Washington and Huntington. Let us take these two trains off, and with the savings, we will be able to provide high-class service to the four remaining trains running between Washington and Cincinnati which also serve Huntington, the C. & O. officials pleaded.

The authority was granted, the trains were taken off, and what happens? Four years later, the C. & O. came up again before the ICC, wanting to take six trains off, including two on the Washington-Cincinnati run.

THE SALES BLITZ CAMPAIGN

A group of C. & O. representatives, wearing white hats, descended on various cities with an exhibit of modern rail cars to stage a sales blitz campaign. It was a superficial promotion.

Samual Bauserman of 616 South Terrace, Huntington, W. Va., wrote to me on January 8, 1968:

> While visiting the Ashland, Ky., station, I looked at some passenger cars now in service since the "show train" with the promoted "good guys" had left, and noticed that the sides of the cars contained large areas of rust.

A Marshall University student wrote that in Charleston the display of cars was open from 10 a.m. to noon and from 2 p.m. to 4 p.m. In early evening hours when most families visited the cars, they found "closed" signs in the doorways with a burly railroad police agent to shoo them away.

While in Charleston, the guys in White Hats abruptly left a press party they had hosted in order to catch the last United Airlines plane for Baltimore even though their own George Washington passenger train left for the same city an hour later.

Here is the reaction of W. F. Ackerman of St. Albans, W. Va. He wrote:

> The C&O had two passenger cars on display with several white-hatted attendants last summer in Charleston, W. Va. This was advertised to show that "Chessie Loves Passengers."
>
> This was a complete farce.
>
> I visited the two cars on display and I could hardly get an attendant to listen to me. They were more interested in huddling together among themselves and telling jokes.
>
> I tried to make some points to one of them to improve their service. He scarcely gave me any attention and made no notes as to what I was saying. The two cars on display were bright and clean. I asked him why they did not clean up their coaches on their regular runs so a man could feel free to sit down without ruining a good suit of clothes. He made no reply.

TRAIN TRAVEL AND THE BALANCE OF PAYMENTS

President Johnson, because of the seriousness of our balance-of-payments situation, is asking for restrictions on American travel abroad. This means that more and more Americans will be switching their travel plans, and rediscovering America. The April 25, 1967, brief of counsel for the C&O stated on page 3 that the record was "barren of evidence" that "passengers utilizing the service enjoy some of the most spectacular scenery in the country." I invite counsel for the C&O to raise the curtain on his window as the train rolls through the rare and rugged beauty of the New River Gorge, through Gauley Bridge and down the onrushing Kanawha River. No longer will it be possible to see any of the towering mountains of West Virginia in daylight if these trains are discontinued.

With more Americans traveling at home, it stands to reason that many passengers will wish to escape the congestion of the highways and airways for the relaxation, safety, and convenience of rail travel. In conjunction with many other Congressmen, I have introduced legislation to encourage greater foreign travel in this country, to help alleviate the balance of payments problem. This, too, will result in more passenger train travel.

STUDENTS AND PASSENGERS CLUTTER THE PLACE UP

Over 25 years ago, when I first began to teach political science at Columbia University, I was horrified one day to hear a professor remark to me, as he was going to a class lecture:

> These students are a complete waste of time. This university would be a great institution if it weren't for the damned students who clutter the place up.

That remark comes back to mind when we see the attitude of the top management of the C. & O./B. & O., which all too often in practice seems to be: "This would be a great railroad if it were not for the nuisance of the passengers who clutter the place up."

CONCLUSION

In the light of the demonstrated attitude of defeatism by the top management of the C. & O./B. & O., the Interstate Commerce Commission must rise to its responsibilities and protect the public convenience and necessity by retaining at least trains 3 and 4. I believe that the passenger business is so surprisingly good, and that trains are still filled on most occasions, is a real tribute not to the railroad policy but to the hardiness and ruggedness of the passenger train traveler. Give him just an even break and he will come back more frequently and bring his friends, too.

For all these reasons, I hope that the Interstate Commerce Commission will do its duty in the public interest, and order that these vital passenger trains keep running.

I hope that my colleagues in the House of Representatives will be alerted to the dangerous spread of deliberate downgrading of passenger train service.

POULTRY INSPECTION BILL

The SPEAKER pro tempore (Mr. Stratton). Under previous order of the House, the gentleman from Iowa [Mr. Smith] is recognized for 10 minutes.

Mr. SMITH of Iowa. Mr. Speaker, the administration has today submitted a proposed poultry inspection bill. Some of us had previously indicated that we will support and help secure enactment of a bill that provides protection for consumers of poultry products which parallels the provisions of the Wholesome Meat Act of 1967 relating to red meats. Although the gentleman from Washington [Mr. Foley] and I are cosponsors along with the gentleman from Texas [Mr. Purcell], of the administration's bill, I believe that some changes should be made in the bill. The administration bill does provide most of the protection included in the new law regarding red meats but there are at least a few provisions that are different which I believe should not have been changed.

The proposed bill deletes the requirement that the Secretary of Agriculture shall at least annually review the enforcement by States which have been designated as having an adequate inspection system. It also eliminates the requirement that an annual report of such review be made to the Congress. I think it is absolutely essential that these reviews and reports be made and that failure to have them be made and available to the Congress would almost certainly result in less than adequate inspection in some States.

The proposed bill also eliminates the word "mandatory" from the requirement that the State laws to be adequate must require ante mortem and post mortem. A voluntary inspection system simply is not enough to provide the protection the consumer needs. I understand the Department does not disagree with this statement but thought the word "mandatory" to be superfluous. I do not think that should be left in doubt and that the full description should be included.

The proposed bill also would permit poultry products from nonfederally inspected plants in designated States to be sold in interstate commerce. In effect, this would make the designation of a State as having an adequate inspection system sufficient to permit a plant to broaden its market to customers in other States. If that is to be permitted, we should provide a very responsive triggering device to detect and stop such sales where the State system becomes inadequate after having been designated as adequate. I think this provision needs to be very carefully reviewed and it may need to be eliminated.

I also am still not satisfied with the lack of adequate protection during the next 2 years in some States in both the Wholesome Meat Act and the proposed bill and believe this should be improved upon in the poultry bill.

Although I believe the bill introduced today, of which I am a cosponsor, represents most of what needs to be done, I think that the matters I have mentioned here, together with a few others, should be carefully discussed and some changes made before the bill is passed into law.

VISIT TO NICARAGUA

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MURPHY of New York. Mr. Speaker, on January 21 I was privileged to be in Managua, the capital of Nicaragua, to meet with the President, Gen. Anastasio Somoza Debayle, who is a close personal friend of mine since we were high school classmates in 1939. That was the same year when I met his father, who was the then President of Nicaragua, Anastasio Somoza Garcia.

I was visiting Nicaragua in the capacity of member of the Subcommittee on the Panama Canal of the House Committee on Merchant Marine and Fisheries. My subcommittee had visited the Panamanian and Colombian sites which are presently being explored to determine the feasibility and route of a new interocean sea-level canal. Most Americans are aware that we have always enjoyed the closest and friendliest relations with Nicaragua. Most Americans are also aware that we have interocean canal treaty rights through Nicaragua, and that these rights were of key political use during our negotiations with the French in the last century for the purpose of the Panamanian Railroad and the rights through Panama where our present canal exists.

Nicaragua is known as the land of lakes and volcanoes. Its western coast consists of high rolling hills which are basked in the breeze that prevails most of the year, making a land delightful in which to live as well as productive for the raising of beef, the growing of sugar, tobacco, coffee, and, of course, its most important crop, cotton.

The Great Lakes of Managua and Lake Nicaragua, of which the latter is the largest lake in the Western Hemisphere south of our own Great Lakes, provide not only great natural beauty, but transportation and pleasure for a great number of Nicaraguans and tourists who visit this beautiful country yearly.

The Capital is near the Pacific Ocean about an hour's drive through the mountains, to beaches of great beauty and clear Pacific waters. The natural port of Corinto is a major port in this country. From here a great road has been built to span the continent.

The President and I drove from Managua east through the town of Rama to the Siquia River, a great natural waterway, which is fully navigable by the largest of ocean vessels and with the dedication of this famous bridge, the largest in the country, was the fulfillment of a promise made three decades ago from one great President of the United States to a great President of Nicaragua. This structure is symbolic of the golden spike driven in our transcontinental railroad announcing to the world that the east and west coasts of America were joined. Here, too, in Nicaragua both coasts are now joined by the Rama Road, a magnificent highway with all water barriers spanned by steel bridges capable of carrying the largest of highway motor vehicles.

I am happy to include the remarks of my good friend, President Anastasio Somoza Debayle, a friend of long standing through high school and through his 4 years as a cadet at the Military Academy at West Point. It was thrilling to me personally as I know it would be to all Americans to witness his dedication of this historic link of the Atlantic with the Pacific oceans.

Our Assistant Secretary of State for Latin American Affairs, Covey T. Oliver, and Senator SPESSARD L. HOLLAND were the official U.S. representatives and added much to the occasion which was viewed by thousands of Nicaraguan citizens whose faces reflected the admiration of satisfaction in seeing a lifetime's work brought to fulfillment. There is no doubt that the confidence reflected in the following words of General Somoza are indicative of the attitude of all Americans in their search for the greater development of our continent.

The address follows:

Honorable Presidents of the Legislative, Judicial and Electoral Powers; honorable Secretaries and Under-Secretaries of State; honorable Members of the Diplomatic Corps; honorable Presidents of the Autonomous Entities; distinguished friends of the United States of North America headed by Dr. Covey T. Oliver, Under-Secretary of State for Latin American Affairs; dear friends of the Siquia and Rama Region; courteous listeners of the nation, it was a Nicaraguan, José Santos Zelaya, with the help and courage of Rigoberto Cabezas, who liberated the fertile lands of the Atlantic Coast from the hands of colonialism. It was another Nicaraguan, Anastasio Somoza Garcia, who with the help of that noble statesman Franklin Delano Roosevelt incorporated this region politically and spiritually to traditional Nicaragua.

Roosevelt was a great man, a statesman with ample vision, whose worries were never the construction of big buildings, but the welfare of nations and men, and especially those who, although weak, were strong in their desire to enrich their life. This is why Roosevelt who helped General Somoza Garcia so much will always live in the heart of the Nicaraguan people.

Roosevelt understood clearly the need for mutual respect among peoples and nations, the respect of the strong countries and the right of the weak ones to live in peace and liberty. He realized with his wide statesman's vision that Nicaragua needed a link between the Pacific and the Atlantic.

The tragic events of the Second World War prevented us from realizing our fluvial communication. President Roosevelt making use of the special powers that the President of the United States has in times of war, ordered the construction of this highway that we are honored to inaugurate today in behalf of the great people of the United States and of the great people of Nicaragua, who have always been on the side of the Northern Nation in its fight for peace, liberty, democracy and justice in this world and especially in this Hemisphere.

The majority here present and most of our listeners were not living twenty-five years ago. But Divine Providence, and Somoza's and Roosevelt's desire to do good have permitted us to carry on this work of interoceanic communication in order that a nation desiring to progress and to improve its standard of living may pioneer and cultivate the lands of this fertile region.

If the majority here present and most of our listeners were not here twenty-five years ago, they have now the pleasure and satisfaction to witness the official inauguration of this magnificent highway. The honor to inaugurate it has fallen upon a citizen who twenty-five years ago did not know these regions either, until the late General Somoza Garcia told him, "Lieutenant Somoza, you are going to be my driver during this tour that is for the purpose of incorporating the Atlantic Coast into Nicaragua and the general progress of our nation."

You, my dear friends of these regions, struggle today for a better life with a "machete", a hatchet and a plow. A quarter of a century ago, while I chauffered the traveling vehicle of the giant Anastasio Somoza Garcia and Ambassador James Steward, representative of that colossus that is the United States, I had an extremely difficult time. It was a real hardship to satisfy that Leader.

For General Somoza Garcia to reach Rama was something inevitable. It was like thirsty cattle looking for water. Because Somoza was searching for better opportunities so that his people could have more work, progress, welfare and happiness. He never ceased in his effort to bring into reality the idea to incorporate to the national life the citizens of the Atlantic Coast who up to then had been forgotten, in spite of the fact that the vastness of this region constitutes a real spiritual treasure and a great source of material wealth for Nicaragua.

Gentlemen:

The Under Secretary of State for Latin American Affairs, Mr. Covey T. Oliver, has stated that he has come in representation of the disciple of Franklin Delano Roosevelt, who was the greatest man that man has produced in this century, the man who while in power, so well represented the interests of the less fortunate, who although small for their material weakness, are great in their desire for improvement.

Echoing the words of Mrs. Oliver, I wish to express in a similar manner that as the son of the man who conceived, negotiated, initiated payment and began to bring this highway into reality for the happiness of the Nicaraguan people, it is for me a privilege to inaugurate it officially.

This highway, my fellow citizens, is the product of mutual effort, of a spiritual identity, of a fraternity of ideas. It is a result of the combined labor of the people of two nations who believe in the liberty and dignity of man.

As the son of the man who initiated this work, it is an honor for me to mention all those who collaborated to make this highway a reality of great future achievements. Because without gratitude there is no spiritual progress in society, there are no fulfilled human virtues.

As President of the Nicaraguan people and son of General Somoza Garcia I want to express in public our deep appreciation to the American people for the help we have received for the happy conclusion of this highway and to the great North American leaders like Franklin Delano Roosevelt and President Lyndon B. Johnson represented today by Mr. Covey T. Oliver, Representative Murphy and particularly Senator Holland who I am happy to present to you as he has come especially for this inauguration and has helped us for 15 long years in the United States Senate to continue the financing of the construction of this highway.

At the same time, I wish to express my gratitude to the Nicaraguan and North American engineers who have participated in the construction of this interoceanic way, especially Mr. Constantino Lacayo Fiallos, Mr. Thomas McDonald, Mr. James Adams, Mr. Hans Berger, Mr. Shaefer, Mr. Brown, Mr. Linning, Mr. McIntyre, Mr. Daniels and Mr. Rodolfo Zúniga.

Dear fellow citizens:

We all know that with the official inauguration of this highway we have concluded a magnificent work. Nevertheless, sometimes we do not realize the human and spiritual effort that such a work entails.

Today, gentlemen, we participated in the realization of a great dream. A dream that Zelaya started to realize with the political annexation of the Atlantic Coast and that Somoza Garcia finished by incorporating this part of the country physically, commercially, and economically with the help of our friends of the North, the United States of North America.

Thank you.

GREATER PUBLIC PUSH IS NEEDED IN POLLUTION FIGHT

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, on Sunday, January 28, the Cleveland Plain Dealer devoted its entire editorial page to the subject of air and water pollution.

The magnitude of this problem is so great that it is going to take concerted action on the part of all levels of government—local, State, and Federal—in order to achieve results. The Plain Dealer has very aptly pointed out that "to get that action, the public will have to demand it."

Because of the great interest in this

subject, I am including the editorial page herewith as part of my remarks:

Greater Public Push Is Needed in Pollution Fight

The nation has walked long enough down the anti-pollution road. It's time to start running.

Despite millions poured into air and water pollution abatement since America woke up to the dangers of environmental poisoning in the 1950s, the quality of our air and water has not improved.

The millions were well-spent, keeping deterioration of the environment from becoming infinitely worse.

But new sources of pollution arising from a fast-growing population and soaring industrial activity have kept the nation on a treadmill.

There are hopeful signs that the nation is ready for the run:

Public pressure has produced federal water pollution control legislation which is forcing the states to establish water quality criteria. The next battle will be in enforcement. Will it be effective enough to see that the goals are achieved?

New federal legislation on air pollution control finally recognizes that protection of our air is a national responsibility.

There are signs that the Ohio government is beginning to meet its responsibilities in air and water management.

The legislature last year strengthened water pollution controls and put the state for the first time into air pollution control. It also moved to upgrade solid waste disposal practices with the likelihood that the days of open burning and open dumping of garbage and trash are numbered.

The Ohio Water Pollution Control Board, in response to public prodding, appears to be getting tougher in its enforcement program. But it has a long way to go.

Under a bond program proposed by Gov. James A. Rhodes the state, for the first time, will help municipalities build and expand sewage treatment plants. State willingness to assist in financing will result in increased federal participation, which will be of great benefit to the cities.

An Ohio Water Development Authority proposed by the governor is an imaginative program that would help solve the perplexing problem of treating industrial wastes.

The Ohio Water Commission, an arm of the Department of Natural Resources, has developed for northwest Ohio what may be the best long-range plan for water use that has been formulated anywhere in the nation.

The key to success of any of these programs is public support and public pressure.

The universal desire for clean water and air, unspoiled open spaces, green parks and some beauty in physical surroundings, and the universal repugnance toward unsightly dumps, noise, ravaged hillsides and billboard clutters must be voiced clearly, forcefully and often.

Public clamor moves legislators to enact laws and appropriate funds needed to implement them. It gives administrators the fortitude for enforcement in the face of strong counter-pressures for delays.

In response to strong demand, political action can achieve the application of the technology that already exists, but has not been used, to solve a good many of our pollution problems.

It is, of course, costly to build sewage systems and to install air scrubbers in factories. And, faced with the prospect of costly outlays, it is relatively simple, as a New Jersey air pollution official put it, "to engage in excessive procrastination."

The nation, however, can no longer afford to procrastinate. Deterioration of our environment has become one of our most pressing domestic problems and is adversely affecting the physical and mental health of its citizens. If it goes unchecked, it could threaten man's very existence.

A task force on environmental health problems appointed by retiring Secretary John W. Gardner of the Department of Health, Education and Welfare reached two important conclusions early in its study.

The first was that the contamination which man creates can be corrected if technological genius is brought to bear on the problems.

The second was that action cannot wait until technology solves all the problems. Action must be taken now, on the knowledge now available, while better answers are being sought.

We would reiterate a third conclusion: To get that action, the public will have to demand it.

Environment: Man Is Key to Balance

Human ecology is a term heard increasingly in discussions of conservation. It is the study of the interaction of man and his environment.

Disturbance of one aspect of the environment can have a deleterious effect on another—to man's ultimate sorrow.

Leveling a forest or overgrazing grassland can lead to floods or duststorms. Draining and "developing" an estuary can ruin aquatic breeding grounds and lose a fishery. Spraying DDT to control mosquitoes can kill a town's cats and bring on an invasion of typhus-carrying rodents.

There are 18 federal agencies alone—and numerous state and city agencies—dealing with one or another environmental problem—erosion of soil, air and water pollution, insecticides, protection of fish and wildlife.

There is no one body to take an overall look at what is happening to our environment and to give guidance on what should be done to correct or forestall imbalances.

The nation needs such a body—a Council of Ecological Advisers as proposed by an HEW environmental task force, or a Council of Environmental Quality as proposed in a Senate bill sponsored by Sens. Henry M. Jackson, D-Wash., and Thomas Kuchel, R-Calif.

The purpose of either would be to advise the President and Congress of the state of the environment, the changes taking place and the consequences of these changes.

A council composed of men knowledgeable in the disciplines of biology, conservation, economics, physics, psychology, engineering and the like would be able to formulate broad policies to guide the nation.

If it could not reach consensus on what everyone would find a "good" environment, it could at least agree on environmental conditions that would be "bad" and this would provide the basis for intelligent selections of alternatives for protection of our resources.

A council could achieve greater coordination and cooperation between agencies charged with environmental protection and increase the wisdom with which natural resources are managed.

Creation of a council must get the immediate and serious attention of Congress because of the rapid changes taking place in environmental conditions.

Some of the changes threaten to go far beyond the poisoning of water and air with unnatural chemicals.

The American Association for the Advancement of Science was warned in December that the tremendous increase in fuel consumption in this century is pouring carbon dioxide and other gasses into the environment faster than soil and oceans can assimulate them. At the same time, grassland and trees, which supply oxygen to the atmosphere, are being removed for paving (in the United States, at the rate of one million acres a year), threatening a decrease in the oxygen content of the air. There is evidence that the oxygen content already may be declining in our largest cities.

This is an ecological problem of the greatest magnitude, one that needs searching inquiry and an answer that could transcend ecology and enter the realm of social and religious attitudes. The answer could be that not so much the environment, but man, himself—the other end of the ecological balance—must be controlled in numbers if he is to continue to exist.

The Problem of Sewage: Regional Power Needed

Treatment of organic and industrial wastes is poorly done in the Cleveland area. The murky, stained waters of the Cuyahoga River, the high bacteria counts in this and other rivers and in Lake Erie measure the failures.

There are many reasons for the inefficiency—treatment plants of inadequate capacity, absence of sewers in some areas and leaching into water courses of effluent from septic tanks, gaps in jurisdiction, poor control by the county of plants under its authority, combined storm and sanitary sewers.

To its credit, Cleveland is spending millions to upgrade its sewage treatment plants and a marked improvement in water quality should result.

But the single step that offers the best hope of overall improvement in waste treatment efficiency would be to put sewage collection, treatment and financing on a regional basis.

There are many excellent arguments for establishing a regional clean water authority:

It could work toward coordinated and central treatment of wastes, which is a much better system than haphazard treatment by numerous small plants. River water in some highly populated, highly industrialized valleys in Europe is cleaned and reused over and over but the rivers remain reasonably free of impurities. Central treatment makes it possible—that and close organization of water users throughout the watershed.

A regional authority could plan, build and operate systems crossing many political jurisdictions, any one of which might now block progress by refusing to go along with a project.

It would make financing problems much easier to solve, and financing is one of the great hurdles that must be leaped before real progress is made in water cleanup. Cleveland now processes sewage from many suburbs, which is a step in the right direction. But this entails difficult negotiations between government units on service charges. Coming capital improvements, such as suburban trunk interceptor sewers now under design, will make equitable financing increasingly more difficult to achieve, unless it is done by a regional authority with powers to tax, to issue bonds, to build and to operate sewers and treatment plants.

A regional authority would be better able to attract and hold the skilled personnel needed to operate the complex biological and hydraulic system that a modern treatment plant has become.

A single authority would eliminate present gaps in jurisdiction or responsibility that allow sloppy operation and maintenance of some treatment plants. Such a gap permitted one package plant in Middleburg Heights to become inoperative for a period last summer, and raw sewage poured into a tributary of the Rocky River, already grossly polluted from Bereau downstream.

One authority would improve enforcement of state antipollution regulations. A combined storm and sanitary sewer in the Flats has a storm sewer outfall in Cuyahoga Heights. It runs constantly although it should overflow only in periods of rain. Out of it flows a multihued effluent—now bright yellow, now red—which pours into the Cuyahoga River. Obviously there is something wrong. An overflow structure deep down in the sewer may have become corroded and inoperative. Who should check it and order repairs? Obviously, some industrial wastes are bypassing treatment and going directly to the river. What are they? Where do they come from? Who should find out? A regional authority could provide the answers.

Ideally, a regional authority would be of a size to control waste treatment throughout the watersheds draining the metropolitan district.

But, practically speaking, an authority with such a reach could be difficult to attain.

It would be a major triumph of government if a regional authority covering only Cuyahoga County could be achieved.

IN THE AIR: LOCAL CONTROL BEST HOPE

Federal and state governments are moving into air pollution control, but the best chance you have of improving the quality of the air you breathe is to improve the performance of control programs at the local level.

That is because both federal and state programs are structured to rely heavily on local governments for the support it will take to make control programs effective.

This is the picture:

The feds are there in the background, researching air pollution problems, advising cities on how to establish effective controls, and now, since legislation enacted last year, putting the heat on state governments to establish air quality standards and enforcement programs with the threat that if the states do not, the feds will.

Ohio has set up an air pollution board, also in legislation enacted last year. It will prescribe air quality standards in regions around the state and the first region it should look into is the Cleveland metropolitan area, which has the worst pollution problem. Then it will decide how much smoke, dust and polluting gasses an industry may be allowed to throw into the air so that the air quality standards can be achieved.

In all probability, the state will arrive at its determination of air quality standards by conducting hearings in the regions to find out what the conditions are and what the public wants them to be.

Industry will be represented at the hearings, because it has a big stake in the outcome. The higher the standards, the more it will have to spend on control equipment.

Who will speak for the public? There isn't much expertise around about air pollution, but what there is is concentrated in governmental pollution control organizations.

In the Cleveland area, that means the Division of Air Pollution Control in the Cleveland Department of Health and Welfare.

Is it ready for the challenge? We think it is not.

Only this division is equipped to find out with some precision the quality of air in Cleveland, and it has failed shamefully to do so.

Cleveland received a federal grant of $104,760 in 1965 for a three-year study of air quality. It was to set up 30 stations around the city to measure the gross soot and dust which falls from the air, the fine particles of smoke and fumes which hang suspended, and the invisible pollutants such as sulfur dioxide gas, nitrogen oxides, aldehydes, hydrogen sulfide and ozone.

It has measured dustfall and at some stations the finer particles called particulates.

But Cleveland is just getting into gas measurements and not at 30 stations, but at six, and not every other day, but only twice a week.

With the health of the public at stake, the division cannot let the excuse of inability to find personnel stand in the way.

Beyond its duty to measure pollutants, the division has the major responsibility for enforcement. There is an obvious need for improvement here. The Cleveland metropolitan area is ranked by the National Center for Air Pollution Control as the fifth worst in the nation in air pollution problems.

It is high time for a review of Cleveland's performance in air pollution control and of its standards, which can be higher than whatever are adopted for the state and nation.

IN THE WATER: OHIO COULD BE LEADER

Ohio's soft enforcement policy in water pollution control has left too large a gap between actual and desired water quality, but the state has shown imagination in two areas of water management and use.

The first is in planning for future water development. The Ohio Department of Natural Resources and its water planning arm, the Ohio Water Commission, with the help of engineering consultants, have developed for northwestern Ohio a thorough, far seeing plan of action aimed at providing water of the quality and quantity that will be needed in the years ahead.

The plan specifies the number and location of the reservoirs that will be required to catch and hold precious rainwater. It foresees use of Lake Erie water to supplement flow of sluggish flatland streams and suggests when and where pipelines should be constructed. It envisions tapping underground water supplies to supplement surface water. It outlines a timetable of improvements to municipal sewage treatment plants, upgrading treatment from primary to secondary stages and finally to a third stage.

The plan considers all uses of water throughout the watershed—drinking supplies, industrial, agricultural and recreational. It considers need for flood control and improvement of stream quality by releasing stored water or adding oxygen with aeration devices.

The impoundments it suggests are multipurpose. A reservoir now under design for example, will supply water to a town and also a waterfowl breeding marsh. And it will be built to encourage fish life by providing stepped ledges and rockpiles on which they may lay eggs.

What is more, the plan considers not just the needs but practical ways in which the needs can be met. Legislation approved last year gives the Natural Resources Department power to build the impoundments, to drill the wells and to work out financing arrangements with the water users.

Similar plans will be developed in other Ohio areas. Northeastern Ohio is expected to be the next target.

Ohio's second imaginative program is Gov. James A. Rhodes' proposed Ohio Water Development Authority. This is a governmental tool for getting done efficiently and equitably a job that needs to be done—the treatment of industrial wastes.

The authority would finance, build and operate facilities for groups of industrial firms, and perhaps even municipalities, and would recoup the costs through charges to users.

Both this proposal, which should be approved by the legislature, and the long-range plans of the Ohio Water Commission have received acclaim from the Federal Water Pollution Control Administration, the federal agency most concerned with water cleanup.

Their implementation could give Ohio national leadership in the drive for improved water quality.

CONGRESSIONAL REFORM

Mr. HALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, it has been my pleasure to serve on the Joint Committee on the Organization of Congress. With the Honorable THOMAS CURTIS and Honorable JAMES CLEVELAND we have had the privilege of representing the House Republicans on this committee.

Other Republican Members have joined us in urging the Democrat leadership to report the Senate-passed bill out of the Rules Committee so that the House could work its will upon the bill and thus satisfy the public demand that congressional reform be enacted. Now of course, not every Member is in complete agreement with the Senate-passed bill. However, Mr. Speaker, there is a need to get the package before our body so we can work our will, and work out these differences on the floor of the House.

To this end of finalizing congressional reform, the Republican Task Force on Congressional Reform was established. The chairman is the Honorable JAMES CLEVELAND of New Hampshire, and the task force is composed of 17 other Republican Members, including myself. This task force has just completed a comparison of the various congressional reform bills including the Joint Committee's Senate-passed version (S. 355). It is my privilege to be the leadoff man and insert that part of the comparison that relates to section 102. My fellow colleagues on the task force will subsequently insert the other sections of the comparison for the benefit of all Members interested in responsible, progressive reorganization of the Congress and its related agencies.

Mr. Speaker, I include the following in the RECORD:

Sec. 102(a). Calling of meetings.

S. 355—Makes applicable to the Senate the procedure presently provided by House Rules for calling of a special committee meeting upon written request of a majority of the committee. In the absence of the chairman, senior majority party member present shall preside.

Bolling—Same. Reid—Same. Print No. 3—Same.

See Final Report page 8: "1. The present rule that each standing committee shall fix regular weekly, biweekly, or monthly meeting days for the transaction of business, and that additional meetings may be called by the chairman shall be amended to conform with the House rule on the same subject so that a majority of the membership of the committee may call a meeting if the chairman fails or refuses to do so. 2. If the committee chairman is not present at a meeting of the committee, the most senior majority member present shall preside."

S. 355 retains original bill language.

Sec. 102(b). Open business meetings and public announcement of committee votes.

S. 355—Provides that business meetings of committees shall be open to the public except during executive sessions for marking up bills, or for voting, or when the committee by a majority vote orders an executive session. Requires announcement in the committee report of each roll call vote on a measure, including the votes of individual members, unless the result of such vote was previously announced by the committee.

Bolling—Same. Reid—Same. Print No. 3—Provides just the opposite in assuring that all committee meetings are to be closed unless specifically opened to the public by a majority vote of the committee. Provides for announcement *and* printing in the report of record vote in committee on *final* reporting of measures.

Subsection 102(b) was twice amended by the Senate; see Congressional Record, volume 113, part 3, page 3223, and pages 3402–3403. Original recommendations, Final Report page 10, were as follows: "7. Meetings for the transactions of committee business shall be open to the public except when the committee by a majority vote orders an executive session. 8. Results of roll call votes on bills and amendments, including votes of individual members, shall be made public immediately following the meeting, and the committee report shall include a tabulation of the vote by member."

Sec. 102(c). Filing of committee reports.

S. 355—Requires the filing of a committee report, upon any legislative measure approved by a committee of either house, within 7 calendar days (exclusive of days on which that house is not in session) after the filing with the clerk of a written request made by a majority of the committee.

Bolling—Same. Reid—Same. Print No. 3—Same.

See Final Report page 8: "4. The present rule requiring the chairman of a committee to report promptly any measure approved by the committee shall be amended to provide that under no circumstances shall the report be filed later than 7 days after written request of a majority of the committee to make such report."

Subsection 102(c) was not amended by the Senate.

Sec. 102(d). Proxy voting.

S. 355—Requires the concurrence of a majority of the committee members present on *the vote to report* a measure or matter. Proxy voting of final reporting may be forbidden by a specific rule of the committee; however, even if it is, absent members may still vote by proxy if they have been informed on the matter in question and have affirmatively requested to be recorded. Action so taken shall constitute ratification by the committee of all action to date on that matter, and no point of order may be made against the measure. If the vote to report was a roll call vote, a tabulation of individual Ayes and Nays will be included in the report. Nothing in this subsection shall prevent a committee from permitting proxy voting on all other matters or from accepting less than a majority for quorum or any action other than final reporting.

Bolling—Strikes provision for concurrence of a majority of the committee members present on vote to report. Rest of language is identical to S. 355.

Reid—Flatly prohibits proxy voting on *final* reporting; retains S. 355 language on the rest.

Print No. 3—Deletes entire provision.

As amended, re-amended, and further amended by the Senate—see Congressional Record, volume 113, part 2, pages 1715–1718, 2824–2830 and volume 113, part 4, page 5385—the language of S. 355 with respect to proxy voting is not entirely clear. In substance, the Senate amendments appear to (1) restrict proxy prohibition to reporting actions, rather than to all actions of a committee as was intended in the original bill, (2) permit proxy voting unless a committee's rules specifically forbid it, and (3) invalidate points of order against measures reported in violation of the subsection.

The language of the original recommendations, Final Report page 8, is as follows: "3. The present rule that no measure or recommendation shall be reported from any committee unless a majority of the committee is actually present shall be amended to provide, in addition, that no vote shall be taken on a bill or amendment unless such a majority is actually present. Furthermore, a majority of the quorum present shall be necessary to approve the bill or amendment. Proxy voting shall not be permitted."

Sec. 102(e)"e". Minority or supplemental views.

S. 355—Assures that committee members (other than Appropriations) shall have at least one day in which to file minority or supplemental views, which shall be contained in the committee report and so advertised on the cover of the report. (Does not prevent immediate filing of report in the absence of timely request for inclusion of such views.)

Bolling—Same. Reid—Same. Print No. 3—Same.

Original language of bill called for 2 days and, on notice of intention to file supplemental views by a member at time of approval of the measure, distribution of the report to all members of committee. The distribution clause was deleted and the time reduced to 1 day by adoption of Senate Amendment No. 52—see Congressional Record, volume 113, part 3, pages 3223–3424.

Final Report recommendation, page 12: "14. Each committee report shall be submitted to all members of the committee at least 2 days prior to filing exclusive of Saturdays, Sundays, and legal holidays. Members not in agreement with the report shall have the right to submit supplemental or minority views during this period, and such views shall be filed as part of the committee report in a single volume and so noted on the title or first page of the report."

Sec. 102(e)"f". Availability of committee report before floor vote.

S. 355—Requires that the committee report (other than Appropriations, see below[1]) be filed at least 3 calendar days, exclusive of Saturdays, Sundays, and legal holidays, before measure can be acted upon in either house. If committee hearings have been held, "every reasonable effort" shall be made to have those hearings available for distribution before consideration of the bill on the floor. This subsection would not apply to a declaration of war or national emergency by the Congress. Moreover, the requirements of this subsection may be waived, jointly, by majority and minority leaders of the Senate, or Speaker and Minority Leader of House, because of imminence of (a) sine die adjournment, (b) expiration of the Act sought to be amended, or (c) to meet immediate financial needs of the Government.

Bolling—Provides simply that committee reports *should* be available 3 days before a vote is taken and retains language with respect to committee hearings. Reid—Same as S. 355.

Print No. 3—Retains the basic language of S. 355, but renders it meaningless by stating flatly that subsection may be waived in the Senate by joint agreement of majority and minority leaders and in the House by *sole* order of the Speaker, apparently for any reason. Additionally, Print No. 3 exempts (1) privileged reports from the Rules and House Administration Committees of the House, and (2) legislative veto procedures.

Language of original bill conformed to Final Report recommendation (page 12), as follows: "15. Except for a declaration of war or national emergency, no floor vote shall be taken on a measure reported by a committee until the committee report and committee hearings, if any, have been available for at least 3 days." The additional waiver language was added by adoption of Senate Amendment No. 71—see Congressional Record, volume 113, part 4, pages 5260–5262.

Sec. 102(e) "g". Committee funds.

S. 355—Provides for committee staffing in excess of statutory positions by *one* annual authorization resolution. If a supplemental authorization resolution is submitted, it must be accompanied by an explicit statement from the committee of the purpose of the funds sought and why such funds could not have been requested in the regular annual authorization resolution. Committees must give fair consideration to the minority in appointment of staff personnel pursuant to these funding resolutions.

Bolling—Provides for one annual authorization resolution and such supplementary resolutions as may be "necessary to the committee for the discharge of its functions." Deletes provision requiring fair consideration of minority.

Reid—Same as S. 355. Print No. 3—Same as S. 355.

No change from original bill. See Final Report page 13: "19. Each standing committee shall be allowed to file one annual resolution to provide funds for staff in excess of the statutory limit. The resolution shall specify by name and amount all subcommittees to be funded for that year."

Subsection "h" of the *original* bill provided for carrying out the following recommendations of the Final Report (page 13): "18. Each subcommittee shall follow the rules of procedure of its parent committee." and "20. The rules of every committee shall be printed at the beginning of each Congress." These provisions were deleted by the Senate—see Congressional Record, volume 113, part 2, pages 2841–2842—and they have not reappeared in the Bolling, Reid, and Print No. 3 bills.

Sec. 102(e)"h". Exemption for appropriations committees.

S. 355—Provides that section 133 of the Legislative Reorganization Act of 1946, as amended by Sec. 102 of the '67 Act, shall have no application to the Committee on Appropriations of either house.

Bolling—No provision. Reid—Same as S. 355. Print No. 3—Same as S. 355.

Subsection "h" is new material added by adoption of an amendment by Senator Hayden—see Congressional Record, volume 113, part 5, pages 5642–5643. The amendment was and remains redundant for the reason that the Appropriations Committees were already exempt under the '46 Act, which wording is carried forth in all amendments made thereto under this section.

BANKING IS "LOADED WITH THE PUBLIC INTEREST" ADMITS NEW YORK BANKER, BUT EXPANSION OF BANKING POWER MAY DOOM FREE ENTERPRISE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, no one in this Chamber will deny that financial institutions vitally affect the public interest. In fact, with regard to commercial banks, my statement is probably too conservative. I say this because just the other day I received a letter from Mr. E. Sherman Adams, senior vice president, First National City Bank, New York, enclosing an article by him wherein he made the following comment:

> Banks create and are the custodians of most of the Nation's money supply. They are the chief source of credit for many borrowers and they constitute the expansible part of the credit supply. They are the principal medium through which the Government tries to keep the economy on an even keel. *Bank-*

---

[1] House Appropriations is already covered. See House Rule XXI, paragraph 6: "No general appropriation bill shall be considered in the House until printed committee hearings and a committee report thereon have been available for the Members of the House for at least three calendar days."

ing is not just another business affected with a public interest; it's loaded with public interest." (emphasis added)

These remarks are put in proper perspective when we consider that banks control three-quarters of a trillion dollars in deposits and trust assets belonging to the public. Banks, particularly the larger institutions, maintain substantial control interlocks with other important commercial, industrial and financial institutions.

So we must be ever watchful, Mr Speaker, that our banking system, which is so "loaded with the public interest," to use Mr. Adams' apt phrase, does not assume full control over our Nation's economic life. Abuse of this vast power can only harm the profit system. Unless competitive free enterprise is protected against the excesses of those who wield economic power, the result will be statism, socialism and nationalization, on a scale never dreamed of by the political and economic theorists. Needless to say, personal liberty could not survive such a catastrophe.

This is why many of us in the Congress are quite disturbed by the fact that our larger national banks are swiftly expanding their activities far beyond the business of banking. Banks are muscling in on independent businessmen such as insurance agents, mortgage brokers, realtors, investment bankers, accountants, lawyers, travel agents, data processors, equipment lessors.

The National Bank Act and the Federal Reserve Act, by their very terms, do not permit such activities because of the inherent conflicts of interest involved. Our committee files are full of complaints from people who were granted bank loans only on condition that they bought their insurance from the bank, or used the bank's travel department or its accounting services.

Recently, a number of court decisions have confirmed the long-accepted position that it is contrary to the public interest and to the preservation of free competition for banks to engage in any business other than accepting deposits and making loans. But since the Comptroller of the Currency, who supervises national banks, will not lift a finger, these unlawful nonbanking activities are reaching vast proportions.

Recently I heard from a data processor from Greenville, S.C., Mr. Leonard J. Palmer, president of Computer Servicenters, Inc. Mr. Palmer wrote:

> The problem of increasing competitive pressure from the banks is one which, if permitted to continue, will make it impossible for the small computer service organization to function in the very near future.
>
> Please understand I am in no way opposed to open and free competition. At the same time the banks, by virtue of their Government charter and quasi-monopoly position enjoy advantages vis-a-vis any non-regulated, non-protected industry which cannot be overcome in the normal course of business activity.
>
> In view of the concern expressed by the Congress on many occasions for "small business", it is inconceivable to me that a dynamic and exciting new industry, made up primarily of small businesses, may be permitted to die on the lance of the Government chartered banking industry.

Unfortunately, we have received many, many other similar letters, from all over the country, including the Nation's Capital.

I hope my colleagues will heed these words; otherwise, free competitive enterprise will no longer exist in America. This would be the greatest tragedy ever to befall Western civilization.

AMERICAN EQUALIZER

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, several months ago I sat alongside a young soldier who was on a flight back to camp after his first leave at home since being drafted. His parents were at the airport to see him off, and suddenly he was miles away from them and as alone as any boy would want to be.

After a while we began to talk, and I want to recount for my colleagues as closely as possible the thoughts of that lonesome youngster:

> Until I got drafted, I was really never away from my folks for more than a few days at a time. I would have preferred not to have gone into the service, and Mother and Dad just tried to avoid the subject when the time for me to go kept getting closer. He saw a lot of action in World War II, and when I was a little boy he often said that he hoped I would never have to go.
>
> But he never talked that way in the last few years. He has some strong ideas about what we have to do to defend against Communism, and he never has liked the way this war is being fought. Still he never once ever talked about how his son might stay out of the service or even stall for time. And, when I got ready to go he always said that he wanted me to be the best kind of soldier, and he told me how being in uniform could help me to become a better man.
>
> What he repeated over and over is that I would never be able to live with myself if I didn't join up when my time came and then do whatever might be asked of me. I know how bad he felt when I left him and Mom back there, because they know I'll be in Viet Nam in a short time, but both of them acted just like I was lucky to be in the Army.
>
> I guess maybe I am, too, because I've learned so much already and I have some wonderful new buddies that I would never have met if I had stayed at home.

Mr. Speaker, I hope that the parents of that soldier have read an article appearing in the current issue—February 10—of the Saturday Evening Post. It is eloquent testimony to their philosophy, and it reaches a wide range of other aspects of military service with which every parent and every prospective serviceman should familiarize himself.

"The Draft Is Good For You," by John Keats, is a notable contribution in an era of shaky patriotism. It is also a reassurance to those who send their boys to camp willingly but with understanding dejection. Most of all, it can bolster the spirit and stimulate the determination of young men whose military life is ahead of them.

I trust that all Members of Congress will peruse carefully this outstanding article. I trust that the Department of Defense will make every effort to be certain that it will be given the circulation it merits.

LEGISLATION DESIGNED TO CORRECT AN INEQUITABLE ESTATE PROBLEM

Mr. PICKLE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PICKLE. Mr. Speaker, today I am introducing a bill to correct an inequitable estate tax problem that has arisen as to Texas and her sister community-property States.

Section 2039 (c) of the Internal Revenue Code provides for exclusion from "the gross estate" and, therefore, exempt from estate tax the value of an annuity or other payment to a beneficiary from a qualified pension or profit-sharing trust when such annuity distribution or payment is made to the beneficiary of a deceased employee participant. In layman's language, this means that when an employee having an interest in a qualified employee trust dies, his beneficiary may receive such distribution free of estate tax. Of course, it is subject to income tax. The above provision has been in effect since the adoption of the 1954 Code and apparently prior to that.

Last year, the Internal Revenue Service issued Revenue Ruling 67-278 to the effect that in community-property States—the employee trust interest being community property—if the spouse of the employee dies first the one-half interest of such deceased nonemployee spouse would be subject to estate tax. This is an inequity, penalizing employees in community-property States. It would be an inequity if the proceeds were distributed. It is a gross inequity because no funds would be distributed; and, yet, an estate tax could be required on funds which might never be distributed because of forfeiture or premature death of the employee participant.

The harshness of this situation comes into sharp focus in those cases in which an employee receives no distribution of funds on the death of his spouse, and yet is required to pay large cash amounts for estate tax purposes. The result here could be that a man and wife's entire financial base, including a home, savings, and insurance, would be thrown irreparably ajar at a time when stability is most needed.

There is every indication that the application of section 2039(c) to community-property States was overlooked when the section was adopted by Congress. The regulations concerning that section seem to interpret the law correctly, and a court challenge would be of doubtful success.

Corrective legislation is needed, and it is my hope that the chairman of the committee will make every effort to expedite this bill.

REMEMBER THE "PUEBLO"

Mr. UTT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. UTT. Mr. Speaker, remember the *Pueblo?* Could this be treason, or is it incompetence, or is it just plain stupidity? I wish I had the answer but, with the credibility gap that exists within the administration, you had better not bet your life, although the administration is demanding that millions of our young men bet their lives in the cause of freedom.

Some of you may have forgotten, but it really happened—the *Pueblo* was captured and towed into Wonsan port, without firing a shot. Somehow, I am not prone to forget a matter like this, but who can write a halfway intelligent report when Ambassador Goldberg tells one story, Secretary Rusk tells another story, and Secretary McNamara has not the slightest idea what happened—in his own shop?

My first inclination, based on the intelligence available, was that we should have demanded the release of the ship and the men within 24 hours after the seizure, with a warning that, if they were not released unharmed, the port of Wonsan would be obliterated from the earth.

We have electronic equipment which can give the precise position of a rocket traveling to the moon at any split second. Surely, there must be equipment that could have told where the *Pueblo* was at any minute of the day or night.

The skipper of the ship was under instructions to stay well outside of the 13-mile limit, and it would have constituted incompetence to have placed a skipper in charge of the ship who would either disobey orders or did not understand navigation. It was stupid not to provide military security for the *Pueblo*, after it was first harassed.

Even if the *Pueblo* might possibly have been within the 13-mile limit—which I think highly unlikely—then, under international agreement, the offended party has only the authority to warn the offending ship to move out. Under these circumstances, if our Government pays tribute to North Korea, as we did in Cuba, we have sunk lower than I even dreamed. By tribute, I do not mean cash. I mean any kind of a promise of discussion or apology, at least until the facts are known. First get our ship and our men back, and then talk.

One question that must be resolved is, "Who ordered the *Pueblo* to surrender without firing a shot?" Could it be a part of our strategy of surrender? Similar suggestions were made in the Phoenix papers, and there are people in high places in the Pentagon who have long urged that the United States should not have military superiority but only military equality, on the false assumption that no one would start a fight if he had equal military power. The fallacy of this assumption was more than evident in the 6-day Israel-Arab war. "It is not how strong you make it—it is how you make it strong." In other words, strategy is more important than power.

It would certainly be treason if the *Pueblo* had been delivered into the hands of the Communists by design, in order to give to the Communists our latest, sophisticated electronic devices. You must recall that the secrets of the atomic bomb and fissionable material were given to the Communists by Americans in high position.

Poor Ambassador Goldberg, relying upon intelligence furnished him by the administration, made his superb presentation before the Security Council, only to have the rug pulled out from under him by Secretary Rusk and Secretary McNamara. These two men made quite a spectacle on "Meet the Press," as they laid the groundwork for an apology to North Korea, regardless of whether we were in the right or wrong. What a sign of weakness. I can just see Ambassador Goldberg sitting alone in the Security Council of the United Nations, crying in a loud voice, "With friends like Rusk and McNamara, who needs enemies?"

President Johnson took advantage of the *Pueblo* crisis to call up the reserves. These are not needed for the Korean crisis, but are, of course, needed in the Vietnam conflict because we have run low on pilots and low on aircraft. We have been phasing out military aircraft since the creation of the Disarmament Agency, which has proceeded unilaterally to disarm the United States.

We are still paying the price for not having won a military victory in Korea and for removing General MacArthur from the command. We have not won a military victory nor a diplomatic victory since we became a member of the United Nations, and I still insist that it is sheer folly to leave the security of our country in the tender hands of this Communist-dominated world organization.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Charles H. Wilson (at the request of Mr. Albert), for the week of February 5, on account of official business.

Mr. Pollock (at the request of Mr. Gerald R. Ford), for February 7 and balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Hechler of West Virginia, for 30 minutes, today; to revise and extend his remarks and to include extraneous matter.

Mr. Smith of Iowa (at the request of Mr. Montgomery), for 10 minutes, today, and to revise and extend his remarks and include extraneous matter.

EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Albert to follow the President's message.

Mr. Boggs and Mrs. Griffiths (at the request of Mr. Albert) to follow his remarks.

Mr. Zablocki in four instances.

All Members (at the request of Mr. Montgomery) to extend their remarks following the President's message on consumer interest.

(The following Members (at the request of Mr. Pettis) and to include extraneous matter:)

Mr. Keith.
Mr. Hall.
Mr. Arends.
Mr. Fino.
Mr. Harrison.
Mr. Morton.
Mr. Ashbrook in two instances.
Mr. Curtis.
Mr. Conte.
Mr. Kupferman in five instances.
Mr. Derwinski in three instances.
Mr. Utt.
Mr. Bell.
Mr. Mathias of California.
Mr. McClory.
Mr. McClure.

(The following Members (at the request of Mr. Montgomery) and to include extraneous matter:)

Mr. Long of Maryland in two instances.
Mr. Resnick.
Mr. Rees.
Mr. Hanna in two instances.
Mr. Leggett.
Mr. Teague of Texas in two instances.
Mr. Edwards of California in two instances.
Mr. Boland in two instances.
Mr. Gathings.
Mr. Bingham in 5 instances.
Mr. Hawkins.
Mr. Carey in two instances.
Mr. Rogers of Florida in five instances.
Mr. Daniels.
Mr. Bevill.
Mr. Brooks.
Mr. Rarick in two instances.
Mr. Green of Pennsylvania in three instances.
Mr. Pickle in two instances.
Mr. Eilberg.
Mr. O'Hara of Michigan in two instances.
Mr. Fraser.
Mr. Mahon in two instances.
Mr. Joelson.
Mr. Van Deerlin in two instances.
Mr. Wolff in two instances.
Mr. Evins of Tennessee in four instances.
Mr. Rosenthal.
Mrs. Sullivan in six instances.
Mr. Joelson.
Mr. Brademas in six instances.
Mr. Fulton of Tennessee in two instances.
Mr. Murphy of New York.
Mr. Blatnik.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 491. An act to determine the rights and interests of the Navajo Tribe and the Ute Mountain Tribe of the Ute Mountain Reservation in and to certain lands in the State of New Mexico, and for other purposes.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 13094. An act to amend the Commodity Exchange Act, as amended.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 14563. An act to amend the Railroad Retirement Act of 1937 and the Railroad Unemployment Insurance Act to provide for increase in benefits, and for other purposes.

ADJOURNMENT

Mr. MONTGOMERY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p.m.) the House adjourned until tomorrow, Wednesday, February 7, 1968, at 12 o'clock noon.

COMMITTEE EMPLOYEES

JANUARY 20, 1968.

COMMITTEE ON AGRICULTURE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from June 30, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee:		
Gallagher, Christine S	Clerk	$11,513.37
Black, William C	General counsel (Beginning Dec. 1).	1,961.12
LeMay, Francis M	Staff consultant (through Sept. 30).	5,648.76
Easley, L. T	Staff consultant (beginning Oct. 1).	4,717.66
Murray, Hyde H	Assistant counsel	11,513.37
Misslbeck, George F	Printing editor	6,889.17
Prezioso, Betty M	Secretary of general counsel.	6,202.79
Vacin, Lydia	Staff assistant	6,202.79
Hannah, Martha S	do	6,202.79
Johnson, Marjorie B	Secretary to assistant counsel.	5,199.48
West, Fowler C	Assistant staff consultant.	5,515.55
Investigative staff:		
Bernhardt, Catherine L.	Staff assistant	4,097.51
Baxley, Mildred P	do	5,515.55
Holmes, Mickey L	do	3,709.53
Obermueller, Genelle	Staff assistant (through Nov. 30).	3,023.25
Farmarco, Doris Lucile.	Staff assistant (beginning Dec. 1).	549.04
Odell, James R	Staff assistant (through July 31).	300.50

Funds authorized or appropriated for committee expenditures	$100,000.00
Amount of expenditures previously reported	$28,497.44
Amount expended from June 30 to Dec. 31, 1967	27,004.53
Total amount expended from Jan. 1 to Dec. 31, 1967	55,501.97
Balance unexpended as of Dec. 31, 1967	44,498.03

W. R. POAGE,
Chairman.

JANUARY 15, 1968.

COMMITTEE ON APPROPRIATIONS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Kenneth Sprankle	Clerk and staff director.	$12,654.91
Paul M. Wilson	Assistant clerk and staff director.	12,654.91
Jay B. Howe	Staff assistant	12,530.37
Robert L. Michaels	do	12 530.37
Robert M. Moyer	do	12,530.37
Ross P. Pope	do	12,530.37
Frank Sanders	do	12,530.37
G. Homer Skarin	do	12,530.37
Eugene B. Wilhelm	do	12,530.37
Aubrey A. Gunnels	do	11,686.26
Francis G. Merrill	do	10,854.41
Samuel R. Preston	do	10,854.41
George E. Evans	do	10,277.78
Earl C. Silsby	do	10,277.78
Keith F. Mainland	do	9,829.80
John M. Garrity	do	8,005.26
Gerald J. Bova	do	3,750.00
George A. Urian	do	6,176.22
Robert C. Nicholas III	do	5,726.28
Dempsey B. Mizelle	do	5,726.28
Milton B. Meredith	do	5,726.28
Thomas Kingfield	do	5,726.28
Donald E. Richbourg	do	5,022.36
Gary C. Michalak	do	2,453.14
Samuel W. Crosby	Special assistant	12,530.37
Lawrence C. Miller	Editor	8,910.35
Paul V. Farmer	Assistant editor	6,043.35
Howard E. Knox	Administrative assistant.	5,022.36
Austin G. Smith	Clerical assistant	5,022.36
Naomi A. Rich	do	4,761.37
Francis W. Sady	do	4,761.37
Gerard J. Chouinard	do	4,330.26
Dale M. Shulaw	do	3,650.02
Rudy G. Martin	do	3,393.70
Randolph Thomas	Messenger	3,650.02
Patrick M. Hayes	Clerk-stenographer	5,022.36
Mary L. Macomb	do	1,637.28
Mary L. Moore	do	2,093.84
William J. Neary	do	5,022.36
Mary H. Smallwood	do	5,022.36
John A. Ringwald	do	4,330.26
Jerome B. Walker	do	5,022.36
Catherine M. Voytko	do	3,385.08
Robert C. Gresham	Clerk to minority	12,156.81
Enid Morrison	Staff assistant	6,658.87
Peggy C. Cooke	Clerk-stenographer	5,022.36
Jimmy Ray Fairchild	do	5,022.36
Judith H. Quattlebaum	do	5,024.36
John A. Halpern	do	1,335.78
Patricia Hutchinson	do	5,022.36
David Kehl	do	5,022.36
Thomas M. McMurray	do	3,165.41
Neta C. Messersmith	do	4,903.24
Richard J. Murray	do	5,022.36
Ann L. Obrokta	do	4,891.86
Frankie C. Ramage	do	5,022.36
Fred Werthmeimer	do	3,274.56
Samuel A. Wilson, Jr	do	2,853.36
John A. Lindley	do	2,110.69
Lorraine G. Inman	do	3,139.49
Winifred A. Pizzano	do	1,740.82
Walter N. Letsón	do	1,511.34

Funds authorized or appropriated for committee expenditures	
Amount of expenditures previously reported	
Amount expended from July 1 to Dec. 31, 1967	$401,625.13
Total amount expended from July 1 to Dec. 31, 1967	401,625.13
Balance unexpended	

GEORGE H. MAHON,
Chairman.

JANUARY 15, 1968.

COMMITTEE ON APPROPRIATIONS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Edward J. Hayes	Director, surveys and investigations staff.	$10,927.91
Robert G. Kunkel	Assistant director, surveys and investigations staff.	10,621.71
Paul J. Mohr	do	9,823.79
Lillian M. Mackie	Stenographer	5,377.26
Mary A. Sauer	do	5,074.38

Reimbursements to Government agencies

Name of employee	Profession	Total gross salary during 6-month period
Agriculture, Department of:		
Goffus, R. C	Investigator	$991.45
Pfeffer, C. S	do	2,143.12
Werkman, K. S	do	3,690.45
Army Audit Agency:		
Boone, M. V	do	7,108.77
Atomic Energy Commission: Henry, J. F., Jr	do	2,180.78
Defense, Department of:		
Henderson, F. M	do	4,458.00
Federal Bureau of Investigation:		
Anderson, C. R	do	9,196.00
Bennett, C. L	do	8,839.20
Bosko, A. P	do	7,139.20
Brummitt, D. A	do	8,112.80
Byrnes, R. C	do	8,839.20
Carson, W. D	do	4,430.40
Currall, W. G	do	5,781.12
Flatley, J. M	do	8,392.00
Franklin, R. M	do	8,392.00
Groover, L. C., Jr	do	6,652.00
Keblusek, E. R	do	8,610.40
Lanphear, R. L	do	8,610.40
Law, S. W	do	7,940.00
McEliece, R. F	do	8,400.32
McGahey, H. B	do	8,839.20
Magee, E. H	do	8,839.20
Michalski, J. E	do	8,408.80
Murphy, P. J., Jr	do	8,339.20
Olson, R. E	do	7,421.60
Pennypacker, E. W	do	5,887.20
Poptanich, A	do	8,180.80
Shannon, A. J	do	8,839.20
Sullivan, J. V	do	8,839.20
Szoka, C. E	do	8,198.40
Torrence, R. E	do	8,610.40
Walter, D. E	do	8,610.40
Welch, W. H., Jr	do	4,544.80
West, S. W	do	6,021.60
Wood, H. B	do	8,839.20
Health benefits		1,405.84
Life insurance fund		703.87
Retirement fund		13,614.73
Transportation, Department of: Dailey, W. J.	Investigator	6,025.35
General Services Administration:		
Curtis, P. M	do	4,418.01
Kelly, C. A	do	2,466.29
Health, Education, and Welfare Department of: Murray, W. S.	do	7,903.46
Internal Revenue Service:		
Fulton, J. F	do	3,796.80
Navy, Department of: Hutton, G. L.	do	7,322.50
Veterans' Administration:		
Austin, W. C	do	7,872.33
Casteel, R. T	do	6,162.70
Travel expenses		114,318.08
Miscellaneous expenses		509.35

Funds authorized or appropriated for committee expenditures	$750,000.00

Amount of expenditures previously reported	$0
Amount expended from July 1 to Dec. 31, 1967	466,671.17
Total amount expended from July 1 to Dec. 31, 1967	466,671.17
Balance unexpended as of Dec. 31, 1967	283,328.83

GEORGE MAHON,
Chairman.

JANUARY 10, 1968.

COMMITTEE ON ARMED SERVICES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
John R. Blandford	Chief counsel	$13,297.17
Philip W. Kelleher	Counsel	13,047.86
Frank M. Slatinshek	do	13,047.86
Earl J. Morgan	Professional staff member.	12,423.25
William H. Cook	Counsel	12,423.25
Ralph Marshall	Professional staff member.	10,520.73
John J. Ford	do	10,520.73
George Norris	Counsel	9,715 41
Oneta L. Stockstill	Executive secretary	7,724.70
Berniece Kalinowski	Secretary	6,774.03
L. Louise Ellis	do	6,774.03
Edna E. Johnson	do	6,774.03
Dorothy R. Britton	do	6,774.03
Doris L. Scott	do	6,109.80
Innis E. McDonald	do	4,839.66
Alma B. Moore	do	4,259.16
Ann R. Willett	do	3,994.02
Brenda J. Graves	do	3.323.22
James A. Deakins	Clerical staff assistant	5,153 40
Issiah Hardy	Messenger (from Nov. 6, 1967).	987.70
Leslie M. Berman	Clerical staff assistant (to Nov. 30, 1967).	3,206.40
Stephen A. Hamilton	Messenger (to Aug. 31, 1967).	868.50

Subcommittee for Special Investigations (pursuant to H. Res. 124, 125, and 842, 90th Cong.)

Name of employee	Profession	Total gross salary during 6-month period
John T. Reddan	Counsel	$13,047.86
Walton Woods	Investigator	10,520.73
Richard Ransom	Professional staff member.	9,149.13
Phyllis Seymour	Secretary	6,774.02
William B. Short	Clerical staff assistant	5,594.57
Rose C. Beck	Secretary (from Nov. 15, 1967).	1,249.25
Adeline Tolerton	Clerk	4,149.22
Sanford T. Saunders	Security officer	4,604.75
Joan F. Webb	Secretary (to Nov. 14, 1967).	2,610.77
Suzanna H. Davis	Clerical staff assistant (to Aug. 31, 1967).	801.64
Hester L. Hill	Clerical staff assistant (from Oct. 1 to Nov. 30, 1967).	801.64

Funds authorized or appropriated for committee expenditures H. Res. 125 and 842	$300,000.00
Amount of expenditures previously reported	65,640.01
Amount expended from July 1 to Dec. 31, 1967	66,569.32
Total amount expended from Jan. 1 to Dec. 31, 1967	132,236.33
Balance unexpended as of Jan. 1, 1968	167,763.67

L. MENDEL RIVERS,
Chairman.

JANUARY 15, 1968.

COMMITTEE ON BANKING AND CURRENCY

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee staff:		
Paul Nelson	Clerk and staff director.	$13,256.57
Orman S. Fink	Minority professional staff member.	13,256.57
Norman Léonard Holmes.	Counsel	11,636.87
Charles B. Holstein	Professional staff member.	12,505.52
Alvin Lee Morse	Counsel	11,698.64
Curtis A. Prins	Chief investigator	11,408.40
Benet David Gellman	Investigative counsel	10,811.59
Jane M. Deem	Administrative assistant.	7,421.08
Mary W. Layton	Secretary to minority	7,160.98
Donald G. Vaughn	Assistant clerk	6,262.60
Total		105,418.82
Investigating staff (pursuant to H. Res. 379, 90th Cong.):		
Nacy J. Altman	Research assistant	434.25
Jeanne M. Abrams	Secretary	2,687.66
Linda L. Barnes	do	1,904.48
Deane C. Carson	Economist	7,926.50
Timothy A. Colcord	Professional staff member.	11,365.21
Richard K. Cook	Minority staff investigator.	11,258.77
Catherine Correa	Secretary	2,870.40
David L. Copeland	Research assistant	984.30
Jane N. D'Arista	do	5,476.04
Dolores Dougherty	Assistant clerk	5,667.02
Daniel J. Edwards	Chief economist	9,332.25
James T. Entrekin	Assistant clerk	4,816.42
Ernest Ettlinger	Assistant counsel	9,462.50
William D. Ford	Research assistant	796.13
Don L. Hall	do	752.70
Helen C. Hitz	Assistant clerk	6,169.60
Joseph J. Jasinski	Professional staff member.	9,462.50
Janice L. Johnson	Secretary	840.00
Bruce E. Mason	Assistant clerk	3,284.80
Mildred Mitchell	do	6,262.61
Virdell E. Munsey, Jr.	Professional staff member.	10,738.09
Margaret L. Rayhawk	Research secretary	5,146.83
Harold K. Ressler	Research assistant	868.50
James E. Rowen	do	434.25
Alicia F. Shoemaker	Minority staff secretary.	6,889.17
Katherine L. Watson	Secretary	2,236.32
Total		128,067.30

Funds authorized or appropriated for committee expenditures (H. Res. 379)	$250,000.00
Amount of expenditures previously reported	95,839.14
Amount expended from July 1, to Dec. 31, 1967	137,885.96
Total amount expended from Jan. 3, to Dec. 31, 1967	233,725.10
Balance unexpended as of Dec. 31, 1967	16,274.90

WRIGHT PATMAN,
Chairman.

JANUARY 15, 1968.

SUBCOMMITTEE ON HOUSING, BANKING AND CURRENCY COMMITTEE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Subcommittee staff (pursuant to H. Res. 378, 90th Cong.):		
Allison, Anita F	Secretary	$4,604.75
Burrows, Kenneth W	Deputy staff director	12,909.76
Eley, Patricia A	Assistant clerk	3,066.18
Glick, David	Legal counsel	10,976.93
Ireland, Casey	Minority staff member.	12,580.25
Kling, Barbara C	Minority staff secretary	3,890.57
Leary, Margaret J	Secretary	6,262.61
McEwan, John J., Jr	Staff director	13,211.05
McMurray, Gerald R	Research assistant	5,357.51
Shattuck, Howard F	Intern	1,333.80
Stamper, Ellen M	Secretary	3,060.51
Young, Doris M	Assistant clerk	5,199.48
Total		82,453.40

Funds authorized or appropriated for committee expenditures (H. Res. 378)	$200,000.00
Amount of expenditures previously reported	78,812.68
Amount expended from July 1 to Dec. 31, 1967	85,113.77
Total amount expended from Jan. 3 to Dec. 31, 1967	163,926.45
Balance unexpended	36,073.55

WRIGHT PATMAN,
Chairman.

JANUARY 15, 1968.

COMMITTEE ON THE DISTRICT OF COLUMBIA

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to January 1, 1968, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Hayden S. Garber	Counsel	$11,221 89
Clayton D. Gasque	Staff director	8,910.35
Donald J. Tubridy	Minority clerk	8,123.60
Leonard O. Hilder	Investigator	8,005.26
James T. Clark	Clerk	12,505.53
Othello Steinkuller	Secretary	6,123.10
Ellen M. Coxeter	do	6,091.98
Peggy L. Thornton	do	5,199.48
Sara Anna Watson	Assistant counsel	5,430.03
Leslie S. Ariail	Stenographer	3,85 .74
Special investigation employees:		
Jennie H. Cavanaugh	Secretary	3,864.68
Victor Christgau	Investigator	5,815.62
Frances E. Crowson	Secretary	4,175.05
Louis Dugas	Investigator	6,655.15
Betty C. Alexander	Secretary	872.19
Patricia Ann Morrison	Clerk-typist	954.99
Constance R. Player	Secretary	818.56
Kay Martin	Clerk-typist	997.72

Funds authorized or appropriated for committee expenditures	$50,000.00
Amount of expenditures previously reported	8,799.05
Amount expended from July 1, 1967, to Jan. 1, 1968	24,334.15
Total amount expended from Jan. 1, 1967, to Jan. 1, 1968	33,133.20
Balance unexpended as of Jan. 1, 1968	16,866.80

JOHN L. MCMILLAN,
Chairman.

JANUARY 15, 1968.

COMMITTEE ON EDUCATION AND LABOR—STANDING COMMITTEE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of

the "Legislative Reorganization Act of 1946," Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Robert E. McCord	Chief clerk and senior specialist (from July 1 to Dec. 31, 1967).	$13, 236. 27
Hartwell Duvall Reed, Jr.	General counsel (from July 1 to Dec. 31, 1967).	13, 236. 27
William F. Gaul	Associate general counsel (from July 1 to Dec. 31, 1967).	13, 236. 27
Benjamin F. Reeves	Editor of committee publications (from July 1 to Dec. 31, 1967).	11, 812. 14
Louise Maxienne Dargans	Research director (from July 1 to Dec. 31, 1967).	13, 236. 27
Marian R. Wyman	Special assistant to chairman (from July 1 to Dec. 31, 1967).	6, 767. 12
Austin P. Sullivan	Legislative specialist (from Oct. 1 to Dec. 31, 1967).	3, 345. 67
Louise M. Wright	Administrative assistant to chief clerk (from July 1 to Dec. 31, 1967).	6, 744. 60
Daniel H. Pollitt	Special counsel (from July 1 to Sept. 30, 1967).	3, 000. 66
Minority:		
Michael J. Bernstein	Minority counsel for education and labor (from July 1 to Dec. 31, 1967).	13, 236. 27
Charles W. Radcliffe	Minority counsel for education (from July 1 to Dec. 31, 1967).	11, 803. 62
Funds authorized or appropriated for committee expenditures		(1)
Amount of expenditures previously reported		$100, 372. 35
Amount expended from July 1 to Dec. 31, 1967		109, 655. 16
Total amount expended from Jan. 3 to Dec. 31, 1967		210, 027. 51
Balance unexpended as of Dec. 31, 1967		(1)

[1] Contingent fund.

CARL D. PERKINS,
Chairman.

JANUARY 15, 1968.

COMMITTEE ON EDUCATION AND LABOR—FULL COMMITTEE INVESTIGATING STAFF

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946 Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of empoyee	Profession	Total gross salary during 6-month period
Geneva P. Alexander	Secretary (from July 1 to Dec. 31, 1967).	$3, 579. 53
Jeannine M. Anderson	Secretary (from Dec. 15 to 31, 1967).	325. 18
Goldie A. Baldwin	Legislative assistant (from July 1 to Dec. 31, 1967).	4, 690. 72
Donald F. Berens	Administrative assistant (from July 1 to Dec. 31, 1967).	6, 172. 23
William H. Cable	Assistant clerk (from July 1 to Dec. 31, 1967).	$2, 276. 07
Elizabeth A. Cornett	Administrative assistant (from July 1, to Dec. 31, 1967).	4, 954. 04
James F. Gallagher	Researcher (from Sept. 1 to Dec. 31, 1967).	3, 446. 77
Eydie Gaskins	Secretary (from July 1 to Dec. 31, 1967).	4, 411. 92
Richard G. Lim	Assistant clerk (from Nov. 1 to Dec. 31, 1967).	733. 04
Shirley R. Mills	Secretary (from July 1 to Dec. 31, 1967).	5, 167. 73
Christopher Murphy	Assistant clerk (from July 1 to Sept. 15, 1967).	751. 25
Mary L. Shuler	Secretary (from July 1 to Dec. 31, 1967).	4, 728. 49
Austin P. Sullivan, Jr.	Investigator (from July 1 to Sept. 30, 1967).	2, 500. 68
Jeanne E. Thomson	Legislative assistant (from July 1 to Dec. 31, 1967).	6, 431. 54
Lelia W. Troup	Administrative assistant (from July 1 to Dec. 31, 1967).	4, 383. 75
John E. Warren	Office clerk (from July 1 to Dec. 31, 1967).	3, 034. 00
E. Pamela Williams	Assistant clerk (from July 1 to Sept. 30, 1967).	1, 052. 22
Jane Van Leuven	Assistant clerk (from July 1 to Aug. 31, 1967).	601. 00
Minority:		
Louise W. Finke	Minority secretary (from Dec. 1 to 31, 1967).	811. 02
Crawford C. Heerlein	Minority clerk (from Dec. 1 to 31, 1967).	1, 505. 53
Ruth G. Macknet	Minority secretary (from Dec. 1 to 31, 1967).	811. 02
Funds authorized or appropriated for committee expenditures		$192, 000. 00
Amount of expenditures previously reported		74, 839. 42
Amount expended from July 1 to Dec. 31, 1967		69, 619. 32
Total amount expended from Jan. 3 to Dec. 31, 1967		144, 458. 74
Balance unexpended as of Dec. 31, 1967		47, 541. 26

CARL D. PERKINS,
Chairman.

JANUARY 15, 1968.

SPECIAL SUBCOMMITTEE ON EDUCATION, NO. 1, REPRESENTATIVE EDITH GREEN, CHAIRMAN

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Beverly J. Blair	Clerk (from July 1 to Aug. 31, 1967).	$1, 259. 88
Richard H. Martin	Counsel (from July 1 to Dec. 31, 1967).	9, 462. 50
Martha L. Sanborn	Research assistant and secretary (from July 1 to Nov. 17, 1967).	4, 735. 82
Dennis Stephens	Research assistant (from Nov. 5 to Dec. 31, 1967).	2, 429. 66
Minority:		
Crawford C. Heerlein	Minority clerk (from Oct. 1 to Nov. 30, 1967).	$3, 011. 06
Warren P. Rockefeller	Research specialist (from Aug. 1 to Dec. 31, 1967).	5, 568. 14
Funds authorized or appropriated for committee expenditures		$52, 000. 00
Amount of expenditures previously reported		22, 946. 28
Amount expended from July 1 to Dec. 31, 1967		26, 515. 96
Total amount expended from Jan. 3 to Dec. 31, 1967		49, 462. 24
Balance unexpended as of Dec. 31, 1967		2, 537. 76

CARL D. PERKINS,
Chairman.

JANUARY 15, 1968.

SPECIAL SUBCOMMITTEE ON LABOR, NO. 2, REPRESENTATIVE FRANK THOMPSON, JR., CHAIRMAN

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Dorrie Bosley	Assistant clerk (from July 1 to Aug. 17, 1967).	$600. 72
Paula DeRosa	Assistant clerk (from July 1 to Dec. 31, 1967).	802. 59
Carl Elliott	Consulting counsel (from Dec. 1 to Dec. 31, 1967).	105. 24
Loren F. Ghiglione	Assistant clerk (from Oct. 1 to Dec. 15, 1967).	833. 75
Bianca Iovine	Assistant clerk (from July 1 to July 31, 1967).	498. 86
Patricia LeKashman	Assistant clerk (from Oct. 1, to Dec. 15, 1967).	251. 78
Stephen Oxman	Assistant clerk (from July 1 to Sept. 30, 1967).	447. 21
Daniell H. Pollitt	Special counsel (from Oct. 1 to Dec. 15, 1967).	2, 500. 55
Peter W. Tredick	Counsel (from July 1 to Dec. 31, 1967).	8, 716. 44
Jeunesse M. Zeifman	Clerk (from July 1 to Dec. 31, 1967).	3, 457. 34
Minority:		
Dixie Barger	Minority research assistant (from July 1 to July 31, 1967).	666. 83
Edward J. Brzytwa	Research assistant on Poverty (from July 1 to July 31, 1967).	350. 74
Charles C. Tharp	Assistant clerk (from July 1 to Aug. 16, 1967).	332. 95
Funds authorized or appropriated for committee expenditures		$52, 000. 00
Amount of expenditures previously reported		28, 320. 95
Amount expended from July 1 to Dec. 31, 1967		20, 063. 44
Total amount expended from Jan. 3 to Dec. 31, 1967		48, 384. 39
Balance unexpended as of Dec. 31, 1967		3, 615. 61

CARL D. PERKINS,
Chairman.

JANUARY 15, 1968.

SELECT SUBCOMMITTEE ON LABOR, NO. 3, REPRESENTATIVE ELMER J. HOLLAND, CHAIRMAN

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Peggy A. Earner	Assistant clerk (from July 1 to Sept. 10 1967).	$701.17
Walter J. Graham	Assistant clerk (from July 1 to Dec. 31, 1967).	3,486.92
James B. Harrison	Director (from July 1 to Dec. 31, 1967).	10,291.88
Marilyn A. Myers	Clerk (from July 1 to Dec. 31, 1967).	3,726.88
Nancy J. Tyler	Assistant clerk (from July 1 to Dec. 31, 1967).	1,838.67
Minority:		
Dixie Barger	Minority research assistant (from Aug. 1 to 31, 1967).	666.83
Louise W. Finke	Minority secretary (from July 1 to Sept. 30, 1967).	2,241.08
Will Henderson	Assistant clerk (from July 1 to Aug. 31, 1967).	1,072.92
John H. Herman	Researcher (from July 1 to Aug. 19, 1967).	785.34
Anita Kreke	Minority secretary (from July 1 to Aug. 31, 1967).	1,001.92
Ruth G. Macknet	Minority secretary (from July 1 to Sept. 30, 1967).	2,328.30
Funds authorized or appropriated for committee expenditures		$52,000.00
Amount of expencitures previously reported		22,470.93
Amount expended from July 1 to Dec. 31, 1967		28,481.41
Total amount expended from Jan. 3 to Dec. 31, 1967		50,952.34
Balance unexpended as of Dec. 31, 1967		1,047.66

CARL D. PERKINS,
Chairman.

JANUARY 15, 1968.

GENERAL SUBCOMMITTEE ON LABOR, NO. 4, REPRESENTATIVE JOHN H. DENT, CHAIRMAN

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Jay Derrickson	Assistant clerk (from Nov. 1 to Dec. 31, 1967).	$173.72
Adrienne Fields	Clerk (from July 1 to Dec. 31, 1967).	5,168.85
Richard J. Hunger	Assistant clerk (from July 1 to Sept. 16, 1967).	761.27
Sally Simon	Assistant clerk (from Sept. 1 to 30, 1967).	300.50
Consuelo E. Staisey	Assistant clerk (from July 1 to Aug. 31, 1967).	$601.00
Robert E. Vagley	Director (from July 1 to Dec. 31, 1967).	10,302.08
Minority:		
Dixie Barger	Minority research assistant (from Oct. 1 to Dec. 31, 1967).	2,090.51
Crawford C. Heerlein	Minority clerk (from July 1 to Sept. 30, 1967).	4,196.58
Dorothy I. Livingston	Minority secretary (from Oct. 1 to Nov. 30, 1967).	994.09
Charles C. Tharp	Assistant clerk (from Aug. 1 to 31, 1967).	101.33
Funds authorized or appropriated for committee expenditures		$52,000.00
Amount of expenditures previously reported		20,183.92
Amount expended from July 1 to Dec. 31, 1967		25,215.56
Total amount expended from Jan. 3 to Dec. 31, 1967		45,399.48
Balance unexpended as of Dec. 31, 1967		6,600.52

CARL D. PERKINS,
Chairman.

JANUARY 15, 1968.

GENERAL SUBCOMMITTEE ON EDUCATION, NO. 5, REPRESENTATIVE ROMAN C. PUCINSKI, CHAIRMAN

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Charles Eischen	Staff assistant (from July 1 to Dec. 16, 1967).	$7,062.05
Thomas J. Gerber	Assistant (from July 1 to Dec. 31, 1967).	2,551.36
Catherine S. Lightner	Assistant clerk (from July 1 to Aug. 31, 1967).	681.86
Mattie L. Maynard	Clerk (from July 1 to Dec. 31, 1967).	4,148.28
Neil J. McMullen	Assistant clerk (from Sept. 1 to Oct. 31, 1967).	1,628.78
Rita A. Montrose	Clerk-typist (from July 1 to Sept. 15, 1967).	852.32
Michael A. Murray	Assistant clerk (from Nov. 20 to Dec. 31, 1967).	387.47
Margaret B. Sugg	Staff director (from July 1 to Dec. 31, 1967).	6,395.49
Minority:		
Dixie Barger	Minority research assistant (from Sept. 1–30, 1967).	666.83
Edward J. Brzytwa	Research assistant on poverty (from Sept. 1 to Dec. 15, 1967).	1,227.59
Louise W. Finke	Minority secretary (from Oct. 1 to Nov. 30, 1967).	1,622.05
Sue Ann Grimes	Clerical assistant (from Dec. 1–31, 1967).	392.15
Will Henderson	Assistant clerk (from Sept. 1 to Dec. 31, 1967).	2,218.26
Anita Kreke	Minority secretary (from Sept. 1 to Dec. 31, 1967).	2,123.85
Minority—Continued		
Ruth G. Macknet	Minority secretary (from Oct. 1 to Nov. 30, 1967).	$1,622.05
Warren P. Rockefeller	Research specialist (from July 1–31, 1967).	1,000.22
Funds authorized or appropriated for committee expenditures		$52,000.00
Amount of expenditures previously reported		16,247.10
Amount expended from July 1 to Dec. 31, 1967		34,984.87
Total amount expended from Jan. 3 to Dec. 31, 1967		51,231.97
Balance unexpended as of Dec. 31, 1967		768.03

CARL D. PERKINS,
Chairman.

JANUARY 15, 1968.

SELECT SUBCOMMITTEE ON EDUCATION, NO. 6, REPRESENTATIVE DOMINICK V. DANIELS, CHAIRMAN

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Helen Hayden	Secretary (from July 1 to Dec. 31, 1967).	$4,097.51
Daniel H. Krivit	Counsel (from July 1 to Dec. 31, 1967).	7,214.52
Minority:		
Edward J. Brzytwa	Research assistant on poverty (from Aug. 1 to Aug. 31, 1967).	350.74
John Buckley	Chief minority investigator (from July 1 to Dec. 31, 1967).	10,074.73
Dorothy I. Livingston	Minority secretary (from Sept. 1 to Sept. 30, 1967, and from Dec. 1 to Dec. 31, 1967).	734.86
Lillie P. Murdock	Minority secretary (from Sept. 1 to Sept. 30, 1967).	316.55
Funds authorized or appropriated for committee expenditures		$52,000.00
Amount of expenditures previously reported		11,178.11
Amount expended from July 1 to Dec. 31, 1967		22,885.91
Total amount expended from Jan. 3 to Dec. 31, 1967		34,064.02
Balance unexpended as of Dec. 31, 1967		17,935.98

CARL D. PERKINS,
Chairman.

JANUARY 15, 1968.

COMMITTEE ON FOREIGN AFFAIRS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Boyd Crawford	Staff administrator	$13, 236. 27
Roy J. Bullock	Senior staff consultant.	13, 236. 27
Albert C. F. Westphal	Staff consultant	13, 236. 27
Franklin J. Schupp	do	12, 784. 17
Robert F. Brandt	do	12, 654. 91
Harry C. Cromer	do	12, 536. 63
Philip B. Billings	do	9, 829. 78
Marian A. Czarnecki	do	12, 505. 53
Melvin O. Benson	do	10, 750. 36
Everett E. Bierman	do	8, 369. 31
John J. Brady, Jr	Staff consultant (effective Dec. 19, 1967).	466. 77
June Nigh	Senior staff assistant	9, 594. 96
Helen C. Mattas	Staff assistant	8, 576. 06
Helen L. Hashagen	do	7, 916. 48
Louise O'Brien	do	7, 724. 70
Mary M. Lalos	do	5, 271. 93
Doris B. McCracken	do	6, 441. 93
Jean E. Smith	do	4, 728. 74
Mary Burns	Staff assistant (effective July 17, 1967).	6, 628. 57
Robert J. Bowen	Clerical assistant	5, 120. 46

Funds authorized or appropriated for committee expenditures	$175, 000. 00
Amount of expenditures previously reported	38, 793. 41
Amount expended from July 1 to Dec. 31, 1967	52, 559. 89
Total amount expended from Jan. 1 to Dec. 31, 1967	91, 353. 30
Balance unexpended as of Dec. 31, 1967	83, 646. 70

THOMAS E. MORGAN,
Chairman.

JANUARY 18, 1968.

COMMITTEE ON GOVERNMENT OPERATIONS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Expenses, July 1 to Dec. 31, 1967:	
Full committee	$1, 232. 71
Special Studies Subcommittee	40, 346. 31
Military Operations Subcommittee	46, 200. 76
Government Activities Subcommittee	28, 840. 45
Intergovernmental Relations Subcommittee	39, 561. 64
Executive and Legislative Reorganization Subcommittee	29, 574. 34
Natural Resources and Power Subcommittee	41, 769. 54
Foreign Operations and Government Information Subcommittee	57, 176. 65
Legal and Monetary Affairs Subcommittee	50, 256. 13
Research and Technical Programs Subcommittee	24, 768. 81
Special Subcommittee on Donable Property	20, 011. 25
Special Subcommittee on Invasion of Privacy	3, 794. 30
Total	383, 532. 89

Expenses, July 1 to Dec. 31, 1967

Name of employee	Profession	Total gross salary during 6-month period
Salaries, full committee, July 1, to Dec. 31, 1967:		
Christine Ray Davis	Staff director	$13, 236. 27
James A. Lanigan	General counsel	13, 236. 27
Miles Q. Romney	Associate general counsel.	11, 525. 76
Earle J. Wade	Staff member (from July 1 to Oct. 31).	6, 200. 92
Dolores L. Fel'Dotto	Staff member	6, 505. 92
Ann E. McLachlan	do	6, 335. 67
Patricia M. Maheux	Staff member (from July 1 to 31).	1, 032. 71
Charlotte C. Bickett	Staff member	5, 830. 77
Mabel C. Baker	Staff member (from Sept. 1 to Dec. 31).	3, 792. 93
J. Philip Carlson	Minority counsel	11, 525. 76
William H. Copenhaver	Minority staff member	8, 892. 44
Expenses, full committee: travel, publications, telephone, stationery supplies, etc.		1, 232. 71
Special Studies Subcommittee, Hon. William L. Dawson, chairman:		
Louis I. Freed	Staff administrator	$11, 221. 89
George O. Serini	Investigator (from July 1 to Sept. 30).	3, 955. 05
Jacob N. Wasserman	Counsel (from Oct. 1 to Dec. 31).	5, 068. 92
Johan T. Benson	Investigator	5, 541. 87
Marilyn F. Jarvis	Stenographer (from July 17 to Dec. 31).	5, 138. 30
Mrs. Geraldean Colevas.	Stenographer (transferred from Special Subcommittee on Invasion of Privacy Oct. 1, 1967).	2, 875. 68
Mr. John L. Dodson	Clerical staff	3, 838. 86
Mrs. Mabel C. Baker	Stenographer (from July 1 to 31, 1967). On full committee from Sept 1 to Dec. 31.	917. 28
Expenses		1, 788. 46
Total		40, 346. 31
Military Operations Subcommittee, Hon. Chet Holifield, chairman:		
Herbert Roback	Staff administrator	13, 236. 27
Douglas G. Dahlin	Staff attorney	7, 993. 41
John Paul Ridgely	Investigator	7, 701. 21
Joseph C. Luman	Defense analyst	6, 136. 35
Catherine L. Koeberlein.	Research assistant	5, 568. 25
Mrs. Mollie Jo Hughes.	Clerk-stenographer	5, 199. 48
Expenses		365. 79
Total		46, 200. 76
Government Activity Subcommittee, Hon. Jack Brooks, chairman:		
Ernest Cornish Baynard.	Staff administrator	11, 221. 89
Joseph L. Gibson	Counsel	5, 278. 50
Mrs. Irma Reel	Clerk	5, 199. 48
Mrs. Lynne Higginbotham.	Clerk-stenographer	4, 972. 47
Hulen R. Selman	Investigator	1, 843. 57
Expenses		324. 54
Total		28, 840. 45
Intergovernmental Relations Subcommittee, Hon. L. H. Fountain, chairman:		
James R. Naughton	Counsel	11, 221. 89
Delphis C. Goldberg	Professional staff member.	11, 221. 89
William Donald Gray	Research analyst	7, 910. 53
Mrs. Bebe B. Terry	Clerk-stenographer	4, 891. 86
Lexine Rollins	do	4, 175. 06
Expenses		140. 42
Total		39, 561. 65
Executive and Legislative Reorganization Subcommittee, Hon. John A. Blatnik, chairman:		
Elmer W. Henderson	Counsel	11, 667. 79
Jerome D. Sollins	Legal assistant	6, 933. 96
Ira Warren Harrison	do	5, 113. 89
Mrs. Veronica B. Johnson.	Clerk	5, 830. 77
Expenses		27. 93
Total		29, 574. 34
Natural Resources and Power Subcommittee, Hon. Robert E. Jones, chairman:		
Phineas Indritz	Counsel	11, 241. 89
Laurence A. Davis	Assistant counsel	9, 284. 88
Jack Tait	Professional staff member.	6, 441. 93
Joseph Scheiber	Research analyst	5, 970. 27
Mrs. Catherine L. Hartke.	Stenographer	5, 199. 48
Expenses		3, 651. 09
Total		41, 769. 54
Foreign Operations and Government Information Subcommittee, Hon. John E. Moss, chairman:		
Norman G. Cornish	Staff administrator	$11, 221. 89
Vincent J. Augliere	Chief, foreign operations.	11, 221. 89
Jack Matteson	Chief, government information.	10, 156. 37
James L. Nelligan	Investigator	8, 820. 78
Michael A. Taylor	Legal analyst	7, 414. 58
Marcia Bresee	Clerk	4, 091. 00
Mrs. Elizabeth Jayne Bodecker.	Secretary	3, 948. 79
Expenses		301. 35
Total		57, 176. 65
Legal and Monetary Affairs Subcommittee, Hon. Dante B. Fascell, chairman:		
M. Joseph Matan	Chief counsel	11, 221. 89
Charles Rothenberg	Counsel	10, 277. 78
Donald Louis Anderson.	Associate counsel	9, 233. 73
Mrs. Millicent Y. Myers.	Stenographer	5, 199. 48
Mrs. Pearl H. Sigel	Stenographer	3, 903. 51
Mrs Adrian S. Purnell.	Clerk-stenographer (from July 1 to Aug. 5).	535. 61
Expenses		9, 884. 13
Total		50, 256. 13
Research and Technical Programs Subcommittee, Hon. Henry S. Reuss, chairman:		
Mrs. Edna Gass	Staff administrator	11, 221. 89
Mrs. Catherine S. Cash.	Secretary	4, 213. 89
Mrs. Francine Shacter.	do	4, 213. 89
William J. Lanouette	Professional staff member (from July 1 to Sept. 17, 1967).	2, 246. 91
Richard L. Chapman	Chief adviser (from July 1 to Aug. 26, 1967).	2, 567. 17
Expenses		305. 06
Total		24, 768. 81
Special Subcommittee on Donable Property, Hon. John S. Monagan, chairman:		
Peter S. Barash	Legal assistant	6, 933. 96
Thomas A. Smith	Research analyst	7, 214. 52
Clara Katherine Armstrong.	Clerical staff	5, 830. 77
Expenses		32. 00
Total		20, 011. 25
Special Subcommittee on Invasion of Privacy, Hon. Cornelius E. Gallagher, chairman:		
Peter M. Frank	Professional staff member (from July 1 to July 31, 1967).	1, 042. 46
Mrs. Geraldean Colevas.	Stenographer (from July 1 to Sept. 30, 1967) transferred to Special Studies Subcommittee on Oct. 1, 1967.	2, 751. 84
Expenses		0
Total		3, 794. 30

Funds authorized or appropriated for committee expenditures (H. Res. 109, 90th Cong.)	$725, 000. 00
Amount of expenditures previously reported	335, 650. 26
Amount expended from July 1 to Dec 31, 1967	383, 532. 89
Total amount expended from Jan. 3 to Dec. 31, 1967	719, 183. 15
Balance unexpended as of Dec. 31, 1967	5, 816. 85

WILLIAM L. DAWSON,
Chairman.

JANUARY 17, 1968.

COMMITTEE ON HOUSE ADMINISTRATION

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Julian P. Langston	Chief clerk	$13, 239. 46
David S. Wolman	Personnel analyst	10, 520. 73
Robert D. Gray	Auditor	9, 829. 80
Louis Silverman	Assistant clerk	7, 145. 13
Vivian M. Robinson	Assistant clerk (minority).	4, 630. 82
Irene D. Stolman	Assistant clerk	4, 630. 82
Gurney S. Jaynes	do	4, 045. 84
Rebecca E. Martin	do	524. 03

Funds authorized or appropriated for committee expenditures	$50, 000. 00
Amount of expenditures previously reported	6, 656. 63
Amount expended from July 1 to Dec. 31, 1967	7, 776. 10
Total amount expended from Jan. 3 to Dec. 31, 1967	14, 432. 73
Balance unexpended as of Dec. 31, 1967	35, 567. 27

OMAR BURLESON,
Chairman.

JANUARY 17, 1968.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Sidney L. McFarland	Professional staff director and engineering consultant.	$13, 236. 21
T. Richard Witmer	Counsel and consultant on national parks and recreation.	12, 765. 33
John Lewis Taylor	Consultant on territorial and Indian affairs (deceased Aug. 29).	4, 092. 12
William L. Shafer	Consultant on mining, minerals and public lands.	12, 356. 07
Nancy J. Arnold	Chief clerk	12, 765. 33
Dixie S. Barton	Clerk	6, 069. 90
Patricia Ann Murray	do	6, 069. 90
Virginia E. Bedsole	do	5, 607. 75
Patricia B. Freeman	do	5, 515. 56
Susan W. Gardner	do	5, 199. 48
Salaries paid pursuant to H. Res. 114, 90th Cong.:		
Charles Leppert, Jr.	Assistant counsel	9, 233. 70
Lee McElvain	do	6, 793. 20
Kathleen Vance	Clerk	4, 764. 81
Edward Gaddis	Messenger	3, 368. 10

Funds authorized or appropriated for committee expenditures	$100, 000. 00
Amount of expenditures previously reported	29, 643. 35
Amount expended from July 1 to Dec. 31, 1967	36, 199. 74
Total amount expended from Jan. 3 to Dec. 31, 1967	65, 843. 09
Balance unexpended as of Dec. 31, 1967	34, 156. 91

WAYNE N. ASPINALL,
Chairman.

JANUARY 15, 1968.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Clerical staff:		
W. E. Williamson	Clerk	$13, 297. 17
Kenneth J. Painter	First assistant clerk	10, 866. 69
Marcella Fencl	Assistant clerk	6, 633. 27
Glenn L. Johnson	Printing editor	8, 360. 37
Mary Ryan	Clerical assistant	5, 278. 50
Mildred H. Lang	do	5, 278. 50
Hazel J. Collie	Staff assistant	6, 599. 79
Elsie M. Karpowich	Clerical assistant	5, 278. 50
Edwin Earl Thomas	Staff assistant	4, 696. 08
Marion M. Burson	Staff assistant (minority).	10, 866. 69
Professional staff:		
Andrew Stevenson	Professional staff coordinator.	13, 297. 17
William J. Dixon	Professional staff member.	13, 297. 17
James M. Menger	do	13, 297. 17
Robert F. Guthrie	Professional staff member (from Nov. 1).	4, 348. 76
Additional temporary employees under H. Res. 168 and H. Res. 354:		
Lewis E. Berry, Jr.	Minority counsel	13, 297. 17
Helen M. Dubino	Staff assistant (minority).	9, 829. 80
Barbara L. Bullard	Clerical assistant (minority).	3, 942. 30
Julia Ann Atkinson	do	3, 521. 85
John I. Burton	Staff assistant	4, 957. 08
Douglas R. Nobles, Jr.	Messenger (from Oct. 1).	260. 58
Joseph T. Kelley	Messenger (to Aug. 31).	451. 94
Edward J. Miller	Staff assistant (to Aug. 31).	1, 001. 92
Eleanor A. Dinkins	Clerical assistant	4, 957. 08
Martin W. Cunningham.	Consultant (to Aug. 31).	1, 984. 92
Special Subcommittee on Investigations:		
Robert W. Lishman	Chief counsel	13, 297. 17
Daniel J. Manelli	Attorney	8, 695. 44
James R. Connor	Staff assistant	8, 910. 36
Elizabeth G. Paola	Clerical assistant	5, 278. 50
Celia M. Dupree	do	4, 565. 58
Thomas D. Hart	Legislative assistant	8, 182. 80
George T. Turner	Special assistant	9, 462. 51
Zelig Robinson	Attorney	9, 462. 51
Russell D. Mosher	Staff assistant	3, 579. 54
S. Arnold Smith	Attorney	8, 695. 44
Ralston P. Roberts	Staff assistant (to July 10).	201. 55
Michael S. Yanock	do	201. 55
William T. Druhan	Staff assistant (from Dec. 20).	647. 59
Dorothy K. Cavanaugh	Clerical assistant (from Oct. 20).	1, 828. 21
James P. Kelly	Chief investigator (from Sept. 1).	6, 894. 53
William D. Kane	Staff investigator (from Sept. 16).	5, 471. 00

Funds authorized or appropriated for committee expenditures	$395, 000
Amount of expenditures previously reported	97, 476. 50
Amount expended from July 1 to Dec. 31, 1967	155, 114. 06
Total amount expended from Jan. 3 to Dec. 31, 1967	252, 590. 56
Balance unexpended as of Jan. 1, 1968	142, 409. 44

HARLEY O. STAGGERS,
Chairman.

JANUARY 15, 1968.

COMMITTEE ON THE JUDICIARY

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Bess E. Dick	Staff director	$13, 236. 27
William R. Foley	General counsel	13, 236. 27
Benjamin L. Zelenko	Counsel	11, 221. 89
Garner J. Cline	Assistant counsel	9, 233. 73
Donald G. Benn	do	8, 623. 79
Uzal H. Martz, Jr.	Legislative assistant	7, 630. 83
Carrie Lou Allen	Clerical staff	5, 726. 28
Lorraine W. Beland	do	5, 726. 28
Gertrude Clara Burak	do	6, 043. 35
Jane C. Caldwell	do	6, 761. 20
Frances Christy	do	7, 337. 16
Roberta E. Eisenberg	do	5, 331. 19
Elizabeth G. Meekins	do	5, 726. 28
Salaries paid July 1 through Dec. 31, 1967, pursuant to H. Res. 40 and H. Res. 132, 90th Cong.:		
Appel, Leonard	Assistant counsel	10, 277. 78
Barry, Charles W.	Legislative assistant (through July 31, 1967).	1, 042. 45
Brightman, Harold W.	Assistant counsel (as of Sept. 11, 1967).	3, 172. 99
Campbell, Madelon C.	Clerical (through Sept. 8, 1967).	1, 322. 51
Dean, John Wesley III.	Counsel (through Aug. 13, 1967).	1, 550. 68
Haardt, Alma B.	Clerical	4, 630. 82
Hansen, Walter B.	Special counsel	13, 236. 27
Jett, R. Frederick	Counsel	10, 277. 78
Jordan, Mary	Clerical (as of Sept. 1, 1967).	2, 239. 85
Kelemonick, Michael	Clerical	4, 891. 86
Lee, Charles R.	Messenger	3, 864. 68
Logan, Sue N.	Clerical staff	509. 94
Lokos, John J.	Assistant counsel (as of Aug. 8, 1967).	5, 230. 18
McGrade, Florence T.	Clerical staff	5, 022. 36
Polk, Franklin G.	Associate counsel	5, 120. 46
Resweber, Harold J. Jr.	Clerical staff	4, 376. 34
Santarelli, Donald E.	Associate counsel	5, 120. 46
Sourwine, Mary G.	Clerical staff	3, 942. 29
Zeifman, Jerome M.	Counsel	9, 053. 61

Funds authorized or appropriated for committee expenditures	$250, 000. 00
Amount of expenditures previously reported	119, 712. 78
Amount expended from July 1 through Dec. 31, 1967	99, 372. 03
Total amount expended from Jan. 3 through Dec. 31, 1967	219, 084. 81
Balance unexpended as of Dec. 31, 1967	30, 915. 19

EMANUEL CELLER,
Chairman.

Funds for Preparation of United States Code, District of Columbia Code, and Revision of the Laws

A. Preparation of new edition of United States Code (no year):	
Unexpended balance June 30, 1967	$142, 107. 40
Expended July 1–Dec. 31, 1967	35, 676. 63
Balance Dec. 31, 1967	106, 430. 77
B. Preparation of new edition of District of Columbia Code:	
Unexpended balance June 30, 1967	67, 317. 76
Expended July 1–Dec. 31, 1967	27, 514. 67
Balance Dec. 31, 1967	39, 803. 09
C. Revision of the laws 1968:	
Legislative Appropriation Act, 1968	28, 000. 00
Expended July 1–Dec. 31, 1967	13, 313. 63
Balance Dec. 31, 1967	14, 686. 37

DECEMBER 31, 1967.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved

August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary durign 6-month period
John M. Drewry	Chief counsel	$13, 236. 21
Bernard J. Zincke	Counsel	12, 654. 93
Ned P. Everett	do	10, 903. 44
Arthur Pankopf, Jr	Minority counsel	10, 139. 16
Robert J. McElroy	Chief clerk	11, 507. 19
Frances P. Still	Assistant clerk	6, 812. 43
Ruth E. Brookshire	do	5, 594. 58
Vera A. Barker	Secretary	6, 368. 62
Virginia L. Noah	do	5, 594. 58
Investigating staff:		
Gus Bakas	Counsel	7, 892. 80
W. B. Winfield	Clerk	8, 695. 44
Donald A. Watt	Editor	7, 119. 54
Albert J. Dennis	Investigator	6, 812. 43
Norman M. Barnes	do	2, 683. 20
Lucye L. Summers	Secretary	4, 679. 41
Diane G. Kirchenbauer	do	2, 904. 24
Jane C. Wojcik	do	8, 087. 26
Cloatta M. Farrell	Assistant clerk	708. 02

Funds authorized or appropriated for committee expenditures	$115, 000. 00
Amount of expenditures previously reported	64, 838. 31
Amount expended from July 1 to Dec. 31, 1967	38, 435. 23
Total amount expended from Jan. 3 to Dec. 31, 1967	103, 273. 54
Balance unexpended as of Dec. 31, 1967	11, 726. 46

EDWARD A. GARMATZ,
Chairman.

JANUARY 23, 1968.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee staff:		
Johnson, Charles E	Chief counsel and staff director.	$13, 236. 27
Bray, B. Benton	Associate staff director.	13, 060. 37
Martiny, John H	Counsel	13, 060. 37
Irvine, William A	Assistant staff director	13, 060. 37
Kazy, Theodore James	Senior staff assistant	10, 520. 73
Thornton, Elsie E	Executive secretary	6, 633. 28
Wells, Barbara M	Secretary	5, 910. 46
Simons Blanche M	do	5, 726. 28
Snipes, Justine P	do	5, 331. 19
Berner, Joan H	do	3, 385. 08
Investigative staff, pursuant to H. Res. 209 and H. Res. 210, 90th Cong., 1st sess.:		
Barton, Richard	Staff assistant	6, 136. 35
Bates, Kathryn E	Secretary	4, 480. 76
Davis, Stewart A	Staff assistant	6, 315. 74
Devlin, Ralph J	Staff member	8, 731. 27
Flanagan, Carol A	Secretary	3, 735. 36
Frink, Gary R	Staff member	10, 731. 96
Green, Thelma R	Secretary	5, 022. 36
Hagen, Audrey L	do	4, 480. 76
Keating, Michael M	Staff assistant	4, 748. 31
Kennedy, Thomas R	do	6, 375. 55
Marshall, John	Staff assistant (from Nov. 1, 1967).	1, 149. 58
Matchett, Francis T	Investigator	5, 027. 55
Napier, Margaret G	Clerk-stenographer	3, 108. 62
Neustadt, Richard M	Intern (to Aug. 31, 1967).	856. 20
Investigative Staff—Con.		
Pendleton, Maria R	Document clerk	$5, 022. 36
Peters, Dorothy L	Secretary	4, 761. 37
Powell, John W	Staff assistant	5, 627. 52
Tansill, Helen C	Stenographer	3, 295. 17
Tippett, Susan	Clerk-typist (to July 15, 1967).	160. 50
Vaughn, Evelyn F	Clerk-typist	3, 579. 53
Ward, Ella R	Staff assistant	6, 599. 79
Ward, Sara L	Secretary	4, 725. 07
Williss, Donna Linn	do	3, 579. 53
Contract consultant, pursuant to H. Res. 209 and H. Res. 210, 90th Cong., 1st sess.: Winslow, Joseph E.	Position classification consultant.	6, 000. 00

Funds authorized or appropriated for committee expenditures	$284, 000. 00
Amount of expenditures previously reported	114, 293. 62
Amount expended from July 1 to Dec. 31, 1967	118, 717. 13
Total amount expended from Jan. 3 to Dec. 31, 1967	233, 010. 75
Balance unexpended as of Dec. 31, 1967	50, 989. 25

THADDEUS J. DULSKI,
Chairman.

JANUARY 15, 1968.

COMMITTEE ON PUBLIC WORKS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Richard J. Sullivan	Chief counsel	$13, 236. 27
Joseph R. Brennan	Engineer consultant	13, 236. 27
Clifton W. Enfield	Minority counsel	12, 985. 10
Stephen V. Freely	Subcommittee clerk	8, 478. 75
Dorothy A. Beam	Executive staff assistant.	7, 630. 83
Meriam R. Buckley	Staff assistant	5, 790. 89
Sterlyn B. Carroll	do	4, 826. 59
Anne C. Kennedy	do	4, 678. 45
Investigating staff (H. Res. 248):		
Maurice B. Tobin	Subcommittee clerk	9, 266. 88
Audrey G. Warren	do	8, 058. 17
Robert F. Spence	do	6, 441. 93
Augusta B. Peters	do	6, 441. 93
Erla S. Youmans	Minority staff assistant.	6, 136. 35
Randal C. Teague	Minority staff assistant (terminated Dec. 31, 1967).	5, 113. 89
Jeannine A. Marcoux	Staff assistant	4, 547. 36
Florence S. Spaulding	Minority staff assistant.	4, 103. 94
Sara B. Hilber	do	4, 091. 00
Judy Ann Marshall	Clerical assistant	3, 291. 18
Harvey C Simms, Jr	Clerical assistant (terminated Aug. 31, 1967).	681. 86
Paul E. Welsh, Jr	do	601. 00
Joan L. Pasquali	Staff assistant (terminated Nov. 30, reinstated Dec. 10, 1967).	2, 053. 77

Funds authorized or appropriated for committee expenditures (H. Res. 248)	$120, 000. 00
Amount of expenditures previously reported	56, 302. 09
Amount expended from July 1 to Dec. 31, 1967	67, 617. 39
Total amount expended from Jan. 3 to Dec. 31, 1967	123, 919. 48
Balance unexpended as of Dec. 31, 1967	—3, 919. 48

GEORGE H. FALLON,
Chairman.

JANUARY 15, 1968.

SPECIAL SUBCOMMITTEE ON THE FEDERAL-AID HIGHWAY PROGRAM

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Walter R. May	Chief counsel	$13, 096. 05
John P. Constandy	Assistant chief counsel.	12, 231. 80
Robert L. May	Minority counsel	12, 156. 17
George H. Martin	Administrative assistant.	10, 423. 55
Salvatore J. D'Amico	Associate counsel	9, 378. 26
John P. O'Hara	do	9, 378. 26
Carl J. Lorenz, Jr	do	9, 209. 08
Robert G. Lawrence	do	8, 259. 28
George M. Kopecky	Chief investigator	11, 546. 00
Sherman S. Willse	Professional staff member.	9, 378. 26
Paul R. S. Yates	Minority professional staff member.	9, 171. 54
Kathryn M. Kenney	Chief clerk	6, 075. 45
Stuart M. Harrison	Staff assistant	6, 546. 17
Mildred E. Rupert	do	4, 959. 06
Agnes M. GaNun	do	4, 801. 37
Shirley R. Knighten	do	4, 129. 61
Martha A. Downie	Minority staff assistant	4, 519. 90

Funds authorized or appropriated for subcommittee expenditures (H. Res. 248)	$340, 000. 00
Amount of expenditures previously reported	142, 549. 24
Amount expended from July 1 to Dec. 31, 1967	154, 424. 05
Total amount expended from Jan. 3 to Dec. 31, 1967	296, 973. 29
Balance unexpended as of Dec. 31, 1967	43, 026. 71
Balance of Highway Subcommittee funds	43, 026. 71
Balance of investigating staff funds	—3, 919. 48
Total unexpended funds authorized by H. Res. 248	39, 107. 23

GEORGE H. FALLON,
Chairman.

JANUARY 15, 1968.

COMMITTEE ON RULES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Laurie C. Battle	Counsel, standing committee (P).	$13, 236. 27
Robert D. Hynes, Jr	Minority counsel (P)	9, 275. 88
Mary Spencer Forrest	Assistant counsel (P)	7, 630. 83
William F. Porter	Staff member (C)	5, 022. 36
Winifred L. Watts	Secretary (C)	4, 662. 69
Carol B. Milner	Secretary (C) (Aug. 1 to Dec. 31, 1967).	3, 723. 08

Funds authorized or appropriated for committee expenditures	$5, 000. 00
Amount of expenditures previously reported	--------

Amount expended from July 1 to Dec. 31, 1967	$1,617.50
Total amount expended from ...... to	....
Balance unexpended as of Dec. 31 1967	3,382.50

WILLIAM M. COLMER,
Chairman.

JANUARY 15, 1968.

COMMITTEE ON SCIENCE AND ASTRONAUTICS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Charles F. Ducander	Executive director and chief counsel.	$13,062.39
John A. Carstarphen, Jr.	Chief clerk and counsel	12,578.08
Philip B. Yeager	Counsel	12,578.08
W. H. Boone	Chief technical consultant.	12,578.08
Frank R. Hammill, Jr.	Counsel	12,131.89
Mary Ann Robert	Secretary	5,291.91
Emily Dodson	do	5,073.33
Carol F. Rodgers	do	4,948.68
June C. Stafford	do	4,948.68
Virginia Robison	do	4,948.68
Investigating staff:		
Richard P. Hines	Staff consultant	11,636.51
James E. Wilson	Technical consultant	11,636.51
Peter A. Gerardi	do	11,636.51
Harold A. Gould	do	11,636.51
Philip P. Dickinson	do	10,180.87
Joseph M. Felton	Counsel	6,983.55
Frank J. Giroux	Clerk	6,151.09
Elizabeth S. Kernan	Scientific research assistant.	5,941.63
Denis C. Quigley	Publications clerk	4,511.45
Kieran U. Cashman	Secretary	4,094.71
Walter B. Huber	Staff consultant (Aug. 16–Oct. 31).	4,005.62
Martha N. Rees	Secretary	2,837.81
Richard K. Shullaw	Assistant publications clerk.	1,318.71
James D. Battle	Clerical assistant (July 1–Aug. 31).	601.00

Funds authorized or appropriated for committee expenditures	$250,000.00
Amount of expenditures previously reported	121,778.86
Amount expended from July 1 to Dec. 31, 1967	111,100.00
Total amount expended from Jan. 3 to Dec. 31, 1967	232,879.65
Balance unexpended as of Dec. 31, 1967	17,120.35

GEORGE P. MILLER,
Chairman.

JANUARY 15, 1968.

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 10, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
John M. Swanner	Staff director (from July 10, 1967).	$9,729.04
Bennett Wolfe	Assistant staff director (from July 10, 1967).	$9,729.04
Mariann R. Mackenzie	Secretary (from July 17, 1967).	5,602.90
Tempie L. Willing	Assistant clerk (from Aug. 1, 1967).	2,283.02

Funds authorized or appropriated for committee expenditures (H. Res. 871, Sept. 21, 1967)	$10,000.00
Amount of expenditures previously reported	0
Amount expense from Sept. 21 to Dec. 31, 1967	244.64
Total amount expended from Sept. 21 to Dec. 31, 1967	244.64
Balance unexpended as of Dec. 31, 1967	9,755.36

MELVIN PRICE,
Chairman.

JANUARY 15, 1968.

COMMITTEE ON UN-AMERICAN ACTIVITIES

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee:		
Donald T. Appell	Chief investigator	$10,381.03
Anniel Cunningham	Chief of files and reference.	6,395.49
Helen M. Gittings	Research analyst	6,375.55
Juliette P. Joray	Recording clerk	7,947.66
Francis J. McNamara	Staff director	13,236.17
Isabel B. Nagel	Secretary to counsel	5,331.19
Chester D. Smith	General counsel	12,280.55
Lorraine N. Veley	Secretary to investigators.	5,020.36
Mary M. Valente	Administrative secretary.	6,786.84
William A. Wheeler	Investigator	9,709.38
Investigating committee:		
Michele Bienvenu	Clerk-typist (resigned Aug. 11, 1967).	607.62
Theresa Buglio	Clerk-typist (resigned Aug. 31, 1967).	971.98
Adele M. Bulliard	Clerk-typist (resigned Aug. 11, 1967).	607.62
Daniel Butler	Assistant documents clerk.	3,457.81
John F. Capossela	do	2,816.52
Mary Jo Chapman	Clerk-stenographer	2,487.87
Kathleen Conlon	Clerk-typist (resigned Aug. 31, 1967).	833.62
Jean W. Curll	Secretary to staff director.	4,376.34
Susan Kay Daniels	Information classifier (appointed Oct. 16).	1,144.25
Florence B. Doyle	Clerk-stenographer	3,169.47
Elizabeth L. Edinger	Editor	5,784.26
Rochelle E. Epstein	Clerk-typist	2,384.61
Kathryn Fogle	Clerk-typist (appointed Sept. 11, 1967).	1,584.57
Emily R. Francis	Information analyst	3,464.19
Metje Gaffney	Information classifier (resigned Aug. 18, 1967).	684.96
James L. Gallagher	Research analyst	6,136.35
Karl D. Haugh	Clerk-typist (resigned Sept. 8, 1967).	1,007.76
Paul C. Higgins	Information classifier (appointed Sept. 6, 1967).	1,723.25
Doris R. Jaeck	Information analyst	3,150.26
Mildred V. James	Clerk-typist	2,564.45
Lois Z. Kobal	Information classifier (appinted Nov. 16).	831.95
Margaret Lee	Information classifier (resigned Oct. 22, 1967).	1,556.09
B. R. McConnon, Jr.	Investigator	6,546.17
Investigating committee—Continued		
Carol E. McLaughlin	Information classifier (resigned Aug. 13, 1967).	$623.91
Philip R. Manuel	Investigator	8,419.55
Sophia C. Maxon	Information classifier (appointed Aug. 23, 1967).	2,020.76
Robert H. Mehaffey	Research analyst	7,671.88
Elaine Melancon	Clerk-typist (resigned Aug. 11, 1967).	607.62
Artie Moreland	Secretary to chief counsel.	4,859.22
David E. Muffley, Jr.	Document clerk	3,650.02
Alfred M. Nittle	Counsel	9,998.46
Maureen P. Ontrich	Information analyst (appointed Feb. 6, 1967).	3,323.21
Alma D. Pfaff	Research analyst	3,819.47
Katharine Phillips	Switchboard operator	3,233.52
Peggy Pixley	Editorial clerk	3,323.23
William T. Poole	Research assistant	3,121.94
Josephine S. Randolph	Clerk-stenographer	4,045.79
Herbert Romerstein	Investigator	5,113.89
Louis J. Russell	Investigator (resigned Oct. 31, 1967).	5,097.68
Freda J. Sheppard	Secretary	5,436.53
Linda E. Spirt	Clerk-stenographer	3,073.39
Lela Mae Stiles	Information analyst	3,864.68
Donald I. Sweany, Jr.	Research analyst	5,910.46
Barbara C. Sweeny	Clerk-stenographer	3,271.98
Mary Faye Vines	Information classifier (Aug. 24–31, 1967).	1,132.42
Neil E. Wetterman	Investigator	6,863.59
Billie Wheeler	Clerk-stenographer	2,487.87

Funds authorized or appropriated for committee expenditures	$350,000.00
Amount of expenditures previously reported	167,386.63
Amount expended from July 1 to Dec. 31, 1967	173,350.03
Total amount expended from Jan. 3 to Dec. 31, 1967	340,736.06
Balance unexpended as of Jan. 31, 1967	9,263.34

E. E. WILLIS,
Chairman.

JANUARY 15, 1968.

COMMITTEE ON VETERANS' AFFAIRS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee staff:		
Oliver E. Meadows	Staff director	$12,505.53
Edwin B. Patterson	Counsel	12,505.53
John R. Holden	Professional staff member.	11,197.26
Billy E. Kirby	Professional aide	9,275.88
George W. Fisher	Chief clerk	12,505.53
Helen A. Biondi	Assistant clerk	7,254.76
Alice V. Matthews	Clerk-stenographer	5,594.57
George J. Turner	Assistant clerk	5,594.57
Wilma Jean Johnson	Clerk-stenographer	5,436.53
Morvie Ann Colby	do	5,436.53
Investigative staff:		
Howard L. Burris	Clerk-typist	818.56
Mark L. Davis	do	1,072.92
Thomas P. Wright	do	927.70
William J. Driver, Jr.	Clerk-messenger	204.64
Adin M. Downer	Staff member	7,450.00
Marjorie J. Kidd	Clerk-stenographer	4,448.12
Audrey A. Powelson	do	4,097.51
Patricia J. Wilton	do	3,864.68
Thomas R. Link	Clerk-messenger	699.50
Flora Faye Selman	Clerk-stenographer	1,369.01

Funds authorized or appropriated for committee expenditures	$100,000.00
Amount of expenditures previously reported	30,553.99
Amount expended from July 1 to Dec. 31, 1967	44,930.99
Total amount expended from Jan. 1 to Dec. 31, 1967	75,484.98
Balance unexpended as of Dec. 31, 1967	24,515.02

OLIN E. TEAGUE,
Chairman.

JANUARY 12, 1968.

COMMITTEE ON WAYS AND MEANS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Leo H. Irwin	Chief counsel (C)	$13,236.27
William H. Quealy	Minority counsel (P)	13,236.27
John M. Martin, Jr	Assistant chief counsel (P).	13,060.38
John P. Baker	Professional assistant (P).	11,513.37
Raymond Driscoll	do	11,513.37
James W. Kelley	do	11,123.85
Harold Lamar	do	10,520.73
Nancy Broyhill	Staff assistant (C)	3,741.78
Florence Burkett	do	4,676.52
Virginia Butler	do	6,169.59
William C. Byrd	do	3,690.12
Grace Kagan	do	6,169.59
June Kendall	do	6,690.84
Jerry Knebel	Staff assistant (C) from Sept. 15, 1967.	2,140.34
Elizabeth Price	Staff assistant (C)	4,181.55
Jean Ratliff	do	3,060.51
Dolores Rogers	Staff assistant (C) to Sept. 30, 1967.	2,258.10
Susan Saylor	Staff assistant (C) to Aug. 18, 1967.	665.39
Gloria Shaver	Staff assistant (C)	5,647.26
Eileen Sonnett	do	5,173.14
Walter Stafford	Staff assistant (C) from Sept. 16, 1967.	4,233.50
Susan Taylor	Staff assistant (C)	7,017.15
Richard Wilbur	Staff assistant (C) to Sept. 15, 1967.	3,868.22
Hughlon Greene	Document clerk	4,761.36
Walter Little	do	4,761.36

Funds authorized or appropriated for committee expenditures	$50,000.00
Amount of expenditures previously reported	1,953.18
Amount expended from July 1 to Dec. 31, 1967	3,348.86
Total amount expended from Jan. 1 to Dec. 31, 1967	5,302.04
Balance unexpended as of Dec. 31, 1967	44,697.96

W. D. MILLS,
Chairman.

JANUARY 23, 1968.

JOINT COMMITTEE ON DEFENSE PRODUCTION

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Harold J. Warren	Clerk and counsel	$11,221.89
Joseph C. Lewis	Professional staff member.	10,520.73
Richard L. Still	do	10,223.18
George T. Ault	do	7,818.57
Mattie I. Echols	Secretary	4,091.00

Funds authorized or appropriated for committee expenditures	$87,435.00
Amount expended from July 1 to Dec. 31, 1967	43,875.37
Balance unexpended as of Dec. 31, 1967	43,559.63

WRIGHT PATMAN,
Chairman.

JANUARY 25, 1968.

JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the six-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
L. N. Woodworth	Chief of staff	$13,684.35
Lincoln Arnold	Assistant chief of staff.	13,292.46
Nicholas A. Tomasulo	Legislation counsel	11,846.81
Robert R. Smyers	Refund counsel	11,624.54
James H. Symons	Statistical analyst	11,321.96
Alan P. Murray	Economist	4,613.67
Grace T. Gunn	Statistical analyst	10,780.98
Earl V. Willetts	Legislation counsel	10,047.04
James M. LaMarche	Administrative assistant.	8,954.13
Harrison B. McCavley	Refund attorney	8,665.56
Albert Buckberg	Economist	8,478.75
Herbert L. Chabot	Attorney	5,343.55
Joseph P. Spellman	do	7,701.21
Joseph E. Fink	Statistical clerk	7,548.69
Anastasia Connaughton	do	7,548.69
Michael E. Fox	Attorney	6,579.66
Dennis P. Bedell	do	5,883.90
Gerard L. Ouellette	Refund attorney	5,403.65
William B. Forti	Economist	5,118.46
Joanne B. McDermott	Secretary	5,236.75
Elizabeth L. Ruth	do	4,353.59
L. E. Forgy	Attorney	3,790.05
Jacqueline S. Pfeiffer	Secretary	2,951.24
James L. Boring	Refund attorney	4,376.34
Blanche F. Nagro	Secretary	4,317.32
Blanche Schwartz	do	4,200.94
Linda R. Savage	do	4,163.00
Carolyn A. Easter	do	3,609.84
June M. Matthews	do	3,573.15
Mary Gattie	do	2,957.73
Mildred Feldt	do	545.86
Cecilia Grimm	do	3,207.87
Robert F. Magill	Attorney	963.70
Linda L. Buckley	Secretary	1,150.32
Bernard M. Shapiro	Attorney	3,551.42
Richard Trotter	do	1,829.99
Florence Hart	Secretary	732.00
Leon Klud	Economist	1,345.36
Marcia C. Bailey	Secretary	879.69
Jamie Daley	do	628.56

Funds authorized or appropriated for committee expenditures	$480,000.00
Amount of expenditures previously reported	222,775.81
Amount expended from July 1 to Dec. 31, 1967	222,802.78
Total amount expended from Jan. 1 to Dec. 31, 1967	445,578.59
Balance unexpended as of Jan. 1, 1968	34,421.41

WILBUR D. MILLS,
Chairman.

FEBRUARY 1, 1968.

SELECT COMMITTEE ON SMALL BUSINESS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1967, to December 31, 1967, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Bryan H. Jacques	Staff director and general counsel.	$13,236.27
Barbara Ruth McLane	Secretary	2,111.61
Justinus Gould	Counsel	11,377.54
Myrtle Ruth Foutch	Clerk	6,136.35
William M. Reddig	Research analyst	6,825.25
Henry A. Robinson	Counsel	11,377.54
Beth Suzanne Schultheis	Secretary	4,015.93
Harry A. Olsher	Consultant	11,815.95
Carol Ann Kopp	Secretary	3,358.14
Theresa A. Interdonato	do	2,438.22
Gregg R. Potvin	Counsel	12,281.35
Gertrude Maxine Dean	Secretary	3,742.25
Duane G. Derrick, Jr	Research analyst	3,078.15
William A. Keel, Jr	do	11,899.27
Patricia Anne Baker	Secretary	3,391.95
Worth Crowley	Counsel	2,152.56
Charles E. O'Connor	do	12,169.26
Richard L. Michell	General counsel	6,688.25
John J. Williams	Minority counsel	8,725.26
Maxine Porter	Secretary, minority	3,073.39
Norman Lee Yost	Staff assistant, minority.	3,358.93
Nancy R. Painter	Secretary, minority	1,448.22
David C. Hardesty	Staff assistant, minority.	1,669.26
Arlene B. Feingold	Secretary, minority	604.56

Funds authorized or appropriated for committee expenditures	$350,000.00
Amount of expenditures previously reported	145,053.44
Amount expended from July 1, to Dec. 31, 1967	157,002.16
Total amount expended from Jan. 3, to Dec. 31, 1967	302,055.60
Balance unexpended as of Dec. 31, 1967	47,944.40

JOE L. EVINS,
Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1471. A letter from the Comptroller General of the United States, transmitting a report of examination of financial statements, low-rent public housing program fund, fiscal year 1967, Department of Housing and Urban Development [H. Doc. No. 207]; to the Committee on Government Operations, and ordered to be printed.

1472. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting the Federal plan for meteorological services and supporting research for fiscal year 1969, pursuant to the provisions of Public Law 87-843; to the Committee on Appropriations.

1473. A letter from the Deputy Assistant Secretary of Defense (Properties and Installations), transmitting a report of an additional facility project proposed to be undertaken for the Naval Reserve, pursuant to the provisions of 10 U.S.C. 2233a(1), and pursuant to the authority delegated to me by the Secretary of Defense; to the Committee on Armed Services.

1474. A letter from the Comptroller General of the United States, transmitting a report of review of establishment and operation of St. Petersburg Job Corps Center for Women, St. Petersburg, Fla., Office of Economic Opportunity; to the Committee on Government Operations.

1475. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a report on GS–17 positions, pursuant to the provisions of section 5114(a) of title 5, United States Code; to the Committee on Post Office and Civil Service.

1476. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report indicating the proposed action to conduct work under one program line item at a level in excess of that authorized, pursuant to the provisions of section 4 of the National Aeronautics and Space Administration Authorization Act for 1968; to the Committee on Science and Astronautics.

1477. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation titled "Wholesome Fish and Fishery Products Act of 1968"; to the Committee on Interstate and Foreign Commerce.

1478. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation titled "Hazardous Radiation Act of 1968"; to the Committee on Interstate and Foreign Commerce.

1479. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard; to the Committee on Merchant Marine and Fisheries.

1480. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to provide for a coordinated national safety program to reduce boating accidents, and deaths and injuries resulting therefrom; to the Committee on Merchant Marine and Fisheries.

1481. A letter from the Secretary of the Interior, transmitting volume III of the report on the national requirements for and the cost of treating municipal, industrial, and other effluent to attain water quality standards established, pursuant to the provisions of the Federal Water Pollution Control Act, as amended; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TAYLOR: Committee on Interior and Insular Affairs. H.R. 6347. A bill to amend the act of June 28, 1948, as amended, relating to the acquisition of property for the Independence National Historic Park (Rept. No. 1075). Referred to the Committee of the Whole House on the State of the Union.

Mr. CELLER: Committee on the Judiciary. S. 989. An act to provide improved judicial machinery for the selection of Federal juries, and for other purposes; with amendment (Rept. No. 1076). Referred to the Committee of the Whole House on the State of the Union.

Mr. CELLER: Committee on the Judiciary. H.R. 13315. A bill to amend section 127 of title 28, United States Code, to define more precisely the territory included in the two judicial districts of Virginia; with amendment (Rept. No. 1084). Referred to the Committee of the Whole House on the State of the Union.

Mr. NIX: Committee on Post Office and Civil Service. H.R. 14934. A bill to reduce from 5 to 4 the ratio of career substitute employees to regular employees in the postal field service, and for other purposes; with amendment (Rept. No. 1085). Referred to the Committee of the Whole House on the State of the Union.

Mr. NIX: Committee on Post Office and Civil Service. H.R. 14935. A bill to amend title 39, United States Code, to regulate the mailing of master keys for motor vehicle ignition switches, and for other purposes (Rept. No. 1086). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EILBERG: Committee on the Judiciary. S. 321. An act for the relief of Charles Bernstein; with amendment (Rept. No. 1077). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. S. 1040. An act for the relief of certain employees of the Department of the Navy (Rept. No. 1078). Referred to the Committee of the Whole House.

Mr. ASHMORE: Committee on the Judiciary. House Resolution 991. Resolution to refer the bill (H.R. 14109) entitled "A bill for the relief of Joseph W. Harris," to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code, as amended (Rept. No. 1079). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 1879. A bill for the relief of Stanislaw and Julianna Szymonik (Rept. No. 1080). Referred to the Committee of the Whole House.

Mr. TENZER: Committee on the Judiciary. H.R. 2282. A bill for the relief of certain employees of the Naval Weapons Center, Concord, Calif.; with amendment (Rept. No. 1081). Referred to the Committee of the Whole House.

Mr. SMITH of New York: Committee on the Judiciary. H.R. 10851. A bill for the relief of the New Bedford Storage Warehouse Corp.; with amendment (Rept. No. 1082). Referred to the Committee of the Whole House.

Mr. HUNGATE: Committee on the Judiciary. H.R. 10327. A bill for the relief of Louis J. Falardeau, Irva G. Franger, Betty Klemcke, Wineta L. Welburn, and Emma L. McNeil, all individuals employed by the Department of the Army at Ft. Sam Houston, Tex.; with amendment (Rept. No. 1083). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLMER:

H.R. 15110. A bill for the relief of Greene County, Miss.; to the Committee on the Judiciary.

By Mr. HOLLAND:

H.R. 15111. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 15112. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. McCLORY:

H.R. 15113. A bill to authorize reimbursement to the States for certain toll highways, bridges, and tunnels on the Interstate System, and for other purposes; to the Committee on Public Works.

By Mr. MILLS:

H.R. 15114. A bill to extend to savings notes the provisions of the Second Liberty Bond Act relating to redemption of savings bonds and the payment of losses incurred in connection with such redemption; to the Committee on Ways and Means.

By Mr. SCHEUER:

H.R. 15115. A bill to amend the Higher Education Act of 1965, the National Defense Education Act of 1958, the National Vocational Student Loan Insurance Act of 1965, the Higher Education Facilities Act of 1963, and related acts; to the Committee on Education and Labor.

H.R. 15116. A bill to amend the Vocational Education Act of 1963, and for other purposes; to the Committee on Education and Labor.

By Mr. SCOTT:

H.R. 15117. A bill to restrict imports of dairy products; to the Committee on Ways and Means.

By Mr. STEED:

H.R. 15118. A bill to amend title 28, United States Code, to require three-judge district courts to determine cases involving a reversal of a decision of the highest court of a State; to the Committee on the Judiciary.

By Mr. ANNUNZIO:

H.R. 15119. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ASHBROOK:

H.R. 15120. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BUCHANAN:

H.R. 15121. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CUNNINGHAM (for himself and Mr. DENNEY):

H.R. 15122. A bill to establish rights for individuals in their relations with Indian tribes, to direct the Secretary of the Interior to recommend to the Congress a model code governing the administration of justice by courts of Indian offenses on Indian reservations, to protect the constitutional rights of certain individuals, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CUNNINGHAM:

H.R. 15123. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DENNEY:

H.R. 15124. A bill to provide for an equitable sharing of the U.S. market by electronic articles of domestic and foreign origin; to the Committee on Ways and Means.

By Mr. FINO:

H.R. 15125. A bill to amend title II of the Social Security Act to authorize the President, during periods of acute unemployment, to provide that all individuals otherwise eligible may retire with full benefits thereunder at age 60; to the Committee on Ways and Means.

By Mr. FOLEY:

H.R. 15126. A bill to amend the Public Health Service Act to provide for a comprehensive review of the medical, technical, social, and legal problems and opportunities which the Nation faces as a result of medical progress toward making transplantation of organs, and the use of artificial organs, a practical alternative in the treatment of disease, to amend the Public Health Service Act to provide assistance to certain non-Federal institutions, agencies, and organizations for the establishment and operation of regional and community programs for patients with kidney disease and for the conduct of training related to such programs, and for other purposes; to the Committee on Ways and Means.

By Mrs. GRIFFITHS:

H.R. 15127. A bill to amend titles 10 and 37, United States Code, to provide equality of treatment for married female members of the uniformed services; to the Committee on Armed Services.

H.R. 15128. A bill to amend section 806 of the Public Health Service Act to provide that partial reimbursement by the Federal Government for costs attributable to nurse training shall be made available to collegiate and associate degree schools of nursing on the same basis as diploma schools of nursing; to the Committee on Interstate and Foreign Commerce.

H.R. 15129. A bill to amend title 38 of the United States Code to provide equality of treatment for married female veterans; to the Committee on Veterans' Affairs.

By Mr. HUTCHINSON:

H.R. 15130. A bill to amend title 13, United States Code, to limit the categories of questions required to be answered under penalty of law in the decennial censuses of population, unemployment, and housing, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. McMILLAN (for himself, Mr. Whitener, Mr. Dowdy, Mr. Sisk, Mr. Hagan, Mr. Fuqua, Mr. Nelsen, Mr. Harsha, and Mr. Broyhill of Virginia):

H.R. 15131. A bill to amend the District of Columbia Police and Firemen's Salary Act of 1958 to increase salaries, and for other purposes; to the Committee on the District of Columbia.

By Mr. MATSUNAGA:

H.R. 15132. A bill to provide certain persons surviving an enlisted member of the Armed Forces who dies while on active duty with post exchange and commissary privileges for a certain period of time after such member's death; to the Committee on Armed Services.

By Mr. RODINO:

H.R. 15133. A bill to amend the Social Security Act so as to revise certain provisions thereof of relating to public assistance which were enacted or amended by the Social Security Amendments of 1967; to the Committee on Ways and Means.

H.R. 15134. A bill to amend title IV of the Social Security Act to improve the program of aid to families with dependent children, and for other purposes; to the Committee on Ways and Means.

By Mr. BOB WILSON:

H.R. 15135. A bill to increase to 5 years the maximum term for which broadcasting station licenses may be granted; to the Committee on Interstate and Foreign Commerce.

By Mr. ADAMS (for himself, Mr. Gude, and Mr. Jacobs):

H.R. 15136. A bill to amend the District of Columbia Police and Firemen's Salary Act of 1958 to increase salaries, and for other purposes; to the Committee on the District of Columbia.

By Mr. ADAMS:

H.R. 15137. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BRADEMAS:

H.R. 15138. A bill to amend the Higher Education Act of 1965, the National Defense Education Act of 1958, the National Vocational Student Loan Insurance Act of 1965, the Higher Education Facilities Act of 1963, and related acts; to the Committee on Education and Labor.

By Mr. CEDERBERG:

H.R. 15139. A bill to declare and determine the policy of the Congress with respect to the primary authority of the several States to control, regulate, and manage fish and wildlife within their territorial boundaries, to confirm to the several States such primary authority and responsibility with respect to the management, regulation, and control of fish and wildlife on lands owned by the United States, and to specify the exceptions applicable thereto, and to provide procedure under which Federal agencies may otherwise regulate the taking of fish and game on such lands; to the Committee on Merchant Marine and Fisheries.

By Mr. COLLIER:

H.R. 15140. A bill to provide that the nuclear accelerator to be constructed at Weston, Ill., shall be named the "Enrico Fermi Nuclear Accelerator" in memory of the late Dr. Enrico Fermi; to the Joint Committee on Atomic Energy.

By Mr. GONZALEZ:

H.R. 15141. A bill to increase burial reimbursements of military personnel killed on active duty; to the Committee on Armed Services.

By Mr. GRAY:

H.R. 15142. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MacDONALD of Massachusetts:

H.R. 15143. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. NEDZI:

H.R. 15144. A bill to establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. NIX:

H.R. 15145. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PURCELL (for himself, Mr. Dow, Mr. Smith of Iowa, and Mr. Foley):

H.R. 15146. A bill to clarify and otherwise amend the Poultry Products Inspection Act, to provide for cooperation with appropriate State agencies with respect to State poultry products inspection programs, and for other purposes; to the Committee on Agriculture.

By Mr. ROONEY of New York (for himself, Mr. Feighan, Mr. Donohue, Mr. Rodino, Mr. Dowdy, Mr. Moore, Mr. Cahill, Mr. MacGregor, Mr. Eilberg, Mr. Ryan, Mr. Matsunaga, Mr. Minish, Mr. Farbstein, Mr. Annunzio, Mr. Horton, Mr. Rooney of Pennsylvania, and Mr. King of New York):

H.R. 15147. A bill to amend the Immigration and Nationality Act to provide for the naturalization of persons who have served in combatant areas in active-duty service in the Armed Forces of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. SHIPLEY.

H.R. 15148. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. SULLIVAN.

H.R. 15149. A bill to modernize and improve the Poultry Products Inspection Act of 1957 to assure the wholesomeness of poultry sold only in intrastate commerce, and for other purposes; to the Committee on Agriculture.

By Mr. ASHMORE (for himself, Mr. Hungate, Mr. Tenzer, Mr. Eilberg, Mr. Smith of New York, Mr. Meskill, and Mr. Sandman):

H.R. 15150. A bill to facilitate representation of persons having claims against the United States by legal counsel of their own choosing; to the Committee on the Judiciary.

By Mr. CAREY:

H.R. 15151. A bill to promote the economic development of Guam; to the Committee on Interior and Insular Affairs.

By Mr. GUBSER:

H.R. 15152. A bill to amend title 10 of the United States Code to provide more liberal annuities for survivors of certain retired members of the Armed Forces; to the Committee on Armed Services.

By Mr. PICKLE:

H.R. 15153. A bill to amend the Internal Revenue Code of 1954 with respect to the estate tax treatment of certain interests created by community property laws in employees' trusts and retirement annuity contracts; to the Committee on Ways and Means.

By Mr. POAGE:

H.R. 15154. A bill to clarify and otherwise amend the Poultry Products Inspection Act, to provide for cooperation with appropriate State agencies with respect to State poultry products inspection programs, and for other purposes; to the Committee on Agriculture.

By Mr. STAGGERS (for himself and Mr. Pepper):

H.R. 15155. A bill to regulate interstate commerce by amending the Federal Food, Drug, and Cosmetic Act to provide for the inspection of facilities used in the harvesting and processing of fish and fishery products for commercial purposes, for the inspection of fish and fishery products, and for cooperation with the States in the regulation of intrastate commerce with respect to State fish inspection programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS:

H.R. 15156. A bill to amend the Public Health Service Act to provide for the protection of the public health from radiation emissions from electronic products; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of California:

H.R. 15157. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WHALLEY:

H.R. 15158. A bill to amend title 38 of the United States Code to provide increased rates of disability compensation, improve service-connected benefits, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. CORBETT:

H.J. Res. 1050. Joint resolution to assist veterans of the Armed Forces of the United States who have served in Vietnam or elsewhere in obtaining suitable employment; to the Committee on Post Office and Civil Service.

By Mr. DEVINE:

H.J. Res. 1051. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Affairs.

By Mr. DULSKI:

H.J. Res. 1052. Joint resolution to assist veterans of the Armed Forces of the United States who have served in Vietnam or elsewhere in obtaining suitable employment; to the Committee on Post Office and Civil Service.

By Mr. EILBERG:

H.J. Res. 1053. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H.J. Res. 1054. Joint resolution to assist veterans of the Armed Forces of the United States who have served in Vietnam or elsewhere in obtaining suitable employment; to the Committee on Post Office and Civil Service.

By Mr. GREEN of Pennsylvania:

H.J. Res. 1055. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. HOLLAND:

H.J. Res. 1056. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. KING of New York:

H.J. Res. 1057. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Affairs.

By Mr. THOMPSON of Georgia:

H.J. Res. 1058. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. WILLIAMS of Pennsylvania:

H.J. Res. 1059. Joint resolution authorizing the President to proclaim the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. PETTIS:

H. Con. Res. 630. Concurrent resolution to require France to pay its World War I debt; to the Committee on Ways and Means.

By Mr. STEIGER of Wisconsin:

H. Con. Res. 631. Concurrent resolution expressing the sense of the Congress with respect to the settlement of the indebtedness of the Republic of France to the United States; to the Committee on Ways and Means.

By Mr. STAGGERS:

H. Res. 1056. Resolution to provide additional funds for the expenses of the investigations authorized by House Resolution 168; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS (by request):

H.R. 15159. A bill for the relief of Young Ja Cho; to the Committee on the Judiciary.

By Mr. ADDABBO:

H.R. 15160. A bill for the relief of Antonio Costante; to the Committee on the Judiciary.

H.R. 15161. A bill for the relief of Nunzia and Giuseppe Gatusso; to the Committee on the Judiciary.

H.R. 15162. A bill for the relief of Paola Pellegrino and minor children, Rosa, Gaspare, Giovanni, and Antonia Pellegrino; to the Committee on the Judiciary.

H.R. 15163. A bill for the relief of Stefano Pisano; to the Committee on the Judiciary.

By Mr. BATES:

H.R. 15164. A bill for the relief of Eugenia Stachowicz; to the Committee on the Judiciary.

By Mr. CORBETT:

H.R. 15165. A bill for the relief of Francesco Cavaliere; to the Committee on the Judiciary.

H.R. 15166. A bill for the relief of Nicola De Luca; to the Committee on the Judiciary.

H.R. 15167. A bill for the relief of Gennaro Perna, his wife, Luigina Geltrude, and children, Vincenzo, Carmela Maria Rosaria, Antonio Nazario, and Franco; to the Committee on the Judiciary.

H.R. 15168. A bill for the relief of Vincenza Perna; to the Committee on the Judiciary.

H.R. 15169. A bill for the relief of Enrico Provenzano, his wife, Annina, and daughter, Carmela; to the Committee on the Judiciary.

H.R. 15170. A bill for the relief of Salvatore Federico Reale; to the Committee on the Judiciary.

By Mr. DONOHUE:

H.R. 15171. A bill for the relief of Michelangelo Livoli; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 15172. A bill for the relief of Matteo Cretella; to the Committee on the Judiciary.

By Mr. KING of New York:

H.R. 15173. A bill for the relief of Sotirios Siderakis, Maria Siderakis, and Sideras Siderakis; to the Committee on the Judiciary.

By Mr. STEPHENS:

H.R. 15174. A bill for the relief of Dr. Ernesto Jose Giro; to the Committee on the Judiciary.

H.R. 15175. A bill for the relief of Dr. Heinz Joost; to the Committee on the Judiciary.

By Mr. THOMPSON of Georgia:

H.R. 15176. A bill for the relief of Andromachi S. Pamfilis; to the Committee on the Judiciary.

By Mr. WIGGINS:

H.R. 15177. A bill for the relief of Lee In Sook; to the Committee on the Judiciary.

By Mr. BOB WILSON:

H.R. 15178. A bill for the relief of Kay Jacqueline Bawa; to the Committee on the Judiciary.

By Mr. WYATT:

H.R. 15179. A bill for the relief of the estate of William E. Jones; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

239. The SPEAKER presented a petition of the Common Council, City of Buffalo, N.Y., relative to Federal funds to improve WPA streets, which was referred to the Committee on Public Works.

EXTENSIONS OF REMARKS

Address by Hon. Clarence Brown, Jr., Before Detroit Ad Club

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. ARENDS. Mr. Speaker, our colleague, CLARENCE BROWN, JR., of Ohio, known affectionately by us as "BUD," on January 26 delivered an address before the Detroit Ad Club that had a tremendous impact on those attending the dinner meeting.

As we all know, BUD BROWN has had considerable experience in the publishing business. He, and his distinguished father before him, have been publishers of several newspapers in Ohio. What CLARENCE BROWN has to say about our modern advertising system merits attention. He speaks both as a Member of Congress and one who has a specialized knowledge of the advertising industry.

A point he makes cannot be too strongly emphasized: The smalltown media constitute a vital segment of our free enterprise system and it should be a matter of public policy, both on the part of government and on the part of advertisers themselves, to defend and promote these media as against a system of centralization.

Congressman BROWN's speech follows:

ADDRESS BY HON. CLARENCE BROWN, JR., BEFORE DETROIT AD CLUB

"It would be in the best interests of our advertising business," wrote a foreign magazine editor not long ago, "to study the American experience."

"We must remember," the editor continued, "that the great Lenin told us to learn from the capitalists and adopt what is clever and profitable to build communism." End of quote.

This quotation comes from the Soviet Magazine, *Literary Gazette*. If nothing else, it reinforces a conclusion I've reached after some two years in our Nation's Capital as a Member of Congress—that like a *prophet, a profitable system* is without honor in its own country.

For while "the American experience" in advertising is being copied overseas by envious foreign systems, here at home it has come under increasing attack by government spokesmen in recent years.

Let's face it, ladies and gentlemen of the advertising profession: they may love you in Moscow—or at least flatter you by imitation—but your economic and social sex appeal is sagging badly back in your own capital of Washington.

Nor are your critics talking about you behind your back, boldly, insistently they're bringing their arguments into the open—and with growing vigor and confidence.

Why? Because—strange as it may seem to the Moscow Commissar assigned the job of finding out what's *right* about American advertising—no one here in the States is effectively refuting those critics who are busy telling us what's *wrong* with it.

Like nature itself, the ambitious critic of the system, is quick to fill a vacuum—with his own arguments. Thus, in the absence of resistance from defenders of American advertising, your detractors grow more voluble each passing day.

Thus, having heard from your Moscow *admirers*, listen now to what the Washington *detractors* have to say about "the American experience" in advertising.

First, it increases the cost of products

Second, it helps create monopolies and thereby reduces the consumer's freedom of choice in the marketplace

Third, it helps popularize and maintain faulty and harmful products in the marketplace

Fourth, it poses a threat to free speech and the first amendment to the U.S. Constitution by leading to the control of news and editorial policy in our news media

Fifth, it lowers public tastes in television and radio entertainment

Sixth, it costs taxpayers unnecessary money in postal subsidies

Seventh, it mars the beauty of our national landscape.

Eighth, it stimulates and creates artificial demands for products consumers actually don't need

Ninth, it makes for unreal distinctions among brand named products which are essentially the same.

And as if the aforementioned nine points aren't enough:

Tenth, it also stimulates public and private vices, such as gambling, excessive use of alcohol and an overweening interest in sex.

Now, let me make it clear that these ten charges about modern advertising aren't products of my imagination. Each and every one has been stated publicly. They have been made on the floor of Congress; by officials of Federal Executive Branch Agencies and Departments; and by self-proclaimed spokesmen for protection of the public interest, in testimony before Congressional Committees.

Since first coming to Congress two years ago, I have also heard proposals—many proposals—to correct these economic and social ills allegedly created and aggravated by modern product advertising.

Listen now to what your critics have proposed. You'll recognize that some of these ideas have *already* been enacted into law or put into effect by regulation in the recent past:

First, we should limit advertising budgets and/or advertising methods by law

Second, we ought to tax advertising expenditures or place an advertising use tax on media

Third, we ought to extend and strengthen the antitrust laws to cover advertising

Fourth, we need regulations on package design, content and labeling

Fifth, we ought to outlaw product brand names which might mislead or confuse consumers and require the manufacturer to market like products under generic names.

Sixth, require labels on certain products to warn the public of potential dangers in their use

Seventh, the Federal Government ought to subsidize information agencies and publications for the benefit of consumers

Eighth, the Federal Government should sponsor "reprisal" advertising to protect consumers from being misled by industry-sponsored advertising

Ninth, program content should be controlled or federally sponsored radio and television or subscription television should be fostered to give the consumer freedom from advertising

Tenth, advertising rates should be regulated and advertising content should be screened for questionable material.

There are only a few of the serious proposals aimed at providing a remedy for the economic and social ills that opponents ascribe to "the American experience" in product advertising. Needless to say, they are criticisms and proposals directly affecting every member of this audience—and, indeed, every American with a stake in our existing economic and social system.

My purpose today isn't to discuss in detail the substance, merit or lack of merit contained in these criticisms and proposals.

Instead, it's to warn that the critics who hold to these views, and who are successfully advancing these proposals in the Halls of Congress and the Executive Agencies, aren't being effectively answered by those who could—but don't present the affirmative side of the case.

Specifically, I mean you and people like yourself—those who have helped create and develop our unique and envied American System of product advertising—but who, through the years, have been far less effective in creating and developing public policy positions to *defend* that system from its detractors.

Does advertising run up the cost of products?

Is the American Consumer being given sufficient information through advertising to make intelligent cost and quality choices at the supermarket?

Are large corporate advertising budgets a pernicious force endangering our competitive marketing system?

These fundamental questions raised by the criticisms and proposals previously mentioned must be answered—and effectively—or far-reaching legal and regulatory curbs are sure to be placed on our present marketing and advertising system. . . . .

The first step toward providing such answers is, of course, a long, hard look within the system itself to determine what merit, if any, there is to the criticisms I have outlined. Early industry action toward prevention and cure of any abuses and excesses in the system is, after all, the best defense against its critics.

But beyond this, there is the matter of providing the public—and those who represent the public—with the affirmative side of the story. The vacuum must be filled with facts, figures, in-depth information and arguments establishing the merits of the system for every American to see and understand.

Private industry and those who have the greatest stake in our existing marketing system have been laggard in providing such facts, figures and information and arguments in recent years. Perhaps it just never seemed to be necessary before. But perhaps if a better job had been done explaining the system in past years, the Washington followers of Lyndon might today be honoring it as are Moscow's followers of Lenin.

The fact is that American business has spent hundreds of millions of dollars to perfect its products and services and sell them to the American consumer, and that the advertising profession has developed its skills and techniques to multi-billion dollar levels. But we have taken for granted the system itself. We have done little to sell its merits, or to shore its defenses against the attacks of its opponents.

As a result, it isn't inaccurate to say that the public policy threat the advertising industry faces today—and will face for years to come—has its origins in the industry's failure years ago, to develop effective resources and allies to defend the system.

As a Member of Congress, I speak with first-hand knowledge about *the end result* of this failure. But as a businessman, I have also viewed the problem from another perspective.

And from this perspective, long before coming to Washington, I had reached certain conclusions about how the advertising industry might strengthen its position against the attacks of its opponents.

It may be that my view has been conditioned by my experience as the Editor and Publisher of what we in the mass market age call a small city daily. But then again, this isn't the worst perspective in the world from the standpoint of the American advertising industry.

After all, aside from Moscow's *Literary Gazette*—America's small city media is among the most enthusiastic supporters our free enterprise system has.

Unfortunately, this support is largely a one-sided affair. For, ironically, the American advertising industry, which is under attack by advocates of centralized authority in government, in fact encourages the trend to centralization in our society through its own practices.

I refer to major advertisers' overlooking the so-called small market media—that is, the dailies and weeklies that identify with individual, neighborhood and local markets—in favor of playing what one advertising man himself recently termed "the numbers game".

The January 15 issue of *Ad Age* quotes a client as telling his agency that "one cannot reconcile numbers with impact, nor a statistic with a customer's point of view."

The author of the Article, Herbert Maneloveg, concludes—and I quote: "It's time that we," that is, advertising men and women, "walked away from the warm refuge of statistics and honestly projected rationales based on what might create impact instead of just how many numbers we can develop."

My point simply is that a close, if not a casual, relationship exists between the political philosophy that thinks only in terms of masses and the need to centralize, and the marketing philosophy that thinks in terms of reaching the individual American purchaser, *not* as a member of a community or neighborhood, but as a mere statistic.

Thus, while advertising practitioners certainly don't owe it to small town media to invest a share of their clients' revenue outside the mass market media, they may owe it to their clients—and to themselves.

Certainly the prospect of small town media slowly disappearing from the national scene as a result of the trend to "numbers games" and mass audience appeals isn't inviting.

The natural life would suffer through a diminution of choice in our free press system—our free enterprise system would be deprived of an important, indeed a vital segment of support—and the ultimate and total success of the advocates of centralized political and economic control in our country would be assured.

Today, these dealers in mass, centralized government and economics have brought their cause to high tide, in Washington and throughout the country. And make no mistake, their ultimate and total success will mean nothing less than the end of the free market system and "the American experience" in advertising as we have known and projected from it.

My responsibility as a Member of Congress who believes in our system—and in the contribution made to that system by your industry—is clear. Your own responsibility is no less clear, and your failure to meet it can only result in my failure, and that of my colleagues in Congress, to stem the tide toward a controlled economy.

For our system—"the American experience"—can only survive if American industry itself recognizes its responsibilities and interests in the field of public policy—responsibilities and interests which, when all is said and done, should reflect and encompass the larger interests of our nation's consuming public.

False Optimism About Vietnam

HON. THRUSTON B. MORTON

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1968

Mr. MORTON. Mr. President, false optimism and self-delusion continue to dominate official reports from both Washington and Saigon as to the effects of the onslaught being carried out by the Vietcong in major cities and provincial capitals of Vietnam.

The devastating attacks mounted by the insurgents—with the acquiescence or the complicity of many whose hearts and minds Ambassador Komer boasts are secure—cannot be dismissed as the enemy's death rattle.

Yet today General Westmoreland tells us that heavy enemy losses "may measurably shorten the war." I am sure that many Senators would like to know precisely what measurement the general is using. Has he determined, for instance, how many thousands of innocent civilians are included in these impressive body counts that flow from official quarters with nauseous regularity?

Mr. President, the tragic history of U.S. intervention in Vietnam is replete with Government declarations that we have at last "turned the corner." Seldom it is that the American public hears the unvarnished truth about a war that has been described by my esteemed friend, the distinguished Senator from Georgia, RICHARD RUSSELL, as "one of the great tragedies of our history."

And seldom has a Member of this body done the physical and mental spadework about the sickening complexity that is Vietnam as has the senior Senator from Massachusetts, EDWARD M. KENNEDY. He has, with candor and objectivity, thoroughly analyzed the interplaying tragedy of millions of Vietnamese refugees whose plight is made the more desperate by indiscriminate American military operations and the bottomless corruption of the Saigon government.

Since his recent return from an exhaustive trip to Vietnam, Senator KENNEDY has examined the human cost of the war in terms of the homeless and the destitute. He has also put into proper perspective the damage being done the true interest of the Vietnamese, and U.S. objectives as well, by the self-serving clique that can only profit by our actions and the suffering of its people.

Senator KENNEDY speaks of the necessity of a "confrontation" with the Government of South Vietnam in order that they be made to realize that the present conflict is basically theirs to win or lose, and that reasonable conditions are going to be placed upon further American involvement unless they take immediate steps to put their house in order.

I might add, Mr. President, that the American people ought to demand a similar confrontation with the administration so that President Johnson can state in no uncertain terms what ends we now seek in Vietnam, in view of the limited means available to us. I would hope that this "new look" at a deteriorating situation there might offer the opportunity to lower our objectives, and raise the hopes of millions for an earlier rather than later termination of the war.

Mr. President, I ask unanimous consent that the two addresses by the senior Senator from Massachusetts be printed in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR EDWARD M. KENNEDY BEFORE THE WORLD AFFAIRS COUNCIL OF BOSTON ON HIS RECENT TRIP TO SOUTH VIETNAM, JANUARY 25, 1968

It is a pleasure for me to have this opportunity to appear before the World Affairs Council, to discuss my recent trip to Vietnam.

Vietnam is not the only nation in Southeast Asia that presents us with dangers in our foreign policy. We know of the continued insurgency in the Northeast corner of Thailand, of the invasion of Laos by North Vietnamese forces, and the increasing bellicosity of the North Koreans that resulted this week in an almost unprecedented seizure of an American Naval vessel. These must be matters of concern to us all and they are situations to be watched with care and treated with sound judgment. But Vietnam is where we have tied down so much of our manpower, our resources, our energies, and our hopes.

As Chairman of the Senate Judiciary Subcommittee on Refugees, I went to Vietnam to investigate our progress, or lack of progress, in both our refugee and our civilian casualty programs. Within the next two or three weeks, I expect to make a detailed report to the Senate of my findings within the area of these specific responsibilities. Today, I wish to be more general.

I certainly did not go to Vietnam expecting suddenly to find the solution to the war. I return with no blueprint for immediate success, no scheme for peace that others have missed.

But I believe I do return with a greater sensitivity, with greater feeling about our total efforts there. These I wish to share with you.

I last visited Vietnam in 1965, at the beginning of the massive buildup there of American presence. At that time, the Viet Cong threat was at a peak. The danger was imminent that they would take over the country, destroying in the process whatever free institutions the people enjoyed. The decision was made by the United States during this period to revise significantly our role in Southeast Asia. We have held to that decision with little change since then.

At that period in the struggle we took every claim of progress as a strong sign of hope—perhaps because the situation was so dismal. One left Saigon in 1965 feeling things were going to get better, simply because they could not get worse. I left at that time not with any hope of victory in the near future but at least with the hope that some real progress was on the horizon, that some real improvement, some easing of pain was in store for the people of Vietnam who had suffered so long—and for our people too.

On my return this year from Vietnam, I am forced to report to you, and to the people of the Commonwealth, that continued optimism cannot be justified. I am forced to conclude that the objectives we set forth to justify our initial involvement in that conflict, while still defensible, are now less clear and less attainable than they seemed in the past.

And I believe that if current policies relating to the nature of the war are not changed, and the assumptions underlying civilian programs are not revised, then the prospects for individual freedom and political stability in Vietnam in the foreseeable future are dim.

In essence, I found that the kind of war we are fighting in Vietnam will not gain our long-range objectives; that the pattern of destruction we are creating can only make a workable political future more difficult; and that the government we are supporting has given us no indication, and promises little, that it can win the lasting confidence of its own people.

The war in Vietnam is unlike the traditional wars in our history in which we were prepared to act alone. Our country was not attacked, our cities were not threatened. We do not seek to overthrow an enemy government, capture ground, or achieve an unconditional surrender. We seek only to allow the people a free choice. For these reasons the war is more nebulous, more vague in its ends, than the conflicts of our past. And for precisely these reasons, there is always the chance that our actions, if not fully considered, can exceed our needs. That is why we must be careful in applying the traditional canons of patriotism, or the cliches of the past, in judging this war. As our military effort must be more sophisticated than any other in the past, so must our views as citizens on the policy questions before us.

But before I elaborate on these points, let me share with you some of my personal impressions after observing the war in Vietnam.

First, I was deeply impressed by the American servicemen who are serving there. I had hours of discussion with them, from the Delta in the south to Danang in the north. The man who serves there today is in the tradition of his father who fought in the South Pacific and his brother who walked the length of the Korean Peninsula. Because of the greater opportunities he has had at home, he is perhaps more professional, more intelligent and more aware of his own capabilities as a man and as a soldier. He is there to do a job, and he does it well.

Criticism of the war is not criticism of these individuals. They do not make policy; but no policy makers ever had better men to carry out their objectives. If bravery, skill and sheer force could win this war, these men would win it. But it is these very characteristics that should give us pause—these men whose lives are too precious to sacrifice endlessly or needlessly. We owe much to our fighting men. Our responsibilities to them are great and grave. To interpret criticism of our policies as a lack of support for our men is to suggest that we blindly abandon them to policies without an intelligent consideration of alternatives that may be open to us.

The valor of our troops is one impression I brought back with me from Vietnam. A second strong impression was radically different: the paradox of the city of Saigon.

Saigon has grown over the past three years by almost two million people. The contrasts there are painful. A small, privileged segment of Vietnamese society is thriving in this center of war economy. These privileged individuals are content with the status quo.

But those who have been driven in from the countryside and must now live in the streets and the hovels present a different picture. These people are not doing well in this war, and they know the price of the conflict very well. Vietnam is a nation in which reverence for the dead is the highest trait of character. Yet I saw people in Saigon who are forced to live in graveyards, and have even hollowed out tombs to find shelter. This is a city where thousands of young men 18 and 19 years old flash about the streets on their motorbikes, wearing cowboy hats and leather gloves, exempt from the war and oblivious to the sacrifices of others. Yet this is also a city where 40 per cent of the death toll is accounted for by children under two years of age, children killed primarily by dysentery or pneumonia.

The contrasts of the major city are reflected as well in the countryside. From the air, Vietnam is a beautiful land, but when you descend from the sky you see clearly the pockmarks of war, and when you walk through the villages you see the ravages of war in the faces of the sick and wounded children. Beyond the villages abandoned fields stretch to the horizon, and scorched outlines of houses burned to the ground sometimes cover more than half the land area of a province. Whole areas which have been bulldozed to the ground are commonplace, and so are wide corridors of defoliated forests, and fields that once produced food. Here and there are compounds of long sheds with shiny tin roofs—the refugee camps where thousands upon thousands of people have been herded together, uprooted from all they ever knew or wanted.

These are the people of Vietnam, the peasants of Vietnam. They are not a demanding people. Their simplicity is overwhelming, their wants meager. I had the opportunity to visit more than 25 refugee camps and talk to hundreds of their people. I was struck with the fact that they—and their fellow peasants who make up the vast majority of the population—have no ideological commitment to anything beyond their own families, and perhaps their hamlets or villages. The provincial government, and the central government in Saigon, are nothing but far-away titles to most of them. The debate over communism and freedom has little meaning.

I do not mean to suggest that the peasant of Vietnam would be unresponsive to any form of government. But I do suggest that their concerns and their hopes should not always be considered identical to ours. As a leading intellectual in Vietnam told me, "The peasant may have no political notion of democracy, but he does carry a strong desire for justice." The form of government they want, according to him, is a just government. And none of the governments they have seen in their lifetime have been just to them. To them, the promises of the United States and the promises of the Viet Cong make little difference, even if ours are real and the others propaganda. What they are interested in is the way of life which causes the least further disruption in their already disrupted lives.

We tend to think of refugees as a small minority of people who have been caught in a passing conflict. But when I discuss the refugees in Vietnam, I am talking about literally 25 per cent of that nation's population, all of whom are disaffected, all of whom hold a strong resentment for whatever side tore them away from the simplicity of their lives to the squalor and the bureaucracy of the camps. Most of these people are totally disenchanted with the powers on both sides responsible for their fate. Vietnam today is a land of disenchanted people.

I found a great deal of resentment toward the United States among these people. I asked all of those to whom I spoke how and why they became refugees. The vast majority—I would judge over 80 per cent—claimed they were either deposited in camps by the Americans or fled to camps in fear of American airplanes and artillery. Only a handful claimed they were driven from their homes by the Viet Cong.

The French, one leader told me, committed many sins in Vietnam. But the French did not wipe out their villages, or burn down their homes, or herd them into enclosures in the name of security, when many felt more secure, with more food and less disease, where they were.

It is apparent to me that it is the refugees of Vietnam, and their brothers in the hamlets, whom we must win over for any policy to succeed. But all too often this task may be almost impossible, because of that one forgotten and seemingly insignificant act in a fast-moving war, the destruction of a home or a hamlet—and that most significant fact, that we displayed no compassion thereafter.

One further impression—and perhaps the strongest and most depressing—is the impression of the Viet Cong themselves. I spoke to Vietnamese and Americans alike who have either known the enemy from years of experience or have encountered him in the dark of night. The determination of the Viet Cong is awful to behold. They are capable of great cruelty. They often attack positions using the peasant and his home as a shield. They use the familiar tactics of the terrorist, relying upon fear when persuasion fails.

I met with one woman and her family of five in Ben Cat the morning after the Viet Cong had taken her husband from his bed and cut his throat, leaving him dying in the yard. He had done no wrong, but control of this refugee area was slipping from the Viet Cong, and they needed an example of discipline.

The Viet Cong are driven by a belief in the rightness of their cause that comes from years of colonial rule and injustice inflicted by passing governments. This belief has grown strong on a sense of nationalism carefully nurtured and promoted by communist political cadres. It is true that their forces have been depleted by our weapons; in the Delta, we are capturing 14 and 15 year old boys. But it is just as true that in the past six months there has been more enemy activity in that area than there was when the Viet Cong were at the height of their strength. We must face this Viet Cong determination realistically and for what it is.

While I was in their country I tried to assess the spirit with which the Vietnamese on our side conduct their part of the war. For we are in Vietnam because they are in peril; it is their country, their war, their future. Every other time in our history when we have gone into battle to help others stay free the other nations have been dedicated to the cause. When they were threatened, as Britain and Russia and South Korea were, they fought valiantly. Where they were conquered, as the French, the Poles, the Scandinavians, the Filipinos were, they turned guerrillas and did the best they could to resist.

But at this stage of the war in Vietnam, I believe the people we are fighting for do not fully have their hearts in the struggle. And I believe as well that the government that rules them does not have its heart in the cause of the people. So we are being forced to make the effort for them and take the risks they should be taking themselves.

We are losing 9,000 lives and spending $30 billion a year, and have twice come close to mobilizing our reserves because of the war in Vietnam. But Saigon—faced with an enemy which controls more than half of its land area—has yet to declare a state of national mobilization.

Half of the American boys fighting in Vietnam are draftees. But in Saigon, it is common knowledge that a young man can buy his way out of the draft, or if he is in service can buy his release.

There are thousands of American men fighting in Vietnam and risking their lives. But in the country our men are defending, in Vietnam, the police must march through the streets in a house-to-house search seeking eligibles for the army. And they do this only when pressure is applied by critics. While I was in the country the government of South Vietnam refused to permit the drafting of 18-year-olds, because it does not consider the country to have reached a state of national emergency. As one member of the Vietnamese assembly stated during their debate on the subject, he could see no reason why he should vote to draft 18-year-olds to support what was an American effort.

South Vietnam's civilians who have been injured as a result of the war are victims of the same lack of concern. Each year 150,000 civilians are wounded in the war, and more than 25,000 are killed. Only 150 Vietnamese doctors are available to treat these civilian casualties, and they must also serve the entire population of over 13 million. And yet I learned, in discussions with members of the government, that they plan to divert many of this meager number by drafting more doctors into the military.

Were it not for the private doctors from the United States and other free world nations who have gone to Vietnam on their own time; and were it not for the fact that the United States military has finally accepted some measure of responsibility for the civilians killed and injured in the fighting, there would be almost no doctors at all to help these people.

I tried to warn Vietnamese officials of the suffering that would result if they removed the skilled medical people from the civilian population. They did not appear to be impressed.

There are those who say that such a lack of compassion is normal in a continent which has seen so much suffering for so many centuries. In matters such as this, they maintain, we must make allowances for the Asian mind. But I visited more than twenty provincial hospitals and dispensaries. I entered pediatric wards at 11 o'clock at night and saw rats in the rafters and filth on the floors, windows without screens, children wide-eyed with pain, and no Vietnamese personnel to comfort them or care for them. And I cannot believe that this suffering is made any easier by the cultural background of the sufferers.

I say that the explanation for this terrible situation is not cultural but political. I say that most of the officials in Saigon do not care about these stricken people; that they are more interested in maintaining their own positions of power than in helping the victims of the war; and that from the way they look upon the people outside Saigon, and the way they treat the peasants elsewhere, they have become much like the colonialists who trained them. They are truly colonialists in their own nation.

Along with this lack of urgency and this indifference toward the enemy and toward its own people, the government of South Vietnam is infested as well with corruption. It is almost impossible to go to Vietnam and speak with any candid American or South Vietnamese citizen without instantly becoming involved in a discussion of the corruption of the central government. Government jobs are bought and paid for by people seeking a return on their investments. Police accept bribes. Officials and their wives run operations in the black market. AID funds and hospital supplies are diverted into private pockets. Army vehicles are used for private purposes, supplies disappear and show up in the bootleg stores on the street.

Corruption pervades all aspects of Vietnamese life, and it is brazenly practiced. For example: our government decided it would be helpful if veterans of the Vietnamese army could come to the United States to study at American universities and learn about our country. We asked the government of South Vietnam to select some qualified men for this opportunity. The list they gave us consisted mainly of relatives of government officials. When we discovered this, we asked them to find other men, unrelated to them. But after the second list came in, it was discovered that all of the new applicants had been made to promise a percentage of their scholarship payments to the officials who chose them.

Let me detail some examples in the refugee field. We now have given South Vietnam $30 million a year for refugee relief. In my many conversations with the hard-pressed American refugee personnel, it was estimated that only half of the supplies ever reach the refugee. The officials of the government of South Vietnam, and the province chiefs supported by them, have the keys to the warehouses, and they keep much of the goods for themselves. Each refugee is supposed to receive the equivalent of $45 for resettlement. It was estimated to me by a U.S. official adviser to the refugee program that 75 per cent of this amount is siphoned off before it reaches these people.

Provincial officials are given a certain amount of money each year to spend on refugee relief. But instead of using it to provide for refugees, many of them lend this money at high rates of interest, collecting it back just in time to make the expenditures before the end of the budget year.

In the field of refugee care and in many other fields, the government of South Vietnam has been engaged in the systematic looting of its own people. Many of its officials have, as their overriding concern, taken as much as they can, while they can, from the treasure of American wealth. When we in America are being asked to pay a surtax of 10 per cent to support this war, we have a right to demand that these practices in South Vietnam stop.

Until the government of South Vietnam undertakes to reform itself; until it decides to work a seven-day week as the Americans are doing; until it resolves to mobilize the nation, to draft the young men who should be fighting for their country instead of playing in the cities, until it rids itself of the cancer of corruption—until it does these things, it will not be worthy of the respect of its people. It will not receive their support for the war, and the war will become more and more an American instead of a Vietnamese effort.

As I mentioned at the outset, I did not go to Vietnam in pursuit of a plan for peace. A short trip to Vietnam, even by someone who follows the issues closely, does not arm one with credentials and the information necessary to talk authoritatively of specific peace moves and solutions. Nevertheless, I feel no report to the people of this state on my impressions on the war would be complete without some personal conclusions.

I do not wish to engage in speculation on whether or not we have been aggressive enough in grasping offers to negotiate an end to the war, but I would question the wisdom of some who feel that a great deal of the negotiations for peace must be carried out before the negotiating table is ever reached.

Admittedly, we are confronted with cunning men in Hanoi. But I have sufficient faith in our own ingenuity and bargaining ability to believe that we can discuss settlement before many major military issues are resolved. Negotiations will not be a quick or painless solution to the Vietnam war, but the sooner they begin, the sooner men of peace, rather than those concerned solely with military victory, will begin bringing their influence to bear on the ultimate result.

But if negotiations are not forthcoming, or if they face a great delay, we must ask ourselves whether the gains we can achieve are worth the staggering costs we now incur. American officials I talked to in Vietnam are emphatic that we must not expect too much from the central government, that the effort to win the people and discourage the VC will go slowly, and that we cannot hope for an end to our involvement for another five or ten years. It is easy to accept five to ten years in the abstract, but it becomes more difficult when years are translated into dollars—another $150 to $300 billion at the current level of spending. And I find it impossible to talk of our future in Vietnam in terms of another 50,000 to 100,000 young Americans dead. Last year, 9,000 boys died; this year we will lose 10,000. Unless we change the way we fight in this war, the death toll will grow even larger while the gains, computed by often meaningless statistics, will merely creep along, to mock the offering of this, the most precious gift we have.

And so it is that the rising cost of American lives and the damage, both political and physical, that we inflict on the people, cause me to view current military actions with great dismay. As a result, I believe that if we cannot achieve negotiations in the very near future, we should begin immediately to moderate significantly our military activities in South Vietnam to levels more tolerable to all and more commensurate with our limited aims. Our overriding goal should be to maximize the safety and security of the Vietnamese people and our own soldiers, rather than to search out the enemy in his territory and on his terms. To produce a flow of statistics of enemy killed, roads opened, hamlets secured, is not our goal in Vietnam, and it is not worthy of our effort. To seek to justify a war by such meaningless numbers is not only new to the American experience—it is unbecoming to a great nation.

The adoption of a more defensive military posture, one designed to protect and hold areas of heavy population rather than to seek out the enemy, has, I found, some support among our military leaders in Vietnam. And at the same time—as essential to this strategy—we would have to demand more from the South Vietnamese government in the basic political effort of gaining the allegiance of the people who would be under the protection of the U.S. and other free world forces.

This task can only be successfully fulfilled by the government of South Vietnam. But given our expenditure of lives and treasure, and the threat of Vietnam to our own domestic tranquillity, it is largely our responsibility to see that they accomplish this task. For too long we have tolerated not only government corruption but government indifference to the people. We have refused to confront Saigon with the same determined fury we have unleashed on Hanoi. But they too must face the hard demands of war—and those demands should be placed before them by us in clear and concrete terms.

I would urge a confrontation between our government and the government of South Vietnam on the entire question of corruption, inefficiency, waste of American resources and the future of "the other war". They should be told in terms that will leave no doubt that if they find it impossible to attract the people of Vietnam to their own constitutional government, the American people will rightfully demand serious alterations in the nature of the United States involvement.

We can have an enormous influence over the government of South Vietnam if only we choose to use it. They know that if we were not there they would collapse. We came to their aid because their people were in danger of a communist takeover. But today many of their officials believe that, because of our fear of China and of our deep concern about communist advances in Southeast Asia, we are tied to Vietnam irrevocably. As a result, I believe they feel they can act as they wish towards the war and towards their own people, confident we will fill the gaps they will leave.

They must be disabused of the belief that American men and American money are a fixture in Vietnam. There is no lack of will in this country to assist others anxious to help themselves, but Saigon should know that American resources are not infinite and that patience has its limits. Above all else, the American people will not be content with the giving of lives, with making the ultimate sacrifice for a government which refuses to share proportionately in that sacrifice.

So it should be made clear to the elected government of South Vietnam that we cannot continue, year after year, picking up the pieces of their failures. We should as a nation do all that is necessary to prepare that government to take over their true responsibilities. But if they are unwilling to accept them, they should be aware that the American people, with great justification, may well consider their responsibilities fulfilled.

Almost two centuries ago, Thomas Paine, a man who wrote of our own struggle as a young nation, stated, "those who expect to reap the blessings of freedom must, like men, undergo the fatigue of supporting it." That lesson still holds today. No nation has done more in the last quarter century than the United States to promote and preserve freedom in this world. We have done so because peace under freedom was the watchword in the creation of our own republic and is the highest aspiration of all men. Our word is good to all who share that aspiration with us and to all who will work with us to attain it now and maintain it in the future.

ADDRESS BY SENATOR EDWARD M. KENNEDY BEFORE THE AMERICAN ADVERTISING FEDERATION, WASHINGTON, D.C., FEBRUARY 5, 1968

It is a pleasure for me to have an opportunity to address the Tenth Annual Conference of the American Advertising Federation.

I am aware that your gathering in Washington this year is concerned with the effects of public policy on the advertising industry. I wish to speak today, however, of a subject far removed from the topics of this conference, but a subject that is first in the minds of all Americans—Vietnam.

I recently returned from my second visit to Vietnam. As Chairman of the Senate Judiciary Subcommittee on Refugees, I went to that country to investigate both the refugee and civilian casualty aspects of the war, as well as the programs that have been devised to meet these problems. Upon my return I made a report to the people of the Commonwealth of Massachusetts, before the World Affairs Council in Boston. The burden of that report was that after two weeks of travel over the entire country of Vietnam, after hours of discussions with our military leaders, our civilian officials, members of the South Vietnamese government, other Vietnamese leaders and hundreds of peasants in their fields and homes, I came back less optimistic than when I left. I returned with the feeling that, regardless of how many men, planes, artillery and tons of equipment we poured into that country, little real progress has been made, and little could be expected, as long as our overall military response remained the prime answer to the challenge we face.

This is not to say that Vietnam would have remained free of communist control had our presence there not been great. It is true that in 1965 that nation and its armies were on the verge of collapse. Only our presence in great numbers forestalled the disintegration of the government. Since then, however, we have relied totally upon the fact of our presence there as a guarantee of eventual success. Once the continued life of the nation as we knew it was assured by our presence, we did not really seize the opportunity to guarantee its future in our absence. We succumbed, I believe, to the theory that enough American men and enough American machines can change the tide of events by sheer weight alone. We saw this happen before when the homes and industry of America changed the course of modern history. But Vietnam is not a challenge that lends itself to solution by traditional methods of warfare. Man and machines deployed in the assistance of a foreign people facing internal attack must be matched by the will and determination of the people being defended. Without that, our gifts of life and treasure will have little meaning and little success.

Vietnam is a place of contradictions, glaring contrasts and inconsistencies. One returns with varied impressions about the war, the people, their government, and the nature of the enemy. The only constant impression, the only one stable element in Vietnam that can be recognized throughout, is the impression gained of the United States fighting man.

The American soldier in Vietnam has a most difficult, a most dangerous and often a most frustrating assignment. It is fortunate for us that, because of advances in our own society, today's serviceman is more professional, more intelligent and more aware of his own capabilities as a man and soldier. These men cannot be faulted for the progress or lack of progress of the war; neither can they be judged by critics of the war for policies they do not make. If bravery, skill and sheer force could win in Vietnam that struggle would have been won long ago. But because we have much to be proud of in these men we also have a grave responsibility to be sure beyond doubt that we do not ask them to give needlessly or endlessly in this struggle.

During my stay in Vietnam I had the opportunity to travel the entire length of the country and to observe how the war differs from place to place, not only in terms of the nature of the fighting, but in the reactions upon the Vietnamese people whose nation we are seeking to secure. Unfortunately, many of the provincial capitals and towns that I travelled to suffered heavily last week, and I am sure that many of the people to whom I spoke did not survive the onslaught.

In the Delta of the south—in Can Tho, My Tho, Ben Tre—the struggle is, and may prove to be in the future, the most difficult of all. There is the saying that the war began in the Delta and it must end there. This is the richest land in Southeast Asia. It can produce enough rice to feed all Vietnam and still be a major exporter. But today rice is imported, paddies are flooded by large bombshell craters and Viet Cong activity was, even before last week, as great as ever in the past. Here, to a greater extent than anywhere else in Vietnam, the enemy is imbedded in the people. Friend and foe are truly indistinguishable. And with such unfavorable natural terrain and heavy concentrations of people I was told that any American effort to completely secure the Delta alone would require a doubling of our total commitment in Vietnam. Military actions in the Delta are small, but especially cruel. The Delta people are especially tired of constant warfare. They, like others seek peace not for the benefit of this or that government, but peace for its own sake.

In the Southern and Central part of the country, from Bien Hoa to Nha Trang and Qui Nhon, the war is fought more openly, the refugee camps are larger, the civilian casualties more numerous. The very size of the American presence comes into view—vast airfields, countless planes and helicopters, supply depots, administration buildings form vast islands of technology across the landscape. The cities and towns house the native employees of the United States and have grown large with the new bars built by the enterprising Vietnamese, often with the help and materials supplied through the channels of corruption.

Beyond the cities and bases, thousands and thousands of acres of forest and food-producing fields have been stripped by defoliants, and the area known as the Iron Triangle has been literally plowed into the ground. While ecologists debate the impact of these procedures of war on the future agricultural well-being of Vietnam, many of the people live in camps and, denied refugee food rations by maladministration and theft, risk the return to their fields to harvest under the fire of war. They care little for communism or democracy, and less for war. Years of suffering have produced an apathy that could be as dangerous to us as any ideology.

In the northern part of the country, from Pleiku to Da Nang and above to the Demilitarized Zone, the ravages of all-out war are easily seen. More than half of all the rural dwellings that existed in Quang Ngai province are gone, and the population has been clustered in groups of eight to ten thousand at the many refugee sites. This is I Corps, a place of mammoth military installations, cities strongly guarded, harbors filled with ships unloading into barges, and the threat of large scale military action always present. This is the territory of the Marines, a place of bravery and heroic stands, where the invading pressures from the North have made us familiar with the names of Conthien and Khesanh. It is also the area surrounding the ancient imperial city of Hue—the one city in Vietnam that contains all the pride, culture and ties to past glories the Vietnamese ever had, and ever will have for a long time to come.

But there is no city in Vietnam that is as complex and distressing as Saigon. There, thousands of young men eighteen or nineteen years old race through the streets on their motor bikes, exempt from the war and oblivious to the agony of their own nation. There resides a privileged segment of Vietnamese society, thriving on a war economy. But Saigon is also full of the helpless driven in by war, and as we have learned this week, by the Viet Cong sympathizer. Of all the cities hit in the recent attacks the shock had to be greatest in Saigon—so long immune to the pain of war. It remains to be seen whether the shock of street fighting in Saigon and deaths within their own families will awaken the Saigon cowboy, the profiteer and those in leisure to the fact that their nation is burning, or whether they will simply wait for the streets to be reopened to continue the good life while American boys give their good lives in the countryside.

I was in Saigon just three weeks ago unaware, as were too many others, that the city then was an arsenal of VC weapons and the home of an attacking force. One could not tell from the bustle and the gaiety, the business as usual, the thriving black market and the long siestas and lunch hours that there was a war on, and Saigon had already been invaded in the night.

All across Vietnam the soldiers of the Viet Cong were lying in wait to attack more than half of the provincial capitals, the city of Saigon, our Embassy and major military installations. It has been estimated that more than 35,000 of the enemy were involved in what has proven to be one of the most stunning blows of the war. One week after the attack fighting raged in the outskirts of Saigon, Can Tho and Kontum and the VC flag was still visible above the walls of Hue. The enemy suffered a heavy death toll. But the act was committed and latest reports now are that the enemy has the strength and will do it again.

Yet before I left Vietnam, after eight days in the field, I spent my last day attending official military briefings, briefings that are usually given when one arrives in the country. I attended similar presentations in 1965—there was little difference between the two. It was pointed out again that the enemy was demoralized, that great overall progress was being made. The Viet Cong were still on their last legs and any accomplishments of theirs could only be a last gasp. The hallmark of the VC effort in 1968, as it was in 1965, was desperation. They were still forcing into their service 14 and 15 years olds. Clearly they were at the bottom of the barrel. We had made great inroads in penetrating their intelligence system. We knew more of their capabilities than ever before, and, while no promises were made about the end of the war, it was clearly all downhill.

I was shown multi-colored maps of roads that had been secured, or partly secured; of canals and rivers that had been opened, or partly opened. In 1965 I was told that the Viet Cong defection rate was increasing because the enemy's morale was so low; in 1968 I was told that the Viet Cong defection rate was decreasing because enemy morale was so low that negotiations were a possibility and the potential defector was now waiting for the solution.

I learned of a new computer system that prints out the status of 12,650 hamlets in the country. This system relied upon monthly worksheets filled out by people at the district level. In one recent month this computer digested a quarter-million bits of information to tell us that 66.9 per cent of the population in hamlets is secure, pretty secure or almost secure, the rest being contested or VC controlled. But now we have seen that after six years of fighting, the presence of half a million American men, more than 16,000 American boys killed and 100,000 wounded, there is no place in Vietnam that is secure—from the smallest hamlet in the jungle to the new indoor skating rink in Saigon.

I do not wish my criticism of the official reports I received in Vietnam to be misconstrued. There were no attempts made to deceive; no progress report was given without some basis in fact. What I did feel was that the conclusions of progress were drawn from chosen facts—facts that did not represent the total war in Vietnam. Those who talked to me of progress were talking of military things. Most of their estimates of success were based on military gains and losses, military hopes and military promises for the future.

But I had spent long days in the field talking with the Vietnamese peasant, with frustrated American civilians who share the danger of the night with the people—and they spoke of political things. They spoke of political promises that were never fulfilled, of VC propaganda that attacked a corrupt government in Saigon, of terrorism by the enemy and the political impact of villages bombed, and of supplies and funds that were destined to assist the people in times of hardship and pain—supplies and funds that never got to the people but simply enriched the holdings of many Vietnamese officials.

Those in the field told me that the vast population of Vietnam could give their political allegiance and support to no one, for no one had earned it. But in the turmoil of this war the one who came closest to holding the grudging respect of the people was the enemy himself. I realize it would be most difficult to record these impressions in a computer, for they are not as easily measured as body counts and miles of road. They are, however, political indications of people, and nothing could be more important in Vietnam.

For the war in Vietnam is a political war. It is a war that is being waged over which formula of government will control the lives of 16 million people. As such, while military activities can surely kill the proponents of one formula or another, such actions alone can never eradicate the idealism and the ideology from which the formula springs. As no nation, however powerful, could tear the spark of democracy from the American people, no force, however strong, will ever change the minds of those committed to communism. Only example, only deeds that demonstrate compassion, concern, and the best interests of the people, will attract a society to the government in power.

We have long recognized that the war in Vietnam was different from American involvement of the past. We never at any point set out to meet the usual goals of war—the overthrow of a government, the capturing of land in any other nation or the unconditional surrender of our foe. But while we have in theory viewed the war as different from wars of the past, I believe we have reacted to and evaluated progress in Vietnam mostly in military terms. This past week, for example, our first reaction to the raids on the cities was that the enemy had failed to take Saigon or most of the provincial capitals and hence they suffered a military defeat. We have stressed the numbers of enemy dead—a staggering total, yet unconfirmed, of 15,000 Viet Cong killed and four to five thousand captured—as another indication, that they failed. We have even implied that those in Hanoi or in the VC command in the South are in for another blow to their morale once they tally up the staggering losses of the week.

All of these evaluations may have some merit. But I suggest that we would be wiser as a nation to recognize that during the past week the Viet Cong and their allies from the North achieved an outstanding political victory. Such recognition would not be a sign of weakness on our part. It would be a most prudent act at this time of decision. A refusal to recognize the events of this week for what they were carries with it the possibility that our national reaction to these events may be inappropriate, wasteful, and perhaps dangerous.

The people of Vietnam now know better than we that there is no haven from the VC. To the people of Saigon the eventual announcement that our Embassy was secure did not mean as much as the fact that for hours it was not in our hands. And to the Vietnamese who look upon the City of Hue as the very symbol of their heritage it matters little that the enemy is finally being driven from the city. What is politically important is that the VC held it for a week and in its liberation one of the last monuments to Vietnam's past was all but destroyed.

I believe that to fully face up to the fact that what we and the South Vietnamese experienced was a heavy political blow will cause us to recognize that our response must be more political in nature than military.

I am sure there will be strong pressures upon the President and his Administration at this time to undertake some retaliatory steps that would match the heat of the moment. There are those who feel that the brazen acts of the enemy call for the commitment of additional American troops, or a more intensive use of our air power against the North, or even the encouragement for some ground actions beyond the borders of South Vietnam. This reaction is normal among a people that have been told of substantial progress in Vietnam—a nation that was told as recently as three months ago by the commander of our forces in Vietnam that the situation was "very, very encouraging."

The real fact of the matter appears to be that the Viet Cong did nothing last week that could be considered beyond their usual capabilities. They could have performed this act at any time in the past, and there is some likelihood that they will be able to do it again, regardless of the size of our commitment. For history has shown us before, and it has now been made painfully clear in Vietnam, that there is no foolproof military defense against an offense undertaken for pure political impact. The fact that our nation was taken aback by the ferocity of their actions stems more perhaps from our own optimistic evaluations of progress than from any increased strength of the enemy. We have, in essence, been relying on barometers that were measuring the strengths and weaknesses of the wrong storm.

Another difficult fact to be faced is that what the VC accomplished last week they could not have accomplished without the complicity of a sizeable share of the population. Major assaults were made on 26 provincial capitals, countless numbers of district headquarters, villages and U.S. bases with sophisticated weapons and sophisticated planning. Thirty-five thousand men were involved in an operation that must have demanded months of coordination. Prior to the attacks these men had to mass together, stockpile weapons and ammunition, eat, sleep and keep in communication.

Yet while we knew that plans were in effect for some kind of an offensive, we did not know where or when. This could not have been accomplished if there were a population of South Vietnamese that felt even a reasonable allegiance to its own government. Unless we assume that the enemy has the strongest internal security system known, it would have to be said that there was no one in those 26 cities and Saigon who felt compelled to inform the central government of the time and place and extent of even one of the attacks. The government was so unaware, it was reported, that in the capital city of Saigon fewer than half of the Vietnamese troops were in barracks and 50 per cent of the police were enjoying the holiday.

When I returned from Vietnam I reported the contempt of many Vietnamese for a government that was corrupt and ineffectual. I stated that the people we are fighting for do not fully have their hearts in the struggle, and the government that rules them does not have its heart in the cause of the people. I was simply reporting broadly-held sentiments that I encountered. I am convinced that we have felt the full weight of those sentiments in the past eight days.

What then of our response? I would urge that our reaction to the current crisis be one that attacks the deadly apathy of the people toward their government. The offensive of the near future must come from the government of Vietnam. If that government would set about the task—not in word but in deed—to reform itself, to make itself worthy of the respect of the people of South Vietnam, their response would be the equivalent of 100,000 or even 300,000 additional young Americans to police every street, house and structure of importance.

But I am afraid that if the government of South Vietnam cannot be a government of the people, if it cannot find a way to broaden its political base and eliminate its highly tuned corruption network, if it cannot stir the motivation of the people and what little is left of their idealism, then another million Americans cannot secure that country. It should be plain now to those who have lived off corruption that the good life can be wiped out. Unfortunately it also will be plain to those who look to Saigon for protection that as Saigon now stands, they will receive little.

Two years ago our government met with the government of South Vietnam in Hawaii. A year and a half ago there was a meeting in Manila, and ten months ago a gathering in Guam. It may well be timely for the powers in question to come together again—not simply for another meeting, but for a serious confrontation. The crisis of the moment, the increases in the losses of American lives, and the amount of national treasure flowing to Vietnam with a dangerous impact upon our own domestic tranquillity demand such a confrontation.

It should be clearly stated to those with whom we have allied ourselves, those to whom we have given so much, that they cannot ask for additional American men to extricate them from a situation that only they can solve. They should be told that unless they have sufficient interest in the survival of their own country to mobilize that country for war, to draft their own young men at 18 and 19 years of age, to stop the sale of deferments, to place themselves on a seven-day week as do the members of the American mission and to eliminate the system of buying positions of military and political power—unless they have this kind of interest, they cannot long expect us to maintain ours.

I also firmly believe they should be informed that, should they fail to be an ally worthy of our efforts and our lives, we can not, we will not, continue to be the only people in Vietnam that fully support the present government of South Vietnam. They should be fully aware that, if they are unwilling to accept their responsibilities, then the American people, with great justification, may well consider their responsibilities fulfilled.

The Secretary of Defense in a report to the Congress during the past week stated: "No matter how great be the resources we commit to the struggle we cannot provide the South Vietnamese with the will to survive as an independent nation, with a sense of national purpose transcending the claims of family, friendship or regional origin; or with the ability and self-discipline a people must have to govern themselves. These qualities and attributes are essential contributions to the struggle only the people of South Vietnam themselves can supply."

That is the essence of the struggle in Vietnam. A timely indication by the government of South Vietnam that they are willing to render such a contribution would be the only meaningful and lasting answer to the challenge of the past week.

President Johnson's Message on Education

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. BOLAND. Mr. Speaker, I want to voice my support for the package of educational measures President Johnson put before the Congress yesterday, a package of measures designed to clear away the barriers now keeping the Nation's poor and disadvantaged from going to college.

Millions of Americans, ranging from the slum child trapped in grinding poverty to the suburban child tied to a lean family budget, now face knotty financial problems they cannot untangle in seeking a college education.

The programs President Johnson called for yesterday—programs made as trim and tight as possible in this year of financial burden—would give new hope to needy students throughout the Nation.

One new measure would provide $15 million to establish programs of tutoring, counseling and special services aimed at giving financially troubled students an opportunity to succeed in college.

Almost 1.5 million young men and women would be helped to achieve their college goals next year through student aid programs. President Johnson has proposed to make available more scholarships and guaranteed bank loans.

In an effort to help colleges reduce the growing financial burdens they must shoulder, President Johnson has asked for a Network for Knowledge Act designed to encourage institutions of higher learning to share their facilities and faculties.

The President has recommended broadening and strengthening many higher education and national defense education laws that have proved potent weapons in the fight to make a college education available to more citizens.

In addition, he has asked for more funds to shore up the Teacher Corps, to solve the dropout problem, to remove the barriers holding back bilingual students and handicapped students, to help strengthen adult education and early childhood education.

Pointing out the many financial problems now looming before private colleges and universities, President Johnson called for a long-range administration study to find ways of helping these private institutions of higher learning.

President Johnson's proposals—the steps we need to take if the United States is to achieve its full educational potential—deserve the support of every Member of the House.

I feel sure my colleagues join me in urging swift and favorable action on these measures.

The Seizure of the "Pueblo": Some International Law Aspects

HON. WAYNE MORSE

OF OREGON

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1968

Mr. MORSE. Mr. President, Alfred P. Rubin, associate professor of law at the School of Law of the University of Oregon, has sent me a most useful and interesting analysis he prepared of the international law implications of the seizure of the U.S.S. *Pueblo*.

Professor Rubin's analysis hinges upon the facts and possibilities of what happened that have appeared in print. Some

of his memorandum deals with the possibilities of what may have occurred.

I have found it valuable myself in judging the implications of this incident, and I ask that it be printed in the RECORD, so others may also have the benefit of its contents.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

THE SEIZURE OF THE "PUEBLO": SOME INTERNATIONAL LAW ASPECTS

(By Alfred P. Rubin)

On January 24, 1968, the seizure of the U.S. Navy Ship Pueblo by North Korean military forces was announced. While this is being written the disposition of the vessel and the 83 men on board have not been determined. Three legal questions are posed: (1) To what extent was the seizure of the Pueblo justifiable in international law; (2) Regardless of the rights or wrongs involved in the seizure, what is the legal status of the 83 man ship's complement and the vessel itself; and (3) What is the United States' legal recourse to seek a satisfactory settlement of the situation. In the discussion that follows these three questions will be handled separately.

I. THE SEIZURE

A. Assuming the seizure and all actions of the Pueblo immediately preliminary to it took place about 15 miles from the nearest land, they would have taken place beyond the zone in which a coastal state has the right under customary international law as codified by the Geneva Convention on the Territorial Sea and Contiguous Zone dated April 29, 1958,[1] to exercise the control necessary to prevent infringement of its customs, fiscal, immigration or sanitary regulations.[2] Only one basis of right is recognized in international law to justify the exercise of jurisdiction over a foreign vessel beyond that zone in time of peace: self-defense.[3] The concept of self-defense in international law rests upon the immediacy of the danger and the unavailability of other recourse.[4] Complete knowledge as to the activities of the Pueblo is not available to the general public. Steps taken by the North Koreans to argue for their cessation by the United States before recourse was had to seizure make it possible that the seizure was a last resort. In order to determine whether an "overwhelming" threat existed it would be necessary to know the full range of the Pueblo's activities. Such a threat might be construed, for example, if the Pueblo were an integral part of a communications net giving orders or receiving reports from non-Communist military agents in North Korea. In the classical case of the Caroline the British were finally considered to be justified in sinking an American vessel in an American port on the Great Lakes where that vessel was the headquarters of Canadian rebels but was not in fact a gunboat.

In fact, the relations between the United States and North Korea are not relations "in time of peace". The hostilities which pitted United Nations forces led by the United States [5] against North Korea and Red Chinese "volunteers" were ended by an armistice agreement signed at Panmunjom on July 27, 1953 [6], but it is accepted in international law that an armistice does not end the legal status of belligerency [7] and that each side therefore retains belligerent rights vis-a-vis the other to the extent the armistice agreement does not prohibit the exercise of those rights. Furthermore, even though the armistice agreement orders a complete cessation of naval hostilities [8], the United States has argued strongly that any violation of the agreement justifies an equivalent countervailing action on the part of the other side.[9] If the activities of the Pueblo violated the armistice agreement it would be difficult to say that measured and proportionate actions of North Korea to counter that violation were forbidden by the agreement.

The Panmunjom Agreement provides [11] that the opposing "naval forces shall respect the waters contiguous to the Demilitarized Zone and to the land area of Korea under the military control of the opposing side". The word "contiguous" here is undefined and need not be taken to be identical in extent with the zone defined in the Geneva Convention of 1958 on the Territorial Sea and Contiguous Zone within which certain police authority may be exercised. Although the word "contiguous" is the same in indentifying the zone in both documents, the Geneva Convention was concluded five years after the Panmunjom armistice and with other contexts in mind. There may be a genuine disagreement between the United States and its allies on the one hand and North Korea and its allies on the other as to the extent seaward of the waters "contiguous to the . . . land area of Korea under the military control of the opposing side". This is not to say that the North Koreans' interpretation is correct, merely that some additional knowledge is necessary as to the basis for North Korean assertions that the Pueblo was in waters forbidden to United States naval vessels before it is possible to assert with complete assurance that the North Korean seizure violated the armistice agreement.

Even if it were clear that the "contiguous" waters referred to in the armistice agreement were limited to twelve miles from the Korean coastal baseline and the Pueblo had not entered those waters, it would have to be known whether the seizure were a measured response to some other action of the United States taken in violation of the armistice agreement before it could be confidently asserted that the North Korean seizure violated international law.

In fact, reprisals by North Korea against the Pueblo might be justified if the United States had violated international law apart from the Panmunjom Agreement. The theoretical scope of justifiable reprisals will be discussed in Section III below. For present purposes it need be noted merely that if the North Korean seizure was a measured and proportional step in a series of escalations and counter-escalations, it would be difficult to classify it as a violation of international law.

B. What would be the legal situation if in fact the Pueblo had approached closer than twelve miles to the baselines from which the Contiguous Zone of North Korea is measured under the customary international law codified by the Geneva Convention on the Territorial Sea and Contiguous Zone?

Under the Panmunjom Agreement the Commanders of the opposing sides are required to "withdraw all of their military forces, supplies and equipment from the rear and the coastal islands and waters of Korea of the other side", and if the military forces are not withdrawn the other side has "the right to take any action which it deems necessary for the maintenance of security and order".[12] The term "coastal . . . waters" is not defined except to the extent that it can be inferred that the term is identical in meaning to the term "waters contiguous" that appears elsewhere in the Agreement.[13] In fact, the United Nations Command's military forces wère withdrawn from proximity to North Korea and the provision for withdrawal can be assumed to have been completely carried out; the provision for withdrawal appears to have related to the mechanics of the cease-fire, not the regime that was to apply after the cease-fire became effective. At the time the agreement was negotiated it was expected that the regime set up by it would be temporary.[14] It may be concluded that the provision cited above is not pertinent to the present question.

Nonetheless, a question is raised by the activities of the Pueblo that might have brought her into the contiguous zone mentioned in the Geneva Convention regarding permissable measures available to North Korea to oppose that apparent violation. Since any violation of that "Contiguous Zone" would also seem to be a violation of the provision of the Panmunjom Agreement requiring naval forces to respect the waters contiguous to the land held by the opposing side, unless a more precise interpretation of that agreement is made known to the public, the legal effects of that hypothesized violation will also be discussed.

It may be noted that mere eavesdropping on communications is not normally considered to be an international wrong; many nations, including the USSR, send vessels equipped with radio interception gear and passive electronic receivers able to "hear" other emissions (such as radar emissions) to waters quite close to the land areas of foreign countries. Mere passive reception of radio emissions does not seem to be considered a violation of international law and no diplomatic correspondence calling it so seems to have been published, although many states seem sensitive to the efforts of others in this line.[15]

Leaving aside for the moment the hypothesized violation of the armistice agreement, and assuming that the only action of the Pueblo colorably threatening the security of North Korea was eavesdropping, there is a question whether eavesdropping is an action which customary international law forbids within the Contiguous Zone referred to in the Geneva Convention of 1958. As noted above, the Convention itself applies in terms only to violations of customs, fiscal, immigration or sanitary regulations, and does not seem to apply to other activities which may violate the municipal law of the coastal state. However, recent actions of the United States in applying its municipal fishing regulations to its Contiguous Zone [16] cast some doubt on the continued validity of the Geneva Convention as an exclusive definition of what regulations a coastal state may enforce in that zone.[17]

In the present case, North Korea claims a twelve mile territorial sea, and it can argue with some conviction that the rights it exercised in seizing the Pueblo were rights of a coastal state to prevent "non-innocent passage" through its territorial sea rather than the exercise of municipal law jurisdiction in a contiguous zone established under the customary law analogue of the permissive terms of the Geneva Convention of 1958 on the Territorial Sea and Contiguous Zone. The Geneva Convention of 1958 on the Territorial Sea and Contiguous Zone provides that "if any warship does not comply with the regulations of the coastal state concerning passage through the territorial sea and disregards any request for compliance which is made to it, the coastal State may require the warship to leave the territorial sea".[18] From all available information it appears that the Pueblo is a "warship" within the meaning of the Convention. It has been reported that in the weeks prior to the seizure North Korea did in fact protest the presence of the Pueblo along its coast; the protests were apparently ignored by the United States.

If the Pueblo had gone within three miles of the baseline from which North Korean territorial waters are measured there would presumably be no question that North Korean complaints about the Pueblo's activities would have been interpreted by the United States to relate to activities within territorial waters even if the North Korean words left that unclear. If the complaints referred to activities of the Pueblo undertaken beyond any known North Korean claim to territorial waters, or "contiguous" waters

---

Footnotes at end of article.

within the meaning of the armistice agreement, then there could be little doubt that the North Korean complaint would be ill based in international law. It is doubted that "eavesdropping" alone is felt by the international community to be illegal; most states have an affirmative long range interest in the broadest definition of "freedom of the seas", particularly those states which carry on electronic eavesdropping themselves on the high seas.[20]

However, in view of the questions surrounding the rights of the coastal state to inhibit eavesdropping in the Contiguous Zone as defined in the Geneva Convention of 1958 on the Territorial Sea and Contiguous Zone, and the North Korean claim to a twelve mile territorial sea, it would seem clear that any United States action within twelve miles of the baseline from which North Korean territorial waters are measured can be asserted by North Korea to be incursions into territorial waters, and the issue of eavesdropping as a posibly legitimate action will be enveloped in the issue of what rights a state can assert within its territorial waters against a foreign warship. The many countries which advocate extensions of territorial waters to twelve miles may be expected to refrain from supporting the United States for fear of jeopardizing their economic interests and their own security interests, regardless of their attitudes towards eavesdropping as a possibly legitimate action on the high seas.

If it is once accepted that the Pueblo penetrated North Korean territorial waters, there can be little question of some North Korean rights. The sovereignty of the coastal state extends fully to its territorial waters subject only to limited rights of "innocent passage" by foreign vessels.[21] To be "innocent" the passage must not be "prejudicial to the . . . security of the coastal state".[22] To be "passage", there must be a purpose of traversing, with stopping and anchoring permitted only when incidental to ordinary navigation or when rendered necessary by *force majeure*.[23] It may be doubted that the voyage of the Pueblo can be construed convincingly as "innocent passage". If it were not "innocent passage", then the coastal state would have the right "to take the necessary steps in its territorial sea" to prevent the passage; [24] a warship may be required to leave the territorial sea.[25] There is, however, a question as to whether the coastal state may arrest the vessel or apply its criminal law to acts occurring on board the vessel.[26] The recourse of the North Koreans might properly have been complaints to the Government of the United States, and limited military action to force the Pueblo to leave territorial waters if necessary.

Thus, it may be concluded that to the extent the North Korean action rests upon purported violations by the United States of North Korea's territorial sea the action of seizing the vessel went beyond the action justifiable under a strict reading of the Geneva Convention of 1958 on the Territorial Sea and Contiguous Zone. The reported practice of states prior to the conclusion of that Convention appears to lead to the same results.[27]

On the other hand, as noted above the relations between North Korea and the United States are not technically peaceful. The hypothesized incursion of the Pueblo into waters contiguous to the coast of North Korea would be a violation of the Panmunjom Agreement. Assuming that violation not to be justifiable as a measured reprisal against prior violations by North Korea, and viewing the history of fruitless North Korean attempts to have the United States withdraw the ship, the seizure with minimum force (and apparently no loss of life attributable to North Korean action) might well be viewed as a measured and proportional reprisal or, even more convincingly, a counteraction justified by the prior United States violation of the Agreement regardless of whether it fulfills all the legal requirements for the classification of reprisal. The United States violation of the armistice agreement which is hypothesized would have been best viewed as a belligerent act, and the continued state of hostilities between the United States and North Korea make it justifiable for North Korea to respond with appropriate force. As noted above, this would merely continue the practice of both the United States and Korea under the imperfectly observed regime of the Panmunjom Agreement.[28]

To compare the actions of the North Koreans to "piracy" is wholly misconceived. The North Korean action was certainly done under color of state authority. The only actions done under color of state authority in modern times that have been assimilated to "piracy" in any definition to achieve serious consideration by states are acts involving some forms of submarine warfare.[29] The current international law definitions of piracy exclude other state actions.[30]

II. THE STATUS OF THE SHIP'S COMPLEMENT

The company of the Pueblo appears to have consisted of 81 uniformed members of the United States armed forces and two "civilians". It would appear that both the military and civilian members of the ship's complement are entitled to the status of prisoners of war under the terms of the Geneva Convention Relative to the Treatment of Prisoners of War dated August 12, 1949.[31] To the extent that North Korean actions are sought to be justified as an application of belligerent rights there can be little serious question that the Convention applies.[32] It is hard to imagine an armed conflict in which one of the parties is acting in the name of a second state being supposed not to be an armed conflict of "international character", and thus its military personnel and accompanying civilians falling into the power of the enemy being entitled to the full range of protection provided for prisoners of war.[33] Doubts as to the status of either of the two civilians, or any members of the ship's complement accused of having committed "belligerent acts" must be resolved in favor of prisoner of war statue "until such time as their status has been determined by a competent tribunal." [34]

As prisoners of war under the Geneva Convention of 1949, the Pueblo's complement is subject to the military law of the Detaining Power.[35] In view of the possibility that North Korea may want to try some or all members of the complement for "war crimes", it becomes necessary to examine the rights held by North Korea under the Convention to try and punish accused "war criminals".

North Korea's accession to the prisoner of war Convention of 1949 was made subject to several reservations.[36] The only one pertinent to the present discussion is the reservation to Article 85. Article 85 states:

"Prisoners of war prosecuted under the laws of the Detaining Power for acts committed prior to capture shall retain, even if convicted, the benefits of the present Convention".

The North Korean reservation, which is identical in substance to the reservations made to this Article by Albania, Bulgaria, Czechoslovakia, Red China, Hungary, Poland, Rumania, and the USSR, says:

"The Government of the Democratic People's Republic of Korea will not be bound by Article 85, in regard to the treatment of prisoners of war convicted under the laws of the Detaining Power of a prisoner of war for having committed war crimes or inhuman offenses, based on the principles of Nuremberg and the Tokyo Far East International Military Tribunal." [37]

It is different to conceive that taking part in eavesdropping activity, even in the territorial waters of the victim state, can be considered an "inhuman" offense. Furthermore, the two International Military Tribunals were constituted to try "crimes against the peace", "war crimes", "crimes against humanity" and "conspiracy" to commit any of the substantive crimes listed. It is extremely difficult to see how the complement of the Pueblo can be considered to have committed crimes against humanity or crimes against the peace merely by their having been members of the complement of a vessel engaged in eavesdropping even assuming the vessel also violated North Korean territorial waters. To the extent North Korea asserts the eavesdropping and the purported violation of territorial waters constitute "waging aggressive war" or some such general crime, it will be apparent that North Korea will have departed from a language usage normally accepted by others.

It seems extremely unlikely that any generally acknowledged "war crime" can be charged against any member of that complement (including the Captain). The term "war crime" normally means violation of the laws of warfare. Examples would include treacherous request for quarter, abuse of or firing on a flag of truce, firing on undefended localities, etc.[38]

There is, of course, always the chance that some war crime was in fact committed by some member of the complement, and nothing in the foregoing is intended to imply that the North Koreans do not have the right to try an accused for it. In that case, whether the outcome of the trial is proper will depend upon the actual charge, the evidence presented, and the procedure of the trial. It is impossible to prejudge that issue without betraying bias.

It may be noted that the North Korean reservation to Article 85 of the Geneva Convention Relative to the Treatment of Prisoners of War does not relieve North Korea of its responsibilities toward "war criminals" prior to conviction. Thus, the protections accorded by the Convention must be given prisoners of war against whom judicial proceedings are ordered. Those protections are many, and include the right to call witnesses, to the assistance of a qualified advocate or counsel, to three weeks notice of trial, and to the presence of a representative of a neutral "Protecting Power" unless the interest of North Korean state security requires *in camera* proceedings.[39]

One further point may be made. The repatriation of prisoners of war does not depend on the cessation of a state of war, but merely upon the cessation "of active hostilities".[40] In view of the large exchange of prisoners concluded immediately after the signing of the Panmunjom Agreement in 1953, it would seem difficult for the North Koreans to claim that active hostilities within the context of the prisoner of war Convention continue in Korea. On the other hand, the continued infiltrations of South Korea by military personnel of North Korea certainly imply some continued active hostilities, and it may be supposed that United States and South Korean counter-actions, including eavesdropping missions such as that of the Pueblo, indicate that there are terms of the armistice agreement that are no longer observed by either side.

But even if first violations can be convincingly shown to be attributable to North Korean action the prisoner of war Convention requires the return of prisoners of war "after the cessation of active hostilities" regardless of the causes of those hostilities. The result may be that a state can find the legal requirement to return prisoners of war lifted by its own illegal actions to commence or continue active hostilities. This situation is in a sense anomalous, but it may be doubted that a state will resort to "active

---

Footnotes at end of article.

hostilities" merely to avoid repatriating prisoners of war. In this connection, it would be interesting to know whether South Korea returns to North Korea the North Korean infiltrators it captures on military missions in South Korea.

To the extent North Koreans captured in South Korea are properly classifiable as prisoners of war as defined by Article 4 of the prisoners of war Convention, failure by South Korea to treat them as such might well explain North Korean continued withholding of the Pueblo's complement despite the terms of the Convention forbidding reprisals against prisoners of war.[41]

But suppose the complement of the Pueblo or any of it are not within the definition of prisoners of war set out in the Convention? It is certainly conceivable that the two civilians, for example, may prove not to have the identity card proving their authorization as apparently required by the prisoners of war Convention.[42] Without such authorization, and possibly merely without the card (the wording of the Convention is unclear) there would not appear to be any category in the Convention defining persons entitled to prisoner of war status which fits the two civilians. In that case they apparently would fall into the class of persons "who, at a given moment and in any manner whatsoever, find themselves, in case of a conflict . . . , in the hands of a Party to the conflict . . . of which they are not nationals." [43] It can hardly be doubted that the current state of uneasy truce in Korea constitutes "a conflict" within the meaning of the Convention.[44] Although the protection of the Civilian Convention is stated to be withdrawn from civilians "definitely suspected of or engaged in activities hostile to the security" of a Party to the conflict "in the territory of" that Party,[45] that withdrawal does not apply to the terms of the Civilian Convention prescribing a fair and regular trial. If the two hurdles can be overcome by North Korea, jurisdictional and fair trial, there do not appear to be any rules of international law to limit the punishment that can be imposed.[46]

III. LEGAL RECOURSE OF THE UNITED STATES

The United States is bound by Article 33 of the United Nations Charter to seek a solution by peaceful means to "any dispute, the continuance of which is likely to endanger the maintenance of international peace and security." To the extent that this commitment has a customary international law analogue North Korea would be equivalently bound. However, North Korea is not a member of the United Nations and may argue that there is no customary law prescribing direct negotiations to achieve a peaceful resolution of disputes arising out of breaches of an armistice. Certainly the recent statements of Arab and Communist and some other officials with regard to the purported violations of the Armistice in Palestine by Israel in June of 1966 would lend color to such a claim even as an interpretation of the United Nations Charter.[47]

Refusal of North Korea to enter into attempts at peaceful settlement would seem to raise questions as to the obligations of the United Nations Organization itself. Article 2(3) of the Charter of the United Nations requires all Members to settle their international disputes by peaceful means, Article 2(4) requires all Members to refrain from the use of force "in any . . . manner inconsistent with the Purpose of the United Nations," and Article 2(6) of the Charter appears to *oblige* the Organization to ensure that states which are not Members act in accordance with the Principles laid down in Article 2. Should the United Nations be unable or unwilling to discharge its apparent obligation under Article 2(6) of the Charter, it can certainly be argued that the United States would not be violating its obligations in seeking other recourse than peaceful settlement as prescribed by the Charter. It should be emphasized, however, that the provisions for peaceful settlement do not compel either side to a dispute to yield its legal rights, and the recourse the United States might have to force will involve the United States in arguments as to the legitimacy of the use of force when in fact North Korea has not refused to meet with the United States to discuss the Pueblo affair. There are cases in which the intransigence of a negotiator has been used to justify military action, but the arguments may not strike all observers as convincing.[48]

Assuming that the use of force by the United States can be justified there are many restrictions on that use of force in customary international law.[49] It should be mentioned that the armistice agreement expressly forbids "blockade of any kind of Korea" [50], but it may be supposed that such express limitations on the scope of American counteraction would be ignored or justified on the basis of permissible reprisals.

Reprisals are a resort to force otherwise illegal which is considered legally justifiable in the light of prior illegal action on the part of the complaining state. An example would be the Corfu Channel Case.[51] In the leading case discussing the international law of reprisal [52] the requirement of proportionality is clearly laid out as well as the need for the state resorting to force to demonstrate the prior illegality of the action purportedly justifying the reprisal. The reprising state must also show that attempts at peaceful settlement have failed.

It is a fact, fortunate or not depending on one's point of view, that some apparent international wrongs are not illegal, and that effective redress for actions that violate international law is not always available. In the circumstances of the Pueblo incident, even assuming North Korea to have acted illegally in seizing the vessel or in refusing to return the ship's complement and the ship itself, it is not clear that the United States could justify reprisal while attempts at peaceful settlement continue: *a fortiori* if there is doubt as to the illegality of the North Korean action and it appears that the peaceful settlement is blocked merely because the two sides remain adamant in their positions.

Of course, nothing in the foregoing analysis should be taken to imply that there is any likelihood that the use of force by the United States, even if justifiable and applied with measured care, will lead to the release of the Pueblo or its complement. The determination whether such a use of force is likely to harden the North Korean position or, on the contrary, to deter North Korea from testing the reactions of the United States with still further forcible acts of its own, is one which can be made only by decision makers with evidence of North Korean intentions which may be presumed to be more reliable than the evidence (or lack of evidence) available to the general public.

FOOTNOTES

[1] T.I.A.S. 5639. North Korea is not a party to this Convention.

[2] *Id.*, article 24, defines that Zone as extending seaward twelve miles from the baseline from which the breadth of the Territorial Sea is measured.

[3] Even in the case of self-defense most narrowly defined there is some rather unrealistic question raised as to the legal rights of the defending state to act on the high seas in time of peace. 1 Gidel, Le Droit International Public de la Mer 355 (1932).

[4] The classical formulation allows self-defense action when "the necessity of that self-defense is instant, overwhelming, and leaving no choice of means, and no moment for deliberation. See 2 Moore, A Digest of International Law (Washington, 1906) 412; R. Y. Jennings, "The Caroline and McLeod Cases", 32 *American Journal of International Law* (A.J.I.L.) 82 (1938).

[5] R. R. Baxter, "Constitutional Forms and Some Legal Problems of International Military Command", 29 *British Year Book of International Law* (B.Y.I.L.) 325, esp. pp. 333 *et seq.* (1952). Professor Baxter concludes that the United Nations Command was legally the United States, which was authorized to use the name and flag of the United Nations but which acted as the United States, not as agent for the United Nations, coordinating the activities of all countries sending forces in response to the Security Council's Resolution recommending members of the United Nations assisting the Republic of Korea make their forces available "to a unified command under the United States". U.N. Doc. S/1588 dated July 7, 1950.

[6] T.I.A.S. 2782.

[7] Hague Convention with respect to the Laws and Customs of War on Land dated July 29, 1899. 2 Malloy 2042. Article 40 of the Annex to this Convention gives a belligerent the right to recommence hostilities in case of a "serious violation" of the armistice. "Serious violation" is left undefined in the Convention. See 2 Lauterpacht, Oppenheim's International Law 546–547 (7th ed. 1952).

[8] Article II.A, paragraph 12.

[9] B. P. Sinha, Unilateral Denunciation of Treaty Because of Prior Violations of Obligations by the Other Party 200–202, 204 (1966).

[11] Article II.A, paragraph 15.

[12] Article II.A, paragraph 13(b).

[13] Article II.A, paragraph 15.

[14] Article IV, paragraph 60, envisaged a "political conference" aimed at "the peaceful settlement of the Korean question" after the armistice had become effective. That conference was in fact held, but failed to achieve a settlement. See Parl. Papers, Cmd. 9186, *Documents Relating to the Discussions of Korea and Indo-China at the Geneva Conference, April 27–June 15, 1954*, Miscellaneous No. 16 (1954), especially the Sixteen Nation Declaration of June 15, 1954, set out on pp. 100–101.

[15] Consider, for example, the correspondence following the Soviet destruction of an American aircraft purportedly containing radio gear capable of receiving sensitive emissions on July 1, 1960. The U.S.S.R. reportedly justified its actions not on the "spying" mission of the aircraft alone, but on its purportedly pursuing the mission in Soviet airspace. O. J. Lissitzyn, "Some Legal Implications of the U–2 and RB–47 Incidents", 56 A.J.I.L. 135 (1962).

[16] P.L. 89–658; 80 Stat. 908.

[17] In private correspondence dated December 13, 1967, a member of the Office of the Legal Adviser to the United States Department of State explained the extrinsic evidence relied upon by the Department for its assertions that extending exclusive fisheries zones nine miles beyond the territorial sea "would not affect such traditional freedoms of the sea as freedom of navigation or of overflight." Cited in a letter from the Acting Director, Legislative Division, Department of the Navy, dated May 25, 1966, H.R. Rep. NO. 2086, 89th Cong., 2d Sess. 13–14 (1966). The effect of the State Department position is apparently to change the plain meaning of the provision of the Geneva Convention of 1958 on the High Seas, concluded the same time as the Convention on the Territorial Sea and Contiguous Zone, which declares "freedom of fishing" to be a part of the "freedom of the high seas". The extrinsic evidence cited relates to the contemplation of a further conference to consider the problems of fisheries and the extent of territorial waters, which latter problem was left wholly unresolved by the 1958 Conventions. The second conference in fact resolved neither question. D. W. Bowett, "The Second United Nations Conference on the Law of the Sea", 9(3) *International and Com-*

parative Law Quarterly (I.C.L.Q.) 415 (1960). Many States have interpreted this impasse as leaving them free to extend exclusive fisheries regardless of the express words of the 1958 Conventions. G. Weissberg, "Fisheries, Foreign Assistance, Custom and Conventions", 16(3) I.C.L.Q. 704 (1967). It is unclear how the Department of State intends to argue that they are not equally free to extend their territorial waters, now that the United States is itself exercising sovereignty over fisheries out to twelve miles from its coastal baselines. To claim that extrinsic evidence and later practice of a very few years can legally derogate from the clear terms of a treaty seems a more difficult legal step than to claim a breadth of territorial waters which no treaty purports to define and no overwhelming practice prescribes.

[19] Article 23.

[20] As noted above, the international law in this area may be changing. It is hard to understand why the Office of the Legal Adviser to the United States Department of State feels other states will accept the United States action extending a protective fisheries zone into what the United States claims to regard as the high seas without using the United States action as a justification for their own extensions of other substantive parts of their territorial jurisdiction into the "Contiguous Zone". This, of course, is precisely what happened when the United States declared an extension of sovereignty over parts of the high seas superjacent to its continental shelf for the limited purpose of protecting natural resources; eight other countries shortly thereafter claimed complete territorial rights in their continental shelves' superjacent seas. See Colombos. The International Law of the Sea (4th ed.) (London, 1959) 129–130. While the more exaggerated claims do not seem to have been generally accepted they have created considerable practical difficulty in some cases. See *Hearings on S. 2218 Before the Subcommittee on Merchant Marine and Fisheries of the Senate Committee on Commerce*, "Twelve Mile Fishery Zone", 89th Cong., 2d Sess., passim. 1966).

[21] Geneva Convention of 1958 on the Territorial Sea and the Contiguous Zone, articles 1 and 14–23.

[22] *Id.*, article 14(4).

[23] *Id.*, articles 14(2) and (3).

[24] *Id.*, article 16(1).

[25] *Id.*, article 23.

[26] Criminal jurisdiction can be applied in some cases to persons on board merchant vessels. *Id.*, article 19. But those exceptional cases do not appear to apply to warships. See below. State vessels acting *jure imperii* are unanimously agreed to be exempt from the *in rem* jurisdiction of the coastal state. Cf. COLOMBOS, *loc. cit.*, pp. 226 *et. seq.*

[27] *Id.*, pp. 227–228.

[28] *Loc cit.* note 9 above.

[29] Cf. Genet, "The Charge of Piracy in the Spanish Civil War, 32 A.J.I.L. 253 (1938).

[30] For an analysis of this aspect of current definitions of "piracy" see B. Forman, "International Law of Piracy", 15 (8) *JAG Journal* 153 (1961).

[31] T.I.A.S. 3364. The United States regards North Korea as a Party to this Convention, U.S. Department of State, Treaties, in Force (1967).

[32] Article 2 of the Convention expressly makes it applicable to "any . . . armed conflict". The word "conflict" is not defined, apparently in a deliberate effort by the drafters to make the Convention applicable to as many situations as possible. If that was the intent, then it can hardly be denied that the current situation in Korea is a "conflict" within the meaning of the Convention; and that part of it characterized by the North Korean seizure of the Pueblo appears to have been "armed".

[33] The pertinent parts of the definition of persons entitled to prisoner of war treatment are in article 4.A(1) and (4) of the Convention. Were the conflict deemed not to be of an international character article 3 would apply requiring at least humanitarian treatment can be accorded the captives.

[34] Article 5.

[35] Article 82.

[36] 278 U.N. Treaty Series 264.

[37] *Id.* The effect of reservations to multilateral conventions when the reservation is compatible with the object and purpose of the convention is analysed in detail in the Reservations to the Convention on Genocide Case, I.C.J. Reports 1951. For present purposes it can be assumed that North Korea and the United States are each bound to observe the terms of the 1949 Geneva Convention with regard to each other's captured military personnel, and that North Korea's reservation to article 85 is effective. For the United States to argue that the North Korena reservation is incompatible with the Convention would be to argue that the North Korean accession, conditioned on that reservation, is invalid. In that case the protection prisoners of war detained by North Korea could claim would be subject to the legal doubts the Convention was designed to eliminate. It is hardly likely the United States will find it in its interest to open this question.

[38] A partial list of 20 "war crimes" appears in Part III, Manual of Military Law (H. Lauterpacht and G. I. A. D. Draper eds.) (London 1958) 175. One "crime" in that list is "participation in hostilities by civilians". It may be doubted that without further qualification civilian "participation" in hostilities can properly be considered a "war crime", particularly since the prisoner of war Convention itself envisages civilians closely cooperating with military forces.

[39] See generally Chapter III of the prisoner of war Convention.

[40] *Id.*, article 118.

[41] Article 13.

[42] Article 4.A(4).

[43] Geneva Convention relative to the Protection of Civilian Persons in Time of War dated August 12, 1949 (T.I.A.S. 3365), article 4. North Korea is a Party, U.S. Department of State, Treaties in Force (1967).

[44] If there were no legal "conflict" within the meaning of the Convention it may be supposed that the civilians in North Korea would be subject to the municipal law of North Korea with regard to acts performed within the land territory of North Korea. With regard to their acts done in a foreign ship even if in the territorial waters of North Korea there would be considerable doubt as to North Korean jurisdiction. There is a question as to whether a territorial sovereign can exercise jurisdiction with regard tr acts occurring in a foreign warship even if the territorial waters of the coastal state in the absence of a waiver by the ship's flag state of its own jurisdiction. Chung Chi Cheung v. The King (1939) A.C. 160. In that leading case. the territorial sovereign exercised jurisdiction only after the court construed a waiver of the flag state's primary jurisdiction. The case involved acts criminal by the law of both the sovereigns. Query, the legal situation when the acts for which the civilians would be tried are acts against the law of the coastal state but not against the law of the flag state. Presumably the coastal state would not be entitled to exercise jurisdiction *a fortiori.*

[45] Article 5.

[46] Cf. R. R. Baxter, "So-Called 'Unprivileged Belligerency': Spies, Guerrillas, and Saboteurs", 28 B.Y.I.L. 323 at 328, 329–333 (1951). Of course, at least minimum standards of justice would have to be applied in any trial of foreign nationals, but these are probably best considered included in the "fair and regular" prescription of the Convention. Failure to accord a trial to an accused spy is probably a war crime. Manual of Military Lw 72, 175.

[47] See, for example, the statement of the Iraqi representative to the United Nations General Assembly on October 11, 1967, Meeting 1586. Some (of many) recent United Nations documents dealing with each side's resort to force in response to what it considers breaches of the cease-fire by the other include S/8203 dated October 21, S/8204 and S/8205 dated October 22 and S/8207 and S/8208 dated October 24, 1967.

[48] The Indian seizure of Goa in 1961 is a case in point. The United States position in that case was that India's action was a use of force in violation of article 2(4) of the United Nations Charter despite Portugal's adamant refusal to negotiate the cession of of Go to India. See Security Council Official Records, XVI, Meetings 986 and 988.

[49] See generally J. Stone, Legal Controls of International Conflict (1954).

[50] Article 15.

[51] International Court of Justice Reports 1949.

[52] The Naulilaa Case, 2 U.N. Reports of International Arbitral Awards 1011 (1949); 1927–1928 Annual Digest 256 (No. 360).

Boaz Wins National Honors

HON. TOM BEVILL

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1968

Mr. BEVILL. Mr. Speaker, the city of Boaz, Ala., which is in my congressional district, has been named one of the cleanest towns in the United States in its population category.

Mr. Speaker, I am in complete agreement with a recent editorial in the Gadsden Times which points out that no civic undertaking, whether it wins national honors or not, is more immediately and permanently rewarding than endeavors that make and keep a city clean and beautiful.

I heartily congratuate all the citizens of Boaz for their hard work and resourcefulness in winning this award. And under unanimous consent, I include in the RECORD two articles appearing in the Boaz Leader and the Gadsden Times, which tell the story of Boaz' accomplishments:

[From the Boaz (Ala.) Leader]

BOAZ WINS NATIONAL HONORS

Boaz has been judged to have one of the top ten clean up, civic improvement beautification programs among all communities in the United States with population of less than 25,000. The city singled out for its outstanding accomplishments among many other cities and towns in the 1967 National Clean Up Contest was the only one of its size selected in the Southeast, and according to a conversation with Mayor Sanford on Monday from Washington, D.C. is the only town in Alabama to win at any time to the present.

Mayor B. B. Sanford instigated this project by recommendation to the Chamber of Commerce, and as a result the Boaz Beautification Association was organized in the spring of 1967 with Ollin Hayes, principal of the Boaz Junior High School as president.

He and Truman Glassco, Elementary School principal, who was publicity chairman worked toward a complete litter clean up, and sponsored a fun game with the young people and children when all the litter in one area was collected and a trial was held, with the verdict to burn Miss Trash.

After the litter campaign every car in town was given a litter bag, and when one forgot and dropped something on the city streets a note was sent to ask this person to send a dollar and become a member of the BBA. Areas in need of improvement were photographed and written up in the local paper. The street signs, and the stop signs were painted. A program was begun to start a plant-up.

An ornamental horticulturist was invited to tour the town with representatives of the BBA and make recommendations. He spoke to the BBA and to the Garden Club giving suggestions. Marion Jackson, vocation teacher at Boaz High School was named as chairman of the plant-up program, and work to beautify public areas got under way, as well as individuals beginning a planned program in the residential area. The park, the wooded area behind the High School, near the Pony League Baseball Field, were among the places where the undergrowth was cleaned up.

In further recognition of its excellence, the program has been selected for a featured spot at the National Cleanest Town Conference, which will be held in Washington, D.C., February 18–20. Among those from Boaz who will be on hand at the awards ceremony to accept the trophy will be Mayor Sanford, President Hayes, and Col. Ralph Stringer, who has worked with the scrapbook entry, which was the basis of the decision to name Boaz in the top ten spot by the distinguished judge panel.

F. T. Mastin, Jr., was named by the BBA as container chairman, and got containers for every area of town to keep litter off the streets. A yard of the month program was begun in June, and Mrs. Jeff Roberts was named chairman of this committee which created much interest. L. C. Stamps, started a membership drive for both residents and businesses which was successful; Ralph McGee, Chamber of Commerce president and Bill Amberson, the downtown chairman worked with Mrs. John Alexander, C of C secretary, who also served as scrapbook chairman, kept pace with the activities in every phase, thus making an outstanding record for the panel of judges. Mrs. Harold Young served as secretary, Mrs. Bobby Nunn as correspondence chairman, City Clerk Earl B. Robinson is the legal chairman, and Buddy Adams, vice president.

[From the Gadsden (Ala.) Times]

SPOTLIGHT ON BOAZ

Clean up, paint up, fix up . . .

One Northeast Alabama town did exactly that—and consequently is basking happily in the favorable glow of the national spotlight.

Boaz has been named one of the cleanest towns in the United States in its population category, the under-25,000 group. It shares the honor with nine small cities in such far-flung states as Arizona, Indiana, South Dakota and Missouri. Larger cities competed in their own category.

Secretary of the Interior Stewart L. Udall will award trophies to representatives of each of the winning cities at the Cleanest Town Conference in Washington, Feb. 18–20.

To the enterprising leadership and resourceful citizenry of Boaz, who planned and carried out the projects that impressed the National Clean-up, Paint-up, Fix-up Bureau sponsoring the annual event, The Times offers warmest congratulations. We rejoice with our neighbor in this achievement.

No civic undertaking, whether it wins national honors or not, is more immediately and permanently rewarding than endeavors that make and keep a city clean and beautiful.

Atlanta: A Giant Among Cities

HON. HERMAN E. TALMADGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1968

Mr. TALMADGE. Mr. President, one is almost overwhelmed with a sense of pride as well as amazement with the growth and progress of Atlanta, Ga., in recent years.

Atlanta is truly a city on the move in every area of commercial, economic, cultural, and educational endeavors. Atlanta, the capital city of Georgia and the gateway to the South, has indeed become a giant among cities.

It was my privilege and high honor Monday to address the Atlanta Rotary Club and to trace Atlanta's phenomenal economic growth. All Georgians are proud of their capital city, and I know that Members of the Senate who visit Atlanta find it warm and hospitable, and at the same time booming.

Atlanta, in my opinion, is fast on its way to becoming one of America's most important cities. I bring my address to the attention of the Senate and ask unanimous consent that it be printed in the Extension of Remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a special privilege and a high honor to address the Atlanta Rotary Club—because your aim is service, and because you do serve. This Rotary Club has served the City of Atlanta, in thousands of ways, for three generations.

Your very presence in Atlanta—in the front ranks of business, civic, and cultural leadership—is in itself a significant factor in the economic growth and social progress that we see taking place in this city.

The Atlanta Rotary Club represents the best of the most desirable citizens in the nation. You have brought talent, dedication, and good judgment—in great abundance—to Atlanta.

Atlanta Rotarians come from 33 states and 7 countries. Except for sons of members, only 18 per cent of you were born in Atlanta, with 22 per cent of you born elsewhere in Georgia and 60 per cent born outside Georgia.

These to me are very impressive statistics which emphasize the cosmopolitan quality of this community.

Atlanta Rotarians—hundreds of whom I have known and worked with for many years—are a major part of Atlanta's leadership. You lead, and you lead actively and wisely, in virtually everything important to the greatness, to the growth, and to the success of Atlanta—past, present, and future.

This community feels the guiding hand of the Rotary Club, every day. Atlanta's booming businesses, its offices, its plants, churches, schools, hospitals, culture centers and sports arenas—these are your daily concern. And all of them are much better becaue of your interest and activity.

Because of your position of leadership in Atlanta, and because of Atlanta's position of leadership in American life, I want to talk with you today about Atlanta.

I want to talk to you about where Atlanta is today. I want us to think about where Atlanta is heading.

I want to make it clear at the outset: I don't intend to be modest about Atlanta. Like all Georigans, I feel a great deal of pride in this great city.

I know that you share this pride. So I do not think you will object if I brag a little about your city.

The strategic location of Atlanta in the Appalachian foothills played a large part in helping the city get where it is today. This geographic advantage has been important to establishing Atlanta as the economic capital of the entire Southeast.

This factor, combined with others, will, within a relatively short span of time, push Atlanta even higher toward the top.

I have no doubt that in the not-too-distant future Atlanta will rank as one of the four or five largest, busiest and most productive centers of commerce in the nation.

I mean that Atlanta is destined to be one of the four or five pivots on which the rest of the American economy will rest. The other major centers will be New York, Chicago, Los Angeles, and probably Dallas.

The emergence and development of New York, Chicago and Los Angeles as the country's three super-cities today foretells much for Atlanta.

During the first important 50 years of this nation's growth—from 1800 to 1850—New England and the Middle Atlantic states moved out front. During this period New York outstripped Boston and Philadelphia to become the business center for a region of eight to ten states. This is an area today that has about 55 million people.

During the second 50 years—from 1850 to 1900—the North Central states, from the Ohio River to the Rocky Mountains—became our second major region to grow and prosper. Chicago took the lead and became the hub of commerce for about eight or ten states that now contain some 45 million people.

America's third 50 years—from 1900 to 1950—saw Los Angeles become the nation's third super-city.

These three cities, then—New York, Chicago and Los Angeles—today are the nation's three greatest urban economic centers. They are the headquarters for trade, transportation, business, and industry that affect the lives and well-being of tens of millions of people in surrounding areas.

The fourth 50 years of America, and the last third of this century, belong to Atlanta—and in turn to the Southeast.

Economic indicators show—as clearly as they did for New York, Chicago, and Los Angeles—that Atlanta is on its way to becoming the nation's fourth super-city . . . Possibly not fourth in sheer numbers of people, but definitely fourth as a hub of business activity.

I believe it could already be proved that Atlanta today has more business activity per capita than any major city anywhere. By that I mean that there are more commercial transactions per person per year in Atlanta today than in any major city in the world.

There are three main reasons for the present and future greatness of Atlanta in national commerce.

First, Atlanta is the centrally located city of a large and rapidly-growing area. The city is closely tied to more than 30 million people in this region by road, rail and air.

Atlanta's area of 30 million corresponds to New York's 55 million and Chicago's 45 million. It corresponds similarly to a Dallas area of 16 million and the Los Angeles region of 14 million.

Second, Atlanta has already asserted itself as the absolute and unrivaled business center for the entire Southeast that has made gigantic strides since 1950 in freeing itself from a century of expensive economic shackles.

And third, the Southeast is growing at a phenomenal rate far ahead of the rest of the nation. From the standpoint of people who are better schooled, more ambitious, and more willing to work, the Southeast has an abundance of productive human resources to assure even greater prosperity in the future.

Regional growth and prosperity naturally generate a need for more and better services from Atlanta.

Atlanta's leap since World War II into the nation's forefront can be traced by examining standards which are generally used to measure basic economic development.

I have selected federal indicators in five basic fields . . . transportation . . . communications . . . sales . . . banking . . . and construction. We can take Atlanta's position in 1950 and compare it today with that of the nation's other 25 largest cities.

The results are impressive.

In transportation, air passenger travel is a splendid index of 20th Century business. In 1950, Atlanta ranked 10th in the number of passengers served. Today, it is 5th, having passed Washington, Dallas, Boston and Detroit.

The Atlanta Airport . . . growing faster than any American airport has ever grown . . . appears certain to also surpass San Francisco and Los Angeles to become the nation's third largest air center, following only New York and Chicago.

I want to make a point or two about the Atlanta Airport to show how we need to plan for its future growth.

Beyond any question, Atlanta's commercial business is closely tied to the operations of its airport.

Ten years ago, the City of Atlanta began to make plans for our present airport. At that time, the airport enplaned about one million passengers a year. Plans were based on a projection of two million enplaned passengers by 1968.

But look what happened.

Instead of the projected two million, Atlanta in 1968 will enplane almost 7 million. The increase has been six times what they thought it would be. And we can look for several times this growth in the years ahead.

The Federal Aviation Agency recently forecast that in 1980—only 12 years away—Atlanta will enplane more than 20 million passengers, or three times today's volume.

If we are going to serve 20 million in 12 years, how many must we be able to serve in 25 years?

The increasing passenger load, however, constitutes only part of the Atlanta airport problem. The need to handle staggering quantities of air mail and air freight . . . each of which is also vital to the future of Atlanta and to Georgia . . . must also be taken into full account.

For some time now, the Post Office has been speeding delivery by transfer of long distance mail to air service. As a result, the volume of mail at the airport has tripled in the last three years, and postal officials already have asked that they be given four times as much space at the airport as they now have.

Atlanta's growth is so unusual that the Post Office is hesitant about making a long-range forecast. They will state, however, that the volume of Atlanta's air mail 25 years from now will be enormous, in every sense of that term.

Our airport, therefore, must be able to handle it, and it must do so in first-rate fashion.

The growth of air freight in Atlanta has been just as dramatic as the increase of passengers and air mail. The volume of air freight at your airport has more than tripled during the past five years. And, as you heard from Lockheed's Tom May last week, this is only the beginning.

Those of you who have seen the Lockheed C–5 know just what I mean. With a little imagination, you can readily see that the C–5 will exert a mammoth influence on present methods of freight transportation in this nation and throughout the world.

The development of the C–5, plus the fact that Atlanta's airport can become America's air freight gateway from South America and Africa, could very well give Atlanta an opportunity to become the world's largest handler of air freight.

The future of Atlanta's airport is not only vital, but it involves an extremely complex problem of planning. You have to consider runways, terminal facilities, parking and road access for tens of thousands of interrelated transactions of people and machinery everyday. Solutions to these problems will no doubt involve untold millions of dollars. They must get primary attention of the best and the most informed minds that can be put to the problem.

Atlanta cannot afford to misplan or to underplan its airport.

In communications, the amount of mail a city handles and the long distance use of its telephones are two other very good indicators of commercial activity.

In 1950, Atlanta's mail volume ranked 17th among American cities. Today it ranks 9th. In the past decade or so, Atlanta has passed Pittsburgh, Baltimore, Cincinnati, Kansas City, Dallas, Cleveland and St. Louis.

In 1967, the Atlanta Post Office handled more than two billion pieces of mail and nearly seven million pieces on the average business day.

Several years ago, we began to consider a new mail handling facility for Atlanta. At that time, postal officials were thinking in terms of a $3 million expenditure to meet the need. It didn't take long to see, the way Atlanta is growing, that this would not come anywhere near meeting the City's postal needs.

Thus, in an effort in which Senator Russell and I actively participated, we have assured for Atlanta the nation's most mechanized mail handling facility, which is due to be ready in 1972. It will cost closer to $30 million than the early estimates of $3 million.

Before reaching its peak, Atlanta's volume of mail will probably be the fourth or fifth largest in the nation, following only New York, Chicago and Los Angeles.

Unfortunately, there is no comparable standard for measuring long distance telephone activity in the nation's cities. However, it is highly significant to note that between 1950 and 1965 long distance calls in Atlanta rose seven fold—from five million to nearly 35 million. And though the figure is not available, I am confident that long distance calls in 1967, due to direct dialing, probably exceeded 50 million.

Wholesale sales have long been used to measure a regional city. In the special federal census of 1948, Atlanta's $2.2 billion in sales ranked only 21st among the nation's cities. In the special census of 1963 Atlanta's $5.7 billion had brought Atlanta up to 11th. I feel certain that the 1968 census will find Atlanta in 8th place.

As in the field of transportation and communications. Atlanta also appears destined for a permanent rank of 4th or 5th in wholesale sales—again following only New York, Chicago and maybe Los Angeles and San Francisco.

Bank clearings are almost always used as a key indicator. In 1950 Atlanta's banks cleared $13 billion, placing it 16th among American cities. Last year, clearing over $42 billion, nearly $200 million a day, Atlanta rose to 9th place, having now surpassed Pittsburgh, St. Louis, Baltimore, Minneapolis, Kansas City and Houston.

Construction is possibly the best of all measures of urban growth. The number of new residences, schools, offices, stores, plants, warehouses, etc. tells a vivid story.

In 1950 Atlanta ranked 17th in volume of construction. I do not yet have final 1967 figures for the metropolitan area, but it appears that last year Atlanta ranked 7th in total construction, and more than 20,000 new units elevated it to 5th place in the nation in residential construction—following only New York, Chicago, Los Angeles and the Washington area.

These five examples are keystones of a total pattern—showing Atlanta's rapid rise as a national center of business—from 10th, 17th, 21st, 16th and 17th positions in 1950, to 5th, 9th, 8th, 10th and 7th positions in 1967.

This pattern of great growth—firmly founded and firmly fixed—is virtually certain to elevate Atlanta into 4th or 5th place before another generation passes.

Many look with wonder at all the evidence of Atlanta's recent growth—the new office buildings, industrial complexes, shopping centers, apartments and subdivisions. And the many problems which this new growth has generated at times seem overwhelming.

But I assure you that the volume of growth of the past 20 years, amazing as it now appears, is but a token of the volume that the community will experience during the next 20 years.

Metropolitan population, doubled since 1950, will double again, totaling 2½ million residents.

Motor vehicles, 125,000 when expressways began and 700,000 now, will be approaching two million in 20 years—enormously increasing needs for effective streets and parking.

And it also calls for sound planning. For example, it was projected that by 1971, approximately 43,000 cars a day would travel the expressway at Fourteenth Street, which is considered the peak point. As it turned out, by 1963, 106,000 vehicles were traveling the expressway at this point, and today it is estimated to be nearly 150,000.

Today's 30- and 40-story office building will be topped by 50- and 60-story buildings.

Today's 20,000 new residences built a year will be more than 50,000.

Today's seven million pieces of mail a day will be nearer 20 million a day.

And on and on it goes. Every other key business activity will rise in comparable proportion.

Atlanta must plan for this growth. All the ensuing problems, as costly as they will be, will have to be solved.

I want to reiterate what I told the General Assembly last month. Traffic and transportation are not the least of Atlanta's problems. In many respects, they are the most crucial. I am confident that rapid transit and rapid bussing will be given careful consideration. And I also hope that a study will be given to expanding Atlanta's expressway system.

But these and all other problems can be solved—because, along with all Atlanta's new people and all its new business will come even larger amounts of new dollars.

The buying income of Atlantans—$500 million in 1945 and seven times that sum last year—will have an even brighter future. Atlanta, more than any community I know, will have the money to pay for its problems of growth.

As I view the total picture, I see for Atlanta one magnificent advantage—the advantage of being able to see, and to understand, its great growth before it happens—and the opportunity to plan and to shape this growth.

And I see also for Atlanta another equally great advantage. Atlanta has the people—the leadership—capable of seeing this growth, capable of understanding it, capable of planning for it—and capable of handling it.

Many such leaders are in this room at this moment.

I offer to each of you, and to all of you, my best effort in helping to solve any Atlanta problem which gains your attention.

Arnold Engineering Development Center at Tullahoma, Tenn., Plays Vital Role in Testing of Space, Defense Missiles, and Aircraft Development

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. EVINS of Tennessee. Mr. Speaker, in a recent speech before the National Space Club in Washington, Gen. James Ferguson, commander of the Air Force Systems Command, paid tribute to the importance of the work being done at Arnold Engineering Development Center, near Tullahoma, Tenn.

The Arnold Engineering Development Center is performing a vital and essential function necessary for programs in national defense, space exploration and aircraft development.

Because of the great interest of my colleagues and the American people in technological development, I include excerpts from General Ferguson's speech in the Extensions of Remarks of the RECORD.

The excerpts follow:

". . . At our Arnold Center we have some $400-million worth of wind tunnels, high altitude test cells, and vacuum chambers which have been used in support of many national priority programs, ranging from the Army's Jupiter and the Navy's Vanguard to NASA's Apollo.

"For example, in the 38 environmental test units now in operation at the Center we are working on projects for the Army, the Navy, NASA, the Federal Aviation Agency and industry, as well as numerous Air Force programs.

"In the large engine test cell we began shakedown recently for the 15-month qualification tests leading to the acceptance of the 40,000-pound-thrust TF-39 engine for the C-5A transport.

"Plume work on the Minuteman II is being conducted in the Mark I space chamber, the only place in the country where such testing can be performed.

"We're doing rigid load tests on a one-twelfth scale F-111 to determine that aircraft's ability to carry conventional stores. We're also involved in aerodynamic heat transfer tests on the reentry vehicle portion of the Navy's Poseidon; we're running 'aging' tests on the Minuteman; and we have some aerodynamic studies going in our supersonic tunnel on the 'Sprint' element of the Nike anti-ballistic missile (ABM) system.

"In preparation for source selection procedures, we're acquiring engine inlet performance data for the three contractors engaged in the advanced manned strategic aircraft (AMSA) program. And we're preparing to use the large wind tunnel for engine/inlet capability tests for the supersonic transport (SST). Later, we expect to test the entire GE-4 engine for the SST, following completion of the C-5A work.

"Tests for the J-2 engine for the S-IVB stage of the Saturn will continue through next June. These development and qualification tests have been going very well, as I indicated earlier.

"These current projects and the hundreds of similarly vital projects, which have been carried out at Arnold over the years, attest to the truly *national* character of these unique and indispensable facilities."

The "Pueblo" Incident

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1968

Mr. THURMOND. Mr. President, last week I inserted a number of editorials from newspapers in the South to show the strength of the grassroots, feeling over the seizure of the U.S.S. *Pueblo.*

Today, I should like to add to this documentation by inserting in the RECORD the following editorials:

"Test of Character," the State, Columbia, S.C., January 31, 1968;

"Why Soviets Wanted the *Pueblo,*" the Greenville News, Greenville, S.C., February 1, 1968;

"A Pearl Harbor in Miniature," the Greenville News, Greenville, S.C., February 2, 1968;

"Let's Stop Playing Patsy," the Augusta Herald, Augusta, Ga., February 1, 1968.

All of these show the resolve of the people, and their wish to defend the honor of the country.

Mr. President, I ask unanimous consent that the editorials be printed in the Extensions of Remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Columbia (S.C.) State, Jan. 31, 1968]

TEST OF CHARACTER

Weep no more for the departed glory that was England's, or France's in the bygone days when they stood proud and forceful on the world scene.

Weep, instead, for the United States of America, a giant in physical strength but a pigmy in national resolve. Never in history has so powerful a nation indulged so much disrespect at home and disdain abroad. The ultimate in effrontery now has been reached. The third rate country of North Korea has seized an American vessel in international waters, captured its crew, and—in effect—dared Uncle Sam to do anything about it.

Thus far, we have fluttered about in the dove cotes of the United Nations and blustered about with a show of military strength in the Sea of Japan. But neither our fluttering nor our blustering has brought back the USS Pueblo or the 80-odd American crewmen held captive by Communist North Korea.

Our own thoughts run backward through time, by-passing American involvement as a potent nation in World Wars I and II, to the days when the United States was but a fledgling nation at the outset of the 19th century. We reconstruct in our mind's eye the piratical acts of the North Africans along the Barbary Coast—the demands for tribute from American vessels plying the Mediterranean—the Tripolitan declaration of war against the United States for refusing to pay tribute, and finally, the seizure of the USS Philadelphia and its crew when that warship foundered on rocks in the harbor of Tripoli.

Proud history tells the sequence of events: How a newcomer among the nations of the world mustered its strength to reclaim its nationals, how Stephen Decatur slipped into the harbor of Tripoli with a sloop bearing the apt name (for itself and its crew) Intrepid and blew up the Philadelphia, and how the United States forced a halt to the business of piracy and payment of tribute.

We think also of another episode a few years earlier, when the French sought to extract payments from the United States under duress. The South Carolinian, Charles Cotesworth Pinckney, was minister to France at the time and uttered the declaration which, in its original version, proclaimed the American policy of "millions for defense but not a damned penny for tribute."

But pride turns to shame when we read that Senate Democratic Leader Mike Mansfield declares his willingness to admit—even while knowing it to be untrue—that the Pueblo was in North Korean waters "if we could avoid a new war by a concession of this kind."

Such a craven statement besmirches the nation. America wants no more of war, but even less does America want peace at any price. The cost of cowardice runs high—too high for a people who prize liberty over life.

So long as the Pueblo and its crew are held hostage, just so long does the United States forfeit the heritage of its past and the promise of its future.

[From the Greenville (S.C.) News, Feb. 1, 1968]

WHY SOVIETS WANTED THE "PUEBLO"

Anyone willing to believe facts over his wishful thinking or ideological bias knows that the Soviet Union, with the Red Chinese possibly playing some part, is behind the audacious seizure of the USS Pueblo by the North Koreans in international waters.

Furthermore, no one should be fooled now by evidence of some relenting on the part of the Russians on their initial refusal to do anything to assist the United States in getting the ship and its crew back.

It is likewise folly for the United States to consider any change in its policies in Vietnam, Korea or toward the Communists anywhere else as a sort of ransom for the unlawfully hi-jacked ship and its kidnapped crew.

We were surprised and dismayed by the professed willingness of Sen. Mike Mansfield of Montana, Majority Leader of the Senate, to have the United States admit the ship was where it had no business, even if it told a falsehood in "confessing" that the Pueblo was within North Korea's territorial waters.

To do this, or to pay blackmail in any form would invite more such incidents and more serious encroachments by the Communists on American rights and ever graver threats to its security. The "loss of face" in the eyes of Orientals alone would be worse than a major battlefield setback or a total defeat in the United Nations or at some other international bargaining table.

Furthermore, the Soviets by now have gotten what they wanted from the Pueblo, namely technical secrets, unless the officers and crew were able to do a better job of wrecking the equipment than they apparently had time to do.

In addition, the Soviets wanted the Pueblo removed from the scene. If they get away with this piratical "job" they will be tempted to try the same thing on other ships of the United States Navy.

From Washington columnist Paul Scott, who has good sources of inside information, we learn that the principal mission of the Pueblo involved checking on Russian ships bound for North Vietnam. Starting early in December, the vessel had been keeping an electronic eye of freighters carrying sophisticated weaponry from Vladivostok to Haiphong.

American intelligence had learned that Russia was planning to send into North Vietnam new types of missiles capable of carrying atomic warheads and of reaching targets deep in South Vietnam. This is a reasonable assumption, since the Communists have been using battlefield rockets—and they certainly weren't made in either North Vietnam or Red China.

In addition to advanced radar and radio listening devices, the Pueblo was carrying gear capable of detecting any nuclear material carried by passing ships. Communications to and from the ships were monitored.

It is reported that the Pueblo had learned that Soviet ships passing through the Sea of Japan en route to Vietnam were carrying surface-to-surface missiles. No nuclear materials were detected, but the next ship or ships might well be doing so—and the presence of Soviet missile technicians in North Vietnam is suspected.

So, the Soviet Union had two reasons for fomenting the incident, aside from their policy of causing trouble and embarrassment for the United States. One was to take the Pueblo out of action. The other was to steal her secret equipment.

Simple deduction reveals the culprit, and underscores the importance of a no-nonsense stand on the part of the United States.

[From the Greenville (S.C.) News, Feb. 2, 1968]

A Pearl Harbor in Miniature

We hate to say it, because it reflects in part on men of the military profession for whom we have the highest esteem and a fellow feeling. But a recapitulation of the facts, so far as they are now known, indicates that the hi-jacking of the USS Pueblo and kidnapping of its crew was no less than a "Pearl Harbor" in miniature.

It was that because the Communists were successful in carrying off the "snatch" in the first instance. It seems that the officers and crew of the Pueblo simply did not believe the North Koreans, or the Russians whom they were watching, would dare to make the attack. (They simply swarmed aboard and took over the vessel.)

The fault may lie with them, or it may lie with higher headquarters, but even though they were in what we back here would consider a relatively safe situation near a major combat zone, they took too much for granted. They were poorly prepared to defend themselves and their ship and apparently made no efforts at evasive action until too late.

That is what happened at Pearl Harbor on December 7, 1941.

To continue the analogy, messages from the Pueblo about the presence and the movements, and subsequent reinforcement of the North Korean patrol boats which made the first approach, were sent and received, but there were delays in relaying them. Consequently, there seems to have been no way of sending assistance to the ship and crew. Even one attack bomber could have done something, maybe even breaking up the Communist show.

The analogy holds, also, because the Communist success has done the United States damage the extent of which is hard to assess, but we must concede that it is great. The Pueblo carried advanced intelligence gear, some of it described as being so sophisticated as to be almost unbelievable. We can be sure that most of it now is in the hands of the Soviets.

Messages received from the Pueblo and made public in part indicate that the crew made a valiant effort to destroy this gear, and may have been hurt in the effort. But the mechanisms were not equipped with self-destructive devices which the men could activate upon proper orders to do a complete job.

All military units, and naval vessels, along with land and sea installations of all kinds, have Standard Operating Procedures (SOP's) to deal with almost any contingency. The Pueblo obviously had such, and the crew tried to follow them, but they were not complete.

We can only hope that the ground, air and naval units still untouched in the Pacific have a complete SOP, with authority, or direct orders, to put them into effect without delay in the event of further unexpected and threatening developments in Korea or elsewhere.

Capture and stripping or analysis of the Pueblo and its secrets made the venture worthwhile for the Communists, but it is becoming more clear each day that, as we wrote nearly a week ago, this incident was primarily a diversionary tactic.

It was the signal for what has happened since in Vietnam, Laos and Cambodia, as well as along the border between North and South Korea.

The enemy is stepping up his terroristic tactics in Vietnam, employing well-trained suicide task forces in coordinated attacks on towns and villages and even the Embassy in Saigon.

Simultaneously, the Communists are increasing tensions and assuming more threatening attitudes elsewhere even as they add to the military pressure in Vietnam and neighboring states.

There will be more incidents, more terroristic attacks, so long as the United States allows the Soviets to continue creating them without direct involvement on their part. There is no way to deal with these tactics, except to strike back with maximum force and not to let up on the counterattack once it is launched.

It could be that civilian control of every significant move, and the necessity for awaiting decisions at the White House level to react to changes in the situation have too much inhibited decision-making in the combat zone.

The administration should know by now that it can't run every detail of the anti-Communist war in the Far East from Washington. It should concentrate on forcing the Soviet Union to get out of it.

[From the Augusta (Ga.) Herald, Feb. 1, 1968]

Let's Stop Playing Patsy

So much for phony truces and cease-fires in Vietnam. . . .

Thrice-fooled and then some, the United States finally has suffered the indignity of having its Saigon embassy seized by an armed Viet Cong suicide squad and portions of the embassy compound held for six hours until special airlifted U.S. troops could crush the attack. This should be education enough even for so inept a pupil in the arts of treachery as the United States has shown itself to be.

But will it be enough? One gets the depressing feeling that the Viet Cong or the North Vietnamese would have but to coo again for the United States to succumb once more to the siren call. Though all past experience has shown the enemy to be unmeriting of trust, and though every alarm bell has sounded its warning against further ventures into unrewarding trucemaking with that enemy, the United States seems to show an unflagging disposition to play the patsy in this bloody game of "Trick Me."

Meanwhile, as we pursue our policy of treading softly while carrying a willow wand, talk goes on about bringing the Communists to the peace table, even at the price of further concessions in halting the bombing of North Vietnam. Already the Administration has backed away from its previous strong stand against admitting the Viet Cong to the conferences, if and when held. Now the word is that all bombing of North Vietnam—except for the area just north of the demilitarized zone—would be halted if talks would take place right away. We are still going on the supposition that the enemy is capable of honor, that he is as desirous of peace as we are, that we could arrive through mutual effort with him at something better than the kind of stand-off that has dragged on for a decade and a half in Korea.

The State Department has had many weeks now to "study" the supposed peace feeler extended by Hanoi and to which President Johnson referred hopefully in his State of the Union message—yet the diplomats have given no indication that it amounted to anything more than a semantic tease.

In that same speech, President Johnson said of the enemy's attitude:

"He continues to hope that America's will to persevere will be broken"—and that seems to sum his attitude up precisely. How can he fail to doubt America's will to persevere so long as this country continues to pussyfoot around the issue of victory? The indecision and vacillation at the highest level in U.S. policy-making can only embolden the enemy. It certainly will never intimidate him.

Let us have done with the phony truces and the ululations for peace, and get on with the job. The strength is on our side, certainly; but time, staying power, and psychology are on the side of the enemy. All will work to his increasing advantage unless we apply the power necessary to break his will and war-making capability—and do it soon.

The growing feeling of exasperation in this country at the course of the war was put into words, and not altogether rhetorical ones, by an irate Sen. Strom Thurmond on the floor of the U.S. Senate Tuesday upon hearing of the embassy raid:

"How much longer are we going to wait?"

How much longer, indeed, can we afford to wait?

Congress Against Itself

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. CURTIS. Mr. Speaker, I am pleased to note the attention being given in the press to the issue of congressional reform. It is vitally important that the public be made aware of the efforts of Congress to reform itself, and that debate be focused on the functions and potential functions of the Congress as the first branch of the Government.

The Legislative Reorganization Act, reported unanimously by the Joint Committee on the Organization of the Congress, and passed overwhelmingly by the Senate, is a significant step toward congressional reform. There is much more that needs to be done. The St. Louis Post-Dispatch has rendered an important service in its editorial of January 30, 1968, in calling attention to the work of one of my colleagues on the joint committee, Representative James Cleveland, to get the reform proposals considered by the House.

The editorial follows:

[From the St. Louis (Mo.) Post-Dispatch, Jan. 30, 1968]

Congress Against Itself

Representative Cleveland of New Hampshire may be making some partisan hay in urging the Democrat leadership to bring the congressional reorganization bill to the floor, being himself a Republican, but it is legitimate hay, with solid food content. The bill is a modest one. It was passed 75 to 9 by the Senate nearly a year ago, and has since been bottled up in the House Rules Committee.

The Democratic majority on that committee could, if it would, report the bill for discussion and vote. That this is not done is of a piece with the old dictatorial rule of the committee by Howard Smith of Virginia, whom the voters eventually retired. Representative Cleveland says truly that the equality of the Legislative branch is the issue at stake. The Executive branch has far outstripped it, largely because of being more knowledgeable. This bill would only close the gap a tiny part of the way, but without it the trend will be wholly toward increased widening.

If Congress will not protect its own power and prestige, who will—or can?

The Conglomerate

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1968

Mr. GRIFFIN. Mr. President, the conglomerate corporate organization is something of a new breed in the business world; it represents a trend which needs to be better understood and evaluated.

Whether one happens to agree with his views or not, an address delivered recently by Mr. Walter Jeffrey before the American Marketing Association represents an interesting addition to the dialog on this subject.

Mr. Jeffrey is vice chairman of the E. F. MacDonald Co., and is recognized as a leading marketing authority. With the thought that Mr. Jeffrey's address will provide very useful information and background, I ask unanimous consent that the text of his remarks be printed in the extensions of remarks.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

MARKETING IN A CHANGING SOCIETY

(By Walter Jeffrey)

Mr. Chairman, ladies and gentlemen, last week, Friday to be exact, our Board of Directors met in Dayton, Ohio. On the table, before each of us, was an agenda and a rather thick folder holding the material to be covered at the meeting. Six years ago, the agenda—had it even been necessary to have one—would have been very short, and the folder wafer thin.

Six years ago the Directors would have been discussing a company with 50 million dollars in annual revenue, all from a sales incentive business which had been formed 40 years before. Each director at that meeting would have had a long record of service with the company and would have been familiar with almost every detail of its operation.

In the past six years the company has grown to a sales volume of almost 300 million dollars, and I would like to mention some of the subjects covered so you can see why the meeting folder has become such a thick one.

(1) The Incentive Division—A projection for 1968—a proposed new advertising campaign.

(2) The Trading Stamp Division—a new distribution program—requested approval for an expansion program, and a research report regarding trading stamp usage.

(3) The Travel Division—and a request for chartering an airplane for anticipated trips.

(4) The Specialty Mail Order Division—a discussion of increased postal rates, the outlook for Holland's bulb season.

(5) The International Incentive Division—further review of the effects of the British pound devaluation.

(6) The Italian Supermarket Division—a special report on two supermarkets just opened.

(7) The Personal Loan Division—a forecast of interest rate levels.

(8) The Belgian Hotel Division—a request for building two new cafeterias.

(9) The California Supermarket Division—a report on competitive supermarket activity, a report on the effect of the meat cutter's strike, a program for opening additional stores.

And (10) Just preceding the Director's Meeting, a special stockholders meeting had approved the authorization of one million shares of preferred stock to assist in future acquisitions. We are a conglomerate!

Just a few short years ago the phrase "Conglomerate Corporation" did not appear in business circles with the frequency it does today. My topic centers around new marketing responsibilities—related to conglomerate management. Considering their size and scope, this topic represents a formidable task. By order of development I will first present a working definition of what, to my way of thinking, constitutes the essential characteristics of a conglomerate. Second, a few remarks will be directed to the basic rationale behind its development. My third, and major area of presentation, will relate to changing marketing responsibilities inherent in such a structure.

In my opening remarks I used our company as a reference point and from that example, two features are of major significance in understanding what constitutes a conglomerate. First, it is basic that I am referring to a multi-market corporation. Multi-market in the sense that each individual business enterprise is actively engaged in strategy formation and tactical performance in a separate and unique market. Thus, the conglomerate in total is engaged in a multitude of different markets, perhaps in a number of different countries. To my way of thinking, multi-market engagement is substantially different from the alternative strategies of market segmentation or product differentiation. The multi-market concept treats each company and its market in totality, with related strategies as separate and distinct performance areas. Thus, at the heart of a conglomerate structure is the basic notion that overall corporate strength and stability is magnified by the mutual exclusiveness of each individual market involvement. Returning to my example, a setback in the marketing of a travel service program will have very little if any direct infringement upon successful execution of a direct mail, supermarket, or trading stamp program.

The second major feature centers around its *"plus"* capability. The combined strength of the conglomerate should bring to the overall corporate enterprise a "plus" capability to aid any individual subsidiary faced with a legal, financial, or competitive adversity. Once again, the parent organization, as the coordinating force, should be ideally situated to promptly and effectively come to the aid of an ailing subsidiary.

Thus, the essential features may be summarized as multimarket operational autonomy and combined "plus" capability. These two features are, to my way of thinking, the fundamental difference between the large financial amalgamations of the late 1940's and 1950's in comparison to the corporate conglomerates of the 1960's.

Turning to the basic rationale of conglomerate development, perhaps the features of multi-market autonomy and "plus" capability offer sufficient explanation. However, I think not. The important question is, why did they wait until the 1960's to emerge?

The current rash of conglomerate formation is most commonly attributed to a series of legislative and judicial decisions. In other words, such structures are viewed as a reaction to actual or potential legal restraints. There can be little doubt that traditional paterns of growth, once viewed as attractive alternatives, have been severely tarnished by restrictions on vertical and horizontal integration. However, in my opinion, at least three other factors must be afforded significant weighting.

First, inherent in each step toward continuous and profitable sales growth is a risk contingency. The conglomerate, unlike other forms of growth, renders the total corporation in a relatively secure situation. Unlike some vertically or horizontally expanded firms, this multi-market structure is not equally in danger of a domino-like reaction to adversity. Faced with a radical economic, social, political, or technological change, the conglomerate can spread risk. At the very least, by the very nature of its structure, the conglomerate has the advantage of leverage and time. Specific reverses can most often be restricted to a single business entity.

Second, perhaps the greatest force behind their growth rests in their capability to engage in planned innovation. In the future, more than at any other time in American economic development, a well-planned and steady implementation of innovation will be paramount to continued corporate growth. It may not always be feasible to obtain profitable growth through merger and acquisitions. Attention will have to be paid to growth possibilities from within the corporate structure. The conglomerate, with its combined know-how and financial stability, is well equipped to provide the flow of innovation necessary to maintain corporate and national growth in the decades ahead. There can be provided the required financial stability in an atmosphere of marketing, physical distribution, and manufacturing competence.

Finally, the third factor acting as a stimulant to conglomerate growth is the shortage of management resources. The greatest deficiency in business today is the lack of experienced, broad-gauged top management talent. Perhaps this factor has been generally overlooked. The conglomerate, unlike any of its predecessors, provides the organizational mobility and resource structure capable of stimulating the best of managerial talent.

Thus, the rationale of its growth runs far deeper than simply a corporate reaction to a restrictive legislative environment. Foremost among the variety of factors leading to rapid conglomerative formation has been the ability to dilute risk within the corporate structure; its unique potential to develop and navigate innovation; and the capability of the structure to efficiently utilize scarce managerial resources in a challenging and productive manner.

Now let us turn to the Marketing responsibilities in a conglomerate setting.

The problem of the conglomerate is not unique to marketing. Certainly, other areas face new and challenging problems.

Marketing management in particular faces an interesting challenge. During the first few years of conglomerate existence, the major problems usually center around the financial area. In essence, management is forced to perform a wedding of individual subsidiary operating statements and balance sheets.

Initially each subsidiary is more or less self-sufficient since for the most part central management is dealing with new and unfamiliar market patterns. Thus, emphasis during the initial years is centered around questions of cash flow, capital budgeting and general financial control.

However, after financial integration is complete, it appears certain that managerial emphasis is destined to shift from the financial area to one of growth. Herein may rest marketing's greatest challenge. The very basis of this multi-market organization is the creative implementation of the marketing concept. In short, there appears little doubt that marketing as a basic and prevailing philosophy of business orientation stands on the threshold of its most challenging era. Likewise, the role of the marketing executive will be one of viable responsibilities within the conglomerate structure.

At least five aspects of the responsibilities of marketing executives appear destined to shift in both scope and character of performance. The major areas of change we can label for purposes of discussion as: (1) corporate posture of the conglomerate marketing manager; (2) a philosophy of subsidiary market planning and control; (3) market innovation; (4) the marketing man's role in acquisition decisions; and (5) marketing's social responsibility. For the final few minutes I will develop some comments concerning each of these changing responsibilities.

First, and foremost, is the question of corporate posture of the conglomerate marketing executive. In my juddgment, there exists today in such organizations a serious need for the emergence of a new, a completely new, type of marketing executive. This type of structure demands a corporate marketing executive who is capable of being both a jack-of-all-trades and a master-of-all-trades. While individual subsidiaries will in all probability remain autonomous with respect to operatng performance, it appears equally probable that overall corporate direction and planning will become more centralized. The thrust of conglomerate corporation growth will have to flow from parent company headquarters. In order to maximize the benefits of conglomerate organization, headquarters management will be forced to pursue an integrative policy with respect to staff-oriented functions.

Thus, the new breed of marketing executive will place greater credence upon basic and universal principles of market planning and performance measurement. Experience and seniority will no longer constitute sufficient credentials for such a marketing job. It is highly doubtful that a single executive could ever hope to acquire sufficient exposure in each basic corporate entity to speak with authority on the details of each subsidiary. Rather, the marketing executive will place a high premium on basic marketing relationships. He will be an executive who understands basic similarities and differences between marketing systems. In general, more precise measures of performance and more exacting techniques of control will be required to efficiently guide multi-market growth.

Next, turning in greater depth to the question of market planning and control of subsidiaries, we see the second main area of required marketing application to conglomerate structure. There will be new questions raised concerning effectiveness of centralization. In essence the marketing concept calls for integrated performance of all aspects of the marketing mix. However, in a conglomerate setting it appears that maximum momentum, control, and planning performance may best be mobilized by centralization of some aspects of the traditional marketing mix while maintaining and encouraging hghly decentralized or integrative operations concerning other aspects.

For example, consider the communications and distribution sub-mixes. A conglomerate marketing policy with respect to subsidiary control may well be one of laissez-faire (lay-say-fayr) regarding the basic communications mix. But with respect to the dstribution mix, management may very well seek maximum physical distribution economies by developing a policy of subsidiary integration with centralized control.

It is not my purpose to specify alternative patterns of control. The proper pattern depends upon the merits of each individual situation. What is of paramount importance is that marketing in a conglomerate structure will be faced with an increasing demand to effectively manage a coordinated program encompassing a variety of different operating sub-systems. The degree of céntralization between these sub-systems will not only vary between the traditional sub-mixes of overall marketing, but also between the degree of autonomy of individual subsidiaries. Control in such a conglomerate setting as is demanding and complex as any challenge marketng has faced to date.

The third area of changing marketing responsibility centers around the need for planned innovation. As noted earlier, the future of conglomerate growth will rest directly upon the overall corporate capability to generate a steady stream of innovations. The mobilization of innovative talents and the delineation of market opportunities is an important part of marketing responsibility. Historically, it is in the American tradition to view the process of innovation as being individually oriented—Edison working alone to develop the light bulb—Kettering working late at night in his garage—(our Chairman, Mr. Elton F. MacDonald, visualizing the use of a salesman's briefcase as a means to incentivize the salesman's preformance). It is my opinion, that a new dimension of innovation was born when a team of over forty scientists split and harnessed the atom twenty-five years ago.

In today's demanding business environment the cost of failure is great. A single product introduction can run into the millions to guide development through the growth stage of the product life cycle. It is a marketing responsibility to reduce the chance of error and to guarantee the rate of progress by fostering the right environment for innovative development.

Now, as a basic notion, the idea of marketing being associated with innovation is not new. Even the idea of team research is well established. What is new centers around the premium that conglomerate structure will be forced to place upon innovative performance.

The conglomerate marketing executive will have to develop the mechanism to gain a penetrating knowledge of the marketing determinants of subsidiary companies. In addition, the conglomerate executive will need the capability of extracting the necessary know-how from individual subsidiaries in order to translate market opportunity into tangible product reality.

This process of planned innovation is not one grounded on serendipity alone. Planned innovation must be based upon the scientific process. It will fall largely with the marketing executive to develop and implement the planned innovative process within the complex and often conflicting structure of a multimarket corporation.

Finally and foremost, the conglomerate marketing executive will need the capacity for evaluation of potential growth opportunities in terms of related risks and corresponding return-on-investment probabilities in a wide variety of often unrelated businesses.

Fourth, the marketing man becomes an integral part of the management team that evaluates future acquisitions. Pure financial data is not enough for decisions of this caliber. The marketing man, in his evaluation of the potential acquisition and its market, can contribute significantly to the soundness of merger decisions.

Marketing's changing responsibility will have social implications. I have long believed that increased marketing knowledge is one of the most vital forces in the growth of a highly developed and fully abundant society. While marketing can make substantial contributions to under-developed societies, the greatest potential contribution rests in a highly affluent society. Here, marketing can work as a persuasive force in guiding the development of natural resources and human capability into the most socially desired and accepted channels of growth.

Over the past several decades we have come a long way from the theory of a self-regulating market system in which government simply existed to specify the rules and boundaries of the competitive game. Government has become a much greater force in all areas of business operation as legislative and judicial action has moved from a policy of passive to active interaction in the competitive environment. However, even assuming that governmental philosophies are correct reflections of the public interest, it is extremely doubtful that anything greater than temporary relocation, restraint, and reduction will ever result from legislative and judicial action in a free market economy.

The conglomerate, with the aid of powerful resources, technical competence, and the broad vision of multi-market operations must recognize this basic need to meet a social responsibility. Aided by computers, conglomerate management is on the verge of tremendous advancements regarding its capability to influence our basic market system. Management in general must become fully cognizant of its need to protect and enhance the development of a sound public policy. This responsibility can no longer be passive. Further, because of marketing's basic introspection into the nature and structure of consumer markets, it seems logical to expect that leadership must emanate from the marketing sector of the conglomerate firm.

In the past few minutes we have progressed from a basic definition of a corporate conglomerate to a series of challenges with respect to basic marketing responsibilities. I have suggested that the basic virtues of a conglomerate are multi-market autonomy and a combined "plus" capability. To my way of rationalization, governmental restraints on vertical and horizontal integration have constituted but one force in the emergence of the conglomerate structure. Other factors of significance are the advantages of risk reduction, the need for a structure capable of supporting a planned innovative endeavor, and finally the creation of an environment that will attract and stimulate scarce managerial resources.

The advent of the conglomerate signals substantial challenge to the marketing sector of the corporation. A new strain of broad-gauged marketing executive will be demanded by the complex operating structure of the conglomerate. This executive will have to translate the traditional concepts of marketing orientation into a control and planning mechanism for organizations engaged in various degrees of centralization. Foremost, among the emerging responsibilities will be a demand to develop our knowledge of marketing with respect to innovative development and evaluation. Finally, the marketing executive of the conglomerate must assume a new posture regarding the role of business responsibility in matters of public policy.

In conclusion it appears rather apparent that the American economy is rapidly moving to the point where it will make increased demands upon the discipline of marketing. The marketing concept has played a vital role in motivating our economic growth to this important juncture.

However, in the decades ahead the marketing challenge will be far greater than conception of a philosophy of growth. The challenge will rest solely upon the development of executive techniques to manage the continued growth of the most abundant economy ever known to mankind.

Casualties in Our War Against Crime

HON. RICHARD FULTON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. FULTON of Tennessee. Mr. Speaker, casualties are being suffered in a continuing war in our Nation—our war against crime.

In my home district of Nashville-Davidson County, one dedicated lawman was called upon to make the supreme sacrifice, and another officer suffered grievous wounds at the hands of three suspected forgers.

Officer Thomas E. Johnson was killed by a gunshot in the chest.

Officer Charles Wayne Thomasson was critically injured with multiple gunshot wounds. He is slowly recovering.

My community, and our Nation, too often takes the protection provided by our law officers for granted. Too often we fail to recognize the sacrifices these lawmen willingly take to protect our lives and our property. We are indeed fortunate that these men are willing to work under the most adverse conditions, working extra hours without compensation, at a less than deserving wage scale.

Officers Johnson and Thomasson deserve our highest honors. An editorial in the Nashville Tennessean paid tribute to these men and told of their ordeal. At this time, I include this editorial in the CONGRESSIONAL RECORD:

TOP HONOR DUE OFFICERS JOHNSON AND THOMASSON

The community is shocked and saddened by the slaying of a Metro policeman and the critical wounding of another in the attempt to apprehend three suspected forgers Tuesday night.

The officer who was killed by a gunshot in the chest was Mr. Thomas E. Johnson, 38, of 1104 Kirkwood Ave. The second patrolman, Mr. Charles Wayne Thomasson, 28, of 224 Dodson Chapel Road, is in critical condition in General Hocpital with multiple gunshot wounds.

The officers were among several policemen trying to hem in the suspected forgers in the North Nashville area. Sgt. G. L. Lilley, a veteran police officer, was in charge of the search. Others participating included Patrolman Jesse Patterson and Officer Raymond Black.

Sergeant Lilley had received a tip on the forgers from Mr. Harold E. Thomas, operator of a liquor store at 1218 Jefferson St., who became suspicious of a money order presented to him for cashing. The two men who tried to cash the order fled in a car bearing a Michigan license plate. Mr. Thomas got the number and gave it to the police.

A little later, Patrolman Patterson spotted the Michigan car parked in front of an apartment building at Hermosa St. The other officers converged on the area and as they did a car bearing an Ohio license plate sped away from the apartment building. Patrolman Johnson immediately gave chase in his patrol car and was joined a little distance away by Patrolman Thomasson.

The two officers apparently cornered the desperate men at a dead end and attempted to apprehend them before reinforcements could arrive.

Patrolman Thomasson, already critically wounded, directed Sergeant Lilley to the scene by radio and then fell silent. When the sergeant arrived, Patrolman Johnson was dead in the street. The suspects had fled on foot but their car containing valuable clues to their identity—and some evidence of Black Power ties, according to some sources—had been effectively blocked by the patrolmen. Four shots had been fired from Mr. Johnson's gun, but it was not determined if any of them had found their mark.

Patrolmen Johnson and Thomasson represent the highest ideals of the dedicated law enforcement officer. Their devotion to duty and bravery are a credit to the many fine rank and file members of the Metro police force, who daily go about the business of facing death without seeking personal recognition or advancement.

A grateful community extends sympathy to the family and friends of Patrolman Johnson. It is hoped the principles of diligent and impartial enforcement which characterized his career will be strengthened by his tragic death.

The community earnestly wishes for Patrolman Thomasson a speedy recovery from his serious wounds. The sacrifice of both men will be long an inspiration to many devoted, hard working members of the police force and a community reminder that good law enforcement comes not from the over-ambitious, political-minded high police superiors in city hall but from the good officers who patrol the beats and risk their lives to keep the city safe.

Control of Nuclear Powerplants

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Tuesday, February 6, 1968

Mr. METCALF. Mr. President, as nuclear powerplants for generating electricity continually grow larger, many of us have become concerned as to who will control them. Will such plants be for the public benefit, or will they increase the monopolistic control of the private utilities?

The distinguished Senator from Vermont [Mr. AIKEN], who introduced proposed legislation late in 1967 to protect the public, has been a leader in this field. I have been pleased to cosponsor his bill, S. 2564.

On January 15, Senator AIKEN delivered the keynote address before a legislative conference of the National Rural Electric Cooperative Association in Washington. There he clearly outlined the need for a Nuclear Power Act. His remarks were extremely well received by this audience of rural electric cooperative leaders from throughout the United States.

Because Senator AIKEN's comments are such an excellent summary of the nuclear power situation, I am pleased to call them to the attention of Senators and ask unanimous consent that they be printed in the Extensions of Remarks.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR GEORGE D. AIKEN BEFORE THE NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION LEGISLATIVE CONFERENCE, WASHINGTON, D.C., JANUARY 15, 1968

As of January 1, 1968, there were 15 nuclear power plants in operation in the United States.

Twenty-one others were under construction, while firm orders had been placed for 40 more.

Add to these 76 the 12 that are planned, but for which no firm orders had been placed, and we have a total of 88 nuclear electric plants which are expected to be in operation within the next few years.

The comparison of the plants in operation with those that are planned, however, does not tell the real story.

Whereas, only six of the fifteen plants now in use have a capacity for over 100 megawatts, only five applications since 1965 call for less than 500 megawatts, while ten of them contemplate a capacity of 1000 megawatts and over.

Of the 41 applications since 1965, 26 are between 500 and 1000 megawatts.

It is estimated that between now and 1980, some 150,000 megawatts of nuclear power capacity will have been built.

This will represent over one-third of the nation's total generating capacity.

Nuclear power has without doubt become competitive with other generating systems over much of the country, if present cost estimates are realized.

Even in my own State of Vermont, utility companies estimate that the cost of nuclear generation will be quite competitive with and probably cheaper than hydro power from St. Lawrence or other sources.

Even though it is expected that research will still further reduce the production cost, we may well say that nuclear power has arrived and will play an increasingly important part in our general economy.

The increasing feasibility of nuclear power production has, however, created new problems and the necessity for new legislation to deal with these problems before it is too late.

It is for this reason that in conjunction with several of my Senatorial Colleagues I have introduced Senate Bill S. 2564, early action on which is necessary if the natural resources of the nation, the health of our people and the competitive system which has made our nation great are to be protected.

And, in connection with the achievement of these objectives, we must insure an adequate supply of electric energy for all parts of the nation—not just the creamy areas.

S. 2564, together with S. 1934, the Electric Power Reliability Act introduced by Senator Muskie of Maine and others, including myself, would go far toward insuring us against power shortages or blackouts in the future.

Before going into the provisions of our proposed legislation in more detail, I will briefly comment on the progress, or perhaps the lack of progress, in atomic energy legislation since the passage of the McMahon Act or the Atomic Energy Act of 1946.

This basic legislation was directed primarily at the development and production of atomic weapons and it was not until some years later that the potential of the atom for the production of electric power really dawned upon the industry.

The McMahon Act was amended from time to time but it was not until 1954 that major changes were recommended to the Congress.

While the possibility of producing electric power from the atom was clearly apparent by that time, it was also apparent that the cost of production would be excessive.

Much more research was needed before it would be feasible for private or public utilities to consider construction of nuclear generating plants.

Public expenditures were imperative and the legislation of 1954 provided such assistance.

In a minority report to the Congress, Representatives Holifield and Price severely criticized the proposed bill.

In their report, they stated: (Page 120)

"The very magnitude of economically feasible nuclear power plants persuades us to believe that the balance will be thrown heavily in favor of private monopoly unless provision is made for Federal development of atomic power, particularly where supply is desired by public or cooperative systems."

And again they stated (page 121), "the bill includes no provision to encourage public or cooperative distribution of nuclear power. Furthermore, it includes no provisions assuring that privately owned electric utilities producing nuclear electric energy under license from the Commission shall sell the power at the lowest possible rates consonant with sound business practices."

The legislation of 1954 has justified both the hopes of its supporters and the fears of its critics.

The first central station nuclear plant built with government assistance—the Shippingport Atomic Power Station—began production on December 18, 1957.

From that time on production costs dropped from about 50 mills per kwh to less than 4 mills at the present time.

The Federal Government has expended something over $2 billion in bringing about this competitive cost.

Under the law, the A.E.C. was vested with authority to license atomic power plants although, as the Holifield-Price report states, the A.E.C. "has never been a 'power-minded' agency" and "it has steadily backed away from any concept of government responsibility for the production of atomic power."

Subsequent events seem to have vindicated that the judgment of those two Members of the Joint Committee on Atomic Energy, for the Atomic Energy Commission appears far more concerned with improving the means for developing that power than it is with the distribution and use of such power once it is generated.

I am not sure but what we expect too much from the Atomic Energy Commission since its primary interest should lie in the technological use of nuclear science rather than serving as a licensing agency for power plants and as policemen for the public interest.

It may well be that having laid down the rules for control of radiation hazards, this Agency should not be expected to act as fish and game warden, recreation director, and enforcement officer for the anti-trust laws as well.

However, in the absence of clear-cut A.E.C. authority to regulate these matters, I think it is high time that Congress made a decision as to whether and to what extent, and by whom these matters should be regulated.

The law as it now exists is highly satisfactory to the corporate utility interests, but is becoming more and more inadequate and unsatisfactory as protector of the public domain and the democratic rights of the individual.

That is why, with some of my Colleagues in the Senate, I have introduced S. 2564 hoping that Congress will take action to protect the rights of the public and the resources of the nation before it is too late.

The Gold Rush is on.

The private electric utility interests hope to establish monopolistic control over the electric power supply of the nation before the public becomes aware of what is going on.

They are applying for licenses under the provision of Section 104 of the law—Section 104 is the section relating to "medical therapy and research development."

No license has yet been issued under Section 103 which authorizes the issuance of "commercial licenses."

The reason for seeking a license for research development rather than a commercial license is a lesson in transparency.

Under a "research license" a corporation in effect avoids possible embarrassment under the anti-trust laws.

As a practical matter, with the law as it is now, municipal and cooperative systems can only obtain protection under the anti-trust statutes *after* the monopoly or restraint of trade has been established and then only after costly, time-consuming litigation in the courts.

The reasoning of the Atomic Energy Commission in issuing only "research" licenses for power plants is set forth in a speech by Commissioner Ramey before the Federal Bar Association on October 16, 1967.

After pointing out that before issuing a commercial license the Commission must "find in writing that a type of reactor has been sufficiently developed to be of practical value for industrial or commercial purposes," Commissioner Ramey points out that the Commission has not yet made a "practical value" finding.

This attitude on the part of the Commission seems rather incongruous when we learn that the cost of producing nuclear power is said to be well under 4 mills per kwh and the large power companies are falling over themselves to get licenses.

They are planning to invest hundreds of millions of dollars in new plant construction which they would not do unless they were satisfied that such action were of "practical value."

The transparency of this approach is further illustrated in another way. While a utility is applying to the A.E.C. for a license as a research project, the utility officials go down the street to the S.E.C. and ask permission to issue stock as a profitmaking corporation.

No other interpretation can be put upon the present situation except that the corporate utility interests are seeking a monopoly over much of the nation to the exclusion of public and cooperative systems before adequate guidelines for issuing licenses can be legislated.

As I said before, The Gold Rush is on.

That is the reason for the introduction of S. 2564, a bill "To insure a reasonable opportunity for all electrical utilities to participate in the benefits of nuclear power."

I would now like to give you a brief insight into the purposes and provisions of this bill.

The purposes of the bill are—

First. To protect the public health and safety.

Second. To protect and conserve natural resources.

Third. To prevent monopoly in the field of electric generation and distribution.

Fourth. To insure an adequate supply of electricity in areas threatened by shortages.

As far as the first purpose—to protect the public health and safety—is concerned, existing legislation is adequate but needs to be coordinated with the other purposes I enumerated earlier.

The A.E.C. has so meticulously administered the rules pertaining to radiation hazards that there has been no need for payment of Price-Anderson Act indemnity funds connected with any nuclear power plant in operation up to this time.

In fact, judging from the record to date, there is more danger to the public health from the breaking of a hydro-electric dam or from air pollution caused from the burning of fossil fuels.

To dismiss radiation dangers as non-existent would be foolhardy since a margin of human error always exists, but the record of nuclear power plants and our nuclear naval vessels to date indicates that there is probably more risk from established and orthodox uses of radiation than from these newer, larger developments.

It is most unfortunate that scare stories have been broadcast for the purpose of arousing public sentiment against nuclear power development.

The second purpose of the bill—"to protect and conserve natural resources"—warrants close attention.

Since most atomic power plants are planned for location with access to fresh water, the protection of such waters against a substantial rise in temperature becomes of increasing concern.

The people interested in recreation, particularly sports fishing, have risen up in protest.

The result has been that water cooling equipment will undoubtedly be required for plants constructed from now on.

Of course, I recognize that the problem of "thermal enrichment" is not peculiar to nuclear plants but is common to all thermal power plants.

This will add to the cost of generating the power, but it is believed that such cost will still be well within the range of competition with fossil fuels over most of the country.

To guard against the possible loss to our fresh water assets, the bill would require the A.E.C. to consult with the Water Resources Council before issuing a license.

Even with this precaution, it is conceivable that the large plants of the future may be located offshore where sea water may be used as a coolant, and safe waste disposal areas may be constructed or provided.

The power from such plants might then be piped inland to great distances, possibly by direct transmission.

Purpose number three—"To prevent monoply in the field of electric generation and transmission."

This purpose is quite patently intended to prevent the corporate utilities from shutting off the municipal and cooperative systems from the benefits of low cost power which has been made possible by public expenditures.

As I have pointed out, the private utilities are virtually exempt from the anti-trust provisions of the Atomic Energy Act as the Act is interpreted and applied by the A.E.C.

Therefore, the Bill, S. 2564, provides that Section 111 of the Atomic Energy Act of 1954 shall read in part as follows:

"No person shall be issued a license under this chapter to construct and operate a utilization or production facility to produce electric energy for ultimate sale to the public unless the Commission finds that—

" 'the applicant has granted to all other interested persons, including Government agencies and public, private and cooperative bodies, engaged in the distribution, transmission, or production of electric energy an opportunity to participate to a fair and reasonable extent, as determined by the Commission, in the ownership of the facility for which the license is requested;' "

And also: "the applicant agrees to make the output of electric energy from the facility available, during the life of such facility, for sale on fair and nondiscriminatory terms to all persons, including Government agencies and public, private and cooperative bodies, engaged in the distribution, transmission, or sale of electric energy."

It may be assumed that the private utilities as a whole will fight vigorously against sharing ownership of a plant with any public or cooperative system.

In the case of the Vermont Yankee Nuclear Power Corporation, however, the President of the Corporation, Mr. Albert Cree, whom I consider the most enlightened utility operator in New England, has offered the co-ops and municipals of Vermont an opportunity to purchase stock in the proposed plant.

He did not make a similar offer to Massachusetts municipals located within easy transmission distance of the proposed facility and thirty-nine of them have taken the matter to the courts.

Incidentally, I feel that Mr. Cree did not endear himself to the more conservative New England operators by going as far as he did.

Whether many municipals and cooperatives would actually invest much in large atomic plants is a matter for conjecture.

What the consumer-owned systems want to be sure of is that the price they pay for power will be on a nondiscriminatory basis.

Yet, in addressing a meeting in Chicago last November, the Chairman of Commonwealth Edison said that allowing consumer-owned systems to own a portion of a new nuclear plant would discriminate against company customers who pay system costs in their rates.

If the private power industry actually intends to deal with consumer-owned systems on a nondiscriminatory basis, it should not object to having that proviso written into the law.

But, I fear they do object.

The fourth purpose of the bill is—"to insure an adequate supply of electricity in areas threatened by shortages."

The use of electric energy in the nation is increasing at an accelerated rate.

Probably all estimates of future requirements are too modest.

To meet the requirements of production and distribution we will need all types of systems—private—municipal—other public systems and cooperatives.

Nuclear generation will show by far the greatest rate of increase provided adequate guidelines are laid down and enforced so that construction of plants will not be delayed.

Speed is of the essence.

We cannot afford to have generation delayed by lengthy court action.

Much peaking power will be required if nuclear power is to be provided at lowest cost.

This is one reason why the use of fossil fuels should increase rather than decrease as nuclear power widens the utilization area.

As evidence of this trend, we find that while TVA is planning a 1,065 megawatt unit with a predicted production cost of 2.39 mills per kilowatt hour, it is also planning for two 1,300 megawatt coal-fired power units which are expected to produce at about the same cost.

Further delay in revamping the law is inexcusable.

What form such revision may take is immaterial to me so long as it does the job.

If the Congress sees fit to merge my bill, which amends the Atomic Energy Act, with Senator Muskie's Electric Power Reliability Act which I am also sponsoring, I have no objection.

If it is decided to delegate the authority to license nuclear power plants to another agency, I will agree so long as the purposes I have outlined are attained.

If certain Members of Congress see fit to abet the utility companies in trying to kill our proposal or block a hearing, I won't like it although I will concede their right to do so.

I hope it will be possible to get early hearings on the proposals.

All interests concerned should have the opportunity to be heard.

The purpose of my bill is not to hamstring the corporations, but to make sure that the law is equally fair to all.

If I have one hope paramount to all others, it is that the President will put the power of his office behind these proposals, thus putting public needs above private desires.

Lastly, let me thank the personnel of the NRECA for their wholehearted support of measures which are consistent with national requirements and our democratic traditions.

Young Americans—Make This Country Safe

HON. E. C. GATHINGS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. GATHINGS. Mr. Speaker, despite the seeming numberless articles in the newspapers concerning juvenile delinquency, hippies, beatniks, and draft-card burners, the plain truth is that these articles have to do only with an infinitesimal percentage of our young people. The vast majority of young Americans are concerned, positive people with their eyes on the stars but with their feet on the ground. Sometimes, but not often enough, news articles are written about these fine young people.

One such article was written recently by Miss Corinne Hodges and carried as a feature story in the January 30 edition of the Memphis Commercial Appeal. It relates the story of young 15-year-old Jay Oakes, of Augusta, Ark., and his work to restore the 1902 clock in the bell tower of the Woodruff County Courthouse.

The future of this country is safe with such fine young men growing to manhood throughout the Nation; concerned, capable, and dedicated young people such as young Jay Oakes.

The story follows:

YOUTH WITH TIME ON HANDS SETS THINGS STRAIGHT

(By Corinne Hodges)

AUGUSTA, ARK., January 29.—The time is correct on the four faces of the clock in the Woodruff County Courthouse tower at Augusta because a 15-year-old youth is a dedicated clock lover.

The 1902 timepiece had stood still until Jay Oakes, a high school student, took over its renovation. Long interested in clocks, he had had some experience with a jeweler and some study on his own.

Dust and debris of years had collected all over the clock works. Moreover, Jay had a battle on hand with bats and birds.

"Bats swarmed in the tower here. You had to have a flashlight to see. The place was in horrible shape. And there was an epidemic of wasps; they were an inch thick on the floor."

Weeks of mopping and cleaning in spare time followed. Then Jay started on the more meticulous task of the clock works. Piece by piece, he went over the clock, which bears the name, E. Howard Clock Co. of Boston.

Removing the faces, which are six feet in diameter, he carefully cleaned and replaced each one.

"But the hand on the south face still is broken. On the east face, some of the minutes have fallen off. Oh, there's still lots to be done. For instance, a bird flies right through the middle of the South face. That hole has to be fixed. I wish we could get some new faces."

Jay can hardly wait to get up to the clock tower after school, sometimes at night, and often on Sunday afternoons. "It's such a change from school.

"I like to call the clock mine; and when I start towards the courthouse, it seems like I'm going to my courthouse."

Sometimes Jay brings a friend, Robin Coleman, with him, and on special occasions, he may even show the clock to adults. He explains how the four shafts from the center works operate the faces.

He tells how to "set this old deal," and picks up the ancient pendulum and the crank to wind it. The clock was electrified some time ago, but it has to be reset when the power goes off.

For those who can climb the narrow flight of steps to the belfry above the clock, Jay will show the giant bronze bell, almost six feet in diameter.

"When I finally got the bell and the clock fixed, the bell rang 24 times before it stopped. But I finally got that fixed."

The timepiece was installed when the Woodruff County Courthouse was remodeled in 1902.

Jay, the son of Mr. and Mrs. Jack Oakes, has developed a different outlook on the world of politics from his clock-tower viewpoint. Political rallies on the courthouse yard are much more interesting when he's in the clock tower looking down.

Letter From Vietnam

HON. WILLIAM HENRY HARRISON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. HARRISON. Mr. Speaker, there has been considerable interest in letters from servicemen in Vietnam and I have been asked by one of my constituents to insert in the RECORD a letter which she received from a relative, as follows:

JANUARY 13, 1968.

DEAR ROBYN: Today was briefing day, (show and tell day), so we had to make up the usual amount of stuff. The Col. now calls me Tommy so at least he knows who I am. As you have probably heard the Americal has killed over 1,000 NVA in the last week. It has been a busy and a hard week up north.

Today I went up to the 2nd Surgical Hospital to see one of my classmates from OCS. His platoon got caught in a minefield last week and he was in critical condition. He has broken his jaw and both cheeks, has three chest wounds, and his right leg is broken. This as well as small fragmentation wounds too. He was in the intensive care ward and it was a hard thing to see. In the beds there were other troopers who had lost both arms below the elbow, and other serious wounds. Peacock can not talk as he has a tractube in his neck. He is very weak and in a great deal of pain. He writes notes on a pad and seems to be making good headway as they didn't think that he would live when he first came in. He wanted some apple juice so I went down to the P.X. and got him some.

I have told you this because when you see something like it it makes you sit back and wonder if this war is worth the price that it costs us in American lives. To see these young guys with arms and legs blown off and to think of the difference in their lives now is a hard thing. It leaves a great deal for thought. I wish that there was a way to show the people in the states who protest for peace the debt that they owe these people. I am glad that they want peace, but is it for peace that they protest or because that they are looking for the typical way out; or as in many cases is it that it is the "in" thing to do, so let's join the mob and do it? I hate to be this way but after I see the sacrifice that some give to be Americans I have little patience for the people at home who protest the way that they do.

I know that there are certain bad things to the war and reasons to get out, but we are a self determining government and we have a democratic method of expressing our desires and that is the way that we should do it. Those who have not earned the right, but yet have it and abuse it in the manner that some do don't deserve the rights that they have. I don't say that everyone should have to go to war to be a good American, but I am saying that every American owes it to his country to uphold its principles and if they desire a change to do it by the manner of voting which makes our country. I am beginning to lose a great deal of respect for the so-called "in" group. I don't mean to burden you with my thoughts, but there are certain things that I think that you should know and understand.

Help the Mental Health Clinic

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. BINGHAM. Mr. Speaker, there is a wider recognition of the problem of mental health throughout the United States today than ever before. All levels of government and many voluntary associations have developed programs to help those who are mentally disturbed. One of the most outstanding examples of voluntary groups doing much good work in this field is the Riverdale Mental Health Association, soon to begin its eighth year of service to the community of the Bronx, N.Y.

I enclose herewith an article on the work done by the Riverdale Mental Health Association for the benefit of my colleagues and other readers of the Record:

HELP THE MENTAL HEALTH CLINIC

The Riverdale Mental Health Association will soon begin its eighth year of service to the community. Founded and supported by a dedicated group of volunteers, this organization has established a remarkable record.

Hundreds of families in Riverdale now contribute their time and money toward the development of a mental health clinic to help those who cannot afford private psychiatric care. To meet constantly increasing needs, a staff of psychiatrists, psychologists, social workers and other therapists provides a variety of services. Marriage counseling, family guidance, an after-care program for patients discharged from mental institutions, occupational therapy, a child care program and community education are some of the programs that have been developed effectively here.

In 1965 New York City recognized the value of the important work done by the Riverdale Mental Health Association. The Clinic is eligible for a grant from the City's Community Health Board. This grant is contingent, however, on funds raised locally in Riverdale.

If the Clinic were not functioning here, many who need its services in Kingsbridge, Marble Hill, Spuyten Duyvil and Riverdale would be deprived of important health care. Those who could not otherwise afford private psychiatric care are eligible for consultation and treatment at low-cost fees, based on ability to pay. An application fee of $10, for example, also includes the first interview.

The Clinic maintains bright and cheerful quarters at the Professional Building on Johnson Avenue at 235 St. in addition, such programs as the School Consultation Service reach out into the community. Teachers have welcomed the series of lectures given by Clinic phychiatrists to help them increase their understanding of children's emotional problems.

Last year 248 residents of the community were helped by the Riverdale Mental Health Clinic. A waiting list averaging 20 persons a month is awaiting expansion of its services. There is only one way for the clinic to grow, and that is through contributions from an appreciative community.

A Mental Health Telethon will begin on January 26 and will continue through January 28. When one of your neighbors calls for funds we hope you'll respond generously. Your contribution will help someone in your neighborhood to find a solution to emotional problems.

Better still, may we suggest that you send your gift now to the Riverdale Mental Health Clinic, 3265 Johnson Ave., Bronx, N.Y., 10463. The cost of a Family Membership is $10, you can become a Contributing Member for $25, a Sustaining Member for $50, or a Sponsoring Member for $500. Your help is vitally important, and it's needed now.

Flight Safety—The Need for Good Training

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. PICKLE. Mr. Speaker, recent editorials in the Washington Post and the Washington Evening Star contained serious errors regarding the DC–8 training accident in New Orleans last March which killed 19 people, 13 of them on the ground. The pilot in training was practicing two-engine-out emergency procedures when the accident occurred. The Post editorial questioned the value of this type of training, claiming that "no jetliner has ever experienced such an emergency."

Actually, there have been 18 such emergencies in turbine-powered airplanes. All 18 landed without mishap because the pilots had undergone such training and knew exactly what to do.

In its editorial entitled "FAA Error" the Star put the blame squarely on the FAA, claiming "the pilots and the FAA inspector allowed the airspeed to fall below safe limits." The FAA inspector actually had nothing to do with the accident. He was aboard as an observer to familiarize himself with this type aircraft. He was not in any fashion in charge of the flight or even giving directions to the pilots.

Some Members of Congress and the press have seized upon the accident to demand that the maneuver be stopped on the basis that it is valueless.

The FAA has made some changes in the two-engine-out maneuver rule but has not abolished it. It is still required in training but not on flight checks. All airline operators have been advised that when performing the two-engine-out training maneuver it must be accomplished over approach lanes isolated from residential areas.

I think it should be remembered that the passengers in the plane should be protected—and any maneuver should be designed toward this end—as well as protecting pilots and people on the ground.

Federal Aviation Administrator Gen. William F. McKee has written the Post responding to some of the points raised. At this point, I am enclosing a copy of his letter:

DEPARTMENT OF TRANSPORTATION,
FEDERAL AVIATION ADMINISTRATION,
Washington, D.C., January 26, 1968.

Mr. J. R. WIGGINS,
Editor, the Washington Post,
Washington, D.C.

DEAR MR. WIGGINS: In your editorial Friday, January 26, "Airplane Safety," the following statement is made:

"The FAA requirement that pilots master two-engine-out landings, even though no jetliner has ever experienced such an emergency with passengers aboard, may well be justified."

For your information there have been 18 two-engine-out landings (with passengers) involving jet aircraft since 1962. All of these landings were made successfully and due, we think to proper crew training.

We have taken action to see to it that two-engine-out landings in training are not made over heavily populated areas.

The last sentence in your editorial reads?

"It is up to the FAA to take steps that will make the training procedures for airline pilots safer, both for them and for those of us on the ground."

I agree with this sentence with one addition—you should add to the sentence: "and for the passengers on the aircraft." This we are doing.

Sincerely,

WILLIAM F. MCKEE,
Administrator.

Freedom of Travel

HON. HERVEY G. MACHEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. MACHEN. Mr. Speaker, the President's rather recent request that all Americans join him in an effort to improve the Nation's balance-of-payments position by imposing a voluntary ban on nonessential foreign travel for a period of 2 years reaffirms his faith that the American public will do whatever it can to work for the welfare of the Nation.

In testimony before the Ways and Means Committee yesterday, administration officials indicated an effort will be made to go beyond this voluntary restriction on foreign travel. I will not support efforts to tax traveling Americans as long as there are so many other areas where affirmative action could improve our balance-of-payments position as dramatically and with much less inconvenience and expense to the traveling American taxpayer.

Mr. Speaker, I wish to bring to the attention of my colleagues the fact that the Comptroller General recently published his report to the Congress on the U.S. balance-of-payments position. In reading this report, I was made acutely aware that efforts have been made in some areas to improve our balance-of-payments position; while in other areas, there has been a noticeable lack of activity.

This report documents a number of steps which have been taken by the administration to minimize the effect of tourism on our balance-of-payments position. Some of these measures:

First. The Department of Commerce has embarked upon a campaign to stimulate travel in the United States on the part of both Americans and those from other countries.

Second. The duty-free exemption on goods bought abroad by tourists has been reduced from $500 wholesale to $100 retail value.

I could go through the Comptroller General's report in great detail and document how it has been repeatedly suggested that the United States include in its agreements with foreign countries provisions for maintaining the value of U.S. foreign currency balances and foreign currency loans. Failure to do this has resulted in enormous losses being incurred as readjustments were made in the relative values of foreign currencies and the dollar. The cumulative effect of these detrimental readjustments was a value loss to the United States of $2.2 billion through June of 1966 with additional losses to be sustained in future years. I could also point out that over a 10-year period, the United States was overcharged by $50 million for telephone service in Japan. I would suggest that more attention be paid the Comptroller General's recommendations before we tax our traveling public.

I believe that in addition to those basic rights which are specifically stated in the U.S. Constitution, there are certain other traditionally held rights which Americans everywhere have come to prize just as highly. One of these rights is the prerogative of each and every American citizen to travel abroad whenever and wherever he chooses.

In the past, and even now, it has been necessary for the Department of State to place certain countries on a restricted list for American tourists because of reasons affecting our national security. I have supported these determinations on the whole because I believed them to be in the public interest. However, I cannot and will not support any type of arbitrary travel ban or travel tax on foreign travel by U.S. citizens.

It has been said by some that this so-called travel tax may be necessary as one means of correcting the current deficit that the United States is encountering in its balance-of-payments posture. Those who support this view seem to forget that in 1966, the United States was one of the foremost tourist host nations in the entire world. Certainly any action taken by our Nation to impose a travel tax on its citizens would be met with prompt retaliatory action by other member nations of the world community and I doubt seriously that, if this eventuality were to occur, our balance-of-payments position would be significantly strengthened.

Mr. Speaker, the Washington Post published a very good and extremely pungent editorial on the administration's proposed restrictions on American tourism. I insert this editorial in the RECORD at this time and urge that my colleagues read it and note the many and varied weaknesses and inequities which are in the administration's proposals:

[From the Washington Post, Feb. 6, 1968]

A REGRESSIVE TAX

Having imposed severe restrictions on business investment in Western Europe, the Administration now proposes to apply the principle of "equality of sacrifice" to those who would travel. Its "travel tax" proposal, unveiled yesterday by Treasury Secretary Henry H. Fowler, is a thoroughly objectionable measure. It is a regressive tax that would fall principally upon those in the middle income brackets who cannot write off their trip to Europe as a "business expense." The mandatory declarations of how much money is being taken out of the country and the need to account for it on return would subject travellers to an intimating volume of paper work as well as to penalties and fines. Finally, there is no guarantee that other countries would not retaliate against this proposed "devaluation" of the tourists dollar with measures that would reduce further our trade or current account surplus.

Secretary Fowler made much of the fact that the tax on travel expenditures will not fall heavily upon those with small incomes. The first $7 of daily expenditures in Europe is exempted from the tax; the next $8 of expenditures is taxed 15 per cent; and all expenditures in excess of $15 a day are taxed at a 30 per cent rate.

People in very modest circumstances who visit Europe and reside with relatives may indeed pay little or no travel tax. But what of the middle income traveller without relatives in Europe, the tourist who demands not luxury, but a modicum of comfort. The single person who spends $750 to travel in Europe for 20 days would, in addition to a proposed 5 per cent tax on a plane or steamship ticket, have to pay a travel tax of $159 or 21.2 per cent. Adding 21.2 per cent more to the cost of trip might not be a great burden for the very wealthy, but it surely would be for those in the middle income group. A family of four planning to spend $1500 for a 20-day tour of Europe, would be taxed $186 or at the rate of 12.4 per cent.

In addition to the regressivity of the travel tax—the same rates for all, irrespective of income or ability to pay—those who can deduct the trip as a business expense get reduction in the travel tax rate. A single traveller in the 50 per cent income tax bracket cuts his travel tax rate in half. Moreover, those with cash personal balances in Europe, or access to corporate cash balances in branches or affiliates, may escape paying the tax altogether.

There is no doubt that this measure would discourage some travel to Europe. But it does not follow that the balance-of-payments deficit would be significantly diminished. Increased travel by Americans in the Western hemisphere will result in a substantial migration of dollars to Europe unless this country adopts outright, rather than disguished exchange controls. And why does the Treasury assume that Europe—which has a bilateral deficit on trade account with the United States—will permit us to place a high tax on tourism, one of the most important "services" which they provide for Americans?

It is argued that other countries, notably the United Kingdom, impose far more stringent restraints on foreign travel. But one set of clumsy controls does not justify another. Before Ways and Means endorses the travel tax, it ought first consider alternatives to piecemeal dollar devaluation through the proliferation of controls.

President Johnson Urges Greater Powers for EEOC To End Job Discrimination

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. HAWKINS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

PRESIDENT JOHNSON URGES GREATER POWERS FOR EEOC TO END JOB DISCRIMINATION

The President of the United States has once again asked us to advance the fight against discrimination in employment by enacting a bill which would strengthen the enforcement powers of the Equal Employment Opportunity Commission. The President has rightly requested cease and desist powers for EEOC. I urge the Congress to enact this necessary piece of legislation.

Discrimination in employment is one of the most serious forms of discrimination existing in America today. For one of the most fundamental rights guaranteed to every American is the right to hold a job.

The unemployment rate of Negroes today is double the rate for white persons; and Negroes are often the last to be hired and the first to be fired. Correspondingly, the wage level for Negroes is considerably lower than the level for white persons. The result is that the Negro has less chance to buy a home outside the ghetto, he has less chance to send his children to college, and he has less opportunity to enjoy other advantages of American life. At a time when our prosperity is at its highest level, this is unconscionable.

We have been asked by the President to take a step which will help assure that discrimination in employment will be dealt with effectively. I urge the Congress to pass this measure without delay.

President's Consumer Message Turns Attention to Faulty Repairs and Worthless Warranties

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. PICKLE. Mr. Speaker, in his consumer message to Congress, President Johnson issued a timely call for action on the growing problems of improper repairs and worthless warranties on consumer products.

Abuse in this area has built up a crescendo of discontent. Consumers are asked to put absolute faith in manufacturers' guarantees but sometimes that faith is unjustified.

Products sometimes break down before the buyer has had a chance to finish paying for them.

Guarantees are worded in vague terms which provide little protection against repair.

Housewives are at the mercy of repairmen who are sometimes unscrupulous or incompetent.

We are—all of us—consumers, whether rich or poor, young or old, whether we live in great cities, small farms, or sprawling suburbs. Our spending for consumer products makes up two-thirds of America's gross national product. The consumer deserves protection against deception and dishonesty in the sale and repair of consumer goods by unqualified or unconcerned parties.

President Johnson has launched a cooperative venture with private industry to raise the standard of service and repairs and to give real meaning to guarantees of product quality and consumer safety.

President Johnson's proposals will help insure that American buyers receive a fair and honest exchange for their hard-earned dollar. In turn, this will give added public confidence in those manufacturers and repairmen who do a good job. By far the majority of these people perform dependable service and they should be protected from misjudgment

by seeing that the unscrupulous and careless are held accountable for their work.

Wake Up, America

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. EVINS of Tennessee. Mr. Speaker, the Hartsville Vidette of Hartsville, Tenn., recently published a speech by Mr. Howard W. Kacey, president of Acacia Mutual Life Insurance Co., Washintgon, D.C., made at the Lions and Rotary Clubs of College Park, Md., in which he issued the challenge: Wake Up, America.

This is a most provocative and challenging speech—a timely discussion of national problems—and because of the interest of my colleagues and the American people in this most important subject, I include excerpts from this speech.

The excerpts follow:

WAKE UP, AMERICA

Things are happening throughout our land which greatly disturb me—things which I feel must also be of real concern to every citizen. On every hand there are signs that the moral strength of our nation is decreasing alarmingly. The principles upon which our country was founded are being eroded slowly but surely. We are substituting materialistic values for spiritual ones—the old moral standards of what is right and what's wrong are being discarded and, in their stead, we are establishing codes of ethics that, if followed, can only render us impotent as a people and as a nation.

When I selected "Wake Up, America," as the title of my talk, there were fresh in my mind the riots that took place in Ohio, in New York, in Missouri, in Iowa, in Wyoming. However, these riots, unlike the ones which took place in Los Angeles, in Chicago, in Springfield, Massachusetts, did not have racial overtones. What they all had in common, however, was a disregard—yes, even a hate—for law and order. All of them were grim, unhappy examples of the present moral climate of our nation.

The situation is getting worse, and yet, too many Americans are still emulating Rip Van Winkle. Unless we can find a way to wake them up, there might be no stopping the downward course of America.

Clubs, like yours, are a force for good in our business and community life, and today more than ever before, there is a crying need for this force.

Even though some of us recognize that our nation is headed in the wrong direction, we are living in a dream world waiting for someone else to do what is necessary to get America back on the right road again. Seemingly, we don't want to become involved or else we justify our lack of action by saying:

"It can't happen here," or

"That's just teenagers letting off steam," or

"Times are changing, you've got to expect things like that," or

"It's the Government's problem—I'm not going to worry about it."

Yes, those statements, and many more like them, can be heard every day from the man next door, from the fellow who works with you in the office, from county, state and national politicians, from pulpits, from reporters, from editors, from college professors, from friends and relatives—from just about every level of society.

Somehow, someway, an epidemic of sleeping sickness has struck our nation. Upon those who have been fortunate enough to thus far escape the disease rests the responsibility of finding a solution before it is too late. If we are to turn the tide, each one of us must shout over and over again to all who will listen—"It *can* happen here!"—"It *is* happening here!" In fact, in Los Angeles it happened right before our eyes, thanks to television.

Like Sodom and Gomorrah—like Rome—America is rotting from within. Immorality is flourishing and pre-marital sex is being condoned even from the pulpits; juvenile delinquency is on the rise and disregard for law and order has been given a cloak of respectability; pornography is accepted and even preferred in our literature, in our movies and in our stage shows; our courts continue to find technicalities whereby vicious criminals, known to be guilty, are turned loose to prey again and again on society—why just recently the Washington police arrested a man caught in the act of raping a 24 year old waitress. This man had, on two other occasions within the previous six months been charged with the same type of crime. In the first instance the case was dismissed because the victim *committed* suicide rather than go through the ordeal of the trial. The second case was dismissed by the trial court on the technical grounds that the police made an illegal search because of their failure to first obtain a search warrant.

Listen, Gentlemen, we are going to have to wake up before it is too late—we are going to have to effect some drastic changes in our present way of life—changes in our behavior patterns, changes in our thought processes, changes in our moral values.

But, "What can I do?" is the question that people invariably ask me and therefore, one of the very first things we *all* can do is to make the most of every opportunity that presents itself to help bring self-discipline and decency back into style. If you have youngsters of your own—or are in a position to influence other peoples' youngsters—take the time to try to develop in them a sense of personal responsibility, an understanding of the importance of their maintaining high moral standards, of the need for constant devotion to religious principles and of the necessity for fostering a deep and abiding pride *in* and love *of* country.

Next, you can bring all the pressure at your command to plug up the loopholes in our laws that enable punks to go scot-free not just once but time after time. Let's demand that criminals be treated as criminals—that the hands of our police in bringing criminals to justice not be tied down by unworkable and unreasonable requirements such as the Mallory Rule.

Just as important, let's support our law enforcement officers.

Too often the everyday acts of courtesy, help and cooperation which our dedicated law enforcement officers perform for the benefit of the health, safety, welfare and protection of all our citizens are accepted matter-of-factly. I believe that for the good of every community and for the good of our citizens who desire to see law and order prevail throughout our land it is up to all law-abiding people to help improve the policeman's public image by giving to him full and complete support and cooperation.

Likewise, I believe that we must counteract the generally unfounded charges of police brutality which are being leveled with increasing frequency at arresting officers all across the land. The policeman's job is tough enough without having to face brutality charges every time he makes an arrest. It is a fine line between brutality and self-defense. I do not mean to imply that there have not been misuses of police power, for the record shows otherwise. However, these are the exceptions. Let's *demand of our law enforcement officers* the highest quality and efficiency of performance, while *demanding for them* the public respect which they so rightly deserve.

Our schools have been instructed to refrain from teaching our children the power and glory of PRAYER. We have successfully defended in court our children's right to ignore the salute to the flag. Groups are hard at work trying to abolish Christmas and Easter programs in schools—to do away with baccalaureate sermons—to eliminate Thanksgiving Day and Presidential proclamations of prayer—even working to remove Chaplains from our Armed Forces. This may all sound fantastic, but unfortunately, it's true. Certainly you cannot deny that there is a move afoot to remove religion from every phase of our national life—a move that is getting support even from ministerial groups.

The blows are being well-timed—the poison is being administered in small doses—we are weakening before the relentless determination of the ever-present minority of evil people whose goal in life is to drag others down to their level.

If you have children in college, write a letter to the head of that institution urging him not to tolerate "student uprisings." In this connection I wish to commend Dr. Wilson Elkins, the President of the University of Maryland, for the firm stand he has taken concerning this matter. Dr. Elkins warned the parents of the members of the Freshman Class that students who want to take matters in their own inexperienced hands will *not be welcome* at Maryland. He made it clear that the University will not tolerate disorder and demonstrations similar to those which occurred at Berkeley, California. According to a campus survey conducted by The Washington Post, most of the students interviewed supported Dr. Elkins' position.

Let's insist that our churches and our ministers devote their time to our spiritual problems and not just to those problems connected with civil rights. Tell your minister that it is just as sinful to advocate civil strife as it is to deny right.

I am confident that all of you can think of many more things you can personally do to turn the tide in favor of self-discipline and decency. *I am hopeful that each one of you will do something.* The time for lip service is past—the time for action is now!

Remember this—as the old hymn says, "God moves in a mysterious way. His wonders to perform." Perhaps through you He will point the way whereby we *can* . . . Wake Up, America!

Veterans Association Resolution Concerning U.S.S. "Pueblo"

HON. SILVIO O. CONTE

OF MASSACHUSETTS

, IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. CONTE. Mr. Speaker, I have been asked by the 104th United States Regiment Veterans Association to introduce in the CONGRESSIONAL RECORD its recent resolution concerning the *Pueblo* incident.

Mr. Speaker, I have on many occasions been requested by organizations to introduce resolutions setting forth their views on various matters and have been happy to do so.

I am similarly pleased to insert the 104th United States Regiment Veterans Association's statement at this point in the RECORD:

Be it known that the 104th U.S. Infantry Regiment Veterans Association Inc. is an organization whose members are overseas wartime veterans who are duly and permanently concerned with the vital security of the United States of America.

In regular session held 28 January 1968 the National Executive Council of the 104th U.S. Infantry Regiment Veterans Association Inc. did vote unanimously to recommend that the President and the Congress of the United States of America take the following actions:

1. Immediately break off negotiations in the United Nations Assembly to retrieve the U.S.S. *Pueblo* and her crew.
2. Immediately start negotiations directly with North Korea to retrieve the U.S.S. *Pueblo* and her crew.
3. Failing to retrieve the U.S.S. *Pueblo* and her crew within one week take whichever positive action necessary, including use of an armed force, to retrieve the U.S.S. *Pueblo* and the Naval Officers and Men, and the civilians who comprise her crew.

Inner-City Rural Program

HON. DURWARD G. HALL

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. HALL. Mr. Speaker, 3 years ago the National Council of Boy Scouts and 16 selected local councils initiated a cooperative program to learn how best to use the Boy Scout program in disadvantaged urban and rural areas. I commend the Boy Scouts of America for undertaking this pilot effort and believe all Members will enjoy and appreciate their report on the program.

The report follows:

Inner-City Rural Program

In 1965 a cooperative program between the National Council and sixteen selected local councils was initiated, to learn how best to use the Scouting program with boys and families living in disadvantaged urban and rural areas.

The Inner-City Rural Program is beginning to produce a number of important findings. We are beginning to discover the nature and depth of some of the obstacles that seem to be preventing Scouting from achieving greater effectiveness in disadvantaged areas.

Among adults who are disadvantaged, the image of Scouting is not clear and because of the complexity of the pressing problems they face, it tends to get a rather low priority. Professional and volunteer Scouters need more training, understanding and guidance to enable them to serve disadvantaged youth and communities. Some of our supporting materials such as visuals, must be revised in order to make them more relevant to the needs of disadvantaged people.

The overall Inner-City Rural Program has made some important contributions. It has brought about a recognition on the part of some local Health and Welfare Councils and United Funds, that Scouting is a valuable tool in serving disadvantaged areas. It has opened doors to new cooperative relationships with some governmental agencies.

Each project has established purposes and a research design. Some highlights of progress to date would include the following:

Some literature has been developed which relates to disadvantaged children and their parents. This includes a Cub Scout Application and the Bobcat Requirements in English and Spanish. In addition, a new Boy Scout Application with an illustrated explanation of the Tenderfoot Requirements has been developed, as well as a booklet for new Scoutmasters containing six months of program helps. All of these items have been worded at a low grade level.

An attempt is being made to relate materials and program content to the cultural characteristics of disadvantaged people in the Ozarks, Appalachia and to those of Mexican-American background.

Efforts are being made to develop unit programs that are relevant to inner-city boys.

A referral system has been set up at a state training school for boys, in which 50% of the boys are enrolled in Scouting. The program is designed to encourage local Scout councils to help these boys to continue in Scouting upon their return to their home communities.

Cooperative programs have been tried with various anti-poverty agencies. These include the Job Corps, Neighborhood Youth Corps, Summer VISTA Associates, College Work-Study Students and personnel from local Community Actions Programs.

The program with the Cuban refugees continues to grow and is received with enthusiasm by these boys and their parents.

Some new ideas seem to be emerging:

The use of neighborhood and area committees in both rural and inner-city areas to bring Scouting closer to the community level.

The use of teenagers as leaders in some instances.

The use of store-front meeting places, where facilities are scarce and sponsorship is weak.

The specialized training of professional leaders for work in disadvantaged areas.

The giving of direct service to some children and families with problems and the referral of them to other agencies.

The development of relationships with other agencies whose primary responsibility is to disadvantaged people.

We have now entered the "phase out period" for four of the projects, although we expect a number of them to continue through 1970. As findings are refined, plans will be laid to implement them by providing necessary supporting programs and personnel for local councils.

The following councils have been authorized to carry out these controlled experimental projects in disadvantaged areas:

Appalachian Council, Bluefield, W. Va.
Baltimore Area Council, Baltimore, Md.
Chicago Area Council, Chicago, Ill.
Dan Beard Council, Cincinnati, Ohio
Detroit Area Council, Detroit, Mich.
Egyptian Council, Herrin, Ill.
Greater Cleveland Council, Cleveland, Ohio
Greater New York Council, New York, N.Y.
Los Angeles Area Council, Los Angeles, Calif.
Middlesex Council, Edison, N.J.
National Capital Area Council, Washington, D.C.
Ozarks Council, Springfield, Mo.
Philadelphia Council, Philadelphia, Pa.
Robert Treat Council, Newark, N.J.
St. Louis Area Council, St. Louis, Mo.
South Florida Council, Miami, Fla.

Lithuanians Still Seek Freedom

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. BELL. Mr. Speaker, on January 31, 1968, the Santa Monica Evening Outlook published an editorial of great importance not only to the million Americans of Lithuanian descent, but to all Americans who cherish the right of free self-determination. In recognition of the 50th anniversary of the establishment of the Lithuanian Republic, I wish to commend this editorial to the attention of my colleagues:

Lithuanians Still Seek Freedom

Americans of Lithuanian descent and Lithuanians in all other parts of the free world are observing two important anniversaries this month. One is founding of the Lithuanian state in February 1251, under King Mindaugas the Great. This month is also the 50th anniversary of the Lithuanian Republic's establishment. Due to the aggressions and treacheries of the Nazis and Reds during World War II, Lithuania became a satellite of the Soviet Union.

Since the day of occupation by the Russians, the Lithuanians have never lost their desire for freedom. Remembering the sacrifices made over the years by Lithuanian patriots, nearly a million Americans of Lithuanian descent are acting through their U.S. organizations to designate 1968 as Lithuanian Fight for Freedom Year. The Lithuanian-American Council of Southern California points out in a news release that the American people remained sympathetic to the aspirations of Lithuania's patriots.

Recalling that the 89th U.S. Congress passed House Concurrent Resolution 416, calling for freedom not only for Lithuania, but for Latvia and Estonia, the Southern California council is asking that the United States carry out the intent of the resolution by bringing up the Baltic States question in the United Nations and demanding that the U.S.S.R. withdraw from those states. Russian aggressions cannot be exposed too often and this month is a particularly appropriate time to renew the Baltic issue in the United Nations.

The J. P. Stevens Co.

HON. DAVID N. HENDERSON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. HENDERSON. Mr. Speaker, on Tuesday of last week, my good friend and colleague the gentleman from South Carolina [Mr. Rivers] under a special order of the House brought to the attention of the Members the extremely unjust manner in which the NLRB and the Supreme Court have acted in relation to the J. P. Stevens Co. and its officers.

I was unavoidably detained and unable to participate in the discussion. However, I want to take advantage of this opportunity to associate myself with the statements of my colleague made at that time. I, too, have the good fortune to have a plant of the J. P. Stevens Co. situated in the congressional district which I represent, and as a matter of fact in my hometown.

This company has been an outstanding corporate citizen of our community since it came there and we consider ourselves extremely fortunate in having it. Its officers and employees who have moved to Wallace, N.C., from other places to form the nucleus of the administrative staff have, without exception, been the kind of people any community would welcome. I have had the extreme pleasure to meet and become personally acquainted with Mr. Robert Stevens, the president of the parent Stevens Co. and am convinced of his sincerity, integrity, and ability.

An effort has been made by the labor unions to organize a number of Stevens plants. In many instances, the unions charged unfair labor practices by the management in coercing or otherwise intimidating employees. In each instance, management officials refuted the charges. Essentially, the disputes boiled down to questions of fact and in the final analysis, the issue became one of the credibility of the witnesses and the NLRB without exception chose to accept the testimony of the union organizers rejecting out of hand the testimony of management officials.

Now, I do not challenge the propriety of the union in attempting to organize any plant it can. I do not challenge the propriety of the union's taking its case to the NLRB when it feels that unfair labor practices have been committed; or of offering testimony tending to show that such practices have been committed.

What I cannot understand is the action of the NLRB going so far as to require officials of the company to appear before employee groups and admit that they had violated the law when, in fact, the management officials do not honestly feel and believe that they have violated the law.

The U.S. Supreme Court affirmed the decision by the NLRB without even listening to argument and without affording the management officials the "day in court" which our system of justice has always provided for any and all persons accused of violating the law. I cannot think of words appropriate to describe the highhanded attitude of the NLRB officials who issued such an order or the lack of concern by our Supreme Court Justices who refused even to consider the case. I would hope that responsible labor union leadership would recognize the gross unfairness of the situation and would join management in insisting that the Supreme Court reconsider its decision in this case and take jurisdiction in order to spell out and clearly define the limits to which the NLRB can constitutionally go. After all, attitudes and personnel could change so that some day the shoe might be on the other foot and the NLRB might be making union officials place themselves in the same unjust and humiliating position now being required of management officials.

French Resolution

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. FINO. Mr. Speaker, I fully support the resolution to express the sense of the House that France be forced to pay her World War I debt to the United States.

We all know that France is dedicated to undermining the interests of the United States; in Paris, the French collect dollars with which to bleed U.S. gold supplies, and in Vietnam, French rubber planters and companies regularly give money to the Communists and Vietcong. Therefore, it makes no sense to allow France to ignore her World War I debt to this country. I urge the Members of this House to join in support of this resolution. We will never get loyalty from France; we cannot expect integrity from France; we cannot expect support from France; then let us be sensible and get our money back. If we can collect our World War I debt from France—and I mean by any means necessary—then we will eliminate much of the threat to our gold supply and we will put General de Gaulle out of business. It is high time that we tell France to behave.

I do not believe that this resolution is enough; even firmer steps must be taken. First, I believe we should embargo all gold shipments to France. I am drawing up a bill to prohibit the export of gold to any country which has owed the United States more than a certain number of billions of dollars for over 40 years. This will only apply to France. I also think that we should consider imposing special, sky-high tariffs on French goods. I do not think we should help support the French economy by spending dollars on French goods that could be spent on American goods.

Mr. Speaker, I do not think that we can get tough enough with France. De Gaulle has practically declared economic war on this country. Are we just going to sit still and see our gold stolen bit by bit, or are we going to counterattack and teach the ungrateful French a much-needed lesson?

Project Hope

HON. ROBERT B. (BOB) MATHIAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. MATHIAS of California. Mr. Speaker, at a time when our efforts to be understood and our efforts to help the people of other nations seem so frustrated and ineffective, it is heartening to look at one American project, the SS *Hope*, which is successfully bringing medical assistance to people around the world. This ship's missions of mercy, made possible by the generosity of private individuals and industry, have brought great credit to our country. I include here an editorial from the Bakersfield Californian, which is an excellent account of Project Hope's accomplishments, as follows:

[From the Bakersfield (Calif.) Californian, Dec. 30, 1967]

SS "HOPE" HEAPS GLORIES UPON HERSELF

One of America's finest achievements in the realm of world understanding and good will has been the SS Hope project.

It is a ship staffed with medical supplies, people and a genuine desire to be helpful, wherever it might drop anchor. To those peoples of the world who have availed themselves of its services, SS Hope is America.

We have built an untold reservoir of human understanding with the ship whose missions of mercy around the world are made possible by the support of private individuals and industry.

Since she first weighed anchor seven years ago, the ship has visited Indonesia, Vietnam, Peru, Ecuador, Guinea and Nicaragua.

For 10 months in 1967, some 280 volunteer American doctors, nurses and technicians from 39 states conducted medical treatment-teaching programs in Colombia.

Next March, the ship will sail to Ceylon to begin another 10-month mission.

As Project Hope entered its final month in Colombia, 24,227 patients had been treated aboard the ship or in shore clinics, 1,642 operations had been performed and 162,157 immunizations administered.

A total of 676 Colombian physicians, dentists, nurses and other medical personnel had taken part in formal medical educational exchange programs.

The Hope leaves behind in Cartagena a shore-based clinic to continue this work.

Student demonstrators who don't like anything about America were notably absent from the pier in Philadelphia.

Priority One

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. EDWARDS of California. Mr. Speaker, H. G. Wells once wrote that "human history becomes more and more a race between education and catastrophe." What we have seen unfolding in our streets during the last few years is a testimony to Mr. Wells' wisdom. The underprivileged, undernourished, and undereducated children of our ghettos are striking back at a society which has not been able to find room for them. Their rocks do not mean that they reject us as much as that we have failed them.

If we are to avoid tragedy, we must be willing to commit our resources and energy to our schools. I recently received a manuscript from Mrs. Eileen K. Davis, a constituent of mine, that suggests a way in which these resources and energy could be effectively spent. It is not necessarily the "right" answer to the crisis in ghetto education, but it does demonstrate a well-conceived design to help the slum school better shoulder its obligations. I commend it to my colleagues, to educators, and to all Americans of good will.

Mr. Speaker, under unanimous consent I include the following manuscript, "Priority One," in the RECORD:

PRIORITY ONE

(By Eileen K. Davis)

The proposal which I am about to do my blunt best to sell you assumes as its basic premise that it's the squeaky wheel which should get the grease, and that no wheel in our society squeaks so piteously as the slum child.

A slum is a place of sullen apathy and sour cynicism, where every promise that America has ever made to her children is a dirty joke at which no one laughs. From it, bearing on his small mind and body all the old scars and fresh wounds it has inflicted, the slum child goes every day to be educated—after a fitful night shared with two or three bedfellows and rent with the savage sounds of degradation: the ugly fights and shrewish screams and foul oaths, punctuated by occasional police sirens, that make up the sound track against which the sordid drama of the slum is played out.

He goes to be educated—with his stomach not-quite-full of a presweetened dry cereal or a stale doughnut, listless and dull. And there he is herded about all day, reproached for not having done his homework, and exhorted to more vigorous participation in volley ball or folk dancing.

His academic diet is a fragmented affair, consisting of a smidgen of this and a smattering of that, so that in a single morning he may be expected to remember that "occasion" is spelled with two c's but only one s, that meat is full of protein and lettuce full of iron, that $6 \times 6 = 36$, that coffee is the chief export of Brazil, and that latitude means sideways and longitude means lengthwise. Very likely, following the established speech pattern of these places, he communicates in a slurred, barely comprehensible patois—and is solemnly taught to diagram sentences and shun the split infinitive.

From time to time he is given a report card to take home to his parents; yet another flake of paper from the snow factory of the powers that be, this one complaining that he knows too little of Pueblo Indian customs or repeatedly fails to distinguish between Eastern and Western hemispheres; that his spelling is poor, and he doesn't seem to be "trying." Very probably, no one reads it, or would care if they did.

In this, at least, his elders are more intelligent than we, for it's all incredibly irrelevant. It has nothing to *do* with this child, with who he is or what he needs, or what prospect awaits him tonight or tomorrow or when he is twenty. It is a package delivered to the wrong address, a gift intended for somebody else.

In this situation, then, I submit the concept of the Priority One school, to be established in areas defined as slums by any of several social or economic criteria, which simply acknowledges the realities of slum life and attempts to out-flank them. It is predicated on four fundamental articles of faith:

1. That the tap root of the poverty jungle is ignorance; ignorance of a kind, and to a degree, which amounts to a cultural illness, and is passed from generation to generation through the social genes of the slum environment.

2. That the children of the slums, in the grip of this illness, drop out of school not at 16, when they actually trade the boredom of the classroom for the boredom of the street-corner, but at 11 or even younger, when the bushy-tailed eagerness to learn, with which they started school at five, withers and dies; so that they enter high school so poorly prepared for its challenges and so oblivious of its rewards, that failure and withdrawal are virtual inevitabilities, and the poverty cycle is all but complete.

3. That therefore, any meaningful assault on poverty must begin with the very young, and in this struggle for the cultural health of these children, civilized society gets its only innings in the public schools.

4. That if we are to score in these innings, every resource of lay intelligence and professional know-how must be imaginatively brought to bear on the special problems peculiar to educating these seriously handicapped children, taking into account every known characteristic of their life and countering each with an effective antidote.

To implement these convictions, Priority One differs from conventional schools less in kind than in degree, though to meet its specialized objectives it airily disregards curricular conventions which are all but sacrosanct and rudely brushes aside any and all legal requirements which get in the way of its resolute purpose. It is *not* however, an experimental school, full of electronic hardware and avant garde notions. On the contrary, it may be regarded by some as downright old-fashioned: a three-R-and-no-nonsense curriculum, presented in a framework of practical response to practical needs.

This is because we cannot afford to gamble with these children. Middle class kids may be well able to withstand the intellectual punishment of academic experiments which do not pan out, for they have built into their lives innumerable compensations, from Sunday School to literate parents. The slum child has few, if any, of these. He is climbing a very steep and slippery ladder, with little by way of a literate tradition to sustain him, and we dare not try to coax him upward with fancy footwork and tricky shortcuts. No aid or technique would be shunned simply because it is not traditional, but each and any employed would have first to be proven, and the test of its acceptability for Priority One would be the degree of certainty with which we could acclaim its usefulness. This is a scheme in which every component is meticulously chosen for a carefully calculated effect. It fully exploits, without apology, the fact that during the hours they spend in school, we can create and control the environment in which these children live—and frankly extends those hours to give us a bigger edge.

Because the child's life is one of brutality and clamor, the school would be designed as an oasis of serenity; carpeted, and divided into many very small classrooms, for classes would be limited to 15, and landscaped with many trees and broad lawn areas. Small schools, and more of them, would be planned instead of a few larger ones; they reduce the need for petty strictures and regimentation, of which we want as little as possible.

Nothing must be allowed to lengthen the odds on success, and so it will be necessary to swallow hard and face a terrible fact: that the older child, already steeped in the squalid mores of the slum, is therefore a potentially corruptive influence. Accordingly, at the outset we would provide only for kindergarten and grades one through four, adding a grade each year for a total of eight.

Because the slum home so often lacks an effectual father, a condition which gives the children a nebulous sense of their sexual identity, boys would be taught by men, girls by women, from first grade through sixth. Women would teach kindergarten coeducationally, and seventh and eighth grades would be mixed in preparation for the sexual awareness of adolescence.

Our first order of business is to make the children educable, and a physically underpar child is not educable. So, because meals in the slum home are typically concocted with scant regard for nutritional values, the school day would begin with a solid breakfast. Lunch would also be given, of course, and here again the accent would be on nutrition, with a grand disdain for the filling macaroni so dear to the heart of the school cafeteria. These kids get enough carbohydrates at home; what they need from us are meat and milk and green vegetables and fruit. Dining would be a civilized business, with small tables and music piped in. Teachers would be required to share breakfast and lunch with the children, each shepherding an octagonal table of eight—encouraging the children in conversation, gently chiding sloppy table manners, and spreading themselves around so that no child sat at a teacherless table for more than two consecutive meals.

Similarly, because the usual, 'school-welfare-agency-health department' scheme is haphazard and inefficient, mobile eye, dental, and general health units would make routine swings through the slum territory, hitting each Priority One school on a computer-scheduled round, so that each child's eyes, teeth, and body were examined at regular intervals. Within the limits of medical practicality, these units would be fully equipped and appropriately staffed to give treatment on the spot; so that if Teddy was found to have a cavity in a molar it would be filled then and there, and if Becky was discovered to need eyeglasses, the prescription would be written, facial measurements taken, and in a day or two her glasses delivered to the school nurse to be put on her. No little slips of paper, to be sent home and ignored. Parents would give written consent to this limited treatment-as-required when the child was enrolled, so that we wouldn't have to track them down with quintuplicate forms in our fist every time we needed to fill a tooth.

Both to beef them up academically and to keep them out of the street and in an environment we can control, Priority One would operate around the calendar, with a week off at Christmas, Easter, July Fourth, and in early October. Except for kindergarten and first grade, which would be scheduled for half-day sessions, the school day would begin at eight o'clock and dismiss at 3:30, after which the teachers would be available to the children for individual tutoring until 4:30.

Because the noise and congestion of the slum afford no semblance of privacy or tranquility, no smallest corner in which a child might sneak a quiet hour in which to pull himself together, every school day would allow every youngster, as a substitute for recess and gym, an hour in which to be his own man—or at least child; to do just as he pleased, indoors or out, alone or with friends. Instead of an auditorium, in which to lecture the kids on the necessity for forming orderly lines and show slides of the Canadian Rockies, Priority One would have a large lounge, abrim with books and games and art materials, and furnished with several tables and big, warm chairs; a cushioned window seat would stretch along one wall. Here a kid could thumb through magazines or crayon pictures, or simply sit and watch the rain. If he chose to go outdoors instead, he could find there a variety of activities, from discharging his aggressions at the expense of a tetherball to gliding dreamily in a swing. He could lie under a tree and think about things, or get up a softball game with others so disposed. Whatever he chose to do with this hour of Liberty, the point is that he would be given an opportunity to refresh his spirit and collect his wits by whatever means he found most effective on any given day.

Well now that we have fed him, doctored him, even given him time to call his soul his own—now that we have made him educable—how about educating him, which presumably is what he is here for? What do we teach him? We teach him only two things, but those two we teach like crazy: mathematics and communications. No hygiene, no art. No social studies. No English, history, geography, science. No papier mache models, class plays, music, domestic arts, or other specialized subjects and activities for which he has no time. He has only 25 hours of actual study per week, and very strenuous catching-up to do; every minute has therefore to be jealously guarded. (There would be, of course, no homework. The whole idea of homework for these children is absurd; they have neither the place nor the peace to study at home.)

For two hours after breakfast, they would study mathematics. Whether the New Math is taught, or the old, is for professionals to decide, so long as it is understood that our objective is to make the children able, as entering high school freshmen, to check a payroll stub for withdrawals, to balance a checkbook, to estimate the amount of paint required to paint a room of given dimensions, to compute bank and credit interest, to add up their purchases and count their change, and perform with reliable accuracy all the other ordinary mathematics of modern living. Along the way, of course, they must be given sufficient grasp of mathematical principels to cope effectively with the mystical rigors of algebra and trigonometry which await them in high school. To these ends, they would drill, they would play games; they would solve problems on paper, on the blackboard, and in their heads; so that by graduation no problem within the realm of simple arithmetic would have them buffaloed.

After lunch, with their hour of Liberty sandwiched in somewhere, they would spend three hours learning how man communicates with man and what, to date, he has had to say. From kindergarten onward, they would constantly read, write, and be read to; constantly speak and be spoken to. While the segregation of the sexes would naturally influence the choice of material (girls would enjoy *Little Women* and the struggles of Clara Barton, while boys would prefer *Treasure Island* and the adventures of Lewis and Clark) in general, their reading would be selected—and where necessary, written to order—for its effectiveness in (1) broadening their frame of reference and (2) engendering an easy familiarity with the printed page and a respect for its pleasure and usefulness.

They would read (or listen to, in the lower grades) every gripping tale of derring-do which children have ever loved, from *The Wizard of Oz* to *Robinson Crusoe*, together with the story of their country presented as what it really was: a great adventure. They would read about Lindbergh and Lincoln and Buffalo Bill; about the Boston Tea Party and Valley Forge and the man who invented the telephone; about the American frontier as it really was, and what it took to carve a canal from one sea to the other. They would read about Tom Edison, man boy, and about the great tide of immigration that created a nation unique in the history of the world.

They would read, in short, for both fun and profit, and everything they read they would talk about and write about. Grammar, spelling, penmanship and vocabulary would thus be taught as integral parts of these verbal and writing exercises, not as isolated disciplines walled off in a separate compartment of their education. It would be all of a piece, as it really is.

After 99 months of this, the eighth grader's literacy skill should be such as to enable him to read a newspaper with ease and comprehension, to follow printed instructions, to express simple ideas in short paragraphs of coherent sentences. In sum, they should be the literate equals of their middle class contemporaries, with freshman high school texts well within their capability.

Each child's progress would be constantly watched and evaluated. Testing would accelerate in the sixth grade and by the eighth have become a major concern, until every eighth grader was known inside-out and upside-down to his teachers and their principal: what came easy, what came hard; how he responded to challenges, to new ideas, to guidance, to success and to failure. *No child would be passed on to high school until and unless his teachers were confident that he stood a better-than-fair chance of meeting its demands*. Doubtful cases would not simply be "left back" to repeat the eighth grade with younger children, but instead moved into 9–A, where a remedial curriculum, fresh and provocative, would be at the ready.

It is in school that a child makes his first contact with official authority, and we want it to inspire confidence and respect, not fear and contempt. A cardinal rule of Priority One would therefore require that every child be treated with unfailing consideration and civility by every adult he encountered in or about the building. By this is meant no phony-baloney or saccharine condescension, but an honest, decent courtesy and a scrupulous adherence to the principle that the suspect is presumed innocent until proven guilty. If these children are to achieve they must be given massive doses of dignity and self respect; each one must be made to regard school as *one* place in this unpleasant world where he is a real person, where he really counts.

But respect, it would be pointedly amplified, is a two-way street, and the lippy little wiseacre would find enlightenment swift, cool, and emphatic. Children would stand to address their teachers, this as a means of instilling respect for both learning and authority.

Priority One is so designated because the eradication of ignorance is central to the eradication of dependency, lawlessness, and all the other ugly stations on the perpetual cycle in which the poor are caught up, and so must be our first concern. Such innovations as the Job Corps are excellent remedial devices for those whom the schools have failed, but our long range objective is not a greater and grander Job Corps, but the elimination of the *need* for it. The very fact that a Job Corps is necessary is an indictment of the job that our slum schools have been doing.

Moreover, if our objective is really to provide equal opportunity, as loudly and repeatedly asserted, then we deceive ourselves if we think that a Job Corps can attain it. In plain language, the Job Corps offers, not equal opportunity, but a consolation prize. If for no other reason than this, therefore, it must be regarded as strictly an emergency expedient, no more a permanent part of our plan than was the WPA in its day.

But if we are to so regard it, we must recognize the most significant factor in dealing with the problems of the ignorant poor: that it is at the grade school level that all the really important business is transacted, and so it is at the grade school level that our major thrust must be made; that if we wait, as we have waited, turning out class after class of candidates for the Job Corps, the best that we can hope to offer is a relatively secure position at the bottom of the social and economic totem pole. And this is a long, long way from the equal opportunity which we insist is our goal.

It's a terrible thing to write off a 15 year old child as beyond redemption. But so powerful is the slimy suction of the slum that if the values of this society haven't taken root in him by then, they aren't going to. His direction thereafter is not going to be from organized society; it's going to be from the street. And then, as he grows older, he can find all sorts of rationales for his failure: it's the White Power Structure, or it's the capitalist system, or it's something else. But it isn't him; it isn't because he's an ignorant misfit who doesn't know anything and can't do anything. It's because some "establishment" is holding him down. And if and when he gets to this point, then of course there's no reasoning with him at all; he's completely beyond our reach. He's out throwing bottles through windows and shooting at firemen. So then you can throw him in jail, and what kind of answer is that?

The real answer is that so long as people are ignorant, they are vulnerable; they can be pushed around, manipulated, and exploited. So long as they are ignorant, they are easy marks for any Rap Brown or Stokely Carmichael who finds them useful to his destructive purposes.

The rallying cry of present-day demagoguery takes the form of an hysterical harangue against the "establishment," as if it were some sinister conspiracy, dedicated to greed and oppression. While, to be sure, there are several sub-establishments—government, business, labor and so forth, each with its own axe to grind and many conflicts of interest, there is only one real "establishment" in this country, and that is decent, responsible society, with all the complex apparatus through which it functions. The Hippies have decided to resign from it, and the rioters have decided to attack it. But the Hippy's resignation comes literally to a screaming halt when he is carried helpless into the establishment's hospital for treatment of a "bad trip," and the rioters, after they have wantonly destroyed that which they need to live, come brazenly back to the establishment, demanding that all be rebuilt. This is because, whether they like it or not, the "establishment" is the only game in town. So long as we live in an organized society, every one of us is dependent upon the skills and services of people who spend *their* time providing everything from the fresh water we drink to the freeways we drive.

Those skills, and the services they make possible, begin with education. Choose any man of achievement you like—the judge in his courtroom, the chemist in his laboratory, the surgeon in the operating theatre—and we have to force ourselves to remember that not too many years ago he was a grubby little boy, throwing spitballs in somebody's classroom; and that he could not do what he does today, could not make the contribution that he makes, had not that somebody taught him to read. Who of us can say for certain that right now, in some foul, wretched slum, daily absorbing into his soul the vicious code of the switchblade, there is not a dirty, ill-fed little boy who has it in him to be another Jonas Salk, another John Glenn, another Earl Warren?

This youth of 16 or 17, who today is burning and looting in a mindless mob, only six years ago was a child of 10 or 11, in our charge and under our influence several hours a day. What use were we making of those hours? What were we doing then to give him a sense of what this country is all about? What were we doing then to make him understand that this "establishment," of which he talks so glibly and bitterly, with so much contempt and so little understanding, exists to serve him; to expand his opportunities, protect his rights, and enrich his life, and that there is a place in it for him whenever he is ready to assume it? What were we doing then, when we had the opportunity? Whatever it was, it wasn't enough, that much is clear, for we have the charred ruins of a dozen cities to prove it. Six years from now, will we be agonizing over the same failure with his younger brother?

So I put it to you this way: I would rather build schools than build jails. And if that is not to become the choice, we have got to find a way to re-establish the standards of this society and make them stick. There appears to be general agreement that education is the key, and Priority One is designed to put the key in the lock and turn it. What assurance do we have that it would work?

None. We have the same assurance that Wilbur and Orville had, when they took off in their funny-looking contraption from Kitty Hawk. Two hundred years ago, our ancestors had no assurance that America would work, and if I remember my history correctly, it looked for a while back there as if it wasn't going to. But you don't build an airplane or a nation or anything else on iron-clad guarantees. You build it on intelligent judgment and resourcefulness and a willingness to take risks.

Some years ago a perceptive gentleman named J. P. Edwards observed that, "We weren't always the richest, the most numerous, or the best educated"; that there was a time when we were a small, poor, struggling country, and that our supremacy had been attained because, ". . . We cared the most, and we tried the hardest."

The challenge of the slums is essentially another test of how much we really care, and how hard we are willing to try. The concept of Priority One is offered as a vigorously affirmative response to that challenge.

Immediate Action Required on New York City Garbage Disposal Emergency

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. CELLER. Mr. Speaker, there can be no question that the refuse piling up at the rate of 10,000 tons daily in the city of New York because of the sanitation strike is as clear cut an emergency

situation as are power breakdowns, riots, and floods.

The immediate hazards to life are obvious. We cannot leave out of account the possibility of an epidemic arising from the rats, cockroaches, and vermin now feeding on the exposed garbage on the streets of New York City. There can be no longer any delay. The board of health must declare at once a state of emergency and use its legal powers thereunder to take every step possible to remove the obvious health hazard of piled-up garbage.

The situation is so serious, and becomes more so with each passing hour, that there should be no hesitancy in calling up the National Guard. For those who bear the administrative responsibility, both State and city, for protecting the health and safety of the people of New York, there can be no excuse for not taking direct and immediate action.

This is a matter for New York State as well as New York City. Epidemics are no respecters of geographical lines.

Trouble in Korea

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. HANNA. Mr. Speaker, because it relates so significantly to recent events I would like to share with Members of this House the general context of a detailed briefing I was privy to in South Korea on January 19, 1968.

At 1600 on Friday, January 19, 1968, I arrived at the new facility housing the Republic of Korea's Central Intelligence Agency. I was there at the invitation of Director Hyung Wook Kim and was briefed personally by Assistant Director Lee. The major concern I had expressed to officials of the Republic of Korea was over the increased reports of incidents of confrontations with agent cadres from North Korea throughout the South Korean countryside. The briefing dramatically highlighted this precise problem. Whereas in 1965 there were 107 North Korean agents apprehended by all forces in the Republic and 106 in 1966—a total of 345 agents were apprehended by December 1, 1967, in this last year. Without question all information pointed that a massive effort of infiltration, espionage, sabotage, and disruption had been mounted by the North Koreans. Actually the great increase started in June of 1967 so the acceleration was most dramatic in the latter part of the year.

This development as I suspected and was so informed was a result of a calculated effort well planned and prepared. In early 1966 training had been activated in four separate special camps in the North with the idea of applying this pressure commencing with the timing of the Republic's elections and following thereafter. I surmise that Kim, Il Sing, the Communist leader of the North, desired to serve notice to all that the North was not giving up its basic aim to communize the entire peninsula of Korea. There has been growing concern that the succesful execution of the Japan-Korea Normalization Treaty; the successful and relative peaceful elections of early 1967; the success of the first 5-year plan and the enthusiastic assault on the second 5-year plan for the Republic's economic improvement were all exceedingly disturbing signs to the North of political stability, economic betterment and, in short, bad news for Communist aims and purposes. There was, in addition, lines of communication flowing from Hanoi and Peking which added fuel and encouragement for reactivating new trouble in Korea along this very timetable.

I was informed in response to my questions about 1968. Yes, we expect a continuation and acceleration of these North Korean efforts. It is clear that with several thousand miles of remote and sometimes sparsely settled coast line, fast moving boats coming in just about or just after sundown are awfully hard to control. Penetration is possible.

What efforts is the Republic making to confront this threat? I was shown and I appreciate the thoughtful consideration given to a new three dimensional protective screen being applied. However, with the small Navy capability in patrol and the limited radar network it is not likely that this screen will be totally effective.

This leads to the final question, what then is the real defense. Reports on the successful confrontations and ultimate capture of agents tell that story. In a dual effort to bring real service to the countryside and provide a quick response to the infiltrated agents threats, local police have been given special training by the government and are plugged into the integrated communication system which now effectively ties the country together. Back of these local police, and used only in cases where their limited capabilities are overtaxed, stands a regional network of quick-alert, special-trained troops. By minimizing outside help to extreme cases the local cooperation and local confidence has been maximized. This is particularly vital and intelligent in nation building.

The success of the Republic's program, however, rests not so much with its police and military forces as with the people of the country themselves. Over 85 percent of all the apprehensions have been the result of local natives of South Korea personally alerting their local police to the presence of the agents. Agents have been prepared in the north to believe that their southern neighbors are eagerly awaiting their intrusion and will join them in assaulting the so called "tyranny" of the present government in the republic. Most of these intruders have had a bitter and disillusioning experience: The South Korean appreciates and supports his present government and underscores that support by prompt cooperation with the local authorities. South Korean's now have a stake in their country. Increasingly they have more and more to lose and less and less to gain by involvement with the violence and disruption imported from the north.

In spite of the few instances of spectacular show recently put on by the desperation of North Korea, the truth and the strength of that nation is written in the many unpublished stories of personal sacrifice and courage of the individual citizen from widely separated places who have been key figures in the high ratio of apprehension of North Korean agents.

The officials of the Republic in the CIA and other critical departments knew this was to be a time of testing both for themselves and for their American friends and allies. They take pride, and justly so, in the readiness of both their people and their police and military forces. One big grandstand play or even several are not going to alarm or confuse the leaders or the people of the Republic of Korea. They have the will and the capability of meeting this new bag of tricks within their grasp and will use it. They will not respond by either calling back their troops from Vietnam nor be panicked to reduce their vigorous pursuits for improving the country's wealth and their people's welfare.

I ask you as Members of this House in the face of this performance by our small and valiant ally, can we do less? It is for us as it is for them a time of trial. They knew it was coming and we should have been equally prepared. They are not being either bluffed or buffaloed by these bullying and bellicose tactics and neither should we be.

Appropriate but measured force should be applied in response, but careful and sensible preparation should be before the fact. More important the full measure of positive action to improve the situations in each of the Pacific countries and to solve the basic problems of the peoples of these lands should continue unabated. This is the only pattern which will prevail. We must pursue it with patience and with perseverance even as our gallant friends of Korea are now doing.

Milwaukee Company Brings New Product to World Market

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. ZABLOCKI. Mr. Speaker, Kearney & Trecker Corp., a company located in my congressional district, has proven once again the ability of our American industries to sell in international markets because of superior know-how and technology.

Kearney & Trecker Corp. of Milwaukee took part in the Fourth International Engineering Show at Melbourne, Australia, last summer. U.S. participation in the trade show was arranged by the Department of Commerce as part of the administration's program to expand American exports in world markets.

For Kearney & Trecker the Australian show provided an opportunity to demonstrate one of their new products, a numerically-controlled machining center. It is a highly sophisticated, advanced type of machinery.

This Kearney & Trecker product was able to compete with distinguished success in this international market. On the spot sales amounted to $150,000. Further, the company has estimated that in the 12 months following the Melbourne trade show, sales of more than a third of a million dollars will be recorded as a direct result of the Australian trip.

I am pleased to report that Mr. W. Woods, sales director for the company, has stated that the U.S. pavilion in Melbourne was a credit to our Nation.

This is another happy example of the ability of American industry to sell in international markets, because of advanced technology and because of a chance to be seen in an international showplace.

Equitable Labor Relations in the Federal Service

HON. CHARLES S. JOELSON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. JOELSON. Mr. Speaker, I am pleased to insert in the CONGRESSIONAL RECORD a speech of my distinguished colleague, Congressman DOMINICK V. DANIELS, who has long been in the forefront of activities to benefit postal employees and improve postal service:

ADDRESS OF CONGRESSMAN DOMINICK V. DANIELS BEFORE UNITED FEDERATION OF POSTAL CLERKS, HOTEL WILLARD, MONDAY, FEBRUARY 5, 1968

President Hallbeck, Legislative Director Nilan, Officers and members of the United Federation of Postal Clerks.

It is a great pleasure to be with you today to discuss what we on the Post Office and Civil Service Committee are doing to make life a little better for the Postal employee by improving the conditions of work.

Your very able Legislative Director, Pat Nilan, who surely is one of the most effective advocates you or any other group would have representing you on Capitol Hill, has asked me to discuss with you my bill, H.R. 460, a bill which is felt to be of particular importance to all members of this organization.

Very simply, my bill is designed to put teeth into Executive Order 10988 which was promulgated on January 14, 1962, by the late President John F. Kennedy, a little more than six years ago.

This Executive Order was a good order. It was timely. It was needed. As a direct result we have seen Unionism grow and prosper. More than half a million new members have been signed up by Postal and other Federal employee unions.

In the Post Office Department seven AFL–CIO and independent Postal Unions have consummated important national bargaining agreements and some 12,000 local agreements have been written under the national contract. In fact, some 600 other agreements have been negotiated by Unions representing non-postal agencies.

You may ask, what is the need or justification for this legislation if things are working out so well? The answer is—There is nothing basically wrong with this Executive Order—However, this Executive Order 10988, like other Executive Orders, contains no teeth. There is no way to compel compliance by management.

In many instances, both at the National and the local levels, it has not been complied with.

Some months ago when I first heard some rumblings of discontent about this Executive Order, I turned to a man on whom I could count for a straight answer. I turned to your National Legislative Director, Patrick J. Nilan, who is sitting right here this morning. "Pat," I said, "give me the facts. What's wrong?"

Pat replies, "What is wrong is that under this Order, a postal clerk can be suspended, separated, admonished, reprimanded or kicked out on his mail sack for the slightest violation of contract work rules and postal regulations."

"But there isn't a damn thing anybody can do about postmasters or supervisors when they refuse to admit that a contract exists."

In other words, it is a one sided proposition. It is tilted like the Leaning Tower of Pisa and this leaning tower leans entirely in the direction of management.

In his inimitable way, Pat has hit the nail on the head. A system which presupposes mutuality of right but provides for only a unilateral remedy needs adjustment. This is a situation, as I see it, which begs for reform.

Equity requires that obligations and remedies should be mutually enforceable. This is simple justice and that is why I introduced H.R. 460 at the beginning of this Congress.

I might recommend that you read very carefully, if you have not already done so, Pat Nilan's excellent summary of the bill in the current issue of "The Union Postal Clerk and Postal Transport Journal."

One of the most important things my bill will do is to take the responsibility of handling grievances out of the hands of the Civil Service Commission and place it where it belongs, in the hands of the Department of Labor. The Civil Service Commission, worthy as it is, still is an arm of management, and cannot be considered impartial in its dealings with the problems of labor.

My bill sets up an orderly program of administrative procedure and appeals, which will be conducted under the experienced leadership of the Labor Department.

But most of all, my bill will have punitive teeth which will make it just as necessary for management to live up to its obligations as it is for labor.

We also want the meaning of "consultation" defined, and by that we do not mean that this implies that management will tell you something which it has already done.

There are a number of important sections, but time will not permit me to go into the bill in any great detail. However, I do hope you will take the time to read Mr. Nilan's summary of the bill which is excellent. And while I am on the subject, I think I ought to give a plug for S. 341, a similar bill introduced by my good friend, and a very good friend of Postal employees, Senator Daniel B. Brewster of Maryland. I am not so vain that I really care whose bill is passed. I don't care about pride of authorship. I just want to see this much needed reform enacted into law. And if my bill is a more convenient vehicle, that's all right with me. If the Senate gets the ball rolling, I shall be the first to battle for the Senator's bill. The only thing I care about is establishing a system of labor relations in the Federal Service which is based upon the principles of equity. I know Senator Brewster shares my view.

Enacting this bill now is important. Let me point out that at some future time (let's hope it never happens) we may not have a man in the White House as we do today, who is motivated by a sense of concern for the working man and woman. In that case the Executive Order may be wiped out by a stroke of the pen. Let's prevent that from happening. Let's put this principle which is so basic to all members of the labor force into the law books. By so doing, we are ensuring that anyone who wants us to go back to the bad old days is going to have a fight on his hands.

There have been many accomplishments in the years I have served on the Post Office and Civil Service Committee. Better pay and fringe benefits have been enacted. I would be less than candid if I did not say that much still remains to be done. These accomplishments would not have been possible without the vigorous support of your organization. Therefore, I think you ought to insure that your voice will be an effective one in the years to come. This goal can best be accomplished by getting H.R. 460 out of the Committee of Post Office and Civil Service and onto the Floor of the House and Senate and then down to the White House. You can count upon my support every inch of the way.

In conclusion I would like to thank each of you present for this invitation to join with you this morning. I hope that you will invite me again because this kind of speaking assignment is truly a labor of love. Of all the things I do in the Congress nothing gives me more pleasure than my association with the Postal Unions. I hope that I can always earn your respect and that I will always be able to come to you as a friend.

Arthur Ross and Foreign Aid at Home

HON. THEODORE R. KUPFERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. KUPFERMAN. Mr. Speaker, Arthur Ross, my constituent, has been in attendance at all of the NATO parliamentarians meetings and was a member of the U.S. delegation to the 38th and 39th Assembly of the Economic and Social Council of the United Nations.

Because of his distinguished interest in world and foreign affairs, Mr. Ross is listed in the International Yearbook and Statemen's Who's Who.

At a meeting of the 13th annual session of the Parliamentarian Conference in Brussels, Belgium, in November 1967, Mr. Ross presented a memorandum entitled "Foreign Aid at Home."

In light of the recent debate regarding the U.S. relationship with Western European nations, it seems appropriate to consider another aspect of this relationship—that of the NATO alliance and U.S. foreign aid to these allied countries. It is with this purpose in mind I commend Mr. Ross' memorandum to the attention of my colleagues, and include it at this point in the RECORD:

FOREIGN AID AT HOME

(Memorandum submitted by Mr. Arthur Ross, United States)

In the past twenty years the underdeveloped countries have been one of the central preoccupations in international affairs. While in no way wishing to underestimate the importance of this subject, I think now is the time when we should look in the opposite direction—towards the problems of the more developed world. I propose we take stock of the strengths and weaknesses of the Western nations; partly from motives of self-interest, and also because ultimately the peace and prosperity of much of the world depends on the vitality of the West, and depends on its capacity for strong and intelligent responses to a multitude of global issues.

So the question may be posed: How strong is the West, and how strong are the members of NATO? This is a complex and difficult question. It does not admit easy answers. But some of the available evidence suggests that there are alarming cracks and fissures here and there, which could have grave consequences in the future. Moreover, these weaknesses appear at a time when it is obvious that the challenges in the years ahead will be more frequent and of a larger magnitude than at any time in the past.

A catalog of the present difficulties of most Western nations would be long; certainly longer than five years ago, perhaps longer than ten years ago. Some of the old political solidarity has vanished between Western nations, particularly in the field of foreign policy. Economically, it seems as if we have reached an apogee in the West. The exuberance of postwar economic rebuilding has gone.

There are signs of serious malfunctions in the productive apparatus of several Western nations which, only a few years ago seemed capable of an endless series of economic triumphs. On top of this we have recurring worries over such issues as the technological gap, and financial squabbles over who should bear certain costs for our mutual defense. Furthermore, there are conspicuous inequities in the standard of living of NATO members—a question which has not so far received the attention it deserves. Heretofore we have not sought to tackle these and other mutual problems on a systematic basis. The general assumption appears to have been that these headaches would be adequately solved in good time. This muddling through approach is no longer adequate. We cannot afford to be so casual.

Other regional, ethnic and cultural groupings amongst the nations of the globe are emerging and becoming stronger. What is more, population in many of these areas is growing at a far quicker rate than in the West. Over-population in these nations inevitably creates domestic pressures which require them to pursue aggressive and expansionist policies.

In spite of the previously mentioned difficulties within the NATO countries, there is much in which we can take pride. It is worth noting that over the past hundred years most of the nations that today comprise NATO warred with one another intermittently. Yet currently there exists a sympathy between them that would have been unthinkable a century ago, or even twenty years ago.

This is no small achievement. Slowly but surely, sometimes willingly, sometimes driven, these nations have come to share more and more common ground. There is naturally a wide diversity between these countries. What is remarkable, however, is the extent to which they share humanistic values, political institutions, aptitudes and beliefs about the nature of man and society.

It must be admitted that the unity of the Western alliance is not entirely of its own making. The external pressures of the Cold War played a decisive role. But we must not let the thaw in the Cold War create an atmosphere in which there is less unity and cooperation. The solidarity of the West—if it is not to decline—must be nurtured and fostered from within; must be reinvigorated by conscious choices on our part to secure our interests and maintain our vitality.

In 1918, Oswald Spengler, the German historian, published the famous book, "The Decline of the West", which prophesied an imminent decline for most of the current members of NATO. Thus far the prophecy remains unfulfilled. However, greater threats to the West can be expected in the future which will affect its standing.

According to the United Nations Department of Economic and Social Affairs, world population in 1960 stood at 3 billion. Their forecasts for the year 2,000 have put this figure at 6 billion. Thus in forty years the world population will more than double.

It is significant that out of an estimated net increase of 3 billion, the countries of the North American Continent and Europe as far as and including European U.S.S.R., will have a net gain of merely half a billion.[1] By the year 2,000 the technologically advanced nations of the Northern half of the globe will have around 22% of the total world population, compared to more than 28% in 1960.

The West therefore faces a sharp reduction in its population representation. National population groups are in themselves a factor in power politics—as we repeatedly admit when thinking about China. It should be remembered that power is not entirely relative. It is, for example, not difficult to conceive of several large presently underdeveloped countries becoming major powers with only a very small increment in their economic output and technological abilities.

For the past fifteen years the nations of the West have spent much of their patrimony on aid to the underdeveloped world. This was necessary, appropriate, and should not be discontinued. But at the same time, except for military defense, the nations of the West have neglected to pursue some of their long range interests closer to home. For instance, they have neglected to strengthen and assist the weaker members within the Western Alliance. The following data sheds some light on this issue.

United States foreign aid to Western Europe declined from $4.3 billion in 1949 to $58 million in 1965. Meanwhile, between 1956 and 1965, net official grants to the underdeveloped world by NATO countries increased from $3.1 billion to $5.9 billion. It goes without saying that these figures largely reflect the Marshall Plan spending, the subsequent European postwar economic growth, and the succeeding ability of the European nations to undertake this form of assistance to the less fortunate countries.

I have presented these facts here principally to give us pause and to reflect whether we should not spend some energy and attention within the shores and borders of the Western Alliance. The West could be and must be stronger. Even in the area of economic development there are regional areas within countries, and in some cases entire nations that need all the skills and resources we can muster.

In other words, I suggest we examine our priorities very carefully and seriously question the whole intellectual system on which we conceive our self interest. If it appears that the case for increased mutual aid between Western nations is a good one, then NATO could become increasingly useful to us all. NATO, as we all know, was created as a specific historical response to a foreboding set of circumstances. The historical conditions have changed, yet NATO remains a well-tuned instrument that can be put to more ambitious non-military purposes. The organization has actually already taken a few tentative steps in this direction.

Aid has been offered to some of the less fortunate NATO members. But the potential for this kind of activity has only barely been tapped. Furthermore, when the NATO treaty comes to be rewritten in 1969, we should place at its heart a statement of objectives that will stimulate cooperation and mutual assistance between members at all levels and in all relevant areas.

We all share an obligation to maintain and increase the strength of the West and each of us finally has a grave responsibility for the others' welfare. The nations of the West created the modern world. It would be lamentable if the verdict of history was that we failed to do everything in our power to protect and preserve it.

---

[1] Willard L. Thorp, "Development Assistance Efforts and Policies of the Members of the Development Assistance Committee, 1966 Review" (Paris: Organization for Economic Cooperation and Development, September 1966) Page 148.

Civic-Minded Management of First Federal Savings of Michigan City, Ind., Lauded in Magazine Article

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. BRADEMAS. Mr. Speaker, I am pleased to call to the attention of my colleagues an article entitled "Business and Politics Can Mix," which appeared in the January 1968 issue of Savings and Loan News magazine.

The article details the extent to which the management of First Federal Savings of Michigan City, Ind., in my congressional district—led by First Federal President Fred Pilliard; his assistant, James Fleming; and Vice President Wayne Magnuson—have become involved in urban renewal, fair housing, a community development corporation, housing for the elderly, human relations education, the war on poverty, an opposition weekly newspaper, and last year's local mayoral election campaign.

The First Federal management have taken the lead in getting the Michigan City business community to meet vital local needs and have not been reluctant to do so even when the problems were controversial.

The article follows:

BUSINESS AND POLITICS CAN MIX

As local businessmen, you participate vigorously in all types of civic, community and charity projects which everyone favors, and stays as far away as possible from anything which smacks of controversy—especially political controversy?

Right?

Wrong, says First Federal Savings of La Porte County, Ind.

The $38 million Michigan City association, through the vigorous participation of its management team, has staked its reputation on the proposition that no mutual financial institution can be happy in its prosperity if the people and community which it serves are not prospering also.

If the best interests of the community require that the institution's executive tangle publicly with those opposed to progress, so be it.

Led by First Federal President Fred Pilliard, his assistant, James Fleming, and Vice President Wayne Magnuson, the association has practiced this philosophy to the extent of being involved in urban renewal, fair housing, a community development corporation, housing for the elderly, human relations education, the war on poverty, an opposition weekly newspaper and November's mayoral election campaign.

Breaking all these businessmen's taboos does not appear to have damaged the association in its primary activity, accumulating savings and making mortgage loans. In the 23 years Pilliard has headed First Federal, it has enjoyed the same spectacular growth shared by most of the business, including a savings gain of 9% during 1966 and 6% for just the first six months of 1967—the period of greatest, most controversial association activity.

BEING TOP DOG HELPS

It must be noted that First Federal is by far the dominant thrift institution in its area, which is a happy land where a 3.75% passbook rate (compounded quarterly) and a 4.5% six-month certificate rate pull in all the funds needed. The association is the largest mortgage lender in La Porte County, doing 50% more mortgage business than its closet competitor, a Michigan City commercial bank.

Were the institutional consequences of political and community involvement in controversy as severe as is generally thought, however, this dominance might well have passed away.

What First Federal has done is to identify publicly some of the most acute commercial and residential needs in Michigan City and then take the lead in efforts by the business community and others to meet these needs.

First, Michigan City, located at the eastern base of Lake Michigan, has a severe shortage of moderate cost home and apartment units suitable for the blue collar workers being hired by nearby steel plants. Bethlehem Steel Corporation, for example, is investing $1 billion in facilities just west of the city. These will bring some 5,000 new employees into the area, but Michigan City has no housing to offer them and, therefore, little hope of attracting the business their earnings will support.

Second, the city also lacks housing suitable for relocating those displaced by urban redevelopment, for low income families and for the elderly whose incomes have been curtailed.

Third, Michigan City's downtown shopping district is in need of rejuvenation if it is to prosper. Access to the city's most attractive resource, a waterfront park development, lies through the drab downtown section. Recently, the location of a multimillion-dollar shopping center (housing, among others, such potential downtown anchors as Sears, Roebuck and J. C. Penney) three miles to the south jolted the downtown merchants into a new awareness of what First Federal had been preaching for years.

VALUE RESULTS, NOT HARMONY

To combat the lethargy which has so long enveloped the city with regard to these and other needs, Frst Federal has lent either its own or its executives' efforts to a broad scale program—one which eschews the theoretical and wishful, and zeroes in on practical answers.

These answers are not always popular with the entire community, nor are they necessarily the only or the best solutions. They are, however, sincere, concrete proposals for dealing with real, immediate community problems.

What began with some relatively typical savings and loan efforts at civic improvement—tree planting and feed-the-birds projects—gradually grew into a full-scale attack upon economic problems and the entrenched interests which ignored them.

Did this drag the association into public controversy? It certainly did. Did it make enemies for the association? Yes; in fact, by election time 1967, First Federal was pretty well cut off from the incumbent political power structure—for the simple reason that the association's top executives were actively supporting the challenger for the office of mayor.

It was, perhaps, inevitable. As the association pitched harder and harder for action on controversial programs, and the city administration, locked in a tough reelection fight, sought to avoid any decisive steps without a nearly unanimous consensus, the gap widened. From the skeptical cordiality with which First Federal greeted Mayor Randall Miller following his election in 1963, the relationship gradually deteriorated into chilly propriety, increasing criticism and, finally, outright opposition.

"It isn't a matter of political party," says Pilliard. "We'll support anyone who will work to improve the community, but we can't sit around forever and wait for 100% agreement while the housing situation goes from bad to worse and people suffer."

In the 1967 election, Pilliard actively supported Democrat Conrad S. Kominiarek, a former city judge who was president of the city's Fair Housing Committee until he announced his candidacy for mayor.

On November 7, Kominiarek was elected and Pilliard has good reason to hope that the city's efforts to solve the festering problems of residential redevelopment, downtown rehabilitation and low cost housing will begin to move in earnest.

During the past campaign, housing became a political issue and all progress was halted. It became necessary for First Federal to sit tight and restrict itself to an occasional "defensive" statement in order to correct misstatements made in public debate.

Once Kominiarek takes over the reins of local government—and that shouldn't be hard, since, as a thrice-elected city judge, he had an excellent observation point to see all that was being done, for good or bad—there should be an entirely different climate.

Not only has Kominiarek previously been on record as favoring many of the things Pilliard feels must be done, but as close business associates, and in view of Pilliard's early public support of his candidacy, the two men could expect to see eye-to-eye more than did Pilliard and Miller.

If there are risks in speaking one's convictions, there are also significant rewards.

FIRST FEDERAL WAS NEVER ALONE

It is easy, though, to overemphasize the opposition which First Federal's outspoken stand in favor of more and better housing has uncovered. The institution also has won a great many friends. President Pilliard has a file of letters from business executives and public officials praising his courage and approving his position.

The association's own savers and borrowers, moreover, constitute a pretty substantial sample of the Michigan City community, and they have yet to complain about First Federal's policies or activities.

Nor has the association really "gone it alone." While it has been the leader in Michigan City's uplift efforts, it is far from the only participant. Both the First Merchants National Bank and the Citizens Bank have given their names, funds and personnel to various housing efforts, including support of the Fair Housing Committee and financing of the Fair Haven relocation project.

First Federal has succeeded in galvanizing the business community to the extent that the merchants organized a Downtown Council of merchants to promote the commercial center of the city. While this group has not been active in the housing-oriented projects, it does participate with the association in the business redevelopment activities.

Among other things, this means that these business leaders know that Fred Pilliard does not really have horns and a tail, no matter what those who write letters to the *News-Dispatch* may say.

Observes Fleming, "You're making progress when you get one community leader—First Federal—to inspire other community leaders to take action."

There is, in fact, every reason to believe that when the smoke clears, the bureaucratic processing is completed and some of today's embryo projects have grown to maturity, Fred Pilliard will be hailed by his fellow businessmen as the man of courage and vision who showed them the way.

Until that euphoric moment arrives, Pilliard is quite content to believe simply that his efforts have helped to improve his community. What's more, he really enjoys the political scrapping and, as for business, it's fine, thank you.

Housing subcommittee. In one sense, everything that has brought First Federal into politics began when Pilliard was appointed chairman of the housing subcommittee of the Mayor's Human Relations Commission. Whatever others may have intended, this was not, for Pilliard, a window-dressing commission.

Beginning in 1963, the housing subcommittee sponsored Operation Good Neighbor (see March 1966 SLN, p. 52), a largely educational program aimed at making open housing—Indiana has a state law—workable in Michigan City. With cooperation from the local media. Operation Good Neighbor succeeded in distributing thousands of informational pieces aimed at explaining the state law and easing neighborhood fears and tensions associated with increasing residential integration.

While the program failed to achieve as much block-by-block participation in white neighborhoods as desired, it did succeed in exposing many people to facts, as opposed to rumors and myths; and it opened the way for a considerable amount of counseling of potential Negro home owners.

In September 1966, the housing subcommittee sponsored Operation SLAM (Stop Living as a Minority), again an educational effort, aimed at overcoming Negro apathy about housing standards. SLAM sought to awaken community pride among Negroes and was highlighted by a rally featuring Chicago civil rights leader Al Raby. Raby told his listeners, "Michigan City already is where Chicago would like to be" in terms of community concern and cooperation on racial problems, and he urged them to continue to build on the foundation that existed.

While these programs were noncontroversial, the bite came when the housing subcommittee began to take stands in favor of specific projects—the city's North End urban renewal project, for example, stalled for years by administrative delay and, more recently, by taxpayer litigation—and against others, such as the creation of a segregated public housing project.

As housing and urban renewal became more of a public issue in 1966 and 1967, the subcommittee became entangled first in the Democratic mayoral primary and subsequently in the general election campaigns. Pilliard, as chairman of the housing subcommittee, took every means available, including full-page newspaper ads, to make clear the subcommittee's position in favor of immediate positive action.

Since three members of First Federal's staff serve on the housing subcommittee, there has tended to be a close identification between the subcommittee's public pronouncements and the association itself. (One of Pilliard's ads even listed the Fair Housing Committee and First Federal synonymously.) For this involvement, no one at First Federal has apologized, since the people involved feel that what they are doing is clearly for the improvement of the community.

Fair housing committee. The Michigan City Fair Housing Committee is a spinoff from the housing subcommittee. Formed in December 1965 and separately incorporated in August 1966, it is supported by individual dues from nearly 200 members and by the city's three leading financial institutions: First Merchants and Citizens banks, and First Federal. The committee is able to act as project sponsor, independent critic and private counsel.

FHC operates four neighborhood centers, serves as a clearinghouse for housing problems and seeks to provide legal aid or counseling for individuals encountering difficulties in obtaining residential equality.

In addition to sponsorship of Fair Haven and Fair Acres, both discussed below, the committee is the leading civic spokesman in public debate on low cost housing and urban redevelopment, taking on dissident individuals and the city administration alike. Much of this debating is done through either the letters columns or paid advertising in the *News-Dispatch*, and many of these ads are paid for personally by Pilliard.

Originally headed by Conrad Kominiarek, FHC has been led since March 1967 by First Federal's Jim Fleming. Under both men it has been a gadfly to the city administration, especially with respect to urban renewal.

The city has been mulling various projects since 1960, but virtually nothing has been accomplished. Typical of the situation is the North End renewal project, involving the clearance and rebuilding of a mixed commercial and residential area. After the project was designated and partially vacated, it was hit in October 1965 by a taxpayer's suit, which in one way or another has tied it up ever since.

Not only has the Fair Housing Committee kept after renewal officials to press for a decision (the project was upheld at the trial court level in September 1966), but it has interceded with the state's two U.S. senators to get action underway.

Early in 1967 First Federal filed suit for damages against the obstructing plaintiff in an attempt to force him to cooperate in speeding hearings on the appeal.

He was the one who wanted his day in court, say Pilliard, "and yet he's done everything in his power to avoid getting it. We want to get this obstructionism out of the way and get on with the project.

On the public front, the Fair Housing Committee sponsored a "March for Progress, designed to show support in the business community for the renewal projects. The Downtown Council became interested in expediting things when Sears indicated it would have been interested in a site in the renewal project, if it had been made available, but would not wait indefinitely—and subsequently chose the shopping center location.

FHC is also the guiding hand in the Michigan City poverty program. In this role, the committee has attempted to organize VISTA, Youth Corps, visiting nurse and job retraining programs, and in June 1967 received a $117,000 federal grant to fund its Head Start program.

The problems of relocation, however, have been the focus of the committees most positive action, and the most successful of its efforts is Fair Haven.

Fair Haven. Relocation of displaced families from the North End urban renewal project has been one of the major points of controversy among the political and real estate powers of Michigan City. Leaders of the Fair Housing Committee were determined that these people would not be shunted off into other substandard housing or herded into public housing ghettos.

When it became apparent that this was about all city officials were prepared to do, especially since litigation was preventing the urban renewal department from obtaining the funds needed to conduct a proper relocation program, the committee went into action.

Leasing a site for two years beginning in October 1966, the committee purchased 14 new 55- and 65-foot mobile homes at cost and added accommodations so up to 12 members of one family could live together. The committee bore the site preparation costs, and the city's two banks financed the mobile homes purchase. The committee also set up a neighborhood center at the site to provide recreation and educational programs, and it maintains supervision of the entire project.

The 14 relocated families pay only a rental geared to the rent subsidy formula, and the committee makes up the substantial difference to meet project costs. While it was hoped that rent subsidy or poverty funds might be obtained to help carry the load, this has not occurred yet.

As of April 1967, there were still 25 families from the North End project in need of relocation. At this point, First Federal stepped into the picture under its own name by initiating Project Challenge.

Project Challenge. Illustrative of the extreme dedication of the association's personnel to the cause of renewal, Project Challenge was announced to Michigan City in a full-page newspaper ad.

The ad first stated the problem and the number and types of houses needed to relocate the remaining 25 families. Then First Federal stated it would use four foreclosed properties for relocation housing and that four association officers would individually purchase one home each for additional relocation use.

As the families being relocated would only only be charged rentals at the public housing rates, the four First Federal officers agreed to make up personally the differential between these rates and the fair market rentals, so that no claim could be made that First Federal savers were being penalized by acceptance of reduced income.

From this "money where our mouth is" stance, First Federal challenged the rest of the community to come up with relocation of the remaining 17 families.

The community never did rise successfully to the challenge, but there was enough response so that the Fair Housing Committee ultimately was able to take care of all the displaced families.

Fair Acres. As part of its campaign to push for creation of 500 additional rental units in Michigan City, the Fair Housing Committee sought to sponsor two moderate income projects under FHA 221d3 financing.

Fair Acres East was to provide 81 units on a five-acre site, while Fair Acres South projected 150 units on 15 acres All went well, including cooperation from the city on obtaining location, until the sites were announced.

At that point controversy erupted on all sides; moderate income, open occupancy housing is fine, it seems, unless it is in your neighborhood. City cooperation, needed to obtain zoning changes, evaporated and the projects became caught up in the political race for mayor. As a result, the committee temporarily abandoned its efforts to push the projects through until after the election.

Backing out on the Fair Acres projects by the city probably did more to sharpen the hostility between the Fair Housing activists and Mayor Randall than any other one thing, according to Fleming. From that point, First Federal became more aggressive in its criticism and drew closer to Conrad Kominiarek.

Spaulding House, Inc. Less controversial than Fair Acres is another project in which First Federal's officers are involved: Spaulding House, Inc.

In March 1967, a nonprofit corporation headed by Pilliard purchased a 40-year-old Michigan City landmark, the Spaulding Hotel, located on a prime downtown corner. Closed since early 1966, the hotel was blighting the business district by symbolizing the flight of commercial trade to outlying facilities.

Spaulding House, Inc., plans to convert the hotel into 91 units of housing for the elderly, retaining the first-floor space for commercial uses, such as a restaurant and a new community room for banquet and meeting use.

While final approval of a federal Community Facilities Administration loan to finance rehabilitation and conversion of the property is expected soon, no funds have yet been made available.

Meanwhile, the corporation does everything possible to keep the first-floor offices in the building actively used. Groups such as the Jaycees, United Fund and Girl Scouts are given free space. During the holidays, the 30-foot community Christmas tree was located on the hotel marquee.

In a related move, a group of private investors plans to build a motel and parking facility on the lot directly across the street from the Spaulding.

MCBIDCO. Supplementing all this ad hoc action, First Federal officers also have taken steps to provide long-term community support through the organization of a limited dividend, local development corporation—the Michigan City Business and Industrial Development Company, Inc.

Organized in April 1967 as a vehicle for Small Business Administration 501 and 502 loans and as a general redevelopment sponsor, the corporation is intended to help alleviate Michigan City's shortage of development capital.

Since the city's financial institutions collectively hold only $130 million in assets, additional funds from outside will be needed to carry through the redevelopment envisioned in the North End, West Side and other projects, and to aid the small businessmen displaced in these developments.

Local development corporations have broad scope for financing businesses, projects and equipment. Through federal guarantees they can develop great leverage from funds obtained from private lenders.

MCBIDCO was initiated with capitalization of $50,000, of which no more than $5,000 can be invested by one individual. At least 75% of the stock must be locally held.

What Pilliard and others are seeking first through the corporation is a vehicle for drawing a 10–15 year comprehensive plan for Michigan City, linking economic feasibility and development planning.

The corporation's first act was to hire Real Estate Research Corporation, Chicago, to conduct an economic feasibility study for Michigan City. The study is now complete, and the stage is set for planning action.

Michigan City Gazette. One of the frustrations Pilliard, Fleming and others have undergone in the past two years is the inability to get their positions presented to the public as they would like to—without editing, rebuttal or suppression.

This was one of the reasons for their extensive investment in full-page advertisements devoted to long, detailed explanations of Fair Haven, Fair Acres, Project Challenge and the endless debate over North End urban renewal litigation.

In June of 1967 they finally decided to take another route and back a local newspaperman who started his own newspaper, the Michigan City *Gazette*. The weekly tabloid is distributed to every household in Michigan City and, although not self-supporting from outside advertising revenue, has provided First Federal with a good advertising vehicle. (The association continues a regular, although somewhat reduced, schedule in the *News-Dispatch*.)

The former *News-Dispatch* reporter, who is editor-publisher, is thoroughly familiar with the entire renewal-housing story, and the *Gazette* now offers a "second voice" to Michigan City readers.

"We felt the *News-Dispatch* was too neutral on critical issues," says Fleming. "We wanted a vehicle to stimulate some good thinking in the community."

Whether or not it has achieved that, the *Gazette*, like First Federal's other involvements, has made both enemies and friends for the association.

Perhaps its real significance is that it shows in still another way how totally immersed in its community First Federal is.

The 20th Century Fund

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. BINGHAM. Mr. Speaker, a research foundation in New York City has offered a ray of hope to hard-pressed municipal governments faced with an ever-growing list of demands and severely limited financial resources.

The decision of the tax-exempt 20th Century Fund to contribute $10,000 to the city in lieu of taxes was generous and constructive in itself. But its impact could be even more far reaching if it spurs other foundations located in urban centers to similar acts of generosity.

An estimated one-third of New York City's total real estate value of $47 billion is presently tax exempt, and in some cities this figure is even higher. In Boston, I understand, it is 44 percent.

The 20th Century Fund's $10,000 gift—representing roughly what the foundation would owe the city in taxes if it were not exempt—in no way weakens the position that exempt status is justified for nonprofit groups which are making valuable contributions to the city, the State, and the Nation.

As a matter of fact, the fund has directed an increasing portion of its resources into the search for solutions to pressing urban problems, and it has provided several grants directly to New York City for programs to bring students and professors into public agencies and for other urban projects.

But, in all fairness, while the benefits of its activities are widely shared throughout the country, New York City residents alone bear the burden of financing the foundation's purely local needs. This fact was recognized by M. J. Rossant, the new executive director, in announcing the $10,000 payment to the city.

Mr. Rossant said:

> We believe that we have a civic responsibility to make some payment for the municipal services—fire and police protection, water supply, etc.—furnished us.

In a letter thanking the fund for its "generous and constructive" action, Mayor Lindsay rightly called it "an extraordinary development in our town."

I am proud to be associated with the 20th Century Fund, as a member of its board of trustees, and I share Mayor Lindsay's hope that its example will be widely followed. I am sure that New York and other municipalities would welcome further examples of this kind of civic spirit.

Speculation in the Stock Markets

HON. HASTINGS KEITH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. KEITH. Mr. Speaker, John Cunniff, a financial writer for the Associated Press, has written a very interesting article dealing with speculation in the stock markets that recently appeared in the New Bedford Standard-Times.

Mr. Cunniff points out some of the major causes of speculation in the markets both by institutions and individuals. We often think of portfolio managers of institutional investors as masters of their own fate that they are the cause of changes in the market and the economy rather than men who react to outside influences. Yet, in fact they are often subject to the same influences as the individual investor.

A very good example of this is the influence of inflation. In discussing the effect of the threat of inflation on institutions, Mr. Cunniff states:

> Although many of these institutions were once very conservative and inactive investors, they too have become worried about inflation. They have succumbed also to the lure of quick money through in-out trading.

Mr. Speaker, in our consideration of the threat of speculation in the stock markets, I think Mr. Cunniff's article, "Wild Stock Speculation Worries Amex Brokers," which follows, will be of much assistance.

WILD STOCK SPECULATION WORRIES AMEX BROKERS

(By John Cunniff)

NEW YORK.—"They're speculating wildly," a broker remarked as he watched trading on the American Stock Exchange soar to more than 10 million shares. "My customers are acting as if there were no tomorrow."

Few statements could have been further from the truth, for a very large percentage of stock speculation today results from traders knowing there will be a tomorrow—of inflation and shrinking dollars.

This inflation psychology now has a good grip on the thinking of millions of Americans. Taxes and rising living costs are devouring their bank account interest. "Fixed return" investments are shrinking in value.

To offset this shrinkage, investors have been urged to go into stocks, to hedge against inflation by owning securities that rise with the economy. Good advice or poor, it is being given abundantly.

A CUSHION

A variety of factors now intensify this inflation psychology and also present the opportunity for it to be exploited.

For one thing, much of the money saved in recent months by average Americans has given them a cushion of confidence. With their excess funds they have stepped into the stock market and hope to duplicate the experience of friends by doubling their money.

At the same time thousands of once cautious investors very likely have become bored, irritated and frustrated as their blue chips vegetate, while young sprouts on the American Exchange soar to the sun. And so they join the crowd.

Whereas some of the solid blue chip stocks on the New York Stock Exchange sell for $100 or more, an American Exchange trader has his choice of about 60 stocks selling for less than $5 and many more for less than $10.

Lending encouragement as well as impact to this churning of stock, some Wall Street informants say, are registered representatives who speculate for their own accounts and encourage customers to do likewise.

CREDIT EASY

A few other factors also may be involved: No matter what is said for the record, credit for speculating is pretty easy to come by these days. And the suspicion exists among critics that some speculation may be manipulation.

Certainly the huge increase in the number of stockholders is having its impact as well, for the latest figure of 24 million is four times the figure of 20 years ago.

However, it is difficult to believe that amateur or small-investor speculation has suddenly caused the enormous burst of activity.

American Exchange average daily volume for all of 1966 was 2.7 million shares. For 1967 volume averaged 4.5 million. For the first two weeks of the new year volume has jumped to 8 million shares.

Some skilled observers of the Wall Street scene believe that much of this activity is, instead, the result of professional speculation by pension and mutual funds, by trust accounts and by college endowments, among others.

Last May the American Exchange found that institutional activity of this sort was increasing and that it accounted for 16 per cent of all volume. A conservative estimate now would place the figure beyond 20 per cent.

WORRIED INSTITUTIONS

Although many of these institutions were once very conservative and inactive investors, they too have become worried about inflation. They have succumbed also to the lure of quick money through in-out trading.

In-out trading is the trademark of the so-called performance or go-go funds, some of which have demonstrated that quick turnover of holdings so as always to be invested in the hottest issues can bring big profit.

Amex officials are greatly concerned that the bubble will burst, and that when prices come down so also may the image of their institution in the minds of thousands of neatly trimmed amateur speculators.

No amount of warnings, however, are going to stem the rising tide of institutional trading. These institutions have grown enormously in recent years and also have become very active traders.

Some securities men question whether institutional buying and selling can be accommodated safely by the stock exchanges under present regulations.

Vietnam Casualties

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. LONG of Maryland. Mr. Speaker, the following six servicemen from Maryland, four soldiers and two marines, were recently killed in Vietnam: Major Maximilian H. Simmeth, 1st Lt. Wesley R. Moore, Jr., Pfc. Harry L. Ecton, Pfc. Russell E. Millberry, Marine Lance Cpl. Thomas J. Torrington, and Marine Pfc. Dubois R. Jones. I wish to commend the courage of these men and to honor their memory by including the following article in the RECORD, as follows:

FOUR SOLDIERS AND TWO MARINES FROM STATE DIE IN VIETNAM

Six Maryland servicemen—four soldiers and two marines—have been killed in action in Vietnam, the Defense Department reported yesterday.

The latest casualties were identified as:

Maj. Maximilian H. Simmeth, of 102 Woodland drive, Bel Air.

1st Lt. Wesley R. Moore, Jr., of 9201 Lanham-Severn road, Seabrook.

Pfc. Harry L. Ecton, of 203 South Potomac street, Boonsboro.

Pfc. Russell E. Millberry, of Route 1, Union Bridge.

Marine Lance Cpl. Thomas J. Torrington, of 106 North Smallwood street, Cumberland.

Marine Pfc. Dubois R. Jones, of 4034 Belle avenue. Baltimore.

Major Simmeth, 37, a ranger was killed Wednesday near Saigon in an ambush, his brother, Joseph Simmeth, said last night. The major was a career Army man on his second tour of duty in Vietnam.

During his first tour in 1966, he won the Silver Star. He had been in Vietnam on the second tour for four months.

Major Simmeth enlisted in the Army in

1954, four years after coming to the United States from his native Bavaria. His brother owns a meat firm in Bel Air.

WIFE SURVIVES

Besides his brother, he is survived by his wife, Mrs. Marylou Simmeth, of St. Metz, France; a son, Thomas Simmeth, who is with his mother; four sisters, Mrs. Terry Wood, of Bel Air; Mrs. Mary Feld, of New York; Mrs. Carla Landres, of Mainz, Germany, and Mrs. Catherine Coryell, of Norristown, Pa., and his mother, Mrs. Albine Simmeth, of Bel Air.

Lieutenant Moore, 27, was killed Thursday by American fire while returning with a patrol in the area of An Khe. He had been in Vietnam since mid-December.

Another career Army man, he had ten years to his credit, including several in the Army Reserve. He was commissioned a second lieutenant in November, 1963.

HIGHPOINT GRADUATE

Lieutenant Moore, who was born in Berwyn Heights, Md., was graduated in 1958 from Highpoint High School. He had completed three years at the University of Maryland.

He is survived by his wife of just over a year, Mrs. Barbara D. Moore; his parents, Mr. and Mrs. Wesley R. Moore, of Berwyn Heights, and a sister, Mrs. Beverly Caldwell, of Fort Monmouth, N.J.

Pfc. Ecton, 20, a personnel carrier driver with the 9th Infantry Division, was killed in Saigon Wednesday, exactly eight months after he was drafted. He had been in Vietnam since late October.

He was a 1965 graduate of Boonsboro High School, where he was a member of the baseball team. For the two years between his graduation and his draft call he was an employee of the State Farm Insurance Company in Frederick.

Surviving are his parents, Mr. and Mrs. Leon G. Ecton, of Boonsboro.

Corporal Torrington, 19, was killed Wednesday while on patrol in the Quang Nam province, his father, Francis R. Torrington, said yesterday. Assigned to the 3d Battalion, 5th Marines, he had been in South Vietnam for five months.

Corporal Torrington was graduated in 1966 from LaSalle High School.

Besides his parents, he is survived by two sisters, Maryann and Helen Torrington, both of Cumberland; and three brothers, Francis R. Torrington, Jr., who is with the United States Army at Fort Gordon, Ga., and David L. and William J. Torrington, both of Cumberland.

Private Millberry, 19, was a graduate of Francis Scott Key Senior High School near Union Bridge, according to his cousin, Mrs. Amelia Millberry, of Westminster, Md. She said Private Millberry worked briefly for a shoe factory in Westminster before he was drafted.

He is survived by his parents, Mr. and Mrs. Robert S. Millberry, Sr., of Route 1, Union Bridge, and a number of brothers and sisters.

KILLED WEDNESDAY

Private Jones, 20, was killed Wednesday while on a mission in Quang Tri, South Vietnam, his sister, Mrs. Lorraine Bryant said yesterday.

Private Jones enlisted in the Marines in March, 1966, after leaving City College during his senior year, and had been in Vietnam since last April. He finished his high school education in the Marines and intended to study sociology in college after the service, she said.

Besides Mrs. Bryant, he is survived by his mother, Mrs. Alice Jones, of Belle avenue, his father, Theophilius Jones, of Baltimore, and another sister, Mrs. Janet Carey, also of Baltimore.

An Address by Postmaster General Lawrence F. O'Brien at the Women's National Press Club

HON. WILLIAM J. GREEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. GREEN of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the address given by Postmaster General Lawrence F. O'Brien at the Women's National Press Club here in Washington on Tuesday, January 30, 1968:

GERRY VAN DER HEUVEL. Ladies and gentlemen, politics go with Postmaster Generals like Boston-baked beans and brown bread. Being good politicians, all Postmasters are great bargainers. Some have been horse traders. But our guest is the first Postmaster General who offered to swap the U.S. Post Office. He hasn't had any takers, but I understand that another fellow wants to start his own business.

Our guest doesn't have to worry, of course, if he programs himself out of the Post Office job. Have you ever seen an habitually bareheaded man who wore so many hats? He has been the field marshal for all the legislation passed in the last seven years. His successes need no recounting. If there were failures, they were neither ones of strategy nor personal diplomacy, for Larry O'Brien is master of the first and the latter comes naturally. What other dedicated partisan has masterminded a Democratic and a Republican Presidential campaign at the same time? His compendium on campaigning was used, of course, by President Kennedy and President Johnson. What must have surprised him was when Barry Goldwater came up to him and said in 1964, "Larry, I might as well admit it, I have your book."

Nor do his converts stop at the water's edge. Great Britain's Prime Minister Harold Wilson used it in his successful campaign to oust the Conservatives. And the Philippines President Marcos gives him much credit for his winning race.

Ladies and gentlemen, probably the most respected political strategist on the current scene—may I present the Postmaster General?

Mr. O'BRIEN. Thank you very much, Gerry. I should mention rumor has it that General de Gaulle used that manual also.

Vera Glasser, Isabel McCaig, Carroll Kilpatrick, my good friend Mike Manatos. And I should, by way of explanation, state that Barefoot Sanders would be with us this noon, but he is on the Hill at a luncheon involving some of the key members of the House to discuss our program, and he is therefore unavoidably absent. And of course, my good wife, Elva.

I usually begin my remarks by stating how pleased I am to be wherever I am. And when you think of the alternatives, that's a safe statement.

But frankly this afternoon I am dubious. If I say I'm pleased to be with you, one of you is liable to stand up and say, Why? And what could I say? It's too early to tell, would be the truth. But it wouldn't be very responsive, I'm afraid.

Actually, before I dive into the treasure trove I brought with me, before I reveal all the inside information about where we are, where we are going and why we might get there, just a word from my sponsor.

The President asked me to send you his personal greetings, and that's for attribution.

You know, one of the many mysteries of life here in Washington is that newspaperwomen may not be deadlier than the male of the species. But they tend to ask far more lethal questions. It happens again and again. I have a press conference, and I hope—and I pray a bit, too—pray that it is going to go well; I will be asked no questions which I don't expect, and for which I do not have the proper array of confusing answers. Then a slender gloved hand goes up. "Mr. O'Brien," the sweet voice begins; and soon I feel as if I am involved in a physics experiment, in which I am being bombarded by a high velocity electron. Now, in those experiments, I am told, some of the electrons miss the target. But your questions never do. So someday perhaps you will reveal your secret to me.

Since there is a rumor currently circulating that I have some passing interest in politics, I thought I might mention what I feel are some points worth considering in the months to come.

Perhaps the most significant so far is that compared to the President and the President's program, all the Republican candidates and their mixed bag of positions and issues are coming more and more to resemble the new canned diet food. Now, you know the one I have in mind—the label is attractive; the advertising is great; the can itself is giant-size and made of stainless steel. Of course, when you open it, it's empty.

Now during recent weeks I have been hearing more and more about 1948 instead of 1968. There seems to be a new epidemic sweeping news desks. Everyone remembers that there were third and fourth party candidates in 1948. And it appears we will have at least a third party candidate in 1968.

Everyone remembers the Dixiecrats in 1948. And now there are cries that they or their close relatives will rise again.

As there was twenty years ago, there is an incumbent Democratic President who has a number of problems to face, and a rating in the polls that fluctuates with the weather.

Finally, there is a Congress which seems—at times, at least—to want to go its own way.

So we hear about the possibility of our President coming out against a do-nothing Congress; and about the President giving them hell on the whistle-stops. All we need is Tom Dewey and we would be back in the good old days.

As with some of the more wishful and unrealistic solutions to the Vietnam conflict, these political parallels have the advantage of simplicity. Actually since we remember how things turned out on election day 1948, I wish the parallels were more prophetic as well as simple. Fortunately or unfortunately many things have changed since 1948. There is a two-party system throughout much of the South. And George Wallace is not an unmixed blessing to the Republican Party. Rabble-rousing and race-baiting in the South are becoming less effective. Many Southerners of both races have a new self-confidence about their ability to work together.

Old-world divisions, religious and ethnic backgrounds which were so compelling in the past in national politics and which were central to many appeals for support have, to a great extent, dissolved in the last twenty years.

The tens of thousands of union members who once jammed Detroit's Cadillac Square on Labor Day to hear fiery speeches are now spending the holidays with their families around barbeque pits in the suburbs, or hauling the boat trailer out to the lake.

Racial problems, once confined to the Southland, are now acute in our cities North, East and West. Many of the problems of 1948 have been resolved. But new problems have taken their place. Old habits, old alliances have disappeared.

Back in 1948 a lucky few were watching Uncle Miltie on a communications medium that was so new that the Encyclopedia Britannica Yearbook agonized for some paragraphs about what it should be called—Tela, Telesee, or even TV. Telesee is now the national pastime. And this alone destroys the parallel of 1948. For a significant part of the campaign will be waged through TV.

As a matter of fact, even if there were no television, there aren't enough passenger trains around to make whistle-stopping worthwhile.

Now, I wonder how Abraham Lincoln would have fared and how the Union would have survived had there been television back in 1860. Maybe a 19th century Ronald Reagan would have defeated Abraham Lincoln on television. But I firmly believe, and I do, in the judgment of the American people—then and now—in voting for a President on the basis of what he says, what he does, and what he stands for. We don't want a carefully packaged TV candidate.

But President Johnson does claim his right to discuss the great issues of our time, to cite the record of this Administration and to offer solutions for the future.

So I can tell you in advance what the main Democratic strategy will be during the campaign, and it is really quite simple. We will tell the unvarnished truth, that President Johnson has given leadership, that he has proposed imaginative, compassionate and realistic solutions, and that he has the ability to get those solutions translated into law. The President will not castigate a do-nothing Congress. Why? Because this Congress has already done a lot, as have all the Democratic Congresses since 1961. And by the time this session is over, the Congress will have done a lot more.

The President will not attack business because American business has come a long way since 1948. President Johnson has proposed more consumer legislation than any President in history. Twenty years ago this would have been greeted by businessmen with a howl heard 'round the nation. Today most businessmen know that it is simply good business to give people what they are paying for. Today business understands that it has a responsibility in the area of urban problems, and it is moving in cooperation with government to solve those problems, in jobs and in housing.

In short, the President is not going to attack, condemn or assail. He is going to spell out the accomplishments of his administration.

Now, we have a lot to be proud of in that record. It is a brilliant and—in my view—unprecedented record. In just the last four years the Congress has passed more than 260 measures proposed by the President.

Now don't be alarmed—I am not going to recite the laws like a list of ancestors in the Book of Genesis. But it is the job of the Democratic Party to recall the genesis of such measures as Medicare, elementary and secondary education, higher education, the Teacher Corps, mental health, new G.I. Bill of Rights, model cities, rent supplement, mass transit, outer space treaty, Civil Rights Act of 1964, and the Voting Rights Act of 1965, water pollution and air pollution control, auto and highway safety, minimum wage increases—and on and on.

Well, what of this record? And I emphasize "this." In my honest judgment it is outstanding. You and I know that people don't vote for yesterday. They vote for tomorrow. We will not expect any plaudits for the powerful array of social legislation that has been passed since 1961. It is almost like the sad story of the husband who decided to surprise his wife on Christmas Day. He bought her a lovely skunk coat and placed it under the Christmas tree. On Christmas morning she opened the package, held the coat up to the light and declared, "How is it possible: such a beautiful skin from such a smelly little animal?" Our hero replied, "Well, I didn't expect gratitude, but you don't have to insult me."

Anyone who tries to win elections by merely reciting the record is misjudging the voter. Yesterday is the past. Tomorrow is what counts.

While many applaud the significant gains of the last several years, most take them for granted, and some even assume they have always existed.

People look, and rightly so, toward the future. Not what did you do, not even what did you do for me lately? But what will you do tomorrow and next year?

This is the question that is asked. This is the question we must answer.

And the Democratic Party has its goals for the future. We do have an unfinished agenda. Our program is no less than a new Bill of Rights. The President feels that Americans have the right to be protected from misrepresentation and sharp practice. He feels that the slogan "Let the buyer beware" is as outmoded as "an eye for an eye and a tooth for a tooth." To protect the right of the consumer for a clear return on his dollar, the President already has consumer protection bills before the Congress. But he feels these are not enough to stop deceptive practices.

So we are now asking for additional consumer protection, including new teeth for the Federal Trade Commission, new safeguards to assure the quality of fish and poultry, and the safety of our community water supplies, a close examination of automobile insurance, which can take a bite out of paychecks almost as large as a state income tax, and protection against TV radiation hazards.

These are parts of the consumer bill of rights.

We will ask: "What are the Republican plans for the future in this area?"

Take child health. As another element of the new bill of rights, the President feels that every American child has the right to a healthful start in life.

In addition to the bold new programs already passed under his leadership, he will ask Congress for a major child health program. We expect to ask, "What are the Republicans' plans in this area?"

Take housing. The President feels an $800-billion-plus-a-year nation should be able to afford good housing, that Americans should have a right to live in a decent place of their choice. Our cities are tinderboxes. The flint of resistance, the steel of decaying rat and roach-infested high-rent housing, when struck together, can produce disasters that would cost billions.

The answer is not pious platitudes or hand-wringing. The answer is to remove the combustibles by providing decent housing and rebuilding our cities. The President has given that answer. We will ask what the Republican answer is.

And Americans have a right to a job, to be gainfully employed. That's why the President has urged programs aimed at the hard-core unemployed.

Working together with business and labor, the President seeks to place the half-million hard-core urban unemployed in training programs that will lead to useful work. We will ask what the Republican plans are to solve this problem.

In education, we have made massive strides in education, historic breakthroughs from elementary and secondary through higher. Invariably against overwhelming Republican opposition. But we must achieve the goal of two Presidents, Presidents Kennedy and Johnson, that every American child will be given the opportunity to absorb as much education as he or she is capable of. We will continue our struggle to achieve that goal. But we will demand to know whether the Republicans are prepared to drop their continuous opposition and join us in this quest.

There is also a right that Americans must enjoy. The right of safety on our streets. The initiative for federal action against crime is a democratic initiative. It is President Johnson who first proposed the Safe Streets Act. It is the Republican who opposed that initiative. As the President said in the State of the Union address, "there is no more urgent business before this Congress than to pass the Safe Streets Act this year that I proposed last year."

We will ask: What are the Republican plans concerning crime?

And finally, Americans must never relinquish their hope of living in a world of peace and security, to enjoy their right to live in peace and security. Americans because of our position of power cannot afford the luxury of most other people in the world. We cannot afford to sit on our hands and dream of the wonders of peace. If there is to be a better world, we must work for it, here and abroad. Freedom cannot be an island. It is indivisible. If we lose our nerve, if we accept easy and irresponsible positions, based either on too much force or too little backbone, we are weakening our own freedom and denying freedom to friendly nations, in South Vietnam and elsewhere.

I can tell you we will ask the Republican Party what it would do to strengthen the forces of freedom, while at the same time working for peace throughout the world.

And this time I don't think simple slogans are going to satisfy the American people.

So now you have our campaign plan. We have learned from the experience of the past, but we know that the strategy of 1948 is history, and the problems of 1968 must have new solutions.

And we have one more expectation: Our expectation about you, about the nation's news media. We Democrats expect one thing from you—no more and no less—we expect that you will report the facts objectively and fully. And let me emphasize. We have no fear about facts. We have no fear about the American people when they know all the facts. And knowing you as I do, I have no fear that factual—and it will be that—that factual, full, objective, professional reporting is precisely what you intend to provide.

We all know a free press is one of the basic tenets of our freedom, and in this room today I can tell you that I know freedom is secure, for I am certain the story of this critical year will be told fully, factually, and fairly.

Thank you very much.

President Acts To Assure Consumers Protection on Household Purchases

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. BROOKS. Mr. Speaker, President Johnson in his consumer message proposes an immediate study of the problem of repairs and guarantees on consumer products.

Every day new devices come on the market to save us time and energy. But they can also be a source of annoyance, for with every invention come new problems.

Consumers are not told how long products will last. The documents which supposedly guarantee free service and repairs are vaguely worded and often provide no real protection. And repair work is often poor—and always a gamble.

The consumer deserves better treatment—and the administration has moved to provide it. President Johnson has instructed his Special Assistant on Consumer Affairs, the Chairman of the Federal Trade Commission, and the Secretary of Commerce to immediately begin working with the industry to improve the quality of service and repairs; to assure that warranties say what they mean and mean what they say; and to inform consumers of how long a product can be expected to last.

The time has long since past when we could ignore the problems faced by the consumer in the marketplace. The President's proposals will go a long way toward assuring the American consumer that his hard-earned money will be profitably spent on quality products.

I commend his proposals to the attention of Congress.

Poultry Inspection

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mrs. SULLIVAN. Mr. Speaker, I am today introducing a bill on poultry inspection sent to me by Secretary of Agriculture Freeman in response to a request I made to him last fall following passage of the Wholesome Meat Act. I had asked for language to bring the Poultry Products Inspection Act of 1957 into conformance with the improvements we had just voted in the Meat Inspection Act.

As the Members will recall, I was the original sponsor of the poultry inspection law which we passed in 1957. I think I was the first Member of Congress to call attention to the need for Federal inspection of poultry.

The 1957 act contained a section permitting the designation of "major consuming areas" in which all poultry offered for sale would have to be federally inspected for wholesomeness. This section was intended to authorize compulsory Federal inspection of poultry sold only in intrastate commerce within such a "major consuming area." As numerous speeches and statements of mine appearing in the CONGRESSIONAL RECORD over the past 9 or 10 years will clearly show, the "major consuming area" machinery of the 1957 act has never been used and therefore can be presumed to be ineffectual.

In his consumer message today, President Johnson, among other things, asked for passage of a poultry inspection law such as the one I am now introducing. I believe other Members are introducing or cosponsoring similar bills. It is my intention to fight for early passage of effective legislation to assure the wholesomeness of all poultry sold in this country, which means the inclusion of poultry now sold only in intrastate commerce.

For instance, of 11 intrastate poultry plants recently inspected in Missouri, only two could pass Federal inspection requirements. Think of that.

"Untouchables" Unlimited Unelected

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. RARICK. Mr. Speaker, emotional and impressive sounding titles—positions of sacred trust and confidence over the lives and destiny of our people, but the documented roster of untouchables seems unlimited.

Day by day, it becomes clearer that any solution in Vietnam, Korea, or elsewhere cannot be solved until the problem of the "untouchable" menace within our own Government is handled.

The untouchables are a seeming elite corps of subversives, not elected by the people—they appoint each other, are mutually interdependent upon each other. They have no terms of office; and they manage to survive political partisanship—except through public opinion and the demand voice of Congress.

No stone must be left unturned to initiate more hearings and investigations to ferret out the disloyalist and dual citizenship employees of the Government, especially the State Department. Our role must be to overcome the ancient Greek adage:

> If the gods want to destroy someone, first they strike him with blindness.

Was the *Pueblo* an accident? Until we replace the untouchables with pro-Americans—the mothers and dads of America can never be sure—nor can you and I.

Mr. Speaker, Mr. Frank Capell, through his Herald of Freedom, has released part VI of the "The Untouchables" which I place in the RECORD at this point:

THE UNTOUCHABLES—PART VI

The Senate Internal Security Sub-Committee has issued its long-awaited report on State Department Security. This report, carefully documented by sworn testimony, is the result of two years of hearings the record of which was made public in twenty-five volumes. The views of Senator James O. Eastland, Chairman, and Senator Thomas J. Dodd, Vice Chairman of the Subcommittee, were stated at the beginning of the report, and read in part:

"The most outstanding negative aspect of the Otepka case has been its chilling effect upon all those Government employees, both in and out of the security field, who may quite reasonably see it as an object lesson teaching that honor and virtue are not their own reward if following the path of honor and virtue involves stepping on the toes of entrenched authority, or calls for disclosing matters embarrassing to officials in high places. . . .

"Until we can find a way to terminate the Otepka case with full justice to Mr. Otepka and every other witness who testifies, and with full and continuing recognition of the right of the Congress and its committees to obtain complete and accurate information with respect to wrong doing, subversive activity, or any other threat to our security which may exist or take place within the executive branch, we must not rest; for we must recognize that until this has been accomplished, the prerogatives of the legislative branch stand infringed, and its effectiveness stands curtailed."

Sen. Strom Thurmond presented his own individual views of what has been going on in the State Department. He said:

"The State Department's position has been . . . that no wrongdoing may be disclosed unless the disclosure is authorized presumably by the wrongdoers. . . . As amply set forth in this report and in the preceding volumes of testimony, the State Department was trying to hide a new policy of phasing out effective security procedures. The highest officers of the State Department no longer believed in the mandate to maintain critical standards of suitability and loyalty in employing personnel. . . .

"State Department personnel security policy is manifestly contrary to the intentions of Congress. State Department officers have attempted deliberately to hide this fact from an agency of Congress charged with overseeing security practices. The State Department has indulged in illegal acts, the destruction of the careers of honest men, misrepresentation, and perhaps perjury, in order to prevent Congress from carrying out its constitutional functions. This is an arrogant challenge, which must not be allowed to stand."

The facts that these hearings brought out have been known for years to our intelligence services . . . that there are many serious security risks employed in the federal government and particularly in the State Department. They remain in spite of their known subversive backgrounds and are protected and promoted. They are "The Untouchables." Sen. McCarthy (Joseph, that is) was destroyed when he began to seek them out. Scott McLeod, while he was head of the State Department Bureau of Security and Consular Affairs, had his investigators and evaluators help him prepare a list of security risks employed at that time in the State Department. Under date of June 27, 1956, McLeod notified the Secretary of State that there were 858 such risks, 648 of whom were risks because of Communist activities and associations. The balance was made up of homosexuals, alcoholics, drug addicts, mentally ill and others who had violated security regulations.

McLeod was removed from his job as top security man by the maneuver of making him Ambassador to Ireland. Before he left for Dublin in July, 1957, however, he took the precaution of turning over the original list and two onion skin copies to trusted friends. The only action officially taken by the State Department after notification of the existence of this list was to seek out and remove those responsible for its preparation. Scott McLeod, a former college football player, died of a heart attack on November 7, 1961, in Concord, N.H., at the age of 47. Otto Otepka and the other McLeod security men are still alive but all far removed from security work. Isn't it time we went after the people on the list rather than those who prepared it?

David Henry Popper is one of the persons on McLeod's list. He is still with the U.S. State Department, now being Deputy Assistant Secretary of State in the Bureau of International Organizations Affairs. He came into U.S. Government service through Alger Hiss in 1945 at which time he worked for and with Hiss. He was born in New York City on October 3, 1912, the son of Morris Popper and Lillian Greenbaum (Popper). He graduated from Harvard University in 1932 with an AB degree and received his MA in 1934. During part of the period from 1932 to 1933 he had a travelling fellowship in Europe and in 1941 had another one for travelling in Latin America. On March 8, 1936, Popper was married to Miss Florence Cecelia Maisel.

Soon after leaving Harvard in 1934 Popper was employed by the Foreign Policy Association where he worked for the next six years until 1940. He was a research assistant under the direct supervision of the notorious Mrs. Vera Micheles Dean. Vera Micheles arrived in the United States from the Soviet Union in 1919. She became a U.S. citizen in 1928 after having obtained a Ph. D. from Radcliffe College. She was employed as Research Director by the Foreign Policy Association in 1928 and held this post until 1947 when she became Editor of Publications. As of June 30, 1960, Mrs. Dean's record of affiliations with Communist fronts took four pages to list when the House Committee on Un-American Activities prepared a report on her for Congressman James C. Davis.

Mrs. Dean was a member of the board of directors of the American Russian Institute, cited as Communist by a U.S. Attorney General and Communist-controlled by the Senate Judiciary Committee. This organization was intimately linked with the Institute of Pacific Relations and specialized in pro-Soviet propaganda. Mrs. Dean wrote articles for Far Eastern Survey and Pacific Affairs, both organs of the IPR. Page 4861 of the Senate Hearings on the IPR shows that David H. Popper was affiliated with the IPR also.

Mrs. Dean lectured at the Marxist-oriented New School for Social Research in New York City, the course being entitled "Asia in Ferment." Among those who lectured with her in this course were Owen Lattimore, Lawrence C. Rosinger, Derk Bodde, W. W. Lockwood and Harold R. Isaacs.

The Foreign Policy Association for which Popper worked under Mrs. Dean was cited in a Grand Jury Presentment by the March–April 1960 Grand Jury of Fulton County (Atlanta), Georgia and the Grand Jury of Bibb County, Georgia. Both examined the subversive type material sponsored by the F.P.A. and both recommended further investigations. The American Legion, Post 140, of Atlanta prepared a lengthy expose on the Foreign Policy Association which documented its subversive connections. The American Legion publication, Firing Line, of June 15, 1960, quoted from an article which appeared in Plain Talk of November 1946 as follows: "Under the present leadership of Vera Micheles Dean of the FPA's Research Department, its most influential section has been turned into a factory for propaganda to appease the Soviet Union and to apologize for its expansion in all directions." The American Legion publication also pointed out that the FPA received financial support from the Carnegie Endowment for International Peace during Alger Hiss' presidency of that organization and stated that Hiss advocated "close collaboration between the Carnegie Endowment and the FPA." The FPA also received financial support from the Rockefeller Foundation while Dean Rusk was its president.

Through his employment in the FPA Research Department, David Popper came into close contact with key people in the IPR and also with identified Communists, Soviet espionage agents and Communist sympathizers. The IPR Hearings (P. 5193) show that David H. Popper was a member of the editorial board of the magazine Amerasia which was cited by the Senate Judiciary Committee as a "Communist controlled magazine which was so closely linked into the IPR system that the IPR family ordinarily treated it as simply another of its publications." Frederick Vanderbilt Field was owner of fifty per cent of the stock of Amerasia and was chairman of the editorial board for more than three years. "When it ceased publication after the arrest in what has been known as the Amerasia Case in 1945, the subscription list was taken over by the Far Eastern Survey, official publication of the IPR." (Senate Report 2050, IPR, 7–2–52, pp 71–95–145–146)

On the editorial board of Amerasia with David H. Popper were Frederick V. Field, identified as a Communist and member of a Soviet espionage ring; Philip J. Jaffee (alias Y. W. Phillips), managing editor, Russian-born and identified as a Communist and convicted in connection with the theft of over 1500 secret Government documents found in Amerasia offices or the homes of persons connected with it; Lillian Peffer, assistant editor; T. A. Bisson, identified as a Communist; Ch'ao-Ting Chi, identified as a Communist and affiliated with IPR; Owen Lattimore who was identified as a Communist but denied it, and was cited by the Senate Judiciary Committee as "a conscious articulate instrument of the Soviet Conspiracy;" William W. Lockwood, closely associated with Communists and espionage agents, an executive of the IPR; Cyrus H. Peake; William T. Stone, connected with IPR; and Harriet Levine Chi, identified as a Communist. Those most closely associated with Popper were the identified Communists, Field, Jaffee and Bisson.

Another Communist enterprise with which Popper's name was connected was Commonwealth College set up at Mena, Arkansas. In 1935 a Special Committee of the Arkansas Legislature investigated the college and the testimony of Hon. J. L. Shaver, a member of that committee was presented in a Hearing before the Special Education Committee of the Arkansas Legislative Council, held December 16, 17, and 18, 1958. It reads as follows:

"In 1925, Commonwealth College settled west of Mena, Arkansas. This school had no particular academic requirements, tuition or qualifications for students of faculty. No attempt was made to belie the fact that it was communistic in nature, and to a large extent was supported by organizations with subversive backgrounds."

There was an official investigation made of the college as a result of its displaying of the Communist hammer and sickle. The records of the college were obtained and it was reported that the name of David H. Popper was found in the confidential files and on the regular mailing list of the college. The U.S. Attorney General cited Commonwealth College as Communist and the Special Committee on Un-American Activities cited the college as "A Communist enterprise cited as subversive by an investigating committee of the Arkansas Legislature. It received money from the Garland Fund." The Garland Fund was also known as the American Fund for Public Service and was cited by the same House Committee—"it was a major source for the financing of Communist Party enterprises." William Z. Foster, who was Chairman of the Communist Party USA, served on its Board of Directors.

David H. Popper was reported as a dues paying member of the United Office and Professional Workers of America. In the Hearings of the Senate Internal Security Subcommittee entitled Subversive Control of Distributive, Processing and Office Workers of America, held in 1951–2, page 18, we find the testimony of W. A. Copeland, C.I.O. Regional Director:

"Mr. Arens. Do you have similar information with reference to the United Office and Professional Workers of America?

"Mr. Copeland. They went through the similar process.

"Mr. Arens. And were they likewise expelled?

"Mr. Copeland. They were expelled.

"Mr. Arens. And were they likewise expelled because the CIO found that the United Office and Professional Workers of America had followed the Communist Party program?

"Mr. Copeland. That is the record of the CIO executive board. They were expelled for that reason."

Late in 1945, after Popper had served in the Army Chemical Warfare Service as a Captain, he came into the State Department as a specialist in International Organizations Affairs, where he worked with and under Alger Hiss. Other Hiss favorites were Harding Bancroft and Andrew Cordier, the latter two having been recommended by Harlan Cleveland for a special advisory Committee to select staffing of personnel at the United Nations as mentioned in the Otepka Brief.

By 1948 Popper became Assistant Chief of the State Department's Division of International Affairs. His experience in promoting the United Nations idea and World Government while in the Foreign Policy Association had brought him into contact with a large number of pro-Soviets who had similar objectives and many of them had found their way into the State Department. The year before the formation of the U.N. at San Francisco, Andrew Cordier and Alger Hiss had toured the country promoting the U.N. idea. By 1949 Popper was the officer in charge of United Nations General Assembly Affairs for the State Department. He then became Deputy Director and then Director of the Office of United Nations Political and Security Affairs of the Department of State.

During the years 1952–53, the Senate Internal Security Subcommittee conducted investigations and hearings on "Activities of U.S. Citizens Employed by the United Nations." These hearings disclosed that U.S. Communists had been employed at the United Nations and that the State Department was negligent in allowing this situation to develop. The Committee's report, page 16, states:

"For a period of approximately 3 years—between the time of the formation of the United Nations in 1946 and some time in 1949—there was no safeguard whatsoever, from the standpoint of the United States, against employment by the United Nations of United States citizens who were disloyal to their country, or were actively engaged in espionage on behalf of some foreign power" Alger Hiss, who brought Popper into the State Department, also recommended a list of 200 people for U.N. employment. In the group were found Communists and Soviet espionage agents.

During the period from 1946 to 1953 Popper acted as an adviser to the United States Delegation to the United Nations Assembly. He was the Deputy U.S. Representative to the Conference on the Discontinuance of Nuclear Weapons Tests which conference took place at Geneva 1959–61 and out of which came the Test Ban Treaty which favors the U.S.S.R. Popper was Senior Adviser on Disarmament Affairs for the U.S. Mission to the United Nations 1961–2 which resulted in a program of disarmament of our country which has been carried out ever since.

In 1962 Popper was Director of the Office of Atlantic Political and Military Affairs of the Department of State, and was a member of the U.S. Delegation at NATO Ministers meetings. During 1962 in this capacity he worked with Harlan Cleveland, now U.S. Ambassador to NATO. Both Popper and Cleveland are long-time friends of Alger Hiss. It has recently been revealed that there is a large Soviet espionage ring operating in NATO.

As a result of the espionage cases of Harold Adrian Philby, Donald D. MacLean, Guy Burgess and George Blake, a team of forty British Secret Intelligence agents have been investigating some 120 Americans, according to the Government Employee's Exchange newspaper of Dec. 13, 1967. They are reportedly investigating employees of the State Department, the Foreign Service, the CIA, the Atomic Energy Commission, TVA, NASA, the Defense and Treasury Departments. Philby, the master spy, helped to set up the CIA and had contact with some of the same people with whom Popper was in contact. A confidential source reported Popper to a U.S. Intelligence service as having connections with members of the Soviet Intelligence apparatus. A former high ranking member of the Communist Party USA had advised a U.S. Intelligence agency that he had been informed "Popper is one of us and should be treated accordingly."

That David H. Popper had subversive affiliations was publicly known in 1944, the year before he went into the State Department. The Special Committee on Un-American Activities in their report, Appendix IX, page 1446, under the title (Communist) Party and Party Line Publications explained, "Throughout its existence in this country the Communist Party has made a specialty of propaganda through publications and periodicals." The first such publication listed was AMERASIA, "A review of America and the Far East published at 125 East 52nd St." Thereafter appear the names of the Editorial board with Frederick Vanderbilt Field as chairman, Philip Jaffe as managing editor and David H. Popper as Editorial board member.

Time and again information concerning the background and contacts of Popper came to the attention of the proper authorities but, as an "Untouchable," he was able to remain in the State Department, moving up higher and higher. As we have noted before, the Poppers stay, the Otepkas go. Among the files seized from Otepka's office by his superior, John F. Reilly, one of the conspirators in the "Get Otepka Project," were records of the investigation of the Amerasia Case which involved the theft or unlawful removal of hundreds of State Department documents in 1945. These files pertaining to U.S. relations with China implicated State Department employees. Also seized from Otepka's files were the identities and backgrounds of the 858 persons in the Scott McLeod list. It is understood that orders may have been given to have these files destroyed and this may already have taken place. Unfortunately for the record-destroyers, there are two more copies of this information in safekeeping, and perhaps even copies of the copies.

The Senate Internal Security Subcommittee Report, Part II, dated December 15, 1967 (for release January 9, 1968) states on Page 17:

"In attempting to trace the Otepka files, the subcommittee found that some of the Otepka files went to areas other than the central files. Mr. Crockett, after his testimony informing the subcommittee that the Otepka material was still awaiting a final determination, later sent a letter indicating that destruction of this material was under consideration."

The Otepka Hearings should make it crystal clear to every American that the State Department wants no part of "pro-Americans." While making noises like an American and being praised as a "loyal American," Secretary of State Dean Rusk has bypassed and undermined security procedures and instituted a policy "manifestly contrary to the intentions of Congress." Pro-Soviets are protected and pro-Americans are selected out or put in unimportant jobs where they can do nothing to interfere with the insiders—not even talk to a Congressional committee.

Just as Roy Rubottom and William Wieland were able to conceal the warnings that Castro was a Communist so there are other serious security risks in positions where they can orient our foreign policy along a pro-Communist line. David Popper was well trained in pro-Soviet propaganda by an expert, Vera Micheles Dean, and we may be sure that, working quietly behind the scenes, his name never appearing in the newspapers, he is still unchanged. To the contrary Popper developed a close association with important figures in the Communist Conspiracy and with pro-Soviets both in the State Department and the United Nations. The take-over of one country after another by the Communist Conspiracy has been possible only because of the pro-Soviet policies of "Untouchables" within the Government of the United States.

Secretary Weaver Underlines Importance of Achieving Rural-Urban Balance of Development

---

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. EVINS of Tennessee. Mr. Speaker, Secretary Robert C. Weaver of the Department of Housing and Urban Development in a recent address to the Legislative Conference of the National Association of Counties underlined the importance of rural progress and development in the solution of urban problems.

Secretary Weaver emphasizes that as major as are the problems of our large cities this should not detract from the importance of assisting our smaller towns and cities in programs of growth and progress.

Because of the interest of my colleagues and the American people generally in this matter of rural and urban development, I place excerpts from Secretary Weaver's speech in the RECORD, at this point:

THE OPPORTUNITIES OF URBAN GROWTH

(Address by Robert C. Weaver, Secretary, Department of Housing and Urban Development, Legislative Conference, National Association of Counties, Alexandria, Va., January 23, 1968)

Today public awareness and debate on domestic issues tend to polarize around two problem areas, the core city and rural America.

We hear a great deal about the urban ghetto and its difficult problems of bad housing and unemployment and discrimination. We have seen riots on television and we know the grim facts of crime in city streets.

The problems of rural America have been brought home to us. We know that one-fourth of rural Americans are poor, that one out of three of their homes are substandard, and that their health and educational facilities are seriously deficient.

This awareness and this debate are important and beneficial. As a result, government at all levels is committed to alleviate some of our thorniest problems. In the Federal sector alone, there are programs for poverty, unemployment, low-income housing, and to end discrimination.

The private sector is increasingly responsive to social problems. The business community is becoming involved in job training and industrial development in the ghettos. The insurance industry is putting a billion dollars into housing and industrial development in poor neighborhoods.

One reason for this awareness and activity lies in the emotional appeal of the problems. Poverty and its companions—bad housing, malnutrition, unemployment, despair—all these are urgent human problems which enlist the sympathy of most Americans.

There is also fear. We are on notice in our smouldering urban ghettos that we must act quickly and that our actions must go beyond a welfare check that barely sustains life or plugging a rathole in a slum tenement. This matter is as urgent as it is immediate.

When there are humane matters of starvation and sick children at stake, or the fear of violence, the clock is moving along.

But there is a different timeclock at work in other urban matters.

There is a danger that in polarizing our concerns as we are, we may direct too little attention to the suburbs and the hinterland of smaller towns and cities beyond. And yet these are the places where many Americans now live, where explosive growth is under way, and where many of the decisions affecting our urban future are being decided.

They are matters of interest and urgency to our people and of deep professional concern to HUD and NACO.

They are, in part, the following matters:

Of planned metropolitan development;

Of urban land use planning;

Of new community development;

Of viable intergovernmental arrangements among local governments;

Of educating and training the kinds of specialized and dedicated public servants needed in local government;

Of giving local government, particularly those too small to maintain a diverse staff, the technical assistance and information they need to take advantage of governmental programs.

As you know, these matters do not stand apart, but intertwine and interact. When we speak of planned land use and viable intergovernmental arrangements, we are also discussing metropolitan development and the creation of new communities.

Taken together, they spell growth—community growth, metropolitan growth, urban growth.

Also—unfortunately—taken together urban growth is a haphazard process in this country today.

I am not going to march a parade of horrible examples before you, because you know about them. If you are from urban counties, you live with the problems of urban sprawl, and bad highway planning; and the kinds of instant-blight commercial districts that clutter the crossroads.

If you are from rural counties, you can't help but mourn the loss of your young and ambitious people to the cities, and the slow death of towns which were once both attractive and functional.

Sometimes it is helpful to look at a situation through another's eyes. An English newspaperman, Ian Nairn, wrote last fall about driving around the eastern United States for the first time in seven years. He said: "What struck me most was the degree to which, in that short time, the American landscape had been wrecked."

The most deplorable thing about this is that there is no reason for our countryside to be wrecked.

We talk of population growth and the migration of rural people to the cities. But still our population density is only a small percentage of that in most of Western Europe, and although they have problems also, most European countries have done a far better job of planning their urban growth than we have here.

I think we can all agree on the single most important obstacle to better urban growth, and that is lack of a national land use policy. In this respect we are almost unique among industrialized nations.

As a consequence of this, urban land use is haphazard and usually unplanned . . .

An obvious alternative is statewide or areawide exercise of land use control powers . . .

County governments are in a key position to help discipline urban growth, for reasons with which you are very aware.

You have large geographic size, so you can singly or in compact with other counties play a key role in area-wide planning.

You have direct accountability to your residents, and so you can exercise political leadership.

You have an established legal and political status in Federal-State-local relations.

And counties are increasingly involved in matters which effect urban growth. You are increasingly involved in expressways, airports, parks, pollution control and in such clearly urban services as fire and police protection and water and sewer facilities. You are involved in planning, both singly and in councils of government.

I believe there is also no alternative to quick and positive and concerted action in the problem of urban growth. This is not only a concern of today and ten years from now, but of our whole future. Unless we can change the pattern as it has existed in the past, we will not have a very livable countryside in that future. We at HUD will work together, and fight together with you to accomplish this mission, because we are true believers too.

Vietcong Strategy: Fight During Negotiations

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. DERWINSKI. Mr. Speaker, my attention has just been directed to an article which was written to coincide with the newest outbreak of Communist atrocities in Vietnam. Its objective comment on the motivation deserves our serious attention. The article, by the Very Reverend Monsignor John M. Kelly, editor of the New World, the Chicago Catholic archdiocese newspaper, follows:

VIETCONG STRATEGY: FIGHT DURING NEGOTIATIONS

(By J. M. Kelly)

There are those who feel sincerely that the U.S. should stop the bombing of North Vietnam with no reciprocal cessation of hostilities on the part of the communist forces. It is their feeling that the Viet Cong will think we're being pretty nice about it and will respond favorably. Captured secret documents of the Viet Cong reveal that their stated policy is to fight while negotiating.

According to one of the captured communist documents, peace negotiations will be started only from a position of strength in the military field and will "serve mainly to provide us the groundwork from which to launch our general offensive." A second reason for negotiating is presented: "to expose the enemy's political attack upon us and to show that ours is the just cause and his the unjust."

These thoughts are continued under the heading of definition of strategy: "To have negotiations we must fight more fiercely. Only in such a situation can we authorize negotiations to take place. Then, when we hear that negotiations are about to take place, we must attack the enemy all over the country."

These conditions are already being fulfilled. A great Red troop build-up has taken place at the De-militarized Zone. They are ready for this type of negotiation as soon as our nation weakens to their demands.

Meanwhile, we have their Red comrades in North Korea coming to their aid by their diversionary tactics in pirating an American vessel 25 miles off the North Korean coast in open water. Other North Koreans, guerillas, have recently infiltrated the south and are perpetrating raids. Their admitted purpose is to kill the South Korean president.

Does any of this point to any sincerity on the part of Hanoi and the Viet Cong or any of their friends? If we want to get our boys shot down in a hurry, tell them to lay down their arms, stop the bombing unilaterally, and walk forward slowly with hands extended in friendship. Our enemies will not misfire. Remember, two-thirds of all our Korean war casualties were inflicted while we were at the conference table with the North Korean Reds.

The Late Honorable Edward T. Miller

HON. ROGERS C. B. MORTON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. MORTON. Mr. Speaker, on January 22, it was my sad duty to announce to the House the passing of Hon. Edward T. Miller, of Easton, Md., who served as Representative from Maryland's First Congressional District from 1947 until 1959.

With the simple and impressive services of the Quaker religion, Ted Miller was laid to rest on January 23 in the churchyard of the Third Haven Friends Meetinghouse in Easton. Many Marylanders were there to pay their last respects to Ted, including myself and my colleague, Hon. CHARLES McC. MATHIAS; former Maryland Congressman, Gen. James P. S. Devereux; and the majority and minority leaders of the Maryland House of Delegates, Hon. Thomas Hunter Lowe, of Talbot County, and Hon. J. Glenn Beall, Jr., of Allegany County.

The loss of Ted Miller has been felt deeply by the citizens of the Eastern Shore and all Maryland.

Under leave to extend my remarks I include a resolution of the Maryland House of Delegates, two editorials, and a statement by the former Vice President of the United States, Richard M. Nixon, a close friend of Ted Miller since the days when they both first began their public service together in the 80th Congress:

HOUSE RESOLUTION

House resolution expressing the deep sympathies of the General Assembly of Maryland over the passing of the Honorable Edward T. Miller

The members of the General Assembly of Maryland learned with deepest regret of the passing of the Honorable Edward T. Miller of Talbot County.

Mr. Miller was a former member of the Congress of the United States from the First Congressional District of Maryland. He served in that capacity for 12 years and was an able and outstanding member of the Congress.

Edward T. Miller was born in Montgomery County. He was a graduate of Yale College, a member of Phi Beta Kappa, and an outstanding athlete.

He had military service in both the First World War and the Second World War. In World War I, he attained the rank of Captain and took part in a number of the major offenses in France. After that time, he retained his commission in the Army Reserve and re-entered the service after the outbreak of World War II as a Colonel of Infantry. His major service was in the China Command.

Mr. Miller's other public service included holding the post of Referee in Bankruptcy for a number of Eastern Shore counties and for a period of four years during the 1930's serving as Judge of the Juvenile Court in Talbot County.

In the passing of the Honorable Edward T. Miller, his county, the State of Maryland, and the entire nation have lost an outstanding public servant. He filled a variety of public offices with industry and integrity. In public life, the military service, and the practice of law, he gave of himself without reserve and lived a long and useful life in the highest tradition of American citizenship; now, therefore, be it

Resolved by the General Assembly of Maryland, That the deepest regrets of every member of this body are expressed over the passing of the Honorable Edward T. Miller of Talbot County; and be it further

Resolved, That the Secretary of State of Maryland is requested to send copies of this Resolution to the surviving family of the late Mr. Miller, c/o Mrs. Edward T. Miller, Easton, Maryland.

JAMES P. MAUSE,
Chief Clerk.

[From the Salisbury (Md.) Daily Times, Jan. 22, 1968]

EDWARD T. MILLER

Edward T. Miller, the man who broke a long Democratic hold on the Eastern Shore congressional seat and held it for 12 years, was a great deal more than a Republican who managed that feat.

He had served his country in both wars, engaging in front line campaigns in France in World War I and principally in the China-Burma-India Theater in World War II as a liaison between the Chinese and U.S. Gen. Joseph Stilwell.

In Congress he was a conservative, a trait which appealed to independent Eastern Shore voters who sent him to Congress six times even though the Democratic registration outnumbered that of his own party by two to one. His defeat in the election which turned him out of office was by only 718 votes.

He was not a native Eastern Shoreman, but he came to Easton to live as a young man and there's where his career of a service to his adopted area began. Illness had interrupted his services as a delegate to the Constitutional Convention.

His death on Saturday takes from the Maryland scene a wise, gentle and conservative voice.

[From the Chestertown (Md.) Kent County News, Jan. 24, 1968]

TED MILLER

Edward T. "Ted" Miller, the former Congressman who died last Saturday, was one of a breed all too rare—a non-native who became a typical Eastern Shoreman. Indeed, it was not until his death revealed his birthplace that most did not know he wasn't "bred and born" in the land he loved.

As the man who ended a 40-year drouth for Republicans in the First District seat in Congress, he made Eastern Shoremen realize that it wasn't necessary to have "Democrat" after your name to do a serviceable job in representing the area.

And that is one thing he did do in the 12 years he was the Eastern Shore Representative—give service to his constituents. No problems were too large, none too small to gain his attention, as the hundreds he helped will attest.

He was proud to be a "Shoreman", even by adoption. May his tribe increase.

STATEMENT OF HON. RICHARD M. NIXON

Ted Miller was one of Maryland's and the nation's most able Congressmen. He was one of my closest personal friends and I valued his wise counsel during the years I was in Washington.

Mrs. Nixon joins me in sending our deepest sympathy to the members of his family.

Equal Time for Supporters of Servicemen in Vietnam

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. LEGGETT. Mr. Speaker, I recently received a report about the activities of a group of Federal employees in

San Francisco who communicate with our servicemen in Vietnam for purposes of showing their support.

I bring this matter to the attention of my colleagues because usually the war protestors get primary coverage. My constituency represents both sides. In keeping with the spirit of the Federal Communications Commission's equal-time doctrine, I offer the following to provide a measure of equal time in behalf of the proponents.

The Employee's Association, an independently financed group at the Veterans' Administration regional office in San Francisco, initiated the project of writing to servicemen in certain units in Vietnam and last Christmas these servicemen received a flood of letters and Christmas cards. One employee sent over a hundred cards.

Through these letters they determined what items were lacking or difficult to come by, which, if obtained, would make things a little more comfortable for the soldiers. As a result they sent a variety of items to soldiers in Vietnam, including a quantity of recording tape to be used for recording individual messages to be sent home.

While we all recognize that the U.S. Army diet is the best in the world, it does not contain some of the nice-to-have luxuries to which most Americans have grown accustomed. The association determined from servicemen in one of the units in Vietnam what food items not in the Army diet, they would like. The association is now in the process of dispatching several cases of individual servings of canned food to meet this need.

A report I have received from Mr. Gordon R. Elliott, manager of the Veterans' Administration San Francisco regional office, indicates that association members have received many heartening responses which indicate that their efforts are appreciated and worthwhile. I would also like to commend both Gordon Elliott and the Employees Association for their thoughtfulness and humanitarian concern.

T. Howard Duckett: Captain of Growth

HON. HERVEY G. MACHEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. MACHEN. Mr. Speaker, if there ever was a single man who shaped the destiny of what is now one of the fastest growing counties in the United States, that man was T. Howard Duckett.

If ever there was a single man who shaped a Democratic Party in what is now the largest county in Maryland and the only one without a single elected Republican, that man was T. Howard Duckett.

Mr. Speaker, it will be many years before the historians of Prince Georges County will be able to compile a comprehensive catalog of all that T. Howard Duckett did for his county in government, business, and politics. I am certain from knowing Mr. Duckett, from observing his work, that such a catalog of accomplishments will be unmatched by any other individual in Prince Georges County.

I feel that one of the most objective tributes to Mr. Duckett was an editorial in the Washington Post on December 5, 1967, which I insert at this point in the RECORD:

> [From the Washington Post, Dec. 5, 1967]
>
> T. HOWARD DUCKETT
>
> Suburban Maryland had not yet emerged from its turn-of-the-century slumber when T. Howard Duckett began his long career as a lawyer, banker and wielder of hidden power. He sensed, however, that growth would come and transform the suburbs and that it offered great opportunities, both for public service and private gain. He led in the establishment of the regional park and planning agencies which made so much of that growth possible and bearable; his early championing of regionalism stands out now as a beacon of enlightenment in a sea of sprawl.
>
> In Mr. Duckett's view, political calm was essential to economic growth and, in a behind-the-scenes style appropriate to him, he undertook to ensure that calm; never an elected official, he long helped steer the local Democratic organization. Later generations of Marylanders drew a sharper distinction between business and politics and rejected his attempt to spare economic life from public oversight. By then, Mr. Duckett, somewhat bemused, had retired from the corridors of political power to his various board rooms. His death, at 87, deprives the suburbs of one of the great captains of their growth.

Guaranteed Insured Loan Program

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. SCHEUER. Mr. Speaker, since the passage of the Higher Education Act of 1965, the Federal Government has increased all forms of institutional support. More and more young people who once could not have considered the possibility of higher education are now in residence on our campuses.

New buildings are rising on these same campuses supported by Federal dollars; new laboratories and laboratory equipment, new libraries, new books and all kinds of sophisticated educational hardware are enriching student lives all over the Nation. Withal, our student support programs have not kept up with the rising cost of post-secondary education. Qualified and motivated students are still barred from post-secondary education by mounting education costs. It is time to extend our student support upward, to provide educational opportunity for those students who are not from impoverished families, but from families whose annual income—under $15,000—cannot encompass the burden of full tuition support without assistance.

I urge passage of the guaranteed insured loan program which President Johnson has proposed to Congress. Under this program, loans will be made available through private banks and institutions and guaranteed by the Federal Government.

Congress should pass the guaranteed insured loan program, as amended, to help maintain the steady march toward equality and educational opportunity.

Operations Research and the U.S. Congress—WORC–TIMS Meeting

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. McCLORY. Mr. Speaker, quite recently I had the opportunity to participate in a most significant meeting which took place in the chambers of the House Committee on the Judiciary. The occasion was a joint meeting of two prestigious professional organizations, the Washington Operations Research Council—WORC—and The Institute for Management Sciences—TIMS. The topic of discussion, never before considered by a gathering of legislative branch personnel and leading figures of the operations research systems analysis area of endeavor, was "Operations Research and the U.S. Congress."

The importance of this milestone session should not be overlooked by the Members of the Congress. Increasingly, there is a growing awareness that new tools and techniques must be discovered and applied in handling many of the decisionmaking functions of the individual Congressmen and the various committees of the two chambers. Systems technology, with its array of proven man-machine procedures, automatic data-processing devices, and mathematical models, offers the forward-looking legislators a capability which they can put to good use.

I have introduced a bill, H.R. 21, and have been supported in this endeavor by 15 House Members on a bipartisan basis, which calls for the establishment of an automatic data-processing facility to support the Federal Congress. In my remarks before the joint WORC–TIMS membership, which were entered in the January 29 CONGRESSIONAL RECORD—pages 1322 to 1324—by my good friend and colleague, TOM RAILSBACK, I emphasized the many ways in which the systems approach could be utilized in our day-to-day operations. The burden remains upon us, as a moving force of leadership in American society, to harness systems technology whenever it will benefit us to do so.

Sharing the platform with me at the January 17 meeting was Robert L. Chartrand, who serves as the information sciences specialist for the Legislative Reference Service of the Library of Congress. Commentary on his presentation and my speech was offered by Dr. Robert N. Grosse, Deputy Assistant Secretary—planning and evaluation—of the Department of Health, Education, and Welfare, and Dr. Alfred Blumstein, a longtime senior figure in the operations research community who is associated with the Institute for Defense Analyses In addition to commending these gentlemen for their meaningful contributions on the subject of congressional use of systems technology, I should also like to thank Winston Riley III, president of WORC, and Dr. William Dorfman, president of TIMS, for their thoughtfulness and excellent planning of the evening seminar.

At this time, I include Mr. Chartrand's talk in order that all of my colleagues may have the opportunity to learn more about the progress being made in adapting modern technology to the needs of this governing body:

OPERATIONS RESEARCH AND THE U.S. CONGRESS—SPONSORED BY THE WASHINGTON OPERATIONS RESEARCH COUNCIL AND THE INSTITUTE FOR MANAGEMENT SCIENCES, JANUARY 17, 1968

(By Robert L. Chartrand)

INTRODUCTION

"Decisions will continue to come as they should from the political process in which social and economic change leads to conditions in which value judgments will always be as important as quantitative methods."

DAVID NOVICK.

The significance of this assemblage, comprised as it is of Congressional personnel and members of two prestigious professional organizations, the Washington Operations Research Council and the Institute for Management Sciences, merits more than cursory comment. In keeping with the tradition of the operations research community to "pioneer" new activities, it was determined that a closer rapport must be effected between the legislative decision-makers and those who create, test, and apply the new tools and techniques of our age.

As is so often the case—and this is equally true in government, industry, and the academic realm—the busy executive rarely feels that he can take time to examine closely those innovative methods and devices which *might* allow him to function more effectively. Our honored speaker, Representative Robert McClory of Illinois, has taken note of the evermounting burdens imposed on the Congressional staff, and has pointed out that:

". . . We must move to harness the technological forces that can provide us with the wherewithal to function more effectively as public servants."[1]

The pressures upon the Federal Congress often are a magnification of the unprecedented pressures upon our civilization. We do not live in an age noted for simplicity nor a leisurely *modus vivendi*. The American society of the 1960 decade epitomizes change . . . change in working, playing, planning, interrelating. And what is the role of the member of Congress as institutions, legal codes, ethics and mores shift in unpredictable patterns?

The Congressman must fulfill at least three basic roles: as a legislator who must concern himself with issues of international and national importance; as the elected representative of a state or district with direct responsibility for its welfare; and as an untitled ombudsman, accessible to each constituent with a problem.

The plethora of public and private problems, reflected in part in the 20,387 bills and resolutions introduced in the two chambers of the Congress during 1967,[2] is a tangible manifestation of our complex society. Since dozens of major issues must be considered, the individual members must attempt to obtain basic information regarding the content of a bill, its sponsors, status, debate or hearings scheduled or held, and when possible any peripheral information concerning the urgency of the matter and which elements of society are to be affected by its passage.

As Congressional staffs labor to handle the mounting flood of correspondence—which may number a few thousand letters on a given day—and numerous visitors, as well as providing impromptu responses to countless telephone requests, the plea for better methods of operation seems reasonable.

Potential areas for utilizing operations research, systems analysis and automatic data processing might be categorized as follows:

(1) *Support of legislative decision-making*. The need for highly selective information on discrete subjects is very critical. Information that is timely, accurate, complete, and relevant is a *must* if the member is to function competently. Included may be information on pending legislation, topical research, authorization and appropriations data, and information on past and current committee activity.

(2) *Preparation of legislation on public problems*. The legislator of today is being drawn into many local or regional problem determinations because of the role which various Federal agencies fulfill in providing funds or technical assistance to state and local governments. Adapting systems technology to a new problem area, and attempting to provide for this approach in proposed legislation, is a new experience for most Congressional offices. Also, provision must be made, in many cases, for information exchange between governmental units, and this too may be contained in suggested legislation.

SUPPORT OF LEGISLATIVE DECISIONMAKING

For several years, academicians, practical politicians, and industrial analysts have pondered the dilemma of the Federal decision-maker. Indeed, the Congress itself formed a Joint Committee on the Organization of the Congress—sometimes called the Monroney-Madden Committee—which explored ways and means of increasing the effectiveness of the Congress; the final report of the committee was incorporated into S. 355 which passed the Senate during the 1st Session of the 90th Congress and now awaits action by the House of Representatives.

Among the noteworthy written material treating the subject of Congressional performance and possible solutions are such volumes as Richard Bolling's *House Out of Order*, Joseph S. Clark's *Congress: The Sapless Branch*, and *Congress, Its Contemporary Role* by Ernest S. Griffith. Specific consideration of utilizing systems techniques and automatic data processing is featured in monographs by James Robinson, Charles Dechert, and Kenneth Janda in *Congress: The First Branch of Government*. The Arthur D. Little Company management study of the Congress has appeared in book form as *Congress Needs Help* (by Philip Donham and Robert Fahey). Finally, the Republican Task Force on Congressional Reform and Minority Staffing published a volume entitled *We Propose: A Modern Congress*.

Several years ago, Vice President (then Senator) Hubert H. Humphrey identified a requirement for the Congress to avail itself of modern equipment and information handling techniques.[3] It was not until late in the 89th Congress, however, that the first bill was introduced which called for the creation of an automatic data processing facility to support the Congress. Representative Robert McClory, the author of this bill which now appears as H.R. 21 (in the 90th Congress), has support for his proposal from House members of both parties. This bipartisan group believes that action must be taken at once to provide a computer-oriented capability which can aid the Congressman and his staff in numerous legislative and administrative action areas.

In order to add impetus to the McClory plan, Senator Hugh Scott of Pennsylvania introduced an amendment (No. 63) to the Legislative Reorganization Act of 1967 (S. 355) which was in essence the same plan for an ADP facility for Congress. The amendment was adopted and retained in the final Senate version of the bill.

While Representative McClory and his colleagues identified more than a dozen possible applications (see Figure 1) the computer and management science techniques in statements in the *Congressional Record*, press releases, and elsewhere, an informal priority was given to the expedited handling of Federal budgetary data, synoptic information on bills and resolutions before the two chambers, and gaining access to machine-readable information which exists today in many Executive Branch agencies.[4]

CANDIDATE APPLICATIONS FOR CONGRESSIONAL USE OF ADP AND THE SYSTEMS APPROACH

Legislative functioning

Status of pending legislation.

Current schedule of committee and subcommittee activity.

Authorization and appropriations data.

Topical research information and statistical data.

Computer-oriented index of Congressional documents.

Pre-vote information on major issues.

Post-vote analytical information.

Information on Federal contract awards.

Administrative functioning

Histories of committee and subcommittee activity.

Lobbyist activity information.

Constituent interest file.

Constituent correspondence file.

Congressional payroll accounts.

Current Congressional telephone book.

Within the Legislative Reference Service of the Library of Congress, implementation of the computerized handling of "Bill Digest" information has begun. Four Administrative Terminal System (ATS) units are in use, within the American Law Division, as bill synopses are entered and communicated via telephone lines to a remote computer. These devices allow placement of selected data in a computer, and the recall of this data for editing or printout purposes. In the near future, the magnetic tape produced will be delivered to the Government Printing Office where the new "Linotron" system utilizes magnetic tape in offset printing machines.

A concurrent activity within LRS which will aid Congressional staff members and LRS researchers alike is the placement of structured bibliographic citations, annotated, and organized by author and subject on paper tape (using Dura machines) for later transfer to magnetic tape form. In this system bibliographic cards can be prepared for dissemination to Congressional offices on the basis of expressed "profiles" of interest. Projected for the future will be the development of a capability for producing, according to several retrieval parameters, specially correlated information on either an *ad hoc* or regular (e.g., bi-weekly) schedule.

The Office of the Clerk of the House of Representatives also has been working to develop improved means of acquiring, formatting, processing, and retrieving various types of data related both to housekeeping and legislative functions.

PREPARATION OF LEGISLATION ON PUBLIC PROBLEMS

The age-old problem of communication between disciplines often has arisen as technologists or Congressional members seeking to introduce measures calling for the use of the systems approach have attempted to convey the gist of the new methodology to other legislative personnel. Terminology has become a matter of soul searching, dispute, and prolonged debate. An example of this was an amendment (H.R. 12048) to the Foreign Assistance Act of 1961 which included emphasis on "strengthened management practices;" among the Administrative Provisions may be found this wording:

"The Congress believes that United States foreign aid funds could be utilized more effectively by the application of advanced management decision-making, information and analysis techniques such as systems analysis, automatic data processing, benefit-cost studies, and information retrieval."[5]

Footnotes at end of speech.

Difficulty in perceiving the full impact of this phraseology by some Congressional conferees led to its deletion, after extended discussion. Nonetheless, an acute awareness of the need to orient and educate Congressional members and staff regarding the background, role, and essential elements of systems technology is growing "on the Hill."

For the past few years, the enormity of a new set of problems facing the nation has come into focus. Federal legislators have listened to expressions of alarm and calls for action by constituents who view such problems as air and water pollution, natural resources decimation, solid waste disposal and increasingly disrupted transportation with dismay.

Several Congressional committees charged with cognizance in these and other areas of public welfare have commenced seeking solutions and have found that in many instances new approaches to problem solving are needed. Technological advance has brought accompanying problems; the advent of faster, more powerful machines and techniques has not been an unmixed blessing. And the problem is not limited to the United States alone. The Lord Snow, in commentary upon the impact of computer technology, had this to say:

"We must get the idea of what is happening to us because of the computers, and of what is going to happen, right into the open world of the Congress and of Parliament; for it is their duty not to be supine, not to be just carried along dumbly by the technological tide." [6]

The leadership of the country has come to realize that our resources are not inexhaustible, that nature's corrective patterns no longer can restore the purity of streams or of air about the metropolitan areas, and that new solutions *must* be discovered and tested. Among the proposals developed by individual Congressmen is the concept for establishing a National Commission on Public Management. Introduced by Representative F. Bradford Morse of Massachusetts as H.R. 20 in the 90th Congress, this plan has been endorsed by nearly 50 members of the House of Representatives. Similar legislation (S. 467) has been introduced in the Senate by Senator Hugh Scott and several colleagues. The mandate of the proposed National Commission would emphasize two major points:

(1) to collect and analyze information about the application of systems techniques to nondefense, nonspace, public problems and

(2) to develop programs which would use these techniques to solve specific problems.[7]

Expressing concern about the same range of problems, Senator Gaylord Nelson of Wisconsin introduced in the 90th Congress (as S. 430) his "Scientific Manpower Utilization Act" which places emphasis on the need to utilize systems analysis and systems engineering in conjunction with optimum allocation of scientific and engineering manpower in striving to overcome the diverse public problems. Senator Nelson's bill calls for the award of grants-in-aid to states or arrangements with universities or other private sector groups "for the purpose of causing the systems analysis and systems engineering approaches to be applied to national or local problems." [8] Senators Scott and Nelson at present are striving to effect a joint approach to the problem, since both agree that this is not a partisan issue.

Environmental pollution, a nemesis to many in positions of responsibility at the local, state, and Federal levels, is a candidate for the application of systems technology. The House Subcommittee on Science, Research, and Development (Representative Emilio Q. Daddario of Connecticut, chairman) issued this statement on the subject:

"To place pollution abatement on a comparable basis with other national technology programs, systems analysis and management capability should be established within the Federal Government. This approach should be used along with the 'planning, programming, budgeting' technique to organize both near and long term Federal research and operational efforts in pollution abatement".[9]

Some Congressional criticism has been leveled at the lack of research and development monies made available for providing new tools and techniques in such areas as sewage treatment, pollution control, urban renewal and expansion, and transportation planning. The House Subcommittee on Research and Technical Programs (of the Committee on Government Operations) chaired by Representative Henry S. Reuss of Wisconsin has been critical of the imbalance, which still is evident in that 84% of the projected Fiscal Year 1968 R & D funds will be absorbed by the Department of Defense, the National Aeronautics and Space Administration, and the Atomic Energy Commission.[10]

Senator Edward Kennedy has cited another problem area where a new approach is needed. In S.J. Res. 110 (in the 90th Congress) he signifies the need for "a study and investigation of information service systems for States and localities" and underscores the fact that:

". . . scientific advances in computer and information retrieval technology represent a major new capability which may have important applications to the development of a modern intergovernmental information system".[11]

Finally, steps have been taken to urge the utilization of "objective, scientific, and empirical analysis" [12] in assessing all Federal programs. The selected mechanism for this, as contained in Representative Charles E. Goodell's bill (H.R. 12291) is the proposed establishment of an Office of Program Analysis and Evaluation and a Joint Committee of Congress on Program Analysis and Evaluation. Representative Goodell and several cosponsors believe that strong controls are needed in order to ensure maximum results, as expressed in terms of costs and effectiveness, from the full spectrum of Federal programs.

SUMMARY

It may be seen that the Legislative Branch has begun to grasp the importance of knowing more about the systems approach: what it is, where it might be applied, its value vis-a-vis traditional modes of operation, and its possible impact on existing institutions and patterns of living. Gradually, the terms which describe various facets of the methodology are creeping into press releases, legislation, and private conversation: operations research and analysis, simulation and modeling, symbolic logic, queueing theory, econometrics, systems management and planning, and the many aspects of automatic data processing.

The problems of the nation must be met and overcome. Experience has shown that systems technology can provide valuable aid in selected areas of activity. Both public and private groups are moving to avail themselves of these devices and procedures which can comprise the capability needed to maintain our national viability. The combined efforts of skilled decision-makers, innovators, and systems specialists—possessing the acumen and proven performance of those in this audience—will preserve the heritage and enhance the future of these United States.

FOOTNOTES

[1] McClory, Robert. An automatic data processing facility to support the Congress. Remarks in the House. CONGRESSIONAL RECORD, vol. 112, pt. 20, p. 27825.

[2] CONGRESSIONAL RECORD. [Daily ed.] (Washington), v. 113, January 5, 1968. p. D1139.

[3] Humphrey, Hubert H. The computer revolution—address by Senator Humphrey before the Eastern Spring Computer Conference. Remarks in the Senate. CONGRESSIONAL RECORD, vol. 110, pt. 7, pp. 9074–9076.

[4] U.S. Congress. House. Committee on Government Operations. Special Subcommittee on Invasion of Privacy. The computer and invasion of privacy. Hearings before the Special Subcommittee. (89th Cong., 1st Sess., July 26–28, 1966). Washington, U.S. Govt. Print. Off., 1966. Appendix 1, p. 209–253.

[5] U.S. Congress. H.R. 12048. A bill to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes. (90th Cong., 1st Sess., August 2, 1967). p. 38.

[6] Snow, C. P. Government, science, and public policy. *In* Science, v. 151, February 11, 1966. p. 653.

[7] Morse, F. Bradford. Private responsibility for public management. *In* Harvard business review, v. 45, n. 2, March/April 1967. p. 8.

[8] U.S. Congress. Senate. Committee on Labor and Public Welfare. Special Subcommittee on the Utilization of Scientific Manpower. Scientific manpower utilization, 1967. Hearings before the Special Subcommittee (90th Cong., 1st Sess., January 24, 1967). p. 3.

[9] U.S. Congress. House. Committee on Science and Astronautics. Subcommittee on Science Research, and Development. Environmental pollution—a challenge to science and technology. (89th Cong., 2nd Sess., House Report, committee print, 1966). p. 7.

[10] Preliminary statistics provided by the National Science Foundation, January 1968.

[11] U.S. Congress, S.J. Res. 110. A Joint resolution to authorize a study and investigation of information service systems for States and localities to participate more effectively in Federally assisted programs and to provide Congress and the President with a better measure of State and local needs and performance under these programs. (90th Cong., 1st Sess., August 30, 1967). p. 2.

[12] U.S. Congress. House. H.R. 12291. A Bill to establish an Office of Program Analysis and Evaluation and a Joint Committee of Congress on Program Analysis and Evaluation. (90th Cong., 1st Sess., August 10, 1967). p. 4.

Letter From Michael D'Angelo

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. DANIELS. Mr. Speaker, sometimes all of us in this House and in the other body too tend to become a little isolated from those whom we represent. The voice of the people is sometimes heard only faintly.

For this reason, I would like to ask unanimous consent that a very eloquent letter from a constituent of mine be inserted in the RECORD following my remarks. I think that all Members of this House and all who read this RECORD can learn much from a young sailor from Secaucus, N.J., named Michael P. D'Angelo.

Mr. Speaker, I think that this young man speaks for a whole generation of Americans whose lives are shaped by the decisions that are made here in the Congress. I think his words have special value to all of us.

The letter follows:

U.S. NAVAL COMMUNICATIONS,
Box 67, FLEET POST OFFICE,
Yokosuka, Japan, January 24, 1968.

DEAR CONGRESSMAN DANIELS: Sir, I am an enlisted man serving in the Navy here in Yokosuka, Japan.

The reason for my writing this letter is because I am deeply hurt inside. The hurt, is in one way, in that I am an American and the American flag was stepped on yesterday by the North Koreans. I consider myself a part of that flag and accept it for whatever it stands for.

The other reasons for my being hurt is that I wear the uniform of the United States Navy. My shipmates and countrymen were taken prisoner and one of my ships boarded and captured.

Sir, I am proud of my uniform and proud of my country. I am prepared to die for either one at any time. It is because of this pride that I, as an American, cannot and will not sit back and let my country be treated like this. It is because of this pride that I ask you to institute immediate action to get the USS Pueblo and her men returned into United States hands, whether this action be forceful or otherwise.

Thank you for your time and your consideration of my letter.

Sincerely,

MICHAEL P. D'ANGELO,
RMSN 9154901 USN.

The Syndrome of Disintegration

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. DERWINSKI. Mr. Speaker, I am convinced the fundamental long term danger to the United States is in the dangerous views which dominate the State Department and which hold that communism is legitimately mellowing, while the Soviet Union grows to an even greater effective state. A very thoughtful commentary on the significance of disintegration of the Soviet dictatorship was carried in the Hairenik Weekly on February 1. The editorial follows:

THE SYNDROME OF DISINTEGRATION

At least one contemporary historian, we know, has predicted that the utter dissolution of the Soviet regime in Russia will come from within and not as the result of aggression from without.

The truth of the second aspect of this prediction seems to be universally accepted by the present day diplomats who apparently are convinced that no power on earth can overthrow the Soviet regime from without, or if an attempt is made the error of the century will inevitably result, they say, in a nuclear clash which will devastate the whole world and destroy civilization.

However, interestingly enough, indications of the truth of the first aspect of the historian's prediction are already in the making. There are countless worries and apprehension smouldering in the internal life of the Soviet Union, especially among the upper party echelons, visible to a tangible degree by the people, which is beginning to worry the government.

There is, also, a common front in formation, directed against the regime which the Bolshevik leaders cannot as yet clearly define. A dark, clandestine force seems to hover over the masses and is gnawing at the roots of the social structure, inciting popular indignation.

The recent trial of the four writers and the subsequent noiseless demonstrations and the expressions of protest and violent indignation have begun to worry the government. Promising and brilliant young writers, the communist youth fearlessly have defied the government, and to imagine that one of the promoters of this commotion is none other than Pavel Litvinov, the grandson of the one time Soviet Foreign Minister and the representative of the third generation.

The concern of the Bolshevik leadership stems from the fact that the condemned young writers are among the most loyal and law-abiding citizens of the Soviet regime. They base their right to dissent on the articles of the Soviet Constitution and they claim their demands are both necessary and in keeping with the spirit of progress and development of the country. They insist that their stand is designed not primarily to overthrow the government but to further consolidate it with the benefits of freedom and justice. One of the condemned youths openly declared that the former Russian revolutionaries who were persecuted, imprisoned or exiled to Siberia, endured their ordeals for the same reason. They are satisfied that they are sharing the same fate for the same cause.

The milling concourse around the court building were openly shouting their protest that, if the accused four youths were really guilty, why was it that their trial was being held behind closed doors. The public was denied this right of an open trial because, in truth, the government is no longer sure of its authority and because it is terrified by the specter of freedom and justice. It tries to apply the Stalinian methods of intimidation and terror, but without extremism or deviating from the socialist legality. But, unfortunately for the Bolshevik leaders, moderation and discretion toward the youth, instead of bringing them to sanity, further exacerbates their zeal, initiative and intransigence, whereas, the Stalinian methods is more likely to aggravate the present discontent into open rebellion. Under the circumstances the government as yet has no clear cut policy toward the rising youth.

The Soviet official organ, Pravda, deplores the moral decline of the young people and the prevailing lack of faith, and it ascribes this sad state of affairs to the ravages of "imperialistic propaganda." Pravda, of course, knows well that the charge is fictitious and is a mere effort of shifting the responsibility on to others.

The fifty year labor to create the "new Soviet man," to educate the youth in the Leninian ideology and communist morality has failed to such miserable extents that capitalism and imperialism are now being held accountable for the communist failure.

Instead of blaming capitalism for the major failures of communism in action, the Soviet will do well to seek the decaying worm in the very structure of its being.

The Soviet avoids this because it is afraid of the truth.

Twenty-five Years With Aerosol

HON. HERVEY G. MACHEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. MACHEN. Mr. Speaker, in 1968, the people of the United States will complete 25 years of free use of a public patent on the aerosol. It was developed by Lyle D. Goodhue and William N. Sullivan, U.S. Department of Agriculture scientists, at Beltsville, Md., and patented in 1943. Both industry and consumers have made the most of this gadget.

It was 1941 when the USDA scientists discovered an effective and convenient way to dispense pesticides to kill insects in buildings and other enclosed areas. The insecticide was dissolved in a liquefied gas held under pressure in a small metal container and released through a valve into the air as minute particles. This fine suspension of insecticide in the air was called an aerosol.

When the United States entered World War II, the scientists persuaded the Army to adopt these bug bombs—at first filled with pyrethrum extract and sesame oil, and later with prethrum and DDT—to protect our Armed Forces from insects in barracks, tents, foxholes, and aircraft. Over 40 million of the aerosols were used, and their effectiveness in killing disease-carrying insects saved the lives of many of our troops.

After the war, insecticidal aerosols immediately came into civilian use. Low-pressure aerosols developed by industry and USDA made possible the use of cheap, light-weight cans for the bombs. They proved valuable for the application of insecticides to greenhouse plants and for insect control in the home. Continued work by the Department's Agricultural Research Service has resulted in more efficient valves and other improvements.

The success of insecticidal aerosols was so great that the idea was adopted by industry for the dispersal of a great variety of products. Aerosols soon found their way into the kitchen, the medicine chest, and the world of fashion and beauty.

Today, a quarter of a century since this product of agricultural research was patented, the dispensers are a $2 billion industry annually. More than 300 different aerosol products are available, including hair sprays, dessert toppings, paint, a spray bandage for cuts and wounds, repellants for dogs, sharks, rabbits, and snakes, new-car odor for used cars, fish lure, and a preventive for bathtub slips.

Captain Witherspoon Speaks to Unity

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. CAREY. Mr. Speaker, I am privileged to submit for the RECORD a singular event that occurred in New York State on Sunday, February 4.

An outstanding leader in the Masonic order, Capt. Maurice M. Witherspoon, was the featured speaker at a well-attended assembly of the Knights of Columbus. This event has historic importance in that Captain Witherspoon was the first Masonic leader to address the Catholic order of the Knights of Columbus.

It has been my privilege to listen to Captain Witherspoon on several occasions. His addresses and invocations at such important events as Memorial Day and Loyalty Day parades are well known to veterans of the New York metropolitan area.

I am pleased to submit the account of this exercise in unity, followed by the text of Chaplain Witherspoon's address, for insertion in the RECORD at this point:

CAPTAIN WITHERSPOON SPEAKS AT ANNUAL CORPORATE COMMUNION BREAKFAST FOR THE NINTH NEW YORK DISTRICT, KNIGHTS OF COLUMBUS, FEBRUARY 4

Captain M. M. Witherspoon well-known hero of World War II, was the featured speaker at the Annual Corporate Communion Breakfast of the 9th New York District, Knights of Columbus, held Sunday morning, February 4, at the New Hyde Park Inn, 215 Jericho Turnpike, at 8:45 a.m., following a Mass celebrated in the Holy Spirit Church, 500 Jericho Turnpike, New Hyde Park, at 7:45. This was the first time in the history of Long Island that a Masonic Protestant Chaplain has addressed the Knights.

Captain Witherspoon worked during World War II in the Navy with the Past Faithful Navigator, John R. Strachan, Levittown, of the Ninth District, Saint Isaac Joques, S.J. Province, of Knights of Columbus and made thousands of Catholic friends in the service.

During the past 22 years since World War II Captain Witherspoon has worked diligently to bring about better relations between the Knights of Columbus and the Masonic Fraternity. He has arranged for bowling and soft-ball competition, as well as other sports and general get-togethers in almost every part of the State. More especially the Knights worked with the Masons in a great demonstration at this summer's baseball at the Mets-Dodgers game where 20,000 Knights and Masons turned out en masse at Shea Stadium. He was also instrumental in having the Knights parade with the Knights Templar at their annual celebration and convocation at the Riverside Church.

KNIGHTS OF COLUMBUS AND MASONS WORK ON THE FORCES THAT UNITE

LET'S FOCUS ON THE FUTURE

The fact of my being with you this morning points the way to the dawn of a new day—tomorrow. Strong winds of change, blowing from the battlefields of World War I, W.W. II and the Korean and Vietnam conflicts, have carried me, a Protestant Chaplain, to this platform. Chaplains and servicemen were the first to experience ecumenism. When the chips are down, when the moment of truth comes, it is "God" to whom we turn, regardless of the rituals of our churches.

GOD, A UNIFYING CONCEPT

Of all the forces that unite Knights and Masons, "God" is the keystone. All of the lofty cathedrals, the great paintings and sculpture created by the Roman Catholic Church, were all "for the glory of God." Memorable was the young Catholic guide's describing of the magnificent Cathedral of Toledo, Spain, to touring Americans: "On Easter morning," she said, "with the sun pouring through the stained glass windows, reflecting lovely color on the lofty pillars, the candles lighting the exquisite carvings, the robes of the clergy, the flowers, the incense, the music, the reverence of the devout, one feels the Glory of God."

In a simpler way, one senses the Glory of God and His Presence in the open Bible laid on the altar of every Masonic Lodge room—the Eye of God in every Masonic painting, the spirit of God in the heart of every Mason as he opens Lodge, attends Go-to-Church service, lays on the bier of a fallen brother a sprig of Acacia, symbol of the resurrection.

In whom do you put your trust? and the answer always comes back: "In God."

Since we agree on this—that God is our strongest unifying force, let us try to enlarge our concept of God. When I read the slogan, "God Is Dead," I always wonder just what God means to that sign carrier. Who among us can define what our personal idea of God is?

Suppose we drop for a moment our preconceived idea of God, and meditate on the Biblical promises, "I shall make all things new." Let's start with a fresh look—not down, but upward where the starry pavilions lie. Let us survey the vast universe that stretches to infinity—the sun, the moon, the stars, the planets, each in its own orbit—What divine order! Let us regard the seasons with the same imagination as the Chinese, who loved to paint the fruits and flowers and birds of winter, autumn, spring and summer. What delight as we view the kaleidoscope—the plum blossom to the poinsetta; the tangerine to the winter pear—for our enjoyment and nourishment. The summer beaches, the winter snow—and always the glorious spring returns with its promise. What an orderly procession. Oh, God, how great Thou art! How worthy of our reverence, wonder and respect!

But God is not only awesome—what greater proof have we of His love—than the sacrifice of His only begotten Son? We who have lost sons or relatives in these cruel wars, can identify with the sorrow of God. Knowing His compassion for a world that needed to be cleansed by the blood of the Lamb, can we not feel the necessity for action against man's enemies: war, crime, poverty, disease and apathy?

The most exciting, revolutionary, inspiring story I have read in many years—a focus on the future—appeared in the New York Times on January 17, 1968—"Vatican Extends Protestant Ties"—The Vatican and World Council Set Up Economic and Peace Units. A Vatican official disclosed that the Vatican and the World Council of Churches have established three joint working committees in the areas of world economic development and peace, reported Edward B. Fiske in the Times.

Previous cooperative efforts have been limited to the study of relations between the Vatican and the Council and to an examination of the problems involved in intermarriage.

But now the three working groups, each of which will have 20 members, will establish joint programs in a specific area of common interest. They will deal respectively with doctrine on social issues, world cooperation on social and economic development, and international political institutions and peace.

The commission on economic development would be constituted in Beirut, Lebanon, in April, when the Vatican and World Council (which represents more than 200 Protestant and Orthodox denominations) will hold their first joint study conference on the economic gap between nations.

The other committees will be filled later this year, the Vatican official said. The first joint office of the Vatican and the World Council probably will be situated in Geneva, where the Council has its headquarters. Priority work will be in the area of economic development.

EDUCATION PROGRAM SET

In a related development, the Most Reverend John J. Dougherty, Chairman of the United States Commission on World Justice and Peace, announced the beginning of an education program to "arouse American Christians to their responsibility for promoting justice, development and peace." Initial plans call for a week-long study conference late in June in St. Louis in collaboration with St. Louis University, a Jesuit institution. Expected are 40 American bishops and major superiors—who may take a second look at U.S. policy in Vietnam.

The Vatican and the World Council of Churches need our support at the grass roots. The Knights of Columbus and the Masons of New York State have made an excellent substitution of hospitality for hostility. To date our efforts have been social and athletic, and we have found distinct pleasure in our association.

Now we must get to work. I would have a joint council in every city, made up of Masons, Knights of Columbus, and members of relevant organizations according to the particular tasks we set ourselves. So many needs cry out to us—we need to set up priorities and follow through. Each locality has a myriad of problems—but let us choose one—organize, use every known technique, devise new ones—lick it. It may be Civil Rights, apprentice training; remedial reading; a dental clinic; a new nursing home; hot meals for the aged and infirm.

Keep young people so busy they'll have no time for drugs. Make use of this great reservoir of youth—give them projects to carry out—rekindle the pioneer spirit that is latent in Americans. "Brighten the corner where you are," and soon the whole world will glow!

The McNamara Story: More Mistakes Than Time Permits

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. ASHBROOK. Mr. Speaker, on the last edition of "Meet the Press," Secretary of Defense Robert McNamara stated that his mistakes during his tenure had totalled "more than time would permit me to list." I could not agree with him more. He may have made this statement facetiously, but I do not.

This answer came following a question concerning the Bay of Pigs invasion of 1961. Secretary McNamara stated that this was one of the serious errors of which there were so many.

I would suggest that the decision to invade Cuba through the Bays of Pigs was not the error in judgment, but rather it was the belated decision to remove the air cover from the ground and amphibious forces. Funny, we never hear much about this any more.

Since the Secretary's time was too short to list any of his other blunders—and since he did not even list the real mistake in the Bay of Pigs invasion—I feel obligated to help him out.

While I realize that I could not do justice to his errors, even in a 1-hour special order, I do think I can point out a few of the larger ones and revive a few of the more unpleasant memories.

Starting with some of the larger, overall issues there is always the Secretary's approach to his job; the cost-effectiveness approach which has led to decimation of our defense forces in general.

Add to this his common, daily, colossal, error of ignoring the Joint Chiefs of Staff and other military experts. It is not difficult to remember that early in his tenure of office, the military was muzzled and words like "victory" were struck out of military vocabularies.

Possibly the awarding of the Project Mohole contracts and the conflict-of-interest charges which surrounded it have escaped some memories. This is a No. 1 example of how to double the cost and call it a savings.

Along this same line is the story of the VTOL plane designated, commonly, as the X-22. Here is another example of dealings similar to the Mohole business, but this one also brings back memories of such names as Korth and Gilpatric.

Can anyone forget the stupidities and even the stupid attempts to justify—the case of the CVA-67? Commonly called the "Floating Edsel"? This was the aircraft carrier that should have been nuclear powered. It deserves its name.

Or how about the RS-70 reconnaissance bomber, and the Skybolt missile, the one that pulled the rug out from under the British, too.

There are lingering questions of other

conflicts of interest with the Department and questions of Defense security and executive clearances of high-level employees. Few of us can have the feeling that security matters have been administered adequately and effectively. The record indicates otherwise.

Of course, no discussion of Secretary McNamara would be complete without mention of the multibillion-dollar bust known earlier as the TFX. It seems that in this one airplane the Secretary looked back at past mistakes, memorized his previous errors and then proceeded to combine them all into one package, after adding a few new twists.

Can we afford to let him forget, also, the Nike-Zeus?

Then there is the whole matter of our defense posture vis-a-vis the Soviet Union. When he came into office we were well ahead. During his stay they have dangerously closed the gap. He resisted any efforts at antiballistic missile defense systems until his too-little, too-late "thin defense system" proposal and we fell behind the Communists in yet another category.

While they have been improving their hardware, McNamara has stressed disarmament. We have been unilaterally disarming by not developing new military technology.

All of this is the McNamara legacy.

While this is not a complete list, I hope it fills the void which the Secretary did not have time to fill while on nationwide television. It is a fitting tribute to the abilities and policies of the "McNamara monarchy" which cannot end too soon.

Improve Our Vocational Education

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. SCHEUER. Mr. Speaker, historically, no element in the educational spectrum has had such strong and consistent support from the Congresses as has vocational education, with the exception of the land grant colleges.

The 1917 Smith-Hughes Act was designed to meet the needs of a nation that was coming of age industrially.

In 1946, the George-Barden Act offered post-war training opportunities to a nation coming of age technologically.

In 1963, the Congress expanded and improved the earlier legislation in a comprehensive new Vocational Education Act.

Today, in amendments which President Johnson is proposing to Congress, we hope to further extend and improve our vocational education opportunities.

Later, in this session, I intend to offer an additional amendment to increase scholarship opportunities in postsecondary institutions and thus continue the trend to equalize opportunity in all categories of education. Favorable action on these amendments will insure steady improvement in the quality and the availability of vocational education.

Consumer Protection in Advertising

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. ROSENTHAL. Mr. Speaker, Merchandising Week, one of the leading trade publications for retail stores, has just made a major contribution to the public dialogue on consumer affairs with a special issue on consumer protection.

This issue included articles on consumer protection in credit, advertising, in service and in product standards. Each article contains useful insights on the growth of consumer protection from the viewpoint of the retailer.

I have found each of these articles exceptionally well-presented accounts which will help business people themselves understand how and why the consumer is concerned about his role, his rights and his responsibilities. I believe my colleagues will find these articles of special interest as we begin the second session of what may well become known as the Consumer Congress.

One of the articles from this special issue follows:

[From Merchandising Week, Jan. 1, 1968]

CONSUMER PROTECTION IN ADVERTISING

Inexplicably tied as it is to today's marketing systems, advertising is being increasingly regarded as an accessory to the crime of consumer "deception."

Instead of providing valuable and necessary information to consumers for their use in making valid buying judgments, say consumer protectionists, advertising has chosen to do its best to add still more confusion to an already complex marketplace.

Advertising, they insist, could be developing well-informed consumers out of hit-or-miss buyers. And well-informed consumers, goes the theory, would be in little danger of investing in inferior products, or signing away their security in unfair credit transactions.

Advertising could be supplying simple, useful "Here's what the product is and this is what it will actually do" data, say those who view it as business' most noticeable flaw; instead, it is busy convincing the housewife that she is only half a woman, an unfit wife and mother, and an untrue American—without a specific product in her home.

The current attack on advertising is the most recent addition to the recurring battle over consumer protection. While advertising has come under occasional regulatory scrutiny before, protectionist outrage has been chiefly directed toward cases of simple fraud. The emphasis in 1967, however, shifted toward the industry's sins of omission—what it should be doing—rather than those of commission—what it has done.

Having decided that there is a definite communications gap between manufacturers, their retailers, and consumers, today's protectionists see advertising as the most likely means of filling it. As it exists now, they reason, advertising is doing little but turn more and more modern shoppers into buying addicts—before they are equipped to handle the side effects.

At retail, advertising's opponents would have a return to the simplistic approach employed before the consumer turned choice-conscious. The woman totally unfamiliar with a refrigerator, for example, had to have each product detail explained to her before she would even consider making the purchase. The advertisement that caught and held her interest was the one that painstakingly dissected each feature and held it up for her inspection. In those days she wasn't interested in making her kitchen a party center. She was concerned with keeping food conveniently, and, as far as advertising went, that was all that she was interested in.

A more agreeable solution to the problem of providing customer information might well come from the retailer himself, suggest more "dovelike" of the consumer protectionists. If advertising is to devote itself to catching the consumer's eye and bringing her into the store, the retailer should then be totally equipped to handle her questions.

Aside from personal-product information, retailers do have an abundance of customer-oriented material to work with. Manufacturers provide specification sheets, for example, that contain product information too complete to be contained in any education-bent advertisement. The protectionist argument suggests however, that customers too rarely know of such data—and that the data itself is often confusing in wording or presentation.

Some appliance manufacturers, recognizing that such a problem does exist, have anticipated consumer protectionist efforts. They have redesigned their spec sheets into easy-to-comprehend, point-of-purchase consumer aids. Frigidaire, for example, instituted "Information Tags" with the introduction of its 1968 appliance line. The tags, similar to those proposed as part of a mandatory protectionist program by Rep. Congressman Benjamin S. Rosenthal (D.-N.Y.), condense spec sheet information into a 2-page flyer attached to the product in question.

An Information Tag for a dishwasher, for example, will explain capacity and performance limitations, operational procedures, featured product extras, and—in addition—offer a simple condensation of the Frigidaire warranty program.

Following Frigidaire's lead, the independent retailer can create his own information tags or posters if they are not provided by the manufacturer. Based on his own knowledge of his customers, he can make these informational aids as complex or as simple as their needs dictate.

Another big plus for customer information is a product-educated sales force. Back in the good old days of retailing, when the dealer knew his customers by name and face, a sales job was a lifetime position. The salesman had a long history of experience with a product from which to draw on when asked to explain a feature or describe an operation.

With the increased fluidity of today's sales force, however, a man may move from selling shirts to selling the machines in which to wash them in the course of a year. To make sure his salesmen know the right answers to his customers' questions, the retailer should encourage his staff's participation in manufacturer-sponsored training programs and brush-up sessions, or perhaps even turn teacher himself if he finds salesmen have blind spots.

The Assn. of Home Appliance Manufacturers (AHAM) provides dealers with another bridge to span the information gap. Buyer booklets are available from AHAM for in-store use and as customer handouts; these aids explain basic appliance operation fully and indicate to consumers what they can—and cannot—expect specific products to do.

Retailers have also popularized instore product demonstrations as promotional and educational tools. Many large department stores have instituted seminars for new and prospective brides, to explain home appliances to them and provide fundamental lessons in operational procedures. Picking up where high school home economics courses leave off, such classes offer a means of avoiding the pitfalls that an inexperienced consumer can face in establishing and maintaining a home.

Manufacturers sometimes provide sample appliances with special cutaway sections for inspection of the product at work, at times sending in their own demonstration teams to kick off a special appliance promotion.

Given enough information, the consumer becomes able to protect herself from whatever evils the government is trying to shield her from. And as long as she is getting this product information somewhere, her champions can relax their protectionist attentions in the area of advertising.

Lessons on Folly of Welfare States

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. DERWINSKI. Mr. Speaker, the internationally known chief of the Chicago Tribune's Washington bureau, Mr. Walter Trohan, in a column on Wednesday, January 31, commented on the political and economic decline of socialism in certain European States. The column follows:

SWEDEN, BRITAIN LESSONS ON FOLLY OF WELFARE STATES

(Report from Washington by Walter Trohan)

WASHINGTON, January 30.—The decline of socialism and the welfare state in Scandinavia and Britain should be a lesson to a nation proposing to spend 150 billion dollars to advance the Great Society and fight the war in Viet Nam at the same time.

The latest Scandinavian country to become disillusioned with socialism is Sweden. For many years Sweden had been hailed as the middle way, a monarchy run by socialists. Now the Swedish Social Democratic government faces defeat at the nation's next election in September.

Two years ago the Norwegian Social Democrats were replaced by a non-Socialist coalition. Last week 40 years of Danish Social Democratic rule ended and a non-Socialist coalition is about to take over. The coalition will be formed of the Radical Liberals and Conservatives.

In Scandinavia the Socialists were in power too long. Over the decades they came to feel that no one could govern but themselves. They took on the divine right belief of the monarchs of long ago. The people wearied of them and their promises in Norway and Denmark and are wearying of them in Sweden.

The situation in Britain offers an even greater lesson to the United States than Scandinavia. Britain has become a third rate power like her Scandinavian neighbors under the welfare state which was to have raised the British people to new heights.

UNITED STATES SHARES MANY BRITISH WOES

The United States has been closer to Britain than Scandinavia. Furthermore the United States shares many of the problems which beset Britain, such as world-wide commitments, unfavorable balance of payments, currency decline, inflation, labor power. And mounting welfare statism had led to the decline of the general welfare. The state has slipped from a first class power to a third class power.

Since the beginnings of the welfare state, under Franklin D. Roosevelt, the public debt has grown from 25 billions to over 350 billions. True, not all or even the greatest part of the debt can be traced to welfarism as much as it can be credited to global commitments in wars and peace, but the New Deal, Fair Deal, New Frontier, and the Great Society haven't cut the debt any. Domestic spending has been growing like alcoholism on what it fed upon. As the old Japanese proverb goes, the man takes a drink, the drink takes a drink, and then the drink takes the man. The welfare state can also become a habit, especially when it means votes.

Some welfare states begin taking care of the young, then take care of adults, and finally wind up taking care of the old. It would seem that welfare can't stop at the cradle but must go on and on to the grave.

TREND MAY BECOME SIGNIFICANT

There is growing suspicion and distrust of the welfare spending here, even tho the President has more power than any living monarch and perhaps even more than some of the kings of old. The trend away from the welfare state is but slight, yet it might become significant.

The first challenges of the welfare system came from Congress, where a curb on payments was suggested. President Johnson has appointed a commission to study the welfare system and suggest how it might be overhauled.

More attention is being paid to private enterprise. The President has urged broader participation by private enterprise in attacking the slum problem, which had long been considered a federal field of action, and he is asking private enterprise to help meet the problem of the balance of payments deficit.

USIA in Denmark

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. FASCELL. Mr. Speaker, dollar for dollar the U.S. Information Agency conducts one of the most important and effective U.S. programs overseas. The purpose of the Agency, which is known overseas as the U.S. Information Service, is to further knowledge and understanding about the United States overseas. While this is a small program compared with many others, it has been extremely effective despite severe budgetary restrictions.

A story demonstrating an outstanding example of the effectiveness of USIS was carried in the January 30 issue of the Christian Science Monitor. The story by Mr. Barry Edgar describes the USIS program in Denmark and its accomplishments:

HOW USIS REACHES THE DANES

(By Barry Edgar)

COPENHAGEN.—"The United States invented public relations—so why don't you do a better job of selling your own country?"

This is a question often heard by Americans in Europe. Most Europeans used to consider themselves good friends of the United States, and the feeling was mutual.

But recently primarily because of the Vietnam conflict, the American image in Europe has become severely tarnished.

What, if anything, is being done to combat this problem? What programs exist to put forward and explain American points of view?

More particularly, what is being done to improve understanding between the United States and other countries on a people-to-people level?

By act of Congress, this is the assigned task of the United States Information Service (USIS). Operating worldwide, this agency is set up to tell the world about the United States—how it strives to overcome its internal difficulties, what its views are on numerous international problems, and generally to promote the United States.

BRANCHES COOPERATE

In Denmark, for example, there is an active USIS organization headed by Brooks McClure. The Denmark branch is the largest in Scandinavia, but there are other branches in Norway, Sweden, and Finland. They work in close cooperation.

The USIS in Denmark operates on an annual budget of $128,000. The Danish Government spends twice this figure on its own government promotion in the United States.

Scandinavian Airlines System (SAS), owned by the Scandinavian governments, spends $2¼ million yearly promoting its own and Scandinavia's image in the United States.

The Soviet Union and other East European socialist countries flood the Scandinavian countries with propaganda. Once this was all too dreary, but today it is often imaginative and interesting. The Russians, Czechs, and Hungarians, for example, put out handsome color magazines.

Laurence Sharpe, the United States press attaché in Denmark, says that a similar kind of American mounted program is impossible under the present budgetary restrictions.

OPINIONMAKERS SOUGHT

"However," he said, "we do have ways of reaching the general public. But first we try to reach the opinionmakers. These are few in number in a small country like Denmark, and it is not difficult to get to know just about all of them personally."

Mr. Sharpe cited the instance of a young man who said that he had led 1,200 fellow students to the stormy Copenhagen anti-United States, anti-Vietnam demonstrations Oct. 21. Later he came into Mr. Sharpe's office and apologized.

He said, "I don't agree with anything your country stands for and I despise your position in Vietnam. But I shall never do a thing like that again. It was part of a hate campaign. . . . That demonstration served no constructive purpose. I know from my contact with you, that you are decent people. I believe the information you give me—it is truthful because I have proven it so. But I still don't agree with you."

Lectures form another vital part of the program. USIS officers always are available for lectures or to head discussion groups about almost any subject pertaining to the United States. They say they each make upward of 80 speeches and lectures a year to various groups throughout Denmark.

LIBRARIES MAINTAINED

The USIS here has a library of 640 films, which are made available to motion picture theaters and private organizations, and a 13,000-volume library of books used by 25,000 people a year.

The cultural department, headed by Stefan Munsing, is particularly active. As a people, the Danes have a keen, well-developed artistic sense, and are interested in seeing and comparing the work artists do in other countries.

The USIS helps arrange group presentations of works of American artists living in or visiting Denmark.

The same help goes to the performing arts. When American performers—small groups or popular stars—plan to visit Denmark, the USIS helps spread the word around.

INTERESTS SHARED

Some of these groups are nonprofessional, such as a group of Hawaiian policemen scheduled to travel throughout Europe giving concerts of Hawaiian music and dances. In such cases the USIS helps to arrange meetings with local citizens—specially those with similar interests.

Thus, a Danish policeman may discuss police problems with a Hawaiian policeman. And a Danish housewife learns about exotic Hawaiian flower arranging while showing her Hawaiian counterpart how to make the colorful Danish open-faced sandwiches called smórrebród.

USIS officials seem to agree that getting people to visit the United States is by far the soundest method of bringing the communications gap.

Last summer 585 members of the Danish Home Guard and their families paid their own way on a trip to the United States. They ranged in age from 19 to 70 and a more diverse group of Danes would be hard to find. The USIS advised on programs and itineraries and help arrange local United States hospitality.

Before their departure a relative of a member of the group got up and started asking the usual questions: "Why are the Negroes a subjugated race? Why do Americans insist on murdering civilians in Vietnam? Why doesn't America help the needy?"

VISIT REQUESTED

Several months later one of the USIS officers was asked to attend a get-together dinner of the Home Guard group. All 585 people who had visited the United States were there—plus the woman relative.

She spotted the USIS official and came up to him and said, "How can I get to America? I've heard so many wonderful things about your country from all these people that I have to go see for myself."

Since 1946 a total of 5,202 graduates undergraduates or graduate students have spent a year in the United States. There are currently 110 United States students studying in Denmark and 580 Danish students studying in the United States.

"One Stop" Counseling for Vietnam Veterans

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. ZABLOCKI. Mr. Speaker, the President's recent message on veterans' affairs was a most welcome one.

Of particular interest was his description of a new program of one-stop Veterans' Administration counseling for returning Vietnam veterans.

I was particularly gratified that Milwaukee, my home city, has been chosen as one of 20 metropolitan areas in the country which will participate in a pilot one-stop counseling project. It is to be inaugurated in March by the Milwaukee VA Regional Office.

This imaginative innovation will insure that our newly-returned veterans are given full opportunity to make use of the many benefits which Congress has made available.

Often facilities are scattered widely across a city or region, and veterans, particularly those who most need help, find it difficult to make their way from office to office.

The one-stop counseling center is designed to remedy that situation by locating the offices in one place where a veteran can receive personal attention and information on all the benefits open to him.

From housing and health, to education and employment, the help will be available at the one-stop center.

As part of this program the VA will make more energetic efforts to contact the returned veteran. In some cases, VA caseworkers will visit the veteran in his home to explain available benefits.

In the past the veteran generally approached the VA for aid. For various physical and psychological reasons, however, many of those who most need help failed to apply.

Under the new concept, the VA will go to the veteran if the veteran does not go to the VA.

It is my understanding that to implement this program the Milwaukee VA will add four skilled interviewers to its staff. It will also make available the services of a full-time Civil Service Administration official to explain procedures of obtaining Government employment. Similar steps will be taken at the other 19 centers.

The one-stop center, I believe, is another important step forward in our continuing effort to express our gratitude to the men who have sacrificed much in the military service of our Nation.

For that reason I join in hailing the President's message and commend him for his sound thought and practical programs to aid those who are making so great a contribution today around the world in the preservation of our American way of life.

Law and Order Are Battling for Survival

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. ASHBROOK. Mr. Speaker, in September 1967, the newsweekly, Human Events, wrote to former Justice of the U.S. Supreme Court, Charles E. Whittaker, asking if, in his opinion, Stokely Carmichael, could be prosecuted under existing Federal statutes. In his reply Whittaker stated:

> Based upon press reported statements, actions and conduct of Mr. Carmichael, and assuming them to be true, I have no doubt whatever that Mr. Carmichael has thereby violated existing federal statutes, and, of course, such violations constitute a basis for his prosecution under those statutes so violated.

I am sure that there are many other Americans who hold with Justice Whittaker that Carmichael should be held accountable for his excesses or, if existing statutes are not applicable, remedial legislation should be enacted. Yet it seems that the prevailing policy at the present time is permissive to the point where any and every excuse is offered in behalf of the wrongdoer and the rights of victims is secondary.

Babson's Weekly Forecast Service, a long-established newsletter published by Business Statistics Corp., comments in its January 8, 1968, issue on the present attitude of some officials who are apologists for every crime and criminal. The newsletter states that—

> Unless those in authority in the United States can be influenced to abandon the suicidal course on which they have embarked—or unless they can be replaced by men who will—we cannot hope to restore in our nation the kind of domestic peace and order which has made our many generations proud to be Americans . . . living in a land of freedom, security, opportunity and justice under law.

I request that the January 8 issue of Babson's Washington Forecast Letter be inserted in the RECORD at this point:

AMERICA BLACKMAILED

HEADLINE 1972

The following news story may hit the headlines some summer day in 1972:

"The President late yesterday afternoon signed into law the so-called Equal Property Act (H.R. 2216), following the capitulation of both House and Senate before the threats of an angry mob of proponents, estimated by District police officials at upwards of 600,000 persons, which had besieged the Capitol for over 3 days, holding Congress virtually hostage . . . pending a vote on the bill.

"As word of the 'surrender' by Congress was passed thru the crowd, its leaders called for a march on the White House. Within twenty minutes, the partisans began gathering before the Executive Mansion and, shortly before 4 p.m., leveled the iron fence and were milling around the lawn of the President's residence and office. The throng became increasingly unruly as no word of presidential action on the legislation was forthcoming from Administration aides, and, at about 4:45 p.m. militant leaders shouted instructions to burn the White House. Within minutes after these orders were issued—and as torches were being carried toward the East Wing of the White House—Presidential Press Secretary Elbert Williams appeared at the main entrance to the Executive Offices and announced that the President had signed the bill into law.

"A tremendous roar of approval arose, and a partisan band struck up the triumphant People's Power theme song, 'March of the Masses.' Following the signing of the bill, the mob separated into apparently planned 'recrimination squads' and systematically sacked, burned, and looted a 12-block area of downtown Washington as District police and a scattering of military units looked on helplessly. Late last night, Metropolitan Police Chief Tweedy estimated total damage at over $300 million.

"The Equal Property Act completely discards the constitutional concept of private property and sets up a system for the transfer of all private property to all Americans on a so-called equal-share basis. Authority to administer the Act is vested in a Commission in which majority control is to be held by representatives of the poor, the underprivileged, the unemployed, and minority groups which have suffered past discrimination.

"Washington officials see little chance of the Act's being overturned by the Supreme Court in view of threats by People's Power leaders to paralyze all major cities in event of an adverse ruling. The high court is expected to be further guided by the fact that overwhelming People's Power forces earlier this month succeeded in dissolving both the Democratic and Republican national conventions . . . leaving the Power candidate, Arthur Danrig, as the only name on the ballot in November's national election."

THE ROAD WE TRAVEL

Sounds preposterous? We'd like to think so. But . . . as a matter of cold, hard fact, this nation—the land of the free—is moving relentlessly toward such a fate . . . as government by law gradually submits to the blackmailers of America.

Today's blackmailers operate under the phony slogan of the "right to dissent." They have distorted and magnified the constitutional guarantees of freedom of speech and right of peaceable assembly into a license for intimidation, sedition, riot, and anarchy.

Under this false banner, they have blocked the traffic and commerce of American cities, shut down the operation of government offices, destroyed private and public property, disrupted our educational procedures, interfered with our selective service system, obstructed inductions into our armed forces, provided aid and comfort to the enemy, desecrated our country's flag, and vandalized hundreds of communities thruout the nation.

Our government of laws, our government of constitutional processes, has begun to crumble before a tide of lawlessness which has not only been condoned but even encouraged by many government leaders.

Instead of firmly supporting the enforcement of law and order on the local level, federal officials and other national leaders gave aid and encouragement to the law breakers . . . on the basis that civil disobedience is justified when the violators are acting in a *"good"* cause.

BREAK IN THE DIKE

This was the great breakthru in the dike of law and order.

For almost two centuries, we had been taught—and we believed fervently—that the law must be respected, whether we felt it to be a good or a bad law.

All of us know the nagging discomfort of living under laws that are inequitable. In such cases, we may exercise our constitutional rights to bring about a change . . . but we do it by lawful process.

Under provisions of the Constitution, the full power of the United States government should have been placed squarely behind local authorities in the breaking up of the very first sit-in in America.

True, it was peaceable assembly . . . but it clearly interfered with the rights of others to carry on their normal activities under the protection of the law.

But . . . prominent national politicians, blinded to legal justice by the possibility of making political hay, placed themselves on the side of anarchy.

We all remember the statement of the late Adlai Stevenson . . . that he would consider it an honor to go to jail for such civil disobedience. His remarks were echoed by hundreds of others . . . and mob power in America was born.

AS YE SOW

The Watts riots in California served as Lesson No. 1 in large-scale blackmail. This outbreak of mass crime was not punished. It was rewarded with countless millions of federal dollars poured into the area in the hope that the rioters would "cool it."

After that demonstration of largess, can you blame the Negroes of Detroit, Newark, Milwaukee, Chicago, and scores of other American cities for wanting to get in on the action?

The amazing thing is this: Not only have government officials condoned such lawlessness . . . government employes have played a major role in fomenting many of the disorders . . . under the guise of helping the oppressed. Anti-poverty employes in Newark organized and publicized the police-brutality mass rally which led to the catastrophic riot in that city. A Newark anti-poverty official, Willie Wright, urged Negroes to arm themselves against "honkie cops." The agency's accountant, Charles McCray, was arrested for taking part in the shooting during the riot . . . but officials refused even to suspend him from his job.

The situation has been the same in countless communities all over the nation. Sargent Shriver's anti-poverty agency admits that there are convicted criminals on the agency's payroll . . . and that many of them have been given jobs counseling youngsters.

Many of the black-power movement's most militant activists—including riot-inciter H. Rap Brown—have been on the government's payroll . . . often as $50-per-day consultants.

It's widely said that the government is motivated by a desire to placate the troublemakers.

Actually, the reverse situation prevails. The trouble makers are blackmailing our government . . . successfully and repeatedly. They seek money . . . and power. They're getting both.

BLUEPRINT FOR CHAOS

Communists are prominent in nearly all the organizations which are fomenting this anarchy in the U.S. They have been welcomed with open arms into the National Conference For New Politics, a group whose Chicago convention was keynoted by Martin Luther King. One of the leaders of the conference happily commented that Communists would provide leadership for the group.

Bettina Aptheker, an admitted Communist, continues to hold a top position in the peace and draft-resistance movements.

Stokely Carmichael has returned from his Red tour to lead his followers toward "the destruction of the American government."

And dozens of others—with countless citations for Communist connections—hold prominent positions in scores of violent "dissent" organizations in this country.

One of these is the Revolutionary Action Movement which has documented its plans for the revolutionary end of the American way of life. RAM says its followers will "strike by night and spare none" . . . that it will foment "mass riots, blocking of traffic, burning of buildings . . . street fighting."

The planners call for "sabotage in the cities—knocking out electric power first, then transportation—and guerrilla warfare . . ."

The blueprint for chaos goes on and on—in great detail—reminding one of Adolf Hitler's brazen revelations in Mein Kampf.

In this atmosphere in which lawlessness and intimidation are tolerated—even rewarded—it is understandable that the crime rate has soared.

THE HARVEST

The FBI reports that the incidence of major crime in the United States is rising at an annual rate of 16% . . . far above the rate of growth in our population.

If the uptrend which has persisted thru 1967 is projected to include 1968, more than 4⅓ million major crimes will be committed this year. Based on our population of a little over 200 million, this means that you will have one chance in 47 of being murdered, maimed, or robbed in the next 12 months!

More and more, criminals are being coddled by our courts . . . and treated as the unfortunate victims of poor social environment. Punishment is out; gentle rehabilitation is in. Yet, a recent FBI study showed that 57% of offenders released on parole in 1963 were rearrested within 2½ years . . . and that 83% of those acquitted or dismissed in 1963 were rearrested within the same 30-month period.

POLICE HANDCUFFED

The Supreme Court has seriously impaired the efficiency of law enforcement agencies by restrictions on investigative procedures and techniques . . . and has so hogtied the police in searches and interrogations that thousands of hardened criminals are yearly set free to prey again on the public.

The sharp uptrend in acquittals, suspended sentences, and refusals to prosecute—particularly in juvenile and minority-group cases—has influenced police officers in hundreds of communities to blind their eyes to gross law violations. Because of this frustration, police morale today is at an all-time low.

The problem was well summed up by Mr. J. Edgar Hoover, who wrote in the April 1967 issue of the FBI Law Enforcement Bulletin: "Morality, integrity, law and order, and other cherished principles of our great heritage are battling for survival in many communities today. They are under constant attack from degrading and corrupting influences which, if not halted, will sweep away every vestige of decency and order remaining in our society."

WHOM WE INDICT

Whom are we to indict for sparking this chaos in America? Are the prime defendants the Stokely Carmichaels, the H. Rap Browns, the hippies, the draft-card burners, the peaceniks, the juvenile delinquents, the rabble rousers, the Commies who have gained respectability as "honest dissenters"? Certainly, most of these could be brought before the bar of justice to answer charges of law violations . . . and they should be.

However, there is a stronger, truer bill of indictment which may be drawn against those who have invited the bloody blackmail of America by permitting, even encouraging, mounting civil disobedience. Men of power, prestige, and great influence in the political structure of America have permitted the concept of "freedom of speech" to be expanded to include subversion, intimidation, sedition, and incitement to riot; they have condoned the distortion of "academic freedom" to encompass the adulteration of young minds with Communist doctrine and the disintegration of a well-disciplined educational system; they have allowed "freedom of assembly" to mushroom into disruption of peaceful activity, mob rule, riot, and insurrection.

Unless those in authority in the United States can be influenced to abandon the suicidal course on which they have embarked—or unless they can be replaced by men who will—we cannot hope to restore in our nation the kind of domestic peace and order which has made our many generations proud to be Americans . . . living in a land of freedom, security, opportunity, and justice under law.

The crisis we now face is the most serious, the most dangerous, in the history of our country. Each of us must diligently employ our influence and our effort—in speech, letters, and at the ballot box—to help set straight the way.

History of Aberdeen Proving Ground

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. LONG of Maryland. Mr. Speaker, to commemorate Aberdeen, Md., Proving Ground's 50th anniversary, the Harford Democrat has issued an excellent magazine section, "The First Days," with articles illustrating the highlights of APG's past.

The first buildings at Aberdeen Proving Ground, the World War I materiel stored there, some of the early planes based at the post, the contribution of its hospital, and its first civilian employees, are among landmarks reviewed in "The First Days." Aberdeen Proving Ground's Army Ordnance Center and School Museum is described as containing a collection of military weapons specimens, both American and foreign, that is recognized as the most valuable and outstanding in the world.

Also included in the anniversary book is an article by Lt. Col. G. B. Jarrett, retired, on the history of Aberdeen Proving Ground, from its establishment in 1917 to today. I should like to place this informative account in the RECORD:

HISTORY OF ABERDEEN PROVING GROUND

(By Lt. Col. G. B. Jarrett, retired)

ABERDEEN PROVING GROUND, MD.—From 1874 until 1918 practically all experimental and proof work for the development and acceptance of ammunition and cannon was performed at the Sandy Hook Proving Ground, Fort Hancock, New Jersey.

The tremendous increase in work engendered by World War I, however, made it evident that the facilities and space at the Sandy Hook Proving Ground were not adequate to accomplish the proof and development work of the scheduled Ordnance manufacturing program.

Therefore, a site for a new proving ground was sought and the area near Aberdeen, Maryland, was selected because it best fulfilled all requirements. These requirements were: that the area be easily accessible from the principal manufacturing and industrial centers of the country; that it have favorable weather conditions throughout the year; and that it be large enough and sufficiently remote to permit work to be carried out uninterruptedly and without danger or disturbance to adjacent communities.

The Ordnance Proving Ground near Aberdeen, Maryland, was established on 14 December 1917. On 9 January 1919 it was established as a permanent military post and named Aberdeen Proving Ground. The original area comprised 35,211 upland acres and 34,000 underwater acres.

The Army took possession of the property in October 1917 and immediately began the construction of facilities. Sufficient facilities and materiel were on hand to begin the testing of ammunition on 2 January 1918. By June 1919 facilities included 324 buildings, three range towers, water lines, sewers, 11 miles of concrete roads, 22 miles of unimproved roads, and 25 miles of standard railway track.

The original mission was to conduct acceptance tests on ammunition and materiel, to handle all experimental testing, and to operate a school. This was quite different from the present extensive mission which includes fields not even imagined in 1918.

Many of the smaller sections within the old Proof Department formed the nucleus for a present-day major division or mission activity. For example, the Ballistic Research Laboratories, one of the finest institutes of its kind in the world, can trace its history back to the Range Firing Section of the Proof Department in 1918.

Aberdeen Proving Ground began its operation with 45 military and 23 civilian personnel. This rose to approximately 5,000 military and 3,000 civilian personnel at the peak strength during World War I.

The Proving Ground was not slow in demonstrating its capabilities. One of the outstanding early developments of the Proof Department was the invention of the Aberdeen Chronograph. Due to a great shortage of velocity measuring instruments, of which the Boulenge chronograph was the only type that was commercially used, experimental work culminated in the Aberdeen chronograph, first set up and successfully used at Aberdeen on 1 March 1918. Later three greatly improved instruments were made and put into Army use.

During 1918 a total of 416,294 rounds of ammunition were fired for acceptance or development testing. Compared to the 7,000 rounds fired annually at Sandy Hook Proving Ground, this was a tremendous work load. After the war ended, work requirements decreased and the number of military and civilian personnel was reduced. This number varied greatly from time to time during the years 1919–1940, but on the average Aberdeen Proving Ground employed approximately 300 military and 400 civilians during this period.

A tremendous amount of work was accomplished from 1919 to 1940. This included development of powder and projectiles, bomb testing, study of interior and exterior ballistics, preparation of firing tables, tests of railway and seacoast artillery, and the testing and development of tanks and tractors.

Facilities were also increased by the construction of a small arms ballistic range (1921), a light armor plate range, and a Camera Obscura (1922) for experimental studies of bomb trajectories. In 1935 a new automotive laboratory was completed and automotive test courses were improved in 1937.

Organizational changes were made from time to time during the period to meet existing conditions. A study of old organization charts reveals a gradual move toward the present organization.

On 1 July 1935 a new division was established, which was designated Research Division. Functions of this division were to conduct basic research, to carry out work on technical research problems, computing and other work connected with the range and firing tables, and associated duties. As a nucleus the personnel in the Gun Testing Division, which had been engaged in conducting research work and in making ballistic computations—26 persons—was transferred to this division. In 1939 plans were approved to construct a suitable building to house the new organization which would now be called the Ballistic Research Laboratory. The building was completed in 1941 and provided elaborate facilities to conduct research and experimentation in Ballistics and Fire Control.

In 1936 it was decided to consolidate all of the school activities at the various Ordnance installations into one Ordnance School located at Aberdeen Proving Ground. Construction of buildings was begun in 1938 and by mid 1940 the school was in operation.

The period 1939 through 1942 was one of expansion brought about by World War II. More land was needed for the Proving Ground and 5,976 additional acres adjacent to the reservation were acquired. Also, an area of 244 acres near Churchville, Maryland, about 16 miles from the reservation, was purchased for automotive testing. This brought the total Aberdeen Proving Ground area to 70,905 acres.

The requirement for training large numbers of ordnance personnel led to the establishment of the Ordnance Training Center on 1 January 1941. Following this the Ordnance Board was created in July 1942 with permanent station at Aberdeen Proving Ground. Its mission was to conduct studies and make recommendations to the Chief of Ordnance regarding ordnance equipment.

The peak strength of Aberdeen Proving Ground reaches 5,479 civilians and 27,185 military during World War II. The scope of all fields of research and development as well as that of training were expanded. Scientific knowledge was used to the fullest extent and the Ballistic Research Laboratory took on even greater importance. The Proof Department was also greatly expanded. Facilities were constructed to meet the heavy work load and an additional 1,800 acres of land were added to Aberdeen Proving Ground by the acquisition of Spesutie Island in 1945.

The story of the work performed at Aberdeen Proving Ground during World War II would fill several volumes. It might be said in brief, however, that Aberdeen Proving Ground left its fingerprint on every piece of ordnance equipment that was used by the U.S. Army during the war. Basic research, design, development, and acceptance testing was carried on day and night. During the course of hostilities 14,000,000 rounds of ammunition were fired, 115,000 bombs totalling 12,042 tons were dropped, acceptance tests were made on 188,000 units of materiel, and thousands of miles were driven over the automative test courses.

When the war ended there was a drastic reduction in personnel and a return to peacetime level of activity. Research and development was emphasized during 1945 to 1950 in order to provide the design basis for the type of materiel required by a modern, highly mobile army. This effort resulted in many new items of equipment as well as in improvements of existing ones.

Early in 1946 the old Proof Department, after passing through several redesignations and organizational changes, was finally organized along the lines of its present form and designated Development and Proof Services.

The Korean War (1950–1953) was another period of intense activity at Aberdeen Proving Ground. The Ordnance Replacement Training Center, which had been inactivated in February 1947, was reactivated September 1950. Then, because of the heavy ordnance training responsibility, the Chief of Ordnance activated the Ordnance Training Command at Aberdeen Proving Ground in October 1950. It was assigned the responsibility for training and for insuring the state of readiness of all Ordance troop units. The Ordnance School was placed under the Ordnance Training Command.

There was little slackening of effort after the Korean War and research and development continued at a very high level. Basic research, as conducted by the Ballistic Research Laboratories, was extended far beyond the study of the projectile's flight and entered into the fields of electronic computers, rocketry, space study, and satellite tracking. As climatic testing grew in importance, Development and Proof Services found it necessary to conduct such work in suitable areas and Yuma, Arizona, and Churchill, Canada were selected for this purpose. In 1961 the activities conducted at Fort Churchill were transferred to Fort Wainwright, Alaska. The continued emphasis on science as a means to discover the way toward better weapons led to the study of man-machine relationships, and in 1952 the Human Engineering Laboratory was established with a staff of psychologists and engineers to pursue the field of human factors engineering.

As of 1960 Aberdeen Proving Ground operated with a strength of approximately 5,500 military and 4,500 civilian personnel. From a mission, which in 1919 included only acceptance and development work, Aberdeen Proving Ground had expanded into an organization which had as its mission basic research in science and engineering, research and development testing, climatic testing, human factors engineering, investigation in the field of preservatives and cleaners.

The present facilities of Aberdeen Proving Ground form a huge engineering and scientific laboratory capable of performing a wide variety of missions ranging from mathematical computations to tracking satellites. The cost of this complex represents a capital investment of approximately $168,000,000. In terms of dollars, the annual business amounts to about $135,000,000. The payroll of Aberdeen Proving Ground, including both civilian and military, is about $50,000,000.

There are forty firing ranges, the largest being 40,000 yards. These are used for testing small arms, mortars, artillery, mines, rockets, bombs, and armor plate. Twenty-nine courses are maintained for automotive testing. These include conditions of mud, gravel, slopes, rough road, bumps, and amphibious landing. A large Army Air Field is available to test bombs, rockets, fuzes, antiaircraft systems, and pyrotechnics. Eight laboratories of Development and Proof Services are equipped with instrumentation of the most modern type to perform various function connected with research and development. The necessary support to testing is provided by extensive shop facilities.

The Ballistic Research Laboratories make up a scientific institute staffed with physicists, chemists, engineers, mathematicians, technicians, and supporting personnel. Its staff and facilities are capable of dealing with problems ranging from the blast of a 20mm projectile to problems of outer space. Some of their facilities include wind tunnels, free flight ranges, transonic range, shock tube, electronic computers and long-focus tracking telescopes.

Until 1962 Aberdeen Proving Ground operated directly under the Chief of Ordnance as a government owned, government operated installation. The reorganization of the Army has not materially changed the basic and special missions of the activities of Aberdeen Proving Ground in their various fields, but the chain of command has been greatly affected, and some new agencies had been stationed at the installation.

The senior headquarters on post is the U.S. Army Test and Evaluation Command, an element of the U.S. Army Materiel Command. The U.S. Army Test and Evaluation Command is responsible for test and evaluation of Army weapons and equipment. It encompasses eighteen activities and installations all over the United States, Alaska, Greenland, and Canal Zone. Aberdeen Proving Ground is one of these installations. The Commanding Officer, Aberdeen Proving Ground, is responsible for administrative and logistical support of all headquarters and activities on the installation, and command control of Development and Proof Services and the Foreign Technical Intelligence Office.

The three Army Materiel Command laboratories on the installation report through the Directorate of Research and Development, AMC. These laboratories are: The U.S. Army Ballistic Research Laboratories; the U.S. Army Human Engineering Laboratories; and the U.S. Army Coating and Chemical Laboratory.

The Deputy President of the U.S. Army Materiel Command Board reports to the Commanding General, AMC, through the Chief of Staff.

Also located on the installation is the U.S. Army Combat Developments Ordnance Agency. This agency, under the U.S. Army Combat Developments Command at Fort Belvoir, Virginia, assumed certain missions of the former Ordnance Board and the inactivated Ordnance Training Command.

The U.S. Army limited War Laboratory was established at the Proving Ground in July, 1962. This laboratory, new in concept, is concerned with providing appropriate equipment, clothing and materiel for personnel engaged in limited warfare.

The U.S. Continental Army Command assumed responsibility in 1962 for all military specialty training in the Continental United States, and with this, the old Ordnance Training Command and the Ordnance School.

The Joint Military Packaging Training Center, a DOD Activity, is the most recent organization to be located at Aberdeen Proving Ground, having been transferred to Aberdeen Proving Ground in July 1963. Its mission is to train military and civilian personnel in the principles of military preservation, packaging, packing, inspection, and loading of military supplies and equipment.

This is Aberdeen Proving Ground today. It is the home of one of the finest teams of military and civilian scientists, research engineers, technicians and administrators in the world. As in the past, this team will continue to advance the techniques and equipment with which our soldiers defend this Nation and the Free World.

Progress in the Potomac Basin

HON. CHARLES McC. MATHIAS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. MATHIAS of Maryland. Mr. Speaker, residents and friends of the Potomac Basin should be heartened, as I am, by signs that the administration is finally giving priority in funds as well as in rhetoric to the conservation and development of the basin's resources.

The President's fiscal 1969 budget contains two items which, although quite small, have great significance.

The first is the request for $800,000 to continue land acquisition for the Bloomington Dam and Reservoir on the north branch. Inclusion of this request, in a year of financial squeeze, is a welcome sign that the administration has finally joined the Congress is recognizing that prompt completion of this project is essential for Potomac flood control, water quality control, and water supply. Last year the Congress appropriated $2 million for Bloomington even though it had somehow been omitted from the budget. Given this history, I am confident that the 1969 request will be well received, and will do all I can to secure these funds.

The second promising item is the National Park Service request for $478,500 for recreational development projects along the Chesapeake and Ohio Canal National Monument, plus an additional $61,000 for improvements on the canal below Seneca. This item is small, very small, in relation to the need; but it is almost three times as large as the almost token appropriation for fiscal 1968. After years of Federal neglect of this historic and beautiful property, this request is most encouraging to me and all who have sought immediate improvement of the canal as a recreational asset and as a model for comprehensive recreational development along the river.

Mr. Speaker, I would urge the House Committee on Interior and Insular Affairs to schedule a hearing at the first opportunity on my bill, H.R. 7201, to provide additional acreage and establish progressive policies for the administration, restoration and development of the entire C. & O. Canal.

I would also urge the House Committee on Public Works to act with dispatch this year to authorize the Sixes Bridge Dam and Reservoir on the Monocacy River in upper Frederick and Carroll Counties. This proposal, which is a key to the future growth of that area, has the wholehearted support of the elected officials of both counties, and has been endorsed by the State of Maryland, which has agreed to assume the recreational costs involved.

Finally, I would encourage the Congress to give prompt, complete and objective consideration to three reports which, I understand, will be released within the next few weeks. The first is the long-awaited final report and recommendations of the Federal Interdepartmental Task Force on the Potomac, created at Presidential direction about 3 years ago to develop an overall action plan for the basin. The second is the report of the sub task force on recreation, which will contain the details of the Federal park proposal, now called the Potomac National River, which has already spurred so much discussion. The third is a new report by the Corps of Engineers on water supply and water quality needs and projects in the basin.

Mr. Speaker, we cannot expect long-range and innovative proposals, such as a sound interstate compact for water resources management, and a major recreation plan, to be developed, refined and approved overnight. We cannot expect miraculous resolution of the persistent controversies over some aspects of Potomac conservation. But we can act now on those projects, such as the C. & O. Canal and the Bloomington and Sixes Bridge Dams, where our way is clear. Above all, we can promote informed, thoughtful discussion in Congress and throughout the basin of the many recommendations which have been advanced by Federal agencies, the States, local governments, and concerned and knowledgeable citizens. If we follow this course, 1968 will be a year of real progress for the Potomac.

California Veterans Support Our Fighting Men in Vietnam

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. TEAGUE of Texas. Mr. Speaker, while our young men are battling for freedom's cause in Vietnam, it is encouraging to receive letters from all over the Nation supporting their gallant efforts. I have received a number of letters from California, and I would like for you to hear some of the things they write from there.

From Edward A. Gafford, adjutant of the DAV chapter at Santa Ana, Calif., comes this letter:

> With a membership in excess of 351 Disabled Veterans of all wars, I can assure you and other members of the Congress that the Disabled Veterans take a dim view and object very much to the sad display of loyalty and patriotism by the so-called dissenters. We also question the motivation behind the actions of many misled groups of individuals who, under the guise of free speech, spout off at the drop of a hat against the United States of America. We hold further that these demonstrations are not spontaneous but well planned, financed, sponsored and thought out by small minorities whose aim it is to destroy the American way of life. We concur in the words of a patriot so long ago: "Our Country in her intercourse with other nations may she ever be right, but right or wrong, Our Country." We add, "Damn the votes, full speed ahead."

Lawrence E. Smith, of the DAV post in Concord, Calif., writes:

> We are in unanimous consent with our government's policies in Viet-Nam and elsewhere. We are against any dissension against our government or its policies. This is America, we are Americans, and this is what it takes to make America what it is today—

and this is what it will take to make a better and stronger America tomorrow.

Paul B. Jensen, of the DAV chapter in Redwood City, Calif., writes:

We are pleased to advise that Redwood City Chapter No. 136 DAV has passed a resolution unanimously supporting President Lyndon B. Johnson's foreign policies especially the Viet-Nam war, and we are against these recent upsurges of discontentment. We feel they are probably communistic inspired and this obnoxious nuisance should be promptly abated.

Nathaniel Goodwin, of Hollywood, writes:

Every American, in my opinion, should support our fighting men who are carrying out this commitment. Every force necessary should unrelentingly be used to support our fine, loyal fighting men and get them home as soon as possible.

Mrs. Charlotte M. Baccio, of Placerville, Calif., writes:

I heartedly agree with you in your approval of support for our Government . . . It's easy enough for us to talk when we shouldn't. I know our leaders can't please everyone but I'm sure they are doing their best with all the problems facing them.

From La Habra, Calif., comes this letter from James A. Robinson, commander of the VFW post:

We want it known that we stand for an America that is bigger than the Vietnam conflict, even with its enormous cost in dollars, its terrible loss of life. The American Ideal is of first importance, whether the war is right or wrong—good or bad—wise or unwise. If we are a highly principled people, and our ideals are worth supreme sacrifice on the battlefield, they are certainly worth a lesser sacrifice: namely submitting to the draft, having respect for authority, and uniting to form a home front.

Rodney E. Simon, of the VFW post in Castroville, Calif., writes:

Boasting a chartered membership of sixty-one members, we would like to bring to your attention our unanimous support for our country and the fighting men in Viet-Nam. Unfortunately, the average Americans have remained silent to the current riots and demonstrations across our great Nation. We are appalled at the current disheveled and mounting un-American and un-patriotic views voiced by draft-dodgers and peaceniks. We believe these views and demonstrations only prolong and hinder the Americans' cause. It is time for patriotic Americans to speak out and let the fighting men of Viet-Nam know that we, as proud citizens, on the home front support and are thankful for the tremendous job and sacrifices that they are making for their nation, and for the cause of freedom.

Disagree or Dissent?—The United States Faces a Grave Problem

HON. JAMES B. UTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. UTT. Mr. Speaker, under unanimous consent to extend my remarks, I wish to include an article which appeared in the San Diego Union last October or November. The article includes part of a speech by Prof. Daniel J. Boorstin, professor of American History, University of Chicago, entitled, "Disagree or Dissent?—The United States Faces a Grave Problem." I submit it herewith for your close study:

HISTORIAN SPEAKS: DISAGREE OR DISSENT?—THE UNITED STATES FACES A GRAVE PROBLEM

CHICAGO.—Following is a condensation of a speech by Prof. Daniel J. Boorstin, professor of American History, University of Chicago, on Dissent and Disagreement in American life. The speech was delivered Oct. 18 at the convention of the Associated Press Managing Editors Association:

"It seems to me that dissent is the great problem of America today. It overshadows all others. It's a symptom, an expression, a consequence and a cause of all others.

"I say dissent and not disagreement. And it is the distinction between dissent and disagreement which I really want to make. Disagreement produces debate but dissent produces dissension. Dissent means originally to feel apart from others.

"Peoples who disagree have an argument, but people who dissent have a quarrel. People may disagree but may both count themselves in the majority, but a person who dissents is by definition in a minority. A liberal society thrives on disagreement but is killed by dissension. Disagreement is the life blood of democracy, dissension is its cancer.

"The spirit of dissent stalks our land. It seeks the dignity and privilege of disagreement, but it is entitled to neither. All over the country on more and more subjects we hear more and more people quarreling and fewer and fewer people debating.

"IMMIGRANT SOCIETY FACES PROBLEMS

"The very character of American history has accentuated our tendency to dissent. We are an immigrant society, made up of many different groups who came here and who felt separate from one another, who were separated not so much by doctrine or belief as by the minutiae of daily life. Until the 1930s and 40s, the predominant aim of those who were most concerned in this country with the problem of immigration was to Americanize the immigrant.

"But in the last few decades we have had a movement from assimiliation to integration. And this is an important distinction. It was no longer the right of the immigrant to be Americanized, to be assimilated, it was now the right of the immigrant to remain different.

"The ideal ceased to be that of fitting into the total society and instead became the right to retain your differences. It brought with it the assumption that the only 100 per cent American is the person who is only partly American. It led General Eisenhower to make something of his German name and German background; it encouraged John F. Kennedy to exploit his Irish background.

"This sense of separateness and the power of minorities developed along with the growth of literature of the social sciences which came to show minorities who they were, where they were, and what their power might be.

"People in small groups were reminded that they had a power and a locale which they had not known before.

"This is a parable which was illustrated in the stall-ins and sit-ins. At a time when certain students seized the administration building at a neighboring university. All the salary checks flowed through the IBM machines in that building and they were able to throw a monkey wrench into the machinery.

"MINORITY VETO PSYCHOLOGY DEVELOPS

"This has the effect of developing a minority veto psychology. Small groups have more power than ever before. In small numbers there is strength. This results in the quest for minority identity.

"It's worth noting that some of the greatest American champions of the right to disagree and to express disagreement—Jefferson, Oliver Wendell Holmes Jr., and others—were men who also were great believers in the duty of the community to be peacefully governed by the will of the majority. But more recently dissent itself has been made into a virtue. Dissent for dissent's sake.

"Professional dissenters do not and cannot seek to assimilate their program or ideals into American culture. Their main object is to preserve and conceal their separate identity as a dissenting minority. They're not interested in the freedom of anybody else. The motto of this group might be a revised emanation of the old maxim of Voltaire: 'I do not agree with a word you say. And I will defend to the death my right to say so.'

"The affirmation of differentness and feeling apart cannot hold a society together and in fact these tend to destroy the institutions which make disagreement possible.

"A society of disagreers is a free and fertile and productive society. A society of dissenters is a chaos leading only to dissension."

Administration Spokesmen and "Meet the Press"

HON. JAMES A. McCLURE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. McCLURE. Mr. Speaker, two key spokesmen for the Johnson administration, Mr. Rusk and Mr. McNamara appeared jointly on "Meet the Press" last Sunday afternoon, giving the Nation's leaders an opportunity to offer their version of the recent crises in Vietnam and Korea.

Between the two of them, Mr. Rusk and Mr. McNamara alternately confessed:

RUSK (on Vietnam). Now, some of our mistakes, if you like, have been through an effort to bring it to a peaceful conclusion without an enlargement of the conflict.

MCNAMARA (on the Bay of Pigs). So I was responsible for that.

Contradicted each other—

RUSK (on the recent Vietcong raids). After all, the other side has to take into account the fact that something in the order of 15,000 of their people have been killed and another four or five thousand have been taken prisoner . . . they have had disastrous losses.

MCNAMARA. The population of North Vietnam is about 17 million. I think it is quite clear they have a manpower supply that will continue to support losses of the kind they are absorbing.

And even contradicted themselves—

MCNAMARA. The ship (the Pueblo) went undetected by the North Koreans for 10 to 12 days.* * *

MCNAMARA. There was a period of radio silence appropriate to its mission from the period of roughly January 10 to January 21, and it is in that period that we lack knowledge.

By the end of the program it would not have surprised me to hear a plea for the election of a Democratic administration next fall to carry on these wonderful programs. But even then there would have probably been a hitch. Mr. Rusk would have been advocating Mr. Johnson, while Secretary McNamara would have been thinking of Senator KENNEDY.

A columnist in the Washington Post called the program a contest between candor and fudge, which illustrates one of the big dangers inherent in this sort of an administration—you end up laughing and nudging the next person in the ribs even when these spokesmen are talking about national survival.

Several of their comments cannot be allowed to go unnoticed.

For instance, the Secretary of Defense said:

> Three and a half years ago the South Vietnamese forces were on the verge of defeat.

Well, that would have been in the period preceding the Gulf of Tonkin incident. And what was Mr. McNamara saying then?

On April 24, 1964, he predicted "dramatic progress" in Vietnam by July or August. A few weeks later he was confident that U.S. troops would soon be home: "perhaps some could return later this year; some next." By July he felt that the morale of the Vietnamese people had improved, observed that the desertion rate in the South Vietnamese Army had dropped, and said he was encouraged.

During last Sunday's program, the President's Defense Secretary also referred to the July 1965 period as a time when "the North Vietnamese and their associates, the Vietcong, were on the verge of cutting the country in half and destroying the South Vietnamese Army."

I recall that only a few weeks prior to that time he had told the American people that the Vietnamese situation was improving. As a matter of fact, between 1963 and 1965, McNamara had issued optimistic statements on the course of the war on no less than 14 separate occasions.

It is probably coincidence, but during that same month—July 1965—his own Assistant Secretary of Defense, Arthur Sylvester, reportedly told the Overseas Press Club:

> If you think any American official is going to tell you the truth, then you're stupid.

Perhaps much of the Secretary's optimism was really election year enthusiasm. Perhaps that is how we should judge much of what we heard last Sunday as well.

For his part, Secretary Rusk contributed the most intriguing comment of the day. Speaking of recent peace explorations, he said:

> We have exercised some restraint in our bombing in North Vietnam . . . we have not had a pause in the traditionally accepted sense, but we have limited the bombing to certain points in order to carry forward these explorations.

Past performance would indicate that a limited bombing phase might be a time when the administration would have preferred calling a halt to all bombing entirely, but could not because of the almost certain wrath of our military leaders in Asia and the American electorate back home.

At any rate, it poses a question as to whether our bombers have been hitting relatively meaningless targets. I must leave it to the military to make that determination. But I hope we never hear that our pilots risked their lives against low-priority objectives. I hope that we never hear that our bombers were on meaningless missions at a time when the enemy was pursuing its most savage thrust of the war.

Credibility has never been this administration's long suit.

It is therefore reassuring to see secretaries of Defense and State getting together on national television as they did this past weekend. It serves two very real purposes: First, it gives them an opportunity to coordinate the stories they hand out to the American people; and second, it is a vivid reminder to the voters of how badly we need a change in leadership.

Hail President's Plan To Improve Student Aid Programs

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. **ZABLOCKI**. Mr. Speaker, in his message on education to the Congress yesterday, the President urged enactment of consideration of legislative proposals aimed at making the benefits of education available to more American children.

One of the most important of the programs he suggested is an extension and expansion of the different types of Federal student financial assistance programs benefiting our Nation's young men and women enrolled in U.S. institutions of higher education.

In the past 5 years, under the leadership of the Kennedy and Johnson administrations, the Congress has moved swiftly to help our college students meet the rising costs of financing their education beyond high school.

Now, we will be asked to expand the educational opportunities available. The President—in his state of the Union message—said he will call upon Congress to enact an Education Opportunity Act, giving these programs new flexibility and hopefully allowing our colleges and universities greater latitude in conducting their individual financial aid activities.

Four years ago, when we embarked on our national effort to allow freedom of choice in higher education to any individual with the qualifications to achieve a college education, all of us were aware of the impact on our country's institutions of higher education of the postwar baby boom.

Now, to help all students, we have such Federal assistance as the college work-study program, the educational opportunity grants, the guaranteed student loan insurance program and other types of assistance to help students achieve the fullest possible education within the limits of his or her individual ability.

These programs represent a sound investment in the future of this country. They merit our strong support and careful attention and I am confident that the Congress will move to expand these opportunities for our young men and women.

Appearing in the recent winter issue of the Marquette University magazine was an excellent article which described the impact of these programs on one university. The article also served to point up the dedication which one individual brings to his job in seeing that these Federal funds are used to the maximum.

The individual, Mr. James G. Dwyer, director of financial aid at Marquette, attests to the fact that these programs of financial assistance have meant much to one university and the students enrolled there.

The article indicates that financial aids have nearly tripled at Marquette University in the past 5 years, bringing new opportunities to college-age students.

Some of these new programs are either State or privately sponsored. All have helped alleviate the high cost of learning.

I commend this article, Dollar $igns and Diplomas, to the attention of my colleagues and hope that all of us will move to provide additional opportunities through our support of the higher education legislation soon to come before us.

The article follows:

DOLLAR SIGNS AND DIPLOMAS: A VARIED PROGRAM OF FINANCIAL AIDS IS HELPING TO BRING A COLLEGE EDUCATION WITHIN REACH OF MORE AND MORE STUDENTS

Next to getting into college, the most troublesome problem is affording to stay there. The high cost of learning is an accepted fact of life, and for thousands of families it is also a major source of financial worry. Paradoxically, however, it is now true that practically no student with intelligence need forsake a college education solely for lack of funds.

The reason for this glimmer of light in what could be a bleak picture is that various forms of financial assistance to college students have caught up with rising costs, at least temporarily. "We can take care of any student with a legitimate financial need," says James G. Dwyer, director of financial aids at Marquette University. Though Dwyer adds certain qualifications to his statement—a student must be willing to borrow to pay for his education and he must be willing to work part-time—the fact remains that there is money available to put academically able students through college.

Only a decade ago, when Dwyer first started working in financial aids at Marquette, he could not have made such an optimistic statement. Drop-outs for lack of funds were relatively common, and aid was often limited to only the academically elite. In a few short years, however, college students have been blessed with a dramatic increase in financial aids. Much of this benevolence has been at the hands of federal and state legislators, whose members have exhibited wide concern for the problems of the economically disadvantaged and culturally deprived. "In Wisconsin," Dwyer said, "the state legislature has passed more education bills in the last three years than were passed in the previous 20 years. Unquestionably, this has been a spur toward freedom of choice in education."

The "freedom of choice" idea is one of the foundation blocks supporting the whole philosophy of financial aids. Without some form of assistance, higher education would simply be out of reach for most children in low income families. Moreover, many children of middle income families would be forced to limit their choice of college to a relatively low tuition institution. Private colleges and universities, where tuition is necessarily higher than at public institutions, would be in serious danger of becoming enclaves of only the very rich.

The basic motivation behind financial aid programs is to remove financial barriers so that a student can choose to attend any college that suits his aims and talents. Thus, if a family is able to contribute $1,000 a year to their son's education, he would not be limited to selecting a college where his annual bills would total $1,000. He could choose an institution where the cost would be $2,000 or even $3,000, and a package of financial aids would, ideally, make up the difference. The cost to the family would be the same—$1,000—but the amount of aid would vary, depending upon the college which the student attended.

Statistics supplied by the College Scholarship Service, a private co-ordinator of aid programs, indicate just how big a business financial aids in higher education has become. The CSS estimated that $440 million was available four years ago in all types of aid; last year some $710 million was offered. Dwyer has his own yardstick for measuring how massive and complex the business of financial aids is. "We don't just shuffle papers," he quipped. "We shovel them."

COLLEGE COSTS RISE

The reason behind the bulging financial aids business is, of course, the rapid acceleration of college costs. In 1955, the average annual cost for room and board, tuition and fees at a private college was about $1,300. Today the same items would run up a bill of better than twice that much. Nor have students at public institutions, where state taxpayers shoulder much of the financial burden, been immune to the money squeeze. In 1955, a resident student at a state college or university would have paid about $800 a year while today he pays an average of about $1,200.

But while the bills for attending college have jumped, they still do not even begin to pay the institutions' cost-per-student. At Marquette, for example, tuition in 1957 was $550 a year, compared to next year's base tuition rate of $1,450 a year. But the cost-per-student over this same period has mushroomed to an even greater extent. In essence, higher faculty salaries, new buildings and more expensive equipment have increased the cost of running colleges far out of proportion to their incomes.

Because most students who are receiving financial aid do so under a package plan—combinations of loans, grants, scholarships and employment—it is difficult to figure exactly how many students are benefiting from financial assistance. Dwyer has estimated, however, that one out of seven of Marquette's full-time students is on some kind of scholarship, and one out of four is receiving some kind of aid. Last year the Marquette financial aids office processed over $1 million in educational loans and awarded about one-half million dollars in scholarships that were based on academic achievement. In addition, students employed in University offices earned over $400,000 working their way through college.

Few Marquette students can get all the way through school on a full scholarship—a grant that covers all tuition costs and fees. The idea of packaging aid—combining a scholarship grant with a loan and a part-time job—is more prevalent because it permits the University to stretch the resources it has available. In this way, more students can be assisted than if a policy of full aid were followed.

When a student visits the financial aids office to apply for aid, or applies through the mail in the case of incoming freshmen, he or she avails himself of all types of aid through a single application. If the student is interested in a type of aid that is awarded on the basis of financial need, he must undergo a need analysis. Financial need—not scholarly brilliance—is the guideline colleges use in distributing monetary scholarships, most loans and grants and some jobs. In this way, the colleges insure that the money goes to those students who need it most.

The need analysis is an objective method, developed by the College Scholarship Service and uniformly employed by most financial aids offices, whereby a college or university can evaluate just how much monetary assistance a student needs. The key element in this analysis is a Parent's Confidential Statement (PCS), a document which reveals the family's financial standing. The detailed nature of this statement, which includes a listing of annual income, expenses, assets and liabilities, is further assurance to the colleges that financial aid will be distributed fairly on the basis of complete information, rather than haphazardly on the basis of casual conversation or vague guesswork.

After a financial aids counselor has reviewed a student's application and determined just how much assistance he needs, a package of aid is offered to the student. Depending upon the amount of aid needed, plus other factors, the student may be offered one or several of the different forms of assistance provided at Marquette.

THREE KINDS OF SCHOLARSHIPS

A *scholarship* is perhaps the oldest and most familiar kind of college aid. In effect, this is a grant which covers all or part of a student's tuition and academic fees. Usually, it is an award that is related to academic distinction, coupled with some evidence of financial need.

Dwyer explained that students can attend Marquette on scholarships that fall into three broad categories, determined by who makes the selection and who finances the award. A *designated scholarship* is one where Marquette is not involved in either the selection or the financing of the award. For example, a student may win a $500 scholarship from a service club in his hometown, and use this money to finance his attendance at Marquette. A *controlled scholarship,* on the other hand, is one where Marquette decides who will receive the award, but the University does not directly finance the scholarship. Examples of this kind of awards are the General Motors and Western Electric scholarships, which are made available to Marquette by benefactors outside the University. Finally, a *funded scholarship* is one where Marquette both selects and finances the award. Funds for these kinds of scholarships are drawn directly from University operating income and from income from Marquette's endowment.

This year about one-half million dollars in controlled and funded scholarships were awarded by Marquette. About $330,000 of this total was financed by the University itself, Dwyer said, including about $80,000 in scholarships that came from income on endowed scholarships.

Dwyer explained that the University uses a matching system to determine who will receive the awards, and how much each award will be worth. By March 1 of each year, all applications for scholarship assistance must be in the hands of the financial aids office. Then the University's undergraduate scholarship committee meets to evaluate these applications. The committee ranks the applicants, from top to bottom, on the basis of academic achievement, leadership and other qualities having no relationship to individual financial need. After this ranking is completed, the committee looks at each applicant's financial need and makes its awards accordingly.

GRANTS BASED ON NEED

If a student lacks the academic achievement to qualify for a scholarship, he still may be eligible for a *grant,* another form of financial assistance that need not be paid back. Most grant programs administered by Marquette are set up for students of average—or even below average—achievement who give evidence of financial need. The Wisconsin State Tuition Grant program, for example, is open to students who are residents of the state and are attending a college or university in the state where the annual tuition exceeds $400—in effect, a private school. Under this program, now in its third year, grants are made to the student, on a sliding scale determined by family income, up to a maximum of $500 a year. Last year 524 Marquette students received over $180,000 through this program.

Grant programs also are supported by the federal government. The Higher Education Act of 1965 gave birth to the Educational Opportunity Grants for exceptionally needy students. "It is estimated that the average family can contribute $600 to $800 for nine months for a child's college education," Dwyer explained. "If the family's expected contribution falls below these figures, there is evidence of what is called *exceptional* financial need." Grants from this program range from $200 to $800 a year, but may not exceed half of the college's estimate of the student's financial need. The remaining aid must come from other sources, such as a scholarship, loan or employment. Last year 161 Marquette students received $66,958 in Educational Opportunity Grants.

Funds allocated to military veterans who attend Marquette under the New GI Bill also can be classified as grants, though they are not administered through the financial aids office. The bill provides an educational allowance—the minimum is $130 a month for an unmarried student—for veterans who have put in more than 180 days of active service since February 1, 1965. According to Mrs. Helen Fitzpatrick, Marquette's veterans' coordinator, 475 students—many of them veterans of the Vietnam war—are attending Marquette this year under terms of the New GI Bill.

A *loan* is the third major type of financial aid available to Marquette students. This is a form of monetary assistance given at low or no interest and usually subject to repayment after the student leaves school. The low interest and "study now, pay later" characteristics are among the most attractive features of this kind of assistance. Students of average as well as superior achievement are eligible for loans under most of the programs administered by Marquette.

NATIONAL DEFENSE LOANS

"You have to remember that most full-time students aren't able to obtain a regular loan from a bank," Dwyer remarked. "Most of them would have no permanent employment, no collateral, no security. From the banks' viewpoint, this person would be a poor risk, On the other hand, if the parents took out a loan for their child's education expenses, the interest rate could be six percent or more. So you can see how advantageous these college loan programs are."

The most widely used loan program at Marquette is the gigantic National Defense Student Loan program, established by the National Defense Education Act of 1958. Last year alone, some 554 Marquette students received $433,615, or an average of $783 per student, through this program. The terms of this loan are relatively simple: a student may borrow up to $1,000 a year to meet college-related expenses, with no accrual of interest to the student during his formal studies. The loan bears simple interest at a rate of three percent a year, beginning nine months after the end of student status, and the entire loan must be paid off in 10 years.

One of the chief lures in the National Defense Loan program is the "cancellation of obligation" clause. For each year that the borrower serves as a teacher, up to fifty percent of the loan, plus interest, may be cancelled, at a rate of ten percent each year. Moreover, another five percent per year may be cancelled for each year the borrower serves as a full-time teacher in an economically depressed area or works with handicapped children. Thus a $4,000 loan can be cut to $2,000 by a graduate who teaches for five years, or to nothing by a graduate who teaches for seven years in a low-income neighborhood.

WORK THEIR WAY THROUGH COLLEGE

Though often overlooked as a source of financial aid, *employment* is one of the most popular forms of meeting the cost of a college education. In addition to about 200 Marquette students who are working their way through college as part of the federally-supported work-study program, hundreds more are helping to pay the bills by working part-time at jobs on campus and throughout the community. Dwyer reported that last year 173 Marquette students participated in the work study program, earning a total of $113,000. Jobs were provided for hundreds of other students in Marquette offices, amassing a total payroll of $292,000.

Under the work-study programs, jobs with a maximum work load of 15 hours a week in University departments are found for students who have financial need. The federal government backs the program by paying 85 percent of the student's salary, with Marquette paying the remaining 15 percent.

Other part-time jobs on- and off-campus are provided for students through an employment clearing house in the financial aids office. On a recent day, a bulletin board in that office listed over 100 job opportunities, ranging from babysitting and tutoring to washing walls and clerking.

Dwyer soft-pedals the notion that working part-time will hurt a student's academic record. "I used to feel that the more hours a student had to work, the bigger the toll he would have to pay scholastically," Dwyer recalled. "But since then I've learned of too many exceptions. Several years ago I talked to one of our professional school students who was married, had a child and was working 40 hours a week. Rather smugly, I asked him how he was doing in class. When the student answered that he wasn't doing as well as he should be, I felt justified in my suspicions. But when the student went on to say that he was ranged only third in the his class, and he felt he should be first, that conversation taught me never to jump to conclusions on how heavy a work load a student can handle. If any generalization is to be made, however, the average student probably shouldn't exceed 12 to 15 hours of employment per week."

Financial aids counselors frequently have to refute the claim that millions of dollars in scholarships are going to waste because students are unaware of them and therefore don't apply for them. "This simply isn't true," Dwyer stated, flatly. "I would estimate that less than one-tenth of one percent of available scholarship money is not being used. And in most cases, these unused scholarships have restrictive requirements that make it almost impossible for a student to qualify. With very few exceptions, every dollar in scholarship aid, and nearly every dollar in grant and loan assistance, has a qualified taker."

Bearing eloquent testimony to that statement is the fact that financial aids have nearly tripled at Marquette in the past five years. Only a decade ago, it was taken for granted that a college education was out of reach for the economically disadvantaged. Today, however, numerous programs have been tailored to help these same students get through college. The financial aids business is booming, and as long as it does, a dollar sign will never be able to trip a student on the way to his degree.

The Late Clark Hasbrouck Schooley

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. MAHON. Mr. Speaker, recently in Lubbock, Tex., we mourned the passing of a former congressional secretary, a former newspaperman, and teacher of journalism at two Texas universities, who for the past 17 years had been a publications editor at Reese Air Force Base, at Lubbock. Clark Hasbrouck Schooley, 65, was congressional secretary and aide to Representative Frank W. Fries, of Illinois, during the 75th and the 76th Congress, 1937 to 1941. During that time he was active in the Little Congress, as the association of congressional secretaries was then called, and was speaker of the Little Congress. At that time, he earned some distinction as the first secretary to a first-term Congressman to be elected to head this association. President Johnson, when a congressional secretary in the thirties, was likewise active in the formative days of this association, and served as its "speaker."

Since 1950, Mr. Schooley was civilian publications editor at Reese Air Force Base, and under his supervision the periodicals and journals there earned numerous recognitions, and awards. The passing of Mr. Schooley, and his professional contribution to his community and fellow man has been noted in publications in my home community of Lubbock, and because of his competent service as a House staff member, for which he is well and favorably remembered, I include excerpts from these publications at this point in the RECORD:

[From the Lubbock (Tex.) Avalanche-Journal, Jan. 4, 1968]

CLARK H. SCHOOLEY DIES HERE

Clark H. Schooley, 65, veteran newspaperman and civilian employe in the public information office at Reese Air Force Base the past 17 years, died at 6:15 a.m. today in Highland Hospital.

Schooley also was a former faculty member of Texas Tech, serving on the journalism department teaching staff from 1945–50.

* * * * * *

Burial will be in an Effingham, Ill., cemetery. Time has not been determined.

* * * * * *

BORN IN ILLINOIS

At the time of his death, Schooley was a civilian employe of the RAFB public information office. He served as editor of "The Roundup," a weekly base newspaper, which under his editorship had been selected best in its class in judging conducted by Headquarters, Air Training Command, in 1959 and 1964.

Born in Effingham, Ill., he attended Effingham schools and was graduated in 1927 from the University of Illinois School of Journalism.

While attending the University of Illinois, he worked for three years on the editorial staff of the student newspaper.

He worked for the Champaign-Urbana, Ill., News-Gazette, as reporter and telegraph editor in 1928–29 and for the Effingham County Review, Effingham, Ill., writing a weekly column, "Dugan's Lemon Squeezer."

He served other stints as a reporter for the Decatur, Ill., Review, Illinois State Register, Gillespie, Ill., News, and worked as a reporter for the Associated Press in Pittsburgh, Pa., New York City and Pittsburgh, Pa., from 1930–33.

Schooley also was former secretary to the late Illinois Congressman Frank W. Fries, 1937–39.

Schooley was owner-publisher of the Bement, Ill., Register, 1941–42.

He taught at Hardin-Simmons University, Abilene, from 1943–45.

Schooley also was employed by the Abilene Reporter-News while teaching at Hardin-Simmons.

Schooley was a member of Sigma Delta Chi, national professional journalism society, and the Westminister Presbyterian Church, Lubbock.

Surviving are his wife, of 2815 52nd St., three brothers, Frank E. Schooley, Champaign, Ill., Eugene and C. Hershel Schooley, both of Alexandria, Va., and a sister, Louise Schooley, Falls Church, Va.

* * * * *

[From the Reese Air Force Base Roundup, Jan. 5, 1968]

ROUNDUP EDITOR, C. H. SCHOOLEY, DIES

Characterized by a shuffling gate and a crusty mannerism, Clark Schooley, 65, editor of the Reese AFB Roundup for the past 17 years, was best known throughout this entire area as "Mr. Schooley."

Mr. Schooley was a completely unique individualist, who projected his exterior self as an unemotional, untouchable nonconformist. His self-designed disguise deceived few!! Underneath his would-be veneer, transparently reigned a gentleman of the highest order, a gentle and sympathetic heart, and an enviable acuteness of mind and memory.

Few of the military members could individually parallel Mr. Schooley's interest, dedication, loyalty, or contributions to Reese AFB. His attributes, knowledge, and know-how are pronouncedly documented in the annuals of the Roundup. His talents and devotion to newspaper work made possible innumerable recognitions of achievements for Mr. Schooley, Reese AFB, and the Air Force.

Such a man as he shall not pass this way again! With a shuffling gate and a crusty departure, our esteemed, honorable, and respected editor of the Roundup died yesterday. However, his many, many friends, associates, and loved ones can take pride and consolation in the knowledge that his welcome at the Lord's Table shall be made known by a simple and dignified placard labeled, "Mr. Schooley."

* * * * *

News

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. O'HARA of Michigan. Mr. Speaker, the news media, whose importance to the democratic process has been aptly recognized in Mr. Douglass Cater's phrase—"the fourth branch of Government"—often seem to many of us to fall short of their potential as public servants. One of the most common sources of difficulty is the excessive concern of editors and reporters with so-called hard news—the short, often sensational, story that is thought to sell copy. Behind such news coverage, of course, lies something more difficult to capture and convey—

the complicated realities of our social, economic, and political life.

If there is room for hard news there should also be room for the more thoughtful kind of analytical piece that examines events in their real proportions. Behind the sensational coverage of auto accidents, daily battles, and draft card burning lie the realities of our true situation, and these realities must be accurately conveyed by our friends of the press if they are to fulfill their appointed role in the democratic process.

Mr. Speaker, Mr. Melvin Bleich, editor and publisher of the Romeo, Mich., Observer, has recently written a thoughtful editorial on this subject. I include Mr. Bleich's editorial at this point in the RECORD:

NEWS

(By Melvin E. Bleich, editor and publisher)

You may have noticed in this column that the subjects discussed are frequently referred to as being "in the news." Quite naturally, I like to use as a theme those ideas, problems or concerns which are uppermost in people's minds. Many of them are common in other communities and therefore are regional or national subjects.

But more and more, I find myself wishing to emphasize in a preface that the treatment of the subject by the news media does not really describe accurately its significance to society or the average citizen hereabouts. Which brings us to the question, "What is news?"

One of the simplest answers is that news is a matter of judgment—it is what editors think is news. Their first category is that of "hard news" which is the trade term for the crimes, accidents, hurricanes, and other such occurrences which might also be summed up as bad news. The capsule report of Vietnam (you've heard or read it many times): unit X met the opposition at a certain hill and the result was a given number of casualties.

What happened in Detroit today: one bank robbery, three auto deaths, a spectacular fire, two charges of wrongdoing by public officials and a new strike at a local plant. This is the backbone of the front page news or the skeleton of the electronic newscast. But do you think this really reflects what happened to a community of a million population on a given day and all the people in it?

This rather narrow view of what is news is quite traditional in the news business and it dies slowly. The result has been a rapid increase in popularity of the daily news. And in the dailies themselves, often on Sunday, more and more space is being devoted to this kind of long article which deals with the major movements and happenings in the community. But editors have not gotten around to filling their front pages with this kind of reporting.

For instance, about 25 Americans are killed in Vietnam each day. More than twice that many Americans are killed on the highways each day, plus an enormous number injured and immense property damage. We agonize over Vietnam. Why don't we show at least the same concern for the highway carnage?

I have discoursed before on the motor vehicle death-injury situation. These are not "accidents." This is a kind of Russian roulette. The National Safety Council has it figured out that for every so many passenger miles traveled someone is going to be killed and others injured. That is how they can predict the fatalities during a holiday. They come up with a pretty good estimate of how many miles are to be traveled and it follows there will be so many deaths. Simple. It is so simple and so routine, so much with us that we are immune to its significance.

Out of 10 million young people in these United States, several thousand may be found in hippie land in San Francisco, a like number in downtown New York, several hundred in Detroit, other cities having a dozen or a hundred or some such figure. This pitifully small number of pitiful figures has nonetheless branded the entire younger generation as hippies.

In a university containing perhaps 20,000 or 30,000 students, a few dozen may seek to protest the draft by some spectacular means such as a sit down or a card burning or some such device. And there will be hundreds of others who will watch and perhaps show some sympathy for the protest idea. But the non-action of the other thousands is not an item of news to compare with the protest stuff we have been reading for a year now.

The thousands upon thousands of young men who dutifully report when called into service are a fact but not news in the traditional sense. And there are millions of young people who are not hippies. They may have some faddish hair and clothing styles. But I can recall some fads of a generation ago which were quite far out.

The point is this: many of the problems which we talk about because they are in the headlines are not as significant to society as they might seem. To be sure, Vietnam, hippies, draft-dodgers are serious problems along with many other headliners. A significant part of the problem is created because certain aspects are over emphasized in the news or perhaps because we readers fail to dig into the background reporting to see these things in true perspective.

One of the functions of a column like this is to try and examine events in their real proportions. A shallow reading of the news will leave you with a few statistical facts: so many killed and injured, so many in protest, so many involved in serious troubles and so on. While this kind of news is factual, it can be overwhelming if you don't try to see the whole picture.

The Farm Bureau and the ASCS

HON. JOSEPH Y. RESNICK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. RESNICK. Mr. Speaker, I have long felt that the American Farm Bureau Federation's hostility to Federal programs actually masks the incestuous relationship it maintains with the Government. The formal and informal ties between the Farm Bureau and the Department of Agriculture's extension service are too well documented to require more than passing mention. The relationship between the Farm Bureau and the Agricultural Stabilization and Conservation Service, however, is less well known.

On the one hand, the Farm Bureau is opposed to price supports and production controls—the business of the ASCS. On the other hand, in several States, the ASCS is actually administered by Farm Bureau members. In the accompanying letter to the editor of the Des Moines Register, December 15, an Iowa farmer wonders whether this apparent contradiction is "bad communication or hypocrisy." After more than 7 months of investigation, I am prepared to conclude that it is the latter.

Under unanimous consent, I submit the following article for inclusion in the CONGRESSIONAL RECORD:

SAYS FARM BUREAU DOES NOT PRACTICE WHAT IT PREACHES

To the EDITOR:

In an address given to Iowa Farm Bureau county leaders, J. Merrill Anderson [Iowa Farm Bureau president] had this to say: "Effective communication is one of the greatest challenges farmers face today." He further stated farmers should "point out that we in the Farm Bureau firmly believe and without reservation that the private enterprise system provides more for both the so-called 'haves' and 'have-nots' than any other system yet devised."

It appears that a very large communication gap exists within the organization. The official position of the Farm Bureau is quite clear. It calls for terminating the present feed grain program right now. Charles Shuman [National Farm Bureau president] has repeatedly labeled the present program a complete failure.

Despite the Bureau's official position, and Anderson's plea for better communication, the local leaders and rank-and-file members continue to milk the federal government in the name of a program that they have collectively rejected. This is either bad communication or hypocrisy.

Many Iowa Farm Bureau members are also Agriculture Stabilization and Conservation Service committeemen. As such, they are a part of an agency that promotes as well as administers the present feed grain program. This is a little bit like belonging to both the Masonic Lodge and the Knights of Columbus.

Mr. Anderson, if you wish to communicate with anyone outside the Iowa Farm Bureau, you must first explain the strange kind of integrity that allows your own leaders to say one thing and do the exact opposite.

DICK WADSLEY.

EARLY, IOWA.

The Last Act in Vietnam

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. FRASER. Mr. Speaker, on rare occasions one reads an article that comes quite close to expressing one's own views. Last Sunday I read such an article in the New York Times Magazine. The article, entitled "An Administration Critic Presents His Version of the Winning Scenario for the Last Act in Vietnam," was written by Richard J. Barnet. Mr. Barnet, formerly with the State Department, is codirector of the Institute for Policy Studies in Washington. His most recent book, written with Marcus G. Raskin, also codirector of the Institute, is "After 20 Years." The ideas in the Times Magazine article are forcefully and articulately expressed. They are, in my opinion, worth the consideration of every Member of Congress. The article follows:

One of the great problems with thinking about a way out of the Vietnam war is that the word "negotiation" is used by different people to describe totally different things. The United States and North Vietnam have announced many times, publicly and privately, the broad contours of what each regards as an acceptable "negotiation." These two conceptions of the process of settlement are totally contradictory. The purpose of this article is to examine what "negotiation" actually means in this 23d year of the Vietnam war. We shall consider the terms on which a negotiated peace might be attainable, and what it would mean to the United States to accept them.

A good place to start is to sketch what people in the State Department and Pentagon like to call the "scenarios" of settlement—the one in Dean Rusk's office and the one in Ho Chi Minh's.

What the United States would like to see is the following train of events: Ho will "signal" that he is ready to talk with the United States about the schedule of withdrawal of both North Vietnamese and United States troops, that he is ready to order an end of all guerrilla activity in the South, and that he is prepared to accept a South Vietnamese Government reorganized to include a broader national coalition than the present military-dominated one—but that he no longer insists on any significant participation by the National Liberation Front, the political arm of the Vietcong.

This point is absolutely crucial to the United States position. Up to the present, the State Department has insisted that the only enemy with which it will negotiate is the Hanoi Government. For more than a year, it is true, the United States has indicated a willingness to permit the National Liberation Front to join the Hanoi delegation and "make their views known." Last November, for example, Ambassador Arthur J. Goldberg proposed that the N.L.F. might be an independent participant in a reconvened Geneva Conference or at the United Nations. And perhaps, junior United States officials say privately, some minor ministries might be given the non-Communist members of the Front. But the basic line of United States policy has not changed since early 1966 when George W. Ball, then Under Secretary of State, put the American position in the clearest terms:

"The National Liberation Front is not a political entity expressing the will of the people of South Vietnam—or any substantial element of the South Vietnamese population. It is a facade fabricated by the Hanoi regime to confuse the issue and elaborate the myth of an indigenous revolt."

If the National Liberation Front were recognized as a legitimate force in Vietnamese politics, then it would have a claim not only to be represented at the peace negotiations, but also to be included in any future South Vietnamese Government. The State Department has no confidence that a coalition government which included representatives of the Front could avoid ending up a Communist government. Non-Communist forces in Saigon are so weak, the department feels, that they could not stand up to the N.L.F. once the real source of their political strength, the American military machine, was gone. Thus, "negotiation" continues to mean a political arrangement for Vietnam in which the National Liberation Front does not play a significant role.

Rusk's "scenario" contemplates a number of possible first acts. There could be a Geneva scene, a U.N. scene or a Rangoon scene. Representatives of the Front could play bit parts, making their views known, even eliciting some recognition of their legitimate status from participants other than the United States and the Thieu-Ky Government. But when the final curtain comes down, the representatives of the Front are still minor characters. The hero is Thieu or Ky or some other American candidate. The United States troops sail away. (The finale takes from three to five years.) As the final scene fades, a gradually broadened South Vietnamese Government takes control of the country, using the enormous complex of United States-built bases, airfields and weapons stores to improve the quality of its rule.

Such a "negotiation" is, of course, nothing more than the ratification of a decisive United States military victory, an event which has not occurred and does not seem likely to occur. Hanoi and the National Liberation Front end up with nothing—or perhaps the Ministry of Tourism. They gain none of the objectives for which they have fought for more than 20 years—essentially political power in South Vietnam and eventual reunification of the country. Since Ho Chi Minh believes that these objectives were once won on the battlefield when the French were defeated in 1954, he is not prepared to give them up in a "negotiation" unless he feels compelled to surrender. Even the prospect of an amnesty for the guerrillas, which is included in the current Rusk production, is not particularly tempting, even for the most harassed Vietcong soldiers for the memory of Ngo Dinh Diem's amnesties and his subsequent persecution, torture and murder of Vietminh veterans is still too vivid.

There is another reason why Dean Rusk's phone, an important prop in the scenario, has not been ringing. Ho lacks the power to surrender on Rusk's terms, even if he should want to. The script calls for Ho to "stop doing what you are doing to your neighbors," which means not only that he must halt the infiltration of guerrillas and regular army units from North Vietnam but that he must also call off the guerrillas in the South, who represent by far the bulk of the fighting force there. It is by no means clear that he is in any position to do that.

The relationship of North Vietnam and the National Liberation Front, which has been the subject of a great deal of controversy, is a complicated and a changing one. Nonetheless, a few basic points are clear. While Hanoi sought almost from the beginning of the guerrilla activity in 1957–58 to control and direct events in the South, the movement developed primarily because of Diem's repression rather than Ho's agitation. As the war escalated, so also did the Front's dependence on Hanoi for leadership, arms and strategic direction. But even today most of the soldiers and the weapons facing United States forces have never been north of the 17th parallel. Thus it is fanciful to think that merely stopping the flow of arms and men from the North will stop the Vietcong.

But the script calls for Ho to broadcast an order to the guerrillas to lay down their arms, whereupon, since Hanoi "controls" the Front, the guerrillas troop dutifully to the local police station to hand in their weapons. This particular scene from the Rusk script suffers from a basic lack of verisimilitude.

A remote national hero may be able to "control" a guerrilla movement while he is supplying it and holding out a plausible strategy for victory, but not when he counsels surrender. It does not follow that he will be able to convince men who have become guerrillas because of personal desperation to lay down their arms merely because he may have been able to persuade some of them to take them up. True, he convinced the victorious Vietminh in 1954 to give up at the conference table much of what they had won on the battlefield, but only because everyone assumed that it was only a matter of months before a Communist Vietnam would emerge as a result of a nationwide election which the Geneva accords called for no later than July, 1956. (In November, 1954, John Foster Dulles told Gen. J. Lawton Collins that the chances of avoiding this result were 1 in 10.)

The current State Department scenario is a remake of an old favorite entitled "The Greek Solution." The Greek Civil War ended with what the State Department regards as the best kind of "negotiation." The guerrillas, largely because they had made grave political and tactical errors, stopped fighting. (Tito also closed the border and stopped giving aid. But in his recent study of that war Maj. Edgar O'Balance has concluded that the decisive factor in the defeat was the internal political dissension and the rise of incompetent leadership rather than any action by Tito.) It is the opinion of a number of Pentagon officials with whom I have talked, military and civilian, that one cannot anticipate a Greek Solution without committing at least another one million men for at least five years. Without the crucial scene in which the guerrillas, or at least most of them, fade back into the hills or silently rejoin Vietnamese society, the State Department's whole script for "negotiation" takes on an air of fantasy.

Ho Chi Minh's scenario also begins tentatively, but in one respect at least the denouement is crystal clear. As the curtain falls on the last act, the United States is out bag and baggage, and since Ky and Thieu are part of the baggage, they are gone, too. At least, they no longer hold power. The National Liberation Front takes control of the South Vietnamese Gvernment, probably in conjunction with other "nationalist"—i.e., non-American-dominated—elements of the population such as the Buddhists, Cao Dai and Catholics. Eventually, after perhaps as long as 10 years, the reunification of the country would be arranged.

Once Americans make the basic decision to leave by a certain date, Ho holds out a number of possible introductory scenes. "Singing children will strew the way with flowers," he once suggested. It is clear from numerous official pronouncements that the troops need not leave immediately—that, in fact, the introductory scenes might be protracted even a year or two if, and the "if" is crucial, the United States has really made a believable commitment to leave.

The leaders of the Front in South Vietnam favor essentially the same script, although there are differences in emphasis. While Hanoi puts greater stress on reunification and the building of a Socialist economy, the National Liberation Front stresses land reform, decentralization and step-by-step accommodation of the two governments and social systems which share the territory of Vietnam. As Prof. George Kahin concluded from recent discussions with leaders of the N.L.F.:

"The N.L.F. (whatever the long-term economic goals of its leaders) continually insists that the Socialist economy of the North is not the policy of the N.L.F. in the South, and that any movement toward a Socialist system will have to be taken step-by-step over a long period of time. They continue to emphasize that the N.L.F. is a Southern regime oriented to the needs and expectations of Southerners."

It is true that the Front has a strong propaganda interest in stressing its independence from North Vietnam, but it is equally true that real differences in interest and outlook exist. To put it in the simplest terms, it is the leaders of the Front and not the men in Hanoi who must figure out how to rule and reconstruct their tortured land.

The Front's program is deliberately moderate not only because its leaders are looking for non-Communist support abroad but also because their only hope of bringing effective rule to South Vietnam is to attract a coalition of the many diverse elements which make up what is, historically, a nation but, organizationally, a collection of duchies. The Communists would face the same choice as Diem or Thieu. They can either permit a degree of local autonomy for such groups as the Hoa Hao, Montagnards and Buddhists, or they must repress them, thereby prolonging the civil war. Unlike Poland or Bulgaria, Communists cannot hope automatically to rule the nation by seizing the machinery of the state, for the machinery hardly exists. Diem precipitated his downfall by pushing centralization too far and too fast.

The Front recognizes that the two most popular issues, other than simply ending the war, are the termination of all "foreign" intervention (which to most Vietnamese means Americans, not other Vietnamese who happen to live in the North) and the granting of autonomy to those factions in the society which represent regional, religious and social interests. It may well be that they will be able to construct a monolithic Socialist Vietnam, but they know that this will not be easy and that it will take a long time.

The crucial scene in the Front's scenario is the creation of a coalition government. The Americans began to sail away. Thieu and Ky receive faculty appointments at the National War College in Washington. An interim government takes office to prepare the way for new elections. This is the climatic moment. According to Ho's and the Front's scenario, the N.L.F. must either control the interim government which manages the election process or at least play a major role in it. Otherwise, they are convinced, there cannot possibly be an acceptable last act, for electoral experience in Vietnam down to the recent victory of Thieu and Ky makes clear that the incumbent gets re-elected. Having observed in the recent elections the arbitrary exclusion of popular neutralist-leaning candidates such as General Minh and Au Truong Thanh, Ky's former Economic Minister, the closing of opposition newspapers, the appearance in several districts of more votes than voters, and the awarding of extra votes to the army, the N.L.F., confident that it represents at the very least the largest single minority in the country, is adamantly opposed to running in another military-managed election. (For exactly parallel reasons, the Saigon Government and the State Department are opposed to giving the N.L.F. a role in the interim government and the management of the election.)

Thus, according to Ho's script, the N.L.F. will come to power in South Vietnam as a consequence of new elections provided that the Front is not excluded from the interim government. Although the N.L.F. calls itself on occasion "the sole genuine representative of the Vietnamese people," it has emphasized that it continues to stand by the 10-point program of December, 1960, which provides for the formation of a coalition government pending elections. "The N.L.F. is willing to cooperate in a common action program and work parallel with representative groups which share at least some of its objectives," a high official of the Front told Professor Kahin recently. Although he declared that such cooperation required their "joining" the N.L.F., he emphasized that this did not require an organizational link, but only that such groups as the Buddhists declare publicly their general sympathy and support for one or more of the five major goals of the N.L.F.: "Peace, Independence, Democracy, Neutrality, Reunification."

There are some solid grounds for believing that the N.L.F. cannot eliminate all other elements of Vietnamese society from a share in power. For one thing, strong religious factions, such as the Buddhists Struggle Movement under Thich Tri Quang, and the Cao Dai, are as anti-Communist as they are anti-United States intervention. Presumably, when the intervention ceases, and they are no longer torn between nationalism and anti-Communism, their ideological antagonism to the N.L.F. leadership will grow stronger. The religious groups, along with other semiautonomous factions such as the Hoa Hao, which now runs Angiang Province with virtually no interference from Saigon, are as unlikely to submit to tight N.L.F. control as they are to Ky's. The Catholics, too, who are well organized, are a force which cannot easily be ignored by the N.L.F. Indeed, the N.L.F. has demonstrated its awareness of the necessity of enlisting the cooperation of these various groups by pointedly including in its own Central Committee representatives of the Buddhists, Cao Dai and Catholics.

None of this means that, if its scenario were to be enacted, the N.L.F. would not at some point take full control of South Vietnam and arrange for its eventual reunification under Ho. At this point, this looks like a probable development, but by no means an inevitable one. Many South Vietnamese intellectuals who are anti-Communist but also are appalled at seeing their country become an American colony, have either reluctantly cooperated with the N.L.F. or have left the country. (There are more Vietnamese doctors in Paris than in all South Vietnam.) Presumably, many would return if peace were restored, and if they did, they would also represent a force for moderating ideological dogmatism. With the end of the war some of the moderate elements in the N.L.F. might well break away.

Ironically, the United States has pursued the policy of undercutting the independent power of non-Communist nationalists by giving full backing to the military junta. The State Department rightly fears that the non-Communist elements will not be strong enough to resist domination by the N.L.F., but by supporting the exclusion of neutralists and compromisers it makes this result more likely.

We can now turn to the opening scenes of the Ho-N.L.F. scenario for "negotiations." On this they have been quite explicit. The script calls for a double negotiation—the first, military, the second, political.

If the United States stops the bombing of North Vietnam, representatives of that Government will meet American negotiators to talk about military de-escalation, a series of questions on such matters as graduated withdrawals, infiltration, use of the demilitarized zone and the schedule for the final removal of United States forces. The United States should also take this occasion to demand that the North Vietnamese remove their troops from Laos.

Provided the second negotiation is proceeding satisfactorily, Hanoi representatives have indicated that they are prepared to be quite flexible about the timetable of United States withdrawal. But they will not talk about the political future of South Vietnam, for to do so would undercut their whole position—i.e., that the Front is the legitimate party to such discussions and the United States is not. More important, they cannot talk for the Front on this point.

Since the political reconstruction of Vietnam is what the fighting is about, the second negotiation is, of course, the crucial one. The N.L.F. has taken the position that the Thieu-Ky Government cannot participate in such discussions. The present Saigon leadership is not a legitimate element of Vietnamese politics, the N.L.F. insists, because its members represent only themselves and rule only at the sufferance of the Americans and under their direction.

If, however, President Thieu should invite into the Cabinet representatives of the Buddhists and other nationalist and neutralist elements who wish to see an early end of the war and the American intervention, such a government could begin negotiations with the N.L.F. for a coalition government and elections. The Front would probably be willing to deal with a government which included some of the Saigon generals if they appeared merely as representatives of one of the factions that must be reconciled in order to restore peace, but not if they claim to be the legitimate government.

To the familiar question, "How can the United States extricate itself from Vietnam?" the answer is rather clear. The stark alternatives appear to be either a decisive military victory followed by a prolonged occupation or a process of negotiation which, regrettably, is closer to Ho's scenario than to Rusk's.

Despite their relative military weakness, Ho and the Front enjoy certain advantages in a war of attrition. The war is increasingly difficult for the United States to carry on because many of her citizens believe that it was wrong to fight in the first place. North Vietnam and the Front have little incentive to accept a "negotiation" which means exclusion from power in South Vietnam and a continuation of dominant United States influence in the country. There is no reason to believe, therefore, that the "other side" will ever agree to such negotiations unless they are prepared to surrender. Even if such an agreement could be coerced, the war would probably still go on, although at a lower level, as a new generation of guerrillas continued the struggle. American troops in large numbers would still have to stay, fight and die.

Whether a process of negotiation leading to a termination of the war can now begin depends critically upon the decision of the White House. President Johnson could begin the process with a telephone call to President Thieu insisting that the Cabinet be made representative of all non-Communist elements in South Vietnam and that talks be begun with all factions including the N.L.F. The President would have to make it clear that negotiation for extrication rather than negotiation for victory was now really United States policy, for until he clarifies this point, the present South Vietnamese Government, well aware that their rule will end with a settlement, will continue to veto any United States initiatives in that direction.

Over the past year, members of the State Department, recognizing that direct negotiation among the Vietnamese is indeed the only way out, have hinted that the United States would promote this course once the non-Communist elements in South Vietnam were stronger. The assumption behind the delay is, of course, that time is on our side, that the political structure of South Vietnam is becoming stronger. However, it seems clear that the opposite is the case. Instead of building a coalition that would be representative of various sources of power in Vietnam in the hopes of balancing off the power of the N.L.F., Thieu has stocked his Cabinet with old barracks buddies. Since the trend in South Vietnam is toward further political disintegration, it is in the interests of the United States to achieve a political settlement sooner rather than later.

Is not the only process of negotiation which has a chance of succeeding really tantamount to a United States withdrawal? In a sense it is and in a sense it isn't. "Withdrawal" is another much used word in the Vietnam debate which has several meanings.

The first meaning and the one most commonly used is "immediate evacuation of all United States troops." (In official State Department parlance, "turning tail.") It is quite clear that neither North Vietnam nor the Front is demanding this. Logistical considerations alone would require a schedule that at a minimum would take months. Ultimately, of course, the troops would have to go. To this, officially, at least, the State Department has agreed.

The second meaning of "withdrawal" is that the United States give up all claim to dictate or to shape the character of the South Vietnamese Government. It is the political withdrawal rather than the military which must be immediate and unconditional if the war is to end promptly. The United States must withdraw from its present unattainable political objective—keeping South Vietnam out of the control of the N.L.F.

We can put the South Vietnamese Government in as strong a position as possible to

7

negotiate from strength with the Front by insisting that it include opposition leaders and become more representative. But we do not have the power—our conspicuous failure on the battlefield to put down the insurgency has proved it—to dictate the composition of a coalition government. The longer we demonstrate our inability to fasten a political solution on Vietnam, the weaker those in Vietnam who have depended upon us will become. We can arrange our departure in such a way as to make it more difficult for the N.L.F. to seize total power, but we cannot prevent it if it should turn out that the non-Communist elements are too weak to play a significant independent role.

Once the United States abandoned the unattainable goal of determining the character of the South Vietnamese Government and retaining its decisive influence over it, it could better use its power to promote objectives that are both more in its own interest and more realistic. We could demand an amnesty for Saigon officials who have literally staked their lives on the United States commitment, and insist that such guarantees against reprisals be monitored by the International Control Commission established under the Geneva accords and by temporarily remaining United States troops. But, again, candor requires us to face the fact that while the United States can influence events in Vietnam, it cannot control them. The Federal Government cannot prevent the death of innocent people on the streets in Washington. It cannot accomplish more in Vietnam. It can only make sure it is causing no further deaths itself. The United States could help considerably to reduce terrorism and reprisal, especially by using its influence to promote national reconciliation and by focusing world attention on the problem, but it cannot reasonably expect to guarantee instant peace in a land that has been riven by civil war for almost a quarter-century.

It is quite clear that a Vietnamese settlement could be arranged through a United States-Hanoi negotiation on mutual military withdrawals and an N.L.F.-Saigon negotiation on political reconstruction. The denouncement of such a double negotiation is not wholly clear, although at this point both Hanoi and Washington assume the result would be a Communist South Vietnam.

However the negotiations came out, it is hard to see how they would threaten essential United States interests. Were Ho Chi Minh to come to power in Saigon the day the conferences closed—which he would not—Americans would be neither less safe nor less rich as a consequence. Had the pattern of events in Vietnam which had already taken shape by the end of the Indochina war been accepted gracefully, Ho Chi Minh would still be known, if not as the George Washington of Asia, as Newsweek once called him, at least as the Gomulka of Asia.

Administration officials in Washington admit privately that the decision after the Geneva Conference of 1954 to create and defend at all costs a United States-sponsored South Vietnam was a ghastly mistake. The United States vital interests do not inhere in the Vietnamese soil. They were sent there. An expeditionary force of 500,000 men, casualties of more than 100,000, the expenditure of $100 billion and a string of permanent airfields and massive harbors, like Camranh Bay and Danang, do not merely demonstrate the United States commitment; they *are* the United States commitment. Since 1964, when it became clear that Dulles' 1-to-10 gamble to establish a permanent United States protectorate in Southeast Asia was about to be lost, the United States has tried to save the situation through a reckless commitment of the national honor.

With every speech about resisting aggression, preventing World War III, and our determination to fight to the end, the President increases the commitment of national honor—and more and more Americans feel dishonored in the process. As the costs of the Vietnam war have plainly exceeded any rational United States interests in that small country, the Administration has discovered a series of transcendent interests for which the war is ostensibly fought. These interests have to do with China and with the rest of Southeast Asia.

State Department officials say that if the United States should change its present course, however ill-conceived that course might be, the resulting humiliation of America would propel China into the position of the first power in Asia. But China, except in a military sense, has already been propelled into that position by geography. Short of destroying her, there is little we can do about her size and power or the fact that the surrounding nations will have to make some kind of peace with her. While there is considerable evidence that China is encouraging the continuation of the Vietnamese war because it is embarrassing and debilitating for the United States, she did not start that war nor is she able to start other insurgencies.

The United States and most of the other nations of the world would have a strong interest in preventing a Chinese military expansion in Southeast Asia, and because such naked aggression would arouse genuine fear and outrage around the world, an effective coalition could be formed against it. But neither Chinese practice nor Chinese doctrine suggests that Peking would embark on such a course. On the contrary, despite repeated border violations, the landing of a large United States expeditionary force, and a series of threatening statements from the State Department and the Pentagon, the Chinese have been exceedingly cautious in committing their military forces in Southeast Asia. (They did not intervene in Korea until MacArthur was practically on their border.) Our experience with China suggests what common sense dictates: The Chinese will turn more to military force as military force is used against them. If we are worried about stimulating dangerous and irrational behavior in Peking, the prolongation of the Vietnam war seems to be the worst course for it reveals, from China's viewpoint, both threatening intentions and, at best, a marginal capability to use our military power for concrete political ends.

The Chinese would not be fooled by America's renunciation of what she cannot do anyway—establish a government to her liking in South Vietnam. They know that America still has the economic, military and diplomatic power to play a role in Asia and that she will insist on continuing to play it.

China knows also that the nationalist revolutionaries in Vietnam, Cambodia, Thailand, Laos and Burma fear her and that these revolutionaries will do everything in their power to resist falling under Chinese domination. This does not mean that they, or the present Governments of these countries, would dare continue an avowedly anti-Chinese foreign policy once United States troops left the area, but that they would seek trade and aid from other sources, so as not to become satellites of their historic national enemy. (The N.L.F. continues to assert that it will seek United States aid once United States troops are gone.) The United States has no interest in promoting *hostile* states around the periphery of China—only *independent* ones.

The second vital interest which the State Department alleges would be jeopardized by facing the facts of life in Vietnam is the "loss" of Laos, Thailand, Cambodia and, eventually, the rest of Southeast Asia. The "domino" metaphor disguises two different policy arguments. The first is that the guerrillas in Thailand would be disheartened by the failure of the N.L.F. in Vietnam, but encouraged by their success. While this is no doubt true, the implication that the fate of one insurgency has a decisive impact on another has very little historical support. It is what Trotsky believed, but it is not what has happened. Despite early efforts to replicate the Bolshevik Revolution in Hungary, Germany and other likely places, Lenin failed. An insurgency will succeed only where local conditions are ripe for it. Whether the insurgency in Thailand grows or diminishes will depend upon the ability of the Government to administer the areas in which the guerrillas are now operating. Local politics, not international revolutionary euphoria, is the decisive factor.

The other meaning of the "domino" specter is more substantial. If the U.S. signifies that it cannot support a military dictatorship in South Vietnam—despite the commitments it has made—it is in effect telling the Government of Thailand, for example, that if insurgency reaches the same level, the United States cannot support Thailand, either. The likely effect is that the Thai Government must follow a strategy of conciliation in dealing with the guerrillas rather than a strategy of pure repression. This means that it must give at least as much attention to meeting the economic and political needs of its people as it does to policing them.

We should know by now that if a Government is unwilling to deal seriously with the economic and political conditions from which domestic rebellion springs, the U.S. cannot successfully suppress its discontented population for it (why we should want to, in any event, is another question). Che Guevara's final adventure in Bolivia tells us that it is very hard to launch an insurgent movement by infiltration, for if the constituted Government enjoys any popular support, or if the people are merely apathetic, they are much more likely to report the guerrillas to the police than to support them. And unless the people do support the rebels, as in Vietnam, the guerrillas cannot hold out against the overwhelmingly superior force of the Government. Thus, while it is true that a negotiated settlement in Vietnam would require the U.S. to change its thinking about the rest of Southeast Asia, particularly its campaign of counterinsurgency in Thailand, such a change is vital if we wish to avoid another disastrous commitment of the national honor.

The Vietnam war is the greatest political and moral crisis of our history because for the first time we can see the possibility of extrication from a catastrophic involvement only through a national confession of failure.

To be sure, the President could take Senator Aiken's advice and announce victory as he withdraws the troops. But I fear that while most of the world might perhaps either believe him or not care, the American people would know the truth, and frustration and cynicism in the country would rise to new heights.

Diplomats around the world have been searching for a third scenario for ending the war, an alternative to Rusk's invitation to surrender and Ho's program for takeover. Supposing, they say, the war drags on for another year or two. The Vietcong find it increasingly difficult to recruit men to replace their enormous losses. The economy of North Vietnam is virtually destroyed by the bombing. The United States makes it clear that despite rising casualties and growing protests at home it will not accept a process of negotiation that could lead to a Communist South Vietnam. Ho Chi Minh continues to reject surrender but has become convinced that the United States will never allow him or the Front to take political power. In such a situation would not both sides be prepared to settle for less than present objectives? Could not such a settlement lead to a coalition government guaranteed by the outside powers, or perhaps to continued partition of the country?

In the search for alternative political outcomes to the war, proposals for alternative military strategies, such as General Gavin's "enclave" approach, have been put forward. Others have suggested that the negotiations might proceed step-by-step with the arrangement of local cease-fire zones, to be followed by local and regional elections. Government forces might continue to administer the parts of the country they control while the N.L.F. would be recognized, perhaps tacitly, as the legitimate authority over the provinces it, in fact, administers.

Those who cherish the hope that a prolonged war of attrition might cause the belligerents to strike a compromise do not realize how narrow are the margins on both sides for political maneuver. Unless the United States redefines its war aims to accept the possibility of an N.L.F. Government in South Vietnam, the N.L.F. has no incentive to negotiate, for its essential war aim is participation in political power.

If the United States is unwilling to accept this possibility under any circumstances, then it would have to avoid any "compromise" involving the removal of its troops, for once the forces left, even the most carefully conceived arrangement for a coalition government or partition might well lead to a Vietcong political victory. If, on the other hand, the United States was willing to accept a negotiation with a risk that it might lead to an N.L.F.-controlled Government, we would have no interest in resisting the process of settlement which Hanoi and the Front have indicated they are willing to accept—the double-negotiation scenario.

Indeed, it would be in the United States' interests (and South Vietnam's) to initiate such discussions as soon as possible and to bring into them those indigenous non-Communist elements in South Vietnam now excluded from power who put the restoration of peace and the ending of the destruction of their people ahead of anti-Communism. In such negotiations, compromises will no doubt emerge. They will reflect the relative strengths and political skills of the various Vietnamese political forces. Such compromises can neither be arranged nor enforced by the United States unless American troops remain in Vietnam indefinitely, a possibility completely inconsistent with a compromise settlement. Perhaps a point might be reached at which the North Vietnamese and the Front would decide that temporary de-escalation was worthwhile, so that an "enclaves" strategy would not jeopardize American troops. Perhaps peace could come to certain regions. But there is little evidence that such strategies could end the war. No one has yet figured out how to convert military stalemate into political compromise in Vietnam.

The difficult question for the President is not how to compromise differences in Vietnam—these will be compromised or not depending upon the strengths of the various interest groups in Vietnam—but how to heal the wounds that the war has inflicted on our country. The task is not to maintain the national honor, but to recover it.

Truth is a radical remedy. It has a dangerous snowballing effect. Officials who start down this unfamiliar path face the risk that they will be compelled to peel away more layers of fantasy than they intended. Truth hurts when people or nations have grown accustomed to living lies. A nation which has been told that it can do no wrong when it comes to fighting Communism is likely to react with anguish and terror at the loss of the Battle of Vietnam.

While the United States would emerge from a negotiated peace far stronger for having extricated itself from a quagmire, a decision to make peace would be a public admission that the 14-year policy to create a U.S. protectorate in Southeast Asia by military means had failed. Those who worry about a resurgence of McCarthyism following such a national trauma should not be dismissed as alarmists. It would be a dangerous time, for a vocal minority in the country would feel outraged—even betrayed. The stalemate in Korea had a good deal to do with the climate of frustration and hysteria in which McCarthy flourished.

But this problem will not get any easier as the war mounts and passions rise. Were the President to put the issues frankly before the American people, many of those whom he has persuaded that the obliteration of Vietnam is the only way to stop World War III would support him in an honest effort to promote negotiation among the Vietnamese themselves.

The implications of any other assumption are truly terrifying. If it is true that the President refuses to stop the most unpopular war in our history, even though it is doing serious economic and social damage to our country, out of a fear of the consequences of belated candor, then he is exercising his enormous powers over foreign affairs primarily for internal political manipulation. If we have really arrived at a time when a President can court a general war with China in order to delay accounting for past errors, when "patriotism" requires support for the compounding of error, then we must face the reality that the American experiment did not last even 200 years.

A Proud Father Writes of His Soldier Son

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. QUILLEN. Mr. Speaker, from time to time one happens upon something so poignantly beautiful that words cannot be found to tell about it.

And so it is with the following poem from the Nashville, Tenn., Banner, which came across my desk today.

It is my pleasure to make this poem available to my colleagues and the readers of the RECORD:

THE PRIDE OF A FATHER IN A SON NOW SERVING IN VIETNAM'S JUNGLES

(EDITOR'S NOTE.—*In these days of insurrective riot at home, appeasement mouthing and draft evasion, The Banner is honored to present this powerful and patriotic expression of a Nashville father showing pride in his son's service in Vietnam. The author was an officer in the Pacific in World War II. He is a member of a family whose father and sons have served their country with military distinction since the turn of the century. One of the brothers of the man who writes the proud words below, fought to the bitter end on Bataan, was held prisoner for several years and died on a prison ship bound for Japan.*)

Scripture tells us that the sin of pride is a deadly sin.
And yet I wonder.
Is it a sin to be proud you've raised a son who is a man?
Who in this winter time is far away in Vietnam.
Who endures tropic heat and jungle rot,
Who daily risks hidden mines and snipers' bullets,
Who eats from cans, and is often wet and dirty,
Who lives with death all about him:
Who is only twenty-one?
Yet never complains, much less whimpers.
A son who says, "this is where I should be."
A son whose only desire is to live at home in peace
But knows he first must win a war?
Is it a sin?
Is it pride to remember the generations who have gone before
And to know that from such a son there will be generations to come
To whom liberty will be more than life?
Surely, he could have stayed at home.
He's smart, and college is a haven.
Or he could have married some sweet girl, and hid behind her skirt.
The draft wouldn't catch him, and he could have used the old canard
"I'm ready when they send for me."
Many boys do.
But this man of mine knows privilege beyond duty;
Knows liberty must be earned with bullets and danger and blood;
He knows those who truly deserve liberty, preserve it.
So he left the haven, and is there in Vietnam,
While amiable youths dance and study and wait for the draft at home.
Or claim they are too good to go to war.
May God protect him.
No one can pluck him out of the Father's hand.
This we know, and in this we both take comfort.
All the time I know there are other sons like mine,
Thousands of them. And fathers and mothers like me,
Who endure the waiting, far more difficult than going oneself.
Who share with me the so-called sin of pride.
Life this year has an acrid taste of anxiety and fear,
And I wonder how long fathers can endure,
Showing a cheerful face, and not jumping when the phone rings,
And going about their daily tasks.
Then I think of how it is to spend one's days in battle,
Ten thousand miles from home and family, and not complain.
Surely, when we come to give account,
The God of Freedom will not judge us harshly
When we say with pride,
"I am the father of a son who is a man."

What Is Congress' Policy Toward Government Contractors?

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. REES. Mr. Speaker, last Friday, the Western Electronic Manufacturers Association hosted Congressmen and Senators from the western States at their annual congressional luncheon. The principal speaker was Robert M. Ward, this year's president of WEMA. I believe my colleagues will find his address to be extremely timely and of great interest. The text follows:

WHAT IS CONGRESS' POLICY TOWARD GOVERNMENT CONTRACTORS?

In behalf of my colleagues who have come across the country to be here today, I welcome you to our seventh annual Congressional Luncheon.

This *is* an annual get-together. We're here today because we believe that regular contact with our legislators is important to both of us, and that this luncheon is one good way to accomplish this.

The businessmen here are a representative delegation of the 450 companies comprising WEMA. If all 450 could have come, this meeting would look like a convention and we couldn't get everyone in this room that Senator Hayden has so graciously made available.

I'd like to take 8 to 10 minutes to talk about a specific concern that I share with most of our members. Let me start with an observation made a year ago by WEMA past president, John McCullough. It was:

An increasing number of manufacturers are taking the position that they are ill-served in undertaking government contracts. They will readily sell "off the shelf" to government agencies what they are making in the normal course of commercial business, but they are not anxious to subject themselves to . . . the hazards of government contracting.

I'd like to elaborate on this point today because events of the past year have aggravated what was already a very frustrating situation.

In these 12 months, as a result of certain congressional hearings, we have been confronted with newspaper headlines proclaiming "Defense Firms Bilk Public," and "House Committee 'Appalled' At Defense Spending," and "Defense Contract Profits Held Excessive." More than once the cry of "war profiteering" has been raised, and the widespread uneasiness in the country over the progress of the war has given rise to inferences of a sinister cabal on the part of the so-called "military-industrial complex."

We acknowledge the face that, in America, public business is conducted publicly. While we are annoyed when wrongdoing is so often alleged on the basis of disputes over different interpretations of rules, and generalizations are so freely made about *all* companies contracting with the government, that is not enough to arouse our concern. I'm sure that you of the Congress, conditioned by the rigors of debate and criticism, can't sympathize with wounded feelings alone.

We *are* deeply troubled, however, over what is going to result—and has begun to result—from this discontent.

Over the last 30 years there has developed a vast, intricate, ponderous system of controls and requirements calculated to protect the government against error in procurement. Mistakes nevertheless happen; bad deals are still negotiated; a few contractors do, on occasion, make sizable profits. Each time the GAO, or a congressional committee, or the press turns up a "horror story" of something that has gone wrong, there is a rush to tinker and patch the apparatus by inventing new controls, adding further procedures for both contracting officer and contractor to follow, and proclaiming additional powers of review for the government's benefit.

Most recently, as a result of relentless pressure, the Defense Department decided to initiate a policy of post-award audits of firm, fixed-price contracts.

As many of you know, the FFP contract is one in which the government and the contractor agree to a definite price in negotiations. The businessman, by signing the contract, declares his willingness to take his chances with his bid. Depending on whether his cost estimates are borne out, he may either make money or lose it. The government does *not* share in his costs and, assuredly, does *not* guarantee him a profit. Further, the government already has the right to audit the company's cost estimates *before* awarding the contract.

The right to audit years after negotiations is the right to rely on hindsight; to recover lost ground; to assure that the government is made "whole" regardless of what happens to the contractor.

This new policy is designed to apply to what many in public life call the "defense industry." In fact, the Comptroller General in 1963 drew a parallel between the defense industry and the public utility industry as "protected elements of the economy."

The public understanding of who comprises the "defense industry" is inaccurate and the parallel drawn is untrue.

I'd like to clarify this with the following thoughts.

First, our own member companies, 450 in all, range in size from five employees to 30,000—and most of them have less than 300. Some have no government business at all. Many others, either directly or in some way, design or make something that finally becomes part of equipment purchased by the government.

Virtually all our companies have in common the need to attract capital in the open market and must, therefore, generate earnings or profits. They all conduct their own, independent research and development out of funds that would otherwise be taken down as profit. This, *in fact*, is what makes our companies go.

They all have another thing in common. None of them is "protected." When they do depend mostly on orders from government agencies or large contractors to these agencies, they can expect stretchouts or outright cancellations without warning.

A small company president, whom several of you know, had to discharge over half his work force—330 people—because of such a cancellation. That happened two weeks ago. (He isn't here. He's home cleaning up the wreckage.) Is he protected? Are his 200 ex-employees protected? Are his remaining 130 employees protected?

Now, we believe that our 450 companies are pretty much like that far greater number, nationwide, who are involved in business with the government. We dispute that there is a "defense industry," unless it strictly means contractors on weapons systems.

Some of our companies do make hardware that goes directly to war. Others make scientific devices needed in other wars—like the war on cancer.

In any case, we do not fall neatly into any classification of industry so dependent on government sales that warrants price and profit fixing by the government.

In truth, no single concept of the government's relationship with its suppliers prevails. Far too many people have a hand in determining procurement policy for it to represent one person's concept or design.

The fact is, the system suffers from lack of rationality. In time of war, powers are authorized to assure the swift mobilization of industry. We readily concede the necessity of this. Further, controls are invented to guard against profiteering at a time when speed overrides caution in negotiation. We certainly do not for a minute object to sanctions on scoundrels who would try to "make a fast buck" during a national emergency.

But these powers and controls have a tendency to endure. A case in point is The Defense Production Act. Enacted during the Korean War, it has remained intact throughout each of the past 18 years. Among other things, this law empowers the President "to require acceptance and performance of . . . contracts or orders in preference to other contracts or orders by any person he finds capable of their performance."

A few weeks ago, Chairman Patman of the Joint Committee on Defense Production reported there was increasing need for use of the act's powers in 1967. Since the nation is waging war, this is not extraordinary. But, technically, since the war never began, who is to say what happens when it is concluded? Since the Defense Production Act was not suspended following the Korean War, will it be terminated when peace finally comes to Vietnam?

These questions are simple compared to the subtle issues entailed in the complex of attitudes, procedures, regulations, and contract clauses originated and shaped by wartime circumstances.

Is the relationship between government and industry different in peacetime than it is during war? If so, how do you really define "war" and "peace"?

Are all the companies who sell to the government on the same footing? Is there really a clearly-identifiable "defense industry," composed of stereotyped companies?

We believe a careful examination will show that companies who sell to the government, and specifically, to the Defense Department, vary widely in their capital requirements, investment in R&D, reliance on technology, susceptibility to obsolescence, and, indeed, their desire to participate in that market at all.

Many of our companies have withdrawn from the defense market and confine their government sales to the "civilian" department and agencies who look to the electronic industry for instruments and systems to cope with problems in pollution, rapid transit, medicine and education. Yet, they find practices and requirements appropriate to wartime defense procurement following them as the young agencies turn to borrow, without rhyme, reason, or relevance, from DOD's "book."

If the National Institutes of Health want the most widely-used electronic measuring instruments made in America, they must obtain them through the General Services Administration. But NIH won't get them. GSA now demands of the instrument makers the same price discounts it gets on aspirin tablets, and that just can't be done. True, the government will find *some* instruments. But they will be neither the best, nor even the most appropriate, instruments in America. Further, in pursuit of "bargains", the government is apt to wind up with instruments for which no maintenance or replacement is available because the manufacturer has gone out of business.

We believe that, whether the government needs a microwave radar tube for missile detection or a laser for research in cancer treatment, it should have the most reliable, effective product available. Yet, quality producers are becoming so beleaguered by the conditions imposed on selling to the government that their shareholders are questioning not only the profitability of accepting government contracts, but the wisdom of even selling standard commercial items.

I referred at the outset of my remarks to recent congressional investigations. We do not resent these inquiries so much as we regret they do not go far enough. The system is badly in need of the deliberate, thoughtful appraisal that Congressman Holifield and Senator Jackson advocate to be conducted by a panel similar to the Hoover Commission. In the months ahead you will pass upon legislation to create this commission.

We support this study in the confidence that our case will bear scrutiny and that the nation *can* have economy, efficiency, and effectiveness in government procurement. We solicit your help in this effort.

Thank you very much.

Local Action Curbs Crime

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. FASCELL. Mr. Speaker, there can be no substitute in the fight against crime for vigorous law enforcement at the local level. In the past few weeks we have had dramatic evidence of this fact in the city of Miami, Fla., which I have the honor to represent.

Faced with a rising crime rate and a

frightening increase of violence, Miami Police Chief Walter Headley has acted quickly and decisively to discourage the thugs who are threatening the safety and security of our streets, not only in Miami but in cities across our country.

After three murders and 58 robberies on Christmas weekend, Chief Headley reacted swiftly, stepping up patrols in crime-ridden areas, increasing the effective number of policemen on the streets, and above all, arming his men with confidence by assuring them that they would be backed to the hilt in their efforts against crime.

Since the implementation of this "get tough" policy, the number of robberies and strong-armed thefts have dropped 65 percent from the December level. While it is still too early to say for sure what the long-term effects of the crackdown will be, it is already clear that what has long been known has been confirmed—that systematic, vigorous local law enforcement must be the prime ingredient in any serious effort to reduce the threat of crime in our streets.

Of course, we will never really begin to win the war against crime until we understand the causes which produce criminals and begin to effectively deal with them. The poverty program is a good beginning in this direction, but it is no substitute for forceful action against today's criminals. In the meantime, we must use what resources we do have, including police power, to safeguard the lives and property of the whole community against the violence of the few. For that reason, Chief Headley is to be commended for the steps he has taken to safeguard the citizens of Miami.

The effectiveness of Chief Headley's campaign demonstrates what could be done in each of our cities if the police were given the men, materials, and support they need to combat crime. This is especially true when it is realized that right now there are more than 50,000 vacancies on our Nation's police forces. While it is important to continue to search for ways to eradicate crime, it is crystal clear that the time has now come to begin to do something about it and I applaud Chief Headley's efforts in this regard.

Use and Abuse of Credit Ratings

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. ZABLOCKI. Mr. Speaker, last week I offered an amendment to the truth-in-lending bill which would have given an individual the right to see credit rating reports on himself, simply upon request to the credit rating agency.

Although the amendment was accepted by the chairman of the House Banking and Currency Committee, the amendment was defeated on a voice vote.

One of the reasons I believe the amendment failed was an unawareness of the problems which daily are besetting many Americans because of credit rating abuses and mistakes.

Because of publicity given the amendment in the press, I have received a number of letters in support of the proposal. Several other Members of Congress also have heard from their constituents on the issue.

It is evident that far more people than one might surmise have suffered embarrassment, inconvenience, and even financial loss because of mistaken or incomplete information.

As yet another indication of rising interest in this problem, the Wall Street Journal yesterday devoted a long feature story to credit bureau operations.

The article points out that more than half a million derogatory items stemming from lawsuits are entered into the credit records of New York residents each year. Yet the disposition of the lawsuit is never recorded.

Thus, a nuisance suit, even one quickly thrown out of court, can cost an individual a good credit rating.

The credit bureaus decline responsibility saying that their reports are only advisory and that it is the creditor's responsibility to check out derogatory items. Yet it is clear that this seldom, if ever, is done.

Further, an individual denied credit on this, or other grounds, is powerless to review his own credit record to rectify mistakes.

The Journal article tells of a New York attorney and State assemblyman who was able to correct a case of mistaken identity only with tremendous effort—and outright pressure.

Today he is the author of a bill in the New York Legislature similar to mine. It would require credit bureaus in New York to supply an individual with a copy of his report upon request.

It is my intention, Mr. Speaker, to introduce my proposal as a bill in the near future. This measure will be similar to my amendment, but will incorporate improvements which will make it more clear and precise in its efforts.

In order to acquaint my colleagues further on the need to establish the right to see one's own credit report, I am including in the RECORD at this point the article from the Wall Street Journal:

[From the Wall Street Journal, Feb. 5, 1968]

PRYING FOR PAY: HOW CREDIT BUREAUS COLLECT AND USE DATA ON MILLIONS OF PERSONS—CRITICS HIT SOURCES AND WIDE DISSEMINATION OF MATERIAL—SEX, DRINKING ARE CHECKED—BUT FIRMS NEED INFORMATION

(By Stanford N. Sesser)

ATLANTA.—Some people look upon it as "Big Brother Inc." Others defend it as an essential tool for the conduct of business.

The organization at issue is Retail Credit Co., an Atlanta-based company with 1,800 offices across North America. You may not have heard of Retail Credit, but there is a good chance that it has heard of you; each year it investigates millions of Americans who apply for insurance or employment.

It has records on more than 45 million individuals, with information ranging from the size of their families to the amount of liquor they consume. A file might touch on any number of allegations, including reports of extramarital affairs and homosexuality. A total of 40,000 customers get 35 million reports from the firm each year.

The business of credit, insurance and personnel investigations is burgeoning, and Retail Credit Co., though by far the largest individual firm in the field, is only part of the industry. There is also, for example, Associated Credit Bureaus of America Inc., an affiliation of 2,200 local credit bureaus by which each bureau has access to files on 110 million persons.

ASSAULT ON PRIVACY?

Organizations such as Retail Credit and Associated Credit Bureaus (ACB) are pursuing their business relatively unhampered by state or Federal regulations at the same time a debate rages in Washington about a proposed National Data Bank. It would use a centralized computer system to collect information on individuals scattered through many Government files. Congressional investigators wonder if private industry isn't quietly accomplishing much the same thing—a centralization of personal and potentially harmful information.

The staffs of the House Committee on Government Operations and the Senate antitrust and monopoly subcommittee are taking a searching look at the operations of credit bureaus and insurance investigators, and many industry executives seem resigned to the prospect of eventual hearings. "I expect we'll have our day in court like everyone else," says Frederick E. King, president of Hooper-Holmes Bureau Inc., a Morristown, N.J. credit firm.

The many critics of credit investigators acknowledge the need for such organizations in today's society. The increasing use of credit cards has made the business of credit-checking more essential than ever. The critics' complaints center on the way information—or, occasionally, misinformation—is used.

Consider Credit Bureau of Greater New York Inc., the largest local bureau in the nation. This cooperatively owned organization, which does credit checks for department stores, auto-rental firms, oil companies and other large credit grantors, has records on 8.5 million persons. Its filing cabinets occupy an entire floor of an office building.

IN THE FILES

A typical file contains a person's address, family status, place of employment, approximate salary and credit history—where the person has charge accounts and what his payment record has been. Often there is a more controversial item: Most banks will divulge to credit bureaus the approximate size of a customer's checking account and, in rare instances, the size of his savings account.

Each year about 780,000 so-called "derogatory items" go into this vast compendium of information on New Yorkers. Some items involve nonpayment of bills. Others record court judgments. But the vast majority of them, about 550,000, are information on lawsuits gleaned from court records. One important fact—how the suits were decided—never gets recorded.

This practice can produce inequities. A woman in one Eastern city tells this tale: She ordered a rug. A carpet of the wrong color was delivered. The merchant refused to take it back and sued for payment. The suit was thrown out of court, but the woman's credit record showed only that she had been sued for nonpayment. As a result, her credit was cut off elsewhere.

"It's impossible to get the disposition of a suit," says Rudolph M. Severa, executive manager of the New York credit bureau. "It would be extremely expensive." Mr. Severa explains that each case would have to be looked up by researchers, and he says, "Our members know they should draw no conclusion from the fact that a suit has been filed. It's up to them to check into it further."

LOOKING INTO THE RECORD

Can a person get his credit record corrected? "We'll sit down with a person and talk over his file in general terms," Mr. Severa says, "but we won't tell him who said what." Whether the credit organizations do recheck disputed entries is a matter of considerable debate.

Chester J. Straub, a Manhattan lawyer and New York State assemblyman, says he was turned down by a major credit card company because of an erroneous report from a credit bureau. "The entry indicated that a judgment was outstanding against me which in fact wasn't mine," he says. "It belonged to someone with a similar name."

But at the outset, all Mr. Straub knew was that he had been turned down. He went to the credit bureau. "All they would tell me was that my credit report was unfavorable," he recalls. Only after repeated telephone calls—emphasizing that he was an assemblyman—did he find out about the error.

"I'm an assemblyman," Mr. Straub notes. "What happens to the poor guy who walks in off the street with no leverage of any kind?" The incident has led him to introduce a bill that would require credit bureaus in New York to provide a person with a copy of his record.

At the Credit Bureau of Greater New York, any of the 500 employes have easy access to the 8.5 million files; so do any of the 14,000 employes of ACB affiliates across the nation. Last year ACB members exchanged more than seven million reports, largely those of persons who changed their residences.

Eventually any of ACB's 110 million files will be available to local bureaus at the touch of a button. ACB, working with International Business Machines Corp. and the Dallas and Houston credit bureaus, is designing a computerized system that it expects to become nationwide in time. A central switching system will connect computers at all local bureaus.

Credit bureau workers aren't the only ones who can look into the files. Investigators from such Federal agencies as the Federal Bureau of Investigation and the State Department get copies of more than 20,000 records from the New York bureau each year, Mr. Severa says. What are they used for? "Frankly, we don't ask the Government what they're doing," Mr. Severa says. "We don't feel that's our prerogative."

With equal ease, Government agencies can get copies of insurance investigation reports by visiting Retail Credit or Hooper-Holmes, whose combined files contain information on 54 million persons who at some time have applied for insurance. "The FBI can do just about anything they want to do," says Mr. King of Hooper-Holmes. "They're constantly in our files."

THE SENSITIVE FILES

If the information in credit records is potentially troublesome, the allegations in insurance inspection files can be devastating. Credit bureaus concentrate on financial and legal information, but the insurance companies are interested in what they call "moral hazards"—extramarital affairs, homosexuality, heavy drinking or other aberrations that could lead to violence, blackmail, accidents or death. Some insurance companies won't write policies for persons they believe to be homosexuals.

"When someone accuses you of violating their privacy when you investigate them—yes, you are invading their privacy, there's no question about it," Mr. King acknowledges. But, he adds, "That person has initiated a request to the insurance company to gamble thousands of dollars on him."

And how does an inspector go about obtaining this delicate information? Mr. King candidly describes the procedure with a married man suspected of an extramarital affair. "You go to a neighbor and establish rapport," he says. "Then you ask, "What's your opinion of X's home life; how do you think of him as a family man?' This will usually elicit some hint—through the expression on their faces or the way they answer. Then you start digging. You press them as far as they go, and if they become recalcitrant, you go somewhere else. If you go to enough people, you get it."

Homosexuality, Mr. King concedes, "is one of the most difficult things to determine." But he points out, "If you have that sixth sense that something is wrong, you dig. The tipoff is their mode of living, their circle of friends and the organizations they belong to." Is it fair to simply report the suspicions of neighbors? "We won't say he's a homosexual," Mr. King replies. "We'll report, for example, that certain people feel he has homosexual tendencies."

JUST COLLECTING INFORMATION

In defense of the system, Mr. King says information won't be recorded unless it is reported by more than one source. Even when it is recorded, Hooper-Holmes doesn't "make judgments," he says. "We're just reporting what we have in our files."

Almost any plausible customer can get access to the files of Retail Credit or Hooper-Holmes. Charles M. Watt, vice president and secretary of Retail Credit, says material from the insurance files may be used when a prospective employer calls about a job applicant. And another Retail Credit executive notes that the company will handle as few as 10 investigations for a customer a year; thus small customers as well as large can delve into the files.

There is one notable exception to the generally easy access—the person who wants to see his own record. Retail Credit won't even confirm that it has done a report on a person. This, Mr. Watt says, is to avoid lawsuits. If a person raises a question about his record, he is invited to write a statement about whatever may be bothering him, and, says Mr. Watt, "we tell him if we did a report, we'll send the statement to anyone who asked about him."

In some quarters of the industry, there is concern about inaccurate and freely disclosed information. Credit Data Corp., a rapidly growing, computerized company whose biggest customers are New York and California banks, won't let Government agencies look at its files without a subpena. "We're very sympathetic to the people who are concerned with the invasion of privacy," says Harry C. Jordan, president. Such invasion, he is convinced, occurs "not because of a computer but because of unauthorized access to the data."

Dale L. Reistad, an official of the American Bankers Association, said recently that bankers should demonstrate concern over "some obvious intrusions into individual privacy today." He proposes a "consumer-oriented" credit bureau whose files would be organized by identification number rather than name.

A person would carry an ID card, for presentation to a merchant seeking a credit report. The report would be a "mathematical credit score" that would add up all relevant factors on a standardized basis. The merchant wouldn't find out the person's salary, bank balance or other personal data. And finally, the person would be guaranteed the right to review his own credit listing.

Jacob Palmer: Prince Georges County Civic Leader

HON. HERVEY G. MACHEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. MACHEN. Mr. Speaker, one of the outstanding civic leaders in Prince Georges County, Jacob P. Palmer, recently passed away after a long and productive life.

As president of the Prince Georges County Civic Federation since 1963, and vice president the decade preceding his presidency, Mr. Palmer provided leadership that was responsible, creative and of untold benefit to the people and government of Prince Georges County.

At this point I wish to insert a news article from the Washington Evening Star of January 24, 1968:

[From the Washington Evening Star, Jan. 24, 1968]

JACOB G. PALMER DIES—CIVIC FEDERATION LEADER

Jacob G. Palmer, 65, Washington field superintendent for the Home Beneficial Life Insurance Co. and active in Prince Georges County civic work, died yesterday at Prince Georges General Hospital.

He lived at 6316 Landover Road, Landover.

He had been president of the Prince Georges County Civic Federation since 1963 and vice president for the 10 preceding years.

BORN IN VIRGINIA

Mr. Palmer's career in insurance began 35 years ago with the Washington National Life Insurance Co. Since the mid-1940s, he had been with Home Beneficial.

Mr. Palmer was born in Waynesboro, Va. He was reared and educated in Prince Georges.

In his 20s, Mr. Palmer worked at switching stations for the Pennsylvania Railroad for 10 years.

He began his civic activity in the Landover Civic Association, which he served as president in the late 1940s. As president of the Prince Georges County Civic Federation he also belonged to the Inter-Federation Council for the Washington Metropolitan Area.

ELDER IN CHURCH

Mr. Palmer was an elder of the Eastminster Presbyterian Church in Bladensburg, and a member of the Westgate Masonic Lodge A.F.&A.M. No. 220 in Mount Rainier.

He leaves his wife, Martha; three sons, Dr. John G. of Laurel, Leonard M. of 3700 64th Ave., Landover, and Thomas P. of Seaford, Va.; eight grandchildren, and a brother, R. L. Palmer of Houston, Texas.

Friends may call from 7 to 9 p.m. today and after 10 a.m. tomorrow at Gasch's funeral home, 4739 Baltimore Ave., Hyattsville.

Services will be at 11 a.m. Friday at the Eastminster Presbyterian Church, 56th Place and Randolph Street, Bladensburg. Burial will be in Fort Lincoln Cemetery.

Congressman Claude Pepper Introduces H.R. 15101, a Bill To Improve Employee-Management Relations in the Federal Service

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1968

Mr. PEPPER. Mr. Speaker, the U.S. Government employs almost 3 million civilians. Naturally we all have a sense of pride in the accomplishments of our Nation's largest employer, but we must also recognize that the Federal Government has frequently been accused of engaging in unfair labor practices.

These accusations against a Government that we would all prefer to see paraded as a model employer is not an unfounded criticism; it is true that there is still no legislation in existence which establishes a firm labor-management policy for public employees.

For this reason, I have introduced legislation which would correct this deplorable state of affairs. This proposal, H.R. 15101, would set clear and precise guidelines for stable and lasting employee-management relations procedures.

This legislation is needed and has been needed for quite some time. Several well-respected groups have commented about the Government's personnel management problems since the end of World War II. Among these groups have been the members of the first Hoover Commission and the special committee on labor relations of the American Bar Association.

The Hoover Commission included the following observations in its report released in 1949, a few years following World War II:

> The Government has lagged behind American industry in improving employer-employee relations.
>
> Federal employees, while given some degree of protection against abuse, discrimination, and unjust treatment, are not provided a positive opportunity to participate in the formulation of policies and practices which affect their welfare.
>
> The President should require the heads of departments to provide for employee participation in the formulation and improvement of Federal personnel policies and practices.

Six years later the American Bar Association's committee similarly commented:

> The special legal status claimed for government as an employer which placed governmental employees in a less advantageous position than private employees in the area of management-labor relations is an apparent anachronism.

This anachronism has been somewhat alleviated since 1962. During that year, President Kennedy issued Executive Order 10988 which sought to begin a new era in employee-management relations in the Federal civil service. Dated January 17, 1962, the Executive order set forth a policy outlining the responsibilities of employees and administrative officials; it was a set of directives long-needed.

Executive orders, however, no matter how helpful and concise, do not provide the strong and lasting impact of enacted legislation. Important topics such as those involving numerous employees and general governmental policy should bear the legislative stamp of approval.

This legislation, H.R. 15101, includes a declaration of policy that is an excellent summary of policy for any progressive business enterprise. The declaration reads as follows:

> Participation of employees with management through employee organizations or unions in decisions which affect them, contributes to the effective conduct of the public business. Therefore, strong, democratically run employee organizations or unions are in the public interest and their development should be encouraged by lawful means.
>
> The right of officers or representatives of a union or organization of Government employees representing the employees of a department or agency or subdivision of such department or agency to present grievances in behalf of their members without restraint, coercion, interference, intimidation, or reprisal is recognized and encouraged. Violation of such right on the part of an administrative official shall be cause for his suspension or removal or such other punitive action as the head of the department or agency may deem advisable.

After this declaration, the bill sets forth the specifics of obtaining good employee-management relations. Most of the responsibility for carrying out the provisions are given to the Secretary of Labor, and specific procedures for the settlement of differing opinions are clearly laid down.

When problems arise which cannot be settled through regular channels, either party would be permitted to invoke the services of the Federal Mediation and Conciliation Service. If such efforts would fail, either party could then turn to the services of the Government Labor-Management Relations Panel. This Panel would be composed of a chairman, an executive secretary, and from four to six additional members, most of whom would be appointed by the President, and would not be otherwise employed by the Federal Government. This Panel could hold hearings if they themselves could not first help the parties arrive at a settlement, and following these hearings, the Panel's decision would be binding.

It seems to me that these provisions are helpful and necessary. As the needs of our Nation continue to expand, our dependence on the public servants responsible for our communication process through the mails and for administering various economic and social programs will continue to increase. A firm and stable legislative set of guidelines covering our Government's employee-management relations is therefore mandatory.

Let us work together to make charges of "unfair labor practices" in the Federal Government into a past-tense phrase useful only in our history books.

I, therefore, urge the House Post Office and Civil Service Committee to conduct the necessary legislative hearings to make this long-overdue legislation a reality.

HOUSE OF REPRESENTATIVES—*Wednesday, February 7, 1968*

The House met at 12 o'clock noon.

Rev. C. Fred Williams, D.D., minister, Central Methodist Church, Arlington, Va., offered the following prayer:

Humble yourselves under God's mighty hand, that He may lift you up in His own good time.—I Peter 5: 6 (Good News for Modern Man).

O God the Father Almighty, Maker of heaven and earth, remind us of our dependence upon Thee. Remind us also that Thou dost depend upon us.

Thou who are the guardian of our souls, and the Guide of our pilgrim way, have mercy upon us. Forgive us for surrender to the idols and the half-gods which command us; save us from arrogance and from national vanity; protect us from obsession with pomp and power.

Deliver us from conformity to easy answers; save us from rashness in speech and from hastiness in conduct. Keep us sensitive to Thy will, with our ears keen, amid the clamor of a noisy day.

Grant that our motives and methods may be seasoned by the spirit of Him who went about doing good. May we shun the condescending pose. Give to us, a favored nation, the desire and the judgment to be an answer to the world's needs, instead of adding to its tragedy.

In our moments of quietness, may we hear a voice, saying:

"Though the road be long and dreary
And the end far out of sight,
Tread it bravely, strong or weary,
Trust in God and do the right."

Thus, do we pray as citizens, lawmakers, and humble servants of God. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the House by Mr. Geisler, one of his secretaries.

PERMISSION FOR COMMITTEE ON BANKING AND CURRENCY TO HAVE UNTIL MIDNIGHT FRIDAY TO FILE REPORT ON H.R. 14743

Mr. PATMAN. Mr. Speaker, I have cleared this with the gentleman from New Jersey [Mr. WIDNALL], the ranking minority member on the Banking and Currency Committee, and it is satisfactory with him.

Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight Friday to file a report on the gold bill, H.R. 14743, reported out by the Banking and Currency Committee.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SCOUTING HELPS THE COUNTRY "BE PREPARED"

Mr. PICKLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PICKLE. Mr. Speaker, I was honored this morning to attend the annual Report to the Nation Breakfast of the Boy Scouts of America.

No organization can be credited with a greater impact on the morals and values of the young men of our country, and it is truly a warm feeling to hear again of the work Scouting is doing. This morning, we heard from Mr. Alden G. Barber, the chief Scout executive; Mr. William Harrison Fetridge, the vice president of the Boy Scouts; and Mr. Edwin H. Gott, the chairman of region 3. Also present was Mr. Marshal Monroe, the national executive director of BSA, who is also a good friend of mine, and he was active with Scouting in the Southwest and Texas.

As an Eagle Scout, I have known firsthand the benefits that come from Scouting. Last month, I spoke to the adult Scouters of East Austin on the theme for the year, "God and Country." In the troubled days that face our country, I believe it is altogether fitting that the Boy Scouts should choose this theme for 1968.

Mr. Speaker, I am introducing today, for myself and on behalf of several colleagues, a concurrent resolution to emphasize again the valuable contribution the Boy Scouts have made. In keeping with their congressional charter, they already have made great progress in aiding the disabled and the disadvantaged. Scouting is a program for all boys and for the benefit of all Americans. I am sure that the purposes of the resolution I introduce today will have wide support in this body, and I urge all of my colleagues to join.

FOOD FOR PEACE

Mr. DOLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. DOLE. Mr. Speaker, I take this time to remind Members that the food-for-peace program—Public Law 480—will be considered and, I hope, extended during this session. The Committee on Agriculture commenced informal discussions on this vital program today.

I am proud of the fact that the food-for-peace program was conceived by two Kansans—the late Senator Andrew Schoeppel and former Congressman Clifford Hope. To me, this program has been an outstanding example of the great humanitarian instinct and motivation of the American people. Since 1954, we have distributed billions of dollars worth of agricultural products to over a hundred different nations to meet hundreds of crises under this program.

Perhaps since this program is being considered at a time when we have just seen a year of bumper harvests throughout the world, some may ask if there is a world food crisis. I would hope that we are not misled as experts tell us that in a few short years the problem of too many people and too little food will be acute.

I strongly support this vital program and urge that it be extended and modified as necessary to meet the following objectives:

First. The American farmer will continue to make great contributions to meet world food needs; but, he must receive adequate compensation for his labor and investment.

Second. Public Law 480 must be used as an instrument to boost domestic farm prices, not depress them.

Third. The Federal Government must play a vital role by assisting free enterprise, negotiating with those countries in need of assistance, encouraging economic development in underdeveloped countries, and in coordinating overall activities under the program.

Fourth. Emphasis must be placed on the development of commercial agricultural exports through private trade channels as the economy in the developing nations permits.

Fifth. Agricultural technical assistance must be accelerated to assist the developing nations.

FAIRPLAY FOR AMERICANS

Mr. WYATT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. WYATT. Mr. Speaker, in a televised statement to the American people last week President Lyndon Johnson once again used honeyed words to disguise an ugly truth from the American people.

In referring to the major Vietcong guerrilla offensives staged in Saigon and elsewhere in South Vietnam, the President stated that the enemy had failed to achieve a significant military victory.

His words implied that, indeed, we had achieved a victory over the Vietcong. In what was perhaps his greatest understatement of fact, the President reported that the Vietcong terrorist drives had produced "civilian casualties and a disruption of public services."

All we have to do is to read the daily news dispatches from the Vietnam war zone to realize that this warping of words has very little to do with the military realities of the Cong offensives. Without mincing words or twisting facts it is obvious that our forces have suffered a very obvious military setback, and crushing psychological defeat.

It is little wonder that the people in this Nation are not united behind our stand in Vietnam. It is little wonder Americans are confused and restless over this prolonged campaign.

When the American people have the truth hidden from them by polite phrasings and twisted words they are inclined to feel cheated. It is time that those Americans who are being asked to support this effort are given a fair and accurate report on it. We are entitled to nothing less.

POSSESSION OF LSD

Mr. BUSH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BUSH. Mr. Speaker, Federal law does not allow physicians to prescribe LSD or drugstores to sell it. Yet it is legal for individuals to have LSD in their possession. Since I feel that this is a serious loophole, I am today introducing a bill which will amend the Federal Food, Drug, and Cosmetic Act to make it a crime to possess LSD and other hallucinogenic drugs.

This bill provides that no person, except those specifically named in present law, may be authorized to possess any hallucinogenic drug, unless prescribed by his physician. I can see no reason to allow persons, who are not qualified to administer LSD or conduct research with the drug, to have it in their possession.

By establishing possession of LSD as a crime, this Congress can help our law enforcement officers crack down on the use of this dangerous drug. Now they have to establish illegal sale, manufacture or disposition in order to have a case.

I have no doubt that LSD is dangerous in inexperienced hands and I believe that this Congress should do everything it can to see that this drug is not easily available to the teenagers of this country.

THE NEED FOR FREE EXERCISE OF RELIGION

Mr. BUSH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BUSH. Mr. Speaker, we, as parents, expect to give our children a strong moral training, but we also expect the schools to continue this training when our children are away from home. I believe that there can be no morals without religion, hence some religious content is necessary for the schools to fulfill our expectations.

The bill which I am introducing today would restore to the schools this function. More importantly, it would restore the rights of a great majority of children to free exercise of their religion in the public schools—rights now being denied because of the objections of a small minority.

This bill is very carefully drawn, preserving minority rights and preventing official dictation in religious matters. Participation must be voluntary. This bill does not attempt to do much, but what it attempts to do is important.

CONSUMER PROTECTION

Mr. CAHILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CAHILL. Mr. Speaker, I read with interest the recommendations of the President yesterday. I am delighted to see he has recommended the enactment of the Deceptive Sales Act of 1968.

I would point out to the House, however, that I introduced this legislation in the House of Representatives on February 1, 1968. The bill, H.R. 15038, is published in the Record for that date. I would urge the Members of the House to consider cosponsoring the bill.

I also was delighted to observe that the President called for an investigation of the automobile insurance industry. While I agree with the reasons describing the need for the investigation, I disagree with the course of action recommended by the President. I do believe that to send this investigation to the Department of Transportation will develop statistics, not dialog; observations, not legislation; delay and not decision. I believe the proper forum is the Congress and that the entire matter of auto insurance should receive the attention of either an appropriate committee of the House or the other body.

WE SHOULD BLOCKADE NORTH VIETNAM

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The **SPEAKER.** Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, I believe we need to halt the unmolested flow of war materiel through Haiphong as a long overdue, practical step to end the aggression against South Vietnam.

It would not be necessary for the United States to impose an official blockade against North Vietnam, since with a little imagination a ship could be scuttled in the narrow passes leading into Haiphong harbor. Certainly Yankee ingenuity is such that the harbor entrances can effectively be bottled up with a minimum of diplomatic complications.

The latest battle reports from Vietnam tell of the North Vietnamese use of Soviet tanks, rockets and flamethrowers against a Special Forces camp and we recognize that these weapons of war would not be available to the aggressor if Haiphong were closed to shipping. It is even conceivable that bombing raids over the North could be reduced to a bare minimum if petroleum products were not entering through Haiphong. Thus, North Vietnamese military transportation would grind to a halt and further infiltration into the South would be severely limited.

There is no need for me to elaborate over what has already been said over the credibility gap and diplomatic blundering of the administration. The lack of policy ingenuity compounds our military problems and demonstrates the total absence of imagination and foresight in the Johnson administration foreign policy.

The United States must take the offensive against the international Communist conspiracy on economic, psychological and diplomatic levels instead of reacting to Communist pressures in a confused and inconsistent manner. Soviet penetration in the Middle East, the impotency in the *Pueblo* incident, and complete disarray of NATO are all evidence of basic collapse of our foreign posture.

LOUIS J. LEFKOWITZ, THE CONSUMER'S COUNSEL

Mr. KUPFERMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KUPFERMAN. Mr. Speaker, yesterday we received a message from the White House "To Protect the Consumer Interest"—Congressional Record of February 6 at page 2288—in which the President suggested that there be a Consumer Counsel at the Justice Department.

We in the State of New York have been very fortunate to have an attorney general, Louis J. Lefkowitz, who, since he took office in 1957, has been not only the people's lawyer, but their consumer counsel.

He established the first bureau of consumer frauds and protection in the country and has personally directed its activities.

The President and the Attorney General of the United States would do well to consult with him on the operations of the proposed Office of Consumer Counsel.

CONSUMER FOOD PROTECTION NEEDED

Mr. BENNETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BENNETT. Mr. Speaker, this Congress has passed some landmark consumer protection legislation, including the Wholesome Meat Act, and the truth-in-lending bill, approved overwhelmingly by the House last week.

The President's message yesterday, "To Protect the Consumer Interest," includes more productive and much needed legislative proposals, and I congratulate him upon the suggestions.

Two of his suggestions follow legislation I have already introduced in this session of the Congress. They deal with poultry and fish inspection.

One is H.R. 14594, the Wholesome Poultry and Fish Act, which would allow the Federal Government to assist in efforts by States and other government agencies to protect the public from poultry and fish products that are unwholesome, adulterated, and misbranded.

The other bill, H.R. 14902, would require imported foodstuffs to meet standards required by the Federal Government for domestic foodstuffs.

These are important ideas to combat great health problems throughout our country. The American housewife and consumer has the right to expect good and clean poultry and fish, and my bills would provide this protection.

I join the President in his desire to protect the American consumer, and I am sure the Congress will act swiftly on the legislative proposals.

SAN RAFAEL WILDERNESS

Mr. BATTIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. BATTIN. Mr. Speaker, as a Representative of the great State of Montana and a strong proponent of the national wilderness preservation system which the Congress created and to which my own State can make a major contribution, I am concerned that this first new addition to the wilderness system may be less than worthy of the Congress by reason of leaving out of the wilderness area contiguous wild lands which are thoroughly compatible with the Wilderness Act. The act defines wilderness, in part, as an area which "may contain ecological, geological, or other features of scientific, scenic, or historical value." All of these values are present in generous measure in the 2,000 acres which the House saw fit to add to the Senate-passed version of the San Rafael Wilderness. While the acreage is small, the values involved are not.

I strongly urge the House to stand by its original action which would have created a wilderness unit of which this Congress could be proud. We settle for less than the best if we do not reject this deletion of the House addition which was urged by the Forest Service and agreed to by the Senate and, indeed, the conferees. The reasons for the deletion no longer have validity; therefore, the House should stand by its amended and improved San Rafael wilderness bill.

PERMISSION FOR SUBCOMMITTEE ON ACCOUNTS, COMMITTEE ON HOUSE ADMINISTRATION, TO SIT DURING GENERAL DEBATE TODAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Accounts of the Committee on House Administration may sit today during general debate.

The **SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

TO INSURE THE PUBLIC SAFETY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 250)

The **SPEAKER** laid before the House the following message from the President of the United States, which was read:

To the Congress of the United States:

To meet the challenge of crime to our society, I propose the following program of action for our Nation:

For our Governors and Mayors:

1. The Governors of our States and the Mayors of our Cities should examine their local situations—to make certain that they have the necessary laws in effect, that they are committing sufficient resources to their entire systems of criminal justice, and that they have efficient, well-trained and fully supported police departments and law enforcement agencies.

For the Congress and the Executive Branch of the Federal Government:

2. Prompt passage of the Safe Streets and Crime Control Act which I proposed last year.

3. A major Federal assistance program to provide educational opportunities and more training for the Nation's law enforcement personnel.

4. Appropriation of $100 million for the Safe Streets Act in fiscal 1969, double the amount I proposed last year.

5. Passage of the Juvenile Delinquency Prevention Act.

6. Enactment of an Alcoholism Rehabilitation Act, to help provide more effective treatment—rather than simple detention—of alcoholics.

7. Coordination of the Federal anti-crime effort under the Attorney General.

8. Establishment of a strong and unified United States Corrections Service within the Department of Justice.

9. In the fight against drug abuse,

—Legislation to make the illegal manufacture, sale and distribution of LSD and other dangerous drugs a felony, and possession a misdemeanor.

—A more than 30-percent increase in the number of agents enforcing our narcotics and dangerous drug laws.

—That the National Commission on Reform of Federal Criminal Laws undertake immediately a full-scale review of these laws.

—A step-up in our research, education, manpower training and rehabilitation efforts.

—Transfer to the Department of Justice the functions of the Bureau of Narcotics from the Treasury, and the Bureau of Drug Abuse Control from the Department of Health, Education, and Welfare.

10. A felony law aimed at those who cross state lines to incite and take part in riots.

CALL OF THE HOUSE

Mr. **ROUDEBUSH** (during the reading). Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

Mr. **ALBERT**. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 20]

Ashley
Burleson
Celler
Clark
Clausen,
 Don H.
Cleveland
Cramer
Devine
Diggs
Dwyer
Everett
Foley
Giaimo
Gude
Gurney
Hansen, Idaho
Hansen, Wash.
Hardy
Hébert
McFall
Mathias, Calif.
Moss
O'Hara, Mich.
Pelly
Pollock
Pucinski
Rees
Reinecke
Resnick
Reuss
Rosenthal
Rumsfeld
St. Onge
Scott
Skubitz
Smith, Okla.
Utt
Watkins
Wilson,
 Charles H.

The **SPEAKER**. On this rollcall, 389 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TO INSURE THE PUBLIC SAFETY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 250)

The **SPEAKER**. The Clerk will continue the reading of the message.

The Clerk read as follows:

11. In the fight against organized crime, top priority for the Justice Department's Strike Forces in cities beset by racketeering.

12. New laws to enhance the Federal attack on big-time gambling.

13. Immunity legislation to compel the giving of testimony concerning activities linked with organized crime.

14. Legislation to permit the Government to appeal a pretrial court order granting a motion to suppress evidence.

15. Passage of effective gun control legislation.

16. Funds for 100 additional Assistant U.S. Attorneys in offices throughout the country. 100 additional FBI agents, and an increase in the number of lawyers in the Criminal Division of the Justice Department.

17. A program to develop better law enforcement communications.

18. An intensified effort to develop more modern weapons and equipment for police.

19. A Bank Protection Act.

20. An Auto Theft Prevention Act.

21. That a model crime prevention program be required in each Model Cities plan.

22. A Right of Privacy Act.

THE COST OF THE FEDERAL EFFORT

Our total Federal anti-crime effort will require more than one-half billion dollars—some $557 million—in appropriations in the coming year. This is an increase of about 28% above this year's total of $435 million, and almost three times the amount appropriated in 1960.

THE COST OF CRIME

For decades our system of criminal justice has been neglected. As a result:

—Local law enforcement is undermanned and underpaid.

—Correctional systems are poorly equipped to rehabilitate prisoners.

—Courts at all levels are clogged; procedures are often archaic.

—Local juvenile offender systems—which must deal with increasing numbers of delinquents—are understaffed and largely ineffective.

For decades the conditions that nourish crime have been gathering force. As a result, every major city harbors an army of the alienated—people who acknowledge no stake in public order and no responsibility to others.

Thousands of Americans are killed or injured each year by criminal acts. Many thousands more are unable to use the streets of their cities without fear, or to feel secure in their homes or shops.

Far too many of our youth are saddled with a criminal record early in life, repeat their violations again and again, and find life-long difficulty in obtaining decent employment and social acceptance.

Property valued at almost $4 billion is lost through crime every year. Millions of dollars are taken from the productive economy by organized racketeers—money that should be in the pockets of the poor, or in the bank accounts of honest businessmen.

Drug abuse presents an insidious and growing threat to our Nation's health, particularly the health of young people.

These conditions strike at all citizens, regardless of economic status. Neither affluence nor poverty affords protection against crime and violence.

OUR RESPONSE

In the year just ended, the Federal Government—and some cities and States—made a significant new beginning toward coping with the intolerable costs of crime.

In 1965 I appointed a Commission of the ablest lawyers, judges, and experts in law enforcement to study every aspect of crime in America. This Commission conducted the most comprehensive review and analysis of crime in our country that has ever been undertaken. We have made this report available to thousands of policemen, criminologists, and city and state officials to assist them in their work against crime. We are already beginning to see the healthy effects of the Commission's research and insights.

Today,

—The Federal organized crime drive is at an all-time high.

—The Department of Justice, through its Office of Law Enforcement Assistance, has helped fund hundreds of valuable projects, from police patrol helicopters to computerized criminal information networks.

—Other Federal agencies are contributing their share to this effort—in such fields as alcoholism control, juvenile delinquency, urban law enforcement planning, narcotics and drug control, prisoner rehabilitation programs and police-community relations.

—Half of our States have established State law enforcement planning commissions to help coordinate statewide efforts.

—Federal, State, and local agencies are sharing knowledge, pooling their resources and experimenting with new techniques and organizations.

—A Federal Judicial Center has been established to revitalize and modernize our Federal court system.

This year America must decisively capture the initiative in the battle against crime.

The major effort must be made by our cities and towns. State Governments must provide maximum support.

For our part, we must strengthen our Federal law enforcement effort to deal promptly, firmly and effectively with those who violate Federal criminal laws and we should assist states and cities in their local efforts.

I pledge my part.

I urge the Congress to do its part.

And most important, I urge the Governors and Mayors to do their part.

The Governors and the Mayors, as well as the Congress and the Executive Branch, must this year reaffirm for the American people the basic principle I stated last year: "Public order is the first business of government."

1. *The Responsibility for Local Law Enforcement.*

The Federal Government must never assume the role of the Nation's policeman. True the Federal Government has certain direct law enforcement responsibilities. But these are carefully limited to such matters as treason, espionage, counterfeiting, tax evasion and certain interstate crimes.

Crime is essentially a local matter. Police operations—if they are to be effective and responsible—must likewise remain basically local. This is the fundamental premise of our constitutional structure and of our heritage of liberty.

The existing pattern of law enforcement makes it clear that local governments must play the primary role in any effective program to combat crime:

—Of the 40,000 law enforcement agencies in the Nation, more than 39,750 are local, while some 200 are State, and the remaining few are Federal.

—Of the 371,000 full-time law enforcement officers in the Nation, 308,000 are local, while only 40,000 are State and 23,000 are Federal.

Under our Constitutional system, the prevention and punishment of crime in the streets is committed to State and local governments. It is essentially the task of mayors and local police, supported by their governors.

Today, I call upon every Mayor and every Governor of our Nation to:

—Examine the local ordinances and state criminal laws to see that they are fair, firm, effective and adapted to the criminal justice problems of the Twentieth Century.

—Review the adequacy of their correctional efforts: not just jails, but detention centers, half-way houses, social services, juvenile delinquency efforts, and well-trained probation and parole officers.

—Examine their judicial systems to make certain there is an adequate number of judges and prosecuting attorneys and that arraignments and trials are promptly held.

—Fully support their local police not only in public statements, but with the funds necessary for adequate salaries, first-rate training and the most modern equipment.

Two years ago—on March 9, 1966—I asked "The Attorney General to work with the Governors of the fifty States to establish statewide committees on law enforcement and criminal justice." Since then 25 States have taken advantage of Federal grants to help establish such statewide commissions: California, Connecticut, Delaware, Florida, Georgia, Illinois, Iowa, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, New York, North Dakota, Ohio, Pennsylvania, Rhode Island, Utah, Washington, West Virginia, Wisconsin.

I urge the remaining States to act this year. And I urge the Mayors of our cities to establish their own local crime commissions.

2. *The Safe Streets and Crime Control Act.*

While we reject Federal domination of law enforcement, we recognize that the Federal Government has an inescapable responsibility to help strengthen local law enforcement efforts.

Today, I renew my urgent request to the Congress for immediate passage of the Safe Streets and Crime Control Act which I proposed last year.

This Act is the cornerstone of the Federal anti-crime effort to assist local law enforcement.

It builds upon the fundamental tenets of the Crime Commission's report:

—That crime prevention is a major national priority.

—That better paid, better trained, better equipped police are urgently needed in almost every community.

—That correctional and other law enforcement agencies must have better information on the causes and control of crime.

—That we need substantially more—and more efficiently used—resources and personnel to provide faster action at all levels.

—That the entire system of criminal justice, at every level of government, must be modernized.

The bill I sent to Congress last year emphasizes flexibility and local responsibility. It provides:

—100% grants for research and demonstration projects.

—90% planning grants to State and local governments.

—60% action grants to implement new programs.

—50% construction grants for new facilities.

3. *Federal Assistance for education and training of law enforcement officials.*

Law enforcement means more than putting on a uniform. It means learning about the Constitution, about our laws, about weaponry, about people. It means keeping up to date as our knowledge grows and our techniques and equipment improve. Many local law enforcement agencies cannot now supply the advanced training our men need.

Because this training and education are so essential, I propose that the Safe Streets Bill as originally recommended be amended to:

—Authorize the Federal Bureau of Investigation to expand its training programs for State and local law enforcement personnel, both in the field and at the FBI National Academy at Quantico.

—Provide more substantial financial assistance to State and local law enforcement agencies to develop their own training programs.

—Establish a specific program of fellowships, student loans and tuition aid for State and local law enforcement officers.

—Create a National Institute of Law Enforcement and Criminal Justice to develop a major Federal research program for the application of the most advanced science and technology to law enforcement.

4. *As a measure of this program's urgency, I call on the Congress to appropriate $100 million for the Safe Streets Act in fiscal 1969—double the amount I proposed last year.*

5. *Youth and Delinquency.*

The great majority of our young people—members of the healthiest, the most intelligent and forthright generation this country has ever known—are devoting their energies and idealism to affirmative and useful endeavors. Millions are personally involved in bringing justice, strength and prosperity to America and to the world. In the Armed Forces, in the Peace Corps, in high schools and universities, in the poverty program and in other productive jobs, the youth of America are making a constructive record that is unequaled by any generation of Americans.

But for thousands of others, the years of youth are spoiled by crime:

—Youngsters under 18 accounted for one-fifth of all non-traffic arrests in 1965.

—Those under 24 accounted for half of all those arrested for major crimes of violence—homicide, rape, robbery and assault.

—Three out of four of those arrested for larceny, burglary, and auto theft were under 24.

This problem will not disappear by itself. It will not disappear simply as a consequence of the passage of criminal laws.

No child is born a criminal.

But, we know that children born into certain environments all too often view the policeman—and the civil order he protects—as an enemy, rather than as a protector. Many parents fail to impart to their children that respect for lawful and just authority on which a decent society depends. Thousands of these early, individual failures later become parts of a national tragedy.

In the past few years, we have devoted immense resources to education, job training, urban planning and rehabilitation and civil rights.

But these efforts are not enough. We need a more direct and immediate effort to deal with juvenile delinquency at the local level.

I urge the Congress to pass the Juvenile Delinquency Prevention Act that I proposed last year. This Act would:

—Authorize $25 million in assistance to

State and local agencies in the first year to develop new plans, programs, and special facilities to deal with youthful offenders.

—Encourage the development of new community correctional programs which avoid the stigma and isolation that often follow prison experience.

—Help local authorities deal with delinquents effectively in terms of their individual needs, and avoid, whenever possible, separating young offenders from their families and from the society they will rejoin.

—Develop a greater range of alternatives to jail—for example, half-way houses, youth rehabilitation centers and family-type group homes.

Young Americans are our Nation's most valuable and valued resource. No loss is greater than when a youth—with the world before him—is cast into adulthood as a marked criminal. The health of our Nation requires a determined effort to master the problem of delinquency. But we must never forget that there is—as there should be—a limit to the extent to which public efforts can properly affect private lives. Neither the Executive nor the Congress—nor the policeman nor the youth worker—can substitute for parents. In their hands lie the ultimate responsibility.

6. *Alcoholism.*

Alcoholism is tragically high on the list of our Nation's health problems.

Five million Americans are alcoholics. They bring incalculable grief to millions of families. They cost their families, their employers and society billions of dollars.

While alcoholism is essentially a medical problem, it is also a problem of law enforcement. The local policeman—not the doctor—is usually the first point of contact between society and the public drunk, the intoxicated driver or the down-and-out derelict.

Alcoholics and heavy drinkers overburden our law enforcement and judicial systems:

—There are currently about two million arrests each year for drunkenness—nearly one-third of all arrests.

—Excessive drinking plays a part in nearly half of all fatal traffic accidents.

—Local police and courts spend a disproportionate amount of time and effort on what is essentially a medical problem—time that should better be spent dealing with serious offenses.

—A large percentage of all inmates in short-term correctional institutions are there solely because of public intoxication and related minor offenses.

Yet these crowded institutions generally provide no services or programs to treat them. In virtually all our communities, alcoholics receive less adequate care than other sick people.

The Department of Health, Education, and Welfare is now engaged in a major program dealing with the causes and treatment of alcoholism. I recommend that the Congress strengthen this program with appropriations next year of $13.4 million in fiscal 1969.

To deal with the alcoholic whose behavior brings him into contact with the law, I propose the Alcoholic Rehabilitation Act of 1968. This Act would provide Federal leadership and assistance to States and localities in developing non-jail alternatives for the handling of alcoholics.

THE FEDERAL EFFORT

The Federal Government must have the tools it needs to become a more effective instrument in the war on crime: stronger laws, more personnel, and more resources.

7. *Coordination.*

The first step in an accelerated Federal anti-crime drive is better coordination. Our efforts must not be dissipated. Responsibility must not be fragmented.

At the present time, a large number of Federal agencies play a significant role both in front-line enforcement, and in programs to aid State and local agencies. The resources and experience of many different departments and agencies are needed in this effort. But, there must be a control room for Federal action.

Today I am acting in several ways to provide this coordination, and to mobilize the agencies of Government that participate in the work of fighting crime.

I signed this morning an Executive Order designating the Attorney General to:

—Coordinate the criminal law enforcement activities of all Federal Departments and agencies,

—Coordinate all Federal programs that assist State and local law enforcement and crime prevention activities.

The Attorney General will establish a special office in the Justice Department to carry out this critical work.

State and local law enforcement agencies will now have a single office in Washington to contact for information concerning all Federal programs which may affect them. These include projects as varied as:

—The Labor Department's training programs for sub-professionals in police and court work.

—Juvenile delinquency and alcoholism prevention efforts of the Department of Health, Education, and Welfare.

—The Department of Housing and Urban Development's planning and other assistance programs that affect law enforcement.

—The police-community relations programs in the Office of Economic Opportunity.

The Attorney General will not operate these programs. He will coordinate them and issue guidelines to ensure that they make the maximum impact in meeting the Nation's public safety needs.

8. *Strengthened and Unified Corrections.*

The apprehension and conviction of a criminal is doomed to ultimate futility if we do not deal effectively with him while he is in the hands of the law.

Our correctional system serves two primary functions. It protects the public through the detention or close supervision of convicted offenders. It also seeks to return them to a productive life through education, training, and other programs.

The number of released offenders who subsequently revert to a life of crime is disturbingly large. The Crime Commission estimated that about one-third of released criminals return to prison within five years.

The task of supervising hardened criminals, and of repairing and strengthening lives is difficult, and often unappreciated. This work requires highly trained personnel and carefully-supervised programs of parole and probation.

Today the Nation's correctional system is undermanned and underequipped. We must make it a strong arm in our total effort to protect the public from crime.

To achieve substantial improvements in this long-neglected area, I ask the Congress to increase the program funds available to the Bureau of Prisons by $3 million.

The Federal Government has developed a system of institutions and services—penitentiaries, reformatories, youth centers, parole and probation—to protect society and to lead violators to more worthwhile lives.

Yet our correctional system is fragmented. The courts supervise parole and probation, while the Executive Branch administers the prisons.

This division of responsibility impedes our efforts to build a strong and effective correctional system. We need a single, unified organization to coordinate the prison personnel who are responsible for the treatment of prisoners and the community personnel who supervise their parole.

I again ask the Congress to unify this system by establishing a United States Corrections Service within the Department of Justice.

9. *Narcotics and Drugs.*

In no area of law enforcement is there a greater need for a concentrated drive than in dealing with the growing problem of narcotics and dangerous drugs.

These powders and pills threaten our Nation's health, vitality, and self-respect.

Heroin addiction is largely an urban problem, focused in slum areas. But hallucinogens, such as marihuana and LSD (Lysergic Acid Diethylamide) have spread to suburban and rural regions, and are taken by far too many American youths. The improper use of dangerous drugs—barbiturates, pep pills, speed, other amphetamines—cuts across all segments of the population.

The present Federal laws dealing with these substances are a crazy quilt of inconsistent approaches and widely disparate criminal sanctions. Responsibility for their administration is found in no single Department of the Federal Government.

The Department of the Treasury, through the Bureau of Narcotics, is responsible for narcotics and marihuana enforcement—because historically jurisdiction in that area was based on the taxing power of the Federal Government. This Bureau has only about 300 agents for the United States and all its foreign operations.

The Department of Health, Education,

and Welfare enforces the dangerous drug laws through its Bureau of Drug Abuse Control, which has only about 300 agents.

Penalties for improper use of these substances are inconsistent—and in the dangerous drug field, too weak.

The illegal sale of LSD, a powerful hallucinogen, is only a misdemeanor punishable by a maximum prison term of one year for the first offense. There is no penalty at present for possession of LSD for personal use.

Possession of marihuana, another hallucinogen, is punishable by a minimum term of two years and a maximum of ten for the first offense. Illegal sale is punishable by a minimum of five years.

These inconsistencies have seriously hampered law enforcement—for drug and narcotics peddlers do not observe bureaucratic niceties. More than 90% of seizures of LSD made by the Bureau of Drug Abuse Control have also turned up marihuana—but that Bureau is not authorized to make arrests for illegal trafficking in marihuana.

We can no longer deal with this major problem in a haphazard way. We must mobilize now to halt the growing trade in harmful narcotics and drugs.

I propose that the Congress immediately:

—*Enact legislation to make the illegal manufacture, sale or distribution of LSD and other dangerous drugs a felony and the illegal possession of these drugs a misdemeanor.*

—*Provide funds to increase the number of Federal narcotics and dangerous drug agents by more than one-third.*

In addition, I am requesting:

—The National Commission on Reform of the Federal Criminal Laws—an expert and distinguished Commission established by Congress last year—to give its immediate attention to a review of all our narcotics and drug abuse laws, and to recommend a balanced and consistent approach to this problem as soon as possible.

—The Secretary of Health, Education, and Welfare to increase the activities of his Department in the area of rehabilitation of drug addicts, and in alerting young people to the threat addiction poses to their lives.

Finally, and most important, I am today transmitting to the Congress a reorganization plan to transfer the functions of the Bureau of Narcotics and the Bureau of Drug Abuse Control to the Department of Justice.

There, in a new Bureau of Narcotics and Dangerous Drugs, these functions can work together with greater effectiveness and efficiency. This step implements the recommendation of the Hoover Commission of 1949, and of the 1963 Presidential Advisory Commission on Narcotics and Drug Abuse.

The new Bureau of Narcotics and Dangerous Drugs would be in a strong position to:

—Use the experienced manpower of the two existing Bureaus more efficiently by avoiding duplicating and overlapping investigations,

—Economize by consolidating regional offices,

—Provide a single channel of communications with State, local and foreign narcotic control authorities, and

—Improve liaison with the Organized Crime Section of the Department of Justice, and thus strike at an important aspect of organized crime—the illegal drug trade.

10. *Riot Control.*

Last summer many of our cities were shaken by disorders that cost scores of lives and millions of dollars in damage.

All Americans have thought about and discussed the causes of this national tragedy. We know the answers are complex. For this reason, I appointed, last August, a National Advisory Commission on Civil Disorders, and charged its members with three questions:

"What happened?"

"Why did it happen?"

"What can be done to prevent its happening again and again?"

We await their report and recommendations.

But there is no need to wait before protecting society against those who would tear it apart for whatever purpose.

I propose the Federal Anti-Riot Act of 1968.

This new law will make it a felony, punishable by up to 5 years in prison, for any person to incite or organize a riot after having traveled in interstate commerce with the intention to do so.

This is a narrow and carefully drawn bill. It does not impede free speech or peaceful assembly.

It is not a solution to our urban problems. But it does give the Federal Government the power to act against those who might move around the country, inciting and joining in the terror of riots.

This bill does not involve the Federal Government in dealing with disturbances that are locally incited and properly a matter for State and local authorities.

I urge those authorities—the Governors and Mayors of this Nation—to review carefully their State and local anti-riot laws to make certain they provide effective protection for their citizens.

This new law should be coupled with the Federal Firearms Bill. Both seek a common end—to reduce crime and disorder in our cities by restricting the interstate movement of two causes of death and destruction—the criminal agitator and the gun.

11. *Organized Crime.*

Organized crime is big business in America.

Its sinister effect pervades too many corners of America today—through gambling, loan sharking, corruption, extortion, and large movements of narcotics.

The Crime Commission reported:

> Organized crime is a society that seeks to operate outside the control of the American people and their governments. It involves thousands of criminals, working within structures as complex as those of any large corporation, subject to laws more rigidly enforced than those of legitimate governments. Its actions are not impulsive, but rather the result of intricate conspiracies, carried on over many years and aimed at gaining control over whole fields of activity in order to amass huge profits.

These conspiracies have taken over legitimate businesses. They have attempted to invade the councils of our cities.

It is clear that sporadic, isolated, uncoordinated attacks on this disciplined army of the underworld cannot obtain lasting results. Organized crime can be defeated only by organized law enforcement.

Under the direction of the Organized Crime and Racketeering Section of the Department of Justice, a "Strike Force" program has recently been initiated. Experienced investigators and attorneys from several Federal departments and agencies work together in a campaign concentrated on a single, organized criminal syndicate in a particular geographic area.

Strike Force Number One, centered in a large northern city, used skilled investigators from the Bureau of Narcotics, the Customs Bureau, the Secret Service, the Department of Labor, and Internal Revenue Service and the Federal Bureau of Investigation. This Strike Force, in cooperation with Canadian and local officials, was responsible last year for Federal indictments of 25 underworld figures.

Additional strike forces are now being formed. Within the next few months they will be moved, without public notice, into several parts of the Nation where organized crime now flourishes.

I have directed the Attorney General and this Government's law enforcement agencies to give his program the highest priority. Funds are included in my budget to support these additional Strike Forces.

STRONGER CRIMINAL LAWS

12. *Gambling Laws.*

Gambling provides the major source of revenue for organized crime. It is vital that the Government have statutory means to play a leading role in striking at illegal gambling activities.

The federal wagering tax produces needed revenue for the Federal Government from a source that is highly appropriate as long as illegal gambling flourishes. It is important that this tax, imposed by the Congress, be collected efficiently, and without infringing the constitutional rights of taxpayers.

I recommend that our gambling laws be strengthened this year.

First, we should broaden the law to make it a Federal crime to engage in gambling as a substantial business affecting interstate commerce.

Second, the Federal Wagering statute should be modified to preserve this valuable taxing authority in a form that does not raise constitutional problems.

These legislative proposals will be sent to the Congress shortly. *I urge their prompt consideration.*

13. *Immunity Legislation.*

Last year I requested immunity legislation to compel the giving of testimony concerning activities having strong links with organized crime. This kind of authority has proven its value in the past, but its current scope is limited. *I renew my proposal that immunity legislation be extended to the Racketeering Travel Act, to the Obstruction of Justice statute, to the criminal bankruptcy law, and to* *matters involving bribery, graft, and conflict of interest.*

14. *Effective Prosecution.*

Today, the prosecution in a Federal criminal case cannot appeal when a District Court grants a pre-trial motion to suppress evidence. In many cases, the suppression of that evidence may effectively terminate the prosecution.

The House of Representatives has enacted legislation authorizing the Government to appeal such orders when they believe an appeal is justified.

I ask the Senate to pass this legislation promptly.

15. *Gun Control.*

We cannot control crime without controlling the random and wanton distribution of guns.

There is little need to restate the arguments for taking this action. We must stop what amounts to mail order murder.

Newspapers and radios proclaim each day the tragic toll of death and injury caused by firearms. An estimated 750,000 Americans have died by this means since 1900—far more than have died at the hands of all our enemies in all the wars we have fought.

Once again I urge the Congress to enact the bill I proposed last year to:

—Prohibit interstate mail order sales and shipments of firearms, except between Federal licensees.

—Prohibit over-the-counter sales of handguns to out-of-state purchasers.

—Regulate the sale of firearms to minors.

—Further regulate the importation of firearms into this country.

As I said one year ago:

"This legislation will not curtail ownership of firearms used either for sport or self-protection. But it will place a valuable restraint on random trade in handguns—the use of which has more and more characterized burglaries and other crimes."

We know the facts. Failure to act upon them is irresponsible.

NEW STRENGTH FOR LAW ENFORCEMENT

16. *Additional Federal Anti-Crime Officials.*

Since 1960, the pending criminal caseload in the Federal system has increased by 90%. The total number of grand jury proceedings has grown by 31%. The total number of appeals has grown by 133%. During this period the number of District Court judges increased by 40%.

But the total number of Assistant United States Attorneys—the men throughout the country who bring the people's cases to court—increased by only 16%.

I am requesting the Congress to provide funds to enable us to add 100 additional Assistant U.S. Attorneys in offices around the country.

I am also requesting funds for more than 100 additional agents for the Federal Bureau of Investigation, and for a substantial increase in the number of lawyers for the Criminal Division of the Justice Department.

EFFECTIVE CRIME CONTROL IN AN AGE OF TECHNOLOGY

At its heart, the law enforcement problem has always been—and will remain—a human problem. Wretched living conditions produced high crime rates a century ago in immigrant neighborhoods. Today, slum conditions are producing equally serious crime problems among the new immigrants to our cities.

We have dedicated ourselves to change those conditions—and we shall.

But our responsibilities require us to find more immediate solutions to the rising crime rate, that will help us maintain order while we build better foundations for urban life.

17. *Improved law enforcement communications.*

The Crime Commission Report showed that the ability of the police to make an arrest often depends upon the time within which affected citizens contact them, the speed with which radio messages can be transmitted, and the response time of neighborhood police.

In spite of our advanced technological knowledge and capacities, it often takes many minutes for help to reach a citizen. Further, communications facilities for essential emergency services in many metropolitan areas are over-crowded and out of date.

To implement a four-point program to improve law enforcement communications:

—I am instructing the Attorney General to cooperate with the Federal Communications Commission, local law enforcement authorities, and the telephone companies to develop methods to make the ordinary telephone more effective for summoning police aid in times of emergency. Such a step, recommended by the Crime Commission, was recently endorsed by the largest telephone company in the Nation.

—I have requested the Federal Communications Commission to give the highest priority in the allocation of new radio channels to police and other emergency services in our largest cities.

—I am asking the Presidential Task Force on Communications Policy, established last August, to undertake a study to determine the total public safety radio-communications requirements and present capabilities in selected metropolitan areas.

—I am directing the Attorney General and the Secretary of Defense to develop a prototype, low-cost, lightweight personnel radio, which can be used by patrolmen throughout the Nation.

18. *Modern Weapons and Equipment.* Revolvers and nightsticks are clearly inadequate for the many different crises faced by the police. New weapons and chemicals—effective but causing no permanent injury—have been and are being developed.

But too little is now known about their potential to preserve order while protecting lives. Too little is known about their limitations.

I am instructing the Director of the Office of Science and Technology, working with the Attorney General and law enforcement officials, to study these new weapons and chemicals and other new techniques in crime control. The results of this study will be made available to enforcement agencies throughout the country.

19. *Bank Protection.*

We must bring modern crime detection and protective equipment into our banks.

Robberies of financial institutions have increased continuously in the past decade.

In 1955 there were 526 robberies committed against financial institutions protected by Federal law. In 1966 there were 1,871 such offenses—an increase of about 250%.

Silent alarms and camera systems now exist that can both deter these crimes and aid in investigation and prosecution. Yet many financial institutions have not yet installed them.

I urge the Congress to enact a Bank Protection Act of 1968, to direct those Federal agencies with responsibilities for banks and savings and loan institutions to issue regulations requiring the installation, maintenance, and operation of appropriate protective systems.

20. *Auto Theft Prevention.*

We must reduce the great number of automobiles that are stolen each year.

Auto theft is the third most frequent, and the second most costly crime in America.

It is a crime that involves the young. Over 60% of all auto thefts are committed by persons under the age of 18. This is often the first step in a life of crime—a first step that might be easily prevented.

A principal device in auto theft is the so-called "master key," which can be used to start a car's ignition. These keys are advertised. They can be ordered by mail.

I propose the Auto Theft Prevention Act of 1968, to prohibit the advertisement, mailing and shipment in interstate commerce of motor vehicle master keys and information and devices from which such keys can be made.

This Act, together with auto safety regulations proposed by the Secretary of Transportation—which would require anti-theft devices to be included in automobiles manufactured after December 31, 1969—should help counter the rising rate of auto thefts. Some of our automobile manufacturers have already announced plans to include such devices in future models.

21. *Model Precincts.*

We must take advantage of our Model Cities program—the most comprehensive urban development program this country has ever undertaken—to promote the goal of effective law enforcement.

The Model Cities program gives us an opportunity to plan ahead for law enforcement in a new environment. Many cities have begun to do so.

I am directing the Secretary of Housing and Urban Development, in cooperation with the Attorney General, to require each of the 63 cities now included within the Model Cities program, as well as any new grantees, to include within its total program a well-designed system for crime prevention and control. These could include such items as:

—Establishment of model precincts.

—Improvement of police-community relations.

—Creation of effective recruitment and training centers.

—New programs for youthful offenders.

The Model Cities program gives us an opportunity to create safe streets in safe neighborhoods through more effective crime prevention and law enforcement systems. We must seize that opportunity.

22. *Right to Privacy.*

We must protect the American people against a new threat to one of our oldest and most precious rights—the right of personal privacy.

The principle that a man's home is his castle is under new attack. For centuries the law of trespass protected a man's lands and his home. But in this age of advanced technology, thick walls and locked doors cannot guard our privacy or safeguard our personal freedom. Today we need a strong law—suited to modern conditions—to protect us from those who would trespass upon our conversations.

Last year I recommended to the Congress the Right of Privacy Act. *I urge the Congress to enact this legislation this year.*

CRIME CONTROL—A TASK FOR ALL AMERICANS

This 22-point program will, if adopted and put fully into practice, make the conditions of life for most law-abiding citizens safer, and thus freer and happier.

But in implementing it we must remain aware of its limitations, as well as its goals:

It is not a substitute for action by local law enforcement officials. The job of law enforcement—the basic responsibility—is for the local police, the local mayor, the city council, in short the people of our towns and cities.

It is not an answer to the frustrations of many young people. But it will help to steer thousands of young offenders to more productive lives.

It is not a solution to the illnesses of alcoholism and drug addiction. But it will enable us to deal with them more effectively.

It is not an answer to the blight of our cities and suburbs. But it will help to make our metropolitan areas more livable.

It does not establish a national police force, but it will help enable the Federal government to do its part well.

The Nation needs vigorous and substantial programs to meet the challenge of crime on all levels of Government—but most importantly at the local level where it affects us all most immediately and most directly.

There are some who view the crime problem in racial terms. The facts belie this. Crime affects all Americans. It is not a problem of rich against poor or white against Negro, because the hard facts show that crime victimizes most severely and most directly those in poverty and those in minority groups.

No people need or want effective and fair law enforcement more than those who live in our crowded inner cities.

For all Americans we must improve and strengthen our law enforcement system.

Speeches and strong words and good intentions will not solve our Nation's crime problem.

This message will not solve our Nation's crime problem.

Only action will be effective to control crime in the cities and states of our country: action at the local level, action at the state level and action by the Congress of the United States.

Today I pledge the resources of the Federal Government to support the governors and mayors of our Nation in an all-out war against crime.

I urge the Congress to join with me by passing the legislation I have recommended in this message.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 7, 1968*.

The message was, without objection, referred by the Speaker pro tempore (Mr. ALBERT) to the Committee of the Whole House on the State of the Union and ordered to be printed.

THE JOHNSON STRATEGY TO FIGHT CRIME AND VIOLENCE

Mr. McCORMACK. Mr. Speaker, the President has proposed to us nothing less than a total strategy to control crime and violence in our country.

The 20-point program outlined in the President's message is clear and necessary. It touches every area of strife, crime, and disturbance in our society.

The President very clearly recognizes that there must be an adequate mix of control and reform measures if we are ever to get at the roots of the crime problem.

And so he has proposed a Safe Streets and Crime Control Act which would give local law enforcement officials new tools and resources to combat crime in the community.

The President has asked for an antiriot bill. He has asked for tougher legislation against drug use and distribution. And he has reaffirmed his public call for a strong gun control bill.

But he is also interested in the reform of corrections methods; in a full-scale review of our corrections laws; in the need for new institutions for the rehabilitation of youthful offenders, and in research into new weapons and controls for police.

This is the most intelligent approach to crime problems in years.

The President is not content just to make speeches against crime. He has presented a program to attack the roots and manifestations of crime. And the Congress ought to approve this Johnson anticrime strategy as soon as possible—and vote the needed funds to implement it.

Mr. ALBERT. Mr. Speaker, President Johnson has submitted the most comprehensive crime control proposals in the history of Congress.

The President's requests, if enacted, will provide a badly needed lift to the Nation's total effort to curb the rising crime rate.

These are thoughtful, carefully studied proposals that focus on areas of the greatest need in improving crime control techniques and enforcement procedures. I feel certain that the President will be strongly supported by the Nation's crime prevention officials, as well as by the overwhelming majority of the American people.

These proposals—from strengthening narcotics control laws to urging an auto theft prevention act—are among the most urgent matters to be considered by Congress this year.

I feel certain that the 90th Congress will act promptly and sympathetically to enact President Johnson's anticrime proposals. In this field, there can be no delay or indifference. For the forces that breed crime must never be allowed to overwhelm those who place their trust in law and order.

And President Johnson has served notice today that crime can—and shall—be vanquished by a determined and resolute people.

Mr. MURPHY of New York. Mr. Speaker, we face a sinister threat to the domestic tranquillity and security of our country. I acclaim the President for pointing out the threat by the forces of organized crime. The Task Force on Organized Crime of the President's Commission on Law Enforcement and Administration of Justice has revealed a sordid picture of the intricate and cunning activities of the crime syndicates. Through gambling, loan sharking, narcotics peddling, extortion and prostitution, the hidden lords of crime corrupt police, prosecutors, judges, city officials, State legislators, college and professional athletes, and exert a pervasive influence on the Nation's economical and political life. Although gambling is the single greatest source of income for organized crime, probably one of the most perverted and lucrative activities engaged in today by the minions of organized crime is the peddling of narcotics and other dangerous drugs. Many of the sales are to our young people. Here the evil of underworld crime can have one of its most serious impacts. The person who peddles drugs to our children is the true modern-day slave master who transports the young into a lifetime of addiction. I want to express my support of the proposals in the President's crime message pointed to a coordinated law enforcement effort against organized crime.

Mr. ANNUNZIO. Mr. Speaker, I applaud the President's message on crime.

The President has now begun to implement the recommendations of his Commission on Law Enforcement and Administration of Justice. While the President realizes, as he stated in March of 1966, that "ancient evils do not yield to easy conquest," his proposals—if enacted—will be a first step in the battle.

The Federal Government cannot solve the problem of crime in America. The President recognized this in his state of the Union message. But the Federal Government can—as it has done in the past—point the way to reform and innovation for State and local enforcement agencies.

The President's proposals concerning drug abuse control, firearms restrictions, organized crime, safe streets, and aid and assistance to local law enforcement are a recognition of the role the Federal Government must play if we are to conquer this national malignancy.

As the President's Commission on Crime stated:

> There is much crime in America, more than ever is reported, far more than ever is solved, far too much for the health of the Nation. Every American knows that. Every American is, in a sense, a victim of crime.

The Commission concluded by saying that:

> America must translate its alarm about crime into actions that will give the criminal justice system the wherewithal to do the job it is charged with doing.

The President's recommendations are the type of actions that America needs in its war on crime.

Mr. BOGGS. Mr. Speaker, President Johnson's anticrime message to Congress is a call to national action to make a safer America our first order of business.

Each year, criminal acts cause injury and death to thousands of innocent citizens and destruction to billions of dollars of property. Organized crime drains incalculable resources from our productive economy and from our honest businessmen.

Yet, while our crime rate has soared, our system of criminal justice has been sadly neglected. Local law enforcement officers are often under financed and ill equipped; juvenile delinquency is often handled in an archaic manner; and organized crime has invaded more and more of America.

America cannot long afford to pay this tragic cost. Through President Johnson's comprehensive anticrime programs we can make an investment in a better, more secure future.

The President's sweeping anticrime program deals with all the major areas of concern in the criminal field—ill-equipped police forces; rising juvenile delinquency which affects thousands of American youngsters; recurring alcoholism and drug abuse which threatens the health of our people; and pervasive organized crime.

Moreover, the President's new programs will seek closer coordination of Federal anticrime efforts; a strengthened and unified corrections system; and new laws to stem the rising tide of bank robberies and auto thefts.

We too must heed this call and act in the national interest by enacting the anticrime program.

Mr. BLATNIK. Mr. Speaker, once again the President of the United States has spoken out against the criminal element of our society. Once again he has asked the Congress to respond to the needs of the people and to enact measures which will provide for a meaningful effort toward a safer Nation. The President has my compliments on this program—and he has my support.

The law-abiding citizens of this country must be safe to be on the streets of our cities. Our children must be safe to play in our parks. Our businessmen must be able to devote their time and resources to productive efforts rather than prevention of theft. We must enact the measures necessary to accomplish these goals. Support of the President's program should be a matter of immediate action for the Congress.

Mr. McCLORY. Mr. Speaker, I am much impressed by portions of the message on public safety received from the President in the House of Representatives today.

In my opinion, the President, in recommending amendments to the Law Enforcement and Criminal Justice Assistance Act of 1967, appears to have adopted the substance of title III as amended in this House and passed overwhelmingly by the House membership.

As the principal sponsor of the substitute title III, I particularly wish to commend the President on his references to an expanded role by the Federal Government in the training and education of law enforcement officials.

While the measure passed by the House reposed this function in a National Institute of Law Enforcement and Criminal Justice operating through regional institutes, it is possible that similar objectives may be fulfilled by the Federal Bureau of Investigation—as recommended by the President. I was pleased to note the President's approval for "substantial financial assistance" for the development of State and local law enforcement training programs.

Additional parts of the amendments proposed by the President also appear to be consistent with the House-passed title III. In this regard, I cite the President's support for a National Institute of Law Enforcement and Criminal Justice to develop a major Federal research program for the application of the most advanced scientific and technological devices in improving law enforcement.

Indeed, much of the President's message reflects programs and objectives advanced by the Members of this House at the first session of the 90th Congress. I do not criticize the President for his change of position in adopting programs initiated by the House. On the contrary, I congratulate him for his willingness to embrace the reasonable and necessary steps he has announced.

Mr. SCHEUER. Mr. Speaker, the President in his message on crime has given the Congress a forceful and timely assessment of the steps which must be taken to combat the mounting incidence of crime.

Crime is a matter of urgent public concern. It is a major domestic problem requiring an immediate and comprehensive action program. The President's Crime Commission, after thorough research, recommended a substantial program of Federal assistance to State and local law enforcement agencies. This recommendation is incorporated in the Safe Streets and Crime Control Act. It must be implemented now. Every day that we fail to act, the problem grows another step beyond us.

The Safe Streets and Crime Control Act will provide substantial Federal financial assistance and guidance to State and local governments in the field of law enforcement. It will not, however, infringe upon the autonomy of these agencies. The war against crime will remain, as it is now, primarily the responsibility of State and local government. The Commission found, and I believe all of us will agree, that these State and local governments do not now have sufficient resources to meet the problem. Community law enforcement agencies themselves have requested the assistance which the Safe Streets Act will provide.

Last year the House passed my amendment to the Safe Streets and Crime Control Act creating a National Institute for Criminal Justice. This legislation now pending in the Senate under the sponsorship of Senator EDWARD F. KENNEDY, would provide a central research bureau within the Department of Justice. Such a facility would have the resources to apply contemporary technology and the behaviorial sciences to the problems of crime prevention, detection, and data collection, as well as our rehabilitation and corrections system.

I congratulate the President on his statement and I urge each Member of Congress to work for the prompt passage of the Safe Streets Act.

Mr. GARMATZ. Mr. Speaker, the President of the United States has asked the Congress to legislate against crime. We must give him our support. We must make every effort to improve our law enforcement facilities so that the risk of apprehension alone will deter one from a career in crime.

Respect for the law by all members of our society will be assured only when there is respect for all of our law enforcement officials. A well-trained and a well-equipped officer commands respect. We can make progress toward this goal through programs which have been set forth by the President. This, coupled with the strengthening of the Federal criminal statutes, can do much to restore a sense of safety and security to the people of this country. It is essential that we do so.

The President's Commission on Law Enforcement and Administration of Justice has made a report which cites many areas of need. That Commission has also made suggestions for meeting that need, some of which are embodied in those programs presented by the President. It is not enough that we are shown the need and given direction, we must fulfill our responsibility by acting upon these vital measures.

I congratulate the President in the part that he has done. He has my full support.

Mr. DINGELL. Mr. Speaker, I want to commend the President for presenting to the Congress a strong and meaningful program for a war against crime.

A poorly trained and ill-equipped law enforcement officer is an ineffective and costly answer to the problem of crime. Technological advancement and expanded training facilities can be made available to every level of law enforcement. The President has proposed this and it is our responsibility in Congress to see that such is made available.

We can no longer ignore the fact that crime in many of its aspects is no longer merely a local problem. Modern communication and transportation facilities have made it possible for criminals to organize and range far and wide across the country. Crime does not respect State lines.

Thus, there is a need for attention to these problems by the Federal Government. The Federal Government must provide the ways and means, in cooperation with State and local authorities, to gain an early solution to the problem of organized crime.

The President has pointed out the direction which should be followed. He has my support in almost every particular.

Mr. ANDERSON of Tennessee. Mr. Speaker, the President, in his message on crime, has delivered to this body the best and most comprehensive proposals on crime and lawlessness of any President in American history.

It is true that the architects of the war on crime should be bipartisan. But it is also true that the Republicans seek to exploit this as a national political issue, while offering no constructive solutions on their own.

President Lyndon B. Johnson, through his timely and forthright action, as clearly evidenced in this message, has proven his ability—not merely to react to serious problems—but to find solutions.

Speaking politically, the Republicans expected to find some teeth in this matter, again without projecting solutions. Lyndon B. Johnson has just extracted 32 Republican teeth, by his highly constructive and statesmanlike proposals.

The President in his message on crime today while recognizing that law enforcement lies primarily with local police systems, pointed out that the Federal Government can and must assume a strong role in supporting the States in their fight against the increase in crime.

Under the safe streets and crime control bill there was provision for the Federal Government to make grants to State and local governments for the improvement and development of procedures to fight crime. The President has now suggested the amendment of this legislation to include Federal assistance for the education and training of law enforcement officials. It would seem to me to be ideal to expand the present Federal program for training State and local law enforcement officers and to encourage the development of training and education facilities to aid in the procurement of more efficient State and local law enforcement officers.

The President calls for a specific program of fellowships, student loans, and tuition aid. Such a program has already been drafted into legislative form: It is H.R. 6628, the law enforcement education bill, which has received the vigorous support of the International Association of Chiefs of Police, the American Legion, the mayors of 25 of our largest cities, and scores of colleges, universities, and police agencies.

H.R. 6628 is a proposal to put 110,000 man-years of new specialized higher education into the war on crime during the next 4 years. It is a Government-funded education program for the law enforcement professions with very strong recruiting provisions. The effective humane focus of this bill is on the police officer with badge and gun on the streets, in the station house, and in the investigative and managerial branches.

The President is to be commended for his recognition of the tremendous importance of specialized education and training in any effective war on crime. He clearly merits our support in this recognition.

Few, if any, professions are so centrally responsible for the preservation of civil stability and public order in this time of accelerating social change as that of the policeman. Few, if any, professions are so crucially charged with individual responsibility as that of the policeman. Few, if any, professions are more demanding of well-informed, clear, sound judgment in so great a variety of fields and situations, under such conditions of stress as that of the policeman.

If these generalizations are true—and I have personally encountered no one who has challenged them—then it follows that, for the Nation at large, few if any professions have a greater need of, or a higher priority claim upon, higher education. The sobering fact is that most of the American law enforcement profession is presently operating at an educational disadvantage to the society it is asked to police, and the trend is not improving. Now I believe that it can be demonstrated that this unbalance between the need and the supply of higher education in law enforcement is a situation loaded with trouble, both present and potential. It adversely affects performance, professional confidence, public image, recruiting, pay raises, and other forms of career compensation. Conversely, the remedy to this unfilled need offers the prospect of gains in across-the-board competence, enhanced public respect and professional pride, a markedly improved recruitment position, better community relations, and a powerful stimulus for higher pay scales.

If there is any group of men in our society whose higher education the citizen would reasonably wish to insure, is it not that select group to whom is entrusted the unique authority and responsibility to employ legitimate force in the name of government?

The President has demonstrated excellent analytical qualities and commendable foresight in recommending this educational mechanism for securing the continuing supply of first-rate manpower to sustain a successful war on crime.

Mr. BROWN of California. Mr. Speaker, crime is not just a big city problem. It is a problem of our small towns and of our suburbs as well. Crime is increasing faster in the smaller cities than it is in metropolitan areas and smaller cities are hard pressed to cope with the problem. They do not have sufficient experience in crime prevention and control; they have smaller police forces with less equipment, less training, and expertise. They must have help: the administration's safe streets bill will provide it. The Safe Streets Act will support more and better training for their police forces, assist them in improving their operations and provide technical assistance and model programs for them to follow. It will also provide planning grants that will encourage units of local government, or the State government and units of local government to join together to map out a concerted attack on crime.

Since the fall of 1965, the Federal Government has been engaged in a pioneering effort which has laid the groundwork for the safe streets program. Under the Law Enforcement Assistance Act, $17.5 million in grants have been awarded to law enforcement and criminal justice agencies. The safe streets program will be a broader, more comprehensive program that will build upon this modest beginning and permit wide-scale attack upon the crime problem.

It is the keystone of the national strategy against crime which was outlined today in the President's crime message. The time for its passage is now.

Mr. DONOHUE. Mr. Speaker, the President's message today, to the Congress and the country, on the vital subject of public safety is truly an expression of national determination to promptly initiate adequate action to reduce crime in the United States and provide a safe environment for all our citizens.

In his comprehensive recommendations the President has outlined programs that merit the cooperative study and implementation of all of us who believe the time is overdue for less discussion and more immediate, meaningful action.

Toward this end it would certainly appear that a reasonable commitment of Federal funds in a multi-grant, varied program plan of assistance to the States and communities throughout the country to help combat and reduce the frightening acceleration of crime, especially by and among our youth, is not only economically feasible but it would be a priority investment of foremost wisdom and prudence.

Although there may be sincere differences on some few Presidential recommendations, there can be little if any doubt that the overall program and objective, to insure the public safety, deserves the fullest cooperation of the Congress in legislatively dealing with a problem of urgent and major national significance and I am sure the Congress will extend such cooperation in the public interest.

Mr. RODINO. Mr. Speaker, an unfortunate concomitant of our increased urbanization is the mounting incidence of criminal conduct. Crime threatens the freedom of our democratic system, and an atmosphere of fear pervades the lives of many decent, law-abiding citizens. The National Crime Commission reported the shocking fact that one-third of all Americans consider it unsafe to walk alone at night in their neighborhoods. This is inconsistent with the ideals of our country.

The President's message to Congress reflects the concern of the vast majority of Americans who demand Federal action against this paramount domestic problem.

The Federal Government is not impotent to react to this problem. The Safe Streets and Crime Control Act would allow the Federal Government to assist State and local governments in the discharge of their responsibilities. It would provide Federal financial assistance for training, education, research, and development in law enforcement. Primary responsibility for law enforcement, as it should, would remain on the local level. However, the considerable resources of the Federal Government would be employed to create the excellence in law enforcement systems needed to curtail crime in our communities.

I am happy to indicate my support of the President's most comprehensive and essential program to combat crime.

Mr. GALLAGHER. Mr. Speaker, President Johnson's message today, "to insure the public safety," is a significant and meaningful outline of the actions—local, State, and National—that we must put into effect if we are to control crime in America, reverse its rising trend and restore a measure of law and order to our society.

Perhaps the most important single statement in this message, and I might add one of the most obvious, is the emphasis on the responsibility of local police agencies for local law enforcement. As the President so well states:

> The Federal Government must never assume the role of the Nation's policeman.

Not only should the Federal Government never try to assume that role, the Federal Government does not have the ability or constitutional power to assume such responsibility.

The President has redoubled his call for an effective firearms control law and laws to protect the citizen's right to privacy. These are matters with which I have been concerned and which I have supported and advocated strongly. I join with the President in calling for swift action by both the House and Senate on these important matters.

Mr. MINISH. Mr. Speaker, the program outlined by the President to combat crime and criminal activities throughout the Nation would provide a desirable and effective method for a combined Federal-State frontal attack on crime.

As the sponsor of H.R. 12034, which is designed to curb the interstate traffic in guns, I was pleased to note the inclusion of Federal gun control legislation in the President's message. The administration recommends more effective controls over interstate transactions in firearms and assistance to the States in controlling the unrestricted flow of firearms within their own borders.

Mr. Speaker, with increasing violence in our major urban centers, we can no longer afford to ignore the need for sensible firearms controls. In public opinion polls taken over the last 3 years, three-fourths of those questioned have consistently favored increased gun control. How many more disasters must occur? How many more Lee Harvey Oswalds are needed?

Specifically, the legislation would—

First, prohibit interstate mail order sale of firearms, except with respect to rifles and shotguns where purchased in person at the seller's place of business and then shipped interstate to the purchaser at his residence;

Second, make it unlawful for a licensee to sell or deliver a handgun to a person under 21 and under 18 in the case of a rifle or shotgun;

Third, prohibit sale or delivery of firearms to persons prohibited by State or local law from receiving or possessing such firearms;

Fourth, prohibit the sale or delivery of a firearm—other than a rifle or shotgun—to a person who is not a resident of the State in which the sale or delivery is made;

Fifth, prohibit interstate transportation of destructive devices, machineguns, and short-barreled shotguns and rifles except between Federal licensees;

Sixth, provide standards and increase license fees for Federal licensees;

Seventh, prohibit interstate transportation, shipment, or receipt of firearms with intent to commit a felony; and

Eighth, provide the Secretary of Treasury with authority to regulate importation of firearms.

This type of legislation poses no threat whatsoever to the legitimate hunter or target shooter. It is, rather, a reasonable attempt to curb the evil of guns—to make it difficult for criminals, for the insane, and for the irresponsible, to arm themselves. The right to life and good health preempts any imaginary right of individuals to buy and use firearms indiscriminately.

Mr. CAREY. Mr. Speaker, the President, in his special message on crime, has again asked the Congress to approve major aid legislation in support of State and local law enforcement. This is the heart of his national strategy against crime, and it is a need which cannot be ignored.

The Safe Streets and Crime Control Act of 1967 is backed by the landmark studies and findings of the President's Crime Commission and by more than 2 years of experience in grant program administration under the Law Enforcement Assistance Act of 1965. It is compelled by national statistics which tell a shocking story of deterioration of public safety and escalation of all forms of criminal activity—street crime, organize crime, white collar crime, civil disorder.

Action by this Congress in 1965 made possible a significant test in the introduction of grant-in-aid and research and administration support to agencies of law enforcement operating in our society and localities. Under the Law Enforcement Assistance Act the Department of Justice has awarded $17.5 million to support over 300 different projects in the areas of law enforcement, courts, and corrections. New research, demonstration, training, and education have been made possible because the Federal Government was willing to help but this has hardly scratched the surface. The time has come for full commitment of resources to the critical problems facing law enforcement and criminal justice agencies.

The cost of crime in America is high, running to $27 billion each year. The cost in human life and suffering is inestimable. The cost for full-scale and prompt support of the President's program is a cost that our society can no longer ignore.

Mr. EILBERG. Mr. Speaker, I wish to congratulate the President for an excellent message on crime. He has given Congress a timely and forceful assessment of the crime problem as it now exists in this country and outlined the steps which must be taken in order to cope with it.

I am particularly interested in the President's discussion of narcotics and dangerous drugs. It was shocking to learn that 5 percent of all urban college students had used LSD at one time or another and 20 percent has used marihuana. The President pointed out trafficking in LSD is a misdemeanor while trafficking in marihuana is a felony. Comparing the seriousness of the offenses, one would be led to believe that marihuana was the more dangerous drug, but actually marihuana is only a mild hallucinogen while LSD is a potent and dangerous hallucinogen. Inconsistencies such as this must be corrected.

The President's message has laid the foundation for the enactment of uniform and comprehensive narcotics legislation. I firmly believe that this legislation is needed and I urge every Member of Congress to give his support to the passage of these bills.

Mr. CORMAN. Mr. Speaker, the problem of crime in this country cannot be overemphasized. I support the President in his efforts to combat the rising rate in crime by a comprehensive plan of action.

We live in a mobile society and few problems remain confined to one geographic area. A spirit of cooperation among Federal, State and local law enforcement agencies is essential if we are to cope with this national problem. The President's program provides for this cooperation as well as for the strengthening and expansion of the local agencies.

I urge all the Members of the Congress to add their support to early enactment of the measures which President Johnson has presented to us. According to the annual report of the Federal Bureau of Investigation, in 1966 a serious crime was committed, on the average, every 12 seconds. We cannot afford to delay.

Mr. JACOBS. Mr. Speaker, for too long, America has neglected its law enforcement responsibilities.

Police and other agencies in our system of criminal justice have been denied the resources and manpower necessary to accomplish the gigantic tasks which we have assigned to them.

President Johnson has today proposed a sound and efficient program for ending this neglect, and building law enforcement agencies which are equal to the tasks confronting us.

The Safe Streets and Crime Control Act can mean a new era in effective law enforcement and a significant increase in public safety.

The threat of crime demands that the Congress accept the President's challenge and pass this legislation promptly.

Mr. TENZER. Mr. Speaker, many foreign and domestic problems currently confront this Nation. I applaud the President for his candid message recognizing that the most critical domestic problems facing our Nation is the acceleration of the commission of serious crimes. I am disturbed, as I am sure we all are, by the rise of the crime rate in our Nation. I am alarmed at the resultant fear which has spread throughout our population. I support, and will continue to support, every effort to resist and reduce this spread of crime and every program to alleviate the conditions in which crime and criminals breed.

As the President has indicated in his most recent statement on public safety which contains a 22-point program to combat crime, our serious criminal problems are beyond the capacity of unassisted State and local law enforcement agencies to control. Law enforcement is only as strong as the strength of the local police force and the effectiveness of the individual policeman. If he is not given the means and the incentive to do a good job, it is the law-abiding public that ultimately suffers. The administration's safe Streets and Crime Control Act is the cornerstone of the program and is designed to assist the States in the discharge of their responsibilities.

Public sentiment is strongly in favor of national legislation which will remove the fear for personal safety that pervades the lives of many Americans. We must address ourselves to the underlying causes of crime, while at the same time we must make it clear that no condition justifies criminal conduct and that such conduct will not be tolerated.

Federal assistance must be provided to States and local governments in their fight against crime by encouraging accelerated research and training programs at the local level. The President's proposed Safe Streets and Crime Control Act will strike at the root causes of crime in the United States today. It will strengthen local law enforcement agencies. It will provide for the training of local officers in the techniques necessary for mastering the sophisticated procedures of modern criminology. It will also provide funds for educational programs which will attract competent professionals into this critical field of public service.

Federal legislation such as that proposed by the President today is necessary if we in the United States are to walk the streets without fear. Because of the scope of the crime problem we must provide Federal assistance to the end that an effective partnership may be formed between the Federal, State, and local governments to strengthen the attack on the growing menace of crime in the United States.

This bill is important, in fact, it is essential. It not only aids local governments in meeting the crime problem, but also serves notice that this Government will not tolerate efforts to undermine the law and order upon which our society is founded.

The proposals of the President deserve serious consideration by the Members of Congress. The $100 million appropriation for the Safe Streets Act in fiscal 1969 will provide an acceleration point from which we may attack the problem of crime in the United States. Therefore, we must devote our energies not only to anticrime bills, but also to legislation which goes to the root causes of crime—the clearing of our slums and providing adequate housing for our citizens. While we concentrate on reducing crime, we must not overlook our obligation to eliminate the conditions in which crime breeds. Let us not forget that the society which refused to face up to its responsibility to create total equality, must now bear partial responsibility for the ruins in its urban centers.

The proposals in today's Presidential message seek to strike a balance between the protection of society and the protection of the rights of the individual. The 90th Congress should overwhelmingly approve meaningful and effective legislation to provide the necessary assistance.

There are a number of proposals in the President's message on crime which, upon introduction of the specific bills, will require further study and congressional hearings. But apart from these few proposals, we in the House of Representatives must take immediate action on the legislation proposed today. If our streets are to be free from crime, and our children free from the dreaded scourges of criminals, effective action is required now so that we may meet this national problem which increases every day.

Mr. BYRNE of Pennsylvania. Mr. Speaker, I was heartened by the strong stand the President has taken in his crime message, and want to voice my support for the measures he has proposed to reverse the Nation's spiraling national crime trend. The continuing crime increases cannot be rationalized or tolerated in today's society. The time for concerted Federal action can be delayed no longer.

I am particularly glad that the President has recognized the need for additional legislation to deal with the staggering volume of automobile thefts which continues to rise. The FBI's annual report for 1967 indicates 4,794 convictions for stolen vehicles in the fiscal year, under Federal law alone. Many of the offenders against Federal or local auto theft laws are juveniles, because this crime, above all others, involves the youth of the country. Although auto theft is not so heinous a crime as murder, rape, or armed robbery, it is a problem which demands immediate attention.

Although many of the stolen vehicles are recovered, the average financial loss for each recovered is approximately $200. These losses, added to the total losses from stolen autos which are not recovered, place the overall loss from theft at over $140 million each year.

More than 50 percent of all auto thefts are committed by youngsters under the age of 18. The consequences of a "joyride" in a "borrowed" vehicle are often arrest, trial, conviction, and a criminal record, which carries with it a stigma, and difficulty in obtaining employment.

In addition to being a serious source of crime and juvenile delinquency, auto theft constitutes a menace to highway safety. The fleeing auto thief endangers the lives of innocent citizens on the highway. Furthermore, the stolen auto often becomes a vehicle for the commission of a crime such as burglary, armed robbery, or kidnaping.

One measure we can take toward the reduction of auto theft is to prohibit the transportation of so-called master keys for motor vehicles in interstate commerce. By the use of these keys, which are readily obtainable to anyone and everyone through mail order sales, a person can operate the ignition of most cars manufactured in the United States. Several important steps are being taken by automobile manufacturers to discourage motorists from leaving their cars unlocked. But such measures will be of little avail if cars can be entered by readily obtainable master keys.

I have introduced legislation, H.R. 13226, which makes it a criminal offense to introduce or manufacture for introduction in interstate commerce so-called motor vehicle master keys, or to disseminate in commerce any advertisement for the sale of these items. Criminal penalties should be prescribed for the violations of the proscriptions.

Mr. TAYLOR. Mr. Speaker, I was pleased that President Johnson pledged an escalation in the war on crime. In my judgment the most serious problem facing our Nation is crime in the streets or the breakdown of law and order. Major crime increased 16 percent during the last 9 months, 48 percent during the last 6 years, is increasing six times as fast as our population. We cannot go on like that.

The criminal has received all of the protection to which he is intitled under the Constitution. The Supreme Court has seen to that. Now is the time for Congress to protect the rights of law-abiding citizens.

In my judgment the Nation has stood for almost 200 years because we are a nation of laws that we have been willing to enforce. Immediate and decisive force must be the first response to law violation, including riots and planned massive violations. The certainty of punishment is still the best deterrent to crime.

I was especially pleased that the President called for a tough antiriot law. I introduced such legislation early last summer and gave it strong support when it passed the House. We must find a way to curb those irresponsible individuals who have the arrogance to place themselves above standards of civilized society and to openly deny established principles of law and order.

I will give strong support to legislation curbing the sale of LSD and other drugs.

I was particularly gratified to find that there was included on the President's agenda, legislation to require that federally insured banks and savings and loan associations install and operate devices and procedures to discourage robbery and burglary, and to assist in the apprehension and conviction of the criminals responsible for such crimes.

From time to time we see in the newspaper a dramatic photo of a robber caught redhanded in a bank holdup, and learn of his subsequent identification and apprehension as a result of this photographic evidence. Only recently our Metropolitan Washington area newspapers carried photographs of an armed bandit taken by a hidden camera in a bank holdup in nearby Prince Georges County. The robber had unknowingly been photographed as he stood waiting in line before a teller's cage.

These reported incidents tend to give a false impression that equipment such as silent alarms, hidden cameras, and concealed microphones is now considered standard for banks and other repositories of large sums of money. But such is not the case. The FBI has reported in a recent publication, entitled, "Assaults on Banks," that many financial institutions lag behind retail establishments in the protection they provide against robberies, burglaries, and larcenies.

The crime statistics indicate that whatever protective measures are in use are inadequate. The Bureau reports that violations of the Federal bank robbery statute rose in the calendar year 1967 to 2,551, from last year's previous all time high of 1,817. This indicates an increase of approximately 30 percent.

There is at present no law which requires Federal agencies to oversee or approve the security measures which are adopted by the banks and savings and loan associations which they supervise for other purposes. Clearly the Federal Government can direct the appropriate supervisory agencies to promulgate and enforce rules and regulations establishing minimum standards with which each bank or savings and loan association must comply with respect to the installation, maintenance, and operation of security devices and procedures. There is a need for legislation to require them to do so.

Mr. ASHLEY. Mr. Speaker, crime in the United States is a matter of major concern—crime and juvenile delinquency are on the increase in all of our communities. None of our traditional criminal justice institutions are capable of meeting the present challenges without meaningful Federal assistance. The Presidential crime message points out the need for a continuation of the Federal-State-local partnership instituted under the Law Enforcement Assistance Act of 1965.

The Law Enforcement Assistance Act as proposed by President Johnson and as enacted by the Congress has provided over 300 State and local police, court, and correctional agencies with assistance so that they could carry out research, demonstration, and action programs.

Crime in our streets is now a big business. Crime prevention must also be a big business and like big business it must turn its attention to research and development if it is to cope with the problem. We must seek new methods and techniques for law enforcement—and more importantly we must seek the best in men and material for our law enforcement agencies.

This administration has examined the nature and extent of crime in America in an unprecedented way—two Presidential commissions have drawn upon the best judgments of our most knowledgeable experts; their recommendations are a matter of record. The President now asks that we enact the Safe Streets and Crime Control Act of 1968 as an immediate step against crime. The act will provide for long needed funds and will assist our local governments in meeting their most crucial problem. The Congress should take prompt action to secure the public from the ever increasing crime menace. The President deserves the highest praise for his perseverance in the war on crime.

Mr. ADAMS. Mr. Speaker, President Johnson has presented Congress with the tools for dealing meaningfully with the problems of crime in America.

The President's anticrime proposals offer the opportunity for significant advancement in rooting out crime, in guarding the public against lawbreakers, and in modernizing our enforcement procedures and facilities.

I believe Congress will react quickly and positively to these important proposals and provide the American people with the needed protections they want and deserve.

Mr. WHITENER. Mr. Speaker, I commend the President for his emphasis upon the crime problems facing America today. His message on crime is a constructive one and I urge my colleagues to give immediate attention to his suggestions.

There are many and varied opinions as to how our Nation can meet the growing problem of crime. The President has stated his views with clarity. If others in the Government, and particularly in the Congress, have varying views it is my hope that they will state them promptly in order that those of us serving on the Judiciary Committee may evaluate each idea. This is the least that we can expect.

It is my belief that partisanship should not be involved in meeting our responsibility in combatting crime. Crime is not partisan in its devastating effect upon individuals and the body politic. It is a problem and threat to every American. We must so treat all legislative proposals dealing with the subject.

The President is correct in stating that law enforcement is basically a local and State responsibility. Excluding strictly Federal criminal offenses, we must preserve the jurisdiction of the local authorities. But, this does not mean that the Federal Government has no role to play in stimulating local agencies to improve the structure and methods of law enforcement. Much can be done by the Congress to assist the President as he seeks to improve the chances of every American to safely walk the streets and carry on his day-to-day activities.

I assure the President and every citizen of our great country that I shall give full and careful consideration to the proposals that have been and will be offered to improve our American life by combatting the criminal element which constitutes one of our most pressing problems today.

Mr. THOMPSON of New Jersey. Mr. Speaker, the President's Commission on Law Enforcement and Administration of Justice has done a comprehensive study of crime in our society. That Commission has pointed out in its report that while alarm about criminal activities has most often been localized, many circumstances now call greater attention to crime as a national, rather than a purely local, problem. I commend the President for his message on crime. His earlier messages have outlined an attack on this national problem. He is presently expanding those proposals and it is our responsibility as legislators to see that those proposals are carried out.

We are all concerned when there are criminal activities in our own communities. However, our responsibilities to our communities are not fulfilled until we have made every effort to eliminate the threat of violence and corruption through every means available—local and national. I believe that the President's program is a comprehensive one and I urge full support and early action on these measures by the Congress.

Mr. BRASCO. Mr. Speaker, I want to congratulate the President on his program to combat crime. We cannot afford to delay in enacting the measures which he has proposed to the Congress. Crime is a costly matter. It is costly in lives, resources, and emotions. It is costly in dollars.

The economic impact of crime was a subject of study for the President's Commission on Law Enforcement and Administration of Justice. The results are staggering. Business alone loses more than $2 billion annually from crimes for which losses can be estimated. The emotional costs and the cost in American lives cannot be estimated with any real accuracy, but is one which we cannot afford to ignore. Our efforts must be directed toward better law enforcement in this country.

The President has requested a program by the Congress that could have a real affect upon this widespread problem. We must now follow his leadership and take early action on this vital legislative matter.

Mr. WILLIS. Mr. Speaker, the President's significant proposals for crime prevention reflect the national concern regarding the rising crime rate. Recent summers have been marred by urban unrest climaxing in vicious and destructive riots. It is no longer possible to say that these are issues of exclusively local cognizance. While law enforcement must remain the primary responsibility of State and local governments, the Federal Government can use its vast resources to stimulate improvement in the war against crime and respect for law and order in the United States.

The President's Safe Streets and Crime Control Act is designed to provide the necessary Federal assistance to the local law-enforcement agencies. The proposal which would allow Federal grants which could be used to raise the salaries of local law enforcement officers is particularly significant. Adequate compensation is vital to the ability of local agencies to attract professionals of high caliber into this essential field of public service. We cannot allow criminal activities, irrespective of their cause, to deprive the law-abiding Americans of the benefits of our society.

While I do not embrace all of the provisions of the President's crime control proposals in toto, I think with appropriate amendments the Judiciary Committee should send this bill to the Rules Committee and that the Rules Committee should make it in order to be considered on the floor of the House. As I say, I will have amendments to the bill but this is the type of bill that we can use as a vehicle to promote the maintenance of and respect for law and order at the local, State and national levels which we need so badly at this time.

Mr. DANIELS. Mr. Speaker, I wish to join with those who have expressed approval of the President's message on crime. It clearly describes the continuing threat of lawlessness present in all levels of society and outlines the steps necessary to stem the rising crime rate.

One of the most serious problems discussed by the President was that of controlling the use of dangerous drugs and more particularly LSD. The President has proposed that trafficking in LSD be punishable as a felony. LSD is a potent and dangerous hallucinogen used primarily by young adults between the ages of 20 and 35. There are also indications of a rapidly increasing use of LSD by high school age persons.

The increasing use of dangerous drugs is an ever-present threat to the American public, and I urge Congress to support and adopt the President's proposal for drug control.

Mr. KYROS. Mr. Speaker, President Johnson has made it crystal clear that crime control is a top priority of his administration. The President's broad-ranging proposals provide the impetus for further modernization of local law enforcement and important tightening of drug distribution that contributes significantly to crime in America.

I commend the President for very wise, judicious and thoughtful recommendations in crime control. The Congress should now promptly and positively support them.

I am particularly pleased that the President has continued to emphasize the need for major assistance to local law enforcement agencies and new legislation to curb illegal traffic in drugs. In this respect, I already have joined a number of my colleagues in sponsoring legislation which would establish a national program of new educational opportunities and improved training for State and local law enforcement personnel, as well as legislation to establish penalties for the possession of or unauthorized traffic in the distribution of LSD and other dangerous hallucinogenic drugs.

Because of the damage which already has been done to the youth of our Nation by the abuse of drugs, I feel there is no greater need for a concentrated drive than in dealing with the growing problem of narcotics.

In addition, I believe the most effective campaign in the continuing battle against crime must be carried out at the State and local levels in order to achieve our goal in the shortest space of time.

Mr. YOUNG. Mr. Speaker, President Johnson, in his message on crime to the Congress, has directed our attention to one of the most acute problems facing our Nation today. In addition he has provided leadership in this field. Under his leadership the Office of Law Enforcement Assistance has been established and the Commission on Law Enforcement and Administration of Justice has provided an extensive study of the problems of crime in our society.

Now the President has presented to the Congress a program which attacks crime on a national scale while providing for cooperative measures with local and State law enforcement agencies. I support the President in this program and I urge its early implementation by the Congress.

Mr. WILLIAM D. FORD. Mr. Speaker, President Johnson has declared in his crime message to Congress an all-out war on our rising crime rate—a war in which we can be satisfied with nothing less than victory.

The stakes in this battle are high. The injured and dead, the loss and destruction of valuable property, the unsafe streets and insecure shops mark a national tragedy.

We can tolerate the continued affront to America's laws no longer. Restoration of public safety, public confidence, and public order must be given our most urgent priority as President Johnson has given it his.

The President's message presents a legislative mixture of proven programs and imaginative new proposals to fight and defeat crime, whether committed by organized gangsters or angry youngsters.

Crime in America has reached epic proportions. It requires the firm, bold, and comprehensive answers supplied by the President.

Congress must not turn its back on crime. A nation is up in arms—we cannot let it down.

Mr. HANNA. Mr. Speaker, Congress must move quickly to enact the strong Safe Streets and Crime Control Act and other of the President's proposals outlined in his message, to insure the public safety.

The President's 20-point proposal to meet the challenge of crime to our society is the most sweeping anticrime measure ever forwarded. Although revolutionary in its approach to crime, this bill does not tamper with the fundamental primacy of local law-enforcement agencies. The foremost point of the bill is that State and local officials must do all within their power to strengthen both laws and law-enforcement agencies.

The package the President proposes will enable the Federal Government to better support State and local anticrime efforts by improving police training capability, by imposing much stronger penalties on these who traffic in dangerous drugs, and by stimulating efforts to develop more effective police hardware. The Federal Government will assist in these ways, State and local agencies to vastly improve their anticrime capability.

The President's proposal also advocates strengthening Federal efforts to attack organized crime. The message calls for a concerted attack on narcotics and hallucinogenic drug abuse with all efforts controlled from a single command post. Likewise, an assault by special strike forces on crime syndicates will be personally coordinated by the Attorney General.

These vital proposals deserve and require our early attention. I hope my colleagues on the Judiciary Committee will move rapidly to report this legislation for final action.

Mr. CELLER. Mr. Speaker, President Johnson has committed the resources of our National Government to strike the cancer of crime from American life. We in Congress must be prepared to do the same.

As the President's anticrime message notes, crime prevention and enforcement is constitutionally a local matter—but soaring crime rates have become a source of national concern. Criminal enforcement must rest largely with local governments—but the Federal Government has the responsibility to strengthen local enforcement. The Johnson administration has fully assumed that responsibility.

The President's program is a blueprint for prevention of all types of crime—crime in the streets, as well as organized crime; crime by the young, as well as crime through incitement to riot.

The President renewed his plea for prompt passage of his safe streets bill—to better equip and pay policemen; the Juvenile Delinquency Prevention Act—to formulate new correctional programs; and the Gun Control Act—to halt mail-order murder.

But the President also recognized the need to tailor new proposals to persistent problems. The Alcoholics Rehabilitation Act of 1968 will assist in developing rehabilitation programs. More stringent penalties are proposed for trafficking in LSD and other dangerous drugs.

A new Executive order will assure coordination of all Federal anticrime efforts.

Moreover, the President has proposed legislation to enable banks to employ modern protective devices, and to eliminate a major source of auto thefts—master keys.

A new antiriot act will severely penalize those who cross State lines to incite riots.

These are no mere palliatives—they are well-thought-out programs tailored to solve special problems. They do not merely add to our good intentions—they supply the foundation upon which we can launch an all-out war against crime.

Mr. ST. ONGE. Mr. Speaker, the large and growing incidence of crime in the United States is clearly intolerable, and we should settle for nothing less than the full mobilization of the resources necessary to permanently solve this problem. Ultimately we must destroy the source of crime at its roots which lie in poverty, illiteracy, poor housing, and unemployment. We must also fully develop and apply the most advanced scientific and psychological procedures to the task of anticipating and preventing crime before it takes place, and for effectively rehabilitating the criminal personality.

The immediate need, however, is to make our cities and towns safe from the insidious scourge of criminal acts. If this requires a policeman on every corner, then this is what we must do and we must do it now. Any further delay will only cause a greater corrosion of our moral fiber, and we owe a much higher duty to the decent and respectable citizens who make up the vast majority of our population.

The incisive and strong proposals which the President has submitted to the Congress are designed to assist the State and local governments in the discharge of their responsibilities for preventing crime. The President's Safe Streets and Crime Control Act will provide for the training of local agents in the techniques necessary for meeting the sophisticated procedures of modern criminology.

Crime is the most serious internal threat facing this country today. While law enforcement must remain the primary responsibility of the local jurisdictions, public sentiment requires the enactment of Federal programs, such as those suggested by the President, to assist local agencies. An assault will also be required on the underlying causes of criminal conduct, but we cannot wait for long-range solutions to take effect before directly combatting crime. No condition justifies criminal conduct, and public sentiment indicates that it will not be tolerated.

I am happy to indicate my complete support for the President's proposals.

PROPOSED BUREAU OF NARCOTICS AND DANGEROUS DRUGS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 249)

The **SPEAKER** pro tempore (Mr. ALBERT) laid before the House the following message from the President of the United States, which was read:

To the Congress of the United States:

In my first Reorganization Plan of 1968, I call for the creation of a new and powerful Bureau of Narcotics and Dangerous Drugs.

With this action, America will serve notice to the pusher and the peddler that their criminal acts must stop.

No matter how well organized they are, we will be better organized. No matter how well they have concealed their activities, we will root them out.

Today, Federal investigation and enforcement of our narcotics laws are fragmented. One major element—the Bureau of Narcotics—is in the Treasury Department and responsible for the control of marihuana and narcotics such as heroin. Another—the Bureau of Drug Abuse Control—is in the Department of Health, Education, and Welfare, and is responsible for the control of dangerous drugs including depressants, stimulants, and hallucinogens such as LSD.

Neither is located in the agency which is primarily concerned with Federal law enforcement—the Department of Justice.

This separation of responsibilities—despite the relentless and dedicated efforts of the agents of each Bureau—has complicated and hindered our response to a national menace.

For example, more than nine out of ten seizures of LSD made by the Bureau of Drug Abuse Control have also turned up marihuana—but that Bureau has no jurisdiction over marihuana.

In many instances, we are confronted by well organized, disciplined and resourceful criminals who reap huge profits at the expense of their unfortunate victims.

The response of the Federal Government must be unified. And it must be total.

Today, in my Message on Crime, I recommended strong new laws to control dangerous drugs. I also recommended an increase of more than thirty percent in the number of Federal agents enforcing the narcotic and dangerous drug laws.

I now propose that a single Bureau of Narcotics and Dangerous Drugs be established in the Department of Justice to administer those laws and to bring to the American people the most efficient and effective Federal enforcement machinery we can devise.

Under this Reorganization Plan the Attorney General will have full authority and responsibility for enforcing the Federal laws relating to narcotics and dangerous drugs. The new Bureau of Narcotics and Dangerous Drugs, to be headed by a Director appointed by the Attorney General, will:

—consolidate the authority and preserve the experience and manpower of the Bureau of Narcotics and the Bureau of Drug Abuse Control.

—work with states and local governments in their crackdown on illegal trade in drugs and narcotics, and help to train local agents and investigators.

—maintain worldwide operations, working closely with other nations, to suppress the trade in illicit narcotics and marihuana.

—conduct an extensive campaign of research and a nationwide public education program on drug abuse and its tragic effects.

The Plan I forward today moves in the direction recommended by two distinguished groups:

—the 1949 Hoover Commission.

—the 1963 Presidential Advisory Commission on Narcotic and Drug Abuse.

This Administration and this Congress have the will and the determination to stop the illicit traffic in drugs.

But we need more than the will and the determination. We need a modern and efficient instrument of Government to transform our plans into action. That is what this Reorganization Plan calls for.

The Plan has been prepared in accordance with chapter 9 of title 5 of the United States Code.

I have found, after investigation, that each reorganization included in the plan is necessary to accomplish one or more of the purposes set forth in section 901 (a) of title 5 of the United States Code.

I have also found that, by reason of these reorganizations, it is necessary to include in the accompanying plan provisions for the appointment and compensation of the five new positions as specified in section 3 of the plan. The rates of compensation fixed for these new positions are those which I have found to prevail in respect to comparable positions in the Executive Branch of the Government.

Should the reorganization I propose take effect, they will make possible more effective and efficient administration of Federal law enforcement functions. It is not practicable at this time, however, to itemize the reduction in expenditures which may result.

I recommend that the Congress allow this urgently needed and important Reorganization Plan to become effective.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 7, 1968.*

The message, together with the accompanying papers, was, without objection, referred by the Speaker pro tempore (Mr. ALBERT) to the Committee on Government Operations and ordered to be printed.

THE PRESIDENT'S MESSAGE ON NARCOTICS

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include pertinent extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. EDWARDS of Alabama. Mr. Speaker, in his message today on narcotics, the President is right and then he is wrong. He is right in taking from HEW the division on Drug Abuse Control. The control of LSD and other such drugs has no place in HEW.

Mr. Speaker, the President is also right in proposing to combine the division of Drug Abuse Control with the Bureau of Narcotics. I have been advocating this for some time and in the near future will introduce a bill to the effect. I will propose that the combined operation be continued in the Treasury Department where the Bureau of Narcotics has done an effective job of enforcement.

But, Mr. Speaker, the President is dead wrong in proposing to turn the whole problem of drug control over to Attorney General Ramsey Clark. We need strong enforcement, we need new laws to make for better enforcement and we are just not going to get any such results from a department headed by a man who is more interested in being a social reformer than in being a forceful prosecutor of the law.

The Treasury Department can do the job if it has control of all drug abuse. This is where the authority should be placed.

EXPORT-IMPORT BANK ACT EXTENSION

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6649) to amend the Export-Import Bank Act of 1945, as amended, to shorten the name of the Bank, to extend for 5 years the period within which the Bank is authorized to exercise its functions, to increase the Bank's lending authority and its authority to issue, against fractional reserves, export credit insurance and guarantees, and for other purposes.

The **SPEAKER** pro tempore (Mr. ALBERT). The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 6649, with Mr. Landrum in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending an amendment in the nature of a substitute offered by the gentleman from Texas [Mr. Patman]. Are there further amendments to the amendment in the nature of a substitute?

Mr. HALL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Evidently a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 21]

Brown, Calif.
Burleson
Celler
Clark
Clausen,
Don H.
Cleveland
Corman
Cramer
Devine
Diggs
Dorn
Downing
Everett
Foley
Gude
Gurney
Hansen, Idaho
Hansen, Wash.
Hardy
Hébert
Holland
Irwin
Mathias, Calif.
Moss
Pelly
Pollock
Pucinski
Rees
Reinecke
Resnick
Reuss
Rosenthal
Rumsfeld
St. Onge
Scott
Skubitz
Smith, Okla.
Springer
Utt
Watkins
Wilson,
Charles H.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Landrum, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6649, and finding itself without a quorum, he had directed the roll to be called, when 388 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. WIDNALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WIDNALL. Mr. Chairman, one of the high points of the first session of the 90th Congress was the manner in which both the House and the Senate reacted to the disclosure that the Export-Import Bank had, for many years, been in the business of supplying credits for arms sales to underdeveloped countries without the knowledge of the Congress. Throughout the debate last year, partisanship was never injected. Members from both sides of the aisle were justifiably enraged at the extent of U.S. arms credit sales to underdeveloped countries under a cloud of strict secrecy.

On two separate occasions, by a record vote, a majority of the House of Representatives voted to control and, in fact, to stop such secret activity by the Eximbank. These votes occurred on the foreign aid authorization bill and on the foreign aid appropriations bill.

Partisanship was never injected until yesterday afternoon. The gentleman from Massachusetts, the distinguished Speaker of the House, leveled some serious charges at both me and the Republican Party when he claimed that my amendment would have hurt Israel; that my amendment would have foreclosed any possibility that Israel could purchase arms from the United States.

Nothing could be further from the truth.

The distinguished Speaker might be surprised to learn that during the last 2 fiscal years—a period of intense Arab pressure against Israel—seven times more Eximbank arms credits were granted to Arab countries than were granted to Israel.

Think of that, Mr. Chairman. For every dollar of arms credit provided to Israel, $7 for arms were granted to bordering Arab States. If we eliminated all Eximbank arms credits to underdeveloped countries entirely, the State of Israel would have benefitted by a 7-to-1 margin.

This is what has happened under this administration.

It was not a Republican administration that for the past several months has withheld the sale of needed jet aircraft to counterbalance huge quantities of Soviet-built Mig-21's going to the Arab States. During this entire period of indecision, the Export-Import Bank and the U.S. Government itself had ample authority to either grant or to sell these jets to the Israeli Air Force.

It was not a Republican administration that has permitted and encouraged by its indecision the State of Israel to have to depend upon France for its fighter bombers.

It was not a Republican administration that has shipped late model F-104's to the Jordanian Air Force.

It was not the Republican House leadership, but the Democratic House leadership which 3 years ago beat back efforts by the House Banking and Currency Committee to prohibit U.S. firms from responding to the insidious threats of the Arab boycott against Israel—a boycott that continues to grow by the day because of U.S. indecision. I suggest that the distinguished Speaker take a look at the rollcall vote in the House on June 8, 1965, when nearly every Republican in the House voted against the Arab boycott.

I shall not renew my fight to prohibit Eximbank credits for arms sales to underdeveloped countries. The House, by a partisan division, yesterday reversed the action taken by both the House and the Senate last year in prohibiting such credits. It is a foregone conclusion that the administration will revive the Pentagon revolving fund in this year's Foreign Assistance Act now that the House has reversed its firm position of last year.

By its action yesterday, the House has put the Export-Import Bank back in the business of providing arms credits to underdeveloped countries for the next 5 years at more than a billion-dollar level.

More important to the American people than the arguments, the phony arguments in my opinion, about Israel is the overwhelming public apprehension that the United States might get dragged in by its heels into another Vietnam. The public is justifiably concerned about the extent of U.S. arms assistance to unreliable and unpredictable governments of underdeveloped countries. The sale of sophisticated weapons to Latin America, Africa, and Middle Eastern governments has an invidious way of committing the United States to support whatever actions these governments might take.

The American people seriously question the wisdom of supplying sophisticated weapons to Latin American dictators, to fledgling African states and to both sides of the Arab-Israel and Indian-Pakistani conflicts.

The gentleman from Massachusetts referred yesterday to the fact that my amendment would cut off arms sales to our "friends." Apparently he did not realize or bother to check the record that one of the first Eximbank arms credit sales was indeed to one of our friends—neutral Austria—in 1962. The arms credits were given to Austria at a time when Austria and Italy were arguing over a border dispute in the Tyrol region. This is not secret. It has been printed in several newspapers.

It seems very strange to me that during the blackest days of the cold war in the 1940's and throughout the Eisenhower administration there was never any need to provide arms credits sales secretly through the Export-Import Bank. Obviously, the best course would be to take the Eximbank out of the arms credit business with regard to underdeveloped countries and, where sales credits are needed, the Pentagon has ample authority and more than enough friends in the Congress to provide such credits.

As I said, I shall not renew the fight against Eximbank arms credit sales to underdeveloped countries. The battle is lost for the next 5 years at least, and if the Congress thinks that we are going to be informed of these sales on a current basis, forget it. Instead, we could wake up one morning and read about U.S. jet aircraft dog fighting with other U.S. jet aircraft over the skies of Latin America or the African continent. And we should not be surprised when we learn that these aircraft were provided through the facilities of the Export-Import Bank.

Mr. KYL. Mr. Chairman, will the gentlemen yield?

Mr. WIDNALL. I yield to the gentleman from Iowa.

Mr. KYL. At the very least it must be said that the gentleman from New Jersey has merely tried to carry out the original purposes of the Export-Import Bank through his amendment. The charter of that organization stated specifically that there were some exceptions in the discretion of making loans. It stated that no loans shall be made to defaulting nations. It said that no loan would be made to violators of international law, as determined by the Secretary of State. But note these two, and these are in the original Export-Import Bank charter:

There would be no loan for the purchase or sale of munitions or for aircraft, with the exception of strictly and exclusively commercial aircraft.

So I say again, the least that can be said about the gentleman's amendment is that it intended to carry out the charter of the Export-Import Bank.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield at that point?

Mr. WIDNALL. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I think the gentleman's quotation which he read just now said that no loans for munitions would be made. The amendment which the gentleman from New Jersey offered stated that there would be no loans to underdeveloped countries for munitions. Why one principle for the prosperous, developed nations and another principle for the underdeveloped nations? I would like to hear that explained by the gentleman from New Jersey. I think this is where he stands on a very weak reed, if he claims he is standing on principle.

Mr. WIDNALL. I answer the gentleman in this way: One step at a time. I will support taking the Export-Import Bank out of loans to both developed and underdeveloped countries for the purpose of making purchases of arms.

Mr. KYL. Mr. Chairman, will the gentleman yield further?

Mr. WIDNALL. I yield to the gentleman from Iowa.

Mr. KYL. I certainly cannot speak for this side of the aisle. I do know that the policy committee on this side did not consider the amendment which was offered by the gentleman from New Jersey. But if the gentleman from Oklahoma directs this question to me, I would make it a total prohibition. I do not think that the sale of munitions or jet fighter aircraft is in the interest of the Bank or in keeping with its original charter.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. The gentleman has just said today that the Congress in 1965 took certain actions, and again last year. Certain Members of the Congress, a sizable number, were indignant that they had found out that arms sales had been financed and secretly approved through the Export-Import Bank financing. The gentleman would not see anything wrong in Congress taking recognition of the fact that there might be some need to write it into the law so that Congress would have full knowledge of these things, would he?

Mr. WIDNALL. Certainly not.

Mr. WILLIAMS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Pennsylvania.

Mr. WILLIAMS of Pennsylvania. I would like to say in further answer to a question asked a little earlier, why make a distinction between developed countries and underdeveloped countries? The fact is that in the case of these developing countries, this country is giving them large sums of foreign aid. Also, soft loans are being made to them in an effort to raise the standard of living of the people in these developing countries.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(On request of Mr. McCORMACK, and by unanimous consent, Mr. WIDNALL was allowed to proceed for 5 additional minutes.)

Mr. WILLIAMS of Pennsylvania. Then, Mr. Chairman, the resources of these countries are used in some way to buy arms, in some cases jet aircraft and things of that nature, so they are actually thwarting the original purpose of this country in helping developing countries to raise their standard of living for their people.

The fact that the Eximbank has been used only as a front for these country X loans for years has been indicated by two things. First of all, in testimony before our committee, it was brought out that these country X loans made by the Eximbank, are secured and guaranteed by the Defense Department. The second thing is that the President, the head of the Eximbank, Mr. Linder, testified he did not know for which countries the country X loans were being made and he did not care to know.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the distinguished Speaker.

Mr. McCORMACK. Mr. Chairman, did I understand the gentleman, during his remarks, to make the statement that underdeveloped countries are, and the gentleman referred to them as, unreliable and unpredictable countries? I want to be sure.

Mr. WIDNALL. Yes, I did. I also would repeat it again, because they turn up on both sides of the argument, after these loans are made, and not as we predicted they would do.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, responding to the argument of the gentleman from Pennsylvania, I do not think it is inconsistent to attempt to assure a successful defense of security in an underdeveloped country and to attempt to raise its living standards. It seems to me there may be just as much national interest for the United States—and maybe more—in helping to preserve the independence of the Republic of Korea or the Republic of China, or the nation of Israel as there is in trying to raise their living standards through economic aid. To say we cannot simultaneously give assistance for economic purposes to these countries and also give them credit to enable them to defend themselves against aggressive neighbors is to me not reasonable at all.

As a matter of fact, it may be very much more in our interest to see that they get the equipment that makes it possible to defend their borders than it is to assist them to raise the living standards of their people. Personally, I support both. I see both of these purposes and objectives as worthwhile and to tie one hand behind our back where credit resources are concerned in the case of the underdeveloped nations needing credit for defense simply does not make sense.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the distinguished minority leader.

Mr. GERALD R. FORD. Mr. Chairman, I think the record will show in the case of South Korea, and in the case of Turkey, and in the case of the Republic of China, approximately 99 percent of the military aircraft we have delivered to those countries came by military grant and not by credit sales, so the gentleman's argument is without validity.

Mr. KUYKENDALL. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Tennessee.

Mr. KUYKENDALL. Mr. Chairman, is it not true that, with the Eximbank as it has been in the past, both Israel and Egypt may have borrowed money to buy arms? Is that correct?

Mr. WIDNALL. Yes, that is correct.

Mr. KUYKENDALL. Is it not true, with this amendment offered by the gentleman yesterday, if it were in effect, Israel would have no trouble buying arms in the United States? Is that correct?

Mr. WIDNALL. Yes, that is correct.

Mr. KUYKENDALL. Is it not true that Egypt would have quite a difficult time, particularly since they severed diplomatic relations, buying arms from the United States?

Mr. WIDNALL. Yes, that is correct.

Mr. KUYKENDALL. So is it not true the gentleman's amendment would have been in the best interest of Israel, and not opposed to Israel?

Mr. WIDNALL. That is the way I see it.

Mr. McCORMACK. Mr. Chairman, I move to strike the last two words.

Mr. Chairman, I am sure tomorrow morning and in the days ahead, when the gentleman from New Jersey reads the remarks he made today, he will regret seriously ever having made those remarks, because he only got himself in more hot water.

Now, the gentleman says "partisanship." It was never injected. There was no partisanship yesterday.

The gentleman offered his amendment. I took the floor in opposition to the amendment. I called the attention of the members of the Committee of the Whole to what the effect of the amendment would be.

I mentioned several countries that would be prohibited from negotiating with our country and making agreements for the sale of arms on credit terms, if they were what is called an underdeveloped country. Among those was Israel. The gentleman admitted it himself.

Also there were Korea, China, Turkey, the Republic of Vietnam, and about 115 others on this long list. There are many countries which are very strong and deep and firm friends of ours.

My friend in his remarks characterized these underdeveloped countries as "unreliable and unpredictable." I wanted to be sure he made that statement. That is why I asked the question. He admitted he did make the statement characterizing about 120 nations as "unreliable and unpredictable."

Even if the gentleman felt that way

in his own mind he should not state it publicly. How does he suppose these other countries will feel when they read the debate here and the charge made by a very prominent Member of this House and a very honorable Member of the House that their country, because it is underdeveloped, is "unreliable and unpredictable?"

The gentleman refers to the action taken last year, and he referred to it in the debate yesterday. I said, "What was wrong then does not make a right now."

That is so.

I opposed this amendment last year.

The members of the Committee of the Whole, in their wisdom, defeated the amendment yesterday. I compliment the members on both sides who voted against the amendment.

So when the gentleman tries to inject the issue of "partisanship," it never was injected.

Let me say to the gentleman from New Jersey that when President Eisenhower was President—and I believe the gentleman from Michigan will support this—I supported the President on foreign affairs; and whenever I could on domestic affairs I did.

I remember on one occasion we had a leaders' meeting and the President said to me, "JOHN, I wish you would help me on a certain bill that is pending." I said, "I wish you had not asked me that, Mr. President, because I am not very favorably disposed toward the bill. But," I said, "you have asked the question of me and you are my President, and I am not going to have it on my conscience that I said 'no' to the President of the United States." I said, "I will do what I can."

I believe the gentleman from Michigan will remember that incident.

In any event, partisanship, where it concerns the national interest of our country, is as far removed from my mind as any feeling possibly can be. So the gentleman's attempt to inject partisanship falls to the ground of its own weight.

Furthermore, the facts are as I stated yesterday. The facts are, and the gentleman admitted it, that our country would be prohibited from making sales to these countries and many others of arms on credit.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. The gentleman admitted that. Is that correct?

Mr. WIDNALL. Through the Export-Import Bank.

Mr. McCORMACK. Oh, we understand that. That was emphasized a dozen times yesterday.

What bill is before the House now? It is the Export-Import Bank bill.

I know what bill is before the House. The gentleman's amendment applied to the Export-Import Bank.

We, the Democrats, never offered that amendment during the 8 years of the administration of President Eisenhower. In those days they made direct grants, yes, but the authority existed. We never undertook to do that. Furthermore, there is a ban in this bill, and the gentleman undertook to close that ban, where the President would have no discretion even where the national interest of our country was involved. That was the key of the gentleman's amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. I simply repeat that in 24 hours from now the gentleman from New Jersey will regret exceedingly having made the speech he made today.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to commend the very clear and very forthright statement just made by the gentleman from New Jersey, which, in my opinion, sets the record very straightforward as to the circumstances of his amendment and the operations of the Export-Import Bank.

I was amazed to find that in the last 2 fiscal years—namely, fiscal years 1967 and 1968, according to recent figures—the Export-Import Bank has granted credit in a ratio of 7 to 1 for the Arab States over Israel for the purchase of military hardware. I think this is shocking. It is almost unbelievable.

However, let me speak, if I may, for a moment about what can be done to help those countries that are friends of ours under existing statutes.

By military grant we can and we have helped South Vietnam. Certainly South Vietnam is in no position to procure any military weapons through credit sales. By military grants in aid we have and we will undoubtedly continue to help the Republic of South Korea, the Republic of China, and many other countries that are deserving of our aid and assistance. By other credit means readily available countries that can afford it can buy our military weapons systems if it is in the best interest of our Nation to do so.

This side of the aisle, as the Speaker well knows, in this body has been materially helpful to this administration in the serious crisis that this country faces in Southeast Asia. As he well knows, the major criticism, the major needling of the President of the United States in the Congress of the United States on the problems we face in Southeast Asia comes from his side of the aisle, primarily in the other body. He knows as well as I do that the Republican leadership at many meetings at the White House in the last 3 or 4 years have made constructive suggestions and have not taken a partisan critical attitude at a time when the President has committed 525,000 U.S. military personnel into Southeast Asia.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield for a question?

Mr. GERALD R. FORD. In just a minute.

I regret a partisan dispute has arisen on this legislation when I do not believe the differences justify such an atmosphere.

Now, Mr. Chairman, I will yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I appreciate the gentleman yielding very much for clarification of a statement just made.

With reference to the so-called 7-to-1 ratio of credits by the Export-Import Bank, the gentleman from Michigan is not suggesting that there has been a 7-to-1 ratio in favor of Nasser-oriented Arab States as opposed to Israel, is he?

Mr. GERALD R. FORD. Yes, if you consider fiscal years 1967 and 1968. Mr. Chairman, I ask the gentleman from Oklahoma [Mr. EDMONDSON] how many of the Arab States broke diplomatic relations with the United States during the recent conflict? How can we be certain arms sold to one Arab State will not get into the hands of another?

Mr. EDMONDSON. Mr. Chairman, if the gentleman will yield further, does the gentleman from Michigan concede that included in that ratio are included a number of states that have taken a stand against the Nasser-dominated countries, and that are countering the expansion of the Nasser influence, rather than assisting in aggression against Israel?

Mr. GERALD R. FORD. I believe the record will show that many of the Arab States did declare war on Israel, and I believe in that 7-to-1 ratio, some of the Arab States were included.

May I just conclude with this observation: We know that the defeat of the United Arab Republic by Israel—the Soviet Union has been mightily engaged in an effort to restore military weapons to Nasser and his associates. And this administration, despite the constant pleas of Israel, has been reluctant to help that gallant nation alleviate their military hardware deficiencies through the providing of aircraft and other implements of war which were requested.

Further, Mr. Chairman, it is my opinion that this administration should have taken an affirmative position with reference to helping Israel instead of dilly-dallying about it.

Mr. PATMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let us consider for just a brief time what caused all this trouble. The Department of Defense wanted arms and munitions of war furnished to certain countries friendly to us. The Russians—the Communists—were furnishing certain arms to these countries in the Middle East. The purpose of getting those countries so well equipped and armed so that they could take advantage of the adjacent countries friendly to the United States, poses the question as to whether we should sit idly by and see the Communists come in and take over country after country, and for us not to do a thing toward helping those countries involved. That is exactly what is involved, the demand and need for support to certain underdeveloped countries, if you please.

Mr. Chairman, there are few countries in the world capable of making these loans.

Mr. Chairman, the Department of Defense had no place to go and, therefore, the Export-Import Bank had to take recognition of this fact and come to the aid of these countries which are involved.

Mr. Chairman, at this time of distress

and need, the Export-Import Bank did a wonderful job and performed a wonderful service to the countries involved, since these other institutions did not furnish such aid.

Mr. Chairman, our Committee on Banking and Currency had before it representatives from the Export-Import Bank, and the Department of State, as well as from the Defense Department. Why did not financial institutions advance that credit? We were told that they could not do it because the Government could not carry a compensating balance account and, further, the interest rate which was involved would be a higher interest rate.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Well, now, you have had your say. The Government could not make this particular type of loan and it could not receive upon it higher interest rates, because the long standing authority of the Export-Import Bank to make these loans was involved. The hearings indicated this fact.

No one can accuse them of any wrongdoing. Some of them accuse them of bad judgment, but where is the bad judgment when you are saving your country?

Right now Russia—and the gentleman from Michigan brought it out—a good point—is rearming those countries including Egypt, whose munitions and arms and supplies were destroyed in the recent short war.

Under this amendment offered by the gentleman from New Jersey [Mr. Widnall] and supported by the Republican Party, our country would be further denied the right to help those friendly to us that the Russians want to destroy. I do not believe that the Members of our minority want to go that far. I believe on reflection and proper evaluation they will back up and reconsider, and say we have gone too far, we do not want to do that, that is a terrible thing to do.

Right now, as the distinguished minority leader brought out, the Communists are rearming these countries. They are determined to destroy the countries adjacent to them who are friendly to us. And the Republicans are offering an amendment to make it impossible in the future for us to rearm our friends.

I believe that the House did the right thing yesterday. I believe the greatest speech we have had in the 90th Congress was made by the distinguished Speaker of the House, John McCormack, here on yesterday in behalf of defeating that amendment. And the greatest service, I believe, that was rendered to this Congress was rendered by the Speaker.

So I suggest: Does the Member on the minority side, the distinguished minority leader, want to compel the State Department and the Defense Department to pay a higher interest rate?

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent Mr. Patman was allowed to proceed for 2 additional minutes.)

Mr. GERALD R. FORD. Mr. Chairman, would the gentleman yield to me?

Mr. PATMAN. In just one moment.

Is the gentleman willing to force the payment of higher interest rates for munitions loans, and is he willing to say that the Government should put in compensating balances like individuals in order to get those loans? If he does, he is willing to force the payment of interest rates up to 8 and 10 percent on loans of that type.

Now I will yield to the gentleman from Michigan.

Mr. GERALD R. FORD. Would the gentleman from Texas admit that under existing law, with existing funds, that this administration could finance fighter aircraft to Israel now, and could have done it at any time in the last 6 months?

Will the gentleman also admit that this Democratic administration has not done so, even despite the fact that the Soviet Union for the last 6 months has been supplying arms to the enemies of Israel?

Yes or no?

Mr. PATMAN. Well, of course, they can get credit from individuals up to a point.

Mr. GERALD R. FORD. No, I am talking about the Export-Import Bank.

Mr. PATMAN. I said up to a point.

Mr. GERALD R. FORD. In the last 6 months they could have financed the purchase of these aircraft for Israel, and they did not do it.

Mr. PATMAN. What right has the gentleman from Michigan to complain about that when he is sponsoring an amendment that would prohibit it being done?

Mr. GERALD R. FORD. I am talking about what they could do right now, and what they have not done for 6 months.

Mr. PATMAN. You do not come into court with clean hands, my dear sir.

Mr. GERALD R. FORD. Let me just point out one other thing to the gentleman from Texas: Are you telling the Members of this body that if they wanted to finance the purchase of these weapons systems for Israel through the Department of Defense revolving fund that Israel would have to pay a higher interest rate than they do under the Export-Import Bank financing?

Mr. PATMAN. Absolutely, much higher. And the testimony before our committee——

Mr. GERALD R. FORD. I am informed that the gentleman from Texas is as wrong on that as he is on many other things.

Mr. PATMAN. Well, the printed word is there; the printed word is there. The gentleman can read it for himself. There was no question about it. But the gentleman is just absolutely wrong about this amendment.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

AMENDMENT OFFERED BY MR. WIDNALL TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. PATMAN

Mr. WIDNALL. Mr. Chairman, I offer an amendment to the substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. Widnall to the substitute amendment offered by Mr. Patman: In subsection (e) of the amendment, strike "$13,500,000,000" and insert "$12,500,000,000".

Mr. WIDNALL. Mr. Chairman, since the committee ordered the Export-Import Bank bill reported in May of 1967, there have been two developments which should be considered in connection with the proposed increase of the Bank's lending authority from $9 billion to $13.5 billion. In light of these two developments this proposed $4.5 billion increase appears excessive.

Recently Britain announced the cancellation of procurement of F-111 planes. Export-Import Bank was to assist in connection with that procurement. The cancellation means that slightly over one-half billion dollars of Export-Import Bank financing related to that plane order will not be utilized, so clearly the requested increase in lending authorization is excessive by half a billion dollars.

The other development that has occurred which raises question as to the amount of the increased lending authorization, is the announcement by the President in his budget message and economic report of some sort of new Eximbank financing program to stimulate exports. No details of this new proposal are available although we are informed that it will require amendment of the Export-Import Bank Act and that the $500 million new program will be financed within the limitation of the increased lending authority for the Bank as authorized in this bill.

The Congress may or may not approve the new program. If the Congress does not approve it then clearly there is another half billion dollars of excess lending authority in the requested $4.5 billion increase.

Therefore, until the Congress has an opportunity to evaluate the new program it seems to me that it would be prudent for the Congress to lop off another half billion dollars from the increased lending authority to be provided the Bank by this legislation. When the new program is finally presented to the Congress, should the Congress think that the new program is a good one, it would be a simple matter, at that time, to increase the lending authorization by a half billion dollars to finance the new program.

Unfortunately as we learned from experience last year we found that with a large unused lending authority authorization lying around, the Bank suddenly turned up as a large financer of arms sales, with Defense Department guarantee, to underdeveloped countries. In short we found there was real need for the Congress to ride herd more closely on the activities of the Bank. I think one of the most effective means of doing so is for the Congress to retain more control on the purse strings of the Bank.

I urge adoption of the amendment reducing the authorized lending increase by $1 billion. Certainly no one could contend that such a reduction in any way would constrain legitimate operations of the Bank. The then remaining increase of $3.5 billion in lending authorization is no inconsequential change in authorized lending authority. It is still more than a one-third increase in the presently authorized lending authority of $9 billion. This gives ample flexibility and time in meeting any further lending authority increase should the Congress determine that this is desirable.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the increase of U.S. exports over the next 5 years does not depend, as the gentleman from New Jersey implies, on the cancellation of one, or even a few, trade transactions, involving the Export-Import Bank.

The fact is that over a period of 5 years many unexpected cancellations, as well as unexpected new export opportunities, will occur.

Yet, in view of our present balance-of-payments situation, we must give the Government as much flexibility to expand exports as possible. The Widnall amendment takes the flexibility away.

Instead of decreasing the authority of the Bank to make good loans and to make money, the amount should be increased.

The Export-Import operations are conducted so that the Bank now draws on practically none of the taxpayers' funds.

Over the years the Export-Import programs have permitted U.S. businesses, both large and small, to maintain sizable and important foreign markets for U.S. goods.

Mr. Chairman, I think it is abundantly clear from the record of the Export-Import Bank of Washington that the Bank's operations have been conducted prudently, profitably, and under the direction of a Board of Directors and staff who are eminently qualified in the international lending field.

The Bank's bipartisan Board of Directors, who are appointed by the President and confirmed by the Senate, are people of outstanding ability and unquestioned integrity. The Bank over a period of time, with a capitalization of $1 billion that is furnished by the U.S. Government, the Treasury, has earned and paid back to the Government more than twice that much, and is paying every year right now $50 million profit into the Treasury.

Do you want to cut that $50 million down?

The Export-Import Bank seldom uses Government funds. It goes into the market and borrows its funds on the Bank's participation certificates. So it is not using Government funds. There is no agency—I challenge anyone to name any agency—that has done a better job for the people and the Government of the United States than the Export-Import Bank has done in time of peace and in time of war. You cannot name one, and at great profit to the Government that furnishes the original capital.

So I respectfully submit that instead of reducing this amount, the amount really should be increased in order to have these big payments coming into the Treasury every year without cost to the U.S. Government. We can use it. The balance of payments is a critical item. There is no better way on earth to improve upon our balance of payments than through Export-Import Bank loans. Every dollar of that money is spent right here in the United States of America. It helps us on our balance of payments. It causes the wheels of industry to keep turning faster and faster, giving more people jobs. That is one of the reasons we have the lowest unemployment record today that we have had in such a long time, many generations, because Export-Import Bank loans have improved the situation and helped our balance of payments.

A couple of days ago a statement was put into the RECORD, when this debate was first started, showing the big business concerns throughout our Nation pleading for the Export-Import Bank to be extended and given additional loan authority so they could make loans to foreign countries that need these loans to buy goods in the United States. Can you improve upon that? What is your alternative, if you want to slow down the Export-Import Bank?

If you want to cut out one-fourth of its additional lending power, give us some alternative. It would be awfully hard to match or beat the record that has already been achieved by the Export-Import Bank over these many years. When they came to the aid of the Defense Department and the Secretary of State in making loans for purchasing arms for these countries to keep the Communists from taking them over, I think they did a wonderful job and should be praised for it and not condemned for it.

Over the years, Eximbank's programs have permitted U.S. businesses, both large and small, to obtain and maintain sizable and important foreign markets for U.S. goods. Our ability to maintain our competitive position in these markets and to expand into new markets depends more than ever today on the availability of credit. Eximbank provides this credit assistance for our exporters when they are unable to obtain it through regular commercial channels.

In addition—a point which I wish to emphasize strongly—Eximbank's programs have in past years and will continue to contribute significantly to the positive side to the U.S. balance of payments.

Mr. Chairman, I think it is abundantly clear from the record of Eximbank that the Bank's operations have been conducted prudently, profitably, and under the direction of a Board of Directors and staff who are eminently qualified in the international lending field. The Bank's bypartisian Board of Directors, who are appointed by the President of the United States, and confirmed by the Senate, are persons of outstanding ability and unquestioned integrity. The present Chairman of the Board and President of the Bank, Harold F. Linder, has had an outstanding record of accomplishments too long to enumerate here in the fields of international economics and finance. Mr. Walter Sauer, Vice Chairman of the Board and Vice President of the Bank, has worked in numerous high-level positions in Eximbank since its founding in 1934. Mrs. Elizabeth S. May has had a remarkable career in positions both in and out of the government in the field of international economics. Mr. Tom Lilley who was appointed to the Board in 1965, came to the Bank from the Ford Motor Co. where he last served as a vice president in Ford's International Division. Prior to joining Ford, Mr. Lilley had been for some years on the Harvard Business School.

Mr. Hobart Taylor, Jr., who resigned from the Board only last week, had been Associate Counsel to the President of the United States prior to joining the Bank. Several of the Directors have held various positions of responsibility in numerous private organizations and associations dealing with international trade and commerce.

The Export-Import Bank has the strong support of U.S. businesses, trade associations, and lending institutions which are representative of an impressive portion of the international business and banking community.

Eximbank's operations are conducted so that the Bank now draws on practically none of the taxpayers' funds and in fact, as a profit-earning agency, makes a substantial contribution to the U.S. Treasury each year. The Bank derives funds for its day-to-day operations chiefly from two sources: its capital and reserves and its sales of participation certificates.

The Bank's capital stock of $1 billion is held by the Treasury Department. This investment has been more than matched with earnings generated over the years by the Bank's operations. Since its inception the Bank has earned net income, after all expenses, of about $1.6 billion, and from that amount it has paid dividends to the Treasury of $556 million. The Bank's expenses have included interest of $526 million paid to the Treasury on funds borrowed from it. Currently the Bank's annual net income runs in excess of $100 million from which a dividend of $50 million a year is paid to the Treasury. The remaining $1.1 billion of the Bank's aggregate income has been retained as a reserve against contingencies and defaults, and this amount together with the capital stock provides funds of almost $2.1 billion for the Bank's operations.

The Bank has the authority to borrow up to $6 billion from the U.S. Treasury. For many years the Bank turned to this source for funds needed in excess of its capital and reserves. In recent years, however, the Bank has shifted its financing to the private market, with the result that at the close of the last fiscal year the Bank actually had no outstanding borrowings from the U.S. Treasury. It has raised funds in the private market by selling certificates of participation in loans held by the Bank. At the end of fiscal 1967 the Bank had participation certificates outstanding of about $2.2 billion. The Bank is chartered to supplement private capital in financing U.S. trade, and with its participation certificates the Bank acts as an intermediary between exporters who need financing and commercial banks and other private sources of credit.

Eximbank's remarkable record hardly shows the Bank to be a burden on the taxpayer. Instead it shows quite the opposite. The Bank, after all, is not only a profitable institution but also one that distributes the profits to the public Treasury through a handsome dividend each year.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, one of the plainest facts of our economic life is that the continued economic vitality of the United States depends in large measure on the continued development and expansion of foreign markets for American manufactured products.

What the amendment before us disregards completely is that expanding exports require expanding credit facilities.

The Export-Import Bank came into existence because it was clear that private commercial banks simply did not have the resources to finance our export sales. The situation is no different today. As a matter of fact, the need for the Export-Import Bank's facilities is greater today than ever before because competition is keener—competition not only with respect to technology but competition also in the terms of financing offered by other industrialized countries competing for world markets.

Mr. Chairman, if we are serious about maintaining confidence in the dollar, clearly our balance of payments must be brought into equilibrium—and this means expanding, not reducing our exports and our export credit facilities. The President underscored this in his January 1 message on the balance of payments when he said he would ask Congress to earmark $500 million of the Export-Import Bank authorization to provide better export insurance, expand guarantees for export financing, and broaden the scope of Government financing of our exports.

The National Export Expansion Council, comprised of 71 of our largest exporting firms located in all 50 States, went on record at its meeting in Washington on February 2, 1968, to increase the Bank's lending authority by the full $4.5 billion.

I find it strange indeed that the amendment to cut the Bank's lending authority should be offered from the Republican side of the aisle and win such total Republican support. Yesterday it was the Republican side that voted down an amendment providing financial support for East-West trade when determined by the President to be in the national interest. This too was supported by the National Export Expansion Council. Today it is the same Republicans, voting en bloc, that seek to cripple the Bank's lending activities, both by reducing its lending authority and by prohibiting Eximbank credit for the export of military equipment to developing countries when determined by the President to be in our national interest.

Let there be no question about it, Mr. Chairman, if we want to hamper and restrain American business engaged in export, there is no better way than to adopt the Widnall amendment. Harold Linder, President of the Bank, testified before our committee that unless the additional authority of $4.5 billion is voted, "the Bank might well find it necessary to slow down negotiations with foreign buyers of U.S. exports, which might force these buyers to seek credit and equipment from our competitors abroad."

There was no contradictory testimony, nor was Mr. Linder challenged. Now we are told by the proponent of the amendment before us that the full $4.5 billion is not needed because of cancellation of the F-111 military aircraft contract by Great Britain. This is absolutely contrary to the further testimony of Mr. Linder when he said "the fact of the matter is that we expect to reach the $13.5 billion commitment figure by that date—1973—or conceivably earlier, without regard to possible future military loans." Since cancellation of the F-111 contract, Bank officials have repeated that Eximbank needs the additional $4.5 billion in lending authority on the basis of the demands expected from U.S. commercial exporters alone.

If anyone thinks that the Widnall amendment offers an opportunity to vote for economy, they are badly mistaken. As has been pointed out, the Bank does not intend to use its authority to borrow from the Treasury but instead expects to rely upon private financing. In fact, a vote for the Widnall amendment is a vote against economy because it would inhibit the Bank's operations and thereby directly adversely affect the export segment of our private sector.

The amendment must be voted down.

Mr. STEPHENS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and Members of the House, I wish to make clear to you that the amendment which has been offered affects only lending authority. The $13.5 billion in the committee substitute sets a maximum ceiling on the amount of loans, guarantees and insurance that the Bank may have outstanding.

It has nothing to do with an appropriation, it has nothing to do with an authorization for appropriation, nor does it have anything to do with borrowing authority from the U.S. Treasury. Since 1963—and this would continue under the committee substitute we are considering—not one dime of public money has been used for lending purposes by the Export-Import Bank. The Bank is authorized to sell its debentures in the private money market, and since 1963 this has been the sole method of raising the capital used in its lending program.

The House should not think, if it votes to do what the gentleman from New Jersey has asked, we are voting to save any money or are voting for economy.

It would be, in effect, a vote against the private banking system from which we get this money. It would be a vote against permitting the American private enterprise system to compete fairly under its own ground rules with the Communist world operating under its ground rules.

The amendment of the gentleman in effect reduces the effectiveness of the Bank as a tool in opposing the spread of communism, and, therefore, it would help inadvertently—I know the gentleman does not mean it to have this effect intentionally, but inadvertently, it would help our enemies by not giving the Bank the additional lending authority.

I conclude by saying we are not asking for any economy in the operation of Government. We are merely taking the billion dollars out that could be utilized for the purpose of developing exports, that will assist us in implementing everything we are trying to do to have the balance of payments continue to be more favorable to us than it has in the past.

I ask the Members to join me in opposing this amendment.

Mr. MOORHEAD. Mr. Chairman, I move to strike the requisite number of words.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I am sorry the distinguished minority leader is not still here—I tried to get the floor earlier, while the gentleman was still here, but he has stepped off the floor—but it seems to me, and I am not an expert on banking or upon this particular bill, and I do not even claim to be an expert on foreign affairs, which is the committee I sit on, I do know a little bit about it and I know a little bit about history.

When the minority leader made what appeared to me to be a rather blatant attempt to drag in Israel as a collateral issue, and a rather blatant attempt to get some votes from people in this country who might be sympathetic to Israel, it seems to me he overlooked some recent history, because I happened to be in this body when the first Israel-Arab war came about. It was not a Democratic administration which went in and stopped the Israelis and their allies cold in their tracks, from doing to Nasser what they would have done; then we would not have had this recurring problem.

I do know that the people who are friends of Israel in this country, and who vote, are not going to forget that, and then I do not think that they are going to be misled by any issue that we have not given Israel 50 planes or have not sold 50 planes to them at this moment. I suspect if it becomes obvious they are in dire need of the planes, they will get them.

But, as we know, there is no reason for the United States to jump in and give Israel any arms, when Russia is supplying them with arms, as I said the other day, via Egypt, because the Israelis got a billion and a half dollars worth of equipment during that war—either got it or destroyed it—and my information is that the Israelis have not been able to catalog what they captured yet, much less convert it so it will become useful to their Armed Forces—which they will.

I recall when the Israel-Arab war broke out a few months ago, that people were down here saying, "Let us help Israel."

I claim neither to be omniscient, nor omnipotent, to be a prophet, but I did take the floor then and I said, "Let us let Israel alone for a week or two. I do not believe they will need any help."

We did let them alone; not because I said so, I suppose, but because the State Department could not make up its mind within a week or two. This was true when the Republicans were in, as well as us, for that is the way it is. The State Department has a lot of civil servants, and they did not get anything done, so the Israeli took care of the situation themselves.

What I am trying to say is that bringing Israel into this debate about the Export-Import Bank is kind of an extraneous diversionary political tactic.

I would remind my good friend and

geographical neighbor from Michigan, the distinguished leader, every once in a while, as there is an old saying, even a blind pig will come up with an acorn. But this was a wormy one. I would suggest we try for better issues in this debate than to drag the Israeli question in, because I do not believe it went over very big.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I will have to ask my friend to yield, since he yielded to me.

Mr. MOORHEAD. I yield to the gentleman from New Jersey.

Mr. WIDNALL. I want to commend the gentleman for saying that bringing Israel in is an extraneous matter, as to the matter before the House for consideration. The matter was brought up yesterday by the Speaker of the House.

Mr. HAYS. Mr. Chairman, will the gentleman yield further?

Mr. MOORHEAD. I yield to the gentleman from Ohio.

Mr. HAYS. I am just telling the Members today, so far as the 50 planes for Israel are concerned, that was brought up today. I first heard it brought up by the minority leader. That is the subject to which I am addressing myself.

I say that the fact that Israel was stopped, back in 1956, from finishing the job is part of the reason why we are in the shape we are in in the Near East now. That is part of the reason why the Suez Canal is closed. Frankly, that is the primary reason, because if we had left them alone and not put our repressive hand on that little country they would have done the job then.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the distinguished Speaker of the House.

Mr. McCORMACK. That was when our country went up to the United Nations, in collaboration with the Soviet Union, and joined with them on the passage of a resolution that stopped England, France, and Israel from taking over the Suez Canal; is that correct?

Mr. HAYS. That is correct. That is exactly the thing I am talking about.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. It has been suggested that our distinguished minority leader might want to look again at his facts on a point or two. I should like to suggest he look again at his facts on the so-called 7-to-1 ratio of credits to Arab countries as opposed to Israel.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(On request of Mr. EDMONDSON, and by unanimous consent, Mr. MOORHEAD was allowed to proceed for 1 additional minute.)

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield further?

Mr. MOORHEAD. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. The list just handed to me, which is supposed to be a fairly current list of countries that have been included from the first in these military loans, shows that to get anything like a 7-to-1 ratio with regard to credits to Israel one must include a number of countries which are not classifiable as Arab by any stretch of the imagination, unless we start to consider a lot of the Latin American countries as Arab countries.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to continue the discussion which has just been going on.

I have been able to make some inquiries during the past few minutes to find out about the claim made here a few minutes ago that the Eximbank has given seven times at much credit to Arab States—including those that broke relations with the United States—as to Israel. I have been totally unable to find any figures that would justify anything approaching a 7-to-1 ratio.

First I should like to say that, during the period for the fiscal years 1962 to 1967, which is what we have been talking about, the countries that broke relations with the United States in the June war did not get $1 of Eximbank credit for arms sales under the DOD guarantee program. Not one dollar. Zero.

Now, some Arab countries did get some Eximbank loans for arms.

However, they were not the ones who broke relations. The ratio there over that period of time is 2 to 1. It is two for the Arab countries who did not break relations with Israel, which is very different from a 7-to-1 ratio.

I would remind the Members that it was during that period that the Government of France was known to be the principal supplier of the Government of Israel as far as arms were concerned.

So the claim of a 7-to-1 ratio between the Arab States and Israel is without foundation and totally misleading.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey to the substitute amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. WIDNALL) there were—ayes 54, noes 62.

So the amendment to the substitute amendment was rejected.

AMENDMENT OFFERED BY MR. FINDLEY TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. PATMAN

Mr. FINDLEY. Mr. Chairman, I offer an amendment to the substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY to the substitute amendment offered by Mr. PATMAN: On page 2 after line 20 add the following:

"The Bank may not insure, guarantee, make loans in support of, or otherwise finance exports to, or for use by, or in any country, unless the government thereof is a signatory to binding international conventions guaranteeing impartial third-party arbitration of commercial disputes and protecting patent rights, or the commercial contract involved contains such guarantee and protection."

Mr. FINDLEY. Mr. Chairman, this amendment affords this body the opportunity to improve international trade practices by requiring as a condition of transactions covered by Export-Import Bank loans or guarantees that any disputes arising out of these will be settled by impartial third-party arbitration. This would apply to patent rights as well as industrial processes, questions of quantity and quality, delivery, and such as that. Frankly, this would have little effect on the transactions that the Export-Import Bank is now engaged in and prospectively will be engaged in so long as the Vietnam war is in progress, because impartial third-party arbitration of disputes is already accepted as a standard clause in almost every international free-world trade agreement. The exceptions are where the transaction involves a state-trading country such as the Eastern bloc or the Soviet Union.

And, Mr. Chairman, I would hope that the life of this legislation, extending as it does for the period of 5 years, would lead us into the period of time beyond the war in Vietnam. I am not advocating, but I am anticipating, that the Export-Import Bank subsequent to that time will be engaged in some transactions with the Soviet-bloc countries. And, in these circumstances, these Communist countries would be required to accept impartial arbitration by a third party, the same as in exclusively free-world transactions. In my opinion this would be a protection to both the merchants involved and to the taxpayer, because the taxpayer is the one actually holding the risk bag on transactions covered by the Export-Import Bank.

It may be argued that hearings should be held upon my amendment. I agree that hearings could be held. They are needed. Third-party impartial arbitration is universally accepted by the marketplace community.

This amendment, is a means, prospectively, for us to get the state-trading countries to accommodate their practices to the marketplace system.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, presumably, what the gentleman from Illinois is trying to do is to protect our exporters from this sort of mistreatment.

Insofar as I am aware, the exporter industry has not made a request for this type of protection.

Mr. FINDLEY. I think it is fair to say that this problem has been cited frequently by many concerns, and I might say that according to the so-called Miller report made by the Presidential Commission, arbitration of East-West transactions was cited as one of the problems of trade.

To cite a few specifics, patents on the Caterpillar D-7 tractor, the GM diesel engine, and the Fairbanks Morse locomotive were ignored by the Soviets, in their manufacture of these items. The sale of the initial items to Moscow was not covered by the Export-Import Bank loans, so far as I know, but the abuse of patents illustrates the problem.

Under similar transactions like that in the future, the amendment which I have proposed would insist that provision be made for arbitration not in Moscow, where the merchant and arbitrator would, in effect, be one and the same, but before a free-world impartial panel.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield further?

Mr. FINDLEY. I yield further to the gentleman from New York.

Mr. BINGHAM. Is it not true that under the gentleman's amendment, if the exporter did not have access to the Export-Import Bank, then he would have to look to private financing with reference to his plans and he would not have the Export-Import Bank to stand behind him in such transactions?

Mr. FINDLEY. I am sure the gentleman is not suggesting that the Government guarantee those transactions which are not covered by fair and reasonable regulations protection of the patent rights and assurance of impartial third-party arbitration. I think these principles are so widely accepted in the free world, that we should not hesitate to require them here. In that way, if and when the Bank covers Communist-bloc trade, these safeguards will already be required.

Mr. BINGHAM. Mr. Chairman, if the gentleman will yield further, it would seem to me that while the industry involved might like to have those principles governing all exports and all trade—and if that can be done—they would not want to have just one element of that protection, and that is why they have not requested all elements of this protection.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, yesterday when the gentleman who introduced this amendment brought it up during general debate, I believe he answered the question—although I was not clear about it—when I asked him: I said, would the gentleman say that this would only apply to Communist countries?

And I understood the gentleman to say that that was correct; is that right?

Mr. FINDLEY. Will the gentleman yield?

Mr. PATMAN. No, I do not have time to yield. I would ask the gentleman to wait until I get through. I will not bring that up any more. I will assume that there is discussion about it, and objection, and not insist on it.

Anyway, my friends, this is clearly outside of a real, intelligent discussion, in the way I see it, of the issues involved in the Export-Import Bank.

The gentleman wants a provision in here that the Bank cannot do business with any country that is not a signatory to certain agreements involving patent rights. Well, I do not know whether it is good or whether it is bad, but I do know that it occurs to me it is rather farfetched to make such a requirement here in this bill without knowing more about the effect it would have upon all the nations of the world.

Upon investigation, I have discovered that this applies to 29 nations that are not Communist nations, and would probably prevent the Export-Import Bank from doing any kind of business with them It would be very disturbing and upsetting to our balance of payments, and destructive to our own domestic economy. There are at last 29 non-Communist countries that have not agreed to the latest International Convention on Patent Rights that the gentleman says must be signatories to it, or the Export-Import Bank cannot do business with them, including some of the major trading partners of the United States. It would be disruptive to some of our major transactions with some of our best friends and partners. These include such important allies and friendly countries as Australia, Austria, Brazil, Canada, Denmark, Ireland, the Netherlands, New Zealand, Spain, Sweden, and Turkey. These countries import hundreds of millions of dollars' worth of U.S. produced goods each year, much of which is financed through the Export-Import Bank. This amendment would stop this.

The Findley amendment would seriously and adversely affect the trade relations of the United States with these important countries around the world.

The Department of Commerce informs me that other commercial conventions are even less universal than the Patent Convention, and the Findley amendment would be even more damaging than if it referred only to the Patent Convention.

Therefore, Mr. Chairman, I earnestly urge the Members to vote against this amendment. It does not belong in here.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I thank the gentleman for yielding. I fear that the gentleman has misread the amendment. It does provide for safeguard by means of conventions, but as an alternative, in the absence of convention, provides for inclusion of safeguard clauses in each transaction contract. That is a very important alternative.

Mr. PATMAN. Does that not make it even worse?

Mr. FINDLEY. No.

Mr. PATMAN. Not only to be signatories to certain conventions, but have certain requirements in contracts in addition to that. It looks to me like something else is involved in your amendment besides the Export-Import Bank.

Mr. FINDLEY. I pointed out in my earlier comments that almost every transaction in the free world trade does include in the contract the provisions that I have set forth here. So this means that transactions with Australia, Brazil, and these other countries the gentleman mentioned undoubtedly now include these safeguards. This would impose no encumbrance whatever upon transactions that are now in progress, at least those following universally common practice.

Mr. PATMAN. I do not believe they were even thought of. This is injecting an entirely new issue into this whole debate. I trust the gentleman will withdraw his amendment, introduce a bill and receive hearings before a committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY] to the substitute amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and on a division (demanded by Mr. FINDLEY) there were—ayes 26, noes 61.

So the amendment to the substitute amendment was rejected.

The CHAIRMAN. The question now occurs on the amendment offered by the gentleman from Texas [Mr. PATMAN] in the nature of a substitute.

The substitute amendment was agreed to.

Mr. MACHEN. Mr. Chairman, I rise in support of H.R. 6649. I believe that the Export-Import Bank serves a very worthwhile and much-needed function on the world scene. The Bank has enabled thousands of American manufacturers and suppliers, both large and small, to make export sales that would otherwise have been lost to foreign competition. Of equal significance, however, is the contribution of the Bank's exports to the U.S. balance-of-payments position. The Bank's loans are repayable in dollars and are utilized, almost without exception, to purchase goods and services. As repayments are received under these loans, the receipts of both principal and interest are recorded as favorable entries in our balance-of-payments accounts. These receipts are sizable. Last year, for example, it is estimated that repayments in interest on loans which the Bank made, guaranteed or insured, contributed about $1.5 billion to the credit side of the U.S. balance of payments.

The operations of the Bank also are particularly noteworthy because they contribute to the Nation's economy without cost to the taxpayer. The Bank's earnings, after payment of interest and other operating costs, have been running in excess of $100 million annually, and it is paying yearly dividends of $50 million to the U.S. Treasury.

It has been said by some that a limitation should be placed on the Bank's lending capacity by amending the charter to state that the Bank may not insure, make loans in support of, or otherwise finance exports to or for use in countries which shall be engaged in armed conflict, declared or otherwise with the United States, or military forces of such nations, or any nation the government of which shall be furnishing goods or supplies to a nation which shall be engaged in such armed conflict with the United States.

Several years ago, I would have been very firm in my opposition to such an amendment to the Bank's charter, because at that time it appeared that the theory of "building bridges to the East" was good for the overall future of the United States and was a much-needed initial step in our efforts to insure world peace. It was said that this policy would encourage the economic and political independence of the nations of the Communist bloc. I cannot argue the veracity of this theory because, quite frankly, I believe that it has been neither conclusively proved nor disproved.

The situation which the United States faces today is very much different from our experience when this "bridge building" theory was first put forth. We are engaged in a very real and costly war in

Vietnam and are faced with crises of mounting significance in North Korea and other parts of the globe. I cannot convince myself that it is in the best interests of this Nation to allow loans to be made available through one of its independent agencies to nations where there is a chance, and a very real chance in some instances I might add, that these funds, goods, or services might be used directy or indirecty to aid the war effort of countries which are either engaged in declared or undeclared war with the United States.

I support this amendment because I believe that Congress has the power and the duty to tell the executive branch or any Federal agency to take steps to cease and desist from trading or encouraging trade with countries which are either engaged in declared or undeclared war with the United States.

Mr. COHELAN. Mr. Chairman, before us today is the question of extending the life of the Export-Import Bank and increasing its lending capacity. In addition we face questions concerning Eximbank guarantees for sales to countries whose governments deal with North Vietnam, and of guarantees for the sale of arms to less developed countries.

I do not intend to take the time to deal with each of these points in detail. However, I do want to make three rather simple points.

First, the United States quite obviously faces balance-of-payments problems. We possess a considerable trade surplus, but the trade account is still the best and least painful place in which to improve our payments situation. And the Eximbank improves the trade account not by the restriction of imports, but by providing attractive financing for purchases of U.S. goods. Without the Eximbank, the balance in our trade account would be considerably less favorable than it is. Financial terms are as much a part of export sales as are the quality and price of the goods we offer. The Eximbank allows us to be competitive in the financing of our exports. For the sake of our balance of payments, as well as for the domestic economy, we should extend the operations of the Eximbank.

Second, those who are concerned with cutting off of all trade with the Communists should be attacking our entire trade policy—and not the Eximbank which carries out only a small portion of that policy. The Bank participates in the financing only of sales of American goods which are approved by the issuance of export licenses. Thus, the Bank does not make the export policy, it only furthers it after the policy decision has been made elsewhere.

I am a supporter of increased East-West trade. I support this trade because I believe that it is in the best interests of this country. It not only serves our economic interests by increasing our exports, but it creates greater contacts and a certain community of interests between our country and the Communists which, in my judgment, makes it less likely that there will be a major East-West conflagration. For these reasons I am opposed to measures, like the one presented in connection with this bill, which will restrict our flexibility in dealing with the Communists.

My third point is simply that the United States must not continue to sell large quantities of weapons to underdeveloped countries. The Congress has recognized this point several times in the last few months. In the 1967 authorization for foreign assistance and in the fiscal 1968 foreign aid appropriation steps were taken to limit the use of our aid money for the purchase of military weapons by poor countries.

These underdeveloped countries have few enough resources and many enough problems without diverting precious aid for the purchase of weapons. We should help these countries to help their people by giving assistance with economic, social, educational, and health matters. Ultimately the cause of social unrest is in miserable living conditions. In the long run, aid and not arms will be the best preserver of peace.

For this reason, I support the efforts of the committee to restrict the use of Eximbank credit for the sale of arms to less developed countries. I support the efforts of the committee to maintain a degree of flexibility in the financing of arms sales by the Bank. The committee amendment would allow the President discretion to finance arms sales to underdeveloped countries where it would not harm the peaceful development of the country, and where it is a democratic government, and where the country has not engaged in an arms race. This is narrow discretion, but it does allow a degree of flexibility to deal with the proper case.

Mr. Chairman, I urge adoption of the committee bill H.R. 6649.

Mr. OTTINGER. Mr. Chairman, I am in full support of legislation extending the important functions of the Export-Import Bank and increasing the Bank's loan and guarantee authority. The Bank's record in assisting underdeveloped nations—the international New Frontier—has been admirable. Its operations in promoting efforts are particularly vital now in resolving our grave balance-of-payments problems. Its accomplishments have contributed immensely to our national interest.

However, the legislation proposed originally by the administration contained a major defect in its failure to adequately limit the Export-Import Bank's authority to promote trade with Soviet bloc nations, in particular those supplying strategic materials to North Vietnam. This defect has been corrected by the amendment offered by the Banking and Currency Committee. The amendment clearly prohibits the Bank from financing trade with any nation supplying Hanoi.

Let me make clear that it is not my intention that the United States foreclose forever any trade with the nations of Eastern Europe. In my view, there are very real possibilities for exploiting the differences among Communist countries via trade contacts, thus driving the wedge even deeper between nations espousing "peaceful coexistence" and the aggressive, militaristic nations under Communist China's sphere of influence.

However, I cannot see giving aid at this time to any country contributing to the enemy in Vietnam, for this would indirectly finance the bullets being fired at our own boys. Low interest loans through the Export-Import Bank are a form of aid and therefore I feel constrained to oppose them at this time.

Some hard questions must be answered before the United States even relaxes any further its trade relations with the Soviet bloc. I strongly believe that step cannot be taken unless those nations are willing to make substantial diplomatic concessions in exchange for the opportunity to benefit by our trade.

It seems obvious that it is not in the national interest for the United States to in any way provide economic benefits to nations aiding North Vietnam's war effort. Too many American lives have been lost in this tragic conflict. While I profoundly hope that we can quickly and more effectively move to end the war through a negotiated settlement, until we do we must make clear to our allies and to all nations that we simply cannot and will not finance the means for destroying our own troops.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANDRUM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 6649) to amend the Export-Import Bank Act of 1945, as amended, to shorten the name of the Bank, to extend for 5 years the period within which the Bank is authorized to exercise its functions, to increase the Bank's lending authority and its authority to issue, against fractional reserves, export credit insurance and guarantees, and for other purposes, pursuant to House Resolution 993, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted in the Committee of the Whole?

If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

MOTION TO RECOMMIT

Mr. GROSS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GROSS. In its present form I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GROSS moves to recommit the bill, H.R. 6649, to the Committee on Banking and Currency with instructions to report the same back to the House forthwith with the following amendment: In subsection (e) of the amendment, strike "$13,500,000,000" and insert "$12,500,000,000".

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken, and the Speaker announced that the noes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 164, nays 233, not voting 35, as follows:

[Roll No. 22]

YEAS—164

Abbitt
Abernethy
Adair
Anderson, Ill.
Andrews, Ala.
Andrews, N. Dak.
Arends
Ashbrook
Ashmore
Ayres
Baring
Bates
Battin
Belcher
Berry
Betts
Blackburn
Bolton
Bow
Bray
Brinkley
Brotzman
Brown, Ohio
Broyhill, Va.
Buchanan
Burke, Fla.
Burton, Utah
Bush
Byrnes, Wis.
Carter
Cederberg
Chamberlain
Clancy
Clawson, Del
Collier
Colmer
Conable
Corbett
Cunningham
Curtis
Denney
Derwinski
Dickinson
Dole
Dowdy
Duncan
Edwards, Ala.
Eshleman
Evins, Tenn.
Fisher
Ford, Gerald R.
Fountain
Fulton, Pa.
Fuqua
Gardner
Gathings
Goodell
Goodling
Gross
Grover
Gubser
Hagan
Haley
Hall
Halleck
Hammerschmidt
Harrison
Harsha
Henderson
Herlong
Hunt
Hutchinson
Ichord
Jarman
Johnson, Pa.
Jonas
Jones, Mo.
Jones, N.C.
King, N.Y.
Kleppe
Kornegay
Kuykendall
Kyl
Laird
Langen
Latta
Lennon
Lipscomb
Lloyd
Long, La.
Lukens
McClure
McCulloch
McDonald, Mich.
McMillan
MacGregor
Marsh
Martin
Mathias, Md.
May
Meskill
Michel
Miller, Ohio
Minshall
Montgomery
Moore
Morton
Myers
Nelsen
Nichols
O'Konski
Pelly
Pettis
Poage
Poff
Pool
Price, Tex.
Quie
Quillen
Randall
Rarick
Reid, Ill.
Reifel
Rhodes, Ariz.
Robison
Rogers, Fla.
Roth
Satterfield
Saylor
Schadeberg
Scherle
Schwengel
Sikes
Smith, Calif.
Smith, N.Y.
Snyder
Springer
Steiger, Ariz.
Steiger, Wis.
Stuckey
Taft
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Thomson, Wis.
Tuck
Waggonner
Walker
Wampler
Watson
Whalley
Whitener
Whitten
Widnall
Wiggins
Williams
Winn
Wyatt
Wydler
Wylie
Wyman
Zion
Zwach

NAYS—233

Adams
Addabbo
Albert
Anderson, Tenn.
Annunzio
Ashley
Aspinall
Barrett
Bell
Bennett
Bevill
Biester
Bingham
Blanton
Blatnik
Boggs
Boland
Bolling
Brademas
Brasco
Brock
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Burke, Mass.
Burton, Calif.
Byrne, Pa.
Cabell
Cahill
Carey
Casey
Celler
Cohelan
Conte
Conyers
Corman
Cowger
Culver
Daddario
Daniels
Davis, Ga.
Dawson
de la Garza
Delaney
Dellenback
Dent
Diggs
Dingell
Donohue
Dorn
Dow
Downing
Dulski
Dwyer
Eckhardt
Edmondson
Edwards, Calif.
Edwards, La.
Eilberg
Erlenborn
Esch
Evans, Colo.
Fallon
Farbstein
Fascell
Feighan
Findley
Fino
Flood
Flynt
Ford, William D.
Fraser
Frelinghuysen
Friedel
Galifianakis
Gallagher
Garmatz
Gettys
Giaimo
Gibbons
Gilbert
Gonzalez
Gray
Green, Oreg.
Green, Pa.
Griffiths
Halpern
Hamilton
Hanley
Hanna
Hansen, Wash.
Hardy
Harvey
Hathaway
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks
Holifield
Holland
Horton
Hosmer
Howard
Hull
Hungate
Irwin
Jacobs
Joelson
Johnson, Calif.
Jones, Ala.
Karsten
Karth
Kastenmeier
Kazen
Kee
Keith
Kelly
King, Calif.
Kirwan
Kluczynski
Kupferman
Kyros
Landrum
Leggett
Long, Md.
McCarthy
McClory
McCloskey
McDade
McEwen
McFall
Macdonald, Mass.
Machen
Madden
Mahon
Mailliard
Matsunaga
Mayne
Meeds
Miller, Calif.
Mills
Minish
Mink
Mize
Monagan
Moorhead
Morgan
Morris, N. Mex.
Morse, Mass.
Mosher
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nix
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Passman
Patman
Patten
Pepper
Perkins
Philbin
Pickle
Pike
Pirnie
Price, Ill.
Pryor
Purcell
Railsback
Reid, N.Y.
Rhodes, Pa.
Riegle
Rivers
Roberts
Rodino
Rogers, Colo.
Ronan
Rooney, Pa.
Roudebush
Roush
Roybal
Ruppe
Ryan
St Germain
Sandman
Scheuer
Schneebeli
Selden
Shipley
Shriver
Sisk
Slack
Smith, Iowa
Stafford
Staggers
Stanton
Steed
Stephens
Stratton
Stubblefield
Sullivan
Tenzer
Thompson, Ga.
Thompson, N.J.
Tiernan
Tunney
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waldie
Watts
Whalen
White
Willis
Wilson, Bob
Wolff
Wright
Yates
Young
Zablocki

NOT VOTING—35

Burleson
Button
Clark
Clausen, Don H.
Cleveland
Cramer
Davis, Wis.
Devine
Everett
Foley
Fulton, Tenn.
Gude
Gurney
Hansen, Idaho
Hébert
Mathias, Calif.
Moss
Pollock
Pucinski
Rees
Reinecke
Resnick
Reuss
Rooney, N.Y.
Rosenthal
Rostenkowski
Rumsfeld
St. Onge
Schweiker
Scott
Skubitz
Smith, Okla.
Utt
Watkins
Wilson, Charles H.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Rooney of New York against.

Mr. Everett for, with Mr. St. Onge against.

Mr. Utt for, with Mr. Foley against.

Mr. Davis of Wisconsin for, with Mr. Gude against.

Until further notice:

Mr. Moss with Mr. Reinecke.

Mr. Clark with Mr. Cleveland.

Mr. Charles H. Wilson with Mr. Don H. Clausen.

Mr. Pucinski with Mr. Button.

Mr. Rees with Mr. Devine.

Mr. Resnick with Mr. Schweiker.

Mr. Rostenkowski with Mr. Mathias of California.

Mr. Reuss with Mr. Watkins.

Mr. Burleson with Mr. Cramer.

Mr. Fulton of Tennessee with Mr. Hansen of Idaho.

Mr. Rosenthal with Mr. Skubitz.

Mr. Scott with Mr. Pollock.

Mr. Smith of Oklahoma with Mr. Rumsfeld.

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 375, nays 19, not voting 36, as follows:

[Roll No. 23]

YEAS—375

Abbitt
Abernethy
Adair
Adams
Addabbo
Albert
Anderson, Ill.
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Ashmore
Aspinall
Ayres
Barrett
Bates
Battin
Belcher
Bell
Bennett
Berry
Betts
Bevill
Biester
Bingham
Blackburn
Blanton
Blatnik
Boggs
Boland
Bolling
Bolton
Bow
Brademas
Brasco
Bray
Brinkley
Brock
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill. Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burton, Calif.
Burton, Utah
Bush
Byrne, Pa.
Byrnes, Wis.
Cabell
Cahill
Carey
Carter
Casey
Cederberg
Celler
Chamberlain
Clawson, Del
Cohelan
Collier
Colmer
Conable
Conte
Conyers
Corbett
Corman
Cowger
Culver
Cunningham
Daddario
Daniels
Davis, Ga.
Dawson
de la Garza
Delaney
Dellenback
Denney
Dent
Derwinski
Dickinson
Diggs
Dingell
Dole
Donohue
Dorn
Dow
Dowdy
Downing
Dulski
Dwyer
Eckhardt
Edmondson
Edwards, Ala.
Edwards, Calif.
Edwards, La.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fallon
Farbstein
Fascell
Feighan
Findley
Fino
Fisher
Flood
Flynt
Ford, Gerald R.
Ford, William D.
Fountain
Fraser
Frelinghuysen
Friedel
Fulton, Pa.
Fulton, Tenn.
Fuqua
Galifianakis
Gallagher
Gardner
Garmatz
Gathings
Gettys
Giaimo
Gibbons
Gilbert
Gonzalez
Goodell
Goodling
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Hagan
Halleck
Halpern
Hamilton
Hammerschmidt
Hanna
Hansen, Wash.
Hardy
Harvey
Hathaway
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Herlong
Hicks
Holifield
Holland
Horton
Hosmer
Howard
Hull
Hungate
Hunt
Hutchinson
Ichord
Irwin
Jacobs
Jarman
Joelson
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, Mo.
Jones, N.C.
Karsten
Karth
Kastenmeier
Kazen
Kee
Keith
Kelly
King, Calif.
King, N.Y.
Kirwan
Kleppe
Kluczynski
Kornegay
Kupferman
Kuykendall
Kyl
Kyros
Laird
Landrum
Langen
Latta
Leggett
Lipscomb
Lloyd
Long, Md.
Lukens
McCarthy
McClory
McCloskey
McClure
McCulloch
McDade
McDonald, Mich.
McEwen
McFall
McMillan
Macdonald, Mass.

MacGregor
Machen
Madden
Mahon
Mailliard
Marsh
Martin
Mathias, Md.
Matsunaga
May
Mayne
Meeds
Meskill
Michel
Miller, Calif.
Miller, Ohio
Mills
Minish
Mink
Minshall
Mize
Monagan
Montgomery
Moore
Moorhead
Morgan
Morris, N. Mex.
Morse, Mass.
Morton
Mosher
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
O'Hara, Ill.
O'Hara, Mich.
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Passman
Patman
Patten
Pelly
Pepper
Perkins
Pettis
Philbin
Pickle
Pike

Pirnie
Poage
Poff
Price, Ill.
Price, Tex.
Pryor
Purcell
Quie
Randall
Reid, Ill.
Reid, N.Y.
Reifel
Rhodes, Ariz.
Rhodes, Pa.
Riegle
Rivers
Roberts
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Ronan
Rooney, Pa.
Roth
Roudebush
Roush
Roybal
Ruppe
Ryan
St Germain
Sandman
Satterfield
Saylor
Schadeberg
Scherle
Scheuer
Schneebeli
Schwengel
Selden
Shipley
Shriver
Sikes
Sisk
Slack
Smith, Calif.
Smith, Iowa
Smith, N.Y.
Springer
Stafford
Staggers
Stanton
Steed
Steiger, Ariz.

Steiger, Wis.
Stephens
Stratton
Stubblefield
Stuckey
Sullivan
Taft
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Tenzer
Thompson, Ga.
Thompson, N.J.
Thomson, Wis.
Tiernan
Tuck
Tunney
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waggonner
Waldie
Walker
Wampler
Watts
Whalen
Whalley
White
Whitener
Whitten
Widnall
Wiggins
Williams, Pa.
Willis
Wilson, Bob
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Young
Zablocki
Zion
Zwach

NAYS–19

Ashbrook
Baring
Clancy
Curtis
Duncan
Gross
Haley

Hall
Harrison
Harsha
Lennon
Long, La.
O'Konski
Olsen

Pool
Quillen
Rarick
Snyder
Watson

NOT VOTING—36

Burleson
Button
Clark
Clausen, Don H.
Cleveland
Cramer
Davis, Wis.
Devine
Everett
Foley
Gude
Gurney

Hanley
Hansen, Idaho
Hébert
Mathias, Calif.
Moss
Pollock
Pucinski
Railsback
Rees
Reinecke
Resnick
Reuss
Rooney, N.Y.

Rosenthal
Rostenkowski
Rumsfeld
St. Onge
Schweiker
Scott
Skubitz
Smith, Okla.
Utt
Watkins
Wilson, Charles H.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Watkins for, with Mr. Utt against.

Until further notice:

Mr. Rooney of New York with Mr. Cleveland.
Mr. St. Onge with Mr. Hansen of Idaho.
Mr. Rees with Mr. Pollock.
Mr. Moss with Mr. Mathias of California.
Mr. Pucinski with Mr. Button.
Mr. Foley with Mr. Reinecke.
Mr. Charles H. Wilson with Mr. Railsback.
Mr. Hanley with Mr. Don H. Clausen.
Mr. Hébert with Mr. Cramer.
Mr. Reuss with Mr. Davis of Wisconsin.
Mr. Clark with Mr. Gude.
Mr. Everett with Mr. Skubitz.
Mr. Resnick with Mr. Smith of Oklahoma.
Mr. Burleson with Mr. Scott.
Mr. Rostenkowski with Mr. Rumsfeld.
Mr. Rosenthal with Mr. Devine.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, pursuant to House Resolution 993, I call up the bill S. 1155 and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The Clerk read the Senate bill, as follows:

S. 1155

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Export-Import Bank Act of 1945, as amended (12 U.S.C. 635–6351), is amended by changing "Export-Import Bank of Washington", wherever that name refers to the legal entity created by the Export-Import Bank Act of 1945, to "Export-Import Bank of the United States".

(b) Section 2 of the such Act is amended by striking subsection (b) thereof and by substituting in lieu thereof the following:

"(b) (1) It is the policy of the Congress that the Bank in the exercise of its functions should supplement and encourage and not compete with private capital; that loans, so far as possible consistently with carrying out the purposes of subsection (a), shall generally be for specific purposes, and, in the judgment of the Board of Directors, offer reasonable assurance of repayment; and that in authorizing such loans the Board of Directors should take into account the possible adverse effects upon the United States economy and the desirability of safeguarding the international balance-of-payments position of the United States."

(c) Section 2(b) of such Act is further amended by inserting at the end thereof two new paragraphs as follows:

"(2) The Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in an extension of credit (A) in connection with the purchase or lease of any product by a Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended), or agency or national thereof, or (B) in connection with the purchase or lease of any product by any other foreign country, or agency, or national thereof, if the product to be purchased or leased by such other country, agency, or national is, to the knowledge of the Bank, principally for use in, or sale or lease to, a Communist country, as so defined) : *Provided,* That, subject to the provisions of subsections (d) and (e) of this section, whenever the President determines that such guarantees, insurance, extension of credits, or participation in credits, would be in the national interest and reports such determination (within thirty days after making the same) to the Senate and House of Representatives, such guarantees, insurance, or extension of credits may be made, or participated in, by the Bank.

"(3) It is further the policy of the Congress that the Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in an extension of credit in connection with any credit sale of defense articles and defense services by the Government of the United States under the Foreign Assistance Act of 1961, as amended, or by United States exporters, the repayment of which is guaranteed under section 503(e) and section 509(b) of said Foreign Assistance Act: *Provided,* That whenever the President determines that such guarantees, insurance, extension of credits, or participation in credits, would be in the national security interest and reports such determination (within thirty days after making the same) to the Senate and House of Representatives, such guarantees, insurance, or extension of credits may be made, or participated in, by the Bank notwithstanding the policy herein stated: *Provided further,* That in no event shall the Bank have outstanding at any time, military export credits guaranteed under section 503(e) and section 509(b) of the Foreign Assistance Act of 1961, as amended, in excess of 7½ per centum of limitation imposed by section 7 of this Act."

(d) Section 2(c) of such Act is amended by striking out "$2,000,000,000" and inserting in lieu thereof "$3,500,000,000".

(e) Section 3(d) of such Act is amended by striking out the last sentence and inserting in lieu thereof the following: "Members, not otherwise in the regular full-time employ of the United States, may be compensated at rates not exceeding the per diem equivalent of the rate for grade 18 of the General Schedule (5 U.S.C. 5332) for each day spent in travel or attendance at meetings of the Committee, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government service employed intermittently."

(f) Section 7 of such Act is amended by striking out "$9,000,000,000" in inserting in lieu thereof "$13,500,000,000".

(b) Section 8 of such Act is amended by striking out "June 30, 1968" and inserting in lieu thereof "June 30, 1973".

SEC. 2. Section 2 of the Export-Import Bank Act of 1945 is amended by adding at the end thereof two new subsections as follows:

"(d) The Bank shall not guarantee, insure, or extend credit, or participate in an extension of credit (1) in connection with the purchase of any product by any nation with which the United States is engaged in armed conflict (whether or not there has been a declaration of war), or any agency or national thereof; or (2) in connection with the purchase of any product by any nation (or agency or national thereof) the government of which is furnishing goods or supplies to a nation described in clause (1).

"(e) The Bank shall not guarantee, insure, or extend credit, or participate in an extension of credit in connection with the purchase of any product for the construction of a facility for manufacturing automobiles by the Union of Soviet Socialist Republics or by any other nation or entity for use (to the knowledge of the Bank) in the Union of Soviet Socialist Republics."

AMENDMENT OFFERED BY MR. PATMAN

Mr. PATMAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Strike out all after the enacting clause of S. 1155 and insert the provisions of H.R. 6649, as passed, as follows:

"SECTION 1. The Export-Import Bank Act of 1945 is amended—

"(a) By changing 'Export-Import Bank of Washington', wherever that name refers to the legal entity created by the Export-Import Bank Act of 1945, to 'Export-Import Bank of the United States'.

"(b) By inserting '(1)' immediately after '(b)' in section 2(b) of that Act, and by adding the following at the end of section 2(b):

"'(2) The Bank shall not guarantee, insure, or extend credit, or participate in the extension of credit in connection with the purchase of any product, technical data or other information by a national or agency of any nation

"'(A) which engages in armed conflict, declared or otherwise, with armed forces of the United States; or

"'(B) which furnishes by direct governmental action (not including chartering, licensing, or sales by non-wholly-owned business enterprises) goods, supplies, military assistance, or advisers to a nation described in subparagraph (A);

nor shall the Bank guarantee, insure, or extend credit, or participate in the extension of credit in connection with the purchase by any nation (or national or agency thereof) of any product, technical data or other information which is to be used principally by or in a nation described in subparagraph (A) or (B).

"'(3) The Bank shall not guarantee, insure, or extend credit, or participate in an extension of credit in connection with any credit sale or defense articles and defense services to any country designated under section 4916 of the Internal Revenue Code of 1954 as an economically less developed country for purposes of the tax imposed by section 4911 of that Code. The prohibitions set forth in this paragraph shall not apply with respect to any transaction the consummation of which the President determines would be in the national interest and reports such determination (within thirty days after making the same) to the Senate and House of Representatives. In making any such determination the President shall take into account, among other considerations, the national interest in avoiding arms races among countries not directly menaced by the Soviet Union or by Communist China; in avoiding arming military dictators who are denying social progress to their own peoples; and in avoiding expenditures by developing countries of scarce foreign exchange needed for peaceful economic progress.

"'(4) In no event shall the Bank have outstanding at any time in excess of 7½ per centum of the limitation imposed by section 7 of this Act for such guarantees, insurance credits or participation in credits with respect to exports of defense articles and services to countries which, in the judgment of the Board of Directors of the Bank, are less developed.'

"(c) By changing in section 2(c) of that Act, '$2,000,000,000' to read '$3,500,000,000'.

"(d) By changing the last sentence in section 3(d) of that Act to read: 'Members, not otherwise in the regular full-time employ of the United States, may be compensated at rates not exceeding the per diem equivalent of the rate for grade 18 of the General Schedule (5 U.S.C. 5332) for each day spent in travel or attendance at meetings of the Committee, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government service employed intermittently.'

"(e) By changing, in section 7 of that Act, '$9,000,000,000' to read '$13,500,000,000'.

"(f) By changing, in section 8 of that Act, 'June 30, 1968' to read 'June 30, 1973'."

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 6649) was laid on the table.

APPOINTMENT OF CONFEREES ON S. 1155, EXPORT-IMPORT BANK ACT EXTENSION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1155) to amend the Export-Import Bank Act of 1945, as amended, to change the name of the Bank, to extend for 5 years the period within which the Bank is authorized to exercise its functions, to increase the Bank's lending authority and its authority to issue, against fractional reserves, export credit insurance and guarantees, to restrict the financing by the Bank of certain transactions, and for other purposes, with a House amendment thereto, insist upon the House amendment, and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Mr. PATMAN, Mr. BARRETT, Mrs. SULLIVAN, Mr. REUSS, Mr. ASHLEY, Mr. MOORHEAD, Mr. WIDNALL, Mr. FINO, and Mrs. DWYER.

GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS BY MIDNIGHT TONIGHT

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

AUTHORIZING THE PRESIDENT TO PROCLAIM THE PERIOD FEBRUARY 11 THROUGH 17, 1968, AS "LULAC WEEK"

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 947) authorizing the President to proclaim the period February 11 through 17, 1968, as "LULAC Week."

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. GROSS. Mr. Speaker, reserving the right to object, I hope I may have the assurance of the gentleman from Colorado [Mr. ROGERS] that the adoption of this resolution is not going to cost the taxpayers of this country any money?

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Of course I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. No, sir, it will not.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 947

Whereas the League of United Latin American Citizens, better known as LULAC, a nonprofit, nonsectarian, and nonpolitical civic organization, in this year 1968 is observing its thirty-ninth anniversary; and

Whereas each year the week which includes February 17, the anniversary of LULAC's organization, is observed as LULAC week as provided by the league constitution; and

Whereas LULAC has achieved a proud record in training new Americans for citizenship, in improving the educational opportunities for young Americans of Spanish-speaking background and in promoting the highest standards of true patriotism among its members, while preserving the native charm of their Latin American heritage; and

Whereas this dedicated organization has consistently identified itself with worthy civic projects in the communities where LULAC councils exist; and

Whereas LULAC councils presently exist in nineteen States of the Union from New York and New Jersey to California and from Michigan to Texas: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the period February 11 through 17, 1968, as "LULAC Week", and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MR. ROGERS OF COLORADO

Mr. ROGERS of Colorado. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Colorado: Strike out the "whereas" clause in line 1, page 2.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

NAMING OF THE MISSISSIPPI VETERANS' HOSPITAL

Mr. RYAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to to the request of the gentleman from New York?

There was no objection.

Mr. RYAN. Mr. Speaker, the Washington Post, in an editorial this morning headlined "Affront," deplores the proposal to name the Jackson, Miss., Veterans' Hospital for the late Congressman John E. Rankin. The Post writes that it is a flagrant affront to the very idea of human equality.

Mr. Speaker, I have opposed this offensive legislation for the past 5 years, since it was first before this House.

If a rule is granted for H.R. 150, I intend to offer an amendment to strike that section which would designate the

Jackson hospital for John E. Rankin. There can be no justification for affronting the veterans of all races and creeds who have served this country by naming a Government facility for one who filled the CONGRESSIONAL RECORD with notorious expressions of bigotry.

If this hospital is to be named for an individual, then we might consider naming it after Medgar Evers, a veteran who fought for the highest ideals of American democracy and who was martyred for his dedication. This suggestion was made to me some time ago by Frank Weil of the American Veterans Committee.

The editorial from today's Washington Post follows:

AFFRONT

That offensively tasteless proposal to name a Veterans Administration hospital in honor of the late John E. Rankin has come up again in the House of Representatives. It ought to be quashed decisively for what it is—a flagrant affront to Negro Americans and to Jewish Americans and, indeed, to the very idea of human equality basic to the American ethos.

During his life, as a member of the House of Representatives, Representative Rankin fouled the air with racist and anti-Semitic slurs of the most reckless kind. He violated every rule of civility and decency. No doubt he ably served the people of Mississippi who elected him—largely white supremacists; and there can be no objection if they wish, with local funds, to raise a local memorial to him, say in the form of a fiery cross or a giant swastika. But to put his name on a national hospital would be to put a kind of imprecation on it and to make it unusable for many of the veterans it is supposed to serve. These men will have shed their blood for ideals John Rankin sullied and condemned.

SINGLE NATIONWIDE EMERGENCY TELEPHONE NUMBER

Mr. ROUSH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ROUSH. Mr. Speaker, the Members of the House of Representatives are aware of my interest in encouraging a single, uniform, nationwide emergency phone number. I have introduced legislation twice for that purpose; once in May prior to A.T. & T.'s decision; again this January when officials of the telephone company announced that they would offer "911" as that single, nationwide, emergency phone number.

I have said, on the floor of this House, that our problem now is to bring the importance of this issue to the American people; to encourage communities all over the Nation, large and small, to influence their public officials to implement this single, emergency number for their safety and welfare.

Where to begin? There might be several places to begin, and one of these that I think would be most appropriate is right here in the Nation's Capital, a city that is trying to be, and should be, an example to the rest of the country.

In connection with this, I am pleased to announce now that the Chesapeake & Potomac Telephone Co. is prepared to plan jointly with the appropriate city officials for the future introduction of the number "911" as the emergency number for use here in Washington.

Ralph Frey, vice president and chief executive officer of the Chesapeake & Potomac Telephone Co. of Washington, D.C., has indicated to me that that telephone company, which services the District of Columbia, is prepared to implement "911" as soon as the appropriate agencies in the city are prepared to handle emergency calls on a consolidated basis.

I would like to encourage the new Government officials here in our city of Washington and the public safety agencies involved to begin immediately to confer with the local telephone authorities so that Washington may become truly a demonstration city in the area of emergency communications. I need hardly remind anyone of the high incidence of crime in our Capital and of the fact that the President's Crime Commission report recommended such a number wherever possible, indicating when they did so that police arrests are correlated with rapid calls for assistance. In other words, more arrests occur when the reporting calls are received quickly.

It is my hope that the conversations will begin as soon as possible for the implementation of this uniform emergency number for Washington, D.C. I believe that we in the Federal City can thereby show the rest of the Nation the advantages of such improved communications and lead them in that pursuit.

CRASH FAMILY PLANNING PROGRAM

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LONG of Louisiana. Mr. Speaker, despite a critical fiscal situation in the United States today, amply demonstrated by continuing administration demands for a new tax hike, efforts are being renewed to supply to the Government of India $26 million for what is delicately described as a "crash family-planning program."

At a time when we are threatened with even more deficit spending, the American people certainly have little interest in curing the reproductive aberrations of the Indian masses. I do not think we would shock the sensibilities of the public if we suggested that birth-control pills and other contraceptive devices lend themselves to the free market, even in India.

But the Indian Government shuns the free enterprise system in favor of a planned economy—an economy apparently based solely upon the willingness of the United States to support it with food and money and now contraceptives, not to mention guns and armor and technical assistance of all sorts.

There is a dangerous argument abroad in any discussion of Indian-American relations, suggesting that we owe it to the Indian people in repayment for the resources she lost in her colonial era, as though America were a wayward husband forced to pay alimony. The fact is that India abandoned her real husband, Great Britain, and today the British nation is a hopeless bankrupt. The United States is really a naive suitor, bearing gifts to an oriental Purdah, unaware of her sordid past.

And at the same time the United States is making romantic overtures to India, behind the veil she flirts openly with our enemies and publicly condemns American interests in Southeast Asia and elsewhere. India's Prime Minister herself has referred to the United States as "aggressive" and "reactionary." She has said in effect that India would rather starve than assist the United States in the legitimate exercise of our policy. Then I say, let her starve.

But food is one thing, which few Americans would long begrudge, but supplies of contraceptives for ill-defined governmental social programs is still another, which Americans are hardly willing to approve with tax hikes and austerity programs at home.

Mr. Speaker, I include at this point an article from the Washington Post of February 2, which describes this American-supported birth-control program for India:

AID OF $26 MILLION SLATED FOR INDIA FAMILY CONTROL

(By Jean M. White)

A new $26-million grant to help India with its crash family-planning program is expected to be negotiated soon in New Delhi by the Agency for International Development.

The American aid package—$4 million in dollars and $22 million in rupees from surplus food sales—would be used to supply birth-control pills, condoms, jeeps for family-planning field workers, and visual aids and printing equipment for a mass Indian education and advertising campaign.

William S. Gaud, head of the Agency for International Development, told a Senate subcommittee yesterday that the AID mission in New Delhi expects to reach prompt agreement with the Indian Government.

The new proposal comes on top of a grant of $1.3 million to India last September to buy birth-control pills and condoms.

This marked the first time that the United States has used foreign-aid funds for direct supply of contraceptives to another country.

Gaud's testimony yesterday before the Senate Government Operations Subcommittee on Foreign Aid Expenditures was a major policy statement on United States overseas aid to family planning.

From an outlay of zero dollars less than five years ago, Gaud noted, AID now has moved to where it hopes to obligate up to $35 million for overseas family-planning aid this fiscal year.

Gaud observed wryly that "all hell would have broken loose" in Congress and the country if an AID administrator in 1965 would have attempted to do what AID now is doing in the birth-control field.

Gaud said AID officials were "working very hard" to find projects to spend "sensibly" the $35 million in foreign-aid funds earmarked for family planning by Congress last session. This was the first time foreign-aid money had been specifically earmarked for birth control.

DR. MARTIN LUTHER KING'S PLANS FOR ACTIVITY IN WASHINGTON IN APRIL

Mr. SELDEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SELDEN. Mr. Speaker, a few weeks ago I wrote to Attorney General Ramsey Clark asking that he initiate steps by the Justice Department to seek an injunction against Dr. Martin Luther King and other organizers of the planned demonstration in April in Washington, D.C. I did this because public statements by the march organizers stated that they are "willing if necessary to fill up the jails of Washington and surrounding communities."

I told the Attorney General that such statements indicated that the organizers of the demonstration contemplated illegal activities and actions during the march which could disrupt peace and order in our Nation's Capital.

I have received an answer from the Department of Justice which states:

Hon. ARMISTEAD I. SELDEN, Jr.,
House of Representatives,
Washington, D.C.

DEAR MR. SELDEN: The Attorney General has requested me to respond to your recent letter relating to newspaper reports concerning Dr. Martin Luther King's plans for activity in this city in April.

You may be sure that the Department of Justice is endeavoring to keep itself fully informed concerning Dr. King's plans and that we are considering various measures that might be taken to deal with such contingencies as may arise.

Sincerely yours,
WARREN CHRISTOPHER,
Depuy Attorney General.

Yesterday, I mailed the following letter to Mr. Christopher:

Mr. WARREN CHRISTOPHER,
Deputy Attorney General,
U.S. Department of Justice,
Washington, D.C.

DEAR MR. CHRISTOPHER: Thank you very much for your response on behalf of the Attorney General relative to my inquiry concerning Dr. Martin Luther King's threatened April demonstration in Washington.

Since my original letter to the Attorney General, subsequent press stories have indicated that planners of the April demonstration are considering such illegal activities as blocking bridges and establishing a "tent city" in the nation's capital, on the order of the Bonus March of the early 1930's.

Since silence on the part of public authorities has in the past emboldened those inclined to lawlessness, it will be reassuring if the Justice Department reiterated publically what should be, but apparently is not, understood by planners of the April demonstration: that we do not intend to permit a situation to develop in Washington which might lead to violence or other tragic results.

Only last autumn, we witnessed such an outbreak when a purportedly "peaceful" march on the Pentagon turned into a bloody mob scene. In view of the fact that Dr. King is at the present time encouraging and organizing people throughout the country to come to Washington, D.C. in April, the Justice Department should act now, rather than later, to prevent the establishment of a virtual seige on our nation's capital.

Sincerely yours,
ARMISTEAD I. SELDEN, Jr.

BOY SCOUTS REPORT TO THE NATION

Mr. HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a letter from the President.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, this morning many of us participated in the annual Report to the Nation Breakfast, of the Boy Scouts of America which was held in the banquet room of the Rayburn Building. This event was held in observance of the 58th anniversary of the Boy Scouts of America. It was attended by the Vice President of the United States, over 200 Members of Congress, key leaders on Capitol Hill, and 13 Scouts and Explorers selected to report to the President of the United States.

There is great significance in what the Boy Scouts of America has done to fulfill the responsibilities of the charter which was granted to it by Congress in 1916, and in the challenging program it has projected into the next decade to meet the compelling needs of boys in all segments of our changing society.

Following is a special summary of the proceedings of the report to the Nation breakfast.

At the breakfast, Mr. Edwin H. Gott, president of the United States Steel Corp., and a member of the executive board of the Boy Scouts of America, presented highlights of the organization's long-range program for expansion. He stated that the Boy Scouts of America aims to achieve in the next 9 years a 40-percent increase in membership or six and a half million boys at the close of the year 1976. This means bringing the benefits of scouting to a representative one-third of all American boys. Particular emphasis will be placed on reaching disadvantaged boys in urban and rural America.

The 13 report to the Nation Scouts and Explorers gave their personal experiences of how "Scouting Rounds a Guy Out." In a stimulating TV style roundtable discussion, they testified as to what Scouting has done for them in developing physical fitness, responsible citizenship and a deep sense of moral and spiritual values.

A special report on "Boy Scout Camping for Disadvantaged Boys" was presented to the Honorable HUBERT H. HUMPHREY, Vice President of the United States, by Alden G. Barber, chief Scout executive of the Boy Scouts of America. He reported that close to 26,000 disadvantaged boys, most of them non-Scouts, were given the opportunity to attend Scout camps in the summer of 1967 through private and public funds raised in the local Boy Scout councils.

Vice President HUMPHREY responded by commending the Boy Scouts of America for its outstanding cooperation with the President's Council for Youth Opportunity and lauded the results of last year's project. He expressed the hope that the goal of 50,000 disadvantaged boys in Scout camps would be achieved in the coming summer.

The following "Scouting Highlights" were made available to the Members of Congress and other key leaders at the breakfast:

The 90th Congress has 328 men who were Scouts or leaders, 26 more than the 89th Congress. Among them nine have been honored with the Silver Beaver Award by their local Scout councils, two with the Silver Antelope Award by their Scout regions, and two with the Silver Buffalo Award by the Boy Scouts of America. These awards are for distinguished service to youth and not just in Scouting circles.

Congress granted the Boy Scouts of America a Federal Charter in 1916. Since then, Boy Scouts and leaders have grown from 245,183 to over 6 million boys and leaders active in the program today. Since 1910, Boy Scouting has served more than 44 million boys.

Churches and synagogues of America are chartered to operate 75,000 of the Nation's 149,454 Scout units. Civic groups sponsor 28 percent of the units, while Schools and PTA's operate 22 percent of the Scout units.

Over 370,000 adult volunteer Scout leaders last year were given training by Boy Scout councils. Scouting's adult education program is specifically planned to improve the quality of the program for boys.

Nearly 26,000 disadvantaged non-scouts attended a Boy Scout camp in 1967. More than one-half million dollars, most of which was raised from private and organizational sources in 281 local Scout councils, helped make this possible. The 1968 goal is for 50,000 disadvantaged boys to have this camping experience.

The Boy Scouts of America is carrying out an extensive research and experimentation program to help make Scouting more relevant to disadvantaged youth. The program's objective is to improve and extend the program of Scouting in deprived urban and rural areas.

The 512 local Boy Scout councils own 830 Long-term Camps. Totaling 500,000 acres, last summer 733,471 Scouts and non-Scouts camped at them.

The 1969 classes at the Service Academies find that at West Point 59.2 percent were Scouts and 13.2 percent were Eagle Scouts; Annapolis has 64.5 percent former Scouts and 10.6 percent Eagle Scouts; and Colorado Springs has 58 percent former Scouts and 13 percent Eagle Scouts.

Of the 47 living Astronauts, 36 were Scouts and 6 were Eagle Scouts.

The Boy Scout educational Merit Badge program now covers 112 subjects and includes new ones such as American Business, Space Exploration, Engineering, Electronics, Oceanography, and Computers. Each year about 1.7 million merit badges are earned by Scouts.

The XII World Jamboree in August of 1967 (the first held in the United States) was attended by 12,017 Scouts and leaders from 107 nations who camped at Farragut State Park, Idaho. The theme "For Friendship" characterized the spirit of this international encampment.

The Seventh National Jamboree of the Boy Scouts of America will be held at the same Idaho site, July 16–22, 1969, with 40,640 Scouts and leaders expected. Scouts must be Star Scouts or better, and be at least 12 years old by September 1, 1968.

Mr. William Harrison Fetridge, vice president of the Boy Scouts of America, was master of ceremonies at the breakfast. In his concluding remarks he spoke as follows:

> This morning we have presented to you a panoramic view of what scouting is today and its long range plans for expanded service to youth in the year 1976. We hope you have caught the spirit of "76" and earnestly solicit the support of every one of you in your respective offices and spheres of influence. Together, let us move forward in our task of preparing a generation of young people who are prepared in body, mind and spirit to assume the responsibilities of citizenship and leadership in the building of a stronger and greater United States of America.

Today Senator RALPH YARBOROUGH is introducing in the other body, and Congressman JERRY FORD and other cosponsors are introducing in the House a joint resolution calling upon the Boy Scouts of America to serve the youth of this Nation to the end that more boys in every segment of our society will be involved in its program. I include at this point in the RECORD a statement by the President saluting the Boy Scouts:

> THE WHITE HOUSE,
> *Washington, D.C.*
>
> I am delighted to salute the nation's scouts and future leaders during the traditional observance of Boy Scout Week.
>
> For fifty-eight years, you have shown the world the truest meaning of honor, integrity, loyalty, and patriotism. And you have done it through example, not preaching; by deeds, not words.
>
> You have kept pace with the times, but you have not lost faith in our time-honored traditions.
>
> Since 1910, you have played an indispensable part in the lives of both your members and the nation you serve.
>
> Your helping hands have stopped at no barriers. You have reached out to boys in low income areas, and given those in remote rural America a chance to participate in the fullness of our land.
>
> Our nation is greater for your role in its history. And generations of its men are physically and morally stronger for their part in your great and growing movement.
>
> LYNDON B. JOHNSON.

STATEMENT BY FRANCIS J. BEATON, NATIONAL COMMANDER, DISABLED AMERICAN VETERANS, BEFORE COMMITTEE ON VETERANS' AFFAIRS

Mr. ANDREWS of North Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. ANDREWS of North Dakota. Mr. Speaker, earlier this morning it was my distinct privilege and honor to introduce to the Committee on Veterans' Affairs the national commander of the Disabled American Veterans, Francis J. Beaton, who is a distinguished citizen and resident and a longtime friend of mine from my hometown of Fargo, N. Dak. He has a long record of outstanding public service and is continuing that record as national commander of those who gave so much of themselves that our Nation might survive.

In World War II he served our Nation well, and bears the scars of that service.

In the same no-nonsense way, he addressed himself this morning to the problems facing America today. It was the feeling of the distinguished chairman of the Committee on Veterans' Affairs, as it was my feeling, that these remarks were so fitting and so well done they should be placed in the CONGRESSIONAL RECORD so all Americans would have the opportunity to study them.

Mr. Speaker, I include those remarks in the RECORD at this point:

STATEMENT BY FRANCIS J. BEATON

Mr. Chairman and members of the committee: It is, indeed, a privilege and a pleasure for me, as National Commander of the Disabled American Veterans, to appear before you and present our Legislative Program for the Second Session of the 90th Congress.

On behalf of the DAV National and State Officers assembled here this morning, I wish to express my sincere thanks and appreciation for the cooperation, interest, and help extended to us by your Committee throughout the past year.

We are also deeply indebted to you for your patience and understanding, and the personal consideration given to our many legislative requests.

The same compliments are extended to the very able staff members of the Committee, who have gone out of their way to assist us.

As you know, Mr. Chairman, the ingredients of DAV Legislative Programs are found in resolutions adopted by our governing bodies, the National Convention and the National Executive Committee.

Our most recent National Convention, held in Denver, Colorado, July 31st through August 4th, 1967, approved more than 150 resolutions. A majority of the proposals call for modifications in existing veterans programs, while others would authorize new ones. Additionally, a limited number of proposals relate to our country's policy and position in Southeast Asia.

On this last score, with your permission, I would like to voice a few observations about the current epidemic of urban riots and antiwar demonstrations. I am thinking in particular of those who desecrate our flag, the draft-card burners and others who confuse freedom with license. Such matters may not be directly related to the immediate concerns of your Committee; but I submit that they are of general concern to all members of Congress—and to all Americans who cherish and understand the full dimensions of freedom.

Let me say first that no one, surely, understands better than the Members of Congress how precious is the right to dissent. We also recognize that our institutions have been carefully framed to accommodate all kinds of utterly opposing viewpoints—including the merits of our Vietnam policy. It so happens that the DAV is pledged by mandate of our National Convention to support our policy in Vietnam—and we are proud to be counted in that category. But we recognize the right to those in opposition to disagree.

What we do *not* recognize—what we *do* condemn—what we view with disgust and outrage—are the antics of those who abuse their freedom, make a mockery of their rights and who subvert the whole meaning of liberty.

Let there be no confusion about the identity of these willful delinquents: I am talking about the so-called demonstrators who burn their draft cards, vilify the sacrifices of American soldiers, desecrate our flag, interfere with the movement of men and supplies, sit in at the Pentagon and, in other viciously childish acts and protests, render aid and comfort to the enemies of everything we hold dear.

No single right of citizenship exists without a corresponding responsibility. Freedom is not license. The right of one individual cannot be equated as outweighing the rights of many individuals. There must be limits to tolerance. Otherwise we are inviting anarchy.

It is all well and good for crusaders to argue that personal folly and criminal disorder are the products of ignorance, want and lack of privilege. But this country, this government and this Congress are fighting ignorance, want and lack of privilege as never before in our history.

This great fight cannot and will not be sustained, if citizens cannot walk their streets in safety, if our shopkeepers are terrorized by criminals, if our police are maligned and attacked for doing their duty, if—in short—something is not done—and done soon—to insure law and order.

Kooks and cowards have a right to their kookiness and a right to be cowardly in the privacy of their own kennels. They have no right to cripple the progress of our nation and the pursuit of its legitimate policies in peace as well as war.

A man who burns his draft card or who counsels others to do so is in clear violation of the law of the land and must be prosecuted.

If there is no law to prohibit burning of the American Flag, there definitely ought to be. The Flag is more than a piece of silk or cloth. It is a symbol of all we honor and cherish.

It is heartening to know that the House of Representatives has already passed and sent to the Senate two bills to curb some of these manifestations of idiocy. I am referring to H.R. 10480 which would make the burning of or malicious damage to the flag a federal crime, and H.R. 421 which would impose severe penalties for using interstate communications to incite, organize and promote a riot.

We realize that proposals of this nature invariably invite controversy as to their constitutionality. We do not profess to be expert in constitutional law. But when anarchy becomes a "Way of Life" for certain individuals, and when people who obey the law suffer outrages beyond the point of endurance, we think a legislative solution to the problems must be found. The DAV sees the provisions of H.R. 10480 and H.R. 421 as steps in this direction and we earnestly hope the full Congress will soon concur.

Before turning to our own National Convention resolutions, Mr. Chairman, there is another matter demanding brief comment.

We would be remiss if we did not at this time express our deep appreciation to this committee, and to the Congress, for your prompt and favorable response to the historic recommendations made a year ago by President Johnson in his unprecedented veterans message to the first session of the 90th Congress. The message was the first of its kind but, as we all know, it was not the last.

Later on in this testimony I shall address myself to the newest veterans message received by Congress; but it is only fair, I think, to recap here the results of that first message. There's never any shortage of people telling you what you've done wrong. So I think it's only fair to have someone tell you occasionally what you've done right.

Among other things—

You have expanded educational allowances under the GI bill.

You have widened opportunities for veterans with educational shortcomings.

You have eliminated inequities in the treatment of Vietnam veterans.

You have given substantial pensions boosts to some 2 million disabled veterans, widows and dependents.

In short, you took the recommendations of the President's first veterans message and contributed much to the comfort and well-being of those who, in the President's own words, "have brought greater justice and decency to the world."

Yet as always there is unfinished business. We hope, for example, that the Senate will quickly pass H.R. 12555 which the House approved last December. It is needed to protect pension rights against automatic reductions as a consequence of increases in other federal retirement benefits such as social security. We are happy that the President, too, has asked for Senate concurrence in his newest message.

I also want to take this opportunity, Mr. Chairman, to voice our special thanks and deep appreciation for the steadfast support this Committee gave to H.R. 2151 which provides for an annual audit of our accounts by the U.S. Comptroller General. As Public Law 90–208, this statute will enable us to avoid duplication and waste of effort in connection with filing our financial reports at state and city levels. Indeed, it will effectively serve to eliminate a perplexing problem that has plagued the DAV for a long time.

In particular I want to thank the distinguished Chairman of this Committee for steering the bill so competently through the full House of Representatives. He has our profound gratitude.

It is further in order, Mr. Chairman, to express our confidence in the work of the Veterans Advisory Commission whose report is due at the White House very soon.

The DAV is privileged to be represented on that Commission by a gentleman well-known to the members of this Committee: Mr. Claude L. Callegary, of Baltimore, Md., a Past National Commander of the DAV. Mr. Callegary has had a long and distinguished record of service to the cause of America's veterans. We are proud, very proud, to have him as our Representative on the Advisory Panel.

Our National Director of Legislation, Chet Huber, was given the opportunity last October 3 to appear before the Commission and to discuss, in a general wrap-up, the recommendations of other DAV officers in previous appearances before the Commission.

The fact that the vast majority of our recommendations are concerned with the disability and death compensation programs is a reflection of the major emphasis placed on these issues by the mandates of our National Convention.

I think, in these matters, we can anticipate that the Veterans' Advisory Commission will have quite a bit to say when it finally reports. This conviction is further bolstered by the fact that the President's message last week on veterans' affairs did not come to grips with these questions. The Administration has itself acknowledged that it is looking forward to the recommendations of the Commission which has a mandate of its own for a comprehensive study of such matters.

We applaud the decision to put democracy to work in this fashion. But since we have only this opportunity to outline our own views, we cannot wait to see whether and where our philosophy may parallel the Commission's ultimate recommendations. Thus we come, Mr. Chairman, to the heart of our testimony.

After a thorough study of the subject, we have concluded that the present rates of disability and death compensation are grossly inadequate to permit the veteran or his widow a position in our society which we feel they are entitled to enjoy.

Much has been said concerning the adverse effect of the continued increase in the cost of living upon those who are compelled by circumstance to subsist on fixed incomes. The 90th Congress has already enacted legislation to ease the economic burden of military personnel, federal employees, social security beneficiaries, welfare recipients and non-service-connected pensioners. Sponsors of such legislation in each instance have documented and justified the necessity of increasing these benefits to bring them more closely in balance with the rise in the cost of living. The DAV also recognizes the need for these increases to offset the shrinkage value of yesterday's dollar on today's market.

Surely, then, no one in this room needs to be reminded that disability compensation is also fixed income established by law. Or that the service connected disabled veteran has also been caught in the very same economic squeeze that has so seriously affected other federal beneficiaries.

The average increase of 10%, granted by P.L. 89–311, effective December 1, 1965, fell short by six per cent of bridging the gap between the buying power of the compensation dollar and the increase in living costs. This deficiency has since been compounded by an additional seven per cent rise in the cost of living. Moreover, it is a sad certainty that prices will continue to advance through 1968 at a rate of about four per cent. This will result in a corresponding decrease in the value of the veteran's compensation dollar.

We think it is abundantly clear that an overwhelming case exists for restoring the full value of disability compensation at the earliest possible date. This applies with special force to those who are so severely disabled as to be unemployable. This group has suffered an even greater erosion of their living standards.

It should be acknowledged that since 1933, when the present system of disability evaluation was established, there has been an overall increase of 154.6% in the rates of service connected disability compensation. However, during this same period, the average wage has increased nearly 600%, leaving a gap of over 400% between the increases in the rates of compensation and the wage of employed workers.

It should also be pointed out that the median annual income of full time employed veterans is now $7,300.00.

The veteran who is rendered totally unproductive because of disability incurred as a result of military service cannot reach this level of economic security. Because his total loss of earning power came about as a result of service to his country, it seems a matter of simple justice that the compensation payments for this particular veteran should be increased to a point commensurate with that of his able-bodied wage-earning contemporaries.

Veterans who are living solely on disability compensation payments stand to suffer most as the dollar's buying power diminishes. The net effect of this will be to push the veteran yet another step down on the economic scale. To forestall this adverse circumstance, the distinguished Chairman of this Committee has recently introduced at DAV request, H.R. 14995, a bill bearing the title "Service Disabled Veterans' Compensation and Benefits Act of 1968".

We realize, Mr. Chairman, that there will be numerous and varied requests made to your Committee during the course of its hearings. We realize also that priorities in these matters must be established.

We hope and pray that serious study and thoughtful consideration of this bill and the facts set forth above will lead your Committee to give its highest priority to recommendations for well-deserved increases in the rates of service connected disability compensation. As President Johnson has said: "We have not forgotten nor shall we ever forget their service to our country."

Another significant DAV proposal on the subject of compensation calls for a long-delayed increase in single statutory awards payable for loss of limbs, body organs and arrested tuberculosis. On July 1, 1952, there was granted an increase of $5.00 per month over the rate which had prevailed since September 1, 1946, a period of 21 years.

We believe that further consideration of the facts of this matter by the Committee will lead to recommendations for substantial increases in the special monthly compensation for these disabilities.

Moving now to the subject of service connected death benefits, Mr. Chairman, the DAV most emphatically supports the enactment of legislation to increase the present rates of Dependency and Indemnity Compensation payable to the widows, children, and dependent parents of deceased veterans whose death resulted directly from service connected causes. Our reasons for urging the adoption of such increases are essentially the same as those expressed earlier with respect to the need for increases in the rates of service connected disability compensation.

Mr. Chairman, I would at this point like to mention, in concise fashion, a few of the proposals which represent some of the most prime and pressing problems for disabled veterans and their dependents. Nothing in the order of presentation should be construed as indicating degrees of priority.

The proposals call for: Extending the full range of wartime benefits for veterans disabled as a result of extra-hazardous service; additional monthly compensation for veterans who have suffered the service connected loss of kidney or the loss of a lung; clothing allowances for veterans who, because of service connected disability, wear prosthetic appliances which tend to wear out or tear their clothing; raise to a realistic level the present $1600 allowance for the purchase of an automobile, to establish an independent Court of Veterans' Appeals; to provide an additional monthly allowance for widows who are receiving service connected death benefits and who are in need of regular Aid and Attendance; to provide for concurrent payments of compensation and pension under a specified formula; to provide additional compensation for dependents of veterans whose disability is rated not less than 40%; to increase the present burial allowance to $400; to provide Dependency and Indemnity Compensation to widows of deceased veterans who are rated 100% service connected for 20 or more years; to extend war orphans educational benefits on a proportionate basis to children of veterans rated at not less than 40%.

As expressed earlier, Mr. Chairman, time does not allow a detailed accounting of all our National Convention Resolutions. There is an assortment of proposals relating to employment, GI home loans, insurance and the National Cemetery programs that will demand our attention during the course of this session of Congress.

In the field of insurance we favor, among other things, the enactment of legislation to increase the maximum coverage of GI insurance to $30,000.

On the subject of housing, we request an increase in the grant for specially-adapted housing in line with the increase in building costs and an extension of this benefit to veterans who have suffered the service connected loss or loss of use of an upper and lower extremity. We also recommend that the maximum entitlement for guarantee of home loans be increased to at least $10,000.

The National Cemetery System is a subject which has the abiding interest of the Disabled American Veterans. We support current legislative proposals calling for transfer of national cemetery operations from the Department of the Army to the Veterans' Administration.

Last October the DAV was pleased to support H. Res. 241 which transferred jurisdiction over legislation relating to the cemeteries to the House Veterans' Affairs Committee. This change in control is a firm attempt to improve the cemetery situation, an attempt which has been clearly nourished by support from President Johnson in his recent message to the Congress. The President told the Congress that every veteran should have the right to burial in a National

Cemetery situated reasonably close to his home. The President said "I have asked the Administrator of Veterans' Affairs to make certain that the recommendations of the (Veterans' Advisory) Commission include proposals to assure this right in a meaningful sense."

The President's attitude, we are pleased to note, is in marked contrast to the Administration's policy, which for the past two decades has urged halting any expansion of the Cemetery System.

Another area of veterans' benefits which is of special importance to the DAV is the VA Hospital and Medical Treatment Program.

The Disabled American Veterans has a deep and abiding interest in the continuing effort of the VA's Department of Medicine and Surgery to maintain its prominence in the entire field of medical care.

One of the most serious obstacles to further progress is a shortage of adequately trained medical personnel. This shortage threatens to grow more serious as private hospitals compete for manpower. Moreover, unless more professional personnel in specialized fields are attracted to the VA, there will be a downward trend in the high level of patient care.

We are certain that this distinguished Committee will continue to give its full and close attention to this aspect of the medical program.

Another facet in this field which requires attention is the furnishing of out-patient medical treatment. Under present law this benefit is generally restricted to service connected disorders. Thus, with limited exceptions, veterans suffering from totally disabling service connected disabilities are not presently entitled to out-patient treatment for non-service disabilities.

Complete medical services, including drugs and medicines, are, however, available for the non-service-connected conditions of veterans of the Spanish-American and Indian Wars and to certain pensioners found to be in need of regular Aid and Attendance.

Because of the drastic reduction in the general health of a totally disabled veteran, we think it reasonable that he be entitled to out-patient medical treatment for *any* disability.

The DAV has a vital interest in the highly useful services performed by the Veterans' Employment Service in the Department of Labor. We have been and will continue to be concerned about adequate staffing of this federal agency to assure that the disabled veteran receives effective job counseling, employment placement, and referral to occupational training opportunities to which he is entitled under the law.

In this connection, the President, in his recent message, placed a high degree of emphasis on the need for enlarging the opportunities for veterans' employment. The President proposed that service disabled veterans receiving vocational rehabilitation on a part-time basis be given a training allowance. As you know, Mr. Chairman, presently a disabled veteran can take vocational rehabilitation and receive a training allowance *only if he trains full-time*. The President declared that "The disabled veteran should be able to keep his job while he prepares for a better one through vocational training, drawing the allowance it provides."

Mr. Chairman, my presentation this morning represents a general outline of our legislative objectives. There are many other significant proposals, both legislative and administrative, of high importance which we cannot possibly bring to notice at this hearing. It is a program that reflects the DAV's historic principle which seeks to improve the physical, social and economic well-being of men and women who sacrificed themselves for America. It focuses attention on the need for enhancing opportunity for employment and proper job placement so that the residual ability of the disabled veteran is used in the most productive way; that expert hospital and medical care be provided to restore disabled veterans to a state of good health; and to provide adequate and just compensation for service incurred disabilities. In short, we want to assure that the disabled veteran is restored to as good a position in civilian life as that to which he may have aspired had he not been disabled in the service of his country.

At present, the people of our country are particularly conscious of military service and the national defense. The intensity of the war in Vietnam has markedly stimulated public interest in that war and its related issues.

These related issues, of course, are meaningfully represented in the programs which this Committee and the Congress have approved for the benefit of the wartime disabled, his widow and orphans. These problems will continue to warrant and receive the attention of the DAV. As already indicated, the main-stream of our effort for this session of Congress is directed to improving the compensation program. As the purchasing power of the dollar has decreased, we feel it necessary to help the recipients of compensation by giving them substantial increases.

In closing, Mr. Chairman, I want to say that this hearing has been the high point of our Mid-winter Conference, and to say again that you have been most courteous and indulgent, and we do appreciate it.

With your permission, Mr. Chairman, I should like to submit for the record, copies of our National Convention Resolutions and an additional statement which the DAV presented on October 3, 1967, to the United States Veterans' Advisory Commission. The statement sets forth a full and comprehensive account of the legislative objectives of the Disabled American Veterans.

THE BLUE RIDGE JOB CORPS CENTER

Mr. WAMPLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WAMPLER. Mr. Speaker, last Sunday I was privileged to attend and participate in the first open house at the Blue Ridge Job Corps Center in Marion, Va.

The Blue Ridge Job Corps Center is operated by the Community Resources Division of the Brunswick Corp.

I have watched with keen interest the planning and development of the Blue Ridge Job Corps Center because I feel that it is an excellent example of the Federal Government and private industry combining to meet a critical need of our country. Without the efforts of such a fine, community-minded business organization as Brunswick Corp., such projects as the Blue Ridge Job Corps Center would be impossible—only a dream.

I saw demonstrated the methods used to train these young ladies in skills and techniques vitally needed today in our hospitals, clinics, and doctors' offices. In courses varying in length from 3 to 12 months, these young women learn skills which make them useful, productive members of society in a field where their services are so critically needed.

The professional staff members, headed by Center Director Thomas W. West, should rightly feel a great deal of pride in being at the hub of this unique and vital training program. These young women learn their new skills as a direct result of their efforts.

Among those participating on the open house program were: Rev. Edgar T. Ferrell, rector, Christ Episcopal Church, Marion, Va.; the Blue Ridge Job Corps Choir who sang "This Is My Country"; Mr. Thomas W. West, center director; Mr. R. G. Bensinger, president of Community Resources Division, Brunswick Corp.; and Dr. Peter E. M. Beach, project manager, Special Projects Branch of the Job Corps.

The Blue Ridge philosophy is that disadvantaged young women from rural sections, particularly central Appalachia have not fully utilized the Job Corps to to improve themselves in society. The thesis that these young women will be attracted to, adjust and develop more readily in a regionally located center designed to train and place them in known local health occupational opportunities makes the Blue Ridge Job Corps unique. It is an experiment to discover whether this is the best means for Job Corps to satisfy the needs of this and other segments of society. The total program is permeated by strong personal counseling, providing each individual the opportunity of developing toward independence, self-reliance, self-motivation, and self-realization.

The primary concern of Blue Ridge is for the individual Appalachian corpswoman. By fusing basic education, vocational training, and community living into a comprehensive program, the Center will be providing: basic skills necessary to make learning a lifelong process; training to become a self-supporting and productive citizen; and social, physical and cultural skills needed for an individual to adjust to society.

In a positive atmosphere, a dedicated and well-trained staff will effectively motivate and assist the corpswoman toward individual, realistic goals. A team effort, utilizing standards for operations and systems of evaluation for all facets of the program will enable the staff to facilitate the program and accomplish the objectives set forth by Blue Ridge Job Corps.

Corpswoman Barbara Elliott of Elizabethton, Tenn., has written an excellent theme entitled "I Am the Blue Ridge Job Corps." The text of her theme follows:

> I was born November 29, 1967 between the towering Blue Ridge and Alleghany Mountains. I am special. There is no other Center like me. I am the Blue Ridge Job Corps.
>
> I am a citizen of this great United States of America. I am a student. I am a Medical Secretary and a Nurse's Aid. I am a Ward Clerk and a Laboratory Assistant.
>
> I am 125 strong, young girls, I am from many states. My blood comes from the Carolinas, Virginia, and Tennessee. This makes me unique. This gives me a bloodline like no other Center's. I am special.
>
> I govern myself. If I disobey, I must punish myself. I am here to learn. I am enriching my character as well as obtaining a skill.
>
> In the future you can look at me and see a nurse's aid giving care to the sick. You'll

see a medical secretary writing the history of a hospital. As you keep peering into the distance, you will see a laboratory assistant working patiently in a lab.

So you see as time rolls on, I have become a network of young women working and helping to keep America free and always a harbor of hope to all young citizens who are endeavoring to keep the Blue Ridge Job Corps a reality. I—I am the Blue Ridge Job Corps for courageous young women.

SPEECH BY ED DALY, PRESIDENT, TULSA CHAMBER OF COMMERCE

Mr. BELCHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BELCHER. Mr. Speaker, under leave granted, I wish to insert in the Record the following speech made by Mr. Ed Daly, president of the Tulsa Chamber of Commerce, at the President's Day forum luncheon, Tulsa, Okla., January 4, 1968:

Address by Mr. Daly

The January 1, 1948 issue of the Tulsa Spirit provides interesting reading. President elect Harvey A. Heller was announced as the speaker for the January 8 Forum. The late Bill Way was chairman of the annual banquet on January 15 featuring General Patrick J. Hurley. This issue carried an ad from Glade Kirkpatrick's Guaranty Abstract Company. These three men, plus Tom McDermott and the late Russell S. Rhodes, were the guiding forces of the chamber during my staff association with it.

This same issue also carried the 1948 program of work. Twenty years have seen much accomplished. We have our new Federal building with post office. The last of the locks and dams are under construction, and the Port of Tulsa at Catoosa is underway. We have a master plan: a civic center. Most of the 1948 major projects have been attained. In the departmental projects for that year there appear strong similarities with departmental projects in 1968. Here lies the continuing push of your chamber. The repetitive work to be done year after year. Except nine out of ten projects for the 1948 railroad committee have now been laid to rest. They dealt with different aspects of improving rail passenger service. But the tenth one called for installation of escalator service at Tulsa Union Depot. That having been accomplished, we are now working to move the escalator to the assembly center. And that brings us to our 1968 program of work.

Your 1968 program contains ten major projects, but four of them have been specifically designated for completion in 1968.

1. "Implement the TMAPC transportation study with respect to a solution of Tulsa's mass transit problem." We must concern ourselves with mass transit before the movement of people becomes too complex and too costly. Mass transit is concerned with expressways, arterial streets, bus transportation, off-street parking and rapid transit. Rail lines radiate from Tulsa like spokes on a wheel in almost all directions. Rights of way are probably the most costly item in establishing any new system of transportation. But rights of way are available if we will explore with the railroads the use of high speed, light weight cars to service as far out as 70 miles from Tulsa in all directions. We should begin now to exhaust every facet of mass transportation. Los Angeles has found that tomorrow may be too late. In that city, the metroport plan involves spending over $400 million and will provide only getting to and from the airports. You may pass this off by saying we are not so big as Los Angeles. Let me tell you, one Tulsa employer stated that based on our present transportation systems, he will soon need 30 acres of land for employee parking alone.

2. "Work for educational and employment opportunities for the unemployed and underemployed who are willing to learn and work," much has been said about this problem. But the Chamber of Commerce feels a responsibility to help its members in all classifications to help them train persons to be production workers, warehousemen, automobile mechanics, retail clerks, office clerks, all service personnel. Many employers in Tulsa are now faced with a critical shortage of labor in all classifications. We would like to match employers' needs with employable and, where required, trained people and make taxpayers out of tax eaters.

3. "Complete a priority study on capital improvements upon which to base an omnibus bond issue." Tulsans have done exceptionally well down through the years in providing funds for our city, county, and school district. Recently some resistance has appeared due in large part to the many issues submitted in one year to the citizens. We should work toward not more than one bond issue election a year to provide funds for long range local government requirements.

4. "Materially and substantially step up a program to sell Tulsa and the opportunities in the Tulsa area." With Tulsa on the threshold of opportunities almost beyond imagination, we are facing growth potentials which must be told to the world. We will launch programs to capture a larger share of convention and tourist dollars. We will advertise by appropriate means our advantages for manufacturing, warehousing, and office operations.

These are the four projects your board of directors has ordered done in 1968.

But our concentration of these will not dilute our efforts in other areas. We are interested in progress for the port of Tulsa at Catoosa, including adequate access highways. We are interested in area development, trade development, efficient local government, all aspects of education. We will place special emphasis on State and National legislation. Unless the business community becomes active in government, we face the stark reality of having no business left. One of our major tasks is to preserve human individualism without which the voluntary spirit cannot live nor any voluntary organization exist. Efforts are being made to de-personalize the individual: To relieve him of responsibilities; to absolve him of prevailing evils and subject him to a mass approach in dealing with all problems. We are told society is responsible for the drop-out's lack of opportunity; for the delinquents' crimes; for the mob's fury; for decay and despair in the slums. Society is you and I, and everyone. It is an impersonal we. The we of the herd. We without faces, minds, and souls. In blaming society, no individual is offended, and it becomes easier to pass our responsibilities along to a centralized government which alone can deal with society. It is a basic belief of a Chamber of Commerce that individualism is important. That human dignity comes from effort and personal achievement.

So we hope to develop better communications with government, to assume a positive attitude in dealing with government. To work constructively together wherever possible, but to reserve our right to be critical or to recommend.

We have 31 committees in our Chamber. It takes this many to serve the diverse interests of our diverse membership. I do not believe any business should be under any moral pressure to belong to this organization. Just because there is a Chamber of Commerce in Tulsa does not put businessmen under any moral obligation to join. On the contrary, any employer who invests thousands or millions of dollars to provide employment for Tulsans imposes a moral obligation on the Chamber to look after him and to be concerned with "good living" for his employees. What I'm saying is this: If our members take their organization seriously, if our good program of work is implemented by our committees, we won't have any trouble raising our budget. Businessmen will gladly pay for services rendered.

Here in this room amongst the corporate and advisory directors are some of the men who made Tulsa what it is today. Look around your city and if you like what you see, say "Thank you" to these men for Spavinaw Water, the Tulsa International Airport, A.F. Assembly Plant No. 3, the Turner Turnpike, the civic center, the First National Conference for Peaceful Uses for Space, the forerunner for the location of North American Rockwell and Avco in Tulsa, two chamber-sponsored industrial districts, for the countless improvements their time and talent have provided.

The recent past, 1967, has likewise left its imprint and has merited still other "thank you's" for the jobs well done.

At this time of the year, the news media has a hey-day with the "top ten" news stories—political, sports, local—all facets of life.

Bill Henthorne has written a lot of headlines in his time, but I'd like to read just ten headlines of his administration:

1. Passage of the $17½ million bond issue to complete construction on the port of Tulsa at Catoosa and to open the oil capital to the sea and to the world.

2. Passage of the one-cent sales tax, a campaign coordinated by the chamber to insure more adequate financing of our city.

3. Organization of an industrial task force which told the Tulsa story face-to-face to eastern industrialists and for the publication of a Tulsa fact file in one comprehensive presentation.

4. Coordination of a number of technical courses to help alleviate Tulsa's skilled-labor shortage.

5. A successful State legislative program which saw six chamber-supported bills passed and four chamber-opposed proposals defeated.

6. Sponsoring of the first Tulsa career opportunities seminar in a significant move to keep our youthful talent at home when college educations are completed.

7. Formation of definite plans for a growth cities seminar here in 1968 and a national transportation exposition in 1969.

8. Tri-sponsorship, together with the Tulsa council of social agencies and the Tulsa labor council, of the fourth annual congress for area action.

9. Sponsorship of the first southwest agricultural forum, which gave Tulsa wide regional publicity and aired agriculture's problems and opportunities of tomorrow.

10. Organization of Tulsa's first world trade mission, which will send representatives of some dozen films to Central and South America in February in a search for expanded foreign markets.

Here in this room also are the people who will make Tulsa what it will be tomorrow. We know that everything around us is what we, as individuals, make it: our community life; our businesses; our government; our moral standards and social concerns; our progress; and our plans for a better future. Each of us contributes a little of his own and shares in the contributions of other individuals, within the context of our chamber of commerce activities, every effort we make to become better citizens; every increase in our understanding and appreciation of the free market system; every new responsibility we accept in a community cause, is our further contribution to human progress.

The chamber of commerce is a perfect mirror of the business community. It reflects the aims and aspirations of its voluntary membership through its program of work. It reflects the commitment of its voluntary membership through its committee achievements.

This is not sophistry: we can scale great heights if we want to or we can become stuck in a morass of inaction. We can come to grips with today's problems or we can abdicate our responsibilities to government. Your own experience tells you whenever the business community allows a vacuum to exist, the Federal Government is always ready and anxious to fill the void with yet another ineffective and costly program. Within this room and from among our membership are the abilities, the talents, the competencies to solve any problem which admits of local solution. An unselfish commitment by our members to our 1968 program of work will insure our continued growth and well-being. This then is my credo: I believe in the future of Tulsa because with all my heart and mind and soul, I believe in you.

SPEECH BY LUCIUS D. BATTLE

Mr. GIBBONS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GIBBONS. Mr. Speaker, a period of relative quiet has come to the Middle East and South Asia, that vast area stretching from Greece to Ceylon, which saw so much trouble and was so much in the news during 1967. The current respite has given a distinguished American diplomat the pause and opportunity to review and assess the year's events in the area and to weigh progress made against stalemates and setbacks encountered.

The Honorable Lucius D. Battle, Assistant Secretary of State for Near Eastern and South Asian Affairs, made that review and assessment in an address at his hometown high school in Bradenton, Fla., on January 28. I commend it to your attention, as follows:

SPEECH BY HON. LUCIUS D. BATTLE

I last spoke in Bradenton approximately 33 years ago on the occasion of my graduation from high school. I am probably the only person in the world who recalls that I spoke at all and certainly the only person who recalls one word of my remarks. Even I can recall only one sentence. I said in that relatively quiet period of history in the mid-1930's that "life today is swift and startling." Little did I know how swift or how startling the world could become in the space of the years since that event.

I am now responsible for U.S. relations with an area of the world in which events are swift and startling indeed. My responsibilities begin with Greece, Turkey, and Iran, move through the Arab-Israeli world and over to South Asia through India, Pakistan, and end with Ceylon. It is a troubled area searching for identity, seeking solutions to problems that try the soul and challenge the mind of man even in an age of scientific and technonogical advancement beyond the dreams of those 1930's in which the world seemed to me to move so rapidly. I think perhaps there is no area in the geographic breakdowns in which we in the State Department somewhat arbitrarily divide the world that is as diverse or as complex as that for which I find myself responsible. One can argue that divisions between my Bureau and other Bureaus are somewhat arbitrary and that I am left with not a rational division but with an incredible divergency of problems in which the areas of my responsibility have little reason and rest largely on what the world outside Washington might refer to once again as a bureaucratic mess. But on closer examination there are threads that run through the vast geographic area of my responsibility and which, to a degree, the story of the world's problems are told. The area of my cognizance can be separated into three vast groups—Greece, Turkey, and Iran forming one sort of Northern Tier; the Arab-Israeli countries with their recent war and its aftermath form another; and then the vast area of the subcontinent—India, Pakistan, Ceylon, and Afghanistan. These three groups include a country, Kuwait, with the highest per capita income in the world to countries with some of the lowest standards of living that this globe has yet encountered.

But there are strands that connect and flow through the entire area. These strands represent the true problems of our time which will face those of my generation and that generation of high school seniors that will probably repeat with a good deal more justice than my statement in 1935 that life today is indeed swift and startling.

What are those thrusts in the area of my responsibility that tend to relate to the diverse countries and areas I have mentioned? First and foremost is the problem of political instability. In the nine months that I have held my present assignment there has been in my area one full-scale war, numerous border skirmishes, a major coup d'etat in Greece, a serious crisis on Cyprus that nearly led to another major war, broken diplomatic relations with several countries, and conditions dangerous enough to require the emergency evacuation of 25,000 American citizens—the protection of whom is a key part of American diplomacy abroad. Why, we ask, this instability? First, there is the abject poverty in some parts of the Near East and South Asia. Just keeping people alive in India, Pakistan, and Egypt is a major undertaking. India, with a population of 515 million which is increasing by 12 million per year, has to import 8 to 12 million tons of grain each year to prevent starvation. Pakistan has a similar problem as far as the needs per capita of its people are concerned. One of Egypt's prime difficulties is to find sources of hard currency earnings to permit it to spend $100 million a year or more to feed one of the most rapidly growing populations in the world.

In some countries, poverty and the ever present threat of actual mass starvation create a situation in which stability on the political front becomes difficult to maintain. These needs force the countries affected to look outside for needed help. They create awkward relationships of dependency with countries that help meet these requirements. These relationships themselves can be unsettling and add to instability. They increase the temptation for leaders of impoverished and starving countries to blame someone else for their troubles in order to seek outside diversion for the misery of their millions.

Another major phenomenon that sweeps through the area of my responsibility is the burning sense of nationalism, often irrational by our standards and leaving in its wake a distinctly anti-Western undertone. The reason for this desire for a national identity is not hard to understand. Many of these countries are newly independent. Many have seen foreign domination removed only since the Second World War. The Arab countries, particularly Egypt, have sought to find a national identity and a place in the sun for millions of Arabs. In the process there have been sharp attacks on the former Western relationships rejected since the War. This is true of India, Pakistan, Cyprus, and others. Turkey and Iran have both gone through similar rebirths as modern nationalistic states only in the years since the end of World War I.

This new awakening sense of national identity and pride, understandable but bringing problems, contributes enormously to instability in the area. Inexperience and uncertainty as to how a nation should proceed add their part.

The Arab world has sought to remove the foreigner or limit his presence in the area and has made of the presence of foreigners a political whipping boy. This is one of the roots of the Arab-Israeli conflict, even though its origins sweep back to biblical times.

The near major war that I referred to a few minutes ago involving Cyprus derives from nationalism focused on the Island of Cyprus whose population is 80% Greek and 18% Turkish with a few other minorities present. Cyprus has been a simmering kettle for many years. On several occasions in recent years the nationalistic tensions between the Greeks and the Turks on the island have come near to embroiling Greece and Turkey in serious fighting.

The force of nationalism has been a key force in relations between India and Pakistan since their independence in 1947. The rivalry between these two countries has focused on Kashmir where fighting between Indian and Pakistani forces flared up again in 1965 when these two countries went to war over the issue of Kashmir.

A large number of the countries in my area lie on or near the perimeter of a powerful and ambitious country, the Soviet Union. As Western influence, particularly British, has been withdrawn from the area and as further withdrawals are contemplated by the British in the years ahead, the temptation on the part of the Soviets to fill a vacuum or to at least maneuver in troubled waters is very great. Soviet interest in the entire area goes back over many years, but its opportunities to take advantage of instable situations have increased and represent a real danger to many of these countries as well as a threat to Western interests. In other countries the Chinese communists are meddling.

Throughout the Near East and South Asia there is a pattern of arms races, difficult and perplexing and highly dangerous. For a new nation emerging as a free and independent entity, there is always an immediate concern for self-defense and for arms to signify both nationhood and independent self-reliance. The Soviet Union has played upon this desire for arms along with the instability growing out of poverty and hunger in an effort to increase its influence in the area. Today we are faced with massive shipments of Soviet arms into a number of countries but particularly into the Arab countries whose losses of planes and tanks and other equipment were very great in the June war. I do not believe that the Russians wish a resumption of hot war in the Near East. Every indication is that they do not and that they do not wish to see an East-West confrontation in that area. What they appear to want is to keep conditions unstable enough to increase the expansion of Russian influence where possible at Western expense without the risk of an all-out confrontation with us.

The Northern Tier states and the Arab countries and Israel lie across traditional trade and military routes between East and West and form a buffer between the Soviet Union and the new nations of Africa. It is in the interest of the United States to see that these countries are strong enough, prosperous enough, and stable enough to stand on their own two feet without undue dependence on any outside power. A basic requisite for prosperity and stability is an atmosphere of peace. Resources and energies sapped by internal disorders and chronic squabbles with neighbors delay or make impossible development into strong, self-reliant nations. Our efforts in the area are aimed at the goals of stability, economic development, and ability of individual countries to resist outside pressures.

We have found that our own interest in achieving a peaceful atmosphere has required both U.N. and American diplomatic intervention in an effort to achieve this peace. Most recently, American efforts in Cyprus combined with those of the U.N. and NATO, I believe averted a war between Greece and Turkey. At the moment we have strong hopes that Ambassador Jarring will succeed in his mission in the Near East and start the Arabs and Israelis on the road to a lasting peace.

There are other common threads in the Near East and South Asia. With few exceptions each government is seeking and some finding remarkable success in bettering the lot of their citizens. Their difficulties are incredible. Most of them lack the trained manpower, the capital, and the experience to cope with the problems and opportunities brought about by the industrial and technological revolution of the past 150 years. Without this combination the gap between these countries and the West will surely widen with an almost certain increase in bitterness, frustration, instability, tension, and misunderstanding.

These efforts should receive our full understanding. We must help in every way that we can, not merely on humanitarian grounds but because U.S. interests are involved and rest upon the need for stable economies and stable political structures. Some of the countries are having impressive success in filling their own needs. The Shah of Iran has made impressive headway in land reform and political and economic reform. Iran's annual growth rate is now a healthy 10%. Ceylon, Pakistan, India, and Afghanistan have made progress toward food self-sufficiency. Their use of new seeds and modern techniques of fertilizer have helped modernize the agricultural segment of their societies.

There are more kings and potentates in the area than in any other region of the world, but most of these kings are leading their people toward social, political, and economic reform.

The status of women is changing rapidly in many of these countries. We have a woman Prime Minister in India, the world's largest democracy. There are women Cabinet members in several countries. India has made much progress in eliminating the centuries-old degradation of the caste system. The search for education is astonishing. Colleges and universities exist where there were none a few years ago. Through the Educational and Cultural Exchange Program of the U.S. Government and of private institutions, we have received thousands of undergraduate and graduate students from all over the world. You have many in Florida. Education, these countries recognize, is the key to a country's ability to cope with the problems of the second half of the 20th century. We must recognize that the presence of many foreign students in our own country is an opportunity and a challenge. Let us hope that the knowledge and experience of our country can benefit through the development of these young brains and obtain the goals we seek. One of the most important exports that we and the British have given the world is the English language. This language is a major bridge in countries that have no common native language. The next generation of scholars, statesmen, scientists, and teachers need a common language that permits knowledge to flow from one country to another. Let that language be English and not Russian or Chinese.

There is another threat that links the countries of the Near East and South Asia. It is a common sense of pride and of dignity. Pride in the culture, the religion, and the pattern of life developed in these countries. At the same time, these nations seek development, they seek to maintain their own patterns of life and religion. Many of the world's great philosophies and religions have come from this area. Christianity, Buddhism, Judaism, and Islam were born in these countries. The contribution of these countries to science, architecture, and civilization are profound.

When I left Bradenton so many years ago, I saw the destiny of our people in this area and in our country as somewhat independent and unrelated to the rest of the world. I now know that our own destiny is closely tied to the world. We have a responsibility to understand and to help—a responsibility that reflects our own interest as a great power in the world. The essence of American civilization, the administrative and technical excellence, the progressive ideas of our society, coupled with the great material and political power that we represent in the world combine to make us a nation magnificently equipped to understand and to help bring economic and political stability to the countries of the Near East and South Asia.

U.S.S. "PUEBLO" INCIDENT

Mr. BROYHILL of Virginia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BROYHILL of Virginia. Mr. Speaker, few events in recent history have triggered more emotion, more concern or more skepticism on the part of the American people over the validity of our present leadership than the capture of the U.S.S. *Pueblo*.

On top of the tragedy of captivity, injury and death among our 83 sailors and far above the loss of the $15 million *Pueblo*, is piled a massive disbelief among our people that anyone in the present administration has the slightest idea of the status of the Nation's security.

It appears, Mr. Speaker, that far too many of those in charge of our national honor and security are more concerned with playing a sort of international tick-tack-toe in order to keep unblemished their own reputations as political and bureaucratic seers of the Nation's welfare.

Bonehead decisions are made concerning the Bay of Pigs; under-the-table deals are consummated with international powers; policy strategems are concocted and implemented, all designed to appease the international hunger of communism.

I believe, Mr. Speaker, the American people would welcome a little frankness from our political leaders. Certainly they are entitled to it. We have not been told the facts about the *Pueblo;* we are just beginning to learn them—6 years later—about the abortive Bay of Pigs; we know little more about the real conditions in Vietnam. We are treated as children among a wilderness of pseudointellectuals, alleged leaders of a great Nation, few of whom have ever stood for elective office where they would truly represent our people, but all wearing as their own hand-sewn cloaks of infallibility.

I suggest Mr. Speaker, that Members of this body forget political partisanship for a few days and make a collective effort to determine what is the real truth, the absolute facts about our capacity to live side by side with the forces determined to destroy us—the forces now killing Americans in far too many outposts in the world.

I have not the slightest doubt, Mr. Speaker, that it will only take a few more incidents like the *Pueblo*, a few more assaults on Saigon before it will be obvious to the rest of the world as well as our own people that we are not living as equals in the world with communism but are close to living a Pavlov-like existence of humble response to Kremlin stringpulling. I would like to know if such is the case, Mr. Speaker, and I am sure the American people are equally anxious to find out.

LEGISLATION CALLING FOR UNITED NATIONS STATE OF MANKIND ADDRESS ON WEDNESDAY, FEBRUARY 7, 1968

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, never before in the history of mankind has a secular organization been so endowed with so much potentiality as the United Nations.

Never before in the history of mankind has there ever been such a need for a world organization in which the disputes of a small, crowded, and chaotic world may be settled and to which the people of the world can look toward for hope and guidance.

If it is to attain its potentiality, I believe that it simply must be utilized more than it has, that is, we must find more ways in which to express its significance and ability. It presently is, in other words, a slumbering giant that needs to be exercised.

One of the ways in which its great voice may be exercised is through an annual state of mankind address such as that proposed in the other body by the Senator from Wisconsin, the Honorable WILLIAM PROXMIRE, and cosponsored by my highly esteemed colleague from Rhode Island, the very able Senator CLAIBORNE PELL.

These renowned gentlemen and others have, in the form of a concurrent resolution, proposed that the Secretary General of the United Nations be requested by the President of the United States to deliver an annual address to the people of the world on the current state of mankind.

I can think of no other way in which the true international significance of this well endowed organization may be better expressed than in such an address. It would be an address about the people of the world, by the people of the world, and for the people of the world.

Many great things could be derived from such an address but foremost, I believe, would be the realization by the people of the world of just how dependent we have become of each other. One nation's tragedy is the world's tragedy for in one way or another its effects will touch every nation. Because its ripple will touch all shores, it behooves each nation to concern itself with the well-being of all its neighbors—and with modern travel and communications being what they are, we certainly all are neighbors.

The world has grown up in many ways and it is time that its spokesman, the United Nations, assumes its rightful place. This legislation will contribute greatly toward this end. Therefore, Mr. Speaker, I would like to introduce in this body this concurrent resolution calling for an annual state of mankind address by the Secretary General of the United Nations.

I ask that we act expeditiously and favorably upon this legislation. Let us not find ourselves sleeping, perhaps eternally, aside of an international body that could have been.

COMMITTEE JURISDICTION PROVISIONS OF THE LEGISLATIVE REORGANIZATION BILL

Mr. McEWEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include pertinent extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. McEWEN. Mr. Speaker, as a portion of my remarks, I include for the RECORD a comparison of the committee jurisdiction provisions of the legislative reorganization bill which passed the Senate and similar bills introduced in the House. One of my task force colleagues will comment specifically on the question of creating a permanent committee of the House to deal with the subject of congressional ethics. The following material deals only with the provisions contained in the Senate-passed bill, compared with the recommendations of the Joint Committee on the Organization of Congress and provisions of House bills, concerning committee jurisdiction exclusive of the special question involving standards and conduct of Members, officers, and employees of Congress.

COMMITTEE JURISDICTION

SECTIONS 121 AND 122—PROVISIONS APPLICABLE TO THE SENATE

S. 355—Section 121 redesignates the Banking and Currency Committee as the Committee on Banking, Housing, and Urban Affairs. A standing committee on Veterans' Affairs is established.

Section 122 deals with membership of Senate committees.

Bolling—Same. Reid—Same. Print No. 3—Same.

NOTE.—Recommendations of the Final Report in re "Committee Jurisdiction," both houses, are listed below. Recommendations 1 and 2 for the Senate were dropped before the bill was reported in the 90th Congress.

Re Section 122, see recommendations under "Limitation on Senate Committee Assignments," Final Report pages 18–20.

From Final Report, pages 14–18, "Committee Jurisdiction":

"Senate Recommendation 1—A Committee on Education shall be established as a major standing committee. The Committee on Labor and Public Welfare shall have its jurisdiction redefined so as to exclude matters pertaining to education, and so as to consolidate in one committee all programs and activities concerned with labor and public welfare."

"House Recommendation 1—The Committee on Education and Labor shall be divided into two committees: the Committee on Education, and the Committee on Labor and Public Welfare."

"Senate Recommendation 2—The Aeronautical and Space Sciences Committee shall be redesignated the Committee on Science and Astronautics, and it shall assume jurisdiction over (a) the National Science Foundation, (b) the Bureau of Standards, and (c) research involving environmental sciences."

"House Recommendation 2—The Committee on Science and Astronautics shall be assigned jurisdiction over research involving environmental sciences."

"Senate Recommendation 3—The Banking and Currency Committee shall be redesignated the Committee on Banking, Housing, and Urban Affairs."

"House Recommendation 3—The Banking and Currency Committee shall be redesignated the Committee on Banking, Housing, and Urban Affairs."

"Senate Recommendation 4—A Committee on Veterans' Affairs shall be created as a minor standing committee."

"Joint Recommendation—The jurisdictions of the standing committees of each House shall be revised to include areas over which the committee are currently exercising jurisdiction without clear authority in the rules."

From page 48, "Ethics":

"The House of Representatives shall create a Committee on Standards and Conduct."

SEC. 131. JURISDICTION OF HOUSE STANDING COMMITTEES

S. 355—Would make the following changes in jurisdiction of House committees:

(1) *Redesignate* the Committee on Banking and Currency as the Committee on Banking, Housing, and Urban Affairs, conferring upon that committee additional jurisdiction with respect to urban affairs generally;

(2) *Establish a new* Committee on Education, with jurisdiction over measures relating to education generally, library services and construction, etc., measures relating to economic opportunity and "alleviation of poverty," the Public Health Service and National Institutes of Health;

(3) *Redesignate* the Committee on Education and Labor as the Committee on Labor and Public Welfare and confer upon that committee, in addition to matters relating to labor heretofore within its jurisdiction, the subjects of maritime unions and railroad labor;

(4) *Add* to the Committee on Science and Astronautics jurisdiction over the subject matter of research and development in environmental science, including ESSA, and reword its existing jurisdictional area to read "scientific research and development generally;"

(5) *Establish* a bipartisan Committee on Standards and Conduct (see under "Ethics"), and

(6) Adjust the jurisdiction of other standing committees to conform to these changes.

Bolling—Retains only (1) above; adds provision extending jurisdiction of House Rules Committee to include contempt-of-Congress citation requests (see under "Contempt Citations"), and gives jurisdiction over mining research laboratories to Interior Committee.

Reid—Retains only (1) of S. 355.

Print No. 3—Retains only (1) of S. 355; adds its own provision for a "Committee on Standards of Official Conduct" (see under "Ethics").

NOTE. See above for recommendations of the Final Report. Numbers 1 and 2 for the Senate were deleted from the clean bill, S. 355, reported in the 90th Congress. The Senate adopted three amendments—No. 65 on Feb. 8, No. 37, on Feb. 1, and No. 93 on Mar. 2, dealing with jurisdiction over national cemeteries and adding grandfather clause language in re Senate committee membership, respectively. Traditionally, the Senate does not discuss matters relating exclusively to the House.

CAN CUBA JAM OUR SATELLITE COMMUNICATIONS?

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, not too long ago our scientific technology reached the point that we were able to establish communications with most of the world via satellite.

Even today we can see the action of the Olympics as it happens.

But in addition to the entertainment value allowed us because of this breakthrough, there has developed a heavy traffic in normal business and personal communication. I think that this communication traffic will continue to increase.

Therefore, it was with concern that I read an article describing the means by which the normal operations of these satellites could be disrupted by Cuban jamming devices.

I have written to the Federal Communications Commission, the Department of Defense, and Communication Satellite Corp., to determine if indeed Castro could jam all satellite communication between the United States and Europe.

It also concerns me that Cuba may be able right now to intercept any all messages sent via satellite between here and Europe. I would hope that there is nothing of a classified nature being sent by the Government, but I would like to quote from the article briefly:

> Information about the nation's business is being placed to a greater extent on international circuits. It is common practice in intelligence operations to collect large amounts of seemingly unimportant information and to construct from this a picture which has considerable meaning.

And:

> The effects of suddenly terminating a large portion of a nation's international communications is an appalling thought.

I certainly agree. We do not allow cavalier tapping of our phones and communications within the Nation and should act to see to it that this is not being done via satellite.

At this time, I would like to enclose in the Record for the information of my colleagues the article from the Times of the Americas:

Castro Reported Able To Jam Communications

(By Jay Mallin)

Miami.—Cuban Dictator Fidel Castro has the electronic capability to jam or listen in on communications via satellites, according to scientific sources in this city.

These sources say that Castro, who has "a predilection for causing mischief," can at any time black out communications that are carried via American satellites over the Atlantic. Satellites are used for the transmission of telephone, television and telex signals.

Equipment that is now reported to be in Castro's hands can "scan" the Atlantic, according to these authoritative, non-governmental sources. This means that the operational range of the equipment extends over the Atlantic (but not beyond).

The United States today has two commercial synchronous satellites over the Atlantic: Early Bird and Atlantic Two. These satellites move in set circles at set heights, and thus can be used for the transmission of signals between Europe and the United States.

One scientific source pointed out: "The threat posed to national security is not trivial. The amount of international traffic is rapidly increasing. Thus, information about the nation's business is being placed to a greater extent on international circuits. It is common practice in intelligence operations to collect large amounts of seemingly unimportant information and to construct from this a picture which has considerable meaning."

Castro can carry out this intelligence operation, and it may well be that the Russians are also using Cuba as a base for electronic eavesdropping. At the same time, and using the same equipment, Castro, or the Russians, could jam and effectively black out any or all transmissions.

The equipment used is basically radar and it employs radar discs. The sources say that ordinary radar equipment can be used, provided certain modifications are made in it. One source said: "Any qualified radar specialist can make these modifications. The added equipment would cost no more than $50,000."

The source commented, "The effects of suddenly terminating a large portion of a nation's international communications is an appalling thought."

EDITORIALS REFERRING TO THE EXPORT-IMPORT BANK

Mr. WIDNALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WIDNALL. Mr. Speaker, it was my intent yesterday to offer for inclusion in the Record a number of newspaper editorials and also an article from the Washington Post dated Tuesday, February 6, 1968, to be recorded immediately after my remarks supporting an amendment to the Export-Import Bank bill, that I offered, concerned with stopping the funding of the sale of arms to underdeveloped countries through the Export-Import Bank.

I now offer these editorials and the article for inclusion in the Record:

[From the Chicago Tribune, July 20, 1967]

Sowing Dragon's Teeth

Republican members of the House of Representatives are zeroing in on one of the most vulnerable aspects of recent United States foreign policy—the practice of spreading munitions widely over the world at the expense of the American taxpayer, munitions controlled by governments and armies over which the United States has little control or none.

Rep. William B. Widnall of New Jersey reported that many congressmen have been shocked by what they heard at a recent closed-door hearing of the banking and currency committee concerning operations of the Export-Import bank. These hearings, Widnall said, "confirmed our worst suspicions" about American involvement in the international traffic in arms.

Since 1962, the bank has approved 1.9 billion dollars in arms loans—including "Country X" loans in which the bank does not even know the borrowing country's identity but acts blindly on recommendation of the defense department. Rep. Widnall raises the question of what guarantee there is for the American citizen, who supports with his money both the bank and finances these secret transactions and the defense department that sponsors them.

Tho details are secret, it is well known that munitions supplied by the American taxpayer to foreign governments are likely to be used against adversaries of those governments, rather than against countries hostile to the United States. In the recent dangerous war in the middle east, both the Israelis and the Arabs used material supplied by the United States. In the somewhat earlier shooting across the India-Pakistan border, the United States again had supplied both antagonists. In Greece, the recently established dictatorship was powered with American supplies.

As Rep. W. E. Brock of Tennessee, a colleague of Widnall's in the banking and currency committee, said for a number of Republican congressmen besides himself, "We question how arms and the participation in the international arms race can be beneficial to any developing country."

Without most Americans being aware of it, their national government has been doing a big business in sowing dragon's teeth in the soil of numerous foreign countries. Our government has often proclaimed its desire to discourage "proliferation" of nuclear armaments. In a world in which there can be no guarantee that small wars with "conventional" armaments will stay small, is it not high time to challenge the Johnson administration's policy of eager "proliferation" of nonnuclear weapons here, there, and almost everywhere?

We agree with Representatives Widnall and Brock and other congressmen who think that it is.

[From the Washington Post, July 21, 1967]

An Export-Arms Bank?

Some agencies of the Federal Government, it would seem, are no longer what they appear to be. The Export-Import Bank of Washington was established in 1934 to assist in the financing of commercial exports. But last January the alert staff of the Senate Foreign Relations Committee reported that the Eximbank had "taken an active interest in the financing of military export sales." And now, on examination and questioning by the House Banking Committee, it appears that fully 36 per cent of the Eximbank loans in the fiscal years 1966–67 were for arms.

The nearly $1.6 billion of arms credits extended by the Eximbank since 1963 fall into two categories. Medium term loans were made to industrial countries. Italy and Austria were beneficiaries of that program in 1963, a time of great tension over the disputed South Tyrol. Then there are the guaranteed "country X" loans, arranged on behalf of the Defense Department, principally for the underdeveloped countries of Latin America.

The single justification for these surreptitious operations—the argument that loans rather than grants result in smaller balance-of-payments deficits—does not in any way diminish the threat to democratic institutions. The House Banking Committee, which is supposed to supervise the Eximbank, was never informed of the military loans. Indeed, that Committee was placed in a position similar to that occupied by the National Student Association in its relationship with the CIA.

What is worse, the Eximbank loans were used to circumvent the $55 million ceiling on annual arms exports to Latin America imposed by the Senate. In fact, the Eximbank lent as much as $50 million to individual South American countries.

In the ensuing embarrassment, Senator Ellender recommended that the Eximbank be prohibited from extending "country X" loans in the underdeveloped parts of the world, but be permitted to continue with its developed country programs. That compromise fails to get to the heart of the matter and should be roundly rejected. The Eximbank, as Representative Henry S. Reuss observes, has managed within four years to become embroiled on both sides of almost every armed conflict, actual or potential. Permitted to continue in that insidious role under the cloak of secrecy, it would constitute a threat to both representative government and world peace.

[From the New York Times, July 24, 1967]

Feeding the Arms Race

Some members of Congress are beginning to ask searching questions about America's government-sponsored, booming international arms business. It's about time. A series of events in recent years has cast serious doubt on some of the basic assumptions that underlie the arms aid and sales programs. In a number of situations, it is clear that the decision to sell or give American arms has done more harm than good to the interests of the United States.

In a series of articles on the arms business, Neil Sheehan reported in The Times last week that this country has given away or sold $46.3 billion worth of arms in the last seventeen years. Weapons sales in the last fiscal year totaled $1.5 billion and the Defense Department's supersalesman of arms, Henry J. Kuss Jr., says he intends to boost that figure to $2 billion a year for the next eight years.

Administration spokesmen argue that arms sales and aid have helped to strengthen free world defenses against Communist aggression. They point out that 89 per cent of recent arms sales have gone to members of the NATO alliance. In most cases, such sales unquestionably have given American allies more and better arms for their money because of superior American research and the efficiency of mass production. But these advantages have been bought at a price that is becoming increasingly dear for the alliance and the world.

Aggressive sales tactics have provoked growing resentment among European countries who fear the political consequences of overdependence on the United States for arms and the economic implications of increasing American superiority in the technologies associated with arms development. Instead of bowing meekly to the American drive for dominance in the arms field, the Europeans have entered the international arms competition with determined vigor, further aggravating the worldwide arms race.

The United States is also shipping increasing amounts of weapons to the developing nations—1.2-billion dollars' worth in the last five years—in the name of "mutual security." This is an area of the arms business particularly open to question. Sometimes arms aid is justified in terms of political expedience, for the purchase of political influence. More often then not, such influence proves to have been an illusion, as when Pakistan cast her lot with Red China against India; or, in the case of the Soviet Union, when Jakarta's generals used Russian arms to suppress a Communist uprising.

Certainly some arms sales and aid will continue to be prudent where proven friends are seriously threatened and for as long as the Soviet Union refuses to cooperate in curbing arms races, as in the Middle East.

But the search for alternatives, such as arms limitation and the development of effective United Nations peace-keeping forces, must be pressed with vigor and imagination. To continue to peddle arms with the reckless enthusiasm that has characterized American policy in the recent past is to settle for a solution to the problem of international insecurity that is demonstrably self-defeating.

[From the New York Times]

ARMS MERCHANT TO THE WORLD

In the broadening Congressional inquiry into America's new role as the world's leading arms merchant, a particularly hard look needs to be taken at United States arms sales to underdeveloped countries.

Senator Symington accuses the Administration of "back-door" financing of such shipments. His charge has to do with the practice under which the Export-Import Bank extends credit to the Defense Department for a sale to "Country X," without ever knowing what country it is and without public record of the sale. The evidence suggests that what is wrong with the Government-sponsored arms business—in which Export-Import Bank credit is only one of various channels, though an increasingly important one—is not so much trickery as looseness of controls and inadequate consultation between executive branch and Congress.

Until very recently, at least, objections by the United States aid and disarmament agencies to individual sales—on grounds that they burdened an underdeveloped country's economy or stimulated a regional arms race—often failed to receive a proper hearing. Private firms sometimes go ahead with contracts in evasion of official policy or in ignorance of it. Controls written into sales to foreign governments wither as the arms are resold.

This laxness is explainable in part by a lack of precise guide rules as to what is and what is not in the national interest. In principle, arms may be sold to an underdeveloped country only when that promotes mutual security or regional equilibrium, without over-burdening the recipient's economy. In practice, other considerations of strategy or mere expediency tend to confuse the picture.

Thus the spectacle of Indians and Pakistanis, Israelis and Jordanians, battling each other in American armor. Thus, too, the episode surrounding the 1965 sale of 25 Skyhawks to Argentina, at bargain prices. That sale was made, Secretary of Defense McNamara acknowledged in 1966, not for security reasons but to prevent Argentina from buying expensive jets from Britain. The result? Argentina's suspicious neighbor, Chile, bought the British jets; Chile's rival, Peru, is negotiating for something new for Latin America—supersonic jets from France; and the Latin-American arms race threatens to escalate to a supersonic level of spending—and tensions—in the whole region.

A clear line must surely be drawn between the industrialized nations and the underdeveloped world in the matter of using arms sales to decrease the United States balance-of-payments deficit. The $1.2 billion in arms purchases from the United States by the underdeveloped lands in the past five years may be only 11 percent of total American arms sales during that period, but it represents tragic diversion of scarce resources for desperately needed economic development.

The hard sell has no place in arms-dealing with Latin America, Asia and the Middle East. Selling arms to some of these countries for reasons of mutual security may be something the United States can't avoid. Doing it for profit is something the United States can't afford.

[From the Washington Post, Aug. 6, 1967]

PROMOTING ARMS EXPORTS

Instead of acting to take the Export-Import Bank out of the business of financing exports of armaments, the Senate Banking Committee reported out a bill that will actually deepen the bank's involvement in that dangerous traffic.

Several of the Committee's amendments to the authorization bill, which would raise the bank's lending authority to $13.5 billion, purport to limit the financing of arms for the less-developed countries, the so-called "country-x" loans. Loans to the less-developed countries would be made at the request of the bank's lending authority and would have to be reported to the House and Senate within 30 days.

The only advance achieved by these provisions is to make Congress privy to the secret loans after they are made. In setting the limit at 7.5 per cent of the Eximbank's authorization, the Committee would permit the "country-x" loans to rise from the present level of $604 million to more than $1.1 billion. And as outstanding loans are repaid, fresh credits would be extended. Moreover, since the Committee failed to provide a tight definition of a less-developed country, there is nothing to prevent the bank from regarding some poverty stricken state in South America or Africa as "developed" in order to finance its arms purchases.

The financing of arms exports, where necessary to advance this country's interests, should be accomplished within the framework of treaty organizations, not surreptitiously by an agency that was established for promotion of commercial exports. Congressmen on both sides of the political aisle believe that Eximbank's activities are incompatible with the maintenance of world peace. Rep. William B. Widnall made a valiant effort to amend the bill before it left the House Banking Committee, and for his pains was intemperately denounced as a "Communist" by Chairman Wright Patman. Sen. Allen J. Ellender has raised a strong voice in opposition and it is to be hoped that he and others will insist on a genuine arms-financing prohibition when the bilf reaches the Senate floor.

[From the New York Journal of Commerce, Aug. 3, 1967]

HOW WILLING A HANDMAIDEN?

Those who remember Senator Gerald P. Nye's diatribes against the "merchants of death" in the middle-1930s are doubtless disturbed about the involvement of the Export-Import Bank in the sale of well over a half billion dollars' worth of armaments to selected underdeveloped nations during the past two years.

Thirty-odd years ago, Senator Nye was charging that private interests in the United States, Britain, France, Germany and Czechoslovakia were endangering the peace of the world by hawking expensive armaments in countries which couldn't afford to buy them but, in view of the rate at which their neighbors were arming, felt they couldn't afford not to, either. The charges heard in Washington during the past few weeks are to the effect that the same thing is happening now, but that the real "merchants of death" are today to be found in the Pentagon and that the Eximbank is their more or less willing handmaiden.

These charges are disturbing, too. The issue to us is not whether Washington is right or wrong in making sophisticated armaments available to Israel, Jordan, Iran and Chile—to mention just a few—on relatively favorable terms. That is a politico-military question that we do not consider within our province. What disturbs us is the use (pretty well concealed until recently) of the Export-Import Bank as a sort of conveyance for these transactions. This may have seemed a convenient device when someone either in the White House or the Pentagon first hit upon the idea, but it could prove quite damaging to the image of the bank itself as a promoter of commercial exports.

The issue is best looked at in perspective. When the Export-Import Bank was established in 1934, its one primary purpose, as established by Congress, was to promote American exports via the extension of short-term credits.

It was not then viewed as a potential economic arm of American foreign policy, much less a political arm. Its sole function was to assist commercial exporters who required some kind of assistance if they were to secure footholds in certain foreign markets, most of them initially in Latin America, where credit and purchasing power had been badly battered during the early years of the depression. Whatever aid the architects of Washington's international economic policy could count upon via this institution would be incidental in some cases and indirect in all others.

For 30 years the Export-Import Bank functioned as a prudent and even profitable institution. At times since World War II it has found itself called upon to undertake some ventures it found risky on economic grounds but which Washington wanted for political reasons.

After Congress voted to expand its field in 1945, Eximbank began undertaking longer term project credits and, in effect, became a sort of government-backed investment banker. However, it did not compete with private capital and limited its activities to commercially sound projects in all instances where it was free to do so.

Until the Senate Foreign Relations Committee hinted at the end of this past January that some screening of Eximbank's role in U.S. arms sales was in order, little occurred to cloud the bank's image as a discreet, nonpolitical banking institution devoted to the encouragement of American exports under strictly businesslike procedures.

As it happened, little attention was paid earlier in the year to the Foreign Relations Committee's suggestion. Only within the past few weeks has it become generally known that many American arms sales have been handled via the Eximbank under guarantees from the Defense Department, or that the Defense Department has been issuing these guarantees at higher rates of interest than the bank gets from its foreign clients.

In all fairness it must be admitted that this does not in itself constitute any outrageous act of deception on the part of the administration. This country has given away so much, bartered so much and sold so much for blocked foreign currencies under Public Law 480 and other devices that a shading of interest rates on foreign arms purchases adds up to pretty small potatoes. Or it would if the Export-Import Bank hadn't been caught in the middle.

This is the whole point. Why, to begin with, was it considered necessary to drag the Export-Import Bank into a series of politico-military deals which, if discovered, would inevitably compromise the bank's stature as a purely business affair?

Why could not the Department of Defense have handled the entire financing on its own? After all, it has the funds or has access to them; otherwise it couldn't guarantee repayment. Or why couldn't it have been handled through the Treasury? Or perhaps by a totally new (and quite unpublicized) entity responsible to both? Costs would not necessarily have been appreciably higher and if and when the whole mechanism was exposed to public view, an institution as useful and respected as the Export-Import Bank would not suddenly find itself the target of those who disapprove of the whole business.

As matters stand, the Export-Import Bank is now likely to find itself on a rather hot Congressional griddle. Its requests are being questioned and its whole purpose in life is being questioned, too. It will be some time yet before its nonpolitical status can be restored in the eyes of foreigners as well as Americans. The more the pity because the whole thing—no matter how convenient for the Pentagon—was unnecessary.

[From the New York Times, Aug. 12, 1967]

LIMIT ON ARMS SALES

The Senate's refusal to prohibit the Export-Import Bank from financing American arms sales to underdeveloped countries is unfortunate but not irreparable. The closeness of the 48–40 vote shows an awareness on Capitol Hill that conversion of the bank into a principal channel for a secret flow of tanks and planes to countries too poor to afford enough shoes and food has been a disservice to world stability.

These sales are diverting scarce Asian, African and Latin-American resources from economic progress and contributing to regional arms races that have more than once exploded into war. Concern over this misapplication of resources is evident in the lowered ceiling that the final Senate bill puts on the arms loan authority.

One explanation for the Senate's failure to go all the way may have been a feeling in some Congressional quarters that taking the Export-Import Bank out of the financing end of the arms business would evade the root of the problem. That root is the Defense Department's revolving fund created by Congress at the request of the Eisenhower Administration in 1957. The understanding was that this fund would help taper off arms grants by facilitating arms credits through commercial banks. Instead, it has become the vehicle for underwriting the "country X" loans through which the Export-Import Bank helps underdeveloped countries buy arms without even knowing which countries are involved.

The system has been conducive to permissive if not overeager sales to underdeveloped countries without any adequate examination of whether each transaction is in the total best interest of the United States. An amendment to the foreign-aid bill by Senator Church, passed 12–6 by the Foreign Relations Committee, would abolish the revolving fund at the end of the year. That would reroute arms sales into the regular channels of the foreign-aid program, where they would be subject to tighter top-level controls within the executive branch and to closer Congressional scrutiny. That is the heart of the matter. The Church amendment sets the stage for the real policy battle on arms sales. The amendment should be passed.

[From the Washington Post, Feb. 6, 1968]

SHIFT BY UNITED STATES IS CRITICIZED—JET DEALS SNARL LATIN POLICY

(By John M. Goshko)

LIMA.—Defense Secretary Robert S. McNamara had some soothing words not long ago for Congressmen who feared the Alliance for Progress might fall victim to a Latin American arms race.

Testifying before the House Appropriations Committee last April, he said: "We have sought, with considerable success, to avoid diversion of Latin American resources to the creation or support of unnecessarily large or sophisticated military forces."

A Defense Department "fact sheet" issued later said: "The Latin American nations have not been acquiring large amounts of heavy equipment. In contrast to most other areas of the world, there are no supersonic aircraft in Latin America."

Now, less than a year later, these reassurances echo mockingly over the shambles of U.S. arms policy toward Latin America. At home and abroad, it has been charged that this policy is inconsistent, hypocritical and at cross-purposes with professed U.S. support of the Alliance.

In Congress, the controversy became so heated that it threatened to scuttle the whole foreign aid bill. The legislation that finally emerged is so imprecise about future arms shipments to Latin America that aid and policy administrators say they don't understand what it means.

LATINS TO GET JETS

The blowup was triggered by the news that Peru plans to buy 12 to 16 supersonic French Mirage jets, that Brazil is almost certain to do the same and that Argentina is negotiating for modern French AMX–30 tanks.

In reacting to the challenge of the French arms industry, the Johnson Administration has seemed to critics to be abandoning past U.S. efforts to keep sophisticated weaponry out of Latin America.

Suddenly, Washington reversed a long-standing ban on the sale of the Northrop supersonic F–5 Freedom Fighter to Latin air forces. While Administration spokesmen deny that this signaled a switch in policy, they concede that the F–5 embargo was lifted in hopes of blocking France's invasion of the Latin arms field.

They see a danger of Latin armed forces, turning increasingly to France and other European arms vendors. And this, they warn, would shatter the monopoly that the U.S. has held since World War II over the training and advising of Latin military forces.

PRICE FOR COLLABORATION

Their argument amounts to an acknowledgment that the U.S. must pay the price of military assistance for the political collaboration of the Latin armed forces. In the eight years since Fidel Castro came to power in Cuba, Washington has given high priority to maintaining the Latin military as a force capable of checking Castroite subversion in the Hemisphere.

Opponents of this thesis say that if the purpose of close ties with the Latin military is to strengthen its capacity to fight guerrillas, the Latins should be equipping themselves primarily with such counterinsurgency weapons as small arms, grenades, jeeps and helicopters.

SEE SELVES AS DEFENDERS

There has not been a war between two Latin American countries since 1942, and observers discount the probability of another. But this has not stopped most Latin military leaders from nourishing the fiction of the danger of invasion by hostile neighbors. Thus they emphasize buying planes, tanks and warships—things that gratify their pride.

U.S. policy-makers have long anticipated that some modernization of the Latin arsenal would become inevitable as old equipment requires replacement. The question is whether U.S. efforts to be accommodating can be kept to reasonable levels.

State Department and Pentagon officials quote statistics to show that the Latin arms race is really an "arms crawl." They note that the region's combined defense expenditures currently average only 12.7 per cent of total government expenditures. Of the combined Latin defense budgets, only 10 per cent—about $200 million—goes for military hardware.

U.S. RESTRICTIONS

The U.S. Congress has set a ceiling on the total value of military assistance and sales, exclusive of training. Including training activities, the U.S. military assistance package in Latin America is now running about $98 million annually. This figure will drop during the coming year because the current aid bill cuts the statutory ceiling from $85 million to $75 million.

This, officials point out, is only about 7 per cent of all U.S. foreign military assistance and only 7 per cent of total U.S. aid to Latin America. The statistics, they say, hardly support the conclusion that the U.S. is unduly abetting an arms race.

A reply might be that Latin America's social and economic ills are as large as the amount of money available to cure them is small and that siphoning millions of dollars away from urgent social problems into arms buying makes the Alliance for Progress meaningless.

"BROTHER" OFFICERS

Most U.S. military advisers have a "brother" officer's sympathy with the Latins' desire for advanced equipment—regardless of its utility.

Since the French began flirting with the Latin military, many U.S. advisers have also argued that the U.S. stands to lose the financial benefits of Latin arms sales. The reaction in Latin America has been to decry the "hypocrisy" of the United States in rushing forward with supersonic planes when it appears the money will go to Paris rather than Washington.

All this has increased the number of critics, especially in Congress, who believe that the attempt to stay out in front of competing arms merchants can only increase the Latin military's power at the expense of the Alliance for Progress. Many think the U.S. should refuse to sell Latin America anything but internal-security weapons. Some even want to discourage Latin countries that persist in buying planes, ships and tanks by refusing them credit assistance and by making reductions in nonmilitary aid.

A watered-down version of this idea, directing President Johnson to cut aid to countries whose arms purchases he deems "excessive," is written into the current foreign aid bill. But because it fails to spell out standards for excessiveness, its main effect seems to have been to cause confusion in policy-making circles.

Most U.S. officials look with dismay at the use of aid as a lever for holding down the arms race. They think it would cause the proud Latin military to become more stubborn and accelerate its movement away from U.S. influence.

DISSENTING VIEW

Advocates of a tough line concede that punitive aid reductions would cause some hard feelings, and that civilian government programs would be penalized by disciplinary moves aimed at the military.

But, in the long run, they believe the military would also feel the pinch. Until the armed forces are willing to accept a reduction of their powers, they say, chances of making real progress in Latin America will be minimal, anyhow.

These critics are not disturbed by fears that France or other nations might replace the U.S. as mentor of Latin armed forces. France's basic interests lie elsewhere, they point out, and the de Gaulle government has neither the resources nor the ability to do much in Latin America.

It is unlikely that the Johnson Administration would test a tougher line over the long haul that would be necessary for it to show results. But U.S. policymakers concede privately that arms policy toward Latin America has run off the rails.

NEW APPROACH URGED

No one seriously believes the wreckage can be put together again simply by deciding to sell the F-5. Everyone agrees a new approach is needed. But so far there is no consensus on what it should be.

Some favor a modified get-tough line using the carrot as well as the stick. Others would attempt to win agreement from all arms-producing countries not to exploit the Latin market. Still others hope the Latins themselves can be induced to get together and agree on voluntary arms limitations.

But it is doubtful that any of these ideas can be realized in the foreseeable future. The Latin armed forces will probably continue in their present course, and the U.S. is likely to find justifications for giving them what they want.

PROFILE OF LATIN MILITARY

Country	Armed forces personnel (in thousands)	Population (percent)	Defense budget as percent of gross national product	Number of fighters	Total air force planes
Argentina	137	0.6	2.1	70	375
Bolivia	15	.4	2.0	4	70
Brazil	194	.2	3.2	40	625
Chile	60	.6	2.5	41	221
Colombia	48	.3	1.3	6	150
Costa Rica	1	.1	.4		
Dominican Republic	19	.5	3.9	40	110
Ecuador	20	.4	2.0	18	60
El Salvador	5	.2	1.2	6	40
Guatemala	9	.2	.9	15	40
Haiti	5	.1	2.1	4	25
Honduras	4	.2	1.2	20	50
Mexico	68	.2	.8	30	200
Nicaragua	7	.4	1.6	19	60
Panama	3	.3	.1		
Paraguay	20	1.0	2.1		35
Peru	54	.5	3.1	70	250
Uruguay	15	.6	1.5	10	60
Venezuela	30	.3	2.2	60	240
Total	720	.3	2.4	453	2,611
United States	3,387	1.7	9.2		20,658

From tables accompanying "The Latin American Military," published by a subcommittee of Senate Foreign Relations. Most figures are for 1966. U.S. Government figures are for last year.

[From the New York Times, Aug. 22, 1967]

ARMS SALES LESSON IGNORED

The Department of Defense clearly has not absorbed the full lesson by the Senate's action last week to curb secret arms sales to developing countries on easy credit terms.

Pentagon officials now are lobbying on Capitol Hill for a new arrangement that would eliminate one objectionable feature of the existing arms sales credit system but fail to meet the basic criticisms.

Most critics—this newspaper included—do not seek to end all sales of American arms abroad or even the carefully screened advancing of "soft" loans to underdeveloped countries for this purpose in certain circumstances.

What the critics want, in the Senate Foreign Relations Committee's words, is to "take the Pentagon out of the banking business," and to relieve the Export-Import Bank of a function it was reluctant to take on in the first place. This is the shadowy arrangement under which the bank, in effect, provides credit for arms purchases by countries whose identities—and risk capacities—it never learns.

The Senate voted last week to abolish the system along with the revolving fund through which the Defense Department could guarantee arms loans up to 25 percent of face value. This 46-to-45 vote came after last-minute, high-level Pentagon lobbying not merely to retain this system—whose abolition had been urged by the Foreign Relations Committee—but to expand it.

Now the Pentagon lobbyists are trying a new tack. They accept the abolition of the revolving fund but seek a nominal transfer of the Defense Department's loan-guarantee functions to the President. In actual practice, however, this complicated new arrangement would leave the Pentagon in the banking business and the Exim-bank in the arms credit business.

The Administration is aiming its next big lobbying effort at the Senate-House Conference after the House votes on the foreign aid authorization this week. This strategy is based on a belief that the House will follow its Foreign Affairs Committee and leave the existing system intact.

The House can do a better job of solving the problem by voting to wipe out the loan authority, as the Senate did.

[From the Washington Post, Aug. 24, 1967]

ARMS CREDIT AGAIN

The House today will have the opportunity to consider whether to equip the President with a new secret way to sell poor countries arms on easy credit. Included in the Administration's foreign-aid bill, and approved by the House Foreign Affairs Committee, was a provision to let the President at his own discretion guarantee up to 100 percent of the value of notes issued by foreign countries to private American arms suppliers.

This new provision contains the principal defects of which we have complained before. It would not require congressional appropriation or other forms of congressional review. It would keep the Defense Department, with its built-in interest in dispensing arms, in the banking business, with the crucial difference that the Pentagon would not have to apply bankers' standards in determining the credit worthiness of countries getting arms.

The Senate Foreign Relations Committee, wisely, in our view, cut this request for new credit authority out of the Administration's bill, and an effort to restore it on the Senate floor failed. The House should follow suit and accept an amendment to a similar end. There are already enough, if not too many, channels for dispensing arms. The number needs to be diminished, not increased, and arms sales need to be brought under closer control.

REPORT ON VOLUNTEERS FOR VIETNAM ASSOCIATION

The **SPEAKER** pro tempore (Mr. PEPPER). Under a previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 1 hour.

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent that any discussions or colloquy that may come from the presentation of this report appear after the body of the report that we are about to give to the House.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. President, yesterday several members of the Volunteers for Vietnam Association went to the White House to give a report on our trip to Vietnam to President Johnson. We met for an hour with Mr. Walt Rostow, special assistant to the President, to discuss the contents of the report.

Today Congressman WILLIAM COWGER, of Kentucky, and I offer the report of the Volunteers for Vietnam Association for the consideration of the American people. It is our hope that the report will serve to bring more rationality, calmness, and objectivity to the discussion and debate on the problems that are presented by Vietnam. It should be emphasized that the approach of the Volunteers for Vietnam has been nonpartisan. The organization does not seek to influence any legislation, and will absolutely refrain from any kind of political activity. It is in this spirit that the report is presented.

Comments, suggestions, criticisms, and questions which might result from the reading of the report are welcome.

Now, the report, Mr. Speaker, follows:

PREFACE

Concern in the United States about the War in Vietnam has been expressed in a variety of ways. Demonstrations, draft-card burnings, counter-demonstrations, emotion-packed speeches, all have marked the debate over the involvement of the United States in Vietnam. Charges and countercharges have been hurled by supporters and detractors of the United States policy in Vietnam.

The Volunteers for Vietnam Association was formed to try to bring a greater degree of rationality and objectivity to the discussion of the Vietnam War and the American involvement in that war, especially the political, economic and social problems presented. Volunteers for Vietnam is a group of people representing a broad spectrum of American life, organized to study the question of the Vietnam War in depth.

Volunteers for Vietnam, led by Congressman Fred Schwengel (Rep–Iowa) who represents Iowa's First Congressional District in Washington, decided that a trip to Vietnam would be necessary to accomplish the purposes of the organization. Extensive preparations for the trip were made. Those selected to make the fact-finding trip spent several months reading about Vietnam and interviewing people from the entire political spectrum who claimed any expertise on Vietnam.

The fact-finding team went to make first hand studies, gather facts and ask questions; to make the first hand evaluations of present programs, especially in economic, political and social development; and to consider new ideas and plans proposed to meet the challenge offered by Vietnam. The trip was made at private expense. After making the trip to Vietnam and completing its studies, Volunteers for Vietnam decided to write a report of its findings, making it available to the American people with the hope that it would increase public understanding and knowledge of the problems and challenges confronting the United States in Vietnam.

As a result, the Volunteers for Vietnam fact-finding team went to Vietnam well prepared. A conscious attempt was made to resolve many of the inconsistencies and contradictions which were found in reading and interviews done by the group before departing for Vietnam.

The Volunteers for Vietnam fact-finding team left for Southeast Asia on Thursday, November 16, arriving in Saigon on Saturday, November 18.

While in Vietnam, team members conferred with a large number of United States officials, both military and civilian. A complete itinerary of the group appears as an appendix. The conferences were marked by extensive question and answer sessions. The team divided its responsibilities after the initial conferences with United States officials, with each team member pursuing his special interest or studying in his area of competence. Different team members met with a number of Vietnamese leaders, both political and religious, representing various age groups and points of view. The Senate of the Government of Vietnam held a reception for the team while it was in Saigon. A cross section of newspaper correspondents, businessmen and other Americans were also contacted.

Team members spread out over a large area of Vietnam, Kien Hoa, Tay Ninh, Vung Tau, Nha Trang, Da Nang were among places visited by team members. At each stop, team members talked to Americans and Vietnamese working on rural development, self-help and other nation-building programs. Tours of U.S. military bases to see and talk to United States servicemen were also made.

After spending ten days in Vietnam, the fact-finding team spent one day in Bangkok, Thailand, to confer with U.S. officials there. Two team members, Dr. Ernest Griffith and Allan Schimmel, returned to Saigon to spend three additional days there studying items not fully covered by the team before.

What follows is the report of Volunteers for Vietnam based on its studies and trip to Vietnam. It is not offered as being all-inclusive or all-encompassing; rather in the hope that it will bring a greater degree of objectivity and rationality to the discussion regarding the Vietnamese war.

TEAM MEMBERS

Congressman Fred Schwengel, President of Volunteers for Vietnam and Iowa's First District Representative—serving eleventh year in the House of Representatives. Serves on the Public Works and House Administration committees. Served for ten years in the Iowa Legislature. Acknowledged expert in the history of the United States Capitol and Abraham Lincoln.

Congressman William Cowger, represents the Third District of Kentucky. Formerly was the Mayor of Louisville. In first term in the House. Member of the Government Operations and House Administration committees. President of the Republican 90th Club. Is an investment banker in Louisville.

Dr. Ernest Griffith, Washington, D.C. Recently retired as Dean of the School of International Service at American University. Served for 18 years as head of the Legislative Reference Service of the Library of Congress. Is renowned political scientist and the author of several books. Was visiting Fulbright professor lecturing in American foreign policy in Iran, Japan and Turkey during 1966–67 school year.

J. W. Baccarini, Orrville, Ohio. Assistant to President of Crown Steel Products. Served as Executive Director of Self-Help, Inc., an Iowa-based firm which gathered, rebuilt and exported used agricultural and industrial machinery. Was project director for the American Freedom from Hunger Foundation. Was a delegate to the United Nations World Food Conference in 1963. Was a member of a five man trade delegation to the Middle East in 1966 for the United States Commerce Department.

Robert Henry, Springfield, Ohio. One of the first Negro mayors elected in the United States. Served on the city commission of Springfield since 1962. Took office as Mayor in 1966. Was presented with an Outstanding Service Award in 1966 for his efforts in promoting "better understanding and the feeling of brotherhood among all persons regardless of race or creed," by the Ohio State House of Representatives.

Rev. Louis Valbracht, Des Moines, Iowa. Pastor of the St. John's Lutheran Church. Served as a Chaplain with the Marine Corps during World War II.

Rev. Heinz Grabia, Davenport, Iowa. Pastor of the Calvary Baptist Church. Was recently elected President of the Scott County Ministerial Association. Serves on the Executive Committee of the General Council of the American Baptist Convention.

Vernon Shephard, Muscatine, Iowa. Is a farmer. Represented the agricultural community on the team. Has traveled to Japan as a member of a Soybean Trade Mission.

Mrs. Harold Day, Des Moines, Iowa. Is the mother of a Marine who was in Vietnam. Went on the trip to represent a mother's and a housewife's point of view. Employed as Secretary at the Republican State Central Committee of Iowa.

Allan Schimmel, Legislative Assistant to Congressman Schwengel. Accompanied the group as its arrangements coordinator. Has a Masters Degree in Political Science from the University of Iowa.

I. INTRODUCTION

It might be helpful at the outset to summarize the more relevant background material on Vietnam. The various items of information are grouped under three headings. First those items which the team feels are established; second, those probably; and third, those possible and sufficiently relevant to be considered.

Established

(1) The Geneva Agreements of 1954 were explicitly rejected by the State of Vietnam (South Vietnam). The United States refused to approve them; shortly thereafter making its rejection explicit.

(2) The Geneva Agreement of 1962, signed among others by the government of North Vietnam, (providing for the neutrality of Laos) has been violated by the government of North Vietnam. These violations have been of material military assistance to the Viet Cong and the North Vietnamese in the present war. They have consisted of the movement of men and supplies through Laos into South Vietnam, and the stationing of North Vietnamese troops in Laos to guard the supply routes and support the communist Pathet Lao forces.

(3) The original Viet Minh or nationalist rebellion against the French, while led by Ho Chi Minh, was not in its early stages obviously communist, although it included the Communist Party of Indo-China—which ultimately proved to be the strongest element.

(4) Both South and North Vietnam were from their inception juridically valid nations under international law. South Vietnam was so recognized by a clear majority (over sixty) of the nations. A number of both communist and non-communist countries have extended similar recognition to North Vietnam. Not until the recent elections in the South could either claim a legitimacy based upon popular support as demonstrated by a secret ballot with alternatives offered. (It should be noted that the Communist definition of "legitimacy" is based upon control by the Communist Party, even though in a minority. This is why the Communists insist that the National Liberation Front is "the only" legitimate government of South Vietnam. No Communist-controlled nation has ever allowed its "electorate" a free choice of alternatives with a secret ballot.)

(5) Both South and North Vietnam believe in ultimate union as one nation.

(6) The SEATO Treaty Protocol designated South Vietnam as a territory coming under the provision of Article IV. The relevant portions are: "Each party recognizes that aggression by means of armed attack . . . against any territory which the Parties by unanimous agreement may hereafter designate, would endanger its own peace and safety, and agrees that it will in that event act to meet the common danger in accordance with its constitutional processes . . . no action so designated shall be taken except at the invitation or with the consent of the government concerned."

(7) Such action has been invited and consented to by the government of South Vietnam. Affirmative responses have been made by: the United States, Australia, New Zealand, the Philippines, Thailand. France, Pakistan, and the United Kingdom have not acted. South Korea subsequently has joined in the assistance program by sending a substantial military contingent.

(8) Internal subversion, with or without external assistance (under the misleading title of "wars of national liberation") remains explicitly a part of the dogma and policy of both the Soviet Union and Communist China. It is exempt from the program of "peaceful coexistence" of the Soviet Union.

(9) The Peking official radio has explicitly advocated such subversion in Thailand, Burma, and Indonesia. It is progressing in the first two, with obvious assistance from across their borders.

(10) The Soviet Union and Communist China have rendered substantial assistance, military and otherwise, to the Viet Cong and North Vietnam. The United States has extended much greater aid to the South.

(11) Cambodia is thus far a privileged sanctuary for the Viet Cong and the North Vietnamese.

(12) The United States pressed the authoritarian Diem regime in South Vietnam for reforms, with initially encouraging but ultimately disappointing results.

(13) Guerilla warfare requires a ratio of regular forces variously estimated at 4 to 1 to 10 to 1 to combat it successfully. These ratios make outside help virtually a necessity for a seriously threatenend small nation. Even without a sanctuary or substantial aid from across the border, the combined British and Malaysian forces numbering 50,000 took twelve years against 8,000 guerillas. Because of our greater mobility, we may be able to improve somewhat on these ratios in the Mekong Delta, but not in the jungle.

(14) Substantial support for the established central government on the part of the populace is a prerequisite for success against guerillas. Guerillas use terror to inhibit such support. This can only be countered by a combination of security and a positive program to demonstrate that the central government really cares for the welfare of the people.

(15) The 37 day pause in the bombing of North Vietnam early in 1966 did not result in negotiations, although there is evidence that the Vietnamese and Viet Cong were considering entering such negotiations.

(16) Following the Geneva Agreement of 1954, nearly 1,000,000 persons (chiefly Catholic) moved from the North to the South, and perhaps 100,000 from the South to the North.

(17) Neither the North nor the South conformed to the proviso of the Geneva Agreements that elections with proper safeguards be held by 1956.

(18) The United States has appealed to the Security Council of the United Nations to consider the problem of Vietnam.

(19) The war is terribly costly in money and lives to all concerned.

(20) President Johnson has promised the South Vietnamese that we will not withdraw our military support until their independence is assured.

(21) The French influence and pat record are making the solution in Vietnam difficult for Americans.

(22) The Vietnam issue has, to a considerable extent, divided our own country.

(23) There is no reason why negotiations, if desired by the North, should require cessation of the bombing. There is precedent in history for this.

Probable

(1) Had the South freely voted on the question of joining the North (under Ho Chi Minh) in 1956, a majority would have so voted.

(2) In 1956 it was not clear to the ordinary rank and file person in the South that the government of the North was Communist; nor was the nature of a Communist regime clear to them.

(3) The elections in the South (1967) demonstrated that a clear majority of the adult population was unwilling to follow the Viet Cong-Communist directive to boycott the elections. This boycott was also called for by the "militant" Buddhists.

(4) The United States has a "national interest" in a free, non-Communist South Vietnam. Factors are: a) the greatly weakened positions of Thailand, Laos, Cambodia, Burma, Malaysia, Singapore—and other nations of South and East Asia—if the United States withdraws and the combination of guerrillas and North Vietnamese regulars succeeds in their objectives, b) the economic and strategic importance of South East Asia to the Free World and c) the impaired confidence in the United States throughout the world (see recent *Newsweek* survey) if the United States withdraws.

(5) Our Vietnamese allies are counting on our commitment and aid, and will be in grave *personal* danger (as well as national) if we withdraw.

(6) Indonesia was strengthened in her successful anti-Communist internal struggle by our presence in Vietnam.

(7) At least temporarily, the regard for us in parts of Western Europe has been impaired.

(8) The Vietnam war has hampered psychologically and financially an all-out attack on many of our national problems.

(9) The majority of Congress believed at the time that the Gulf of Tonkin resolution meant the authorization to involve our armed forces: "The United States regards as vital to its national interest and to world peace the maintenance of international peace and security in Southeast Asia . . . the United States is therefore prepared, as the President determines, to take all necessary steps, including use of armed force, to assist *any member or protocol state* (i.e., South Vietnam) of the Southeast Asia, Collective Defense Treaty requesting assistance in defense of its freedom."

(10) China has shown aggressive tendencies—Tibet, Korea, India, and the training of subversive cadres designed to operate against a number of South Asian nations.

(11) Prior to the United States combat participation, the South Vietnamese were nearly at the point of losing the war. (see "Established" number 13 above.)

(12) North Vietnamese cadres had infiltrated the South prior to United States participation in actual combat. Commencing in early 1965, United States forces conducted "retaliatory attacks against the North," and soon thereafter North Vietnamese regular army units and United States units were engaged in combat in the South.

(13) The United States Military up to 1966 issued consistently too optimistic reports of the military situation.

(14) Anti-war demonstrations in the United States encourage the Communist side. They are played up in the Hanoi press and radio.

(15) The war on the Communist side is now directed from North Vietnam, and probably was always primarily so planned.

(16) "Negotiations" in Communist terms usually involve stalling and public propaganda.

(17) The war is a "test case", with both sides, as to the feasibility of subversion across a border or aided from outside. This is currently the favored method of communist aggression. This is the rationale of the continuation of Soviet and Chinese aid to be used in military action in the South. It is explicitly exempted from the policy of "peaceful coexistence". This is one reason we have attached such importance to the war's outcome.

(18) There have been occasional signs of a willingness to negotiate by the North, recently made explicit, in return for an unconditional stopping of the bombing by the United States. No corresponding deescalation on the part of the North has been indicated in such an event.

(19) China would risk her status as a nuclear power, should she intervene in the Vietnam war.

Possible

(1) Communist China may revert to "war lordism", thus lessening its effectiveness and perhaps even stopping its aid and the weight of its prestige in North Vietnam.

(2) Communist China conceivably may intervene militarily if the Allies invade the North; or if she believes the North to be losing.

(3) Relations between the United States and the Soviet Union might conceivably improve if the war ends. The Soviet Union has intimated as much.

(4) An evolution of communist states into national socialism and eventually much greater freedom and political democracy are possible. (However, what happens meanwhile is more to the point, and communism gains prestige with each success.)

(5) Certain escalations on our part seem to have been coincidental with certain rumors or even indications of a willingness to negotiate on the part of Hanoi.

(6) In the end, the war may narrow down to a conflict of values—involving irreconcilable views as to political democracy, the great freedoms, and the nature and dignity of the individual.

II. THE GOVERNMENT OF VIETNAM AND NATION BUILDING

Certainly a good deal of discussion has taken place about the Government of Vietnam and the political climate in which it operates. The crux of the matter is: Can Vietnam be a stable nation and does the Government of Vietnam have the ability to win the confidence of the people of South Vietnam?

The Government of Vietnam

The question is broad and not easily answered. At the outset it might be helpful hastily to sketch the organization of the Government of Vietnam (GVN) under the new Constitution. The Chief of State is a President, who along with a Vice President is selected by direct election by plurality vote for a four-year term. A bi-cameral legislature, a Senate and House, make up the legislative branch of the GVN. Finally, the President is empowered to appoint a Premier and Cabinet without legislative approval. However, individual cabinet members can be removed by a majority vote of both Houses of the legislature and by a ⅔ vote the entire cabinet can be replaced. The Constitution also created an independent judiciary headed by a supreme court. One unique provision of the new Constitution creates the Office of the Inspectorate to investigate corruption.

The new constitution calls for 3 levels of government, national, province and village. Special provision is made for the Capitol City of Saigon. The Administrative heads of all levels of government and the city must be elected. Province chiefs must be elected within the first four years of the new constitution. No time limit is set for the election of the now appointed Mayor of Saigon, however, team members were informed this election may take place next spring.

Election

When the Volunteers for Vietnam team was in Vietnam in November, 1967, elections for the President, Vice President, and the National Assembly had been completed. Elections had also been held in a substantial number of villages and hamlets under GVN control. In the judgment of team members who studied the political arena, the village and hamlet elections were more meaningful than the others. From those observers with whom team members conferred, the conclusion was drawn that voters were much more familiar with candidates and had a greater degree of competency to make knowledgeable choices in village elections. The same general comments were made about the elections to the House of Representatives, but there was a lower degree of familiarity with the candidates than was present in village elections.

Elections for the Senate and Presidency seem to be less reliable. In the Senate, for instance, there were 48 slates of ten candidates each, 480 people running. Only 6 slates were elected. Voter identification of candidates was much more difficult. Only two weeks elapsed between the announcement of slates and the election itself. The system of election was awkward and gave an organized group, the Catholics, the opportunity to elect a disproportionately high number (28) of the Senate members. The indication from Vietnamese Senators, that reform in this area would be considered, was encouraging.

Eleven slates contested for the Offices of President and Vice-President. Although the desire to allow as much competition as possible led to the large number of candidates, it is significant that General Big Minh was not allowed to run.[1] The multiplicity of slates for the Senate and the Presidency provided the opportunity for some vote manipulation by local leaders. Despite the fact that a relatively high percentage of eligible voters participated in the elections the team was less certain as to the meaning or significance of the elections. Accounts, some admittedly isolated, of hamlet and village leaders turning out quotas of voters on election day, also led the team to feel less confident about the overall significance of all national elections.

It is significant that elections were held and that they were reasonably fair and successful. But the elections can at best be only the start toward changing the political climate in Vietnam building a nation and in gaining support for the government.

Possible reform

Congressmen Schwengel and Cowger, Dr. Griffith, Mayor Henry and Allen Schimmel conferred with members of both Houses of the National Assembly. In addition, a reception given for the team by the Senate provided an opportunity for all team members to meet and talk to these Vietnamese political leaders.

From these discussions and others it became apparent that of even greater significance than the elections will be the ability and willingness of the National Assembly to exert itself as an equal partner in the government. Many of the legislators with whom team members spoke were positive in their outlook. They spoke about their plans to try to end corruption and more closely monitor the activities of the Executive. Constituent letter-writing has already begun.

---

[1] Ruled out by the Constituent Assembly on technical grounds.

If Assembly members are able successfully to exert their powers under the constitution, if they are able through legislative oversight to move the executive branch of government to undertake needed reforms, if they are able by their activities to increase confidence in the GVN and support of it among the people, then the elections will become truly significant and meaningful. While only a part of the overall effort to win "hearts and minds" of the Vietnamese people, overcoming the lack of confidence in the GVN is certainly one of the keys. The National Assembly holds such potential. Only time can tell whether it will be realized. The team invited a group of Vietnamese Senators and Representatives to come to the United States to see first hand representative government at every level.

Equally important in the area of governmental reform is the level of province government. At the present time all 44 province chiefs are appointed. During the first 4 year Presidential term, the President retains the right to continue to appoint province chiefs. Virtually all of the province chiefs today are military officers. They are responsible for both military and civil operations in their province. Furthermore, provinces have been sub-divided into districts where the chiefs are also appointed and also, virtually all military leaders. The new constitution does not provide for the district level of government. It is the team's opinion that the elimination of the district level of Government would be advisable. From the information it could gather, it is clear that much of the oft mentioned corruption takes place at this level. Therefore if province chiefs were elected and if the province GVN officials dealt directly with the people on their projects rather than through district chiefs, another step towards winning the confidence of the people would be made. Indications are that civilians may soon take over as province chiefs in some areas and that 3 or 4 elections may be held for province chiefs within 8 or 9 months. In the team's opinion this action will not come any too soon. If Province Chiefs, divorced from the military, are directly responsible to the people, it is the team's feeling that the problem of corruption will be greatly lessened.

In discussing GVN administrators outside of Saigon it is necessary to talk about the 4 Corps Administrative areas in South Vietnam. I Corps contains the 5 most northern provinces. II Corps encompasses 12 highland and coastal provinces. III Corps pulls together the 10 central provinces including the city of Saigon. IV Corps is made up of the 16 Southern Delta provinces. Essentially, each Corps area is a military command, with the Corps areas being determined by military considerations. At the present time, however, each Corps area Commander also has the responsibility for the administration of civil operations in his area. They are regional offices of the Ministries in Saigon based on the Corps area. The constitution does not provide for this level of civil administration either. When talking to Vietnamese Senators it was learned that this level of government will be abolished soon, leaving the Army Corps Commander free to concentrate on his military duties.

The trend clearly visible is the separation of the military from the civil operations of government. This the team regards as being quite desirable and more likely to gain the needed support among the people for the GVN.

Also important in the effort to gain the allegiance of the population is the success of village and hamlet government. A hamlet is what we would call a village. A village is an administrative unit comprised of several hamlets. The election of local officials is another step in the right direction, but not all villages and hamlets have held elections, only those where the climate was thought to be satisfactory. Under the Diem regime the traditional form of village government through elders was abolished and local officials, often corrupt and brutal, were appointed by the President. The Viet Cong gained a good deal of support from the population by eliminating what to them were outside oppressors.

The election of local government officials and the strengthening of their powers, therefore, is essential. Again, encouragement in this area was found when the team was told that this year selected villages will not only collect taxes, but will be allowed to spend some of the revenue locally, on projects wanted locally. This had not been the case.

Corruption

One problem which cannot be avoided in a discussion of the GVN and nation building is corruption. This was one of the most persistent criticisms heard by the team about the GVN from both Vietnamese and Americans. Corruption is a problem of all Asia.

Asian attitudes generally condone it. Except for Japan and perhaps the Republic of China, it exists on a pervading scale. Leaders such as Marcos, Suharto, Pak wage war against it, but with limited success. The constantly repeated charges of it were a major factor in the downfall of the Chiang Kai-Shek government on mainland China. Initially, the Communists use their relative freedom from it as an effective talking point. Individuals in most of Asia with few exceptions (and Vietnam has not been one of them) tend to put self-interest and family first. Progress in curbing it is probably greater today in Vietnam than, for example, in Thailand.

It is all too easy to compile a list of "horrible examples" in Vietnam. A bank president is removed for questioning the practices of province chiefs. A district chief bribes the inspectors sent to check up on his flagrantly open thefts. Supplies sent out from Saigon to benefit the hamlets reach the latter in sharply reduced quantity. Draft dodgers with influence race their Hondas through the streets of Saigon. Contractors pay off inspectors or cheat on specifications. Although not legally constituting corruption, the wife of the Commander-in-chief of the ARVN, himself an able and active administrator, grows rich on monopolies she obtains through his position and power. The black market in stolen supplies still flourishes.

The general judgment is that Thieu and Ky are personally honest, but that the power base that put and keeps them in office contains far too many corrupt persons. Where the opportunity offers to dislodge such persons, they usually take it, but they cannot do everything at once or they would in all probability become the victims of a coup. A corps commander has been removed. So have a number of lesser rank, of whom two or three have been convicted and sentenced to death. The new cabinet, largely of "technicians", is believed to be honest. Commodity and exchange speculations have been made crimes, and there are occasional convictions. Many of the new elected legislators promise to investigate and expose corruption among the civilians and military alike. The Americans with their constant checks have been a restraining influence, an influence often resented. The new Constitution provides for an "Inspectorate", charged with the exposure of corruption, one third appointed, by each of the three branches. It has not yet been appointed, largely because the new judicial system has not yet been constituted.

Corruption is not a problem whch can be under-stated. It is one of the causes for lack of confidence in and lack of support of the GVN in both rural and urban areas. While it takes place at all levels of government, it seems to be most damaging at the province and district levels. Corruption cannot be ended overnight.

Inflation is a major difficulty standing in the way of remedy. Government salaries have lagged far behind the increases in the cost of living, and for men with family responsibilities corruption or moonlighting may appear the only avenues open to them.

The National Assembly, the Thieu-Ky Government, and others are aware of the problem. But the desire and the ability of these people and the government to deal forthrightly with corruption will be crucial. While there are some signs of hope, especially in the promised elections of province chiefs and the attitude of certain leaders in the National Assembly, the outlook is cloudy. Progress will be slow especially if the inflation wage spiral cannot be mastered. Vietnam today is much like the national, state, and municipal governments in the United States during the 1870's.

Furthermore, the United States can and must insist on adequate controls of material imported under AID. Several recommendations have been made by the Government Operations Committee of the U.S. House of Representatives. The team feels that these recommendations should be carried out to the extent possible.

Bureaucracy

A bit more difficult to pinpoint exactly is the problem of getting action in the administrative bureaucracy of the GVN in Saigon. When the team was in Saigon reliable sources estimated the GVN had spent only 40–50% of its 1967 calendar year budget. Far too often team members heard reports about inaction on the part of GVN ministries which was holding up progress in one area or another. Also of concern is the belief of the team that our actions may be accentuating this problem. For example, one Vietnamese cabinet minister tells of being called upon by representatives of five different U.S. government agencies in regard to the same decision. The solution to this problem is not easy.

Bureaucratic inertia is a problem in the U.S. as well. It does seem advisable, however, that the actions of U.S. advisory personnel at the national government level be better coordinated. It is not impossible for us to be giving too much and perhaps even contradictory advice.

A nation?

This section was started with a question "Can Vietnam become a stable nation and does the Government of Vietnam have the ability to win the confidence of the people of South Vietnam?"

Nation-building is a long and complicated process at best. Even the United States was not a fully developed nation until after the Civil War. Some African states today are little more than geographic collections of tribes. Traditional Asian cultures—except for Japan, and more recently Iran, Turkey, and Thailand—have not been hospitable to nationalism and patriotism. Vietnam is no exception. Nationalism has usually been an attribute of a limited elite, although it is gradually extending itself with the improvement of communications and other factors such as the resentments associated with colonialism.

Democratic political institutions are certainly on the plus side. Widespread interest in the framing of the new Constitution and the at least perfunctory participation in the recent series of elections under most difficult circumstances are encouraging. Reference will be made presently to cooperative self-help in the hamlets and elsewhere. Civic loyalty programs are used in the indoctrination of the armed forces and the Rural Development cadres. To a limited extent they are finding their way into the curricula of the schools. When the province chiefs are elected, a further factor will be added. The government at all levels is being prodded by its elected officials and representatives to do more for the people. It is responding surprisingly well, and more often than not is showing initiative in this regard. In due time integrated political parties will doubtless emerge. The fact that the Thieu-Ky government was elected by a plurality and not a majority has made clear its need to extend its popular base—which it must earnestly try to do.

The future of Vietnam's national economy, given the war's end, is important in nation-building. Important factors are land reform and land productivity—neither of which has passed beyond its initial stages. The nation's industrial potential is considerable, although relatively little has been undertaken on account of the war. Construction and other projects associated with the war, many of them requiring mechanical competence, will leave the nation with a very substantial body of skilled labor. The Mekong Valley project for all the nations of the area is far along in its planning and some of the plans have been carried out.

Vietnam's people are relatively well nourished and definitely industrious and energetic. Their individual self-centeredness lends itself to private enterprise motivations.

The guerrilla war is not likely to end suddenly, nor will our aid be completely withdrawn for a number of years—in loans, if not grants.

Repairs, road building, and other war-delayed public works will be numerous. Many young men will wish further education.

All in all, at least a retention of the present GNP level and even of the present rate of increase is a not unreasonable expectation. The experience of the Republic of China, Korea, and Thailand can be duplicated. The abilities of the Vietnamese are in no way inferior to these peoples.

A most important factor in nation-building is the presence (versus absence) of able leaders. The French did not allow such men to emerge in any number. The Viet Cong killed a high percentage of the incipient leaders in their systematic assassinations, and incorporated others into their own cadres in the anti-colonial period. Diem suppressed rivals. After allowing for all of these factors there are emerging unmistakably a considerable number (however inadequate as yet) of energetic and even dedicated leaders. The new cabinet and the newly elected Assembly contain many good men. Thieu and Ky belong to this group. The elections certainly helped to identify others. There is reason to be cautiously optimistic about the long range possibilities. It will depend on the quality of leadership to be found at all levels of government. It will depend on the willingness of these officials to eliminate corruption. It will depend on how soon elections for the province chiefs are held and what will result from those elections. It will depend on the aggressiveness of the National Assembly. It will depend on the desire of the executive branch to institute meaningful reforms and its ability to step up the pace of its bureaucracy. It will depend on the desire of the GVN to win the war.

These are all important "ifs". They will not be realized overnight, but unless steady and noticeable progress is made in the months ahead, the situation will again begin to deteriorate.

III. RURAL AND ECONOMIC DEVELOPMENT AND NATION BUILDING

The criteria used in determining whether or not Vietnam is a nation and whether or not the Government of Vietnam has the ability to win the confidence of the people are broader than just the governmental framework. Of equal, if not more, importance is the attempt to bring needed rural and economic development to Vietnam. These two factors are, of course, inter-related and it is difficult to separate them even for analytical purposes. But we shall try.

Rural and Economic Development or perhaps stated more accurately, the "stability and progress for people," is made up of many factors. The following list is not exhaustive but gives the more salient items:

1. The social and cultural structure of the countryside
2. Corruption in the military and civilian structure
3. New life development
4. Agriculture problems
5. The effectiveness of rural development teams
6. Security and the impact of the Viet Cong
7. The democratization of institutions
8. Urbanization
9. Industrialization
10. Refugees
11. Self help

The social and cultural structure of the countryside

The residential-economic-social unit is the "hamlet." Out of this proceed the farmers to their plots of land—rented or owned. About 12,000 of these exist. The average population is under 1000. A cluster of three to six hamlets is known as a "village"—more an administrative than a cultural unit. Loyalties are primarily to the family. Until recently, except for the hamlet or village council of self-elected elders, government (French or otherwise) has commanded little or no loyalty and usually a mild antagonism. To this day, probably the majority of these people are not emotionally committed to either the Saigon government or the Viet Cong. Mostly they seek security and to be left alone. Their religion is a mixture of ancestor worship and primitive Buddhism. Unfortunately the old elite of Saigon could not have cared less about their welfare. Even the existing power group in Saigon for the most part does not really understand them.

Corruption in the military and civilian structure

Corruption has already been discussed; however, it should be pointed out that for administrative purposes, the villages are grouped into districts, the districts into provinces. The administrative chiefs of each are appointed from Saigon. Almost all of them at the present time are military men. Furthermore, during the war, troop units figure largely in the local rural picture and military considerations are largely overriding.

These power structures—administrative and military—provide countless opportunities for corruption as well as service to the rural areas. They are critical factors in determining the attitudes of the countryside.

The new Constitution provides eventually for the popular election of the provincial chiefs.

New life development

In the more secure areas very considerable progress is being made in the civilian functions and amenities of government. Some of these are under the direction of the appropriate Ministers of the Vietnamese Cabinet, usually working through the provincial and district officials; others are direct services of the Allied military forces; still others are self-help projects on the part of the people of the hamlets and villages; others come about through United States advice and assistance at all levels; still others are generated by the "Rural Development" teams; still others are the result of volunteer agencies from all over the Free World, especially from the United States and Vietnam itself.

A few illustrations can be given.

Elementary school enrollment has increased from 401,000 (Est.) in 1955 to 2,019,468 in 1967. The AID program has been most helpful here. Of these, probably about 400,000 are in the hamlets in comparison to a negligible number in 1955. Corresponding gains have been registered in teachers and simple classrooms. Teacher training has required a "crash" program which has resulted in great inadequacy. There is a definite need for improvement of teacher training programs. As a hamlet becomes reasonably secure, a school usually follows shortly.

Hospitals are usually in the district or provincial capitals, but are available to residents of the nearby rural areas. Total admissions in September 1967 were 43,250; four-fifths outside of Saigon. From time to time, military protection will go into Viet Cong controlled hamlets and hold clinics.

In the one month of September 1967 the Allied troops in their Civic Action Programs built 147 bridges, 18 pagodas or churches, 24 dispensaries, 723 dwellings, 57 fish ponds, 32 hospitals, over 20,000 kilometers of irrigation ditches, 8 libraries, 49 playgrounds, and literally scores of other public works and facilities.

Roads to markets and canals are continuously being built and efforts (by no means always successful) made to keep them open.

Hopefully these and other similar quite impressive efforts are making a genuine impression on the people in the hamlets. Certainly in peace time and in the absence of contravailing factors they should go far toward building up the fabric of a happy and loyal rural society. At present the inhabitants of many and perhaps most of the hamlets have not yet dared to commit themselves to either side except under duress.

Agriculture problems

Land reform has thus far been largely on paper. The Diem government made a beginning, but did not leave much permanent advance. The widespread advance of the Viet Cong between 1960 and 1965 reduced much of the old land title structure to something of a shambles. In some instances, the Viet Cong confirmed "friendly" landlords or even restored or enlarged their titles. In other instances, it allowed the peasants to seize and till what they thought were to be their own individual land holdings. In many of these areas, when the South Vietnamese government returned to control, the psychologically disastrous policy was followed of taking back and restoring the landlords to their former tenure. Large tracts of land turned over by the French and otherwise obtained by the government have for the most part not yet found their way into the ownership of individual farmers—in large measure because of bureaucratic procedural delays and difficulties. Conversely, the Viet Cong are attempting to tax the farmers quite heavily and this is eroding their popularity—in so far as they had such acceptance. In government-controlled areas, rents of landlords are supposedly limited to 25% of the crop, but this is frequently disregarded. All in all, land reform still awaits its very considerable potential as a factor in building up loyalty to the government in the rural areas. Usury is a minor factor, but the new agricultural bank is now putting out credit.

The agriculture potential in South Vietnam is of immense proportions. There is a great undeveloped productive capacity for rice in the Delta. Vegetable production in the uplands and the neighborhood of Saigon presents another area of development.

As in other developing countries, the traditional pattern of agricultural growth in Vietnam has been through expansion of land area as opposed to increased crop production. With the advent of French Administration late in the 19th Century, a number of significant changes were introduced which did affect agriculture . . . roads, canals, etc. The French encouraged specialized farming, such as rubber, tea, coffee, and coconuts. Rice production was encouraged through large land concessions, although these were primarily operated on a tenant or sharecropper basis.

Following the French war, which ended in 1954, there was an increase in production, with the country exporting agricultural products, principally rice, until 1965. The current war has caused a decrease in rice production of approximately 20% to 30%. Vietnam is now importing rice from the United States.

Migration from the rural areas of Vietnam to the cities during the past two years has reduced the rural population to between 60% and 70%. In addition, most able-bodied young men have been drafted by either the GVN or the Viet Cong. As a result, the farm labor force is now principally older men, women, and children.

A declining labor supply in the agricultural sector has stimulated an interest in mechanization. Farm income, of late, has been sufficient to create a demand for investment in tractors and pumps. However, the supply of credit to finance machinery on reasonable terms is far from sufficient to bring mechanization into general use. Agriculture is still predominately carried on by the traditional hand and animal methods.

There are four basic problems confronting adequate production: war related insecurity, low prices, interference by the GVN and VC, and a need for a more effective administration.

Protein foods account for about one-half of the urban consumers' food expenditures. Over the past three years, the cost of these foods has increased about 300%. Imported pork and chicken is not well accepted by consumers, nor is the expenditure of foreign exchange justifiable when hogs, fish, and poultry can be easily produced domestically. In light of the above, it appears that the best strategy would be to establish large-scale commercial production of hogs, fish, and poultry to supplement current production.

Most good forest land is currently in the middle of the combat zones and, as a consequence, out of the development picture until peace is secured.

The fish industry is in about the same situation as forestry. Until there is peace, the fisherman is not apt to venture too far away from home.

One of the most pressing needs for agriculture in Vietnam is more research and experimentation at the local level. Agricultural education is badly needed. Model projects, strategically located, can have a great influence on the receptivity of the people to new methods and new needs.

At the present time there is virtually no information on soil types, types of fertilizer needed, fertilization time spans, etc. Records of material of this type are non-existent. Experiments must be conducted in these areas. New methods of production and storage must be introduced in Vietnam. Mechanization and increased production go hand in hand. All of these needs could be met with adequate research and experimentation that would result from a better system of agricultural education.

Rice production has fallen off 20% to 30% in the last few years. Vietnam has gone from a rice-exporting nation to one which now imports 25% of the needed supply. As security in the Delta increases and if the use of the new Philippine rice IR-8 proves to be successful, rice production can rise dramatically. Also important is the development of water control in the Delta. It is unlikely that total water control will ever be achieved. But with some control it will mean 2 or 3 more rice crops a year in certain areas.

After a visit to Vietnam it is clear to us that the possibilities for a revolution in agriculture techniques is unlimited.

The primary responsibility for change rests with the Vietnamese, especially the ministry of Agriculture. Of great importance is honesty and integrity in the introduction of new techniques, methods, and needs. The highest qualities of leadership must be exhibited to obtain the cooperation of the village and hamlet farmer. Cooperative efforts between the government and the farmer are essential. Not to be omitted is the industry which has a vital part in economy, especially the agricultural sector such as seeds, feeds, chemicals, insecticides, herbicides, fertilizer, equipment, etc.

The effectiveness of rural development teams

The Rural (or Revolutionary) Development of RD has become a crucial part of the entire pacification or development program. It was begun in 1966 when the GVN decided the time had come for a crash program. General Thang an able and energetic man, was made Minister of Revolutionary Development. The central idea was to send 59 man teams into the hamlets of Vietnam to organize and aid its security, its "new life" and to ferret out the Viet Cong infra-structure and turn the people's loyalty toward the nation. Self-help in cooperative projects was to be emphasized.

Initially the training of the Rural Development cadres was too brief; they did not remain long enough in a hamlet to make a lasting contribution; they went into too many insecure areas. Moreover, the Viet Cong made them a particular target, and killed a non inconsiderable number. This and other factors, including corruption in the regular district officials, caused a number of the others to leave their posts.

The program of training (at Vung Tau) is now under the energetic and inspired direction of Major Nguyen Be, himself a product of a rural area. Training has been lengthened to thirteen weeks. Teams are expected to remain in a hamlet six months or until it is pacified. The selection of hamlets is more carefully made—more secure areas, larger population. Emphasis is to be upon developing a "community of reciprocity through self-help projects. Eight thousand persons are under training—almost all recruited from the rural areas and, where practicable, sent back to their own districts. Certain members of the team are given specific responsibilities, and may be recalled for further training in this regard—health, agriculture, etc. In general these Rural Development cadres are more humane than earlier groups. If he has not done so already, we believe Ambassador Komer would find it most profitable and illuminating to go to Vung Tau and confer in depth with Major Be.

If the erosion of personnel can be lessened—and it can, if security is reasonably assured—this relatively new approach contains many elements of hope. However, it must also somehow or other be able to "deliver," and here it may find itself in conflict with the district and provincial "power structure," or it may find cooperation in these quarters. It will find it much easier to work with the elected hamlet and village officials.

Security and the impact of the Vietcong

Security, of course, is a most important part of the entire development program. Obviously, development is handicapped where a war is underway or where guerillas are free to operate.

The Viet Cong has a rather intricate infrastructure throughout most of South Vietnam.

Initially local "infra-structures" forming a unified network were organized in both urban and rural areas. Most of these dated back to the struggle against the French and, at least initially, were not necessarily Communist. However, steady indoctrination has resulted today in these hard core infrastructures becoming almost entirely Communist or Communist dominated.

Affirmatively, they often redistributed (or seemed to redistribute) the land. They commended themselves to the populace as being free from corruption. They were anti-French and anti-Saigon—and have endeavored to make people think the Americans plan to take over and that the present government consists of its puppets. (Incidentally, the recent hamlet, village, and assembly elections undermine the credibility of these accusations.)

On the other hand, the Viet Cong make certain persons their particular targets for assassination: The Rural Development cadres, the hamlet and village chiefs, the school teachers, officials generaly, known sympathizers with the Vietnam government and their families. They draft youths against their will. They often tax the farmer a heavy percentage of his crops as they, themselves, run short of rice. They raid and massacre the "New Life" hamlets. They create terror at elections and at other times. In general, they succeed in frightening the average hamlet which they have occupied or raided sufficiently so that inhabitants will rarely betray such members of the Viet Cong infrastructure as he knows for fear of reprisals, even if inwardly he supports the government.

As mentioned earlier in the discussion regarding agriculture, security can in effect be "created" by successful economic development. The allegiance of the people is crucial. If they feel that the GVN can help them in a constructive way, the people are less likely to submit willingly to the Viet Cong. Security and development feed on each other and one is integrally part of another. Security isn't possible if the GVN shows no disposition to help the people lift themselves up, does not eliminate corruption and has no efficient forces in the area. A military solution alone is not possible.

While elections and government have already been mentioned, they are quite relevant here.

The democratization of institutions

Elections have now been held in between 4000 and 5000 hamlets and in their villages. They continue to be held as security warrants. Population-wise they constitute a greater proportion of the whole than their numbers. The majority of the persons elected were those who had previously constituted the self-appointed power structure—generally the respected "elders." About one third were new. As of November 1967, the majority of the hamlets though not a majority of the population are either under Viet Cong control (4000) or "contested" (3000).

Rural area inhabitants are also making their wishes known to those whom they helped to elect to the Senate and House.

The forms of democracy are present and their possibilities hold some potential.

Urbanization

For a long time it has been customary to refer to South Vietnam as 80% rural, and to say that success or failure in the current struggle will be determined in the rural areas.

This is no longer so certain. The population of the urban areas has already risen to 40–45% of the whole, and in two or three years may reach the 50% mark. In part, this is a world-wide phenomenon—the greater economic and social attraction of the cities, a magnet to those of the population explosion in the rural areas as public health makes for survival past infancy. In Vietnam the economic pull is especially strong with the advent of a full-employment, military economy in the cities. A further factor, peculiar to Vietnam, is fast becoming decisive. The cities are *more secure*, and rural inhabitants are finding this out and becoming "unofficial refugees". Every provincial and district capital as well as the cities of Saigon, Vung Tau, Hue, DaNang, Cam Ran, and Dalat are in government hands. Of these, only Hue, Cheu Doc and two other provincial capitals, have been overrun in 1967, and this only for a few hours.

Here then is a profound development, fraught with unpredictable consequences, not only in the outcome of the war, but in the future character of the Nation.

Elaborate methods have been devised to measure the extent of government and Viet Cong control. The latest indicate 67% of the population are apparently under the government, 17% under Viet Cong, and 16% contested. Using these measurements and even discounting the tendency of the military especially to give optimistic pictures this represents a net gain in the first category of about 6–9% thus far during 1967. The word "net" is used advisedly, because some hamlets have slipped back. Even as and if these are recovered their confidence and cooperation will probably have been eroded by the demonstrated insecurity. The number and location of these lost hamlets is classified information, but it is known that several are in Binh Dinh, Phu Yen, Lam Dong, Binh Long, and Thua Thien provinces. A new system of evaluation will shortly be installed which is likely to show certain more favorable results without changes in fact that correspond in all instances.

Industry in Vietnam

South Vietnam, in comparison to other developing nations of the world, has very little industry. With the majority of its population involved in agriculture, it is clearly an agriculture-oriented country. As a result, it appears that agriculture should be the base upon which industrial development and economic take-off should be founded, with emphasis placed upon industries which initially will either increase agricultural productivity or utilize agricultural products.

Attention should also be placed on light industries and handicrafts to help provide a degree of income to the rural communities.

Before 1954, the majority of industry was privately owned; handicrafts by the Vietnamese . . . and the more sophisticated factories under the ownership or management of the French, and some Chinese.

Since 1954, private ownership shifted from the French to Chinese and Vietnamese; however, the Chinese proved to be most successful in obtaining liquidated French industrial plants. All industry owned by the Diem regime at the time of its overthrow is now under the control of the Industrial Development Center of the Government of Vietnam.

Out of a total 12,170 factories in South Vietnam, 90% have less than 20 employees. The remaining 10% range in size from 20 to 1,500 employees, with the larger plants being textile mills. Total contribution to the Gross National Product of all industry is roughly 9.1%.

The relatively new Bien Hoa Industrial Park, under the direction of the Industrial Development Center of the GVN (and assisted by the United States Agency for International Development) provides a very good site for more new industry. Some 95 plants of various sizes (all Vietnamese owned) are located in the Industrial Park at this time, with many more needed.

The natural migration of people from rural to urban areas is even more pronounced in Vietnam due to the military action.

The Vietnamese are an intelligent people, able to learn quite rapidly. Good potential management personnel is available but lacking (at this time) in the ability to grasp a broad view of management responsibility, such as proper application of skilled labor, finance, cost accounting, quality control, production control, planned purchasing, etc.

A broad market exists in Vietnam and neighboring countries for the following:

I. *Large Industry Sector:* Petroleum refining, petro-chemicals, nitrogen and phosphates, calcium carbide, cement plants (in the Cam Ranh and Hue areas), Salt production, rayon and other synthetics, paper and pulp, polyvinyl chloride, caustic soda and soda ash.

II. *Medium Industry Sector:* Agricultural tools (both powered and hand), prefabricated buildings (steel), combustion engines of 1 to 5 H.P., building hardware, electric motors up to 10 h.p., electric household appliances, transformers, electric meters, fishing boats, flour mills, forest products, leather products, tin cans and glass containers for food preservation, water pumps, wire rope, and rubber belts (Vee and flat).

III. *Small Industry Sector:* Abrasive grinding wheels, bicycle chains and other parts, brassware, buttons for clothing, earthenware, hand tools, metal furniture, die castings, motor bikes, needles, scissors and knives, toys, and pre-stress concrete products.

IV. *Agro Industries:* Animal feed, dairy products, fibre products (kapok, rice straw, palm, sea grass, jute, sisal, etc.), fishing gear, small power boats, fish boxes, fish meal, ice manufacture, poultry, silk production, sugar refining, vegetable and seed oil, vegetable and fruit preservation and canning.

In summary, South Vietnam is one of the better investment areas of the developing world. The GVN, through their Industrial Development Center, is able to provide some financing with U.S. AID Investment Guarantees protecting the remaining investment.

The people are intelligent and able to learn skills rapidly.

Naturally, security (or the end of hostilities) is most important to future industrial development: however, the current investment climate is very good.

Once the country is secure, which will necessitate the withdrawal of American troops and its accompanying financial input, industry (more jobs) will be one of the most important factors in economic stabilization and continued peace.

Refugees

The refugee problem is also related to development.

There have been over 2,000,000 "official" refugees, not counting those from the North at the time of the Geneva agreement and those who on their own have sought the greater security (and usually the larger income) of Saigon and other urban areas. Of these 2,000,000, 640,000 have returned to their original villages; 655,000 have been resettled; the remainder are in camps (300,000) or out of camps (490,000). Our people—volunteers, AID, the military—are striving mightily to help them. The Vietnamese government is doing its part. Financially the two governments are devoting nearly $20,000,000 each annually to the cause. Twenty-nine voluntary agencies, employing over 400 people, are giving over $10,000,000.

Almost all of these refugees are women and children under fifteen. They have opted, not for one side or the other, but for security. The consequences of not treating them decently, where such has happened, have been ghastly. Most of them are simple folk from the hamlets, human casualties of major battles or of bombing and shelling by one side or the other—chiefly by the Allies. Major battles result in an overwhelming flood, too great to cope with immediately.

The Vietnamese minister, Que, is truly able and dedicated. The voluntary agencies are doing an outstanding job. There is need for Vietnamese volunteer counterparts. Seemingly this is not in the Buddhist pattern. These refugees constitute an opportunity as well as a problem.

Much of the effort is towards re-settling the refugee. When possible they have been moved back to their old villages. Far too often this is not possible. The refugees must be integrated into Vietnamese society. One of the most serious obstacles to reaching that goal today is the GVN itself. With the new Minister, Dr. Que, some encouraging signs have been noted. Care for refugees is not enough. They must be woven into the fabric of the society. This is an infinitely more difficult task.

Self-help

One of the keys to ultimate security in Vietnam—one of the keys to peace—one of the keys to economic and political stabilization—and one of the keys to the future is self-help.

We must help the Vietnamese people to learn to help themselves! They must learn to fight and win their own war! They must learn to govern themselves properly! And, they must learn the importance of doing these things themselves!

When one reflects on the history of the country and considers that she had been occupied by various powerful nations for many years; that she has not had an opportunity to develop a workable and effective civil service system; that most of her agriculture and industry has been foreign-owned; that relatively few of her people are educated; that poverty and graft are an accepted way of life; then, one can also understand why the attitude of "let Sam do it" persists in this small but important republic.

Steps in the right direction have been made and the new constitution is one of the biggest, but there is much more to be done.

More and more assistance, regardless of its kind, should be offered to the GVN or her people on the basis that paralleling programs of "self-help" are instituted with each act of assistance.

This applies to the military as well as government agencies, voluntary agencies, private enterprise, the church, and the people. No programs should be initiated without an element of "self-help" being an integral part of its structure.

Through the establishment of farmer-owned cooperatives and other like organizations, programs introducing mechanization, fertilizers, hybrid seeds, land management, watershed, land planning, storage, marketing, etc., should be incorporated with each program, set up on a "do-it-yourself" basis as opposed to the American-doing-it-for-him. There are various ways in which this can be effectively done. For one, credit.

Until recently, the Vietnamese farmer was, for the most part, outside the money economy. Most of his crops were consumed by his family and the surplus traded or bartered with little or no exchange of currency. A better program of agricultural credit through member cooperatives or credit unions will show him the value of private ownership, plus the advantages of working for himself, rather than a French landlord. Credit can also apply in the construction of member-owned storage and marketing facilities.

Through member-owned credit unions or cooperatives, the urban and city dwellers can both benefit. Through these facilities, materials can be obtained. However, actual construction must be done by the home-owner himself. U.S. AID and the American voluntary agencies working in Vietnam can provide some materials, technical assistance, and training, but construction should be by the Vietnamese alone. The mayor of Saigon has sponsored excellent projects of this sort, by which the homes are sold to the individual owners, while they are paid wages according to the amount of time each works on the whole project.

Public health programs are vitally important to the future of Vietnam, or any other country. Look what medical science has accomplished in the United States over the past twenty-thirty years! We do not have wholesale epidemics of polio, flu, cholera, typhoid, yellow fever, etc. Our problems now center around ulcers, heart trouble, cancer and obesity; all marks of an affluent but basically healthy society.

Public health programs instituted in other developing countries are rapidly eradicating the problems of epidemics and are educating the population as to the importance of sanitation, good diet, cleanliness and prevention of disease through diagnostics and early care.

This, too, can and should be done on a "self-help" basis. First, by the construction of clinics in as many hamlets and villages as is possible, using indigenous materials and local labor. Supervision, training and regional dispensation of medicines and drugs can be done through American Voluntary Agencies working in Vietnam. Local dispensation and inventory should be the responsibility of the community. Unfortunately, the number of those registering for medical education at the universities is declining; that for legal education is increasing.

A "Self-help" program can also be instituted in this area of education, primarily as applied to physical structures and community organizational efforts, both of which are vitally important to the establishment of a workable educational system.

School buildings, furniture and recreational equipment can be locally made, which should instill an element of pride in accomplishment with an accompanying feeling of ownership.

The above four examples: Agriculture, Housing, Public Health and Education are only a few of the areas in which "self-help" should be an integral part of the growth programs of South Vietnam. However, we do not intend to overlook other activities equally as important to self sufficiency and future development of the country.

Self-help type programs can also be incorporated into public works such as sanitation systems, road construction, water storage, irrigation, electrification, and other civic improvement projects. Self-help must be an integral part of these programs if they are expected to succeed.

Summary

In conclusion, it is essential that "new life" programs be continued. The Rural Development Team program should be strengthened along with the positions of the Ministry of Rural Development and Major Be. The election time-table for province chiefs should be speeded up. Corruption control is essential. Land reform and increased agricultural technology must be dramatically stepped up.

If rural and economical development is stepped up, there is little doubt that nation-building will be greatly enhanced. This would also increase the confidence in the GVN. Politics and rural and economic development are inextricably intertwined. Simultaneous progress on both of these fronts is imperative. The length of time is crucial. The GVN cannot afford to wait.

IV. NATION BUILDING IN VIETNAM—THE AMERICAN INVOLVEMENT

It goes without saying that there has been-controversy over the nature and extent of the American involvement in Vietnam even without entering the debate over whether or not the U.S. should be there.

It also goes without saying that the United States has been heavily involved in the politico-economic development of Vietnam. For the most part it's American money being spent and most often on the basis of American advice and initiative.

One of the major areas of interest of the Volunteers for Vietnam team was to determine the effect of American aid, and the organization of our efforts for its effective administration. Furthermore, the team attempted to determine the overall impact of the American "presence" in Vietnam.

An evaluation of the United States military effort is not made in this part of the report except when it bears directly or indirectly on civil operations programs.

CORDS

The largest American Advisory effort in Vietnam is now under the direction of CORDS (Civil Operations for Rural Development Support). Before May 1967, this operation was in the hands of civilian agencies. A succession of programs attempts were made before CORDS, the most recent being OCO (Office of Civil Operations).

In May, the responsibility for the pacification program was given to General Westmoreland and the military.

Robert Komer was sent to Vietnam with the rank of Deputy Ambassador and as Westmoreland's Deputy for CORDS. CORDS was formed to bring all United States advisory personnel, both military and civilian, in the Corps areas and in the provinces under one management system. As a result there are three levels of CORDS organization, but they do not parallel completely the structure of the GVN. The top CORDS level is located in Saigon, but it is an administrative office for the other two levels and in no way parallels the central government in Saigon. Here all American agencies battle for the ears of national Vietnamese officials.

The two levels of GVN which CORDS does parallel are the Corps regions and the provinces. There is a CORDS chief regional director in each of the 4 corps areas in Vietnam. He has assistants who advise most GVN officials in Corps area offices. The CORDS personnel advise the GNV officials in the four corps regions.

On the province level the organizational framework is much the same as on the regional level. A CORDS "senior province representative", is in charge of all American advisory personnel in his province. There is a deputy province representative and again counterparts to many of the province GVN officials.

Both civilians and military officials hold positions as senior province representatives.

The rationale for the creation of CORDS was that better coordination and cooperation of all United States agencies working in the field in Vietnam was needed. It was also anticipated that CORDS would offer greater military support in expediting civilian supplies and would provide better protection for pacification efforts. While it is hard to argue with the single-manager concept, CORDS organization leaves much to be desired. First, all of the work of civilian agencies was under one program (OCO) before CORDS was created. This program was in effect for only five months, hardly a testing period, before it was replaced by CORDS. So, in effect, CORDS only merged OCO and the military advisory program and placed it under the Military Assistance Command in Vietnam (MACV).

Opinion varies a great deal in both the United States and Vietnam about the effectiveness of CORDS and whether or not it should have been formed. In Vietnam, many American civilians are disheartened and some are leaving or have left, because of the predominance of what they regard as orthodox, purely military judgments. Many feel that there is little or no reference to the consideration of the short or long range effects of military actions on the Vietnamese, especially in the hamlets. Where military officers are senior province representatives, this problem is often the most severe, especially in provinces where there are heavy concentrations of ARVN and United States troops, or where artillery and air strikes are used extensively. In these provinces, in particular, concern was expressed that CORDS senior representatives who are military officers, are less likely to deter contemplated military operations which may seriously affect the civil pacification program. The clear feeling was expressed in Vietnam that civilians are in a stronger position to "back" judgments of this nature than are military officers.

CORDS has also imposed an almost crushing load of paperwork on advisory personnel, especially in the provinces. Both military and civilian province representatives stated that paperwork was seriously limiting the time available for their advisory efforts. A paper war is not the war in Vietnam. Yet CORDS is making it that way. Because of the great desire now to show statistical progress, evaluation reports are the worst offenders.

Furthermore, a new evaluation system will be put into operation soon. The pacification program report will be brighter the day it does because of the way the new system is designed.

However, it does seem, even with all of its detriments, CORDS should be allowed to continue. The numerous re-organizational efforts in the pacification program have hindered the program's effectiveness. It does appear desirable, however, that all senior CORDS province advisors be civilians. The program is still essentially civil in nature and should be administered by those trained in this area. It is imperative that qualified civilians be recruited to fill the advisory posts at the province level. Already a tendency to fill civil operation posts with military personnel is being evidenced. This development is not healthy.

One other point must be made. If developments in the GVN, such as the abolishing of the Corps regional administration and the stripping of Corps commanders of their civil function take place and the election of province chiefs occurs, CORDS will be out-dated. It does seem ironic that at a time when the Vietnamese are embarking on a program to separate the military from civil programs, we design our advisory program to do just the opposite.

Coordination of efforts

The problem of administration at the corps and province level has been discussed, CORDS and its predecessor, OCO, have reduced the competition between civilian agencies and created a more unified effort. Now that the military has also become part of this effort, all advice at the corps and province levels should be coordinated, at least in theory.

This is not the case in Saigon. At the highest level on the American side, there seems literally no *joint* advance planning between the principal groups, military, state, USIA, CIA, AID and now CORDS. Representatives of each of these groups should at the very least be able to sit down with the others at the formative planning stage of programs generated in any one of them. This is such an elementary practice in any good administration that even to ask if it is being done should be an insult—except for the reason it isn't being done. A person with Deputy Ambassador rank should have no responsibility other than coordinating our efforts at the highest level. Someone with extensive administrative and executive experience, preferably in government, should fill this position.

Economies in our overall effort are possible. Better coordination is essential and longer terms of service would help here. A golden opportunity is open to the Vietnamese to step up their public administration training programs. Too many lawyers, and too few administrators, have been characteristic of developing nations. The Vietnamese need not make this mistake.

The team was not in Vietnam for a sufficient length of time to study in depth the entire administration of the AID program in Vietnam. The Government Operations Committee of the House of Representatives and the Foreign Assistance Subcommittee of the House Appropriations Committee have produced lengthy and comprehensive documents on this aspect of our efforts.

There are some observations, however, which can be made. A severe shortage of qualified manpower in civil administration exists in Vietnam today among both the Vietnamese and Americans. The American problem is complicated by the relatively short period of time that our personnel spend in Vietnam. Most are there for only 18 months, but often in any one position for only 9 months or less. It often takes six months to learn a job, and soon the Vietnamese "opposite number" finds a new man on the job, who may have a different set of ideas. It is unusual for an American to speak Vietnamese, and for certain posts and for so short a term, it is hardly worth the effort.

It would be much better to use fewer men and enlist them for longer terms. Where relevant, language competence should be acquired prior to assignment to Vietnam. Allied training in Vietnamese history and culture should be a pre-requisite as well. A corollary of the longer term is to lift the ban on bringing wives to Vietnam—at least as far as Saigon. Since most military personnel are being moved out of Saigon the demand for accommodations should be relieved.

A Vietnamese Institute of Public Administration has been established with liberal American support and counsel. It is steadily improving in its training of Vietnamese officials. In the end this kind of program and policy can expedite the phasing out of American advisory personnel, both civilian and military.

The American presence

Finally, the American "presence" in Vietnam itself must be mentioned. There are about 500,000 American soldiers and several thousand American civilians in Vietnam today. Probably 1 in 4 of the males between 19 and 26 is an American. There is no doubt that a considerable and probably growing anti-American sentiment is quite widespread. To a great extent it is irrational, but it is there and must be reckoned with. A recent issue of a Saigon newspaper summarized editorially the chief factors which foster anti-Americanism. Basically they are: The American does not observe many local customs; he tends to be too familiar with all Vietnamese young women, not discriminating between those "for rent" and those not. He gives cigarettes to children. He often treats too lightly the ultimate responsibility of a Vietnamese official whom he advises. He too often speaks slightingly of the Vietnamese, both military and civilian. While the South Vietnamese realize our help is essential to their continued independence, there are changes which Americans can make both individually and collectively that would be helpful. Reducing the number of Americans in Vietnam is, of course, an obvious way of reducing the American "presence". We believe that this can be done in both civilian and military areas.

The credibility gap

One other item regarding the American involvement in Vietnam is the credibility gap. Many times members of our team privately expressed skepticism at the accuracy of the information and appraisals given us.

This is similar to the widespread skepticism greeting official pronouncements in the United States itself. Some observations, however, are in order before coming to the heart of the matter.

Americans and others visiting Vietnam tend to come with preconceptions. This always results in a certain amount of "selective perception." We all of us to some extent see what we wish to see. Some contradictions in reporting are thus to be expected. This report doubtless suffers somewhat from this error, in spite of all the very conscious efforts made to be completely objective and objectively complete.

There is built in a disposition on the part of military and civilian officials alike to report matters in as favorable a light as possible. Promotions usually depend on success in an assignment. Budgets depend often on statistics. The group knows of one instance at a very, very high military level of deliberate and important alternation of data so as to disguise failure. What effect the forthcoming election campaign in the United States will have on wishful thinking and selective pronouncements by both sides remains to be seen.

Observers, including reporters and columnists—and for that matter our military, civilian, and volunteer personnel—vary as to what they see and hear. It is not far off the mark to say that at any one time a person could, if he looked for them, find facts on both sides of almost any question. The time variable is especially important. Too many people are still arguing for and against Diem, or relying for facts upon the military situation of 1966. Except for the effects of his regime, Diem is irrelevant to the direction of the present policy. Many and probably most aspects of the situation are improving from the American point of view—but not all. Columnists such as Walter Lippmann and Joseph Alsop become to some extent prisoners of their earlier pronouncements; and if the latter today apparently was more nearly accurate in interpreting phenomena, so be it!

Continued repetition by the Communists, echoed by pacifists and others, of false charges have their effect. These false charges included such matters as the percentage of the people supporting the Viet Cong, widespread and deliberate civilian bombing on our part, almost universal cowardice on the part of the ARVN, extensive use of napalm against women and children, customary herding of refugees behind barbed wire, etc.

But even after making allowance for these factors, the credibility gap does not disappear. The team found contradictions not only in what they were told by Americans as compared to what they saw, but also as compared to what others, many United States officials, told them. For the most part the contradiction or misinformation was the result of excessive optimism, either on specific figures such as civilian war casualty figures or on the progress being made in certain programs. This lack of realism and candor is harmful and has aided those who oppose the war. It should be stated that almost all areas of inconsistency found by the team were in the non-classified area. Security would not have been breached by being frank and forthright.

The quality of the American effort in Vietnam can be improved. It must be improved. It can become even more effective and efficient. Most of the changes suggested or recommended in this chapter can be made with a minimum of change in over-all policy. Yet we feel they are vitally important and hope they will be carefully considered.

V. VIETNAM: THE MILITARY SITUATION

The most frequently asked questions by Americans are: "When will the war be over?" How is it *really* going?" This report will attempt to answer these questions.

Conventional war

Actually in the sense of mass invasions across the border, there is relatively little of this. Organized units of divisional strength have only been involved just south of the de-militarized zone and (more recently) near the Laos and Cambodian borders. Both of these neutral nations have proved impotent and/or unwilling to prevent such groupings on the part of the Viet Cong and their North Vietnam allies. Battalion strength massing and attack occasionally take place from the "Iron Triangle" northwest of Saigon, from the jungle-covered mountains west of the coastal plain, and formerly within the Mekong Delta area. On our part, "search and destroy" missions have increasingly rarely been able to find the enemy in any substantial number. Normally he avoids such engagements.

In the two major "conventional" battles (DMZ) and (DakTo) during 1967, the enemy has failed in two of his objectives and succeeded in one. He has suffered serious losses in manpower and weaponry. "Kill ratios" range from 2 to 1 to 10 to 1 in the various encounters making up these two battles. Whatever his objectives, whether to capture territory, to score a major propaganda victory, or to draw off our forces furnishing security for the hamlets, he has succeeded only in the third. The infrequency of such attacks would indicate that his losses may not appear to him to justify attacks on this third ground alone, although the inability to mount such attacks may be the really determining factor.

Unmistakable evidence points to the following: (a) a substantial falling off in the number of Viet Cong engaged in these operations, (b) their replacement with considerable difficulty, by cadres of the North Vietnamese army, (c) an increase in fire power, including more sophisticated weapons, on the communist side.

On balance, in the two zones mentioned, the communists are probably slightly stronger as a military force than a year ago. Gains on our side are considerably greater due to our own further buildup. The addition of a division of the Thai army, and additional fighting units of the ARVN and others will aid still further.

We are winning the conventional war,[2] and its end, some of our leaders say—barring some new major factor—is in sight although the date is quite uncertain. The threat of its sporadic re-opening will, of course, remain. Also even our centers of greatest strength are increasing subject to bombardment as the communists receive longer and longer range mortars and missiles, chiefly from the Russians.

Vietcong guerrilla tactics and infrastructure

The struggle against guerrillas is going less favorably. It is even conceivable that this may be lost, either through (a) war-weariness on our part or the South Vietnamese, (b) corruption undermining the slowly emerging support of the South Vietnamese government, (c) failure to devise and carry out means to give the necessary security to the hamlets, or (d) erosion of good will toward the Americans and other allies on the part of the Vietnamese. This last may be quite irrational, but the Communists keep up their anti-American propaganda and too frequently our own conduct plays into their hands.

For some years to come, Viet Cong bands can be expected to conduct night, or even day, forays against relatively defenseless hamlets. The nearby jungles and mountains permit this. Their infra-structure still in the hamlets supplies them with the necessary information as to available defenses and who should be assassinated. Jungles, along with new and improved weapons, also permit occasional shelling of cities of short duration. With longer range and more accurate weapons, these may show increasing severity and even frequency.

Apart from security measures, which will be considered presently, a number of factors are working in our ("our" being the South Vietnamese, the United States, and other allies) favor. Feeding the Viet Cong in the jungles is not easy. We have learned the techniques of guarding the rice crops during the harvest season, and many of the Viet Cong raids are primarily for food. In the Mekong Delta area there are virtually no jungles or mountains, and the virtually complete security found in An Giang province can and should be duplicated. If and when the constructive devices already discussed to win the hearts and minds of men can proceed far enough to consolidate support, more gains will be made.

At present, much of the Delta may be subject to local agreements on both sides to leave each other alone. If we can win elsewhere, progress in the Delta by political and/or military means can become less difficult.

---

[2] Without being in a position to evaluate the information, one member of our team was informed by a reasonably reliable source that at least certain of our senior corps officers did not share the optimistic evaluations of General Westmoreland. Ambassador Bunker may wish to have a conference in depth with all concerned participating. This may have contributed to the credibility gap.

There is evidence that recruiting of Viet Cong has fallen off drastically, with the bottom of the barrel being scraped. The population they control effectively has shrunk. The aura of certain success is no longer theirs, but hardship, suffering, and danger remain. Most able-bodied men are already fighting on one side or the other. The average man does not want to leave his family indefinitely—a factor in AWOL on both sides. Chieu Hoi (see below) is taking its constant toll, and is at its maximum during Tet, the traditional family holiday season.

For all this, the infra-structure or network of cells in the hamlets largely remains. The government with our assistance plans to tighten up police and military surveillance, with a revised and forgery-proof identity card system complete with finger printing for all adult males. Constant checking in this fashion should yield results. In the end, however, information as to whom is involved, given by defectors and close acquaintances sympathetic with the government can do the most. A combination of national loyalty, resentment against the Viet Cong and assured personal security can produce this type of cooperation. As yet, this combination is relatively rare. The converse is certainly *not* true, to the effect that the Viet Cong themselves have the willing loyalty of these persons.

Security

Over and over again, the note has been sounded that security is the key to a problem. Four major factors are involved: (a) effective patrols, night and day, (b) local hamlet or village garrisons or, from the district, militia of adequate strength to withstand the initial shock, (c) reinforcements within striking distance, (d) sympathy on the part of the inhabitants generally. Sympathy (d) already rules among the Montagnards, the Hoa Hoa sect in An Giang and parts of its neighboring provinces, in the cities, and in some secure parts of the rural areas. These provide (a) and (b) also. Reinforcements (c) are present in the cities and to some extent among the other groups.

(a) Effective patrols: These operate chiefly in the hamlets near cities and other bases. The Koreans are especially effective. Our own forces are under orders to take the first blow before they fire, and show great courage in this regard. The ARVN patrols vary greatly. They are most often at their best when a few Americans or Koreans are mixed in, not necessarily in command. Under such circumstances, they too show great courage and the experience ought increasingly to lead them to patrol effectively on their own.

(b) Local militia: the Provincial Forces are full-time; the local Regional Forces increasingly so. These are protecting their own and are showing some promise. To these should now be added the security-trained members of the Rural Development teams working in the hamlets. It is the hope that even if these two groups should find themselves locally outnumbered, they will turn into counter-guerrillas. This has not materialized on any appreciable scale.

(c) Reinforcement: these are inadequate, in that they are not sufficiently numerous to cover the country. Where a province such as Binh Dinh (coastal) had been a show case in security as long as regular troops were there and available in strength, their drawing off to aid in repelling the attack from the DMZ was soon followed by renewed Viet Cong and North Vietnamese raiding activity. Perhaps this effect accounts for the otherwise disastrous attacks in the Dak To as well as the DMZ area. Whenever security fails, support for the government is eroded.

The problem in both (b) and (c) is clearly manpower. If the ARVN can field one or more additional divisions, if the United States can scrape up a division or more from its logistical support units, if the Thai division is added, if conventional war weakens the enemy, if more and more recruits are found for the Provincial and Regional militia, it should be possibly slowly, but surely, to extend security zones to more and more hamlets in an ever-wider radius around the cities, the provincial and regional capitals, and the various army bases. Special priority should be given to the rice producing coastal and Delta areas, where (with the cities) 80–90% of the population live.

Unless there is a major change in the communist will to fight (and this is not inconceivable), this process will take many years—but there is no other way to fight what the enemy has determined to be a "protracted" war than by sustained attention to (a), (b), (c), and (d).

Chieu Hoi

This "open arms" policy is designed to encourage defectors from military and infrastructures of the Viet Cong and (to a very limited extent) from the troops from the North. It is in great measure successful. During 1966—22,242 returned in this fashion and in 1967—27,000. It is highest during the Tet holidays. It is lowest during the weeks of uncertainty as to changes in the Saigon government. It is presently leveling off or declining, as the numbers of Viet Cong are themselves declining, or as they impose stricter controls. Subsequent counter-defections from the Chieu Hoi are about 1%.

Propaganda leaflets, "passes", a word of mouth are the means to reach the Viet Cong. Inducements are financial, with a further bonus for weapons brought with them. Security, reunion with families (where possible) and employment are promised.

A substantial number furnish valuable intelligence service, and a substantial number join our side in actual combat.

The bombing of the north

This has not succeeded as yet in one of its original objectives, that of inducing the North to negotiate and/or desist in its aid to the Viet Cong. There is evidence that it has increased the Viet Cong determination to fight. However, it has added materially to its difficulty in sending men and supplies to the South, but it has not prevented substantial aid. It has made necessary the use of 100,000 to 150,000 North Vietnamese in antiaircraft and other protective military operations in the North. 150,000 to 250,000 more, many of them Chinese, are used to repair damages. Larger and more sophisticated weapons on the part of the Communists made their first appearance in the South following the long pause of early 1966. They have kept up a modest supply ever since.

Widespread criticism of the bombing policy has arisen in many quarters all over the world and in our own nation. This has arisen largely because of the fear of the consequences of escalation together with the inevitable civilian casualties. We have also suffered substantial losses in planes and men.

The bombing is inflicting substantial damage upon the power plants, the transportation system, shipping repair yards, oil storage in the North. This is hurting the regular economy as well as the war effort. Goods are piling up on the Haiphong docks.

The harbor of Haiphong has not as yet been bombed, because of fear of the effect on the Soviet Union, if one or more of their ships are hit.

The United States has offered to stop the bombing, if assurances are given by the North that it will also de-escalate. If the bombing is stopped without such assurances, it is possible that two militarily important consequences will follow: (1) over 100,000 members of the armed services of the North could be released to join their forces in the war in the South and (2) the flow of larger and more sophisticated weapons to these forces will be facilitated.

However, if by any chance a temporary bombing pause (e.g. at Tet) should show that the North was not taking advantage of it to build up its forces, this could be the signal for the beginning of a de-escalation. We should cooperate in "some fashion" to give Hanoi an opportunity to de-escalate.

The character of the war for the hamlets

Two major approaches are open to us in military efforts in the war for the hamlets, although they are not necessarily mutually exclusive.

One of these involves a carrying of the war into Viet Cong territory, bombing and destruction of the villages they ostensibly hold, and killing, wounding or capturing such armed men as are found. Civilian casualties from the bombing are considerable, (minimum to date, well over 100,000, mostly wounded) and are chiefly women and children. Survivors including the wounded swell the ranks of the refugees. The wounded are cared for in our hospitals. The permanent occupation of the territory is not necessarily a part of the plan. Surveys of those in hospitals clearly indicate that very few women and even fewer children have been the victims of napalm. Today the use of this medium is virtually unknown except in actual man to man combat. The exceptions, if any may be accounted for by the use of civilians by the Viet Cong as shields, contrary to all recognized practices under international law.

The official military position is that these operations create an anti-Viet Cong attitude among the villagers. However, a very considerable body of evidence endorsed by a number of American civilians, Major Be (see above) and some military is that this type of operation creates enemies among those previously uncommitted or those inclined toward our side. The provinces in which and near which ("Operation Cedar Falls") our major effort of this type, was conducted, were with one exception the only ones in which Dzu, the leading anti-government candidate obtained a plurality in the last election. However, this same operation also resulted in an increase in the Chieu Hoi.

"Clear and hold" has already been described. Its objective is to create ever widening areas of substantial security.

The dispute as between these two types of operation is the major dispute today as to military strategy. While the team favors the latter, we are not qualified to pass the necessary military judgment in particular cases or in over-all policy. The latter policy would seem to be much more productive in winning the people.

The military capacity of the ARVN

This has been the subject of hot dispute, with people taking sides according to their experience or predisposition. Our army's official formula is that "the ARVN are as good as their leaders", i.e. some fight well, some fight less well, some run away. Where they are fighting alongside the Americans, especially in combined action units, they are usually excellent fighters.

Our press has given a distorted view, because our people are much more interested in our troops than in those of the ARVN and the other allies. Thus far in the war, the ARVN have had more than four times as many killed as we, although at the present time the casualties are running only slightly more than ours. The draft period of service is longer than ours. The South Vietnamese have over 700,000 men in their regular forces, militia, and police. The ARVN has 340,000 men under arms, 294,000 men are in the Popular and Regional forces, and 67,000 men are at the national police force. This would be the equivalent of about 8,400,000 Americans, or roughly about all we were able to mobilize at the height of World War II. They have lowered the draft age to 10, as of January 1, 1968, so as to obtain still more troops. Roughly one fifth to one sixth of their population are under Viet Cong control and scarcely open to recruiting by our side, except under the Chieu Hoi program.

A relevant parallel may be found in the Korean War. During its early stages the ROK forces did not fight well. Later they fought hard and today, man for man, they are at least the equal of ours in Vietnam. The sense of nationhood in Vietnam is much less developed than in Korea. War weariness is also a factor. So is corruption and the spectacle of the profiteer in Saigon.

On balance, the ARVN, including the local militia, are doing increasingly well, with still very considerable room for improvement in many of the units.

The bombing of the south

While most of the controversy over bombing has centered on air strikes in North Vietnam, bombing policy in South Vietnam should be equally controversial. Our bombing policy in South Vietnam, unlike the North, has a direct influence on nation-building and pacification program as to our military operations of our ground forces and the deployment of artillery.

Bombing in the South has handicapped the effort to win the "hearts and minds" of the people of Vietnam. It is contributing to the growth of anti-Americanism. Restricting bombing in the South only to those areas where large scale troop confrontations are taking place would minimize the adverse effects now being felt.

The time factor

The enemy is fighting a protracted war. Its end is not in sight. Assuming continued success in the conventional war, or even an out and out victory, many of our troops can be at least gradually phased out fairly soon. Security operations are likely to take much longer, and our aid will be needed so long as the guerilla ratio remains (see above). While we could probably hasten matters by an invasion of the North including the seizure of Hanoi and Haiphong, the possible consequences of this major escalation are incalculable.

Recommendations

(These are made with some hesitancy, because of lack of access to classified information and our lack of real expertise in the military field.)

1. Shift from the tactics of destroying Viet Cong held villages and then withdrawing, to a clear and hold strategy.
2. Continue emphasis on security for the friendly areas and those producing most of the food supply.
3. Deploy a greater number of military and para-military units in posts readily available to assist local militia and Rural Development hamlet teams under attack.
4. Continue the bombing of military and military supporting targets in the North.
5. Make more use at this stage of "mixed" units of ARVN with United States and other allies. The "Combined Action" Units of the Marines in I Corps and mixed patrols used elsewhere are successful examples. Whether the commanders are ARVN or allies is not important. Both should be tried.
6. Continue to stress the Chieu Hoi or open arms program.
7. Diligently search for ways to give Hanoi an opportunity to de-escalate, but without yielding any military advantage presently held, except for such a quid pro quo.
8. Restrict bombing in South Vietnam to those areas in which there are actual confrontations between Allied and enemy forces. Eliminate free strike zones.
9. Plan for a long war.

VI. SUMMARY AND CONCLUSIONS

By design Volunteers for Vietnam has not entered into the debate over whether or not the United States should be in Vietnam. The fact is we are there. Rather the orientation was one of examining the quality, the manner, the method, the effectiveness, of American efforts in Vietnam and those of the Government of Vietnam. The team, therefore, attempted to delve into the complexities of the various aspects of the many programs which fall under the heading of "pacification". More basically, the team made an effort to determine the ability of the present Government of Vietnam effectively to carry the fight against communism and to win the support of the people. Military operations as they affect the pacification programs and the battle for the hearts and minds of the Vietnamese people were also considered.

Evaluations have been made and conclusions reached. As might be expected all team members do not necessarily agree with all conclusions and statements.

Basic conclusions reached by Volunteers for Vietnam should be stated first:

1. It is in the best interest of the United States to continue its commitment to assist the Government of Vietnam, making no group judgment with regard to how or through what methods, or on the chain of events which led to the commitment to which we are obligated today.
2. Unilateral withdrawal from Vietnam would result in unbearable military pressure on the Government of Vietnam, exposing the people of South Vietnam to the immediate threat of communist domination.
3. Unilateral withdrawal from Vietnam would be harmful to both the short-run and long-term security interests of the United States and would weaken the integrity of commitments made by the United States elsewhere in the world.
4. The United States, while continuing to support the Government of Vietnam, should constantly, honestly, thoroughly and with a sense of dedication and conviction probe for ways which can lead to negotiations for peace. We should continuously re-examine the conditions specified for such talks, recognizing that there is virtue in admitting some mistakes and in going the extra mile. We should seek to create conditions that would make possible under the present circumstances for negotiations to take place.
5. At the present time the Viet Cong compromise a small, but significant minority in South Vietnam and those people loyal to the Government of Vietnam, while much larger in number also constitute a minority. As a result, the largest number of Vietnamese, most likely a majority, especially in rural areas stand uncommitted as yet between the Viet Cong and the Government of Vietnam.
6. The allegiance or, at the very least, the passive acceptance of the new nonaligned people in South Vietnam is necessary for the Government of Vietnam successfully to prosecute the war and become a stable force.
7. The policy of the United States with regard to Vietnam should be continuously reexamined in light of the need of the Government of Vietnam to win the support of the people.

A Note on Insurgency. It may be observed that there are two distinct types of warfare being waged in Vietnam—limited conventional almost entirely in the 1st and 2nd and 3rd Corps areas and insurgency in the Delta and isolated situations elsewhere. The military response appears to be making progress with the main force North Vietnamese units, but the major question is how will we respond to the insurgency in 1968. Most observers, and our findings, will conclude that the fight to counter the insurgency is lagging behind. This proposal is to suggest a policy that may be effective in the fight against the insurgency.

Insurgency is fought in political, economic, social and psychological dimensions as well as in the guerilla warfare dimensions. A factor which has helped to obscure understanding of insurgency is the tendency to frame the problem in terms of conventional military concepts when in fact, the problem is much broader. Insurgencies are not made; they happen over a long period of time. As Wendell Phillips once said, "Its foundations are laid far back." Yet, insurgencies never occur as a result of forces beyond human control—that is, they are not something analogous to earthquakes or sunspots. They occur after long-run preconditions create a potentially explosive situation which is triggered by incidental factors. Basically, the causes may be classified into political, economic, and social factors.

If it is true that the causes are long-run, as most students of insurgency have agreed, it is not likely that immediate repressive policies will solve the problems. Large-scale military operations in the Delta should be employed cautiously and only then in conjunction with effective political and social reform. Basically there are two ways of handling insurgencies—strong military police action and wise politics. Lenin recognized that "undisciplined armed action" is by "no means sufficient to prevent events which result from profound economic and political causes."

Dealing with insurgency through military force without regard to legal, ethical, or constitutional restraints is short-lived. Justifying its brutalities under the slogan of fighting fire with fire, has an appeal to those whom Mao-Tse-tung calls simple-minded militarists. It is the approach Chang Kai-shek used against the Communists in the 1930's and 1940's. It is the type of approach employed by the French against the Viet Minh and against the Algerian rebels. It is the same type of approach the Russians used in Berlin in 1953 and in Budapest in 1956. In the name of stability, it is a favorite approach of the military dictators in Latin America.

This leads us to the political approach to insurgency. In past wars the political aspects of warfare have been made by wise practical politicians and astute statesmen. But in insurgency political decisions must be made on the spot, in the field as opposed to written directives from the State Department. The daily decisions of between which areas to attack and which to befriend; between which villages to destroy and which ones to move and which ones to defend; between repression and persuasion—these are political.

Since World War II these political decisions have been made by astute political leaders in the most successful insurgencies. Mao-Tse-tung, the libertarian, defeated Chang Kai-shek, the professional warlord. Tito, the Communist political agent, not Mikhailovitch, the monarchist professional soldier, won in Yugoslavia. Giap, the French history teacher, not the French general, won at Dien Bien Phu. And Castro, the lawyer, won in Cuba. These insurgency-victories were led by non-military men, which suggests that insurgencies can best be countered by non-military leaders. Such as Magsaysay, the automobile mechanic turned politician, defeated the Huks in the Philippines where the general had failed. Magsaysay's greatest achievement was to demonstrate that political action can be effective in countering an insurgency. He was a natural politician who followed his own political instincts. In short, he removed the cause by astute political action for which the Philippine Communists were fighting.

Therefore, based on past experiences and the knowledge that insurgencies are what Mao calls protracted political warfare, we recommend that (1) a political response be developed to cope with the insurgency in the Delta; (2) that political leaders be appointed to direct the attack on the insurgency in the Delta and (3) that all military leaders be subservient to the political leadership in the Delta.

Looking beyond the current problem in Vietnam, it would appear worthwhile to develop a strategy to prevent rather than cure insurgency. Aristotle had reasoned that "if we know the causes which destroy constitutions we also know the causes which preserve them; for the opposites produce opposites, and the destruction is opposite of preservation." One might add to Aristotle's logic by observing that creative political action is the specific antidote to insurgency conditions, and the occurrence of an insurgency is in a sense nothing more than testimony that this antidote was not recognized or not used. In order to discover and make use of political alternatives to insurgency, however, the foreign statesman must be forewarned about situations in which insurgency may develop.

To provide this warning we should develop a knowledge of the causes of insurgencies and institute a policy to assist the developing nations in ways to prevent them from occurring. In short, we should have a policy of preventing insurgency rather than responding to the conditions after the fire has started. Adlai Stevenson once said that "the time to stop revolution is at the beginning, not the end."

It is suggested that an invitation be extended to the intellectual community to send 25 scholars to Vietnam to observe the insurgency in the Delta for a two-year period. Some should be those who have at some time had decision making responsibility in foreign policy and defense. These students of modern insurgency could apply their theoretical knowledge of the causes and prevention to the empirical data that is available in Vietnam, with the hope that a preventive insurgency policy can be developed that may be applied to future insurgencies.

Essentially, this is a call for greater use of the social disciplines in preventing insurgencies.

Insurgency is not new. Lincoln used the word "insurgency" twice in his Second Inaugural Address. It is a complex type of warfare and it is fair to say that we were not prepared for it in Vietnam. To assure the proper response in Vietnam and be prepared to assist developing nations in preventing future insurgencies, we must commit more of our academic knowledge in the social sciences to the study of this problem.

President Kennedy's words about the situation in Vietnam are still appropriate today. "In the final analysis it's their war. . . . they are the ones who have to win or lose it. We can help them, give them equipment. We can send our men as advisors, but they have to win it."

There is no doubt that the bounds of the commitment implied in this statement have been exceeded. In 1965 we refused to allow the South Vietnamese to lose the war as would surely have happened without the large influx of American troops. Our presence in Vietnam today is more than "merely" advisory. Our action with regard to how AID funds are employed and with regard to military operations have significant effect on the ability of the Government of Vietnam to win the war. We have not always acted wisely. Mistakes, many of them costly, have been made.

Since 1965 ARVN and para military forces including police in Vietnam have been built up to the 700,000 figure. There are 500,000 American troops in this small country. The results have not equaled the impact. Nothing drives home the point more than that this is not just a military war than this fact.

Americans are used to fighting wars where we clear the land, defeat the enemy and then develop or build up the country through economic aid and technical assistance. Vietnam does not offer this kind of situation. We are being called upon simultaneously to develop a country with both economic and technical assistance and fight a war. The phrase "unleashing the generals" is as irresponsible and irrational as "pull out". To do what either implies is courting disaster. We don't have much experience in this kind of war. We aren't very good at it. We don't like it. We are learning and we are improving. But it is not easy and will not be done overnight.

The Volunteers for Vietnam team does conclude, however, that sufficient recognition has not been given to the importance of the "other" war. Political, economic, religious and social problems, albeit, closely related to the military, have in many respects and in a multitude of ways taken the second seat. A military victory, without overcoming the other problems, would be very hollow indeed. The two ways cannot be separated. Too often the effects of military operation on civil action programs have not been fully considered. Months of work on civil programs in hamlets and villages have literally "gone down the drain" because of ill-considered military operations. On the other hand, civil programs have too often been started in insecure areas without building the type of security necessary after the initial development project has been completed.

What is important about this is that most of the military operations and most of the civil programs are administered on the basis of American advice.

The line between an advisory role and an operational role is often a thin one and hard to travel. The more the effort in Vietnam becomes Americanized the less likely it is that the Vietnamese will develop the leadership, incentive and ability needed to sustain the kind of actions they need to engage in

While it is true that we have not allowed the Government of Vietnam to lose the war, it still is clear that the Vietnamese must win it. The more that the war effort becomes one of the United States, the greater a task this becomes.

Foreign aids

Because there is confusion and misunderstanding on what our Foreign Policy is or should be we offer the following for the consideration of all interested Americans.

It has been said the "Foreign aid can never substitute for foreign policy". Throughout the history of mankind in its revolutionary moments of change and challenge there always were groups of people who crystalized the issue, that presented the challenge. The Magna Carta was the great goal for England in a critical time. The Declaration of Independence crystalized the issues presenting a challenge and stating the case of the revolutionaries of '76. The Emancipation Proclamation issued by Lincoln was the most important document that came out of the Civil War.

Just as these made the difference and were important in their time so the world must have from the United States of America an articulate position for the great goals that are needed on the world front.

Someone has said, "We have been raised to the first place in the leadership of the western society at a time when the general civilization of the West has suffered a spectacular decline and is gravely threatened. We (in America) have become so suddenly the protecting and the leading power of that civilization that we are not clear and united among ourselves about where we are going and how we should deal with unforeseen responsibilities, our unwanted missions and our unexpected duties."

This is a challenging statement. It is more true than most will admit.

The part that is most important and challenging, in my view, is the fact that first we in America are not united in a clear understanding of our mission in the world; and second, that the world is sure we have only selfish interests and are committed to attain our nebulous goal by force of arms. This calls for a re-evaluation of our actions compared to our stated objectives of containing communism.

A study of the problem concludes that both the containment policy and President Johnson's statement that we have 120 policies—(one for each nation with which we do business) is inadequate or wrong or both.

Until a better policy can be articulated, it has been suggested that we in the United States of America declare that "Our foreign policy is one that is dedictaed to the preservation and encouragement of our own tried and proven ideals in freedom with liberty while we seek to establish and encourage the basic freedoms in every part of the globe where there are people, and that we resist the defeat of freedom through an appeal to the better natures of people and resort to arms only when all other remedies have been exhausted."

The five basic freedoms which we should establish and promote are:

1. Freedom from want.
2. Freedom from fear.
3. Freedom of religion.
4. Freedom of speech.
5. Freedom of movement.

This earth, with the proper cooperation of intelligent people, can and *must* bring freedom *from want*. When we all recognize as we should that there are basic laws that are universal and when we accept the "rule of law" as supreme in the settlement of conflicts, there *will be freedom from fear*.

Religion and morality are indispensable to political prosperity. When this truth is fully understood, then we will recognize the importance of freedom of religion and know that there can be no successful society without the conscience that keeps us from doing wrong because it is wrong and makes us do right because it is right.

Freedom of expression helps us understand ourselves and others and paves the way for ever-increasing progress and prosperity.

Freedom of movement of men, goods and ideas makes possible the Biblical promise of the "more abundant life."

There are peaceful ways, methods and techniques, which can be used to advance the cause of freedom. We should dedicate ourselves to developing and using them.

ADDITIONAL CONCLUSIONS

The conflict in Vietnam will end, as all wars do. Now is the time to think of tomorrow, as well as today. We would like to recommend that our country proclaim an *American Doctrine for Asia* which should make letter clear our inescapable involvement in the Far East.

This country was an Asian power before we became a European power, and long before we became a world power. Our historical involvement in the Pacific dates back to the end of the 18th century. Our first trade treaty with the mainland of Asia was negotiated in 1844. This was followed by the Treaty of Kangawa in 1853, the Alaskan Purchase of 1867, the annexation of the Hawaiian Islands in the 1890's and the acquisition of the Philippine Islands in 1898 Our 49th and our 50th states are located in the Pacific "world lake". United States territorial islands are scattered across the Southwest Pacific. Most of our long range Pacific commitments were made prior to the turn of the century with the exception of six treaties negotiated between the years of 1951 and 1960. During the past twenty-five years we have fought three major wars in the Pacific, costing us the lives of almost a half million men. No one can dispute that our national interest is very definitely tied to the Pacific.

We propose that our *American Doctrine for Asia* would serve our friends and foes alike with a firm understanding of our commitments, our programs, our alliances and our responsibilities in the Far East. History will record that in Korea, and again in Vietnam, we failed to make clear to the world our commitments and our responsibilities. Unfortunately we failed even to make known our national interests to our citizens Confusion and miscalculation have resulted in too many conflicts between nations.

Our team further recommends that the United States reevaluate our alliances in the Far East.

1. Mutual Defense Treaty—United States and Philippines, August 30, 1951.
2. Security Treaty between the United States of America, Australia, and New Zealand, September 1, 1951.
3. Mutual Defense Treaty—United States and Korea, October 1, 1953.
4. Southeast Asia Collective Defense Treaty and Protocol (SEATO), September 8, 1954.
5. Mutual Defense Treaty—United States and Republic of China, December 2, 1954.
6. Mutual Defense Treaty—United States and Japan, January 19, 1960.

We should, in the light of present circumstances, repair and renegotiate some of these treaties. For instances, under present circumstances, we see no reason to include France in our SEATO agreement. It also might be well to amend the "unanimous agreement" provision under Article IV of our Southeast Asia Collective Defense Treaty (SEATO). Perhaps also our various allies and associates might explore with us the possibility of superseding all, or almost all of these with a single multilateral pact.

The United States could well serve the cause of future peace by acting now in proclaiming our *American Doctrine for Asia*. The President should act with dispatch in giving this high priority. Within the next decade we foresee the realization that Asia will replace Europe as a major seat of wealth and productivity. It is in the self interest of the United States to continue and even intensify its involvement in the Pacific. We must, however, announce to friend and foe alike our determination to remain an Asian power.

Mr. Speaker, here is a report authored and presented by the knowledgeable and dedicated Americans. It is the result of reading and study before we went to Vietnam and after on-the-scene studies, observations, and probings followed by further studies and conferences with knowledgeable people with experience. We submit it with humility and the hope that it will provide further high-level discussions, so that there can come a better understanding of the problems in the Asian arena. Hopefully, from this can come other and better answers to the difficult and complex problems in that area.

Mr. COWGER. Mr. Speaker, will the gentleman yield at that point?

Mr. SCHWENGEL. Yes. I am glad to yield to the gentleman.

Mr. COWGER. I would like to emphasize our conclusions by reading the last two pages:

ADDITIONAL CONCLUSIONS

(Read by Congressman WILLIAM COWGER)

The conflict in Vietnam will end, as all wars do. Now is the time to think of tomorrow, as well as today. We would like to recommend that our country proclaim an *American Doctrine for Asia* which should make letter clear our inescapable involvement in the Far East.

This country was an Asian power before we became a European power, and long before we became a world power. Our historical involvement in the Pacific dates back to the end of the 18th century. Our first trade treaty with the mainland of Asia was negotiated in 1844. This was followed by the Treaty of Kangawa in 1853, the Alaskan Purchase of 1867, the annexation of the Hawaiian Islands in the 1890's and the acquisition of the Philippine Islands in 1898. Our 49th and our 50th states are located in the Pacific "world lake". United States territorial islands are scattered across the Southwest Pacific. Most of our long range Pacific commitments were made prior to the turn of the century with the exception of six treaties negotiated between the years of 1951 and 1960. During the past twenty-five years we have fought three major wars in the Pacific, costing us the lives of almost a half million men. No one can dispute that our national interest is very definitely tied to the Pacific.

We propose that our *American Doctrine for Asia* would serve our friends and foes alike with a firm understanding of our commitments, our programs, our alliances and our responsibilities in the Far East. History will record that in Korea, and again in Vietnam, we failed to make clear to the world our commitments and our responsibilities. Unfortunately we failed even to make known our national interests to our citizens. Confusion and miscalculation have resulted in too many conflicts between nations.

Our team further recommends that the United States reevaluate our alliances in the Far East.

1. Mutual Defense Treaty—United States and Philippines, August 30, 1951.
2. Security Treaty between the United States of America, Australia, and New Zealand, September 1, 1951.
3. Mutual Defense Treaty—United States and Korea, October 1, 1953.
4. Southeast Asia Collective Defense Treaty and Protocol (SEATO), September 8, 1954.
5. Mutual Defense Treaty—United States and Republic of China, December 2, 1954.
6. Mutual Defense Treaty—United States and Japan, January 19, 1960.

We should, in the light of present circumstances, repair and renegotiate some of these treaties. For instance, under present circumstances, we see no reason to include France in our SEATO agreement. It also might be well to amend the "unanimous agreement" provision under Article IV of our Southeast Asia Collective Defense Treaty (SEATO). Perhaps also our various allies and associates might explore with us the possibility of superseding all, or almost all of these with a single multilateral pact.

The United States could well serve the cause of future peace by acting now in proclaiming our *American Doctrine for Asia*. The President should act with dispatch in giving this high priority. Within the next decade we foresee the realization that Asia will replace Europe as a major seat of wealth and productivity. It is in the self interest of the United States to continue and even intensify its involvement in the Pacific. We must, however, announce to friend and foe alike our determination to remain an Asian power.

I would like to say on this final conclusion we have unanimous agreement of the 10 Members who traveled with us.

Mr. SCHWENGEL. I would like to continue the discussion and read further the conclusions.

First, I want to thank the gentleman for his fine contribution to the committee effort and say that he was the principal author of the statement he has just read. I think it is very worthy of consideration.

Mr. COWGER. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I am very glad to yield to the gentleman from Kentucky.

Mr. COWGER. I wonder if for the RECORD you would give your impressions of the future leadership ability of those with whom we met, both in the House and in the Senate, in the new Constituent Assembly of South Vietnam.

Mr. SCHWENGEL. I will be very glad to. First, I would like to say that it was a thrilling experience to meet with the temporary officers of the House, the temporary officers being those who were the oldest Members. Of course, we had to speak through an interpreter. But speaking to them through an interpreter we got the feeling that here were probably typical Vietnamese with a great desire to serve the interests and the objectives that we think are the right kind of objectives.

They also indicated, in evaluating their experience and background, that they were qualified.

A number of them we had met on the House side had been former Communists.

After brief discussions, you will recall—which I am sure you enjoyed as I did, Congressman COWGER—we saw them in session in this hall. It was a temporary arrangement. I think it was an opera hall. The hall had been used for that kind of facility, or some form of entertainment. As we sat on the sidelines and listened again through an interpreter, somehow you felt that you were witnessing in Saigon in 1967 a comparable situation to what you could have witnessed in Philadelphia in 1776. As we listened to their discussions of rules, their suggestions, their plans, and their ideas, we felt like there were possibilities here.

From there we went to the Senate, and that was really an exciting experience. I would like to yield to the gentleman from Kentucky to speak about that experience, if he wishes to do so.

Mr. COWGER. I thank the gentleman. If the gentleman would yield for a moment. If the gentleman would yield for a moment further, I would like to mention the beneficial factors that I felt would come to both this country and to South Vietnam by a representative group of their Constituent Assembly, both their House and their Senate, visiting here in our House and in our Senate and to meet with our leaders in Washington, D.C. I just wondered if you would care to remark on that.

Mr. SCHWENGEL. Yes. That was the suggestion of the gentleman from Kentucky after we had been there just a little while. I thought it was a fine idea. We broached the subject to them. They thought it was a great idea and are looking forward to doing that very thing after their session. I hope that when it happens—and I might say that after visiting with Members of the Senate they, too, were excited about the idea as were the Members of the House—they, too, are anxiously looking forward to this kind of experience. It is my hope that when and if this happens, we can make special arrangements to be sure that they get a good orientation of what happens in representative government at every level. I think they should be given the opportunity to witness county governments, school boards, city governments, State governments, and the Federal Government at this level. With this experience they could catch the spirit of representative government and get a better feeling of what ought to be their responsibilities as they try to represent their people.

Mr. COWGER. I am sure the gentleman will agree it was one of the most thrilling experiences we have ever had in witnessing the newest democracy in the world in action. I also was impressed, as I am sure you were, with their knowledge of the democratic process, as we sat there in the balcony of the House of Representatives observing the way they were conducting their business and organizing for the first time a democracy in their country.

Mr. SCHWENGEL. Yes. It was thrilling to note also that they had the rules that we use here in this hall. They had many of the precedents that we use. They had copies of our Constitution and so on. They were using our Nation as a pattern. It was really exciting to find out about this. Hopefully, when they come, all of us who have an interest, as I know most Members of the Congress have, will have an opportunity to visit with them, quicken their interest, and help them along the road to be more representative than they otherwise would be.

Chapter III of our report deals with resource and economic development and nation building. This area deals with a discussion of the social and cultural structure of the countryside. It deals with corruption in the military and civilian structure of Vietnam. It deals with the new life programs, the agricultural programs, the effectiveness of the development program, the security of the country and the impact of the Vietcong, democratization of institutions, organizations, industrialization, the refugee problem, and the self-help programs that have been instituted there.

I hope the Members of Congress will find it interesting to read our report. I might say this report was the result of a lot of study and work and research of a number of different members of our team. We thought this was a very, very important aspect of the problem, and it needed much more attention than apparently it is getting at this time.

Chapter IV deals with nation building in Vietnam and the American involvement there. Fortunately for our team, we had the benefit of a Dr. Ernest Griffith on our team who is a very perceptive student, who is an able political scientist. Many Members of Congress—the older Members especially—will remember him as head of the Legislative Reference Service in the Library of Congress. In late years he has been involved as head of the School of International Studies at the American University.

We found, in studying this area and the AID programs, some very wonderful things were happening there. Some are things that will not help immediately, but in the long run will help a great deal. For instance, we found in development of education that the educational population in their schools has grown from 500,000 students in school to over 2 million students in school. We did not get to visit any of these schools, but we talked to people who did know something about it. They were thrilled with the response of the people to these opportunities for their children to be educated. The students who were attending those schools by and large were very apt students and very anxious to learn. In the long run, I think this will be a very fine solid contribution we are making there.

Mr. COWGER. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentleman from Kentucky.

Mr. COWGER. Mr. Speaker, in our chapter dealing with effectiveness of the rural development teams, it also points out the impact of the Vietcong in South Vietnam. We noticed at that time—and I am sure the gentleman will feel also—that security was one of our No. 1 problems. My question to the gentleman is this. In the light of recent developments, in the past 10 days, does the gentleman think we properly in our report covered the problem of security in the south as far as the Vietcong was concerned?

Mr. SCHWENGEL. Certainly, as the gentleman and members of the team know, we felt that the assurances of security in Vietnam by Americans, especially by the military, was a gross misjudgment. They made quite elaborate statements on the security of an entire part of Vietnam. In fact, I think the statement was made that every province, in the 44 of them in Vietnam, were secure or substantially secure. They indicated that Saigon was probably as secure as our hometown. But we found out that night there was not much to that kind of observation, because right after we got to bed we could hear the bombs that were being dropped either by our own Air Force and planes going into the area, or by the other side, just north of Saigon, with the guide of lights which were lighting up the sky. We felt that judgment was a poor one, if not very incorrect.

We also had a report of two bridges being bombed in Saigon.

So I think it can be said and should be said, and I think it is true, that South Vietnam is not really as secure as it could be and should be, and as secure as we believe it would be if some of the recommendations we make herewith are considered and adopted in Vietnam.

Probably a word or two should be said about the military. We felt that the average soldier's attitude was very fine. We felt there was some evidence of progress in the military. In some instances we felt we were overrating the effectiveness of the military.

Mr. COWGER. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentleman from Kentucky.

Mr. COWGER. I should like to make a comment. As the gentleman will recall, I visited the 1st and 3d Marine Divisions near Danang. I was also privileged to fly out and to spend 2 days on the U.S.S. *Coral Sea*. I, also, was impressed with the high morale of our men and with their dedication.

I had the opportunity, on Thanksgiving Day, of having Thanksgiving dinner aboard the U.S.S. *Coral Sea* with 27 Kentuckians. To a man they understood why they were there and what our commitments were in the Far East. They reported to me at that time that their families also understood these commitments. Yes, they would have preferred to be home in Kentucky, but they were willing to accept their share of our responsibility in the Far East.

Mr. SCHWENGEL. We noticed that in every part of Vietnam where we visited, in every section of Vietnam. We had many opportunities to visit with the soldiers.

It was a thrill to find many of our soldiers went far beyond the call of duty to help the Vietnamese in their efforts to improve the situation and the living conditions for themselves.

I felt the soldiers should be highly commended, and we should show more appreciation than we sometimes do.

Mr. PETTIS. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I am glad to yield to the gentleman from California.

Mr. PETTIS. I should like to commend both the gentleman from Iowa and the gentleman from Kentucky for this excellent report. It coincides very much with what I observed on my recent visit to Vietnam and also with the dialog I had just yesterday with a Congressman from the newly formed Congress of South Vietnam, here in this Capitol Building.

I hope that the American people will not be discouraged over the events of the past few days.

I should like to recall that in recent history we have had other dark days—in the Philippines and in South Korea, and, before the *Pueblo* incident, off our shores in Cuba. Sometimes the darkest hour, as it is said, is just before the dawn.

I was very much encouraged by what I saw. I was encouraged not only on the military front but also by what I observed in the villages and hamlets in the provinces, and in the capital of South Vietnam.

I wish to associate myself with the gentleman who have been carrying on this colloquy this afternoon and to commend them for this report. I believe it is reassuring to the American people to have this firsthand reaction of Members of this House who have visited South Vietnam.

Mr. SCHWENGEL. I thank the gentleman very much.

These are our summary conclusions.

I should like to begin by pointing out that by design volunteers for Vietnam have not entered into debate over whether or not the United States should be in Vietnam. The fact is we are there. Rather, the orientation was one of examining the quality, the manner and the method, the effectiveness of American efforts in Vietnam and those of the Government of Vietnam.

The team, therefore, attempted to delve into the complexities of the various aspects of the many programs which fall under the heading of pacification.

More basically, the team made an effort to determine the ability of the present Government of Vietnam effectively to carry the fight against communism and to win the support of the people. The military operations as they affect the pacification program and the battle for the hearts and minds of the Vietnamese people were also considered.

Evaluations have been made and conclusions have been reached. As might be expected, all team members do not necessarily agree with all conclusions and statements.

Friends of this Congress and America, there are people, ways, methods, and techniques which can be used, and we should dedicate ourselves to developing them and using them.

Finally, Mr. Speaker, here is a report authored and presented by 10 knowledgeable dedicated Americans, which is the result of reading and study before we went to Vietnam and after, and on the scene. Studies and observations and probings were made, and they were followed by further studies and conferences with knowledgeable people and people with experience. We submit this report with humility in the hope that it will provoke further high-level discussion, so that there can come a better understanding of the problems, especially those in the Asian arena. Hopefully from this can come the other and better answers to the difficult and complex problems that are found in that area and on the world scene.

Mr. COWGER. Mr. Speaker, will the gentleman yield for one last observation?

Mr. SCHWENGEL. I yield to the gentleman from Kentucky.

Mr. COWGER. Mr. Speaker, our report has covered several aspects of our commitments, and the gentleman has spoken of the hot war, meaning the military war in South Vietnam, and the gentleman has spoken of the other war, the pacification effort in the south, and I would like to suggest that our Nation is faced with a third war right here in the United States with draft card burnings and daily unpatriotic statements by the likes of Rap Brown and Stokely Carmichael.

I think quite honestly we could win all three of these wars with the cooperation of our friends who generally occupy the press desks in the gallery. If they would do us the favor, the next time Rap Brown or Stokely Carmichael downgrades our country, of putting them on page 22 instead of page 1, I think perhaps we could win all three wars.

Mr. SCHWENGEL. Mr. Speaker, I thank the gentleman.

THE UNIVERSAL FIBERGLASS CASE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Minnesota [Mr. BLATNIK] is recognized for 30 minutes.

Mr. BLATNIK. Mr. Speaker, based on inaccurate and very incomplete newspaper stories, introduced into the RECORD, my good friend, the gentleman from Iowa [Mr. GROSS] came to very hasty and grossly unjust conclusions concerning the role of Mr. Neal D. Peterson in the Universal Fiberglass case, and made regrettable charges of "conflict of interest" and comparison of Mr. Peterson with the "activities of Bobby Baker"—charges which are completely unfounded. In all fairness to Mr. Peterson, the whole story should be told, with all the facts in their proper context.

As I made clear in my remarks on the House floor on January 25, I played the principal role on the Federal level in efforts to assist the community of Two Harbors, including the Universal Fiberglass matter, so I know the details and I feel that once again it is necessary to correct the record—this time to remove the shadow of doubt so unfairly and unjustly cast upon Mr. Peterson. I will place in the RECORD all the facts at my disposal for all Members to review at their convenience and I will report these facts in their proper historical perspective.

Neal Peterson is one of the ablest, most dedicated, and hardworking staff members I have known and worked with on Capitol Hill—a man of unquestioned integrity. I came to know Mr. Peterson over a period of years through my coordination and cooperation with the then Senator HUMPHREY in working on projects to help create new industry and jobs in the economically distressed counties of my northeastern Minnesota congressional district. Senator HUMPHREY gave me splendid assistance and cooperation in our economic development efforts, which included assistance from the Area Redevelopment Administration, the accelerated public works program, and the Small Business Administration. The person Senator HUMPHREY designated to work with me on Federal programs during those years was Neal Peterson.

So, following the awful "Black Friday" which struck Two Harbors on February 19, 1963, when the D.M. & I.R. Railroad laid off over 700 men, it was quite normal that we should join with the local development committee in an effort to find solutions to the community's economic problems.

I have already related to the House in my remarks of Thursday, January 25, the details of my part in these efforts on behalf of the people of Two Harbors and Universal Fiberglass; as I said at that time, mine was the principal role on the Federal level.

The Universal Fiberglass case can be divided into six distinct phases: First, the first ARA loan to Universal Fiberglass, applied for in November 1963 and approved in April 1964; second, Universal's bid on the mailster contract in October 1964; third, GSA's rejection of Universal's bid on December 22, 1964; fourth, the certificate of competency review by SBA, begun on January 6 and completed on January 26, 1965; fifth, the second ARA loan applied for in February 1965 and approved in June 1965; and sixth, Universal's performance on the mailster contract, during 1965–66. By putting this matter in its proper historical perspective, I believe the facts will be clearly understood and the contributions of the various individuals given their appropriate value.

The Vice President has authorized the Small Business Administration to release any and all material in its files on this matter pertaining to actions by Neal Peterson or any other member of his staff.

This file, in fact, shows only one letter from then Senator HUMPHREY dated December 2, 1963, to the regional administrator of SBA in Minnesota. This letter, which relates to phase one has appeared in print and therefore it is not necessary to repeat it here.

The facts are that neither my office nor anyone connected with Universal Fiberglass requested Neal Peterson or anyone else in Vice President HUMPHREY's office to aid in securing a favorable decision from SBA on the certificate of competency with regard to the mailster contract.

I am further informed that after Senator HUMPHREY resigned from the U.S. Senate, he did not involve himself in case work for Minnesota constituents as he did while he held that office.

In fact, the GSA has a notification in its file on this matter from Neal Peterson informing them of this policy. The facts are then that neither Neal Peterson nor anyone else in the Vice President's office was involved in "intensive activity" as has been reported in certain newspaper accounts relating to this case.

The activity of Senator HUMPHREY's office during phase two and three was confined to supporting my efforts to extend the time for filing bids and to secure a distressed area set-aside. This support was in the form of a letter signed by Senator HUMPHREY dated September 24, 1964, and further support by the attendance of Neal Peterson at two meetings with GSA in December 1964, representing Senator HUMPHREY. I had arranged for these meetings in the hope of drawing GSA and the company closer together for the purpose of reaching a solution to their differences which related to the company's technical and financial capability to perform. These meetings were unsuccessful because following them GSA rejected the bid.

The final three phases of this project were carried out at the Federal level by my office with absolutely no involvement of Neal Peterson or anyone else on Vice President HUMPHREY's staff, as they occurred following his resignation from the Senate.

Mr. Speaker, I should clear up one other point on this matter. It has been alleged that I confirmed that Neal Peterson suggested this corporation retain his brother, Roger Peterson, as the attorney for the company. I must point out that I have checked with officials of Universal Fiberglass and find that they did not engage Roger Peterson or his law firm as a result of any suggestion from Neal Peterson. The facts again are that they were acquainted with Roger Peterson from work that he had done for them not involving any contact on his part with any Federal agency. They were aware of his high qualifications as an attorney and, in addition, that he was well acquainted with northeastern Minnesota and our problems, thus was ideally suited to represent them because of the amount of legal work which would be required to be carried on in the city of Minneapolis as well as in northeastern Minnesota. It was completely on their own initiative that, late in 1964, they engaged Roger Peterson to do some of the legal work required by Universal Fiberglass.

In short, Mr. Speaker, even this brief statement of the facts shows quite convincingly that the newspaper articles and previous statements made on this floor concerning Mr. Peterson are not only misleading but completely unfounded.

In conclusion, Mr. Speaker, I would like to point out further that the Universal Fiberglass matter has been distorted by those who have removed it from the broader context of my efforts and those of Senator HUMPHREY to encourage new industry to come into northeastern Minnesota and relieve the distressfully high unemployment and depressed economic conditions that have beset nearly every community in nine out of the 11 counties of my congressional district.

My office handled literally hundreds of Federal aid projects under the area redevelopment program, the accelerated public works program, and the SBA program; on the whole, our efforts were largely successful. Throughout this four-way, four-level joint economic development effort, we had excellent cooperation from private industry, the Federal Government agencies, the local development committee, and the State of Minnesota which, too, offered inducements to attract new industry, such as an amendment to the State constitution to attract the multimillion-dollar investments, and the hundreds of new jobs provided by the taconite industry. So again I say, let us look at the whole record—it is clear, it is substantiated by facts, and it is one of which we can be proud.

Mr. Speaker, the efforts of my office, complicated as they were by the various levels of operation, and the various Federal agencies, were no different from the services any Congressman or Senator attempts to give to his constituents.

TRIBUTE TO THE LATE JOHN S. PILLSBURY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. MORTON] is recognized for 15 minutes.

Mr. MORTON. Mr. Speaker, the passing of Mr. John S. Pillsbury, director emeritus of the board of directors of the Pillsbury Co., is indeed a milestone in the affairs of Minneapolis and the history of Minnesota.

I think it is highly appropriate that we in the Congress recognize the accomplishments and the works of this distinguished American, John Sargent Pillsbury. His business career started in 1901 when he joined the predecessor of the Pillsbury Co., which was founded by his father. It was not until half a century later that he retired from 20 years of a very active chairmanship of the board of directors of this important company.

No one whom I have had the privilege to know has been more active in a selfless dedication to his civic responsibilities than Mr. J. S. Pillsbury. He instilled in his family a deep sense of community pride and community responsibility.

Mr. Speaker, we can look on the life and career of this fine American with a deep sense of pride and the full knowledge that his life was led not only in the spirit of the American dream for success and accomplishment, but with a deep sense of devotion for his fellow man and to his country. This was reflected in his generosity and also in the application of his energy to make Minneapolis a better city and Minnesota a better State.

Mr. MacGREGOR. Mr. Speaker, last Wednesday was a sad day for me, for the people of Minnesota's Third Congressional District, for all Minnesotans, and indeed for every person who had the great good fortune to know John S. Pillsbury. Here was a kind, a generous, a thoughtful, and a gentle man. His passing leaves each of us a little poorer.

My wife joins me in extending the deepest sympathy to Mr. Pillsbury's widow, his surviving sons John, Jr., and George, and his daughters Mrs. Thomas M. Crosby and Mrs. Stanley R. Resor. The following article from the Minneapolis Tribune of February 1, 1968, gives an excellent sketch of John Sargent Pillsbury's illustrious life:

JOHN PILLSBURY DIES IN FLORIDA AT AGE OF 89

John Sargent Pillsbury, namesake of one of Minnesota's early governors and a leader in the flour milling industry for more than 50 years, died Wednesday night in Good Samaritan Hospital, Palm Beach, Fla.

He was 89 years old.

Services will be at 11:30 a.m. Monday in Plymouth Congregational Church in Minneapolis. The family prefers memorials to the University of Minnesota medical library fund.

Mr. Pillsbury for 20 years was chairman of the board of the Pillsbury Co., until he retired in 1952. He then became honorary chairman of the board, a position he held until 1965 when his nephew, Philip Winston Pillsbury, was named to the post.

Mr. Pillsbury was a director of the company from 1909 until 1965 when he became director emeritus.

Mr. Pillsbury was born Dec. 6, 1878. His twin brother was the late Charles S. Pillsbury of Ferndale. They were sons of Charles Alfred and Mary Ann (Stinson) Pillsbury.

The father founded the Pillsbury firm in 1869 at St. Anthony Falls, now the site of Pillsbury's "A" mill.

John Pillsbury was educated in Minneapolis public schools and graduated in 1900 from the University of Minnesota with a B.S. degree. His chief interests were chemistry and physics.

He won an "M" at the university for managing the football team in 1898, but did not receive the letter until July 11, 1945, when the error was discovered and corrected.

Mr. Pillsbury had planned to go to France to study international law and the French language, with the idea of later entering the diplomatic service.

However, his father died while he was a senior at the university. His great-uncle, John Sargent Pillsbury, co-founder of Pillsbury Mills and three times governor of Minnesota (1875–1881), died shortly after his graduation.

As a result, Mr. Pillsbury and his brother were needed in the company.

In 1901, Mr. Pillsbury joined the Pillsbury-Washburn Flour Co., and became sales manager in 1906.

From 1909 to 1913 he was secretary and treasurer. He became vice-president in 1913.

He is survived by his widow, the former Eleanor Jerusha Lawler, whom he married in 1911.

The Pillsburys had four sons and two daughters:

Charles, a Navy pilot, who was reported missing in action in the Pacific in 1943; Edmund, vice-president of Pillsbury's grain division, who died in a light plane crash in Nebraska in 1951; John Jr., president of Northwestern National Life Insurance Co. of Minneapolis, and George, a Pillsbury group vice-president in charge of industrial and agricultural business.

The daughters are Mrs. Thomas M. Crosby, Orono, and Mrs. Stanley R. Resor, Washington, D.C., wife of the secretary of the Army.

Mr. Pillsbury served as company vice-president until 1932 when he became the company's first chairman of the board. Although the firm had previously had a board, there had been no formal chairman.

Mr. Pillsbury made many contributions to his company, but the one in which he took the greatest pride was returning control of the company from British to American hands.

In 1899, English investors had purchased a majority of the stock and the company was known as Pillsbury-Washburn Flour Co. Ltd., during the period of their control.

John S. Pillsbury, his twin, Charles, and Alfred Fiske Pillsbury, football hero son of Gov. Pillsbury, formed a management team that successfully fought off attempts by a New York group to take over the company and merge it with a flour milling trust. They also saved the firm from going into receivership about 1909.

They hired A. C. Loring, the leading flour miller of that period, to direct the company and in 1923 they organized a group to buy out the British stock holdings.

Another contribution made by Mr. Pillsbury was the introduction of a technique for milling semolina flour. This flour, made from durum wheat, is used in making macaroni. Mr. Pillsbury picked up the manufacturing method during a trip to Sicily and France.

Mr. Pillsbury was a lifelong Republican, a member of the Congregational Church and a member of Chi Psi Fraternity.

He served as a director of numerous companies, including the Soo Line Railroad, Wayne Knitting Mills, Armour & Co., Atlantic Elevator Co., Northwestern Bancorporation, and Northwestern National Bank of Minneapolis.

After World War I, he headed the War Chest Council of Minneapolis and Hennepin County, which was incorporated in 1919. He served as vice-president of the Council of Social Agencies from 1926 to 1938.

During World War II, Mr. Pillsbury was chairman of seven war bond drives in Hennepin County.

He had been active in supporting the Minneapolis Symphony Orchestra and the Minneapolis Institute of Arts.

Mr. Pillsbury was singled out for many awards for his service to the community and the public.

The university of Minnesota presented him with an outstanding achievement medal and citation in the spring of 1951, labeling him as "a pioneer philanthropist and staunch supporter of the university."

His enthusiasm for travel led him to his only hobby—stamp collecting—a pastime he enjoyed because of the world contacts it gave him.

The Pillsbury homes are at Crystal Bay, Lake Minnetonka, and in Palm Beach, Fla.

LEGISLATION NEEDED TO ADMIT ITALIAN EARTHQUAKE VICTIMS TO THE UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, I am introducing today, for appropriate reference, a bill to authorize the immediate entry into the United States of 2,000 natives of Italy and their families who have lost their homes and livelihoods as a result of the recent tragic earthquakes in Sicily. This is an identical bill to that introduced by the able and distinguished gentleman from New Jersey [Mr. RODINO].

This legislation authorizes 2,000 special immigrant visas only to natives of Italy who were uprooted by the earthquakes in Sicily and are in urgent need of assistance for the essentials of life. The wives and children of such aliens would also be issued special visas. The legislation might therefore benefit some 10,000 to 20,000 people, on the basis of the best available estimates of the number of people suffering from the earthquake who would want to emigrate from Italy.

The tragic news of the catastrophe in Sicily saddened the hearts of all compassionate Americans. We sympathize with those families whose homes and possessions were suddenly and irrevocably taken away. The livelihood for most of these unfortunate victims is completely destroyed and there is no opportunity to rebuild when the land for this purpose is gone. Schools, churches, and public buildings are gone and cannot be replaced.

This legislation is in the best tradition of our Nation's humanitarian policy of offering a haven to the distressed and suffering and to the victims of disaster. Indeed the harbor of my city of New York has been lighted by the welcoming beacon for the greatest part of this country's immigrants. There is precedent for this type of legislation for, in 1958, a similar bill was enacted to help the Portuguese victims of volcanic eruptions in the Azores.

Mr. Speaker, let us relieve despair, let us grant hope, let us make every effort to provide an asylum for these unfortunates, many of whom have relatives here as Americans eager and able to receive and take care of them.

A-ARMED USAF NO HELP TO "PUEBLO"

Mr. HALPERN. Mr. Speaker, no speech in this House could be more eloquent than today's column by Jack Anderson in the Washington Post.

I commend the article to all of our colleagues, and in particular to the President of the United States:

A-Armed USAF No Help to "Pueblo"

(By Jack Anderson)

Seoul.—Over here where it happened, grim U.S. officers give a different version of the Pueblo incident than the Pentagon has peddled to the public. Those who dare to talk declare bitterly that the spy ship, with its super-secret electronic gear, could have been rescued if our Air Force squadrons in Korea had not been stripped of planes and weapons.

Only a few token fighter planes—F–104 Starfighters and F–105 Thunderchiefs—were ready for action when the Pueblo called for help. But, unfortunately, these were armed with nuclear weapons to defend our forces against an invasion. They were not equipped merely to intercept a couple of Communist patrol boats off the Korean coast.

The nuclear armaments, of course, give these few fighters tremendous firepower. In theory, this is supposed to provide our 50,000 ground troops in Korea with adequate air protection and still free a maximum number of planes to fight in Vietnam.

It would also seem to commit the United States to a nuclear response in case full-scale fighting should be resumed in this bleak country. What many Americans don't realize is that the Korean War isn't really over. A truce was declared 15 years ago, but the negotiators at Panmunjom still haven't been able to agree upon peace terms.

The reliance on nuclear retaliation has left a critical shortage here of conventional weapons, which have been taken out of the Korean arsenals to supply the desperate needs in Vietnam.

Other supplies, including arms, ammunition, vehicles, helicopters and spare parts, have also been diverted to Vietnam.

VIETNAM COMES FIRST

Vietnam also gets first call on men as well as materiel. The best-trained soldiers and most experienced pilots usually are sent to Saigon, not Seoul.

Thus it happened that the Pueblo's alarm brought no help, and North Korea's challenge caught the United States unprepared. The real lesson of the Pueblo incident, therefore, is that American might is stretched dangerously thin.

To cover up its unpreparedness, the Pentagon has put out the word that the Pueblo was caught by surprise. The approach of North Korean patrol boats, according to the Pentagon version, was mistaken as routine harassment. By the time the crew realized that the North Koreans intended to seize the ship, so the story goes, it was too late to summon military help.

This is disputed by a confidential report which was sent to the White House, detailing the incident. The report, made available to this column, states that two fishing trawlers silently circled the Pueblo about noon on Jan. 22, then departed without incident for Wonsan.

The following noon, a North Korean subchaser circled the Pueblo three times, and on the last circle, signaled the spy ship to heave to or be fired upon. Three patrol boats joined the subchaser an hour later, and two circling Mig fighters appeared overhead.

The confidential report then relates: "One attempt to board the Pueblo by armed personnel was rebuffed. We believe the North Koreans were prepared to fire and that they later did so, but with what effect we do not know. We also think that within a few minutes they again tried unsuccessfully to board the Pueblo. At about 1:30 p.m., the Pueblo was again directed to stop, and at 1:45 an attempt to board was apparently successful."

Clearly, this strange drama at sea lasted long enough for the nearest U.S. jets, less than 20 minutes away, to have flown to the rescue. But they simply weren't equipped to cope with the emergency.

STRONG RUSSIAN NAVY

There was also some hesitation over whether U.S. planes had authority to attack the North Korean marauders without direct orders from Washington—which, incidentally, never arrived. U.S. forces can return the fire of any hostile force which shoots first. But planes loaded with nuclear weapons cannot attack without direct orders from the President. Apparently the question arose as to whether the planes could fire substitute conventional armaments without White House approval.

When the United States belatedly reacted, a naval task force was rushed into Korean waters. Yet the only reason the nuclear carrier Enterprise, frigate Truxton, and two escort ships were available is that they happened to be in the Sea of Japan en route to Vietnam.

In contrast, Russia had several naval vessels in the area, part of a powerful surface and submarine force that is guarding the shipping lanes from Vladivostok to Haiphong.

Indeed, the Pueblo's principal mission was to monitor this Soviet sea traffic, particularly Russian submarines.

The Pueblo affront, coming at the same time that the British are planning to withdraw their forces east of Suez, is another sober reminder that the West can no longer police the world. The demands of the Vietnam war, for example, have compelled the United States to cancel planned fleet visits to Indian ports.

How about this, Mr. President?

GENERAL LEAVE TO EXTEND

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks on the President's message on crime.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CONGRESS SHOULD SUPPORT PRESIDENT JOHNSON'S PROGRAM TO INSURE THE PUBLIC SAFETY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. Feighan] is recognized for 10 minutes.

Mr. FEIGHAN. Mr. Speaker, today the President has called upon the Congress to meet the challenge of crime in our society. I urge the members of the Congress to join me in support of the program of action which he has set forth.

The problems of crime facing this Nation are extensive and we must attack those problems with the best methods at our disposal. This means that we must utilize at every level of law enforcement the latest facilities which our advanced technology can offer. We must encourage better training and better pay for our law enforcement officials. We must provide the best correctional institutions and programs at our disposal.

A strengthening of the Federal criminal statutes can do much to stop the illegal traffic in drugs and in the fight against organized crime. New legislation is required in some of these areas, in others—such as the Safe Streets and Crime Control Act and the Juvenile Delinquency Act—we need to act upon matters which are already before the Congress. On these we cannot afford to delay.

POLITICAL THICKET

Mr. HALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, the citizens and newspapers of the State of Missouri are expressing their shock and disgust with Federal Judge John W. Oliver for his secret meeting with Gov. Warren Hearnes, and the Democrat leadership of the Missouri Legislature. They are shocked that a member of the respected Federal judiciary would breach judicial ethics and stoop to purely partisan politics by meeting the State Democrat leaders concerning congressional redistricting. Missouri citizens find it hard to believe that a member of the three-man Federal court that struck down Missouri's congressional redistricting, and who would rule on the redistricting plan now before a special session of the Missouri Legislature, would breach judicial ethics by participating in these secret meetings.

But, Mr. Speaker, beyond the question of improper exercise of judicial ethics on Judge Oliver's part, is the question of interference and intervention of the judicial branch upon the legislative process. Congressional and legislative reapportionment for many years had been considered a political question and not within the purview of judicial review. These precedents were fairly recently changed by Supreme Court decisions. The late Mr. Justice Frankfurter warned repeatedly against judicial entry into this political thicket of legislative reapportionment. The Joplin Globe has reiterated Mr. Justice Frankfurter's learned views in an editorial printed on February 2, 1968.

Mr. Speaker, I insert this editorial at this point in the RECORD:

Political Thicket

When the U.S. Supreme Court in an unprecedented decision assumed jurisdiction over apportionment of state legislatures and prescribed its one-person-one-vote formula for congressional redistricting, the late Justice Felix Frankfurter cautioned in a dissent against judicial entry "into this political thicket."

An example of his wisdom now is seen in the snarl over emergency Missouri congressional redistricting, and this week's disclosure that federal district judge John W. Oliver has conferred with Governor Hearnes and other Democratic political leaders in Jefferson City relative to seeking a solution of the problem. Judge Oliver is one of the two federal judges of a three-judge panel that has voided the latest redistricting by the Legislature.

Granting Judge Oliver complete good faith in trying to be helpful, his action has stirred a political uproar, chiefly among Republicans. It promises to become a political issue this year and doubtless will be a source of embarrassment to him, since the matter is unresolved and still is pending before the court panel of which he is a member. It embroils Judge Oliver in a partisan political feud in which, rightly or wrongly, the GOP charges a plot to favor the Democrats in an alleged gerrymander in St. Louis area redistricting in a new plan now before the Legislature.

It also raises anew the issue of separation of legislative, executive and judicial powers in constitutional government, which was what Justice Frankfurter was talking about. Judge Oliver denies any wrongdoing or political motivation. Nevertheless he becomes a victim of innuendoes inasmuch as he was active in Democratic politics in Kansas City before being elevated to the federal bench, and a cloud is cast over the redistricting order.

Under all of the circumstances, with time an important factor in this year's congressional elections in Missouri, it now appears that the best and wisest course would be to hold the whole matter in abeyance and proceed with this year's election in districts drawn by the 1967 Legislature. After all, the present districts have a population variance of only about 5 per cent, more nearly equal than those in a good many other states. The partisan political aspects are most unfortunate, to say the least.

LEGISLATIVE REORGANIZATION

Mr. GROVER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GROVER. Mr. Speaker, I include as a part of my remarks today a comparison of section 106 of the Legislative Reorganization Act of 1967 with similar bills introduced in the House, together with explanatory material on provisions contained in two of the bills directed to the handling of congressional contempt citations:

Section 106. Conference Reports

S. 355—Requires that each report of a conference committee be printed as a report in each house, accompanied by an explanatory statement prepared by the conferees on the part of that house. Individual conferees may file additional views which, if available at the time of printing, may be printed in an appendix to the report of that house.

If time for debate on a conference report (in either house) is limited, that time shall be divided equally between members of that house who favor and those who do not favor agreement to the report.

Bolling—Same as S. 355 except that time is to be divided equally between members of the majority and minority parties.

Reid—Same as S. 355. (New Sec. 105 in Reid bill.)

Print No. 3—Requires explanatory statement to be prepared jointly by the conferees of both houses, although the report is to be printed separately for each house. Deletes provision for additional explanatory statements. Provides for equal time in debate between majority and minority parties.

House Rule 29, paragraph 1(c), provides that "there shall accompany every such report a detailed statement sufficiently explicit to inform the House what effect such amendments or propositions will have upon the measures to which they relate." The Senate has no comparable rule. House managers prepare the statement for both houses.

See Final Report page 25: "1. The conferees of each House should prepare an explanatory statement in connection with the conference report. Individual explanatory views may also be filed in an appendix to the statement. 2. The minority should have the right to half the allotted time in the floor debate on a conference report."

Sec. 106 was not amended.

CONTEMPT CITATIONS

Point 7 of the Supplemental Views of Reps. Curtis, Hall, and Cleveland, supported by Rep. Hechler (see Final Report pp. 88–89, 92), proposes that all citations of contempt be referred to the proposed Joint Committee on Congressional Operations before they are reported to the floor of the House for further proceedings:

"At present, it is the practice for the committee which has been the subject of the act of contempt to serve as first judge of the matter. It is the committee itself which reports the matter to the parent body, acting as both victim and prosecutor. We question both the soundness and the justice of such a procedure and for that reason we recommend that contempt citations be referred in each case to an impartial committee—the Joint Committee on Congressional Operations. This committee would screen the evidence and report its findings and recommendations to its parent body."

S. 355 and Print No. 3 contain nothing on the subject of contempt citations (it was not a unanimous recommendation of the Joint Committee). However, this Supplemental Views recommendation has appeared in the Reid and Bolling bills, in different forms—

A subsection of Section 131 of the Bolling bill would simply add to the jurisdiction of the House Rules Committee (see House Rule XI, Clause 16): "Contempt of Congress citations issued by committees of the House."

New Section 107 of the Reid bill provides for the appointment in each house of a special committee composed of seven members, not more than four from the same political party, to consider contempt citations. Upon report of such committee, and only by direction of that house, the Speaker of the House or President of the Senate shall file a statement of fact concerning the citation in question with the appropriate U.S. attorney who will then bring the matter before a grand jury. No contempt case could be considered in either body except by this procedure.

A-WEAPON TREATY REMOVES NATO OPTION

Mr. FINDLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FINDLEY. Mr. Speaker, in the year 1493 leading statesmen of the world powers perceived that the struggle for empire might result in war among the European States as each raced for the promised bounty of colonialism in the new world. In an attempt to preserve peace, Pope Alexander VI, with the acquiescence of the major powers, divided the world into two colonial hegemonies. On one side of the line Spain was to have undisputed access to the wealth of the new world, while on the other side Portugal, then the other major power, was granted influence in Africa and the Far East. It was assumed that the division would be a stable one for the two major beneficiaries and would jointly enforce their preeminent influence in their respective spheres. Of course, these well laid plans collided with the reality of Britain's emerging seapower. Determined to carve an empire upon which the sun would never set Britain, among others, proceeded to disregard and dismantle the Pope's plan.

Notwithstanding that experience, however, almost each successive generation has attempted through hegemonies to control what was preceived to be the greatest danger to peace. Some of these ambitious plans have been crude and materialistic such as the carving of China into commercial and political spheres of influence. Others have been idealistic, although ill fated, such as the attempted control on naval capital ships. But, unfortunately, all have in time failed, usually to the detriment of the party proposing the limitation.

The proposed nuclear nonproliferation treaty drafts submitted by the Soviet Union and the United States to the 18-Nation Disarmament Committee—ENDC—is the latest in the series of these maneuvers to preserve peace. Its premise is not unlike that which guided Pope Alexander. The United States and the Soviet Union, now the major nuclear powers, preceive that the spread of nuclear weapons endangers the bipolar status of international politics.

For the last 20 years the world has been divided essentially into two camps, each headed by a nuclear superpower. Each power could impose its will upon its allies, as was proven in the Suez and Hungary crises in 1956.

However, bipolarity was doomed on February 13, 1960, when France exploded a tiny nuclear device on the Sahara Desert. Its small yield hid its larger political significance. Four years later

China exploded her own nuclear device. Since that time the power, influence, and prestige of both France and China have grown to the dismay of their camp leaders, the United States and the Soviet Union. If France and China could so easily disturb the grand design of each camp leader, then imagine, the two camps reasoned, what six or eight more nuclear powers could do.

Prior to the membership increase in the nuclear club, nonproliferation efforts were largely propaganda. However, in the last few years they have been undertaken with deadly seriousness. Each side has compromised so much on its original position that it is hardly recognizable in the effort to achieve a halt to proliferation. On its part the United States undertook every diplomatic measure available, short of open threats, to disarm the nuclear force of France or bring it under U.S. control, and some authorities have even suggested that Khrushchev intended to completely destroy China's embryonic nuclear capabilities before his sudden political demise.

Before the U.S. Congress is faced with a fait accompli, now is the time to question seriously the motives and purposes of our efforts to promote a nuclear nonproliferation treaty. There is no better way to do this than by the bill to extend the authorization for appropriations of the Arms Control and Disarmament Agency.

If Congress waits until the treaty is initialed and presented to the Senate, the House will be effectively excluded from making its desires known. At the same time once the prestige of the President is committed formally to a particular draft then the Senate will be under pressure to protect the President's position. Whatever influence or control the House wants to exercise in the Geneva negotiations must be exerted in the framework of H.R. 14940.

In my judgment, the draft treaty which has been proposed is a threat to the national security of the United States and the free world. It contains the seeds for the final disruption of the Atlantic Alliance. It may lead to involving the United States into guarantees of the security of every non-Communist country in the world, regardless of its real importance to our security. It may set the stage for another German-Soviet Rapallo. Since neither France nor China will sign the treaty, their own influence will increase enormously because of their ability to transfer nuclear weapons to those countries who need or desire them but cannot obtain them from the United States or the Soviet Union. As a preventative of nuclear proliferation this treaty has as little substance as the emperor's nonexistent new clothes. The treaty draft does not strengthen peace; it weakens it. In our zeal to reach an agreement with the Soviet Union we have turned our backs on the legitimate defense needs of the Atlantic Alliance and at the same time have seriously damaged the prospects for peaceful use of nuclear energy.

Before outlining eight arguments against the language proposed in the treaty, I want to comment on three aspects of the draft that have largely been ignored. These are the retreat in U.S. negotiating position, the question of guarantees to nonnuclear states, and the assumption that nuclear proliferation is imminent.

THE RETREAT IN U.S. NEGOTIATING POSITION

On August 29, 1957, the United States in cooperation with three other powers—France, Canada, and the United Kingdom—proposed a scheme that would restrict nuclear proliferation but at the same time require nuclear nations to cease their production of fissionable material for weapon purposes. A caveat to the nonproliferation proposal was that nuclear weapons could be transferred for individual or collective self-defense.

Initially U.S. position envisioned some nuclear sharing arrangement within the framework of multinational alliances like NATO but it sought to reduce nuclear weapon production as well as proliferation. The Soviet Union on September 20, 1957, rejected these proposals, especially the collective sharing of nuclear weapons. In 1959, the United Nations adopted a general resolution urging efforts to be undertaken to prevent nuclear proliferation.

In 1961, the United States undertook its first significant change in its position. It abandoned the transfer of nuclear weapons for defense purposes to individual nations. But it still retained collective sharing under an alliance as a part of its policy.

From 1962 to August 17, 1965, the main issue at the Geneva Conference on Nuclear Proliferation was whether such an agreement would prevent nuclear sharing arrangements within a collective defense organization like NATO. The Soviet Union was anxious to make sure it did, whereas the United States did not want to close the door on possible arrangements within NATO.

On August 17, 1965, the United States made the second major change in its position. It retained the concept of nuclear sharing, but only if the total number of nuclear states did not increase. Ambassador Foster stated that this U.S. position would not preclude the establishment of nuclear arrangements within NATO so long as the arrangement did not constitute an additional entity having the power to use nuclear weapons independent of existing nuclear nations. In other words, if the United States independently surrendered its control over all its own nuclear weapons to a NATO arrangement then a sharing arrangement would be possible. This proposal, in light of the 1964 presidential campaign in which the President reiterated that the United States would never surrender control of nuclear weapons was a farce. Since the Soviet Union realized that the United States was not about to turn over voluntarily its entire stockpile of nuclear weapons to a new organization and renounce its right of veto over them, Moscow could see light at the end of the tunnel in their efforts to prohibit any sharing arrangement. On September 24, 1965, the Soviet Union insisted again that any sharing arrangement within a military alliance was out of the question.

Objective evidence indicates that the Soviet Union patience was rewarded on October 10, 1966, when President Johnson and Secretary Rusk met Soviet Foreign Minister Gromyko at the White House. The New York Times reported on August 25, 1967:

> It has since become clear that in their talks that day President Johnson and Mr. Rusk gave Mr. Gromyko strong indication that the previous United States reservations, aimed at accommodating some nuclear sharing device in the North Atlantic Treaty Organization had been withdrawn.

After that time the Geneva Conference marked time waiting for the United States to finish "consultation" with its allies. Within less than a year, on August 24, 1967, the United States and the Soviet Union came to an agreement on all particulars except the inspection provision which was soon remedied by absurdly "agreeing to agree" at some later date.

In the 10-year period from 1957 through 1967, the United States changed its position on three major points. It no longer suggested that the nuclear powers reduce their own stockpiles at the same time nonproliferation measures were taken. It no longer insisted upon some arrangement for individual self-defense. Most important, it dropped the requirement that nuclear sharing within NATO be protected.

The advisability of U.S. reducing its nuclear stockpiles is questionable, but it is imperative, for reasons I shall outline below, that the United States insist upon some provision for establishing nuclear defense within its regional defense organizations, principally NATO. To facilitate that result I plan to offer an amendment to this bill during its consideration by the Foreign Affairs Committee. My amendment reads:

> *Provided*, That no funds authorized by this Act may be spent for salaries or other expenses connected with advancing proposals which preclude the provision of weapons or other materials for the establishment of nuclear defenses to regional organizations established under article 52 of the United Nations Charter.

In this respect my amendment—which retains the NATO option, so to speak—reflects the position of the United States on the nonproliferation treaty up till October 1966. I believe that the policy of nuclear sharing within regional defense alliances as subscribed to and supported by Presidents Eisenhower and Kennedy, and initially by President Johnson is wise. Nothing has changed which has altered the basic soundness of their initial judgments.

THE PROBLEM OF NUCLEAR GUARANTEES

The United States should ask itself whether it wants to make such guarantees. By holding out the promise of guarantees the United States may find its role as world policeman greatly expanded. Instead of defense treaties with 43 nations we may soon be responsible for defending an additional 50 nations. For instance, the United States presently has no treaty with Nepal or Afghanistan, both of which border China. Suppose, for example, that China threatens nuclear attack against either one of these states. Are we bound to give them, in the words of President Johnson, "strong support"? Are we bound to defend two countries, one a remote Himalayan kingdom, which previously we did not consider to be vital to the security of the United States? These are questions that should be answered before we proceed further on the draft treaty.

Another problem connected with guarantees is the ambiguity in language. The President has had little to say on guarantees. His most important public statement was this one made on October 18, 1964:

> The nations that do not seek national nuclear weapons can be sure that, if they need our strong support against some threat of nuclear blackmail, then they will have it.

To date, however, the President has not been specific about how such guarantees might work. Before proceeding further on the treaty, should we not move beyond the domain of the speechmaker, where the matter presently rests, to specific measures upon which nations act? Since the President's position is couched in sufficiently ambiguous terms not to disturb anyone, we should not expect it to have a measurable effect on the decisions of governments which possess the ability to develop nuclear weapons. The nonnuclear nations are not interested so much in defense, as in deterrence. A U.S. guarantee therefore must be really dependable, indeed automatic, to have value. Nations are not interested in accepting a Hiroshima on their soil as the condition precedent to U.S. defense. A policy for the benefit of a particular nonnuclear nation may have some utility, especially if expressly addressed to an imminent nuclear threat. A unilateral declaration, such as the President's, addressed to the world at large probably will not be taken seriously by anyone. Empty guarantees to the world at large, on the other hand, tend to weaken the credibility of the guarantees given to our allies in NATO.

Ambassador Foster, in his testimony last Thursday to the Foreign Affairs Committee, sought to meet some of the problems on guarantees. He stated that the U.N. could guarantee nations in Southeast Asia and Asia against nuclear blackmail, but when I asked him if he anticipated the U.N. would own and control nuclear weapons, he replied, "Not under present circumstances."

Regarding India, the only thing he could promise was—

> We are working on a set of assurances that will partially meet the concern of India.

I, of course, do not know what these assurances are, and by his own testimony they will only "partially" meet the concerns of India. Ambassador Foster stated that under the treaty we are not bound to use nuclear weapons to defend India or Israel. What did he offer these countries in the way of U.S. guarantees? In Israel's case he said only, "I refuse to speculate on that possibility" that we might use nuclear weapons. Of India, he said:

> I think that the record of the U.S. in supporting this great democracy of India over the last twenty years is a very clear record. I think that other nations are aware of the interest the U.S. has in India.

Apparently Pakistan treated this interest casually at the time of the Kashmir war and it did not deter China's invasion of India in 1962.

It is unlikely that New Delhi—or anyone else—will take such assurances seriously—especially when Ambassador Foster said further that there "is not a specific commitment at this moment in history" to defend India.

The proffer of U.S. guarantees is simply not credible. The announcement of virtuous ends does not discharge our responsibilities or deter aggression. The futility of unilateral allied guarantees for the political integrity of independent smaller states did not deter aggression against Albert's Belgium, Republican Poland, independent China, or Haile Selassie's Ethiopia, nor did it prevent Communist aggression in Korea, Southeast Asia, or Eastern Europe.

Ambassador Foster said:

> We feel the spread of these (nuclear weapons) is the greatest danger to the survival of the world.

I disagree strongly with that assumption and I believe a majority of the Congress does also. Of the greatest dangers to the survival of the world proliferation ranks well down the list.

In fact such acquisition might even preserve the peace in some cases. One wonders whether Hungary might not be independent today if she had had a small arsenal of tactical nuclear weapons to use against Soviet tanks in 1956. In the final analysis, what preserves a nation's independence is its own willingness to defend its territorial integrity, the determination of its allies, the balance of power, strategic frontiers and an international order which places it in an unassailable position.

Prohibiting nuclear proliferation within the context of the draft treaty does not enhance the survival of the world; it may well threaten it.

THE LIKELIHOOD OF NUCLEAR PROLIFERATION MAY BE VASTLY OVERRATED

There are numerous obstacles to proliferation. The size of the investment needed to build a strategic nuclear force and the cost of a diversified delivery system are inhibiting factors. Weapons technology does not stand still, and therefore research and development are also heavy cost factors. Domestic political pressures may inhibit the acquisition of nuclear weapons. Outright transfer of nuclear weapons from one power to another is possible but not probable. Furthermore, it would not necessarily solve or meet other inhibiting factors.

The premise upon which we have negotiated this treaty is a faulty one. We have perceived this treaty to be so important that writing in the July 1965 issue of Foreign Affairs, Ambassador Foster said:

> A heavier cost could be the erosion of alliances resulting from the high degree of U.S.-Soviet cooperation which will be required if a non-proliferation program is to be successful. Within NATO, there could be concern that the detente would lead to a weakening of our commitment to Western Europe. The problem will be particularly acute in Germany . . .

Certainly this is a backward listing of priorities. But this reasoning of the State Department is internally consistent, because they believe, as Ambassador Foster testified last Thursday that—

> The Soviet Union is a responsible nuclear power.

I cannot accept these premises. Neither did this committee in 1961, when it published a list of 15 countries which the Soviet Union had threatened with destruction.

Was the Soviet Union a responsible nuclear power when it abruptly broke the nuclear explosion moratorium in 1961 and 3 days later inaugurated a lengthy series of tests—tests that must necessarily have been in preparation while the Soviet Union was piously proclaiming its observance of the moratorium?

Was the Soviet Union a responsible nuclear power when it sought to place nuclear-tipped rockets in Cuba?

Was it a responsible nuclear power when it defied world opinion and an outraged United Nations by detonating the 50-megaton bomb?

Was the Soviet Union a responsible nuclear power when Chairman Khrushchev told how he had intimidated the Greek Ambassador who said to him:

> I trust the Chairman of the Council of Ministers of the Soviet Union will never give the order to drop atomic bombs on the Acropolis and other historic monuments of Greece.

On that occasion Mr. Khrushchev replied:

> Mr. Ambassador, I do not like to be unpleasant, but you are deeply mistaken.

Is our fetish to work out empty arrangements with the Soviet Union so strong that we take flight of reality? I sincerely hope not.

In reviewing the language of the treaty, it appears to me there are eight principal arguments against it.

First, it will seriously weaken and may completely destroy the North Atlantic alliance.

I believe the complete destruction of NATO is a chief aim of the Soviet Union in participating in the negotiations on the treaty. The durability and strength of NATO depends upon its becoming a partnership of equals, an alliance in which the United States permits the other members to have a fair share in nuclear strategy. Such a partnership cannot grow if a nonproliferation treaty renders the European nations who do not possess nuclear weapons forever dependent upon the United States for protection in the event of an attack requiring a nuclear response.

A treaty denying these powers an adequate deterrent in the future while U.S. troops stationed in Europe are cut back is bound to raise questions regarding the sincerity of our commitment. In my view a nonproliferation treaty should not be accorded any priority which prevents the North Atlantic nations from solving the nuclear sharing problem in whatever way they decide is best.

William R. Kintner, deputy director of the Foreign Policy Research Institute at the University of Pennsylvania, has written:

> Many Europeans who favor a strong Atlantic Alliance would like to replace European military dependence on the U.S. with a true partnership based upon the interdependence of a powerful United Europe and a powerful U.S. East-West agreement on nuclear nonproliferation would render the concept of interdependence meaningless. Partnership implies the creation of a European deterrent independent of the American de-

> terrent, yet closely connected with it. The prospects for creating a European nuclear deterrent are now slim. An anti-proliferation treaty might eliminate any future possibility of such a development.

Second. It will have an undesirable effect on the Federal Republic of Germany.

Bonn is in a special situation, because it bears a heavy risk and burden in the defense of Western Europe, yet is subjected to special restrictions concerning nuclear arms which were imposed in the early postwar years. To keep firm ties with the Federal Republic, it will be necessary for the Western Allies to treat Germany as an equal. The signature of East Germany, the so-called German Democratic Republic, on this treaty will increase its prestige and standing in the international community at the expense of the Federal Republic. Continued discrimination against Germany might fan the flames of extreme nationalism increasing the strength and appeal of the Neo-Nazi Party. The inspection provisions finally negotiated under the treaty may well lead to industrial espionage, and the treaty may preclude Germany's harnessing nuclear energy for peaceful purposes.

Since the Atlantic and West German agendas seem to be overweighed with hot issues at the present, it is to be wondered whether top U.S. policy officials have given sufficient attention to the questions of timing and priorities in respect to this treaty.

Third. It will not prevent completely the spread of nuclear weapons.

Nations follow the course which they deem in their national interest, and will manufacture, or decide not to manufacture nuclear weapons whether or not there is a nonproliferation treaty. Indeed this treaty, based as it is on unbelievable guarantees, may encourage proliferation. Exaggerated chatter about the damage that additional nuclear forces can achieve encourages the notion of nuclear weapons as "the great equalizer" in international relations.

Fourth. Its inspection features are not clearly spelled out.

To approve a treaty such as has been submitted without knowing what inspection features may be ultimately agreed upon is inviting the creation of a dangerous illusion. Without adequate inspection a nation may covertly transfer or manufacture weapons. The possibility of different standards of inspection being applied is a real one because each state to the treaty negotiates inspection features separately.

Even assuming that the safeguards of the International Agency for Atomic Energy are adequate to prevent diversion of nuclear materials from declared peaceful activities it is unlikely that there will be a provision for inspecting the nuclear stockpiles or weapon production facilities of the nuclear weapons powers to determine whether they may be transferring any to nonnuclear powers. Furthermore, there is no penalty provided for in the treaty and any nation could withdraw upon three months notice whenever it decided it wanted to proceed with open production of nuclear weapons. It is still not clear how industrial trade secrets would be protected under a system of international inspection.

Fifth. It may restrict peaceful development of atomic energy for industrial or energy purposes.

The draft treaty outlaws any "nuclear explosive device" regardless of whether it is detonated for peaceful or military purposes. A number of respected nuclear scientists believe the development of "ploughshare" depends upon peaceful atomic explosives. Proposals have been advanced, for example, for atomic explosions for such massive excavation jobs as creating a new canal supplemental to the congested Panama Canal. Other large scale nuclear excavation needs might be needed in the CHOCO and NAWAPA water and power projects in Latin America. Underground explosions offer splendid economic potentials. It has been estimated, for instance, that the world's supply of natural gas can be doubled by nuclear fracturing of impervious gas formations deep beneath the surface.

On the other hand critics of this argument claim the draft treaty will not affect peaceful development of nuclear energy. If this be so then I agree with Mr. Adrian Fisher's statement that a nation which can develop nuclear energy for peaceful purposes likely can develop it also for military purposes.

Sixth. It would require the nonnuclear nations to sacrifice a nuclear weapon capability which might someday be imperative for their self-defense without placing any counterbalancing limitation on the further acquisition of nuclear weapons by the nuclear powers.

The nonnuclear powers are required—under the treaty—to renounce their right to manufacture or acquire nuclear weapons, but the nuclear powers would not have any limitations placed upon them except a prohibition against transferring to or assisting nonnuclear states in the manufacture of nuclear weapons, something they have already chosen not to do. True, the treaty does require "good faith" bargaining to achieve more concrete steps toward general disarmament, but this has not been achieved in 22 years of disarmament negotiations and its achievement is not likely in the foreseeable future.

The very act of signing a nonproliferation treaty assumes significance even though the treaty does not change an existing de facto situation. The act can be interpreted as one of signing away future national security, in an age when balance-of-power politics still prevails, when nuclear weapons still appear the ultimate guarantee of security, when regional or international security organizations are far from being capable of taking over national responsibilities for defense and when alliances do not appear to be guaranteed for all time, if at all.

In other words, the treaty strikes at the heart of national sovereignty without providing any substitute organization principle or any meaningful security guarantees.

Rumania, an Eastern European Communist state with a growing streak of external independence, and a member of the ENDC, accurately stated that the concern of these smaller nations when its President, Nicolae Ceausescu, said:

> Without precise, firm and efficient measures, on the part of all states for ceasing the production of nuclear weapons . . . nonproliferation would not only fail to secure progress along the way of liquidating the danger of nuclear war, but would bring about its indefinite perpetuation. Such an approach to non-proliferation of nuclear weapons would only legislate the division of the world into nuclear and non-nuclear states.

Indeed Rumania proposed that if at the end of 5 years the nuclear powers had not taken steps for reduction of their own nuclear stockpile then the nonnuclear signatories would reexamine their own position. Rumania has also insisted upon security guarantees for the nonnuclear powers a precise, just, and efficient control system and the absolute requirement that the treaty not block peaceful development of atomic energy. It would appear that the Rumanian delegation—among others—has a better grasp of "realpolitik" and its own national interest than some of the major powers.

Seventh. It will weaken the relative military position of the United States.

It is unlikely that the nonnuclear powers will sign a nonproliferation treaty unless it is linked with measures to limit the nuclear powers to a comparable degree. The treaty may lead to further disarmament measures which will weaken our security. Such measures may include a comprehensive nuclear test ban or a prohibition against the first use of nuclear weapons.

The treaty will impede the deployment of an antiballistic-missile defense system to protect countries from Communist aggression since a successful antiballistic-missile system requires nuclear warheads. In the future countries such as India, Japan, and European allies might want to build such a defense system, but the Nonproliferation Treaty would prevent the United States from assisting them.

Finally, the treaty will require the United States to accept new commitments to help defend the states which forgo the manufacture of nuclear weapons. Nonnuclear nations cannot be expected to give up the right to acquire nuclear weapons without some sort of guarantee of protection against an attack requiring a nuclear defense. Such commitments may overextend the United States, whereas if nations could acquire their own nuclear weapons or participate in regional systems, we would be relieved of responsibility.

Eighth. It will be a gain for the Soviet Union.

The Soviet Union is probably interested in securing a treaty for these reasons:

It will effectively keep Germany from acquiring a nuclear defense either through an ABM system or a control or policy influence in nuclear strategy development.

It will aggravate differences within the Atlantic Alliance among Rome, Bonn, Paris, and Washington.

China's refusal to sign the treaty will further isolate her from the world community and in particular the Communist movement.

It will prevent certain Eastern European countries from obtaining nuclear weapons and perpetuate their reliance on the Soviet Union to defend their position.

It will keep nuclear weapons out of the Middle East and South Asia where Russia, perhaps by "Cuban missile type" arrangements, seeks to expand her influence.

The draft treaty confuses appearance for reality, symbols for substance. It would lump together all the "have-nots" of the world—the backward and the advanced, the neutral and the alined, the subservient and the independent, the malign and the well intentioned in one category, and the diverse "haves" minus two—China and France—in another category, thus symbolically reversing alinements and priorities that have prevailed for over 20 years.

At the very least the Congress should insist that the treaty be modified in order to permit regional organizations sanctioned under article 52 of the United Nations Charter to own and control such nuclear defenses as they may decide will serve their common interests.

A TRIBUTE TO HON. GRAEME C. BANNERMAN

Mr. SIKES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, today a distinguished American is retiring after an active and outstanding career with the U.S. Government. His friends in and out of Government are legion. He is very well known and very highly regarded on Capitol Hill. Many of us have worked closely with him and we appreciate his caliber and his contributions.

The Honorable Graeme C. Bannerman is retiring as Assistant Secretary of the Navy after serving the U.S. Government for more than 31 years. His has been a most remarkable career, culminating in the unusual situation where an Assistant Secretary retires as opposed to resigning.

The Secretary of the Navy very aptly described the services rendered by Secretary Bannerman as Assistant Secretary of the Navy in the Distinguished Public Service Award presented on February 2, 1968. I quote from the citation as follows:

> For exceptionally meritorious service to the Department of the Navy while serving as Assistant Secretary of the Navy for Installations and Logistics from February 1965 to February 1968. Mr. Bannerman's accomplishments contributed greatly to the Navy's capabilities during a period marked by intensive operations of Naval Forces in Southeast Asia. A nationally recognized authority on Department of Defense procurement policy, systems and practices, Secretary Bannerman, through his leadership, imagination and practical approach to installations and logistics problems, conceived and implemented advanced and effective management techniques throughout the Navy. Under his direction and guidance the Navy established a large gun and air ammunition complex in a short time; began the use of multi-year procurements for obtaining lower prices and for securing the modernization of shipyard manufacturing processes; and applied total package concepts to the procurement of the Fast Deployment Logistics ships and other ships. He has raised the efficiency level of the purchasing function throughout the Navy and the Department of Defense and in so doing has saved hundreds of millions of dollars in Defense appropriations. He has also inspired dynamic leadership in planning and directing real property management and facilities matters in the Navy. For these and many other exceptional accomplishments and contributions to the United States Navy and for their far reaching impact on the Government and the public, Secretary Bannerman is awarded the Navy's Distinguished Public Service Award.

Mr. Bannerman was born in Washington, D.C., on April 1, 1910, and has continued residence there except during a period of service as a naval officer in World War II. He attended Hamilton College, Clinton, N.Y., from which he received a bachelor of science degree in 1931. While there he majored in mathematics and physics. In 1936 he received a bachelor of laws degree and 1938 a master of laws degree from the George Washington University in Washington, D.C. He was on the staff of the George Washington Law Review. He was admitted to the practice of law in the District of Columbia in 1936 and admitted to practice before the Supreme Court of the United States in March 1967.

Prior to World War II he was employed by the Treasury Department's Procurement Division. During World War II he served in the U.S. Navy and was assigned for most of his duty to the Naval Aviation Supply Office, Philadelphia. He left the naval service as a lieutenant. From 1946 to 1948 he was in the private practice of law in the District of Columbia. In 1948 he joined the Navy's Bureau of Ships as a contract negotiator, later becoming the Deputy Director of Contracts in that Bureau. In 1953 he accepted a position in the Office of Naval Material where he served as the Navy's senior civilian procurement official until 1957, leaving there to become Director of Procurement Policy in the Office of the Secretary of Defense. In February 1961 he was appointed Deputy Assistant Secretary of Defense by Secretary of Defense McNamara.

In 1963 Mr. Bannerman received the Career Service Award of the National Civil Service League which included the following citation:

> Graeme C. Bannerman oversees procurement activities of the Department of Defense involving approximately $25 billion annually—some 30 percent of the total Federal budget. In carrying out his duties, he has achieved national stature as a recognized authority on Defense procurement policy, systems, and practices. Through Mr. Bannerman's leadership, the procurement elements of the Armed Services have been drawn into a cooperative and cohesive group thus paving the way for significant improvements in purchasing policy and techniques and the consequent saving of millions of dollars in Defense appropriations.

He was serving as Deputy Assistant Secretary of Defense when appointed by President Johnson in February 1965 to be Assistant Secretary of the Navy. Throughout most of his career Mr. Bannerman has been engaged in the procurement field for the Federal Government.

This is a great career. Let us hope that we will see others like it. Mr. Bannerman has been one of the Navy's most persistent advocates of career service, and there is no better argument to make on its behalf than to cite the example he has set himself. Anyone who has worked with him has been thoroughly impressed by his great integrity, ability, dedication, and enthusiasm. I hope that the exposure has been contagious and that some of our younger men and women in Government have been reassured by his career that merit is rewarded.

Graeme C. Bannerman brought to every position a determination to do something a little better than it was being done and indeed he did. He and every position he held grew in stature. He is that rare combination of the idea man and man of action that the Government will always need.

His retirement concludes his active service with the Federal Government. He will continue to apply his remarkable talents in the public interest as he takes up his new duties as vice president for business and finance for the University of California.

CONGRESSIONAL REFORM

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker, as a member of the Republican Task Force on Congressional Reform, I have been working with 16 other Republican Members on a project to compare the various congressional reform bills, including the Senate-passed version, S. 355.

My assignment relates to section 105, Legislative Review, and I include the following in the RECORD:

SECTION 105—LEGISLATIVE REVIEW

(NOTE.—House Rule XI, paragraph 27, now provides that "each standing committee of the House shall exercise continuous watchfulness of the execution by the administrative agencies concerned of any laws, the subject matter of which is within the jurisdiction of such committee; and, for that purpose, shall study all pertinent reports and data submitted to the House by the agencies in the executive branch of the Government." The Government Operations Committee has special powers and duties of oversight.)

S. 355—Attempts to restate the legislative review function of standing committees in broader and more comprehensive terms: "Each standing committee of the Senate and House . . . shall . . . analyze, appraise, and evaluate reports and other data of the Comptroller General . . . keep currently informed with respect to the regulations, procedures, practices, and policies of the Government pertaining to the application, operation, administration, and executive of the laws . . . (conduct) reviews of programs of grants-in-aid," etc.

Each such committee is entitled to employ a Review Specialist, appointed by the chairman with the prior approval of the ranking minority member, who shall be in addition to the professional staff to which the committee is otherwise entitled.

A report of its review activities must be submitted to the Senate and House respectively, no later than March 31 each year, by each committee to which this section applies (exceptions are both Appropriations committees and House ethnics committee). Each house will transmit copies of such reports to appropriate officials of the Executive Branch.

Legislative "oversight" will henceforth be known as legislative "review."

Bolling—Strikes, as well as S. 355 language on oversight, even the meager language of '46 Act. Under Bolling bill, there would be no formal exercise of oversight by standing committees except grant-in-aid programs.

Reid—Same as Bolling except for inclusion of that language which redesignates "oversight" as "review." (New Sec. 104 in Reid.)

Print No. 3—Pretty well deletes everything except the redesignation language and allowance for a Review Specialist, who, however, has no specific duties and may be added to staffs of House committees without approval of the minority.

Recommendations of the Final Report under the heading "Legislative Review," pages 23–25, are as follows:

"1. The activity commonly referred to as 'oversight' shall be redesignated as 'review' so that there will be a better public understanding of the function.

"2. In addition to the permanent professional staff otherwise authorized, each standing committee shall be entitled to one additional permanent professional staff member who shall be designated a review specialist and who shall be assigned exclusively to performance of review (oversight). He shall be selected by the chairman with the concurrence of the ranking minority member. The review specialist shall be directed to carry out review projects, or to supervise the same, contingent upon the approval of such projects by the chairman and ranking minority member of the committee.

"3. Each standing committee other than the Appropriations Committees shall file an annual report on the review activities of the committee during the year. The report shall include an evaluation of programs under the jurisdiction of the committee, an assessment of the quality of administration of agencies investigated during the year, and recommendations as to organizational and program changes and/or the elimination of unnecessary activities under the committee's jurisdiction. The reports shall be delivered to the majority and minority leadership of both Houses and by the leadership to the President, with a copy to the Bureau of the Budget.

"4. The legislative committees should hold hearings on major reports required of the Executive.

"5. The legislative committees should review reports required by the law of the executive departments and agencies to determine whether the reports perform a useful function, should be reoriented, or are no longer necessary."

Sec. 105 was twice amended by the Senate. See Amendment No. 76, Feb. 15, S2002, and Proxmire Amendment on Mar. 3, pages S3075–77.

See also recommendation No. 1 under the heading "Committees on Procedures and Policies", in the supplemental views of Reps. Curtis, Hall, and Cleveland, final report pages 85–87, and supplemental views of Sen. Mundt, which were concurred in by Curtis, Hall, and Cleveland, final report pages 78–79. Excerpts from both views follow.

SUPPLEMENTAL VIEWS OF MESSRS. CURTIS, HALL, AND CLEVELAND

We support the committee report and feel it is a constructive, forward step in strengthening Congress.

These supplemental views contain further recommendations for needed reforms in the procedures of Congress. They are not intended to detract from the work that has been accomplished but are offered as constructive additional steps to be taken. . . .

We strongly urge the creation of new committees in the House and Senate to be known in each body as the Committee on Procedures and Policies. Such committees would have the power to examine into and report back to the Congress on the expenditure of Federal funds by the executive branch to insure that they are spent efficiently and in accordance with law. The chairman of these committees shall be members of the minority party.

During the past few years, the legislative branch has been increasingly subordinated in the lawmaking process. Power has been increasingly concentrated in the executive branch. By allowing this development, the Congress has strayed from the mandate of the Constitution by which it is established as a coequal branch of Government.

The appropriations process, the right to raise and maintain armies, and the right to declare war are outstanding examples of authorities granted exclusively to the Congress which are more and more being absorbed by the executive branch.

In addition, there are other ways by which the power and authority of the legislative branch have been diminished. It is not our object to enumerate these abuses here but, recognizing their existence, to propose means for correcting them.

We believe the best means would be creation of the Committees of Procedures and Policies in the House and Senate, headed by members of the minority party.

In both Houses of Congress are Committees on Government Operations having jurisdiction to conduct comprehensive investigations. It is difficult for them to do so effectively when the results appear likely to reflect unfavorably on their own party's administration. This is the purpose of giving control of these committees to the minority.

This is not an original idea in representative government either here or abroad. The House of Commons in Great Britain has a committee known as the Committee of Public Accounts whose chairman is by convention a leading member of the opposition, usually a person who has been Financial Secretary of the Treasury. The committee is charged with responsibility for insuring that all public money is spent in the manner intended by Parliament. It also promotes economy and efficiency and helps to maintain high standards of morality in all public financial matters.

In our own history also, there are examples of minority control of committee investigations. Perhaps the most famous occurred in 1923 when the Teapot Dome oil-reserve investigation was conducted by a Democratic Senator at a time when both Houses of Congress and the executive branch were controlled by the Republican Party. This Senator, Thomas J. Walsh, of Montana, accepted the responsibility of conducting the investigation at the urgent request of Republican Senator Robert LaFollette.

These committees would infringe in no way upon the majority's power to conduct its own investigations. The new committees would help only to reveal areas in which Government was not serving the American people as well as it should. . . .

SUPPLEMENTAL VIEWS OF MR. MUNDT

There are numerous recommendations in the joint committee's report which, if adopted by the Congress, will lead to substantial improvement in congressional procedures. . . .

I do feel however, that the report does not delve deeply enough into the fundamental question of preserving the traditional check and balance system of our government. Everyone knows that the executive branch increasingly has encroached upon the powers of the Congress. We might have created a mechanism which would help assure a better check and balance system. I believe we might have looked more closely at proposals which would have provided a sort of watchdog committee on procedures and policies which would be chaired in each House by Members of the minority party. This would give greater assurance that partisanship would not prevent or modify complete scrutiny by the Congress or the executive branch, especially when both Houses of the Congress, as well as the Executive, are controlled by the majority party. Surely it would give far greater assurance that the public would be given the full truth in matters such as the Bobby Baker scandal. This is a parliamentary tool which the British have found to be very effective through the operation of what they call "The Committee of Public Accounts" which is controlled by the minority. . . .

STATEMENT BY HON. JAMES E. WEBB

Mr. FULTON of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a statement of James E. Webb of the National Aeronautics and Space Agency on the future of the space program for fiscal year 1969.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON of Pennsylvania. Mr. Speaker, I include the above-mentioned statement at this point in the RECORD:

STATEMENT OF JAMES E. WEBB, ADMINISTRATOR, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, BEFORE THE COMMITTEE ON SCIENCE AND ASTRONAUTICS, HOUSE OF REPRESENTATIVES

Mr. Chairman and Members of the Committee: We are here today to present to the Committee the President's authorization request for NASA's Budget for Fiscal Year 1969, a year that marks the beginning of NASA's second decade.

For the past seven years, Dr. Robert C. Seamans, Jr., first as Associate Administrator and then as Deputy Administrator, has played a principal role in presenting the NASA program to the Committee. All of us at NASA deeply regret the loss of his services as a full-time official, but we are glad that he has agreed to continue on a part-time basis as a consultant.

The President last week submitted to the Senate the appointment of Dr. Thomas O. Paine of Santa Barbara, California, to succeed Dr. Seamans. Dr. Paine has achieved a distinguished record in many technical fields including metallurgy and magnetism. Equally important, he is experienced in the field of management. His most recent post was as Manager of General Electric's Center for Advanced Studies. Here he was responsible for a substantial effort in research and analytic studies on complex problems of military systems and on broad technological and social problems of a national and international character. Thus NASA is able to draw on an outstanding technically and scientifically oriented executive from private life to enrich the high competence of its career service. Dr. Paine will be available for duty in about a month.

Dr. Homer Newell, as Associate Administrator, is concentrating on a number of special assignments centering on an analysis of policy and planning needs for the next ten years. Since the position of Deputy Administrator is temporarily vacant, and in view of Dr. Newell's current assignment, I have asked the Associate Administrators for Space Science and Applications, for Tracking and

Data Acquisition, for Advanced Research and Technology, and for Manned Space Flight to present NASA's 1969 budget requests. They will testify not solely as the managers of the four major program offices, but as officials responsible for and participating in the conduct of the total NASA program including the areas of over-all management and public policy. Statements covering a number of specialized areas have been supplied by other officials.

With your permission, my own statement will be limited to a few important points which will be developed further by the Associate Administrators.

1. NASA's 1969 authorization request, at the $4,370 million level, is $700 million below the amount requested last year. It is almost $500 million less than this year's authorization and is $200 million below this year's appropriation. NASA's expenditures for FY 1969 will be down $230 million from this year, $850 million below last year, and $1.3 billion less than in FY 1966. The NASA program has been cut. I hope you will decide it has been cut enough and will approve the full amount recommended by the President.

2. The FY 1969 request does not meet all our Nation's needs in aeronautics and space. It is a compromise—one which I fully support—between needed work toward advances in aeronautics and space which we can and should make, and other overriding requirements. The President was forced, in spite of his conviction as to the importance of a larger effort in aeronautics and space research, to accept reductions in NASA's budget as submitted for FY 1968 and to recommend in this 1969 budget an even lower level.

3. During this period when we are reducing our effort by one-third, the USSR is still increasing its effort. We must therefore face the probability that in the coming year, and in those following, the Soviets will continue to demonstrate capabilities beyond those which we will have. They will soon be in position to launch a booster with greater thrust than the Saturn V. I expect them to resume manned space flights soon. They may well land instrument package on Mars in 1969 and again in 1971. In terms of scientific advance and in applications of immediate economic use, such as meteorological and communications systems, our program has contributed more than theirs. But in terms of the use of large launch vehicles and in the rate at which future greater capabilities are being developed, they are and will remain ahead, at our 1969 Budget level. The hard fact we now face is that just as we have begun to catch up in large-scale booster operations—as shown by the flights of Apollo 4 and 5 and the bringing of Launch Complexes, 34, 37 and 39 on stream—we are cutting back our program while they continue to advance.

Within the necessary fiscal constraints, the NASA FY 1969 program and budget estimates are based on the following guidelines:

First, we will continue with the Apollo program on the schedule we presented to this Committee in its hearings on our 1968 operating plan. A manned lunar landing by the end of 1969 depends on success in practically every one of the eight Saturn V flights remaining in our operational plan for 1968 and 1969. Our schedules and our budget estimates are based on success in utilizing the all-up test concept for both the Saturn V and Apollo. At the 1969 Budget level, our ability to promptly overcome any serious problems which our test launches may show is greatly reduced.

Second, we will reduce production rates under space systems contracts and our NASA center operations in order to hold expenditures to a minimum in FY 1968 and FY 1969. The delivery rate of Saturn IB's after the first 12 and of Saturn V's after the first 15 will be reduced to two per year. We are also carefully analyzing with the Department of Defense future requirements for large launch vehicles and will consider further adjustments. No Apollo Applications flights will be scheduled until after the first manned lunar landing, and the number of launches will be sharply limited. A number of new studies will focus on definition of a *Saturn V Workshop* as the major follow-on use of the Saturn-Apollo capability we have developed for initial use in the manned lunar landing. The Saturn I Workshop will be considered as an interim step toward the Saturn V Workshop. The earliest launch of the Saturn I Workshop will be in 1970; it will be used in association with a later launch of an Apollo Telescope Mount as we described to you last year. Under our reduced budget, this is a logical step in the development of manned flight in the period following the lunar landing. Practically all programs have been stretched out. For example, in the Physics and Astronomy program, the launch schedule for the Pioneer spacecraft has been revised so that there is now a gap of more than three years between Pioneer E and the first of the next two missions, Pioneer F and G.

Third, we are phasing-out a number of flight research projects such as the X-15 and XB-70. We are terminating the orbiting geophysical observatory program after OGO-F now scheduled to be launched early in 1969.

Fourth, those urgent new starts which we must undertake will be reduced in scope. Instead of the large NERVA II nuclear engine proposed last year, we will be developing a smaller NERVA I. This will enable us to greatly increase the future capability of the Saturn V launch vehicle, but will not require the construction of extensive engine development and test facilities. In the planetary program, in place of the Voyager mission, we are now proposing an extended use and expansion of the less costly Mariner class spacecraft. This program includes Mars missions in 1971 and 1973.

Fifth, in aeronautics and in space applications we will undertake certain urgent activities in an expansion of current levels. In aeronautics, technology developed in space programs is now able to make important contributions to the improvement of aircraft. We will devote increased effort to noise reduction and the development of vertical and short take-off and landing aircraft. We will increase our experimental work in the utilization of space systems for direct application and related economic benefit. For example, Nimbus D, planned for 1970, offers a major step forward in charting the vertical structure and composition of the Earth's atmosphere. We will enlarge with other Federal agencies an aircraft program to experiment with techniques and instruments for remote measurement of earth resources. We will also start definition studies of a future satellite system for acquiring data on earth resources.

Sixth, we are reassessing our NASA Center work assignments and organization as our work force is reduced. Our objective is to retain in our research and development centers, after the reductions are made, a limited but strong and well-balanced team of scientists, engineers, program and project managers. In our work with industrial contractors and universities, where employment on NASA work is down by 135,000 and is still dropping at a rate of about 4,000 per month, we plan to develop new ways through which the supporting research and technology funds in our contracts and an extension of step funding of university projects can help stabilize the operations on which the nation's most experienced scientific and technical teams depend. In all these actions, we are emphasizing the continuing need for basic research and basic work in technology to ensure that we will continue to strengthen our national resource base and have the ability to move forward again on a firm basis in the years to come.

Mr. Chairman, with your permission, I would now like to call on Dr. Naugle and then Mr. Truszynski.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BLATNIK (at the request of Mr. ALBERT), for 30 minutes, today; to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. PETTIS) to revise and extend their remarks and include extraneous matter:)

Mr. MORTON, for 15 minutes, today.

Mr. GROSS, for 30 minutes, Thursday, February 8.

Mr. HALPERN, for 10 minutes, today.

Mr. FEIGHAN (at the request of Mr. BLANTON), for 10 minutes, today; to revise and extend his remarks and include extraneous matter.

Mr. FLOOD (at the request of Mr. BLANTON), for 60 minutes, on February 20; to revise and extend his remarks and include extraneous matter.

EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GROVER and to include extraneous matter.

Mr. KARTH and to include extraneous matter.

Mr. BELCHER and to include extraneous matter.

Mr. MCCORMACK (at the request of Mr. ALBERT) and Mr. ALBERT in the body of the RECORD following the President's message on crime.

Mr. MICHEL and to include extraneous matter.

Mr. MURPHY of New York following the President's message on crime and to include pertinent extraneous material.

Mr. MACGREGOR following the remarks of Mr. MORTON and to include a newspaper article from the Minneapolis Morning Tribune of February 1, 1968.

(The following Members, (at the request of Mr. PETTIS) and to include extraneous matter:)

Mr. WYATT.
Mr. RHODES of Arizona.
Mr. FINDLEY.
Mr. HANSEN of Idaho in five instances.
Mr. ASHBROOK.
Mr. DERWINSKI in two instances.
Mr. DENNEY.
Mr. ESHLEMAN.
Mr. BERRY in two instances.
Mr. HOSMER in two instances.
Mr. ESCH.
Mr. FINO.
Mr. BLACKBURN.
Mr. BUSH.
Mr. TEAGUE of California.
Mr. FRELINGHUYSEN.
Mr. MAILLIARD.
Mr. TAFT in four instances.
Mr. ROTH in five instances.
Mr. MCDADE.
Mr. BOB WILSON.
Mr. MORSE of Massachusetts.
Mr. ANDREWS of North Dakota.

(The following Members (at the request of Mr. Blanton) and to include extraneous matter:)

Mr. Brooks.
Mr. Evans of Colorado.
Mr. Fisher in four instances.
Mr. Machen in six instances.
Mr. McFall in two instances.
Mr. Hawkins.
Mr. Celler.
Mr. Moorhead in four instances.
Mr. Rarick in two instances.
Mr. Rodino.
Mr. St Germain in two instances.
Mr. Steed.
Mr. Eilberg in two instances.
Mr. Dingell.
Mr. Cohelan in two instances.
Mr. Long of Maryland.
Mr. Burke of Massachusetts.
Mr. Fascell in three instances.
Mr. Marsh in two instances.
Mr. William D. Ford.
Mr. Evins of Tennessee in three instances.
Mr. Carey.
Mr. Bolling.
Mr. Karth.
Mr. Bingham.
Mr. Hanna in two instances.

ADJOURNMENT

Mr. BLANTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p.m.) the House adjourned until tomorrow, Thursday, February 8, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1482. A letter from the Acting Director of Civil Defense, Department of the Army, transmitting the report of Federal contributions program equipment and facilities for the quarter ending December 31, 1967, pursuant to the provisions of subsection 201(1) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

1483. A letter from the Acting Secretary of the Army, transmitting a report of the number of officers on duty with Headquarters, Department of the Army, and the Army General Staff on December 31, 1967, pursuant to the provisions of section 3031(c) of title 10, United States Code; to the Committee on Armed Services.

1484. A letter from the Deputy Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Fish and Wildlife Act of 1956, as amended, to provide technical and financial assistance to the commercial fishing industry in meeting the requirements of the Wholesale Fish and Fishery Products Act of 1968; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. S. 1727. An act to authorize the consolidation and use of funds arising from judgments in favor of the Apache Tribe of the Mescalero Reservation and of each of its constituent groups (Rept. No. 1087). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Commitee on Interior and Insular Affairs. S. 2402. An act to provide for credit to the Kings River Water Association and others for excess payments for the years 1954 and 1955 (Rept. No. 1088). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. S. 2447. An act to amend section 2 of the Migratory Bird Conservation Act (Rept. No. 1089). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 1058. Resolution providing for the consideration of H.R. 25, a bill to authorize the Secretary of the Interior in cooperation with the States to preserve, protect, develop, restore, and make accessible estuarine areas of the Nation which are valuable for sport and commercial fishing, wildlife conservation, recreation, and scenic beauty, and for other purposes (Rept. No. 1090). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 1059. Resolution providing for the consideration of H.R. 11308, a bill to amend the National Foundation on the Arts and the Humanities Act of 1965 (Rept. No. 1091). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOLAND:

H.R. 15180. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BRASCO:

H.R. 15181. A bill to amend title 39, United States Code, to provide a new system of overtime compensation for postal field service employees, to eliminate compensatory time in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 15182. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BROYHILL of Virginia:

H.R. 15183. A bill to amend the District of Columbia Teachers' Salary Act of 1955 to provide salary increases for teachers and school officers in the District of Columbia public schools, and for other purposes; to the Committee on the District of Columbia.

By Mr. BUSH:

H.R. 15184. A bill to amend the Federal Food, Drug, and Cosmetic Act to prescribe penalties for the possession of LSD and other hallucinogenic drugs by unauthorized persons; to the Committee on Interstate and Foreign Commerce.

By Mr. DENNEY:

H.R. 15185. A bill to provide for improved employee-management relations in the Federal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DUNCAN:

H.R. 15186. A bill to clarify the status of National Guard technicians, and for other purposes; to the Committee on Armed Services.

H.R. 15187. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FULTON of Tennessee:

H.R. 15188. A bill relating to dealings between parties to franchise agreements; to the Committee on the Judiciary.

By Mr. GARMATZ:

H.R. 15189. A bill to authorize appropriations for certain maritime programs of the Department of Commerce; to the Committee on Merchant Marine and Fisheries.

By Mr. GARMATZ (by request):

H.R. 15190. A bill to amend sections 3 and 4 of the act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans; to the Committee on Merchant Marine and Fisheries.

By Mr. MATSUNAGA:

H.R. 15191. A bill to amend section 127 of title 23 of the United States Code relating to vehicle weight and width limitations on the Interstate System, in order to make certain increases in such limitations; to the Committee on Public Works.

By Mr. PHILBIN:

H.R. 15192. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. RIVERS:

H.R. 15193. A bill to authorize a study for flood control and allied purposes in the New River Basin, S.C.; to the Committee on Public Works.

By Mr. SELDEN:

H.R. 15194. A bill to revise the quota-control system on the importation of certain meat and meat products; to the Committee on Ways and Means.

H.R. 15195. A bill to provide for orderly trade in iron and steel mill products; to the Committee on Ways and Means.

By Mr. WYDLER:

H.R. 15196. A bill to amend the Public Health Service Act to provide for the protection of the public health from radiation emissions from electronic products; to the Committee on Interstate and Foreign Commerce.

By Mr. MATHIAS of California (for himself, Mr. Teague of California, Mr. Sisk, and Mr. Ruppe):

H.R. 15197. A bill to enable potato growers to finance a nationally coordinated research and promotion program to improve their competitive position and expand their markets for potatoes by increasing consumer acceptance of such potatoes and potato products and by improving the quality of potatoes and potato products that are made available to the consumer; to the Committee on Agriculture.

By Mr. PERKINS (for himself, Mrs. Green of Oregon, Mr. Thompson of New Jersey, Mr. Holland, Mr. Dent, Mr. Pucinski, Mr. Daniels, Mr. Brademas, Mr. O'Hara of Michigan, Mr. Carey, Mr. Hawkins, Mr. William D. Ford, Mr. Hathaway, Mrs. Mink, Mr. Scheuer, Mr. Meeds, Mr. Burton of California, Mr. Ayres, Mr. Reid of New York, Mr. Dellenback, and Mr. Steiger of Wisconsin):

H.R. 15198. A bill to amend section 302(c) of the Labor-Management Relations Act, 1947, to permit employer contributions for joint industry promotion of products in certain instances or a joint committee or joint board empowered to interpret provisions of collective bargaining agreements; to the Committee on Education and Labor.

By Mr. SAYLOR:

H.R. 15199. A bill to amend the Internal Revenue Code of 1954 to provide for an excise tax on electrical energy produced in nuclear powerplants; to the Committee on Ways and Means.

By Mr. STAFFORD (for himself, Mr. Horton, Mr. Schweiker, Mr. Shriver, and Mr. Whalen):

H.R. 15200. A bill to amend title 37, United States Code, to increase the rates of basic pay for enlisted members of the uniformed services; to the Committee on Armed Services.

By Mr. FINO:

H.R. 15201. A bill to prohibit the distribution of estates to distributees in foreign countries which do not permit similar distributions to be made to distributees in the

United States; to the Committee on Ways and Means.

By Mr. FULTON of Pennsylvania:

H.R. 15202. A bill to provide for the establishment of a Commission on Negro History and Culture; to the Committee on Education and Labor.

H.R. 15203. A bill to extend certain expiring provisions under the Manpower Development and Training Act of 1962, as amended; to the Committee on Education and Labor.

By Mr. WAMPLER:

H.R. 15204. A bill to amend title 38 of the United States Code so as to increase the amount of home loan guarantee entitlement from $7,500 to $10,000, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HANNA (for himself, Mr. Sisk, Mr. Tunney, Mr. Waldie, Mr. Hawkins, Mr. Van Deerlin, and Mr. Cohelan):

H.R. 15205. A bill to amend the National Housing Act to eliminate interest rate ceilings on FHA and VA insured mortgages; to the Committee on Banking and Currency.

By Mr. EDWARDS of California:

H.R. 15206. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HALPERN:

H.R. 15207. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H.R. 15208. A bill to amend the Nurse Training Act of 1964 to provide for increased assistance to hospital diploma schools of nursing; to the Committee on Interstate and Foreign Commerce.

By Mr. BRASCO:

H.J. Res. 1060. Joint resolution to assist veterans of the Armed Forces of the United States who have served in Vietnam or elsewhere in obtaining suitable employment; to the Committee on Post Office and Civil Service.

By Mr. BUSH:

H.J. Res. 1061. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. ESHLEMAN:

H.J. Res. 1062. Joint resolution proposing an amendment to the Constitution of the United States relating to the employment of subversives; to the Committee on the Judiciary.

By Mr. GERALD R. FORD:

H.J. Res. 1063. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Affairs.

By Mr. FULTON of Tennessee:

H.J. Res. 1064. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Messrs. MAHON, KIRWAN, and BOW:

H.J. Res. 1065. Joint resolution to provide for the reappointment of Dr. William A. M. Burden as Citizen Regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

H.J. Res. 1066. Joint resolution to provide for the reappointment of Dr. Crawford H. Greenewalt as Citizen Regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

H.J. Res. 1067. Joint resolution to provide for the reappointment of Dr. Caryl P. Haskins as Citizen Regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

By Mr. NEDZI:

H.J. Res. 1068. Joint resolution to provide for the issuance of a special postage stamp in commemoration of Dr. Enrico Fermi; to the Committee on Post Office and Civil Service.

By Mr. RIEGLE (for himself, Mr. Harrison, Mr. Abbitt, Mr. Grover, Mr. Schadeberg, Mr. Button, Mr. Bush, Mr. Shipley, Mr. Thomson of Wisconsin, Mr. Long of Louisiana, Mr. Burton of Utah, Mr. Cederberg, Mr. Talcott, Mr. Donohue, Mr. McEwen, Mr. Diggs, Mr. Hébert, Mr. McClure, Mr. Cowger, Mr. Halpern, Mr. McCloskey, and Mr. McClory):

H.J. Res. 1069. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Affairs.

By Mr. GERALD R. FORD (for himself, Mr. Arends, Mr. Laird, Mr. Goodell, Mr. Bob Wilson, Mr. Cramer, Mr. Rhodes of Arizona, Mr. Hall, Mrs. Dwyer, Mr. Bates, Mr. Broomfield, Mr. King of New York, Mr. Harvey, Mr. Robison, Mr. Watson, Mr. McDonald of Michigan, Mr. Biester, Mr. Kyl, Mr. Moore, Mr. Frelinghuysen, Mr. Snyder, Mr. Fino, and Mr. Hunt):

H.J. Res. 1070. Joint resolution calling on the Boy Scouts of America to serve the youth of this Nation as required by their congressional charter; to the committee on Education and Labor.

By Mr. O'NEILL of Massachusetts:

H.J. Res. 1071. Joint resolution to provide for the designation of the second week of May of each year as National School Safety Patrol Week; to the Committee on the Judiciary.

By Mr. SAYLOR:

H.J. Res. 1072. Joint resolution calling on the Boy Scouts of America to serve the youth of this Nation as required by their congressional charter; to the Committee on Education and Labor.

By Mr. PICKLE (for himself, Mr. Poage, Mr. Mahon, and Mr. Purcell):

H. Con. Res. 632. Concurrent resolution calling on the Boy Scouts of America to continue to serve the youth of this Nation as set out by their congressional charter; to the Committee on Education and Labor.

By Mr. ST GERMAIN:

H. Con. Res. 633. Concurrent resolution to express the sense of the Congress that the Secretary General of the United Nations should deliver an annual message on the state of mankind; to the Committee on Foreign Affairs.

By Mr. KUPFERMAN (for himself, Mr. Baring, Mr. Brasco, Mr. Brown of Michigan, Mr. Cahill, Mr. Daniels, Mr. de la Garza, Mr. Derwinski, Mr. Dickinson, Mr. Foley, Mr. Goodell, Mr. Kyros, Mr. McClory, Mr. McClure, Mr. O'Konski, Mr. Philbin, Mr. Pool, Mr. Riegle, Mr. Rogers of Florida, Mr. Smith of New York, Mrs. Sullivan, Mr. Vander Jagt, Mr. Whalley, Mr. Whitten, and Mr. Widnall):

H. Con. Res. 634. Concurrent resolution to require France to pay its World War I debt; to the Committee on Ways and Means.

By Mr. WILLIAMS of Pennsylvania:

H. Con. Res. 635. Concurrent resolution expressing the sense of the Congress with respect to the indebtedness of the Republic of France to the United States; to the Committee on Ways and Means.

By Mr. ASPINALL (for himself and Mr. Saylor):

H. Res. 1057. A resolution to print as a House document a revised and up-dated version of the collection of materials entitled "Documents on the Use and Control of the Waters of Interstate and International Streams: Compacts, Treaties, and Adjudications"; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MURPHY of New York:

H.R. 15209. A bill for the relief of Jai Doh Kim; to the Committee on the Judiciary.

By Mr. QUILLEN:

H.R. 15210. A bill for the relief of Dr. Ramon R. Azaret; to the Committee on the Judiciary.

By Mr. ST. ONGE:

H.R. 15211. A bill for the relief of Cesaria Salemi; to the Committee on the Judiciary.

By Mr. STEPHENS:

H.R. 15212. A bill for the relief of Hillman F. Griffith, Jr., and Betty A. Griffith; to the Committee on the Judiciary.

By Mr. DELANEY (by request):

H.R. 15213. A bill for the relief of Maria Peponias and Argyro Peponias; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 15214. A bill for the relief of Filippo Ardizzone; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

240. The SPEAKER presented a petition of Sister Anna S. Krieter and others, San Diego, Calif., relative to investigation of the Federal Communications Commission, which was referred to the Committee on Interstate and Foreign Commerce.

SENATE—*Wednesday, February 7, 1968*

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, we are grateful for the sweet time of prayer, that calls us from a world of care, and bids us at our Father's throne make all our wants and wishes known.

In the mercies of yet another day, we come with hearts grateful for Thy grace, praying that, by a strength not our own, our individual record may be kept by any word or act unworthy of our best.

Inspire and guide with Thy spirit these servants of the people—the few among the many—lifted to high pedestals of power and responsibility, to the end that they may be found faithful stewards of the Nation's trust.

In these anxious days when the destinies of nations hang in the balance, be Thou our chart and compass.

For Thine is the kingdom and the power and the glory. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, February 6, 1968, be dispensed with.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Jones, one of his secretaries.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate today.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

The bill clerk read the nomination of Thomas O. Paine, of California, to be Deputy Administrator of the National Aeronautics and Space Administration.

The **PRESIDENT** pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. MONRONEY, from the Committee on Post Office and Civil Service:

Frederick E. Batrus, of Maryland, to be an Assistant Postmaster General.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

ATTENDANCE OF A SENATOR

Hon. **FRANK E. MOSS**, a Senator from the State of Utah, attended the session of the Senate today.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 13094) to amend the Commodity Exchange Act, as amended.

EXECUTIVE COMMUNICATIONS, ETC.

The **PRESIDENT** pro tempore laid before the Senate the following letters, which were referred as indicated:

Proposed Wholesome Poultry Products Act

A letter from the Secretary, Department of Agriculture, transmitting a draft of proposed legislation to clarify and otherwise amend the Poultry Products Inspection Act, to provide for cooperation with appropriate State agencies with respect to State poultry products inspection programs, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

Report on Reapportionment of an Appropriation

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Health, Education, and Welfare for "Grants to States for public assistants" for the fiscal year 1968, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

Report on Reapportionment of an Appropriation

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation for the Department of Agriculture for "Forest protection and utilization," Forest Service, for the fiscal year 1968, has been apportioned on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

Authorization of Personnel Strengths for Selected Reserves

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to prescribe the authorized personnel strength of the Selected Reserve of each reserve component of the Armed Forces (with an accompanying paper); to the Committee on Armed Services.

Special 30-Day Leave for Members of Uniformed Services

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to amend section 703(b) of title 10, United States Code, to make permanent the authority to grant a special 30-day period of leave for members of the uniformed services who voluntarily extend their tours of duty in hostile fire areas (with an accompanying paper); to the Committee on Armed Services.

Authorization of Appropriations for Procurement of Certain Vessels and Aircraft

A letter from the Secretary, Department of Transportation, transmitting a draft of proposed legislation to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard (with an accompanying paper); to the Committee on Commerce.

National Safe Boating Program

A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to provide for a coordinated national safety program to reduce boating accidents, and deaths and injuries resulting therefrom (with an accompanying paper); to the Committee on Commerce.

Proposed Wholesome Fish and Fishery Products Act of 1968

A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to regulate interstate commerce by amending the Federal Food, Drug and Cosmetic Act to provide for the inspection of facilities used in the harvesting and processing of fish and fishery products for commercial purposes, for the inspection of fish and fishery products, and for cooperation with the States in the regulation of intrastate commerce with respect to State fish inspection programs, and for other purposes (with an accompanying paper); to the Committee on Commerce.

Report on Mutual Education and Cultural Exchange Program

A letter from the Chairman, the U.S. Advisory Commission on International Educational and Cultural Affairs, transmitting, pursuant to law, the fifth annual report of the Advisory Commission for the fiscal year ended June 30, 1967 (with an accompanying report); to the Committee on Foreign Relations.

Reports of Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on potential savings in procurement of petroleum products for use by Navy contractors, Department of the Navy, dated February 6, 1968 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report on the examination of financial statements of the Panama Canal Company, for the fiscal years 1967 and 1966, dated February 6, 1968 (with an accompanying report); to the Committee on Government Operations.

Financial Statement of the Legion of Valor of the United States of America, Inc.

A letter from the National Corporation Agent, Legion of Valor of the United States of America, Inc., transmitting, pursuant to law, a copy of their financial statement covering the period August 1, 1966 to July 31, 1967 (with an accompanying statement); to the Committee on the Judiciary.

Report of Advisory Counsel on Vocational Education

A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report entitled "Vocational Education: The Bridge Between Man and His Work," dated 1968 (with an accompanying report); to the Committee on Labor and Public Welfare.

Report on Cost of Clean Water

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report which comprises industrial waste profiles of ten important water-using industries (with an accompanying report); to the Committee on Public Works.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CLARK (for himself, Mr. BREWSTER, Mr. BYRD of West Virginia, Mr. CANNON, Mr. COOPER, Mr. FULBRIGHT, Mr. GRUENING, Mr.

Harris, Mr. Hart, Mr. Javits, Mr. Inouye, Mr. Kennedy of Massachusetts, Mr. Kennedy of New York, Mr. Lausche, Mr. Long of Missouri, Mr. Magnuson, Mr. McCarthy, Mr. McGee, Mr. McGovern, Mr. Mondale, Mr. Montoya, Mr. Morse, Mr. Moss, Mr. Nelson, Mr. Pell, Mr. Prouty, Mr. Proxmire, Mr. Randolph, Mr. Ribicoff, Mr. Scott, Mr. Tydings, Mr. Williams of New Jersey, Mr. Young of Ohio, and Mr. Yarborough):

S. 2938. A bill to extend certain expiring provisions under the Manpower Development and Training Act of 1962, as amended; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. Clark when he introduced the above bill, which appear under a separate heading.)

By Mr. SMATHERS:

S. 2939. A bill for the relief of Dr. Hugo Ferrara Collazo; to the Committee on the Judiciary.

By Mr. SPARKMAN (for himself, Mr. Bartlett, Mr. Brooke, Mr. McGee, Mr. Morse, Mr. Percy, Mr. Proxmire, Mr. Smathers, Mr. Tower, and Mr. Williams of New Jersey):

S. 2940. A bill to amend the Small Business Act to provide for increased eligibility for and greater utilization of the displaced business disaster loan program established under section 7(b)(3) of that Act; to the Committee on Banking and Currency.

(See the remarks of Mr. Sparkman when he introduced the above bill, which appear under a separate heading.)

By Mr. LONG of Missouri:

S. 2941. A bill to amend the provisions of chapter 5 of title 5, United States Code, relating to administrative procedure; to the Committee on the Judiciary.

(See the remarks of Mr. Long of Missouri when he introduced the above bill, which appear under a separate heading.)

S. 2942. A bill to confer U.S. citizenship posthumously upon Primitivo Garcia; to the Committee on the Judiciary.

(See the remarks of Mr. Long of Missouri when he introduced the above bill, which appear under a separate heading.)

By Mr. HART (for himself and Mr. Griffin):

S. 2943. A bill to amend the Anadromous Fish Conservation Act of October 30, 1965, relating to the conservation and enhancement of the Nation's anadromous fishing resources, to encourage certain joint research and development projects, and for other purposes; to the Committee on Commerce.

(See the remarks of Mr. Hart when he introduced the above bill, which appear under a separate heading.)

By Mr. NELSON:

S. 2944. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to provide for a Federal drug compendium which lists all prescription drugs under their generic names together with reliable, complete, and readily accessible prescribing information, and includes brand names, suppliers, and a price information supplement, and providing for distribution of the compendium to physicians and others, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. Nelson when he introduced the above bill, which appear under a separate heading.)

By Mr. TOWER:

S. 2945. A bill for the relief of Lyda Josefa Aparicio; to the Committee on the Judiciary.

S. 2946. A bill for the relief of Edwin A. and Mattie Lee Barnes; to the Committee on Finance.

By Mr. MONRONEY:

S. 2947. A bill for the relief of Hershel Smith, publisher of the Lindsay News, of Lindsay, Okla.; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 2948. A bill to amend sections 3 and 4 of the act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans; to the Committee on Commerce.

(See the remarks of Mr. Magnuson when he introduced the above bill, which appear under a separate heading.)

By Mr. YARBOROUGH:

S.J. Res. 138. Joint resolution calling on the Boy Scouts of America to serve the youth of this Nation as required by their congressional charter; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. Yarborough when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. TOWER:

S.J. Res. 139. Joint resolution to designate the period beginning October 20, 1968, and ending October 26, 1968, as "National Engineering Technicians Week"; to the Committee on the Judiciary.

(See the remarks of Mr. Tower when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. BENNETT:

S.J. Res. 140. Joint resolution to authorize the President to issue annually proclamations designating the Sunday of each year which occurs immediately preceding February 22 as Freedom Sunday and the calendar week of each year during which February 22 occurs as Freedom Week; to the Committee on the Judiciary.

MDTA EXTENSION

Mr. **CLARK**. Mr. President, I introduce, for referral to the Labor and Public Welfare Committee, a bill which would extend the Manpower Development and Training Act of 1962 for 3 additional years beyond its expiration date.

I ask unanimous consent to have printed in the Record, at the conclusion of my remarks, a copy of the bill, together with an explanatory statement, which has been supplied by the Department of Labor.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. **CLARK**. I am glad to say that 33 Senators have agreed to join me in cosponsoring this important legislation.

The Manpower Development and Training Act was first passed in 1962 and began operation 5½ years ago. It was the first comprehensive, nationwide manpower training effort on the part of the Federal Government.

Since its inception, MDTA has given a new lease on life to more than a million Americans by teaching them the new skills necessary to obtain and hold jobs. It has done so at an average cost of less than $2,000 for those who are taught a new trade in vocational schools and less than $400 for those who are trained on the job in private industry.

These costs are well worth our investment in both human and economic terms. The training provided through MDTA provides the ability to earn a living, and the job found for the family breadwinner can do more than any other single factor to help break the dispairing cycle of poverty for 30 million Americans. Moreover, people with jobs have money to spend which contributes to our Nation's economic growth. They become taxpayers to the local, State, and Federal governments. In fact, each person employed through MDTA more than repays the cost of his training in Federal income taxes alone within 5 years.

The Subcommittee on Employment, Manpower and Poverty will begin hearings in mid-March to review all the manpower training efforts of the Federal Government.

Despite its notable success MDTA, as every Federal program, can be made better. We will look for areas where training can be made more efficient and the programs improved.

MDTA, as an arm of the war on poverty, must continue to focus more and more on the hard-core unemployed.

The **PRESIDENT** pro tempore. The bill will be received and appropriately referred.

The bill (S. 2938) to extend certain expiring provisions under the Manpower Development and Training Act of 1962, as amended, introduced by Mr. Clark (for himself and other Senators), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the Record, as follows:

Exhibit 1

S. 2938

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Manpower Development and Training Act of 1962 is amended as follows:

(1) Section 104(a) of the Act (Labor Mobility Demonstration Projects) is amended by striking out "1968" in the first sentence of such section, and inserting in lieu thereof "1970";

(2) Section 105 of the Act (Trainee Placement Assistance Demonstration Projects) is amended by striking out "1968" in the first sentence of such section, and inserting in lieu thereof "1970";

(3) Section 251 of the Act (Part D—Correctional Institutions) is amended by striking out "1969" in the first sentence of such section, and inserting in lieu thereof "1970";

(4) Section 304(d) of the Act is amended by striking out "1968" and "1969", and inserting respectively in lieu thereof "1969" and "1970";

(5) Sections 310(a) and 310(b) of the Act are amended by striking out "1969" wherever it appears, and inserting in lieu thereof "1972".

Exhibit 2

Explanatory Statement of a Draft Bill To Extend Certain Expiring Provisions Under the Manpower Development and Training Act of 1962, as Amended

This bill would merely extend existing authority for those programs under the Manpower Development and Training Act which are not authorized on a permanent basis; it would create no new type of program authority.

The Labor Mobility Demonstration Projects under section 104(a) and the experimental bonding projects under section 105 are authorized in the present Act only through June 30, 1968. This bill would extend authority for those programs through June 30, 1970.

The training and skill development programs under title II of the Act are currently authorized through June 30, 1969, with additional authority to disburse funds appropriated under that title through December 30, 1969.

This bill would extend the experimental and demonstration programs for the training and education of persons in correctional institutions under section 251 of title II through June 30, 1970. The remaining authorizations in title II would be extended through June 30, 1972 (in the case of program authorizations) and December 30, 1972 (in the case of the authority to disburse funds appropriated.)

EXTENSION OF ELIGIBILITY FOR DISPLACED BUSINESS DISASTER LOANS TO ADDITIONAL SMALL BUSINESSES

Mr. SPARKMAN. Mr. President, I introduce for appropriate reference, a bill to amend the Small Business Act to provide for increased eligibility for and greater utilization of the displaced business disaster loan program established under section 7(b)(3) of that act. As it presently stands, Mr. President, section 7(b)(3) authorizes the Small Business Administration to make so-called displaced business disaster loans to small concerns forced to move as a result of urban renewal, highway, or Federal or other federally assisted projects involving land condemnation. It is the purpose of my bill to extend eligibility for such loans to certain groups of small businesses that are not now eligible but which are no less deserving and no less affected, economically, by the activities of their Government. It is my further purpose, by this bill, to encourage greater utilization of this important loan program both by those now eligible and those that the bill would make eligible.

The groups not now covered, to which my bill would extend entitlement, are:

First, small-business concerns not physically displaced, the premises of which have not been condemned and taken, but which nevertheless have suffered substantial economic injury as a result of an urban renewal highway, or other public project carried on in whole or in part with Federal funds.

Second, small-business concerns which have suffered substantial economic injury as a result of the actual or threatened loss, through Federal action, of a major source of employment in the area in which they are located. This last refers specifically to the shutdown of a Federal installation, such as a military base, or to cutbacks in substantial Federal procurements made in the area.

In explanation of this legislation, it may be best to begin with a brief background review of the SBA's business and disaster loan programs in general and the displaced business disaster loan program in particular. The Small Business Act, as originally enacted in 1953, set up two main classes of lending operations within the Small Business Administration. The first class, of course, was loans to small business concerns, under specified criteria and limitation, for ordinary and usual business purposes. Authorization for this activity is now contained in section 7(a) of the amended act. The second class was the so-called disaster loan, now authorized by section 7(b) of the amended act. Disaster loans, in addition to being available to individuals as well as businesses, may generally be made for longer terms and at lower interest rates than business loans.

From 1953 until 1961, the types of disaster which could entitle small businesses and others to obtain SBA disaster-loan assistance were limited to natural catastrophes, with floods, drought and excessive rainfall expressly mentioned. For some time prior to 1961, however, recognition had been growing in the Congress that certain types of governmental activity could deal as disastrous an economic blow to small-business concerns as some of the natural catastrophes. The Senate Select Committee on Small Business and the Banking and Currency Subcommittee on Housing had long been concerned with the problems of small business displaced by urban renewal projects, and other public works projects involving land condemnation. As early as January 1960, in its 10th annual report, the Senate Select Committee on Small Business discussed "Small Business and Eminent Domain" and stated its "aim to discover whether legislative action is required to lessen the impact of such projects upon the small businesses they displace."

In its next annual report, the 11th, issued in February 1961, the Select Committee on Small Business Committee again discussed "Small Business and Eminent Domain" and noted with approbation, attempts, during 1960, by SBA to utilize its existing business loan authority for more flexible aids to condemnation-displaced small business.

After expressing the hope that these programs would be continued under the new administration, we also observed:

> Nevertheless, your committee feels that the severe impact of eminent domain on one-fourth of all the small businesses it affected in the cities studied by [a] University of Connecticut research team cannot lightly be dismissed. Accordingly the Committee will continue to work during 1961 for improvement of the treatment of small businesses displaced by public projects.

Just a little over 5 months after that report was issued, the Congress enacted the Housing Act of 1961—Public Law 87-70—which contained another major improvement of the type toward which both the Small Business Committee and the Housing Subcommittee had long been working. Section 305 of the 1961 Housing Act added to section 7(b) of the Small Business Act a new paragraph (3). That new paragraph established for the first time statutory recognition of the principle that displacement by a public project can be as much of a "disaster" to a small business concern as displacement by a flood. And the new paragraph made these displaced businesses eligible for disaster loans from SBA, if the project was Federal or federally assisted.

These loans differ from the section 7(a) business loans in important respects. The loans can be made for 30 years, which is 20 years longer than under the regular business loan program. The interest rate on SBA's portion of such a loan can be no higher than the average annual rate on all U.S. interest-bearing obligations at the end of the last fiscal year, plus one-fourth of 1 percent. This is currently 4¼ percent. And an amount of working capital can be included in the loan.

This program was set up to assist small business concerns physically displaced—forced to move—by Federal and federally assisted projects utilizing land condemnation. But small business not actually displaced can often be as grievously hurt by such projects as those whose premises are condemned and taken. A simple example would be the case of two gasoline service stations. A Federal highway project takes the premises of one, and that one can get a loan. The same project does not take the other, but the new road diverts most of the traffic on which it depended. The second station owner is in an even worse fix than the first, but he cannot get one of these loans because he is not displaced. My bill would make him eligible.

The bill would also make those small businesses eligible for these disaster loans which have suffered substantial economic injury as a result of a substantial reduction of employment in the concern's area caused by the closing—in whole or in part—of a Federal installation. They would also be eligible if there is a decline in the volume of Government procurement orders in its area.

Many small business concerns, and whole communities for that matter, stand to suffer from the closing of Federal defense installations or from the termination of large Federal defense procurement programs that provide heavy percentages of the payrolls and disposable personal incomes in an area. This is a real problem in many areas of the country, and this bill would help relieve the economic distress of qualified small businesses in those areas.

In the Housing Act of 1964, Public Law 88-650, section 305, the Congress took note of the tremendous gap between displacements and loans and directed SBA to make particular effort to publicize the displaced business loan program to local public agencies administering urban renewal programs, and the small business concerns. The bill I am introducing today provides for an expansion of this directive to SBA to include management counseling to owners of small business concerns.

The following table will show the growth of the displaced business loan program from fiscal year 1962 through fiscal year 1967:

[Dollar amounts in thousands]

Fiscal year	Loans approved				
	Number	Amount		Average size	
		Total	SBA share	Total	SBA share
1962	90	$4,996	$4,877	$55.5	$54.2
1963	93	5,662	5,448	60.9	58.6
1964	95	6,874	6,817	72.4	71.8
1965	199	12,504	12,152	62.8	61.1
1966	276	18,341	17,918	66.5	65.1
1967	385	32,676	31,440	84.9	81.7
Total	1,138	81,053	78,652	71.2	69.1

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2940) to amend the Small Business Act to provide for increased eligibility for and greater utilization of the displaced business disaster loan program established under section 7(b)(3) of that act, introduced by Mr. SPARKMAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency.

FREEDOM OF INFORMATION AND THE DISTRICT OF COLUMBIA

Mr. LONG of Missouri. Mr. President, I introduce for appropriate reference, a bill to amend the provisions of chapter 5 of title 5, United States Code, relating to administrative procedure. This bill is simple in purpose: it will bring the District of Columbia government under the provisions of the Freedom of Information Act.

When the Freedom of Information Act passed the Congress in 1966, it was designed to establish a general philosophy of full agency disclosure. We were concerned with the many instances where Government agencies denied legitimate information to the public under the guise of the then public information section of the Administrative Procedure Act—section 3. Hearings before my Subcommittee on Administrative Practice and Procedure disclosed case after case where information was withheld from the public only to cover up embarrassing mistakes or irregularities within the agency—information which the public certainly had a need to know.

On July 4, 1967, the Freedom of Information Act became the law of the land. All Government information is to be publicly available unless it falls under one of nine specific statutory exemptions. The agencies clearly understand the directive, issued by both the Congress and President Johnson to make disclosure of Government information the rule rather than the exception. The agencies of the Federal Government have it within their power to carry out this directive.

And yet today, after a little more than 7 months in operation, I am not sure whether all agencies have complied with the objectives of the act. Some agencies have been slow in implementing their regulations under the act; many agency officials have tried to find loop-holes in the law, rather than adhere to the philosophy and spirit of the act. And this policy of evasion exists despite the statement of Attorney General Clark, in his foreword to the Attorney General's memorandum on the public information section, that—

> The new law was initiated by Congress and signed by the President with several key concerns:
>
> That disclosure be the general rule, not the exception;
>
> That all individuals have equal rights of access;
>
> That the burden be on the Government to justify the withholding of a document, not on the person who requests it;
>
> That individuals improperly denied access to documents have a right to seek injunctive relief in the courts; and
>
> That there be a change in Government policy and attitude.

Mr. President, this last statement is very important. But I must again ask the question I have been asking on the Senate floor for many years now: Is there really a change in Government attitude?

I have introduced a bill today to include the operations of the District of Columbia under the Freedom of Information Act. This does not mean that I am dissatisfied with information policies of the new Mayor and City Council of Washington, D.C. On the contrary, quite often these new leaders are hampered because of the lack of proper legislation. My amendment should assist the new government as it begins to attack the many problems which confront the city of Washington.

Mr. President, in the near future my Subcommittee on Administrative Practice and Procedure will hold hearings on this bill. At that time, I also intend to determine the effectiveness of the Freedom of Information Act.

The **PRESIDENT** pro tempore. The bill will be received and appropriately referred.

The bill (S. 2941) to amend the provisions of chapter 5 of title 5, United States Code, relating to administrative procedure, introduced by Mr. LONG of Missouri, was received, read twice by its title, and referred to the Committee on the Judiciary.

PROPOSED BILL TO CONFER U.S. CITIZENSHIP POSTHUMOUSLY UPON PRIMITIVO GARCIA

Mr. LONG of Missouri. Mr. President, on November 15, 1967, in Kansas City, Mo., Primitivo Garcia, a young immigrant from Mexico, was shot fatally as he tried to help a young woman who was being assaulted by a street gang.

Young Garcia had come to our country less than a year before, and his fondest hope was to become a U.S. citizen. In furtherance of this desire, he was attending night school to learn English.

On the evening of the 15th, he had left school after his class and was standing across the street when he saw the ruffians attack and knock down his teacher who was pregnant. Unlike other incidents about which we have read and heard, Primitivo was willing to become involved to help the victim of an assailant. Despite the odds and without regard for his own safety, he went to the aid of his teacher. During the scuffle, he was shot in the abdomen.

Primitivo died 2 weeks later. His courage and valor struck a most responsive chord with the people of Kansas City and before his death $14,000 had been contributed to a fund for his doctor and hospital bills. The Governor, Warren Hearnes, made him an honorary citizen of Missouri. Many organizations and groups bestowed honors on him both before and after his death. There is no question that the people of Kansas City and Missouri consider Primitivo a fellow citizen and I have received numerous petitions urging the necessary legal action be taken to grant him posthumous citizenship.

Mr. President, I am today introducing, for appropriate reference, a bill for this purpose. I hope the Congress will act quickly on it for I believe Primitivo Garcia should be so honored. His heroism and selfless concern for his fellow man are traditional American traits. We can all learn from his examples. If all Americans would follow his lead and become involved when they witness a crime, we could cut our crime rate substantially. The enactment of this bill would stand as a permanent reminder that U.S. citizenship carries responsibilities as well as rights.

The **PRESIDENT** pro tempore. The bill will be received and appropriately referred.

The bill (S. 2942) to confer U.S. citizenship posthumously upon Primitivo Garcia, introduced by Mr. LONG of Missouri, was received, read twice by its title, and referred to the Committee on the Judiciary.

CONSERVATION AND ENHANCEMENT OF THE NATION'S ANADROMOUS FISHING RESOURCES

Mr. HART. Mr. President, on behalf of the junior Senator from Michigan [Mr. GRIFFIN] and myself, I introduce a bill to amend the Anadromous Fish Conservation Act of October 30, 1965, to encourage certain joint research and development projects. This is a companion bill to H.R. 14228, introduced in the other body by Congressman DINGELL for himself and Congressmen CEDERBERG, WILLIAM D. FORD, GRIFFITHS, KARTH, MCCARTHY, NEDZI, O'HARA of Michigan, REUSS, RUPPE, VANDER JAGT, and VIGORITO.

The anadromous fish program—Public Law 89-304—resulted from legislation proposed in the 89th Congress by Congressman DINGELL and the able senior Senator from Alaska [Mr. BARTLETT]. I was a cosponsor and a supporter of this legislation, which has produced tangible benefits. Insofar as the Great Lakes are concerned, with Federal aid from this program the State of Michigan embarked on an exciting and, according to some, almost visionary experiment: to bring Coho salmon fingerlings from the west coast and plant them in the lakes.

The results have been spectacular. The Coho, feeding on the alewife which we must control, has grown so fast that as one fisherman said to me "we must be able to hear them grow." Thousands of sizes, ranging from 15 to 20 pounds, were caught last summer and fall.

This initial success must be capitalized upon. The benefits to sport fishery, commercial fishery, tourism, control of nuisance fish are clear.

The bill which we introduce would increase the authorization under the Anadromous Fish Conservation Act from $25 million to $30 million. In order to encourage joint research and development projects by two or more States, the bill would permit the Secretary of the Interior to increase the Federal contribution from 50 to 75 percent where the States agree to act jointly.

Mr. President, my colleague and I believe that this is a good bill. It will provide a much-needed assist to the States that are struggling to save the fishery resources of the Great Lakes, and we hope the chairman of the Senate Merchant Marine and Fisheries Subcommittee, who has given leadership in all fishery resource problems, will schedule early hearings on this bill.

I ask unanimous consent that the bill be printed at this point in the Record.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the Record.

The bill (S. 2943) to amend the Anadromous Fish Conservation Act of October 30, 1965, relating to the conservation and enhancement of the Nation's anadromous fishing resources, to encourage certain joint research and development projects, and for other purposes, introduced by Mr. Hart (for himself and Mr. Griffin), was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the Record, as follows:

S. 2943

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first proviso contained in the second sentence of subsection (a) of the first section of the Act of October 30, 1965 (16 U.S.C. 757a(a)), is amended by inserting ", except as provided in subsection (c) of this section," immediately before "the Federal share".

(b) The first section of such Act of October 30, 1965 (16 U.S.C. 757a), is further amended by adding at the end thereof the following new subsection:

"(c) Whenever two or more States having a common interest in any basin jointly enter into a cooperative agreement with the Secretary under subsection (a) of this section to carry out a research and development program to conserve, develop, and enhance anadromous fishery resources of the Nation, or fish in the Great Lakes that ascend streams to spawn, the Federal share of the program costs shall be increased to a maximum of 75 per centum. Structures, devices, or other facilities, including fish hatcheries, constructed by such States under a cooperative agreement described in this subsection shall be operated and maintained without cost to the Federal Government. For the purpose of this subsection, the term 'basin' includes rivers and their tributaries, lakes, and other bodies of water or portions thereof."

Sec. 2. (a) Subsection (a) of section 4 of such Act of October 30, 1965 (16 U.S.C. 757d(a)), is amended (1) by striking out "$25,000,000" and inserting in lieu thereof "$30,000,000", and (2) by adding at the end thereof the following new sentence: "Sums appropriated under this subsection are authorized to remain availabe until expended."

(b) Subsection (b) of such section 4 (16 U.S.C. 757d(b)) is amended to read as follows:

"(b) Not more than $1,500,000 of the funds appropriated under this section in any one fiscal year shall be obligated to any one State."

Sec. 3. Such Act of October 30, 1965 (16 U.S.C. 757a–757f), is amended by adding at the end thereof the following new section:

"Sec. 7. This Act may be cited as the 'Anadromous Fish Conservation Act'."

Mr. GRIFFIN. Mr. President, it is a pleasure to join with the senior Senator from Michigan [Mr. Hart] in introducing legislation today which calls for a step-up in Federal support for the important Coho salmon planting program in the Great Lakes.

The Great Lakes border the State of Michigan on three sides. Our State has benefited significantly from the Anadromous Fish Conservation Act, and, in turn, the Nation has benefited, too.

A full one-quarter of the Nation's population is located within a day's drive of the Great Lakes. These wonderful lakes are an unparalleled resource base for an extremely valuable commercial, recreational, and residential area.

But, difficult times have beset these waters, adversely affecting the ecological balance of the Great Lakes.

At a time when we are hopeful that the sea lamprey has been brought under control, another marine species—the alewife—has entered the Great Lakes and proliferated at a frightful rate. The alewife has already reached incredible abundance in Lakes Huron and Michigan, and their numbers are mounting in Lake Superior.

During the spring and summer of 1967, alewives died by the millions, presenting a problem of unprecedented magnitude as they floated on the surface of Lake Michigan and accumulated to rot on the beaches of Michigan, Indiana, Illinois, and Wisconsin.

The odor and sight of the dead, herringlike fish caused a sharp decrease in the beach resort business in many areas and resulted in a $55 million loss in tourist revenues to Michigan alone.

By utilizing funds made available through the Anadromous Fish Conservation Act, the State of Michigan and other States have launched programs aimed at controlling the alewife by stocking the Great Lakes with predatory game fish, such as salmon and trout.

The goal is not only to control the alewife, but also to provide a significant boost to sport and commercial fishing in the Great Lakes.

However, in order to step up planting rates in the lakes, there is a need for hatcheries capable of producing some 30 million yearling trout and salmon. A lack of funds has been the major obstacle hindering full-scale implementation of this significant program.

Mr. President, the legislation being introduced today would quicken the pace of work now under way to restore a more appropriate ecological balance to the Great Lakes.

Specifically, the bill would amend the Anadromous Fish Conservation Act of 1965 in three respects:

First, it would increase from the present 50 percent to 75 percent the matching Federal share of the costs of programs undertaken jointly by two or more States.

Second, it would increase from $1,000,000 to $1,500,000 the maximum amount of funds which could be obligated to a single State in a fiscal year.

And, finally, it would raise from $25 million to $30 million the appropriation authorization for the entire anadromous fish conservation program.

To save, restore, and enhance the fisheries of the Great Lakes, positive action must be taken. I am talking about research, planning, investment, and management.

It makes sense for several States having a common problem to work together toward a solution. And, it is commonsense for the Federal Government to help in the effort.

Mr. President, this bill is not just another Federal spending program. This legislation will produce important and substantial dividends for a very modest investment.

PRESCRIPTION AND DISTRIBUTION OF ETHICAL DRUG PRODUCTS

Mr. NELSON. Mr. President, I am introducing today, for appropriate reference, the first of three bills which are designed to help protect the health of the American people, the health of citizens of foreign countries where American drug products are sold, and to aid in the prescribing and distribution of ethical drug products in this country.

The first bill authorizes establishing a Federal drug compendium.

The second bill, which I will introduce in a few days, amends the Federal Food, Drug, and Cosmetic Act to require that the label of drug containers dispensed to the patient bears the established or generic names of the drugs dispensed.

The third bill, also to be introduced at a later date, amends the Federal Food, Drug, and Cosmetic Act to assure that the quality of drugs exported from this country meets the same qualifications as for drugs sold domestically.

Over the course of 8 months of Monopoly Subcommittee hearings looking into the competitive problems of the drug industry, many peculiarities of the industry have come to the surface.

The drug pricing structure is the most puzzling aspect of all, and the committee is still engaged in that exploration.

The compendium bill I am introducing today will help correct deficiencies in our pure food and drug laws. The need for them has been spelled out during the course of these hearings. They represent the initial series of bills which I shall offer for consideration by Congress.

Modern medicine has created miracles in treatment of dread diseases such as diphtheria, smallpox, tuberculosis, polio, and many others.

The ingenuity of science has developed thousands of drugs to help man rise above the fear of painful, crippling illnesses.

It is probably only a matter of time before the genius of man conquers cancer.

Yet it is a shocking fact that no official publication exists which discloses all the vital details about prescription drugs which are so necessary to proper medical care.

No official way exists which passes unbiased information on to the medical practitioners of this country.

The U.S. Pharmacopeia and the National Formulary are private publications which list basic drugs and their component parts.

But no indications for use, no warnings discussing the dangers and side effects, and no dosage information appears in the U.S. Pharmacopeia or the National Formulary.

The drug compendium bill would help protect the public health by authorizing the publication of an intensive, all-inclusive "blue book" of drug information.

The volume would consist of a book giving for each drug a description, indications, contraindications, warnings, adverse reactions, management of overdosage, dosage, and the supplier. It would list all prescription drugs under their generic names together with brand names. It would include a price information supplement. It would also provide for distribution of the compendiums to physicians, hospitals and others who would use this kind of important information.

The busy, practicing physician can find—by using scarce and valuable time—important drug information through a careful reading of several volumes of drug texts, and from his colleagues, and from doing a thorough reading of all the available literature. He can also read various drug company advertising in the medical journals and in the trade publications. And he can listen to the pleadings of drug company detail men. He can then make his decisions based on what he sees and hears.

In any case, no unbiased source of information for all drugs exists.

It is even more difficult to determine the costs of the various drugs available for prescription purposes. Most busy doctors do not have time to worry about that aspect of prescribing. A call to the pharmacist is necessary, and valuable time has to be used to explore all the prices available.

I think physicians are interested in saving their patients money; if it can be done at little cost in terms of their own time and effort.

Several times in past months, it has been demonstrated dramatically that many drugs are sold in the marketplace whose prices range by several thousand percent. Many large brand-name companies make identical drugs of equal effectiveness which are sold under different trade names. Yet prices still vary widely.

The Medical Letter of June 2, 1967, a highly authoritative, distinguished, and unbiased drug journal, published the results of a careful study. The Medical Letter said that 22 brands of prednisone, an essential drug used in treating arthritis, had been studied and it was their conclusion that they were all of equivalent therapeutic value. Of the 22 brands studied, prices varied from a high of $17.90 per 100 tablets to a low of 59 cents per 100 tablets—price to the pharmacist.

Several large distinguished companies sell the drug for $2.20 per hundred and $2.25 per hundred. Several good, small, generic companies sell the drug for under $1 per 100 tablets—price to the pharmacist.

Yet practicing physicians, in the main, know very little of the large variance in prices. Because they are bombarded by massive amounts of literature and extensive detailing by the drug companies, one company which sells the drug for $17.90 per 100 tablets to the pharmacist is still able to command a substantial share of the market.

Many witnesses have expressed the opinion that if doctors were aware of a prednisone product that sells for a few dollars as compared to one that sells for almost $18 they undoubtedly would prescribe it if they have confidence in the company.

At various times during the course of the hearings, I have questioned distinguished pharmacologists as to their opinion of the drug compendium. All have agreed without exception that this would be a valuable tool for the practicing physician to use.

A volume called the "Physician's Desk Reference" is published by a private company called Medical Economics. This is a fairly extensive volume, but it is an advertising catalog, paid for by the drug companies who have their drug products listed in it. Every drug company whose product appears in the "Physicians Desk Reference" paid $115 per column inch in 1966 for the listing and description of the drug. Nevertheless this is an advertisement and must be viewed in that light.

Discussions with Commissioner Goddard of the Food and Drug Administration have shown that the "Physicians Desk Reference" is used extensively, but because it is really advertising matter it is unfair to many smaller manufacturers and sellers of drugs who cannot afford its high rates. It is unfair to the doctor who may be misled into believing this is a semiofficial publication. It follows that the consumer does not benefit by it either.

Each company is compelled to include a package insert in each drug product now distributed to pharmacies. This is a lengthy, detailed document which is intended to describe the product to the doctor and the pharmacist—it does not list the price. The insert usually is discarded by the pharmacist, and is rarely distributed to the doctor who needs the information as much as the pharmacist.

Dr. Walter Modell, an eminent pharmacologist from Cornell University Medical College, recently stated in an editorial reprinted from Clinical Pharmacology and Therapeutics that—

> The stuffer is very extensive and contains lengthy excerpts from the literature with lengthy bibliographies. The stuffers are generally printed in Lilliputian type and on bible paper and are hard to handle and difficult to read. There is no uniformity, physical or technical.

He goes on to say:

> They are very inconsistent—some are good and some are bad. But we have called them stuffers only because, since most physicians never receive them, stuffing packages seems to be the only use to which they were certain to be put and that is all the use they will serve until they are made equable, are reviewed and rewritten regularly and frequently, printed in standard form, obtain acceptance as consigned summaries and are automatically distributed to all physicians.

As matters stand now, for all practical purposes, the physician does not receive them. The stuffers cost the drug industry about $6 million per year. Estimates by FDA are that replacing the stuffers could be accomplished by the use of a compendium and the cost, to be borne by the industry, would be the same.

Recently I polled a number of drug manufacturing companies who are members of the Pharmaceutical Manufacturers Association. Several companies have written back to me that they support the concept of a drug compendium.

Smith Kline & French Laboratories, Philadelphia, Pa., wrote to me on November 17, 1967. They said:

> We believe that the general concept is a good one.

Mr. S. B. Penick, Jr., of S. P. Penick & Co. wrote:

> It is my opinion, based on a long association with the manufacturers of prescription drugs, that the industry will support any reasonable kind of compendium that assists the practicing physician in carrying out his professional duties.

Strong Cobb Arner, Inc., informed me of their endorsement of a compendium as follows:

> It is our feeling that a compendum, which would bring together in one place all of the authoritative information that would enable the medical profession to dispense or prescribe drugs with complete knowledge of their actions and side effects, is a worthwhile undertaking. This compendium should replace the now substantially useless package inserts required by FDA regulations, which cost the pharmaceutical industry and indirectly the consumer millions of dollars each year.

Abbott Laboratories, North Chicago, Ill., said:

> I might add that we . . . believe that economics information on drugs should be made available to the physician. This is, however, secondary to the primary objective of supplying physicians with key information on all prescription drugs.

Hoffmann-La Roche, Inc., a distinguished major drug manufacturer, wrote me as follows:

> We would support the general idea of a compendium because we believe it could be a useful addition to the existing means of making available information on drug products.
>
> We believe that medical and paramedical personnel should have ready access to complete information necessary to the proper prescribing and dispensing of drug products."
>
> Hoffman-La Roche's support of the general idea of a compendium of information on drug products assumes that such a compendium would be produced in a manner so as to provide physicians and other appropriate persons with complete and current information on drug products essential to medical practice. Among other benefits, a drug compendium with official status could, as noted by Dr. Goddard, provide a preferable alternative to the current package insert requirements.

The Upjohn Co., of Kalamazoo, Mich., wrote me on November 17, 1967:

> The position of the Upjohn Company is compatible with others who have endorsed the general concept of a drug compendium. It has been our consistent policy to insure full disclosure as to the quality, characteristics and proper usage of the products which we manufacture. Thus, we would certainly support, in principle, the idea of a compendium as a vehicle for providing such relevant information to the medical profession.

Joshua Lederberg, a Washington Post columnist and a distinguished geneticist from Stanford University School of Medicine, wrote me in November:

> A compendium would indeed be an extremely valuable system for drug information. In principle, I would give it the highest possible endorsement.

He said:

Such a compendium would have the obvious purpose of replacing the inexpressively bad system of drug advertising that now prevails. In my opinion the shift of emphasis from promotional to informational activity on the part of the drug industry would have the most constructive effect in many other problem areas that affect the industry and its relationship to public interest at the present time. The tragedy is that the physicians have not developed their own professional organization to deal with this problem. Even now there would be obvious merit in delegating as much responsibility as possible to professional, non-governmental agencies for the implementation of these educational programs.

Betty Furness, the special assistant to the President for consumer affairs, wrote me on January 3:

A significant step in providing information by this publication would be of invaluable aid to the consumer and to the physician.

On July 24, 1967, during the Monopoly Subcommittee hearings, a colloquy with the president of the Parke, Davis drug company, page 617 of the record, testifies to further industry support for a compendium:

Senator NELSON. Would you think it would be of any value to establish a national compendium of drugs? I assume it would have to be done in cooperation with the industry, the medical profession, and other advisers, but that it would have to be done largely, I am assuming, by the Federal Government. Do you think it would be of value to establish a national compendium in which the drugs are all listed by their generic names, brand names, and with all of the known clinical information recited alongside them? A physician would open up the national compendium, and find there all the drugs, their side effects, and the companies that manufacture them. This, of course, would also involve testing by FDA, and also involve putting in the known clinical information? Do you think this type of a national compendium would be of value to the country as a whole?

Mr. BURROWS. I think it would as long as the doctor is still allowed his prerogative of prescribing the particular drug of the particular manufacturer that he thinks best, and providing that we, as a manufacturer, are not stopped from attempting to advance and advocate our particular line of products. Those are the ones that we are in business to make and sell, and those are our potentials for corporate progress for the future.

Senator NELSON. I want to be sure that I was understood.

I was saying national compendium, not formulary. I am not suggesting that you have a formulary from which a physician must prescribe. I am simply saying you list the drugs in a national compendium with the pertinent information and the manufacturer as informational matter to the medical profession, the teaching hospitals and the practicing physician. That will be all that is intended, and it should not interfere with the private operations of the drug companies. That is my question.

Mr. BURROWS. I can see nothing wrong with having facts on such an important subject as drugs and health available for reference by people who have occasion to use and benefit from such information.

Senator NELSON. Thank you.

Mr. Richard Furlaud, president of E. R. Squibb & Sons drug manufacturing company during his appearance before the committee on October 13, 1967, said that the position of his company is that a compendium should be produced:

Senator NELSON. Several witnesses have testified previously as to the desirability of a national compendium. There is legislation pending on the Senate side proposing the creation of such a compendium.

Dr. Goddard testified in favor of a compendium yesterday before Mr. Dingell's committee in the House. He made a very strong statement in favor of a compendium. And I am told that Senator Hart, without having read the record of these hearings, has been critical of the Pharmaceutical Manufacturers Association for not coming out more positively or strongly for a compendium.

By a compendium I mean a listing of drugs by generic name, along with a list of trade names and directions for the use of the drug, its side effects, indications, contraindications, and so forth. There has been much discussion across the country among pharmacists, pharmacologists, the medical profession, as well as testimony before this committee, as to the great confusion caused by the multiplicity of drug product names, and about the desirability of having a national compendium. I am not saying a national formulary; I mean a national compendium. Do you have a viewpoint about the desirability of such a compendium?

Mr. FURLAUD. Senator, of course I cannot speak for the industry, but I certainly can give you my personal views.

I am glad you made a distinction between a formulary and a compendium. We would certainly be opposed to a national formulary. But we think the idea of a national compendium has a great deal of merit. We have been giving some thought to it. We think that it is something that should be pursued. It has obvious technical problems in producing it and keeping it up to date. But I personally see no reason why the industry and the Government working together along with representatives of the profession should not be able to work out a perfectly adequate compendium that would give the doctor and the pharmacist what they need to know. After all, the tax bar has succeeded in keeping themselves up to date through services where they can keep track of recent developments in the tax law. And there is no reason why in due course a similar type of program cannot be worked out.

As I say, it is not simple, and it is going to take a lot of hard work. But I should think in due course it will be possible to produce one, and I think it should be produced.

Now, these are my personal views, and do not represent those of anybody else.

Senator NELSON. Your views represent the position of your company, I take it.

Mr. FURLAUD. It represents the position of my company.

Dr. Leighton E. Cluff, professor and chairman, Department of Medicine, University of Florida College of Medicine, Gainesville, Fla., testified to the need of a drug compendium on June 29, 1967:

Dr. CLUFF. The exact details and implementation of it is something that will have to be worked out. My own personal feeling is that the leadership for the development of such guidance for the public must come out of the Federal Government, probably out of the Food and Drug Administration.

So far as the physician is concerned, I agree the compendia would be a very desirable thing. Personally, I am not at all convinced that that would solve the problem of the excessive use of drugs by physicians.

I still think that one must must recognize that some method must be provided for improving our present guidance to physicians about the use of drugs, rather than, as we do now, depending so heavily upon the pharmaceutical manufacturers' detail representative for the principal education of the physician about drugs.

In answer to a question about the advisability of a drug compendium, Dr. Harry Williams, a distinguished professor of pharmacology from Emory University School of Medicine, Atlanta, Ga., said:

Dr. WILLIAMS. Such a pharmacologist's bible would be a wonderful thing to have, for all of us, for those of us in teaching, too. No; I think this could be done. I think this will have to be done.

Dr. James Goddard, Commissioner of the Food and Drug Administration, appeared before the Monopoly Subcommittee on November 9 and gave unqualified support to a compendium. His statement, portions of which I shall ask to be printed in the RECORD, again relates the need for an FDA-sponsored compendium to replace the package insert, and which will serve as an unbiased and all inclusive volume for physicians and other interested persons.

He feels that if we "get cracking," a suitable product could be published within 18 months.

Mr. President, the need for a good drug compendium has been established. Exactly what the final format would be like is a matter for the experts in Congress, the Food and Drug Administration, and the industry to determine. Further hearings to set out final details are necessary. I hope that this will be done speedily and thoroughly, for Congress bears the responsibility to oversee the health of our people.

I ask unanimous consent that a portion of a statement by Dr. James L. Goddard, M.D., Commissioner of Food and Drugs, Department of Health, Education, and Welfare, and correspondence with drug manufacturers be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the items will be printed in the RECORD.

The bill (S. 2944) to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to provide for a Federal drug compendium which lists all prescription drugs under their generic names together with reliable, complete, and readily accessible prescribing information and includes brand names, suppliers, and a price information supplement, and providing for distribution of the compendium to physicians and others, and for other purposes, introduced by Mr. NELSON, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The items presented by Mr. NELSON are as follows:

STATEMENT OF JAMES L. GODDARD, M.D., COMMISSIONER OF FOOD AND DRUGS, U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, NOVEMBER 9, 1967

Dr. GODDARD. I will amplify my previous recommendation to this Subcommittee that a Compendium of prescription drugs should be published by the United States.

As you know, vital information concerning all prescription drugs is presently disseminated via the "package insert." A condensation and compilation of "package inserts" into a readily readable compendium distributed without cost to the physicians, pharmacies, hospitals, et cetera., would be a significant step forward in educating the health professions to the safe and effective use of therapeutic agents. It could also relieve the drug industry from the burden of printing the voluminous "package inserts" as such a compendium could appropriately replace this type of labeling.

The content of "package insert" type of labeling is initially approved by FDA during the new drug clearance procedure and is constantly reviewed by our medical staff to insure that the labeling is consistent with current knowledge. Often the "package insert" is the only source of such necessary data on medicines which are prescribed daily.

Unfortunately the information seldom reaches the physician—it remains on the local pharmacist's shelves. Proper utilization of this information is further hampered by the present format of the "package inserts."

Senator Nelson. May I interrupt a moment?

Dr. Goddard. Certainly.

Senator Nelson. Do you have an estimate on the cost of printing, preparing and supplying these inserts along with the drugs?

Dr. Goddard. I was advised by the Pharmaceutical Manufacturers Association when—this subject was first raised by them, I might add—when they asked would I consider a drug compendium to replace the package insert, that the program presently costs industry about $6 million a year.

Senator Nelson. Six million?

Dr. Goddard. Yes, sir.

Senator Nelson. Do I understand you to say that the Pharmaceutical Manufacturers Association raised the question of the preparation of a compendium in place of this?

Dr. Goddard. Yes. This was in April of 1966. And they pointed out that my predecessor, the matter had been discussed with Commissioner Larrick, and his position was that they could publish a compendium but would have to also continue the use of package inserts for one year in order to evaluate the effectiveness of the compendium.

Now, they were anxious to move ahead with this program but didn't see the necessity for running two programs in tandem for a year.

I agreed at that time that we would not require the package insert for the year after the compendium was published.

And this was the beginning of our discussions on the drug compendium.

Now, we have had nothing but discussions since that time, and I am hard put to understand the recent statement of the president of the PMA where he was critical of my testimony before a Committee of Congress where I expressed my displeasure with the foot dragging—I think I characterized it as that. He said why we are discussing that matter right now.

Well, they are going to discuss it to death. And I think we stand at a unique point in time. With the National Academy of Sciences' efficacy review reports beginning to come back to us, these can form the basis for much of what will be needed in the compendium on the drugs that were marketed between 1938 and 1962. So we truly have an opportunity that is well perceived by the members of the Drug Research Board of the Academy of Sciences and by others in this field. And that is why I am anxious to get on with the job.

Senator Nelson. Are you carrying on continuous discussions with the Pharmaceutical Manufacturers Association respecting this matter?

Dr. Goddard. We have been through the good offices of the National Academy of Sciences meeting on this, and I say, for many, many months now.

Senator Nelson. Has the Pharmaceutical Manufacturers Association made any specific proposal as to what kind of a compendium they would like to see?

Dr. Goddard. Yes, sir.

Senator Nelson. Have you discussed with them who would publish it, who would pay for it?

Dr. Goddard. Yes.

Senator Nelson. What is——

Dr. Goddard. Let me just state our position for the record, that we feel that the Pharmaceutical Manufacturers Association should pay for it.

I have pointed out that this is an opportunity for them to exercise leadership. They state that they sell—that they manufacture, rather, 95 per cent of the drugs that are sold as prescription drugs. And I say, therefore they should assume the burden of the additional 5 per cent, pay for the publication of a compendium that will be useful to every physician in the country and provide him with comprehensive information on all of the drugs available.

The format we have discussed in some detail, and there does seem to be a problem, I am told, from their point of view with a requirement that I wish to impose, namely, that the drugs be discussed under the generic heading, a brief discussion of the important uses, the dosage, side effects, contraindications for the drug, followed then by a listing of the trade names of the drugs, the dosage forms, and the manufacturers.

Such a book would be cross-indexed by both trade and generic name. But this does seem to be a stumbling block—at least I am told that it is.

Now, on the other hand, this is the only way in which—the people who have been advising me from the Drug Research Board and from the American Medical Association's Council on Drugs feel that a comprehensive, intelligent job could be done. From just the standpoint of format, it seems necessary to do it this way, otherwise there is great duplication, you see, because there may be—there are indeed, I think, some 42 firms or more who produce Rauwolfia serpentina as a prescription drug, and I think there are some 70 firms that—Serpasil under the generic name reserpine has 70 firms manufacturing it.

Well, it does not seem sensible to produce a volume that would have in 70 different places the description of a drug that is, the active ingredient is identical.

Senator Nelson. I guess you address yourself to this question a little later in your statement, but if you produced a compendium, would you contemplate listing every single manufacturer of every drug?

Dr. Goddard. I hesitate to say every single manufacturer, because, as the Senator knows, there are a number of manufacturers very small intrastate business only, and I do think just as a practical limitation on size you have to have a cut point somewhere. These individuals, then, would probably not, these individual firms would probably not be listed in such a compendium. But we are interested in having those firms that produce and distribute nationally and even regionally included.

Senator Nelson. How many drugs would be involved?

Dr. Goddard. Well, there are 21,000, approximately——

Senator Nelson. Different or——

Dr. Goddard. Different dosage forms of the some 7,000 drugs in the marketplace today. These would all be included.

Senator Nelson. And would a compendium and the drugs included have the approval of FDA?

Dr. Goddard. It would have to be approved by the Food and Drug Administration since it does serve as a form of labeling. The best possible outcome as far as I am concerned, would be for PMA to exercise leadership in this area, assume the burden and use, if such could be arranged, the format of the PDR, if the owners of PDR were willing to engage in that. I say this because PDR has a great level of acceptance in the country, and this would become competitive, you see.

If such a marriage, if you will, could take place, I think it would find instant acceptance on the part of the practicing physicians, that they would receive this volume each year, as they already have, and they provide them with comprehensive information in terms of coverage of the drugs as opposed to today's PDR which is on the basis of paid advertising, and not—even the major firms do not include all of their drugs in today's PDR. So I think it would be a marked improvement and everyone would benefit.

Senator Nelson. All the drug products listed there would have the approval of FDA?

Dr. Goddard. Of course, the drugs have to have our approval to be in the marketplace.

Now, if you are saying that we would be offering an implicit warning or guarantee that they are efficacious, until the Academy review is completed, we could not offer such a guarantee. Until we are in a better position to apply therapeutic equivalency than we are today, could we offer the physicians such a guarantee.

But that is our goal. It is an achievable goal, and I think it is one that we can accomplish by 1971, as I have indicated in other testimony.

Senator Nelson. Am I correct in saying that to get approval to be introduced into the marketplace at all, a prescription drug has to meet USP standards?

Dr. Goddard. If there exists—or NF, yes. Combinations are not in USP, of course, and so there are many combination drugs in the marketplace today, too.

Mr. Gordon. Well, there are FDA standards, too, aren't there; for example, on antibiotics?

Dr. Goddard. Yes, there have to be standards, and we do certify them on a batch-by-batch basis.

Mr. Gordon. Perhaps you cover this later, but how useful and effective are the package inserts—do the doctors really read them?

Dr. Goddard. Most of the time the physician does not receive them, so he does not really have an opportunity.

I have some here, for example. Here is a package insert. I do not think many physicians are going to receive this, if they even get it.

It has selected laboratory data for patients on this drug, for example, in tabular form. It is very small print.

The answer is no, but the physician does get one particular form, or package inserts on biological products do tend to reach him, and I think that should be continued. It is important. These others, all sorts of sizes, are printed on what is called in the trade bible paper.

Mr. Gordon. What do you mean by "bible paper"?

Dr. Goddard. Well; it is very thin.

Mr. Gordon. You need a magnifying glass to read the print?

Dr. Goddard. That is true.

Mr. Gordon. Dr. Goddard, doesn't this present situation really make the doctors more dependent on drug advertising and promotional activity?

Dr. Goddard. Yes. Of course, that is not their only source of information. But as I have pointed out on numerous occasions the industry does spend a significant amount of their income to educate the physicians through advertising.

Mr. Gordon. Are you using that word with quotation marks?

Dr. Goddard. Well, I say advertising in this field is a form of education, and I am serious when I make that point. And the AMA also now recognizes this point—has done so apparently in response to a recent position the Internal Revenue Service took with respect to their income on general advertising. They pointed out this was different from most advertising and that it did serve an educational purpose.

And I must agree with that.

Mr. Gordon. Who took that position?

Dr. Goddard. The AMA.

Mr. Gordon. How about the IRS?

Dr. Goddard. They haven't responded to this, to my knowledge. But advertising apparently does influence the physicians' choice of the drug. Therefore, I think it is educational. And we are anxious to have a comprehensive, more impartial source of drug information readily available to every physician, every pharmacist and every hospital kept up to date with accurate prescribing information.

Senator Nelson. I don't understand the mechanics of the delivery of the package insert. The doctor himself in his office just writes a prescription. The drugs, with some rare exceptions, come into the pharmacy. Does each package of prescription drugs, no matter how small, have to have an insert?

Dr. Goddard. That is correct.

Senator Nelson. So then the doctor does not come in contact with that package insert——

Dr Goddard. Except for biological products, which tend to go directly to his office.

Senator Nelson. What do you mean by "biological"?

Dr. Goddard. Well, vaccines and things of this nature, you see.

Senator Nelson. That he administers himself?

Dr. Goddard. That is correct.

Senator Nelson. I see.

Dr. Goddard. And intravenous therapy on wards in the hospital tend also to be accompanied by the package insert. But by and large these are received by the pharmacist and thrown away after he has a file of them, you see. And the physician can call the pharmacy and get information on a drug. And some of them do this. But by and large they do not see them. So the system does not accomplish what it set out to accomplish at all.

Senator Nelson. And do I understand that it is your posiiton that if there were an acceptable compendium adopted and published, you would be willing to remove the requirement that an insert be used except for biologicals?

Dr. Goddard. That is correct.

Senator Nelson. Is the insert required by law, or is it the result of an administrative ruling?

Dr. Goddard. Those are the conditions for the approval of a new drug. Yes, sir, statutory.

Senator Nelson. By statute or by a ruling of the F.D.A.?

Dr. Goddard. Statute.

Senator Nelson. So you would have to change the law respecting the insert——

Dr. Goddard. Mr. Goodrich, do you want to comment on that?

Mr. Goodrich. We have authority to exempt a prescription drug from the requirement of that detailed label where it is not necessary for the protection of the public health. We could do so if we had an alternative compendium available to the physician. Then it would not be necessary to carry that information in the packages.

Strong, Cobb, Arner, Inc.,
Cleveland, Ohio, November 15, 1967.

Senator Gaylord Nelson,
Chairman, Senate Monopoly Subcommittee,
U.S. Senate, Washington, D.C.

Dear Senator Nelson: Your letter of November 3rd has been discussed with our technical, legal and scientific staffs. It is our feeling that a Compendium, which would bring together in one place all of the authoritative information that would enable the medical profession to dispense or prescribe drugs with complete knowledge of their actions and side effects, is a worthwhile undertaking. This Compendium should replace the now substantially useless package inserts required by FDA regulations, which costs the pharmaceutical industry and indirectly the consumer millions of dollars each year.

This Compendium must be prepared by knowledgeable persons from the pharmaceutical, medical, legal, government and academic fields who are aware of the scientific and other complexities involved. It is unlikely that the first edition could encompass all drugs, nor should it. It should consist of the single entity drugs and probably those now listed in the U.S.P. and N.F., which are the most widely used. These drugs should be listed by generic name with references both to trade names and manufacturers.

The Compendium should be a compilation of scientific and medical facts and not a sales advertising tool where prices are included. This type of sales information is readily available from other sources.

If the FDA is in agreement, the Compendium could possibly start with the package insert information already reviewed and approved by them. Also data from such references as the Hospital Formulary, Physician Desk Reference, etc. could be the basis of the Compendium.

The project will require several years to complete after a staff has been assembled, and perforce might have to be subsidized by the Federal Government.

The second edition could include many of the combination drugs now being used. Subsequent editions could continue to add drugs as it will take many editions before all drugs are listed.

SCA as well as the whole pharmaceutical industry is looking forward to a National Drug Compendium.

Sincerely,

Fred J. Damlos,
President.

Hoffmann-La Roche, Inc.,
Nutley, N.J., December 8, 1967.

Hon. Gaylord Nelson,
Chairman, Senate Monopoly Subcommittee,
U.S. Senate, Washington, D.C.

Dear Senator Nelson: Thank you for your letter of November 3, 1967, asking for our views on the subject of a drug compendium. I am pleased to have the opportunity to give you the views of my company on this matter. We would support the general idea of a compendium because we believe it could be a useful addition to the existing means of making available information on drug products.

We believe that medical and paramedical personnel should have ready access to complete information necessary to the proper prescribing and dispensing of drug products. We consider the development, preparation and dissemination of such information regarding our own products to be one of our vital responsibilities. The listings of Roche products in such widely-used reference works as the Physicians' Desk Reference (PDR), which are virtually complete reproductions of our package inserts, is evidence of our policy of making available to physicians complete prescribing information on Roche products. As I will discuss in more detail later, we agree with Dr. James Goddard that the PDR, with certain modifications, may be the best vehicle for establishing a drug compendium since it already is widely used by physicians as a source for prescribing information.

Hoffmann-La Roche's support of the general idea of a compendium of information on drug products assumes that such a compendium would be produced in a manner so as to provide physicians and other appropriate persons with complete and current information on drug products essential to medical practice. Among other benefits, a drug compendium with official status could, as noted by Dr. Goddard, provide a preferable alternative to the current package insert requirements. We believe firmly, however, that an official compendium must not limit or impair the physician's prerogative and ability to prescribe those drug products which he believes are in the best interests of his patients. We are certain you would agree that if the current high standards of medical care are to be maintained, "compendium" must not mean "control."

We must also express our opinion that funds and efforts in the health field should not be diverted to any major innovation from the many recognized areas of need which exist until after there has been thorough exploration of all aspects of the proposed project. The concept of a comprehensive drug compendium presents many complex scientific, medical and legal issues, all of which we believe must be explored in depth by an independent "compendium task force" drawn from government industry and the medical and scientific communities before the project is undertaken. We especially urge that the questions of need and format of a compendium be explored in detail with the medical profession since they would, of course, be the primary users of the publication.

In response to your question on the content of such a compendium, we offer the following comments and suggestions for consideration. We have also included some suggestions on other matters relating to a compendium which we hope will be useful.

We believe the purpose of a comprehensive drug compendium should be to provide necessary information in concise form for the proper and efficient usage of drug products. A total dissertation on use of any drug would probably require too great an amount of space, but the information presented should be sufficient to enable a physician to prescribe a drug confidently.

At the present time, this basic information is contained in "package inserts" which are included in every container of most drugs. These inserts are developed by the manufacturer of a drug and, for new drugs, are approved by the Food and Drug Administration before use. We recommend that a compendium contain substantially the same product information now contained in these inserts.

We do not believe that it would be desirable to alter the respective statutory responsibilities of the drug manufacturers and the Food and Drug Administration with respect to this basic drug prescribing information. In particular, we would recommend against any delegation of the present statutory responsibilities of the manufacturer and the Food and Drug Administration in this area to a third party. This would have the effect of duplicating activities presently performed by the Food and Drug Administration in reviewing new drug applications to determine the adequacy of such information, and could also impair the ability of a manufacturer to disseminate information on its own products.

In the compilation of a drug compendium, careful consideration would have to be given to the question of which drugs should be included. It will have to balance the need for a work of manageable size with the need to provide adequate information on the widest range of drugs which might be of value to the physician in his practice. At the present time there are several thousand drugs available for prescription specification. To include in a compendium information on all of those drugs might cause it to be too unwieldy and awkward for use in everyday practice for most physicians. It may be that a compendium should, initially at least, be limited to the two or three hundred most frequently prescribed drugs.

A major issue with respect to a drug compendium is the format for presenting information on specific drug products. The basic issue seems to be whether a single monograph can provide adequate information on drugs with the same established name but manufactured by different companies. We would be opposed to this approach as being contrary to sound medicine and inconsistent with our competitive system of free enterprise.

There has been much discussion before your Monopoly Subcommittee concerning drugs sold under established or generic names as opposed to proprietary name drug products and the existence or lack of therapeutic equivalency between them. We believe it is clear from the testimony of Dr. Goddard and others that sufficient data is not yet available to answer definitively the question of therapeutic equivalency for chemically similar drugs. And, from a medical standpoint, the question is obviously too important to be answered solely on the basis of assumption.

Our position is that whether a drug product has a proprietary name or is sold under its established name does not determine the drug's quality or therapeutic value. Whether a drug product will have its intended effect can be determined only by appropriate laboratory and clinical tests. When a drug containing a specified amount of a particular active ingredient demonstrates a certain clinical or pharmacological activity, it is possible that another drug containing the same amount of the same active ingredient, if properly compounded into a finished product, will have the same effect. However, it is certainly true that this is not always the case. A second product sold under the same established name may not be in fact a therapeutic duplicate of the first. Furthermore, it is essential to recognize that drugs are used to treat individual patients. Effective and safe action in most cases is not sufficient; failure of a drug to perform, even in isolated instances, can be critical to the individual concerned.

Dr. Goddard has stated that his agency is in the process of developing information in this difficult and complex area for many drug products, but that they do not know the answers at this time to many of the issues. Thus it is highly important that a physician not be required, or even encouraged, to disregard the source of the products which he prescribes. And, from a competitive standpoint, minimizing the distinctions between manufacturers would discourage, not promote, competition. For these reasons, we believe it is essential that a compendium distinguish between drug products which have been demonstrated by appropriate scientific studies to provide consistently the intended therapeutic effect and those which have not.

Some suggestions for preserving the distinction between drugs from different manufacturers in a compendium are (1) to permit manufacturers to list their products individually by company with full information for each product, (2) to permit manufacturers to include following the listing of a drug specific facts pertaining to the clinical experience, usage, particular studies or other materials which would demonstrate proof of effectiveness of their own form of the particular medication, (3) to cite in the compendium those companies which have approved new drug applications, including the dates of approval, and (4) to note whether clinical studies have been done by each listed manufacturer for all dosage forms of the products. Additionally, since some companies make available only the most widely prescribed dosage forms, it is essential that a compendium include information from companies on their range of dosage forms of any given drug. Also, a compendium should not be designed in such a way as to limit the usefulness of trademarks, which, of course, are a basic and important means for identifying the manufacturers of drug products.

A drug compendium would need a number of indices enabling ready reference to medications by (1) established names, (2) proprietary names, (3) therapeutic classifications, (4) chemical or pharmacological index, and (5) names of manufacturers. Also, complete and periodic supplementation of the information in a drug compendium would be needed to assure that the information is the latest available.

The questions of how a compendium would be financed and how it would be published are, of course, extremely important. We agree here again with Dr. Goddard that the project should be undertaken by private industry and ultimately recognized and endorsed by government.

The primary responsibility for the development of information regarding drug products rests with the manufacturer. It is also a major and important function of a drug manufacturer to make available to physicians all necessary information relating to its products. We would envision a drug compendium as a further step in this role. We recognize, of course, that the government, and in particular the Food and Drug Administration, has a vital interest and statutory responsibility with respect to drug information provided to physicians. Thus, as already noted, we would support the principle of a combined effort by medicine, industry and government to study the issues and develop the basic guidelines and format for a drug compendium.

The specific vehicle for achieving this combined effort could be an existing private publication, such as the already-mentioned PDR, which is given statutory recognition. There is precedent for this approach in the drug field since the Federal Food, Drug and Cosmetic Act expressly recognizes several private publications as "official compendia."

At the present time many of the criteria which we suggest for a drug compendium are contained in the PDR, a work currently available to all practicing physicians and used by most of them. We have seen a recent analysis of PDR by the R. A. Gosselin Company, Inc., which indicates that in 1966 over 85 percent of all prescriptions dispensed in the United States by established and proprietary names were for drugs currently listed in the product information section in it. Another study by Alfred Politz Media Studies showed that over 90 percent of all physicians in private practice utilize this publication for prescribing information, many on a daily basis. Thus the basic usefulness of this publication is well established.

The information regarding particular drugs in the PDR "white section" is by legal requirement substantially the same as the information contained in the package insert for the drug. The one substantial change needed to conform it to the standards recommended above would be to include a section providing information on drugs which are sold under established name. These monographs could be arranged alphabetically by drug name and could be followed in each instance with a listing of the companies which manufacture such drugs. The company's name could be cross-referenced to the manufacturers' section of the publication where their specific products would be individually described with full information. We believe that utilization of PDR with this and other additions suggested above would provide a compendium which would serve the purpose of providing information on drugs sold under established name, and, by having individual product listing of manufacturers, avoid the presently unanswerable question of therapeutic equivalency of chemically similar drugs with the same established name. Thus we believe this publication should be considered carefully as a possible solution to the compendium problem, assuming, of course, that the publisher would agree to certain modifications and assuming that affected manufacturers would agree to participation and that the costs of publication would be reasonable.

If the Physicians' Desk Reference or perhaps another existing publication or organization could not assume the responsibility for privately producing such a compendium, it may be desirable to consider the establishment of a quasi-public corporation such as the Communications Satellite Corporation which includes on its Board of Directors several Presidential appointees. These appointees would be drawn from the ranks of government, private industry, and the medical and scientific communities.

A private publication could be financed by payments from participating manufacturers for the listing of their products. An exemption from certain of the requirements relating to the use of package inserts would provide an inducement for manufacturers to participate.

As we noted at the outset of this letter, Roche would support the general idea of a drug compendium designed to provide physicians with current, complete and readily available information on drugs. We further believe that a "compendium task force," as indicated above, should be established, with the concurrence of all interested groups and bodies, to consider the many issues involved, including the suggestions in this letter.

I again express my appreciation for the opportunity to give you our thoughts on this important subject. I hope they will be of value to you in the development of your proposal.

Sincerely,

V. D. Mattia, M.D.,
President.

Texas Pharmacal Co.,
San Antonio, Tex., December 14, 1967.

Senator Gaylord Nelson,
Chairman, Senate Monopoly Subcommittee,
Washington, D.C.

Dear Senator Nelson: Reference is made to your letter of November 3, 1967, concerning the possibility of developing a drug compendium.

While I am not familiar in detail with all of the testimony before your committee, I am, of course, acquainted in general with the proposal advanced by Dr. Goddard and have some views on this matter which I am happy to share with you.

The general concept of a drug compendium is certainly an acceptable one in theory. Problems arise in the manner in which the development of such a compendium is implemented. As you may have been informed, such a compendium now exists in the form of the privately published "Physicians' Desk Reference". I know from my own knowledge that this publication is widely used by doctors and is considered to be reliable. The publication is not absolutely complete in that it does not include the products of every drug company in existence. Further, I am not aware that the contents of the publication necessarily have FDA approval; however, my observation has been that the material included in PDR closely follows approved package inserts.

There is little argument that the most useful compendium to the medical profession would be one in which the products of all drug companies would be included, although the expense involved in collecting and presenting information on all drugs of all companies would indeed be significant. If the drugs have received new drug approval from the Food and Drug Administration, presumably the material appearing in such a compendium would be based upon their package insert. However, some of these package inserts tend to be quite lengthy, including matter of little practical use to the practicing physician, so that I would hope some way could be evolved to provide an acceptable condensation as indicated in order to prevent the compendium from becoming unduly bulky and, thereby, destroying its practical value. The ultimate question, of course, is the real need to be filled for the practicing physician, that is not already provided by existing methods, and I have not seen any definitive information on this point.

There would also be the problem of maintaining the compendium up-to-date, but presumably this could be done with periodic supplements, such as now utilized by PDR.

I am told that a suggestion has been made that drug prices should be included in such a compendium. I would strongly oppose this suggestion since it is not clear to me how the prices would be selected. A great deal of the information regarding drug prices which I have recently observed seems highly misleading and confusing. Rather than attempt, therefore, to select a price (wholesale or retail?) for each drug—whether it be the lowest price quoted by anyone regardless of extent of distribution, an "average" price, or a price which might be regarded as a "fair" price—it seems to me best to not include the price. The doctor can always determine any price by calling his pharmacist.

I have also seen suggestions made that drugs be listed under their generic as well as brand names. I see no objection to including generic names in such a compendium, where they exist, since such names already appear on the label of the product. In our own field of specialty, namely dermatologicals, the brand name is practically the only one which would have any meaning to a doctor, since the products we market tend to be composed of several ingredients, properly blended, to which a generic name is not usually applicable. Of course, any compendium that did not include such combination products could not be considered complete.

In summary, as I have indicated, I believe the broad concept of a reliable drug compendium cannot be questioned. The difficulty arises when one attempts, on the one hand, to make it all inclusive and completely accurate, yet recognizes the necessity of keeping it within an acceptable length and expense. I am not sure I know the answers to these problems, but I certainly wish to commend your committee for attempting to shed light on the matter.

Sincerely,

Arthur W. Mueller,
President.

Organon, Inc.,
West Orange, N.J., November 15, 1967.

Hon. Gaylord Nelson,
***Chairman**, Senate Monopoly Committee, U.S. Senate, Washington, D.C.*

Dear Sir: This is in response to your letter dated 3 November 1967.

We are favorably inclined towards the compendium concept. Such compendium of drugs could be useful provided it is worked up carefully with respect to the objectives.

Among the prime objectives would be to assist the prescribing physician. This should provide the guidelines as to what goes into such compendium. It should reflect the expressed views of physicians as to what they would find most useful and significant to facilitate their use of the drugs the pharmaceutical industry has made, and will continue to make available.

Sincerely,

Alan Kusik,
Administrative Vice President.

S. F. Durst & Co., Inc.,
Philadelphia, Pa., November 17, 1967.

Hon. Gaylord Nelson,
U.S. Senate
Washington, D.C.

Dear Senator Nelson: We appreciate receiving your letter of November 3rd, 1967 and welcome the opportunity to give you our thoughts on national compendium of drugs. It may be relevant to point out that we have been handling drugs for the medical profession for thirty-seven years, and are well respected in the geographic areas that we service. We think that a smaller company such as ours that works intimately with thousands of physicians may have some useful thoughts to contribute.

We are in favor of a compendium and believe it should be similar in format to the "Physicians Desk Reference" but greatly expanded to include every item of every company from the largest to the smallest in the pharmaceutical field.

If you would desire additional thoughts on the subject we will be happy to cooperate.

Sincerely,

Richard L. Durst,
President.

Crookes-Barnes Laboratories, Inc.,
Wayne, N.J., December 4, 1967.

Hon. Gaylord Nelson,
Chairman, Senate Monopoly Subcommittee, U.S. Senate, Washington, D.C.

My Dear Senator Nelson: In reference to your letter of November 3 addressed to Mr. Louis E. S. Santamaria, please be advised that I endorse the concept of a compendium of drugs.

It would seem to me, having spent many years in practice, that the compendium should include generic and brand names, the manufacturer of each generic and brand name, some basic pharmacology and adverse reactions.

In general, I feel that an official compendium similar to the Physician's Desk Reference but without the promotion, would be the most valuable.

Sincerely,

Daniel K. Beirne, M.D.,
Vice President.

The Upjohn Co.,
Kalamazoo, Mich., November 17, 1967.

Senator Gaylord Nelson,
Senate Office Building,
Washington, D.C.

Dear Senator Nelson: This is in response to your recent letter requesting my views as to the merits of a drug compendium.

I appreciate your courtesy in writing and expression of interest in the position of The Upjohn Company on a subject of such importance to the pharmaceutical industry and the medical profession.

The position of The Upjohn Company is compatible with others who have endorsed the general concept of a drug compendium. It has been our consistent policy to insure full disclosure as to the quality, characteristics and proper usage of the products which we manufacture. Thus, we would certainly support, in principal, the idea of a compendium as a vehicle for providing such relevant information to the medical profession.

While one can endorse the principal of a compendium, careful and serious thought must be given to the substantive composition of this publication. I share the view expressed by Dr. Goddard in his testimony before your Subcommittee on November 9, that the compilation of a Drug Labeling Compendium will be a difficult task. Certainly a meaningful compendium must include pertinent information presented in a form best suited to impart essential facts included in package inserts. These facts, as you well know, are related to the quality and characteristics, safety and efficacy of our drug preparations. I think it would be a mistake to include information superfluous to this purpose and do not feel, therefore, that economic data, such as price, would be germane to this publication.

I believe that considerable thought and attention must be given to membership of the committee which will prepare the compendium and be responsible for its content, for the value of this publication will be directly related to the caliber of its format and composition. Careful consideration should be given to this question as well as others which relate to content of the compendium. The views of concerned parties should be elicited in deciding whether all or portions of information presently contained in package inserts should be included. If this document is to group drugs according to specified nomenclature with an accompanying summary of the drugs listed, then standards should be adopted concerning the method of drug selection as well as proper preparation of the summary. There are, after all, delicate distinctions between many drugs which require recognition in a compendium. Furthermore, a policy should be formulated to insure that new drugs approved subsequent to publication of a compendium but prior to release of supplements thereto may be distributed without penalty for not being included in the compendium.

These are but examples of some decisions which must be made prior to the preparation and publication of a compendium. I would suggest that to resolve questions such as these, thought be given to calling a meeting of those people who will be concerned with its use. Among such people would be the Commissioner of the Food and Drug Administration, the Director of the National Institutes of Health, representatives of the pharmaceutical industry and the medical profession. This could provide a blue ribbon committee to study these and other questions of vital importance to the preparation of a worthwhile compendium.

I hope that these brief comments will be of assistance, and wish to assure you of my desire to cooperate.

Sincerely yours,

R. T. Parfet, Jr.

Smith Kline & French Laboratories,
Philadelphia, Pa., November 17, 1967.

Hon. Gaylord Nelson,
U.S. Senate,
Washington, D.C.

Dear Senator Nelson: In reply to your recent letter asking for our comments on the idea of a drug compendium, we believe that the general concept is a good one.

As to content, we feel that there should be a description of each individual nationally marketed drug product of all registered manufacturers, together with full prescribing information as approved by the FDA. Anything less than this would deprive the physician of full information on the specific drug product he may wish to prescribe.

As to the format, we believe that an expansion of the existing Physicians' Desk Reference (PDR), currently the most widely available source of this information, would be the most practical and economical solution to the problem. Further, we would suggest specific controls by the publisher and the FDA to assure that the information on each drug product is complete and up-to-date. Admittedly, such a compendium would significantly increase the size or create additional volumes of the PDR, but we don't believe this would lessen its usefulness to the physician. We also agree that PDR should continue to be supported by the industries whose drug products are included. In the case of products not included for reason of limited distribution (or for any other reason), prescribing information inserts could still be required for inclusion with the commercial package, as at present.

We appreciate the opportunity to express our views on this subject.

Sincerely,

T. M. Rauch.

AMENDMENT OF ACT PROVIDING FOR A STUDY TO DETERMINE A SITE FOR THE CONSTRUCTION OF A SEA-LEVEL CANAL CONNECTING THE ATLANTIC AND PACIFIC OCEANS

Mr. MAGNUSON. Mr. President, at the request of the Atlantic-Pacific Interoceanic Canal Study Commission, I introduce, for appropriate reference, a bill to amend sections 3 and 4 of the act approved September 22, 1964—78 Stat. 990—providing for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans.

The grave disturbance in Panama in 1964 made us more aware of the commercial and strategic deficiencies of the present canal.

The Senate Commerce Committee, after hearings, determined the need for an investigation to examine into the feasibility of constructing a new canal at sea level through the Isthmus.

The committee members recommended that a Presidential commission be created to conduct the study and the committee bill became Public Law 88-609. In April 1965, the President appointed the Commission and designated Robert B. Anderson, Chairman.

In the first session of the 90th Congress, the law was amended to extend the reporting date of the Commission to December 1, 1969. The Commission claims that it cannot conclude the investigation by this deadline.

Commissioner Hill testified during the hearings held this past June that circumstances beyond the control of the commission have restricted the progress of the study.

The delay in negotiating treaties with Panama and Colombia to permit on-site surveys slowed the progress of the commission. Only limited work was accomplished along the survey route in Panama during the 1966 dry season.

The United States did not conclude an agreement with the Colombian Government until October 1966. Two full years were lost before maximum efforts at collection could get under way.

In the meanwhile, the U.S. Atomic Energy Commission Plowshare program, which includes the cratering studies needed to decide whether nuclear excavation of the new canal is feasible has suffered delays. On January 26 the AEC conducted a successful nuclear excavation test but several more could be expected before the technique is refined. As a consequence, the commission now estimates that they cannot complete their work and make their recommendations until late in 1970.

Furthermore, the estimated cost of the study has increased from $17.5 million now authorized to $24 million. The delays cited by the commission are responsible in part for the higher cost figure. In addition, services the commission expected to receive at minimal or no cost whatever, cannot now be provided by the Department of Defense because of the demands of our commitment in Vietnam. The commission must now pay for these services.

The bill which I have introduced would amend the enabling law which created the Commission to provide additional time—until December 1, 1970—and authorize sufficient funds, a maximum of $24 million, for the Atlantic-Pacific Interoceanic Canal Study Commission to complete its job.

Unrestricted shipping through the American Isthmus is essential to commerce in the United States. This study is necessary to guarantee the future growth of this commerce as the Panama Canal becomes obsolescent. I am concerned that the Commission shoud have ample time and funds to complete the study.

I ask unanimous consent that the letter of Chairman Robert B. Anderson to Vice President HUMPHREY dated January 31, 1968, which explains in detail the need for the proposed legislation, be printed in the RECORD following my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2948) to amend Sections 3 and 4 of the act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter, presented by Mr. MAGNUSON, is as follows:

ATLANTIC-PACIFIC INTEROCEANIC
CANAL STUDY COMMISSION,
Washington, D.C., January 31, 1968.

Hon. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Provided herewith is a draft bill "To amend Sections 3 and 4 of the Act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans."

We recommend that this draft bill be referred to the appropriate committee for consideration, and we recommend its enactment.

The Atlantic-Pacific Interoceanic Canal Study Commission was established by the Act approved September 22, 1964 (Public Law 88-609, 78 Stat. 990), to make a full and complete investigation and study, including necessary on-site surveys for the purpose of determining the feasibility of, and the most suitable site for, construction of a sea-level canal connecting the Atlantic and Pacific Oceans, and the best means of construction.

When Public Law 88-609 was enacted, the expectation was that site surveys in Panama and Colombia would begin not later than January 1965. This expectation was the basis for the establishment of the June 30, 1968 reporting date and was a factor in fixing the $17.5 million ceiling on appropriations.

On April 18, 1965, the President appointed the five present members of the Commission from private life. After the Commission was appointed, it adopted a plan of study that attempted to adjust the study program schedule to the circumstance that the favorable dry season occurring in fiscal year 1965 had already passed. At that time the Commission had no actual on-the-ground experience on which to base a more accurate time and cost estimate. The new program schedule assumed the start of full-scale data collection beginning in January 1966, with completion of the study by June 30, 1968.

In September 1965, it became apparent to the Commission that the necessary treaties with Panama and Colombia could not be negotiated and ratified before the advent of the 1966 dry season. It, therefore, requested the Department of State to direct its immediate efforts toward achieving early agreements for site surveys only, with the understanding that negotiations for sea-level canal treaties would continue with the hope of agreement at a later date. The negotiations of site surveys initiated with Panama in October 1965 were successfully concluded in an exchange of notes between the United States and Panama on February 15, 1966. A similar exchange of notes with the Colombian Government was made on October 25, 1966.

Although access to the survey route in Panama was achieved prior to the close of the 1966 dry season, only limited work could be accomplished there in the remaining weeks of dry weather. During the negotiation period, every advantage was taken to expedite those functions not requiring actual route access. Supplies and equipment were purchased and stored, but full-scale data collection had to be postponed until January 1967. In spite of maximum efforts during this period, two full years for data collection have been lost.

Evaluating the alternatives available to the Commission for completing their investigation and study, in the face of the delay caused by difficulties in starting actual on-site surveys and the delay in the nuclear excavation research program, the Commission determined that it will require until December 1, 1970, to complete and submit its study.

The Congress has extended the required completion dates but only to December 1, 1969. An additional year's time to complete and submit the study is needed. Also, while this legislation originally included a provision for increasing the appropriate authorization, the Act as passed did not include such an increase. The Commission cannot accomplish its task within the current appropriation limitation of $17.5 million. The current estimate of funds required to complete the study is $24.0 million, an increase of $6.5 million. The major items contributing to the increase in estimated cost are the result of delays in beginning on-site surveys, more realistic cost estimates based upon actual field conditions, and other changed conditions. Included in the Commission's present cost estimate are funds to extend the study, to cover unprogrammed Federal pay raises, to provide services for the Commission that otherwise would have been provided by the Department of Defense at little or no cost to the Commission had it not been for the Vietnam requirements, to support program changes resulting from actual on-site conditions, to support a program stretchout which will result from the extension of the nuclear excavation research activities, and other requirements resulting from conditions which were not envisioned in the original program planning.

The Atlantic-Pacific Interoceanic Canal Study Commission considers that the objectives of Public Law 88-609 can best be accomplished by enactment of the proposed amendment to extend the study until December 1, 1970, and to increase the appropriation ceiling to $24.0 million so as to provide the Commission with sufficient time and funds to complete the study in an orderly and efficient manner.

For the reasons stated above and because of the fact that the concluding work plans of the Commission will be affected by the inclosed draft bill, its prompt and favorable consideration is recommended.

The Bureau of the Budget has advised that the enactment of the draft legislation would be consistent with the Administration's objectives.

Respectfully yours,
ROBERT B. ANDERSON,
Chairman.

JOINT RESOLUTION ON THE SERVICE OF THE BOY SCOUTS OF AMERICA TO AMERICAN YOUTH

Mr. YARBOROUGH. Mr. President, this morning I was pleased to attend the Report to the Nation breakfast of the Boy

Scouts of America in which Vice President Hubert Humphrey and over 200 Senators and Congressmen participated. This breakfast was held in observance of the 52d anniversary of the chartering of the Boy Scouts of America by Congress.

The highlights of the long range program for expansion of the Boy Scouts of America was presented by Mr. Edwin H. Gott, a member of the executive board of the organization—a report which outlined the important future of America as well as the Boy Scouts. In this expansion, the Boy Scouts of America hope to expand their membership by 40 percent in the next 9 years, bringing scouting to over one-third of our American boys. To illustrate the service to this country, particular emphasis is being placed on the disadvantaged boys in both urban and rural areas of the country.

In 1966 Congress passed a concurrent resolution marking the 50th anniversary of the granting by Act of Congress of the charter of the Boy Scouts of America—the first youth organization to be granted such a charter by Congress.

It is my privilege today to introduce a joint resolution of Congress calling on the Boy Scouts of America, in their expansion and renewal efforts, to serve the youth of America to the ultimate end of improving the leadership of the future Nation. I ask that this joint resolution be printed in full at this point in the Record.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the Record.

The joint resolution (S.J. Res. 138) calling on the Boy Scouts of America to serve the youth of this Nation as required by their congressional charter, introduced by Mr. Yarborough, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the Record, as follows:

S.J. Res. 138

Whereas the Boy Scouts of America has acted under a congressional charter since 1916, serving over 40,000,000 boys with a program that develops physical fitness, character, and citizenship; and

Whereas the Boy Scouts of America has achieved significant results in preventing and reducing juvenile delinquency; and

Whereas the Boy Scouts of America has extended its program to disadvantaged boys in the deprived areas of urban and rural areas of our Nation; and

Whereas there is an increasing need for training boys to become responsible citizens in accord with the ideals and principles of the Scout oath and law; and

Whereas the Boy Scouts of America gives strong support to the home, the religious institution, the schools, and communities in the training, education, and development of youth; and

Whereas the Congress is called upon to assist and promote programs of promise in these critical areas: Therefore be it

Resolved by the Senate and House of Representatives of the United States America in Congress assembled, That the Congress of the United States calls on the Boy Scouts of America to serve the youth of this Nation as required by their congressional charter to the end that more boys in every segment of our society will be involved in its program and future generations of Americans will be better prepared with the skill and confidence to master the changing demands of America's future and prepared to give leadership to it.

PROPOSED NATIONAL ENGINEERING TECHNICIAN WEEK

Mr. TOWER. Mr. President, I introduce, for appropriate reference, a measure which authorizes the President to proclaim the week between October 20, 1968, and October 26, 1968, as National Engineering Technician Week. The American Society of Certified Engineering Technicians is a young, aggressive organization that was formed in 1964. Since then it has worked hard in establishing the engineering technician as a part of the national and local community utilizing sound, professional practices.

The goals of the society are very worth while. Among them are the desire to obtain recognition of its members as a vital component of the engineering and scientific team in service to the national and public welfare, and to promote the education, social, economic, and ethical responsibilities of engineering technicians. They have made great strides toward achieving their goals. I hope that we will be able to help them a little in this way.

I believe that it is altogether fitting and proper for the achievements of this organization to be recognized by the proclamation of a National Engineering Technician Week in their honor. All of America will be furthered by the achievement of the society's goals. I would like for the Senate to expeditiously consider this measure.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 139) to designate the period beginning October 20, 1968, and ending October 26, 1968, as "National Engineering Technicians Week," introduced by Mr. Tower, was received, read twice by its title, and referred to the Committee on the Judiciary.

PROFESSORS EMERITUS—AMENDMENT TO TITLE III OF THE HIGHER EDUCATION ACT OF 1965

AMENDMENT NO. 526

Mr. YARBOROUGH. Mr. President, I rise to submit a measure that would amend title III of the Higher Education Act of 1965 by adding a new section providing grants to qualified professors emeritus who wish to continue their teaching career by moving to a developing educational institution. Technically, my proposal is in the form of an amendment to S. 1126, the Higher Education Amendments of 1967, which the Senate's Subcommittee on Education is soon to consider.

Substantively, my proposal for a program of grants to professors emeritus makes possible a marriage of interests between developing educational institutions, which need competent faculty who, merely because of age, face compulsory retirement from a developed institution. This is one of those rare but happy instances when each of two problems has within it at least a partial solution to the other problem.

On the one hand there is the problem of a shortage of qualified faculty at our new and developing 2- and 4-year colleges. These institutions, which are struggling financially and otherwise to meet the educational demands of a steadily growing influx of students, find it increasingly difficult to compete for qualified faculty, not only with their sister, developing institutions, but also with older, established institutions.

The faculty shortage is made even more acute by a rapidly growing student enrollment and a phenomenal increase in the number of new campuses across America—both of which further diffuse the existing store of qualified faculty.

In the Office of Education's recent publication, "Staffing American Colleges and Universities," James F. Rogers observes:

> The current decade is expected to witness a doubling of enrollments in higher education.

Coupled with this increase in enrollment is a great increase in the number of educational institutions, especially of junior and community colleges. The study of the Office of Education reports that 166 educational institutions were created during the 5-year period of 1961–65. Of these, 114, or 69.7 percent, were junior colleges and technical institutes. Mr. Rogers suggests that this tendency will persist in the foreseeable future:

> The continuing thrust to extend educational opportunity, especially through the junior college level, lends support to the probability that the creation of new institutions is likely to continue at a brisk pace.

Probably the most significant development in higher education in recent years is the commitment by this Nation to make advanced education available to more people in more places. A primary means of achieving this universality of higher education is the junior or community college movement, which attempts to bring into a region, a community, or even a neighborhood the additional education that the people want.

Each of these new colleges requires a new faculty. The American Association of Junior Colleges reported in 1967—

> Fifty new junior colleges were established in 1965 and another fifty in 1966.

They predicted the likelihood that this 50-per-year rate would continue in the coming decade. Needless to say, this demand cannot be quenched from the existing pool of qualified faculty.

In addition, the greatest rate of enrollment increase is to be found in the 2-year institutions. James Rogers reports an estimate that these institutions will absorb a 125.5 percent increase in enrollment during the 6-year period of November 1963 through October 1969.

In the fall of 1963 these 2-year institutions enrolled 19.3 percent of all students pursuing higher education, but they employed only 12.8 percent of the professional staff. By the fall of 1969—which is the beginning of the next academic year—these institutions are expected to enroll 27 percent of all students in higher education.

Obviously, there exists a critical shortage of qualified faculty for these new and developing institutions. The American Association of Junior Colleges tells us that "conservative estimates indicate a need for at least 100,000 additional instructors by 1975." This estimate relates only to junior colleges, and does not consider the similar needs of other 2- and 4-year institutions which qualify under title III as developing institutions.

In most cases, these institutions are financially unable to offer the salaries required to attract faculty from developed institutions or to compete with these institutions for new faculty. Even if they could compete, the problem would still exist, for there has been an increase in the number of institutions and students without a commensurate increase in the number of faculty.

In short, there is a serious faculty shortage in America, intensified by an exploding student population and a proliferation of new institutions. The impact of this shortage is most severely felt by developing institutions. The bill which I am introducing today proposes to make available to these developing institutions the talent and experience of qualified faculty who have reached compulsory retirement age at a developed institution, but who are not eager to retire and would welcome the opportunity to teach and pursue research at a developing institution.

In an article written for the October 1963 issue of the "Journal of Higher Education," Dr. A. Packchanian, formerly a member of the faculty of the University of Texas School of Medicine, offers the following judgment of compulsory retirement of faculty:

> Compulsory retirement of scientists from universities and research institutions presents one of the most challenging problems of the day. It is well known that every year able men and women of science are compelled to retire from active duty because they have reached an arbitrary age limit. The majority of these retired scientists find themselves bewildered and unproductive. This is an injustice to them and to society.

The problem is not one that plagues the scientist alone. His colleagues in other disciplines are faced with the same compulsory retirement and feel a similar frustration at their lack of productivity.

I was alarmed, Mr. President, to learn of the manpower and brainpower that apparently falls victim to a compulsory retirement age. In a 1965 survey of 1,084 institutions of higher education, the National Education Association reported that 917, or 84.6 percent, designate a formal retirement age, ranging from 62 to 75 years. Of these 917 colleges and universities, employing 160,806 teachers in 1965, only 328 report existing provisions of any kind for continuing service. In short, 64.4 percent of the institutions surveyed, employing over 70 percent of the teachers, have policies of compulsory retirement.

What I propose in my amendment is not a retirement plan or a subsidized pasture for tired and ineffective professors; rather I suggest both a challenge to and opportunity for those men and women of our Nation's faculties who maintain their competence and enthusiasm long past any arbitrary retirement age. The very essence of productivity is a good blend of competence and enthusiasm. It is absurd to suggest that this is universally lost at 65, 70, or any other arbitrary age limit.

It strikes me as ironic that the students of developing institutions should go begging for qualified faculty while hundreds of experienced and productive teachers annually are forced into a frustrating retirement. On the one hand there is a challenging job in search of a qualified employee. On the other hand, there is a qualified employee wanting a challenging job. Simply stated, my amendment provides the mechanism to get the two together for the mutual advantage of both, with society receiving the ultimate benefit of the alliance.

Mr. President, I look forward to exchanging ideas on this proposal with witnesses testifying on S. 1126 before the Education Subcommittee. As far as the mechanics of my amendment are concerned, I believe the text is self-explanatory, and I ask unanimous consent that it be printed at this point in the RECORD.

The PRESIDENT pro tempore. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 526) was referred to the Committee on Labor and Public Welfare, as follows:

AMENDMENT No. 526

On page 12, line 11, insert the following:

"SEC. 304. Title III of the Higher Education Act of 1965 is amended by adding the following new section:

" 'PROFESSORS EMERITUS

" 'SEC. 306. (a) The Commissioner is authorized to award grants under this section to professors retired from active duty at institutions of higher education which do not qualify for assistance under this title, to encourage such professors to teach and to conduct research at developing institutions. The Commissioner shall award such grants only upon application by an institution approved for this purpose by the Commissioner and only upon a finding by the Commissioner that the program of teaching or research set forth in the application is reasonable in the light of the qualifications of the Professor Emeritus and of the educational needs of the applicant.

" '(b) To facilitate subsection (a) the Commissioner shall undertake a program to disseminate information concerning this section both to institutions of higher education which qualify for assistance under this title and to those which do not and shall solicit from those institutions which do not qualify for assistance under this title the names of retired professors and of professors about to retire who evidence interest in participating in the Professors Emeritus Program and disseminate such names and other pertinent background data to those institutions qualifying for assistance under this title.

" '(c) Grants may be awarded under this section for such period of teaching as the Commissioner may determine. The amount of each grant awarded under the provisions of this section for each academic year of teaching or research shall be determined by the Commissioner upon the advice of the Council'."

REQUIREMENT OF DISCLOSURE OF THE PRICE OF SAFETY EQUIPMENT IN THE PROCUREMENT OF MOTOR VEHICLES—AMENDMENT

AMENDMENT NO. 527

Mr. HARRIS. Mr. President, at the request of Senator RIBICOFF, I submit an amendment to his bill, S. 2865, and ask that it be printed at this point in the RECORD, and appropriately referred.

The PRESIDENT pro tempore. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 527) was referred to the Committee on Government Operations, as follows:

AMENDMENT No. 527

Strike out all after the enacting clause, and insert in lieu thereof the following:

"That section 302 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252) is amended by adding at the end thereof the following new subsection:

" '(f) In any procurement of motor vehicles by any executive agency disclosure of the price of each system or item of equipment incorporated into the vehicle in order to comply with the safety standards set by the Secretary of Transportation pursuant to the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1391 et. seq.) shall be required. In accordance with such regulations as the Administrator of General Services shall prescribe, each bid or offer submitted in response to any solicitation for offers shall contain an itemized statement of the amount of such price for each such system or item of safety equipment which is included in the aggregate price tendered for the furnishing of such motor vehicles. All information received by any executive agency (other than the General Services Administration), in the course of any procurement of motor vehicles, concerning prices quoted for each system or item of such safety equipment shall be transmitted promptly to the Administrator under such regulations as he shall prescribe'."

ADDITIONAL COSPONSORS OF BILLS

Mr. BYRD of West Virginia. Mr. President, at the request of the senior Senator from North Carolina [Mr. ERVIN], I ask unanimous consent that, at its next printing, the names of the Senator from Texas [Mr. YARBOROUGH] and the Senator from Pennsylvania [Mr. SCOTT] be added as cosponsors of the bill (S. 2009) to further insure due process in the administration of military justice by prescribing uniform rules of procedures to be followed by the Armed Forces in the case of administrative discharge boards by establishing a Judge Advocate General's Corps in the Navy, by creating single-officer general and special courts-martial, by establishing in each Armed Force a Court of Military Review, and for other purposes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, at the request of the Senator from Nevada [Mr. CANNON] I ask unanimous consent that, at its next printing, the name of the Senator from Nebraska [Mr. CURTIS] be added as a cosponsor of the bill (S. 2872) to change the day for holding elections for Members of Congress and for appointing electors of President and Vice President.

The PRESIDENT pro tempore. Without objection, it is so ordered.

VETERANS' BENEFITS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a number of telegrams I have received relative to the President's message on veterans' benefits be printed in the Record.

There being no objection, the telegrams were ordered to be printed in the Record, as follows:

February 6, 1968.

Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET Post 5,
Asheville, N.C.

February 6, 1968.

Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: The North Carolina department AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations, and request for legislation.

AMVET Post 160,
Hendersonville, N.C.

February 6, 1968.

Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: The North Carolina department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations, and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET Post 240,
Denton, N.C.

February 6, 1968.

Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET Post 120,
Brevard, N.C.

February 6, 1968.

Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET Post 250,
Farmville, N.C.

February 6, 1968.

Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET Post 4,
Asheville, N.C.

February 6, 1968.

Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET Post 12,
Durham, N.C.

February 6, 1968.

Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET Post 170,
Mount Airy, N.C.

February 6, 1968.

Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET Post 300,
Winston-Salem, N.C.

February 6, 1968.

Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendation and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET Post 42,
Shelby, N.C.

February 6, 1968.

Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET Post 13,
Lexington, N.C.

February 6, 1968.

Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET Post 40,
Nebo, N.C.

February 6, 1968.

Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET Post 110,
Rosman, N.C.

February 6, 1968.

Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits programs, and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET Post 130,
Swannonah, N.C.

February 6, 1968.

Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Senator Mansfield: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program, and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET Post 230,
Elkin, N.C.

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations, and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 43,
Roxboro, N.C.

FEBRUARY 7, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations, and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 30,
Candler, N.C.

ALLEGED BRIBERY OF AID EMPLOYEES

Mr. WILLIAMS of Delaware. Mr. President, today I call the attention of the Senate to a contract under our AID program wherein the best interests of the American taxpayers were not adequately protected. When this condition was called to the attention of the officials in Washington along with the serious allegations that the Government employees responsible may have been accepting bribes or kickbacks in the form of cash or payments in goods or services, the administration, rather than taking prompt steps to expose the scandal, merely tried to brush it under the proverbial political rug.

Within the past few weeks at least four high officials in AID have been allowed to resign with the public record indicating that they resigned on a purely voluntary basis with no charges pending. The fact is that all four public officials, while issuing general denials of any implication, resigned rather than answer charges of having accepted improper payments—either in the form of cash, goods, or services—from this contractor, who in turn had been receiving their approval for a contract and subsequent changes wherein he could collect thousands of dollars more than could have been justified.

The contract to which I refer was one negotiated with J. & M. Adriaenssens, N. V. Hoboken, Belgium. This was a contract for the repair and reconditioning of certain excess Government property which was being rebuilt in order that it might be used under our AID program.

This contract of over $2 million was modified several times with the approval of these same officials, at least two of the changes representing substantial price increases allegedly to reflect the increased costs.

The Department's own files, developed as the result of an intra-agency investigation, contain rather pointed evidence that these four employees had accepted from the contractor goods of value in the form of cash or services, and so forth, in return for their approval of a liberalization of the contract.

The Department of Justice is filing a claim against the company for at least $250,000, but what concerns me is the fact that the Government has dallied while some of the records became lost and the officials responsible for this abuse were allowed to resign with the public record showing that their separations from Government service were purely voluntary. As near as I can determine no effort had been made to pursue the case as far as these employees were concerned until a congressional inquiry was made.

I am now advised that within the past few days all of the files of the agency on this contract have been classified as "limited for official use" on the basis that they are being turned over to the Department of Justice for whatever steps may be found advisable.

I agree that these files should be turned over to the Department of Justice, but I am concerned that no such effort was made until a congressional inquiry developed, and even as of this date the public record of the employees involved still indicates that they left the Government service in good standing.

Last week, when I first discussed this case with the AID officials, I was advised that they were turning the complete files over to the Department of Justice and that they could only take under advisement my request for further information in connection with the alleged payoffs.

Yesterday I was advised that the files had already been transmitted to the Department of Justice and that they were now classified as being for "limited official use," thereby prohibiting their release for congressional inspection.

In my opinion this classification is a deliberate method to cover up and protect the agency from having to explain why this explosive investigative report, which was transmitted to Washington several months ago, had been pigeonholed until a congressional inquiry was made.

Under the circumstances I am making this report today and identifying the contract and the company, but I shall withhold the names of the employees involved and wait to see what action is taken by the Department of Justice to handle this case.

I realize that the evidence and the charges against these men are serious and that they are entitled to an opportunity to answer the allegations, but I also point out again that rather than answer the charges when first given the opportunity by the agency, they merely issued a general denial and submitted resignations, which were readily accepted by the agency as though it were a routine development.

Under the circumstances I thought it necessary to make this report to the Senate and to let the agency know that the mere transfer of the files to the Department of Justice does not relieve it of the responsibility to render a full accounting to the Congress and the American taxpayers.

In conclusion I point out that this is not a subject dealing with the security of our country, wherein secrecy could be justified; this is a report dealing with the question of irresponsible handling of public funds by public employees, and the American taxpayers have a right to know the facts.

Mr. President, since I prepared the foregoing statement I have discovered that yesterday the Department leaked a preliminary report of this scandal to the New York Times along with its slanted version of the activities of the employees—the inference being that the resignations were purely voluntary. I wish to make the record clear that these were not voluntary resignations. There were serious charges in the investigative reports concerning these individuals. Some action had better be taken on the charges, or, if necessary, we can outline some of them, along with the names of those persons who have been desperately trying to keep the matter under cover. This whitewash is not going to be accomplished by any leaking of slanted information. The administration is not going to avoid responsibility by transferring the matter to the Department of Justice, and thereby place a cloak of secrecy on the scandal until after the election.

Mr. WILLIAMS of Delaware subsequently said: Mr. President, yesterday I criticized the manner in which a contract under our AID program had been handled, with particular emphasis upon the failure of the Agency to cooperate with Congress in exposing those who were responsible.

In this connection, I ask unanimous consent that a letter dated February 7, 1968, signed by Mr. William S. Gaud, Administrator for the Agency for International Development, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT,
Washington, February 7, 1968.

Hon. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: Your letter of February 1 did not reach the Agency until late in the afternoon of February 5. I first saw it on the morning of the 6th.

When Mr. Haugerud and I saw you in your office on Friday morning January 26, it was our understanding that the files were still in A.I.D. It turns out that we were misinformed. They had been sent to the Department of Justice at 9:45 a.m. that morning—approximately 45 minutes before we arrived at your office.

Here is the story of what happened.

As I believe I told you, I left for Vietnam and Thailand early on the morning of Saturday, January 13. I did not get back to Washington until late in the afternoon of Thursday, January 25.

Mr. Rex Lee, the Assistant Administrator for Administration, has been in charge of this investigation since September. He tells me that on January 15, while I was away, he first directed the General Counsel's office to get the files together and send them to the Department of Justice. He tells me that he repeated these instructions on January 19. On January 25 he checked again with the General Counsel's office and found that they had not yet left A.I.D.

Upon my return to Washington late in the afternoon of January 25, I called Deputy Administrator Poats to chat about what had gone on in the office during my absence, and learned from him, among other things, that he had heard that day of Dr. Marcy's telephone call in your behalf to Mr. Haugerud. That call, Mr. Haugerud tells me, was made at about 5:30 p.m. on Wednesday, January 24.

I decided at once that I would try to see you the next morning. Shortly after the opening of business in the morning I asked Mr. Lee whether we still had the files or whether they had gone to the Department of Justice. Relying on what he had been told the day before, Mr. Lee told me we still had them.

Mr. Haugerud and I went up to see you at 10:30 and passed this information on to you in the belief that it was correct. However, it turns out that it was not. Unbeknown to Messrs. Lee, Haugerud and myself, the files had been delivered to the Department of Justice at 9:45 that morning.

I want to be clear about what we sent to the Department of Justice. It consisted of the reports of our investigation up to that date. The investigation is still underway, and may turn up additional material in the future.

I apologize for my mistake and hope this letter will clear up the matter to your satisfaction.

Sincerely yours,
WILLIAM S. GAUD.

Mr. WILLIAMS of Delaware. This letter confirms that the files relating to the alleged irregularities on the part of the employees and the contractor were not classified and sent to the Department of Justice until just 45 minutes before their scheduled conference in my office on January 26.

PRESIDENT PRESENTS MOST COMPREHENSIVE ANTICRIME PROGRAM IN HISTORY

Mr. MANSFIELD. Mr. President, President Johnson's anticrime message offers Congress the most comprehensive anticrime program ever presented to deal effectively with the rising crime rate.

Crime and its causes must be controlled. We know the high cost in human tragedy caused by crime; crime causes almost $4 billion in property loss; takes millions of dollars from productive pursuits and honest citizens; and presents an increasing threat to our Nation's security.

The President's response is to increase our national investment in the war against crime by 28 percent—through a series of imaginative programs. This is an investment—in proven programs and new proposals—which Americans want and need.

To protect us in our homes and stores and on our streets the President has developed a variety of programs—to better pay, equip, and train our law enforcement officers; to improve Federal coordination in criminal enforcement and correction; to prevent professional rioters from moving across State lines to incite civil disturbances; and to curb rampant auto thefts.

To eliminate the sinister effects of organized crime, the President has proposed a multipronged attack; to increase the effectiveness of the Federal strike force program; to strengthen laws on substantial gambling; and to help prosecute apprehended racketeers.

And to deal with the special problems of alcoholism and drug abuse, President Johnson has offered a strong program to assist alcoholic rehabilitation and end the traffic in LSD and narcotics.

These bold programs should help make our citizens secure in their homes and safe on their streets—while helping thousands of offenders achieve more productive lives.

The anticrime message is nothing less than a blueprint for a more livable America. President Johnson has lived up to his high responsibility. We in the Congress must face up to ours.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CLARK in the chair). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED BUREAU OF NARCOTICS AND DANGEROUS DRUGS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 249)

The PRESIDING OFFICER. The Chair lays before the Senate two messages from the President of the United States, one on Reorganization Plan No. 1, relative to the Bureau of Narcotics, dangerous drugs, and the other on crime.

There being no objection, and the Chair hears none, the messages will be printed in the RECORD without being read and appropriately referred.

The message from the President relating to the first Reorganization Plan of 1968 was referred to the Committee on Government Operations, as follows:

To the Congress of the United States:

In my first Reorganization Plan of 1968, I call for the creation of a new and powerful Bureau of Narcotics and Dangerous Drugs.

With this action, America will serve notice to the pusher and the peddler that their criminal acts must stop.

No matter how well organized they are, we will be better organized. No matter how well they have concealed their activities, we will root them out.

Today, Federal investigation and enforcement of our narcotics laws are fragmented. One major element—the Bureau of Narcotics—is in the Treasury Department and responsible for the control of marihuana and narcotics such as heroin. Another—the Bureau of Drug Abuse Control—is in the Department of Health, Education, and Welfare, and is responsible for the control of dangerous drugs including depressants, stimulants, and hallucinogens such as LSD.

Neither is located in the agency which is primarily concerned with Federal law enforcement—the Department of Justice.

This separation of responsibilities—despite the relentless and dedicated efforts of the agents of each Bureau—has complicated and hindered our response to a national menace.

For example, more than nine out of ten seizures of LSD made by the Bureau of Drug Abuse Control have also turned up marihuana—but that Bureau has no jurisdiction over marihuana.

In many instances, we are confronted by well organized, disciplined and resourceful criminals who reap huge profits at the expense of their unfortunate victims.

The response of the Federal Government must be unified. And it must be total.

Today, in my Message on Crime, I recommended strong new laws to control dangerous drugs. I also recommended an increase of more than thirty percent in the number of Federal agents enforcing the narcotic and dangerous drug laws.

I now propose that a single Bureau of Narcotics and Dangerous Drugs be established in the Department of Justice to administer those laws and to bring to the American people the most efficient and effective Federal enforcement machinery we can devise.

Under this Reorganization Plan the Attorney General will have full authority and responsibility for enforcing the Federal laws relating to narcotics and dangerous drugs. The new Bureau of Narcotics and Dangerous Drugs, to be headed by a Director appointed by the Attorney General, will:

—consolidate the authority and preserve the experience and manpower of the Bureau of Narcotics and the Bureau of Drug Abuse Control.
—work with states and local governments in their crackdown on illegal trade in drugs and narcotics, and help to train local agents and investigators.
—maintain worldwide operations, working closely with other nations, to suppress the trade in illicit narcotics and marihuana.
—conduct an extensive campaign of research and a nationwide public education program on drug abuse and its tragic effects.

The Plan I forward today moves in the direction recommended by two distinguished groups:

—the 1949 Hoover Commission.
—the 1963 Presidential Advisory Commission on Narcotic and Drug Abuse.

This Administration and this Congress have the will and the determination to stop the illicit traffic in drugs.

But we need more than the will and the determination. We need a modern and efficient instrument of Government to transform our plans into action. That is what this Reorganization Plan calls for.

The Plan has been prepared in accordance with chapter 9 of title 5 of the United States Code.

I have found, after investigation, that each reorganization included in the plan is necessary to accomplish one or more of the purposes set forth in section 901 (a) of title 5 of the United States Code.

I have also found that, by reason of these reorganizations, it is necessary to include in the accompanying plan provisions for the appointment and compensation of the five new positions as specified in section 3 of the plan. The rates of compensation fixed for these new positions are those which I have found to prevail in respect of comparable positions in the Executive Branch of the Government.

Should the reorganization I propose take effect, they will make possible more effective and efficient administration of Federal law enforcement functions. It is not practicable at this time, however, to itemize the reduction in expenditures which may result.

I recommend that the Congress allow this urgently needed and important Reorganization Plan to become effective.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 7, 1968.*

TO INSURE THE PUBLIC SAFETY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 250)

The message from the President relating to crime in the Nation was referred to the Committee on the Judiciary as follows:

To the Congress of the United States:

To meet the challenge of crime to our society, I propose the following program of action for our Nation:

For our Governors and Mayors:

1. The Governors of our States and the Mayors of our Cities should examine their local situations—to make certain that they have the necessary laws in effect, that they are committing sufficient resources to their entire systems of criminal justice, and that they have efficient, well-trained and fully supported police departments and law enforcement agencies.

For the Congress and the Executive Branch of the Federal Government:

2. Prompt passage of the Safe Streets and Crime Control Act which I proposed last year.

3. A major Federal assistance program to provide educational opportunities and more training for the Nation's law enforcement personnel.

4. Appropriation of $100 million for the Safe Streets Act in fiscal 1969, double the amount I proposed last year.

5. Passage of the Juvenile Delinquency Prevention Act.

6. Enactment of an Alcoholism Rehabilitation Act, to help provide more effective treatment—rather than simple detention—of alcoholics.

7. Coordination of the Federal anticrime effort under the Attorney General.

8. Establishment of a strong and unified United States Corrections Service within the Department of Justice.

9. In the fight against drug abuse,

- —Legislation to make the illegal manufacture, sale and distribution of LSD and other dangerous drugs a felony, and possession a misdemeanor.
- —A more than 30 percent increase in the number of agents enforcing our narcotics and dangerous drug laws.
- —That the National Commission on Reform of Federal Criminal Laws undertake immediately a full-scale review of these laws.
- —A step-up in our research, education, manpower, training and rehabilitation efforts.
- —Transfer to the Department of Justice the functions of the Bureau of Narcotics from the Treasury, and the Bureau of Drug Abuse Control from the Department of Health, Education, and Welfare.

10. A felony law aimed at those who cross state lines to incite and take part in riots.

11. In the fight against organized crime, top priority for the Justice Department's Strike Forces in cities beset by racketeering.

12. New laws to enhance the Federal attack on big-time gambling.

13. Immunity legislation to compel the giving of testimony concerning activities linked with organized crime.

14. Legislation to permit the Government to appeal a pretrial court order granting a motion to suppress evidence.

15. Passage of effective gun control legislation.

16. Funds for 100 additional Assistant U.S. Attorneys in offices throughout the country, 100 additional FBI agents, and an increase in the number of lawyers in the Criminal Division of the Justice Department.

17. A program to develop better law enforcement communications.

18. An intensified effort to develop more modern weapons and equipment for police.

19. A Bank Protection Act.

20. An Auto Theft Prevention Act.

21. That a model crime prevention program be required in each Model Cities plan.

22. A Right of Privacy Act.

THE COST OF THE FEDERAL EFFORT

Our total Federal anti-crime effort will require more than one-half billion dollars—some $557 million—in appropriations in the coming year. This is an increase of about 28% above this year's total of $435 million, and almost three times the amount appropriated in 1960.

THE COST OF CRIME

For decades our system of criminal justice has been neglected. As a result:

- —Local law enforcement is undermanned and underpaid.
- —Correctional systems are poorly equipped to rehabilitate prisoners.
- —Courts at all levels are clogged; procedures are often archaic.
- —Local juvenile offender systems—which must deal with increasing numbers of delinquents—are understaffed and largely ineffective.

For decades the conditions that nourish crime have been gathering force. As a result, every major city harbors an army of the alienated—people who acknowledge no stake in public order and no responsibility to others.

Thousands of Americans are killed or injured each year by criminal acts. Many thousands more are unable to use the streets of their cities without fear, or to feel secure in their homes or shops.

Far too many of our youth are saddled with a criminal record early in life, repeat their violations again and again, and find life-long difficulty in obtaining decent employment and social acceptance.

Property valued at almost $4 billion is lost through crime every year. Millions of dollars are taken from the productive economy by organized racketeers—money that should be in the pockets of the poor, or in the bank accounts of honest businessmen.

Drug abuse presents an insidious and growing threat to our nation's health, particularly the health of young people.

These conditions strike at all citizens, regardless of economic status. Neither affluence nor poverty affords protection against crime and violence.

OUR RESPONSE

In the year just ended, the Federal Government—and some cities and States—made a significant new beginning toward coping with the intolerable costs of crime.

In 1965 I appointed a Commission of the ablest lawyers, judges, and experts in law enforcement to study every aspect of crime in America. This Commission conducted the most comprehensive review and analysis of crime in our country that has ever been undertaken. We have made this report available to thousands of policemen, criminologists, and city and state officials to assist them in their work against crime. We are already beginning to see the healthy effects of the Commission's research and insights.

Today,

- —The Federal organized crime drive is at an all-time high.
- —The Department of Justice, through its Office of Law Enforcement Assistance, has helped fund hundreds of valuable projects, from police patrol helicopters to computerized criminal information networks.
- —Other Federal agencies are contributing their share to this effort—in such fields as alcoholism control, juvenile delinquency, urban law enforcement planning, narcotics and drug control, prisoner rehabilitation programs and police-community relations.
- —Half of our States have established State law enforcement planning commissions to help coordinate statewide efforts.
- —Federal, State, and local agencies are sharing knowledge, pooling their resources and experimenting with new techniques and organizations.
- —A Federal Judicial Center has been established to revitalize and modernize our Federal court system.

This year America must decisively capture the initiative in the battle against crime.

The major effort must be made by our cities and towns. State Governments must provide maximum support.

For our part, we must strengthen our Federal law enforcement effort to deal promptly, firmly and effectively with those who violate Federal criminal laws and we should assist states and cities in their local efforts.

I pledge my part.

I urge the Congress to do its part.

And most important, I urge the Governors and Mayors to do their part.

The Governors and the Mayors, as well as the Congress and the Executive Branch, must this year reaffirm for the American people the basic principle I stated last year: "Public order is the first business of government."

1. *The Responsibility for Local Law Enforcement.*

The Federal Government must never assume the role of the Nation's policeman. True the Federal Government has certain direct law enforcement responsibilities. But these are carefully limited to such matters as treason, espionage, counterfeiting, tax evasion, and certain interstate crimes.

Crime is essentially a local matter. Police operations—if they are to be effective and responsible—must likewise remain basically local. This is the fundamental premise of our constitutional structure and of our heritage of liberty.

The existing pattern of law enforcement makes it clear that local governments must play the primary role in any effective program to combat crime:

—Of the 40,000 law enforcement agencies in the Nation, more than 39,750 are local, while some 200 are State, and the remaining few are Federal.

—Of the 371,000 full-time law enforcement officers in the Nation, 308,000 are local, while only 40,000 are State and 23,000 are Federal.

Under our Constitutional system, the prevention and punishment of crime in the streets is committed to State and local governments. It is essentially the task of mayors and local police, supported by their governors.

Today, I call upon every Mayor and every Governor of our Nation to:

—Examine the local ordinances and state criminal laws to see that they are fair, firm, effective and adapted to the criminal justice problems of the Twentieth Century.

—Review the adequacy of their correctional efforts: not just jails, but detention centers, half-way houses, social services, juvenile delinquency efforts, and well-trained probation and parole officers.

—Examine their judicial systems to make certain there is an adequate number of judges and prosecuting attorneys and that arraignments and trials are promptly held.

—Fully support their local police not only in public statements, but with the funds necessary for adequate salaries, first-rate training and the most modern equipment.

Two years ago—on March 9, 1966—I asked "The Attorney General to work with the Governors of the fifty States to establish statewide committees on law enforcement and criminal justice." Since then 25 States have taken advantage of Federal grants to help establish such statewide commissions: California, Connecticut, Delaware, Florida, Georgia, Illinois, Iowa, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, New York, North Dakota, Ohio, Pennsylvania, Rhode Island, Utah, Washington, West Virginia, Wisconsin.

I urge the remaining States to act this year. And I urge the Mayors of our cities to establish their own local crime commissions.

2. *The Safe Streets and Crime Control Act.*

While we reject Federal domination of law enforcement, we recognize that the Federal Government has an inescapable responsibility to help strengthen local law enforcement efforts.

Today, I renew my urgent request to the Congress for immediate passage of the Safe Streets and Crime Control Act which I proposed last year.

This Act is the cornerstone of the Federal anti-crime effort to assist local law enforcement.

It builds upon the fundamental tenets of the Crime Commission's report:

—That crime prevention is a major national priority.

—That better paid, better trained, better equipped police are urgently needed in almost every community.

—That correctional and other law enforcement agencies must have better information on the causes and control of crime.

—That we need substantially more—and more efficiently used—resources and personnel to provide faster action at all levels.

—That the entire system of criminal justice, at every level of government, must be modernized.

The bill I sent to Congress last year emphasizes flexibility and local responsibility. It provides:

—100% grants for research and demonstration projects.

—90% planning grants to State and local governments.

—60% action grants to implement new programs.

—50% construction grants for new facilities.

3. *Federal Assistance for education and training of law enforcement officials.*

Law enforcement means more than putting on a uniform. It means learning about the Constitution, about our laws, about weaponry, about people. It means keeping up to date as our knowledge grows and our techniques and equipment improve. Many local law enforcement agencies cannot now supply the advanced training our men need.

Because this training and education are so essential, I propose that the Safe Streets Bill as originally recommended be amended to:

—Authorize the Federal Bureau of Investigation to expand its training programs for State and local law enforcement personnel, both in the field and at the FBI National Academy at Quantico.

—Provide more substantial financial assistance to State and local law enforcement agencies to develop their own training programs.

—Establish a specific program of fellowships, student loans and tuition aid for State and local law enforcement officers.

—Create a National Institute of Law Enforcement and Criminal Justice to develop a major Federal research program for the application of the most advanced science and technology to law enforcement.

4. *As a measure of this program's urgency, I call on the Congress to appropriate $100 million for the Safe Streets Act in fiscal 1969—double the amount I proposed last year.*

5. *Youth and Delinquency.*

The great majority of our young people—members of the healthiest, the most intelligent and forthright generation this country has ever known—are devoting their energies and idealism to affirmative and useful endeavors. Millions are personally involved in bringing justice, strength and prosperity to America and to the world. In the Armed Forces, in the Peace Corps, in high schools and universities, in the poverty program and in other productive jobs, the youth of America are making a constructive record that is unequaled by any generation of Americans.

But for thousands of others, the years of youth are spoiled by crime:

—Youngsters under 18 accounted for one-fifth of all non traffic arrests in 1965.

—Those under 24 accounted for half of all those arrested for major crimes of violence—homicide, rape, robbery and assault.

—Three out of four of those arrested for larceny, burglary, and auto theft were under 24.

This problem will not disappear by itself. It will not disappear simply as a consequence of the passage of criminal laws.

No child is born a criminal.

But, we know that children born into certain environments all too often view the policeman—and the civil order he protects—as an enemy, rather than as a protector. Many parents fail to impart to their children that respect for lawful and just authority on which a decent society depends. Thousands of these early, individual failures later become parts of a national tragedy.

In the past few years, we have devoted immense resources to education, job training, urban planning and rehabilitation and civil rights.

But these efforts are not enough. We need a more direct and immediate effort to deal with juvenile delinquency at the local level.

I urge the Congress to pass the Juvenile Delinquency Prevention Act that I proposed last year. This Act would:

—Authorize $25 million in assistance to State and local agencies in the first year to develop new plans, programs, and special facilities to deal with youthful offenders.

—Encourage the development of new community correctional programs which avoid the stigma and isolation that often follow prison experience.

—Help local authorities deal with delinquents effectively in terms of their individual needs, and avoid, whenever possible, separating young offenders from their families and from the society they will rejoin.

—Develop a greater range of alternatives to jail—for example, half-way houses, youth rehabilitation centers and family-type group homes.

Young Americans are our Nation's most valuable and valued resource. No loss is greater than when a youth—with the world before him—is cast into adulthood as a marked criminal. The health of our Nation requires a determined effort to master the problem of delinquency. But we must never forget that there is—as there should be—a limit to the extent to which public efforts can properly affect private lives. Neither the Executive nor the Congress—nor the policeman nor the youth worker—can substitute for parents. In their hands lie the ultimate responsibility.

6. *Alcoholism.*

Alcoholism is tragically high on the list of our Nation's health problems.

Five million Americans are alcoholics. They bring incalculable grief to millions of families. They cost their families, their employers and society billions of dollars.

While alcoholism is essentially a medical problem, it is also a problem of law enforcement. The local policeman—not the doctor—is usually the first point of contact between society and the public drunk, the intoxicated driver or the down-and-out derelict.

Alcoholics and heavy drinkers overburden our law enforcement and judicial systems:

—There are currently about two million arrests each year for drunkenness—nearly one-third of all arrests.

—Excessive drinking plays a part in nearly half of all fatal traffic accidents.

—Local police and courts spend a disproportionate amount of time and effort on what is essentially a medical problem—time that should better be spent dealing with serious offenses.

—A large percentage of all inmates in short-term correctional institutions are there solely because of public intoxication and related minor offenses.

Yet these crowded institutions generally provide no services or programs to treat them. In virtually all our communities, alcoholics receive less adequate care than other sick people.

The Department of Health, Education, and Welfare is now engaged in a major program dealing with the causes and treatment of alcoholism. I recommend that the Congress strengthen this program with appropriations next year of $13.4 million in fiscal 1969.

To deal with the alcoholic whose behavior brings him into contact with the law, I propose the Alcoholic Rehabilitation Act of 1968. This Act would provide Federal leadership and assistance to States and localities in developing non-jail alternatives for the handling of alcoholics.

THE FEDERAL EFFORT

The Federal Government must have the tools it needs to become a more effective instrument in the war on crime: stronger laws, more personnel, and more resources.

7. *Coordination.*

The first step in an accelerated Federal anti-crime drive is better coordination. Our efforts must not be dissipated. Responsibility must not be fragmented.

At the present time, a large number of Federal agencies play a significant role both in front-line enforcement, and in programs to aid State and local agencies. The resources and experience of many different departments and agencies are needed in this effort. But, there must be a control room for Federal action.

Today I am acting in several ways to provide this coordination, and to mobilize the agencies of Government that participate in the work of fighting crime.

I signed this morning an Executive Order designating the Attorney General to:

—*Coordinate the criminal law enforcement activities of all Federal Departments and agencies,*

—*Coordinate all Federal programs that assist State and local law enforcement and crime prevention activities.*

The Attorney General will establish a special office in the Justice Department to carry out this critical work.

State and local law enforcement agencies will now have a single office in Washington to contact for information concerning all Federal programs which may affect them. These include projects as varied as:

—The Labor Department's training programs for sub-professionals in police and court work.

—Juvenile delinquency and alcoholism prevention efforts of the Department of Health, Education, and Welfare.

—The Department of Housing and Urban Development's planning and other assistance programs that affect law enforcement.

—The police-community relations programs in the Office of Economic Opportunity.

The Attorney General will not operate these programs. He will coordinate them and issue guidelines to ensure that they make the maximum impact in meeting the Nation's public safety needs.

8. *Strengthened and Unified Corrections.*

The apprehension and conviction of a criminal is doomed to ultimate futility if we do not deal effectively with him while he is in the hands of the law.

Our correctional system serves two primary functions. It protects the public through the detention or close supervision of convicted offenders. It also seeks to return them to a productive life through education, training, and other programs.

The number of released offenders who subsequently revert to a life of crime is disturbingly large. The Crime Commission estimated that about one-third of released criminals return to prison within five years.

The task of supervising hardened criminals, and of repairing and strengthening lives is difficult, and often unappreciated. This work requires highly trained personnel and carefully-supervised programs of parole and probation.

Today the Nation's correctional system is undermanned and underequipped. We must make it a strong arm in our total effort to protect the public from crime.

To achieve substantial improvements in this long-neglected area, I ask the Congress to increase the program funds available to the Bureau of Prisons by $3 million.

The Federal Government has developed a system of institutions and services—penitentiaries, reformatories, youth centers, parole and probation—to protect society and to lead violators to more worthwhile lives.

Yet our correctional system is fragmented. The courts supervise parole and probation, while the Executive Branch administers the prisons.

This division of responsibility impedes our efforts to build a strong and effective correctional system. We need a single, unified organization to coordinate the prison personnel who are responsible for the treatment of prisoners and the community personnel who supervise their parole.

I again ask the Congress to unify this system by establishing a United States Corrections Service within the Department of Justice.

9. *Narcotics and Drugs.*

In no area of law enforcement is there a greater need for a concentrated drive than in dealing with the growing problem of narcotics and dangerous drugs.

These powders and pills threaten our Nation's health, vitality, and self-respect.

Heroin addiction is largely an urban problem, focused in slum areas. But hallucinogens, such as marihuana and LSD (Lysergic Acid Diethylamide) have spread to suburban and rural regions, and are taken by far too many American youths. The improper use of dangerous drugs—barbiturates, pep pills, speed, other amphetamines—cuts across all segments of the population.

The present Federal laws dealing with these substances are a crazy quilt of inconsistent approaches and widely disparate criminal sanctions. Responsibility for their administration is found in no single Department of the Federal Government.

The Department of the Treasury, through the Bureau of Narcotics, is responsible for narcotics and marihuana enforcement—because historically jurisdiction in that area was based on the taxing power of the Federal Government. This Bureau has only about 300 agents for the United States and all its foreign operations.

The Department of Health, Education, and Welfare enforces the dangerous drug laws through its Bureau of Drug Abuse Control, which has only about 300 agents.

Penalties for improper use of these substances are inconsistent—and in the dangerous drug field, too weak.

The illegal sale of LSD, a powerful hallucinogen, is only a misdemeanor punishable by a maximum prison term of one year for the first offense. There is no penalty at present for possession of LSD for personal use.

Possession of marihuana, another hallucinogen, is punishable by a minimum term of two years and a maximum of ten for the first offense. Illegal sale is punishable by a minimum of five years.

These inconsistencies have seriously hampered law enforcement—for drug and narcotics peddlers do not observe bureaucratic niceties. More than 90% of seizures of LSD made by the Bureau of Drug Abuse Control have also turned up marihuana—but that Bureau is not authorized to make arrests for illegal trafficking in marihuana.

We can no longer deal with this major problem in a haphazard way. We must mobilize now to halt the growing trade in harmful narcotics and drugs.

I propose that the Congress immediately:

- *—Enact legislation to make the illegal manufacture, sale or distribution of LSD and other dangerous drugs a felony and the illegal possession of these drugs a misdemeanor.*
- *—Provide funds to increase the number of Federal narcotics and dangerous drug agents by more than one-third.*

In addition, I am requesting:

- —The National Commission on Reform of the Federal Criminal Laws—an expert and distinguished Commission established by Congress last year—to give its immediate attention to a review of all our narcotics and drug abuse laws, and to recommend a balanced and consistent approach to this problem as soon as possible.
- —The Secretary of Health, Education, and Welfare to increase the activities of his Department in the area of rehabilitation of drug addicts, and in alerting young people to the threat addiction poses to their lives.

Finally, and most important, I am today transmitting to the Congress a reorganization plan to transfer the functions of the Bureau of Narcotics and the Bureau of Drug Abuse Control to the Department of Justice.

There, in a new Bureau of Narcotics and Dangerous Drugs, these functions can work together with greater effectiveness and efficiency. This step implements the recommendation of the Hoover Commission of 1949, and of the 1963 Presidential Advisory Commission on Narcotics and Drug Abuse.

The new Bureau of Narcotics and Dangerous Drugs would be in a strong position to:

- —Use the experienced manpower of the two existing Bureaus more efficiently by avoiding duplicating and overlapping investigations,
- —Economize by consolidating regional offices,
- —Provide a single channel of communications with State, local and foreign narcotic control authorities, and
- —Improve liaison with the Organized Crime Section of the Department of Justice, and thus strike at an important aspect of organized crime—the illegal drug trade.

10. *Riot Control.*

Last summer many of our cities were shaken by disorders that cost scores of lives and millions of dollars in damage.

All Americans have thought about and discussed the causes of this national tragedy. We know the answers are complex. For this reason, I appointed, last August, a National Advisory Commission on Civil Disorders, and charged its members with three questions:

"What happened?"

"Why did it happen?"

"What can be done to prevent its happening again and again?"

We await their report and recommendations.

But there is no need to wait before protecting society against those who would tear it apart for whatever purpose.

I propose the Federal Anti-Riot Act of 1968.

This new law will make it a felony, punishable by up to 5 years in prison, for any person to incite or organize a riot after having traveled in interstate commerce with the intention to do so.

This is a narrow and carefully drawn bill. It does not impede free speech or peaceful assembly.

It is not a solution to our urban problems. But it does give the Federal Government the power to act against those who might move around the country, inciting and joining in the terror of riots.

This bill does not involve the Federal Government in dealing with disturbances that are locally incited and properly a matter for State and local authorities.

I urge those authorities—the Governors and Mayors of this Nation—to review carefully their State and local anti-riot laws to make certain they provide effective protection for their citizens.

This new law should be coupled with the Federal Firearms Bill. Both seek a common end—to reduce crime and disorder in our cities by restricting the interstate movement of two causes of death and destruction—the criminal agitator and the gun.

11. *Organized Crime.*

Organized crime is big business in America.

Its sinister effect pervades too many corners of America today—through gambling, loan sharking, corruption, extortion, and large movements of narcotics.

The Crime Commission reported:

> Organized crime is a society that seeks to operate outside the control of the American people and their governments. It involves thousands of criminals, working within structures as complex as those of any large corporation, subject to laws more rigidly enforced than those of legitimate governments. Its actions are not impulsive, but rather the result of intricate conspiracies, carried on over many years and aimed at gaining control over whole fields of activity in order to amass huge profits.

These conspiracies have taken over legitimate businesses. They have attempted to invade the councils of our cities.

It is clear that sporadic, isolated, uncoordinated attacks on this disciplined army of the underworld cannot obtain lasting results. Organized crime can be defeated only by organized law enforcement.

Under the direction of the Organized Crime and Racketeering Section of the Department of Justice, a "Strike Force" program has recently been initiated. Experienced investigators and attorneys from several Federal departments and agencies work together in a campaign concentrated on a single, organized criminal syndicate in a particular geographic area.

Strike Force Number One, centered in a large northern city, used skilled investigators from the Bureau of Narcotics, the Customs Bureau, the Secret Service, the Department of Labor, and Internal Revenue Service and the Federal Bureau of Investigation. This Strike Force, in cooperation with Canadian and local officials, was responsible last year for Federal indictments of 25 underworld figures.

Additional strike forces are now being formed. Within the next few months they will be moved, without public notice, into several parts of the Nation where organized crime now flourishes.

I have directed the Attorney General and this Government's law enforcement agencies to give this program the highest priority. Funds are included in my budget to support these additional Strike Forces.

STRONGER CRIMINAL LAWS

12. *Gambling Laws.*

Gambling provides the major source of revenue for organized crime. It is vital that the Government have statutory means to play a leading role in striking at illegal gambling activities.

The Federal wagering tax produces needed revenue for the Federal Government from a source that is highly appropriate as long as illegal gambling flourishes. It is important that this tax, imposed by the Congress, be collected efficiently, and without infringing the constitutional rights of taxpayers.

I recommend that our gambling laws be strengthened this year.

First, we should broaden the law to make it a Federal crime to engage in gambling as a substantial business affecting interstate commerce.

Second, the Federal Wagering statute should be modified to preserve this valuable taxing authority in a form that does not raise constitutional problems.

These legislative proposals will be sent to the Congress shortly. *I urge their prompt consideration.*

13. *Immunity Legislation.*

Last year I requested immunity legislation to compel the giving of testimony concerning activities having strong links with organized crime. This kind of authority has proven its value in the past, but its current scope is limited. *I renew my proposal that immunity legislation be extended to the Racketeering Travel Act, to the Obstruction of Justice statute, to the criminal bankruptcy law, and to matters involving bribery, graft, and conflict of interest.*

14. *Effective Prosecution.*

Today, the prosecution in a Federal criminal case cannot appeal when a District Court grants a pre-trial motion to suppress evidence. In many cases, the suppression of that evidence may effectively terminate the prosecution.

The House of Representatives has enacted legislation authorizing the Government to appeal such orders when they believe an appeal is justified.

I ask the Senate to pass this legislation promptly.

15. *Gun Control.*

We cannot control crime without controlling the random and wanton distribution of guns.

There is little need to restate the arguments for taking this action. We must stop what amounts to mail order murder.

Newspapers and radios proclaim each day the tragic toll of death and injury caused by firearms. An estimated 750,000 Americans have died by this means since 1900—far more than have died at the hands of all our enemies in all the wars we have fought.

Once again I urge the Congress to enact the bill I proposed last year to:

—*Prohibit interstate mail order sales and shipments of firearms, except between Federal licensees.*
—*Prohibit over-the-counter sales of handguns to out-of-state purchasers.*
—*Regulate the sale of firearms to minors.*
—*Further regulate the importation of firearms into this country.*

As I said one year ago:

"This legislation will not curtail ownership of firearms used either for sport or self-protection. But it will place a valuable restraint on random trade in handguns—the use of which has more and more characterized burglaries and other crimes."

We know the facts. Failure to act upon them is irresponsible.

NEW STRENGTH FOR LAW ENFORCEMENT

16. *Additional Federal Anti-Crime Officials.*

Since 1960, the pending criminal caseload in the Federal system has increased by 90%. The total number of grand jury proceedings has grown by 31%. The total number of appeals has grown by 133%. During this period the number of District Court judges increased by 40%.

But the total number of Assistant United States Attorneys—the men throughout the country who bring the people's cases to court—increased by only 16%.

I am requesting the Congress to provide funds to enable us to add 100 additional Assistant U.S. Attorneys in offices around the country.

I am also requesting funds for more than 100 additional agents for the Federal Bureau of Investigation, and for a substantial increase in the number of lawyers for the Criminal Division of the Justice Department.

EFFECTIVE CRIME CONTROL IN AN AGE OF TECHNOLOGY

At its heart, the law enforcement problem has always been—and will remain—a human problem. Wretched living conditions produced high crime rates a century ago in immigrant neighborhoods. Today, slum conditions are producing equally serious crime problems among the new immigrants to our cities.

We have dedicated ourselves to change those conditions—and we shall.

But our responsibilities require us to find more immediate solutions to the rising crime rate, that will help us maintain order while we build better foundations for urban life.

17. *Improved law enforcement communications.*

The Crime Commission Report showed that the ability of the police to make an arrest often depends upon the time within which affected citizens contact them, the speed with which radio messages can be transmitted, and the response time of neighborhood police.

In spite of our advanced technological knowledge and capacities, it often takes many minutes for help to reach a citizen. Further, communications facilities for essential emergency services in many metropolitan areas are over-crowded and out of date.

To implement a four-point program to improve law enforcement communications:

—I am instructing the Attorney General to cooperate with the Federal Communications Commission, local law enforcement authorities, and the telephone companies to develop methods to make the ordinary telephone more effective for summoning police aid in times of emergency. Such a step, recommended by the Crime Commission, was recently endorsed by the largest telephone company in the Nation.
—I have requested the Federal Communications Commission to give the highest priority in the allocation of new radio channels to police and other emergency services in our largest cities.
—I am asking the Presidential Task Force on Communications Policy, established last August, to undertake a study to determine the total public safety radio-communications requirements and present capabilities in selected metropolitan areas.
—I am directing the Attorney General and the Secretary of Defense to develop a prototype, low-cost, lightweight personnel radio, which can be used by patrolmen throughout the Nation.

18. *Modern Weapons and Equipment.*

Revolvers and nightsticks are clearly inadequate for the many different crises faced by the police. New weapons and chemicals—effective but causing no permanent injury—have been and are being developed.

But too little is now known about their potential to preserve order while protecting lives. Too little is known about their limitations.

I am instructing the Director of the Office of Science and Technology, working with the Attorney General and law enforcement officials, to study these new weapons and chemicals and other new techniques in crime control. The results of this study will be made available to enforcement agencies throughout the country.

19. *Bank Protection.*

We must bring modern crime detection and protective equipment into our banks.

Robberies of financial institutions have increased continuously in the past decade.

In 1955 there were 526 robberies committed against financial institutions protected by Federal law. In 1966 there were 1,871 such offenses—an increase of about 250%.

Silent alarms and camera systems now exist that can both deter these crimes and aid in investigation and prosecution. Yet many financial institutions have not yet installed them.

I urge the Congress to enact a Bank Protection Act of 1968, to direct those Federal agencies with responsibilities for banks and savings and loan institutions to issue regulations requiring the installation, maintenance, and operation of appropriate protective systems.

20. *Auto Theft Prevention.*

We must reduce the great number of automobiles that are stolen each year.

Auto theft is the third most frequent, and the second most costly crime in America.

It is a crime that involves the young. Over 60% of all auto thefts are committed by persons under the age of 18. This is often the first step in a life of crime—a first step that might be easily prevented.

A principal device in auto theft is the so-called "master key," which can be used to start a car's ignition. These keys are advertised. They can be ordered by mail.

I propose the Auto Theft Prevention Act of 1968, to prohibit the advertisement, mailing and shipment in interstate commerce of motor vehicle master keys and information and devices from which such keys can be made.

This Act, together with auto safety regulations proposed by the Secretary of Transportation—which would require anti-theft devices to be included in automobiles manufactured after December 31, 1969—should help counter the rising rate of auto thefts. Some of our automobile manufacturers have already announced plans to include such devices in future models.

21. *Model Precincts.*

We must take advantage of our Model Cities program—the most comprehensive urban development program this country has ever undertaken—to promote the goal of effective law enforcement.

The Model Cities program gives us an opportunity to plan ahead for law enforcement in a new environment. Many cities have begun to do so.

I am directing the Secretary of Housing and Urban Development, in cooperation with the Attorney General, to require each of the 63 cities now included within the Model Cities program, as well as any new grantees, to include within its total program a well-designed system for crime prevention and control. These could include such items as:

—Establishment of model precincts.
—Improvement of police-community relations.
—Creation of effective recruitment and training centers.
—New programs for youthful offenders.

The Model Cities program gives us an opportunity to create safe streets in safe neighborhoods through more effective crime prevention and law enforcement systems. We must seize that opportunity.

.22. *Right to Privacy.*

We must protect the American people against a new threat to one of our oldest and most precious rights—the right of personal privacy.

The principle that a man's home is his castle is under new attack. For centuries the law of trespass protected a man's lands and his home. But in this age of advanced technology, thick walls and locked doors cannot guard our privacy or safeguard our personal freedom. Today we need a strong law—suited to modern conditions—to protect us from those who would trespass upon our conversations.

Last year I recommended to the Congress the Right of Privacy Act. *I urge the Congress to enact this legislation this year.*

CRIME CONTROL—A TASK FOR ALL AMERICANS

This 22-point program will, if adopted and put fully into practice, make the conditions of life for most law-abiding citizens safer, and thus freer and happier.

But in implementing it we must remain aware of its limitations, as well as its goals:

It is not a substitute for action by local law enforcement officials. The job of law enforcement—the basic responsibility—is for the local police, the local mayor, the city council, in short the people of our towns and cities.

It is not an answer to the frustrations of many young people. But it will help to steer thousands of young offenders to more productive lives.

It is not a solution to the illnesses of alcoholism and drug addiction. But it will enable us to deal with them more effectively.

It is not an answer to the blight of our cities and suburbs. But it will help to make our metropolitan areas more livable.

It does not establish a national police force, but it will help enable the Federal Government to do its part well.

The Nation needs vigorous and substantial programs to meet the challenge of crime on all levels of Government—but most importantly at the local level where it affects us all most immediately and most directly.

There are some who view the crime problem in racial terms. The facts belie this. Crime affects all Americans. It is not a problem of rich against poor or white against Negro, because the hard facts show that crime victimizes most severely and most directly those in poverty and those in minority groups.

No people need or want effective and fair law enforcement more than those who live in our crowded inner cities.

For all Americans we must improve and strengthen our law enforcement system.

Speeches and strong words and good intentions will not solve our Nation's crime problem.

This message will not solve our Nation's crime problem.

Only action will be effective to control crime in the cities and states of our country: action at the local level, action at the state level and action by the Congress of the United States.

Today I pledge the resources of the Federal Government to support the governors and mayors of our Nation in an all-out war against crime.

I urge the Congress to join with me by passing the legislation I have recommended in this message.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 7, 1968.*

ADMINISTRATION CIVIL RIGHTS BILL SHOULD BE ENACTED INTO LAW

Mr. YOUNG of Ohio. Mr. President, the pending civil rights bill is concerned with the rights and privileges of all citizens which have already been granted to all Americans through previous legislation. Indeed, they were pledged to all citizens when the first 10 amendments to the Constitution of the United States were ratified.

In the historic civil rights bills enacted since 1965, we approved laws dealing with racial discrimination in voting, public accommodations, employment, public facilities and education. Unfortunately, local law enforcement officers in some parts of the Nation are unable or unwilling to enforce laws guaranteeing equal rights to all citizens. These laws are meaningless if they are not sustained by full forceful protection from those who would defeat their purpose and effect by means of violence or intimidation.

We have recognized and established these civil rights. Now, we must take the additional necessary step of pledging the Nation's law enforcement machinery to their protection and enforcement. In order to make meaningful the various civil rights laws on the statute books, federal legislation is now appropriate and necessary.

Under the proposed legislation, H.R. 2516, it would be a crime to interfere with a person exercising his right to vote, his right to attend school, eat in a restaurant, serve on a jury, ride a common carrier, use public facilities—in short, enjoying his rights as an American citizen. It would give real protection against both private and governmental wrongdoing to those lawfully enjoying their constitutional and statutory rights.

Mr. President, the great majority of Americans have either welcomed, or peacefully accepted, the fact that Negroes are entitled to full enjoyment of equal rights. Unfortunately, a small minority of hoodlums and bigots have resorted to violence to bar them from exercising their lawful rights. Brutal crimes have been committed not only against Negroes attempting to exercise their liberties but also against white men and women and Negroes who have tried to help their fellow citizens exercise their rights. Too often acts of racial terrorism have gone unpunished. The proposed bill will further enable the Federal Government to protect civil rights workers and members of minority groups. The tragic record of unpunished crimes in some States make passage of this bill imperative. Violence cannot be tolerated either in suppression of rights or in campaigns for their recognition.

This Congress should expand civil rights and protect civil liberties. We should support the Supreme Court of the United States and its decisions as the law of the land. Daily we hear and read arguments for and against segregation, and suggestions to compromise troublesome questions of civil rights. There just cannot be any compromise on civil rights. Either you are for the Supreme Court decisions and will obey the decisions as promulgated or you are resisting law and order. Racial problems are, in reality, moral problems and not political issues. Let us remember at all times, we are the Nation which chiseled on our Statue of Liberty:

> Give me your tired, your poor, your huddled masses yearning to breathe free. The wretched refuse of your teeming shore. Send these, the homeless, tempest-tost to me; I lift my lamp beside the golden door.

In fact, early in 1959 I made this precise statement in support of complete civil liberties and civil rights for all Americans without regard to race or color.

I am indeed proud to reaffirm my complete dedication to the principle of full civil rights and civil liberties for all citizens by voting for the civil rights bill now before the Senate and announcing my intention to vote against all proposed amendments whose purpose is to weaken or nullify its high purpose.

In this bill we hope to complete the job so that there will be no doubt and no question as to the ability and the intent of the Federal Government to protect the rights of all citizens regardless of their race. If we wish to give any real meaning to civil rights legislation already passed, the enactment of this bill is essential.

To temporize is to encourage defiance of the law and contempt for the law. We are a nation committed to justice and to Democratic principles; a government of law and not of men. We cannot continue to deny to millions of our citizens what we offer to the world.

Let me pass this bill as a step toward providing democracy in the fullest sense to all the people of this Nation.

U.S. POLICY AND INVOLVEMENT IN VIETNAM

Mr. COOPER. Mr. President, James Reston, in the February 7 New York Times, has written an article which raises important questions about the nature of the U.S. policy and involvement in Vietnam. He asks:

> Here is the dilemma of our military strategy of victory. How do we win by military force without destroying what we are trying to save?

He says:

> Somewhere there must be a line beyond which the killing and suffering, not only on our side but on the side of the Vietnamese, overreach any attainable end.

Is it not time for us to ask whether we are crossing that line, when South Vietnam's major cities, such as Hue and parts of Saigon, are systematically reduced to rubble and dust? Has not the time come for the United States to take the strongest initiatives necessary to achieve a workable peace?

I ask unanimous consent to have the

article written by Mr. Reston printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FLIES THAT CAPTURED THE FLYPAPER

(By James Reston)

WASHINGTON, February 6.—"Attack and counterattack widened across South Vietnam today," The Associated Press reported. "Large sections of Saigon and Hué lay in smoldering ruins, and columns of smoke rose as South Vietnamese divebombers, U.S. helicopter gunships, artillery and tanks blasted away at Communist troops in scattered sections."

This in a teeming city of three million people. "Tens of thousands of terrified civilians streamed from shacks and huts in Saigon with what meager belongings they could carry. Already nearly 200,000 refugees are reported, 58,000 in Saigon and its suburbs, and the total is expected to double or triple when all reports are in. . . ."

THE DILEMMA

Here is the dilemma of our military strategy of victory. How do we win by military force without destroying what we are trying to save? The battle is so fierce and the situation so solemn that the impulse to rally round is very strong, but the mind boggles at the paradox of tearing apart what we have undertaken to defend.

This, of course, has been the moral and strategic problem from the beginning: How to save South Vietnam without wrecking it. The Vietcong have made clear from the start that they would risk anything, destroy anything, and kill anybody, even if they inherited nothing but the wreckage. But what of us?

THE BITTER PROPAGANDA

It is not our country. Somewhere there must be a line beyond which the killing and suffering, not only on our side but on the side of the Vietnamese, overreach any attainable end, but there is still no evidence here that the Johnson Administration sees the futile brutality of these recent days in this light.

In the bitter propaganda of the war, the official line here is that everything happens for the best. The communiques sound more and more like a TV singing commercial: "We're wining, we're winning," they cry, just like the Sunoco Sunny Dollars jingle.

Death has now become the official measure of our success. General Westmoreland sends a message of congratulations to his troops. They have killed more of the enemy in the last week, he says (21,330), than the United States has lost in the entire war (16,000). He warns of a "second wave" of enemy attacks on the cities, but our victory "may measurably shorten the war." The White House press secretary balks at drawing the same conclusion on his own. His name is Christian.

It would be reassuring to feel at this solemn moment that all this human carnage is really bringing us to an end worthy of the means employed, or even that we are getting an honest official appraisal of our predicament, but this city is seething with doubt and even the Administration itself is wracked by suppressed dissent.

Is the President worried about how his State of the Union message will be received? His staff obliges by organizing official cheer leaders in the House of Representatives. Is he concerned about the reaction to recent events in Vietnam and Korea? Secretaries Rusk and McNamara go on "Meet the Press" to calm things down, but not before the Administration approves of the questioners.

Is the President apprehensive about the coming battle at Khesanh? Never mind, he has requested and received a written assurance from the Chairman of the Joint Chiefs of Staff that the Marines and the Army will hold. "I don't want any damned Dienbienphus," he says.

THE CENTRAL QUESTION

War is a corrupting business—always has been—and this one is no exception. But it is important to decontaminate the propaganda. No doubt the allied victories are true. No doubt the enemy casualties are very heavy. No doubt the civilian casualties are alarmingly high, though they are not mentioned. But the destruction goes on. We are the flies that captured the flypaper. We are stuck with our concept of a military victory, and the main question goes unanswered: What is the end that justifies this slaughter? How will we save Vietnam if we destroy it in the battle?

Mr. **BYRD** of West Virginia. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. **BYRD** of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

INTERFERENCE WITH CIVIL RIGHTS

AMENDMENT NO. 524

Mr. **MONDALE**. Mr. President, yesterday Senator BROOKE and I offered, with several cosponsors, amendment No. 524, the Fair Housing Act of 1968. That amendment is identical to S. 1358, with one exception. Since there appears to be some possible misunderstanding of the meaning and scope of that one exception, I would like to make clear what is intended and what the language says. I refer to this exception as the so-called Mrs. Murphy provision, section 4(f) of the amendment, and perhaps that designation may be misleading in view of the circumstances surrounding this provision in the House of Representatives in 1966.

Let me say at the outset that amendment No. 524 does not, nor is it intended to exempt from coverage the sale or rental of single-family dwellings. It is intended to and does exempt the rental or leasing of a portion of a single-family dwelling, which means in practical terms the letting of a room or rooms in a person's home. The amendment cannot be construed to exempt all sales or rentals of single-family homes.

It does two things, and two things only:

First. With respect to single-family dwellings, owner occupied, it exempts the rental or lease of a room or rooms within that dwelling.

Second. With respect to two-, three-, or four-family dwellings, where the owner occupies one of the units or quarters, it exempts the sale, rental, or lease of the other units.

This amendment does not permit realtors, real estate agents, or brokers to discriminate on behalf of owner-occupants falling under this exception.

The sole intent of this section is to exempt those who, by the direct personal nature of their activities, have a close personal relationship with their tenants.

I want it clearly understood as well that I do not agree with the need for granting this exemption. But many people both in the Congress and outside the Congress, argue very strongly for this sort of exemption. Some argue on the merits and most, I would say, argue on the basis of a belief that it is politically necessary. Where the loss in coverage represents a very small fraction of the total housing supply—now and in the future—then I think we can give one slice of the loaf in order to save the remainder of the loaf.

Once again, section 4(f) of this amendment does not exempt the sale or rental of an entire single-family dwelling, whether by the owner or an agent. It does exempt the rental or lease of a room or rooms within a single-family dwelling.

With reference to the number of houses and dwellings involved and intended to be exempted under the terms of section 4(f) of the pending amendment. It was estimated in 1966 that this language would exclude some 1,520,000 two-family units and 509,000 three- and four-family units, or a total of about 2,029,000 units out of an estimated 60 million total housing supply. That estimate was made in 1966. It has not been updated. However, our best information is that the percentage of total housing falling within this category would remain at the same percentage, or an estimated 3 percent.

Mr. President, I know of no other conceivable construction that could be made of section 4(f) as it appears in the pending amendment.

I have made my statement at this time to clarify any doubt as to the intention of the sponsors.

THE SPRING CAMPAIGN OF MARTIN LUTHER KING

Mr. **BYRD** of West Virginia. Mr. President, I call attention to the lead editorial in today's Washington Post. The editorial is entitled "The Spring Campaign."

I read certain excerpts therefrom:

> The tactics of the Rev. Dr. Martin Luther King's spring campaign against the Government are under discussion here this week and the ideas being considered pose many problems—for Dr. King, for his followers, for other Americans who sympathize with his goals, and for the officials who must handle the Government's response. The basic plan to "escalate nonviolence to the level of civil disobedience" is a dangerous one if for no other reason than that the line between civil disobedience and violent disobedience, while quite precise, is easy to cross over.
>
> * * * * *
>
> The real purpose of the campaign may well be to re-establish Dr. King as the major spokesman for discontented Negroes.
>
> * * * * *
>
> But if that is to come about, the campaign must have a constructive goal in sight. A campaign aimed solely at what even Dr. King's aides regard as nigh impossible—the passage immediately of some yet unarticulated legislation by Congress—is more likely to conclude with a whimper than with a success.
>
> The tactics being discussed are disruptive and unappealing. The idea of "a thousand persons in need of health and medical care sitting in around Bethesda Naval Hospital so that nobody could get in or out" until the

> demonstrators get treated is not likely to win the sympathies of those at the hospital, or elsewhere, for additional medical care for the Nation's poor. Nor is the idea of putting a few hundred people on each of the bridges leading into the city to create massive traffic jams likely to arouse the sympathy of Congress for additional funds to aid the poor.

Mr. President, I call particular attention to the last paragraph:

> The response the Government must make to tactics of this kind is very clear. The normal operations of Government must continue. Access to Government offices, for that matter to private offices, and to the city itself must not be impeded.

Mr. President, I commend the reading of this editorial to Senators, and I wish to express my support of the general tenor of the editorial.

I expect to have more to say, and perhaps considerably more to say, at the appropriate time with reference to the spring campaign of Dr. Martin Luther King.

Mr. President, I ask unanimous consent that the editorial to which I have referred be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> THE SPRING CAMPAIGN
>
> The tactics of the Rev. Mr. Martin Luther King's spring campaign against the Government are under discussion here this week and the ideas being considered pose many problems—for Dr. King, for his followers, for other Americans who sympathize with his goals, and for the officials who must handle the Government's response. The basic plan to "escalate nonviolence to the level of civil disobedience" is a dangerous one if for no other reason than that the line between civil disobedience and violent disobedience, while quite precise, is easy to cross over. Such campaigns have rarely been attempted in this country and could be justified only if the law or situation under attack were so oppressive as to be unendurable and the normal political process so rigged that change was otherwise impossible.
>
> Assuming that Dr. King believes that kind of situation now exists, an assumption we do not support, he and those meeting with him here must bear in mind that civil disobedience is likely to succeed only if many governing conditions are met. It is not likely to achieve anything unless the goals are specific and particular and not general and vague. It is likely to be futile unless the campaign directly affects and touches those who have the power to alter the conditions complained of. It is likely only to provoke resentment and opposition if the inconvenience resulting from it injures those powerless to effect desired changes or innocent of any blame for the complained of conditions.
>
> Viewed against these standards, the news from Dr. King's headquarters in Atlanta has not been reassuring. The call for the campaign has gone out, the specific tactics to be used are under discussion, but the goals of the campaign are still uncertain. That is putting the cart before the horse.
>
> The real purpose of the campaign may well be to re-establish Dr. King as the major spokesman for discontented Negroes—and achieving that purpose, in light of the alternatives, may be as important to the Nation as a whole as it is to Dr. King. But if that is to come about, the campaign must have a constructive goal in sight. A campaign aimed solely at what even Dr. King's aides regard as nigh impossible—the passage immediately of some yet unarticulated legislation by Congress—is more likely to conclude with a whimper than with a success.
>
> The tactics being discussed are disruptive and unappealing. The idea of "a thousand persons in need of health and medical care sitting in around Bethesda Naval Hospital so that nobody could get in or out" until the demonstrators get treated is not likely to win the sympathies of those at the hospital, or elsewhere, for additional medical care for the Nation's poor. Nor is the idea of putting a few hundred people on each of the bridges leading into the city to create massive traffic jams likely to arouse the sympathy of Congress for additional funds to aid the poor.
>
> The response the Government must make to tactics of this kind is very clear. The normal operations of Government must continue. Access to Government offices, for that matter to private offices, and to the city itself must not be impeded.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WINTER SPORTS—SENATE INQUIRY

Mr. DOMINICK. Mr. President, the storm brewing between the Nation's skiing industry and the Federal Government has reached a point where it warrants the prompt attention of the Senate. Besides the imminent potential of lengthy and costly litigation, the result may well be the striking of a breach in industry-government relations requiring years to heal.

I am speaking, of course, of the controversial new formula proposed by the Forest Service for setting fees to be charged those who use forest lands under permit. Major opposition has arisen in the skiing industry as well as among Forest Service permittees in general.

The initial impact would hit ski area operators, among others. But the thousands upon thousands of skiers will not remain immune from its sting. Mr. Richard Garis, executive secretary of the National Ski Areas Association, was recently quoted as stating the new system would mean increased prices for skiers and would lessen the popularity of the sport.

Last month the National Ski Areas Association unanimously adopted a resolution that it "unalterably opposes" implementation of the proposed formula. Let me emphasize that this association has 250 ski area operators as members, representing 90 percent of the total volume of the American ski industry.

Of the 182 winter sports permittees, 90 percent were recently contacted by the association and none were found who favored the proposed system.

The largest member organization of strictly forest service concession-type permittees, the National Forest Recreation Association, has also resolved formally "that the proposed system not be put into effect until after such a time that a complete study of a much broader segment of the recreation industry, especially that of the winter sports operators, can be undertaken jointly by the Forest Service and representatives of that industry."

There have been no public hearings on the new formula. To my knowledge, none are scheduled.

Yet, all indications are that the Forest Service is steadfastly determined to place the new system in effect by July 1, 1968. Actually, two major operators have already received revised permits containing the elements of the new formula: Vail, Colo., and Heavenly Valley, on the California-Nevada border.

Mr. President, 39 States have national forests. All of these issue special use permits which will be affected by new formulas for calculating rates.

I want to make it clear that the industry acknowledges there are inequities in the existing fee system. If I interpret their statements correctly, they are not opposed to a change. In fact, they have actively sought a joint study by industry and Government to collect such data as may be relevant in establishing a more equitable formula.

There has been no joint study to date for the winter sports operators, although such a procedure was used by the Forest Service during the preparation of a new formula for grazing fees.

Instead, the new winter sports formula is founded upon a 1-year study by two retired Forest Service personnel. Their study has been considered to be so confidential that even the names of the areas surveyed have not been revealed.

Anyone who has been skiing knows how dependent this great winter sport is upon good snow conditions. This is a seasonal industry, faced with highly irregular conditions and variable factors each year.

The industry recognized this when preliminary reports were made in January on two economic surveys now underway. One survey covers 15 major Pacific Northwest ski areas over a 5-year period; the other is a brief survey of 64 permittees over a 3-year period.

Since the Forest Service formula is apparently based on the operating results of a single year and since the names of the areas studied have not been made public, some very legitimate inquiry can be made as to whether the data upon which the system is based is truly representative of the industry.

When this matter was brought to my attention, I prepared a letter to Mr. Edward P. Cliff, Chief of the Forest Service, setting out some of the basic objections to the new system and asking for a delay in its implementation. My letter, dated December 8, 1967, was cosigned by Senators from both sides of the aisle, 13 in number from 10 States.

I think this demonstrates very clearly the widespread concern some of us feel about this new formula.

We received a response from the Forest Service which was very helpful but which left many questions unanswered and raised others. I believe it would be useful if my letter of December 8 and the response from the Forest Service of December 27 were printed in the RECORD at the conclusion of my remarks. I ask unanimous consent that this be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMINICK. I might point out for the RECORD that the reply of the Forest Service makes reference to several enclosures. A set of these is in my office and I will be happy to make them available to any interested Senator.

I have more recently sent a second letter dated January 26, 1968, to the Forest Service in which I was again joined by other Senators in reaffirming our conviction that implementation of the new system should be held in abeyance. This letter emphasizes our principal areas of alarm, and I, therefore, ask unanimous consent that it, too, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. DOMINICK. Since they have a direct bearing on the seriousness of this situation and since they are fairly brief, I ask unanimous consent that the resolution of the National Ski Areas Association, dated January 1968, and the resolution of the National Forest Recreation Association, dated November 1967, be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. DOMINICK. Last week a formal position statement in opposition to the formula was filed with the Forest Service by the National Ski Areas Association. While the Forest Service has indicated it is willing to cooperate by listening to any further comments, I am troubled by the reports that two major ski areas have already received permits with the revised rate structure included. I hope it does not turn out that the cooperation has come after the fact.

Mr. President, it is becoming increasingly clear that the winter sports industry and the Federal Government are approaching an impasse. There is a need for a forum where the parties may air their differing views.

A House subcommittee is in the process of a staff study of the problem, and I feel the Senate as a separate legislative body has a responsibility to look into the matter as well.

I know the industry would welcome it.

I am confident the Forest Service would be receptive to an opportunity to detail its position.

Unless the present course is altered, the outcome may well have a disastrous impact on the American skiing industry and the American skier.

I am, therefore, asking that the appropriate Senate committee begin such inquiry as may be necessary to assist in resolving this matter with all due dispatch.

EXHIBIT 1

U.S. SENATE,
Washington, D.C., December 8, 1967.

Mr. EDWARD P. CLIFF,
Chief of Forest Service,
Department of Agriculture,
Washington, D.C.

DEAR MR. CLIFF: The undersigned Senators are deeply concerned with the proposed Forest Service regulations concerning fees to be charged those who are using forest lands under permit for skiing developments.

According to our information, the proposals are based on the recommendations of a Forest Service survey conducted without representatives of the skiing industry and are to be enacted without public hearings. They would sharply increase fees for the more efficient operation and would in some cases decrease fees for the inefficient or for those who have bought into established businesses at an inflated price. The National Ski Areas Association has been conducting an independent survey, but we understand the results of this will not be fully analyzed and discussed until after the proposed effective date of the new regulations.

Since this industry is one of the fastest growing economic additions to this country, it is our feeling that further evaluation should be given to the new proposals which may well have a disastrous economic impact on the entire industry.

According to the information which we have received, the following objections are particularly pertinent:

(1) The proposed system simply will not charge a fee commensurate with the value of the use, as required by the regulations of the Secretary of Agriculture, but will share in profits developed by efficient management and promotion of the area. For example, we understand that the Crested Butte operation was sold at a bankruptcy sale to the present owners. The result will be an increased fee for this area under the new ownership—for an area which has proven it was not as valuable as people once thought!

(2) The proposed system will discriminate against efficient operators by charging higher fees to those who generate the same amount of business on a smaller investment.

(3) The proposed system will discriminate against operators who have spent years developing their business as opposed to an operator who buys an established business at an inflated price.

(4) The proposed system contemplates allowing a reasonably efficient operator a return of only 15% on his investment before taxes, or 7½% after taxes. This return is about equal to that earned by utilities and well below the return earned by equity funds in either the utility or manufacturing industries, which have much lower risks than the ski industry. The result will be an inability to attract new capital, and the stifling of a growing industry.

(5) The proposed system is so complicated and illogical that the Forest Service has been unable to demonstrate how it can be applied consistently and equitably to areas which are partly on public lands and partly on private lands, which includes most ski areas.

(6) The determinations of gross fixed assets and other elements necessary to the system are so complicated and confusing that costs of administration will increase greatly.

In addition, of course, we understand the Public Land Law Review Commission and the House Committee on Government Operations are studying this field.

In view of all these factors, it is our feeling that the proposals should be suspended at least until the results of the National Ski Area Association's survey have been analyzed and discussed with you in considerable depth.

Respectfully,

PETER H. DOMINICK, NORRIS COTTON, WAYNE MORSE, GEORGE MURPHY, MARK O. HATFIELD, GORDON ALLOTT, THOMAS J. MCINTYRE, HUGH SCOTT, GALE W. MCGEE, WALLACE F. BENNETT, MIKE MANSFIELD, CLIFFORD P. HANSEN, LEN B. JORDAN, ALAN BIBLE, U.S. Senators.

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D.C., December 27, 1967.

Hon. PETER H. DOMINICK,
U.S. Senate.

DEAR SENATOR DOMINICK: This is in response to a letter of December 8 signed by you and 13 other Senators. In it you express concern over the effect that a new system of establishing fees for the use of National Forest land might have on those with permits to operate National Forest skiing developments.

You report that you have been informed that the system is based on a survey in which the operators to be affected and the public have not had an opportunity to participate; that there will be a sharp increase in fees for the most efficient operators while the fees of the inefficient operators will lower; and that the system will go into effect before the Forest Service has considered what might be a similar survey being made by the National Ski Areas Association. You then itemize six objections which you consider particularly pertinent and finally express the feeling that the new fee system should be suspended until results of the latter survey have been completed and discussed with the Forest Service in considerable depth.

A new system for setting fees for all of those who develop commercial ventures on National Forest land to serve the vacationing public has been developed. A total of nearly 1,800 permittees will be affected in one way or another. Of these, about 11 percent, or less than 200, operate winter-sports areas. It is a system that meets all of the statutory requirements under which the National Forests are administered and one fully consistent with the most recent directive of the President in this area.

A careful analysis of the actual confidential financial records of a selected cross section of National Forest permittees served as the principle basis of the new system. As the system developed and took shape, our thinking on it was shared with permittees in open meetings of their organizations at every opportunity. Then last summer a Review Draft of a description of the system was sent to each permittee who might be affected by it with an invitation that he submit any comments or suggestions that he might have before the system was put into effect. Subsequently, Forest Service officials have met a number of times with permittees in meetings of their organizations and with special delegations and committees to discuss and explain any aspect of the system they wish to consider.

While from the very beginning every aspect of the new system's development has been carried out completely in the open, it is unfortunately true that there is still some confusion and misunderstanding as to both the principles of the system and the eventual effect it will have on the fees that will be paid. Last month in an attempt to answer the questions commonly raised and otherwise clarify the picture, we prepared two special statements. One was a general description on the system; its background, its principles and probable effect on permittee fees. The other was a more specific response to a fairly widely distributed criticism of the system prepared by Mr. Stephen H. Hart, an attorney from Denver, Colorado, who has been retained by nine National Forest permittees to challenge the system. Copies of both of these statements are enclosed as enclosures #1 and #2.

Also enclosed are enclosure #3, a copy of the Review Draft of the description which was distributed to all permittees that might be affected with an invitation for comments and suggestions; and enclosure #4, a copy of an independently published appraisal of the system. The author is Theodore Farwell, a well-known winter-sports consultant.

I am sure that a review of enclosures #1 and #2 will answer your questions and allay your fears. A review of enclosures #3 and #4 will round out your understanding of the entire situation.

Finally, I can tell you that upon the request of the National Ski Areas Association we have agreed to turn over to an independent management consulting firm the data upon which the system was developed for an independent review and appraisal providing the operators whose confidential financial records were involved will agree to their release. They are currently being polled as to their willingness to do this. In addition, the National Ski Areas Association has been informed that no action will be taken to implement the system until after the association's annual meeting next month, and it has had an opportunity to develop a formal position statement on the system; and Forest Officers will attend this meeting in order to again discuss and explore in depth any aspect of the system it wishes to consider.

It is hoped that this response and the supplemental material enclosed will answer your questions. Of course, if it does not, we will try again in any other way you wish.

Sincerely yours,

M. M. NELSON,
Deputy Chief.

EXHIBIT 2

U.S. SENATE,
Washington, D.C., January 26, 1968.

Mr. M. M. NELSON,
Deputy Chief, Forest Service,
Department of Agriculture,
Washington, D.C.

DEAR MR. NELSON: This will acknowledge receipt of your reply and enclosures, reference #2710, to our letter on the subject of the proposed changes by the Forest Service in fees charged those using National Forest land, particularly skiing developments.

We wish to thank you for having representatives of the Forest Service attend the midwinter meeting of the National Ski Areas Association in Taos, New Mexico, and for delaying implementation of the system until the Association has an opportunity to provide a formal position statement.

We have reviewed the materials which you enclosed, and respectfully, but candidly must state they do not "answer our questions" nor do they "allay our fears." We were unable to find anything in them dealing with points 3 and 4 of our letter. Unfortunately, the materials are not fully responsive to points 1 and 2, and the reply to points 5 and 6 leaves some doubt in our minds. We would be delighted to have the Forest Service again address itself to each of these points.

You imply there is opposition to the system from only a small fraction of the permittees when you state that "about 11 per cent, or less than 200" of the permittees who will be affected operate winter sports areas. Yet the National Forest Recreation Association, referred to by your materials as "the largest member organization of strictly Forest Service concession-type permittees," recently resolved by resolution that "the proposed system not be put into effect until after such time that a complete study of a much broader segment of the recreation industry, especially that of the Winter Sports Operators, can be undertaken jointly by the Forest Service and representatives of that industry." We are sure you are cognizant of the fact that the National Ski Areas Association has approximately 250 ski area operators as members, and these areas account for roughly 90 per cent of the volume of ski area business in the United States. Moreover, we understand that ski operators account for approximately 25 per cent of the gross receipts and 50 per cent of the capital investment of all permittees.

As you know, at its Taos meeting this month, the National Ski Areas Association unanimously adopted a resolution that it "unalterably opposes" the proposed system, and that it seeks a cooperative study between the Forest Service and industry.

While we appreciate the offer of the Forest Service to have an independent management consulting firm examine the Forest Service data, this does not appear to meet the crux of the problem. As we understand it, the issue is not so much the accuracy of the figures but whether the sample is truly representative of the industry and whether operating results for a single year in a highly seasonable business are a valid basis for establishing an entire fee system. The Taos resolution charges the data are inadequate, incomplete, and misleading. The fact that the economic information the Forest Service used "is the best information that the Forest Service has or which it knows to exist" certainly does not mean it is representative, nor does it preclude collection of more meaningful data.

During the preparation of a new structure for grazing fees for National Forests and Taylor Grazing Districts the Forest Service had background studies carried out by the Economic Research Service and several state universities. A joint effort followed wherein the Forest Service, Bureau of Land Management, and industry designed and implemented a comprehensive grazing fee study. We understand some 10,000 representative stockmen were interviewed, and, most notably, that the model for estimating grazing values and fee levels as well as the questionnaires were agreed to in advance by government and industry representatives. It seems only appropriate to ask why such a marked contrast in procedure was used by the Forest Service in the winter sports and grazing fee situations.

We understand the Forest Service study did not consider leasing practices of ski areas operating on private land. In your enclosures, the Forest Service contends that relating commercial leasing practices to designing a system for leasing public land overlooks a significant difference because the commercial lessor is under no compulsion to recognize the public service considerations. However, previous correspondence from your office says that during the course of the data collection on grazing fees some 10,000 permittees were contacted "including ranchers who are not permittees but who lease private grazing lands". Why these lease rates on private lands considered relevant in designing a grazing fee system but not the winter sports fee system?

According to your enclosures, the Forest Service does not know if the Public Land Law Review Commission will be studying user fees for public lands. We are advised by the Commission such a study will be made. But in explaining why you do not want to await the Commission's findings, you point out that a 5-year time lag will take place before the system would affect "some" of the permits because most permits provide for review at 5-year intervals. Isn't it true the Forest Service will have to modify permits from time to time over the 5-year period even if the system is implemented immediately?

We are informed that preliminary reports on two surveys being conducted by industry were presented at the Taos meeting. But we also are informed that Mr. Costley, after acknowledging any further comments would be considered, reiterated the determination of the Forest Service to place the new fee system in effect by July 1, 1968. Indeed, we are shocked to learn that the Forest Service has already sent revised permits containing the proposed fee system to two major operators: Vail, Colorado, and Heavenly Valley, on the California-Nevada border.

For the reasons stated above, we reaffirm and register our concern that the Forest Service hold in abeyance implementation of any new fee structure. We are not convinced there is any compelling rationale for imposing a new system which radically departs from that of the past prior to completion of the other studies underway and the development of a uniform national policy on user fees. We sincerely urge a firm commitment be given by the Forest Service (1) that no further action will be taken to implement a new system at least pending the action of the House Natural Resources and Power Subcommittee, and (2) that the Forest Service will take a fresh look and give thorough evaluation to the proposals set forth in the aforementioned resolutions seeking a joint industry-government study.

Respectfully,

PETER H. DOMINICK, NORRIS COTTON, WAYNE MORSE, GORDON ALLOTT, THOMAS J. MCINTYRE, HUGH SCOTT, MIKE MANSFIELD, CLIFFORD P. HANSEN, LEN B. JORDAN, GEORGE MURPHY, MARK O. HATFIELD, GALE W. MCGEE, WALLACE F. BENNETT, ALAN BIBLE, U.S. Senators.

EXHIBIT 3

RESOLUTION OF THE NATIONAL SKI AREAS ASSOCIATION, JANUARY 11, 1968

Whereas the United States Forest Service has placed the ski industry on notice that it will adopt on or before July 1, 1968, a new progressive graduated fee system for United States Forest Service permittees, and

Whereas the Association and its members have studied at length and in detail and at considerable expense the studies made and materials furnished by representatives of the United States Forest Service in explanation of the proposed system, and

Whereas the Association has polled the views of its members and other permittees regarding the desirability of the proposed system and has found that they are overwhelmingly opposed to it in principle, and

Whereas on January 10, 1968, at a general meeting of the membership, the representatives of the United States Forest Service were given the full opportunity and did present the official United States Forest Service position and justification of the proposed system, and

Whereas, the United States Forest Service representatives reiterated their unwillingness to reveal the source of their information and data upon which the new proposed graduated rate fee system was based, and

Whereas at the meeting, various members expressed their opposition to the proposed system, and

Whereas the representatives of the United State Forest Service nevertheless stated their intention to promulgate the new system on July 1, 1968,

Now therefore be it resolved:

The Association and its members conclude: that—

1. the data on which the United States Forest Service has based its proposed system are inadequate, incomplete and misleading;

2. the principles on which the proposed method is based represent a radical departure from past administrative practice, custom and usage; and

3. the institution of the proposed system is beyond the authority of the United States Forest Service; and

4. the proposed system in its operation will be arbitrary, capricious and discriminatory and expensive and difficult to administer.

Now be it further resolved:

For all of the foregoing reasons, the Association unalterably opposes the implementation of the proposed system.

Now be it further resolved:

In an effort to resolve the differences which exist between the United States Forest Service and the Association and its members and in view of the inadequacy of the information now available to both the United States Forest Service and the industry we propose that a cooperative study under the management of a national firm of independent certified public accountants be instituted along the lines agreed upon by United States Forest Service and the Association and its members to provide the factual data necessary for Congress, the Public Land Law Review Commission, United States Forest Service and the industry, upon which can be based action by the appropriate authority.

RESOLUTION OF NATIONAL FOREST RECREATION ASSOCIATION, NOVEMBER 1967, ON PROPOSED FOREST SERVICE FEE SCHEDULE

Whereas, the Federal Government has stated that one of their objectives is to encourage private industry to invest substantial funds in facilities on public land for public recreation and,

Whereas, the Graduated Fee System as proposed by the Forestry Service represents a substantial increase in fees to some of our members which would represent a detriment to this objective, and,

Whereas, certain aspects upon which the Graduated Rate Fee System is based appear to be unclear, such as definitions inconsistent with normal accounting and legal terminology with respect to Gross Fixed Assets, Break-even Point, and determination of fair return on investment, and,

Whereas, the determination of Gross Fixed Assets in some instances depart from accepted accounting and tax procedures in not recognizing the total cost of assets acquired in the purchase of a new business and,

Whereas, the determination of Gross Fixed Assets in an older business not being sold does not take into consideration the appreciation of assets resulting from inflation and,

Whereas, the Breakeven Points as used in the Graduated Rate Fee System are substantially lower than facts disclosed by preliminary studies, and,

Whereas, determination of fair return on investment as outlined in the review does not produce a fair return after taking interest and tax expense into consideration, and

Whereas, the need for varying changes in the Graduated Rate Fee Schedule as outlined, already appear to be necessary to meet different conditions of many members, and,

Whereas, the Public Land Law Review Commission is studying the entire subject of public land use and regulations affecting this use, and,

Whereas, there is reasonable doubt that the winter sports industry is comparable to the amusement park industry which the Forest Service used in determination of the Breakeven Point for the winter sports segment, NFRA,

Now therefore, be it resolved that the present deadline of July 1, 1968 not be considered binding and that the proposed system not be put into effect until after such a time that a complete study of a much broader segment of the recreation industry, especially that of the Winter Sports Operators, can be undertaken jointly by the Forest Service and representatives of that industry to modify the proposed system to the effect that it will be mutually acceptable to the Forest Service and the NFRA in order to create a favorable climate to encourage private investment on public land to fulfill the ultimate goals of the Federal Government with respect to pubic land use for recreation.

ORDER OF BUSINESS

Mr. **BYRD** of West Virginia. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **BYRD** of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER** (Mr. DODD in the chair). Without objection, it is so ordered.

PRODUCTION OF CRUDE PINE GUM

Mr. **BYRD** of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 892, S. 2511.

The **PRESIDING OFFICER**. The bill will be stated by title.

The **ASSISTANT LEGISLATIVE CLERK**. A bill (S. 2511) to maintain and improve the income of producers of crude pine gum, to stabilize production of crude pine gum, and for other purposes.

The **PRESIDING OFFICER**. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 3, line 7, after the word "practices,", insert "the interests of landlords, tenants, and sharecroppers"; and on page 4, line 6, after the word "year", insert "if the total quantity of crude pine gum marketed by such producer is"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Crude Pine Gum Act of 1967".

DECLARATION OF PURPOSE

SEC. 2. The Congress recognizes the recent trend of rising costs and static prices which have resulted in progressively lower net return to producers of crude pine gum since 1962. It further recognizes the fact that continuance of this trend would, for practical purposes, eliminate this agricultural segment of the naval stores trade which provides employment for many thousands of laborers not trained or readily trainable for any other line of work. It is hereby declared to be the policy of the Congress to maintain and improve the income of producers of crude pine gum and to stabilize crude pine gum production at approximately recent levels by making compliance payments to such producers to supplement amounts received in the marketplace or through price support, pending application of recently developed cost-cutting production practices, and development and application of research now in progress on improving crude pine gum harvesting practices and on expanding utilization of the products of crude pine gum.

SEC. 3. Title III of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section 304 as follows:

"SEC. 304. (a) The Secretary shall establish a national crude pine gum production goal for each of the calendar years 1968, 1969, and 1970. In establishing such goal, the Secretary shall take into consideration production in relation to consumption and exports, the estimated number of laborers employed in crude pine gum production, and such other factors as he determines will carry out the policy of the Congress as declared in the Crude Pine Gum Act of 1967. The Secretary shall also establish a share of the national production goal for each producer who, as owner or lessee or operator of a gum farm, produces and markets crude pine gum. In determining a producer's share for each calendar year, the Secretary shall take into consideration the quantities of crude pine gum marketed by the producer during the three immediately preceding calendar years, the availability of suitable trees and labor, tree resting practices, the interests of landlords, tenants, and sharecroppers and such other factors as he determines will result in a fair and equitable apportionment of the national production goal. Producers who had no production during the three immediately preceding calendar years may receive, in the aggregate, a share of the annual national production goal which shall not exceed 5 per centum thereof, or such greater percentage thereof as the Secretary determines necessary to stabilize production at the level established for such year. The Secretary may provide for the transfer of a producer's share, or of his history of production, in the case of death of the producer; sale, lease, or other disposition of the farm; dissolution of a partnership or corporation; and such other circumstance as warrants such transfer.

"(b) The Secretary, upon such terms and conditions, not inconsistent herewith, as he may deem desirable, may make compliance payments to producers, through the Commodity Credit Corporation, with respect to crude pine gum produced and marketed domestically (including that pledged under Commodity Credit Corporation price support programs) during the calendar years 1968, 1969, and 1970. No compliance payment shall be made under this section to any producer with respect to any quantity of crude pine gum marketed in any year if the total quantity of crude pine gum marketed by such producer is in excess of his share of the national crude pine gum production goal established by the Secretary, and no compliance payment shall be made under this section to any producer in any year in which he knowingly failed to comply with the minimum wage provisions of the Fair Labor Standards Act of 1938, as amended, or in which he failed to follow one or more good forestry conservation practices, as determined by the Secretary.

"(c) Payments made under this section shall be in addition to any price support made available under section 301 of this Act. If price support is made available under section 301 of this Act, it shall be at a level not less than 50 per centum and not more than 90 per centum of the parity price for crude pine gum at the time the level of support is announced by the Secretary. The rate of the compliance payment for each calendar year shall not exceed a rate per standard barrel of crude pine gum which, when added to the level of price support made available under section 301 of this Act, results in an amount higher than 90 per centum of the parity price for crude pine gum at the time the level of support is announced by the Secretary. The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing compliance and price support payments on a fair and equitable basis.

"(d) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section."

Mr. **TALMADGE**. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc, agreed to, and treated as original text for the purpose of further amendment.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The committee amendments were agreed to en bloc.

Mr. **TALMADGE**. Mr. President, the gum naval stores industry, the jobs of thousands of workers who are limited in other opportunities because of age or lack of education and training, and the livelihood of thousands of gum farmers are at the threshold of extinction if Congress does not act promptly to provide appropriate legislation. It is for this reason that I have introduced the Crude Pine Gum Act of 1967.

This bill authorizes establishment in 1968, 1969, and 1970 of a national goal of needed crude pine gum production which would be allocated to individual producers. It gives the Secretary of Agriculture permissive authority to make compliance payments to producers to supplement existing permissive price support authority. Payments would be made only to producers who market no more than their share of the national production goal, who comply with the minimum wage provisions of the Fair Labor Standards Amendments of 1966, and who adhere to good forestry conservation practices. It is anticipated that by 1971, research on improved production and harvesting practices and on expanded utilization of the products of crude pine gum will be completed and the results applied or will be in the process of being applied. Under these anticipated circumstances, legislation for a 3-year period appears adequate.

The proposed legislation would amend title III of the Agricultural Act of 1949, as amended, to give the Secretary permissive authority to support prices within a range of 50 to 90 percent of parity. As present, the range of permissive support is between 0 and 90 percent of parity. Any compliance payments made to gum farmers under the proposed legislation could not exceed an amount per unit of gum which when added to the support price for such unit totaled more than 90 percent of parity.

I am convinced that this legislation would serve the national interest as a whole by providing for the survival of a nucleus of gum farmers and crude pine gum production. If gum farming were allowed to decline significantly from current record low levels, the cost of reviving production in an acute shortage situation, including the cost of building new processing plants and obtaining new gum production and collection equipment, would be appreciably higher than regular maintenance of a modest level of output.

Crude pine gum is a cash crop which provided an average gross income of over $17,000,000 to gum farmers during the past 5 crop years ending March 31, 1967, and probably several times that amount to the total income of local rural communities in Georgia, Florida, Alabama, Mississippi, and South Carolina. Although the value of gum production is small in relation to total gross farm income for any of these States as a whole, there are a number of counties where gum production provides a significant part of total gross farm income. For example, in the 12 most important gum-farming counties, cash receipts from gum in the 1966 calendar year were more than a fifth of total cash receipts from farm marketings.

Labor constitutes well over half the cost of producing crude pine gum. In 1967, about 7,000 laborers worked approximately 4,000 man-years in producing crude pine gum. The latest information from the U.S. Forest Service shows that there were 2,752 producers in 1966. Three-fourths of these producers are small. Only 1 percent are large. Thus, the great bulk of gum output is produced on family farms. These laborers and producers and their families number at least 30,000 persons. In addition, 16 central gum-processing plants and 13 gum-buying platforms employ hundreds of persons.

As I mentioned previously, the workers employed in gum farming are not trained nor, because of age and education, readily trainable for any other line of work. Many of the naval-stores-producing counties have a high and growing unemployment rate. Of the 7,000 workers, 62 percent are at least 40 years old and 25 percent are 60 or over. About 72 percent of the laborers have a sixth grade education or less; 42 percent have no more than a third grade education; 2 percent have a high school education; none have advanced beyond high school. Over half of the workers under 30 years of age have less than an eighth grade education.

I am convinced that gum naval stores production is needed and will be needed increasingly in the years ahead. Representatives of competing types of naval stores reportedly expressed identical convictions at a meeting in the U.S. Department of Agriculture last July when naval stores stocks were considerably greater than they are now, and when the outlook was for more production of all types of naval stores than has actually materialized. In the long run, domestic gum naval stores are needed to fill the gap between requirements and production caused in part by declining domestic steam distilled production, as nonrenewable first growth longleaf and slash pine virgin stump supplies dwindle and become increasingly scattered and inaccessible, particularly in the Western Gulf States. Also responsible for the increasing excess of requirements over production are lower gum naval stores output overseas and a gradual long-term rise in world naval stores consumption. In these circumstances the need for continued domestic gum naval stores production is particularly acute because the supply potential from gum production is much greater than from other types of naval stores.

Gum rosin and turpentine are the two primary processed derivatives of crude pine gum. Both of these products are important chemical raw materials which are used in the manufacture of a great number of essential end products, some of which are crucial in time of national emergency. Examples of such uses are in the production of synthetic and natural rubber, hot melt adhesives, shell casings, insecticides, synthetic camphor for medicines, celluloid, and smokeless powder, et cetera. As demonstrated during World War II, and following the outbreak of hostilities in Korea, requirements for rosin and turpentine greatly exceed production in times of national emergency.

The importance of gum naval stores is further emphasized by the fact that the different types of naval stores are not interchangeable for all uses. For example, steam distilled wood turpentine is not interchangeable with gum and sulphate wood turpentine for such important industrial uses as resins for pressure-sensitive tapes and as an aromatic and flavoring agent. Similarly, the different type of rosin vary in numerous respects, including color stability, resistance to crystallization, melting point, and viscosities, all of which influence the quality of end use products.

Virtual discontinuance of gum naval stores production which would almost inevitably follow if this legislation is not passed, would substantially reduce our exports of rosin and place us on an import basis for turpentine. Since gum naval stores are exported for dollars in significant amounts, our balance of international payments would suffer. It is estimated that exports of gum naval stores were valued at about $7,000,000 during 1967.

Gross income of gum farmers from crude pine gum has declined over 50 percent since 1962. The average market price per barrel of crude pine gum has been fairly stable at about $30 in the last 5 years. However, wage rates and cost of production materials have risen during this period without a corresponding increase in the productivity of labor. For example, hourly farm wages—without room or board—in Georgia have increased 42 percent between 1962 and 1967. Consequently, net income per producer and per barrel of gum has been declining.

Several research programs are underway to modernize the gum naval stores industry and improve its competitive position during the effective period of this legislation. The Southeastern Forest Experiment Station of the Forest Service at Olustee, Fla., has several projects in various stages of completion, including gum flow stimulants, a more efficient gum collection system, and mechanization of operations involved in "chipping" and "dipping," aimed at developing equipment and techniques to lower man-day requirements for producing gum or to increase the quality of the gum produced. The Naval Stores Laboratory of the Agricultural Research Service, Olustee, Fla., is engaged in several projects intended to expand rosin markets. The area development commissions in south Georgia are cooperating in conducting a study of the problems and potentials of gum naval stores. This study is being made under the sponsorship of the Economic Development Administration, U.S. Department of Commerce. Participating in this broad, in-depth analysis is the Georgia State Planning Bureau, Industrial Development Division, Georgia School of Technology, and the American Turpentine Farmers Association Cooperative, Valdosta, Ga.

As compared with comparable support under the present program, this proposed legislation has obvious advantages.

First, it provides controls to assure adequate but not excessive production. In this connection, price support stocks of gum rosin have been reduced in the past 2 years. In fact, since January 1, 1967, gum rosin loan collateral has been reduced by about 135,000 drums or 17 percent to 695,000 drums. The legislation would permit further gradual reduction of these price support stocks in an orderly manner and this should be beneficial to producers of all types of naval stores. Increased price support rate for crude pine gum under current legislative authority, if achieved through an increased loan rate for gum rosin, might result in higher prices for competitive sources of naval stores and thereby encourage production of all types of naval stores.

Second, Commodity Credit Corporation net expenditures and costs, would be appreciably lower. In fact, notwithstanding the compliance payment feature of the legislation, the U.S. Department of Agriculture in recommending enactment of the bill estimates that receipts will substantially exceed expenditures in fiscal year 1969 under the proposed legislation and that such net receipts will exceed net receipts in the current 1968 fiscal year.

Third, there would be no further deterioration of the competitive position of gum naval stores in the marketplace.

Some opposition to the legislation has been voiced by competitive sources of naval stores for fear that support payments will create adverse competition. This fear, however, is not valid. The U.S. Department of Agriculture, in comparing the proposed legislation with a program confined entirely to a direct incentive payment, cited among other advantages of the proposed legislation that it would "avoid adverse market effects for other types of domestic naval stores."

The Crude Pine Gum Act of 1967 clearly provides substantial increased benefits to gum farmers and laborers and, therefore, to their rural communities per dollar of net expenditure as compared with programs authorized under existing legislative authority.

Mr. President, I ask unanimous consent that a short explanation of the bill, together with a statement of the need for the legislation, from the report accompanying the bill, be inserted in the Record at this point.

There being no objection, the extracts were ordered to be printed in the Record, as follows:

SHORT EXPLANATION

This bill, with the committee amendments, provides for the establishment of production goals for producers of crude pine gum for 1968, 1969, and 1970, and compliance payments to producers complying with such goals. Compliance payments, together with other price support, could not exceed 90 percent of parity.

NEED FOR LEGISLATION

Due to rising costs of labor and materials, income of pine gum producers has been declining since 1962. The commodity is a needed one; and it is expected that new production methods and uses now being developed will enable it to be produced on a profitable basis within several years. In the meantime the industry needs some assistance in order to remain in operation and provide a livelihood for over 2,000 producers and about 7,000 laborers engaged in gum production as well as additional numbers employed in related industries. The need is further discussed in the attached report of the Department of Agriculture recommending enactment of the bill.

The amount of gum rosin pledged to Commodity Credit Corporation to secure price support loans currently approximates 705,000 drums. Under the bill it should be the Secretary's objective to reduce Commodity Credit Corporation stocks (including stocks pledged to secure price support loans) to reasonable levels within the period covered by the bill and such reductions should be made in an orderly manner. The secretary should announce annually the amount proposed to be sold from Commodity Credit Corporation stocks during the following year, and such amount should be such as to reduce the Corporation's stocks by not more than 150,000 drums of gum rosin during such year.

Mr. MORTON. Mr. President, I rise in opposition to the bill. I am sufficiently pragmatic to know that my opposition is not going to prevail, but I wish to make a statement of my reasons for my opposition to the bill, which will be in conference.

The Senate Agriculture Committee reported a slightly amended Senate bill 2511 last month. We feel the report accompanying the bill is somewhat misleading. It indicates that the hearings on this bill by a subcommittee produced testimony that was generally in favor of this legislation. The fact is that it was a 2-hour hearing with the greatest amount of testimony presented by opponents of this legislation. The Department of Agriculture, who had requested this hearing, did not even have ready for the hearing the Department's report and was not able to supply to the subcommittee detailed information and facts which would normally be obtained in the course of hearings of this type.

This report was later submitted for the record. The Department recommended enactment of the legislation justifying it on their belief that the legislation was needed to give producers of crude pine gum further Federal assistance to keep them in business until they could be on a more profitable basis. By doing this, the Department stated it would protect the jobs of laborers engaged in gum production who otherwise would become unemployable due to their lack of skills and education for other unskilled tasks. Nearly 90 percent of gum farmers and over 80 percent of gum laborers are located in the State of Georgia.

Opponents of this legislation take exception with the views of the Department of Agriculture for the following reasons and request that this legislation be given a great deal of scrutiny as to its need and as to exactly who would benefit by it:

First. Even without Senate bill 2511, we do not believe the gum industry will reduce production to a level where unemployment will become a problem. We are convinced that the gum industry will continue to operate at a level possibly somewhat lower than that of the 1967 crop year under the present act, but that there will not be a wholesale dropoff in gum production, with a resulting unemployment problem. As pointed out at the hearing, one of the problems of the gum producers today is that they are unable to get sufficient labor to work crops. Before accepting the statements made by the Department of Agriculture and the American Turpentine Farmers Association as to possible unemployment as a result of a drastic dropoff in gum production, they should be required to furnish a factual projection of the estimated drop in gum production under the present program and the resulting labor surplus. We do not believe they will be able to substantiate the allegation that the entire industry will close down in a short period.

Second. We would like to again emphasize our objection to the method of payment to the gum producers as provided by bill 2511. With the Secretary of Agriculture having the right to set parity payments at a lower percentage of parity and then making up the difference to 90 percent of parity with compliance payments, a fictitious low price is set on the rosin going into the CCC loan. The actual cost of producing gum—that of compliance plus parity payments—is not then known and recognized in the price of the crude gum produced. If gum rosin or turpentine is needed, why is it necessary to use this method of payment to the producers to hide the actual cost of the products? The answer is simple—the USDA must use this payment method for it recognizes that crude gum products cannot be produced in cost competition with the products from the pine stump and from pulp mills.

Third. In this connection, one of the most objectionable features of S. 2511 is that no production controls are imposed as a condition to the receipt of "compliance" payments. Enactment of the bill would thus further aggravate the already untenable situation of excessive crude pine gum inventories.

Fourth. The CCC gum rosin stocks as of October 1, 1967, were 720,300 drums and it has been pointed out that this stock has served to depress the price of the entire naval stores industry, most of all the gum industry which is unable to compete costwise with the other two branches of the naval stores industry. The program of the Department of Agriculture, where it first allowed the stocks to build up to an unreasonable size from 1960 to 1966 before taking drastic sales action which resulted in depressed prices to the industry, shows a definite lack of understanding and planning by this Government branch. The Department of Agriculture's handling of this program is directly responsible for the problems that exist today with the gum producers.

Fifth. The hearing also brought out that crude tall oil and turpentine and wood naval stores—neither of which receives Government assistance—can supply the U.S. requirements, as well as a substantial part of foreign requirements, for naval stores products for the next 15 years, and that crude tall oil and turpentine production will continue to increase in supply in the United States—long before all the stumps are used—to a volume necessary to furnish projected growth requirements for increased use of rosin and turpentine. We predict that the low-cost pulpmill byproducts will speed the phasing out of the wood naval stores industry before all the stumps have been used, due to the low cost of producing rosin and turpentine from pulpmill byproducts.

Sixth. Statements made at the hearing that "there is not one single use for gum rosin or gum turpentine that cannot be furnished by wood or tall oil naval stores products" was not challenged by the proponents of this bill. This further emphasizes our position that we do not need a crude gum industry from a technical requirement viewpoint.

In conclusion, the following facts are evident:

First. There is no need for crude gum

production in the United States today or in the foreseeable future.

Second. Crude gum products produced in foreign countries with cheap labor will always be produced and sold at prices lower than any American-produced gum products.

Third. U.S. crude gum products cannot compete with low cost products from wood or pulpmill byproducts.

Fourth. The possibility of the U.S. gum industry phasing out completely in the short time indicated by the proponents of this bill will not occur. There will not be the release of labor they predict, and no major labor maladjustment will occur. The present support program, properly administered, will allow the true gum farmer to continue his production.

Fifth. The poor economical position of the gum farmer today is a direct result of improper administration of the CCC gum program by the Department of Agriculture. The surplus stocks of CCC gum rosin, plus the Department of Agriculture's fire-sale program in foreign markets, has lowered the price of rosin worldwise to the point that the producer is in trouble. The Department of Agriculture could improve the gum producers' earnings if they would institute a program which would take off the market the huge inventory of CCC gum rosin stocks, and announce a controlled selling program of these stocks which would allow an orderly reduction of the stocks since the world market could not count on the entire stock as available inventory.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. TALMADGE. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. BYRD of West Virginia. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE PIONEER SPIRIT IS NOT YET DEAD

Mr. MANSFIELD. Mr. President, in this modern age of the 1960's we seldom hear of the long, hard, cold winters which have plagued many portions of this country throughout history. This has been partially due to many improvements in living conditions, equipment, and the like.

Several days ago I received a copy of a letter written to a friend indicating that Mother Nature still inflicts many hardships on our farmers and ranchers. This letter from Anna Leah Dolena, who owns a ranch south of Great Falls, Mont., is a most graphic description of the snow, cold, and a rancher's life in this part of my State.

I ask unanimous consent to have the basic text of the letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 26, 1968.

OUR DEAREST MR. WILLIAMS: I was quite concerned when I didn't hear from you during the holidays, but when Margie called me she assured me you and family were all well. So I was relieved.

The holidays out here didn't really go off in a relaxed manner due to our inclement weather. I had Christmas Eve dinner with Vina and family. Then we opened our gifts early so I could get home before dark. Marina cooked the Christmas dinner but no one could make it except me (Billy got me in the 4-wheel drive truck). So it was quiet. I managed to get Vina's girls tho for their vacation. When I took them home Jan. 31, it was a blizzard, but when I got to town it stopped. So when Fred asked me to have dinner and see a show I accepted. By the time the show was over, however, it had started snowing again so I scurried on home instead of having a midnight drink. There was only a single track up our coulee and it was drifting in but with chains on and in 2nd gear I plowed home. I never got out again for almost 2 weeks as the snow and drifting just kept on. The drifts got so high I couldn't see the corral fence and only half the barn was visible. I slid down a 5 ft. drift for a couple weeks to get into the barn. Then the drifts buried the lane fence coming into the corrals and the cattle began walking over the fence. Of course I didn't want that for they'd wreck the haystacks—luckily they were some of my older cows and I dug a gate out and coaxed them back in. Then I dug the fence out but I finally had to drive steel posts in the snow drifts and string more wire. One day it chinooked and the cattle went out to try to graze but by evening another blizzard hit and somehow the 40 head split up—one bunch came home and the others were stranded without feed or water in another coulee. Billy couldn't get hay to them with his 4-wheel drive for the drifts were so deep. He had his own problems with his 80 head as they too were trapped by drifts—what fun! So I shouldered my old coal scoop and climbed around the hills till I found an area (the narrowest) to shovel a trail for my cows. I was at it half a day. Finally I had a path about 40 ft. long and 3 ft. deep (and that wasn't down to the ground, the cows were still belly deep) but they seemed to realize what I wanted them to do and they came bucking, rolling and jumping thru. Then the creek drifted over so they couldn't drink but I shoveled and chopped ice till I had an area about 2 yds. square but even at that it was deep so the cattle looked like camels kneeling and drinking. And I wasn't so bad off when it came to snow—those dear people closer to the mountains couldn't even get hay and cattle together, some even ran out of hay and the snow plows went ahead with the stock trucks right behind them so they could truck their cattle out. Fred still had over 150 head on the sheep ranch over the hill, he had a terrible time getting them out and up to Augusta.

Finally the snow plows couldn't even break the snow drifts any more as it kept drifting in as soon as they'd plow it out. Billy and almost everyone with cattle to feed had to buy "sno-mobiles", then they'd make a flat sled to pull hay bales on—about 7 bales at a time—at least one can get to the stacks. I went with Billy a couple times. Wow! One never opens a gate just slide over the fences where it's drifted, leap off those high snow drifts. I almost ran out of oil so Billy and I "flew" to Stockett on the "Skee Horse" with my little 5 gal. cans rattling behind on the sled. I can see how younger people can have a lot of fun, too, but they were the only thing that saved the "day." Dear Sagebaums were "in" for 3 weeks, their oil was scraping the bottom. Otto was fattening some calves in his corral and the snow filled the corral full so he had to turn them out. Now during this past week we had a chinook so he used his tractor and scoop to haul tons of wet snow from around his corrals and barn. Lillian said he got the calves back in and tonight it's −15 again, blowing, snowing and drifting. It will soon be time for calving to start (around the end of Feb. and March). Billy has had a couple already (illegitimate, however, from the neighbor's dairy bull) one little one died, just too much stress.

My dogs bark all night for the coyotes come so close to the buildings. I'm not afraid of them but it really makes one feel the loneliness when they howl. It makes one feel the country isn't so settled yet. If it wasn't for all the misery the storm caused and the back-breaking work, I must admit I enjoyed the whole scene—the wild, deep rippled drifts, no fences in sight and the drifting snow looked like water sifting down the hills. Then after a day of chinooking the drifts took on a shimmering appearance in the icy moonlight that was beyond description. I'm sure you remember what I'm trying to describe. I know Mom used to enjoy all the changing scenes of Nature and I'm sure it was her influence that makes me aware of the world around me.

Everything has been going along real well. No one feeling sick, altho a couple times I felt tired and feverish, but that was just from too much effort put forth all at once. So I take it a little easier.

ANNA LEAH.

PRESIDENT JOHNSON'S RECOMMENDATIONS TO CONTROL THREAT OF RADIATION FROM HOUSEHOLD ITEMS IS COMMENDED

Mr. RANDOLPH. Mr. President, the consumer protection message of the President of the United States to Congress yesterday was timely and significant.

I commend President Johnson for the forthrightness of his discussion and for the cogency of his recommendations. Those parts having relationship to hazardous radiation might need to be reemphasized because this is an aspect of consumer dangers and consumer protection that escapes the attention of too many individuals who are unknowingly being exposed to radiation from household items, especially in this period when the use of electronic products is increasing in the homes.

This increase in electronic utilization is a substantial part of the rapidly accelerating demand for electric energy, the demand and production of which will probably grow by more than 200 percent in the next 12 years. Per capita use is expected to increase more than 50 percent.

The exact measurement of the radiation to which citizens generally are exposed by the family of household electronic items is undetermined. But there is considerable professional opinion that the real danger lies in the exposure of people to lower levels of radiation.

But because there are imponderables and fear of danger, there is a need for significant research in radiation. There must be more precise knowledge on the subject so that meaningful and achievable standards can be set for the protection of our citizens.

The Surgeon General of the United States already has made a convincing argument. He said that inasmuch as we cannot erase completely the sources of environmental hazards—sources which in most instances confer social benefits on society—we must control such hazards to a point where benefits clearly outweigh the perils to citizens' health.

Mr. President, I believe Congress should act at a hopefully early date on President Johnson's request that legislation be considered carefully and enacted to provide for control of radiation from electronic products.

FLOOD CONTROL FOR TUG VALLEY

Mr. BYRD of West Virginia. Mr. President, last week a number of citizens of the Tug Valley area of West Virginia came to Washington to meet with their representatives and Senators concerning a problem of flood control in the Tug Valley.

Their problem is a longstanding and genuine one.

It is caused by inadequate flood control protection in a severely flood-prone valley.

The problem is of concern to every resident of the Tug Valley. The floods which have occurred there in the past few years have, fortunately, not taken a toll in lives. But property damage has been great.

A floodwall was constructed in Williamson, W. Va., by the U.S. Army Corps of Engineers. It was barely completed in 1963 when a tremendous flood swept down from the hills and waters were lapping at the edges, and in some cases, over the edges, of the wall.

Further, the floodwall only provides protection for the downtown section of Williamson and does not protect persons who live in other parts of the town or in the nearby town of Matewan.

A number of flood protection dams have been proposed by the Corps of Engineers. One, the Panther Creek Dam, has been authorized by Congress, but funds have never been allowed so planning and construction can begin. Every other proposal which has been made has foundered on the Corps' strict adherence to a favorable cost-benefit ratio requirement.

In a very fine statement at the conference last week, Mr. William F. "Dutch" Tolbert—editor of the Williamson Daily News, who has been associated with that newspaper for more than 40 years—told the Corps' representatives that perhaps it was time to start considering other factors.

Mr. Tolbert said:

> There is a human factor involved in this. There is a human factor which you cannot measure in dollars and cents and in your so-called hard and fast rules on criteria.
>
> I do not know whether it is in your province to regard these factors or not, but these factors are the concern of every citizen in our valley, and I will guarantee to you that those citizens are not "hippies." They are true Americans, paying their taxes, and striving to make America strong and beautiful.
>
> This year, this month, we have had an unusually large accumulation of snow. Every night when our people go to bed, their prayers are directed that the snow will disappear gradually and will not be carried off with a heavy rainfall. We know that if such an occurrence does take place the results will be disastrous for the entire valley.

Mr. President, I believe Mr. Tolbert's statement eloquently sums up the problem which the Tug Valley faces.

I think there is no question that the Corps' should reevaluate its position regarding the Lower Knox Creek Dam, for if this flood control dam can be built, the people of Williamson and the Tug Valley will begin to have the protection they so rightfully deserve.

Because Mr. Tolbert's statement so clearly sums up the reasons why the Corps should reevaluate its position on the Lower Knox Creek Dam, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FLOOD CONTROL OF TUG VALLEY

(By William F. Tolbert)

I have been associated with the Williamson Daily News since 1927. Since 1953, I have served as Editor, and I believe that I have been in position to recognize problems as they exist.

Prior to 1957, most of our concern with the Tug River was in the problem of navigation. One time we came to Washington and secured feasibility for canalization of Tug River. That feasibility didn't last very long, however, and some of our people believe that it was rescinded when the "Fat Cats" got into the act.

Be that as it may, prior to 1957, flooding came periodically and while inflicting damages, it was of no catastrophic consequences. There was damage inflicted from time to time in the business section of Williamson. Back-water flooding was the main problem for Williamson when the river rose beyond 27 feet. At this point, water came through the sewer lines and flooded major areas of our industrial and business life.

In 1957, however, the flood of record at that time hit in our vicinity. Water came over the river bank and flooded the entire business section and created a real problem of devastation. Severe losses were suffered by firms that were heretofore regarded as outside areas of flood damage. We immediately launched upon an effort then, with the assistance of our Delegation in Congress, for some measure of flood protection. We made repeated missions to Washington, visits to Huntington and trips to Cincinnati. We came up with minimum protection for the city of Williamson which they would describe as the only project which could be justified under the rules of the Army Corps of Engineers' procedural methods. We had to whittle down here, whittle down there, but by sacrifice and perseverance we did accomplish some measure of flood protection for the immediate business district of the city of Williamson.

We were no more than resting behind the flood wall, laboring under the opinion, as the Engineers had assured us, that such flooding occurs only once in every hundred years, when lo and behold, we woke up one morning and Tug was rising. That afternoon word came that the Engineers were about ready to come and pull the pumps. They didn't want to lose their pumps to the flood waters of the Tug. Our mayor and several citizens diligently worked, preventing these pumps from being pulled by pleading with the individuals who came there to do that job. They sandbagged the Wall, which was not entirely completed by that time. In certain areas of the Wall, the water lapped over; mind you, that was after a period of six years, not one hundred years. The devastation of the main business section was averted and several of our larger business establishments escaped major damage. The damage beyond the realm of the City itself was tremendous and mind you, a man with a $15,000 home or a $5,000 abode of living, to him a loss of $5,000 is far more disastrous than a loss of $100,000 is to a large Corporation.

I know that the Corps of Engineers only considers the guidelines that have been imposed upon them by other Echelons of Government. We are well aware what goes on; we are well aware of the procedures. I've been coming to Washington so often that I feel I am a part of Washington. This is my second home. We are laboring under one mission—to improve our Tug Valley Area. We have done everything within our means to lift ourselves up by our bootstraps. We provided the necessary funds and assistance to build the Flood Wall around the city of Williamson. We provided the necessary matching funds to erect a new Court House. We Provided a Sanitation system for the City of Williamson at no small expense. We repeatedly vote excess levies for our schools. We have voted Bond Issues for a new High School at Williamson, Matewan and other areas. We have voted bond issue for a Branch College building. We do not desire handouts, we only want support, we only want assistance that we feel is due us. Our citizens read the newspapers, listen to radios and watch television. We are not entirely a bunch of Mountaineer Hillbillies. We are not Ignoramuses. We can read and write. We know they are spending millions of dollars to build dams in some far away place in Africa. How can you justify these to the people in Williamson when officials of our government continue to be blind to the paramount need of the Tug Valley—flood protection.

You speak of the N & W Railroad. We are appreciative of every effort they have made. They have asked us from time to time what would Williamson be—what would Southern West Virginia be without the N & W Railroad? But my friends, what would the N & W be without the Southern Part of West Virginia?

In 1957 we were laboring for a flood wall. Top echelon of the N & W Railroad came to my office and said, "You just tell us how much you need for feasibility and we will give it to you in the flood damage." In 1963, our attack had changed from Floodwall to Valley-wide protection. They would not report one dollar of damage in the 1963 flood to their Williamson installation. Yet they took trains out and put them on the bridges to keep the bridges from washing out. The same waters flooded their facilities. The water poured through the tunnel in West Williamson, halting movement of all mainline traffic, including the valuable "meat trains" and other key manifest freights. Far greater damage was caused by the 1963 flooding than by that of 1957, but not one dollar was reported to us because we were working for the Lower Knox Creek Dam. I'm surprised that our good friend Mr. Lewis is not on this conference. He has a penchant for reading our newspaper and learning about our plans for having delegations visit Washington. He just happens to be in Washington at the time our delegation arrives.

I am not critical of you gentlemen in your efforts. I know, as I've said before, you are limited in what you can do. At the same time, you hold the key to the solution of our critical flood problems. Something must be done in changing the criteria if that is necessary. In April, we were here discussing these same problems. We went away with hope. We were told what would be done. As far as we're concerned, we know that those hopes and promises have not materialized. We have made repeated trips to Washington, gone to Cincinnati, gone to Huntington on numerous missions. The expenses of these trips is immaterial if some results can be obtained.

The interest of the entire population of the Tug Valley is centered largely on flood protection. A man with his life savings invested in his home certainly cannot understand why the neighboring valley of the Levisa Fork or the neighboring valley of the Guyan have been saved—spared of the distress, of the nervousness, of the anxiety every time it rains of any considerable degree.

This year, this month, we have had an unusually large accumulation of snow. Every night when our people go to bed, their prayers are directed that the snow will disappear gradually and will not be carried off with a heavy rainfall throughout our valley. We know that if such an occurrence does take place that the Engineers would not have time to pull out the pumps from our pumping station: The Engineers wouldn't have time and our citizens wouldn't have time to save a few paltry household furnishings, damaged many times because of the necessity to move it out of the home.

Gentlemen, there is a human factor involved in this. There is a human factor involved which you cannot measure in dollars and cents in your so-called hard and fast rules on criteria. I don't know whether it is in your province to regard these factors or not, but those factors, gentlemen, are the concern of every citizen in our valley, and I will guarantee to you that those citizens are not "hippies." They are true Americans, paying their taxes and striving to make America strong and beautiful. I thank you.

VIETNAM: THE AMERICAN DILEMMA

Mr. SCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an editorial published in yesterday's Wall Street Journal on the American dilemma in Vietnam, and a dispatch from one of the Wall Street Journal's Asian correspondents, Robert Keatley, on the same subject.

The editorial and article emphasize the complexity of our involvement in Vietnam. They underscore the difficulty of applying, in the words of Mr. Keatley, "American resources, manpower, and organizational abilities effectively" to a situation that is almost totally alien to the conventional positional warfare to which the American Military Establishment has been accustomed during this century. I do not make mine every statement in these articles, but they are worthy of thoughtful consideration.

The events of recent days in Vietnam and their possible recurrence on a more dramatic and disappointing scale should not cause us to abandon our commitment in that embattled land. Our commitment there and the basic outlines of our policy of upholding that commitment are correct. But it would be well for those responsible for formulating and carrying out that policy to ponder the significance of the events of recent days as well as related events. It would be well to ask whether, again in Mr. Keatley's words, "something is seriously wrong" with the ways and means by which we are implementing our basic policy in Vietnam and Southeast Asia.

I reiterate my support of our basic course of action in Vietnam. I also reiterate my support of our Government's efforts to bring this war to an early and honorable conclusion. But my support is neither blind nor uncritical, and I believe that wisdom and prudence demand regular and searching reappraisal of our methods and programs to implement that course of action.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Pennsylvania?

There being no objection, the items were ordered to be printed in the RECORD, as follows:

VIETNAM: THE AMERICAN DILEMMA

The savage Communist attacks on Saigon and the provincial capitals underscore what has always been a fundamental question about the American involvement: The quality of the determination of the South Vietnamese government and people. In turn, the question poses a warning for the U.S.

It may be true, as Secretaries Rusk and McNamara were maintaining Sunday on "Meet the Press" that the enemy failed to win a military victory or take any city, although fighting was still going on in Saigon yesterday and the Reds held large sections of Hue. True also that, in this type of war, neither the South Vietnamese nor the U.S. forces can wholly protect the cities and the populace from terrorist assaults.

Granted, further, that the politically conscious elements of the population are at least vocally anti-Communist. The peasantry may be largely apathetic or understandably eager for peace at almost any price, but the government officials, the political parties and the religious sects sound firm in refusing to submit to Hanoi's domination.

None of this, however, exorcises the grim doubts about the viability and will of South Vietnam as a nation we are trying to help. Something, our Mr. Keatley writes elsewhere on this page today, must be awfully wrong.

The fact that the Communists were able to infiltrate on such a scale and do so much damage is strong ground for suspecting that they had the covert support of some nominally anti-Communist South Vietnamese, perhaps even within the government. No one knows that the Vietcong-North Vietnamese objective actually was to capture cities or overthrow the government; the aim may have been that which has been accomplished—a terrible demoralization, showing up, for all the South Vietnamese (and the U.S.) to see, the frailty of the government and its military forces.

Mr. Rusk and Mr. McNamara, while claiming the Communists had failed militarily, had to concede that they had inflicted severe psychological blows. In the thoughtful words of Max Frankel of the New York Times, increasingly the name of the game out there is who can protect whom from whom. The South Vietnamese government, with all the vast aid of the U.S., has revealed its inability to provide security for large masses of people in countryside and city.

The U.S., of course, has all along been haunted by the specter of the South Vietnamese nation dissolving, as it were, before its eyes. For our part, we have said from the beginning that the outcome of the U.S. effort would be in doubt unless the government and people were fully committed. It may be a cliche, but in the long run the U.S. cannot effectively give military aid to another country unless that country is determined to help itself stay out of the Communist grip.

Now we suppose the Saigon government will manage to stay in power, or if it goes there will be another, as there have been so many. But if it doesn't really have the support of most of the people or the ability to save them from nation-wide terror and murder, how good is it? What, indeed, is the U.S. trying to save?

This same South Vietnamese government, moreover, is showing something of an anti-American bias. It will not take the steps our authorities consider essential: Make a full war effort, get the South Vietnamese army in fighting shape, crack down on the unspeakable corruption and inexcusable misallocation of U.S. aid. And it tells Washington in no uncertain terms that the Saigon regime is running the show, including the search for peace; it doesn't want bilateral U.S.-Hanoi negotiating.

The temptation therefore may grow for the U.S., out of frustration with the Saigon generals and the slow progress of the war, to take over the nation, keeping a facade government but in fact finally waging the war the way our military leaders believe it should be waged.

Any idea of that sort of escalation, it seems to us, is a counsel of desperation. It would probably mean fighting, for a while, the South Vietnamese military as well as the Communists. More important, it would undermine our case for being there. We are mired down badly enough as it is; let's not make it worse.

One can strive to be optimistic, hoping that the attacks of the past week are the enemy's last big drive before agreeing to peace talks. One can still figure that the dangers of pulling out—in terms of Communist aggression throughout Southeast Asia and maybe beyond—are greater than the dangers of staying in.

Yet it is hard to escape the conclusion that the Communist onslaught has gravely deepened the American dilemma. It raises in the starkest form not only the question of weakness in Saigon but of whether the U.S. effort is reaching a point of diminishing returns.

DIAGNOSING THE "LAST GASP" IN SAIGON

(By Robert Keatley)

HONG KONG.—The State Department desk officer was briefing a young reporter bound for his first Asian assignment.

"General Nguyen Khanh is the greatest asset we have in South Vietnam," he explained in confident tones. "He is getting out to meet the people—building up a solid political base like no other South Vietnamese leader has ever done."

That was four years ago and like many others, former Premier Khanh is long gone from Saigon. He was last spotted as "roving ambassador" with a marked preference for sunny southern Europe. The briefing officer now holds a senior diplomatic post in Southeast Asia and presumably would not like to be reminded of his former political analysis.

But it seems pertinent to remember this erroneous observation now that Vietcong snipers are still shooting up Saigon and some 35 major South Vietnamese towns have been invaded during the Communists' major push of their long guerrilla war. For once again it seems that American understanding has been faulty at best, that the U.S. has misjudged both the enemy's intentions and its ally's ability to retaliate.

TEMPTING TARGETS FOR ENEMY

U.S. information "did not indicate we were going to have any such widespread attacks," a senior American general conceded in Saigon over the weekend. And the Army's intelligence chief now says the Communists have 65,000 more troops in reserve and can repeat, perhaps surpass, last week's attacks any time they choose. Their long-range Russian rockets haven't yet been used against such tempting targets as Saigon's international airport. The long-awaited onslaught at the key Marine base at Khe Sanh was apparently beginning at this writing.

All this contrasts sharply with the assorted victory statements issued in recent times from Saigon and Washington. Ho Chi Minh himself has called the Vietcong offensive an answer to President Johnson's claim some weeks ago that things were looking up in South Vietnam.

The impact of all this on the South Vietnamese populace is impossible to assess at present. It is difficult to agree with some optimistic Americans who have cited the attacks as a last gasp before the Communists settle down to negotiate an amicable end to the war. And those who stress that the Vietnamese people didn't rise up in support of the Vietcong seldom add that neither did they supply information that would have tipped off the allied side. Some Vietnam veterans believe the attacks—even though the Vietcong will almost surely be driven out of every city—will reinforce Hanoi's belief that it can win both military and political victories without peace talks and someday gain undisputed possession of all Vietnam.

More importantly, the offensive seems certain to undermine whatever credibility the Saigon government has in outlying cities and countryside. The Vietcong have planted the fear that they may repeat the onslaught any time, and whether they really have that capability is irrelevant. The attacks also tend to damage the prestige of the Americans as protectors, another major Communist goal.

This indicates the problem the U.S. confronts throughout Asia as it tries to defeat or control Communist movements: The world's strongest economy and military power often can neither figure out what the other side is plannng nor bring its massive wealth of firepower to bear effectually once the action has started. For example, bombing the Saigon suburbs may have been absolutely essential to defeat the Vietcong units, but the toll of civilian dead or homeless is a high price to pay in what remains also a political war. And to date the Americans haven't learned how to use their vastly superior military force to destroy Vietcong battalions before they can launch major attacks of their own.

The problem isn't only in Vietnam. The U.S. has 43,000 men based in Thailand; though most are concerned with the air war over North Vietnam, several thousand have construction, logistics or advisory assignments to help the Thais solve their own insurgency problems. But despite this input of men and material, the estimated number of anti-government guerrillas in Thailand's poor northeast region is now 1,700, up from 1,200 a year ago, and Communist bands have started fresh troubles elsewhere. Some observers fear the old Vietnam mistakes will be repeated.

In Korea, the American effectiveness record isn't especially bright either. Some 50,000 U.S. troops are based there to supplement a large South Korean military establishment. But North Korean agents penetrate the American-guarded sector of the demilitarized zone with relative ease partly because Army forces there have been short-changed due to Vietnam commitments. And when belligerent North Koreans seized the spy ship Pueblo recently, the U.S. Air Force reportedly was organized to drop nuclear bombs but not to provide conventional air cover, even though North Korea had been complaining for weeks about alleged American spy boats in coastal waters.

This makes America's Asian experiences these days too often frustrating. What its soldiers and politicians attempt is frequently irrelevant to the other side's intentions and capabilities.

The reasons are complex and confusing. They stem largely from the basic fact that current U.S. confrontations in Asia are only slightly related to conventional warfare. Though great minds have long pondered this rather simplistic notion, they haven't yet devised ways to apply American resources, manpower and organizing abilities efficiently. And there are no easy answers.

At the operational level one result is that bureaucracies fall back on ways and cliches they know best. For example, at the South Korean headquarters of the U.S. Army Second Division, which has the unenviable task of guarding the Korean DMZ sector, signboards proclaim "Second Division—Second to None" or somewhat enigmatically "Zero Defects" which apparently means the Army either considers itself perfect or at least wants to be.

"They live in their little compounds and read their own propaganda and eventually they begin to believe that stuff," says a military man from another country. "Meantime North Koreans are up there on the DMZ making monkeys of them and they don't know what to do about it."

Likewise, anyone who visits Vietnam will probably hear U.S. military advisors talk about their Vietnamese counterpart—those officers they are supposed to assist—as "great little fighters, speak real good English and we've become great friends." Too often the advisors ignore the fact that they are being played for suckers by their wise counterparts, who have seen Americans come and go for years and know well how to handle them. By appearing pleasant and cooperative, South Vietnamese officers can usually run things their own way, which may include padding payrolls, shaking down province governments and playing army politics for more lucrative posts.

Of course many U.S. Army men understand fully what is happening, but they don't know what to do about it. For one thing, causing trouble isn't welcomed at higher offices, and many advisors want to get their year ended and leave Vietnam with untarnished fitness reports. But how to make American advice more effective when it is pertinent continues to elude the establishment.

In Thailand, some fear American advice may yet plunge the Thais into the same sort of difficulties that have helped bog things down in Vietnam. At least in its early stages insurgency is a matter of economic development as much as military suppression—by attacking rural problems it is possible to eliminate grievances before agents can turn disenchanted peasants into guerrillas.

RURAL DISCONTENT

But some sources claim American Army men there are persuading Thai generals (who don't need much encouragement to expand their power and budgets) to take over development programs as an adjunct to their anti-Communist military operations. And because Thai peasants, like those in Vietnam, sometimes consider soldiers organized bands of rapists and thieves, this could increase, not decrease, rural discontent.

The problem isn't restricted to military missions. Not long ago a stout U.S. aid bureaucrat armed with five months experience in Vietnam was claiming that new attitudes now prevail in provincial civil services. "Those government workers are getting out of their province capitals and visiting peasants at last," he said with glib assurance. "We're making some real progress." But stories from the countryside seldom support such optimism. Local corruption, incompetence and indifference continue.

Deputy Ambassador Robert Komer, pacification's superchief, sometimes bases his continual cheerfulness on American "weight and mass," meaning that American numbers and resources must inevitably achieve the desired results despite much waste and inefficiency. He may be right, but some others think this reflects a poverty of effective ideas.

One easy answer, at least in South Vietnam, is to have the U.S. take over and simply issue orders. But none know better than the South Vietnamese that this is both politically and practically impossible for international and domestic reasons. Saigon officeholders realize that the U.S. has long since spent its leverage and is deeply committed; U.S. advice can be ignored whenever it is inconvenient or unprofitable, and Americans will neither colonize nor abandon the country, for their own reasons.

FINDING DIFFERENT APPROACHES

The problem is finding what to do differently so that America's vast resources can bring some desired results.

Attempts are made continually. American military tactics, training and equipment have been revised drastically, yet enemy battalions aren't found or destroyed. Pacification officials have rewritten their plans countless times, with indifferent results so far. Diplomats have tried continually to bring order and responsibility to Saigon's self-serving political processes, but the changes seem mostly superficial. Some of these problems have parallels in other Asian lands where the U.S. has major commitments.

So the persistence of frustration doesn't mean vast numbers of official Americans aren't working hard and imaginatively. American soldiers on duty from Korea to Vietnam fight valiantly, facing discomfort, pain and death in ways the American who gripes about Vietnam from his comfortable home can only dimly understand, even if he tries.

An old saw has the allies winning bigger and bigger battles closer and closer to Saigon The sight of American troops mowing down enemy soldiers in the streets of the capital may indeed inflict heavy losses and decimate some key battalions, but it is hard to view this scene as anything but a long-range setback for U.S. aspirations in South Vietnam.

It seems once more that if present approaches are the best the United States can devise in Asia, something is still seriously wrong.

CIVIL DISORDER

Mr. LONG of Missouri. Mr. President, crime and civil disorder are among the greatest challenges facing the United States. I was pleased that the President recognized this issue by stating in the state of the Union address:

> We, at every level of the Government—State, local, Federal—know that the American people have had enough of rising crime and lawlessness in this country.

It is important and vital to the nation that action be taken to assist our cities and States in their war on crime. Effective legislation is necessary, and I shall do whatever necessary to work for its enactment.

At the same time, however, in periods of rising crime, there is a tendency to go to any lengths to bring lawbreakers to justice. The danger in this trend was outlined in a recent front page editorial of the Canton Press-News of Canton, Mo.

This editorial also reported a change in approach to the problem of penology which has been recommended by a study group of the American Bar Association. The recommendation, one of several, suggested that the rehabilitation of lawbreakers be emphasized over the three traditional alternatives of retribution, deterrence, and restraint.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial

was ordered to be printed in the Record, as follows:

[From the Canton (Mo.) Press-News, Feb. 1, 1968]

Just One Word of Caution

Judge Bruce Normile's "Conference of Law Enforcement", held last week in Monticello, was most worthwhile. Better cooperation between agencies, better control of lawlessness and actions to be taken to enforce the law were stressed. We heartily endorse the findings of the conference.

Most people are fed up with lawlessness. They want something done. In the name of freedom many things are happening. A noisy minority scoffs at basic American ideals of honesty, integrity, morality and patriotism. From public platforms we hear strange alien urgings to defy or ignore the laws which they choose to ignore and to obey only laws with which they agree. It's about time something was done about this. Teenage crime is increasing, and Judge Normile reported that more and more juveniles are appearing in his court. If we are to continue to have a nation, the laws of the nation must be obeyed.

But there should be one word of caution. In our desire to bring law breakers to justice we must not forget the long-established custom of our courts to consider people innocent until proven guilty. There have been cases where individuals have been convicted by newspapers before they ever came to trial. Others have been convicted by petty gossip before they have had their day in court.

So, while we must put a stop to the growing lawlessness, we should not allow our zealousness in law enforcement to become overzealousness.

In spite of weaknesses in our law enforcement and court procedures, a much more enlightened approach is now being taken by most judges. An American Bar Association study group recently made a number of recommendations. Among other things they recommended were in part, "In case of first-offenders more harm than good can be caused by institutionalization, for it will result in little more than education of the offender in more sophisticated methods of engaging in criminal conduct. There is a much greater chance in most cases of avoiding a subsequent offense by helping the offender adjust to society than by removing him from it."

We believe laws should be enforced quickly, firmly and fairly, but, at the same time, with a degree of humility, compassion and sound judgement.

THE INCREASING TENDENCY FOR PEOPLE TO DESPAIR

Mr. McGEE. Mr. President, we have seen in the past few weeks in particular an increasing tendency for people to despair, to believe the worst, to peddle unfounded stories and to emphasize the negative with regard to the situation in Vietnam and the seizure by North Korea of the U.S.S. *Pueblo*. There have been many statements, many reports, which seem to play into the hands of the enemy. There have been many unnecessary questions asked—unnecessary because the answer was evident.

Garnett Horner, writing in the Evening Star, of Tuesday, February 6, 1968, observed that President Johnson must have trouble keeping his temper when he hears Americans of some standing, or reads newspaper stories and editorials, suggesting that the U.S. side suffered a defeat in the recent raids of South Vietnamese cities. He must feel especially frustrated, Horner went on, when he reads analyses which emphasize that the Secretary of State and Secretary of Defense are uncertain whether the *Pueblo* intruded into North Korean waters.

Some strange twists, indeed, have been given to recent events. The loss of 20,000 and more enemy troops, compared with casualties of 400 dead for the allied side in Vietnam in recent days can be interpreted by some as defeat for our side. A statement that we are reasonably sure the *Pueblo* was in international waters, though we obviously cannot be absolutely certain until we see the ship's log and talk to its officers, can be interpreted as uncertainty, rather than reasonable certainty. Orr Kelly, writing in the same edition of the Evening Star, analyzed one of the frequently asked questions—that arising out of the *Pueblo* incident. He wrote:

> Even people who should know better find it hard to understand why we did not have instantly available whatever forces were required to protect the *Pueblo* from seizure and, once she had been seized, to seize her right back again.

But Kelly gives the answer, pointing out that the *Pueblo* incident does, in fact, illustrate our ability to react quickly—as we did with the U.S.S. *Enterprise*. As for the question of protection, Kelly points out our intentional decision was to have the *Pueblo* travel alone, unprotected, precisely to avoid provocations and complications.

> It is essentially the same kind of decision a person makes when he decides whether the chances of rain are great enough to outweigh the inconvenience of carrying an umbrella.

Mr. President, these two articles, taken together, not only give some answers to the critics we have been hearing from in recent days, but they illustrate, in the press, the need for American news media and those whose views make the news to weigh their words and pay heed to the national interest.

I ask unanimous consent that the articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Evening Star, Feb. 6, 1968]

Trying Times for Johnson

(By Garnett D. Horner)

Life is trying for President Johnson these days.

He has no reason to complain about having to deal with such crises as the massive Communist offensive in Vietnam and the North Korean seizure of the USS Pueblo. That's part of his job.

But it can only be frustrating for him to see his job complicated by fellow countrymen who, from his point of view, might be giving comfort to the enemy—innocently, in most cases—by promoting the Communist propaganda line. He must feel something like a man trying to swim upstream in choppy waters with lead weights around his legs and arms.

Knowing that one of the Communist objectives in their coordinated attacks on South Vietnamese cities and the U.S. Embassy in Saigon was a psychological and propaganda victory, Johnson must have trouble keeping his temper when he hears Americans of some standing, or reads newspaper stories and editorials, suggesting that the U.S. side suffered a defeat in the raids.

STRESS ON UNCERTAINTY

He might ask: "Isn't it a defeat for the enemy when they lose on the order of 20,000 men to our 400? What would it be if it was the other way around? What if the American Embassy was in their hands?"

When critics emphasize that Secretary of Defense Robert S. McNamara and Secretary of State Dean Rusk are uncertain whether the Pueblo intruded into North Korean territorial waters, the President must feel especially frustrated.

Of course, that is legitimate news and Johnson would not blame anyone for reporting it. The galling part is to emphasize the uncertainty while subordinating the fact that McNamara said he is sure from clear evidence that the Pueblo was in international waters when seized, there is no indication it strayed too close to North Korea during preceeding days of radio silence, and he doesn't believe it did.

It is as if someone asked the President if one of his trusted aides ever robbed a bank, and he said the aide never had while he knew him, he didn't believe he ever had, but of course he couldn't be absolutely positive what the aide did before he knew him until he checked all the records—and a headline reported "President Uncertain Whether Aide Robbed Bank."

FALSE HOPES FED

Adding to the President's troubles is the prominence given unverified reports that the North Koreans have agreed to release the Pueblo's crew in exchange for an admission that the Pueblo violated territorial waters, and an apology—when there is no agreement. He might well feel that his effort to guard against raising false or premature hopes is endangered.

To see a television news program playing up reports that South Korea might pull some or all of her nearly 50,000 troops out of South Vietnam to meet the threat of renewed North Korean aggression, in the absence of fresh U.S. support, must sorely tempt the President to blow his stack.

His intelligence reports indicate that a prime objective of North Korean and other Communist leaders is to divide the allies in South Vietnam and divert the South Korean troops there homeward.

While he could not rule out forever the possibility of South Korea withdrawing some of its forces from South Vietnam without risking new credibility gap charges, he feels sure such a move is not likely and knows it is not under active consideration now. So reports to the contrary could only escalate his frustration.

Unquestionably it is particularly irksome to a man of Johnson's "can-do" disposition to be able to do little or nothing about statements and reports that seem to play into the hands of the enemy.

But he recognizes that free speech and a free press are mainstays of the American system. About all he can do is hope that people quoted in the news, and the news media themselves, will always keep in mind the national interest and their responsibility to it.

Why "Pueblo" Didn't Take "Umbrella"

(By Orr Kelly)

What's happened to the world's most powerful nation, letting a little pipsqueak country like North Korea push it around?

What about flexible response? people ask. Can't we even protect one ship?

Somehow, a lot of Americans seem to have gotten the idea that we are not only the most powerful nation the world has ever known, which is true, but also all-powerful Omnipotent.

Even people who should know better find

it hard to understand why we did not have instantly available whatever forces were required to protect the Pueblo from seizure and, once she had been seized, to seize her right back again.

But anyone who stops to think for a moment should realize that even the most powerful nation in the world cannot be expected to be able to exert whatever force may be required to meet any situation anywhere in the world and to do it instantly.

The reason is obvious if you simply add up the force that would have been required to protect the Pueblo from any possible harm.

To protect her from boarding by a party from a patrol boat, she would need the protection of a destroyer—say, 260 men.

But what about the threat from a submarine? Add three more destroyers—another 780 men.

What about a possible air attack? Add an aircraft carrier—at least another 2,700 men.

Even an armada like that—five warships, perhaps 80 planes and some 3,740 men—still couldn't afford absolute protection to the Pueblo from all conceivable threats.

As the collision the other day between a U.S. destroyer and a Soviet ship in the Sea of Japan demonstrated, the very fact that a number of ships are gathered together can itself lead to new and unexpected complications. In any military move, someone has to make a judgment, weighing the importance of the mission against the risks and the costs of reducig the risks. It is essentially the same kind of decision a person makes when he decides whether the chances of rain are great enough to outweigh the inconvenience of carrying an umbrella.

In the case of intelligence-gathering ships like the Pueblo, the United States and the Soviet Union have been operating without any great difficulty since at least as long ago as 1953. The chance that the Pueblo would get into trouble seemed, from all past experience, extremely remote.

Once it occurred, the Pueblo incident might seem on the surface to reveal the powerlessness of the United States under certain circumstances. But it has also demonstrated the ability of the United States to keep its commitment to protect the independence of South Korea.

On the ground in South Korea at the time of the incident were more than 50,000 U.S. soldiers in two divisions. With the South Korean army, there is virtually no question that they could at least hold off any attack from the North until help could arrive, if they could not, in fact, repel an attack.

Within hours of the incident, the United States had moved the carrier Enterprise into the Sea of Japan. By itself, this move probably tipped the air superiority balance in favor of the United States and South Korea. Additional land-based planes began to arrive a short time later.

Defense officials were deeply disturbed by published reports that they would have no choice but to use nuclear weapons to deal with a new outbreak of hostilities in Korea. Clearly, their ability to react to trouble there now is vastly greater than it was in 1950—and the use of nuclear weapons was avoided then under more difficult circumstances.

It may very well be, as some argue, that the United States has made more commitments than it can fulfill. Certainly, this would be true if we were forced to try to meet all our commitments at once. It is also true that we have not yet reached our goal of a truly flexible response to all possible contingencies—a goal that will probably always remain elusive.

But the Pueblo crisis has certainly not demonstrated that, because of the war in Vietnam, we are not able to react quickly to meet other emergencies. The speed of our reaction, even though it was not instantaneous, tends much more to prove just the opposite.

PPBS: PROMISE AND PROBLEMS

Mr. MONDALE. Mr. President, on February 6, 1967, I introduced the Full Opportunity and Social Accounting Act. That legislation was developed from a concern that we know too little about and frequently respond far too late to a wide variety of social problems plaguing our Nation. S. 843 would attempt to improve our social knowledge and heighten our ability to respond intelligently and rationally to unmet social needs before they confront us starkly in riots and other social disorders.

The Full Opportunity Act would declare full social opportunity a national goal, and would establish a Council of Social Advisers to the President, an annual social report, and a joint congressional committee to review that report. These mechanisms, I believe, would assure early movement toward achieving the goal of full social opportunity for all our citizens.

From time to time during the past year, I have called the attention of the Senate to discussions of sophisticated efforts now underway in the executive branch which are designed to lend greater rationality to the process by which our limited national resources are allocated to competing social needs. I have, in particular, sought to highlight the activities of the Social Indicators' panel in the Department of Health, Education, and Welfare and that group's attempt to operationalize the programing-planning-budgeting system adopted by President Johnson in 1965.

Recently, William Gorham, Assistant Secretary for Planning and Evaluation in HEW, discussed this effort in some detail. I found Secretary Gorham's remarks on this occasion most illuminating both with respect to the promise such efforts hold for providing decisionmakers with better and more appropriate data upon which to make policy judgments, and with respect to the limitations which characterize that effort. I believe Mr. Gorham's remarks on this occasion focus attention on the need for improving our social knowledge if we are to meet the challenges now confronting our society. I also believe Mr. Gorham's remarks underscore the necessity of establishing at an early date an agency which can act as a governmentwide coordinator of existing social knowledge and a stimulus to the production of additional social information as needed.

Mr. President, I ask unanimous consent that Secretary Gorham's lecture, entitled "Sharpening the Knife That Cuts the Public Pie—II," be printed in the Record.

There being no objection, the lecture was ordered to be printed in the Record, as follows:

SHARPENING THE KNIFE THAT CUTS THE PUBLIC PIE—II

(By William Gorham, Assistant Secretary for Planning and Evaluation, HEW Forum, Lecture No. 2, December 20, 1967)

I have a very rich acquaintance. Like the rest of us, he has problems. But unlike the rest of us, he doesn't have great difficulty in deciding how to spend his money. He buys pretty much what his heart desires, when he desires it, and if it's for sale. And when he finishes buying, he always has lots of money left over. Most other people in the world want very much more than they can buy and they must make hard, sometimes tortured, choices—choices between food and drink, drink and theater, theater and books, books and education, education and homes, home and furniture. Also, choices between now and later, spending and saving—finally, choices between themselves and their spouses, they and their children, one child and another child, and so forth.

I won't have to persuade you, especially not this month, that governments are like most of us. They have limited resources relative to their collective appetite for public goods and services. And like most of us, governments must make difficult choices about how to allocate collective resources. To make the choices every government has machinery or institutions. Periodically our Government has tried to improve that machinery.

It is in that optimistic tradition that a little over two years ago President Johnson became persuaded that the Federal Government could do a better job in developing the Executive budget and legislative program. He mandated and directed the civilian agencies to develop a planning-programming-budgeting system (PPBS) along the lines of the one instituted in the Defense Department under Robert McNamara. Secretary Gardner invited me to join him in making the best of that mandate. Today I would like to tell you of my story of PPBS in HEW.

It's a moving target so unless you're an historian I wouldn't take notes. The principal features of the system are: a long-term (five year) Plan and a method of linking the Plan to the annual budget and legislative program. Now neither of these features was born two or even seven years ago. Planning is not new, and legislation and budgeting get older every year. What's new is putting them all together and forging links between them which make each relevant to the others. In other words, it's the "S" in PPBS which is new and different.

Also different is the analytical spirit of the thing which finds its way into the choices made in the Plan. *Its* features are (1) open, explicit, and deliberate attention to the ends or objectives of Government action; and (2) systematic comparison (analysis) of the costs and benefits of alternative ways to these ends.

Let me underline the purpose of PPB. PPB is for making better budgets and making better legislative programs. The premise of PPB is that annual budgets and legislation will be better if they are made in the context of a carefully conceived, though tentative, plan.

If it succeeds it will be perceptible only over the long haul. It's worth spending a minute to amplify this important point. In theory, a shift in program priorities could be translated into a drastic alteration in the budget and, if necessary, in the laws of the land. In fact, the laws of the land normally change slowly and each year's budget looks a great deal like the last year's—except a little larger.

There are several reasons for this stability. First, most of the principal actors have been in the play for several seasons and an amalgam of their priorities is already reflected in the legislation and in the budgets. In a country with as strong an anti-government bias as the United States, most major Federal programs come into existence only after a hard fight on the part of the proponents of a particular program to muster support from many different interests. For example, a generation of bitter debate preceded passage of a substantial program of Federal aid to elementary and secondary education in 1965. It probably passed the Congress only because it attracted the support of three different constituencies—those whose concern was for the poor, those who saw the Act as a first step toward wider Federal aid to education, and those who wanted to establish a precedent for

Federal aid to church schools. Such delicate alliances stand behind a number of major laws. Hence it is not surprising that once the fight has been won for a particular program, the Executive Branch is reluctant to try to change the program substantially or to substitute a new one and risk losing the support of some of the parties to the original hard-won compromise.

Second, once a program is in operation, it tends to attract the vocal constituency of beneficiaries. Attempts to reduce or eliminate a program bring loud cries of anguish. In the 1967 budget proposals, the present Administration called for reduction in impacted area aid—the program which provides financial assistance to local school districts serving a large number of children of Federal employees. Not a single congressman could be found to introduce the Administration's bill. This was true in spite of the fact that many congressmen admitted the "rationality" of the Administration's recommendation, privately.

Because it *is* so difficult to cut the "base," opportunities for major new programs or for substantially reshuffling of funds are not great unless the over-all budget increases substantially.

It's fair to ask at this point, if there's so little room for change, why bother? Why go through an elaborate and difficult process of assessing priorities and evaluating programs if the likely outcome is a pale legislative program and a budget which looks very much like last year's?

It will seem worth the bother only from the perspective of the long view. That view reveals opportunity and promise. First, there are vintage years, years when the opportunity for progress is extraordinary. For example, during an 8-month period in 1965, the Administration proposed, and the Congress adopted, at least 30 major pieces of legislation establishing new programs or significantly expanding existing programs for this Department. That frenetic period touched every major segment of the population: the young, with education acts and juvenile delinquency program; the old, with Medicare and the Older Americans Act; the unemployed and the under-employed, with expanding vocational training and retraining programs; the poor, with health and welfare and anti-poverty programs as well as with the education programs; and the general population, with air and water pollution control and health research.

Nineteen sixty-five was unusual by any previous or subsequent standard. However, it is not beyond reason to expect that when the Viet Nam war comes to an end, very considerable resources will become available, perhaps suddenly, for domestic programs.

A second reason why it's worth trying to improve the basis for our legislative and budget decisions is what John Maynard Keynes described as the miracle of compound interest. For example, an 8-year Administration which exercises discretion over the increments of a budget growing by as little as 5 percent each year will have shaped about ⅓ of Federal expenditures by the end of its second term. Eight percent yields ½.

Finally, beyond adding new programs or cutting back existing ones, there are other avenues for expressing priorities. It is often possible to re-orient and re-direct existing efforts. For example, the recent riots in major cities have led to an Administration-wide re-examination of existing programs to determine the extent to which more resources can be focused in the central cities.

In short, I think PPB is going to make a difference, but don't hold your breath.

Let me turn now to how this year's Five-Year Plan was developed, then to the plan format (the program structure), and finally to the prospects of improving the choices embodied in the plan.

DEVELOPING A PLAN IN 1967

The procedure involved several steps. First, very early in the calendar year a list of significant issues which would have to be addressed in formulating a Fiscal Year 1969 budget and legislative program was developed and discussed widely in the Department and with the Bureau of the Budget. We decided which of these issues seemed a promising object of analysis, and initiated studies of many of them.

The second step was the development of a set of tentative Departmental objectives for 1973. The Secretary asked each of the operating agencies to formulate their objectives for 1973 in program and financial terms. The sky was not the limit: each agency was given two ceilings for 1973—a "low" which implied continued budget stringency and a "high" which implied somewhat greater availability of funds. He asked each of them to answer the question: How would you allocate these sums in 1973 among existing programs or new programs which could be developed between now and then?

Because there were funding ceilings, difficult choices had to be made among many competing objectives and within single objectives among alternative programs. The 1973 allocations which the agencies sent back to the Secretary reflected considerable thought and effort.

The agency 1973 allocation proposals together with the results of the studies begun last winter were reviewed by the Secretary and his staff and a tentative set of Departmental objectives for 1973 was formulated. These Departmental objectives, reflecting the Secretary's judgment about priorities for 1973, were delivered to the operating agencies with an initial FY 1969 budget ceiling to serve as guidance for formulating their first FY 1969 budget submissions and FY 1969–73 program and financial plan.

With minor editing these submissions became the Department's first Five-Year Plan. The Secretary sent them to the Bureau of the Budget together with memoranda (one for each major program area—health, education, income maintenance and social services) describing the basis of the choices made. These program memoranda provide a comprehensive statement of what the Department is proposing to do and why. They also tell why some courses of action are not recommended.

Subsequent to that submission (in early October) more stringent 1969 ceilings were imposed. Insofar as possible these subsequent changes have been made consistent with the priorities and choices of the Plan.

The Five-Year Plan is tentative, always subject to change, and indeed, probably always changing in some details or in some major ways. As new needs are perceived, as new information or analysis becomes available, as ideas mature and develop, as the political prospects of good old ideas improve—the Plan will change. The next change will occur when the President's budget and legislative program are firm. At this time the early years 67–69 will be revised. The later years 1970 to, now, 1974 will be redone in the spring when the whole cycle will be repeated.

I'd like to turn now to the development of the Plan itself. I will first discuss the framework for planning (the program structure), and then the prospects for improving the choices within the Plan.

THE PROGRAM STRUCTURE

Responsibility for programs affecting the same broad goal is lodged with several different agencies. Health programs in particular are administered all over the Department: in the Public Health Service, in Social Rehabilitation Service, the Office of Education, the Food and Drug Administration, and the Social Security Administration. While this dispersion of responsibility is not necessarily bad for administration it requires tidying up for planning.

The structure of the Plan, the program structure, as we call it, violates organizational lines because our organizations violate functional lines. The Plan is organized by the broad objectives of the Department—health, education, income maintenance and social services. Taken together, these categories are sufficiently broad to encompass (at least) all of the existing programs of HEW.

Within each major category, there are subcategories and within those, sub-sub categories, all arranged in a reasonable hierarchy of objectives on down to the specific operating programs of the Department. This structure forms the basic building blocks of the Department's Plan. But they aren't the only dimensions of the Plan. Another, which we found very useful this year, is "target population," the group in the Nation the program is designed to reach. All existing or prospective programs are coded by who benefits from them: the aged, children, the poor, poor school-age children, the urban physically handicapped, and so forth. There are other dimensions of less significance.

We have found that the use of several dimensions makes it easier to understand the relationships of programs to each other and to over-all purposes or objectives. They also tend to prevent the functional or objective categories from becoming a hindrance to the development of programs which tend to cross them.

At the operating program level a "cross-walk" is provided which permits the translation of a program plan into appropriation categories. This capability makes it possible to draw the specific budget implications of the Five-Year Plan.

A last and very important point about the formal structure: we are attempting to develop for each operating program an information system which will provide "outputs," that is, quantitative statements of what the programs are accomplishing. For example, for Adult Basic Education we would like to know the number of adults made literate as a result of the funds devoted to that program. Good output measures are available for only a handful of programs. Extending and improving our understanding of the effects of our programs is the most challenging item on the PPB agends in coming years.

PLANNING IS MAKING CHOICES

Now we turn to the essence of planning and budgeting which is making choices among programs. The Plan is nothing more than a bundle of choices—choices among programs and funding levels among the major areas of health, education, income maintenance and social services and a much larger number of individual choices within each of these major areas. For example, choices among individual disease control programs, cancer versus tuberculosis; preschool versus elementary versus secondary and compensatory education; choices among the alternative roads of providing income transfers to low-income families; public assistance versus negative income tax versus social security, and so forth.

In my judgment we can't hope that systematic analysis will ever provide a great deal of assistance in making choices across major program areas. The big problem is incommensurability of these broadly different programs. We don't have and are unlikely to find a common denominator. We therefore don't know how to compare the value even for the same group of people of being healthier versus being wealthier or being better educated.

On the other hand, the big decisions—decisions about whether to put more into health or education or welfare *can* be made more comprehensible by identifying for the decisionmakers the outputs or the results of spending money in each of these areas.

It seems to me the value of knowing the trading terms is very great. Decisionmakers who know how many college graduates are being traded for how many families being lifted out of poverty or how many cervical cancer cases averted for alternative expenditure of funds, are in a much better position to make informed choices.

Now information on the specific impact of the HEW programs is going to be difficult to obtain. For one thing, in many programs it isn't possible to *define* an output, much less measure it. A great deal of research which aims generally at increasing understanding of physical, biochemical and psychological phenomenon is one such area. Another obstacle stems from the fact that HEW funds typically supplement those of other providers of the services in question. Any change in the Federal share may occasion an increase or decrease in the share of the other providers of the service—the States, municipalities, or the private sector. An increase in a Federal program can result in marginal impact greater or less than the direct effects of that increase. For example, a limited Federal program to detect and treat cervical cancer may persuade many physicians and clinics to recommend that their patients receive annual examinations at their own expense, and voluntary organizations may cooperate by financing substantial screening programs of their own. (Indeed, many programs are designed with precisely this sort or outcome in mind.) Conversely (and much more difficult to trace), a new Federal program may allow States or local communities to defer increases in spending that they would otherwise have undertaken. (And, who knows, the funds released might be turned to other, and more pressing, needs of that community.) These are not all the problems, but they should be sufficient to convince you that developing reliable output information will be more difficult than shaking apples from a tree.

At this point of the PPB's development, it provides an orderly framework of incomplete information. It requires inputs *and* outputs and it has therefore set in motion a chain of events that we hope and expect will lead to better information. When the boxes are filled, the system will help those who must make choices across programs by providing a clearer view of the implications of adding resources to each.

CHOICES WITHIN PROGRAM AREAS

Within the large categories, the contribution of quantitative analysis can be much greater. Objectives can be specified more easily (like saving life, reducing poverty, increasing earning power, raising academic achievement). Analysis of alternative programs that move toward these objectives is possible. When the objective is quite narrow, analysis can be very helpful in choosing among alternative approaches. For example, within a broader health goal, a more limited objective might be to decrease infant mortality. Infant mortality is measurable and routinely reported and there is little conceptual difficulty in evaluating alternative programs in terms of their relative effectiveness in reducing the rate of infant deaths. The preferred program or programs would be those which reduced infant mortality to some specified level by some given time for minimum cost; or the program which for some fixed level of resources minimized infant mortality.

One of the Department's first analyses last year sought the most effective program for reducing the very high infant mortality rates in low-income areas. While estimating the cost and effectiveness of alternative programs was a little more art than science, the estimates were quite good enough to provide a much improved basis for program choice.

The analytical task gets harder and the results less conclusive as the objective becomes more comprehensive. In another analyses conducted last year, a number of HEW programs aimed at increasing self-sufficiency among physically and "educationally" handicapped persons were studied and compared.

The programs analyzed were:

1. *Vocational Rehabilitation*—grants to States to assist them in setting up programs designed to rehabilitate handicapped individuals.

2. *Adult Basic Education*—a program for individuals over eighteen whose inability to read and write the English language constitutes an impairment of their ability to get and retain a job commensurate with their real ability.

3. *Work Experience and Training Program*—a program of work experience and training designed for persons who are unable to support themselves or their families.

4. *Vocational Education*—grants to States to support vocational high school and post-high school programs to prepare students for employment and to motivate students to stay in school who might otherwise drop out of academic or general curricula.

All of these programs have multiple objectives, but their principal objective is increasing the capacity of the individuals involved to support themselves. The programs were compared on the basis of their relative effectiveness in meeting this common objective. Estimates were made of the benefit to be expected from the program measured by the increase in the expected future earnings of the participants.

In the end, with baling wire and tape for each of the programs, a benefit/cost ratio was calculated (which was nothing more than the discounted future earnings over the cost of the program). The benefit/cost ratio for the programs ranged from barely over 1/1 to over 12/1, which is to say that for certain of these programs, future monetary benefits equaled costs, while for others, future monetary benefits could be expected which were twelve times the cost of the program.

An analysis such as this—of relative efficiency—is not the end of the road. For almost all HEW programs choices made exclusively on such a basis would be crazy. For one thing, different programs frequently benefit different people or even different groups. The question of *who* benefits is absolutely central to a decision-maker concerned with social programs. Unless alternative programs generally affect the same individuals, "efficiency" considerations must be tempered or sometimes overshadowed by distributional implications. Let me illustrate this from the analysis just described. The vocational rehabilitation program is directed to people with palpable physical and mental handicaps; the work-experience and training program is directed to another group—those who are unable to make it because of social and educational handicaps. If one were to be guided exclusively by efficiency criteria (benefit/cost ratios), the more "productive" vocational rehabilitation (VR) program would grow, while the work-experience program would shrink.[1] The socially handicapped would not get to first base while the physically handicapped were, so to speak, scoring run after run.

A related difficulty is encountered in comparing programs that affect different generations. If future benefits are discounted, programs which have benefits that do not emerge for many years, such as most children's programs, will tend to look unattractive relative to programs with more immediate pay-offs. At this time, we do not have an adequate basis for comparing programs aimed at different generations.

A final difficulty worth commenting on: all of the programs considered in the study have objectives which go beyond increasing income earning capacity. The Adult Basic Education program, for example, in providing literacy training, enables the graduates to be more effective parents, voters, and in general, more effective members of society. While these other objectives may not have been paramount in the eyes of the legislators who enacted the program and annually provide it with funds—there may be more important outcomes of the programs than they had in mind. Can they be ignored? In any case, there are frequently multiple objectives and criteria for their measurement (if they are measurable) are different and non-addable. There is nothing to do about this except to recognize it and illuminate as well as possible the multiple benefits (and costs) of programs. These aren't the only pitfalls. Taken altogether they say "use with caution."

Thoughtful studies will help to illuminate a large number of the choices that must be made in planning and budgeting. Analyses of alternatives will be most helpful within broad areas of social action rather than among them. The reliance that can be placed on quantitative studies tends to be directly related to the narrowness and the uniqueness of the objective: the narrower the objective, the more relevant the analysis; the grander the objective, the less helpful.

Certainly one major function of such studies will be to raise the level of the dialogue between proponents of different solutions to the problems we confront. They will practically never be sufficient unto themselves to provide an unvarnished basis of choice.

CONCLUDING OBSERVATIONS

To sum, PPBS is designed to improve the efficiency with which public resources devoted to public purposes are used. It's young and really too early to report on confidently, but it's promising. It is a framework for planning—a way of organizing information and analysis systematically so that the consequences of particular choices can be seen as clearly as possible. Its emergent features are:

1. Open, explicit, and deliberate attention to the ends of governmental action;

2. A comprehensive display of information about the functioning of actual government programs so that it is possible to see easily what portion of Federal resources is being allocated to particular purposes, what is being accomplished by the programs, and how much they cost;

3. Systematic comparisons of the costs and, when possible, the benefits of the alternative ways to attain the ends of government action; and

4. Explicit guidance to budget formulation and legislative development based upon a long-term plan.

These four activities are interrelated and build on each other.

In the end, if PPB succeeds, it will not displace traditional political processes, but help them function more effectively. It can do this by, first, focusing the attention of the political leaders of the country on the choices before them; second, by clarifying the implications of alternative courses of action; third, by improving the quality of the debate among those with diverse views about this or that end or this or that program; and, finally, by further ventilating the basis of the choices made among ends and among programs.

---

[1] Eventually of course, as the VR program increased its relative advantage would decrease and disappear and it would be efficient to add to the work-experience and training program.

THE ENEMY'S MASSIVE GAMBLE IN VIETNAM

Mr. McGEE. Mr. President, the handwringing in which many are indulging now because of the enemy's massive assault—we might call it a massive gamble—in Vietnam is not warranted when we consider the price our adversary paid without achieving any lasting goals. It was a fearful cost that produced no general uprising among the people of South Vietnam. It produced no full-scale Vietcong control over any large portion of Vietnam. What it did do was cost the enemy some 20,000 troops, many of them the Vietcong's elite—the sappers and the flower of its infantry. It was a gamble for an extraordinary victory which Americans, South Vietnamese, and other Allied troops denied to the North Vietnamese and the Vietcong.

Mr. President, in last night's Evening Star, Crosby S. Noyes set the record straight on this, just as Joseph Alsop did in this morning's Washington Post. Both writers deserve attention for their sharp analysis of the situation.

I ask unanimous consent that their articles be printed in the Record.

There being no objection, the items were ordered to be printed in the Record, as follows:

[From the Evening Star, Feb. 6, 1968]

Hanoi Miscalculates on Outcome of Showdown

(By Crosby S. Noyes)

As the war in Vietnam moves into what promises to be its climactic phase, cries of alarm and dismay are to be expected. Our determined pessimists automatically assume the recent desperate fighting in Saigon and throughout the country to be the prelude to imminent defeat.

From the opening attack on the American embassy compound in Saigon, the most gloomy assessments have been heard. The attack, it has been said, proved that no part of Vietnam is immune from enemy attack. The ability of the Viet Cong to mount simultaneous assaults throughout the country showed that we had underestimated the strength and capability of the guerrillas.

The result, it was said, would be yet another blow to the prestige and morale of the allies. Gen William Westmoreland, some suggested, had been outfoxed in committing so many forces to meet the threat in the north. So far as many critics were concerned, the attack on the cities was the final proof that the war in Vietnam was unwinnable by military means.

All of which betrays a profound ignorance of the nature of the war. Even at this late date, many Americans insist on judging the military situation in Vietnam in terms of classic warfare in which front lines and secure rear areas are taken for granted.

No one, from Westmoreland on down, has ever pretended that any city in Vietnam was secure from attack. None of the cities, in fact, is defended in the sense of trying to prevent the free movement of people and traffic in and out. There is not a city in Vietnam—or, for that matter, anywhere in the world—where several thousand well-armed and determined men could not cause unshirted chaos if they were willing to pay the price.

The important question in this case is why the Viet Cong and their North Vietnamese comrades should have decided to pay the price at this particular time. Whether their carefully coordinated hell-raising has resulted in a stunning success or a bloody disaster must be measured in terms of what they hoped to achieve. And though the answers are not yet entirely clear, the signs at this stage are by no means unfavorable.

What the Communists were out to achieve, according to their own plans revealed in many captured documents, was "an extraordinary victory in a relatively short period of time."

The all-out assault by guerrilla forces on the cities and villages is interpreted by our military experts as a preliminary phase of a full-scale attack with main-force units south of the demilitarized zone. The entire operation was aimed at putting the Communists in a position of maximum strength—and their opponents in a condition of maximum demoralization—as a prelude to negotiations later in the year.

To achieve this, Hanoi gave the signal to its guerrilla forces, as Westmoreland put it, to "go for broke."

Secret guerrilla organizations that had been held in reserve in the major cities for many years were surfaced and thrown into the battle. In an effort to bring about the "general uprising" which Communist theorists have always foreseen as the final stage of their wars of "national liberation," a large part of the carefully constructed military apparatus of the Viet Cong was committed throughout the country.

A desperate gamble on this scale can only be justified by solid results. The idea, so widely held in this country, that the whole performance was staged for its psychological effect seems utterly absurd. At the very least, the Communists must have believed that they could seize and hold a number of provincial capitals and generally paralyze the country for a considerable time.

Their failure to accomplish this and the staggering losses suffered in the attempt certainly do not add up to any "extraordinary victory" for the Viet Cong. And even the psychological victory which many seem eager to concede to the Communists is extremely doubtful.

From the point of view of the Viet Cong, no one gets much of a psychological lift from committing suicide. From the point of view of Vietnamese civilians caught in the murderous crossfire, the meaning of the war has taken on a new and frightful reality. And American public opinion, despite the reaction of professional handwringers, shows no sign of caving in under this attack.

Many people feel a convulsive final showdown is better than the prospect of a slow, grinding war of attrition. The events in Vietnam over the past week point in this direction and point also to a disastrous miscalculation of the outcome by the Communists in Hanoi.

[From the Washington Post, Feb. 7, 1968]

Brooding on Viet Setback Ignores Fearful Cost to Enemy

(By Joseph Alsop)

In any war, when one side hazards a high proportion of long-hoarded, near-irreplaceable resources, and suffers fearful losses as the main reward, the result must be accounted a serious defeat.

That rather basic rule of warfare needs to be recalled at present, simply because so many normally sensible people appear to have forgotten it. They have forgotten it, in turn, because they have formed the habit of focusing exclusively on our own problems in Vietnam, which are very painful indeed, without paying any attention to the enemy's problems, which are much more painful.

Yet the only way to make a balanced assessment of the enormously important recent developments in Vietnam is, rather obviously, to look at both sides of the balance sheet. And enough solid facts are at last in hand to permit a tentative assessment.

Since the damage done in the cities has received all the emphasis to date, it is best to begin the assessment with the other side of the coin. What, then, was the aim of this ambitiously planned attack on South Vietnam's cities and towns? What did it cost? And what did it achieve?

As to its aim, the captured documents and prisoner interrogations leave little room for doubt that a "general uprising" was confidently counted upon, at any rate in a considerable area or areas of South Vietnam. In all cases, the enemy troop units were sent into the towns and cities with no plans whatever to cover the contingency of severe setbacks.

In at least one province, Chaudoc, the units engaged were simply told that they were to celebrate the new year with the townspeople, who were waiting to welcome them. The need to fight was a rude surprise.

In almost all cases, again, the enemy units sent into the towns and cities had only a few days of supplies. And in some cases, they had almost no supplies at all, being promised instead that they would get all they needed from VC sympathizers in the urban populations.

In a considerable measure, of course, morale problems necessitated this deception of the VC troop units. Gen. Vo Nguyen Giap can hardly have hoped for a countrywide "general uprising."

Instead, Giap's aim seems to have been to establish full VC control in one or more large areas—the Delta and parts of I Corps being the most likely candidates. If that had happened, the turmoil in the rest of the country would have fatally hampered any roll-back effort. It was not a foolish aim, but it was not attained.

To attain this aim, meanwhile, a cost was incurred that is still hard to calculate exactly. It was certainly an enormous cost, however. Except in the most northerly provinces, very few North Vietnamese troops were used. The great bulk of the attacking troops were true VC in the old sense—local units composed of southerners, that will lose most of their effectiveness if they are later reconstituted with northern replacements.

Because of the sharp drop-off in recruiting in the South, manpower of local origin is the VC's most precious single resource. This resource was expended with a lavish hand, as can be seen from the current estimate that enemy losses in dead and prisoners of war will reach 20,000 men.

Worse still were the losses in men of highest quality and strongest motivation. The sapper units, used for blowing bridges, mortaring airfields and the like, have always been a special elite within the VC. The great majority of the sapper units have now been expended to the last man. And again, although dragooned young boys were used as infantry fillers, the spearhead outfits in the ordinary infantry were necessarily composed of the flower of the VC.

To these rather dire sacrifices, one must add two other items to complete the account. The VC used and lost just about all members of the underground network which has always been their principal hidden asset in the towns. And they also surfaced and expended their clandestinely acquired assets in the South Vietnamese army, which proved to be very trifling indeed.

Such then were the aim and the cost. As to what the VC achieved, that is pretty obvious. Pacification has been sharply set back. Great destruction has been wrought in some cities. Confidence has been shaken.

Much now depends, therefore, on three things: Whether the South Vietnamese government moves successfully to restore services and confidence; whether the remaining urban pockets of VC resistance are quickly liquidated and whether a second wave of urban attacks is successfully thrown back, if it materializes as some fear.

Reasonable success on these three vital fronts is now predicted. If that is the outcome, the final balance sheet will be most unfavorable to Gen. Giap. But that leaves the question why on earth Gen. Giap ordered this vast and costly general assault on the cities and towns.

CONSERVATION AND RESTORATION OF NATURAL RESOURCES

Mr. LAUSCHE. Mr. President, the Cleveland, Ohio, Plain Dealer, long a stanch and progressive leader in the cause of conservation and restoration of our natural resources, devoted its entire editorial page on Sunday, January 28, 1968, to urging a greater public push in the battle against water and air pollution. The page contains five excellent and thought-provoking editorials. I commend the Plain Dealer for its forthright stand.

I ask unanimous consent that the editorials be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

Greater Public Push Is Needed in Pollution Fight

The nation has walked long enough down the anti-pollution road. It's time to start running.

Despite millions poured into air and water pollution abatement since America woke up to the dangers of environmental poisoning in the 1950s, the quality of our air and water has not improved.

The millions were well-spent, keeping deterioration of the environment from becoming infinitely worse.

But new sources of pollution arising from a fast-growing population and soaring industrial activity have kept the nation on a treadmill.

There are hopeful signs that the nation is ready for the run:

Public pressure has produced federal water pollution control legislation which is forcing the states to establish water quality criteria. The next battle will be in enforcement. Will it be effective enough to see that the goals are achieved?

New federal legislation on air pollution control finally recognizes that protection of our air is a national responsibility.

There are signs that the Ohio government is beginning to meet its responsibilities in air and water management.

The legislature last year strengthened water pollution controls and put the state for the first time into air pollution control. It also moved to upgrade solid waste disposal practices with the likelihood that the days of open burning and open dumping of garbage and trash are numbered.

The Ohio Water Pollution Control Board, in response to public prodding, appears to be getting tougher in its enforcement program. But it has a long way to go.

Under a bond program proposed by Gov. James A. Rhodes the state, for the first time, will help municipalities build and expand sewage treatment plants. State willingness to assist in financing will result in increased federal participation, which will be of great benefit to the cities.

An Ohio Water Development Authority proposed by the governor is an imaginative program that would help solve the perplexing problem of treating industrial wastes.

The Ohio Water Commission, an arm of the Department of Natural Resources, has developed for northwest Ohio what may be the best long range plan for water use that has been formulated anywhere in the nation.

The key to success of any of these programs is public support and public pressure.

The universal desire for clean water and air, unspoiled open spaces, green parks and some beauty in physical surroundings, and the universal repugnance toward unsightly dumps, noise, ravaged hillsides and billboard clutters must be voiced clearly, forcefully and often.

Public clamor moves legislators to enact laws and appropriate funds needed to implement them. It gives administrators the fortitude for enforcement in the face of strong counter-pressures for delays.

In response to strong demand, political action can achieve the application of the technology that already exists, but has not been used, to solve a good many of our pollution problems.

It is, of course, costly to build sewage systems and to install air scrubbers in factories. And, faced with the prospect of costly outlays, it is relatively simple, as a New Jersey air pollution official put it, "to engage in excessive procrastination."

The nation, however, can no longer afford to procrastinate. Deterioration of our environment has become one of our most pressing domestic problems and is adversely affecting the physical and mental health of its citizens. If it goes unchecked, it could threaten man's very existence.

A task force on environmental health problems appointed by retiring Secretary John W. Gardner of the Department of Health, Education, and Welfare reached two important conclusions early in its study.

The first was that the contamination which man creates can be corrected if technological genius is brought to bear on the problems.

The second was that action cannot wait until technology solves all the problems. Action must be taken now, on the knowledge now available, while better answers are being sought.

We would reiterate a third conclusion: To get that action, the public will have to demand it.

Environment: Man Is Key to Balance

Human ecology is a term heard increasingly in discussions of conservation. It is the study of the interaction of man and his environment.

Disturbance of one aspect of the environment can have a deleterious effect on another—to man's ultimate sorrow.

Leveling a forest or overgrazing grassland can lead to floods or duststorms. Draining and "developing" an estuary can ruin aquatic breeding grounds and lose a fishery. Spraying DDT to control mosquitoes can kill a town's cats and bring on an invasion of typhus-carrying rodents.

There are 18 federal agencies alone—and numerous state and city agencies—dealing with one or another environmental problem—erosion of soil, air and water pollution, insecticides, protection of fish and wildlife.

There is no one body to take an overall look at what is happening to our environment and to give guidance on what should be done to correct or forestall imbalances.

The nation needs such a body—a Council of Ecological Advisers as proposed by an HEW environmental task force, or a Council of Environmental Quality as proposed in a Senate bill sponsored by Sens. Henry M. Jackson, D-Wash., and Thomas Kuchel, R-Calif.

The purpose of either would be to advise the President and Congress of the state of the environment, the changes taking place and the consequences of these changes.

A council composed of men knowledgeable in the disciplines of biology, conservation, economics, physics, psychology, engineering and the like would be able to formulate broad policies to guide the nation.

If it could not reach consensus on what everyone would find a "good" environment, it could at least agree on environmental conditions that would be "bad" and this would provide the basis for intelligent selections of alternatives for protection of our resources.

A council could achieve greater coordination and cooperation between agencies charged with environmental protection and increase the wisdom with which natural resources are managed.

Creation of a council must get the immediate and serious attention of Congress because of the rapid changes taking place in environmental conditions.

Some of the changes threaten to go far beyond the poisoning of water and air with unnatural chemicals.

The American Association for the Advancement of Science was warned in December that the tremendous increase in fuel consumption in this century is pouring carbon dioxide and other gasses into the environment faster than soil and oceans can assimilate them. At the same time, grassland and trees, which supply oxygen to the atmosphere, are being removed for paving (in the United States, at the rate of one million acres a year), threatening a decrease in the oxygen content of the air. There is evidence that the oxygen content already may be declining in our largest cities.

This is an ecological problem of the greatest magnitude, one that needs searching inquiry and an answer that could transcend ecology and enter the realm of social and religious attitudes. The answer could be that not so much the environment, but man, himself—the other end of the ecological balance—must be controlled in numbers if he is to continue to exist.

The Problem of Sewage: Regional Power Needed

Treatment of organic and industrial wastes is poorly done in the Cleveland area. The murky, stained waters of the Cuyahoga River the high bacteria counts in this and other rivers and in Lake Erie measure the failures.

There are many reasons for the inefficiency—treatment plants of inadequate capacity, absence of sewers in some areas and leaching into water courses of effluent from septic tanks, gaps in jurisdiction, poor control by the county of plants under its authority, combined storm and sanitary sewers.

To its credit, Cleveland is spending millions to upgrade its sewage treatment plants and a marked improvement in water quality should result.

But the single step that offers the best hope of overall improvement in waste treatment efficiency would be to put sewage collection, treatment and financing on a regional basis.

There are many excellent arguments for establishing a regional clean water authority:

It could work toward coordinated and central treatment of wastes, which is a much better system than haphazard treatment by numerous small plants. River water in some highly populated, highly industrialized valleys in Europe is cleaned and reused over and over but the rivers remain reasonably free of impurities. Central treatment makes it possible—that and close organization of water users throughout the watershed.

A regional authority could plan, build and operate systems crossing many political jurisdictions, any one of which might now block progress by refusing to go along with a project.

It would make financing problems much easier to solve, and financing is one of the great hurdles that must be leaped before real progress is made in water cleanup. Cleveland now processes sewage from many suburbs, which is a step in the right direction. But this entails difficult negotiations between government units on service charges. Coming capital improvements, such as suburban trunk interceptor sewers now under design, will make equitable financing increasingly more difficult to achieve, unless it is done by a regional authority with powers to tax, to issue bonds, to build and to operate sewers and treatment plants.

A regional authority would be better able to attract and hold the skilled personnel needed to operate the complex biological and hydraulic system that a modern treatment plant has become.

A single authority would eliminate present gaps in jurisdiction or responsibility that allow sloppy operation and maintenance of some treatment plants. Such a gap permitted one package plant in Middleburg Heights to become inoperative for a period last summer, and raw sewage poured into a tributary of the Rocky River, already grossly polluted from Berea downstream.

One authority would improve enforcement of state antipollution regulations. A combined storm and sanitary sewer in the Flats has a storm sewer outfall in Cuyahoga Heights. It runs constantly although it should overflow only in periods of rain. Out of it flows a multihued effluent—now bright yellow, now red—which pours into the Cuyahoga River. Obviously there is something wrong. An overflow structure deep down in the sewer may have become corroded and inoperative. Who should check it and order repairs? Obviously, some industrial wastes are bypassing treatment and going directly to the river. What are they? Where do they come from? Who should find out? A regional authority could provide the answers.

Ideally, a regional authority would be of a size to control waste treatment throughout the watersheds draining the metropolitan district.

But, practically speaking, an authority with such a reach would be difficult to attain.

It would be a major triumph of government if a regional authority covering only Cuyahoga County could be achieved.

In the Air: Local Control Best Hope

Federal and state governments are moving into air pollution control, but the best chance you have of improving the quality of the air you breathe is to improve the performance of control programs at the local level.

That is because both federal and state programs are structured to rely heavily on local governments for the support it will take to make control programs effective.

This is the picture:

The feds are there in the background, researching air pollution, advising cities on how to establish effective controls, and now, since legislation enacted last year, putting the heat on state governments to establish air quality standards and enforcement programs with the threat that if the states do not, the feds will.

Ohio has set up an air pollution board, also in legislation enacted last year. It will prescribe air quality standards in regions around the state and the first region it should look into is the Cleveland metropolitan area, which has the worst pollution problem. Then it will decide how much smoke, dust and polluting gasses an industry may be allowed to throw into the air so that the air quality standards can be achieved.

In all probability, the state will arrive at its determination of air quality standards by conducting hearings in the regions to find out what the conditions are and what the public wants them to be.

Industry will be represented at the hearings, because it has a big stake in the outcome. The higher the standards, the more it will have to spend on control equipment.

Who will speak for the public? There isn't much expertise around about air pollution, but what there is is concentrated in governmental pollution control organizations.

In the Cleveland area, that means the Division of Air Pollution Control in the Cleveland Department of Health and Welfare.

Is it ready for the challenge? We think it is not.

Only this division is equipped to find out with some precision the quality of air in Cleveland, and it has failed shamefully to do so.

Cleveland received a federal grant of $104,760 in 1965 for a three-year study of air quality. It was to set up 30 stations around the city to measure the gross soot and dust which falls from the air, the fine particles of smoke and fumes which hang suspended, and the invisible pollutants such as sulfur dioxide gas, nitrogen oxides, aldehydes, hydrogen sulfide and ozone.

It has measured dustfall and at some stations the finer particles called particulates.

But Cleveland is just getting into gas measurements and not at 30 stations, but at six, and not every other day, but only twice a week.

With the health of the public at stake, the division cannot let the excuse of inability to find personnel stand in the way.

Beyond its duty to measure pollutants, the division has the major responsibility for enforcement. There is an obvious need for improvement here. The Cleveland metropolitan area is ranked by the National Center for Air Pollution Control as the fifth worst in the nation in air pollution problems.

It is high time for a review of Cleveland's performance in air pollution control and of its standards, which can be higher than whatever are adopted for the state and nation.

In the Water: Ohio Could Be Leader

Ohio's soft enforcement policy in water pollution control has left too large a gap between actual and desired water quality, but the state has shown imagination in two areas of water management and use.

The first is in planning for future water development. The Ohio Department of Natural Resources and its water planning arm, the Ohio Water Commission, with the help of engineering consultants, have developed for northwestern Ohio a thorough, far seeing plan of action aimed at providing water of the quality and quantity that will be needed in the years ahead.

The plan specifies the number and location of the reservoirs that will be required to catch and hold precious rainwater. It foresees use of Lake Erie water to supplement flow of sluggish flatland streams and suggests when and where pipelines should be constructed. It envisions tapping underground water supplies to supplement surface water. It outlines a timetable of improvements to municipal sewage treatment plants, upgrading treatment from primary to secondary stages and finally to a third stage.

The plan considers all uses of water throughout the watershed—drinking supplies, industrial, agricultural and recreational. It considers need for flood control and improvement of stream quality by releasing stored water or adding oxygen with aeration devices.

The impoundments it suggests are multipurpose. A reservoir now under design, for example, will supply water to a town and also a waterfowl breeding marsh. And it will be built to encourage fish life by providing stepped ledges and rockpiles on which they may lay eggs.

What is more, the plan considers not just the needs but practical ways in which the needs can be met. Legislation approved last year gives the Natural Resources Department power to build the impoundments, to drill the wells and to work out financing arrangements with the water users.

Similar plans will be developed in other Ohio areas. Northeastern Ohio is expected to be the next target.

Ohio's second imaginative program is Gov. James A. Rhodes' proposed Ohio Water Development Authority. This is a governmental tool for getting done efficiently and equitably a job that needs to be done—the treatment of industrial wastes.

The authority would finance, build and operate facilities for groups of industrial firms, and perhaps even municipalities, and would recoup the costs through charges to users.

Both this proposal, which should be approved by the legislature, and the long-range plans of the Ohio Water Commission have received acclaim from the Federal Water Pollution Control Administration, the federal agency most concerned with water cleanup.

Their implementation could give Ohio national leadership in the drive for improved water quality.

LABELING OF FOOD FOR SPECIAL DIETARY USES

Mr. LONG of Missouri. Mr. President, on June 18, 1966, the Food and Drug Administration issued proposed changes in the regulations relating to the labeling of food for special dietary uses, which includes vitamins and other dietary supplements.

Regarding the latter, the new regulations would require, among other things, that the label on each bottle or container contain the following statement:

> Vitamins and minerals are supplied in abundant amounts by the food we eat. The Food and Nutrition Board of the National Research Council recommends that dietary needs be satisfied by food. Except for persons with special medical needs, there is no scientific basis for recommending routine use of dietary supplements.

A number of other restrictive labeling requirements relating to content and dosage were included in the proposed regulations.

Numerous scientists, dietary manufacturers, and other interested parties protested. The number of protests ran into the thousands and were so strong that the FDA felt it necessary to stay the effective date of the regulations until public hearings were held. It is now February 1968, and the public hearings on the regulations have still not begun and, for that matter, have not even been scheduled.

Mr. President, I remind the FDA's lawyers that the Food, Drug, and Cosmetic Act clearly states:

> As soon as practicable after such request for a public hearing, the Secretary, after due notice, shall hold such a public hearing for the purpose of receiving evidence relevant and material to the issues raised by such objections (21 USC 371(e)(3)).

In response to repeated requests for hearings, the FDA merely makes promises. In December 1966, the FDA promised that a hearing date would be announced "early in 1967". In a letter dated June 9, 1967, to the general counsel of the National Association of Food Supplement Manufacturers and Distributors, Dr. Goddard stated:

> It is our current plan to schedule the prehearing conferences just as soon as we can after the first week in September.

No such action has been taken.

The FDA, however, has not been idle since it first promulgated its proposed regulations in June 1966. With the avowed purpose of "protecting" the American public, the FDA has carried on a vicious nationwide campaign which is solely intended to discredit the vitamin and food supplement industry. By using the familiar "trial by publicity," the FDA is attempting to condition the public in favor of the proposed dietary regulations.

Meanwhile, thousands of citizens who earn their living in the food supplement industry have been under the death sentence of the proposed regulations for more than a year and a half. More importantly, the American consumer continues to be uncertain as to whether or not his freedom of choice in nutritional matters is to be denied them by the arbitrary fiat of the FDA.

I have many objections to the substance of the proposed regulations, which I should like to comment on at a later date. However, at the present time, I am more concerned about the procedural aspects of the FDA's handling of the regulations and its failure to schedule hearings as required by statute. The law, as well as ordinary justice and fairness, require that the truth be made known through public hearings where all interested parties have an opportunity to state their views.

It is time for the FDA to fish or cut bait; time either to hold hearings or to withdraw the proposed regulations.

CATHOLIC ASSOCIATION FOR INTERNATIONAL PEACE SUPPORTS RATIFICATION OF HUMAN RIGHTS CONVENTIONS

Mr. PROXMIRE. Mr. President, once again I express my disappointment over the inactivity of the Senate with regard to the human rights conventions.

The Committee on Foreign Relations has had before it for a considerable time the Conventions on Forced Labor, Political Rights of Women, Freedom of Association, and Genocide, the last two since 1949.

All these are certainly in consonance with our own constitutional law and public policies. They are likewise based upon the letter and spirit of the United Nations Charter and formed upon principles of international law.

I invite the attention of the Senate to the testimony of William V. O'Brien, president of the Catholic Association for International Peace, submitted to the Dodd subcommittee last year.

He said:

> Men and governments all over the world are becoming increasingly aware of the dignity and rights of the individual human being. The Church has repeatedly called upon the faithful and upon all men of good will to redouble their efforts on behalf of the millions who do not live in a condition worthy of their human dignity.

He also indicated that the Second Vatican Council lays stress on reverence for man:

> Everyone must consider his every neighbor without exception as another self, taking into account first of all his life and the means necessary to living it with dignity, so as not to imitate the rich man who had no concern for the poor man Lazarus.

Mr. O'Brien made the point that modern social teaching of the church has also emphasized the need to strengthen international law. I agree wholeheartedly with Mr. O'Brien that the ratification of these conventions will contribute to reaching that goal.

THE FLIES THAT CAPTURED THE FLYPAPER

Mr. HATFIELD. Mr. President, the RECORD carries a heavy load of words each day for its readers to view, and I hesitate, therefore, to add to its burden. But the highly astute and forthright columnist for the New York Times, Mr. James Reston, has given us a column today, entitled "Washington: The Flies That Captured the Flypaper," which I hope will be read by every Senator.

No doubt Mr. Reston's words have been cited time and time and time again by many Senators, but few of his pieces, in my judgment, excel his remarks today about the tragic aspects of our policy in Vietnam. We are indeed "the flies that captured the flypaper."

I commend this column to every one's attention and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FLIES THAT CAPTURED THE FLYPAPER

(By James Reston)

WASHINGTON, February 6—"Attack and counterattack widened across South Vietnam today," The Associated Press reported. "Large sections of Saigon and Hué lay in smoldering ruins, and columns of smoke rose as South Vietnamese divebombers, U.S. helicopter gunships, artillery and tanks blasted away at Communist troops in scattered sections."

This in a teeming city of three million people. "Tens of thousands of terrified civilians streamed from shacks and huts in Saigon with what meager belongings they could carry. Already nearly 200,000 refugees are reported, 58,000 in Saigon and its suburbs, and the total is expected to double or triple when all reports are in. . . ."

THE DILEMMA

Here is the dilemma of our military strategy of victory. How do we win by military force without destroying what we are trying to save? The battle is so fierce and the situation so solemn that the impulse to rally round is very strong, but the mind boggles at the paradox of tearing apart what we have undertaken to defend.

This, of course, has been the moral and strategic problem from the beginning: How to save South Vietnam without wrecking it. The Vietcong have made clear from the start that they would risk anything, destroy anything, and kill anybody, even if they inherited nothing but the wreckage. But what of us?

THE BITTER PROPAGANDA

It is not our country. Somewhere there must be a line beyond which the killing and suffering, not only on our side but on the side of the Vietnamese, overreach any attainable end, but there is still no evidence here that the Johnson Administration sees the futile brutality of these recent days in this light.

In the bitter propaganda of the war, the official line here is that everything happens for the best. The communiqués sound more and more like a TV singing commercial: "We're winning, we're winning," they cry, just like the Sunoco Sunny Dollars jingle.

Death has now become the official measure of our success. General Westmoreland sends a message of congratulations to his troops. They have killed more of the enemy in the last week, he says (21,330), than the United States has lost in the entire war (16,000). He warns of a "second wave" of enemy attacks on the cities, but our victory "may measurably shorten the war." The White House press secretary balks at drawing the same conclusion on his own. His name is Christian.

It would be reassuring to feel at this solemn moment that all this human carnage is really bringing us to an end worthy of the means employed, or even that we are getting an honest official appraisal of our predicament, but this city is seething with doubt and even the Administration itself is wracked by suppressed dissent.

Is the President worried about how his State of the Union message will be received? His staff obliges by organizing official cheer leaders in the House of Representatives. Is he concerned about the reaction to recent events in Vietnam and Korea? Secretaries Rusk and McNamara go on "Meet the Press" to calm things down, but not before the Administration approves of the questioners.

Is the President apprehensive about the coming battle at Khesanh? Never mind, he has requsted and received a written assurance from the Chairman of the Joint Chiefs of Staff that the Marines and the Army will hold. "I don't want any damned Dienbienphus," he says.

THE CENTRAL QUESTION

War is a corrupting business—always has been—and this one is no exception. But it is important to decontaminate the propaganda. No doubt the allied victories are true. No doubt the enemy casualties are very heavy. No doubt the civilian casualties are alarmingly high, though they are not mentioned.

But the destruction goes on. We are the flies that captured the flypaper. We are stuck with our concept of a military victory, and the main question goes unanswered: What is the end that justifies this slaughter? How will we save Vietnam if we destroy it in the battle?

NO TIME FOR DESPAIR IN VIETNAM

Mr. McGEE. Mr. President, we have just gone through the hardest week that we have yet experienced in the war in Vietnam. It has been a hard week because American casualties were very high, 571 dead since January 30, according to my latest information.

It has been a hard week also because of the much heavier casualties borne by the armed forces of the Republic of Vietnam, 1,149 of whom have died since January 30.

There are, as yet, no reliable figures of Vietnamese civilian casualties during the past week. But we know that the figures will be very high and we know that the destruction in the cities in Vietnam has been very heavy. Indeed, one of the most tragic statistics of the past week is that the cruel Communist assault on the cities of Vietnam has left 170,000 men, women, and children homeless.

Apart from this grievous cost in human tragedy, it has also been a hard week in terms of our hopes for Vietnam. There is no doubt that the enemy has mounted an attack which was broader in scope, more ferocious in execution, more ambitious in concept and more secure in implementation than we had thought him capable of.

It may be that the enemy was able to mount so large an operation only by a convulsive effort, only by the expenditure of human and material resources, difficult and perhaps impossible in some cases, to replace. That is by no means certain, however, and prudence requires that we draw a grimmer conclusion. Prudence requires that we conclude that the Communist enemy is better organized, more widely dispersed with a better supply system, and with a better security system than we had thought heretofore. It may be, Mr. President, that he has shot most of his arrows from his quiver. I hope that that is the case. But we cannot assume it to be the case in view of the effectiveness of last week's assault.

It has, therefore, been a very hard week, indeed. And I do not wish to diminish the grimness of the news of Vietnam in any way.

There is, however, another side to the developments of the past week and it would be foolish of us to overlook that other side as to try to take a pollyanish attitude.

The Communists have sustained very heavy casualties. The latest figures indicate that 21,000 of the Communist assault troops have been killed and 5,000 captured. Beyond any doubt many more have been wounded. Whatever the Communists have accomplished from their own point of view by their activities of the past week—and it is not clear what, if anything, they have accomplished of lasting value to them—they paid an extremely heavy price. It is altogether possible that to the Communist councils sitting today in Hanoi, the news from South Vietnam is even more sobering than it is to us. It seems to me reasonable to assume that their losses exceeded anything they expected. Indeed, it is difficult to believe that the Communist leadership could have willingly decided to submit their troops to the slaughter they have experienced in the past week. The tidings here are heavy, but they are surely not light in Hanoi.

It seems to me, Mr. President, that we need to bear this in mind. This is not a time for despair on our part nor is it a time to seek for scapegoats. It is a time for steadiness. Both sides have sustained a shock. I think it is fair to say that both sides have sustained a severe shock. But all the returns are not in. It is too early to determine what the effect of the past week will be upon the conflict in Vietnam. That effect will be determined by the response to the events of the past week by the savagely beset people of South Vietnam—by the response of the South Vietnamese Government to the most serious challenge it has faced since its election—by the response of the U.S. team in Vietnam and of the American public here at home.

It is by no means unheard of in history—indeed it is not even unusual—that tragedies such that South Vietnam has undergone this past week serve to solidify and rejuvenate rather than to sap and weaken the will of a people. I am certain that our people in Vietnam are now working closely with Vietnamese officials to repair the damage and learn the lessons and to make a greater effort. It is a fact, Mr. President, that the Army and the Republic of Vietnam—the ARVN—did not collapse under the cruel and almost unique test to which it was put. It is a fact that one of the bright spots of last week's sad tale is that the ARVN responded everywhere to the Communist assault with bravery and in many places with outstanding gallantry and effectiveness. It is also a fact that the administrative apparatus of the Government of Vietnam did not shatter under the Communist assault, but continued to function under the hardest of circumstances and is already massively at work on the job of restoring normal life to the cities of Vietnam. It was undoubtedly the Communist purpose to break the integrity of the ARVN as a national military institution. It was undoubtedly the purpose of the Communists to shatter the administration of the government. They have succeeded in neither purpose and they have paid a very heavy price for the effort.

There is in this no cause for rejoicing but there is equally no cause for despair. The ultimate victor in last week's battles, and in those still to come, will not be determined by what happened last week. The victor will be whichever side bears the shock with the greater fortitude. For us, and for our Vietnamese allies, I think it is a good time to borrow a leaf from the book of a great wartime leader at a time when he and his people were sorely beset. At the height of the Nazi bombing assault on London and the other British cities, Winston Churchill got to the root of the matter when he told Adolph Hitler on behalf of the British people, "you do your worst—and we will do our best."

CONSUMER PROTECTION LEGISLATION—ADDRESS BY SENATOR MAGNUSON

Mr. JACKSON. Mr. President, yesterday morning, my friend and colleague, the senior Senator from the State of Washington, delivered a most interesting and meaningful message to the American Advertising Federation on the subject of consumer protection legislation.

I commend Senator MAGNUSON on his effective leadership in this very important field—that of providing needed protection to the American consumer. We are all consumers. We may not all be businessmen, laborers, or farmers, but we are all consumers.

It is obvious from this address that Senator MAGNUSON has an unusually clear understanding of the many problems which confront the American consumer and American business. I agree that the question which should be asked is not: "The consumer—too much or too little legislation?" but "How can we better work together to make certain that consumer legislation will do the job for which it is intended without injuring or unduly burdening business?"

I believe that the steps which are being taken by the Senate Commerce Committee will be in the best interest of the consumers of the Nation and in the best interest of legitimate businesses. The businesses of our country support this kind of legislation and offer their cooperation, as Senator MAGNUSON observes, and this legislation will benefit industry as well as the consumers.

Because he has contributed important insights and has articulated quite well some of the problems inherent in this area, I commend Senator MAGNUSON's address and ask unanimous consent that it be inserted in the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE CONSUMER: TOO MUCH OR TOO LITTLE LEGISLATION

Someone—it might have been Will Rogers—once defined a successful politician as "the fellow who's a genius at solving problems that don't exist."

And if I know my many old friends here as I think I do, when it comes to our growing pre-occupation with consumer legislation, I suspect that they feel just a little bit that way about me, if not the whole 89th and 90th Congresses.

But you've generously given me 10 minutes to convince you that the problem doesn't lie with me.

While it's still early morning and the rest of Washington is asleep, let me ask you for a minute to shuck off your roles as eminent leaders of a most eminent profession, and to think of yourselves as just plain consumers.

Is there anyone here who hasn't come home from the office one night, weary from scratching out an honest dollar, only to discover that a sweet talking salesman got his foot in the door, and your wife couldn't think of any other way of getting rid of him than signing that innocent sheaf of papers he carried around with him, which, upon close examination, commits you to facsimile reprint of the entire "Hardy Boys" series, or an encyclopedia of Chinese water tortures.

And how many of you have not been driven to teeth-gnashing by the failure of your friendly auto dealer, after the ten trips to the shop, to discover the source of the leak which soaks your trousers each morning after a heavy rainfall on the way to work.

And how about the discovery when your new home appliance broke down that the guarantee covered only the parts that don't move and that to get it repaired, you have to mail it at your cost to the fatcory in Osaka, Japan; that labor is extra, and according to the small print, you abused the product when you removed it from its carton, at which point the warranty expired.

Isn't your wife concerned about the possibility of excess radiation from that new color TV? Haven't you got an elderly aunt or uncle who is still paying four or five times its value, for the siding on their old homestead, while the Bible-spouting salesman who hooked them has gone on to greener pastures?

Do you know anyone who is not unhappy with the escalating path of automobile insurance rates? Don't you have a friend or relative whose auto insurance policy was yanked out from under him because of a small accident in which the other party was clearly at fault?

Is there a man or woman in this room who does not feel uneasy as his son or daughter watches one after another cigarette commercial portraying cigarettes as an indispensable part of the Good Life?

There are real problems. Some of them are petty nuisances. Others threaten the ability of our society to deal justly with its citizens and even the very health of our people.

Margaret Dana, a wonderful woman whom many of you know, writes a forceful, but balanced weekly consumers column that reaches many millions of consumers throughout America. Margaret Dana is not a politician. She makes no promises to her readers, but offers them a sympathetic and enlightened ear. Last week, she came to see me, to lay on my desk the problems brought to her by her readers. Over a few weeks period, she had received *11,000* letters from ordinary people, *11,000* seeking help against an incredible variety of consumer problems.

"These people write to me," says Margaret, "because they feel they have nowhere else to turn."

Of course, not all consumer problems merit legislative solutions. Many of you, while acknowledging the existence of marketing defects, question whether the legislative cure may be more lethal than the disease. There is, of course, a natural tendency to seek a law for every ill. "If anything ail a man," says Thoreau, ". . . he forthwith sets about reforming—the world."

Most of the problems giving rise to proposals for new legislation are not new; they have existed for many years and we have tended to accept them as necessary, if unfortunate, by-products of a vigorous competitive system. Why this rash of consumer legislation now?—at a time when our productive and distributive machinery is providing more people with greater material goods than at any time in the history of civilization.

It is ironic, but the fact is that the better conditions get, the more people demand. As Eric Hofer points out, the starving man is not the revolutionary; it's "the taste of better things which excites people to revolt." "The discontent is likely to be highest—when conditions have so improved that an ideal state seems almost within reach." So the current public frustration which fires the demands for legislative solutions is a product of the very prosperity of our economy itself.

But there are other reasons for legislative demands. As Congress probes these issues, there is a growing awareness that market forces, the purifying fires of competition do not invariably serve the public interest. There is no profit in safety, or in air and water pollution control for the individual entrepreneur. And where the profit motive is lacking, competition cannot be counted upon to provide solutions for these problems.

Moreover, the evolution of production and marketing techniques has introduced great product complexity at the very time that the personal relationship of trust and confidence between buyer and seller has all but evaporated. The products we buy are beyond our individual competence to evaluate, to understand, to repair; while the giant enterprises which manufacture and distribute these products appear cold and remote.

And yet our lives are characterized by a growing dependency upon the products of these organizations. One significant piece of consumer legislation before the Commerce Committee is the power reliability bill. This legislation represents an effort to assure adequate planning to avoid the re-occurrence of such cascading power failures as those which blacked out the Northeast and other segments of the country. Today, the power systems of the United States are more reliable than any systems in the world; yet there is legislation before us. At least part of the reason is that we have never before been so totally dependent upon the reliability of power, both because our individual lives are ordered by machines which use power, and because vast regions of the country are interdependent so that a power failure affects not just one community, but potentially the whole nation.

In my experience, most of the enlightened representatives of the business communities of this country have come to recognize both that serious problems exist in the production and marketing of goods, and equally important, that these problems may well be national in scope and that the national government has the duty to be involved in seeking solutions.

And so I'm convinced that the question you proposed: "The consumer—too much or too little legislation?", is the wrong question. I would rather you asked yourselves and us "How can we better work together to make certain that consumer legislation will do the job for which it is intended without injuring or unduly burdening business?"

We ought to concentrate on avoiding the angry and unprofitable name-calling that characterized the legislative history of the Packaging and Labeling Act.

On both sides the strategies proved unprofitable. Communications broke down. The act is in many ways a sorry and confusing product, denounced as toothless by some and heralded by others as containing almost unlimited powers to regulate "value comparisons" in the marketplace.

The Commerce Committee held 8 long days (is that the political equivalent of giant half-quarts) of unenlightening, tedious hearings on the packaging bill. Industry witnesses were offended because the hearings were sparsely attended by members of the Committee, yet those who came heard witness after witness repeat the same litany: There are no problems in the labeling or packaging of consumer goods; the consumer is a brilliant sovereign and needs no help from an intermeddling government in reducing confusion in the marketplace.

I remember how delighted we were to receive a brief statement, for the record a unique statement—from one major food processor, but not because the statement supported the bill. On the contrary, the statement contained one of the most persuasive briefs against some of the provisions of the bill. But the testimony acknowledged that a *problem* existed, that a consumer might *want* to compare the price per unit for the products competing for her attention, and suggested that perhaps a method could be devised to supply the consumer in the supermarket with a simple means for calculating price per unit. The Committee explored this possibility at some length with the Bureau of Standards and finally abandoned it reluctantly as impracticable. But at least it represented an effort on both sides to come to grips with the problem, to recognize that the Committee might just be honestly interested in solutions which did not unduly burden the manufacturers.

When the auto safety bill was before us, the automobile industry, unlike the grocery manufacturers, finally came to the bargaining table, but not before it had suffered a needless series of public relations disasters. Yet as late as they came to the table, the end result was a far more creditable piece of legislative craftsmanship than the packaging bill. Perhaps more importantly, when the automobile makers focused on those safeguards which were essential to their industry, and *made* their case for those safeguards, Congress responded fairly. But it was only by meeting with the Committee and freely engaging in the give and take of discussion that this objective was served.

I think you will agree that 1967 was a *quieter* year, but it was not a less significant one. Our Committee produced three major pieces of consumer legislation. The authorization to create a National Commission on Product Safety, the Flammable Fabrics Act Amendments, and the Natural Gas Pipeline Safety bill. Yet the quality of industry involvement in these pieces of legislation was markedly different from the earlier legislation, to the benefit not only of the affected industries but, I am convinced, to the public interest as well.

The Product Safety Commission was actively supported by the affected industries. And when the appliance makers did express concern that the Commission in investigating the existence of design and construction hazards and formulating a program of remedial action should not be in the position of blacklisting specific products or disclosing trade secrets, these safeguards were readily incorporated in the authorizing legislation.

The original Flammable Fabrics Act, passed in 1953, provided no flexibility to reflect experience in enforcing it or technological improvement in flame retardancy. Its scope was so severely circumscribed that while bridal veils were subject to its force, infant receiving blankets were not. After passage of the Act, the voluntary industry committee which had devised the standards incorporated in the Act did not meet once in 10 years to consider upgrading them.

The initial response of the textile industry to the proposed Flammable Fabrics Act proposals was, to paraphrase one industry spokesman, "Blood will flow in the halls of Congress, before we submit to this tyranny."

But once the textile industry recognized the seriousness of the legislative effort, they came to the Committee at an early stage in the proceedings and asked for the opportunity to discuss the terms of a reasonable bill with which they could live. There was hard bargaining on both sides conducted in an atmosphere without rancor and a compromise was reached which was so agreeable to all parties involved that it was accepted by the Committee unanimously, with no amendments. Yet it represents a significant milestone in consumer protection legislation.

Again, the Committee gave its unanimous approval to a gas pipeline safety bill which was the product of the same style of hard, good faith negotiation, a bill which in the judgment of those involved represents no compromise of the public's right to be protected from inadequately safe pipelines, yet affords the pipeline industry substantial protection against arbitrary, uninformed government fiat.

In short, I think we are arriving at an appreciation of each other's problems. There are those in industry who recognize that the complexity of the marketplace makes it imperative that government intervene where necessary on behalf of the individual consumer. There is growing awareness that competition does not necessarily produce safer cars or flame retardant drapes or shockless appliances.

And on the government's side there is a growing appreciation of the dangers of what I call "legislative overkill"—the burdening of an industry with the heavy hand of bureaucracy without demonstrated need or justification.

The governmental responses to most consumer issues has not yet hardened. There is still time to clarify the nature of the problems, and to explore alternative solutions. There is time yet to avoid legislative overkill.

But it *is* too late to convince Washington that these issues are false images produced by political LSD—or that Washington has no business meddling in your business.

If we can share these few, basic premises, then Congress, and in particular the Consumer Subcommittee can honestly serve, not as a battleground, but as a common meetingplace for government, business and the consumer.

TRIBUTE TO SENATOR CARLSON

Mr. TOWER. Mr. President, on Tuesday, January 23, my esteemed colleague from Kansas, FRANK CARLSON, observed his 75th birthday. I wish to take this opportunity to extend to him my belated greetings on that most happy occasion. Moreover, I wish to commend him at the same time for the 40 years of service that he has given to not only his home State of Kansas, but also to the Nation as a whole.

When I first came here nearly 7 years ago, Senator CARLSON would always lend a thoughtful ear whenever I needed any advice. Through the years, we have worked together and my admiration for FRANK CARLSON has grown all the time. His untiring efforts on behalf of his country should not and will not go unnoticed. I certainly regret that he has decided to retire at the end of this session, for he has always been an inspiration to all of us serving with him. I wish him well in the years to come, and I hope that he returns to visit with us many times. He has served his country well.

PUBLIC DEMANDS GUN LAW

Mr. DODD. Mr. President, as the second session of the 90th Congress began, the organized opposition to sensible Federal gun control laws opened a new and concerted campaign to confuse both the public and Congress on the need for effective, enforceable firearms laws.

It not only seems incongruous but it is incongruous that responsible people and organizations, and lobbies who presumably represent responsible business and industry, oppose a workable law that would effectively disarm the criminal.

In the same breath, these very same groups are demanding something be done about the high rate of street crime, murder, and riots.

The tentacles of this organized opposition, financed by wealthy lobbies, are evident everywhere. Newspapers, the media, and the people from the smallest city to the largest, are bombarded with literature based almost entirely on distortions of the seriousness of the firearms problem and what the administration is trying to do about it.

Difficult as it is to believe, the opposition is now in a headlong campaign to discredit legislation that was more than 6 years in the making and that would effectively cut down on the traffic in firearms which show up each year in our crime statistics.

Mass mailings of bulletins are being repeatedly sent out containing gross misstatements of fact, and mountains of erroneous fancy in a calculated effort to confuse the issue and prevent the adoption of the administration's proposed firearms law, S. 1, amendment 90.

In place of S. 1, amendment 90, the gun lobbies would substitute a lesser measure, one with little chance of being effective and which does not consider the firearms problem in its entirety.

It is encouraging to report, Mr. President, that the campaign has not been entirely effective. On the contrary, the press of America has not been fooled, and I daresay neither have the people.

The bulk of the press, upwards of 90 percent, have supported a strong gun control law. The newspapers, magazines and broadcast media, large and small, are close to the people and close to the problems of crime and are demanding adoption of a strong, effective, workable, enforceable Federal gun control law.

I believe we should listen to them.

Mr. President, for the benefit of Senators, I ask unanimous consent to have printed in the RECORD another representative collection of editorial opinion in support of the proposition that strong Federal gun control laws are needed and needed right now. The public wants them.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Feb. 1, 1968]

WHY ALL THE FUSS?

When President Johnson, in his State of the Union Message, called for a gun control law, he presumably was braced for an outcry from the pro-gun group. The line of the opposition is, of course, that the Constitution gives everyone the "right" to keep and bear arms.

One answer to that argument is that the Constitution, in the same sentence, stresses the need for a "well-regulated" militia. It's doubtful that our forefathers, had they been confronted by widespread interstate mail-order traffic in firearms, would have been offended by reasonable rules.

In states where gun-purchase permits are required, moreover, the stress is on control, not prohibition. This point was emphasized recently by the appellate division of New Jersey's superior court, in a decision upholding the state's 1966 law to control sales of rifles and shotguns.

The law restrains only criminals, alcoholics, drug addicts, subversives and persons with physical ailments that made them poor gun risks. As the court said, "No law-abiding citizen, free from the statute's qualifications, has been or will be precluded from purchasing, keeping or bearing arms." In the law's first 15 months, the state disapproved less than 2% of the applications for permits.

If the laws are thus sensibly drawn and enforced, in fact, most citizens are likely to conclude that the opposition doth protest too much.

[From the Redding (Calif.) Record-Searchlight, Oct. 16, 1967]

ANTIMISSILE SLINGSHOTS?

The sort of nonsense that is used to argue against any kind of meaningful gun control legislation is typified by a recent editorial in The American Rifleman magazine. It suggests that the real reason Israel was able to win a war against vastly superior manpower in such short time has been overlooked. The reason: "civilian marksmanship."

Starting with David's triumph over Goliath because of his unerring aim with a slingshot, says the editorial, Palestine has had a tradition of target practice that continues today with a government-run program of rifle instruction for youngsters. Since it paid off in such a quick victory over the Arabs, the editorial suggests the U.S. needs a similar program.

That point of view might be more compelling if this country were more likely to be invaded by Arabs than it seems at the moment. Against the more likely threat of a Chinese or Russian nuclear missile attack, rifles—no matter how expertly aimed—would be about as effective as slingshots.

[From the Tuscaloosa (Ala.) News, Jan. 20, 1968]

A RESPONSIBILITY WE ALL MUST SHARE

Judging from the applause of those hearing President Johnson's State of the Union message in the capitol Wednesday night, the appeal for action to halt violence and crime hit the most responsive chord.

The President said, and rightly so, that maintenance of law and order is predominantly a local challenge. There is no question that the first line of defense against violence and lawlessness rests with local and state officials.

The President's proposals to check another summer of fiery lawlessness in the nation's cities did not offer any new solutions or hopes for early action on the root of the problem.

He did ask for quick House action on the Senate-passed "safe streets" bill, a curb on the mail-order firearms business, a business-government job training effort, expanded public housing and funds to assist state and local law enforcement agencies in equipping and training personnel.

It remains to be seen whether members of the House and Senate translate their favorable response to this portion of the State of the Union message into meaningful and constructive legislation.

Assistance, in whatever form Congress may provide in this session, cannot be brought to the local level in either funds or other forms of aid in time for use in the event this summer follows the pattern of a year ago.

That places extra emphasis on state and local officials to head off or avert mass disorders with their own resources in the coming months.

It would be a tragic mistake for the public at large to assign total responsibility for riot prevention to law enforcement officials. They bear the brunt of the responsibility for upholding the law and of combatting law violations.

But getting to the root of the problems which spawn mass disorder is a responsibility that rests squarely on the shoulders of every citizen.

[From the Auburn (N.Y.) Citizen-Advertiser, Jan. 19, 1968]

GUN RESTRICTIONS

(By George R. Metcalf)

State Sen. Theodore D. Day, of Interlaken, writes in his latest legislative report of "hearing a great deal about" the need for regulating the use and ownership of firearms.

"Starting with the tragic assassination of President Kennedy," he goes on to say, "there has been agitation to accomplish this. So far, I have not seen or heard of any practical good result that would be accomplished by such a move.

"The criminal who wants a gun can always get one. The honest sporting citizens who have guns would be punished and harassed with additional costs and red tape."

Without attempting to be facetious, it seems to me this argument could be used to end all licensing. For if criminals can "always" get a gun, regardless of the law, and "honest sporting citizens" are law abiding, who needs a law?

I believe the problem which Sen. Day raises is far too serious to warrant such hands off treatment.

The United States is passing through a period of domestic turmoil, unmatched in its history except for the Civil War. Not only is the incidence of crime on the increase but there is every reason to believe that riots will erupt across the nation in a score of cities, once the hot weather begins again.

To continue the current situation under which guns are readily available to anyone is to douse oil on the flames. This is precisely why President Johnson in his State of the Union Message said he was urging Congress "to stop the trade in mail order murder this year by adopting a proper gun control law."

I hope our federal legislators follow the President's advise for the first step in curbing violence is to remove or control the weapons that make crime, riots and disorder possible.

Whether or not the Congress accedes to Mr. Johnson's request, the Legislature of New York still has a responsibility to the people within its boundaries which it cannot dodge by tossing the "hot potato" to Washington.

What makes the control of firearms a "hot potato" is the belief among a substantial number of citizens that possession of a rifle, pistol or shotgun is necessary for one's self-protection.

This stems in part from the ancient belief that a man's home is his "castle," that he has a right to protect it against any invader.

It also, oddly enough, is a result of a paranoiac fear that the enemies of the country are behind the effort to control firearms. Secret agents of the communistic conspiracy, for example, are pictured as standing in the wings waiting to swoop down at the first evidence of U.S. Citizens disarming.

Despite these arguments against the control and regulation of firearms, the one fact we are faced with is that violence has become a part of the American way of life. No other country on the globe compares with the U.S. in the number of murders that are committed annually; London is a bucolic patch of houses in contrast to angry New York.

Of course, there are many factors that contribute to the nation's violence besides the vast number of guns in circulation—The horrible slum-ghetto neighborhoods in all of our large urban centers, the gun-toting, tough-talking characters that flash on TV screens daily to the delight of the young fry and the seeming impossibility of this nation to keep out of war.

The total mood is one of violence that cries out for correction. But, like so many problems, its correction or solution depends upon the willingness of Americans to change their pattern of living.

Obviously, the police must help to curb crime and violence. Yet, their part is often more a matter of trying to shut the doors after the horses are gone than avoiding violence before it begins.

The people themselves, if they want to live in a nation of peace and security, must accept some deterrent to their freedom which includes curbing free and easy use of firearms.

[From the Christian Science Monitor, Feb. 1, 1968]

AGAIN, CRIME AND THE COURT

The Supreme Court has again aroused criticism with its twin decisions on firearms and gambling. One forbids prosecution of a person for failing to register such federally-stressed weapons as sawed-off shotguns, machine guns and silencer-equipped weapons. The other invalidates a federal law which required gamblers to register annually with the Internal Revenue Service and pay taxes on their wagerings.

Both decisions were 7–1, with only Chief Justice Warren dissenting.

On the one hand, it is quite evident that the decisions close down certain ways and means of apprehending criminals. They hamper, to a degree, that war against mounting crime which the entire nation is watching. The decisions revive the charge that the Supreme Court is favoring the criminal—by weighing in heavily on individual rights—rather than aiding law enforcement—by stressing the government's police-power rights.

Yet here is the Constitution's Fifth Amendment, which specifically prohibits self-incrimination: a person shall not, it declares, "be compelled in any criminal case to be a witness against himself."

If a gambler has to fill out a form stating that he is a gambler, he is being a witness against himself. If a person acquired a weapon without going through proper registration formalities (certain lethal weapons are required to be registered after the attempted assassination of President Roosevelt in 1933), he would incriminate himself by a later attempt to register, said Justice Harlan.

These decisions, it must be stressed, do not halt the drive to regulate guns or control gambling. Justice Harlan points out that the Court has not said the government lacks constitutional power to tax gamblers or regulate possession of firearms. But as dissenter Warren predicts, the rulings will open the door to "a new wave of attacks" on other federal registration statutes, such as those requiring persons to register if dealing in narcotics and marijuana or possessing liquor stills.

There can still be raids against stills and drug-possession, but federal agents won't be aided by tip-offs self-supplied by the registration requirements.

What can be done? Certainly now is the time for Congress to get behind and pass the administration's gun control law, currently stalled in the Senate Judiciary Committee. The Supreme Court could not object to a registration requirement for ordinary legally-possessed firearms.

It is also the time for courts, Congress and the public to give more attention and powerful support to the "constitution-proof" drive on crime which is now gathering momentum—utilizing every modern device that technological aid supplies.

[From the Philadelphia (Pa.) Bulletin, Jan. 31, 1968]

NO MORE FREE BULLETS

One of the homefront casualties of the President's budget cuts is the $800,000 expended yearly for rifle ammunition for civilian marksmanship training.

Only $52,000 has been left in the budget and this is for office staffing.

Since the increased pressure for control and registry of firearms, the annual appropriation for the National Rifle Association and the Army supervisors of the marksmanship program has been under attack in Congress and on several other fronts.

It seems incomprehensible to most non-marksmen that the government would subsidize the use of firearms, on one hand, while trying to curb their use. This, and general domestic economy, probably dictated the cutting approach to the appropriation.

In the debate over gun ownership, the NRA argued that the right of carrying firearms under legal conditions is guaranteed under the Constitution. But the premise that illegal and deadly use is so often made of firearms and that the greater good of the public must also be heeded, also drew strong backing.

Congress has been dilatory in the passage of antiweapon legislation. With the appropriation for ammunition wiped out of federal spending, it is possible that the NRA and other proponents of the right to bear arms will fight to have the cuts restored.

If they do, it will open the battle again and the sponsors of restrictive legislation may get their point across to the legislators for stronger gun controls. There are, seemingly, better ways to spend federal taxes than by subsidizing what amounts to a civilian hobby.

[From the Rapid City (S. Dak.) Journal, Sept. 27, 1967]

NRA MISDIRECTED

HURON DAILY PLAINSMAN.—In a public plea for anti-crime legislation, President Johnson has again asked the Congress to pass a long-stalled gun-control bill.

The measure is the third gun-control bill proposed by Mr. Johnson and, like its predecessors, it has remained in House and Senate subcommittees with little prospect of passage.

We do not believe a gun-control law would put an end to "armed terror" in the nation as the President has implied. But it would help law enforcement officers to keep dangerous weapons out of the hands of those undesirable characters who use them against society.

The National Rifle Association and other segments of "the gun lobby" have so far successfully blocked all attempts to pass any kind of guncontrol legislation. If they would exert the same effort in the positive direction of securing a law that would protect their rights as sportsmen and at the same time control the purchase and ownership of lethal weapons by criminal elements, they would be doing themselves and society a service.

[From the Asheville (N.C.) Times, Jan. 27, 1968]

A GUN LAW—FINALLY?

Members of the 90th Congress are just back from a Christmas recess at home. Against previous performance, it's to be hoped that what they heard there will finally move them to enactment of gun control legislation.

Unless all the polls are wrong, the folks back home are mad as hornets about crime in the streets, and the mail order sale of weapons is an undeniable factor in that crime. Popular opinion seems to be on the side of gun control.

For years, though, Congress has sidled up to a gun control law and then backed off. The gun lobby, headed by the American Rifle Association, has always been too potent.

This could be the year, though. It's an election year and people are angry.

[From the San Bernardino (Calif.) Sun, Sept. 8, 1967]

GUN CONTROL SUPPORT GROWS

The strong gun lobby, always able in the past to sway Congress to its thinking, finally is meeting some stiff opposition.

Congressmen report that the riots of the past few months, plus urgings such as that of H. Rap Brown to Detroit Negroes to "get yourself some guns," has prompted many Americans to urge action on gun control legislation.

Mail in the past has always run heavily againt gun laws but now the new public awareness has brought a marked increase in support for gun controls. Newspapers around the country, smaller ones as well as large dailies, have given support to gun legislation editorially and urged public expression.

What should be the clincher came this week when J. Edgar Hoover, director of the Federal Bureau of Investigation, spoke up with force in the September FBI bulletin.

The time for debating the issue is past, he says, and "the time for action is here."

"I think mail-order firearm purchases should be banned, interstate transportation of firearms controlled, and local registration of weapons required and enforced," he said.

The highly respected FBI chief has thus, in effect, endorsed the administration's gun bill now under consideration in Senate and House committees. Hoover goes further than the administration, however, in urging that registration of guns be required.

He once told a congressional committee: "You have to get a license for your dog; you have to get a license to drive your car; you have to get a license to go into business ventures. I see no great problem to the individual in requiring all guns to be registered if the owner has nothing to hide and if he is a law-abiding citizen."

The administration bill would ban direct sale to individuals of mail-order guns; regulate over-the-counter sale of all firearms; license all dealers, importers, and manufacturers of firearms; prohibit importation of military surplus hand guns (which make up most of the mail-order variety); regulate all other imported firearms, and place stringent controls over "destructive devices."

Congress should pass the bill. The rate of murder and assault by gun has been soaring, and of 57 law enforcement officers killed in line of duty last year, all but two were gunshot victims. And in addition we now have danger in the cities, where would-be snipers can easily and cheaply order rifles by mail.

The gun lobby cries that the bill would interfere with the "right of citizens to bear arms." It would not. The law-abiding citizen could still procure weapons in duly certified ways. The lunatic and the criminal would, however, be hampered.

That is what gun control is all about, and there is no reason why a civilized nation should put up with unrestricted peddling of deadly weapons.

[From the Chicago (Ill.) Sun-Times, Jan. 31, 1968]

COURT AND GUN TOTING

The Supreme Court ruling knocking out the registration of gamblers and of outlawed machineguns and sawed-off shotguns does not condone gambling and gangsterism. But it follows the Constitution's nondistinction between the obviously guilty and the presumed innocent; neither can be required by law to make a public confession of guilt.

The ruling shouldn't hogtie honest law enforcement. In many cities, registered gamblers were never arrested. And illegal possession of a machinegun is still cause for arrest.

The ruling does not ban registration of legal guns such as is proposed in the Chicago City Council. Those who are alarmed about the court's 5th Amendment rulings would be well-advised to direct their comments to Congress and to demand stronger laws against gambling, gun-toting and crime in general.

[From the Utica (N.Y.) Observer Dispatch, Jan. 16, 1968]

Handguns Aren't Only Death Dealers

Opponents of Governor Rockefeller's proposed legislation to register legal sales of shotguns and rifles appear to be making headway again. Our regional state legislators seems to be won over to the hunter and rifle club stonefaced view of such bills.

However, the argument that most murders are committed by hand guns isn't altogether convincing. Whether it's a minority or majority type of murder, the result with bigger guns is just as deadly and tragic for all concerned.

Lee Harvey Oswald who shot a President and those misguided "tower" killers who killed without apparent reason didn't use hand guns.

Control of rifle and shotgun sales could be helpful in reducing such tragedies.

[From the Salt Lake City (Utah) Tribune, Nov. 25, 1967]

Gun Control Prospects Not Without Reason

Repeated gun violence in otherwise safe surroundings focuses growing attention on public firearms policy.

A controversy already rages, prompted mostly by bills in Congress that would impose more government supervision over the individual's gun ownership. These measures did not develop without cause.

Opponents of increased gun control argue the U.S. Constitution guarantees citizen rights to maintain personal firearms and that criminal elements will never be deterred by gun prohibition, no matter how stringent.

Those who would require more registration and tighter interstate gun commerce restrictions counter the privilege extended to law abiding citizens is so abused it poses a continual threat to the public safety. Every death and injury involving accidental or deliberate shooting incidents strengthens this position.

Now, in a respectable Salt Lake residential neighborhood during early morning hours, a school teacher's home is peppered by gunfire. The fact that the teacher and his family were in bed asleep and therefore escaped injury does not alter this frightening aspect of this deplorable crime.

Since this is not a common occurrence in Salt Lake or Utah, it need not stand as an example of a local situation reaching fearsome proportions. Nonetheless, as part of a distinct problem evidenced throughout the nation, which shows no signs of diminishing, it helps foster legitimate concern.

It is often argued by gun ownership protectionists that firearms, supplemental to their proper use in hunting and other hobbies, assure individuals the ability to safeguard themselves, their homes and families against dangerous intruders.

It is becoming as crucial to ask if better ways to equally protect others from being shot at in their own homes or on a public street by a reckless or berserk passerby cannot be devised?

No law short of total confiscation—which is to be resisted as unwarranted government interference—is likely to eliminate all firearm misuse.

But unlimited gun possession is increasingly questioned, and with good reason.

[From the Salem (Oreg.) Statesman, Jan. 22, 1968]

Why Not Gun Registry?

"Mail order murder" was the reference President Johnson made to the sale of guns by mail orders. He urged Congress to enact a measure banning such sales. Agitation for such action stems from the continued guilt feeling over the murder of President John F. Kennedy by bullets from a gun ordered by mail by Lee Harvey Oswald, according to findings of the Warren Commission.

A ban on order and delivery of guns by mail wouldn't end criminal shootings. Most of the mail order business in guns, we would judge, is for strictly legitimate purposes. In the Oswald case, the surviving records of order and delivery were important links to connect him with the crime. Had the gun been bought at a store the records probably would not have been as complete.

A better method of gun control can be had through requiring gun owners to obtain licenses, and to register the guns they own, just like automobiles or motorcycles. Illinois has a licensing law now and Chicago's Mayor Daley wants to require also registry of weapons themselves. Licenses could be denied persons who had been convicted of crimes of violence—possession of weapons by convicts is illegal now in some jurisdictions.

The licensing bill would not conflict with the constitutional right to "bear arms." It would not infringe on rifle practice or hunting. It would make tracing stolen weapons easier. Why not make legislation along this line rather than merely to ban mail order sale of guns?

[From the Erie (Pa.) Times, Jan. 20, 1968]

Gun Controls Needed

A stand by county commissioners against gun control legislation in Pennsylvania would be a mistake.

Sensible gun control legislation is needed, in Pennsylvania and elsewhere across this country, a point re-emphasized by President Johnson his State of the Union message.

In proposing that the county go on record against anti-gun legislation, Commissioner William O. Hill seems to be catering to the sportsmen interest.

But the truth is, of course, that control laws, as proposed nationally and in various states, are always careful to protect the rights of sportsmen.

The aim is to keep firearms out of the hands of narcotics addicts, former convicts, former mental patients, alcoholics and others considered unfit to carry weapons.

The unfortunate truth is that some "sportsmen" have been a factor in preventing passage of a national gun control act, an act which still languishes in Congress four years after the assassination of President John F. Kennedy by a mail-order rifle.

A minimum requirement for Pennsylvania would seem to be that provided in New Jersey's gun control law. In New Jersey the gun statute requires that anyone wishing to purchase a gun must first apply for an identification card through his local police chief.

Such a procedure might deny a rifle to a Lee Harvey Oswald.

This is a deadly serious business, and county commisisoners would be wrong indeed to attempt to get in the way of something that is so badly needed in a period of increasing violence with guns.

[From the Baltimore (Md.) Sun, Feb. 3, 1968]

Gun Control

The Supreme Court decision striking down part of the National Firearms Act applying to such illegal weapons as sawed-off shotguns will no doubt be seen as ammunition for those who oppose the gun control laws now pending in Congress. But the decision does not mean that it is unconstitutional for firearms to be regulated, only that the particular approach in the old law was unconstitutional. "At the outset, it must be emphasized that the issue in this case is not whether Congress has the authority under the Constitution to regulate the manufacture, transfer or possession of firearms . . ." the Court said.

Bills aimed at bringing at least a suggestion of sanity to an urban nation's use of lethal weapons have recently passed subcommittees in both houses of Congress. The bills would in no way inconvenience any sportsman or other responsible citizen who wants a gun or even an arsenal. Primarily the proposed law would make it possible for states and cities to enforce their own gun laws. A merchant could not sell a weapon to a man who was not legally entitled to it. If Maryland outlawed the ownership of guns by, say, 5-year-olds, a gun dealer in Pennsylvania could not sell him one, over the counter or by mail. He couldn't sell any individual a gun by mail. That is the thrust of the bills now before Congress.

A nation as concerned about crime as the United States obviously is should not hesitate now to pass such legislation.

[From the Asheville (N.C.) Citizen, Jan. 24, 1968]

Congress Hits a Popularity Slump

It is natural, in a sense, to criticize the national Congress. The vast amount of power vested in the legislative body makes it a frequent target for isolated attack.

But when public resentment becomes so widespread as to be general, something is wrong. And that situation appears to have developed considerable headway in the United States.

The most recent Lou Harris poll gives Congress a clear warning that it had better turn in an improved all-around performance, with special attention to the problems of law and order and of the cities, if its members who are up for reelection want to return to Washington.

The survey, which represented opinions of some 1,600 "cross section" American households, showed that public confidence in Congress had reached the lowest level in five years.

Only 41 per cent of the families interviewed felt that Congress was doing a good job. This represented a 30 per cent drop from 1965.

Public dissatisfaction was largest over the failure of Congress to give the antipoverty program sufficient funds, for cutting back on the Model Cities program and for refusing to pass laws on such issues as gun control and open housing. The independent voters, the better educated, and the young people were the most critical.

What this indicates is that Congress is in deep trouble with the voters and that it ought to get busy on the President's Crime bill, gun control legislation, and further aid to the cities if a majority of its members hope to win reelection. It will take a solid record of positive accomplishment to win the voters back.

INCLUSION OF CERTAIN COTTON FIBERS IN THE IMPORT STUDY

Mr. TOWER. Mr. President, during the last session of Congress, I introduced a bill, S. 2664, designed to establish a

Commission on Domestic and Foreign Trade. At that time there was much confusion as to the effect that the Kennedy round tariff concessions would have on the business interests in the United States. Since that time, other questions concerning this country's tariff policies have come to my attention. One very important one in my State of Texas is the importation of good qualities of comber and card strips used in manufacturing certain types of cotton yarn. It is my understanding the mills in the United States do not generally produce good quality comber and card strips any more, due to the increase of the use of new machinery which does not make this production profitable.

However, even with the continuance and in some cases, the increase in demand for this material, some countries which are good friends of ours, such as Mexico, still are not given a quota for this product.

Mr. President, it is my hope that this entire situation can be brought under review by the proposed Commission on Domestic and Foreign Trade. I again urge the Senate to expeditiously consider this matter. It grows more urgent every day.

AMERICAN PUBLIC APPEARS TO BE CRITICAL OF DRUG INDUSTRY

Mr. NELSON. Mr. President, the Washington Post on February 4, 1968, reported that "97 percent of the persons sampled in the New York City area" appeared to be critical of the drug manufacturers in regard to their profits and prices.

The noted pollster, Elmo Roper, whose firm conducted the poll, said that he could not "recall any study" where "an industry has been criticized by such a vast proportion of the population."

Almost half of those interviewed thought that manufacturers set prices artificially.

Seventy-five percent thought that prices are unreasonably high.

Fifty-four percent felt that manufacturers do not have "sufficient concern about holding down or reducing prices."

And 58 percent said that drug manufacturers make "unreasonably high or excessive profits."

The readers of the Record could benefit by the reading of this article. I ask unanimous consent that it be printed in the Record in full.

There being no objection, the article was ordered to be printed in the Record, as follows:

Ninety-seven Percent Critical of Drug Industry

(By Morton Mintz)

A poll taken for a drug manufacturer shows that 97 percent of the persons sampled in the New York City area were critical of the profits and pricing practices of the pharmaceutical industry.

"I cannot recall any study we have done where an industry has been criticized by such a vast proportion of the population," said Burns W. Roper, president of Roper Research Associates, Inc., a polling firm founded 34 years ago by his father, Elmo Roper.

"On what we would regard as the most critical or damning question—the matter of fixing prices at artificially high levels—42 per cent or close to half (of the persons interviewed) cited the prescription drug industry.

"This was over twice as many as cited the next most frequently named industry (gasoline). The other industries used for comparison were beer, frozen foods and soap."

GUILTY VERDICT

Roper made the statements in a letter to Frank A. Duckworth, associate general counsel of Chas. Pfizer Co., Inc., and in an affidavit.

Last Dec. 29, a guilty verdict was returned in Federal court in Manhattan against Pfizer, the American Cyanamid Co., and the Bristol-Meyers Co. on criminal antitrust charges—conspiring to fix prices of "wonder" antibiotics, conspiring to monopolize the market and achieving a monopoly.

A few days ago, Pfizer filed the Roper papers in court in support of a contention that the jury had been biased.

In the affidavit, Roper said the poll was undertaken "to determine the extent, if any," to which residents of the district from which the Court chooses juries "believe the excessively high" and "are otherwise prejudiced . . ."

ATTACHED TO AFFIDAVIT

Roper's letter, which was attached to the affidavit, told Duckworth that the poll results are related "directly to your contention of bias in the jury.

"We would find it difficult to believe that a sample of the 12 jurors would contain no one who held . . . negative-about-the-drug-industry views unless they had been eliminated through screening questions," Roper said. The jurors were selected from a panel of more than 160 persons.

The poll was made Jan. 11 through 16 in representative areas of New York City and Westchester County. Interviewers were instructed "not to reveal . . . any particular interest in prescription drugs." There were 516 persons in the sample. All but 13 answered one or more questions about drug prices and profits.

Of 278 respondents who asserted knowledge of congressional or other Government drug-price investigations, 166—60 per cent—said there were "just causes" for such inquiries. Only 19 per cent considered the causes "politically inspired."

OTHER POLL HIGHLIGHTS

Other poll highlights cited in the Roper affidavit:

75 per cent of the respondents believe drug prices are "unreasonably high," 54 per cent felt the industry was insufficiently concerned about holding them down or reducing them and 58 per cent termed drug makers' profits "excessive."

42 per cent assumed drug makers "frequently have an understanding to fix prices at a high level."

In all, 97 per cent of those responding were critical of the industry in at least one of the categories.

Of those who assumed a $10 retail price for a drug, the largest share—33 per cent—guessed the manufacturing cost at $3.

Of those who were asked to believe that $3 was in fact the manufacturing cost, 86 per cent thought a retail price of $10 "excessively high."

Voters were consistently more critical of the drug industry than non voters. Men voters were especially critical.

"In fact," Roper told Pfizer, "male voters surpassed Ivory Soap's 99-44/100 per cent with a full 100 per cent citing the drug industry negatively on one or more of . . . six questions. In our experience, it is rare indeed to find 100 per cent of any group agreeing on anything."

OPINIONS ON PRICING PRACTICES

The questions below were "designed to measure the feeling in the community" in which the trial jurors reside. In connection with the listed product groups, each person interviewed was asked if he thought that in any:

[In percent]

Product group	Prices are unreasonably high	Makers do not have sufficient concern about holding down or reducing prices	Manufacturers make unreasonably high or excessive profits	Makers frequently have an understanding to fix prices at a high level
Gasoline	29	18	19	20
Prescription drugs	75	54	58	42
Frozen foods	43	24	20	17
Soap	29	18	18	13
Beer	21	12	15	11
None	6	10	6	8
Don't know	6	22	20	32
No answer	1	3	4	7

BROOMCORN

Mr. TOWER. Mr. President, during the last session of Congress, I introduced a measure—S. 2664—which is designed to study the effect, both favorable and unfavorable, of imports into the United States as they effect our domestic industries. In recent days a particularly interesting situation from my own State of Texas has come to my attention: Imports that are adversely affecting the broomcorn industry.

Mr. President, in 1958 50,000 acres of broomcorn were planted in Texas, whereas in 1967 there were only about 20,000. The harvesting of this broomcorn provides jobs for thousands of migrant workers for which they make between $40 and $50 a day, as compared with $7 or $8 in other jobs on which they might work.

I wish to take this opportunity to suggest that the effect of the importation of broomcorn be included in the study that would be authorized under S. 2664. I feel certain that most would agree that it would be in order to grant this request.

THE NCAA-AAU DISPUTE

Mr. GRIFFIN. Mr. President, the Senate anxiously awaits the official reaction of the AAU and the NCAA to the decision rendered by the Sports Arbitration Board.

Although it is the hope of a great many Americans that the board's award will end the feud, unfortunately, new arguments were breaking out only minutes after the decision was announced.

Mr. President, on January 18, I introduced legislation—S. 2836—to provide a bill of rights for amateur athletes to protect individual competitors from unreasonable interference by sanctioning groups.

It appears clear, I submit, that such legislation would be desirable and in the public interest, whether or not the several feuding sports groups accede to and comply with the board's decision.

Mr. President, I ask unanimous consent that several items which are representative of media comment on the bill be inserted at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Muskegon (Mich.) Chronicle, Jan. 24, 1968]

Athletes Need Protection of a "Bill of Rights"

Michigan Sen. Robert P. Griffin is crouched in the starting blocks with a badly needed "bill of rights" for amateur athletes, and we hope that Congress will back him all the way to the tape in securing legislation to protect athletes who are caught time and again in the withering crossfire of a decades-old feud between the Amateur Athletic Union and the National Collegiate Athletic Association.

Jurisdictional disputes by these sanctioning bodies have on numerous occasions violated the freedom of American athletes to compete in important athletic meets, and have often threatened to impair this nation's effort in Olympic track and field competition.

Many athletes have been disqualified by the AAU from participation in the Olympic Games because they competed in meets conducted by the United States Track and Field Federation (the track and field arm of the NCAA), the U.S. Gymnasts Federation, or in the Kansas Relays, and none of the athletes barred were guilty of any wrongdoing, or of conduct which in any way reflected on their amateur standing.

They are the victims, pure and simple, of jurisdictional warfare between the two giant amateur athletic organizations—and this feud, as Sen. Griffin notes, is a matter entirely apart from the legitimate concerns of the public and of the athlete.

It will be recalled that a dispute between the sanctioning bodies threatened to wreck the United States' Olympic effort in 1964. President Kennedy at that time asked Gen. Douglas MacArthur to attempt to resolve the problem, and he managed to gain a temporary truce. But the sniping started again immediately after our victorious young athletes returned from the Games.

This is another Olympic year and the backbiting has started again. This time the AAU warned that any athlete competing in the USTFF meet in New York City Feb. 9 could lose his eligibility for the Olympic Games. Some 200 athletes are involved, including long jump champion Ralph Boston; Jim Ryun, perhaps the world's top runner; world record sprinters Tommie Smith and Charlie Green; half mile champion Wade Bell; long distance champion Gerry Lindgren, and many other top-ranked athletes.

It is almost inconceivable that these stars could be prevented from competing in the Olympics because of what Sen. Griffin calls the "whims of the powerful sports federations." Yet this is what is threatened by the executive director of the AAU.

In reaction to this, a dozen of the top U.S. track stars, including all of those named above, have signed a statement warning that they would not stand for Olympic disqualification, and pledging that if any one of their number is disqualified because of competing in New York, that all will consider themselves disqualified. They indicated they would seek to associate other athletes with them in their stand.

Meanwhile the squabble continues and a mediation panel appointed by Vice President Humphrey reports little progress. The panel is headed by Theodore Kheel, who helped settle a national railway strike, a New York bus and subway strike and a 114-day newspaper strike.

Said Kheel: "This is the toughest situation I've ever been involved in. These fellows make the Teamsters look like undernourished doves."

We aren't prepared to comment on the relative merits of the AAU and NCAA–USTFF stands, but this we do say: The rights and interests of the public and American athletes are being callously violated due to the pig-headedness of rival empire builders in the warring sports federations.

Leaders of the two groups have proved themselves incapable of solving the mess, and if the Humphrey panel can't untangle it, the only logical way out is for Congress to step in.

Crusty Avery Brundage, chairman of the International Olympic Committee (a man as popular with us right now as is the equally arrogant head of the nation's Selective Service System) has warned that congressional "interference" would jeopardize the entire American Olympic team this year.

It's time he was faced down. The American team could scarcely be in greater peril than the AAU–NCAA feud has placed it in.

Sen. Griffin is right. The politics of organized sport should not be allowed to hinder free athletic competition. This principle is of overriding importance. Congress must see that it is upheld.

"BAD SPORTSMANSHIP"

(Delivered by Mr. William C. O'Donnell, vice president, CBS radio division and general manager, WBBM radio)

Michigan Senator Robert Griffin has introduced legislation to Congress to correct a bad situation in amateur athletics. He wants to stop the Amateur Athletic Union and the National Collegiate Athletic Association from wrecking the 1968 U.S. Olympic team. We applaud Senator Griffin for his measure and hope that Congress will pass his bill.

There has been a prolonged, senseless feud between the two amateur athletic groups. Both of these sports federations threaten to prevent individual athletes from taking part in the Olympics—and other events—if they compete in events sponsored by one or the other group.

What this amounts to is a silly jurisdictional dispute between two self-centered, self-serving organizations. And in the middle—without any defense—stands the individual American amateur athlete.

Both organizations have also hinted they will refuse to accept the recommendations of a special arbitration panel. It was created by the Senate just to try and end the ridiculous dispute.

Senator Griffin's bill—if enacted—would prohibit any amateur athlete from being disqualified from any competition just because he took part in an event sponsored by a rival organization. The measure would also prevent any sports association from imposing unreasonable restraints on the non-professional athlete's right to take part in amateur sports events.

The Griffin bill is a very much needed measure. Without it, the AAU and the NCAA between them could—and probably will—wreck the U.S. Olympic team's track and field organizations for the 1968 effort.

Neither the AAU nor the NCAA seems in the slightest to be willing to place this nation's prestige ahead of self-centered interests. Certainly, there is no concern being shown for the amateur athlete.

It seems to us the only reasonable thing left to do is bang together the heads of the two amateur athletic groups and to pass Senator Griffin's bill.

[From the Pasadena (Calif.) Star News, Jan. 19, 1968]

GOBBLEGOOK!

Avery Brundage, obviously an AAU man, spoke a lot of gobblegook Thursday when he warned the United States senate to lay off the AAU-NCAA arguments over track sanctions or Brundage's International Olympic Committee will declare all United States trackmen ineligible for the 1968 Games in Mexico City.

It is this Brundage-like dictatorship and self-assumed power that American sports fans are getting tired of. When the day comes that the American government can't step in and establish laws to protect the rights of individuals to compete in amateur sports events, so long as they don't violate their amateurism, we better quit trying to have amateur sports.

Brundage says the international sports body doesn't permit government interference. How naive does Brundage think we are? Does he suggest that the Russian government, which has all its amateurs employed as governmental subjects, does not have anything to say about Russian international sports? Who pulled out of the Russian-U.S. track meet in Los Angeles and for why? Didn't the Russian government make the decision because of U.S. war policy?

Brundage's day as a czar of sports should be over—by self-proclaimed rebellion of those who refuse to be victimized by these so-called amateur dictators who have operated and travelled in their sphere of assumed authority much too long.

Senator Robert P. Griffin, R-Mich., came up with a fine bill in the senate, a bill which would halt violation of the democratic rights of amateur trackmen by the threat of fine and imprisonment. Brundage obviously fears the bill as it will affect his cronies in the AAU.

What has the AAU top brass got to lose in its war with the NCAA by withdrawing its stubbornness and displaying the true spirit of amateur sports—except maybe to cut off a few hundred pleasure trips to all parts of the world each year and surrender them to the real track builders, the coaches and men who work on the field, not in the hotel lobby, for amateur sport.

VIETNAM

Mr. TOWER. Mr. President, I ask unanimous consent that there be printed at this point in the RECORD a copy of a Washington Star editorial about Vietnam and a copy of my letter to the editor of the Star.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Evening Star, Feb. 2, 1968]

SUICIDAL ASSAULT

Whatever its purpose may have been, the surprise attack by the Communists on a dozen cities and military installations in South Vietnam is ending in disaster for the attackers.

There is still some fighting going on and the Communists may have some uncommitted reserves. But their effort, despite a strong showing in Hue and a few other places, seems doomed. As of midnight Thursday, Saigon time, the toll of military dead stood: Guerrillas, 10,553; South Vietnamese, 917; Americans, 281; others, 4. And as the final figures come in, the ratio of casualties should be even more adverse to the enemy.

What kind of a "victory" is this? By any military standard, it has been a crushing defeat. There has been some suggestion that the real enemy objectives were "psychological and political," and that in these respects they achieved some success. We doubt it. The Communists have demonstrated that if mass suicide is not a consideration with them, they can attack and disrupt life in almost any city. To this extent, then, the cities are not secure.

But they never have been. And there can be no assurance that there will be no new surprise attacks in the future. We do not believe, however, that this adds up to either a psychological or a political victory—not when one considers the staggering Communist losses, not when they failed to capture and hold any major installation or locality, not when one takes into consideration such atrocities as the savage murder of the wives and children of South Vietnamese officers. If this sort of thing adds up to victory, Hanoi can have it.

General Westmoreland still believes that the treacherous attack on the cities was the second phase of a three-phase enemy plan, and that the third phase will soon get under way. He is talking about the anticipated massive enemy offensive in the two northernmost provinces, with the major effort directed against the Marine base at Khe Sanh.

If this attack materializes, General Westmoreland says he is confident it will be crushed. If this proves to be the case, an end to any serious fighting may come sooner than now seems possible.

U.S. Senate,
Committee on Armed Services,
Washington, D.C., February 3, 1968.

Editor, Editorial Page,
Washington, Star,
Washington, D.C.

Dear Sir: You have performed an immeasurable service with your well-reasoned lead editorial of Friday last, "Suicide Assault." Your conclusion, stated concisely and precisely, is absolutely correct: ". . . the surprise attack by the Communists . . . is ending in disaster for the attackers . . . by any military standard it has been a crushing defeat."

You correctly assessed that the Viet Cong achieved no psychological or political objective in South Vietnam. They did not seize and hold any city, they did not rally the people to a general uprising. However, there has been a widespread "knee jerk" reaction in this country which is reminiscent of a bit of whimsey we old World War II deckhands used to recite:

"When in danger or in doubt,
Run in circles, scream and shout."

We are now treated to anguished cries of "they're too strong . . . we can't win . . . negotiate . . . get out."

If the actions of recent days should generate sufficient domestic pressure on the Administration to push it into ill-timed negotiations and thinly veiled surrender, then Hanoi will have achieved an objective in Washington it could not accomplish militarily in Vietnam.

Thanks again for a calm and rational response.

Sincerely yours,

John G. Tower.

PROPOSED CONSTRUCTION OF A PIPELINE FROM LAKE SHARPE, S. DAK.

Mr. MUNDT. Mr. President, House Concurrent Resolution 3 of the South Dakota Legislature, dealing with construction of a pipeline from Lake Sharpe and a determination of the amount of lands served through the transportation of water to the Lower James Conservancy Subdistrict and adjacent areas, has passed both houses of the South Dakota Legislature and has been forwarded to Washington for action. For the information of my colleagues I ask unanimous consent that the resolution be printed at this point.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

House Concurent Resolution 3

Concurrent resolution memorializing the Congress of the United States to provide sufficient funding for a study to be made of the possibility of the construction of a pipeline from Lake Sharpe, including construction costs involved, and a determination of the amount of all arable lands which may be served through the transportation of water to the Lower James Conservancy Sub-District and adjacent areas

Be it resolved by the House of Representatives of the State of South Dakota, the Senate concurring therein:

Whereas, one of the objectives of the Lower James Conservancy Sub-District is the complete development of the land and water resources within its boundary; and

Whereas, future development of the natural resources in the Sub-District will be dependent on the importation of water which may be used for irrigation purposes, to augment present inadequate municipal water supplies, to aid in the recharge of ground water, to furnish that which is needed for recreation, and to sustain fish and wildlife habitat; and

Whereas, there is considerable acreage of arable land within the Sub-District which are highly productive for agricultural purposes; and

Whereas, the stability of the economy within the Sub-District is dependent on its agricultural production which is subject to climatic influences and variable rainfall, thus contributing to its economic instability; and

Whereas, the need for supplemental water during the critical growing season has been amply demonstrated, particularly in years of short rainfall, at a time when one or more applications of water, through irrigation, would have meant the difference between a bumper crop and one of complete failure; and

Whereas, portions of the Conservancy Sub-District have received only a reconnaissance survey made by the Bureau of Reclamation prior to the preparation of Senate Document 191 which was included in the Flood Control Act of 1944; and

Whereas, even though the Bureau of Reclamation is making a river basin reconnaissance survey in eastern South Dakota, there is still need for a more complete study of the drainage areas covered by the Lower James Conservancy Sub-District and of that area lying between the Sub-District and the Missouri River by an appropriate federal agency to determine the areas of potential multi-purpose water use and development; and

Whereas, it is believed that a pipeline, if built eastward from Lake Sharpe on the Missouri River to serve the Conservancy Sub-District and adjacent areas, would minimize maintenance costs and evaporation losses in transporting water for delivery to a modern distribution system when designed and built to supply water for various purposes including municipal water supply, domestic and industrial use, recreation development, irrigation, incidental recharge of ground water, and other uses; and

Whereas, the cost and feasibility of constructing a pipeline such as envisioned for the transportation of water from the Missouri River to an area of potential use has not been determined; and

Whereas, the United States government, since its inception, has recognized its responsibility to encourage the economic development of the nation—one area of modern activity being found in the Reclamation Act of 1902 and subsequent legislation relating to the development and construction of multi-purpose water use projects; and

Whereas, the officers and directors of the Lower James Conservancy Sub-District recognize the inherent right and obligation of the people within the Sub-District, with or without the assistance of the United States government, to develop fully their water and land resources in accordance with sound basic principles of conservation development; and

Whereas, the problem of proper land use and water supply, quality, distribution, and reuse are of considerable importance to the arable areas that may be served by a properly planned water distribution system; and

Whereas, a sound water resources development program is dependent, in large measure on continued and coordinated investigation, planning, research, and construction programs by the several federal agencies concerned with water resource development; and

Whereas, the accomplishment of these programs calls for adequate appropriation by the Congress of the United States and the use of other funds from whatever sources available;

Now, therefore, be it resolved, by the Forty-third Session of the South Dakota Legislature, that it memorialize the Congress of the United States to provide sufficient funding for a study to be made of the possibility of construction of a pipeline from Lake Sharpe, including construction costs involved, and a determination of the amount of all arable lands which may be served through the transportation of water to the Lower James Conservancy Sub-District and adjacent areas; and

Be it further resolved, that copies of this resolution be transmitted to the Governor of the State of South Dakota, the members of the South Dakota Congressional delegation, the Secretary of the Department of Agriculture, the Secretary of the Department of Interior, the Commissioner of the Bureau of Reclamation, and the Corps of Engineers.

Adopted by the House of Representatives January 17, 1968.

Concurred in by the Senate January 16, 1968.

James D. Jelbert,
Speaker of the House.
Lem Overpeck,
President of the Senate.

Attest.

Paul Inman,
Chief Clerk of the House.
Niels P. Jensen,
Secretary of the Senate.

THE CRIME MESSAGE

Mr. BREWSTER. Mr. President, I am convinced that the rapid rise of the crime rate is the greatest domestic problem in America.

Crime is a social cancer. We appear unable to stop its spread.

It costs us over $21 billion annually.

It victimizes approximately two out of every 100 Americans.

The crime rate grows nine times faster than the population.

No longer can this Congress hesitate to enact bold, comprehensive measures to arrest this growth. The time has come to offer the American citizen adequate protection against criminal activity in all its phases. At the very least, this is our obligation.

The President has sent the Congress a crime message containing legislative proposals which, if enacted, will go a long way to giving the citizen the shield he needs against crime. The message is lengthy and detailed, covering a wide range of needs. It is a thorough and progressive document, and one which has my full support.

I attach special priority to the Safe Streets and Crime Control Act. The fight against crime must be carried effectively into the central battleground, the local jurisdiction. It is the local jurisdiction upon which the Federal Government must focus its new efforts.

The Safe Streets and Crime Control Act, as introduced last year, contains the proper focus. The proposal this year to appropriate double the originally suggested $50 million should give the bill double its original force; every penny of the $100 million will be money well spent.

The national waste occasioned by crime is horrendous, and we are faced with the proposition of improving our prevention, control, and rehabilitation techniques—or else. The administration's request for crime legislation follows two Presidential Crime Commission reports which leave no room to doubt the seriousness of the crime problem. We ought now to support the President's program.

AID FOR ASIA'S OTHER WAR

Mr. McGEE. Mr. President, the Washington Evening Star of February 6, 1968, gave its support to President Johnson's request for funds to fight the so-called other war in Asia, the battle for economic development. The editorial states rather concisely the case for the President's request for money to wage this longrun battle, which may, indeed, be more decisive than the present conflict in South Vietnam. The Star said:

> When the Johnson Administration speaks about its commitments in Asia, its critics often seize upon the war in Vietnam to accuse it of seeking purely military solutions to Asian problems. Nowhere is this charge more clearly shown to be ill-founded than in the President's request to Congress this week.

No item in the budget will better demonstrate America's confidence and willingness to support the efforts of the developing nations to get on their own feet than this request. That is the conclusion of the Star. It is mine also.

I ask unanimous consent that the Star editorial, entitled "Aid for Asia's Other War," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AID FOR ASIA'S OTHER WAR

When the Johnson administration speaks about its commitments in Asia, its critics often seize upon the war in Vietnam to accuse it of seeking purely military solutions to Asian problems. Nowhere is this charge more clearly shown to be ill-founded than in the President's request to Congress this week for additional funds to fight Asia's other war—the war for economic development.

In this vital, and in the long run decisive, battleground for the future of Asia, the President last year suffered a setback in Congress. His request for approximately $882 million to help Asian states—excluding Vietnam and the Near East—was slashed to below $600 million. Particularly hard hit was India, whose development is intimately linked to the magnitude of America's generosity.

But the President has decided, and in our view wisely, not to accept Congress' verdict as the final word on the limit of our capacity to help. "So it's back to the well," as Agency for International Development Director William S. Gaud expressed it. The request is for $997 million for Asia, excluding the Near East, and an additional $480 million to help Vietnam pay for imports and improve life in the countryside.

Budgeted are long-term loans for projects to lay down the economic infrastructure for development. These loans, incidentally, are repayable in U.S. dollars. Also planned are technical assistance grants to spur agriculture, assist overpopulated countries in family planning and train Asian farmers and workers to improve their productivity. In addition, funds will go to help the budgets of nations whose resources are too limited to maintain an adequate defense posture.

Much of the fund increase sought by the President for East Asia is designed to assist Indonesia get back on its feet after a long period of economic stagnation. U.S. officials find encouraging signs that this nation is ready to turn in a good economic performance, and no item in the aid budget will better demonstrate America's confidence and willingness to support such efforts by the developing nations.

India too will be a big gainer if the administration's plans are supported. It will be able to buy the fertilizer required to step up its agricultural output. Increased economic aid is planned for the Philippines, Thailand and Korea as well.

A final encouraging note in the budget request is the President's pledge to minimize the impact of aid spending on our balance of payments. For example, 90 percent of the foreign aid money will find its way back to this country in the form of American goods and services purchased.

KANSAS DAY ADDRESS BY D. A. N. CHASE

Mr. PEARSON. Mr. President, on Kansas Day, January 29, which is the birthday of the State of Kansas, the outstanding event is the annual banquet.

By tradition each year a young man of Kansas gives a toast to our State.

This year, Mr. D. A. N. Chase presented an outstanding address which takes note of our State's greatness and our hopes for the future.

I commend this outstanding address to Senators and ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A TOAST TO KANSAS

Tonight we toast Kansas, our state, and how fitting that we should on this anniversary of statehood. But in what direction should we lend our praise; what particularly should be the subject of our tribute? It is a question of substance—worthy of our thought and consideration. To all of us here tonight, this state is more than a boundary that defines the geographical limits of a governmental entity, more than a convenient and systematic guide to the layout and scale of road maps. If Kansas meant only this or perhaps another so superficial a definition, then surely this program, year after year, would not burden those here assembled with a toast to Kansas.

If we were to begin a dossier, a start would be Midway U.S.A.—Kansas, the heart of the nation. So like a heart really, pumping the lifeblood of big agriculture to the extremities of the country, beating always to produce the pulse of the nation. Whether by coincidence or divine plan, the breadbasket of what is still the greatest country on earth.

Not subservient to time, but a benefactor, the traditional picture of agriculture and cattle now shares the scene with agri-industry, aviation, oil, to name a few. The outdoor recreation boom—fostered by reservoir construction which adds water resources to the existing assets for industrial growth, such as central location, space, and freedom from the congestion of the industrial East, yet communication with all parts of the country by modern highways and radial rail service.

But these are all tangible assets and attributes, objective measures of a state's greatness. It is but one side of a two-sided ledger. The other is headed "Intangible", and brings to mind a personal experience I would like to share with you.

Several years ago I was driving into the setting sun west of Ottawa. I was alone; it was Christmas eve. You have all seen a Kansas sunset, but this was a real exception—an experience in natural phenomena which is an infrequent occurrence even here. As the sun started down, it became apparent that it was to be a glorious sunset. The coloration of the sky extended further along the horizon than usual, and much higher. Once over the horizon, the eruption and expanse of color grew until it spanned over half of the horizon from north, through the west, to past south, and extended from the west to the zenith. I slowed my speed and watched as the lighter colors yielded to the darker as every color of the spectrum showed its face and then faded.

Odd wasn't it, I thought, that such a display would appear on Christmas eve, as if planned from above. But, what is a sunset—merely an example of how a little light, under the right conditions, can make a maximum showing and a major contribution to a part of the day.

So it is with people, also an intangible asset, the instruments of an Almighty plan, and so it must have been with those early pioneers who settled in this state and other parts of the great Midwest as well. Maximum showing, major contribution, even today the people of Kansas comprise only about one percent of the country's population. But like the sunset, the qualities of Kansans are magnified by act and action, and are the great asset of the state. Without it, we could not speak of grain, resources and economic growth.

Today is a time of challenge. The news of recent days both international and local, a presidential year almost now in its second month, compounded with the diverse problems confronting every sector of this great nation, both inherited from prior years and arising from the present—these do define a challenge to the best among us. Kansans have, Kansans will meet the challenge that each might face. Should we forget our capabilities, should we feel devoured by the immensity of the problem, we have only to be reminded of the sunset.

So to Kansas—long is the list of names, should we make one, of those who give you honor, who work to preserve your honor, and of those who will walk for many years in that tradition. Today we pay you tribute, we toast those who have made you what you are, those who will have the courage to be your future. We toast you now, though our accolades will go on and on.

THE FUTURE—AN ATOMIC HEART

Mr. ANDERSON, Mr. President, today Phillip Blaiberg, of Capetown, South Africa—the only survivor of a human heart transplant operation—marks the 37th day of his struggle to stay alive. This represents a remarkable medical achievement which millions threatened by heart disease look upon with hope.

The medical profession is moving ahead to counteract some of the major roadblocks in the path of success—notably the rejection by the body of foreign tissue. This is important research, and the recent pooling of efforts in the United States and Europe is an approach that should be commended.

What concerns me is that in our enthusiasm over transplants, other far-reaching developments going on behind the scenes will be overlooked.

The artificial heart, for example, in its early form holds out the prospects for keeping patients alive until a suitable donor can be found. However, more importantly, there are the goals of developing the totally implantable artificial heart and of rehabilitating critically ill heart patients permitting them to return to a relatively normal life, including employment.

Dr. Michael E. DeBakey, one of the country's leaders in heart assist device work has recently stated that research directed toward development of mechanical heart pumps and assistor devices for total replacement of the biological heart must be vigorously pursued. An artificial heart would greatly alleviate the ethical and medical problems that are widely recognized as deterrents in the program to replace diseased hearts. These are estimated at between 100,000 to 500,000 patients per year.

Mr. President, this device is a natural partner in the transplant field and should be regarded as a stimulus to the transplant program, yet there are several indications that the most logical course for its development is being unnecessarily delayed.

A program begun a year and a half ago by the National Heart Institute and the Atomic Energy Commission is barely being kept alive and in some cases the necessary followup is in question.

Results of current Atomic Energy Commission research indicate there are no insurmountable technical barriers facing a program to develop a radioisotopic-powered artificial heart. To be sure, there are problems to be clarified and solved and some may put restraints on the unlimited use of the device. But at the moment the overall prospects are encouraging.

Additionally, a view based on current technology is that a radioisotopic-powered heat engine alone has potential to satisfy the objective of the program to develop a completely implantable heart pump power supply in the next 5 years.

The next phases of this program proposed by the AEC call for the development and testing of a prototype engine, but I understand decisions are being made right now to postpone that work for several years. The estimated $4 million cost involved over a 3-year period is minimal compared to the long-range benefits, but most importantly we cannot afford the delay.

An intermediary non-nuclear device consisting of a blood pump, a heat engine, and a thermal energy storage reservoir implanted in the body is being proposed by the National Heart Institute. Power would be transmitted across the body wall, converted internally to heat, and stored in a suitable material which would act as the heat source.

Mr. President, nuclear energy is already working as the vital link in developing the technology of the 21st century and has been fully and successfully demonstrated through nuclear electric power stations and in many applications in the field of medicine. In medicine, for example, the Atomic Energy Commission has researched and is now demonstrating a nuclear-powered cardiac pacemaker which provides an electrical stimulus to the heart muscle to regulate its beat when the heart itself fails in this regard.

What I am suggesting in carrying out a parallel effort here is a partnership between the National Heart Institute and the AEC to develop a non-nuclear heart device to be implanted in animals within 18 months and still, through the expertise of the AEC, meet our long-range objectives for development of a radioisotopic engine to power heart devices.

What is at stake here is not our commitment in the field of heart research but our perspective. This is no place for myopic vision. To narrow the field now when there is so much evidence that we are on the right path would delay what promises to be the major medical achievement of the century.

Now is the time to forge ahead in other areas of basic heart research—in finding answers to such questions as what happens when the blood is pumped and comes in contact with foreign elements. Already there may be critical manpower shortage in developing programs to establish highly qualified medical teams for performing transplants. The artificial heart program of the National Heart Institute is operating at one-third of the $25 million that could be wisely spent in connection with this work and in its role as liaison for universities and industry.

The pioneer of artificial heart research—Dr. DeBakey—is only one of the voices that asks to be heard. The broad support for moving ahead on both fronts—in artificial heart development and in the heart transplant field—was reaffirmed last month at the semi-annual board of directors meeting of the American Heart Association in New York City. To turn away now would detract considerably from the sincerity of our commitment in the field of health.

SENATOR RANDOLPH CITES NEW YORK TIMES EDITORIAL ON PENNSYLVANIA-NEW YORK CENTRAL RAILROAD MERGER

Mr. RANDOLPH. Mr. President, the recent approval by the Supreme Court of the Pennsylvania-New York Central Railroad merger seems to constitute an enhancement of the efforts to secure better service in the movement of passengers and freight through rail transportation. It is my belief that this development is truly in the national interest. The merged lines should be an effective force in the advancement of a balanced transportation system in the United States.

The New York Times of January 20, 1968, published an excellent editorial on the importance and the significance of the Penn-Central combination. I responded to the comment in the New York Times through a letter to the editor.

Mr. President, I ask unanimous consent that the editorial "Railroading's New Era," and my letter be printed in the RECORD.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 20, 1968]

RAILROADING'S NEW ERA

Approval of the Pennsylvania-New York Central merger by the Supreme Court marks the beginning of a new era in rail transportation. It paves the way for other combinations that can make use of technological innovation and economies of scale to provide more efficient and better service for both passengers and freight.

When the merger was first proposed in 1961 both companies were in sick financial condition. They have since recovered somewhat, but there has been little real improvement in the state of rail transport in the East. Passenger service has been drastically cut back and the movement of freight curtailed. Meanwhile, the plight of the smaller and poorer railroads has become even worse than it was.

Many factors are responsible for this decline in railroading. The eastern part of the United States has long had two many lines in competition with one another. They have often been burdened with unenlightened management, reactionary labor and archaic regulation. As a result, the railroads were unprepared to meet the competition from other carriers that had been actively promoted by Government policy. Thus the railroads have been fighting with one hand behind their back against aggressive opponents who have had the added advantage of receiving aid and comfort from a friendly referee.

Now there is prospect that competitive balance in transportation can be restored. The financial strength of the merged roads means that the new giant will be in a position to slug it out with truck and air carriers. Given the economies it can effect, there is little doubt that efficient, modern management can begin to reverse the deterioration and the shrinkage of the rails.

Sound policy calls for balance within the railroad industry as well as balance among different transportation sectors. We have long supported the Pennsy-Central merger. We have also favored creation of two strong and competent rail giants in the East in order to insure a reasonable degree of competition between the rails and to prevent a complete disintegration of the smaller lines.

The Pennsy-Central will be providing assistance to the bankrupt New Haven and should eventually take over its routes. Now the Erie-Lackawanna, the Delaware & Hudson, the Boston & Maine and other smaller lines that lack the resources and the routes to compete must be taken with least possible delay into the proposed merger of the Norfolk & Western and the Chesapeake & Ohio Railways. In this way the public will be benefited by creation of two strong systems.

The public interest in a new rail era is in fact paramount. The country has suffered from the antiquated equipment and rusting lines and heavy indebtedness that have accompanied the decline of the rails. But it will surely benefit from a revision in the railroad map that gives the surviving companies the ability to compete against the truckers and the airlines and with each other.

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
February 5, 1968.

EDITOR,
New York Times,
New York, N.Y.

SIR: You have my commendation for the cogent editorial comment of January 20, 1968, on the approval by the Supreme Court of the Pennsylvania-New York Central railroad merger.

This decision is based in large part on financial realities and it truly opens the way for "a new era in rail transportation" with resulting significant improvements in the movement of passengers and freight.

But more important, as you have effectively written, the approval of the Pennsylvania-New York Central merger was guided by the vital policy which places the national interest in the paramount position.

The development of a balanced and integrated transportation system of railways, waterways, highways, and airways will be served well by this combination. It is only through such a complex that our accelerating transportation requirements can be fulfilled.

Truly,

JENNINGS RANDOLPH.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

INTERFERENCE WITH CIVIL RIGHTS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 75, H.R. 2516.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. Calendar No. 705, H.R. 2516, a bill to prescribe penalties for certain acts of violence and intimidation, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its further consideration.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, the amendment we are now discussing is likely to be the most important domestic legislation to come before the Senate this year.

I am reluctant to make extravagant statements about any subject, and I would not make so strong a comment about the proposed fair housing bill if I did not consider it the Senate's most vital business for 1968. Why am I drawn to such a sweeping conclusion?

There are numerous considerations which testify to the urgency and priority which we should give this matter. My able and respected colleague from Minnesota and I have already indicated at some length the magnitude of the evils for which we believe this legislation will be a partial remedy. Allow me to mention in the simplest and most straightforward manner some of the grave social problems to which this bill, directly or indirectly, is addressed.

Discrimination in the sale and rental of housing has been the root cause of the widespread patterns of de facto segregation which characterize America's residential neighborhoods. It is not true that those patterns, as they have developed in our time, stem primarily from the alleged desire of minorities to cluster together and to avoid integrated neighborhoods.

It is fair to say that the prevalent residential patterns may have had their origins in the tendency of migrants to seek out friends and kinsmen when they have first settled in an area. But this tendency, to the extent it was ever a reality, is relevant only to the initial settlement of immigrants in a given area. Over the years, after the newcomers have become established in an area, after they or their children have begun to realize the traditional American opportunities to better their lot by education and hard work, they have always been able to move up, if they desired, to a better home in a neighborhood of their choosing.

Indeed, moving to a new or different home has generally been the principal mark of upward mobility in our society. We have long honored the symbolic value of this transition to another home. It is a principal measure of America's success in creating a truly open society in which men and women can advance, materially and socially, in fair proportion to their capacities.

The opportunity to make that transition, the chance to build or buy the best home one can afford, has been the hallmark of individual opportunity in this favored land.

But that is the story of previous generations and previous minorities. In 1968 this natural path of social advancement has been blocked for the most recent residents of our central cities. It has been blocked not for high and justifiable reason. Who would dare assert that there could be any justification for abandoning the ideal of equal opportunity in the United States?

It has been blocked by the pervasive and debilitating effects of racial discrimination.

Unless we can lift that blockade and open the traditional path once more, permanent de facto segregation will unquestionably disrupt further progress toward the open society of free men we have proclaimed as our ideal.

For what does such imposed segregation imply? If it persists, it is quite clear that those millions of Americans locked in the ghettos will face the prospect of remaining in the vicious circle we have already described. Forced to remain in the cores of the central cities, their children will suffer the awful impact of blighted neighborhoods, inadequate schools, and lack of job opportunity. The ugly sense of entrapment will fester in the minds and souls of parents and children alike. Frustration will breed bitterness, and bitterness will turn to hostility as the promise of our Nation disintegrates in angry turmoil and social unrest.

Congressional endorsement of an equitable fair housing law would do much to restore the waning faith of ghetto children in the integrity and fairmindedness of America's leaders. I say to you, soberly and with the deepest apprehension, that we dare not let their hopes perish in the sluggish wake of our inaction.

We must stand now and be counted. We must say to every American that he will have an equal chance to follow the paths of his predecessors in this favored land. We must assure him that his efforts to advance himself and his family are worthwhile, and that a good education, a job commensurate with his demonstrated capacity, and a home of his own choosing will not be denied him on vicious grounds of racial discrimination.

We must do all that is reasonable and just to guarantee that no individual will suffer for the prejudice or venality of another.

Mr. President, I believe that the experience of the Commonwealth of Massachusetts, which has adopted a virtually unlimited fair housing statute, is relevant to this debate. This law has now operated for close to a decade. It is virtually all inclusive, governing even the sale of single-family dwellings by private parties. The sole exemption which has been included relates to the rental of one apartment in a two-unit building in cases in which the lessor actually lives on the premises. Consequently, the Massachusetts statute is substantially broader in its coverage than is the amendment which the Senate is presently considering.

Despite this breadth—but, to some degree, because of it—the Massachusetts fair-housing law has been successfully administered and has received overwhelming and continuing public support. It is administered by the Massachusetts Commission Against Discrimination, a State agency the members of which are appointed by the Governor. During my 4 years as attorney general of the Commonwealth, it was my responsibility to provide advice and representation to the commission. As a result, I had occasion to witness the operation of the fair-housing statute on a close and continuing basis.

The number of complaints successfully disposed of by the commission is close to 100 percent of all complaints received. About 90 percent of these are disposed of by agreement between the commission and the party against whom the complaint has been filed. This sometimes results from the fact that the circumstances which led to the filing of a complaint are so clear that even the respondent recognizes that he has violated the law. Occasionally, in cases in which the facts are less clear, the reputation of the commission and the public awareness of and interest in the subject matter are such that the respondent chooses not to contest the attempt to persuade him to abide by the statute. This does not mean, however, that cases do not reach the Massachusetts courts. A number of questions with respect to the statute, including the question of its constitutionality, have been litigated. Not only has the Massachusetts Supreme Judicial Court determined that the statute, despite its breadth, is constitutional; it has also upheld the Commission Against Discrimination in every single case which the court has decided on the merits.

The favorable attitude of the public toward such legislation is well illustrated by the circumstances surrounding attempts to amend the fair-housing statute in 1963. Prior to that time, the statute had not covered the sale of single family dwellings, and a bill was filed for the purpose of extending the law to include such transactions. Expected opposition never materialized. On the contrary, public receptivity to the proposed amendment was heartening. All of the statewide real estate associations, including the Boston realtors, supported the change. Witness after witness appeared to testify in its favor, with few dissents. Public enthusiasm has not dimmed in the succeeding 5 years. This is partially the result of sound policies regarding administration of the statute which have been adopted by the commission. But it also results from a general acceptance in Massachusetts that the broad fair-housing law represents a justified extension of fundamental constitutional rights to all of the Commonwealth's citizens.

The Massachusetts experience belies the fears of those who believe that the institution of open-housing policies will wreak havoc with long established suburban living patterns. Integration of the Massachusettes suburbs has proceeded, for the most part, on the basis of free choice of both buyers and sellers; it has not been compelled by legislative or administrative fiat. The Massachusetts statute has attacked primarily those areas in which the problem is most acute. It has focused upon the fringes of the ghetto, the areas to which Negro citizens might well be able to move were they able to secure housing freely. As barriers have been removed in these sections, the mobility of the Negro out of the worst ghetto areas has been greatly increased, and the entire central city has been the beneficiary.

As I indicated yesterday, I do not claim that the adoption of a Federal open-housing law will be an ultimate answer. Indeed, it will not strike at the heart of the problems in the ghetto. Only a complete American commitment to the eradication of the social, economic, and psychological evils which constitute the ghetto can eventually lead to success. But this is a first step. It is a step which my own State has taken. It has proved acceptable to the public. It has proved that it need not be accompanied by interference with private rights. It has proved that it works.

Mr. President, returning from Africa, as I just have, I find myself reflecting on the contrasts and similarities between those countries I have visited and our own United States. The comparison is both instructive and highly relevant to the proposal which the distinguished junior Senator from Minnesota and I have introduced.

Many of Africa's most promising political leaders look to the United States as the democratic model.

I will not for a moment argue that the Senate should approve this amendment because of what foreign observers will think of us if we fail to act. We ought to pass this bill because it is the right thing for America to do.

But it is also true that our foreign friends expect us to do the right thing and their disappointment is genuine and deepseated when our actions call into question our fidelity to the principles and aims of our professed democratic philosophy.

Time and again in my discussions with African leaders, it was apparent that their vision of America as the land best approximating the ideals of human equality has been blurred by their perception of discrimination in the United States. Hidden beneath their continued admiration for the American model was a grave concern that we might yet fail in our noble experiment, a fear that we would founder on the treacherous shoals of racial enmity, an apprehension that the United States might be headed toward a rigid and hateful social policy comparable to that found in South Africa.

Mr. President, I do not believe that such a fate is in store for our beloved country, and I made clear to these African leaders my own confidence that we would weather the present domestic storms and build a more open society in America. But I could not always convince them; not because they did not wish to be convinced. On the contrary, they want to see America succeed and earnestly desire to believe that we will. But they are especially troubled by the dissonant image of most American Negroes in ghettos and most American whites in suburbs.

They may well wonder if America really is different from South Africa.

On this score, as well, I find myself drawn to the conclusion that fair housing legislation is necessary and appropriate to America's social responsibilities at home and its obligations to provide moral leadership for all nations. I devoutly believe that the United States has a mission in the world and that our action on this matter will have an important bearing on our capacity to provide such leadership.

Can we state the proposition any more clearly? America's future must lie in the successful integration of all our many minorities, or there will be no future worthy of America. That future does not require imposed residential and social integration; it does require the elimination of compulsory segregation in housing, education, and employment.

It does not require that government dictate some master plan for massive resettlement of our population; it does require that government meet its responsibilities to assure equal opportunity for all citizens to acquire the goods and necessities of life.

It does not require that government interfere with the legitimate personal preferences of individuals; it does require that government protect the freedom of individuals to choose where they wish to live.

It does not require government to provide some special advantage to a privileged minority; it requires only that government insure that no minority be forever condemned against its will to live apart in a status inferior to that of their fellow citizens.

This measure, as we have said so often before, will not tear down the ghetto. It will merely unlock the door for those who are able and choose to leave. I cannot imagine a step so modest, yet so significant, as the proposal now before the Senate.

Mr. President, I refer now to a study prepared by the Legislative Reference Service. This paper, prepared by Mr. Thomas F. Lord, is both informative and useful for our present discussion, and I shall call attention to several relevant portions of the study.

(At this point Mr. McGovern assumed the chair.)

Mr. GRIFFIN. Mr. President, will the junior Senator from Massachusetts yield to me at this point?

Mr. BROOKE. I am glad to yield to the distinguished Senator from Michigan.

Mr. GRIFFIN. Mr. President, I wish to associate myself generally with the eloquent remarks the distinguished Senator has made up to this point in his statement, and I commend him for indicating and displaying, once again, very brilliant leadership. In a very short time in the Senate, he has distinguished himself in a number of ways and in a number of legislative areas. Certainly, in the area of race relations his leadership has been particularly significant and valuable, not only to the Members of the Senate, but also to the Nation at large.

In speaking to the measure now before the Senate, he has again demonstrated to all a very keen ability to analyze and to articulate. Today, as on other days, his voice has been not only an effective voice, but also a voice of perception, of moderation, and, most of all, of common sense.

So I congratulate the distinguished junior Senator from Massachusetts for the excellent statement he has made on this subject.

Mr. BROOKE. I thank the distinguished Senator from Michigan for his generous remarks.

Mr. President, I read from a study prepared by the Legislative Reference Service, to which I referred before, the section entitled "Negro Housing Problems":

> A prominent housing expert, Charles Abrams, recently wrote of Negro housing problems:
>
> "The housing available to Negroes is inferior in quality compared to the housing of whites; both the housing and neighborhoods in which he lives show signs of greater deterioration; there are fewer amenities; mortgages are more difficult to obtain; there is little or no private investment in new buildings for Negroes; tax arrears are higher in their neighborhoods and public interest in maintenance is lower; real estate values are lower in relation to net income; overcrowding is more intense; schools, hospitals, and recreation are inferior; and the Negro usually gets less housing per dollar he pays."
>
> A glance at the 1960 Census will graphically verify Mr. Abrams' observations. Forty-four percent of all non-white occupied units were substandard, compared to 13 percent of all white occupied units. 155,000 non-white families had to share single dwelling units with other families. That is 4.8 percent of the total number of non-white families—only 2.1 percent of the total number of white families lived in such a condition.
>
> Perhaps the really significant figures are those which illustrate the central city concentration of Negroes. For it is especially within the old, deteriorating inner cities where slums and inferior community facilities abound. The non-white population of central cities increased 63.3 percent between 1950 and 1960—from 6.3 million to 10.3 million persons. At the same time the white population of the central cities was increasing at a rate of 13.3 percent—42.0 million to 47.6 million persons. This influx of 9.6 million persons must be measured against the 3.7 million housing units added in the same period. Herein lies the reason for the crowded slums.
>
> During the same decade the white population in the urban fringe—the suburbs—leaped forward at a rate of 81.8 percent—16.2 million whites moved there—only 700,000 Negroes accompanied them.
>
> The configuration to which these figures point often has been described—America's large cities filled at the center with Negroes

> occupying run-down housing and surrounded by a suburban ring of middle-class white neighborhoods.

It might be suggested that the configuration thus described is inevitable in light of the low incomes of the Negroes in the central cities. It is true that in 1960 the median family income of Negro families was only $3,711—63 percent of the median income of $5,893 for whites. But a 1963 study by the U.S. Housing and Home Finance Agency found that there has been a "spectacular rise" in the incomes of Negroes in urban areas and a corresponding growth in the demand for middle-income housing—such as is available in the suburbs. The study collected data on 17 metropolitan areas and compared the home buying patterns of white and nonwhite families in the $7,000 to $10,000 income bracket. If Negroes in this category had bought homes valued at $15,000 in the same ratio as whites in this same income bracket, there would be an immediate potential market among nonwhites in these 17 areas for some 45,000 units. On the basis of the investigation HHFA concluded that:

> While the study cites a number of related factors inhibiting home ownership among non-whites, it points particularly to racial restrictions as an important deterrent to the availability for new housing for this group.

It would appear then that the configuration of black central cities encircled by white suburbs is not a "natural" phenomenon; the coerciveness of discrimination is involved, and the white suburban circle is what former Philadelphia Mayor Richardson Dilworth called a "white noose."

What are the forces behind this discrimination? The Commission on Civil Rights attempted an answer in its 1961 report:

> They begin with the prejudice of private persons, but they involve large segments of the organized business world. In addition, Government on all levels bears a measure of responsibility—for it supports and indeed to a great extent it created the machinery through which housing discrimination operates.

First, discrimination is sometimes practiced by the owner of a house who refuses to sell or rent to a person of another race. This attitude has often led to alliances of owners who enter into covenents restricting a neighborhood to whites only. In 1948, the Supreme Court in Shelley against Kraemer ruled that such covenants are judicially unenforceable, on the grounds that a State would be denying to certain citizens equal protection of the laws. Nevertheless, restrictive covenants prevail in many places even though they are not legally enforceable.

Second, lenders often discriminate against Negroes, using the argument that a homogeneous neighborhood makes a loan economically more sound. The Commission on Civil Rights "found evidence of racially discriminatory practices by mortgage lending institutions throughout the country." Also some builders join in with these views about "homogeneous" neighborhoods and sell only to white persons. Underlying the view that neighborhood stability will be destroyed is the belief that property values fall when Negroes move into an area. This happens, of course, if there is "panic" selling by whites. But a research study of 10,000 real estate sales over a 12-year period in seven cities contradicts the belief that property values invariably decline. Forty-one percent of the homes in interracial neighborhoods did not change in price; 44 percent increased 5 to 26 percent; 15 percent dropped 5 to 9 percent.

The third discriminatory factor mentioned by the Commission in 1961 was the Government—especially the Federal Government. The major cause for such an indictment is that FHA actively encouraged racial discrimination during the years 1934–1950. Its Underwriting Manual of 1938 suggested that properties "continue to be occupied by the same social and racial groups." The Shelley against Kraemer decision had an effect on FHA policy, however, and it withdrew its support for racially exclusive policies. President Kennedy's Executive Order 11063 of 1962 required FHA and other Federal agencies to pursue affirmative policies with respect to equal opportunity in housing.

But the Civil Rights Commission's criticism of the Government is also based on the fact that most financial institutions are dependent to a great extent on Federal regulation and sponsorship. A large number of saving and loan associations are chartered by the Federal Home Loan Bank Board. Many of them are recipients of the benefits of the Federal Home Loan Bank System. Most commercial banks are regulated by the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. Yet none of these private institutions are covered by the existing Executive order, and thus, are free to discriminate without Government interference.

Although low income is an obstacle to many Negroes in acquiring adequate housing, a large number of Negroes have moved up to middle-class levels of income, and many of these Negroes who have the money want to live in a suitable environment. As a Negro wife in Boston put it:

> I don't think that too many people start out by saying, "I want to move into a white neighborhood." They want to move to a neighborhood that has modern housing, good schools, that has close shopping centers, that has a plot of grass around it; where people don't go through the street and drop paper; they want something clean.

But often the Negro cannot realize this aim because he is surrounded by a pattern of discrimination based on individual prejudice, often institutionalized by business and industry, and Government practice.

Certainly the provision of good housing will not solve all social and personal problems. Yet the upgrading of housing conditions, as compared for example to the tasks of education and improvement of health, may well be the most immediately practical solution available. Further, the attack of educational inequality, on juvenile delinquency, and on ill health will surely fail without a fundamental attack on the slums. But that attack cannot succeed—indeed it cannot commence—without the obliteration of the discriminatory obstacles which condemn the Negro to certain areas, to substandard housing, and to poverty in general.

The Federal Government has begun to recognize this basic fact and has tried to insure equal opportunity in housing to all Americans. If the national goal set forth by the Congress of a "decent home and a suitable living environment for every American family" is to be realized, equal opportunity is essential.

The most effective attempt by the Federal Government thus far to insure equal opportunity in housing was the signing of Executive Order 11063 by President Kennedy on November 20, 1962.

As two legal authorities have pointed out:

> The issuance of the Executive Order was hardly a precipitous action. Twenty-eight years had elapsed since passage of the original National Housing Act, before the Federal government took this basic step to assure equal access to the benefit of its housing programs.

The Executive order directed all Federal agencies which administer housing programs to prevent discrimination. Section 101, which sanctions this antidiscriminatory activity, relates to housing and other facilities provided by Federal aid agreements executed after November 20, 1962. Therefore, the order did not touch the millions of FHA- and VA-assisted homes built before 1962.

Section 102 of the order does apply to all housing ever aided by a Federal program—but this section merely directs Federal agencies to "use their good offices" to promote the abandonment of discriminatory practices.

The order also established the President's Committee on Equal Opportunity in Housing. Each executive department and agency is directed to cooperate with the committee by furnishing it with information and assistance and to report to the committee at certain intervals with respect to its procedures for obtaining compliance.

The primary agency which the order affects is the Federal Housing Administration.

Since the date of the order, nearly 700,000 housing units have been constructed with FHA loan insurance. As of March 31, 1966, 90 complaints had been received by FHA under section 101 of the order. In 30 cases, the complainants prevailed and secured the housing unit sought. In 19 others, the complainant prevailed but did not follow through on securing the housing. Eight cases were decided in favor of the respondent. In five cases, the complainant did not meet standard eligibility requirements for FHA insurance. Nine cases were dismissed because FHA did not have jurisdiction. Six cases were closed when the respondent was placed on FHA's ineligible list. Six cases are pending, and eight were disposed of in "miscellaneous" ways.

FHA has also received complaints under section 102 which directs Federal agencies to use their "good offices" to eradicate discrimination. Since these cases apply to housing built before the order, FHA's authority is limited. As of March 31, 1966, 34 complaints had been received under section 102. Of significance here is the fact that in 19 cases negotiations on behalf of the complainant were unsuccessful. In two cases the respondent prevailed. In seven others, the complainant prevailed. Five cases were dismissed for lack of FHA jurisdiction. One case is pending.

The record for the main agency affected by the Executive order, FHA, shows that no great changes are being wrought in the housing patterns of American neighborhoods. Only 30 instances have been clearcut cases, as a result of which discrimination was eliminated. And the results of "good offices" have been, as the Secretary of Housing and Urban Development, Robert C. Weaver, said recently, "minimal." He stated:

> The larger tract developers and the owners of multifamily projects generally resisted what they considered to be a retroactive reform, applying only to those who had received earlier aid. They insisted that the adoption of an open-occupancy policy was not practical unless competing developers and owners also adopted non-discrimination practices.

It may be just as important to cite what the order has not done. Many persons, especially the National Association of Home Builders, predicted that the order would cause a severe decline in the housing industry. In 1963, the first year after the order, nonfarm housing starts totaled 1,613,400—140,000 over 1962. The nonfarm housing starts in 1964 and 1965 have been declining, but not precipately, and economic factors such as higher interest rates and labor costs play an important part in this decline.

Furthermore, none of the Federal programs affected by the order have shrunk in size, either in terms of the expenditure of funds and effort, or in terms of the demand for them by States and localities.

And although few positive signs of breaking down segregated residential patterns can be cited, a general support of the order by industry representatives suggests that the order has had an influence on their policy.

Since the order covers only new construction assisted by FHA and VA after November 20, 1962, its effectiveness is limited to about 750,000 housing units. For example in 1965, of the 1.5 million housing starts, FHA- and VA-assisted units totaled about 250,000.

The fact is that conventional loans financed by commercial banks, savings and loan associations, insurance companies, and other private lending institutions now account for over 80 percent of home financing in the United States. None of these are covered by the order, or by title VI of the Civil Rights Act of 1964.

The extent of activity of the mortgage lending institutions which are not covered by the Executive order is an important indicator of the limitation of the order. In 1964 savings and loan associations held 37 percent of the nonfarm mortgage recordings of $20,000 or less. The amount of the mortgages was $15.8 billion, of a total of $37 billion.

Commercial banks were the second largest mortgage lender, accounting for 19 percent of the mortgages of $20,000 or less recorded in 1964. Individuals, trust funds, credit unions and miscellaneous other sources accounted for 36 percent of such mortgages. Mutual savings banks and insurance companies make up the other significant holders of these mortgages.

Not all these mortgages are free from the order's authority—in 1964, 18 percent of them were insured by FHA or guaranteed by VA, but 82 percent were conventional loans.

As pointed out in part I, most of these institutions are supervised and aided to some degree by the Federal Government. The deposits in commercial banks are insured by the Federal Deposit Insurance Corporation. The share accounts in savings and loan associations are insured by the Federal Savings and Loan Insurance Corporation.

> These benefits help account for the spectacular growth of these institutions from their relatively small beginnings to their present dominant position in the savings and loan industry.

Because of these Federal benefits to lending institutions not now covered by the Executive order, many persons and organizations have argued that the order should be extended. They point out that the present partial application is a positive hindrance to equal opportunity since builders are provided with an incentive to use conventional financing. It is interesting to note that many persons expected as a matter of course that the Executive order would cover the major lending institutions. An editorial in House and Home in October 1962 confidently stated, "Big escape hatches will probably not exist." The editorial went on to describe what many people knew would occur if there were escape hatches—"such an order would merely erase FHA and VA from the picture, solving none of the discrimination problems." House and Home, along with most other housing organizations and interests, believed that "the order is expected to cover not only S & L's but federally insured banks."

Perhaps the prediction was extreme, but in substance it has proved to be correct, as has been shown above. Legal scholars were quick to point out that the same decisions and arguments which could be used to justify nondiscrimination in FHA and VA programs applied to other Federal activities with respect to lending operations. First, the Supreme Court and the Congress have declared a policy supporting equal housing opportunity. Now it has been shown that this goal cannot be achieved without equal access to the sources of home financing. And since federally supervised lending institutions are the major source of mortgage funds, these institutions should be expected to follow nondiscriminatory practices. The Federal Deposit Insurance Corporation and the Federal Home Loan Bank Board were created to facilitate community credit in general and housing credit in particular. Both of these agencies of the executive branch are empowered to set regulations to carry out the purposes of the enabling acts. They, therefore, are in the position to, and many feel should, use these powers to further the national policy of equal opportunity stated by the Court, the Congress, and the President.

If the order were extended to cover federally insured banks and savings and loan associations, perhaps 65 to 85 percent of the mortgages recorded each year would be covered. The important point is not the precise percentage, as long as a majority of the total mortgages is covered. In such a situation, other institutions would be under pressure to conform.

If the Executive order, for example, in 1964 had covered federally insured banks and savings and loan associations alone, 60 percent of the total amount of mortgage funds would have been affected. FHA insurance and VA guarantees of other types of loans would have brought the percentage up further. In such a situation, the housing market would be substantially free from the effects of overt discrimination.

The Federal mandate to stop segregation is perfectly clear and remarkably strong. Historically, it rests on the Bill of Rights, the 13th and 14th amendments and the Nation's first fair housing law, passed in 1866, which guarantees:

> All citizens of the United States shall have the *same* right in every State and Territory as is enjoyed by white citizens . . . to inherit, purchase, lease, sell, hold and convey real and personal property.

In recent years the Federal obligation to guarantee freedom of housing to all citizens has been twice reaffirmed: first by the 1962 Executive Housing Order and then by Congress in 1964. The Executive order barring discrimination in all federally assisted housing was a major breakthrough—the fruits of a 10-year campaign launched and piloted by NCDH.

Two years later Congress passed a civil rights bill and included the following stipulation under title VI:

> No person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any programs or activity receiving Federal financial assistance.

This is the same paragraph the U.S. Office of Education invokes in its affirmative program to desegregate the Nation's public schools, especially in the South. Thirty-seven school districts have had Federal funds cut off, and another 185 districts have had funds deferred, because they were violating title VI. As a result of USOE's relatively firm stand, the proportion of Negro children attending schools with white children in the Deep South jumped this year from 6 percent to almost 17 percent—a small but measurable achievement, especially when one considers that to reach only 6 percent compliance with the Supreme Court's 1954 desegregation ruling, the South took 12 years.

Nothing remotely resembling this modest success has occurred in housing. Rarely does HUD withhold funds or defer action in the name of desegregation. In fact, if it were not for all the printed guidelines the housing agencies have issued since 1964, one would scarcely know a Civil Rights Act had been passed.

It is clear that HUD has determined to speak loudly and carry a small stick. The results of this policy have been a cynical subversion of title VI, along with a thumb-twiddling complacency that has permeated all major agencies—the Housing Assistance Administration—public housing—Renewal Assistance Administration and FHA. Here is a brief summary of their practices.

The Housing Assistance Administration—HAA—is responsible for 633,000 dwelling units in some 2,000 cities. Estimates of the degree of segregation in public housing projects reach upward of 90 percent, and even HAA officials peg the figure as high as 70 percent. Moreover, their definition of "integrated" is so liberal as to include projects that are $99\frac{44}{100}$ percent white—or black. In any case, it is safe to say that an overwhelming proportion of public housing—the only kind of housing in the United States directly built, financed and supervised by the Federal Government—is racially segregated.

Mr. DODD. Mr. President, will the Senator from Massachusetts yield?

Mr. BROOKE. I yield.

Mr. DODD. Mr. President, I had the privilege of presiding during most of the remarks of the Senator from Massachusetts. I have seldom heard a more eloquent or clear explanation of this great problem which confronts us, and I congratulate him on his presentation. I wish that every Member of the Senate could have heard it, and I hope they will read it. I wholly agree with the statement of the Senator.

It is a touching, moving, brilliant, concise argument, and the Senator deserves great credit for making it.

Mr. BROOKE. I thank the distinguished Senator from Connecticut for his very kind remarks.

Mr. TYDINGS. Mr. President, I ask unanimous consent that the Senator from Massachusetts may yield to me for the purpose of making some remarks without losing his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TYDINGS. Mr. President, I am pleased to add my voice and my observations to those of my distinguished colleagues on the Senate Banking and Currency Committee—I might note a majority of that committee—who have offered this fair housing amendment. I am pleased, too, to join the other Members of this body who have or will speak out on behalf of fair and equal treatment of prospective buyers and renters of housing in this country.

Just a year ago, in this Chamber, Mr. President, I made the observation that—

> Purposeful exclusion from residential neighborhoods, particularly on grounds of race, is the rule rather than the exception in many parts of our country.

That statement, unfortunately, remains true today.

There are an estimated 6 million fewer decent homes in the urban housing inventory of this Nation than there are urban families in need of homes. So it is inevitable that 6 million urban families will have to live crowded into substandard living units. Most of these 6 million victims of the urban housing shortage are poor, and a disproportionate number of the very poor are nonwhite.

One partial answer to this problem, as Secretary Weaver and various Members of Congress have emphasized on numerous occasions, is to build enough good housing so there will be a good home available for everyone. Some of this new housing will have to include new low-rent units; the rest will have to be met by maintaining existing housing facilities and by moving families now housed in substandard units into used housing of acceptable quality.

With today's land costs, today's building trades wages, and today's code and labor restrictions, private enterprise cannot hope to build good enough new homes cheaply enough for poor people to buy or rent without large subsidies. I feel that high priority must be placed on the construction of new low-cost housing and the purchase and resale of sound used dwellings to ease the overall shortage of housing in this Nation.

But more good housing—new and used—is only a small part of the problem we face.

Negroes in this country need freedom to move out of their racial ghettos and live closer to available jobs. Negroes in this country must have freedom to live where they can afford to live, irrespective of race. The proven fact that housing of nonwhite families is consistently of poorer quality than that of white households in the same income levels is due, in large part, to the related fact that the nonwhite families in this Nation do not have freedom of choice in the selection of their homes. In 1960, 44 percent of all nonwhites lived in substandard housing as compared to 13 percent of the white families. Sixty-two percent of the nonwhite households rented as compared to 36 percent of the white households. Three times as large a proportion of nonwhite families lived in crowded homes as did white households.

It is important to note that this overcrowding of our nonwhite population is not related to income. Studies have indicated that overcrowding and substandard living conditions plague our nonwhite citizens at all income levels. For example, of nonwhite families with incomes of $6,000 or more, 25 percent lived in overcrowded conditions. This compares with only 9 percent for whites in the same income class.

In recent hearings before the Subcommittee on Business and Commerce of the Senate District of Columbia Committee, of which I am chairman, it has become abundantly clear that the "poor pay more" for the goods and services they buy. The same is true in housing. The poor—many of whom are nonwhite—pay more for housing. In fact, a long list of careful studies in areas throughout the country show that nonwhites—whatever their income—pay higher prices for lower quality housing than white families.

Mr. President, in 1966 and 1967, as chairman of the Subcommittee on Business and Commerce of the Committee on the District of Columbia, I held rather lengthy hearings on the problem of slum housing and ghettos in the District of Columbia.

Washington, D.C., is not different from other great cities in the country as regards the conditions in which the poor, particularly the nonwhite poor, live in the center city. I not only held hearings in the committee room, but I went out into the inner city of the District of Columbia to personally inspect some of the many tragic conditions which had been brought to my attention.

I recall one instance, Mr. President—and this was by no means exceptional—where a nonwhite family was renting 4½ rooms in a deplorable, substandard house, for a monthly rental of some $130, plus $65 a month for utilities. This particular slum dwelling had been cited time and again for health department violations. The heating facilities did not work, and never had operated properly. The toilet facilities failed to work more often than they did work. There was no hot water. The roof leaked. There was a serious rat problem in the house.

Had that family, Mr. President, been fortunate enough to have a different color skin, they could have purchased a nice house in almost any area of this country, for a far lower monthly payment than they were making to their present slum landlord.

I could not help thinking, as I went through the four and one-half rooms of the house, how impossible it would be to hold together a family that had to live in such an environment. Not only had their efforts to get code enforcement been unsuccessful, but the last time they sought it, it was made very apparent to them by the landlord that they would be evicted as a retaliation if they once mentioned the fact that the housing deficiencies had not been corrected.

The average American has no idea of the conditions that exist in the inner sections of our great urban centers. I know he does not.

I am satisfied that if the average American knew the facts, he would right these wrongs.

One clear first step to correct these injustices, Mr. President, is to enact the pending legislation so that Negroes are given the freedom which all other Americans now possess—to live in any neighborhood which their income permits. Today this is not possible for Negro Americans.

Let me read a number of excerpts from articles on this question. I refer, first, to an article entitled "Potential Housing Demand of Nonwhite Population in Selected Metropolitan Areas." It was prepared by Marian Yankauer, under the auspices of the Housing and Home Finance Agency in April 1963.

Among the findings of this study of 17 standard metropolitan areas, and based upon the 1950 and 1960 censuses of population and housing, was the following:

> It might be assumed that the disadvantage of all nonwhite families with respect to condition, age, and value of housing is a reflec-

> tion of the larger number of nonwhite families in the lowest economic group. Conversely, it might be expected that the white-nonwhite differential would decrease as the nonwhite income level rises.
>
> This is not the case. The housing disparity between the white and nonwhite families is not affected as family income rises. Although improvement in nonwhite family housing generally runs a course parallel to that of the white families as income increases, the course is at all levels substantially below that of whites.
>
> While the nonwhite rate of home ownership in 1960 increases in a steady progression parallel to that of the total population as income rises, at all levels of income, in every metropolitan area studied, it remains substantially below that for the total population. (Figure 1 illustrates the situation in two typical areas.) Furthermore, although the median value of homes owned also rises, at each income level the nonwhite families own homes of lower median value than the whites.
>
> When a comparison is made between white and nonwhite families with 1959 incomes of from $7,000 to $10,000, the percentage of nonwhites housed in older, deteriorating and substandard housing remains far higher than that for white families similarly situated, as can be seen in the accompanying charts (Figures 2, 3 and 4) which show the situation in one metropolitan area in each major region of the country. A consistent pattern of the nonwhite disadvantage in housing can be seen (except for the West Coast) at the $7,000 to $10,000 level of income, with only slight regional differences.

The second article from which I wish to quote is an article prepared by Robert C. Weaver and Corienne K. Robinson, presented in Weaver's "The Negro Ghetto," pages 261–263, relating the incidence of substandard dwelling units to rental value by color in 16 cities.

The conclusion was that—

> The nonwhite family receives less housing value for the same price than does the white group which has access to an open housing market. Since the ratio of nonwhite to white occupancy in substandard housing increases as higher rental brackets are considered, it is indicated that even when the colored person can pay an economic rent, he has less chance than a white person of getting decent shelter.

"Residence and Race," the final and comprehensive report of the Commission on Race and Housing, edited by Davis McEntire, beginning at page 149, presents analyses of both renter- and owner-occupied standard dwellings by value and color of occupants.

These analyses show that nonwhites obtain fewer standard dwellings than whites at every level of rent and in almost every area-value category.

"Minority Families in the Metropolis," Research Report No. 8, Real Estate Research Program, Graduate School of Business Administration, University of California, Los Angeles, 1966, by Fred E. Case, reports, respecting 1960 census data for the Los Angeles SMA:

> Quantitative support for the general observation that minority families usually occupied less desirable housing and that they may have had to pay a greater proportion of their incomes for housing.

It concludes that:

> Although minority families lived in less desirable housing, they often paid more for their homes in terms of prices or rents than did other families in equivalent family income brackets. . . . In addition, the income ratio-differences between minority families with the highest and lowest incomes was much less than the differences in ratios between the general population in the highest and lowest income ranges.

That is at page 47.

Chester Rapkin made a population and housing study for New Haven, Conn., as part of its community renewal program, and found nonwhites paying higher rents for inferior accommodations and less space than paid by whites.

He took into account that the phenomenon "may, in fact result from the fact that they—the nonwhites—are recent arrivals. It is reasonable that, on the one hand, newcomers would be less familiar with the city and less able to find lower-renting accommodations, and that, on the other, in a rising market landlords are inclined to charge a new tenant a higher rent than to raise the rent of an established tenant." He then goes on to add:

> It is also not without precedent, however, that Negroes be charged higher rents than whites for similar accommodations, so that the situation may well be that the newcomers pay a higher rent because they are Negroes rather than that Negroes pay higher rents because they are newcomers.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. ELLENDER. Mr. President, does the study to which the Senator has just referred include only Connecticut?

Mr. TYDINGS. The study which I just mentioned includes just New Haven, Conn.

Of course, each of the others includes other areas to which I refer. This particular one refers to a study made by Chester Rapkin for New Haven, Conn., as part of its community renewal program.

Mr. ELLENDER. According to what the Senator has just stated, there seem to be similar differences in various parts of the country concerning how the Negro is treated in contrast to the white.

Mr. TYDINGS. There is no question about that insofar as the availability of housing is concerned.

Mr. President, it is revealing to note that the higher costs nonwhites must pay for housing may well contribute to overcrowding in nonwhite ghettos. In order to meet the high costs they have to pay, even for substandard ghetto housing, two or more families may have to live together, sharing the rent costs that they could not afford individually.

The evidence points unequivocally to the conclusion that discrimination in housing, in addition to the indignity and the psychological burdens it imposes on many citizens, is also at the very root of many of the problems and evils of today's racial ghettos. Racial discrimination in housing ties almost all nonwhites to an environment which is not conducive to good health, educational advancement, cultural development, or to improvement in general standards of living. From this single problem, then, other problems are born and multiply. Racial discrimination in housing keeps the cycle of poverty continuous and frustrates many of our efforts, meager as they sometimes may be, from breaking into that cycle. Our efforts to relieve unemployment seem destined to failure under current conditions of housing discrimination. Housing discrimination deprives hundreds of thousands of nonwhites of employment opportunities in suburban communities which are generally unavailable to them as places for them to live themselves.

The McCone report on the Watts riot—civil disturbances—showed clearly virtual isolation, the entrapment, of Negroes in the Watts ghetto was a substantial factor in the frustration and the forces which inevitably erupted into the Watts riot.

We condemn, rightly and justly, civil disorder, violence, and crime; but if we fail to make an effort to change the environment or improve the conditions that cause or promote or enable these explosions to take place, then, in my judgment, we are making no progress.

Again I say, Mr. President, that one of the basic problems facing our Nation today in connection with the maladies of the inner city is the failure of those of us in Government, civic leaders and others, to understand the true conditions in the inner city and to make those conditions known to citizens across the United States.

I have listened in this Chamber to speech after speech condemning crime, urging greater assistance and greater support for our law enforcement officials, stronger enforcement of our criminal laws—with all of which I agree. But, in all candor, that is only one part of the solution.

Of course, the first thing that must be done is to strengthen our law-enforcement agencies, to give our police officers decent equipment, and decent support; because there is no alternative, there is no substitute, for the effective, intelligent, dedicated police officer on the beat in curbing crime and disorder.

But if we stop right there and ignore the basic problems and the basic conditions which result and which breed crime, we are fooling ourselves. If we do not attack the basic conditions which breed and foster crime, we will never get anywhere. And one of these factors is housing.

Mr. GORE. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. GORE. Mr. President, the able Senator is presenting a most impelling argument and I wish to congratulate him.

Yesterday I voted against the tabling of an amendment. I wish to observe to the Senator that I consider a tabling motion as just about the most tyrannical parliamentary weapon available in our procedure. It is with the greatest reluctance that I have ever supported a motion to table and I have never done so as long as someone wished to speak. I am not saying I would not, in some circumstances, so vote.

I shall take the same position with respect to the pending amendment. I would prefer to see this amendment, which presents a very fundamental question in our social order, considered on its merits and determined upon its merits. I hope no one will offer a motion to lay the pending amendment on the table.

I wanted the Senator from Maryland to know that I will vote against such a tabling motion, should one be made.

I have not concluded how I shall vote on the pending amendment. It is so far reaching that further study is necessary. However, I am listening with rapt attention to the speech by the able Senator from Maryland.

Mr. TYDINGS. Mr. President, I thank the distinguished Senator from Tennessee who has a great record in the Senate as a defender of those who are less fortunate than others and those who need help.

Mr. President, I believe that our efforts to relieve unemployment seem destined to failure under current conditions of housing discrimination. Housing discrimination deprives hundreds of thousands of nonwhites of employment opportunities in suburban communities which are generally unavailable to them as places for them to reside themselves. And within our large, sprawling cities, a similar deprivation occurs within the city limits when nonwhites are excluded from many residential areas. The fact is that most new jobs are springing up in the suburbs. Between 1960 and 1965 from one-half to two-thirds of all new factories, stores, and other mercantile buildings in all sections of the country, except the South, were located outside the central cities of metropolitan areas.

Since 80 percent of the nonwhite population of the nonwhite population in metropolitan areas in 1967 lived in central cities, the handicaps of nonwhite jobseekers are apparent. Unless nonwhites are able to move into suburban communities by the elimination of housing discrimination, and the provision of low- and moderate-cost housing in these areas, they are going to continue to be deprived of jobs, no matter how extensive our efforts to employ them.

As the President has noted in his 1968 civil rights message to the Congress, we have not achieved the goal of "a decent home and a suitable living environment for every American family."

As the President noted:

> Construction of new homes is not enough unless every family is free to purchase and rent them. Every American who wishes to buy a home, and can afford it, should be free to do so.
>
> Segregation in housing compounds the Nation's social and economic problems. When those who have the means to move out of the central city are denied the chance to do so, the result is a compression of population in the center. In that crowded ghetto, human tragedies—and crime—increase and multiply. Unemployment and educational problems are compounded—because isolation in the central city prevents minority groups from reaching schools and available jobs in other areas.
>
> A fair housing law is not a cure-all for the Nation's urban problems. But ending discrimination in the sale of land or housing is essential for social justice and social progress.

Despite the fact that the deliberate exclusion from residential neighborhoods on grounds of race—and all the problems that go with it—are still with us today as they were in 1967, in 1960 and long before, there is encouraging evidence that action will be taken and leadership exerted to end these practices.

Montgomery County, in my State of Maryland, has enacted a local fair housing ordinance and Prince Georges County, also in Maryland, is seriously considering similar legislation.

Across the Nation, as of September 1967, 23 States, including my own State of Maryland, and the District of Columbia, the Virgin Islands, and Puerto Rico, have recognized the need for legislation for fair housing and have passed it.

Some 40 other jurisdictions—city and county governments—have established fair housing ordinances.

Mr. President, at this time I ask unanimous consent to have printed in the Record a summary of the laws of the 23 States.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Summary of Coverage of State Fair Housing Laws, as of September 1, 1967—23 States, District of Columbia, Virgin Islands, and Puerto Rico

MARYLAND

Owners and managers of five or more units are prohibited from discriminating in sales or rentals, with four exceptions:

(1) Buildings fully constructed prior to June 1, 1967;

(2) Buildings for which a permit was issued pursuant to plans filed prior to June 1, 1967, and which will be completed by June 1, 1968;

(3) Owner-occupied buildings containing less than twelve units;

(4) Buildings qualified under state law as condominiums or cooperative apartments.

Owners and managers are also forbidden to advertise discriminatory preferences except for property descriptions for bona fide appraisal purposes. Religious institutions and fraternal organizations are expressly allowed to give preference to persons of the same religion or to those whom the fraternal organization decides would further its principles. Financial institutions may not discriminate in loans or conditions.

Enforcement is the responsibility of the Commission on Interracial Problems and Relations, which has power to conduct investigations, after a complaint has been filed. After notice and hearings, the Commission may issue cease and desist orders and require affirmative action by the respondent. The Commission's orders must be judicially enforced.

ALASKA

Alaska prohibits discrimination in all categories of housing through its public accommodations laws. A State Commission for Human Rights is charged with administering the law. Either an aggrieved person or the Executive Director may file a complaint with the Commission, which then investigates the alleged discriminatory conduct. If substantial evidence is found which supports the complaint, the Commission attempts to eliminate the discrimination by conciliation. If this fails, a hearing is conducted. In the event that a violation is found, the Commission issues a cease and desist order and may require other affirmative action. Compliance with such an order is a bar to criminal prosecution for the particular instance of discriminatory conduct found by the Commission. Violation of this law is a misdemeanor punishable by imprisonment for not more than 30 days and/or a fine of not more than $500.

CALIFORNIA

California prohibits discrimination in private housing except for houses with four or fewer units. Real estate brokers and financial institutions are covered by the provisions of the law. Enforcement is by the Fair Employment Practice Commission. An aggrieved person may file a complaint with the Commission, but the Commission itself may not initiate complaints. If the Commission determines by investigation that probable cause exists for believing the allegations of the complaint, it may attempt to eliminate the violation by conciliation. Also, a temporary restraining order may be obtained (for not more than 20 days) enjoining the owner of the housing from selling or leasing it until the Commission has made a final determination. If attempts at conciliation fail, a hearing is held before a hearing officer sitting alone or with the Commission. In the event a case is heard by the hearing officer alone, he prepares a proposed decision, copies of which are served on the parties. The Commission may adopt the decision as drafted, or adopt the decision and reduce the penalty. Alternatively, the Commission may decide the case on the record, with or without taking additional evidence, but in such a case the parties must be provided with an opportunity for oral or written argument. If the Commission finds that an unlawful practice has been engaged in, it issues a cease and desist order and requires the transfer of the housing accommodation in question, the transfer of a like accommodation, or the payment to the complainant of damages not to exceed $500, if the remedy of transfer is not available. Willful violation of such orders is punishable by a fine not to exceed $500, imprisonment not to exceed 6 months, or both. Judicial review of Commission orders is available. If the Commission believes that its orders are being violated it may obtain an injunction against further violations.

California also has a statute which provides that all persons regardless of their race, color, religion, or national origin are entitled to the full and equal accommodations, facilities, and services of all business establishments. This law has been construed by the courts to apply to real estate brokers and developers. Persons aggrieved by violations may bring civil suits for the actual damages suffered plus $250.

COLORADO

The Colorado fair housing act of 1959, as amended, prohibits discrimination in all types of housing except the rental of rooms in an owner-occupied one-family dwelling. The law applies to owners, real estate agents, and lenders. Enforcement is vested in the Colorado Civil Rights Commission. Complaints may be filed by aggrieved persons, the Commission, or the Attorney General. The Commission then investigates the allegation of illegal discriminatory action. If cause for the complaint is found to exist, the Commission tries to eliminate the discrimination by conciliation. The Commission may seek temporary restraining orders to prevent transfer of property prior to disposition of the complaint. If conciliation efforts are unsuccessful, the Commission may conduct a hearing. If, at hearing, the violation is verified, the Commission issues a cease and desist order and may require affirmative action.

CONNECTICUT

Connecticut prohibits discrimination in the sale or rental of all categories of housing except the rental of one unit in an owner-occupied two-family house, and the rental of rooms in a house by the occupant thereof. Violators may be punished by a fine of $25–$100, 30 days imprisonment, or both. In addition, the Connecticut Commission for Human Rights and Opportunities may receive or issue complaints. The Commission investigates, and if reasonable cause exists for concluding that a violation has occurred, attempts are made to settle the matter by conciliation. If conciliation fails, a hearing is held before the Commissioners or a panel of hearing examiners. In the event the Commission finds that an unfair practice has been engaged in, a cease and desist order may be issued or other affirmative action required. The Commission also has power to seek temporary and permanent injunctions. The agency may petition for court enforcement of its orders, and in some circumstances may seek double damages, up to $500, in court on behalf of the person aggrieved. Either the complainant or the respondent may obtain court review of an order of the Commission.

HAWAII

Hawaii prohibits discrimination in all housing except rental of rooms in owner-occupied homes and rentals of units in owner-occupied two-family dwellings. The statute covers real estate brokers, financial institutions, and advertising. There is also an anti-blockbusting provision. Enforcement is the responsibility of a "department of regulatory agencies," which is authorized to receive and initiate complaints. The attorney general may also file complaints with the department. The enforcing agency may seek temporary relief pending final determination of the complaint. After notice and hearing, the agency may issue cease and desist orders and require affirmative action by the respondent, including payment of damages and attorney's fees to the complainant. A complainant or respondent may obtain judicial review of agency orders. If a state contractor is found to be discriminating, his contract may be terminated and he may be refused further contracts with the state.

INDIANA

Indiana prohibits discrimination in the sale or rental of private housing. Enforcement of the law is vested in the Indiana Civil Rights Commission. The Commission is authorized to receive complaints of unlawful housing discrimination practices, to investigate them, and, if reasonable cause exists, to settle the matter by conciliation. If conciliation fails, a hearing is held before the Commission. In the event the Commission finds that an unlawful discriminatory practice has been engaged in, it may issue a cease and desist order and require other affirmative action. No cease and desist orders may be issued by the Commission, however, against an owner-occupant with respect to a residential building containing less than four units, or against any person who has engaged in a discriminatory practice pursuant to a plan adopted to prevent de facto segregation.

The Commission may petition for court enforcement of its orders, and either the complainant or respondent may obtain judicial review of orders issued by the agency.

IOWA

Owners and their agents are prohibited from discriminating in sales or rentals and from advertising discriminatory limitations on sales and rentals, with three exceptions:

1. Bona fide religious institutions may impose religious qualifications if they are related to a bona fide religious purpose.
2. Two-family accommodations are exempt where the owner, occupying one portion, rents the other portion.
3. Rentals of less than six rooms within a single house by the owner who resides therein are exempt.

A complainant must post a $500 bond to cover any damages sustained by the respondent as a result of a wrongful complaint. Respondents can recover actual damages sustained as well as attorney fees upon showing that the complainant had no reasonable cause for bringing a complaint.

MAINE

Maine prohibits discrimination in the rental of private housing except the rental of one unit in an owner-occupied two-family dwelling, or the rental of not more than four rooms in an owner-occupied one-family dwelling. Sales of housing are not covered by the Maine statute, and no administrative agency has been created and charged with enforcement responsibility for the statute.

Violators may be punished by fine of not more than $100 or by imprisonment for not more than 30 days, or both; and for each additional violation, by a fine of $500 or imprisonment for not more than 30 days, or both.

MASSACHUSETTS

Massachusetts has enacted legislation prohibiting discrimination in all categories of housing except for the leasing of a unit in an owner-occupied two-family dwelling. Real estate agents and mortgage lenders are covered by the provisions of the comprehensive act which is administered by the Massachusetts Commission Against Discrimination. An individual, the Attorney General, or the Commission itself may file a complaint alleging unlawful practices. The Commission then investigates. If the Commission finds no probable cause, the complainant may request a hearing before the Commission to urge reconsideration of its finding. If probable cause exists for crediting the allegations of the complaint, the Commission may use conferences, conciliation and persuasion to settle the dispute. An injunction may be obtained to prevent the transfer of housing accommodations being sought pending final disposition of the complaint. In the event the complaint cannot be settled, the Commission holds a hearing, and, upon finding that an unlawful practice has been engaged in, a cease and desist order may be issued. Penalty for noncompliance with the order is imprisonment for not more than one year and a fine of not more than $500. Additionally, noncompliance by a real estate broker or salesman results in mandatory suspension of his license by the State Board of Registration. Any person aggrieved by a final order of the Commission may seek judicial review, and the Commission may obtain judicial enforcement of its orders.

MICHIGAN

Michigan's Constitution has been interpreted by the State Attorney General to ban discrimination in all housing.* The right to obtain mortgage financing without discrimination is also covered, according to the Attorney General's opinion. The Michigan Civil Rights Commission is the administering agency. Upon receipt of a complaint from an aggrieved person the chairman assigns a commissioner to investigate and, if he determines that probable cause exists for crediting the allegations of the complaint, to attempt conciliation. A hearing may be held before the Commission, a commission, or a hearing examiner. If the commissioners have not heard or read the evidence, a proposed decision must be served on the parties, and they must be given an opportunity to file exceptions and present argument to a majority of the commissioners, who make their decision on the whole record. If the Commission finds that an unfair practice has been engaged in, it issues a cease and desist order and may require other affirmative action. Aggrieved persons may obtain judicial review of Commission orders, and the Commission may petition a court for enforcement of its orders.

MINNESOTA

Discrimination in all categories of housing is prohibited, with two exceptions: the rental of a unit in a two-family owner-occupied dwelling, and the rental of a room or rooms in an owner-occupied one-family dwelling. Real estate brokers and financial institutions are subject to the provisions of the anti-discrimination law. Administration of the law is the duty of the Commissioner of Human Rights, who receives complaints from aggrieved persons or may initiate complaints himself. After investigation, and if probable cause exists, the Commissioner attempts to eliminate the alleged discriminatory practice by conciliation. If this effort fails, the Commissioner appoints a 3-man panel from a 15-man Board of Human Rights to conduct a public hearing. The Commissioner, or the Attorney General, may file a petition for temporary relief.

If, after hearing, the Board finds that an unfair practice has been engaged in, it may issue a cease and desist order and may require affirmative action. Judicial review of the Board's orders is available to all parties, and the Commissioner may obtain judicial enforcement of Board orders.

NEBRASKA

Although Nebraska has no fair housing law, the state does provide for revocation or suspension by the Real Estate Commission of the license of a real estate broker who discriminates, unless such discrimination was requested by the seller. The Commission may initiate its own investigations, and is required to investigate upon receipt of a complaint.

NEW HAMPSHIRE

New Hampshire prohibits discrimination in the rental of all categories of housing except the rental of a portion of an owner-occupied building which contains accommodations for not more than three families, and the rental of rooms in an owner-occupied or lessor-occupied building. Sales of dwellings are not covered by the New Hampshire law. The State Commission for Human Rights may receive complaints of unlawful discrimination practices. The Commission investigates and if reasonable cause exists for concluding that a violation has occurred, the Commission attempts to settle the matter by conciliation. If conciliation fails, a hearing is held before the Commission. In the event the Commission finds that an unfair practice has occurred, it issues a cease and desist order and may require other affirmative action. Judicial review and judicial enforcement of Commission orders may be obtained.

NEW JERSEY

Discrimination in all private housing transactions is prohibited with the following exceptions: (1) rental of rooms in a single-family dwelling by the occupant thereof; (2) rental of a portion of an owner-occupied two-family dwelling. Real estate agents and lending institutions are specifically included within the scope of the law. The principal responsibility for enforcement rests with the Division of Civil Rights in the Department of Law and Public Safety. An aggrieved person may file a complaint with the Attorney General. Complaints also may be initiated by the Attorney General. If he finds probable cause for believing the allegations of the complaint, he may attempt to eliminate the problem by conciliation. If this attempt fails, the Attorney General may call for a hearing before the Director of the Division on Civil Rights. The Division may request temporary restraining orders pending final disposition of the complaint. If the Director finds that the violation has occurred, he issues a cease and desist order and may require other affirmative action. Violation of an order may be punished by a fine of not more than $500 and imprisonment for not more than 1 year. Persons aggrieved by an order may obtain judicial review. New Jersey law also forbids discriminatory advertising, and requires that posters mentioning individual rights under the fair housing law be shown in real estate offices and wherever housing is offered for sale or rent.

NEW YORK

New York's "Law Against Discrimination" prohibits discrimination in the sale, lease or rental of all housing except the rental of a unit in an owner-occupied two-family dwelling and the rental of rooms in a dwelling by the occupant thereof. Real estate brokers and lending institutions are subject to the law. The State Commission for Human Rights, which is responsible for administering the law, may receive complaints from persons aggrieved or from the Attorney General. After investigation, provided probable cause exists for crediting the allegations of the complaint, a member of the Commission attempts to eliminate the unlawful practice by conciliation. If this fails, a hearing is conducted before three commissioners. In the event the commissioners find that an unlawful practice has occurred, they may issue a cease and desist order and may require other affirmative action. Willful violation of a Commission order is punishable by imprisonment for not more than one year and by a fine of not more than $500. Judicial review and judicial enforcement of Commission orders may be obtained.

---

*Op. Att'y Gen. No. 4161, July 22, 1963, reprinted in 8 Race Rel. L. Rep. 1295 (1963).

OHIO

Ohio prohibits discrimination in the sale or rental of all categories of housing except the sale or rental of an owner-occupied building or structure containing living quarters occupied or intended to be occupied by no more than two individuals, two groups, or two families living independently of each other and occupied by the owner as a residence. The Ohio Civil Rights Commission is authorized to receive complaints of unlawful discrimination. The Commission investigates, and if reasonable cause exists, attempts to settle the matter by conciliation. Where conciliation fails, a hearing is held before the Commission or a panel of hearing officers. If it is found that an unfair practice has been engaged in, the Commission issues a cease and desist order and may require other affirmative action. Court enforcement and review is available. Violation of court orders enforcing Commission action is punishable as contempt.

OREGON

Oregon prohibits discrimination by persons engaged in the business of selling leasing or renting real property. Although no particular type of housing is specified, the law would seem to cover persons engaged in leasing or renting public housing as well as those engaged in the business of selling or renting urban renewal, publicly assisted or private housing.

Any aggrieved person, or the Attorney General, may fiile a complaint with the Commissioner of the Bureau of Labor, who notifies the person named in the complaint. That person is then prohibited from taking any action which would render the property unavailable to the complainant. (Violation of this latter provision gives rise to a cause of action by the complainant against the respondent, in which compensatory and reasonable exemplary damages may be recovered.) If, after investigation, the Commissioner finds probable cause, the discriminatory practice may be rectified through a written conciliation agreement. If conciliation attempts fail, the Commissioner may call a hearing and, if he finds that a respondent has engaged in the unlawful practice charged, may issue a cease and desist order. Conciliation agreements or orders must be enforced through mandamus, injunction, or suit in equity. Orders of the Commissioner are subject to judicial review. Violation of an order of the Commissioner is a criminal act punishable by imprisonment up to 1 year and by fines up to $500. The Real Estate Commissioner may suspend or revoke the license of any real estate broker or salesman who violates the act.

PENNSYLVANIA

Discrimination in the sale, rental or financing of all categories of housing, except owner-occupied one or two-family houses, is prohibited under Pennsylvania law. Real estate brokers and lending institutions are covered. Complaints alleging violations may be filed with the Pennsylvania Human Relations Commission, or the Commission may itself initiate complaints. If the Commission finds that probable cause exists for crediting the allegations of a complaint, it attempts to eliminate the unlawful practice by conciliation and persuasion. Temporary restraining orders may be requested pending final disposition of the complaint. If conciliation attempts fail, a hearing is held, and in the event the Commission finds that an unlawful practice has occurred, a cease and desist order may be issued. Willful violation of such an order is punishable by a fine of $100–$500, imprisonment for not more than 30 days, or both. Judicial enforcement and judicial review of Commission orders is available.

RHODE ISLAND.

Rhode Island prohibits discrimination in the sale or rental of private housing except the rental of an owner-occupied two or three-family dwelling, and the rental of rooms in an owner-occupied dwelling. The Rhode Island Commission against Discrimination may receive and issue complaints. The Commission investigates, and if reasonable cause is found to exist for crediting the allegations of a complaint, an attempt is made to settle the matter through conciliation. If conciliation fails, a hearing is held before the Commission or a panel of hearing examiners. In the event the Commission finds that an unfair practice has been engaged in, it issues a cease and desist order and may require other affirmative action. Judicial review of Commission orders, and judicial enforcement of such orders, may be obtained.

VERMONT

Discrimination in sales or rentals of housing is a criminal offense punishable by a fine of up to $500, imprisonment up to 30 days, or both, with three types of housing excluded from the prohibitions of the law:

(1) Rental of a portion of a two-family accommodation where the owner occupies the other portion;

(2) Rental, by the owner, of not more than four rooms in a building which he occupies;

(3) Religious institutions may give preference to persons of their same religion.

The Commission on Human Rights may receive or initiate complaints, investigate, issue orders after notice and hearing, and obtain judicial enforcement of its orders. Immediate and continuing compliance with orders of the Commission bars criminal prosecution of the respondent.

WASHINGTON

The Washington statute covers only discrimination by real estate agents. The director of licenses of the state may, upon his own initiative, and shall, upon verified complaint in writing, investigate alleged discrimination by real estate brokers. Before revoking or suspending the broker's license, the director must issue an order to cease and desist from discriminatory practices. Upon receipt of written assurances of discontinuance of such practices, no further action can be taken unless there is further discriminatory action by the broker or agent within six months.

The director may institute a suit (to be prosecuted by the county prosecutor or the state Attorney General) to enjoin a real estate agent from discriminating. The director may also petition the court for appointment of a receiver "to take over, operate or close any real estate office" which is found to be discriminating.

Discrimination by real estate brokers in the sale or rental of property may also be covered by the public accommodations section of the "law against discrimination." See *Washington State Board Against Discrimination* v. *Interlake Realty, Inc.*, 7 Race Rel. L. Rep. 555 (Super. Ct. Washington May 3, 1962), appeal dismissed, 62 Wash. 2d 928, 385 P. 2d 37 (1963).

WISCONSIN

Wisconsin prohibits discrimination in private housing except for (1) the sale or rental of an owner-occupied one-family dwelling; (2) rental of no more than four rooms in an owner-occupied dwelling; (3) sale or rental of an owner-occupied dwelling on a lot containing four separate units, when such lot does not exceed 60x120 feet; (4) sale or rental of any owner-occupied building consisting of four or fewer units.

Enforcement of the act is lodged with the Industrial Commission's Division of Equal Rights, in the Department of Industry, Labor and Human Relations. The Division may investigate complaints charging violations of the fair housing law. If it finds probable cause for believing that any prohibited discrimination has occurred, the Division must attempt to eliminate it by conciliation. If this fails, a Division hearing examiner holds a hearing, and thereafter recommends findings to the Commission. If the Commission finds that a violation has occurred, it may order the respondent to comply with its recommendations. Violations of a Commission order may lead to assessment of forfeitures of not less than $10 nor more than $200. Persons aggrieved by an order may obtain judicial review.

DISTRICT OF COLUMBIA

The District of Columbia prohibits discrimination in the sale or rental of housing with the following exceptions:

(1) Rental or leasing of an owner-occupied one or two-family house;

(2) Rental of rooms in an owner-occupied house offering accommodations for four or fewer roomers.

Real estate brokers and salesmen, and lending institutions are prohibited from discriminating under the District's anti-discrimination regulations. Complaints alleging a violation may be filed with the Commissioners' Council on Human Relations. This body may (1) attempt to settle the matter through conciliation and other informal procedures, and (2) may recommend to the Corporation Counsel that an appropriate civil action be filed to preserve the status quo or to prevent irreparable harm, and (3) may refer the matter to the real estate commission for appropriate action. The Corporation Counsel can also prosecute violators in a criminal action. Punishment for violation is a fine of not more than $300, or imprisonment for not more than 10 days. If a convicted violator is a real estate broker or salesman, the Corporation Counsel refers the matter to the Real Estate Commission.

PUERTO RICO

Puerto Rico prohibits discrimination in the sale or rental of all housing through a section of its Civil Rights Act. Discrimination by lenders is also specifically prohibited. Violations are punishable by fines of $100–$500 and/or by imprisonment from 30–90 days. In addition, compensatory damages may be sought by any aggrieved person in a separate civil action. Punitive damages may also be imposed.

VIRGIN ISLANDS

The Virgin Islands, through its Civil Rights Act, prohibits discrimination in all categories of housing. Persons engaged in the real estate business are covered by the provisions of the act. The Commissioner of Public Safety is required to make periodic inspections of all activities covered by the act and to report violations to the office of the Attorney General. An aggrieved person may recover compensatory and punitive damages not exceeding $5000, in a civil action. Violators may also be fined up to $2000, or imprisoned up to six months, or both. Civil and criminal sanctions are not mutually exclusive. In addition, any license, tax exemption, or subsidy may be revoked by the Governor.

Mr. ERVIN. Mr. President, will the Senator from Maryland yield for a question?

Mr. TYDINGS. I am delighted to yield to the Senator from North Carolina.

Mr. ERVIN. I should like to ask the Senator if he does not know that 60 percent of all the inhabitants of the United States now live in areas covered by so-called open occupancy laws.

Mr. TYDINGS. I was not aware of that particular statistic.

Mr. ERVIN. I cite one of the Washington newspapers which carried a news item to that effect—I do not know whether it was the Washington Post or the Evening Star. I clipped it out but I do not have it with me here.

Mr. TYDINGS. I would not venture to contradict the distinguished Senator from North Carolina on such matters. I have the greatest confidence in his integrity and his knowledge.

Mr. ERVIN. The lamentable conditions which the Senator from Maryland describes have not been cured by these laws, have they?

Mr. TYDINGS. Not absolutely, no.

Mr. ERVIN. So, prescribing or enacting further open-occupancy laws would be like administering the same drug to a patient whose state has not been cured or aided by the drug.

Mr. TYDINGS. I am not quite certain that I understand the Senator's analogy.

Mr. ERVIN. There are State and municipal open-occupancy laws—I call them forced-housing laws——

Mr. TYDINGS. Fair housing, I think, is the proper label.

Mr. ERVIN. Fair housing. These laws have been unduly fair to one side, and very unfair to the other.

Mr. TYDINGS. Unduly fair to which side?

Mr. ERVIN. The nonowners. Anyway, if we already have such laws covering 60 percent of our people, and these lamentable conditions which the Senator has portrayed so eloquently still exist, it is an indication, is it not, that the "doctors" are prescribing the wrong kind of medicine for the patient?

Mr. TYDINGS. I might comment to the Senator from North Carolina that we do not cure a serious illness with the first spoonful of medicine. Unfortunately, it is a long and arduous task. Frequently, the cure, or the solution, may lie in more than one area of endeavor.

Mr. ERVIN. Certainly, if 60 percent of the population of this country are already covered by fair housing laws, and the lamentable conditions which the Senator from Maryland has so eloquently described still exist in those areas, notwithstanding that fact, it is a pretty good indication, is it not, that the "doctors" seeking to cure those social ills by laws of that nature have been prescribing ineffective medicine?

Mr. TYDINGS. I should like to draw an analogy, if I may, of the poor family with, say, six, eight, or 10 children, which has lost a child because of smallpox.

Sixty percent of the members of the family believe that they should consider a smallpox vaccine. But the father is yet to take action. His moral posture and influence are such that, without his support, it is unlikely that the entire family will take the smallpox vaccine or follow the prescription, or whatever might be suggested, to help cure the disease.

I consider the Congress of the United States as the moral leader, the persuasive factor, in the situation the Senator has described.

Mr. ERVIN. I think in that case the father is under a moral law as well as under a legal law to see that his child gets the vaccine, but I do not believe it is a proper analogy, with all due respect to my friend.

Mr. TYDINGS. Perhaps it may have shortcomings, and perhaps the analogy of the Senator from North Carolina may have its shortcomings.

Mr. ERVIN. And it would seem to me that the father had a duty in that case, but I cannot see where it is the duty of the Congress to rob every American who has residential property or property susceptible of development into residential property of the right to sell or rent his property to whom he pleases. We have gotten like the Communists. They talk of the "People's Democratic Republic," when they are speaking of governments which are dictatorships; and we talk about freedom in housing and open occupancy, when what we have is a law which denies all Americans who own any residential property the right to sell or lease their property to whom they please.

Mr. TYDINGS. Basically, what the law would do is make it possible for all citizens to buy decent houses without discrimination against them because of the color of their skin.

Mr. ERVIN. The law is designed to confer on the Federal Government the power to determine what kind of residential patterns the American people will have, instead of allowing the American people to determine that for themselves.

Mr. TYDINGS. Let us put it this way, Senator: We represent the citizens of our several States, and we try to legislate in behalf of what we feel is in their best interests. We owe them our best judgment, as Edmund Burke said, and if we give them less we betray our trust.

Mr. ERVIN. And when Congress passes laws that let the Federal Government take away from the people of America the right to establish their own residential patterns, it is making America less the land of the free that it has been in times past.

Mr. TYDINGS. If the Senator is speaking of freedom to discriminate on grounds of race or creed, I think perhaps he is right.

Mr. ERVIN. The right to sell or lease one's property to whomever one pleases—an essential part of the right of private property.

I would like to ask the Senator from Maryland another question. Is it not true that in every case in which the question of whether a fair housing law should be adopted has been submitted to the people of a State or local community, the people have defeated in referendums every such proposal?

Mr. TYDINGS. I am not familiar with the statistics on that.

Mr. ERVIN. Well, the evidence before the Subcommittee on Constitutional Rights, when we considered this matter 2 years ago, was to that effect; and the people of California since that time voted down their law by a 2-to-1 margin. I shall not try to give the figures.

I would state that, so far as I have been able to ascertain, the people have never adopted such a proposal. Every time such a proposal has been adopted, the politicians have thrust it upon the people, against their will, which is another denial of freedom.

I thank the Senator for yielding to me.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. TYDINGS. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from West Virginia without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. I thank the Senator for yielding.

Mr. President, I have been listening with great interest to the very eloquent and learned dissertations by both the distinguished and able Senator from Maryland and the distinguished and able Senator from North Carolina on hypothetical cases involving various medical problems. I thought, if I might be permitted to do so, I should like to present to both Senators the question, which was first propounded by Alexander Pope: "Who shall decide when doctors disagree?"

Mr. TYDINGS. I would say in this instance I think perhaps the U.S. Senate should decide.

Mr. President, State fair-housing provisions provide varying degrees of coverage, and the success of these State and local ordinances and statutes has been varied. That variance indicates that there is much yet to be done to buttress efforts by State and local governments, and to provide uniform fair housing in areas where State and local governments have not taken initiatives, and in areas where State and local provisions do not apply or are not enforced.

It indicates, also, Mr. President, that there must be flexibility and accommodation in the action we take in the Congress. The State and local fair-housing provisions I have reviewed illustrate differences in approach to housing discrimination problems and the scope of legislation needed and desired to meet those problems. And I would hope, Mr. President, that the Members of this body would agree with me that these differences can be accommodated without sacrificing the basic principles at stake here.

What must be forged from the discussion of this matter in the hours and days ahead is a clear mandate and a strong statement of policy which will serve to reinforce the actions already taken to insure fair housing in so many areas of our country, and which will extend to the rest of the Nation equal opportunity to obtain the kind of housing, in the kind of neighborhood, that a family's income permits.

I want to emphasize one thing here. The legislation we are now considering is not—as its most vehement critics maintain—a forced housing bill. And it does not improperly invade the privacy of one's home. Attorney General Clark, testifying before the Banking and Currency Committee in August, in support of this bill, made this point very effectively. He said then:

> Critics of fair housing legislation claim it would invade the privacy of the home. Title IV is aimed not at privacy but at commercial transactions. It would prohibit no one from selling or renting to a relative or to a friend. There is nothing in Title IV to prevent personal choice, where personal choice, not discrimination, is the real reason for action.

Mr. ERVIN. Mr. President, will the Senator yield at that point?

Mr. TYDINGS. I wonder if the Senator would be kind enough to let me continue for about another minute or two. Then I shall be delighted to yield.

Mr. ERVIN. Very well.

Mr. TYDINGS. The Attorney General continued:

> It would simply assure that houses put up for sale or rent to the public are in fact for sale or rent to the public. It would assure that anyone who answered an advertisement for housing would not be turned away on the basis of his race. It would free the housing market of a barrier which often handicaps not only the Negro buyer but also the white seller.
>
> It is not "forced housing". It is the opposite: open housing, housing unrestricted. It will eliminate widespread forced housing where racial minorites are barred from residential areas and confined to the ghetto and other segregated areas.

Other critics of this legislation have contended that the U.S. Constitution forbids enactment of fair housing legislation. This argument is without merit. Because the point is important, and has been raised by opponents of the bill again and again, I think it important that we consider the question of constitutionality at some length.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a summary brief by the Department of Justice which I believe conclusively establishes the constitutionality of the pending amendment.

There being no objection, the brief was ordered to be printed in the RECORD, as follows:

JUSTICE DEPARTMENT PRESENTATION REGARDING CONSTITUTIONALITY OF PROPOSED FAIR HOUSING ACT

CONSTITUTIONALITY OF FEDERAL FAIR HOUSING LEGISLATION UNDER THE 14TH AMENDMENT AND THE COMMERCE CLAUSE

The proposed Fair Housing Amendment would prohibit discrimination on account of race, color, religion or national origin in the sale, rental or financing of housing. It would, when its provisions became fully effective, apply to all housing, both public and privately owned.

I. Do fair housing laws unconstitutionally infringe private rights?

The first question is whether fair housing legislation which applies to private housing, whether enacted by the Federal Government or by a State or local government, is unconstitutional because it impairs the obligation of contract,[1] deprives persons of liberty or property without due process of law,[2] takes property without just compensation[3] or otherwise infringes private rights. The answer to one aspect of that question has been clear since 1953, when the Supreme Court held that no person has a right to have a court enforce a racially restrictive covenant in a deed, whether the covenant has been inserted by the person himself or a previous owner of the property.[4] And since 1958. State and Local laws barring discrimination in the sale, rental or financing of private housing have become commonplace, and State courts have unhesitatingly upheld them.[5] Any remaining aspects of the question were settled by the Supreme Court decision of *Heart of Atlanta Motel* v. *United States* (379 U.S. 241, 259–61) sustaining the provisions of the Civil Rights Act of 1964 forbidding discrimination by restaurants, hotels, theaters and other businesses of similar character. It is now clear that forbidding discrimination on account of race, religion, color or national origin in commercial transactions, including housing transactions, does not unconstitutionally infringe private rights.

II. Does Congress possess the constitutional power to enact a fair housing law?

The remaining question is whether the power to deal with discrimination in housing rests exclusively with the States or whether Congress, too, can legislate on the subject. The answer is that the Constitution provides at least two independent sources of authority for congressional enactment of fair housing legislation: the Fourteenth Amendment and the Commerce Clause.

A. The 14th Amendment

The clause of the Fourteenth Amendment which is of principal interest here is the Equal Protection Clause:

"No State shall . . . deny to any person within its jurisdiction the equal protection of the laws."[6]

Every student of the law is familiar with the court's use of the Equal Protection Clause to prevent state action which would violate its terms. Courts have invoked it to prevent States from segregating their schools,[7] from denying jury service to Negroes,[8] individuals of Spanish ancestry,[9] or women,[10] and from denying Negroes a right to vote in primary elections,[11] among other examples.

The power of Congress to enforce the Equal Protection Clause, however, is probably less familiar. It derives from Section 5 of the Fourteenth Amendment, which provides that: "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article [*i.e.*, of this Amendment]."

Perhaps the best known examples of legislation enacted (in part) to enforce the Equal Protection Clause are the Civil Rights Statutes enacted during Reconstruction days, imposing criminal penalties for violations of constitutional rights.[12] A more recent example is Section 4(e) of the Voting Rights Act of 1965, conferring voting rights on certain citizens unable to read or understand English.[13] The Supreme Court took the occasion of its upholding Section 4(e) to define two kinds of legislation which Congress may validly enact to enforce the Equal Protection Clause, one of which is of interest here.[14]

1. Federal legislation under the Equal Protection Clause may be based on Congress' determination to remove obstacles in the way of persons securing the equal benefits of government.

Section 4(e) of the Voting Rights Act of 1965 provides that no person educated in an accredited school in the United States, its territories, the District of Columbia or the Commonwealth of Puerto Rico in which the predominant classroom language was other than English shall be denied the right to vote because of his inability to read or understand English.[15] The principal intended beneficiaries of the provision were the Spanish-speaking Puerto Rican citizens of New York, many of whom were prohibited from voting by State law.[16] The Supreme Court held that Section 4(e) was a valid act of Congress because the Fourteenth Amendment empowers Congress to remove obstacles in the way of persons' securing the equal benefits of government, and under the circumstances contemplated by this legislation—in particular, the situation of the Spanish-speaking Puerto Rican population of New York—a State's denial of the right to vote is such an obstacle. It hinders the disenfranchised from securing the equal benefits of government such as schools, public housing and law enforcement.[17]

Legislation prohibiting discrimination in housing on account of race, color, religion or national origin would also be sustainable on this basis, because such discrimination forces its victims to live in segregated areas, or "ghettoes," and the benefits of government are less available in ghettoes. That fact can be amply documented. Children raised in ghettoes are more likely to go to inferior public schools.[18] Their parents are more likely to lack adequate public transportation facilities to commute to and from places of work, and so will miss employment opportunities.[19] Local building and housing codes are not effectively enforced in ghettoes.[20] Federal subsidies for private housing bypass ghettoes and go instead to the predominantly white suburbs.[21] Freeways are typically routed through ghettoes, disrupting neighborhoods and displacing families, because land there is cheaper and the inhabitants less able to organize politically to oppose them.[22] Hospital facilities are less available in ghettoes.[23] Most significantly of all, law enforcement is least effective in the ghetto, although it is there that it is needed most.[24]

---

[1] The Constitution, Article I, Section 10 Clause 1.

[2] The Constitution, Fifth Amendment; Fourteenth Amendment.

[3] The Constitution, Fifth Amendment.

[4] *Barrows* v. *Jackson*, 346 U.S. 249, 260 (1953); *Shelley* v. *Kraemer*, 334 U.S. 1, 22 (1948); *Hurd* v. *Hodge*, 334 U.S. 24, 30–36 (1948).

[5] Twenty-one states, the District of Columbia, Puerto Rico and the Virgin Islands have fair housing laws applicable to private housing transactions. *Fair Housing Laws, Summaries and Text of State Laws*, The Library of Congress Legislative Reference Service, *Doc. No. 360/38, A–145 (1966)*. Almost all of them have been tested in court cases and upheld. See cases listed, Housing and Home Finance Agency, *Fair Housing Laws, Summaries and Text of State and Municipal Laws*, pp. 363–66 (Sept. 1964). Washington is the only state whose highest court has ever invalidated a state fair housing statute, and its court acted by a 5 to 4 majority, 3 of the 5 judges ruling on grounds other than that the law infringed private rights. See *O'Meara* v. *Washington State Bd. Against Discrimination*, 58 Wash. 2d 793, 365 P. 2d 1 (1961), *cert. denied*, 360 U.S. 839 (1962).

[6] *The Constitution*, Fourteenth Amendment, Section 1, second sentence, third clause.

[7] *Brown* v. *Board of Education*, 347 U.S. 483 (1954).

[8] *Virginia* v. *Reeves*, 100 U.S. 313 (1880).

[9] *Cassell* v. *Texas*, 339 U.S. 282 (1950).

[10] *White* v. *Crook* (M.D. Alabama 1966), 251 F. Supp. 401.

[11] *Nixon* v. *Herndon*, 273 U.S. 536 (1927).

[12] The statutes appear in their present form in 18 U.S.C. 241, 242 and 243. Their initial enactment and subsequent history are traced in the appendix of Justice Frankfurter's opinion in *Williams I*, 241 U.S. 70 at 83 (1951).

[13] 79 Stat. 439 (42 U.S.C. 1973b (e)).

[14] The other kind is Federal legislation to nullify or forbid State action which Congress considers invidiously discriminatory. See *Katzenbach* v. *Morgan*, 384 U.S. 641, 652–56. Since State action resulting in discrimination in housing on account of race, color, religion or national origin would directly contravene the Fourteenth Amendment and so be invalid, Federal fair housing legislation to nullify or forbid it is not necessary. See *Buchanan* v. *Warley*, 245 U.S. 60.

[15] 79 Stat. 439 (42 U.S.C. 1973b (e)).

[16] See, *e g.*, CONGRESSIONAL RECORD, vol. 111, pt. 8, pp. 11061–62, 11065–66, and CONGRESSIONAL RECORD, vol. 111, pt. 12, p. 16240; Literacy Tests and Voter Requirements in Federal and State Elections, Hearings before the Subcommittee on Constitutional Rights of the Senate Committee on the Judiciary on S. 480, S. 2750 and S. 2979, 87th Cong., 2d Sess. 507–08 (1962).

[17] *Katzenbach* v. *Morgan*, 384 U.S. 641, 652–56 (1966).

2. Federal legislation under the Equal Protection Clause may also be based on a desire to correct the evil effects of past unconstitutionally discriminatory government action

There is a second basis under the Fourteenth Amendment to support fair housing legislation, which the Court did not need to consider in its decision upholding the Voting Rights Act of 1965. Section 5 of the Amendment authorizes Congress to enforce its provisions, one of which is the Equal Protection Clause. Enforcement, in the legal sense, traditionally includes both the prevention of violations and the punishment[25] and the correction of the effects[26] of past violations. It follows that if the States in the past denied to persons within their jurisdictions the equal protection of the laws, and if the effects of their denials are still present, Congress possesses the power to correct those effects. By similar reasoning, the Fifth Amendment, which imposes equal-protection obligations on the Federal Government similar to those which the Fourteenth Amendment imposes on the States,[27] grants Congress the power to correct the enduring effects of any past denials of equal protection by the Federal Government.

Such denials of equal protection by the States, and by the Federal Government, were in fact numerous, and their effects in housing are still with us. The States and their local subdivisions enacted zoning laws denying Negroes and other minority groups the right to live in white neighborhoods until the Supreme Court put a stop to the practice in 1917.[28] Local ordinances with the same effect, although operating more deviously in an attempt to avoid the Supreme Court's prohibition, were still being enacted and struck down by the courts as late as 1930.[29] During these years there also came into use privately drawn racially restrictive covenants in deeds, which "ran with the land" and bound successive owners irrespective of their personal inclinations. Such covenants quickly became the major weapon for keeping minorities out of good housing,[30] and they were fully honored by State and lower Federal courts[31] until the Supreme Court ruled in 1948 that they could not constitutionally be enforced by injunction[32] and in 1953 that they could not be enforced by awards of damages either.[33]

Throughout this period, and even somewhat after the Supreme Court's 1948 ruling, the Federal Housing Administration actively encouraged the use of racially restrictive covenants, in most cases flatly refusing to grant its mortgage insurance or guarantees unless the covenants were included in the deeds concerned.[34] This Federal discriminatory action had a substantial impact:

"FHA's espousal of the racial restrictive covenant helped spread it throughout the country. The private builder who had never thought of using it was obliged to adopt it as a condition for obtaining FHA insurance. * * *

"FHA succeeded in modifying legal practice so that the common form of deed included the racial covenant. Builders everywhere became the conduits of bigotry. * * *

"The evil that FHA did was of peculiarly enduring character. Thousands of racially segregated neighborhoods were built, millions of people re-assorted on the basis of race, color, or class, the differences built in, in neighborhoods from coast to coast."[35]

At the same time, the Federal and State governments were cooperating to enforce segregation in public housing. Lower federal courts approved such efforts as late as 1941,[36] and although thereafter the courts, when they had the opportunity, invalidated them, efforts to keep public housing segregated were continuing in the North until at least 1955[37] and in Kentucky, Missouri and Tennessee until at least 1961.[38]

These efforts to place Negroes in separate neighborhoods were especially successful because they occurred during the period of the greatest Negro migration out of the South into Northern cities. Whereas only 10 per cent of the Nation's Negroes lived outside the South in 1910, 32 percent did so by 1950 and 40 percent by 1960.[39]

Throughout these years the Federal and State governments were also active in promoting segregation in areas other than housing, such as schools and the armed forces. That activity, too, contributed to housing segregation, because it educated the white public to the myth that any kind of close association with Negroes was debasing and to be avoided.[40]

In May of 1967, the Supreme Court affirmed a finding of California's highest court[41] that a recent amendment to the State constitution known as Proposition 14 had "involved the State in private racial discrimination to an unconstitutional degree." The "right" to discriminate, the Supreme Court found, had been "embodied in the States basic charter."[42] Although the kind of prohibited State action exemplified by the California constitution amendment has been invalidated by the courts, the case illustrates that State-supported efforts to further segregated housing patterns are not entirely a problem of the distant past.

3. Federal legislation to enforce the Equal Protection Clause may deal with private conduct as well as State action

It is no objection to its validity that the Federal Fair Housing Act would prohibit private acts of discrimination in housing as well as discrimination by State or local governments. The supposed objection arises from a false analogy between judicial enforcement and congressional enforcement of the Equal Protection Clause. The power of a court to enforce the Clause arises directly from the Clause itself, which speaks only of what states are forbidden to do ("No State shall . . . deny to any person within its jurisdiction the equal protection of the laws").[43] Hence, courts enforcing the Clause can only forbid action by States or their local subdivisions.[44] But the power of Congress to enforce the Clause arises from another section of the Fourteenth Amendment, Section 5, which reads: "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article [*i.e.*, of this Amendment]."

Section 5 grants a legislative power, and legislative powers are exercisable in accordance with the Necessary and Proper Clause,[45] which by its terms grants Congress the power: "To make all laws which shall be necessary and proper for carrying into Execution . . . all . . . Powers vested by this Constitution in the Government of the United States, . . ."[46]

The scope of the Necessary and Proper Clause has been settled at least since Chief Justice Marshall formulated it in 1819 in the landmark case of *McCulloch* v. *Maryland:*

"Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consist with the letter and spirit of the Constitution, are constitutional."[47]

---

[18] *Racial Isolation in the Public Schools,* Vol. 1 and 2, Report of the U.S. Commission on Civil Rights, Washington, D.C., 1967.

[19] "White House Aiding Urban Transit Programs to Make it Easier for Poor to Get to Jobs" by Robert B. Semple, Jr., *New York Times,* March 20, 1967, p. 17.

[20] *Law and Poverty 1965* by Patricia M. Wald, National Conference on Law and Poverty, Washington, D.C., June, 1965, pp. 12–20.

[21] *Housing,* Report by the U.S. Commission on Civil Rights, Vol. 4, Washington, D.C., 1961; *Racial Isolation in the Public Schools,* Vol. 1, Report by the U.S. Commission on Civil Rights, Washington, D.C., 1967, pp. 20–25.

[22] *Dark Ghetto* by Kenneth B. Clark, Harper and Roe, New York, 1965, pp. 154–182.

[23] *Violence in the City—An End or a Beginning,* Report by the Governor's Commission on the Los Angeles Riots, 1965, pp. 73–74.

[24] *The Challenge of Crime in a Free Society,* Report by the Commission on Law Enforcement and Administration of Justice, U.S. Government Printing Office, Washington, D.C., 1967, pp. 60–63.

Dark Ghetto by Kenneth B. Clark Harper and Roe, New York, 1967, pp. 81–97.

Manchild in the Promised Land by Claude Brown, McMillian Co., New York, 1965, pp. 30–32, 160–180.

[25] See, *e.g.*, 18 U.S.C. 241–43.

[26] See *e.g.*, 42 U.S.C. 1983–85.

[27] *Bolling* v. *Sharpe,* 347 U.S. 497 (1954).

[28] *Buchanan* v. *Warley,* 245 U.S. 60 (1917).

[29] See *Harmon* v. *Tyler,* 273 U.S. 668 (1927), reversing 158 La. 439, 104 So. 200; *City of Richmond* v. *Deans,* 281 U.S. 704 (1930), affirming 34 F. 2d 712 (4th Cir.).

[30] Gunnar Myrdal, *An American Dilemma,* 349–50, 662–27 (1944).

[31] The courts of 19 states expressly upheld such covenants. The only state court recorded as denying their validity was a district court in Pennsylvania. See 3 A.L.R. 2d 466, 474–77 (1949).

[32] *Shelley* v. *Kraemer,* 334 U.S. 1; *Hurd* v. *Hodge,* 334 U.S. 24.

[33] *Barrows* v. *Jackson,* 346 U.S. 249.

[34] See U.S.F.H.A., Underwriting Manual (1938), paragraphs 980 (3)g, 935, 937 and 951. These provisions stayed in effect until 1947, see U.S.F.H.A., Underwriting Manual (1947), Preface, p. VI. Even thereafter FHA continued to deny mortgage insurance or guarantees if the neighborhood was or threatened to become integrated, see Abrams, *Forbidden Neighbors* 233 (1955), and Weaver, *The Negro Ghetto* 71–73 (1948).

[35] Abrams, *Forbidden Neighbors* 234–36 (1955).

[36] See *Favors* v. *Randall,* 40 F. Supp. 743 (E.D. Pa. 1941).

[37] See *Detroit Housing Commission* v. *Lewis,* 226 F. 2d 180.

[38] The United States Commission on Civil Rights, *The Fifty States Report* 173, 329, 591 (1961).

[39] McEntire, *Residence and Race* 9–11 (1960); *Statistical Abstract of the United States,* 1966, Table 26, p. 27.

[40] McEntire, *Residence and Race* 87 (1960).

[41] *Mulkey* v. *Reitman,* 64 Cal. 2d 529, 413 P. 2d 825 (1966).

[42] *Reitman* v. *Mulkey,* 387 U.S. 369, 377 (1967).

[43] *The Constitution,* Fourteenth Amendment, Section 1, second sentence, third clause.

[44] See cases cited in notes 7 to 11, *supra.*

[45] *Katzenbach* v. *Morgan,* 384 U.S. 641, 648–51 (1966); *United States* v. *Guest,* 383 U.S. 745, 762, 782–84 (1966).

[46] The Constitution, Article I, Section 8, Clause 18.

The purpose, or "end," of the Federal Fair Housing Act is to remove the walls of discrimination which enclose minority groups in ghettoes, so that they may live wherever their means permit and be better able to secure the equal benefits of government and the other rewards of life.[48] Prohibiting private as well as government acts of discrimination in housing is undoubtedly a "means which are appropriate" and "plainly adapted to that end." Indeed, it is difficult to conceive of any legislative approach to the desired end which would not include as one of its means the prohibition of private discrimination in housing. And that prohibiting private acts of discrimination is not "prohibited, but consist[s] with the letter and spirit of the Constitution," has already been demonstrated. The courts have held that it does not unconstitutionally impair rights of contract, deprive persons of liberty or property without due process of law, take property without just compensation or otherwise infringe constitutional rights.

It is acknowledged that a few early decisions of the Supreme Court, notably the *Civil Rights Cases*, 109 U.S. 3 (1883), have narrowly interpreted the power of Congress under Section 5 of the Fourteenth Amendment. Under these decisions, Congress' lawmaking authority is confined to the adoption of "appropriate legislation for correcting the effects of . . . prohibited State laws and State acts. . . ." Congress' Fourteenth Amendment power, under this view, is reduced to the same scope as that of the judiciary—the power to redress the effect of unconstitutional State action through "corrective legislation."[49]

The Civil Rights Cases have never been expressly overruled, but the Court's reasoning in that decision has been repeatedly questioned,[50] and recent decisions have virtually destroyed the force of the rule laid down in the 1883 decision.[51]

Discussing the *Civil Rights Cases* in his partial dissent in *United States* v. *Guest*,[52] Justice Brennan, after stating the old rule regarding the scope of Congressional power, said: "I do not accept—and a majority of the Court today rejects—this interpretation of Section 5. . . ."

Justice Brennan pointed to the recent decision of the Court in *South Carolina* v. *Katzenbach*,[53] involving congressional power under Section 2 of the Fifteenth Amendment, where the Court held that "the basic test" of the validity of an exercise of congressional power was that formulated in *McCulloch* v. *Maryland*.[54] Noting that Section 5 of the Fourteenth Amendment and Section 2 of the Fifteenth employ "virtually the same" language, Justice Brennan felt that the reach of congressional authority under both enabling clauses should be the same:

"Viewed in its proper perspective, Section 5 of the Fourteenth Amendment appears as a positive grant of legislative power, authorizing Congress to exercise its discretion in fashioning remedies to achieve civil and political equality for all citizens."[55]

In similar language, the Court has since broadly defined the scope of Section 5 in upholding congressional action finding and declaring the existence of a denial against that denial.[56]

Although the opinion of the Court in the *Guest* case did not deal directly with the question, six of the Justices, three in each of two separate opinions, stated their belief that Section 5 of the Fourteenth Amendment empowered Congress to pass laws to prevent interference with Fourteenth Amendment rights—even when the interference is accomplished wholly without state action. Justice Clark, in a concurring opinion, said:

"[T]here now can be no doubt that the specific language of Sec. 5 empowers the Congress to enact laws punishing all conspiracies—with or without state action—that interfere with Fourteenth Amendment rights."[57]

And Justice Brennan wrote:

"Section 5 authorizes Congress to make laws that it concludes are reasonably necessary to protect a right created by and arising under that Amendment; and Congress is thus fully empowered to determine that punishment of private conspiracies interfering with the exercise of such a right is necessary to its full protection."[58]

By the same reasoning, Congress has the power, under Section 5, to pass laws prohibiting private discrimination in the housing market, if it concludes that such laws would provide a "remedy to achieve civil and political equality for all citizens."[59]

B. The Commerce Clause

Housing is one of America's principal industries. In 1965, it contributed $27.6 billion to the economy,[60] considerably more, for example, than the $19.9 billion contributed that same year by all American agriculture, forestry and fisheries combined.[61] The largest single investment most Americans have is their home.

A large portion of housing materials is shipped in interstate commerce. Forty-one million tons of lumber and finished wood stock were shipped in the United States in 1963.[62] Forty-three per cent of this material was shipped 500 miles or more.[63] Nine million tons of millwork and wood products were shipped in 1963 and 51 per cent of it traveled 500 miles or more.[64] Seven per cent of all the brick that was shipped traveled 500 miles or more.[65] In *NLRB* v. *Denver Building and Construction Trades Council*,[66] the Supreme Court held that the NLRB had jurisdiction under the Commerce Clause over a dispute in the building trades because the disagreement might have prevented building materials from crossing state lines.

Much of the financing of housing crosses state lines. In 1960, 2.4 million out of a total of 14.5 million one-family occupant-owned dwellings subject to mortgages were located in a State other than that of the mortgage lender.[67] The proportion was only slightly less for multiple dwellings.[68] More than half of the residential mortgages held by insurance companies in 1960 were on property in a State other than that in which the company was domiciled.[69] Almost 40 per cent of all the nonfarm mortgages on property located in California were given to secure loans the funds for which came from outside the State.[70]

Each year one family out of every thirty in the population moves its place of residence to a different State.[71]

The meaning of these statistics was illustrated by the testimony last year of Mr. William J. Levitt to Subcommittee No. 5 of the House Judiciary Committee. Mr. Levitt is the President of Levitt & Sons, Inc., a major builder of homes, and is a supporter of fair housing legislation. He testified:[72]

"Perhaps 80 per cent of the materials that go into our houses come from across state lines.

"With the possible exception of the New York Community that we are building now, every other community in which we build receives its financing from a state other than the one in which it is located."

"75 to 80 per cent" of Levitt & Sons' advertising is interstate.

"Out-of-state purchasers [of our housing] run from about 35 to 40 per cent, on the low side, to some 70 per cent, on the high side."

Discrimination in housing affects this interstate commerce in several ways. The confinement of Negroes and other minority groups to older homes[73] in ghettoes restricts the number of new homes which are built and consequently reduces the amount of building materials and residential financing which moves across state lines. Negroes, especially those in the professions or in business, are less likely to change their place of residence to another state when housing discrimination would force them to move their families into ghettoes;[74] the result is both to reduce the interstate movement of individuals and to hinder the efficient allocation of labor among the interstate components of the economy.

The Commerce Clause[75] grants Congress plenary power to protect interstate commerce from adverse effects such as these.[76] The power is not restricted to goods or persons

---

[47] 4 Wheat. 1, 316 (1819).

[48] See text at notes 18 to 25, supra.

[49] 109 U.S. at 3, at 11.

[50] See, *e.g.*, Frantz, *Congressional Power to Enforce the Fourteenth Amendment Against Private Acts*, 73 Yale L. J. 1353 (1964); Harris, The Quest for Equality (1960). *Cf. United States* v. *Price*, 383 U.S. 787, 807 (appendix); *Bell* v. *Maryland*, 378 U.S. 226, 289–305 (1964) (concurring opinion of Mr. Justice Goldberg.)

[51] *Katzenbach* v. *Morgan*, 384 U.S. 641 (1966); *South Carolina* v. *Katzenbach*, 383 U.S. 301 (1966); *United States* v. *Guest*, 383 U.S. 745, 762, 782–86 (1966) (concurring opinion of Mr. Justice Clark, and partial dissent of Mr. Justice Brennan).

[52] 383 U.S. 745, 782 (1966).

[53] 383 U.S. 301 (1966).

[54] 17 U.S. (4 Wheat.) 316 (1819). See pp. 16–17 *supra*.

[55] 383 U.S. at 784.

[56] Katzenbach v. Morgan, 384 U.S. 641 (1966). See pp. 6–7, 16–17, *supra*.

[57] 383 U.S. 745, 762.

[58] *Id.*, at 782.

[59] *Id.*, at 784.

[60] *Statistical Abstract of the United States*, 1966. Table 454, p. 322.

[61] *Id.*, Table 451, p. 320.

[62] *1963 Census of Transportation, Commodity Transportation Survey, Shipper Series, Lumber and Wood Products, Except Furniture (Group II)*, *Preliminary Report*, Table 5, p. 7.

[63] *Ibid.*

[64] *Ibid.*

[65] *Id. Clay and Glass Products (Group 13)*, *Preliminary Report*, Table 5, p. 8.

[66] 341 U.S. 675, 684 (1951).

[67] *1960 Census of Housing, Volume V, Part I, Residential Finance-Homeowner Properties.*

[68] *1960 Housing Census, supra, Part II, Residential Finance-Rental Properties.*

[69] *Ibid.*

[70] Leo Grebler, "California's Dependence on Capital Imports for Mortgage Investment," California Management Review, Spring 1963, Vol. V, No. 3, page 47, at 48–49.

[71] United States Department of Commerce, Bureau of the Census, Americans at Mid-Decade, Series P23, No. 16, January 1966, pp. 4–7, 17–18.

[72] Hearings before Subcommittee No. 5 of the Committee on the Judiciary, House of Representatives, 89th Cong., 2d Sess. 1535–38 (May 4 through May 25, 1966).

[73] See Gunnar Myrdal, *An American Dilemma* 349–50.

[74] See *Katzenbach* v. *McClung*, 379 U.S. 294, 300 (1964). The armed forces also encounter difficulties from off-base segregation in transferring servicemen from one state to another. President's Committee on Equal Opportunity in the Armed Forces, Initial Report, Equality of Treatment and Opportunity of Negro Military Personnel Stationed within the United States, 47 (1962).

[75] *The Constitution*, Article 1, Section 8, Clause 3.

[76] *Katzenbach* v. *McClung*, 379 U.S. 294 (1964); *Gibbons* v. *Ogden*, 9 Wheat 1, 189–92 (1824).

> in transit. It extends to all activities which affect interstate commerce, even if the goods or persons engaged in the activities are not not then, or may never be, traveling in commerce.[77] The power exists even when the effects upon which it is based are minor, or when taken individually, they would be insignificant. It is sufficient if the effects, taken as a whole, are present in measurable amounts.[78] And it does not matter that when Congress exercises its power under the Commerce Clause, its motives are not solely to protect commerce. It can as validly act for moral reasons.[79]

Mr. TYDINGS. Mr. President, the presence of residential ghettos—in effect, restricted areas in which all members of a minority group are forced to reside no matter where they desire or can afford to live—brings gravely damaging social consequences to our country, particularly in our urban areas.

I strongly believe that a man's religion, national origin, or race has no bearing on his worth as a human being or his desirability as a neighbor. Yet, as I have said, purposeful exclusion from residential neighborhoods particularly on grounds of race, is the rule rather than the exception in many parts of our country. Such exclusion unjustly denies many Americans the freedom to gain access on equal terms with other Americans to good housing and good schools for their children, and proximity to good jobs. Such exclusion unjustly denies many Americans of an equal opportunity to better their lives.

Some people assert that, as a matter of principle, some Americans should be free to treat other Americans unjustly. I do not believe this. I am not in favor of giving any person or group preferential treatment in seeking housing. I believe that landlords and property owners should be free to demand proper qualifications of prospective tenants or home buyers, such as adequate income, good credit record, proper family size to insure against overcrowding, and so forth. But I firmly believe that sellers and landlords must deal with everyone fairly and equally, by not excluding anyone from residences solely because of race, religion, or national creed.

I believe that this principle of equal treatment is fundamental to the American way of life.

I am happy to yield at this point to the Senator from North Carolina.

Mr. ERVIN. I invite the Senator's attention to subsection (c) of section 4 on page 4, and ask the Senator if it is not correct that under that provision a person is denied the right to make a personal preference.

In other words, if he has two prospective buyers, of two different races, one of them belonging to his race and one to the other race, he is forbidden to prefer the man of his own race.

Mr. TYDINGS. That is true. The effect of the law is to make certain that the sale is not based on racial discrimination.

Mr. ERVIN. It is to make certain that the man of the other race will get the house, although the man prefers to sell it to a member of his own race.

Mr. TYDINGS. That is not true. The purpose is to eliminate discrimination as a factor in the sale.

Mr. ERVIN. In my book, we make preferences every day; and the word "preference" is used here in the disjunctive. A preference is distinguished from a discrimination.

Mr. TYDINGS. The Senator plays on words. The Senator knows that if any verbal loophole is left open, it will be used to undermine the purpose of the law. We are dealing with mere semantics now.

Mr. ERVIN. These are not my words. These are the words of the bill.

Mr. TYDINGS. But the Senator would indicate that by using the word "prefer," a seller shall be permitted to discriminate. I disagree.

Mr. ERVIN. A man should have a right to prefer. But this says no, he cannot prefer. It says he cannot make any such preference, and it is in the disjunctive, not the conjunctive, so it means that he cannot make any preference or any limitation or any discrimination.

The word "preference" is one thing, and the word "discrimination" is another. They were just so afraid he might prefer to sell it to a man of his own race that they forbade him even to prefer such a man. If that is not a denial of a basic liberty of a man, I do not know what it is, with reference to his own property.

Mr. TYDINGS. I have great confidence in the Senator's legal acumen, basic fairness, wisdom, and experience. I think that the Senator realizes that the words "preference, limitation, or discrimination" are used there as synonyms, and to make certain that there is no loophole which would permit discrimination in the sale of a house.

Mr. ERVIN. If that is the purpose, let us strike out the word "preference." I ask the Senator, if I offer an amendment to strike out the word "preference" and substituted the word "discrimination," would he accept it?

Mr. TYDINGS. If the Senator will agree to vote for the bill, I will accept his amendment right now.

Mr. ERVIN. I prefer not to vote for any bill which robs a citizen of his basic property rights.

Mr. TYDINGS. I disagree with the Senator on the effect of the bill. As I have indicated, there is nothing which would prevent a person from selling his property to a relative, a friend, a business acquaintance, or a personal acquaintance. What it does do, however, if he puts it up for public sale, is prohibit discrimination on the basis of race, religion, or color.

Mr. ERVIN. I should like to ask the Senator a question concerning something that troubles me. It is on page 6, section 6, and I leave out some words not germane to the question I wish to put:

> It shall be unlawful to deny any person——

Mr. TYDINGS. What line?

Mr. ERVIN. Starting on line 3:

> It shall be unlawful to deny any person . . . membership . . . in any . . . real estate brokers' organization . . . relating to the business of selling or renting dwellings . . . on account of race, color, religion, or national origin.

I ask the Senator from Maryland, if the Senator from Maryland and I were to go into a business together as partners in selling real estate, would not our partnership constitute an organization?

Mr. TYDINGS. Not as I understand this language.

Mr. ERVIN. That is what bothers me.

Mr. TYDINGS. As I understand, it relates to "any multiple-listing service, real estate brokers' organization". That refers to a communitywide listing of available homes; it has to do with a broad, comprehensive service to the entire community.

Mr. ERVIN. The Senator overlooks the fact that the language is in the disjunctive. It relates to several different things, one a multiple-listing service, another a real estate brokers' organization and a third any other service organization relating to the business of selling or renting dwellings. In other words, according to the language used, if the Senator from Maryland and I go into the real estate business together, any man of another race or religion could insist that he be admitted to our organization, and we could not keep him out on the basis of his race or his religion.

Mr. TYDINGS. With all due respect to the Senator's wisdom and judgment, I think that perhaps the Senator is tilting at a windmill. The language obviously refers to a multiple-listing type of service or a communitywide real estate brokers' organization.

Mr. ERVIN. Look at the words. I am not tilting at a windmill. These words are English words—our mother tongue. I think I understand plain English words. This language means that a person cannot be denied membership on account of his race, color, religion, or national origin in any one of these activities. The first is a multiple-listing service.

The next is an entirely separate category: A real estate brokers' organization. Then there are two other entirely separate categories—any other service or organization. That is expressed in plain English. The bill says that a person cannot be denied membership in a real estate organization on account of his race or religion.

Mr. TYDINGS. If the question is one of modification, these latter words appear intended to modify "multiple-listing service, real estate brokers' organization" and not to identify a separate category. Perhaps it would be better if the words "or other such service, organization", et cetera, were used.

Mr. ERVIN. They are separate activities; a comma intervenes.

Mr. TYDINGS. It is a question of interpretation. The way I interpret it and the way the Senator from North Carolina interprets it are different. I think the record of the hearings in the Committee on Banking and Currency and the debate now taking place in the Senate will show that the language is intended to mean "or other such service organization or facility," there being the words which modify "multiple-listing service, real estate brokers' organization".

---

[77] *Katzenbach* v. *McClung, supra,* 379 U.S. at 302, *Labor Board* v. *Jones & Laughlin Steel Corp.,* 301 U.S. 1, 34–36.

[78] *Wickard* v. *Filburn,* 317 U.S. 111, 125 (1942); *Mabee* v. *White Plains Publishing Co.,* 327 U.S. 178 (1946); *United States* v. *Wrightwood Dairy Company,* 315 U.S. 110 (1942).

[79] *Heart of Atlanta Motel* v. *United States,* 379 U.S. 241 (1964).

Mr. ERVIN. That modifies the first category but not the second or the third. It is like saying that a man can buy an apple or an orange or a piece of pumpkin pie for a nickel; it does not mean that he can buy all three for a nickel.

I thank the Senator from Maryland.

Mr. TYDINGS. Mr. President, I thank the distinguished Senator from North Carolina.

Mr. ERVIN. Mr. President, I will ask if this measure does not empower the Secretary of Housing and Urban Development to investigate charges, to make charges, to prosecute charges, to act as a jury, to judge the charges, and then to act as a judge and render a judgment.

Mr. TYDINGS. Mr. President, I think the Senator will find a provision for judicial review on pages 17, 18, and 19 of the printed amendment.

Mr. ERVIN. Yes, but here we combine the functions of prosecuting witness, investigator, prosecutor, jury, judge, and executioner in the Secretary of Housing and Urban Development.

Mr. TYDINGS. As the Senator well knows, in the administrative practice and in many administrative boards in the Government, the same procedure has been followed for many years and many decades. The problem is basically met if we have judicial review to insure against arbitrary or capricious actions by the administrators.

Under this amendment, we do have judicial review and the protection of the Constitution.

Mr. ERVIN. The Supreme Court holds that it is a denial of due process of law to combine these powers in one person. This is quite different from the National Labor Relations Board. That board is not an investigator or a prosecutor. It is a quasi-judicial body. The general counsel does the investigating and the prosecuting. However, this bill would empower the Secretary of HUD to do virtually everything.

That offends my sense of fairness and violates the principle of law that a man should not be a judge in his own case.

I thank the Senator.

Mr. TYDINGS. Mr. President, I thank the Senator.

Mr. PERCY. Mr. President, I am very happy to cosponsor the fair housing amendment which is before this body. I wish to take this occasion to salute the bipartisan leadership which is behind this legislation, the leadership of the Senator from Michigan [Mr. HART], the Senator from Minnesota [Mr. MONDALE], on one side of the aisle, and the senior Senator from New York [Mr. JAVITS] and the junior Senator from Massachusetts [Mr. BROOKE] on the other side of the aisle, together with their colleagues.

I am very pleased indeed, as a member of the Committee on Banking and Currency, that a majority of the members of that committee which has cognizance of this legislation, sponsored this amendment.

I have not always been a proponent of Federal legislation in some of the social fields, nor have I even been a proponent of State legislation in some of those fields. I have had to come to the conclusion the hard way. Only in recent years did I "get religion" on some of those issues. I think, sometimes, that when we are a convert to a cause, we feel more deeply about it than if we had had it as an original conviction.

Mr. President, first, I should like to discuss the legislation affecting job opportunities in this country and what has happened to that kind of legislation, and speak, not just as a public official but as a former businessman, and then relate it to the open housing or fair housing legislation before the Senate.

As a businessman for many years in my State of Illinois, I had the deep conviction that it would be possible, through education, to offer fair employment opportunities and equal employment opportunities to all citizens, regardless of race, color, or creed. I felt that there were certain decisions which should be left to the business community, and that the right to hire was one of them.

For many years, I worked with every volunteer organization that I could, in order to improve understanding in this area. After several years, however, I recognized that we would never move fast enough in the area if we left it to the voluntary decisions of every businessman in the State, and I reluctantly concluded that State legislation was needed.

In 1961, as president of one of the largest employers in the State of Illinois, I went before the Senate of the State of Illinois and testified on behalf of fair employment practices legislation, which I urged the legislature to adopt.

The legislation which subsequently passed was originally abhorred by the business community. Business organizations testified vigorously against it. But now, in the light of a number of years of experience, none of the fears evidenced by business—that such legislation would remove a sacred right of businessmen to hire and fire at will, that the legislation was not needed, or that it would impair their freedom to engage in business as they might wish to—has come true.

Mr. President, the business community was one of the first to fall in behind the legislators to see that the set of laws which was enacted was subsequently enforced.

I am very proud, indeed, of the employers associations for the fine job they did to see that this legislation was carried out in spirit as well as in letter.

Although I had originally believed that legislation could not affect employment practices in the States significantly, I realize now that it could—and did. I know that as an educational force in Illinois, it gave the moral backing of law to employers who wanted to do it but felt that they might meet resistance. It has substantially moved fair employment ahead. The opening of opportunities for employment in the State of Illinois is much farther along than if such a law had not been enacted.

The evolution of my thinking on housing has followed a similar line. In fact, in 1964, I actively opposed State legislation for fair housing, feeling that was one thing we simply could not legislate, that we had to do it from the heart and the mind, not by force. Yet, as I worked with the relevant organizations—working again in the field of voluntary activity and public education—I recognized that we were simply not moving fast enough for the times, that if we left it strictly to voluntary decisions, we would not be moving with the dispatch that the times required.

It was for that reason that I changed my mind, as I had changed my feelings in the employment area, and I supported legislation at the State level.

Mr. President, I believed that if enacted, it would never fulfill the fears of those who opposed it, nor would it probably fulfill the expectations of the proponents; but I do believe that if enacted at the State level it would, again, just as in the area of fair employment practices, move us farther ahead in keeping with the times, and see that we, too, put the moral force of law behind what I consider to be right.

Mr. President, I know that this issue is one which has been looked upon as sectional, that the North feels one way about it, and the South another.

Today, I should like to speak as one who has lived all his life in the North but who has some claim to a Southern heritage, for I am a native son of the South.

For generations, my branch of the Percy family lived in Alabama, and a second branch lived in Mississippi. My grandfather was a drummer boy at the headquarters of Robert E. Lee, and later he served on the faculty at Washington and Lee University. My father spent most of his life in Mobile, and I was born across the bay in Pensacola, Fla.

I am not, then, a stranger to the South, although I have lived all my life, after birth, in the North.

At this time, I should like to discuss equal opportunity, as someone who has, perhaps, a foot in both sections of the country and also as a former businessman—and now, a politician.

When I speak of equality, I certainly do not do so under a halo of self-righteousness, for I live in a glass house. My city, Chicago, has nearly a million Negro citizens. They do not have equal access to jobs. They do not have equal education. They do not have equal housing. I myself have lived in a village of 2,800 persons where there is only one Negro family; this is not a sociological accident.

Cloaked in hypocrisy, discrimination in the North is just as real as discrimination anywhere else. Our social problems, especially in the cities, are at least as serious in the North as they are in the South.

Martin Luther King made no mistake in coming to Chicago to mount an assault against our wretched slums. We in the North must work just as hard as those in the South to hammer out a society of justice, equality, and dignity.

I have talked about employment and jobs, and this is a good place to talk about housing. A person cannot obtain good housing if he cannot afford good housing. First he needs a job.

I have already discussed in this Chamber the experience I had as a businessman in this area.

In talking about civil rights, I should like to address myself to it as a Republican.

As a Republican, I have long been proud of much of our civil rights record. One need not go back to Abraham Lincoln to find cause for pride.

The recommendations of the Eisenhower administration led to bipartisan enactment in 1957 of the first Federal civil rights legislation in over 80 years. Republican governors like Rockefeller in New York, Scranton and now Shaefer in Pennsylvania, Romney in Michigan, and Hatfield in Oregon have provided strong leadership in the field of equal rights.

Two Republican Representatives, HALLECK, of Indiana, and MCCULLOCH, of Ohio, made it possible in 1963 for President Kennedy to get the civil rights bill through the House Judiciary Committee.

And as much as any man, it was Senator EVERETT DIRKSEN from Illinois who was responsible for the passage of the Civil Rights Act of 1964.

In the spring of 1964, the Republican Critical Issues Council, headed by Dr. Milton Eisenhower, recommended Federal legislation to ensure fair employment practices and to guarantee access to public accommodations to all Americans. These recommendations were included in the Civil Rights Act of 1964 which won the support of 80 percent of the Republicans in the 88th Congress.

We must see in every man the work and genius of God. We must respect, support, and actively defend the rights of every American, as an individual and as a citizen. To do less would be to deny our heritage.

All those, both Republican and Democratic, who deplore the breakdown of States rights, who look with horror upon Federal intrusion into State and local government, should be as concerned about States responsibilities as States rights.

If every State had met its responsibilities to assure the rights of all citizens, there would have been no need for a Federal Civil Rights Act of 1964, and there never would have been the strife and the anguish this country has witnessed in recent years. As Ralph McGill has observed, if political and public leadership had supported the processes of law in 1954 when the Supreme Court's school decision was handed down, "the South—and the Nation—would have avoided the bitter and disgraceful harvest of hate that has been so much a part of the years since."

Those of us who wish to see State and local government remain effective must remember the past. For it has been truly said that those who cannot remember the past are condemned to live it again. If, for instance, we in Chicago fail to respond to the challenge of our slums, then we may be sure that the Federal Government will eventually assume the responsibilities in urban housing which should be ours.

Similarly, if the South does not move with greater energy, speed, and sincerity to give the Negro his vote, to abolish injustice to Negroes and to civil rights workers at the hands of biased juries, to advance the cause of civil rights across the board, then you can be assured that the Federal Government will—and should—pass more and more of the legislation which so many southerners abhor.

In the social revolution of the 1960's, it is incumbent on each of us, northerner and southerner, Republican and Democrat, black and white, to look ahead and to plan ahead—not to temporize, not to drag our feet in the sands of the past. With open minds and hearts, we must decide what is needed, and then we must do it.

President Johnson thinks a great society is possible, and that is a worthy goal he shares with all Americans. But I believe that before a society can be great, it must be just.

A just society will provide equal opportunity to every citizen, whether he lives in Philadelphia, Pa., or Philadelphia, Miss.

A just society will ensure the dignity of every citizen, from the south side of Chicago to South Carolina.

A just society will guarantee the rights of every citizen, whatever his color, his creed, his cause.

A truly just society will not be easily attained. We have learned that the hard way. The shaping of such a society is a complex and delicate task which requires and deserves patience, as long as patience is not cynically invoked as a screen for inaction.

But a just society can be achieved. In a short time, we have already moved a long way toward it. We can move still further, still faster, if, individual by individual, institution by institution, in Watts and in Harlem, in Chicago and in Jackson, we voluntarily set the just society as our goal. All of us working together can hasten that day when democracy will truly work for every American.

We in this Chamber, we in the Republican Party particularly, as we set out for a series of Lincoln Day appearances throughout the country, and we in the United States could do no better than to follow Abraham Lincoln's personal creed:

> I shall try to correct errors when shown to be errors—

He said—

> and I shall adopt new views so fast as they shall appear to be true views . . . and I intend no modification of my oft-expresesd personal wish that all men everywhere might be free.

Mr. President, I should like to relate an experience that I had at a time when I was trying to decide if voluntary action and public education were sufficient, or if, instead, legislation was needed in the area of public housing.

I walked through the streets of the south side and west side of Chicago, met with many individuals there, and, in informal discussion with them, asked them whether they felt that legislation would really improve the quality of housing available to them, whether they felt that a law was necessary to give them the ability to live where they wanted to, and whether or not a law would truly be effective, and could be effectively enforced and carried out, in this area; whether, really, the problem was not, as I put it to them, an economic more than a legislative one, and whether or not the availability of adequate housing was based more on the ability to pay than on whether a person is black or white.

I already knew some of the answers, but I wanted to reaffirm the growing feeling I had that it is not just an economic problem, but a problem of barriers erected against individuals in our society—barriers so nearly invisible that sometimes we can hardly see them, but terribly effective when erected by the consent of individuals, the neighborhood or community, and the real estate brokers.

As I talked with people in the ghettos and in the slums, they asked me to price out comparable housing in other areas. They pointed out the fact that every night, at 11:59 p.m., the Illinois Central Railroad train "The City of New Orleans" came from the south and pulled into the 63d Street Station, as it has been doing 7 nights a week, 365 days a year, for years and years. Every night a dozen, 40, or 50 Negro individuals and families, coming from Alabama, Mississippi, Georgia, or Louisiana, get off that train, and within 15 minutes have disappeared into the black of the night, into the darkness of the city; and that every single morning, moving trucks start again moving white families, out of the city of Chicago into the suburbs. This process, as I say, has been going on for years and years, as the ghetto area has broadened.

Some of those with whom I spoke recalled that 10 or 15 years ago it would have been possible to walk almost any direction in Chicago, and you could not walk for five blocks without passing a white neighborhood or the residence of a white family. Some of them pointed out the fact that now you could walk for 10 miles from north to south in Chicago, and never pass the home of a single white family.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield to the distinguished floor leader of the pending amendment.

Mr. MONDALE. Mr. President, I think one of the most impressive witnesses before our committee was the president of the Illinois Bell Telephone Co., from the Senator's State. He testified about the problem to which the Senator has just referred.

In his testimony, he argued for a strong fair housing act, to apply to all housing in this country, as the best single answer to the kind of ghetto situation to which the Senator has referred.

He developed a mathematical formula. He said that when blocks A, B, and C, located next to each other in a residential area, develop so that block A is the first entirely Negro block, and then the first Negro family moves into block B, it is almost certain that before long, block B will be entirely Negro, and then the same process will be repeated with block C, so that the net effect is a growing pattern of racially segregated, all-black blocks.

But he said that on those occasions—which are far too rare—where the Negro family has moved, not into block B, but into block X somewhere else, in either an integrated or all-white community, it has not been the experience that that block necessarily had to break down into a single race community. He stated that the present practices of discrimination in the sale and rental of housing encourage the first pattern and discourage the second pattern; and that if we had a strong fair housing law, and those who had the financial ability to do so could buy where they pleased, they would not buy in block B, but would buy elsewhere, in a stable, integrated neighborhood, and thus avert this totally unacceptable and heartbreaking process by which, almost like an ink blot, communities, and particularly the central cores of American cities, have become all black, to everyone's chagrin.

I think the witness' name was Mr. Cook; I am not quite sure of the name, but it was a remarkable bit of testimony, not by a traditional civil rights leader, not by a member of a class or group who had traditionally taken this position, but a substantial, highly-respected white businessman, who, from his own experience, felt that fair housing was not only morally desirable, but a long overdue practical step for this Nation to take.

Mr. PERCY. Mr. President, I should like to state that I was just as impressed as was the distinguished Senator from Minnesota by the testimony given by Mr. James W. Cook, president of Illinois-Bell Telephone Co., before the Housing and Urban Affairs Subcommittee of the Committee on Banking and Currency.

I was impressed to hear such on opinion so openly and frankly expressed by a man who heads a great public regulated agency, whom one would not ordinarily expect to take notably controversial positions or to seek them, and who had every reason to say, "As the head of a public regulated agency, with strong feelings by Republicans and Democrats, by liberals and conservatives on this issue, it would be best for me not to take this controversial position as head of the leadership group in this area of civil rights in Chicago."

He did not do that. He has accepted the abuse that he has received as a result of taking this position, and he gave excellent testimony to our committee.

Mr. MONDALE. I think I am correct in this, that he represents a committee of Chicago business leaders from all walks of life in Chicago, who similarly believe that this step is long overdue.

There was another witness from Chicago who, likewise gave testimony that I thought was enormously impressive, and that was Mr. Kramer of the Kramer Realty Co. I may be mistaken in this belief, but I believe that is one of the largest and most experienced real estate firms in the Nation, if not in the world.

His testimony was not simply that we should have some kind of fair housing law. I think his was almost the most radical testimony we heard. He said:

> We simply must have, now, an adequate, thorough, all-encompassing program of fair housing.

This was not what some would like to call do-gooders, although I like do-gooders and wish there were more of them. This was a man who spoke as a businessman, a man whose whole life and career and survival depended upon the strength of the real estate industry. His testimony, along with the testimony of other top realtors from around the country, demonstrated that the old monolithic structure of the real estate industry had been broken into throughout the Nation and that the real estate industry is more and more coming to the view, despite the official position of the National Real Estate Association, that the time has come for the adoption of fair housing legislation.

I think that Chicago did itself proud with those two witnesses.

Mr. PERCY. Mr. President, I thank the distinguished Senator for his kind words about our fellow Chicago citizen. And I commend Mr. Kennon B. Rothchild, of St. Paul, Minn., who also appeared on the real estate panel, with Mr. Ferd Kramer, of Chicago, and gave excellent testimony.

Mr. MONDALE. Mr. President, at the time Mr. Rothchild testified before us, he was the president of the Minnesota State Mortgage Bankers Association. The reason that I mention that is that we have been given the impression that fair housing is merely a dream of idealists and people who are remote from the real and practical world. However, time and time again, Mr. Cook, Mr. Kramer, Mr. Heiskell, president of Time-Life, and Mr. Rothchild, president of the Minnesota State Mortgage Bankers Association, appeared before us and pleaded for the adoption of this kind of legislation. This is a part of the record which was developed on fair housing that I am glad the Senator is exploring and making clear because I am not sure that it is well known or understood in the country at large.

Mr. PERCY. Mr. President, I regret very much that I do not have with me the testimony of Mr. Ferd Kramer. However, I do have a copy of the testimony of Mr. James W. Cook, who serves not only as president of the Illinois Bell Telephone Co., but also as the president of the Leadership Council for Metropolitan Open Communities in the Chicago area.

This is a committee made up of religious leaders—Catholic, Protestant, and Jewish—as well as Republicans and Democrats.

I am very proud to serve on that committee with Senator EVERETT MCKINLEY DIRKSEN, my senior colleague, and also with Mayor Daley and Governor Kerner. This is a bipartisan effort. It embraces labor leadership as well as business leadership.

Mr. President, I ask unanimous consent that the remarks made by Mr. Cook be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PERCY. Mr. President, Illinois now remains the one major industrial Northern State without an open occupancy law, and although I strongly support Federal legislation, I am cognizant of the fact that we have not done our job back home.

I am anxious to do that job. I am pleased that now we do have a great many local communities that have adopted ordinances.

The subject of fair housing in Illinois was a subject of debate in this Chamber as some debated whether Illinois was worthy to be a recipient of a large contract from the Atomic Energy Commission. I pledged at that time that I would continue to make every possible effort to see to it that we adopt in Illinois not only State legislation, but also local ordinances.

I am happy to report now that we have 30 cities and towns in Illinois that have open housing ordinances. These 30 cities and towns embrace more than half the population of Illinois. The number of cities and towns includes every major city in the State of Illinois with the exception of Rockford, Ill.

I am pleased to report that 18 more cities are now in the process of trying to enact ordinances at the local level. And certainly when our State legislature convenes once again, I feel quite confident that the leaders of both parties will introduce open housing legislation as an early order of business.

The distinguished Senator comes from a State that has adopted fair housing legislation after, I presume, the same heated and emotional and rational arguments that we now hear in the State of Illinois.

I ask the Senator from Minnesota whether the slum dweller who lives in a compressed area in which he has great difficulty leaving does not discover that this compression results in increased rent and inferior housing when compared to other areas to which he would move if there was an open housing law?

Mr. MONDALE. Mr. President, I do not think there is the slightest doubt of that matter. Some studies are included in the record that disclose, insofar as housing costs can be compared, that the cost of housing in the ghetto is infinitely higher than it is outside the ghetto. Of course, that does not tell the whole story because one of the things that has been happening in recent years—and I am very pleased that this is the case—is that the number of Negro Americans who are joining the middle class and the upper middle class and the upper economic class in terms of economic returns has been increasing rather impressively.

Thus, there is a growing number of Negro Americans who are able to buy good housing, but who find that so much of their purchasing power is absorbed by exorbitant real estate costs in the ghetto that they are denied a far better bargain in housing in a far better community in an integrated neighborhood or in an all-white neighborhood because of the pattern of discrimination that exists.

We had testimony, as the Senator knows, from a lieutenant in the U.S. Navy, a remarkable young man with a handsome family, who has spent 8 years now, among other things, defending this Nation, who went to 39 different places in Arlington with his uniform and asked to buy a house and was turned down.

We had testimony from a language professor in Philadelphia whose annual income was slightly over $11,000 a year, clearly putting him in the normal ranging of decent housing. He spent one-half of a year over the vicinity in which he worked seeking housing outside of the Negro ghetto. He could not find it.

What does that mean to the thousands and thousands, perhaps millions, of Negro Americans who want a decent place to live, who have the money to pay the cost of such housing, but yet are pinned down in the high-cost, low-value, alienated, depressed ghettos of rotting American cities? What sense of alienation, rage, and frustration must be in the breasts of those of our fellow Americans who are in that predicament?

Mr. PERCY. I should like to ask another question of the distinguished Senator. I know it is difficult for any of us to walk in someone else's shoes. But I have been deeply impressed by the ability of the distinguished Senator from Minnesota to walk in the shoes of the consumer and to walk in the shoes of the Negro and envision what life is like to the consumer and even to the Negro. On the basis of the Senator's experience, how important as a symbol is open-occupancy legislation to the Negro? I ask that question recognizing that probably 95 percent or more of the Negroes would never be affected by an open-occupancy law; but to 100 percent of them, it is my feeling that it is an important symbol.

Can the distinguished Senator from Minnesota tell me how important a symbol it is and how important it might be to have the passage of an open-occupancy law relieve some of the frustrations and some of the bitterness that many Negro Americans feel toward American society, when they say, "The Bill of Rights, the Constitution, and the American dream are for white Americans, not for Negro Americans"? How much of the frustration is due to the fact that we cannot pass a law which provides that everyone, regardless of race, color, or creed, has the right to education, to jobs, to vote, to rights before juries, and to housing?

Mr. MONDALE. I am glad that the Senator from Illinois asked that question. Of course, I am most grateful to him for his flattering comments about my work. I must say that the combination of the Senator from Illinois and the Senator from Minnesota appears almost daily in the Senate. Last year we worked together to unsnarl the problem of how to bring homeownership within the reach of families having modest incomes, particularly in the cities, families who could not afford to own homes. Out of our teamwork, I think we developed a program that is exciting and creative. Except for the insight, the insistence, and the understanding of the Senator from Illinois, we could not have accomplished nearly as much as we have.

Mr. PERCY. If the Senator will yield, I should like to indicate that it has been with great restraint that I have been speaking for 45 minutes on the floor of the Senate without once mentioning homeownership.

Mr. MONDALE. I do not believe that would be contrary to the rules, but I am sure the Senate is grateful to both of us for not bringing it up.

I ask practically every witness the same question the Senator asked, because I believe it is fundamental. How important is fair housing? Is this just a symbolic vestigial issue left over by the civil rights movement that we bring up on a ritualistic basis, or is it a matter of substance, a matter of fundamental importance to the people of this country?

Mr. Roy Wilkins, who I believe has as strong credentials as any American to speak on this subject, said this:

> I might say as sort of a confession that while I have always believed that housing and employment and schools are the inseparable trio that must be dealt with as far as the ghetto living is concerned, I have been a little astonished to discover in recent years the tremendous feeling about housing, and even more so than unemployment. Ordinarily we would say unemployment is No. 1. I personally say schools are No. 1, but I think unemployment is only about a nostril behind, you might say, but I have been astonished to find the number of persons who consider housing.

Later in his testimony he said that he regards fair housing as the No. 1 issue facing urban America and all decent citizens in our country.

There is another statement, presented by the representative of the American Civil Liberties Union, which in my opinion underscores the psychological costs of the alienation of our fellow Americans because of discrimination in the rental and sale of housing. This is one of the finest statements I have ever seen by anyone seeking to make tangible the psychological costs of discrimination. This was Dr. Black, who represents the American Civil Liberties Union. He said:

> The real evil in the ghetto effects is the rejection and humiliation of human beings. As former chairman of the Police Complaint Review Board of New York City, I found that the most humiliating and injurious thing that police can do is not physical but psychological and spiritual, when they humiliate a man in the presence of his wife or his children. This is the enraging and destructive thing to a man's soul—and the injury it does to a child's psyche—because the man, who is supposed to protect the family, to make the home, and is made to feel that he is nothing by one who represents the authority of society.

Then I believe he put his finger on the real issue. He said:

> This sense of humiliation goes all through the ghetto. It is the primary cause of the frustration and rage in the youth which has acted with such violence in the recent riots. In the ghetto no matter what they do, what they become, they don't get anywhere. They feel they are in a cage. And this is why this bill is of crucial importance now.

Testimony to the same effect was given throughout the hearings.

The brilliant statement by the distinguished Senator from Massachusetts [Mr. BROOKE], who is a member of the President's Commission on Civil Strife, appearing at page 2283 of the RECORD, underscores the psychological dynamite that is exploding all around us because of the continuing alienation and separation of good people from good people solely on the irrelevant basis of color.

Mr. PERCY. I should like to indicate to my colleagues in the Senate an illustration of how deep-seated this feeling is on the part of Negroes who ordinarily, we might feel, would not have such a feeling of bitterness and frustration against society because society, in material terms, has treated them quite well.

During the course of the meetings that I held throughout the South and West Sides of Chicago, I not only went through the public housing projects—the Robert Taylor Homes—and up and down the tenements and flats, visiting with the families and individuals, but also went into some of the more affluent areas of our Negro community. I visited with a Negro doctor who I would estimate had paid a very sizable amount for the co-op apartment that he occupied. The furnishings were extremely attractive and undoubtedly expensive. I asked him whether or not he had any deep-seated feelings about open-occupancy legislation. He looked at me and said:

> I don't know whether I can really adequately express how deeply I feel about this. On the surface, I have no real cause for bitterness against society. I have a practice, including many white patients, that nets me $40,000 or $50,000 a year. I have several children. They have received or will receive a college education. We are able to travel about the world occasionally, and I have every aspect that material life can offer to me.
>
> But, you know, once a week I get frustrated because I sit here and read the Chicago newspapers and their housing sections. I read about the beautiful suburban homes, and I read about the lovely lawns and vistas that are available in the suburbs, against the congested conditions inside the city. I sit there and I say, "That's just fine. That's for you white members of this community." Because most of the communities being advertised, I know from experience are for whites only. I could call on the realtors, I could call on the brokers handling those houses and if I were white and I didn't have a college education, all I would have to do is demonstrate my ability to pay and I would be able to own one of those houses tomorrow.

But he said:

> Since I am Negro, they will give me 50 different reasons why I would not be happy, or why those houses are not available, or why an investigation of my condition would take a long period of time.

He said:

> Once a week when I go through that exercise, I become enraged at American society that can have a citizen, such as me, who can gain an education, become a responsible citizen, contribute part of my time every week to the county hospital, serve on boards, and engage in every aspect of American society trying to be a responsible citizen, and then realize that there are still rights that other Americans have in this country that I cannot have today and never will have unless somehow or other we begin to move ahead and recognize the frustration and bitterness that comes when the American dream is available only to white America and not Negro America.

Mr. President, when I recognize a man such as that could have as deep and bitter feelings as he has about the lack of promise of American society and certain phases of our activity, I feel we are not moving ahead fast enough. That is why I began to speak on behalf of state legislation and why I believe with such deep conviction that we must act now at the Federal level to see that open occupancy legislation is passed. Even when it is passed it will not fill the hopes of all of its ardent enthusiasts because of all of the other factors involved affecting the ability of the individual family to have housing in this country.

I know from experience in the past in other States and other communities it will not measure up to the views of those who oppose it. However, it will be a symbol to America and 20 million Americans.

If we do not have open housing, it can tear us apart and fashion us as hypocrites in the eyes of the world. It can tear us apart from the rest of the world, most of which is nonwhite. But if we act, it can help bind us to the rest of the word, which looks upon America as the symbol of hope.

I feel that in our actions we demonstrate what America can and must represent.

I thank the acting majority leader for his courtesy in extending to me the time to make these comments today.

Mr. President, I ask unanimous consent that there be printed in the RECORD an editorial entitled "The Spread of Fair Housing," published in the Chicago Sun-Times of July 13, 1967; an editorial entitled "Warning Inside FHA," published in a recent edition of the St. Louis Post-Dispatch; and an article entitled "Fair-Housing Laws Enacted by 26 Illinois Municipalities," published in the St. Louis Post-Dispatch of January 7, 1968.

There being no objection, the editorials and article were ordered to be printed in the RECORD, as follows:

[From the Chicago Sun-Times, July 13, 1967]

THE SPREAD OF FAIR HOUSING

With the adoption of a fair-housing ordinance by the Joliet City Council, the number of Illinois communities with some form of fair-housing legislation now totals 10. The number of residents covered is 4,132,071, which is more than half the urban population of the state.

A number of other cities and villages are considering the adoption of fair-housing ordinances, particularly since the 1967 Illinois Legislature failed to act.

The figures cited above show in cold statistics that the Illinois Senate was out of touch with urban residents and their problems when it failed to pass a fair-housing bill last month. The House earlier had accurately reflected public opinion when it approved a bill directed at commercial dealers in housing but not individual homeowners. That is the essence of most of the city ordinances.

The changing climate of public opinion on fair housing is also evidenced by the comment of Dr. Martin Luther King, Jr. who on Tuesday said Chicago has done more than any other city to create a favorable atmosphere for fair housing. He said there probably will be no open-housing marches here this summer and praised the recent Project: Good Neighbor as unique.

Some of the pressure for action by the Legislature was generated by the possibility that Illinois might lose the big federal atom smasher project at Weston unless a state fair-housing statute was enacted. Fair housing should have been approved by the Legislature even if the Weston site were not involved. Conversely Illinois deserved the project even without a state fair-housing law and the U.S. Senate yesterday acknowledged this. Even before the Weston project was conceived several Illinois communities, including Chicago, adopted fair-housing laws.

Chicago adopted a fair-housing ordinance in September, 1963, the first Illinois city to do so. (It was upheld as constitutional by the Illinois Supreme Court last January.) In December, 1963, Peoria adopted a similar ordinance. In January, 1964, East St. Louis adopted an even stricter one. Others with fair housing are: Decatur, Freeport, Maywood, Springfield, Alton, Wheaton and Weston.

Although Joliet is in driving distance to Weston, the City Council's action on fair housing had no relationship to the big federal project. The drive for the ordinance was based on local needs. The city is expanding and is facing a manpower and housing shortage. It needs to keep and attract qualified Negro workers and professionals, as do other industrial communities.

About 10 per cent of the Joliet population is Negro. Last year when the City Council turned down a fair-housing ordinance four Negro members of the mayor's advisory committee quit. Their resignation was responsible in part for failure to obtain federal financing of private and public development in the city.

This year the fair-housing ordinance was backed by the Joliet Chamber of Commerce and other civic groups. Fair housing is becoming more widely recognized as necessary for the prosperity and growth of local business enterprises and consequently the progress of the entire community. As this becomes better understood by more citizens, we expect more communities—and eventually the state and nation—to adopt workable and fair housing laws.

[From the St. Louis Post-Dispatch]

WARNING INSIDE FHA

The Federal Housing Administration headquarters in Washington has urged its field officers to do more for open housing for Negroes "or we will have an agency with little future." This is sound advice, and it follows a startling revelation. Since the 1962 presidential order for open housing in FHA-insured programs, only 3 per cent of the homes in all FHA-aided subdivisions have been opened to Negroes.

Originally, FHA's intent was to aid persons with modest incomes to build homes. The result after many years, however, was to promote the building of lily-white suburbs. In today's affluent nation, many suburban homes are built without FHA assistance and thus escape the effect of the 1962 executive order, and what has been left for the FHA has generally not been used by its field officers to stimulate fair housing. So it could be said that this is an agency that has lost its way.

To find itself again, FHA must reassert its housing leadership for lower-income groups, which means Negroes among others. That is what Deputy Assistant Secretary Philip J. Maloney of the Department of Housing and Urban Development implied in his warning to the field offices. Unless FHA finally stands for fair housing, it may not stand for much housing at all. It would, indeed, have little future.

[From the St. Louis Post-Dispatch, Jan. 7, 1968]

FAIR-HOUSING LAWS ENACTED BY 26 ILLINOIS MUNICIPALITIES

(By Taylor Pensoneau)

SPRINGFIELD, ILL., January 6.—At least 26 municipalities in Illinois now have passed fairhousing ordinances. Seventeen have acted since the General Assembly refused in a bitter row six months ago to approve a state freedom-of-residence law.

The ordinances vary from token measures stipulating little more than a statement of municipal policy to strong laws providing wide coverage and strict enforcement against persons refusing to sell or rent housing to Negroes and members of other minority groups.

WIDE VARIATIONS

The only similarity among some of the ordinances is that they say they intend to insure that a person will not be denied an opportunity to obtain housing in any section of town because of race, creed or ethnic background.

Ivan R. Levin, downstate director of the Illinois Commission on Human Relations, said, "Generally, of course, adoption of an ordinance in itself doesn't put much of a dent in segregated housing. Many are convinced nothing significant can happen in this field without state level action."

Levin, whose commission supports the passage of local open housing ordinances in the absence of a state law, said that city officials supporting the ordinances "obviously feel their cities are not developing in a healthy fashion when one part seems perpetually condemned to all of the worst aspects of existence."

"Many of these local leaders waited for the General Assembly to act," Levin said, "but in view of what happened they now must feel they have a better understanding of the need for this kind of legislation than do others who are not local officials.

"We have noticed that most local leaders supporting these ordinances are conservative and business-oriented, not radicals. Big business now understands better than most groups that fair housing is desirable."

On the other hand, Robert E. Cook, executive vice president of the Illinois Association of Real Estate Boards, told the Post-Dispatch that, "we still feel, after looking at Chicago, Peoria and other places where these laws have been in effect that they just don't change the situation at all." The association was a major opponent of open housing proposals in the 1967 legislative session.

CRITICIZES EXCLUSIONS

Cook especially criticized the municipal ordinances that restrict only real estate brokers and salesmen from discrimination and not home owners and other parties that could be involved in housing transactions.

"Singling out the broker is only hurting Realtors and making it harder for people to dispose of their property," Cook said. "There's no effect on the basic problem of trying to find better housing for all."

The least offensive ordinance to real estate brokers is the so-called blanket type that covers property owners, lenders and others as well as brokers, Cook said.

Levin said this type would be viewed "on paper" as the strongest kind.

Leading examples of blanket ordinances are those of East St. Louis, Carbondale, Wheaton, Highland Park and Bloomington. The East St. Louis ordinance, one of the state's first at the time of its passage three years ago, specifically outlaws discrimination by owners of residential real estate as well as brokers licensed by the city.

SOME COVER OWNERS

Some municipalities include owners as well as brokers in ordinances, but exempt broad classifications of housing from the anti-discrimination provisions. As an example, the town of Normal excludes from its ordinance the owners of one or two-family owner-occupied residences.

Regardless of the extent of coverage, most observers believe the usefulness of the ordinances will be determined by the degree of enforcement. Most of the Illinois ordinances are being enforced either by the local human relations commissions, specially created fair housing boards or directly by the city councils.

The ordinances generally provide penalties for persons found guilty of a discriminatory practice after conciliation efforts have failed. Penalties usually entail suspension or revocation of local brokerage licenses or fines ranging up to $500 for each offense. A jail sentence of up to 90 days is possible in Bloomington.

Open housing advocates have pointed to the Carbondale ordinance, approved Dec. 28, as possibly the strongest in the state. A major reason is that the Carbondale Fair housing board, in the course of an investigation of a complaint, is authorized to ask that the City Attorney be instructed to seek a court injunction to prohibit any violation of the ordinance that appears imminent.

Friction has occurred in some communities because of requirements in their ordinances that persons pay fees in the filing of complaints. In Rock Island, a complainant must pay a $40 fee. A $15 fee is required in Champaign. The fees would be remitted under certain circumstances.

Other Illinois municipalities with fair housing ordinances include Springfield, Decatur, Maywood, Freeport, Weston, Elgin, Joliet, East Moline, Galesburg, Skokie, Evanston, De Kalb, Markham, Moline, Quincy and Arlington Heights.

Exhibit 1

Statement of James W. Cook, President, Leadership Council for Metropolitan Open Communities, Chicago, Ill., Senate Subcommittee on Housing and Urban Affairs, August 23, 1967

Mr. Chairman, and members of the committee: My name is James W. Cook. I am President of the Illinois Bell Telephone Company and I serve currently as President of the Leadership Council for Metropolitan Open Communities in the Chicago area. I appear here today at your invitation, not as an expert witness in housing legislation, but as a concerned businessman who has been intimately involved since last fall in an attempt to solve the problem of equal opportunity in housing in our metropolitan community.

Perhaps you recall that about a year ago, almost to this day, the Chicago area, gravely affected by a summer of riots, disorders, and lawful demonstrations, hailed the news that a "Summit Agreement" on housing had been reached. What the newspapers termed the "Summit Agreement" was a landmark voluntary compact in which various governmental agencies, business, labor, religious bodies, financial institutions, civil rights organizations, the real estate industry and dozens of other leadership organizations agreed to seek "immediate, practical, and effective steps . . . to create a fair housing market in metropolitan Chicago."

This agreement was reached through negotiations called by the Chicago Conference on Religion and Race which is jointly sponsored by the Roman Catholic, Jewish and major Protestant bodies in our area. The meetings were chaired by Mr. Ben Heineman, Chairman of the Chicago and North Western Railway. The agreement itself was drawn up by a committee headed by Mr. Thomas G. Ayers, President of the Commonwealth Edison Company, and received the wholehearted endorsement of Chicago's Mayor, Richard J. Daley.

Much to my surprise (and candor might cause me to add consternation!) I found myself, a few weeks later, called upon by the religious leaders of our community and leading government officials to head up the group which was charged with the implementation of that Summit Agreement—The Leadership Council for Metropolitan Open Communities. There were dozens of reasons to say "no." After a good deal of soul searching I said "yes," because I believed then, and am absolutely convinced now, that we must face up to this problem while it can still be solved, or face in the future economic and social consequences which could lead to the erosion of our free, democratic way of life.

Of necessity, I am going to testify out of knowledge gained in coming to grips with this problem in the Chicago metropolitan area since last summer. I have not in that short time miraculously become qualified to draft a piece of legislation or even make intelligent criticisms of the details of proposed legislation. Being, I hope, a prudent man I don't intend to tell this august body what kind of a bill it should recommend to the Senate. I do hope that I can tell you what such legislation should achieve and why it is needed. How you're going to do it, I leave to the experts.

Latest studies show that the City of Chicago is turning from white to black at the rate of 4.56 blocks per week. This estimate of ghetto growth by the Real Estate Research Corporation gives you the quantified result of the historic existence of a dual housing market in the Chicago metropolitan area.

Here are the facts. Eight out of ten Negroes in Illinois live in the city of Chicago. In 1950 about 500,000 lived there and Negroes comprised 14% of the city's population. Now there are about one million Negroes in Chicago and they total 28% of the city's population.

Where do they live? By and large they live in racially concentrated neighborhoods on the south and west sides of the city. Restrictions on housing have created two housing markets in the Chicago metropolitan area; one for Negroes and another for whites. The Negro market is characterized by an excess of demand over supply and this results in what you would expect—higher rents and higher prices for Negroes. Some Negro families accommodate these higher costs by "doubling up" with the consequent deterioration of property and living conditions.

Certain facts have crystallized, and I believe we should examine them.

Fact 1. When Negro residential area "A" is immediately adjacent to white residential area "B" and the demand for Negro housing exceeds the supply, eventually a Negro family will move from "A" to "B."

Fact 2. With few exceptions, it will be only a matter of time before the whites move out of area "B" and the area becomes Negro. In the presence of panic some whites may suffer financial loss in the process and their fears are intense during the time this happens—intense enough, sometimes, to produce violence.

Fact 3. But when the move from Negro area "A" is to a *non-adjacent* white area—Say "X" or "Y"—the same pattern almost never occurs. Negro inundation does not follow and violence is rare.

Movement from the A's to the B's, however, has been the pattern by which the growth of Chicago's Negro population from a half-million to a million has, by and large, been accommodated. We do not need a crystal ball in order to foresee the consequences of continuing this trend. If the only move possible for a Negro family is from one ghetto neighborhood to another, or to extend the ghetto, Chicago will become in due time virtually all-black.

Accommodating our Negro population by expanding the ghetto is also prohibitively expensive. It erodes the tax base for real property, and increases the cost of essential goods and services for the rest of us.

Chicago is the economic heart of our metropolitan community. Even those who both work and live in the suburbs are dependent upon the survival of the city.

I do not believe we can prosper economically and socially, if we end up with a black central city with a white noose around it. The consequences of racial isolation of the central city from the rest of the metropolitan area are dismal to contemplate. In an era when the problems of pollution, sanitation, public safety and transportation—just to name a few—demand *closer* cooperation between the central city and surrounding communities, we cannot afford to grow *apart* further.

Yet, if the present trend continues, this is what will happen. But there is a solution. An alternative to block by block expansion of the ghetto could eliminate the threat to all of us.

Give Negroes and other minority groups the same freedom of choice in housing that the rest of us enjoy, and we will ease the pressures on the ghetto and on the rest of us, too.

I know this will give some immediate visions of a complete turnover in the suburbs, too, but the evidence is all against that possibility.

The block by block pattern applies only in those areas that are immediately adjacent to the ghetto and where whites panic and flee at the approach of a Negro. In those instances where a Negro family has broken the pattern and moved to a community some distance from the ghetto, the community has remained stable.

It has been estimated that there are 60–70,000 Negro families in Chicago whose income, education—their general socio-economic status—would make it possible for them to move to presently all-white communities in the area if the market were free and they were inclined to do so.

Even if *all* of these 60–70,000 families elected to move, and were accommodated on a random basis in presently all-white areas, the resulting ratio would be somewhere in the neighborhood of 14 white families to every Negro family, in the metropolitan area. Needless to say, actually getting any appreciable number of these families to move, let alone all of them, would take a tremendous amount of education within the Negro community. In view of past history, it will not be easy to convince a significant number of these Negro families that they would be welcome.

It is clear that in addition to creating an environment which will make it possible for Negro families with the capability and desire to move into all-white areas, we have to move simultaneously on two other fronts in order to provide equal housing opportunities for the great bulk of minority group citizens. I don't intend to dwell on these, but I do want to note simply that we also need to give our support to the massive rehabilitation job which must be undertaken to make inner-city dwellings fit for habitation. To be sure, government has a big role to play here, but I believe there is also a great role for private enterprise and I am heartened by some of the imaginative projects currently being discussed here and around the nation.

I noticed that in hearings before this subcommittee just a few weeks ago you heard testimony on various ways to help the residents of the inner city gain a greater ownership stake in the progress of their community. As a businessman I applaud these efforts and assure you that we are receptive to plans for increased private initiative as well as governmental efforts to renew our inner cities. I don't believe we can rely on any single effort to solve this most pressing problem.

Then, also, we must together seek new, creative and heretofore untried ways of stabilizing the communities now adjacent to all-Negro neighborhoods. We must find a way to make it possible for Negroes to move into these communities without setting off the chain reaction which ends in the extension of the ghetto.

A year ago I was rather lukewarm on the question of fair housing legislation. By now I have, somewhat reluctantly, reached the conclusion that local ordinances, state laws, and federal legislation all have a role to play—along with cooperative educational efforts—in helping to solve the problem. The sad fact is that voluntary efforts alone have not been effective enough to meet the rapidly increasing needs and expectations of our minority groups. As long as measures to prohibit discrimination do not fall with an even hand on all, we will continue to have landlords who fear economic disaster, if they are the first to rent to a Negro; sellers who believe in a free market, but fear their neighbors wrath; and minority group members who will not venture forth without the knowledge that they are in *fact* free to move where their heart and their purse will take them.

Many things have happened to change my attitude. They can best be typified by one story. Late this spring the Leadership Council learned that one of our leading national corporations, headquartered in Chicago, had hired a Negro man as a research technician for their laboratory in a northwestern suburb of Chicago. He and his wife had a difficult time finding a place to rent in the all-white communities near his work. Finally they found an ideal apartment, were introduced by the agent on the site to their potential neighbors in this large apartment complex and were welcomed by them. They filled out an application and made a deposit. Several days later they were turned down for reasons which were later shown to be insincere. A local group of clergymen and other citizens intervened on behalf of this couple, to no avail. The Vice President in charge of research, and the Chairman of the Board of his corporation intervened and offered guarantees. The answer was still "no." The staff of the Leadership Council, whose membership includes 20 corporate chief executives, the heads of 13 banks and financial institutions, the leaders of 7 universities and colleges, 6 labor union heads, 7 chiefs of real estate firms and the Mayor or President of 35 cities, towns or counties, talked at great length with the apartment house managers, but we failed, too. Finally the Governor of Illinois tried to prevail upon these men to grant this college trained researcher and his wife the opportunity to rent one of the several hundred apartments in this developments. And the answer was still "no." It is not often that such an array of leading citizens can be brought to bear on an individual case—but the owners would not be moved. They spoke of many things, but we believe at the heart of their refusal was their fear of the potential competitive disadvantage which would be theirs, if they rented to a Negro and others in the area did not. (This fear, I'm happy to say was not shared by another owner nearby who stepped forward when the story was made public and offered an apartment which this family now enjoys—but he is a rare man.)

This problem belongs to all of us and I'm afraid the only way we will all share it is if our obligation becomes legal as well as moral.

Not too long ago local, state and federal legislators found a way to bring the majesty of the law to bear on fair employment problems without destroying our economic system or our society. I believe that today a way can be found to bring the majesty of the law to bear on our fair housing problems—and perhaps save our society and our economic system.

In the case of fair employment, mere passage of laws did not bring instantaneous change. It has taken the conscientious, cooperative efforts of labor, business, and many other segments of our society to open up new fields for Negro employment. In Chicago, the Merit Employment Committee of the Chicago Association of Commerce and Industry, for example, has tackled this problem enthusiastically and through their efforts more than 1,200 firms are participating in a program designed to encourage the employment and advancement of non-white workers.

While I am here today as a businessman to testify for the principle of fair housing legislation I want to make it clear that in my estimation legislation alone will not solve the problem. I am a staunch believer in what the businessman, either as an individual or through the influence of his enterprise, can do to help solve our enormous social problems. We will need the same kind of voluntary, cooperative effort which has brought such progress in the employment field before equal opportunity in housing becomes a reality.

In short, it is my conviction that the urban problems of America will be solved only when we successfully join the efforts of government, voluntary associations, and private business in an attack on the ills which plague us.

I look forward, as I'm sure you do, to the day when every man is free to move wherever his heart and his purse will take him.

Thank you very much for this opportunity to appear before you.

Mr. KENNEDY of Massachusetts. Mr. President, the fight in Congress for Federal fair housing legislation is now nearly 2 years old. It was on April 28, 1966, that 20 of us introduced in the Senate the Civil Rights Act of 1966 containing a fair housing title. We held extensive hearings in the Constitutional Rights Subcommittee, and heard all the arguments on every side of all the titles, and especially a very complete dialog on the question of the constitutionality of the housing title. The bill was passed by a substantial majority in the House, and was the subject of extended debate in the Senate, with a majority of us on the Constitutional Rights Subcommittee and on the full Judiciary Committee in support of its passage. As we well know, despite the fact that a majority of this body favored the bill, the Senate was not even permitted to vote on the bill itself.

Again in 1967 we introduced a similar bill, S. 1026, containing a fair housing title, this time with 26 of us as cosponsors. In order to expedite the bill's consideration, we split it up into its constituent titles, and again all of them have been the subject of hearings in the Senate. Yesterday Senator MONDALE presented what amounted to the favorable report of the Banking and Currency Committee, since he was able to announce that a majority of the members of that committee have joined in support of the housing title. Today many of us who have been sponsors of this legislation in both the 89th and 90th Congress are giving formal notice of our continuing determination to achieve the goal of fair housing, by having our names listed, as well, as sponsors of the pending amendment.

Mr. President, I intend to speak at length tomorrow on the pending amendment, but I would like to take this occasion today to express briefly four thoughts.

First, this is one of the most important measures we will have before us in the 90th Congress. It affects the very right to live of over 20 million American citizens. They have every right to watch what we do, and to find in our action the answer to the question. Has slavery really been abolished in this Nation?

Second, we must keep in mind that this bill has had careful consideration in committees of both Houses in two Congresses, and full debate in both Houses of the last Congress. We are all well aware of the issues involved. I would venture a guess that most of us know how we feel on the subject, because it is not one we can avoid making up our minds on. Thus, the justification for an extended debate this year is utterly lacking. The entire Nation has had nearly a year and a half, since we last considered this question, to indicate the direction in which we should move, and in countless city and State legislatures that direction has been toward fairness, justice, and equality in housing opportunity. I ask in all sincerity how, in the light of this record, anyone can countenance the obstruction of this body from working its will one way or the other. Our inability to vote on this measure in the 89th Congress was a national disgrace. A repeat of that result in the 90th Congress may be a national disaster.

Third, I hope we can take very seriously our responsibility not only as representatives, but also as leaders. We were elected because our constituents respected our intelligence, our perception, and our judgment. Frequently, and properly, public opinion affects what we do here. But equally important is the fact that what we do here affects public opinion, and as responsible leaders, we must lead in the direction we think is the best direction for our States and for the Nation. I am reminded of the response given during the riot hearings to a member of the Judiciary Committee, when he asked a young lady from Harlem whether we should pass a riot bill, even if it is unnecessary, just to placate those who fear we are not concerned enough about riots.

Her answer was this:

> Congress has to provide proper leadership. The country has to see that Congress simply is not going to go along with this kind of reaction to riots. Let the Congressmen, let the Senators show that they do understand, even if their constituents do not. I really think this is part of leadership—if they are really going to be leaders, people who are going to run our society, to guide it for us, they have this kind of responsibility.

This leads me to my final thought for today, a deeply felt plea to the members of this body for reason and restraint in this debate. In the last Congress, perhaps the novelty of the issue and the heat of the argument led to lines of argument that really had very little to do with the matter at hand. The fact that some of those who live in the squalor and hopelessness of our ghettos were led to the inexcusable act of rioting last summer and in prior years is by no extension of the imagination an excuse for not passing this bill. As I have said before, it smacks of the rankest racism to say that because a Negro in Detroit committed a criminal act against a fireman, a Negro in Washington should therefore be prevented from renting an apartment he can afford in Virginia. I would hope and pray that we can keep such appeals to unreason and emotion out of this discussion. In fact, no measure we consider this year holds more promise for relieving the tension and antagonism which are rife in many American communities, but that potential will be off set and destroyed if in the course of this debate we argue in terms which exacerbate those tensions.

PUBLIC TESTIMONY BEFORE THE FOREIGN RELATIONS COMMITTEE BY THE SECRETARY OF STATE

Mr. GORE. Mr. President, I believe it my duty again to call to the attention of my colleagues the sad fact that in a few weeks it will have been 2 years since the Secretary of State last appeared before the Senate Committee on Foreign Relations in public session to discuss our Nation's policy toward Vietnam and Southeast Asia as a whole. This distressing fact was a matter of increasing concern to the committee and to Senators generally in the closing weeks of the first session, as I and others pointed out on several occasions last November and December. Now, with the start of this second session, the question has become one of great and urgent significance.

When I last spoke in this Chamber on the subject, Secretary Rusk only a few days earlier had communicated to the chairman of the Foreign Relations Committee his unwillingness to testify in public session on U.S. policies in Southeast Asia. This decision of the Secretary of State was taken neither hastily nor lightly. On the contrary, behind it was a long exchange of letters with Chairman FULBRIGHT, a 3-hour session with the Foreign Relations Committee in November to discuss all facets of the problem, and then a 3-week delay in delivering an answer which was both conclusive in form and negative in content. The full exchange may be found in the CONGRESSIONAL RECORD of last month. However, both to refresh the memories of my colleagues and to underscore the patience and courtesy displayed by the committee, I ask unanimous consent that the relevant correspondence between Secretary Rusk and Senator FULBRIGHT be inserted in the RECORD at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GORE. In my view, as I stated last December 11, one can only conclude from all the circumstances involved—notably the 3 weeks employed by Secretary Rusk before giving a considered reply—that the ultimate decision on the issue was rendered by President Johnson. In so doing, the Chief Executive in effect has elevated the disagreement between the Secretary of State and the Committee on Foreign Relations to the level of a fundamental difference between the President and the Senate Foreign Relations Committee. I believe that if the Senate does not recognize and challenge the constitutional implications of the President's position, it will acquiesce in yet another expansion of Executive power, another diminution of the elected representatives of the people.

In dealing with this question of eliciting public testimony from a public servant the Senate Committee majority has today stood on the firm ground of principle.

First, let us consider that as late as February 1966 Secretary Rusk, by appearing in public session before the Foreign Relations Committee to discuss our policies toward Southeast Asia and other areas, was acting in full consonance with the general practice established by a long line of his predecessors as Secretary of State. Even as recently as a year ago, when the 90th Congress convened, Secretary Rusk replied to the committee's usual invitation to testify at the start of a session by suggesting that he appear first behind closed doors and then arrange for a later public meeting. There was no implication that he would invoke some fancied privilege of refusing to talk about Southeast Asia in an open session.

What, then, are the reasons suddenly advanced by the executive branch as an explanation for trying to overturn long-established precedents and practices? One looks in vain to the Secretary of State's letter of December 8 for much enlightenment. There is one modestly significant sentence, which reads as follows:

> Any thorough hearing on our involvement in Viet-Nam would necessarily deal with questions of military operations and war planning, as well as the most delicate relations with other governments.

All too often we have been told, on the one hand, that responsible public figures who disagree with the voluminous official line on Vietnam should be regarded as feckless dissenters, while, on the other hand, the Secretary of State has said that—except for a handful of extremists—those who question Government policy are merely differing about means to agreed ends. Both statements are seriously at fault.

The Secretary has seemed to believe that committee members are more interested in the military situation in Vietnam than in the broad policies which underlie our current actions in the area, and which will shape our future ones in Asia as a whole. But to hold that view he would have to ignore completely the express language of the many invitations issued by the Foreign Relations Committee concerning the need for consultation about policy. And I fear he has done just that.

In any case, as I have stated before, General Westmoreland late last year chose the forum of the National Press Club to present the fullest account available of U.S. military strategy for the future. No testimony before the Senate Foreign Relations Committee about the military conduct of the war has been as revealing as that Press Club speech. The fact that the optimism of that speech has now been rendered unreal is tangent to the issue today.

The second point raised by Secretary Rusk, about the delicacy of our relations with other governments, is scarcely a novel one. Indeed, it is a constant factor in every committee hearing, open or closed, which is devoted to an examination of our foreign policy. The record of committee members in exercising discretion in this regard is a good one. I cannot remember an instance when a State Department witness who asked to reserve his position for a private session was not given that courtesy.

It requires little mental effort to see that this objection is not a tenable one. Are we to accept an argument that the risk of offending an authoritarian ruler in some small Asian country should take precedence over the right of the American public to be kept informed on basic policy decisions by means of discussions between the people's representatives and the Government officials responsible for executing the policies? If this reasoning is adopted in this instance, it could easily be pushed toward the point where the Foreign Relations Committee could find itself inhibited from conducting any hearings in public.

The Committee on Foreign Relations has a right—indeed a duty—to examine public policy. And since this is a government of the people, both the Senate and the President have a responsibility for public education on issues so important as war or peace.

As to the committee's constitutional obligation to undertake the kind of policy discussion which we envisage, the historical record completely supports the doctrine that the senatorial powers of advice and consent to ratification of treaties and to presidential appointments have always been employed in public as well as in closed sessions of the committee. It stands to reason that if a nominee to the position of Secretary of State traditionally is queried about his views in an open hearing, then there is no justification for foreclosing further public examination of the Secretary during his tenure of office. The committee's practices in this regard are too firmly established to be open to suspension for reasons of expediency or for any grounds short of a most pressing emergency involving the safety of the Nation.

Even in such circumstances, the judgment cannot be abdicated by one branch of this Government in favor of another. For the third clause in section 5 of the first article of our Constitution provides that each House of the Congress exercises its own judgment concerning what part of its proceedings should not be published. By extension, it clearly may be argued that the committee proceedings should always be public unless members determine otherwise. And in fact, this reasoning is given full effect in section 133(f) of the Legislative Reorganization Act of 1946, which reads as follows:

> All hearings conducted by standing committees or their subcommittees shall be open to the public except executive sessions for marking up bills or for voting or where the committee by majority vote orders an executive session.

There is a very practical purpose lying behind these activities of the committee. The use of the public hearing is the counterpart in our system for the crucial safeguard of democratic processes represented by the "question period" in the parliamentary system, maintained most notably in the British House of Commons. If appointive officials are to be accountable to the electorate in this country—and I know of no direct challenge to this fundamental thesis—the committee public hearing offers virtually the only means for employing the practice of examination of such officials by the people's representatives.

It is for these reasons that I believe

that the committee's efforts to interrogate the Secretary of State in public stand on the firmest of constitutional grounds.

In the absence of a conclusive reply to the letters of the committee chairman, it is possible we might still be quietly discussing this question with the executive branch. However, the issue now has been joined in full view of the public. And it is clear that the failure of the Senate to insist on its rights in the matter could establish a precedent for a Secretary of State independently to decide whether or not to appear before the Foreign Relations Committee, as well as other committees, and on what terms. No less vital a question is at stake in our deliberations on this subject.

I believe it is with a keen awareness of constitutional duty, duty to the Senate as an institution and responsibility to the people in our system of self-government, that a majority of the Senate Foreign Relations Committee has instructed its chairman to communicate directly to the President its view that the public welfare and constitutional responsibility require public examination of U.S. foreign policy.

Mr. President, another and to my mind, equally vital factor, is involved in this debate. It is simply the question of wise public policy on the part of the executive branch of our Government. And it goes right to the heart of the furor so widely prevaling in this country concerning the nature of our involvement in Southeast Asia.

Secretary Rusk, in effect, has been saying that the normal processes of our constitutional system should be suspended because this country is engaged in war. He cites what he believes to be comparable situations, such as the Second World War, and suggests that since the Secretary of State did not testify in public about our foreign policies under those circumstances, the present occupant of the post should equally be entitled to consider Vietnam as cause for suspending the usual practice of consultation in open hearings.

It requires little effort for us to remember that only a few short years ago the executive branch was doing everything possible to avoid describing the conflict in Vietnam as a full-scale war. Now it seems that the previous embarrassment about conducting an undeclared war has evaporated in the heat of war.

But there is a world of difference between the attitude of the American people toward the Second World War and toward the conflict in which we are presently involved. On every hand we have testimony concerning the bewilderment and frustration of the American people regarding our current involvement and its effects upon the Nation's welfare. I submit that the American people are baffled by the circumstances in which we find ourselves. While there is no direct ratio, at least some of the difficulty is traceable to the inability of the Congress to give a clearer lead to public understanding through sustained questioning of public officials. We may, as it has been charged, have entered into a war by inadvertence; if so, I can only regard it as a dereliction of its duty if the Congress now fails to insist on its prerogatives at this perilous juncture.

On last December 11 I made the following statement in this Chamber:

> I believe that the Senate has a right to know and that the American people have a right to know whether Administration policies are to take steps which further risk war with China, whether the Administration is willing to accept a status of neutrality for Vietnam, whether this nation is to destroy itself internally, and further to erode its position in world leadership in pursuit of policies upon which the Members of the President's Cabinet have been unwilling to testify publicly for nearly two years.

Nothing which has occurred in the intervening period has lessened my conviction that it is imperative for the Secretary of State to discuss in public with the Foreign Relations Committee the direction in which our policies toward Southeast Asia are leading this country.

So, Mr. President, Congress itself must share in the responsibility. Nothing has occurred in recent weeks to alter the necessity for public education on the issues involved. Indeed, the tragedy and confusion of the war today renders the point more imperative. The confusion has only compounded the urgency for the Senate seriously to discharge its constitutional responsibility.

For example, who among us, at this point, is able to tell the American people whether we have abandoned or confirmed our fancied "right of hot pursuit" into Cambodia? Again, who can explain to us how a San Antonio speech came to present a formula which is no formula but a semantic puzzle which ties State Department officials into inarticulate knots? Far from least important, we are still waiting for interpretation of the new emphasis given by the Secretary of State to the Chinese peril in his Columbus Day press conference.

Frankly, I cannot understand why the administration—why President Johnson—is not taking the initiative, rather than drawing back from the committee, in trying to clarify the urgent questions confronting this Nation. In all logic, it seems to me that the executive branch for its own good—and more importantly, for the public good—would urgently be seeking to test its policies in the marketplace of this democracy.

I believe that the current issue of the Progressive magazine, in an article entitled "Dissent and Disorder," accurately reflects the widespread concern in the country about Vietnam and the lamentable absence of participation by Congress in the desired process of examining where we stand and where we are heading.

At this point I will only quote a small excerpt from that article.

The magazine excerpt goes as follows:

> There is yet another ingredient in the explanation for the intensity of feeling and the relentless rate at which emotions are soaring into the danger zone. This is the Administration's decision to close the constitutional channels to debate in Congress and thus destroy the safety-valves which were built into our system or government to prevent the very kind of disaster toward which we are racing. Thomas Jefferson, in his first inaugural address, caught the essence of what makes democracy workable when he said: "Error or opinion may be tolerated where reason is left free to combat it."
>
> The most effective means prescribed by the Constitution to make it possible for reason to combat error in foreign policy is the advice and consent clause under which the Senate's advice and consent are required to be sought by the President on major issues of foreign policy. But the Johnson Administration has refused to permit the Senate, through its Foreign Relations Committee, to advise and consent—publicly—on the major issues of Vietnam. . . .

I hope most profoundly that the President, even at this late date, will change his mind about the wisdom of permitting, or directing, as the case may be, his Secretary of State to confer openly with the Committee on Foreign Relations. If he does not, however, I have no intention of letting a victory be won by the executive branch at the expense of the Senate without a contest. Unless circumstances change, at an appropriate moment, I fully intend to offer a resolution in this Chamber which will give my colleagues every opportunity to address themselves to the fundamental issue which has now been raised and joined.

There are several reasons for this state of affairs. For almost 40 years we have been through a succession of wars, both hot and cold, and serious economic adjustments. These conditions have made strong Executive leadership desirable and necessary. But these conditions have not made it mandatory that Congress become moribund. Indeed, I would state categorically that the loss of effectiveness by the Congress in recent years, particularly in helping to fashion broad national policy, has not been caused by, but rather has contributed materially to, our difficulties.

I believe that to be the case with respect to the issue of Vietnam, to the Vietnam war. Congress has been remiss in its duty. I confess that I, as a Member of the U.S. Senate, have been remiss in my own duty.

Furthermore, power has not always been wrested from the Congress by an aggressive President. Rather, the Congress has surrendered power and prestige almost voluntarily. The result, obvious to all, has been that relatively poor solutions to our more pressing problems both at home and abroad have been advanced and implemented.

The prosecution of the type of war in which we now find ourselves engaged in Vietnam is only the most highly publicized of these poor solutions. There are others.

If what I have said thus far has any validity, it is certainly highly desirable—mandatory, if you will—that Congress assert itself and restore itself to its rightful place in formulating national policy. There is no agency of government or society which is equipped to do this for us. We, as individual Senators and Congressmen, acting individually and collectively, must do it ourselves.

All too often, the advise and consent clause of the Constitution has come to be regarded as merely an exercise of assent and consent after the fact. The constructive element of that clause is equally obligatory upon the U.S. Senate.

Let me make it clear that I do not wish a power struggle. We can ill afford that at this time. What I seek is a fuller measure of partnership. The Constitution has clearly placed the President and the Senate in a position of limited partnership in the formulation and the conduct of foreign policy. While I want to strengthen Congress, I do not by any means wish to see Congress attempt to assume executive powers and prerogatives. The usurpation by Congress of powers not legitimately belonging to it was tried at one time in this country, and that period of post-Civil War reconstruction is one of the sorriest in our history by almost any yardstick. What I desire is a proper balance between the executive branch and Congress. There can be a proper balance, but that balance can be achieved only by the Congress, itself. Only Members of Congress, acting individually and collectively, can strengthen the hand of Congress, and it follows that Congress must insist upon its proper role. And, in my view, wiser policy would result from fuller participation by Congress in the decisionmaking process.

Nor do I wish necessarily to weaken the executive branch. There is no mathematical equation involved here which necessitates substracting power from the executive branch in order to build up the power of Congress. I do not share the views often expressed by the New Right; that, in order to have a proper balance among the branches of the Federal Government, Congress must be antagonistic to the President and seek to block and embarass members of the executive bureaucracy at every opportunity.

This would result in a weak Government, and weakness is not desirable. This approach is now being advocated by many academic people who should know better. Strengthening Congress so it can and will perform its constitutional role properly does not at all mean that the Presidency must be proportionately weakened.

As a matter of fact, the Constitution contemplates strong Executive leadership, and this system has proved workable for us. We do not have a parliamentary system, and the Congress must neither attempt to perform executive functions nor seek to impede and hamper the President and his associates in the proper performance of their constitutional duties.

What is required is that Congress perform its duties with more vigor and effectiveness. In other words, Congress, and in the present crisis, the Senate must play a more constructive and positive role, neither, on the one hand, passively accepting the undigested recommendations of the President, nor, on the other, falling back on negative obstructionism.

Indeed, the role of Congress in setting broad national policy may today be the most important of our functions. The administration certainly needs all the assistance we can render.

I sincerely believe that President Johnson would welcome every worthwhile contribution we could make, and in the teamwork of the Senate and of the President there could be contributions which would flow therefrom so that peace could be more nearly assured.

Our constituents deserve our best efforts. The times demand no less.

Perhaps it is through a better understanding of this function, and its implementation, that we can find a good starting point from which to launch a campaign for strengthening Congress.

Under the stress and duress of the present emergency and the danger to our Nation and the peace of the world, perhaps we can reformulate the equality between the executive and the legislative, which our forefathers ordained, and reach a better future as a result thereof.

Senators and Congressmen must represent their constituents in every sense of that term. Most of us represent them consciously, I am afraid, only in dealing with minutiae. We act as a sort of ombudsman for our constituents. If one is experiencing trouble with the Army, we ask for a report. If he encounters delay in getting the social security rolls, or in qualifying for some kind of veterans' benefits, we will try to expedite action. If he needs a job, particularly with the Post Office Department, we will make recommendations.

Now, I submit, Mr. President, that this is far too restricted a view of our duties in carrying out our representational function. We ought not to neglect the minutiae, although most of us have staff personnel who can handle this. But at the same time, we ought to devote a far greater personal effort to the larger matter of representing our constituents in the formulation of broad national policies. And, beyond that, we must, in carrying out this function, be the eyes and ears as well as the voice of our constituency in Washington. And by being the eyes and ears of our constituency, we can assist materially in leading, molding, and correcting public opinion. Once again, let me say that those of us who are privileged to serve in the Congress have been taking a much too restricted view of our roles in this area.

It is hardly open to debate that the single most important ingredient in a modern democracy is an interested and informed citizenry. No machinery of government, no matter how finely conceived, nor how well operated by officials and employees of government, can long hold a democracy together in the absence of an interested and informed public with adequate means at its disposal for formulating, expressing, and implementing public opinion. In a democracy, it is generally held that the legislative body formulates the will of the state and is the chief organ of popular government. I submit that the Congress is not performing its duty in this regard. We have all but invited the Executive to preempt our prerogatives. However, one small silver lining of our dark clouds of today is a growing determination of U.S. Senators to fulfill more full their constitutional power and duty.

The pivotal question facing this country today is Vietnam. It lies at the root of much of our difficulty and deterioration both at home and abroad. Because of Vietnam, in part, our moral leadership has been seriously eroded throughout the world. Because of Vietnam, in part, our balance-of-payments problem has assumed such proportions that solutions now advanced on a temporary, "crash," basis could create other and perhaps more serious problems abroad, and might possibly constitute a threat to continued domestic economic growth. Because of Vietnam, in part, dissent at home in many social and political areas has reached such proportions that the country is more seriously threatened with ruinous disruption than at any time since the Civil War. This tragedy now threatens to become calamitous.

And yet, in spite of the obvious importance of the questions surrounding our actions in Southeast Asia, and there are several, there is still a lack of knowledge on the part of the general public of many facets of the problem, and there is surely lacking altogether that clear concensus on which the most important public decisions involving the very survival of the Nation must rest. On the shoulders of each Senator and Congressman, and on all of us collectively, rests a part of the responsibility for this deplorable and dangerous state of affairs.

Surely, then, the best means possible for informing the public and facilitating a consensus, which consensus can then be transmitted through the people's representatives in Government for translation into action, must be found and utilized.

The immediate, urgent task of war by our gallant soldiers is to contain the current offensive. Meanwhile, and thereafter, there must be a probing reassessment of our national policy in Southeast Asia. The advice and consent of the Senate is needed in this reexamination.

We are today faced with a situation the difficulties of which are just now becoming apparent to some. There is a general breakdown in law and order. There is frustration. There is anger. There is open defiance of the law. And the war in Vietnam, with the dissent which it has generated, must be held in part responsible for this.

A way must be found to halt the growing disunity and disharmony within our Nation. By some means we must dispel the growing sense of confusion and frustration about the issues. A concensus must be developed. A national will to go in some specific direction must be formulated. Then this concensus, this feeling of national will and purpose, must be translated into a program which the people can support and which will bring this war to a close. Almost any future course that is decided upon, will be an improvement over current conditions, if the Nation as a whole can understand and support it.

The best and most dramatic means available to us should be utilized in this effort to educate, mold and develop public opinion.

And there are other pressing problems. Even with the overweening importance of Vietnam, I do not wish my remarks at this time to be considered as applying only to that question. Vietnam is only one, albeit of the most immediate importance, of the many problems on which Congress ought to focus public attention

and thereby assist in the process of educating and informing the public, in helping to crystallize public opinion, and then in translating public opinion into appropriate action.

I, for one, am not content to leave the education of the public to chance. Nor am I willing to shirk my duty to the extent that I would turn it over to the Executive or television quiz shows. Cabinet members are not elected by the people. They speak only for the President. Heads of agencies are not elected. They generally should speak for Congress, but they more often find themselves under the thumb of the President.

Senators and Congressmen are uniquely and directly qualified to represent their constituents in the process of formulating public opinion and translating it into appropriate Government policy.

There are various ways in which Congress can seek to inform the public, to lead public opinion, to assist in the formulation of a meaningful concensus. In pursuit of this goal, this democratic function, I urge my colleagues in this distraught day to participate fully. The tragedies, problems, and dangers of our times require it. I am confident that President Johnson will welcome every worthy contribution we can make.

Exhibit 1

Mr. President, there have been a number of letters exchanged between Senator Fulbright, chairman of the Senate Foreign Relations Committee, and Secretary of State, Dean Rusk.

I list the efforts the committee has made to persuade the Secretary that such an appearance would be in the public interest.

On December 21, 1966, the chairman of the committee, Senator Fulbright, wrote Secretary Rusk inviting him early in 1967 and at his convenience to meet with it to discuss "the progress of the pacification program in Vietnam, recent developments in mainland China and their relation to the war in Vietnam, our military and economic activities in Thailand" and certain other subjects That letter expressed the "hope that this first meeting of the 90th Congress could be in open session because all of these subjects are of great interest to the American people:" The letter stated explicity that "there may be questions that you will not be able to answer in open session and the committee will therefore make arrangements for an additional closed session if necessary."

On December 30, 1966, Secretary Rusk replied to the committee stating that he would "be very happy to meet with the committee at any time" and that he looked "forward to a thorough review and discussion of such matters as the members may care to raise."

The letter from Secretary Rusk continued, suggesting that "my first meeting with the committee be in executive session," in accord with previous practice. This executive session, wrote the Secretary, "could be followed, if the committee wishes, by a public meeting at a convenient time." He continued:

"I fully agree that the great issues of American foreign policy are of interest to the American people as a whole, and I am glad to cooperate with the Committee's effort to facilitate public discussion and understanding."

The committee accepted that suggestion, and on January 16, 1967, Secretary Rusk met with the committee in secret session to discuss the general world situation. At that meeting the Secretary was agreeable to a subsequent public appearance and the date of January 23, 1967 was set for that meeting.

Shortly prior to January 23, however, Secretary Rusk asked the chairman of the committee to change the subject of the public session so that it could be devoted to testimony on the Consular Convention with the Soviet Union. That change was accepted by the committee. I might note parenthetically, however, that this was the second go-around on the subject of the Consular Convention. The committee had held hearings and favorably reported the Consular Convention the previous session, but no action was taken by the Senate, thus requiring the hearing and reporting process to be repeated in the new session.

Be that as it may, subsequent efforts made at the staff level to arrange for the Secretary to meet with the committee at a convenient time and in public were not fruitful.

Finally on April 27, 1967, the chairman of the committee wrote to Secretary Rusk as follows:

April 27, 1967.

The Honorable Dean Rusk,
Secretary of State.

Dear Mr. Secretary: You will recall that earlier this year the Committee on Foreign Relations requested you to appear in public session to discuss the role and responsibilities of the United States as a great power, but you were unable to accept those invitations.

In view of the important events which have taken place since then, would you be willing to appear in public session for a general discussion of our foreign policy, with special attention to Southeast Asia, on Tuesday, May 2, or Tuesday, May 9? It would be helpful to the Committee and to the public understanding of our policy if you could arrange to be with us.

Very truly yours,
J. W. Fulbright.

On May 2, 1967, Secretary Rusk replied to the chairman as follows:

May 2, 1967.

Hon. J. W. Fulbright,
Chairman, Committee on Foreign Relations, U.S. Senate.

Dear Mr. Chairman: Thank you for your letter of April 27.

I would be glad to have a general discussion of our foreign policy, with special attention to Southeast Asia, with the Foreign Relations Committee. It seems to me, however, that the value of such a discussion could be greatly enhanced if it were held in *Executive session*. It is not easy for the Secretary of State to discuss particular situations in particular countries in public without risking considerable damage to our foreign relations. A public session would carry with it, therefore, many of the inhibitions which attend a press conference. An *Executive session would permit a candid exchange of views and could be valuable*, it seems to me, both to the Committee and to myself. I would see no objection to a mutual review of the transcript of an Executive session to determine whether substantial portions of it might be made public.

If the procedure is agreeable with the Committee, I would be pleased to appear on Tuesday, May 9, or Tuesday, May 16, whichever would be more convenient for the Committee.

With every good wish,
Sincerely yours,
Dean Rusk.

And on May 3, the chairman replied as follows:

May 3, 1967.

The Honorable Dean Rusk,
Secretary of State.

Dear Mr. Secretary: In reply to your letter of May 2, the Committee will be very pleased to have you in Executive Session on May 16 at 10:00 AM.

I regret that you do not wish to appear in public session, as I think the general public would benefit very much by a discussion of our present situation.

With best wishes, I am,
Sincerely yours,
J. W. Fulbright.

There the subject rested until October 12, 1967. At that time the chairman wrote to Secretary of State Rusk as follows:

October 12, 1967.

The Honorable Dean Rusk,
Secretary of State,
Washington, D.C.

Dear Mr. Secretary: In view of recent discussion on the Senate Floor regarding the need for public enlightenment with respect to our policies in Vietnam, I take this occasion to renew my past invitations that you appear before the Committee on Foreign Relations in public session to discuss issues raised by our policies there.

I would be very happy to consult with your staff to work out an appropriate time for your appearance.

Sincerely yours,
J. W. Fulbright,
Chairman.

On October 19, 1967, Secretary Rusk replied to the chairman as follows:

October 19, 1967.

Hon. J. W. Fulbright,
Chairman, Committee on Foreign Relations, U.S. Senate.

Dear Mr. Chairman: Thank you for your letter of October 12 in which you suggested I appear before the Committee on Foreign Relations in public session to discuss issues raised by our policy in Vietnam.

For the reasons I have mentioned to you in earlier exchanges, I believe our meeting would be of greater value and, at the same time, run less risk of damaging our foreign relations in this critically important time if it were held in executive session. An executive session would, of course, permit a more candid exchange of views which I believe would be valuable both to the Committee and to myself.

Following such a meeting I think it would be useful for us to review the transcript in order to reach agreement as to whether substantial portions of it could be made public. As you know, this procedure has been used many times in the past, and, it seems to me, would best meet the Committee's and our requirements.

With all best wishes,
Sincerely,
Dean Rusk.

Not satisfied with the Secretary's letter of October 19, the full Committee on Foreign Relations discussed the subject at its business meeting of October 31. At that meeting I took the position, and so moved, that the Committee on Foreign Relations should instruct its chairman to communicate directly with the President of the United States, expressing the concern of the committee at the refusal of the Secretary of State to meet with the committee to discuss with it in public session the American involvement in southeast Asia.

I withdrew that motion, however, when another member suggested a course of action which I thought reasonable; namely, that the Secretary of State be invited to meet with the committee to explain why he was refusing to appear before the committee.

On October 31, therefore, the chairman of the commmittee, acting on the basis of its instructions, addressed the following letter to Secretary Rusk:

October 31, 1967.

Hon. Dean Rusk,
Secretary of State,
Washington, D.C.

Dear Mr. Secretary: The Committee on Foreign Relations has discussed your October 19 response to our letter of the 12th which invited you to appear before the Committee in public session to discuss issues raised by our policies with respect to Vietnam. Particular attention was given to your belief that you should instead appear at an executive session.

The Committee has agreed to invite you to attend an executive session designed primarily to elicit and consider your reasons for preferring to avoid a meeting with Committee members before the public. At that session there would, of course, be ample opportunity for substantive discussion about Vietnam policy and other issues.

Assuming your concurrence, Mr. Marcy of the Committee staff will contact Assistant Secretary Macomber to determine an appropriate time for the meeting.

Sincerely yours,
J. W. FULBRIGHT, *Chairman*.

On November 1, Secretary Rusk replied to the chairman as follows:

NOVEMBER 1, 1967.
Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations,
U.S. Senate.

DEAR MR. CHAIRMAN: I will be pleased to attend an Executive session of the Committee on Foreign Relations as discussed in our recent correspondence.

As you suggest, I will ask Mr. Macomber to arrange with Mr. Marcy a mutually convenient time for the meeting.

Sincerely yours,
DEAN RUSK.

On November 7, Secretary Rusk met with the Committee on Foreign Relations and for more than 3 hours discussed not only his reluctance to appear before the committee, but some aspects of American involvement in Vietnam.

At the end of that hearing the Secretary indicated that he wanted further time to consider whether he would comply with the committee's request for a public hearing on Vietnam and, when pressed for a time by which he might decide whether to comply with the committee request, he said he would reply promptly.

NOVEMBER 30, 1967.
Hon. DEAN RUSK,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: The Committee on Foreign Relations today discussed its invitation to you to testify in public on United States policies in Southeast Asia.

While Members were not unanimous in believing that such an appearance by you at this time would be desirable, it is fair to note that most of those present felt that a public exchange of views would be most helpful sometime before adjournment. There was a strong feeling that it was proper to discuss these policies in the legislative environment, inasmuch as they are unavoidably a part of public consideration.

Sincerely yours,
J. W. FULBRIGHT,
Chairman.

THE SECRETARY OF STATE,
Washington, D.C., December 8, 1967.
Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations,
U.S. Senate.

DEAR MR. CHAIRMAN: I am replying to your letter of November 30, concerning the desirability of a public hearing with the Committee on Viet-Nam.

I wish to make it clear, Mr. Chairman, that I am always ready to consult with any appropriate committee of the Congress on Viet-Nam, or on other matters involving the foreign policy of the United States.

The question in this case is whether the hearing should be in open or in executive session.

Any thorough hearing on our involvement in Viet-Nam would necessarily deal with questions of military operations and war planning, as well as the most delicate relations with other governments. The Committee is entitled to know my views on these questions. But because of the extreme sensitivity of these matters, I am convinced that they should be fully discussed only in executive sessions of the Committee.

I would be glad to agree—as I have with all other Congressional committees where I have appeared to discuss matters of critical national importance and sensitivity—to the prompt release of all portions of my testimony that our security interests will permit.

As you know, Mr. Chairman, it has been the consistent policy of all previous Administrations to discuss matters of this kind in executive session, while an armed conflict is in progress. The single exception to this policy, which occurred early last year, does not in any way suggest that the consistent practice of the past should be abandoned.

To recapitulate, I am ready to come before the Committee in executive session whenever the Committee desires to discuss our policy in Viet-Nam with me. I am ready to respond fully to the Committee's questions. I am ready to agree to the release of those questions and answers that may be released without endangering our men in Viet-Nam, our security interests, or our diplomatic efforts to end this conflict—recognizing that our foes, as well as our friends, will carefully examine the record.

I hope that all the Members of the Committee will feel that my reply is sufficiently responsive. But as you point out, there are substantial differences of view on this matter among the Members of your committee, and I believe I would encounter significant disagreement whatever my reply.

I do hope that the Committee will understand the reasons for my view, even though not all of them may find it possible to agree with it.

Sincerely,
DEAN RUSK.

AMENDED EXPORT-IMPORT BANK ACT

Mr. BYRD of Virginia. Mr. President, a few moments ago the House by near unanimous vote approved the amended Export-Import Bank Act.

If I understand the House action correctly, it in substance combines both the Byrd amendment and the Mundt-Byrd amendment approved by the Senate last August.

Specifically, both House and Senate actions do these three things:

One, they eliminate the President's discretionary authority.

I believe that helps and it is a first step toward correcting the imbalance which has begun to exist between the three branches of Government.

Two, they prevent the use of Export-Import Bank funds—taxpayers' money—to finance the building of a Fiat plant in the Soviet Union. This measure ends any proposal to use tax funds of American taxpayers to build a Fiat plant for the Soviet Union, a fantastic proposal.

Three, they prevent the use of taxpayers' money to finance trade with any nations trading with North Vietnam.

Mr. President, I applaud the House action, as it sustains the view of the vast majority of the American people and the views of the Senate which accepted the Byrd amendment by a vote of 56 to 26 last August.

I said at the time, and I say frankly again today, that some American companies will have their profits reduced as a result of the action of the House of Representatives today and the action of the Senate last August. However, with the severe casualties which the American people are suffering in Vietnam we cannot concern ourselves about business profits if those profits come as a result of trading with our enemies.

Mr. President, I wish to applaud at this time and commend the distinguished senior Senator from South Dakota [Mr. MUNDT] for the effective and able work he did in regard to the amendment introduced by him, with me as a cosponsor, and the help which he gave me on the Byrd amendment last August.

It has been a long fight. It has taken 6 months to get this Export-Import Bank legislation through Congress with amendments which prevent the use of taxpayers' moneys to finance transactions with those nations which are trading with our enemy.

Mr. President, I applaud the action the House of Representatives took today.

ORDER FOR RECOGNITION OF SENATOR MONDALE TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that at the conclusion of morning business tomorrow, the distinguished junior Senator from Minnesota [Mr. MONDALE] be recognized for not to exceed 20 minutes.

The PRESIDING OFFICER (Mr. GORE in the chair). Without objection, it is so ordered.

THE PRESIDENT'S 1968 CRIME MESSAGE

Mr. KENNEDY of Massachusetts. Mr. President, we have today received the President's 1968 crime message. I believe it is a historic document as much for what it leaves out as for what it includes. In each of his annual crime messages, President Johnson has given the Nation a challenge and a program for dealing with the problem of crime effectively, and comprehensively, with a sense of rational priorities and of the separation of local and Federal responsibility, without panic, without seeking scapegoats, and without claiming that any of his proposals would be a panacea.

Once again the key feature of our anticrime program is passage of the Safe Streets and Crime Control Act which will provide massive assistance to State and local governments in their efforts to prevent and control crime and to rehabilitate offenders, and which will stimulate strong Federal leadership in the research and development efforts necessary to bring our criminal justice system fully into the 20th century. I am especially pleased to note that the President has again expressed his support for the establishment of a National Institute of Criminal Justice, a proposal which I introduced in the Senate last February as S. 992.

It is clear from the President's message and the description of the amendments to safe streets which he supports, that he is now placing the full weight and influence of the administration behind the so-called clean bill which Senator HART and I, in cooperation with the Department of Justice, presented to the Judiciary Committee last November. The clean bill synthesizes the original safe streets bill, the most constructive parts of the House passed version, and the reasonable parts of the Senate Criminal Law Subcommittee's revision. I believe the clean bill, the text of which can be found in the CONGRESSIONAL RECORD, volume 113, part 26, page 35716, is a bill which will receive the support of a majority of the Senate and will be found acceptable by a majority of the House, once its provisions are fully understood. Despite the fact that there were sufficient votes in the Senate Judiciary Committee to report that bill in the last session, those of us who support it were obstructed in our efforts to achieve passage last year by those who wish to hold it as a hostage, which can be ransomed only through acceptance of their own theories of crime control, all of which, apart from the question of merit, are totally irrelevant to the focus and substance of this bill. I am hopeful that with the President's personal backing for our approach, we will now be able to break the logjam in the Judiciary Committee and report the clean bill with dispatch. I would point out that if we are not successful in obtaining action in this committee, there are other committees considering related legislation to which the addition of safe streets would be most appropriate, especially since much of this measure has been passed by the House and since this bill has been in the Judiciary Committee for nearly a year now.

Much the same can be said for the State Firearms Control Assistance Act, designed to help control the largely unfettered flow of deadly firearms which contributes so much to crime and violence in the Nation. Here, too, I am hopeful that we can achieve prompt and effective action in the Judiciary Committee, but if the traditional obstructionist attitude fostered by certain interests—or should I say self-interest—groups continues, we shall have to seek other avenues to assure that the Senate will be allowed to work its will on this subject.

I can be much more optimistic about the progress of the Juvenile Delinquency Prevention Act. We are polishing this bill right now in the Manpower Subcommittee, and we expect to meet next week in executive session to report the bill to the full committee, where I am sure it will receive immediate consideration.

I have not yet seen the text of the antiriot bill mentioned in the President's message, and I will examine it with great care and interest. It was my own conclusion that the hearings we had in the Judiciary Committee on this subject demonstrated that there was no real need for Federal legislation in this field, that State and local governments were fully empowered and willing to punish rioters, arsonists, and looters, and that there existed a real danger that the passage of such legislation would mislead the American people by representing that we had dealt adequately with the riot problem when in fact we were doing nothing of substance. Perhaps, after we have passed a strong civil rights bill demonstrating our continued dedication to equality and justice for every American, and after we have passed the two bills which really hold hope for helping to prevent and control riots; namely, the safe streets and gun control bills, and after we have considered and passed bills providing new programs and new appropriations to deal with the real problems of our urban areas, the poverty, ignorance, disease, and deprivation which lead to the tensions and hostility that lie at the root of riots, perhaps then we consider an antiriot bill. But I have serious doubts that such a measure, even if its passage can ultimately be justified, deserves any priority in the 90th Congress.

Again, Mr. President, I want to express my congratulations and respect for President Johnson's approach to the crime problem. When the history of this decade is written, I think his leadership in the fight against crime will be well noted by a grateful nation.

CONSUMER CREDIT PROTECTION ACT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Chair lay before the Senate the amendment of the House of Representatives on S. 5.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 5) to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extension of credit, which was, strike out all after the enacting clause and insert:

SECTION 1. This Act may be cited as the "Consumer Credit Protection Act".

TITLE I—CREDIT TRANSACTIONS

SEC. 101. (a) The Federal Reserve Act is amended by striking the first sentence and inserting:

"TITLE I—THE FEDERAL RESERVE SYSTEM

"SECTION 1. SHORT TITLE AND DEFINITIONS

"This title may be cited as the Federal Reserve Act."

(b) Title I of the Federal Reserve Act is amended by changing "Act", wherever that word is used with reference to title I of the Federal Reserve Act (as so designated by subsection (a) of this section) to read "title".

(c) The Federal Reserve Act is amended by adding at the end:

"TITLE II—CREDIT TRANSACTIONS

"DECLARATION OF PURPOSE

"SEC. 201. The Congress finds that economic stabilization would be enhanced and that competition among the various financial institutions and other firms engaged in the extension of consumer credit would be strengthened by the informed use of credit. The informed use of credit results from an awareness of the cost thereof by consumers. It is the purpose of this title to assure a meaningful disclosure of credit terms so that the consumer will be able to compare more readily the various credit terms available to him and avoid the uninformed use of credit.

"DEFINITIONS

"SEC. 202. For the purposes of this title—

"(a) 'Board' means the Board of Governors of the Federal Reserve System.

"(b) 'credit' means the right granted by a creditor to a person other than an organization to defer payment of debt or to incur debt and defer its payment, where the debt is contracted by the obligor primarily for personal, family, household, or agricultural purposes. The term does not include any contract in the form of a bailment or lease except to the extent specifically included within the term 'consumer credit sale'.

"(c) 'consumer credit sale' means a transaction in which credit is granted by a seller in connection with the sale of goods or services, if such seller regularly engages in credit transactions as a seller, and such goods or services are purchased primarily for a personal, family, household, or agricultural purpose. The term does not include any contract in the form of a bailment or lease unless the obligor contracts to pay as compensation for use a sum substantially equivalent to or in excess of the value of the goods or services involved, and unless it is agreed that the obligor is bound to become, or for no other or a merely nominal consideration has the option of becoming, the owner of the goods upon full compliance with the provisions of the contract.

"(d) 'finance charge' means the sum of all the mandatory charges imposed directly or indirectly by a creditor, and payable directly or indirectly by an obligor, as an incident to the extension of credit, including loan fees, service and carrying charges, discounts, interest, time price differentials, investigators' fees, costs of any guarantee or insurance protecting the creditor against the obligor's default or other credit loss, and any amount payable under a point, discount, or other system of additional charges, except that

"(1) if itemized and disclosed under section 203, the term 'finance charge' does not include amounts collected by a creditor, or included in the credit, for

"(A) fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of or for perfecting or releasing or satisfying any security related to a credit transaction, or the premium, not in excess of those fees and charges, payable for any insurance in lieu of perfecting the security; or

"(B) taxes; and

"(2) where credit is secured in whole or in part by an interest in real property, the term does not include, in addition, to the duly itemized and disclosed costs referred to in clauses (A) and (B) of paragraph (1) the costs of

"(A) title examination, title insurance, or corresponding procedures;

"(B) preparation of the deed, settlement statement, or other documents;

"(C) escrows for future payments of taxes and insurance;

"(D) notarizing the deed and other documents;

"(E) appraisal fees; or

"(F) credit reports.

"(e) 'creditor' means any individual, or any partnership, corporation, association, cooperative, or other entity, including the United States or any agency or instrumentality thereof, or any other government or political subdivision or agency or instrumentality thereof, if such individual or entity regularly engages in credit transactions, whether in connection with the sale of goods and services or otherwise, and extends, or arranges for the extension of, credit for which the payment of a finance charge is required.

"(f)(1) 'annual percentage rate' means, for the purposes of sections 203(b), 203(c), and 203(d), the nominal annual rate determined by the actuarial method (United States rule).

"(2) The Board may prescribe methods other than the actuarial method, if the Board determines that the use of such other methods will materially simplify computation while retaining reasonable accuracy as compared with the rate determined under the actuarial method.

"(3) For the purposes of section 203(d), the term 'equivalent annual percentage rate' means the rate or rates computed by multiplying the rate or rates used to compute the finance charge for any period by the number of periods in a year.

"(4) Where a creditor imposes the same

finance charge for all balances within a specified range, the annual percentage rate or equivalent annual percentage rate shall be computed on the median balance within the range for the purposes of sections 203(b), 203(c), and 203(d).

"(g) 'open end credit plan' means a plan prescribing the terms of credit transactions which may be made thereunder from time to time and under the terms of which a finance charge may be computed on the outstanding unpaid balance from time to time thereunder.

"(h) 'installment open end credit plan' means an open end credit plan which has one or more of the following characteristics: (1) creates a security interest in, or provides for a lien on, or retention of title to, any property (whether real or personal, tangible or intangible), (2) provides for a repayment schedule pursuant to which less than 60 per centum of the unpaid balance at any time outstanding under the plan is required to be paid within twelve months, or (3) provides that amounts in excess of required payments under the repayment schedule are applied to future payments in the order of their respective due dates.

"(i) 'organization' means a corporation, government or governmental subdivision or agency, business or other trust, estate, partnership, or association.

"(j) 'State' means any State, the Commonwealth of Puerto Rico, or the District of Columbia.

"DISCLOSURE OF FINANCE CHARGES; ADVERTISING

"SEC. 203. (a) Each creditor shall furnish to each person to whom credit is extended and upon whom a finance charge is or may be imposed the information required by this section, in accordance with regulations prescribed by the Board.

"(b) This subsection applies to consumer credit sales other than sales under an open end credit plan. For each such sale the creditor shall disclose, to the extent applicable,

"(1) the cash price of the property or service purchased;

"(2) the sum of any amounts credited as downpayment (including any trade-in);

"(3) the difference between the amounts set forth in paragraphs (1) and (2);

"(4) all other charges, individually itemized, which are included in the amount of the credit extended but which are not part of the finance charge;

"(5) the total amount to be financed (the sum of the amounts disclosed under (3) and (4) above);

"(6) the amount of the finance charge (such charge, or a portion of such charge, may be designated as a time-price differential or as a similar term to the extent applicable);

"(7) the finance charge expressed as an annual percentage rate;

"(8) the number, amount, and due dates or periods of payments scheduled to repay the indebtedness;

"(9) the default, delinquency, or similar charges payable in the event of late payments; and

"(10) a description of any security interest held or to be retained or acquired by the creditor in connection with the extension of credit, and a clear identification of the property to which the security interest relates.

Except as otherwise hereinafter provided, the disclosure required by this subsection shall be made before the credit is extended. Compliance may be attained by disclosing such information in the contract or other evidence of indebtedness to be signed by the obligor. Where a seller receives a purchase order by mail or telephone without personal solicitation by a representative of the seller and the cash price and deferred payment price and the terms of financing, including the annual percentage rate, are set forth in the seller's catalog or other printed material distributed to the public, the disclosure shall be made on or before the date the first payment is due. Where a creditor mails or otherwise transmits monthly or other periodic bills or statements in connection with any sale to which this subsection is applicable, each such bill or statement shall set forth, to the extent applicable, the items described in subsection (d)(3) of this section, except that if the credit is extended for a period of five years or more, the items described in subsection (d)(3) need not be set forth more than once in each calendar year. If a credit sale is one of a series of credit transactions made pursuant to an agreement providing for the addition of the deferred payment price of that sale to an existing outstanding balance, and the person to whom the credit is extended has approved in writing both the annual percentage rate or rates and the method of computing the finance charge or charges, and the creditor retains no security interest in any goods sold as to which he has received payments aggregating the amount of the sales price including any finance charges attributable thereto, then the disclosure required by this subsection for the particular sale shall be made on or before the date the first payment for that sale is due.

"(c) This subsection applies to extensions of credit other than consumer credit sales or transactions under an open end credit plan. Any creditor making a loan or otherwise extending credit under this subsection shall disclose, to the extent applicable,

"(1) the amount of credit of which the obligor will have the actual use, or which is or will be paid to him or for his account or to another person on his behalf;

"(2) all charges, individually itemized, which are included in the amount of the credit extended but which are not part of the finance charge;

"(3) the total amount to be financed (the sum of items (1) and (2) above);

"(4) the amount of the finance charge;

"(5) the finance charge expressed as an annual percentage rate;

"(6) the number, amount, and due dates or periods of payments scheduled to repay the indebtedness;

"(7) the default, delinquency, or similar charges payable in the event of late payments; and

"(8) a description of any security interest held or to be retained or acquired by the creditor in connection with the extension of credit, and a clear identification of the property to which the security interest relates.

Except as otherwise hereinafter provided, the disclosure required by this subsection shall be made before the credit is extended. Compliance may be attained by disclosing such information in the note or other evidence of indebtedness to be signed by the obligor. Where a creditor receives a request for an extension of credit by mail or telephone without personal solicitation by a representative of the creditor and the terms of financing, including the annual percentage rate for representative amounts of credit, are set forth in the creditor's printed material distributed to the public, or in the contract of loan or other printed material delivered to the obligor, the disclosure shall be made on or before the date the first payment is due. Where a creditor mails or otherwise transmits monthly or other periodic bills or statements in connection with any extension of credit to which this subsection is applicable, each such bill or statement shall set forth, to the extent applicable, the items described in subsection (d)(3) of this section, except that if such credit is extended for a period of five years or more, the items described in subsection (d)(3) need not be set forth more than once in each calendar year.

"(d)(1) This subsection applies to open end credit plans.

"(2) Before opening any account under an open end credit plan, the creditor shall, to the extent applicable, disclose to the person to whom credit is to be extended—

"(A) the conditions under which a finance charge may be imposed, including the time period, if any, within which any credit extended may be repaid without incurring a finance charge;

"(B) the method of determining the balance upon which a finance charge will be imposed;

"(C) the method of determining the amount of the finance charge (including any minimum or fixed amount imposed as a finance charge), the annual percentage rate of the finance charge to be imposed, if any, and, in the case of an installment open end credit plan, the equivalent annual percentage rate;

"(D) the conditions under which any other charges may be imposed, and the method by which they will be determined; and

"(E) the conditions under which the creditor may retain or acquire any security interest in any property to secure the payment of any credit extended under the plan, and a description of the interest or interests which may be so retained or acquired.

"(3) For each billing cycle at the end of which there is an outstanding balance under any such account, the creditor shall disclose, to the extent applicable,

"(A) the outstanding balance in the account at the beginning of the billing period;

"(B) the amount and date of each extension of credit during the period and, if a purchase was involved, a brief identification (unless previously furnished) of the goods or services purchased;

"(C) the total amount credited to the account during the period;

"(D) the amount of any finance charge added to the account during the period, itemized to show the amount, if any, due to the application of a percentage rate and the amount, if any, imposed as a minimum or fixed charge;

"(E) the finance charge expressed as an annual percentage rate;

"(F) the balance on which the finance charge was computed and statement of how the balance was determined. If such a balance is determined without first deducting all payments during the period, that fact and the amount of such payments shall also be disclosed;

"(G) the outstanding balance in the account at the end of the period; and

"(H) the date by which, or the period (if any) within which, payment must be made to avoid additional finance charges.

"(4) If a creditor adds to this billing under an open end credit plan one or more installments of other indebtedness from the same obligor, the creditor is not required to disclose under this subsection any information which has been disclosed previously in compliance with subsection (b) or (c).

"(5) Any creditor under an open end credit transaction shall furnish any party to the transaction with a written estimate of the approximate annual percentage rate of the finance charge on the transaction determined in accordance with regulations issued by the Board, if the party making the request specifies or identifies the repayments schedule involved and such other essential credit terms as may be prescribed in the regulations issued by the Board.

"(e) In the case of any extension of credit in connection with which a security interest is to be retained or acquired in any property which is used or is expected to be used as a residence by the person to whom credit is extended, the disclosures required under this title shall be made at least three days before the transaction is consummated or before any agreement to consummate the transaction is entered into by the party to whom the credit is extended, whichever is earlier. The Board may, if it finds that such action is necessary in order to permit homeowners to meet bona fide personal financial emergencies, prescribe regulations authorizing the modification or waiver of this requirement to the extent and under the circumstances set forth in such regulations.

"Notwithstanding any other provision of this Act, written acknowledgment of receipt by a person to whom a statement is required to be given pursuant to this paragraph shall provide only a rebuttable presumption of proof of delivery thereof.

"(f) Written acknowledgment of a receipt by a person to whom a statement is required to be given pursuant to this section shall be conclusive proof of the delivery thereof and, unless the violation is apparent on the face of the statement, of compliance with this section in any action or proceeding by or against an assignee of the original creditor without knowledge to the contrary by such assignee when he acquires the obligation, unless the assignee, its subsidiaries, or affiliates, are in a continuing business relationship with the original creditor. Such acknowledgment shall not affect the rights of the obligor in any action against the original creditor.

"(g) If there is more than one obligor, a creditor may furnish a statement of required information to only one of them. Required information need not be given in the sequence or order set forth in this section. Additional information or explanations may be included. So long as it conveys substantially the same meaning, a creditor may use language or terminology in any required statement different from that prescribed by this title.

"(h) If applicable State law requires disclosure of items of information substantially similar to those required by this title, then a creditor who complies with such State law may comply with this title by disclosing only the additional items of information required by this title.

"(i) If information disclosed in accordance with this section and any regulations prescribed by the Board is subsequently rendered inaccurate as the result of a prepayment, late payment, adjustment, or amendment of the credit agreement through mutual consent of the parties or as permitted by law, or as the result of any act or occurrence subsequent to the delivery of the required disclosures, the inaccuracy resulting therefrom shall not constitute a violation of this section.

"(j) If a creditor, in order to aid, promote, or assist directly or indirectly, any consumer credit sale, loan, or other extension of credit subject to the provisions of this section, other than an open end credit plan, states or otherwise represents in any advertisement

"(1) the rate of the finance charge, the advertisement shall state the rate of the finance charge expressed as an annual percentage rate; or

"(2) the amount of an installment payment or the dollar amount of finance charge, the advertisement shall state:

"(A) the cash price or the amount of the loan, as applicable;

"(B) the downpayment, if any;

"(C) the number, amount, and due dates or period of payments scheduled to repay the the indebtedness if such credit were extended; and

"(D) the rate of the finance charge expressed as an annual percentage rate.

The provisions of this subsection shall not apply to advertisements of residential real estate except to the extent that the Board may by regulation require.

"(k) No creditor, in order to aid, promote, or assist, directly or indirectly, the extension of credit under an open end credit plan may state or otherwise represent in any advertisement any of the specific terms of that plan unless the advertisement clearly and conspicuously sets forth

"(1) the conditions under which a finance charge may be imposed, including the time period, if any, within which any credit extended may be repaid without incurring a finance charge;

"(2) the method of determining the balance upon which a finance charge will be imposed;

"(3) the method of determining the amount of the finance charge (including any minimum or fixed amount imposed as a finance charge), and the annual percentage rate; and

"(4) the conditions under which any other charges may be imposed, and the method by which they will be determined.

"(l) No creditor may state or otherwise represent in any advertisement

"(1) that a specified periodic credit amount or installment amount can be arranged, unless the creditor usually and customarily arranges credit payments or installments for that period and in that amount; or

"(2) that a specified downpayment is required, unless the creditor usually and customarily arranges downpayments in that amount.

"(m) For the purposes of subsections (j), (k), and (l), a catalog or other multiple-page advertisement shall be considered a single advertisement if the catalog or other multiple-page advertisement clearly and conspicuously displays a credit terms table on which the information required to be stated by subsections (j), (k), and (l) is clearly set forth.

"(n) The prohibitions and requirements of subsections (j), (k), (l), and (m) of this section shall apply only to a creditor or his agent directly or indirectly causing the publication or dissemination of an advertisement and not to the owner, employees, or distributors of the medium in which the advertisement appears or through which it is disseminated.

"(o) The provisions of this section shall not apply to

"(1) credit transactions involving extensions of credit for business or commercial purposes, or to governments or governmental agencies or instrumentalities, or to organizations;

"(2) transactions in securities or commodities in accounts by a broker-dealer registered with the Securities and Exchange Commission; or

"(3) credit transactions other than real property transactions, in which the total amount to be financed exceeds $25,000.

"REGULATIONS

"SEC. 204. (a) The Board shall prescribe regulations to carry out section 203, including provisions

"(1) describing the methods which may be used in determining annual percentage rates under section 203, including, but not limited to, the use of any rules, charts, tables, or devices by creditors to convert to an annual percentage rate any add-on, discount, or other method of computing a finance charge;

"(2) prescribing procedures to insure that the information required to be disclosed under section 203 is set forth clearly and conspicuously; and

"(3) prescribing reasonable tolerances of accuracy with respect to disclosing information under section 203.

"(b) In prescribing regulations with respect to reasonable tolerances of accuracy as required by subsection (a)(3), the Board shall observe the following limitations:

"(1) The annual percentage rate may be rounded to the nearest quarter of 1 per centum for credit transactions payable in substantially equal installments when a creditor determines the total finance charge on the basis of a single add-on, discount, periodic, or other rate, and such rates are converted into an annual percentage rate under procedures prescribed by the Board.

"(2) The use of rate tables or charts may be authorized in cases where the total finance charge is determined in a manner other than that specified in paragraph (1). Such tables or charts may provide for the disclosure of annual percentage rates which vary up to 8 per centum of the rate as defined by section 202(f). However, any creditor who willfully and knowingly uses such tables or charts in such a manner so as to consistently understate the annual percentage rate, as defined by section 202(f), shall be liable for criminal penalties under section 206(b) of this title.

"(3) In the case of creditors determining the annual percentage rate in a manner other than as described in paragraph (1) or (2), the Board may authorize other reasonable tolerances.

"(4) In order to simplify compliance where irregular payments are involved, the Board may authorize tolerances greater than those specified in paragraph (2).

"(c) Any regulation prescribed under this section may contain such classifications and differentiations and may provide for such adjustments and exceptions for any class of transactions as in the judgment of the Board are necessary or proper to effectuate the purposes of section 203 or to prevent circumvention or evasion of, or to facilitate compliance by creditors with, section 203 or any regulation issued under this section. In prescribing exceptions, the Board may consider, among other things, whether any class of transactions is subject to any State law or regulation which requires disclosures substantially similar to those required by section 203.

"(d) In the exercise of its powers under this title, the Board may request the views of other Federal agencies which in its judgment exercise regulatory functions with respect to any class of creditors, and such agencies shall furnish such views upon request of the Board.

"(e) The Board shall establish an advisory committee, to advise and consult with it in the exercise of its functions with respect to section 203 and this section. In appointing the members of the committee, the Board shall seek to achieve a fair representation of the interests of sellers of merchandise on credit, lenders, and the public. The committee shall meet from time to time at the call of the Board, and members thereof shall be paid transportation expenses and not to exceed $100 per diem.

"EFFECT ON STATE LAWS

"SEC. 205. (a) This title shall not be construed to annul, alter or affect, or to exempt any creditor from complying with, the laws of any State relating to the disclosure of information in connection with credit transactions, except to the extent that such laws are inconsistent with the provisions of this title, or regulations issued thereunder, and then only to the extent of the inconsistency. This title shall not otherwise be construed to annul, alter or affect in any manner the meaning, scope or applicability of the laws of any State, including, but not limited to, laws relating to the types, amounts or rates of charges, or any element or elements of charges, permissible under such laws in connection with the extension or use of credit, nor to extend the applicability of such laws to any class of persons or transactions to which such laws would not otherwise apply, nor shall the disclosure of the annual percentage rate in connection with any consumer credit sale as required by this title be evidence in any action or proceeding that such sale was a loan or any transaction other than a credit sale.

"(b) The Board shall by regulation exempt from the requirements of section 203 any class of credit transactions which it determines are subject to State law or regulation substantially similar to the requirements under that section, with adequate provision for enforcement.

"(c) Except as specified in section 206, section 203 and the regulations issued thereunder do not affect the validity or enforcibility of any contract or obligation under State or Federal law.

"CIVIL AND CRIMINAL PENALTIES

"SEC. 206. (a)(1) Any creditor who, in connection with any credit transaction, knowingly fails in violation of section 203 (except sections 203(i), 203(j), and 203(k)), or any regulation issued thereunder, to disclose any information to any person to whom such information is required to be given shall be liable to such person in the amount of $100, or in any amount equal to twice the finance charge required by such creditor in connection with such transaction, whichever is the greater, except that such liability shall not exceed $1,000 on any credit transaction. Any action which may be brought under this subsection against the original creditor in any credit transaction involving a security interest in real property may be maintained against any assignee of the original creditor where such assignee, its subsidiaries, or affiliates were in a continuing business relationship with the original creditor either at the time the credit was extended or at the time of the assignment, unless the assignment was involuntary, or the assignee shows by a preponderance of evidence that it had no knowledge of any reasonable likelihood of violation by the original creditor and that it maintained procedures reasonably adapted to apprise it of the existence of any such violations.

"(2) In any action brought under this subsection in which it is shown that the creditor disclosed a percentage rate or amount less than that required to be disclosed by section 203 or regulations prescribed by the Board (after taking into account permissible tolerances), or failed to disclose information so required, there shall be a rebuttable presumption that such violation was made knowingly. The presumption is rebutted if the creditor shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. A creditor has no liability under this subsection if within fifteen days after discovering the error, and prior to the institution of an action hereunder or the receipt of written notice of the error, the creditor notifies the person concerned of the error and makes whatever adjustments in the appropriate account as are necessary to insure that the person will not be required to pay a finance charge in excess of the amount or percentage rate so disclosed.

"(3) Any action under this subsection may be brought in any United States district court, or in any other court of competent jurisdiction, within one year from the date of the occurrence of the violation. In any such action in which a person is entitled to recover a penalty as prescribed in paragraph (1), the defendant is also liable for reasonable attorneys' fees and court costs as determined by the court.

"(b) Any person who knowingly and willfully gives false or inaccurate information or fails to provide information required to be disclosed under the provisions of this title or any regulation issued thereunder, or who otherwise knowingly and willfully violates any provision of this title or any regulation issued thereunder, shall be fined not more than $5,000 or imprisoned not more than one year, or both. The Attorney General shall enforce this subsection.

"(c) No punishment or penalty provided for a violation of section 203 or any regulation issued under section 204 applies to the United States, or any agency thereof, or to any State, any political subdivision thereof, or any agency of any State or political subdivision.

"(d) No person is subject to punishment or penalty under this section solely as the result of the disclosure of a finance charge or percentage which is greater than the amount of such charge or percentage required to be disclosed by such person under section 203, or regulations prescribed by the Board.

"ADMINISTRATIVE ENFORCEMENT

"SEC. 207. All of the functions and powers of the Federal Trade Commission are applicable to the administration and enforcement of this title to the same extent as if this title were a part of the Federal Trade Commission Act, and any person violating or threatening to violate any provision of this title or any regulation in implementation of this title is subject to the penalties and entitled to the provisions and immunities provided in the Federal Trade Commission Act, except as follows:

"(1) The exceptions stated in section 5(a)(6) of the Federal Trade Commission Act (15 U.S.C. 45(a)(6)) are not, as such, applicable to this title.

"(2) No bank or thrift institution is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act with respect to this title if the bank or institution is subject to section 5(d) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)), section 407 of the National Housing Act (12 U.S.C. 1730), or section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818). The Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation) shall enforce this title and regulations in implementation thereof with respect to banks and other institutions under their respective jurisdictions.

"(3) No common carrier subject to the acts to regulate commerce is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act with respect to this title. The Interstate Commerce Commission shall enforce this title and regulations in implementation thereof with respect to such carriers.

"(4) No air carrier or foreign air carrier subject to the Federal Aviation Act of 1958 is subject to the Federal Trade Commission or to the provisions of the Federal Trade Commission Act with respect to this title. The Civil Aeronautics Board or the Federal Aviation Administration, as may be appropriate, shall enforce this title and regulations in implementation thereof with respect to any such carrier.

"(5) Except as provided in section 406 of the Act of August 15, 1921 (7 U.S.C. 227)—

"(A) no person, partnership, or corporation subject to the Packers and Stockyards Act, 1921, is subject to the jurisdiction of the Federal Trade Commission or to the provisions of that Act with respect to this title, and

"(B) the Secretary of Agriculture shall enforce this title and regulations in implementation thereof with respect to persons, partnerships, and corporations subject to the Packers and Stockyards Act, 1921.

"REPORTS

"SEC. 208. Not later than January 3 of each year commencing after the effective date of this title, the Board of Governors of the Federal Reserve System and the Attorney General shall, respectively, make reports to the Congress concerning the administration of their functions under this title, including such recommendations as the Board and the Attorney General, respectively, deem necessary or appropriate. In addition, reports of the Board of Governors of the Federal Reserve System shall include the Board's assessment of the extent to which compliance with the provisions of this title, and regulations prescribed thereunder, is being achieved.

"EFFECTIVE DATE

"SEC. 209. The provisions of this title shall take effect on the first day of the ninth calendar month which begins after the date of enactment of this title, except that section 204 shall take effect immediately."

SEC. 102. (a) The Congress makes the following findings:

(1) Organized crime is interstate and international in character.

(2) Organized crime is engaged directly in interstate and foreign commerce, as well as intrastate commerce, in loaning money and other valuable things at excessive rates of interest, often in conjunction with the use of force, violence, and fear. This so-called loan sharking business of organized criminals and other criminals involves billions of dollars each year.

(3) The stability of the Nation's economy is affected by loan sharking activities.

(4) The use of legitimate credit channels would be enhanced by the prevention of loan sharking activities.

(5) The production and flow of goods in the Nation's economy is hindered by the diversion of money into excessive and confiscatory credit payments.

(6) Federal programs designed to aid the poor in the United States are rendered less effective by loan sharking activities.

(7) The diversion of money and assets into organized crime nullifies the purposes and benefits of a free enterprise economy and hinders the operations of Federal statutes and regulations designed to preserve that economy.

(8) In order to protect commerce, benefit the national economy and assure the full effects of Federal programs designed to aid the poor and maintain a free enterprise system, it is the purpose of this Act to prohibit loans at excessive and prohibitive rates of interest.

(9) Loan sharking activities directly impair the effectiveness and frustrate the purposes of the laws enacted by the Congress on the subject of bankruptcies.

(10) Loan sharking activities impair the stability of the national economy and thereby interfere with the regulation of the value of money.

(b)(1) Whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce by loan sharking or attempts so to do shall be fined not more than $10,000 or imprisoned not more than five years, or both.

(2)(A) Whoever travels in interstate or foreign commerce or uses any facility in interstate or foreign commerce, including the mail, with the intent to promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of loan sharking, and (B) thereafter performs or attempts to perform any act described in the preceding clause, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

(3) As used in this section—

(A) The term "loan sharking" means the lending of money at a rate of interest prohibited by the statutes of the State where the loan transaction takes place.

(B) The term "commerce" means commerce within the District of Columbia, or any territory or possession of the United States; all commerce between any point in a State, territory, possession, or the District of Columbia and any point outside thereof; all commerce between points within the same State through any place outside such State; and all other commerce over which the United States has jurisdiction.

(4) Whoever knowingly participates in any way in a wrongful use of actual or threatened force, violence, or fear in connection with a loan or forbearance in violation of subsections (1) and (2) of this section, or attempted violation thereof, shall be fined

not more than $10,000 or imprisoned not more than twenty-five years, or both.

(5) Whoever knowingly possesses, maintains, or exercises control over any paper, writing, instrument, or other thing used to record any loan or forbearance or any part of such transaction in violation of subsections (1) and (2) of this section shall be fined not more than $5,000 or imprisoned not more than five years, or both.

(c) The provisions of subsection (b) of this section do not apply to any extension of credit by a creditor which is both—

(1) licensed or chartered as a banking or lending institution by the United States or any State, and

(2) regulated and supervised as a banking or lending institution by the United States or any State.

(d) Whenever in the judgment of a United States attorney the testimony of any witness, or the production of books, papers, or other evidence by any witness, in any case or proceeding before any grand jury or court of the United States involving any violation of this section, or any conspiracy to violate such section, is necessary to the public interest, such United States attorney, upon the approval of the Attorney General, or his designated representative, shall make application to the court that the witness shall be instructed to testify or produce evidence subject to the provisions of this section, and upon order of the court such witness shall not be excused from testifying or from producing books, papers, or other evidence on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. But no such witness shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, nor shall testimony so compelled be used as evidence in any criminal proceeding (except prosecution described in the next sentence) against him in any court. No witness shall be exempt under this section from prosecution for perjury or contempt committed while giving testimony or producing evidence under compulsion as provided in this section.

(e) This Act shall not be construed as indicating an intent on the part of Congress to occupy the field in which this Act operates to the exclusion of a law of any State, territory, Commonwealth, or possession of the United States, and no law of any State, territory, Commonwealth, or possession of the United States, which would be valid in the absence of the Act shall be declared invalid, and no local authorities shall be deprived of any jurisdiction over any offense over which they would have jurisdiction in the absence of this Act.

TITLE II—RESTRICTION OF GARNISHMENT OF WAGES

Sec. 201. The Congress finds that garnishment of wages is frequently an essential element in predatory extensions of credit and that the resulting disruption of employment, production, and consumption constitutes a substantial burden upon interstate commerce.

Sec. 202. (a) Except as provided in subsection (b) of this section, not more than 10 per centum of the excess over $30 per week, or its equivalent for any pay period of a different duration, of any wages, salary, or earnings in the form of commission or bonus as compensation for personal services may be attached, garnished, or subjected to any similar legal or equitable process or order. No court of the United States or of any State may make, execute, or enforce any order or process in violation of this section.

(b) The prohibition contained in subsection (a) of this section does not apply in the case of any debt due—

(1) under the order of any court for the support of any person; or

(2) for any State or Federal tax.

(c) The Secretary of Labor, acting through the Wage and Hour Division of the Department of Labor, shall enforce the provisions of this section.

Sec. 203. (a) No employer may discharge any employee by reason of the fact that, on one occasion, wages or other compensation due the employee for personal services have been subjected to attachment, garnishment, or any similar legal or equitable process.

(b) The Secretary of Labor, acting through the Wage and Hour Division of the Department of Labor, shall enforce the provisions of this section.

(c) Whoever willfully violates subsection (a) of this section shall be fined not more than $1,000, or imprisoned not more than one year, or both.

Sec. 204. This title shall not be construed to annul, alter, or affect, or to exempt any creditor from complying with, the laws of any State relating to the garnishment of wages, salary, or earnings in the form of commission or bonus, as compensation for personal services in connection with credit transactions, where such laws—

(1) prohibit such garnishments or provide for more limited garnishments than are provided for in section 202(a) of this title, or

(2) prohibit the discharge of any employee by reason of the fact that, on any occasion, wages or other compensation due the employee for personal services have been subjected to attachment, garnishment, or any similar legal or equitable process.

TITLE III—COMMISSION ON CONSUMER FINANCE

Sec. 301. Establishment.—There is established a bipartisan National Commission on Consumer Finance (referred to in this title as the "Commission").

Sec. 302. Membership of the Commission.—(a) The Commission shall be composed of nine members, of whom—

(1) three are Members of the Senate appointed by the President of the Senate;

(2) three are Members of the House of Representatives appointed by the Speaker of the House of Representatives; and

(3) three are persons not employed in a full-time capacity by the United States appointed by the President, one of whom he shall designate as Chairman.

(b) A vacancy in the Commission does not affect its powers and may be filled in the same manner as the original appointment.

(c) Five members of the Commission constitute a quorum.

Sec. 303. Compensation of Members.—(a) Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Each member of the Commission who is appointed by the President may receive compensation at a rate of $100 for each day he is engaged upon work of the Commission, and shall be reimbursed for travel expenses, including per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

Sec. 304. Duties of the Commission.—(a) The Commission shall study and appraise the functioning and structure of the consumer finance industry, as well as consumer credit transactions generally. The Commission, in its report and recommendations to the Congress, shall include treatment of the following topics:

(1) The adequacy of existing arrangements to provide consumer credit at reasonable rates.

(2) The adequacy of existing supervisory and regulatory mechanisms to protect the public from unfair practices, and insure the informed use of consumer credit.

(3) The desirability of Federal chartering of consumer finance companies, or other Federal regulatory measures.

(b) The Commission may make interim reports, and shall make a final report of its findings, recommendations, and conclusions to the President and to the Congress by December 31, 1969.

Sec. 305. Powers of the Commission.—(a) The Commission, or any three members thereof as authorized by the Commission, may conduct hearings anywhere in the United States or otherwise secure data and expressions of opinions pertinent to the study. In connection therewith the Commission is authorized by majority vote

(1) to require, by special or general orders, corporations, business firms, and individuals to submit in writing such reports and answers to questions as the Commission may prescribe; such submission shall be made within such reasonable period and under oath or otherwise as the Commission may determine;

(2) to administer oaths;

(3) to require by subpena the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) in the case of disobedience to a subpena or order issued under paragraph (a) of this section to invoke the aid of any district court of the United States in requiring compliance with such subpena or order;

(5) in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths, and in such instances to compel testimony and the production of evidence in the same manner as authorized under subparagraphs (3) and (4) above; and

(6) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States.

(b) Any district court of the United States within the jurisdiction of which an inquiry is carried on may, in case of refusal to obey a subpena or order of the Commission issued under paragraph (a) of this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

(c) The Commission is authorized to require directly from the head of any Federal executive department or independent agency available information deemed useful in the discharge of its duties. All departments and independent agencies of the Government are hereby authorized and directed to cooperate with the Commission and to furnish all information requested by the Commission to the extent permitted by law.

(d) The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conducting of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(e) When the Commission finds that publication of any information obtained by it is in the public interest and would not give an unfair competitive advantage to any person, it is authorized to publish such information in the form and manner deemed best adapted for public use, except that data and information which would separately disclose the business transactions of any person, trade secrets, or names of customers shall be held confidential and shall not be disclosed by the Commission or its staff. The Commission shall permit business firms or individuals reasonable access to documents furnished by them for the purpose of obtaining or copying such documents as need may arise.

(f) The Commission is authorized to delegate any of its functions to individual members of the Commission or to designated individuals on its staff and to make such rules and regulations as are necessary for the conduct of its business, except as herein otherwise provided.

SEC. 306. ADMINISTRATIVE ARRANGEMENTS.—(a) The Commission is authorized, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service or to classification and General Schedule pay rates, to appoint and fix the compensation of an executive director and the executive director, with the approval of the Commission, shall employ and fix the compensation of such additional personnel as may be necessary to carry out the functions of the Commission, but no individual so appointed shall receive compensation in excess of the rate authorized for GS–18 under the General Schedule.

(b) The executive director, with the approval of the Commission, is authorized to obtain services in accordance with the provisions of section 3109 of title 5 of the United States Code, but at rates for individuals not to exceed $100 per diem.

(c) The head of any executive department or independent agency of the Federal Government is authorized to detail, on a reimbursable basis, any of its personnel to assist the Commission in carrying out its work.

(d) Financial and administrative services (including those related to budgeting and accounting, financial reporting, personnel, and procurement) shall be provided the Commission by the General Services Administration, for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator of General Services. The regulations of the General Services Administration for the collection of indebtedness of personnel resulting from erroneous payments shall apply to the collection of erroneous payments made to or on behalf of a Commission employee, and regulations of said Administrator for the administrative control of funds shall apply to appropriations of the Commission. The Commission shall not be required to prescribe such regulations.

(e) Ninety days after submission of its final report, as provided in section 304(b), the Commission shall cease to exist.

SEC. 307. AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated such sums not in excess of $1,500,000 as may be necessary to carry out the provisions of this title. Any money appropriated pursuant hereto shall remain available to the Commission until the date of its expiration, as fixed by section 306(e).

TITLE IV—SEVERABILITY

SEC. 401. If any provision of this Act is judicially held to be invalid, that holding does not necessarily affect the validity of any other provision of this Act.

And amend the title so as to read: "An Act to safeguard the consumer in connection with the utilization of credit by requiring full disclosure of the terms and conditions of finance charges in credit transactions or in offers to extend credit; by restricting the garnishment of wages; and by creating the National Commission on Consumer Finance to study and make recommendations on the need for further regulation of the consumer finance industry; and for other purposes."

Mr. BYRD of West Virginia. Mr. President, I call up this matter at the request of the distinguished Senator from Alabama [Mr. SPARKMAN]. At his request, I move that the Senate disagree to the amendment of the House and request a conference with the House thereon and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SPARKMAN, Mr. PROXMIRE, Mr. MUSKIE, Mr. BENNETT, and Mr. HICKENLOOPER conferees on the part of the Senate.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 24 minutes p.m.) the Senate adjourned until tomorrow, Thursday, February 8, 1968, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate February 7, 1968:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Thomas O. Paine, of California, to be Deputy Administrator of the National Aeronautics and Space Administration.

EXTENSIONS OF REMARKS

U.S. Dilemma in Vietnam

HON. THRUSTON B. MORTON

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Wednesday, February 7, 1968

Mr. MORTON. Mr. President, not long ago Dr. James S. Brashear, of Central City, Ky., returned after 2 years' service in Vietnam. His impressions of that service, as related to Dr. M. David Orrahood, were contained in an article published in the Owensboro, Ky., Messenger and Inquirer of February 1, 1968.

I commend it to all Senators, and ask unanimous consent that it be printed in the Extensions of Remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MUHLENBERG DOCTOR SPEAKS ON U.S. DILEMMA ON VIETNAM

(By Dr. M. David Orrahood)

"The U.S. dilemma (in Vietnam) stems from a rice-growing peasant who make $1.00 a month in a country that has been at war for 20 years or more and who is thus fiercely indifferent to his plight."

So stated Dr. James S. Brashear, a Muhlenberg County physician who completed two years of active duty with the Army Medical Corps January 29.

Dr. Brashear, a captain in the Medical Corps, finished a year of duty in Vietnam in September, 1967. He finished his active duty at Ft. Campbell and has returned to Central City to resume general practice.

The physician said the U.S. government is confronted in South Vietnam with three main problems:

Unsolvable weakness in the central government in Saigon.

Tough guerrilla forces in rural areas.

Aggression and support of guerrilla forces from Hanoi.

The government weakness and the effect of the war extend into and disrupt all facets of civilian life in Vietnam.

For instance, a prostitute makes several times as much money as a college professor, physician, soldier or government official.

WON'T WORK ON WEEKENDS

"The Vietnamese lack personal pride and respect for life," explains Dr. Brashear. "The Viet Cong can severely beat a South Vietnamese Army unit on Friday noon, but come Saturday, they (the South Vietnamese) still take off for the weekend and do no work or fighting until Monday."

Dr. Brashear pointed out that the village chief, as the only arm of authority for the Saigon government, collects the taxes and pays his own expenses by taking a "cut", which could average as much as $700 a month, a veritable fortune there.

With this money, the chief buys loyalty for himself, the Saigon government and the U.S. government. And, according to the Muhlenberg physician, the more ruthless and corrupt a village chief the more effective he is.

"A virtual dictator," Dr. Brashear explained, "the chief is able to keep power so long as he is not killed by a rival, V.C., or what is worse, becomes so corrupt and so overbearing that he is rounded up by the Viet Cong and killed in the village square to the hand clapping of every peasant in the district."

INNOCENT SUFFER

The chief, if he is effective, keeps the Viet Cong population down by offering a bounty to informers—The going rate was reported as high as $150 per Viet Cong. The problem here was identifying the V.C. Thugs were known to take advantage of this situation and who was to say whether the people they killed were Viet Cong or not?

Most of Dr. Brashear's time in Vietnam was spent at the 12th Evacuation Hospital at Cu Chi district about 30 miles northwest of Saigon. Considered a model example of the U.S. pacification program, the area is designated militarily secure. Yet it was the site of a recent mortar attack that killed 20 people and wounded many others. The Viet Cong sustained no losses. Thus, despite two years of major effort, the U.S. and Saigon governments have not been able to say to the peasant: "You are safe to go about your daily affairs." It is the same situation in the rest of the country.

FRUSTRATION COMPOUNDED BY SNIPERS

Seeing comrades fall as a result of sniper fire or hidden land mines in relatively "secure" areas is another source of frustration to the military. This is especially true since it is impossible to tell the friendly villager from the deadly Viet Cong, and search operations are almost always fruitless.

Observing casualties taken in this manner day after day frustrates the military and disturbs the peasants. As a result, the population is extremely slow to rally to either Saigon or the U.S. cause.

Yet, concludes Dr. Brashear, "Our presence in Vietnam has made a Viet Cong victory impossible. They live and fight under unbelievable conditions. It is impossible to understand their motivation to continue the conflict."

MEDICAL CARE IMPROVING

Over 6,000 in-patients and countless outpatients were treated at the 12th Evacuation Hospital at Cu Chi in the ten month period Dr. Brashear served. Patients included American military, Vietnamese military and civilian and Viet Cong. Treatment was mainly limited to acute illnesses, the majority of which were injuries sustained as direct result of war.

Dr. Brashear said the surgical capabilities of the doctors serving with him were excellent, and that the service rendered by the helicopter pilot and crew in evacuating the wounded was "excellent beyond belief."

He recalled that the lives of three young men with heart injuries were saved while he was there. All three were in surgery within 15 minutes of being wounded. "These and many others would have died had their treatment been delayed even a few minutes longer," the physician stated.

SUPPLIES A PROBLEM

Dr. Brashear said supplies were always a problem, and that laboratory and X-ray facilities were very poor when the hospital started operation, but improved slowly as time went on.

The Central City physician was in the original group that reactivated and set up the 12th Evacuation Hospital at Cu Chi. The unit had not treated any war casualties since World War II.

When he left the unit in September of 1967, he said hospital facilities were still below what could be expected, but he emphasized that the situation was "undoubtedly better" than in any previous war.

South Dakota House Concurrent Resolution 3

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BERRY. Mr. Speaker, it is my privilege to call to the attention of my colleagues in this body, House Concurrent Resolution 3, passed by the South Dakota State Legislature.

The resolution memorializes Congress to authorize and appropriate funds for a feasibility study for construction of a pipeline from Lake Sharpe to transport water eastward to the Lower James Conservancy Subdistrict and adjacent areas.

I heartily endorse this resolution and its goal of developing the land and water resources in South Dakota.

The Bureau of Reclamation is now conducting a broad reconnaissance survey in eastern South Dakota to evaluate the land and water resources of the area. This will serve as a basis for seeking congressional authorization for a detailed feasibility study of piping water from Lake Sharpe eastward to enhance the future development of the natural resources in this area.

The resolution passed by the South Dakota Legislature is filed.

The resolution follows:

HOUSE CONCURRENT RESOLUTION 3

Concurrent resolution memorializing the Congress of the United States to provide sufficient funding for a study to be made of the possibility of the construction of a pipeline from Lake Sharpe, including construction costs involved, and a determination of the amount of all arable lands which may be served through the transportation of water to the Lower James Conservancy Sub-District and adjacent areas

Be it resolved by the House of Representatives of the State of South Dakota, the Senate concurring therein:

Whereas, one of the objectives of the Lower James Conservancy Sub-District is the complete development of the land and water resources within its boundary; and

Whereas, future development of the natural resources in the Sub-District will be dependent on the importation of water which may be used for irrigation purposes, to augment present inadequate municipal water supplies, to aid in the recharge of ground water, to furnish that which is needed for recreation, and to sustain fish and wildlife habitat; and

Whereas, there is considerable acreage of arable land within the Sub-District which are highly productive for agricultural purposes; and

Whereas, the stability of the economy within the Sub-District is dependent on its agricultural production which is subject to climatic influences and variable rainfall, thus contributing to its economic instability; and

Whereas, the need for supplemental water during the critical growing season has been amply demonstrated, particularly in years of short rainfall, at a time when one or more applications of water, through irrigation, would have meant the difference between a bumper crop and one of complete failure; and

Whereas, portions of the Conservancy Sub-District have received only a reconnaissance survey made by the Bureau of Reclamation prior to the preparation of Senate Document 191 which was included in the Flood Control Act of 1944; and

Whereas, even though the Bureau of Reclamation is making a river basin reconnaissance survey in eastern South Dakota, there is still need for a more complete study of the drainage areas covered by the Lower James Conservancy Sub-District and of that area lying between the Sub-District and the Missouri River by an appropriate federal agency to determine the areas of potential multi-purpose water use and development; and

Whereas, it is believed that a pipeline, if built eastward from Lake Sharpe on the Missouri River to serve the Conservancy Sub-District and adjacent areas, would minimize maintenance costs and evaporation losses in transporting water for delivery to a modern distribution system when designed and built to supply water for various purposes including municipal water supply, domestic and industrial use, recreation development, irrigation, incidental recharge of ground water, and other uses; and

Whereas, the cost and feasibility of constructing a pipeline such as envisioned for the transportation of water from the Missouri River to an area of potential use has not been determined; and

Whereas, the United States government, since its inception, has recognized its responsibility to encourage the economic development of the nation—one area of modern activity being found in the Reclamation Act of 1902 and subsequent legislation relating to the development and construction of multi-purpose water use projects; and

Whereas, the officers and directors of the Lower James Conservancy Sub-District recognize the inherent right and obligation of the people within the Sub-District, with or without the assistance of the United States government, to develop fully their water and land resources in accordance with sound basic principles of conservation development; and

Whereas, the problem of proper land use and water supply, quality, distribution, and reuse are of considerable importance to the arable areas that may be served by a properly planned water distribution system; and

Whereas, a sound water resources development program is dependent, in large measure on continued and coordinated investigation, planning, research, and construction programs by the several federal agencies concerned with water resource development; and

Whereas, the accomplishment of these programs calls for adequate appropriation by the Congress of the United States and the use of other funds from whatever sources available;

Now, therefore, be it resolved, by the Forty-third Session of the South Dakota Legislature, that it memorialize the Congress of the United States to provide sufficient funding for a study to be made of the possibility of construction of a pipeline from Lake Sharpe, including construction costs involved, and a determination of the amount of all arable lands which may be served through the transportation of water to the Lower James Conservancy Sub-District and adjacent areas; and

Be it further resolved, that copies of this resolution be transmitted to the Governor of the State of South Dakota, the members of the South Dakota Congressional delegation, the Secretary of the Department of Agriculture, the Secretary of the Department of the Interior, the Commissioner of the Bureau of Reclamation, and the Corps of Engineers.

Adopted by the House of Representatives January 17, 1968. Concurred in by the Senate January 16, 1968.

JAMES D. JELBERT,
Speaker of the House.
Attest:
PAUL INMAN,
Chief Clerk of the House.
LEM OVERPECK,
President of the Senate.
Attest:
NIELS P. JENSEN,
Secretary of the Senate.

Science Policy Confrontation

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. KARTH. Mr. Speaker, in the middle of January a highly important international meeting was held in Paris under the auspices of the Organization for Economic Cooperation and Development—OECD. As most Members know, this organization, consisting of representatives from all of the world's developed countries—21 of them—outside the Iron Curtain, is one of the most important and effective existing today. While its primary mission is the promotion of international economic well-being, much of its work necessarily deals with the utilization of technology toward that end.

The recent OECD meeting involved a confrontation of the U.S. delegation with respect to the application of technology to economic matters. It followed a long study by a team of OECD examiners, who spent weeks in the United States last year studying American science policy.

The chairman of the Committee on Science and Astronautics, the gentleman from California [Mr. MILLER], served as the congressional representative on the American delegation. His work there has been reported as of the highest order. Mr. Speaker, I include for the RECORD an editorial published in the February 2, 1968, issue of Science magazine, which deals with this matter:

SCIENCE POLICY CONFRONTATION

On 11 and 12 January, at the Paris headquarters of the Organization for Economic Cooperation and Development, the science policies of the United States were critically examined by the 20 other OECD countries. OECD science policy reviews have two purposes: to help the country being reviewed assess its own policies and to build up a useful body of knowledge concerning science policy for its member countries.

In preparation for the January confrontation, U.S. officials had to examine our own science policies and help the OECD secretariat prepare a descriptive account. Four external examiners then visited this country and prepared reports of their findings (*Science*, 12 January).

At the culminating confrontation, a team of American experts (Donald Hornig, Ivan Bennett, William Carey, Philip Handler, Congressman George Miller, Herman Pollack, and James A. Shannon) explained and defended American policies and discussed 20 issues on which they were quizzed by the four external examiners (H. G. B. Casimir, director of the Philips Research Laboratories; Théo Lefèvre, former Prime Minister of Belgium; Pierre Masse, chairman of the board of Electricité de France; and C. H. Waddington, professor in the Institute of Animal Genetics, Edinburgh) and other representatives of the OECD countries.

From the review the U.S. has gained the benefit of an objective and candid analysis of how its science policies look to a group of knowledgeable foreign critics. Much of what they had to say was complimentary. Some of it was envious. And some was fairly sharply critical. Disagreements, among the reviewers or between the reviewers and the U.S. representatives, provided points for fruitful discussion at the confrontation.

The role of science in governmental and economic affairs is basically much the same in all developed countries, but the forms of government of these countries differ and so do the details and the manner of development of their science policies. Much of the January discussion took shape from the fact that Europeans often do not appreciate the diversification of responsibility that exists in the U.S. and do not fully understand how Congress differs from the parliaments with which they are more familiar. Fellow delegates especially praised Congressman Miller's explanations of the way Congress works, and comments following the confrontation indicated that the American delegation had explained U.S. policies effectively and had cleared away some of the confusion and misinterpretation concerning these policies. *Le Figaro*, for example, quoted M. Lefevre as saying that the American policies were an example to Europe and not a threat (as was implied in the written report) unless Europe chose not to understand their meaning.

When OECD was still the Organization for European Economic Cooperation it used the confrontation technique as a powerful instrument for securing cooperation in the use of Marshall Plan funds in the postwar restoration of the European economy. The technique has since been used to exchange information and criticisms concerning policies and practices in scientific and technical education. The January confrontation was the eighth in a series of science policy reviews. It provided an influential group of policy makers with an intensive seminar on U.S. policies and on their interpretation by different examiners. The published records will be available to a wider audience. The policy reviews are one of the means OECD is using to help member countries understand each other and their interrelationships more clearly.

Youthful Gift of Perception

HON. BENJAMIN B. BLACKBURN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BLACKBURN. Mr. Speaker, it has been said that youth has wisdom and perception which far exceeds that of the older generation. At times, we allow our thoughts to become decadent and old. We fail to see things that are happening to us and our great Nation.

Recently, I received a letter from Miss Lynn Pope, a 16-year-old girl who has a gift of perception which exceeds that of persons three times her age. I believe that my colleagues and the American people should read this letter. I therefore insert the following letter into the RECORD:

DECATUR, GA.,
January 29, 1968.

DEAR CONGRESSMAN BLACKBURN: I just finished reading the Feb. 5 issue of *U.S. News and World Report*, and I found an article, "New Decisions on Prayer and Anarchy", quite disgusting. I always felt the United States would fall and now I know it will.

Years ago, when Pilgrims came to America, they thanked God for this wonderful and prosperous land. George Washington prayed to God for guidance so that he would lead the nation in the right way. Great men like Nathan Hale and John Paul Jones died for this country. Men fought for independence leading the way for other countries and they created and built a constitution which became a pattern for other constitutions. Men have built this country, stood for it, and died for it, and we are slowly tearing it down. This great country is truly God-given and we should be thankful for our rights as citizens in a great country, but we are not. We continue protesting and asking for more freedom and burning draft cards and flags, and we are destroying the nation men have lived and died to build.

Is Congress really going to take "In God we trust" off the U.S. money? Is the word "God" going to be taken from the pledge to the flag and out of school books and out of important U.S. addresses? Will the Lord's Prayer not be taught to my younger brothers and sisters as it was taught to me? Will people stop saying grace and praying for the boys in Vietnam? When will they ever realize that this nation was borne of God and will perish without Him?

As a teenager in the Mormon Church, I see this all as a big waste. The words "United States" has always represented to me, a great democracy where people have the right to say what they wish and worship how they want. How can we worship at all without being discriminated against when we say the name of God in public? How can we truly practice our American rights if a restriction is put on religion and prayer? How can we learn history in school without learning about the God who began this history? How can a nation exist without a God to help it? How can this God help us if we do not even recognize Him? Is the United States being ruled by the minority?

I read that the word "God" has been withdrawn from a popular kindergarten poem:

"We thank you for the flowers so sweet,
We thank you for the food we eat;
We thank you for the birds that sing;
We thank you God for everything"

Thank who? God is dead. We are killing Him and now there is no one left to thank. When God dies, the nation dies also. I would gladly give my life for my country because I love it, but I love my God more. Please, try to help me and millions of other people who feel the same way.

Sincerely,

LYNN POPE,
Gordon High School.

P.S. Thank you for reading this letter. I realize that it will take more than just a few letters to help change laws, but please, tell me if there is anything else I can do to help. I know that the people must be pleased, but God is more important than all the people put together. Thank you once again.

Legislation To Provide Flexible Interest Rates for Mortgages Insured by the Federal Housing Administration

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ST GERMAIN. Mr. Speaker, on Monday, February 5, I introduced legislation to provide flexible interest rates for mortgages insured by the Federal Housing Administration.

This action was predicated upon and stimulated by the glaring necessity to minimize high discounts and attract more mortgage money to FHA-VA loans.

A very pertinent article appeared in the February 6 edition of the Washington Post which I insert into the RECORD. As the article notes, private money to finance veteran mortgages "will dry up unless Congress removes the 6-percent interest limit on such loans."

I commend this article to the attention of all my colleagues that they may become more aware of the seriousness of this matter and will, I hope, consequently lend their support to my legislation:

[From the Washington (D.C.) Post, Feb. 6, 1968]

GI LOANS RATE RAISE ADVOCATED

A spokesman for home builders warned yesterday that private money to finance government backed mortgages for veterans will dry up unless Congress removes the 6 percent interest limit on such loans.

Lloyd E. Clarke, president of the National Association of Home Builders, also told a House veterans affairs subcommittee hearing that the $7,500 maximum mortgage that the government will guarantee should be raised to $10,000.

Lifting of the interest rate and the increased guarantee level were both recommended to President Johnson in a recent message to Congress on proposed veterans legislation.

CITES HIGHER MARKET

Clarke said the market rate for home mortgages is now about 7 percent, which has created a competitive disadvantage for government backed home loans for GI's.

"To continue the existing ceiling in the face of today's credit market will not only prevent many veterans from buying homes, it may also result in permanently disaffecting many leading institutions from the program," said Clarke.

Rep. Charles E. Bennett (D.-Fla.), also urged the subcommittee to act favorably on three bills he has introduced to liberalize a veterans, liability when he sells his home and the purchaser assumes the GI's Government-backed mortgage.

URGES GREATER EFFORT

Meanwhile, Rep. Wright Patman (D.-Tex.) told savings and loan representatives here that they would have to put forward a greater effort to win passage of the Federal Chartering Bill (H.R. 13718).

The bill would allow S & Ls and state-chartered mutual savings banks to apply for Federal charters under which they would enjoy broader investment and lending powers.

Patman told a conference of the U.S. Savings and Loan League that "your enemies—the American Bankers Association and its big bank members—are already at work . . . Under the ABA plan, the bill would never see the light of day."

Commercial banks have complained that entry of S & Ls into the consumer loan business, under Federal charters, would constitute unfair competition.

The World Looks at the United States

HON. PAGE BELCHER

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BELCHER. Mr. Speaker, I would like to call to the attention of my colleagues a very interesting commentary on our American way of life and its social and industrial significance in world society. It is in the form of a book review published in the January issue of Atlas, and asserts that America is the world's driving force. It attributes this not to material wealth, as those who would deprecate us are often wont to do, but to our philosophy and unique rapport between Government and industry.

What is most interesting to me is that the review is a translation from the Paris L'Express and the book being reviewed is bestseller in France: "Le Defi Americain"—"The American Challenge"—by editor Jean-Jacques Servan-Schreiber. The book is planned for spring publication here, and in the midst of the current pessimism as to our country's moral and social fiber, this reassurance from a foreign observer should be most welcome. I include the review, entitled "The World Looks at the United States of America: America's Amazing Power To Create," by Jean Fourastie, at this point in the RECORD:

THE WORLD LOOKS AT THE UNITED STATES OF AMERICA: AMERICA'S AMAZING POWER TO CREATE

(By Jean Fourastie, translated from L'Express, Paris)

(NOTE.—Although it sharply criticizes the French and praises the U.S. almost fulsomely, the book Le défi américain ["The American Challenge"], by editor Jean-Jacques Servan-Schreiber, hit the top of the French best-seller lists just days after publication. Atheneum plans early spring publication in the U.S. For the competitive European it could be a stirring call to action. For the concerned American battered by Vietnam and urban upheaval it may come as a startling morale booster. Below ATLAS prints a review by France's greatest economist, Jean Fourastie, from Servan-Schreiber's own magazine L'Express.)

I have just finished Jean-Jacques Servan-Schreiber's Le défi américain[1] ["The American Challenge"]. It reads like a novel, like one of those novels of adventure and history that ravish us when we are young and want action, which lead us to discover something about men and ourselves, which multiply tenfold our desire to live. In a word, it is a story, our story: what is happening to us while we think about other things and satisfy ourselves with other pastimes.

Raymond Aron recently observed that we are rapidly changing our image of the United States from that of a sleepy country, digesting old wealth, entangled in reactionary alliances, brought to a standstill by long-festering conflicts, on the verge of being overwhelmed and outclassed by the U.S.S.R. and China; to a new image, that of an awakening adolescent youth, master of an immense heritage, possessing above all a virile energy, instrument of a surprising future. But what is it really like? What are the consequences for us Frenchmen, for us Europeans who in the course of the last decade hoped to maintain or regain the front ranks of civilization?

Servan-Schreiber's book is, first of all, a documented report, secondly a judgment and a call to action. . . . To begin with, we learn from this book that Europe is regressing, not advancing. The great national projects (the computer plan, rockets, the atom) and the great European projects (the Concorde, Euratom) are not merely partial in character but too narrow in scope, and because they lack breadth they are doomed to instability instead of consistent progress. . . . Europe, which should devise "a unified policy of science and technique," is only lowering tariffs and increasing interest rates.

Yet, the large-scale actions which the Europeans do not undertake are possible: "The Americans are executing them." Furthermore, if we do not begin them in the next few years the Americans "will do so." Right now, "the Americans are landing in Europe," a terrain on which they can evolve advanced techniques while the Europeans still develop classical methods. . . . But then, "why them and not us?" Many Frenchmen, epitomizing our country and period, immediately answer: "because they are rich." One of the book's primary merits is that it proves something quite different. The Americans do not act like "capitalists," as our old Marxist formulae would have us believe; they act like "entrepreneurs," like innovators; they have the "power to create." The power to create does not come from money; on the contrary, money is a product of the power to create. It is not with their money, but "with ours" that the Americans are establishing themselves in Europe. What is the source of this creative power today? I refer the reader to the book. . . .

Today, "he is rich who knows how to invent and accomplish." Success is an enterprise, the power to create, is taken for granted by the man who knows the art of "organizing," that is, of establishing the material and human processes capable of transforming nature to meet the needs of mankind. This creative power, the basic generator of wealth, is nothing but "informed decision." The man capable of deciding takes command; this is the "seizure of power."

Servan-Schreiber bases his judgment on these facts. First, concerning the seriousness of the facts: it is probable that the few years separating us from 1975 will be decisive. If the gap between the United States and Europe which began appearing around 1962 is not stabilized, if the Europeans continue to let the Americans take the initiative in the "big operation," the two civilizations will begin to diverge not quantitatively but qualitatively. We will reach the point where information will be available to us long after it has become only trivia to them, and even worse, if we do get our hands on such material, it will be incomprehensible. . . .

Given this grave situation, Servan-Schreiber believes the problem is essentially "a political problem." He is right. The processes of ignorance, indifference and inertia which separate us from the Americans cannot be overcome by a small elite, by the initiative of a few corporation heads, not even by the entire employer class together with the French trade unions.

This can be demonstrated by examining education or "management." If the executive function, as we now say, is the key to the economic revolution, how are we to put an end to the low regard in which it is generally held in France? How can we restore the employer to his proper role? How to absolve him of the fundamental charge that he exploits his fellow man? There is only one way: through a genuine revolution in political thought.

The publisher-editor of *L'Express* then turns to a study of the French Left which I would consider severe if it were not balanced by his even harsher view of the Right. . . . Servan-Schreiber is justified in appealing to the Left. If it comes to hold power, it will have the job of renovation. Now its duty is to awaken an ignorant public opinion and a government which still believes in a Europe made up of Fatherlands.

What actually must be accomplished? First, a real Europe must be created, a Europe made of units capable of large-scale operations; a federated Europe, able to accept "a unified policy of science and technique." "This integration," states Servan-Schreiber accurately, "will be subject to the constraints of a total strategy on the part of the big American firms if Europe does not gain control of the process itself."

It is impossible for me in a brief review to give an adequate account of a book which poses such important questions. It is equally impossible to predict that the appeal it makes to the politicians first, and then to the nation as a whole, will be heard quickly enough to inspire the renovations that can spare us from subjugation. . . . More generally, we should ask ourselves what dominates all these factors of progress now exploding in the United States, in a revolution more brilliant than the previous revolutions of steam, electricity, and the atom? Organization of the firm? Yes, of course. "Cross-fertilization"? Certainly. The electronic and information industries? Computers? Yes! Yes! Education? Permanent training? Research? Of course.

But I believe there is a method that brings this all to life, that dominates the ferment of Western civilization, that distinguishes it from all other civilizations that have existed or exist on the face of the earth, that gives it its efficiency and guarantees its success: the experimental, scientific mentality. The "post-industrial" society should have a new name—"the scientific society." The condition of economic development is the acquisition of the experimental scientific spirit.

---

[1] Le Defi Americain by Jean-Jacques Servan-Schreiber Denoël: Paris.

Servan-Schreiber's book describes this new society and provides us with the means of understanding it and thereby taking action.

Labor News Conference

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BURKE of Massachusetts. Mr. Speaker, in a recent interview on the Mutual Broadcasting System, Andrew J. Biemiller, legislative director for the AFL-CIO and a former Member of this House, from Wisconsin, said that one of the biggest disappointments for the labor movement in the last session was severe curtailment of welfare programs—particularly aid to dependent children. Many of us agree. Possibly even more of us would agree with Mr. Biemiller that effective answers to the urban crisis—job creation, housing, education, civil rights, and all the rest—are major challenges that must be faced this year. Mr. Biemiller's views would, I think, be interesting and informative to all of us. Therefore, I include at this point in the RECORD the transcript of "Labor News Conference," as broadcast on the Mutual network, as follows:

LABOR NEWS CONFERENCE

Revival of the conservative coalition in the House of Representatives last year halted new progressive legislation and even forced some retreats in appropriations for existing programs.

That's the AFL-CIO appraisal of the first session of the 90th Congress, given to reporters by Andrew J. Biemiller, organized labor's chief lobbyist.

The AFL-CIO director of legislation, interviewed on Labor News Conference, broadcast Tuesday at 7:35 p.m. EST on the Mutual Radio Network, said labor was forced on the defensive in 1967, recalling that the biggest fights were to save existing programs rather than shape new ones.

Biemiller said that "in terms of the general welfare," the Social Security welfare amendments were "one of the biggest disappointments" for labor. "We think that they set back the welfare system of the country by about 100 years," he said. He took sharp issue with the cutback of funds for aid to dependent children, which, he said, means that the states will now decide "whether they are going to sterilize mothers or starve children."

Biemiller said that, despite official GOP claims to the contrary, there was a revival of the Southern Democrat-Republican coalition in the House. "The Senate has saved this Congress from being the real throwback that the House leadership of both the Southern Democrats and the Republicans would like it to be," he asserted, adding, "the Senate still has a working liberal majority."

Job creation in both urban and rural areas, a major attack on housing problems, stronger education programs and additional civil rights legislation will be areas of major Capitol Hill battles in the second session that opens January 15, Biemiller said.

The AFL-CIO "will be in there fighting to pass the soundest legislation that we can," he declared.

Biemiller was questioned by Kenneth Crawford, contributing editor and columnist for Newsweek magazine, and Neil MacNeil, chief congressional correspondent for Time magazine.

[Transcript of "Labor News Conference," Mutual Broadcasting System, Jan. 2, 1968]

THE 90TH CONGRESS, FIRST SESSION

Guest: Andrew J. Biemiller, Director, AFL-CIO Department of Legislation.

Panel: Neil MacNeil, chief congressional correspondent for Time magazine; Kenneth Crawford, contributing editor and columnist for Newsweek magazine.

Moderator: Frank Harden.

HARDEN. Labor News Conference. Welcome to another edition of Labor News Conference, a public affairs program brought to you by the AFL-CIO. Labor News Conference brings together leading AFL-CIO representatives and ranking members of the press. Today's guest is Andrew J. Biemiller, director of the AFL-CIO's Department of Legislation.

The first session of the 90th Congress—one of the longest sessions in recent years—adjourned a little over two weeks ago. Here to question Mr. Biemiller about how the AFL-CIO rates this session of Congress and what he sees as major issues in the second session, which convenes January 15, are Neil MacNeil, chief congressional correspondent for Time magazine, and Kenneth Crawford, contributing editor and columnist for Newsweek magazine. Your moderator, Frank Harden.

And now, Mr. Crawford, I believe you have the first question?

CRAWFORD. Mr. Biemiller, President Johnson seems to be of two minds about the first session of this Congress. He has criticized it for what it did not do, but at the same time, he has called it a medium-productive Congress. How do you view it?

BIEMILLER. I'd say, Mr. Crawford, that the President is a little more charitable in his estimate of the achievements of the first session of the 90th Congress than is the AFL-CIO.

In our opinion, the first session of the 90th Congress was primarily a defensive one in which the Administration and people like the AFL-CIO were attempting to defend the gains that were made during the 89th Congress.

This became particularly true in the continuing fight over appropriations. And, very frankly, I think that in that area, we lost ground.

MACNEIL. Mr. Biemiller, what, in labor's view, would be the biggest failure—what would you count as the biggest failure for labor in the session?

BIEMILLER. In terms of a rather narrow definition of labor's aims, we would have to say that the biggest failure was the fact that Congress took no action on the Situs Picketing Bill—the bill which would give the building trades union members equal picketing rights with industrial union members.

MACNEIL. What happened to 14(b)—the repeal of that section of the Taft-Hartley Law? Have you abandoned that?

BIEMILLER. No effort was made to push the repeal of 14(b) in this session of the Congress, because we knew, very frankly, that we didn't have the votes. There is no point in trotting out a bill that you know is foredoomed to failure—doomed before you start on it.

Now, I'd like, though, to say that in terms of the general welfare of the country, I think one of the biggest disappointments that the labor movement had was the welfare provisions of the Social Security legislation that passed.

We are very disturbed by those provisions.

We think that they set back the welfare system of this country by about 100 years. We certainly don't like the idea that we now have to, as President Meany put it, let the states make a decision as to whether they are going to sterilize mothers or starve children, as a result of the cutback of the funds for aid to dependent children.

MACNEIL. May I ask you a follow-up question on that? Again in terms of labor, what were the biggest successes for labor in the last Congress—the last session of Congress?

BIEMILLER. Well, I would say that there was great success on some matters that most people may not have recognized of importance.

For example, the passage of the sound Meat Inspection Bill. Now, for the first time, we are really going to inspect all meat in the United States. This was a sleeper in one sense It was a bill that most people didn't think had very much chance. All of a sudden, the bill got rolling and hurrah, we've got a good, sound bill.

A comparable thing that happened during the closing days of the Congress was the relatively good Poverty Bill that came out of this Congress. That, though, was the kind of victory that I was talking about when I said that it was a defensive Congress, because there was a stage of this Congress in which I frankly despaired of any Poverty Bill coming out—particularly from the House of Representatives.

But, we did manage to salvage a bill that is, if anything, better than the old law, and with a slightly higher appropriation.

CRAWFORD. Mr. Biemiller, overall, wouldn't you say that the difficulty—the principal difficulty with this Congress—was that the old programs were not fully funded? Is that true?

BIEMILLER. That is what I was getting at a few moments ago, when I said that in the appropriations field, we actually lost ground. The authorizations that we were so proud of that were passed in the 89th and previous Congresses never became fully funded.

You know, I think the American people forget that to win permanent possession of a law in the Congress of the United States, you have to win it 10 times. You have to win, first of all, in the substantive subcommittees and full committees in both Houses. Then you have to go through the same thing in the appropriations committees. Then you have to win in conference and on the floor. Then you have to get the bill signed.

I suppose it could best be explained as something like the trophies in some bowling tournaments or golf tournaments—you have to win the trophy 10 times to get permanent possession.

CRAWFORD. I think you are right that most people don't recognize that what is authorized is frequently not what is appropriated. You are apt to take the authorization figure and say that is what you have. But you don't have it until you get the appropriations.

MACNEIL. There are some Congressmen who vote for all authorizations and against all appropriations.

Mr. Biemiller, let me follow this up a little. You mentioned the Meat Inspection Bill. It seems to me that a great deal of consumer-oriented legislation was passed this year, and that this was a new phase in the Congressional attitude toward things. For example, the Fabrics Bill—the Flammable Fabrics Bill—interest rates, and so on.

BIEMILLER. On interest rates, we've still got trouble.

MACNEIL. It's not finished, but it is a long way along the road. I am just wondering if you think there is a new attitude on Capitol Hill toward the consumer?

BIEMILLER. Yes, I think that is a fair statement, Mr. MacNeil. I think there is a growing attitude that we had better pay some attention to consumer problems.

This is one of the reasons why President Johnson is reasonably generous in his assessment of this Congress. He is proud of the fact that it became consumer-oriented in many ways.

However, I will be completely convinced that it is a good consumer-oriented Congress when I see final action on the Truth-in-Lending Bill.

You are aware, I am sure, Mr. MacNeil, that is the bill that former Senator Paul H. Douglas (D-Ill.) started many years ago. It's a very simple little bill.

All it says is that those people who have dealings with the public—dealings that involve interest rates—must give the public the full, true annual interest rates they are paying.

Now, this year, the Senate did pass a rather good bill. But, it has been hung up in the House—in the House committee. In the Senate, too, for that matter. We found that the committees knocked out coverage of department stores revolving accounts. This happens to be, in our opinion, the key to the whole matter, because this is where all of the difficulties show up. I have found, time after time, in asking my friends who have revolving accounts at department stores, "Do you know what interest rate you are paying?" that they say, "Yes, we are paying one-half of one percent, a very reasonable rate." I ask, "Do you realize that is one-half of one percent per month, and, that in many cases, it is one-and-one-half percent?"

That is what it usually is, in fact. The one-half percent rate is a very rare thing: that would come out to a six percent annual rate. The one-and-one-half percent rate comes out to 18 percent per year. That is the thing we would like people to understand—that they are being charged that kind of interest.

Crawford. Mr. Biemiller, you spoke of your apprehensions about getting any Poverty Bill through the House. The House has been the sticky point here. How do you account for that? Why is it, in these days, that the Senate seems so much more liberal than the House?

Biemiller. Well, two days after the election in 1966, I sat down with AFL–CIO President George Meany and Al Barkan, the head of our Committee on Political Education. We counted the House that had just been elected. We came to the conclusion that we had a net loss of 41 liberal Congressmen. And that, in the boldest terms I can put it, is what's wrong with the House of Representatives today.

The 89th Congress had an actual working majority of good, sound, liberal Congressmen. That has been cut way down—it is down to about 185 now—about 185 people whom we feel we can count on in the House of Representatives.

And, I'm not talking about only labor issues. I mean broad social issues as well. Each time, you have to reach out and pick up a considerable number to get the 218 it takes for a majority. This is exactly what the problem was on the Poverty Bill.

Crawford. Well, in other words, the old Southern Democrat-Republican coalition has been reconstituted in the new House of Representatives. Right?

Biemiller. That is precisely what I said in the statement I made in the AFL–CIO News a few weeks ago.

MacNeil. Mr. Biemiller, do you really believe that—that this is the old, working conservative coalition? The House Republican Leader, Congressman Gerald R. Ford, Jr., (Mich.) has specifically alienated his party from the Southerners. The thing that strikes me—for example, on the Poverty Bill—is that the real reason for the success there for the Administration was the breakdown of any real coalition. They were stumbling—they were fumbling—they made a terrible mess of it. As a result, the bill came through.

Biemiller. They made a terrible mess of it, because the Republicans in charge of that bill insulted the Southerners on the opening day and they became very angry. I think that far from proving my thesis incorrect, it proves it correct, because this is the one outstanding example of where the Southerners did stick with the Administration in considerable numbers. As a result, the coalition couldn't cut the Poverty Program way down.

MacNeil. The point I am trying to get to, Mr. Biemiller, is that the Southerners in the House no longer have a real leader. Judge Smith (former Congressman Howard W. Smith, D-Va.) is gone, and there is no man who has the tactical and parliamentary skill that he had—nor the prestige. I just wonder if that played a major role in various successes? The Poverty bill is one, and the Education Bill is another.

Biemiller. I am quite willing to admit that the disappearance of Judge Smith from the House of Representatives has weakened the Southern bloc—there isn't any doubt of that. Judge Smith was, without any question, one of the ablest legislators of our time. I don't mean to infer that I wish he were back. I'm delighted he is no longer there as an opponent.

But, on the other hand, when you start talking, for example, about the Education Bill, we think there was some retrogression there this year. And, it was largely a result of the Southerners being unwilling to go along with the original bill, which gave more power to the Office of Education than the bill which just passed the House.

MacNeil. It was a remarkable bill, in terms of the loss of your liberal Congressmen in the '66 elections, wasn't it?

Biemiller. But, it was saved in large part by the Senate. I would go one step further—it was saved in large part by Senator Wayne Morse (D-Ore.), who handled that bill very skillfully. He did an excellent job on it.

Crawford. Mr. MacNeil, I wonder if the difference between the coalition now and the old coalition is that it now isn't a conscious working relationship—rather it is that "Ike and Mike think alike"—and when you come to voting, they vote alike?

MacNeil. I see another difference, and I'm going to ask Mr. Biemiller about it. That is, it seems to me that the Republican leaders in the House—traditionally a very conservative group—have changed their strategy on bills. For example, in the education fight, they sort of gave up the question of whether or not the federal government should be involved, did they not? They are really fighting over how it should be involved. They are trying to put the programs onto the state level, which, I think, is the thing you are complaining about, isn't it?

Biemiller. Well, I think this is partially true, yes. Melvin Laird, for example, the Chairman of the Republican Conference—Congressman Melvin R. Laird from Wisconsin—is trying his level best to send federal revenue back to the states without any strings, or with very few strings, on the money. The argument has been that the states can do it better.

Well, this plays right into the hands of the Southern bloc, after all. The Minority Leader, Jerry Ford, can talk all he wants to about not wanting to have a coalition, but I would agree with Mr. Crawford—as a practical matter, there is a coalition.

As evidence of that, I would suggest that you take a look at the roll call on the first session, which the AFL–CIO has gotten out. I'll be glad, by the way, to send a copy of that to anybody who wants it, if they will write the AFL–CIO. You will find that on the key votes, particularly on appropriation matters, the Southerners and the Republicans are voting almost solidly together.

And that's where the trouble has been—cutting appropriations. Rent supplements, for example, is one illustration. Originally, the House wouldn't vote a penny. Well, the Senate came back with the $40 million which the President had requested, and it finally wound up around $15 million.

Now, that is the result of the jockeying.

The Senate has saved this Congress from being the real throwback that the House leadership of both the Southern Democrats and the Republicans would like it to be. The Senate still has a working liberal majority.

MacNeil. May I turn to the other side of appropriations, which is taxes, and get your judgment on just where that stands at this point?

Biemiller. I still have grave doubts that the House Ways and Means Committee is going to act. The AFL–CIO, at its recent convention, again urged the Congress to pass a surtax bill. We have some ideas on how we think the President's bill ought to be rewritten, in part. But, we do believe that it is very important to pass a surtax bill.

MacNeil. Isn't there a paradox here? This Congress—particularly the House—has been voting for the appropriations they have approved, while complaining about the size of the deficit, and because of that, partially, are refusing to increase taxes until they get the President, of all people, to cut the appropriations still further. Do you agree?

Biemiller. I think that is correct. I found it a great paradox. But, this happens to be the attitude which the Chairman of the Ways and Means Committee, Congressman Wilbur D. Mills (D.) of Arkansas, has adopted. And, I don't know a more powerful person in the House of Representatives than the Chairman of the Ways and Means Committee.

MacNeil. May I ask you for a political judgment here? What would be the price the President would have to pay, if he met the conditions that the conservatives in the House are demanding—the price for his tax bill, in cutting appropriations?

Presumably, they would come in the domestic area.

Biemiller. Well, about a $4 billion cut has now been made, as a result of actions by the Congress acceded to by the Administration. Another couple of billion dollars were shaved off some of the original estimates.

I think that what the conservatives in the House want is to double that—to get the cuts up to around a $10 billion figure, instead of this $4 to $6 billion figure that seems to have been reached.

Furthermore, I think they want some kind of a promise that in future budgets, there will be curtailment. I think that too many people read just the first two paragraphs of Mr. Mills' statement. In the third and fourth paragraphs he went on to say that he also wants some assurance that the constant expansion of government programs will come to a halt.

MacNeil. If the President paid this price to get his tax bill, wouldn't this cost him enormously in his own effort toward reelection—and the efforts of his fellow Democrats—the liberal Democrats you are so anxious to get back?

Biemiller. That is certainly our view. This is what we have been advising the Administration all year long. We were delighted when the President took out, at our convention, on the Republican leadership and most of the Republican members of the Congress. A handful of Republicans, we think, have been voting in the peoples' interests. But, the great bulk of them haven't.

Crawford. I take it, Mr. Biemiller, that the AFL–CIO has just about the same view as the President—that the failure to get a surtax was one of the great failures of this Congress?

Biemiller. Yes, indeed we think it was.

We think, for example, that just one area in which the surtax is important, is in keeping down interest rates. We are very disturbed by the constant upping of interest rates in the country. We think there is a direct relationship here.

Furthermore, we would agree with the point that Mr. MacNeil made a moment ago, that if you're as serious as we are about funding the great social programs, they have to be paid for. We recognize that. We have always said it.

And, our third point, not to be overlooked, is that this is the only war in history in which there hasn't been a special tax levied to prosecute that war. We feel very strongly that there ought to be a special tax to prosecute the war.

Crawford. This is also the only war in which you have not had wage and price controls, which I take it, you are not in sympathy with?

Mr. Biemiller. We have said repeatedly that if the President believes that controls are needed, we will back him in a program that would put controls across-the-board—not only wages and prices, but also corporate salaries, interest rates and all the other phases of our economy.

If he comes up with a program that has true equality of sacrifice, we will back him.

MacNeil. Mr. Biemiller, just what do you see as the major issues of the next session and what is the outlook for those fights?

Biemiller. Well, I think that the next session of Congress has to face, very seriously, the urban crisis.

It has to face, first of all, the creation of jobs. There is still a hard core of unemployed in our urban areas—and in our rural areas, as well—for whom jobs are not available. We strongly favor the effort that has been made by Congressman James G. O'Hara (D.) of Michigan, and some 70 or so other members of the House—which was picked up in part by Senator Joseph L. Clark (D-Pa.) and others in the Senate—to try to get job creation by the federal government for these people who are otherwise unemployable in the various services.

Secondly, we think there has to be a very serious attack made on housing. We would like to see a program of 2½ million units a year, including at least 300,000 units of public housing a year for the next two years, and 500,000 a year after that, for another five years.

We think that until this attack is made, we are going to have trouble in our cities.

MacNeil. What about civil rights?

Biemiller. I'm coming to that.

Now, it also means that in the urban crisis, you've got to strengthen the education programs—the vocational education system needs further strengthening.

In civil rights, President Meany has testified for the full Housing Bill, and for the right of protection of person for anyone trying to exercise his civil rights. The Senate will start on that latter bill as soon as it gets back and we expect to see a real civil rights fight start in the Senate of the United States. We'll be in there fighting to pass the soundest legislation that we can.

Crawford. But, realistically, Mr. Biemiller, you wouldn't expect very much more of the second session of this Congress than you got out of the first?

Biemiller. In the Senate, you can't get anything more, as long as Senator Everett M. Dirksen (R-Ill.) takes his intransigent attitude. With the Minority Leader saying he will not help break a filibuster, it's almost impossible to break one in the Senate.

But, I am delighted that the Majority Leader, Senator Mike Mansfield (D-Mont.) is bringing the bill up. We will find out who is who on the question of civil rights in the Senate of the United States.

MacNeil. Mr. Biemiller, I'd like to ask you another question on election possibilities—the kind of men you would like in Congress. What is the effect of Senator Eugene McCarthy's (D-Minn.) campaign for the presidency? Isn't this hurting the Northern liberals?

Biemiller. Well, I am told by many of the members of the Congress that they do not welcome the McCarthy campaign, particularly in those states where he will be involved in primaries. It is going to cause trouble for some of them, without any question.

Crawford. It's conceivable that it will lead to the defeat of six or seven Senators, is it not?

Biemiller. It could, although I have a strong feeling that the country will rally more and more during the coming months behind the Johnson program and behind the Senators who have supported the Johnson program—particularly the domestic aspects of it.

MacNeil. Is the war the big issue, or is it the domestic scene?

Biemiller. I think the domestic side is going to emerge as a bigger issue than the war.

Now, on the war, you know our position—we are behind Johnson all the way. We are not flinching on it.

But, we have a strong feeling that the domestic issues are going to get a tremendous amount of attention during the second session of this Congress.

Harden. Thank you, gentlemen. Today's Labor News Conference guest was Andrew J. Biemiller, director fo the AFL-CIO's Department of Legislation. Representing the press were Kenneth Crawford, contributing editor and columnist for Newsweek magazine, and Neil MacNeil, chief congressional correspondent for Time magazine. This is your moderator, Frank Harden, inviting you to listen again next week. Labor News Conference is a public affairs production of the AFL-CIO, produced in cooperation with the Mutual Radio Network.

Federal Labor-Management Relations

HON. ROBERT V. DENNEY

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. DENNEY. Mr. Speaker, today I am introducing legislation designed to give the benefit of law to a long-established administrative practice. Under Executive Order No. 10988 issued on January 17, 1962, postal unions and the unions of other Federal employees were recognized. However, as my colleagues know, continued recognition is subject to the whim of the President unless sanctified by statute.

Mr. Speaker, since taking office in January of 1967, several cases involving Federal employees have been called to my attention. In some of these cases, serious doubts were raised in my mind as to whether the individuals involved had received a fair and equitable adjudication of their rights and grievances. Take for example the Post Office Department. Under existing procedures, they act as prosecutor, judge, jury, and executioner. Although additional relief can be secured through the Civil Service Commission, it also is an arm of the executive branch. As a former trial attorney, my sense of fairness is offended by such a system designed to handle employer and employee grievances.

My bill, H.R. 15185, is entitled the "Federal Employee Labor-Management Act of 1968." Many times I have heard some of my colleagues state that the Federal Government should be a model for the rest of the country in the field of labor-management relations. But, in practice, it has been the private sector who has been the leader in the areas of wages, working conditions, and labor-management relations. The time has come for us to recognize that fact and to put Federal Government labor policies into the 20th century.

H.R. 15185 would set up an orderly procedure under the Department of Labor to handle grievances between management and employees. In addition, it would set up penalties that would make it necessary for management to carry out its side of the bargain also.

Many people feel that such an approach would encourage Federal employees to strike. This bill has nothing to do with the right to strike but merely allows union officers to present grievances on behalf of their members without restraint or reprisal and sets up an orderly procedure for so doing.

Mr. Speaker, it would be my hope that this legislation could be considered by the appropriate committee as soon as possible. It is time to make a long-given promise a reality.

Guns, Butter, and Whipped Cream, Too

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. MICHEL. Mr. Speaker, in the early days of this current session, it seems to me that the word "priorities" has appeared in a great deal of the writing and conversation regarding the expenditure of Federal funds.

Unfortunately, talking about establishing priorities and actually doing so are two different things and I have seen no real interest or inclination on the part of the administration to impose a meaningful and realistic schedule of priorities in assigning funds for the various departments and agencies of Government for fiscal year 1969.

This whole question of ever-increasing Federal budgets resulting from approval of a never-ending series of programs by the Congress is a problem which I know has troubled a good many of my colleagues—and especially those of us who have opposed some of these programs on the basis that while they may be desirable, they are not vitally necessary and could be set aside until our fiscal picture is a bit more clear than it is at present.

Along those lines, a column by Mr. Jenkin Lloyd Jones appeared in the Washington Evening Star, Saturday, February 3, 1968, and I include that article at this point in my remarks:

GUNS, BUTTER, WHIPPED CREAM, TOO

If most of us keep insisting on getting what we want regardless of the consequences, we're all going to get it—in the neck. We can wreck this broad, beautiful and rich country. We have all made a pretty good start at it.

The dollar is in trouble. Washington is at last alarmed at the draining away of our gold reserves. The President has urged Congress to pass legislation that would discourage travel outside the Western Hemisphere, dry up further foreign investments by American corporations and make the profits of subsidiaries abroad immediately taxable. These measures would help—a little.

But almost simultaneously, Vice President Humphrey was making a speech to African nations in Addis Ababa, excoriating American "isolationists" who are trying to cut back foreign aid. Was he saying that private spending abroad is evil and government spending holy? There seems to be a bit of confusion.

Dealers in international currencies—the so-called "gnomes of Zurich"—are cashing dollars for gold for a simple reason. They do not see how the dollar can maintain its value in the face of perpetual annual deficits of staggering proportions. No point in shaking our fists at them. These men are simply realists. They regard the dollar with no more sentiment than they regard the pound, the krone or the yen. They merely abhor baloney money.

Nor does it do to blame the Vietnamese war, colossal as its cost is. America has the resources to conduct a major war and still produce a vast amount of butter. But America cannot produce guns, butter and unprecedented quantities of whipped cream and caviar, too. That is what we are attempting. Our system of priorities has broken down.

Mike Wright, chairman of the board of the Humble Oil and Refining Co., has remarked that the essential difference between business spending and government spending is this: business surveys its resources and then considers "needs"; and only incidentally considers resources.

Business is disciplined. It can't print money. So when outgo begins exceeding income it has to do something. But government can print money. It can sustain deficits for a long time by simply creating its own credit.

Yet both can go broke, and for the same reason: loss of confidence. When business can no longer float loans to make up deficits it goes under. And when the people lose confidence in the currency and bid tangibles up to fantastic prices, you have runaway inflation. Who wins?

Insurance policies, annuities and pensions are paid off in worthless bills. Labor cannot get wage increases as fast as wages depreciate. Government bonds on which the banks depend for their stability join the "securities" of the late Confederacy. Business and agriculture creep along on a barter basis. The economy is ruined.

I was talking recently to a congressman. "Every time I vote against new programs that I know we can't afford," he says, "my opponents shout for joy. 'He's against the poor,' they say. 'He doesn't want you to have good roads. He'd cost local industry contracts and union members jobs.' I like being a congressman. I ask myself if bucking the trend is worth it."

Of course it's worth it. If it's worth putting on your country's uniform and taking your chances in a foreign war, it's worth trying to preserve your country from its own folly.

But it's going to be hard to expect integrity from our lawmakers if we, the people, punish them for it.

We're all guilty. Business loves those government orders and bucks the higher taxes. Labor likes to convince itself that ever-higher wages will mean prosperity for all, regardless of productivity. Farmers dream of riskless agriculture. Many college professors are fascinated with government grants that often relieve them of the irksome business of teaching students and support them in pleasant, if sometimes frivolous, research programs.

Of course the gigantic bureaucracy feeds upon itself. It sees "unmet needs" everywhere. And bigger programs mean larger staffs, faster promotion and higher pay grades.

Let us not point accusing fingers at New Deals. New Frontiers and Great Societies. The immoral business of charging today's apple pie to our unborn grandchildren would not exist without our connivance.

We better begin to have the intelligence to support men in public office who will have the courage to say: "Nope! You can't have it—not all of it, not right now. And you can't put it on the cuff."

Otherwise, we'll all go over the falls.

Tired of Excuses About Vietnam

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BERRY. Mr. Speaker, I received a letter from a young man in my district this week which I felt made more sense to me than anything I have heard from State Department spokesmen and administration leaders. I thought it should be read by every Member.

His letter follows:

> Please forgive me if I sound mad. The truth is I am.
>
> I'm tired of the same excuses about Vietnam. I'm tired of seeing our men killed all over the world. They are the best fighting men in the world but if we tie one hand behind them and furnish the weapons to our enemies to kill them, we are going to lose to the Communists not only in Vietnam but in our own wonderful country.
>
> I think it's time to let our military men win just as soon as we can and stop worrying about how many civilians we will kill and worry about how many Americans we will save.
>
> I fought in Korea with the 5th Marines so I know what those men are going through.

Public Relations in the Jungle

HON. JAMES R. GROVER, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. GROVER. Mr. Speaker, those of you who have grown weary of the overworked epithet "Ugly American" will share the pleasure I experienced in recognizing the antithesis of the prototype commonly identified thus, during my recent field inspection of the feasibility studies for a sea-level canal. In the steaming jungles of Panama and Colombia, Col. Alex Sutton, Jr., C.E. field director of the Atlantic-Pacific Interoceanic Canal Study Commission, has demonstrated ingenuity, leadership, and down-to-earth diplomacy, which is, I am sure, more typical of our Government representatives overseas than the fictional character which, unfortunately has become a national byword.

A team surveying in a foreign country with the known objective of ultimately building a sea-level canal, possibly with nuclear power is, obviously, a target for suspicion and hostility. The respect and affection shown to Colonel Sutton and his men at every point we visited has been earned by steadfast employment of patience, consideration and sound judgment. Because of the goodwill that has been established, and the professional competence of the team, the technical accomplishments are impressive.

The inspection trip started at Albrook Air Force Base in the Canal Zone. Accompanied by fellow Congressmen JOHN MURPHY, HENRY C. SCHADEBERG, Brig. Gen. Charles C. Noble, Engineering Agent, Office of the Chief of Engineers, Mr. John P. Sheffey, executive director of the Canal Study Commission, Colonel Sutton and others, we flew in two U.S. Army Huey helicopters down the rugged coastline of Panama to our first stop at Curiche in North Colombia. Curiche, a beach located on the edge of the jungle, is the site of the principal camp on Route 25, and the port for supplies and personnel brought from the Canal Zone by landing craft. From this base, which now has many of the trappings of civilization, dozens of engineers, geologists, drillers, and technicians go back and forth to jungle outposts. Most of the activity in the camp centers at present on preparations for the geological drilling program.

Leaving the camp, we flew up to the weather station at Alto Curiche which is on a hill overlooking the beach. Here ESSA—Environmental Science Services Administration—is conducting meteorological studies. Every 6 hours, rain or shine, a weather balloon is released and tracked to a height of 60,000 or 70,000 feet and up to a hundred miles out. From this data, predictions will be made of fallout patterns from nuclear excavation.

From Alto Curiche we traveled over the mountainous jungle of the Continental Divide to Camp Teresita which lies inland just 15 minutes flying time from the weather station. Enroute we flew over the drilling site of Quiparado. From the air we could see that the site will work here for weeks at a time, completely dependent on helicopters for supplies. They will drill the first of many NX holes to a depth of about 1,300 feet to verify subsurface geology.

After landing at Camp Teresita, an auxiliary base camp and landing strip located on the Truando River, we inspected the camp and had lunch. We were impressed by this oasis of civilization which had been constructed in the depths of the Colombian jungles.

From Teresita we embarked for Loma Teguerre Weather Station located at the Atlantic end of Route 25. En route the thick jungle below gradually gave way to flat swampland which characterizes the Atrato River Delta. Here the marshes stretch for miles with the Atrato, which appears to be as wide as the Mississippi River, meandering through on its way to the Atlantic Ocean.

In the distance, rising out of the flat lowlands we could see the Atlantic meteorological station for Route 25. Here in the midst of hundreds of square miles of swampland is the Loma Teguerre Weather Station, located on a small hill.

Following a briefing by Colonel Sutton we boarded two fast fiberglass boats for a short trip up the Atrato to a hydrology metering station. Near the station a scientific party was gaging the Atrato River to determine water runoff data. This seemed to be quite an undertaking considering the size of the river which rules out the use of a cable car.

The trip continued from the metering station to the floating camp located at Sautata. This camp is a surplus Navy barge which has been converted into a barracks with kitchen and other necessary facilities. It is anchored to the shoreline of a Hacienda Sautata, a privately owned cattle ranch.

This was the end of the official tour, but Colonel Sutton felt it was important that the party make a courtesy call on the cattle ranch, Senor Mercedes de Yamhure, who, he told us, has always been most helpful to the studies. Doña Mercedes, a dignified middle-aged lady of Puerto Rican descent lives at the Hacienda Sautata attempting to manage the ranch in order to provide an estate for her children.

The ranch had once been a sugar plantation run by emigrant Puerto

Ricans, and a narrow gage railroad had been built from the hacienda to the river to transport the cane to a sugar mill which was located on the banks of the Atrato where the floating camp is now located. We rode this railroad up to the hacienda, but the flatcars were not pulled by a locomotive. Instead we used genuine horsepower—one mule and one horse.

Upon arriving at the hacienda, Doña Mercedes greeted Colonel Sutton with an "Abrazo" crying, "Alex, my son. Where have you been so long?"

After we had entered the house, Doña Mercedes told us how Colonel Sutton had come to her house as a stranger in 1965, requesting her support for the survey work in that area. She made available the only airfield in the area and has permitted a floating camp to be tied in her front yard. It was obvious that her regard for Colonel Sutton was high and that her sentiments were strong in favor of the United States.

The cooperation Colonel Sutton had received from the Yamhure family was just one example of his people-to-people program which has assisted him in carrying out his work. Following a policy of explaining the purpose and objectives of his project to key persons in remote villages, he has offset most of the opposition and resentment he has encountered.

In Turbo, a small town near the mouth of the Atrato River, initial courtesy calls made on officials assisted reconnaissance parties by insuring their freedom of movement in and out of the area. The frequent rotation of mayors, and customs officials have caused problems from time to time, but most of these situations have been anticipated and have been counteracted by simple gestures such as taking a group of local VIP's up the river to show them the latest developments in the survey. This type of consideration inevitably led to better understanding and improved relations.

While surveying Route 17 in the Darien, Indians presented many problems which had to be resolved before progress could be made. There are actually two types of Indians in this area: the San Blas, who inhabit the islands on the Atlantic terminus of Route 17 and the interior Cuna Indians.

The San Blas have become reconciled to missionaries, educators, and occasional visitors; however, they still do not wish to have their way of life disturbed, and were alarmed when they first heard of the impending studies.

The interior Cuna Indians live in the most remote and isolated regions of the Darien jungles and, to this day, resent and actively resist the encroachment of any outsider on their area. In the past, their reaction to the visit of a stranger has often been to lead him to the edge of their "reservations" and turn him loose in the jungle on his own.

When the survey team first arrived in this area they encountered just such an attitude. In the village of Morti, they were informed that the permission they had received from the Panamanian Government was worthless and that the land there belong to the Indians. All kinds of conflicting monetary demands were made of them, and obstacles were put in their way. However, the initial meeting was terminated with the minimum of ill will because of the determination of Colonel Sutton to recognize and respect, insofar as possible, the customs and wishes of the Indians, up to and including cheerfully drinking fermented corn "chica" with the chief.

A major breakthrough was made when the chief of the village of Uala was persuaded to come to Colonel Sutton's office for a briefing on the overall studies. The chief had been told that the Yankees were coming into the area with nuclear bombs, would not ask permission from anyone, but would blast a canal which would displace and cause damage to the Indians. Hence this overt discussion of the proposed program helped greatly to reassure him, and he in turn reassured the others.

Because the chief of Uala had gained confidence in Colonel Sutton, he looked to the colonel for assistance when his village was swept with an epidemic of measles. Shortly thereafter he sent word to Colonel Sutton that 20 people had died and asked if he could send medical assistance.

Colonel Sutton contacted the Panamanian Minister of Public Health, Sr. Abraham Pretto, who is also the Darien representative to the Panamanian National Assembly. Sr. Pretto said that he could provide doctors but had no way of getting them into the area. With the cooperation of both U.S. Forces Southern Command and the Air Force, Colonel Sutton managed to get a medical team down to take care of the suffering Indians. More than 100 people were treated at that time, and it was later discovered that this was the first time that a doctor had ever visited that village.

Later, when measles broke out in another village, Colonel Sutton took a medical team down once more. This time he also heard of a man in the area being bitten by a fer-de-lance. Treating him with antivenom serum, Colonel Sutton took a calculated risk and had the dying man evacuated to La Palma Hospital where he could receive proper care. Fortunately, the Indian recovered, and members of the sea-level canal survey team found that they had gained a modicum of popularity in the jungle.

The good will engendered by these rescue missions was solidified by reaching a clear understanding and agreement with the Indians which would provide for fair and just treatment. The signed agreement stated that the OICS would:

First. Respect and not interfere with the civilization, customs, and people of the Indian villages.

Second. Respect and leave alone the animals, birds, and plants which the Indians considered essential to their existence.

Third. Hire Indian men for all general and unskilled labor required in the area.

Fourth. Promptly pay for any actual damage done during the course of the studies to property of the Indians.

Fifth. Respect the authority of the Indian chief in all relations with the tribe.

Colonel Sutton has found that the most effective method of winning the confidence of the Indians has been by attending innumerable council meetings or pow-wows, listening patiently to the complaints and fears of members of the tribe, and attempting to allay those fears by explaining time and time again what would take place under the studies, and assuring them that their rights would be respected.

During the course of these council meetings, Colonel Sutton often finds himself countering the allegations of professionally trained agitators, who are even found in remote Indian villages.

As well as overcoming difficulties with the natives, the party initially faced many technical and logistical problems which were compounded by the remoteness of the area and the environment.

Transportation of the heavy equipment needed was hampered by the fact that there were no roads, or ports, or adequate landing fields, and no landing craft which could discharge cargo on the beaches or go up rivers at high tide. Aircraft, particularly helicopters, were, and still are, in extremely short supply because of the situation in Vietnam.

Movement to and within the routes involved cayucos, foot trail, cutting through virgin jungle, and using what helicopters and light aircraft were available.

Beaches, cleared jungle strips, or paths hacked out of the jungle were used as landing fields.

All materials, food, and skilled labor had to be brought from the Canal Zone.

The climate proved to be another obstacle. For 9 months of each year, torrential rains hampered the work and made aerial resupply difficult. A flexible attitude had to be maintained to keep the work moving and personnel supplied.

I am told that on Route 17, in the Darien region of Panama, the technical programs are near completion. Topographic surveys have been carried out along the proposed alinement to verify map distances and elevations. To determine the effect of existing drainage systems discharging into a sea-level canal, 15 rainfall and combination rain and hydrology stations were established as well as two tide-gage stations, one at each end of the proposed route.

Extensive surface geologic mapping was carried out over the entire area, and approximately 11,000 feet of subsurface geological exploration, entailing 20 drill holes, was completed.

To collect data on human disease vectors and reservoirs of diseases, and venomous and otherwise harmful animals, insects, and plant life, representative specimens were collected by the medicoecology teams at several areas along Route 17. This material has been submitted to the Gorgas Memorial Laboratory in Panama for cataloging and processing.

The scientific and engineering data which has now been obtained should provide the basis for an engineering study to determine the feasibility of this route.

Similar work is still underway in Colombia. However, Colonel Sutton advises me that an increase in funding is highly desirable to insure a similarly valid study

of this area. We should take advantage of our opportunity to complete the Colombian surveys, using people now on the job. The field work in Colombia should extend until June 1969. I am told that the Commission needs until December 1970 to complete its final report and that an amendment to the study legislation is to be submitted for the additional time and money required. In my opinion, this amendment should be provided so that the Congress gets the full picture of the canal options which are available.

Silver Anniversary of the Women Marines

HON. PETER H. B. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. FRELINGHUYSEN. Mr. Speaker, on Tuesday, February 13, the Women Marines will observe the 25th anniversary of their founding. Although relatively few in number—their strength currently stands at 2,700—the Women Marines will observe their silver anniversary against a proud background of patriotism and esprit de corps.

This observance, Mr. Speaker, carries a special significance for me since it is my good fortune to have as one of my constituents, Mrs. Ruth Cheney Streeter, of Morris Township, the first director of the Marine Corps Women's Reserve.

I include in the RECORD at this time a history of the Women Marines as well as a newspaper article written by staff writer Anna Nagy and published in Morris County's Daily Record, Morristown, N.J., concerning Mrs. Streeter.

The history and news article follow:

WORLD WAR I

To look back to their earliest beginnings . . . 305 women served briefly, but efficiently, in the Marine Corps during World War I. These were the "Reservists (Female)" popularly referred to as "Marinettes"—who were enrolled to perform clerical jobs, thus freeing men in those billets for combat duty. First of these forerunners of today's Women Marines, Mrs. Orpha May Johnson, enlisted in Washington, D.C., on the day after the Honorable Josephus Daniels, then Secretary of the Navy, authorized the Navy and Marine Corps Reserves to accept women for service. The date of that authorization—August 12, 1918—has a special significance for today's Women Marines, who realize that the dedicated service of their World War I predecessors eased the way for their own later acceptance by the Corps.

Opening the ranks of the proud Corps to distaff Marines was based on a government estimate that "40 percent of the work at Headquarters Marine Corps could be performed by women as well as men." Recruiters were instructed to enlist only women of excellent character and neat appearance, with business and office experience. The greatest demand was for competent stenographers, bookkeepers, and typists, but women who possessed a working knowledge of correspondence and basic clerical skills were also eligible.

Less than a month after the initial recruiting call, 31 Reservists (Female) had signed up, and by September 1918 the Commandant of the Marine Corps had called them to active duty. Most of them were assigned duties at Headquarters Marine Corps, in the offices of the Paymaster, Quartermaster, Adjutant and Inspector, or the Commandant. A handful were stationed in recruiting offices outside the Washington area, some as far away as San Francisco and Portland, Oregon.

The Marinettes in Washington, D.C., performed their regular duties and also participated in victory parades and other ceremonies in the Nation's Capital. A month prior to disenrollment in 1919, the entire unit was in the Guard of Honor, facing the Presidential Reviewing Stand at the White House, for a parade of troops just returned from the front. The showing was pronounced "creditable to the girls and to the Marine Corps."

On July 30, 1919, Major General Commandant George Barnett issued orders for the separation of all women from the Reserve. Those on active duty were immediately trasferred to inactive status. Gradual disenrollment continued until, by 1922, all of the Marinettes had packed away their uniforms and returned to civilian life. Many of them accepted Civil Service appointments at Headquarters Marine Corps, thus retaining their contact with the Corps. But—from a military standpoint—for the next two peaceful decades, the Marine Corps remained strictly a man's world: the woman's touch was a matter of memory.

WORLD WAR II

Americans were still remembering Pearl Harbor, but the war in the Pacific was almost two years old before the men of the Marine Corps—hearkening back to the service of the World War I Marinettes—again looked to woman-power to meet the new war's unprecedented demands for man-power. On November 7, 1942, under legislative authority sponsored by Congressman Melvin J. Maas of Minnesota (the late Major General Maas, USMCR), the wartime Commandant of the Marine Corps, General Thomas Holcomb, approved the formation of the United States Marine Corps Women's Reserve.

Prior to public announcement of the new Women's Reserve, Mrs. Ruth Cheney Streeter of Morristown, New Jersey, had been selected to head it. On January 29, 1943, Mrs. Streeter was quietly commissioned a Major, USMCWR, and sworn in as its first Director by the Honorable Frank Knox, Secretary of the Navy.

Major Streeter was not, however, the first woman to go on active duty in the Women's Reserve in World War II. That distinction—and the first commission in the new Reserve—went to Mrs. Anne A. Lentz, WR representative for Clothing. A civilian clothing expert who had helped outfit the Army's WAAC's, Mrs. Lentz had originally come to the Marine Corps in December 1942 on a 30-day assignment to help design the uniform for the Women Reserves, and wound up wearing one herself.

Along with Major Streeter and Captain Lentz, six other women whose abilities and civilian experience fitted them for priority billets were subsequently selected for "direct commissions" to aid in setting up the new women's program. One of these, Captain Lilliam O'Malley Daly, WR representative for West Coast activities, was a former Marinette. Another, Captain Helen C. O'Neill, WR Assistant to the Director, had been one of the Navy's Yeomanettes in World War I. The other four—and their respective assignments—were:

First Lieutenant E. Louise Stewart, WR representative for Public Relations;

Captain Charlotte D. Gower, WR representative for Training;

Captain Cornelia D. T. Williams, WR representative for Classification and Detail; and

Captain Katherine A. Towle, WR representative for Recruit Depot.

Public announcement of the Marine Corps Women's Reserve program was made by General Holcomb on February 13, 1943.

From the beginning, recruiters throughout the country found themselves swamped with women who wanted to be Marines. In the Nation's Capital alone, more than a hundred volunteers appeared during the first two days. From all walks of life they came: widows of Marines, high school girls, office workers, grandmothers, and college students—all wanting to do something for their country.

Since the Marine Corps had no facilities for training women, the Navy offered the use of its training schools: Hunter College for enlisted women, Mount Holyoke College for officer candidates.

Seventy-five women (the first officer class) entered Mount Holyoke on March 13; they were commissioned on May 11. On March 26, the first enlisted class (722 women) arrived at Hunter. They graduated the following month.

Women Marine Reserves continued to train with the Navy until July 1943, when a newly constructed training complex for both officer candidate and enlisted schools and Women's Reserve specialist schools was opened at Camp Lejeune, North Carolina.

The Women's Reserve had received an "official frown" from high Marine Corps sources in the beginning; however, once the women came aboard, both they and the men worked to make the program a success. Two major morale factors contributed to this end. First, the Marines shared their own proud name, making the Women Reserves the only service women who did not answer to an alphabetical designation or quasi-official nickname. They were accepted as a full-fledged part of the Corps—not an auxiliary in any sense. Second, the men's distinctive uniform was followed closely, with requisite feminine modifications for the Women Marines. As a Director of the Reserve at the time expressed it, the men wanted the women to wear the traditional forest green of the Corps, in a design "sufficiently like the Marine Corps uniform to permit no possibility of doubt as to the branch of the service to which the Women Reservists are attached."

"Free A Marine To Fight!" was their recruiting slogan, and the women lived up to it. Within a year of activation, Women Reserves were serving at every major post and station and in recruiting districts all over the United States. An original prediction of 30 jobs had grown into over 200 assignments. Besides the usual clerical jobs, specialist billets for which women had been trained were being turned over to them. In significant numbers, they were assigned to such fields as communications, quartermaster, post exchange, motor transport, food services, personnel, intelligence, administration, recruiting, community relations, education, legal assistance, and photography. In aviation, their skills ranged from parachute rigger, to Link trainer instructor, to aerologist, to control tower operator.

By June 1944, Women Reserves constituted 85 percent of the enlisted personnel at Headquarters Marine Corps, and from one-half to two-thirds of the personnel manning all major posts and stations in the United States.

In September 1944, Navy regulations were modified to permit women of the Naval Service to serve on a volunteer basis anywhere in the Western Hemisphere, including Alaska and Hawaii. On January 28, 1945, the first contingent of Women Reserves (160 enlisted and 5 officers) arrived in Hawaii. Before the war was over, nearly a thousand women, making up two detachments, served with Marine Garrison Forces, Pearl Harbor, and at Marine Corps Air Station, Ewa.

Exactly how many Marines the Women Reserves freed to fight was often a subject for speculation. Their peak strength—nearly 19,000—approximated the strength of a Marine Corps division. General Alexander A. Vandergrift, the second wartime Commandant, once remarked that the Women Reserves could "feel responsible for putting the 6th Marine Division in the field; for without the women filling jobs throughout the Marine Corps there would not have been sufficient men available to form that division."

With the close of hostilities, the women's units were demobilized rapidly. By December 7, 1945, two-thirds of the Women Reserves had been separated from the service or transferred to inactive reserve status. Those who remained were scheduled for release by September 1, 1946.

THE POSTWAR YEARS (1946–49)

Early in 1946, when total demobilization of the Women's Reserve was imminent, the Marine Corps elected to retain a small nucleus of trained women to set up a postwar Reserve, so that never again would it be necessary to "start from scratch." Accordingly, a few selected Women Reserves were assigned to Headquarters Marine Corps, to work out plans for the postwar Reserve. Some others remained on duty at major posts and stations and in the recruiting districts.

In all, from the end of 1946 through early 1948, there were no more than a hundred volunteer Women Reserves on active duty with the Marine Corps. Few though they were, these were the women whose continuity of service bridged the gap between the wartime Women's Reserve and a permanent war-and-peacetime women's component of the Corps. Thus, it was they who, in effect, established the 13th of February 1943 as the true birth date of Women Marines.

With the passage of the Women's Armed Services Integration Act on June 12, 1948, Congress authorized the acceptance of women into the Regular Marine Corps. Initially, appointment or enlistment was limited to women then on active duty or with previous honorable Reserve service, but in January 1949 recruiting was opened to women without prior military service.

Early in 1949, basic ("boot") training for women was moved from Camp Lejune to the Third Recruit Training Battalion at Parris Island, South Carolina. In June of the same year, training for women officers was set up as a part of the Marine Corps Schools at Quantico, Virginia; and a program similar to that offered to men was opened to qualified undergraduate college women and outstanding enlisted women.

Within that same period (in April 1949), the first Organized Women Reserve Platoons were activated. Beginning with units in Kansas City, Missouri and Boston, 13 of these Reserve platoons were established as part of the men's Organized Reserve units in major cities throughout the country. Women members attended regularly scheduled drill sessions, and participated in the 2-week Reserve summer field training program, just like the men.

KOREA

Reservists joining the women's platoons certainly could not have foreseen that they would soon be living up to the World War II motto, "Free A Marine To Fight." But, in the summer of 1950, when the Korean War broke out and the Marine Corps Reserve was called up, Women Reserves were mobilized—for the first time in history—to answer their country's call to the colors.

By August 1950, all 13 Organized Woman Reserve Platoons had reported—as units—for duty at major posts and stations. In numbers, they did not approach the strength of the Women Reserves of World War II; but, they accomplished their mission by stepping into jobs for which their reserve training had prepared them. Like the women of two previous wars, they freed Marines for combat duty.

POST-KOREA

Following the Korean War, 7 new Organized Woman Reserve Platoons were added to the original 13, bringing their total to 20. These platoons continued as the backbone of Reserve training for women until 1958, when budget limitations forced their disbandment. About a third of the women who were attached to the deactivated platoons affiliated with their parent men's Organized units. Of the remainder, who were transferred to inactive reserve status, many continued their Marine Corps service as active participants in the Reserve Volunteer Training units.

On the Regular side, the number of Women Marines remained small, their legal limit set at two percent of the strength of the Corps. But, their selection and training continued to provide a source of well trained, professionally minded women, ready for emergency mobilization needs.

VIETNAM

Today, with the Marine Corps heavily committed in Southeast Asia, its women continue in their traditional role of freeing Marines for combat—not only in stateside jobs, but in overseas assignments undreamed of by those who set the tradition.

Within the past three years, Women Marines have seen duty in England, France, Germany and Italy; in Panama; and in the Dominican Republic, where an unexpected turn of events in April 1965 brought Master Sergeant Josephine S. Davis recognition as the first Woman Marine to undergo hostile fire. Hawaii, long their farthest outpost, has become a stopover for women on the way to duty in the Philippines, and beyond.

More recently, on September 6, 1966, authority came down from the Commandant of the Marine Corps permitting Women Marines to volunteer for service in the Far East. Within a month, Captain Marilyn E. Wallace was on her way to the Marine Corps Air Station, Iwakuni, Japan—the first of some one hundred Women Marines currently stationed in Japan, Okinawa, and South Vietnam.

Distinction of being the first Woman Marine ordered to a combat zone goes to Master Sergeant Barbara J. Dulinsky, who volunteered for Vietnam duty and reported, as ordered, to the Military Assistance Command in Saigon on March 18, 1967. That Sergeant Dulinsky—and six other Women Marines who followed her—are fulfilling their mission competently is evidenced by requests for assignment of yet more Women Marines to the Command in Saigon.

White House recognition of Women's military value came on November 8, 1967, when President Johnson signed into law a bill giving women in the Armed Forces equal promotion opportunity with their male counterparts. Attending the East Room ceremony were servicewomen of the past and present, including Colonel Barbara J. Bishop, Director of Women Marines, and all but one of her predecessors. Significant among the President's remarks that day was the statement:

"Our Armed Forces literally could not operate effectively or efficiently without our women. . . . So, both as President and as the Commander in Chief, I am very pleased and very proud to have this measure sent to me by the Congress."

Such high tribute to their worth stands as inspiration to all Women Marines as they enter their Silver Anniversary Year. But, with or without recognition—and this truth they have already proved—so long as today's Marines must defend freedom by force of arms, today's Women Marines will stand fast in the tradition that is as old as their service, freeing Marines to fight!

PROUD TO BE JUST MARINES

(By Anna Nagy)

MORRIS TWP.—The Army had its WACS; the Navy, its WAVES; and the Coast Guard, its SPARS.

"We were proud to be called just Marines," said Mrs. Ruth Cheney Streeter, the first director of the Marines Corps Women's Reserve. "They gave us no fancy name, which pleased us very much."

In 1943 women were called to the corps to "Free a Marine to Fight." On Tuesday, Feb. 13, the Women Marines will be 25 years old.

Even before public announcement was made of the new Women's Reserve, Mrs. Steeter, 215 Sussex Ave., had been selected to head it. She was commissioned a major and sworn in as its first director on Jan. 29, 1943.

"To this day I'm not exactly sure why I was chosen," said Mrs. Steeter, who still shows slight Marine authority when she speaks. Her name was submitted by Basil O'Connor, who had been a law partner of President Roosevelt. She had had no experience in administration, except as a volunteer. "Perhaps this is what they were interested in," she added.

"I did not personally command the women, as some people think," she said. "They were under the orders of the commanding general at each base."

As director, her duties involved public relations, speech making and staff work. Her base of operations was at Headquarters Marine Corps in Washington, D.C., where 90 per cent of the enlisted personnel were women.

"We were subject to the same military discipline as were the men," said Mrs. Streeter, admitting "it took some getting used to."

"A 40-hour week was unheard of," she added. "We worked from 8 a.m. to 4:30 p.m. weekdays and a half day on Saturday or until the work was done.

"Women Marines held all jobs except combat duty and heavy lifting," said Mrs. Streeter. These included everything from telephone linesmen to airplane mechanics. "There was nothing frivolous about our work," she said. "We were devoted to winning the war and felt in order to wear a uniform, we had to earn it."

Mrs. Streeter served as director throughout World War II. She retired with the rank of colonel, and was awarded the Legion of Merit for outstanding service.

Born in Brookline, Mass., she was graduated from Bryn Mawr College. She has lived on Sussex Avenue for 46 years.

A long time interest in aviation led her to receive her commercial pilot's license in 1942. For many years, she was the only woman member of the Committee on Aviation of the New Jersey Defense Council.

Widow of Thomas W. Streeter, she has three sons, Frank S. of New York City, Henry S. of Boston, Mass., Thomas W. of Plainfield, and a daughter, Mrs. Britton Chance of Philadelphia.

Celebrations will be held throughout the country in observance of the Women Marines' 25th anniversary. A luncheon is planned for Saturday, Feb. 10, at the Freehold Battleground Country Club by the Women's Marines Assn.

A collection of personal correspondence and other papers of Women Marines will be added to the manuscripts' collections of the Marine Corps Museums at Quantico, Va. The dedication ceremonies will take place on Feb. 12 with Mrs. Streeter making the first presentation.

Simultaneous religious services will be held Sunday, Feb. 11, with Mrs. Streeter participating in the principal service at Headquarters Marine Corps in Washington, D.C.

To some, the Women Marines are approaching their 50th birthday. During World War I, 305 women served briefly in the Marine Corps, but after the war turned in their uniforms and returned to civilian life. Ladies disappeared from the military scene until Nov. 7, 1942, when the formation of the U.S. Marine Corps Women's Reserve was approved.

Congressman Cahill's Leadership

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. McDADE. Mr. Speaker, recently our colleague, the gentleman from New Jersey [Mr. CAHILL], appeared in Hartford, Conn., to speak before the bar association of that State.

The subject of his presentation was "A Call for Public Dialog: Auto Insurance."

The gentleman from New Jersey is the first Member of Congress of the United States to point out the need for reform in this area.

His leadership in this field has led to action in the other body, in the Judiciary Committee of this body, and most recently by the President of the United States.

The gentleman from New Jersey's statement in Hartford outlines the problem, discusses its causes, and suggests a method of solution for those interested in the problems confronting the consumers of this country in relation to automobile insurance, I recommend the gentleman's speech.

I salute him for showing the way to both Congress and the President in this important area.

The address referred to follows:

AUTO INSURANCE—A CALL FOR PUBLIC DIALOG

(Statement by WILLIAM T. CAHILL)

It is indeed an honor to be present here today. As the Representative of New Jersey's 6th Congressional District and a member of the House Judiciary Committee, it is my hope that this dialogue, debate and forum will ultimately contribute to the solution of the grave problems confronting the Nation with respect to automobile liability insurance.

The importance of this subject is perhaps best illustrated by the rare agreement of the Bar, the insurance industry, and Representatives of government that a crisis presently exists in the automobile insurance system.

Such agreement has been widely evidenced. Consider, for example, the statement of Bradford Smith, Jr., Chairman of the Insurance Company of North America, which has appeared in a nationally circulated advertisement:

"For the past several years, it has become clear that the present automobile insurance system in America is not working to the satisfaction of anyone, neither the consumer, the insurance companies, nor the State and Federal Government."

In the informative and comprehensive coverage of the problem in The American Trial Lawyers Association magazine of October 1967, Craig Spandenberg was quoted as follows:

"Automobile insurance has become a national problem . . . (which) . . . has developed into a severe national headache." Moreover, in a report on automobile insurance which was approved by the full House Judiciary Committee, staff investigators reported:

"By any objective standard, the performance of the automobile insurance business in the United States is unsatisfactory. The system is slow and expensive and the companies involved are doing a poor job."

Any remaining doubt that a problem does indeed exist, that it is national in scope, that it is of deep concern to the American public and that some solution is mandatory, should be dispelled by a recognition of the attention automobile insurance is now receiving in the Congress.

The Judiciary Committee, on which I have the honor of serving in the House of Representatives, has already published and approved its staff report, and I, along with several other members, have urged the Chairman to appoint a special investigative subcommittee to commence hearings forthwith. Chairman Cellar, however, has agreed that investigation is called for but has indicated a preference for assigning this important task to the Federal Trade Commission.

In the Senate, Senator Hart, Chairman of the Senate Subcommittee on Anti-Trust and Monopoly, has announced his intention of scheduling hearings in early 1968. At the same time, Senator Magnuson, Chairman of the Senate Commerce Committee has requested the recently established Department of Transportation to examine the present system of traffic accident compensation, the effectiveness of existing governmental regulation of automobile insurance, and the possible alternatives to the existing system of compensation.

In addition to these major efforts, subcommittees of the House Commerce and Senate Judiciary Committees have become involved in aspects of the automobile insurance problem. However, the enormity and importance of the problem is perhaps best demonstrated by the specific inclusion of this subject in the recent State of the Union Address by the President of the United States.[1]

What has happened in the United States to bring about such universal concern and concentrated effort in the area of automobile liability insurance? In my judgment, there can be no precise and specific answers to this question. Unlike a mathematical equation which follows quantitative laws, the automobile insurance system depends on social and economic pressures as well as human error.

Thus, like care for the elderly, education for the young, and job opportunities for our adult population, automobile liability insurance presents a social problem which must be resolved in accordance with modern realities. And in 1966, the realities principally involved were as follows: 102 million licensed drivers operated 96 million registered vehicles 935 miles. During this operation, 14 million accidents resulted in 53 thousand deaths, 3.7 million injured and 24 million vehicles damaged, with a total loss to the American public running into the billions of dollars.

Despite the difficulties inherent in specifying the problem, however, it has been my observation that it has been brought into sharp focus and has merited national attention for the following reasons:

First, the cost of automobile liability insurance to the consumer has soared during the past few years. Nationwide, average premium rates for "regular" liability coverage have increased a staggering 55% during the past decade. Moreover, disproportionate rate increases in urban and other areas of the country have made it increasingly difficult for motorists to afford insurance protection.

Second, arbitrary and selective risk classification practices of the insurance industry have developed tremendous public hostility towards the industry. During the course of investigating complaints of constituents, my office discovered numerous instances where the elderly, the young and members of minority groups had their policies cancelled or otherwise terminated for reasons unrelated to individual driving abilities.

Such classification practices have not only required motorists to pay costly "high risk" rates but have critically affected the operation of State assigned risk plans. As recently indicated by North Carolina's insurance commissioner:

"Something is wrong with the automobile assigned risk plan. Seventy-five percent (75%) of the people in it are safe drivers, and there is no excuse for packing people into assigned risk at the rate the insurance companies are packing them in."

Third, in the past decade, despite State licensing and capital reserve laws, more than 100 companies writing automobile liability insurance have become insolvent. The results have been tragic for more than 300 thousand policyholders and victims of automobile accidents who hold pending claims in excess of one-half billion dollars against total assets of the insolvent companies of less than $25 million. One State alone, Pennsylvania, has had more than 20 insolvencies in the past several years. What good, therefore, to pay premiums for protection throughout the years only to find when coverage is needed, it is not available. What answer is given to the legless victim of a negligent driver when the insurance carrier has no assets. The factual situation argues more forcefully than my words that supervision has been inadequate.

Fourth, delays in receiving compensation under the present automobile insurance system have provided another major dissatisfaction. Protracted settlement negotiations and congested court dockets generally require that an injured claimant wait from two to six years before compensation is granted.

Every practicing lawyer in the United States is thoroughly aware of the major congestion in our crowded Court calendars. While the backlog varies according to area, in most states a period of at least two years elapses between the filing of the complaint and assignment of the case for trial. As a result, many injured victims, recognizing the delay, settle their cases for inadequate amounts without, or against, the advice of counsel. On the other hand, insurance companies find the delay to their advantage and decline to pay a realistic value in settlement until they are at the courtroom steps. Additional judges have not solved the problem.

The previously described aspects of the automobile insurance crises, however, do not exhaust the number of defects which might be presented. In my judgment, they do suggest the major reasons for the present widespread effort and concern.

Having indicated the nature and dimensions of this social problem, it would be well to present an indication of its origins and causes. I think it is fair to say that the problem had its inception in 1944 as a result of the decision of the United States Supreme Court in the case of *U.S. v. Southeastern Underwriters Assn.*, 322 U.S. 533. This case originated in 1942 when the attorney general of Missouri commenced an investigation that resulted in a criminal indictment in Georgia against the Southeastern Underwriters Assn., 27 of its officers and 198 member companies. Two violations were charged, price fixing and agreement to monopolize. The United States District Court, following precedent established in 1869, dismissed the case on the ground that insurance business was not commerce and thus was not subject to regulation under the Sherman Anti-Trust Act. On appeal, the United States Supreme Court, by a four to three decision, reversed and affirmed the supremacy of the power of Congress to regulate insurance in the public interest. The Supreme Court said:

---

[1] The day following the presentation of this speech in Hartford, the President, in his message to the American consumer, stated:

"While many proposals have been made to improve the [automobile insurance] system, many questions remain unanswered. The search for solutions must be pressed.

"I propose legislation to authorize the Secretary of Transportation to conduct the first comprehensive study of the automobile insurance system. He will undertake this review with the full cooperation of the Federal Trade Commission and other appropriate agencies of the Executive Branch."

"Our basic responsibility in interpreting the commerce clause is to make certain that the power to govern intercourse among the states remains where the constitution placed it. That power as held by this Court from the beginning is vested in the Congress, available to be exercised for the public's welfare as Congress shall deem necessary. No commercial enterprise of any kind which conducts its activities across state lines has been held to be wholly beyond the regulatory power of commerce under the commerce clause. We cannot make an exception in the business of insurance."

Immediately, the insurance industry and State commissioners were presented with a decision. That decision was to either change completely existing practices or to obtain legislation in the Congress negating the Court's decision. Actually, the decision had been anticipated and legislation was, in fact, pending in Congress when the decision was announced. Thus, to nullify the Supreme Court's decision, the National Association of Insurance Commissioners immediately undertook action to obtain enactment of that legislation and, as a result, on August 29, 1944, the hurriedly and inadequately debated McCarren-Ferguson Act became Public Law 84 of the 79th Congress. In effect, the McCarren-Ferguson Act, by vesting primary responsibility for insurance regulation in the states and by exempting the insurance industry from Federal Anti-Trust jurisdiction, reestablished the legality of the practices successfully challenged in the *Southeastern Underwriters* case.

However, the effect of this monumental legislation on the public interest was not immediately apparent. Unlike today, automotive transportation during wartime 1944 was extremely limited. Cars were not being produced and those pre-war vehicles available for civilian use were not capable of the 300 horsepower of modern machinery. Similarly, highway construction projects were limited to providing defense and economic infrastructure. Thus accidents were at a minimum. With the tremendous increase in America's dependence on automotive transportation, however, the problems inherent in the McCarren-Ferguson Act of 1944 have become evident:

First, State Governments generally have proved ill-prepared, incapable or unwilling to effectively regulate insurance in the public interest. Under the McCarren-Ferguson Act's delegation of supervisory authority, the several states have established diverse systems of insurance regulation and licensing requirements.

However, with respect to ratemaking procedures, a majority have adopted some form of the 1947 All Industry Commissioners model bill drafted by the NAIC. Generally, this approach permits individual companies or, alternatively, rating organizations to file applications for rate increase. The standard applied by the state supervisory authority is to determine whether rate increases are "excessive, inadequate or unfairly discriminatory." Under this fragmented system of regulation, separate determination of the "reasonableness" of rate increases by individual state authorities has proved a vexatious and inconsistent procedure. Generally, the state insurance commissions have been ill-equipped in terms of budgets, staffing and expertise to gather and analyze the data indicating the "reasonableness" of premuim increases. Largely this inability results because under conditions of modern-day automotive transportation, rate reasonableness depends on the nationwide profit and loss experience of insurance companies, their internal corporate structure and overhead, and the frequency and seriousness of interstate automotive accidents. Certainly, the state commissions have been at a disadvantage in dealing with centralized insurance rating bureaus which employ specialized personnel and impressive nationwide statistical intelligence and data gathering systems. Apart from the inadequacies of state administrative and supervisory agencies, in many states, state officials have proved unduly responsive to the interests of the insurance industry and, for political reasons, seem to have substituted cooperative arrangements for arm's-length dealings. It has only been in recent years that public rate increase hearings have been held and public defenders appointed to cross-examine the experts, to present arguments against the application and to represent the public. I would thus caution, in the words of the House Judiciary Committee:

"All these factors add up to inadequate protection to public interest and too great a reliance on an industry that is all too willing to assist the processes of its own regulation."

A second major effect of the McCarran-Ferguson Act is that the exemption of the insurance industry from Federal Anti-Trust jurisdiction has proven contrary to the best interests of the public. As national concern with the automobile insurance industry increases, it has become apparent that the industry has frequently attempted to maximize profits without regard to the public interest. Under exemption from the Sherman and Clayton Acts, the industry has preferred to request rate increase through collaborative rating bureaus rather than on the basis of the individual competitive performance of companies. Accounting methods designed to indicate operational losses rather than the true earnings picture and general marketing inefficiencies have also been characteristic.

Further, it is my understanding that insurance companies without exception have resisted any effort by State Commissioners to include investment income in the consideration of rate increase applications. I have personally argued before the New Jersey Commissioner that two elements of investment income are essential for inclusion in fixing premium rates. These are the incomes earned on the investment of prepaid-unearned premium reserves and of claims reserves. It is impossible, in my judgment, to argue with any logic that this income should be eliminated from the consideration of State Commissioners in their determination of what is a reasonable profit for companies. The day is coming, in my opinion, when insurance companies who are licensed and, therefore, have a privilege granted on the basis of public need, must recognize that all income must be considered in determining whether or not a price increase is necessary.

These, then, are the apparent effects of the McCarran-Ferguson Act. While the impact on the motoring public cannot be measured with precision, it is clear that the results of this legislation and its implementation have been higher premium costs, arbitrary classification of motorists as "high risks" and insurer insolvencies. However, in my judgment, it would be unfair to place the blame for these results solely with the insurance industry. The contention of the industry that higher jury verdicts, more costly repair expenses, and soaring hospitalization and physician fees contribute to the problem seems well founded. Likewise, increased accident rates, inadequate safety design of cars, and inadequate highway safety engineering undoubtedly provide contributing causes. Yet, despite these higher costs and causes of claims, in my judgment, there is no justification by the insurance industry of its performance. Similarly, there is no justification for the apparent ineffectiveness of the present regulatory structure.

Throughout this discussion, it has been noted that the problem and its causes are imprecise. Yet, since the first automobile collision occurred, the problem of accident compensation has, to some degree, been recognized. However, the first major nationwide effort to change the existing system of negligence liability has occurred only in recent years as the result of the study of Professors Keeton and O'Connell. The widespread discussion of their plan obviates the need for further discussion by me. Suffice it to say that the Kemper Insurance Group, which originally retained Professors Keeton and O'Connell as consultants, is now the chief critic of their recommendations. While the obvious defects of the plan have been articulated by persons more knowledgeable than myself, I am convinced that Professors Keeton and O'Connell have rendered an outstanding service to the country, to the insurance companies, to the plaintiff's lawyers and to the general public by focusing the searchlight of publicity on the problem and developing a dialogue, of which this forum is but a single example, which hopefully will develop a workable, feasible and equitable solution to the problem.

The present system of adversary proceedings for the establishment of fault and the jury verdict have been in effect in this country since the first claim for injuries was filed. To say that it is without defect would be ridiculous. To say that it should be replaced by another system because it has faults is equally ridiculous. I recall my first term in Congress. I was appalled by the seniority system. I determined to criticize it publicly and to urge its complete elimination. Fortunately for me, I confided my intention in an older member. He said to me:

"What is your alternative? Will your alternative be better than the present system? How do you know it won't create more problems than it eliminates? Don't you believe that a system that has been in existence for generations must have merit? Wouldn't it be wiser to fight to eliminate the abuses than to eliminate the system?"

I would, therefore, urge upon those who would completely change the system that serious thought and mature judgment is indicated lest more problems, at more cost, at greater injury to the public result. Yet, reform and improvement is absolutely necessary. The cost of insurance must be kept within the reach of the average man's pocketbook. The injured victim must be given speedy, just compensation. The insurance companies must make a reasonable profit. Our courts must operate more efficiently and more expeditiously and, therefore, we must act now!

I determined when I came to Hartford today that I would follow the suggestion of the well-known Father Keller and that I would attempt "to light a candle rather than curse the darkness." Therefore, in order to promote and develop the dialogue, I suggest some personal views on this problem. I have become personally convinced that Federal jurisdiction is essential because of the nature of the problem. It is just as foolish to expect the States to regulate automobile insurance as to regulate airplanes, railroads, trucks and busses in interstate business—for truly the automobile is a vehicle engaged in interstate commerce.

I, therefore, favor immediate Federal legislation along the lines of the Federal Deposit Insurance Corporation to insure against insolvencies of insurance companies, laws requiring minimum national standards of coverage so that a Connecticut resident will be protected by the negligent driver of an out-of-state car, laws requiring minimum standards in regard to capitalization and reserves with Federal authority to make certain they are maintained, laws spelling out basis for cancellation and refusal to renew policies, and legislation eliminating discrimination in relation to age, nationality, and color.

And now, so that the dialogue begun by Professors Keaton and O'Connell may be continued, I should like to propose a plan to which I have given some thought and consideration. I have become convinced in an active practice in the trial courts that a basic problem lies with the small claim. It is neither profitable for the claimant, the attorney nor the insurance company to litigate. It clutters the court calendars. The small claim is costly to the insurance carrier and a losing proposition for the practicing attorney. I am, therefore, persuaded that one of the first steps indicated is to find some way of removing the small claim from litigation.

Any defense lawyer will concede that he charges an insurance carrier approximately the same fee per hour for discovery proceedings and for court appearances in the small case as he does in the large case. Any plaintiff's lawyer will admit that, with rare exceptions, the small case in his office is unprofitable and is nothing more than a service to an established client or one whom it is hoped will become an established client. If the public, therefore, can be provided a way to adjust satisfactorily and quickly and cheaply the small claim, everyone should profit. There are several methods available which provide substantial promise of success.

The first which I would suggest is the arbitration of claims which is working successfully in many areas of the country. Bar Associations, either on a voluntary or paid basis, under a rotating appointment system by the courts, have demonstrated a substantial capability to dispose of small claims with equity and dispatch.

The second alternative suggested is the widespread availability of insurance coverage which would compensate policyholders without regard to fault for their own injuries and losses arising out of automobile accidents. Surely the resources and imagination of the insurance industry can provide an innovative coverage which would promptly compensate the policyholder for his medical expenses, loss of wages and perhaps even his pain and suffering.

The third suggestion is one to which I have given some thoughtful consideration, and which I submit not with any pride of authorship but with the hope that it will further develop the dialogue now taking place. I would thus urge careful investigation and analysis of a plan establishing a Federal agency that would compensate victims of automobile accidents regardless of fault for their out-of-pocket expenses. Claims would be limited to a maximum of $2,500. Thus, unencumbered with questions of fault, the agency in *ex parte* proceedings could expeditiously treat the minor claims that presently comprise a major portion of the court's dockets. The present court system would then be able to devote its attention to the refined and deliberate process of adversary trial in major causes of action where the plaintiff's claims of pain and suffering and loss of future earnings require such careful scrutiny.

Under the plan, claimants could recover for hospital, medical and drug bills, loss of earnings and other out-of-pocket expenses to be specified in the legislation. There would be no award for pain and suffering and, since most automobiles are covered by collision insurance which currently provides adequate protection, property damage to automobiles would not be included.

While it appears that Congress has the power to take the automobile accident problem out of the courts (*The Moses Taylor*, 4 Wall. 411 (1867), and *NLRB* v. *Jones and Laughlin Steel Corp.*, 301 U.S. 1, 48 (1937)), and proclaim an exclusive Federal administrative remedy insulated from judicial review, (*Switchmen's Union* v. *National Mediation Board*, 320 U.S. 297 (1943)), such coercive action seems unnecessary. The anticipated superiority of the agency relief should allow the plan to operate efficiently on a voluntary basis. Thus, submission of a claim to the Federal agency would be completely elective under the plan and the claimant would lose no presently-held negligence recovery rights. Rather, the agency would be established in addition to present court remedies and would be given concurrent jurisdiction with the State and Federal courts.

The determination of the agency would not be conclusive on the claimant. No appeal would be provided for from the Federal agency. Thus, the claimant could take the award, which would foreclose him from any further proceedings, or he could refuse the award and go to the State court. However, the converse would not be true. A claimant disappointed in a State court by a judgment which is *res judicata* could not enter the Federal forum.

An accident victim would therefore be confronted with a choice of remedies. If his claim of injuries is minor, it is unlikely that he will choose the State court system where recovery depends upon negligence, compliance with rules of evidence and stringent proof as to damages. Rather, it is believed that the many traffic victims with small claims who are now forced into the State court system would choose the easier, quicker, surer and cheaper route to compensation.

Financing the plan would require careful investigation and development of actuarial data and statistics in order to determine both the initial and operating funds necessary. However, as demonstrated by the recent Federal legislation with respect to flood insurance, the cooperative efforts and resources of the Federal Government and private industry would seem the best method of funding and operation. Several methods recommend themselves for development of the Federal share of the costs. These include, *inter alia*, an annual Federal tax on motor vehicle registration, use of gasoline taxes and other sources which further dialogue might prove feasible.

Admittedly, there remain many questions with respect to the establishment and the operation of such a plan. However, I would hope its presentation will at least bring about further discussion and that it may have some contribution to make in the ultimate solution of the overall problem. There remain too many questions, too many unknown variables and too little objective data in the present search for solution to this major social problem to suggest any definitive solutions.

However, as one who has a strong belief in society's ability to determine its best directions and course, I believe that thoughtful and considered public dialogue will indicate such solutions.

In conclusion, let me say I am equally convinced that, initially, implementation of indicated reforms will depend on the imagination and initiative of the parties concerned.

However, if the Bar refuses to discuss the possibility of some loss of clients and income; if the industry fails to clearly and objectively discuss investment income on reserves and its underwriting and risk classification practices; if insurance agents and companies fail to discuss marketing procedures; if State insurance commissioners fail to do their job; then, I am certain more severe action will be demanded by the public and ultimately legislated by its Representatives in government.

I am further convinced that solution to the problems of automobile insurance can come only after full discussion before a single public forum, presided over by qualified and impartial arbiters aided by specialized staff and adequate funds. Only in such a forum, where all interested parties may present their views and the subject considered on a priority basis, can their differences be justly resolved. That forum is the Congress of the United States.

The Department of Transportation is not the answer; the Federal Trade Commission is not the answer. These routes to solution are dilutory in nature, will produce statistics not dialogue, observations not legislation, avoidance not decision. At best, consideration of the problem by these agencies gives the insurance industry an opportunity to put its house in order prior to effective public hearings being convened. Those seeking a solution should urge their Representatives in Congress to insist on an early public hearing by an appropriate committee of the United States House of Representatives or the Senate.

Mrs. Clark Thompson Is Honored

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BROOKS. Mr. Speaker, Dr. Truman Blocker, president of the University of Texas Medical Branch in Galveston, recently disclosed that the university will name its new Basic Sciences Building after Libbie Moody Thompson.

Mrs. Thompson, wife of our former colleague, Clark W. Thompson, is known by many of us, therefore, we know how well deserved is this honor. She has over the years distinguished herself in many civic and philanthropic causes.

As the wife of my highly respected predecessor as Representative of the Ninth Congressional District of Texas, she earned the esteem and affection of all of my constituents. Those of us who have the pleasure of knowing Libbie Thompson, know that this is a fitting tribute to a great and lovely lady.

An article which appeared in the Galveston Daily News on February 1, follows:

BASIC SCIENCES BUILDING NAMED FOR MRS. THOMPSON

The new Basic Sciences Building at The University of Texas Medical Branch will be named for Libbie Moody Thompson, known to many as "the first lady of Galveston."

The building is now under construction. Mrs. Thompson, Galveston native, is the wife of Clark W. Thompson, longtime U.S. Congressman, and daughter of the late Mr. and Mrs. W. L. Moody Jr.

Commenting on the new building, she said, "Dr. Truman Blocker and I have worked many months to perfect the transaction which brings about the Libbie Moody Thompson Basic Sciences Building."

In announcing the new building, Frank C. Erwin Jr., chairman of the board of regents, said Mrs. Thompson has provided an initial gift of $1 million in memory of her daughter Libbie to The University of Texas for the use of the Medical Branch at Galveston.

"Mr. Thompson and I plan to erect a suitable plaque, probably in the auditorium of this new building, to commemorate this memorial gift," Mrs. Thompson said.

"Our Libbie, in whose memory this gift to the University of Texas was made, was a native Galvestonian, educated in the public schools of Galveston, and during her entire life a worker in behalf of the betterment of the community. I feel that this gift to the Medical Branch is a fitting memorial to her."

The facility will be located across from the Gail Borden Building between Avenues B and C, and will house the departments of physiology, biochemistry, medical electronics, medical photography, medical illustration, audio visual service, and the print shop.

Also included in the one-half block structure will be teaching laboratories for biochemistry, physiology, and pharmacology and a completely equipped closed circuit teaching television studio.

The building is being constructed at a cost of approximately $4.4 million, including architects fees, equipment and miscellaneous expenses.

Many of the teaching facilities are being made available by a $731,000 National Institutes of Health Grant.

Commenting on the new facility, Dr. Blocker, UTMB president, said, "This building will enable the Medical Branch at Galveston to continue and to expand its program of basic science in research and teaching. I am especially pleased that it will carry the name of Mrs. Libbie Moody Thompson—a gracious lady who has contributed much of her charm to the city and The University of Texas Medical Branch at Galveston."

The Thompson's daughter is survived, in addition to her parents, by her son, John Walker of Galveston, two granddaughters, Margaret and Libbie Thompson Walker, and a brother, Clark W. Thompson Jr., of Houston.

National School Safety Patrol Week

HON. RICHARD FULTON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. FULTON of Tennessee. Mr. Speaker, it has been my pleasure today to introduce a joint resolution calling for the designation of the second week of each May as "National School Safety Patrol Week."

My colleagues, I am sure, are aware of the tremendous work done by the school safety patrols—66 of them introduced resolutions similar to mine. I hope they will join with me in adding their names to the growing list of sponsors for the resolution I have introduced this afternoon.

The school safety patrol movement has grown tremendously since its origin in the early 1920's. Today, it is a national institution—a vital force in the important work of protecting America's children from the hazards of modern traffic.

More than 900,000 boy and girl patrol members in the United States daily help to protect 19 million schoolchildren enrolled in thousands of schools. In cities and towns, in rural areas, and on schoolbuses, the school safety patrol serves to remind schoolchildren of hazards of street and highway crossings on their way to and from school.

This "nation on wheels" can well be proud of the work that these young citizens are doing.

Educators regard the patrol movement as an excellent school activity, as well as a method to help develop a sense of responsibility, character, and positive usefulness for community living. Commendation for patrol work is universal. It comes from parents, educators, police, and other outstanding public officials, all of whom, along with the American Automobile Association, contribute so much to the program.

One of the biggest recognition ceremonies is held here in the Nation's Capital each May. I am speaking of the school safety patrol parade down Constitution Avenue by over 20,000 boys and girls from more than 20 States.

It is a proud day for the youngsters. It should be a day for saying "thanks" by the people of this country to a group which has been at least partially responsible for the improvement of the traffic death rate of children 5 to 14 years of age.

Since the time of the establishment of school safety patrols in 1922, the traffic death rate for this group has continued to decrease to nearly one-half, while the death rate of other age groups has practically doubled.

More Evidence for Need of Legislation To Curb LSD Use

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ROGERS of Florida. Mr. Speaker, last year I introduced a bill with the sponsorship of 24 of my colleagues on the House Interstate and Foreign Commerce Committee that would establish criminal penalties for persons using or possessing LSD.

At that time there was evidence that the use of this dangerous drug had definite physical effects on the user as well as psychological effects.

In this morning's Washington Post, there is an article that further spells out the dangers of this drug. Primarily it points to the hazards passed to the offspring of women who have used the drug during pregnancy.

I would include the article for the information of my colleagues and urge that they join with me in calling for the fastest possible enactment of my proposed bill, H.R. 14096.

The article follows:

LSD FOUND TO DEFORM BABIES

(By Nate Haseltine)

Ten hippies, young women who became pregnant after or during "trips" on the mind-bending drug LSD, are under special care at George Washington University Hospital here.

Two of the ten have already given births to infants whose bodeis showed broken chromosomes. A third lost her deformed fetus the seventh week after conception.

The status of a special study on the effects of LSD was outlined at a staff meeting for hospital obstetricians and gynecologists on Monday night by Dr. Cecil B. Jacobson, a geneticist, Macy faculty fellow and clinical instructor at the Medical Center.

The two who gave birth to the babies with broken chromosomes were unmarried and had "only hazy recollections" of the identities of the fathers. Both conceived while under the effects of LSD, Jacobson said. The dangers of chromosomal disarrangements as effects of LSD effect are already well known, having been documented in animal tests and clinical experience.

Chromosomes are packets genes, the hereditary beads of life that direct every phase of body development from the womb to the grave. For every broken chromosome, Jacobson said, perhaps a hundred genes are lost or caused to malfunction.

In the case of the two babies, studies showed they possessed the "Philadelphia-L" chromosome derailment. The same derangement shows up in persons in the final phase of humans wtih fatal myelogenous leukemia.

Despite their broken chromosomes, found in a great variety of their body cells, Jacobson said, the infants showed no structural defects after the first three months of life. Both have been adopted and their adoptive parents were informed about the circumstances.

In contrast, the seven-week-old fetus had an encephalocele, a defect of the central nervous system, a herniation of the brain through a congenital opening in the unclosed cranium.

The study plan at GWU calls for selecting patients in five categories according to the following priorities: (1) Patients who are pregnant and who used LSD before conception; (2) Pregnant patients who used LSD during pregnancy; (3) LSD-using fathers of babies with no maternal exposure to the drug; (4) Fathers of babies with some maternal exposure to LSD; (5) Females with exposure who are planning to become pregnant.

The study protocol consists of the screening of patients for history and clinical confirmation of LSD exposure. Blood tests are made to determine if there is any chromosomal damage to either mother or father, or both. An attempt is to be made to obtain a sample of the LSD that was used and to identify the father.

The difficulty of finding the fathers and the unwillingness of hippies to disclose sources of the illegal drugs that were used are hampering the study, Jacobson said.

Besides blood samplings, skin biopsies are to be made of both parents if a cellular effect is found in the blood. Prenatal evaluations of electrocardiograms will be made bimonthly of the developing fetus.

And at delivery of the child or its abortion as series of many complicated tests will be made.

Jacobson said he expected that he and his colleagues will publish a full report by June, perhaps in the Journal of the American Medical Association.

Monday night's staff meeting was open to the press to further publicize the hazards of taking LSD.

In a previously reported case, Drs. Joseph Egozone and Samuel Erwin, of the University of Oregon Medical School in Portland, reported the first appearance of the "Philadelphia-L" chromosome disorder in the offspring of an LSD user. That baby had an inborn intestinal blockage. Another report on the effects by LSD on a hippie mother's baby showed the baby had an enormous skull, the two halves unclosed and a double row of front teeth.

My Flag and Country

HON. EDWIN D. ESHLEMAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ESHLEMAN. Mr. Speaker, one of my constituents, and a former veteran, Mr. Harold F. Mohn of Myerstown, Pa., has been moved to compose the following poem to register his concern over recent demonstrations, draft card burnings, and refusals to serve our country in the crucial period of world history. I include it in the RECORD:

MY FLAG AND COUNTRY

I hold two things above else
  Most cherished and most dear.
There are my flag and country,
  I treasure and revere.

I'd glady give this life of mine
  To keep both always free,
And in this heart and mind of mine
  I love them passionately.

I promise to defend and give
  All that is part of me
No sacrifice will be too great,
  An honor it will be.

Where'er in freedom's hallowed name
  My country's forced to fight,
I willingly will take up arms,
  Her cause is just and right.

National Maritime Needs: Opposing Views

HON. WILLIAM S. MAILLIARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. MAILLIARD. Mr. Speaker, on Monday, February 5, I inserted in the body of the RECORD remarks entitled "American Shipping: Scuttled Again," in which I pointed out the substantial cuts made by the President in merchant-ship construction for fiscal year 1969. I included in those remarks portions of various press reports indicating that perhaps these reductions were made in a fit of pique by the administration over efforts to keep the Maritime Administration out of the Department of Transportation and without regard for our national interest.

Accordingly, I am inserting at this time two press reports—the first from the Oakland Tribune of January 21, carrying the syndicated column of the distinguished and senior Republican Senator from Illinois, pointing up the need to revitalize the American merchant marine; the second, an editorial from the Journal of Commerce of February 7, entitled "Budgeted to Death?" which raises some very thought-provoking questions concerning the apparent hostile attitude of this administration toward our maritime industry. Each speaks for itself in presenting its respective views on our maritime industry, its national importance, and support, or lack of support, for its much needed revitalization. I therefore commend to the attention of my colleagues the following articles:

[From the Oakland (Calif.) Tribune, Jan. 21, 1968]

A SENATOR'S NOTEBOOK

(By EVERETT MCKINLEY DIRKSEN)

What do we Americans want to do about the sad state of the out-of-date, lagging United States merchant marine?

Here is a mighty country with power and richness unsurpassed, whose ports ship and receive goods and products to and from everywhere on the globe. You would think, then, that our merchant fleet would also be unsurpassed. Well it is not.

During World War II it was the largest merchant fleet in the world. Where do you think we rank today in world ship construction? The Soviet Union, Japan, Germany, Great Britain, France, among others, are outsailing us and outbuilding us. We rank 14th as builders of ships.

When we were a new nation of 13 states, we were a truly maritime nation. Ocean commerce was brisk and our merchant sailing vessels navigated all of the Seven Seas. When pirate ships and the ships of other nations harassed or attacked our oceangoing commerce, American fighting ships hunted them down and put an end to it and we were respected. Substantial shipyards developed along the eastern coast and the whole nation was enriched by our maritime success.

Now look at us. Although the operations of the various American oil companies in foreign fields are enormous and require a huge fleet of tankers, and although our Navy must be supplied wherever it may be, the American merchant tanker fleet now averages about 15 years of age per tanker. It is the oldest tanker fleet in the world.

Of all the petroleum brought to the United States from the foreign oil areas of the world, U.S. flag tankers carry only three per cent of the total. Our waterborne commerce has increased by 31 per cent or more in the last six years, but our ship capacity has increased by only four and one-half per cent. There is an overlying reason for those melancholy facts, and that is the matter of cost.

It has been said that because of low labor costs abroad, three ships can be built in a foreign yard for the price of two in the United States. The result is that enterprises here at home can receive a subsidy from the federal government when they build vessels here that have installations of certain defense facilities. But only 13 vessels will be built in American shipyards this fiscal year. All of them must be subsidized.

There is the problem of the cost of operating American ships. By law our ships must hire a substantial percentage of American seamen. Foreign-flag vessels, by and large, can sign on anybody available in the seamen's market—Filipinos, Chinese, East Indian lascars—at lower wages and with lower living standards aboard ship. Their shipowners, therefore, can quote cheaper rates to shippers everywhere.

We must then ask ourselves, if in spite of such conditions of economics, we want to maintain an American merchant marine that comports with the prestige and the commerce of this country. Do we want to make certain that in time of international difficulty we will have an adequate merchant marine? Should we use public funds to subsidize it?

The answer must be, indeed, yes.

[From the New York Journal of Commerce, Feb. 7, 1968]

BUDGETED TO DEATH?

If maritime industry executives thought that when they won the battle to keep the industry out of the Department of Transportation they had won the war, they had a rude awakening last week. While the Maritime Administration is still part of the Department of Commerce, it is obvious that continuous pressure is to be applied to the industry to get it to "see the folly" of its ways and seek inclusion into DOT.

The pressure is the kind that really hurts—a slowdown in funds for new vessel construction, amounting to approximately $160 million. This newspaper has been calling for cuts in the budget and, as we stated last week, felt that President Johnson could, and should, have cut deeper into most spending plans. However, the cut in maritime funds raises a very serious question. Is the proposed cut a result of a legitimate desire to reduce spending? Or is it being used as a club to influence industry leaders? If the answer is the former, that is one thing. If it develops that the slowdown is a pressure move then we think that a grave injustice is being done both to the industry and the public. And unfortunately, there is growing evidence that it might be the latter.

At a major transportation industry meeting held a day after the President's budget message, Alan Boyd, secretary of transportation, and Senator Monroney indicated that the maritime industry might not have done so badly money-wise had it been in the Department of Transportation. Maybe so, but is the converse true? Did it get clobbered because it wasn't in?

Asked to comment on the transportation aspects of the budget, Mr. Boyd said the maritime industry "keeps saying things couldn't be worse . . . maybe now they ought to be willing to move over to DOT."

Senator Monroney said the maritime cutback was made because the industry is "completely disorganized" and "voluntarily blackballed itself" from DOT. That well may be, and perhaps the Department of Transportation could be a more efficient operation if the maritime industry were made part of it. But, and we think this is a big but, isn't something being missed? What about the industry needs? If the industry does not want to join DOT, and if Congress doesn't think it should, does this mean that it should be bled white? What about the public interest? The nation requires a strong maritime industry, be it a part of the Commerce Department or DOT, or an independent agency as many in the industry and in Congress want it to be. Let's not lose sight of the over-all needs of the nation.

As we said above, we really don't know the reason for the cut in maritime funds. It is interesting to note, however, that the total proposed budgetary reduction for the Commerce Department with all its diverse operations came to about $160 million, or just the amount that maritime is being sliced. It's difficult to believe that the Maritime Administration is the only segment of the Commerce Department that lends itself to cost reduction. Particularly at a time when the President is trying to get Congress to pass a tax surcharge and Congress balks until government spending is cut further.

Further, it is known that a couple of years ago when the industry and the administration were having a dispute over government plans, the industry was told that if it didn't get in line it would be "budgeted to death".

We can understand Mr. Boyd's desire to convince maritime leaders of the wisdom of joining DOT (some are on record as recommending such a move). It would bring the whole transportation system under one roof and facilitate planning. As Senator Monroney notes, "there can be no coordination of an over-all transportation system when one of the major segments is on the outside."

Yet, what would happen if the industry decides to stay out of DOT and can continue to convince members of Congress not to make any changes? We would hope that the administration would not forget the importance of the maritime industry to the nation. In or out of DOT, the nation cannot afford a weak maritime industry. It is an industry too important to be sacrificed to the expansionist political plans of Mr. Boyd and his associates.

President's Message on Veteran Benefits

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. McFALL. Mr. Speaker, in the February issue of the Torch, the official publication of the veterans of World War I, an article appeared by National Commander Philip F. O'Brien. I would like to commend the commander's comments to my colleagues, which are as follows:

PRESIDENT'S MESSAGE ON VETERAN BENEFITS

The President's message to Congress, contents of which I know you have read in the press, are of great benefit to the servicemen discharged from service, and certainly every World War I veteran is tremendously pleased with the program that the President has outlined. There isn't very much doubt but what Congress will go along with the program and wholeheartedly support such veterans' legislation.

It was my privilege to be briefed on this message before it was released to the press, and as I listened, my mind went back to 1919—discharged from the Army with the big sum of $60, no civilian suit to wear, and no job to come home to; signs in some restaurants read, "No soldiers or dogs allowed", and I could not resign myself to the fact that the Veterans of World War I never were given any consideration when they were discharged from the service. At the age of 73, even though they have been on the pension rolls many years prior, they are still forced to fill out an income questionnaire to receive a small pension. Certainly no veteran at the age of 73 with the disabilities of old age, doctor bills and drug bills, would be able to increase his income. So, we as Veterans of Word War I ask the question, "Why impose these added hardships and worry onto these veterans when this will not cost the government one penny?" On the contrary, it will save the government many, many thousands of dollars in processing these income questionnaires.

We also ask the question, why a pauper's oath is required at the age of 73 to a veteran wishing to go into a Veterans Administration hospital when beds are available. Again, this would not cost the government much. If the generals and admirals can go into government hospitals at $1.00 a day, why should not the veterans at age 73 be allowed the same privilege. Again we say that these laws which have been on the books for many years, should be written off.

Also, the matter of drugs. It was advocated by the Members of Congress when the Social Security Bill was being debated, that drugs should be furnished free to those under Social Security. This was defeated by only two (2) votes. Again, we maintain that the Veterans of World War I should receive drugs free of charge. The amount of their drug bill in many, many cases eats up practically one third of the income they receive from pensions.

Decent Housing for All Americans

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. MOORHEAD. Mr. Speaker, one of the major problems this Nation faces is the need for decent housing for all Americans. The problem is especially acute for families of low income who make their homes in the older inner city areas.

Typically these sections are blighted or deteriorating, and the hope of individual families for better housing is frustrated by the lack of adequate financing at terms these families can afford.

This is a problem which is receiving special emphasis from the Federal Housing Administration. Some encouraging early signs are indicated in a recent FHA report.

The Federal Housing Administration said that more than 50 percent of its home mortgage insurance on existing properties now is on homes in the cities. This is a signal that something is being done to alleviate the problems of housing in the inner city and that decent housing is being built, rehabilitated, and purchased.

I was especially gratified to note an article in the January 26 edition of the Philadelphia Inquirer which related a story of a woman and her family who were to move into their own home with the aid of FHA's 221(h) program.

This program, which offers homeownership to lower income families, helps nonprofit sponsors to salvage sound but rundown houses to upgrade neighborhoods, and to work with low-income families to achieve their goal of successful homeownership. Under the program, deteriorated homes are acquired by sponsors who refurbish them and sell them to low-income families.

The story in the Inquirer will, in time, be the story of thousands of people who will live decently in homes they can call their own.

I insert this story at this point in the RECORD:

[From the Philadelphia (Pa.) Inquirer, Jan. 27, 1968]

OLD HOUSE BECOMES A MODEL UNDER REHABILITATION PLAN

Carolyn Harris is coming home.

Not to the home she left eight years ago near Birmingham, Ala., but to the house at 523 Douglas st., in West Philadelphia, next to "Mom and Pop Fager," where she lived for three years until 1965.

The James D. Fagers of 521 Douglas st., are the same—except that they're three years older now. "I'm 74 and worked 50 years for the railroad," says Fager.

But the house is different. Much different.

DREARY STRUCTURE

When Miss Harris, 25, and a billing clerk for the Sears Roebuck and Co., on Roosevelt blvd., lived in the house a few years ago, the solid old brick row home was a dreary structure on a dreary street.

Paint was peeling from the walls, the wooden steps in the three-story house were rickety, the plumbing sometimes worked and sometimes didn't, and big cracks around the foundation, windows and doors made it impossible to heat properly.

"Sometimes in the winter we couldn't even come downstairs—it was horribly cold," explained Miss Harris, an attractively slender, self-assured young woman dressed in a light plaid suit. "I was living then with my sister, Jewel, and my niece, Cynthia (now 3), and we would go over to the Fagers a lot just to warm up."

NEW COAT OF PAINT

Sunday, however, the house at 523 Douglas st., and the corner Fager house next door, were sporting a coat of fresh pastel green paint on the brick exteriors.

Inside, unneeded partitions have been ripped out, ceilings plastered, steps repaired, wiring and plumbing improved, hardwood floors laid, and the walls covered with sparkling new paint.

"It was impossible to live in before," said Miss Harris, pointing to the attractively furnished house. "And now just look at it."

That's what people were doing. Looking at it, from 2 to 5 P.M., as executives and employes of the Philadelphia Housing Development Corporation showed visitors around the "model home" and first of a group of 18 rehabilitated houses to be readied for sale to low-income families.

"I WANT ONE"

There were people like the elderly woman, supporting herself with a cane as she walked in with her husband to sign a guest register. "I sure want me one of these houses," she said. "My, but they're pretty."

"Gorgeous, ain't it?" a younger woman whispered to her husband, nudging him with her elbow.

According to Augustus Baxter, director of Community Services, PHDC, Miss Harris will pay only a $200 down payment and $64.53 a month with a low 3 percent interest on the $11,600 home when she moves in about April. Financing is through the Federal Housing Authority.

Miss Harris' family will include her mother, Mrs. Alice B. Harris, and her niece.

COMMUNITY PRIDE

"One of the good things about all this," Baxter said, "is that the program doesn't stop just with helping a low-income family to buy its own home. It revitalizes the whole community—develops community pride."

He pointed out to several young men, some in tattered work clothes, standing about. "These fellows helped rehabilitate the property," he said. "They did the demolition, much of the carpentry work, the painting."

"It not only created jobs for them but it made them part of what's happening here. They're the interpreters of the change in their community."

While the Farmer Gets Less, the Housewife Pays More

HON. MARK ANDREWS

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ANDREWS of North Dakota. Mr. Speaker, it is my custom from time to time to report to the people of my district on my activities as their Representative in Congress, and to express my views on a number of matters facing Congress. In the report I am sending today, I am discussing the farmers' diminishing share of the consumers' food dollar, and the budget for fiscal year 1969. Under unanimous consent, I place it in the RECORD at this point:

WHILE THE FARMER GETS LESS, THE HOUSEWIFE PAYS MORE

[From the Farmer]

Farm prices

JANUARY 1948

Hogs:		
Top of market	hundredweight	$27.75
Average, barrows and gilts	do	27.62
Steers:		
Choice	do	34.25
Good slaughter	do	29.25
Medium	do	23.00
Heifers:		
750 to 900 pounds, good to choice	do	29.50
Cows:		
Good	do	19.75
Canners:		
Cutters and common cows	do	14.50
Bulls:		
Good	do	21.50
Calves:		
Veal, good to choice	do	31.50
Stocker and feeder steers:		
Good to choice	do	23.75
Lambs:		
Good to choice	do	23.40
Wool:		
Bright, ⅜ comb., grease	pound	.51
Wheat:		
No. 1 dark northern	bushel	3.02¾
No. 1 amber durum	do	2.99¼
Corn:		
No. 4 yellow, nominal	do	2.49¾
Oats:		
No. 3 white	do	1.32¾
Rye:		
No. 2	do	2.79½
Barley:		
Nominal range	do	2.29
Flaxseed:		
No. 1	do	7.00
Soybeans:		
No. 2 yellow	do	4.16

JANUARY 1968

Hogs:		
St. Paul, barrow and gilt average	hundredweight	17.15
Steers:		
St. Paul, choice	do	25.75
Good	do	23.50
Heifers:		
St. Paul, good and choice	do	23.25
Cows:		
St. Paul, utility and commercial	do	17.00
Canner and cutter	do	15.00

Farm prices—Continued

JANUARY 1968—continued

Bulls:	
St. Paul, cutter to commercial ________hundredweight__	**$20.50**
Vealers:	
St. Paul, choice and prime_do____	32.00
Stocker and feeder steers:	
St. Paul, good and choice_do____	27.00
Slaughter lambs:	
St. Paul, choice and prime_do____	23.50
Feeder lambs:	
St. Paul, good and choice__do____	21.00
Wool:	
Minnesota farmers____pound____	____
Wheat:	
Minneapolis, No. 1 dark no. spring ______________bushel__	1.60½
Minneapolis, No. 1 hard amber durum__________do____	2.02
Corn:	
Minneapolis, No. 2 yellow__do____	1.12
Oats:	
Minneapolis, No. 2 extra heavy white___________do____	.72
Barley:	
Minneapolis, No. 3 or better ________________do____	1.15
Rye:	
Minneapolis, No. 2________do____	1.15
Flexseed:	
Minneapolis No. 1______bushel__	**$3.14**
Soybeans:	
Minneapolis, No. 1 yellow__do____	2.58½
Soybean meal:	
Minneapolis, 44 percent bulk, wholesale__________ton___	75.30

According to the Chicago Tribune, food ads showed these meat prices:

	Pound
January 1948:	
Pork loin______________________	$0.43½
Sirloin steaks__________________	.69
Standing rib roast______________	.47
January 1968:	
Pork loin______________________	.69
Sirloin steak___________________	1.29
Standing rib roast______________	.89

All of us from agricultural areas sense in our bones the cost-price squeeze farmers are experiencing. The index of prices received by farmers dropped 14 points in 1967 and the parity index, showing the ratio between farm prices received and the farmers' cost, is at the lowest point since such records were started 30 years ago. The consumer price index continues to rise and is currently at 145% of the 1947–49 average, while the farmers' share of the food dollar has declined from 51¢ to below 40¢ over the same period. Indexes and such comparisons mean little to most Americans, however, and that's why I asked the Library of Congress to provide me with the records and advertisements reproduced above.

Clearly, to remain in business, farmers must get a fairer share of the consumers' food dollar. Also, since over half of the wheat we grow must be sold overseas, we must have an expanded and more aggressive Food for Peace Program and we must make sure that our farm products don't get frozen out of world markets by restrictive trade agreements entered into by our Government. (Wheat sells for $3.50–$4 per bushel in Europe, but restrictive import fees charged U.S. wheat were allowed to continue after the Kennedy Round of trade negotiations.) Finally, we must work for the approval of a workable national Agricultural Bargaining Act to give the farm segment of our economy the collective bargaining power enjoyed by the rest of our Nation's economy.

THE BUDGET

This is the time of budget decision, the time the President presents the budget to Congress. I felt you'd be interested in these actual budget figures as presented by the President. You can get an indication of the expansion of Federal spending and, to some degree, see where this expansion is concentrated.

BUDGET OUTLAYS BY FUNCTION

[In millions of dollars]

Description	Expenditures		
	1967 actual	1968 estimate	1969 estimate
National defense:			
Department of Defense—Military:			
Military personnel	19,787	21,800	22,793
Operation and maintenance	19,000	19,800	22,260
Procurement	19,012	21,470	23,445
Research, development, test, and evaluation	7,160	7,200	7,800
Military construction and other	2,650	3,590	508
Subtotal, military	67,608	73,860	76,806
Military assistance	1,943	1,675	1,853
Atomic energy	2,264	2,334	2,546
Defense-related activities	−14	115	242
Adjustments [1]	−1,706	−1,491	−1,654
Total, national defense	70,095	76,491	79,792
International affairs and finance:			
Conduct of foreign affairs	366	559	438
Economic and financial programs:			
Development loans	662	625	670
Supporting assistance	587	602	621
Alliance for Progress	511	465	516
Technical cooperation	224	203	216
Other	533	522	541
Foreign information and exchange activities	245	256	255
Food for Freedom	1,452	1,315	1,444
Adjustments [1]	−469	−217	−224
Total, international affairs and finance	4,110	4,330	4,478
Space research and technology:			
Manned space flight	3,649	3,166	2,993
Space science and applications	796	698	644
Space technology	440	420	425
Aircraft technology	89	113	120
Supporting activities	452	411	394
Adjustments [1]	−2	−4	−3
Total, space research and technology	5,423	4,803	4,573
Agriculture and agricultural resources:			
Farm income stabilization	2,267	3,428	3,459
Financing farming and rural housing	−10	26	32
Financing rural electrification and rural telephones	12	13	13
Agricultural land and water resources	353	362	350
Research and other agricultural services	570	623	662
Adjustments [1]	−37	−39	−42
Total, agriculture and agricultural resources	3,156	4,412	4,474
Natural resources:			
Land and water resources	2,335	2,465	2,536
Forest resources	482	518	493
Mineral resources	122	133	131
Fish and wildlife resources	136	153	158
Recreational resources	194	245	309
General resource surveys and administration	275	250	239
Adjustments [1]	−1,432	−1,348	−1,382
Total, natural resources	2,113	2,416	2,483

Footnote at end of table.

Description	Expenditures		
	1967 actual	3968 estimate	1969 estimate
Commerce and transportation:			
Air transportation	945	950	1,282
Water transportation	792	855	1,000
Ground transportation	4,050	4,385	4,420
Postal service	1,141	1,087	767
Advancement of business	189	160	153
Area and regional development	137	312	425
Regulation of business	101	100	107
Adjustments [1]	−48	−156	−157
Total, commerce and transportation	7,308	7,695	7,996
Housing and community development:			
Aids to private housing	−225	−539	−457
Public housing programs	251	297	350
Urban renewal and community facilities	504	865	1,432
National Capital region	66	90	104
Proposed legislation	--------	--------	14
Adjustments [1]	−19	−15	−14
Total, housing and community development	577	697	1,429
Health, labor, and welfare:			
Social insurance	27,117	29,946	33,706
Medicare and medical assistance	4,762	7,061	8,183
Other health services and research	2,010	2,393	2,497
Public welfare (excluding medical assistance)	3,041	3,484	3,605
Economic opportunity programs	1,485	1,853	1,997
Labor and manpower programs	1,069	1,326	1,492
School lunch, special milk, and food stamp programs	418	500	586
Other	365	479	593
Adjustments [1]	−755	−646	−714
Total, health, labor and welfare	39,512	46,396	51,945
Education:			
Elementary and secondary education	1,859	1,930	1,931
Higher education	711	1,057	1,065
Science education and basic research	415	456	480
Other aid to education	628	730	905
Adjustments [1]	−11	−15	−16
Total, education	3,602	4,157	4,364
Veterans benefits and services:			
Veterans service-connected compensation	2,310	2,435	2,461
Veterans non-service-connected pensions	1,893	2,063	2,101
Veterans hospitals and medical care	1,391	1,458	1,546
Veterans education	280	502	604
Other veterans benefits and services	999	843	931
Proposed legislation	--------	--------	−18
Adjustments [1]	−508	−502	−494
Total, veterans benefits and services	6,366	6,798	7,131
General government:			
Legislative and judicial functions	254	280	300
Executive direction and management	25	31	35
Central fiscal operations	968	1,007	1,104
General property and records management	620	629	648

BUDGET OUTLAYS BY FUNCTION—Continued

[In millions of dollars]

Description	Expenditures		
	1967 actual	1968 estimate	1969 estimate
General government—Continued			
Central personnel management	191	212	218
Law enforcement and justice	426	462	529
Other general government	213	203	205
Adjustments[1]	−246	−207	−211
Total, general government	2,452	2,618	2,827
Interest	12,548	13,535	14,400
Allowances for:			
Civilian and military pay increase	--------	--------	1,600
Contingencies	--------	100	350
Undistributed intragovernmental payments:			
Government contributions for employee retirement	−1,735	−1,913	−2,007
Interest received by trust funds	−2,287	−2,678	−3,042
Total, expenditures and net lending	153,238	169,856	182,797

[1] Adjustments are for interfund and intragovernmental transactions and proprietary receipts.

As usual, however, the figures don't tell the entire story.

Anticipated Federal income, for instance, will be $8 billion short of covering these expenditures, even assuming the President's 10% surtax request is approved by Congress to become effective January 1, 1968 for corporations and April 1, 1968 for individuals. The deficit for the current fiscal year is now estimated at $20 billion.

The figures don't reveal the fact that, in this time when our government needs to tighten its financial belt, the budget provides for an increase of 45,600 full time federal employees—as many new federal employees as there are farmers in the entire state of North Dakota. In the four years since the end of fiscal 1965, full time permanent employees in the Executive branch of government will have increased by 454,747 to a total of 2,687,500, a more than 20% increase.

The Administration's contention that necessary war spending is the sole culprit causing the ever-increasing size of the budget and the increasing national debt just doesn't hold water. Defense costs in Vietnam have increased by $25,681 million over the period from fiscal 1965 to fiscal 1969. Over the same period other government spending has increased $25,175 million.

All of us who had hoped the President's budget proposals would reflect genuine fiscal restraint have again been disappointed. In the months ahead, those of us on the Appropriations Committee will be hearing the testimony of the various Department heads as they attempt to justify their planned outlays of your tax dollars.

We all recognize that our nation faces a financial crisis and that we live in a troubled world. Because of the problems arising not only in Vietnam but also now in Korea and perhaps shortly in the Middle East, our military expenditures may well escalate. Certainly, our nation must stand behind our fighting men committed abroad.

Most North Dakotans accept and acknowledge the necessity of cutting back and postponing federal programs and activities while the emergency exists. This belt tightening, however, must be preceded by a thorough examination of all our domestic programs so that those which are wasteful, inefficient or definitely postponable receive the sharpest cutbacks and the needed, workable programs will be allowed to go on.

This, after all, is only common sense.

The Proposed Travel Incentive Act

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ST GERMAIN. Mr. Speaker, my colleague on the House Banking and Currency Committee, the highly esteemed gentleman from Wisconsin, HENRY S. REUSS, has introduced legislation to establish the Travel Incentive Act whereby travel incentive stamps would be made available to Europeans visiting the United States.

This legislation is designed to improve our balance of payments by expanding world travel rather than restricting it as the proposals made before the Ways and Means Committee yesterday by Secretary Fowler would certainly tend to do.

I find Mr. REUSS' proposal to be a more acceptable and beneficial solution to the travel aspect of the balance-of-payments problem and would at this time like to urge the Members of this body to give this legislation their close attention and, I hope, vigorous support.

Public Views Congress

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. STEED. Mr. Speaker, the ability to see ourselves as others see us is a goal that helps any who can achieve it, especially Congress. In this year of great problems and politics, the discussion of how the public views Congress contained in the attached editorial holds special interest. I am sure all Members will find this editorial of more than passing interest. The editorial, published in the Lawton, Okla., Morning Press, on February 4, is as follows:

PUBLIC VIEWS CONGRESS

Congress may be held in the lowest esteem in five years, as shown in the latest poll by Louis Harris, but anyone trying to find a broad reason for this view would be very much confused. For the criticisms and cheers of those polled do not jibe.

Specific criticisms of the first session of the 90th Congress were directed at failure to pass a gun control bill, cutbacks in aid to cities, failure to pass an open housing law and reductions in funds for the poverty program. The gun bill may be connected to crime in the streets. The rest may be part of the Great Society program.

But when it comes to the positive side, the public cheered refusal to pass the income tax surtax, for increasing Social Security benefits, for extending the draft and for cutting foreign aid funds. Without a surtax, there would be no funds for the Great Society measures the Congress was criticized for not passing. Increasing Social Security benefits was a bipartisan accomplishment. So was draft extension. And the cutting of foreign aid had been building up for years.

The war in Vietnam, which has been held out as the prime issue in this election year, was not even mentioned. Another leading issue, crime in the streets, was only indirectly mentioned, and passage of the gun control bill might just as well be thought of as a blow against organized crime. The public mind as revealed in this poll is as confused as that of the Congress they hold so low.

The political meaning of all this is no easier to deduce. During the last five years, Congress was held in lowest esteem in 1963, when it was given a score of 35 positive to 65 negative votes. Yet President Johnson swept the country and a Congress of his party with him on the record in 1964. On the other hand, the highest Congress rating in the same period of 71 to 29 in 1965 was followed by the biggest loss the Democrats had sustained in the 1966 by-election—a net loss of 47 House seats.

Almost one wonders if issues are the guiding influences we think they are in elections.

Fino Introduces Legislation To Prevent Any Decedents Estate Cash From Going to Nationals of Countries Not Allowing U.S. Heirs To Collect

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. FINO. Mr. Speaker, today I am introducing legislation to prevent the estates of American decedents from being distributed to nationals of any country which the Secretary of the Treasury shall determine which does not permit U.S. heirs to collect from estates of local decedents.

Every year, thousands of Americans leave estates to relatives in Iron Curtain countries—Poland, Russia, Hungary, and Romania in particular. Our Government permits these legacies to be paid, and tens of millions of dollars leave the country. Unhappily, however, the distributees of these estates usually do not get the money; it is purloined, surcharged, or confiscated by Communist central banks, exchange control authorities, and other bureaucrats. Thus, these funds are usually just a dollar gift to international communism, a drain on U.S. gold and dollar soundness and a contribution to a balance-of-payments deficit. None of the Soviet bloc nations extend similar rights to U.S. heirs.

I might also add that Communist nations are not the only ones involved. Many non-Communist nations with strict exchange controls do not let local estates distribute bequests to U.S.-named distributees.

All in all, this loophole in our laws lets millions of dollars leave the Nation each year; dollars which are crucial to our worsening balance of payments. Yet the President has not announced any corrective program; he would rather tax American tourists than cut this dollar pipeline to unfriendly nations. My bill would correct this by requiring the Secretary of the Treasury to determine which foreign nations permit the distribution of estates of decedents therein to distributees residing in the United States; and then require the Secretary to cut off all estate distributions except to residents of such countries.

I intend to urge the House Banking Committee to hold immediate hearings on this measure. I think it has important potential.

Linguistic and Cultural Pluralism in America's Southwestern States

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ROYBAL. Mr. Speaker, with the enactment last year of the Bilingual Educational Act, of which I was one of the original authors, and the inclusion of this act as the new title VII of the Elementary and Secondary Education Amendments of 1967, there has been a most encouraging increase in scholarly attention being focused on the question of improving educational and economic opportunity for the Nation's millions of citizens with limited English-speaking ability.

For many years, Dr. Manuel H. Guerra, associate professor of Spanish at the University of Southern California, has studied the linguistic and cultural situation in our southwestern States, and has written extensively on his findings and observations.

Dr. Guerra has just completed a most interesting and thoughtful summary analysis of a research paper covering some aspects of his recent studies in this field.

Because of its importance as a contribution to a better knowledge of this vital and complex area, and, particularly in light of congressional enactment of the 1967 Bilingual Education Act—the first substantial effort on the Federal level to deal effectively with this field of national concern—I include in the RECORD the text of Dr. Guerra's summary analysis:

ANALYSIS OF MEXICAN-AMERICAN PSYCHOLINGUISTIC AND SOCIOLINGUISTIC PROBLEMS AND TALENTS

(By Manuel H. Guerra, Ph. D.)

This research confirms the following facts: Despite the great advancement of the Modern Language Association of America, the Linguistic Society of America, and the Foreign Language Division of the United States Office of Education, from World War II to this date, the language and cultural problems of six and a half million Americans of Mexican descent, in the context of eleven million Spanish speaking Americans in the United States, have never been properly researched, documented, and published. Despite the advances of electronic technology, neolinguistic sciences, and innovations of pedagogy and methodology, the linguistic problems of the Mexican-American people of the United States have never been the preoccupation of a major government effort. Language handicaps and cultural maladjustment, nevertheless, have contributed materially to the poverty, illness, and ignorance of many Spanish speaking American citizens. For over one hundred years, the problems and needs of the Mexican-American community in Arizona, California, New Mexico, Colorado, and Texas have never been understood from the point of view of the responsibility of government nor the educational practices addressed to these Americans.

This research confirmed the adherence of the Mexican-American community to the concept of "Cultural Pluralism" and not the "Melting Pot" concept. The former respects cultural differences as an historical and inherent reality of American heritage. The latter adheres to the belief that cultural differences are impediments to American interests. Indeed, the diversity and vitality of many ethnic and national groups of American society have contributed vitally to the enrichment of the heterogeneous mainstream of American life. The Mexican-American people, by and large, subscribe to this social philosophy, and for that reason, proudly respect their traditions and citizenship. Indeed, not only do they wish to preserve the Spanish language and customs, but they aspire complete bilingualism as the objective of first-class American citizenship. Command of the English language is of primary concern, but not at the expense of their heritage.

Research confirmed the fact anthropologists have repeatedly stated that mothers who speak Spanish to their children give their children language habits, skills, and capacities. This criterion must be reckoned with when a decision must be made to instruct in Spanish or in English. In fact, sixteen categories have been found of diverse language development, but of these, four seem practical for classroom instruction: 1) monolingual Spanish, 2) monolingual English, 3) bilingual Spanish-English, 4) semi-bilingual. However, care should be taken not to segregate children in language classes, for purposes of linguistic expediency, along ethnic lines, because segregation deprives non-Spanish speaking children from contact and learning experiences which the Spanish speaking child often can provide, and the monolithic impression upon the Spanish speaking child distorts the focus of a democratic society within the classroom and deprives him of the contribution of his Anglo classmates and peers. Special instruction, both in laboratory and reading programs, may circumvent this problem, if adequate equipment and textbooks are used. Thus, while Mexican-American language and cultural problems are unique in many ways, solutions must not compound the problem but be found within the framework of competent American education.

This research confirmed that De Facto segregation among Mexican-American children deprived all children of the fullest educational experience in the classroom, playground, and hallway. This study confirmed that children learn from children far more than imagined, and that ironically, where classroom Spanish instruction failed in the elementary school classroom, it succeeded out on the playground when children played with children.

Perhaps one of the most successful linguistic enterprises, concerning Mexican-American children in the United States, observed in this study is the Headstart Program. Children develop language habits, articulate, and respond in meaningful situations with teachers who have empathy. Language competence was not enough. Empathy and feeling for people were as important to this success, that is, for communication, as pronunciation and vocabulary. It is hoped that FLES (Foreign Language in the Elementary Schools) programs will correlate and coordinate with bilingual and ESL (English as a Second Language) programs in order to widen the focus of the target language problem, and recognize at the same time, the enormous talents and skills of the bilingual child which should be developed in the National interest.

In summary, linguistic research and advancement in the United States has bypassed the linguistic problems of Mexican-American and other Spanish speaking bilinguals. Language problems are at the root of economic, social, and political handicaps. Cultural concepts exist which must be respected because they are part of our American birthright. Financial resources, scholarly expertize, and government cooperation are needed to correct the language deficiences of Spanish speaking Americans, in our war against poverty, disease, and ignorance. New College and university curriculum to train teachers concerning Mexican-American problems is needed, as well as new textbooks, laboratories, audio-visual aids, readers, etc. Research has confirmed speculative opinions concerning bilinguals and their problems, particularly in the area of psychological conflicts which stem from Anglo and Hispano value systems. Mexican-Americans who already have contributed taxes, labor, and their life in War, aspire educational opportunity which will improve their economic opportunity, and for that reason, they call upon their government to help them acquire language proficiency and first-class American citizenship.

Blatnik and the Two Harbors Furor

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. KARTH. Mr. Speaker, I am pleased to insert in the CONGRESSIONAL RECORD the following editorial from the Minneapolis Tribune of February 6:

BLATNIK AND THE TWO HARBORS FUROR

Refreshing is the word for Representative John A. Blatnik's ready admission that he pressured the Small Business Administration in 1964 to win approval of a $13.3 million Federal contract for the now defunct Universal Fiberglass Corporation of Two Harbors, Minnesota.

It is refreshing because politicians do not often own up to their role in plans that go sour. In this case, Blatnik was performing a normal and expected political function in trying to help a new business get going in an economically depressed area.

Members of Congress often boast of having influence in Washington, of being able to get defense contracts for their districts, of prodding a Federal agency to assist a constituent, but they usually duck for cover when a deal backfires.

Blatnik and other Democrats are coming under criticism from Republicans, including Governor LeVander, for the State and Federal arrangements on behalf of the company. This is to be expected now that the public agencies are left with unpaid loans and an uncompleted contract.

LeVander says, "It stinks." But this has the advantage of hindsight. The prospect of a new company beginning operations in 1965 was viewed as a sign of economic hope for Two Harbors after the closure of iron ore docks. Republicans Val Bjornson, State Treasurer, and Stafford King, Auditor, joined Democrats on the State Executive Council in approving $232,000 in State loans for the firm in 1964 and 1965. With that kind of bipartisan support at the time, it seems rather inconsistent now for Republicans to try to make a partisan issue out of the case.

Support for Hospital Name

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BINGHAM. Mr. Speaker, since the announcement of my intention to offer an amendment to H.R. 150 to name the Veterans' Administration hospital in honor of the late Medgar Evers, I have received many indications of support for this proposal. Two of these responses, one from the American Veterans Committee and one from the Scholarship, Education, and Defense Fund for Racial Equality, I insert herewith for the information of my colleagues and other readers of the RECORD:

AMERICAN VETERANS COMMITTEE,
Washington, D.C., February 6, 1968.

Hon. JONATHAN BINGHAM,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BINGHAM: The members of the American Veterans Committee endorse your excellent suggestion that the VA Hospital in Jackson, Mississippi, be named after the martyred victim of racial hatred Medgar Evers, who was a member of AVC's National Board at the time of his assassination.

AVC's Jackson, Mississippi Chapter, which he headed at the time of his death, was renamed the "Medgar Evers Chapter, AVC." recently the AVC Chapter was commended by the VA for its volunteer services to the Jackson VA Hospital.

We cannot think of a more appropriate tribute to Medgar Evers and the cause of civil rights, for which he died, than to name the Jackson VA Hospital after him.

AVC, once more, repeats its opposition to the naming of any VA installation after the late Congressman Rankin. To name a VA Hospital after an avowed racist would be an insult to all servicemen and veterans, and particularly those of minority groups. We trust that the members of Congress will not insult the veterans of this nation by naming a VA installation after a man who stood for intolerance and bigotry.

We firmly support your efforts to have the Jackson, Mississippi, VA Hospital named after Medgar Evers.

Sincerely yours,

EUGENE D. BYRD, D.D.S.,
National Chairman.

SCHOLARSHIP, EDUCATION, AND DEFENSE FUND FOR RACIAL EQUALITY, INC.,
New York, N.Y., February 7, 1968.

Hon. JONATHAN BINGHAM,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BINGHAM: Urge Veterans Administration hospital in Jackson, Miss., be named for Medgar Evers, a great American working to secure justice, dignity, and America's heritage for all Americans. His martyrdom in our common cause would be appropriately memorialized by this action.

MARVIN RICH,
Executive Director.

House Republican Policy Committee Pledges Action To Establish Priorities, Reduce Spending and Revise and Reform Existing Programs

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. RHODES of Arizona. Mr. Speaker, the deepening fiscal crisis at home and abroad demands courage, leadership, and candor.

Unfortunately, the Johnson administration has failed to demonstrate any of these qualities. Instead, it has sown the seeds for yet another spending explosion. The proposed expenditures of $186.1 billion in the 1969 budget and the estimated deficit of $8 to $21.2 billion are evidences of a Government slipping out of control. Action must be taken by this Congress to impose spending priorities, reduce governmental expenditures, and reestablish fiscal credibility.

The spending policies of the Johnson administration have fed the inflationary fires, skyrocketed interest rates, and created large deficits. They have led to a marked reduction in the purchasing power of the dollar, caused a catastrophic drain on the gold supply of this country, and endangered the world monetary system.

Secrecy, improvisation, and politically inspired estimates have become the hallmark of the Great Society economic planning.

The Johnson administration has stubbornly insisted that this country could fight a major war and escalate nondefense spending. The results—devastating inflation, a dollar under attack, proposed controls on travel and investment abroad, a plea for a 10-percent surtax, the threat of wage and price controls, and a request that the 25-percent gold cover be removed.

Under the new unified budget concept, the President proposes expenditures of $186.1 billion in fiscal 1969. If Congress enacts his tax proposals, he anticipates revenues of $173.1 billion and a deficit of $8 billion. Without the tax increase, a deficit of $21.2 billion is forecast.

Under the 1969 Budget, new obligational authority would increase by nearly $18 billion compared to an increase of $7.4 billion in the current year. Total budget authority would increase by over $15 billion compared to less than $4 billion in the current year. Net obligations incurred would increase by $15.7 billion compared to $10.8 billion in the current year.

Based on the pattern of the past, there is reason to believe that the 1969 budget may present a misleading picture both as to income and outgo. Thus, even with the enactment of the surtax, the budget deficit may be nearer $15 billion than the $8 billion the President has predicted.

For example, the President's budget assumes that the war in Vietnam will cost $26.3 billion. This may be at least $4 billion low just as the 1968 estimate has proven to be. Also, the President has asked for only a 10-percent increase in grants to the States for public assistance. In each of the last three budgets, the administration's estimate has been off several hundred million dollars. In fiscal 1968 the administration has had to ask for an increase of some 26 percent over the original request.

The overall expenditure estimates of the past three budgets have been incredibly wide of the mark. In 1966, the first administration estimate was a full $10.4 billion less than actual spending. In 1967, the spread between the original and final estimate was $10 billion. This year's budget document projects a $4 billion increase over last January's estimate and fiscal 1968 is only half over. Also, the original estimate for the deficit in fiscal 1968 was $8 billion. Now the President estimates that the deficit may be $19.8 billion with a tax increase and $22.8 billion without.

It is little wonder that the chairman of the House Appropriations Committee has warned:

> History strongly cautions us to assume that the budget will turn out for the worse than the better; that it is wise to hedge against the uncertainties, the slippages, the failures.

The dramatic increase in spending under the Johnson administration is reflected in the fact that in fiscal 1965 the administrative budget expenditures totaled $96.5 billion. At that time, defense costs were $50.2 billion. In fiscal 1969, administrative budget expenditures are estimated to total $147.3 billion. Of this amount, $76.9 billion will be for defense. While defense costs have increased by $26.7 billion from 1965 to 1969, nondefense spending has increased $24.2 billion. Thus, on a percentage basis, both defense and nondefense spending have increased by 52 percent from 1965 to 1969.

In 4 years, full-time permanent employment in the executive branch will have increased by 454,747 to a total of 2,687,500 civilian employees. This represents an increase of more than 20 percent. In this period employment has decreased in only one agency, the National Aeronautics and Space Administration and then by only 1.5 percent. Now, in spite of the fiscal crisis, the budget anticipates a further increase in 1969 over 1968 of 45,600 full-time permanent employees in the executive branch.

Certainly no significant effort has been made by the Johnson administration to restrain other Government spending when Vietnam defense costs were clearly escalating. On the contrary, in 1965 and again in 1966 when the Republicans were outnumbered 2 to 1, President Johnson and his rubberstamp Democratic majority in Congress hastily enacted a flood of new and extremely costly programs. The next installments on these programs are now due.

This then may be the true measure of the 1969 budget as well as the Johnson administration. It is a business as usual approach. It is characterized by fast talk and glib promises. It is so committed to the Great Society programs and increased spending that it has neither the will nor the competency to face up to our mounting economic problems and our new and pressing needs.

In the first session of the 90th Congress, Republicans were instrumental in saving the American taxpayers $4.1 billion in proposed spending and in cutting $5.8 billion from the President's new appropriation requests. A Republican expenditure limitation of $131.5 billion was adopted by the House of Representatives. In a series of 23 rollcall votes on specific reductions, Republican Members of the House of Representatives averaged 85 percent support while Democrats averaged only 17 percent support.

In the second session, we pledge an even greater effort to establish priorities, reduce spending and revise and reform existing programs. This country must win the battle of the budget so that it may emerge from the present fiscal crisis strong and better equipped to meet its obligations and challenges at home and abroad.

President Johnson Provides Sound Leadership for American Consumers

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. CELLER. Mr. Speaker, President Johnson issued a call to action to protect the rights of the American consumer.

The President has again shown his deep awareness of the needs of America consumers and of their increasing desire to have these needs met by effective Government action. Many of us in Congress have been surprised—and speaking for myself, at least, pleasantly surprised—by the amount of popular interest and support for the wholesome meat legislation, passed in the last session, and the truth-in-lending bill, which is now going to conference.

The President's consumer message contains several useful legislative proposals which I believe will evoke similar popular support. For example, there is certainly no reason why the improved system of meat inspection we have just enacted should not be extended to fish and poultry products. Consumers have as much right to protection against unwholesome fish and poultry as against unwholesome meat, and I am sure that the affected industries would themselves be the gainers when consumers can place the same reliance in the quality of their products that they now place in meat products.

We should not overlook amid these legislative proposals the President's announcement of the creation of the position of Consumer Counsel in the Department of Justice. While this administration has compiled an outstanding record in the area of consumer protection, there is still a continuing responsibility to see that these interests receive adequate consideration in decisionmaking at every level of government.

Of course, this cannot be a one-man operation, and the appointment of a Consumer Counsel cannot be permitted to detract in any way from the programs and activities for consumer protection within the various Federal agencies. The Consumer Counsel will undoubtedly need all the help he can get, not only from within the Government, but from those individuals and groups outside the Government who have done so much to focus public attention, and the attention of Congress, on the need for greater protection for consumers.

The Coffee Problem

HON. F. BRADFORD MORSE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. MORSE of Massachusetts. Mr. Speaker, several months ago I called to the attention of this House the dispute between the United States and Brazil on the production and export of Brazil's instant coffee. At the time of that writing, the International Coffee Council had not yet held its meetings in London to begin negotiations to renew the International Coffee Agreement which expires on September 30, 1968. At this writing, several weeks of meetings are over, with no visible progress in reaching an agreement. Negotiations to renew the Coffee Agreement have received a serious setback with the inability to come to a compromise conclusion on the problem of soluble coffee.

We are faced with the following facts. Brazil has already consented on a number of points with no reciprocal compromise by the United States. There is great need to renew the ICA, which is an important instrument of international cooperation. We must recognize the pledges made by the United States at Punta del Este for economic growth and diversification in developing countries. Our State Department has come out strongly opposed to protectionist pressures in other areas. This is an impressive roster, and it gives strong support to the editorial comment in the New York Times that "it is time for some American flexibility." I submit the entire editorial for the attention of my colleagues:

[From the New York Times, Feb. 6, 1968]

THIS PROBLEM IS SOLUBLE

A bitter dispute between the United States and Brazil has imperiled renewal of the International Coffee Agreement, which has been vital in supporting the economies of many developing countries. Both sides are at fault, but if the agreement collapses the United States, as the richest country on earth and the biggest coffee consumer, will get most of the blame.

The 65-nation agreement, due to expire in September, divides up the coffee market, with quotas for each of forty exporting countries. Twenty-five importing countries agree to pay substantially higher than free-market prices to stabilize the trade and to help the producing countries diversify their economies in order to lessen their dependence on coffee.

Washington demands inclusion in the agreement of a provision giving it the unilateral right to curb imports of Brazilian instant coffee, produced under conditions that American and other competitors regard as unfair to them. What Washington calls a stand for the principle of fair competition seems to Brazilians a stand for protectionism, dangerous precedent and a breach of the American promise to help Latin-American countries diversify and industrialize.

President Johnson agreed at Punta del Este last April to "provide incentives for the industrialization of agricultural production" and boost "exports of processed agricultural goods." That is what Brazil has done in building six soluble coffee plants, three with American aid counterpart funds. Brazil's share of the American instant coffee market has soared from less than 1 per cent in 1965 to 14 per cent last year, alarming American manufacturers of soluble.

Brazilian soluble manufacturers buy "grinders"—broken beans whose export Brazil bans—at four cents a pound. American competitors must pay several times that amount for the African coffees from which their instant is largely made. Brazil also levies a stiff tax on exports of green coffee by way of controlling supply, but classes soluble as a manufactured product exportable tax-free. These factors explain the unfair competition charge. They do not justify American insistence that the new coffee agreement include what ultimately is a unilateral protectionist device.

After much argument, Brazil finally did consent to a number of compromises, including a freeze on additional soluble plants and action to tax soluble exports and raise the price of broken beans for Brazilian processors. Brazil also will accept international arbitration of disputes about fair competition. But the United States insists on spelling out the ultimate right of unilateral action, the one point to which the Brazilians will not agree.

Given Brazil's promised concessions, it is time for some American flexibility. An international mediation team is now in Washington and will also visit Brazil in an effort to break the deadlock before negotiations resume in London on Feb. 15. A decision that could mean life or death for this important effort at international cooperation should be made at the highest level in Washington and not by an American delegation that has shown immense sensitivity to protectionist forces on Capitol Hill but little for the deep feelings of poorer countries about industrial development.

Threat to Freedom

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. QUILLEN. Mr. Speaker, because of my continuing concern about the disrespect for law and order which we see around us every day, I wish to call the attention of my colleagues and the readers of the Record to the following editorial, which recently appeared in the Johnson City, Tenn., Press-Chronicle:

THREAT TO FREEDOM

Is disorder a threat to freedom?

If respect for law breaks down, can respect for the individual person hold up?

What happens to nations when they lose their values and give way to every wind that blows?

John W. Gardner, retiring secretary of the Department of Health, Education, and Welfare, made a thoughtful comment on this general subject in a recent address before the American Statistical Association. He said:

"We are in deep trouble as a people. No

society can live in constant tumult. We will have either a civil order in which discipline is internalized in the breast of each free and responsible citizen, or sooner or later we will have repressive measures designed to reestablish order. The anarchist plays into the hands of the authoritarian."

We agree 100 per cent. When people become unable to govern and discipline themselves, somebody or some force comes along to fill the vacuum. The result is loss of individual freedom and establishment of dictatorship.

Yearend Summary

HON. CHARLES M. TEAGUE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. TEAGUE of California. Mr. Speaker, I call to the attention of my colleagues the following yearend summary, as follows:

WASHINGTON REPORT FROM CHARLES M. TEAGUE, YOUR CONGRESSMAN

DECEMBER 15, 1967.

DEAR FRIENDS: I am about to complete thirteen years as your Representative in Washington. This Report will take the form of an accounting to you of my stewardship together with a number of observations—some general and some rather specific. I realize my views will be considered too "liberal" by some, too "conservative" by others. However, I like to think that my positions are in the best overall interests of my constituents and our Country.

One of the problems an elected Representative of the people has: Must he always vote for what he considers to be the majority view of his constituency or may (or can) he use his own judgment if he disagrees with that majority view? I believe that whether our form of government is best described as a "republic" or a "democracy", most persons expect their Congressman and other elected representatives to use, at least to some degree, independent judgment. If they did not, we might as well have a national plebiscite on every issue of the day.

The following, in capsule form, are my stands on some very controversial issues I have faced during these thirteen most interesting years:

VIETNAM

In general, I support our involvement in Vietnam and the "limited war" concept. However, I believe that if the present escalation had occurred sooner and had included the bombing or mining of Haiphong Harbor (after notice to the non-belligerents), lives on both sides would have been saved and the war would now be over.

FOREIGN AID

In spite of disturbing waste and inefficiency, I consider this program to be not only a contribution to the betterment of mankind, but an important part of our struggle against international communism. It is in our self-interest and is not simply a "giveaway" to what some people term an international Community Chest.

THE UNITED NATIONS

Although I am often disappointed at the lack of effectiveness of the UN, we must continue our support and endeavors to make it more than just an international debating society.

TRADE

I am for the general principle of reciprocal trade, but I believe that we should insist on more "give" and less "take" by our trading partners. In other words, nations such as Japan, which we have aided immeasurably in the past, should, and I think will, use a certain amount of self-restraint in competing here with our basic industries. Also, I am very much opposed to selling *any* type of war materiel to countries that are assisting North Viet Nam.

ISOLATIONISM

It must be evident from my comments on Vietnam, Foreign Aid, the United Nations and Trade that it is my conviction we cannot pull into our shell and ignore the world around us.

FRANCE

The President has ways at his disposal, which he should use, to enforce the payment of France's World War I and II indebtedness to us.

OFFICE OF ECONOMIC OPPORTUNITY (WAR AGAINST POVERTY)

In spite of the serious problems in many of our cities and in some rural areas, the Anti-Poverty Program has not, for the most part, provided meaningful answers. There have been some exceptions, but the overall effort has not justified the cost. Far too much money has gone for administrative expenses. Management of the programs in many areas has been atrocious. There are numerous instances where officials seem more interested in fat salaries, large expense accounts, partisan politics and in organizing labor than in aiding the poor.

FEDERAL AID TO EDUCATION

This is a better answer to our poverty problems. Very few persons with high school educations cannot get jobs if they really wish to. Since our local school taxes are about as high as the traffic can bear, I cannot conceive of a better way to spend federal taxes than in helping to improve our schools. When I first came to Congress, I voted against most federal aid to education bills. Obviously, my position has changed.

FEDERAL SPENDING

Uncle Sam is spending considerably more than he can afford. This fact is contributing to inflation and has created a huge national debt which our children and grandchildren must pay. This is not fair to those living on fixed incomes or our descendants. Interest alone on this debt is in the order of $15 *billion* a year. *Where cuts can be made:* (1) eliminate farm subsidies; (2) reduce, at least until Viet Nam commitments are less, space, model cities, rent supplements, poverty, public works and foreign aid programs; and (3) cut back federal employment, at least by not replacing some of those employees who resign or retire.

TAX INCREASE

I realize that my position here is extremely unpopular. Nevertheless, it seems to me that if we still are facing inflation and a sizeable deficit after all possible and reasonable spending cuts are made, the responsible thing to do is to raise taxes back to where they were in 1963. I believe that, insofar as possible, we should "pay as we go". I still consider that I made the proper decision in voting *against* that 1964 federal income tax reduction, in view of the crushing budget deficits that have followed.

THE DRAFT

I believe that it should be possible to replace the draft with a *voluntary, well paid* military force. The additional pay would be off-set by the terrific savings which would result from a drastically reduced "turnover". Huge sums of money are wasted in training a man for just two years' service.

RIOTS AND CRIME

Perhaps some strengthening of federal laws is needed, but I consider this problem to be primarily a state and local one. Very few people want a *national* police force. In my view, some of our courts, notably the Supreme Court, in their zeal to protect the rights of individuals have gone farther than they should and have added to the already burdensome problems of our law enforcement officers.

MY VOTES ON SOME RELATIVELY MINOR ISSUES

1. *Subversive Control Board*—I voted (in effect) against the Board. I believe that the FBI can keep track of communism in this country without the Board's doubtful help. It has accomplished nothing in seventeen years except to provide a $26,000 a year job for the husband of one of LBJ's secretaries.

2. *Mrs. John F. Kennedy*—It seems to me that, after four years, and bearing in mind her considerable personal wealth, it should no longer be necessary for the taxpayer to pay $14,000 *a month* to provide Secret Service protection for Jacqueline Kennedy and her children. I do not consider this to be an anti-Kennedy stand in any sense of the word.

3. *Adam Clayton Powell*—I have little use for this man. However, as a matter of principle, I believe that the House made a mistake in refusing to seat him. We should have seated him and then censured and fined him, as recommended by the special committee on which I served. By the action taken, 500,000 people have been deprived of representation in Congress and many of them *think* (although this definitely is *not* true) that the reason is that Powell is a negro.

4. *Subsidies for Electric & Telephone Cooperatives*—I am opposed to, and believe that I had some part in blocking, an increase in these subsidies. This type of legislation comes under the jurisdiction of the Committee on Agriculture of which I am the second-ranking Republican member.

CIVIL RIGHTS

I agree with Richard Nixon's statement that: "The violent few do not speak *for* the Negroes, but they are speaking *to* them every day, planting the seeds of hatred." I see no need for additional major federal legislation in the civil rights field at the present time. What is needed is to encourage people to take advantage of current educational and training programs. This will qualify them for the employment opportunities now open to them under federal non-discrimination guarantees.

VOTING RECORD

My response to roll call votes in 1967 was about "par" for me—98%. The only votes I missed were minor and occurred during my three quick trips to California.

RE-DISTRICTING

In my first eight years in Congress, I represented Monterey, San Luis Obispo, Ventura and Santa Barbara Counties. Now, due to the population increase, it is just Santa Barbara and Ventura. But, under pressure from the courts, our present District will be enlarged to include portions of Western Los Angeles County. This means that I (or someone else who might defeat or succeed me) will have, after the 1968 election, the responsibility of representing about 700,000 people. By 1972 it will approach 1,000,000. The average district should be less than 500,000 in population, which means, of course, that our District is much bigger than it should be. The "one-man, one-vote" rule, which contends that the vote of one citizen should have no more weight than the vote of another, will not apply to the 13th Congressional District until 1972. But the *all-wise* court has ruled!

I shall send this Report to a few people in "our" (or someone's) enlarged 13th Congressional District.

Sincerely yours,

CHARLES M. TEAGUE,
Member of Congress.

When the U.S. Oil Industry Looks Ahead

HON. GEORGE BUSH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BUSH. Mr. Speaker, in view of the undebatable importance of the oil industry to all Americans, I am sure this article from the January 15, 1968, issue of U.S. News & World Report, "When the U.S. Oil Industry Looks Ahead," will be of interest to all Americans. I am delighted to see such a reputable representative of the fourth estate publish such an excellent article and I commend them for it. In this time when the oil industry is under such heavy fire, I hope my colleagues will pay close attention to this enlightening report.

The article follows:

WHEN THE U.S. OIL INDUSTRY LOOKS AHEAD

Latest developments in the U.S. petroleum outlook raise crucial questions for a key industry.

Will drilling of new wells keep up with soaring demand? Is Congress likely to change the tax rules on oil depletion? What if another world crisis cuts output? Here is a fresh look at petroleum's problems.

This country depends on oil to move its people and goods.

Large numbers of U.S. homes are heated with oil or natural gas. Much of the energy that powers industry comes from petroleum.

As a raw material, oil is vital to the huge chemical and plastic industries.

United States oil companies, with more than 100 billion dollars invested here and abroad, now are facing a set of crucial problems as they look to the future.

The oil industry has emerged successfully from one dramatic test. It surmounted a challenge by Arab nations that shut off vast shipments of Mideastern petroleum to the U.S. and parts of Western Europe last summer.

Still ahead are a cluster of different but equally stubborn problems—

How to meet energy demands that by 1980 will be 50 per cent larger than they are today;

How to counteract a sharp drop in exploratory drilling for new oil reserves;

How to meet a squeeze between rising production costs and relatively fixed selling prices;

How to deal with a threat in Congress to change the special tax treatment for petroleum and other mineral resources that, oilmen say, is essential to spur further exploration.

THE RUSSIAN THREAT

On top of these worries, there is concern about the oil pact between Russia and Iraq, announced just a few weeks ago. Many in the industry view this as a setback for the West, because it gives the Soviet Union its first foothold in the strategic Persian Gulf.

As they face up to all these problems, authorities on the petroleum business say the full story of recent developments, and the risks and rewards that lie ahead, has not been fully told.

Consider the world-wide crisis the petroleum industry recently weathered:

In reprisal for what Arab nations charged was Western intervention in the Arab-Israeli war, Egypt last June closed the Suez Canal, and the Arab states embargoed oil shipments to the U.S. and to much of Western Europe.

Overnight, U.S. oil companies were forced to jump into the breach.

Domestic oil production was boosted by about a million barrels a day.

With this extra output, American companies were able to replace imports of Arab oil lost to the U.S.—about 3 per cent of domestic oil requirements—and to increase U.S. oil exports sharply to help meet fuel needs in Western Europe.

A TEST IS MET

Says an oil-company president:

"The challenge was so well met that most Americans weren't aware of what was happening. They did not notice that a massive disruption in oil supplies had taken place, let alone becoming involved or concerned."

A few figures tell the story.

During the whole five-year period 1962–66, crude-oil exports from the U.S. had averaged only about 1.5 million barrels a year. All of a sudden, exports of crude oil jumped to 1.8 million barrels for the single month of June, 1967.

In July, they rose to 8.5 million barrels, and stayed at almost that level in August. Then they tapered off in September as the Arabs' embargo on oil was lifted.

The three-month export figure was 18.5 million barrels—more than twice the total for the past five years.

SUPPLYING A WAR

All of this happened at a time when demand for oil by U.S. forces in Vietnam was running high.

The average Army combat division in Vietnam burns up about three times as much fuel as its counterparts in World War II and the Korean War.

The Middle East had been supplying about 200,000 barrels of oil a day to Vietnam. This supply was abruptly cut off. The extra burden was taken over by U.S. producers.

Transportation problems arose. Supply lines by sea were stretched to double their normal length by the closing of the Suez Canal. Tanker rates soared.

Still, oil deliveries were made on schedule as output was stepped up not only in the U.S., but in Iran, Venezuela and other non-Arab countries of the free world. Thus an attempted blackmail of the U.S. and Western Europe by some Arab nations was thwarted.

More recently, new unsettlement in the Mediterranean area, where Russian naval vessels are deployed, has made American petroleum experts increasingly nervous. A drive is on to seek out new reserves of oil in less vulnerable areas.

FOR FUTURE: DOUBTS

Now oil-industry executives see trends that cause them to doubt whether the industry can retain its ability to cope with fresh emergencies, or even to meet the coming growth in demand.

One reason is that the search for oil in the U.S. is declining at a time when demand is going up.

The second is growing pressure to change tax laws in a way that, the industry says, will discourage oil discovery and development within the United States.

As oilmen explain it, the U.S. was fortunate to have substantial "built-in" reserve capacity to handle the sort of emergency that arose last summer.

This reserve capacity consists of oil in the ground—resources that have been discovered but not drawn upon.

Most of these underground U.S. supplies are in Texas, Louisiana and California. In the first two of those States, regulatory commissions decide how much oil shall be drawn out at any particular time.

This system of production quotas or "allowables" is partly a below-ground conservation measure, and partly a way to prevent above-ground waste of oil.

Increases in the State-authorized output of regulated domestic wells during the Mideastern crisis kept American consumers from feeling any pinch, and saved Europeans from the prospect of rationing.

PRESSING OUR LUCK

How long could the stepped-up output have been continued from U.S. wells?

Says an oil executive: "I think we could have continued it through 1967 and maybe over into 1968, but we would have been pressing our luck."

If such a drain on domestic wells had continued for a long period, the balance between proved reserves and consumption would have been thrown out of balance.

Notes a petroleum geologist:

"Our oil reserves are like a bank account. We draw on them, but at the same time we make deposits in them by finding new supplies.

"The thing that concerns us is the ratio of new deposits to withdrawals. That ratio used to be 12 to 1 between our proved reserves of oil and our annual pumping of oil from the ground. Now the ratio is down to about 10 to 1. We have been drawing out more oil than we have been depositing, and that cannot go on over a long period of time."

THE WIDENING GAP

Over the past 10 years, demand for oil and gas in this country has risen about 44 per cent. But proved reserves of those forms of energy have gone up only 15 per cent.

A decade ago, in 1957, a total of 14,700 exploratory wells were drilled. In 1967, the figure had fallen to 8,620—a decline of 40 percent.

"And you have to remember that this drilling represents high-risk ventures," an oil executive says. "On the average only 3 out of every 100 wells drilled in search of new fields represent a profitable discovery."

It's when oil authorities look ahead that they get increasingly worried about trends in exploration and output.

"At the moment," one executive explains, "the U.S. is consuming about 12.7 million barrels of oil a day. By 1980, that demand will have risen to 17.5 or 18 million barrels a day. This takes into account the increasing use of other forms of energy, including nuclear power.

"If that is the case—and it is the basis on which we are making our plans—we've got to discover in that interval 78 billion barrels of oil.

"By contrast, 81 billion barrels have been produced in the U.S. in the entire 108-year history of the oil business up to now."

Can this vast amount of new oil be found?

"Yes," replies an industry economist. "The U.S. Geological Survey estimates there are still more than 300 billion barrels of oil waiting to be discovered in this country. The big problem is finding it."

HIGH COST OF EXPLORATION

The search will take vast amounts of capital. One conservative estimate is that U.S. oil companies will have to spend roughly 115 billion dollars worldwide between now and 1980 to meet increasing demand for oil. This figure makes no allowance for steadily rising costs.

Behind the downward trend in oil-well drilling in recent years has been a severe cost-price squeeze on producers.

Prices of oil-field tools and machinery went up by about 7 percent between 1957 and 1966; of oil-well casing, 12 percent. Average hourly wages for oil and gas field workers climbed more than 32 percent.

Meanwhile, crude-oil prices were going in the opposite direction.

In 1957, the average price of domestic crude was $3.09 a barrel. In 1967, according to preliminary figures, it was down to $2.91, a drop of 5.8 percent. It should be noted, however, that crude-oil prices were abnormally high in 1957 and 1958 because of the Suez crisis of that period.

The retail price of gasoline between 1957 and 1967 rose only fractionally—from 22.11 cents a gallon to 22.55 cents a gallon, on the average. Combined State and federal taxes on gasoline over the same period rose well over 20 percent.

What of the criticism in some quarters that the petroleum industry does not pay its share of taxes because of "benefits" or "write-offs" of one kind or another?

SURVEY BY BANK

A study by Chase Manhattan Bank shows that 29 major U.S. oil companies paid taxes of all kinds exceeding 4 billion dollars in 1966, about equally divided between income and operating taxes. This included taxes paid to foreign countries.

U.S. laws permit an American company to get credit on its domestic income taxes against taxes paid to a foreign government.

The oil industry also has been active in trying to ward off attacks on its depletion rate of 27½ per cent.

This is a tax feature that critics charge is a "loophole" in the tax law and an "unwarranted benefit" for oil producers.

Depletion is a complicated and controversial subject and has been under attack frequently during the years the rules have been in effect.

Actually, criticism centers not so much on the idea of a depletion allowance itself as on the existing rate that applies to petroleum.

The subject will continue to be aired in Congress this year, but legislative observers doubt that there will be any change in the law in 1968.

When income tax rates first reached a substantial level during World War I, Congress set up a system of permitting discovery value as the basis for computing depletion for minerals.

This proved to involve too much guesswork. There had to be a market-value determination for every new discovery. So, in 1926, Congress adopted the less cumbersome regulations that now apply.

An oil-industry expert comments:

"The depletion question comes up every time there is a tax bill. Over and over again, Congress has reviewed the issue, and each time has reaffirmed the value of the provision."

Some members of Congress, now urging broad reform in the whole U.S. tax structure, have proposed cutting the depletion allowance.

In rebuttal, oilmen say that, far from being a special tax privilege, the depletion allowance is vital to encourage the search for new supplies.

"Actually," says an oil-company president, "the rate ought to go up to 33 per cent or more to provide really equitable tax treatment for the industry and to make possible the huge capital investments that will be needed between now and 1980."

OIL'S SPECIAL PROBLEM

This executive adds that the oil business differs from industry generally in that it requires a continuous and unbroken stream of new discoveries so that it can maintain and increase its capacity to produce. That is because an oil field contains only a limited quantity of oil.

It cannot be replenished like the water in a well.

"All the low-cost oil and gas fields in this country already have been discovered," he points out. "From here on, the risks and costs are to climb steadily higher. The essential requirement is a continuous and enormous flow of capital available to those who have the necessary combination of know-how and willingness to take risks."

The average cost of drilling an oil well today is about $56,000—whether the venture is a success or a failure.

Depletion benefits are available not only to oil producers, but to other producers of natural resources such as sand and gravel, coal, metals, sulphur and uranium.

The percentage of tax deduction varies in each case, because the resources differ in abundance, in degree of risk involved in hunting for them, and in the amount of capital needed to find them.

In the case of petroleum, many wells that are drilled turn out to be "dry holes." They yield no oil at all. So the wells that do produce oil must help carry the total cost of exploration.

The depletion provision in the tax laws permits an oil producer to recover, tax-free, the value of the underground oil in the wells that have proved to be productive. Thus, the producer can use these tax savings to help pay the cost of searching for new oil supplies.

While the law permits an oil company to deduct up to 27½ per cent of the gross revenue from each producing property, there is an over-all limitation of 50 per cent of net income derived from the property.

If the depletion rate were cut below present levels, some oilmen believe, the tendency would be for oil-well operators to sell out at a capital-gains rate, retire from business and refrain from exploring for fresh reserves.

"The plain fact is," one executive notes, "that you cannot force people to invest in any business, whether it be steel or autos or oil. And you cannot get them to take the risks inherent in the oil business unless the rewards look commensurate with the risks."

SPUR TO DIVERSIFICATION

The depletion controversy has had one additional effect: It has spurred the oil industry's efforts to diversify and broaden its base of activity.

Work is afoot to develop the vast reserves of petroleum locked in oil shale and in tar sands, and programs are in progress to extract oil from coal.

Some oil companies are also hedging their bets on the longer-range future by investing in uranium deposits or nuclear-oriented companies.

But in the years just ahead, oilmen are hopeful that tax policies, import regulations and conservation policies will encourage wider exploration for conventional sources of oil in this country.

"If we learned one lesson from last summer's Middle East crisis," an oil authority recently declared, "it should be the need for maintaining a great measure of independence from foreign supplies that might be cut off without warning."

The Gift of Tongues for All Children in Need

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. CAREY. Mr. Speaker, in his positive education message, President Johnson has recommended the full authorization of the bilingual education program, recently added to the Elementary and Secondary Education Act. Congress acknowledged when it accepted the program that an ignorance of English can ruin a child's entire academic career in our public school system, and subsequently his adult life. No matter how great his intelligence, an ignorance of the language in which lessons are conducted will place him at a disadvantage from which he may never recover—even once he has mastered English. By that time his achievement in school will be lagging far behind the norm. And with all the obstacles with which he must contend—especially poverty—the chances are good that he will abandon school and formal education for the remainder of his life.

The President recognizes the immediacy of the problem and has urged the funding of the bilingual program as early as possible. America, always a haven for the deprived of other lands, must aid those who seek to help themselves through education, especially when they are thwarted by classes conducted in a language they cannot yet comprehend. For when they have finally become bilingual, they no longer have time for all the learning they missed while lost in a haze of "no comprendo," or "non capisco," and other sad reminders of lost opportunity.

East-West Trade—The Dangerous Illusion

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. DERWINSKI. Mr. Speaker, the Subcommittee on Europe of the Foreign Affairs Committee, on which I serve, is commencing hearings on the subject of East-West trade. The fundamental issue involved in this subject has been intensely debated for some time. To keep the Members appraised of the fundamental facts of the matter I insert into the RECORD an article which appeared in the July 1967 issue of the American Legion magazine by the then Legion national commander, John E. Davis:

EAST-WEST TRADE—THE DANGEROUS ILLUSION

A proposed "East-West Trade Relations Act" is receiving serious consideration in the Congress, and is backed by the Administration. It would encourage and simplify much broader trade relations between the United States and the Communist-bloc nations. The American Legion is officially opposed to this concept, and we have both short-range and long-range objections.

In our short-range objections, our National Executive Committee this May called on Congress to prohibit further trade between the United States and any Soviet-bloc country "which is providing North Vietnam with assistance of any form that can increase the war-making potential of the enemy. . . ." We need explain nothing further to justify that objection. Any such trade amounts to trading with the enemy in time of war. In the short run, we can only express amazement that East-West trade should be advanced while hostilities backed by the entire Communist world continue in Vietnam, and have since taken on a new dimension in the Near East.

Our long-range objections are better reflected in the action of our last National Convention, which opposed trade with the Communist bloc *except* in specific cases in which concrete advantage to us could be spelled out. So long as the Cold War continues, even in the absence of armed conflict, we believe that should be the absolute limit of trade agreements with the Communist bloc. Here we recognize that trade *might* be used as a means of weakening the cohesiveness of the Soviet bloc, that our trade *might* be helpful in causing a member country of that bloc to weaken its ties with the Soviet power centers.

We have, for instance, engaged in limited trade with Communist Poland and Yugoslavia in such hopes. In the case of Poland, even Senator Fulbright has had to admit that its leaders have actually drifted toward a greater reliance on the Kremlin while enjoying favorable U.S. trade relations.

We have *possibly* made some headway in encouraging Yugoslavia's visible spirit of independence from Soviet domination with some small trade, though that isn't conclusive yet. Whether we succeed or fail in such ventures, they are at least tied to a very clear purpose, in which we are trying to use trade instead of bullets as a weapon in the Cold War.

But the proposals for a general broadening of our trade with the Communist world totally escape any practical purpose. They prevent us from using trade as a weapon, by simply extending it freely in broad terms. The very arguments in favor of broader East-West trade are dreamy and generalized. The commonest one of all is that we would be "building bridges of friendship." On the record, trade is a game of advantage, not friendship. Right up to the eve of War, Hitler and the Japanese Empire traded with those they attacked in WW2, and as we well know, they traded most earnestly in whatever would best strengthen them for the coming conflict.

Last December, Assistant Secretary of State Katzenbach argued that proposed East-West trade would be in consumer goods, therefore it could not be expected to bring any advantage to the Soviet military thrust. He went on to cite an Italian Fiat agreement to build a compact car plant in the Soviet Union as an example of the kind of profitable trade we are losing in the absence of an East-West trade agreement.

I find such argument to be frightening. When our own President is embarrassed by burdens that military operation in Vietnam impose on his domestic program, how can our government argue that the same principal does not apply in the Soviet Union? *Anything* that *we* do to provide consumer satisfaction in the Soviet Union frees Soviet energies and resources for their aggressive external policies. The point is so obvious that I am not really arguing it, but simply pointing out the bankruptcy of the rationales in favor of broad East-West trade. Even in the case of the Fiat plant, *we* now have been approached to lend Fiat the money for machine tools through the Import-Export Bank. Obviously, the Soviets will not release sufficient capital from their offensive programs even to acquire such an asset. They will be happy instead to see us help capitalize this plant in Russia for the benefit of Russia and Italy, while they save what capital they can to foot war in Vietnam, the Middle East, Latin America, etc.

The present move toward East-West trade traces to a report in favor of it by the Committee for Economic Development issued in May 1965. A minority report in the same study, drafted by committee member Robert E. Kleberg, should have received more attention. Wrote Kleberg, in part: " . . . it would be unrealistic to hope that mutually useful trade could be developed with the Communist countries under present circumstances. We would receive little benefit from such trade and would expose the Western world to some or all of the following hazards:

"(1) An increase in Communist propaganda and subversion in Latin America under the guise of trade.

"(2) An opening of the trade barriers which we have attempted to impose around Cuba.

"(3) A further detriment to our balance of payments position as a result of the credits which we would have to extend to Communist countries.

"(4) An increase in the flow of our technical information and know-how to the Communist world.

"In short, Communist governments look upon trade as a political weapon and use it as such. So long as this is true, we should attempt to deny it to them."

These are hard, demonstrated facts, none of which are met by saying "Bridges of Friendship."

Staffing the Model Cities Program

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ASHBROOK. Mr. Speaker, it will be remembered that some time ago the House Committee on Un-American Activities held extensive investigations on the Ku Klux Klan and its activities in recent years. One of the many members of the various Klan organizations to take the fifth amendment before the House Committee on Un-American Activities was Georgia's grand dragon of the United Klans of America, Calvin Craig. In addition to Craig, J. D. Newberry was identified by the House Committee on Un-American Activities investigators as Georgia's grand klabee, or treasurer, of the United Klans of America and klabee of the Nathan Bedford Forest Klavern No. 1 in Atlanta.

One of the objections of some of the Federal poverty programs pertains to the selection of personnel to administer or participate in the programs. People with their own axes to grind have distorted the intent of the program for their own selfish ends. And if the case of Craig and Newberry is any indication, it would seem that the model cities program will be subjected to the same danger. Certainly there are available persons better disposed to participate in this program than those associated with the KKK. From a personnel standpoint alone, this Federal venture will experience rough sailing if the qualifications of its participants are not more discriminating.

I include the article "Klan Haven," from the February 10, 1968, issue of Human Events in the RECORD at this point:

KLAN HAVEN

LBJ's Model Cities program, a sort of supergrade urban renewal program, is rapidly becoming a sanctuary for exalted members of the Ku Klux Klan.

As revealed in these pages last week, Calvin Craig, Georgia's Grand Dragon of the United Klans of America, the largest and most powerful Klan organization in existence, was recently elected an officer in the federally sponsored model cities plan in Atlanta, Ga. The $16,000 executive director of the project is Johnny C. Johnson, a Negro, who hopes "to be in many close meetings with Mr. Craig and establish some type of communication."

Craig will have a say in policy even though, according to the House Committee on Un-American Activities, Georgia's Grand Dragon has incited racial incidents, is fond of "increasing racial tensons" and has encouraged violence-prone individuals to join the UKA.

Craig, who took the 5th Amendment before HCUA, has also attended and authorized Klan courses in the use of shotguns, handguns and explosives. In 1965 Craig said he was going after white politicians "who have done nothing but give lip service to the white man while they went to bat for the niggers." "Just remember this," he barked out, "[Sen.] Dick Russell took off for Europe when the election campaign was going on and he could been campaigning for the white man. And every time a nigger is elected to office Little Herman [Talmadge] has to take him down to his farm for a chitterling dinner and pig ear salad."

But Craig, as it turns out, isn't the only Klansman who will have some control over the taxpayers' dollars in the Atlanta program. Under the federal government's plans to increase "citizen participation" in various projects, some 59 residents in Adair Park in Atlanta were able to pick J. D. Newberry to sit on the model cities 14-member executive board, of which Mayor Ivan Allen is chairman.

This executive board, an Atlanta model cities spokesman told *Human Events*, will "set policy and determine expenditures" for the Atlanta program. Unlike Grand Dragon Craig, Newberry is expected to receive pay for his special services.

Newberry, in case the taxpayer is interested, was identified by HCUA investigators as Georgia's Grand Klabee (treasurer) of the United Klans of America and Klabee of the Nathan Bedford Forest Klavern No. 1, also located in Atlanta. Newberry also refused to respond to committee members' questions as to his Klan connections and as to whether he took money from the UKA and transferred it to his personal account.

Newberry still won't say whether he's a Klan officer, but his own heating company has advertised in the "Yellow Pages" of the Atlanta telephone directory: "Newberry Heat Co., KKK—Klean, Kozy, Komfortable."

While some people tend to laugh off the Klan as a clownish outfit, the UKA is a far from funny organization. The HCUA has established beyond doubt that the UKA is composed of unsavory characters bent on terrorizing the Negro and other minority groups.

Founded in 1961 with the aid of Craig, the UKA has had among its highest officials members of the American Nazi party and other extremist organizations. Furthermore, Klan members take instruction in the fine art of demolition. Craig, himself, attended and approved of explosive courses in which it was demonstrated how to blow up cars and integrated restaurants. Klan members have also been implicated in numerous killings.

Two members of the UKA in Georgia were convicted on federal conspiracy charges for the wanton killing in 1964 of Lt. Col. Lemuel Penn, a Negro. United Klan members in Georgia were also responsible for discharging buckshot pellets into the face of a 13-year-old Negro girl.

As a result of these disclosures, some congressmen would like to know more about the model cities program. They just can't understand why an Administration so intent upon yanking federal subsidies from schools and hospitals that are not desegregrating at a fast enough pace to suit federal bureaucrats is somehow eagerly willing to foster grants to projects that will be partially directed by members of the violence-inciting UKA.

Response to "Pueblo" Seizure

HON. FRANK E. EVANS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. EVANS of Colorado. Mr. Speaker, the Denver Post is one of the great newspapers of this Nation.

I wish to commend to the attention of my colleagues an editorial which appeared in the Denver Post on Friday, January 26. This editorial intelligently analyzes the actions taken by President Johnson in response to the seizure of the U.S.S. *Pueblo,* a vessel which was commissioned last May and named after my home city of Pueblo, Colo.

Mr. Speaker, the Post praises the President, both for calling up reservists in case they are needed and for avoiding a rash response which could endanger the lives of the *Pueblo*'s 83 crewmen and also could spark a wider conflict.

Mr. Speaker, I offer this editorial to be printed in the RECORD:

L. B. J.'S COURSE IS THE RIGHT ONE

In the crisis arising from North Korea's seizure of the Pueblo off the port of Wonsan, President Johnson's decision to call up 14,600 Air Force and Navy air reservists is a sensible and constructive one.

It improves the power and the flexibility of the United States to deal with contingencies that may arise wtihin the next few weeks either in the Korea area or in Vietnam.

It makes clear the seriousness with which the United States regards the incident and demonstrates its capacity to call additional forces into play in the event they may be needed.

It offers some relief—though perhaps not enough—to the pent-up flood of national indignation which might have forced the President to take still stronger action.

The call-up of the reservists puts the United States in a better position to act, without committing it to action prematurely, needlessly or unwisely.

This is still the time for fact-gathering and analysis, for pursuing the matter through diplomatic channels, for seeking the return of the seized vessel and its crew through peaceful means.

A rash act by the United States at this stage could cost the lives of the 83 men seized with the Pueblo and bring about the destruction of the ship.

A rash act could also broaden the scope of our Asian war and impose new demands on our military resources before we are ready to cope with them.

President Johnson has acted with both forcefulness and restraint. He has sent the aircraft carrier, Enterprise, to the trouble area. He has called up reservists. He has taken steps to seek the return of the Pueblo. But he has wisely refrained from opening up a treacherous new theater of war in the Far East.

The call-up of the 14,600 reservists would have made sense even if the Pueblo had not been molested off North Korea. The growing Communist threat in Vietnam justifies the preparation of new manpower and new airpower to meet dangers that might arise in the next few months.

The President, in short, has acted wisely thus far from every point of view. He has again demonstrated his capacity to keep his head in a dangerous situation. If other Americans will keep their heads as well as he, a second war may well be avoided in Asia.

The Partnership for Learning and Earning Act

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. HAWKINS. Mr. Speaker, the President recommends that Congress enact the Partnership for Learning and Earning Act of 1968. He calls on all of us to give the young men and women of this country the tools which they need for gainful employment after they are graduated from high school.

In recent sessions of the Congress, we have done much to support vocational education. A wide variety of bills has been passed.

But we are still charged with the constant need for examining these legislative enactments to help our State and local governments keep pace with the changing demands of our economy.

The President's message on education recognized this fact: a high school diploma, to be valuable, must be accompanied by skills that allow any graduate to get and keep a good job.

When the Committee on Education and Labor reported the Vocational Education Act of 1963, we made a strong start toward giving our schools the means to lower unemployment in this country.

Still, we can do more for, in coming years, employment opportunities for our young men and women will continue to broaden. The schools must be helped to meet these changing trends in our economy.

The President has given us a realistic assessment of the problem and a partial solution. Those of us committed fully to providing the fullest possible educational opportunities for our young men and women are heartened by his call to action.

At this point, Mr. Speaker, I offer a useful summary of this legislation which has been prepared by the U.S. Office of Education. I would like to call the attention of other Members to it.

The summary follows:

FACT SHEET: PARTNERSHIP FOR LEARNING AND EARNING ACT OF 1968

BACKGROUND AND NEED

The 1917 Smith-Hughes Vocational Education Act was enacted to meet the demands of an economy just reaching industrial maturity. Dominant allotments went to vocational agriculture and home economics; provisions were also included for training in trades and industry.

The 1946 George-Barden Act was introduced to meet changes in labor force demands over the nearly thirty year period. Support for vocational education was increased and a new category of occupational support was added. During the war years preceding 1946, agricultural productivity had jumped from an annual increase of 1 percent to an annual increase of 5 percent. This rising farm productivity had freed labor from agriculture for industrial purposes. A heavy emphasis on the need for industrial workers during the war had also caused the public schools to establish new training programs for industrial contribution to the war effort. More than 7 million persons had left farm and fireside to work in the factories and industrial complexes. The Act added support for vocational education in the distributive occupations and increased support for existing categories. Ten years later two new categories were added—training in the fishery trades and industry and practical nurse training.

The American economy continued to change over the next few years and manpower needs shifted considerably. A changing industrial and occupational mix and a more sophisticated technology led to a shift from a primarily blue-collar and agricultural labor force toward the white-collar employment. The labor market became characterized by a paradox of persistent unemployment occurring simultaneously with the rising demand for skilled manpower. There was a drop of 772,000 workers in low skill manufacturing occupations between 1957 and 1962. Yet, it was estimated that there would be a 40 percent increase in the number of jobs for professional and technical workers by the 1970's.

In response to this shift in manpower needs, the Congress reviewed the operation of existing laws and enacted the Vocational Education Act of 1963. The new funds were to be expended for State and local vocational education programs under six broad categories; it was designed to fit individuals for gainful employment, including business and office occupations not covered by the previous laws. In FY 1965, $123,500,000 was appropriated for operation of programs under this law; FY 1968 appropriations were $199,310,000.

Under the Vocational Education Act of 1963, the number of vocational students in secondary schools rose by 1,504,000 from 1964–1966. Of these 1,238,000 were persons who were trained in a business occupation. Of the remaining increase of 266,000 persons, 200,000 were trained in trades and industries occupations. The number of post-secondary vocational students rose by 907,000; 798,000 of which took training in business education and 70,000 of which were trained in trades and industries occupations.

In the next few years, employment opportunities in the professional, semi-professional, and technical fields will continue to increase. Demand in the public service field alone exceeds labor supply by 5 to 1. The technological breakthroughs that have been witnessed in the passed five years have led to greater and greater demands for trained personnel in scientific research, development, production and services in all fields of applied science. At present, it is estimated that there should be 2 technicians to every engineer or professional physical scientist; there should be 6–10 technicians for every medical doctor or professional researcher in the health fields and 4–5 for each professional biological scientist.

The job of our Nation's schools is particularly critical in view of these new and emerging occupations and the resultant demands to be faced by the labor force. Broader training must be offered to high school students in vocational education; students must be encouraged to stay in school and to undertake technical training or other occupational work at the post-secondary level. Adults must be retrained to assume the duties of 3–4 new careers per lifetime predicted for the future.

PROPOSAL

Title I—Exemplary programs or projects in vocational education

A program of grants for Exemplary Programs or Projects to State vocational boards, local educational agencies, and public and private agencies, organizations and institutions would be established. The programs and projects would serve as models for quality vocational education. Examples of programs which might be supported are:

Exploratory occupational education programs;

Programs or projects to provide students educational experience through part-time work to assist in their maximum development and to help link school and employment;

Guidance and counseling to assure that all students' interests and capabilities are developed in relation to career objectives and to ease the transition from school to work by initial job placement;

Improvement of curricula to stimulate broad-scale innovative changes to provide more realistic vocational education programs for youth and adults at all skill levels.

Beginning with Fiscal Year 1971, the funds appropriated for exemplary programs would be apportioned among the States and outlying areas as follows: $150,000 would be apportioned to each State and not more than 2 percent would be reserved for outlying areas, and the remainder would be apportioned according to population aged 14 through 19. Fifteen million dollars would be authorized for Fiscal Year 1969.

Before making a grant to a State or local educational agency, the Commissioner must find that in planning and carrying out the project, local manpower agencies, employers, labor organizations, and community groups will be involved. No project may be approved if the State board for vocational education disapproves.

Title II—Consolidation and improvement of existing programs

The proposed legislation would consolidate in Fiscal Year 1970, existing authority for vocational education programs under the Smith-Hughes and George-Barden Acts. The earmarking by purpose of uses of funds under section 4(a) of the Vocational Education Act of 1963, such as the 25 percent minimum expenditure for construction and/or post-secondary vocational education would also be removed. Non-occupational homemaking would receive an independent program authorization.

Starting in Fiscal Year 1970, 25 percent of the funds appropriated for the consolidated vocational education authority above the appropriations level for Fiscal Year 1969 would be earmarked for vocational programs specifically designed for the disadvantaged.

The proposed legislation would remove the requirement for separate matching purpose-by-purpose and project-by-project and instead provide for overall statewide matching. The proposal would provide more flexibility in that varying proportions of Federal funds could be used in matching State and local funds. Federal funds could then be directed to areas of greatest need.

The proposal would also amend the Vocational Education Act of 1963 to establish a National Advisory Council on Vocational Education to be appointed by the President and to provide for a broadly representative State Advisory Council on Vocational Education in every State.

The proposed legislation also includes the requirement, effective in FY 1970, that every State submit a State plan each year which would contain, in the first year, a 5-year plan—specifying long-range objectives for vocational education in that State—to be supplemented and updated in the State plans for subsequent years so as to always extend over a 5-year period.

The State plan for each year would also contain an operational annual program plan which would set forth detailed program information for the school year and relate annual objectives to those set forth in the 5-year plan.

Each State advisory council on vocational education would advise the State board for vocational education on the development of the State plan, including long-range and annual program objectives. Each State advisory council would also submit to the State and to the National Advisory Council, an annual detailed report and evaluation of vocational education programs in the State, including recommendations for changes considered necessary.

The State plan should indicate each year that consideration had been given to the State advisory council's recommendations. The State plan would also include detailed information on the extent to which State vocational education programs are utilizing the experiences and knowledge gained from Exemplary Programs and Projects. The State plan would contain assurances that all policies and procedures concerning administration of the vocational education programs would be a matter of public record and be made reasonably available to the public. The State plan would also indicate that all local educational agencies in the State had reasonable notice and opportunity for public hearings on the State plan.

The National Advisory Council would advise the Commissioner on regulations and policy matters, including procedures concerning the approval of the State plans as well as exemplary programs and projects. It would also submit an annual report to the President and the Congress on administration of the vocational education programs in the country.

The provisions for lead-time and advance funding authorized in P.L. 90–247, the Elementary and Secondary Education Amendments of 1967, would be broadened to include vocational education programs under the Partnership for Learning and Earning Act of 1968.

The Commissioner is authorized to enter into contracts to collect and disseminate information on vocational education programs in order to measure the effectiveness of the program and make available materials and technical assistance to State boards and local educational agencies or institutions of higher education initiating or expanding vocational education programs.

The Federal share for the cost of the program in the Trust Territory of the Pacific Islands would be 100 percent.

Title III—Adult education

The proposal would lower the minimum age eligibility requirement for participation in the Adult Education program from 18 to 16 years of age.

The proposal would also increase the variable percentage for the set-aside for special projects in Adult Education to from 20–40 percent.

Inter-American Cooperation for Conservation

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. FASCELL. Mr. Speaker, recently a conference was held in Brazil to discuss ways in which the inter-American nations can best work together for the purpose of conserving our natural resources. This is but another example of the many ways the nations of the Western Hemisphere cooperate for their mutual benefit.

I commend to my colleagues the following editorial which appeared in the distinguished Spanish-language newspaper Diario las Americas, which comments most favorably on the Brazil meeting:

PUBLIC INFORMATION ABOUT THE CONSERVATION OF NATURE

Last December, in the city of Rio de Janeiro, was held the Second Round Table of Information About the Conservation of Nature's Resources, for which invitations to journalists and scientists were issued by the Secretary General of the OAS, Dr. Jose A. Mora. That Round Table was sponsored, in addition to the Pan American Union, by the Technical Center of the Inter-American Press Association and by the Brazilian Foundation for the Conservative of Nature. The Brazilian Academy of Science gave all its support to this event.

The result of this Second Round Table was what was called "Quinta da Boa Vista Plan."

Ten points covered the recommendations made to the OAS, to the IAPA Technical Center, to the scientists and to the journalists in general, so that all that is necessary be made known to prevent the continuation of the destruction of nature's renewable resources, in detriment of the universal biological balance and, as a consequence, also in detriment of mankind.

The important Department of Scientific Affairs of the Pan American Union was represented by Mr. Felipe Sanfuentes, Editor of the magazine "Inter-American Science"; the Technical Center of the Inter-American Press Association—of so much significance for the free and modern journalism—by Mr. Guillermo Gutiérrez, Vice President and Managing Director of that Center, and the Round Table had as Technical Director the Brazilian scientist Jose Candido de Melo Carvalho. The Brazilian hosts added to their friendly cordiality, technical and practical facilities so that the Brazilian scientists and those of other countries who exposed problems concerning the conservation of nature could carry out their mission successfully.

The journalists of different Latin American countries and of the United States who attended this Second Round Table of Information About the Conservation of Nature's Resources, received with interest the brilliant expositions of the technicians and were all in agreement with the pressing need to create public awareness—through an adequate diffusion—about the conservation of nature's resources, so that the devastating unbalance that results from this destruction not take place. Everything in the universe has been ordered in such a way by the Creator that when the extinction of the species takes place artificially, the devastation of forests, or the loss of water, for example, the damage is of incalculable proportions for all.

Very meritorious was the work done by the Department of Scientific Affairs of the Pan American Union, by the IAPA Technical Center, by the Brazilian Foundation for the Conservation of Nature, and by the journalists, who not only heard the excellent expositions of the scientists, but who also expressed their points of view about the way in which the governments and society in general should contribute to the necessary maintenance of nature's renewable resources.

President's Crime Message Lays Foundation for Congressional Action

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. WOLFF. Mr. Speaker, I wish to commend the President for his message on crime. I consider it an excellent statement of the crime problem facing our Nation today and the steps which must be taken to cope with it. The message has laid the foundation for congressional action.

One area of the President's message which deserves special emphasis is that of curing the abuses which now exist in our drug laws. To point out an example, under present laws the possession of the mild hallucinogen marihuana is punishable as a felony while the sale of the more potent and dangerous LSD is a misdemeanor. The use of LSD must be controlled. Its use has been linked with psychosis and undesirable personality changes. The American public and more particularly the young adult population should and must be protected from the evils of LSD and other dangerous drugs. I urge action on the President's proposal to make the illegal manufacture, sale, or distribution of LSD punishable as a felony.

Idahoans Expand Alliance Program for More Aid to People of Ecuador

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. HANSEN of Idaho. Mr. Speaker, the Partners of the Alliance, a non-Government portion of the Alliance for Progress, is one of the best people-to-people good-will programs of which I have knowledge. I am proud of the extent to which Idaho has participated in this program of self-help involving our neighbors in South and Central America.

Mr. Speaker, the following article, from the Idaho Daily Statesman of December 5, 1967, published in Boise, Idaho, gives a graphic account of Idaho's latest participation in this most worthwhile program:

IDAHOANS EXPAND ALLIANCE PROGRAM FOR MORE AID TO PEOPLE OF ECUADOR

(By Jerry Gilliland)

Idahoans took steps Monday to step up foreign aid to the South American country of Ecuador.

The steps were an expansion of the Idaho Partners of the Alliance to include a statewide representation. A visit to Ecuador sometime in January is the next step for some members of the group.

Idaho industrialists Robert Hansberger, president of Boise Cascade Corp., and J. R. Simplot, head of the J. R. Simplot Co., were hosts for the meeting in Boise which included active members of the Idaho Partners of the Alliance and other interested persons.

James Boren, Washington, D.C., director of the national Partners of the Alliance Programs, spoke at the session, describing some of the work other state organizations are doing to assist Latin American countries.

"CHANNEL" SOUGHT

"People in this country are ready to respond to the self-help projects of the people of Latin America," Boren said, "they only need the channel to do it."

The "channel" in this case is the Partners of the Alliance Programs, a non-government portion of the Alliance for Progress, he noted.

In effect, the Partners program involves the use of statewide committees in various states dealing directly with committees in Latin American countries. Idaho's partner is Ecuador, Boren said.

Boren, himself an employe of the U.S. Agency for International Development, said in an interview that only $500,000 in tax dollars has been spent so far on the four-year-old Partners program.

FUNDS AID TRANSPORTATION

The money is used for transportation of program development teams and volunteer assistance, he said. So far, the state committees have contributed $9 million in the form of hospital equipment, generators for village community centers, pumps for wells and other such assistance, Boren noted.

Idaho has "had a very excellent and successful beginning" in its partners program, he noted. The Gem State group has collected such things as several thousand innoculation needles, sewing machines, equipment for a rural hospital, an irrigation system, and equipping an Ecuadorean school.

The partnership is not a one-way deal, Boren said. "More important than the dollar and cents tag are the personal intangibles that are involved when people work directly with people, not with the focus or charity but on self-help which includes the element of dignity."

Latin Americans also are making contributions to the United States, he said. In the Little Rock, Ark., public schools, two Bolivian teachers are setting up a Spanish program, while art exhibits from several Latin American countries have toured the U.S. A Brazilian composer will soon present a premiere performance of an original symphony in Maine, Boren cited.

The key to all Partners projects is self-help Boren said. The Latin Americans do all they can do on a project, then their American partners help with the rest.

Projects are outlined by the committee in the Latin American country and forwarded to the U.S. committee in the state involved, he said. In Idaho's case, the state committee will look at Ecuadorean projects in January and then apportion them to civic clubs and other organizations which might want to help.

"Any civic club, any high school student body, neighborhood bridge group or any individual who want to do something constructive can do it through the partner program," Boren said. "The only limits are the limits to the imagination of the people involved."

The Partners program adds a much needed "grass roots" facet to the Alliance for Progress, he noted. "We have not in the past had the means to respond to the small self-help projects in the villages, we just were not geared for the $150 to $200 project."

Safe Streets

HON. WILLIAM J. GREEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. GREEN of Pennsylvania. Mr. Speaker, the President today sent to the Congress his message on the challenge of crime to our society. I can think of no problem for which the public is demanding more immediate attention.

The acceleration in the commission of serious crimes in the United States is a matter of utmost concern to every citizen. Statistics indicate that the risk of becoming a victim of a serious crime is constantly increasing. This unfortunate trend of disregard for law and order is a problem of national proportions requiring the full attention of the U.S. Congress. While a majority of the crimes committed in this country—assault, rape, burglary, armed robbery, and murder—are matters of local cognizance, the Constitution does not prohibit the Federal Government from assisting the States in discharging their responsibilities in law enforcement.

The President's Safe Streets and Crime Control Act is designed to provide Federal assistance to State and local law enforcement agencies to promote the coordinated development of comprehensive law enforcement plans.

It can be anticipated that the resultant programs would provide greater public security from crime in our homes, and in streets and other public places. The training of local law enforcement officers in techniques necessary to combat modern criminal procedures would result in more effective local police departments. Educational programs and more adequate compensation for training personnel would attract professionals of high caliber into this essential field of public service.

We cannot allow the minority of persons who engage in criminal conduct to deprive other Americans of the benefits of our society. Congress must act promptly on the President's proposals.

H. H. H. Didn't Tell Whole Story

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. DERWINSKI. Mr. Speaker, while we all recognize the spontaneous eloquence of our esteemed Vice President, a thoughtful commentary on the inconsistency of some of his recent pronouncements was carefully noted in the following article in the Aurora, Ill., Beacon-News on January 19, written by Dumitru Danielopol, the outstanding international columnist of the Copley Press.

H. H. H. DIDN'T TELL WHOLE STORY

(By Dumitru Danielopol)

WASHINGTON.—"We have supported majority rule, human rights and self determination throughout the world," said Vice President Hubert H. Humphrey on his African tour.

I wish this were so.

"We will not abandon them in the southern sixth of Africa," the vice president continued taking a swipe at South Africa, Rhodesia and Portugal and their minority and colonial rules.

What about other parts of the world particularly the Communist world?

The Johnson-Humphrey administration has abandoned them for at least 100 million people living in Eastern Europe.

Our record regarding these countries is dismal.

Apart from the fact that the United Nations charter, of which the United States is one of the first signatories, specifically guarantees human rights to all peoples, the U.S. has other obligations, too.

It signed peace treaties in 1947 with Italy, Bulgaria, Romania, Hungary and Finland. All have human rights clauses.

Article 2 of the Treaty with Hungary says:

"Hungary shall take measures necessary to secure to all persons under Hungarian jurisdiction, without distinction as to race, sex, language or religion, the enjoyment of human rights and of fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political option and public meeting."

The same text figures in Article 3 of the treaty with Romania and Article 2 of the Bulgarian treaty.

These are equally binding to all signatories, including the United States, the Soviet Union, France and Britain.

For more than 20 years these rights and liberties have been denied the peoples of Bulgaria, Hungary and Romania by the satellite regimes brought into power by Russia.

Has the United Nations done anything about this?

Why hasn't the U.N. voted sanctions against the Communist regimes, as it did against Rhodesia?

Why hasn't the United States insisted that the rights and liberties of the peoples of Eastern Europe be respected?

It may also be pertinent to recall that it was President Johnson who on Oct. 7, 1966, cast aside the last vestige of U.S. opposition to Communist regimes in Eastern Europe.

In a New York speech, he announced a policy of "peaceful engagement" that abandoned the high principles of the Atlantic Charter, the ideals of the United Nations Charter and the obligations of the peace treaties of 1947. He called it recognition of "the realities of today."

It was also President Johnson who accepted a Communist as president of the United Nations General Assembly.

And it is the Johnson administration which is advocating massive economic help to the Communist countries of Eastern Europe.

Let's tell the whole story. Let's not pose as supporters of "majority rule, human rights and self determination throughout the world."

American Aims and Objectives in South Vietnam

HON. JOHN O. MARSH, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. MARSH. Mr. Speaker, without doubt there has been a great deal of misunderstanding about the American aims and objectives in South Vietnam. Recently, there appeared an editorial in the Staunton News-Leader that addresses itself to this doubt and misunderstanding, and seeks to put it in its proper perspective.

Because I feel this editorial, which draws on the comments of General Johnson, the Chief of Staff of the Army, sets out the basic reasons for our commitment, I would like to bring it to the attention of the other Members.

The article follows:

ANSWERS QUESTIONS ON WAR

Among major causes of opposition in this country, and probably abroad, to the war in Vietnam are misunderstanding of the conduct of that war, and failure to grasp the menace of Communist aggression to free peoples everywhere. In a recent address to a group of newspaper men, Gen. Harold K. Johnson, chief of staff of the U.S. Army, made what would be a valuable contribution to popular understanding of both of these factors, were it possible to get the text of his address to all Americans.

Because what Gen. Johnson said is so informative and to the point. The Leader Papers begin today a serial publication of his address. It is probably too long to attract the readership it merits if published in one take. The following initial chapter will be followed by installments which can be easily and quickly read. We urge all who wish a better understanding of the war to read each one:

"VIETNAM: QUESTIONS AND ANSWERS

"(By Gen. Harold K. Johnson, Chief of Staff, USA)

"One: This is a difficult war for journalists. Two: It is a difficult war for every American.

"Why is this a difficult war for journalists? To start with, it is a war without front lines—without key terrain features—without a Remagen bridgehead to seize, a Guadalcanal to assault, or a Pusan perimeter for a valiant stand and dramatic breakout. There just aren't the standard combat situations that lend themselves to spectacular and easily understood reporting. In the rare instances where such situations do arise, they are often brought directly into our living rooms—live and in color. Competing against that kind of live action, the war correspondent has a troublesome time winning the readers' or listeners' attention with reports on pacification, nation building, and social and economic progress.

"Why is this a difficult war for every American? Well, in the first place the public, too, would prefer to read about the Remagen bridges and the Guadalcanals. We would like our victories to show up as well-defined lines on a map. But the thing which causes every American the greatest difficulty is simply the nature of the whole Vietnam problem.

"Because of its impact on the future of free men and women everywhere, Vietnam is one of the most imposing problems that has faced our nation. It is a problem because its solution demands special understanding, conviction, and support from the American people. The enemy knows this and attempts to exploit every opportunity that presents itself."

International Communism: A Study in Designs and Intrigues

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. RARICK. Mr. Speaker, more voices are being raised to alarm the American people against the designs and intrigues of the godless, materialistic philosophy of communism.

Many of the warnings come from the increasing number of citizens from former free countries, from men who have seen the forced application of unworkable Bolshevik theories and propaganda and their rejection by awakened peoples.

Such was the speech of Prof. Nicholas Nyaradi, former Minister of Finance of Hungary and presently chairman of the School of International Studies, Bradley University, Peoria, Ill.

His statement is invaluable to any student grasping to understand the goings on, direction and intentions in the restless world, and I include Professor Nyaradi's speech following my comments:

THE COMMUNIST PARTY IN INTERNATIONAL AFFAIRS

(By Prof. Dr. Nicholas Nyaradi, former Minister of Finance of Hungary, and chairman of the School of International Studies, Bradley University, Peoria, Ill.)

The Bolshevik revolution in 1917 signaled the beginning of the greatest mass exodus of human beings the world has known since the migration of peoples in the early Middle Ages. The stream of refugees from Communism started with millions of Russians fleeing the red terror the Bolsheviks have established in their homeland and continued with the mass movement of Poles, East Germans, Czechoslovaks, Hungarians, Romanians, Yugoslavians and Bulgarians to reach its climax during the last decade in the flight of North Vietnamese, North Koreans and Cubans.

The total number of those who were not permitted to vote in their own countries so they chose to "vote with their feet" is well above 10 million and to absorb so many people of so varied backgrounds caused considerable problems in the host countries all over the world. This must have been the reason why some fifteen years ago in Western Europe a somewhat tongue-in-cheek definition was coined which sounded like this:

"A refugee is a man who has lost absolutely everything except his foreign accent."

This was certainly our case when my wife and I arrived in the United States some eighteen years ago. Yet today when we are not refugees anymore—being the proud and happy citizens of the United States of America, and the parents of two American born children—I feel that eighteen years ago there still was one valuable item among our meager belongings with which we arrived in the New World. This item had no monetary value and could not be confiscated by guards on the boundaries of the Iron Curtain because it was invisible and intangible—it was the first-hand experience which I brought with me from three years of struggle, observation and contact with the highest echelons of Communist leadership.

On November 6, 1947, Mrs. Nyaradi and I were sitting in a reserved box of the "diplomatic row" in Moscow's Bolshoi Theater. The occassion was the thirtieth anniversary of the Bolshevik revolution and the speaker was Vyacheslav Molotov—at that time foreign minister of the Soviet Union.

Besides the usual outbursts against "Western imperialism" and "capitalistic encirclement" Molotov's speech contained two highly important aspects. First he announced that the atomic bomb ceased to be an American monopoly and then he wound up his address with a rather ominous statement declaring that "World War I has brought the victory of Communism in Russia; World War II resulted in the Communist takeover of the half of both Europe and Asia and World War III will inevitably result in the victory of Communism all over the world."

Hearing this I turned toward General Walter Bedell Smith, the American ambassador, who was seated in the adjoining box with his diplomatic family and asked him about his opinion concerning the Molotov statements. General Smith dismissed them with a shrug of the shoulder as "mere propaganda" and I understood that this was also the opinion of most Western diplomats who were accredited at that time in the Soviet capital.

The following day I had one of my several meetings with First Soviet Deputy Prime Minister Anastas Mikoyan who was my counterpart in those long and tedious diplomatic negotiations which brought me to Moscow. Using the unfortunate Potsdam agreement as a lever, Russia lodged a 200 million dollars claim of war reparations against Hungary and I—as the Minister of Finance of the Republic of Hungary—was trying desperately to whittle down this outrageous amount which threatened my country with immediate economic collapse. (After seven months of bickering with Mikoyan I was finally able to reduce this claim to less than one fourth of its original amount—to 45 million dollars. While I feel that I must be the only living person on earth who ever succeeded in taking out 155 million dollars from Stalin's own pocket this still did not do me too much good. A few months later when I had to flee Hungary for my life Stalin was able to take back not only the 155 million dollars, but unfortunately, the whole of my native land.

While diametrically opposed to each other in ideas and philosophy Mikoyan and I have developed some kind of a grudging and reluctant respect toward each other which—I believe—was based mostly on mutually recognizing each other's training and experience in the field of economics and finances.

Under such conditions I have asked Mikoyan point blank about the meaning of Molotov's statement concerning the atomic bomb. Mikoyan's answer was just as brief and to the point when he told me that Molotov meant exactly what he said.

Shortly after my flight from Hungary the "Saturday Evening Post"—an important American magazine—asked me to write for them three articles about my diplomatic experiences in the Soviet capital and in which I also mentioned my conversation with Mikoyan and expressed my opinion that the Soviets have already developed an atomic bomb.

After the articles were published in the Spring of 1949 I was deluged by letters from readers who accused me of scare tactics and alarmist propaganda at a time when American authorities declared that Russia will not possess usable atomic weapons for another five—or even ten years. However, this flood of critical letters suddenly stopped when in September of 1949 President Truman tersely announced that the Soviet Union has detonated its first atomic device.

Today—almost two decades later—Western chancelleries still dismiss important Communist foreign policy statements as "mere propaganda" or as "talking to the gallery." However, I feel that perhaps the most important lesson I have learned in my seven months ordeal in Moscow was the discovery that one cannot draw a dividing line between Communist propaganda and Communist foreign policy: the two are closely linked and feed on each other.

In spite of the spectacular success of Communist aggression in the last decades the remaining free part of the world still stubbornly closes its eyes and ears to the increasing danger signals of Communist conquest and domination.

When Lenin came to power in 1917 in Russia he succeeded with the help of a handful of supporters—less than one tenth of one percent of the total population of Russia. And today this small group—as well as their heirs and successors—dominate 13 countries which include the forty percent of the population and one-third of the land area of the world.

More than one billion people in 13 different countries all over the world live under Communist governments today—and there was not one single case in which these governments would have been established by the freely expressed will of these different nations—as these Communist governments were all established by force, violence, armed aggression and subversion. (The only exception was the small Indian state of Kerala where the elected Communist government mismanaged the affairs of the state to such an extent that even the Socialist Prime Minister Nehru of India had to use federal power to oust the Communist criminals from the Kerala government).

Communist aggression has succeeded to subjugate in less than a half century such large areas and populations that, compared to this success, all the past conquerors, dictators and aggressors of world history—the Alexanders, the Neros, the Genghis Khans, the Napoleons, the Hitlers and the Tojos—look as fumbling amateurs compared to the leaders of Moscow and of Peiping.

Yet, the great tragedy of our times lies in the fact that this success was achieved not in the name of an invincible doctrine and victory was not won by Communist demigods ten feet tall. I have known personally, perhaps, more Communist government leaders than any other statesman or diplomat of the West and I came to know them as men who were riddled with fear and inferiority complexes trying desperately to make an unworkable system work.

The key to the success of Communist aggression can be found—incredibly enough—in the ignorance, the indifference, in the apathy and in the taking for granted attitude of those they want to destroy—ourselves!

When I try to analyze Communist aggression I speak not only on the basis of history books or research. My professor in Communist aggression was no less an authority than Joseph Stalin. My teacher in Soviet foreign policy was Vyacheslav Molotov and I received first-hand lectures in the field of Soviet economics from Anastas Mikoyan. I have watched closely Nikita Khrushchev as he muscled himself into power by treachery and deceit and I knew personally Alexander Kosygin—the present Soviet Prime Minister—from the time he was the Finance Minister of Russia and my counterpart in the Soviet government. (As a matter of fact I still have reason to believe that Kosygin is not much more than a figurehead in the present power structure of the Soviet Union. I have always known him as a well established technical expert in the field of finances and economics, who, however, was then—and I believe is today—a political nonentity. So I feel that if Kosygin is today the real political boss of Russia then I just as well could be either the Patriarch of Constantinople or the Grand Mufti of Jerusalem).

It was this background over which I have built my present position as an American college professor and college administrator—as well as a proud and grateful citizen of the United States of America. I keep in close contact not only with many of my friends who are statesmen, diplomats or business leaders in the free countries of the world but also watch closely the developments in the United States as I am a member of the Task Force on the Conduct of Foreign Policy of the Republican Party.

From this vantage point of observation it was not too difficult for me to establish the main objective of Russian and Chinese foreign policy which is, was and will remain the destruction of the United States of America.

The Soviet Union and the People's Republic of China need desperately new areas, new sources of raw materials, new industrial potential in order to sustain and expand their political, social and economic systems. As long as this power potential is available in the United States, neither Russia nor Red China can hope to dominate permanently the North American continent—and the rest of the free countries of the world—from several thousand miles of distance.

The very existence of the United States today is a roadblock to Communist aggression exactly as the "fleet in being" was the cornerstone of the "Pax Britannica" in the 19th century. Once the United States is destroyed not only its allies—like Great Britain or Western Germany—would go down the Communist drain, but even the existence of outright neutralistic countries like Switzerland or Sweden would be put in jeopardy. (And while certain strains exist today—in my opinion regrettably enough—in American—South African relations, even the future of the Republic of South Africa depends to a great extent on how the United States will be able to repel, contain or discourage worldwide Communist aggression).

Yet, in spite of this important role and in spite of the tremendous sacrifices in lives, as well as in gold, the United States was willing to bear in order to repel Communist aggression—still oddly enough it was the same United States which in so many instances came to the aid of various Communist governments when they were about to crumble under the burden of their own shortcomings and contradictions.

While it cannot be stated in good conscience that this was all part of a preconceived plan, yet historical facts point clearly towards the important role the United States has played—unwillingly and unwittingly—in building up the Frankenstein monster of Communist aggression.

When after the Bolshevik revolution the new Soviet government was crumbling as a consequence of the severe food shortage in Russia, it was the large scale charitable venture of a thoroughly great American—Herbert Hoover—which saved Russia from the threat of famine and Lenin's government from collapse.

American engineers and technicians were instrumental in the large scale industrialization of Russia during the first five year plans between 1928 and 1938, while at the same time their Soviet counterparts enjoyed the help and the hospitality of American automobile factories where they studied American mass production techniques and procedures.

Intellectuals in the United States openly praised Communism and Communists during the 1930's and 1940's and an American president proudly declared that he has several Communists among his best friends.

In October 1941 United States Ambassador W. Averell Harriman signed the so-called "First Moscow Protocol" in which the United States pledged to give large scale lend-and-lease aid to Russia at a time when America was still a neutral country, as the Japanese attack on Pearl Harbor did not take place only until two months later—in December 1941.

The 21 billion dollars worth of lend-and-lease aid (valued at 1938 wholesale prices) did not only provide Russia with enough military equipment to keep some 180 Soviet divisions fighting during the war but also constituted a long range investment in the industrial-military capability of the Soviet Union. Railroad rolling stock, blast furnaces and openhearth furnaces, machines and machine tools which were received from the United States were used in the Soviet Union for a long time after the war came to an end and provided Russia with the solid foundations which were needed to develop the country into the industrial giant it is today. (A member of the Soviet delegation I was negotiating with was the former head of the Soviet lend-lease purchasing commission in the United States. He told me how the Soviet Union received blueprints, patents and information on American industrial production and I myself—when visiting a large automobile plant in Moscow—counted some 900 various pieces of machinery which were marked "Made in Pittsburgh" or "Made in Detroit").

The Teheran, Yalta and Potsdam agreements which resulted in handing over the countries of Central and Eastern Europe to the tender mercy of the Soviet Union did not only cause—at least indirectly—the enslavement of 100 million cultured, civilized and God-fearing people, but these agreements are also responsible for the considerable increase in the Russian military potential because of the inclusion of these highly industrialized countries into the Soviet orbit.

In 1946—at a time when the anti-communist members in the Polish, Czechoslovak and Hungarian coalition governments were already fighting with their backs against the wall the constantly increasing Communist pressure in their countries—General George C. Marshall wanted to persuade Generalissimo Chiang Kai-shek to participate in such a coalition government with the Chinese Communists. And when Chiang—seeing the fate of these coalition governments in Europe—rejected General Marshall's suggestion the United States punished him by cancelling its economic and military aid to China, which then led directly to the Communist take-over on the Chinese mainland.

In the Korean war General Douglas MacArthur requested several times the authority to smash the Red Chinese invaders in their "privileged sanctuary" behind the Yalu river. Today we know that at that time the Chinese Communists were totally unprepared to meet such a challenge and Red China's military power could have been destroyed before it reached its present frightening proportion. Instead, General MacArthur was relieved of his command by President Truman for "insubordination"—and the United States has settled for a status quo, making the Korean conflict the first war in American history which did not end with a victory for the United States.

When in 1956 the Hungarian revolution shook the Kremlin in its foundations and threatened with collapse the Russian *and* the Chinese Communist empires, we should just remember Mao Tse-tung's frightened speech at that time . . . ("let a thousand flowers bloom, let a thousand thoughts prevail") the United States limited herself to denouncing the Soviet brutality in Hungary with strongly worded speeches in the United Nations. There is strong evidence today that if the Hungarian freedom fighters would have received only token help from the West in 1956 then not only the other captive nations of Europe would have risen against their Soviet masters—and it would have been impossible for Russia to subdue the simultaneous revolutions of 100 million people in eight different countries—but there were also serious signs of mutiny among the Soviet troops deployed in Hungary. There was, however, at least one important voice in America which stated that the United States went far beyond "non-intervention" in Hungary. Representative Michael Feighan (Democrat of Ohio) read into the CONGRESSIONAL RECORD, volume 106, part 14, page 18785, a telegram which was sent by the State Department on November 2, 1956 to Josip Broz Tito, President of Communist Yugoslavia in which the opinion was expressed that the United States does not look with favor upon the establishment of unfriendly governments to the Soviet Union on the borders of the Soviet Union. It is interesting to note that by that time the Hungarian revolution was completely successful, the Russian occupation troops were retreating from Hungary and the Soviets—obviously worried about the possibility of Western intervention in Hungary—were negotiating in Budapest with the Imre Nagy government about Hungary's withdrawal from the Warsaw pact.

However, if Congressman Feighan's statement was based on correct facts—and to my knowledge the existence of such a telegram was never denied—then this message might have alleviated the Soviet fear from American intervention. Two days after the telegram was dispatched a Soviet army of 200,000 men and 6,000 tanks invaded Hungary on November 4, 1956 and crushed the revolution in a blood bath. Under such conditions it would seem plausible that this telegram might have been the green light which prompted the Soviet invasion of Hungary at the time of the greatest crisis in the Communist world. And if this telegram really expressed the official position of the United States government it would not seem exaggerated to say that it not only prevented this way the destruction of the Soviet colonial empire in Europe but perhaps also the collapse of Communism in Russia and eventually in China.

The ill-fated landing at the Bay of Pigs in Cuba in 1961 has ultimately helped Fidel Castro to tighten his grip on this newly established Communist military, economic and propaganda base in the Western hemisphere. And while the late President John F. Kennedy in 1962 successfully called the Soviet bluff in the Cuban missile crisis, America's unwillingness at that time to eliminate the Communist power base in the Western hemisphere might have been the first factor which started the slow disintegration of the North Atlantic Treaty Organization. The original American condition to lift the "naval quarantine" around Cuba was that international inspection should certify the removal of the Soviet missiles from the island. When Nikita Khrushchev insisted that Fidel Castro is "unwilling" to permit such international inspection, the United States was satisfied to photograph Soviet freighters which were hauling large tarpaulin-covered cigar shape objects as proof of the removal of the Soviet missiles. This was the time when rumors started in various capitals saying, in effect, that if the United States is unwilling to enforce its own conditions at 90 miles to the south of its border, how will it come to the rescue of an ally which was attacked 5000 miles away?

In 1963 large scale sales of American grain to Russia saved the Soviet government from the consequences of an acute food shortage and from the resulting popular discontent. Yet, at the same time, Russia's attitude toward the United States—both in words and deeds—was as unyielding as ever and even the anti-American demonstrations and denunciations of the allegedly defunct Stalinist era were reactiviated as an instrument of Soviet foreign policy.

While this brief documentation of United States help to governments, the main purpose of which still remains the destruction of America, is impressive, the great majority of Americans do not believe that this interesting pattern was the part of conscious or deliberate planning. The overwhelming opinion of Americans is that we—in our constant quest for peace—have made unintentional mistakes and that our frequent support of Communist governments and their objectives was motivated by good intentions. (There was perhaps only one—now forgotten but important—dissenting voice in this connection: that of the late James Forrestall, the first Secretary of Defense of the United States. He once said that if so many of our actions were the results of mistakes, then how is it possible that all these mistakes always turned out to favor our adversaries and never ourselves?)

It is clear, however, that the stand which the United States takes at the present, when it opposes Communist aggression in Viet Nam, is quite different from the general pattern of the last three decades. While the war aims of the United States in Viet Nam seem to be just as limited as they were in Korea (containment of aggression without clear-cut military victory), yet the American bombings of Communist military installations in North Viet Nam, as well as the conspicuous absence—until now at least—of Chinese "volunteers" show a considerably harder line of American policy than was the case in any previous confrontation with Communist aggression.

We have also to state that in spite of past mistakes and in spite of the increasing efforts of the "New Left" in the United States, the great majority of the American people are genuinely worried about Communist aggression and are willing to bear the necessary sacrifices both in American lives and in American gold to oppose this aggression. While the Vietnamese war is certainly not popular with the American people, yet the great majority of Americans support the President in the stand he takes against Communist aggression. If criticism is voiced it is not so much because of our stand in Viet Nam, but because the people would like to see the war ended by the full use of American technical power and military superiority. (This was clearly demonstrated in public opinion polls taken at the end of June 1966 and which showed that President Johnson's sagging popularity had increased after the new American air attacks on oil installations in the previously "off limits" Hanoi-Haiphong area were announced).

The general explanation and justification of the American stand in Asia is the guarantee which three Presidents of the United States (Messrs. Eisenhower, Kennedy, and Johnson) have given to the people of South Viet Nam in order that they should be able to preserve their right of self-determination.

While this argument has a strong appeal to the idealistic state of mind of the average American, yet one hears more and more about the so-called "domino theory" which—in view of the past record of Communist aggression—contains a strong element of realism too. According to this theory an American withdrawal from South Viet Nam would not only result in the Communist takeover of that country, but would encourage Communist aggression against other countries too, which would topple—like falling dominoes—in a chain reaction. Or, as I have described this situation recently in one of my classes at Bradley University: "If we withdraw today from Viet Nam, in two years we would have to fight in Thailand, in five years in the Philippines, and in ten years either in Hawaii or at the Golden Gate Bridge in San Francisco."

Several prominent politicians and public opinion leaders in the United States, who oppose President Johnson's policy in Viet Nam, question the validity of the domino theory, but the past tragic record of appeasement of both Nazi and Communist aggression certainly supports it. I—for one—am a staunch believer in the "domino theory", as I happen to be the native of a country—Hungary—which was one of the twelve "dominoes" which fell to Communist aggression during the last two decades.

There would be, of course, a third—and very forceful—argument to support the American stand in Viet Nam. Would it be possible that one day the free world will recognize the fact that if we would continue on the tragic road we were walking ever since the end of World War II—constantly retreating, constantly compromising, constantly giving away our rights and the rights of others—then, finally, we would be pushed against the wall and we still would have to fight. But by that time I am afraid we would have nothing left to fight with and we would have nothing left to fight for.

While the pattern of Communist aggression was clearly established during the last decades—first in the foreign policy of the USSR and then later in the official attitude of the People's Republic of China, it is interesting to observe the perfect co-ordination between these policies and the various Communist parties and Communist sympathizers all over the world.

During the first 21 months of World War II, when Britain was staggering under the blows of the Nazi war machine, Communist Russia and Nazi Germany were co-operating with each other in full harmony under the terms of the Ribbentrop-Molotov agreement. As late as in June 1941 American Communists were picketing the White House and demonstrating against the possibility of the United States entering the war on the side of Great Britain. When Germany suddenly invaded Russia on June 21, 1941 the same Communist demonstrators—still carrying their signs which read: "Let God save the King, the Yanks are not coming"—were suddenly withdrawn, only to reappear a few hours later demanding America's immediate entry into the war on the side of Russia and Great Britain.

During the thirties and the forties left-wing elements all over the Western world were busy in explaining that the Russian people under its Soviet masters live considerably better that it did under the Czar and that the Chinese Communists are idealistic "agrarian reformers." The Communist take-over of Cuba was greatly facilitated through the successful propaganda in the United States, depicting Fidel Castro as the best hope for democracy in Latin America.

Turning our attention to more recent events, which clearly prove the close connections between Soviet and Red Chinese foreign policy on one side and the activities of the world-wide Communist parties on the other, we have to look only at the statement of Dr. Leonel Alonso, which he made recently at a press conference in Miami, Florida. Dr. Alonso, who defected from his post as Castro's ambassador to Lebanon only last summer, told how he and other Cuban diplomats distributed millions of dollars all over the world to the local Communist parties, financing in this way Communist revolts and anti-government activities in various countries. (As the former Cuban envoy made it clear that much of this money came from Soviet sources, it is somewhat difficult to understand why so many leaders in the Western world still doggedly believe that the Soviet government has become a moderate, peace-loving group of gray-flannel suited business executives, whose only concern is to maintain order and equilibrium all over the world.. It is also interesting to note that the present methods and organization of Communist espionage and sabotage activities—as revealed in Dr. Alonso's statement—fits exactly into the pattern which I have described in my book, My Ringside Seat in Moscow, some fifteen years ago).

During last summer, when a rash of so-called race riots hit several large American cities and in many cases the National Guard had to be called out to quell the disorders, the General who commanded these troops in Cleveland, Ohio said that "we are fighting a guerrilla war". While there was widespread concern that these riots followed a clearly established pattern with trained agitators—including Communists—organizing the insurrection, the United States Government steadfastly denied the existence of such influences. However, the New York Times published a report on August 26, 1966 according to which Mayor Ralph Locher of Cleveland "wholeheartedly" agreed with grand jury findings that recent riots in his city had been fomented by trained agitators, assisted by Communists. It should be also noted that the so-called "civil rights movement" in the United States should be strictly a matter of internal policies and should have nothing to do with international relations. Yet, several leaders of this movement made it clear, in many instances, how they condemn the stand which the United States takes in Viet Nam opposing Communist aggression.

Of course one should not say that all opposition to the Viet Nam war in America comes from Communist or Communist-influenced elements. Yet, there is ample evidence that this relatively small but extremely vociferous and often articulate group was strongly used by the Communists in order to achieve their over-important goal: first to discredit and then to paralyze American resistance to Communist aggression. The House Committee On Un-American Activities of the Congress of the United States held hearing recently on a proposed bill which would prevent American citizens from giving moral or financial aid to the enemy in an undeclared war—in this case the Viet Cong and Communist North Viet Nam. The opponents of the bill not only made shambles of the hearing room with their unruly behavior (a relatively mild example of this was the statement of one of the witnesses when he refused to answer the Committee's questions on the ground that "the question nauseates me and I would vomit all over the table") but several of these opponents openly admitted that they are Communists, or "Marxist-Leninists". It would be difficult to deny the similarity between the behavior of these anti-Viet Nam war demonstrators in 1966 and the attitude of the Communist pickets in front of the White House in June of 1941.

In this connection, it is extremely interesting to examine the recent findings of the Internal Security Subcommittee of the United States Senate. The committee charged that Communists have played a key role in organizing campus demonstrations against the war in South Viet Nam.

"The Communist Party, USA, brand may be found upon every phase of the rallies," the subcommittee said in a report on hearings held last year, "from planning to the final effort to proselytize young people."

Seventy-eight pages of previously secret testimony, made public with the report, dealt with the Free-Speech movement at the University of California, and with war protests there and at the University of Wisconsin.

The subcommittee inquiry also covered the W. E. B. Du Bois Club and the report said there is "an official link of the Communist Party, through Du Bois Clubs, with campus activities directed against policies of this country with respect to Viet Nam."

The hearings were held May 17 and 18, 1965, amid demonstrations on campuses around the country.

"These demonstrations seemed spontaneous at first," the report said. "But a pattern emerged, on campus after campus, which made it unmistakably clear that the Communist Party, USA, and its front organizations were playing a key role in organizing them.

"It became increasingly evident that the Communist Party in both fomenting and exploiting campus unrest was laying the groundwork for a concerted drive to recruit youth to its cause." It went on:

"A traditional tool of the Communists is infiltration, and it was used to the hilt on campus after campus. Students-body grievances were either fraudulent, created, stimulated or exaggerated as a catalytic means of setting off mob explosions.

"Once aroused, students' energies were channeled and directed by professionals and their disciples into forums, rallies, protests, resolutions, defiance of law and out-and-out law violations."

Among the most vociferous anti-Viet Nam demonstrators are the members of the so-called W. E. B. DuBois Clubs—a student group which was recently placed by the U.S. Attorney General on the list of subversive organizations. The Communist affiliations of this group became evident in the following statement made by Gus Hall, the leader of the Communist Party of the United States: "Quite naturally we have the closest ties with the DuBois Clubs since they occupy a Marxist position. Many of the members of the DuBois Clubs have joined our party.

"The fact that youths are coming into the Communist party of the United States is a most important distinguishing feature of our time."

While the role of Communist parties carrying out Russian and/or Red Chinese instructions all over the world is extremely dangerous in itself, it can become an outright tragedy in case of war. When I visited the Kutuzov Military Academy in Moscow (the Soviet equivalent of West Point or Sandhurst), the commanding general of the school explained to me how his officers are being trained not only for "horizontal" but also for "vertical" warfare.

Following my question he explained that until the establishment of the Communist rule in Russia the world knew the classical form of "horizontal warfare"—the opposing armies meeting head-on in the field on the "horizontal" level. However, now the Communist parties in the various free countries possess a "vertical" potential and can penetrate deeply into the social, economic and industrial structure of their countries—helping this way actively the attacking Communist forces in "vertical warfare."

I also remember once having told a high-ranking Soviet official in Moscow that in view of the overwhelming industrial power of the United States the Soviet Union would not have a chance in winning a military confrontation with America. Hearing this, he smiled and answered with an ironic expression on his face, "Mr. Minister, even the most complicated American machines will grind to a halt if a few grains of sand will be dropped between their wheels. And believe me, we have the men to do this job."

Even if we believe that the overwhelming majority of the Viet Nam war critics in the United States are not Communists or Communist-influenced, yet it is tragic to observe how the clever Communist propaganda has blinded these otherwise honest and goodwill people to accept the Communist propaganda line of confusion and double standards.

Today many American politicians, public opinion leaders, students and professors condemn what they call "American intervention" in Viet Nam. Yet most of these distinguished people were conspicuously silent when Soviet tanks crushed the revolt of the East-Berlin workers on June 17, 1953.

Many clergymen—and the World Council of Churches—call the American resistance to Communist aggression immoral. Yet, not as much as a whisper was heard from these same circles when Communists overran Tibet in 1958 and forced the Dalai Lama—the spiritual leader of Buddhism—into exile.

When last winter a fanatic American pacifist burned himself to death in front of the Pentagon, protesting the American involvement in Viet Nam, nobody asked the question why not one single "pacifist" demonstrated in front of the Soviet Embassy in Washington in November 1956, when the Soviet army murdered tens of thousands of freedom fighters in Hungary.

The double standards in this connection are so obvious that one cannot but quote the words of the old American adage: "What is sauce for the goose, should be also sauce for the gander." As long as these double standards will exist, questions will continue to pop up if not about the goodwill and the honesty of the non-communist supporters of this cause, but at least about their knowledge and understanding of the lessons of history and the nature and pattern of Communist aggression.

The clever cooperation between official Communist foreign policy and party propaganda has by now regrettably resulted in a king-size confusion of the Western mind. It would be difficult to deny that a considerable tension exist today between the Soviet Union and Red China yet nobody dares to predict the Soviet attitude if and when "the chips would be really down". The painstaking desire of Washington to keep the Viet Nam war localized and limited stems from the uncertainty that nobody seems to know how the Soviet leadership would react to a spreading crisis in Asia. Great-power political interests of the Soviet Union obviously would not favor large scale Chinese gains in this area, yet the significant and increasing Soviet military aid in anti-aircraft weapons to Hanoi seems to indicate that Communist ideological solidarity still supersedes Russian power political interests.

At the same time the Western world still desperately clings to the wishful dream concerning the "moderation" and "mellowing" of Soviet foreign policy. While there isn't an iota of real evidence for such a change—except for certain minor changes in Russian strategy and tactics—we still stubbornly talk about "Chinese Communist aggression in Asia" while we constantly try to convince Russia about the possibility of a fruitful co-operation between the Communist and the non-communist world. It almost looks as if we would draw a dividing line between the "bad Communists" in Peiping whom we have to resist and the "good Communists" in Moscow with whom we can co-operate!

The greatest—and most dangerous—success of brain washing and propaganda, however, consists in the fact that by now most of the people in the free world sincerely believe that anybody who calls their attention to Communist aggression is either a warmonger or an extremist—if not outright a Fascist or a Nazi. The wartime coalition of the great democracies with the Soviet Union has created a curious state of mind: because of the World War II confrontation of powers the subconscious belief still lingers that anti-communism is necessarily identical with Fascism. Yet the proudest badge I am still wearing as a consequence of my high office in Hungary consists of the fact that the Fascists there didn't miss an opportunity to call me a Communist, or at least a fellow-traveler, while the Communists branded me as an American spy and an agent of the imperialists.

The desire for a lasting peace is deeply rooted in the hearts of free people everywhere. They still have to learn yet that peace can be neither achieved nor defended by weakness, hesitation and appeasement.

I have known, personally, more Soviet leaders than perhaps most Western statesmen and diplomats. And I have known these leaders as men who understand—unfortunately enough—only one single language: the language of iron determination, as everything else they mistake for weakness. The best way for us to maneuver ourselves into the horrors of World War III would be to create the false impression in the minds of the leaders of Moscow and of Peiping that we are weak, that we are afraid, that we want peace at any price. In this case I can assure you that we would witness the explosion of Soviet and Red Chinese nuclear warheads over the cities of the free world. The only way to avoid World War III is to let these leaders know that we are ready, able and willing to fight if they ever would force us into it. Never before in world history was the 2000 years old Roman adage as true as it is today: "si vis pacem, para bellum"—if you want peace, be ready and prepared for war.

In this connection there cannot and should not be any difference between free nations all over the world. It is certainly not within my competence and jurisdiction to discuss certain divergencies which exist between the official foreign policies of The Republic of South Africa and the United States of America. But as a private American citizen I believe I have the right to state that when it comes to Communist aggression then South Africa and the U.S.A.—as well as all the free nations of the world—find themselves in the same boat. Whether it is in the lovely capital city Pretoria or in my home town of Peoria, Illinois, U.S.A., we face the same dangers and share the same hopes and aspirations. Besides courage and determination our mightiest weapon is the fact that truth is on our side. The half century record of Communist aggression speaks so loudly for itself that it is frustrating and discouraging to see the great obstacles and difficulties which seem to stand in the way of drawing the inevitable conclusions from this record. Would it be possible that the words of the American philosopher, George Santayana, can be applied to us who said that "those who are unwilling to learn the lessons of history are bound to repeat it?"

There is no question about it that a fog of ignorance, of indifference, and of apathy has descended upon the hearts, the minds, and the souls of free people all over the world. If we will not be able to lift this fog, it will inevitably lead to blindness. And in this connection we cannot but remember the 3000 year old Greek adage: "If the gods want to destroy someone, first they strike him with blindness."

Tourist Harassment

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. RODINO. Mr. Speaker, numerous editorials and other expressions of interest have been appearing steadily since the administration's travel tax plan has been made public. While critics are notoriously fickle, on this issue however, there has been more consensus than usual—and I believe for good reason. As a means of substantially cutting into the balance-of-payments deficit the travel tax represents more of a nuisance than a serious formula for even a partial cure. Moreover, the particulars of the measure are so riddled with exemptions, and so arranged that the middle-income traveler is hardest hit—the rich can afford it no matter what, and the poor would not be going in any case—that I believe the individual tourist tax approach to be faulty and more burdensome than the value of the added revenue.

Following is a recent editorial from the Newark News:

TAXING TOURISTS

The tax on tourists' overseas spending, which President Johnson has proposed to help reduce the unfavorable balance of international payments, attempts to meet protests against unduly burdening teachers, students and others traveling on small budgets.

A student prepared to spend $600 in a two-month European stay—based on Treasury Secretary Fowler's report that $10 a day is typical—is hardly likely to cancel because of a $27 tax. Nor is a traveler who has long been dreaming of a three-week tour at a modest $15 a day likely to be upset by a levy of $25. As for the rich, they are not likely to be stopped by the proposed tax.

Even though the tax rate doubles on spending of more than $15 a day, the total effect still may be more nuisance than deterrent. Similarly, the proposed 5 per cent excise tax on plane and ship fares would probably provide little or no restraint.

The President himself acknowledged as much in predicting, in his State of the Union message, that even under the proposed limitations Americans will travel more overseas this year than ever. Furthermore, the $500 million by which the President hopes to slow tourist spending is only about one-seventh of the deficit in the balance of payments.

So what Congress is asked to approve is a form of tourist harassment that at best would have a negligible effect on the balance.

France Must Pay Its Debt

HON. THEODORE R. KUPFERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. KUPFERMAN. Mr. Speaker, I have today joined with Congressman Lester Wolff—see the Congressional Record of February 1, at page 1779—and the more than 100 Congressmen who have signified their desire by concurrent resolution that France be called upon to pay its World War I debt to the United States of over $5 billion still in default both as to principal and interest.

While among friends debts can be forgiven, for we sometimes ask to forgive our debts as we forgive our debtors, France, as personified by Gen. Charles de Gaulle has indicated a determination to breach the traditional ties between that country and ours. Accordingly, we should expect to be compensated in the full amount due.

I am joined today in this determination by a partisan group of House Members including: Mr. Baring, Mr. Brasco, Mr. Brown of Michigan, Mr. Cahill, Mr. Daniels, Mr. de la Garza, Mr. Derwinski, Mr. Dickinson, Mr. Foley, Mr. Goodell, Mr. Kyros, Mr. McClory, Mr. McClure, Mr. O'Konski, Mr. Philbin, Mr. Pool, Mr. Riegel, Mr. Rogers of Florida, Mr. Smith of New York, Mrs. Sullivan, Mr. Vander Jagt, Mr. Whalley, Mr. Whitten, and Mr. Widnall.

Congressional Summer Intern Program

HON. WILLIAM V. ROTH, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ROTH. Mr. Speaker, I was, as were many Members, deeply disappointed in the House's action when it eliminated funds to continue the congressional summer intern program. Notwithstanding the very real need to cut spending, I believe the proven worth of the intern program justifies its continuation.

House Resolution 1008, introduced by Messrs. Machen and Cleveland last year, is presently pending before the House Administration Committee. It is my understanding the committee plans to take up the proposal in the next few weeks, and I hope passage of the resolution can be achieved soon.

The beatniks, hippies, and flower children, who capture the headlines and generate expressions of concern over the younger generation, are by no means representative of America's young people. On the contrary, I find the young men and women I meet increasingly aware of the problems confronting us as a nation, and more alert to the challenges and responsibilities of citizenship. We, in Congress, I believe, ought to encourage intelligent and industrious young people to take an even greater interest in the affairs of their country and to devote a part of their considerable energies and talents to public service.

Recognizing the educational benefits derived from working and studying on Capitol Hill, a number of colleges and universities have for a number of years supported a summer-in-Washington program on their own. Reports indicate that many of these young scholars have given valuable assistance to individual Members who have set them to work on research projects.

The individuals interning under these privately sponsored programs will not, of course, be affected by our failure to fund the Congress' own summer intern program. But, hundreds of bright young people interested in government and politics attending the vast majority of schools which do not support their own intern program will be foreclosed from taking advantage of this unequaled educational opportunity as a result of the House's action.

Last summer I had two interns for 5 weeks each. They did not have much time to learn the ropes here on the Hill, but both young men, John Stoppelman and Vincent Poppiti, plunged into their work with enthusiasm and were of great help to me. I have had to put off the requests of other young men and women who wish to work here on the Hill this summer in the hope that the House will continue the intern program, if only at a limited level. I should like to say yes to one or two of them.

The highly publicized activities of a small number of interns last summer should not cause us to abandon such a worthwhile and successful program as this. Rather, it is incumbent upon Members themselves in the selection and supervision of their interns to instill in them a respect for the Congress and its traditions to prevent a repetition of last summer's unfortunate incidents.

The New York Times Praises Performance of Arts and Humanities Foundation

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BRADEMAS. Mr. Speaker, within the next few weeks the house will consider legislation to continue and expand a program of great significance to the quality of our national life. I refer to the National Foundation on the Arts and the Humanities, established in 1965 to encourage progress and scholarship in the various branches of the arts and humanities.

Mr. Speaker, as a nation marked by continuing scientific and technological advancement, we must also direct our energies and concern much more vigorously to the development of our cultural resources.

Congress recognized this need in creating the National Foundation, which for the past two and a half years has performed with wisdom and imagination in administering grants to support projects in the arts and humanities across the country.

Mr. Speaker, in an editorial on February 6, 1968, the New York Times offered high praise for the promising record established by the National Foundation so far and support for its extension by the Congress.

As noted by the Times:

> The United States now gives less Government support to the arts than any other civilized country in the Western world.

We can do no less than to build upon the small beginning we have made in public support for the arts by approving the bill to reauthorize the program of the National Foundation for another 2 years.

I insert the text of the New York Times editorial at this point in the RECORD:

NATIONAL ARTS FOUNDATION

Public, as opposed to private, subsidy of the arts is something new in this country, or at least overt subsidy is. For some considerable time the arts have enjoyed foundation support, itself an oblique public subsidy, and patrons of the arts have for long enjoyed certain tax concessions that in themselves represented an indirect contribution to the arts from the economy's public sector.

When in 1965 the National Foundation of Arts and Humanities was founded, its birth was accompanied by a great deal of goodwill, but also a certain healthy skepticism. This, after all, was not the American way of financing the arts, and this new Government body had to prove itself in a number of areas. First, was it efficient? Did it know where to pass the buck where it was most needed? Second, was it impartial? In Europe, the concept of a nonpolitical but government-financed agency is more easily accepted than in the United States.

The foundation has set a record of which it can be proud. Born part of despair and disbelief, it has established for itself in the world of the arts a reputation not only for fair dealing but also for perceptiveness. The foundation also has proved itself extremely flexible in its operations, recognizing that arts subsidies in the United States cannot be slavishly based on European models, but must meet American needs.

After three years of trial the foundation is awaiting House debate on renewal of its life for the next two years. The United States now gives less Government support to the arts than any other civilized country in the Western world. In view of the need to restrict spending in every sector, should Congress cut back? It is not without relevance that devaluated Britain, in her hour of greatest financial stringency, has just promised not less, but more, for the arts.

Seven Million Americans Benefit by Increase in Minimum Wage

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ROYBAL. Mr. Speaker, for the past 30 years, the Federal minimum wage law has been an effective instrument for insuring human decency in America.

Today, the value of this law is especially great as we fight an all-out battle against human disadvantage in the cities, towns and hamlets of our country.

On February 1, 1968, new increases in the Federal minimum became effective. They mark a milestone in the economic history of the United States.

More than 7 million men and women—many of them family breadwinners—will realize pay hikes because of these increases in the Federal minimum wage: 5.9 million persons covered by the law before the 1966 amendments to the Fair Labor Standards Act will now receive at least $1.60 an hour; and 1.3 million newly covered employees will receive at least $1.15 an hour.

This means that millions of citizens will be able to share a little better in the abundance of America. It also means that $2.3 billion will be added this year to personal income.

Neither the beneficiaries of the higher minimum wage nor the rest of our citizens will ever be the same for the welcome change set in motion by the 1966 Fair Labor Standards Act amendments.

I think history will be very kind to the farsighted—and humanitarian—legislators and President who were responsible for these increases in the minimum wage.

Europe on $7 a Day

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BOB WILSON. Mr. Speaker, now that the administration has unveiled its plan for taxing foreign travel by Americans as a so-called solution to reducing our balance-of-payments deficit, it behooves us to examine this proposal very carefully. In my opinion, the administration has not made a sufficient case for a travel tax. It is incredible that each time the administration finds itself in a deficit situation, it calls for more taxes. First, we are asked to levy a surtax on income to help reduce our budget deficit. Now, the call is for a travel tax to help stem our dollar outflow abroad. Yet, the administration is doing nothing to attack the more basic causes of the balance-of-payments problem such as reducing our own Government expenditures overseas or limiting our spending programs at home.

At this point, I would like to introduce in the RECORD an editorial from the Wall Street Journal which also points out that one of the serious side effects of the proposed travel tax is that it would clearly interfere with every American's right of free movement:

EUROPE ON $7 A DAY

The striking thing about the Administration's proposed travel tax is that it is intentionally designed to interfere with the liberties of American citizens.

That the tax will inhibit the ability of ordinary Americans to travel to Europe is not merely an unfortunate side effect. The whole purpose of the proposal is to allow the Government, in its ultimate wisdom, to control the movement and spending of its citizens.

It is all very well for the Administration to cloud the coercive intentions of the tax with deductions and other gimmicks. Yet in doing so it paints a curious picture of its own notions of social worth. It allows a $7 daily allowance free and taxes the next $8 a day at half the ordinary 30% rate.

The intention, apparently, is to avoid interfering with the dirty shirt set, skylarking students and other minimal spenders. But the modest American who has put aside $1,000—say, $200 a year for five years—for the expenses of three weeks in Europe will find he now needs about 15% more, which will prove painful if not prohibitive.

To help enforce these elevated and discriminating notions, the traveler is faced with elaborate methods of repression. Report, justify and post bond before you can be released from the U.S.

It is also very well for the Administration to say the tax will expire in two years if Congress enacts it at all, but that is one we have heard before. Our own morning line has very long odds on this tax passing from the national scene any time before the current Administration does.

Especially so since the Administration is doing nothing to attack the more basic causes of the balance-of-payments problem. It is not in any significant way cutting back on its own overseas commitments, which lie much nearer to the heart of the problem than tourism does. Nor is it pursuing the Governmental austerity at home which is the only internationally proven cure for payments deficits. At the same time it proposes the travel tax it presents a budget with a deficit, if everything goes well, of some $8 billion.

The travel tax, then, is merely the latest edition of a weary story. For the mistakes of their governors, the people will pay, not only with their money but with their freedom.

Cincinnati Air Safety Conference Packs District Court—Participants Agree Large Expenditure Needed

HON. ROBERT TAFT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. TAFT. Mr. Speaker, on Sunday, February 4, 1968, Congressman DONALD D. CLANCY and I cosponsored an Air Safety Conference in Cincinnati, with the express purpose of educating the public, their elected officials, and of exposing areas that might require additional congressional study and possible legislation. We were delighted with the large numbers of Cincinnatians who came to the conference to hear from the various government and private air safety experts.

It was obvious that there was little general agreement among participants as to the best method of attacking the problems of air safety, although all agreed that additional further expenditures would be needed. Cincinnati Post & Times Star Reporter Dick Rawe, and Cincinnati Enquirer Reporter Bob Brumfield have written interesting accounts of the conference. Their articles follow:

[From the Cincinnati (Ohio) Post & Times-Star, Feb. 5, 1968]

WHO PAY? EXPERTS DON'T KNOW, BUT AIR SAFETY IS GOING TO BE COSTLY

(By Dick Rawe)

Plane crashes at the Greater Cincinnati Airport weren't supposed to be discussed at the Cincinnati Air Safety Conference, but they came up for discussion anyway, if only indirectly.

Experts from all fields of aviation agreed that billions of dollars must be spent in the future in aviation and much of it for air safety. They didn't agree on who should foot the bill.

Financing of larger, better equipped airports, new instrumentation in planes and better trained personnel in aviation came into each of the 45-minute panel discussions held yesterday during the safety conference at the U.S. Postoffice and Courthouse.

During a discussion on "Airport Construction and Modernization," Capt. John McDonald, a United Airlines pilot who flies out of Detroit said, "I cannot disagree, safety does cost money. But, the lack of taking safety precautions costs more."

He then explained a standard which suggests compaction of soil on paved runway shoulders to a distance one-third the width of the runway. This would mean soil compaction 50 feet wide on either side of a 150-foot wide paved runway.

The cost of "one accident you may have had already because of the lack of this feature would pay for this (compaction) at every airport in the state of Ohio. You spend it in destruction of the airplane, in loss of income from that airplane, in litigation. Why not spend that money for something to prevent accidents?" he said.

He was referring to the Nov. 8 crash in which a TWA Boeing 707 slid off the west end of the east-west runway at the airport. A Delta Airliner was mired in the mud off the same runway. The co-pilot flying the TWA plane has said he heard a thud as he passed the mired plane and aborted the flight which resulted in the crash.

Capt. McDonald is chairman of the Air Line Pilots Assn.'s enforcement procedures study committee and has been active in accident investigations. He said sliding off runways is one of the worst things facing pilots today. "One major carrier had 11 planes go off runways last year," he said.

George Gary, eastern regional director of the Federal Aviation Agency, was asked if the FAA certified airports. He said the FAA did not, that it was left up to local governments.

McDonald said that because it does not certify airports the FAA does not require them to have fire fighting equipment. Noting that the Greater Cincinnati Airport has a fire department, he said, "A lot of airports do not even have a bucket of sand and yet air traffic is authorized into those airports." He said most everyone associated with aviation is certified and airports should be, too.

Carl B. Rubin, Cincinnati attorney who moderated the panel, asked Capt. McDonald whether most fatal crashes occur near airports. McDonald said the largest number of fatalities are near airports. "The most hazardous part of the trip is the takeoff and the landing," he said.

Wallace Power, Cincinnati utilities director, said after years of discussion Cincinnati now has a small amount of money for planning a firehouse at Lunken Airport. "All it takes is money," Power said.

Robert Monroe, who represented the Aircraft Owners and Pilots Assn., said incidents of fires are fewer than 150 per year.

Monroe said his organization is opposed to a use charge to help finance improvements at airports. He said people in general aviation, which excludes the military and major airlines, pay their fair share through purchase of goods and services at airports.

Gary said the total investment in airports today is $5.5 billion, according to FAA records. He said in order to bring airports up to expected FAA standards in the next seven years it would cost another $5 billion. "The question then is, how would this be paid," he said.

He said there are 10,000 civilian airports, of which 7000 are unpaved and unlighted and only 1200 of the 10,000 have runways 5000 feet long or longer. He said 6300 are privately owned and added, "Unless something is done we are going to lose some fine airports."

The safety conference was sponsored by Reps. Robert Taft Jr. and Donald D. Clancy of Cincinnati, who participated in the first panel, "Public Responsibility," with Rep. Donald E. Lukens (R., Hamilton), and Rep. William E. Minshall (R., Cleveland).

Minshall, who has a private pilot's license, said: "The sky literally used to be the limit, vast and uncluttered." He said we are heading toward a crisis in the air and likened it to highway traffic today if no expressways had been built. Minshall, who is on the House Appropriations Committee, said a move must be made in the future to spend billions on aviation and aviation safety.

During the panel on Air Traffic Control, Byron Hood, chairman of the Ohio Chapter, Air Traffic Control Assn., said the FAA in the past three or four years has been "trying to run the ball team without a bench." He said more air controllers had been hired recently but they need training before they become effective. He also said more equipment is needed.

Capt. Joseph H. Bartling, of the Air Line Pilots Assn., said pilots want an electronic collision avoidance system installed in planes, leaving this phase of air safety up to the pilots. It was explained the electronic system gives pilots on a collision course with another plane positive instructions such as telling one to turn right, the other left.

Capt. Edward J. Burke, chairman of the Air Line Pilots Assn.'s all-weather flying committee, was asked if all-weather flying was here yet. "Yes," he said. "It's still in the experimental stage the same as it was in Gen. Doolittle's time in 1929."

Burke discussed proposed new lower flying minimums. He said some airports had surface detection equipment (radar) which would show the entire surface of the airport, including a man on a bicycle in a fog. "They've just decommissioned it and now is when we need it," he said, and said.

"We've had cases where people drive out on runways in autos, strangers visiting airports. You ask me to take 150 people down that runway?"

A former FAA official said the decision was based on economic factors.

Burke, asked if huge, complex new planes have put too great a stress on pilots, he said yes. Burke, stressing the need for new safety equipment in planes for landings and takeoffs said, "Less money is spent on instruments than on the entertainment factor on aircraft."

In a discussion on noise abatement, it was suggested airports buy more acreage to remove homes from the vicinity of airports where landing and takeoff noise is greatest.

Byron Dickey, general manager of the Greater Cincinnati Airport said the airport used to talk about a total of 3000 acres but now is aiming for 8000 acres by 1970. He said it's a question of whether it is financially feasible.

[From the Cincinnati (Ohio) Enquirer, Feb. 5, 1968]

PANELISTS AGREE $5 BILLION NEEDED FOR AIR SAFETY

(By Bob Brumfield)

The 1968 Air Safety Conference held in Cincinnati Sunday proved that Ohio's congressmen and a blue ribbon panel of aviation experts are vitally interested in flight safety but don't know where to get $5 billion.

It also indicated that airline pilots disagree with general aviation pilots, both disagree with air traffic control personnel, everybody is sore with the Federal Aviation Authority and airport managers are caught in the middle.

Fortunately for the cause of air safety, in airing their differences of opinion on just about every facet of flying, the spokesmen for the various associations and agencies represented at Sunday's meeting pointed up the many problems involved and the various options available for solving them.

And according to Reps. Robert Taft Jr. and Donald D. Clancy (R., Cincinnati), cosponsors of the conference, that was the idea of having it in the first place—to inform the public and their elected officials.

Since the meeting featured four congressmen—Rep. Donald E. Lukens (R., Hamilton), Rep. William E. Minshall (R., Cleveland) and Representatives Taft and Clancy, it could have developed into a political show. It didn't.

The legislators spoke briefly at the beginning of the conference, sticking strictly to aviation and flight safety, then turned the meeting over to Cincinnati attorney Carl B. Rubin, who served as chairman for panels on air traffic control, uniform standards for airport certification, airport construction and modernization, flight crew training and all-weather flying and noise abatement procedures.

Panelists included representatives from the Federal Aviation Administration, Air Line Pilots Association, City of Cincinnati, Greater Cincinnati Airport, Flight Safety Foundation, Aircraft Owners and Pilots Association and Air Traffic Control Association.

The basic needs, as revealed by the panelists, are familiar ones—more people to operate more and better equipment at better airports, all paid for by more money.

Maj. Gen. Joseph D. Caldera, USAF (Ret.), president of Flight Safety Foundation, termed the present air traffic control system, which is under the jurisdiction of the FAA, totally inadequate to handle the present and future needs of aviation.

Byron Hood, chairman of the Ohio Area Chapter, Air Traffic Control Association, and control tower operator at Greater Cincinnati Airport, said the big problem in air traffic control is the small number of trained people available. He said the FAA simply hasn't done much hiring in past years, and that now control towers must operate with "no bench."

Hood also said a computer assistance system for airport control radar is needed, and that the FAA has been very remiss in providing such equipment.

Thomas Basnight, director of regulatory matters for the Air Line Pilots Association, disagreed with Hood, arguing that the need is not for more manpower on the ground, but for utilization of space age technology and placing the decision-making function for collision avoidance "in the cockpit" with the pilot.

"Yeah, but we still get blamed for crashes," countered Hood.

Robert Monroe, representing Aircraft Owners and Pilots Association, said a new method for controlling air traffic must be found, but added: When there is such a good economic justification, why use the safety argument?"

He said more people die from therapeutic accidents in doctors' offices than in airplane accidents.

On the subject of airport modernization and construction, Capt. John McDonald called for certification of airports and airport managers by the FAA. He said that some airports do not even require fire fighting equipment, and stated that many airport managers are qualified for the job only in that they are the brothers of the wives of mayors.

Byron Dickey, manager of Greater Cincinnati Airport, replied that he was not the brother of the wife of any mayor, but that he knows that most airports can't modernize properly within the current budget for Congress.

McDonald said air safety does not cost money. "Lack of air safety costs money," he stated.

He cited the cost that one airplane crash imposes on insurance companies and the owners of the aircraft involved, saying that this cost would more than pay for air safety equipment at an airport.

And so the meeting went, through all the various panel topics, always arriving at the same question: Where does the estimated $5 billion needed for air safety during the next 12 years come from?

If the aviation industry is to have adequate airports, satisfactory noise abatement, improved simulators for training, closer scrutinization and certification by the FAA, sophisticated new control equipment, improved instrumentation for aircraft—in short, air safety—who's going to pay for it?

Nobody at the conference volunteered to pick up the check.

World Peace Through Law

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ROYBAL. Mr. Speaker, I would like to take this opportunity to introduce in the CONGRESSIONAL RECORD the text of a most thought-provoking address on the subject "World Peace Through Law," recently given by Judge Philip M. Newman, of Los Angeles.

In emphasizing the vital importance of equal justice for all as the key to peace, both here at home, as well as throughout the world, Judge Newman stresses the need to continually reexamine our own systems of administration of justice to assure that this worthy goal is, in fact, being achieved.

As a member of the National Advisory Committee for the Federal Office of Economic Opportunity's legal services program, Judge Newman illustrates how this program, with the active support of the American Bar Association and bar associations in many States, including the State bar of California, is making a significant contribution toward realizing the objective of equal justice before the law for every citizen, regardless of financial ability to afford the services of a lawyer.

By demonstrating that the legal services program is in the highest traditions of our system of jurisprudence, Judge Newman outlines briefly the steady progression from the signing of the famous Magna Carta, to the adoption of the U.S. Constitution, to our present nationwide effort to provide each and every citizen the full protection of our laws.

It is this continuing effort to improve the administration of justice in America that will aid the cause of an orderly, lawful and peaceful society in this country, while contributing greatly to our ultimate goal of peace throughout the world.

Judge Newman's address follows:

WORLD PEACE THROUGH LAW

(By Judge Philip M. Newman)

A few weeks ago when I was in Washington, where I go four times a year, as a member of the National Advisory Committee of the Legal Services Program, which is part of the War on Poverty, I saw a poster in one of the government offices that I visited. This poster appeared to be a formula and it reminded me of my commitment to address this group. I copied the formula for this purpose.

The formula to which I refer is: Truth, plus justice, plus freedom, plus love, equal peace. This is attributed to the late Pope John.

Eloquent as the formula is, it is my belief that justice is perhaps the greatest of these virtues, and includes the other virtues. It therefore, has to follow that with true justice there is peace.

You have undoubtedly heard the rather trite saying that charity begins at home, but I must add that this is even truer when we speak of justice. Justice that prevails in the local community will be reflected and will prevail in the greater areas of the states, the nation, and the world. Many of the present and past conflicts have had their seeds sown in injustice. This may be social, political or economic injustice.

Justice that is not equal is not justice. We as lawyers and judges, and you as associates of our profession, have to examine and reexamine our own systems of administration of justice in order that we can contribute in our own way towards the goal of equal justice.

As I mentioned in the beginning, I have been connected with the Legal Services Program since my appointment by Sargent Shriver in March of 1966. This program has been misinterpreted and misunderstood. The immediate reaction of the legal profession to the introduction of the program was the cry of "Socialization of the Law." After many of us spent many hours explaining the nature and extent of the program, the program not only has been endorsed and approved by the conservative American Bar Association, but it has become its strongest backer. At every meeting that I have attended in Washington, the past and present president of the A.B.A. have been present and very active in the furtherance of the program.

The bar associations of many states, including the State Bar of California, have sponsored legal assistance offices, applied for and received grants from the Office of Economic Opportunity and are supervising their operation in many neighborhoods where the poor cannot afford the necessity, nor the luxury, of the services of a lawyer. The program has benefited the legal profession in that it has removed the burden of handling charity cases, and also making the public aware of their rights and channeling clients who do not qualify financially for the free legal services to the practicing attorney through the referral systems of the bar associations. The neighborhood legal offices do not accept cases that "generate" a fee, such as personal injury cases, workmen compensation claims etc. The client that is accepted must be within the minimum standards and guidelines as to income and assets. I consider this contribution by the legal profession very significant towards equal justice and as I said before, towards tranquility.

Let us examine the state of the law, the administration of justice, in the criminal law field. Much has been said and written about the developments in the application of constitutional rights to persons accused of the commission of a crime. The Magna Carta, that famous document that the English people forced King John to approve in 1215, has been called "the cornerstone of English liberty". It marked the beginning of democracy in England. It was the first document that promised certain rights to all free men.

Since 1789 the people in the United States have been guaranteed certain rights by the Constitution. The states have in turn adopted their own constitutions. The right to counsel, the protections against unreasonable search and seizure and self-incrimination, the right to a speedy and public trial, right to reasonable bail have been guaranteed by the "Bill of Rights" which were the first ten amendments which have been in force since 1791.

The observation and preservation of these rights will be conducive to equal justice which in turn will result in tranquility. If the philosophy that originated with the Magna Carta and was furthered by the United States Constitution would prevail in every community it would by necessity spread over the world.

In the Los Angeles area, I can say without fear of contradiction and with pride, we enjoy one of the best systems of administration of justice in the world. This is not just my personal opinion. The Christian Science Monitor recently conducted a national study and survey of the courts of the United States, and it was their conclusion that this County had the most efficient and effective court organization. The poor are furnished legal representation in all stages of criminal proceedings, in felonies and misdemeanors, in accordance with the principles of the Constitution. The accused are promptly arraigned and have a reasonable bail set, and brought to trial in a speedy and public trial. By observing and preserving these rights, the legal profession and the judiciary are making their contribution to an orderly, lawful and peaceful society.

One additional factor which must be emphasized and furthered is respect for law and order. Unfortunately today, there is a disregard for the rights of others and an ignoring of the supremacy of the law. It is true that law should be a means to an end, and not an end in itself, but without respect for the law, civilization cannot endure. The individual who expresses his dissent and protests unlawfully, the large business concerns who illegally conspire to stifle competition and to establish monopolies, the taxpayer who defrauds his government, the person who sees a victim of a crime and turns away not wanting to get involved, all this contributes to the breakdown of law and order, and must be avoided and eliminated, if we are to make our contribution to world peace through law.

"Transnational Transactions, Technology and the Law: An Analysis of Current Trends," by Hon. Lawrence C. McQuade, Assistant Secretary for Domestic and International Business, U.S. Department of Commerce

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BRADEMAS. Mr. Speaker, I believe that many members of Congress, especially lawyers and more especially those interested in our international economic relationships, will find most useful a recent article written by the Honorable Lawrence C. McQuade, the distinguished Assistant Secretary for Domestic and International Business of the U.S. Department of Commerce.

Mr. McQuade's article, which was published in the summer 1967 issue of the Denver Law Journal, a publication of the University of Denver College of Law, follows:

TRANSNATIONAL TRANSACTIONS, TECHNOLOGY AND THE LAW: AN ANALYSIS OF CURRENT TRENDS

(By Lawrence C. McQuade, Assistant Secretary for Domestic and International Business, U.S. Department of Commerce.)

(NOTE.—Mr. McQuade's article is an elaboration of a speech he delivered at the Western Regional Conference on Transnational Transactions, held at the University of Denver Law Center in April 1967. In it he discusses the impact of technological change on society. He examines four aspects of technology which bear directly on transnational business, and suggests that the need for a legal and institutional framework which will promote more effective transnational use of technology poses a challenge to the lawyer to make full and beneficial use of his creative talents.)

"The discovery of phlogiston is but a first step toward an endless march of scientific progress and social turmoil."

—Axophinius, circa fifth century B.C.

INTRODUCTION

The dynamics of the law reflect—sometimes too slowly—the dynamics of society. Nowhere does this idea manifest itself more clearly than in the era of science and technology. The iconoclasm of science at its best puts society on its mettle. American businessmen, at least, accept the challenge with skill and pleasure. They pour forth ingenuity, organization, and energy to move science's byproducts into the stream of our economy. In this process of creativity, the law has a responsibility to facilitate these economic and social processes by providing a degree of order within which creativity can prevail over confusion.

Out of technology—that vigorous offspring of science—flows an impluse to change and innovation in commerce and industry. For the businessman of breadth and imagination, it opens new horizons. For the self-satisfied and the stand-patters, it poses a peril to markets and customers which can no longer be taken for granted. For the lawyer, it calls for adaptation and change at a rate fast enough to foster the new yet moderate enough to preserve a responsible measure of stability and respect for the virtues of values which have endured the tests of experience.

The dynamic tradition of America welcomes the challenge of technology. Four of its aspects bear directly upon transnational business and, hence, upon the lawyer with clients dealing across national lines: (1) the impact on trade; (2) the psychological-political-practical imbroglio it creates between the United States and Europe; (3) the promise it can hold for the economic problems of the less developed world; and (4) the legal and institutional framework needed to foster more effective use of technology transnationally.

I. INTERNATIONAL TRADE

First, science and technology keep changing the pattern and relative progress in international trade. The impact of technology on the pattern and progress of international trade has never been stronger than in this new era of astronautics, electronics, and nucleonics.

Obviously this is true in the case of faster and better communications and transport. Containerization, refrigeration, pipelines and other new transport technques keep altering practicalities, costs, and trade patterns—opening up new opportunities on a worldwide basis for the businessman in inland areas like Denver—and threatening those who fail to keep up with the times.

Science and technology, of course, continually alter the kind and quality of goods and services which enter into international markets. Close to half of the dollar volume of our expanding United States exports, for example, now consists of such "high technology" products as machinery, transport equipment, and chemicals[1]—all made by highly skilled, highly paid American workers. The dynamics of this process have profound effects upon our trade balance and our trade pattern.

For those in and out of Government concerned with the health of the nation's balance of payments, this dynamic has important implications.[2] As a practical matter, the world-wide involvements of the United States mean that we need, over a period of time, a trade surplus on the order of $5 billion or more in order to pay for recurrent outlays for the national security, overseas travel by our citizens, and the like. But, our balance of trade has met this objective in only two of the last five years. In addition, the United States share of the total value of free world trade has been declining, from 22.5 percent in 1954 to 19 percent in 1966.[3]

Technological innovations and applications support our broad effort to expand our exports and reduce the deficit in our balance of international payments. In 1965, the United States earned an estimated $650 million from other countries in royalty payments for technical know-how, patents, and other intangible property licensed abroad—about 4½ times the $144 million we paid others.[4]

Furthermore, technology, by raising productivity and lowering costs per unit of production, helps American industry compete more effectively in world markets. Production efficiency contributes to our high exports of such products as aircraft, computers and pharmaceuticals.

Technology is one of the elements of competitive strength in world markets. But the developer of the technology may or may not win the prizes. Research and development comprise only a *part* of the innovative process. The payoff in trade accrues to those who carry through to the market.

Japan illustrates the point. Japanese industry spends relatively little on basic research.[5] It adapts and builds upon the results of foreign research and development, both through the purchase of technical know-how and through production by foreign-owned subsidiaries. For example, the United States, the original source of transistor technology, sold $10 million worth of radios in world markets in 1966 but bought $94 million in transistor radios from Japan alone.[6]

Some people say that when a nation runs a deficit in its technical balance of payments—meaning royalties, licensing fees, and other payments for technical know-how—it suffers both economic and trade disadvantages as against nations with technical payments surpluses. This type of simple analysis is faulty because it overlooks the compensating benefits of resulting import savings and export gains. These are often difficult to quantify but if measured and put into the payments vs. receipts equation the balance of advantage may be found to be with the receiver of the technology rather than the seller.[7]

Japan, with a continuing deficit in its technical balance of payments, is enjoying a rate of economic growth that substantially exceeds that of the United States.[8] The fact that it has succeded in becoming one of the world's leading trading nations appears to disprove the assumption that a technical payments deficit must be a disadvantageous factor in international commerce. Japan's experience indicates that it is not necessary for a country to spend large sums on basic research in order to succeed in export. It can attain excellent results simply by buying foreign technology—possibly at less expense. Moreover, it demonstrates that follow-up efforts by management are essential to exploit fully the commercial advantages of new scientific and technological developments. For this genius we look to the American businessman to pursue world markets with the same zest and intelligence he displays at home.

II. POLITICS, TECHNOLOGY TRADE, AND INVESTMENT

The second issue relevant to transnational business operations raised by technology is political and psychological as well as economic. Resting on the alleged superiority of the United States in matters of science and technology, this political phenomenon is expressed in graphic terms, "Brain Drain" and "Technological Gap."[9] These terms lend emotion rather than clarity to the genuine feeling that the United States somehow has an unfair advantage over others simply because of technological excellence.

Recently a British profesor called upon the United States to prohibit American companies from recruiting skilled manpower abroad. The numbers of European researchers, scientists and engineers leaving for greener American pastures are counted with alarm and it is noted that fewer American scientists have gone to Europe to do research. The net loss is regarded as further evidence that the "gap" is getting wider, and "if allowed to continue, jeopardizes Europe's economic future."[10] For example, Amintore Fanfani, Italy's Foreign Minister, has called for a ten-year cooperative plan for technological development to help redress the alleged technological imbalance between American and European industry.[11]

To add to the confusion, there are facts stemming from the size and effectiveness of many new American investments in Europe which are disconcerting to many Europeans. For example, the total sales of General Motors has exceeded the Gross National Product of Belgium.[12] In Germany, Americans own over 40 percent of the petroleum industry. The preeminence of the United States in

---

Footnotes at end of article.

computers is but feebly challenged so far by any other country.[13] United States owned or controlled companies produce over one-third of Europe's auto sales,[14] yet our total investment in Western Europe is modest,[15] and we account for only a minor percentage of total business in any single European country. To compound things further, American companies enter into overseas markets with the same vigor they use at home. In some industries, the arrival of energetic, iconoclastic American management techniques into Europe has rudely jolted the comfortable cartels with their "breakfast-table agreements" and old-fashioned, gentlemanly courtesies among competitors.

All of these various ingredients somehow relate to each other. While still a murky phenomenon and related to more than technology, a European attitude of concern toward United States firms and toward the United States exists. Both American businessmen and the American Government need to worry about it. Europeans ascribe the so-called "gap" to the disruption of World War II, the postwar "brain drain," and the advantages accruing to United States technological progress through our large mass market, our extensive resources, and—especially—substantial United States Government support of military and space research and development. They say they cannot maintain their economic growth rate in the future if the "technological gap" continues or widens. The Europeans obviously are concerned, and the issues they raise are of concern to us and warrant our careful study and attention.

As a starting point, the President has charged Dr. Hornig, his Science Advisor, to head a group within the Government to study the real meaning of the so-called "technological gap." Under Secretary of Commerce J. Herbert Hollomon serves on this group. The Organization for Economic Cooperation and Development (OECD) has also started its own study. Out of these efforts should emerge some facts to supplant the histrionics currently in vogue and point the way to answers as to whether there is an across-the-board "technological gap," as the Europeans seem to think, or whether there are various kinds and degrees of technological disparities. The answer certainly does not lie in mere scientific or technological terms.[16]

A test based on spending on research and development—amounting to about 3 percent of our GNP—indicates that United States industry is much more oriented in this direction than its European competitors. While the United Kingdom spends a healthy 2.6 percent of its GNP on research,[17] France is spending barely half this amount and other European countries spend a good deal less.[18] The percentage differences seem less significant, however, if you consider that about half of our research and development expenditures serve military and space purposes, while Europeans spend relatively little in this field.[19] On the measure of expenditures for research and development which are of direct benefit in upgrading the technical level of the industrial sector of the economy, we are probably fairly even with the Europeans. There is, of course, some spin-off from United States military and space research and development as well, but its impact on the economy in this regard is inadvertent and perhaps less than is generally assumed. Moreover, it is a costly way to introduce new technology into industry.[20]

There is no direct correlation between the size of such expenditures and rate of economic growth or trade expansion. Research and development spending obviously cannot explain why many European economies have grown faster than our United States economy in recent years, or why our United States exporters are encountering stiff competition from European businessmen in many world markets. Neither does it explain why the United Kingdom economy, with relatively higher research and development expenditures than other European countries, has advanced less rapidly than its continental colleagues. Europe does not in fact suffer any great dearth of technological innovation and know-how. Some European firms enjoy large foreign currency earnings from the United States and elsewhere for the use of their technological know-how and services.[21] If there is a lag, it lies in the application rather than in the possession of technology.

Such disparities as may exist between European and American industry cannot be properly considered except in the context of other differences between Europe and United States: for example, in (1) amount of capital investment per worker; (2) degree of mechanization; (3) availability of resources; (4) size of business enterprises; (5) productivity; (6) development of mass markets; (7) size of the educational base; and (8) work habits and attitudes.

Industrial management policies and initiative in using known-how as factors in technological progress may well be *the* crucial factors, as the Japanese example suggests. A speaker from abroad broached this view at the Symposium on Technology and World Trade, held at the National Bureau of Standards last November. He said:

"To my mind there is a gap, but I'm not certain that the reason the gap is there is to be found in the technological field. I believe that the fundamental reason for the gap is more a question of mentality and attitude. . . .

"Science and technology are and have been present in Europe many years. What we would like is the attitude necessary for the creation of more big industries with leaders who know how to make use of science and technology." [22]

It is reasonable to assume that our current studies will uncover some "technological gaps"—some of which may be in favor of Europe—but I doubt that we will find many, if any, which can be defined as strictly "technological." My guess is that the basic difficulties may be outside the area of technology.

As to remedies, some people have advanced the idea that our Government might engage in a give-away program of technology. This, of course, is out of the question. It neglects to take account of the private ownership of most United States industrial technology and fails to come to grips with what probably is one of the basic problems: the limitations on effectively and economically transplanting United States technology outside the United States market and resource context. Except for the results of government-financed research and development, private enterprise owns and controls United States technology. It is often protected by patents but just as often it is unpatented know-how, developed and perfected by its owners. The Government could not give it away.

On the other hand, we have long cooperated with the European nations in many fields of activity, including the sharing of technology: (1) in the OECD; (2) in the exchange of scientific and technical information through NATO; (3) in close cooperation about atomic energy through the European Atomic Energy Commission (EURATOM); (4) in the European Nuclear Energy Agency; (5) in the European Space Research Organization; and (6) in the European Launcher Development Organization. We share peaceful scientific data and technological know-how with other nations, including the European countries, through the United Nations and its specialized organizations, and through many other international groups.

Furthermore, much government-financed research and development in military, space, atomic energy, and other fields has been made accessible to anyone in the United States or abroad. Unless the information is specifically related to our national security or has been developed by industrial contractors on their own, it can be purchased at nominal cost from the Commerce Department's Clearing House for Federal Scientific and Technical Information. The Clearing House was set up expressly to make government research and development results available as widely as possible.

However, even a technology-sharing program cannot really solve Europe's problems if it turns out to be basically non-technological. If entrepreneurial, capitalization, or other difficulties are involved, only the European nations themselves may be able to take corrective action. There are clear signs that the real nature of the problem is understood by many Europeans, but their efforts tend to be overlooked in the vain hunt for facile solutions.[23] It is a question of practicality—not of willingness or unwillingness to cooperate. Our most useful contribution in this instance may be to help identify the real disparities and their fundamental causes, so that it will be possible to determine what kind of action is most appropriate.

III. GROWTH OF LESS DEVELOPED COUNTRIES

The third major transnational business aspect of science and technology is its impact upon the economic growth prospects of the less developed countries.[24] It is quickly apparent that the greatest "gap" in technology and its dimensions is that between the industrialized countries of the world on the one hand and the less developed countries on the other. One of our national policy objectives is to contribute to the economic growth of these developing nations. As President Johnson has repeatedly emphasized, we want to help these countries help themselves. One way to do this is to help them achieve the technological progress they want and need to advance their economic development, living standards, and international trade. Sturdy, self-reliant, progressing states contribute to greater stability and security in the world. Their progress serves our own and other nations' best interests. It expands the opportunities for mutually profitable trade and investment.

What can be done to raise the level of technology in the less developed countries? As an early objective, create an economic environment conducive to innovation. This means change—and change can be painful. As of today, the kind and amount of technology that can effectively be put to work vary from country to country, industry to industry, even product to product. The needs, objectives, and development stage of each nation must be taken into account.

For example, a licensing agreement has been signed in Mexico for float glass production which will give Mexico a factory that is far more modern than some glass plants we have in the United States. The float process for making glass is a capital-intensive, high-technology technique that might be completely unsuited to the needs, skills, and resources of some other countries. Many developing countries could benefit much more from technological investment in agriculture. Indeed, the miracle of progress in American agriculture outstrips our success in industry. This is the forthcoming frontier in the less developed countries, which are rapidly becoming more, rather than less, dependent on non-domestic food supplies. Latin America, Africa, and Asia exported a net annual average of 5 million tons of grain in 1934–1938. Today they import some 78 million tons a year.

For some less developed countries, the purchase of technological know-how—through patent royalty and licensing arrangements, joint ventures, and capital investment by the business firms of other countries—might be

---

Footnotes at end of article.

the easiest, quickest, and least expensive way to obtain the desired results. Others may simply want to buy the products of foreign technology. Absolute technological equality is not essential. From the standpoint of trade expansion, it is not even beneficial. If every country were as advanced in computer technology as the United States, for example, there would be little trade in computers. Technological inequality in the sense of differing fields of specialization actually stimulates trade.

What is essential is the opportunity to obtain and develop technology. The less developed countries say the technology they desperately need exists in the world, but it is too often available to them at a cost and on terms they cannot meet. The technology they want is owned largely by private companies, so the opportunities for government action by the United States and other industrialized free-enterprise countries are necessarily limited.

A. Private investment in less developed countries

There is a wide array of ways by which the United States encourages American private investment in the less developed countries. In addition to the AID program, the Commerce Department sends out trade missions to develop business and investment opportunities for American industry, circulates trade and investment leads to American businessmen, and provides many other business services that contribute to the transfer of American technology to less developed countries. There may be possibilities for additional action. Last year the National Export Expansion Council, which advises the Secretary of Commerce on international business policies and programs, formed an Action Committee to come up with suggestions. Recently the proposals of this Action Committee on U.S. Trade and Investment in Developing Countries were approved by the NEEC and made public.[25]

The Committee suggested, among other things, that (1) United States firms should step up the level and quality of their trade and investment efforts in the less developed countries. Since 70 percent of the world's total population lives in less developed areas, the Committee considers it short-sighted to give them marginal attention. (2) The less developed countries themselves should make new and objective reviews of the unique contributions of capital, technology, and skills which business firms from the United States and other industrialized countries can make to their development objectives. In the light of these reviews, their governments should then seek to develop programs which will act to minimize barriers and maximize incentives to potential foreign private investment.[26]

B. International assistance to less developed countries

Of all the things the less developed countries can do to improve their investment climate, one of the most important is to provide basic legal protection for industrial property rights.[27] To this end, the United International Bureau for the Protection of Intellectual Property (BIRPI) has developed a Model Law for Developing Countries on Inventions.[28] Any less developed country can adopt or adapt this model law. There are options on controversial questions, so each country can frame the law to fit its own needs. BIRPI has also prepared a model trademark law, which will soon be published. Especially adapted to the needs of countries with basically non-industrialized economies, the model covers trademarks, trade names and unfair competition.[29]

Another new international effort to help the less developed countries is being made through the United Nations Industrial Development Organization (UNIDO), established by the U.N. General Assembly last December to replace the U.N. Center for Industrial Development. UNIDO is an action group. Under its Special Industrial Services Program, it sends trained consultants out to less developed countries requesting assistance on specific problems, such as plant management and quality control. The U.N. has provided such technical assistance in the agricultural and health fields for many years. Now it is extending its effort into the industrial area.

UNIDO is also organizing an international symposium on industrial development which will be the first international meeting of governments to concentrate on the problems and prospects of industrial development. The three-week symposium, open to all U.N. member nations, will be held in Athens, starting November 29, 1967. In March 1968, in New Delhi, another U.N. meeting, the second United Nations Conference on Trade and Development (UNCTAD), will focus on the problems of the less developed countries in expanding their exports and obtaining technological know-how.[30]

IV. A LAWYER'S MENU: PATENTS, TRADEMARKS, STANDARDS

A fourth issue is how to enact laws and build institutions which will maximize the benefits which science and technology—to a great extent through business—can make available to people. Here is where many of the lawyer's skills come into play.[31]

A. Patents

Variations in patent law and practice from country to country often result in duplication of efforts, uncertainties, and unnecessary expenses which impede, if not discourage patent protection, thereby delaying the transfer of technology from one nation to another.[32]

The Convention of Paris for the Protection of Industrial Property (Paris Union),[33] of which the United States has been a member since 1887, sets forth the basic rights of patent applicants in the member states, regardless of an applicant's country of origin. But in today's world trade it is not practical to continue to operate on the principle of territoriality which necessitates separate applications in each country in order to obtain adequate protection of those rights.

The United States is participating with other nations and with BIRPI,[34] the Secretariat for the Paris Union, in expanding international patent cooperation to make it easier to obtain inadequate patent protection in both domestic and foreign markets. For example, active steps are being taken to develop a patent cooperation treaty to provide for a single international filing which could be utilized in lieu of the multiple, duplicate, foreign national filings now required. In addition, the United States Patent Office is engaged in a series of search exchange programs with a number of other countries. Patent Office experts are also studying the international classification system, to see how it and the United States system might be harmonized. Other programs, developed to assist the United States Patent Office, and American attorneys and businessmen, could also benefit their counterparts in other countries. Present activity in the field of documentation, which includes plans for improved accessibility of published technological data, is one example of such programs.

In order to provide a suitable basis in our domestic patent law for this program of expanded international patent cooperation, and to modernize the United States patent system, President Johnson has proposed a general revision of the patent laws. The Patent Reform Act of 1967,[35] transmitted by the President to the Congress on February 21, 1967, would bring about the first major revision of these laws in more than 130 years.

The proposals are based upon the Report of the President's Commission on the Patent System.[36] The Commission was appointed by the President in 1965 to study ways "to ensure that the patent system will be more effective in serving the public interest. . . ."[37] Ten leading citizens representing the business, scientific and academic communities and the bar served on the Commission together with representatives of the Secretary of Commerce, the Secretary of Defense, the Administrator of the Small Business Administration, and the Director of the National Science Foundation. The Report of the Commission testifies eloquently to the fruitfulness of interaction between informed businessmen, the bar, and members of other disciplines. Based on the practical experience of their companies, the business members were able to delineate lines of approach in the interest of simplification and improvement of industrial property rights protection which heretofore did not always coincide with the preferences and traditions which mold the patent lawyer's opinion on these issues.

Acting Under Secretary of Commerce Hollomon, urging enactment of the patent proposals, pointed out that basic revision of the system was essential "for it to serve effectively to stimulate the development and public disclosure of new technology and to provide incentives rather than barriers, to international trade."[38]

B. Trademarks

In the trademark field, we are exploring the possibility of developing a sound and workable international program that will provide better protection than is now available. We must have adequate protection for United States trademarks. They are valuable export assets.[39]

The most important aspect of the problem is the number of jurisdictions in which a proposed mark must be searched, cleared, and filed. Separate actions in more than 150 different jurisdictions are required for American companies to extend protection of a brand name to the rest of the world.[40] An international filing procedure, commonly called the Madrid Arrangement, was established in 1896 under the Madrid Agreement for International Registration of Trademarks, but the United States is not a member of this treaty. The filing system is still operating successfully for 21 countries, principally European, but a United States trademark owner can obtain registration under the system only if he has a bona fide industrial or commercial establishment—branch or subsidiary—in a member country.[41]

C. Standards

The American businessman who has been kept out of a foreign market because his product—quality and performance notwithstanding—does not meet foreign standards is well aware that standards can be a crucial factor in international trade. Various groups, including the Panel on Engineering and Commodity Standards of the Commerce Technical Advisory Board (the LaQue Committee),[42] have suggested that the role of the United States in international standardization should be strengthened. Unlike the other industrialized countries, the United States is not represented officially by government delegates in international standardization organizations. This means that we cannot effectively encourage the international adoption of standards which would be more harmonious with American technological and industrial practices. Legislation has been proposed to improve this situation. An international standardization bill pending in Congress would provide grants to qualified standardization organizations for participation in the international standards process and for information activities.[43]

D. Institutions

Free trade arrangements and common markets provide another important possible step toward faster use of technology to raise economic levels. The European Economic

---

Footnotes at end of article.

Community and European Free Trade Area in Europe have opened up wider markets, as we hope the proposed Latin American Common Market will do in Latin America. Such markets provide a non-technical but very important boost to technically based agriculture or industry. Within these markets, much can be done by legal reform to make conditions suitable for innovation to succeed.[44] Attorneys in private practice and lawyers of the EEC Commission staff are coping with antitrust problems as the European Common Market moves ahead toward unification of national laws.[45] Common Market lawyers are also working toward a Community-wide corporation law,[46] a common patent law and a common trademark law.[47] This year work is being started to harmonize taxes under a common system of tax on the value added at each stage of manufacture.[48]

On December 17, 196, the U.N. General Assembly acted unanimously to establish a United Nations Commission on International Trade Law to unify and harmonize divergent national laws in this important field. The Commission will hold its first session in 1968. Since it will be working in fields affecting both national law and trade practices, its activities merit close attention by the corporate bar and lawyers generally.[49]

CONCLUSION

Changes through the world are vastly enlarging the dimensions of international law—and the role of the international lawyer. The scientific and business ingenuity of the United States has helped us achieve our preeminent position in world trade. We need these export earnings to help pay for our broad international responsibilities. Differences in industrial effectiveness between the United States and Western Europe merit thoughtful analysis so we can better understand some of the resulting political and economic implications. Much greater effort needs to be spent toward bringing the benefits of science to bear upon the economic needs of the less developed countries. The legal profession has much to contribute toward building the laws and the institutions within which science and industry can raise productivity and better serve our own people and the transnational world in which we live. Never before has the international lawyer had a more challenging opportunity to make full and beneficial use of his creative talents.[50]

FOOTNOTES

[1] In 1966, United States export performance was particularly strong in products incorporating advanced engineering features, such as computers, heating and cooling equipment and pumps. Shipments of these items rose from 20% to 30% over the previous year. The increases might have been even larger had not military requirements and civilian demand in the United States market reduced export capabilities. *Exports Set Rapid Pace But Trade Surplus Shrinks,* Int'l Com., Feb. 20, 1967, at 50.

[2] The balance of payments dimension is outlined in McQuade, *Corporate Voluntary Balance of Payments Program and the Lawyer,* in Private Investors Abroad—Structures and Safeguards 205 (V. Cameron ed. 1966).

[3] *Hearings Before the Subcomm. on Antitrust and Monopoly,* 89th Cong., 2d Sess., pt. 1, at 59.

[4] *See* Travaglini, *Licensing U.S. Know-How Abroad Is Increasing,* Int'l Com., July 25, 1966, at 2; *reprinted in* U.S. Dep't of Commerce, Foreign Business Practices at 26 (Apr. 1967).

[5] $10.6 million in 1964, which represents 1.7% of national income. *See* The Japan Development Bank, Facts and Figures on the Japanese Economy, 1966, at 167.

[6] U.S. Bureau of the Census, U.S. Imports of Merchandise for Consumption, Rep. FT 125, at 159 (Dec. 1966); (U.S. Exports, Rep. FT 410, at 398–99 (Dec. 1966).

[7] The Secretary-General of the United Nations has initiated a study of the role and impact of international licensing arrangements in the establishment and development of selected industries in various countries. Financing of Economic Development: Promotion of Private Foreign Investment in Developing Countries—Summary and Conclusions, U.N. Doc. E/4293 (1967).

[8] The percentage increase per year in real Gross National Product for 1960–1965 was 4.7 percent for the United States and 9.7 percent for Japan. For comparative data on other countries, see Table 29 in Council of Economic Advisors Ann. Rep., *accompanying* Economic Report of the President, at 171 (1967).

[9] A bibliography could be compiled on these two terms alone. Organization for Economic Cooperation and Development, The Research and Development Effort in Western Europe, North America and the Soviet Union (1965), provides an objective evaluation of the pros and cons of technological disparities. (Summarized in *Research and Development: A Major Atlantic Issue,* European Community, Mar. 1966, at 8.) For a good round-up of the relevant issues see Guccione, *That U.S.-European Technology Gap: It Stems from Deep European Roots,* Chemical Engineering, May 8, 1967, at 90; *Technology Gap Upsets Europe,* N.Y. Times, Mar. 12, 1967, at 1, cols. 2 and 4.

[10] *U.S.-Europe Gap in Science and Technology Widening,* European Community, Nov. 1966, at 10, 11.

[11] N.Y. Times, Oct. 8, 1966, at 12, col. 5.

[12] According to Standard and Poor's Standard Corporation Descriptions 8657 (1966), General Motors' 1965 sales exceeded $20 billion. The GNP of Belgium was $16.7 billion. Int'l Financial Statistics, Mar. 1967, at 54.

[13] The computer industry has been watched closely as a sign that "European countries risk being squeezed out of the science-based industries." *The Wilson Community,* 222 The Economist 197 (Jan. 21, 1967). *The Economist* comments: "It is not surprising that American corporations have virtually taken over the computer industries of Germany, France and Italy, and nearly knocked out the British industry too in 1964." *Id.* However, the explosion in the technological application of computerization is probably unique. For a summary of the development and technical extension of the electronic computer see U.S. Dep't of Labor, Bull. No. 1474, Technological Trends in Major American Industries 3 (1966).

[14] Based on statistics from Automobile Manfacturers Association, Inc., Statistical Dep't, *World Motor Vehicle Data 1965,* Nov. 1966, at 22–64.

[15] The total direct long-term private investment was $13.9 billion in 1965. *See* Pizer & Cutler, *Foreign Investments, 1965–66,* Survey of Current Bus., Sept. 1966, at 30.

[16] Guccione sums it up in the following terms:

"In essence, it is small markets, small companies, relatively little availability of risk capital, old-fashioned management practices, resistance to change on the part of both producers and consumers, basic weaknesses in educational systems when it comes to science and technology, and debilitating anti-trust and fiscal policies that are the reasons for an unhappy European state of affairs. The technology gap is merely a symptom of it."

Guccione, *supra* note 9, at 92.

[17] In 1964–65 Britain spent £756.6 million ($2,118.5 million) or 2.6 percent of the GNP on research and development. Council for Scientific Policy, Report on Science Policy, Cmnd. No. 3007, HMSO (1966).

[18] For detailed consideration of comparative expenditures for research and development, see Quinn, *Technological Competition: Europe vs. U.S.,* Harv. Bus. Rev., July-Aug. 1966, at 113.

[19] The McGraw-Hill survey of 1966 research and development expenditures revealed that federal financing accounted for 54 percent or $8.4 billion of the industry total. More than half the research and development is concentrated in two industries: aerospace, and electrical machinery and communications. Washington Post, May 12, 1967, at D8, cols. 4–5. *See also* Organization for Economic Cooperation and Development, The Research and Development Effort in Western Europe, North America and the Soviet Union, ch. IV.

[20] Sixteen percent of companies surveyed by McGraw-Hill answered yes and 84 percent no when asked if they had been able to take advantage of new technology resulting from federally financed research and development, Washington Post, May 12, 1967, at D8, col. 5.

[21] Impressive testimony to this effect will be found in advertisements which Imperial Chemical Industries, of the United Kingdom, has been running in the British press. ICI says: "We do a brisk trade in brainwaves—the ideas thought up by our backroom boys. Last year these earned us £37,000 a day. That's what other people paid us for our manufacturing know-how and the rights to make our products—and they paid most of it in foreign currencies." 72 New Statesman 311 (Sept. 2, 1966).

[22] Robert Major, Director of the Royal Norwegian Council for Scientific and Industrial Research, *quoted in* Nat'l Bureau of Standards, Misc. Pub. No. 284. Technology and World Trade: Proceedings of a Symposium 107–08 (1967).

[23] A realistic diagnosis of the ailment and a prescription for its cure will be found in France, *"Technology Gap" Demands "Hard Choices" of Europe,* European Community, Mar. 1967, at 18. Defense Secretary McNamara has cited education as a handicap to European economic growth, pointing out that 40% of the United States college-age population is attending college, as against 10% in the U.K., 15% in France, and 7% in Germany and Italy. Address by Secretary McNamara, Millsaps College Convocation, Jackson, Mississippi, Feb. 24, 1967, *reported in* 33 Vital Speeches 357 (1967).

[24] *See generally The Encouragement and Protection of Investment in Developing Countries,* 11 International and Comparative Law Quarterly [Int'l & Comp. L.Q.] Supp. Pub. No. 3 (1962).

[25] *Contained in* Report of the Action Comm. of the Nat'l Export Expansion Council, Trade and Investment in Developing Countries, Apr. 3, 1967.

[26] New studies of the nature of technological change, and of the transfer process are appearing rapidly. The U.N. Conference on the Application of Science and Technology for the Benefit of the Less Developed Areas produced a valuable series of papers on the subject from technical specialists, planners and policy-makers. The United States papers for the Conference have been published (U.S. Government Printing Office 1963). On the methodology of technological change, see M. Boretsky, *Comparative Progress in Technology, Productivity, and Economic Efficiency: U.S.S.R. vs. U.S.A.,* in New Directions in the Soviet Economy, studies prepared for the Joint Economic Comm., 89th Cong., 2d Sess. (1966).

[27] The Role of Patents in the Transfer of Technology to Developing Countries, U.N. Doc. E/3861/Rev. 1 (1964).

[28] United International Bureaux for the Protection of Intellectual Property, BIRPI Pub. No. 801(E), Model Law for Developing Countries on Inventions (1965).

[29] *See* Offner, *Draft Model Law for Developing Countries on Marks, Trade Names, Indications of Source, and Unfair Competition—An Appraisal,* 56 The Trademark Rep. 831 (Nov. 1966).

[30] A general statement on the problems and some possible solutions in this area is presented in the U.N. report preparatory to the first UNCTAD Conference, Towards a New Trade Policy for Development, U.N. Doc. E/Conf. /46/3 (1964).

[31] For a study of the innovative process and the legal and other circumstances which foster invention and innovation, see Dep't of Commerce, Technological Innovation: Its Environment and Management (1967) (referred to as the "Charpie Report" after the name of Robert A. Charpie, Chairman of the Panel, an advisory committee of private citizens reporting to the Secretary of Commerce).

[32] The importance of patent policy in overall corporate planning is described in Shipman, *International Patent Planning,* Harv. Bus. Rev., Mar.–Apr. 1967, at 56.

[33] Convention for the Protection of Industrial Property, Mar. 20, 1883, 25 Stat. 1372 (1887–1889), T.S. No. 379; revised at Lisbon, Oct. 31, 1958 [1962] 1 U.S.T. 1, T.I.A.S. No. 4931.

[34] Bureaux Internationaux Reunis pour la Protection de la Propriete Intellectuelle, Geneva, Switzerland, the administering body of several industrial property and copyright conventions.

[35] S. 1042, H.R. 5924, H.R. 6043, 90th Cong., 1st Sess. (1967).

[36] President's Comm'n on the Patent System Report, To Promote the Progress of . . . Useful Arts in an Age of Exploding Technology (1966). *See* O'Brien, *An Appraisal of the Report of the President's Commission on the Patent System,* 49 J. of the Patent Office Soc'y 139 (1967), which includes the text of the legislation proposed and a sectional analysis.

[37] Exec. Order No. 11,215, 3 C.F.R. 123–25 (Supp. 1965).

[38] Statement of J. Herbert Hollomon, Acting Under Secretary of Commerce, *Hearings on H.R. 5924 before Subcomm. No. 3, House Comm. on the Judiciary,* 90th Cong., 1st Sess. (1967).

[39] *See* E. Offner, International Trademark Protection (1965); Lightman, *Trademarks as "Silent Salesman,"* Int'l Cow., Oct. 28, 1963, at 2.

[40] *See* St. Landau, *The Handling of Trademarks Abroad by United States Companies,* 56 The Trademark Rep. 207 (Apr. 1966).

[41] Consideration is being given to United States adherence. The positions for and against adherence are propounded in 56 The Trademark Rep. No. 5 (May 1966). (See especially Allen, *A Report on the Madrid Agreement,* at 290, for a discussion of the advantages of adherence to American industry, the effect on domestic trademark practice, and cost implications; and Ladas, *The Madrid Agreement for the International Registration of Trademarks and the United States,* at 346, for a position against adherence.)

[42] The major recommendation of the industry group was to establish a new federally chartered institute to coordinate voluntary standardization activities in the United States. The report of the panel ("The LaQue Report") is available from the Clearinghouse for Federal Scientific and Technical Information, U.S. Dep't of Commerce, Springfield, Virginia 22151 (Rep. Nos. PB 166811 and PB 166812).

[43] S. 997, 90th Cong., 1st Sess. (1967).

[44] Among other innovations, the Central American states, for example, have entered into a treaty permitting "integration industries" and making valuable privileges avail able to companies operating in the area. Convenio sobre el Regimen de Industrias Centroamericanas de Integracion, signed by Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica, June 10, 1958; Protocol, Jan. 29, 1963; Instituto Interamericano de Estudios Juridicos Internacionales, Instrumentos Relativos a la Integracion Economica en America Latina 57 (1964).

[45] *See* Gaudet, *The Common Market and the Law,* Information Service of the European Communities, Community Topics No. 4 (*reprinted from* Annales de Droit et de Sciences Politiques, Tome XVI, No. 2, Brussels, 1961; Grisoli, *The Impact of the European Economic Community on the Movement of the Unification of Law,* 26 Law & Contemp. Prob. 418 (1961).

[46] International Law Association, Report of the 45th Conference at 43 (1952); Conard, *Corporate Fusion in the Common Market,* 14 Am. J. Comp. L. 573 (1965–1966); Thompson, *The Project for a Commercial Company of European Type,* 10 Int'l & Comp. L.Q. 851 (1961); *Legal Disparities Obstruct Intra-Community Mergers,* European Community, June 1966, at 6: Fligler Multinational Public Enterprises, International Bank for Reconstruction and Development, June 1967.

Continental European literature on this subject is extensive. *E.g.,* European Economic Community, Supp. Bull. No. 9/10–1966, Memorandum by the Commission of the European Economic Community on the Establishment of European Companies; Wang, Die Europaische Aktiengesellschaft In Der E.W.G. (1964); Dorat des Monts, *Vers un droit europeen des societes commerciales,* 39 Juris Classeur Periodique, La Semaine Jurisdique I-1896 (Mar. 3, 1965); Fikentscher & Grossfeld, *The Proposed Directive on Company Law,* 2 Common Market L. Rev. 259 (1964); Lecourt & Chevallier, *Comment progresse le rapprochment des legislations europeenes?,* Recueil Dalloz-Chronique 24 (June 30, 1965); Patry, *La Societe Anonyme de Type Europeen,* Etudes De Droit Commercial En L'Honneur De Paul Carry 29 (1964); Rault, *Pour la creation d'une societe commerciale de type europeen,* 13 Revue Trimestrielle De Droit Commercial 741 (1960); Sanders, *Vers une Societe Anonyme Europeene?* Revista Delle Societa 1163 (1959); *Thibierge, Le Statut Des Societes Etrangeres,* Le Statut De L'Etranger Et Le Marche Commun, 57th Congress of French Notaries, Tours (1959); Vasseur, *A Company of European Type,* 1964 Journal of Business Law 358 and 1965 *id.,* 73; Vasseur, *Quelques Arguments pour une Societe de Type Europeen,* 83 Revue Des Societes 18 (1965); *Willemetz, Une Societe de Type Europeen,* 21 Revue Du Marche Commun 38 (1960).

[47] A summary analysis of the proposed European Patent Law is set out in 45 J. of the Patent Office Soc'y No. 3 (Mar. 1963). *See also Restrictive Practices, Patents, Trade Marks and Unfair Competition in the Common Market,* 11 Int'l & Comp. L.Q., Supp. Pub. No. 4, at 153 (1962).

[48] *Community Draws Nearer to Economic Unity: EEC "Value Added" Tax System, First Medium-Term Economic Program Approved,* European Community, Mar. 1967, at 30.

[49] Stravropoulos, The United Nations Commission on International Trade Law, 4 U.N. Monthly Chronicle 89 (No. 4, 1967).

[50] *Cf.* Graupner, *Some Recent Aspects of the Recognition and Enforcement of Foreign Judgments in Western Europe,* 12 Int'l & Comp. L.Q. (1963); Nadelmann, *Assumption of Bankruptcy Jurisdiction Over Non-Residents,* 41 Tul. L. Rev. 75 (1966); and Stein, *Assimilation of National Laws as a Function of European Integration,* 58 Am. J. Int'l L. 1 (1964). The subject-matter of the foregoing articles illustrates some of the problems and challenges. Widening U.S. participation in unification-of-law activities, resulting from U.S. membership (since 1963) in the Hague Conference on Private International Law and the Internatioal (Rome) Institute for the Unification of Private Law, is a major development which will have growing significance to businessmen and lawyers concerned with international private law and practices. For materials on the range of problems see the symposium, *Unification of Law,* 30 Law & Contemp. Prob. 231 (1965).

Discrimination Against Taxpayers

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. RARICK. Mr. Speaker, the inescapable conclusion that our present tax program gives $800 per year to keep illegitimate children but allows only $600 per legitimate child as a tax deduction is but one of the inequities of our great centralized government.

I recently introduced H.R. 14676 to contribute in the battle against poverty by assisting poor taxpayers through an increase in the tax deduction per dependent from $600 to $1,200 per year.

Editor G. Norman David of the Denham Springs, La., News recently offered several additional arguments to overcome the lopsided discrimination against parents and taxpayers.

Mr. Speaker, I include the clipping from the Denham Springs News and H.R. 14676 following my remarks:

DISCRIMINATION AGAINST TAXPAYERS

(By G. Norman David)

I was shown the following discourse in . . . of all things . . . the Virginia Journal of Education.

They said they got it from the North Carolina Education magazine, who, in turn, didn't know where it originated . . .

But, read it . . . and see if you don't think it touches on some real good questions:

"Hey, Uncle, how much does it cost to rear a child?

"You allow us taxpaying parents only $600 a year to feed, clothe, house and train a youngster. In your Federal Job Corps you spent $7,000 a year! This is quite a difference!

"Now, which is the correct figure? Either we're allowing too much or you're not allowing us enough.

"You allow taxpaying parents a $600 deduction for the care and feeding of each child.

"Yet under the Cuban refugee program you assume minimum upkeep requires $1,200 a year—and if the Cuban boy or girl is attending school—an extra $1,000 a year.

"How come you shortchange the home folks?

"In the austere environs of a Federal prison you have discovered that it costs—to maintain one person, with no frills, no luxuries, and no borrowing Dad's car—$2,300 a year.

"By what rule of thumb do you estimate that Mom and Dad can do it for one-fourth that amount?

"Under Social Security you will pay $168 a month to maintain the elderly. What makes you think we can maintain our young'uns on $50 a month?

"And, Uncle, your VISTA program (Volunteers in Service to America) spent $3.1 million last year to train only 202 trainees. That indicates that the cost of maintaining and training one youth for one year is more than $15,000.

"Then how come we taxpaying parents get an exemption of only $600 to maintain and train one youth for the year?

"Or let's see how much you spent upkeeping one youngster in military uniform. House, $55.10 a month. Food, $30.27 a month. Clothing upkeep, $4.20 a month. That comes to $1,074.84 a year. Are they not cheaper by the dozen?

"How in the world do you expect parents to provide all these things, plus clothes, recreation, books, medicine—for $600 a year? With your figures, you admit it can't be done.

"Is it possible, Uncle, that you expect us parents to manage more efficiently than you, because we usually do.

"With all our expenses, we American individuals have more than enough savings to offset our debts; you don't.

"With all our prosperity, you Uncle, are still spending per year $2.9 billion more for relief than during the depths of the depression. So it may be that you are uncommonly extravagant.

"But however we try to rationalize and explain you, it is still a hurtful affront when you allow us hard working dues-paying home folks only $600 a year to rear a legitimate child—while you, under ADC, will pay more than $800 a year to upkeep an illegitimate one. There's something rotten here—and we're not in Denmark!"

H.R. 14676

A bill to amend the Internal Revenue Code of 1954 to increase from $600 to $1,200 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemptions for a dependent, and the additional exemptions for old age and blindness)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the following provisions of the Internal Revenue Code of 1954 are amended by striking out "$600" wherever appearing therein and inserting in lieu thereof "$1,200":

(1) Section 151 (relating to allowance of deductions for personal exemptions);

(2) Section 642(b) (relating to allowance of deductions for estates);

(3) Section 6012(a) (relating to persons required to make returns of income); and

(4) Section 6013(b)(3)(A) (relating to assessment and collection in the case of certain returns of husband and wife).

(b) The following provisions of such Code are amended by striking out "$1,200" wherever appearing therein and inserting in lieu thereof "$2,400":

(1) Section 6012(a)(1) (relating to persons required to make returns of income); and

(2) Section 6013(b)(3)(A) (relating to assessment and collection in the case of certain returns of husband and wife).

SEC. 2. (a) Section 3(b) of the Internal Revenue Code of 1954 (relating to optional tax if adjusted gross income is less than $5,000, in the case of taxable years beginning after December 31, 1964) is amended—

(1) by striking out "After December 31, 1964" in the heading and inserting in lieu thereof "In 1965, 1966, and 1967";

(2) by inserting "and before January 1, 1968," after "beginning after December 31, 1964,"; and

(3) by striking out "After December 31, 1964" each place it appears in the tables and inserting in lieu thereof "In 1965, 1966, and 1967".

(b) Section 3 of such Code is further amended by adding at the end thereof the following new subsection:

"(c) TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1967.—In lieu of the tax imposed by section 1, there is hereby imposed for each taxable year beginning after December 31, 1967, on the taxable income of every individual whose adjusted gross income for such year is less than $5,000 and who has elected for such year to pay the tax imposed by this section, a tax determined under tables which shall be prescribed by the Secretary or his delegate. The tables prescribed under this subsection shall correspond in form to the tables in subsection (b) and shall provide for amounts of tax in the various adjusted gross income brackets approximately equal to the amounts which would be determined under section 1 if the taxable income were computed by taking the standard deduction."

(c) Section 4(a) of such Code (relating to number of exemptions) is amended by striking out "the tables in section 3" and inserting in lieu thereof "the tables in section 3(a) and 3(b) and the tables prescribed under section 3(c)".

(d) Paragraphs (2) and (3) of section 4(c) of such Code (relating to husband or wife filing separate return) are amended to read as follows:

"(2) Except as otherwise provided in this subsection in the case of a husband or wife filing a separate return, the tax imposed by section 3 shall be—

"(A) for taxable years beginning in 1964, the lesser of the tax shown in Table IV or Table V of section 3(a),

"(B) for taxable years beginning in 1965, 1966, or 1967 the lesser of the tax shown in Table IV or Table V of section 3(b), and

"(C) for taxable years beginning after December 31, 1967, the lesser of the taxes shown in the corresponding tables prescribed under section 3(c).

"(3) Table V of section 3(a), Table V of section 3(b), and the corresponding table prescribed under section 3(c) shall not apply in the case of a husband or wife filing a separate return if the tax of the other spouse is determined with regard to the 10-percent standard deduction; except that an individual described in section 141(d)(2) may elect (under regulations prescribed by the Secretary or his delegate) to pay the tax shown in Table V of section 3(a), Table V of section 3(b), or the corresponding table prescribed under section 3(c) in lieu of that tax shown in Table IV of section 3(a), Table IV of section 3(b), or the corresponding table prescribed under section 3(c), as the case may be. For purposes of this title, an election made under the preceding sentence shall be treated as an election made under section 141(d)(2)."

(3) Section 4(f)(4) of such Code (cross references) is amended by striking out "and Table V in section 3(b)" and inserting in lieu thereof ", Table V in section 3(b), and the corresponding table prescribed under section 3(c)".

(f) The last sentence of section 6014(a) of such Code (relating to election by taxpayer) is amended to read as follows: "In the case of a married individual filing a separate return and electing the benefits of this subsection, Table V of section 3(a), Table V of section 3(b), and the corresponding table prescribed under section 3(c) shall not apply."

SEC. 3. (a) Section 3402(b)(1) of the Internal Revenue Code of 1954 (relating to percentage method of withholding income tax at source) is amended by striking out the table and inserting in lieu thereof the following:

"PERCENTAGE METHOD WITHHOLDING TABLE

"Payroll period	Amount of one withholding exemption
Weekly	$25.00
Biweekly	50.00
Semimonthly	54.17
Monthly	108.33
Quarterly	325.00
Semiannual	650.00
Annual	1,300.00
Daily or miscellaneous (per day of such period)	5.55"

(b) So much of paragraph (1) of section 3402(c) of such Code (relating to wage bracket withholding) as precedes the first table in such paragraph is amended to read as follows:

"(1)(A) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee after December 31, 1967, a tax determined in accordance with tables prescribed by the Secretary or his delegate, which shall be in lieu of the tax required to be deducted and withheld under subsection (a). The tables prescribed under this subparagraph shall correspond in form to the wage bracket withholding tables in subparagraph (B) and shall provide for amounts of tax in the various wage brackets approximately equal to the amounts which would be determined if the deductions were made under subsection (a).

"(B) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee before January 1, 1968, a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a):".

(c) Section 3402(m)(1) of such Code (relating to withholding allowances based on itemized deductions) is amended by striking out "$700" and inserting in lieu thereof "$1,300".

SEC. 4. The amendments made by the first two sections of this Act shall apply only with respect to taxable years beginning after December 31, 1967. The amendments made by section 3 of this Act shall apply only with respect to remuneration paid on and after the first day of the first calendar month which begins more than ten days after the date of the enactment of this Act.

Something for Everybody Politics

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. FINDLEY. Mr. Speaker, as required by law, the President has submitted his annual budget to the Congress for authorization and subsequent appropriation of funds. The $186.1 billion in total budget outlays is viewed by the President as a "barebones budget." He maintained that this is a "sensible budget," that we have great responsibilities, that we have the capacity to meet those responsibilities, and that "the question before us is whether or not our will and determination match that capacity."

The $186.1 billion administration budget represents an increase of $10.4 billion from the current fiscal year. The administration contends that "almost all of this increase is accounted for by raising outlays for defense and for relatively fixed charges under present laws." In other words, they have tried to create the impression that the budget is austere, and that the rising tide of expenditures is inevitable because of the war and rising interests rates.

What the administration tries to say is, that the steadily mounting expenditure levels are inevitable. This is an election year, and the war in Vietnam provides a convenient excuse for not taking decisive action in striking a blow for fiscal responsibility.

In October 1966, the noted columnist, David S. Broder, wrote an article which clearly illustrates the fact that the President's budgets are finely honed and well calculated to build political support for his administration. Mr. Broder has attached to the President's budgetary strategy the label "something for everybody" politics. In his article he quotes Samuel Lubell as saying:

The instrument that Johnson wielded with truly revolutionary political impact was the Federal budget. No previous budget had ever been so contrived to "do something" for every major economic interest in the Nation.

That observation is more pertinent today, when we are faced with the highest level of expenditures in the United States, than at any other time. The hard choice which we must face today is between political popularity on the one hand and fiscal and political responsibility on the other. The easiest course of action would be for the Congress to "sit on its hands and bask in shortrun popularity as our Nation's economy founders upon the rocks and shatters. The choice is clear and it is difficult.

Will we continue the "something for everybody" politics? Or will we live up to the trust which has been placed upon us by the American people?

Mr. Speaker, I am pleased to call to our colleagues' attention this important article by David Broder and hope that we will act with great urgency to restore our Nation to its usual position of economic strength:

[From the Atlantic Monthly magazine, October 1966]

CONSENSUS POLITICS: END OF AN EXPERIMENT

(By David S. Broder)

The conversation was in the tiny anteroom just off the formal Oval Office. It is a place where Lyndon B. Johnson likes to relax with a cool drink for an hour or two during his long working day. It was Friday evening, August 21, 1964, the Friday before the opening of the Democratic convention which would demonstrate to all the world that this remarkable man, twice frustrated in Democratic conventions, now controlled the Democratic Party, lock, stock, and pork barrel. Lyndon Johnson had become the Democrats' President by the acts of two other men—John F. Kennedy and Lee Harvey Oswald—but in this next week he would put the indelible stamp of his personality on that party in everything from the choice of the vice presidential nominee to the decorations in Atlantic City's Convention Hall.

Now, on the eve of what he knew would be his triumph, he was indulging his favorite sport of reading his public opinion polls to two callers. He rattled off his percentages from this state and that, and then remarked on what seemed to him the most significant finding of them all.

"You see," he said, jabbing his finger at one page of the bulky report on a Midwestern state, "right here's the reason I'm going to win this thing so big. You ask a voter who classifies himself as a liberal what he thinks I am, and he says 'a liberal.' You ask a voter who calls himself a conservative what I am, and he says 'a conservative.' You ask a voter who calls himself a middle-roader, and that's what he calls me. They all think I'm on their side."

Mr. Johnson fashioned his campaign for the presidency on that premise and won the most sweeping popular-vote victory in American history. Before and after that election, he tried to make the Democratic Party a home for all those voters who thought Lyndon Johnson was "on their side," and in so doing, he markedly changed the character of that party.

Today the polls make far less pleasant reading for the President. The consensus he sought is crumbling visibly. His party is in serious difficulty in the major states, and a breach appears to be opening between the President and his Vice President on one side, and younger Democrats who identify themselves with the cause of the Kennedys on the other.

None of this is news, of course, but the rudimentary facts must be set down as a preliminary to the examination of cause and effect. I hope to outline in the next few pages a theory—and admittedly, it is no more than a theory—of what might be called the rise, the flourishing, and the decline of Lyndon Johnson's "consensus politics."

The hardest thing for a journalist to do is to recognize a genuinely unique occurrence. So many events are just variants in the familiar pattern that we tend to seek out resemblances and ignore what is original. The Johnson era in Democratic politics is, I believe, unique. Let us begin with a simple but little-noted fact. Lyndon Johnson is the first President in our lifetime and longer who comes from a one-party state. The pressures of nominating-convention politics normally operate to produce presidential candidates from the swing states with big blocs of electoral votes, where the two-party competition is most fierce—men like Dewey and Roosevelt of New York, Stevenson of Illinois, Nixon of California, and Kennedy of Massachusetts.

Lyndon Johnson is the product of a very different kind of politics. While Texas has voted occasionally for a Republican presidential candidate and currently has one Republican senator, the affairs of the state, in both Austin and Washington, have been managed throughout Lyndon Johnson's lifetime almost exclusively by and through the Democratic Party. The real power struggles in Texas politics have been resolved, not between the parties, but within the Democratic Party—and for thirty years Lyndon Johnson has had an ever increasing role in resolving them.

I believe that the President's "consensus politics" is rooted in his Texas experience. In Texas, the Democratic Party for years has included most of the major elements found in the national Democratic Party: labor, the Negro and Mexican-American minorities, farmers, small-business men, and the less prosperous portions of the middle class.

But in addition to all these groups, the Texas Democratic Party has also included and effectively represented big-business men, oil and gas men, banking and insurance men, the educated, the wealthy, and the wellborn—the groups that in two-party states provide the money and manpower for the Republican Party. In fact, the Texas Democratic Party includes many who are in everything but their nominal allegiance Republicans.

I well remember my shock when, as an outsider, in the spring of 1960 I attended the state Democratic convention in Austin which endorsed Lyndon Johnson as favorite-son candidate for President. The members of the Dallas County delegation were openly wearing Nixon buttons on their lapels, but so flexible was the definition of a Democrat in Texas, even a Democratic convention delegate, that no one challenged their right to be there. Four years later, when Mr. Johnson was finally on the ballot for President, many of those old Nixon-Democrats worked for him and helped him carry Dallas.

It is no exaggeration to say that Representative and Senator Johnson and his colleagues in the Texas Democratic Party for many years suppressed the emergence of a Republican Party there by taking in and giving service and satisfaction to the business groups and others who normally would have financed and supported the Republican Party.

Thus, when that same Lyndon Johnson as President of the United States said he viewed the Democratic Party as "a great big tent," big enough to hold Henry Ford II and Walter Reuther, Martin Luther King and Orval Faubus, John Connally and William Fitts Ryan, he was simply applying on the national scale a technique that had kept the Democrats in control of Texas for generations.

SOMETHING FOR EVERYBODY

The Johnsonian technique involves more than just the standard political wisdom of staying in the middle of the road. What makes it unique is its willful effort to expand personal and party support to the point where the opposition is left with nothing to organize except fringe-group sentiments. When the opposition obliges as nicely as the Republicans did in 1964, the technique can be dazzlingly successful.

The Model-T-for-Texas Democratic Party that emerged with a landslide majority from the 1964 election was a different creature from what it had been up until that time. Not all the differences were understod by the Democratic officeholders, officials, and workers who cheered Lyndon Johnson's inaugural. Nor was there any reason why any of them except the Texans should have been able to guess what the consequences would be. For it was that rare thing—something new in politics.

With the experience of almost three years of Johnsonian politics now behind us, we can see at least five distinguishing characteristics of his leadership techniques and their effects on the Democratic Party. First, his consensus politics is based on support from diverse elements of the electorate. To hold this wide variety of support, the President as party leader must provide some sort of incentive or reward to each of the major groups in his assembly.

Thus, Mr. Johnson was required last January, even in a time of rising defense expenditures, to lay before Congress a broad-front program of domestic proposals: from civil rights, to improvement of cities, to health and education measures, to repeal of right-to-work laws, to reform of election and campaign spending regulations. Not all these programs, by any stretch of the imagination, were of vital importance to him at the moment, but each of them had significance, at least as a symbol, to one or more of the groups that supported him. As Samuel Lubell wrote, "The instrument that Johnson wielded with truly revolutionary political impact was the federal budget. No previous budget had ever been so contrived to 'do something' for every major economic interest in the nation—medicare for pensioners, tax rebates for business, loosened production controls and a subsidy boost for farmers, antipoverty grants for Appalachia and for Negro slums, educational aids for a generally school-conscious public." The President had so many irons in the fire, one Democratic congressman remarked, "he damn near put the fire out." Such prodigality is necessary, for a consensus President cannot concentrate on one goal at a time without seeing his coalition split.

A second characteristic of Johnson-style politics is that it depends for its success largely on the skill, negotiating ability, and maneuvering of the President. Only the top man is in touch with all the diverse elements of his coalition. Only he knows how strong the civil rights bill must be to keep Martin Luther King pacified, whether the auto manufacturers will or will not put on all their pressure to kill reimposition of the excise taxes, whether George Meany will really cut off funds to Democratic candidates if 14(b) is not repealed. "This is," a veteran politician told the Associated Press's Saul Pett, "the most personalized presidency in our history."

COURTING THE LEADERS

A third characteristic, closely related, is that in consensus politics the President's relationships with "group leaders" are more crucial than his relationship to the general public. The tip-off to Johnson-style politics came in the parade of personages through his White House office in the first shattering days after the assassination—foreign rulers first; then the rulers of the various domestic domains, the congressional satraps, the governors, the labor leaders, the top businessmen, the civil rights spokesmen, and, not least, the clergymen. Everyone with an identifiable constituency was drawn in to support the President in those first few critical weeks—and none of them has knowingly been cast out since.

Several, of course, have left of their own volition, some because they disagreed with the President's policies, others for more personal reasons. Mr. Johnson tends to be demanding of those who profess unquestioned loyalty but is accommodating to those who show signs of resistance. The turnover in his personal staff has been high. The rate of attrition in personal friendships among old and intimate political allies like Senator Mike Mansfield and Governor John Connally has been equally severe. But it is significant that neither of these men, nor any of the labor, business, or minority group leaders who have shown an inclination to wander off the LBJ ranch from time to time, has been allowed to stray far away. Mr. Johnson's politics do not permit him to indulge in the luxury of letting personal feuds imperil vital political alliances.

His reaction is always to reach out for the enemy and bring him back into camp. In the midst of the 1964 campaign, Mr. Johnson went straight from a partisan rally in downtown Indianapolis to a private luncheon with the city's archconservative publisher, Eugene Pulliam, a close personal friend of Barry Goldwater's. (He called on him again when starting his 1966 political forays in Indianapolis.) The President will do political business with anyone, and partly as a result of that fact, he commands deepfelt attachment from few.

Here we come to a crucial difference—crucial in its implications for the Democratic Party—between the Johnson leadership and that of a Roosevelt or a Kennedy, who based their power on their personal popularity with millions of individual voters. Their leadership necessarily involved the alienation, from themselves and their party, of millions of others. Some historians have suggested that Roosevelt practiced a form of consensus politics in his first term and even later, when he included Republicans in his wartime Cabinet. But, like Kennedy (who was automatically alienated by religion and the civil rights issue from millions of voters), he reveled in the opposition of businessmen and freely invoked the rhetoric of party loyalty. Both men were loved for the enemies they made. Mr. Johnson is not. The enthusiasm he stirs in the public at large is negligible.

He would not, as Roosevelt did, think that he could appeal to the mine workers over the head of John L. Lewis. In this summer's frustrating airlines strike, his appeals were always to the Machinists' Union officials, not the rank and file. His technique is to court the leaders—George Meany, Martin Luther King, the members of the Business Council, and, not least, Everett Dirksen—and count on them to keep their constituents in line. In Texas they had a saying, "Lyndon Johnson doesn't have an organization; he uses everybody else's." It recognized the history of his ever shifting alliances within the state, but more profoundly, it reflected the fundamental nature of his leadership—that Mr. Johnson does not deal with The Public; he deals with a great many little publics, and he deals with them through their leaders.

That is why, even though he advocates and enacts programs of far-reaching social consequences, this President is fundamentally, like almost every other Texas politician, an Establishment man. He recognizes as legitimate other men's claims to power in the area they control. He seeks solutions to problems that will permit them to prepare their power base as he preserves his. He is protective of their status and interests, and they in turn tend to protect him.

NO PARTISANSHIP

The fourth general characteristic of consensus politics stems directly from the basic Johnsonian technique we have been describing. His politics automatically minimizes the degree of partisanship that is permitted and reduces the role of the party organization in government. Partisanship, like race prejudice or class warfare, is the enemy of consensus. The decimation of the Democratic Party structure—the abolition of the centralized voter-registration effort that was the keystone of the Kennedy campaign, the 50 percent cutback in manpower at the Democratic National Committee, the collapse of communications between Washington and state party chairman—all these things have been described by critics as an expression of the antagonism to party organization that has been growing for eighteen years in Mr. Johnson, ever since he ended the first phase of his political career as a loyal Roosevelt agent within the Democratic Party.

The man who fought the Democratic National Committee openly in Paul Butler's day has told its current proprietors, "I'm damned if I can see why one guy and a couple of secretaries can't run that thing." Under him, the national party is beginning to resemble the Texas party, where the formal structure of state and county chairman exists only on paper.

In Texas, the governor runs the state convention, just as Mr. Johnson ran the 1964 national convention. Officeholders and candidates build their own personal organizations. Sometimes they use them to help each other and sometimes to war on each other. When a party campaign must be organized in a presidential year, the work is done by lawyer-lobbyists, men on loan from the big companies and union business agents. That is the way Lyndon Johnson staffed the key spots in his national presidential campaign. These part-time lawyer-lobbyists are his substitute-in-readiness for the party organization which the Kennedys had begun to build and he has methodically torn down.

But all this, I believe reflects something more fundamental that the "Texanization" of the party structure. A party organization, in textbook terms, functions on vertical lines to unite the purpose and power of the President and his national committee with those of Democratic governors and their state committees and local Democratic officeholders and their committees. But consensus politics operates on horizontal lines, with the President reaching out, across party barriers, for other leaders, who in turn bring along their followers to his cause. Thus, it is almost inevitable that a consensus President from a one-party state would ignore the party organization.

NEGOTIATION BUT NO DEBATE

Fifth and finally, consensus politics emphasizes decisionmaking by private negotiation, not public debate. Debate only arouses strong feelings and tends to lock people into antagonistic positions. Consensus politics tries to minimize such feelings and encourages everyone to maneuver his group into position for a compromise. The President's favorite plea "Come, let us reason together" does not mean "Let us gather in our schools, our legislative halls, or even around our television sets and hear our wisest men debate the issue, that we may arrive at a reasoned judgment." Rather, it translates, "Come, let us act like the practical men we are, sit down around the table, shut the doors, and work this thing out on a basis we can all live with."

There are hundreds of Washington anecdotes, from his days as Senate leader right up to his latest devices for avoiding press conferences, which illustrate Mr. Johnson's inherent antagonism to public debate as a positive function of democratic decisionmaking. My own favorite story concerns the phone call he made to Senator J. W. Fulbright two years ago, after Fulbright had delivered his celebrated speech on "old myths and new realities."

This was long before their serious split on Dominican and Vietnam policy and at a point where Fulbright's purpose was nothing more or less than to reopen the basic assumptions of American foreign policy to critical public examination. As the senator tells it Mr. Johnson's remarks were in the vein of "Bill, old pal, you know my door is always open to you. There's no need for you to go soundin' off on the Senate floor if you've got some little old thing that's troublin' you. You just trot on down here, and we'll see if we can't take care of it for you."

Abhorrence of public debate has its necessary concomitant in the effort to enforce strict secrecy and to keep the press out of the way during the decision-making or negotiating stages of policy formation. The technique is a useful, almost necessary device for a consensus President. But, as with Fulbright, it involves serious risks of alienating not only those who disagree with the final decisions but also those who disapprove of the methods by which they are reached.

Simply to describe such a system is to indicate how far it diverges from the sort of presidential leadership and party leadership we have known in the past. Indeed, it is so alien to the concepts and patterns of modern American politics that it seems remarkable in retrospect that President Johnson could make it work at all, let alone flourish as brilliantly as it did from his accession in 1963 through the end of the 1965 congressional session. I know of no other explanation for its success than the genius of the man for this peculiar style of politics—and "genius" is, I believe, the proper word.

Entering office in a time of national shock and grief, he refused to permit the nation to be paralyzed by its emotions, but instead harnessed them for a great forward thrust in the field of social legislation and civil rights. In the 1964 campaign, if he did not generate mass adulation, he concocted a substitute for it, blending fear-of-Goldwater with his own superenergized appearance as circus barker-cum-preacher-cum-politician-cum-handshaker-cum-haranguer, that registered as strongly at the polls as if it had been a genuine ground swell of affection. In 1965, he whipped through the Congress the greatest mass of social legislation in thirty years, so great that it all but destroyed a generation of theoreticians' strictures about the inability of Congress to keep pace with the country's needs.

THE SQUEEZE IS ON

The President has come a cropper, it now appears, on Vietnam. The rising cost of that war, in human terms and in treasure, is forcing the consensus President to do that which is most difficult and politically dangerous for him and his party: to assign priorities and choose between goals. In his salad days of 1964 and 1965, President Johnson managed almost literally to keep everybody happy. So long as profits stayed high, what did businessmen care if he squandered, as they put it, $2 billion in a war on poverty? If income taxes were being reduced for the young father, what did he care if the President simultaneously was boosting benefits and adding Medicare for the elderly?

But now the squeeze is clearly on. All year long the Administration has been walking the tightrope on a tax increase or a Reserve call-up, either of which would signal an end to domestic business as usual. In avoiding them, it has resorted to economic policies that have brought both tight money and inflation. Politically, the once happy allies of the Great Society consensus are chewing on each other. Labor is angry over the failure to repeal 14(b); the farmers are blaming Freeman for allegedly trying to slow the rise in food prices; the South is sore at the school desegregation "guidelines"; and even the freshman Democrats elected on Mr. Johnson's coattails are chafing visibly at the rubber-stamp label.

As Alan L. Otten pointed out in the *Wall Street Journal,* the stance Mr. Johnson was forced to take in Congress this year was difficult to defend. He told Congress first "that it cannot cut any of his proposals a penny, because every cent is urgently needed to overcome long-accumulated and burdensome national deficiencies, but, second, that it cannot add a penny to what he has asked because that would aggravate inflationary pressures."

Mr. Otten noted, "This does not sit well with Congress. Many Senators and Representatives feel the President cannot reasonably expect to have it both ways. . . . Many have turned Mr. Johnson's two-edged argument to suit their own purposes, rather than his. If filling unmet needs is as important as the Chief Executive says, most lawmakers can't see why they shouldn't take care of a few of their own constituents' needs along with the President's. . . . Alternatively, if inflation is as ominous as the President portrays it when attacking increases in his budget, many Congressmen would be glad to help combat this dire threat by spiking a few of the innovations he's proposed."

The slippage of control must be galling to Mr. Johnson, especially when added to the frustration he frequently expresses at the obduracy of the other side in the Vietnam war. The President's whole political technique is geared to resolving issues, not letting them drag on. But here are those damned Communists, and neither bombings nor diplomatic blandishments will bring them to the conference table where men can "reason together."

While Vietnam is the source of the President's miseries and the Democrats' political problems, I am inclined to believe that if consensus politics had not foundered there, it would have been impaled on some other foreign crisis. The flaw in the system is that in this world no man's antennae, not even Lyndon Johnson's, are sensitive enough to warn him away from all the places where collisions can occur. An exceptionally smart politician can play the angles and maintain the delicate balance of forces inside Texas. He may even, for a time, under fortuitous circumstances, keep his equilibrium amid the shifting currents of the American economy and national politics. But the world will not hold still for the Johnson treatment.

Philip L. Geyelin points out in his excellent book, *Lyndon B. Johnson and the World,* that an essential ingredient of his success as a Senate leader, and in domestic politics, was his "sense of timing that told him the moment was not propitious." But, Mr. Geyelin correctly notes, no President, not even this one, can set the timetable for other nations or command international decisions to wait "until he has his ducks in a row." In the Dominican crisis and others, Mr. Johnson was forced to act hastily and saw spur-of-the-moment decisions turn sour.

A second factor noted by Mr. Geyelin is Mr. Johnson's lack of intimate knowledge of the players and methods of international politics. "The trouble with foreigners," he quotes him as saying in a wonderfully Johnsonian remark, "is that they're not like the folks you were reared with." Finally, by deepest instinct, Mr. Johnson is a mediator of conflict, a reactor to other men's initiatives. But the United States is not the middleman in world affairs; it is the most powerful nation and must take actions that other countries may find objectionable. This consensus President, some of his former advisers have said, lacks the confidence in his own instincts on foreign affairs to play the role assigned to him by the circumstances of history.

THE BIGGEST PROBLEM OF ALL

Be that as it may, Vietnam has shattered the consensus which the President labored to achieve. The consequences for his party and, indeed, the future of our politics are likely to be substantial.

More serious than the war itself, in political terms, is the spreading doubt about the President's capacity to end it on terms acceptable to the American people. If our view of Mr. Johnson is correct, if he is a political leader whose power rests not on widespread popular affection but on his capacity to solve the problems that threaten to disrupt the society, then his failure to resolve the prolonged conflict in Vietnam is certainly costly. What kind of problem-solver is it who cannot solve the biggest problem of them all?

The aura of omniscience and omnipotence so carefully cultivated during the 1964 campaign, the "Let Old Lyndon Take Care of *Your* Needs" psychology, once damaged will be hard to restore.

In visible ways, the Johnsonian system of consensus politics is coming unstuck. Debate, which he sought to stifle, is raging in the Senate, in the universities, and in the political campaign. The Republicans he sought to disperse or co-opt are regaining their identity and their sense of direction. Business leaders, civil rights leaders, labor leaders, and farm leaders, finding him preoccupied with the one great unsolved problem of Vietnam, are seeking independently to make their own political arrangements.

Younger Democrats, resentful of what they take to be his insistence on rigid support for his policy in Vietnam, are forsaking his leadership. Their disaffection is heightened by his habit, essential to his operations as a consensus President, of dealing with the politics of Congress and the fifty states on the seniority principle, favoring men of his own generation over the ambitious youngsters on their way up. The 1966 campaign among Democrats has turned out to be much more of an every-man-for-himself struggle for survival than the ratification of the Great Society President Johnson had in mind.

How all this will end no one can know. But it seems to me unlikely that consensus politics will prove to be more than a passing phenomenon.

There is a change in generations coming in American politics, more likely in 1972 than in 1968, but coming certainly. The struggle that is emerging is a battle for the allegiance of the intellectuals and the young between the Kennedys and their allies in the Democratic Party, on the one hand, and the bright new faces of the Republican Party—the Evanses, the Chafees, the Hatfields, and their like—on the other. The President barely speaks the language of this new generation. His methods of politics are not likely to be carried over into their era of ascendancy.

But even before these men in their forties have their turn, the politics of consensus will probably go into decline. Presuming that Mr. Johnson is willing and able to run again in 1968, he would clearly be the favorite. But never again, I daresay, even if he serves a second full term, will his rule be as unchallenged as it was in his first two years in office.

Should he give way in 1968, it would probably be to one of four men in their fifties—Hubert Humphrey, George Romney, Richard Nixon, or Ronald Reagan. All of them, it might be noted, come from the normal presidential breeding ground of competitive two-party states, and none of them seem remotely capable of adopting the peculiar Johnsonian style of consensus politics.

At some future date, we may conceivably have a President who is a super-Johnson—with the background and skill for manipulating the entire spectrum of domestic interests, plus the personality to attract genuine mass support, plus a sure touch in foreign affairs. Such a combination sounds more like a messiah than a President, however, and I for one do not expect to see him.

Meantime, even at this short remove, I find myself marveling at the unique and short-lived political artistry of Lyndon Johnson's 1963–1965 experiment in consensus politics. Look back on it in wonder; we shall not see its like again. Even the Democrats now realize that, like it or not, two-party politics is returning. For my taste, it will not be a moment too soon.

Address by Richard M. Nixon

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. FULTON of Pennsylvania. Mr. Speaker, I include the following address by Richard M. Nixon before the 72d Congress of American Industry of the National Association of Manufacturers on December 8, 1967:

ADDRESS BY RICHARD M. NIXON

As we meet here this evening, the word "war" has only one meaning for us—Vietnam.

Certainly Vietnam is on our minds—and rightly so. We owe support to our brave fighting men. We must understand the true stake in the struggle—not merely the fate of a small, remote country, not even the future of freedom in Asia, but above all the possibility that by halting aggression now in a limited war, we may avoid the risk of a catastrophic world war during this last third of the twentieth century.

Vietnam is not the only battleground on which America is being tested. Our forces and commitments circle the globe, holding ground for the cause of freedom. None of these testing places—not in Europe, not in Latin America, not in Asia—is of more vital importance than the ground we are standing on.

The ultimate testing-place of America is America itself. All of our power and prestige and ability to keep the promises that keep the peace—everything we stand for and dream of—rest in the end on the unity and strength of America. If we are divided, if we default on the promises we have made to ourselves, the foundation on which we are attempting to build a better future will crumble.

I believe this foundation is in grave danger. If we do not see clearly and act quickly, recognizing the war-in-the-making within our society, it will not matter what happens in Vietnam and elsewhere.

Consider what is happening. Even as American troops attempt to pacify hamlets in Vietnam, special Army teams are now touring scores of our cities, making contingency plans for their pacification next summer.

When Harlem erupted, and then Watts, the nation reacted with a shock born of surprise. But now we *expect* the terrible drama to be repeated, and we train and deploy troops as if girding for war. I use the word "war" advisedly. A riot is a spontaneous outburst. A war is subject to advance planning.

Year by year, the violence in our cities takes on more of the aspects of guerrilla war—and the rhetoric of its prophets escalates accordingly. In Detroit last summer, spontaneous rioting provided cover for organized sniping and arson. Now the revolutionaries are boasting that their war plans for next summer's riots include strikes at public utilities, at urban expressways, and at other nerve centers of our complex and vulnerable society.

These men, educated and articulate, are guerrilla leaders in the classic pattern. The violent few do not speak *for* the Negroes but they are speaking *to* them every day, planting the seeds of their hatred. Not for a century, not since the Civil War, has our nation been so divided, our citizens so apprehensive toward one another.

Are we two nations, black and white, confronting each other at opposite poles, separated by irreconcilable issues and poised for irrepressible conflict? There can be only one answer—we are not. We are, and must ever remain, one nation and one people.

In the bleak winter of 1862, Abraham Lincoln said in a message to Congress, "The dogmas of the quiet past are inadequate to the stormy present. As our case is new, so we must think anew and act anew."

Difficult and tragic as was Lincoln's war, the conflict we confront at home today is equally tragic and more complex. Then, the side which had the most men and the most weapons was eventually bound to prevail. Today, while adequate police forces are part of the answer to the short-range problems, the long-range problems will not yield to superior force alone.

We must think anew and act anew. The place to begin is to put racial violence in its proper perspective.

We must speak with a new candor.

Under the illusion of the government's unlimited power to remake society, extravagant promises have been made to the Negro. He has been encouraged to believe that his historic injustices would be righted, his burdens lifted, and the obstacles to his progress removed—*immediately*. Worse than not keeping a promise is making a promise that cannot be kept. Much of the bitterness of the Negro slum dweller is the result of these false promises.

The rule of law itself is under attack. We find growing acceptance of a doctrine wholly inconsistent with a free society—the doctrine that when a cause is considered just, any action, legal or illegal, is justified to promote the cause. Protests for peace, for civil rights, for eduaction, whether in our cities or on our university campuses, increasingly boil over into violence and lawlessness.

Dissent is a necessary instrument for change and progress. But the greatness of America is that our governmental institutions provide the machinery for peaceful protest and peaceful change. In a nation which provides for progress through the rule of law, there is no cause which justifies resort to violence or lawlessness.

No one has a greater stake in preserving the rule of law than the Negroes in our great cities.

The urban Negro is the chief victim of urban violence. And if the trend toward racial guerrilla war runs unchecked to its tragic conclusion, the law-abiding Negro—the great, quiet majority—will feel most cruelly and unfairly the weight of repression.

We need to think anew and act anew. Ten years ago the first Civil Rights Act in a hundred years was signed into law by President Eisenhower. Since that time we have had a period of revolution in the field of civil rights legislation—and it has been a needed revolution. In housing, jobs, education, voting, public accommodations, barriers that stood for a hundred years have fallen.

But, after this decade of opening doors, we need a decade of preparing people to walk through these doors.

After a decade of revolution, we need a decade of reconciliation.

We must think anew and act anew.

We must cease to speak of the new crisis with the old vocabulary. The question today is not just whether this party will triumph or that ideological point of view will prevail.

The old quarrels—between management and labor, between Democrat and Republican, between liberal and conservative—must be put on the back burner, until we decide together if the society itself is going to survive.

The war in Asia is a limited one with limited means and limited goals. The war at home is a war for survival of a free society. Anything less than total mobilization of our resources would risk defeat.

We have listened too long to the extremes of the new left and the old right. America needs today to hear the voice of the broad and vital center.

This vital center is under savage attack. It must be held at all costs. This vital center embraces a core of beliefs which focus on concern with the lives and welfare of individuals, with their right to liberty, to private property, to the pursuit of happiness.

Fundamental to our system is the morality of nonviolence. We welcome dissent, we welcome change, we welcome progress—but we hold firmly that it must be achieved by non-violent means within the context of individual rights. Our system is based on the premise that reason, not force, is our tool of change.

These are the basic beliefs that have propelled this nation further, faster than any other nation in the history of the world. These are the foundations of a society that has provided—in a greater measure than ever before—individual freedom, material prosperity, and personal security. These are the beliefs which have been responsible for the most successful war on poverty civilization has ever known. In 190 years we have not only become by far the world's wealthiest nation—but that wealth is more widely shared than in any other great nation. And we must never forget that American progress has resulted not from what government did for people but from what people did for themselves.

In his eloquent address to Americans for Democratic Action last September, Daniel Moynihan held out a hand that true conservatives should be quick to grasp. He warned his fellow liberals that they should "see more clearly that their essential interest is in the stability of the social order, and that given the present threats to that stability, it is necessary to seek out and make much more effective alliances with political conservatives who share that concern, and who recognize that unyielding rigidity is just as much a threat to the continuity of things as is an anarchic desire for change."

Let us not let the opportunity pass.

The answer to the militants is not to say "never"; it is not a wave of repression; it is not an angry outburst of hate or the furious silence of despair. Rather, it is to seize the initiative ourselves; to forge new alliances among the forces of progressive change, to accept the challenges that the disinherited have flung both to our conscience and to our ingenuity.

Business belongs in the forefront of social progress—and more often than many realize, that is precisely where it is. When businessmen have acted on their own—when they have identified their own interest with the curing of our explosive social problems—they have forged far ahead of other sectors of the community. As Dr. Kenneth Clark said recently, "Business is the least segregated, the least discriminatory, most free of the areas of society—better than education, religion, unions or government."

This is a record to be proud of and a record to build on.

The Negro wants and rightly seeks many things—many of them long denied. But he cannot fully achieve them in this society, until the economic stepping stones of meaningful and productive jobs are laid securely in place.

No force on earth, none in the history of man's experience, has ever shown the capacity for creating employment that has been shown by the private economy of the United States. It is a mighty engine of social progress.

And it is here that business can make its stand for the society of which it is so vital a part. It is here that the vital center is engaged; and it is here that the business of American business is America.

What can be done?

Government must do more to provide tax, credit and other incentives for business to go where the need is. But business itself must act from a greater sense of urgency than the normal pursuit of profit. For these are not normal times.

Business can reach out, for example, to recruit the hopeless in the slums where they live. Men who have given up on themselves must be shown that others have not. Business can re-think production processes, so that the job can be fitted to the man rather than the man to the job. Business can greatly expand its training and retraining programs. It can do more toward anticipating the difficulties faced by the poorly educated and the culturally alienated, as they enter the competitive world.

Gerald Phillippe this noon pointed out many more directions in which business can move. Your own organization's forward looking STEP program is a solid example of business moving—and successfully. All across the country hundreds of business firms are recognizing the urgency of the urban crisis—and they are not waiting for a Federal call to arms. They are enlisting now.

It was many years ago that the philosopher Alfred North Whitehead declared: "A great society is a society in which men of business think greatly of their functions."

America is in a deepening crisis today. But there is hope. A new coalition is forming—the great silent center of the American people, the vital center, has begun to speak and is beginning to act. The beneficiaries of the free society are rising to its defense. The same business community that retreated in confusion in the thirties is emerging with confidence in the sixties.

American business, men like yourselves, built the cities of this nation; and American business can rebuild them. The modern corporation is no longer simply an economic unit. It has become a social unit, an action unit, and its skills are needed where the action is.

Without your help it cannot be done; with your full enlistment the beleaguered cities of this country can be transformed from a hostile front to a frontier of hope.

Removal of Interest Rate Ceilings on All FHA and VA Insured Mortgages

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. HANNA. Mr. Speaker, today six of my colleagues and I join in introducing a bill to permanently remove the interest rate ceilings on all FHA- and VA-insured mortgages.

This measure is offered as a remedy to the distasteful necessity of charging discount points on real estate transactions. The problem of points has reached a heretofore unprecedented level. At present, banks, savings and loan associations, and other lending institutions are charging from 6 to 13 discount points on transactions involving FHA- or VA-insured mortgage loans.

The practice of charging discount points comes into play when the interest rate ceiling does not provide the lender with a competitive yield. To obtain a competitive return on his funds when lending to an FHA- or VA-insured mortgagor, the lender must find some way of equating the yield secured from the FHA- or VA-insured mortgage with the yield obtained from alternative conventional mortgage investment opportunities.

In California a conventional mortgage involving conditions similar to those included in FHA- and VA-insured mortgages would yield from 6½ to 7 percent. At present, lenders accepting FHA- and VA-insured mortgages cannot charge in excess of the 6-percent ceiling.

It is axiomatic that lenders will not accept FHA- or VA-insured mortgages yielding 6 percent when conventional mortgage investment opportunities are available at 6½ to 7 percent. Lenders have, by their actions, made it clear that they do not regard the Government backing of the obligation as being worth the one-half to 1 percent income that they would have to forgo to obtain it.

The system of discount points has been used to close the gap between the market rate and the fixed FHA–VA rate. This worked reasonably well as long as the variations were small fractions. However, as the disparity between the market rate and the FHA rate, limited by the absolute ceiling, broadened; the point system became less effective and the byproducts of the point system became more distasteful.

The evils of the point system are legend. First, it is complex and, therefore difficult for the potential buyer-borrower to understand. What the prospective mortgagor does not understand he suspects. The point system has caused many potential buyers to believe they are being fast-talked or flimflammed. This impression which, from my observations, is rather common. It makes it very difficult for the real estate agent to establish the relationship of personal trust and confidence which is basic to selling a home.

A second and even more egregious evil of the inflexible interest-rate ceiling is the burden it places upon the individual who wishes to sell his home. The general practice in marketing used housing is that the seller pays all, or nearly all, of the discount points required to secure the FHA- or VA-insured financing required to sell his home.

In simple terms this may mean that the seller will lose all the equity he has built up in the house. This amounts to a tax on the seller of used housing. This "tax" is unconscionable because it operates without regard to the equities of situation. Seldom is the seller able to make the question of discount a matter to be bargained upon on an equitable basis.

Moreover, the operation of the "tax" is contrary to two strong public policies: The first favoring alienation of property and, second, favoring economic progress. The points system discourages alienation of property by depriving potential new home buyers of the use of accumulated equity as a downpayment on a new and larger home. It also disfavors salutary business activity by severely penalizing those homeowners who, due to the high mobility of our society, are forced to move to secure career advancement. In short, the fixed interest rate which forces the seller to pay onerous discount points works as an unconscionable tax, a bar to alienation and a penalty on progress.

I do not agree with my well-intending colleagues who contend that if discounts were abolished the problem would disappear. The discount point system is not inherently evil. It has no moral character. It is a mere contrivance devised to correct an anomaly in the marketplace, an interest rate which cannot be varied to reflect the supply of and demand for mortgage credit.

It is far better to correct the anomaly than to outlaw the contrivance. This bill will do this by eliminating the interest rate ceiling on FHA–VA-insured mortgages. Once this is done the practice of using discount points will be returned to its appropriate place, as a fine timing device to be applied in a market in which interest rates on FHA–VA-insured mortgages are the prime indicators of the cost of money.

An excellent article on discounts appeared in the July 1967 issue of the Mortgage Banker. I will have the same reprinted at this point in the Record.

[The Mortgage Banker, July 1967]

Editorial: Fixed Rates—Fact or Fiction?

After the mortgage market crisis of 1966, can anyone seriously contend that fixing the interest rate on FHA and VA mortgages benefits the borrower? This delusion of more than 30 years is revealed every time the fixed rate fails to meet the yield available on competitive investments. It was most transparent in 1966 when the fixed rate bumped into the statutory ceiling. Prospective FHA and VA borrowers found credit unavailable at the fixed maximum rate. FHA and VA mortgages could be obtained, but only if builders or sellers were willing to pay the discount necessary to bring the maximum rate up to competitive market yields. When builders and sellers could no longer absorb the discount, they stopped building or took their houses off the market. The prospective buyer found fewer sources of credit and fewer houses to choose from. As a result, he paid more for the house he purchased or withdrew from the market.

These developments are not the result of capricious decisions of builders, sellers, or lenders. They are decisions based upon market conditions, but the fixed rate is not fully responsive to changes in market conditions and is not responsive at all when competitive yields approach the statutory ceiling. Rather than looking elsewhere for scapegoats, we should recognize the fallacy of rate fixing and reaffirm our confidence in the market system. We should acknowledge that lenders, however large, are the trustees of the savings of millions of individuals, and their responsibilities include putting those savings to work in investments that minimize risk and maximize return. These objectives hold for financial managers of any financial intermediary, whether it is a commercial or savings bank, a savings and loan association, or a life insurance company. Indeed, savers themselves seek havens for their funds that produce maximum interest earnings.

Even the U.S. Treasury, the world's strongest borrower, must meet the market's terms. When the Treasury offered a 4 percent bond in January 1965, it chose a 4 percent coupon for the convenience of fitting the issue into the pattern of multiples of ⅛ of 1 percent, but the issue was priced at a small discount to provide investors with a competitive market yield for 5-year issues at 4.18 percent. Of the $4.4 billion issued, the Treasury—the borrower—accepted somewhat less to provide a market yield.

Once issued, these bonds are regularly traded at yields that compete with alternative investments. The 4's of 2/15/70 were quoted at 98.20 in late April to provide a competitive yield of 4.42 percent. They were quoted at 95 18/32 on November 21, 1966, to provide a competitive yield of 5.51 percent. Thus, the discount is merely a means of adjusting the coupon rate to prevailing market rates.

This is a long-standing, and highly useful adjustment process in the nation's financial markets. No one would expect savers to purchase a 4 percent bond at par in today's market. And, financial managers of savers' funds would not be fulfilling their responsibilities if they did not obtain a yield commensurate with the risk involved *in the current market.*

The discount mechanism would appear to be an equally judicious way of adjusting the coupon rate on FHA mortgages to prevailing market yields. Indeed, it is just that when the discount adjusts yields on seasoned mortgages to changes in market yields, adjusts yields to regional differences in mortgage interest rates, or adjusts yields to differences in terms or the quality of the underlying security. And, the mortgage discount works reasonably well when it is small, 2 points or less.

However, large discounts on mortgages create market distortions and inequities for reasons that are not analogous to large discounts on outstanding securities.

1. *In the bond markets, discounts on new issues are never large, because they would require lenders to borrow amounts well in excess of the amounts actually received.*

The additional funds borrowed but not turned over by the lender would simply equalize the interest cost to the borrower. However, the borrower would not be in the market if he did not place a greater value on current dollars than the prevailing cost of borrowing.

Accordingly, large discounts are an unattractive sacrifice of current dollars from the borrower's viewpoint and are, therefore, avoided in pricing new issues.

Large discounts may occur on issues that have been outstanding for some time, but these transactions involve two investors, both of which are operating in the same time framework and market environment. Their decisions do not in any way affect the position of the original borrower.

2. *Conversely, discounts on newly originated FHA mortgages are often large.*

They are not negotiated by lender and borrower, but are determined by a fixed coupon rate that may have fallen far behind the market. Unlike transfers of seasoned bonds or mortgages between investors, large discounts on newly originated mortgages distort the mortgage and housing markets and impart inequities between the parties involved—the builder or seller, the borrower, and the investor.

3. *The investor, as pointed out earlier, must and does obtain competitive yields on FHA mortgage investments.*

In past periods, when the discount mechanism was outlawed, he abandoned the mortgage market to seek investments elsewhere. When the discount is permitted and appropriate yields can be obtained, investors may still leave the market when discounts deepen in order to avoid criticism.

4. *The builder has learned to live with small discounts. However, a large discount makes significant inroads into builder profits, very often eliminating them entirely.*

Whether large or small, prevailing regulations on discounts are inequitable because they force the builder to pay part of the buyer's cost of borrowing money. We would hardly expect General Motors to pay lenders any amount to reduce the borrowing cost to car buyers, as this inequity is enforced in FHA home mortgages.